

Results.

H1 FY24 Results

Ongoing momentum as retailers move towards personalised marketing

Eagle Eye Solutions Group plc

Tim Mason, CEO and Lucy Sharman-Munday, CFO



Today's Agenda

1. Introduction to Eagle Eye
2. FY24 H1 highlights
3. Financial review
4. Strategy in action
5. Q&A



Powering the personalised marketing revolution globally.

We create value by enabling our customers to deliver **better**, more personalised marketing which is **simpler** for their teams to execute and **cheaper** for them to run.

750m+

personalised offers executed
per week

200m+

loyalty members hosted
globally

90k+

stores connected globally



Market

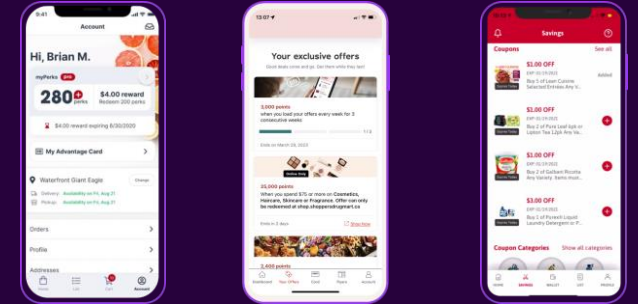
Loyalty and personalisation are intrinsically interlinked. We are recognised by analysts and retailers as a best-in-class solution for the full complement of customer engagement solutions



A growing opportunity for Eagle Eye

Consumer

We enable businesses to follow the Golden Rule, executing omnichannel personalisation at unrivalled scale



Retailer

We are built for retail.

Personalisation is the most economical way for retailers to drive the behaviour they seek.

**BETTER
SIMPLER
CHEAPER**

Technology

AIR delivers what retailers want:
Real-Time
API-based
Composable
Cloud-native

eagleeye AIR

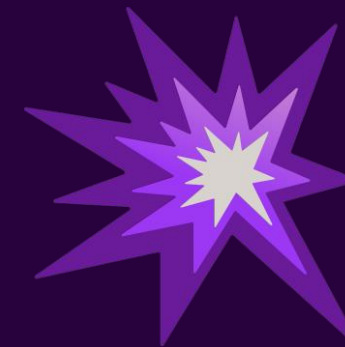
eagleAI



EagleAI enables us to deliver a more complete use case, utilising AI built for retail

A positive H1 performance

Delivering on our strategy



We have the ambition to be a much bigger business

Our results are delivering in line with that journey

- ✓ Strong international growth
- ✓ ARR up 26%
- ✓ Delivering Rule of 40

We want to be the best company to work for

Making us the best company to work **with**

- ✓ Investment in our **Purple** People
- ✓ NRR 120%
- ✓ Retention

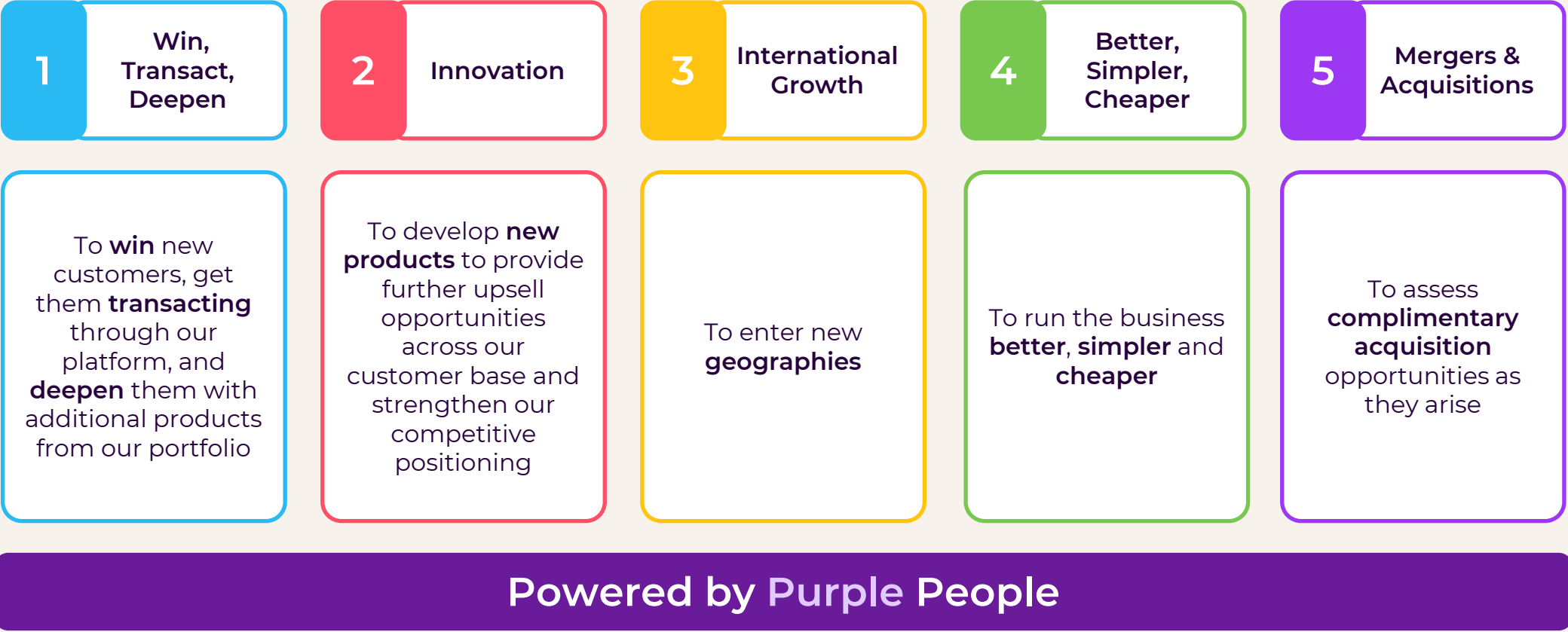
Untie Nots acquisition has opened a new market opportunity

eagle**AI** – our new joint data science offering

- ✓ First customers secured
- ✓ Growing pipeline

Our strategic framework will enable us to achieve our ambitions

Our next milestone is £100m revenue and 25% EBITDA margin



Financial review



Profitable growth demonstrating ongoing momentum

Delivering in line with our Rule of 40+ objective

	H1 2024	Growth H/H
Group Revenue	£24.1m	+20%
Recurring Revenue (subscription fees and transactions)	78%	-
Annual Recurring Revenue* (ARR)	£35.4m	+26%
Net Revenue Retention**	120%	-7ppt
Adjusted EBITDA***	£5.9m	+25%
Adjusted EBITDA margin	24.4%	+0.9ppts
Adjusted Profit after tax****	£2.6m	+49%
Closing net cash***** position	£7.8m	+36%

¹ Period end Annual Recurring Revenue ("ARR") is defined as period exit rate for recurring subscription and transaction revenue (exc SMS) plus any professional services contracted for more than 12 months hence and secured new wins, excluding any seasonal variations and lost contracts.

² Net Revenue Retention ("NRR") rate is defined as the improvement in recurring revenue excluding SMS and new wins in the last 12 months.

³ EBITDA has been adjusted for the exclusion of share-based payment charges along with depreciation, amortisation, interest and tax from the measure of profit, along with costs of the acquisition of Untie Nots in FY23

⁴ Profit before tax has been adjusted for the exclusion of amortisation on intangible assets recognised under IFRS 3 on the acquisition of Untie Nots and share-based payments

⁵ Adjusted net cash is defined as cash and cash equivalents less financial liabilities and in H1 23 excludes the placing proceeds associated with the acquisition of Untie Nots which were paid out following completion on 3 January 2023.

Delivering on our customer strategy

Driving our growth in revenue

Win



Transact

- Volumes +65% 2.6bn (H1 23: 1.6bn)



Deepen

- NRR 120%



H1 FY24 Revenue analysis

	H1 24	H1 23	% Change
One off implementation fees	£5.2m	£4.3m	+21%
Recurring revenue:			
Licence fees	£7.1m	£7.4m	-4%
Transaction fees	£8.4m	£7.0m	+21%
SMS fees	£1.2m	£1.3m	-12%
Eagle Eye Total	£22.0m	£20.0m	+10%
Untie Nots Total	£2.1m		N/A
Group Total	£24.1m	£20.0m	+20%

H1 24 Income Statement

Delivering profitable growth

96% gross margin, +2ppts, due to product mix

£17.2m net operating expenses, 22% higher in line with gross profit growth

- **Net staff costs** increase by 36% to £10.6m (61% of opex) (H1 23: £7.8m) reflecting investment in global platform operations and delivery resources
- **Infrastructure costs** grew by 10% to £4.6m benefitting from prior investment in speed, stability and security
- **Product costs** of £3.8m representing 16% of revenue (H1 23: £3.1m)

Adjusted EBITDA £5.9m, 24.4% margin (H1 23: £4.7m, 23.5% margin)

Adjusted profit before tax £2.6m (H1 23: £1.7m) excludes UN amortisation of £1.1m and share-based payments of £1.8m.

Adjusted EPS 8.63p (H1 23: 7.17p) after £0.1m tax charge as impact of profitable international operations offsets R&D tax credit claims

£m	H1 24	H1 23	VAR %
Revenue	24.1	20.0	20%
Cost of Sales	(1.0)	(1.2)	(17)%
Gross profit	23.1	18.8	23%
Gross margin %	96%	94%	
Operating costs	(20.8)	(16.6)	25%
Capitalised costs	3.5	2.5	41%
Other income	0.1	-	
Net operating costs	(17.2)	(14.1)	22%
Adj. EBITDA	5.9	4.7	36%
Amortisation, depreciation, interest	(3.3)	(3.0)	13%
Adj. profit before tax	2.6	1.7	49%
Tax	(0.1)	0.2	137%
UN amortisation, share based payments	(2.9)	(0.9)	32%
Profit/(loss)	(0.4)	1.0	(141)%
Adj EPS	8.63p	7.17p	20%

Innovation sits at our heart

Differentiating us and providing added value to our customers

Delivering on our customer promise

- **Security**
- **Speed**
- **Scale**
- **Stability**
- **Support**



Ensuring the platform can deliver the next phase of growth

- **Exploring new cloud-native technologies & tools**

Continually enhancing and differentiating our product

- **Adding new functionality to our Cloud-Based Adjudication service whilst simultaneously reducing our POS Connect response times**
- **New capabilities such as Social and Behaviour Actions**
- **Delivering new partnerships e.g. Commercetools**

23%

growth in global
API requests
December 2022
vs. 2023

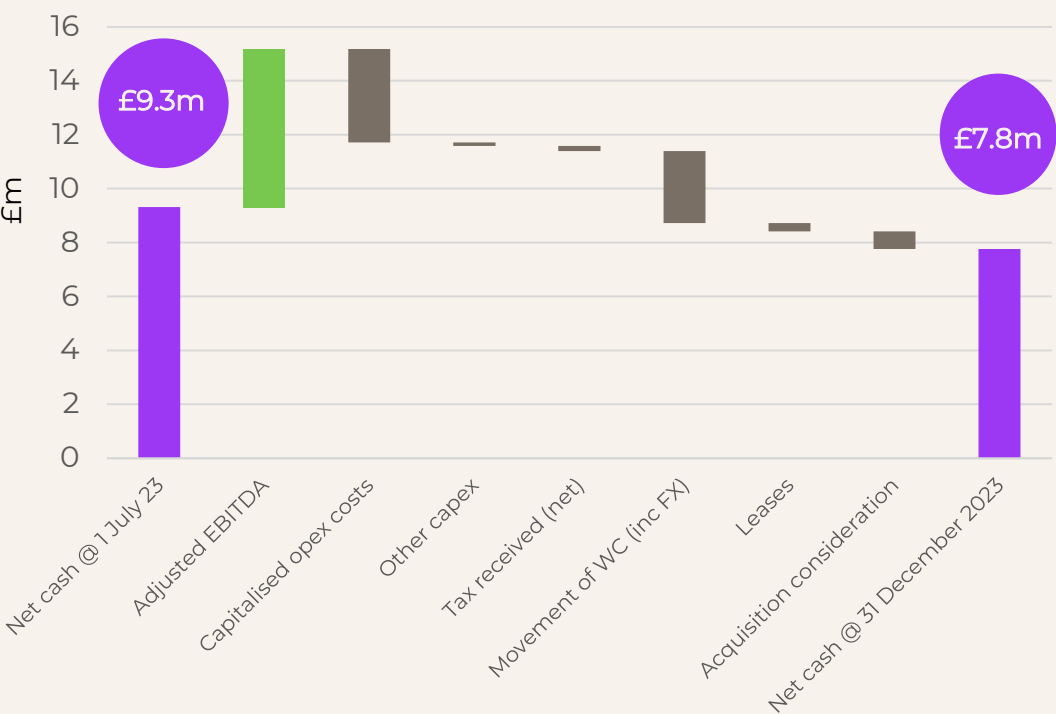
8.3bn

API requests
processed in one
month



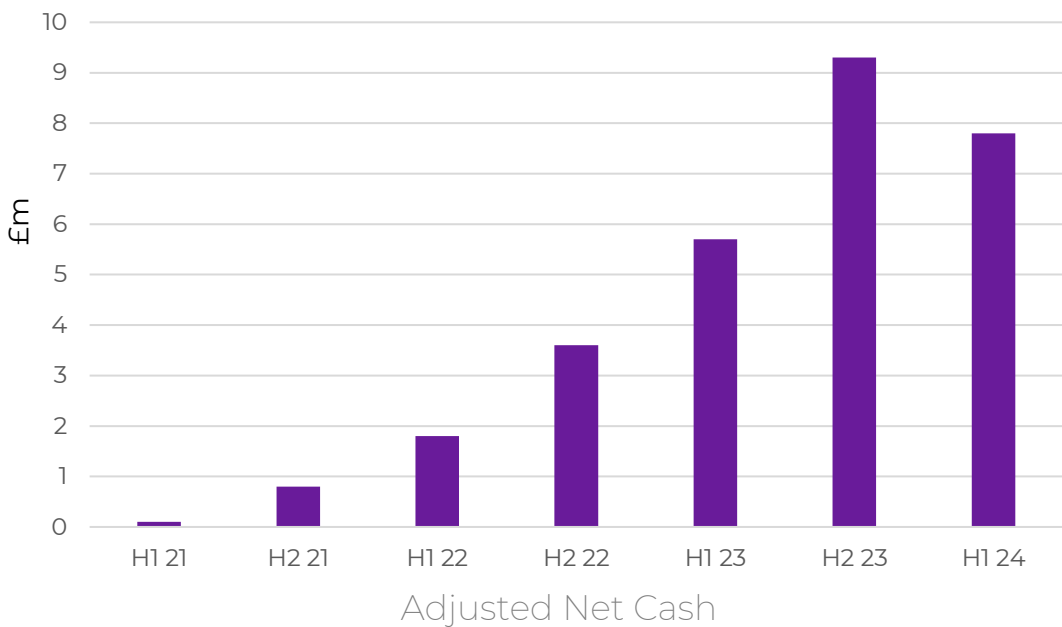
Net cash bridge

Strong net cash position



Excluding Untie Nots deferred consideration cash outflow was £0.9m (H1 23: £2.1m inflow excluding funds raised in relation to acquisition of Untie Nots).

- Key **outflow variance** due to:
- Bonus performance in FY23 +£1.4m
 - GCP cash credit in FY23 +£0.7m
 - Tax increase +£0.6m



Net cash £7.8m (Dec 22: £5.7m)

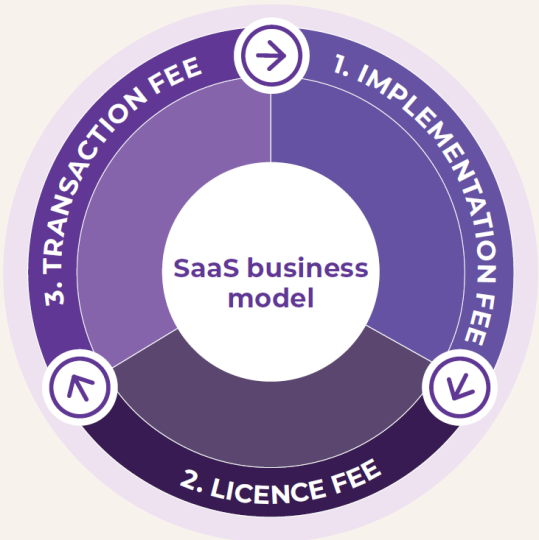
HSBC £5m facility (+£2.5m accordion) in place to November 2024 - £1m drawn at period end, repaid post-period

Expect second half and full year to be cash generative

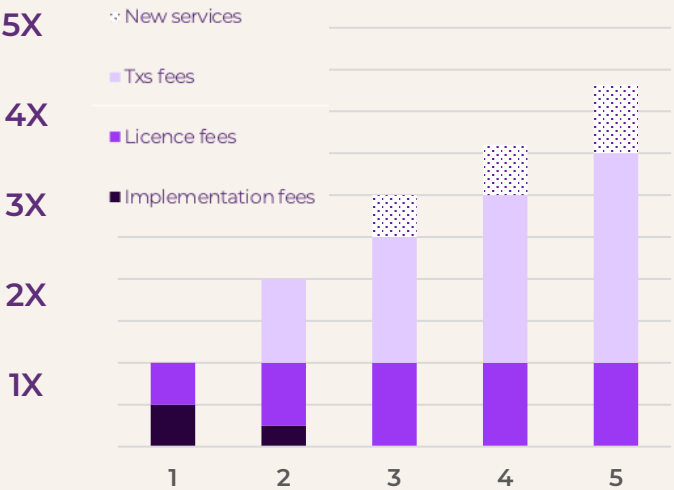
Our organic revenue story

1. High growth subscription model

78% recurring revenue



2. £1 win drives £3 of transact and deepen



NRR +120%

3. Low levels of churn

1.2% of value customer churn

4. Opportunity to deepen existing base

Services	1	2	3	>4
% of top 20 customers	30%	45%	20%	5%

Strategy in action



Four aspects of progress demonstrating how we are set to deliver on our £100m ambition



Our customer strategy

Morrisons case study



Innovation with Untie Nots

Our progress and plans



International progress

Impact on our sales pipeline



Our Purple people

Why it is so important

Strategy in action

Win

- Contract signed for Real Time Loyalty and Personalised Promotions – June 2023
- Morrisons' mission statement is “to improve and scale the loyalty scheme to drive LFL sales benefit and grow market share, with improving profitability allowing us to harness scale and personalisation to invest every £ more effectively”



Transact

- Deployed our 1st use case, More Card Exclusives (member pricing) in October 2023
- Will be live as Morrisons' loyalty master (including points ledger) in April 2024
- Managing millions of loyalty members redemptions per month

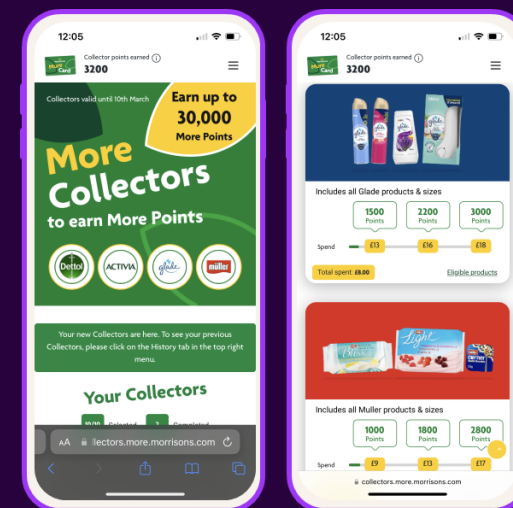
eagleeye AIR



Deepen

- EagleAI-powered Challenges contract signed November 2023
- First Challenges campaign live in January 2024 – first campaign had record-breaking participation
- Significant value distributed to customers in rewards (points) already

eagleAI



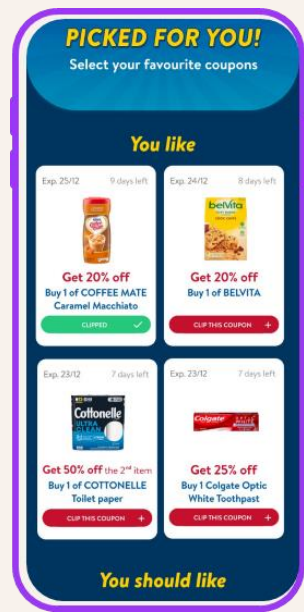
Product-led innovation
Differentiating us and providing added value for our ideal customer profile

eagleAI

Personalised Challenges

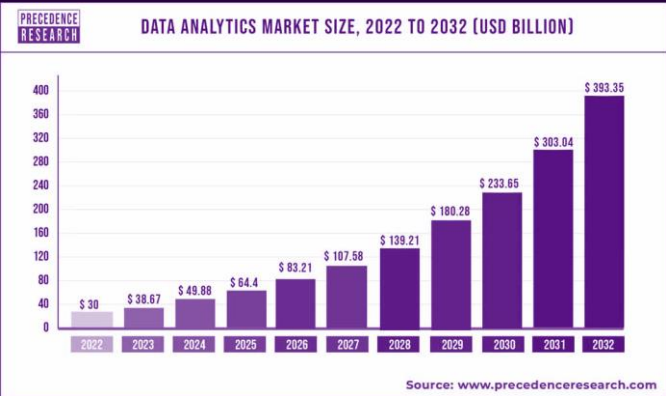


Personalised Promotions



New Addressable Market

Data analytics market is currently worth \$38bn and is projected to grow to \$393bn by 2032



Phased Approach

- ✓ Phase 1: cross-selling into our existing customer base
- ✓ Phase 2: will target tier two enterprise retailers across the same sectors. US focus
- ✓ Phase 3: Extend to rest of world

Product Evolution

- ✓ We continue to build out an innovative product roadmap with a view to extending the number of solutions available to the same ideal customer profile

Strong international revenue growth

Continued focus on pipeline growth



North America:

Revenues +21%

Largest loyalty & promotions market globally

Approximately half of global revenue and continued momentum

2.5x
pipeline
growth



UK & Europe:

Revenues +15%

UK is most established market. France is well established for Challenges but AIR provides a new opportunity

Exploring opportunities in DACH



APAC:

Revenues +39%

Fastest growing loyalty and promotions market globally



The best company to work **for** is the best company to work **with**



eNPS benchmark:
+50 = Excellent

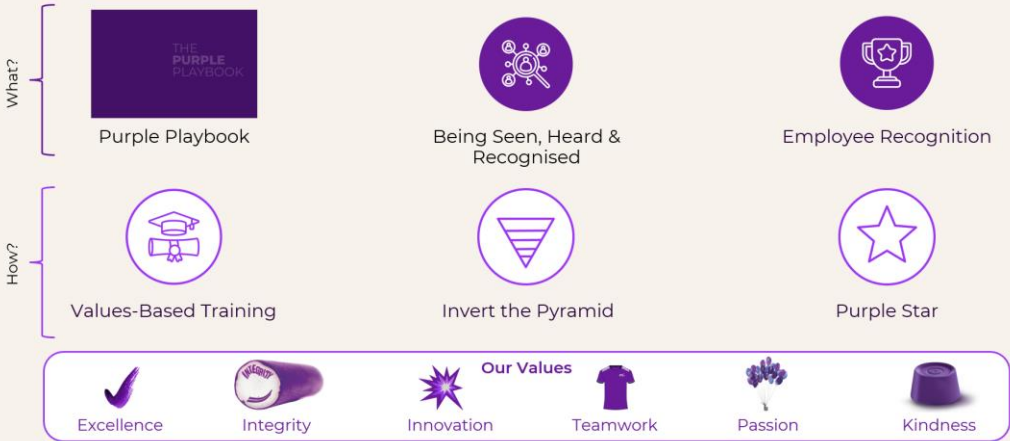
How likely is it that you would recommend Eagle Eye as a **place to work**?

65

How likely is it that you would recommend Eagle Eye's **products & services**?

68

Our People Plan



Our Business Case



Annual
Attrition

7% actual vs. 14%
benchmark



Average
Tenure

+15% vs. benchmark



Productivity
Year 1

50% more effective



Recruitment Fees
& Hiring Resource

+£1m saving



Customer
Retention

+99%



The ingredients to deliver on our £100m revenue and 25% EBITDA margin milestone



Purple people



Powerful platform



Product innovation



Growing number of customer success stories around the world

Confident outlook

“Our ability to deliver highly personalised messages to consumers in real time, at scale, positions us at the centre of the innovations taking place across the world of retail marketing.

Trading since the Period end has continued well, providing confidence in the delivery of another year of profitable growth, in line with the Board’s expectations.”

Q&A



Soar.