

FDM

**Powering the people
behind tech and innovation**

Results for the year ended 31 Dec 2023

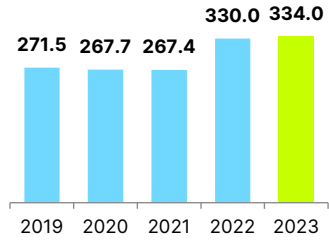
Rod Flavell - CEO

Mike McLaren - CFO



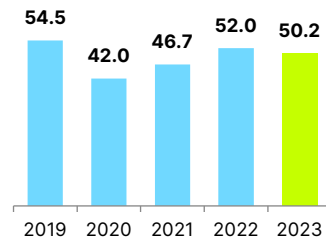
Highlights for the year ended 31 December 2023

Revenue (£m)



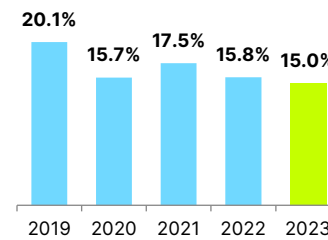
+1%
vs 2022

Adjusted Profit Before Tax (£m)¹



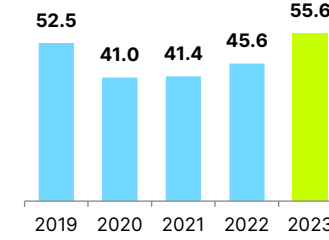
-3%
vs 2022

Adjusted PBT margin (%)¹



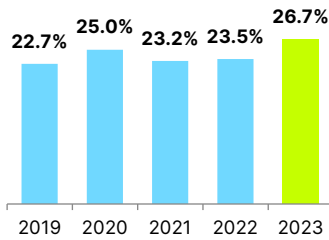
-0.8ppts.
vs 2022

Profit Before Tax (£m)



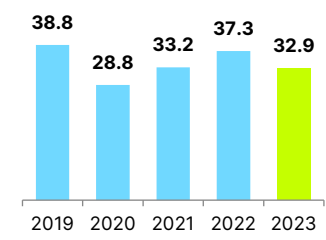
+22%
vs 2022

Effective Tax Rate (%)



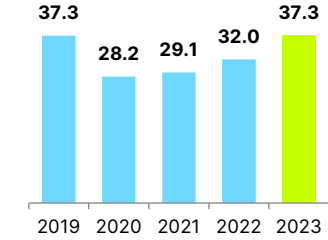
+3.2ppts.
vs 2022

Adjusted Basic EPS (p)²



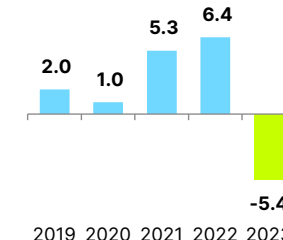
-12%
vs 2022

Basic EPS (p)²



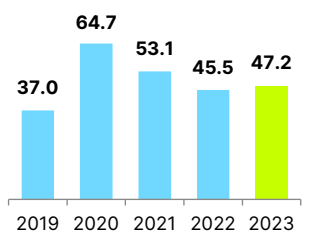
+17%
vs 2022

Share-based Payment (£m)



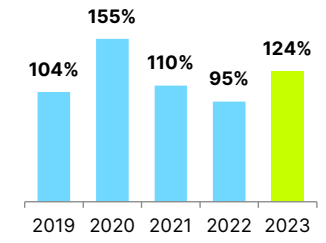
-184%
vs 2022

Closing Cash (£m)



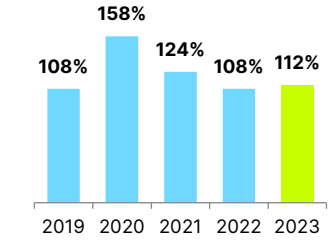
+4%
vs 2022

Adjusted Cash Conversion (%)¹



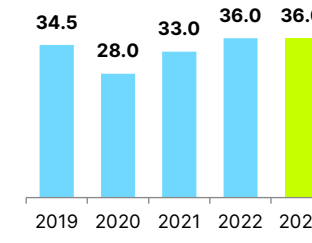
+29ppts.
vs 2022

Cash Conversion (%)



+4ppts.
vs 2022

Dividend per Share (p)



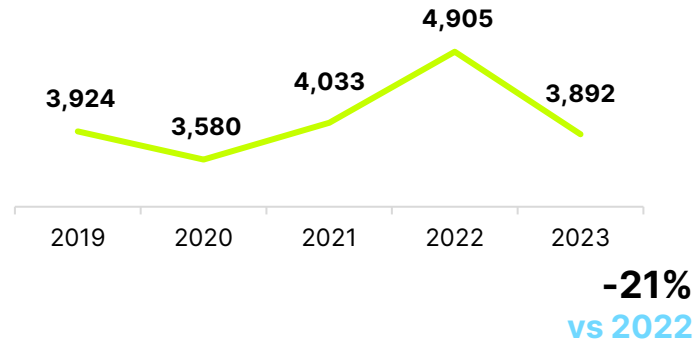
Level
vs 2022

¹ Adjusted items are calculated before Performance Share Plan credit/expense (including social security costs)

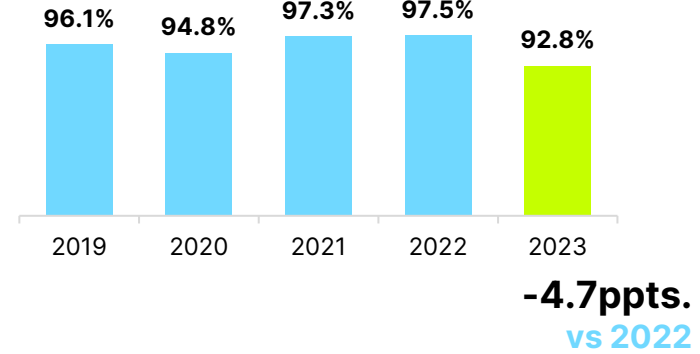
² Earnings per share

Highlights for the year ended 31 December 2023

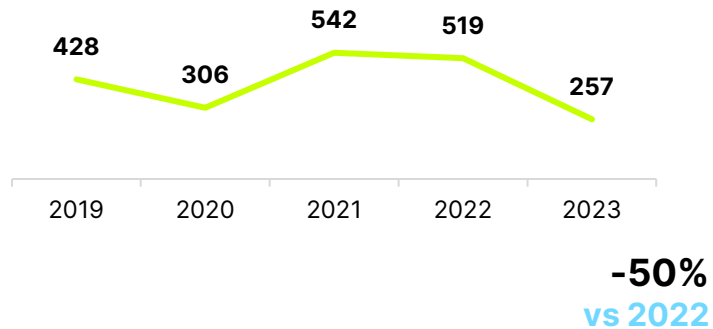
Consultants deployed at year end



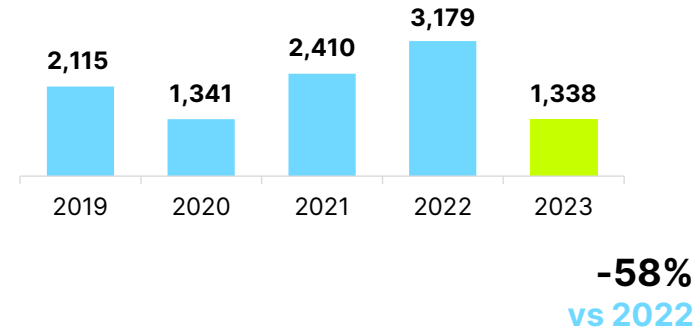
Consultant utilisation %



Number in training at year end



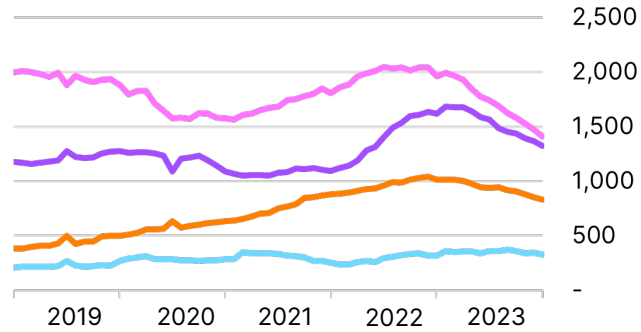
Training completions



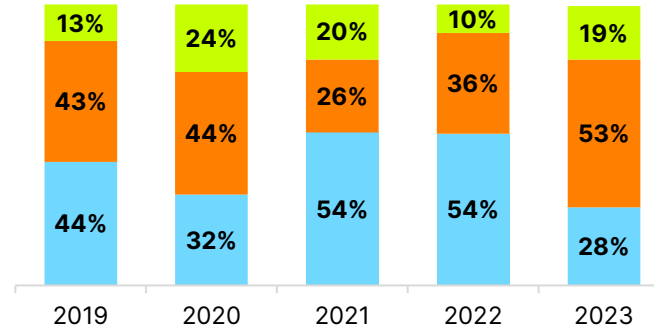
Highlights for the year ended 31 December 2023

- UK
- NA
- EMEA
- APAC

Consultants deployed by region

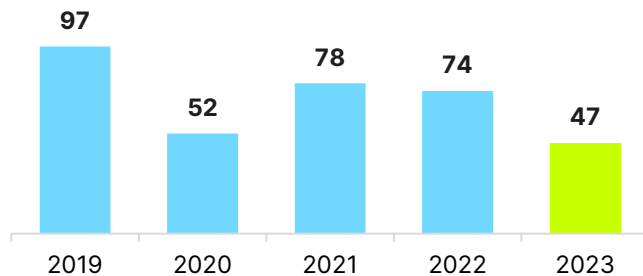


Consultant tenure

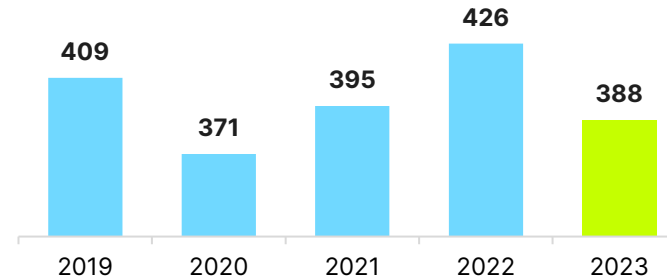


- YR3+
- YR2
- YR1

New clients



Active clients



Our markets

UK	2021	2022	2023	23 vs 22	23 vs 21
Consultants deployed	1,806	1,958	1,411	(28%)	(22%)
Training Completions	1,035	1,063	339	(68%)	(67%)
Revenue	£121.8m	£139.6m	£127.8m	(8%)	5%
Adjusted operating profit	£28.4m	£30.3m	£25.1m	(17%)	(12%)
Adjusted operating profit margin %	23%	22%	20%	-2ppts.	-3ppts.

- Macroeconomic uncertainty impacted demand for new Consultants with UK Consultant headcount decreasing 28% from December 2022
- In response to the change in demand, training completions were reduced by 68% to 339
- Adjusted operating profit decreased 17% to £25.1m as, although there were fewer training completions, the impact of this was outweighed by the cost of holding a higher than typical number of undeployed Consultants

North America	2021	2022	2023	23 vs 22	23 vs 21
Consultants deployed	1,095	1,618	1,322	(18%)	21%
Training Completions	661	1,319	340	(74%)	(49%)
Revenue	£81.4m	£116.9m	£130.2m	11%	60%
Adjusted operating profit	£13.1m	£15.4m	£20.4m	32%	56%
Adjusted operating profit margin %	16%	13%	16%	-3ppts.	0ppts.

- Consultant headcount decreased 18% from December 2022, closing at 1,322
- In line with market demand for new Consultants, we adjusted our training schedules to lower throughput
- During the period we moved our New York sales office to smaller premises with more flexible tenancy terms and opened a sales office in Florida to support client activity in the region. All of our offices in the USA are now flexible tenancies. In Canada, early in 2024, we reduced our Toronto lease space by 50%

Our markets

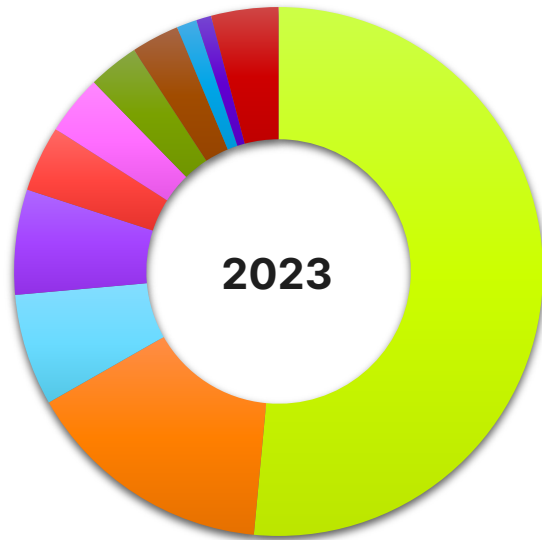
EMEA	2021	2022	2023	23 vs 22	23 vs 21
Consultants deployed	252	318	327	3%	30%
Training Completions	197	223	256	15%	30%
Revenue	£25.0m	£19.7m	£24.1m	22%	(4%)
Adjusted operating profit	£3.4m	£2.3m	£2.1m	(9%)	(38%)
Adjusted operating profit margin %	14%	12%	9%	-3ppts.	-5ppts.

- Consultant headcount increased 3% from December 2022, closing at 327
- 8 new clients opened in the year (2022: 8)
- Ireland experienced good growth in the year with headcount increasing 57% to 69 and during the period we opened a sales office in Limerick, Ireland

APAC	2021	2022	2023	23 vs 22	23 vs 21
Consultants deployed	880	1,011	832	(18%)	(5%)
Training Completions	517	574	403	(30%)	(22%)
Revenue	£39.2m	£53.8m	£51.9m	(4%)	32%
Adjusted operating profit	£2.4m	£4.3m	£2.0m	(52%)	(17%)
Adjusted operating profit margin %	6%	8%	4%	-4ppts.	-2ppts.

- Consultant headcount decreased by 18% from December 2022, closing at 832
- Revenue decreased by 4% to £51.9m (2022: £53.8m)
- In Australia, we expanded our property footprint outside of Sydney, taking on a sales office in Melbourne to act as a base to support an increasing Consultant presence in the region

Headcount by industry



Industries	2021	2022	2023
Banks	53%	53%	51%
Financial Services	13%	14%	15%
Insurance	7%	7%	7%
Government	6%	6%	6%
Commercial & Professional Services	3%	4%	4%
Energy	3%	3%	4%
Software & IT Services	7%	5%	3%
Media & Entertainment	3%	3%	3%
Retailing	0%	1%	1%
Materials	0%	1%	1%
Other*	5%	3%	5%

* Other includes

- Automobiles & Components
- Capital Goods
- Consumer Durables & Apparel
- Consumer Services
- Food, Beverage & Tobacco
- Health Care Equipment & Services
- Pharmaceuticals, Biotechnology & Life Sciences
- Technology Hardware & Equipment
- Telecommunication Services
- Transportation

Our Programmes

Ex-Forces and Veterans

- Supporting and transitioning former service personnel into tech and business Consultants
- British Ex-Forces in Business Award 2023
- 50+ former service personnel placed in 2023

2022 2023
211 163

1,050+

former service personnel placed on-site to date

Returners

- Supporting and training individuals returning after a career break
- 80+ careers re-started in 2023

2022 2023
220 219

500+

returners placed on-site to date

Sustainability & Inclusivity

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



Nationalities

90+

nationalities working together as a team at FDM



Gender

32%

of worldwide FDM employees are female



Disability

6%¹

Identify as having a disability



Social mobility

87%¹

attended a state school



UK Median gender pay gap

-4.3%

The UK business also has reported a -7.6% mean gender pay gap (in favour of females) for 2023



GHG Emissions

0.7

Intensity ratio of: Scope 1, 2 and 3 emissions per employee (tCO₂e)

Summary

- FDM delivered a resilient performance in 2023 against a backdrop of very challenging market conditions, returning a robust financial performance overall and continuing our investment in programmes to support future growth as and when market conditions improve
- Revenue of £334.0m (2022: £330.0m) and adjusted operating profit of £49.6m (2022: £52.2m)
- Strong balance sheet, with no debt
- In respect of 2023 an interim dividend of 17.0p has been paid and a final dividend of 19.0p is recommended
- Early months of 2024 have seen a continued high degree of macroeconomic uncertainty in many of the regions where we operate
- In all our geographies there remain structural and systemic skills-shortages which we are well placed to assist our clients in overcoming
- We maintain our focus on optimising our activities and resources

FDM recognition



FTSE4Good



Accreditation

Working with our accreditation partner, TechSkills, the following courses have been awarded the Tech Industry Gold standard accreditation



Technology Partnerships



Income Statement

For the year ended 31 December 2023

	2023 £'000	2022 £'000
Revenue	333,975	329,972
Cost of sales	(177,449)	(174,353)
Gross profit	156,526	155,619
Administrative expenses	(101,500)	(109,772)
Operating profit	55,026	45,847
Finance income	1,396	418
Finance expense	(796)	(604)
Net finance income/(expense)	600	(186)
Profit before income tax	55,626	45,661
Taxation	(14,861)	(10,753)
Profit for the year	40,765	34,908

Statement of Financial Position

As at 31 December 2023

	2023 £'000	2022 £'000
Non-current assets		
Right-of-use assets	18,215	10,073
Property, plant and equipment	2,616	3,666
Intangible assets	19,571	19,729
Deferred income tax assets	552	2,316
	40,954	35,784
Current assets		
Trade and other receivables	32,613	45,473
Income tax receivables	3,384	3,450
Cash and cash equivalents	47,226	45,523
	83,223	94,446
Total assets	124,177	130,230
Current liabilities		
Trade and other payables	25,638	32,962
Lease liabilities	4,512	4,643
Current income tax liabilities	1,428	1,172
	31,578	38,777
Non-current liabilities		
Lease liabilities	15,669	8,250
Provisions	228	-
Deferred income tax liability	31	-
	15,928	8,250
Total liabilities	47,506	47,027
Net assets	76,671	83,203

Statement of Cash Flow

For the year ended 31 December 2023

	2023 £'000	2022 £'000
Cash flows generated from operations	61,499	49,665
Interest received	1,396	418
Income tax paid	(12,741)	(13,665)
Net cash inflow from operating activities	50,154	36,418
Cash flows from investing activities		
Acquisition of property, plant and equipment	(651)	(1,204)
Net cash used in investing activities	(651)	(1,204)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	4	-
Proceeds from sale of shares from EBT	468	484
Principal elements of lease payments	(4,807)	(5,470)
Interest elements of lease payments	(718)	(472)
Proceeds from sale of own shares	16	24
Payment for shares bought back	(2,525)	-
Finance costs paid	(72)	(132)
Dividends paid	(39,320)	(38,153)
Net cash used in financing activities	(46,954)	(43,719)
Exchange (losses)/gains on cash and cash equivalents	(846)	908
Net increase/(decrease) in cash and cash equivalents	1,703	(7,597)
Cash and cash equivalents at beginning of year	45,523	53,120
Cash and cash equivalents at end of year	47,226	45,523



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.