

FDTechnologies

Full year results FY22

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Delivering on strategy



Delivering on accelerated growth strategy and achieved our targets



Market opportunities are robust across our business units



Providing guidance for 35-40% growth in KX ARR

Business units performing strongly

KX

- ✓ Delivered 25% growth in exit ARR
- ✓ Signed 22 deals for cloud native KX Insights platform
- ✓ Strategic partnership signed with Microsoft

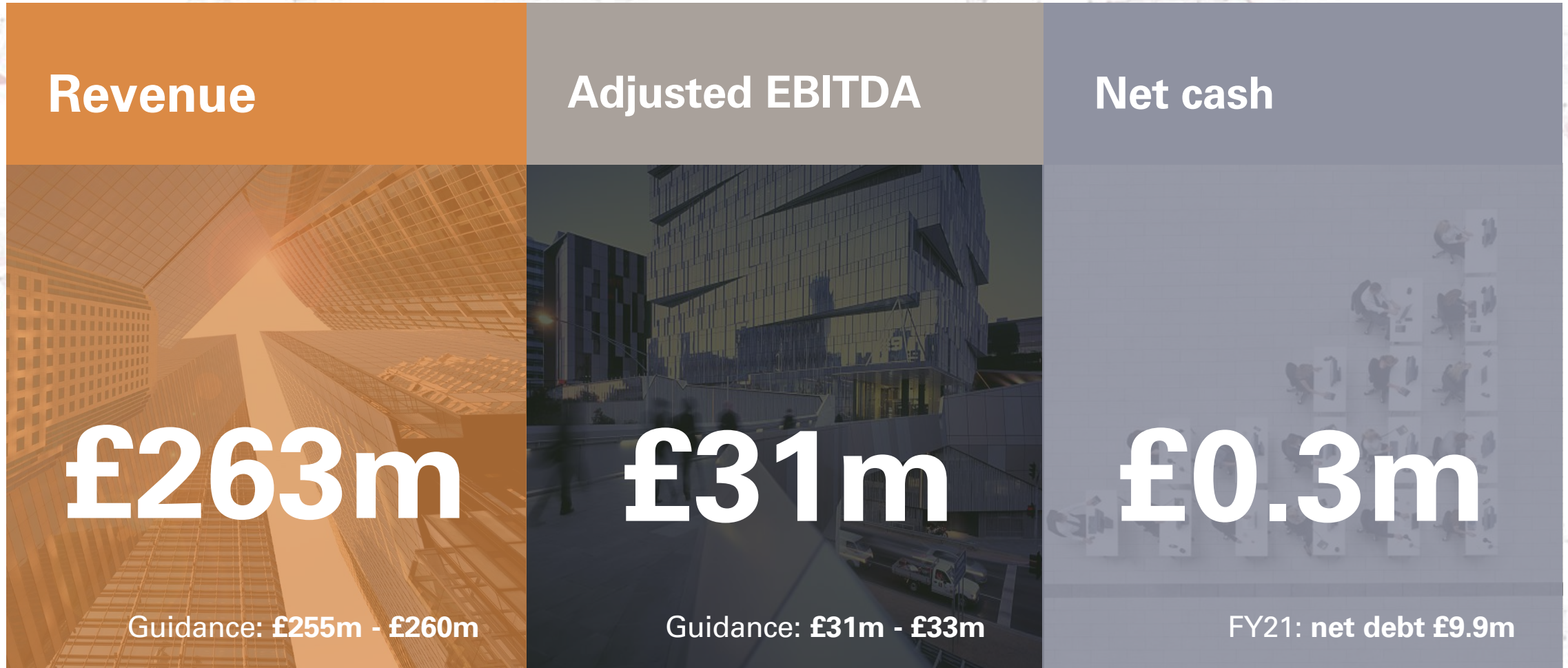
**FIRST
DERIV
ATIVE**

- ✓ Delivered 24% revenue growth
- ✓ Gross margin improved to 27% (FY21: 24%)
- ✓ Achieving greater returns on our expertise

mrp

- ✓ Revenue growth of 16%
- ✓ Gross margin improved to 44% (FY21: 41%)
- ✓ Maintaining market leadership position

Group financial guidance achieved





KX

Real-time analytics growing rapidly

Today
\$15.4bn



26.5% CAGR

By 2025

\$50.1bn



Only a fraction of data is analysed in real time due to the limits of legacy technology. Companies must choose between speed and computational intensity, delaying more sophisticated analyses and inhibiting the implementation of real-time use cases.

Vast networks of connected devices gather and transmit data and insights, often in real time. Sophisticated advanced analytics are available to all organisations as the cost of cloud computing continues to decline, enabling many more advanced use cases

Unlocking the opportunity

KX competitive strengths

- Single platform to process, store and analyse data
- Any amount of real-time and historical data at scale to provide context
- Deployable on the edge, on-premise or in the cloud
- Easy to adopt and use



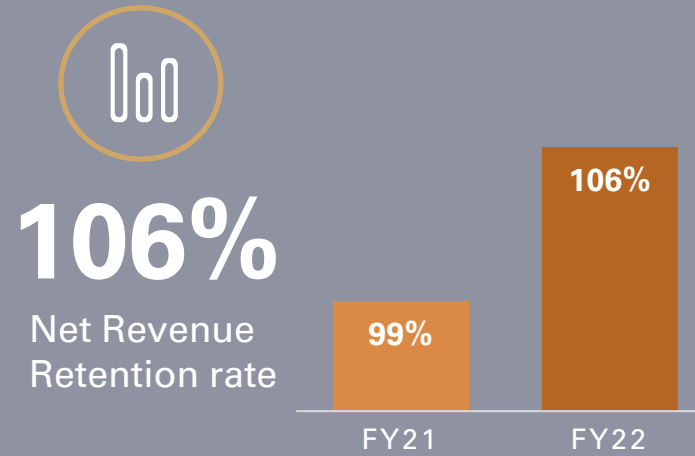
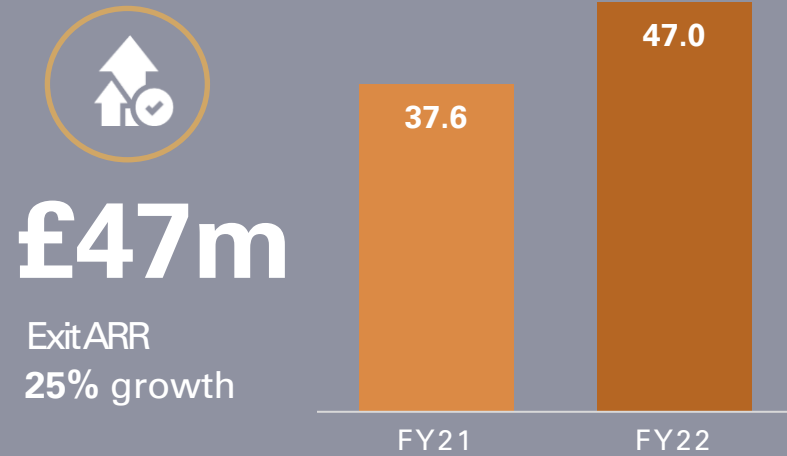
KX return on investment

- Forrester study found KX delivered a 3 year return on investment of 315%, with payback in under six months
- Typical customer benefits included increased operational efficiency, improved product reliability, faster product design and lower manual intervention

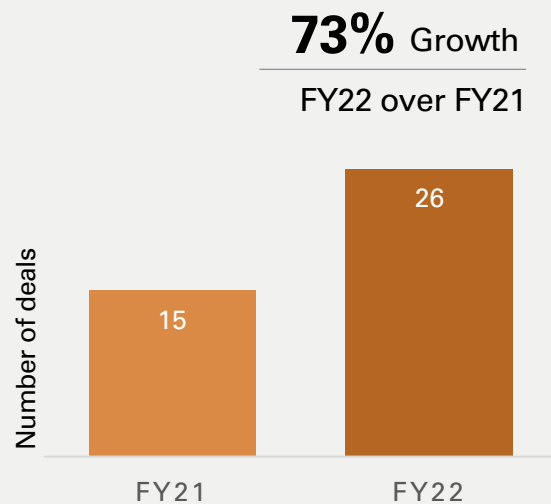
Growing KX Ecosystem



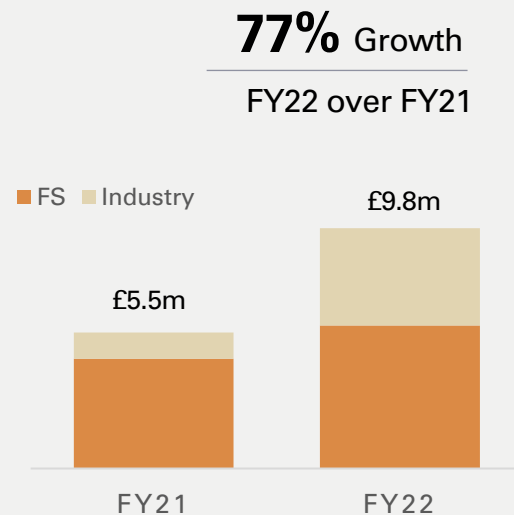
A year of transformation driving exit ARR and NRR



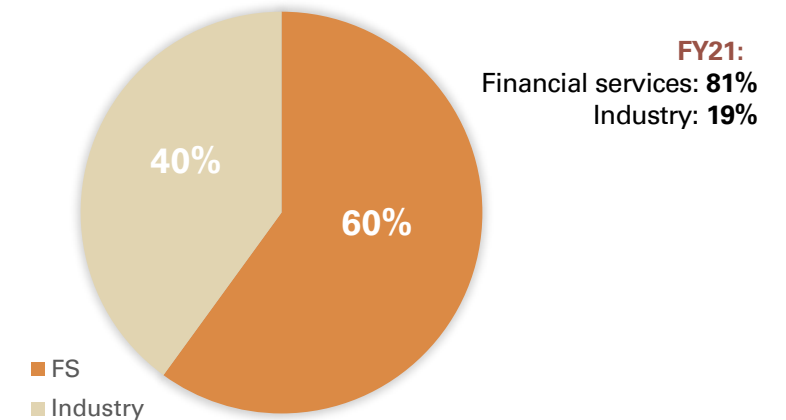
New subscription clients



Subscription annual contract value



Subscription deal value



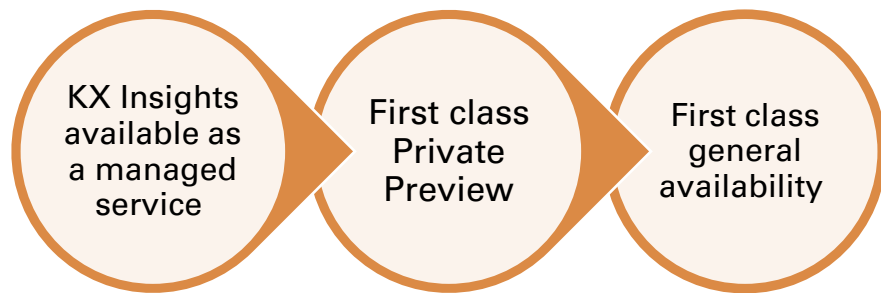
Microsoft partnership drives scale



- KX Insights will be natively integrated as a streaming analytics platform with first class status on Azure. Microsoft salespeople will be incentivised and retire quota through the partnership. Key target markets include FS, manufacturing and automotive.

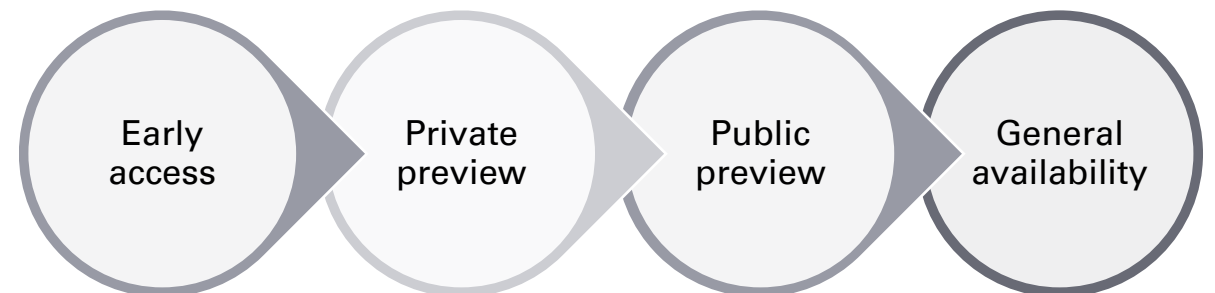
- KX and Microsoft are developing applications and services, leveraging KX's capabilities as a core building block. This collaboration will help the capital markets ecosystem including exchanges, buy-side firms and sell-side institutions create high-value insights that facilitate real-time decision making.

First class



Q1 calendar 2023

Financial Services



Calendar 2023

KX value for customers Industry



What we do

- Advanced analysis of wind tunnel data
- Store real-time and historic data for accelerated analytics

How customers benefit

- Improve efficiency / effectiveness of wind tunnels and reduce expensive testing
- Deliver competitive advantage in vehicle design
- Payback expected in less than a year

Expansion potential

- Further roll out within customer's wind tunnels under discussion
- Penetrate deeper into customer's operations e.g. autonomous vehicles
- Multiple other manufacturers



What we do

- Real-time data capture connecting all tools used across the manufacturing facility
- Store historical data to analyse performance

How customers benefit

- Enhanced fault management resulting in \$1m per annum saving in downtime
- Removal of inefficient legacy tooling
- Higher productivity from improved processes

Expansion potential

- Initial deployment proved ROI with follow up order now received and further expansion possible
- Large opportunity for similar use cases throughout manufacturing

KX value for customers

Finance



What we do

- Real-time data management and tools for cryptocurrency investors
- Delivered as a managed service

How customers benefit

- Provide real-time data and analytics to customers with machine learning for forecasting purposes
- High levels of stability, flexibility and scalability

Expansion potential

- Assist customer's growth plans by powering additional services
- KX expanding in cryptocurrency ecosystem, driving market share
- Wider expansion in blockchain



What we do

- Extend FX trading and risk management solutions from Tokyo to London and New York
- Deliver single global platform for FX trading, risk, algos and analytics

How customers benefit

- Single platform delivers advanced capabilities and maximises efficiencies
- Provides global trading intelligence, improves margins and customer pricing
- Improved reporting and compliance

Expansion potential

- Potential for customer to extend into new asset classes on platform
- Strengthens KX's position in FX trading and analytics

KX FY23 targets

Annual Recurring
Revenue growth

35-40%

Net Revenue
Retention (NRR)

110%

FY22: 106%



F/RST DER/VATIVE

First Derivative – growth and market positioning

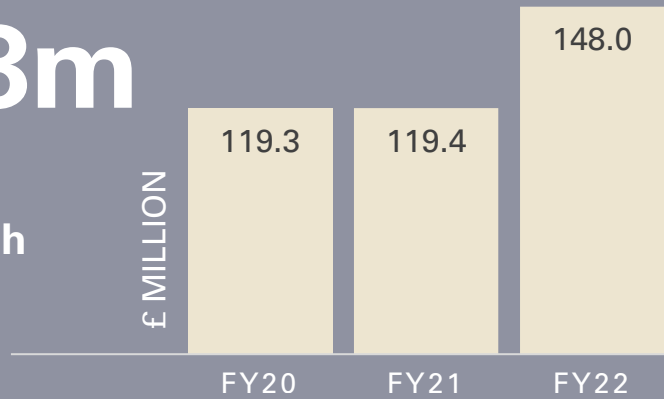


£148m

Revenue

24% growth

£ MILLION



27%

Gross margin

FY21: 24%



20 of the
world's top 20
investment banks
as customers

Growth Drivers



Strengthening cloud partnerships:

Migration of customer risk application to GCP, 12-month project delivered on time (achieving 35% saving for customer)



Engagement model approach:

- Focused on outcomes rather than resources delivering more for clients
- Getting value for our deep domain skills

Change programmes:

- Delivering new initiatives in cloud, data analytics and software development

Unlocking the opportunity

First Derivative USPs

- Domain and technical knowledge
- Reputation for delivery excellence
- Recruitment, training and development machine
- Customer base

Business services

Delivers insight, implementation and support to overcome business challenges – reduce costs, stay compliant and modernise through automation



First Derivative practices

Engineering services

Accelerates the way customers collect, record and consume data to enable their transformation into fully data-driven organisations

Market dynamics

- Solid demand for regulatory and compliance programmes
- Demand for digital transformation
- Move from off-shoring to near-shoring
- Cloud migration work

Technology services

Ensures mission-critical applications are deployed and run smoothly – and efficiently

Revenue growth

15%

FY22 revenue growth: 24%



Continue to deliver
gross margin
improvement



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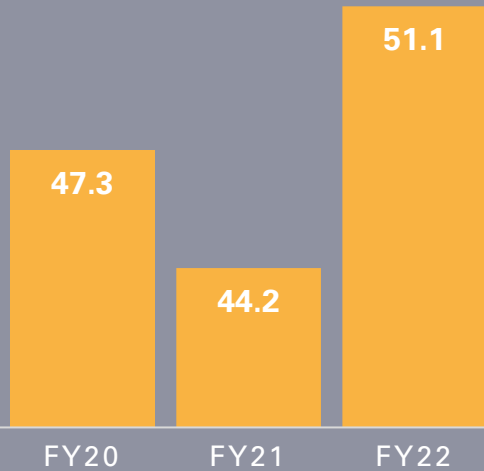
MRP continues to deliver strong growth



£51m

Revenue

16% growth



44%

Gross Margin

FY21: 41%



£27m

Platform revenue

18% growth
(at constant currency)



Tracking

1.5 billion

intent signals per day

Launch of Prelytix 3.0

Delivering enhanced self-serve and AI capabilities that increase customer ROI

MRP named as ABM leader by Forrester

"As was the case in 2020, MRP offers the most native and integrated engagement channels of any vendor in this evaluation. Since that time, MRP has also added unique attribution capabilities that can connect individual channels to the ABM-influenced pipeline."

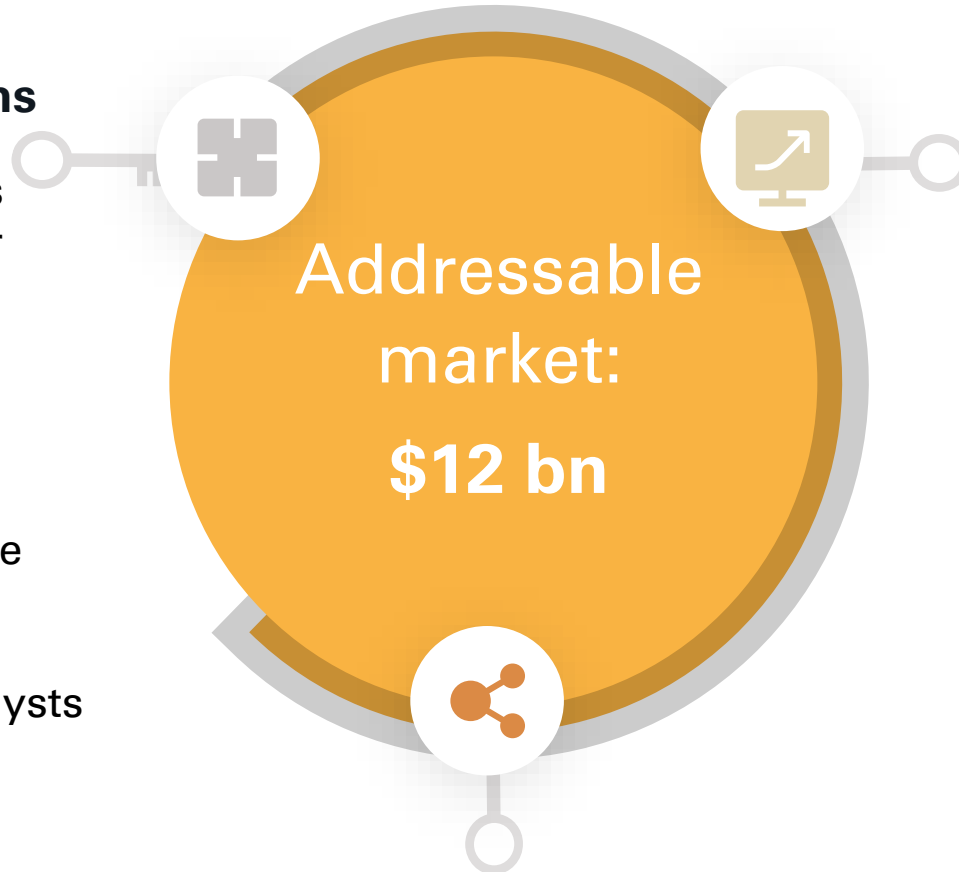
Forrester, Account-Based Marketing Platforms, Q1 2022

mrp

MRP - unlocking the opportunity

MRP competitive strengths

- Prelytix platform analyses more data to drive deeper insights
- Global capabilities a differentiator
- Services capability to drive engagement
- Identified by industry analysts as a market leader



Market dynamics

- Increasing demand for predictive lead generation
- Demand for powerful and flexible solutions
- Consolidation of vendors

MRP's ABM offerings

Platform

MRP Prelytix

Access to the only global enterprise-class ABM platform that provides actionable data-driven insights with limitless scale to optimise revenue outcomes

Digital marketing

Uncover buying signals and coordinate across channels & campaigns to qualify leads, increase pipeline velocity and drive value

Services

Sales development

Next generation sales development services driven by Prelytix



Revenue growth

10%+

FY22 revenue growth: 16%

Continue to deliver improvement in gross margin

Guidance



£290-£300m

Group revenue

£36.5-£38.5m

Adjusted EBITDA

35-40%

KX ARR growth



Financial performance

Financial Highlights

£263.5m

Revenue
(FY21: £237.9m)

11%

Revenue growth (14% at
constant currency)

£31.0m

Adjusted EBITDA
(FY21: £40.5m)

£0.3m

Net cash
(FY21: Net debt £9.9m)

Key drivers of financial performance

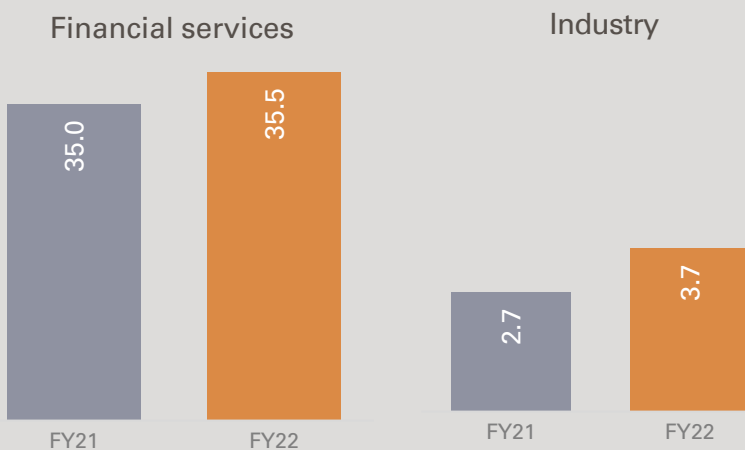
- ✓ Results reflect successful delivery of accelerated growth strategy
- ✓ KX delivered its target 25% growth in exit ARR and NRR moved towards its mid-term 120% target
- ✓ Adjusted EBITDA in line with guidance as we invested to maximise future growth
- ✓ Good working capital management and the sale of an associate enabled a return to net cash

KX performance

KX revenue

	FY22	FY21	CHANGE
REVENUE	64.4	74.3	(13%)
PERPETUAL	3.6	10.7	(66%)
RECURRING	39.2	37.7	4%
TOTAL LICENCES	42.8	48.4	(12%)
TOTAL SERVICES	21.6	25.9	(17%)

Recurring Revenue



Financial Services

	FY22	FY21	CHANGE
REVENUE	55.4	65.3	(15%)
PERPETUAL	1.8	7.9	(77%)
RECURRING	35.5	35.0	1%
TOTAL LICENSES	37.4	43.0	(13%)
TOTAL SERVICES	18.0	22.3	(19%)

Industry

	FY22	FY21	CHANGE
REVENUE	9.1	9.0	0%
PERPETUAL	1.8	2.8	(36%)
RECURRING	3.7	2.7	37%
TOTAL LICENSES	5.4	5.4	0%
TOTAL SERVICES	3.6	3.6	0%

COMMENTARY

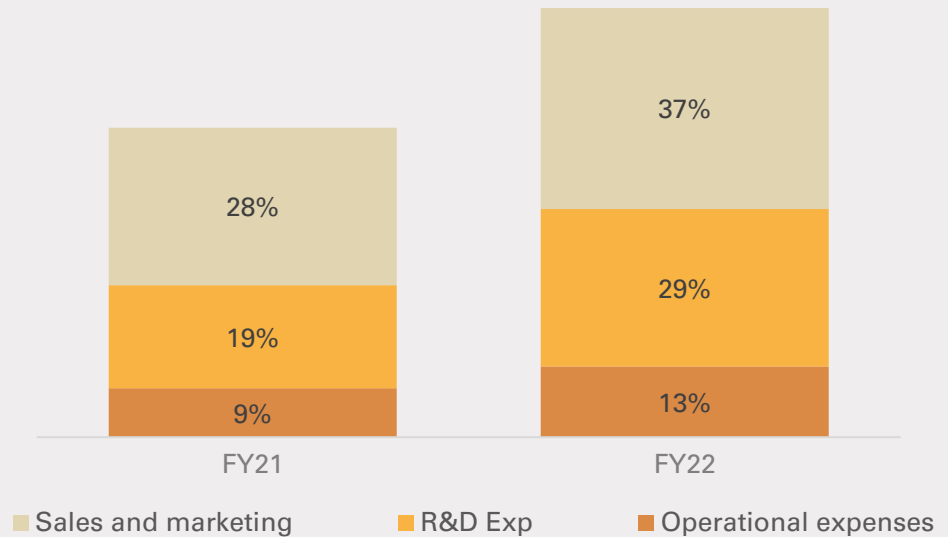
- Transitioned to recurring revenues, and out of perpetual, as planned
- Growth in recurring revenue with Industry revenues up 37%
- Services revenue declined due to focus on time to value for customers and lower perpetual deals in Financial Services

KX performance

KX

	FY22	FY21	CHANGE
TOTAL REVENUE	64.4	74.3	(13%)
GROSS PROFIT	44.5	53.8	(17%)
<i>GROSS MARGIN</i>	<i>69%</i>	<i>72%</i>	
R&D EXPENDITURE	(18.6)	(13.9)	34%
OF WHICH CAPITALISED	16.1	11.4	41%
NET R&D EXPENDITURE	(2.6)	(2.4)	8%
SALES AND MARKETING COST	(23.6)	(20.6)	15%
ADMIN COSTS	(8.6)	(6.6)	30%
ADJUSTED EBITDA	9.8	24.3	(60%)
<i>ADJ EBITDA MARGIN</i>	<i>15%</i>	<i>33%</i>	

Costs as percentage of revenue



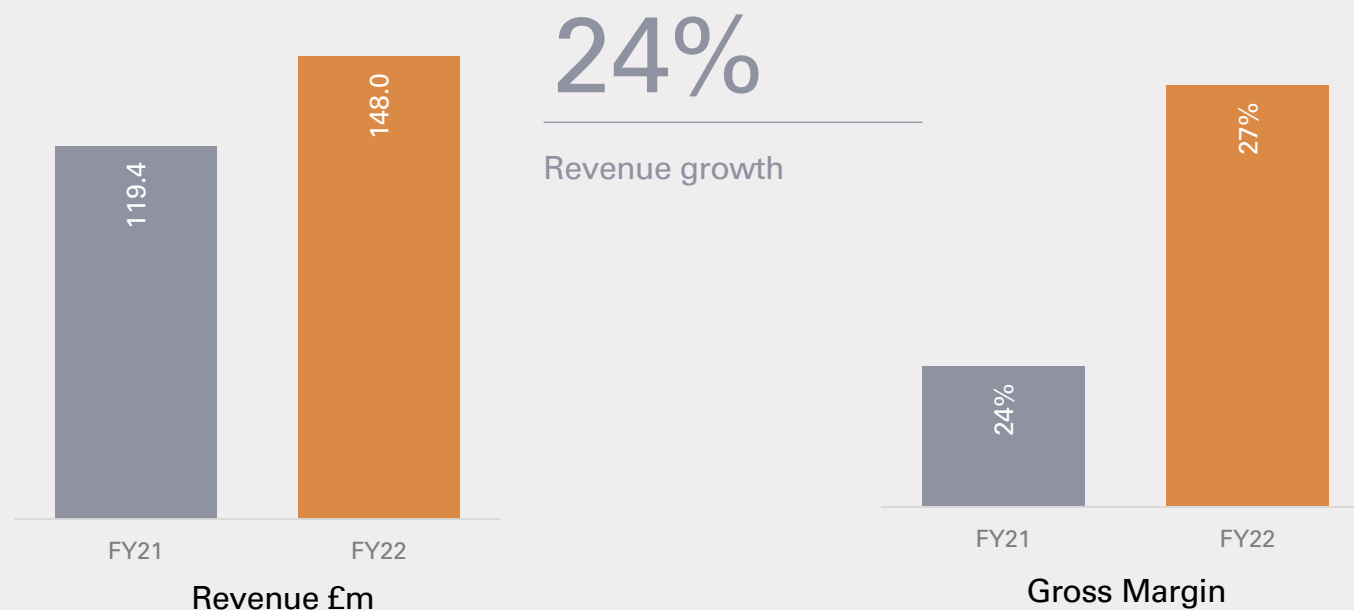
COMMENTARY

- License margin maintained at c90%, offset by a decline in services margin as we invest in customer success
- Investment in R&D, sales and marketing and admin expenses as planned under our accelerated growth strategy

First Derivative performance

First Derivative

	FY22	FY21	CHANGE
TOTAL REVENUE	148.0	119.4	24%
GROSS PROFIT	39.4	29.1	35%
<i>GROSS PROFIT MARGIN</i>	<i>27%</i>	<i>24%</i>	
NET R&D EXPENDITURE	-	-	-
SALES AND MARKETING COST	(14.5)	(10.8)	34%
ADMIN COSTS	(10.9)	(7.8)	40%
ADJUSTED EBITDA	14.0	10.5	33%
<i>ADJ EBITDA MARGIN</i>	<i>9%</i>	<i>9%</i>	



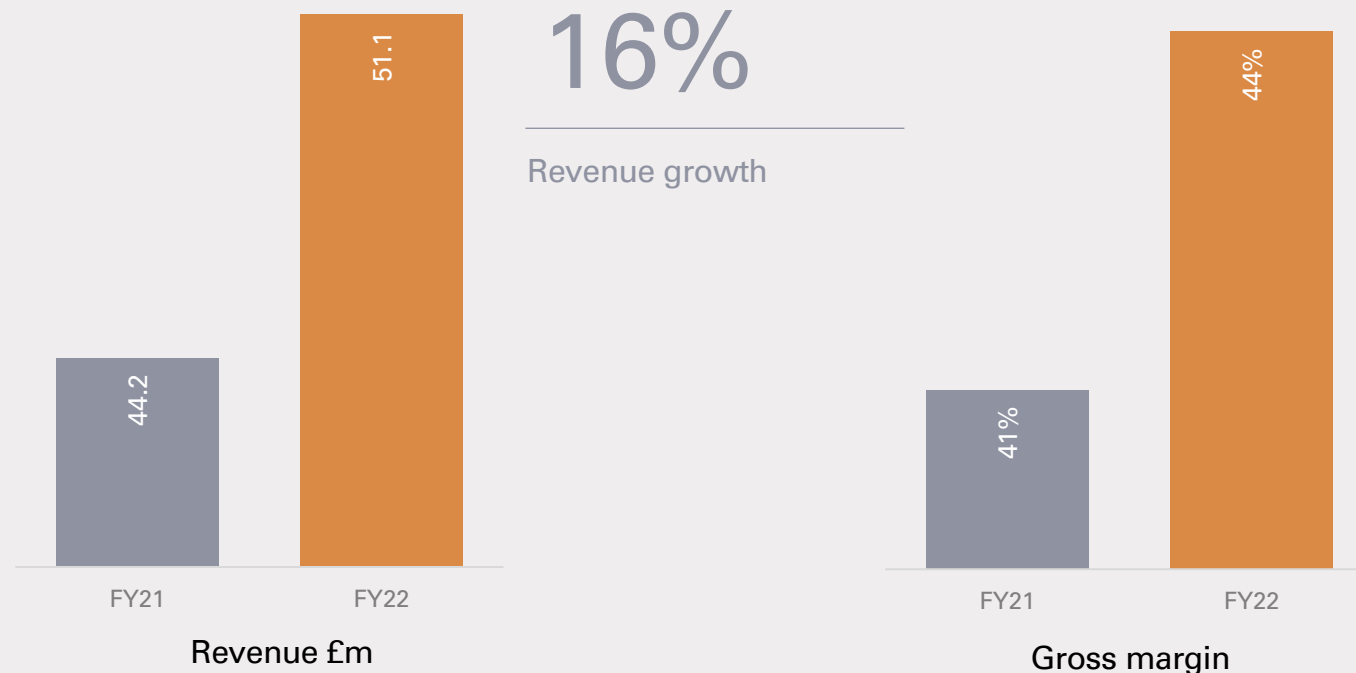
Commentary

- Revenue growth ahead of expectation with growth accelerating in H2
- Strong pipeline from growing markets including digital change programmes
- Gross margin increased as we focus on pricing and delivery model efficiencies
- Investment in sales capability, leadership and systems to maximise opportunities and deliver growth targets

MRP performance

MRP

	FY22	FY21	CHANGE
TOTAL REVENUE	51.1	44.2	16%
GROSS PROFIT	22.2	18.0	23%
<i>GROSS MARGIN</i>	<i>44%</i>	<i>41%</i>	
NET R&D EXPENDITURE	-	(0.1)	NM
SALES AND MARKETING COST	(9.3)	(7.9)	18%
ADMIN COSTS	(5.7)	(4.3)	33%
ADJUSTED EBITDA	7.3	5.7	28%
<i>ADJ EBITDA MARGIN</i>	<i>14%</i>	<i>13%</i>	



Commentary

- Strong double digit revenue growth with Platform revenue growth of 18% at constant currency.
- Growth in gross margin accelerated in H2 from higher utilisation of services which vindicated decision to retain staff
- Existing customers began transitioning to Prelytix 3.0 in H2 – opportunity in FY23

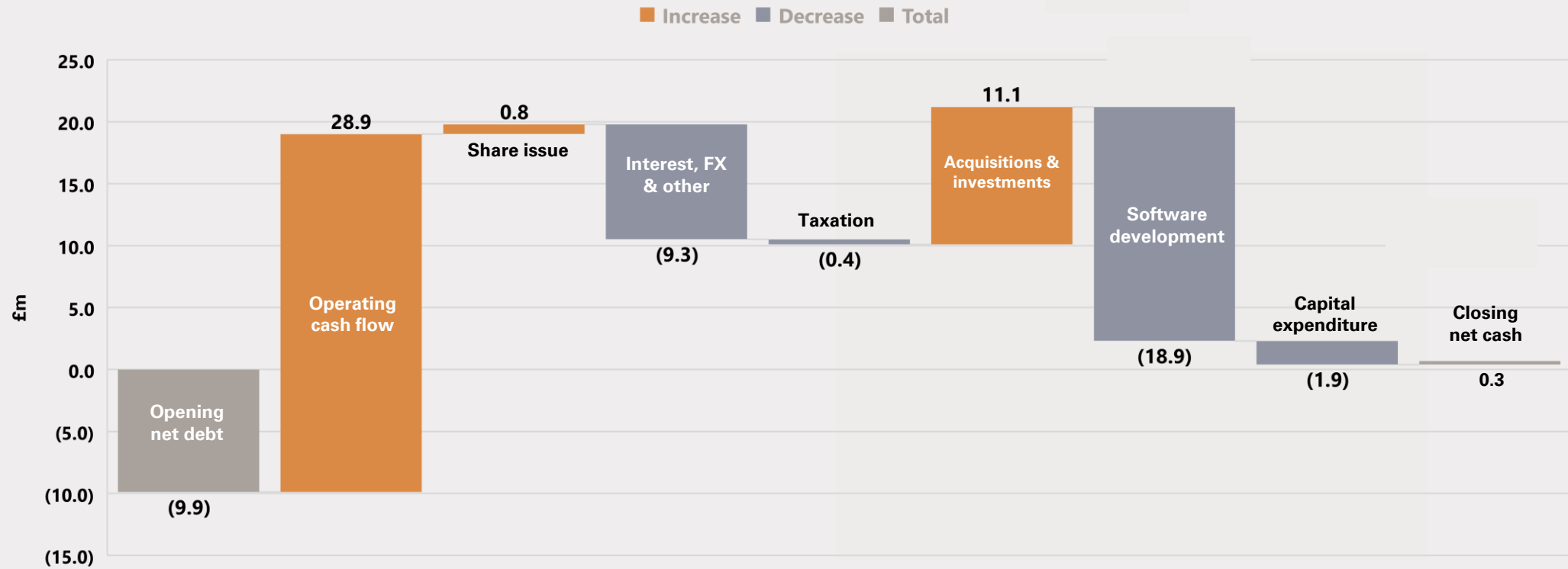
Revenue and adjusted EBITDA

£m	FY22	FY21	Change
Group			
Revenue	263.5	237.9	11%
Cost of revenue	(157.3)	(136.9)	15%
Gross profit	106.1	101.0	5%
Gross margin	40%	42%	-
Adjusted operating costs			
Net R&D	(2.6)	(2.6)	1%
Sales and marketing costs	(47.4)	(39.3)	21%
Administrative costs	(25.2)	(18.7)	35%
Adjusted EBITDA	31.0	40.5	(23%)
Adjusted EBITDA margin	12%	17%	

Commentary

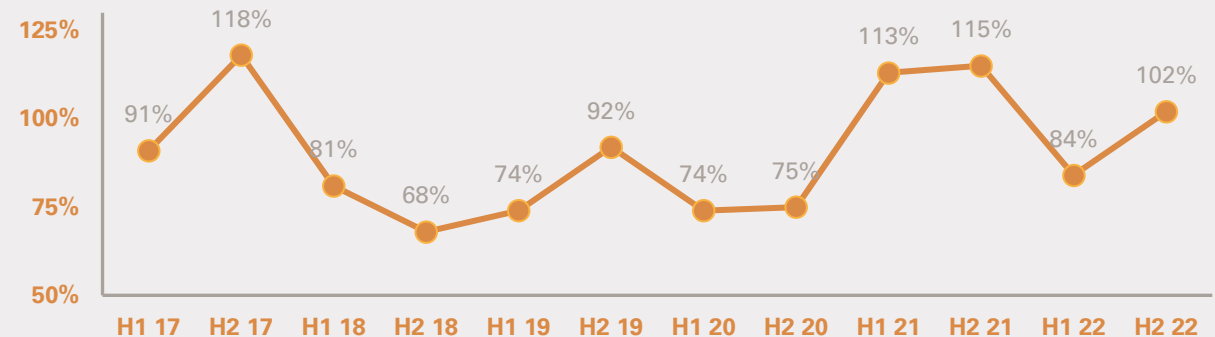
- Revenue growth accelerated in H2
- FY22 growth of 14% at constant currency
- Gross margin % driven by change in business unit mix with both First Derivative, MRP and KX software margins increasing
- Investments in R&D, sales and marketing and operational expenses including systems and people – in line with plan
- EBITDA in line with guidance
- Well positioned to address future growth opportunities across all our businesses

Cash flow



CASH FLOW

- Net cash at period end £0.3m
- Cash conversion from operating activities 93% with cash generated covering all cash payments
- £11m from sale of associate, RxDataScience, supporting movement to a net cash position
- Continue to expect 80-85% adjusted EBITDA cash conversion each year as the Group grows



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THANK YOU

