

Interim Results

3 August 2016

Matthew Price

3 August 2016

Interim themes

Headroom:

- Headroom exists across all of our markets
- Very low price comparison penetration within money and energy

Delivering the plan:

- Momentum returning to insurance
- Marketing spend in-line with plan

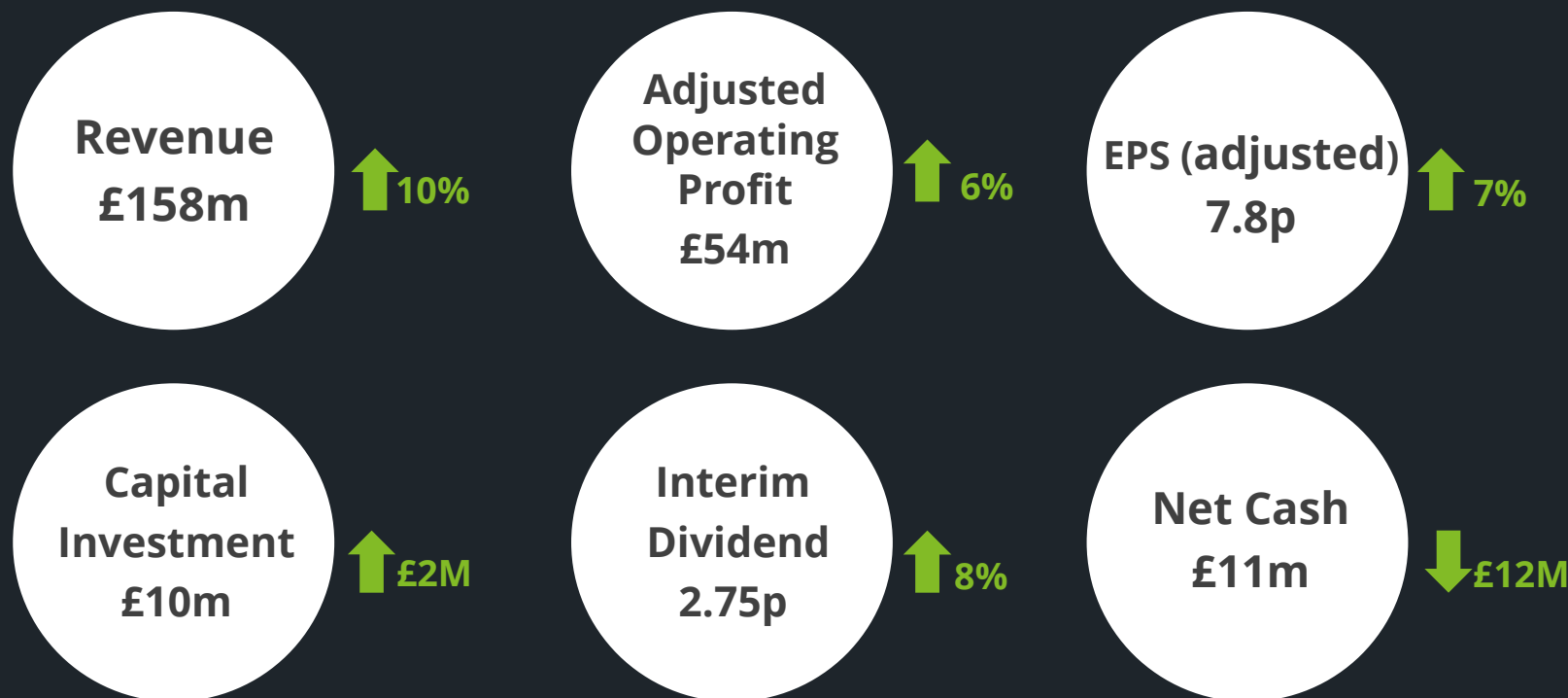
Macro economy:

- Typically rising prices increases customers propensity to switch
- Our business model of saving customer's money will be more relevant in uncertain times
- 2016/17 economy different to the 2008 banking crisis

Technology investment:

- Delivering value for our customers; new services and an improved mobile experience
- Supporting organic growth, future cash generation and shareholder returns

We continued to grow our diversified business



Note: Net cash declined after final consideration for Moneysavingexpert of £20.6M in September 2015

Revenue growth converted to profit as planned

£Millions	HY 2016	HY 2015	Growth
Revenue	157.6	143.9	+10%
Gross margin	76%	80%	
Adjusted EBITDA	59.7	56.0	+7%
EBITDA margin %	38%	39%	
Depreciation & software amortisation	(5.9)	(5.2)	
Adjusted Operating Profit	53.8	50.8	+6%
Adjusted Operating Profit margin %	34%	35%	
Amortisation of acquired intangible assets	(7.2)	(7.4)	
Contingent payable in relation to MSE	-	(5.0)	
Operating Profit	46.6	38.4	+21%
Net finance costs	(0.3)	(0.5)	
Profit on disposal of associate (note 1)	0.8	-	
Taxation	(9.2)	(7.6)	
Net Profit	37.9	30.2	+25%

AOP definition Operating profit adjusted for the amortisation of acquisition-related intangible assets, contingent payable in relation to the acquisition of MoneySavingExpert.com.

Note 1. Profit on disposal is additional consideration on the disposal of HD Decisions in 2014.

Strategic KPI performance

Best Site

Be the easiest way for customers to find providers' products



24.3m (+0%*)
Unique monthly visitors

£10.4m (+£2.4m)
Investment in Technology

Earn Customer Loyalty

Be the destination brand for users and customers



20m (+17%)
People choosing to share data

45% (+3%*)
Net Promoter Score

£0.9B (+13%)
Savings made by customers

Preferred partner

Be the best way for providers to acquire customers



853 (+7%)
Number of providers

63% (-4%)
Marketing margin

Note:

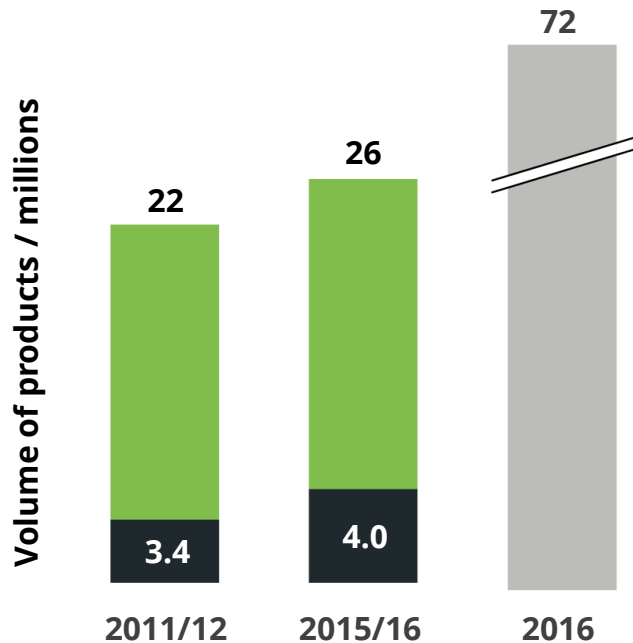
- * Excluding TravelSupermarket Average unique monthly users increased 0.7M
- * Excluding TravelSupermarket Net Promoter Score increased 4% to 49%.

Insurance restored to growth: + 6% growth Q2

Revenues £Millions	HY 2016 £M	HY 2015 £M	HY Growth (%)
Insurance	75.3	73.6	+2%
Money	41.7	35.5	+18%
Home Services	25.1	17.6	+43%
MoneySuperMarket.com	142.1	126.7	+12%
TravelSupermarket.com	11.1	13.7	-19%
MoneySavingExpert.com	19.3	14.6	+32%
Intra-group eliminations and other income	(15.0)	(11.0)	
Total Group	157.6	143.9	+ 10%

Insurance: Opportunity in most developed market

Home, Motor and Travel Insurance



CAGR 2011/12 – 2015/16

- +4% ● MSM sales new / switching
- +3% ● Online sales new / switching
- 1% ● Total market size

Online Competition

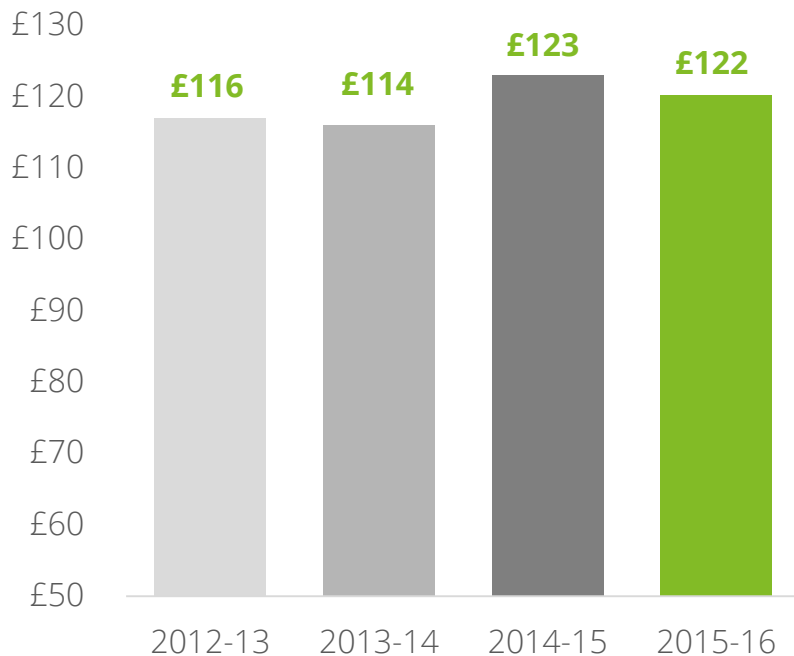
Online includes three other material aggregators (Confused.com, CompareTheMarket.com and Gocompare.com), some smaller aggregators and direct to provider.

- Core part of our proposition; growth has moderated.
- The products above represent 71% of group Insurance revenues.

Source: Internal estimates based on DfT, ABI, ONS, Mintel, Kantar, Internal Data
Note: Online size is based on 12 months to April, MSM and total market are full year.

Continuing competitive intensity

Total TV & Radio spend by PCWs - 2012-16 (£Millions)

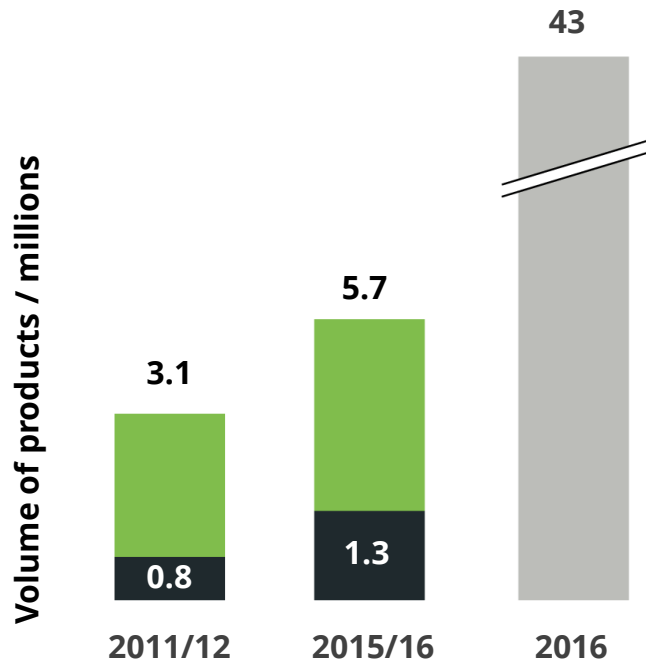


Source: Nielsen Ad Dynamix spend 2012 – 16

- New platform gives stronger and flexible levers over time:
 - Paid Search – can bid higher as site personalisation will convert better.
 - Organic Search – allows fresher & more relevant content on all devices.
 - Innovation – mobile app launched.
- Higher marketing spend in line with the guidance provided at the full year.

Money: Removing barriers for consumers

Cards & Loans



CAGR 2011/12 – 2015/16

- +15% ● MSM sales new / switching
- +17% ● Online sales new / switching
- + 2% ● Total market size

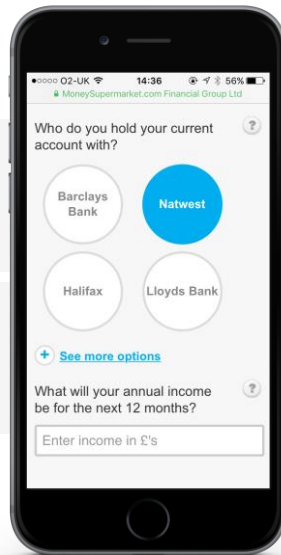
Online Competition

Apart from Moneysupermarket, the online market is predominantly direct sales on bank, credit card and loan providers' websites.

- The products represented above comprise 66% of total Group Money revenues.

Investment in technology: Pre approved credit cards

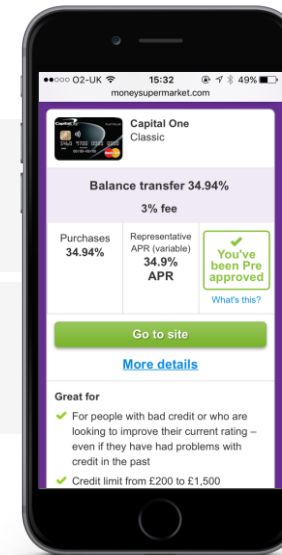
Advanced Smart search



- Built on new technology / fusion stack.
- Addressing the market headroom

- Improving understanding of customer eligibility.
- Improved customer outcomes
- Improved data capture

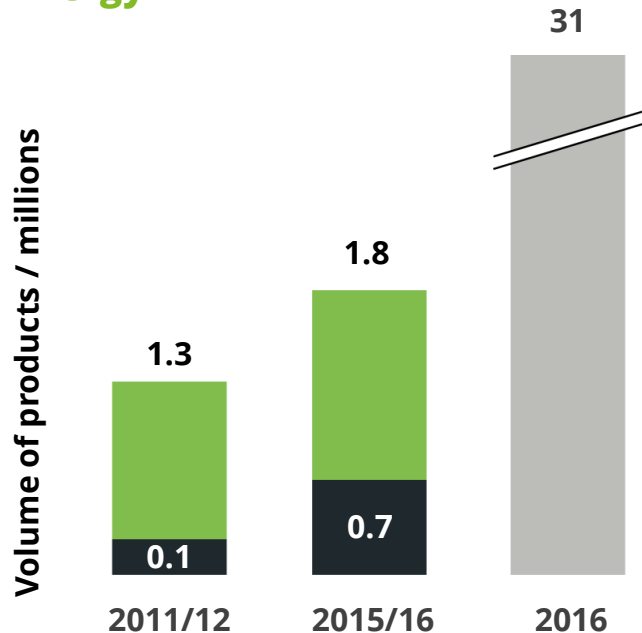
Pre approval



- Commercial: Four providers offering pre approval (Capital One, New Day, MBNA and Virgin)
- Brand: Improved NPS / Customer satisfaction
- Business benefits:
 - 7% improvement in Click to sale / conversion
 - Positive IRR

Energy: Significant market opportunity

Energy



CAGR 2011/12 – 2015/16

- +54% ● MSM sales new / switching
- +9% ● Online sales new / switching
- +0% ● Total market size

Online Competition

Apart from Moneysupermarket, the online market is a mix of other aggregators and direct sales by providers.

- The products represented above comprise 86% of Group Home Services revenue.

Source: Internal estimates based on DECC, Ofgem, Ipsos, Cornwall Energy, Internal Data

Note: Dual fuel counted as one account

MoneySavingExpert has always given cash-back to build relationships directly with customers

Marketing Spend

£Millions	HY 2016	HY 2015	HY (%)
Offline Spend	17.9	15.7	+14%
Cash-back to club customers	7.9	5.3	+49%
Online and other spend	29.2	23.7	+23%
Other	3.3	3.4	-3%
Total Group	58.3	48.1	+21%
<i>Marketing Margin</i>	63%	67%	-4%
<i>Marketing Margin excl. cashback</i>	68%	70%	-2%

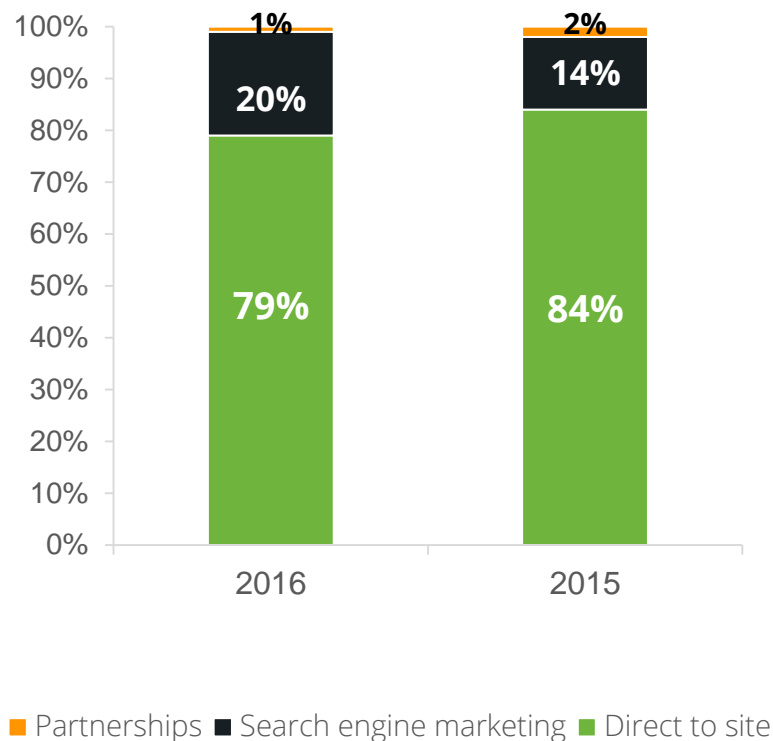
- Successful MSE collective switch model impacting marketing spend.
- Builds relationship directly with club members.
- £8m has been returned to customers.

Additional online marketing spend as planned

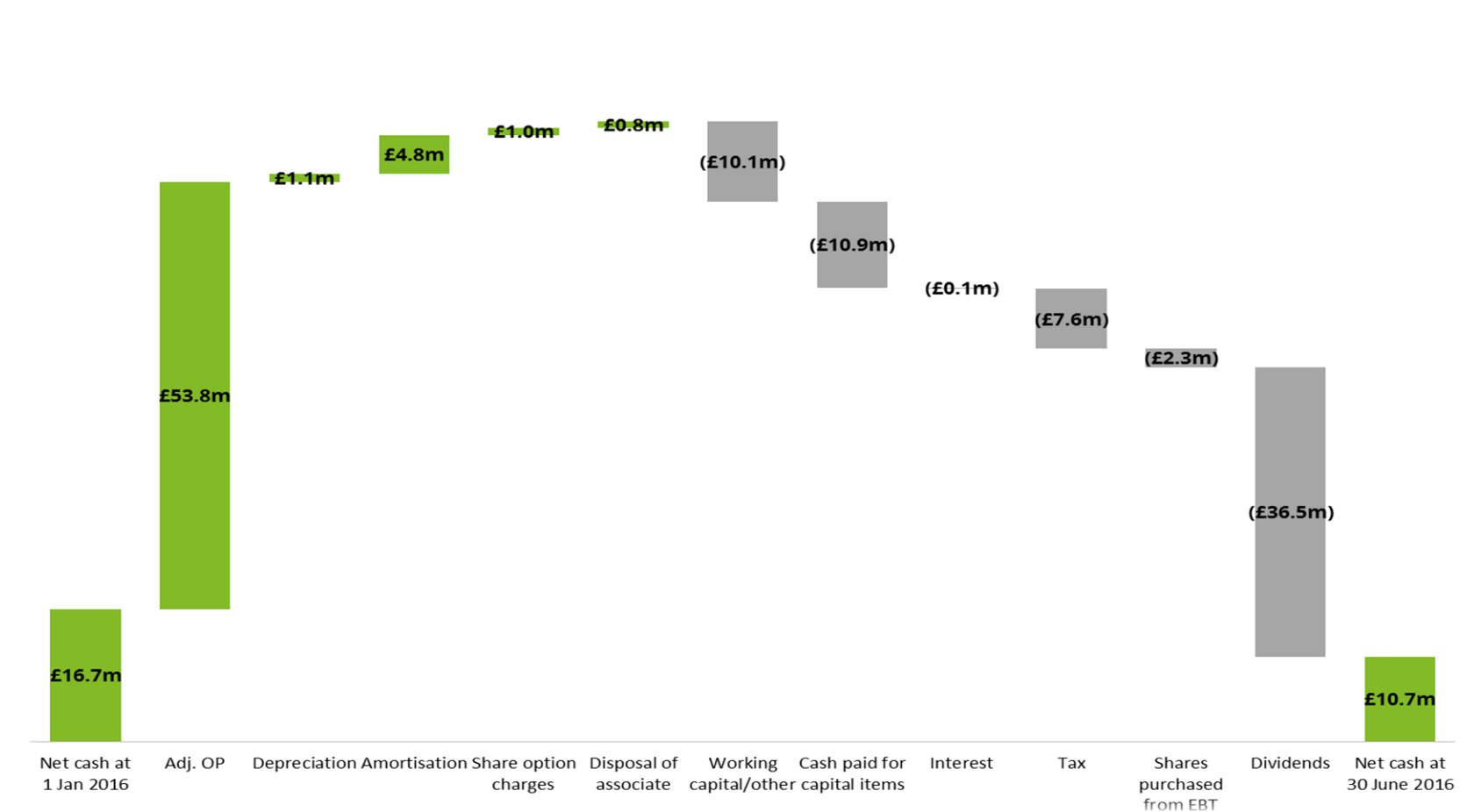
Marketing Spend

£Millions	HY 2016	HY 2015	HY (%)
Offline Spend	17.9	15.7	+14%
Cash-back to club customers	7.9	5.3	+49%
Online and other spend	29.2	23.7	+23%
Other	3.3	3.4	-3%
Total Group	58.3	48.1	+21%
<i>Marketing Margin</i>	63%	67%	-4%
<i>Marketing Margin excl. cashback</i>	68%	70%	-2%

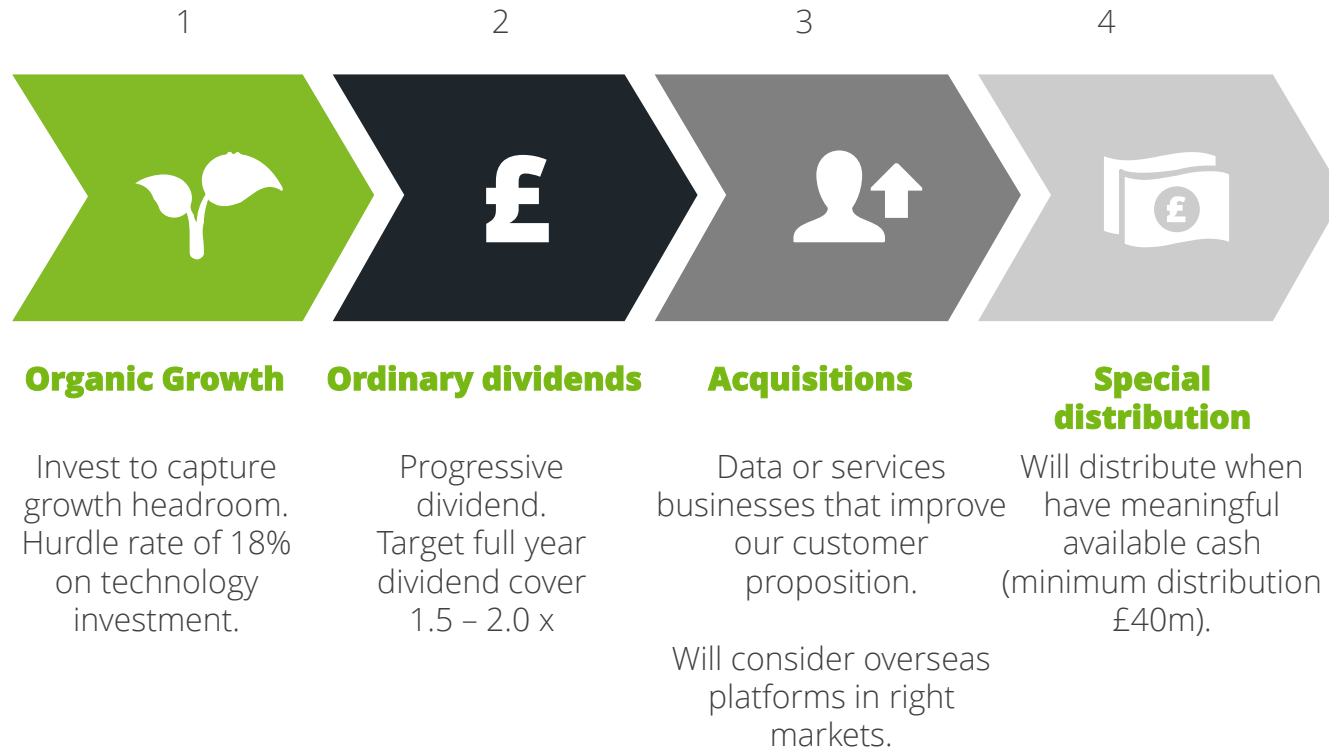
Revenue by source



Cash conversion as planned



Priorities for capital are unchanged



Group will borrow to fund growth investments, not to finance distributions to shareholders.

Cash and capital update

- The technology investment is part of a three-year programme. We expect technology amortisation to be in the region of £13-14 million for 2016.
- We expect to make capital investment of up to £24 million in 2016.
- Amortisation of the intangible assets related to the pre IPO reorganization is expected to be in the region of £13.2 million for 2016.
- The Group's cash tax payment benefits from the amortisation of goodwill on the MoneySavingExpert acquisition. This amortisation is c.£16 million pa and will run until September 2017.
- The Group intends to reorganise its real estate which is likely to result in a one-off charge of £2-3 million in 2017.
- Higher marketing spend in line with the guidance provided at the full year.

Strong Investment case

- Diversified business with headroom in each core market.
- Momentum returning to insurance.
- A very relevant business model offering customers a great way to save money and providers an effective way to acquire customers.
- Growth supported by technology investment focused on smartphones, customer journey, data and apps.



Resilient structure:

- Highly cash generative with low fixed costs and very limited exposure to non-sterling costs.
- Diversified provider base, no single provider more than 3% of business.*
- Demonstrable experience at managing profitably through shifts in consumer demand.
- Confident as we enter a period of change for the UK consumer.

Note:

* Excludes collective switches which can be variable in nature

Peter Plumb

Chief Executive Officer

Trading, another good start to the year

- **Business Summary**

- MoneySuperMarket.com: +12% - Insurance back in growth
- MoneySavingExpert.com: +32% - Strong performance by cards and energy
- TravelSuperMarket.com: -19% - Rebuild on track, Car Hire and Holidays growth

- **Tech investment programme delivering innovation**

- MoneySavingExpert Clubs Platform
 - Energy Club replatformed ready to power more collective switches
 - Credit Club ready for launch, next generation personalised service
- Smartphone Apps
 - MoneySuperMarket: easy switch
 - TravelSuperMarket: holiday booker

Brexit: business as usual for the Group

This is not the global banking crisis of 2008/9

- **The banking crisis of 2008/09**

- Credit supply dried up :
 - Secured Loans declined: First Plus (£13M revenue) ceased trading
 - Credit Cards declined: Customers kept searching, supply significantly reduced
- Families kept their summer holiday, but city breaks significantly declined
 - Flights and hotels revenues declined
 - Holiday revenue held up

- **Post Brexit it is business as usual**

- Credit is flowing freely
 - Loans: +40 providers (secured lending is <£3M)
 - Credit Cards supply: 109 products July 2016 vs 108 product July 2015
- TravelSuperMarket is primarily focused on the holiday market

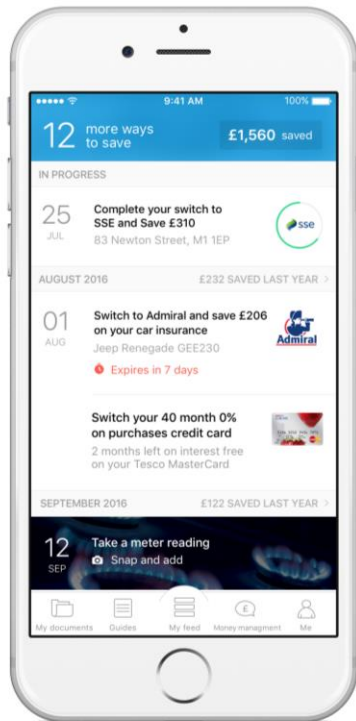
- **Our trusted brands are here to help families save money**

- MoneySuperMarket and MoneySavingExpert are the leading trusted brands

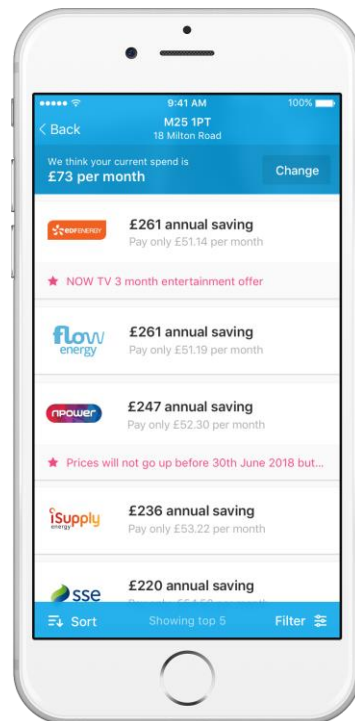
MoneySuperMarket App

The easiest way to switch and manage household bills

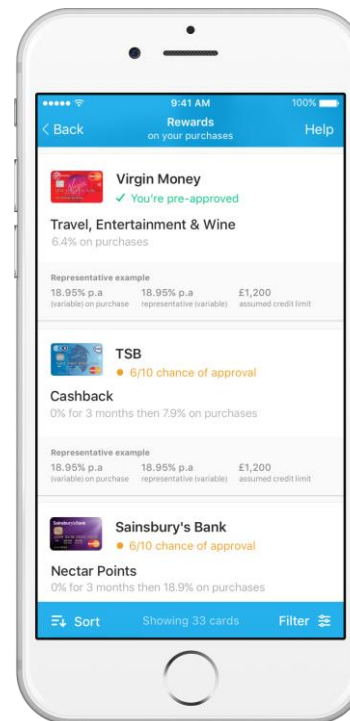
Managing Bills



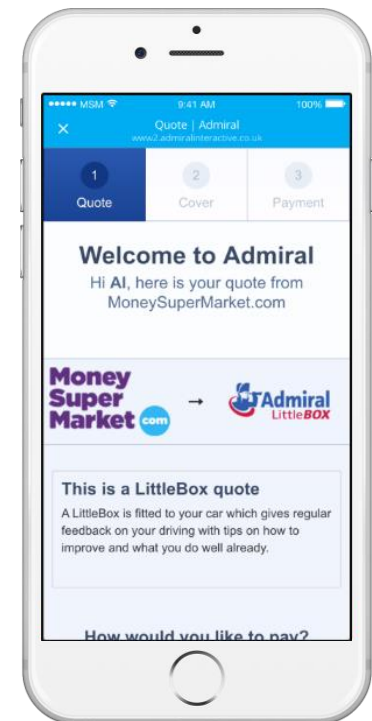
Energy Quick Switch



Cards Smart Search

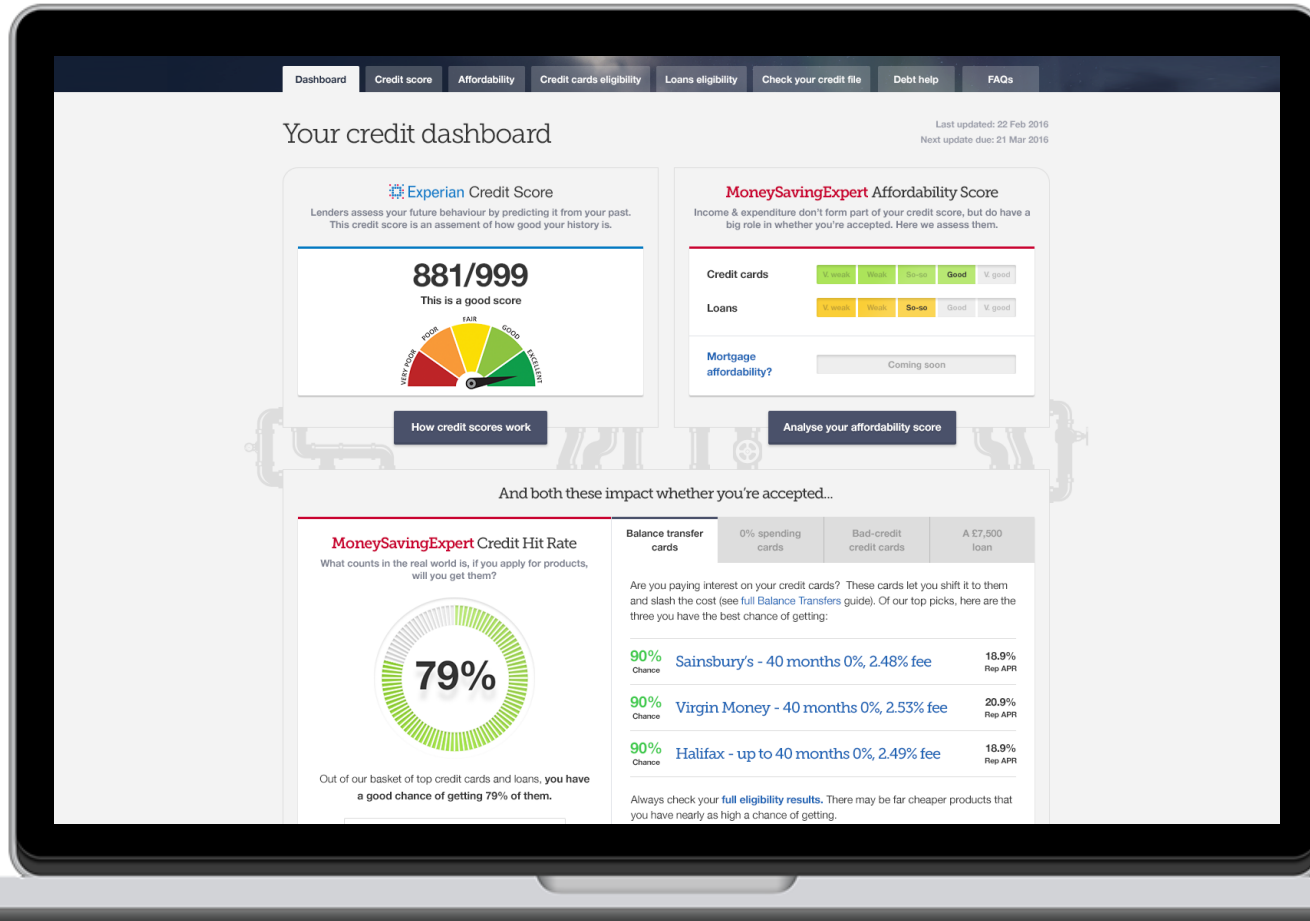


Motor Mobile Purchase



Moneysavingexpert's new credit club

Free credit scores, personalised recommendations uniquely powered by Experian



Outlook: 2016

Insurance back in growth, new Credit Club and improved Energy Clubs live

- **Market**

- Insurance: Prices rising, new platform bedding down
- Energy: Prices look set to rise, MSE Energy Club re-platformed ready for more collectives
- Money: Good range of cards, MSE Credit Club ready for launch
- Travel: Package holiday traffic good, rebuild needs a further 6 months

- **Brexit: business as usual for the group**

- This is not the global banking crisis of 2008/09, credit is flowing
- Diversity of business services gives us strength

- **Brands/Marketing**

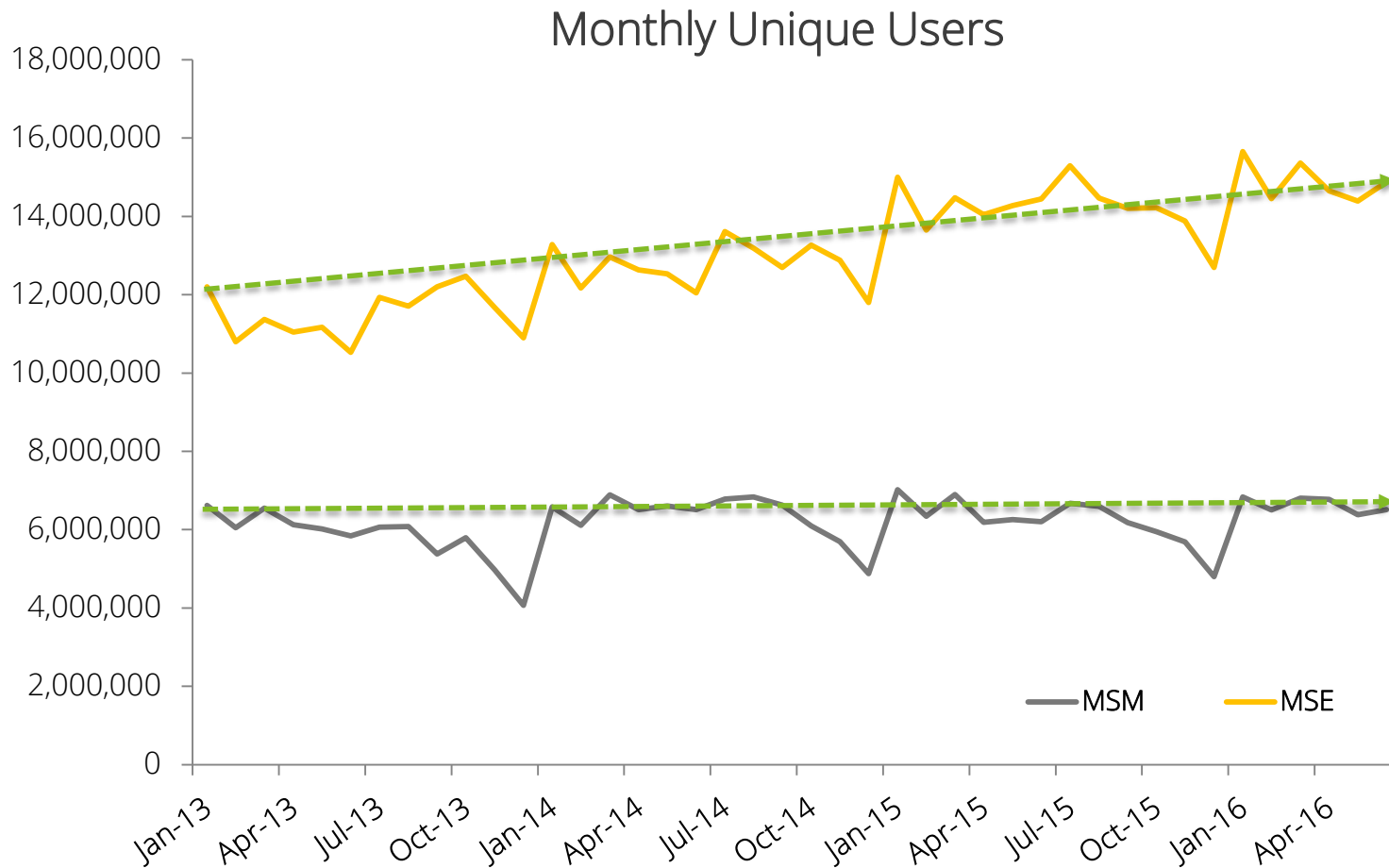
- Additional brand investment planned for both MSM & MSE in H2
- MSM and MSE are the trusted brands UK families turn to for help with managing money

- **Outlook and management changes**

- CEO expressed his intent to step down and Board to recruit successor
- Expectations for the year remain unchanged

Appendix

Moneysavingexpert is an important source of visitors and customers



- Google analytics unique monthly users

Source: Google analytics.

Adjusted operating profit

£Millions	HY 2016	HY 2015	Variance	Variance %
Revenue	157.6	143.9	13.7	+10%
Gross Profit	120.4	114.9	5.5	+5%
<i>Gross Margin</i>	76%	80%		-4%
Administrative Costs	(52.6)	(57.4)	4.8	+8%
Distribution Costs	(21.2)	(19.2)	(2.0)	-10%
Operating Profit	46.6	38.4	8.2	+21%
Amortisation of acquired intangible assets	7.2	7.4	(0.2)	-3%
Contingent payable in relation to MSE	-	5.0	(5.0)	
Adjusted Operating Profit	53.8	50.8	3.0	+6%
Depreciation	1.1	1.4	(0.3)	-21%
Amortisation of technology related Intangible assets	4.8	3.8	1.0	+26%
Adjusted EBITDA	59.7	56.0	3.7	+7%

Adjusted cost base

£Millions	HY 2016	HY 2015	Variance	Variance %
Staff Costs	24.7	25.1	(0.4)	-2%
Depreciation	1.1	1.4	(0.3)	-21%
Amortisation of technology	4.8	3.8	1.0	+26%
Irrecoverable VAT	4.4	4.5	(0.1)	-2%
Other admin	10.6	10.2	0.4	+4%
Total Adjusted Admin	45.6	45.0	0.6	+1%
Advertising	17.9	15.7	2.2	+14%
Other marketing	3.3	3.4	(0.1)	-3%
Total Distribution costs per P&L	21.2	19.1	2.1	+11%
Online and other marketing costs*	37.1	29.0	8.1	+28%
Total Marketing Costs	58.3	48.1	10.2	+21%
Total Adjusted Cost base below gross margin	66.8	64.1	2.7	+4%
Total Adjusted cost base	103.8	93.1	10.8	+12%

- Represents the adjusted cost base for the Group, and therefore includes approximately £4.0m of administrative expenses, and £0.9m of distribution costs, relating to MoneySavingExpert.com in 2016 (2015: £3.8m administrative expenses, £0.3m distribution costs). Excludes contingent payable in relation to the MSE acquisition and amortisation relating to acquisitions.

- * Includes costs relating to cashback, smartsearch and online display

Earnings per share calculation

£Millions	HY 2016	HY 2015
Statutory Profit Before Tax	47.1	37.8
Amortisation of MSFG intangibles	6.6	6.6
Amortisation of MSE intangibles	0.6	0.8
MSE contingent payable	-	5.0
Profit on disposal of associate	(0.8)	-
Adjusted 'Before Tax' Earnings	53.5	50.3
Assumed tax at 20% (2015: 20.25%)	(10.7)	(10.2)
Adjusted Earnings	42.8	40.1
Basic average shares (millions)	546.7	545.5
Basic adjusted EPS (pence)	7.8	7.3
Diluted average shares (millions)	549.1	551.8
Diluted adjusted EPS (pence)	7.8	7.3

Statutory balance sheet

£Millions	30 June 2016	30 June 2015
Property, Plant And Equipment	7.6	8.9
Intangible Assets - Technology	33.3	20.0
Intangible Assets - Acquisition related	128.6	143.3
Investments	0.5	-
Trade and Other Receivables	42.3	34.5
Cash and Cash Equivalents	20.7	22.8
Total Assets	233.0	229.5
Trade And Other Payables	(40.6)	(44.7)
Tax assets and liabilities	(16.6)	(15.1)
Contingent Remuneration	-	(20.8)
Borrowings	(10.0)	-
Total Liabilities	(67.2)	(80.6)
Net assets	165.8	148.9

- Acquisition related intangible assets include £67.8 million associated with the pre-IPO Group reorganisation, and £59.3 million from the acquisition of MoneySavingExpert.
- Tax assets and liabilities include both current and non –current balances

Effective tax rate broadly stable

£Millions	HY 2016	HY 2015
Profit before tax	47.1	37.8
Standard rate of tax 20% (2015: 20.25%)	9.4	7.6
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	0.1
Impact of changes in tax rate / other	-	(0.1)
Profit on disposal exempt from tax	(0.2)	-
Tax expense for the year	9.2	7.6
<i>Effective tax rate</i>	19.5%	20.1%

Dividends, EPS & dividend cover

Dividend (pence)	2016	2015
Interim	2.75	2.55

Ratios	HY 2016	HY 2015
Earnings Per Share	6.9	5.5
Dividend Cover (interim dividend)	2.5	2.2

Dates for interim dividend – 18th August ex-div date, 16th September payment date

Historic KPI's

£Millions	H1 2016	H1 2015	Variance	Variance (%)
Insurance Visitors on to the site	22.4	21.5	0.9	+4%
Insurance Clicks off the site	7.2	7.5	(0.3)	-4%
Insurance Total Revenue (£)	75.3	73.6	1.7	+2%
Money Visitors on to the site	22.7	22.8	(0.1)	+0%
Money Clicks off the site	10.6	11.9	(1.3)	(11%)
Money Total Revenue (£)	41.7	35.5	6.2	+18%
Home Service Visitors on to the site	10.7	10.4	0.3	+3%
Home Services Clicks off the site	2.8	2.8	0.0	+0%
Home Services Total Revenue (£)	25.1	17.6	7.5	+43%

- At IPO, clicks onto site were called visitors, clicks off the site were named transactions.
- These definitions are no longer relevant to our business.

Definitions:

Visitors on to the site: - Unique per day not by device.

Clicks off the site:- Number of clicks through to a provider website.

This is not the banking crisis of 2008/9

Credit is flowing as usual to UK families

	2009 (vs 2008)		2015	
Brand	£18M	<ul style="list-style-type: none"> • MSM High Awareness • Reduced brand spend 	£26M	<ul style="list-style-type: none"> • MSM & MSE most trusted money • Increased brand spend
Insurance	£76M -£2M	<ul style="list-style-type: none"> • Closed telephone leads • Premiums increased 	£140M	<ul style="list-style-type: none"> • PCW usage a habit now • Premiums increasing
Money	£38M -£30M	<ul style="list-style-type: none"> • Secured lender closed £13M • Consumer credit slowed • Families searched for credit 	£72M	<ul style="list-style-type: none"> • Credit flowing freely • Strong range of credit cards
Home	£6M -£2M	<ul style="list-style-type: none"> • Energy business small • Shopping/vouchers growth 	£38M	<ul style="list-style-type: none"> • Energy Club strong • Energy price rises likely
Travel	£16M -£3M	<ul style="list-style-type: none"> • Holidays OK • Weekend/city breaks hit 	£25M	<ul style="list-style-type: none"> • Package holiday focus