



13 January 2025

Eagle Eye Solutions Group PLC
("Eagle Eye" or the "Company")

H1 FY25 Trading Update & Notice of Results
Landmark OEM agreement and accelerated SaaS transition

Eagle Eye, a leading SaaS and AI technology company that creates digital connections enabling personalised, real-time marketing at scale, provides an update on the Group's trading for the six months ended 31 December 2024 (the "Period" or "H1 FY25").

H1 Financial Summary

	H1 FY25	H1 FY24	% change
Group Revenue	£24.2m	£24.1m	+0.4
SaaS Revenue	£19.5m	£17.7m	+10.4
Professional Services Revenue	£4.4m	£5.2m	-16.4
SMS Revenue	£0.3m	£1.2m	-77.5
Recurring revenue (subscription fees and transactions)	82%	78%	+4ppt
Adjusted EBITDA*	c. £5.9m	£5.9m	-
Adjusted EBITDA* margin	c. 24%	24%	-
Net cash at 31 December**	£11.8m	£7.8m	+51%

Highlights

- Major new partnerships agreed, including a five-year global original equipment manufacturer ("OEM") agreement with a global leader in enterprise software applications. The agreement will see elements of the AIR platform directly integrated into the vendor's offerings, providing confidence in revenue acceleration in future years and a strong endorsement of the world-class quality of Eagle Eye's software.
- Other new partnerships and teaming agreements agreed with EPAM, Infosys, Zonal, Purple and Ecrebo.
- High renewal levels across the customer base, representing over £16m of Annual Recurring Revenue (ARR) and £43m in total contract value provide a strong foundation of recurring revenue, on multi-year contracts.
- New wins secured in the Period include a leading UK retailer, Waterstones Booksellers, Côte, Transa Backpacking in Switzerland and RONA in Canada.
- Good SaaS revenue performance driven by growth with existing customers. The Group expects to report double digit growth in ARR as at 31 December 2024.
- Significant reduction in Professional Services in H1, which will continue in H2, as Eagle Eye accelerates its strategy to develop into a high margin, fully scalable, SaaS business.
- Continued cost control has delivered a healthy H1 EBITDA margin and strong cash performance.

Outlook

- The Board continues to expect double digit SaaS revenue growth, however FY25 & FY26 Revenue is now expected to be c. 15% and 18% below current market expectations, respectively***, primarily due to the significant reduction in Professional Services revenue alongside lengthening sales cycles due to the macroeconomic climate. However, forecast EBITDA margins are expected to improve to approx. 24% & 25% respectively, due to an increasing proportion of SaaS revenue, mitigating the impact on profitability.
- The newly agreed global partnership is a game changing opportunity for Eagle Eye. It provides confidence in substantial revenue growth acceleration from FY27 and we are, therefore, solidifying our confidence in our 3-5 year journey to £100m revenue and increasing our target EBITDA margin to 30%.
- The business continues to grow ARR, profitability and cash reserves, has a blue-chip customer base on multi-year contracts, and increasing market reach through major global partners. As such, the long-term outlook is increasingly positive, and the Board is confident in Eagle Eye's ability to achieve its ambitions.

Tim Mason, Chief Executive of Eagle Eye, said:

"We are delighted to announce this morning a landmark agreement with one of the world's leading enterprise software vendors, providing Eagle Eye with a platform for growth at a rate far greater than that which could be achieved alone. The

venuers, providing Eagle Eye with a platform for growth at a rate far greater than that which could be achieved alone. The speed with which we have achieved this first major partnership, just months after stating our medium-term goal is to achieve 50% of new ARR through partners, underlines the world-leading power of our software.

"Accelerating our Win rate remains a key focus and the new partnerships will assist in this, alongside the appointment of a US-based Chief Revenue Officer. Our growing SaaS revenue and margin profile provides us with the means to increase investment into our sales team, while maintaining our strict financial discipline, to better enable the conversion of our considerable sales pipeline. We are more confident than ever that we have the right building blocks: industry leading software; a growing blue chip customer base; and now major global partners, to build Eagle Eye into a world-leading SaaS business."

H1 Financial and Operational performance

Group revenue was steady at £24.2m (H1 FY24: £24.1m) incorporating double digit growth in EagleAI and overall SaaS revenue, alongside the ongoing decrease in Professional Services and SMS revenue, as the business continues its evolution into a fully scalable, SaaS business.

SaaS revenue increased 10% to £19.5m (H1 FY24: £17.7m), as the Group continued to successfully expand its use with existing customers. ARR is expected to show double digit growth, reflecting major multi-year contract renewals with Loblaws, Neptune Retail Solutions and E.Leclerc.

In total, renewals have been signed in the Period representing over £16m of ARR and £43m in total contract value.

The Group also deepened its engagement with Pret a Manger, JD Sports, E.Leclerc and Morrisons. While the Win rate was lower than anticipated, as a result of the timing of new customer conversions, Eagle Eye secured wins in the Period with a leading retailer in the UK, Waterstones Booksellers Limited, Côte, RONA in Canada and Transa Backpacking in Switzerland.

Adjusted EBITDA* remained flat at approximately £5.9m (H1 FY24: £5.9m), representing an EBITDA margin of 24% (H1 FY24: 24%).

The Group had a strong cash performance in the Period, generating a cash inflow of £1.4m (H1 FY24: £1.5m outflow), resulting in a net cash position of £11.8m at 31 December 2024 (30 June 2024: £10.4m). The new, and increased, three-year £10m revolving credit facility with HSBC Innovation Bank agreed in the Period provides the business with security and flexibility over its financing options across the medium term as the Company executes on its growth strategy.

Strategic initiatives to accelerate Win and SaaS transformation

Eagle Eye continues to progress its four areas of focus to enable the business to more successfully convert its strong sales pipeline, while accelerating its SaaS transformation. These are: an increased focus within the sales organisation on 'Win'; an increased focus on Alliances to expand the Group's reach; the productisation of its technology; and ongoing innovation, particularly within EagleAI.

To accelerate these initiatives, the Group will now invest further into its sales team, including the appointment of an experienced CRO based in the US, bringing greater enterprise SaaS sales experience. This will be funded via the implementation of cost reduction initiatives and increasing SaaS-based EBITDA margins.

The business has made excellent progress in achieving new partnerships in both of the areas identified:

- New Systems Integrator partnerships, providing increased scalability through a decreased reliance on Professional Services, and a new channel to generate sales opportunities:
 - A partnership with EPAM, a leading global provider of digital engineering, cloud and AI-enabled transformation services, and a leading business and experience consulting partner
 - A Global Teaming agreement with Infosys, a global IT services and consulting company, and
- New technology partnerships, adding value to our existing customer base, facilitating smoother sales processes and additional referrals:
 - Zonal, Purple and a global partnership with Ecrebo, a global technology company delivering targeted point of sale marketing

Alongside these, we are delighted to have separately announced today a major five-year global OEM agreement with a global leader in enterprise software applications, which will see elements of the AIR platform directly integrated into the provider's offerings, to be sold by their sales force. This is the first OEM agreement secured by Eagle Eye and represents a significant global expansion opportunity for the Group, providing entry into new sectors and geographies. Once the product is live, the agreement is expected to provide a significant contribution to Group ARR. We continue to increase the productisation of our technology to support these partnerships and this will now accelerate in conjunction with the partner.

As well as these initiatives, the Board has commenced a cost review to identify immediate areas of optimisation and assess the overall cost base to support the ongoing move to a SaaS focused business. This is expected to facilitate investment into the sales engine of the business, while providing for an increased EBITDA margin opportunity over time.

Notice of results

The Group expects to announce its results for the six months ended 31 December 2024 on 18 March 2025.

Notes:

All financials are based on unaudited figures

**EBITDA has been adjusted for the exclusion of share-based payment charges along with depreciation, amortisation, interest and tax from the measure of profit.*

*** Net cash is defined as cash and cash equivalents less financial liabilities.*

**** In so far as the Board is aware, as at 10 January 2025, consensus market expectations for FY25 and FY26 were for Revenue of £56.4m and £64.0m, and adjusted EBITDA of £12.7m and £15.0m, respectively.*

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The person responsible for arranging release of this announcement on behalf of Eagle Eye is Lucy Sharman-Munday, Chief Financial Officer.

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About Eagle Eye

Eagle Eye is a leading SaaS and AI technology company enabling retail, travel and hospitality brands to earn the loyalty of their end customers by powering their real-time, omnichannel and personalised consumer marketing activities, at scale.

Eagle Eye AIR is a cloud-based platform, which provides the most flexible and scalable loyalty and promotions capability in the world. More than 1 billion personalised offers are executed via the platform every week, and it currently hosts over 500 million loyalty member wallets for businesses all over the world. Eagle Eye is a certified member of the MACH Alliance and is trusted to deliver a secure service at hundreds of thousands of physical POS destinations worldwide, enabling the real-time issuance and redemption of promotional coupons, loyalty offers, gift cards, subscription benefits and more.

The Eagle Eye AIR platform is currently powering loyalty and customer engagement solutions for enterprise businesses all over the world, including Asda, Tesco, Morrisons, Waitrose and John Lewis & Partners, JD Sports, Pret a Manger, Loblaws, Southeastern Grocers, Giant Eagle, and the Woolworths Group. In January 2024, Eagle Eye launched EagleAI, a next-generation data science solution for personalisation, already being used by leading retailers worldwide including Carrefour, Auchan and Pattison Food Group. Web - www.eagleeye.com

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