



# Investor Presentation

Half Year Results to 30 September 2020

**Chris Clark**  
CEO

**Dave Wilson**  
CFO & COO

# GBG strategic vision

## To be the global leader in Identity Data Intelligence

Our focus is on 3 complementary solutions: Location, Identity and Fraud and joining these capabilities together over time to meet the end to end digital requirement to help good consumers and stop bad actors.



Expand capability and geographic coverage of Location, Identity and Fraud



Join up GBG with our customers at the centre



Best and most engaged people



Use M&A to enhance capability & reach

## 1H FY21 Highlights

- ✓ GBG performed well through 1H
- ✓ COVID: Clear plan and team responded well
- ✓ Maintained exceptional employee and customer engagement scores
- ✓ Good growth with existing customers, new business slower.
- ✓ Continued delivery of data, product, and technology roadmaps

# 1H FY21 Update

## Location

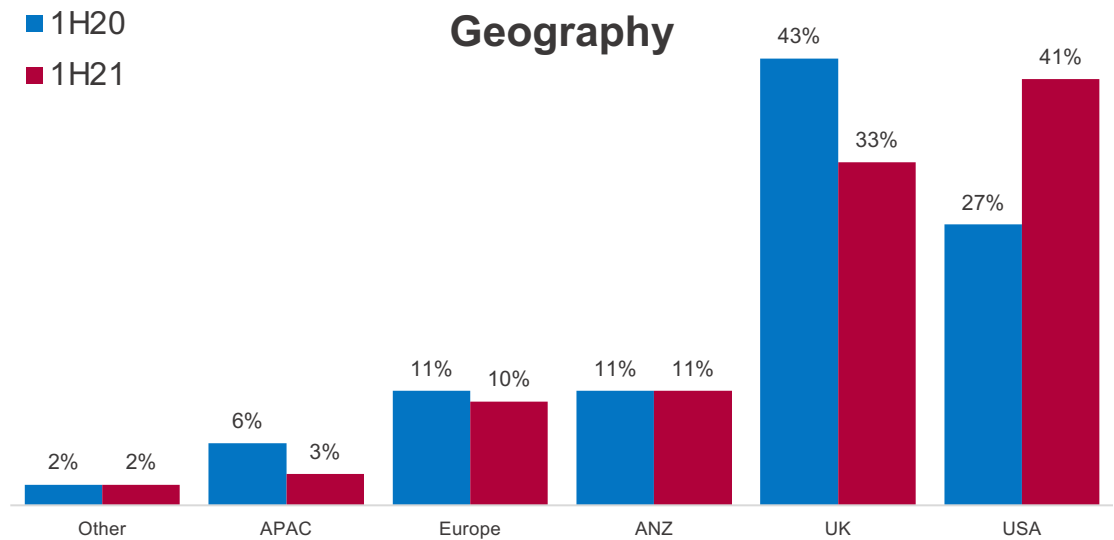
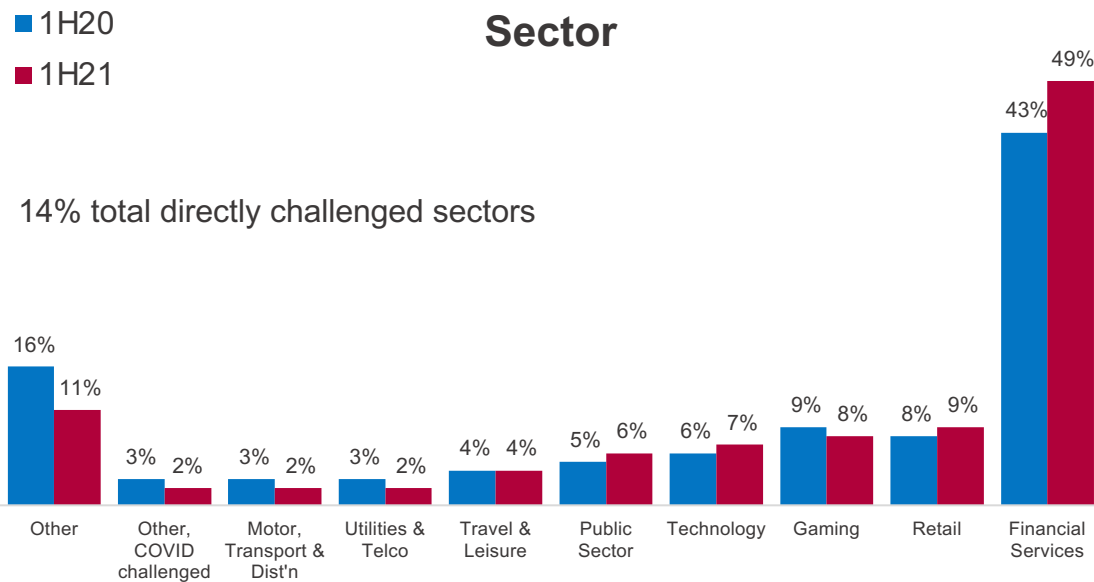
- Growth across all Territories
- Continued integrations into technology channel partners
- Continued deployment of cloud native platform

## Identity

- Exceptional US growth helped by one-off project
- Europe affected by sector exposure
- Enhanced product & data capabilities in US, UK and Australia

## Fraud

- Tough comparatives, slowed decision making and on-site nature of implementations
- Expansion of Fraud capabilities through partnerships; Credolabs
- Machine learning capabilities extended



# Market & Customer Drivers

- We help businesses in a digital world.
- We help B2C companies simply, safely and securely interact with consumers.
- We help customers convert more customers and reduce operating expenditure.



Consumers expect simple and safe online experiences.



Continuing growth in e-commerce, particularly on mobile.



Business accelerating their digital transformations.



COVID 19 indirectly increasing fraud risk.



Increase in compliance requirements in many of our chosen sectors.



Businesses looking to increase customer acquisition and reduce costs.

**COVID 19 is accelerating many of these trends but timing varies by sector and geography.**

# Looking ahead

- We expect full year revenue for the Group to be marginally ahead of FY20, on an underlying basis
- Confident that GBG's diverse customer base will continue to be a buffer against any ongoing uncertainty caused by COVID-19
- We have started increasing investments in areas previously delayed due to cash conservation
- Continue to enhance key data sets, products and technologies
- An active and prudent approach to M&A

## **Our focus is still:**

**Looking after our people, who will look after our customers and that looks after our business**



# How We've Performed

## Group Income Statement

6 months to 30 September	Restated*		
	2020	2019	
	£m	£m	
Revenue	<b>103.5</b>	94.3	<b>+10%</b>
Cost of sales	<b>(30.9)</b>	(26.0)	
Gross profit	<b>72.6</b>	68.3	<b>+6%</b>
<b>Gross profit %</b>	<b>70%</b>	72%	
Operating expenses	<b>(45.8)</b>	(46.7)	
Adjusted operating profit <sup>1</sup>	<b>26.8</b>	21.6	<b>+25%</b>
<b>Adjusted operating margin %<sup>1</sup></b>	<b>26%</b>	23%	
Share-based payments	<b>(2.0)</b>	(1.7)	
Amortisation of acquired intangibles	<b>(9.0)</b>	(9.7)	
Exceptional items	<b>(0.1)</b>	(0.5)	
Operating profit	<b>15.7</b>	9.7	<b>+62%</b>
Net finance costs	<b>(0.8)</b>	(1.2)	
Profit before tax	<b>14.9</b>	8.5	<b>+75%</b>
Tax charge	<b>(3.1)</b>	(2.9)	
Profit after tax	<b>11.8</b>	5.6	<b>+110%</b>

## Points to Note

- Revenue growth of 10% - helped by one-off project.
- Change in business mix has lowered the GP%
- Lower opex due to cost savings as a result of COVID e.g. travel, reduction in discretionary & investment spend
- SBP charge increase due to awards to key management and international participation in share save scheme
- 21% effective tax rate
- Profit after tax growth of 110%

### Adjusted EBITDA

**£28.6m**

(2019: £23.4m)

### Adjusted EBITDA %

**28%**

(2019: 25%)

<sup>1</sup> Adjusted operating profit means profits before amortisation of acquired intangibles, share-based payments, exceptional items, net finance costs and tax

\* The 2019 figures have been restated to reflect the final adjustments adopted in the financial statements for the year ended 31 March 2020 relating to IFRS 16 and deferred consideration. There has been no adjustment to the figures reported in the financial statements for 31 March 2020.

## Segment Performance

	1H21 Revenue £m	% of Total	Total growth <sup>1</sup>	Organic growth at constant currency	Operating margin %
Location	25.2	24%	8%	9%	31%
Identity	64.5	62%	26%	27%	36%
Fraud	12.3	12%	-27%	-26%	18%
Other	1.5	2%	-50%	-50%	-6%
<b>Total</b>	<b>103.5</b>	<b>100%</b>	<b>10%</b>	<b>10%</b>	<b>26%</b>

<sup>1</sup> Segments for 1H21 have been re-presented as the Datacare business unit previously presented within unallocated is now presented within Location.

<sup>2</sup> Central unallocated costs in 1H21 are £6.0m or 6% of revenue

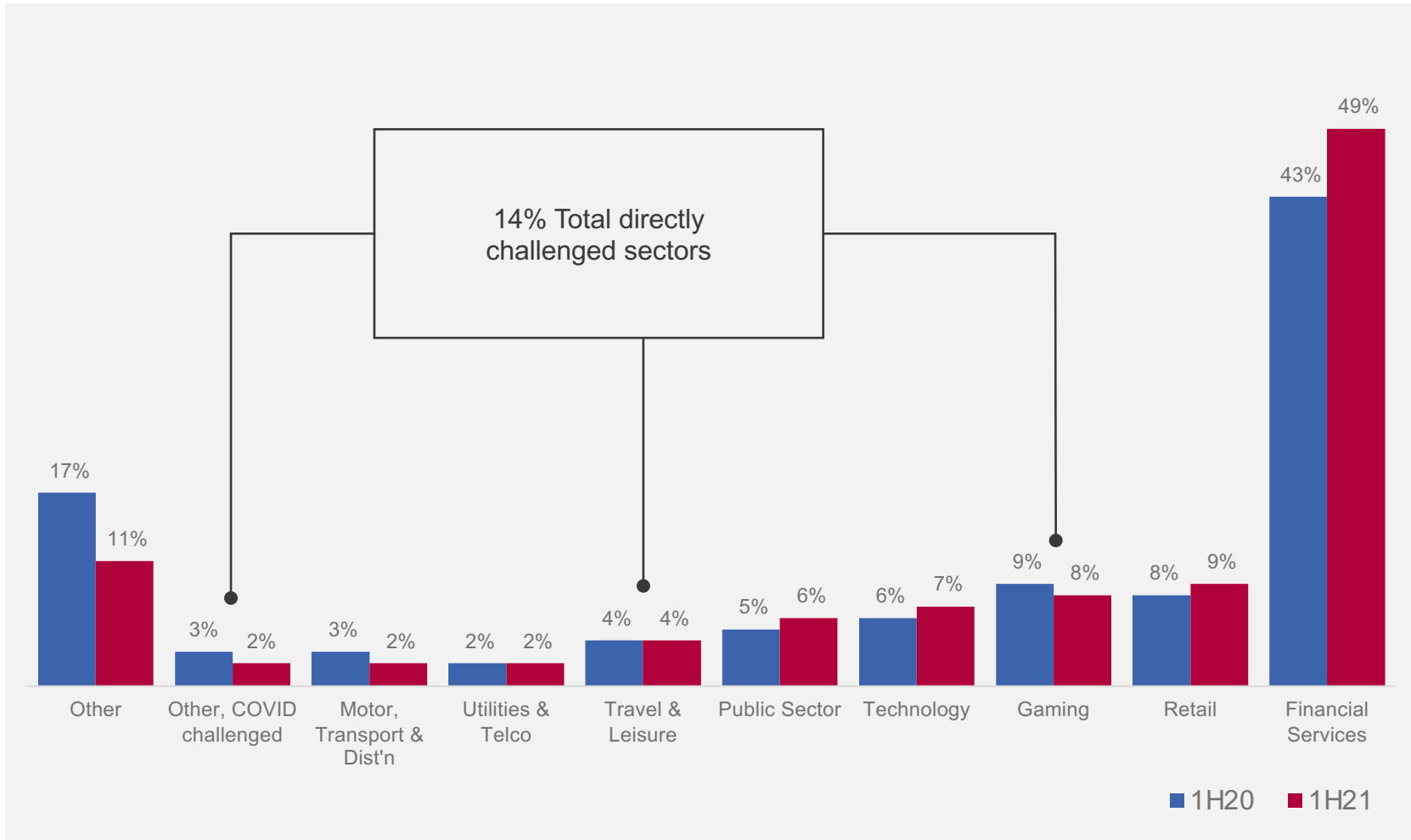
## Growth

### Constant currency organic growth

	6 months ended 30 September	2020 £m	2019 £m	Growth
Group revenue	103.5	94.3	<b>10%</b>	
Acquired revenue in past 12 months	-	-		
<b>Organic revenue</b>	<b>103.5</b>	94.3	<b>10%</b>	
Constant currency adjustment	-	0.5		
<b>Constant currency organic revenue</b>	<b>103.5</b>	93.8	<b>10%</b>	



# Revenue Analysis per Sector



**“Smaller, COVID challenged sectors”** includes sectors with small % of revenue most impacted by COVID – including Sporting associations, Employment agencies, and Charities

**Financial services includes the one-off project**

## Revenue Analysis per Geography

	1H21		1H20		Inc	
	£m	% of Rev	£m	% of Rev	£m	%
USA	42.9	41%	24.9	27%	18.0	73%
UK	34.5	33%	40.8	43%	(6.3)	-16%
ANZ	10.8	11%	10.6	11%	0.2	2%
EU	10.3	10%	10.2	11%	0.1	1%
APAC	2.8	3%	5.6	6%	(2.8)	-49%
Other	2.2	2%	2.2	2%	0	0%
	<b>103.5</b>	<b>100%</b>	<b>94.3</b>	<b>100%</b>	<b>9.2</b>	<b>10%</b>

## Cash Flow Statement

6 months ended 30 September	2020 £m	2019 £m	Variance
<b>Adjusted EBITDA</b>	<b>28.6</b>	23.4	5.2
Working capital	<b>15.9</b>	0.8	15.1
<b>Adjusted Operating Cash Flow</b>	<b>44.5</b>	24.2	20.3
Exceptional costs paid	<b>(0.2)</b>	(0.3)	0.1
<b>Operating Cash Flow</b>	<b>44.3</b>	23.9	20.4
Tax paid	<b>(8.9)</b>	(4.0)	(4.9)
Interest	<b>(0.6)</b>	(1.1)	0.5
Dividend paid	-	(5.8)	5.8
Lease liability payments	<b>(1.1)</b>	(1.1)	-
Capex/development	<b>(0.5)</b>	(0.4)	(0.1)
Net share issue proceeds	<b>1.0</b>	0.3	0.7
Acquisitions/investments	<b>(2.1)</b>	(0.1)	(2.0)
Effect of exchange rates	<b>0.5</b>	0.8	(0.3)
<b>Total (Net Debt)/Cash movement</b>	<b>32.6</b>	12.5	20.1
Opening (Net Debt)/Cash Balance	<b>(35.3)</b>	(66.3)	31.0
<b>Closing Net Debt/Cash Balance</b>	<b>(2.7)</b>	(53.8)	51.1

**155% (2019: 103%) Adjusted EBITDA cash conversion ratio** (excl. paid exceptional items)

## 132% (2019: 103%) Underlying cash conversion

(excluding £4.9m of VAT payments deferred due to Covid and FY20 Exec Director Bonus of £1.6m not yet paid).

**Loan repayments of £27.5m made during 1H21, £15.0m already made in 2H21.**

## Debt leverage & borrowing

Net Debt Analysis	30 Sep 20 £m	30 Sep 19 £m	31 Mar 20 £m
Cash	32.3	23.3	27.5
Debt	(35.0)	(77.1)	(62.5)
<b>Net Cash/(Debt)</b>	<b>(2.7)</b>	<b>(53.8)</b>	<b>(35.0)</b>
<b>Leverage</b>	<b>0.1x</b>	<b>1.1x</b>	<b>0.7x</b>

- There is a total additional borrowing capacity of £105m, comprising £75m available immediately and £30m accordion facility.

# Our near-term approach to capital allocation

## Strong cash flow

- Maintaining our organisational capacity whilst reducing discretionary spend
- Started opex spend in new investment areas
- Near term good cash generation
- The broader implications of COVID means that uncertainty continues to be a dominant trend for many businesses around the world

## Our current Capital Allocation approach continues

- Good long term structural trends
- Business model is strongly cash generative
- 1H FY21 operational leverage used to generate short term cash.
- Paying an interim Dividend 3.00p a share
- Project spend has been reassessed and we started investment in new investment areas
- Active and prudent approach to M&A



# Confidence in our long-term market opportunity

## Summary

- The strong financial performance means GBG continues to have the capability and resources to make important investments across the Group to support further growth
- Our business is diversified in terms of customer concentration, sector and geographic spread
- COVID: Clear plan and team responded well
- Maintained exceptional employee and customer engagement scores
- Good growth with existing customers, new business slower.
- Continued delivery of data, product, and tech roadmaps

## Outlook

- Clear Vision, Objectives and Strategies with the team to deliver
- The effect of COVID on the business continues to change and unfold.
- We are seeing different levels of impact depending on the customer vertical, product solution and geography
- Significant long term market opportunity supported by structural growth drivers
- Continued focus on organic growth with targeted, value-enhancing acquisitions

# Questions & Answers

A person is shown from the side, writing in a notebook with a pen. The scene is overlaid with a semi-transparent red circular graphic that has a grid pattern. The background is dark and out of focus.

# Appendices



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## Not a profit forecast

The financial information contained in this presentation is based on publicly available historic financial information of the GBG and is not intended to be a profit forecast or profit estimate under applicable rules.

# Key Management



**David A Rasche**  
Chairman

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Appointed to Board in September 2010

Co-founder of SSP – one of the largest specialist insurance software houses in the world

Over 45 years in the IT sector with over 35 years leading and chairing software businesses



**David Wilson**  
CFO & COO

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Joined in March 2009 as Finance Director

Over 35 years international and operational board level experience in the TMT sector

PE and public company experience with Eazyfone (envirofone.com), Codemasters, MBS, and Technology plc also with Fujitsu IT Services business

FCCA qualified



**Chris Clark**  
Chief Executive

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Appointed to Board in April 2017

Previously at Experian for 5 years as Managing Director

Worked at BT for 20 years, running several large and small technology businesses across the globe

Significant international experience



**Nick Brown**  
Group Managing Director

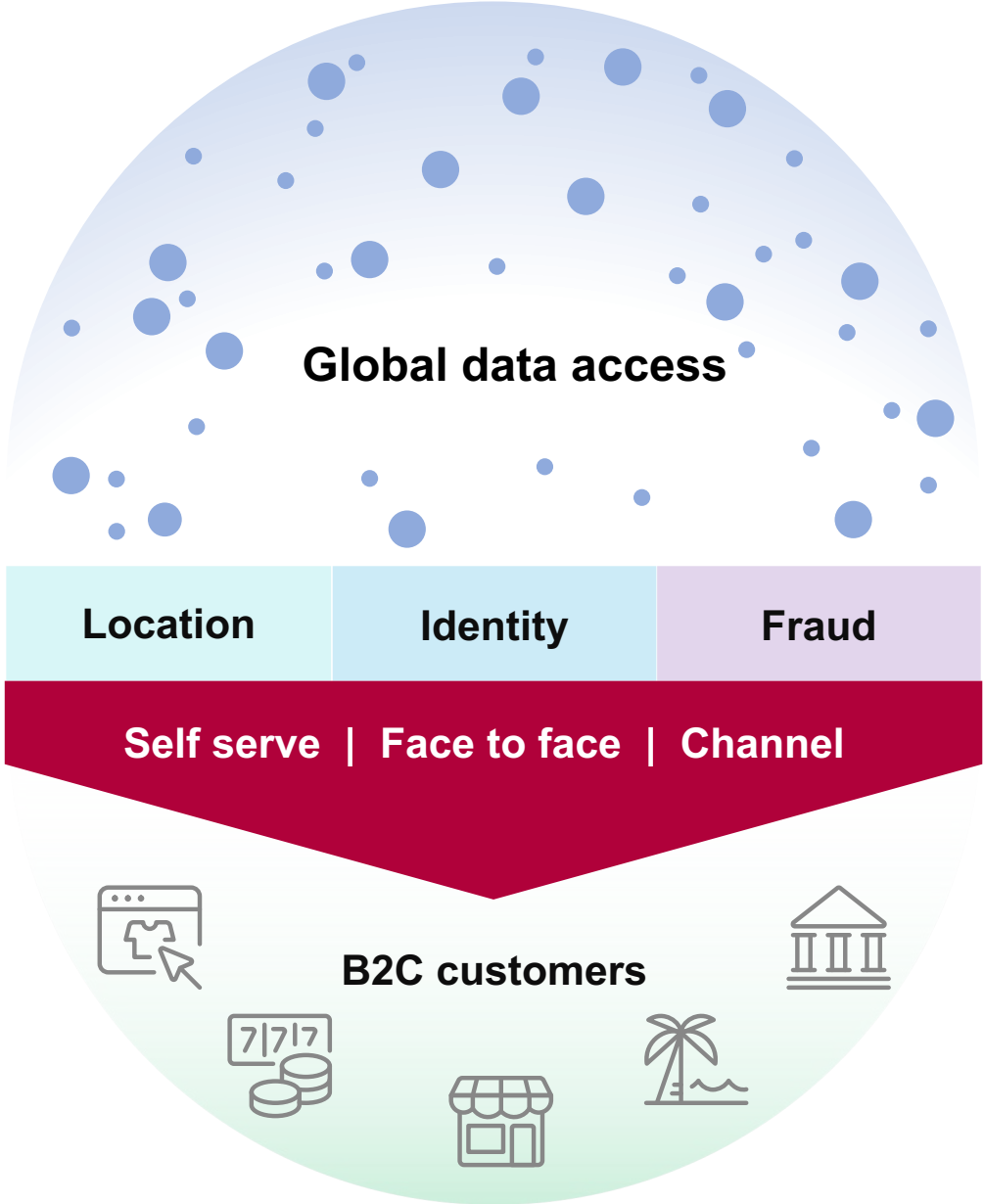
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Appointed to the Board in April 2017, Nick has been a member of GBG's Executive Team since joining the business in 2007

Nick is currently responsible for managing the operating businesses in GBG on a global basis

Prior to joining GBG Nick held senior management positions at Sage plc, Microsoft UK and Fujitsu Services in the UK

# Business Model



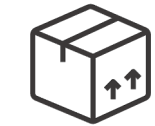
Proprietary Software/Algorithms

Routes to market

Target geographies :  
UK, Europe, SE Asia, China,  
AUS & NZ, North America

# Competitive differentiators & barriers to entry

Our differentiated capabilities and strong market position have created a barrier to entry



Product



Market

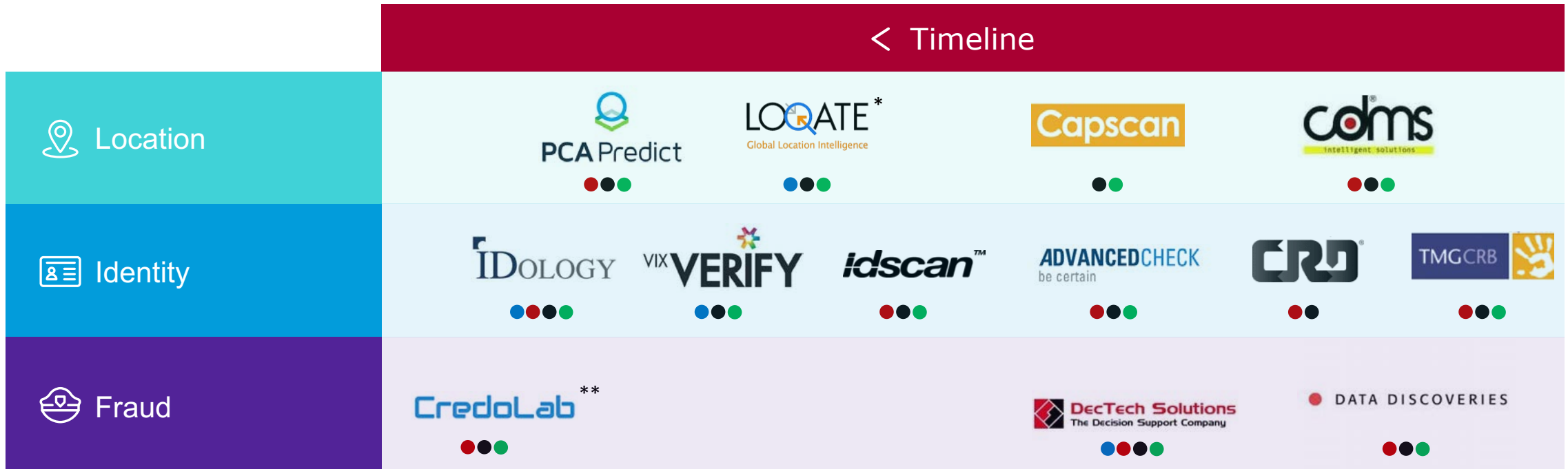
	Location	Identity	Fraud
Product	<p>Best Global Address Data</p> <p>“Golden Record in 60 Markets” (PDH)</p> <p>Self Serve Technology</p>	<p>Breadth of data globally</p> <p>Depth of data in core markets</p> <p>Match Rates &amp; Confidence Scores</p> <p>Data layering and triangulation</p>	<p>Proven Solution with reliable local language algorithms</p> <p>Modular Product offering</p> <p>AI capabilities</p>
Market	<p>Retail</p> <p>Direct, self serve and channel</p> <p>US, UK, AU, DE</p> <p>China early signs</p>	<p>Regulated customers</p> <p>Direct and channel</p> <p>US, UK, AU, EU</p> <p>Cross-Border</p>	<p>Financial Services</p> <p>Direct and channel</p> <p>APAC, EU</p>

- Breadth & depth of global data access, with software and algorithms to help businesses interact with their consumers simply, safely and securely
- Our technology, data access and know-how positions us well, in a competition marketplace

# Summary Segments

New Segment Name	Location	Identity	Fraud	Other
<b>%1H21 revenues</b>	24%	62%	12%	2%
<b>Platforms</b>	Capture +	ID3global, KYP, IDology, GreenID	Instinct, Predator, Orchestration, Connexus	Marketing Services, SCV
<b>Services</b>	<ul style="list-style-type: none"> <li>• Address validation</li> <li>• Enhancement</li> <li>• ID Assurance</li> </ul>	<ul style="list-style-type: none"> <li>• ID Verification</li> <li>• Credit risk management</li> <li>• AML compliance</li> <li>• Age verification</li> <li>• Document validation</li> </ul>	<ul style="list-style-type: none"> <li>• Application fraud</li> <li>• ID fraud</li> <li>• Goods Lost in Transit</li> <li>• Investigations</li> <li>• Internal fraud</li> <li>• Behavioural analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring interactions real-time</li> <li>• Database management</li> </ul>
<b>Competition</b>	Experian, Address Doctor, Google's Auto Address functionality, point product competition	Experian, Equifax, TransUnion, point product competition	Fragmented: Experian, FICO, point product competition	Fragmented
<b>Pricing model</b>	Usage and annual usage subscription	Pay per use	Annual subscription	Long-term contracts

# Acquisitions and Investments



- 13 acquisitions and one investment in the last 8 years
- Each acquisition's strategy and integration is treated differently
- Proven shareholder value creation model Financing via cash, debt, equity
- Equity raised for IDology; IDscan; DecTech; Capscan

- Technology
- New Geography
- New Customers
- New Datasets

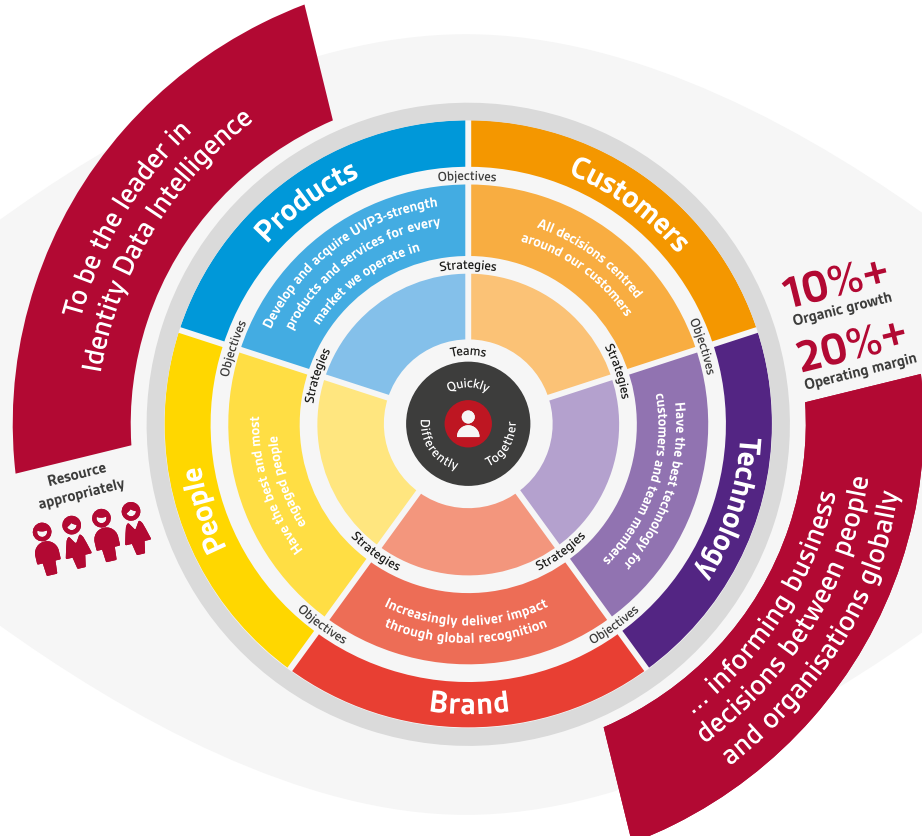
# Our Corporate Vision, Objective, Strategy (VOS):

Clearly defined and in place across the business

Unique Value Proposition  
Level 3

Get, Keep, Grow

20/22  
Company  
VOS



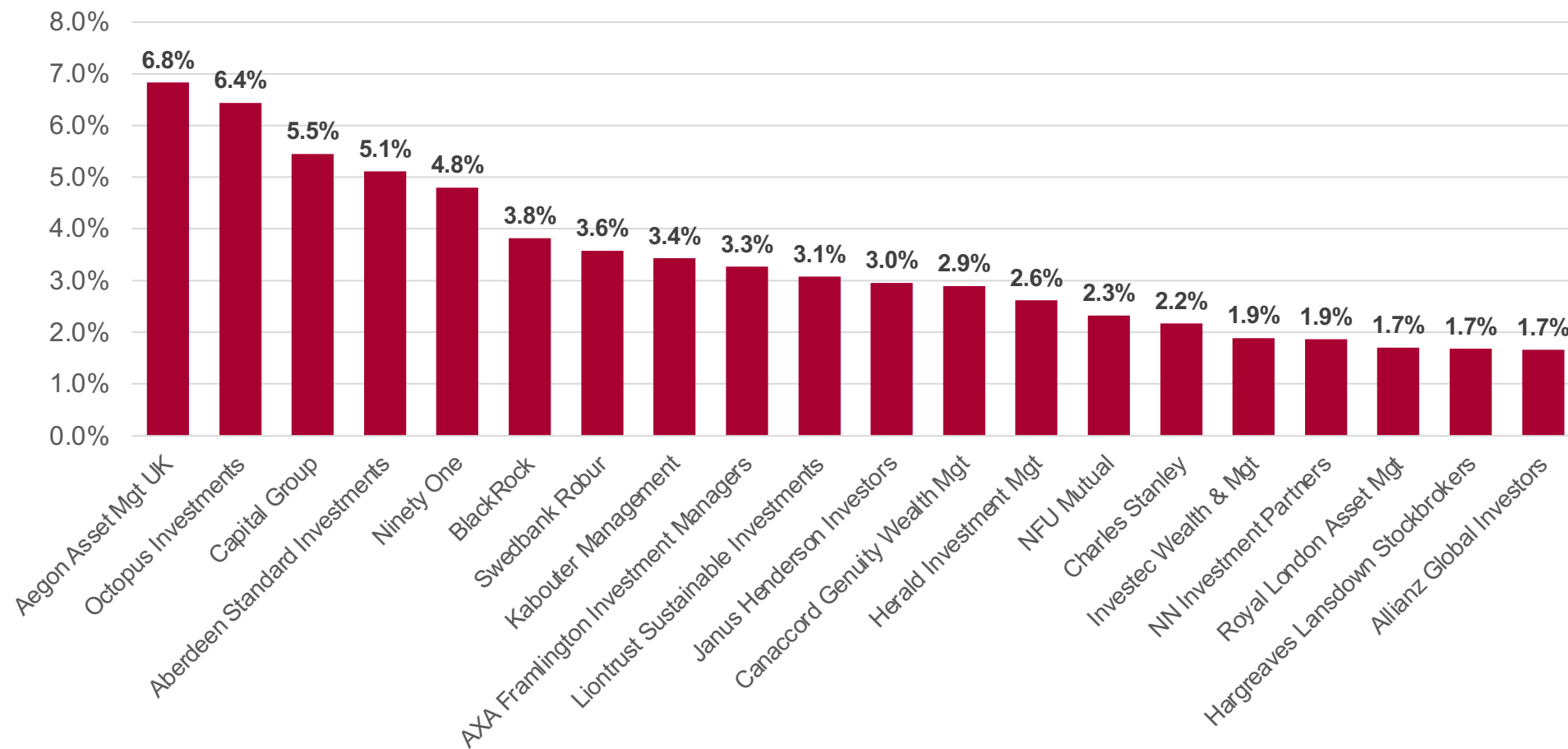
Micro-services  
APIs  
Info Sec

Best & Most  
Engaged

Awareness

## How we bring our strategies together

# Largest Shareholders as at 1 November 2020



Total analysed: 67.6%

Directors

Shares: 1.6m (0.81%)

Options: 1.5m<sup>1</sup>

<sup>1</sup> Vesting is subject to achieving performance criteria.



# Corporate Responsibility and Sustainability

Establishing trust between businesses and their customers; working and acting responsibly; empowering, prioritising and protecting our people; creating broader societal value and protecting the environment.

## GOVERNANCE & ETHICS

A Board with robust governance structures; Code of Conduct & external whistleblowing  
**QCA Code**

## DATA PRIVACY & IT SECURITY

Responsible & compliant data practices; GBG is **ISO27001 accredited**, some areas of business also covered by **PCI:DSS**; robust penetration & vulnerability testing

## EQUALITY & DIVERSITY

Proactive focus on diversity & inclusion, supported by 'be/yourself' programme  
**36% women**  
as a percentage of full workforce

## EXTERNAL RECOGNITION

- MSCI: AA rating

## EMPLOYEE ENGAGEMENT

Successful employee communication & engagement validated by strong feedback  
**c90% employees**  
consider GBG a great place to work

## TRAINING & DEVELOPMENT

Internal training platform & professional development  
**'be/developed'**  
15,952 hours of training in FY20

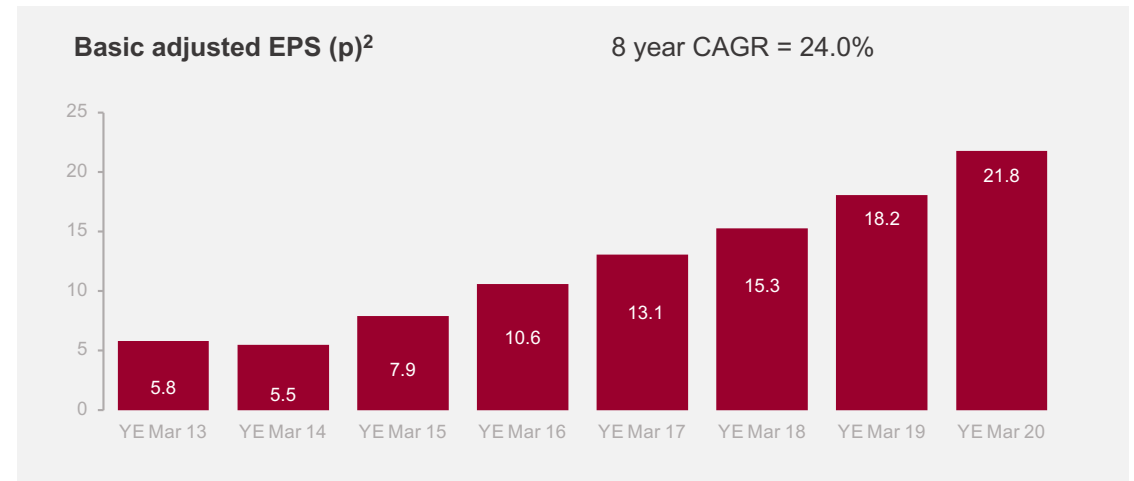
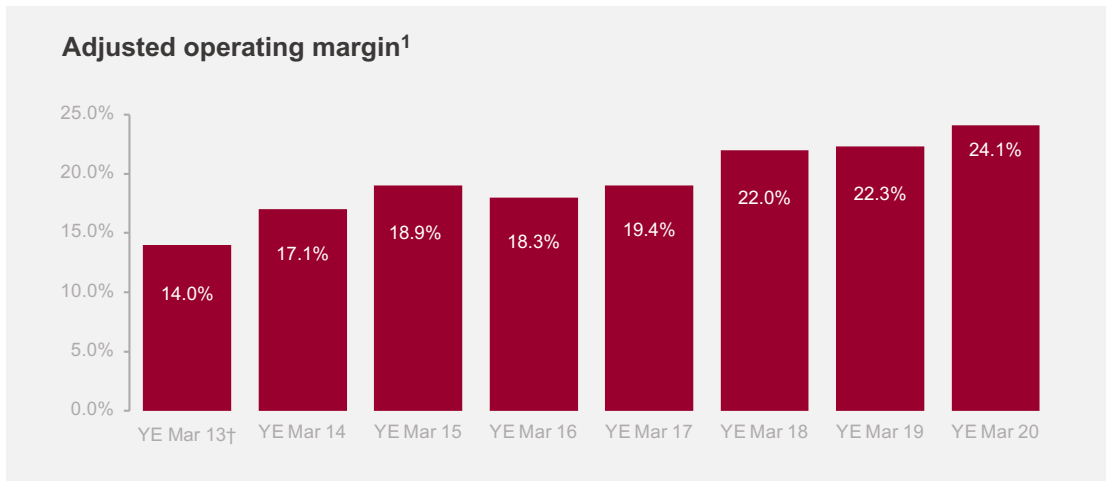
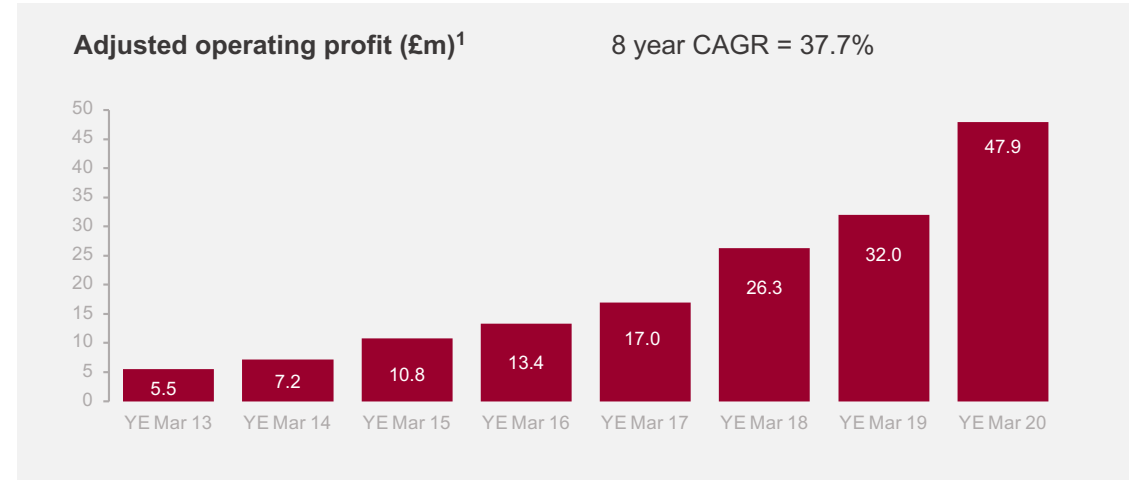
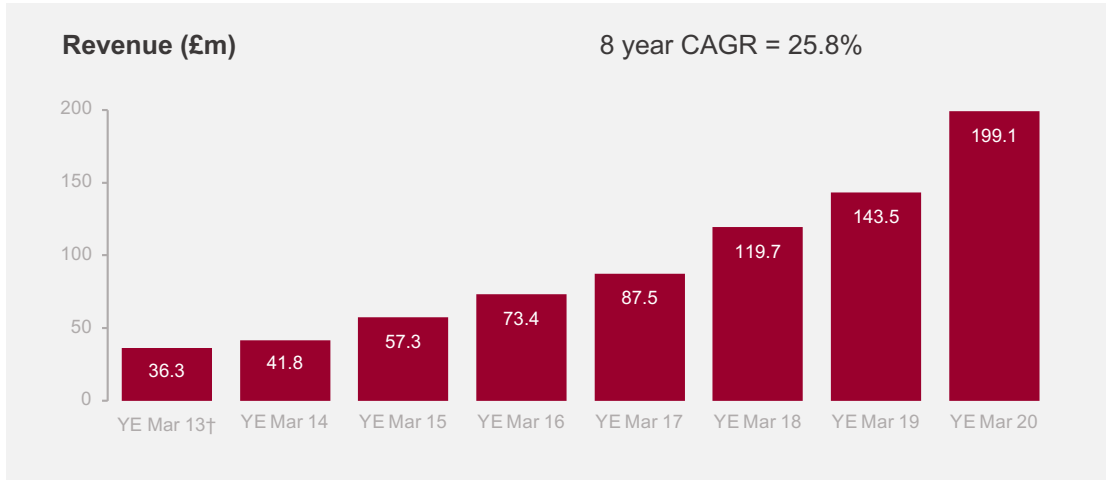
## SOCIETY & COMMUNITY SUPPORT

Products & services with societal benefits; global & strategic community support programme  
**Focus on children**  
for 2020 programme

## ENVIRONMENTAL RESPONSIBILITY

Responsible resource usage and energy reduction initiatives  
**Reduce, reuse, recycle policy**

# Growth track record



† Adjusted Revenue

1. Profits before share of results from associates, interest, tax, share based payment charges, amortisation of acquired intangibles, acquisition related costs and non-recurring acquisition integration costs.

2. Basic Adjusted EPS is adjusted operating profit less net finance costs and tax divided by the weighted average number of shares in issue.

# Historic Revenue by Segment

Full Year Revenue £m		FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Location		14.4	15.3	17.6	22.5	25.2	41.9	47.9	51.5
Identity		12.4	15.1	19.2	24.8	33.5	43.91	58.22	105.44
Fraud		6.2	7.2	14.5	17.5	21.3	25.9	29.1	35.5
Other		3.3	4.2	6.0	8.6	7.5	8.0	8.3	6.7
<b>Total</b>		<b>36.3</b>	<b>41.8</b>	<b>57.3</b>	<b>73.4</b>	<b>87.5</b>	<b>119.7</b>	<b>143.5</b>	<b>199.1</b>

Half Year Revenue £m		1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20	1H21
Location		5.9	6.4	6.5	9.3	10.8	17.5	20.3	23.3	25.2
Identity		5.7	7.1	8.8	12.2	15.3	21.71	21.9	51.2	64.5
Fraud		3.0	2.9	5.9	7.3	8.5	10.3	12.6	16.8	12.3
Other		1.6	1.7	2.0	3.6	2.9	3.1	3.5	3.0	1.5
<b>Total</b>		<b>16.2</b>	<b>18.1</b>	<b>23.2</b>	<b>32.4</b>	<b>37.5</b>	<b>52.6</b>	<b>58.3</b>	<b>94.3</b>	<b>103.5</b>

- Had the £3.5m IDscan perpetual licence deal that was delivered and recognised in full in FY18 been a 3-year agreement on extended payment terms, and payable in annual instalments, our revenue recognition policies would have resulted in £2.3m less Identity revenue being recognisable in both 1H18 and FY18
- FY19 Identity revenue of £58.2m includes inorganic revenue from IDology (£4.3m) and Vix Verify (£7.7m)
- 1H20 Identity revenue of £51.0m includes inorganic revenue from IDology (£17.6m) and Vix Verify (£8.3m)
- FY20 Identity Revenue of £105.4m includes inorganic revenue from IDology (£31.6m) and Vix Verify (£9.3m)
- Historic figures revised from those previously issued as Datacare revenues and profit have moved from "Other" to "Location"

## Historic Revenue Growth by Segment

Full Year Revenue Growth	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Location	6%	15%	27%	12%	66%	14%	7%
Identity	22%	27%	29%	35%	31%	33%	81%
Fraud	17%	100%	21%	21%	21%	13%	22%
Other	23%	42%	44%	(12%)	8%	2%	(18%)
<b>Total</b>	<b>15%</b>	<b>37%</b>	<b>28%</b>	<b>19%</b>	<b>37%</b>	<b>20%</b>	<b>39%</b>

Half Year Revenue Growth	1H14	1H15	1H16	1H17	1H18	1H19	1H20	1H21	1H21 Org CC
Location	9%	2%	43%	16%	62%	16%	14%	8%	9%
Identity	24%	23%	39%	26%	42%	1%	134%	26%	27%
Fraud	(1%)	99%	24%	16%	22%	22%	33%	(27%)	(26%)
Other	3%	27%	71%	(18%)	4%	15%	(13%)	(50%)	(50%)
<b>Total</b>	<b>12%</b>	<b>28%</b>	<b>39%</b>	<b>16%</b>	<b>40%</b>	<b>11%</b>	<b>62%</b>	<b>10%</b>	<b>10%</b>

# Historic Operating Profit by Segment

Full Year Operating Profit £m	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Location	4.4	4.6	5.9	6.1	7.7	13.8	16.6	14.6
Identity	1.3	1.6	2.8	4.5	5.6	9.4	15.2	33.6
Fraud	1.4	1.8	3.8	5.9	7.3	6.6	9.0	13.4
Other	(1.6)	(0.8)	(1.7)	(3.1)	(3.6)	(3.5)	(8.8) <sup>1</sup>	(13.7)
<b>Total Operating Profit</b>	<b>5.5</b>	<b>7.2</b>	<b>10.8</b>	<b>13.4</b>	<b>17.0</b>	<b>26.3</b>	<b>32.0</b>	<b>47.9</b>

Full Year Operating Margin	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Location	30%	30%	34%	27%	31%	33%	35%	28%
Identity	11%	11%	15%	18%	17%	21%	26%	32%
Fraud	23%	25%	26%	33%	34%	26%	31%	38%
Other	(4%)	(2%)	(3%)	(4%)	(4%)	(3%)	(6%)	(7%)
<b>Total Operating Margin</b>	<b>15%</b>	<b>17%</b>	<b>19%</b>	<b>18%</b>	<b>19%</b>	<b>22%</b>	<b>22%</b>	<b>24%</b>

Half Year Operating Profit £m	1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20	1H21
Location	1.4	2.0	1.8	2.5	3.7	5.3	6.5	6.6	7.8
Identity	0.6	1.0	1.2	2.7	2.5	5.8	5.5	15.8	23.3
Fraud	0.7	0.6	1.6	1.6	1.9	1.9	2.4	5.4	2.2
Other	(1.2)	(1.0)	(0.8)	(2.3)	(2.9)	(2.6)	(4.6) <sup>1</sup>	(6.2)	(6.5)
<b>Total Operating Profit</b>	<b>1.5</b>	<b>2.6</b>	<b>3.8</b>	<b>4.5</b>	<b>5.2</b>	<b>10.4</b>	<b>9.8</b>	<b>21.6</b>	<b>26.8</b>

Half Year Operating Margin	1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20	1H21
Location	24%	31%	28%	27%	34%	30%	32%	28%	31%
Identity	10%	14%	14%	22%	16%	27%	25%	31%	36%
Fraud	23%	21%	27%	22%	23%	18%	19%	32%	18%
Other	(7%)	(6%)	(4%)	(7%)	(8%)	(5%)	(8%)	(7%)	(6%)
<b>Total Operating Margin</b>	<b>9%</b>	<b>14%</b>	<b>16%</b>	<b>14%</b>	<b>14%</b>	<b>20%</b>	<b>17%</b>	<b>23%</b>	<b>26%</b>

## Historic % of Total Revenue by Segment

Full Year Revenue Split		FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Location		40%	37%	31%	31%	29%	35%	33%	26%
Identity		34%	36%	34%	34%	38%	37%	41%	53%
Fraud		17%	17%	25%	24%	24%	22%	20%	18%
Other		9%	10%	10%	11%	9%	6%	6%	3%
Total		100%	100%	100%	100%	100%	100%	100%	100%

Half Year Revenue Split		1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20	1H21
Location		36%	35%	28%	29%	29%	33%	35%	25%	24%
Identity		35%	39%	38%	38%	41%	41%	38%	54%	62%
Fraud		18%	16%	25%	23%	23%	20%	22%	18%	12%
Other		11%	10%	9%	10%	7%	6%	5%	3%	2%
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%

# Group Balance Sheet

As at 30 September	2020 £m	2019 <sup>1</sup> £m	Variance
Tangible assets	8.2	9.8	(1.6)
Intangible assets	402.9	431.3	(28.4)
Deferred tax assets	7.2	6.6	0.6
Non-current assets	418.3	447.7	(29.4)
Inventory	0.1	0.3	(0.2)
Receivables	51.3	49.3	2.0
Net Debt/Cash <sup>2</sup>	(2.5)	(53.3)	50.8
Current liabilities (excl. deferred income)	(42.4)	(31.6)	(10.8)
Tax receivable/(payable)	5.4	0.4	5.0
Deferred income	(36.0)	(32.8)	(3.2)
Lease liability	(4.9)	(6.1)	1.2
Contingent consideration	(4.7)	(5.4)	0.7
Non-current liabilities	(25.8)	(30.1)	4.3
Net assets	358.8	338.4	20.4
Capital and reserves	358.8	338.4	20.4

## Strong balance sheet and financing ability

Net (Debt)/Cash Analysis	2020 £m	2019 £m	Variance
Cash	32.3	23.3	10.0
Debt <sup>1</sup>	(35.0)	(77.1)	42.1
Net (Debt)/Cash	(2.7)	(53.8)	51.1

- At 30 September 2020 we had a gross cash position of £32.3m, borrowing usage of £35.0m.
- There is an additional borrowing capacity of £75.0m available immediately and a further accordion facility of £30m.

<sup>1</sup> Restated for final adjustments to IDology acquisition accounting and refinement of IFRS 16. The financial statements for the year ended 31 March 2020 have not been restated.

<sup>2</sup> Loans on the balance sheet are net of unamortised arrangement fees of £0.2m (2019: £0.5m) which have been excluded above.

## Modelling considerations for FY21 – Foreign Exchange

Currency (vs. GBP)	% of group revenue FY20	FY20 average rate	FY21 range of rates	FY21 rate Internal
US Dollar	24%	1.27	1.25 ~ 1.33	1.29
Australian Dollar	20%	1.87	1.73 ~ 1.91	1.87



## Modelling Considerations for FY21 - Tax Rate

	UK	USA	Australia	Other <sup>2</sup>	Group
% of Profit Before Tax <sup>1</sup>	34%	28%	34%	4%	100%
Statutory Tax Rate	19%	21%	30%	24 - 28%	24%
State Taxes	-	5%	-	-	1%
Patent Box Relief	(3%)	-	-	-	(1%)
<b>Forecast FY21 Effective Tax Rate</b>	<b>16%</b>	<b>26%</b>	<b>30%</b>	<b>24 - 28%</b>	<b>24%</b>
<b><i>FY20 Effective Tax Rate</i></b>	<b><i>20%</i></b> <sup>3</sup>	<b><i>(7%)</i></b> <sup>4</sup>	<b><i>32%</i></b>	<b><i>36%</i></b> <sup>5</sup>	<b><i>17%</i></b>

<sup>1</sup> After the deduction of amortisation on acquired intangibles

<sup>2</sup> Includes Malaysia (24%), China (25%), New Zealand (28%)

<sup>3</sup> Higher due to deferred tax charge for rate increase from 17% to 19%

<sup>4</sup> Lower due to CARES Act allowing historic losses to be used against prior periods at a rate of 35% compared to 21% the deferred tax asset was held at, in addition to R&D benefit recognised during the year

<sup>5</sup> Includes additional charge for prior year items

## Contact

Want to know more about our business? Sometimes there's no substitute for a conversation. Get in touch. I'll be glad to help.

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