

# Chair's statement

## A business uniquely positioned for growth

I am pleased to deliver my first statement as the Chair of GBG's Board and I do so with a strong sense of our purpose and vision. I have joined GBG at an exciting time. It is clear that the business has the ambition and capabilities to execute on the structural growth opportunities in global and highly attractive markets. While GBG has been impacted by macro factors this year, important strategic progress has been delivered, including Acuant's integration following its acquisition last year, which supports the continued acceleration of our global product and technology roadmap. This is underpinned by the talent, passion and culture of the team. I have been struck in my first 10 months by the determination of our people to achieve GBG's potential and deliver fantastic products and solutions for our customers.

I would also like to take this opportunity to extend the Board's sincere thanks to David Rasche, who stood down as Chairman after 12 years, and to Nick Brown, who retired as Group Managing Director and Board member after 16 years. They have both made significant contributions as GBG has developed into a global leader in location, identity and fraud prevention software. As we look to the future, I am excited to work alongside my Board colleagues to support GBG's management team in the next phase of the business's development.

## Board development and governance

As Chair, my role is to ensure our governance both challenges and supports decision-making to enable GBG to achieve its potential. The governance policies we follow as a Board have enabled the Group to pursue its strategy at pace, while managing risk appropriately. The approach we take as a Board to our wide range of responsibilities is set out in my introduction to the Governance section on pages 60 and 61 of this report.

The outcome of the FY23 Board Evaluation highlighted that GBG has an aligned, cohesive and trusting Board which promotes open discussion. I am grateful to the Non-Executive Directors who have spent significant amounts of time dedicated to GBG. They have brought strategic thoughtfulness, constructive challenge and independence as they have supported the management team, notably

in September 2022 when the business was subject to a possible takeover, along with other Board matters considered throughout the year.

## Our highly engaged people

Our people focus is to nurture the digital identity industry's best and most engaged team, empowered and proud to deliver on GBG's purpose. We recognise that our team's commitment, professionalism, and desire to succeed creates a strong and differentiated culture. This year has seen unprecedented macroeconomic pressures such as rising energy costs and high inflation, but we have remained focused on our ongoing progress, which reflects the commitment and effort of our team.

I am pleased to report GBG has received the prestigious Gallup Exceptional Workplace Award in 2023, one of a select number of companies chosen worldwide. This award recognises how we place our global team at the heart of our strategy. This approach has created a strong and engaged culture throughout the business, with our latest Gallup survey indicating 93% of our people recommend GBG as a great place to work.

## Scaling up our ESG action

The Board is mindful of the importance environmental, social and governance (ESG) matters have to all stakeholders. As we are a business that enables our customers to operate safely and compliantly in the digital world, ESG underpins what we do. At Board level, we maintain oversight through our ESG Committee around what we provide to our customers, our people and our impact on the planet. We aim to continually move our credentials forward. This year we scaled up our action, becoming carbon neutral in our operations and we have set out an ambition to become a carbon net zero business by 2045, as well as disclosing our climate-related risks and opportunities within this report for the first time.

## Financial performance

GBG has displayed resilience this year despite the difficult macro environment, with double digit growth in both our Location and Fraud segments, however, performance was impacted in certain parts of our business, particularly our identity business in the Americas. This reflects the unexpectedly deep post-pandemic slowdown in volumes related to the internet economy, in particular cryptocurrency and fintech customers.

GBG statutory revenue of £278.8 million (FY22: £242.5 million), represents growth of 15.0%. Adjusted operating profit was £59.8 million (FY22: £58.8 million), representing a margin of 21.5%. On a statutory basis, there was an operating loss of £112.4 million (FY22: profit of £23.4 million), principally due to a goodwill impairment charge of £122.2 million and an increase in the amortisation of acquired intangibles to £42.8 million (FY22: £24.7 million). The Group's net debt at 31 March 2023 was £105.9 million (FY22: £107.0 million). We expect that GBG's cash generation will address the Group's short-term priority to reduce our net debt during FY24. More detail on performance is provided in pages 38 to 43 of this report. Looking ahead, we will maintain a balanced approach to capital allocation that will enable sustainable growth and the achievement of our mid-term financial targets, underpinned by a strong balance sheet and a focus on cash generation.

## A progressive dividend

The Board's confidence in the Group is reflected in our progressive dividend policy. This year we are recommending a final dividend of 4.00 pence per share, a rise of 5% on the previous year. If approved, this would represent the 16th consecutive year GBG has increased its dividend. Subject to shareholder approval at our Annual General Meeting, it will be paid on 3 August 2023 to shareholders on our register by 23 June 2023.

## Summary

The Board remains confident in the long-term opportunity for GBG, it has a strong financial position, wealth of talent and resources and the flexibility to drive sustainable organic growth over the medium term. Despite some near-term issues impacting growth, GBG is a high-quality business, and we are excited by the opportunities now and into the future to deliver value for all our stakeholders.

I finish by taking this opportunity on behalf of the whole Board to give our thanks to GBG's people for their continued dedication, hard work and all they do for this Company as they deliver on our clear purpose, to build trust in a digital world.

**Richard Longdon,**  
Chair  
14 June 2023

# In conversation with Richard Longdon



## About Richard

Richard joined as non-executive Chair of GBG in September 2022, having held a number of non-executive director and chair roles following a highly successful career in the technology sector. He spent 33 years with AVEVA Group, where he was Chief Executive Officer for 17 years. Richard's global leadership experience will enable him to lead our Board through the next stages of GBG's evolution. In particular, he will lead the Board as they continue supporting our executive management team to execute on the business's strategy as one of the leaders in the global identity market.



I have joined GBG at an exciting time. It is clear that the business has the ambition and capabilities to execute on the structural growth opportunities in global and highly attractive markets.

**Q. What has been your key priority since you took over the Chair role in September 2022?**

**A.** I firmly believe that having a strong sense of the purpose and values of the business are intrinsic to the successful running of the Board and governance of the Company. Since I started as Chair in September 2022, I have prioritised getting to know GBG's team members, our market position and engaged with our stakeholders more broadly, such as our partners and investors. All these interactions have reinforced the exciting opportunity that lies ahead for GBG.

**Q. How would you describe the culture at GBG and how will it evolve?**

**A.** I have been impressed by the depth of expertise within the team and the culture of the business. It is clear to me that we have the talent and desire within the whole team to deliver excellent results for customers. This means there is a strong culture of doing the right thing as we strive to build trust in the digital world. This culture of trust has underpinned the success of GBG over many years, and the importance of development and oversight of the Company's culture remains high upon the Board's agenda. In FY23 we formalised our "Trust(ed)" behaviours framework, which will help maintain our corporate culture as we continue to grow as a global business.

**Q. ESG matters are increasingly important to all businesses, what priorities have been on the Board's agenda over the past year?**

**A.** We take our wider stakeholder and social responsibilities seriously, and the Board is committed to developing our sustainable and ethical practices. This year we formalised our ESG strategy, this involved surveying our stakeholders to ensure we respond appropriately to what is important to them and impactful to our business. You can read more about our Environment, Everyone and Ethics strategy on pages 18 and 19. At Board level we maintain oversight through the ESG Committee, ensuring we achieve progress towards our stretching targets, which includes our ambition to become a carbon net zero business by 2045.

**Q. What excites you about the future for GBG?**

**A.** I am delighted to have joined GBG at this stage in its development, the business sits at the forefront of a large, growing and deeply fragmented market with strong structural trends. Our strategic progress over the last few years means we have more data and product and technology capabilities than ever to lead in these markets. Our well-attended capital markets event held in January 2023 articulated GBG's strategy, demonstrating why our differentiated and integrated capabilities across location, identity and fraud enable GBG to win in the markets we serve. The event captured exactly why the Board is confident that GBG is uniquely positioned to drive sustainable, profitable growth over the medium term, with a team relentlessly focused on delivering upon our vast potential.

## Our 2023 AGM

GBG will host its Annual General Meeting on 20 July 2023 as a physical Annual General Meeting at which shareholders can attend in person to participate in the meeting, ask questions and vote. This will be held at our registered office address in Chester at 10:00a.m. (BST) and all Directors will be present.

As you will note in the Notice of AGM alongside this Annual Report, we are putting 12 resolutions to vote at our 2023 AGM. We consider the resolutions being proposed at the AGM are in the best interests of both the Company and the shareholders as a whole. We ask our shareholders to support these resolutions, your Board of Directors, and various other business matters on which you are asked to vote.



**Read more in our Notice of AGM.**