



FDM Group (Holdings) plc

Results for the year ended 31 December 2018

Rod Flavell - CEO

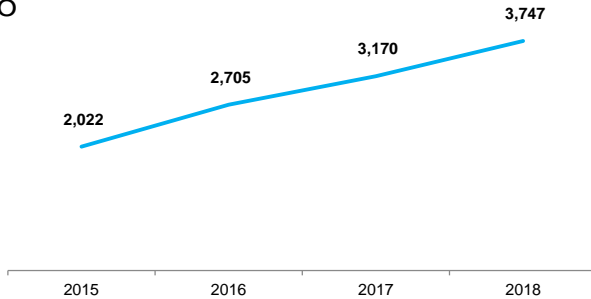
Mike McLaren - CFO

Operational highlights for the year ended 31 December 2018

Mounties on Client Site

+18%

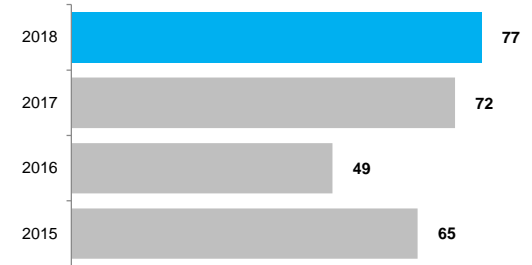
+23%
(CAGR)



New Clients

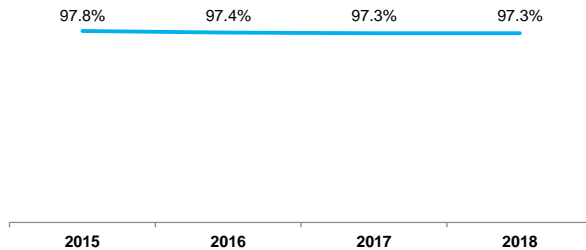
+7%

+6%
(CAGR)



Utilisation

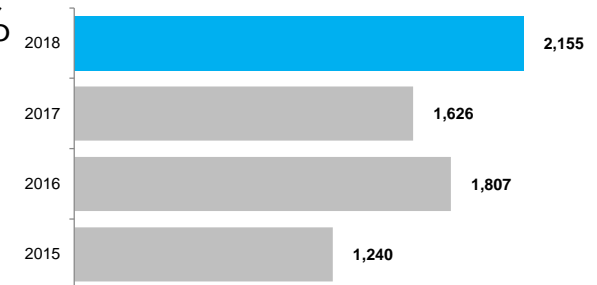
Unchanged



Training Completions

+33%

+20%
(CAGR)



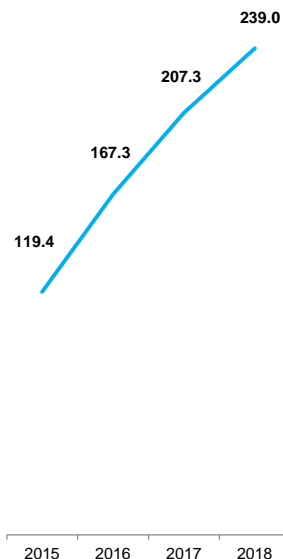
CAGR (Compound Annual Growth Rate) applied over three years
ppts. (percentage points)

Financial highlights for the year ended 31 December 2018

Mountie Revenue (£m)

+15%

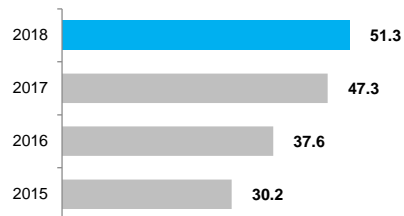
+26%
(CAGR)



Adjusted Operating Profit (£m)

+8%

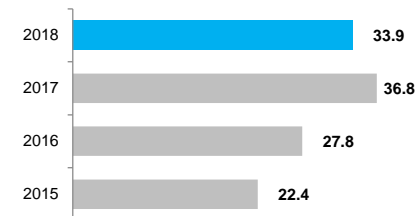
+19%
(CAGR)



Closing Cash (£m)

-8%

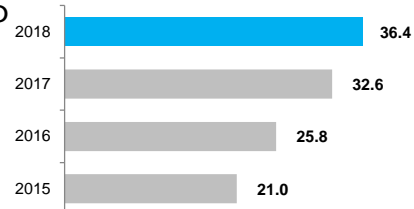
+15%
(CAGR)



Adjusted Basic Earnings per Share (p)

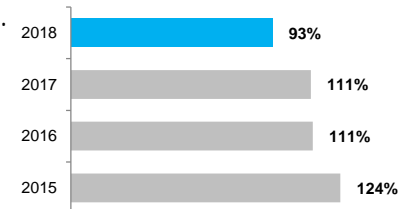
+12%

+20%
(CAGR)



Cash Conversion

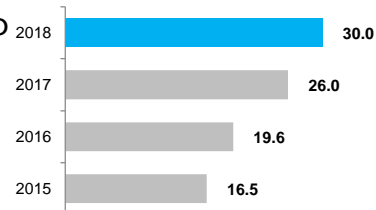
-18ppts.



Ordinary Dividend per Share (p)

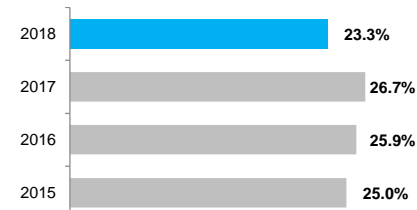
+15%

+22%
(CAGR)



Effective Tax Rate

-3.4ppts.



Geographic Review

UK & Ireland	2018	2017	
Revenue	£131.0m	£131.5m	0%
Mountie revenue	£126.1m	£106.7m	+18%
Mounties on client sites	2,004	1,744	+15%
Adjusted operating profit	£36.7m	£31.5m	+17%
Adjusted operating profit margin %	28%	24%	+4%

Pop-up Academies operated in Birmingham and Cardiff; Birmingham now a permanent Academy location

Recruitment levels boosted by Mountie pay increases implemented in the year and sales demand by clients' hesitation to make permanent hires due to Brexit

Adjusted operating profit margin increase reflects lower level of contractor business

Sector diversification drive continues

Strong 2018 performance; early 2019 continuing that trend

EMEA	2018	2017	
Revenue	£13.5m	£13.1m	+3%
Mountie revenue	£13.5m	£13.1m	+3%
Mounties on client sites	162	155	+5%
Adjusted operating profit	£1.4m	£0.9m	+56%
Adjusted operating profit margin %	10%	7%	+3%

Low Countries seeing increase in demand for Mounties

First Mounties recruited, trained and deployed in the Netherlands. Next class in progress.

Pop-up Academies operated in Cape Town, Madrid and Rotterdam

New management team established

North America	2018	2017	
Revenue	£82.1m	£75.1m	+9%
Mountie revenue	£81.4m	£73.8m	+10%
Mounties on client sites	1,196	965	+24%
Adjusted operating profit	£13.6m	£15.3m	-11%
Adjusted operating profit margin %	17%	20%	-3%

Toronto Academy training capacity near doubled

Pop-up Academies operated in Charlotte, Austin, St. Louis, Toronto and Montreal

US Sales talent complemented by transfers from UK of experienced sales management

Permanent, nascent Academies established in Austin, TX and Charlotte, NC plus sales office in Boston, MA

Sector diversification drive continues

APAC	2018	2017	
Revenue	£18.3m	£14.0m	+31%
Mountie revenue	£18.0m	£13.7m	+31%
Mounties on client sites	385	306	+26%
Adjusted operating loss	-£0.4m	-£0.3m	-33%
Adjusted operating loss margin %	-2%	-2%	0%

Pop-up Academies operated in Sydney and Shanghai

Australia headcount has more than doubled since the end of 2017

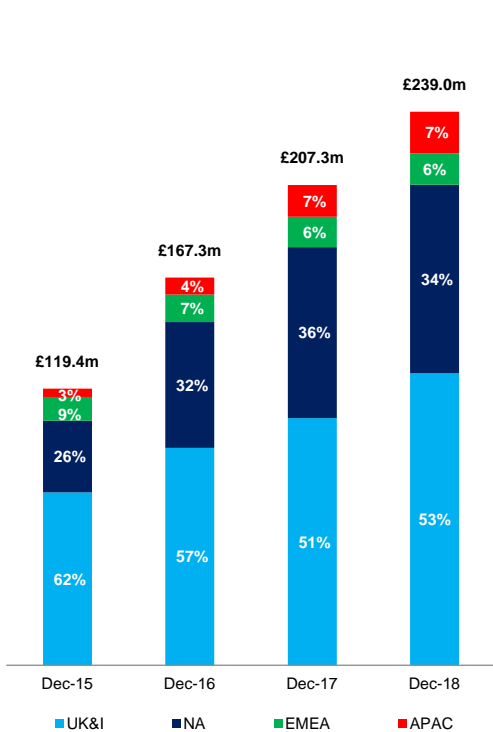
Singapore sales and management teams being strengthened by transfers from the UK

New dedicated Sydney Academy opened in February 2019

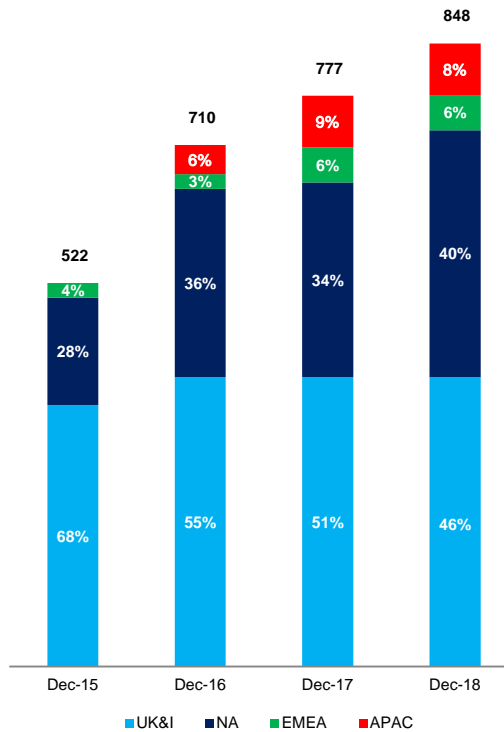
Regional Distribution

In addition to increasing our training capacity by 9%, we trained 175 Mounties in pop-up Academies

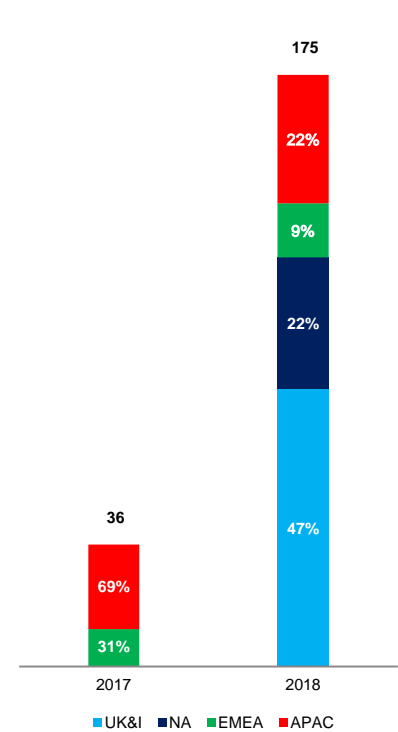
Mountie Revenue Regional Distribution



Permanent Academy Capacity

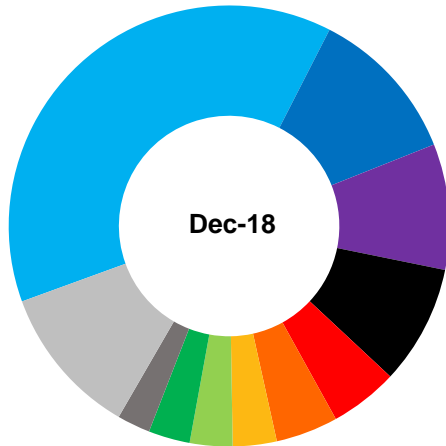


Pop-up training completions



Mountie Headcount

Sector mix has remained relatively constant but with important new client wins and growth in targeted verticals



Industries

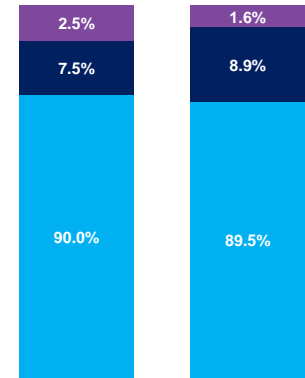
- Banking - Investment
- Financial Services
- Government
- Banking - Retail
- Banking - Corporate
- Insurance
- Energy & Resources
- Media & Entertainment
- Consulting
- Technology
- Other

2018 2017

Industry	2018	2017
Banking - Investment	36%	36%
Financial Services	11%	13%
Government	11%	10%
Banking - Retail	7%	10%
Banking - Corporate	7%	5%
Insurance	5%	4%
Energy & Resources	3%	3%
Media & Entertainment	3%	3%
Consulting	3%	3%
Technology	2%	2%
Other	12%	11%

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



2018 2017

- Getting Back to Business
- Ex-Forces
- Graduates



Ex-Forces

2018	2017
280	281

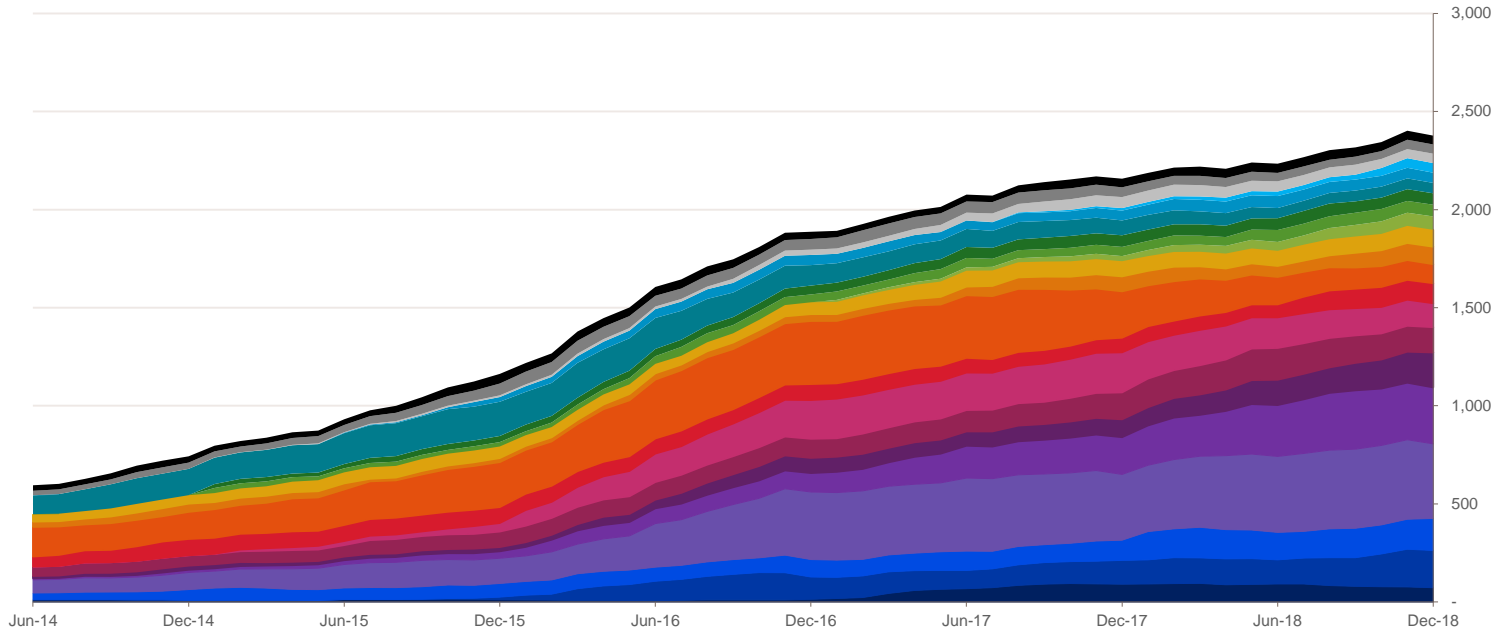


Getting Back to Business

2018	2017
94	50

Top Clients by Headcount

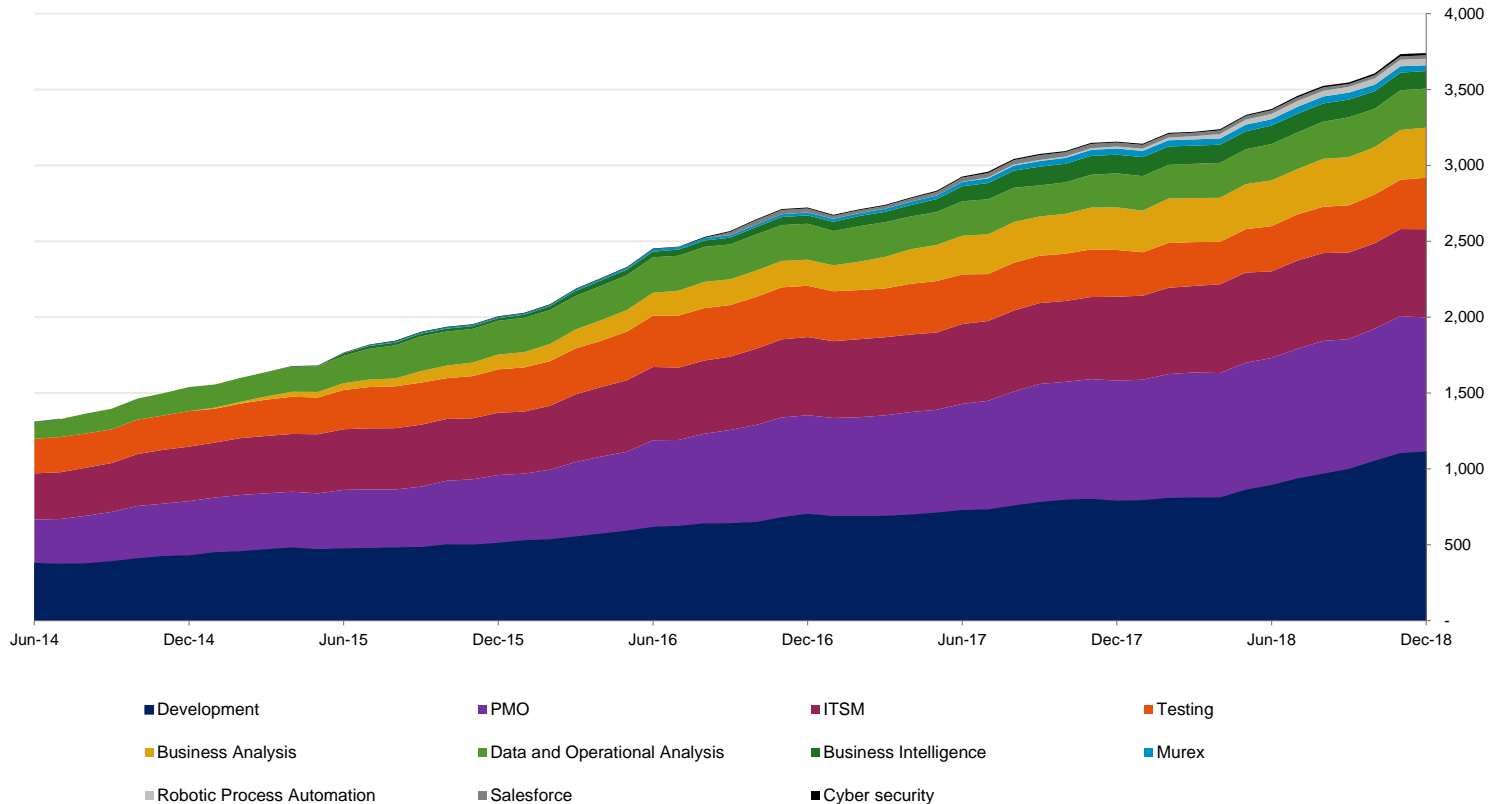
Strong growth from Canadian banks; RBC and TD's headcount increased by 52% and 96% respectively



- Home Office
- DWP
- Other Government
- HSBC
- RBC
- TD
- BNP
- Fannie Mae
- Bank of America
- Barclays
- Deutsche Bank
- Morgan Stanley
- Standard Life
- BskyB
- BMO
- UBS
- Aviva
- Manulife
- National Grid
- RBS
- Virgin Media

Service Divisions by Headcount

The number of Mounties placed in technical roles rose 22% and the number based in business roles increased 13%



The Market

FDM is a market leader and its robust business model places it well to fulfil growing market demand for IT and Operational talent across the globe

Demand for the skills that we provide remains high in all of the locations in which we operate with a particular emphasis on digital transformation and emerging technologies.

Our diversity and inclusion agenda chimes very well with client demographic requirements in many of our operating territories.



Client Demand

- Shortages of IT specialists forecast to reach 526,000 by 2020 (Empirica)
- The UK adds 104,000 technology jobs to the economy each year
- 40% of employers worldwide face talent shortages, driven by IT

Supply

- 75% of the global workforce will consist of millennials by 2025
- 160+ UK Universities (FDM recruited from c.135 of these in 2018)
- 4,000+ US and CA universities (FDM recruited from c.315 of these in 2018)

Industry Trends

- Global IT spending projected to reach \$3.7tr this year growing to almost \$4tr by 2021 (Gartner)
- Digital transformation and process automation
- Big Data Analytics and AI Technologies

CSR & Inclusivity

At FDM, diversity and inclusion starts at the top. It is engrained into the FDM culture and championed by the leadership team

Nationalities



80+

nationalities working together as a team at FDM

Gender



~50%

of the FDM Management Team are female

Ethnicity



38%*

are from a BAME** background

Disability



3%

of FDM UK graduate consultants consider themselves to have a disability

Median Pay Gap



0.0%

UK business reported a 0.0% median gender pay gap for two consecutive years

Social Mobility



44%*

were the first in their family to go to university



89%*

attended a state school

Ex-Forces



600+

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

Returners to Work



130+

careers restarted through the FDM Getting Back to Business Programme since inception

* of our UK graduate consultant intake respondents 2018

** Black, Asian or Minority Ethnic

Recognition 2018



Agents of Change PowerList
CEO Rod Flavell



Diversity Employer
of the Year



Inspiring 50 UK,
COO, Sheila Flavell



Career Progression and Overall
Top Employer Award



Growth Company
of the Year



Best Performing Company,
Consulting and Systems Integration



#TechWomen100 Champion
Award – COO, Sheila Flavell



MoD Employer Recognition
Scheme (ERS) – Gold Award



Top 1000 Companies Worldwide
for Millennial Women



Best for Vets
Employer



AGCAS award for
careers service engagement



Employer Of The Year & Woman Of
The Year, COO Sheila Flavell



Best Collaboration between
a University and Employer



Best in Biz Awards North America,
Best Place to Work Gold Award



The Guardian UK 300 Most Popular
Graduate Employers



The JobCrowd's Top 100 Companies
For Graduates To Work For



50 Most Influential Women
in UK IT, COO Sheila Flavell



Most Influential Women of the
Mid-Market, COO Sheila Flavell

Summary

Financial



Mountie revenue up

15%

Adjusted operating profit up

8%

Adjusted Basic EPS up

12%

Healthy balance sheet with cash balance of

£33.9m

Final dividend of 15.5 pence per share proposed for 2018 for approval by shareholders at the AGM on 25 April 2019

Operational



Mountie headcount increased

18%

Permanent training capacity increased

9%

Strong new client acquisition across the Group

77

Getting Back to Business programme grew by

88%

Geographical expansion with a number pop-up Academies in Birmingham, Cardiff, Austin, Charlotte, Montreal, St. Louis, Toronto, Cape Town, Madrid, Rotterdam, Shanghai and Sydney

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 2018

	2018 £'000	2017 £'000
Revenue	244,910	233,575
Cost of sales	(125,875)	(129,323)
Gross profit	119,035	104,252
Administrative expenses	(70,748)	(60,496)
Operating profit	48,287	43,756
Finance income	140	29
Finance expense	(94)	(130)
Net finance income/ (expense)	46	(101)
Profit before income tax	48,333	43,655
Taxation	(11,275)	(11,643)
Profit for the period	37,058	32,012

Statement of Financial Position

as at 31 December 2018

	2018	2017
	£000	£000
Non-current assets		
Property, plant and equipment	6,117	4,926
Intangible assets	19,409	19,471
Deferred income tax assets	2,282	2,275
	<hr/> 27,808	<hr/> 26,672
Current assets		
Trade and other receivables	37,729	30,716
Cash and cash equivalents	33,907	36,846
	<hr/> 71,636	<hr/> 67,562
Total assets	<hr/> 99,444	<hr/> 94,234
Current liabilities		
Trade and other payables	25,907	26,616
Current income tax liabilities	3,166	3,239
	<hr/> 29,073	<hr/> 29,855
Total liabilities	<hr/> 29,073	<hr/> 29,855
Net assets	<hr/> 70,371	<hr/> 64,379

Statement of Cash Flows

for the year ended 31 December 2018

	2018 £'000	2017 £'000
Cash flows generated from operations	44,918	48,280
Interest received	140	29
Income tax paid	(11,407)	(13,263)
Net cash flow from operating activities	33,651	35,046
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,684)	(1,350)
Acquisition of intangibles assets	(16)	(18)
Net cash used in investing activities	(2,700)	(1,368)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	8	-
Payment for shares bought back	(3,664)	-
Finance costs paid	(94)	(130)
Dividends paid	(30,718)	(23,976)
Net cash used in financing activities	(34,468)	(24,106)
Exchange gains/ (losses) on cash and cash equivalents	578	(570)
Net (decrease)/ increase in cash and cash equivalents	(2,939)	9,002
Cash and cash equivalents at beginning of period	36,846	27,844
Cash and cash equivalents at end of period	33,907	36,846