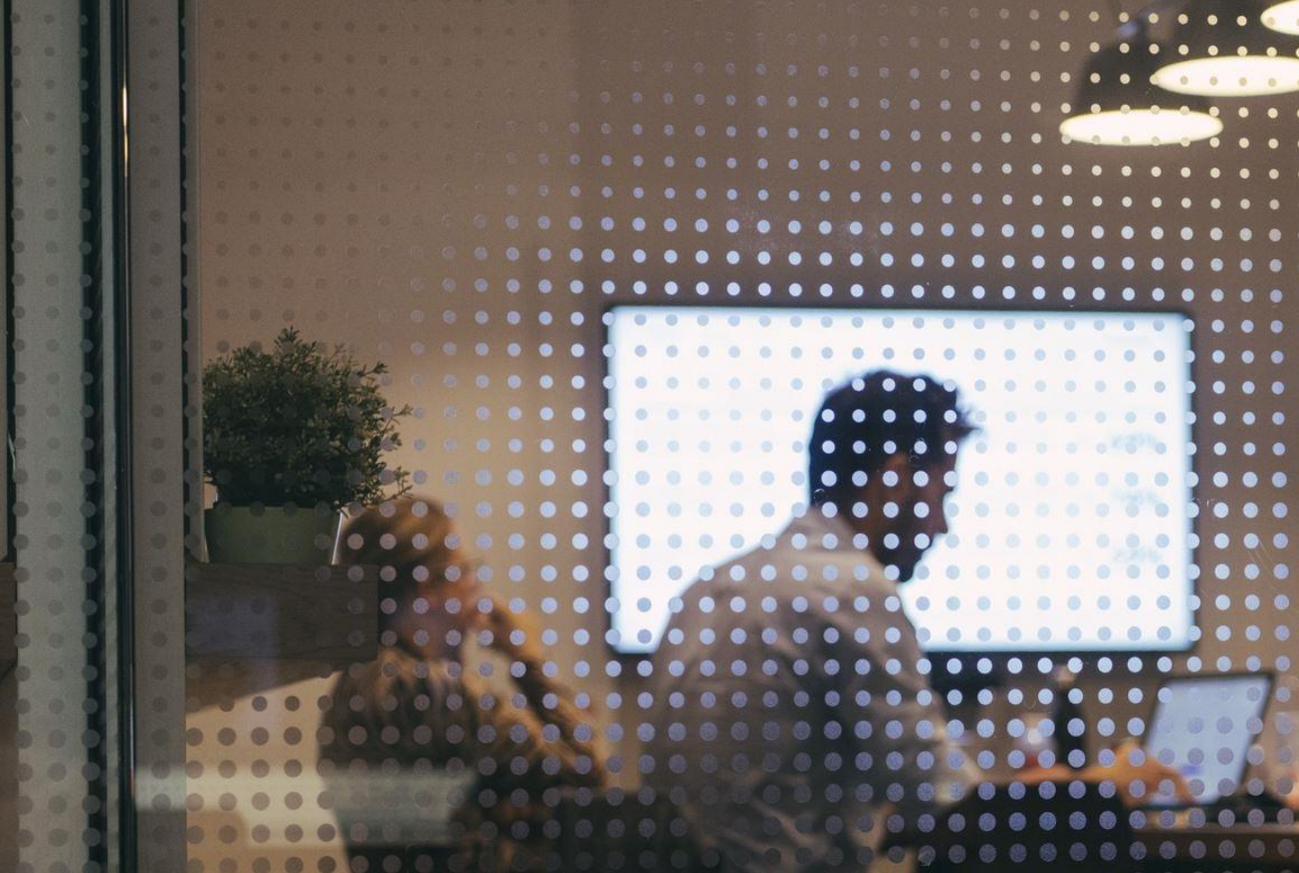




# Interim results

24 July 2023





**Peter Duffy**  
Chief Executive Officer

# Good trading performance and continued strategic progress

## Good trading performance in H1

- Revenue £213.8m, +11%
- Gross margins maintained at 68%
- Strong EBITDA growth £67.7m (+20%)
- Capitalised on strong brands and market positions to drive performance despite mixed market environment

## Continued strategic progress

- Tech and data foundations to support efficient acquisition in place and being utilised
- Platform approach has enabled testing of new user experiences to drive customer retention and growth
  - Rolling out our **Dialogue** platform to improve and speed up the user experience
  - Trialling reward and loyalty programme MoneySuperMarket **“SuperSaveClub”**
  - Personalising the **MoneySavingExpert App**, including ChatGPT feature

## Updating guidance towards the upper end of consensus for FY 2023

- Return to dividend growth; 3% increase from 3.1p to 3.2p for the half





**Niall McBride**  
Chief Financial Officer



# Financial summary

Saved households an estimated £1.3bn in the first 6 months of the year



**£213.8m**

Revenue

+11%

**£67.7m**

Adjusted EBITDA

+20%

**7.6p**

Basic EPS

+25%

**12%**

Reinvestment rate

-1pt

**£41.1m**

Operating cashflow

-10%

**3.2p**

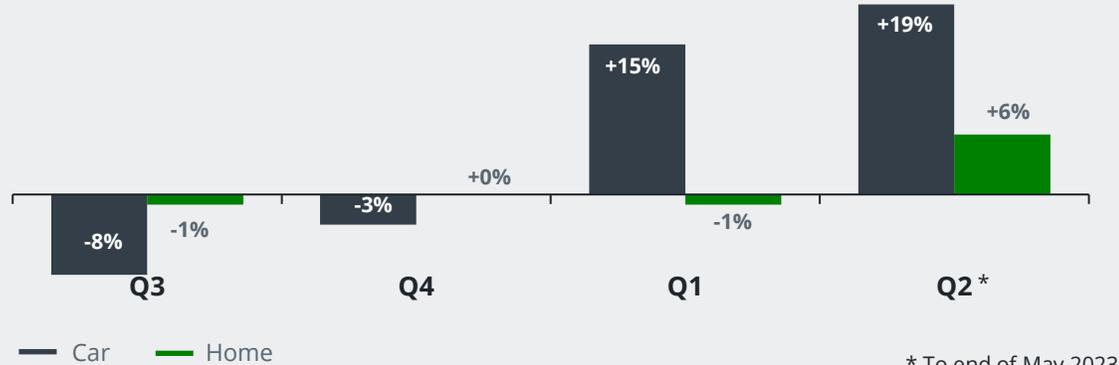
Dividend per share

+3%

# Insurance: Revenue up 23%; efficient acquisition supports market share gains

## Switching trends improved<sup>1</sup>

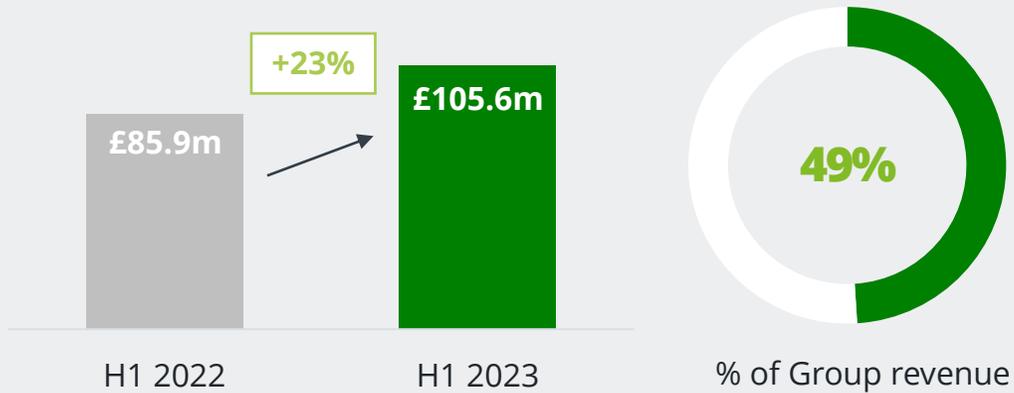
Car and home insurance switching volume (market) - % change vs LY



## Market

- Switching market rebounding from FCA's 2022 General Insurance Pricing Regulations ('GIP')
  - Car insurance volumes surpassed pre-GIP levels
  - Home insurance continues to recover
- Significant premium price increases; car insurance +18% and home insurance +13% to end of May<sup>2</sup>; trend continuing

## Insurance revenues



## H1 performance

- Insurance up 23%, lapping market driven declines last year
- **Car:** won greater share of growing market, underpinned by efficient acquisition strategy
- **Travel insurance:** double digit growth in stronger travel market; remains our second largest insurance channel
- **Home:** growth and market share gains

Sources:

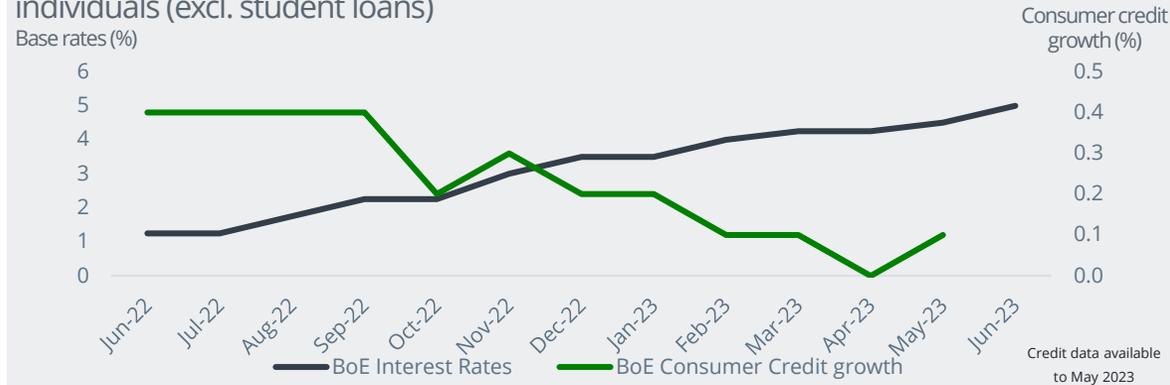
<sup>1</sup> e-benchmarks

<sup>2</sup> e-benchmarks

# Money: Growth in credit cards and banking; interest rates hit borrowing

## Successive interest rate rises<sup>1</sup>: borrowing growth falling<sup>2</sup>

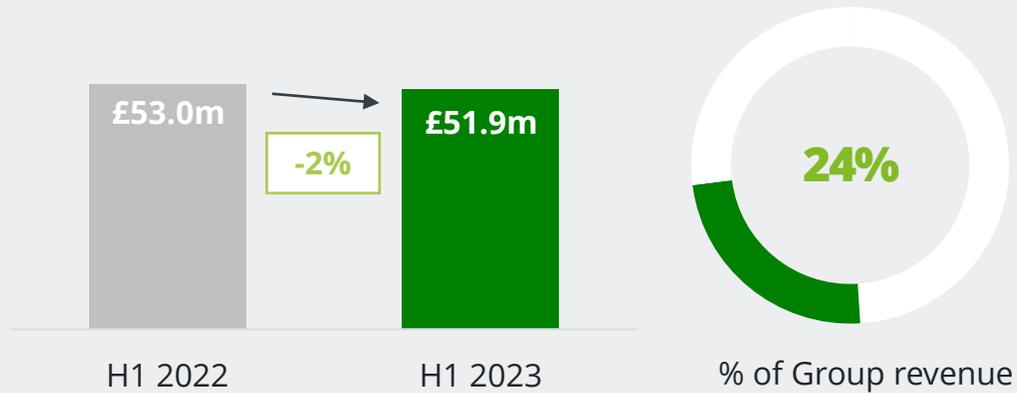
Bank of England base rates and one month growth rates in total lending to individuals (excl. student loans)



## Market

- Interest rates up from 1.25% in June 2022 to 5% over eight base rate rises
- Softer borrowing conversion following repricing of credit, especially in loans and mortgages, continues
- We have not seen providers of loans and credit cards making significant changes in risk appetite or eligibility criteria

## Money revenues



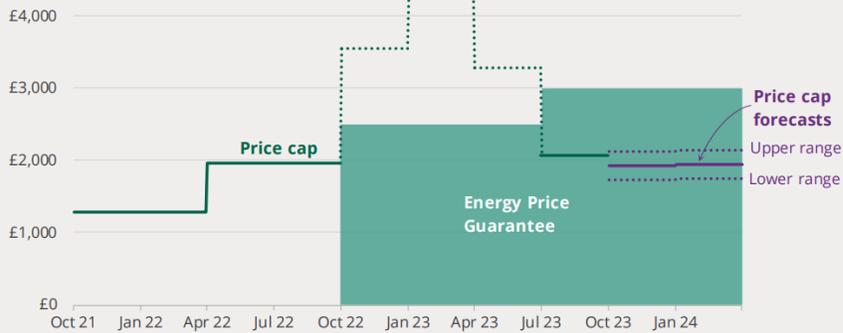
## H1 performance

- Money down (2%); Q1 revenue up 9%, Q2 compares against PY with a particularly attractive banking product
- **Banking:** strong performance in Current Accounts; users seeking savings products driven by high interest rates
- **Borrowing:** Depressed conversion in loans; strong performance in Credit Cards supported by actions to improve customer journeys

# Home Services: Confident of medium-term return to energy switching

## Fall in price cap in July 2023 will see lower customer bills<sup>1</sup>

Annual bill equivalent for typical levels of consumption, direct debit dual fuel customers

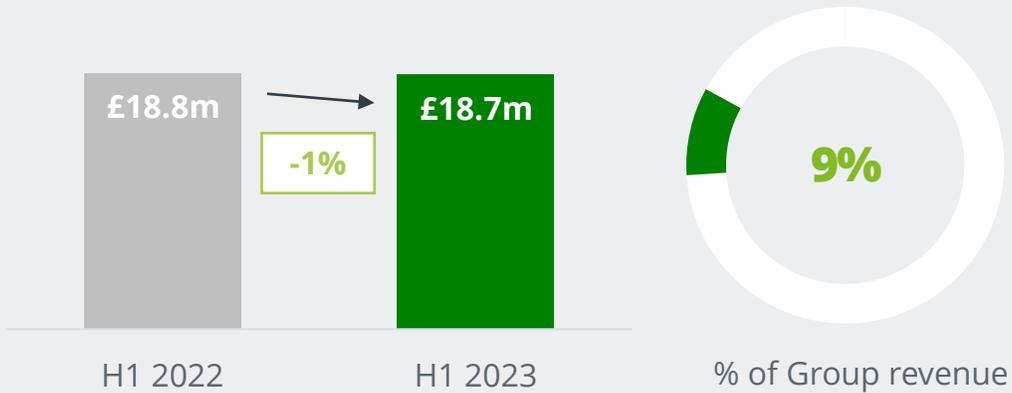


## Energy market

- Wholesale energy prices reduced but still volatile<sup>2</sup>
- Switching demand remains high; continued interest from millions of visitors for energy comparison,
- Confident of medium-term return to energy switching market; do not anticipate a significant return in 2023

## Home Services revenues

N.B. 2019 Home Service revenue (incl. Energy) was £68.6m, 18% of Group revenue



## H1 performance

- Home Services down (1%); double digit growth in mobiles offset by falling broadband market
- **Broadband:** cost-of-living pressures drove market softness; outperformed and taken market share
- **Mobile:** attractive deals underpinned growth

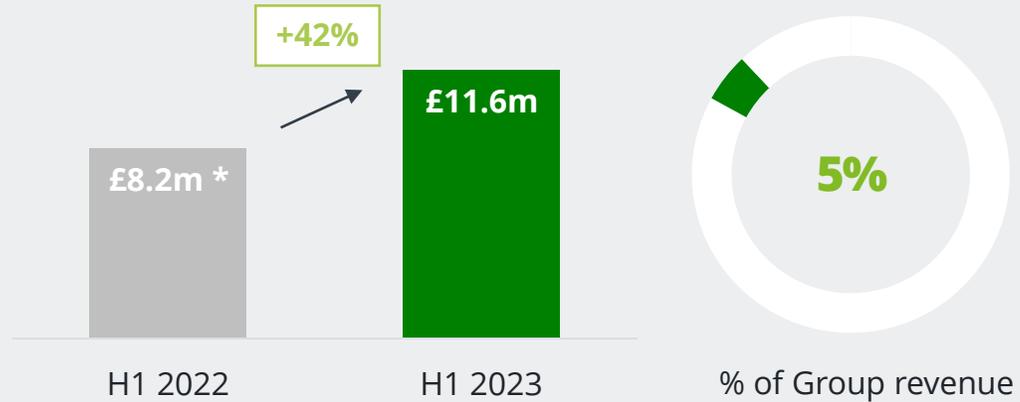
Sources:

<sup>1</sup>Cornwall insight

<sup>2</sup>Volatility illustrated by forward delivery contracts for gas and electricity prices as collated by Ofgem

# Travel and Cashback: Continued rebound in demand for package holidays

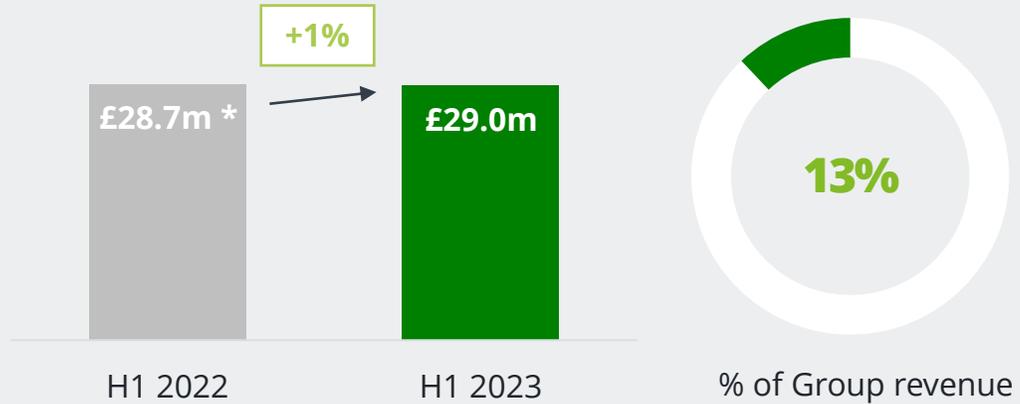
## Travel revenues



## Travel H1 performance

- Travel up 42%, returning towards pre-pandemic levels
- Market demand for package holidays in particular increased; traffic up 23% on prior year

## Cashback revenues

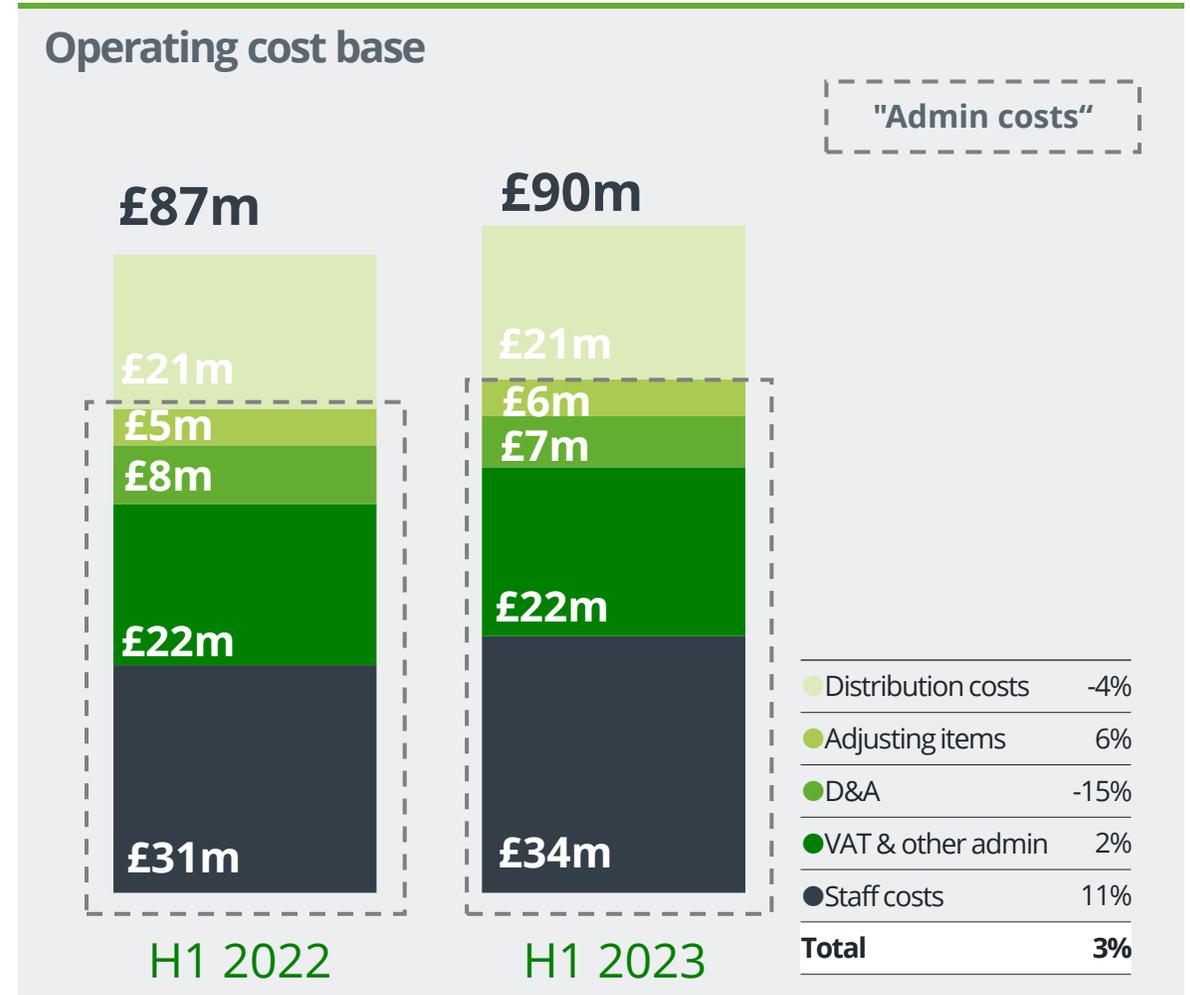


## Cashback H1 performance

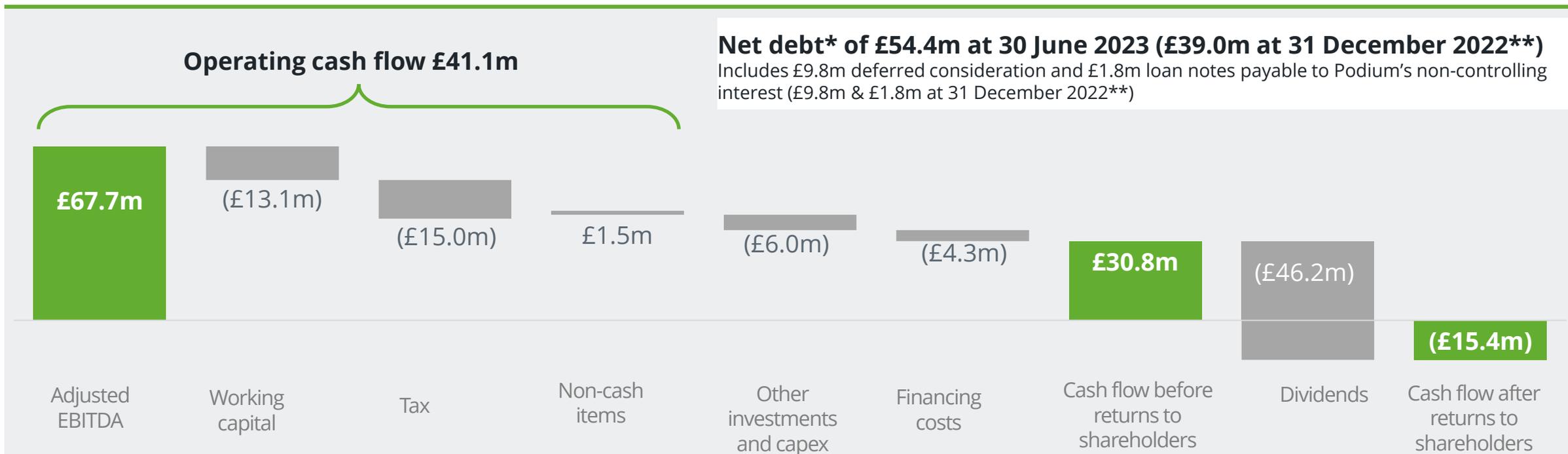
- Cashback up 1%; online retail headwinds and the cost-of-living pressures hit discretionary spending. Travel categories continued to grow; general retail and broadband products were down
- Continued strength in deals and success with Double Cashback days

# Gross margin maintained and costs managed against inflation

- Gross margin maintained; gross profit up 11%
  - Gains in Insurance and Pay Per Click ('PPC') efficiency
  - Headwinds from Money and Home Services
  - B2B growth and new contracts won had dilutive effect on margin
- Distribution costs down 4%
  - Phasing reflects planned brand spend in H2
  - Additional investment planned for Icelolly travel brand
- Admin costs up 5%
  - Cost management against inflationary pressures and talent market headwinds
  - Consolidation of Podium in December 2022
  - Organisational and tech platform efficiencies helping to offset inflation
- Guidance for full year:
  - Mid-single digit percentage increase in operating costs (ex. D&A)
  - Distribution costs stable year on year



# Strong cash generation



- Operating cashflow -10% to £41.1m
- £13.1m working capital outflow reflects increase in receivables, driven by strong trading performance
- Refinancing of Revolving Credit Facility delivered in June creates more flexibility; facility up to £125m extended up to 5 years
- Outstanding term loan is £35m at end of H1; to be repaid by October 2024
- Capital allocation policy remains unchanged

\* Net debt is defined as cash and cash equivalents net of borrowings, deferred consideration and loan notes payable to non-controlling interest. It does not include lease liabilities.

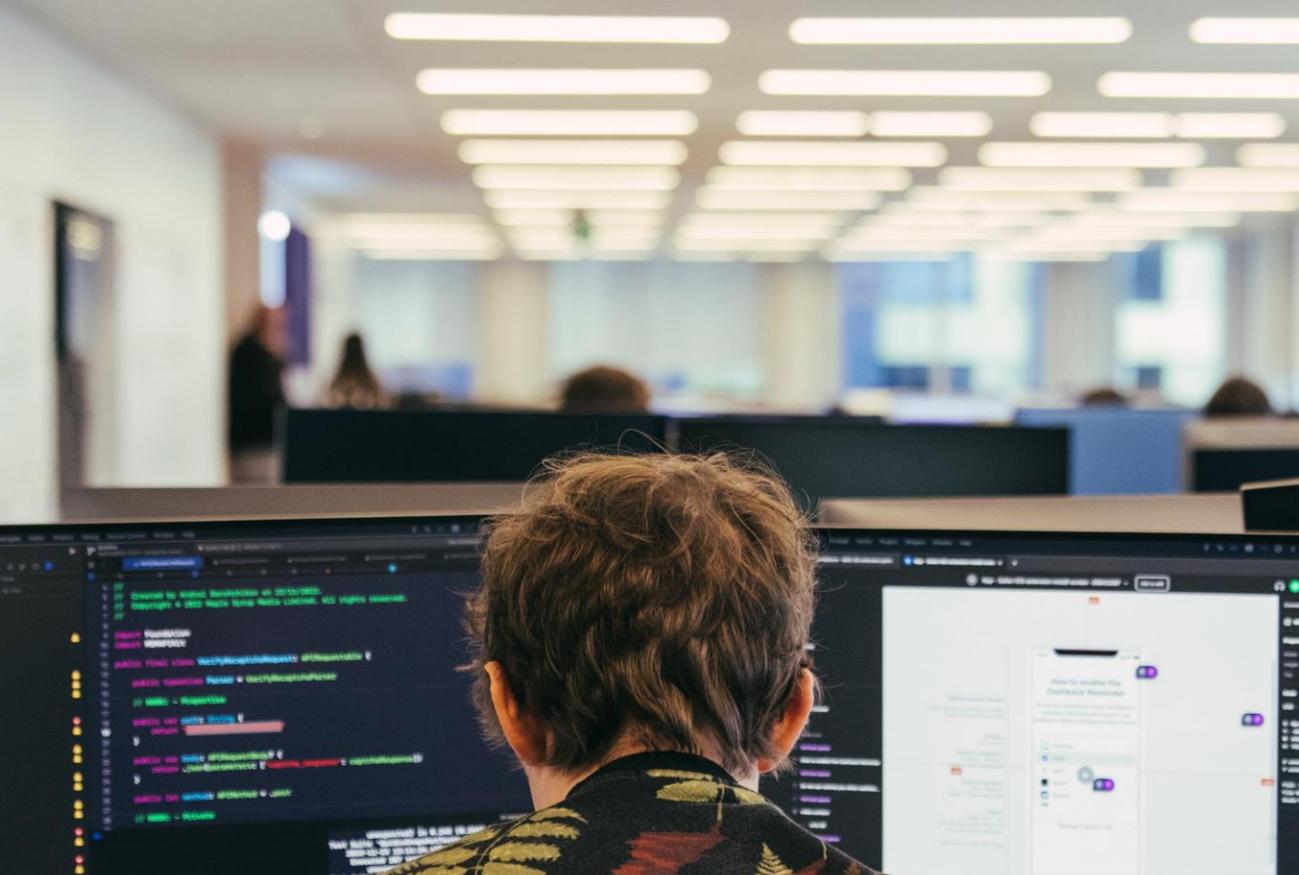
\*\* Net debt at 31 December 2022 has been restated to include loan notes payable to Podium's non-controlling interest of £1.8m.

# Outlook

## Guiding towards the upper end of consensus EBITDA for 2023

- Trends seen in Insurance and Money in H1 continuing into H2
- No significant energy switching expected in 2023
- Mid-single-digit percentage increase in operating costs (excluding D&A)

**Consensus FY 2023 adj. EBITDA range £123.9m - £129.8m**



**Peter Duffy**  
Chief Executive Officer



# Our brand strength



**MONEYSUPERMARKET**

Leading UK price comparison website



**MoneySavingExpert**

One of the UK's biggest consumer finance websites



**Quidco**

One of the UK's leading cashback sites

# Helping households save money



## Efficient acquisition



- Best-in-class digital efficiency
- Effective marketing
- Seamless, shorter journeys



## Retain and grow



- Engaged relationships – helpful prompts and reminders
- Targeted, relevant cross-sell



## Expanding our offer



- Further channels
- Wider audiences
- More products on more brands



**Advanced data capabilities • Common technology • Scalable platforms**





## Our strategic progress; what have we achieved?

### Brand strength and leading customer acquisition strategy

- Direct to site traffic up more than 25% vs H1 2022
- Most recent MoneySuperSeven advert is best performing to date; brand consideration +14%, purchase intent +6% vs H1 2021
- Revenue contribution from PPC up more than 25% in H1
- SEO tool Contentful, supporting strength in core channels; maintained market leading position in Broadband despite market weakness
- CRM tool Braze driving customer engagement, revenue from CRM +16% in H1

### Standardising and simplifying our tech; unlocking core data environment

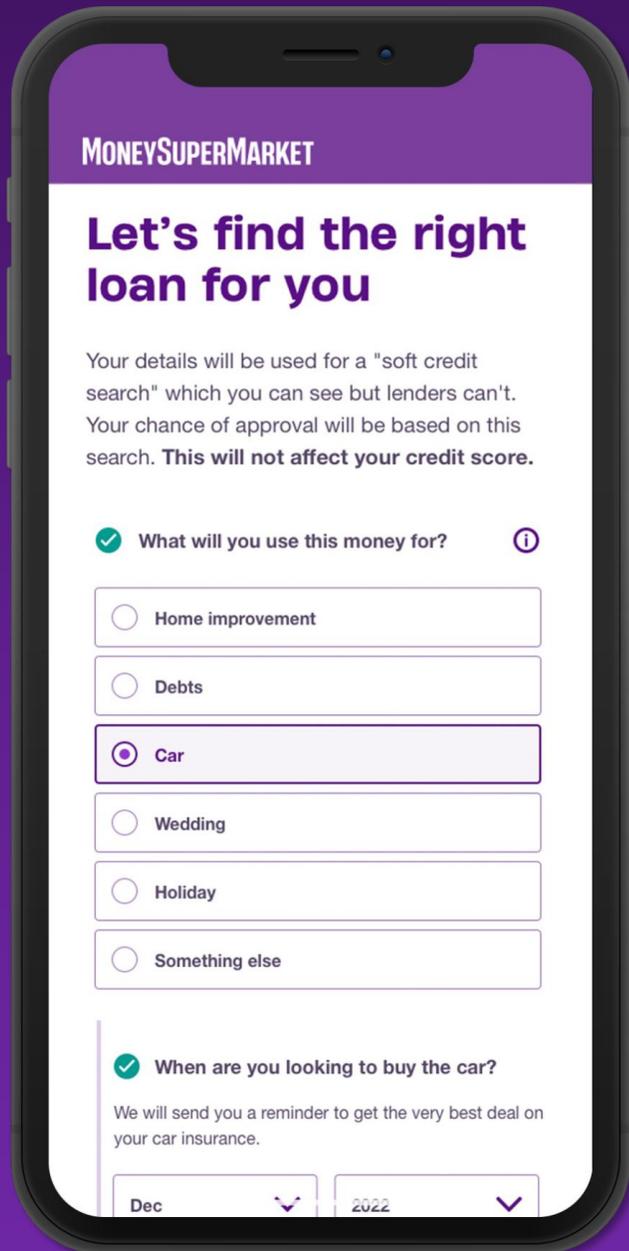
- Core data environment now on Google Cloud Platform; giving analytics, machine learning and the foundation for a more customer focussed culture.
- Tech environment being standardised and simplified
  - Platformising insurance has enabled Quidco Comparison for Motor and Home; 4 new B2B partners won in H1
  - Tenancy revenues +48% in H1
  - Continuously driving cost efficiency; Quidco and CYTI offices in Sheffield and Belfast closed



New innovative user experience

## Loyalty and reward scheme: MSM "SuperSaveClub"

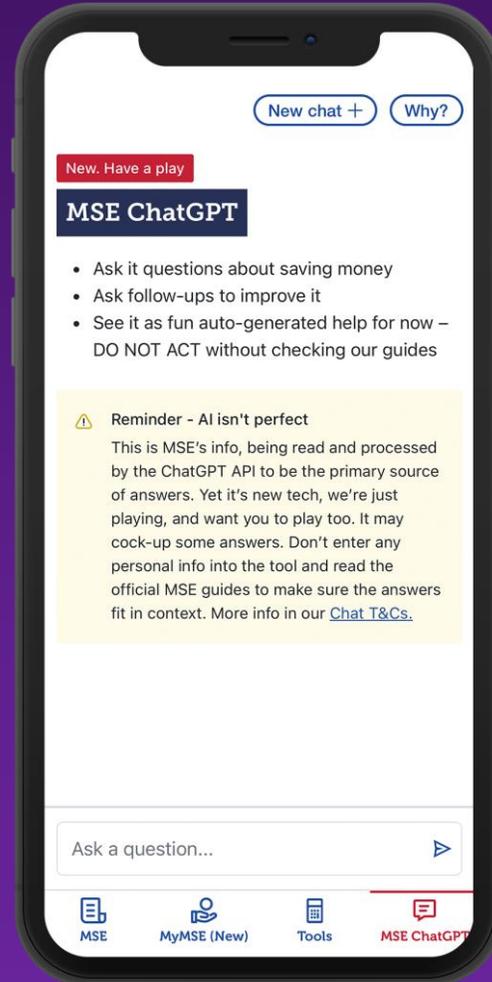
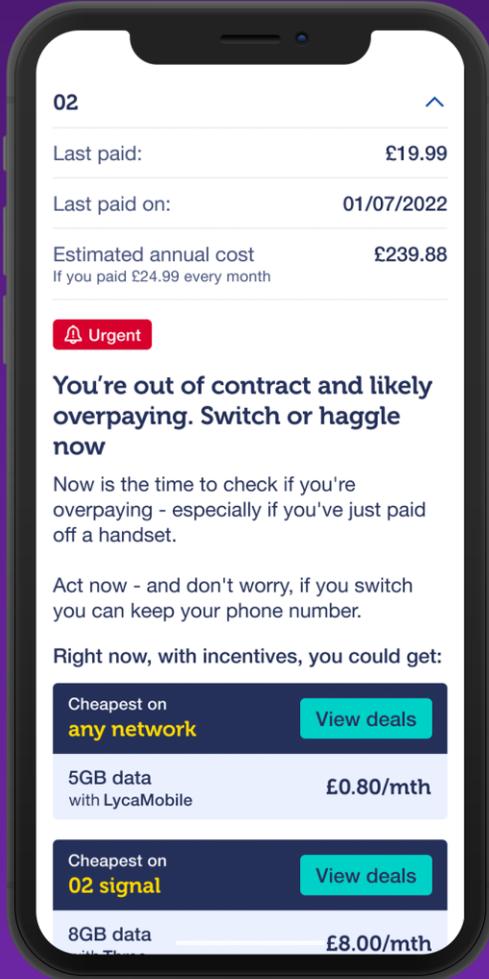
- New reward and loyalty scheme; pilot launched in May
- Helps households find more ways to save:
  1. **Rewards every time you buy**; for every additional purchase - £20 for motor and home insurance and broadband; £5 for annual travel insurance
  2. Refer a friend for £20
  3. "Price promise" – refunds the difference and gives you £20 if you find the policy cheaper elsewhere
- Exclusive **voucher offers** from Quidco, leveraging breadth of the Group



New innovative user experience

## Simplifying questions for users to switch multiple products : "Dialogue"

- **Dialogue** is our proprietary technology stack; rolling out on SuperSaveClub
- Builds a **shared profile** for users across products
- **Pre-populated information** which users can confirm or amend makes multiple product enquiries quicker and easier
- **Simpler user journeys** is important to improve cross-sell

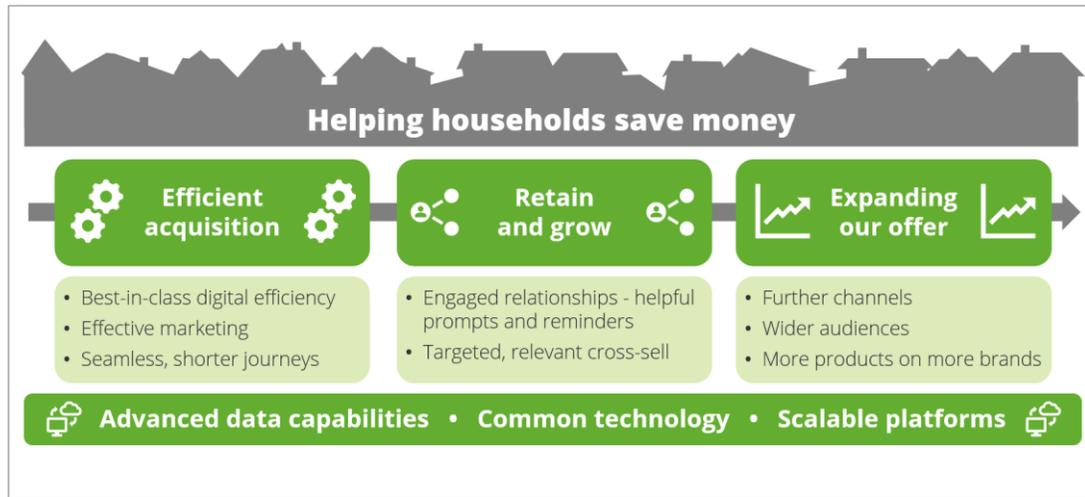


New innovative user experience

## Enhancing access to our engaging content; developing the MSE app

- Launched in 2022; downloaded more than half a million times
- “Single sign on” capability launched in June
- “Bill Buster” open banking application notifies users on switching broadband and mobile tariff benefits
- Braze CRM capability enabling testing of tailored tips through “MyMSE”
- Launched prototype “MSE ChatGPT” in June to learn how large language model generative AI can benefit our users and help them save more

# Summary



## Market leading brands underpinned by scalable, tech-led savings platform

- New leading platforms for PPC, SEO and CRM installed and being utilised
- Customer centric approach and capability made possible through advanced data capabilities
- Scalable platforms rolling out across the Group
- Customer retention and cross-sell propositions starting to go into trial

## Good trading performance and market share gains

Guiding towards the upper end of consensus for EBITDA FY23

Returned to dividend growth; up 3% to 3.2p for H1



# Appendix



# Strategic KPIs



## £1.3bn

(H1 2022: £0.9bn)

**Estimated Group customer savings**

## 58%

(H1 2022: 57%)

**Group marketing margin**

## 71

(H1 2022: 72)

**MSM & MSE net promoter score**

## 11.3m

(H1 2022: 10.8m)

**MSM active users**

## £17.64

(H1 2022: £15.86)

**MSM revenue per active user**

## 20.6%

(H1 2022: 20.6%)

**MSM cross-channel enquiry**

**Definitions:**

Estimated Group customer savings:

This is calculated by multiplying sales volume by the market average price per product based on external data compared to the cheapest deal in the results table for core channels. Savings for non-core channels are estimated by applying the savings for core channels proportionally to non-core revenue. From November 2021 we have added the cashback earned by Quidco members.

Group marketing margin:

The inverse relationship between Group revenue and total marketing spend represented as a percentage. Total marketing spend is the direct cost of sales plus distribution expenses.

MSM & MSE net promoter score:

The 12 monthly rolling average NPS (1 July 2022 - 30 June 2023 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue for MSM and MSE to create a combined NPS.

MSM active users:

The number of unique accounts running enquiries in our core seven channels for MSM (car insurance, home insurance, life insurance, travel insurance, credit cards, loans and energy) in the last 12-month period.

MSM revenue per active user:

The revenue for the core seven MSM channels divided by the number of active users for the last 12 months.

MSM cross-channel enquiry:

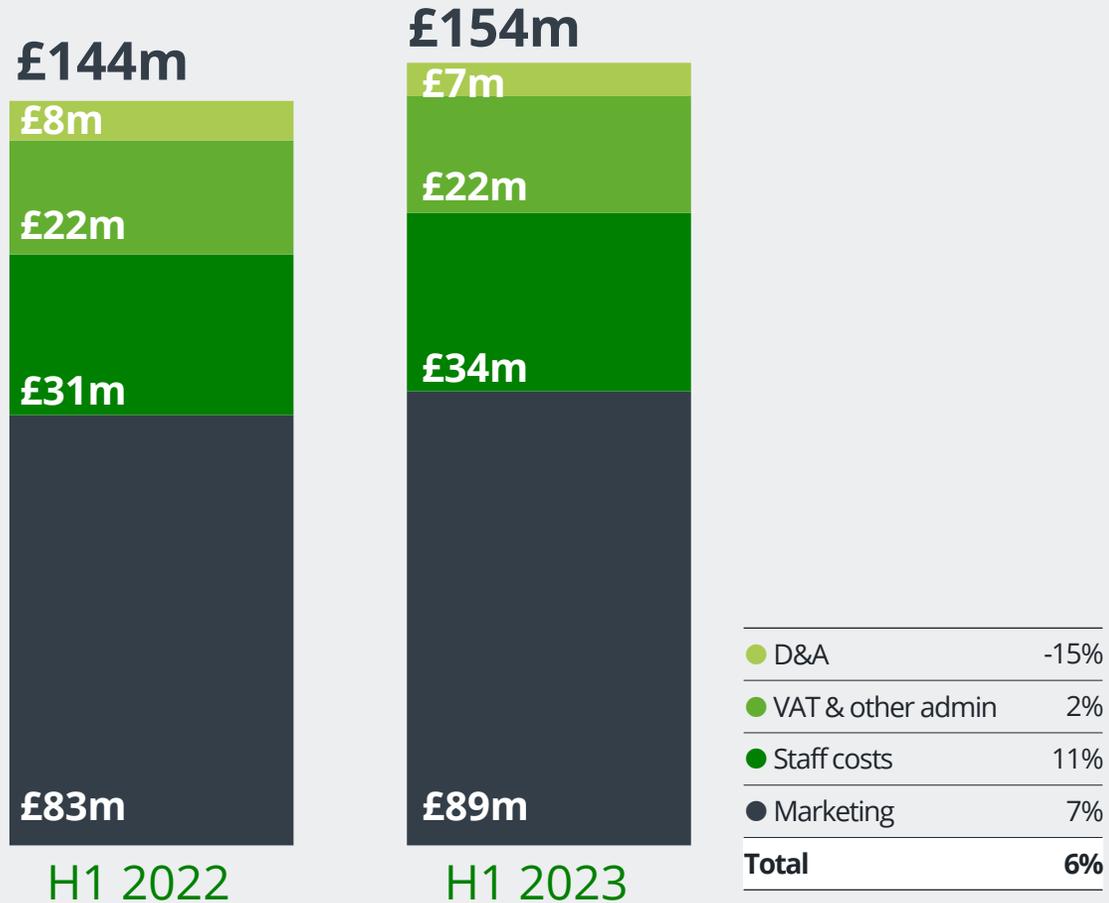
The proportion of MSM active users that enquire in more than one of our core channels within a 12 month period.

# Fulfilling our purpose and ESG responsibilities

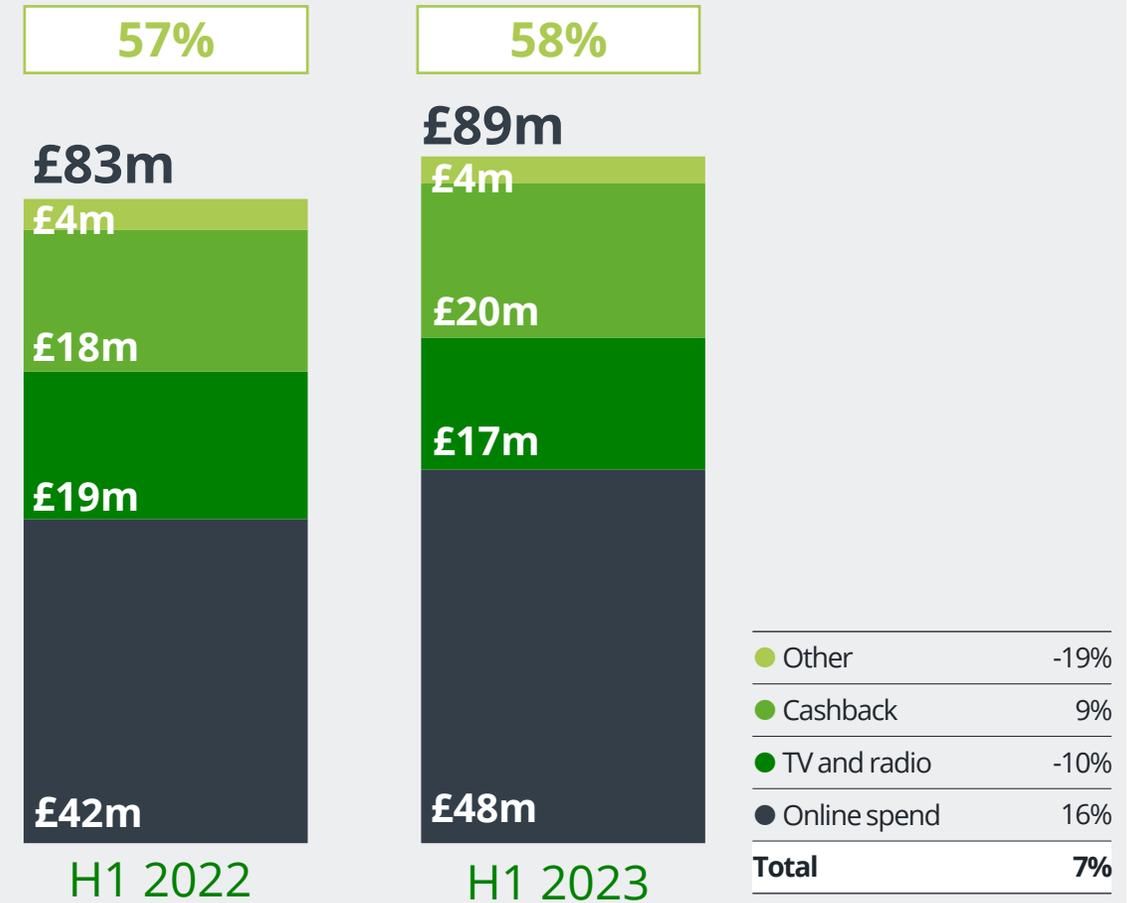
 <p>Helping households save money</p>	<p><b>Purpose</b></p> <ul style="list-style-type: none"> <li>• Purpose to help households save money even more relevant in difficult economic times</li> <li>• £1.3bn household savings delivered in H1 2023</li> <li>• 11.3m active users in MSM in the 12 months to 30 June 2023</li> </ul>
	<p><b>MoneySavingExpert</b></p> <ul style="list-style-type: none"> <li>• Consumer finance champion, successfully campaigning on financial education in schools, Buy Now, Pay Later products regulation and more</li> <li>• Full editorial independence and integrity</li> <li>• Free online MSE 'Academoney' educating adults on personal finances in collaboration with Open University</li> <li>• Over 8.8m subscribers to weekly tip email</li> <li>• #1 most recommended brand in the UK by YouGov</li> </ul>
	<p><b>Community &amp; Environment</b></p> <ul style="list-style-type: none"> <li>• New group partnership with Campaign Against Living Miserably (CALM), £37k donated in H1 as well as supporting 13 local charities</li> <li>• MSE charity provides grants to not-for-profit groups delivering financial education</li> <li>• Organised collection of essential items to help Ukrainian refugees</li> <li>• Achieved 'Beyond Carbon Neutral' status since 2020, offsetting 150% of carbon footprint</li> <li>• Committed to reach Operational Net Zero by 2030</li> <li>• 2022 annual report disclosures consistent with the four pillars of Governance, Strategy, Risk Management and Targets and Metrics in the Task Force on Climate-Related Financial Disclosures.</li> </ul>
	<p><b>Diversity &amp; Inclusivity</b></p> <ul style="list-style-type: none"> <li>• #1 on the most recent Hampton-Alexander Review 'Women on Boards' report for our 66.7% female representation</li> <li>• Included in the Inclusive Top 50 UK Employer List in 2022</li> <li>• 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</li> </ul>
	<p><b>ESG Ratings</b></p> <ul style="list-style-type: none"> <li>• Constituent of FTSE4Good Index</li> <li>• In 2022 received a rating of C (on an 8-point A-D scale) in the CDP assessment</li> <li>• In 2022 received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment</li> <li>• In 2022 received a rating of 17.6 Low Risk in the Sustainalytics ESG Ratings assessment - 8/235 in the internet companies subsector</li> </ul>

# Adjusted cost base and marketing spend

## Adjusted cost base

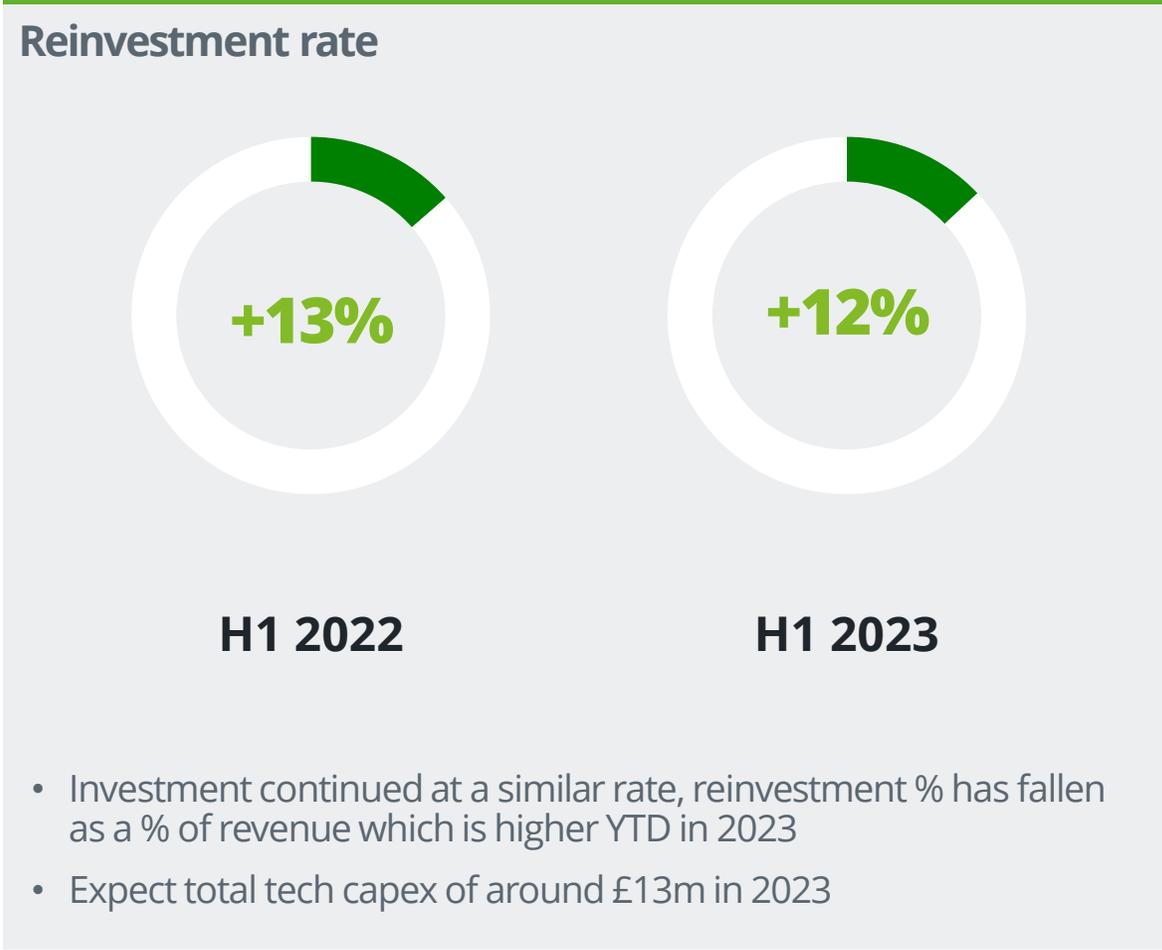
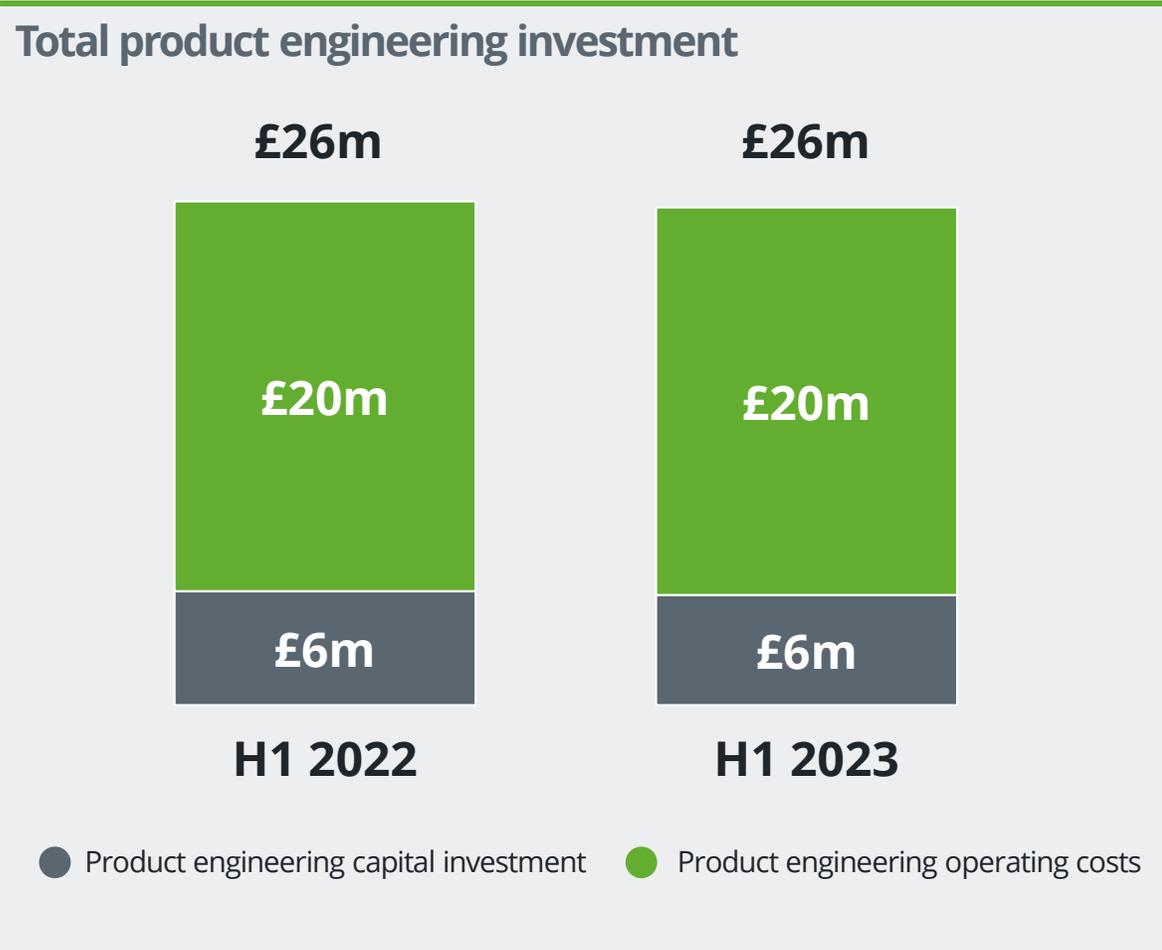


## Marketing spend and marketing margin



Note: Cashback corresponds to cashback in the Cashback vertical; Other includes MSE Cheap Energy Club cashback

# Product engineering investment



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.

# Capital allocation framework remains unchanged



Organic  
growth



Ordinary  
dividends



Acquisitions



Enhanced  
distributions

# Income Statement

£million	HY 2023	HY 2022	Growth
Revenue	213.8	193.2	11%
Gross margin	68%	68%	
<b>Adjusted EBITDA *</b>	<b>67.7</b>	56.6	<b>20%</b>
<i>EBITDA margin</i>	32%	29%	
Depreciation	(2.1)	(2.5)	
Amortisation of technology related intangible assets	(4.4)	(5.1)	
Adjusting items **	(5.5)	(5.2)	
<b>Operating profit</b>	<b>55.7</b>	43.8	<b>27%</b>
Net finance costs	(2.4)	(1.7)	
Taxation	(12.3)	(8.4)	
<b>Net profit</b>	<b>41.0</b>	33.7	<b>22%</b>
Attributable to owners of the Company	40.7	33.0	
Attributable to non-controlling interest	0.3	0.7	
<b>Profit for the period</b>	<b>41.0</b>	33.7	<b>22%</b>
Adjusted EPS ***	8.3	7.0	19%
DPS	3.2	3.1	3%

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

\*\* Adjusting items are amortisation of acquisition-related intangibles.

\*\*\* Adjusted EPS takes into account non-controlling interest % in Ice Travel Group and Podium

# 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

<b>HY 2023</b>								
£million	<b>Insurance</b>	<b>Money</b>	<b>Home Services</b>	<b>Travel</b>	<b>Cashback</b>	<b>Shared costs</b>	<b>Inter-vertical eliminations</b>	<b>Total</b>
Revenue	105.6	51.9	18.7	11.6	29.0	-	(3.0)	<b>213.8</b>
Directly attributable expenses	(45.3)	(16.9)	(6.2)	(8.2)	(24.0)	(48.5)	3.0	<b>(146.1)</b>
Adjusted EBITDA contribution	60.3	35.0	12.5	3.4	5.0	(48.5)	-	<b>67.7</b>
Adjusted EBITDA contribution margin	57%	67%	67%	29%	17%	-		<b>32%</b>
Depreciation and amortisation								<b>(12.0)</b>
Net finance costs								<b>(2.4)</b>
Profit before tax								<b>53.3</b>
Taxation								<b>(12.3)</b>
<b>Profit for the period</b>								<b>41.0</b>
<b>HY 2022 Restated *</b>								
£million	<b>Insurance</b>	<b>Money</b>	<b>Home Services</b>	<b>Travel</b>	<b>Cashback</b>	<b>Shared costs</b>	<b>Inter-vertical eliminations</b>	<b>Total</b>
Revenue	85.9	53.0	18.8	8.2	28.7	-	(1.4)	<b>193.2</b>
Directly attributable expenses	(37.5)	(16.1)	(7.5)	(4.8)	(23.3)	(48.8)	1.4	<b>(136.6)</b>
Adjusted EBITDA contribution	48.4	36.9	11.3	3.4	5.4	(48.8)	-	<b>56.6</b>
Adjusted EBITDA contribution margin	56%	70%	60%	42%	19%	-		<b>29%</b>
Depreciation and amortisation								<b>(12.8)</b>
Net finance costs								<b>(1.7)</b>
Profit before tax								<b>42.1</b>
Taxation								<b>(8.4)</b>
<b>Profit for the period</b>								<b>33.7</b>

\* The comparative revenue and directly attributable expenses for the period ended 30 June 2022 have been restated to align with the change in presentation of inter-vertical eliminations.

# Moneysupermarket Group