

THE
FEDCAP
GROUP

The Power of Possible

**FY 2020 FIRST HALF FINANCIAL
AND PROGRAMMATIC RESULTS**

COMMITMENT TO SUSTAINABILITY, RELEVANCE AND IMPACT

Sustainability: A commitment to long term financial health.

None of our work is possible if we don't remain financially healthy. Sustainability requires that we establish core indicators of corporate health, that we measure our performance against those indicators, and we build strategies and structures to ensure success.

Sustainability advances our ability to innovate and stay relevant.

Relevance: A commitment to continuous innovation and modernization.

An organization must remain ahead of the curve—understanding the emerging trends in practice, funding and technology, and their impact on service design and delivery. We simply cannot do what we have always done.

Relevance means that we are positioned to thrive regardless of the inevitable twists and turns of the marketplace.

Impact: A commitment to measurable improvements.

Because we are committed to solving (not just serving) problems, we have set bold goals to improve the long-term outcomes for specific populations. We measure our success by tracking the national outcomes of these groups, not just those who walk through our door.

We are embedding research into our program models and then replicating and scaling our evidence-based interventions.



FISCAL AND PROGRAMMATIC PERFORMANCE ALIGNED WITH STRATEGIC OBJECTIVES



ACHIEVED
INDUSTRY-LEADING
OUTCOMES FOR
INDIVIDUALS WITH
BARRIERS TO
ECONOMIC WELL-
BEING



SUSTAINED AND
GREW OUR
EXPERTISE IN CORE
MARKETS



LEVERAGED
SUCCESSFUL
PROGRAMS IN NEW
FORMATS AND NEW
GEOGRAPHIES



UTILIZED
TECHNOLOGY
ACROSS PRACTICE
AREAS TO ENGAGE
POPULATIONS AND
MEASURE RESULTS



SERVED AS A
GROWTH PLATFORM
FOR LIKE-MINDED
ORGANIZATIONS
WITH SYNERGISTIC
MISSIONS

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**PROGRAMMATIC
RESULTS: RISING
TO THE
CHALLENGE**

IMPACT HIGHLIGHTS FIRST HALF

- Placed **5,800** people with barriers to economic well-being in jobs-- 30% above minimum wage.
 - Individuals achieving 1 year retention in the first half of FY 2020 increased by 15%
 - Salary trends showed a 60% increase in number of individuals paid over \$15.00 per hour from First Half Fiscal Year 2018 to First Half Fiscal Year 2020.

IMPACT AND SUPPORTING HIGHLIGHTS FIRST HALF

- Served 4,200 children ages 0-8 in first half FY 2020
 - At start of school year (September 2019), 70% were assessed below developmental expectations. At the end of Q2 (March 2020), 65% of students were either meeting or exceeding developmental expectations.
- Achieved Major Tech Milestones
 - Oracle Human Capital Management
 - Oracle Time and Labor
 - Single Stop: launched a free public screener enabling individuals to screen themselves for benefits
 - Upgraded our Salesforce ecosystem to incorporate Einstein Discovery and Analytics to drive our Sales Process Optimization initiative

HIGHLIGHTS PROGRAMMATIC INITIATIVES

- **Total First Half Executed pipeline:**
 - \$82.7MM total annual contract value
 - \$244MM term contract value
- **Key Wins**
 - Canada \$50MM ACV / \$150MM TCV – Fedcap Inc
 - Expansion of TFM contract was executed \$20MM ACV \$62.7MM TCV – Fedcap Rehab
 - \$2.7MM TFM - Wildcat
 - DWP Intensive Personalized Employment Support \$1.9MM ACV / \$7.9MM – Fedcap Employment -UK
- Final terms established to combine with large technical training school in NYC
- Single Stop Tax Assistance program established as a national model.

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COVID-19 RESPONSE

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- At the onset of COVID-19 we rapidly activated our Business Continuity Plan organized into four major areas of focus:
 - People
 - Operations/Facilities
 - Finance
 - Technology
- Within each area we established three categories:
 - Phase I: Immediate Response –ensure the health and safety of employees and clients
 - Phase II: Stabilization – maintain essential service levels across the organization
 - Phase III: The Path Forward – facing challenges and opportunities

RISING TO THE CHALLENGE OF COVID 19: ON THE FRONT LINES

- TFM Social Enterprise deep cleaned over **18,000** square feet of facilities.
- Provided **27,214** pounds of food, toiletries and other essentials to **833** families through our child development centers and special education schools.
- Prepared **120,000** meals in our Commercial Kitchen and partnered with community organizations to deliver them to the homeless and individuals in shelters.
- Rapidly trained staff, provided **6,556** telehealth meetings over a 6 week period
- Provided child care to health care providers and first responders.

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THE PATH FORWARD

FACING THE CHALLENGES AHEAD

- Our path will not be a return to ‘business as usual’ because we are leveraging new models of leadership and service delivery
- Our path will be guided by an adherence to public health and scientific expertise, in order to assure the safety of our employees and clients
- Our path will be driven by rigorous internal and external data collection and analysis
- Our path will be flexible to accommodate evolving conditions

LEVERAGING THE OPPORTUNITIES

- Because The Fedcap Group is well-capitalized and we have the scale and IT infrastructure, we are well positioned to:
 - Develop new solutions for funders that are effective and cost efficient.
 - Meet the increasing demand for on-premises custodial and cleaning services
 - Expand our workforce training and development efforts to help individuals get back to work
 - Develop new service models in the education and public health arenas

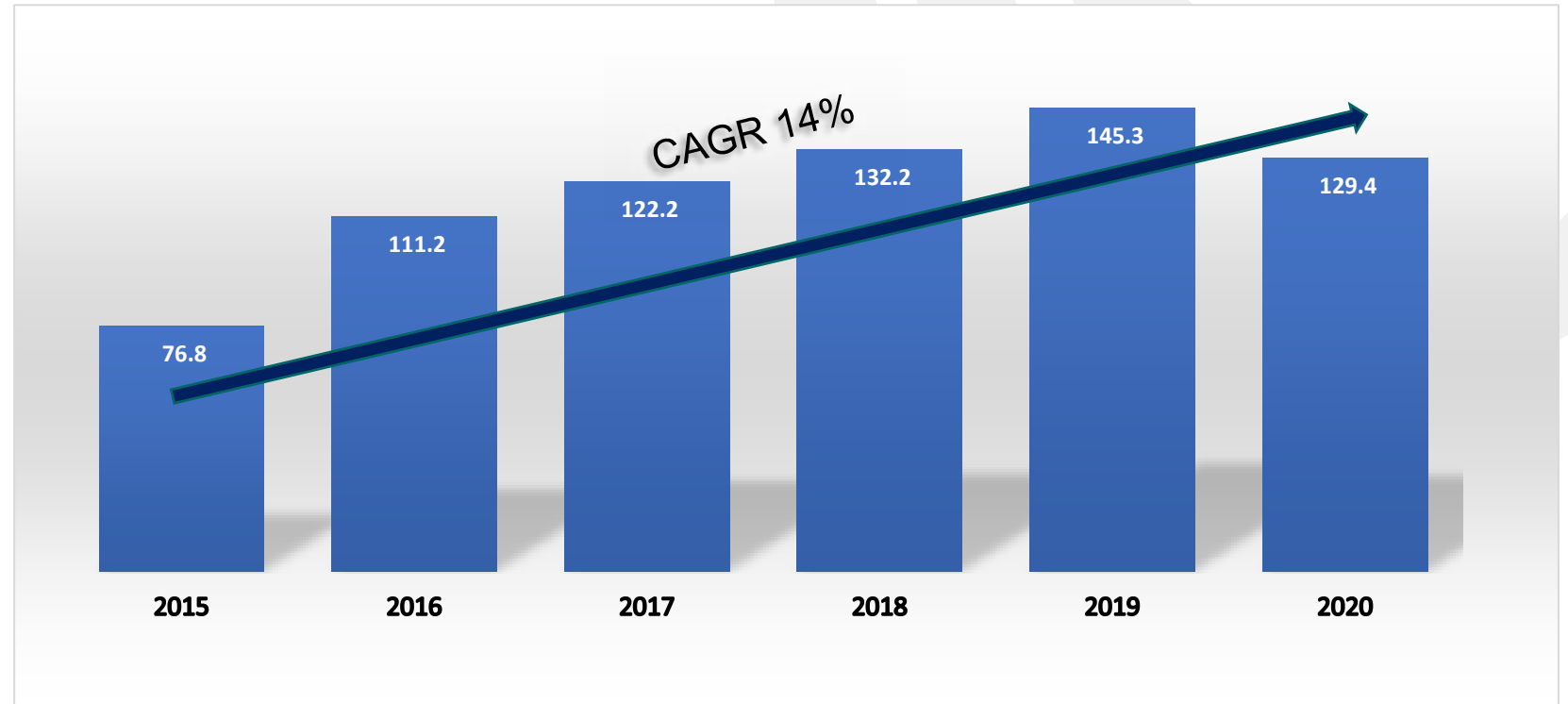
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FIRST HALF FINANCIAL RESULTS

CAPACITY TO SUPPORT GROWTH AND EXPANSION

1st Half Revenue Growth: 2015-2020 (in Millions)



- Fedcap has achieved a 5-year compound annual growth rate of 14% for the 1st half from 2015 – 2020
- Year-on-year comparisons reflect downsize of home health business and wind down of large project completed in 2019, aggregating \$13.5MM

BALANCE SHEET HIGHLIGHTS

(\$MM)	1st Half 2015	1st Half 2016	1st Half 2017	1st Half 2018	1st Half 2019	1st Half 2020
Cash and Investments	\$21.8	\$27.9	\$29.3	\$24.7	\$23.3	\$15.9
Total Assets	\$115.7	\$145.9	\$146.3	\$155.1	\$173.7	\$181.3
Long-Term Debt	\$54.0	\$79.2	\$78.6	\$75.7	\$97.6	\$70.5
Net Assets	\$34.9	\$34.9	\$35.5	\$35.6	\$37.2	\$36.1

KEY FINANCIAL RATIOS

Income Statement

- **Operating Margin: -1.09%**
- **Personnel Cost Ratio: 67%**
- **Program Expense Ratio: 88%**

Balance Sheet

- **Debt Coverage Ratio: 1.32**
- **Current Ratio: 1.15**
- **Average DSOs: 83 Days**

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QUESTIONS

SUMMARY

Reputation

- *Recognized subject matter experts in key markets: Economic Development, Workforce Development, Education and Occupational Health*
- *Credible, reliable top performer*

Financial Strength & Growth Potential

- *Strong Balance Sheet*
- *Growing Family of Brands benefits from added qualifications and expertise*

Engagement

- *Positive client outcomes result in increasing individual and corporate donors, business partnerships and foundation support*

Talent & Technology

- *Significant investment in human capital, technology and infrastructure*

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OUR MISSION

THE FEDCAP GROUP IS COMMITTED TO IMPROVING THE LONG-TERM SOCIAL AND ECONOMIC WELL-BEING OF THE VULNERABLE AND DISADVANTAGED.