

FDM

**Powering the people
behind tech and innovation**

Results for the year ended 31 Dec 2024

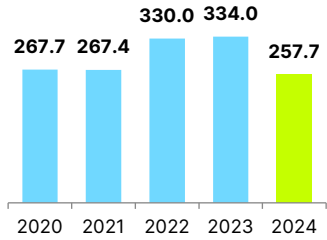
Rod Flavell - CEO

Mike McLaren - CFO

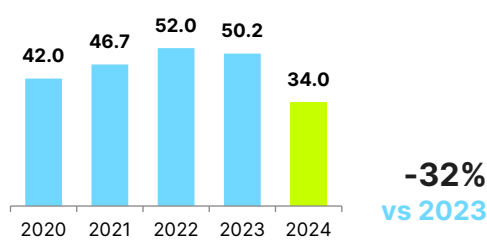


Highlights for the year ended 31 December 2024

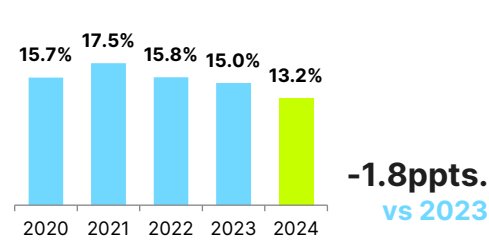
Revenue (£m)



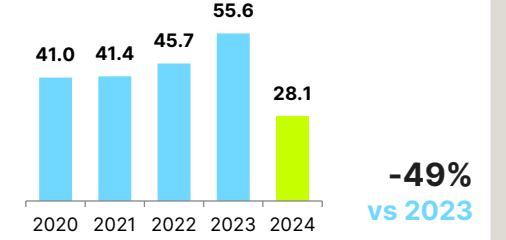
Adjusted Profit Before Tax ¹ (£m)



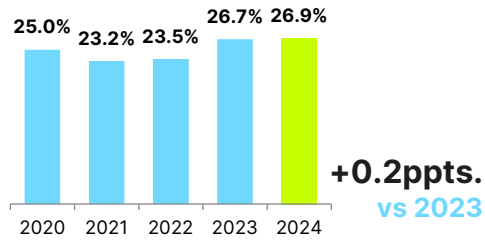
Adjusted PBT margin ¹ (%)



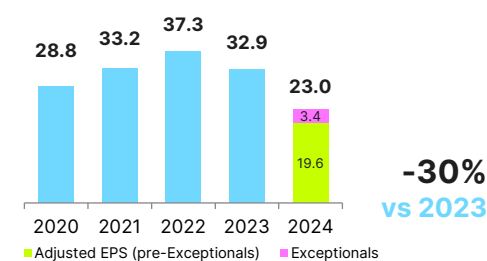
Profit Before Tax (£m)



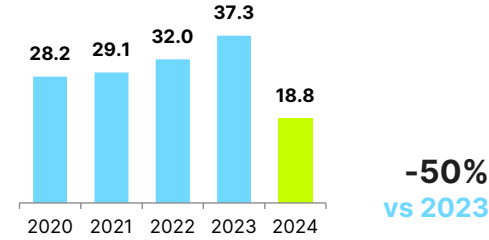
Effective Tax Rate (%)



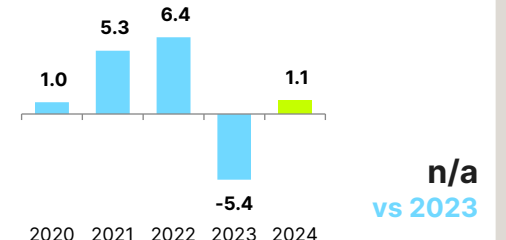
Adjusted Basic EPS ² (p)



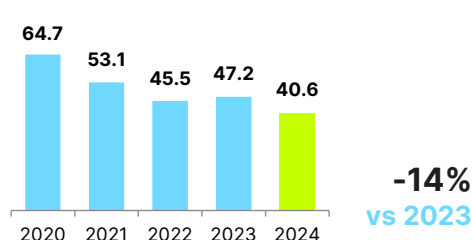
Basic EPS ² (p)



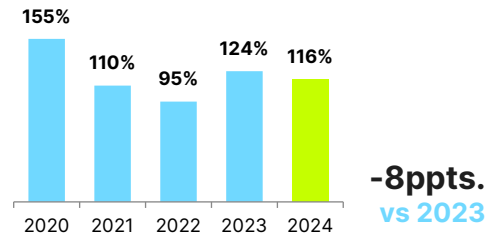
Share-based Payment (£m)



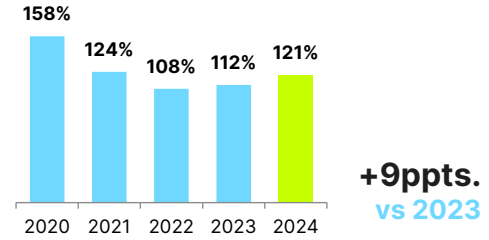
Closing Cash (£m)



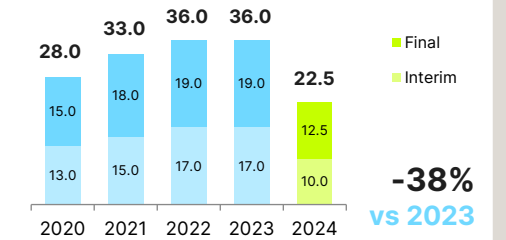
Adjusted Cash Conversion ³ (%)



Cash Conversion ³ (%)



Dividend per Share (p)



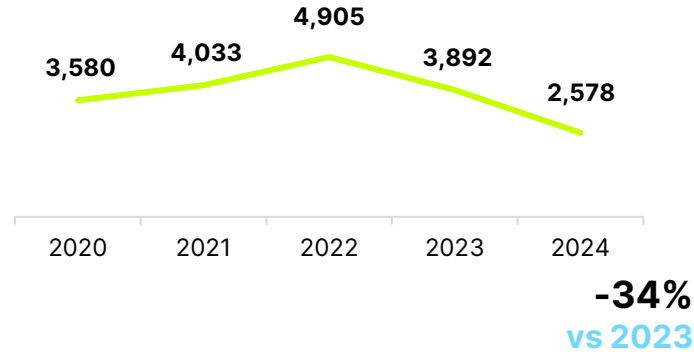
¹ Adjusted profit items are calculated before; i) Share Plan expenses; and ii) exceptional costs as we better aligned our internal staff and undeployed Consultants with market demand

² Earnings per share

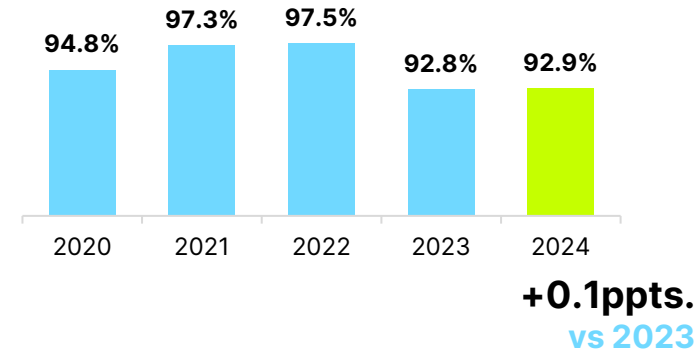
³ Cash conversion is calculated by dividing cash flows generated from operations by operating profit. The adjusted cash conversion is calculated by dividing cash flow generated from operations by operating profit adjusted for Share Plan expenses

Highlights for the year ended 31 December 2024

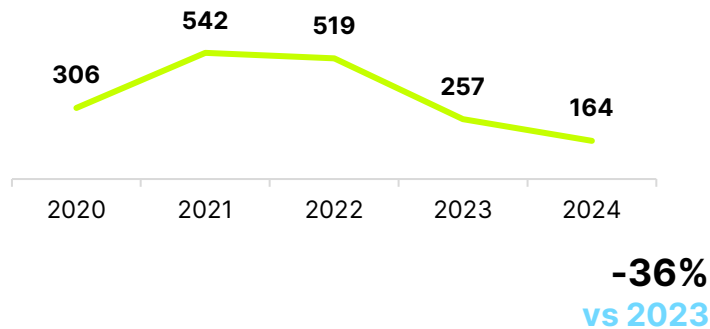
Consultants deployed at year end



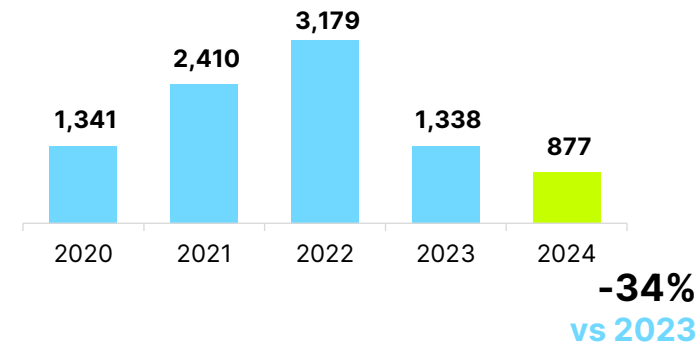
Consultant utilisation ¹ %



Number in coaching at year end

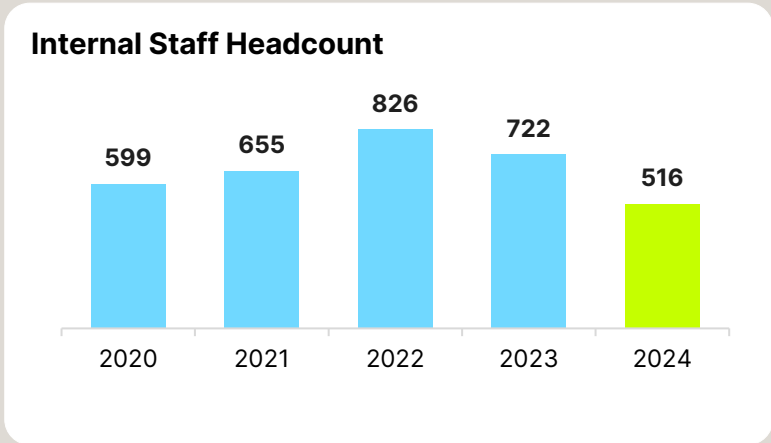
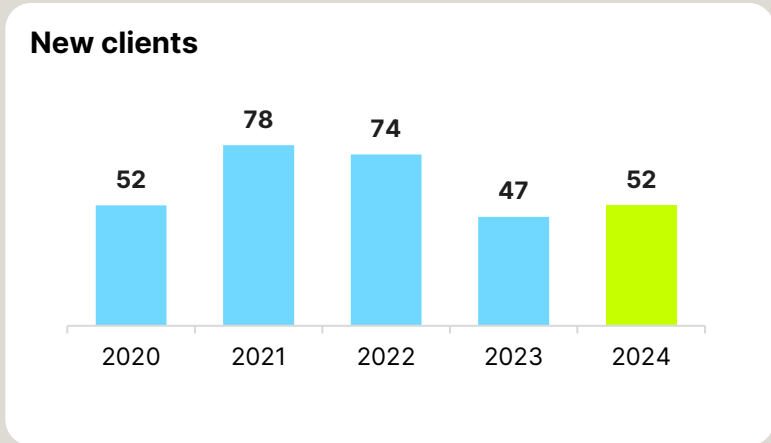
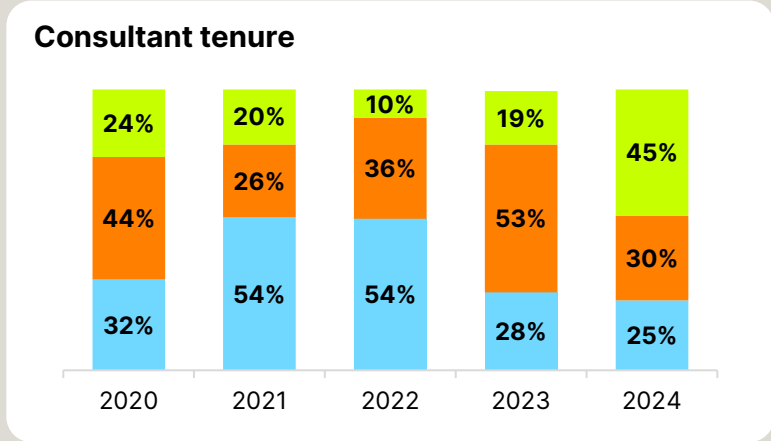
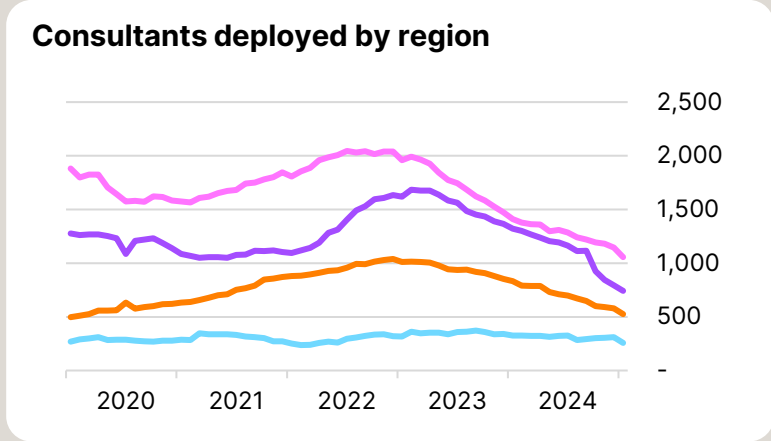
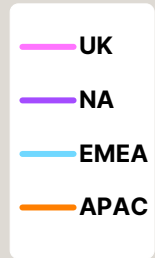


Coaching completions



¹ The business uses the metric 'Consultant utilisation' to monitor all deployed Consultants. Utilisation rate is calculated as the ratio of the cost of deployed Consultants to the total Consultant payroll cost

Highlights for the year ended 31 December 2024



Our markets

UK	2022	2023	2024	24 vs 23	24 vs 22
Consultants deployed	1,958	1,411	1,056	(25%)	(46%)
Coaching completions	1,063	339	200	(41%)	(81%)
Revenue	£139.6m	£127.8m	£104.0m	(19%)	(26%)
Adjusted operating profit	£30.3m	£25.1m	£18.8m	(25%)	(38%)
Adjusted operating profit margin %	22%	20%	18%	-2ppts.	-4ppts.

- The market remained challenging in 2024. Year-end headcount decreased by 25% from December 2023
- The mix of our Consultant population shifted towards more experienced resource as clients managed reduced budgets. Our experienced Consultants have a higher sell rate, contributing towards the reduction in revenue being less than the reduction in headcount
- We incurred £3.6m of exceptional costs associated with measures taken to align better the number of benched Consultants and internal staff with demand
- Coaching completions were 41% lower, reflecting reduced demand and a higher number of undeployed Consultants

North America	2022	2023	2024	24 vs 23	24 vs 22
Consultants deployed	1,618	1,322	742	(44%)	(54%)
Coaching completions	1,319	340	330	(3%)	(75%)
Revenue	£116.9m	£130.2m	£92.2m	(29%)	(21%)
Adjusted operating profit	£15.4m	£20.4m	£11.7m	(43%)	(24%)
Adjusted operating profit margin %	13%	16%	13%	-3ppts.	0ppts.

- Consultant headcount decreased 44% from December 2023
- As in the UK, our Consultant mix shifted towards more experienced resource
- We incurred £0.8m of exceptional costs associated with measures taken to align better the number of benched Consultants and internal staff with demand

Our markets

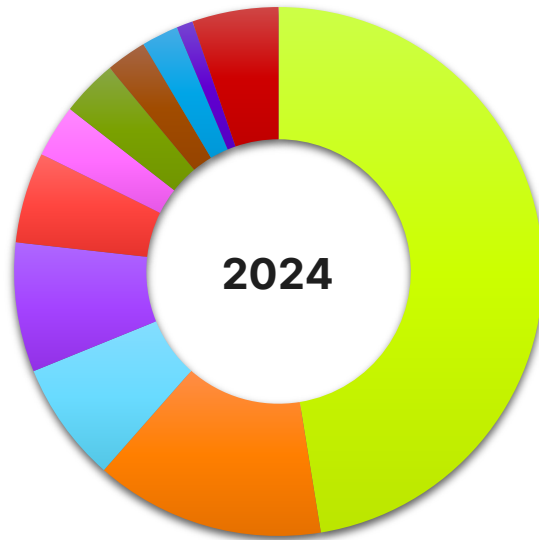
EMEA	2022	2023	2024	24 vs 23	24 vs 22
Consultants deployed	318	327	256	(22%)	(19%)
Coaching completions	223	256	138	(46%)	(38%)
Revenue	£19.7m	£24.1m	£21.9m	(9%)	11%
Adjusted operating profit	£2.3m	£2.1m	£1.3m	(38%)	(43%)
Adjusted operating profit margin %	12%	9%	6%	-3ppts.	-6ppts.

- Consultant headcount decreased 22% from December 2023
- During the year we carried a higher than typical number of undeployed Consultants, contributing to the adjusted operating profit decreasing by more than headcount
- Germany experienced good growth in the year with headcount increasing 22% to 124

APAC	2022	2023	2024	24 vs 23	24 vs 22
Consultants deployed	1,011	832	524	(37%)	(48%)
Coaching completions	574	403	209	(48%)	(64%)
Revenue	£53.8m	£51.9m	£39.6m	(24%)	(26%)
Adjusted operating profit	£4.2m	£2.0m	£1.6m	(20%)	(62%)
Adjusted operating profit margin %	8%	4%	4%	0ppts.	-4ppts.

- Consultant headcount decreased by 37% from December 2023
- Similar to other regions, we adjusted our coaching schedules to reflect market demand
- We opened 11 new clients in the year (2023: 9)

Headcount by industry



Industries	2022	2023	2024
Banks	53%	51%	47%
Financial Services	14%	15%	14%
Insurance	7%	7%	7%
Government	6%	6%	8%
Commercial & Professional Services	4%	4%	6%
Energy	3%	4%	3%
Software & IT Services	5%	3%	3%
Media & Entertainment	3%	3%	2%
Retailing	1%	1%	2%
Materials	1%	1%	1%
Other*	3%	5%	7%

* 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

FDM AI Strategy & Opportunity

FDM aims to be an AI leader, delivering AI consulting projects and deploying AI-skilled teams for clients, rapidly and at scale

2025 is the beginning of the Goldilocks period for AI deployment. Use cases are emerging rapidly, technology is now deployable at acceptable cost & risk, corporate investment is scaling fast, do-nothing risks for corporates are increasing



Typical Client AI needs

- AI use case development
- AI talent augmentation
- Requirements analysis & feasibility studies
- Technical architecture design & vendor evaluation
- Data integration & analysis
- Data governance & compliance
- LLM deployment
- Performance & analysis



FDM AI Assets

- Board-level client relationships
- Young, Digital Native workforce
- Agile, rapid & scalable AI training capability
- Ability to scale teams at low cost & transfer key AI skills to the client
- AI application demonstrations built within our training PODs
- Partnerships/experience with AI platforms such as Microsoft, ServiceNow & Quantexa



FDM AI Case Studies

Hong Kong Bank – use of LLMs to automate a regulated document review process

UK Defence Customer – use of LLMs/Gen AI to develop an agent/chatbot for more effective report writing, including training their internal teams

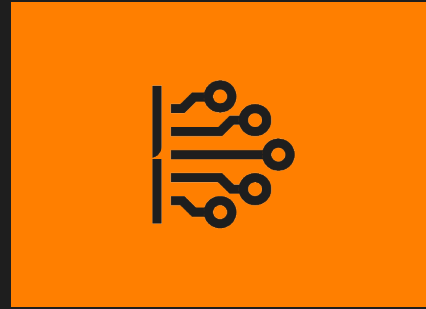
Major North American Bank – MS Github Copilot roll-out consulting support

UK Government Department – development of a unified data & data governance strategy for AI readiness

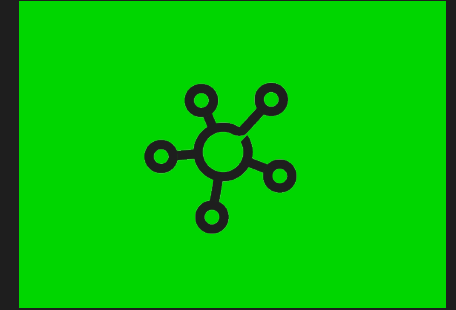
FDM Practices

During the year there was a major change in the delivery of our training, with the launch of the new FDM Practices methodology. This is a skills-based, experiential model in our new Skills Lab.

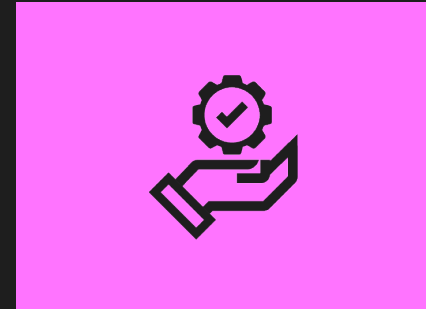
The Skills Lab enhances our operations with flexibility and adaptability. This innovative approach allows us to be more agile in meeting evolving client demands.



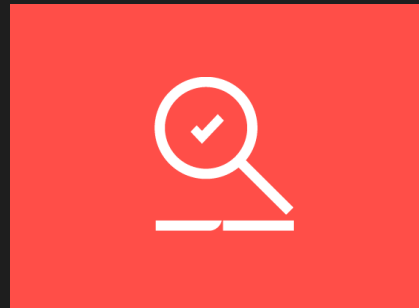
Software Engineering



Change & Transformation



IT Operations



Risk, Regulation & Compliance



Data & Analytics

Sustainability & Inclusivity



Gender

49%

% female within senior management team and their direct reports



Social mobility

88%¹

attended a state school



Nationalities

80+

nationalities working together as a team at FDM



UK Mean gender pay gap

-2.5%

The UK business also has reported a -5.1% median gender pay gap (in favour of females) for 2024



Disability

3%

Identify as having a disability



GHG Emissions

< 1 tCO₂e

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

Summary

- FDM delivered a resilient performance for 2024 against a backdrop of very challenging market conditions
- Revenue of £257.7m (2023: £334.0m) and adjusted profit of £34.0m (2023: £50.2m)
- Strong balance sheet, with no debt
- In respect of 2024 an interim dividend of 10.0p has been paid and a final dividend of 12.5p is recommended
- Successful launch of our new FDM Practices methodology to enable us to respond better to clients' needs
- We incurred exceptional costs of £4.9m (2023: £nil) in the year as we better aligned our undeployed Consultants and internal staff with current market demand.
- We secured 52 new clients globally (2023: 47), 35 of which were outside of the financial services sector
- Trading in the early months of 2025 has been encouraging with a modest uptick in client demand across the majority of the regions in which we operate. However, the Board believes that it remains too early, given continuing uncertain macroeconomic conditions, to materially increase investment in recruitment and throughput to our Skills Lab

Technology Partnerships



Our Programmes

Ex-Forces and Veterans

- Supporting and transitioning former service personnel into tech and business Consultants
- Ex-Forces in Business Awards: Rod Flavell won Advocate of the Year (Individual) 2024
- Great British Employers of Veterans Top 50 List 2024

2023 2024
163 105

1,050+

former service personnel placed on-site to date

Returners

- Supporting and training individuals returning after a career break

2023 2024
219 164

550+

returners placed on-site to date

FDM recognition



AI Case Study

- **Client:** Securitisation arm of a large multi-national bank with over 80,000 employees and revenues exceeding US\$80BN
- **Problem:** Speed up transition from manual document review and summarisation to an automated process while meeting compliance requirements
- **Solution:**
 - FDM deployed 5 Python Engineers with added AI and AI Governance training, including one recent AI graduate
 - Formed a Rapid Automation Squad, integrated into the business side of the bank in a team with experienced bank employees
- **Tasks:**
 - Review automation requests from various operation teams
 - Automate manual processes using Python and CoPilot, reducing tasks from days/hours to minutes/seconds
- **Technologies Used:**
 - Large language models (LLMs) and AI functionalities such as text classification
 - Developed a Python web-scraping and reconciliation tool, replacing manual browsing, copying and checks
- **Impact for the Client:**
 - Processing time and effort reduced by over 90%. Significant reduction in error rates
 - Bank is a pioneer in using AI and LLMs to enhance business processes. Project seen as a success in the bank. Other managers in the Bank now looking to replicate the successful Squad approach
 - Two members of the FDM Squad now sent to another of the Bank's regions to assist other teams. Other FDM consultants being onboarded to replicate the Squad concept in other bank functions and geographies

Income Statement

For the year ended 31 December 2024

	2024 £'000	2023 £'000
Revenue	257,704	333,975
Cost of sales	(142,754)	(177,449)
Gross profit	114,950	156,526
Administrative expenses	(87,511)	(101,500)
which includes:		
Exceptional items	(4,894)	-
Operating profit	27,439	55,026
Finance income	1,927	1,396
Finance expense	(1,304)	(796)
Net finance income	623	600
Profit before income tax	28,062	55,626
Taxation	(7,555)	(14,861)
Profit for the year	20,507	40,765

Statement of Financial Position

As at 31 December 2024

	2024 £'000	2023 £'000
Non-current assets		
Right-of-use assets	19,614	18,215
Property, plant and equipment	1,974	2,616
Intangible assets	19,464	19,571
Deferred income tax assets	481	552
	41,533	40,954
Current assets		
Trade and other receivables	28,532	32,613
Income tax receivables	797	3,384
Cash and cash equivalents	40,588	47,226
	69,917	83,223
Total assets	111,450	124,177
Current liabilities		
Trade and other payables	20,734	25,638
Lease liabilities	4,586	4,512
Current income tax liabilities	1,010	1,428
	26,330	31,578
Non-current liabilities		
Lease liabilities	17,122	15,669
Provisions	658	228
Deferred income tax liability	-	31
	17,780	15,928
Total liabilities	44,110	47,506
Net assets	67,340	76,671

Statement of Cash Flow

For the year ended 31 December 2024

	2024 £'000	2023 £'000
Cash flows generated from operations	33,108	61,499
Interest received	1,927	1,396
Income tax paid	(5,796)	(12,741)
Net cash inflow from operating activities	29,239	50,154
Cash flows from investing activities		
Acquisition of property, plant and equipment	(335)	(651)
Net cash used in investing activities	(335)	(651)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	1	4
Proceeds from sale of shares from EBT	299	468
Principal elements of lease payments	(3,676)	(4,807)
Interest elements of lease payments	(1,225)	(718)
Proceeds from sale of own shares	-	16
Payment for shares bought back	-	(2,525)
Finance costs paid	(57)	(72)
Dividends paid	(31,677)	(39,320)
Net cash used in financing activities	(36,335)	(46,954)
Exchange gains/ (losses) on cash and cash equivalents	793	(846)
Net (decrease)/ increase in cash and cash equivalents	(6,638)	1,703
Cash and cash equivalents at beginning of year	47,226	45,523
Cash and cash equivalents at end of year	40,588	47,226



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.