



THE
FEDCAP
GROUP

FY2023 Programmatic & Fiscal Release

December 13, 2023


Our Focus: **Sustainability. Relevance. Impact.**



Building scalable solutions that advance the lives for people with barriers to economic well-being.



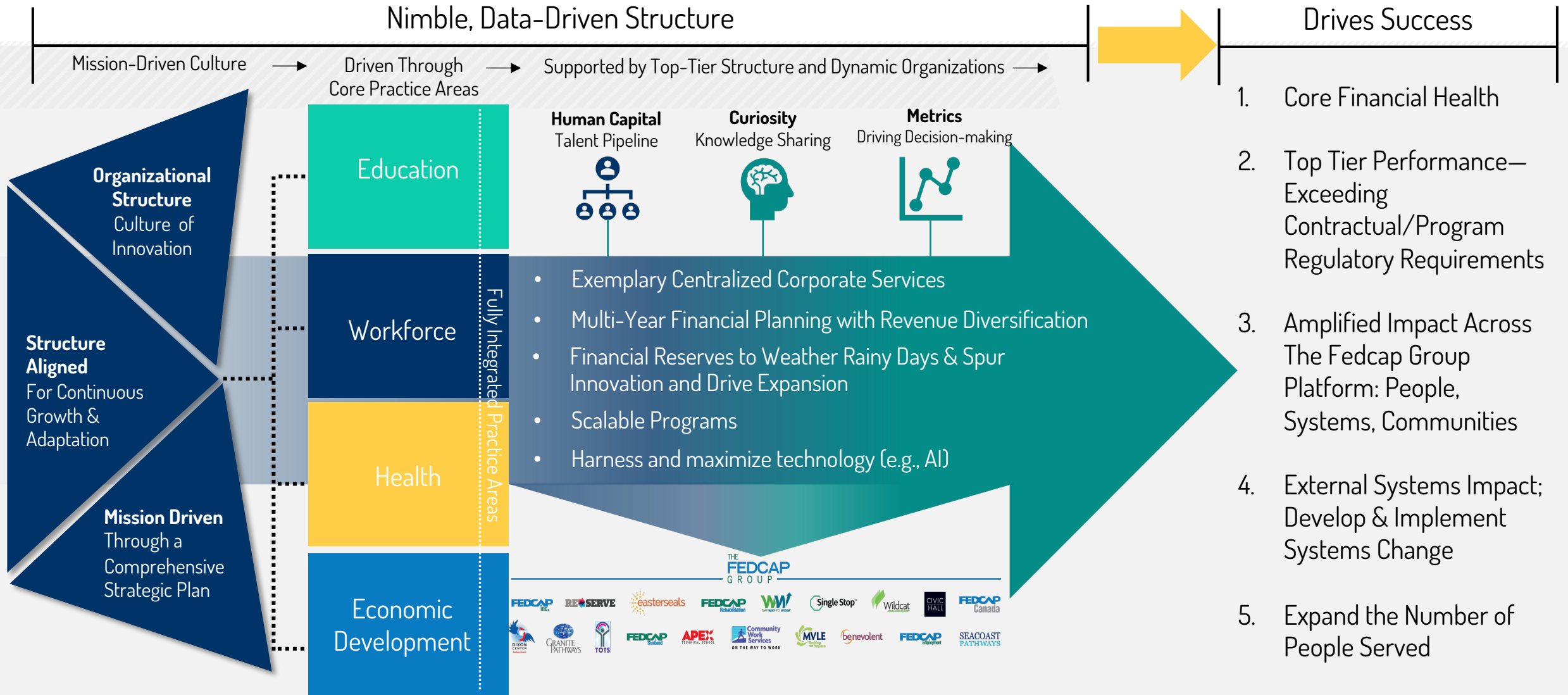
Government solutions alone are not sufficient.



Working within the government systems, inoculating them with small enhancements, intending to yield scalable results.

Our Mission-Driven Structure Fuels Sustainable Growth & Results

Structure Built for Top-Tier Performance





6 Key Takeaways in FY2023

1. We successfully navigated the economic challenges of FY2023, including high inflation, government budget cuts, and regulatory uncertainty that resulted in the elimination of several contracts and various project delays. Despite these obstacles, our revenue for FY2023 reached **\$363.4 million**, reflecting an increase of 0.5% from \$361.7 million in FY2022.
2. Our strategic financial planning, diversified revenue approach, and a robust business development pipeline (totaling **\$390.7 million**—with an impressive **99% recomplete win rate**) allowed us to adeptly navigate the challenges of FY2023.
3. Our prudent planning and forward-thinking strategy project a promising **6%** revenue growth for FY2024.
4. We served **230,000** people in various programs; put **25,600** individuals to work in sustainable employment—a **7%** increase in job placement year-over-year and our greatest annual number of job placements in our nine-decade history.
5. We significantly enhanced our domestic and international program integration—enabling us to implement and scale best practices globally—including exporting the highly successful US Clubhouse mental health support model to the UK and importing the Restart jobs model from the UK to the US (Maine).
6. We launched several key strategic initiatives, including new Pre-K programs, expansion of benefits screened in our Single Stop platform, an expanded service footprint in Canada, and developing a CDFI.

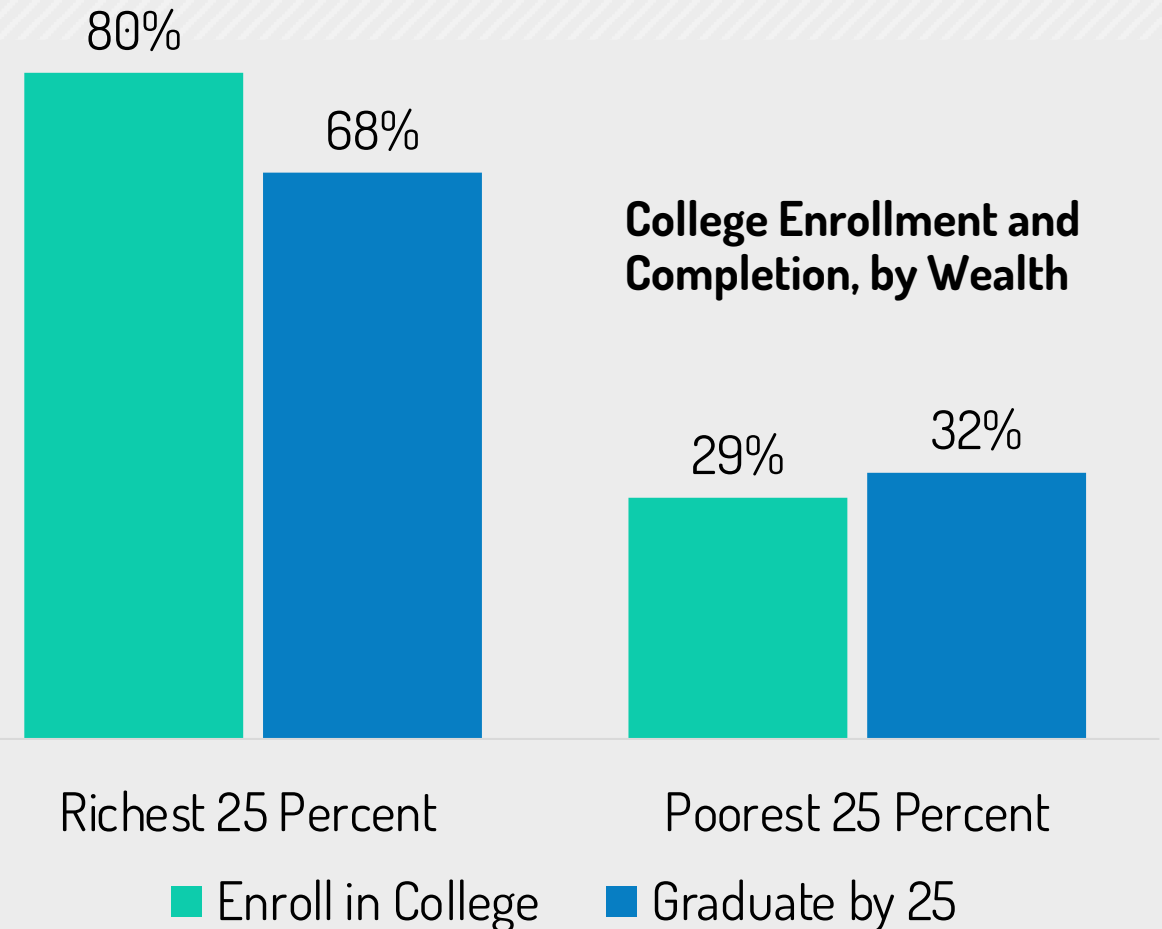


Education Highlights



Education is Essential to Breaking Down Barriers to Economic Well-Being; Yet Too Many Barriered Communities are Left Behind

- The higher the level of post-secondary credential earned, the greater the lifetime earnings. On average, a person with a bachelor degree earns **75%** more over the course of a lifetime than a person who only completed high school.
- **70%** of all new jobs require some post-secondary credential.
- **60%** current workers will require training/upskilling before 2027.
- **34.3M** individuals between the ages of 20-64 in the US don't have a post-secondary degree.





Education Highlights

Educated **2,330** individuals (an annual increase of **4.5%**) in four states from Pre-K through post-secondary programs aligned with college credits. Our overall completion rate was **77%**.



Nearly **30%** of special need pre-k students are moving into traditional/regular kindergarten programs



Our Fedcap Middle/High School graduate **100%** of all eligible students



Apex Technical School enrollment increased **23%** year-over-year from **1,252** to **1,538**, had a completion rate of **76%**--far-exceeding the national average for community colleges of **43%**, and had a **75%** job placement rate

FY2023 launched new:

- Easterseals Pre-k program in Austin, Texas and a new state-of-the art facility with additional capacity in Port Jervis, NY
- Opened new Apex Technical School facility in Long Island City
- Expanded Apex Clean Energy Institute locations and programs

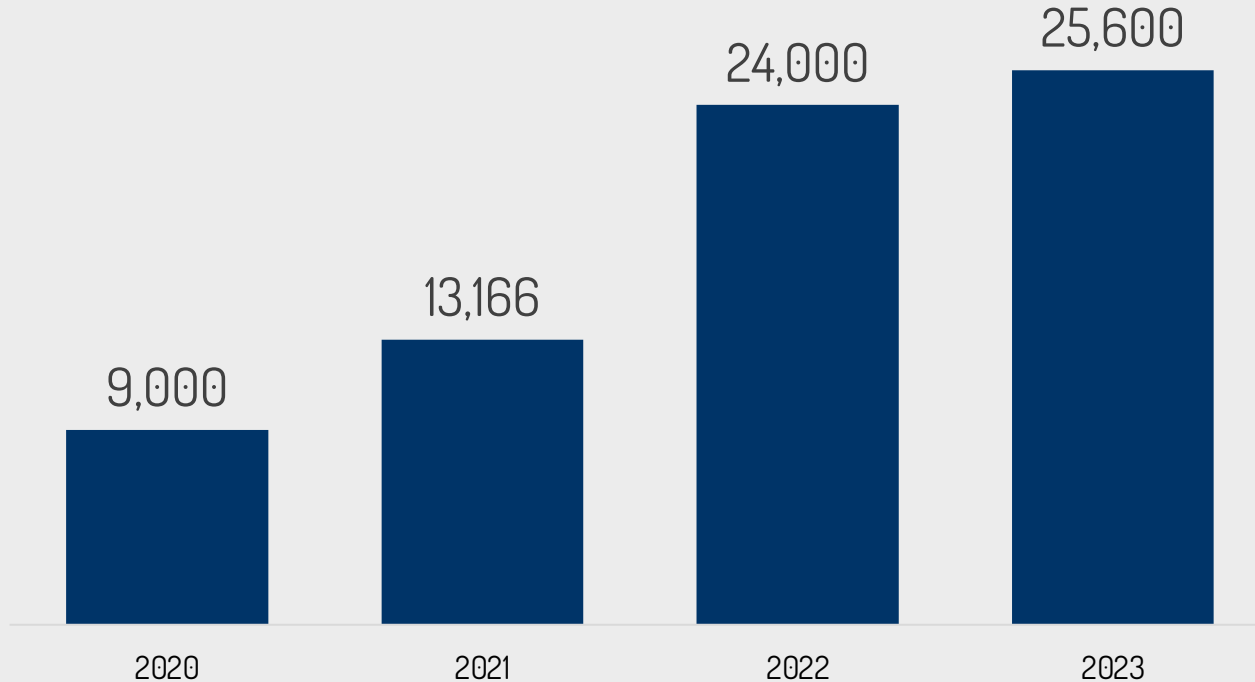


Workforce Development Highlights



FY2023 Job Placements: Strong Performance

Job Placements 2020-2023



- **25,600** job placements in FY2023—a **7%** increase year-over-year and **184%** increase since 2020.
- Strong job retention rates: **90%** (30-days), **82%** (90-days), and **78%** (180-days).

Deploying Innovative Technology to Maximize Training and Education Opportunities

- Deploying our new venture—FedcapVR Technologies—to be fully integrated into our education and workforce programs.
- FedcapVR will be an essential component to career exploration to tailor an individual's training program to be qualified for sustainable, well-paying jobs.
- Managing a wide range of virtual reality simulations to meet the unique and evolving needs the labor market, including solar & wind energy, construction, and welding.





Workforce Highlights

- Increased our influence internationally.
- Demonstrated ability to win larger contracts.
- Deployed cutting-edge immersive technology.
- Secured significant market share opportunities.
- High job placement and retention rates; increased wages.

Why Work Matters

A recent report by the Center on Budget and Policy Priorities:

“...adults in poverty are significantly better off if they get a job, work more hours, or receive a wage hike.”



Health Highlights



Single Stop Benefit Screener and Case Management Program

Key FY2023 Statistics

- **55.87k** individuals screened
- **\$504.7M** total value of benefits
- **\$17.6k** average eligible amount per household
- Expanded screening to critical programs, such as Low-Income Home Energy Assistance Program—LIHEAP
- Entered new states: California and Illinois





Economic Development Highlights



Economic Development: Sustainable, Well-Paying Jobs

- **1,060** individuals directly employed by a company of The Fedcap Group.
- Average salary is **\$42,550** annually— more than **30% higher** than the average annual salary on minimum wage (factoring a minimum wage of \$15.00 per hour).
- Planning for a wave of retirements with a renewed focus on strengthening the workforce pipeline in facilities management in partnership with Apex Technical School.



Economic Development: Building Employee Wealth

403(b) Plans in Aggregate

	2010	2022	2023	% Change 2022-2023
Total Assets Under Management	\$8M	\$111M	\$124.4M	12%
Total Employee Participants	374	1,474	2,459	67%



Economic Development: Building Wealth and Community Through New CDFI

- Current CDFI's aren't realizing their full potential of maximizing investment and equity opportunities in barriered communities.
- We've launched Fedcap Investment, utilizing a \$125K technical assistance grant from the U.S. Treasury and we spent FY2023 developing program and structure of CDFI.
- We have set a goal of raising **\$6M** over the next three years to lend for low-cost equity investments, technical assistance, home ownership, small business loans, and project-based investments.





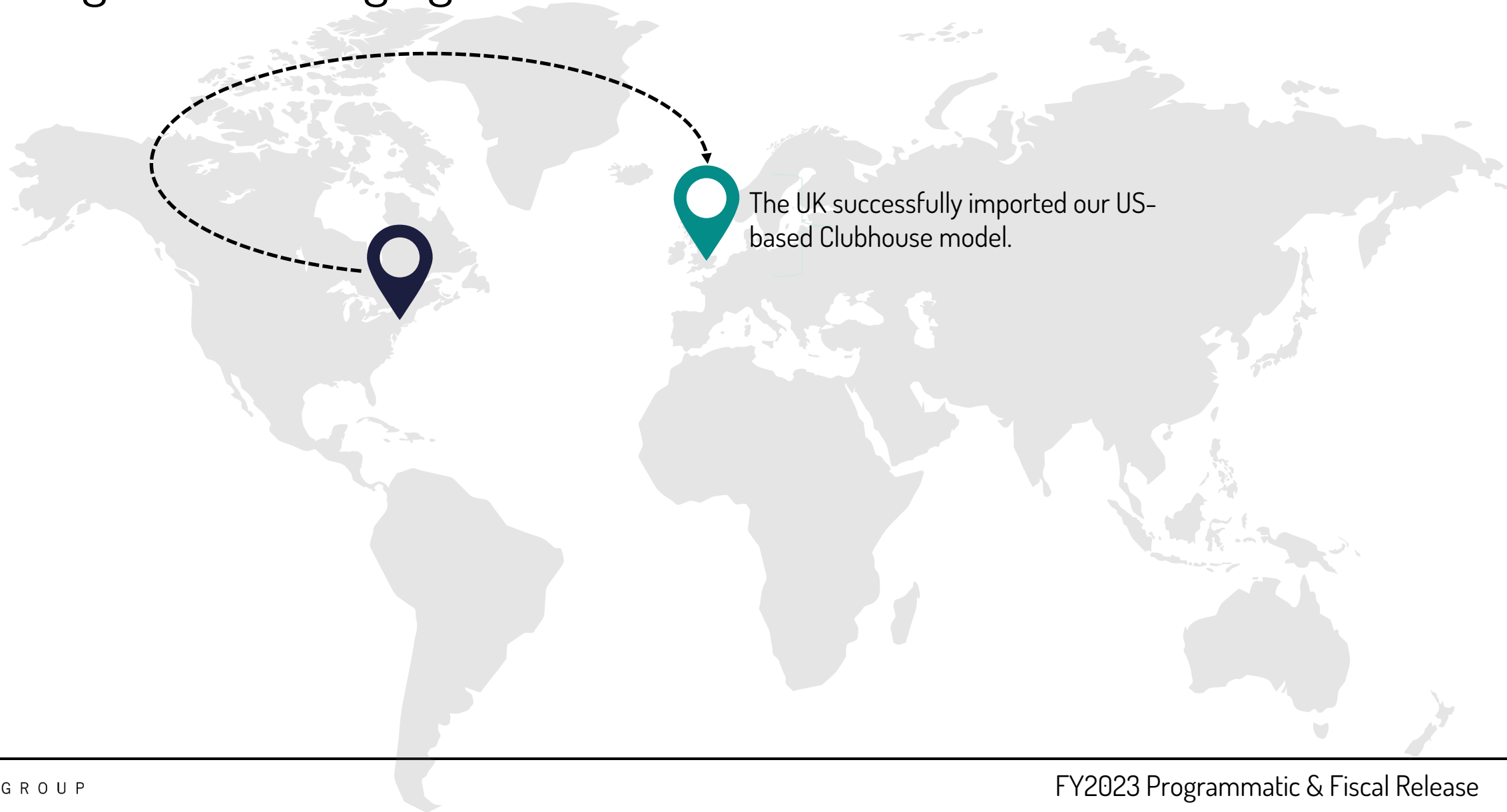
International Highlights



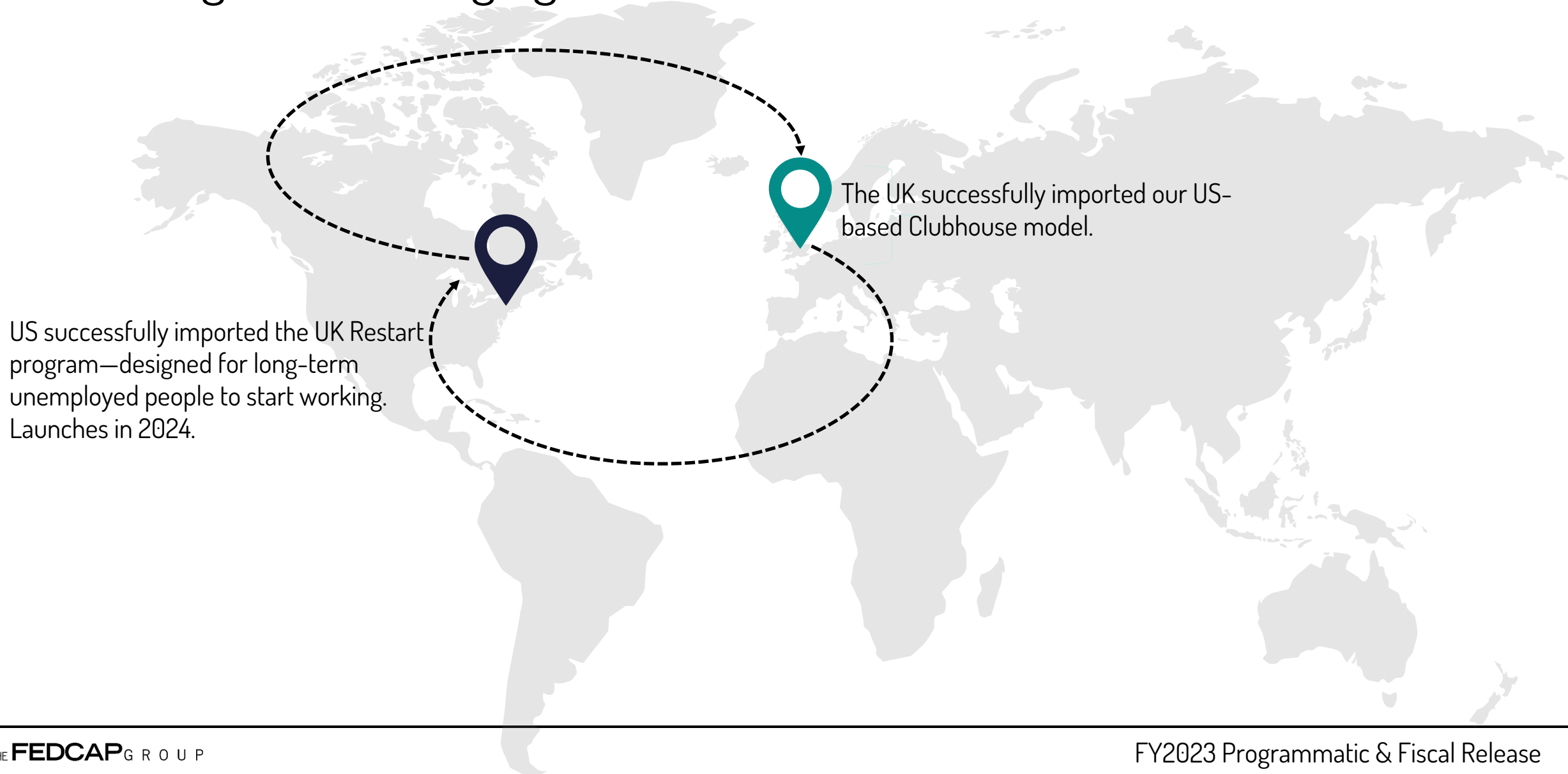
FY2023: Enhanced Domestic and International Program Integration—Bringing Best Practices to Global Scale



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Exported Our Successful US Clubhouse Model to UK

The UK successfully imported our US-based Clubhouse model—Chelton Loft, founded by Fedcap 30 years ago. Clubhouses provide help and training, and developing community for individuals coping with serious mental illness).

- Launched two clubhouses: Riverside Clubhouse (Staines, South Central England) and The Hive Clubhouse (Burnley, Northwest England)
- **68%** of members reported improvements via Work and Social Adjustment Scale
- **60%** of members reported improvement via Warwick-Edinburgh Mental Wellbeing Scale



International Programs Continue to Greatly Exceed Contract Obligations—Canada

Performance on the Ministry's Key Performance Indicators (KPI) for Inclusion Groups

KPI	Goal	Actual	% Achieved +/-
Ontario Disability Support Program	4.20%	12.0%	+287%
Persons with Disabilities	8.00%	34.1%	+426%
Indigenous	3.20%	5.00%	+157%
Youth with Higher Support Needs	18.0%	21.3%	+118%
Francophone	1.30%	4.00%	+311%
Newcomer/Asylum Seekers	4.00%	14.9%	+372%



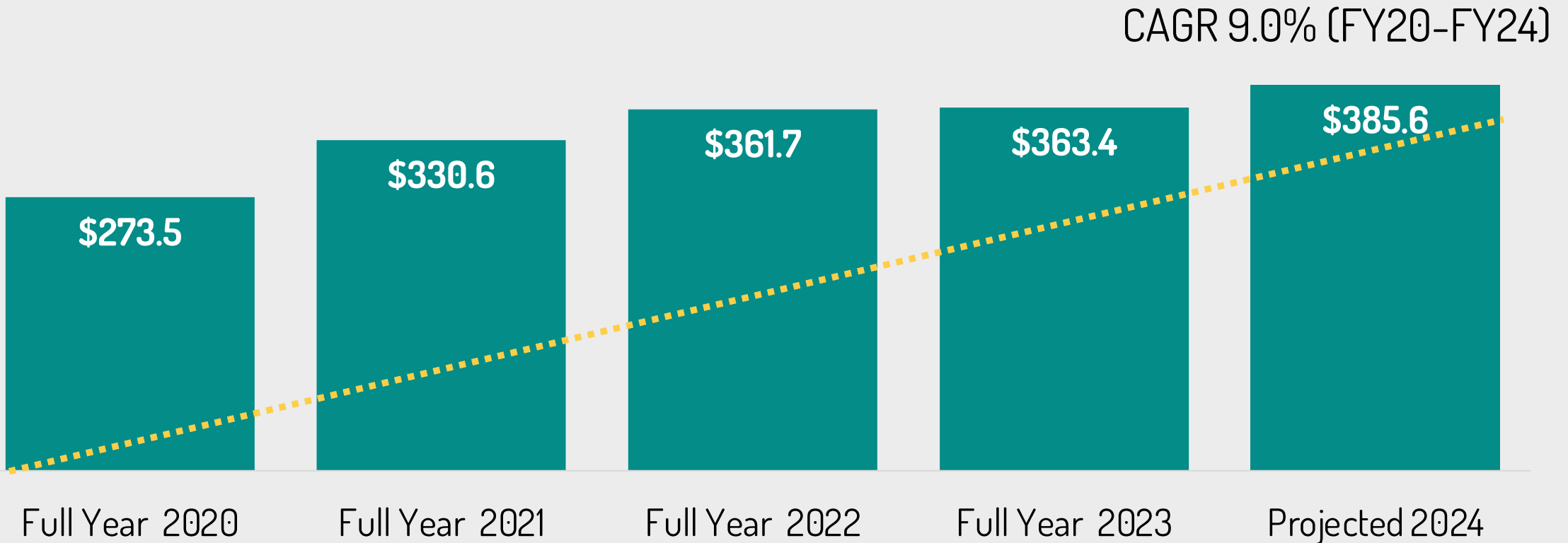


Financial Results



Capacity to Support Growth and Expansion

The Fedcap Group is projected to achieve a 5-year compound annual growth rate of 9.0% from 2020 – 2024



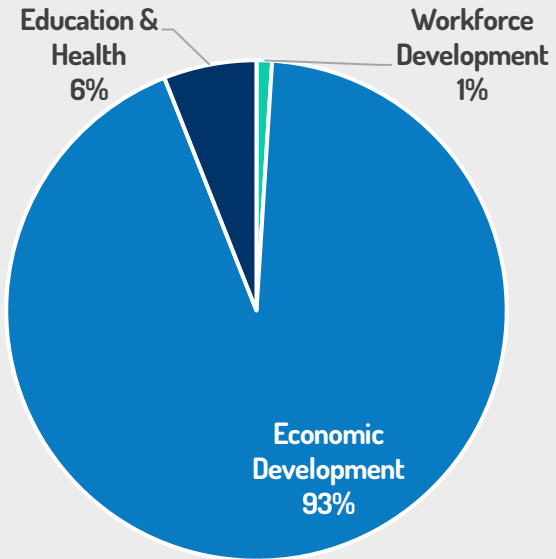
Balance Sheet Highlights

The Fedcap Group Net Assets Have Grown 38.3% Over 5-Years

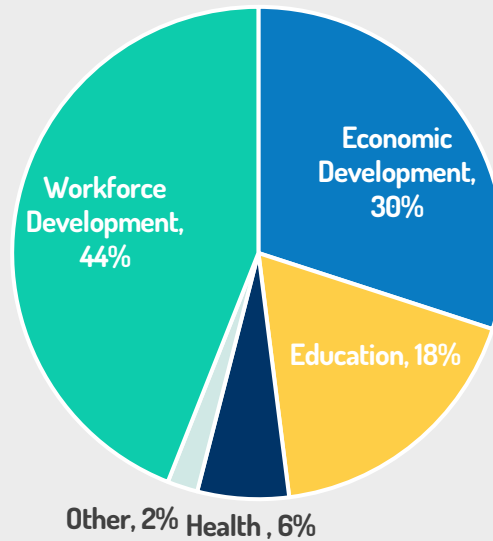
(\$MM)	Full Year 2019	Full Year 2020	Full Year 2021	Full Year 2022	Full Year 2023
Cash and Investments	\$18.5	\$34.2	\$54.0	\$65.0	\$34.9
Total Assets	\$178.8	\$192.0	\$211.7	\$258.4	\$358.3
Long-Term Debt	\$93.0	\$110.4	\$109.5	\$152.1	\$249.1
Net Assets	\$37.6	\$38.1	\$43.6	\$48.3	\$52.0

Revenue Diversification

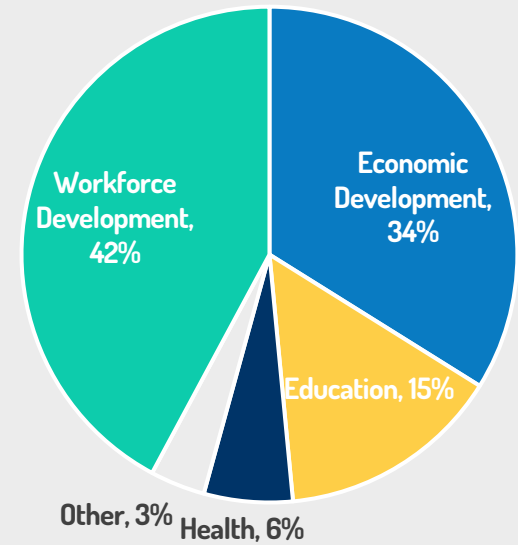
FY2010
\$74 Million



FY2022
\$362 Million



FY2023
\$363 Million



Key Financial Ratio

Income Statement

Operating Margin: **1.04%**

→ Personnel Cost Ratio: **54%**

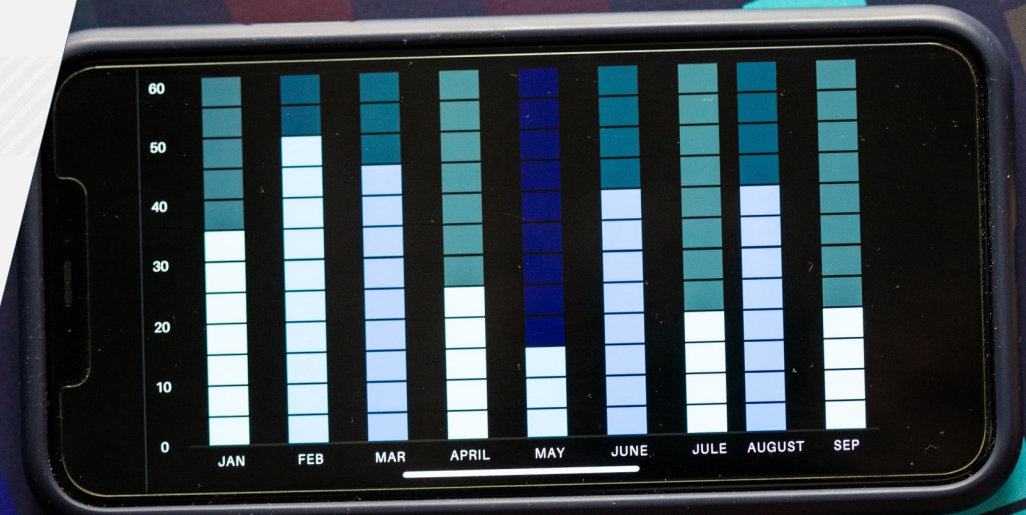
Program Expense Ratio: **88%**

Balance Sheet

Debt Coverage Ratio: **2.06**

→ Current Ratio: **1.79**

Average DSOs: **64 Days**



Looking Forward



Our Values: Commitment to Sustainability

We're adhering to the United Nation's construct on ESG.

SUSTAINABLE DEVELOPMENT GOALS



Our Values: Commitment to Sustainability

We are developing clear positive impacts from the Environmental, Social, and Governance perspective for our 23 organizations under The Fedcap Group

Environmental



Greenhouse Gas Emissions



Waste & Pollution



Water Use



Greenhouse Gas Emissions

Social



Workforce & Diversity



Safety Management

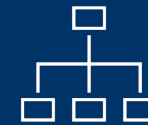


Customer Engagement



Building Community

Governance



Structure & Oversight



Code & Values



Transparency



Mitigating Risk

Commitment to Sustainability: Fedcap Rehab TFM

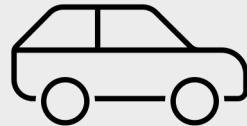


Fedcap Rehab TFM diverted 71.7% of waste (764 tons) from landfills to recycling this past year for all properties the company manages



Reduced Carbon Footprint by **1,235 Metric Tons**

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275 Gas Engine Cars Off the Road for 1 Year

+



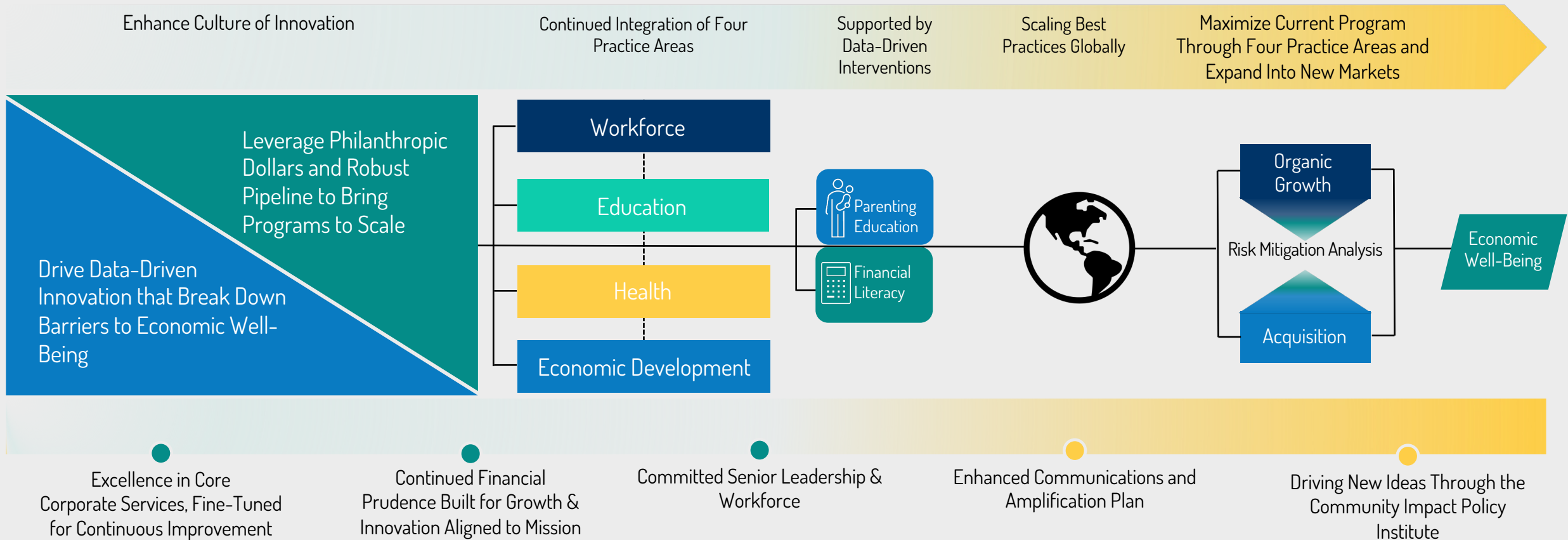
Reduction of Energy Use for **155 Homes** for 1 Year

+



20,500 Trees Grown Over 10 Years

Looking Forward: FY2024 –the Path to 2030





Questions?



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