



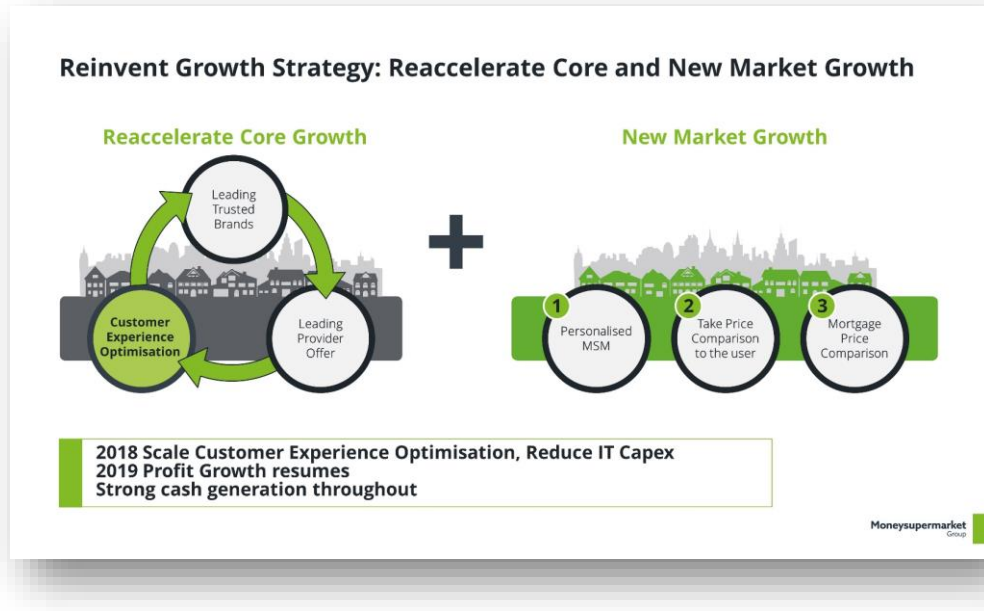
Interim Results

28 July 2020

Mark Lewis

Chief Executive Officer

Business model proving resilient through significant market disruption



Brands and Purpose more relevant than ever

- Helped households save £1.1bn
- MSE brand relevance has increased through the lockdown

Significant revenue impact despite growth in other areas

- Customer and Provider dynamics drove revenue down 8% in the half
- Insurance impacted but now improving; Money highly suppressed
- Home Services and B2B strong throughout

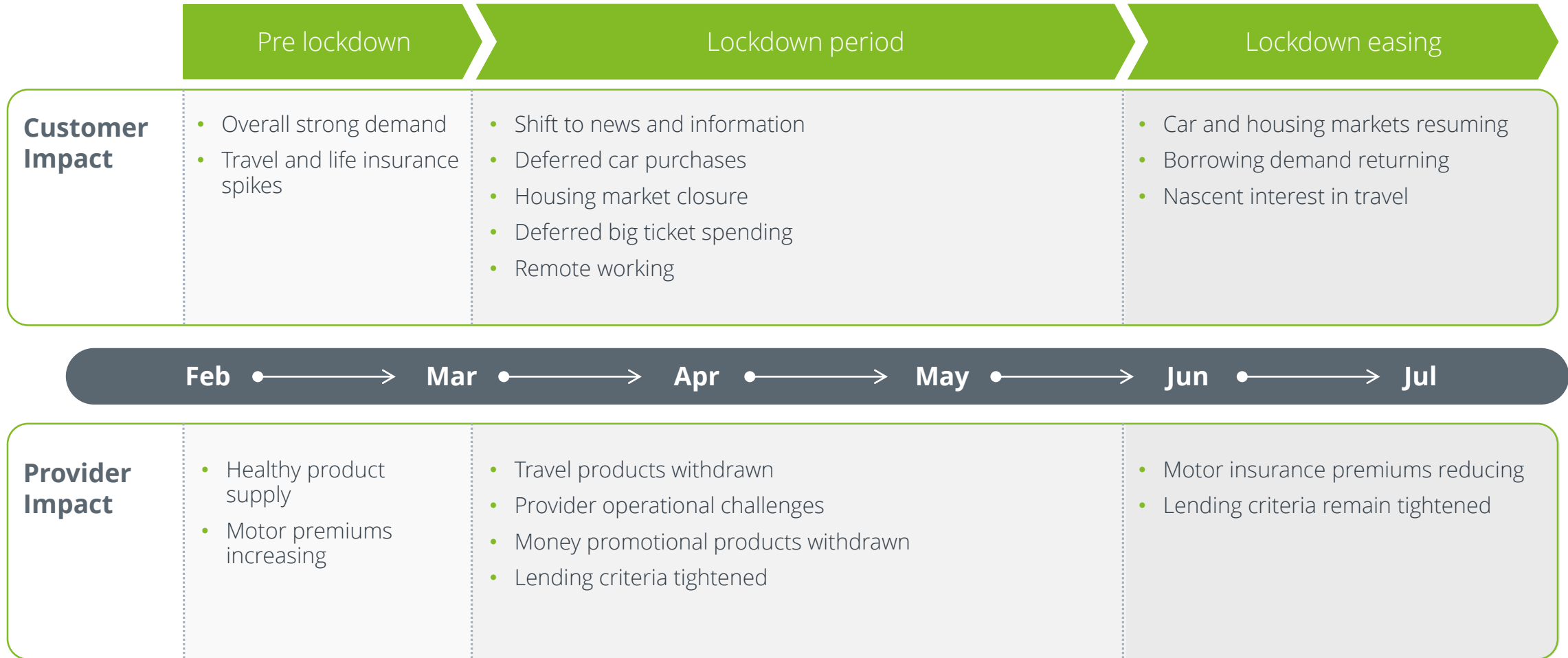
Traded through lockdown with robust cash generation

- Interim dividend maintained at 3.1p per share

Committed to strategic delivery for future growth

- Accelerating growth in B2B partnerships
- Increased marketing support for MoneySuperMarket and Personalisation
- MSE energy auto-switching proposition now live

COVID-19 has affected both sides of our marketplace



Rapid response has allowed households to save £1.1bn so far this year

Lockdown period:
rapid pivot to actionable information

Lockdown easing:
new propositions introduced

MoneySavingExpert

Coronavirus Guides | Constantly updated guides with need-to-knows on the financial fallout of the pandemic



Coronavirus Travel Rights - Holiday refunds, travel insurance cover & more

- [Latest on travel restrictions](#)
- [I've a trip booked - can I get a refund?](#)
- [What if my flight or holiday is cancelled?](#)

MoneySavingExpert.com
Cheap Energy Club
Helping you get no hassle, CONSTANTLY cheap gas & electricity

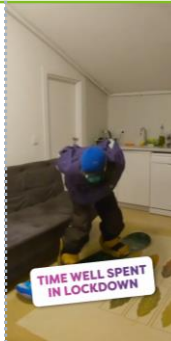
My account Logout Hello!

Hurrah!
You're now signed up to MSE Autoswitch.

We'll find you the best deal for you (based on your preferences) and will send it to you in an email around 20 June 2020. After your approval we'll switch you to that deal (don't worry, you'll get to review everything) and we'll do this year, after year, after year.
You can check your details [here](#).

You have a switch in progress with Bulb

British Gas → Shell ENERGY



Payment holiday calculator

Find out how a mortgage payment holiday could affect your future repayments

Payment Holiday Calculator



Teams moved to remote working in advance of lockdown

Workforce fully deployed, have not applied for government support
Maintained Group's CSR commitments, including support for local community

Scilla Grimble

Chief Financial Officer

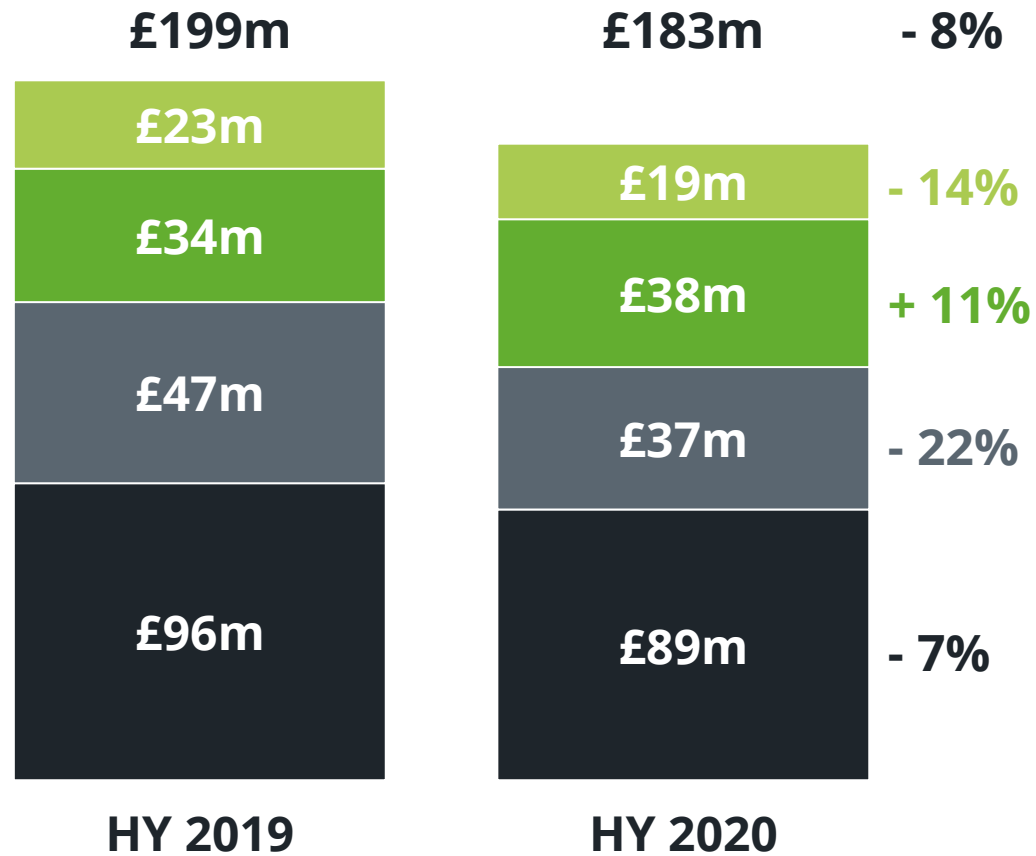
Financial highlights



| | | |
|--------------------|-----------------------------|--------------------------|
| Revenue -8% | Adjusted EBITDA -14% | Reported EPS -19% |
| £183m | £63m | 7.6p |

| | | |
|---------------------------------|--------------------------------|----------------------------------|
| Reinvestment rate - flat | Operating cashflow -19% | Dividend per share - flat |
| 9% | £42m | 3.1p |

Revenue down 8% driven by exceptional market conditions

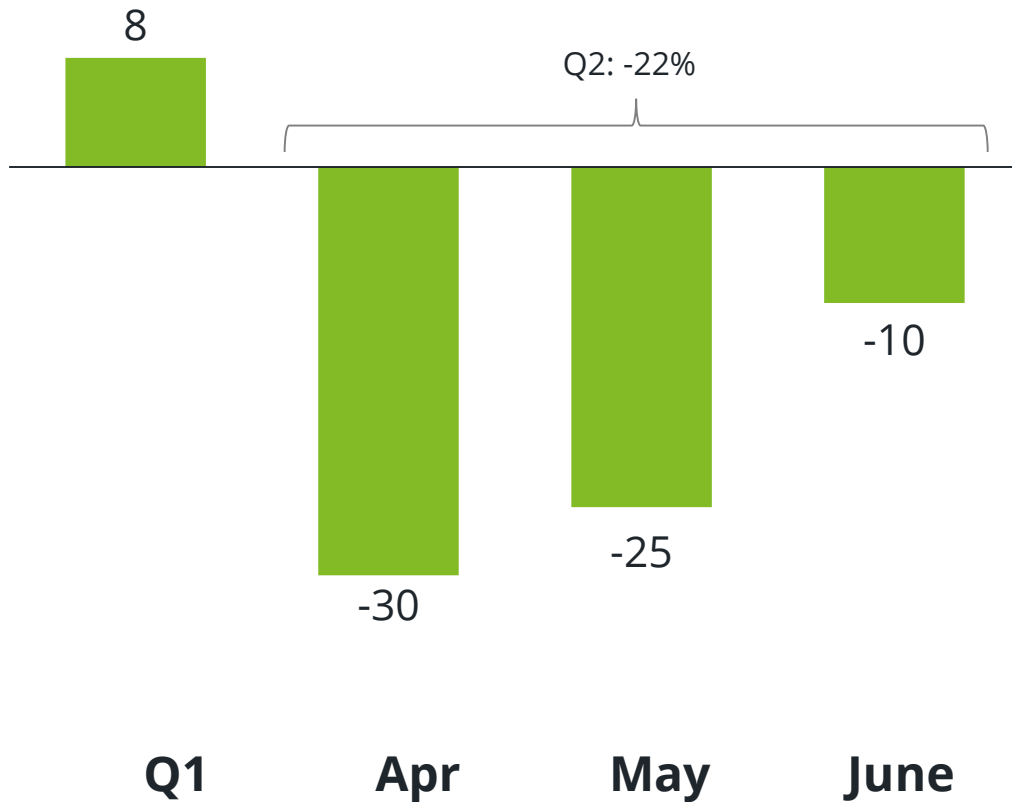


- H1 revenue down 8% but Q2 revenue down 20%
- Insurance, Money and TravelSupermarket heavily impacted by market factors during lockdown
- Strong growth in Home Services and Decision Tech

● Insurance ● Money ● Home Services ● Other

Insurance trends improving

YoY revenue growth (%)



Q1

- Return to premium inflation in motor insurance
- COVID-19 driving strong performance in life and travel

Lockdown

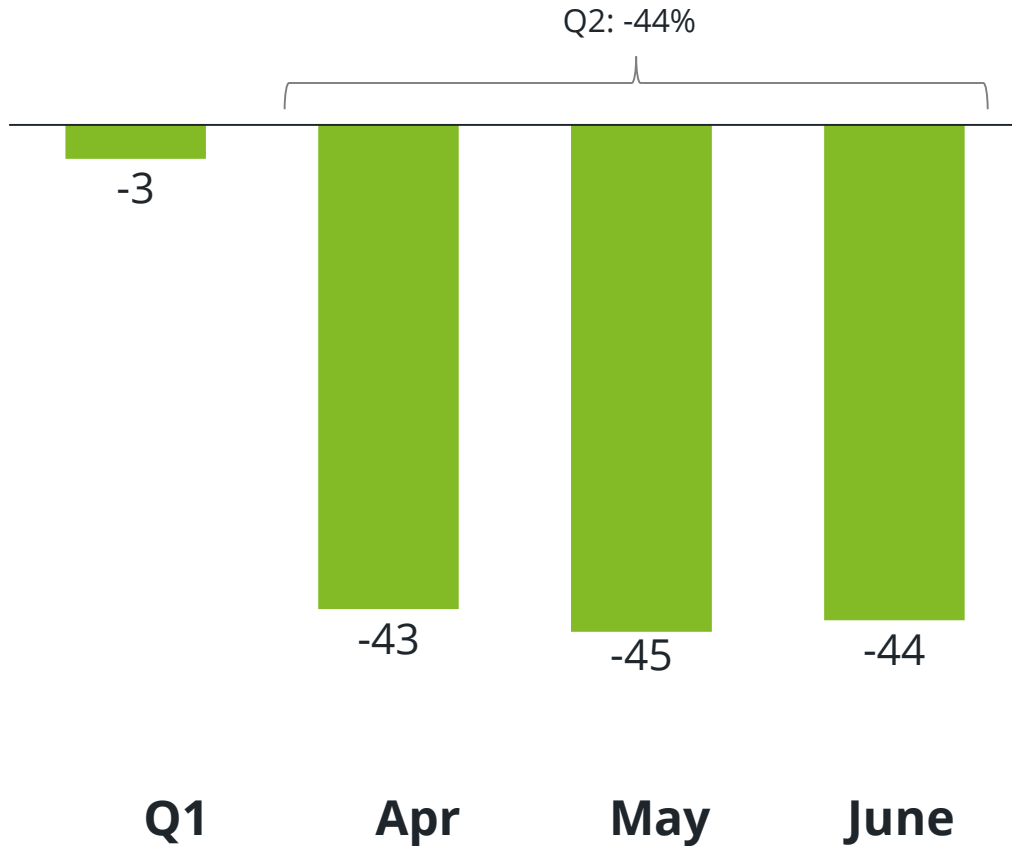
- Initial consumer distraction
- Travel cancellations and bans
- Car dealerships closed
- Home moves discouraged

Recent performance

- Car and home insurance at pre-COVID-19 levels
- Life insurance recovery ongoing
- Travel remains heavily suppressed

Conditions in Money remain challenging

YoY revenue growth (%)



Q1

- Turnaround from Q4 decline to January & February growth
- Weaker trading in March as product availability fell

Lockdown

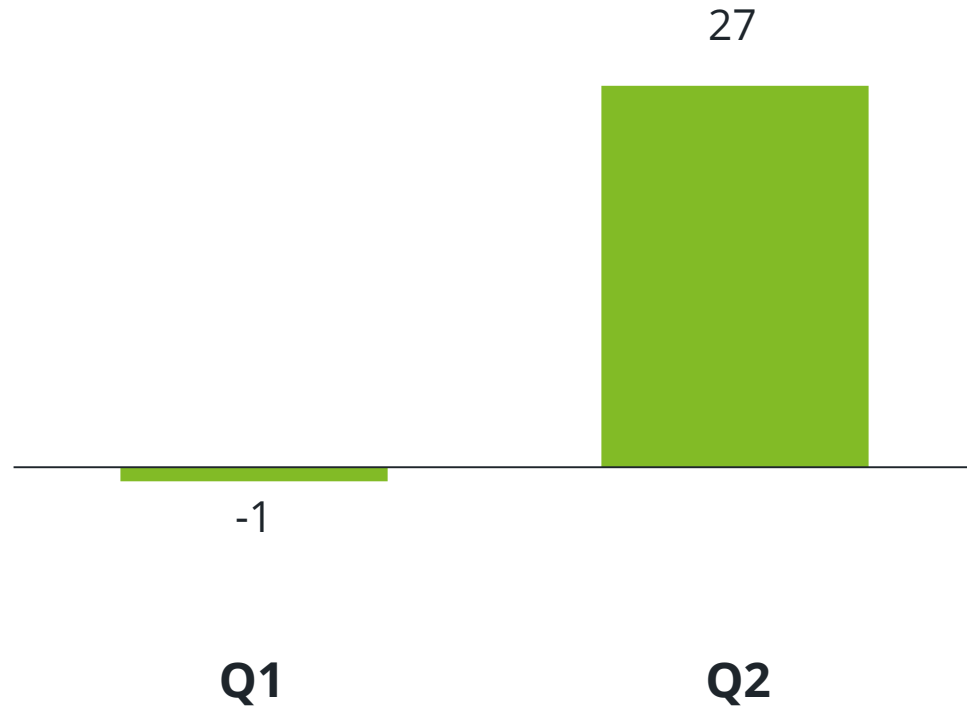
- Credit:
 - Tighter lending criteria
 - Dip in consumer demand
 - Loan and mortgage repayment holidays
- Little promotional product in Banking

Recent performance

- Lending criteria tight – conversion challenges remain
- Banking supply extremely low

Home Services growing well

YoY revenue growth (%)



Q1

- Revenue flat yoy, but on exceptional prior year growth
- Large customer savings available in energy

Lockdown

- Initially some provider processing challenges
- Continued large customer savings, supported by lower wholesale energy prices
- Broadband more critical to customers

Recent performance

- Good switching volumes
- Strong provider appetite - MSE 'Big Switch' in July
- Likely price cap reduction in autumn - may dampen savings in H2

Income statement

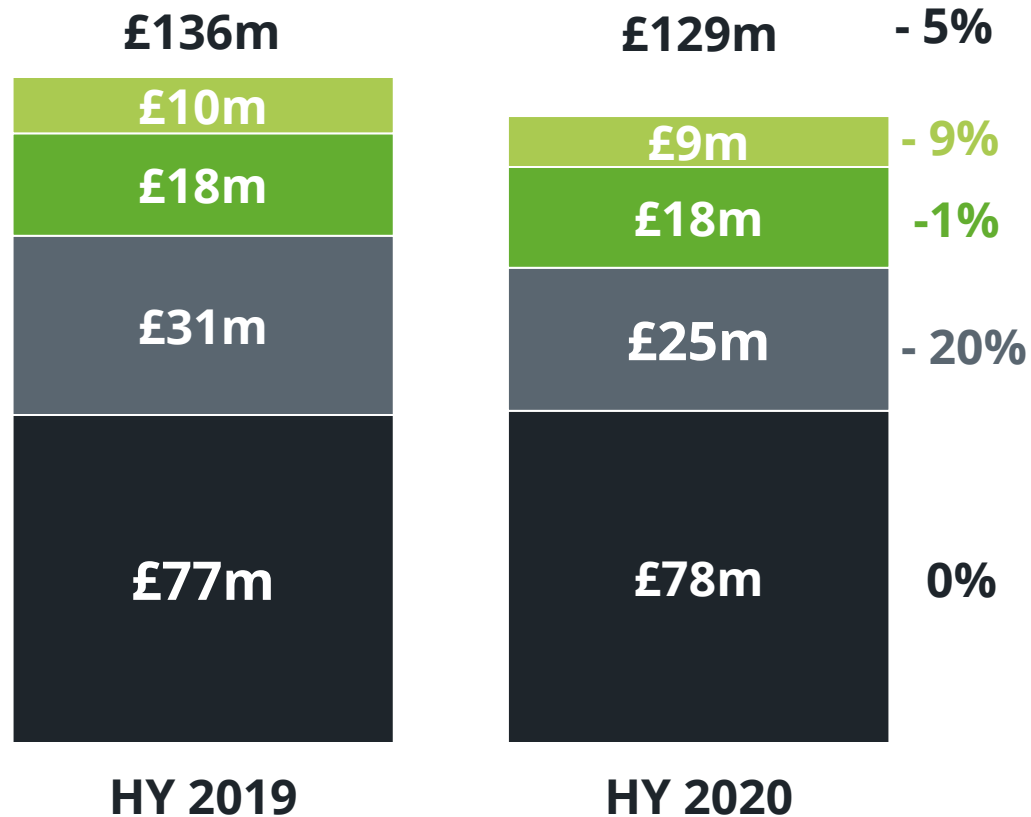
| £million | HY 2020 | HY 2019 | Growth |
|--------------------------------------|-------------|-------------|-------------|
| Revenue | 183.2 | 199.4 | -8% |
| <i>Gross margin</i> | 67% | 70% | |
| Adjusted EBITDA * | 62.8 | 72.9 | -14% |
| <i>EBITDA margin</i> | 34% | 37% | |
| Depreciation & software amortisation | (8.9) | (9.8) | |
| Adjusting items ** | (1.2) | (1.7) | |
| Operating profit | 52.7 | 61.4 | -14% |
| Net finance costs | (1.0) | (0.9) | |
| Share of loss of joint venture | (0.3) | (0.1) | |
| Taxation | (10.8) | (10.2) | |
| Net profit | 40.6 | 50.2 | -19% |
| Adjusted EPS | 7.9 | 9.4 | -15% |
| DPS | 3.1 | 3.1 | 0% |

* Adjusted EBITDA is operating profit adjusted for depreciation and amortisation, impairment and adjusting items.

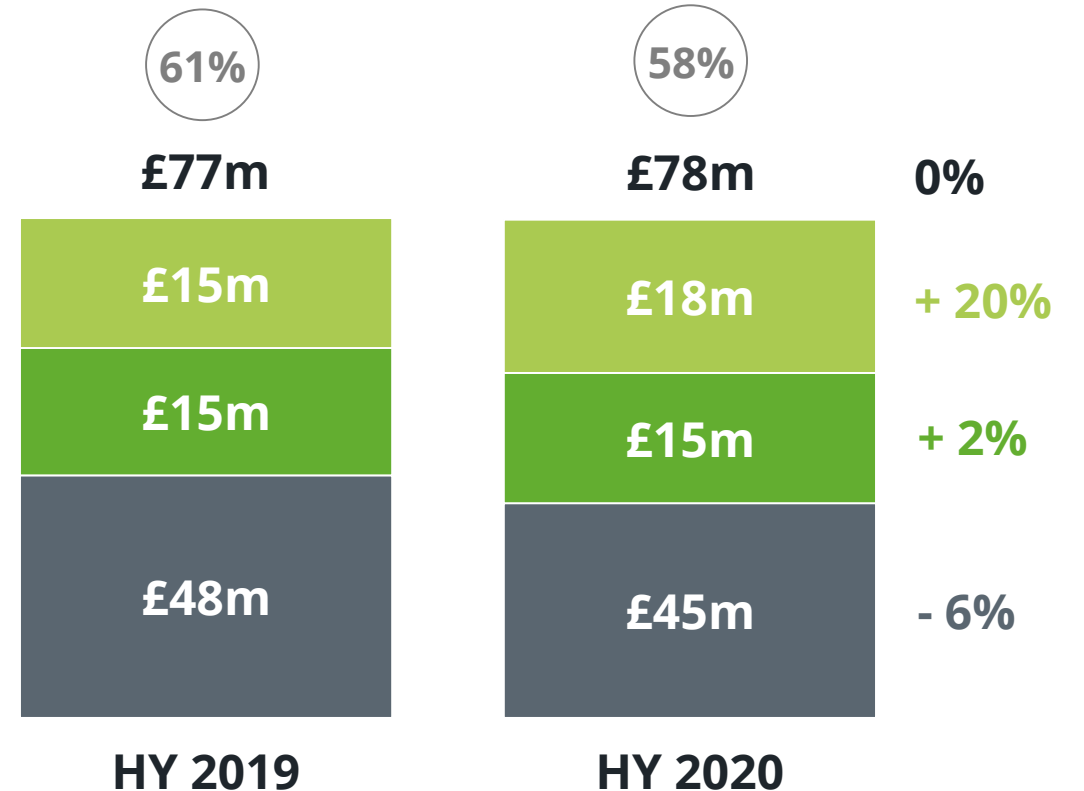
** Adjusting items are amortisation of acquisition-related intangibles and strategy related costs.

Overall reduction in costs

Adjusted cost base



Marketing spend & margin

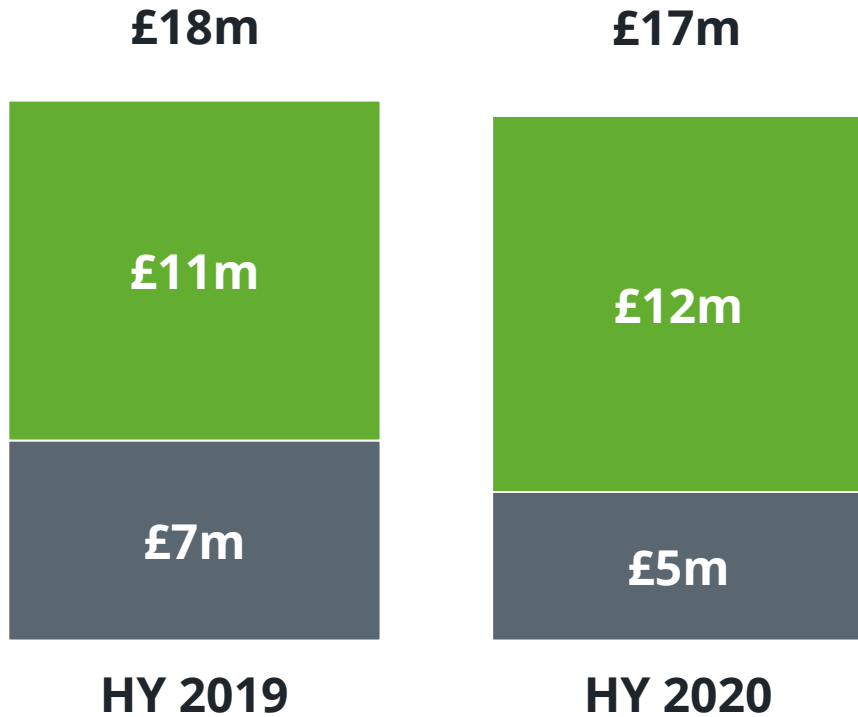


● Marketing costs ● Staff costs ● VAT & other admin ● D&A

● Online spend ● TV & Radio ● Other

Continued investment into technology, supporting future growth

Total tech investment



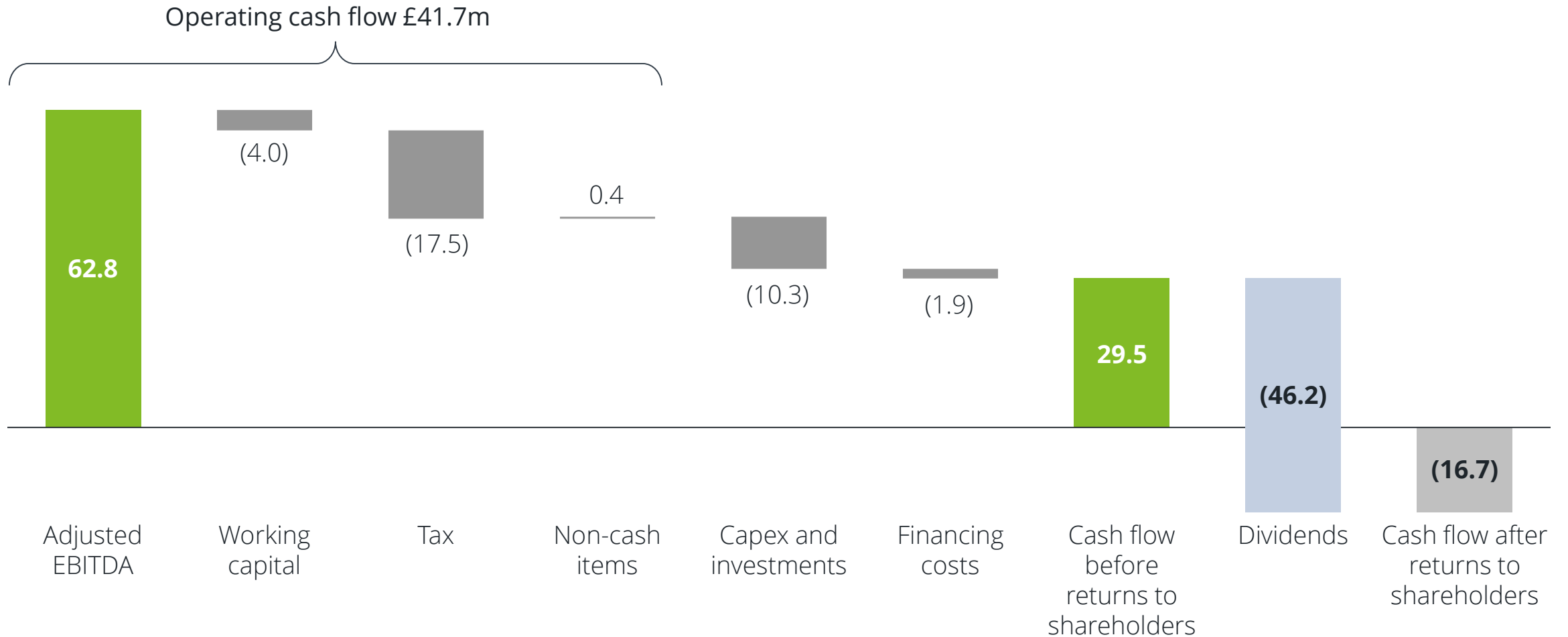
Reinvestment rate



- Continued shift to opex given nature of investment
- 2020 technology capex is expected to be c. £10m
- £1.3m of property capex relating to refurbishment of Ewloe office

● Technology capital investment ● Technology operating costs

Cash conversion remains robust



Net cash £7.5m as at 30 June 2020 (£24.2m as at 31 December 2019)

Note: Net cash is defined as cash and cash equivalents net of borrowings. It does not include deferred consideration in relation to the acquisition of Decision Tech or lease liabilities.

Capital allocation framework



Recap

Rate of recovery remains hard to predict, given ongoing macro uncertainties

- Further recovery dependent on consumer demand and the return of attractive product supply

Performance differs markedly by vertical

- Insurance recovering, particularly motor and home; life slower to return, and no significant improvement in travel
- Money remains highly suppressed with little sign of changing provider appetite
- Home Services trading well, though expected price cap reduction may dampen savings

We remain committed to additional £5m marketing investment (second-half weighted)

- Other costs well controlled, with H2 admin costs slightly ahead of H1

Likely to mean greater earnings pressure in H2

Mark Lewis

Chief Executive Officer

Sustained commitment to strategic delivery



Reaccelerate Core Growth



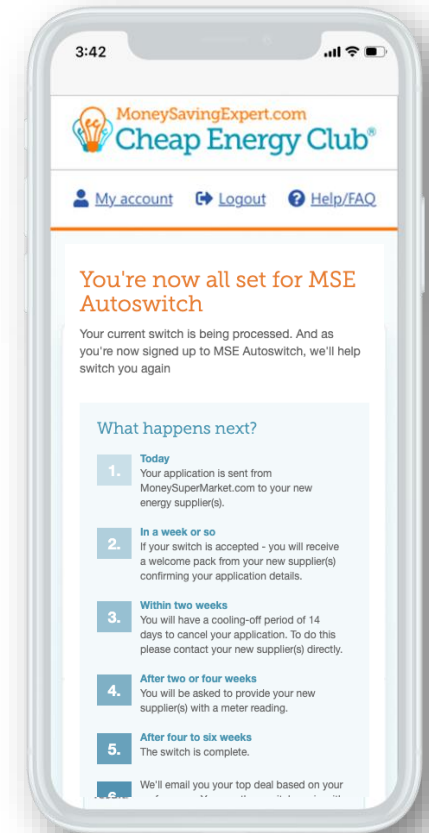
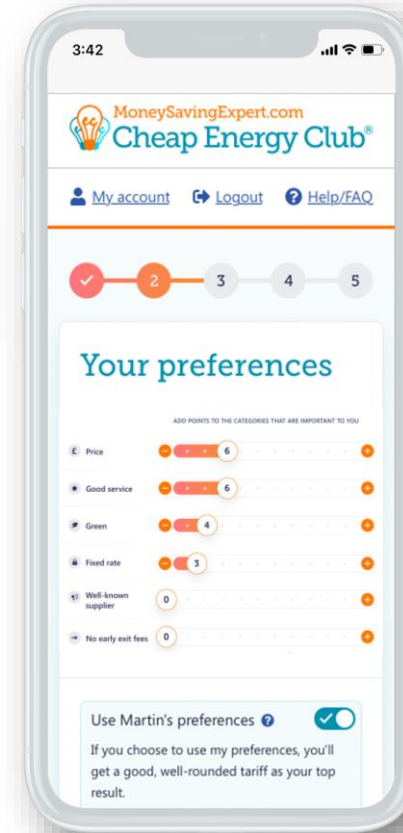
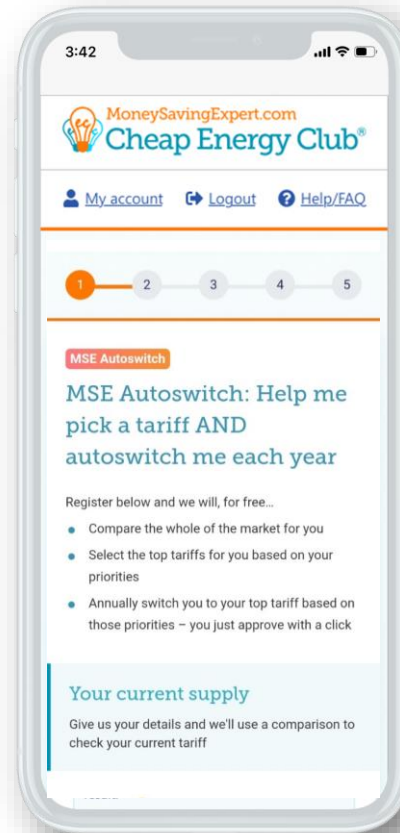
New Market Growth



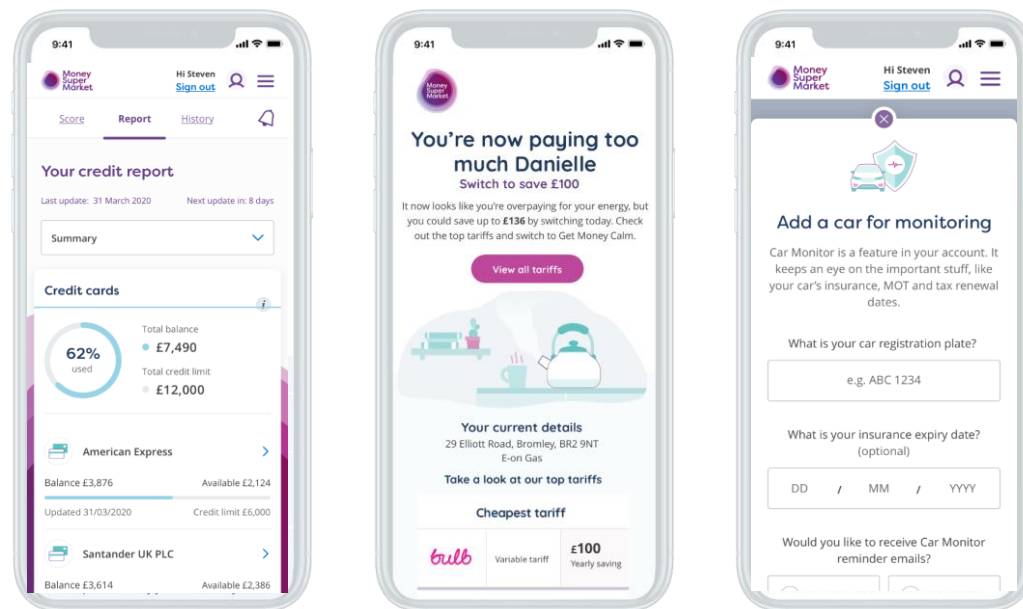
MSE Energy Autoswitch is live

Unique market proposition:

- User choice and preference based
- Sustainable provider economics and full provider panel and value
- Launched to existing MSE Cheap Energy Club user base



Continued support for MSM brand and Personalisation agenda



- Maintaining upweighted media spend with £5m increase in 2020
- Money Calm Bull launched as lockdown eased
- Media mix adjusted to reflect market value

- Added Car Monitor to web proposition
- Customers with monitored bills now over one million
- Credit Monitor continuing to drive good incremental value through frequency, cross-sell and source mix

Accelerating growth in B2B partnerships

Strong growth in H1

- Consistent double-digit growth since acquisition
- Home communications trading well
- Strong provider appetite and conversion

Addition of energy vertical

- From market entry to market-leading B2B proposition
- Panel strength combined with rapid product innovation
- 15 partnerships launched, including Revolut¹

Leveraging Group platform

- Empowered management with sector expertise
- Leveraging Group's commercial relationships and underlying tech platform

Revolut

Quidco 

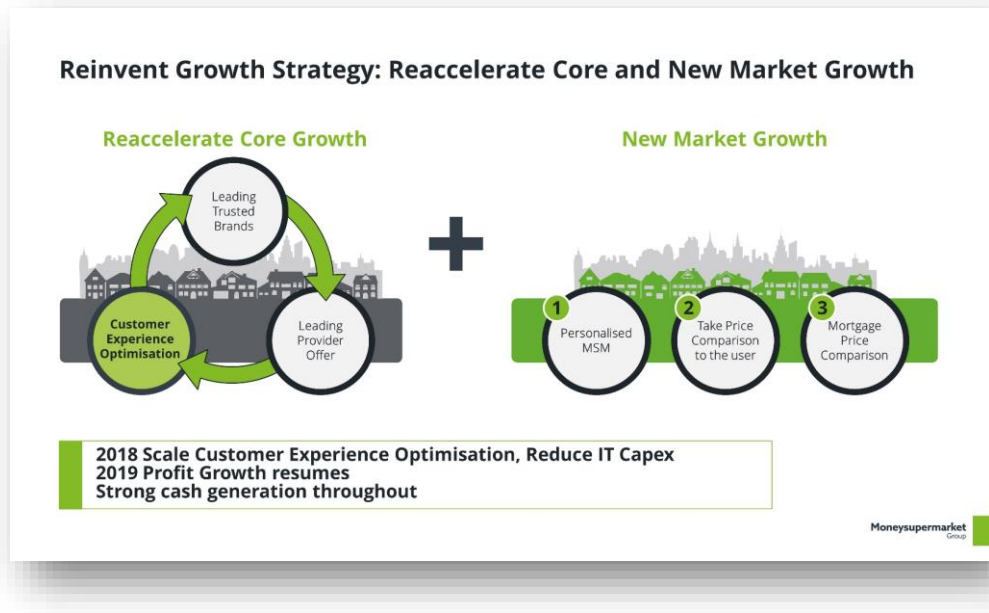
credit karma[™]

 **TopCashback**

TotallyMoney

1. 13 partnerships live at end of June, with two further partnerships launched in July (including Revolut).

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Appendix

Bridge from reported operating profit to adjusted EBITDA

| £millions | HY 2020 | HY 2019 | Growth |
|--|-------------|-------------|-------------|
| Operating profit | 52.7 | 61.4 | -14% |
| Amortisation of acquired intangible assets | 1.2 | 1.2 | |
| Strategy related costs: | | | |
| Strategy review and associated reorganisation costs | - | 0.5 | |
| Depreciation | 2.2 | 2.2 | |
| Amortisation of technology related intangible assets | 6.7 | 7.6 | |
| Adjusted EBITDA | 62.8 | 72.9 | -14% |

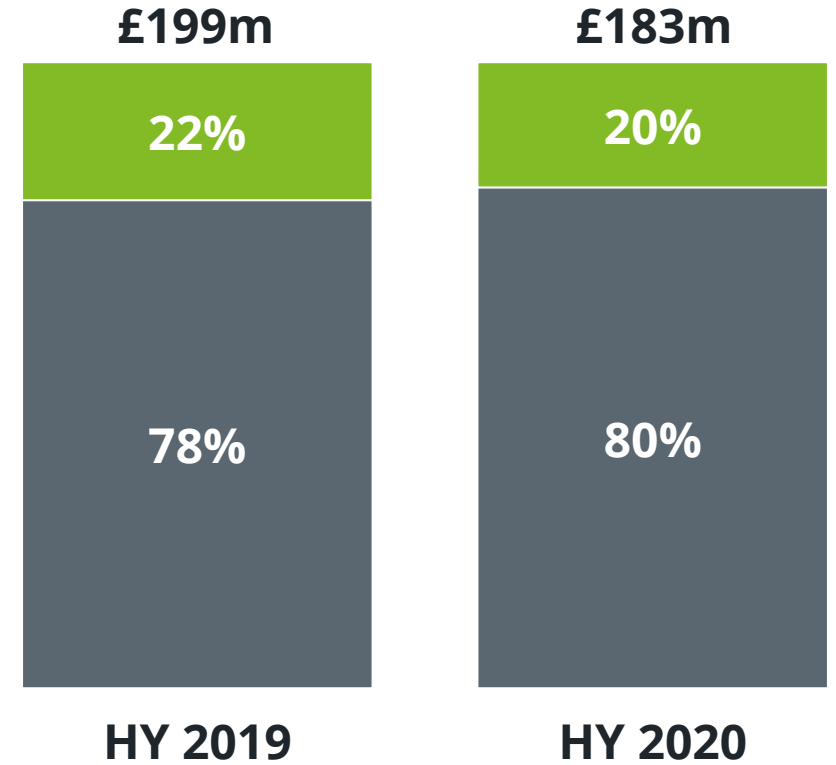
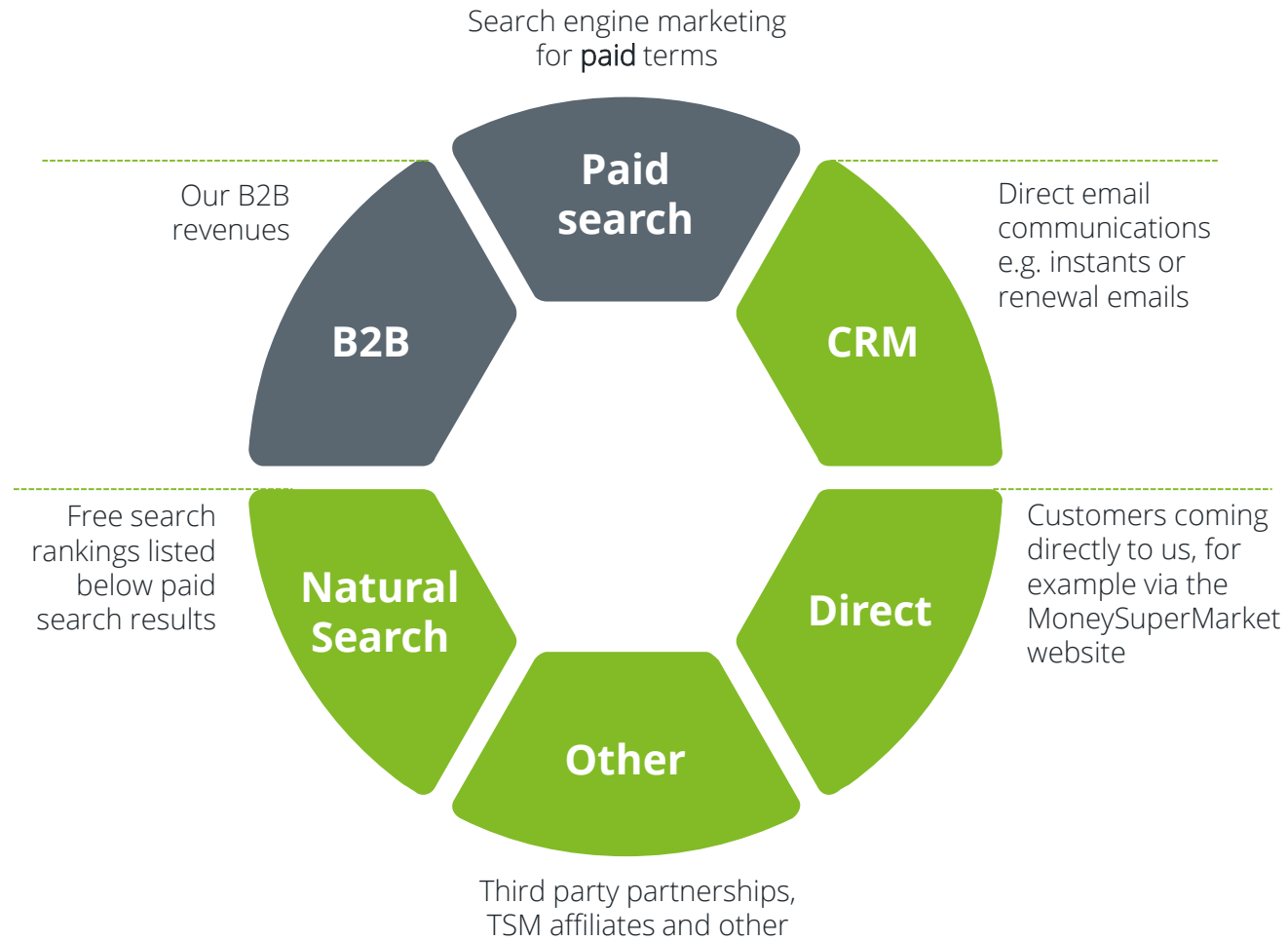
Adjusted cost base

| £Millions | HY 2020 | HY 2019 | Growth |
|--|--------------|--------------|-------------|
| Staff costs | 25.1 | 31.3 | -20% |
| Depreciation | 2.2 | 2.2 | 0% |
| Amortisation of technology | 6.7 | 7.6 | -12% |
| Irrecoverable VAT | 7.1 | 6.3 | 12% |
| Other administrative costs | 10.7 | 11.6 | -8% |
| Total Adjusted Administrative Costs | 51.8 | 59.0 | -12% |
| TV & Radio | 15.0 | 14.7 | 2% |
| Online spend | 44.8 | 47.8 | -6% |
| Other* | 17.7 | 14.8 | 20% |
| Total Marketing Costs | 77.5 | 77.3 | 0% |
| Total Adjusted Cost Base | 129.3 | 136.3 | -5% |

* Includes revenue share of partners on B2B activity and cash back

Adjusted cost base refers to total costs excluding items adjusted for in arriving at adjusted EBITDA.

Sources of revenue



● Direct to site & Partnerships ● Non-brand paid SEM

Strategic KPIs



| | | |
|---------------------------|-------------------------|------------------|
| £1.1bn | 74 | 58% |
| Savings made by customers | Net promoter score | Marketing margin |
| 12.4m | £16.29 | |
| Active users | Revenue per active user | |

Definitions:

Estimated Savings made by customers in H1 2020

Net Promoter Score: Twelve monthly rolling average (1 July 2019 - 30 June 2020 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue to create a Group wide NPS

Active Users: The number of unique accounts running enquiries in our largest seven channels (Car insurance, Home insurance, Life insurance, Travel insurance, Credit Cards, Loans, Energy) on the MoneySuperMarket website in the 12 month period to 30 June 2020

Revenue per active user: The revenue for the equivalent main seven MoneySuperMarket channels divided by the number of active users