

21 February 2023

GB GROUP PLC
("GBG", "Group" or the "Company")
Trading update

GBG, (AIM: GBG) the experts in digital location, identity verification and fraud software, today provides the following trading update.

At our interim results in late November 2022, we reported on the trends that had been impacting our end markets for identity services, most notably the challenging conditions for cryptocurrency and our internet economy customers. These challenging conditions have continued into the second half of the year and given the relative concentration of these customers in our North America business this is the region where we are seeing the most pronounced impact. We have also seen some incremental lengthening of sales cycles, also in North America, as a result of the macro-economic uncertainty and this has delayed some expected customer contracts.

As a result, the Board now expects GBG to report revenue for the year ending 31 March 2023 of approximately £279 million (FY22: pro forma revenue of £273.8 million). Excluding £4.2 million revenue from US stimulus customers in the comparative period, the full effect (c. £15 million) of the year-on-year decline in revenues from cryptocurrency customers and the FY23 impact of the deferred revenue haircut (£1.2 million), this would equate to organic pro forma constant currency growth of approximately 4% for the financial year, almost evenly split between the first half and second half of the year.

Adjusted operating profit is anticipated to be approximately £60 million, representing a margin of 21.5%. Gains on foreign exchange included within adjusted operating profit are expected to be approximately £3 million.

As we approach our new financial year and as we move through these headwinds, the Board's current expectation is that organic constant currency revenue growth is likely to improve gradually through the period from current levels towards high single-digits in the latter part of the year. Strong control of cost is anticipated to sustain FY24 adjusted operating profit margins at around current levels, without compromising ongoing investment in the business which will support achieving our medium-term guidance for growth and profitability.

Chris Clark, CEO, commented:

"The difficult macroeconomic environment has been well publicised and it is disappointing to have seen the impact on certain parts of our business. However, GBG continues to achieve growth and maintain strong operating margins and cash generation. GBG's services remain crucial for customers to operate safely and efficiently in an ever more digital world and the Board remains confident in the long-term opportunities."

GBG will publish a full year pre-close trading statement in April 2023.

This announcement contains Inside Information as defined in Article 7 of the Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of GB Group plc is Annabelle Burton, Company Secretary.

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About GBG

We are the experts in digital location, identity and managing fraud risk and compliance. Helping organisations across the globe eliminate customer friction and fraud from their digital experiences. GBG develop and deliver digital identity, address verification, fraud prevention and compliance software to businesses globally.

Through the combination of the latest technology, the most accurate data and our unrivalled expertise, GBG helps organisations ranging from start-ups to the largest consumer and technology brands in the world deliver seamless experiences, so their customers can transact online with greater confidence.

To find out more about how we help our customers establish trust with their customers visit www.gbgplc.com and follow us on LinkedIn and Twitter @gbgplc.

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