

Preliminary Results

22nd February 2018

Mark Lewis

Chief Executive Officer

Matthew Price

Chief Financial Officer

Full year themes

Diversified business delivering stable returns

- Doing a great job for our customers – saving £2bn for customers, up 10%
- Mixed 2017 trading performance – weak Energy and strong growth in Insurance
- Full year Adjusted Operating Profit £114m

Completed Replatforming

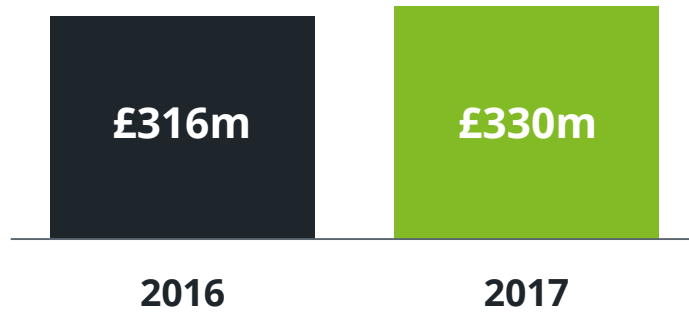
- A modern and scalable tech infrastructure which provides a good foundation to deliver growth in the years ahead

Great returns to shareholders

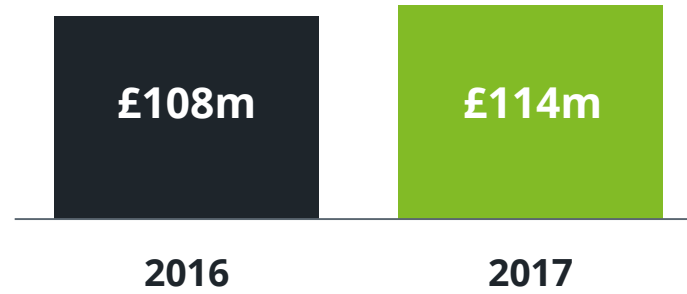
- Cash generation remains strong
- Increasing total dividend by 6% and completed a £40M share buy back
- £94M cash distributed to shareholders during the year

We continue to grow

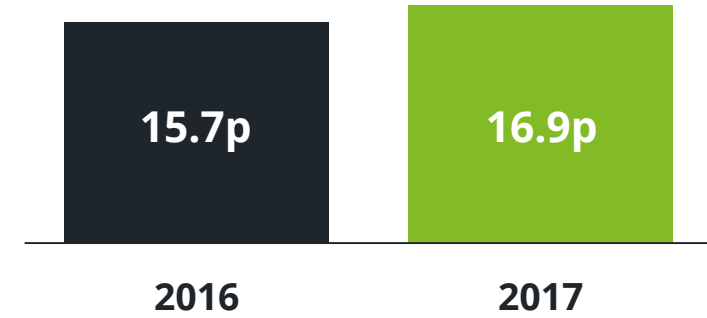
Revenue +4%



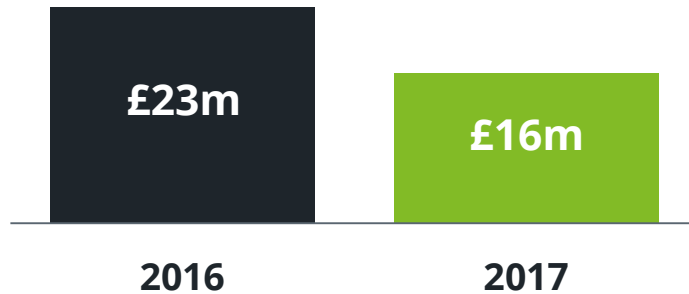
AOP +6%



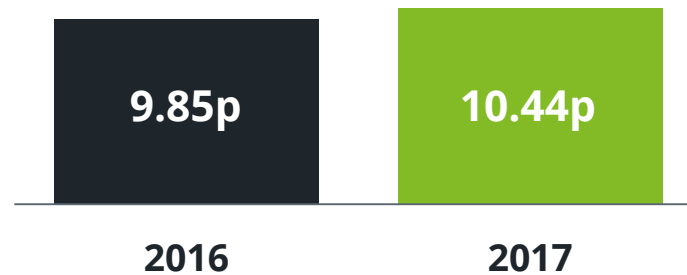
EPS (Adjusted Basic) +8%



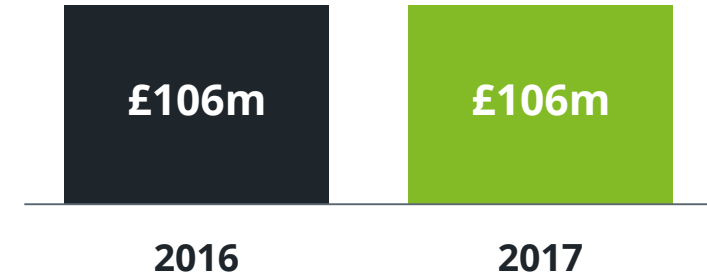
Technology Investment



Total Dividend +6%



Operating Cashflow



Income statement

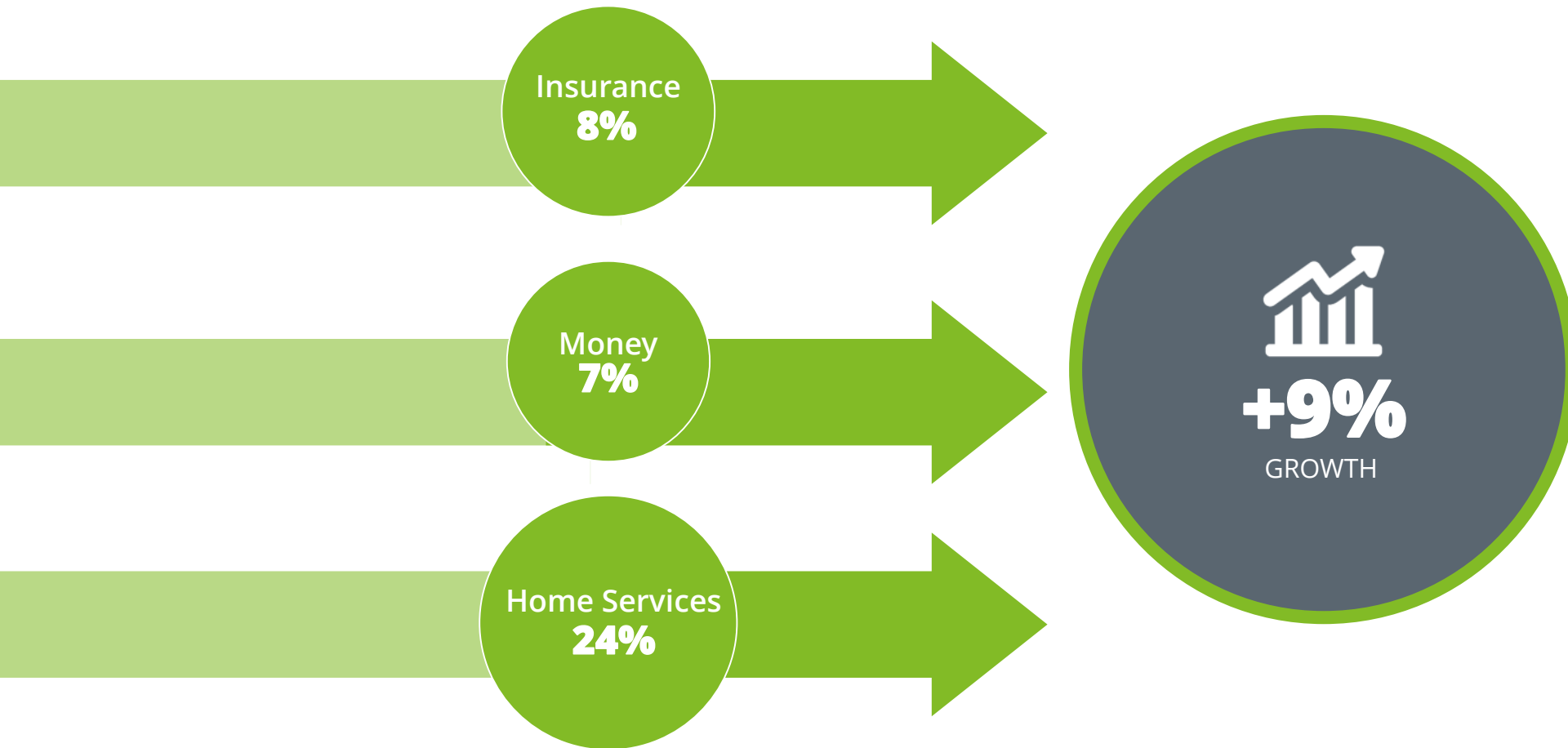
£Millions	2017	2016	Growth
Revenue	329.7	316.4	4%
Gross Margin	74%	75%	
Adjusted EBITDA	127.2	120.8	5%
EBITDA margin %	39%	38%	
Depreciation & Software Amortisation	(13.4)	(13.0)	
Adjusted Operating Profit *	113.9	107.8	6%
Adjusted Operating Profit margin %	35%	34%	
Adjusting items *	(19.0)	(16.6)	
Operating Profit	94.9	91.2	4%
Net finance costs	(0.8)	(0.7)	
Profit on disposal of associate & investment	2.0	0.8	
Taxation	(18.0)	(17.8)	
Net Profit	78.1	73.5	6%

Adjusted EBITDA is Operating Profit adjusted for depreciation and amortisation, impairment of Goodwill, amortisation of acquisition-related intangibles and other non-underlying costs
Adjusted Operating Profit ("AOP") is Operating Profit adjusted for impairment of Goodwill, amortisation of acquisition-related intangibles and other non-underlying costs

Our diversified performance

Revenue	2017 (£M)	2016 (£M)	Growth (%)
Insurance	173.6	155.2	12%
Money	81.2	78.9	3%
Home Services	39.6	51.0	-22%
MoneySuperMarket.com	294.5	285.1	3%
MoneySavingExpert.com	41.5	36.8	13%
TravelSuperMarket.com	23.3	22.3	4%
Intra-Group eliminations and other income	(29.6)	(27.8)	
Total Group	329.7	316.4	4%

2017 Online switching market growth



Good progress against the strategic KPIs

Best Site



24M (+3%)
Unique monthly
visitors

£16m (-£7M)
Investment in
Technology

Earn Customer Loyalty



25M (+12%)
People choosing
to share data

47% (+4%)
Net Promoter
Score

£2.0B (+10%)
Savings made by
customers

Preferred Partner



989 (+1%)
Number of
providers

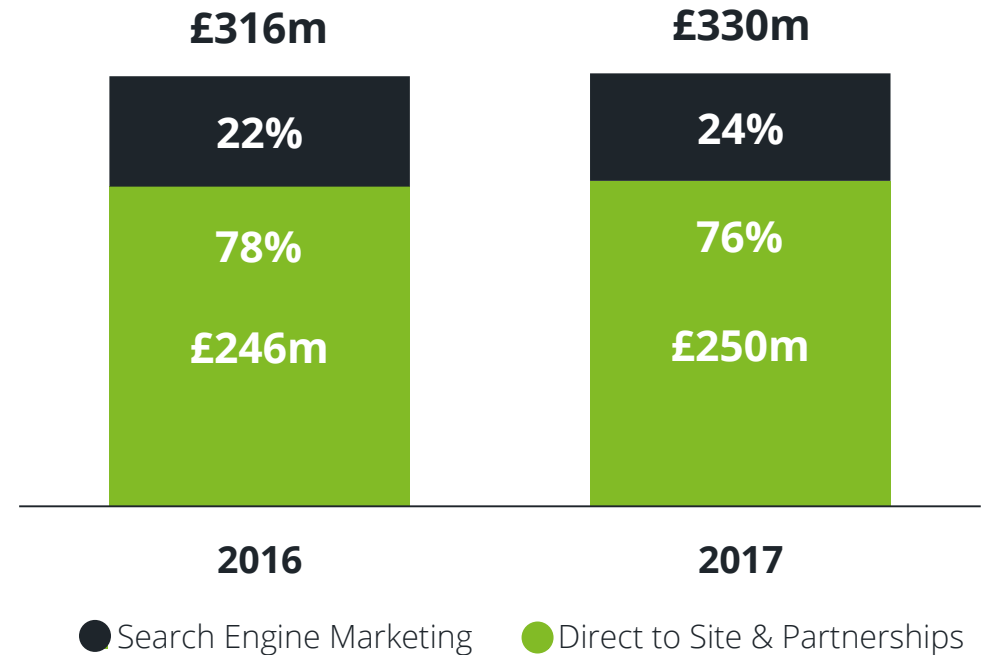
65% (+1%)
Marketing
margin

Disciplined approach to marketing

Marketing spend

£Millions	2017	2016	YoY
TV & Radio	25.1	28.7	(3.6)
Online spend	74.7	63.0	11.7
Cashback	10.5	16.6	(6.1)
Other	4.2	5.7	(1.5)
Total Group	114.5	114.0	0.5
Marketing margin	65%	64%	1%

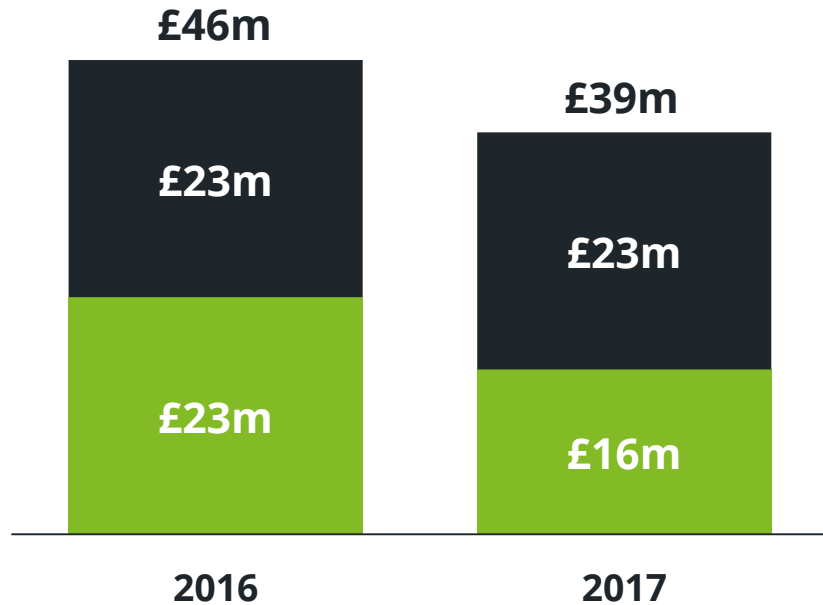
Revenue by source



- Gross profit margin at 74% versus guidance at 73%

Our Replatforming is now complete

Total Tech Investment



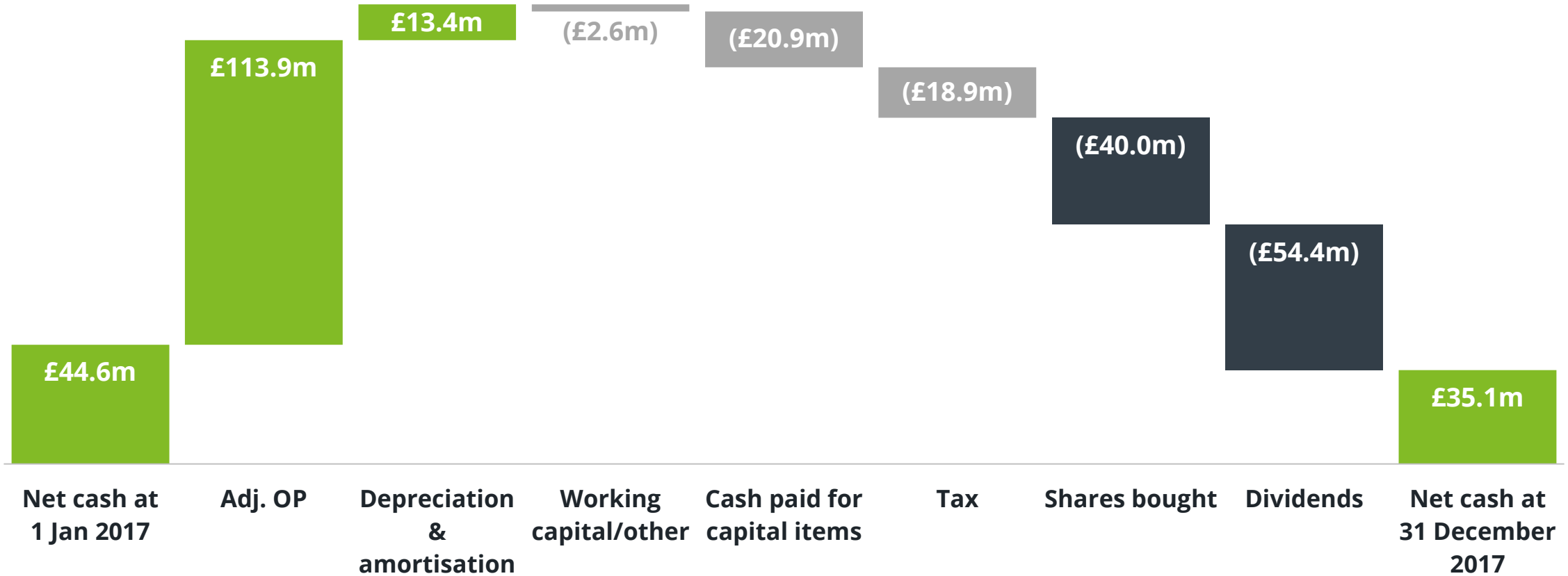
- Technology capital investment
- Technology operating costs excluding amortisation

Reinvestment Rate (%)



- Operating costs are mainly staff costs and licenses
- Write-off £9M relating to product trials not rolled-out (£3m) and early code base subsequently re-worked (£6m)
- Reinvestment rate is defined as the total technology investment as a percentage of revenue

Strong levels of cash generation



Outlook

2018 - Expect Adjusted EBITDA to be broadly flat

- Forecast market growth around 6-7%
- Expect slower revenue growth for 2018, accelerating afterwards
- Investing in product engineering teams for our new strategy + £5M opex
- Reducing total capex by £5M
- Non-underlying costs in adjusting items £6-9M in 2018

2019 onwards

- Profit growth resumes in 2019
- Reinvent strategy aims to reaccelerate growth and lead innovation in the sector.

Strong cash generation throughout



Mark Lewis

Chief Executive Officer

Reinvent Growth Strategy: Reaccelerate Core and New Market Growth

Reaccelerate Core Growth



New Market Growth



Help households save money

Strong, differentiated core business model

Growing Markets

- 6-7% Core switching annual growth forecast 2018-20
- Diversified with >£5m revenue in 14 categories
- Opportunity to unlock further market growth

Engaged Users

- Market leading 69 NPS vs comparison average 64. MSM 67, MSE 89
- 13.2m Active users
- £14.81 Revenue / Active user

Marketplace Model

- 65% Marketing margin
- Proven provider benefits
- Efficient cash generation

Updated KPI disclosure

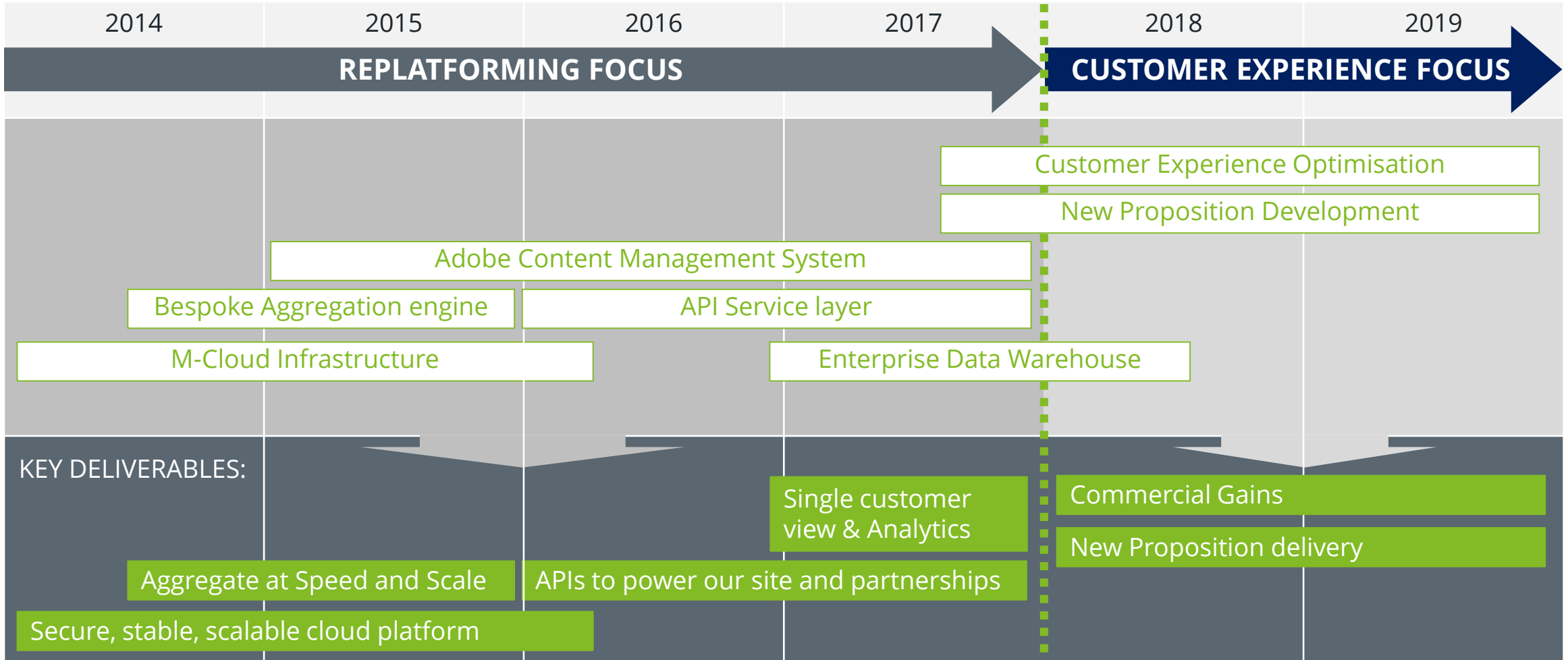
Average annual switching volumes across our core markets based on internal data and external sources

Comparison average NPS: Twelve monthly rolling average (1 Jan 2017- 31 Dec 2017 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue to create a Group wide NPS Comparison average includes comparethemarket.com GoCompare, Confused, Clearscore, Uswitch & money.co.uk

Active User: The number of unique accounts running enquiries in our core seven channels in the prior 12 month period

Revenue per Active User: The revenue for the equivalent core seven Moneysupermarket channel's divided by the number of active users

Replatforming has delivered critical assets, but restricted customer experience innovation



Customer Experience Optimisation will reaccelerate core growth

Reaccelerate Core Growth



Rapid innovation of the mobile customer journey

- Easier, faster, simpler experience
- Conversion gains and marketing efficiency

Will scale across core categories through 2018

- H2 2017 trials have proven the concept

Team and roadmap restructured to align for delivery

Build out of Product Engineering hub in Manchester

- Attracting proven marketplace optimisation talent

£5m Investment in Product Engineering teams, £5m Capex reduction

KPI Goals: ↑ Active users ↑ Revenue / Active users ↑ Marketing margin

Reinvent strategy can unlock new market growth

We will make price comparison
Personalised, Proactive and Painless

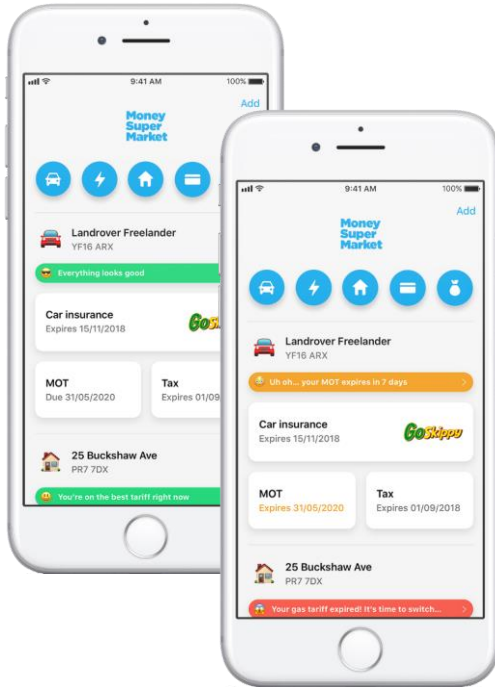


Three initial areas of focus

New Market Growth



1. Personalised MoneySuperMarket



What

A hassle free service for users to save on key bills in one place

- Key policies stored and monitored for best deals
- Simple summaries, helpful reminders and easy switching

How

Automatically populate users' policies in MSM mobile app

- Add policy monitoring and easy switching, e.g. Energy
- Add additional helpful reminders, e.g. Car MOT and Tax Disc

Why us

Single view of 13m active users across multiple categories

- Enabled by Enterprise Data Warehouse

In development, staged releases through 2018

KPI Goals: ↑ Revenue / Active users ↑ Marketing margin

2. Take Price Comparison to the user

What

Make it easier to save by taking personalised deals to users

- Present personalised offers in the apps they are already visiting
- E.g. Banking Apps attracting weekly visits

How

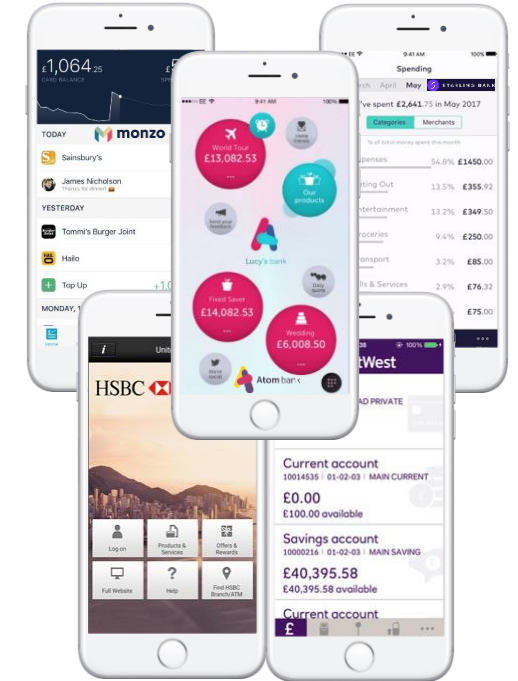
Seek B2B Partnerships with new platforms

- New B2B sales channel
- Enabled by Partners' data, enhanced with open data

Why us

Leverages core strengths, enabled by new platform

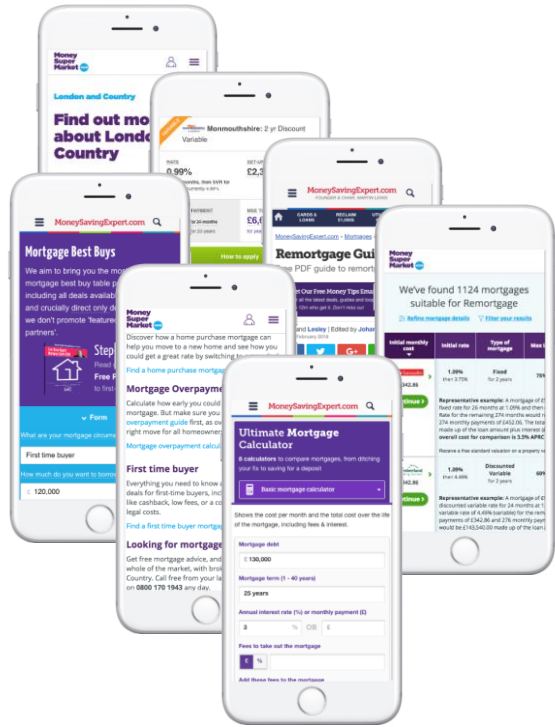
- Trusted Brands, leading Provider offer
- Powered by aggregation engine and new API service layer



Early Partnerships in discussion

KPI Goals: ↑ Active users ↑ Marketing margin

3. Mortgage Price Comparison



What

Add mortgage switching to price comparison

- Help users find the right deal for them online
- Current model is a simple lead generation to call a broker

How

Help users select and apply for mortgages online

- New user experience to find most appropriate mortgage
- Enhanced leads earning greater share of mortgage commissions

Why us

Currently market leader in Mortgages search traffic

- 16m visitors across MSM and MSE, 25% of search traffic
- Trusted site for credit eligibility in cards

Trials in development, staged releases

KPI Goals: ↑ Revenue / Active users

Visitors: Number of visitors in 2017 to mortgage content on our websites
Search traffic: In 2017 includes both paid and natural search

Reinvent Growth Strategy: Reaccelerate Core and New Market Growth

Reaccelerate Core Growth



New Market Growth



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

Appendix

Cash and capital update

- Software amortisation costs were £12.2 million in 2017 and we expect the full-year amortisation charge to be in the region of c.£14 million for 2018
- We expect technology capital investment of c.£12 million in 2018
- Intangible assets related to the pre-IPO reorganisation were fully-amortised in H1 2017. Amortisation of assets relating to the MoneySavingExpert acquisition continues until 2022 at £1 million per annum. The total amortisation charge across these acquired intangible assets was £7.3 million for 2017
- The Group has a revolving credit facility of £100 million until December 2020
- Number of shares in issue 31 December 2017 - 536,179,804



Dividends, EPS and dividend cover

Dividend (pence)	2017	2016
Interim	2.84	2.75
Final	7.60	7.10
Total Ordinary Dividend Declared	+10.44 +6%	9.85 +8%

Dividend (pence)	2017	2016
Earnings per share (Adjusted basic)	16.9	15.7
Dividend Cover	1.6 x	1.6 x

Dates for final dividend – 5 April 2018 - ex-div date, 15 May - payment date

Adjusted operating profit

£Millions	2017	2016	Variance	Variance (%)
Revenue	329.7	316.4	13.3	+4%
Gross Profit	244.5	236.8	7.7	+3%
Gross Margin	74%	75%		
Administrative Costs	(111.0)	(109.2)	(1.8)	+2%
Distribution Costs	(29.3)	(34.3)	5.0	-15%
Impairment of intangible assets	(9.3)	(2.2)	(7.1)	
Operating Profit	94.9	91.1	3.8	+4%
Amortisation of acquired intangible assets	7.3	14.5	(7.2)	
Impairment of intangible assets	-	2.2	(2.2)	
Strategy related one-off costs:				
Technology assets no longer in use	9.3	-	9.3	
Strategy review and associated reorganisation costs	2.4	-	2.4	
Adjusted Operating Profit	113.9	107.8	6.1	+6%
Depreciation	1.2	1.9	(0.7)	-37%
Amortisation of technology related intangible assets	12.2	11.1	1.0	+9%
Adjusted EBITDA	127.2	120.8	6.4	+5%

Adjusted cost base

£Millions	2017	2016	Growth
Staff costs	54.1	50.6	3.5
Depreciation	1.2	1.9	(0.7)
Amortisation of technology	12.2	11.1	1.1
Irrecoverable VAT	12.2	9.8	2.4
Other administrative costs	21.7	21.5	0.2
Total Adjusted Administrative Costs	101.3	94.9	6.4
Advertising	25.1	28.7	(3.6)
Other marketing	4.2	5.6	(1.4)
Total Distribution Costs per P&L	29.3	34.3	(5.0)
Online and other marketing costs	85.2	79.4	5.8
Total Marketing Costs	114.5	113.7	0.8
Total adjusted cost base below gross margin	130.6	129.2	1.4
Total Adjusted Cost Base	215.8	208.6	7.2

Adjusted cost base refers to total costs excluding items adjusted for in arriving at AOP

Tax and Earnings Per Share Calculations

£Millions	2017	2016
Profit before tax	96.1	91.3
Standard rate of tax 19.25% (2016: 20%)	18.5	18.3
Effects of:		
Expenses not deductible for tax purposes	0.2	0.1
Movement related to share based payments	-	0.1
Adjustment in relation to prior periods	(0.7)	(0.7)
Tax expense for the period	18.0	17.8
Effective tax rate	18.7%	19.5%
Adjusted Earnings	91.4	85.7
Basic average shares (millions)	540.8	546.6
Basic adjusted EPS (pence)	16.9	15.7
Diluted average shares (millions)	542.6	548.8
Diluted adjusted EPS (pence)	16.8	15.6

Statutory balance sheet

£Millions	31 Dec 2017	31 Dec 2016
Property, Plant And Equipment	9.4	7.5
Intangible Assets – Technology	32.1	37.8
Intangible Assets - Acquisition Related	112.5	119.8
Investments	0.4	0.5
Trade and Other Receivables	42.9	39.3
Cash and Cash Equivalents	35.1	44.6
Total Assets	232.4	249.5
Trade And Other Payables	(46.9)	(46.8)
Tax Assets and Liabilities	(15.5)	(16.3)
Borrowings	-	-
Total Liabilities	(62.4)	(63.1)
Net assets	170.0	186.4

- Acquisition related intangible assets includes £55m Goodwill associated with the pre-IPO Group reorganisation, £53m Goodwill associated with the MoneySavingExpert acquisition plus £5 million other intangible assets from the acquisition of MoneySavingExpert.
- Tax assets and liabilities include both current and non-current balances

Revised revenue disclosure and profit measure

Revenues	2017 (£M)	2016 (£M)	Growth (£M)
Insurance	176.5	157.8	12%
Money	85.4	81.0	5%
Home Services	43.0	53.8	(20%)
Core Group revenue	304.9	292.6	4%
Other revenue	24.8	23.8	4%
Total Group	329.7	316.4	4%

£Millions	2017	2016	Variance
Adjusted Operating Profit	113.9	107.8	6.1
Depreciation	1.2	1.9	(0.7)
Amortisation of technology related intangible assets	12.2	11.1	1.0
Adjusted EBITDA	127.2	120.8	6.4

Trading priorities

- Refocusing on core energy trading:
 - Grown our core MSM energy business in the second half
- Maintaining growth in Insurance:
 - Delivered 12% YOY growth
- Trading the Money category within the low interest rate environment:
 - Q4 growth driven by promotional product
- Continuation of the Travel recovery:
 - Core package holiday business grew >10% in H2



2017 Revised strategic KPIs



£2.0B	69%	65%
Savings made by customers	Net promoter score	Marketing margin
13.2M	£14.81	
Active users	Revenue per active user	

Definitions:
 Net Promotor Score: Twelve monthly rolling average (1 Jan 2017- 31 Dec 2017 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue to create a Group wide NPS
 Active User: The number of unique accounts running enquiries in our core seven channels (Car insurance, Home insurance, Life insurance, Travel insurance, Credit Cards, Loans, Energy) on the MoneySuperMarket website in the prior 12 month period
 Revenue per Active User: The revenue for the equivalent core seven MoneySuperMarket channels divided by the number of active users

Unique monthly users

