

31 January 2024

FDM GROUP (HOLDINGS) PLC ("FDM GROUP", "FDM" or "THE GROUP")

YEAR END TRADING UPDATE

FDM Group, a global professional services provider with a focus on Information Technology, today provides a trading update for the year to 31 December 2023, ahead of its full year results, which will be released on 20 March 2024.

Group Trading in the Period and Closing Balance Sheet

The Group delivered a resilient performance in 2023, against a backdrop of very challenging market conditions which emerged from the beginning of the second quarter and remain in place, with macro-economic and geo-political uncertainty dampening client demand. The Board continued to adjust recruitment, training, Consultant resource, and internal staffing levels to align with these market conditions, and anticipates the Group's financial performance for the year to 31 December 2023 will be in line with its expectations.

Revenue for the year to 31 December 2023 is expected to be £334 million, up 1% in comparison to the prior year (2022: £330 million). On a constant currency basis revenue increased by 2%, or £7.4 million.

The Group ended the year with 3,892 Consultants placed with clients (2022: 4,905), a decrease of 21% on the prior year. The UK closed with 1,411 Consultants deployed (2022: 1,958); North America closed with 1,322 Consultants deployed (2022: 1,618); APAC closed with 832 Consultants deployed (2022: 1,011); and EMEA closed with 327 Consultants deployed (2022: 318). The average number of Consultants assigned to clients was broadly similar in 2023 compared with 2022, resulting in a broadly similar revenue performance.

The Group delivered 1,338 training completions during the year (2022: 3,179 training completions), reflecting the Group's response to reduced levels of client demand. Internal staff headcount was reduced by around 10% in 2023 in response to lower business activity levels.

The Group's balance sheet remains robust with closing cash balances of £47 million (2022: £46 million), and cash conversion strong at 112% (2022: 108%). The Group has no debt.

Outlook

Rod Flavell, Group CEO, commented:

"The last nine months of 2023 saw difficult trading conditions across our markets, with many clients delaying and deferring decisions around projects and consultant placements given the macro-economic and geo-political uncertainties they faced. Our agile business model allowed us to take the action required to align our business activity and resources appropriately, a programme which continues into the current year.

Levels of client engagement remain encouraging and the early signs of returning client confidence which we reported in November continue. Our on-going investment programmes to support future growth, appropriate levels of trained Consultant resource and access to an excellent pipeline of already assessed candidates ensure that we are well placed to meet clients' needs as and when market conditions improve."

This announcement may contain statements which constitute 'forward-looking statements'. Although FDM Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

ENDS

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