



THE **FEDCAP** GROUP
Fiscal Year 2024

Programmatic & Fiscal Report

December 11, 2024

FY24 Report Presented by:



Christine McMahon
President and CEO



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Chief Financial Officer



TODAY'S PRESENTATION

1. Our Organization
2. FY24 Program Performance
3. FY24 Financial Report
4. Strategic Growth Opportunities
5. Q&A



Our Organization

THE **FEDCAP** GROUP

The Fedcap Group is a Global Organization

Focused on breaking down barriers to economic well-being through four practices

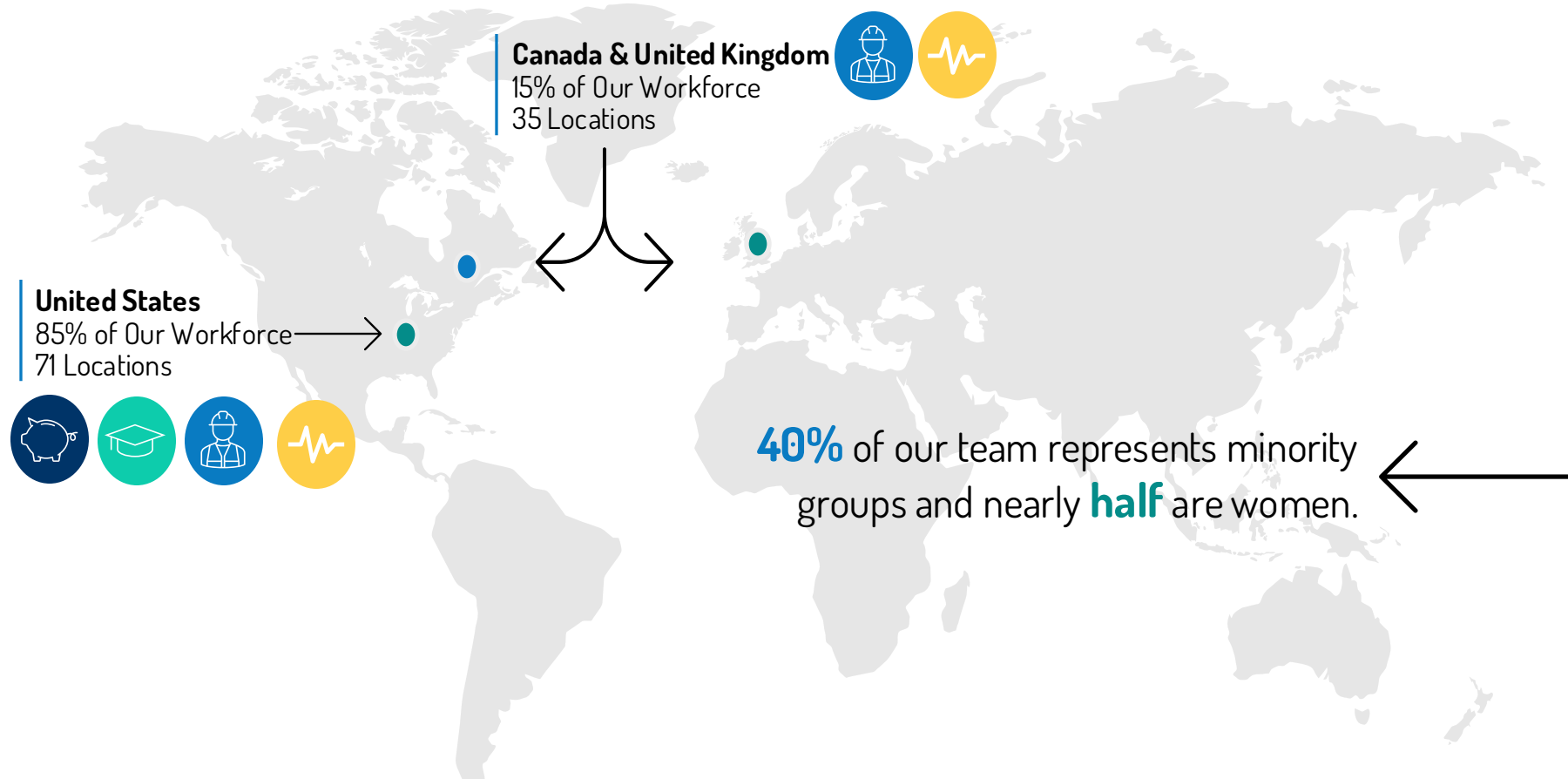
>>> 3,345 Employees

>>> 3 Countries

>>> 26 Organizations

>>> 106 Locations

>>> 319 Contracts



Company Practice Areas



Education



Workforce Development



Health



Economic Development

SUSTAINABLE DEVELOPMENT GOALS



Our People, Our Values

Fedcap is aligned with the UN Sustainability Framework

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



Our Guiding Principles



Sustainability.

Strategic financial management – meticulous planning, prudent investment, and a steadfast dedication to maintaining fiscal health over time.



Relevance.

Prioritizing long-term innovation within a dynamic and ever-changing landscape to serve as the catalyst for transformative progress for individuals, communities, and systems alike.



Impact.

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



FY24 Program
Performance

Topline Summary for FY24

Fulfilling Our Mission

243,964 / 6.8% ↑
Total Served / Increase From FY23



Exemplary Delivery of Program & Services Through Our Four Practice Areas



Education

We are dedicated to education as a means of fostering economic and social mobility. Our commitment starts with newborns and extends through adulthood, offering a diverse range of customized programs tailored to every stage of an individual's educational path, from cradle to career.



Workforce Development

We have a comprehensive solution for cultivating a skilled workforce, ready to work delivering trained talent. Collaborating with businesses across our international footprint, spanning the US, Canada, and the UK, we address critical staffing requirements for employers.



Health

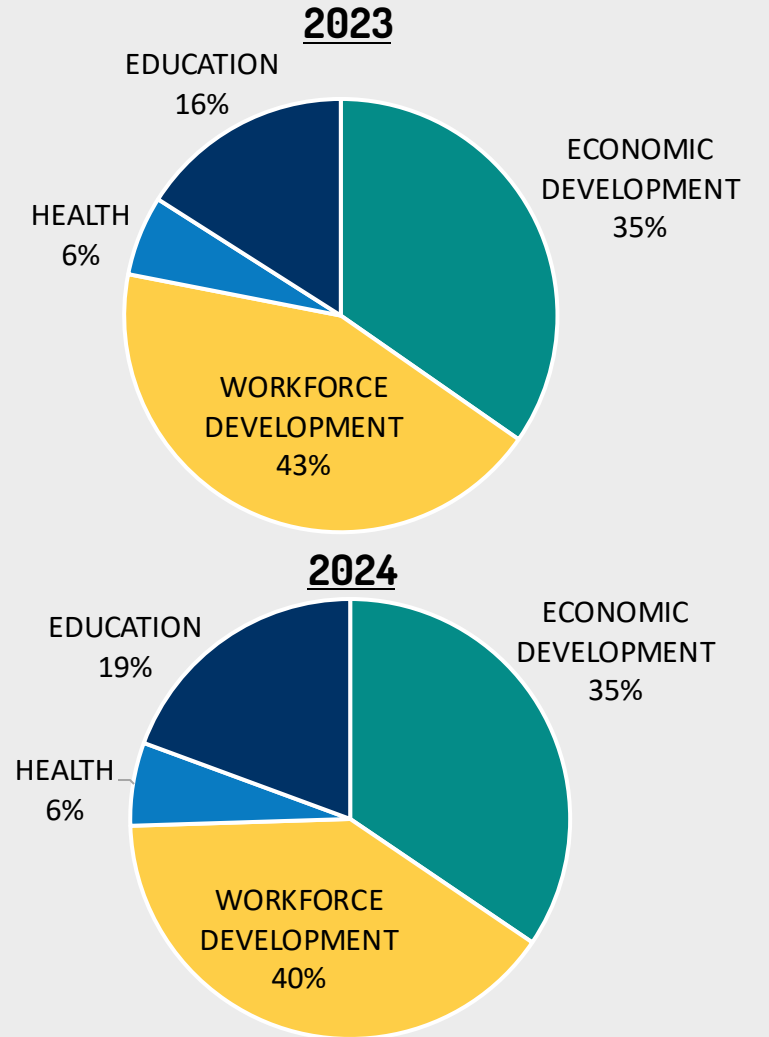
We are focused on eliminating health barriers to economic well-being through integrated care coordination and community health initiatives, including our leading case management and benefits screening program, Single Stop.



Economic Development

We enhance the economic mobility and quality of life for individuals facing barriers by implementing strategies centered around job creation. This involves the establishment of a Community Development Financial Institution (CDFI) and the operation of social business enterprises tailored to provide employment opportunities specifically for those with barriers.

% of Revenue by Practice Area



Education Practice

\$71MM

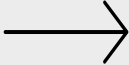
Portfolio (FY24)



KPIs

4,968

Enrolled



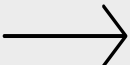
113%

Increase From FY23



20

Total Programs



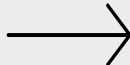
2

New Programs Launched



82%

Post Secondary Completion Rate



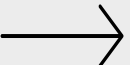
43%

Community College Completion



74%

Job Placement



Exceeds

Industry Standards



Education Practice Highlights



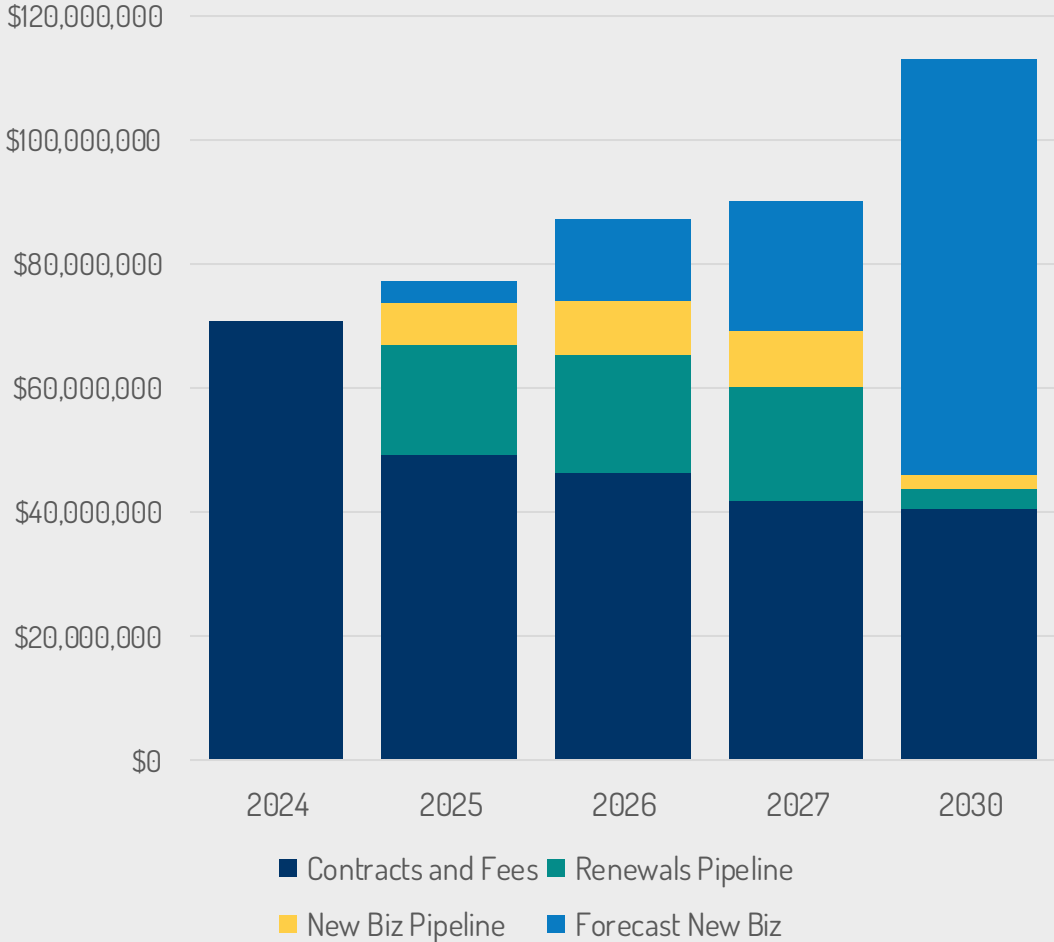
Summary

- Continued to exceed industry standards in completion across program areas as well as job placement
- Official launch of programs in priority areas: Civic Hall @ Union Square in NYC (digital skills) with more than 35,000 visitors to one our 150 events/training program in first year; includes 1,050 trained in tech certification programs
- Entered new geographic territories with the acquisition of TACT (trade school for individuals with autism in Denver, Colorado)

Priorities

- Implementing co-location model for Easterseals child development program with public schools.
- Position for breaking into the international market, starting with pilot programs in clean energy in the United Kingdom (first program will launch in January) and expansion into Canada
- Expand high demand trades Apex school in domestic territories

Pipeline



Workforce Development

\$146.7MM

Portfolio (FY24)



KPIs

Job Placements

»» **28,400**

Individuals Place Into Jobs

»» **11%**

Increase Year-Over-Year



Job Retention Rates

»» **88%**

30-Day Retention Rate

»» **78%**

90-Day Retention Rate

»» **76%**

180-Day Retention Rate

Workforce Development Practice Highlights



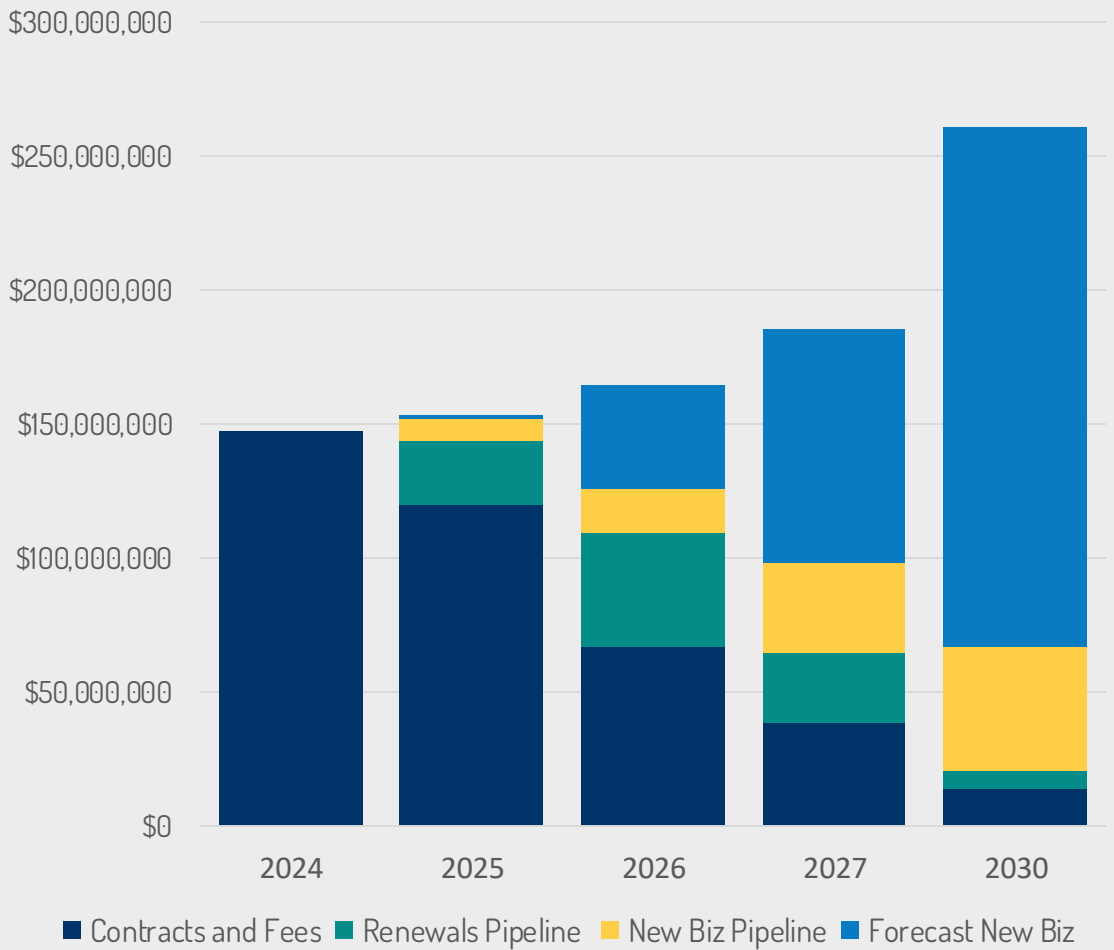
Summary

- Our largest UK contract, Restart—which serves the long term unemployed—has been extended for two years
- Won a workforce contract in a new state—Tennessee
- Successfully imported our UK “Restart” Jobs program to the state of Maine
- Piloting new model to reach “economic absentees” not on any benefit, out of labor force (US)
- Building a new “work pays” calculator to help Canadians navigate job income and its impact on benefits and sustainability

Priorities

- Position UK to deliver services that support some of the 2.8M people currently on sickness benefits into sustainable employment
- Leverage existing Fedcap service territories for expanded workforce development programs

Pipeline



Health Practice

\$22.4MM

Portfolio (FY24)



KPIs

Single Stop

»» **80,000**

Screened for Benefits/ Single Stop

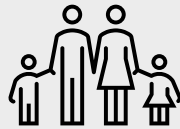
»» **43%**

Increase From FY23



\$20,206

Avg Household Benefit



Health and Wellness

»» **38,000**

Individuals Rec'd Wellness Services

84%

Of Restart Clients
Experienced Improved
Health Outcomes



Health Practice Highlights



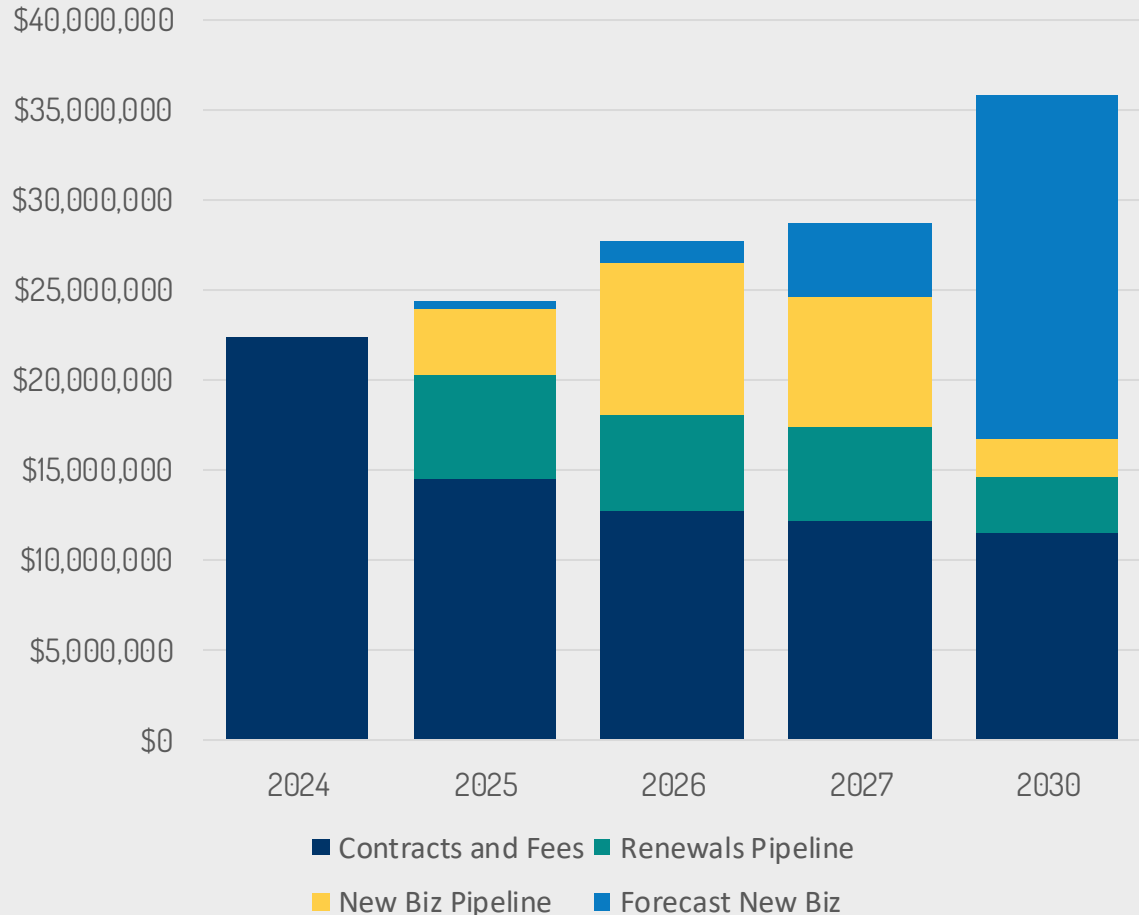
Summary

- Our Single Stop benefits screening and case management platform continues its strong performance. For every dollar an organization spends on licensing Single Stop’s technology, their clients receive a return valued at \$301 in benefits and resources
- Continued expansion of our Clubhouse model continues, led by our newly launched program in NH domestically and UK internationally

Priorities

- Partnering with states leveraging 1115 waivers to innovate health service delivery for individuals with significant barriers to economic well-being
- Expanding services for individuals with intellectual and developmental disabilities (I/DD), focusing on vocational training and other supports
- Actively pursuing contract opportunities with managed care funders to build relationships across commercial, Medicare, and Medicaid lines of business

Pipeline



Economic Development

\$126.4MM

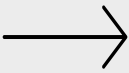
Portfolio (FY24)



KPIs

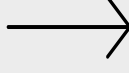
»»» **1,060**

Directly Employed by a Company of The Fedcap Group



»»» **\$42,550**

Average Salary of Fedcap Employee Directly Employed



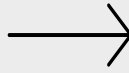
30%



Higher than an annual salary at a \$15 minimum wage

»»» **2,907**

Social Enterprise Retirees Participating in Fedcap's Retirement Plan



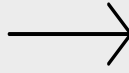
»»» **18%**

Increase From FY23



»»» **\$158MM**

Total Retirement Assets Under Fedcap Management



»»» **27%**

Increase From FY23



Economic Development Highlights



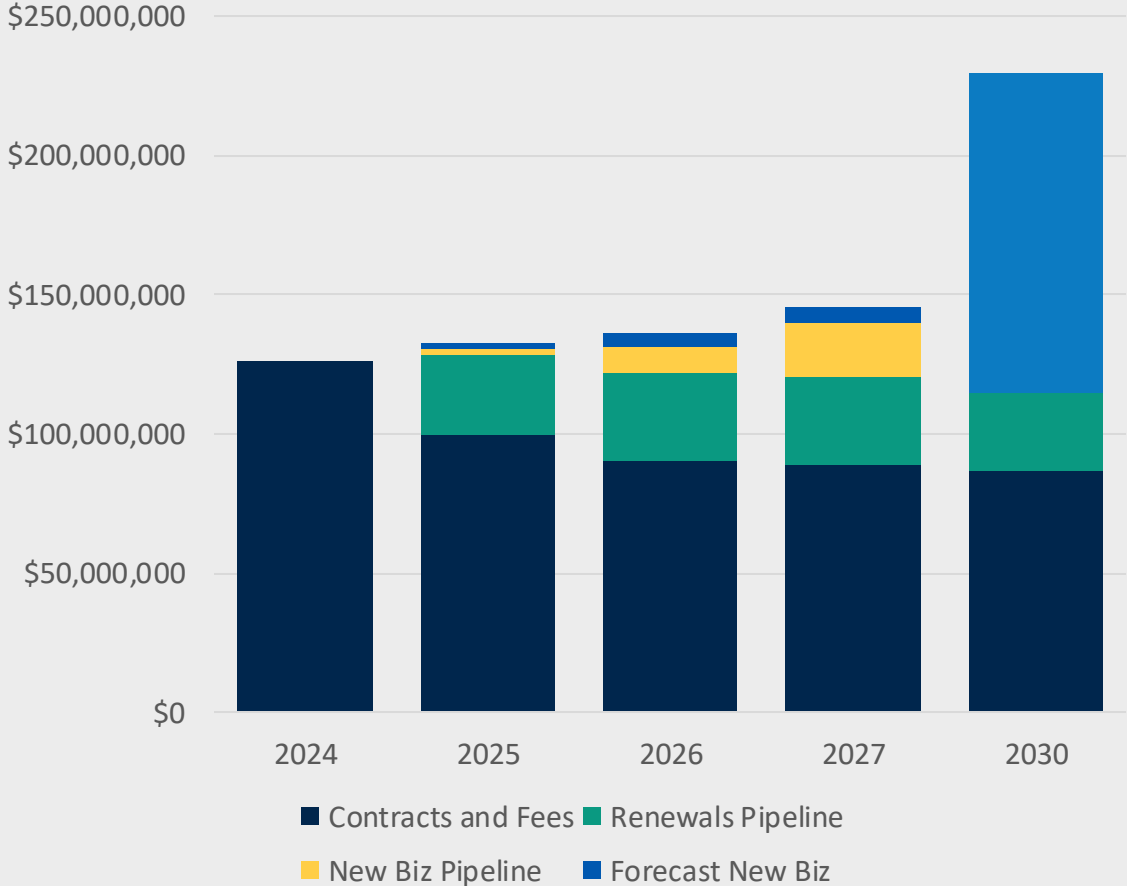
Summary

- Continued to exceed wage standards for individuals employed by a Fedcap company
- Demonstrating commitment to sustainability by reducing carbon footprint in TFM operation
- Growth in Retirement Assets from \$8.4MM in 2010 to \$159MM in 2024

Priorities

- \$155M non-set-aside opportunities (first-ever), e.g. partnering on federal military and large-scale government contracts
- Expand TFM services into international footprint (Canada/UK)
- Go to market with enhance business services products (e.g. printing)
- Capitalize Fedcap’s new CDFI

>>> Pipeline





FY24 Financial Report

THE **FEDCAP** GROUP



Financial Summary

FY24



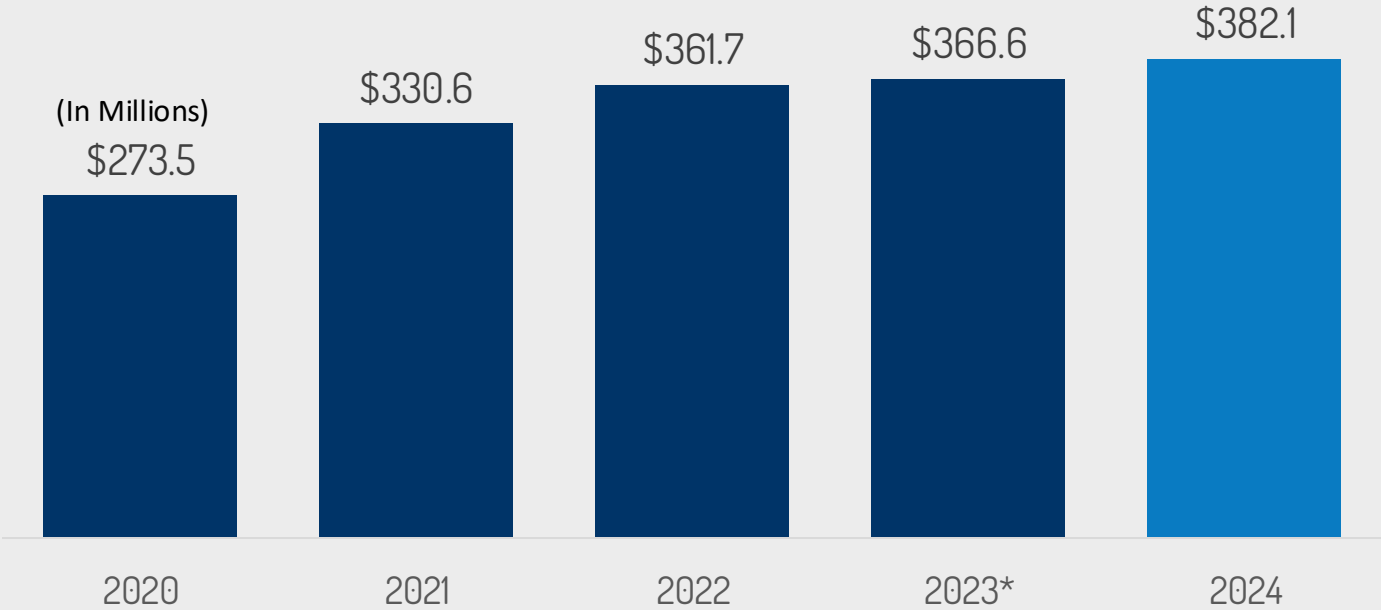
\$382.1MM

Total Revenue

40%



Increase From FY20



*Excludes donated space



Key Financial Ratio

FY24



Income Statement

1.08%
Operating Margin

53%
Personnel Cost Ratio

88%
Program Expense Ratio

Balance Sheet

1.64%
Current Ratio

5.48%
A/R Turnover Ratio

67-Days
Avg. DSOs

Financial Summary

FY24



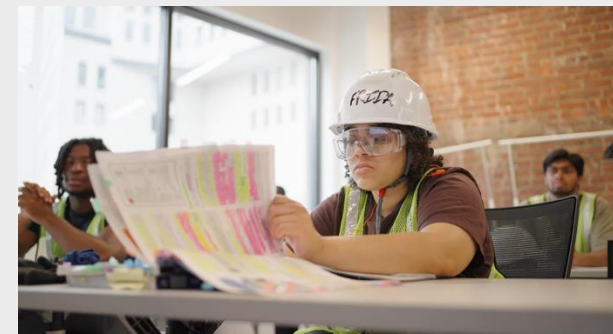
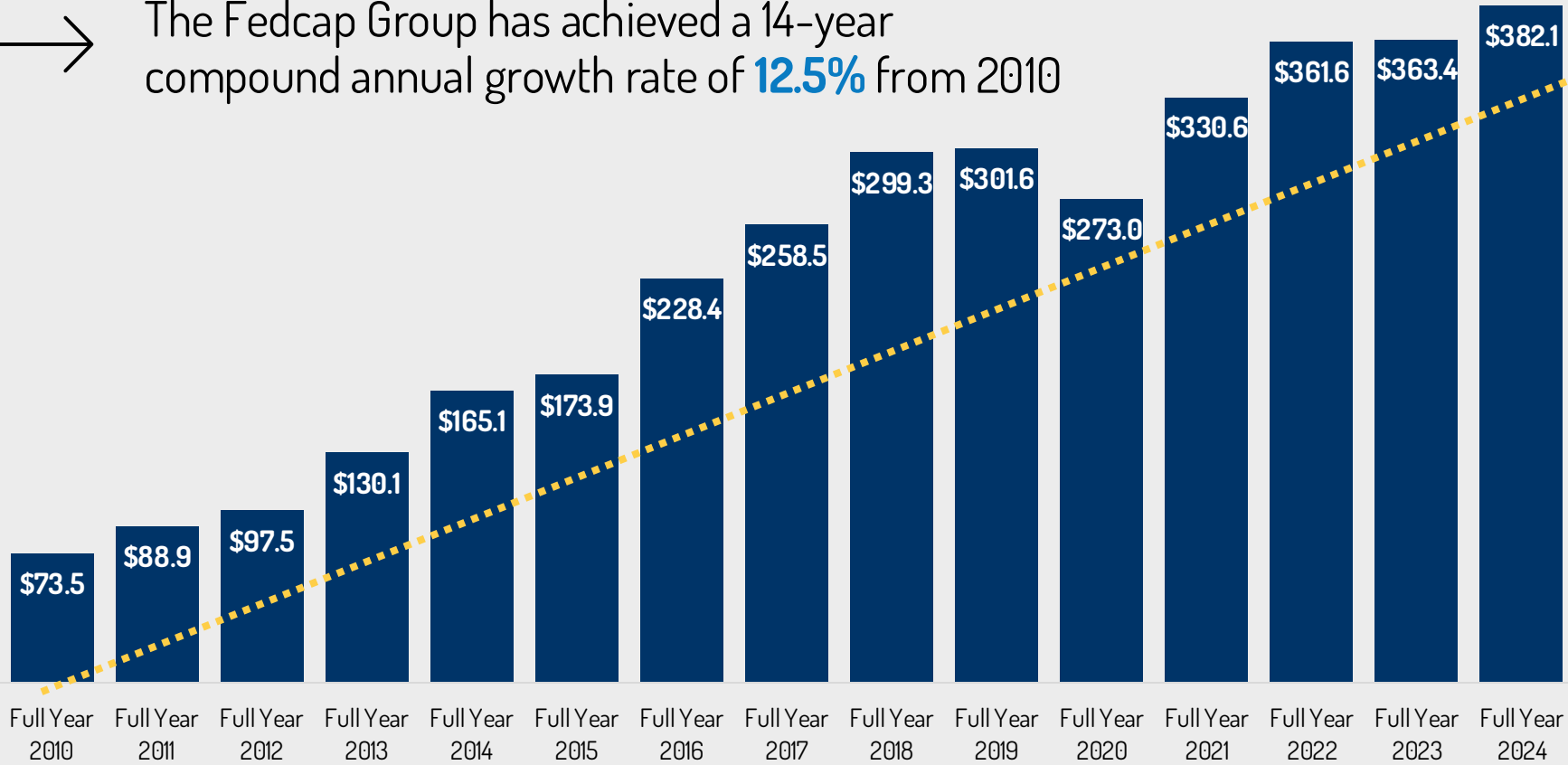
(\$MM)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Cash and Investments	\$34.2	\$54.0	\$65.0	\$35.9	\$35.2
Total Assets	\$192.0	\$211.7	\$258.4	\$394.5	\$403.6
Long-Term Debt	\$110.4	\$109.5	\$152.1	\$232.0	\$234.9
Net Assets	\$38.1	\$43.8	\$48.3	\$96.6	\$100.7



Capacity to Support Growth & Expansion



→ The Fedcap Group has achieved a 14-year compound annual growth rate of **12.5%** from 2010

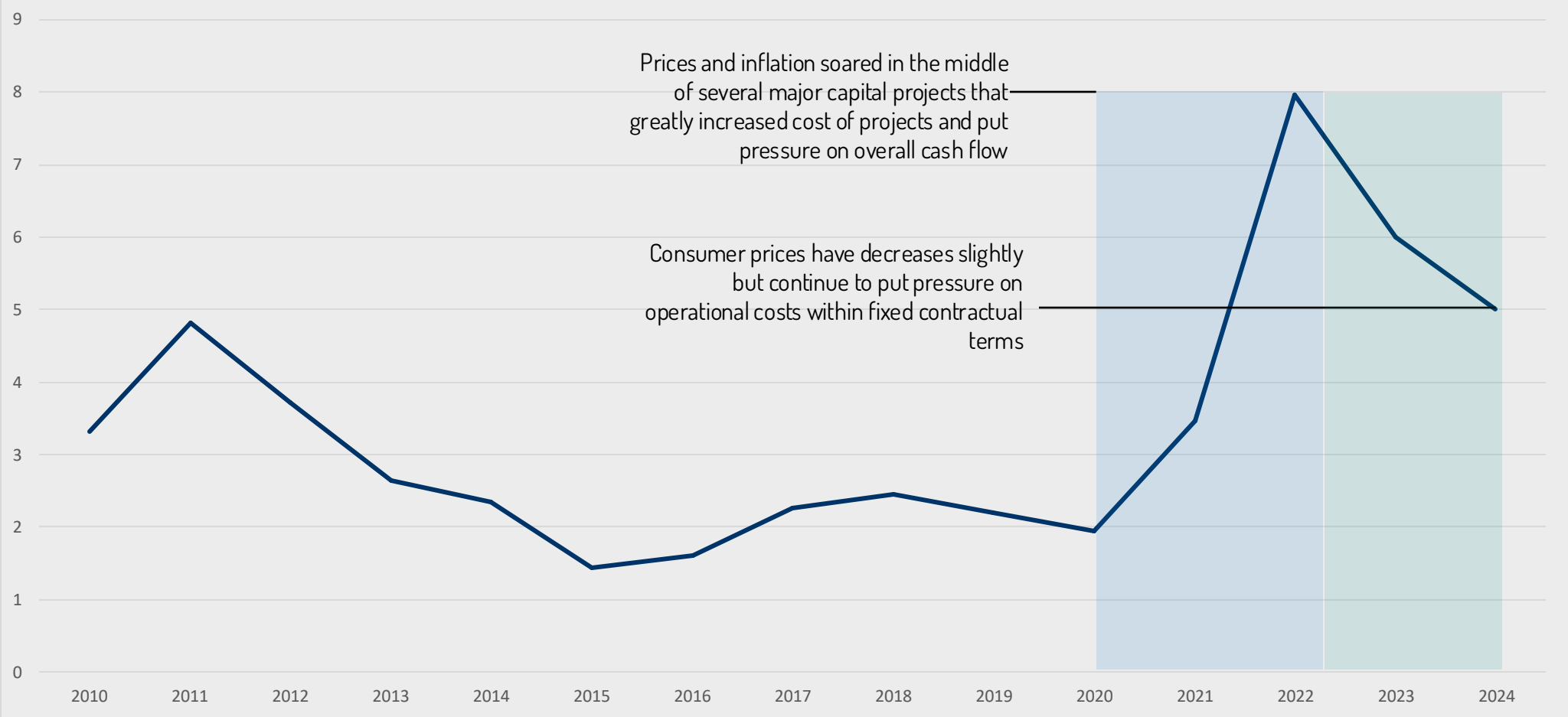


Global Political & Financial Headwinds

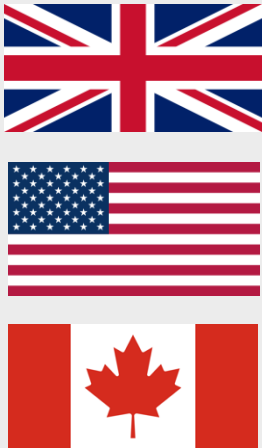
Some Relief, but Pressure Remains on Cash Flow and Revenue Opportunities



Annual % Change in International Inflation, Consumer Prices (aggregate)



Fiscal pressure happening at a time with several government changes to opposite political parties with differing governing philosophies in our key service footprint, including a potential regime change in Canada.



Source: International Monetary Fund, International Financial Statistics and data files.

Our Growth Strategy



Three-Prong Balanced Approach to Achieve Year-Over-Year Growth and Sustainability Against Political and Economic Headwinds



\$73.5MM
2010



\$382.1MM
2024

Total Revenue

1

Organic Growth

Expansion of Programs in existing service footprint or new areas

60%

2

Acquisition

Attaining existing mission-aligned organizations that can be leveraged within organization

25%

3

New Programs

Launching new programs, products, or services in high demand areas

15%

Healthy Pipeline and Strong Win Rate



»»» **\$274,073,166**

Current Qualified Pipeline

»»» **\$2,625,309,242**

Prospects In Development



»»» **91%**

Win Rate on Recompetes

»»» **37%**

Win Rate on New Business

Pipeline by Region



\$234,308,311



\$11,540,073.77



\$8,224,781

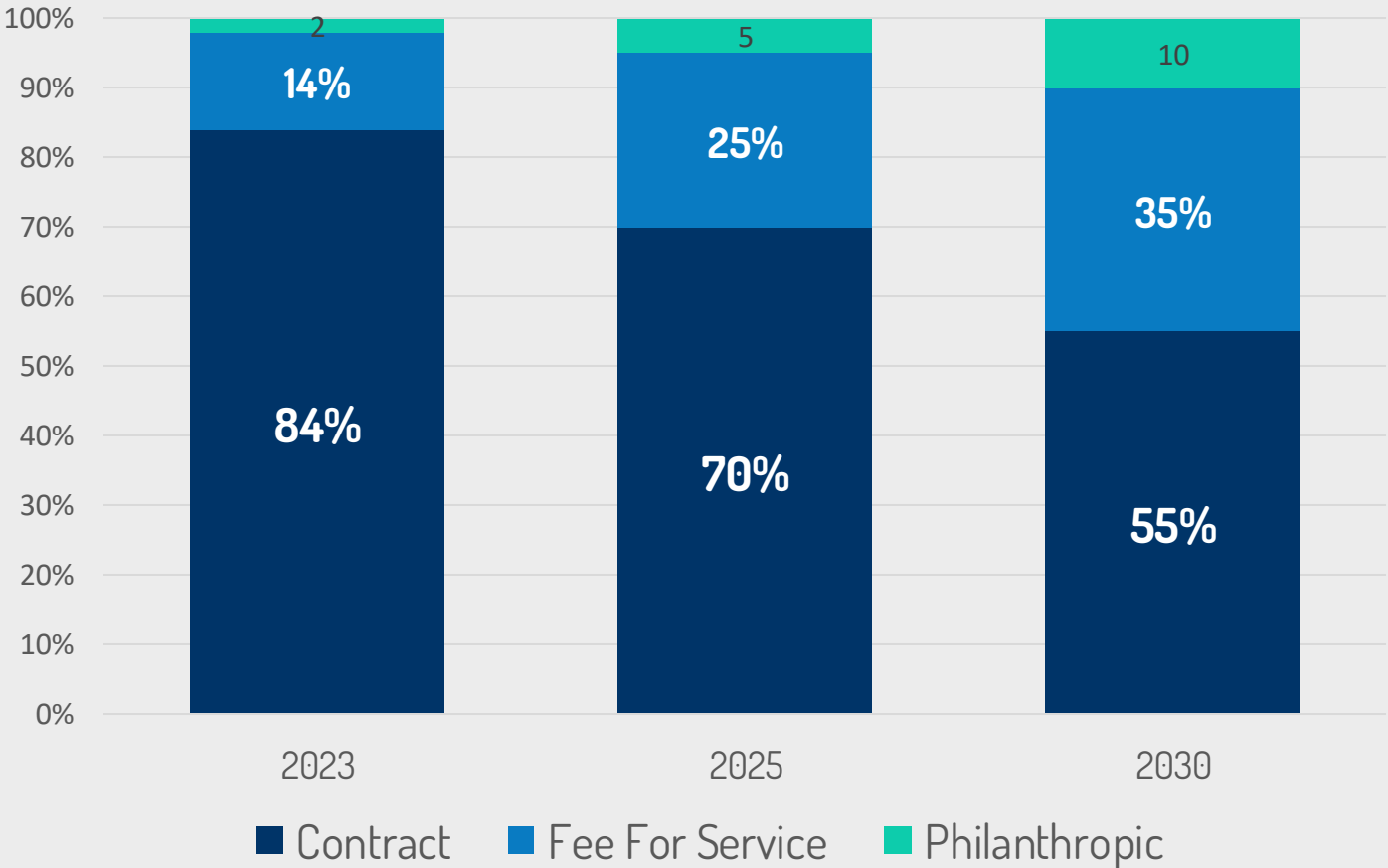


\$20,000,000

Fedcap's robust pipeline and diversity of contracts is a bulwark against market fluctuations, including potential market entry into Australia. By Q2 in FY25 we are working to increase our current pipeline another **20%**

Continued Focus On Revenue Diversification

By Funding Source



A diverse array of government and other institutional contracts continues to be our primary source of revenue, making up 84% of our total revenue.

While we will aggressively continue to pursue contracts, because of uncertainty and fluidity in governments across our footprint, our growth strategy includes a strong push through revenue diversification, particularly greater balance of fee for service in education and health. The growth of our education practice has allowed for a greater diversification of revenue through tuition, and we project **35%** of our total revenue will be fee for service by 2030.



Strategic Growth Opportunities

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Growth Strategy to Achieve Revenue Goals



Major Forces Driving Industry Change

- Emerging populations in need of additional interventions (e.g. neurodivergent, justice involved, mental health and wellness)
- Evolving requirements for government funding
- Rapid technological advancement (e.g. AI)
- Continued global financial pressure and uncertainty
- Changing political dynamics both domestically and internationally



Staying Ahead of the Change

- Scaling best practices globally
- Bolting data-driven interventions into all programs to increase individual success (e.g. parenting education and financial literacy)
- Increased program standardization to nimbly be first to market in emerging sectors
- Continuation of strategic acquisitions
- Key leadership hires on emerging growth areas (e.g. health)
- Continuation of a portfolio of diversified revenue sources



Focusing on New Market Opportunities: Facilities Management



The Opportunity

»»» **\$260B**

Annual Domestic Market

»»» **\$5.5B**

Addressable Market

- The Fedcap Group is committed to strategic growth through initiatives such as pursuing military and federal contract opportunities, diversifying revenue streams to meet goals for 2024–2029, and engaging with key partners to strengthen market presence.
- Notably, the economic development pipeline now includes \$155 million in non-set-aside opportunities for the first time, representing a significant milestone in expanding reach and achieving long-term objectives.



Focusing on New Market Opportunities: Australia Disability Employment Program



The Opportunity

»»» **\$2B**
Annual Value

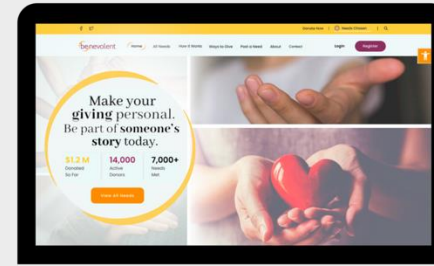
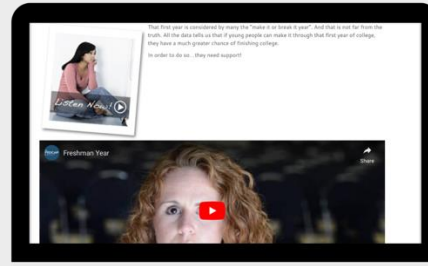
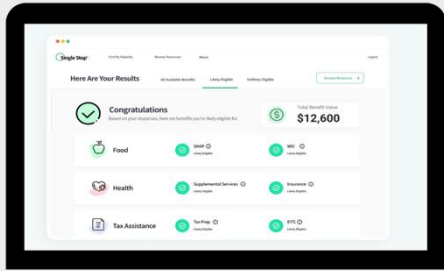
»»» **\$8B**
Total Value

- The Australian Government has announced a new program focused on improving employment outcomes for individuals with disabilities through innovative service delivery models.
- Fedcap Australia will build on Fedcap's 90-year legacy in disability employment, leveraging proven expertise to deliver impactful programming.
- The expansion also integrates core strengths from Fedcap's education, workforce, health, and economic development initiatives to create sustainable employment pathways and holistic support for individuals across Australia.



FEDCAP
Australia

Focusing on New Market Opportunities: Technology



We build state-of-the-art SaaS platforms that are proven to move the dial to economic well-being. We will continue to aggressively look at potential new software product solutions to fill service and program gaps, including new AI technology



Discussion

Q&A

Contact

X @fedcapgroup

in FedcapGroup

 www.fedcapgroup.org



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