

Moneysupermarket.com Group PLC preliminary results for the year ended 31 December 2022

Strong trading performance and strategic momentum

Year ended 31 December	2022	2021	Growth %
Group revenue	£387.6m	£316.7m	22
Adjusted EBITDA *	£115.5m	£100.5m	15
Profit after tax	£69.3m	£52.1m	33
Adjusted basic EPS *	14.4p	11.9p	21
Basic EPS	12.7p	9.8p	30
Operating cashflow	£104.4m	£65.7m	59
Net debt*	(£37.2m)	(£59.6m)	(38)
Dividend per share	11.71p	11.71p	-

- Revenue grew 22% (8% excluding Cashback) with strong performance in Money and travel channels, and despite closed energy switching market
- Transition to a flexible, tech and data-led savings platform:
 - Data centralised on Google Cloud Platform, laying foundations for customer-facing innovation
 - More efficient customer acquisition and retention capabilities with enhanced PPC bidding and marketing tools
 - Progress to ‘platformise’ technology – build features once, deploy across portfolio
 - CYTI, Ice Travel Group, Quidco acquisitions on track
- Gross margin down c.3%pts, driven by expected impact of Quidco consolidation
- Profit growth: adjusted EBITDA up 15% and profit after tax up 33%
- Strong cash conversion with operating cashflow of £104.4m in the year. Net debt to adjusted EBITDA fell to 0.3x (0.6x in 2021)
- Full-year dividend maintained at 11.71p

Peter Duffy, CEO of Moneysupermarket Group, commented:

“I’m pleased to report a strong return to revenue and profit growth as we build strategic momentum. The progress we’ve made gives us the foundation for more product innovation which, amid a tough macroeconomic climate, will help households find even more ways to save with our portfolio of trusted brands.”

*Notes:

Adjusted EBITDA is operating profit before depreciation, amortisation and impairment and adjusted for other non-underlying costs as detailed on page 7. This is consistent with how business performance is measured internally.

Adjusted basic earnings per share is profit before tax adjusted for amortisation of acquisition related intangible assets and other non-underlying costs as described on page 7, divided by the number of weighted average shares. A tax rate of 19% (2021:19%) has been applied to calculate adjusted EPS.

Net debt is cash and cash equivalents less borrowings and deferred consideration. It does not include lease liabilities.

Quarter 4 trading

	Revenue for the three months ended 31 December 2022		Revenue for the year ended 31 December 2022	
	£m	Growth %	£m	Growth %
Insurance	40.9	11	172.0	8
Money	22.2	10	103.3	37
Home Services	10.7	22	39.8	(42)
Travel	2.5	55	14.9	265
Cashback	16.3	n.m.	57.6	n.m.
Total*	92.6	19	387.6	22

* Revenue excluding Cashback grew 13% in the quarter and 8% for the full year.

Revenue in the quarter, excluding Cashback, grew 13% with good growth across all verticals.

- In Insurance, our car revenue returned to growth for the first time in 2022 with improving trends in market switching volumes. Travel insurance grew strongly, with revenue almost 50% higher than 2019.
- In Money there was continued strong growth in banking due to the availability of attractive products. Borrowing was broadly flat year on year although conversion in loans softened amid higher credit pricing.
- In Home Services, attractive provider offers drove good growth in home comms. The energy switching market remained closed.
- Travel saw robust demand and continued to recover with revenue around half of pre-pandemic levels.
- Cashback's performance was supported by Quidco's strong offers and engagement campaigns during Black Friday.

Recent performance and outlook

The first few weeks of 2023 have seen similar trends as in Q4 in Insurance and Money. As previously guided, the ongoing conditions in the energy market mean it is unlikely that switching will return in 2023. On this basis the Board is confident of delivering market expectations for the year.

Results presentation

A presentation for investors and analysts will be available from 7am at <http://corporate.moneysupermarket.com/Investors/results-centre>. A Q&A session will be held at 9.30am with Peter Duffy (CEO) and Scilla Grimble (CFO). This session can be accessed via <https://edge.media-server.com/mmc/p/4p64bmmy>.

Notes: Adjusted EBITDA is operating profit before depreciation, amortisation and impairment and adjusted for other non-underlying costs. Market expectations of adjusted EBITDA for 2023 from the analyst consensus on our investor website are in a range of £114.6m to £129.7m, with an average of £123.2m.

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Cautionary note regarding forward looking statements

This announcement includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules, Disclosure Guidance and Transparency Rules and applicable law, the company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date such statements are published.

Business review

Our diversified business and trusted brands continued to fulfil our purpose by helping households save an estimated £1.8bn in 2022. We moved our data infrastructure to Google Cloud Platform which, along with our leading marketing tools, has led to a more efficient, flexible and re-deployable tech platform. We are platformising our largest channels which means we can roll out our comparison services more efficiently across brands, removing the need to duplicate effort. We have made solid progress with our three acquisitions of 2021 - CYTI, Ice Travel Group ('ITG') and Quidco – with integration on track. Despite a challenging macroeconomic environment and ongoing uncertainty in energy, the progress of our strategy leaves us well positioned for growth.

The cost-of-living crisis has affirmed MoneySavingExpert's ('MSE') position as the trusted source of personal finance guidance for millions of users. Once again it was voted the most recommended brand in the UK by YouGov and MSE's social media followers quadrupled to over 1.3m during the year. MSE continued its successful consumer campaigns, for example calling for the prevention of scam advertising to be included in the Government's Online Safety Bill.

MSE's 'Compare+' car insurance tool was launched in March, leveraging the new platform and also featuring tips and hints to help guide users to the best policy for them. In the summer an early stage MSE app was released with unique tools that identify bespoke ways to save along with content from the site. Feedback to date has been positive with a 4.8 out of 5 star rating in both Apple and Android stores. More personalised features will be rolled out as we continue to refine the app.

MoneySuperMarket ('MSM') continued to build on its strong brand awareness and further improve customer perception. In H1, the 'MoneySuperSeven' advertising was enhanced with a well-received campaign starring Dame Judi Dench. This focuses on multiple ways customers can save money, all under the 'Mission £1bn' banner. In October we launched the MSM 'price promise', giving customers confidence they have the best deal. If they find a better like-for-like deal in car and home insurance, we refund the difference and give them a £20 gift card. We will continue to develop MSM as the compelling price comparison customer proposition in 2023.

ITG broadened travel comparison across both brands. TravelSupermarket ('TSM') now uses icelolly.com's proprietary bidding technology that allows providers to bid for more prominent positions on the site. icelolly.com has diversified by adding TSM's travel insurance and car hire panel to its site. In 2023 marketing, commercial and tech capabilities will be combined to build brand awareness, drive further efficiencies and deliver product innovation.

Quidco's use of Group capabilities has built momentum. This has given us a deeper understanding of the user base and how to drive engagement. In August an improved web browser extension was launched which reminds users of cashback opportunities on merchant sites. In 2023 we plan to improve data, technology and marketing further. There will also be more opportunities to bring Quidco Compare services onto the Group platform.

As well as helping households save money, we aim to make a positive difference to our people, the wider community and the environment.

Our partnership with the Prince's Trust continued in 2022 with the Group donating £100,000, including money from colleague fundraising activities. We also supported nine local charities and organised collection of essential items to help Ukrainian refugees. MSE donated £100,000 to the MSE Charity, which makes grants of up to £7,500 to UK not-for-profit groups from small grassroots groups to more mainstream charities that provide education, information and support to help people manage their money better.

We remain committed to embracing and promoting diversity, inclusion and equal opportunities. In the February 2022 FTSE Women Leaders Review report, the Group was ranked 1 for 'Women on Boards' for its 66.7% female representation. In 2022 we also were included in the Inclusive Top 50 UK Employer List.

We have evolved the Group's sustainability strategy, developing a new sustainability framework which sets out our goals and governance. We have set the target of being Operational Net Zero by 2030 (a

90% reduction in Scope 1 and Scope 2 emissions) and we continue to be 'Beyond Carbon Neutral', offsetting 150% of our carbon emissions. We disclose our environmental impact via the Carbon Disclosure Project and retained our C score for 2022. In 2023 we will work on obtaining approval and verification of our carbon emissions targets by the Science Based Target initiative and on our social proposals under the social pillar of our Group Sustainability Framework.

Strategic progress

- **Efficient acquisition**

We continuously optimise paid search ('PPC'), search engine optimisation ('SEO') and brand marketing in order to attract users to our sites in the most cost effective way.

Following migration to the SA360 PPC bidding platform in 2021, in 2022 we deployed more sophisticated features. Using machine learning we can now bid for more search terms, make bids more targeted using our first party data and adjust our bids more frequently. This has allowed us to reduce cost per clicker and increase our share of clicks.

SEO brings substantial volumes of free search traffic to our sites. In 2022 we established a new set of tools and processes for content production that increase our agility and speed. This has allowed us to adapt quickly to changing demands. MSM ended the year ranking in the top two organic search results for head terms in most channels.

Above-the-line marketing remains an important driver of traffic to MSM. In May we launched our latest MoneySuperSeven marketing campaign featuring Dame Judi Dench. This campaign is resonating better with consumers than any campaign we have done before and, since launching the new campaign, MSM's share of branded search traffic has reached its highest level since 2018.

Quidco, our cashback brand, is the latest addition to the Group. In 2022 we brought its website and app data into our central data platform and started to drive new member registrations. In 2023 we will continue to use more of the Group's marketing capabilities to grow Quidco.

- **Retain and grow**

We want to retain users and help them switch more of their household bills with us, ultimately increasing customer lifetime value. We do this by offering timely reminders and an easier experience for returning users.

Cross-sell remains a major opportunity. In 2022, 21% of MSM active users enquired in more than one of our seven core channels. This is up from 19% the year before, mainly driven by the recovery in travel insurance. On average, MSM active users enquired in c.1.2 channels and we see scope to increase this.

Data is critical to deepening our relationship with our customers. In 2022 we consolidated our data into Google Cloud Platform (GCP) improving our ability to store and use it. We now have a single source of rich, real-time data. This data is available operationally to drive growth and increase marketing efficiency.

In 2022 we finalised transitioning to Braze, a leading customer engagement platform. Braze is fully integrated with our centralised data and allows us to deliver personalised messages to users across our apps, web and via email. Campaign creation is more efficient, allowing a test and refine approach, which in turn means better user retention and engagement.

We also aim to simplify the experience for returning users by using data to shorten question sets thereby reducing the time and effort needed to get to a quote. The core of this is a re-build of question sets to create a shared user profile that becomes richer as users enquire across more channels. This is now live on MSM car insurance, credit cards and loans. In 2023 we will continue to expand the channels that use the shared profile and how we use data to improve conversion and cross-sell.

As our users provide more information to us, we can offer more opportunities to save and helpful reminders to switch. In 2022 we developed the capability to use Open Banking technology to identify potential saving opportunities on household bills. This is now live as part of our new MSE app. The

app is a convenient way for users to access MSE content and the start of a suite of more personalised experiences that will help users be more in control of their finances.

- **Expanding our offer**

We will continue to grow our Group further with new propositions, distribution routes and channels. In 2022 we have made progress integrating our 2021 acquisitions, released new B2B capabilities and expanded our offer for providers.

Quidco is our latest acquisition. The Group's comparison services are already powering Quidco Compare journeys for Home Services, travel, car and pet insurance. We are migrating CRM operations to Braze and continue to expand the channels using our platform capabilities.

We acquired icelolly.com and combined it with TSM to create ITG in 2021. The two brands now share products and capabilities. TSM is using icelolly.com's proprietary technology that allows providers to bid for more prominent positions on the site. TSM's travel insurance and car hire panel are on icelolly.com.

We continue to 'platformise' our tech estate - building features once and deploying them across all our brands. This yields cost efficiencies, making our tech simpler to manage and reducing maintenance cost. A number of our biggest channels are now fully 'platformised' – energy, car insurance and home comms are live, Money will follow shortly.

Our tech and data platform allows us to extend the services we offer providers. In 2022 we launched the first propositions that use the Group's data. Our data enrichment tools give insurers access to real-time data that enables them to offer more competitive pricing. We took early steps to offer providers the opportunity to use data to personalise quotes and we will continue to develop the proposition in 2023.

We have expanded the channels in which we can offer tenancy and B2B. Tenancy enables providers to promote their brands in designated advertising spots on our sites. Our B2B proposition allows us to utilise our Group platform to provide switching services to third party brands, extending our reach. We launched a B2B car insurance journey in early 2023. In tenancy, we have seen strong demand from providers and will continue to extend our offering across channels.

The mortgage proposition remains an attractive opportunity for the Group. In December we acquired control of our mortgages joint venture partner Podium. In 2023 we will continue to innovate to deliver enhanced, digitised mortgage comparison services to customers.

Key performance indicators

The Board reviews key performance indicators (KPIs) to assess the performance of the business against the Group's strategy. We have added an MSM cross-channel enquiry metric so we now measure six key strategic KPIs: estimated customer savings, net promoter score, active users, revenue per active user, marketing margin and cross-channel enquiry.

We will continue to evaluate and broaden the KPIs as needed to ensure they provide visibility of our strategic progress under a framework that measures the strength of the Group and our brands.

	31 December 2022	31 December 2021
Estimated Group customer savings	£1.8bn	£1.6bn
Group marketing margin	57%	61%
MSM and MSE net promoter score	72	72
MSM active users	11.1m	10.0m
MSM revenue per active user	£16.40	£16.90
MSM cross-channel enquiry	21%	19%

Estimated Group customer savings:	This is calculated by multiplying sales volume by the market average price per product based on external data compared to the cheapest deal in the results table for core channels. Savings for non-core channels are estimated by applying the savings for core channels proportionally to non-core revenue. From November 2021 we have added the cashback earned by Quidco members.
Group marketing margin:	The inverse relationship between Group revenue and total marketing spend represented as a percentage. Total marketing spend is the direct cost of sales plus distribution expenses.
MSM and MSE net promoter score:	The 12 monthly rolling average NPS (1 Jan 2022 - 31 Dec 2022 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue for MSM and MSE to create a combined NPS.
MSM active users:	The number of unique accounts running enquiries in our core seven channels for MSM (car insurance, home insurance, life insurance, travel insurance, credit cards, loans and energy) in the last 12-month period.
MSM revenue per active user:	The revenue for the core seven MSM channels divided by the number of active users for the last 12 months.
MSM cross-channel enquiry:	The proportion of MSM active users that enquire in more than one of our core channels within a 12 month period.

We estimate that the Group saved customers £1.8bn in 2022. The increase from 2021 is mainly driven by the recovery in travel insurance and strong Money volumes, partially offset by a full year of closure of the energy switching market.

NPS remained strong at 72 demonstrating that trust and satisfaction in both brands remains high. MSE scored extremely well and MSM finished the year ahead of its PCW peer group.

MSM active user numbers rose by 1.1m to 11.1m, driven both by travel insurance as the market recovered and higher volumes in borrowing channels. Energy enquiries remained high despite the absence of switchable tariffs.

Revenue per active user fell by 50p to £16.40p reflecting a sharp decline in energy conversion (negligible switching since Q4 2021) and market-driven falls in car and home insurance conversion.

The marketing margin reduction reflects movements in gross margin, driven by consolidation of lower-margin Quidco, as well as the increase in brand marketing spend.

During the year cross-channel enquiry improved driven primarily by the recovery in travel insurance. Our ongoing work to simplify customer journeys and offer further switching prompts, facilitated by the improvements to our data infrastructure, will help drive this KPI.

Financial review

Group revenue increased 22% to £387.6m (2021: £316.7m), with profit after tax increasing 33% to £69.3m (2021: £52.1m). When reviewing performance, the Board reviews several adjusted measures, including adjusted EBITDA, which increased 15% to £115.5m (2021: £100.5m), and adjusted basic EPS which increased 21% to 14.4p (2021: 11.9p), as shown in the table below.

Extract from the Consolidated Statement of Comprehensive Income

for the year ended 31 December

	2022	2021	Growth
	£m	£m	%
Revenue	387.6	316.7	22
Cost of sales	(125.1)	(93.8)	33
Gross profit	262.5	222.9	18
Operating costs	(173.5)	(149.5)	16
Operating profit	89.0	73.4	21
Amortisation and depreciation	26.5	23.5	13
EBITDA	115.5	96.9	19

Reconciliation to adjusted EBITDA:

EBITDA	115.5	96.9	19
Deal fees and associated costs	-	3.6	n.m.
Adjusted EBITDA	115.5	100.5	15
Adjusted earnings per share**:			
– basic (p)	14.4	11.9	21
– diluted (p)	14.3	11.9	20

**A reconciliation to adjusted EPS is included within note 5.

Alternative performance measures

We use a number of alternative (non-Generally Accepted Accounting Practice (“non-GAAP”)) financial measures which are not defined within IFRS. The Board reviews adjusted EBITDA and adjusted EPS alongside GAAP measures when reviewing the performance of the Group. Executive management bonus targets include an adjusted EBITDA measure and the long-term incentive plans include an adjusted basic EPS measure.

The adjustments are separately disclosed and are usually items that are non-underlying to trading activities and that are significant in size. Alternative performance measures used within these statements are accompanied with a reference to the relevant GAAP measure and the adjustments made. These measures should be considered alongside the IFRS measures.

Revenue

for the year ended 31 December

	2022	2021	Growth
	£m	£m	%
Insurance	172.0	158.7	8
Money	103.3	75.2	37
Home Services	39.8	68.1	(42)
Travel	14.9	4.1	265
Cashback	57.6	10.6	n.m.
Total	387.6	316.7	22

Travel includes revenue from icelolly.com from 1 September 2021. Cashback reflects a full year of Quidco revenue and the final two months of revenue in 2021 therefore growth is not meaningful.

Revenue grew 22% or 8% excluding Cashback. Performance was driven by the strong recovery in travel channels and exceptional trading in Money, partly offset by the closure of the energy switching market.

Insurance

Insurance revenue increased 8% with growth in travel offsetting declines in the other main channels.

Following the introduction of the FCA General Insurance Pricing regulation in January 2022, market switching volumes for car and home saw double-digit declines in H1, although this improved to single-digit declines in H2. As expected, providers, especially those with larger back books, gradually reassessed their customer acquisition strategies with new products launched as the year progressed.

Car and home premium inflation gained momentum through the year, rising by double-digits compared to 2021, as premiums increased to reflect the rising cost of claims. The acceleration of premium inflation in the year helped drive search traffic.

Travel insurance grew strongly as the market continued to recover after the lifting of pandemic-related restrictions. It is now our second largest Insurance channel and revenue was c.20% above 2019 levels.

Money

Money had an exceptional year with revenue growing 37% and all channels seeing double-digit growth.

Banking benefited from the consistent availability of attractive promotional products, especially savings accounts, through the year.

In borrowing there was strong demand and conversion for most of the year. In the final quarter, conversion weakened following September's mini-budget as providers, particularly in loans, repriced their products making them less attractive to users.

Home Services

Home Services revenue fell 42%, driven by the continued closure of the energy switching market. Throughout 2022 wholesale energy prices were above Ofgem's price cap therefore providers were unable to offer switchable tariffs with meaningful customer savings. Future savings levels could also be impacted by the regulator's market stabilisation charge. The ongoing uncertainty in the energy market means it is unlikely that switching will return in 2023.

Home comms revenue returned to growth in H2 as we annualised the loss of a large B2B contract in July 2021. Particularly attractive Black Friday offers drove exceptional growth in mobile.

Travel

Travel recorded its best performance since 2019 as Covid-19 related restrictions were largely absent from Q1 onwards. Revenue was around 50% of 2019 levels.

Cashback

The significant increase in Cashback revenue year on year reflects the full year of ownership compared to only two months in 2021. During the year the resurgence in travel offset declines in the retail and services segments. Retail moderated as the high online penetration experienced during the pandemic softened, with consumers returning to physical stores. Services was affected by the closure of the energy market and lower switching volumes in car and home insurance.

Gross profit

Gross margin decreased 2.7%pts year on year from 70.4% to 67.7% with stable margins between H1 and H2. Excluding the impact of Cashback, which has structurally lower margins, Group gross margin would have been about 4.5%pts higher. The loss from July 2021 of a large but low margin B2B contract benefited Group margin c.1.0pts in the year.

The mix into Money, particularly the growth in higher margin banking products, also improved margin by c.0.5%pt.

Other mix impacts were broadly neutral as the closure of the energy switching market offset market dynamics which reduced Insurance gross margin year on year (recovery of travel insurance and the FCA General Insurance Pricing regulation impacts on car and home insurance).

We continued to see a shift of traffic to mobile devices, with 63.6% (2021: 61.0%) of MSM visits coming from a mobile device, while tablet share again declined. Overall, there was little impact on Group margin from changes in device mix and we expect this to be the case going forward.

Operating costs

for the year ended 31 December

	2022	2021	Growth
	£m	£m	%
Distribution expenses	40.1	29.5	36
Administrative expenses	133.4	120.0	11
Operating costs	173.5	149.5	16
Within administration expenses			
Amortisation of technology related intangible assets	10.4	14.6	(29)
Amortisation of acquisition related intangible assets	11.3	4.4	160
Depreciation	4.8	4.5	7
Amortisation and depreciation	26.5	23.5	13

As expected, distribution expenses increased year on year to support MSM's MoneySuperSeven advertising campaign. Costs were c.£4m higher than guided due to the early launch of MSM's latest advert and the decision in H2 to widen marketing initiatives in icelolly.com and Quidco. In 2023 we will continue to build awareness across our portfolio of brands and expect distribution expenses to remain broadly flat year on year.

Administrative expenses increased by £13m, as a result of a full year of consolidation of Quidco and icelolly.com. Efficiency gains from simplifying the organisation and improving our data and tech estate helped offset wider inflationary pressures.

In 2023 we expect total operating costs (excluding depreciation and amortisation) to increase by mid-single digit per cent with efficiency gains more than offset by wage inflation.

Adjusting items*

for the year ended 31 December

	2022	2021	Growth
	£m	£m	%
Deal fees and associated costs	-	3.6	n.m.
Amortisation of acquisition related intangible assets	11.3	4.4	160
Adjusting items included in operating profit	11.3	8.0	42
Change in fair value of financial instruments	(0.0)	0.7	n.m.
Adjusting items included in profit before tax	11.3	8.7	30%

* Amortisation of acquisition related intangible assets and the change in fair value of financial instruments are not included in EBITDA and therefore are only adjusting items in the adjusted EPS calculation. Deal fees and associated costs are adjusting items in both the adjusted EBITDA and adjusted EPS calculations.

Amortisation of acquisition related intangible assets relates to technology, brands and customer / member relationships arising on the acquisitions of MSE, Decision Tech, CYTI and Quidco, as well as the combination of TravelSupermarket and icelolly.com, in prior years. These assets are being amortised over periods of three to ten years. The charge has increased this year due to a full year of amortisation in respect of the assets acquired through last year's M&A activity.

In 2021, the Group incurred deal fees and associated costs relating to the Quidco acquisition and combination of TravelSupermarket and icelolly.com. The change in fair value of financial instruments in 2021 related to the reclassification of CYTI from a joint venture to a subsidiary.

Dividends

The Board has recommended a final dividend of 8.61p pence per share (2021: 8.61p), making the proposed full year dividend 11.71p pence per share (2021: 11.71p). The Board will continue to keep under review the scope for resumed dividend growth and thereafter, when we have significant surplus capital and there are no material short-term organic or acquisitive growth opportunities available, we will again consider returning surplus funds to shareholders through a "special distribution", in accordance with our capital allocation policy.

The final dividend will be paid on 11 May 2023 to shareholders on the register on 31 March 2023, subject to approval by shareholders at the Annual General Meeting to be held on 4 May 2023.

Tax

The effective tax rate of 18.7% (2021: 25.8%) is in line with the UK standard rate of 19.0% (2021: 19.0%). The higher effective tax rate in 2021 was mainly due to a deferred tax charge arising from a change in the standard rate of corporation tax which comes into effect in 2023.

Earnings per share

Basic reported earnings per share increased by 30% to 12.7p (2021: 9.8p). Growth was ahead of adjusted EBITDA due to deal fees incurred last year and a lower effective tax rate this year.

Adjusted earnings per share is based on profit before tax after adding back the adjusting items detailed above. A tax rate of 19.0% (2021: 19.0%) is applied to calculate adjusted profit after tax. Adjusted basic earnings per share increased by 21% to 14.4p per share, which is higher than the percentage increase in adjusted EBITDA due to a decrease in underlying (non-acquisition related) amortisation, partially offset by a higher net finance expense.

Cashflow and balance sheet

The Group operating cashflow increased to £104.4m (2021: £65.7m) driven by the strong trading performance. The Group's net debt position at year end was £37.2m (2021: £59.6m). Net debt includes borrowings of £44.0m (2021: £57.5m) and £9.8m (2021: £14.6m) of deferred consideration following the acquisition of Quidco last year. Net debt to adjusted EBITDA fell to 0.3x from 0.6x in 2021.

The working capital inflow of £4.7m was mainly driven by tighter receivables working capital management but also benefited from an increase in payables relating to the higher revenue in our travel insurance channel.

Cash outflows on investing activities of £16.9m reflect £10.6m of cash capital expenditure and £4.8m of deferred consideration relating to the acquisition of Quidco.

Capital expenditure

Capital expenditure was £11.4m (2021: £9.8m), including technology spend of £10.6m (2021: £9.2m). In 2023, technology capex is expected to be in the region of £13m as we continue to invest in integrating recent acquisitions into the Group. We expect capex to return to levels seen in recent years in 2024.

The amortisation charge for technology assets in 2022 (£10.4m) is lower than 2021 (£14.6m) as last year's charge included accelerated amortisation of several data infrastructure assets that were replaced by newer technologies.

Consolidated statement of comprehensive income

for the year ended 31 December

	Note	2022 £m	2021 £m
Revenue	2	387.6	316.7
Cost of sales		<u>(125.1)</u>	(93.8)
Gross profit		262.5	222.9
Distribution expenses		(40.1)	(29.5)
Administrative expenses		<u>(133.4)</u>	(120.0)
Operating profit		89.0	73.4
Profit on disposal of property, plant and equipment		0.0	0.1
Net finance expense	3	(3.5)	(2.0)
Share of post-tax loss of equity accounted investees		(0.3)	(0.6)
Change in fair value of financial instruments		0.0	(0.7)
Profit before taxation		85.2	70.2
Taxation	4	<u>(15.9)</u>	(18.1)
Profit for the year		69.3	52.1
Other comprehensive income		(2.0)	1.4
Total comprehensive income for the year		<u>67.3</u>	<u>53.5</u>
Profit/(loss) attributable to:			
Owners of the Company		68.3	52.7
Non-controlling interest	11	<u>1.0</u>	(0.6)
Profit for the year		<u>69.3</u>	<u>52.1</u>
Total comprehensive income attributable to:			
Owners of the company		66.3	54.1
Non-controlling interest	11	<u>1.0</u>	(0.6)
Total comprehensive income for the year		<u>67.3</u>	<u>53.5</u>
Earnings per share:			
Basic earnings per ordinary share (pence)	5	12.7	9.8
Diluted earnings per ordinary share (pence)	5	12.7	9.8

Consolidated statement of financial position

as at 31 December

	Note	2022 £m	2021 £m
Assets			
Non-current assets			
Property, plant and equipment		35.4	39.8
Intangible assets and goodwill	7	279.9	288.4
Equity accounted investments		-	0.0
Other investments		5.5	7.5
Total non-current assets		320.8	335.7
Current assets			
Trade and other receivables		63.5	65.3
Prepayments		8.3	9.3
Cash and cash equivalents		16.6	12.5
Total current assets		88.4	87.1
Total assets		409.2	422.8
Liabilities			
Non-current liabilities			
Other payables		27.7	38.3
Borrowings	8	30.0	40.0
Deferred tax liabilities		22.5	25.3
Total non-current liabilities		80.2	103.6
Current liabilities			
Trade and other payables		99.5	93.9
Borrowings	8	14.0	17.5
Current tax liabilities		0.8	0.2
Total current liabilities		114.3	111.6
Total liabilities		194.5	215.2
Equity			
Share capital		0.1	0.1
Share premium		205.4	205.4
Reserve for own shares		(2.4)	(2.6)
Retained earnings		(58.1)	(64.7)
Other reserves		63.7	65.1
Equity attributable to the owners of the Company		208.7	203.3
Non-controlling interest		6.0	4.3
Total equity		214.7	207.6
Total equity and liabilities		409.2	422.8

Consolidated statement of changes in equity

for the year ended 31 December

	Share capital	Share premium	Reserve for own shares	Retained earnings	Other reserves	Equity attributable to the owners of the Company	Non-controlling interest	Total Equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2021	0.1	205.0	(2.8)	(57.2)	63.4	208.5	-	208.5
Profit/(loss) for the year	-	-	-	52.7	-	52.7	(0.6)	52.1
Other comprehensive income	-	-	-	-	1.4	1.4	-	1.4
Total comprehensive income for the year	-	-	-	52.7	1.4	54.1	(0.6)	53.5
Acquisition of subsidiary with non-controlling interest	-	-	-	-	2.0	2.0	4.9	6.9
Purchase of shares by employee trusts	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Exercise of LTIP awards	-	-	0.5	(0.5)	-	-	-	-
New shares issued	0.0	0.4	-	-	-	0.4	-	0.4
Equity dividends	-	-	-	(62.8)	-	(62.8)	-	(62.8)
Share-based payments	-	-	-	1.4	-	1.4	-	1.4
Realisation of fair value gains	-	-	-	1.7	(1.7)	-	-	-
At 31 December 2021	0.1	205.4	(2.6)	(64.7)	65.1	203.3	4.3	207.6
At 1 January 2022	0.1	205.4	(2.6)	(64.7)	65.1	203.3	4.3	207.6
Profit for the year	-	-	-	68.3	-	68.3	1.0	69.3
Other comprehensive income	-	-	-	(0.6)	(1.4)	(2.0)	-	(2.0)
Total comprehensive income for the year	-	-	-	67.7	(1.4)	66.3	1.0	67.3
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	0.7	0.7
Purchase of shares by employee trusts	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Exercise of LTIP awards	-	-	0.5	(0.5)	-	-	-	-
Equity dividends	-	-	-	(62.8)	-	(62.8)	-	(62.8)
Share-based payments	-	-	-	2.2	-	2.2	-	2.2
At 31 December 2022	0.1	205.4	(2.4)	(58.1)	63.7	208.7	6.0	214.7

Consolidated statement of cash flows

for the year ended 31 December

	2022 £m	2021 £m
Operating activities		
Profit for the year	69.3	52.1
<i>Adjustments to reconcile Group profit to net cash flow from operating activities:</i>		
Amortisation of intangible assets	21.7	19.0
Depreciation of property, plant and equipment	4.8	4.5
Profit on disposal of property, plant and equipment	(0.0)	(0.1)
Share of post-tax loss of equity accounted investees	0.3	0.6
Change in fair value of financial instruments	(0.0)	0.7
Net finance expense	3.5	2.0
Equity settled share-based payment transactions	2.2	1.4
Taxation expense	15.9	18.1
Changes in trade and other receivables	3.0	3.6
Changes in trade and other payables	1.7	(20.6)
Taxation paid	(18.0)	(15.6)
Net cash flow from operating activities	104.4	65.7
Investing activities		
Interest received	0.0	0.1
Acquisition of property, plant and equipment	(0.8)	(0.6)
Acquisition of intangible assets	(10.6)	(9.2)
Acquisition of subsidiaries, net of cash acquired	(5.3)	(59.3)
Acquisition of investments	(0.2)	(0.7)
Proceeds from disposal of property, plant and equipment	0.0	0.4
Proceeds from disposal of investments	-	2.1
Net cash used in investing activities	(16.9)	(67.2)
Financing activities		
Dividends paid	(62.8)	(62.8)
Proceeds from share issue	-	0.4
Purchase of shares by employee trusts	(0.3)	(0.3)
Proceeds from borrowings	62.0	105.6
Repayment of borrowings	(75.5)	(48.1)
Interest paid	(3.7)	(2.1)
Repayment of lease liabilities	(3.1)	(2.3)
Net cash used in financing activities	(83.4)	(9.6)
Net decrease in cash and cash equivalents	4.1	(11.1)
Cash and cash equivalents at 1 January	12.5	23.6
Cash and cash equivalents at 31 December	16.6	12.5

Notes

1. Basis of preparation

Moneysupermarket.com Group PLC (the Company) is a public limited company registered and domiciled in England and Wales and listed on the London Stock Exchange.

The financial statements are prepared on the historical cost basis. Comparative figures presented in the financial statements represent the year ended 31 December 2021.

The financial statements have been prepared on the same basis as those for the year ended 31 December 2021.

In light of new information obtained since the acquisition of Quidco Limited (formerly known as Maple Syrup Media Limited) ('Quidco') about facts and circumstances that existed at the date of acquisition, and in accordance with IFRS 3 – Business Combinations, an adjustment to the previously reported balance sheet at 31 December 2021 has been included in these financial statements. Further information on this is included in note 12.

Going concern

The Directors have prepared the financial statements on a going concern basis for the following reasons. As at 31 December 2022, the Group's external debt comprised an amortising loan (with a balance outstanding of £40m, repayable by October 2024) and a revolving credit facility ('RCF'), (of which £4m of the £90m available was drawn down). No further amounts have been drawn down since the year end. The operations of the business have been impacted by regulatory changes in Insurance, Covid-19 recovery in Travel and the conditions affecting the energy switching market. However, the Group remains profitable, cash generative and compliant with the covenants of the bank loan and RCF.

The Directors have prepared cash flow forecasts for the Group, including its cash position, for a period of at least 12 months from the date of approval of the financial statements. The Directors have also considered the effect of potential cost-of-living trading headwinds and recession and competition such as new entrants upon the Group's business, financial position, and liquidity in severe, but plausible, downside scenarios. The scenarios modelled take into account the potential downside trading impacts from recession, sustained cost-of-living increases, competitive pressures and any one-off cash impacts on top of a base scenario derived from the Group's latest forecasts. The severe, but plausible, downside scenarios modelled, under a detailed exercise at a channel level, included minimal recovery over the period of the cash flow forecasts and in the most severe scenarios reflected some of the possible cost mitigations that could be taken. The impact these scenarios have on the financial resources, including the extent of utilisation of the available debt arrangements and impact on covenant calculations has been modelled. The possible mitigating circumstances and actions in the event of such scenarios occurring that were considered by the Directors included cost mitigations such as a reduction in the ordinary dividend payment, a reduction in operating expenses or the slowdown of capital expenditure. A reverse stress test has also been performed, which assumes the maximum available drawdown of borrowings, whilst maintaining covenant compliance.

The scenarios modelled and the reverse stress test showed that the Group and the Parent Company will be able to operate at adequate levels of liquidity for at least the next 12 months from the date of signing the financial statements. The Directors, therefore, consider that the Group and Parent Company have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements and have prepared them on a going concern basis.

Consideration of Climate Change

In preparing the financial statements, the Directors have considered the impact of climate change and there has been no material impact identified in the reporting period on the financial reporting judgements and estimates. The Directors considered the risks with respect to going concern and viability, as well as the cashflow forecasts used in the impairment assessment, and noted no material risks within the planning period. Whilst there is no medium-term impact to the Group expected from climate change, the Directors will assess these risks regularly against the judgements and estimates used in preparation of the financial statements.

2. Segmental information

Below we report a measure of profitability at segment level that reflects the way performance is assessed internally. The Group has a number of teams, capabilities and infrastructure which are used to support all verticals e.g. data platform and brand marketing. These are shared costs of the Group rather than “central costs”. We have concluded there is no direct or accurate basis for allocating these costs to the operating segments and therefore they are disclosed separately, which is how they are presented to the Chief Operating Decision Maker.

The Group’s reportable segments are Insurance, Money, Home Services, Travel and Cashback. These segments represent individual trading verticals which are reported separately for revenue and directly attributable expenses. Net finance expense, share of loss of equity accounted investments, tax and net assets are only reviewed by the Chief Operating Decision Maker at a consolidated level and therefore have not been allocated between segments. All assets held by the Group are located in the UK.

Travel includes revenue and directly attributable expenses from TravelSupermarket prior to 1 September 2021 and then the combined Ice Travel Group thereafter.

Cashback covers revenue and directly attributable expenses from Quidco following its acquisition on 1 November 2021.

The following summary describes the products and services in each segment.

Segment	Products and services
Insurance	Customer completes transaction for insurance policy on any of the following: provider website, our website or a telephone call.
Money	Customer completes transaction for money products such as credit cards, loans and mortgages on provider website.
Home Services	Customer completes transaction for home services products such as energy and broadband on provider website.
Travel	Customer completes transaction for travel products on provider website or our website.
Cashback	Customer completes transaction for retail, telecommunications, services and travel products with a cashback incentive on merchant website. Customer receives confirmed cashback incentive on our site.

Segment	Insurance £m	Money £m	Home Services £m	Travel £m	Cashback £m	Shared costs £m	Total £m
Year ended 31 December 2022							
Revenue	172.0	103.3	39.8	14.9	57.6	-	387.6
Directly attributable expenses	(73.7)	(31.0)	(14.6)	(10.0)	(48.1)	(94.7)	(272.1)
Adj. EBITDA contribution	98.3	72.3	25.2	4.9	9.5	(94.7)	115.5
Adj. EBITDA contribution margin*	57%	70%	63%	33%	16%	-	30%
Depreciation and amortisation							(26.5)
Profit on disposal of property, plant and equipment							0.0
Net finance expense							(3.5)
Share of post-tax loss of equity accounted investees							(0.3)
Change in fair value of financial instruments							0.0
Profit before tax							85.2
Taxation							(15.9)
Profit for the year							69.3

Segment	Insurance £m	Money £m	Home Services £m	Travel £m	Cashback £m	Shared costs £m	Total £m
Year ended 31 December 2021							
Revenue	158.7	75.2	68.1	4.1	10.6	-	316.7
Directly attributable expenses	(64.0)	(24.4)	(34.9)	(5.0)	(8.8)	(79.1)	(216.2)
Adj. EBITDA contribution	94.7	50.8	33.2	(0.9)	1.8	(79.1)	100.5
Adj. EBITDA contribution margin*	60%	68%	49%	(21%)	17%	-	32%
Depreciation and amortisation							(23.5)
Deal fees and associated costs							(3.6)
Profit on disposal of property, plant and equipment							0.1
Net finance expense							(2.0)
Share of post-tax loss of equity accounted investees							(0.6)
Change in fair value of financial instruments							(0.7)
Profit before tax							70.2
Taxation							(18.1)
Profit for the year							52.1

*Adjusted EBITDA contribution margin is calculated by dividing adjusted EBITDA contribution by revenue.

Insurance margin decreased from 60% to 57% year-on-year. This reflects the recovery in the lower margin travel insurance channel and the impact of FCA GI regulation on car and home conversion, particularly in the first half.

In Money, margin improved by 2ppt mainly due to the strong performance in banking which benefited from the consistent availability of attractive products.

In Home Services, adjusted EBITDA contribution fell year on year reflecting a full year of closure of the energy switching market. The improvement in margin reflects both the closure of the energy switching market and the loss of a large but low margin B2B contract in July 2021.

Travel trading rebounded driven by market recovery enabling the segment to return to profit in 2022.

Margin for Cashback is significantly lower than other verticals as a large proportion of commission is paid out to members as cashback. Cashback margin finished broadly in line year on year. The significant increase in contribution year on year reflects the full year of ownership compared to only two months in 2021.

Shared costs increased primarily due to higher marketing costs, as we invested behind the new MoneySuperMarket campaigns.

3. Net finance expense

	2022 £m	2021 £m
Finance income		
Loan notes	0.3	0.0
Bank deposits	0.0	0.1
	<u>0.3</u>	<u>0.1</u>
Finance expense		
Revolving credit facility	(1.2)	(0.7)
Bank loan	(1.4)	(0.2)
Leases	(1.1)	(1.1)
Deferred consideration	(0.1)	(0.1)
	<u>(3.8)</u>	<u>(2.1)</u>
Net finance expense	<u>(3.5)</u>	<u>(2.0)</u>

4. Taxation

The Group's consolidated effective tax rate for the year ended 31 December 2022 was 18.7% (2021: 25.8%), which is in line with the standard rate of corporation tax of 19%. The higher effective tax rate in 2021 was due to a deferred tax charge arising from a change in the standard rate of corporation tax which comes into effect in 2023.

	2022 £m	2021 £m
Current tax		
Current tax on income for the year	18.3	15.9
Adjustment in relation to prior period	0.4	(0.3)
	<u>18.7</u>	<u>15.6</u>
Deferred tax		
Origination and reversal of temporary differences	(1.9)	(1.1)
Adjustment due to changes in corporation tax rate	(0.2)	3.5
Adjustment in relation to prior period	(0.7)	0.1
	<u>(2.8)</u>	<u>2.5</u>
Taxation	<u>15.9</u>	<u>18.1</u>

5. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during

the year. The Company's own shares held by employee trusts are excluded when calculating the weighted average number of ordinary shares outstanding.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Earnings per share

Basic and diluted earnings per share have been calculated on the following basis:

	2022	2021
	£m	£m
Profit after taxation attributable to the owners of the Company	68.3	52.7
Basic weighted average ordinary shares in issue (millions)	536.5	536.4
Dilutive effect of share based instruments (millions)	2.4	0.1
Diluted weighted average ordinary shares in issue (millions)	538.9	536.5
Basic earnings per ordinary share (pence)	12.7	9.8
Diluted earnings per ordinary share (pence)	12.7	9.8

Adjusted basic and diluted earnings per share have been calculated as follows:

	2022	2021
	£m	£m
Profit before tax	85.2	70.2
Adjusted for (profit)/loss before tax attributable to non-controlling interest	(1.2)	0.7
Profit before tax attributable to the owners of the Company	84.0	70.9
Amortisation of acquisition related intangible assets	11.3	4.4
Amortisation of acquisition related intangible assets attributable to non-controlling interest (see note 11)	(0.2)	(0.1)
Deal fees and associated costs	-	3.6
Deal fees and associated costs attributable to non-controlling interest (see note 11)	-	(0.6)
Change in fair value of financial instruments	(0.0)	0.7
	95.1	78.9
Estimated taxation at 19% (2021: 19%)	(18.1)	(15.0)
Profit for adjusted EPS purposes	77.0	63.9
Adjusted basic earnings per share (pence)	14.4	11.9
Adjusted diluted earnings per share (pence)	14.3	11.9

6. Dividends

	2022	2021
	£m	£m
Equity dividends on ordinary shares:		
Final dividend for 2021: 8.61 pence per share (2020: 8.61 pence per share)	46.2	46.2
Interim dividend for 2022: 3.10 pence per share (2021: 3.10 pence per share)	16.6	16.6
Equity dividends	62.8	62.8

Proposed for approval (not recognised as a liability as at 31 December):

Final dividend for 2022: 8.61 pence per share (2021: 8.61 pence per share) 46.2 46.2

7. Intangible assets

	Market related £m	Customer relationships £m	Technology related £m	Goodwill £m	Total £m
Cost					
At 1 January 2021	155.3	-	101.5	212.6	469.4
Additions	14.3	21.2	24.6	76.5	136.6
Disposals	-	-	(2.7)	-	(2.7)
At 31 December 2021	<u>169.6</u>	<u>21.2</u>	<u>123.4</u>	<u>289.1</u>	<u>603.3</u>
Amortisation					
At 1 January 2021	148.5	-	75.8	74.3	298.6
Charge for the year	2.0	0.4	16.6	-	19.0
Eliminated on disposal	-	-	(2.7)	-	(2.7)
At 31 December 2021	<u>150.5</u>	<u>0.4</u>	<u>89.7</u>	<u>74.3</u>	<u>314.9</u>
Carrying value					
At 1 January 2021	6.8	-	25.7	138.3	170.8
At 31 December 2021	<u>19.1</u>	<u>20.8</u>	<u>33.7</u>	<u>214.8</u>	<u>288.4</u>
Cost					
At 1 January 2022	169.6	21.2	123.4	289.1	603.3
Additions	-	-	13.2	-	13.2
Transfers	-	-	0.5	(0.5)	-
At 31 December 2022	<u>169.6</u>	<u>21.2</u>	<u>137.1</u>	<u>288.6</u>	<u>616.5</u>
Amortisation					
At 1 January 2022	150.5	0.4	89.7	74.3	314.9
Charge for the year	2.8	2.1	16.8	-	21.7
Eliminated on disposal	-	-	-	-	-
At 31 December 2022	<u>153.3</u>	<u>2.5</u>	<u>106.5</u>	<u>74.3</u>	<u>336.6</u>
Carrying value					
At 1 January 2022	19.1	20.8	33.7	214.8	288.4
At 31 December 2022	<u>16.3</u>	<u>18.7</u>	<u>30.6</u>	<u>214.3</u>	<u>279.9</u>

There were no asset disposals in the year. In the prior year, assets with an original cost of £2.7m and a carrying value of £nil that are no longer in use were retired.

The Group had significant balances relating to goodwill as at 31 December 2022 as a result of acquisitions of businesses in previous years. Goodwill balances are tested annually for impairment or if events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

Group goodwill is allocated across our verticals (Insurance, Money, Home Services, Travel and Cashback), our “cash generating units” (CGUs). In accordance with IAS 36 – Impairment of Assets, the Group is required to test goodwill for impairment annually. We test impairment at a CGU level by comparing the net present value of future cashflows, derived from the latest budget and long term plan, to the carrying value of the total assets. The value in use method requires the Group to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to the cash flow projections over the strategic plan period, the long-term growth rate to be applied beyond this period and the risk-adjusted pre-tax discount rate used to discount the assumed cash flows to present value.

The discount rate used in our assessment is based on current market assessments of the time value of money and the risks specific to a CGU. We have calculated a pre-tax discount rate of 13.5% for Insurance and Money, based on the Group’s pre-tax discount rate. For Home Services, Travel and Cashback we apply a 2% risk premium to reflect management’s assessment of specific risks related to these CGUs.

Our assessment concludes there is headroom across all CGUs and the Directors have therefore concluded no impairment of goodwill is required (after considering sensitivities, there is no reasonable change in assumptions to cause an impairment in any CGU). The headroom in the Cashback CGU is more sensitive than the other CGUs to assumptions on the discount rate and revenue growth projections.

8. Borrowings

	2022 £m	2021 £m
Non-current		
Loan	30.0	40.0
Current		
Revolving credit facility	4.0	7.5
Loan	10.0	10.0
	14.0	17.5

9. Related party transactions

Peter Duffy, Robin Freestone, Scilla Grimble, James Bilefield and Sally James in total received dividends from the Group totalling £41,649 (2021: Robin Freestone, Scilla Grimble, James Bilefield and Sally James in total received £30,389).

10. Commitments and contingencies

At 31 December 2022, the Group was committed to incur capital expenditure of £0.3m (2021: £0.9m).

Comparable with most companies of our size, the Group is a defendant in a small number of disputes incidental to its operations and from time to time is under regulatory scrutiny.

As a leading website operator, the Group occasionally experiences operational issues as a result of technological oversights that in some instances can lead to customer detriment, dispute and potentially cash outflows. The Group has a professional indemnity insurance policy in order to mitigate liabilities arising out of events such as this. The contingencies outlined above are not expected to have a material adverse effect on the Group.

11. Non-controlling interest

In December 2022, the Group acquired control of Podium Solutions Limited which had previously been accounted for as a joint venture. Podium Solutions Limited is now consolidated as a subsidiary undertaking and a non-controlling interest is recognised within equity.

The Group also recognises a non-controlling interest in respect of Ice Travel Group Limited and its two wholly owned subsidiaries Travelsupermarket Limited and Icelolly Marketing Limited (together “Ice Travel Group”).

The following table summarises the financial performance and position of these companies at the year end before any intra-group eliminations.

	Podium Solutions Limited	Ice Travel Group	Total
At December 2022	48%	33%	
Non-controlling interest	£m	£m	£m
Non-current assets*	3.2	14.5	17.7
Current assets	0.3	8.3	8.6
Non-current liabilities	(1.8)	(4.9)	(6.7)
Current liabilities	(0.1)	(2.0)	(2.1)
Net assets	1.6	15.9	17.5
Net assets attributable to non-controlling interest	0.7	5.3	6.0
Revenue	-	14.6	14.6
Profit	-	3.1	3.1
Other comprehensive income	-	-	-
Total comprehensive income	-	3.1	3.1
Profit attributable to the non-controlling interest	-	1.0	1.0
Other comprehensive income attributable to non-controlling interest	-	-	-
Total comprehensive income attributable to non-controlling interest	-	1.0	1.0
Cash flows from operating activities	-	4.5	4.5
Cash flows from investing activities	-	(0.4)	(0.4)
Cash flows from financing activities	-	-	-
Net increase in cash and cash equivalents	-	4.1	4.1

* Non-current assets for Ice Travel Group include £7.4m (2021: £7.4m) of goodwill in respect of Travelsupermarket Limited that was recognised on the Group's balance sheet prior to the acquisition of Ice Travel Group.

	Podium Solutions Limited	Ice Travel Group	Total
At December 2021	-	33%	
Non-controlling interest	£m	£m	£m
Non-current assets*	-	14.8	14.8
Current assets	-	3.8	3.8
Non-current liabilities	-	(3.4)	(3.4)
Current liabilities	-	(2.5)	(2.5)
Net assets	-	12.7	12.7
Net assets attributable to non-controlling interest	-	4.3	4.3
Revenue	-	2.2	2.2
Loss	-	(1.8)	(1.8)
Other comprehensive income	-	-	-
Total comprehensive income	-	(1.8)	(1.8)
Loss attributable to the non-controlling interest	-	(0.6)	(0.6)
Other comprehensive income attributable to non-controlling interest	-	-	-
Total comprehensive income attributable to non-controlling interest	-	(0.6)	(0.6)
Cash flows from operating activities	-	(1.9)	(1.9)
Cash flows from investing activities	-	-	-
Cash flows from financing activities	-	4.0	4.0
Net increase in cash and cash equivalents	-	2.1	2.1

Ice Travel Group's profit (2021: loss) and total comprehensive income for the year of £3.1m (2021: £1.8m) included £nil (2021: £1.8m) of deal fees and associated costs and £0.6m (2021: £0.2m) of amortisation of intangibles relating to the acquisition of Ice Travel Group by the Group. Included in the profit (2021: loss) and total comprehensive income attributable to the non-controlling interest of £1.0m (2021: £0.6m) are £nil (2021: £0.6m) of deal fees and associated costs and £0.2m (2021: £0.1m) of amortisation of intangibles.

12. Acquisition of subsidiaries

Quidco Limited (formerly known as Maple Syrup Media Limited) ("Quidco")

On 1 November 2021, the Group acquired 100% of the share capital and voting rights of Quidco for total consideration payable of £104.6m. On acquisition a new Cashback vertical was created for this business.

Due to the proximity of the acquisition date to the year end and in accordance with IFRS 3 – Business Combinations, a disclosure was included in the Group's 2021 Annual Report indicating that if new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts recognised, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised. Since the year end we have identified new information about facts and circumstances that existed at the date of acquisition which has resulted in an increase in both accrued income (within trade and other receivables) and other payables (within trade and other payables) of £3.8m. There is no impact on total identifiable net assets acquired and therefore no impact on previously reported goodwill. The comparative balance sheet as at 31 December 2021 has been restated in these financial statements accordingly.

Podium Solutions Limited ("Podium")

On 23 December 2022, the Group gained control of Podium, a financial technology business, principally engaged in developing digital solutions in the mortgages sector. Prior to this the Group had held a 50% investment in Podium which was accounted for as a joint venture. On completion of the transaction, the other shareholders of Podium exercised options which diluted the Group's holding to 42%. The Group then acquired an additional 10% of the share capital bringing its holding up to 52%. Since then, the Group has been in control of Podium and has accounted for it as a subsidiary undertaking.

The fair value of total consideration was £1.6m which comprised the following:

	£m
Fair value of existing interest	0.7
Fair value of additional equity interest	0.2
Fair value of non-controlling interest	0.7
Fair value of total consideration	<u>1.6</u>

The fair value of the total identifiable net assets acquired was £1.6m:

	£m
Intangible assets	3.2
Trade and other receivables	1.0
Cash	0.1
Trade and other payables	(0.1)
Amounts due to non-controlling interest	(1.8)
Deferred tax	(0.8)
Fair value of total identifiable net assets acquired	<u>1.6</u>

Intangible assets relate to technology expenditure that had not been capitalised in Podium prior to acquisition. The fair value of these assets has been determined using a rebuild cost valuation method. This was developed in consultation with senior technology professionals and using a cost assumption for developers inclusive of a profit margin as would be the case in an external build contracted to develop an equivalent platform. When valuing assets of this nature we take into account any obsolescence arising from advancements in technology since they have been built.

There was no goodwill arising from the acquisition as the fair value of total consideration was equal to the fair value of total identifiable net assets acquired.

In the period from completion of the deal to the year end, Podium contributed revenue and profit before tax of £0.0m to these financial statements.

As part of the transaction the Group has a call option to acquire the remaining 48% of Podium in three years' time. The consideration payable will equate to the fair value of Podium at that date. No value has therefore been attributed to this call option in these financial statements.

Appendix

Statutory Information

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2022 or 31 December 2021 but is derived from those accounts. Statutory accounts for 2021 have been delivered to the registrar of companies, and those for 2022 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The annual report and accounts for the year ended 31 December 2022 will be posted to shareholders in March 2023. The results for the year ended 31 December 2022 were approved by the Board of Directors on 15 February 2023 and are audited. The Annual General Meeting will take place on 4 May 2023. The final dividend will be payable on 11 May 2023 to shareholders on the register at the close of business on 31 March 2023.

Presentation of figures

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.