



FD Technologies

Six months to 31 August 2021

Interim results

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→ **Executing on strategy**

→ **Market opportunity increasingly attractive**

→ **Confirming our full year guidance**

→ **Confidence in our medium-term outlook**

Delivering on our KPIs



KX

- ✓ c.60% of full year ARR growth target achieved by end October
- ✓ Key KX Insights platform releases in production



**FIRST
DERIV
ATIVE**

- ✓ 18% revenue growth
- ✓ Gross margin improved by 560 basis points to 28%



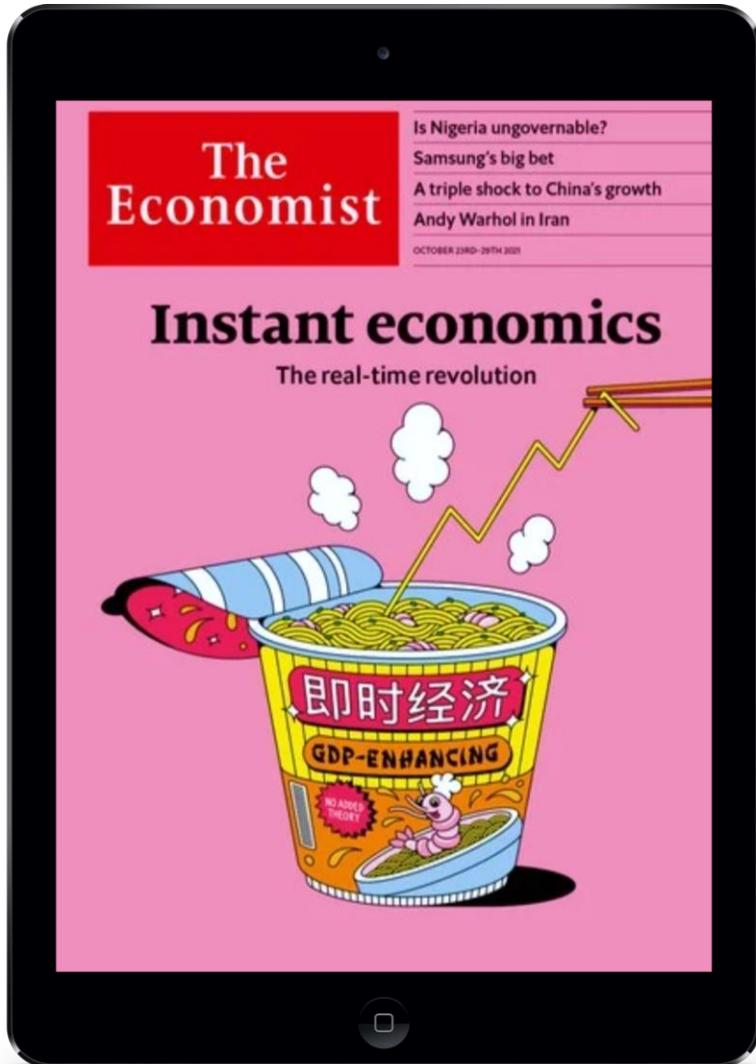
mrp

- ✓ 17% platform growth
- ✓ Gross margin improved by 180 basis points to 40%

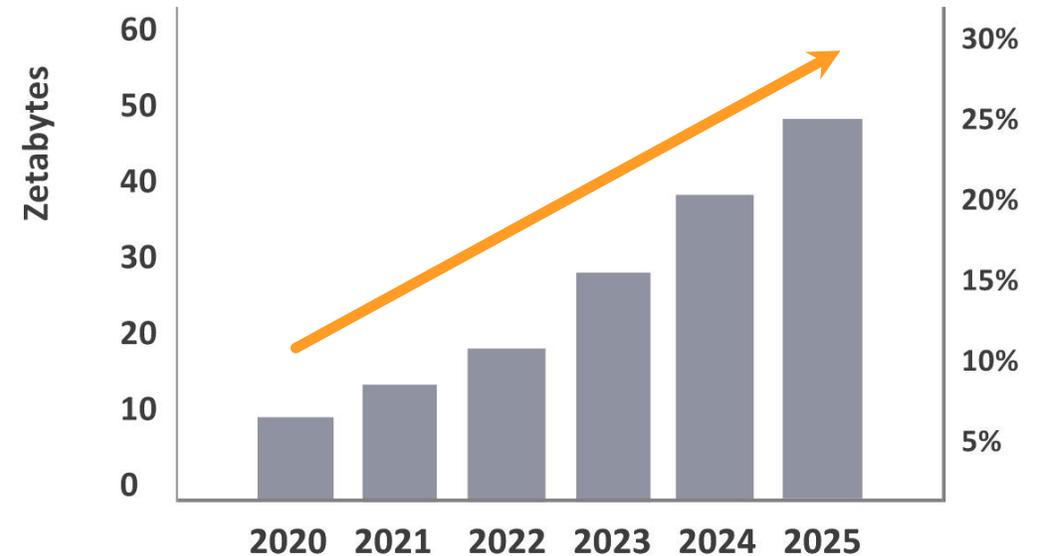


KX

The growth of Real-Time accelerates



30% of datasphere to be real-time by **2025**



Source: IDC

By 2022, more than half of major new business systems will incorporate continuous intelligence that uses real-time context data to improve decisions (Source: Gartner)

Driving momentum in KX

01.

Investing in product and go-to-market

02.

Growing existing customers - NRR increased to 102%

03.

12 new customer logos added – 6 in Industry

04.

200% growth in value and volume of subscription deals



Accelerating growth in Annual Recurring Revenue

c.60% of FY ARR target achieved by end October

Investing in go-to-market

✓ **52% increase** in headcount

✓ **Forrester and Gartner highlight KX strengths** in continuous intelligence

✓ **Accelerating time to value through:**

- R&D
- Pre-sales
- Customer success

→ Large organizations already have copious amounts of streaming data in motion, but many fail to use it effectively. Data and analytics leaders must adopt recent advances in stream analytics, event broker messaging and data management technology to implement real-time systems with more business value.

Source: Gartner, September 2021

→ KX offers strengths in advanced analytics, development tools, low-latency performance, and deployment options. The sweet spot for KX Streaming Analytics is for enterprises that want a single platform that data analysts can use to explore data, discover patterns, and test hypotheses while at the same time operationalizes streaming analytics in real time.

Source: Forrester, June 2021



“We can easily scale up and down as required while adding new data streams with ease”

Nathan Sykes, IT Business Systems and Data Science Director for the Alpine F1 Team

Innovating for customer value

Capabilities	<p>Platform optimisation</p> <hr/> <ul style="list-style-type: none">Object storeRest adapterOpenAPI 2.0	<p>Interoperability</p> <hr/> <ul style="list-style-type: none">Industry connectors e.g. Kafka, InfluxDB, Databricks, Microsoft RPaaS, Telit	<p>Ease of use</p> <hr/> <ul style="list-style-type: none">ANSI SQLNative Python plug-inMicroservices
Customer benefits	<ul style="list-style-type: none">Reduced storage costsScalabilityHigh availabilityDeployable anywhereConsumption model	<ul style="list-style-type: none">Time and cost to valueMany more use casesCohesive data sets for better decision making	<ul style="list-style-type: none">Extends developer population to millions of developersReduces total cost of ownershipDe-risks workload migration



The world's most highly-performant, streaming analytics platform

Delivering customer success



Manufacturing

- **Driving factory efficiency**
Analysing sensor and other data in the moment to improve factory efficiency
- **Potential global rollout**
Opportunity for expansion



Financial Services

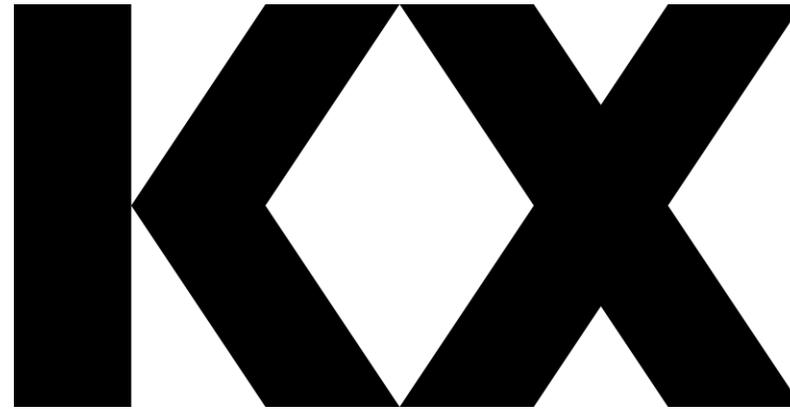
- **From maintenance to Insights**
Migration of major investment bank customer from maintenance to KX insights on AWS
- **Exceeding expectations**
Surpassed every workload migration record in the bank with complete business continuity



Pharma

- **Data management platform**
KX to handle all clinical trial and patient Data for customer
- **Breaking into new markets**
Increased profile generating inbound enquiry resulting in contract win

Growing the KX ecosystem





F/RST DER/VATIVE

Trusted by our customers to deliver



- Capital markets domain supported by technology capability differentiates First Derivative
- Strong sales capability and capacity increasing growth and value
- Enormous scope for growth within existing customers - working with all of the top 20 investment banks
- Confident in continuing strong growth and increasing margins

Delivering customer success



01

Cloud migration

Transition of a large investment bank's risk system to the public cloud, working in partnership with Google

Major renewal 02

Signed a renewal of a major managed services customer for five years with increased scope of services provided



mrp

MRP has scale to service global customers

➤ **Platform capability** driving growth in a **strong macro environment**

➤ **Prelytix 3.0** is accelerating growth in H2

➤ Spending from **new customers** up **45%** on prior period



Delivering customer success

01 Cloud security company

New win in June 2021, initial commitment \$100k which has since grown 7x with more in the pipeline, driven by results delivered and ROI achieved.

Enterprise technology provider 02

Existing customer that paused a large portion of its activity in 2020, resuming earlier this year. Now spending across more geographies and products, resulting in 4x increase in revenue for MRP.





Financial performance



Financial Highlights

£128.0m

Revenue growth 7%
(H1 FY21: £119.6m)

+11%

Growth in KX exit Annual
Recurring Revenue (ARR)

+18%

Growth in First Derivative
revenue

+17%

Growth in MRP platform
revenue

£11.7m

Net debt
(FY21: £9.9m)

Key drivers of financial performance

- ✓ Performance in line with expectations following announcement of accelerated growth strategy
- ✓ Investment delivered across sales and marketing, R&D and infrastructure to support growth plans
- ✓ On course to meet full year KPI targets across the business units
- ✓ Continued focus on working capital; net debt eliminated post year end following sale of stake in RXDataScience

P&L Overview

	H1 FY22	H1 FY21	CHANGE
TOTAL REVENUE	128.0	119.6	7%
GROSS PROFIT	51.7	48.2	7%
<i>GROSS MARGIN</i>	<i>40%</i>	<i>40%</i>	
R&D EXPENDITURE	(10.7)	(7.7)	39%
OF WHICH CAPITALISED	9.3	6.1	53%
NET R&D EXPENDITURE	(1.4)	(1.6)	(13%)
SALES AND MARKETING COST	(25.0)	(17.5)	43%
ADJ. ADMIN EXPENSES	(10.4)	(7.6)	37%
ADJUSTED EBITDA	14.9	21.5	(31%)
<i>ADJ EBITDA MARGIN</i>	<i>12%</i>	<i>18%</i>	

COMMENTARY

- Investment reflected in 39% increase in R&D, 43% increase in sales and marketing and 37% increase in admin expenses
- Additional costs expensed total in excess of £10m against £6.6m decline in adjusted EBITDA
- Admin expenses includes £0.7m expensed relating to the implementation of new ERP and CRM systems and £0.7m impact from investment in leadership

KX performance and key metrics

KX	H1 FY22	H1 FY21	CHANGE
TOTAL REVENUE	31.9	37.7	(15%)
GROSS PROFIT	22.1	25.9	(15%)
<i>GROSS MARGIN</i>	<i>69%</i>	<i>69%</i>	
R&D EXPENDITURE	(9.5)	(7.7)	23%
OF WHICH CAPITALISED	8.1	6.1	33%
NET R&D EXPENDITURE	(1.4)	(1.6)	(12%)
SALES AND MARKETING COST	(12.1)	(8.3)	46%
ADMIN EXPENSES	(4.2)	(2.9)	45%
ADJUSTED EBITDA	4.5	13.1	(66%)
<i>ADJ EBITDA MARGIN</i>	<i>14%</i>	<i>35%</i>	

	Financial services			Industry			Total		
	H1 FY22	H1 FY21	CHANGE	H1 FY22	H1 FY21	CHANGE	H1 FY22	H1 FY21	CHANGE
REVENUE	27.8	34.5	(19%)	4.1	3.2	29%	31.9	37.7	(15%)
PERPETUAL	0.7	4.6	(84%)	0.8	0.4	103%	1.5	4.9	(70%)
RECURRING	17.5	17.3	1%	1.5	1.2	27%	19.0	18.4	3%
SERVICES	9.6	12.7	(24%)	1.9	1.7	13%	11.5	14.3	(20%)

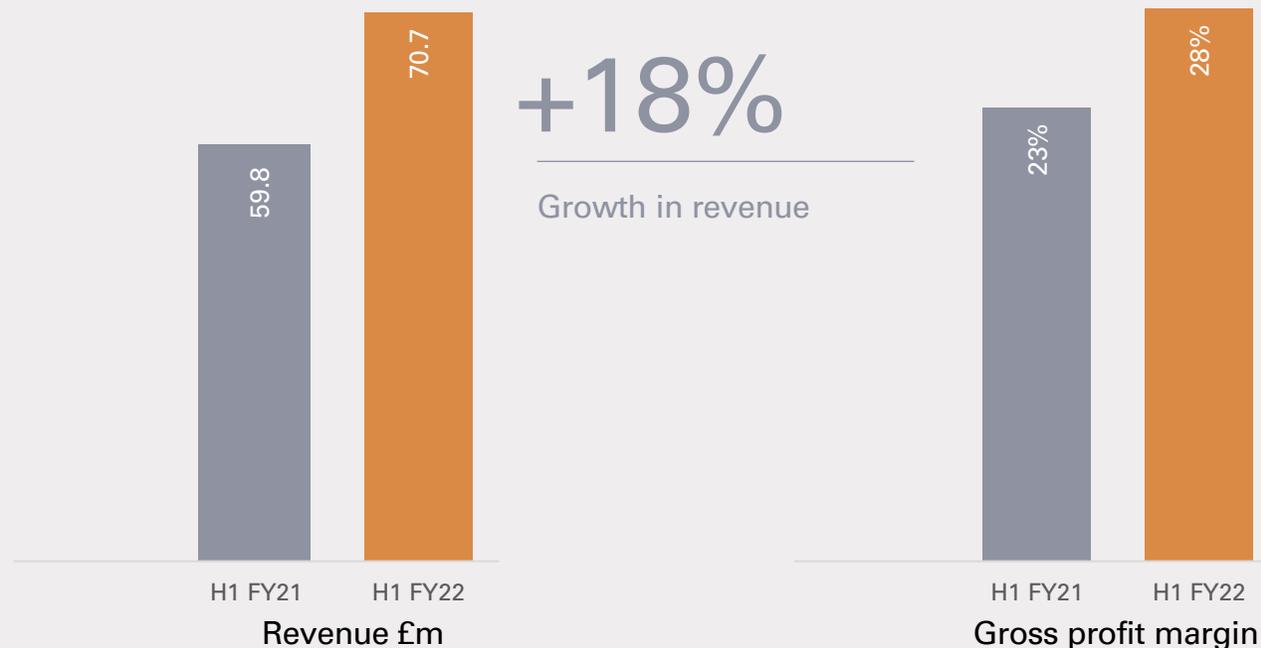
COMMENTARY

- Recurring revenue up 3%; impact of 3x increase in subscriptions deals not yet fully reflected in reported revenue
- Services revenue declined due to focus on reducing implementation requirements to speed up time to value for customers
- Industry returned to growth as demand increased post COVID-19

First Derivative performance and key metrics

First Derivative

	H1 FY22	H1 FY21	CHANGE
TOTAL REVENUE	70.7	59.8	18%
GROSS PROFIT	19.6	14.0	40%
<i>GROSS PROFIT MARGIN</i>	<i>28%</i>	<i>23%</i>	
R&D EXPENDITURE	(0.1)	0.0	NM
OF WHICH CAPITALISED	0.1	0.0	NM
NET R&D EXPENDITURE	0.0	0.0	-
SALES AND MARKETING COST	(7.9)	(5.0)	58%
ADMIN EXPENSES	(4.7)	(3.1)	52%
ADJUSTED EBITDA	6.9	5.9	17%
<i>ADJ EBITDA MARGIN</i>	<i>10%</i>	<i>10%</i>	



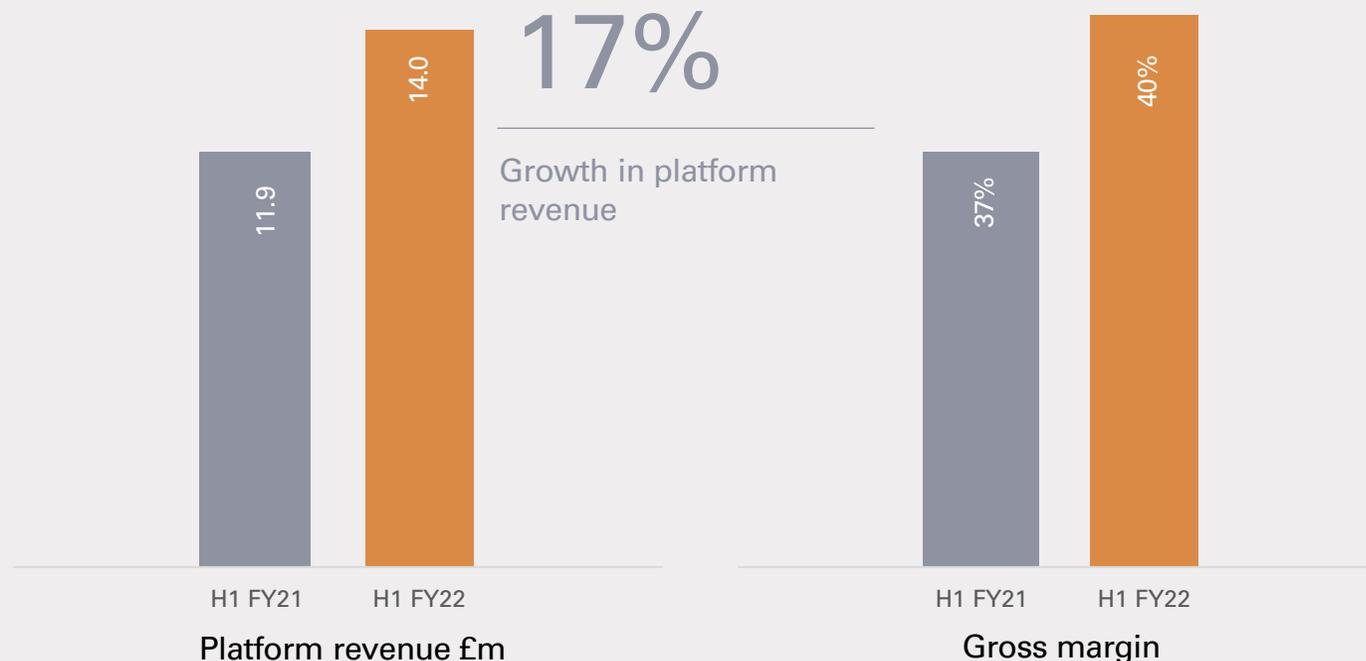
Commentary

- Revenue growth ahead of target following improvement in go-to-market strategy and focus on delivering more for our customers
- Good market conditions assisted by launch of First Derivative brand, enhanced leadership and emphasis on helping clients meet their challenges
- Improvement in gross margin balanced by investment to unlock future growth

MRP performance and key metrics

MRP

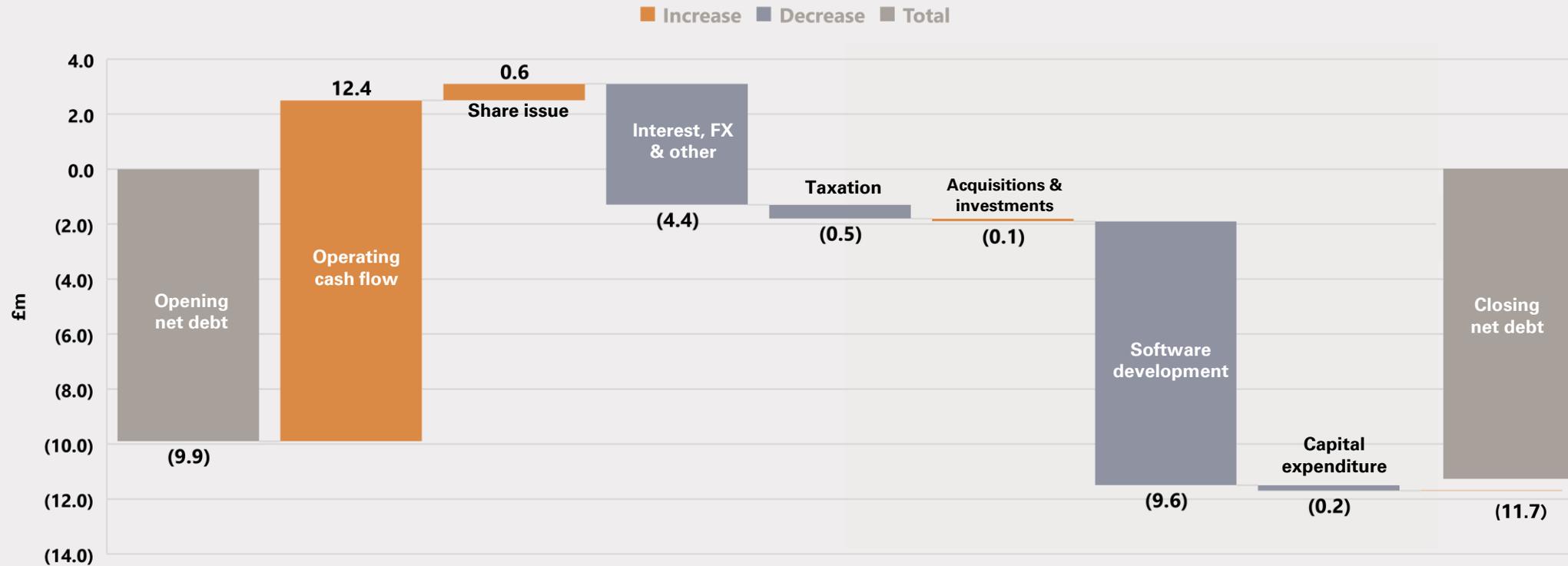
	H1 FY22	H1 FY21	CHANGE
TOTAL REVENUE	25.3	22.2	14%
GROSS PROFIT	10.0	8.2	22%
<i>GROSS MARGIN</i>	<i>40%</i>	<i>37%</i>	
R&D EXPENDITURE	(1.1)	0.0	NM
OF WHICH CAPITALISED	1.1	0.0	NM
NET R&D EXPENDITURE	0.0	0.0	-
SALES AND MARKETING COST	(5.0)	(4.2)	19%
ADMIN EXPENSES	(1.5)	(1.5)	-
ADJUSTED EBITDA	3.4	2.5	39%
<i>ADJ EBITDA MARGIN</i>	<i>14%</i>	<i>11%</i>	



Commentary

- Good growth led by 17% increase in platform revenue
- Growth driven both by existing customers resuming spending and new customers attracted by MRP's global reach
- Launch of Prelytix 3.0 expected to further increase platform revenue

Cash flow analysis and net debt bridge



CASH FLOW AND NET DEBT

- Conversion of adjusted EBITDA to cash flow from operations: 84%
- Net debt at period end £11.7m, up from £9.9m at end of FY21
- Net debt eliminated post period-end through sale of stake in RxDataScience
- Continue to expect 80-85% adjusted EBITDA cash conversion each year as the Group grows



Progress on Group targets

Progress on Key Performance Indicators	Target	Status
KX exit Annual Recurring Revenue (ARR) growth	+25%	On track for year end, c.60% of target achieved by end October
First Derivative revenue growth	+10%	Currently ahead, +18% in H1
MRP platform revenue growth	+20%	On track for year end, +17% in H1

Guidance



£255-£260m

Group revenue

£31-£33m

Adjusted EBITDA

25%

KX exit ARR growth



Summary and outlook

Increasing momentum as we
execute on strategy

KX

On track to deliver
more than 25% ARR
growth next year

FIRST DERIVATIVE

Exceeding growth
targets and improving
margins

mrp

Growing strongly
and improving
margins

FDTechnologies

Delivering on strategy
Confirming FY22 guidance
& medium-term targets