



# FDM Group (Holdings) plc

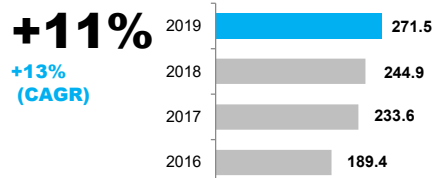
Results for the year ended 31 December 2019

**Rod Flavell - CEO**

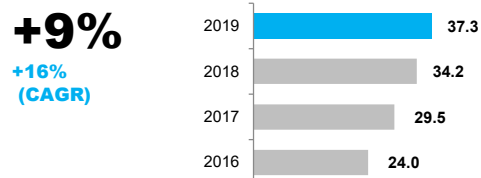
**Mike McLaren - CFO**

# Highlights for the year ended 31 December 2019

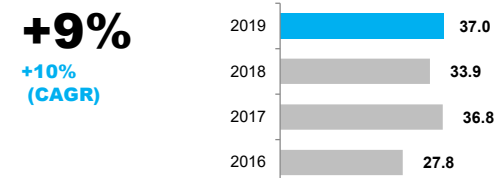
## Total Revenue (£m)



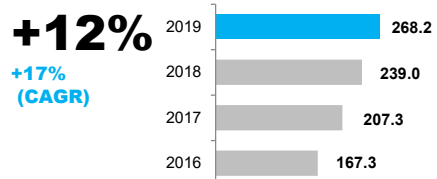
## Basic Earnings per Share (p)



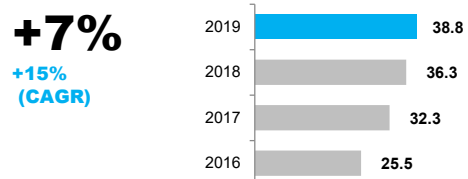
## Closing Cash (£m)



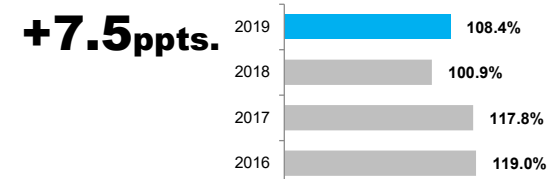
## Mountie Revenue (£m)



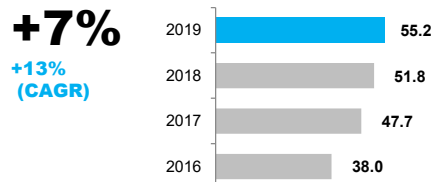
## Adjusted Basic Earnings per Share (p)



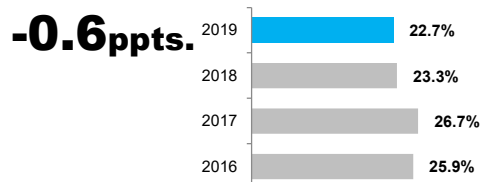
## Cash Conversion (%)



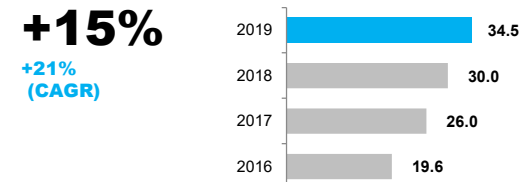
## Adjusted Operating Profit (£m)



## Effective Tax Rate (%)



## Ordinary Dividend per Share (p)



CAGR (Compound Annual Growth Rate) applied over three years  
ppts. (percentage points)  
Comparative figures have been restated for IFRS 16 Leases

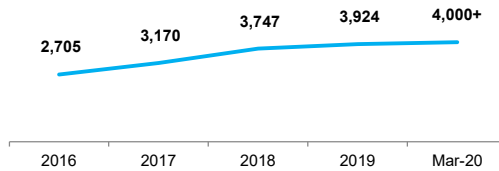
During 2019 the Group purchased £3.0m of its own shares which are held in an Employee Benefit Trust and are used to satisfy share awards under employee share option schemes

# Highlights for the year ended 31 December 2019

## Mounties on Client Site

**+5%**

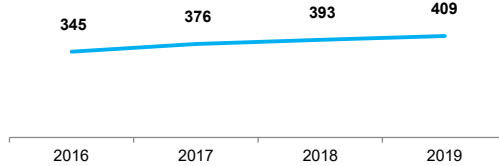
+13%  
(CAGR)



## Number of Clients

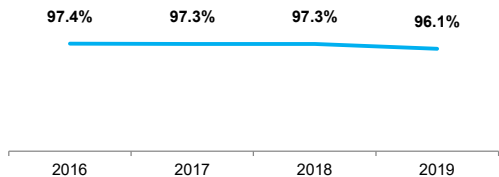
**+4%**

+6%  
(CAGR)



## Mountie Utilisation

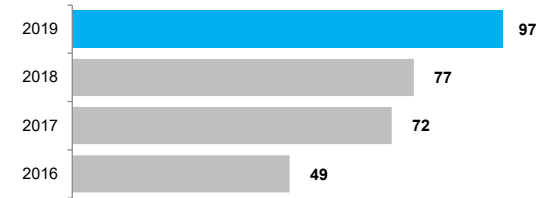
**-1.2ppts.**



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

## New Clients

**+97**



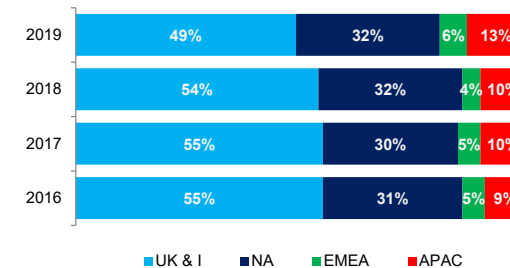
## Training Completions

**-2%**

+5%  
(CAGR)



## Mountie Headcount on Client Site by Region



# Market Review

UK & Ireland	2019	2018*	
Revenue	£136.9m	£131.0m	+5%
Mountie revenue	£134.2m	£126.1m	+6%
Mounties on client sites	1,910	2,004	-5%
Adjusted operating profit	£37.8m	£37.0m	+2%
Adjusted operating profit margin %	28%	28%	0%

Strong insurance and banking sector performance

Pop-up training centres operated in Birmingham, Cardiff and Dublin during the year

Reduced demand from UK Government Ministerial Departments reflecting uncertainty ahead of Brexit and potential political leadership changes

46 new clients gained, 76% of which were from outside the financial services and banking sector

North America	2019	2018*	
Revenue	£96.0m	£82.1m	+17%
Mountie revenue	£95.7m	£81.4m	+18%
Mounties on client sites	1,277	1,196	+7%
Adjusted operating profit	£16.5m	£13.8m	+20%
Adjusted operating profit margin %	17%	17%	0%

Presence widened in insurance, retail and professional services

Increased training capacity and Mountie placements at the Austin and Charlotte centres

Banking and financial services improved in H2 after slow Q2

17 new clients won in the year, primarily in banking and financial services

Pop-up Academy opened in Herndon following end of Reston lease. Montreal pop-up Academy supported good performance in Canada

EMEA	2019	2018*	
Revenue	£16.0m	£13.5m	+19%
Mountie revenue	£16.0m	£13.5m	+19%
Mounties on client sites	240	162	+48%
Adjusted operating profit	£2.2m	£1.4m	+57%
Adjusted operating profit margin %	14%	10%	+4%

Luxembourg headcount continues to grow steadily

The Netherlands had 51 Mounties placed at year end, sourced and trained locally at our Rotterdam pop-up Academy

Reflecting a change in management reporting, 30 Mounties included within UK&I Mounties deployed as at 30 June 2019 have been re-allocated to EMEA Mounties deployed as at 31 December 2019

APAC	2019	2018*	
Revenue	£22.6m	£18.3m	+23%
Mountie revenue	£22.3m	£18.0m	+24%
Mounties on client sites	497	385	+29%
Adjusted operating loss	£-1.3m	£-0.4m	-225%
Adjusted operating loss margin %	-6%	-2%	-4%

Adjusted operating loss increase reflects ongoing investment in state-of-the-art Sydney Academy, which became operational in February 2019

Australian headcount increased by 64, an increase of 133% over 2018

Pop-up Academies operated in Beijing and Shanghai to provide local training

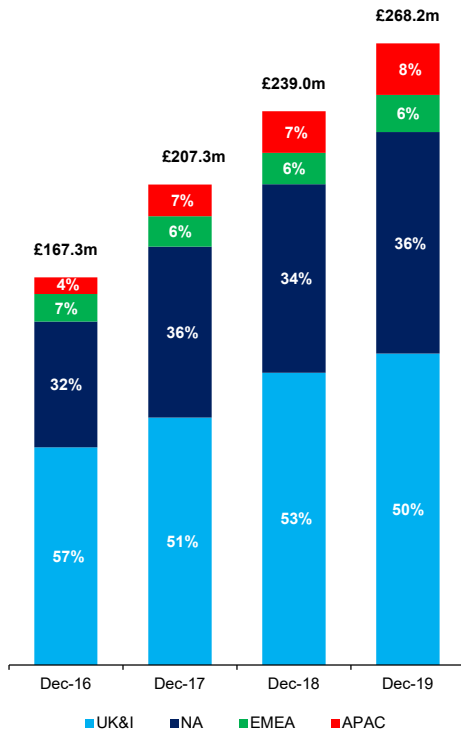
Hong Kong saw strong growth, despite the social and political disruption

\*2018 figures restated for IFRS 16 Leases

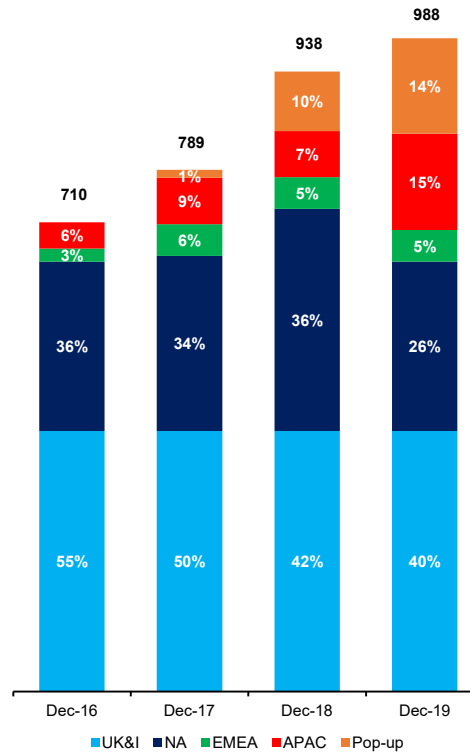
# Regional Distribution

APAC permanent academy capacity increased 109% due to the opening of the Sydney Academy.  
 NA decreased 24% due to the conversion of the Reston Academy into a pop-up centre in Herndon.

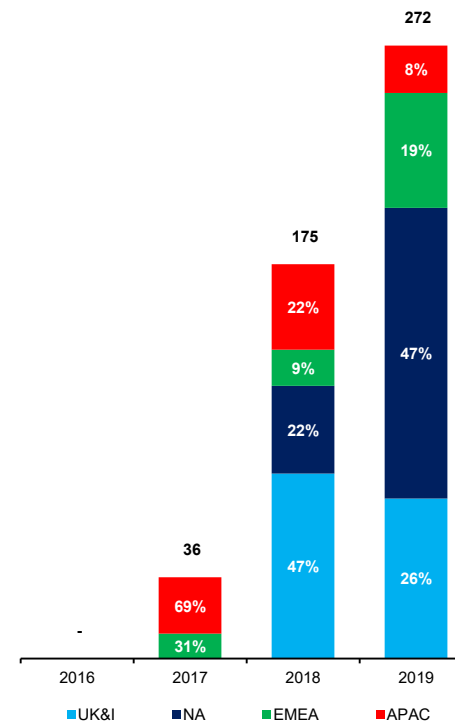
**Mountie Revenue Regional Distribution**



**Academy Capacity**

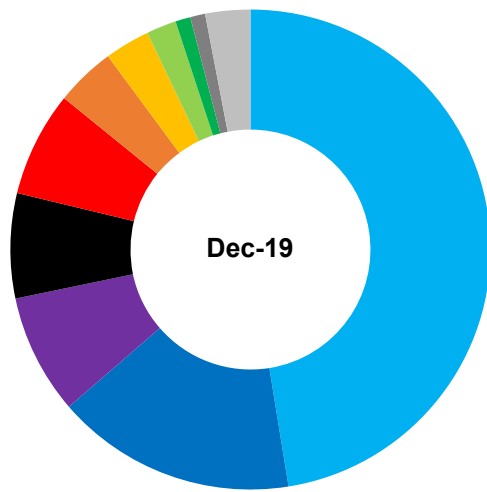


**Pop-up Training Completions**



# Mountie Headcount

Banks and Diversified Financials sectors headcount has remained broadly constant

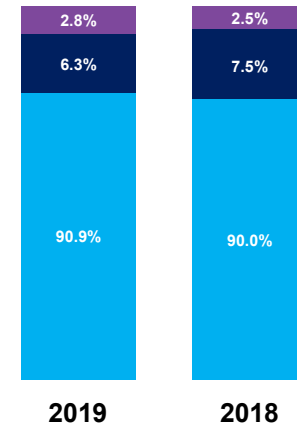


Industries	2019	2018
Banks	47%	46%
Diversified Financials	16%	17%
Software & IT Services	8%	9%
Insurance	7%	5%
Government	7%	10%
Energy	4%	2%
Media & Entertainment	3%	3%
Commercial & Professional Services	2%	2%
Transportation	1%	2%
Utilities	1%	1%
Other	4%	3%

**Other includes**

- Consumer Services
- Food & Staples Retailing
- Automobiles & Components
- Health Care Equipment & Services
- Retailing
- Not for Profit
- Telecommunication Services
- Pharmaceuticals, Biotechnology & Life Sciences

Industry classification as per Standard & Poor's 'Global Industry Classification Standard' (GICS) with the addition of a "Government" and "Not for Profit" sector



- Getting Back to Business
- Ex-Forces
- Graduates



**Ex-Forces**

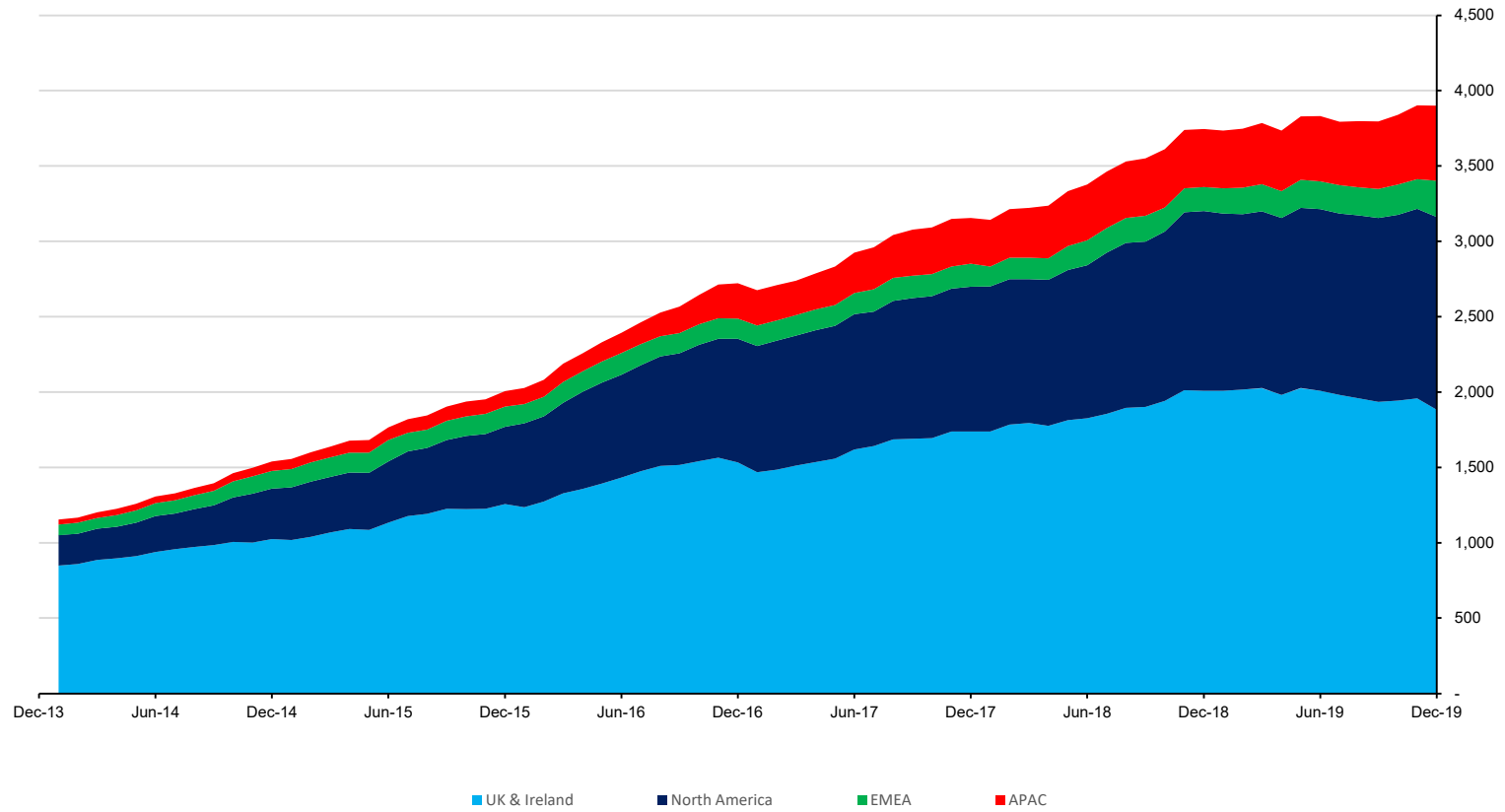
2019	2018
<b>249</b>	<b>280</b>



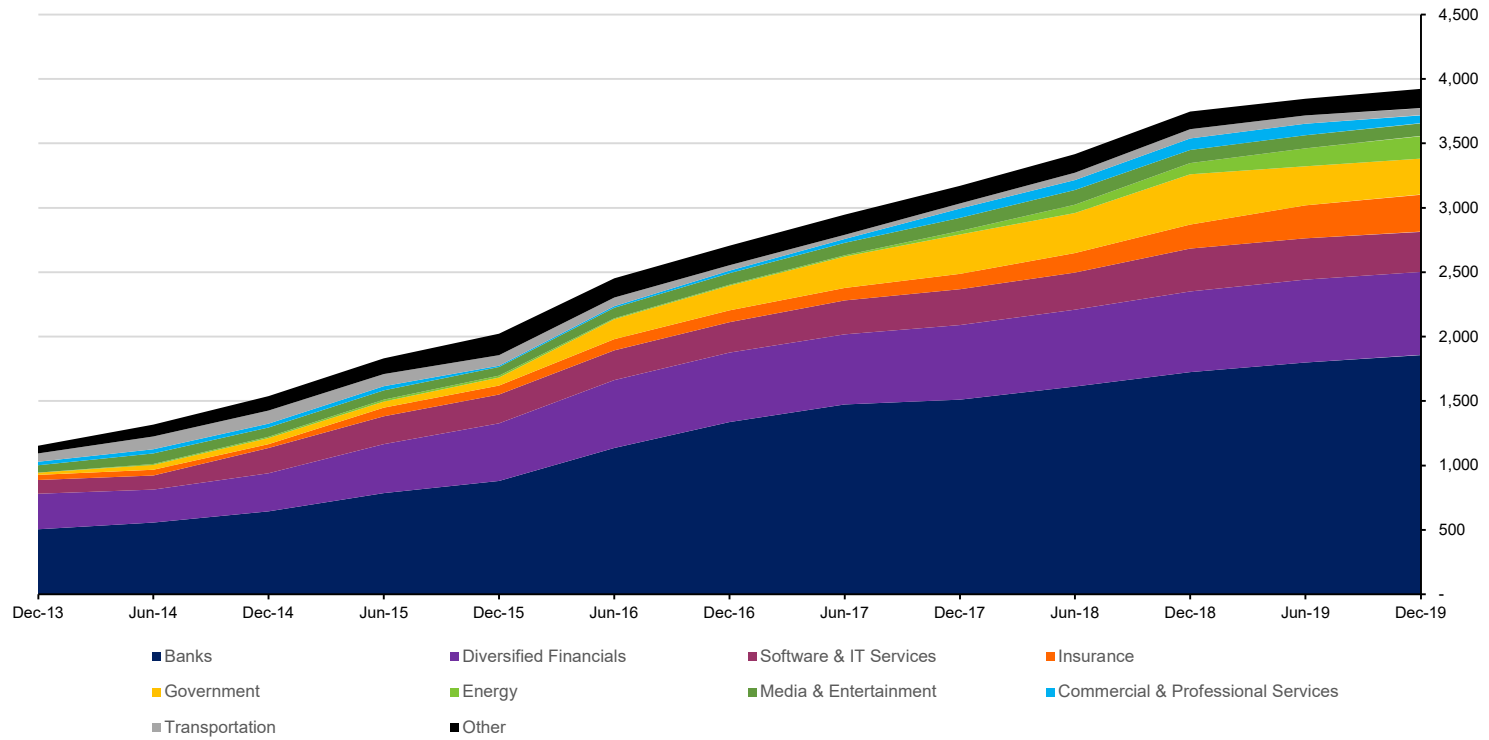
**Getting Back to Business**

2019	2018
<b>108</b>	<b>94</b>

# Regions by Headcount

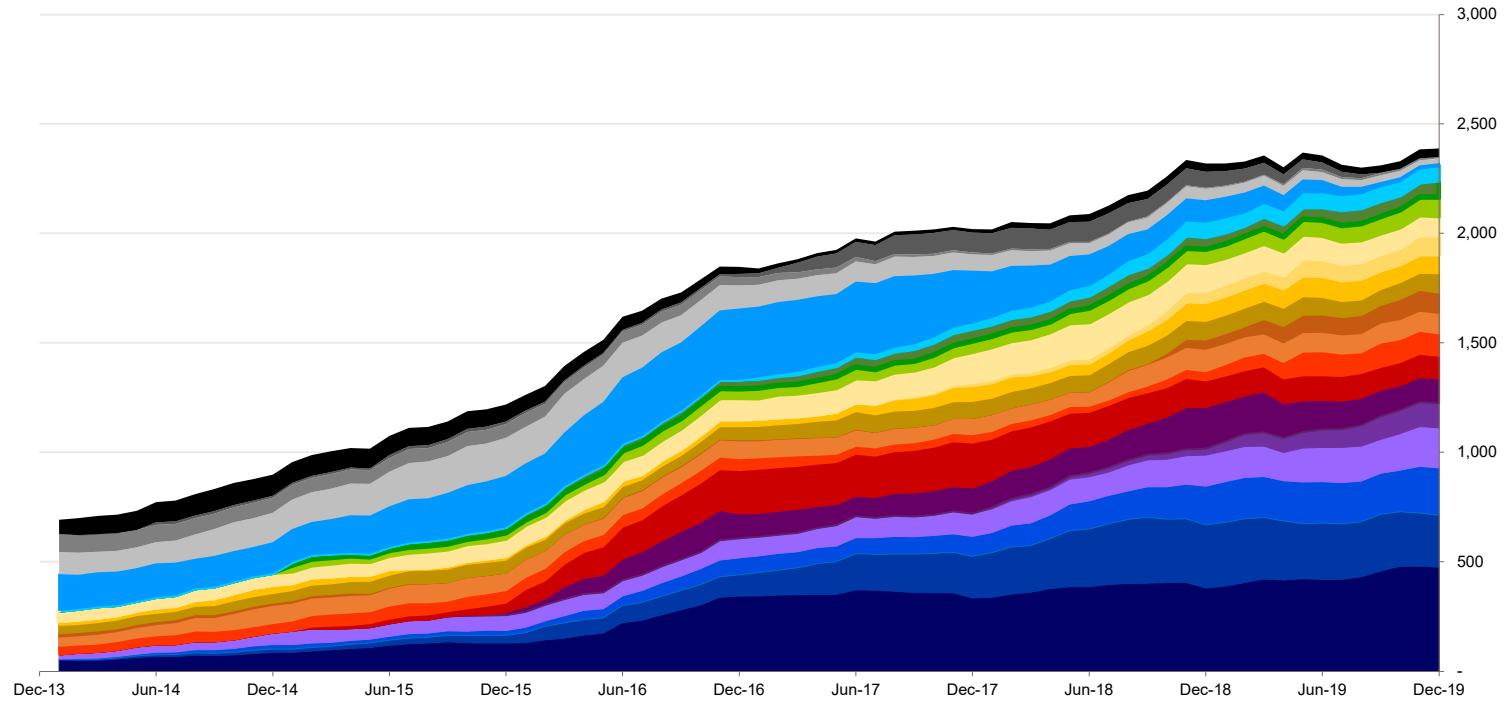


# Top Sectors by Headcount



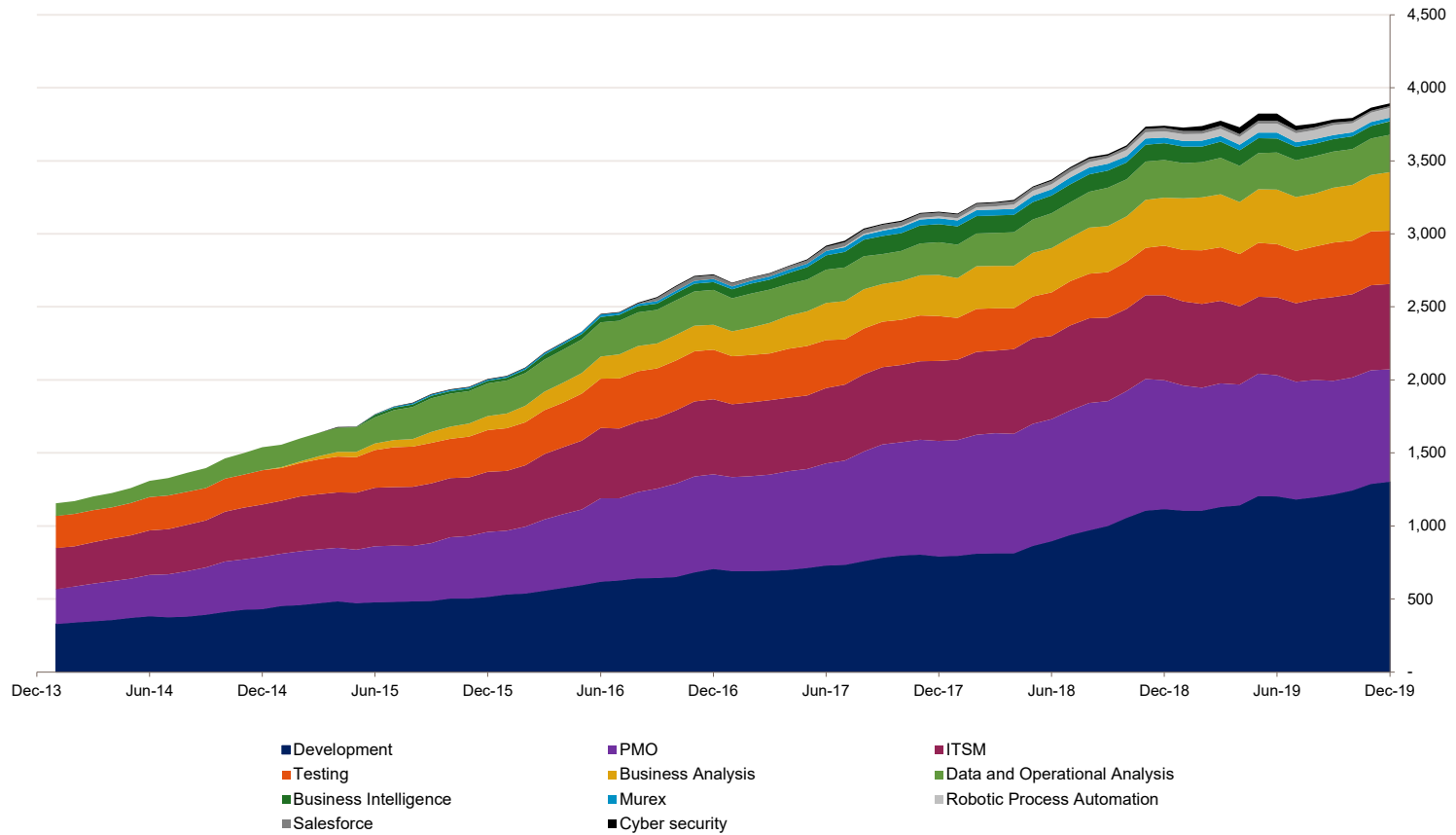


# Top Clients by Headcount



- |                   |            |                  |                    |               |                   |              |          |
|-------------------|------------|------------------|--------------------|---------------|-------------------|--------------|----------|
| ■ HSBC            | ■ RBC      | ■ TD             | ■ Other Government | ■ Shell       | ■ DWP             | ■ Fannie Mae | ■ Lloyds |
| ■ Bank Of America | ■ JPMorgan | ■ Morgan Stanley | ■ Deutsche Bank    | ■ Manulife    | ■ BNP             | ■ Sky        | ■ BMO    |
| ■ Standard Life   | ■ Barclays | ■ UBS            | ■ Credit Suisse    | ■ Home Office | ■ British Airways |              |          |

# Service Divisions by Headcount



# CSR & Inclusivity

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

## Nationalities



**85+**

nationalities working together as a team at FDM

## Gender



**~55%**

of the FDM Management Team are female

## Ethnicity



**53%\***

are from a BAME\*\* background

## Disability



**4%**

of FDM UK graduate consultants consider themselves to have a disability

## Median Pay Gap



**-1.7%**

UK business reported a 0.0% median gender pay gap for 2017 and 2018

## Social Mobility



**40%\***

were the first in their family to go to university



**88%\***

attended a state school

## Ex-Forces



**720+**

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

## Returners to Work



**190+**

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

\* of our UK graduate consultant respondents 2019  
\*\* Black, Asian or Minority Ethnic

# Recognition 2019



Social Mobility Foundation – Top 75 Social Mobility Employer Index 2019



Yahoo Finance Heroes 40 Advocate Executives of 2019



Female Grad Tech Employer of the Year



Megabyte Quoted 25 Companies



Agents of Change PowerList CEO Rod Flavell



Best Contribution to Student Career Development



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



Best for Vets Employer



FDM COO, Sheila Flavell, Awarded a CBE



Top 100 Most Popular Graduate Employers



Gold Award for the 2019 HIRE Vets Medallion Program



NUE Awards Top 100 Undergraduate Employer

## CEO's Statement

*“The strength and flexibility of our business model enabled FDM to deliver a solid performance in 2019 against a backdrop of challenging conditions in certain of our markets.*

*2020 has started promisingly and in line with management expectations, with strong levels of client activity and demand. We anticipate a further year of good operational and financial progress. The Coronavirus is presenting us with a range of challenges relating to remote working, attendance on client sites and mobility for our trainers; the financial impact to date of these has not been significant, but we continue to monitor the situation closely.”*

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### **Forward-looking statements**

These 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 2019

	<b>2019</b> <b>£000</b>	2018 £000
<b>Revenue</b>	<b>271,529</b>	244,910
Cost of sales	<b>(139,953)</b>	(125,875)
<b>Gross profit</b>	<b>131,576</b>	119,035
Administrative expenses	<b>(78,401)</b>	(70,210)
<b>Operating profit</b>	<b>53,175</b>	48,825
Finance income	<b>194</b>	140
Finance expense	<b>(886)</b>	(763)
<b>Net finance expense</b>	<b>(692)</b>	(623)
<b>Profit before income tax</b>	<b>52,483</b>	48,202
Taxation	<b>(11,856)</b>	(11,252)
<b>Profit for the period</b>	<b>40,627</b>	36,950

2018 comparative figures have been restated for IFRS 16 Leases

# Statement of Financial Position

as at 31 December 2019

	2019 £000	2018 £000
<b>Non-current assets</b>		
Right-of-use assets	17,832	14,045
Property, plant and equipment	6,789	6,117
Intangible assets	19,799	19,409
Deferred income tax assets	1,732	2,692
	<hr/> 46,152	<hr/> 42,263
<b>Current assets</b>		
Trade and other receivables	39,937	37,152
Cash and cash equivalents	36,979	33,907
	<hr/> 76,916	<hr/> 71,059
<b>Total assets</b>	<hr/> 123,068	<hr/> 113,322
<b>Current liabilities</b>		
Trade and other payables	22,737	23,070
Lease liabilities	5,680	4,656
Current income tax liabilities	2,105	3,166
	<hr/> 30,522	<hr/> 30,892
<b>Non-current liabilities</b>		
Lease liabilities	17,482	13,485
	<hr/> 17,482	<hr/> 13,485
<b>Total liabilities</b>	<hr/> 48,004	<hr/> 44,377
<b>Net assets</b>	<hr/> 75,064	<hr/> 68,945

2018 comparative figures have been restated for IFRS 16 Leases

# Statement of Cash Flows

for the year ended 31 December 2019

	2019 £000	2018 £000
<b>Cash flows generated from operations</b>	<b>57,662</b>	49,282
Interest received	194	140
Income tax paid	(11,009)	(11,407)
<b>Net cash flow from operating activities</b>	<b>46,847</b>	38,015
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,771)	(2,684)
Acquisition of intangibles assets	(321)	(16)
<b>Net cash used in investing activities</b>	<b>(3,032)</b>	(2,700)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	9	8
Proceeds from sale of shares from EBT	271	-
Principal elements of lease payments	(4,828)	(3,732)
Interest elements of lease payments	(827)	(632)
Lease incentives received	1,930	-
Payment for shares bought back	(2,958)	(3,664)
Finance costs paid	(59)	(94)
Dividends paid	(34,113)	(30,718)
<b>Net cash used in financing activities</b>	<b>(40,575)</b>	(38,832)
Exchange (losses)/ gains on cash and cash equivalents	(168)	578
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>3,072</b>	(2,939)
Cash and cash equivalents at beginning of period	33,907	36,846
<b>Cash and cash equivalents at end of period</b>	<b>36,979</b>	33,907

2018 comparative figures have been restated for IFRS 16 Leases