28 July 2020

Moneysupermarket.com Group PLC interim results for the six months ended 30 June 2020

Business model proving resilient through significant market disruption

6 months ended 30 June	2020	2019	Growth %
Group revenue	£183.2m	£199.4m	(8)
Adjusted EBITDA *	£62.8m	£72.9m	(14)
Profit after tax	£40.6m	£50.2m	(19)
Adjusted basic EPS *	7.9p	9.4p	(15)
Basic EPS	7.6p	9.4p	(19)
Operating cashflow	£41.7m	£51.4m	(19)
Net cash/(debt) *	£7.5m	£(12.6)m	n.m.
Interim dividend	3.1p	3.1p	-

- Revenue grew by 2% in Q1 but exceptional market conditions caused by COVID-19 led to revenue falling 8% in the half with a mixed outcome across our verticals
    - Insurance was affected in April and May with performance improving during June
    - Money was heavily impacted by a significant tightening in lending criteria throughout Q2
    - Strong growth in Home Services in the half
- Adjusted EBITDA of £62.8m, down 14% on prior year
- Robust cash conversion – £41.7m operating cash in the half, net cash £7.5m at 30 June
- Interim dividend maintained at 3.1p, reflecting our strong cashflow characteristics and confidence in the business model
- Progress on Reinvent strategy: strong performance of Decision Tech and launch of automated energy switching on MoneySavingExpert

Mark Lewis, CEO of Moneysupermarket Group, said:

"I'm pleased the Group has been able to help our users save over £1bn already this year when so many households are facing unprecedented financial strain.

"COVID-19 and the lockdown measures have significantly impacted our core markets, but our brands MoneySavingExpert and MoneySuperMarket have risen to the challenge providing useful advice and savings tips to millions.

"Our business model has proved resilient, generating good cashflow throughout the crisis and giving us confidence for the future."

***Notes:**
Adjusted EBITDA is operating profit before depreciation, amortisation and impairment and adjusted for other non-underlying costs as detailed on page 9. This is consistent with how business performance is measured internally.
Adjusted basic earnings per ordinary share is profit before tax adjusted for acquisition related intangible assets and other non-underlying costs as described on page 9, divided by the number of weighted average shares. A tax rate of 19% (2019:19%) has been applied to calculate adjusted EPS.
Net cash/(debt) is cash and cash equivalents less borrowings and does not include deferred consideration or lease liabilities.

Quarter 2 trading

	Revenue for the three months ended 30 June 2020		Revenue for the six months ended 30 June 2020	
	£m	Growth %	£m	Growth %
Insurance	37.5	(22)	89.4	(7)
Money	12.0	(44)	36.5	(22)
Home Services	18.5	27	37.9	11
Other	7.9	(27)	19.4	(14)
Total	**75.9**	**(20)**	**183.2**	**(8)**

- Insurance performance improved as the quarter progressed. In the first two months we saw sharp declines in key channels driven by lockdown measures (e.g. closure of car dealerships, people driving less and the housing market slowing significantly). Revenue in April and May was down 30% and 25% respectively year on year. Travel insurance revenue was negligible throughout the quarter. As lockdown restrictions eased, motor and home insurance recovered in June to year-on-year growth, though this likely benefitted from some pent-up demand. Overall Insurance was down 10% in June.

- Money struggled throughout the quarter with consistent declines in April, May and June of 43%, 45% and 44% respectively year on year. Tightened lending criteria significantly reduced conversion throughout the quarter, and consumer demand also lessened initially.

- Home Services enjoyed strong growth, helped by attractive energy deals and MoneySavingExpert's editorial strength.

- Within Other, Decision Tech performed very strongly, driven by demand for broadband. TravelSupermarket revenue was negligible due to COVID-19 travel restrictions.

Recent performance and outlook

Motor and home insurance have recovered to year-on-year growth, which may moderate as pent-up demand runs its course. Life insurance remains below 2019 levels and we have not seen any significant recovery in travel insurance (or TravelSupermarket) despite some relaxation of travel restrictions.

Money performance remains highly suppressed with tight lending criteria and virtually no promotional banking products. We are not expecting provider credit appetite to improve until there is greater visibility of underlying macroeconomic trends.

Home Services continues to trade well, though the anticipated price cap reduction in the autumn may dampen the level of customer savings.

We remain committed to plans for an additional £5m marketing investment, which will be second-half weighted.

Operating expenditure will continue to be well controlled with admin costs in H2 slightly ahead of H1.

While the uncertainty now inherent in some of our markets makes it difficult to provide financial guidance, we believe we are likely to face greater earnings pressure in H2 than in H1, given our good Q1 performance and the phasing of costs through the year.

Results presentation

A presentation for investors and analysts will be available from 8am at http://corporate.moneysupermarket.com/Investors/reports-and-presentations/2020. A Q&A session will be held at 9.30am with Mark Lewis (CEO) and Scilla Grimble (CFO). This session can be accessed via https://edge.media-server.com/mmc/p/gmr8z6qh.

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Cautionary note regarding forward looking statements

Business review

While the half was impacted by COVID-19, our technology platform, secure infrastructure and established working practices allowed us to operate effectively on a remote basis.

The pandemic has underscored our purpose of "Helping households save money". Early in lockdown we pivoted rapidly to providing greater news content and simple advice to consumers:

- MoneySavingExpert (MSE) made itself the authoritative voice on lockdown finance, amplifying its news service and providing COVID-19 related guidance on key financial issues. This newly created COVID-19 content received over 17m visits during the half.
- MoneySuperMarket introduced the Small Steps campaign, highlighting simple ways to save, and also introduced an innovative mortgage holiday calculator.

MoneySuperMarket saw 12.4m active customers in the past twelve months, and the Group helped consumers save £1.1bn during the half. Our brands remain in very strong health, with a combined Group NPS of 74.

During the half we completed an annual assessment to confirm that we fully offset our 2019 carbon emissions, and we took part in further green initiatives to obtain 'Beyond Carbon Neutral' status. Our partnership with the Prince's Trust is ongoing, and we continue to support local charities, for example our Ewloe catering team is delivering up to 500 meals a week to individuals impacted by COVID-19. MSE also launched 'Academoney' in partnership with the Open University, helping adults improve their financial skills via free, online courses.

We continued to make progress on our Reinvent strategy, with its two strategic objectives to reaccelerate core growth and unlock new market growth.

Reinvent strategy

The first pillar of Reinvent, to reaccelerate core growth, has focused on enhancing customer journeys on desktop and particularly on mobile devices to improve conversion. This optimisation capability is now firmly embedded in our product engineering team.

The second pillar of Reinvent leverages our technology platform to lead the innovation of price comparison and unlock new market growth.

- Personalised MoneySuperMarket

In June we launched a distinctive energy auto-switching service to members of the MSE Cheap Energy Club. As well as featuring our full provider panel, the proposition is further differentiated because it allows users to specify tailored preferences beyond just price (e.g. service rating and green credentials). It leverages our strong MSE brand, and the Group technology platform and commercial arrangements.

This new service will benefit from further promotion on the MSE website and MSE weekly 'Tip' email, particularly as we head into the autumn switching season.

We remain focused on developing our monitoring services to help our customers stay on top of their bills and drive repeated, direct engagement with our services. We continue to see good growth in our monitor propositions with Credit Monitor users in particular generating enhanced contribution versus a relevant control group on a 12-month view. We continue to see evidence of higher customer engagement and cross sell of products, as well as a greater likelihood to return to our website via unpaid sources.

As stated in February, we will support our personalisation agenda and the broader MoneySuperMarket brand with an additional £5m marketing spend this year. The Get Money Calm brand relaunch last year has given us the communications breadth to enable both the Small Steps campaign in April and Money Calm Bull campaign in June.

- Taking price comparison to the user

Decision Tech has continued to grow strongly through the half. Since our preliminary results announcement in February we more than doubled the number of live B2B energy switching partnerships, from six to thirteen at the end of June, including Quidco and Credit Karma. Two further partnerships have gone live in July, including fintech Revolut.

Decision Tech leverages the Group's operational platform whilst maintaining the rapid, agile front-end product development that is key in B2B. Nearly two years on from our acquisition of Decision Tech we remain pleased with the skills it has brought into the Group, the Group capability we have been able to leverage and the value creation the acquisition has delivered.

- Mortgage price comparison

The housing market has slowed due to COVID-19, but the long-term opportunity to digitise mortgage comparison remains attractive. During the half we continued to optimise our on-site journeys and CRM capabilities, including the use of credit file data to identify mortgage anniversary dates. We also added two further product transfer integrations, bringing our total now to six lenders. In response to the introduction of mortgage holidays we launched a free mortgage holiday calculator, helping users understand the subsequent impact of payment deferrals. This tool is one of the top ranked results for mortgage holiday calculators on Google and has also been adopted by major lenders.

Key performance indicators

The Board reviews key performance indicators (KPIs) to assess the performance of the business against the Group's strategy. We measure five key strategic KPIs: estimated customer savings, net promoter score, active users, revenue per active user and marketing margin.

	30 June 2020	**30 June 2019**
Estimated customer savings	£1.1bn	£1.0bn
Net promoter score	74	73
Active users	12.4m	13.0m
Revenue per active user	£16.29	£16.30
Marketing margin	58%	61%

Estimated customer savings:	This is calculated by multiplying sales volume against the average saving per product for core channels, the balance of the calculation is a company estimation.
Net promoter score:	The 12 monthly rolling average NPS (1 Jul 19 - 30 Jun 20 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue for MoneySuperMarket and MoneySavingExpert to create a Group-wide NPS. Note that prior to 2020, TravelSupermarket was included within this KPI and thus the 2019 figure has been restated.
Active users:	The number of unique accounts running enquiries in our core seven channels for MoneySuperMarket (motor insurance, home insurance, life insurance, travel insurance, credit cards, loans and energy) in the last 12 month period.
Revenue per active user:	The revenue for the core seven MoneySuperMarket channels divided by the number of active users for the last 12 months.
Marketing margin:	The inverse relationship between revenue and total marketing spend represented as a percentage. Total marketing spend includes the direct cost of sales plus distribution expenses.

We estimate that our MoneySuperMarket customers saved £1.1bn in the first six months of 2020. This represents a small year-on-year increase, despite the decrease in active users, and is caused primarily by strong savings and switching in the energy channel offsetting declines from travel insurance and credit products.

Trust and satisfaction in our brands remain strong, with a healthy net promoter score slightly ahead of last year.

The number of active users decreased to 12.4 million. This is primarily a result of declines in travel insurance enquiries since March. The reduction is lower than our half-year revenue decline as it is a 12-month cumulative measure.

Revenue per active user remained stable year on year, with the Q2 impact of lower conversion for credit products eroding previous increases in this metric.

The marketing margin reduction reflects the dynamics described under gross profit below.

Financial review

Group revenue decreased by 8% to £183.2m (2019: £199.4m), with profit after tax declining 19% to £40.6m (2019: £50.2m). When reviewing performance, the Board reviews a number of adjusted measures, including adjusted EBITDA which decreased 14% to £62.8m (2019: £72.9m) and adjusted EPS which decreased 15% to 7.9p (2019: 9.4p), as shown in the table below.

Extract from the Consolidated Statement of Comprehensive Income
for the six months ended 30 June

	2020	2019	Growth
	£m	£m	%
Revenue	**183.2**	199.4	(8)
Cost of sales	**(60.7)**	(60.7)	0
Gross profit	**122.5**	138.7	(12)
Operating costs	**(69.8)**	(77.3)	(10)
Operating profit	**52.7**	61.4	(14)
Amortisation and depreciation	**10.1**	11.0	(8)
EBITDA	**62.8**	72.4	(13)
Reconciliation to adjusted EBITDA:			
EBITDA	**62.8**	72.4	(13)
Strategy review and associated reorganisation costs	**-**	0.5	n.m.
Adjusted EBITDA	**62.8**	72.9	(14)
Adjusted earnings per share**:			
– basic (p)	**7.9**	9.4	(15)
– diluted (p)	**7.9**	9.4	(15)

**A reconciliation to adjusted EPS is included within note 5.

Alternative performance measures

The Group uses a number of alternative (non-Generally Accepted Accounting Practice ("non-GAAP")) financial measures which are not defined within IFRS. The Board reviews adjusted EBITDA and adjusted EPS alongside GAAP measures when reviewing the performance of the Group. Executive management bonus targets include an adjusted EBITDA measure and the long-term incentive plans include an adjusted basic EPS measure.

The adjustments are separately disclosed and are usually items that are non-underlying to trading activities and that are significant in size. Alternative performance measures used within these statements are accompanied with a reference to the relevant GAAP measure and the adjustments made. These measures should be considered alongside the IFRS measures.

Revenue
for the six months ended 30 June

	2020	2019	Growth
	£m	£m	%
Insurance	**89.4**	96.1	(7)
Money	**36.5**	46.5	(22)
Home Services	**37.9**	34.2	11
Other	**19.4**	22.6	(14)
Total	**183.2**	199.4	(8)

During the half, Group revenue decreased 8% driven primarily by weaker performance in Insurance and Money.

Insurance revenue declined by 7%. The half started well with Insurance growth of 8% in Q1 driven by strong demand for travel and life insurance as the prospect of the COVID-19 pandemic emerged. However, in Q2 lockdown measures and travel restrictions severely affected revenue. Motor insurance suffered from fewer triggers to switch, in part caused by the lack of car sales and significantly fewer car journeys. The effective closure of the housing market reduced home and life insurance switching, and travel restrictions meant demand for travel insurance was negligible.

As lockdown measures eased, switching levels started to improve. Towards the end of the half home and car insurance returned to revenue growth, albeit this may include some benefit from pent-up demand. Life insurance volumes remained lower than 2019 and demand for travel insurance was negligible.

Money revenue fell 22%. January and February saw a return to revenue growth in both credit and banking products, however we then, particularly in Q2, saw a material decline in Money performance. This was driven by initial weak consumer demand for credit products but predominantly by lasting supply issues. Providers significantly tightened their lending criteria, meaning consumers saw fewer attractive search results for credit products (which in 2019 accounted for over 75% of our Money revenue). Whilst search demand for credit improved as we progressed through Q2 to more normal levels in June, lending criteria remain tightened, leading to significantly lower conversion throughout the quarter.

We saw good initial demand for savings, with revenue peaking in April. Since then there has been very poor availability of attractive banking products, and switching volumes were therefore negligible.

Home Services performance was strong, particularly given the high growth in 2019. Growth of 11% was helped by attractive savings levels in energy, our ability to secure compelling offers and MSE's editorial strength.

Within Other, Decision Tech performed well, maintaining good momentum with continued innovation in its B2B business. Consumer demand for broadband was strong. As expected, demand and supply for TravelSupermarket products were heavily affected by travel bans and quarantine restrictions, causing negligible revenue in Q2.

Gross profit

Gross margin fell from 70% to 67% in the period. This was driven by weaker natural search positions year on year, significantly lower conversion in our Money vertical and the ongoing shift to mobile.

We continue to experience some volatility in our natural search positions for key insurance terms, which were weaker on average than in H1 2019. This means a lower proportion of customers came to us via natural search and led to a c.1% point fall in gross margin.

The tightening of lending criteria by providers meant consumers saw fewer search results for Money products. This led to lower conversion rates, causing a c.1% point decline in gross margin.

Finally, the ongoing shift to mobile, where paid search dominates over natural search due to a smaller screen, continued to erode our gross margin. During lockdown we did not see a substantial change in device usage, with mobile devices continuing to take share.

Operating costs
for the six months ended 30 June

	2020	2019	Growth
	£m	£m	%
Distribution expenses	**16.9**	16.7	1
Administrative expenses	**52.9**	60.6	(13)
Operating costs	**69.8**	77.3	(10)
Within administration expenses			
Amortisation of software	**6.7**	7.6	(12)
Amortisation of acquisition related intangible assets	**1.2**	1.2	0
Depreciation	**2.2**	2.2	0

During Q2, we benefitted from the market-wide deflation seen in media costs, with a 73% uplift in TV ratings versus the prior year. Distribution expenses for the half increased slightly to £16.9m. We remain committed to the additional £5m of marketing spend year on year announced at our preliminary results; this will be weighted to the second half of the year.

Administrative expenses decreased by 13% to £52.9m driven by materially lower incentive accruals and tight control of discretionary spend in response to the COVID-19 situation.

As expected, software amortisation charges for the year decreased from £7.6m to £6.7m reflecting our reducing capital investment in recent years.

Adjusting items
for the six months ended 30 June

	2020	2019	Growth
	£m	£m	%
Amortisation of acquisition related intangible assets	**1.2**	1.2	0
Strategy review and associated reorganisation costs	**-**	0.5	n.m.
	1.2	1.7	(29)

The acquisition of MSE in 2012 by the Group gave rise to £12.9m of intangible assets excluding goodwill. These are being amortised over a period of 3-10 years with a charge of £0.5m in H1 (2019: £0.5m). The acquisition of Decision Tech on 1 August 2018 gave rise to £8.7m of intangible assets, which are being amortised over a period of 3-10 years. The charge incurred in the first half of 2020 is £0.7m (2019: £0.7m). Together these charges were £1.2m (2019: £1.2m).

Dividends

The Board has recommended an interim dividend of 3.1 pence per share (2019: 3.1p), reflecting our confidence in the business and continued strong levels of cash generation.

The interim dividend will be paid on 11 September 2020 to shareholders on the register on 7 August 2020.

Tax

The effective tax rate of 21.0% (2019: 16.9%) is above the UK standard rate of 19.0% (2019: 19.0%). This is due to a charge arising from the revaluation of deferred tax balances following the Government announcement that the standard rate will no longer fall to 17% in the future. The Group expects the underlying effective rate to continue to approximate to the standard rate of corporation tax.

Earnings per share

Basic reported earnings per share for the six months ended 30 June 2020 was 7.6p (2019: 9.4p). Adjusted basic earnings per ordinary share decreased 15% to 7.9p per share.

The adjusted earnings per ordinary share is based on profit before tax before the adjusting items detailed above. A tax rate of 19.0% (2019: 19.0%) is applied to calculate adjusted profit after tax.

Cashflow and balance sheet

The Group generated robust operating cash flows of £41.7m (2019: £51.4m) and finished the period with a net cash position of £7.5m (2019: net debt of £12.6m).

We saw no significant changes to our receivables terms as a result of COVID-19 and have had no need to make any significant provision for bad debts. The Group took advantage of the Government VAT payment deferral scheme, with £8m of VAT payments deferred into 2021. In our cashflow this benefit to working capital was largely offset in the half by the change to the corporation tax payment schedule, resulting in corporation tax payments being £7m higher than our income statement charge.

The Group acquired a stake in CYTI (an existing technology partner for life and travel insurance) in March for £2.8m and repaid £1.4m of loan notes which were part of the deferred consideration on acquisition of Decision Tech.

The Group has a revolving credit facility ("RCF") of £100m in committed funds, which matures in September 2021 with the ability to apply for a one- or two-year extension to this facility. At 30 June 2020 the Group was utilising £5.0m of the facility. The Group also has an accordion option to apply for up to an additional £100m of funds during the term of the RCF.

Investment in technology

Our technology capital expenditure continued to fall in 2020 to £4.4m, reflecting the ongoing shift of spend toward operating expenditure. For the year, we expect technology capital investment to be in the region of £10m and the technology amortisation charge to be in the region of £13m.

Principal Risks and Uncertainties

The Group faces a number of risks and uncertainties that might have an adverse impact on its operations, performance or future prospects. In assessing the principal risks and uncertainties most likely to affect the successful operation of the business in the second half of the year, the Board has considered both the specific impact of COVID-19 and its effect on the underlying principal risks. The principal risks are considered largely unchanged from those outlined in the 2019 financial statements, but COVID-19 has changed the significance of some risks (based on the probability and impact of the risk materialising).

As described in the Financial Review, fewer triggers to switch, the effective closure of certain markets and tightening of provider lending criteria have increased the significance of the principal risks of competitive environment and consumer demands, relevance to partners and economic conditions. The significance of the principal risk of regulation has reduced in the short term as regulators have deferred the implementation of new regulatory requirements.

More information on the principal risks and uncertainties together with an explanation of the Group's approach to risk management is set out in the Annual Report and Accounts for the year ended 31 December 2019 on pages 25 to 39, a copy of which is available on the Group's corporate website http://corporate.moneysupermarket.com.

Directors’ responsibility statement in respect of the half-yearly financial report

Each of the directors, whose names and functions are listed below, confirms that, to the best of his or her knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU
- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so

Name	Function
Robin Freestone	Chair
Mark Lewis	Chief Executive Officer
Scilla Grimble	Chief Financial Officer
Sally James	Senior Independent Non-Executive Director
James Bilefield	Independent Non-Executive Director
Caroline Britton	Independent Non-Executive Director
Supriya Uchil	Independent Non-Executive Director
Sarah Warby	Independent Non-Executive Director

Consolidated statement of comprehensive income
for the six months ended 30 June 2020 and 30 June 2019

	Note	**30 June 2020 £m**	30 June 2019 £m
Revenue	*2*	**183.2**	199.4
Cost of sales		**(60.7)**	(60.7)
Gross profit		**122.5**	138.7
Distribution expenses		**(16.9)**	(16.7)
Administrative expenses		**(52.9)**	(60.6)
Operating profit		**52.7**	61.4
Net finance costs	*3*	**(1.0)**	(0.9)
Share of loss of joint venture	*8*	**(0.3)**	(0.1)
Profit before taxation		**51.4**	60.4
Taxation	*4*	**(10.8)**	(10.2)
Profit for the period		**40.6**	50.2
Other comprehensive income		**2.6**	2.0
Total comprehensive income for the period		**43.2**	52.2
Earnings per share:			
Basic earnings per ordinary share (pence)	*5*	**7.6**	9.4
Diluted earnings per ordinary share (pence)	*5*	**7.6**	9.3

Consolidated statement of financial position

as at 30 June 2020, 31 December 2019 and 30 June 2019

	Note	**30 June 2020 £m**	31 December 2019 £m	30 June 2019 £m
Assets				
Non-current assets				
Property, plant and equipment		**45.0**	44.7	45.8
Intangible assets	*7*	**174.4**	177.9	181.4
Equity accounted investments	8	**3.0**	0.5	0.7
Other investments	9	**8.2**	5.3	5.2
Total non-current assets		**230.6**	228.4	233.1
Current assets				
Trade and other receivables		**50.3**	47.4	53.8
Prepayments		**8.7**	6.3	8.0
Cash and cash equivalents		**12.5**	24.2	12.4
Total current assets		**71.5**	77.9	74.2
Total assets		**302.1**	306.3	307.3
Liabilities				
Non-current liabilities				
Other payables		**34.8**	37.3	33.4
Deferred tax liabilities		**11.0**	10.8	10.3
Total non-current liabilities		**45.8**	48.1	43.7
Current liabilities				
Borrowings		**5.0**	-	25.0
Trade and other payables		**54.7**	52.2	60.7
Current tax liabilities		**-**	6.7	8.1
Total current liabilities		**59.7**	58.9	93.8
Total liabilities		**105.5**	107.0	137.5
Equity				
Share capital		**0.1**	0.1	0.1
Share premium		**204.9**	204.7	204.3
Reserve for own shares		**(3.2)**	(2.9)	(3.1)
Retained earnings		**(68.6)**	(63.4)	(92.2)
Other reserves		**63.4**	60.8	60.7
Total equity		**196.6**	199.3	169.8
Total equity and liabilities		**302.1**	306.3	307.3

Consolidated statement of changes in equity

for the period ended 30 June 2020, 31 December 2019 and 30 June 2019

	Share capital £m	Share premium £m	Reserve for own shares £m	Retained earnings £m	Other reserves £m	Total £m
At 1 January 2019	**0.1**	**204.0**	**(2.6)**	**(59.7)**	**58.7**	**200.5**
Profit for the period	-	-	-	50.2	-	50.2
Other comprehensive income	-	-	-	-	2.0	2.0
Total comprehensive income	-	-	-	50.2	2.0	52.2
Purchase of shares by employee trusts	-	-	(0.5)	-	-	(0.5)
New shares issued	-	0.3	-	-	-	0.3
Equity dividends paid	-	-	-	(83.4)	-	(83.4)
Share-based payments	-	-	-	0.7	-	0.7
At 30 June 2019	**0.1**	**204.3**	**(3.1)**	**(92.2)**	**60.7**	**169.8**
At 1 July 2019	**0.1**	**204.3**	**(3.1)**	**(92.2)**	**60.7**	**169.8**
Profit for the period	-	-	-	44.7	-	44.7
Other comprehensive income	-	-	-	-	0.1	0.1
Total comprehensive income	-	-	-	44.7	0.1	44.8
Exercise of LTIP awards	-	-	0.2	(0.2)	-	-
New shares issued	-	0.4	-	-	-	0.4
Equity dividends paid	-	-	-	(16.6)	-	(16.6)
Share-based payments	-	-	-	0.9	-	0.9
At 31 December 2019	**0.1**	**204.7**	**(2.9)**	**(63.4)**	**60.8**	**199.3**
At 1 January 2020	**0.1**	**204.7**	**(2.9)**	**(63.4)**	**60.8**	**199.3**
Profit for the period	-	-	-	40.6	-	40.6
Other comprehensive income	-	-	-	-	2.6	2.6
Total comprehensive income	-	-	-	40.6	2.6	42.6
Purchase of shares by employee trusts	-	-	(0.3)	-	-	(0.3)
New shares issued	-	0.2	-	-	-	0.2
Equity dividends paid	-	-	-	(46.2)	-	(46.2)
Share-based payments	-	-	-	0.4	-	0.4
At 30 June 2020	**0.1**	**204.9**	**(3.2)**	**(68.6)**	**63.4**	**196.6**

Consolidated statement of cash flows

for the six months ended 30 June 2020 and 30 June 2019

	30 June 2020 £m	30 June 2019 £m
Operating activities		
Profit for the period	**40.6**	50.2
Adjustments to reconcile Group profit to net cash flow from operating activities:		
Depreciation of property, plant and equipment	**2.2**	2.2
Amortisation of intangible assets	**7.9**	8.8
Share of loss of joint venture	**0.3**	0.1
Net finance costs	**1.0**	0.9
Equity settled share-based payment transactions	**0.4**	0.7
Tax charge	**10.8**	10.2
Changes in trade and other receivables	**(5.3)**	(12.2)
Changes in trade and other payables	**1.3**	1.9
Tax paid	**(17.5)**	(10.5)
Net cash flow from operating activities	**41.7**	52.3
Investing activities		
Interest received	**0.1**	0.1
Acquisition of subsidiary	**(1.4)**	-
Acquisition of investments	**(3.2)**	(2.3)
Acquisition of property, plant and equipment	**(1.3)**	(1.5)
Acquisition of intangible assets	**(4.5)**	(6.3)
Net cash used in investing activities	**(10.3)**	(10.0)
Financing activities		
Dividends paid	**(46.2)**	(83.4)
Proceeds from issue of shares	**0.2**	0.3
Share purchases by employee trusts	**(0.3)**	(0.5)
Proceeds from borrowings	**50.0**	40.0
Repayment of borrowings	**(45.0)**	(30.0)
Interest paid	**(0.9)**	(0.8)
Repayment of lease liabilities	**(0.9)**	(0.3)
Net cash used in financing activities	**(43.1)**	(74.7)
Net decrease in cash and cash equivalents	**(11.7)**	(32.4)
Cash and cash equivalents at 1 January	**24.2**	44.8
Cash and cash equivalents at 30 June	**12.5**	12.4

Notes

1. Basis of preparation

Moneysupermarket.com Group plc (the Company) is a public limited company registered and domiciled in England and Wales and listed on the London Stock Exchange.

The financial statements are prepared on the historical cost basis. Comparative figures presented in the financial statements represent the six months ended 30 June 2019.

The financial statements have been prepared on the same basis as those for the year ended 31 December 2019.

Statement of compliance

This condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

These condensed consolidated interim financial statements were approved by the board of directors on 27 July 2020.

Going concern

The directors have prepared the condensed set of consolidated interim financial statements on a going concern basis for the following reasons. The Group is profitable, cash generative and has no external debt external other than the revolving credit facility, “RCF”, (£5m drawn as at 30 June out of the £100m available). The operations of the business have been impacted by COVID-19 and whilst revenue and profit are lower than for the same period in 2019, the Group remains profitable, cash generative and compliant with the covenants of the RCF.

The directors have prepared cash flow forecasts for the Group for a period in excess of 12 months from the date of approval of this condensed set of consolidated interim financial statements and have also considered the effect of COVID-19 upon the Group’s business, financial position, and liquidity in severe, but plausible, downside scenarios, using stress testing and scenario analysis techniques. The scenarios modelled take into account the impacts of COVID-19 and include a base scenario derived from the Group’s current actual trading results. The plausible, severe scenarios modelled, under a detailed exercise at a channel level, included minimal revenue recovery from levels experienced during the lockdown period for the period of the cash flow forecasts.

The scenarios tested showed that the Group will be able to operate at adequate levels of liquidity for at least the next 12 months from the date of signing the condensed set of consolidated interim financial statements. The directors, therefore, consider that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of this condensed set of consolidated interim financial statements and have prepared them on a going concern basis.

2. **Segmental information**

	2020 £m	2019 £m
Segment revenue:		
Insurance	**89.4**	96.1
Money	**36.5**	46.5
Home Services	**37.9**	34.2
Other	**19.4**	22.6
	183.2	199.4
Operating expenses	**(130.5)**	(138.0)
Operating profit	**52.7**	61.4
Net finance costs	**(1.0)**	(0.9)
Share of loss of joint venture	**(0.3)**	(0.1)
Profit before tax	**51.4**	60.4
Taxation	**(10.8)**	(10.2)
Profit for the period	**40.6**	50.2

In applying IFRS 8 *Operating Segments*, the Group discloses three reportable segments. As disclosed in the 2019 Annual Report, we will bring in segmental disclosures under IFRS 8 as part of our year end reporting.

3. **Net finance costs**

	2020 £m	2019 £m
Finance income	**0.1**	0.1
Finance costs	**(1.1)**	(1.0)
Net finance costs	**(1.0)**	(0.9)

4. **Taxation**

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the effective tax rate expected for the full financial year.

The Group's consolidated effective tax rate for the six months ended 30 June 2020 was 21.0% (six months ended 30 June 2019: 16.9%). The increase in effective tax rate is mainly due to a deferred tax charge arising from a change in the standard rate of corporation tax. In addition, the comparative effective tax rate includes a favourable prior year adjustment in respect of 2018.

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Group's future current tax charge.

5. **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year. The Company's own shares held by employee trusts are excluded when calculating the weighted average number of ordinary shares outstanding.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Earnings per share

Basic and diluted earnings per share have been calculated on the following basis:

	2020 £m	2019 £m
Profit after taxation attributable to ordinary shareholders	**40.6**	50.2
Basic weighted average ordinary shares in issue (millions)	**536.4**	536.3
Dilutive effect of share based instruments (millions)	**0.4**	0.8
Diluted weighted average ordinary shares in issue (millions)	**536.8**	537.1
Basic earnings per ordinary share (pence)	**7.6**	9.4
Diluted earnings per ordinary share (pence)	**7.6**	9.3

Adjusted basic and diluted earnings per share have been calculated as follows:

	2020 £m	**2019 £m**
Profit before tax	**51.4**	60.4
Amortisation of acquisition related intangible assets	**1.2**	1.2
Strategy related one-off costs	**-**	0.5
	52.6	62.1
Estimated taxation at 19.00% (2019: 19.00%)	**(10.0)**	(11.8)
Profit for adjusted EPS purposes	**42.6**	50.3
Basic adjusted earnings per share (pence)	**7.9**	9.4
Diluted adjusted earnings per share (pence)	**7.9**	9.4

6. **Dividends**

	2020	2019
	£m	£m
Equity dividends on ordinary shares:		
Final dividend for 2019: 8.61 pence per share (2018: 8.10 pence per share)	**46.2**	43.4
Special dividend for 2019: £nil (2018: 7.46 pence per share)	**-**	40.0
	46.2	83.4
Proposed for approval (not recognised as a liability as at 30 June):		
Interim dividend for 2020: 3.1 pence per share (2019: 3.10 pence per share)	**16.6**	16.6

7. **Intangible assets**

	Market related	**Customer relationships**	**Customer lists**	**Technology related**	**Goodwill**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Cost						
At 1 January 2019	155.3	69.3	2.3	98.1	212.6	537.6
Additions	-	-	-	6.3	-	6.3
At 30 June 2019	155.3	69.3	2.3	104.4	212.6	543.9
Amortisation						
At 1 January 2019	145.1	69.3	2.3	62.9	74.3	353.9
Charged in period	0.8	-	-	7.9	-	8.7
At 30 June 2019	145.9	69.3	2.3	70.7	74.3	362.5
Net book value						
At 1 January 2019	10.2	-	-	35.2	138.3	183.7
At 30 June 2019	**9.4**	**-**	**-**	**33.7**	**138.3**	**181.4**
Cost						
At 1 January 2020	155.3	69.3	2.3	108.7	212.6	548.2
Additions	-	-	-	4.4	-	4.4
At 30 June 2020	155.3	69.3	2.3	113.1	212.6	552.6
Amortisation						
At 1 January 2020	146.8	69.3	2.3	77.6	74.3	370.3
Charged in period	0.8	-	-	7.1	-	7.9
At 30 June 2020	147.6	69.3	2.3	84.7	74.3	378.2
Net book value						
At 1 January 2020	8.5	-	-	31.1	138.3	177.9
At 30 June 2020	**7.7**	**-**	**-**	**28.4**	**138.3**	**174.4**

8. **Equity accounted investments**

	Podium Solutions Limited (50%) £m	CYTI (Holdings) Limited (28%) £m	Total £m
At 30 June 2019			
Investment	1.0	-	1.0
Group share of loss brought forward	(0.2)	-	(0.2)
Group share of loss for the period	(0.1)	-	(0.1)
	0.7	**-**	**0.7**
At 31 December 2019			
Investment	1.0	-	1.0
Group share of loss brought forward	(0.2)	-	(0.2)
Group share of loss for the period	(0.3)	-	(0.3)
	0.5	**-**	**0.5**
At 30 June 2020			
Investment	1.0	2.8	3.8
Group’s share of loss brought forward	(0.5)	-	(0.5)
Group’s share of loss for the period	(0.3)	0.0	(0.3)
	0.2	**2.8**	**3.0**

9. **Other investments**

	1 January 2020 £m	Additions £m	Fair value uplift £m	30 June 2020 £m
Truelayer Limited	1.5	-	-	1.5
Flagstone Investment Management Limited	2.5	0.3	0.8	3.6
By Miles Ltd	1.0	-	1.6	2.6
Plum Fintech Limited	0.3	-	0.2	0.5
	5.3	0.3	2.6	8.2

Investments are measured at fair value, using the latest unquoted share price of recent transactions, with updates made as required considering market conditions at year end. This valuation method falls under level 3 as defined by IFRS 13 *Fair Value Measurements.*

Sensitivity analysis

For the fair value of investments, a 5% movement in share price would have an effect of £0.4m on the total value.

10. **Related party transactions**

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers. Robin Freestone, Scilla Grimble, and Sally James in total received dividends from the Group totalling £12,812 (2019: £10,331).

11. **Commitments and contingencies**

The Group is committed to incur capital expenditure during the remainder of 2020 of £0.4m (2019: £nil).

Along with most companies of our size, the Group is a defendant in a small number of disputes incidental to its operations and from time to time is under regulatory scrutiny.

As a leading website operator, the Group occasionally experiences operational issues as a result of technological oversights that in some instances can lead to customer detriment, dispute and potentially cash outflows. The Group has a professional indemnity insurance policy in order to mitigate liabilities arising out of events such as this. In aggregate, the commitments and contingencies outlined above are not expected to have a material adverse effect on the Group.

12. **Post balance sheet events**

There are no significant post balance sheet events.

INDEPENDENT REVIEW REPORT TO MONEYSUPERMARKET.COM GROUP PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in the notes, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Suvro Dutta
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

27 July 2020

Appendix

Statutory Information

The financial information set out above does not constitute the Company's statutory accounts for the six months ended 30 June 2020 or 30 June 2019 but is derived from those accounts. Statutory accounts for 2019 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Annual General Meeting took place on 7 May 2020. The interim dividend will be payable on 11 September 2020 to shareholders on the register at the close of business 7 August 2020.

Presentation of figures

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.