



Moneysupermarket Group

Investor overview 2017

May 2017

“Helping every household make the
most of their money”

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May 2017

1993

We started out life as mortgage 2000



920

Providers



22M

Adults chose to share their private data with us



£1.8B

SAVINGS

2016 estimated total savings by the UK

£316M

Revenue 2015



23m

Estimated unique monthly users in 2015



Money
Super
Market com



MoneySavingExpert.com

Moneysupermarket
Group

The best place for people to switch & save

- Strong and diversified positions in markets worth £1.6bn and growing
- Great opportunities for further growth as consumers continue to shift online to save money on their household bills and financial products
- Technology investment aims to accelerate our growth through differentiation – moving from search to serve for customers

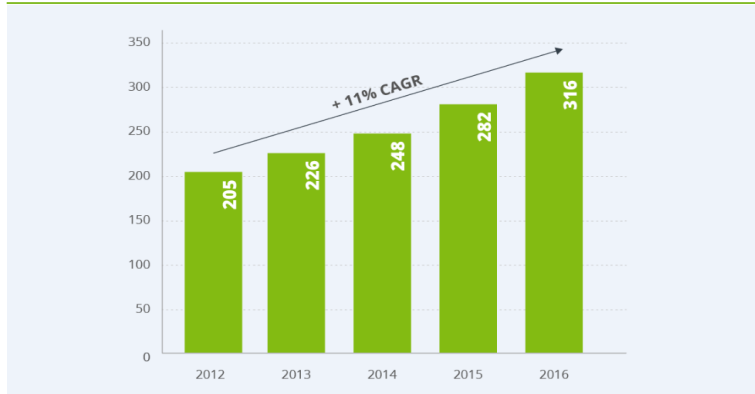
Delivering great returns to shareholders

- Track record of growth across our markets and converting this to profits
- Highly cash generative
- Increasing normal dividend by 8% to £54M
- Returning a further £40M through share buy back

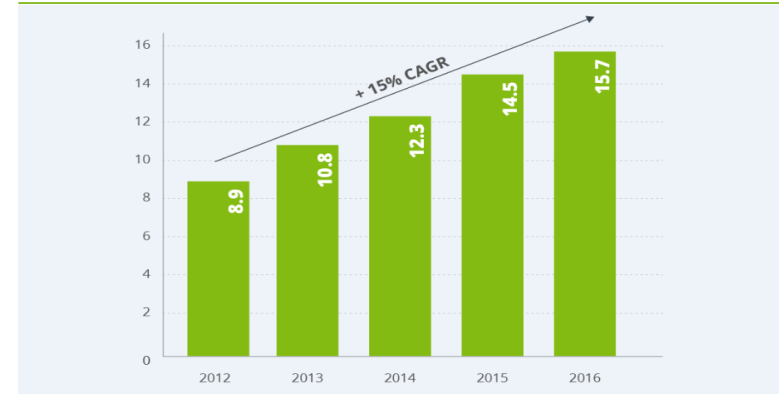


Strong record of revenue and profit growth

Revenue / £M



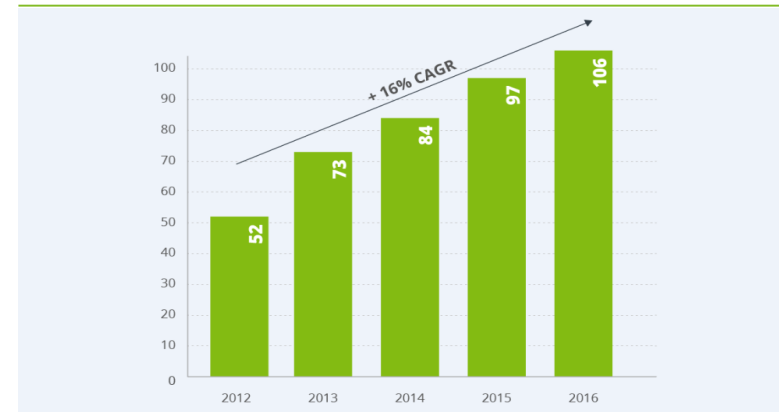
EPS / P



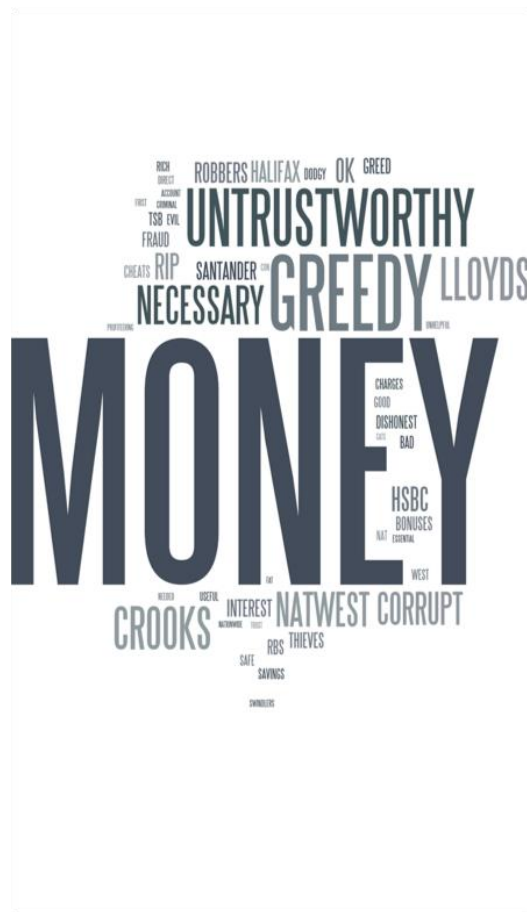
Adjusted Operating Profit / £M



Operating Cash Flow / £M



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



How does price comparison work

Example Car Insurance

c. 60+ questions for car insurance.
Creates a very rich data asset

Money Super Market

CAR INSURANCE

You're on your way to saving money!

Let's get started - this won't take long

Step 1 of 2: About your car, your licence, and your policy

Do you know the registration number of the car? ☒ Yes ☐ No

What is the registration?

What's your postcode?

When were you born?

For Example: 01 04 1970

Your driving licence

Which kind of driving licence do you have? ☒ Full ☐ Provisional ☐ Medically restricted ☐ Other



Results page sorted by Customer preferences

Money Super Market Sign out | 2 |

Great news Paul, we've found 67 quotes for comprehensive cover on a 2007 - 2011 BMW 118 without protected no claims, voluntary excess of £250 and paying annually for you to choose from, you can [go back](#) to change other details.

[Optional extras](#) +

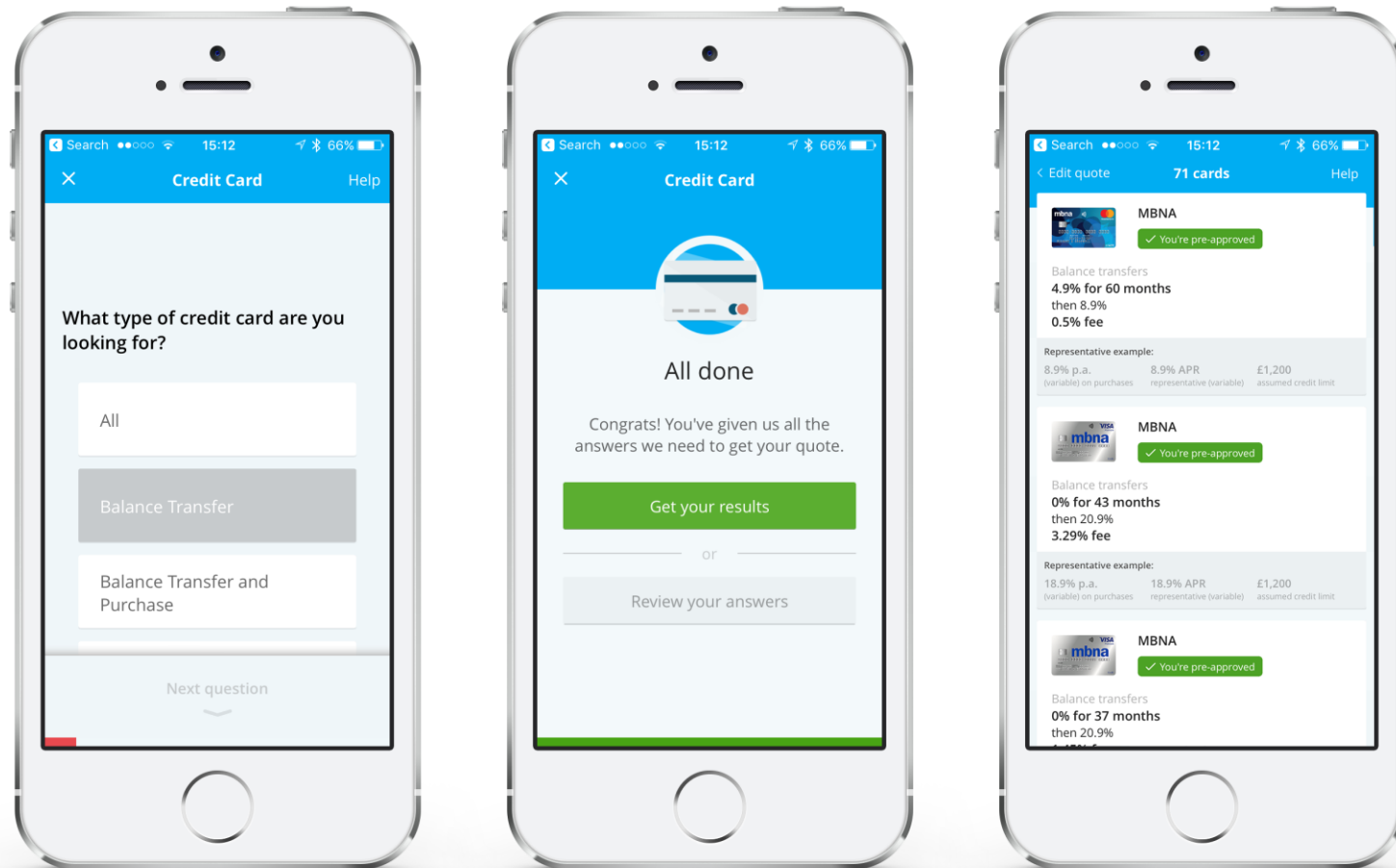
Insurer	Annual price	Excess	Legal expenses	Personal accident	Breakdown cover	Windscreen cover	Courtesy car	
	£499.14	Voluntary Compulsory Total: £250 £100 £350	Add for £29.99	✓	Add from £38.99	✓	✓	MORE
	£501.99	Voluntary Compulsory Total: £200 £100 £300	✓	✓	✓	✓	Enquire	MORE
Free benefits worth over 237 pounds, including Phone & Gadget cover and Handbag/Wallet cover								
	£523.33	Voluntary Compulsory Total: £250 £200 £450	✓	✓	Add from £59.00	✓	✓	MORE
	£530.78	Voluntary Compulsory Total: £250 £50 £300	Add for £24.90	✓	Add from £25.00	✓	Add for £19.90	MORE
	£550.68	Voluntary Compulsory Total: £250 £50 £300	Add for £24.90	✓	Add from £25.00	✓	✓	MORE
	£569.54	Voluntary Compulsory Total: £250 £120 £370	✓	✓	✓	✓	✓	MORE
	£574.02	Voluntary Compulsory Total: £250 £50 £300	Add for £24.90	✓	Add from £25.00	✓	✓	MORE
	£584.44	Voluntary Compulsory Total: £250 £50 £300	Add for £30.00	✓	Add from £36.75	✓	✓	MORE
	£584.56	Voluntary Compulsory Total: £250 £50 £300	Add for £30.00	✓	Add from £36.75	✓	✓	MORE

Deep link to over **100 providers**

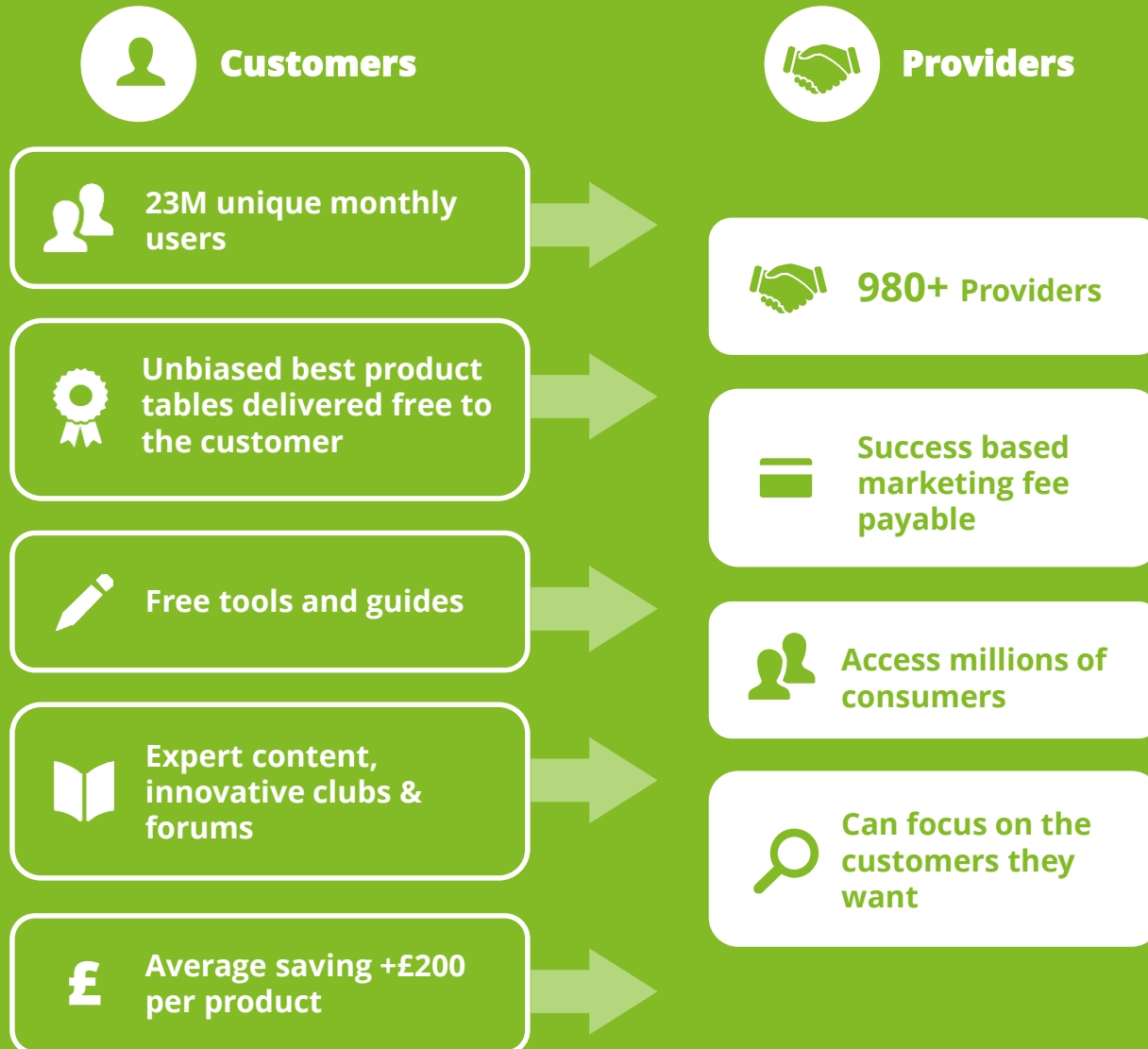
Price comparison websites largest route
to market for new or switched Car
insurance policies.

How does price comparison work

Example Pre approved credit Cards













We offer customers a great way to save money & providers an effective way to build their business



Customers keep saving year after year

Structural growth opportunity across the Group

	Jan 2015		Jan 2016		Jan 2017	
	Product Average Policy	Average MSM Saving	Product Average Policy	Average MSM Saving	Product Average Policy	Average MSM Saving
Car Insurance Average Cheapest Premium	£958	£455*	£1014	£488*	£1081	£569*
Home Insurance Average Cheapest Premium	£141	£99*	£132	£93*	£127	£105*
Credit Cards 0% BT Duration	 35 Months	£277	 40 Months	£278	 43 Months	£285
Savings Easy Access	 1.4%	£24	 1.65%	£21	 1.1%	£16
Loans £10k over 5 years	 3.9%	£55	M&S BANK 3.3%	£49	 2.8%	£47
Energy Average Household Bill**	£1165	£124	£1095	£325	£1099	£191
						

Source: * based on Ofgem consumption figures
Note: Cards, Loans, Savings based on Dec 14

Our Vision: To help every household make the most of their money

Best Site - Be the easiest way for customers to find providers' products



Average monthly unique visitors



Investment in technology



Earn Customer Loyalty - Be the destination brand for users and customers



Net promoter score



Unique adults choosing to share data



Savings made by customers



Preferred partner - Be the best way for providers to acquire customers



Marketing margin



Number of providers



Moneysupermarket Group



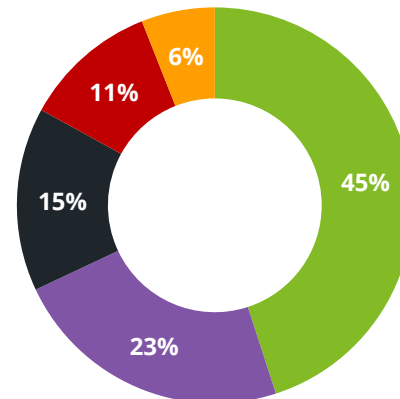
- ✓ UK's largest independent comparison site
- ✓ 2016 FY revenue £285M
- ✓ 7M average monthly unique users
- ✓ 6M Savers

- ✓ UK's biggest consumer advice website
- ✓ 2016 FY revenue £37M
- ✓ 14M average monthly unique users
- ✓ Subscriber database +12M

- ✓ Leading travel metasearch site
- ✓ 2016 FY revenue £22M
- ✓ 3M average monthly unique users
- ✓ 1M Savers

2016 Split by vertical

- Insurance - eg Car, Home, Life & Travel
- Money - eg Credit Cards, Loans & Current Accounts
- Homes Services - eg Energy
- MoneySavingExpert.com
- TravelSupermarket.com



Our operating model FY 2016

Revenue		100%	
Online marketing and partnership costs	-20%		Paid search, Retargeting, Partnerships
Advertising	-9%		Brand spend – TV, Radio, Creative production
Other marketing/PR	-7%		Cash back, CRM, Content, Social Marketing, Organic Search, Cash-back
Total Marketing Costs		36%	
Staff costs	-16%		Personnel including share based payments
Depreciation and amortisation	-4%		
Other admin and irrecoverable VAT	-10%		IT Costs, Office Expenses, Professional Fees
Total Adjusted Administration Costs		30%	
Total Adjusted Cost Base		66%	
Adjusted Operating Profit		34%	

Our core markets are worth c.£1.6bn, growing at **11%**

Insurance
£1000m

Money
£450m

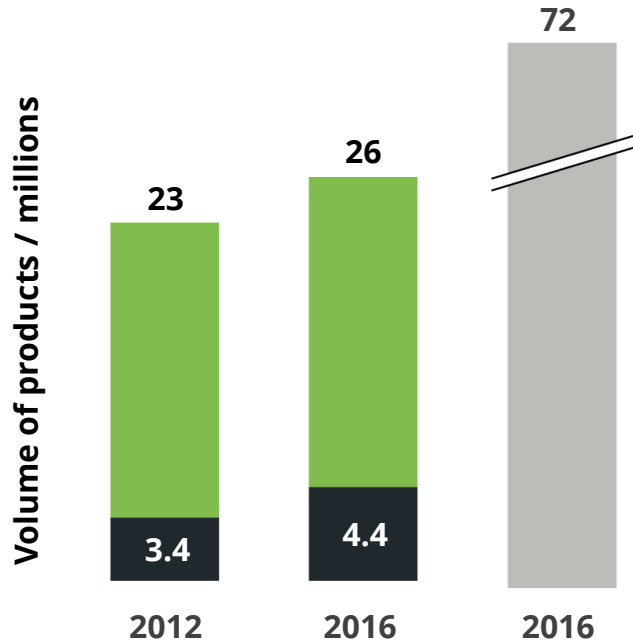
Home Services
£150m



Source: Based on internal data and external sources
Note: £ relates to PCW revenue

Insurance: Growing robustly by 11% in 2016

Home, Motor and Travel Insurance



CAGR 2012 – 2016

- +7% ● MSM sales new / switching
- +4% ● Online sales new / switching

Online Competition

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

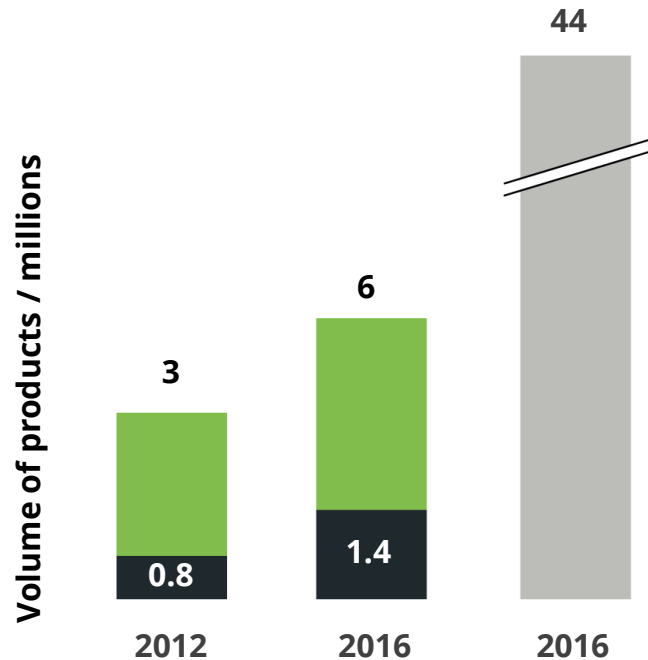
- 2016 industry advertising spend unchanged
- The products above represent over 70% of group Insurance revenues

Source: Internal estimates based on DfT, ABI, ONS, Mintel, Kantar, Internal Data

Note: Online size is based on 12 months to October, MSM and total market are full year

Money: Removing barriers for consumers

Cards & Loans



CAGR 2012 – 2016

+16% ● MSM sales new / switching

+15% ● Online sales new / switching

Online Competition

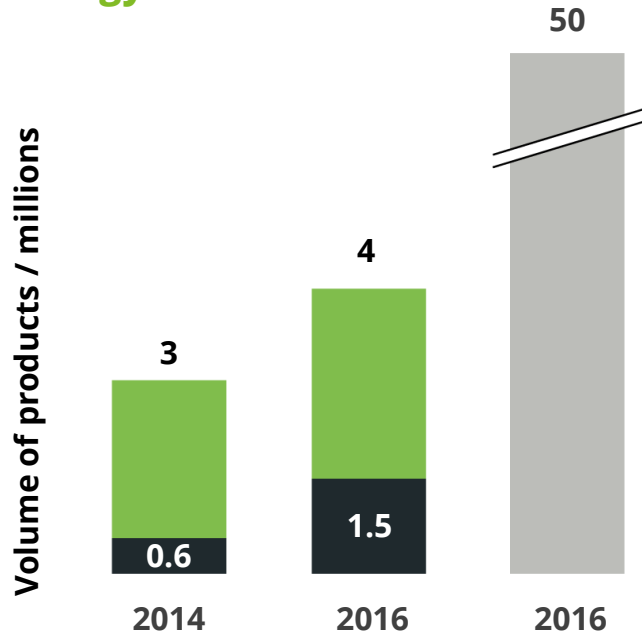
Apart from Moneysupermarket, the online market is predominantly direct sales on bank, credit card and loan providers' websites

- The products represented above comprise over 60% of total Group Money revenues

Source: Internal estimates based on BBA, Mintel, EIU, GfK, Internal Data

Energy: Significant market opportunity

Energy



CAGR 2014 – 2016

+52% ● MSM sales new / switching

+24% ● Online sales new / switching

Online Competition

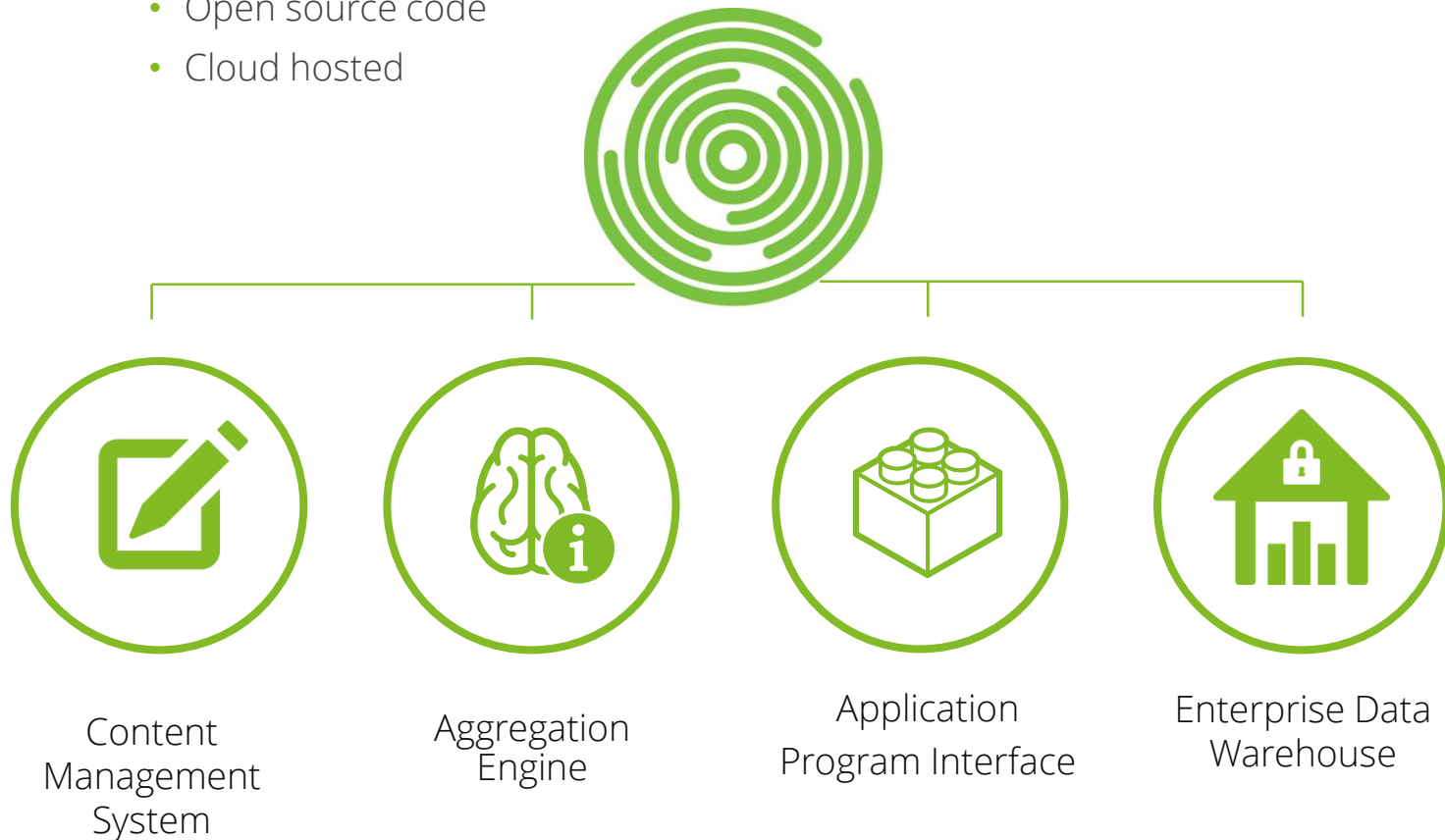
Apart from Moneysupermarket, the online market is a mix of other aggregators and direct sales by providers

- Energy is over 80% of home services

Three year + £60M technology investment programme

Fusion Platform

- Single technology platform powering all brands
- Open source code
- Cloud hosted



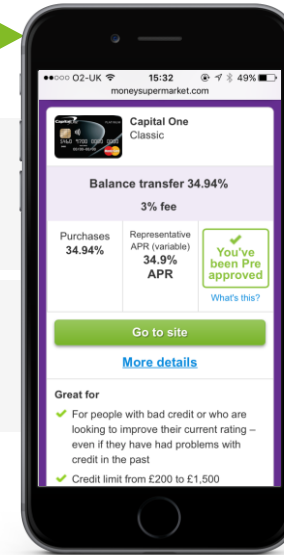
Search and serve model with data and personalisation

2009



Technology enabler

2016



- Single view of the customer
- Agile Content Management system

- Service for customers to search
- Static best buy table
- Results were not personalised

- Results that go beyond price
- Increasingly we will deliver customers recommendations based on their circumstances creating barriers to entry

Priorities: Growth & a progressive dividend



- Group will borrow to fund growth investments, not to finance distributions to shareholders
- Return a further £40M during 2017 through share buy back

Appendix

Full year themes

Diversified business operating in attractive growth markets

- 12% revenue growth, and exiting the year strongly, led by Insurance
- Increased diversity with great market positions in Insurance, Money and Home Services
- Core markets worth c£1.6bn and growing at 11%

Continued investment in technology and our future

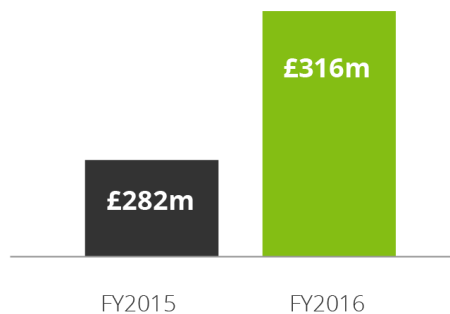
- Step change in technology capabilities and agility, creating options for differentiation
- Transitioning from a search to serve model – using data and personalisation

Delivering great returns to shareholders

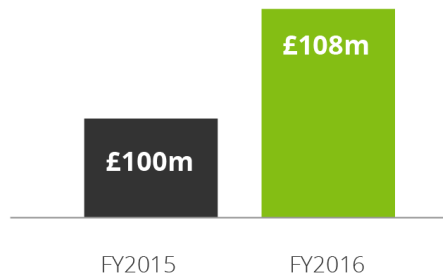
- Continue to deliver strong and growing cash flows
- Increasing total ordinary dividend by 8%, distributing £54M to shareholders
- Announcement to return a further £40M through share buy back

We continue to grow our diversified business

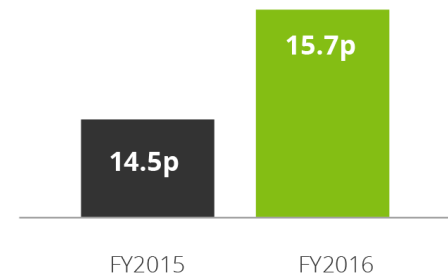
Revenue
(+12%)



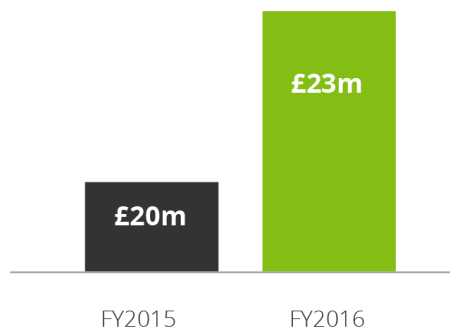
AOP
(+8%)



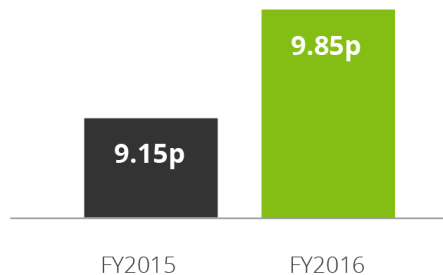
EPS (Adjusted)
(+8%)



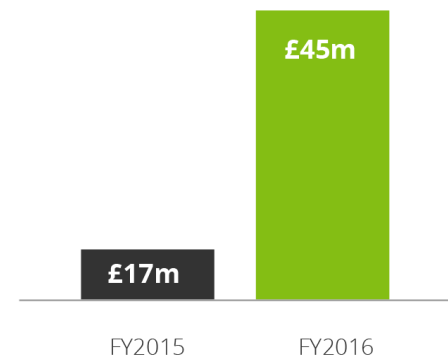
Capital Investment
(+£3m)



Total Dividend
(+8%)



Cash
(+£28m)



Revenue growth converted to profit

£Millions	FY 2016	FY 2015	Growth
Revenue	316.4	281.7	+12%
Gross Margin	75%	80%	
Adjusted EBITDA	120.8	110.1	+10%
EBITDA margin %	38%	39%	
Depreciation & Software Amortisation	(13.0)	(10.0)	
Adjusted Operating Profit *	107.8	100.1	+8%
Adjusted Operating Profit margin %	34%	36%	
Adjusting items *	(16.7)	(19.7)	
Operating Profit	91.1	80.5	+13%
Net finance costs	(0.7)	(0.7)	
Profit on disposal of associate	0.8	-	
Taxation	(17.8)	(16.4)	
Net Profit	73.5	63.4	+16%

Adjusted Operating Profit ("AOP") definition: Operating profit adjusted for the amortisation of acquisition-related intangible assets (2016: £14.5M, 2015: £14.9M, the impairment of intangible assets (2016: £2.2M, 2015: nil) and the contingent payable in relation to the acquisition of MoneySavingExpert.com. (2016: nil, 2015 £4.8M)

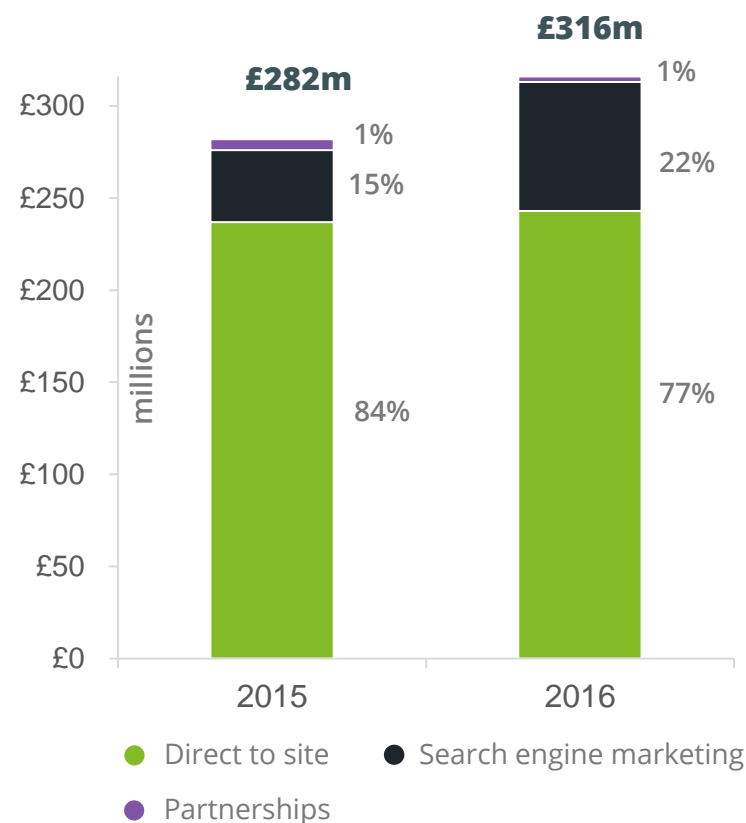
Adjusted EBITDA definition: Adjusted Operating Profit adjusted to exclude depreciation and software amortisation (2016: £13.0M, 2015 £10.0M)

Profitable growth from up-weighting online marketing

Marketing Spend

£Millions	FY 2016	FY 2015	FY (%)
Offline spend	28.7	25.8	+11%
Online spend	62.8	45.5	+38%
Other	5.6	8.4	-33%
Total Group	97.1	79.7	22%
<i>Marketing Margin excl MSE Cash Back</i>	69%	72%	-3%

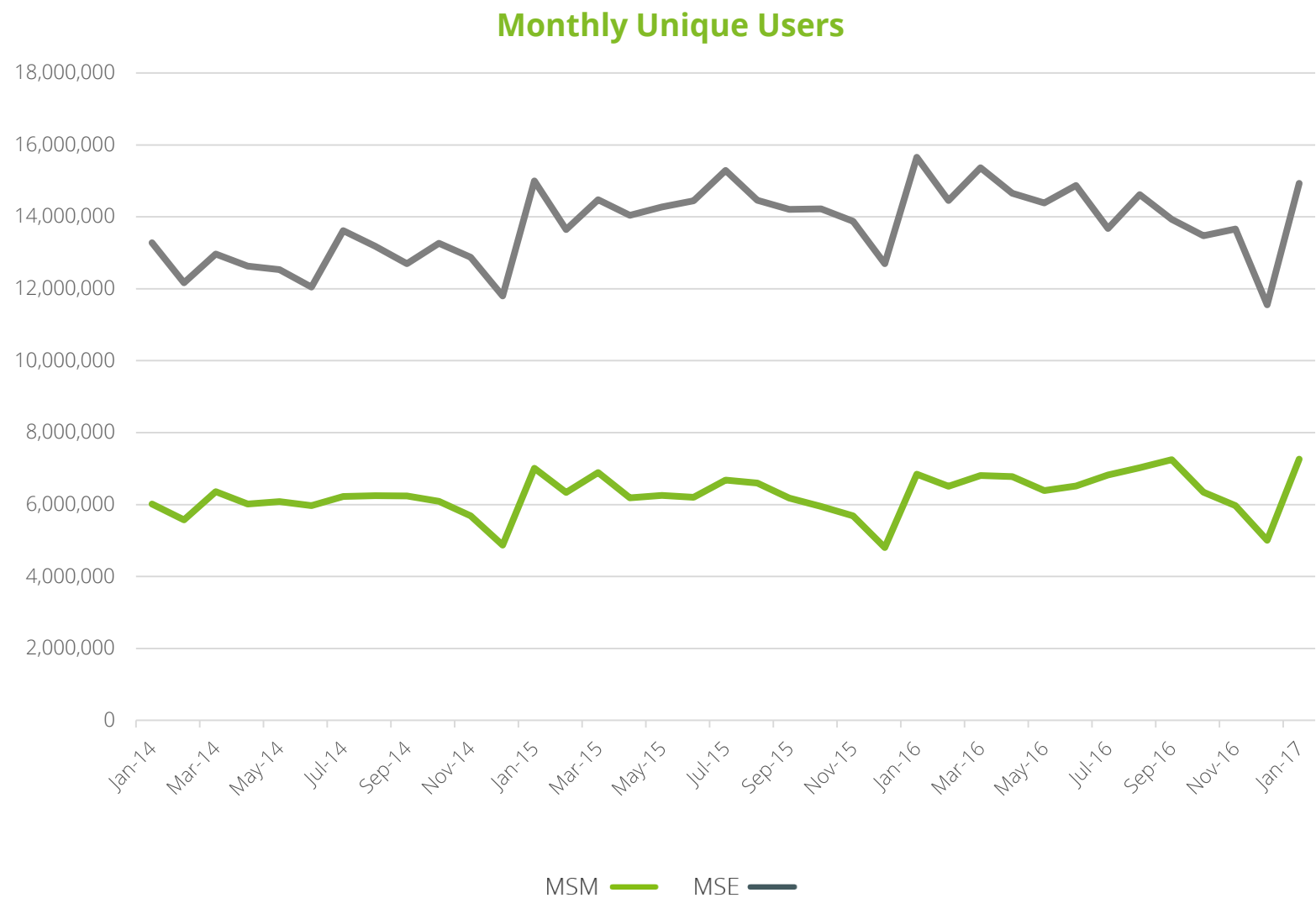
Revenue by source



- Direct to site revenue increased £7M YOY
- Increased online marketing profitably

Note: MSE energy club provides cash back to members who switch energy providers 2016 £17m (2015 £11M)

Unique monthly users



Source: Google Analytics

Cash and capital update

- We incurred software amortisation costs of £11 million this year. We expect technology amortisation to be in the region of £17 million for 2017
- We expect to make capital investment of up to £17 million in 2017
- Amortisation of the intangible assets related to the pre IPO reorganization and MSE acquisition was £14.5 million in FY 2016. We expect amortisation of the intangible assets to be in the region of £7 million for 2017
- 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 including the new London Soho office. This is likely to result in a one-off capitalization charge of c. £3 million in 2017
- In November 2016, the group extended the existing revolving credit facility of £100 million until December 2019

Statutory balance sheet

£Millions	31-Dec-16	31-Dec-15
Property, Plant And Equipment	7.5	8.7
Intangible Assets - Technology	37.8	28.1
Intangible Assets - Acquisition related	119.8	135.8
Investments	0.5	-
Trade and Other Receivables	39.3	32.4
Cash and Cash Equivalents	44.6	16.7
Total Assets	249.5	221.7
Trade And Other Payables	(46.8)	(40.7)
Tax assets and liabilities	(16.3)	(15.2)
Borrowings	-	-
Total Liabilities	(63.1)	(55.9)
Net assets	186.4	165.8

- Acquisition related intangible assets include £74 million associated with the pre-IPO Group reorganisation, and £60 million from the acquisition of MoneySavingExpert
- Tax assets and liabilities include both current and non-current balances

Perceptions and realities

Perceptions:	Insurance is a mature market	The barriers to entry are low
Reality:	<ul style="list-style-type: none"> ✓ Insurance delivered 11% YOY revenue growth 2016 ✓ Insurance includes four key channels, some have very low levels of PCW penetration ✓ Car insurance the most mature still benefiting from the shift to online 	<ul style="list-style-type: none"> ✓ The core competitor group is unchanged ✓ Deep relationships with providers needed to deliver personalised results rather than just listings ✓ Well established and invested brands ✓ Investing in tools and services to deliver differentiation. Great service needs data, more than just TV
Perceptions:	Performance is cyclical	Rising energy prices is bad for switching
Reality:	<ul style="list-style-type: none"> ✓ The Group is a trading business with limited contracted revenues ✓ Opportunity with MSE in Money and Home Services to promote special deals on products ✓ Core business very relevant to customers in a downturn ✓ Not reliant on any single product or provider 	<ul style="list-style-type: none"> ✓ In a rising price environment, consumers should switch to secure the best deal ✓ 2013, a rising pricing environment the Group helped 150,000 more customers save on energy ✓ In the short term rising costs can impact providers ability to price a collective switch

Moneysupermarket Group

Helping every household make the
most of their money



MoneySavingExpert.com