Celebrus Technologies plc Interim Results

For the six months ended

30 September 2023

Improving the relationships between brands and consumers via better data.

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Operational highlights

o   Change of company name to build focus around our mission to improve the relationships between brands and consumers via better data.

o   Release of version 9.8 of the Celebrus platform which includes;

- Celebrus Digital Analytics (CDA)
- AI/ML capabilities such as Bot Detection.
- Workbooks for Tableau and PowerBI.

o   Customer Success team established to expand relationships with customers as we focus on direct sales in a "land and expand" model.

o   Key wins during and after the period end include;

- new banking customer in the US that has signed up for both marketing and fraud use cases,
- upsell and expansion of a Top 10 global bank for a further three years,

Financial highlights

- Annual recurring revenue ("ARR") increased to £17.4m (H1 FY23: £15.8m, FY23: £16.7m)

- Total Revenue of £13.0m (H1 FY23: £8.1m, FY23: £21.4m)

- Software Revenue up 18% to £7.3m (H1 FY23: £6.2m, FY23: £19.1m)

- Gross profit margin of 37.4% (H1 FY23: 38.3%, FY23: 60.2%)

- Adjusted PBT of £0.2m (H1 FY23: loss of £1.3m, FY23: profit of £3.8 million)

- Adjusted diluted EPS of 0.56p (H1 FY23: loss of 4.49p)

- Cash position of £14.7m (H1 FY23: £26.2m: FY23: £17.1m) with no debt

- Interim dividend of 0.92p per share, up 4.5% (H1 FY23: 0.88p)

Income statement

- Software revenue up 17.7% to £7.3m.

- Gross profit margin lower due to large amount of 3rd party hardware.

- Opex increased to £4.9m (H1 FY23: £4.5m) due to headcount additions and increased sales and marketing.

- Adj.PBT of £0.2m, assisted by high interest income on cash balances

- Annual recurring revenue (ARR) up to £17.4m (H1 FY23: 15.8m, FY23: £16.7m).

- Adj. diluted EPS loss of 0.56p (H1 FY23: loss 4.49p).

- Dividend of 0.92p up 3.5% (H1 FY23: 0.88p).

£'000	H1 FY24	H1 FY23	FY23
Software revenues	7,288	6,194	19,142
Hardware revenues	5,718	1,939	2,227
Revenue	**13,006**	**8,133**	**21,369**
Cost of Sales	(8,145)	(5,016)	(8,497)
Gross profit	**4,861**	**3,117**	**12,872**
GP%	*37.4%*	*38.3%*	*60.2%*
Software GP%	*56.4%*	*53.1%*	*68.8%*
Operating expenses	(4,946)	(4,504)	(9,433)
Finance income (net)	300	124	337
Adjusted PBT	**215**	**(1,263)**	**3,776**
Amortisation/SBP etc	37	207	(1,385)
Profit before tax	**252**	**(1,056)**	**2,391**
Tax	15	(290)	(274)
Attributable to equity holders	**267**	**(1,346)**	**2,117**
Earnings per share (p)			
Basic earnings/(loss)	0.67	(3.35)	5.29
Diluted earnings/(loss)	0.65	(3.35)	5.18
Adjusted Basic earnings/(loss)	0.58	(4.49)	7.90
Adjusted Diluted earnings/(loss)	0.56	(4.49)	7.74

Consolidated statement of financial position

- High trade debtor and trade creditor positions due to large contract win in Q2 FY24 with hardware component.

- No bad debt issues.

- Cash balance of £14.6m, awaiting trade debtor receipts (net) of £8.5m.

- London property NBV of £3.0m for sale. Offers being received and negotiated.

£'000	Sep-23	Sep-22	Mar-23
Goodwill and other	11,436	10,452	11,406
Property, plant and equipment	524	3,950	607
Non current assets	**11,960**	**14,402**	**12,013**
Trade and other receivables	17,433	4,210	7,576
Assets held for sale	3,000	-	3,000
Cash	14,654	26,180	17,155
Current assets	**35,087**	**30,390**	**27,731**
Trade and other payables	(6,659)	(4,006)	(2,300)
Deferred income	(9,317)	(10,388)	(9,383)
Current liabilities	**(15,976)**	**(14,394)**	**(11,683)**
Non current liabilities	(4,183)	(651)	(716)
Net assets	**26,888**	**29,747**	**27,345**
Share capital and premium	4,174	4,174	4,174
Other reserves	5,993	6,455	5,827
Retained earnings	16,721	19,118	17,344
Shareholders' funds	**26,888**	**29,747**	**27,345**

Cashflow

- Negative movement in working capital of £2.0m from invoicing of large contract win in Q2.

- Investing activities are modest
  - low capex requirement in the business.
  - Minimal capitalization of development costs

- Strong focus on interest income.

- FY23 final dividend payment of £0.85m.

- Purchase of own shares of £0.15m.

- New share buyback scheme launched in Nov-23 to offset share option / LTIP dilution.

£'000	H1 FY24	H1 FY23	FY23
Profit before tax	252	(1,056)	2,391
Movements in working capital	(2,043)	16,226	9,698
Depreciation and amortisation	201	379	611
Share-based payments	333	462	856
Other	(285)	228	148
Net cash generated from / (used in) operating activities	**(1,542)**	**16,239**	**13,704**
Purchase of plant/equipment and intangibles	(58)	(180)	(270)
Capitalisation of development costs	(160)	(118)	(247)
Interest received	314	134	373
Net cash generated from / (used in) investing activities	**96**	**(164)**	**(144)**
Dividends paid	(856)	(831)	(6,194)
Purchase of own shares	(148)	(436)	(1,488)
Other	(51)	(58)	(153)
Net cash used in financing activities	**(1,055)**	**(1,325)**	**(7,835)**
Net increase/(decrease) in cash and cash equivalents	**(2,501)**	**14,750**	**5,725**
Cash and cash equivalents at start of period	17,155	11,430	11,430
Cash and cash equivalents at end of period	**14,654**	**26,180**	**17,155**

Example customer wins

Marketing & Fraud

Utilising a Celebrus Cloud deployment for both the Marketing and Fraud use cases

Hardware Refresh

Included a significant amount of hardware for an on-premise environment.

Large renewal

Three years new features such as CX Vault, digital identity enhancements, and workbooks for Tableau

Partnerships

Solution partners

Trusted advisers providing scalability for our service teams

Merkle

New offering foundationally supported by Celebrus Digital Identity

CX Forward

Joint Marketing, focused on decisioning customers.

Celebrus Platform

Marketing

First-party data collection, contextualization and activation. Built on top of the Celebrus first party, real-time identity graph.

Fraud

True fraud prevention with advanced data modeling and signals, enhanced by behavioral biometrics.

CDI for Salesforce

Amplifies your tech stack with contextualized, first-party visitor profiles fed to your Salesforce Marketing Cloud instance in real-time.

salesforce

CX Vault

The only no-party data capture, contextualization, and activation solution built to power engagement regardless of opt-in.

Digital Analytics

Powerful web analytics platform that gives you 100% data ownership. Available in customer environment and Celebrus Cloud.

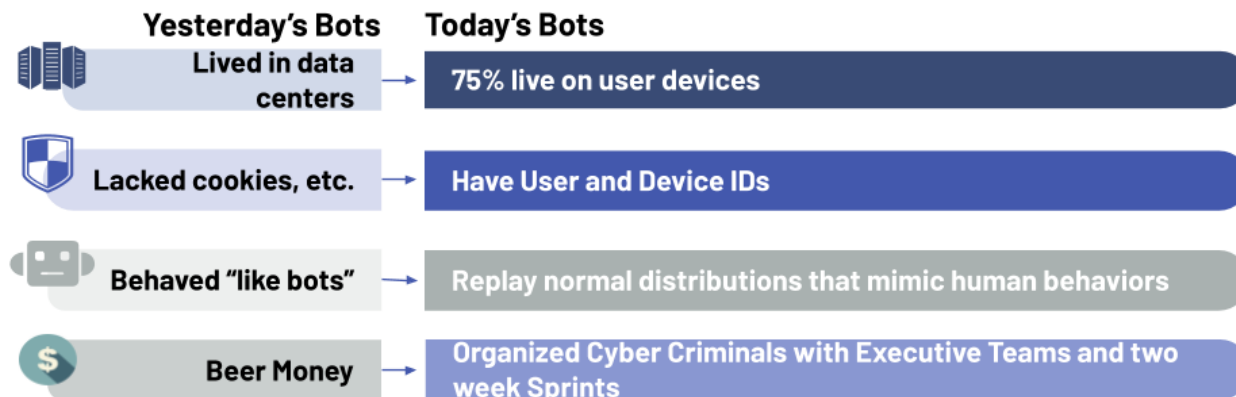## Celebrus Platform

Identity graph, tagging free first-party data collection, real-time, data model, 100% data ownership

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Celebrus Digital Analytics

Celebrus Tableau Workbook

Core set of interactive web analytics dashboards built in Tableau Desktop. Extend and customize to suite your business requirements.

Celebrus Power BI Workbook
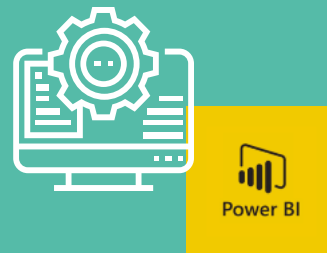
Equivalent Power BI Desktop workbook - publish the pbix file to a deployment pipeline, share directly through Teams, SharePoint, send to Power BI Report Server etc.

Celebrus Digital Analytics CDA

Powerful web analytics application that provides a rich feature set. Easy onboarding and user-friendly interface for marketers. Available in Celebrus Cloud.

Celebrus Platform

Identity graph, tagging free first-party data collection, real-time, data model, 100% data ownership

Bot detection

- Bots continue to evolve and are increasingly sophisticated
- Celebrus Bot Detection provides a next generation solution
  - License provides a subscription to our machine learning models
- Integrates features from rich Celebrus behavioral data
  - Solves marketing and fraud use cases
    - Such as PPC fraud and account takeover

Outlook

- Focus on our ability to build scalable, single-tenant, cloud-based environments for our Celebrus customers.

- Solid progress in the first half and high visibility of opportunities expected to close in the second half.

- These underpin the Board's confidence in both achieving full year market expectations and continuing to drive growth in ARR.

Questions?