

27 July 2020

GlobalData Plc
Unaudited Interim Report For The Six Months Ended 30 June 2020
“Sustained strong performance, with growth in earnings and cash flow”

Financial Highlights

- Subscription revenue grew by 7% (FY 2019: 10%), offset by some events revenue being postponed or cancelled, with overall Group revenue marginally down by 2% to £86.7m (30 June 2019: £88.5m)
- Increase in operating profit of 53% to £11.5m (30 June 2019: £7.5m). Operating profit margin increased to 13% (30 June 2019: 8%)
- Increase in Adjusted EBITDA² by 12% to £27.2m (30 June 2019: £24.2m), with progression in Adjusted EBITDA margin² to 31% (30 June 2019: 27%)
- Statutory profit before tax increased by 79% to £9.3m (30 June 2019: £5.2m). Adjusted profit before tax¹ increased to £21.2m (30 June 2019: £19.5m)
- Deferred revenue increased by 4% to £80.6m (30 June 2019: £77.2m)
- Cash flow from operations increased by 18% to £41.1m (30 June 2019: £34.7m), which represents 151% of Adjusted EBITDA (30 June 2019: 143%)
- Interim dividend increase of 8% to 5.4 pence per ordinary share (30 June 2019: 5.0 pence), in line with growth of Adjusted EBITDA (pre IFRS 16).

Operational Highlights

- Resilient and agile response to COVID-19 pandemic, with the Group benefitting from visible, recurring revenues and demonstrating the advantage of our central operating model and single product platform.
- Rapid deployment of industry specific COVID-19 data, analytics and insights helped our clients, and Communities, understand their markets and better navigate through these unprecedented times.
- Completed the re-financing of our debt facility, with £145.5m of committed facility and a further £75m uncommitted accordion facility. The new banking arrangements, together with cash reserves, give the Group liquidity in excess of £100m for further acquisitions.

Mike Danson, Chief Executive Officer of GlobalData Plc, commented:

“The first half results reflect sustained performance across our subscription based data and analytics business, driven by growing demand for our trusted intelligence products.

Although COVID-19 was an unprecedented challenge which posed abnormal trading conditions, our robust business model enabled continued revenue growth across our subscription business and earnings growth for the Group. Given the circumstances, the performance of the Group in the first half was strong, with growth in almost all financial metrics, and we are confident that with our strong financial position and robust operating model, we are well positioned to deliver sustainable growth beyond 2020.”

¹ Adjusted profit before tax is statutory profit before tax adjusted for costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements, impact of foreign exchange contracts and amortisation of acquired intangibles. Details of adjusted items disclosed in note 6.

² Adjusted EBITDA is EBITDA adjusted for costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements and impact of foreign exchange contracts. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of revenue. Details of adjusted items disclosed in note 6.

ENQUIRIES

GlobalData Plc Bernard Cragg (Chairman), Mike Danson (Chief Executive Officer) and Graham Lilley (Chief Financial Officer)	0207 936 6400
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J.P Morgan Cazenove Bill Hutchings	0207 742 4000
Hudson Sandler Nick Lyon	0207 796 4133

During the first half, our colleagues at GlobalData have shown their commitment, talent and innovation, which has always characterised our brand, in transitioning seamlessly into, what could be, the 'new normal'. I would like to thank our colleagues globally, for their professionalism and dedication in such trying times.

In the past six months, the world has changed. We have seen a threefold increase in the usage of our Intelligence Centers, driven in part by our proactive response to COVID-19 and the uncertainty it has placed into global markets. We are confident that the accelerated growth in demand for our products and services will continue and the unique platform we have built is well placed to seize the opportunity. The first half results reflect sustained performance across our business.

Key Topics and Achievements

Response to COVID-19 validated advantage of our strategy and operating model

- In many ways, our operating model and product strategy were validated by our response to COVID-19. As a result of our single product platform and centralised management of resources, we were able to rapidly deploy a significant amount of COVID-19 data, analytics, and insights across all of our market sectors.
- Our robust business model has maintained growth across our subscription business and delivered growth in earnings and cash flow. The ability to leverage the depth of our core data alongside new, alternative datasets has meant that we have been able to demonstrate the GlobalData advantage versus the competition.
- Operationally, whilst following all relevant government guidelines in the countries where we operate, the digital nature of our business has meant that we were able to transition smoothly to a 'work from home' model in relatively short order. We have successfully kept the business fully operational, with no interruption of service and importantly, no colleagues placed on furlough.

Global trends reinforce attractiveness of the information services market

- The COVID-19 pandemic has been a challenging and uncertain period. It has meant companies across all markets have been increasing their usage of data to better understand their risks and opportunities.
- Organisations continue to increase their reliance, and spend, on information services as they see the greater value and benefits from adoption, and further embed and integrate them into their business processes and technologies. As a result of this, we continue to see increased usage of our Intelligence Centers, with a threefold rise over the past year.
- Alongside the growing demand for information services, the revenue visibility, operational gearing, and significant cash flow conversion of our subscription-based business model, underpin the long-term attractiveness and positive outlook of our market.

Successfully progressed and executed against our 'Growth Optimisation Plan'

- The Growth Optimisation Plan ("GOP") is designed to deliver a range of key initiatives across our strategic priorities. The GOP is ever more important given the macro-economic backdrop.
- With the objective of creating a scalable, high-performance environment, we are continuing to build out our GlobalData "Sales Best Practice Playbook", which will create and standardise the best-practice tools, processes, governance, and training to be provided to our global salesforce.

Increasing investment and innovation to further strengthen our position

- We look to increase investment in existing and new products, increase investment in sales and marketing, whilst our refinanced facilities give us the opportunity to increase investment in M&A.
- Technology is at the heart of our business and the GOP, with our focus on deploying software which transforms our ways of working and creates an agile, high-performance company. We have already made significant progress in implementing best in class technologies in sales and customer success, and will now turn our attention to other functional areas.
- We deferred the planned recruitment drive to expand our sales teams across the globe, partly to focus management on managing the business through COVID-19 and to reflect on our cost base but mainly because of the risk around on-boarding and training in a "work-from-home" environment. We are now proceeding with our recruitment plans in the second half.

Current Trading and Outlook

The Group's robust business model has meant that the Group has been able to maintain a good level of financial performance in the first half, despite the significant uncertainty around the economic impact of the pandemic across the globe.

The first half performance of the Group has seen a significant increase in content usage from our clients and strong renewal rates, which in part is due to our response to COVID-19. The large volume of timely and relevant COVID-19 content has truly helped our clients navigate through these difficult times and is a demonstration of the agility of our operating model. We remain confident in our ability to deliver growth and strengthen our position when the COVID-19 situation begins to subside and businesses begin to normalise.

The Group's significant cash reserves at 30 June 2020 of £22.0m (30 June 2019: £16.6m) and the new facilities agreed in the first half of £145.5m, give the Group over £100m of immediate cash liquidity.

Dividend

The Group's policy is to pay a dividend that reflects the growth and cash generation of the business. The Board is pleased to announce an interim dividend of 5.4 pence per share (30 June 2019: 5.0 pence). The interim dividend will be paid on 2 October 2020 to shareholders on the register at the close of business on 28 August 2020.

We are confident about the outlook and prospects of the Group for the second half and believe we have a good opportunity to accelerate into 2021.

Mike Danson

Chief Executive Officer

27 July 2020

Chief Financial Officer's Review

<i>£m</i>	Unaudited 6 months to June 2020	Unaudited 6 months to June 2019 <i>Restated</i>	Audited Year Ended 31 December 2019 <i>Restated</i>
Revenue	86.7	88.5	178.2
Operating profit	11.5	7.5	12.7
<i>Adjusting items</i>			
Depreciation	3.2	1.9	4.8
Amortisation of acquired intangible assets	6.9	8.2	16.3
Amortisation of software	0.6	0.5	0.9
Share based payments charge	1.5	4.5	10.9
Restructuring and deal costs	0.4	0.6	0.8
Costs of settlement of pension liabilities	-	-	2.2
Revaluation of short and long-term derivatives	1.7	(0.3)	(1.7)
Unrealised operating foreign exchange loss	1.0	0.7	1.4
M&A costs	0.4	0.6	1.5
Adjusted EBITDA	27.2	24.2	49.8
Adjusted EBITDA margin ¹	31%	27%	28%

Adjusted EBITDA	27.2	24.2	49.8
Depreciation	(3.2)	(1.9)	(4.8)
Amortisation of software	(0.6)	(0.5)	(0.9)
Finance costs	(2.2)	(2.3)	(4.7)
Adjusted Profit Before Tax	21.2	19.5	39.4
Tax	(3.5)	(3.0)	(3.2)
Adjusted Profit After Tax	17.7	16.5	36.2

Cash flow analysis

Cash flow generated from operations	41.1	34.7	53.7
Cash flow conversion % ²	151%	143%	108%

Earnings performance

Profit After Tax	5.8	2.2	4.8
Adjusted Profit After Tax	17.7	16.5	36.2
Basic Shares	117.8	116.7	116.5
Diluted Shares	126.1	123.5	125.7
Attributable to equity holders:			
Basic earnings per share (pence)	4.9	1.9	4.1
Diluted earnings per share (pence)	4.6	1.8	3.8
Adjusted basic earnings per share (pence)	15.0	14.1	31.1
Adjusted diluted earnings per share (pence)	14.0	13.4	28.8

The financial position and performance of the business are reflective of the core financial elements of our business model: visible and recurring revenues, high incremental margins, scalable opportunity and strong cash flows. The Directors believe that Adjusted EBITDA and Adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and we review the results of the Group using these measures internally. The restatement is in relation to the accounting treatment of the Pension buy-in and classification of other income as disclosed in note 1. Within note 2, we disclose the rationale for the adjusting items in detail.

¹ Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

² Cash flow conversion is defined as: Cash flow generated from operations divided by Adjusted EBITDA

Key Achievements

- **Revenue of £87m:** Subscription revenue grew by 7% (FY 2019: 10%). In total, excluding the events business, revenue grew by 5%, a reflection of the resilience of our subscription based operating model. The impact of some events being postponed or cancelled has resulted in a slight decline in absolute revenue, albeit, with some of this revenue expected to be generated in the second half.
- **Profit Before Tax:** The profit before tax for the period has increased by 79% to £9.3m (30 June 2019: £5.2m) driven by improved performance at both operating profit and Adjusted EBITDA levels.
- **Adjusted EBITDA Margin:** Despite the slight decline in revenues, we have further expanded margins from 27% to 31% reflecting a delay in investment spend and cost reductions as a direct result of COVID-19. Our profitability margins have improved at both operating profit and profit before tax.
- **New Banking Facilities:** The Group now has enhanced banking facilities, which along with cash reserves, give the Group over £100m to fund potential M&A targets.

Revenue

Revenues decreased by 2% to £86.7m (30 June 2019: £88.5m). The key driver of the reduced revenue was the impact of the limitations on travel and group gatherings; resulting in a reduction in events revenue of £6.7m.

Excluding, the impact on Event revenue, revenue grew by 5% (driven by subscription revenue which grew by 7%), driven in the main by deferred revenue growth from 2019. We have seen strong renewal rates during the first half and whilst closing new business orders was more difficult between March and May, we did see some upturn in June. Movements in currency had less than 1% impact overall.

Revenue from events, whilst an important platform for insight and interaction with our Communities, accounts for less than 10% of the Group's revenue.

Adjusted EBITDA

The Directors believe that Adjusted EBITDA provides additional useful information on the core operational performance of the Group to shareholders, and we review the results of the Group using these measures internally. Adjusted EBITDA increased by 12% to £27.2m (30 June 2019: £24.2m), which is reflective of largely maintaining the revenue base and benefitting from cost reductions as a direct result of COVID-19. The reductions were in discretionary spend, travel costs and £1.7m saved as result of postponed/ cancelled events.

Our Adjusted EBITDA margin was 31% (30 June 2019: 27%), as we continue to progress towards our stated margin ambition to exceed 35% over the five-year term.

Adjusted EBITDA benefited from the impact of IFRS 16, lease accounting, by £3.1m (30 June 2019: £1.9m). The impact of IFRS16 improved margins by 3 percentage points to 31% (30 June 2019: 2 percentage points to 27%).

Impact of COVID-19

The resilient nature of our recurring subscription revenue model has meant that revenues have largely been sheltered from the impact of the pandemic. However, our events performance has been affected by the limitations on travel and group gatherings, resulting in a reduction in events revenue of £6.7m, offset by savings made on event costs of £1.7m.

Further cost savings have been achieved in the first half due to the travel restrictions, resulting in a £1.2m reduction in costs.

The Directors have reviewed sensitivities and modelled different scenario outcomes as a result of COVID-19 on the impairment, going concern and long term viability assumptions of the Group. The current trading and outlook support the asset valuations of the Group and we remain confident in the short term liquidity and in the longer term viability of the business.

Impact of Currency

Despite the relative volatility of the currency markets, the impact on the numbers versus the previous year is quite limited. Overall, the movements in currency benefitted the Group revenue by £0.8m (less than 1%), driven largely by USD movements (£0.8m), offset by minor movements elsewhere.

From a cost perspective, it had an even more limited effect of less than £0.1m. There was a benefit from USD movements of £0.4m, offset by other currency movements (mainly Indian Rupee).

Profit Before Tax

The profit before tax for the period has increased by 79% to £9.3m (30 June 2019: £5.2m) driven by improved performance at both operating profit and Adjusted EBITDA levels.

Tax

Tax has been calculated using the forecast effective rate applicable to expected full year earnings. The effective rate of 25% (30 June 2019: 31%) is based on the standard UK tax rate of 19% plus a 4% adjustment for tax at overseas rates. The remaining difference broadly relates to tax adjustments for non-deductible items. The higher effective rate in 2019 was impacted by one off items, including the release of accrued withholding tax deemed irrecoverable.

Deferred revenue

Compared with the balance as at 30 June 19, deferred revenue has grown by 4%. The balance is impacted by events revenue which was invoiced but the event could not take place. Without the impact of these additional balances, deferred revenue is largely flat. However, when taking into account forward revenues un-invoiced at the period end, underlying growth is 3%.

Cash Generation

Due to the seasonality of subscription orders and the upfront invoicing model, cash generation in the first half was 151% of Adjusted EBITDA (30 June 2019: 143%). The cash performance was driven by strong bookings at the end of 2019, which have been collected in the first half plus a reduction in cash outgoings as a result of travel, events and discretionary spend.

Net Debt¹

Since the last reporting period, December 2019, net debt has reduced from £55.3m to £41.2m. The reduction has largely been due to the increase in cash flow from operations of £41.1m, a year on year increase of £6.4m (18%).

The cash flow from operations has been offset by dividend payments (£11.6m vs 2019: £8.8m), purchase of own shares (£6.0m vs £1.5m), taxes (£2.4m vs 2019: £5.5m), capital expenditure (£2.1m vs 2019: £0.5m), leasing costs (£3.1m vs £2.1m) and interest (£1.2m vs 2019: £1.6m).

New Facilities

We are pleased we have completed the refinancing of our debt in May, to expand our existing headroom. We now have a committed facility of £145.5m, of which £65.5m covered existing indebtedness. The deal also includes a further uncommitted accordion facility of £75m.

¹ We define net debt as borrowings and cash and cash equivalents

Independent review report to GlobalData Plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes 1 to 14. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules of the London Stock Exchange.

Deloitte LLP
Statutory Auditor
London, England
27 July 2020

Consolidated Income Statement

	Notes	6 months to 30 June 2020 <i>Unaudited</i>	6 months to 30 June 2019 <i>Unaudited Restated¹</i>	Year to 31 December 2019 <i>Audited Restated¹</i>
		£m	£m	£m
Continuing operations				
Revenue	4	86.7	88.5	178.2
Operating expenses	5	(75.8)	(81.6)	(166.8)
Other income		0.6	0.6	1.3
Operating profit		11.5	7.5	12.7
Net finance costs	7	(2.2)	(2.3)	(4.7)
Profit before tax		9.3	5.2	8.0
Income tax expense		(3.5)	(3.0)	(3.2)
Profit for the period		5.8	2.2	4.8
Attributable to:				
Equity holders of the parent		5.8	2.2	4.8
Earnings per share attributable to equity holders:				
Basic earnings per share (pence)	8	4.9	1.9	4.1
Diluted earnings per share (pence)	8	4.6	1.8	3.8

<i>Reconciliation to Adjusted EBITDA²:</i>				
Operating profit		11.5	7.5	12.7
Adjusting items	6	11.9	14.3	31.4
Amortisation of software		0.6	0.5	0.9
Depreciation		3.2	1.9	4.8
Adjusted EBITDA²		27.2	24.2	49.8

The accompanying notes form an integral part of this financial report.

¹Restatement

The comparative periods' results have been restated for the following:

- to include other income above operating profit, reflecting that the income is in relation to operations. Profit before tax and Adjusted EBITDA is unaffected for both comparative periods.
- the accounting treatment of the pension buy-in reflecting the re-measurement of the pension liabilities as a cost through the Income Statement of £2.2m, previously the net re-measurement of assets and liabilities was reported through the Statement of Comprehensive Income. The restatement has no impact on the Adjusted EBITDA of the prior period.

Full disclosure included within note 1.

² We define Adjusted EBITDA as EBITDA adjusted for costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements and impact of foreign exchange contracts. We present Adjusted EBITDA as additional information because it is used internally as a key indicator to assess financial performance. However, other companies may present Adjusted EBITDA differently. EBITDA and Adjusted EBITDA are not measures of financial performance under IFRS and should not be considered as an alternative to operating profit or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measure of performance derived in accordance with IFRS. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

Consolidated Statement of Comprehensive Income

	6 months to 30 June 2020 <i>Unaudited</i>	6 months to 30 June 2019 <i>Unaudited</i>	Year to 31 December 2019 <i>Audited Restated¹</i>
	£m	£m	£m
Profit for the period	5.8	2.2	4.8
Other comprehensive income			
<i>Items that will be classified subsequently to profit or loss:</i>			
Net exchange gains on translation of foreign entities	0.6	0.5	-
<i>Items that will not be classified subsequently to profit or loss:</i>			
Re-measurement of pension assets	-	-	0.9
Other comprehensive gain, net of tax	0.6	0.5	0.9
Total comprehensive gain for the period	6.4	2.7	5.7
Attributable to:			
Equity holders of the parent	6.4	2.7	5.7

The accompanying notes form an integral part of this financial report.

¹The comparative period has been restated in relation to the treatment of the pension buy-in, full disclosure included within note 1.

Consolidated Statement of Financial Position

	Notes	30 June 2020 <i>Unaudited</i> £m	30 June 2019 <i>Unaudited</i> £m	31 December 2019 <i>Audited</i> £m
Non-current assets				
Property, plant and equipment		46.4	38.1	47.4
Intangible assets	9	244.9	257.6	250.1
Trade and other receivables	14	0.9	1.9	1.9
Deferred tax assets		8.2	6.0	8.7
		300.4	303.6	308.1
Current assets				
Trade and other receivables		41.8	46.2	45.8
Short-term derivative assets	10	0.1	0.5	0.9
Cash and cash equivalents		22.0	16.6	11.2
		63.9	63.3	57.9
Total assets		364.3	366.9	366.0
Current liabilities				
Trade and other payables		(107.0)	(98.8)	(96.1)
Short-term borrowings	11	(5.0)	(6.0)	(6.0)
Short-term lease liabilities	11	(4.2)	(2.7)	(3.9)
Current tax payable		(4.2)	(2.8)	(1.9)
Short-term derivative liabilities	10	(1.0)	(0.9)	(0.1)
Short-term provisions		(0.2)	(0.2)	(0.1)
		(121.6)	(111.4)	(108.1)
Net current liabilities		(57.7)	(48.1)	(50.2)
Non-current liabilities				
Long-term provisions		(0.5)	(0.5)	(0.5)
Deferred tax liabilities		(4.4)	(6.1)	(4.8)
Long-term lease liabilities	11	(38.8)	(33.7)	(40.7)
Long-term borrowings	11	(58.2)	(67.9)	(60.5)
		(101.9)	(108.2)	(106.5)
Total liabilities		(223.5)	(219.6)	(214.6)
Net assets		140.8	147.3	151.4
Equity				
Share capital	12	0.2	0.2	0.2
Share premium account		9.0	0.7	0.7
Treasury reserve		(3.6)	(9.0)	(11.0)
Other reserve		(37.1)	(37.1)	(37.1)
Merger reserve		163.8	163.8	163.8
Foreign currency translation reserve		1.4	1.3	0.8
Retained profit		7.1	27.4	34.0
Equity attributable to equity holders of the parent		140.8	147.3	151.4

The accompanying notes form an integral part of this financial report.

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Other reserve	Foreign currency translation reserve	Merger reserve	Treasury reserve	Retained profit Restated ¹	Equity attributable to equity holders of the parent
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 December 2018	0.2	0.2	(37.1)	0.8	163.8	(19.2)	41.7	150.4
Profit for the period	-	-	-	-	-	-	2.2	2.2
<i>Other comprehensive income:</i>								
Net exchange gain on translation of foreign entities	-	-	-	0.5	-	-	-	0.5
Total comprehensive profit for the period	-	-	-	0.5	-	-	2.2	2.7
<i>Transactions with owners:</i>								
Share Buyback	-	-	-	-	-	(1.5)	-	(1.5)
Dividend	-	-	-	-	-	-	(8.8)	(8.8)
Vesting of share options	-	0.5	-	-	-	11.7	(12.2)	-
Share based payments charge	-	-	-	-	-	-	4.5	4.5
Deferred tax on share based payments	-	-	-	-	-	-	-	-
Balance at 30 June 2019	0.2	0.7	(37.1)	1.3	163.8	(9.0)	27.4	147.3
Profit for the period	-	-	-	-	-	-	2.6	2.6
<i>Other comprehensive income:</i>								
Re-measurement of pension assets	-	-	-	-	-	-	0.9	0.9
Net exchange loss on translation of foreign entities	-	-	-	(0.5)	-	-	-	(0.5)
Total comprehensive profit for the year	-	-	-	(0.5)	-	-	3.5	3.0
<i>Transactions with owners:</i>								
Share Buyback	-	-	-	-	-	(2.0)	-	(2.0)
Dividend	-	-	-	-	-	-	(5.8)	(5.8)
Share based payments charge	-	-	-	-	-	-	6.4	6.4
Deferred tax on share based payments	-	-	-	-	-	-	2.5	2.5
Balance at 31 December 2019	0.2	0.7	(37.1)	0.8	163.8	(11.0)	34.0	151.4
Profit for the period	-	-	-	-	-	-	5.8	5.8
<i>Other comprehensive income:</i>								
Net exchange gain on translation of foreign entities	-	-	-	0.6	-	-	-	0.6
Total comprehensive profit for the period	-	-	-	0.6	-	-	5.8	6.4
<i>Transactions with owners:</i>								
Share Buyback	-	-	-	-	-	(6.0)	-	(6.0)
Dividend	-	-	-	-	-	-	(11.6)	(11.6)
Vesting of share options	-	8.3	-	-	-	13.4	(21.7)	-
Share based payments charge	-	-	-	-	-	-	1.5	1.5
Deferred tax on share based payments	-	-	-	-	-	-	(0.9)	(0.9)
Balance at 30 June 2020	0.2	9.0	(37.1)	1.4	163.8	(3.6)	7.1	140.8

The accompanying notes form an integral part of this financial report.

¹The comparative period has been restated in relation to the treatment of the pension buy-in, full disclosure included within note 1.

Consolidated Statement of Cash Flows

Continuing operations	6 months to 30 June 2020	6 months to 30 June 2019	Year to 31 December 2019
	<i>Unaudited</i>	<i>Unaudited Restated¹</i>	<i>Audited Restated¹</i>
	£m	£m	£m
Cash flows from operating activities			
Profit for the period	5.8	2.2	4.8
Adjustments for:			
Depreciation	3.2	1.9	4.8
Amortisation	7.5	8.7	17.2
Finance costs	2.2	2.3	4.7
Taxation recognised in profit or loss	3.5	3.0	3.2
Share based payments charge	1.5	4.5	10.9
Re-measurement of pension assets	-	-	0.9
Decrease in trade and other receivables	6.5	6.4	6.6
Increase in trade and other payables	9.2	6.1	2.9
Revaluation of short and long-term derivatives	1.7	(0.3)	(1.7)
Movement in provisions	-	(0.1)	(0.6)
Cash generated from continuing operations	41.1	34.7	53.7
Interest paid (continuing operations)	(1.2)	(1.6)	(3.0)
Income taxes paid (continuing operations)	(2.4)	(5.5)	(7.8)
Total cash flows from operating activities	37.5	27.6	42.9
Cash flows from investing activities (continuing operations)			
Acquisitions	(1.0)	(8.2)	(8.2)
Purchase of property, plant and equipment	(1.6)	(0.3)	(1.6)
Purchase of intangible assets	(0.5)	(0.2)	(1.1)
Total cash flows used in investing activities	(3.1)	(8.7)	(10.9)
Cash flows from financing activities (continuing operations)			
Repayment of borrowings	(2.8)	(3.0)	(10.5)
Proceeds from borrowings	-	6.4	6.4
Loan refinancing fee	(0.7)	-	-
Acquisition of own shares	(6.0)	(1.5)	(3.5)
Principal elements of lease payments	(3.1)	(2.1)	(5.0)
Dividend paid	(11.6)	(8.8)	(14.6)
Total cash flows used in financing activities	(24.2)	(9.0)	(27.2)
Net increase in cash and cash equivalents	10.2	9.9	4.8
Cash and cash equivalents at beginning of period	11.2	6.3	6.3
Effects of currency translation on cash and cash equivalents	0.6	0.4	0.1
Cash and cash equivalents at end of period	22.0	16.6	11.2

The accompanying notes form an integral part of this financial report.

¹Restatement

The comparative periods' results have been restated for the following:

- to reduce operating profit by £2.2m for the year ended 31 December 2019 and increase the re-measurement of pension assets by the same amount reflecting a change to the accounting treatment of the pension buy-in (Adjusted EBITDA remains unaffected).
- to recognise principal elements of lease payments gross, not net of sub-lease income.

Full disclosure included within note 1.

Notes to the Interim Financial Statements

1. General information

Nature of operations

The principal activity of GlobalData Plc and its subsidiaries (together 'the Group') is to provide business information in the form of high quality proprietary data, analytics and insights to clients in multiple sectors.

GlobalData Plc ('the Company') is a company incorporated in the United Kingdom and listed on the Alternative Investment Market (AIM). The registered office of the Company is John Carpenter House, John Carpenter Street, London, EC4Y 0AN. The registered number of the Company is 03925319.

Basis of preparation

These interim financial statements are for the six months ended 30 June 2020. They have been prepared in accordance with IAS 34, *Interim Financial Reporting* as adopted in the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with GlobalData Plc's audited financial statements for the year ended 31 December 2019.

The financial information for the year ended 31 December 2019 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2019 have been filed with the Registrar of Companies and can be found on the Group's website www.globaldata.com. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

These interim financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments.

The interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the Company. These interim financial statements have been approved for issue by the Board of Directors.

Restatements

On 16 December 2019 the Group entered into an irrevocable agreement to sell the defined benefit pension scheme of World Market Intelligence Limited, a subsidiary of the Group, to Just Retirement Limited ("Just") through a two-step buy-out transaction under which all risks in relation to the scheme are transferred to Just. The first step of the transaction involved the acquisition of a qualifying insurance policy that will cover the future pension obligations of the scheme (the "buy-in" step), at cash cost to the Group of £1.3m subject to an adjusting payment on completion. The buy-out step, which will see the transfer of the scheme liabilities to the insurer, is expected to be completed during 2020. This transaction has been accounted for as a settlement. A charge of £2.2m has been recognised as a settlement cost, being the difference between the amount paid and the liability at the settlement date. The prior year income statement has been restated to reflect this loss of £2.2m in the income statement.

Previously, the loss of £2.2m was recognised in other comprehensive income offset by the reversal of an asset ceiling, recorded to limit the pension surplus able to be recognised under IFRSs, in the amount of £0.9m. As such, an overall entry of £1.3m was recognised in other comprehensive income in the prior year. The reversal of the asset ceiling of £0.9m through other comprehensive income is not impacted by the restatement as this may not offset any loss recorded in the income statement in respect of this transaction. This adjustment has increased operating expenses by £2.2m and reduced operating profit and profit before tax by the same amount. Basic earnings per share reduced from 6.0 pence to 4.1 pence and diluted earnings per share from 5.6 pence to 3.8 pence. The adjustment had no impact on the Group's net assets as at 31 December 2019 and no impact on the Group's Adjusted EBITDA.

The comparative periods' results have also been restated to reclassify other income from below operating profit to above operating profit. Other income is comprised of sub-lease rental income related to the operations of the business and, as such, has been reclassified above operating profit. The restatement has increased operating profit for the 6 months to 30 June 2019 by £0.6m and for the year ended 31 December 2019 by £1.3m. Profit before tax, net assets and earnings per share is unaffected for both comparative periods.

The cash flow statement for the prior periods has also been restated to recognise principal elements of lease payments gross of sub-lease rental income. Sub-lease rental income was incorrectly netted off against principal elements of lease payments and has been reclassified to total cash flows from operating activities. The restatement has increased the principal elements of lease payments by £0.6m for the 6 months to 30 June 2019 and £1.3m for the year ended 31 December 2019. Total cash flows from operating activities has increased by the same amounts.

Notes to the Interim Financial Statements (continued)

Critical accounting estimates and judgements

When preparing the Interim Financial Statements, the Group makes a number of estimates, judgements and assumptions regarding the future. Estimates, judgements and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2019. The only exceptions are the estimate of income tax liabilities, which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period and the carrying value of goodwill and other intangibles.

Carrying value of goodwill and other intangibles

The Group tests goodwill at each reporting date for impairment and, in accordance with IAS 36, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In light of the COVID-19 pandemic, Management have performed a full impairment review.

The assumptions used as part of the review which have been amended since the year end review are as follows:

	Increase in revenue (for years 3 to 5)		Discount rate	
	2020	2019	2020	2019
Consumer	6.50%	6.50%	10.12%	10.93%
Technology	2.78%	2.78%	10.19%	10.93%
Healthcare	8.29%	8.29%	10.12%	10.93%
Construction	3.08%	3.08%	10.19%	10.93%
Energy	5.00%	5.00%	10.12%	10.93%
Financial Services	4.29%	4.29%	10.15%	10.93%
MEED	2.98%	2.98%	8.69%	9.63%
Communities	2.38%	2.38%	11.27%	12.12%

In light of the COVID-19 pandemic, the forecasts for 2020 have been adjusted to fully reflect the expected impact on the Group's results. The growth rates detailed in the table above (which are either 5 year forecast CAGR as computed within the 5 year plan produced during late 2019 or 2019 revenue growth rates) have been used within the value in use projections for years 2022-2024. For 2021, the Group expects to see a partial recovery, therefore 50% of these growth rates have been used within the projections.

On a CGU level, there is sufficient headroom within all CGUs, with the lowest headroom noted being £12.1m within the Construction CGU. No impairment has therefore been recognised.

Management has undertaken sensitivity analysis taking into consideration the impact on key impairment test assumptions arising from a range of possible future trading and economic scenarios on each CGU. For the most sensitive CGUs, the following individual scenarios would need to occur before impairment is triggered within the Group:

	Revenue Growth Falls To	Discount Rate Rises To
Construction	(0.7%)	12.2%
Energy	2.0%	11.6%

Management acknowledge the sensitivity of the assumptions applied to the Construction and Energy CGUs however management are comfortable with these assumptions and will continue to monitor performance regularly for any indicators of future impairment loss.

Notes to the Interim Financial Statements (continued)

Going concern

The Group has closing cash of £22.0m as at 30 June 2020 and net debt of £41.2m (30 June 2019: net debt of £57.3m), being cash and cash equivalents less short and long-term borrowings, excluding lease liabilities. The Group has outstanding loans of £64.2m which are syndicated with The Royal Bank of Scotland, HSBC and Bank of Ireland. The Group has a further facility to draw upon of £80m RCF plus a further uncommitted accordion facility of £75m. The Group's current banking facilities are in place until April 2023.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of announcement of the interim financial statements. The Directors recognise that the COVID-19 pandemic does create risks and uncertainties (as discussed within the Operating and Financial Review), and in response to this have modelled a number of scenarios to consider the potential impact of COVID-19 on the Group's results, cash flow and loan covenant forecast. Key assumptions built into the scenarios focus on new business growth rates, event revenue and directly attributable cost savings. There remains headroom on the covenants under each scenario. In addition to performing scenario planning, the Directors have also conducted stress testing of the business' forecasts and, taking into account reasonable downside sensitivities (acknowledging that such risks and uncertainties exist), the Directors are satisfied that the business is expected to operate within its facilities.

Through our normal business practices we are in regular communication with our lenders and are satisfied they will be in a position to continue supporting us for the foreseeable future.

The Directors therefore consider the strong balance sheet, with good cash reserves and working capital along with group financing arrangements, provide ample liquidity. Accordingly, the Directors have prepared interim financial statements on a going concern basis.

2. Accounting policies

This interim report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 December 2019, and applied consistently. The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union.

Presentation of non-statutory alternative performance measures

The Directors believe that Adjusted EBITDA, Adjusted EBITDA margin, Adjusted profit before tax, Adjusted profit after tax and Adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and we review the results of the Group using these measures internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measures of profit.

Adjustments are made in respect of:

Share based payments	Share based payment expenses are excluded from Adjusted EBITDA as they are a non-cash charge, the awards are equity-settled and their effect on shareholders' returns is already reflected in diluted earnings per share measures.
Restructuring, M&A and deal costs	The Group considers these items of expense as exceptional and excludes them from Adjusted EBITDA where the nature of the item, or its size, is not related to the core underlying trading of the Group so as to assist the user of the financial statements to better understand the results of the core operations of the Group and allow comparability of underlying results.
Amortisation of acquired intangible assets	The amortisation charge for those intangible assets recognised on business combinations is excluded from Adjusted EBITDA since they are non-cash charges arising from investment activities. This is a common adjustment made by acquisitive information service businesses and therefore consistent with peers.
Revaluation of short and long-term derivatives	Gains and losses are recognised within Adjusted EBITDA when they are realised in cash terms and therefore we exclude non-cash movements which better aligns Adjusted EBITDA to the cash performance of the business
Unrealised operating foreign exchange gain/ loss	

Notes to the Interim Financial Statements (continued)

3. Taxation

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using rates substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred taxation is provided in full on temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is determined using the tax rates that have been enacted or substantially enacted by the reporting date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Tax is recognised in the income statement for interim reporting purposes based upon an estimate of the likely effective tax rate for the year.

4. Segment analysis

The principal activity of GlobalData Plc and its subsidiaries (together ‘the Group’) is to provide business information in the form of high quality proprietary data, analytics and insights to clients in multiple sectors.

IFRS 8 “Operating Segments” requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate the performance of the business and to decide how to allocate resources. The Group has identified the Chief Executive Officer as its chief operating decision maker.

The Group maintains a centralised operating model and single product platform, which is underpinned by a common taxonomy, shared development resource, and new data science technologies. The fundamental principle of the GlobalData business model is to provide our clients subscription access to our proprietary data, analytics, and insights platform, with the offering of ancillary services such as consulting, single copy reports and events. The vast majority of data sold by the Group is produced by a central research team which produces data for the Group as a whole. The team reports to one central individual, the Managing Director of the India operation who reports to the Group CEO. Data, analytics and insights is therefore considered to be the operating segment of the Group.

The Group profit or loss is reported to the Chief Executive Officer on a monthly basis and consists of earnings before interest, tax, depreciation, amortisation, central overheads and other adjusting items. The Chief Executive Officer also monitors revenue within the operating segment.

A reconciliation of Adjusted EBITDA to profit before tax from continuing operations is set out below:

	6 months to 30 June 2020 Unaudited	6 months to 30 June 2019 Unaudited	Year to 31 December 2019 Audited
	£m	£m	£m
Data, analytics, and insights	86.7	88.5	178.2
Total Revenue	86.7	88.5	178.2
Adjusted EBITDA	27.2	24.2	49.8
Adjusting items (see note 6)	(11.9)	(14.3)	(31.4)
Depreciation	(3.2)	(1.9)	(4.8)
Amortisation (excluding amortisation of acquired intangible assets)	(0.6)	(0.5)	(0.9)
Finance costs	(2.2)	(2.3)	(4.7)
Profit before tax	9.3	5.2	8.0

Notes to the Interim Financial Statements (continued)

The Group generates revenue from services provided over a period of time such as recurring subscription and other services which are deliverable at a point in time such as reports, events and custom research.

Subscription income for online services, data and analytics (typically 12 months) is normally received at the beginning of the services and is therefore recognised as a contract liability, “deferred revenue”, on the statement of financial position. Revenue is recognised evenly over the period of the contractual term as the performance obligations are satisfied evenly over the term of subscription.

The revenue on services delivered at a point in time is recognised when our contractual obligation is satisfied, such as delivery of a static report or delivery of an event. The obligation on these types of contracts is a discrete obligation, which once met satisfies the Group performance obligation under the terms of the contract.

Any invoiced contracted amounts which are still subject to performance obligations and where the payment has been received or is contractually due, is recognised within deferred revenue at the statement of financial position date. Typically, the Group receives settlement of cash at the start of each contract and standard terms are zero days. Similarly, if the Group satisfies a performance obligation before it receives the consideration or is contractually due the Group recognises a contract asset within accrued income in the statement of financial position.

	Revenue recognised in the Consolidated Income Statement			Deferred Revenue recognised within the Consolidated Statement of Financial Position		
	Period ended 30 June 2020	Period ended 30 June 2019	Year ended 31 December 2019	As at 30 June 2020	As at 30 June 2019	As at 31 December 2019
	£m	£m	£m	£m	£m	£m
Services transferred:						
Over a period of time ¹	72.3	67.5	138.9	68.2	67.0	57.5
Immediately on delivery	14.4	21.0	39.3	12.4	10.2	11.1
Total	86.7	88.5	178.2	80.6	77.2	68.6

¹ Subscriptions

As subscriptions are typically for periods of 12 months the majority of deferred revenue held at 31 December will be recognised in the income statement in the following year. As at 30 June 2020, £0.7m (30 June 2019: £2.9m) of the deferred revenue balance will be recognised beyond the next 12 months.

In instances where the Group enters into transactions involving a range of the Group’s services, for example a subscription and custom research, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Notes to the Interim Financial Statements (continued)

Geographical analysis

The below disaggregated revenue is derived from the geographical location of our customers rather than the team structure we are organised by.

From continuing operations

6 months to 30 June 2020	UK	Europe	Americas	Asia Pacific	MENA¹	Rest of World	Total
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	13.8	23.5	28.7	10.6	7.1	3.0	86.7
6 months to 30 June 2019	UK	Europe	Americas	Asia Pacific	MENA¹	Rest of World	Total
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	14.5	23.7	29.4	9.5	8.0	3.4	88.5
Year ended 31 December 2019	UK	Europe	Americas	Asia Pacific	MENA¹	Rest of World	Total
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	27.7	49.4	62.0	17.7	15.0	6.4	178.2

1. Middle East & North Africa

5. Operating profit

Operating profit is stated after the following expenses relating to continuing operations:

	6 months to 30 June 2020	6 months to 30 June 2019	Year to 31 December 2019
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited Restated</i>
	£m	£m	£m
Cost of sales	49.1	52.7	106.8
Administrative costs:			
- Losses on trade receivables	1.2	1.1	2.3
- Other administrative costs	25.5	27.8	57.7
Operating expenses	75.8	81.6	166.8

Notes to the Interim Financial Statements (continued)

6. Adjusting items

	6 months to 30 June 2020 <i>Unaudited</i>	6 months to 30 June 2019 <i>Unaudited</i>	Year to 31 December 2019 <i>Audited</i> <i>Restated</i>
	£m	£m	£m
Restructuring and deal costs	0.4	0.6	0.8
M&A costs	0.4	0.6	1.5
Costs of settlement of pension liabilities (note 1)	-	-	2.2
Share based payment charge	1.5	4.5	10.9
Revaluation of short and long-term derivatives	1.7	(0.3)	(1.7)
Unrealised operating foreign exchange loss	1.0	0.7	1.4
Amortisation of acquired intangibles	6.9	8.2	16.3
Total adjusting items	11.9	14.3	31.4

The adjustments made are as follows:

- The revaluation of short and long-term derivatives relates to movement in the fair value of the short and long-term derivatives detailed in note 10.
- The share based payments charge is in relation to the two share based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the income statement. The total amount to be expensed is determined by reference to the fair value of the options granted (fair value at the date of grant determined using the Black-Scholes model for scheme 1 and the Monte Carlo method for scheme 2), excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).
- Costs of settlement of pension liabilities reflects a charge of £2.2m in relation to the buy-in of the World Market Intelligence Limited defined benefit pension scheme. The scheme came into the Group as part of the acquisition of Research Views Limited and subsidiaries (World Market Intelligence Limited being a subsidiary of Research Views Limited) in 2018, the charge is therefore reflected as an adjusting item given it has arisen as part of M&A activity and relates to a corporate transaction to transfer the defined benefit obligations to a third party.
- Unrealised operating foreign exchange losses relate to non-cash exchange losses made on operating items.
- Restructuring relates to a £0.1m charge incurred in relation to the pension buy-in transaction and £0.1m of fees incurred in relation to the Employee Benefit Trust. Deal costs represent £0.2m and are in relation to the re-financing activity completed in May 2020
- The M&A costs relate to deferred consideration payments in respect to an acquisition made in 2018, CHM Research Limited.

7. Net finance costs

	6 months to 30 June 2020 <i>Unaudited</i>	6 months to 30 June 2019 <i>Unaudited</i>	Year to 31 December 2019 <i>Audited</i>
	£m	£m	£m
Loan interest cost	1.3	1.6	3.1
Lease interest cost	0.9	0.6	1.6
Other interest cost	0.1	0.1	0.1
Other interest income	(0.1)	-	(0.1)
	2.2	2.3	4.7

Notes to the Interim Financial Statements (continued)

8. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders of the parent company divided by the weighted average number of shares in issue during the period. The Group also has a share options scheme in place and therefore the Group has calculated the dilutive effect of these options.

	6 months to 30 June 2020 <i>Unaudited</i>	6 months to 30 June 2019 <i>Unaudited</i>	Year to 31 December 2019 <i>Audited Restated</i>
Earnings per share attributable to equity holders from continuing operations:			
Basic			
Profit for the period attributable to ordinary shareholders of the parent company (£m)	5.8	2.2	4.8
Weighted average number of shares (no' m)	117.8	116.7	116.5
Basic earnings per share (pence)	4.9	1.9	4.1
Diluted			
Profit for the period attributable to ordinary shareholders of the parent company (£m)	5.8	2.2	4.8
Weighted average number of shares (no' m)	126.1	123.5	125.7
Diluted earnings per share (pence)	4.6	1.8	3.8

Reconciliation of basic weighted average number of shares to the diluted weighted average number of shares:

	6 months to 30 June 2020 <i>Unaudited</i> No' m	6 months to 30 June 2019 <i>Unaudited</i> No' m	Year to 31 December 2019 <i>Audited</i> No' m
Basic weighted average number of shares, net of shares held in Treasury reserve	117.8	116.7	116.5
Share options in issue at end of period, net of shares not paid up	8.3	6.8	9.2
Diluted weighted average number of shares	126.1	123.5	125.7

Notes to the Interim Financial Statements (continued)

9. Intangible assets

	Software	Customer relationships	Brands	IP rights and Database	Goodwill	Total
	£m	£m	£m	£m	£m	£m
Cost						
As at 31 December 2019	10.7	43.6	16.0	48.9	227.3	346.5
Additions: Business combinations	-	0.4	-	1.3	-	1.7
Additions: Separately acquired	0.5	-	-	-	-	0.5
As at 30 June 2020	11.2	44.0	16.0	50.2	227.3	348.7
Amortisation						
As at 31 December 2019	(8.8)	(25.1)	(9.6)	(42.4)	(10.5)	(96.4)
Charge for the period	(0.6)	(1.9)	(0.5)	(4.5)	-	(7.5)
Foreign currency retranslation	-	-	-	0.1	-	0.1
As at 30 June 2020	(9.4)	(27.0)	(10.1)	(46.8)	(10.5)	(103.8)
Net book value						
As at 30 June 2020	1.8	17.0	5.9	3.4	216.8	244.9
As at 31 December 2019	1.9	18.5	6.4	6.5	216.8	250.1

10. Derivative assets and liabilities

	30 June 2020 <i>Unaudited</i> £m	30 June 2019 <i>Unaudited</i> £m	31 December 2019 <i>Audited</i> £m
Short-term derivative assets	0.1	0.5	0.9
Short-term derivative liabilities	(1.0)	(0.9)	(0.1)
Net derivative (liability)/ asset	(0.9)	(0.4)	0.8

The Group uses derivative financial instruments in the form of currency forward contracts to reduce its exposure to fluctuations in foreign currency exchange rates.

Classification is based on when the derivatives mature. The fair values of derivatives are expected to impact the income statement over the next year, dependant on movements in the fair value of the foreign exchange contracts. The movement in the period was an expense of £1.7m to the income statement (30 June 2019: gain of £0.3m).

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the Interim Financial Statements (continued)

As at 30 June 2020, the only financial instruments measured at fair value were derivative financial assets/ liabilities and these are classified as Level 2.

Type of Financial Instrument at Level 2	Measurement technique	Main assumptions	Main inputs used
Derivative assets and liabilities	Present-value method	Determining the present value of financial instruments as the current value of future cash flows, taking into account current market exchange rates	Observable market exchange rates

11. Borrowings and Lease Liabilities

	30 June 2020 <i>Unaudited</i> £m	30 June 2019 <i>Unaudited</i> £m	31 December 2019 <i>Audited</i> £m
Short-term lease liabilities	4.2	2.7	3.9
Short-term borrowings	5.0	6.0	6.0
Current liabilities	9.2	8.7	9.9

	30 June 2020 <i>Unaudited</i> £m	30 June 2019 <i>Unaudited</i> £m	31 December 2019 <i>Audited</i> £m
Long-term lease liabilities	38.8	33.7	40.7
Long-term borrowings	58.2	67.9	60.5
Non-current liabilities	97.0	101.6	101.2

Term loan and RCF

In May 2020, the Group announced that it had agreed to increase its current banking facilities with NatWest, HSBC and Bank of Ireland, extending the current maturity to April 2023 (previously April 2022). The new arrangements increase the total committed facility to £145.5m (previously £100m), plus a further uncommitted accordion facility of £75m. The committed facility comprises a term loan of £50m and a revolving credit facility (RCF) of £95.5m.

The term loan is repayable in quarterly instalments, with total repayments due in the next 12 months of £5.0m. The outstanding term loan balance as at 30 June 2020 is £48.8m. As at 30 June 2020, the Group had drawn down £15.5m of the RCF. Interest is charged on the term loan and drawn down RCF at a rate of 2.5% over the London Interbank Offered Rate.

In accordance with IFRS 9 we have performed a comparison of the fair value of the new debt with the old to determine whether there has been a substantial modification requiring de-recognition. The assessment concluded that there has not been a substantial modification, the difference between the fair value of the new debt with the old being immaterial.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The expense relating to payments not included in the measurement of a lease liability is £0.3m for the period ended 30 June 2020 (30 June 2019: £0.9m).

Notes to the Interim Financial Statements (continued)

The changes in the Group's borrowings can be classified as follows:

	Short-term borrowings	Long-term borrowings	Short-term lease liabilities	Long-term lease liabilities	Total
	£m	£m	£m	£m	£m
As at 1 January 2020	6.0	60.5	3.9	40.7	111.1
Cash-flows:					
- Repayment	(2.8)	-	(3.1)	-	(5.9)
Non-cash:					
- Capitalisation of loan fees	-	(0.7)	-	-	(0.7)
- Loan fee amortisation	-	0.2	-	-	0.2
- Lease additions	-	-	0.1	-	0.1
- Lease liabilities	-	-	1.0	0.4	1.4
- Reclassification	1.8	(1.8)	2.3	(2.3)	-
As at 30 June 2020	5.0	58.2	4.2	38.8	106.2

12. Equity

Share capital

Allotted, called up and fully paid:

	30 June 2020		30 June 2019		31 December 2019	
	<i>Unaudited</i>		<i>Unaudited</i>		<i>Audited</i>	
	No'000s	£000s	No'000s	£000s	No'000s	£000s
Ordinary shares (1/14 th pence)	118,303	84	118,303	84	118,303	84
Deferred shares of £1.00 each	100	100	100	100	100	100
Total allotted, called up and fully paid	118,403	184	118,403	184	118,403	184

Share Purchases

During the period the Group's Employee Benefit Trust purchased an aggregate amount of 0.5m shares at a total market value of £6.0m. The purchased shares will be held for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

In May 2020, 1.8m outstanding share options held by GlobalData employees vested in accordance with the EBITDA target being satisfied under Tranche 2b and approved by the Remuneration Committee. The Group satisfied all of the share options exercised using the shares held by the Trust. Movements to the treasury reserve, share premium account and retained earnings have arisen on the accounting for the vesting of the options as detailed in the Statement of Changes in Equity. This recognises the fact that no current year expense is incurred, as the vesting of options is a transaction with shareholders only.

Capital management

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern
- To fund future growth and provide an adequate return to shareholders and, when appropriate, distribute dividends

The capital structure of the Group consists of net debt, which includes borrowings and cash and cash equivalents, and equity.

The Company has two classes of shares. The ordinary shares carry no right to fixed income and each share carries the right to one vote at general meetings of the Company. The deferred shares do not confer upon the holders the right to receive any dividend, distribution or other participation in the profits of the Company. The deferred shares do not entitle the holders to receive notice of or to attend and speak or vote at any general meeting of the Company.

Notes to the Interim Financial Statements (continued)

On distribution of assets on liquidation or otherwise, the surplus assets of the Company remaining after payments of its liabilities shall be applied first in repaying to holders of the deferred shares the nominal amounts and any premiums paid up or credited as paid up on such shares, and second the balance of such assets shall belong to and be distributed among the holders of the ordinary shares in proportion to the nominal amounts paid up on the ordinary shares held by them respectively.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the principles of the UK Corporate Governance Code, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Board Terms of Reference, copies of which are available on request.

Dividends

The final dividend for 2019 was 10.0 pence per share and was paid in June 2020. The Board has announced an interim dividend of 5.4 pence per share. The interim dividend will be paid on 2 October 2020 to shareholders on the register at the close of business on 28 August 2020.

Other reserve

The other reserve consists of a reserve created upon the reverse acquisition of the TMN Group Plc.

Foreign currency translation reserve

The foreign currency translation reserve contains the translation differences that arise upon translating the results of subsidiaries with a functional currency other than Sterling. Such exchange differences are recognised in the income statement in the period in which a foreign operation is disposed of.

Merger reserve

The merger reserve was created to account for the premium on the shares issued in consideration for the purchase of GlobalData Holding Limited in 2016. The premium on the shares issued in consideration for the purchase of Research Views Limited and its subsidiaries was also recognised in the merger reserve in 2018.

Treasury reserve

The treasury reserve contains shares held in treasury by the Group and in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

Share based payments

The Group created a share option scheme during the year ended 31 December 2010 and granted the first options under the scheme on 1 January 2011 to certain senior employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options (subject to employment conditions) at any time during a prescribed period from the vesting date to the date the option lapses. For these options to be exercised the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed certain targets.

In October 2019 the Group created and announced a new share option scheme and granted the first options under the scheme on 31 October 2019 to certain senior employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options subject to employment conditions and performance targets being met. For these options to be exercised the Group's share price must reach certain targets.

The total charge recognised for these schemes during the six months to 30 June 2020 was £1.5m (30 June 2019: £4.5m). The awards of the schemes are settled with ordinary shares of the Company. During the period the Group purchased an aggregate amount of 0.5m shares at a total market value of £6.0m. The purchased shares will be held in treasury and in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

Notes to the Interim Financial Statements (continued)

13. Acquisitions

Progressive Content Limited

On 7 May 2020, the Group acquired 100% of the share capital of Progressive Content Limited for cash consideration of £1, on which no goodwill has been recognised. The acquisition was made in order to act as a catalyst for new business opportunities and to strengthen and support the existing Group.

The amounts recognised for each class of assets and liabilities at the acquisition date were as follows:

	Carrying Value £m	Fair Value Adjustments £m	Fair Value £m
Intangible assets consisting of:			
Customer relationships	-	0.4	0.4
Intellectual property and content	-	1.3	1.3
Net assets acquired consisting of:			
Cash and cash equivalents	0.1	-	0.1
Trade and other receivables	1.7	(0.2)	1.5
Trade and other payables	(3.0)	(0.1)	(3.1)
Deferred tax	-	(0.2)	(0.2)
Fair value of net assets acquired	(1.2)	1.2	-

No goodwill was recognised in relation to the acquisition.

In line with the provision of IFRS 3, fair value adjustments may be required within the 12-month period from the date of acquisition. Any fair value adjustments will result in an adjustment to the goodwill balance reported above.

The Group incurred legal expenses of £2,000 in relation to the acquisition in the period from the date of acquisition to 30 June 2020, the trade of Progressive Content Limited generated revenues of £0.7m and EBITDA loss of £0.2m.

Progressive Content Limited was an entity under common control at the time of acquisition, by virtue of being controlled by Mike Danson. IFRS 3 scopes out combinations of entities under common control. The Group has therefore applied IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and used management judgement in developing and applying an accounting policy that results in information which is reliable and relevant. Management have determined it is most appropriate to follow the principles of IFRS3, and apply acquisition accounting for acquisitions of entities under common control.

14. Related party transactions

Mike Danson, GlobalData's Chief Executive Officer, owned 66.9% of the Company's ordinary shares as at 27 July 2020. Mike Danson owns a number of businesses that interact with GlobalData Plc. The principal transactions are in line with the transactions disclosed in the financial statements for December 2019, namely: accommodation charges of £1.8m (30 June 2019: £1.6m), corporate support charges of £0.3m (30 June 2019: £0.3m) and interest income on an outstanding loan of £0.04m (30 June 2019: £0.05m) issued to Progressive Trade Media Limited. The initial £4.5m loan issued has two further instalments of £0.9m remaining, repayable in equal instalments January 2021 and 2022.

In addition to these amounts, there were two further transactions:

- As detailed in note 13, on 7 May 2020, the Group acquired Progressive Content Limited, an entity related to GlobalData Plc by virtue of common control.

Notes to the Interim Financial Statements (continued)

- In June 2020 the Group entered into a 5-year service contract with NS Media Group Limited, an entity related by virtue of common control. The agreed suite of data services provided to NS Media Group Limited have been contracted on terms equivalent to those that prevail in arm's length transactions. A key clause within the contract enables the Group to retain ownership of all IP internally generated during the contracted period. Similarly, NS Media Group Limited also are entitled to retain and perpetually use the IP generated. In the period ended 30 June 2020, the total revenue generated from this contract was £nil (30 June 2019: £nil), and the net contribution generated was £nil (30 June 2019: £nil). Each years' fixed fees are invoiced annually in advance, except for any variable components which are invoiced quarterly in advance. As at 30 June 2020, the total balance receivable from NS Media Group Limited was £nil (30 June 2019: £nil). There is no specific credit loss provision in place in relation to this receivable (30 June 2019: £nil) and the total expense recognised during the period in respect of bad or doubtful debts was £nil (30 June 2019: £nil).

The Group has taken advantage of the exemptions contained within IAS 24 - Related Party Disclosures from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation. The amounts outstanding for other related parties were £1.9m owed from Progressive Trade Media Limited for the outstanding loan, £925,000 due within one year and £925,000 due after one year (30 June 19: £2.8m). There were no other balances owing to or from related parties.

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