



FDM Group (Holdings) plc

Results for the year ended 31 December 2021

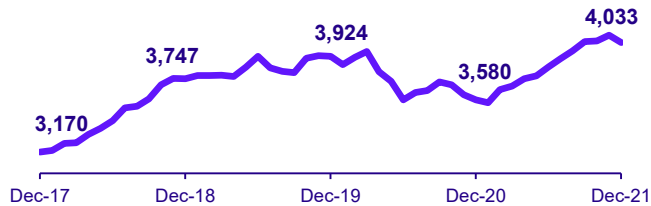
Rod Flavell - CEO

Mike McLaren - CFO

Highlights for the year ended 31 December 2021

Record achieving year

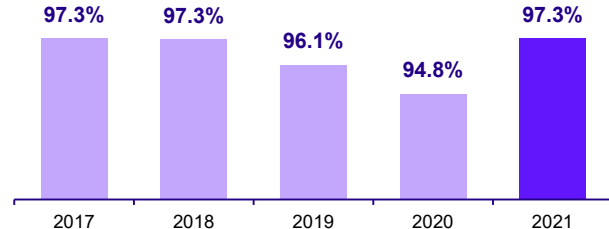
Mounties deployed



+3%
vs 2019

+13%
vs 2020

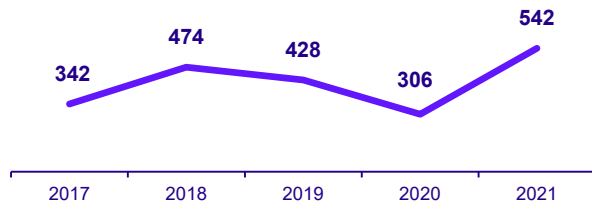
Mountie utilisation %



+1.2ppts.
vs 2019

+2.5ppts.
vs 2020

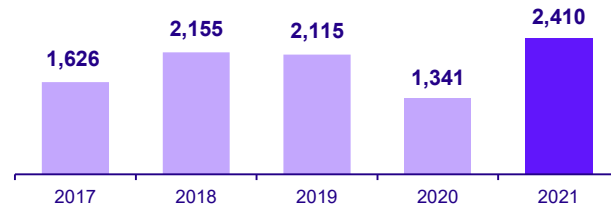
Number in training at year end



+27%
vs 2019

+77%
vs 2020

Training completions

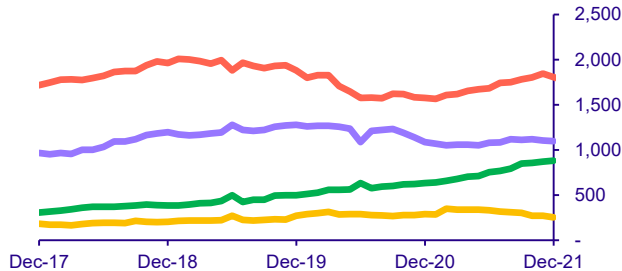


+14%
vs 2019

+80%
vs 2020

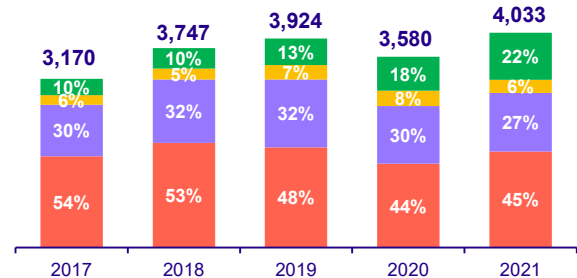
Highlights for the year ended 31 December 2021

Mounties deployed by region



Headcount increased across all regions during 2021 except EMEA, which reduced following the completion of a client project

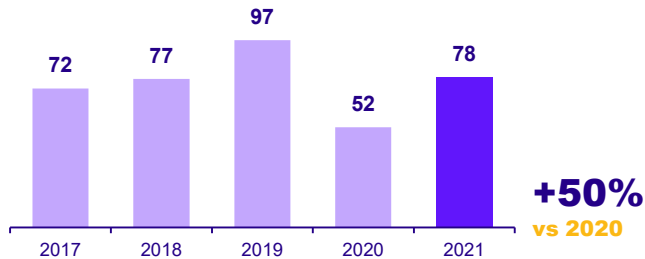
Regional distribution of Mounties



APAC headcount increased by 39% and now represents 22% of the Group

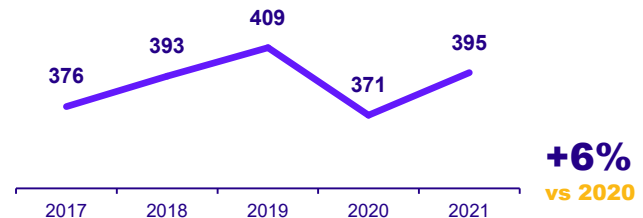
- UK
- NA
- EMEA
- APAC

New clients



New clients opened across all regions in the year

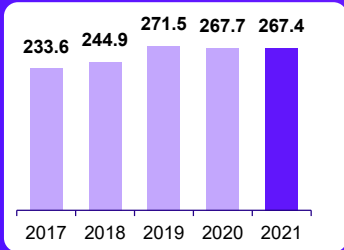
Active clients



Number of active clients has returned to pre-pandemic levels

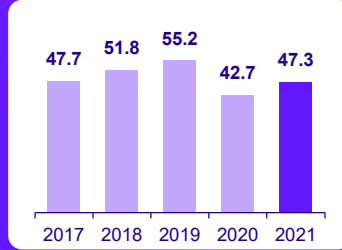
Highlights for the year ended 31 December 2021

Revenue (£m)



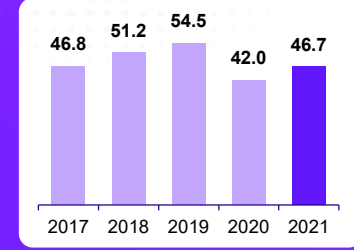
Flat
vs 2020

Adjusted Operating Profit (£m)



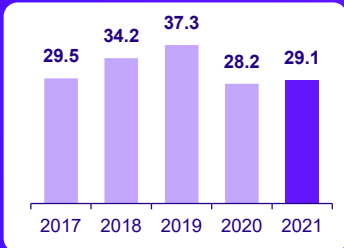
+11%
vs 2020

Adjusted Profit Before Tax (£m)



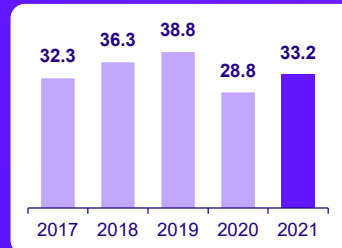
+11%
vs 2020

Basic Earnings per Share (p)



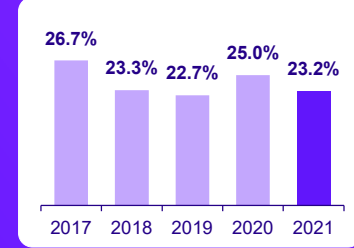
+3%
vs 2020

Adjusted Basic Earnings per Share (p)



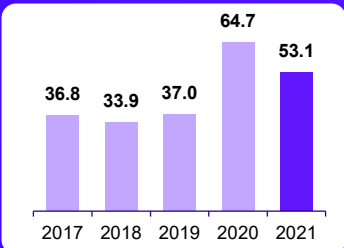
+15%
vs 2020

Effective Tax Rate (%)



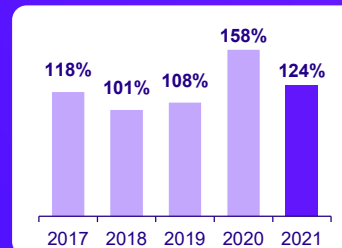
-1.8ppts.
vs 2020

Closing Cash (£m)



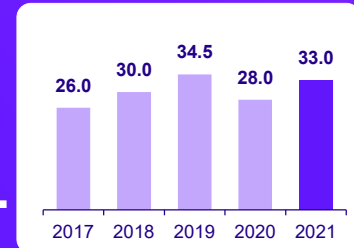
-18%
vs 2020

Cash Conversion (%)



-34ppts.
vs 2020

Ordinary Dividend per Share (p)¹



+18%
vs 2020

¹Having withdrawn the 2019 final dividend of 18.5p in March 2020, a dividend of 18.5p was paid as the 2020 interim dividend in September 2020. For comparative purposes the 18.5p dividend has been included in 2019. A final dividend for 2021 of 18.0p is recommended ppts. (percentage points)

Our Markets



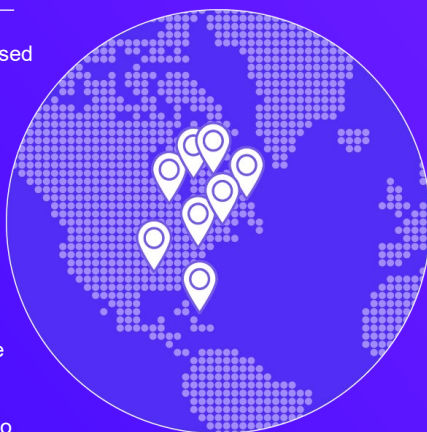
North America	2019	2020	2021	21 vs 20	21 vs 19
Mounties deployed	1,277	1,086	1,095	1%	(14%)
Revenue	£96.0m	£97.1m	£81.4m	(16%)	(15%)
Adjusted operating profit	£16.5m	£12.5m	£13.1m	5%	(21%)
Adjusted operating profit margin %	17%	13%	16%	+3ppts.	(1ppts.)

UK ¹	2019	2020	2021	21 vs 20	21 vs 19
Mounties deployed	1,880	1,574	1,806	15%	(4%)
Revenue	£134.8m	£116.7m	£121.8m	4%	(10%)
Adjusted operating profit	£37.2m	£24.1m	£28.4m	18%	(24%)
Adjusted operating profit margin %	28%	21%	23%	+2ppts.	(5ppts.)

Expanding client base with 20 new clients in the region (2020: 10)

Mountie headcount increased 1% from December 2020 with a continuing good performance from our Canadian operations and more subdued performance in the US

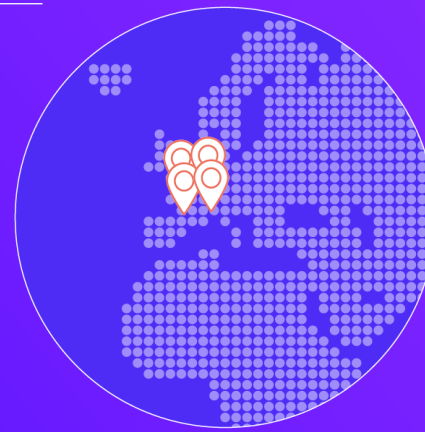
US demand improved during H2 2021 and has strengthened further in the opening months of 2022. We have introduced a number of new initiatives to meet that demand



Mountie headcount increased 15% from December 2020

Proportion of Mounties within their first year increased (2021: 49%, 2020: 21%), while the proportion who have completed their first two years with FDM reduced (2021: 33%, 2020: 41%)

From July 2021 trainees in the UK were employed and paid a salary from the first day of training, in line with other territories



¹2019 & 2020 results for both the UK region and EMEA region have been restated to show results for Ireland as part of EMEA. Previously, results for Ireland were included in the region "UK and Ireland"

Our Markets



EMEA ¹	2019	2020	2021	21 vs 20	21 vs 19
Mounties deployed	270	287	252	(12%)	(7%)
Revenue	£18.1m	£23.9m	£25.0m	5%	38%
Adjusted operating profit	£2.8m	£4.5m	£3.4m	(24%)	21%
Adjusted operating profit margin %	15%	19%	14%	(5ppts.)	(1ppts.)

APAC	2019	2020	2021	21 vs 20	21 vs 19
Mounties deployed	497	633	880	39%	77%
Revenue	£22.6m	£30.0m	£39.2m	31%	73%
Adjusted operating profit/(loss)	(£1.3m)	£1.6m	£2.4m	50%	285%
Adjusted operating profit/(loss) margin %	(6%)	5%	6%	+1ppts.	+12ppts.

Mountie headcount reduced by 12% from December 2020, reflecting the anticipated completion of a client project in Luxembourg

We established a presence in Poland, where we have seen good initial demand, and we ended the year with 38 Mounties deployed

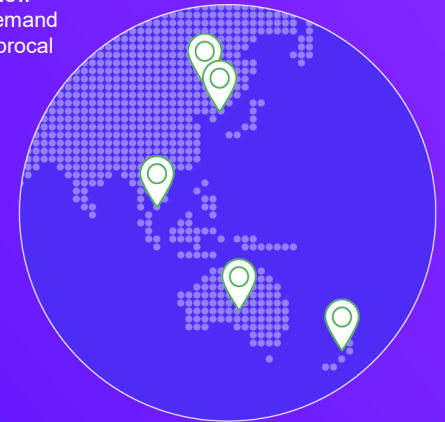
197 training completions in the period, a record for the region and more than double the prior year



Mountie headcount increased 39% from December 2020

We opened an entity in New Zealand to meet client demand and benefit from the reciprocal visa arrangements between Australia and New Zealand

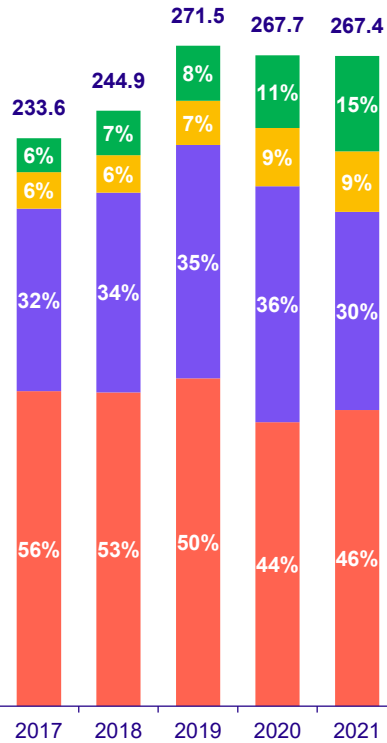
Australia continued to grow at rapid pace and now holds the largest headcount in the region



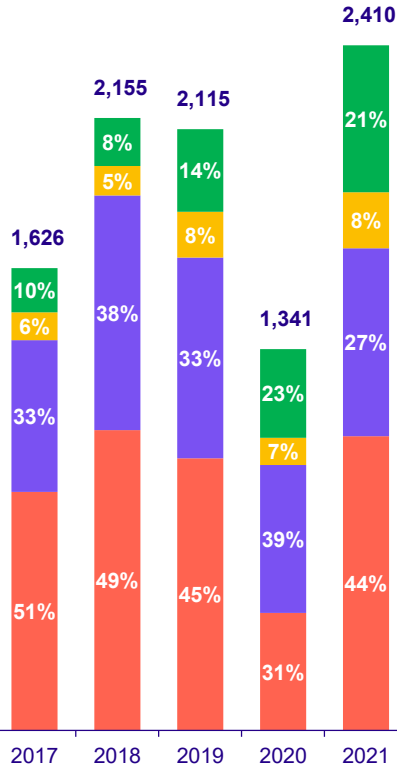
¹2019 & 2020 results for both the UK region and EMEA region have been restated to show results for Ireland as part of EMEA. Previously, results for Ireland were included in the region "UK and Ireland"

Regional Distribution

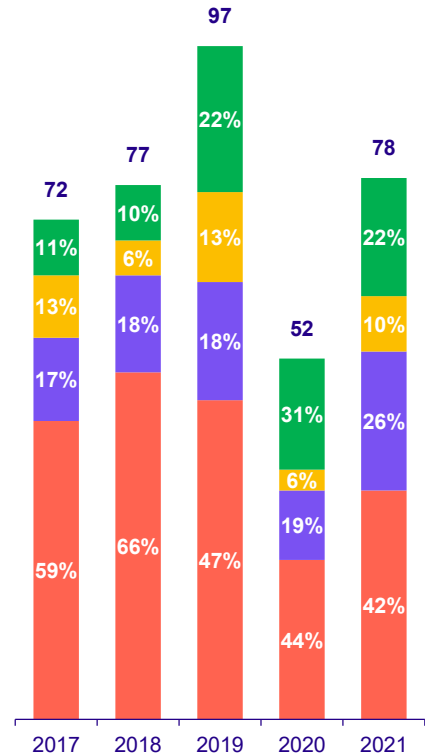
Revenue (£m)



Training completions

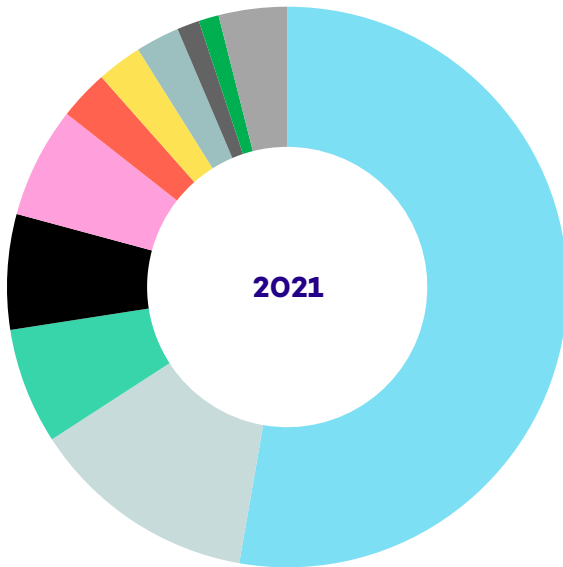


New clients



■ UK ■ NA ■ EMEA ■ APAC

Headcount by Industry



Industries	2019	2020	2021
Banks	47%	52%	53%
Diversified Financials	16%	15%	13%
Software & IT Services	8%	5%	7%
Insurance	7%	6%	7%
Government	7%	8%	6%
Energy	4%	4%	3%
Commercial & Professional Services	2%	1%	3%
Media & Entertainment	3%	3%	3%
Consumer Services	1%	1%	1%
Health Care Equipment & Services	0%	1%	1%
Other	5%	4%	3%

Other includes

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

Industry classification as per Standard & Poor's 'Global Industry Classification Standard' at 'Industry Group' level, with the addition of a "Government" sector

Mountie Headcount

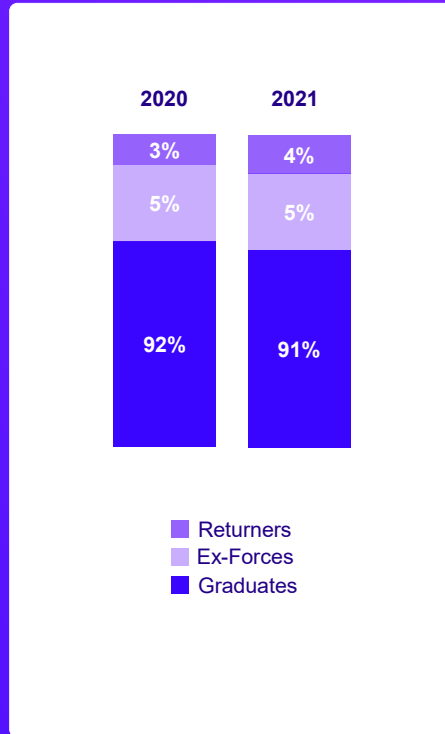


Ex-Forces and Veterans Programme

860+ former service personnel placed on-site to date



- Supporting and transitioning former service personnel into tech and business consultants
- 90+ former service personnel placed in 2021



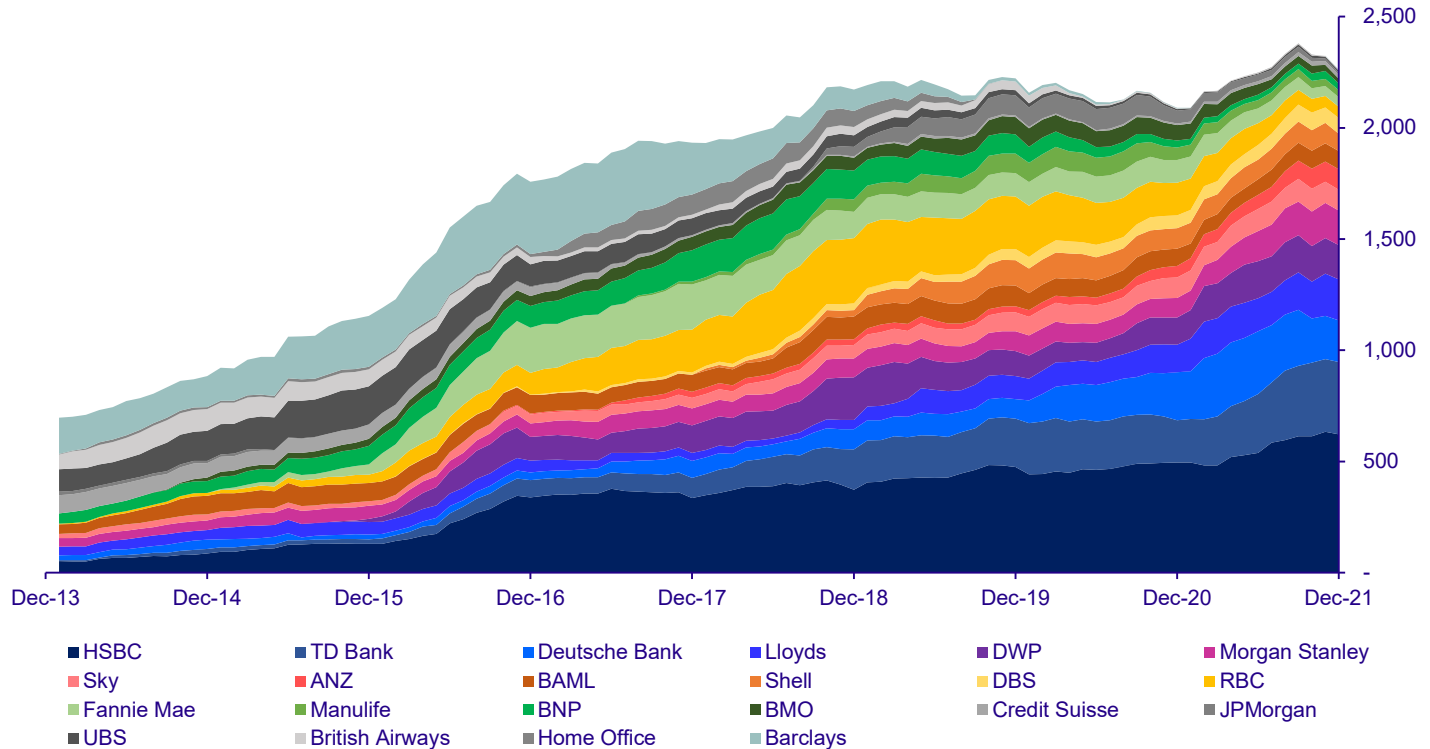
Returners Programme

310+ returners placed on-site to date



- Supporting and training individuals returning after a career break
- 90+ careers re-started in 2021

Top Clients by Headcount



'All clients that have had a headcount of 75 at any point since December 2013'

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



95+

nationalities working together as a team at FDM

Gender



31%

of worldwide FDM employees are female

Ethnicity



46%¹

are from a BAME² background

Disability



5%¹

consider themselves to have a disability

Social mobility



86%¹

attended a state school

Mean pay gap



0.5%

The UK business also has reported a -9.6% median gender pay gap (in favour of females) for 2021

Sexual orientation



5%¹

identify as LGBTQIA+

Emissions



-30%

reduction in GHG emissions intensity ratio in 2021³

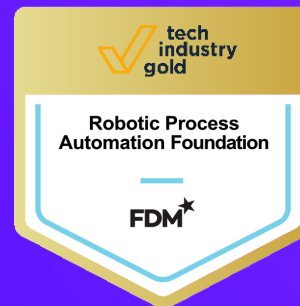
¹ of our 2021 UK consultants

² Black, Asian or Minority Ethnic

³ Intensity ratio of tCO₂e per £million of revenue

Training Accreditation

Working with our accreditation partner, TechSkills, we achieved the Tech Industry gold standard accreditation for the following courses:



FDM Recognition



Summary

- **FDM made good progress in 2021, with performance comfortably in line with the Board's expectations**
- **Strong growth in Mountie headcount, up 13% from 2020 year-end, with APAC growing significantly (+39% since 2020 year-end)**
- **Record levels of recruitment and training, with 2,410 training completions (2020: 1,341)**
- **In 2021 we continued to invest in Academy transformation and had our training courses accredited, verified by industry recognised TechSkills. In 2022 we are targeting a significant increase in the numbers of Mounties that we train and deploy and plan to accelerate internal staff recruitment and other internal development programmes**
- **The Board approved the Group Carbon Reduction Plan in December 2021: delivering Net Zero emissions across all scopes by 2050**
- **Strong balance sheet, with £53.1 million cash at period end (2020: £64.7 million)**
- **In respect of 2021 an interim dividend of 15.0p has been paid and a final dividend of 18.0p is recommended**
- **Demand for Mounties has been very strong across all our territories in the early weeks of 2022 and deal volumes are excellent**
- **The Board is confident that the Group is well placed to deliver a good performance in 2022 and beyond**

Income Statement

for the year ended 31 December 2021

	2021	2020
	£'000	£'000
Revenue	267,356	267,737
Cost of sales	(140,641)	(138,957)
Gross profit	126,715	128,780
Administrative expenses	(84,700)	(87,040)
Operating profit	42,015	41,740
Finance income	58	99
Finance expense	(650)	(815)
Net finance expense	(592)	(716)
Profit before income tax	41,423	41,024
Taxation	(9,594)	(10,249)
Profit for the year	31,829	30,775

Statement of Financial Position

as at 31 December 2021

	2021 £'000	2020 £'000
Non-current assets		
Right-of-use assets	11,631	14,774
Property, plant and equipment	4,069	5,554
Intangible assets	19,597	19,885
Deferred income tax assets	2,484	2,123
	<u>37,781</u>	<u>42,336</u>
Current assets		
Trade and other receivables	35,841	31,048
Cash and cash equivalents	53,120	64,725
	<u>88,961</u>	<u>95,773</u>
Total assets	<u>126,742</u>	<u>138,109</u>
Current liabilities		
Trade and other payables	31,235	28,563
Lease liabilities	5,413	5,502
Current income tax liabilities	2,147	2,094
	<u>38,795</u>	<u>36,159</u>
Non-current liabilities		
Lease liabilities	9,817	13,986
Total liabilities	<u>48,612</u>	<u>50,145</u>
Net assets	<u>78,130</u>	<u>87,964</u>

Statement of Cash Flows

for the year ended 31 December 2021

	2021 £'000	2020 £'000
Cash flows generated from operations	52,147	66,134
Interest received	58	99
Income tax paid	(10,606)	(11,464)
Net cash inflow from operating activities	41,599	54,769
Cash flows from investing activities		
Acquisition of property, plant and equipment	(368)	(536)
Acquisition of intangible assets	-	(79)
Net cash used in investing activities	(368)	(615)
Cash flows from financing activities		
Proceeds from sale of shares from EBT	450	349
Principal elements of lease payments	(5,294)	(5,294)
Interest elements of lease payments	(564)	(746)
Proceeds from sale of own shares	50	405
Finance costs paid	(85)	(68)
Dividends paid	(46,820)	(20,085)
Net cash used in financing activities	(52,263)	(25,439)
Exchange losses on cash and cash equivalents	(573)	(969)
Net (decrease)/ increase in cash and cash equivalents	(11,605)	27,746
Cash and cash equivalents at beginning of year	64,725	36,979
Cash and cash equivalents at end of year	53,120	64,725



Forward-looking statements

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