Results presentation

For the six months ended 30 September 2023

Chris Clark
CEO

David Ward
CFO

Dev Dhiman
CEO Designate

GBG

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CEO transition

Dev Dhiman
CEO Designate

- Dev was announced as GBG's CEO Designate on 8 November 2023, he will assume the role of CEO and join the Board on 30 January 2024
- Joined GBG in 2020 as Managing Director, Asia Pacific, a business that has consistently delivered year-on-year revenue growth
- Dev has demonstrated excellent leadership qualities aligned with GBG's people-focused culture
- Previously, he spent 12 years at Experian, where he held a variety of senior positions, he has considerable knowledge and experience of the sector and the markets in which we operate

1H24 review

Chris Clark - CEO

1H24 at a glance

Excellent strategic progress

Simplification **& efficiency**

Innovation **driving differentiation**

Cross-sell / up-sell to existing customers

Geographic and **sector expansion**

Revenue and adjusted operating profit as previously announced

- Revenue **£132.4m, +3.3%** on a constant currency basis ex. crypto
  - Good performance in Fraud and Location
  - Stabilisation in Identity
- Continued strong new logo growth (**~4%**) and net revenue retention improving
- Annualised run-rate OPEX reduction **£10m**
- Adjusted operating profit **£23.9m, +7.9%** excluding gains from foreign exchange

Location

Validating accurate and reliable address data to ensure our customers can, with minimum friction, provide their products and services to the right people, in the right place

Simplification & efficiency

Product innovation

Cross-sell / up-sell to existing customers

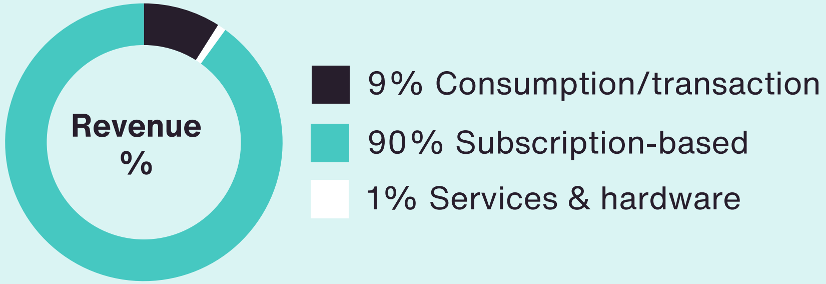
Geographic and sector expansion

Highlights

- Continuing strength via channel partners
- New customer wins across all regions demonstrate Location's increasing diversity;
    - Deutsche Telekom, Credit One, Moody's Analytics, and OVO energy
- Successfully launched our Digital-first platform, increasing Location's accessibility to 45 countries
- Further innovation with our Global Store Finder product supporting the emergence of 'click & collect' delivery

1H24 revenue

£36.6m **28% of Group**



Good first half constant currency (CCY) growth of 8.1%

- Resilient demand across sectors and geographies
- Effectiveness of ongoing up-sell, cross-sell and pricing initiatives helped offset continued softness in e-commerce transaction volumes

Identity

Building trusted relationships through document and data identity verification to prove an individual is who they say they are and good to do business with, which can help prevent crimes such as money laundering and identity fraud

Simplification & efficiency

Product innovation

Cross-sell / up-sell to existing customers

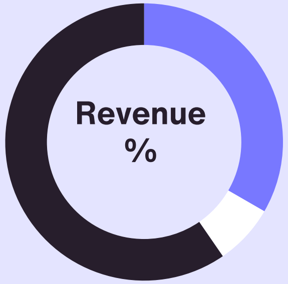
Geographic and sector expansion

Highlights

- Innovation that enables the differentiation of our globally relevant identity fraud solutions
  - GBG Identity Score: Helps customers understand the confidence they can have in an identity outcome
  - GBG Trust: Builds on the success of our fraud networks in the Americas and Alerts products in Australia
- Broadening footprint with our enhanced offering:
  - New logo acquisition: Australian Unity Wealth, Standard Bank, Dish Network, DAZN Bet and Instrapro Group
  - Momentum on cross-sell/up-sell activity
  - Diversification through geographic and sector expansion

1H24 revenue

£76.6m **58% of Group**



CCY decline of 2.8% in line with our expectations

- Down 0.5% excluding YoY decline in cryptocurrency customer revenue as APAC offset tough PY comparator in the Americas
- Encouraged by stabilisation of monthly transaction volumes and tough comparator subsides by 4Q24

Fraud

Offering real-time protection and regulatory compliance protection against modern-day financial crimes, identifying and helping to prevent or pursue bad actors to avert crimes such as identity, application and transaction fraud

Simplification & efficiency

Product innovation

Cross-sell / up-sell to existing customers

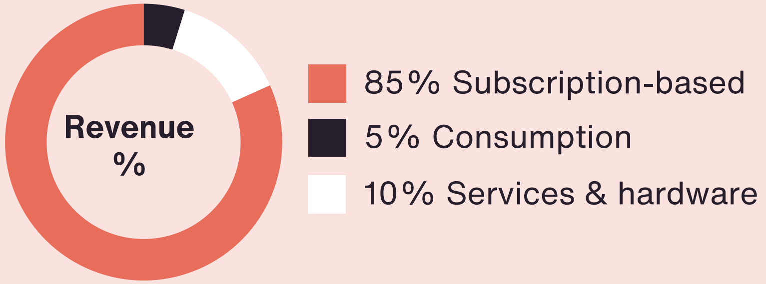
Geographic and sector expansion

Highlights

- Our fraud-prevention capabilities strengthen our position at the intersection of fraud and identity
  - Underpinning innovation across our identity portfolio (e.g. GBG Trust and Identity Score)
- Continued expansion in Southeast Asia
  - CTOS in Malaysia, Philippine National Bank, Land and Houses Bank in Thailand, and Bank Jateng and Bank Jasa Jakarta in Indonesia
- Other notable new logos won and cross-sells include Marine Scotland, E.On Next and Virgin Bet

1H24 revenue

£19.2m **14% of Group**



Strong 1H24 CCY growth of 10.5%

- Important contract renewals and new business wins
- Remain focused on established financial services

Financial review

David Ward - CFO

Financial review

Revenue in-line with expectations; excellent progress on cost-saving initiatives

£132.4m	£10m	£23.9m	(£52.6m)	(£104.8)m
+1.8% Constant currency revenue growth **+3.3%** Constant currency revenue growth ex. crypto	**Annualised run-rate savings** delivered, despite inflationary pressures	**Adjusted operating profit** Margin **18.1%** Growth (excl. FX gain) **+7.9%**	**Operating loss** Impacted by non-cash goodwill impairment charge	**Net debt as at 30 Sept 2023** Net debt / EBITDA leverage **1.8x** **Strong YTD cash conversion** of **102%** - More reflective of historic levels

Group income statement

	1H24 £m	1H23 £m	Growth
Reported revenue	**132.4**	133.8	**(1.1)%**
Cost of sales	**(40.8)**	(38.7)	
Gross profit	**91.6**	95.1	**(3.7)%**
Gross profit %	***69.2%***	*71.1%*	
Adjusted operating expenses	**(67.6)**	(73.7)	**(8.3)%**
Decrease/(Increase) in ECL	**(0.4)**	0.5	
Adjusted operating profit[1] excl. FX gains	**23.6**	**21.8**	**+7.9%**
Adjusted operating margin %[1] excl. FX gains	***17.8%***	***16.3%***	
FX gains	**0.3**	6.3	
Adjusted operating profit[1]	**23.9**	28.1	**(14.8)%**
Adjusted operating margin %[1]	***18.1%***	*21.0%*	
Share-based payments	**0.1**	(2.8)	
Amortisation of acquired intangibles	**(20.1)**	(21.3)	
Exceptional items	**(56.5)**	(1.5)	
Operating (loss) / profit	**(52.6)**	2.5	
Net finance costs	**(4.7)**	(2.5)	
(Loss) / profit before tax	**(57.3)**	(0.0)	
Tax credit / (charge)	**2.1**	(0.7)	
(Loss) / profit after tax	**(55.2)**	(0.7)	

- 1.8% constant currency revenue growth; 3.3% on a constant currency basis excluding revenues from cryptocurrency customers
- Gross profit margin reflects revenue mix and an increase in cloud costs
- Excellent strategic progress on cost efficiency; adjusted operating expenses were £6.1 million or 8.3% lower than the prior year
- Exceptional cost breakdown:

Impairment of goodwill	£54.7m
Other exceptional items	£1.8m
Total exceptional costs	**£56.5m**

  - Non-cash impairment of goodwill of £54.7m arising from the requirement to use an increased discount rate versus 31 March
  - Other exceptional items of £1.8m primarily relates to the enablement of our cost-efficiency initiatives
- Finance costs reflect the impact of higher interest rates on the revolving credit facility
- 31.2% adjusted effective tax rate (1H23: 26.4%)
- Adjusted diluted EPS decreased to 5.1 pence (1H23: 7.3 pence) impacted by the unusual prior year FX gains and higher finance costs

Note: [1]Adjusted operating profit is stated before amortisation of acquired intangibles, share-based payments and exceptional items

Cash flow statement

	1H24 £m	1H23 £m	Variance	FY23 £m
Adjusted EBITDA	**25.2**	29.7	(4.5)	63.1
Working capital	**0.5**	(12.4)	12.9	(20.8)
Adjusted operating cash flow	**25.7**	17.3	8.4	42.3
Exceptional costs paid	**(2.8)**	(1.8)	(1.0)	(3.9)
Operating cash flow	**22.9**	15.5	7.4	38.4
Tax paid	**(3.4)**	(4.1)	0.7	(4.3)
Interest and borrowing costs	**(4.4)**	(2.2)	(2.2)	(6.3)
Dividend paid	**(10.1)**	(9.6)	(0.5)	(9.6)
Lease liability payments	**(0.8)**	(1.1)	0.3	(2.1)
Capex/development	**(0.2)**	(0.6)	0.4	(0.9)
Net share issue proceeds	**-**	(2.0)	(2.0)	(1.7)
Acquisitions/investments	**(1.2)**	-	(1.2)	(5.0)
Total net cash/(debt) movement	**2.8**	(4.1)	6.9	11.1
Opening net cash/(debt) balance	**(105.9)**	(107.0)	1.1	(107.0)
Effect of exchange rates	**(1.7)**	(21.5)	19.8	(10.0)
Closing net cash/(debt) balance	**(104.8)**	(132.6)	27.8	(105.9)
Net debt / EBITDA leverage	**1.8x**	**2.1x**		1.7x

- Strong year-to-date cash conversion of 102.0% (1H23: 57.5%), reflecting historic levels, and we expect leverage to reduce to c. 1.30x by year-end
- At 30 September 2023 we had a net debt position of £104.8m, primarily reflecting £10.1m FY23 final dividend payment and exceptional cash costs of £2.8m
- Continued strong cash generation since 30 Sept 2023; our net debt position today is approximately £95m

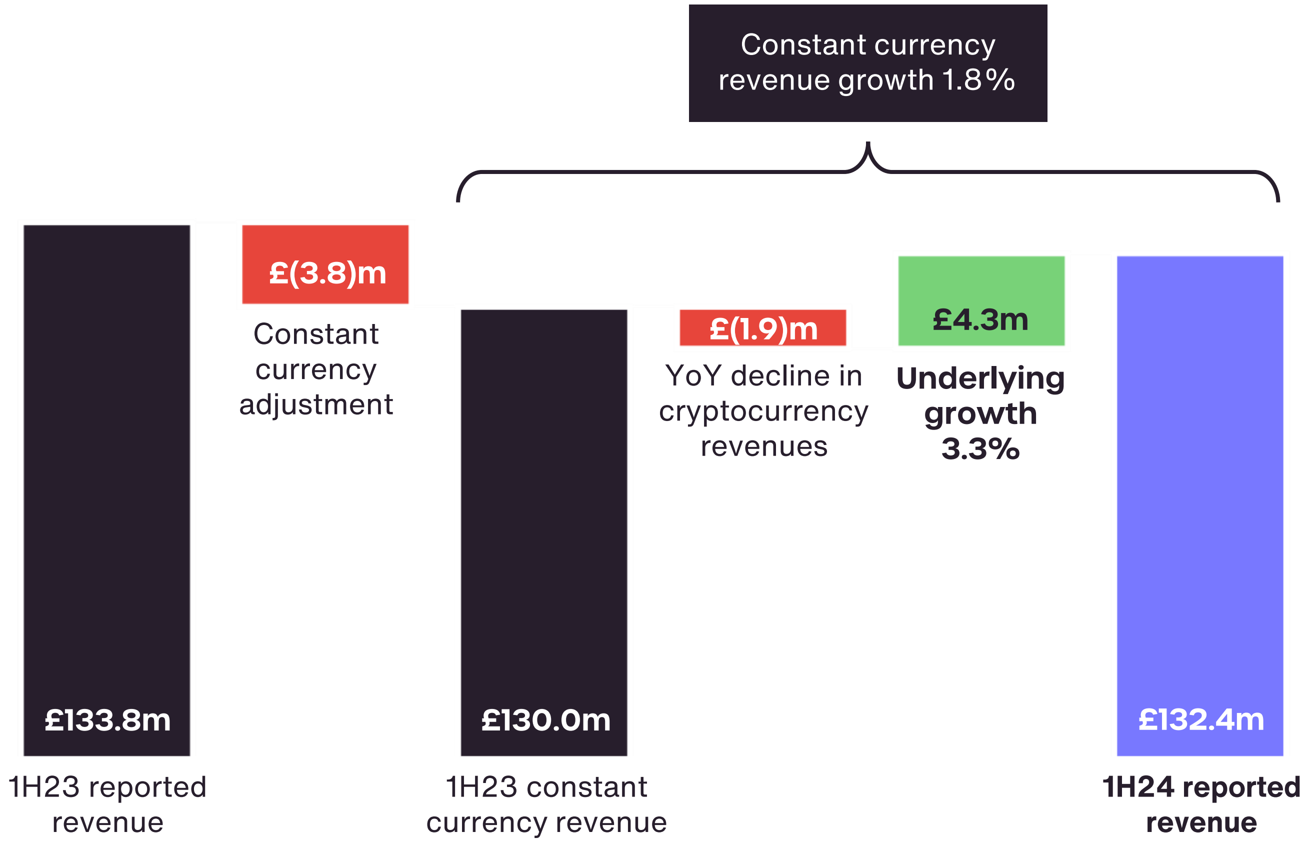
1H24 revenue bridge

- Reported revenue decline **1.1%**
- Revenue growth on a constant currency basis **1.8%**
- Constant currency growth **3.3%** excluding the year-on-year decline in cryptocurrency revenue

12-month rolling revenue

- Revenue growth (ex-crypto) on a rolling 12-month basis **~4%**
  - Continued good growth from new business wins **~4%**
  - Net revenue retention starting to improve **99.7%** (FY23: 98.5%)

Note: GBG assesses absolute customer retention as the % of customers that remained a customer 12 months later, while net revenue retention is the comparison of the revenue from those existing customers year on year



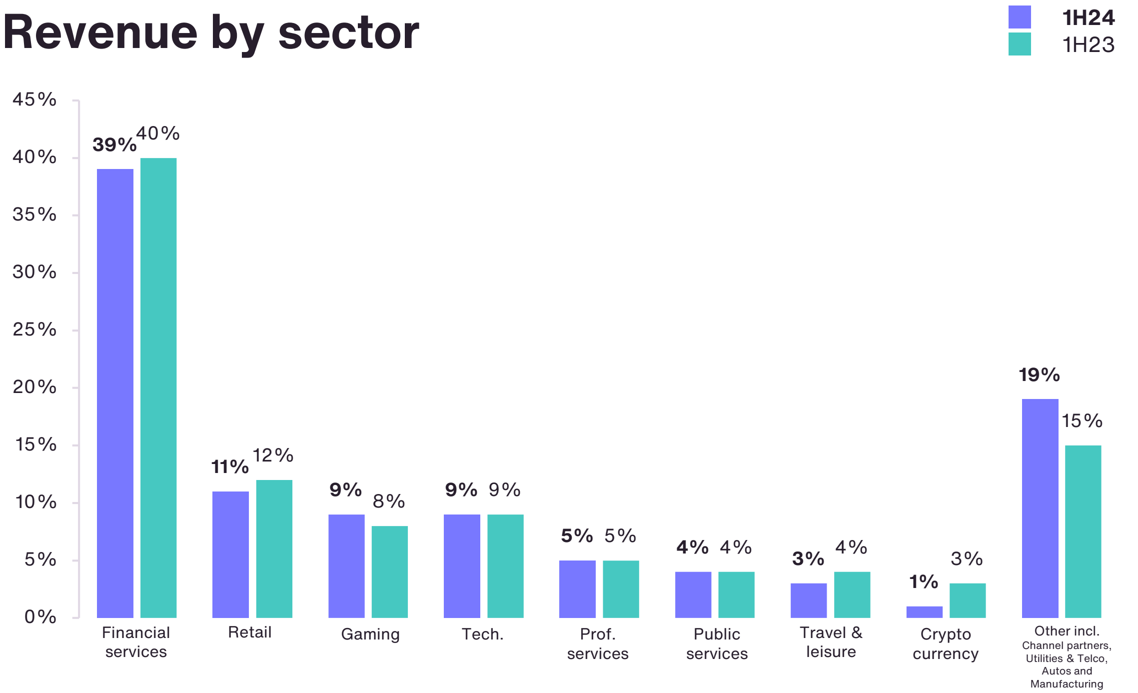
A diversified revenue mix

Delivering our solutions through a mix of commercial models with diversification across sectors and geographies

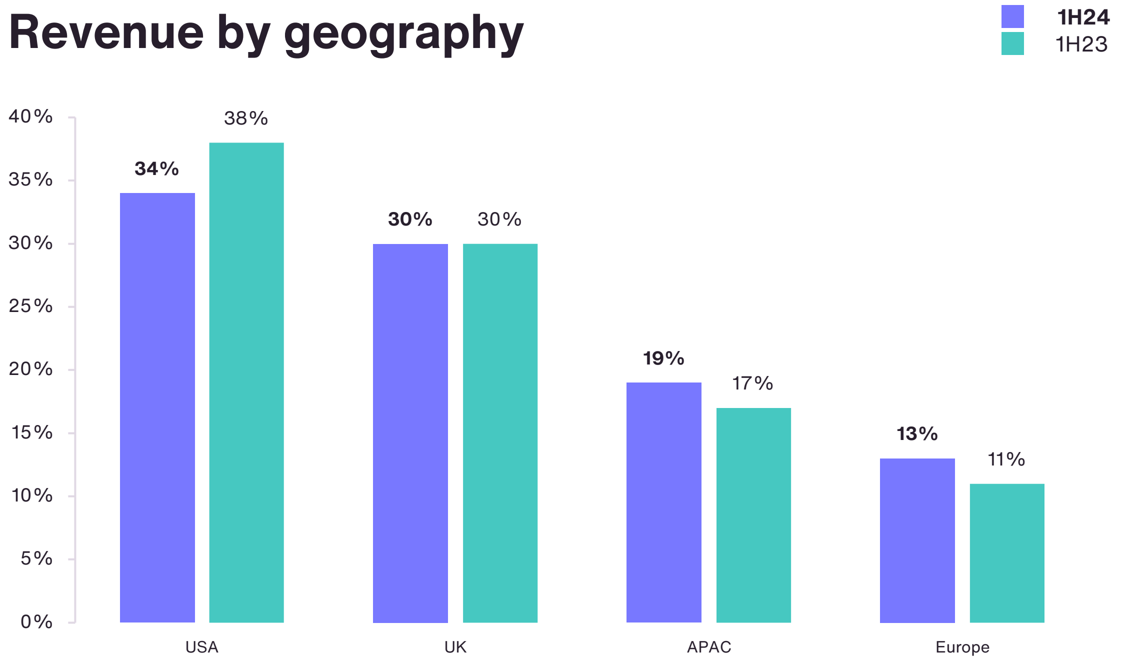
Revenue by type

	Subscription-based revenue	Transaction/consumption revenue	Other revenue (e.g. services & hardware)	
1H24	**56%** **£74.4m**	**38%** **£50.5m**	**6%** **£7.5m**	**£132.4m**
1H23	54% £73.0m	39% £51.8m	7% £9.0m	£133.8m

Revenue by sector



Revenue by geography



Note: RoW is 4% (1H23: 4%)

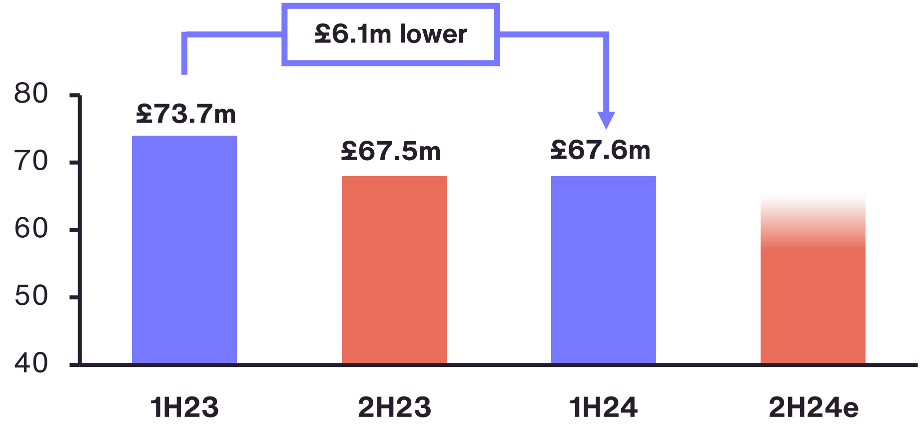
Focusing on efficiency

On-going initiatives with an annualised run-rate reduction in Opex of £10m already achieved

Reconciliation of operating expenses

	1H24	2H23	1H23
Reported operating expenses	**£144.1m**	£214.2m	£99.3m
Amortisation of acquired intangibles	**(£20.1m)**	(£21.5m)	(£21.3m)
Equity-settled share-based payments	**0.1m**	£0.4m	(£2.7m)
Impairment of goodwill	**(£54.7m)**	(£122.2m)	-
Other exceptional items	**(£1.8m)**	(£3.4m)	(£1.5m)
Adjusted operating expenses	**£67.6m**	£67.5m	£73.7m

Lower YoY adj. operating expenses



Ongoing initiative areas

Operational efficiency

- Headcount management; reduced by 9% since March'22
  - Central functions cost review to avoid duplication
  - Refining management structures
  - Managing underperformance
- Implementing a single global customer support framework
- Reviewing physical office footprint

Product & technology

- Ongoing process to simplify our portfolio to meet rapidly changing market needs
- Accelerating alignment across our technology portfolio
- Disciplined investment to improve efficiency and increase performance
- Managing data and cloud costs

Sales & marketing

- Increasing the effectiveness of our GTM structures
- GTM brand consolidation such as GBG IDology becoming our primary identity in the Americas
- Utilising AI analytics around sales data to reduce cost to serve and increase productivity

Summary and Outlook

Confidence in our FY24 profit expectations

Pleased with our first-half performance against the macroeconomic backdrop; excellent strategic progress driving GBG's differentiation

- While overall revenue growth has remained impacted by the macro; our customer retention is high, there is improving NRR and we continue to achieve good new logo acquisition
- Second-half performance to date has been in line with our expectations and we anticipate that FY24 revenue growth will be broadly in-line with current expectations
- Stabilisation in Identity and an easing comparator from 3Q24 supports our confidence in delivering some year-on-year Identity growth in the latter part of the year
- Pleased our initiatives around simplicity and efficiency have already delivered annualised run-rate savings of £10m, underpinning our FY24 profit expectations

Q&A

Appendices

Group balance sheet

	1H24 As at 30 Sept £m	FY23 As at 31 March £m	Variance
Tangible assets	**5.2**	5.2	-
Goodwill & intangible assets	**785.6**	854.3	(68.7)
Deferred tax assets	**0.7**	0.8	(0.1)
Non-current receivables	**6.0**	4.3	1.7
Non-current assets	**797.5**	864.6	(67.1)
Inventory	**2.0**	2.6	(0.6)
Current receivables	**60.7**	65.3	(4.6)
Net Debt/Cash[1]	**(103.8)**	(104.9)	1.1
Current liabilities	**(35.7)**	(37.3)	1.6
Tax (payable)/receivable	**(0.2)**	(0.9)	0.7
Deferred revenue	**(55.1)**	(56.5)	1.4
Lease liability	**(1.9)**	(1.8)	(0.1)
Contingent consideration	**-**	(1.2)	1.2
Non-current liabilities	**(30.9)**	(35.8)	4.9
Net assets	**632.6**	694.1	(61.5)
Capital and reserves	**632.6**	694.1	(61.5)

Debt leverage and borrowing

Net cash / debt analysis	30 Sept 23 £m	31 Mar 23 £m	30 Sept 22 £m
Cash	**19.2**	21.6	15.7
Debt	**(124.0)**	(127.5)	(148.3)
Net cash/(debt)	**(104.8)**	(105.9)	(132.6)
Net debt / EBITDA leverage	**1.8x**	1.7x	2.1x

Note: [1] Loans on the balance sheet are net of £1 million (FY23: £1.1 million) unmortised arrangement fees which are excluded above

Revenue breakdown

GBG generates high levels of repeatable revenue

	1H24		1H23		Reported change %	Constant currency change %
	£m	% of Rev	£m	% of Rev		
Subscriptions:						
- Transactions / consumption-based	22.5	17%	22.4	17%	0.3%	1.6%
- Term-based	51.9	39%	50.6	38%	2.6%	5.4%
Total subscription-based revenue	**74.4**	**56%**	**73.0**	**55%**	**2.3%**	**7.0%**
Transaction / consumption revenue	**50.5**	**38%**	**51.8**	**39%**	**(2.6)%**	**0.7%**
Other	**7.5**	**6%**	**9.0**	**6%**	**(16.4)%**	**(12.1)%**
	132.4	**100%**	**133.8**	**100%**	**(1.1)%**	**1.8%***

Note: *Excluding the impact of the year-on-year decline in crypto currency revenue, the constant currency change would have been 3.3%

Contact

David Ward

CFO

david.ward@gbgplc.com

Richard Foster

Investor Relations
richard.foster@gbgplc.com

GBG