

Interim results

21 July 2022



Peter Duffy
Chief Executive Officer



Good trading performance and momentum in strategic delivery

Strong financial performance in challenging market conditions

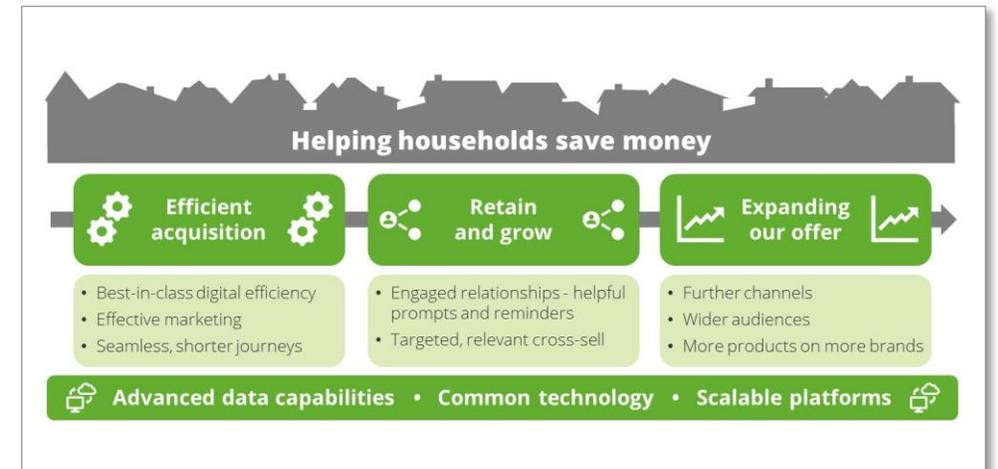
- Revenue £193m (+19%) with adjusted EBITDA £57m (+10%)
- Performance driven by Cashback, Money and travel channels

Momentum in transition to tech-led savings platform continues

- Core data transition to Google Cloud Platform complete
- Common tech platform emerging
- New MSM marketing campaign resonating well
- Integration of 2021 acquisitions on track

Delivering for our stakeholders

- Helped millions of households to switch and save
- Interim dividend of 3.1p – good cash conversion
- Upgrade full year EBITDA guidance to around the upper end of market expectations



Scilla Grimble
Chief Financial Officer



Financial summary



£193m

Revenue

+19%

£57m

Adjusted EBITDA

+10%

6.1p

Basic EPS

+18%

13%

Reinvestment rate

unchanged

£46m

Operating cashflow

+31%

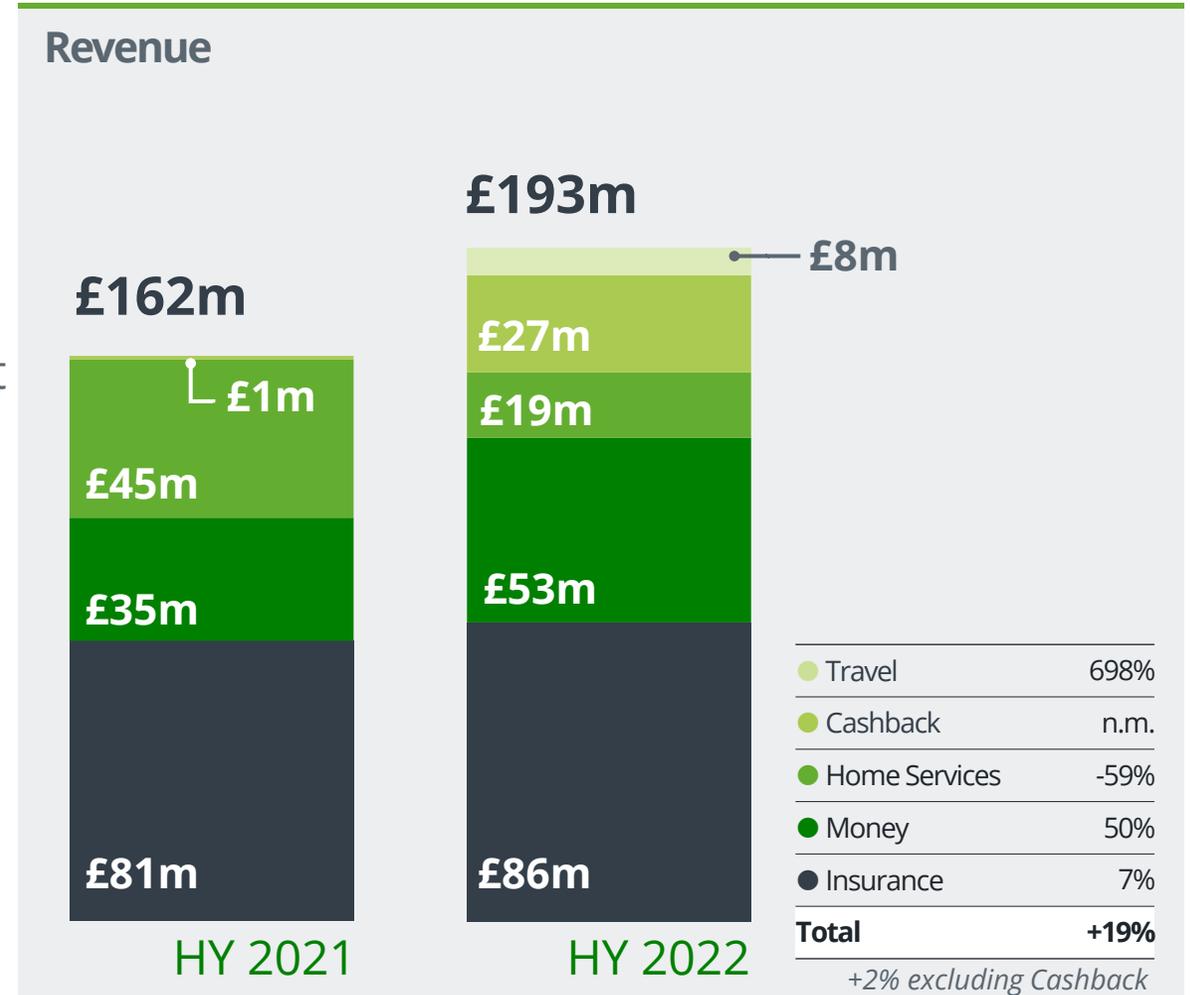
3.1p

Dividend per share

unchanged

Strong revenue growth

- Group revenue up 19% (2% ex-Cashback)
- Insurance up 7%; travel trading above 2019 levels offset by market-wide lower switching in car and home
- Strong growth in all Money channels, banking product offers particularly attractive
- Home Services reflects closure of energy switching market; good growth in mobile
- Good momentum in Travel recovery
- Growth in Cashback travel offset by softer performance in other channels



Mix impacts on margin

Gross margin H1 2021: 70.1%

Gross margin H1 2022: 67.9%

**Channel mix –
known**
-c.300 bps

- Consolidation of lower margin Quidco (c.500 bps impact in H1)
- Some offset from loss of low margin B2B contract last year

**Money
performance**
+c.100 bps

- Year-on-year improvements in borrowing conversion
- Benefit from mix into higher margin banking

**Channel mix –
end markets**
neutral

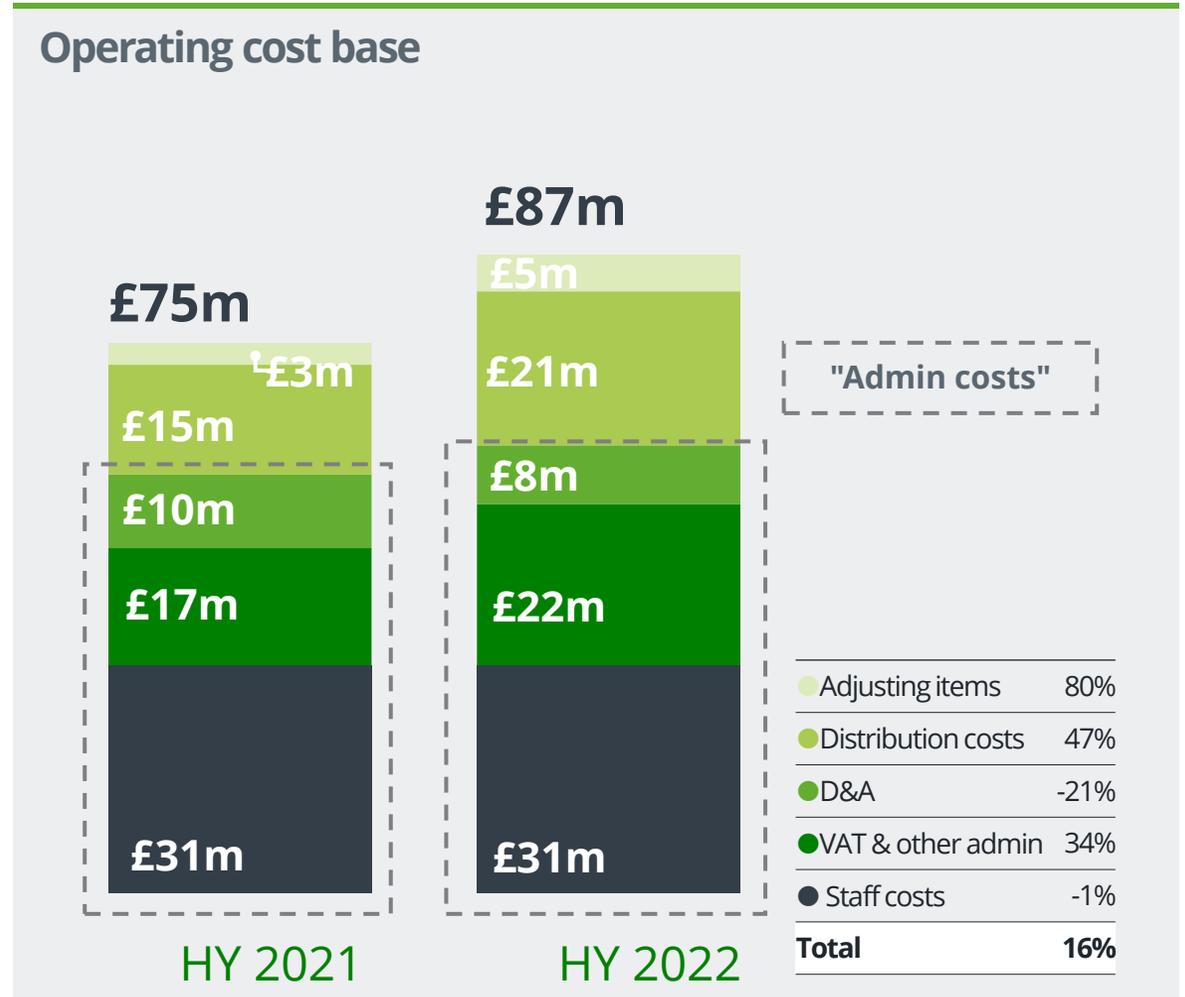
- Margin mix benefit from zero energy trading (MSE cashback)
- Offset by recovery in travel insurance and FCA GI impact on car and home

Into H2

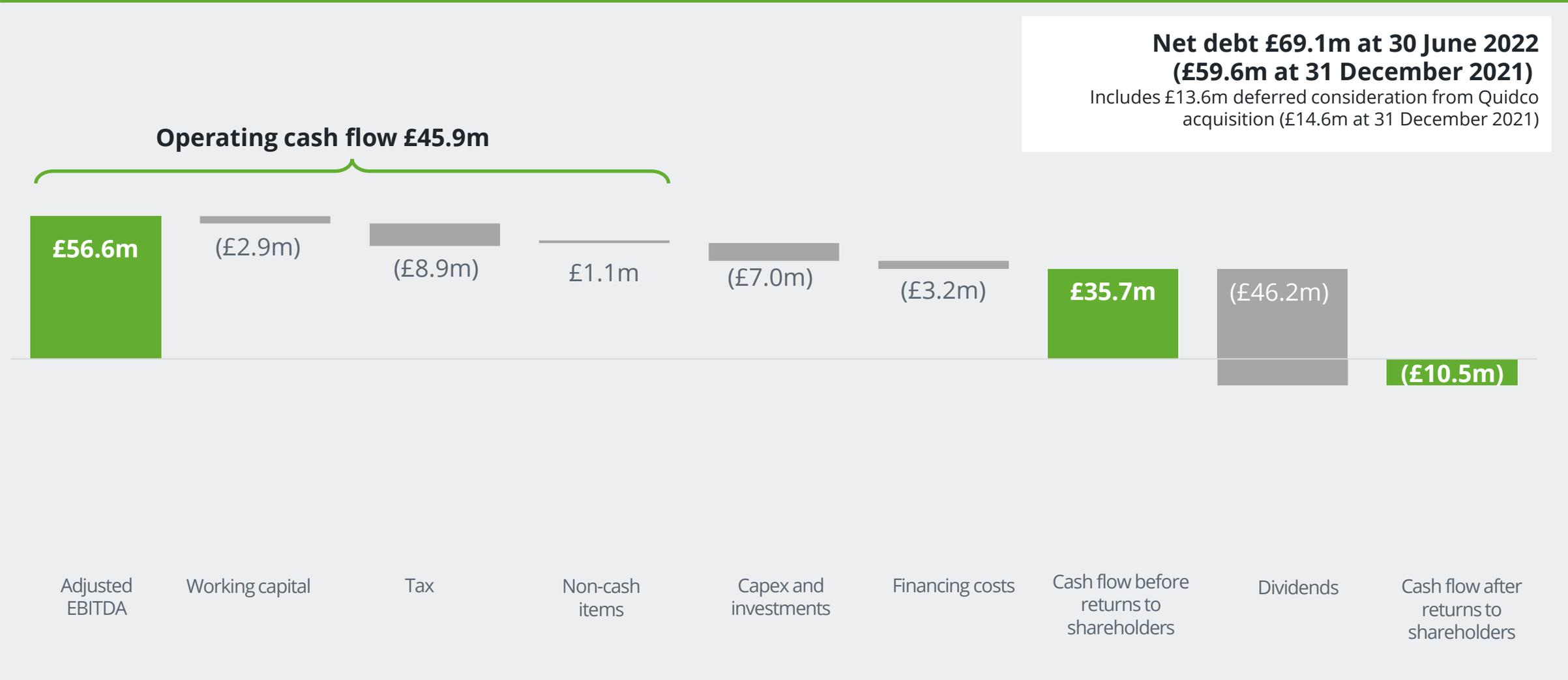
- Money benefit subject to continuation of attractive banking product availability
- Channel mix impact subject to timing and extent of end market recoveries

Costs in line with guidance

- Distribution costs up driven by planned investment in above-the-line marketing
- Admin costs up 9% (down 4% excluding acquisitions)
 - consolidation of Icelolly and Quidco
 - technology and data estate improvements helped mitigate inflationary pressure
 - leaner, more efficient core – c.150 headcount reduction (c.20% of headcount pre-acquisitions)
- Guidance for full year:
 - full year of Quidco and Icelolly –c.£10m of additional admin costs (yoy) excluding D&A
 - marketing investment – increase to c.£36m



Robust cash generation



Capital allocation framework remains unchanged



Organic
growth



Ordinary
dividends



Acquisitions



Enhanced
distributions

Outlook

H1 outperformance driven by exceptional Money and strong travel channels

H2 trading dynamics

- Car and home insurance market yet to reach steady state following FCA General Insurance regulation
- Money subject to availability of attractive banking product
- Travel subject to macro developments
- No change to energy i.e. zero switching and revenue

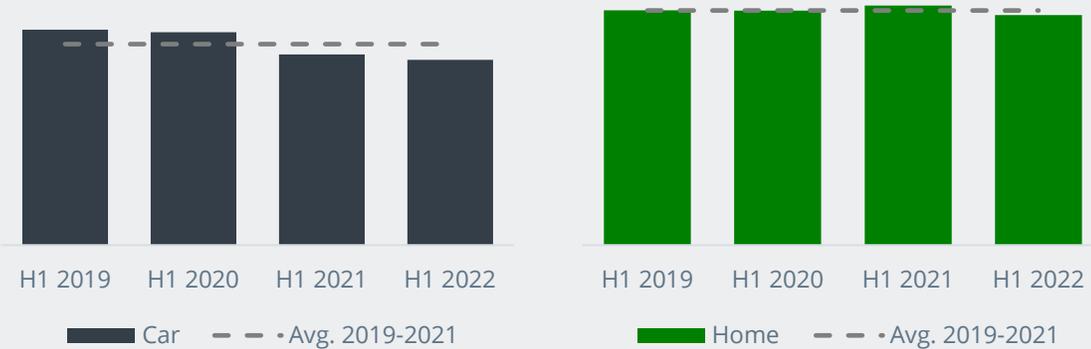
Confident of delivering around the upper end of market expectations for adj EBITDA for the year

Peter Duffy
Chief Executive Officer

Market impacts of FCA reforms – so far

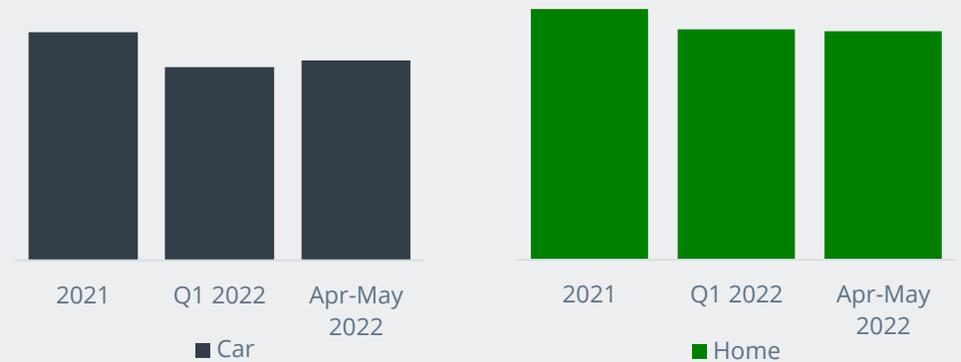
Limited impact on car and home insurance PCW traffic

Monthly PCW traffic



PCW conversion has weakened since January

Car and home conversion (market) – Average 2021 vs YTD 2022



Sustained demand for switching

- Consumers still searching for the best deals
- c.60%⁽¹⁾ of enquirers use PCWs every year

Providers continuing to adjust strategies post FCA changes

- H2 2021 top 10 brands share down from c.50% to c.30% in car
- Increase in new business pricing and reduction in renewal pricing

1. Survey of MSM users

Insurance market dynamics evolving

H1

 Still numerous switching triggers ----- Sustained switching traffic	 Reduced appetite for acquisition ----- Higher new business premiums	 Insurance comparison on MSE ----- PPC optimisation and CRM ----- Backing from MS7 campaign
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Progress in share amid challenging market

Going forward

 Providers return to acquisition focus ----- New types of offer (e.g. new brands)	 Upward pressure on premiums ----- Covid-19 backlogs unwind (e.g. new drivers)	 Insurance comparison as platform service ----- Continued PPC and SEO optimisation
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Well positioned despite steady state impact on market still not clear

Helping households save money



Efficient acquisition



- Deploying machine learning in PPC bidding
- New MSM campaign building on MoneySuperSeven creative



Retain and grow



- Streamlined question sets aka 'No Questions Asked' in development
- More targeted, relevant cross-sell



Expanding our offer



- Ice Travel Group brands leveraging respective expertise
- Quidco using some Group capabilities



Advanced data capabilities



Data on Google Cloud Platform

Common technology



Home Services on common platform

Scalable platforms



MSE car leveraging Group stack

MoneySuperSeven continues to deliver well



**MONEY
SUPERMARKET**

**Building on flexible
creative platform with
latest campaign**

**Clearly articulates brand breadth
and customer value**

Good growth in branded search

**Independent research shows
best resonance of MSM's
campaigns to date**

Driving retention and cross sell with 'No Questions Asked'

User pain points



Long forms



Re-entering previously shared information



Disconnected journeys for each channel



Slicker, shorter and more engaging user journeys



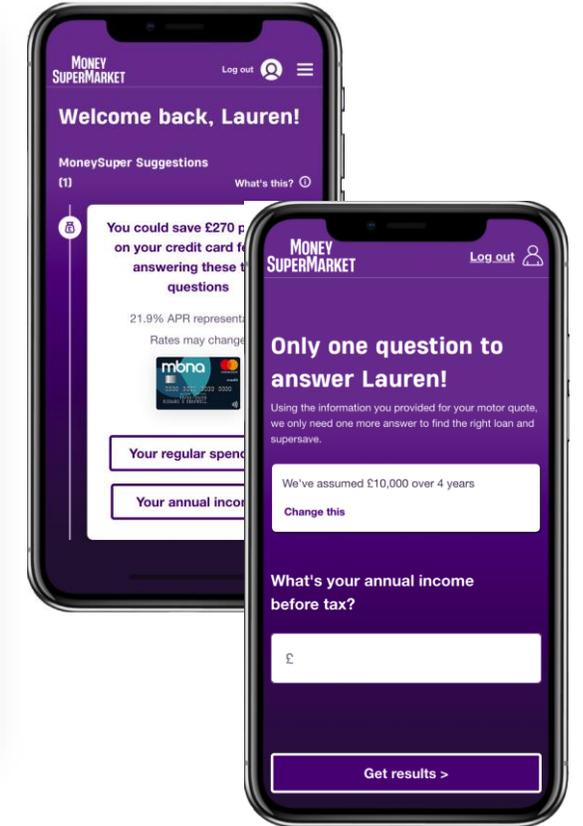
Shorter journeys with smaller question sets



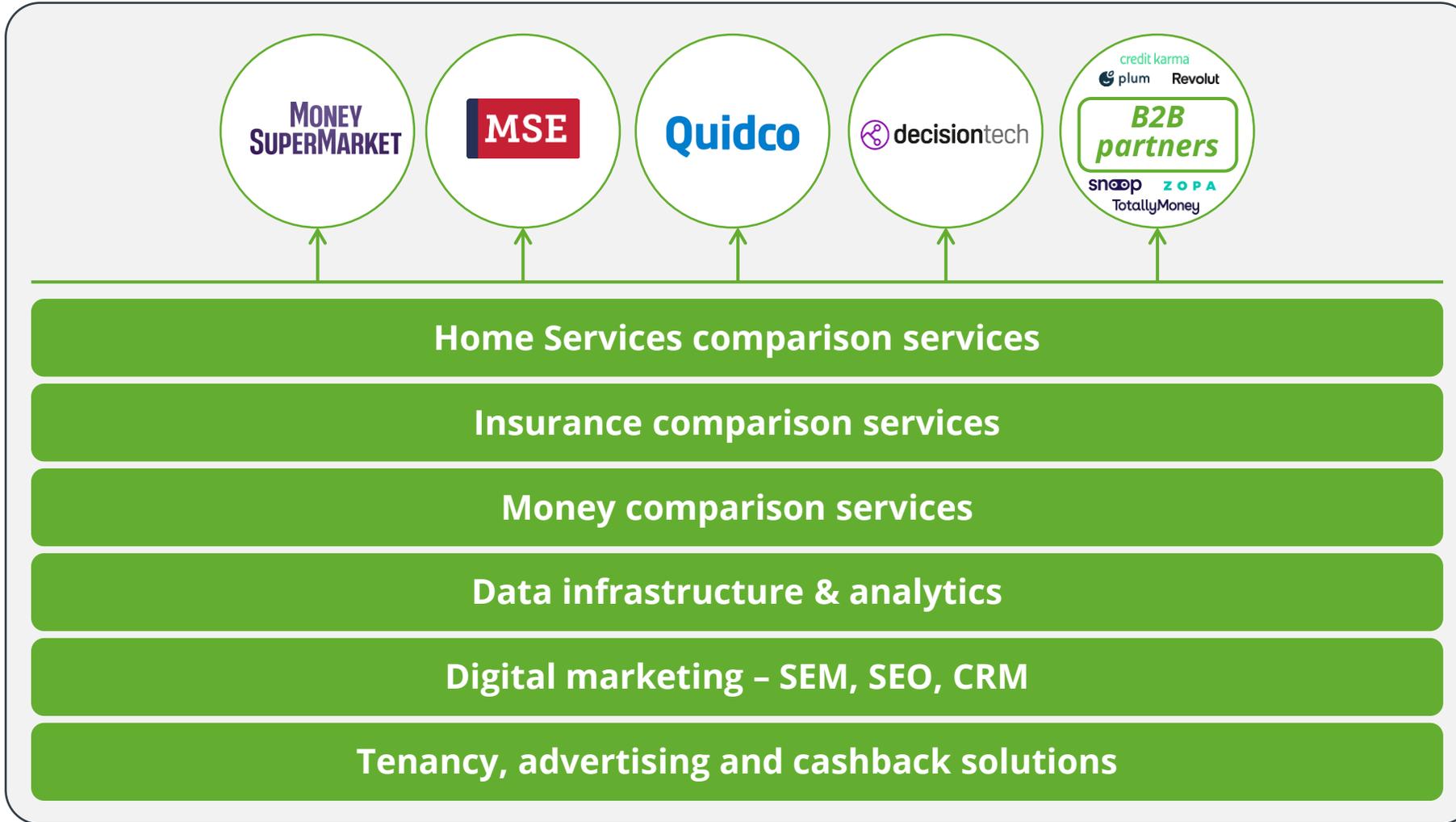
Pre-populating information and better returning user experience



Relevant recommendations across different product journeys



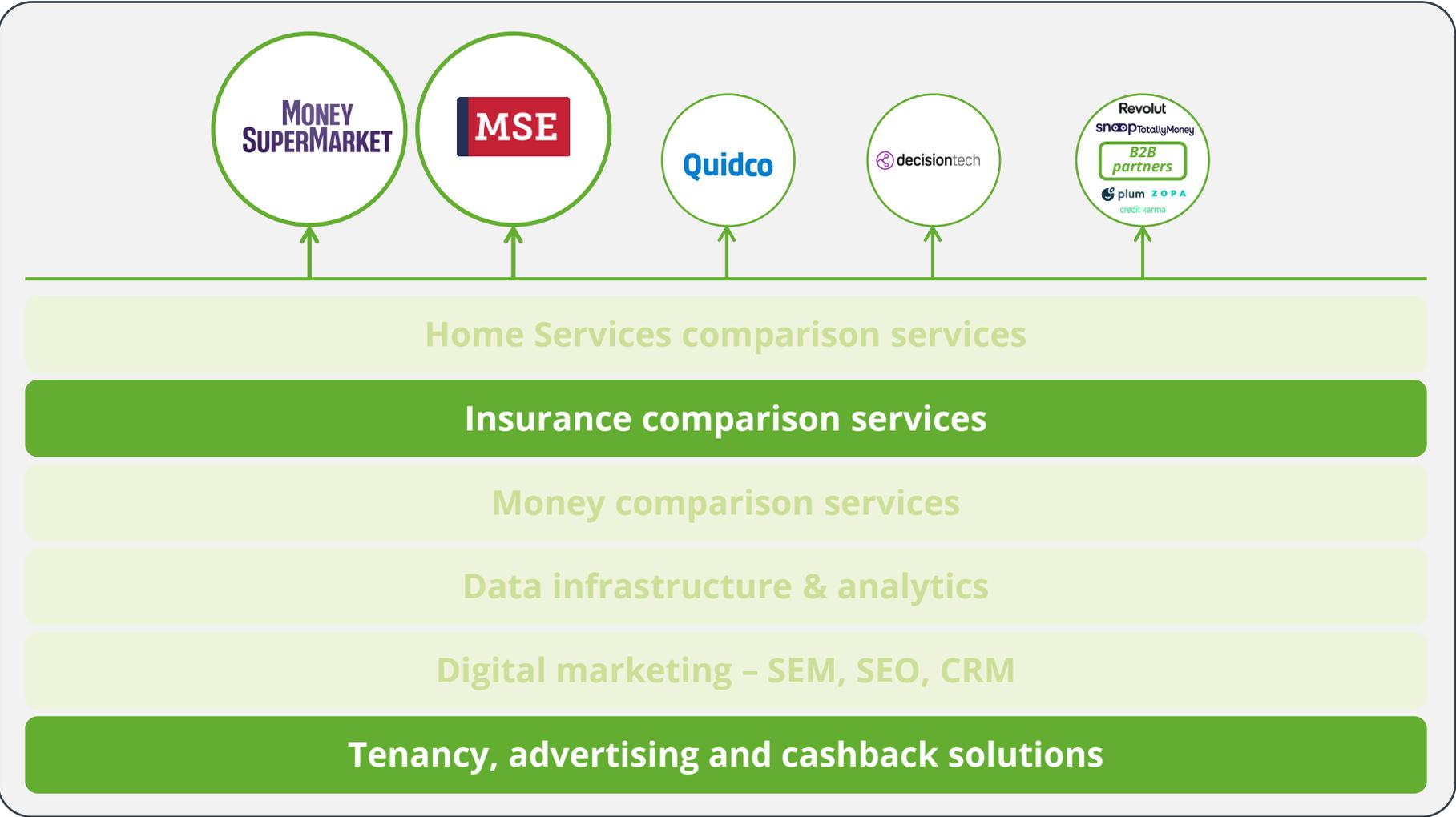
Transition to a tech-led savings platform



*Compelling,
differentiated brands*

*Brand-agnostic
MSMG platform*

Leveraging the platform - MSE car and MSM tenancy advertising



Integration of 2021 acquisitions on track



Full ownership of life, travel and pet insurance journeys

Fully integrated into the Group

Going forward: Further rollout of channels with third parties



Scaled travel business well placed for market recovery

Shared expertise expanding revenue opportunities

Going forward: Leveraging tech capabilities on both brands



Consolidating offices and operations onto Group systems

Improved understanding of user journeys and value

Going forward: Using expertise to trial new ways to acquire customers

Driving efficiency with organisation evolution



Simplify operations

Simplified management structure

150 headcount reduction from 2020 (ex-acquisitions)

Increased accountability and faster execution

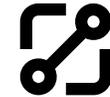


Remove duplication

Fewer squads dedicated to a single vertical

Freed up capacity directed to shared capabilities

Automations in PPC search term management



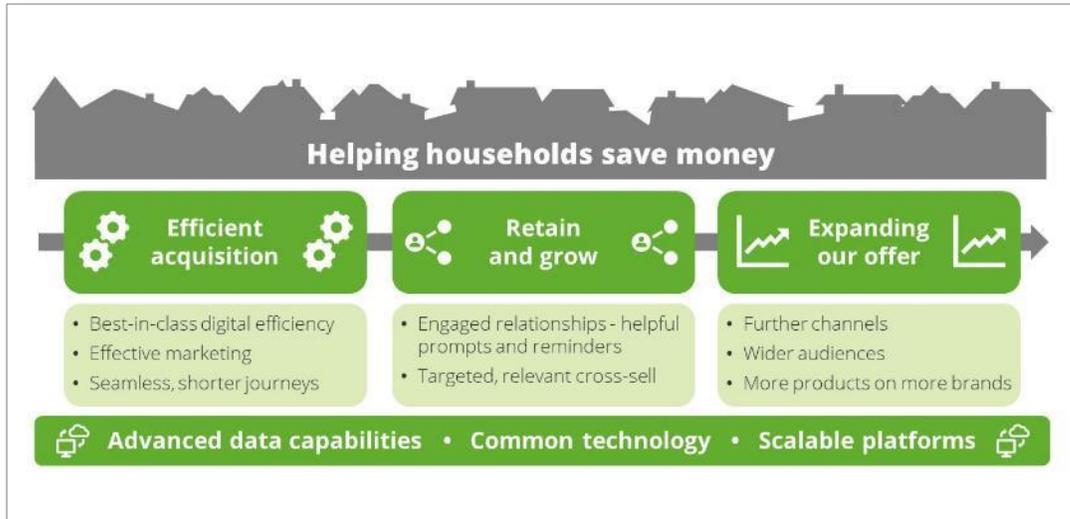
Integrate efficiently

Ice Travel Group same headcount as TSM standalone

CYTI starting to use Group tenancy capabilities

Quidco on Group systems

Summary



Foundational data and platform work complete ...

- Core data transition complete
- Migrated to new digital marketing platforms

... setting us up for further strategic execution ...

- Using shared capabilities across the Group's brands
- Expanding in profitable ways (CYTI, ITG, Quidco)
- Driving efficiency, simplicity and accountability

... and continue to deliver for our stakeholders

- Helped millions of households to switch and save
- Interim dividend maintained; strong cash generation
- Confident in achieving around the upper end of market expectations

Moneysupermarket Group



Appendix

Strategic KPIs



£0.9bn

(2021: £0.8bn)

Savings made by customers

72

(2021: 71)

Net promoter score

57%

(2021: 61%)

Marketing margin

10.8m

(2021: 10.2m)

Active users

£15.86

(2021: £17.00)

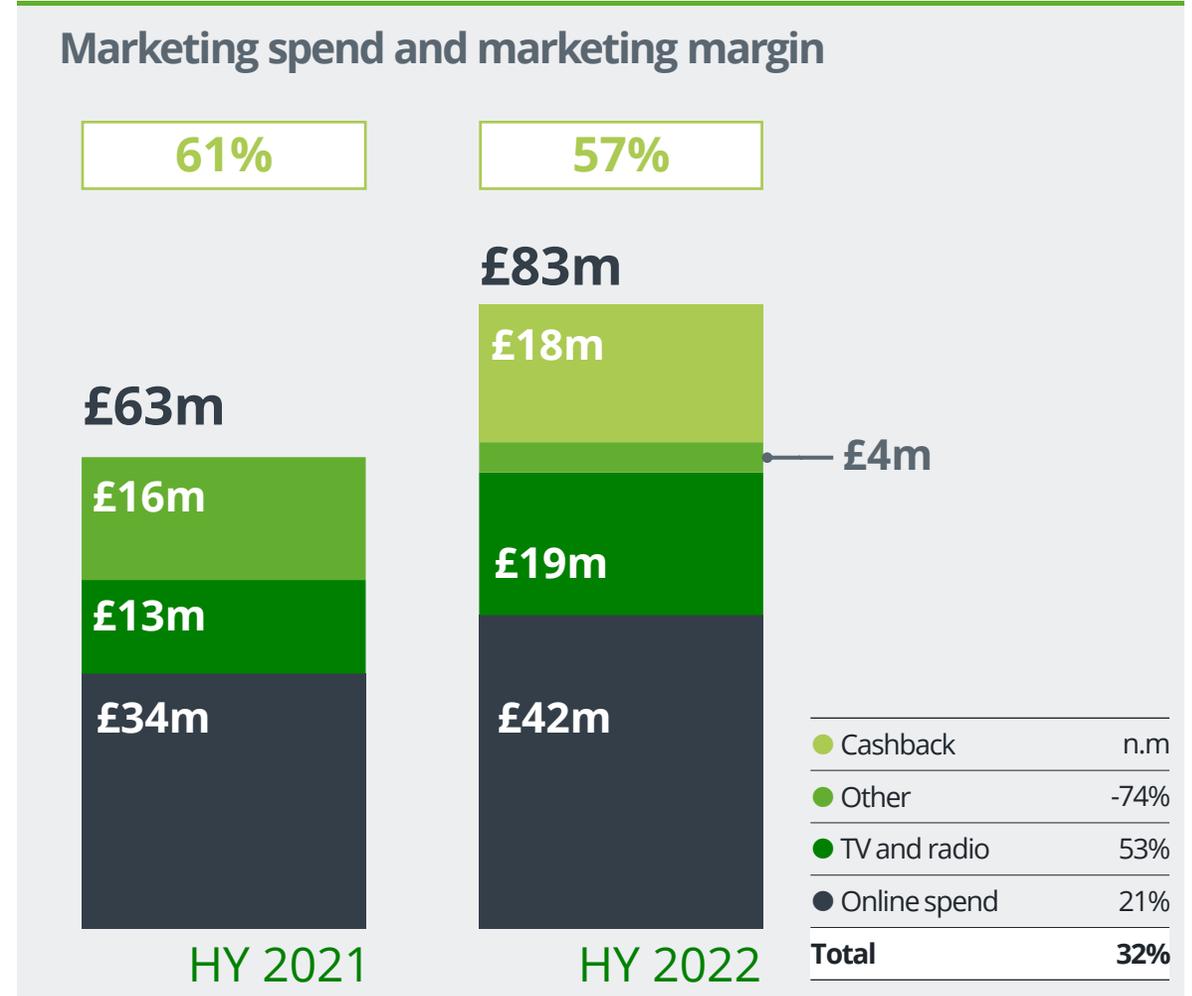
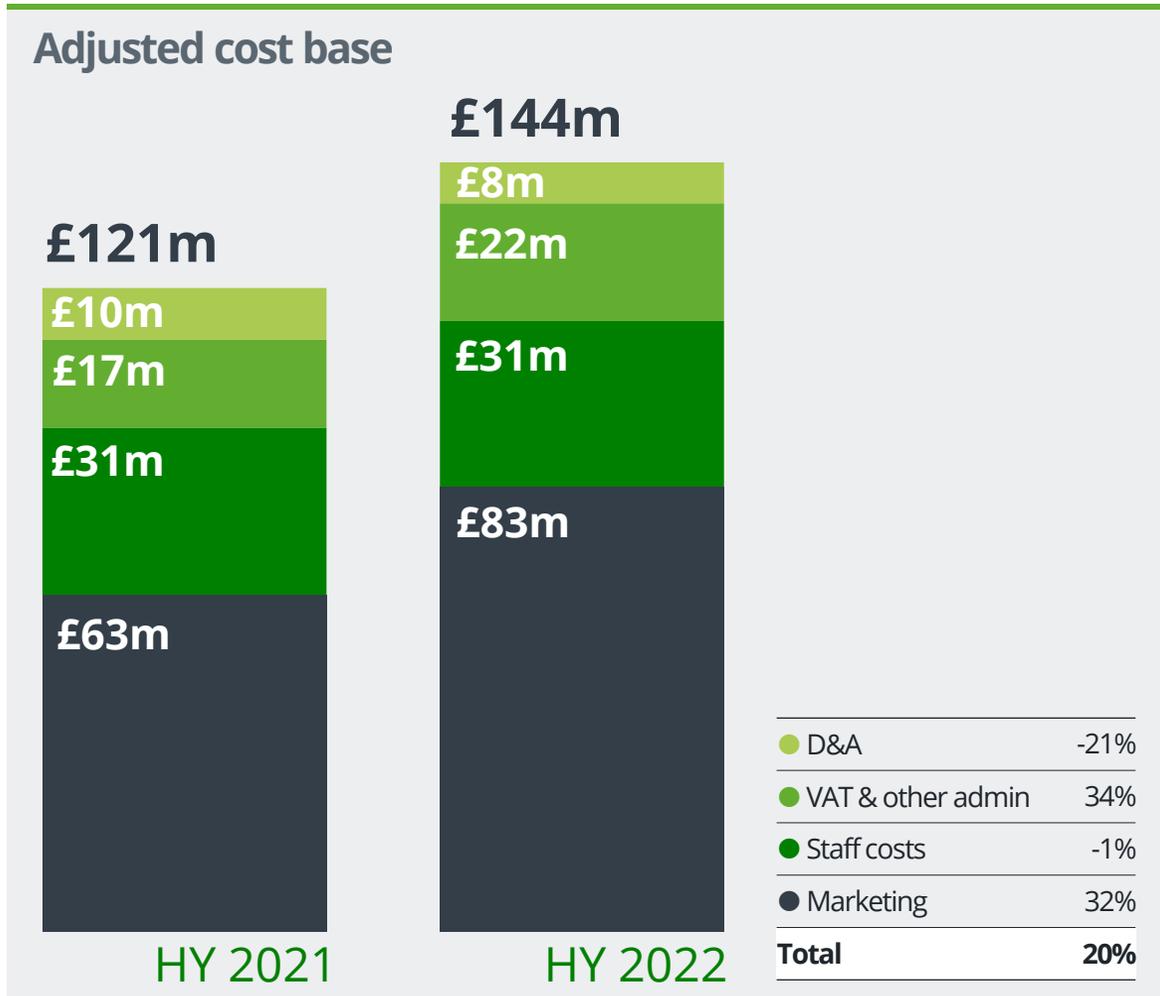
Revenue per active user

Definitions: **Estimated Savings** made by customers in H1 2022. **Net Promoter Score**: Twelve monthly rolling average (1 July 2021 - 30 June 2022 inclusive) for MSM and MSE measured by YouGov Brand Index service Recommend Score weighted by revenue. **Active Users**: The number of unique accounts running enquiries in our core seven channels (Car insurance, Home insurance, Life insurance, Travel insurance, Credit Cards, Loans, Energy) on the MoneySuperMarket website in the 12 month period to 30 June 2022. **Revenue per active user**: The revenue for the same core seven MoneySuperMarket channels divided by the number of active MoneySuperMarket users.

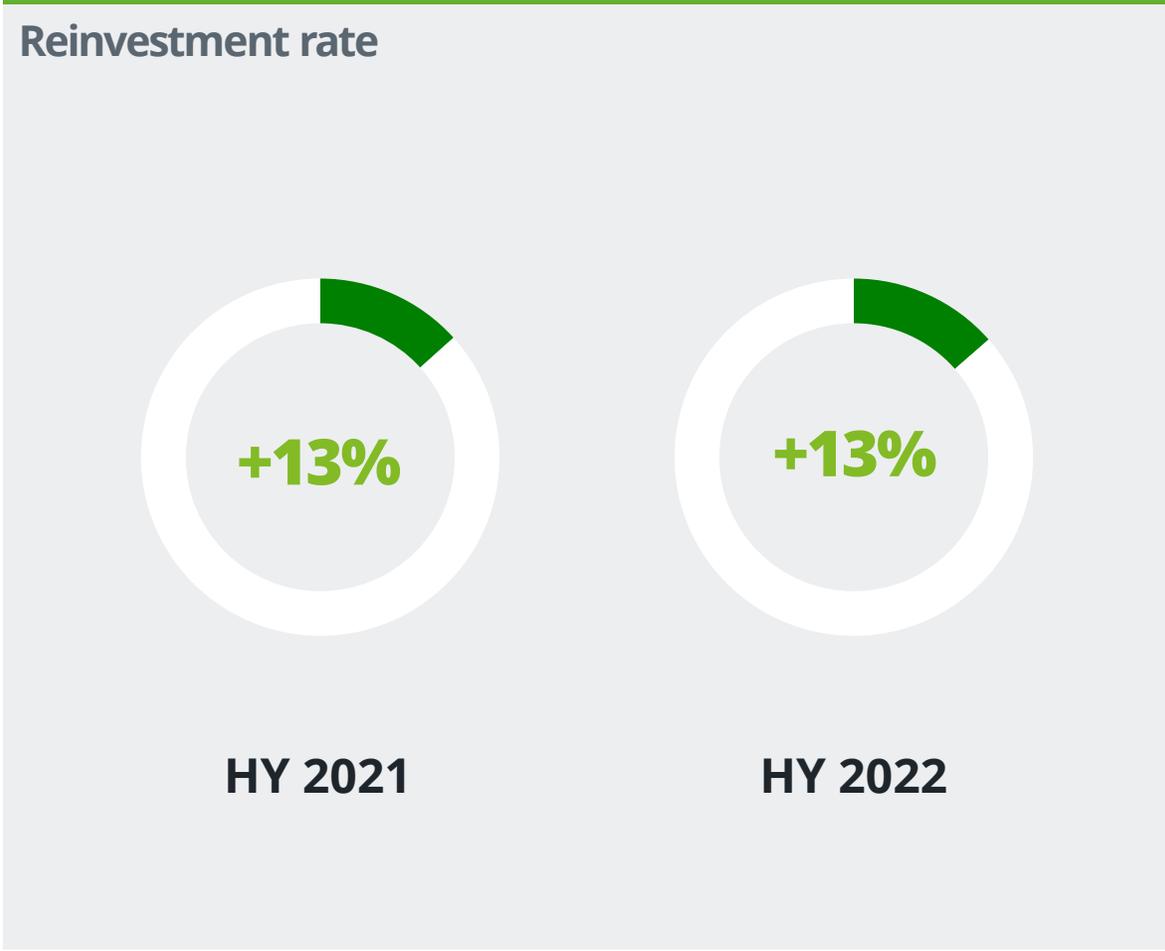
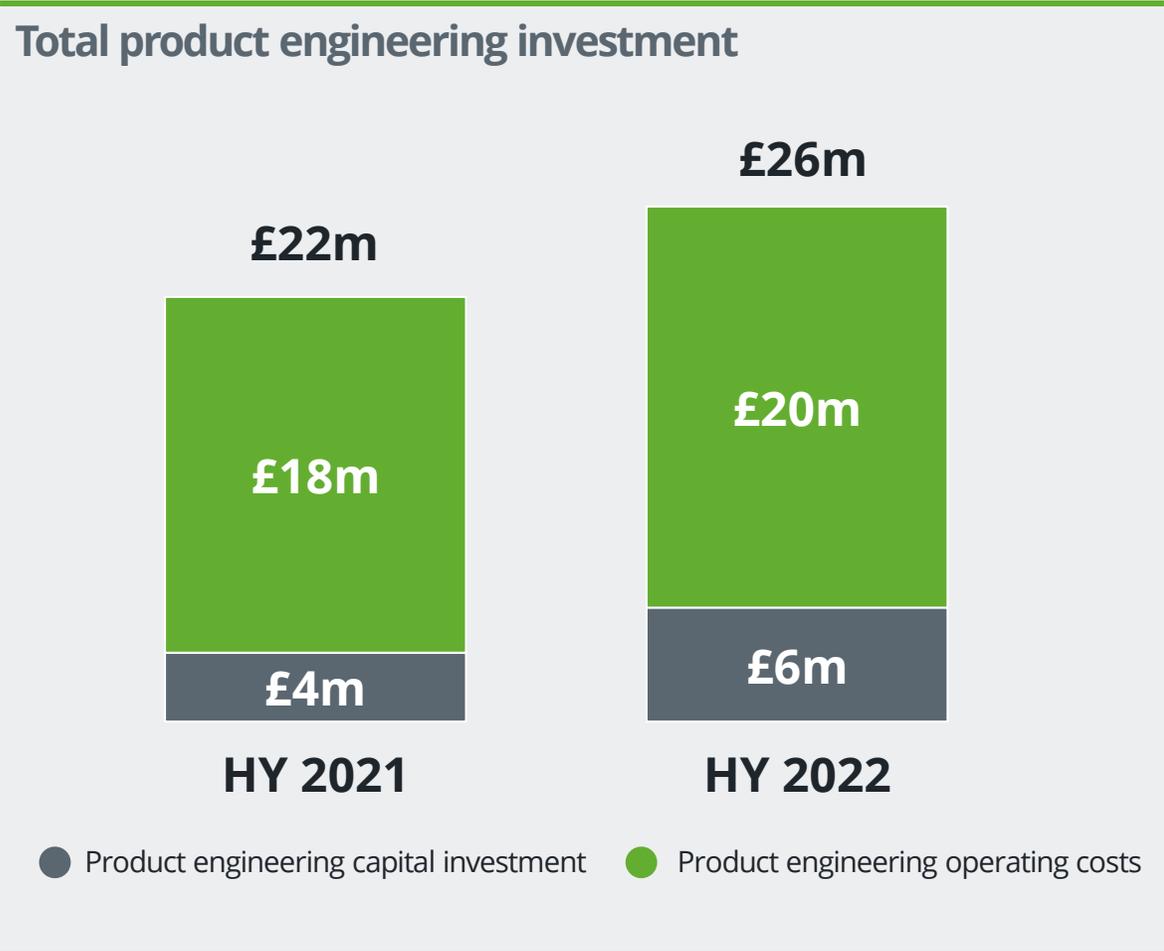
Fulfilling our purpose and ESG responsibilities

 <p>Helping households save money</p>	<p>Purpose</p> <ul style="list-style-type: none"> • Purpose to help households save money even more relevant in difficult economic times • £0.9bn household savings delivered in H1 2022 • 10.8m active users in the 12 months to 30 June 2022
 <p>Cutting your costs, Fighting your corner!</p> <p>MoneySavingExpert</p>	<p>MoneySavingExpert</p> <ul style="list-style-type: none"> • Consumer finance champion, successfully campaigning on financial education in schools, Buy Now, Pay Later products regulation and more • Full editorial independence and integrity • Free online MSE 'Academoney' educating adults on personal finances launched with Open University • Over 8m subscribers to weekly tip email • #1 most recommended brand in the UK by YouGov ahead of over 1,600 brands in more than forty categories in 2021 • Awarded Consumer Money Title of the Year at the 2021 Headline Money Awards
 <p>Beyond Carbon Neutral</p> <p>Prince's Trust</p>	<p>Community & Environment</p> <ul style="list-style-type: none"> • Group partnership with the Prince's Trust charity • MSE charity provides grants to not-for-profit groups delivering financial education • Achieved 'Beyond Carbon Neutral' status in 2020 and 2021, offsetting 150% of carbon footprint • Commitment to reach net zero by 2030 • 2021 annual report disclosures in line with the Task Force on Climate-Related Financial Disclosures core themes and recommendations
	<p>Diversity & Inclusivity</p> <ul style="list-style-type: none"> • #1 on the 2022 Hampton-Alexander Review 'Women on Boards' report for our 62.5% female representation • #21 on the Inclusive Top 50 UK Employer List in 2021 • As part of our Race Equity Action Plan, the Group signed up to the Race At Work Charter; our commitment to be anti-racist and improve multi-ethnic representation at all levels of the company
 <p>MSCI ESG RATINGS A</p> <p>FTSE4Good</p>	<p>ESG Ratings</p> <ul style="list-style-type: none"> • Constituent of FTSE4Good Index • In 2022 received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment • In 2022 received a rating of 18.2 Low Risk in the Sustainalytics ESG Ratings assessment - 8/231 in the internet companies subsector

Adjusted cost base and marketing spend



Product engineering investment



Note: We have refreshed this KPI given the strategic improvements we are making to our data infrastructure, and the increasingly joint management of CRM, Product & Technology teams. Product Engineering investment includes all opex and capex spend within the Product, Technology, CRM (excluding CRM tools) and Data infrastructure areas. The reinvestment rate expresses the total investment in these areas as a percentage of revenue. The figures include both revenue and investment for acquired businesses from the time of acquisition.. Figures include Quidco from November 2021 and Icelolly.com from September 2021 onwards

Income Statement

£million	HY 2022	HY 2021	Growth
Revenue	193.2	162.3	19%
Gross margin	68%	70%	
Adjusted EBITDA *	56.6	51.3	10%
<i>EBITDA margin</i>	29%	32%	
Depreciation & software amortisation	(7.6)	(9.6)	
Adjusting items **	(5.2)	(2.9)	
Operating profit	43.8	38.8	13%
Change in fair value of financial instrument	-	(0.7)	
Net finance costs	(1.7)	(0.8)	
Share of loss of joint venture	(0.0)	(0.4)	
Profit on disposal of property, plant and equipment	-	0.1	
Taxation	(8.4)	(9.0)	
Net profit	33.7	28.0	20%
Attributable to owners of the Company	33.0	28.0	
Attributable to non-controlling interest	0.7	-	
	33.7	28.0	20%
Adjusted EPS***	7.0	6.1	14%
DPS	3.1	3.1	flat

* Adjusted EBITDA is operating profit adjusted for depreciation, amortisation and adjusting items.

** Adjusting items are amortisation of acquisition-related intangibles and deal fees and associated costs.

***Adjusted EPS takes into account Non-Controlling Interest % in Ice Travel Group

Income Statement

Emillion	HY 2022	HY 2021	Growth
Operating profit	43.8	38.8	13%
Deal fees and associated costs	-	1.4	
Amortisation of acquisition related intangible assets	5.2	1.5	
Amortisation of technology related intangible assets	5.1	7.4	
Depreciation	2.5	2.2	
Adjusted EBITDA	56.6	51.3	10%

Segmental measure of adjusted EBITDA contribution: notes

- Results include a measure of segmental profit by vertical in line with IFRS 8
- Adjusted EBITDA contribution = Revenue – directly attributable cost of sales – directly attributable operating expenses. Excludes adjusting items.

Directly attributable cost of sales include:

- Paid search costs
- Cashback MSE Cheap Energy Club - relates to Home Services
- Cashback to Quidco members
- B2B revenue share – relates to Decision Tech, which sits within Home Services

Directly attributable operating expenses include:

- Directly attributable costs, for example costs of teams working exclusively within one vertical
- Directly attributable marketing costs for example specific vertical brand marketing campaigns
- Irrecoverable VAT – predominantly relates to Insurance

Shared costs:

- The Group has several teams , capabilities and infrastructure used to support all/multiple verticals e.g. data platforms, brand marketing, technology costs such as website hosting and licences, office costs
- No direct or accurate way for allocating these to segments so they are disclosed separately

Segmental measure of adjusted EBITDA contribution

£million	HY 2022							HY 2021					
Segment	Insurance	Money	Home Services	Travel	Cashback	Shared costs	Total	Insurance	Money	Home Services	Travel	Shared costs	Total
Revenue	85.8	53.0	18.8	8.0	27.6	-	193.2	80.5	35.3	45.5	1.0	-	162.3
Directly attributable expenses	(37.2)	(16.1)	(7.5)	(4.8)	(22.2)	(48.8)	(136.6)	(33.2)	(11.9)	(24.2)	(2.1)	(39.6)	(111.0)
Adjusted EBITDA contribution	48.6	36.9	11.3	3.2	5.4	(48.8)	56.6	47.3	23.4	21.3	(1.1)	(39.6)	51.3
<i>Adjusted EBITDA contribution margin</i>	57%	70%	60%	40%	19%	-	29%	59%	66%	47%	-110%	-	32%
Depreciation and amortisation							(12.8)						(11.1)
Deal fees and associated costs							-						(1.4)
Profit on disposal of property, plant and equipment							-						0.1
Net finance costs							(1.7)						(0.8)
Share of post-tax loss of equity accounted investments							(0.0)						(0.4)
Change in fair value of financial instruments							-						(0.7)
Profit before tax							42.1						37.0
Taxation							(8.4)						(9.0)
Profit for the period							33.7						28.0

Moneysupermarket Group