

**23 March 2020**

**NCC Group plc (the 'Group')  
COVID-19 Trading update**

NCC Group plc provides a trading update in light of the rapidly changing economic and social environment.

The Group was on course to meet expectations for the year ending 31 May 2020 until the outbreak of Covid-19. However, the cumulative impact of Covid-19 delays and cancellations sustained in Q3 in the Asia-Pacific region, coupled with increasing delays and cancellations of work across Europe and North America since the beginning of March, have led to a fall in revenues, specifically in our Cyber Assurance division.

Although the business is forecast to trade profitably through the month of March, the impact on revenues from cancelled or deferred projects over the next few months is difficult to assess at this time and therefore the Board is withdrawing current guidance until normal operations resume globally. We will provide a further trading update following the close of our year ending 31 May 2020.

Our primary concern is the health and safety of our people and customers. Our first dedicated remote-working initiatives began in February in Singapore and have extended around the world as a number of our offices are now closed or closing.

Despite the current uncertainty of customer demand, NCC Group's business has a number of features which give us greater resilience in the face of the Covid-19 challenge:

- Revenues in our Software Resilience (Escrow) business (which represents circa 45% of Group EBIT) are currently unaffected by recent events and provide us with a strong underpinning. In addition, there are early, tentative, signs of increasing demand for that service as clients seek to improve their resilience;
- Approximately 70% of our Technical Consulting Services business (circa 65% of Assurance revenues) is undertaken remotely under normal circumstances and we have the ability to perform almost 100% of our technical consulting work remotely subject to client permission;
- Our managed services division (circa 20% of the Assurance business) has a significant proportion of long-term revenues;
- Since the beginning of March, we have activated a contingency plan enabling the whole firm to work remotely, except for those few cases where our colleagues need access to specialised facilities in which event specific working arrangements are being put in place;
- We are benefiting from investments made in the first phases of Securing Growth Together which have provided enhanced communication and collaboration tools sitting on a secure and resilient infrastructure; and
- We have a significant number of blue-chip clients including over 60 Fortune 500 firms, 85 FTSE 350 clients and a number of government organisations around the world.

In addition, the general level of cyber threat has increased as a result of Covid-19 owing to higher levels of remote working across much of our client base and the wider economy. We have seen early evidence of bad actors already seeking to exploit the situation. We believe these factors will provide us with additional opportunities as businesses adapt to this new working environment.

The Group has a strong balance sheet and enters this challenging period in robust health. In particular, as at 9 February 2020, the Group has a committed revolving credit facility of £100m and seasonal net debt of £22.0m (February 2019: £38.6m) including cash balances of £32.5m (February 2019: £18.8m). This facility was agreed on 10 June 2019 and is not due for renewal until June 2024.

**Adam Palser**, Chief Executive Officer, commented:

"NCC Group is fully open for business having taken steps to enable remote working with clients across the firm. We believe that the Group is well placed to manage its business risks successfully and take advantage of any opportunities once the Global pandemic has subsided. Therefore, our objective is for NCC Group to emerge from the turbulence caused by Covid-19 in strong shape. To that end we intend to preserve our specialist delivery capabilities and will balance short-term cost saving actions against this priority. The Board and Executive Management will closely monitor the emerging situation and, if required, will introduce further mitigating actions."

The Group intends to announce its results for the year ended 31 May 2020 on the 23 July 2020 in line with the prior year timetable.

**Enquiries**

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**About NCC Group plc**

NCC Group exists to make the world safer and more secure.

As global experts in cyber security and risk mitigation, NCC Group is trusted by over 15,000 clients worldwide to protect their most critical assets from the ever-changing threat landscape.

With the company's knowledge, experience and global footprint, it is best placed to help businesses identify, assess, mitigate and respond to the evolving cyber risks they face.

To support its mission, NCC Group continually invests in research and innovation, and is passionate about developing the next generation of cyber scientists.

With over 1,800 colleagues in 12 countries, NCC Group has a significant market presence in North America, continental Europe and the UK, and a rapidly growing footprint in Asia Pacific with offices in Australia and Singapore.

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