22 July 2021

Moneysupermarket.com Group PLC interim results for the six months ended 30 June 2021

Strategic execution on track amid tough market conditions

6 months ended 30 June	2021	2020	Growth %
Group revenue	£162.3m	£183.2m	(11)
Adjusted EBITDA *	£51.3m	£62.8m	(18)
Profit after tax	£28.0m	£40.6m	(31)
Adjusted basic EPS *	6.1p	7.9p	(23)
Basic EPS	5.2p	7.6p	(31)
Operating cashflow	£35.1m	£41.7m	(16)
Net cash/(debt) *	£8.8m	£7.5m	17
Interim dividend	3.1p	3.1p	-

- Strategy implementation on track with good progress made in attracting customers more efficiently and improving our data infrastructure
- Revenue fell 11% due to Covid-19 market impacts and challenging energy market dynamics
- Gross margin was up c.3%pts driven by more efficient customer acquisition and improved conversion in Money
- Adjusted EBITDA fell 18%, with operating costs in line with guidance
- Strong cash conversion: £35.1m operating cashflow with net cash £8.8m at 30 June 2021
- Interim dividend maintained at 3.1p, reflecting robust cash generation and confidence in the business

Peter Duffy, CEO of Moneysupermarket Group, said:

"I'm delighted that we have again helped millions of UK households save on their bills, while providing valuable financial information and tools through these uncertain times.

Strategic improvements to the business are progressing well, delivering good margin gains.

Our markets are still on the road to recovery ahead of what should be more normal trading conditions in 2022. Cash generation remains strong, with the dividend reflecting our confidence in the business and opportunities ahead."

Outlook

Our markets are recovering at different rates. In Insurance our channels, excluding travel, have returned to more normal trading conditions. We anticipate continuing gradual improvement in Money this year. The expected increase in the energy price cap in October should improve customer savings levels, assuming wholesale energy prices decline. On this basis the Board is confident of delivering market expectations for the year.

***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% (2020:19%) 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.
Market expectations of adjusted EBITDA for 2021 from the analyst consensus on our investor website are in a range of £96.6m to £117.6m, with an average of £108.1m.

Quarter 2 trading

	Revenue for the 3 months ended 30 June 2021		Revenue for the 6 months ended 30 June 2021	
	£m	Growth %	£m	Growth %
Insurance	39.5	5	80.5	(10)
Money	17.2	43	35.3	(3)
Home Services	19.5	(26)	45.5	(14)
Travel	0.6	155	1.0	(77)
Total	**76.8**	**1**	**162.3**	**(11)**

Note: we have changed our segments in line with changes in our organisational structure implemented in the half. Decision Tech (B2B and B2C) is now included within Home Services and Travel is revenue from TravelSupermarket. 2020 comparatives have been restated on the same basis.

Revenue for the quarter increased 1% year-on-year, with recovery in Insurance and Money (versus a heavily impacted Q2 2020) offset by Home Services, where market conditions deteriorated.

- Car insurance returned to year-on-year growth, although from June we started to lap the strong prior year market growth that continued into Q4. Travel insurance revenue remained negligible given ongoing restrictions.
- Money continued to benefit from gradually improving conversion in cards and loans.
- In Home Services, energy revenue was weaker. The energy price cap increase in April was insufficient to offset sharply rising wholesale prices. As a result, across the market, providers had few attractive tariffs available and customer savings levels were low.
- TravelSupermarket revenue has yet to recover given ongoing travel restrictions.

Results presentation

A presentation for investors and analysts will be available from 8am at http://corporate.moneysupermarket.com/Investors/results-centre. A Q&A session will be held at 9.30am with Peter Duffy (CEO) and Scilla Grimble (CFO). This session can be accessed via https://edge.media-server.com/mmc/p/4e5qwoub

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Cautionary note regarding forward looking statements

This announcement 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 Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules, Disclosure and Transparency Rules and applicable law, the company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date such statements are published.

Business review

We have made good progress executing our strategy, with encouraging results in customer acquisition efficiency and improving our marketing and data platforms.

MoneySavingExpert ("MSE") updated the site's visual identity and navigation, making it even easier to use. MSE continued its successful consumer campaigns, for example calling for the regulation of Buy Now, Pay Later products, which was accepted by the Woolard Review and subsequently the Treasury. It continues to be a highly trusted and valued site – YouGov again rated MSE the most recommended brand in the UK, ahead of over 1,600 brands in more than forty categories.

MoneySuperMarket ("MSM") saw 10.2m active users in the half and helped consumers save £0.8bn on their household bills, despite the reduced savings levels available in energy and car insurance.

The Group joined other leading UK tech companies in founding the Tech Zero taskforce in March and we announced our commitment to be net zero by 2030. We remain "Beyond Carbon Neutral", offsetting 150% of our carbon emissions through verified carbon offset projects. Our partnership with The Prince's Trust is ongoing and we continue to support local charities with volunteering and fundraising programmes.

We continued to support our colleagues to work from home with online collaborative tools, learning events and wellbeing initiatives. We also maintained our focus on Diversity and Inclusion, with a programme that included leadership training, a diversity mentoring scheme and various colleague-led awareness activities.

Strategic progress

- **Efficient acquisition**

We aim to attract consumers to our sites in the most cost-effective way. This means optimising our paid search ("PPC"), search engine optimisation ("SEO"), and above-the-line marketing.

By the end of the half we had transitioned all MSM channels to Google SA360, a leading PPC bidding platform. We delivered significant gross margin improvements, especially in Insurance, as we increased our use of data to bid more effectively. We will continue to refine and optimise our bidding strategies as we use the full functionality of the new bidding platform together with our enhanced data capabilities.

SEO brings large volumes of free search traffic to our site. We have migrated most of the MSM site to an updated content platform that enables faster page loading, leaner and more efficient pages, and other technical advantages. This has helped us to weather the recent Google Core Web Vitals algorithm update without significant impact to our SEO positions.

We continue to review all aspects of efficient acquisition including customer incentives. We tested removing our life insurance incentive during the half and in May launched a trial incentive giving every customer that purchases car insurance through MSM up to £150 of vouchers towards car ownership expenses. These vouchers can be redeemed through the year and are accessed via the MSM dashboard, providing further opportunities to engage with our customers. Although we are at an early stage, initial results are promising.

Above-the-line marketing is an important driver of traffic to our website. We can sharpen the MSM brand positioning and more directly show consumers the many ways they can save on our site. In the second half we will launch a new creative campaign to this effect.

- **Retain and grow**

We want to retain customers and help them switch more of their household bills. We do this through our monitoring products, reminders of policy end and other key dates, and by continuing to promote other ways they can save with us.

Customer engagement is a key element of this. We have now integrated the Braze customer engagement platform, bringing enhanced capability to the Group. As well as enabling efficient, coordinated and data-driven marketing campaigns across the app, web and email, Braze interfaces with our data infrastructure to deliver tailored, relevant messages to our users. We have transitioned over a third of our email campaigns and sent over 50 million emails using the platform already. We will also add end of policy / tariff renewal emails for several new channels by the end of the year.

Pick Me A Tariff every year, MSE's innovative energy proposition, grew well and is taking an increasing proportion of MSE energy switches. It has over 140k users subscribed, with early adopters now coming up to their first renewal. An additional 130k users have switched via the Pick Me A Tariff mechanism since launch, representing a future upsell opportunity into the "every year" proposition.

- **Expanding our offer**

In May we announced that TravelSupermarket will combine with Icelolly.com to create a standalone holiday comparison business. The combination will benefit customers of both brands with a richer and more diversified offer as travel and holiday markets recover. As well as unlocking commercial benefits, the creation of a standalone entity under a travel-focused management team will give us greater flexibility to maximise shareholder returns. We expect to receive a decision on regulatory clearance towards the end of summer.

Our mortgage proposition advanced further with the launch of a third decision-in-principle re-mortgage journey, this time with Natwest. This means we have a decision in principle journey with providers that represent around 35% of the lending market.

- **Supporting infrastructure and capabilities**

Data and how we use it is integral to our strategy. The modernisation of our data infrastructure and capabilities will shorten and simplify internal processes as well as enabling greater analysis and testing to improve our offer. It will also benefit users, for example through recommending more intelligent 'next best actions' and streamlining subsequent enquiries.

In the half we made strong progress, moving towards Google Cloud Platform ("GCP") as our core data platform. GCP will allow us to store all of our data in a single location, and brings with it strong analytical tools to interrogate that data. In the second half we will surface more of our data, enabling marketing, commercial and product improvements based on analytical insight.

FCA General Insurance review

The FCA has finalised its regulations on general insurance pricing, which are in line with expectations. They put in place regulation against 'price walking' in car and home insurance but also make it easier for consumers to opt out of policy auto-renewal. The regulations come into effect in January 2022.

As a group we have adapted well to all the regulatory changes we have seen over the last several years and are confident that these regulations represent opportunity for us as much as change. We believe our markets should be relatively unaffected by these reforms – using a price comparison website ("PCW") to be confident of receiving the best price is an ingrained behaviour for many consumers. According to surveys run on MSM, 60% of our enquirers for car and home insurance use a PCW every year.

The 'price-walking' reforms will provide some protection to customers, however, as has proven to be the case with the energy price cap, it often remains in a customer's interest to switch.

The auto-renewal changes will help customers by relieving a real pain point from today's customer journey and make it easier for them to switch and save. This should also improve conversion on our sites.

It will become clearer over time how insurers adapt their pricing strategies but we do expect the reforms to cause price changes in the near term. Such price changes will drive enquiry volumes in 2022.

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 2021	30 June 2020
Estimated customer savings	£0.8bn	£1.1bn
Net promoter score	71	74
Active users	10.2m	12.4m
Revenue per active user	£17.00	£16.29
Marketing margin	61%	58%

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 2020 - 30 Jun 2021 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue for MoneySuperMarket and MoneySavingExpert to create a Group-wide NPS.
Active users:	The number of unique accounts running enquiries in our core seven channels for MoneySuperMarket (car 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 MoneySuperMarket customers saved £0.8bn in the first six months of 2021. The year-on-year decline reflects market factors including significantly lower energy savings, lower car premiums and the Covid-19 restrictions on travel.

Group NPS remained healthy at 71 demonstrating that trust and satisfaction in our brands remain high. The decline over the last year reflects a trend experienced across our PCW peer group. MSE has for the second year running been named the most recommended UK brand by YouGov.

Active user numbers fell to 10.2m, driven by negligible travel insurance enquiries (normally a high volume channel) and a reduction in car enquiry volumes.

Revenue per active user increased £0.71 to £17.00 reflecting increased conversion in car (associated with falling premiums and lower enquiries) and a mix away from travel insurance.

The marketing margin increase reflects the gross margin improvements described below.

Financial review

Group revenue decreased 11% to £162.3m (2020: £183.2m), with profit after tax declining 31% to £28.0m (2020: £40.6m). When reviewing performance, the Board reviews several adjusted measures, including adjusted EBITDA which decreased 18% to £51.3m (2020: £62.8m) and adjusted EPS which decreased 23% to 6.1p (2020: 7.9p), as shown in the table below.

Extract from the Consolidated Statement of Comprehensive Income

for the six months ended 30 June

	2021	2020	Growth
	£m	£m	%
Revenue	**162.3**	183.2	(11)
Cost of sales	**(48.4)**	(60.7)	(20)
Gross profit	**113.9**	122.5	(7)
Operating costs	**(75.1)**	(69.8)	8
Operating profit	**38.8**	52.7	(26)
Amortisation and depreciation	**11.1**	10.1	10
EBITDA	**49.9**	62.8	(21)
Reconciliation to adjusted EBITDA:			
EBITDA	**49.9**	62.8	(21)
Deal fees and associated costs	**1.4**	-	n.m
Adjusted EBITDA	**51.3**	62.8	(18)
Adjusted earnings per share**:			
– basic (p)	**6.1**	7.9	(23)
– diluted (p)	**6.1**	7.9	(23)

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

Alternative performance measures

We use 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

	2021	2020	Growth
	£m	£m	%
Insurance	80.5	89.4	(10)
Money	35.3	36.5	(3)
Home Services	45.5	53.0	(14)
Travel	1.0	4.3	(77)
Total	**162.3**	183.2	**(11)**

Note: we have changed our segments in line with changes in our organisational structure implemented in the half. Decision Tech (B2B and B2C) is now included within Home Services and Travel is revenue from TravelSupermarket. 2020 comparatives have been restated on the same basis.

Insurance

Insurance revenue decreased 10% or 3% excluding travel insurance (for which demand remained negligible).

Decreasing car insurance premiums drove fewer enquiries but strong conversion. The channel returned to year on year growth in Q2. The home insurance market is subdued, with reductions in renewal premiums limiting enquiry growth. Life insurance revenue was down year on year, lapping strong 2020 comparables in Q1.

Although car premiums remain significantly lower year on year, we have now started to see month on month growth. However, we are now lapping last year's release of pent-up demand which drove good market growth in H2.

Money

Money revenue fell 3%. The start of the year was impacted by lower year-on-year search demand for credit products, in particular the lack of "seasonal peak" in credit card demand. In recent weeks, market demand has been at 2020 levels, still some way below 2019.

Conversion improved in the half as lending criteria continued to gradually loosen. We expect this to continue in the second half. We have seen some signs of promotional products returning within banking.

Home Services

Home Services revenue decreased 14% driven by weaker trading in energy in particular. In the half energy was around 50% of Home Services revenue.

MSE's distinctive energy auto-switch proposition, Pick Me A Tariff every year, saw good growth. The service now has over 140k subscribers, and conversion remains extremely strong. A further 130k users have switched via the Pick Me A Tariff mechanism; these represent an upsell opportunity into the "every year" proposition.

Steep wholesale energy price rises meant there were few attractive tariffs in the market, and lower customer savings as a result – despite the April price cap increase. With savings at less than half the level of the prior year, we saw lower conversion on our sites. We understand this to reflect a trend across the wider market.

Home comms performance lapped the strong Q2 trading seen last year during the first lockdown when consumer demand for broadband increased substantially.

B2B Home Services continued to see double-digit growth in the half.

Given the rising wholesale energy prices we expect a substantial rise in the price cap (announced in August, effective from October). This should increase energy saving levels, assuming that wholesale prices decline.

Travel

Demand for TravelSupermarket was heavily affected by travel restrictions, leading to negligible revenue in the half.

Gross profit

Gross margin increased from 67% to 70% year on year.

Approximately two thirds of this increase was due to improvements in our customer acquisition strategies including the more granular use of data to optimise PPC bidding and the testing of customer incentives. The remainder of the increase was mainly due to improved borrowing performance as conversion within Money grew.

Channel mix was broadly neutral with the reduction in travel insurance and MSE energy (relatively lower margin channels) offsetting growth in Home Services B2B (where margins are structurally significantly lower).

We continued to see a shift to mobile devices, where margins are lower than on desktop. Mobile devices accounted for 59.8% of visitors to MSM in the half (2020: 56.9%). However, since almost all of this shift came from tablet, with desktop mix stable year on year, there was no significant impact to gross margin.

Operating costs
for the six months ended 30 June

	2021	2020	Growth
	£m	£m	%
Distribution expenses	**14.6**	16.9	(13)
Administrative expenses	**60.5**	52.9	14
Operating costs	**75.1**	69.8	8
Within administration expenses			
Amortisation of software	**7.4**	6.7	11
Amortisation of acquisition related intangible assets	**1.5**	1.2	20
Depreciation	**2.2**	2.2	1

Distribution expenses reduced in the half due to a planned reduction in media spend. Amortisation of software increased as some existing data infrastructure assets will have a shorter useful life given the transition to GCP as part of the change to our data strategy. These assets have therefore seen an accelerated charge in the period, as guided previously.

Other administration expenses have risen with the return of employee incentive accruals, the consolidation of CYTI costs (from January 2021) and lower capitalisation of internal resource. We continue to expect full-year operating costs (excluding depreciation and amortisation) slightly above 2019 (i.e., pre Covid-19) levels.

Adjusting items*

for the six months ended 30 June

	2021	2020	Growth
	£m	£m	%
Amortisation of acquisition related intangible assets	**1.5**	1.2	20
Deal fees and associated costs	**1.4**	-	n.m
Change in fair value of investment	**0.7**	-	n.m
	3.6	1.2	n.m

* *Amortisation of acquisition related intangible assets and the change in fair value of investment are not included in EBITDA and therefore are only adjusting items in the adjusted EPS calculation. Deal fees and associated costs are adjusting items in both the adjusted EBTIDA and adjusted EPS calculations.*

The acquisitions of MSE in 2012, Decision Tech in 2018 and CYTI in 2021 gave rise to intangible assets (excluding goodwill) of £12.9m, £8.7m and £3.4m respectively. These are each being amortised over a period of 3-10 years and the charge increased to £1.5m (2020: £1.2m) due to the acquisition of CYTI this year.

The acquisition of CYTI required a revaluation at acquisition date of the Group's existing 28% holding which was previously equity-accounted for. The investment's valuation was previously determined as its value in use from the Group's perspective and therefore no adjustment was made to reflect the concentration of CYTI's revenues with the Group. However, the acquisition accounting under IFRS 3 *Business combinations* requires us to reflect the fair value for CYTI from an external (market participant) view. A market participant would discount CYTI's valuation for this revenue concentration risk; this resulted in a £0.7m decrease in the fair value of the 28% investment.

The Group incurred £1.4m of one-off deal fees and associated costs relating to the planned combination of TravelSupermarket and IceLolly.com; these costs have been treated as an adjusting item.

Dividends

The Board has recommended an interim dividend of 3.1 pence per share (2020: 3.1p). This reflects the ongoing strong cash generation of the business, strong balance sheet and the Board's confidence in the future prospects of the Group.

The interim dividend will be paid on 3 September 2021 to shareholders on the register on 30 July 2021.

Tax

The effective tax rate of 24.4% (2020: 21.0%) is above the UK standard rate of 19.0% (2020: 19.0%). This is due to a charge arising from the revaluation of deferred tax liabilities following the Government announcement that the standard rate of corporation tax will increase to 25% in April 2023.

Earnings per share

Basic reported earnings per share for the six months ended 30 June 2021 was 5.2p (2020: 7.6p). Adjusted basic earnings per ordinary share decreased 23% to 6.1p per share (2020: 7.9p). This represents a larger decrease than at EBITDA level, due primarily to depreciation and amortisation charges increasing year on year.

The adjusted earnings per ordinary share is based on profit before tax before the adjusting items detailed above. A tax rate of 19.0% (2020: 19.0%) is applied to calculate adjusted profit after tax.

Cashflow and balance sheet

The Group generated robust operating cash flows of £35.1m (2020: £41.7m) and finished the period with a net cash position of £8.8m (2020: £7.5m).

The working capital outflow of £6.4m was largely driven by lower payables. This relates to the payment in the half of c.£8m of VAT which was deferred from last year under the Government's automatic VAT payment deferral scheme. This was partly offset by the return of employee incentive accruals which will not be paid in cash until 2022. Trade and other receivables also increased slightly due to the timing of marketing prepayments.

The Group paid £0.7m in cash in respect of the acquisition of CYTI (see note below) and received £2.1m for the disposal of our investment in open banking software provider, TrueLayer.

The Group has a revolving credit facility ("RCF") of £90m which is available until September 2023. The Group also has an accordion option to apply for up to £100m of additional funds during the term of the RCF. The RCF was undrawn at 30 June 2021.

Capital expenditure

Our technology capital expenditure was £3.5m (2020: £4.4m), due to lower capitalisation of internal resource. For the year, we expect technology capex to be in the region of £10m and the technology amortisation charge to be in the region of £15m.

The amortisation charge for 2021 includes accelerated amortisation of several data infrastructure assets. This is due to a transition to Google Cloud Platform in 2021 as we enhance our infrastructure to make data more accessible and allow faster, more efficient and insightful analysis and decision making.

CYTI investment

In March 2020, the Group acquired a 28% shareholding in CYTI (for £2.8m) and took a call option to purchase the remainder of the business. The investment forged closer links with an important partner in our travel, life and pet insurance channels and gave the Group the option for more control over these key channels. In January 2021, the Group acquired the remaining share capital of CYTI for a cash amount of £1.1m, £0.7m having been paid and £0.4m being contingent (see note 12 to the financial statements below for more detail).

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 for use in the UK;

- 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
Peter Duffy	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 2021 and 30 June 2020

	Note	**2021** **£m**	2020 £m
Revenue	*2*	**162.3**	183.2
Cost of sales		**(48.4)**	(60.7)
Gross profit		**113.9**	122.5
Distribution expenses		**(14.6)**	(16.9)
Administrative expenses		**(60.5)**	(52.9)
Operating profit		**38.8**	52.7
Change in fair value of financial instruments		**(0.7)**	-
Net finance costs	*3*	**(0.8)**	(1.0)
Share of loss of joint venture	*8*	**(0.4)**	(0.3)
Profit on disposal of asset		**0.1**	-
Profit before taxation		**37.0**	51.4
Taxation	*4*	**(9.0)**	(10.8)
Profit for the period		**28.0**	40.6
Other comprehensive income	*9*	**0.7**	2.6
Total comprehensive income for the period		**28.7**	43.2
Earnings per share:			
Basic earnings per ordinary share (pence)	*5*	**5.2**	7.6
Diluted earnings per ordinary share (pence)	*5*	**5.2**	7.6

Consolidated statement of financial position

as at 30 June 2021, 31 December 2020 and 30 June 2020

	Note	**30 June 2021 £m**	31 December 2020 £m	30 June 2020 £m
Assets				
Non-current assets				
Property, plant and equipment		**41.0**	42.6	45.0
Intangible assets	*7*	**171.5**	170.8	174.4
Equity accounted investments	8	**0.1**	2.6	3.0
Other investments	9	**6.7**	8.2	8.2
Total non-current assets		**219.3**	224.2	230.6
Current assets				
Derivative financial assets		**-**	3.5	-
Trade and other receivables		**44.2**	45.1	50.3
Prepayments		**11.5**	8.8	8.7
Cash and cash equivalents		**8.8**	23.6	12.5
Total current assets		**64.5**	81.0	71.5
Total assets		**283.8**	305.2	302.1
Liabilities				
Non-current liabilities				
Other payables		**29.8**	30.7	34.8
Deferred tax liabilities		**12.8**	11.4	11.0
Total non-current liabilities		**42.6**	42.1	45.8
Current liabilities				
Borrowings		**-**	-	5.0
Trade and other payables		**50.5**	54.6	54.7
Current tax liabilities		**(1.0)**	-	-
Total current liabilities		**49.5**	54.6	59.7
Total liabilities		**92.1**	96.7	105.5
Equity				
Share capital		**0.1**	0.1	0.1
Share premium		**205.3**	205.0	204.9
Reserve for own shares		**(2.2)**	(2.8)	(3.2)
Retained earnings		**(75.6)**	(57.2)	(68.6)
Other reserves		**64.1**	63.4	63.4
Total equity		**191.7**	208.5	196.6
Total equity and liabilities		**283.8**	305.2	302.1

Consolidated statement of changes in equity

for the period ended 30 June 2021, 31 December 2020 and 30 June 2020

	Share capital £m	Share premium £m	Reserve for own shares £m	Retained earnings £m	Other reserves £m	Total £m
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	43.2
Purchase of shares by employee trusts	-	-	(0.3)	-	-	(0.3)
New shares issued	0.0	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**
At 1 July 2020	**0.1**	**204.9**	**(3.2)**	**(68.6)**	**63.4**	**196.6**
Profit for the period	-	-	-	28.7	-	28.7
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	28.7	-	28.7
Purchase of shares by employee trusts	-	-	(0.6)	-	-	(0.6)
Exercise of LTIP awards	-	-	1.0	(1.0)	-	-
New shares issued	0.0	0.1	-	-	-	0.1
Equity dividends paid	-	-	-	(16.6)	-	(16.6)
Share-based payments	-	-	-	0.3	-	0.3
At 31 December 2020	**0.1**	**205.0**	**(2.8)**	**(57.2)**	**63.4**	**208.5**
At 1 January 2021	**0.1**	**205.0**	**(2.8)**	**(57.2)**	**63.4**	**208.5**
Profit for the period	-	-	-	28.0	-	28.0
Other comprehensive income	-	-	-	-	0.7	0.7
Total comprehensive income	-	-	-	28.0	0.7	28.7
Exercise of LTIP awards	-	-	0.6	(0.6)	-	-
New shares issued	0.0	0.3	-	-	-	0.3
Equity dividends paid	-	-	-	(46.2)	-	(46.2)
Share-based payments	-	-	-	0.4	-	0.4
At 30 June 2021	**0.1**	**205.3**	**(2.2)**	**(75.6)**	**64.1**	**191.7**

Consolidated statement of cash flows

for the six months ended 30 June 2021 and 30 June 2020

	2021	2020
	£m	£m
Operating activities		
Profit for the period	**28.0**	40.6
Adjustments to reconcile Group profit to net cash flow from operating activities:		
Amortisation of intangible assets	**8.9**	7.9
Depreciation of property, plant and equipment	**2.2**	2.2
Profit on disposal of assets	**(0.1)**	-
Share of loss of joint venture	**0.3**	0.3
Change in fair value of financial instruments	**0.7**	-
Net finance costs	**0.8**	1.0
Equity settled share-based payment transactions	**0.4**	0.4
Tax charge	**9.0**	10.8
Changes in trade and other receivables	**(1.8)**	(5.3)
Changes in trade and other payables	**(4.6)**	1.3
Tax paid	**(8.7)**	(17.5)
Net cash flow from operating activities	**35.1**	41.7
Investing activities		
Interest received	**-**	0.1
Acquisition of subsidiary	**(0.5)**	(1.4)
Acquisition of investments	**(0.4)**	(3.2)
Acquisition of property, plant and equipment	**(0.4)**	(1.3)
Acquisition of intangible assets	**(3.5)**	(4.5)
Proceeds from sale of property, plant and equipment	**0.5**	-
Proceeds from sale of investments	**2.1**	-
Net cash used in investing activities	**(2.2)**	(10.3)
Financing activities		
Dividends paid	**(46.2)**	(46.2)
Proceeds from issue of shares	**0.4**	0.2
Share purchases by employee trusts	**-**	(0.3)
Proceeds from borrowings	**10.0**	50.0
Repayment of borrowings	**(10.0)**	(45.0)
Interest paid	**(0.8)**	(0.9)
Repayment of lease liabilities	**(1.1)**	(0.9)
Net cash used in financing activities	**(47.7)**	(43.1)
Net decrease in cash and cash equivalents	**(14.8)**	(11.7)
Cash and cash equivalents at 1 January	**23.6**	24.2
Cash and cash equivalents at 30 June	**8.8**	12.5

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 2020.

The financial statements have been prepared on the same basis as those for the year ended 31 December 2020.

Statement of compliance

This condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK. The annual financial statements of the group for the year ended 31 December 2021 will be prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2020 which were prepared in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006..

These condensed consolidated interim financial statements were approved by the board of directors on 21 July 2021.

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 other than the revolving credit facility, ‘RCF’ (£nil drawn as at 30 June 2021 and £nil drawn down post period end, out of the £90m available). The operations of the business have been impacted by Covid-19 and whilst revenues have decreased since lockdown commenced compared to the same period in 2020, the Group remains profitable, cash generative and compliant with the covenants of the RCF.

The directors have prepared cash flow forecasts for the Group, including its cash position, for a period of at least 12 months from the date of approval of this condensed set of consolidated interim financial statements. The directors have also considered the effect of Covid-19 upon the Group’s business, financial position, and liquidity in severe, but plausible, downside scenarios, using a reverse stress test, and scenario analysis techniques. These scenarios modelled included considering whether the potential impacts of the lockdown restrictions and impact on the wider economy could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group’s current and projected cash and facilities (a reverse stress test).

The scenarios tested showed that the Group will be able to operate at adequate levels of liquidity for a period of at least 12 months from the date of approval of this 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 the next 12 months and have prepared this condensed set of consolidated interim financial statements on a going concern basis.

2. **Segmental information**

Below we report a measure of profitability at segment level that reflects the way performance is assessed internally. The Group has a number of teams, capabilities and infrastructure which are used to support all verticals e.g. data warehousing and brand marketing. These are shared costs of the Group rather than "central costs". We have concluded there is no direct or accurate basis for allocating these costs to the operating segments and therefore they are disclosed separately, which is how they are presented to the Chief Operating Decision Maker.

The Group's reportable segments are Insurance, Money, Home Services and Travel. These segments represent individual trading verticals which are reported separately for revenue and directly attributable expenses. Home Services now includes the B2C and B2B revenues and directly attributable expenses from Decision Tech brands, in line with the organisational changes implemented in the half and comparatives for Home Services have been restated on the same basis. Following the acquisition of CYTI, the costs and revenues associated with this business are now included in the Insurance segment. Travel is revenue and directly attributable expenses from TravelSupermarket.

Costs below EBITDA and net assets are only reviewed by the Chief Operating Decision Maker at a consolidated level and therefore have not been allocated between segments. All assets held by the Group are located in the UK.

The following summary describes how revenue is generated for each segment.

Segment	**Revenue products and services**
Insurance	Customer completes transaction for insurance policy on any of the following: provider website, our website or a telephone call.
Money	Customer completes transaction for money products such as credit cards, loans and mortgages on provider website.
Home Services	Customer completes transaction for home services products such as energy and broadband on provider website.
Travel	Customer completes transaction for travel products on provider website or our website.

Segment	**Insurance £m**	**Money £m**	**Home Services £m**	**Travel £m**	**Shared costs £m**	**Total £m**
Period ended 30 June 2021						
Revenue	80.5	35.3	45.5	1.0	-	**162.3**
Directly attributable expenses	(33.2)	(11.9)	(24.2)	(2.1)	(39.6)	**(111.0)**
Adj. EBITDA contribution	47.3	23.4	21.3	(1.1)	(39.6)	**51.3**
Adj. EBITDA contribution margin	*59%*	*66%*	*47%*	*(110%)*	-	***32%***
Depreciation and amortisation						**(11.1)**
Deal fees and associated costs						**(1.4)**
Change in fair value of financial instruments						**(0.7)**
Net finance costs						**(0.8)**
Profit on disposal of assets						**0.1**
Share of loss of joint venture						**(0.4)**
Profit before tax						**37.0**
Taxation						**(9.0)**
Profit for the period						**28.0**

Segment	Insurance £m	Money £m	Home Services £m	Travel £m	Shared costs £m	Total £m
Period ended 30 June 2020						
Revenue	89.4	36.5	53.0	4.3	-	183.2
Directly attributable expenses	(40.0)	(14.0)	(24.7)	(3.5)	(38.2)	(120.4)
Adj. EBITDA contribution	49.4	22.5	28.3	0.8	(38.2)	62.8
Adj. EBITDA contribution margin	*55%*	*62%*	*53%*	*19%*	-	*34%*
Depreciation and amortisation						(10.1)
Net finance costs						(1.0)
Share of loss of joint venture						(0.3)
Profit before tax						51.4
Taxation						(10.8)
Profit for the period						40.6

Adjusted EBITDA contribution margin is calculated by dividing adjusted EBITDA contribution by revenue.

Insurance adjusted EBITDA contribution margin improved year on year, increasing from 55% to 59% mostly as a result of efficient acquisition based on more granular bidding and changes in customer incentive strategy. The margin also strengthened by mixing away from travel insurance.

Money continued to benefit from gradually improving conversion in cards and loans as lending criteria continued to ease, resulting in an adjusted EBITDA contribution margin increase from 62% to 66%.

Home Services adjusted EBITDA contribution margin declined from 53% to 47% due in part to a growing mix of B2B revenue (where margins are structurally significantly lower) but also due to bad debt costs associated with the administration of an energy partner and higher vertical specific marketing spend.

3. Net finance costs

	2021 £m	2020 £m
Finance income	**0.0**	0.1
Finance costs	**(0.8)**	(1.1)
Net finance costs	**(0.8)**	(1.0)

4. **Taxation**

The Group’s consolidated effective tax rate for the six months ended 30 June 2021 was 24.4% (six months ended 30 June 2020: 21.0%). The increase in rate is due to a charge arising from the revaluation of deferred tax liabilities following the increase in the standard rate of corporation tax to 25% in April 2023.

	2021 £m	2020 £m
Profit before tax	**37.0**	51.4
Standard rate of tax at 19% (2019: 19%)	**7.0**	9.8
	7.0	9.8
Effects of:		
Origination and reversal of temporary differences	**-**	(0.2)
Expenses not deductible for tax purposes	**0.2**	0.3
Adjustment due to changes in tax rate	**1.6**	0.8
Share of loss of joint venture	**0.1**	0.1
Change in fair value of financial instruments	**0.1**	-
	2.0	1.0
Tax expense for the period	**9.0**	10.8

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 period. 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 period 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:

	2021 £m	2020 £m
Profit after taxation attributable to ordinary shareholders	**28.0**	40.6
Basic weighted average ordinary shares in issue (millions)	**536.4**	536.4
Dilutive effect of share based instruments (millions)	**0.3**	0.4
Diluted weighted average ordinary shares in issue (millions)	**536.7**	536.8
Basic earnings per ordinary share (pence)	**5.2**	7.6
Diluted earnings per ordinary share (pence)	**5.2**	7.6

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

	2021 £m	2020 £m
Profit before tax	**37.0**	51.4
Amortisation of acquisition related intangible assets	**1.5**	1.2
Deal fees and associated costs	**1.4**	-
Change in fair value of financial instruments	**0.7**	-
	40.6	52.6
Estimated taxation at 19% (2020: 19%)	**(7.7)**	(10.0)
Profit for adjusted EPS purposes	**32.9**	42.6
Basic adjusted earnings per share (pence)	**6.1**	7.9
Diluted adjusted earnings per share (pence)	**6.1**	7.9

6. **Dividends**

	2021 £m	2020 £m
Equity dividends on ordinary shares:		
Final dividend for 2020: 8.61 pence per share (2019: 8.61 pence per share)	**46.2**	46.2
Proposed for approval (not recognised as a liability as at 30 June):		
Interim dividend for 2021: 3.10 pence per share (2020: 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 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**
Cost						
At 1 January 2021	155.3	-	-	101.5	212.6	469.4
Additions	-	-	-	6.8	2.8	9.6
Disposals	-	-	-	(2.7)	-	(2.7)
At 30 June 2021	155.3	-	-	105.6	215.4	476.3
Amortisation						
At 1 January 2021	148.5	-	-	75.8	74.3	298.6
Charged in period	0.9	-	-	8.0	-	8.9
Eliminated on disposal	-	-	-	(2.7)	-	(2.7)
At 30 June 2021	149.4	-	-	81.1	74.3	304.8
Net book value						
At 1 January 2021	6.8	-	-	25.7	138.3	170.8
At 30 June 2021	**5.9**		-	**24.5**	**141.1**	**171.5**

Asset disposals in the year include assets relating to Decision Tech with gross book value of £2.7m and £nil net book value that are no longer in use and have therefore been retired.

8. **Equity accounted investments**

	Podium Solutions Limited (50%) £m	CYTI (Holdings) Limited (28%) £m	Total £m
At 30 June 2020			
Investment	1.0	2.8	3.8
Group share of loss brought forward	(0.5)	-	(0.5)
Group share of loss for the period	(0.3)	0.0	(0.3)
	0.2	2.8	3.0
At 31 December 2020			
Investment	1.0	2.8	3.8
Group share of loss brought forward	(0.5)	-	(0.5)
Group share of loss for the period	(0.5)	(0.2)	(0.7)
	-	2.6	2.6
At 30 June 2021			
Investment	1.0	2.8	3.8
Additions	0.4	-	0.4
Derecognition of investment upon acquisition	-	(2.8)	(2.8)
Group share of loss brought forward	(1.0)	-	(1.0)
Group share of loss for the period	(0.3)	-	(0.3)
	0.1	**-**	**0.1**

On 28 January 2021, the Group acquired the remaining 72% of the share capital of CYTI (Holdings) Limited ("CYTI") and therefore CYTI is now accounted for as a subsidiary and fully consolidated into the Group accounts. See note 12 for further details.

9. **Other investments**

	1 January 2020 £m	Additions/ (disposals) £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

	1 January 2021 £m	Additions/ (disposals) £m	Fair value uplift £m	30 June 2021 £m
Truelayer Limited	1.4	(2.1)	0.7	-
Flagstone Investment Management Limited	3.6	-	-	3.6
By Miles Ltd	2.6	-	-	2.6
Plum Fintech Limited	0.5	-	-	0.5
	8.1	(2.1)	0.7	6.7

Investments are measured at fair value, using the latest unquoted share price implied by recent transactions in shares of the investments. Updates are made as required considering market conditions as at 30 June 2021. 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 £0.3m (2020: £0.4m) on the total value.

10. **Related party transactions**

Robin Freestone, Scilla Grimble, James Bilefield and Sally James in total received dividends from the Group totalling £22,344 (2020: Robin Freestone, Scilla Grimble and Sally James in total received £12,812).

11. **Commitments and contingencies**

The Group is committed to incur capital expenditure of £0.8m (2020: £0.4m).

Comparable 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. The contingencies outlined above are not expected to have a material adverse effect on the Group.

12. **Acquisition of subsidiary**

On 28 January 2021, the Group acquired the remaining 72% of the share capital of CYTI (Holdings) Limited (“CYTI”).

The total consideration for the acquisition was £6.5m which comprised the following:

	£m
Cash paid for remaining 72% of share capital	0.7
Contingent consideration for remaining 72% of share capital	0.4
Fair value of initial 28% investment	1.9
Fair value of call option on exercise date	3.5
Total consideration	6.5

Contingent consideration is subject to confirmation that there is not a contingent liability due in respect of pre-acquisition trading and is expected to be settled within one year of the balance sheet date.

On acquisition of the remaining share capital, the original 28% investment was remeasured to its fair value of £1.9m. This resulted in a charge to the income statement of £0.7m. Prior to the acquisition, the Group held a call option to acquire the remaining share capital which had a fair value on the date of acquisition of £3.5m.

The fair value of the total identifiable net assets acquired was £3.7m:

	£m
Tangible assets	0.7
Intangible assets	3.4
Trade and other receivables	0.5
Cash	0.2
Trade payables	(0.1)
Non-trade payables and accrued expenses	(0.4)
Lease liabilities	(0.6)
Fair value of total identifiable net assets acquired	3.7

Intangible assets relate to technology expenditure that had not been capitalised in CYTI prior to acquisition. The fair value of these assets was determined using a rebuild cost valuation method, in consultation with senior technology professionals. The cost assumption for developers included a profit margin to reflect the external market rate of building an equivalent platform. A degree of obsolescence was also assumed within the fair value to reflect the advancements in technology since the technology was originally built.

Goodwill arising from the acquisition was recognised as follows:

	£m
Consideration	6.5
Fair value of assets and liabilities acquired	(3.7)
Goodwill	2.8

The goodwill is primarily attributable to the experience and processes in place within CYTI for providing white label website services, which can be leveraged into new channels, as well as the synergies expected to be achieved from integrating the company into the Group. None of the goodwill recognised is expected to be deductible for tax purposes. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

13. **Post balance sheet events**

There are no significant post balance sheet events.

Appendix
Statutory Information

The financial information set out above does not constitute the Company's statutory accounts for the six months ended 30 June 2021 or 30 June 2020 but is derived from those accounts. 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 13 May 2021. The interim dividend will be paid on 3 September 2021 to shareholders on the register at the close of business on 30 July 2021.

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.