

# **Moneysupermarket** Group

## **Investor Overview 2016**

This document is for information only, does not constitute or form part of and should not be construed as, an offer, or invitation, or solicitation or an offer, to subscribe for or purchase any securities in any jurisdiction or an inducement to enter into investment activity. This document contains only selected information and should not be relied upon and does not form the basis for any investment decision. This document does not constitute a recommendation and should not be construed as legal, tax, investment or other advice. Past performance is not a guide to future performance. You are strongly advised to seek your own independent advice.

This document 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 Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. The Company has no obligation to (and will not) update, revise or change any forward looking statements, or other content, in this document to reflect events or developments occurring, or information coming to its attention, after the date of this document.

This document should not be distributed by recipients. Circulation of this document to certain persons or in certain jurisdictions may be restricted by law.

April 2016

# 1993

We started out life as mortgage 2000

Moneysupermarket  
Group



## 877

Providers



## 19M

Adults chose to share their private data with us



## £1.6B

### SAVINGS

2015 estimated total savings by the UK

## £282M

Revenue 2015



## 24m

Estimated unique monthly users in 2015

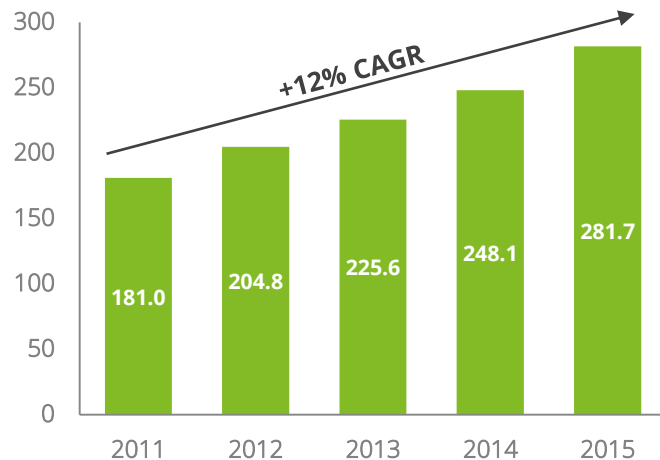
Money  
Super  
Market com



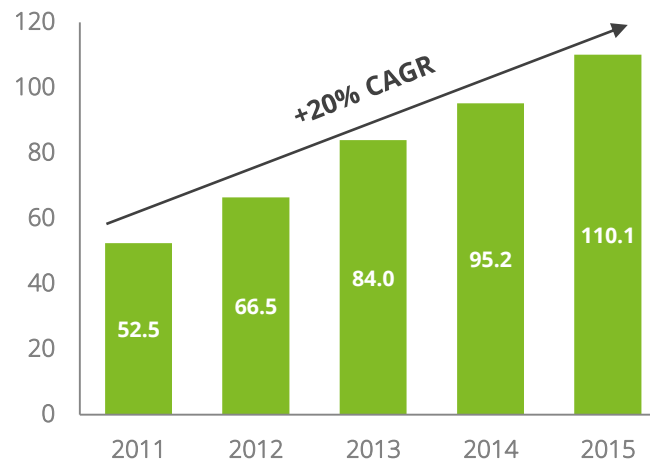
MoneySavingExpert.com

# Strong record of revenue and profit growth

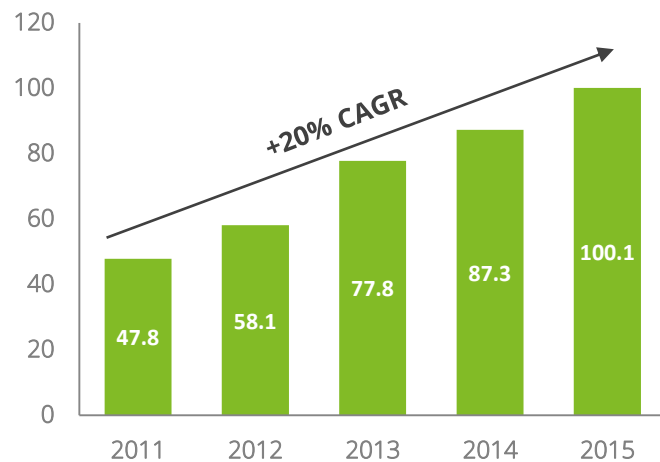
Revenue / £M



Adjusted EBITDA / £M



Adjusted Operating Profit / £M

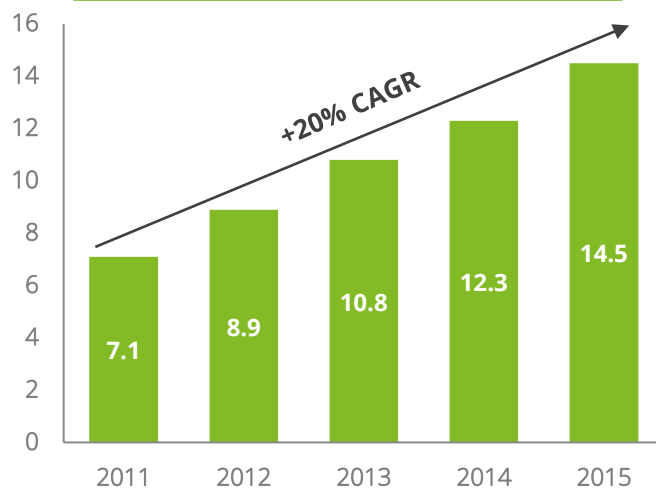


AOP definition Operating profit adjusted for the amortisation of acquisition-related intangible assets, contingent payable in relation to the acquisition of MoneySavingExpert.com and other extraordinary items.

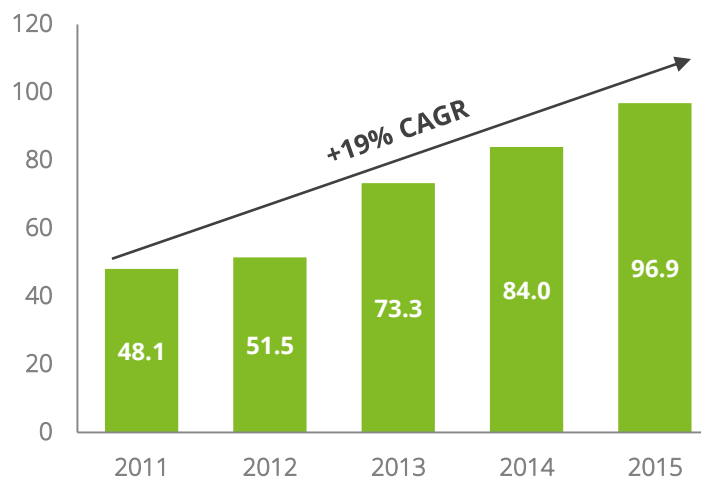
Source: Company information

# Strong record of delivering shareholder returns

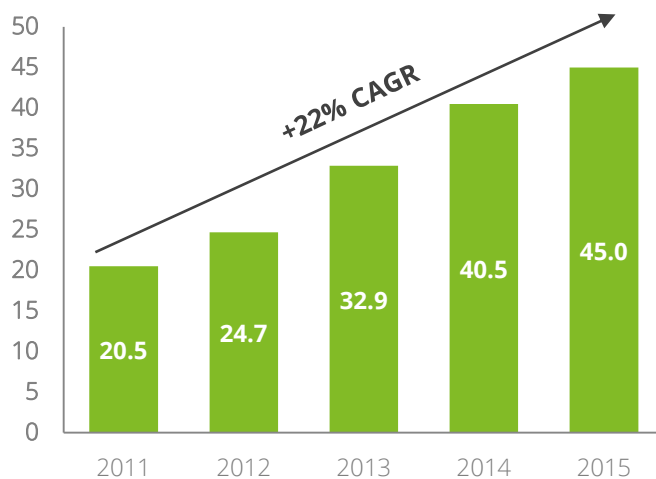
Adjusted earnings per share / p



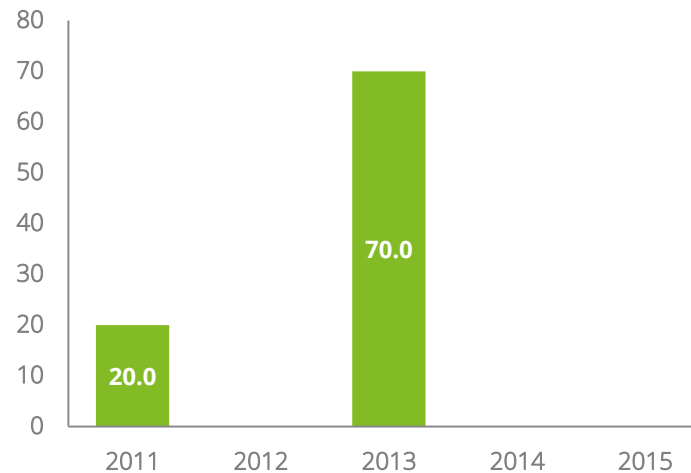
Operating cash flow / £M

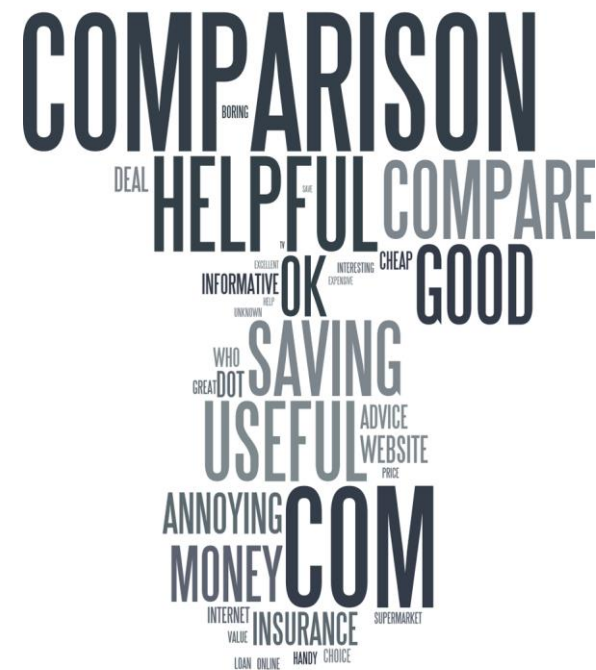
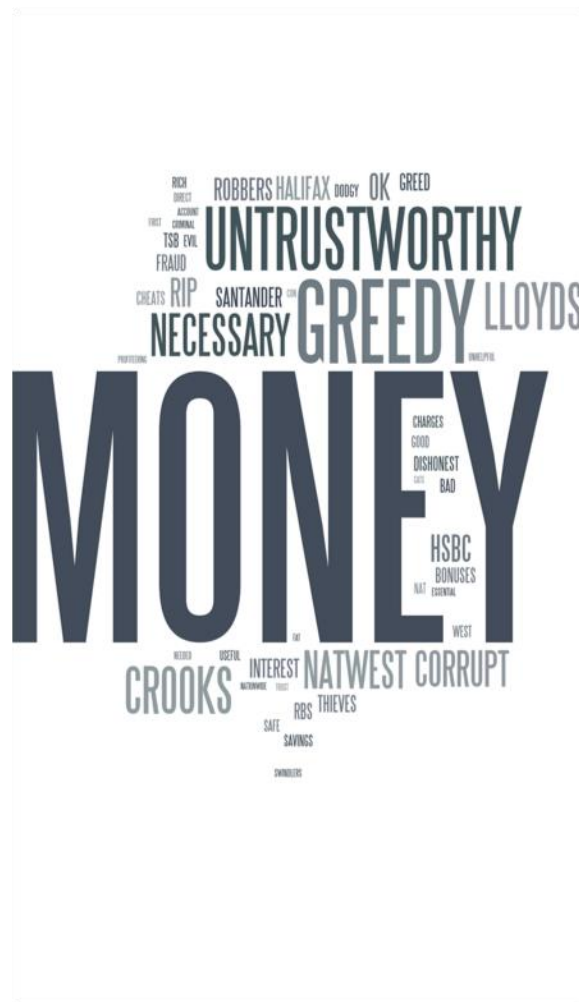


Ordinary dividends paid / £M



Special dividends / £M





# 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?

Find car

What's your postcode?

Find address

When were you born? DD / MM / YYYY

For Example: 01 04 1970

Your driving licence










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

Legally  
binding  
quotes inside a  
minute

Results page sorted by  
Customer preferences

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

Deep link to over **100 providers**

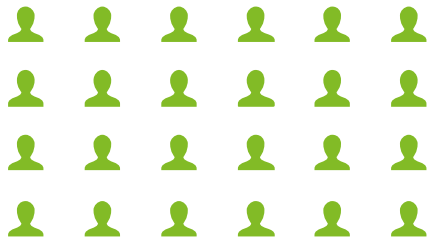
Price comparison websites largest route to market for new or switched Car insurance policies.

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

## Customers

Access to find, compare and purchase  
the best deals

24M unique monthly users \*



Unbiased best product tables  
delivered free to the customer



Free tools and guides



Expert content, innovative  
clubs and forums



Average saving +£200 per  
product

Moneysupermarket  
Group

## Providers

Cost efficient acquisition

870+ Providers



High Street  
banks



Challenger  
banks



Insurers



Travel/Holiday  
companies



Credit card  
companies



Communications  
provider



Energy  
Companies



Access millions of consumers :

24M unique monthly users\*  
19M Customer Accounts  
11M weekly email subscribers



Success based marketing fee  
payable.



Can focus on the  
customers they want



# Switching saves customers money

	Jan 2014		Jan 2015		Jan 2016	
	Product Average Policy	Average MSM Savings	Product Average Policy	Average MSM Savings	Product Average Policy	Average MSM Savings
<b>Motor Insurance</b> <small>Average Cheapest Premium</small>	£952	£236	£958	£245	£1014	£488
<b>Credit Cards</b> <small>0% BT Duration*</small>	30 Months (£2095 Balance Transfer)	£254	35 Months (£2177 Balance Transfer)	£277	30 Months (£2210 Balance transfer)	£278
<b>Energy</b> <small>Average Household Bill**</small>	£1196	£124	£1165	£277	£1095	£325
<b>Home Insurance</b> <small>Average Cheapest Premium</small>	£153	£94	£141	£66	£132	£93

Source:

Consumer intelligence January 2013 / 2014 /2015. Management Estimates

Balance Transfer Values source – BBA

Energy estimates based on Ofgem consumption figures

# 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



# Family of brands, well known, well trusted and well used

## Moneysupermarket Group



- ✓ UK's largest price comparison website
- ✓ 2015 FY revenue £250M
- ✓ 6M average monthly unique users
- ✓ 6M Savers



- ✓ UK's biggest consumer advice website
- ✓ 2015 FY revenue £31M
- ✓ 14M average monthly unique users
- ✓ Subscriber database +11M



- ✓ Leading travel metasearch site
- ✓ 2015 FY revenue £25M
- ✓ 3M average monthly unique users
- ✓ 1M Savers



Shared: Technology, data and talent

# All Group brands are growing

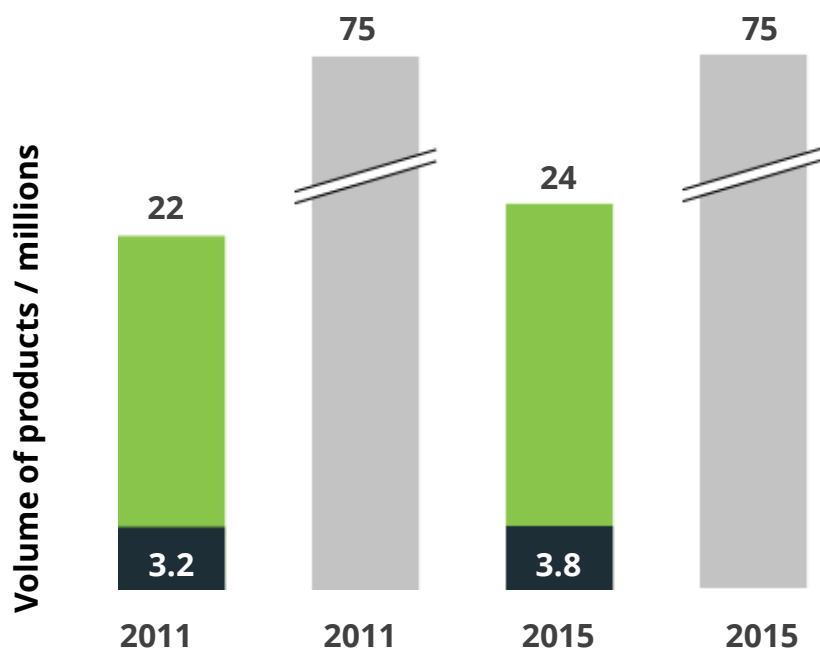
Revenues £Millions	FY 2015	FY 2014	FY Growth (%)
Insurance	140.2	138.0	+2%
Money	72.4	58.9	+23%
Home Services	37.5	22.4	+68%
MoneySuperMarket.com	250.1	219.3	+14%
TravelSupermarket.com	24.5	22.6	+8%
MoneySavingExpert.com	30.7	22.8	+34%
Intra-group eliminations and other income	(23.6)	(16.6)	
<b>Total Group</b>	<b>281.7</b>	<b>248.1</b>	<b>+14 %</b>

# Our operating model FY 2015

<b>Revenue</b>		<b>100%</b>	
Online marketing and partnership costs	-20%		Paid search, Retargeting, Partnerships
Advertising	-9%		Brand spend – TV, Radio, Creative production
Other marketing/PR	-3%		CRM, Content, Social Marketing, Organic Search
<b>Total Marketing Costs</b>		<b>32%</b>	
Staff costs	-18%		Personnel including share based payments
Depreciation and amortization	-4%		
Other admin and irrecoverable VAT	-10%		IT Costs, Office Expenses, Professional Fees
<b>Total Adjusted Administration costs</b>		<b>32%</b>	
<b>Total Adjusted Cost Base</b>		<b>64%</b>	
<b>Adjusted Operating Profit</b>		<b>36%</b>	

# Significant headroom remains in insurance

## Home, Motor and Travel Insurance



## CAGR 2011 - 2015

- +5% ● MSM sales new / switching
- +2% ● Online sales new / switching
- +0% ● 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.

- MSM taking share from online market.
- Core part of our proposition; growth has moderated.
- The products above represent 72% of group Insurance revenues.

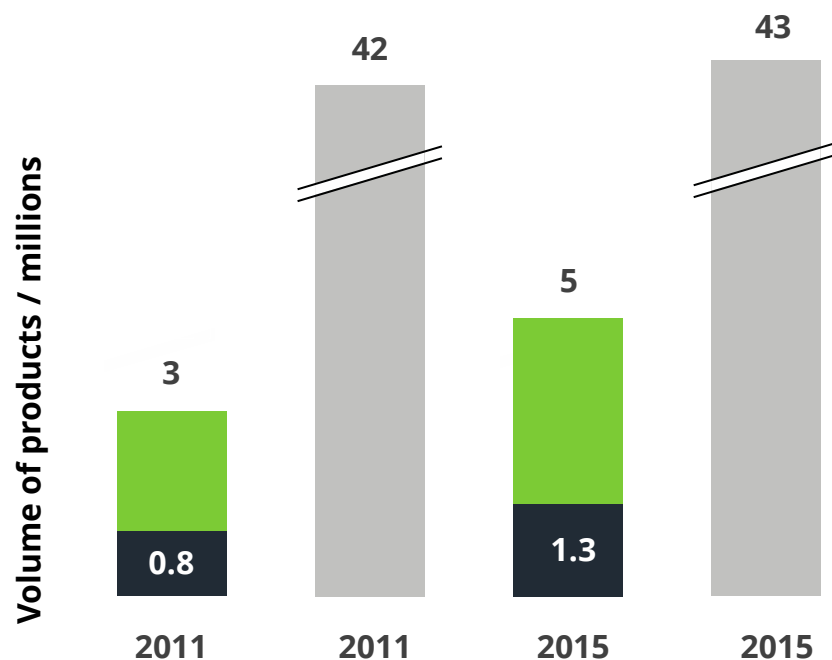
Source: Internal estimates based on DfT, ABI, ONS, eBenchmarks, Mintel, Kantar, Internal Data

Note: Refined sources used for total market numbers vs prior year.

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

# Online purchasing & switching is accelerating in our money product market

## Cards & Loans



## CAGR 2011 - 2015

- +13% ● MSM sales new / switching
- +15% ● Online sales new / switching
- +1% ● Total market size

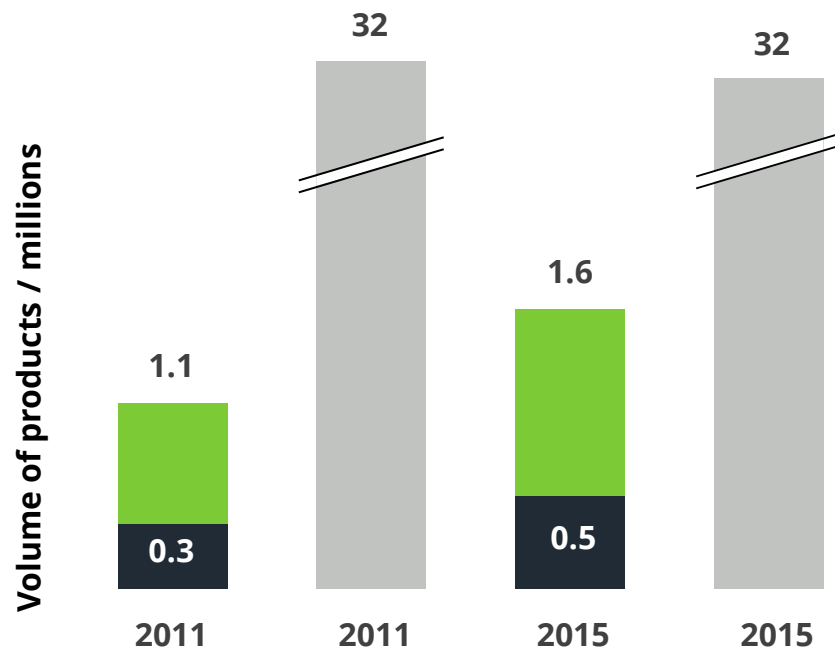
### Online Competition

Apart from Moneysupermarket, the online market is predominantly direct sales on bank, credit card and loan providers' websites, and a range of aggregators (sub <10%).

- Significant headroom exists within Cards and Loans.
- Opportunity exists as new product is introduced to the market.
- The products represented above comprise 65% of total Group Money revenues.

# Substantial headroom and high growth rates in the energy market

## Energy



## CAGR 2011 - 2015

- +21% ● MSM sales new / switching
- +10% ● 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.

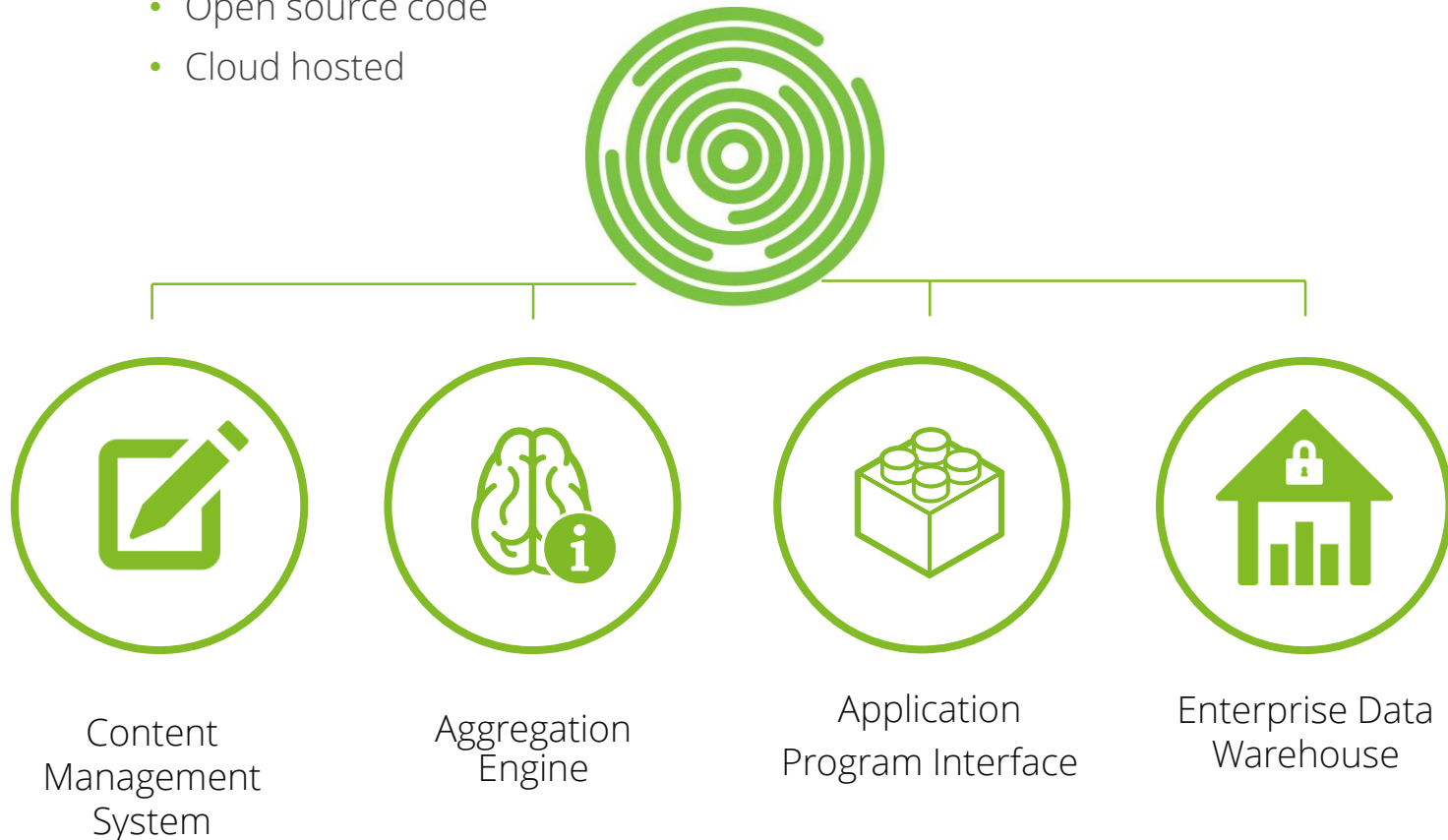
- MoneySuperMarket.com has been taking share of total market and of the online market.
- Significant headroom exists as market is grossly underserved.
- The products represented above comprise 82% of Group Home Services revenue.



# Three year + £60M technology investment programme

## Fusion Platform

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

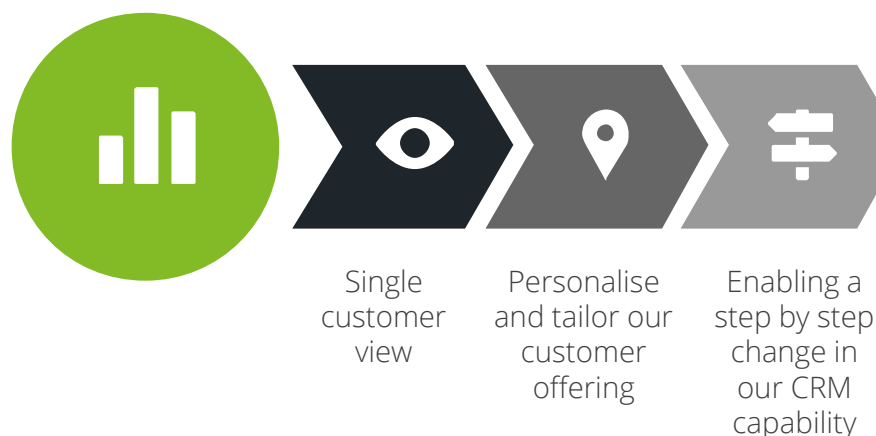


# Transforming the customer experience - A personalised service regardless of device

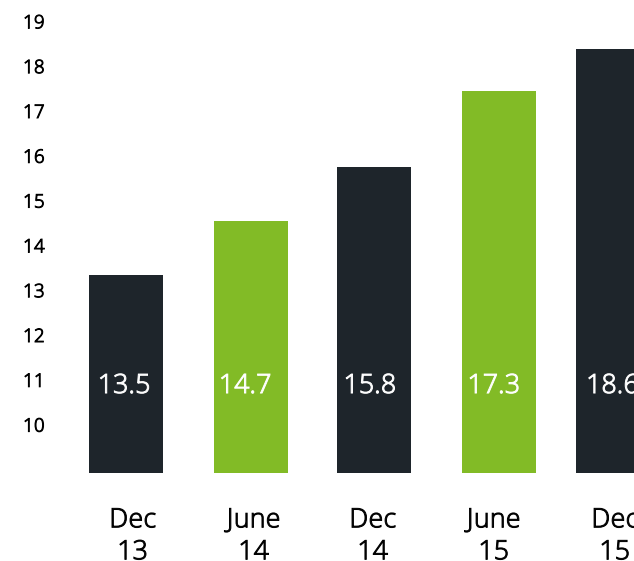
## Customer experience



## Building a rich data asset



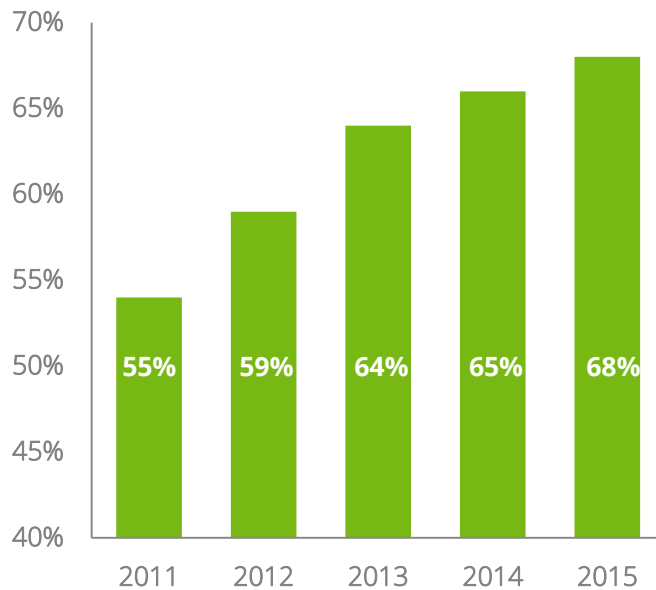
## Customer accounts / M



# Driving improvements in our marketing efficiency

## Delivering improved margins

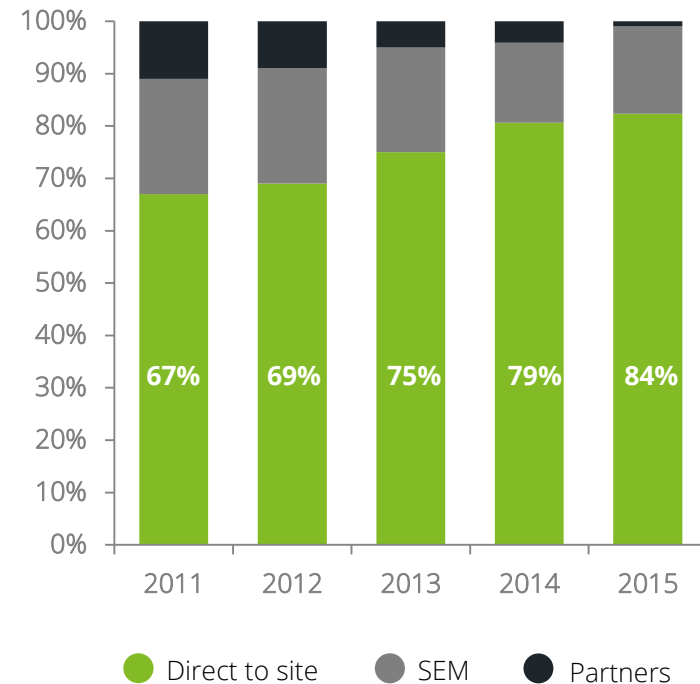
Marketing margin / %



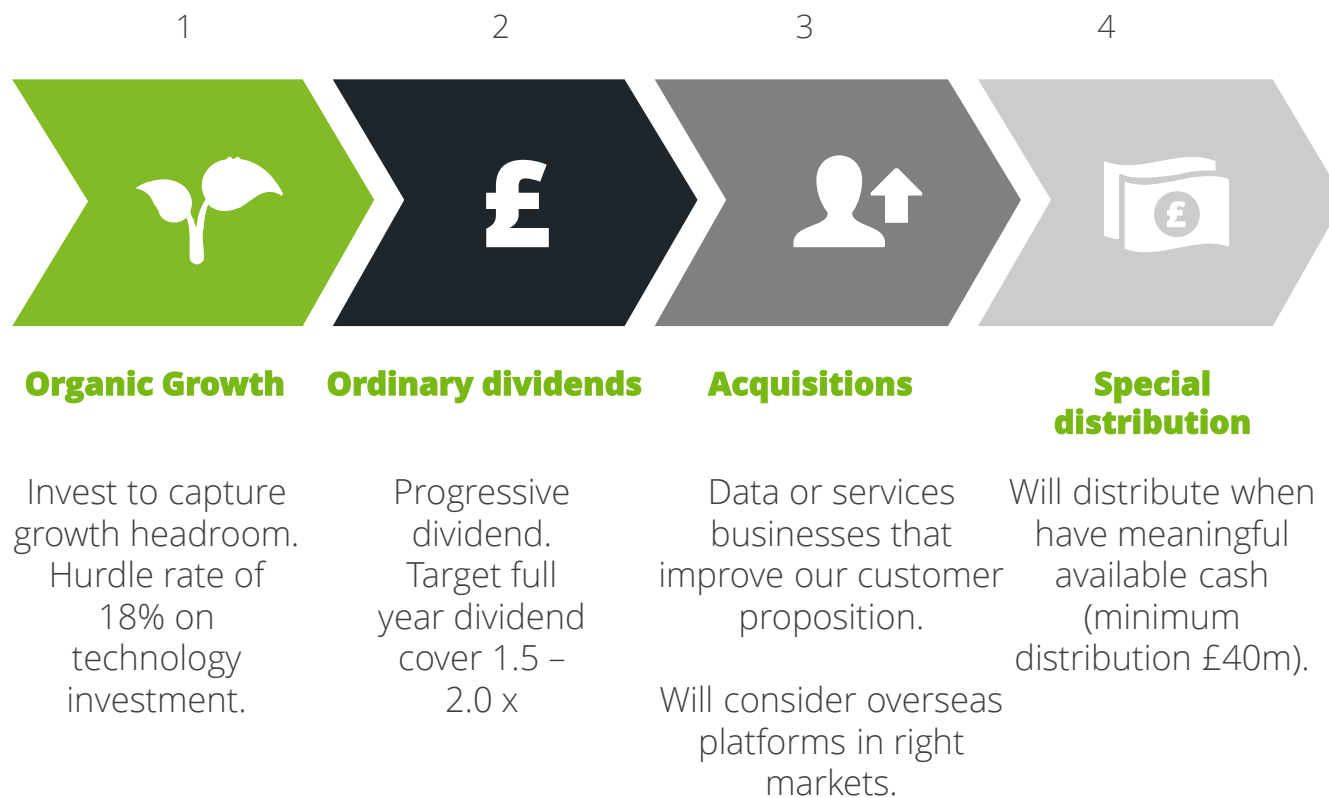
Source: Company information

## Reducing reliance on paid-for customer acquisition

Revenue breakdown by source / %



# Priorities for capital: Growth and a progressive dividend



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

# Investment summary

- ✓ A business model offering customers a great way to save money and providers an effective way to acquire customers.
- ✓ Well established, recognised brands with a rich customer data asset.
- ✓ Diversified business with significant headroom in each core market.
- ✓ Organic growth supported by technology investment focused on smartphones, customer journey, data and apps.
- ✓ Successful acquisition of MoneySavingExpert and further opportunities for acquisitive growth.
- ✓ Highly cash generative with progressive ordinary dividend policy.



# Appendix

# How we help customers save money



## How we help customers save money

We offer our customers a free, easy to use, online service so they can search for a wide range of products and find the product most suited to their needs.

We help customers to find us through TV advertising and organic and paid search. We feature unbiased, best product tables free of charge.

We offer free tools, content and guides, and customers can store and manage details via the 'MyProfile' account management feature.

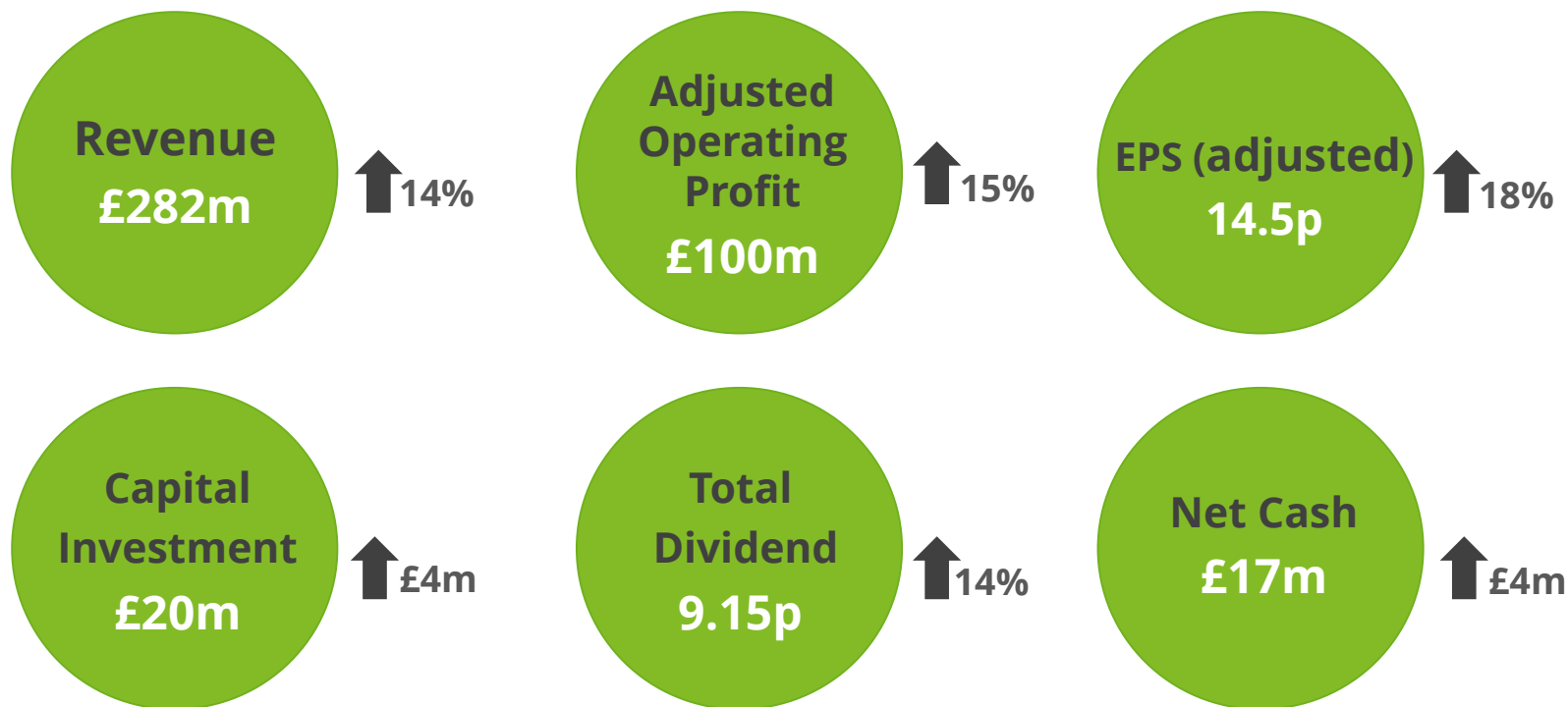
## Benefit to our providers

Working with the Group offers providers an efficient and cost-effective way to reach considerable volumes of potential customers who are actively looking for products and are ready to purchase, enabling our providers to target their marketing spend.

## How we make money

We have a simple, success-based revenue model which is highly scalable. For the majority of our services, we receive a fixed marketing fee from the product provider for customers who have taken out a product through us.

# 2015 Full year summary





# 2015 Adjusted operating profit

Revenue £Millions	FY 2015	FY 2014	Variance	Variance %
Revenue	281.7	248.1	33.6	+14%
Gross Profit	225.4	195.7	29.7	+15%
<i>Gross Margin</i>	80%	79%		
Administrative Costs	(110.8)	(97.8)	(13.0)	+13%
Distribution Costs	(34.2)	(34.0)	(0.2)	0%
<b>Operating Profit</b>	<b>80.5</b>	<b>63.9</b>	<b>16.6</b>	<b>+26%</b>
Amortisation of acquired intangible assets	14.9	19.6	(4.7)	-24%
Contingent payable in relation to MSE	4.8	3.9	0.9	+23%
<b>Adjusted Operating Profit</b>	<b>100.1</b>	<b>87.3</b>	<b>12.8</b>	<b>+15%</b>
Depreciation	2.6	3.4	(0.8)	-24%
Amortisation of technology related Intangible assets	7.4	4.4	3.0	+68%
<b>Adjusted EBITDA</b>	<b>110.1</b>	<b>95.2</b>	<b>14.9</b>	<b>+16%</b>

# Statutory balance sheet

£Millions	31-Dec-15	31-Dec-14
Property, Plant And Equipment	8.7	9.4
Intangible Assets - Technology	28.1	15.9
Intangible Assets - Acquisition related	135.8	150.6
Trade and Other Receivables	32.4	30.6
Cash and Cash Equivalents	16.7	43.1
<b>Total Assets</b>	<b>221.7</b>	<b>249.7</b>
Trade And Other Payables	(40.7)	(41.0)
Tax assets and liabilities	(15.2)	(15.2)
Contingent Remuneration	-	(15.3)
Borrowings	-	(30.0)
<b>Total Liabilities</b>	<b>(55.9)</b>	<b>(101.5)</b>
<b>Net assets</b>	<b>165.8</b>	<b>148.1</b>

- 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

# Moneysupermarket Group

Helping every household make the  
most of their money



MoneySavingExpert.com