

26 July 2021

# GlobalData PIc Unaudited Interim Report For The Six Months Ended 30 June 2021 "Strong underlying performance and continued margin enhancement"

Key performance metrics	<b>June 2021</b> Unaudited	<b>June 2020</b> Unaudited	Change %	Underlying Constant Currency⁴ %
Revenue	£91.1m	£86.7m	+5%	+8%
Operating profit	£18.3m	£11.5m	+59%	-
Adj. EBITDA¹	£30.7m	£27.2m	+13%	+17%
Adj. EBITDA margin	34%	31%	+3p.p.	+3p.p.
Statutory PBT	£16.0m	£9.3m	+72%	-
EPS	9.7p	4.9p	+98%	-
Adj. EPS <sup>2</sup>	16.1p	13.3p	+21%	+25%
Invoiced forward revenue	£83.8m	£81.3m	+3%	+9%
Net debt <sup>3</sup>	£47.1m	£41.2m	+14%	-

#### **Financial Highlights**

- Underlying<sup>4</sup> revenue grew by 8% in the first half, driven by strong growth in subscription revenue (9%). The impact of the strengthening pound relative to USD meant that reported revenue growth was 5%.
- Adjusted EBITDA grew by 13% to £30.7m (30 June 2020: £27.2m), improving margin by 3 percentage points to 34% (30 June 2020: 31%).
- Operating profit increased to £18.3m (30 June 2020: £11.5m), improving margin by 7 percentage points to 20% (30 June 2020: 13%).
- Profit before tax increased by 72% to £16.0m (30 June 2020: £9.3m).
- Underlying growth in invoiced forward revenue was 9%, as at 30 June 2021. The impact of currency movements
  meant the reported growth was 3%.
- Cash flow from operations increased by 1% to £40.8m (30 June 2020 restated: £40.2m), which represents cash conversion of 133% on an Adjusted EBITDA basis (30 June 2020 restated: 148%).
- Interim dividend increase of 13% to 6.1 pence per ordinary share (30 June 2020: 5.4 pence), in line with growth of Adjusted EBITDA.

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

"The Group has delivered a strong performance in the first half and has continued to deliver and execute against its strategy. Our 8% underlying revenue growth and significant margin expansion demonstrate clear progress against our two near term financial ambitions of achieving at least 10% annual organic growth and an Adjusted EBITDA margin of 35-40%.

Our One Platform operating model gives us significant scalability to accelerate both organic and inorganic growth opportunities. We are confident about the outlook and growth prospects of the Group for the second half and beyond."

Note 1: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, adjusted to exclude costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements and the impact of foreign exchange contracts. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue. This is reconciled to the Statutory operating profit on page 6.

Note 2: Adjusted EPS: Adjusted profit after tax per share (reconciliation between statutory profit and adjusted profit shown on page 6).

Note 3: Net debt: Short and long-term borrowings (excluding lease liabilities) less cash and cash equivalents.

Note 4: Underlying Constant Currency: Defined as growth in business excluding impact of movement in exchange rates. This is reconciled to the reported change on page 7.



#### **ENQUIRIES**

#### GlobalData Plc

Mike Danson (Chief Executive Officer), Graham Lilley (Chief Financial Officer) 0207 936 6400

#### **Brokers**

Bill Hutchings/ Mose Adigun – J.P. Morgan Cazenove (Nomad and Joint Broker)	0207 742 4000
Sam Barnett – HSBC (Joint Broker)	0207 991 8888
Erik Anderson/ Alina Vaskina – Panmure Gordon (Joint Broker)	0207 886 2500

Hudson Sandler 0207 796 4133

Nick Lyon

# **Notes to Editors**

## GlobalData Plc

GlobalData Plc (AIM: DATA) is a leading data, insights, and analytics platform for the world's largest industries. Our mission is to help our clients decode the future, make better decisions, and reach more customers.

#### One Platform Model

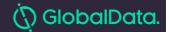
GlobalData's One Platform model is the foundation of our business and is the result of years of continuous capital investment, targeted acquisitions, and organic development. This model governs everything we do, from how we develop and manage our products, to our approach to sales and customer success, and supporting business operations. At its core, this approach integrates our unique data, expert analysis, and innovative solutions into an integrated suite of client solutions and digital community platforms, designed to serve a broad range of industry markets and customer needs on a global basis. The operational leverage this provides means we can respond rapidly to changing customer needs and market opportunities, and continuously manage and develop products quickly, at scale, with limited capital investment as well as providing unique integration opportunities for M&A.

## **Strategic Priorities**

GlobalData's four strategic priorities are: World-Class Products, Sales Excellence, Client Centric, and Operational Agility.

## **Growth Optimisation Plan**

GlobalData's Growth Optimisation Plan is a set of initiatives designed to drive revenue growth and profitability. The Plan's initiatives operate across all of GlobalData's operations but are organised around the strategic priorities noted above.



#### **Chief Executive's Review**

The Group has delivered a strong performance in the first half and has continued to deliver and execute against its strategy. Our 8% underlying revenue growth and significant margin expansion (of 3 percentage points) demonstrate clear progress against our two near term financial ambitions of achieving at least 10% annual organic growth and an Adjusted EBITDA margin of 35-40%.

Our mission remains to help our clients decode the future, make better decisions, and reach more customers. We have continued to consolidate and expand our strategic position as a leading data, insights, and analytics platform within the growing information services market.

#### **Growth Optimisation Plan**

We launched our Growth Optimisation Plan at the end of 2019 and our clear focus is on profitable growth. Our One Platform operating model gives us significant scalability to accelerate both organic and inorganic (M&A) growth opportunities:

• Organic growth: We have made progress against our ambition of reaching annual 10% organic growth, achieving underlying revenue growth of 8% in the first half and growth in underlying invoiced forward revenues of 9%.

In the first half, we have:

- Re-organised our global sales teams under our deputy CEO
- Hired senior sales colleagues, focused on solution and custom selling to our larger clients
- Hired a senior team to increase brand awareness and increase our wider audience
- M&A: Our scalable platform is ideally positioned to integrate new datasets and content into our existing vertical offering or expand our breadth into new vertical markets. As a management team we have extensive experience of acquiring and integrating assets and we currently have an active pipeline of businesses that we are assessing, as well as the firepower to execute.

We assess potential acquisitions based upon our investment criteria of:

- Quality product/ service that meets the definition of "gold standard" (demonstrated by strong renewal rates)
- Adds depth to an existing vertical or gives us access to a new vertical/ horizontal data sets that complements our current coverage
- Recurring revenue and operating gearing
- Global and scalable product

We continue to make progress against our strategic priorities, which are the four pillars of our Growth Optimisation Plan:

#### **World-Class Products**

The core value to our clients is the unique and proprietary 'Gold Standard' data. We continue to develop our capabilities within each individual vertical, to maintain quality and enhance existing data sets.

We continued to enhance our cross-vertical use of business fundamentals (e.g. Companies, Deals, News, Macroeconomics), proprietary Thematic Research, and expand our innovative horizontal "Alternative" data and analytics. These integrated capabilities help to differentiate our products in the marketplace by providing our clients with a richer and more complete intelligence offering.

We have given more focus on our custom research team to drive additional engagement and deliver additional solutions for our clients which complement the subscription service. We are starting to see some early success within this team. We see the custom team as being a key driver towards greater penetration with our existing clients, which will help us create larger accounts with greater average client values.

We continue to review M&A opportunities which will provide additional data sets and content to infill our existing deep coverage, as well as looking at opportunities within adjacent sectors and data sets which have a cross vertical relevance.

## **Sales Excellence**

Our sales teams have performed well in the first half and move into the second half of the year with good growth momentum.

We have continued at pace to create a sales structure that is geared for consistent annual growth. In order to achieve consistency across all of our global sales teams, we restructured the management organisation so that all regional commercial heads report into our deputy CEO from 1 January 2021, supported by our expanded sales performance team. We believe that an aligned focus on the right processes, behaviours and growth levers will deliver results for the long-term.



Our sales enablement capability, including the introduction of a new structured salesperson on-boarding programme, continues to be developed and enhanced with an active feedback loop from our training & learning management and conversation intelligence platforms.

We have focused during the first half on ensuring the sales structures we have in place are the correct ones, as we begin to increase the size of our sales teams, with a particular focus on sales representatives with more experience in building relationships with larger clients.

As well as the size of our sales team, we want to make our sales efforts as efficient as possible and embedded automation presents a real opportunity for us. This includes automated and client friendly renewal processes as well as developing a sustained inbound lead pipeline.

One of the key elements of creating a successful inbound sales process, is to increase the brand awareness of GlobalData. We currently have a strong brand amongst our ~4,800 clients, particularly amongst our core Pharmaceuticals, Consumer and Technology offerings. However, we need to increase our brand exposure and better leverage the GlobalData brand across a more diverse audience.

As part of this drive to increase our brand awareness, we intend to fully capitalise on the significant audience of our existing media channels (formerly referred to as Communities), including our B2B websites (2020 audience: 65 million unique visitors) and increase the number of interactions with the GlobalData brand, drive leads and provide further unique and proprietary audience insight from key professional leaders.

#### **Client Centric**

Client centricity is central to our strategy and runs through everything we do. As our business expands its number of clients and audience, we continue to focus on client needs and on providing unique and innovative solutions.

Following the increased client service headcount in 2020, we intend to continue to expand this team as our renewal base expands. We have expanded the team by a further 12, meaning we have doubled the size of the team since June 2020.

Within the client services team, we now have a dedicated relationship team which is focused on more interactions with our larger clients and ensuring that our clients are fully educated on the tools and assets they have access to within their subscription.

We continue to increase the technology investment in this area to enhance our understanding of our clients to ensure that they are gaining the full value of their subscription and are using solutions that can help them better succeed in their markets.

#### **Operational Agility**

The centralised structure and support functions are geared to support growth. We are making progress in developing and executing our TechFirst programme and digital workplace strategy to increase the level of automation within our core operations.

In addition to our existing solutions, our One Platform approach to our product offering places us in a relatively unique position for potential M&A. Our proprietary platform allows us to review M&A opportunities with the confidence that we can 'plug-in' and integrate new data sets effectively and execute at speed. Regardless of whether the acquisition is an enhancement to an existing vertical sector or represents an expansion into an adjacent market, the platform software, data taxonomy and architecture will add significant value to any acquired business.

#### **Our Colleagues**

In what has been another challenging period for many of our colleagues, against a back drop of varying COVID-19 restrictions, I would like to thank all our global colleagues for their hard work, professionalism and talent during the first half of 2021

As part of supporting the well-being of colleagues working remotely, we have maintained the Group wide internal communications programme that we initiated in 2020 to keep colleagues connected to the wider business. That continued connection has helped us to keep up the pace on delivering the key aspects of our strategic priorities, which could not have been achieved without the engagement of colleagues worldwide.

There are some great attributes that continue to stand out amongst our GlobalData teams and colleagues; none more so than their ability to collaborate, work at pace and deliver against projects despite the challenges that arise. Our colleagues



have demonstrated significant resilience and the desire to succeed, in both work and charity initiatives, such as the 'GlobalData walks the world' challenge.

We have also welcomed two new Non-Executive Directors to the Board during the first half, who have already brought a considerable degree of value in terms of their independent thought, challenge and wide ranging experiences.

#### **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 6.1 pence per share (30 June 2020: 5.4 pence). The interim dividend will be paid on 1 October 2021 to shareholders on the register at the close of business on 3 September 2021.

## **Current Trading and Outlook**

We are confident about the outlook and growth prospects of the Group for the second half and beyond.

#### Mike Danson

Chief Executive Officer 23 July 2021



#### **Financial Review**

£m	Unaudited 6 months to June 2021	Unaudited 6 months to June 2020 <i>Restated</i> 1	Audited Year Ended 31 December 2020
Revenue	91.1	86.7	178.4
Operating Profit	18.3	11.5	33.0
Adjusting items			
Depreciation	3.6	3.2	7.0
Amortisation of acquired intangible assets	2.7	6.9	10.7
Amortisation of software	0.5	0.6	1.1
Share based payments charge	4.7	1.5	4.2
Restructuring and refinancing costs	0.9	0.4	0.6
Revaluation of short and long-term derivatives	0.7	1.7	(0.3)
Unrealised operating foreign exchange (gain)/ loss	(0.9)	1.0	(0.3)
M&A costs	0.2	0.4	0.7
Adjusted EBITDA	30.7	27.2	56.7
Adjusted EBITDA margin <sup>2</sup>	34%	31%	32%
Statutory Profit Before Tax	16.0	9.3	28.6
Amortisation of acquired intangible assets	2.7	6.9	10.7
Share based payments charge	4.7	1.5	4.2
Restructuring and refinancing costs	0.9	0.4	0.6
Revaluation of short and long-term derivatives	0.7	1.7	(0.3)
Unrealised operating foreign exchange (gain)/ loss	(0.9)	1.0	(0.3)
M&A costs	0.2	0.4	0.7
Adjusted Profit Before Tax	24.3	21.2	44.2
Adjusted income tax expense <sup>4</sup>	(5.6)	(5.5)	(8.4)
Adjusted Profit After Tax	18.7	15.7	35.8
Cash flow analysis			
Cash flow generated from operations	40.8	40.2	59.8
Cash flow conversion % <sup>3</sup>	133%	148%	105%
Earnings performance			
Profit After Tax	11.2	5.8	22.6
Adjusted Profit After Tax	18.7	15.7	35.8
Basic shares (millions)	116.0	117.8	116.2
Diluted shares (millions)	125.2	126.1	124.8
Attributable to equity holders:			
Basic earnings per share (pence)	9.7	4.9	19.4
Diluted earnings per share (pence)	8.9	4.6	18.1

¹Cash flow generated from operations has been reduced by £0.9m to reflect a reclassification of repayment of loans into investing activities. Full details included in note 1.

16.1

14.9

13.3

12.5

Adjusted basic earnings per share (pence)

Adjusted diluted earnings per share (pence)

30.8

28.7

<sup>&</sup>lt;sup>2</sup> Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

<sup>&</sup>lt;sup>3</sup> Cash flow conversion is defined as: Cash flow generated from operations divided by Adjusted EBITDA <sup>4</sup> Adjusted income tax expense includes the effect of any tax rate changes on adjusting items



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, Adjusted Profit After Tax and Adjusted earnings per share (as detailed on page 6) 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. Within note 2, we disclose the rationale for the adjusting items in detail.

#### Revenue

Sales orders in the first half (on an underlying basis excluding events) grew by 11%, which contributed to strong performance in both of our revenue and deferred revenue metrics.

Our underlying revenue growth (8%) reflected consistent renewal rates and strong new business wins in our subscription business, which saw underlying growth of 9%. The strengthening pound, relative to USD, had a material impact on revenue growth and reduced reported growth to 5%. Revenue for the first half was £91.1m (30 June 2020: £86.7m).

The strong performance within our subscription offering also contributed to an underlying growth in deferred revenue of 8% as at 30 June 2021. The sustained subscription performance was offset, somewhat, by movements in the events deferred revenue as a result of COVID-19. Deferred revenue as at 30 June 2021 was £82.0m (30 June 2020: £80.6m), reflecting reported growth of 2%. Due to the deferral of revenue in line with sales contract periods, the income statement is not affected by seasonality despite high renewals in Q4 of each calendar year.

#### **Operating Profit**

Operating profit increased to £18.3m (30 June 2020: £11.5m), improving margin by 7 percentage points to 20% (30 June 2020: 13%) driven by revenue growth and a reduced cost base, primarily driven by a fall in the amortisation of acquired intangible assets charge to £2.7m (30 June 2020: £6.9m). Operating profit of £18.3m (30 June 2020: £11.5m) does not include any government assistance as a result of the COVID-19 pandemic as the Group chose not to take advantage of these schemes.

#### **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 this measure internally. Adjusted EBITDA increased by 13% to £30.7m (30 June 2020: £27.2m), which is reflective of revenue growth and maintaining a relatively stable cost base at Adjusted EBITDA level, which resulted in an incremental margin of 79%.

Our Adjusted EBITDA margin was 34% (30 June 2020: 31%), as we continue to progress towards our stated margin ambition to get to within a margin range of 35-40%.

Adjusted EBITDA benefited from the impact of IFRS 16, lease accounting, by £3.0m (30 June 2020: £3.1m). The impact of IFRS16 improved margins by 3 percentage points to 34% (30 June 2020: 3 percentage points to 31%).

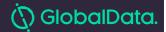
## **Impact of Currency**

The main currency movement in the period has been the strengthening of Pound, relative to the US Dollar. Our revenues are ~50% US Dollar denominated and therefore the movement in the average rate of \$1.39/£, compared with \$1.27/£ in 2020 (a 9% swing) has had a material impact on our results.

The year-on-year movement on the US Dollar exchange rate reduced revenue by £2.7m, with a further £0.2m in other currencies.

From a cost perspective, it had a more limited but opposite effect of reducing costs by £0.5m in US Dollar denominated costs and £1.4m in other currencies (mainly Indian Rupee). Below is a summary of the currency impact.

£m	Deferred Revenue	Revenue	Costs	Adjusted EBITDA	Margin
As reported	82.0	91.1	60.4	30.7	34%
Add Back Currency movements					
US Dollar	4.7	2.7	0.5	2.2	
Euro	-	-	=	-	
Other	0.4	0.2	1.4	(1.2)	
Underlying	87.1	94.0	62.3	31.7	34%
2020	80.6	86.7	59.5	27.2	
Underlying growth	8%	8%	5%	17%	



#### **Profit Before Tax**

The profit before tax for the period has increased by 72% to £16.0m (30 June 2020: £9.3m) driven by improved performance at both operating profit and Adjusted EBITDA levels.

#### Tax

The interim period income tax expense has been calculated using the forecast effective tax rate that would be applicable to expected total annual earnings, i.e. the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. To the extent practicable, where different income tax rates apply to different categories of income, a separate rate has been used for each individual category of interim period pre-tax income.

Using this approach, the overall annual effective income tax rate is currently forecast to be 25% (30 June 2020: 25%). This broadly represents the standard corporation tax rate in the UK of 19% adjusted for the higher rates of overseas tax in the jurisdictions where the Group operates (3%), expenses which are not deductible for tax purposes (2%) and the effect of remeasuring the Group's UK deferred tax balances in anticipation of the corporation tax rate increase from 1 April 2023 (1%).

#### **Cash Generation**

Cash from operations was largely flat at £40.8m in the period (30 June 2020 restated: £40.2m) but represented 133% of Adjusted EBITDA (30 June 2020 restated: 148%). Cash generation was impacted by movements in cash flow in the events business. In the first half of 2020, we collected cash on events that were postponed to the latter part of the year or delayed until 2021 and therefore a large degree of revenues in the first half were related to cash already received. Cash collected on events was £2.7m higher in 2020 for the same period.

#### Net Debt1

Since the last reporting period, December 2020, net debt has reduced from £58.1m to £47.1m. The reduction has largely been due to the increase in cash flow from operations, offset by dividend payments of £13.4m, purchase of own shares of £6.1m, taxes of £3.8m, capital expenditure of £1.0m, leasing costs of £3.1m and interest of £1.3m.

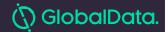
#### Equity

There has been significant movement since the last reporting period across the equity balances. A capital reduction has been performed which reduced the Company's merger reserve and other reserve by a total of £171.0m, by way of a bonus issue of shares which were shortly thereafter cancelled, and the Company's share premium account was also cancelled. The share premium account totalled £0.7m meaning that as a result of these actions, distributable reserves increased by a total of £171.7m in the period ended 30 June 2021. Further information has been disclosed in note 12.

#### Property, Plant and Equipment

Property, Plant and Equipment has reduced by £7.4m in the period ended 30 June 2021, this is largely due to a depreciation charge of £3.6m and the disposal of a significant lease asset with a net book value of £4.2m and an associated lease liability of £4.3m as at the date of disposal.

<sup>&</sup>lt;sup>1</sup> We define net debt as short and long-term borrowings (excluding lease liabilities) less 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 2021 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cashflows and related notes 1 to 13. 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.

#### 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 will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

## 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.

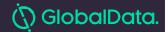
#### Conclusion

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 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the AIM Rules of the London Stock Exchange.

## Use of our report

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.

**Deloitte LLP** Statutory Auditor London, England 23 July 2021



Consc	hatchil	Incomo	Statement
Consc	maarea	income	Statement

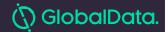
onsolidated income Statement	Notes	6 months to 30 June 2021 Unaudited	6 months to 30 June 2020 Unaudited	Year to 31 December 2020 Audited
Continuing operations		£m	£m	£m
Revenue	4	91.1	86.7	178.4
Operating expenses	5	(72.5)	(74.6)	(145.4)
Losses on trade receivables	5	(0.9)	(1.2)	(1.3)
Other income		0.6	0.6	1.3
Operating profit		18.3	11.5	33.0
Net finance costs	7	(2.3)	(2.2)	(4.4)
Profit before tax		16.0	9.3	28.6
Income tax expense		(4.8)	(3.5)	(6.0)
Profit for the period		11.2	5.8	22.6
Attributable to:				
Equity holders of the parent		11.2	5.8	22.6
Earnings per share attributable to equity holders:				
Basic earnings per share (pence)	8	9.7	4.9	19.4
Diluted earnings per share (pence)	8	8.9	4.6	18.1
Reconciliation to Adjusted EBITDA <sup>1</sup> :				
Operating profit		18.3	11.5	33.0
Depreciation		3.6	3.2	7.0
Amortisation of software		0.5	0.6	1.1
Adjusting items	6	8.3	11.9	15.6
Adjusted EBITDA <sup>1</sup>		30.7	27.2	56.7

<sup>&</sup>lt;sup>1</sup> We define Adjusted EBITDA as EBITDA adjusted to exclude costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements and the 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**

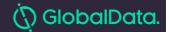
	6 months to 30 June 2021 Unaudited	6 months to 30 June 2020 Unaudited	Year to 31 December 2020 Audited
	£m	£m	£m
Profit for the period	11.2	5.8	22.6
Other comprehensive income			
Items that will be classified subsequently to profit or loss:			
Net exchange (losses)/ gains on translation of foreign entities	(0.6)	0.6	(0.6)
Other comprehensive (loss)/ gain, net of tax	(0.6)	0.6	(0.6)
Total comprehensive income for the period	10.6	6.4	22.0
Attributable to:			
Equity holders of the parent	10.6	6.4	22.0



## **Consolidated Statement of Financial Position**

onsolidated Statement of Financial Position	Notes	30 June 2021 <i>Unaudited</i> £m	30 June 2020 Unaudited Restated¹ £m	31 December 2020 Audited £m
Non-current assets				
Property, plant and equipment		36.1	46.4	43.5
Intangible assets	9	239.0	244.9	242.0
Trade and other receivables		0.1	0.9	0.9
Deferred tax assets		7.4	8.2	5.4
		282.6	300.4	291.8
Current assets				
Trade and other receivables		40.0	41.8	44.9
Current tax receivable		0.6	-	1.6
Short-term derivative assets	10	0.6	0.1	1.2
Cash and cash equivalents		26.5	22.0	17.7
		67.7	63.9	65.4
Total assets		350.3	364.3	357.2
Current liabilities				
Trade and other payables		(103.8)	(107.0)	(100.2)
Short-term borrowings	11	(5.0)	(5.0)	(5.0)
Short-term lease liabilities	11	(4.0)	(4.2)	(4.1)
Current tax payable		(2.7)	(4.2)	(1.6)
Short-term derivative liabilities	10	(0.2)	(1.0)	(0.1)
Short-term provisions		(0.2)	(0.2)	(0.2)
		(115.9)	(121.6)	(111.2)
Net current liabilities		(48.2)	(57.7)	(45.8)
Non-current liabilities				
Long-term provisions		(0.5)	(0.5)	(0.5)
Deferred tax liabilities		-	(4.4)	(1.2)
Long-term lease liabilities	11	(30.0)	(38.8)	(35.8)
Long-term borrowings	11	(68.6)	(58.2)	(70.8)
		(99.1)	(101.9)	(108.3)
Total liabilities		(215.0)	(223.5)	(219.5)
Net assets		135.3	140.8	137.7
Equity				
Share capital	12	0.2	0.2	0.2
Share premium account		-	0.7	0.7
Treasury reserve		(26.2)	(3.7)	(21.4)
Other reserve		(44.3)	(37.1)	(37.1)
Merger reserve		-	163.8	163.8
Foreign currency translation reserve		(0.4)	1.4	0.2
Retained profit	12	206.0	15.5	31.3
Equity attributable to equity holders of the parent		135.3	140.8	137.7

Share premium account and retained profit have been restated for the period ended 30 June 2020 in relation to entries recognising the vesting of share options, as identified and reflected in the financial statements for the year ended 31 December 20, further information contained in note 1.



# **Consolidated Statement of Changes in Equity**

	Share capital	Share premium account Restated <sup>†</sup>	Treasury reserve	Other reserve	Foreign currency translation reserve	Merger reserve	Retained profit Res <i>tated</i> <sup>1</sup>	Equity attributable to equity holders of the parent
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 December 2019	0.2	0.7	(11.0)	(37.1)	0.8	163.8	34.0	151.4
Profit for the six month period ended 30 June 2020	-	-	-	-	-	-	5.8	5.8
Other comprehensive income:								
Net exchange gain on translation of foreign entities	-	-	-	-	0.6	-	-	0.6
Total comprehensive income for the period	-	-	-	-	0.6	-	5.8	6.4
Transactions with owners:								
Share Buyback	-	-	(6.0)	-	-	-	-	(6.0)
Dividend	-	-	-	-	-	-	(11.6)	(11.6)
Vesting of share options	-	-	13.3	-	-	-	(13.3)	-
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	0.7	(3.7)	(37.1)	1.4	163.8	15.5	140.8
Profit for the six month period ended 31 December 2020	-	-	-	-	-	-	16.8	16.8
Other comprehensive income:								
Net exchange loss on translation of foreign entities	-	-	-	-	(1.2)	-	-	(1.2)
Total comprehensive income for the period	-	-	-	-	(1.2)	-	16.8	15.6
Transactions with owners:								
Share Buyback	-	-	(17.7)	-	-	-	-	(17.7)
Dividend	-	-	-	-	-	-	(6.4)	(6.4)
Share based payments charge	-	-	-	-	-	-	2.7	2.7
Deferred tax on share based payments	-	-	-	-	-	-	2.7	2.7
Balance at 31 December 2020	0.2	0.7	(21.4)	(37.1)	0.2	163.8	31.3	137.7
Profit for the six month period ended 30 June 2021	-	-	-	-	-	-	11.2	11.2
Other comprehensive income:								
Net exchange loss on translation of foreign entities	-	-	-	-	(0.6)	-	-	(0.6)
Total comprehensive income for the period	=	-	-	-	(0.6)	-	11.2	10.6
Transactions with owners:								
Bonus issue of shares	171.0	-	-	(7.2)	-	(163.8)	-	-
Capital reduction	(171.0)	(0.7)	-	-	-	-	171.7	-
Share Buyback	-	-	(6.1)	-	-	-	-	(6.1)
Dividend	-	-	-	-	-	-	(13.4)	(13.4)
Vesting of share options	-	-	1.3	-	-	-	(1.3)	-
Share based payments charge	-	-	-	-	-	-	4.7	4.7
Deferred tax on share based payments	-	=	-	-	-	-	1.8	1.8
Balance at 30 June 2021	0.2	-	(26.2)	(44.3)	(0.4)	-	206.0	135.3

<sup>&</sup>lt;sup>1</sup>Share premium account and retained profit have been restated for the period ended 30 June 2020 in relation to entries recognising the vesting of share options, as identified and reflected in the financial statements for the year ended 31 December 2020, further information contained in note 1.



## **Consolidated Statement of Cash Flows**

Continuing operations	6 months to 30 June 2021 Unaudited	6 months to 30 June 2020 Unaudited Restated <sup>1</sup>	Year to 31 December 2020 Audited
Cash flows from operating activities	£m	£m	£m
Profit for the period	11.2	5.8	22.6
Adjustments for:			
Depreciation	3.6	3.2	7.0
Amortisation	3.2	7.5	11.8
Impairment of goodwill	0.4	-	-
Net finance costs	2.3	2.2	4.4
Taxation recognised in profit or loss	4.8	3.5	6.0
Share based payments charge	4.7	1.5	4.2
Decrease in trade and other receivables	5.3	5.6	1.5
Increase in trade and other payables	4.8	9.2	2.5
Revaluation of short and long-term derivatives	0.7	1.7	(0.3)
Movement in provisions	(0.2)	-	0.1
Cash generated from continuing operations	40.8	40.2	59.8
Interest paid	(1.3)	(1.2)	(2.4)
Income taxes paid	(3.8)	(2.4)	(6.4)
Total cash flows from operating activities	35.7	36.6	51.0
Cash flows from investing activities			
Acquisitions	(1.1)	(1.0)	(1.0)
Cash received from repayment of loans receivable	0.9	0.9	0.9
Purchase of property, plant and equipment	(0.4)	(1.6)	(3.5)
Purchase of intangible assets	(0.6)	(0.5)	(1.5)
Total cash flows used in investing activities	(1.2)	(2.2)	(5.1)
Cash flows from financing activities			
Repayment of borrowings	(2.5)	(2.8)	(5.3)
Proceeds from borrowings	-	-	15.0
Loan refinancing fees	-	(0.7)	(0.7)
Acquisition of own shares	(6.1)	(6.0)	(23.7)
Principal elements of lease payments	(3.1)	(3.1)	(6.1)
Dividend paid	(13.4)	(11.6)	(18.0)
Total cash flows used in financing activities	(25.1)	(24.2)	(38.8)
Net increase in cash and cash equivalents	9.4	10.2	7.1
Cash and cash equivalents at beginning of period	17.7	11.2	11.2
Effects of currency translation on cash and cash equivalents	(0.6)	0.6	(0.6)
Cash and cash equivalents at end of period	26.5	22.0	17.7

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

## <sup>1</sup>Restatement

The results for the period ended 30 June 2020 have been restated to reclassify cash received from the repayment of loans of £0.9m from cash flows from operating activities into cash flows used in investing activities, as identified and reflected in the financial statements for the year ended 31 December 2020. Full disclosure included within note 1.



#### **Notes to the Interim Financial Statements**

#### 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 2021. They have been prepared in accordance with IAS 34, *Interim Financial Reporting* as adopted in the United Kingdom. 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 2020.

The financial information for the year ended 31 December 2020 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 2020 have been filed with the Registrar of Companies and can be found on the Group's website <a href="https://www.globaldata.com">www.globaldata.com</a>. 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  $(\mathfrak{L})$ , which is also the functional currency of the Company. These interim financial statements have been approved for issue by the Board of Directors.

#### Restatements

Share premium account and retained profit have been restated for the period ended 30 June 2020 in relation to entries recognising the vesting of share options, as identified and reflected in the financial statements for the year ended 31 December 2020. Previously, part of the vesting entries were recognised within the share premium account in error. As a result of the restatement, share premium account has reduced by £8.3m to £0.7m and retained profit has increased by £8.3m to £15.5m. Profit before tax, net assets and earnings per share are unaffected for the comparative period.

The cash flow statement for the period ended 30 June 2020 has been restated to reclassify £0.9m cash received from the repayment of loans from cash flows from operating activities to cash flows used in investing activities, as identified and reflected in the financial statements for the year ended 31 December 2020.



#### 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 2020. 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.

#### Principal and emerging risks and uncertainties

The Directors consider that the principal and emerging risks and uncertainties facing the Group are consistent with those reported within the Strategic Report of the annual financial statements for the year ended 31 December 2020. The key risks identified were as follows:

- Business and strategic risks: Product; People and Succession; Competition and Clients; Economic and Global Political Changes; Acquisition and Disposal Risk
- Operational risks: Financial; Loss, Misuse or Theft of Proprietary, Employee or Customer Data; IT, Cyber and Systems Failure; Regulatory Compliance

#### Going concern

The Group has closing cash of £26.5m as at 30 June 2021 and net debt of £47.1m (30 June 2020: net debt of £41.2m), being cash and cash equivalents less short and long-term borrowings, excluding lease liabilities. The Group has outstanding loans of £74.2m which are syndicated with The Royal Bank of Scotland, HSBC and Bank of Ireland. The Group has a further facility to draw upon of £65m RCF plus a further uncommitted accordion facility of £75m. The Group's current banking facilities are in place until April 2023. The Group has generated £40.8m in cash from operations during the period ended 30 June 2021.

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, 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 consulting growth, Communities revenue and events revenue. 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 the 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 2020, and applied consistently. The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the United Kingdom.

## 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 the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group.
Restructuring, M&A and	The Group considers these items of expense as exceptional and excludes them from
refinancing costs	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 and impairment of	The amortisation charge for those intangible assets recognised on business
acquired intangible assets	combinations is excluded from Adjusted EBITDA since they are non-cash charges
	arising from historical investment activities. Any impairment charges recognised in
	relation to these intangible assets is also excluded from Adjusted EBITDA. This is a
	common adjustment made by acquisitive information service businesses and therefore consistent with peers.
Revaluation of short and long-	Gains and losses are recognised within Adjusted EBITDA when they are realised in
term derivatives	cash terms and therefore we exclude such non-cash movements, arising from
Unrealised operating foreign exchange gain/ loss	fluctuations in exchange rate which may not reflect the underlying performance of the Group, and which better aligns Adjusted EBITDA to the cash performance of the business.

#### 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.

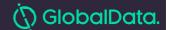
Deferred taxation is provided in full on temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which 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 using the tax rate that would be applicable to expected total annual earnings, being the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. To the extent practicable, a separate estimated average annual effective income tax rate is determined for each tax jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. Similarly, if different income tax rates apply to different categories of income (such as capital gains), to the extent practicable, a separate rate is applied to each individual category of interim period pre-tax income.

## 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 (CEO) as its chief operating decision maker.



The Group maintains a centralised operating model and single product platform ('One 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.

The Group considers the use of a single operating segment to be appropriate due to:

- The CEO reviewing profit or loss at the Group level
- Utilising a centralised operating model
- Being an integrated solutions based business, rather than a portfolio business

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

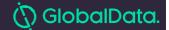
	6 months to 30 June	6 months to 30 June	Year to 31 December
	2021	2020	2020
	Unaudited	Unaudited	Audited
	£m	£m	£m
Adjusted EBITDA	30.7	27.2	56.7
Adjusting items (see note 6)	(8.3)	(11.9)	(15.6)
Depreciation	(3.6)	(3.2)	(7.0)
Amortisation (excluding amortisation of acquired intangible assets)	(0.5)	(0.6)	(1.1)
Finance costs	(2.3)	(2.2)	(4.4)
Profit before tax	16.0	9.3	28.6

The Group generates revenue from services provided over a period of time such as recurring subscriptions 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 service 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			venue recogr solidated State nancial Position	ement of
	Period ended 30 June 2021	Period ended 30 June 2020	Year ended 31 December 2020	As at 30 June 2021	As at 30 June 2020	As at 31 December 2020
	£m	£m	£m	£m	£m	£m
Services transferred:						
Over a period of time <sup>1</sup>	76.6	72.3	149.1	75.4	68.2	64.2
Immediately on delivery	14.5	14.4	29.3	6.6	12.4	10.5
Total	91.1	86.7	178.4	82.0	80.6	74.7

<sup>&</sup>lt;sup>1</sup> 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 2021, £0.5m (30 June 2020: £1.3m) 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.

## 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 2021	UK	Europe	Americas	Asia Pacific	MENA <sup>1</sup>	Rest of World	Total
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	15.0	25.5	29.0	11.6	7.2	2.8	91.1
6 months to 30 June 2020	UK	Europe	Americas	Asia Pacific	MENA <sup>1</sup>	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
Year ended 31 December 2020	UK	Europe	Americas	Asia Pacific	MENA <sup>1</sup>	Rest of World	Total
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	26.3	49.7	62.8	19.2	13.1	7.3	178.4

<sup>1.</sup> Middle East & North Africa



#### 5. Operating profit

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

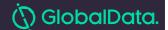
	6 months to 30 June 2021 <i>Unaudited</i> £m	6 months to 30 June 2020 Unaudited £m	Year to 31 December 2020 Audited £m
Cost of sales	50.1	49.1	101.0
Administrative costs	22.4	25.5	44.4
	72.5	74.6	145.4
Losses on trade receivables	0.9	1.2	1.3
Total operating expenses	73.4	75.8	146.7

## 6. Adjusting items

	6 months to 30 June 2021 Unaudited £m	6 months to 30 June 2020 Unaudited £m	Year to 31 December 2020 Audited £m
Restructuring costs	0.9	0.2	0.4
M&A costs	0.2	0.4	0.7
Refinancing costs	-	0.2	0.2
Share based payment charge	4.7	1.5	4.2
Revaluation of short and long-term derivatives	0.7	1.7	(0.3)
Unrealised operating foreign exchange (gain)/ loss	(0.9)	1.0	(0.3)
Amortisation of acquired intangibles	2.7	6.9	10.7
Total adjusting items	8.3	11.9	15.6

The adjustments made are as follows:

- Restructuring relates to £0.4m in redundancy payments, £0.4m impairment of goodwill previously held in relation to Progressive Media International FZ LLC, which has been dissolved and £0.1m in professional fees incurred in relation to group reorganisation projects.
- The M&A costs consist of professional fees incurred in performing due diligence relating to potential acquisition targets.
- The share based payments charge is in relation to the three 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 schemes 1 and 3 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).
- 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.
- Unrealised operating foreign exchange (gains)/ losses relate to non-cash exchange losses made on operating items.
- Refinancing costs are in relation to the re-financing activity completed in May 2020.



## 7. Net finance costs

	6 months to 30 June 2021 <i>Unaudited</i> £m	6 months to 30 June 2020 Unaudited £m	Year to 31 December 2020 Audited £m
Loan interest cost	1.5	1.3	2.8
Lease interest cost	0.8	0.9	1.7
Other interest cost	-	0.1	-
Other interest income	-	(0.1)	(0.1)
	2.3	2.2	4.4

# 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 2021	6 months to 30 June 2020	Year to 31 December 2020
	Unaudited	Unaudited	Audited
Earnings per share attributable to equity holders from continuing operations:			
Basic			
Profit for the period attributable to ordinary shareholders of the parent company (£m)	11.2	5.8	22.6
Weighted average number of shares (no' m)	116.0	117.8	116.2
Basic earnings per share (pence)	9.7	4.9	19.4
Diluted			
Profit for the period attributable to ordinary shareholders of the parent company (£m)	11.2	5.8	22.6
Weighted average number of shares (no' m)	125.2	126.1	124.8
Diluted earnings per share (pence)	8.9	4.6	18.1

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

	6 months to 30 June 2021 Unaudited No' m	6 months to 30 June 2020 Unaudited No' m	Year to 31 December 2020 Audited No' m
Basic weighted average number of shares, net of shares held in Treasury reserve	116.0	117.8	116.2
Share options in issue at end of period, net of shares not paid up	9.2	8.3	8.6
Diluted weighted average number of shares	125.2	126.1	124.8



#### 9. Intangible assets

	Software	Customer relationships	Brands	IP rights and Database	Goodwill	Total
	£m	£m	£m	£m	£m	£m
Cost						
As at 31 December 2020	12.2	44.0	16.1	50.2	227.7	350.2
Additions: Separately acquired	0.5	-	-	0.1	-	0.6
As at 30 June 2021	12.7	44.0	16.1	50.3	227.7	350.8
Amortisation						
As at 31 December 2020	(9.9)	(28.8)	(10.7)	(48.3)	(10.5)	(108.2)
Charge for the period	(0.6)	(1.8)	(0.3)	(0.5)	-	(3.2)
Impairment of goodwill	-	-	-	-	(0.4)	(0.4)
As at 30 June 2021	(10.5)	(30.6)	(11.0)	(48.8)	(10.9)	(111.8)
Net book value						
As at 30 June 2021	2.2	13.4	5.1	1.5	216.8	239.0
As at 31 December 2020	2.3	15.2	5.4	1.9	217.2	242.0

Impairment in the period of £0.4m relates to group restructuring in which goodwill previously held in relation to Progressive Media International FZ LLC, which has been dissolved, has been fully written down in value. The impairment has been classified within restructuring costs which forms part of adjusting items (note 6).

## 10. Derivative assets and liabilities

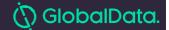
	30 June 2021	30 June 2020	31 December 2020
	Unaudited	Unaudited	Audited
	£m	£m	£m
Short-term derivative assets	0.6	0.1	1.2
Short-term derivative liabilities	(0.2)	(1.0)	(0.1)
Net derivative asset/ (liability)	0.4	(0.9)	1.1

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 £0.7m to the income statement (30 June 2020: expense of £1.7m).

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.



As at 30 June 2021, 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 2021	30 June 2020	31 December 2020
	Unaudited	Unaudited	Audited
	£m	£m	£m
Short-term lease liabilities	4.0	4.2	4.1
Short-term borrowings	5.0	5.0	5.0
Current liabilities	9.0	9.2	9.1

	30 June 2021	30 June 2020	31 December 2020
	Unaudited	Unaudited	Audited
	£m	£m	£m
Long-term lease liabilities	30.0	38.8	35.8
Long-term borrowings	68.6	58.2	70.8
Non-current liabilities	98.6	97.0	106.6

## Term loan and RCF

In May 2020, the Group announced that it had agreed to increase its current banking facilities with NatWest Group, HSBC and Bank of Ireland, extending the current maturity to April 2023 (previously April 2022). The new arrangements increased 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 2021 is £43.7m, with a fair value in accordance with IFRS9 of £43.2m. As at 30 June 2021, the Group had drawn down £30.5m of the RCF, with a fair value in accordance with IFRS9 of £30.4m. Interest is currently charged on the term loan and drawn down RCF at a rate of 2.25% over the London Interbank Offered Rate.

#### 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 £0.0m for the period ended 30 June 2021 (30 June 2020: £0.3m).

During the period ended 30 June 2021, the Group entered into a lease contract for an office based in Tokyo, Japan. The lease commencement date is 1 August 2021, therefore as at 30 June 2021 this is not reflected within right-of-use assets or lease liabilities, in line with provisions of IFRS16. As at 1 August 2021 (commencement date), the group will recognise a right-of-use asset of £0.7m and associated lease liability of the same amount.



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 2021	5.0	70.8	4.1	35.8	115.7
Cash-flows:					
- Repayment	(2.5)	-	(3.1)	-	(5.6)
Non-cash:					
<ul> <li>Loan fee amortisation</li> </ul>	-	0.3	-	-	0.3
<ul> <li>Lease additions</li> </ul>	-	-	0.3	-	0.3
- Lease liabilities	-	-	0.8	(3.9)	(3.1)
- Reclassification	2.5	(2.5)	1.9	(1.9)	-
As at 30 June 2021	5.0	68.6	4.0	30.0	107.6

## 12. Equity

## Share capital

#### Allotted, called up and fully paid:

	<b>30 June 2021</b> <i>Unaudited</i>		<b>30 June 2020</b> <i>Unaudited</i>		31 December 2020  Audited	
	No'000s	£000s	No'000s	£000s	No'000s	£000s
Ordinary shares (1/14th 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 0.4m shares at a total market value of £6.1m. 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 April 2021, 125,000 outstanding share options held by Bernard Cragg vested in accordance with the date of employment target being satisfied within Tranche BC. The Group satisfied the share options exercised using the shares held by the Trust. Movements to the treasury reserve 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.



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.

## **Capital Reduction**

On 19 May 2021, following the passing of Special Resolutions at the Group's Annual General Meeting, GlobalData Plc ("the Company") reduced its merger reserve and other reserve by a total of £171.0m, by way of a bonus issue of shares which were shortly thereafter cancelled and further resolved to cancel the Company's share premium account. The share premium account totalled £0.7m meaning that as a result of these actions, distributable reserves increased by a total of £171.7m. The Directors are permitted to allot shares and convert the merger reserve and other reserve into shares under section 551 of the Companies Act 2006.

#### Merger reserve and other reserve

In order to utilise the merger reserve and other reserve to create additional distributable reserves, it was necessary to capitalise those reserves, totalling £171.0m, by way of a bonus issue of new shares (named the Capital Reduction Shares) and thereafter cancel the Capital Reduction Shares. At the Annual General Meeting held on 20 April 2021, the Company's shareholders approved by way of Special Resolution to carry out the Capital Reduction Bonus Issue. The Capital Reduction Shares were allotted and issued on 17 May 2021. The Court confirmed the cancellation of the Capital Reduction Shares at a Court Hearing held on 19 May 2021.

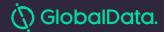
The Capital Reduction Shares were not admitted to trading on any regulated market. No share certificates were issued in respect of the Capital Reduction Shares. The Capital Reduction Shares had extremely limited rights. In particular, the Capital Reduction Shares carried no rights to vote, no rights to participate in the profits of the Company and no rights to participate in the Company's assets save on a winding-up in extremely limited circumstances, such that they have no effective market value.

#### Share premium account

The share premium account has arisen as a result of the vesting of share options, held by employees of the Company's group. Under the Companies Act, the amount credited to the share premium account constitutes a non-distributable reserve. At the Annual General Meeting held on 20 April 2021, the Company's shareholders approved by way of Special Resolution the cancellation of its whole share premium account. The cancellation was subsequently confirmed by the Court on 19 May 2021.

## Impact of capital reduction

There has been no impact on the nominal value of the Ordinary shares, and there has been no dilution to holders of Ordinary shares. There was also no impact on the Company's cash position or on its net assets, and the capital reduction did not itself involve any distribution or repayment of capital or share premium and will not result in any changes to the Group's existing dividend policy.



#### Dividends

The final dividend for 2020 was 11.6 pence per ordinary share and was paid in April 2021. The Board has announced an interim dividend of 6.1 pence per ordinary share. The interim dividend will be paid on 1 October 2021 to shareholders on the register at the close of business on 3 September 2021. The ex-dividend date will be on 2 September 2021.

Following the 2020 year end, the Directors became aware that the Company had made unlawful distributions in 2018, 2019 and 2020 on account of the fact that it had incorrectly included reserves arising from share based payments, relating to employees of subsidiaries, as distributable and had not filed interim accounts in accordance with section 838 of the Companies Act 2006 to demonstrate sufficient reserves were available for distribution. Therefore, during the period from May 2018 through to January 2021, contributions made to the Employee Benefit Trust, in order to buy back shares to satisfy the employee share options plan, and distributions by way of dividends were unlawful distributions in accordance with section 838 of the Companies Act 2006.

In order to correct the position, the Company filed interim (unaudited) accounts with Companies House on 23 March 2021 (in advance of the Annual General Meeting) to demonstrate it had sufficient reserves. At the Company's Annual General Meeting, the Company proposed a resolution to remove any right the Company may have had to claim from Directors and Shareholders in respect of the relevant contributions and distributions. The payments deemed to be unlawful during this period were £7.1m in 2018, £18.3m in 2019, £34.8m in 2020 and £0.3m in January 2021. Upstream dividends were paid in advance of the interim accounts to create additional distributable reserves in the Company and the resolutions regularised the matter. In addition, as disclosed above, the Company undertook a Capital Reduction and cancelled the Share Premium account which created additional distributable reserves of £171.7m. Interim (unaudited) accounts were filed on 31 May 2021 to demonstrate sufficient distributable reserves in advance of the interim dividend being paid.

#### Treasury reserve

The treasury reserve represents the cost of shares held 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.

#### Foreign currency translation reserve

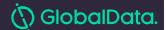
The foreign currency translation reserve contains the translation differences that arise upon translating the results of subsidiaries with a functional currency other than Sterling. Such exchange differences are recognised in the income statement in the period in which a foreign operation is disposed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

#### 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 Total Shareholder Return must exceed an annual rate of 16% over the vesting period.

The total charge recognised for these schemes during the six months to 30 June 2021 was £4.7m (30 June 2020: £1.5m). The awards of the schemes are settled with ordinary shares of the Company. During the period the Group purchased an aggregate amount of 0.4m shares at a total market value of £6.1m. 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.



#### 13. Related party transactions

During the first half we have made significant progress in reducing the amount of related party relationships and transactions.

Mike Danson, GlobalData's Chief Executive Officer, owned 64.94% of the Company's ordinary shares as at 23 July 2021. Mike Danson owns a number of businesses that interact with GlobalData Plc, in part as a result of past M&A transactions (GlobalData Holdings in 2016 and Research Views Limited in 2018). It is the intention of the Board and management to reduce the number of related party transactions and wind down the service agreements that are currently in place. The Related Party Committee, consisting of 4 Non-Executive directors, oversee related party transactions and review to ensure that the transactions are in the best interest of GlobalData and its stakeholders and that the transactions are recorded and disclosed on an arms-length basis.

During the first half of 2021, we have made significant progress towards this goal. In particular, as at 30 June 2021 the Group now has no related party landlords, following the sale of the John Carpenter and Essex Street properties by the Estel Properties Group to third party landlords and secondly, the surrender of the Hatton Garden lease by GlobalData. The surrender of the lease is beneficial to the Group and removes the liability, which was due to run to 2028, a non-cash gain of £129k has been recognised on disposal of the lease. This represents the difference between the value of the lease asset and lease liability under IFRS16 at the date of surrender.

The Group will continue to reduce the number and value of related party transactions over the course of the next 18 months, with the objective of eliminating transactions with related parties by 1 January 2023.

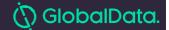
The principal transactions in the period to 30 June 2021 are in line with the transactions disclosed in the financial statements for December 2020, namely: accommodation charges of £0.9m (30 June 2020: £1.8m), corporate support charges of £0.2m (30 June 2020: £0.3m) and interest income on an outstanding loan of £0.05m (30 June 2020: £0.04m) issued to Progressive Trade Media Limited. The initial £4.5m loan issued has one further instalment of £0.9m remaining, repayable in full in January 2022. Except for disbursement and pass through costs, all costs were charged at an appropriate arms-length valuation based upon benchmarks specific to the service and transaction.

In March 2021, the Group hired 51 employees who at the time were working for NS Media Group Limited ("NSMGL"), a related party by virtue of common ownership. The Related Party Committee oversaw the hiring process and all negotiations and contracting was done directly with the employees themselves. No fees or compensation were given to NSMGL.

Separately, GlobalData purchased two start up websites from NSMGL for £55k. These websites, energymonitor.ai and investmentmonitor.ai, were new websites with no revenues or sales contracts attached and low audience figures. The valuation was conducted on an arms-length basis and benchmarked audience figures and comparable valuations, as well as using a discounted cash flow valuation. The Related Party Committee reviewed the calculations to ensure a fair and reasonable arms-length basis was used.

Because of the proximity of the hire of the team from NSMG and the purchase of the websites, management reviewed the provisions of IFRS 3; Business Combinations to assess whether the fact pattern met the requirements of a business combination. Management concluded that the assets and the team being brought into GlobalData did not constitute the definition of a business under IFRS 3, because the majority of the inputs that the team will be applying process to are pre-existing GlobalData assets and there were no outputs brought into the Group (no revenues, contracts or customer relationships). Therefore, management concluded that this did not meet the definition of a business combination under IFRS3.

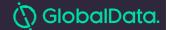
In addition to the principle transactions, the ongoing data services agreement with NSMGL continued into its 2nd year of the 5 year service contract signed in June 2020. The agreed suite of data services provided to NSMGL have been contracted on terms equivalent to those that prevail in arm's length transactions. During the first half of 2021, the content delivery was modified based upon the client's revised requirements. Therefore, the revenue arising in the period has reduced in the period compared to the original contractual terms. In the period ended 30 June 2021, the total revenue generated from this contract was £0.9m and the net contribution generated was £0.5m. Each year's fixed fees are invoiced quarterly in advance.



In addition to the IP and content, there are other shared costs such as software development, webinar production, lead generation and content creation platforms with NSMGL, for which GlobalData received a net charge of £0.01m.

As at 30 June 2021, the total balance receivable from NSMGL was £nil. There is no specific credit loss provision in place in relation to this receivable and the total expense recognised during the period in respect of bad or doubtful debts was £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 £0.9m due within one year owed from Progressive Trade Media Limited for the outstanding loan (30 June 20: £1.9m). There were no other balances owing to or from related parties.



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