



FDM Group (Holdings) plc

Results for the year ended 31 December 2017

Rod Flavell - CEO

Mike McLaren - CFO

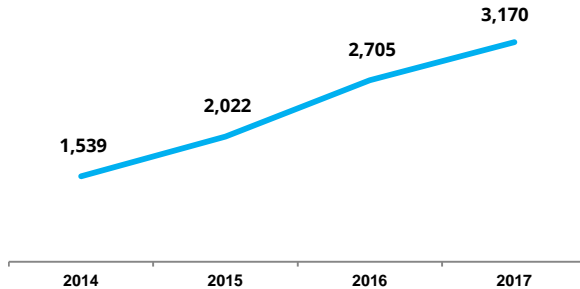
2017 Operational highlights

Strong operational performance.....

Mounties on Client Site (at year end)

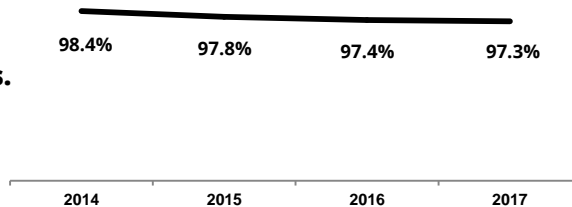
+17%

+27%
(CAGR)



Utilisation

-0.1ppts.



New Clients

+47%

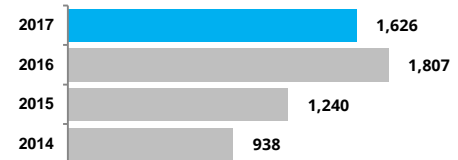
+8%
(CAGR)



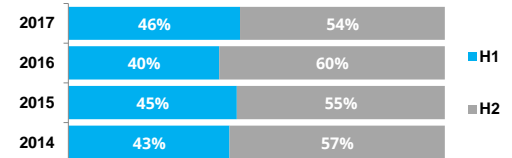
Training Completions

-10%

+20%
(CAGR)



Training Completion Distribution



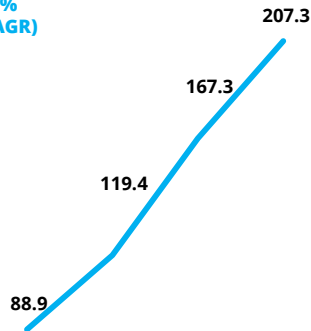
2017 Financial highlights

.... reflected in strong financial performance

Mountie Revenue (£m)

+24%

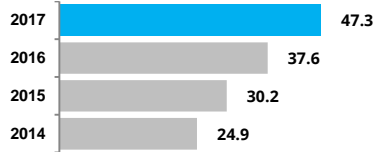
+33%
(CAGR)



Adjusted Operating Profit (£m)

+26%

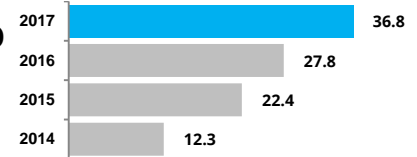
+24%
(CAGR)



Closing Cash (£m)

+32%

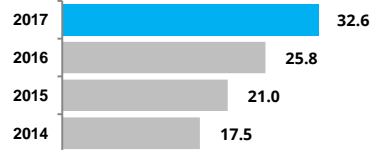
+44%
(CAGR)



Adjusted Basic Earnings per Share (£p)

+26%

+23%
(CAGR)



Adjusted Cash Conversion

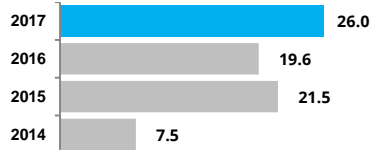
**-2.7
ppts.**



Dividend per Share (£p)

+33%

+51%
(CAGR)



Effective Tax Rate

**+0.8
ppts.**



Geographic Review

UK & Ireland	2017	2016	
Revenue	£131m	£113m	+16%
Mountie revenue	£107m	£94m	+14%
Mounties on client sites	1,744	1,505	+16%
Adjusted operating profit	£31.5m	£27.8m	+13%
Adjusted operating profit margin	24%	25%	-1%

UK&I saw largest increase by region

UK government Mounties placed up by 82% to 315

Adjusted operating profit margin decrease reflects higher level of contractor business

EMEA	2017	2016	
Revenue	£13m	£12m	+8%
Mountie revenue	£13m	£12m	+9%
Mounties on client sites	155	135	+15%
Adjusted operating profit	£0.9m	£1.2m	-25%
Adjusted operating profit margin	7%	10%	-3%

Investment in Frankfurt academy increased capacity by 140%

Proactive approach to new labour leasing laws in Germany

Austrian branch opened to service demand in the region

North America	2017	2016	
Revenue	£75m	£57m	+32%
Mountie revenue	£74m	£54m	+36%
Mounties on client sites	965	832	+16%
Adjusted operating profit	£15.3m	£9.3m	+65%
Adjusted operating profit margin	20%	16%	+4%

Adjusted operating profit increase reflects benefits of operational gearing

12 new clients won during the year

Currently expanding the Toronto operations

APAC	2017	2016	
Revenue	£14m	£8m	+84%
Mountie revenue	£14m	£7m	+90%
Mounties on client sites	306	233	+31%
Adjusted operating loss	(£0.3m)	(£0.7m)	+57%
Adjusted operating loss margin	-2%	-9%	+7%

8 new clients won during the year

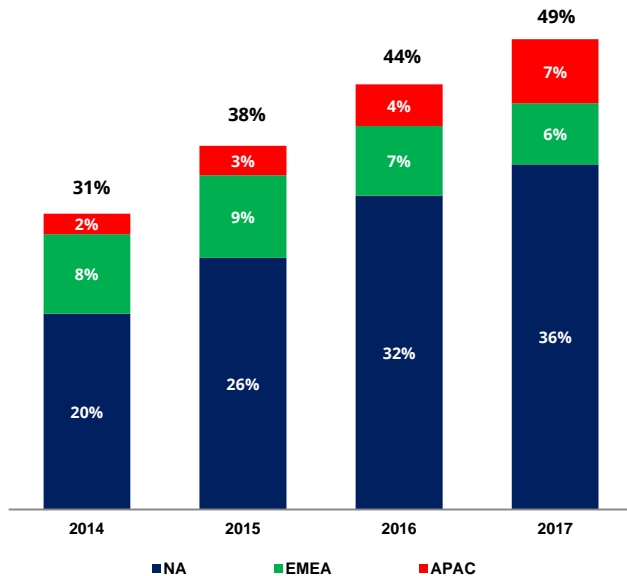
Continued diversification of services to existing customers

Investment in Singapore and Australia, first Mounties placed in Australia during the year

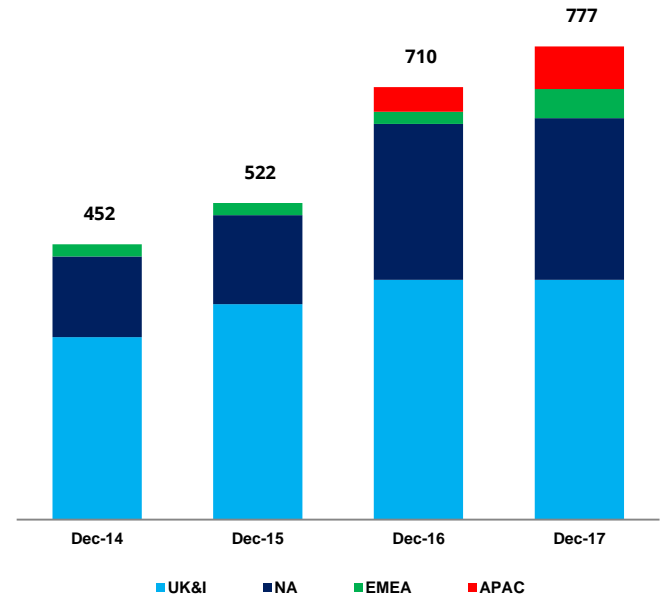
Regional Distribution

Revenue outside the UK and Ireland continues to grow and now represents 49% of total Mountie revenue

Mountie Revenue Regional Distribution

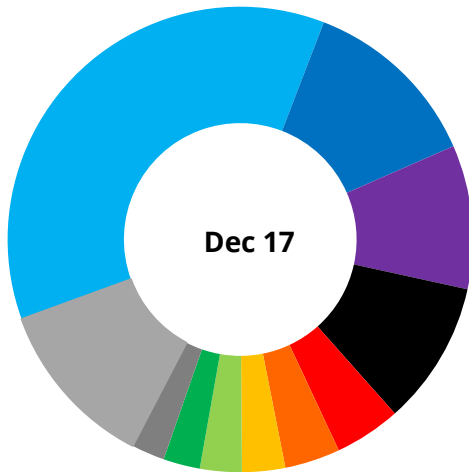


Academy Capacity



Mountie Headcount

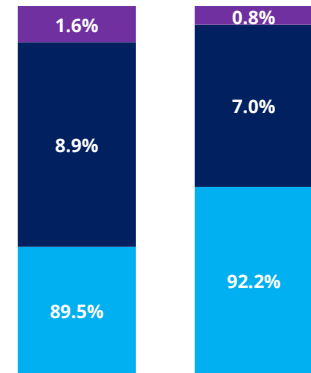
Good growth in Government Sector; Ex-Forces and Getting Back to Business programmes now comprise over 10% of Mountie headcount



Industries	2017	2016
Banking - Investment	36%	36%
Financial Services	13%	12%
Government	10%	8%
Banking - Retail	10%	11%
Banking - Corporate	5%	5%
Insurance	4%	4%
Consulting	3%	3%
Media & Entertainment	3%	3%
Energy & Resources	3%	3%
Technology	2%	2%
Other	11%	13%

Other includes:

- General banking - shared service centre
- Technology - financial services
- Software houses
- Gambling & Betting activities
- Retail
- Systems Integration
- Banking - Building Society
- Travel and Tourism
- Logistics and Distribution



2017 **2016**

- Getting Back to Business
- Ex-Forces
- Graduates

10%

of headcount is now outside of graduates:



Ex-Forces

2017	2016
281	190

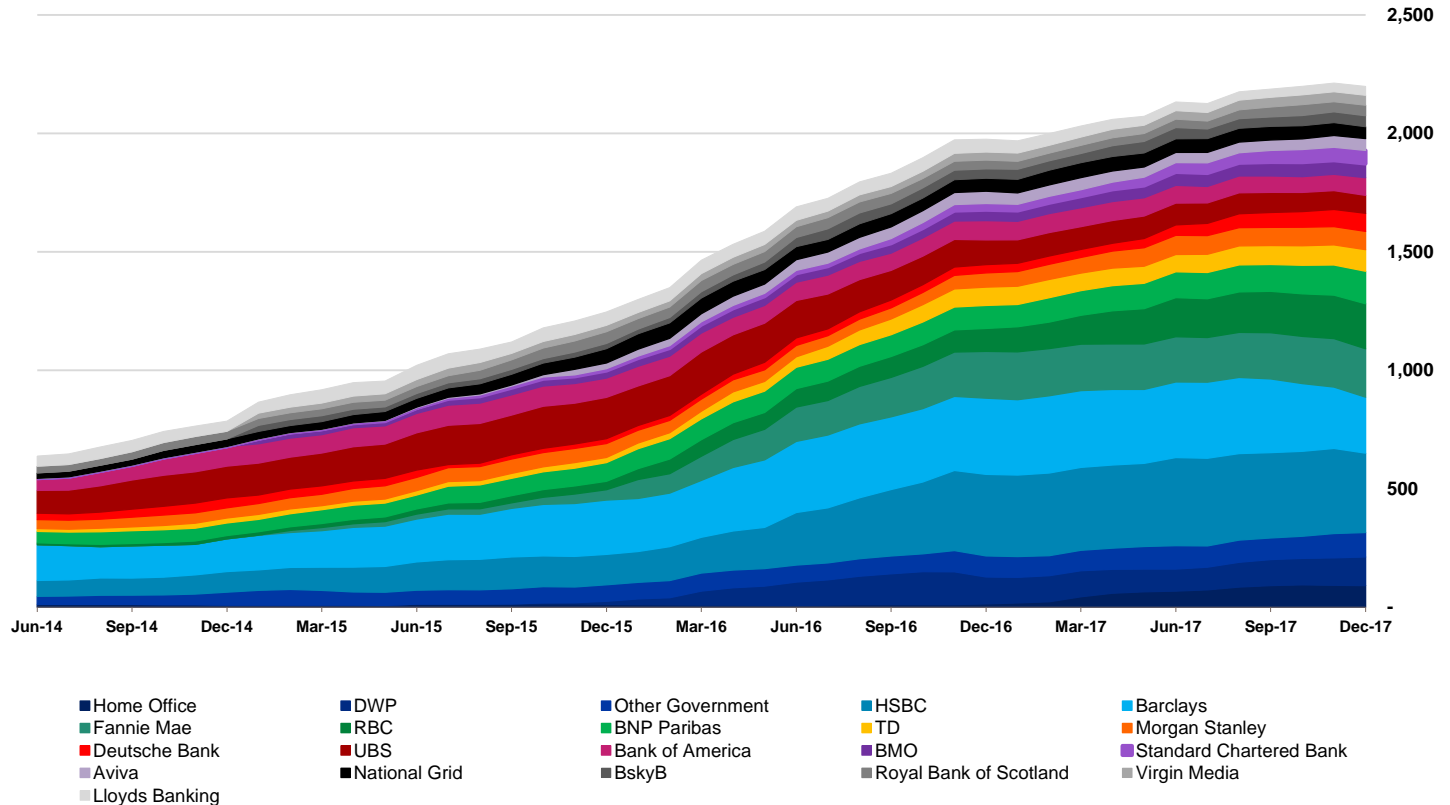


Getting Back to Business

2017	2016
50	22

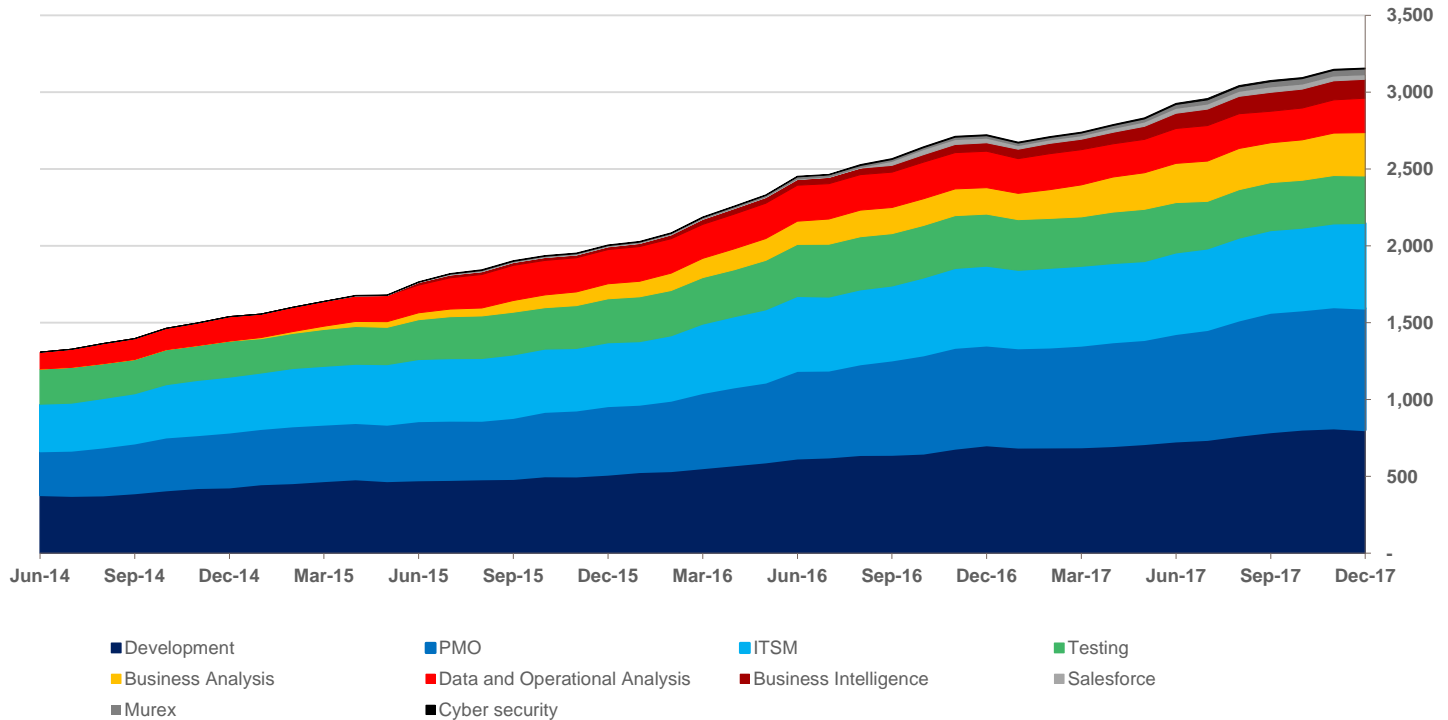
Top Clients by Headcount

Sustained growth coming from the Home Office, RBC, Deutsche Bank and Standard Chartered



Service Divisions by Headcount

Business Analysis and PMO both grew by over 100 heads over the last 12 months. Encouraging growth in technical streams, particularly Development, Business Intelligence and Murex



Market Trends and Drivers

FDM's robust business model places us well to fulfil growing market demand for tech talent across the globe

\$3.7tr

- Global IT spending projected to reach \$3.7 Trillion in 2018 (Gartner)
- Growing to almost \$4tr by 2021 (Gartner)

Market Drivers

- Ageing IT population
- 75% of the global workforce will consist of millennials by 2025
- Process automation – the next big thing?
- US visa earnings requirements
- UK IR35 changes
- Digital transformation

Transformational Trends

- In 2017, the average business saw an increase in cyber breaches of nearly 1500% compared to 2016
- Big Data Analytics will be worth £241 billion to the UK economy by 2020
- \$15.7 trillion global GDP uplift by 2030 as a result of AI technologies, with half of those gains coming from increased labour productivity
- Regulatory/compliance risk sited as among the top three risk types that will increase in importance over the next two years for financial services
- PwC estimates that 45% of work activities can be automated

Geopolitical

- Global uncertainty
- Brexit
- GDPR
- US political scene
- Regulatory oversight increase
- The 'new way of working'

Market Trends and Drivers (cont.)

FDM's robust business model places us well to fulfil growing market demand for tech talent across the globe

500,000

- Shortages of IT specialists forecast to reach c.500,000 by 2020 (Empirica)

Demand

- 40% of employers worldwide face talent shortages, driven by IT
- Lack of women in tech is hindering industry growth
- More than 50% of employers now train and develop existing employees to fill open positions - up from just 20% in 2015
- The UK adds 104,000 technology jobs to the economy each year

Challenges

- Education costs are rising around the world and so are student loans: increasing debts
- Inexperienced and overqualified pool of talent
- Different generations have different expectations: shifting mind-sets
- Minorities have degrees but don't get hired at the same rate: inequality

Supply

- 160+ UK Universities (FDM recruited from 120 of these in 2017)
- 4,700+ US and CA universities (FDM recruited from 248 of these in 2017)
- Computer Science graduates face some of the highest rates of unemployment in the UK compared with graduates of other subjects.
- Graduates with a bachelor's degree or higher in the US are facing an unemployment rate of only 2.5%

CSR & Inclusivity



75+

nationalities working together as a team at FDM



~50%

of our management are female



0.0%

0% median gender pay gap in the UK (UK average of 18.4%)



48%

of UK intake in 2017 were from a BAME* background

*Black, Asian or Minority Ethnic

Social Mobility

32%

of UK intake in 2017 were the first in their family to go to university



86%

of FDM's UK graduate intake in 2017 attended a state school



Ex-Forces and Veterans

450+

former service men and women have been placed through the programme in the UK and US since its inception



Returners to Work

65+

careers restarted through the Getting Back to Business Programme in the UK and APAC



Achievements



The Guardian UK 300 – Most Popular Graduate Employers for 2017/18



Awarded Company of the Year at the TechWomen50 Awards 2017



The 6th company in the UK to release its gender pay gap reporting figures 2017



Recognised as a Top 50 Employer in the UK Social Mobility Index 2017



Featured in the Business in the Community Best Employers for Race Listing 2017



The Herald & GenAnalytics Diversity Star Performer of the Year 2017



A Military Times Best for Vets Employer and RecruitMilitary Most Valuable Employers (MVE) for Military 2017



Honoured to receive the MoD Employer Recognition Scheme (ERS) Gold Award 2017

Summary

Financial

Adjusted operating profit up 26%

Further geographic expansion; non UK and Ireland Mountie revenue is now 49% of Group Mountie revenue (2016: 44%)

Healthy balance sheet with £36.8m cash balances (2016: £27.8m)

FDM Group (Holdings) plc entered the FTSE 250 in June 2017

Adjusted basic EPS up 26% year on year

Dividend per share increased by 33% to 26.0 pence (2016: 19.6 pence)

Operational

Group Mountie headcount increased 17% year on year and has surpassed 3,000

Strong client acquisition across the Group with 72 new clients secured in the period

Continued sector diversification, with 72% of new clients outside the financial services sector

Online applications to join training programmes increased by 29% year on year

Training capacity increased 9% year on year

At least 15% Mountie headcount growth in all four regions

Forward-looking statements

The slides contain 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.

Income Statement

for the year ended 31 December 2017

	2017	2016
	£'000	£'000
Revenue	233,575	189,403
Cost of sales	(129,323)	(103,291)
Gross profit	104,252	86,112
Administrative expenses	(60,496)	(50,691)
Operating profit	43,756	35,421
Financial income	29	28
Financial expense	(130)	(128)
Net finance expense	(101)	(100)
Profit before income tax	43,655	35,321
Taxation	(11,643)	(9,139)
Profit for the year	32,012	26,182

Statement of Financial Position

as at 31 December 2017

	2017	2016
	£'000	£'000
Non Current Assets		
Property, plant and equipment	4,926	5,011
Intangible assets	19,471	19,533
Deferred tax asset	2,275	772
	<hr/> 26,672	<hr/> 25,316
Current assets		
Trade and other receivables	30,716	29,164
Cash and cash equivalents	36,846	27,844
	<hr/> 67,562	<hr/> 57,008
Total assets	<hr/> 94,234	<hr/> 82,324
Current liabilities		
Trade and other payables	26,616	24,628
Current income tax liabilities	3,239	4,358
	<hr/> 29,855	<hr/> 28,986
Total liabilities	<hr/> 29,855	<hr/> 28,986
Net assets	<hr/> 64,379	<hr/> 53,338

Statement of Cash Flows

for the year ended 31 December 2017

	2017	2016
	£'000	£'000
Cash flows generated from operations	48,280	39,373
Interest received	29	28
Income tax paid	(13,263)	(8,751)
Net cash generated from operating activities	35,046	30,650
Cash flows from investing activities		
Property, plant and equipment	(1,350)	(1,735)
Intangibles assets	(18)	(60)
Net cash used in investing activities	(1,368)	(1,795)
Cash flows from financing activities		
Finance costs paid	(130)	(128)
Dividends paid	(23,976)	(24,514)
Net cash used in financing activities	(24,106)	(24,642)
Exchange gains/(losses) on cash and cash equivalents	(570)	1,271
Increase in cash and cash equivalents	9,002	5,484
Cash and cash equivalents at beginning of year	27,844	22,360
Cash and cash equivalents at end of year	36,846	27,844