Preliminary Results

20 February 2020

Mark Lewis

Chief Executive Officer
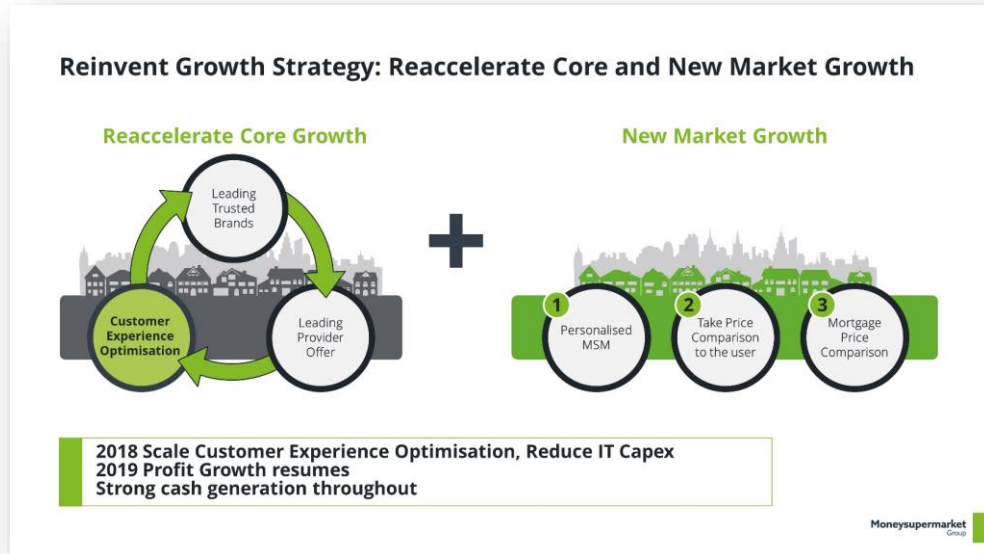
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Reinvent delivery continues

Reinvent Growth Strategy: Reaccelerate Core and New Market Growth

Reaccelerate Core Growth + New Market Growth

Leading Trusted Brands · Customer Experience Optimisation · Leading Provider Offer

1 Personalised MSM · 2 Take Price Comparison to the user · 3 Mortgage Price Comparison

2018 Scale Customer Experience Optimisation, Reduce IT Capex
2019 Profit Growth resumes
Strong cash generation throughout

Return to profit growth delivered

- £2bn household savings
- 7% EBITDA growth
- £100m cash distribution

Optimisation gains combatting margin pressures

- Conversion gains and disciplined marketing approach
- Pressures from mobile mix and SEO volatility

Personalisation increasing customer retention

- Over 600,000 monitored MSM customers
- Confidence to increase brand support
- Launching MSE Energy Autoswitching

Confident of meeting full year market expectations

Scilla Grimble

Chief Financial Officer

Moneysupermarket Group

Financial highlights

Helped households save £2bn

Revenue +9%	Adjusted EBITDA +7%	Reported EPS +11%
£388m	£142m	17.7p

Reinvestment rate -2ppt	Operating cash flow +7%	DPS +6%
9%	£114m	11.71p

Note: Comparatives for these purposes have been restated for IFRS 16

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Insurance
Car, home and travel policies

68 m

Market

36%

27%

Market

Switching

● PCW ● Non PCW
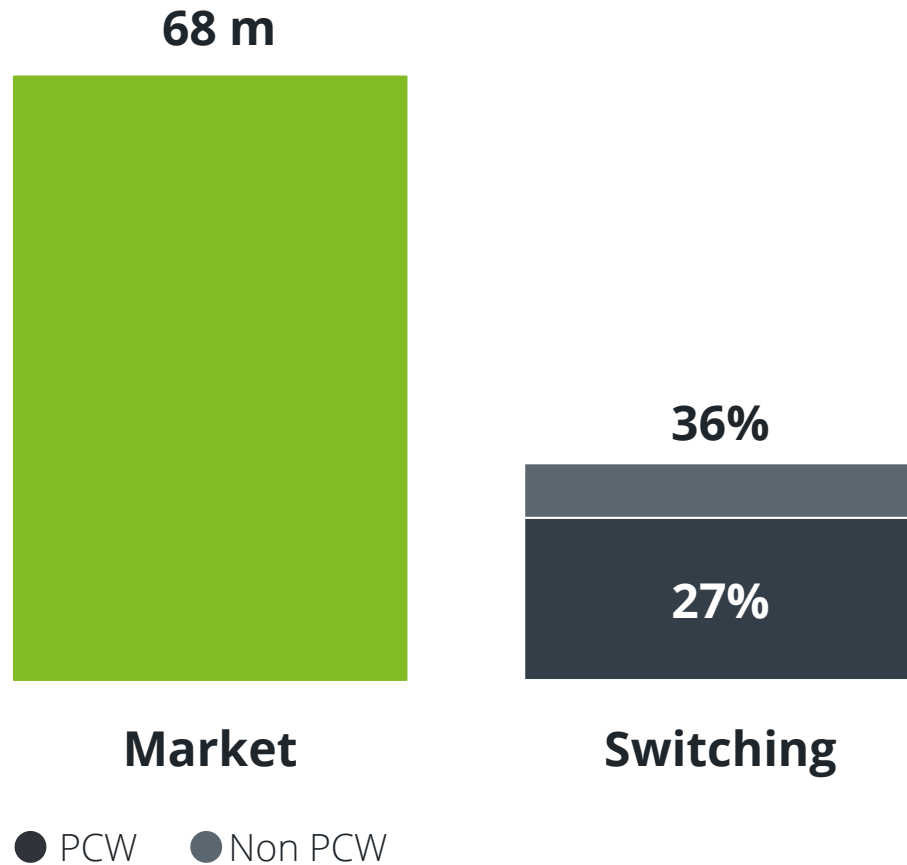
Market

- Sizeable, growing market
- Car insurance - largest channel but < 50% revenue
- 'Must have' category; annual call to action

Growth drivers

- Increasing switching frequency
- Penetration beyond car
- Breadth of panel

Our approach

- Personalised switching prompts
- Retention tools
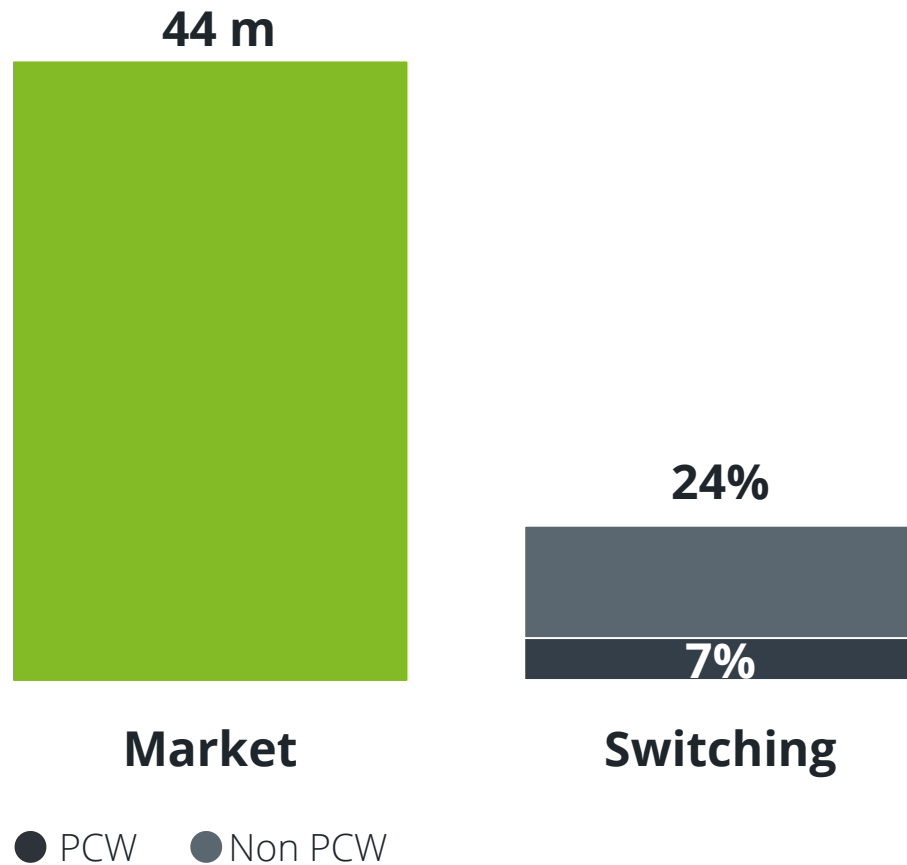- Broad panel; strong price position

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Money
Credit cards and unsecured loans

44 m

24%

7%

Market   **Switching**

● PCW   ● Non PCW

Market

- >75% revenue from credit products
- More promotional market; no "call to action"
- PCW penetration relatively low - consumers take products offered by their existing bank

Growth drivers

- Providing certainty to the user
- Promotional products
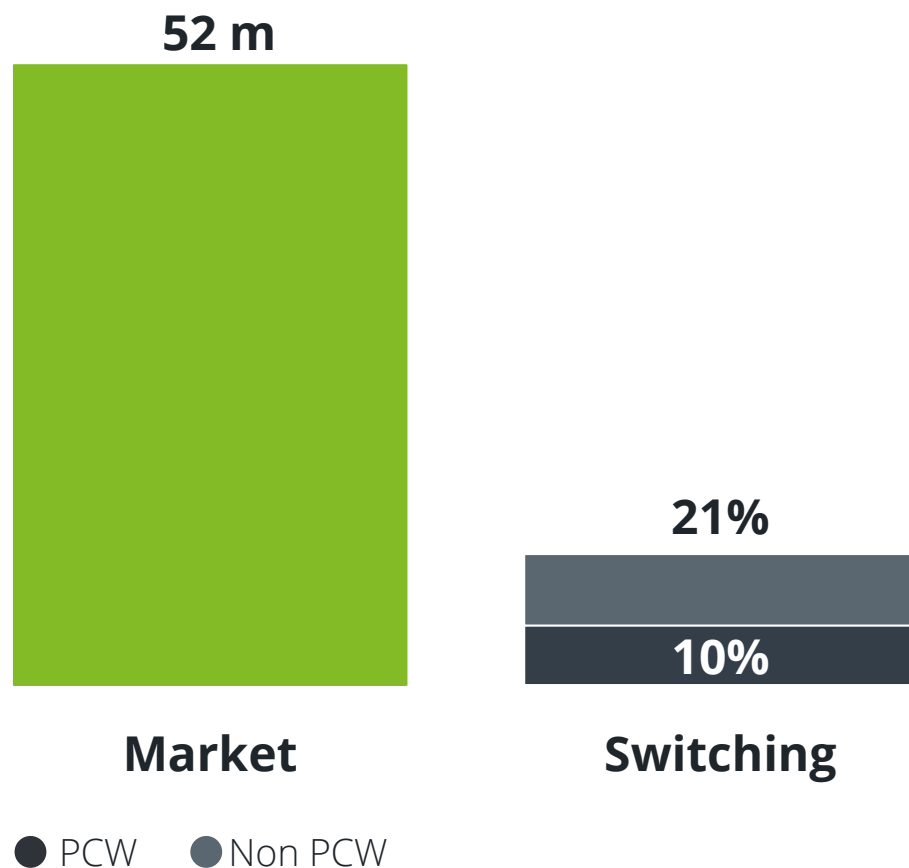- Creating engagement points

Our approach

- Eligibility tools
- Editorial recommendations and power of MSE
- Creating prompts e.g. Credit Monitor

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Home Services
Number of energy accounts

52 m

21%

10%

Market

Switching

⬤ PCW ⬤ Non PCW

Market
- Energy is over 75% of Home Services revenue
- Low engagement channel
- Price cap helped create a call to action

Growth drivers
- Tackling customer inertia
- Overcoming switching concerns
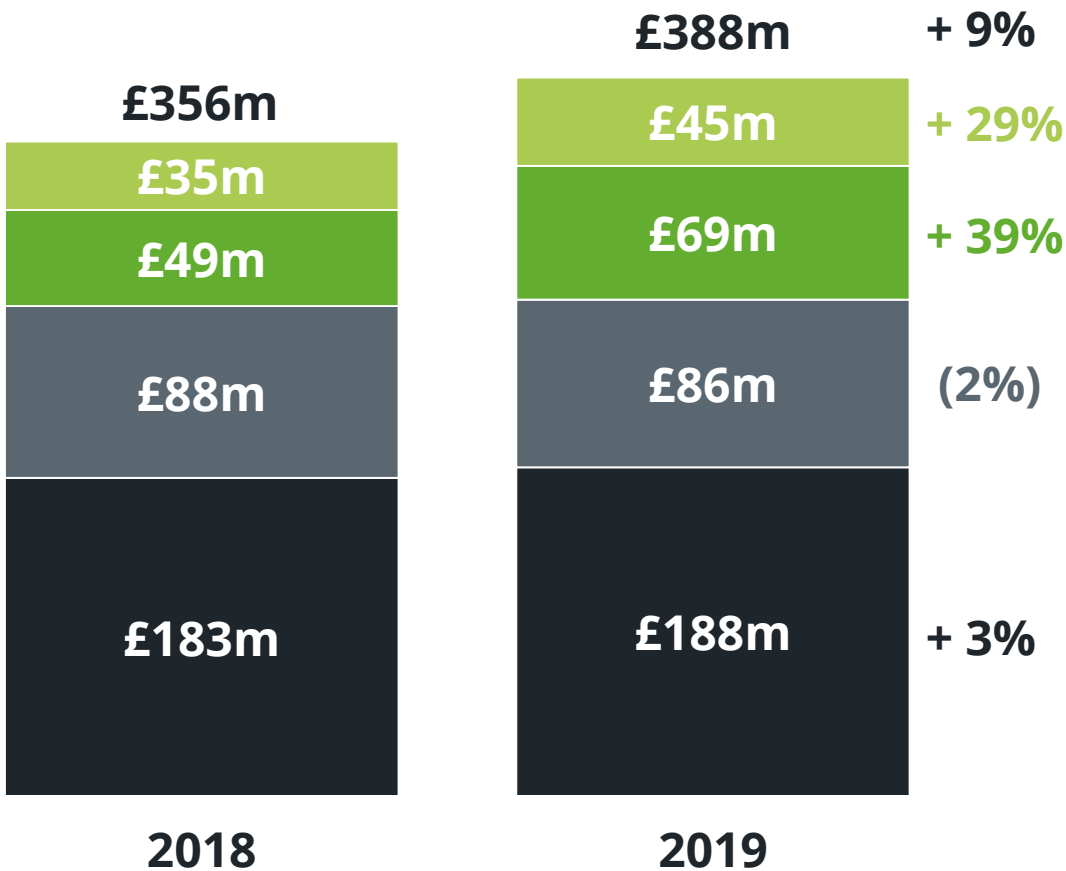- Penetration of other Home Services channels

Our approach
- Monitoring and new autoswitch proposition to drive both frequency and penetration

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Strong revenue growth

£356m (2018)

- £35m — Other
- £49m — Home Services
- £88m — Money
- £183m — Insurance

£388m + 9% (2019)

- £45m — + 29%
- £69m — + 39%
- £86m — (2%)
- £188m — + 3%

2018   **2019**

● Insurance   ● Money   ● Home Services   ● Other

- Excluding Decision Tech, revenue grew 5%

- Solid performance within car and home insurance despite headwinds from natural search

- Money performance was weak due to the availability of attractive products in the market

- Very strong energy switching throughout the year

- Good growth from Decision Tech

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Income statement

£million	2019	2018 (Restated for IFRS16)	Growth
Revenue	388.4	355.6	**+9%**
Gross margin	*69%*	*71%*	
Adjusted EBITDA *	**141.5**	**131.8**	**+7%**
EBITDA margin	*36%*	*37%*	
Depreciation & software amortisation	(18.5)	(15.5)	
Adjusting items **	(4.7)	(8.2)	
Operating profit	**118.3**	**108.1**	**+9%**
Net finance costs	(2.0)	(1.9)	
Share of loss of joint venture	(0.3)	(0.2)	
Taxation	(21.1)	(20.3)	
Net profit	**94.9**	**85.7**	**+11%**
Adjusted EPS	18.2	17.3	**+6%**
DPS	11.7	11.1	**+6%**

* Adjusted EBITDA is operating profit adjusted for depreciation and amortisation, impairment, amortisation of acquisition-related intangibles and other adjusting items.
** Adjusting items are amortisation of acquisition-related intangibles, strategy related costs and impairment charges.

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Disciplined approach to costs

Adjusted cost base

2018 £239m

- £15m
- £35m
- £57m
- £132m

2019 £266m — + 11%

- £19m — + 20%
- £36m — + 3%
- £59m — + 5%
- £152m — + 15%

● Marketing costs ● Staff costs ● VAT & other admin ● D&A
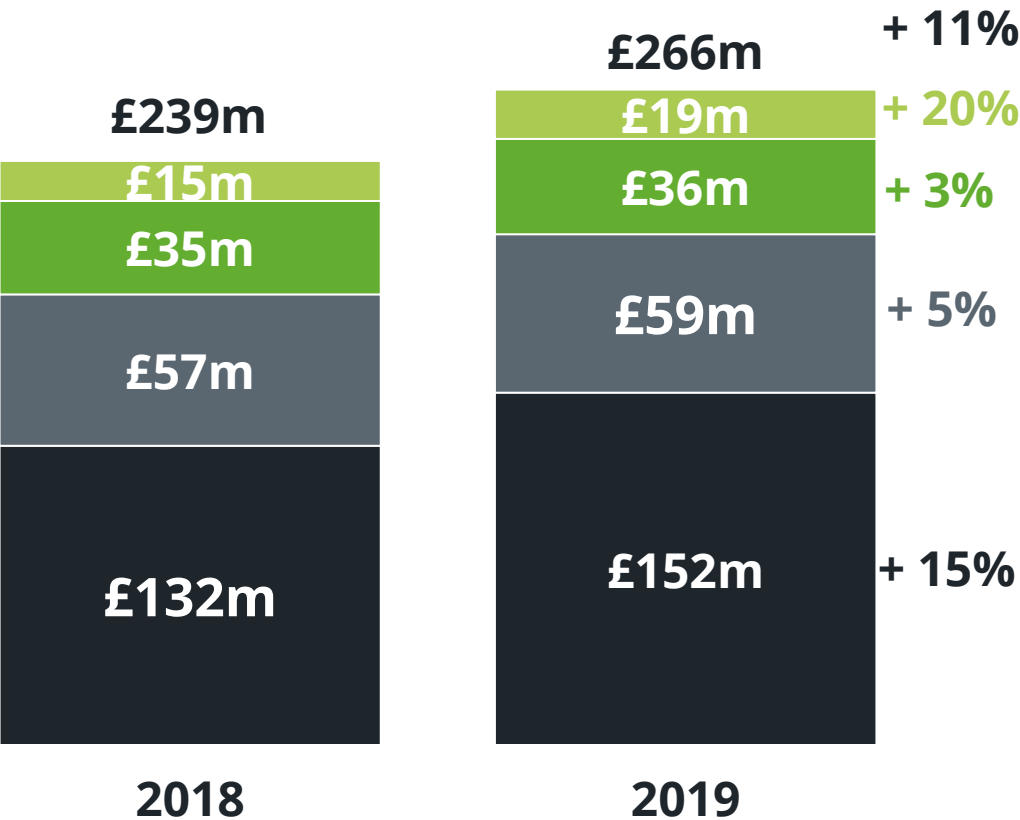
2018 *Restated for IFRS16*

Marketing spend & margin

2018 £132m (63%)

- £20m
- £26m
- £87m

2019 £152m (61%) — + 15%

- £30m — + 50%
- £26m — + 3%
- £95m — + 10%
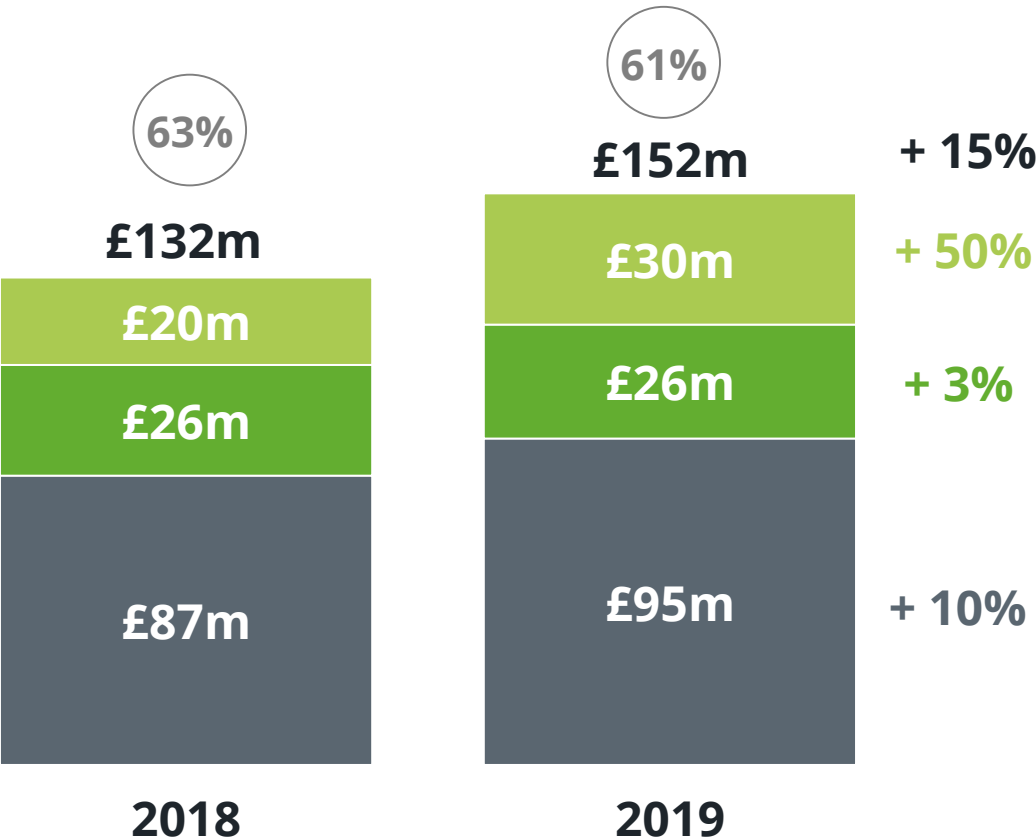
● Online spend ● TV & Radio ● Other*

*Our customer cash back increased £5m from the mix into energy

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Disciplined approach to costs

Total tech investment

£37m

£24m

£13m

2018

£34m

£23m

£11m

2019

● Technology capital investment　　● Technology operating costs

Reinvestment rate

+11%
2018

+9%
2019
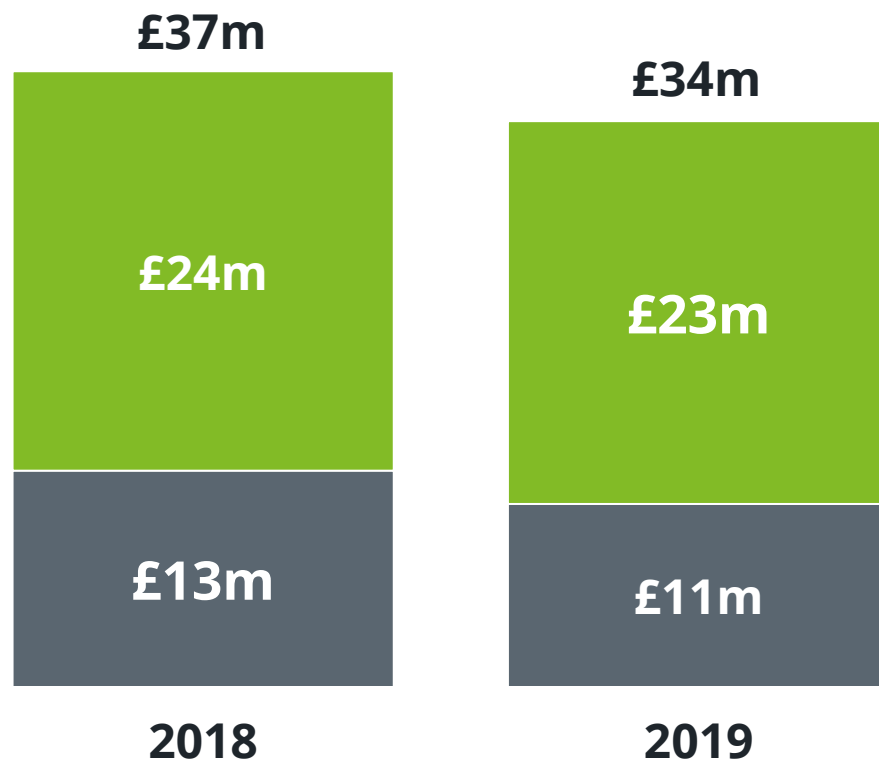
- Other capex of £2m, for the new tech hub in Manchester; expect other capex of c.£1.5m in 2020

- 2020 technology capex is expected to be c. £10m

Note: Reinvestment rate is defined as the total technology investment as a percentage of revenue

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Strong shareholder returns

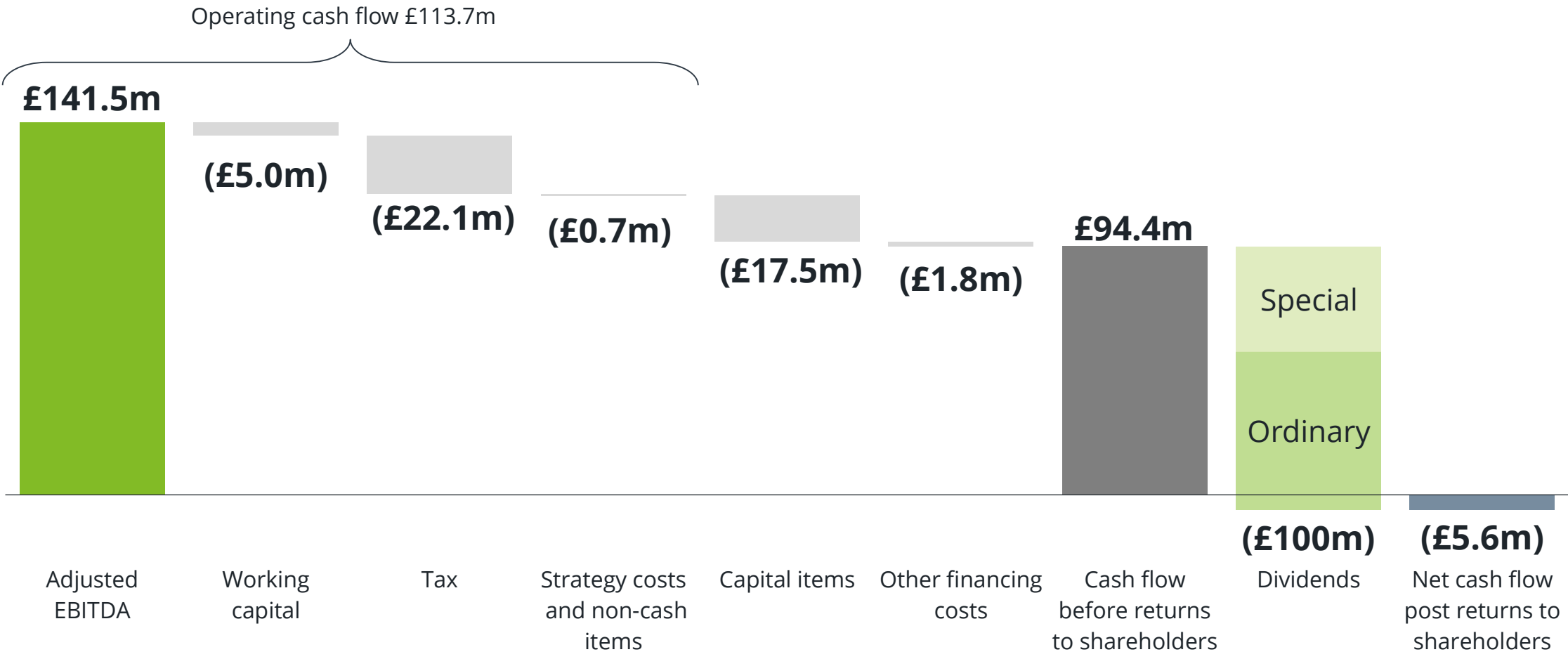Operating cash flow £113.7m

£141.5m

(£5.0m)

(£22.1m)

(£0.7m)

(£17.5m)

(£1.8m)

£94.4m

Special

Ordinary

(£100m)

(£5.6m)

| Adjusted EBITDA | Working capital | Tax | Strategy costs and non-cash items | Capital items | Other financing costs | Cash flow before returns to shareholders | Dividends | Net cash flow post returns to shareholders |

- Net cash £24.2m as at 31 December 2019, £29.8m as at 31 December 2018

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

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Capital allocation framework

| Organic Growth | Ordinary Dividends | Acquisitions | Enhanced Distribution |

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Outlook

Confident of meeting full year market expectations

- YTD trading dynamics have improved versus Q419

- Healthier market conditions within Insurance

- Money is expected to return to growth during 2020

- Additional £5m spend on brand marketing

- Performance will be second half weighted

- Additional cash tax payments for 2020 as a result of new HMRC payment rules

Market expectations of Adjusted EBITDA for the 12 months to 31 December 2020 from the analysts consensus on our investor website are in a range of £139.8m to £152.2m, with an average of £147.6m

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Mark Lewis

Chief Executive Officer

Helping households save money

Reaccelerate Core Growth

- Leading Trusted Brands
- Leading Provider Offer
- Customer Experience Optimisation

+

New Market Growth

1. Personalised MSM
2. Take Price Comparison to the user
3. Mortgage Price Comparison

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Reaccelerate Core Growth

MoneySuperMaaahhhhhket
Get Money Calm

MoneySavingExpert

Leading Trusted Brands

Successful Brand relaunch
Strong platform for personalised services

Record year for traffic and tip sign ups
Editorial authority eg: PPI, Brexit, Thomas Cook

Leading Provider Offer

Strong provider panels across core categories
Updated data offering for providers

Full Market comparison
Energy exclusives and collectives

Customer Experience Optimisation

Manchester office and tech capability now fully operational
Conversion optimisation now running as business as usual

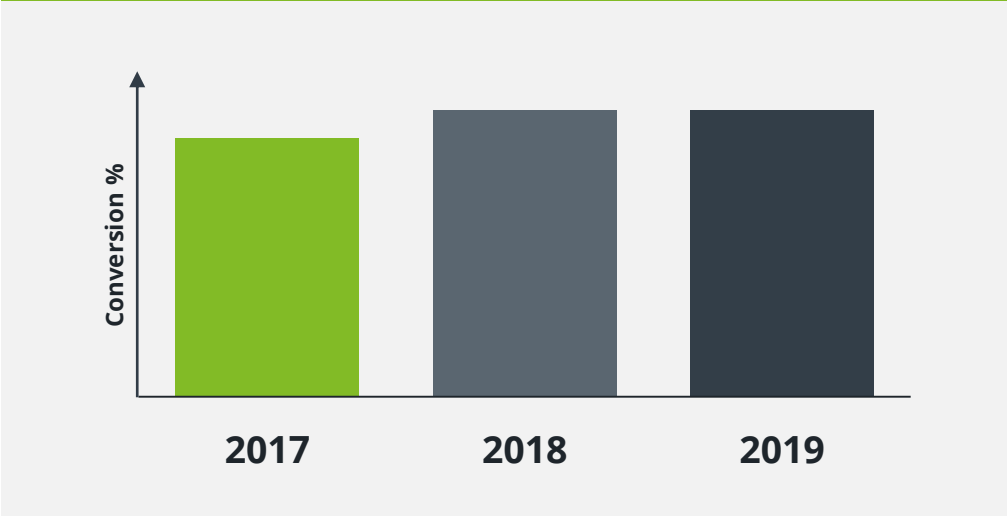# Conversion optimisation gains combatting margin pressures

Desktop conversion
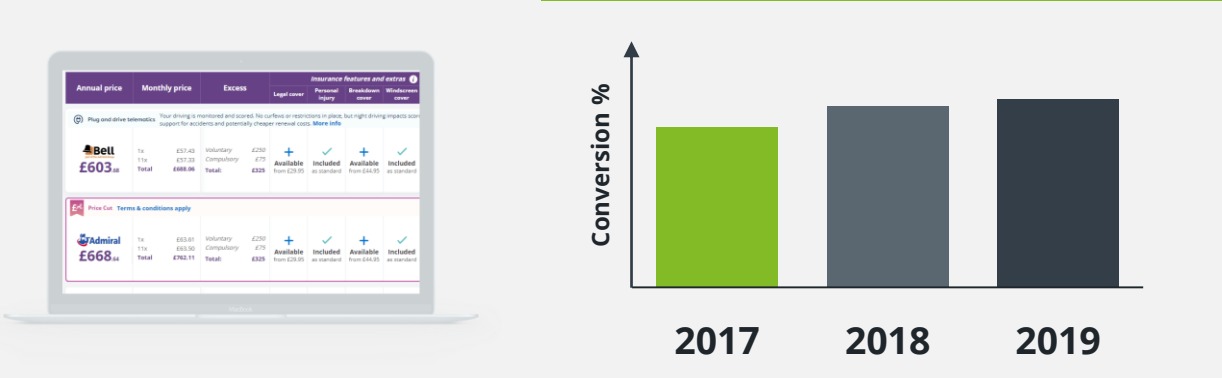
Mobile conversion
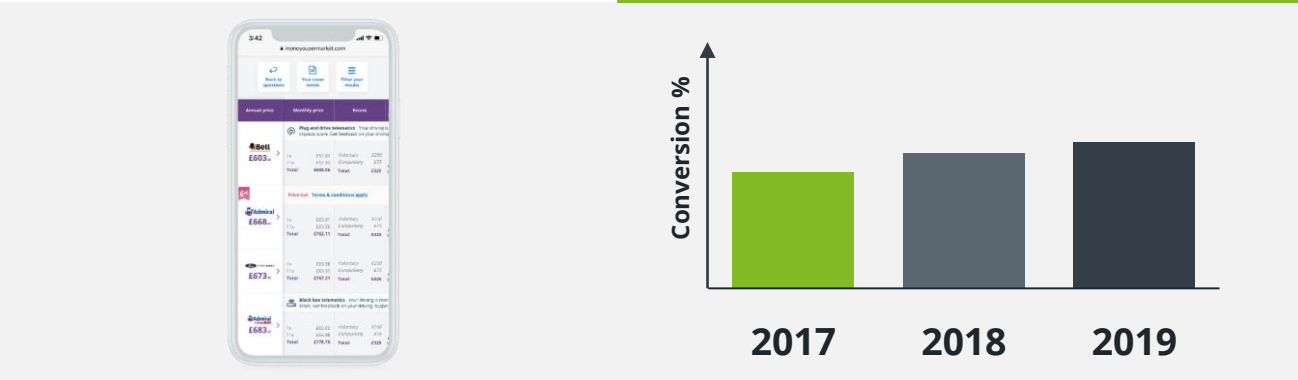
Combined conversion

Margin headwinds
Shift to mobile accelerated in 2019
Increasing paid search following H2 SEO volatility

Note: Conversion defined as visitor to buyer on car and home insurance. Combined conversion excludes tablet devices.

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New Market Growth: B2B and Mortgages

B2B growth adding to overall group

- Double digit growth in Decision Tech Home Communications business

- 6 energy partnerships launched to date, including Yolt, Totally Money, Emma, Love Energy Savings and Snoop

Mortgage digitisation continues at market pace

- Eligibility factors added to the Podium platform

- Brokers receiving higher converting leads

- Product Transfer option available with four lenders

- First decision in principle service launched February 2020

New Market Growth

1 Personalised MSM

2 Take Price Comparison to the user

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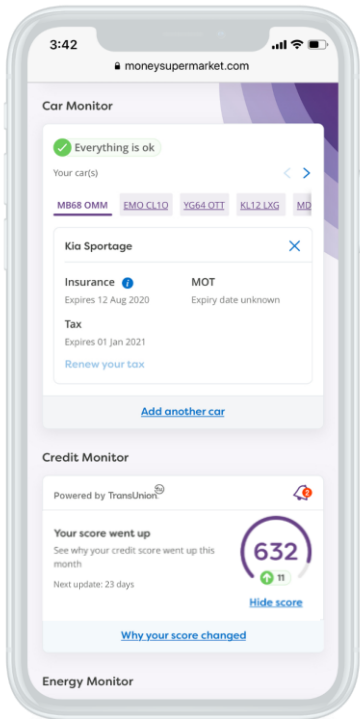
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New Market Growth: Personalised MoneySuperMarket

>600k MSM Customers' bills now "monitored"

Dashboard Homepage

Credit Monitor
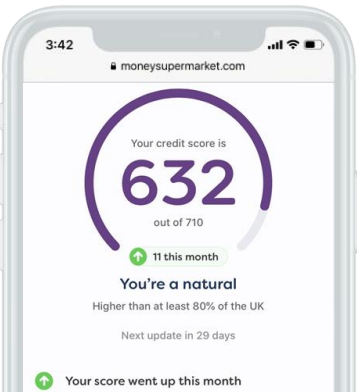
Automatic score updates
Alerts and recommendations

Energy Monitor
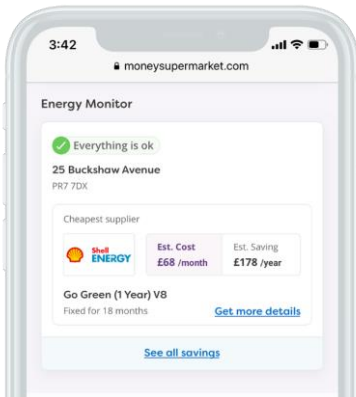
Automatic tariff checks
Next best deal alerts

Car Monitor

Automatic requotes
MOT and Tax alerts

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Regular personalised contacts drive frequency and retention

Enabled by:
Single customer view and data warehouse, multiple category proprietary tech stack

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Monitor customers return more, save more and have higher value
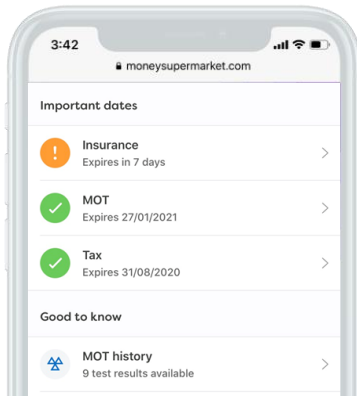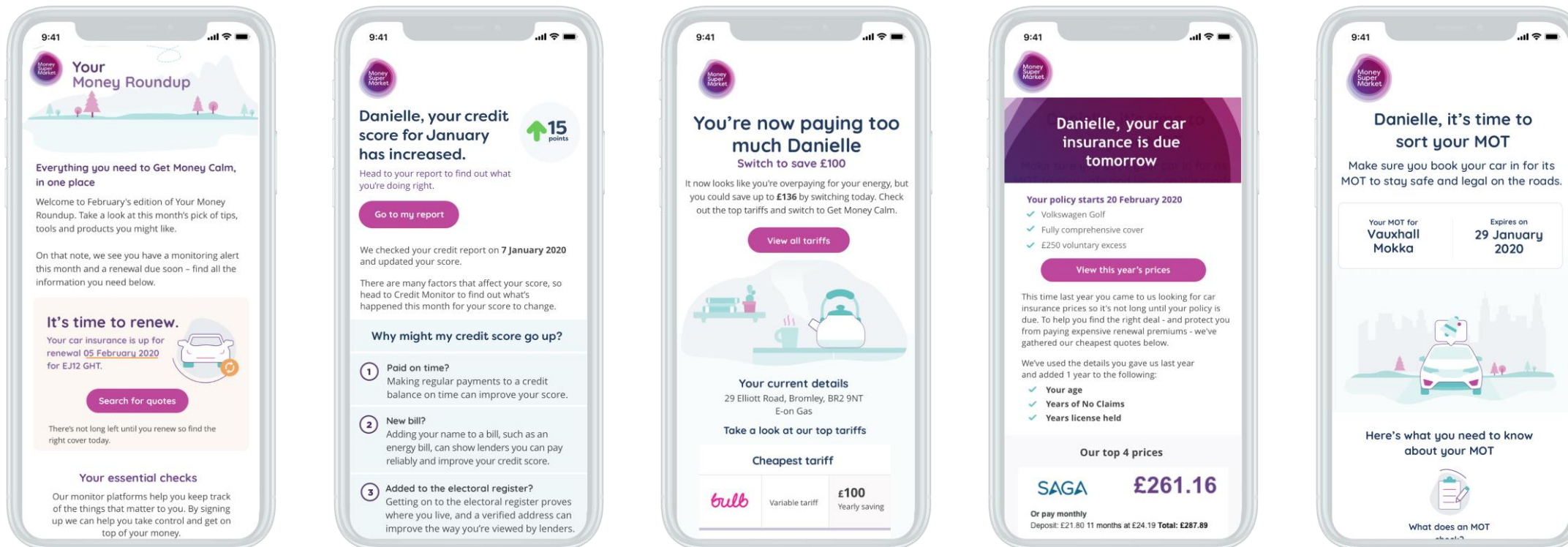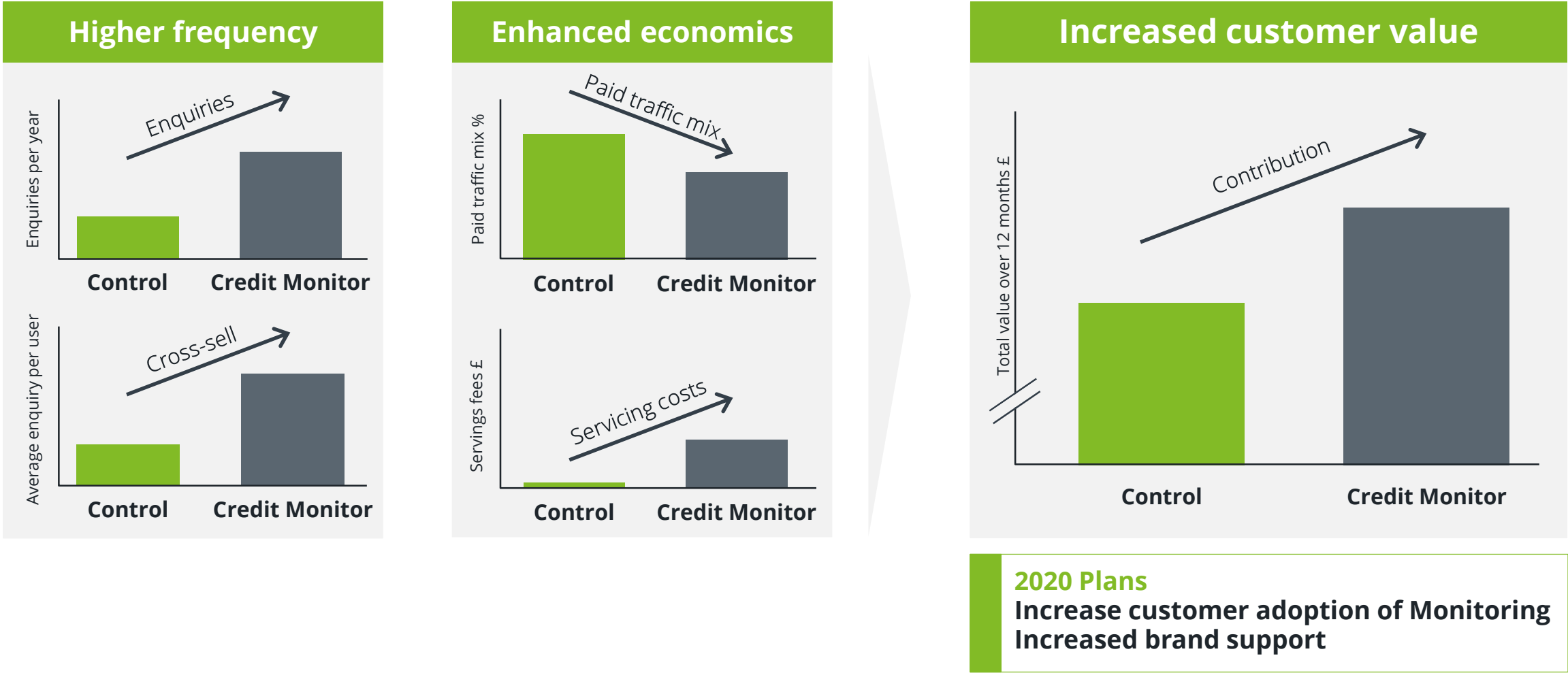
Higher frequency

Enquiries per year

Enquiries

Control — Credit Monitor

Average enquiry per user

Cross-sell

Control — Credit Monitor

Enhanced economics

Paid traffic mix %

Paid traffic mix

Control — Credit Monitor

Servings fees £

Servicing costs

Control — Credit Monitor

Increased customer value

Total value over 12 months £

Contribution

Control — Credit Monitor

2020 Plans
Increase customer adoption of Monitoring
Increased brand support

Note: For every Credit Monitor user, the most similar non-credit monitor user is matched as a control based on dozens of demographic attributes and behaviours in the months before sign-up. Only returning/existing MoneySuperMarket users are included (new to MSM users cannot be matched to a control). (Engagement) Member has enquired or clicked in month; (Servicing costs) Annual TransUnion fees and HD smart search enquiry fees. (Value) Revenue per member less Monitor CPA, TransUnion Fees, Paid Enquiry costs and HD Search Fees

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MoneySavingExpert to launch personalised energy autoswitching

MSE Cheap Energy Club

- Full Market comparison, £350-£370 annual saving
- 130 tariffs under the price cap

Market moving scale in Energy

- Secures leading exclusive and collective tariffs
- Launched in 2013, over 4 million users already subscribed

Industry leading trust

- Net Promoter Score >90
- Editorial authority in energy market

A new autoswitch model worthy of the MoneySavingExpert brand

Note: Annual savings were taken from the MSE website on 18 February 2020 and are versus the standard variable rate.
£350 saving from GNE is a switchable tariff and includes £25 cashback. £371 saving from Outfox the Market

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Autoswitch is inherently compelling . . .
. . . but significant challenges need to be overcome

User Challenges

⚠️ Users choose on price and service, brand, green....

⚠️ Users fear losing control

⚠️ User's details change over time

Does autoswitch really move me to the best tariff for me?

Provider Challenges

⚠️ No ability to differentiate beyond price

⚠️ Short duration tariffs risk being loss making without differentiation

⚠️ Customer management increases operating costs

Will I lose money on this autoswitch customer?

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MSE Autoswitch launching H1 2020

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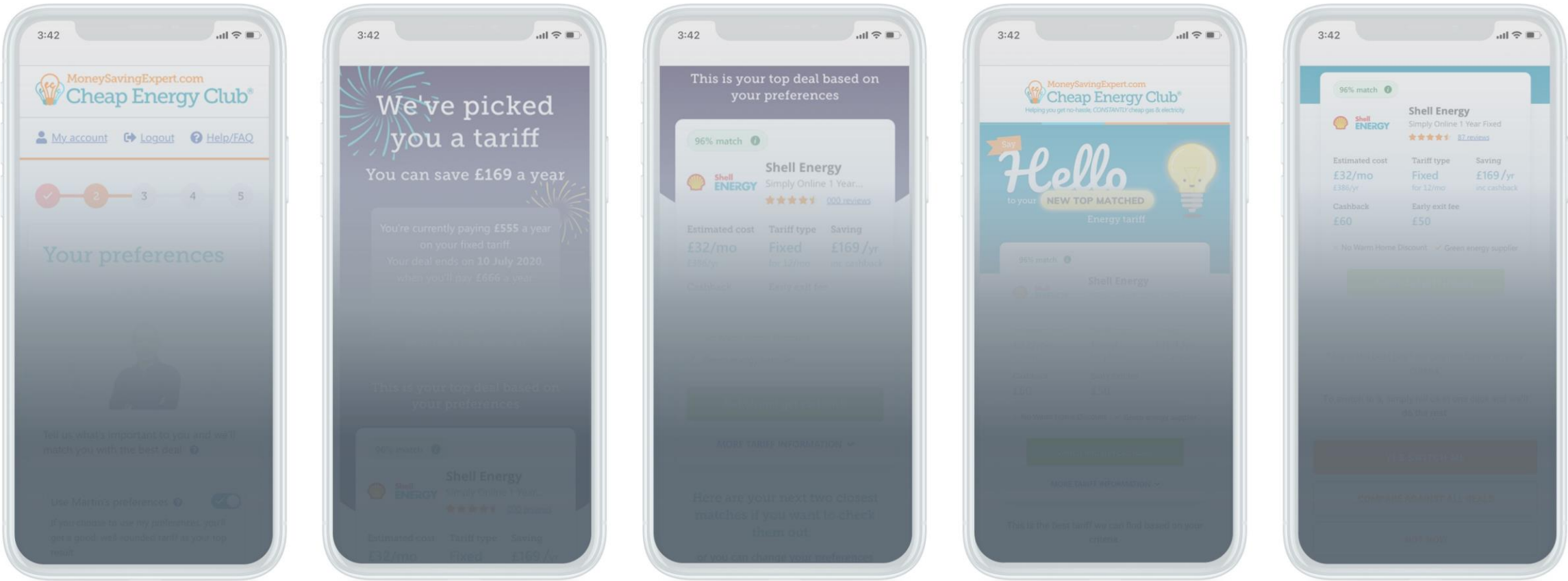
MSE Autoswitch developed from deep user and provider insight

User choice value and convenience

- ✓ Preference based autoswitch
  - Price, Service, Green etc
- ✓ MSE provider panel and value
- ✓ Annual autoswitch

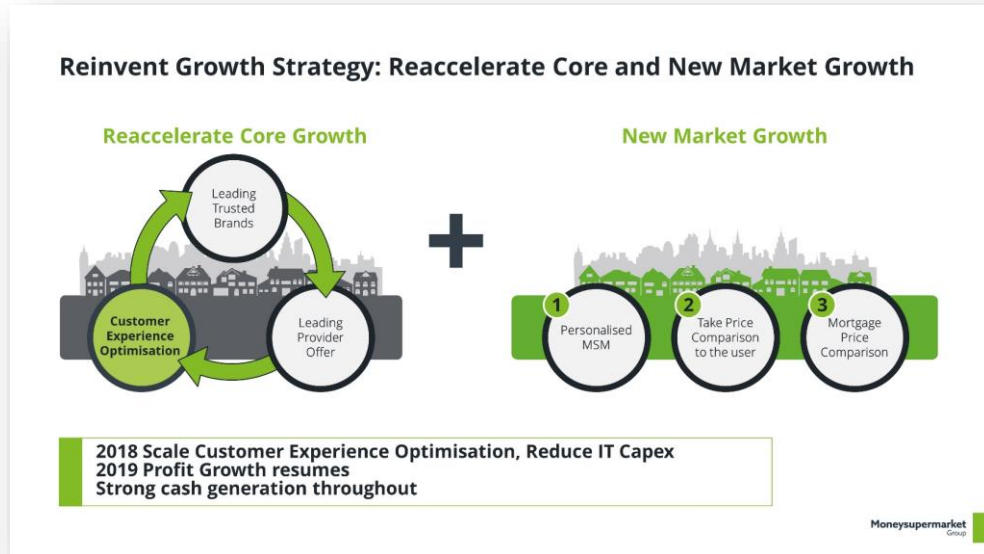## Sustainable Provider economics

- ✓ Ability to differentiate
  - Price, Service, Green etc
- ✓ Existing commercial model
- ✓ Operational efficiency

Leveraging Group Capabilities

- ✓ Existing technical platform
- ✓ Existing commercial relationships
- ✓ Existing, trusted MSE communications channels

Keeping users on the best priced tariff that meets their preferences

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Reinvent delivery continues

Reinvent Growth Strategy: Reaccelerate Core and New Market Growth

Reaccelerate Core Growth

New Market Growth

Leading Trusted Brands

Customer Experience Optimisation

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Confident of meeting full year market expectations

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Appendix

Bridge from reported operating profit to adjusted EBITDA

£million	2019	2018 (Restated IFRS16)	Growth
Operating profit	**118.3**	**108.1**	**+9%**
Amortisation of acquired intangible assets	2.4	1.5	
Strategy related costs:			
Strategy review and associated reorganisation costs	2.3	4.2	
Deal fees	-	1.7	
Depreciation	4.5	3.7	
Impairment of property, plant & equipment	-	0.8	
Amortisation of technology related intangible assets	14.0	11.8	
Adjusted EBITDA	**141.5**	**131.8**	**+7%**

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IFRS 16 Income statement reconciliation

£million	FY 2019 (Pre IFRS 16)	IFRS 16 adjustment	FY 2019 (Post IFRS 16)
Adjusted EBITDA	**138.8**	**2.7**	**141.5**
Depreciation & software amortisation	(16.0)	(2.5)	(18.5)
Adjusting items	(4.7)	-	(4.7)
Operating profit	118.0	0.2	118.3
Net finance costs	(0.8)	(1.2)	(2.0)
Share of loss of joint venture	(0.3)	-	(0.3)
Taxation	(21.1)	-	(21.1)
Net profit	**95.8**	**(1.0)**	**94.9**

£million	FY 2018 (Pre IFRS 16)	IFRS 16 adjustment	FY 2018 (Post IFRS 16)
Adjusted EBITDA	**129.4**	**2.4**	**131.8**
Depreciation & software amortisation	(13.2)	(2.3)	(15.5)
Adjusting items	(8.2)	-	(8.2)
Operating profit	108.0	0.1	108.1
Net finance costs	(0.9)	(1.0)	(1.9)
Share of loss of joint venture	(0.2)	-	(0.2)
Taxation	(20.3)	-	(20.3)
Net profit	**86.6**	**(0.9)**	**85.7**

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Our customer channels and revenue by source

Search engine marketing for **paid** terms

Paid search

B2B

Our B2B revenues

CRM

Direct email communications e.g. instants or renewal emails

Natural Search

Free search rankings listed below paid search results

Other

Direct

Customers coming directly to us, for example via the Moneysupermarket website

Third party partnerships, TSM affiliates and other

£356m

24%

76%

2018

£388m

22%

78%

2019

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

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Strategic KPIs

Helping households save money

£2.0bn	74	61%
Savings made by customers	Net promoter score	Marketing margin

13.1m	£16.40
Active users	Revenue per active user

Definitions:
Estimated Savings made by customers in 2019
Net Promoter Score: twelve month rolling average (1 January 2019 - 31 December 2019 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 31 December 2019
Revenue per active user: The revenue for the equivalent main seven MoneySuperMarket channels divided by the number of active users

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