

4 April 2023

FD Technologies plc  
("FD Technologies" or the "Group")

FY23 trading update

FD Technologies (AIM: FDP.L, Euronext Growth: FDP.I) announces a trading update for the year ended 28 February 2023 ahead of full year results expected to be announced on 23 May 2023.

Our progress was led by KX and First Derivative. As the engine for real-time analytics in the cloud, KX continues to experience significant, growing momentum. We are excited by the opportunities arising from its market position, enabled by the investments made in product and go-to-market.

Seamus Keating, Group CEO, said: "KX and First Derivative have performed strongly, with both revenue and EBITDA ahead of our expectations, as each business strengthened its market position.

KX in particular has made strong commercial and strategic progress, driven by our market-leading ability to deliver 100x the performance at one tenth of the cost of alternative solutions. These advantages are particularly compelling for hyperscale cloud providers, resulting in a range of initiatives which we are progressing with our partners that provide further confidence in our outlook.

First Derivative also performed strongly and continued to deliver impressive revenue growth of 18% for the period. We continue to see multi-year strategic growth drivers that will underpin demand for our services.

We have set ourselves ambitious but sustainable growth targets for the years ahead which will ensure we are focused on driving high-quality recurring revenue growth from an expanding list of customers across a wide range of industries, while generating long term value for shareholders."

### Highlights

- Group revenue is expected to be approximately £296m, representing growth of 12%, despite the strengthening of the dollar against sterling in H2.
- Group EBITDA is expected to be approximately £35m, with strong performances at KX and First Derivative offset by a weak demand environment at MRP.
- Strong cash management in H2 resulted in a net cash position at the year end of £0.4m, compared to net debt of £7.4m at end August 2022.
- KX delivered a strong performance, ahead of guidance, with revenue of approximately £80m and ARR\* of £65m, a 39% increase on the prior year.
- Recent KX successes include the general availability of kdb Insights Enterprise on Microsoft Azure, the industry's first Data Timehouse, together with new customer wins including Syneos Health and PSE, the Polish national electricity transmission system operator.
- First Derivative delivered revenue of approximately £174m, representing growth of 18%, ahead of our guidance for the year; MRP revenue was approximately £41m, a decline of 19%, primarily due to macro-economic conditions.

### Business unit performance

KX made significant strategic progress during the year, meeting or beating every key performance indicator, and increasing our confidence in its sustainable growth prospects. Over the last year, incremental annual contract value (ACV)\*\* almost doubled to £19m and ARR grew by 39%, highlighting our sales success during the period. We broadened and deepened our strategic partner base, added significant new customers across our target markets, continued to make kdb easier to

adopt and use – driving improved time-to-value to attract new customers – and made significant enhancements to our go-to-market strategy.

Throughout the year, we have seen an increasing proportion of new bookings from our initiatives with our partners, particularly the hyperscale cloud vendors. We also recently announced the general availability of kdb Insights Enterprise on Microsoft Azure, a watershed moment in our strategic partnership with Microsoft, as we work to enable companies in all sectors to access the power of kdb for enhanced operational and commercial outcomes.

First Derivative had another strong year with both revenue and EBITDA ahead of our expectations. We believe that the business is well-positioned to deliver sustainable double-digit revenue growth and margin improvement.

MRP, which represents 14% of our revenue, continued to experience a weaker demand environment through the year. We took further action to align the cost base during H2, which will benefit the current year.

## Outlook

Our mission in KX is to accelerate the speed of data and AI-driven business innovation across all enterprises through real-time analytics, with kdb as the engine that enables the processing and analysis of time series and machine data for smarter decision making wherever that is a critical business requirement.

To deliver this goal we are engaged in multiple discussions with existing and potential new partners and customers on commercial opportunities. The breadth of these discussions and our confidence in our prospects underpins our FY24 guidance for KX to achieve ARR growth of at least 35%.

First Derivative continues to perform well, with revenue growth in excess of 10% expected combined with a meaningful improvement towards our three-year target of a 15% EBITDA margin. At MRP we expect the lower cost base to deliver an improvement in EBITDA for the year.

*\*ARR is the value at the period end of recurring software revenue to be recognised in the next twelve months, formerly defined as 'exit annual recurring revenue'*

*\*\*ACV is the sum of customer contracts signed during the period divided by the number of years in the contract*

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**About FD Technologies**

FD Technologies is a group of data-driven businesses that unlock the value of insight, hindsight and foresight to drive organisations forward. The Group comprises KX, the leading technology for real-time continuous intelligence; First Derivative, which provides technology-led services in capital markets; and MRP, the only enterprise-class, predictive Accounts Based Marketing solution. FD Technologies operates from 14 locations across Europe, North America and Asia Pacific, and employs more than 3,100 people worldwide.

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