INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2019

FDM Group (Holdings) plc

Contents

Highlights

	30 June 2019	30 June 2018 Restated for IFRS 16[1]	% change
Revenue	£134.4m	£117.8m	+14%
Mountie revenue	£132.6m	£114.6m	+16%
Adjusted operating profit[2]	£27.0m	£25.2m[1]	+7%
Profit before tax	£24.9m	£22.9m[1]	+9%
Adjusted profit before tax[2]	£26.6m	£24.9m[1]	+7%
Basic earnings per share	17.6p	16.3p[1]	+8%
Adjusted basic earnings per share[2]	18.9p	17.8p[1]	+6%
Interim dividend per share	16.0p	14.5p	+10%
Cash flow generated from operations	£21.3m	£19.5m[1]	+9%
Cash conversion[3]	85.7%	85.4%[1]	+0%
Net cash position at period end	£28.7m	£29.8m	-4%

- Strong financial performance, in line with the Board's expectations whilst maintaining our investment for growth
- Mounties assigned to client sites at week 26[4] were up 13% at 3,846 (2018: 3,416)
- Mountie utilisation rate[5] for the six months to 30 June 2019 was 96.1% (2018: 97.2%)
- Growth in Mountie headcount and revenue across all four operating regions; Mounties placed for the first time in the Netherlands and good progress in Australia following recent investment
- Non-core revenue generated from contractors continues its managed decline, down 44%
- Good level of new business wins, with 40 new clients secured globally (2018: 38)
- Further sector diversification, with 68% of new clients from non-financial services (2018: 66%), including a growing presence in energy and resources
- 1,008 training completions in 2019, a 4% increase (2018: 965)
- Interim dividend of 16.0 pence per share, an increase of 10% on 2018 (14.5 pence)

[1] The Company has restated comparative figures following the adoption of IFRS 16 'Leases' at 1 January 2019. See Note 5 for more information.

[2] The adjusted operating profit and adjusted profit before tax are calculated before performance share plan expenses (including social security costs). The adjusted basic earnings per share is calculated before the impact of performance share plan expenses (including social security costs and associated deferred tax).

[3] Cash conversion is calculated by dividing cash flows generated from operations by profit before tax.

[4] Week 26 in 2019 commenced on 24 June 2019 (2018: week 26 commenced on 25 June 2018).

[5] Utilisation rate is calculated as the ratio of cost of utilised Mounties to the total Mountie payroll cost.

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The first half has seen a strong financial performance and a good level of new client wins across a range of industries. During the second quarter we experienced lower activity in the UK government sector, in response to political uncertainties, and from a small number of financial services clients, primarily in North America. Current activity levels across both of these geographies are encouraging.

We continue to be successful in diversifying our activities and client base across an increasing range of geographies, technologies and industry sectors. We have a strong financial position and are well placed to evolve our investment plans for each of the geographic markets in which we operate in line with local market conditions.

We remain confident in both the outturn for the full year and continued progress thereafter.

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Rod Flavell
Chief Executive Officer

We are FDM

Our mission is to bring people and technology together, creating and inspiring exciting careers that shape our digital future.

The Group's principal business activities involve recruiting, training and deploying its own permanent IT and business consultants (Mounties) at client sites. The Group also supplies contractors to clients, either to supplement its own employed consultants' skill sets or to provide additional experience where required. FDM specialises in a range of technical and business disciplines including Development, Testing, IT Service Management, Project Management Office, Data Services, Business Analysis, Business Intelligence, Cyber Security and Robotic Process Automation.

The FDM Careers Programme bridges the gap for graduates, ex-Forces and returners to work, providing them with the training and experience required to successfully launch or re-launch their careers. FDM has dedicated training centres and sales operations located in London, Leeds, Glasgow, Birmingham, New York NY, Reston VA, Charlotte NC, Austin TX, Toronto, Frankfurt, Singapore, Hong Kong, Beijing and Sydney. FDM also operates in Ireland, France, Switzerland, Austria, Denmark, Spain, Luxembourg, the Netherlands and South Africa.

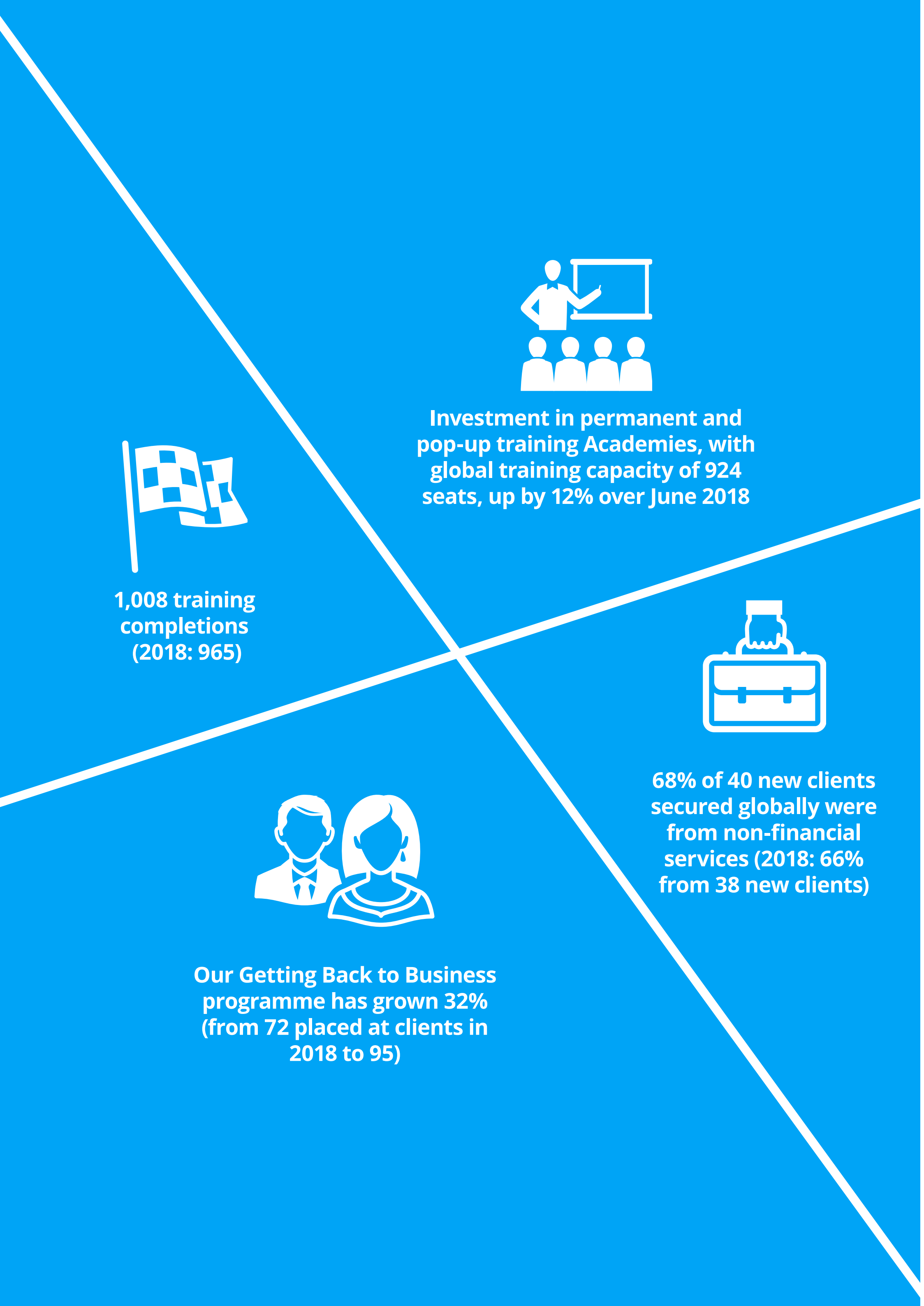
Together, FDM is made up of a collective of 5,000 people, from a multitude of different backgrounds, life experiences and cultures. FDM is a strong advocate of diversity and inclusion in the workplace and the strength of its brand lies in the talent within.

Forward-looking statements
This Interim 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.

Industry awards received during the period included:

- Management Today - Agents of Change Power List 2019 – Rod Flavell, FDM CEO – 2nd consecutive year
- Women in Tech Employer Awards 2019 - Female Grad Tech Employer of the Year
- TalentEgg - Best contribution to Student Career Development Award 2019 (Canada)
- JobCrowd Top 100 Companies For Graduates To Work For 2019/20 – 8th consecutive year
- Military Times Best for Vets Employer 2019 (USA) – 6th consecutive year
- AFR Top 100 Most Popular Graduate Employers 2019 (Australia) – 2nd consecutive year
- MINT Minded Company (Germany) - 5th consecutive year
- Megabuyte Quoted25 2019

For the 8th consecutive year, FDM has been named one of the JobCrowd's Top 100 Companies For Graduates To Work For 2019/20



Interim Management Review

Overview

We delivered a good performance for the six months ended 30 June 2019 in the face of more challenging conditions in the second quarter, particularly in the UK government sector and financial services in North America. We ended the half year with 3,846 Mounties placed with clients, up 13% on the first half of 2018, and delivered an adjusted profit before tax of £26.6 million, up 7% on the equivalent period in 2018. Our cash performance was in line with our targeted parameters and after paying final dividends of £16.8 million in June 2019, we ended the period with cash of £28.7 million.

Strategy

We continued to make good progress in delivering on our four key strategic objectives in the first half of 2019:

i. **Attract, train and develop high-calibre Mounties**
1,008 individuals completed training, an increase of 4% on the equivalent period in 2018 (2018: 965).

ii. **Invest in leading-edge training facilities**
Our Sydney Academy opened on 1 February 2019, situated within the Barangaroo Development, and aims to become Australia's first large-scale carbon neutral precinct, ensuring long term sustainability. The Academy provides 76 training seats and is a centre for Sales, Recruitment, Marketing and HR. Our leveraging of pop-up centres continues to prove very successful, they are quick to establish and offer flexible availability to meet local candidate and client demand.

iii. **Grow and diversify our client base**
During the period we secured 40 new clients (2018: 38) of which 68% were from non-financial services sectors (2018: 66%).

iv. **Expand our geographic presence**
Growth in Mountie headcount and revenue was achieved across all four of our operating regions in the first half of 2019, whilst FDM placed Mounties for the first time in the Netherlands. An overview of the financial performance and development in each of our markets is set out below.

Market review

UK and Ireland

Mounties placed on client sites at week 26 were 2,015, an increase of 9% over 1,847 at week 26 2018. Mountie revenue for the six month period to 30 June 2019 grew by 11% to £68.3 million (2018: £61.4 million). Adjusted operating profit increased by 3% to £18.8 million (restated 2018: £18.3 million).

The second quarter saw reduced demand from some UK government clients in advance of clarity over Brexit and leadership changes. Our growing presence in the energy and resources sector has been pleasing while we have also seen increased demand from the insurance sector, particularly around machine learning and AI.

We continue to operate a pop-up training centre in Birmingham to tap into the graduate and client market in the area.

North America

Mounties placed on client sites at week 26 were 1,205, an increase of 17% over 1,033 at week 26 2018. Mountie revenue for the six month period to 30 June 2019 grew by 22% to £46.5 million (2018: £38.1 million). Adjusted operating profit increased by 17% to £7.7 million (restated 2018: £6.6 million).

In the second quarter we saw lower demand from some financial services clients as their businesses respond to market conditions. Current activity levels in this region are encouraging.

We have successfully run rolling pop-up training centres in Austin and Charlotte during the period as we look to establish a footprint in those regions. In addition to having training facilities we have created a dedicated recruitment hub in Charlotte focussed on recruiting graduates across the US.

In North America Mountie revenue for the six month period to 30 June 2019 grew by 22% to £46.5 million (2018: £38.1 million)

Our Australian business continues to grow with further client wins and good headcount growth in the period

EMEA (Europe, Middle East and Africa, excluding UK and Ireland)

Mounties placed on client sites at week 26 were 190, an increase of 14% over 167 at week 26 2018. Mountie revenue for the six month period to 30 June 2019 grew by 15% to £7.6 million (2018: £6.6 million). Adjusted operating profit increased by 100% to £1.0 million (restated 2018: £0.5 million).

At the backend of 2018 we started to train locally in the Netherlands to meet specific client demand. This has continued into 2019. There has also been good demand in Luxembourg as we continue to expand into mainland Europe.

APAC (Asia Pacific)

Mounties placed on client sites at week 26 were 436, an increase of 18% over 369 at week 26 2018. Mountie revenue for the six month period to 30 June 2019 grew by 20% to £10.2 million (2018: £8.5 million). The adjusted operating loss increased by £0.4 million to £0.5 million (restated 2018: £0.1 million) as we continue to invest in the Group's newest permanent training facility in Sydney.

Our Australian business continues to grow with further client wins and good headcount growth in the period. Across the region we added ten new clients. We operated a pop-up centre in Beijing and we have strengthened the Singapore office with experienced hires from within the Group.

Financial Review

Group results

Summary income statement

	Six months to 30 June 2019 £m	Six months to 30 June 2018 £m	% change
Mountie revenue	132.6	114.6	+16%
Contractor revenue	1.8	3.2	-44%
Revenue	134.4	117.8	+14%
	Six months to 30 June 2019 £m	Six months to 30 June 2018 Restated £m	% change
Adjusted operating profit	27.0	25.2	+7%
Adjusted profit before tax	26.6	24.9	+7%
Profit before tax	24.9	22.9	+9%
	Six months to 30 June 2019 Pence per share	Six months to 30 June 2018 Restated Pence per share	% change
Adjusted basic earnings per share	18.9	17.8	+6%
Basic earnings per share	17.6	16.3	+8%

Mountie revenue increased by 16% to £132.6 million (2018: £114.6 million). On a constant currency basis, Mountie revenue increased by 14%. As planned, contractor revenue decreased by 44% to £1.8 million (2018: £3.2 million). The Group's strategy remains focussed on growing Mountie numbers and revenues whilst contractor revenues will remain ancillary to the Group.

Mounties assigned to client sites at week 26 2019 totalled 3,846, an increase of 13% from 3,416 at week 26 2018 and an increase of 3% from 3,747 at week 52 2018. At week 26 our ex-Forces programme accounted for 276 ex-Forces Mounties deployed worldwide (week 26 2018: 286). Our Getting Back to Business programme had 95 deployed at week 26 2019 (week 26 2018: 72).

An analysis of Mountie revenue and headcount by region is set out in the table below:

	Six months to 30 June 2019 Mountie revenue £m	Six months to 30 June 2018 Mountie revenue £m	Year to 31 December 2018 Mountie revenue £m	2019 Mounties assigned to client site at week 26	2018 Mounties assigned to client site at week 26	2018 Mounties assigned to client site at week 52
UK and Ireland	68.3	61.4	126.1	2,015	1,847	2,004
North America	46.5	38.1	81.4	1,205	1,033	1,196
EMEA	7.6	6.6	13.5	190	167	162
APAC	10.2	8.5	18.0	436	369	385
	132.6	**114.6**	**239.0**	**3,846**	**3,416**	**3,747**

Adjusted group operating margin has decreased to 20.1% (restated 2018: 21.4%), reflecting the increase in our overheads in the period to £39.8 million (restated 2018: £34.5 million) as we continue to invest in our people and infrastructure and diversify our target markets to underpin future growth.

Restated comparative figures

The Group has adopted IFRS 16 'Leases' applying the full retrospective transition approach and has restated the 2018 results as a result. Under IFRS 16 a liability and a right-of-use asset are recognised at the inception of the lease, the lease liability being the present value of future lease payments. The charge to the Income Statement comprises i) an interest expense on the lease liability (included within finance expense) and ii) a depreciation expense on the right-of -use asset (included within operating costs).

Application of the new standard on the Income Statement for the six months to 30 June 2018 resulted in operating costs decreasing by £0.2 million and finance expense increasing by £0.3 million. As at 31 December 2018 there was an increase in assets of £13.9 million and liabilities of £15.3 million on the Statement of Financial Position, with a corresponding £1.4 million reduction in retained earnings.

Adjusting items

The Group presents adjusted results, in addition to the statutory results, as the Directors consider that they provide an indication of underlying performance. The adjusted results are stated before performance share plan expenses including associated taxes (where applicable).

The performance share plan expenses including social security costs were £1.7 million in the six months to 30 June 2019 (2018: £2.0 million). Details of the performance share plan are set out in note 13 to the Condensed Consolidated Interim Financial Statements.

Net finance expense

Finance expense costs include lease liability interest of £0.4 million (restated 2018: £0.3 million). The Group continues to have no borrowings. The reduction in other finance expense in the period is as a result of no longer incurring non-utilisation charges on the undrawn element of the Group's revolving credit facility. The Group's revolving credit facility expired on 14 August 2018 and was not renewed given the Group's strong cash position.

Taxation

The tax charge of £5.8 million represents the effective tax charge on the Group profit before tax at the Group's effective tax rate of 23.2% (restated 2018: 23.3%). The effective rate is higher than the underlying UK rate because of profits earned in higher tax jurisdictions.

Earnings per share

The basic earnings per share increased in the period to 17.6 pence (restated 2018: 16.3 pence), whilst adjusted basic earnings per share was 18.9 pence (restated 2018: 17.8 pence). Diluted earnings per share was 17.6 pence (restated 2018: 16.2 pence).

We operated a pop-up centre in Beijing and we have strengthened the Singapore office with experienced hires from within the Group

At the backend of 2018 we started to train locally in the Netherlands to meet specific client demand

Dividend

An interim dividend of 16.0 pence per ordinary share (2018: 14.5 pence) was declared by the Directors on 22 July 2019 and will be payable on 20 September 2019 to holders of record on 23 August 2019. The Board continues to follow a progressive dividend policy, its aim being to steadily increase the Group's base dividend, on an annual basis, approximately in line with the growth in the Group's earnings per share.

Cash flow and Statement of Financial Position

Net cash flow from operating activities increased from £14.1 million (restated) in the half year to 30 June 2018 to £17.1 million in the first six months to 30 June 2019. The Group's cash balance decreased to £28.7 million as at 30 June 2019 (2018: £29.8 million), impacted by an outflow of £2.8 million in respect of an investment by the Group in its own shares following a share buy-back (see note 14).

Cash conversion for the period was 85.7%, consistent with 85.4% (restated) for the comparative prior period.

Included within trade and other receivables is accrued income of £9,385,000 (June 2018: £3,617,000). The increase in the accrued income balance as at 30 June 2019 is primarily due to a delay in invoicing at the half year. The balance represents approximately two weeks of outstanding timesheets for work carried out in June, approved by our customers and subsequently invoiced in July.

Related party transactions

Details of related party transactions are included in note 15 to the Condensed Interim Financial Statements.

Principal risks facing the business

The Group faces a number of risks and uncertainties which could have a material impact upon its long-term performance. The principal risks and uncertainties faced by the Group are set out in the Annual Report and Accounts for the year ended 31 December 2018 on pages 46 to 52.

Should the UK leave the European Union, either at the end of October 2019 or otherwise, we believe that our business model is resilient against many of the threats and uncertainties which are commonly perceived to arise from Brexit.

We have a diversified global geographical footprint and our businesses in each of our territories (including the UK and other EU countries) are self-sufficient and well-established. They have their own local management teams, and recruit Mounties largely from within the territories in which they operate. We are not reliant on moving employees to or from the EU and do not expect to be significantly impacted by any changes to the arrangements for the free movement of workers between the EU and the UK.

The Board recognises that some of FDM's clients, and the economic conditions in the UK and EU, could be adversely impacted by the effects of Brexit, which could affect the spending decisions of some clients. Whilst certain scenarios are outside of the Group's control, we believe that FDM's business model is flexible, and the agile resource represented by our Mounties can be attractive to clients during times of economic or political uncertainty, which could potentially result in an increased demand for our services. These factors, together with FDM's strong cash and financial position, give the Board confidence that FDM can respond appropriately to ameliorate the effect of adverse conditions which may follow Brexit.

The Board

With effect from 5 March 2019 David Lister, at the time already a Non-Executive Director of the Company, took over from Ivan Martin as Chairman of the Board. The Board is taking this opportunity to refresh its agenda and to enhance its focus on the Group's strategy. The search for an additional Non-Executive Director is ongoing.

Summary and outlook

We are pleased with FDM's financial performance for the six months to 30 June 2019 and the Board anticipates that the Group's results for the full year will be in line with its expectations.

By order of the Board

Rod Flavell
Chief Executive Officer

Mike McLaren
Chief Financial Officer

22 July 2019

Condensed Consolidated Income Statement

for the six months ended 30 June 2019

	Note	**Six months to 30 June 2019 £000**	Six months to 30 June 2018 Restated £000	Year ended 31 December 2018 Restated £000
Revenue		**134,396**	117,827	244,910
Cost of sales		**(69,314)**	(60,095)	(125,875)
Gross profit		**65,082**	57,732	119,035
Administrative expenses		**(39,846)**	(34,538)	(70,210)
Operating profit		**25,236**	23,194	48,825
Finance income		**97**	63	140
Finance expense		**(433)**	(407)	(763)
Net finance expense		**(336)**	(344)	(623)
Profit before income tax		**24,900**	22,850	48,202
Taxation	8	**(5,784)**	(5,329)	(11,252)
Profit for the period		**19,116**	17,521	36,950
Earnings per ordinary share		**pence**	pence	pence
Basic	10	**17.6**	16.3	34.2
Diluted	10	**17.6**	16.2	33.7

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2019

	Six months to 30 June 2019 £000	Six months to 30 June 2018 Restated £000	Year ended 31 December 2018 Restated £000
Profit for the period	**19,116**	17,521	36,950
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on retranslation of foreign operations (net of tax)	**721**	167	630
Total other comprehensive income	**721**	167	630
Total comprehensive income for the period	**19,837**	17,688	37,580

Condensed Consolidated Statement of Financial Position

as at 30 June 2019

	Note	30 June 2019 £000	30 June 2018 Restated £000	31 December 2018 Restated £000
Non-current assets				
Right-of-use assets		**18,920**	15,601	14,045
Property, plant and equipment		**7,360**	5,261	6,117
Intangible assets		**19,732**	19,322	19,409
Deferred income tax assets		**1,988**	3,409	2,692
		48,000	43,593	42,263
Current assets				
Trade and other receivables	11	**45,577**	38,791	37,152
Cash and cash equivalents	12	**28,659**	29,758	33,907
		74,236	68,549	71,059
Total assets		**122,236**	112,142	113,322
Current liabilities				
Trade and other payables		**23,214**	24,327	23,070
Lease liabilities		**5,474**	4,571	4,656
Current income tax liabilities		**3,707**	3,528	3,166
		32,395	32,426	30,892
Non-current liabilities				
Lease liabilities		**19,290**	15,435	13,485
		19,290	15,435	13,485
Total liabilities		**51,685**	47,861	44,377
Net assets		**70,551**	64,281	68,945
Equity attributable to owners of the parent				
Share capital		**1,091**	1,082	1,083
Share premium		**9,582**	8,705	8,771
Capital redemption reserve		**52**	52	52
Own shares reserve		**(8,213)**	(4,224)	(4,562)
Translation reserve		**2,142**	958	1,421
Other reserves		**3,830**	6,511	6,310
Retained earnings		**62,067**	51,197	55,870
Total equity		**70,551**	64,281	68,945

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2019

	Note	Six months to 30 June 2019 £000	Six months to 30 June 2018 Restated £000	Year ended 31 December 2018 Restated £000
Cash flows from operating activities				
Profit before tax for the period		**24,900**	22,850	48,202
Adjustments for:				
Depreciation and amortisation		**2,956**	2,373	4,934
Loss on disposal of non-current assets		**1**	-	3
Finance income		**(94)**	(63)	(140)
Finance expense		**430**	407	763
Share-based payment charge (including associated social security costs)		**1,718**	2,044	2,972
Increase in trade and other receivables		**(8,426)**	(8,629)	(7,013)
(Decrease)/ increase in trade and other payables		**(148)**	538	(439)
Cash flows generated from operations		**21,337**	19,520	49,282
Interest received		**94**	63	140
Income tax paid		**(4,290)**	(5,464)	(11,407)
Net cash flow from operating activities		**17,141**	14,119	38,015
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(2,140)**	(913)	(2,684)
Acquisition of intangible assets		**(5)**	-	(16)
Net cash used in investing activities		**(2,145)**	(913)	(2,700)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		**9**	7	8
Principal elements of lease payments		**(2,089)**	(1,615)	(3,732)
Interest elements of lease payments		**(405)**	(339)	(632)
Lease incentives received		**1,933**	-	-
Payment for shares bought back		**(2,844)**	(3,409)	(3,664)
Finance costs paid		**(25)**	(60)	(94)
Dividends paid	9	**(16,783)**	(15,086)	(30,718)
Net cash used in financing activities		**(20,204)**	(20,502)	(38,832)
Exchange (losses)/ gains on cash and cash equivalents		**(40)**	208	578
Net decrease in cash and cash equivalents		**(5,248)**	(7,088)	(2,939)
Cash and cash equivalents at beginning of period		**33,907**	36,846	36,846
Cash and cash equivalents at end of period		**28,659**	29,758	33,907

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2019

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019 Restated	1,083	8,771	52	(4,562)	1,421	6,310	55,870	68,945
Profit for the period	-	-	-	-	-	-	19,116	19,116
Other comprehensive income for the period	-	-	-	-	721	-	-	721
Total comprehensive income for the period	-	-	-	-	721	-	19,116	19,837
Share-based payments (note 13)	-	-	-	-	-	1,387	-	1,387
Transfer to retained earnings	-	-	-	-	-	(3,867)	3,867	-
New share issue	8	811	-	-	-	-	-	819
Own shares bought back (note 13)	-	-	-	(3,747)	-	-	-	(3,747)
Own shares sold	-	-	-	96	-	-	(3)	93
Dividends (note 9)	-	-	-	-	-	-	(16,783)	(16,783)
Total transactions with owners, recognised directly in equity	8	811	-	(3,651)	-	(2,480)	(12,919)	(18,231)
Balance at 30 June 2019	**1,091**	**9,582**	**52**	**(8,213)**	**2,142**	**3,830**	**62,067**	**70,551**

Condensed Consolidated Statement of Changes in Equity *(continued)*

for the six months ended 30 June 2018 (Restated)

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2018	1,075	7,873	52	-	791	6,148	47,122	63,061
Profit for the period	-	-	-	-	-	-	17,521	17,521
Other comprehensive income for the period	-	-	-	-	167	-	-	167
Total comprehensive income for the period	-	-	-	-	167	-	17,521	17,688
Share-based payments (note 13)	-	-	-	-	-	2,003	-	2,003
Transfer to retained earnings	-	-	-	-	-	(1,640)	1,640	-
New share issue	7	832	-	-	-	-	-	839
Own shares bought back (note 13)	-	-	-	(4,224)	-	-	-	(4,224)
Dividends (note 9)	-	-	-	-	-	-	(15,086)	(15,086)
Total transactions with owners, recognised directly in equity	7	832	-	(4,224)	-	363	(13,446)	(16,468)
Balance at 30 June 2018	**1,082**	**8,705**	**52**	**(4,224)**	**958**	**6,511**	**51,197**	**64,281**

Condensed Consolidated Statement of Changes in Equity *(continued)*

for the year ended 31 December 2018 (Restated)

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2018	1,075	7,873	52	-	791	6,148	47,122	63,061
Profit for the year	-	-	-	-	-	-	36,950	36,950
Other comprehensive income for the year	-	-	-	-	630	-	-	630
Total comprehensive income for the year	-	-	-	-	630	-	36,950	37,580
Share-based payments (note 13)	-	-	-	-	-	2,678	-	2,678
Transfer to retained earnings	-	-	-	.	-	(2,516)	2,516	-
New share issue	8	898	-	-	-	-	-	906
Own shares bought back (note 13)	-	-	-	(4,562)	-	-	-	(4,562)
Dividends (note 9)	-	-	-	-	-	-	(30,718)	(30,718)
Total transactions with owners, recognised directly in equity	8	898	-	(4,562)	-	162	(28,202)	(31,696)
Balance at 31 December 2018	**1,083**	**8,771**	**52**	**(4,562)**	**1,421**	**6,310**	**55,870**	**68,945**

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

The Group is an international professional services provider focusing principally on IT, specialising in the recruitment, training and deployment of its own permanent IT and business consultants.

The Company is a public limited company incorporated and domiciled in the UK with a Premium Listing on the London Stock Exchange. The Company's registered office is 3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG and its registered number is 07078823.

These Condensed Interim Financial Statements were approved for issue by the Board of Directors of the Group on 22 July 2019. They have not been audited, but have been subject to an independent review by PricewaterhouseCoopers LLP, whose independent report is included on pages 40 and 41.

These Condensed Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Annual Report and Accounts for the year ended 31 December 2018 was approved by the Board of Directors of the Group on 5 March 2019 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2 Basis of preparation

These Condensed Interim Financial Statements for the six months ended 30 June 2019 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting' as adopted by the European Union. These Condensed Interim Financial Statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2018, which has been prepared in accordance with IFRSs as adopted by the European Union.

Going concern basis

The Group's continued and forecast global growth, positive operating cash flow and liquidity position, together with its distinctive business model and training facilities, have enabled the Group to manage its business risks. The Group's forecasts and projections show that it will continue to operate with adequate cash resources and within the current working capital facilities.

Having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

3 Significant accounting policies

These Condensed Interim Financial Statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the financial statements for the year ended 31 December 2018, except for the estimation of income tax (see note 8) and the adoption of IFRS 16 'Leases'.

The Group had to change its accounting policies and made retrospective adjustments as a result of adopting IFRS 16 'Leases'. The impact of adopting the leasing standard and the new accounting policies are disclosed note 5.

4 Significant accounting estimate

The preparation of the Group's Condensed Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods. The following is considered to be the Group's significant estimate:

Share-based payment charge

A share-based payment charge is recognised in respect of share awards based on the Directors' best estimate of the number of shares that will vest based on the performance conditions of the awards, which comprise adjusted earnings per share growth and the number of employees that will leave before vesting. The charge is calculated based on the fair value on the grant date using the Black Scholes model and is expensed over the vesting period.

4 Significant accounting estimate *(continued)*

The estimates and assumptions applied in the Condensed Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's Annual Report for the year ended 31 December 2018, with the following exception:

- The estimate of the provision for income taxes, is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

No individual judgements have been made that have a significant impact on the financial statements.

5 Adoption of IFRS 16 'Leases'

Under IFRS 16 'Leases', a liability and an asset are recognised at the inception of the lease, the lease liability being the present value of future lease payments. A right-of-use asset is recognised as the same amount adjusted for any lease incentives received. The charge to the Income Statement comprises i) an interest expense on the lease liability (included within finance costs) and ii) a depreciation expense on the right-of-use asset (included within operating costs).

The liabilities are measured at the present value of the remaining lease payments, discounted using the lessee company's incremental borrowing rate at the time. The associated right-of-use assets for leases are measured on a retrospective basis as if the new rules had always applied.

The Group has adopted IFRS 16 retrospectively and has restated the comparatives for the 2018 reporting period.

The tables following show the adjustments recognised for individual line items as at 1 January 2018, 30 June 2018 and 31 December 2018. Line items that were not affected by the changes have not been included. The adjustments made relate to property leases.

Income Statement (extract)

	30 June 2018 (As previously reported) £000	IFRS 16 £000	30 June 2018 (Restated) £000	31 December 2018 (As previously reported) £000	IFRS 16 £000	31 December 2018 (Restated) £000
Administrative expenses	(34,757)	219	(34,538)	(70,748)	538	(70,210)
Operating profit	**22,975**	**219**	**23,194**	**48,287**	**538**	**48,825**
Finance expense	(60)	(347)	(407)	(94)	(669)	(763)
Profit before income tax	**22,978**	**(128)**	**22,850**	**48,333**	**(131)**	**48,202**
Taxation	(5,354)	25	(5,329)	(11,275)	23	(11,252)
Profit for the period	**17,624**	**(103)**	**17,521**	**37,058**	**(108)**	**36,950**

5 Adoption of IFRS 16 'Leases' *(continued)*

Statement of Financial Position (extract)

	1 January 2018 (As previously reported) £000	IFRS 16 £000	1 January 2018 (Restated) £000	30 June 2018 (As previously reported) £000	IFRS 16 £000	30 June 2018 (Restated) £000
Non-current assets						
Right-of-use assets	-	17,223	17,223	-	15,601	15,601
Deferred income tax assets	2,275	391	2,666	2,991	418	3,409
Current assets						
Trade and other receivables	30,716	(539)	30,177	39,344	(553)	38,791
Total assets	**94,234**	**17,075**	**111,309**	**96,676**	**15,466**	**112,142**
Current liabilities						
Trade and other payables	26,616	(3,394)	23,222	27,413	(3,086)	24,327
Lease liabilities	-	4,398	4,398	-	4,571	4,571
Non-current liabilities						
Lease liabilities	-	17,389	17,389	-	15,435	15,435
Total liabilities	**29,855**	**18,393**	**48,248**	**30,941**	**16,920**	**47,861**
Net assets	**64,379**	**(1,318)**	**63,061**	**65,735**	**(1,454)**	**64,281**
Retained earnings	**48,440**	**(1,318)**	**47,122**	**52,618**	**(1,421)**	**51,197**
Translation reserve	**791**	**-**	**791**	**991**	**(33)**	**958**
Total equity	**64,379**	**(1,318)**	**63,061**	**65,735**	**(1,454)**	**64,281**

	31 December 2018 (As previously reported) £000	IFRS 16 £000	31 December 2018 (Restated) £000
Non-current assets			
Right-of-use assets	-	14,045	14,045
Deferred income tax assets	2,282	410	2,692
Current assets			
Trade and other receivables	37,729	(577)	37,152
Total assets	**99,444**	**13,878**	**113,322**
Current liabilities			
Trade and other payables	25,907	(2,837)	23,070
Lease liabilities	-	4,656	4,656
Non-current liabilities			
Lease liabilities	-	13,485	13,485
Total liabilities	**29,073**	**15,304**	**44,377**
Net assets	**70,371**	**(1,426)**	**68,945**
Retained earnings	**57,296**	**(1,426)**	**55,870**
Total equity	**70,371**	**(1,426)**	**68,945**

5 Adoption of IFRS 16 'Leases' *(continued)*

Statement of Cash Flows (extract)

	30 June 2018 (As previously reported) £000	IFRS 16 £000	30 June 2018 (Restated) £000	31 December 2018 (Aspreviously reported) £000	IFRS 16 £000	31 December 2018 (Restated) £000
Cash flows generated from operations	**17,566**	**1,954**	**19,520**	**44,918**	**4,364**	**49,282**
Principal elements of lease payments	-	(1,615)	(1,615)	-	(3,732)	(3,732)
Interest elements of lease payments	-	(339)	(339)	-	(632)	(632)
Net cash outflow from financing activities	(18,548)	(1,954)	(20,502)	(34,468)	(4,364)	(38,832)
Net decrease in cash and cash equivalents	**(7,088)**	**-**	**(7,088)**	**(2,939)**	**-**	**(2,939)**

6 Seasonality

The Group is not significantly impacted by seasonality trends. A lower number of working days in the first half of the year is approximately offset by increased annual leave in the second half of the year.

7 Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Executive Directors are the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

At 30 June 2019, the Board of Directors consider that the Group is organised into four core geographical operating segments:

1. UK and Ireland;
2. North America;
3. Europe, Middle East and Africa, excluding UK and Ireland ("EMEA"); and
4. Asia Pacific ("APAC").

Each geographical segment is engaged in providing services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

All segment revenue, profit before income tax, assets and liabilities are attributable to the principal activity of the Group, being an international professional services provider with a focus on IT.

Segmental reporting for the six months ended 30 June 2019

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	**69,720**	**46,714**	**7,602**	**10,360**	**134,396**
Depreciation and amortisation	1,218	863	128	747	2,956
Segment operating profit/ (loss)	**17,312**	**7,533**	**950**	**(559)**	**25,236**
Finance income*	119	90	4	2	215
Finance expense*	(200)	(70)	(30)	(251)	(551)
Profit/ (loss) before income tax	**17,231**	**7,553**	**924**	**(808)**	**24,900**
Total assets	**68,614**	**27,766**	**8,190**	**17,666**	**122,236**
Total liabilities	**(18,680)**	**(9,815)**	**(3,769)**	**(19,421)**	**(51,685)**

** Finance income and finance expense include intercompany interest which is eliminated upon consolidation.*

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2019	**30,017**	**4,761**	**1,605**	**9,629**	**46,012**

7 Segmental reporting *(continued)*

Segmental reporting for the six months ended 30 June 2018 (Restated)

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	**64,143**	**38,440**	**6,639**	**8,605**	**117,827**
Depreciation and amortisation	(1,198)	(728)	(124)	(323)	(2,373)
Segment operating profit/ (loss)	**16,725**	**6,246**	**412**	**(189)**	**23,194**
Finance income	54	7	1	1	63
Finance expense	(265)	(88)	(31)	(23)	(407)
Profit/ (loss) before income tax	**16,514**	**6,165**	**382**	**(211)**	**22,850**
Total assets	**74,902**	**23,798**	**6,421**	**7,021**	**112,142**
Total liabilities	**(27,313)**	**(9,996)**	**(3,151)**	**(7,401)**	**(47,861)**

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2018	**31,584**	**5,391**	**1,826**	**1,383**	**40,184**

Segmental reporting for the year ended 31 December 2018 (Restated)

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	**130,978**	**82,119**	**13,519**	**18,294**	**244,910**
Depreciation and amortisation	(2,436)	(1,596)	(252)	(650)	(4,934)
Segment operating profit/ (loss)	**34,615**	**13,224**	**1,416**	**(430)**	**48,825**
Finance income*	120	156	2	2	280
Finance expense*	(482)	(172)	(62)	(187)	(903)
Profit/ (loss) before income tax	**34,253**	**13,208**	**1,356**	**(615)**	**48,202**
Total assets	**73,407**	**25,543**	**6,487**	**7,885**	**113,322**
Total liabilities	**(23,535)**	**(9,406)**	**(2,696)**	**(8,740)**	**(44,377)**

** Finance income and finance expense include intercompany interest which is eliminated upon consolidation.*

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
31 December 2018	**30,745**	**5,470**	**1,728**	**1,628**	**39,571**

Information about major customers

One customer represented 10% or more of the Group's revenue from all four operating segments and is presented as follows:

	Six months to 30 June 2019 £000	Six months to 30 June 2018 £000	Year ended 31 December 2018 £000
Revenue from customer A	**14,270**	12,347	25,874

8 Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2019 is 23.2% (the estimated tax rate for the six months ended 30 June 2018 was 23.3%).

9 Dividends

2019

An interim dividend of 16.0 pence per ordinary share was declared by the Directors on 22 July 2019 and will be payable on 20 September 2019 to holders of record on 23 August 2019.

2018

An interim dividend of 14.5 pence per ordinary share was declared by the Directors on 20 July 2018 and paid on 21 September 2018 to holders of record on 24 August 2018. In respect of the full year to 31 December 2018, the Board proposed a final dividend of 15.5 pence per share. This was approved by shareholders at the Annual General Meeting on 25 April 2019, and was paid on 14 June 2019 to shareholders of record on 24 May 2019.

10 Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares in issue during the period.

		Six months to 30 June 2019	Six months to 30 June 2018 Restated	Year ended 31 December 2018 Restated
Profit for the period	£000	**19,116**	17,521	36,950
Average number of ordinary shares in issue (thousands)	Number	**108,485**	107,712	107,978
Basic earnings per share	Pence	**17.6**	16.3	34.2

Adjusted basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company, excluding performance share plan expense (including social security costs and associated deferred tax), by the weighted average number of ordinary shares in issue during the period.

		Six months to 30 June 2019	Six months to 30 June 2018 Restated	Year ended 31 December 2018 Restated
Profit for the period (basic earnings)	£000	**19,116**	17,521	36,950
Share-based payment expense (including social security costs) (see note 13)	£000	**1,718**	2,044	2,972
Tax effect of share-based payment expense	£000	**(293)**	(421)	(685)
Adjusted profit for the period	£000	**20,541**	19,144	39,237
Average number of ordinary shares in issue (thousands)	Number	**108,485**	107,712	107,978
Adjusted basic earnings per share	Pence	**18.9**	17.8	36.3

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one type of dilutive potential ordinary shares in the form of share options; the number of shares in issue has been adjusted to include the number of shares that would have been issued assuming the exercise of the share options.

		Six months to 30 June 2019	Six months to 30 June 2018 Restated	Year ended 31 December 2018 Restated
Profit for the period (basic earnings)	£000	**19,116**	17,521	36,950
Average number of ordinary shares in issue (thousands)	Number	**108,485**	107,712	107,978
Adjustment for share options (thousands)	Number	**374**	734	1,594
Diluted number of ordinary shares in issue (thousands)	Number	**108,859**	108,446	109,572
Diluted earnings per share	Pence	**17.6**	16.2	33.7

11 Trade and other receivables

	30 June 2019 £000	30 June 2018 £000 Restated	31 December 2018 £000 Restated
Trade receivables	**30,394**	31,702	24,990
Other receivables	**992**	816	953
Prepayments and accrued income	**14,191**	6,273	11,209
	45,577	38,791	37,152

Included within prepayments and accrued income is £9,385,000 of accrued income (June 2018: £3,617,000; December 2018: £6,864,000).

12 Cash and cash equivalents

	30 June 2019 £000	30 June 2018 £000	31 December 2018 £000
Cash and cash equivalents	**28,659**	29,758	33,907

13 Share-based payments

During the six month period ended 30 June 2019 the Group recognised a share-based payment charge of £1,381,000 (2018: £1,659,000) and associated social security costs of £337,000 (2018: £385,000). A transfer of £3,867,000 was made from Other reserves to Retained earnings in respect of the exercise of share options during the period, see next page.

13 Share-based payments *(continued)*

During the period the share options issued in 2016 vested, of which 858,394 were exercised, and 61,169 linked shares lapsed (linked shares which were not required to fund the price at date of exercise). The share options exercised were satisfied by the issue of new shares, of which 385,478 were subsequently sold to the FDM Group Employee Benefit Trust, at the market value at date of exercise. For detail of the shares held in the FDM Group Employee Benefit Trust see note 14.

14 Investment in own shares

During 2018 the FDM Group Employee Benefit Trust was established to purchase shares sold by option holders upon exercise of options under the FDM Performance Share Plan. The Group accounts for its own shares held by the Trustee of the FDM Group Employee Benefit Trust as a deduction from shareholders' funds.

15 Related party transactions

During the six month period ended 30 June 2019 the Company paid £18,000 (six months ended 30 June 2018: £18,000) to Rod Flavell, Chief Executive Officer and Sheila Flavell, Chief Operating Officer, for rent of an apartment used for short-term employee accommodation. The rent payable was at market rate, no balances were outstanding at period end (2018: £nil). At no time during the six months to 30 June 2019 or during 2018 was the apartment used by any of the Directors.

A number of the Directors' family members are employed by the Group. The employment relationships are at market rate and are carried out on an arm's length basis.

The key management personnel comprise the Directors of the Group. The compensation of key management is set out below:

	Six months to 30 June 2019 £000	Six months to 30 June 2018 £000	Year ended 31 December 2018 £000
Short-term employee benefits	**1,205**	1,140	2,428
Post-employment benefits	**17**	12	33
Share-based payments	**218**	345	526
	1,440	1,497	2,987

16 Financial instruments

There are no material differences between the fair value of the financial assets and liabilities included within the following categories in the Condensed Consolidated Statement of Financial Position and their carrying value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Statement of Directors' Responsibilities

The Directors confirm that these Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

Directors who held office during the period:

David Lister	Non-Executive Chairman (appointed Chairman on 5 March 2019)
Ivan Martin	Non-Executive Chairman (resigned as Chairman and as a Non-Executive Director on 5 March 2019)
Roderick Flavell	Chief Executive Officer
Sheila Flavell	Chief Operating Officer
Michael McLaren	Chief Financial Officer
Andrew Brown	Chief Commercial Officer
Peter Whiting	Non-Executive Director
Robin Taylor	Non-Executive Director
Michelle Senecal de Fonseca	Non-Executive Director

The Executive Directors of FDM were listed in the Annual Report and Accounts of the Company for the year ended 31 December 2018 and remained the same in the six months to 30 June 2019.

By order of the Board

Rod Flavell
Chief Executive Officer

Mike McLaren
Chief Financial Officer

22 July 2019

Independent review report to FDM Group (Holdings) plc

Report on the Condensed Consolidated Interim Financial Statements

Our conclusion

We have reviewed FDM Group (Holdings) plc's Condensed Consolidated Interim Financial Statements (the "interim financial statements") in the interim report of FDM Group (Holdings) plc for the 6 month period ended 30 June 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2019;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
22 July 2019

UK

IRELAND

USA

CANADA

GERMANY

SWITZERLAND

AUSTRIA

FRANCE

SPAIN

LUXEMBOURG

THE NETHERLANDS

DENMARK

SOUTH AFRICA

HONG KONG

SINGAPORE

CHINA

AUSTRALIA

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