



9 April 2020

**First Derivatives plc  
("FD" or the "Group")**

**Trading Update and Notice of Results**

FD (AIM: FDP.L, Euronext Growth: FDP.I) announces that it continued to trade positively in the second half of the financial year ended 29 February 2020. As a result, the Board expects to report a financial performance in line with company-compiled consensus forecasts of £241m of revenue and £46m of adjusted EBITDA. Net debt at the period end was £50m, which was better than the consensus forecast of £56m.

**COVID-19**

The global operations of the Group enabled us to identify the business disruption threat of COVID-19 early, and we implemented our pandemic plan at the beginning of February across all regions in which we operate. A team led by CEO Seamus Keating and comprising senior leaders across FD coordinated the action, with the priorities of protecting the health and wellbeing of our employees and supporting our customers.

In FinTech, the Group supports mission-critical systems across the financial industry and in other markets our technology is key to the success of our customers. We contacted all our customers to minimise the impact of COVID-19 through various measures including remote working and are pleased that these are working without significant disruption to the business.

**Impact to date**

To date we have seen no financial impact from the effects of COVID-19. All our services delivery is now being conducted remotely, with no impact on revenue. In our managed services and consulting business the services that we provided prior to COVID-19 are now being delivered remotely with utilisation rates in March 2020 remaining in line with the prior month. We continue to monitor developments closely through close and regular contact with customers across all the markets in which we operate.

**Potential impacts and mitigation**

Looking ahead, our conversations with customers indicate that in the near-term there will be a lengthening of software sales cycles, at least until the impact of COVID-19 is clearer. The Group is protected to some extent by the breadth of its sales pipeline across multiple industries and geographies, while further reassurance is provided by the repeat and recurring nature of the majority of our software revenue.

In consulting and managed services, we continue to benefit from high levels of repeat revenue from the 'Business as Usual' operations of our capital markets clients. We are monitoring the impact of COVID-19 on new business, particularly with regard to project work implementing change programs.

As the macroeconomic impact of COVID-19 continues to grow, the Group has conducted a scenario testing exercise with a range of assumptions including a severe, extended downturn in economic activity. Under all such scenarios the Group remains profitable and cash generative.

Notwithstanding the assurance provided by our scenario testing, the Group has taken a range of measures to mitigate any future potential impact of COVID-19, including suspending non-essential business travel and short-term deferral of the summer graduate intake. In addition, the Executive Directors will not receive a bonus payment relating to the financial year ended 29 February 2020.

In order to preserve the Group's liquidity during this period, the Board will not recommend a final dividend in respect of the year to 29 February 2020.

### Liquidity

As at 31 March 2020, FD had gross cash available to it of £64m. This included £35m of funds drawn down on 24 March 2020 from the Group's available finance facilities, with the funds placed on deposit to provide further comfort on liquidity should conditions deteriorate markedly. The Group has a further £15m in undrawn revolving credit facilities available to it.

The Group has significant headroom on its covenants and taking into account the scenario testing and mitigating measures taken, expects that situation to persist through the impact of COVID-19, irrespective of its duration.

The strength of our business model and liquidity position provide us with the confidence to continue to invest across the Group, in line with our strategy.

### Summary

The Group delivered continued solid growth in the financial year to 29 February 2020. We reacted quickly to help employees and customers minimise the impact of COVID-19. While there has been no financial impact to date, it is still too early to determine what impact may result, particularly if there is an extended period of economic disruption. We believe that the Group has acted prudently to mitigate any potential impact through a range of measures aimed at ensuring its ongoing financial liquidity.

In the longer term, FD remains confident in its strategy and in particular the growth in demand for its world-class Kx technology from both potential customers and partners.

### Date of results

The Group will announce its full year results for the year ended 29 February 2020 on 19 May 2020. A briefing for analysts and investors will be held on the day and further details will be provided in due course.

### Enquiries

**For further information please contact:**

#### First Derivatives plc

Seamus Keating, Chief Executive Officer

Graham Ferguson, Chief Financial Officer

+44(0)28 3025 2242

[www.firstderivatives.com](http://www.firstderivatives.com)

Ian Mitchell, Head of Investor Relations

**Investec Bank plc (Nominated Adviser and Broker)**

+44 (0)20 7597 5970

Andrew Pinder  
Carlton Nelson  
Sebastian Lawrence

**Goodbody (Euronext Growth Adviser and Broker)**

+353 1 667 0420

David Kearney  
Don Harrington  
Finbarr Griffin

**FTI Consulting**

+44 (0)20 3727 1000

Matt Dixon  
Dwight Burden  
Darius Alexander

**About FD**

FD is a global technology provider with more than 20 years of experience working with some of the world's largest finance, technology, automotive, utility, manufacturing and energy institutions. The Group's Kx technology, incorporating the kdb+ time-series database, is a leader in high-performance, in-memory computing, streaming analytics and operational intelligence. Kx delivers the best possible performance and flexibility for high-volume, data-intensive analytics and applications across multiple industries. FD operates from 15 offices across Europe, North America and Asia Pacific, including its headquarters in Newry, and employs more than 2,400 people worldwide.

For further information, please visit [www.firstderivatives.com](http://www.firstderivatives.com) and [www.kx.com](http://www.kx.com)