

Programmatic & Fiscal Report

First Half Fiscal Year 2025

Commitment to Transparency



At The Fedcap Group, we believe that transparency is not just a best practice—it is a cornerstone of trust. While there is no rule or regulation requiring us to produce our biannual Programmatic and Fiscal Reports, we do so because we believe our funders, supporters, and government partners deserve a clear, candid view into the work we do, the resources we steward, and the impact we deliver.

This report reflects our commitment to providing timely, data-driven insights into both our programmatic achievements and our financial performance. It is designed to give you the information you need to assess our progress, hold us accountable, and continue to partner with us in advancing economic mobility and wellbeing for all.

Presented by:



Christine McMahon
President and CEO



Carol Khoury
Chief Financial Officer

AGENDA

1. Organizational Overview
 2. FHFY25 Program Performance
 3. FHFY25 Financial Report
 4. Strategic Growth Opportunities
 5. Q&A
-

Our Organization



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.



The Fedcap Group is a Global Organization

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



- 3,345 Employees
- 29 Organizations
- 3 Countries*
- 111 Locations
- 270 Contracts

Company Practice Areas

-  Education
-  Workforce Development
-  Health
-  Economic Development



Our People, Our Values

40% of our team represents minority groups and nearly **half** are women.

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.

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.

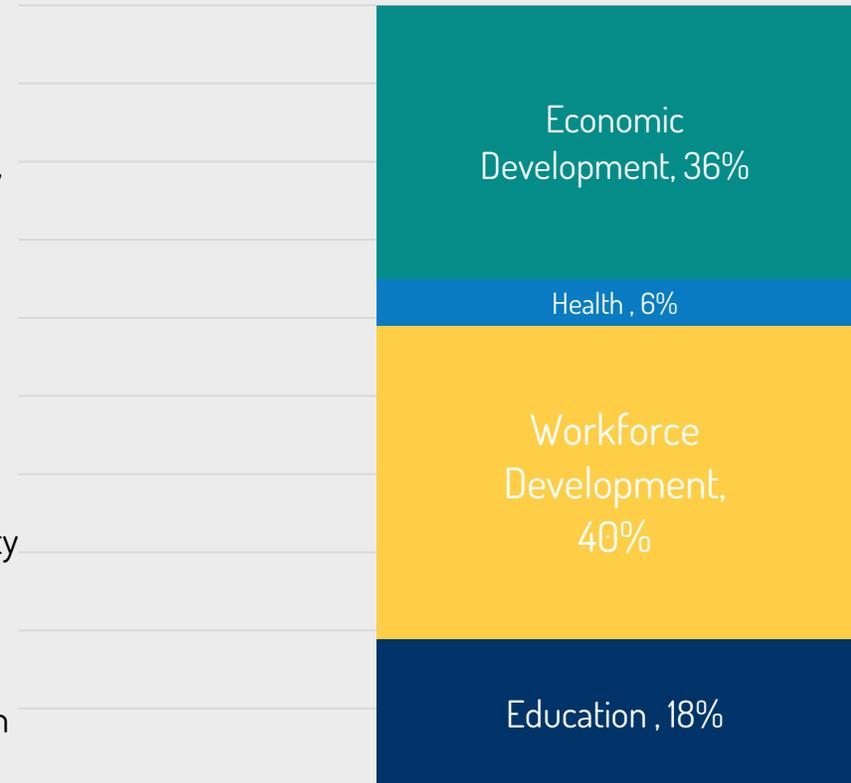
Workforce Development

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.

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.

Revenue by Practice Area



A photograph of a man with a beard and sunglasses around his neck, smiling broadly while carrying a young girl with curly hair on his shoulders. The girl is holding a yellow object. They are at an outdoor event with other people and tents in the background. The image has a blue overlay.

FHFY25 Program Performance



FHFY 25 Highlights

- ▶ Served 159k on track to hit goal of 245k
- ▶ We have earned \$188MM this first half with \$99MM in net assets
- ▶ We executed an annual contract value of \$197.7MM of which \$12MM was new—bringing our total term contract value to \$1.3B
- ▶ We acquired two companies this first half and are excited to be working a pipeline of two additional companies
- ▶ Our total pipeline is valued at \$2.7B with 11% qualified



Topline Summary for First Half FY25

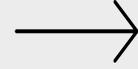
1,597,339 / **9.2%** 
Total Served / Increase From FH24

Education Practice

KPIs

»»» **3,405**

Enrolled



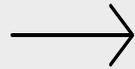
»»» **55%**

Increase From FH24



»»» **83%**

Post Secondary Retention



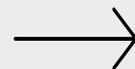
»»» **3%**

Increase from last year



»»» **83%**

Post Secondary Completion Rate



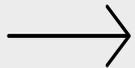
»»» **4%**

Increase from 2024



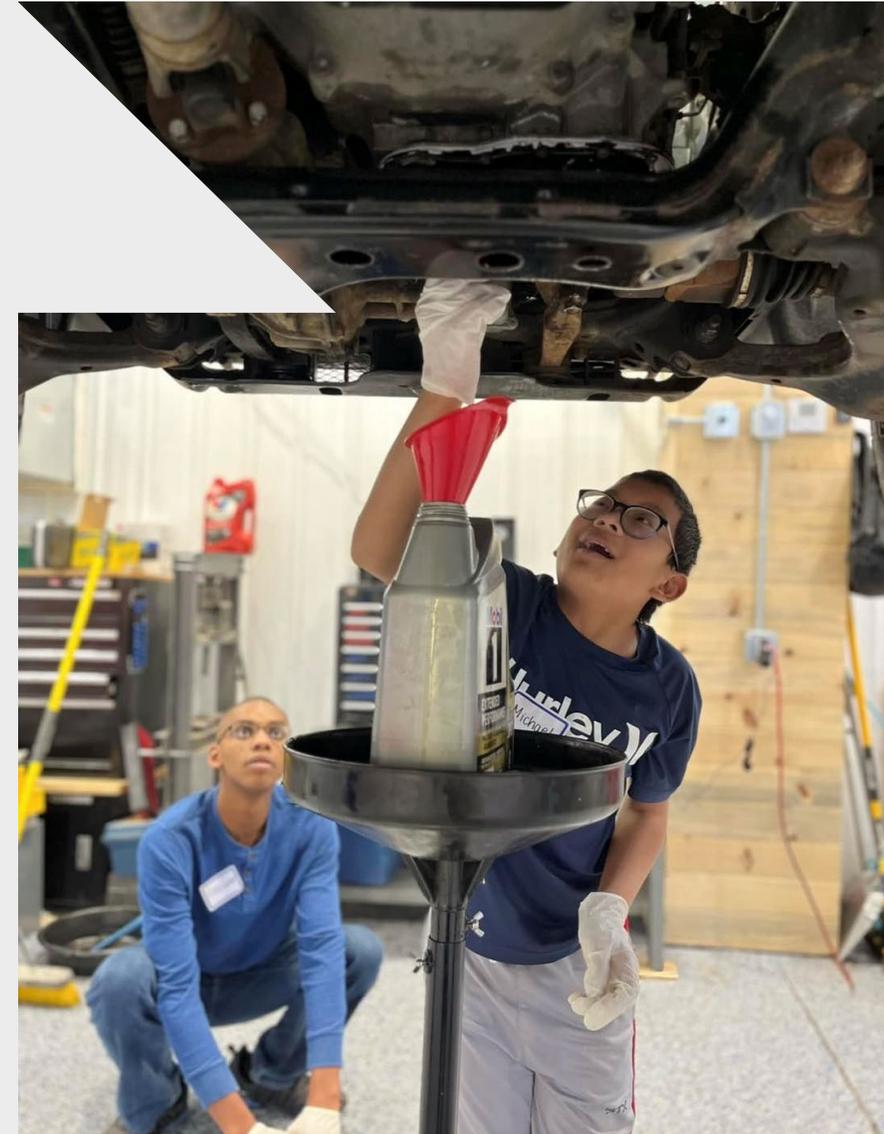
»»» **76%**

Job Placement



»»» **Exceeds**

Industry Standards



Education Practice Highlights

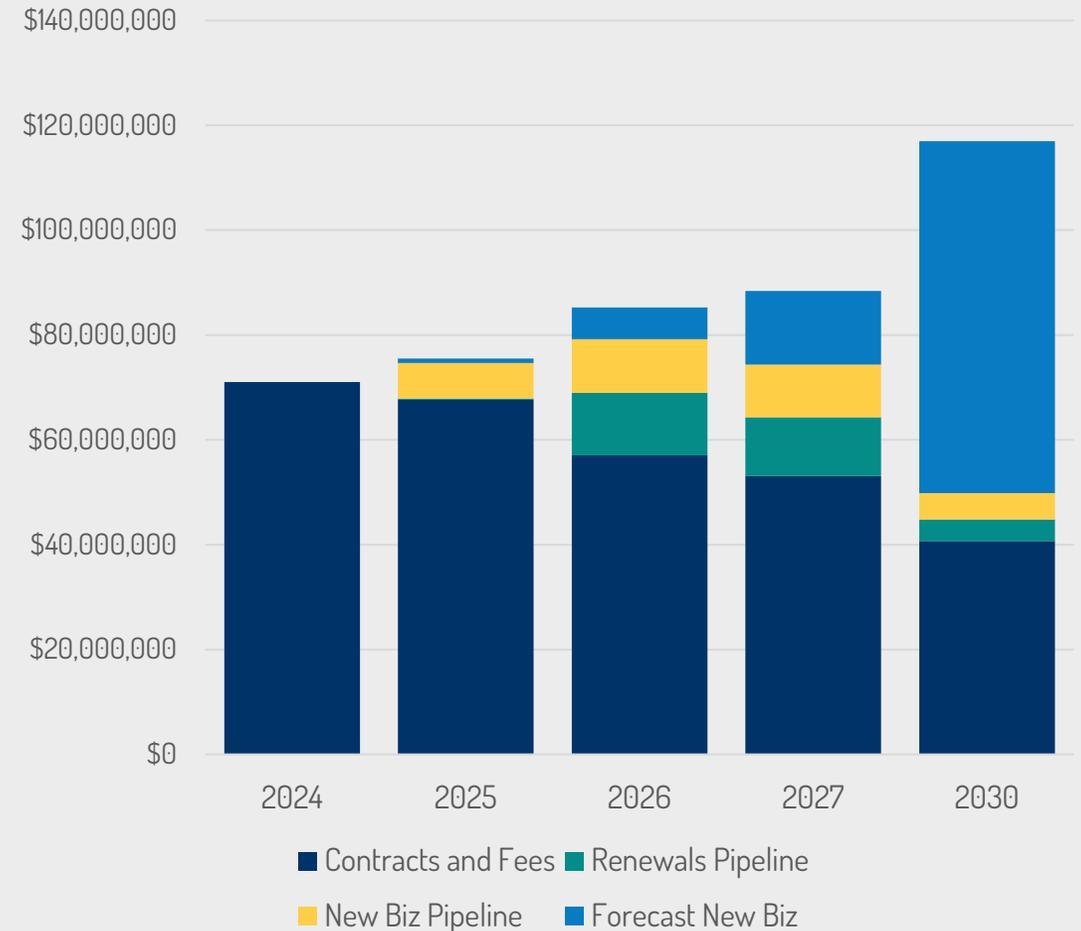
Summary

- Surpassing industry benchmarks in both program completion rates and job placement outcomes
- Sustained enrollment growth across early childhood, K-12, and post-secondary education programs
- First international expansion with Apex Clean Energy Training Center in the United Kingdom
- TACT school has been designated by the Colorado State Education Department as the state's first-ever Specialized Day School—now fully operational and poised for expansion.

Priorities

- Ongoing expansion of education programs across Fedcap's U.S. footprint, with a strong focus on early childhood development, trades training, and services for individuals with intellectual and developmental disabilities (I/DD)
- Additional international market expansion
- Acquisition or creation of a post-secondary degree-granting institution

Pipeline Target and Revenue Forecast



Workforce Development

KPIs

Job Placements

»» **13,207**

Individuals Place Into Jobs

»» **6%**

Increase Since 2024



Job Retention Rates

»» **88%**

30-Day Retention Rate

»» **82%**

90-Day Retention Rate

»» **78%**

180-Day Retention Rate



Workforce Development Practice Highlights

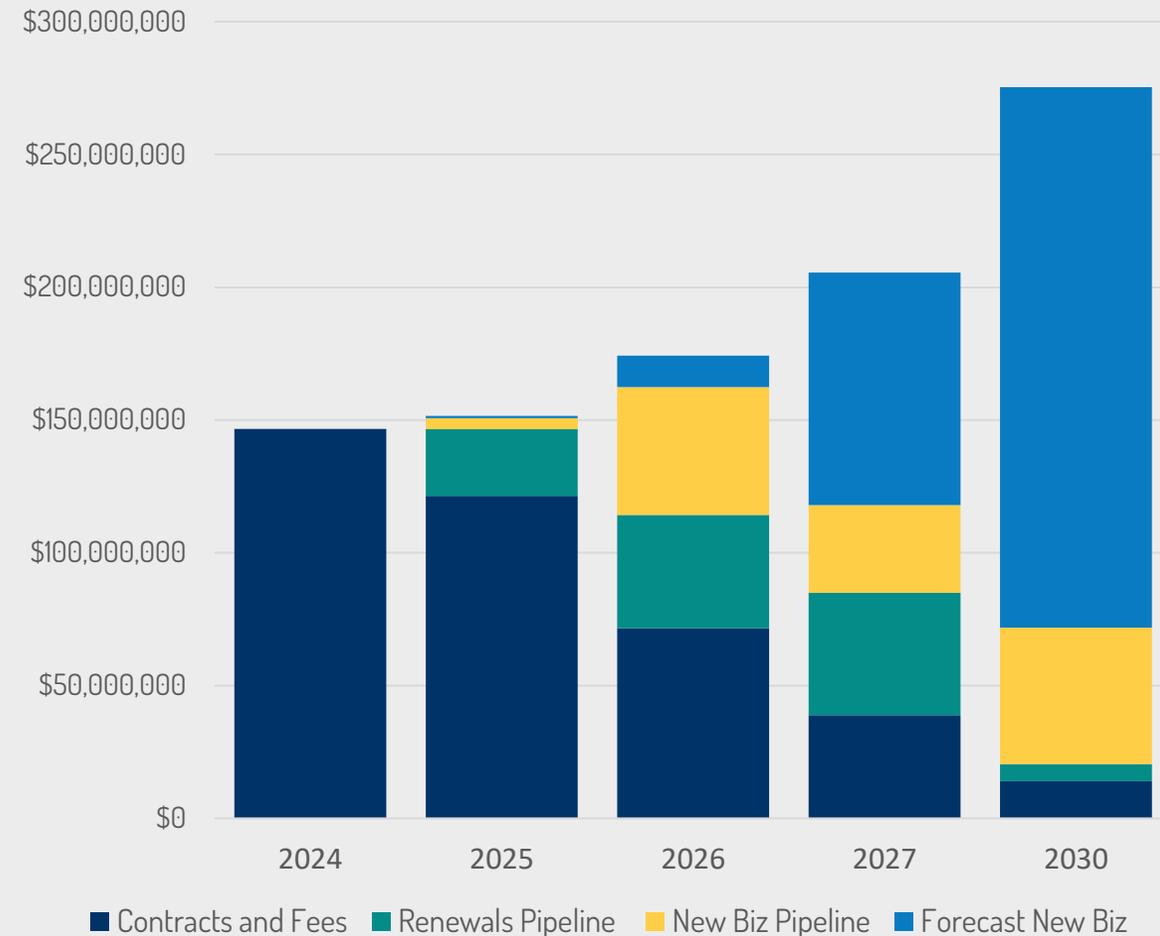
Summary

- Fedcap Canada Launches Center of Excellence for Employability to drive workforce inclusion to scale innovative, evidence-based strategies that improve employment outcomes across Canada
- Cheshire East Council (UK) extended Fedcap's Inspiring Futures program for another year. This decision follows the program's success in supporting over 200 individuals with disabilities and health conditions, with 120 participants securing employment

Priorities

- Position UK to deliver services that support some of the 2.8M people currently on sickness benefits into sustainable employment
- Continue program expansion under Fedcap Australia, building on momentum from the new Specialist Disability Employment initiative

Pipeline Target and Revenue Forecast



Health Practice Highlights

KPIs

Single Stop

»» 29,294

Screened for Benefits/ Single Stop

»» 8.4%

Increase From FH23



\$22,483

Avg Household Benefit



Health and Wellness

»» 23,717

Individuals Rec'd Wellness Services

»» FLAT

From FH23



84%

Of Restart Clients Experienced Improved Health Outcomes



Health Practice Highlights

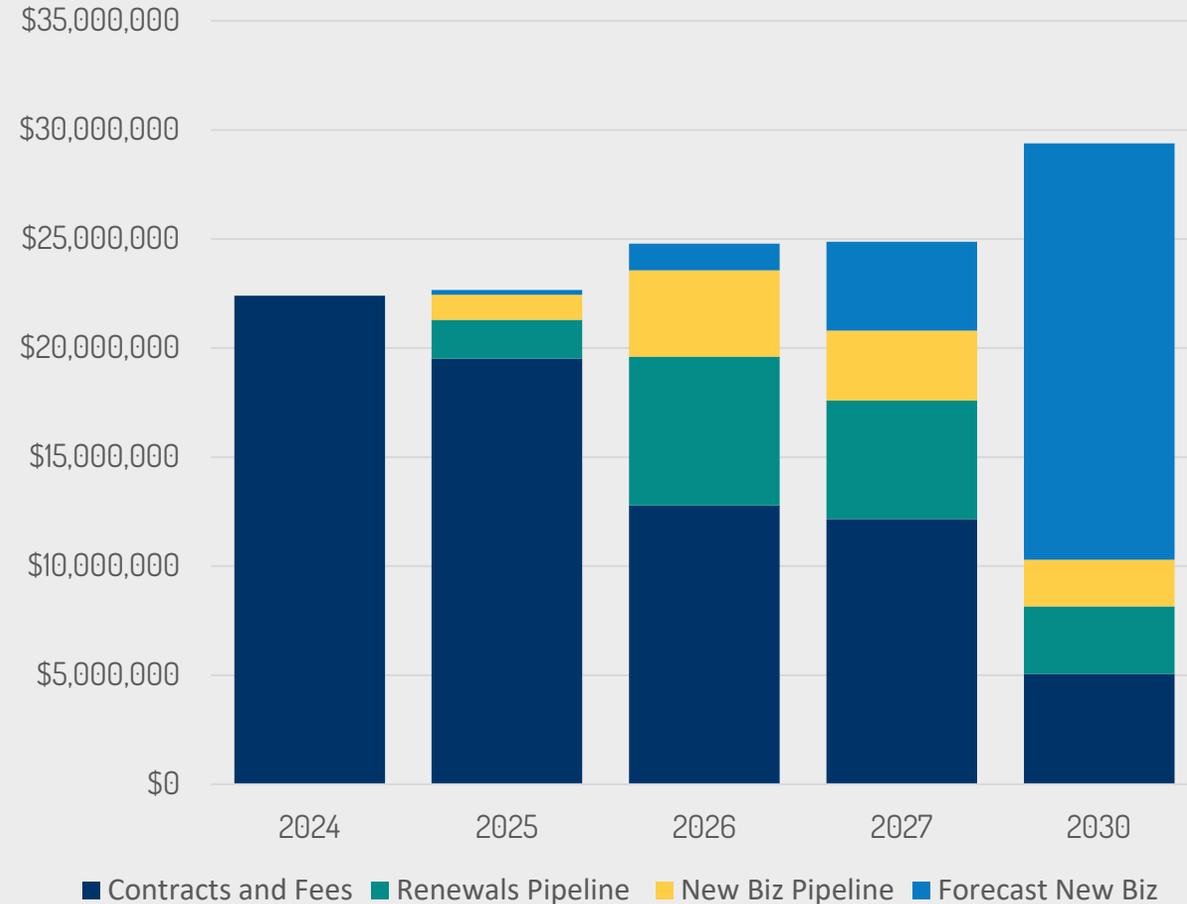
Summary

- Single Stop partnered with Upswing to provide marginalized students/non-traditional students access to basic needs resources, emergency funding, and holistic support through AI-driven tools
- Strengthened mental health clubhouse model; secured NYC Council funding to keep Chelton Loft open after citywide cuts
- Fedcap expanded its UK health practice with new Surrey County Council contract to deliver mental health employment support through WorkWell

Priorities

- Expand ID/D services, particularly individuals with autism
- Focus on expanding substance misuse services, securing long-term funding for clubhouse mental health services across our service footprint
- Explore creation of a new managed care practice

Pipeline Target and Revenue Forecast



Economic Development



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

»»» **4,086**
Employees/Retirees Participating in Fedcap's Retirement Plan

»»» **5.6%**
Increase From FH24

»»» **\$157.2M**
Total Retirement Assets Under Fedcap Management

»»» **14.1%**
Increase From FH24



Economic Development

Building Employee Wealth



403(b) Plans in Aggregate

	2010	2022	2023	2024	2025	24-25 Change
Total Assets Under Management	\$8M	\$111M	\$124.4M	\$137.8M	\$157.2M	\$19.4M
Total Employee Participants*	374	1,474	2,459	3,871	4,086	215

*Employees directly employed by a company of The Fedcap Group.

By Sex



By Race/Ethnicity



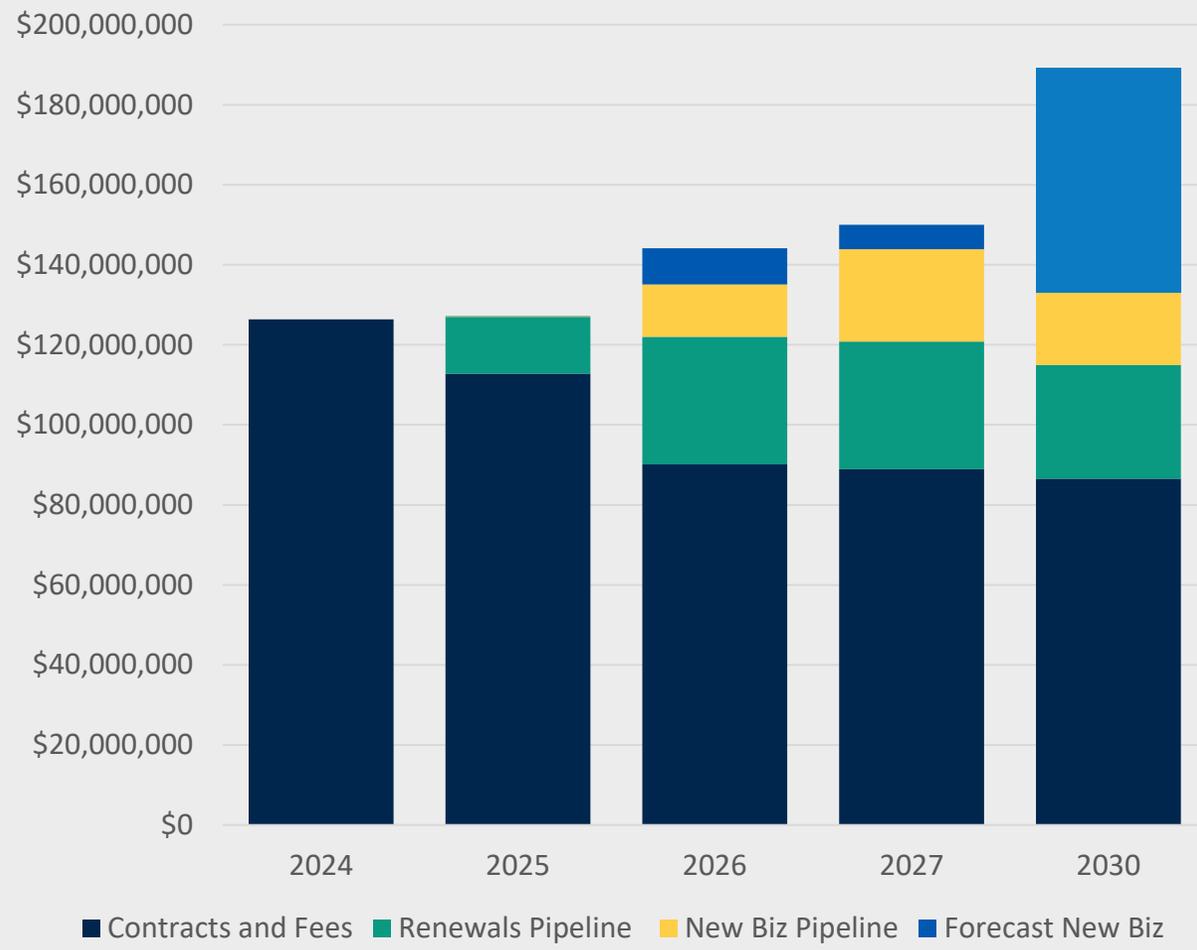
>>> Summary

- Completed first international TFM acquisition: Scotland-based ELITE Supported Employment
- Launched new business printing services offerings
- Acquired Runway of Dreams and GAMUT Management to expand disability inclusion in fashion, beauty, and lifestyle sectors
- Invested \$125K with Brooklyn Chamber’s CDFI (Brooklyn Alliance Capital); co-funded first loan—50% of \$25K to a local food business

>>> Priorities

- Maturation of Fedcap’s new CDFI
- Expand TFM operation into the clean energy/sustainability market, including placement opportunities for individuals with I/DD
- Continued expansion of TFM services into international footprint (Canada/UK/Australia)

>>> Pipeline Target and Revenue Forecast





FHFY25
Financial Report



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Ongoing Political and Economic Headwinds

Continue to put pressure on Cash Flow and Revenue Opportunities



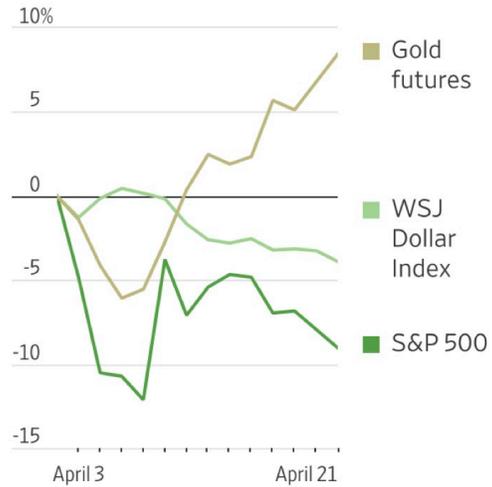
THE WALL STREET JOURNAL.

MARKETS & FINANCE | INVESTING

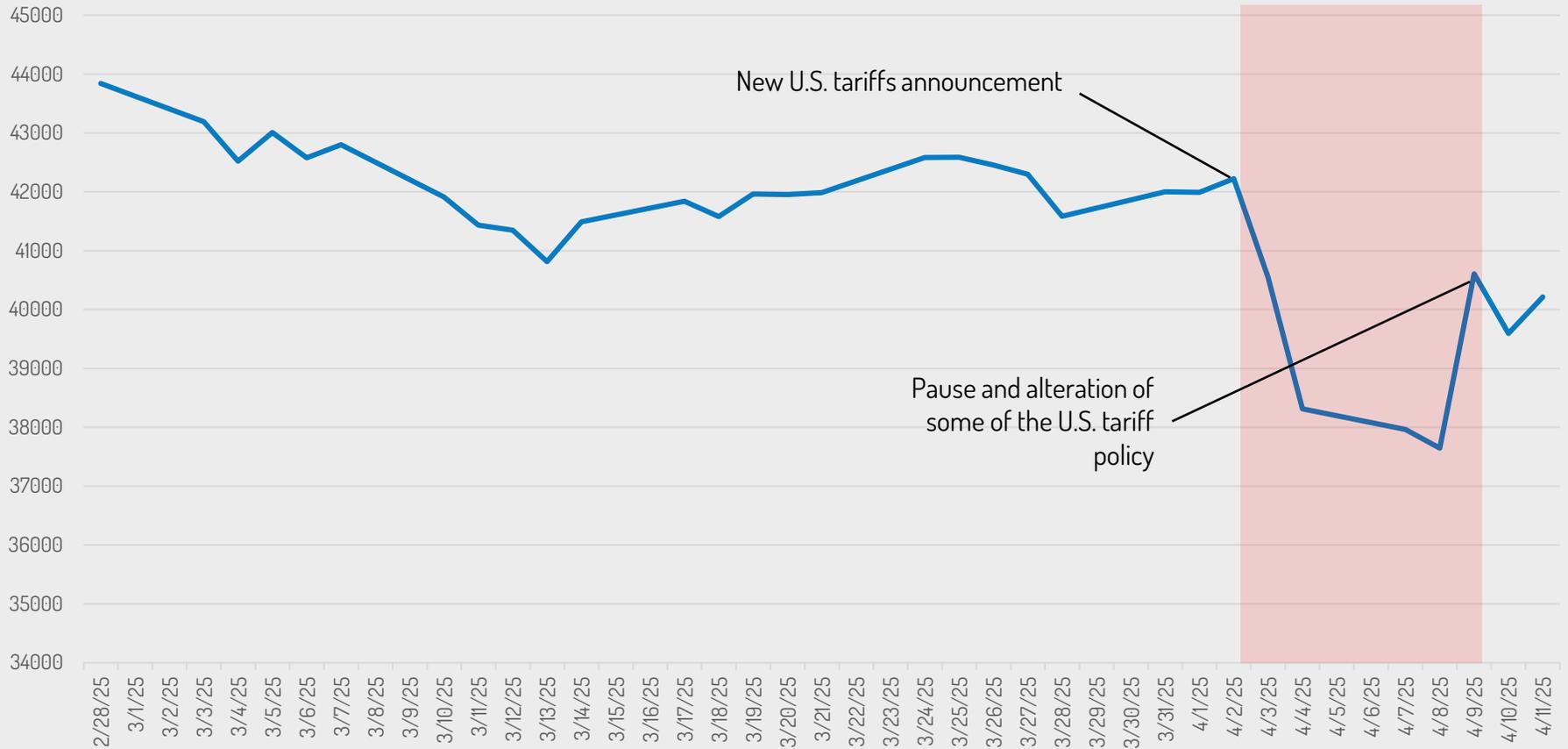
Dow Headed for Worst April Since 1932 as Investors Send 'No Confidence' Signal

Few think administration's negotiations with trade partners will yield results soon enough to ease the strain

Performance since April 2 'Liberation Day'



Dow Jones - Daily Snapshot



Source: Macrotrends

Financial Summary First Half FY25



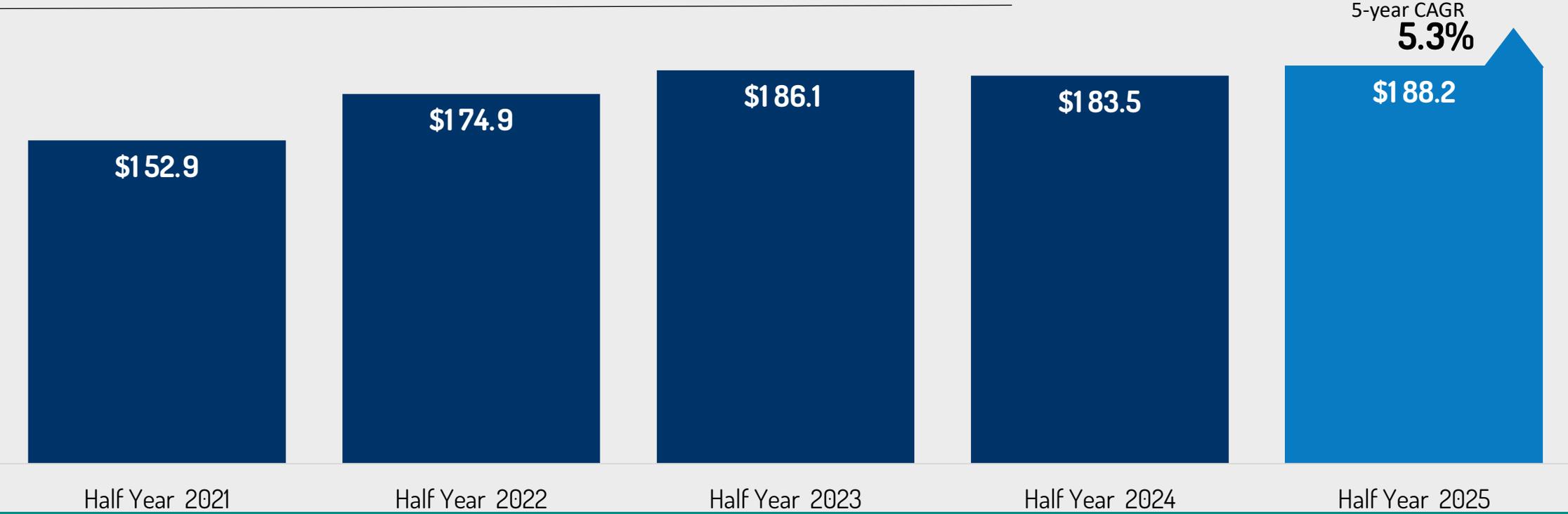
\$188.2

Total Revenue
M



\$379M *

(projected for FY25)



Financial Summary

First Half FY25



(\$MM)	Half Year 2021	Half Year 2022	Half Year 2023	Half Year 2024	Half Year 2025
Cash and Investments	\$33.7	\$50.2	\$47.4	\$27.5	\$35.3
Total Assets	\$190.0	\$213.7	\$364.8	\$409.9	\$389.1
Long-Term Debt	\$107.7	\$115.3	\$152.0	\$158.3	\$146.5
Net Assets	\$38.6	\$45.1	\$50.7	\$98.6	\$99.1

Key Financial Ratio First Half FY25



Income Statement

»»» **0.15%**
Operating Margin

»»» **54%**
Personnel Cost Ratio

»»» **88%**
Program Expense Ratio

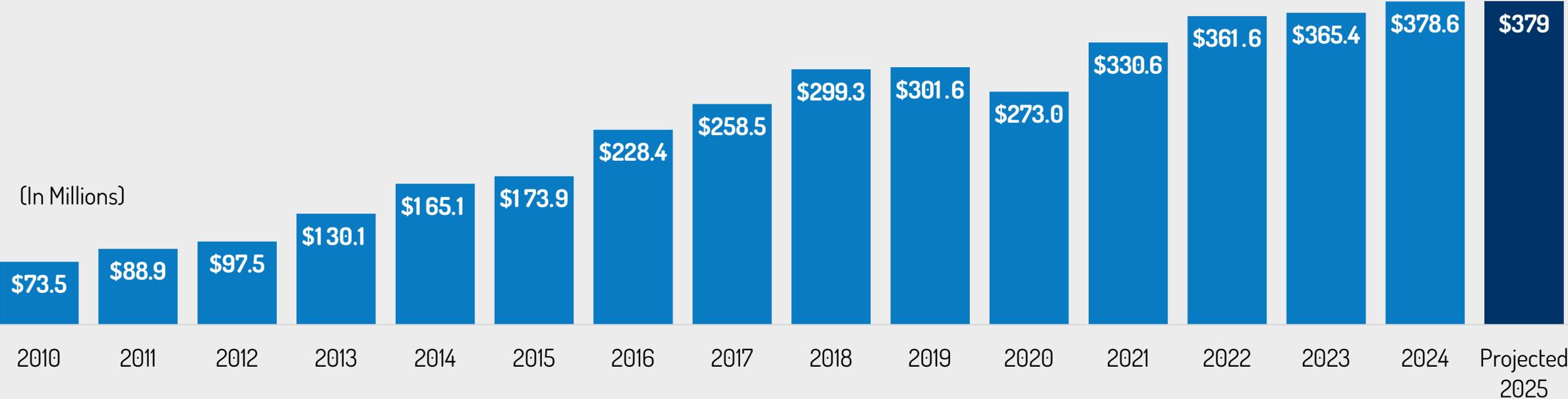
Balance Sheet

»»» **1.78**
Debt Coverage Ratio

»»» **1.66**
Current Ratio

»»» **59 Days**
Avg. DSO

Achieving Year-Over-Year Continued Growth



60%

Organic Growth

Expansion of Programs in existing service footprint or new areas

25%

Acquisition

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

15%

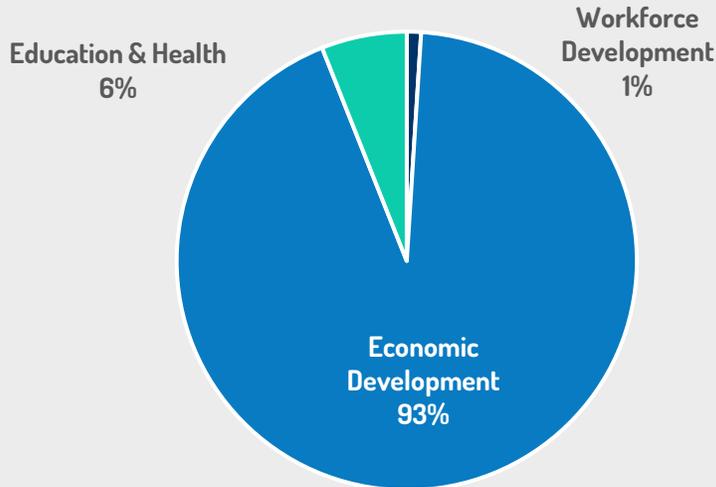
New Programs

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

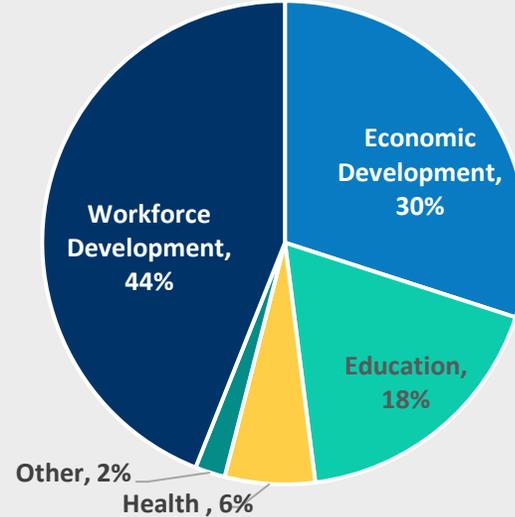
Strategic Growth in Program Diversification

By Practice Area

FY2010: \$74 Million

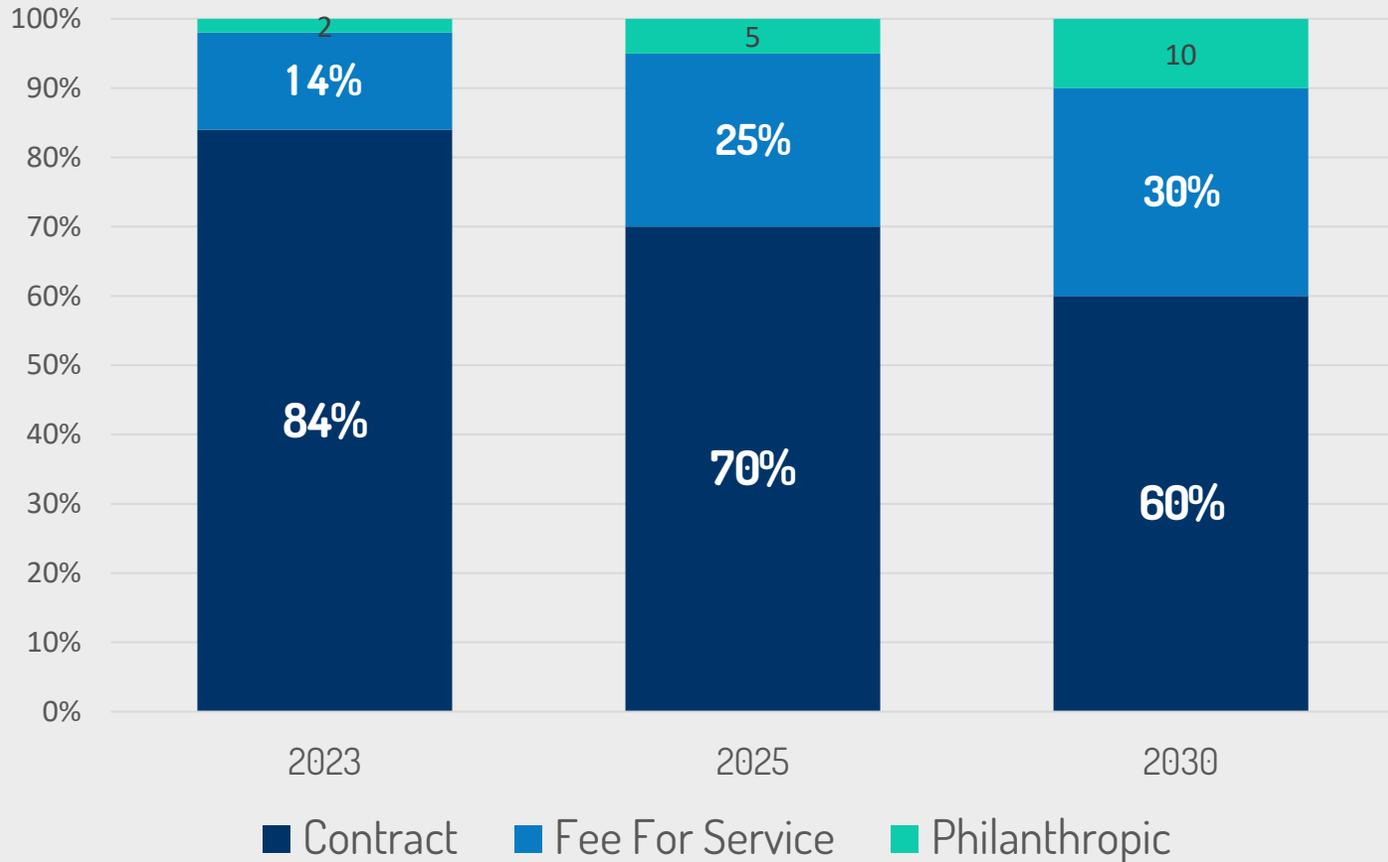


FY2025: \$379 Million (projected)



Since 2010, we have diversified organizations and programs in the four practice areas. Workforce's rapid growth has made it the largest practice in the company. Education is now the fastest growing practice in the company thanks to a balanced approach of acquiring education organizations and launching new programs across our service territory in high demand areas such as clean energy and technology/innovation. We are now focused on health given the increased robust funding opportunities, especially in ID/D starting with key leadership hires in our sister organization, Easterseals.

Focus on Revenue Diversification as we Navigate the Current Political & Economic Environment



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 **30%** of our total revenue will be fee for service by 2030.



Strategic Growth Opportunities



Pipeline and Win Rate

»»» **\$287,471,312**

Current Qualified Pipeline

»»» **\$2,737,377,588**

Prospects In Development

Pipeline by Region



\$234,308,311



\$10,307,206



\$0



\$20,000,000

Fedcap's robust pipeline and diversity of contracts is a bulwark against market fluctuations, including potential market entry into Australia. By Q4 in FY25 we are working to increase our current pipeline another **20%**



■ Qualified ■ Submitted ■ Committed

»»» **97%**

Win Rate on Recompetes

»»» **21%**

Win Rate on New Business

Focusing on New Market Opportunities

Australia Disability Employment Program



The Opportunity

»»» **\$2B**

Annual Value

»»» **\$8B**

Total Value

- Following the recent election, it is likely the incumbent coalition/government continues the new Specialist Disability Employment Program to drive innovative, person-centered services
- We launched Fedcap Australia to align with this national priority, building on 90 years of expertise in disability employment
- This expansion integrates Fedcap's proven strengths in education, workforce development, health, and economic inclusion—creating holistic supports and sustainable employment pathways for individuals with disabilities across Australia



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Q&A



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Revenue Diversification Strategy: Navigating Growth Amid Political, Economic, & Technological Disruption



Major Forces Driving Industry Change

- Shifting government funding priorities requiring increased agility and compliance capacity
- Accelerating pace of technological change, including the transformative impact of AI on workforce and service delivery
- Persistent global economic volatility, adding pressure on operations, planning, and resource allocation
- Rising demand for tailored interventions to support emerging populations—neurodivergent individuals, justice-involved persons, and those with mental health needs



Staying Ahead of the Change

Organic Programmatic Expansion

- Scale fee-for-service programs in regions with favorable regulatory environments or where programs have regulatory approvals (e.g., TACT in Colorado, Apex in New York)

New Business Lines with Enhanced Revenue Opportunity

- Launch new service offerings, including paid consulting and advisory services via the Community Impact Policy Institute

Strategic Expansions Into New Markets

- Expand into new markets with stable, predictable public funding to mitigate financial volatility
- Global scaling of proven models through replication and adaptation

Growth Through Strategic Acquisition

- Pursue acquisitions of smaller, mission-aligned organizations facing external pressures to build capacity and market share
- Expand shared services and best practices across acquired entities to drive efficiency

Leadership and Organizational Capacity

- Continued recruitment of senior leaders to drive growth in emerging opportunity areas (e.g., health)

Data-Driven, Outcome-Focused Innovation

- Integrate evidence-based, data-driven interventions across all programs to enhance participant success (e.g., parenting education, financial literacy)
- Apply standardized program models to rapidly respond to new sector opportunities and be first to market

May 2025 

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Programmatic & Fiscal Report

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