FY 2020 FINANCIAL AND PROGRAMMATIC RESULTS
FISCAL YEAR 2020 KEY TAKEAWAYS

- Resilient performance supported by a strong programmatic, financial and technology infrastructure
- Remained fully operational while ensuring health and safety of personnel and clients
- Provided front-line services across our diversified platform
- Maintained our strong financial position
- Positioned The Fedcap Group to address post-pandemic challenges and opportunities
PROGRAMMATIC RESULTS: TOP TIER PERFORMANCE
• 278 Contracts
• Across 4 countries
• Total Value $921MM

Achieved 87.22% of all contract deliverables
• In 2020, we placed just under 9000 individuals in jobs

• RETENTION:
  • 83% achieved 30-day retention
  • 68% 90-day retention
  • 57% 180-day retention

• SALARY
  • 53% of new job placements were above $20.00 per hour

• In addition, we employ **1500 people** in Fedcap’s Commercial Businesses (Total Facilities Management, Culinary, Manufacturing) at an average salary of $48,000 annually
• **97%** of youth in Fedcap’s Special Education School graduated from high school (as compared to 65.5% nationally of youth in special education).
  • Of those, **28%** entered college (as compared to 31% nationally).

• **2,033** individuals served earned certifications in key labor sectors.

• **74%** of students graduated from our Trade Schools (APEX, Career Design Schools) as compared to the national average of 59%.
CHILDREN AGES 0-8

• One of our 5 bold Goals—to ensure that children ages 0-8 are prepared and inspired to complete their education, obtain employment and live full lives.

• In FY 2020 we served 6435 children ages 0-8 across all programs of The Fedcap Group.

• Outcomes To Date for our Early Intervention and Child Development Programs:
  
  • **Positive Social-Emotional Skills**: 76.9% of children show greater than expected developmental progress as compared to 71.7% in other state programs. (The state target is 71.8%).
  
  • **Acquisition and Use of Knowledge And Skills**: 86% of children showed greater than expected developmental progress as compared to 78.2% in other state (The state target is 77.5%).
  
  • **Transition to Regular Kindergarten**: Our Inclusive Child Care Program is a replication of the evidence-based Walden program. The original site reported that 79% of their children with autism entered regular kindergarten programs in public schools. Our program reports 83% of children who participated in our program enter regular kindergarten programs.

• In the upcoming year:
  
  • We are establishing a common assessment/evaluation tool and standardized parenting curricula to be used to assure similar philosophy and content.
  
  • We are seeking funding and research partners for evaluation.
INTERNATIONAL GROWTH
UNITED KINGDOM
Fedcap Employment in the United Kingdom has been selected by the UK Department of Work and Pensions (DWP) for the Commercial Agreement of Employment and Health Related Services (CAEHR) framework.

We are one of 14 organizations (and the only nonprofit agency) that will be allowed to compete for contracts in 12 geographic areas across England, Scotland and Wales. Contracts are worth £2.9 billion over 4 years. Each contract is worth, on average, £60MM annually.

This opportunity in the UK matters to The Fedcap Group – supporting individuals in their journey towards long term economic well-being is why we exist.

We are delighted to have positioned ourselves as a partner to UK government through the Department for Work and Pensions and with Scottish Government—as it appears to us that both Authorities are leading the way in terms of tackling the unemployment crisis resulting from the pandemic.

The Fedcap Group has an established infrastructure and partnership network across the UK—our reputation for delivering what we promise is strong and growing.

We are committed to the United Kingdom and we are looking forward to leveraging our extensive experience in the US and building solutions that add value to the overall system.
Fedcap Canada bid to serve as The Service System Manager for the Hamilton-Niagara region of Ontario.

We were awarded a $50MM annual contract to provide tailored support for unemployed people, including those with disabilities.

As part of the new system, Fedcap Canada is in the process of:

- Creating an efficient employment system to meet the needs of all clients, including those on social assistance or with a disability.
- Being responsive to local labor market needs.
- Driving results for jobseekers, employers and communities.
- We are currently serving a population of more than 10,000 across the Hamilton-Niagara catchment area in province of Ontario.
• Benefited From Our HURON Partnership
  • **Oracle**- Continued enhancements to our global delivery channels. Oracle Platform – enhancements include Corporate Compliance, **Oracle Learning Management** and Cloud Recruiting.
  • Continue to benefit from **Salesforce Technology** as a driver for business development.

• Significant Investment and expansion of client facing technology
  • FedcapCares and Single Stop
CORE FINANCIAL HEALTH
Fedcap has achieved a 5-year compound annual growth rate of 9% from 2014 - 2020.
Fiscal 2020 recurring revenues were stable with 2019 levels.
Lower comparisons on reported revenues represented discontinued operations and a large project completion, amounting to approximately $31 million in the aggregate.
## Balance Sheet Highlights

<table>
<thead>
<tr>
<th>($MM)</th>
<th>Full Year 2015</th>
<th>Full Year 2016</th>
<th>Full Year 2017</th>
<th>Full Year 2018</th>
<th>Full Year 2019</th>
<th>Full Year 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$29.1</td>
<td>$28.3</td>
<td>$29.1</td>
<td>$29.0</td>
<td>$18.5</td>
<td>$31.7</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$142.5</td>
<td>$142.5</td>
<td>$155.6</td>
<td>$172.0</td>
<td>$178.8</td>
<td>$190.4</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>$75.8</td>
<td>$77.1</td>
<td>$64.0</td>
<td>$73.3</td>
<td>$93.0</td>
<td>78.6</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$34.9</td>
<td>$35.3</td>
<td>$35.6</td>
<td>$37.0</td>
<td>$37.6</td>
<td>$38.1</td>
</tr>
</tbody>
</table>

2019 Credit lines totaling $28MM, were refinanced in fiscal 2021 and increased to $42.5MM available for working capital needs.
KEY FINANCIAL RATIOS

Income Statement
- Operating Margin: 0.18%
- Personnel Cost Ratio: 63%
- Program Expense Ratio: 88%

Balance Sheet
- Debt Coverage Ratio: 1.91
- Current Ratio: 1.34
- Average DSOs: 79 Days
COVID-19 RESILIENCE AND RESPONSIVENESS
• Immediately established 1-800 Hotline and Command Center for employees—leveraging Oracle for incident reporting.
• Our Total Facilities Management Social Enterprise deep cleaned over 18 million square feet of facilities.
• We provided 50 tons of food, toiletries and other essentials to children and families through our child development centers and special education schools.
• We cooked 160,000 meals in our commercial kitchen and partnered with community organizations to deliver them to the homeless and individuals in shelters.
• We rapidly pivoted to telehealth in nearly every program of The Fedcap Group – maintaining ability to bill for services and connection and meaningful engagement of individuals served.
• We provided childcare for health care providers and first responders.
OPPORTUNITY

• Because The Fedcap Group has scale and IT infrastructure we are well-positioned to:
  • Develop new solutions for funders that are effective and not more costly.
  • Meet the increasing demand for our on-premises custodial and cleaning services.
  • Expand our workforce training and development efforts to help get individuals back to work.
  • Develop new service models in the education and public health arenas.
SUMMARY
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
5 BOLD GOALS OF THE FEDCAP GROUP

1) Every young person living in foster care has the tools and resources to go to college and graduate.

2) Individuals who leave prison/jail get a job, develop healthy connections in their community, and do not reoffend.

3) Individuals on public assistance obtain jobs and reduce their reliance on government.

4) Every adult with an intellectual/developmental disability who wants a job, is employed at a competitive wage in the community.

5) Children ages 0-8 are prepared and inspired to complete their education, obtain employment and live full lives.
QUESTIONS
OUR MISSION

THE FEDCAP GROUP IS COMMITTED TO CREATING OPPORTUNITIES AND IMPROVING THE LIVES OF PEOPLE WITH BARRIERS TO SOCIAL AND ECONOMIC WELL-BEING.