Atlanta-based IDology to Be Acquired by GBG for $300m

The acquisition will expand UK-based GBG's global identity verification and fraud prevention capability in a key growth market

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LONDON, Feb. 11, 2019 /PRNewswire/ --

- IDology provides GBG with a strong foothold for Identity Verification and Fraud Prevention in North America, a key growth region for the company.
- The acquisition will strengthen GBG's product portfolio and enhance its world-class customer experience, while delivering unbeatable regulatory compliance.
- A strong cultural alignment based on an established commercial partnership.

GBG, the UK-headquartered Identity Data Intelligence specialist, today announces that it has conditionally agreed to acquire the entire issued share capital of IDology, a US-based provider of identity verification and fraud prevention services, for $300m (£233m) in an all-cash transaction.

IDology is a fast-growing provider of identity verification services that helps remove friction both in onboarding customers and in the detection of fraud. Its market-leading US identity verification and fraud prevention services, led by its ExpectID product range, are the perfect strategic complement to GBG's identity verification solutions.

GBG can quickly validate and verify the identity and location of 4.4 bn people globally and accesses a breadth of data from over 200 global partners to establish trust between businesses and their customers. Having completed 11 acquisitions since 2011, GBG's $300m acquisition of IDology is its largest to date.

GBG has seen strong growth in the US market. Its existing US identity business has grown organically with customers across technology, payments and retail verticals. Meanwhile Loqate, its location intelligence solution, has offices in New York City and San Francisco and has seen high demand from household names like Abercrombie and Fitch, Oracle and Nordstrom. The acquisition will strengthen GBG's broader portfolio and enhance the business' product capability and customer reach.

Over the course of 2018, IDology delivered revenues of $38.2m at a CAGR of 16%, and EBITDA of $16.3 million. The company will retain its entire senior management team and the employee base of IDology will join GBG.

Today, IDology has established itself as the market leader in domestic identity verification and authentication which enables fraud prevention across multiple sectors. The acquisition will strengthen GBG's portfolio, enhancing the business' product capability and customer reach.

GBG and IDology have a history of working together in partnership and share a similar culture with a strong emphasis on people and talent. IDology's US customer base currently accounts for 99% of its revenue, which will provide GBG with geographic scale and help to position GBG as a global leader in electronic identification verification.

John Dancu, IDology's President and CEO, commented:

"For the past fifteen years, IDology has provided multi-layered identity verification. With the combination of IDology and GBG, we intend to innovate, delivering exceptional solutions for our customers, focusing on driving customer revenue and preventing fraud. With GBG's expertise in global data, we are all excited to expand our solutions and our trusted consortium network for customers across the globe."

The CEO of GBG, Chris Clark, said:

"I am delighted to announce the acquisition of IDology. With attractive organic growth, significant synergies and a strong cultural alignment, this is a high-quality addition to GBG. The combination of IDology and GBG enables us to meet growing customer appetite for an identity verification provider with global capabilities and scale in key markets.

"We are excited by the compelling strategic rationale behind this acquisition. It enables GBG to quickly expand even further into North America, a key growth territory for the business. We have already built an exciting domestic presence in the US with Loqate, our location proposition, and IDology now gives us an excellent platform for both identity verification and fraud prevention.

"The Board and I look forward to the future success that we anticipate that our combined business can deliver."

Today, the US Identity Verification market is valued at $1.5bn*, with a predicted CAGR to 2022 between 7 – 14%.[1] GBG's acquisition of IDology will provide the combined business with the critical mass to improve its customer offer, operational efficiency and deliver scale in a key target market.

[1] Source: McKinsey ID Verification TAM report June 2018

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