

# GB Group

## Accelerating growth with Acuant acquisition

GB Group (GBG) has announced a conditional agreement to acquire Acuant, a leading player in the US identity verification market. At an enterprise value of £547m, it marks GBG's largest acquisition to date. The deal strengthens GBG's position in the US, broadens its product offering and accelerates its technology roadmap. We have revised our forecasts to reflect the placing and the acquisition and our normalised EPS forecasts decline 3% in FY22, are flat in FY23 and increase 3% in FY24.

Year end	Revenue (£m)	Adj. operating profit* (£m)	PBT* (£m)	Diluted EPS* (p)	DPS (p)	P/E (x)
03/20	199.1	47.9	45.7	17.9	0.0	41.9
03/21	217.7	57.9	56.7	21.7	6.4	34.6
03/22e	233.6	55.1	53.5	18.6	3.5	40.2
03/23e	295.1	70.8	67.6	20.1	3.6	37.3
03/24e	332.0	79.5	76.9	22.4	3.7	33.5

Note: \*Adjusted operating profit, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

## Acquiring leading US identity verification player

Acuant provides digital identity verification (IDV) and fraud prevention solutions mainly in the US and like GBG, is a beneficiary of the COVID-accelerated shift to online commerce. Acuant's product range complements GBG's existing solutions, adding depth in document verification, new verticals for IDV and a SaaS-based fraud prevention solution. Acuant also has more exposure to dynamic (or 'in-life') verification. GBG believes the deal will accelerate its product roadmap by two years, providing immediate access to an orchestration layer and cloud-based solutions. The deal also increases GBG's exposure to the fast-growing US market from 36% of revenue in FY21 to 43% on a pro-forma basis.

## Deal funded by placing, equity and new debt

The \$736m/£547m enterprise value is being paid for with £460m cash and £87m in equity issued to the vendors. A placing raised £305m at 725p per share and the remaining £155m will be drawn down from a new £175m revolving credit facility. Post-deal, the company estimates a net debt/EBITDA gearing ratio of 2x and expects the deal to be EPS neutral in FY23, after synergies of £5m.

## Valuation: Not fully capturing growth potential

The placing was at a 17% discount to the closing share price of 875p on 18 November; the stock is now trading 3% above the placing price. On our revised estimates, including Acuant from 1 December, GBG is trading at a premium to identity management (IDM) peers but at a discount to higher growth, lower profitability identity access management (IAM) and cybersecurity (CS) peers. However, our reverse DCF calculates the share price is factoring in revenue growth of only 8% from FY25, well below the double-digit growth rate previously factored in by the market. Considering Acuant is expected to grow faster than the original GBG, this appears overly conservative. Using a 12% growth rate (the lower end of new management guidance) from FY25 would imply a per share value of 950p.

## Acquisition and placing

### Software & comp services

24 November 2021

Price **750p**

Market cap **£1,883m**

\$1.35:£1

Net cash (£m) at end H122 39.5

Shares in issue, including placings and rollover shares 251.1m

Free float 94%

Code GBG

Primary exchange AIM

Secondary exchange N/A

### Share price performance



% 1m 3m 12m

Abs (18.0) (14.1) (12.7)

Rel (local) (18.7) (15.2) (24.5)

52-week high/low 954p 748p

### Business description

GB Group is a specialist in identity data intelligence. Its products and services enable its customers to better understand and verify their customers and employees and are used across a range of fraud, risk management, compliance and customer on-boarding services. With headquarters in the UK, GB operates across 15 countries, has customers in more than 70 countries and generates more than 64% of revenues internationally.

### Next events

H122 results 30 November

### Analyst

Katherine Thompson +44 (0)20 3077 5730

[tech@edisongroup.com](mailto:tech@edisongroup.com)

[Edison profile page](#)

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## Acquisition of Acuant

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GBG announced on 18 November that it had conditionally agreed to acquire Acuant, a US provider of identity verification and identity fraud prevention solutions. At the same time, it announced an institutional placing (on a cash box basis) and a retail placing to partially fund the acquisition.

### Background on Acuant

Acuant was founded in the US in 1999 and is headquartered in Los Angeles. The company has 209 employees globally (c 130 in technology), with R&D functions in the US, the UK and Israel. The team has particular strength in data science, biometrics and platform design and build and the company holds more than 30 patents in the fields of digital identity and identity verification.

The company has more than 1,000 customers, with 84% of revenue from the US, and 42% via channel partners (a much higher proportion than GBG). These partners help Acuant serve some verticals that GBG is not very active in and are hard to target with direct sales, namely automotive and transport, healthcare and life sciences, and government and security (border control in particular). Acuant counts as customers six of the top 10 US banks, three of the top 10 US mobile network operators, more than 40% of auto dealers and the top three car rental companies.

The company operates in three areas: Acuant Compliance – know your customer (KYC), know your business (KYB), transaction monitoring and sanction screening services; Acuant Verify – document verification, biometric identity verification and data-centric identity verification; and Acuant Identity – provides eDNA, ProfileID and My Digital ID Verifiable Credential solutions that create digital identities to risk score individuals on an ongoing basis and to provide credentials that can be used across different organisations.

We understand Acuant Verify is the largest part of the business, with document verification the major revenue generator. Acuant has a substantial document library (c 6,000 documents covering 200 countries/territories) to support this business.

### Rationale for the deal

GBG sees the following benefits from the deal:

#### Accelerates product, data and platform strategy

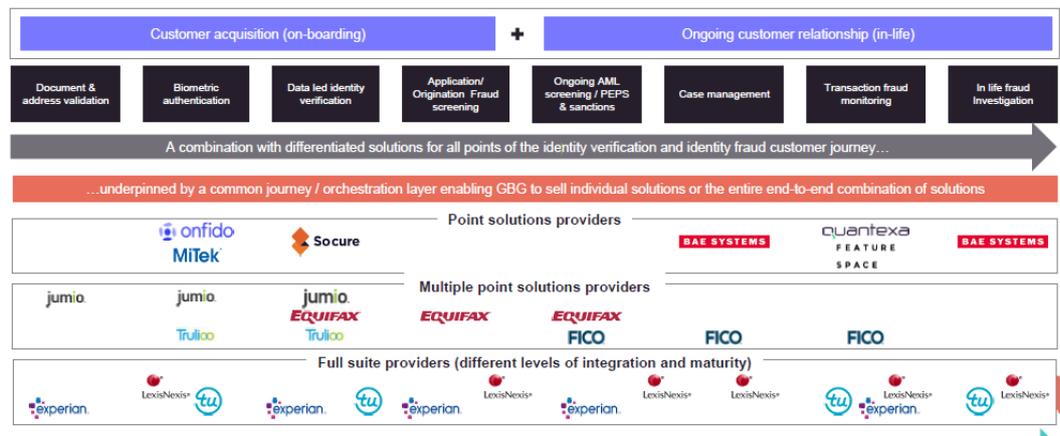
GBG typically acquires to get access to product, datasets, technology and international customers. This deal ticks all four boxes. Exhibit 1 shows the market context for the product areas addressed by GBG and Acuant. Looking at the black boxes which cover the different application areas:

- **GBG** is more active in customer onboarding, with the bulk of revenue being generated by data-centric IDV (ID3global, IDology, GreenID solutions), followed by document and address verification (IDScan, Loqate) and then application/origination fraud screening (Instinct). It has a small presence in transaction fraud monitoring (Predator) and in-life fraud investigation (Investigate, UK only).
- **Acuant** is more evenly balanced across customer onboarding and the ongoing customer relationship ('in life'). It has a strong position in document verification and biometric authentication with a much smaller presence in data-centric IDV as well as presence in transaction fraud monitoring, in-life fraud investigation and ongoing AML screening/politically exposed persons and sanctions.

From a technology perspective, Acuant has developed various features that were on GBG's roadmap, which should accelerate GBG's product development by two years. It also gives GBG

access to talent that is tough to find in the current market, for example in data science and mobile technology. Acuant has developed an **orchestration layer** that provides a single customer interface to all solutions. This means individual products do not need to be integrated on a single platform and customers can still access them all quickly and easily. Customers can define consumer journeys themselves, bringing together the solutions they require for each use case. Acuant has also developed a SaaS-based version of GBG's on-premise fraud products. This opens up the addressable market for fraud products to customers looking for cloud-based deployment. AcuantGO has been developed as a no-code identity verification solution, making adoption easier for customers. Acuant's 6,000-strong document library is substantially larger than that held by IDScan and should help accelerate growth of IDScan's business.

### Exhibit 1: Market positioning



Source: GB Group

### Increases US presence and enhances platform for global expansion

With 84% of revenue generated in the US, Acuant will deliver additional scale in the US, which already made up 36% of revenue in FY21 due to the IDology acquisition in FY19. On a pro-forma basis, the company expects the US to contribute 43% of revenue.

Acuant and IDology already partner in the US and the company expects to bring the two businesses together. IDology is strong in data-driven identity verification whereas Acuant is stronger in document verification and fraud prevention. This gives GBG the ability to provide a more integrated service to US customers. Overall, combining GBG's product portfolio with Acuant's will give the group a more complete product range for expansion in Europe and APAC.

Acuant has a well-developed channel strategy that GBG can take advantage of. Acuant will also be able to take advantage of GBG's global datasets.

### Accelerates growth

There is the immediate opportunity in the US to cross-sell between GBG and Acuant customers. GBG's sales team could also sell Acuant products in EMEA and APAC. With Acuant expected to be able to drive revenue growth of 25% per year, the combined group should see accelerated revenue growth. As highlighted above, the technology already developed by Acuant should allow GBG to focus on product enhancements as opposed to improving user interfaces or deployment methods, which in turn should help it to accelerate revenue growth.

### Terms of the deal

GBG is buying Acuant for a cash-free, debt-free enterprise value of \$736m/£547m. This will be funded as follows:

- Institutional placing \$404m/£300m: 41.4m shares at 725p per share were placed with institutional shareholders using a cash box process.
- Retail placing \$7m/£5m: 690k shares at 725p per share were placed with retail investors.
- Equity issue \$117m/£87m: 12.0m GBG shares to be issued to the private equity owners of Acuant in exchange for 19% of their 83% stake (\$94m) and to key managers of Acuant in exchange for 28% of their 14% stake (\$23m) (called the rollover shares).
- New revolving credit facility (RCF) drawdown \$210m/£155m: the company has arranged a new £175m RCF and intends to draw down £155m to pay for the deal. The company expects the combined group to have a net debt/EBITDA ratio of 2x once the deal completes.

The placing shares are expected to be admitted to AIM on 23 November and the rollover shares on 29 November.

The table below shows how the share capital splits out before and after the placing and acquisition.

Exhibit 2: Shareholder composition		
	% shares outstanding	
	Before	After
Existing shareholders	100%	78.5%
Institutional placing		16.5%
Retail placing		0.3%
Acuant PE owners		3.8%
Acuant management		0.9%

Source: GB Group

## Financial performance of Acuant

In the tables below we show Acuant's revenue profile and its profitability in recent years. Acuant's year-end is 31 December and GBG has produced revenue data for the 12 months ended 30 September 2020 and 2021 to more closely match GBG's reporting schedule (GBG's H122 covers the six months to 30 September 2021). GBG has converted Acuant's financials into IFRS from US GAAP and only has these data up to July 2021.

Exhibit 3: Revenue by type								
\$m	CY18	CY19	CY20	Y/E Sep-20	Y/E Sep-21	Growth CY19	Growth CY20	Growth Y/E Sep-21
Subscription/transaction	17.4	24.2	32.4	29.5	41.4	39.1%	33.9%	40.3%
On-premise	20.4	20.3	17.2	18.1	16.6	-0.5%	-15.3%	-8.3%
Total revenue	37.8	44.5	49.6	47.6	58.1	17.7%	11.5%	22.1%

Source: GB Group

Exhibit 4: Financial performance			
\$m	CY19	CY20	Y/E Jul-21
Revenue	44.5	49.6	57.3
Adjusted EBITDA	5.7	10.9	11.8
Adjusted operating profit	5.8	10.8	11.4
EBITDA margin	12.8%	22.0%	20.6%
Operating margin	13.0%	21.8%	19.9%

Source: GB Group

Acuant revenue grew 18% in CY19, 12% in CY20 (we assume growth was depressed by the pandemic) and 22% in the 12 months to September 2021 (LTM). This masks the growth in subscription/transaction revenues of 39% in CY19, 34% in CY20 and 40% LTM. On-premise revenue includes one-off licence fees and service and hardware revenue. GBG expects Acuant to generate revenue growth of 25% in the medium term.

GBG notes Acuant has a negative working capital profile and typically 100% cash conversion. The most recently available data (12 months to July 21) show Acuant had an operating margin of

19.9%, which compares to GBG's operating margin of 26.6% in FY21 (inflated due to COVID-related cost savings) and forecast margin of 23.5% for FY22e.

## Changes to forecasts

GBG expects to generate synergies worth an incremental £5m to operating profit in FY23. It expects the deal to be neutral to EPS in FY23 after these synergies. The company expects targeted group revenue growth to increase from its previous 10-12% range to 12-14% and for the adjusted operating margin target to increase from the previous 22-23% range to 23-24%. We have updated our forecasts to include Acuant from the start of December (all included in the Identity division) and to reflect the placing. While gearing post the deal is expected to be 2x, we expect this to reduce rapidly over the forecast period.

**Exhibit 5: Changes to forecasts**

£m	FY22e				FY23e				FY24e			
	old	new	change	y-o-y	old	new	change	y-o-y	old	new	change	y-o-y
Revenues	218.6	233.6	6.8%	7.3%	238.1	295.1	23.9%	26.3%	261.6	332.0	26.9%	12.5%
Gross profit	157	168	6.8%	10.2%	171.4	212.4	23.9%	26.3%	188.3	239.1	26.9%	12.5%
Gross margin	72.0%	72.0%	0.0%	1.9%	72.0%	72.0%	0.0%	0.0%	72.0%	72.0%	0.0%	0.0%
EBITDA	55.1	58.8	6.7%	(4.2%)	57.8	74.7	29.3%	27.0%	64.3	83.6	30.0%	11.9%
EBITDA margin	25.2%	25.2%	(0.0%)	(3.0%)	24.3%	25.3%	1.1%	0.1%	24.6%	25.2%	0.6%	(0.1%)
EBITA	51.4	55.1	7.2%	(4.8%)	53.9	70.8	31.3%	28.5%	60.3	79.5	31.9%	12.3%
EBITA margin	23.5%	23.6%	0.1%	(3.0%)	22.6%	24.0%	1.4%	0.4%	23.0%	24.0%	0.9%	(0.0%)
PBT	50.8	53.5	5.2%	(5.6%)	53.3	67.6	26.8%	26.4%	59.7	76.9	28.8%	13.7%
EPS - normalised, diluted (p)	19.3	18.6	(3.5%)	(14.1%)	20.1	20.1	(0.0%)	7.9%	21.7	22.4	3.1%	11.5%
EPS - reported (p)	10.6	8.9	(16.5%)	(35.7%)	11.3	13.3	17.9%	50.2%	13.4	15.9	18.2%	19.4%
DPS (p)	3.5	3.5	0.0%	(45.3%)	3.6	3.6	0.0%	2.9%	3.7	3.7	0.0%	2.8%
Net debt/(cash)	(52.1)	109.3	N/A	N/A	(87.5)	61.8	N/A	(43.5%)	(125.3)	10.9	N/A	(82.4%)
Net debt/EBITDA (x)	N/A	1.9			N/A	0.8			N/A	0.1		

### Divisional forecasts

#### Revenue

Identity	116.5	131.5	12.9%	2.7%	128.2	185.2	44.5%	40.8%	141.4	211.8	49.8%	14.4%
Location	72.2	72.2	0.0%	21.0%	78.0	78.0	0.0%	8.0%	85.8	85.8	0.0%	10.0%
Fraud	29.9	29.9	0.0%	12.9%	31.9	31.9	0.0%	6.8%	34.5	34.5	0.0%	8.0%
Group	218.6	233.6	6.8%	7.3%	238.1	295.1	23.9%	26.3%	261.6	332.0	26.9%	12.5%

#### Adjusted operating profit

Identity	37.3	41.0	9.9%	-14.2%	38.8	55.2	42.2%	34.8%	43.1	62.4	44.7%	12.9%
Location	21.7	21.7	0.0%	11.2%	23.4	23.4	0.0%	8.0%	25.7	25.7	0.0%	10.0%
Fraud	6.3	6.3	0.0%	17.8%	7.2	7.2	0.0%	14.4%	7.9	7.9	0.0%	10.4%
Group	51.4	55.1	7.2%	-4.8%	53.9	70.8	31.3%	28.5%	60.3	79.5	31.9%	12.3%

#### Adjusted operating margin

Identity	32.0%	31.2%			30.3%	29.8%			30.5%	29.4%		
Location	30.0%	30.0%			30.0%	30.0%			30.0%	30.0%		
Fraud	21.0%	21.0%			22.5%	22.5%			23.0%	23.0%		
Group	23.5%	23.6%			22.6%	24.0%			23.0%	24.0%		

Source: Edison Investment Research

## Valuation

The price paid values Acuant on an EV/sales multiple of 12.7x LTM revenues and 63.7x LTM EBIT (applying y/e July 2021 margin to y/e September 2021 revenue). This compares to GBG trading on an EV/sales multiple of 7.6x LTM revenues (H221+H122e) and 28.8x LTM EBIT before the placing. With Acuant expected to grow at c 25% per year in the medium term, we also compare the multiples on an FY23e basis:

- Acuant: EV/Sales 9.6x, EV/EBIT 43.3x

- GBG (prior to placing): EV/sales 7.2x, EV/EBIT 32.0x.

On our revised forecasts and using the current share price for GBG of 750p, Exhibit 6 shows GBG's valuation versus IDM, IAM and CS peers. GBG is trading at a premium to its IDM peers on all metrics, but at a discount to the IAM and CS groups, which contain more companies in a faster growth phase and in many cases are not yet profitable.

We note there has been an active M&A market for identity technology companies over the last four years, with Relx's Lexis Nexis Risk Solutions business buying four business (TruNarrative, at c 26x CY20 revenue, Emailage, IDAnalytics, ThreatMetrix, 4x CY18 revenue), TransUnion buying Neustar (5x FY21e revenue) and Iovation, and Mastercard buying Ekata (mid-teens revenue multiple). Valuation multiples have ranged widely, depending on the level of maturity, growth and profitability of the target. We note that venture capital funded businesses in this space (Jumio, Onfido, Socure, Trulioo) have been receiving increasing levels of funding. Only last week, US-based Socure raised \$450m at a \$4.5bn valuation, having raised \$100m at a \$1.3bn valuation only eight months earlier. The company reported that ARR grew 126% y-o-y in Q221 and H121 bookings were 220% higher year-on-year. Precise financial data are hard to come by, but in an interview earlier this year, Socure's CEO stated the target was to hit annualised recurring revenue of \$100m this year, valuing the business at 45x CY21e ARR.

Our reverse DCF (6.5% WACC, 3% perpetuity growth after 10 years, explicit forecasts to FY24), implies the share price is discounting organic revenue growth of approximately 8% from FY25–FY31, assuming a stable EBIT margin (in line with management's policy). This growth rate is lower than the double-digit rate GBG has targeted for some time and considering that Acuant is expected to grow faster than the original GBG business, this appears low. Increasing the WACC by 1% to 7.5% would reduce the value to 563p per share. Increasing the revenue growth rate to 12% from FY25, the bottom of management's new 12-14% range, would increase the value to 950p per share.



## Exhibit 6: Peer financial and valuation metrics

	Quoted	Market	Rev growth (%)		EBITDA margin (%)		EBIT margin (%)		EV/Revs		EV/ EBITDA		EV/ EBIT		P/E	
	ccy	cap (m)	CY	NY	CY	NY	CY	NY	CY	NY	CY	NY	CY	NY	CY	NY
<b>GB Group</b>	EUR	1883	7.3	26.3	25.2	25.3	23.6	24.0	8.6	6.8	34.0	26.8	36.3	28.2	40.2	37.3
<u>Identity management software</u>																
Equifax Inc	USD	35282	19.2	8.3	34.0	36.2	24.4	27.4	7.9	7.3	23.2	20.1	32.2	26.5	38.0	32.9
Experian	GBP	31782	14.7	9.0	35.0	35.5	25.6	26.2	7.7	7.0	21.9	19.8	30.0	26.9	38.1	33.7
Fair Isaac Corp	USD	9651	5.3	9.8	44.1	45.5	39.4	40.7	7.8	7.1	17.6	15.5	19.7	17.4	24.7	21.7
Mitek Systems Inc	USD	789	15.4	14.0	29.9	32.1	28.5	28.0	5.3	4.6	17.7	14.4	18.5	16.6	20.1	16.7
Relx PLC	GBP	45243	3.0	8.7	36.6	37.5	30.6	31.7	7.1	6.5	19.3	17.3	23.1	20.5	26.8	23.7
TransUnion	USD	22777	13.8	9.5	40.3	40.4	31.5	31.5	8.3	7.5	20.5	18.7	26.2	23.9	31.4	28.3
<b>Average</b>			<b>11.9</b>	<b>9.9</b>	<b>36.6</b>	<b>37.9</b>	<b>30.0</b>	<b>30.9</b>	<b>7.3</b>	<b>6.7</b>	<b>20.0</b>	<b>17.7</b>	<b>25.0</b>	<b>22.0</b>	<b>29.9</b>	<b>26.2</b>
<b>Median</b>			<b>14.2</b>	<b>9.3</b>	<b>35.8</b>	<b>36.8</b>	<b>29.5</b>	<b>29.7</b>	<b>7.7</b>	<b>7.1</b>	<b>19.9</b>	<b>18.0</b>	<b>24.6</b>	<b>22.2</b>	<b>29.1</b>	<b>26.0</b>
<u>Identity access management software</u>																
Cyberark Software	USD	7810	6.8	13.3	5.9	0.8	3.3	-1.1	14.8	13.1	251.9	1658.3	454.8	N/A	964.1	N/A
Okta	USD	40891	49.4	37.8	-6.2	-0.1	-9.1	-4.9	32.2	23.4	N/A	N/A	N/A	N/A	N/A	N/A
OneSpan	USD	739	-2.3	4.9	-3.3	-0.9	-6.7	-1.4	3.0	2.9	N/A	N/A	N/A	N/A	N/A	N/A
Ping Identity Holding Corp	USD	2270	21.2	12.0	10.1	11.1	8.9	9.2	7.9	7.1	78.5	63.9	88.8	76.8	112.9	81.7
SailPoint Technologies Holdings	USD	5367	14.2	16.7	0.5	0.3	-1.6	-1.7	12.8	11.0	2343.0	3833.3	N/A	N/A	N/A	N/A
Securix Security Networks	EUR	2883	19.8	5.6	20.4	19.4	17.9	16.9	8.3	7.9	40.8	40.7	46.6	46.7	69.2	69.4
Wallix Group	EUR	188	32.0	35.8	-18.9	0.0	-9.8	6.7	6.4	4.7	N/A	N/A	N/A	70.4	N/A	164.1
<b>Average</b>			<b>20.2</b>	<b>18.0</b>	<b>1.2</b>	<b>4.4</b>	<b>0.4</b>	<b>3.4</b>	<b>12.2</b>	<b>10.0</b>	<b>678.6</b>	<b>1119.2</b>	<b>196.7</b>	<b>64.7</b>	<b>382.0</b>	<b>105.1</b>
<b>Median</b>			<b>19.8</b>	<b>13.3</b>	<b>0.5</b>	<b>0.3</b>	<b>-1.6</b>	<b>-1.1</b>	<b>8.3</b>	<b>7.9</b>	<b>165.2</b>	<b>63.9</b>	<b>88.8</b>	<b>70.4</b>	<b>112.9</b>	<b>81.7</b>
<u>Cybersecurity software</u>																
Check Point Software	USD	15321	4.3	3.6	49.2	48.6	48.3	47.7	6.3	6.1	12.8	12.5	13.1	12.8	16.6	15.7
CrowdStrike Holdings	USD	60407	60.8	38.5	14.3	15.7	10.5	12.1	42.2	30.5	294.8	194.7	402.9	252.0	566.6	337.8
Darktrace	GBP	3663	37.9	31.7	3.4	5.5	-6.3	-3.1	11.9	9.1	351.5	164.3	N/A	N/A	N/A	N/A
F5	USD	14589	8.3	7.8	36.8	35.4	32.5	33.2	5.0	4.6	13.5	13.0	15.3	13.9	20.4	18.1
Fortinet	USD	56164	28.7	18.6	28.3	28.1	25.8	26.0	16.2	13.7	57.2	48.6	62.8	52.5	87.9	74.4
Mandiant	USD	4159	-48.1	17.3	-10.9	-5.4	-23.2	-14.2	8.9	7.6	N/A	N/A	N/A	N/A	N/A	N/A
Palo Alto Networks	USD	50969	26.1	21.2	21.9	21.9	18.8	19.5	9.6	7.9	43.6	36.0	50.9	40.4	71.9	58.3
Qualys	USD	5331	12.9	13.3	46.3	42.7	39.0	36.2	12.2	10.7	26.3	25.2	31.2	29.7	43.2	41.3
Rapid7	USD	7457	28.6	23.1	4.5	7.2	1.4	3.2	15.1	12.3	333.0	171.4	1113.3	387.1	N/A	984.6
SecureWorks	USD	1746	-4.3	2.8	0.2	0.4	-1.5	-1.8	2.9	2.8	1760.1	627.7	N/A	N/A	N/A	N/A
<b>Average</b>			<b>15.5</b>	<b>17.8</b>	<b>19.4</b>	<b>20.0</b>	<b>14.5</b>	<b>15.9</b>	<b>13.0</b>	<b>10.5</b>	<b>321.4</b>	<b>143.7</b>	<b>241.4</b>	<b>112.6</b>	<b>134.4</b>	<b>218.6</b>
<b>Median</b>			<b>19.5</b>	<b>17.9</b>	<b>18.1</b>	<b>18.8</b>	<b>14.6</b>	<b>15.8</b>	<b>10.8</b>	<b>8.5</b>	<b>57.2</b>	<b>48.6</b>	<b>51.0</b>	<b>40.4</b>	<b>57.6</b>	<b>58.3</b>

Source: Edison Investment Research, Refinitiv. Note: Priced at 19 November.

**Exhibit 7: Financial summary**

	£'000s	2017	2018	2019	2020	2021	2022e	2023e	2024e
March		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>									
Revenue		87,468	119,702	143,504	199,101	217,659	233,592	295,061	332,027
Cost of Sales		(20,302)	(27,092)	(36,060)	(54,914)	(65,096)	(65,406)	(82,617)	(92,968)
Gross Profit		67,166	92,610	107,444	144,187	152,563	168,186	212,444	239,060
EBITDA		18,734	28,741	34,080	51,739	61,410	58,806	74,698	83,598
Operating Profit (before amort. and except.)		17,006	26,311	32,031	47,945	57,896	55,122	70,808	79,525
Acquired intangible amortisation		(4,022)	(7,885)	(10,316)	(19,008)	(17,671)	(18,500)	(18,500)	(18,500)
Exceptionals		(1,410)	(2,143)	(4,003)	(1,552)	448	(5,000)	0	0
Share of associate		0	0	0	0	0	0	0	0
Share based payments		(994)	(2,375)	(2,287)	(4,541)	(5,170)	(5,687)	(6,256)	(6,881)
Operating Profit		10,580	13,908	15,425	22,844	35,503	25,935	46,052	54,144
Net Interest		(498)	(508)	(689)	(2,218)	(1,240)	(1,648)	(3,205)	(2,666)
Profit Before Tax (norm)		16,508	25,803	31,342	45,727	56,656	53,474	67,603	76,859
Profit Before Tax (FRS 3)		10,082	13,400	14,736	20,626	34,263	24,287	42,847	51,478
Tax		668	(2,746)	(2,583)	(3,562)	(7,385)	(5,235)	(9,235)	(11,096)
Profit After Tax (norm)		13,206	20,642	24,760	35,210	43,059	40,640	51,378	57,645
Profit After Tax (FRS 3)		10,750	10,654	12,153	17,064	26,878	19,052	33,612	40,383
Ave. Number of Shares Outstanding (m)		131.6	150.6	158.1	193.6	195.2	215.1	252.6	254.1
EPS - normalised (p)		10.0	13.7	15.7	18.2	22.1	18.9	20.3	22.7
EPS - normalised and fully diluted (p)		9.9	13.5	15.4	17.9	21.7	18.6	20.1	22.4
EPS - (IFRS) (p)		8.2	7.1	7.7	8.8	13.8	8.9	13.3	15.9
Dividend per share (p)		2.4	2.7	3.0	0.0	6.4	3.5	3.6	3.7
Gross Margin (%)		76.8	77.4	74.9	72.4	70.1	72.0	72.0	72.0
EBITDA Margin (%)		21.4	24.0	23.7	26.0	28.2	25.2	25.3	25.2
Operating Margin (before GW and except.) (%)		19.4	22.0	22.3	24.1	26.6	23.6	24.0	24.0
<b>BALANCE SHEET</b>									
Fixed Assets		105,653	170,284	438,683	430,219	394,564	924,994	908,486	892,071
Intangible Assets		98,753	161,372	425,646	414,505	377,663	906,163	887,713	869,313
Tangible Assets		2,856	4,700	4,815	9,420	6,937	8,867	10,809	12,794
Other fixed assets		4,044	4,212	8,222	6,294	9,964	9,964	9,964	9,964
Current Assets		48,914	61,121	76,522	95,984	85,653	136,960	171,686	203,000
Debtors		30,569	37,969	54,992	66,554	58,617	65,406	82,617	92,968
Cash		17,618	22,753	21,189	27,499	21,135	65,653	83,168	104,131
Other		727	399	341	1,931	5,901	5,901	5,901	5,901
Current Liabilities		(44,444)	(56,942)	(77,030)	(86,459)	(90,000)	(99,271)	(123,427)	(138,302)
Creditors		(36,436)	(56,100)	(70,302)	(80,280)	(86,338)	(95,609)	(119,765)	(134,640)
Contingent consideration		(7,122)	(45)	(5,287)	(6,179)	(3,662)	(3,662)	(3,662)	(3,662)
Short term borrowings		(886)	(797)	(1,441)	0	0	0	0	0
Long Term Liabilities		(15,940)	(16,711)	(116,707)	(94,810)	(25,961)	(193,362)	(156,373)	(118,253)
Long term borrowings		(11,499)	(8,451)	(85,447)	(62,139)	0	(175,000)	(145,000)	(115,000)
Contingent consideration		0	0	0	0	0	0	0	0
Other long term liabilities		(4,441)	(8,260)	(31,260)	(32,671)	(25,961)	(18,362)	(11,373)	(3,253)
Net Assets		94,183	157,752	321,468	344,934	364,256	769,321	800,373	838,515
<b>CASH FLOW</b>									
Operating Cash Flow		16,305	31,620	27,779	48,498	72,631	56,289	81,643	88,123
Net Interest		(498)	(545)	(689)	(1,768)	(1,211)	(1,648)	(3,205)	(2,666)
Tax		(2,193)	(3,247)	(2,930)	(6,386)	(14,205)	(12,834)	(16,225)	(19,215)
Capex		(2,227)	(2,018)	(1,625)	(1,339)	(738)	(3,250)	(3,400)	(3,550)
Acquisitions/disposals		(36,840)	(70,363)	(255,101)	(81)	2,545	(460,000)	0	0
Financing		24,755	56,668	157,339	(1,553)	3,476	297,635	(2,483)	(2,607)
Dividends		(2,775)	(3,582)	(4,049)	(5,761)	(5,883)	(6,674)	(8,816)	(9,122)
Net Cash Flow		(3,473)	8,533	(79,276)	31,610	56,615	(130,482)	47,515	50,963
Opening net debt/(cash)		(8,673)	(5,233)	(13,505)	65,699	34,640	(21,135)	109,347	61,832
HP finance leases initiated		0	0	0	0	0	0	0	0
Other		33	(261)	72	(551)	(840)	0	0	0
Closing net debt/(cash)		(5,233)	(13,505)	65,699	34,640	(21,135)	109,347	61,832	10,869

Source: GB Group, Edison Investment Research

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Frankfurt +49 (0)69 78 8076 960  
Schumannstrasse 34b  
60325 Frankfurt  
Germany

London +44 (0)20 3077 5700  
280 High Holborn  
London, WC1V 7EE  
United Kingdom

New York +1 646 653 7026  
1185 Avenue of the Americas  
3rd Floor, New York, NY 10036  
United States of America

Sydney +61 (0)2 8249 8342  
Level 4, Office 1205  
95 Pitt Street, Sydney  
NSW 2000, Australia