

11 June 2020

Moneysupermarket.com Group PLC, COVID-19 Update

- **Households continue to switch during lockdown, saving over £800m so far this year**
- **Motor Insurance showing signs of recovery; Money remains challenged; strong demand in Home Services**

As lockdown restrictions start to lift, here is an update on the dynamics in our marketplace during the pandemic to date.

Through this tough time for household finances, we have continued to help consumers make substantial savings on their household bills. MoneySavingExpert has provided support to many people with over 16m visits to its pages dealing with Coronavirus-related problems.

Our business has continued to trade effectively through the period, benefitting from diversified revenue streams and strong cash conversion. As at the end of May 2020, we had net debt of £0.8m having paid the £46m 2019 final dividend.

It is still too early to have full visibility on when and how the consumer and provider sides of our marketplace will be back to normal, so we continue to suspend forward financial guidance for 2020.

Insurance – beginning to return to normal in Motor

- Closed car dealerships significantly reduced car sales, which are a trigger for car insurance switching and loan demand. Across the market, car insurance search volumes declined by 22% year on year in April, recovering gradually in May to more normal levels in recent days.¹ There are signs of lower car insurance premiums in April and May compared to last year, so we now view the likelihood of a return to premium inflation in 2020 as low.
- Other key insurance channels were hit by the closure of estate agents and restrictions on home moving (UK residential housing transactions are estimated to have fallen by over 55% year on year in April)². House transactions are a key prompt for consumers to buy or switch life and home insurance. In home insurance over 10% of our enquiries are normally from those who have moved home in the last month. As the housing market begins to re-open, we expect performance will improve.
- Travel bans continue to mean almost no demand for travel and travel insurance products.

Money – provider appetite for lending has tightened considerably

- We have seen a very significant reduction in the attractiveness and availability of credit and banking products as lending criteria have tightened and interest rates have fallen, and we do not expect this to change in the immediate future.
- Market-wide search demand for credit products has decreased materially, down 37% year on year for loans and cards combined in April¹, caused in part by lockdown measures leading consumers to postpone significant spending. This impact was compounded by lower conversion as tighter lending criteria mean consumers are seeing fewer attractive search results. In April, the proportion of consumers eligible for loan products on our

¹ Google search data

² HMRC data (provisional for April)

MoneySuperMarket site fell from above 85% to below 65%. These trends have persisted through the period.

- Within the savings part of banking, early on we saw consumers move rapidly to secure better rates. Across banking more broadly we now have a very significant reduction in the attractiveness and availability of products.

Home Services – attractive savings levels for consumers driving strong switching demand

- Consumers can still make large savings when switching their energy. A combination of market-leading offers and MoneySavingExpert's editorial strength meant we saw strong growth in energy switching.
- Broadband has become even more important to consumers, and we have seen robust growth.

Mobile has remained the primary device for users. Following our successful brand re-launch last year, our plans for above-the-line marketing spend in 2020 are unchanged, however we have adjusted our marketing mix to reflect how consumers are now spending their time.

Mark Lewis, CEO of Moneysupermarket Group, said:

“Through this difficult time for household finances, the group has continued to help our customers save money – over £800m so far this year.

“The lockdown restrictions have had a significant impact across our marketplace. As the lockdown eases, we’ve seen motor insurance start to recover. But with substantially fewer financial services products on offer from providers, our Money business is significantly suppressed.

“Our Home Services performance has remained strong, delivering growth ahead of the market as consumers take advantage of attractive energy offers and boost their broadband. We will shortly launch our energy auto-switching service on MoneySavingExpert, making it even easier for customers to save money.”

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