



# FDM Group (Holdings) plc

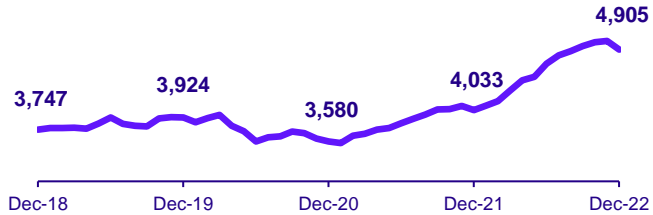
Results for the year ended 31 December 2022

**Rod Flavell** - CEO

**Mike McLaren** - CFO

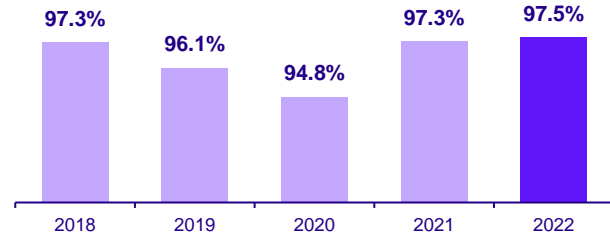
# Highlights for the year ended 31 December 2022

## Consultants deployed



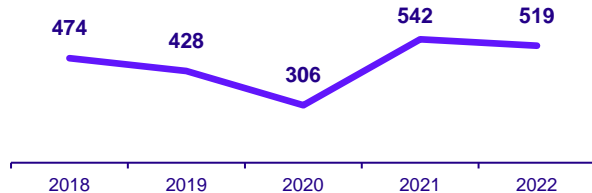
**+22%**  
vs 2021

## Consultant utilisation %



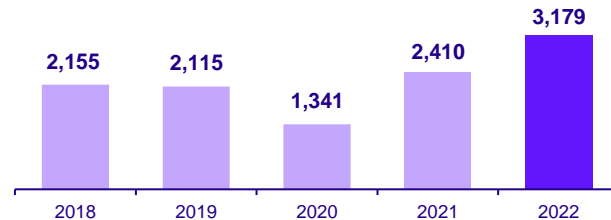
**+0.2ppts.**  
vs 2021

## Number in training at year end



**-4%**  
vs 2021

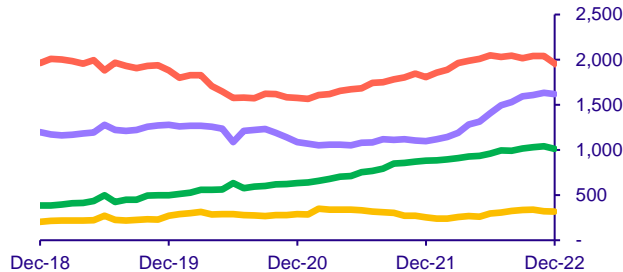
## Training completions



**+32%**  
vs 2021

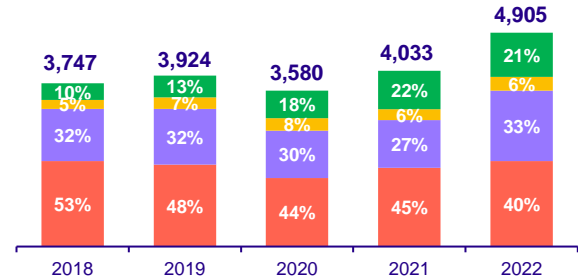
# Highlights for the year ended 31 December 2022

## Consultants deployed by region



Headcount increased across all regions during 2022

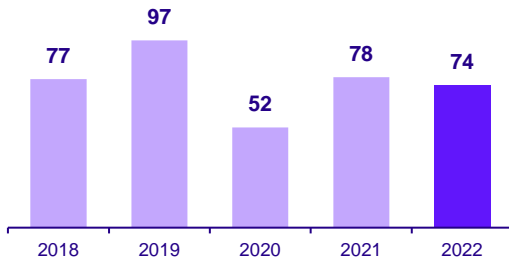
## Regional distribution of Consultants



NA headcount increased by 48% during the year

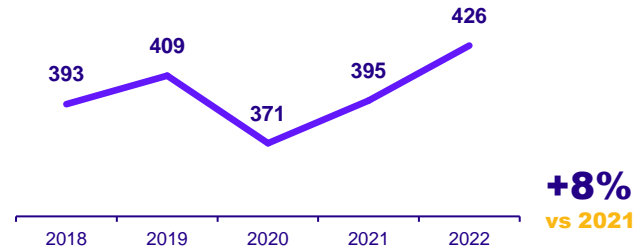


## New clients



59% of new clients were secured from outside the financial services sector

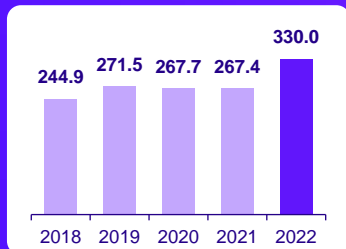
## Active clients



Number of active clients has surpassed pre-pandemic levels

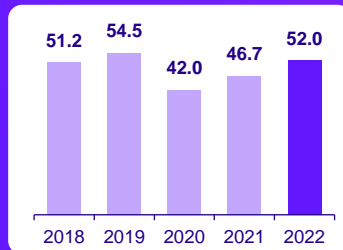
# Highlights for the year ended 31 December 2022

## Revenue (£m)



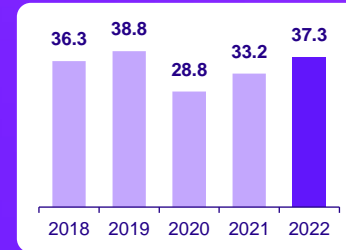
**+23%**  
vs 2021

## Adjusted Profit Before Tax (£m)



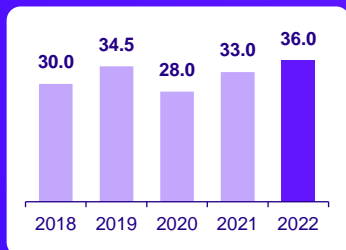
**+11%**  
vs 2021

## Adjusted Basic Earnings Per Share (p)



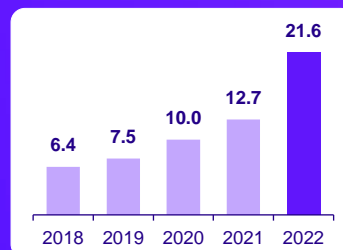
**+12%**  
vs 2021

## Ordinary Dividend per Share (p)<sup>2</sup>



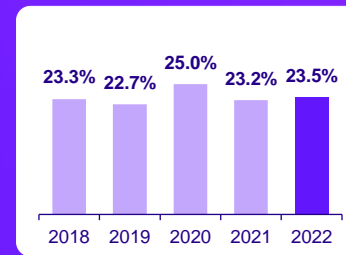
**+9%**  
vs 2021

## Paid Training (£m)



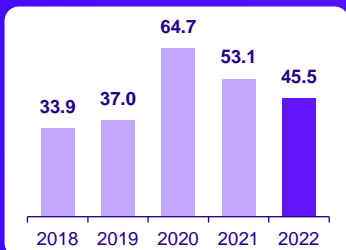
**+70%**  
vs 2021

## Effective Tax Rate (%)



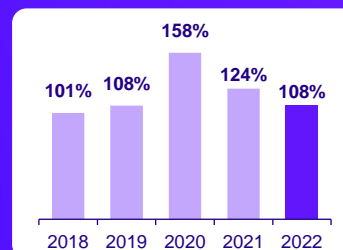
**+0.3ppts.**  
vs 2021

## Closing Cash (£m)



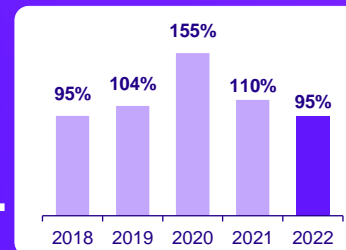
**-14%**  
vs 2021

## Cash Conversion (%)



**-16ppts.**  
vs 2021

## Adjusted Cash Conversion



**-15ppts.**  
vs 2021

<sup>1</sup>Adjusted items are calculated before Performance Share Plan expense (including social security costs)

<sup>2</sup>Having withdrawn the 2019 final dividend of 18.5p in March 2020, a dividend of 18.5p was paid as the 2020 interim dividend in September 2020. For comparative purposes the 18.5p dividend has been included in 2019. A final dividend of 19.0p is recommended for 2022

<sup>3</sup>ppts. (percentage points)

# Our Markets



| NA                                 | 2020   | 2021   | 2022    | 22 vs 21 | 22 vs 20 |
|------------------------------------|--------|--------|---------|----------|----------|
| Consultants deployed               | 1,086  | 1,095  | 1,618   | 48%      | 49%      |
| Training Completions               | 520    | 661    | 1,319   | 99%      | 154%     |
| Revenue                            | £97.1m | £81.4m | £116.9m | 44%      | 20%      |
| Adjusted operating profit          | £12.5m | £13.1m | £15.4m  | 18%      | 23%      |
| Adjusted operating profit margin % | 13%    | 16%    | 13%     | -3ppts.  | 0ppts.   |

| UK <sup>1</sup>                    | 2020    | 2021    | 2022    | 22 vs 21 | 22 vs 20 |
|------------------------------------|---------|---------|---------|----------|----------|
| Consultants deployed               | 1,574   | 1,806   | 1,958   | 8%       | 24%      |
| Training Completions               | 414     | 1,035   | 1,063   | 3%       | 157%     |
| Revenue                            | £116.7m | £121.8m | £139.6m | 15%      | 20%      |
| Adjusted operating profit          | £24.1m  | £28.4m  | £30.3m  | 7%       | 26%      |
| Adjusted operating profit margin % | 21%     | 23%     | 22%     | -1ppts.  | 1ppts.   |

Consultant headcount increased 48% from December 2021, closing at a record high of 1,618

We saw strong Consultant growth in both Canada and US, with the initiatives we introduced to help us meet growing demand proving successful

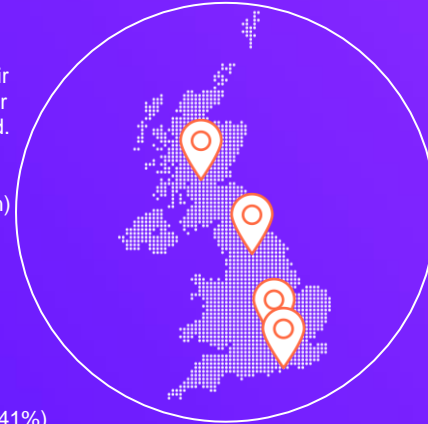
We trained a record 1,319 Consultants, almost double the number we trained in 2021



Consultant headcount increased 8% from December 2021, with more challenging market conditions later in the year

In July 2021 we introduced paid training, paying trainees from their first day in training, in line with our operations elsewhere in the world. The full year cost of trainee wages pre-deployment was £7.2 million in 2022 (2021: £3.8 million)

The tenure profile of our Consultants has rebalanced to more normal levels. We ended the year with: 46% Year 1s (2021: 49%), 36% Year 2s (2021: 19%) and 18% Year 3+ (2021: 33%, 2020: 41%)



<sup>1</sup>2020 results for both the UK region and EMEA region have been restated to show results for Ireland as part of EMEA. Previously, results for Ireland were included in the region "UK and Ireland"

# Our Markets



| EMEA <sup>1</sup>                  | 2020   | 2021   | 2022   | 22 vs 21       | 22 vs 20       |
|------------------------------------|--------|--------|--------|----------------|----------------|
| Consultants deployed               | 287    | 252    | 318    | <b>26%</b>     | <b>11%</b>     |
| Training Completions               | 96     | 197    | 223    | <b>13%</b>     | <b>132%</b>    |
| Revenue                            | £23.9m | £25.0m | £19.7m | <b>(21%)</b>   | <b>(18%)</b>   |
| Adjusted operating profit          | £4.5m  | £3.4m  | £2.3m  | <b>(32%)</b>   | <b>(49%)</b>   |
| Adjusted operating profit margin % | 19%    | 14%    | 12%    | <b>-2ppts.</b> | <b>-7ppts.</b> |

| APAC                               | 2020   | 2021   | 2022   | 22 vs 21      | 22 vs 20      |
|------------------------------------|--------|--------|--------|---------------|---------------|
| Consultants deployed               | 633    | 880    | 1,011  | <b>15%</b>    | <b>60%</b>    |
| Training Completions               | 311    | 517    | 574    | <b>11%</b>    | <b>85%</b>    |
| Revenue                            | £30.0m | £39.2m | £53.8m | <b>37%</b>    | <b>79%</b>    |
| Adjusted operating profit          | £1.6m  | £2.4m  | £4.2m  | <b>75%</b>    | <b>163%</b>   |
| Adjusted operating profit margin % | 5%     | 6%     | 8%     | <b>2ppts.</b> | <b>3ppts.</b> |

Consultant headcount increased by 26% from December 2021

In 2022 we saw strong growth in Poland and South Africa; whilst in 2021 we completed a large project delivery in Luxembourg

We trained 223 Consultants in the year, a 13% increase on 2021 and a 132% increase on 2020



Consultant headcount increased by 15% from December 2021

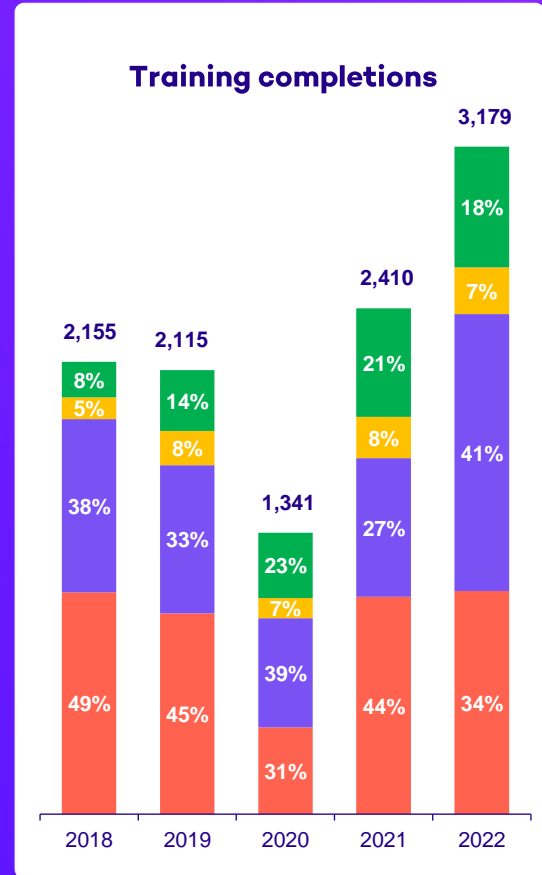
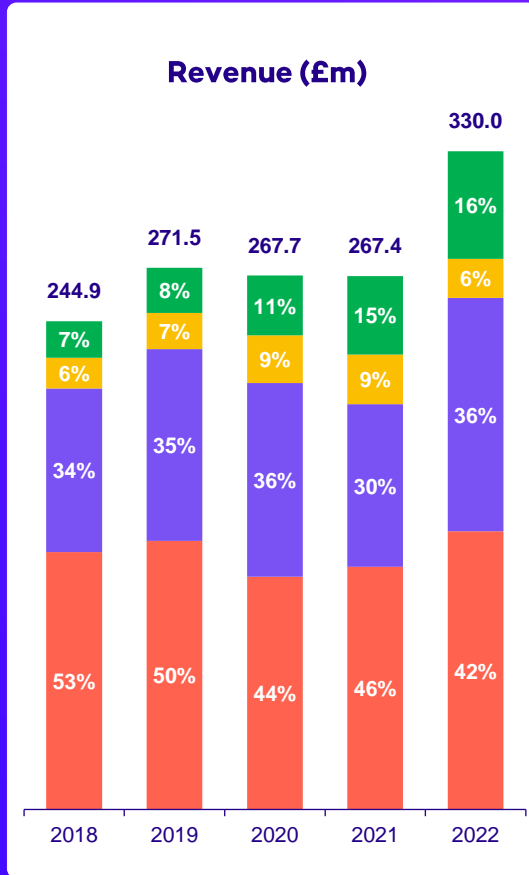
Two milestones hit in the year, with Australia surpassing 400 Consultants and Singapore passing 300 Consultants

Adjusted operating profit increased by 75% to £4.2m (2021: £2.4m) as the region benefitted from strong headcount growth



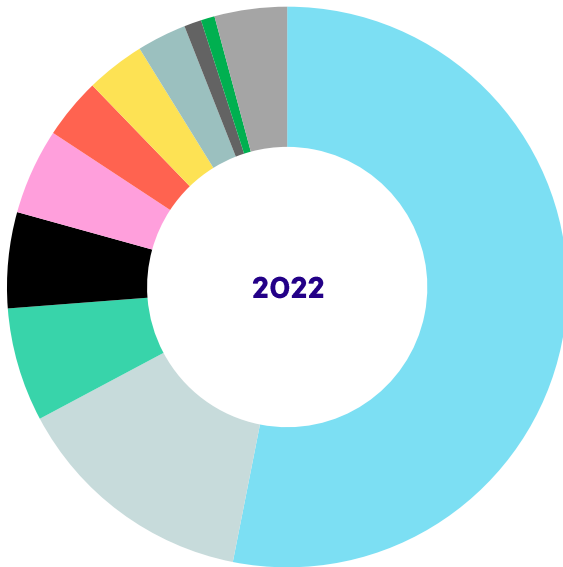
<sup>1</sup>2020 results for both the UK region and EMEA region have been restated to show results for Ireland as part of EMEA. Previously, results for Ireland were included in the region "UK and Ireland"

# Regional Distribution



UK NA EMEA APAC

# Headcount by Industry



## Industries

|                                      |     |
|--------------------------------------|-----|
| ■ Banks                              | 52% |
| ■ Diversified Financials             | 15% |
| ■ Insurance                          | 6%  |
| ■ Government                         | 8%  |
| ■ Software & IT Services             | 5%  |
| ■ Commercial & Professional Services | 1%  |
| ■ Energy                             | 4%  |
| ■ Media & Entertainment              | 3%  |
| ■ Consumer Services                  | 1%  |
| ■ Health Care Equipment & Services   | 1%  |
| ■ Other                              | 4%  |

## 2020

|     |
|-----|
| 52% |
| 15% |
| 6%  |
| 8%  |
| 5%  |
| 1%  |
| 4%  |
| 3%  |
| 1%  |
| 1%  |
| 4%  |

## 2021

|     |
|-----|
| 53% |
| 13% |
| 7%  |
| 6%  |
| 7%  |
| 3%  |
| 3%  |
| 3%  |
| 1%  |
| 1%  |
| 3%  |

## 2022

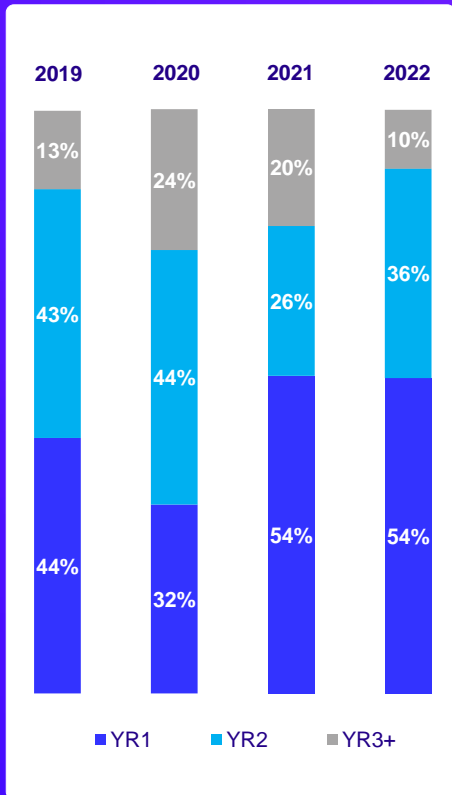
|     |
|-----|
| 53% |
| 14% |
| 7%  |
| 6%  |
| 5%  |
| 4%  |
| 3%  |
| 3%  |
| 1%  |
| 1%  |
| 3%  |

## Other includes

- Automobiles & Components
- Capital Goods
- Food & Staples Retailing
- Household & Personal Products
- Materials
- Pharmaceuticals, Biotechnology & Life Sciences
- Retailing
- Telecommunication Services
- Transportation
- Utilities



## Tenure of total Consultant Headcount



- The tenure profile of our Consultants has rebalanced to pre-pandemic levels

## Ex-Forces and Veterans Programme



1,000+ former service personnel placed on-site to date

| 2021       | 2022       |
|------------|------------|
| <b>196</b> | <b>211</b> |

- Supporting and transitioning former service personnel into tech and business Consultants
- Armed Forces Covenant – Gold Awarded under employer recognition scheme
- 130+ former service personnel placed in 2022

## Returners Programme



440+ returners placed on-site to date

| 2021       | 2022       |
|------------|------------|
| <b>156</b> | <b>220</b> |

- Supporting and training individuals returning after a career break
- First intake of Returners in Canada
- 120+ careers re-started in 2022

# CSR & Inclusivity

At FDM, diversity, equity and inclusivity starts at the top. It is ingrained into the FDM culture and championed by the leadership team



## Nationalities



**95+**

nationalities working together as a team at FDM

## Gender



**31%**

of worldwide FDM employees are female

## Disability



**6%<sup>1</sup>**

consider themselves to have a disability

## Social mobility



**87%<sup>1</sup>**

attended a state school

## Mean pay gap



**-4.0%**

The UK business also has reported a -4.3% median gender pay gap (in favour of females) for 2022

## Emissions



**-2%**

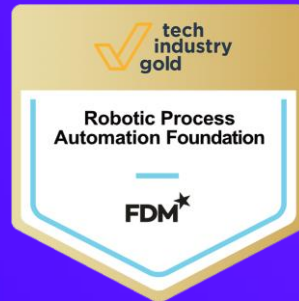
reduction in GHG emissions intensity ratio in 2022<sup>2</sup>

<sup>1</sup> of our 2022 UK Consultants

<sup>2</sup> Intensity ratio of: Scope 1, 2 and 3 emissions per employee (tCO<sub>2</sub>e)

# Training Accreditation

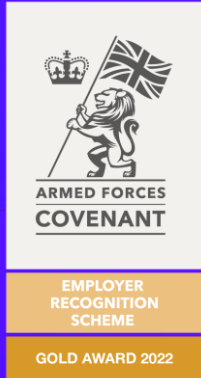
Working with our accreditation partner, TechSkills, the following courses have been awarded the Tech Industry gold standard accreditation



# Strategic Alliances and Partnerships



# FDM Recognition



# Summary

- **FDM delivered a good performance in 2022, with strong growth in Consultant numbers and accelerated investment in recruitment, training and other programmes that will help to underpin the future of the group**
- **Consultant headcount up 22% from 2021 year-end, with growth observed in every region**
- **Record levels of recruitment and training, with 3,179 training completions (2021: 2,410). Full year paid training costs were £21.6m compared to £12.7m in 2021**
- **Strong balance sheet, with no debt**
- **In respect of 2022 an interim dividend of 17.0p has been paid and a final dividend of 19.0p is recommended**
- **Early months of 2023 have seen a continued high degree of macro-economic uncertainty in many of the regions where we operate. However, we continue to see good levels of client engagement and continue our client led expansion**
- **In all our geographies there remain structural and systemic skills-shortages which we are well placed to assist our clients in overcoming**
- **Our scalable and flexible business model and diversified portfolio mean that we are appropriately positioned to weather current global uncertainties and continue to deliver long-term growth**

# Income Statement

for the year ended 31 December 2022

|                                 | 2022           | 2021           |
|---------------------------------|----------------|----------------|
|                                 | £'000          | £'000          |
| Revenue                         | 329,972        | 267,356        |
| Cost of sales                   | (174,353)      | (140,641)      |
| <b>Gross profit</b>             | <u>155,619</u> | <u>126,715</u> |
| Administrative expenses         | (109,772)      | (84,700)       |
| <b>Operating profit</b>         | <u>45,847</u>  | <u>42,015</u>  |
| Finance income                  | 418            | 58             |
| Finance expense                 | (604)          | (650)          |
| <b>Net finance expense</b>      | <u>(186)</u>   | <u>(592)</u>   |
| <b>Profit before income tax</b> | <u>45,661</u>  | <u>41,423</u>  |
| Taxation                        | (10,753)       | (9,594)        |
| <b>Profit for the year</b>      | <u>34,908</u>  | <u>31,829</u>  |

# Statement of Financial Position

as at 31 December 2022

|                                | 2022<br>£'000  | 2021<br>£'000  |
|--------------------------------|----------------|----------------|
| <b>Non-current assets</b>      |                |                |
| Right-of-use assets            | 10,073         | 11,631         |
| Property, plant and equipment  | 3,666          | 4,069          |
| Intangible assets              | 19,729         | 19,597         |
| Deferred income tax assets     | 2,316          | 2,484          |
|                                | <u>35,784</u>  | <u>37,781</u>  |
| <b>Current assets</b>          |                |                |
| Trade and other receivables    | 48,923         | 35,841         |
| Cash and cash equivalents      | 45,523         | 53,120         |
|                                | <u>94,446</u>  | <u>88,961</u>  |
| <b>Total assets</b>            | <u>130,230</u> | <u>126,742</u> |
| <b>Current liabilities</b>     |                |                |
| Trade and other payables       | 32,962         | 31,235         |
| Lease liabilities              | 4,643          | 5,413          |
| Current income tax liabilities | 1,172          | 2,147          |
|                                | <u>38,777</u>  | <u>38,795</u>  |
| <b>Non-current liabilities</b> |                |                |
| Lease liabilities              | 8,250          | 9,817          |
| <b>Total liabilities</b>       | <u>47,027</u>  | <u>48,612</u>  |
| <b>Net assets</b>              | <u>83,203</u>  | <u>78,130</u>  |



# Statement of Cash Flows

for the year ended 31 December 2022

|  | 2022<br>£'000          | 2021<br>£'000          |
|--|------------------------|------------------------|
| <b>Cash flows generated from operations</b>          | <b>49,665</b>          | <b>52,147</b>          |
| Interest received                                    | 418                    | 58                     |
| Income tax paid                                      | <u>(13,665)</u>        | <u>(10,606)</u>        |
| <b>Net cash inflow from operating activities</b>     | <b><u>36,418</u></b>   | <b><u>41,599</u></b>   |
| <b>Cash flows from investing activities</b>          |                        |                        |
| Acquisition of property, plant and equipment         | <u>(1,204)</u>         | <u>(368)</u>           |
| <b>Net cash used in investing activities</b>         | <b><u>(1,204)</u></b>  | <b><u>(368)</u></b>    |
| <b>Cash flows from financing activities</b>          |                        |                        |
| Proceeds from sale of shares from EBT                | 484                    | 450                    |
| Principal elements of lease payments                 | <u>(5,470)</u>         | <u>(5,294)</u>         |
| Interest elements of lease payments                  | <u>(472)</u>           | <u>(564)</u>           |
| Proceeds from sale of own shares                     | 24                     | 50                     |
| Finance costs paid                                   | <u>(132)</u>           | <u>(85)</u>            |
| Dividends paid                                       | <u>(38,153)</u>        | <u>(46,820)</u>        |
| <b>Net cash used in financing activities</b>         | <b><u>(43,719)</u></b> | <b><u>(52,263)</u></b> |
| Exchange gains/(losses) on cash and cash equivalents | <b>908</b>             | <b>(573)</b>           |
| <b>Net (decrease) in cash and cash equivalents</b>   | <b><u>(7,597)</u></b>  | <b><u>(11,605)</u></b> |
| Cash and cash equivalents at beginning of year       | <b>53,120</b>          | <b>64,725</b>          |
| <b>Cash and cash equivalents at end of year</b>      | <b><u>45,523</u></b>   | <b><u>53,120</u></b>   |



#### Forward-looking statements

This report contains statements which constitute "forward-looking statements". Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. Subject to any requirement under the Disclosure Guidance and Transparency Rules or other applicable legislation or regulation, the Group does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Shareholders and/ or prospective shareholders should not place undue reliance on forward-looking statements, which speak only as of the date of this report.