

Moneysupermarket Group Company Presentation

November 2020

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Overview

Introduction to Moneysupermarket Group

- UK price comparison sites for Insurance, Money, Energy, Broadband and other products
- Efficient marketplace matching users to product providers – savings for users, cheap and targeted acquisition for providers, and fixed fee revenue for the Group at transaction
- Two strong consumer brands in MoneySupermarket and MoneySavingExpert; Group NPS of 74
- Operate in markets with structural growth (est. 4-5% CAGR over medium term) and significant headroom
- A leading, scale player — differentiated in both our product breadth and brand portfolio
- Efficient financial model that is highly profitable, strongly cash generative and capital light

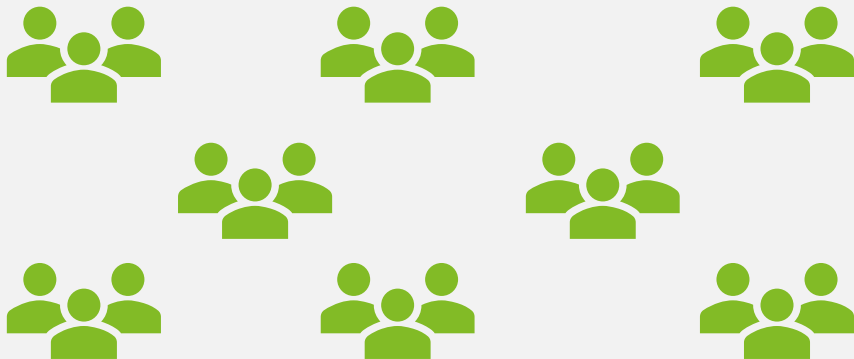
Group purpose is to help households save money – over £2bn saved in 2019

We offer customers a great way to save money and providers an effective way to build their business

Customers

Find, compare and purchase the best deals

Over 12m active users



Free comparison tools and guides

Personalised quotes

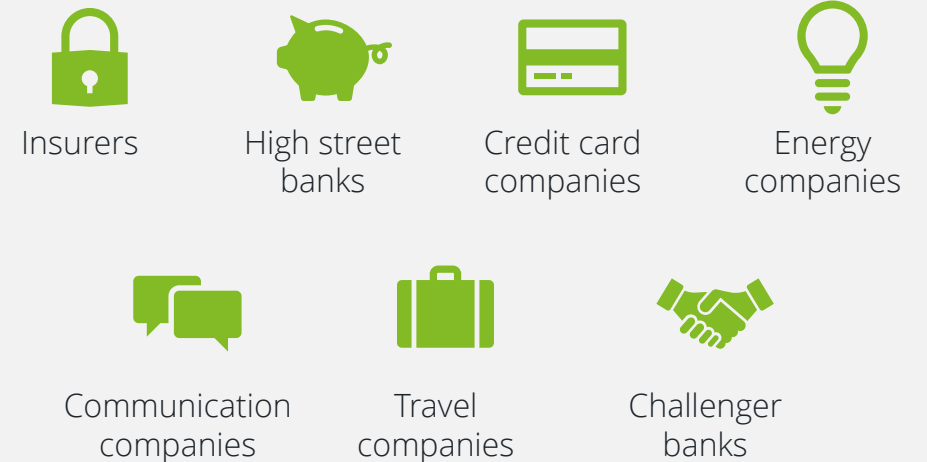
Meaningful savings on household bills

Moneysupermarket
Group

Providers

Cost efficient customer acquisition

c. 1,000 providers



Access to millions of customers

Fixed fee payable on completion of transaction

Target specific customer types and risk profiles

Leading trusted brands

Helping households save money



Helping consumers 'Get Money Calm'

- Relationships with c.1,000 providers across 50 products in Insurance, Home Services and Money
- 12.4m active users; NPS > 70^(a)
- Saved households £2bn in 2019

MoneySavingExpert

Consumer champion and one of the UK's biggest finance websites

- 14m subscribers to weekly email including deals, tips and money saving guides
- Full editorial independence and integrity
- Consistently ranked top in the UK Online Services sector^(a)



Market leading B2B provider

- Established comparison service for B2B and B2C
- 15 B2B energy partnerships



Travel metasearch site

- Price comparison for package holidays, car rental, flights and hotels
- 19.5m holiday enquiries in 2019

Leveraging group technology, data and talent

(A) Source: YouGov 2019 Brandindex.

Competitive set varies by vertical

Insurance

Predominantly featuring other PCW players



GoCompare

Confused.com

Money

Mixture of credit score companies and high street banks

ClearScore
TotallyMoney



Home Services

PCW players along with more niche sites



GoCompare

MoneySavingExpert is a UK phenomenon, with wide readership and extremely high trust



One of the UK's largest consumer websites

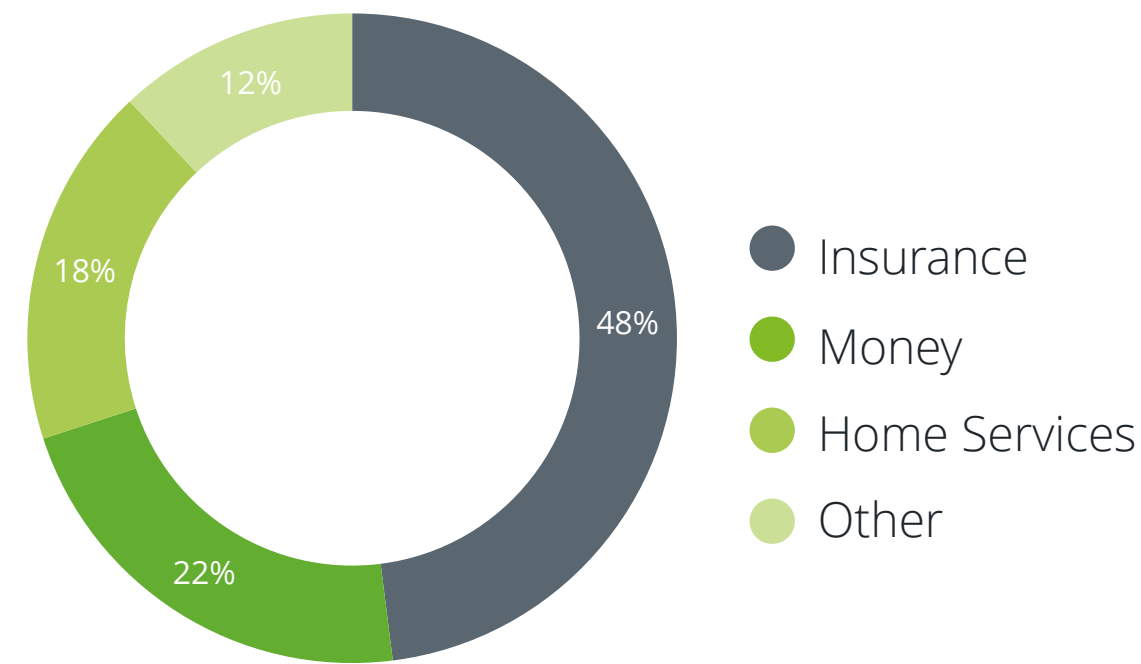
- Founded in 2003 by journalist Martin Lewis, acquired by Moneysupermarket in 2012
- Dedicated to helping consumers save money on bills and campaigning for financial justice with journalistic research, impartial best buy guides, free tools and user forums
- 14m subscribers to weekly email with latest money saving tips
- Net Promoter Score >90

Business model aligned to editorial independence and integrity

- Free site and tools for all users, companies cannot pay to be advertised on the site or in Tip email
- Revenue generated by:
 - Affiliate links to products – always clearly labelled to users
 - Cheap Energy Club (over 4m members) finds best energy deals with providers paying fixed fee per switch
 - Exclusive deals negotiated with revenue share model – always based on editorial merit

Diversified revenue streams

FY19 revenue split by vertical



Main Channels

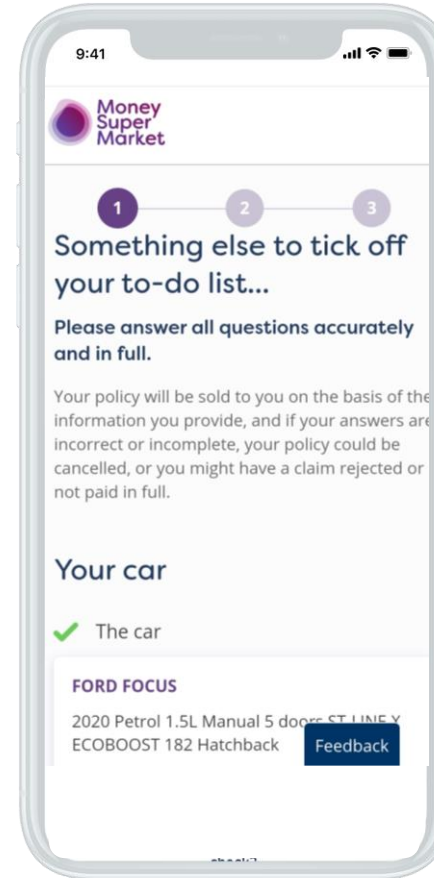
- Insurance: Car, Home, Life and Travel
- Money: Credit Cards, Loans, Savings & Current accounts
- Home Services: Energy, Broadband and Mobile
- Other: Decision Tech and TravelSupermarket

MoneySuperMarket customer journey: Motor insurance example

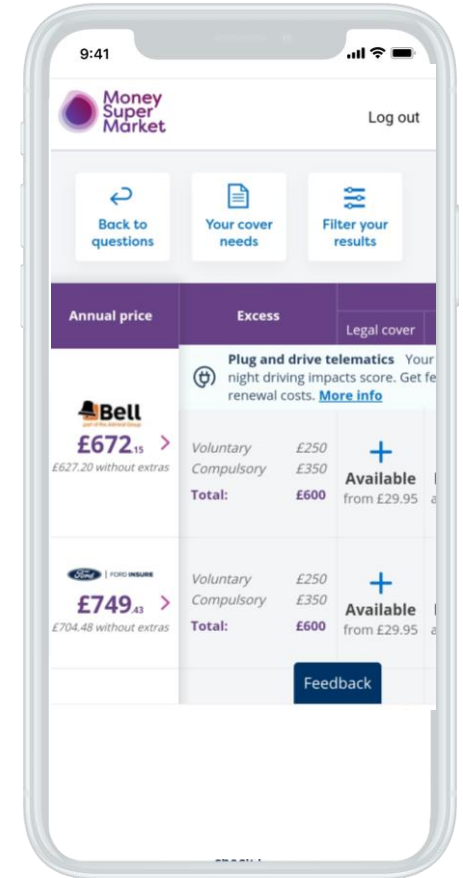
Making it easy to switch and save

Results page sorted by customer preferences

Deep link to over 100 car insurance providers



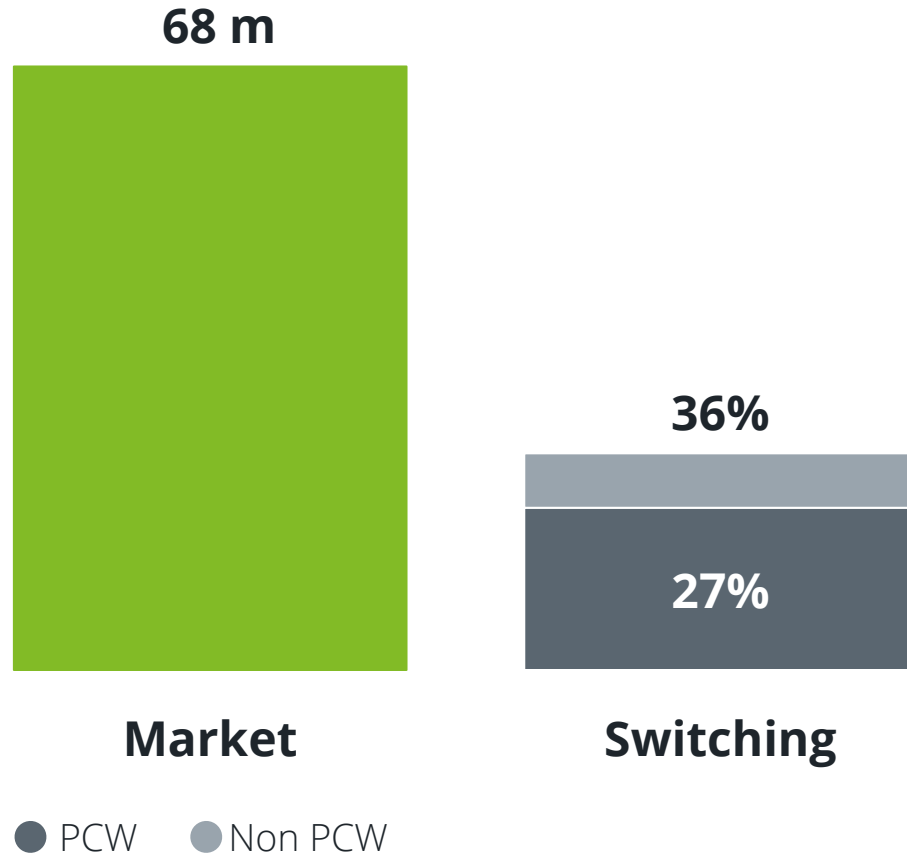
User friendly question sets



Legally binding quotes in under a minute

Insurance

Car, Home and Travel policies



Market

- Sizeable market and is growing
- Car insurance is our largest channel but is less than 50%
- 'Must have' category with an annual call to action
- Switching penetration higher than other verticals

Growth drivers

- Increasing the frequency of switching
- Penetration of other Insurance channels
- Breadth of panel

Our approach

- Personalised switching prompts
- Helpful tools

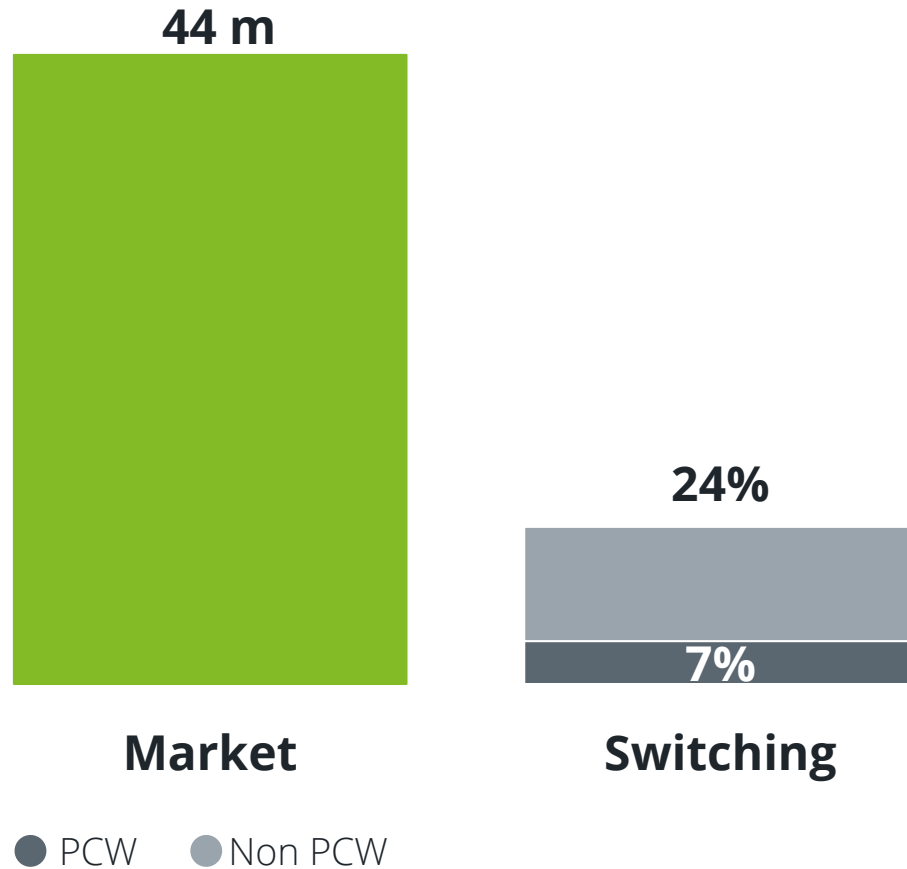
Source: Based on 2018 and 2019 internal data and external sources

Note: **Market** is the total number of car, home and travel insurance policies. **Switching rate** is the number of both online and offline policies switched as a % of market.

PCW penetration is the number of PCW switches as a percent of total market. Source: Volume - Internal estimates based on DfT, ABI, ONS and Internal Data

Money

Credit cards and unsecured loans



Market

- Over 75% of revenue comes from credit products in 2019
- More promotional market; no “call to action”
- PCW penetration relatively low - consumers take products offered by their existing bank

Growth drivers

- Building consumer confidence and trust
- Promotional products
- Creating engagement points

Our approach

- Creating “hooks” e.g. Credit Monitor
- Editorial recommendations and power of MSE

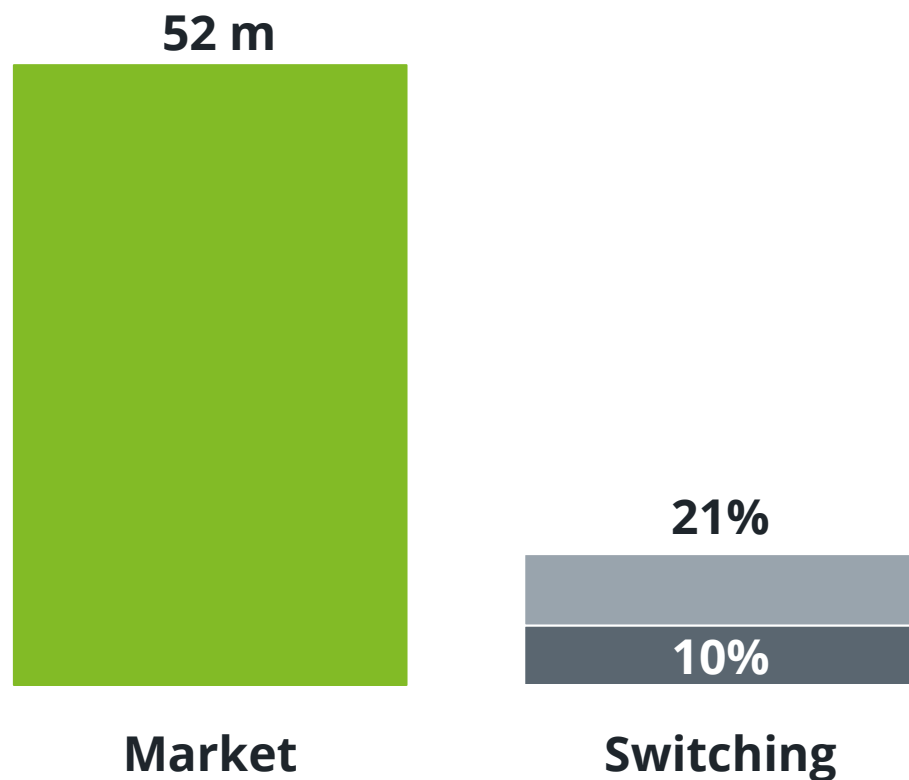
Source: Based on 2018 and 2019 internal data and external sources

Market is the total number of credit cards and loans. **Switching rate** is the number of both online and offline new sales and switching as a percent of market.

PCW penetration is the number of PCW switches as a percent of total market.

Home Services

Number of energy accounts



Market

- Energy is over 75% of Home Services revenue in 2019
- Low engagement channel
- Price cap helps create a call to action
- Significant headroom for PCW penetration across energy and communications

Growth drivers

- Overcome customer inertia
- Trust in supply continuity

Our approach

- Monitoring and new auto-switch proposition to drive both frequency and penetration

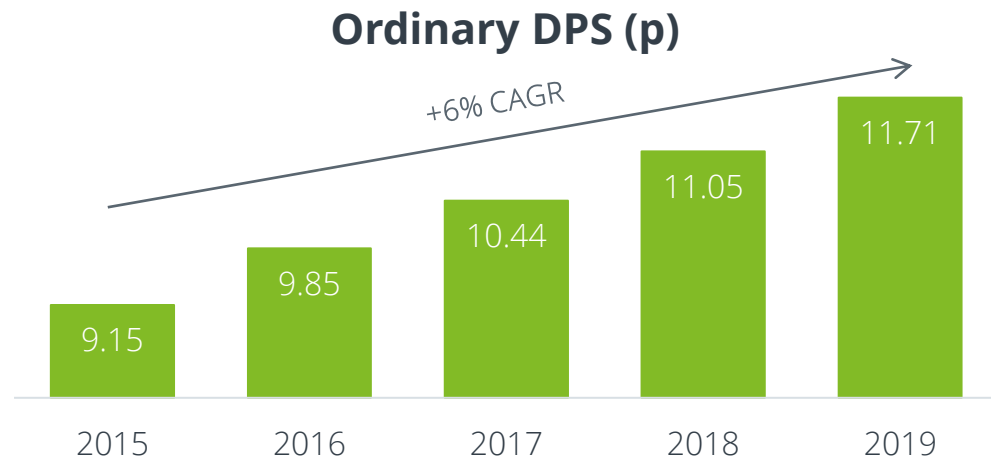
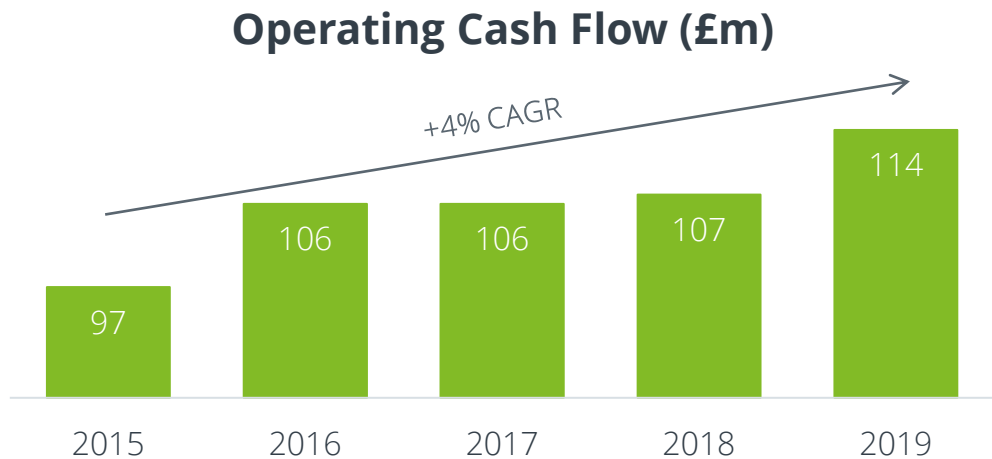
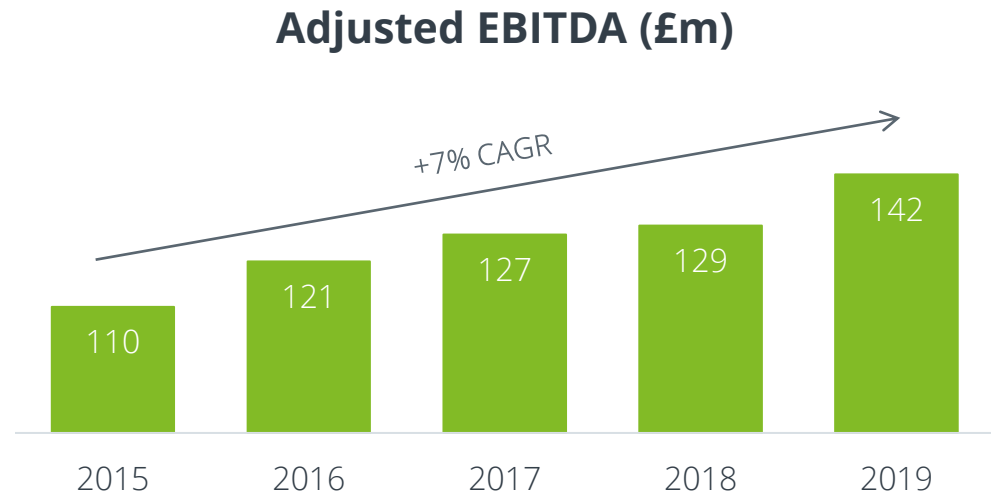
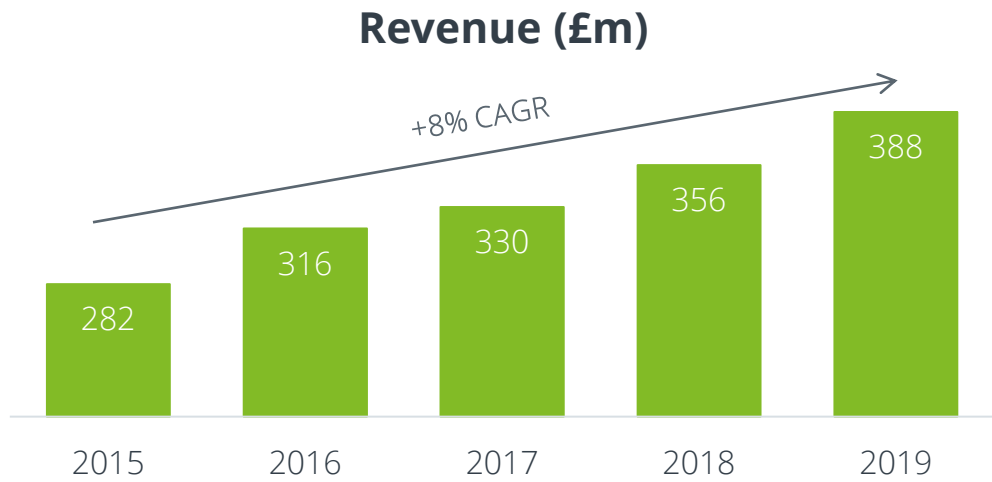
● PCW ● Non PCW

Source: Based on 2018 and 2019 internal data and external sources

Note: **Market** is the total number of energy accounts (dual fuel counted as two accounts). **Switching rate** is the number of both online and offline provider switches as a percent of the market. **PCW penetration** is the number of PCW provider switches as a percent of total market.

Source: Volume - Internal estimates based on BEIS, Ofgem and Internal Data

Strong record of profit growth, cash generation and shareholder returns



Note Decision Tech acquired in August 2018 and included in Group results thereafter.

Capital allocation framework



Reinvent Strategy

The Reinvent growth strategy: reaccelerate core and new market growth

Helping households save money

Reaccelerate Core Growth



+

New Market Growth



The Reinvent growth strategy: reaccelerate core and new market growth

Helping households save money

Reaccelerate Core Growth

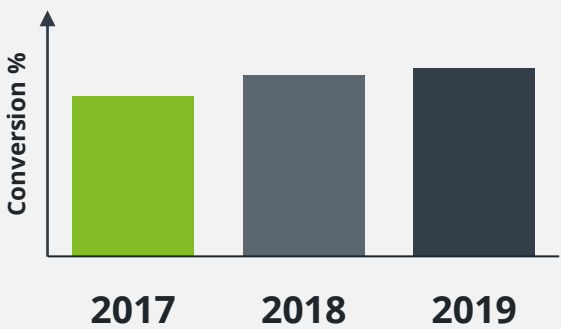


Purpose built product engineering hub

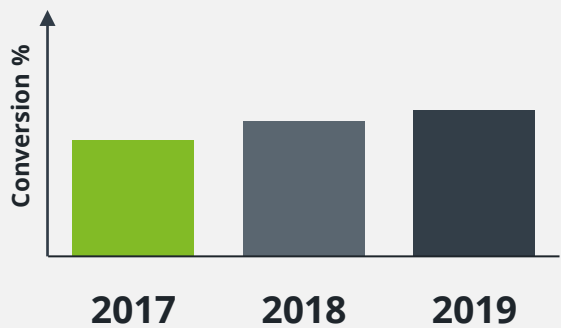
- Dedicated squads recruited in new office in Manchester
- Teams restructured to accelerate delivery – c. 250 employees
- Each comparison area has its own focused team
- Focus on innovation and customer centricity

Conversion optimisation gains combatting margin pressures

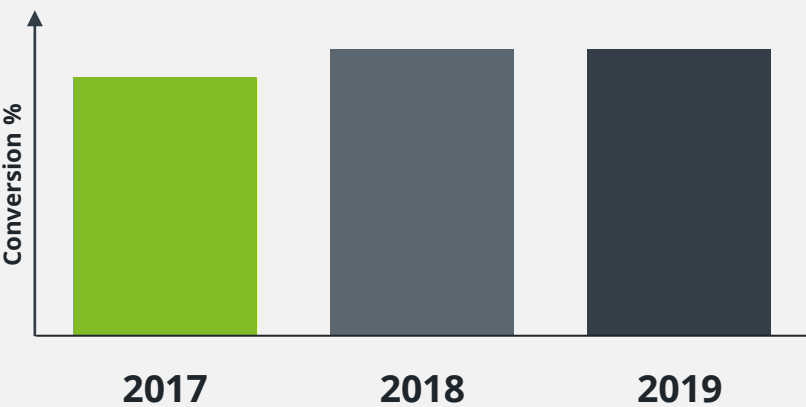
Desktop conversion



Mobile conversion



Combined conversion



Margin headwinds
Shift to mobile accelerated in 2019
Increasing paid search following SEO volatility

Note: Conversion defined as visitor to buyer on car and home insurance. Combined conversion excludes tablet devices.

The Reinvent growth strategy: reaccelerate core and new market growth



Reaccelerate Core Growth



New Market Growth

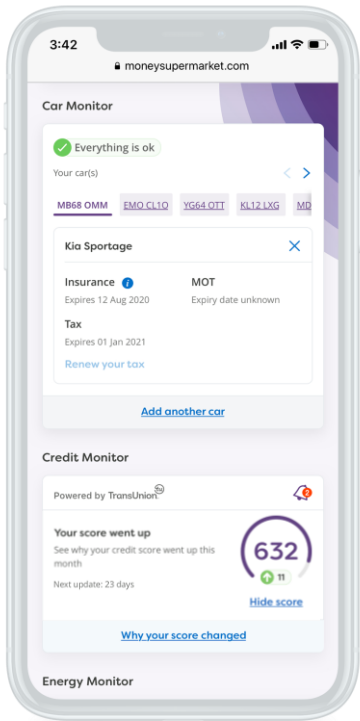


Personalised MoneySuperMarket

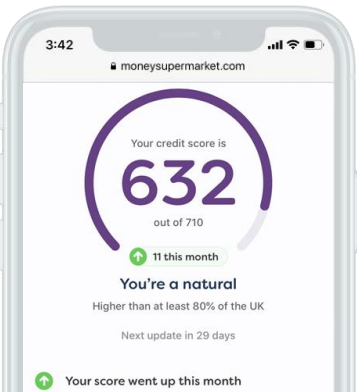


>1 million MSM Customers' bills now "monitored"

Dashboard Homepage

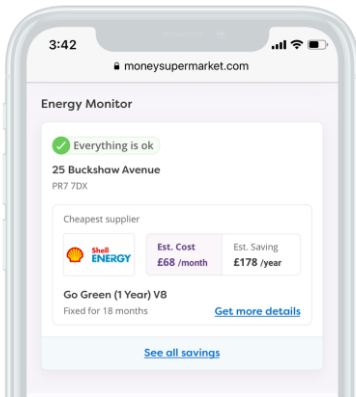


Credit Monitor



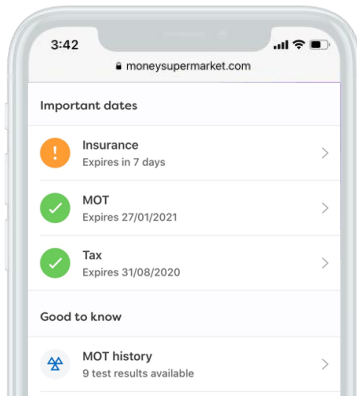
Automatic score updates
Alerts and recommendations

Energy Monitor



Automatic tariff checks
Next best deal alerts

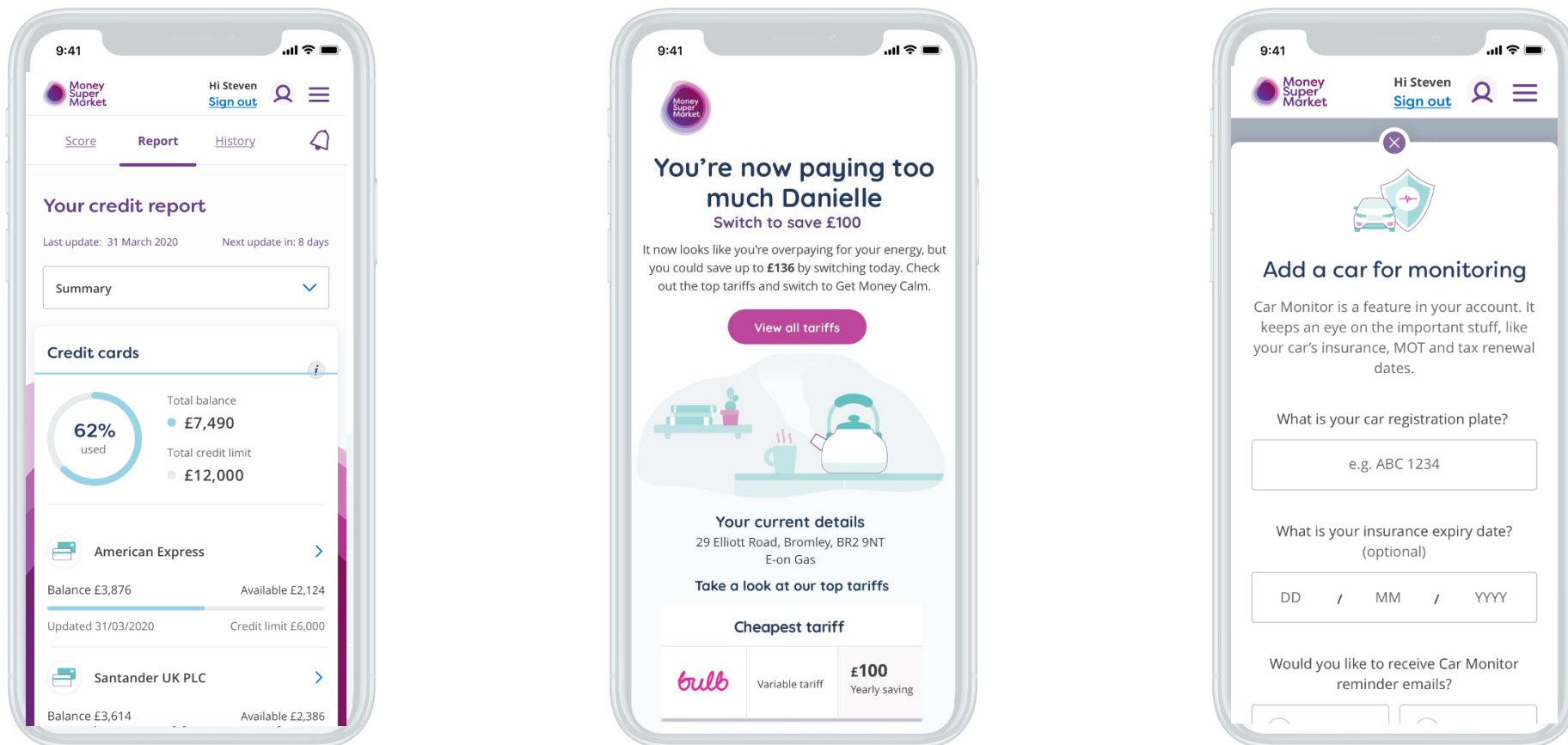
Car Monitor



Automatic requotes
MOT and Tax alerts

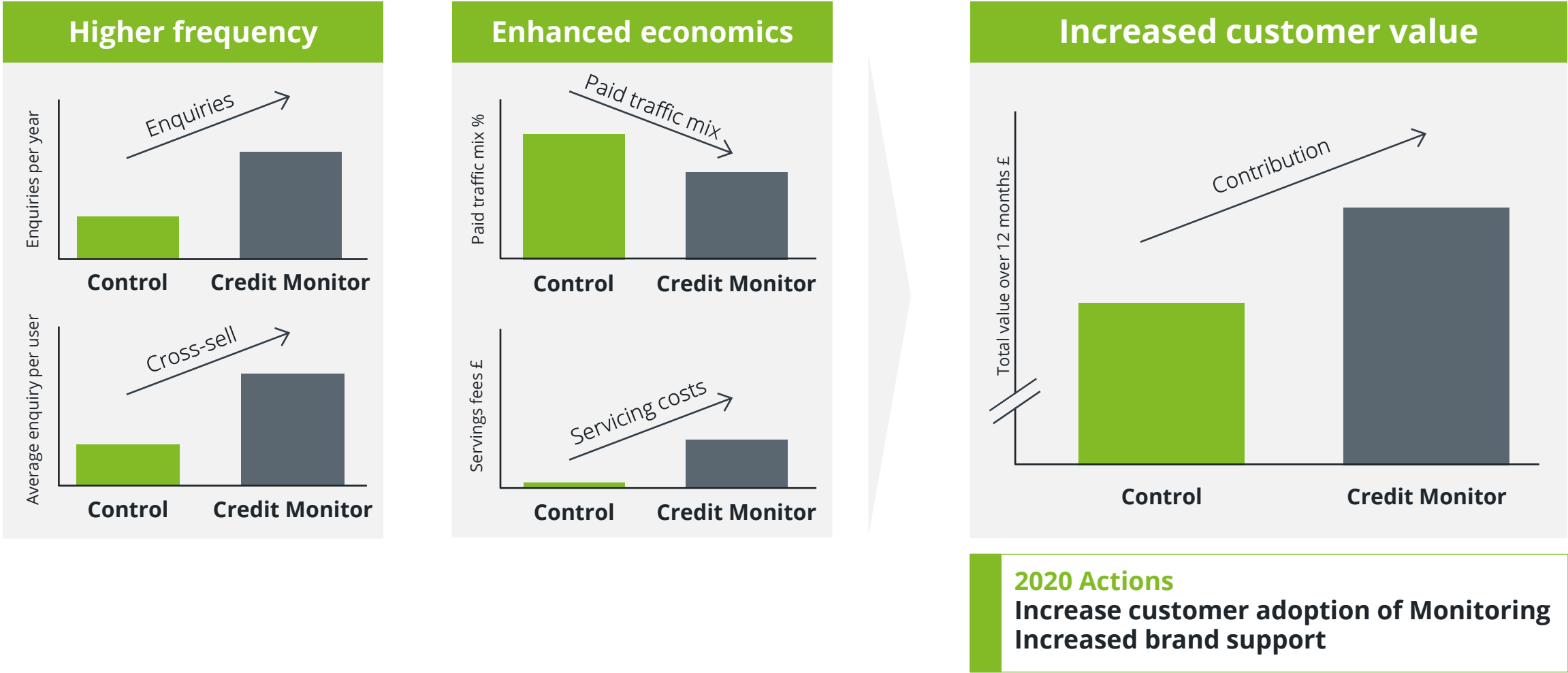


Regular personalised contacts drive frequency and retention



Enabled by:
Single customer view and data warehouse, multiple category proprietary tech stack

Monitor customers return more, save more and have higher value



Note: For every Credit Monitor user, the most similar non-credit monitor user is matched as a control based on dozens of demographic attributes and behaviours in the months before sign-up. Only returning/existing MoneySuperMarket users are included (new to MSM users cannot be matched to a control). (Engagement) Member has enquired or clicked in month; (Servicing costs) Annual TransUnion fees and HD smart search enquiry fees. (Value) Revenue per member less Monitor CPA, TransUnion Fees, Paid Enquiry costs and HD Search Fees

Taking price comparison to the user: enabled by Decision Tech

Established B2B and B2C operator

- Acquired in 2018, consistent double-digit growth since
- Leading operator of B2B comparison tech for third party brands
- Provider of B2C home communications comparison tools



Revolut

Addition of energy vertical

- From market entry to market-leading B2B energy proposition
- Panel strength combined with rapid product innovation
- 15 partnerships launched, including Revolut



credit karma™

Leveraging Group platform

- Empowered management with sector expertise
- Leveraging Group's commercial relationships and underlying tech platform



TotallyMoney

MSE Energy Autoswitch – unique market proposition

User choice value and convenience:

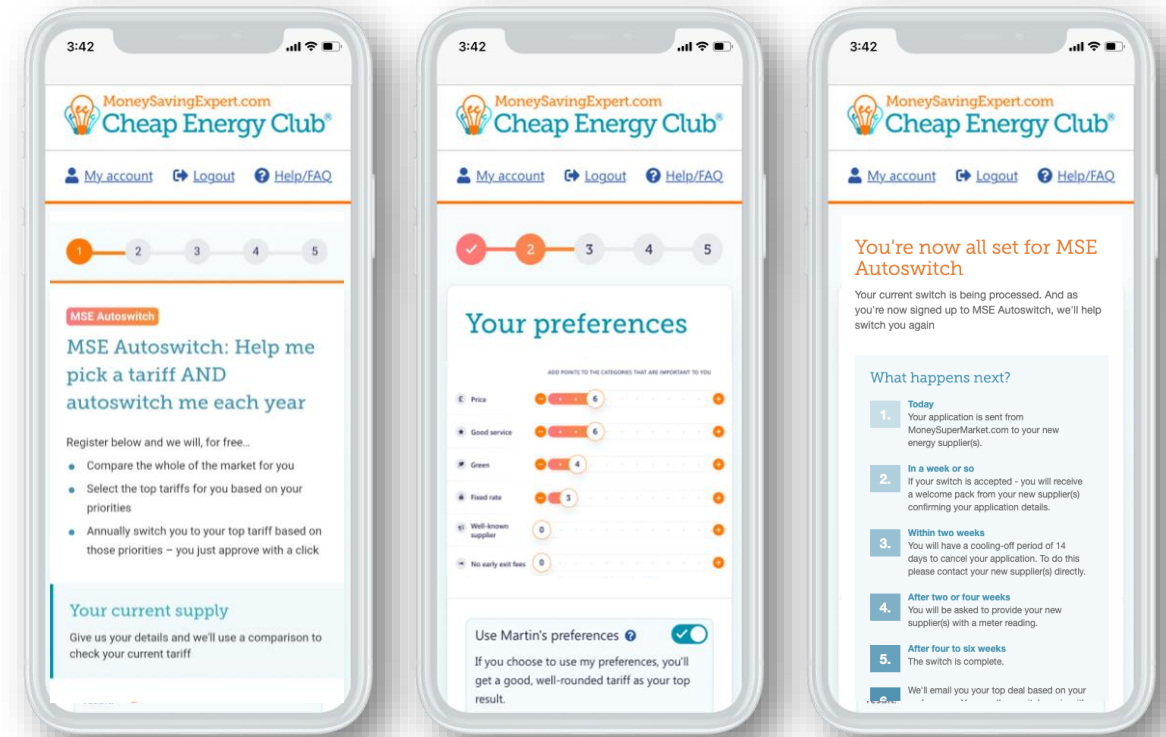
- Preference based autoswitch - price, service, green etc
- MSE provider panel and value
- Annual autoswitch

Sustainable provider economics and full provider panel and value:

- Ability to differentiate - price, service, green etc
- Existing commercial model
- Operational efficiency

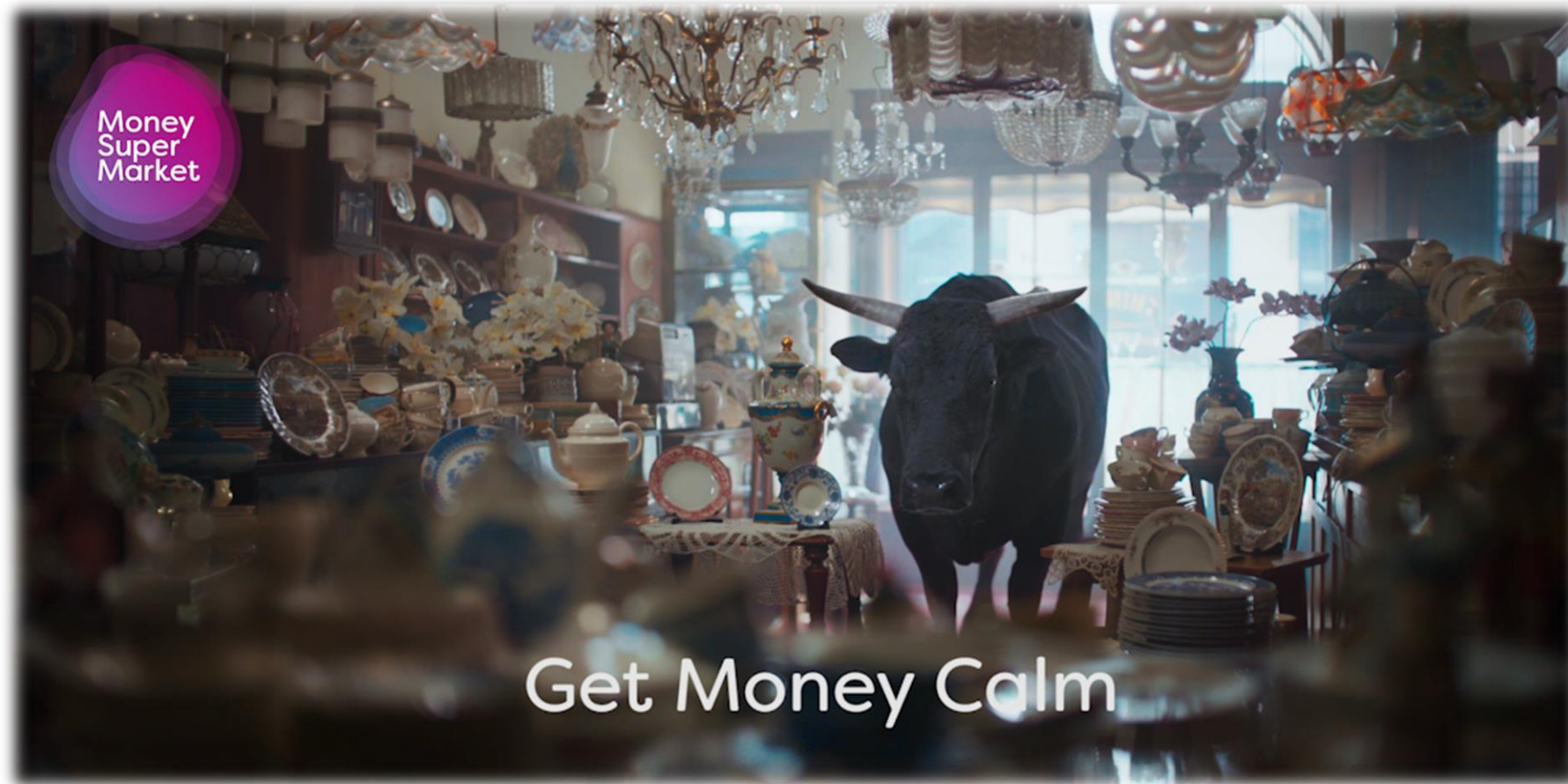
Leveraging group capabilities:

- Existing technical platform
- Existing commercial relationships
- Existing trusted MSE communications channels



Keeping users on the best priced tariff that meets their preferences

'Money Calm Bull' campaign extending our support for Get Money Calm



'Get Money Calm' branding - versatile and effective communications platform supporting personalisation strategy

Mortgage price comparison: partnering with Podium

Creation of Podium joint venture in 2018

- Partnering with founders of HD decisions who created industry standard for cards and loans eligibility
- Ambition to digitise mortgage process from comparison to completion
- Large intermediary remortgage market commissions pool c.£500m¹
- 25% of mortgage search traffic already comes to MoneySuperMarket and MoneySavingExpert








Significant milestones on road to digitisation

- Product Transfer option available with six lenders
- First decision in principle service launched February 2020 with Nationwide
- Launch of free mortgage holiday calculator in response to introduction of mortgage holidays – adopted by major lenders

New Market Growth

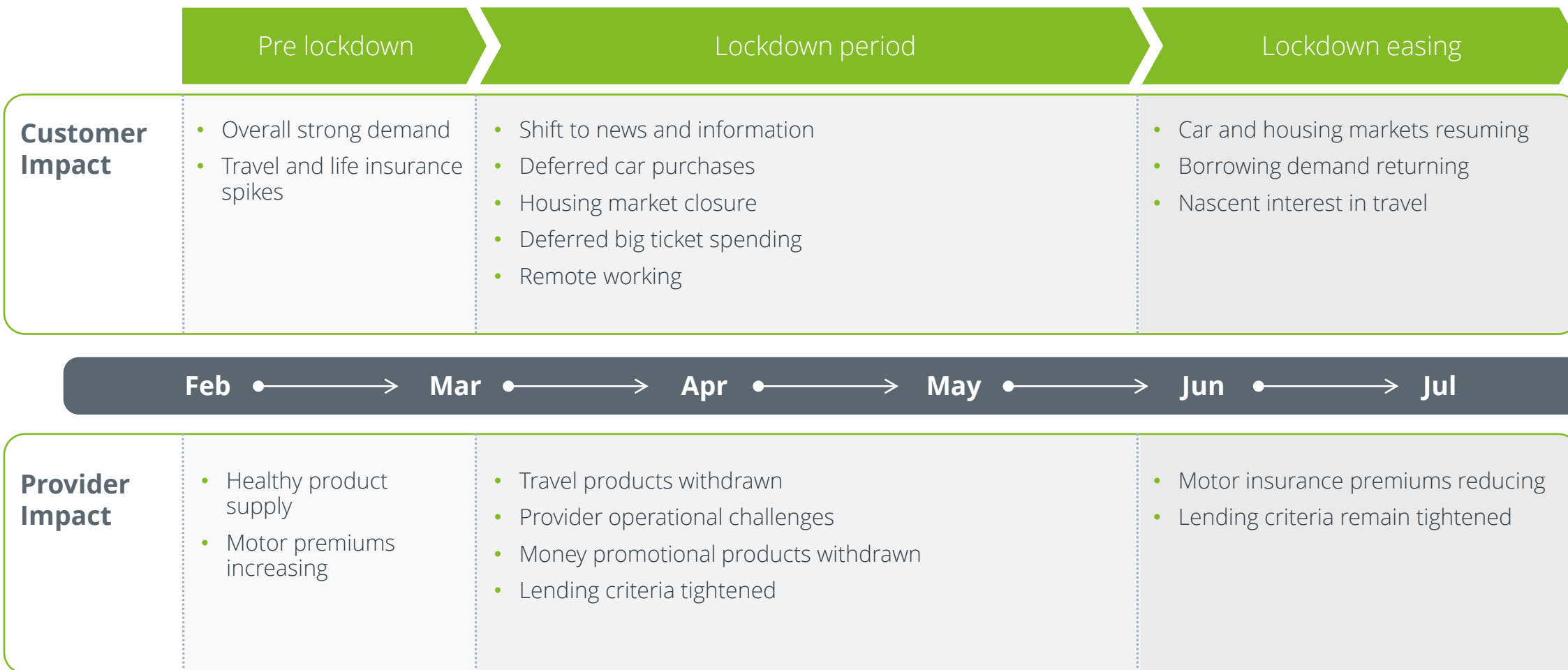


Fulfilling our purpose and ESG responsibilities

<p>Purpose</p>  <p>Helping households save money</p>	<ul style="list-style-type: none">• Purpose to help households save money even more relevant in uncertain times• £2bn household savings delivered in 2019• 12m active users
<p>MoneySavingExpert</p> 	<ul style="list-style-type: none">• Consumer finance champion, successfully campaigning on mis-sold PPI, payday loan regulation, financial education in schools and more• Full editorial independence and integrity• Widely read, authoritative guides on COVID-19 finance• Free online MSE 'Academoney' educating adults on personal finances launched with Open University• 14m subscribers to weekly tip email
<p>Community & Environment</p>   <p>Prince's Trust</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• Working with local Flintshire charity to deliver meals to vulnerable people through COVID-19 crisis• Fully offset 2019 carbon emissions and achieved 'Beyond Carbon Neutral' status in 2020• Donations to green initiatives such as East Africa Solar Energy, China Wind Energy and Woodland Trust
<p>ESG Ratings</p>    <p>FTSE4Good</p>	<ul style="list-style-type: none">• Constituent of FTSE4Good Index• In 2019 received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment• In 2020 received a rating of 22.9 Medium Risk in the Sustainalytics ESG Ratings assessment - 9/170 in the internet companies subsector

2020 H1

COVID-19 has affected both sides of our marketplace



Rapid response has allowed households to save £1.1bn so far this year

Lockdown period:
rapid pivot to actionable information

Lockdown easing:
new propositions introduced

MoneySavingExpert

Coronavirus Guides | Constantly updated guides with need-to-knows on the financial fallout of the pandemic



Coronavirus Travel Rights - Holiday refunds, travel insurance cover & more

- [Latest on travel restrictions](#)
- [I've a trip booked - can I get a refund?](#)
- [What if my flight or holiday is cancelled?](#)

MoneySavingExpert.com
Cheap Energy Club®
Helping you get no-hassle, CONSTANTLY cheap gas & electricity

My account Logout Help/FAQ

Hurrah!
You're now signed up to MSE Autoswitch.

We'll find you the best deal for you (based on your preferences) and will send it to you in an email around 20 June 2020. After your approval we'll switch you to that deal (don't worry, you'll get to review everything) and we'll do this year, after year, after year.
You can check your details [here](#).

You have a switch in progress with Bulb



Payment holiday calculator

Find out how a mortgage payment holiday could affect your future repayments

Payment Holiday Calculator



Teams moved to remote working in advance of lockdown
Workforce fully deployed, have not applied for government support
Maintained Group's CSR commitments, including support for local community

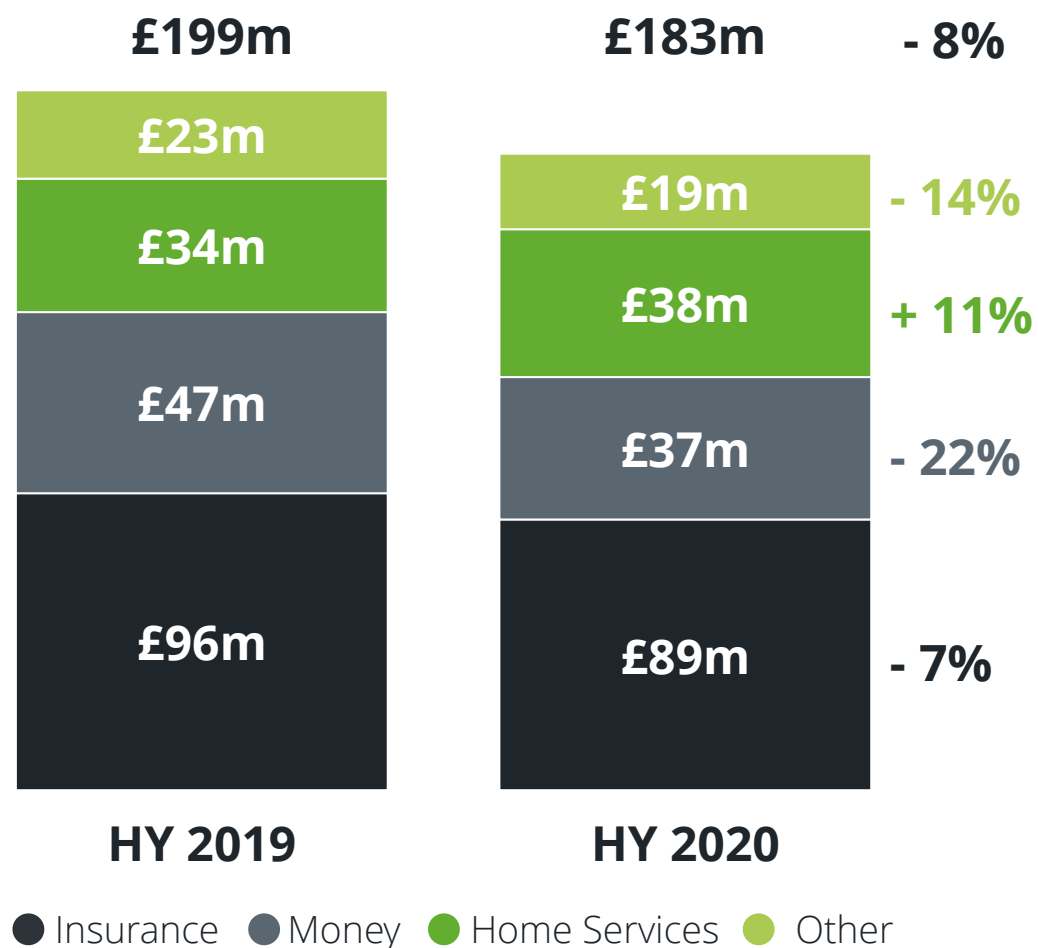
Financial highlights



Revenue -8%	Adjusted EBITDA -14%	Reported EPS -19%
£183m	£63m	7.6p

Reinvestment rate - flat	Operating cashflow -19%	Dividend per share - flat
9%	£42m	3.1p

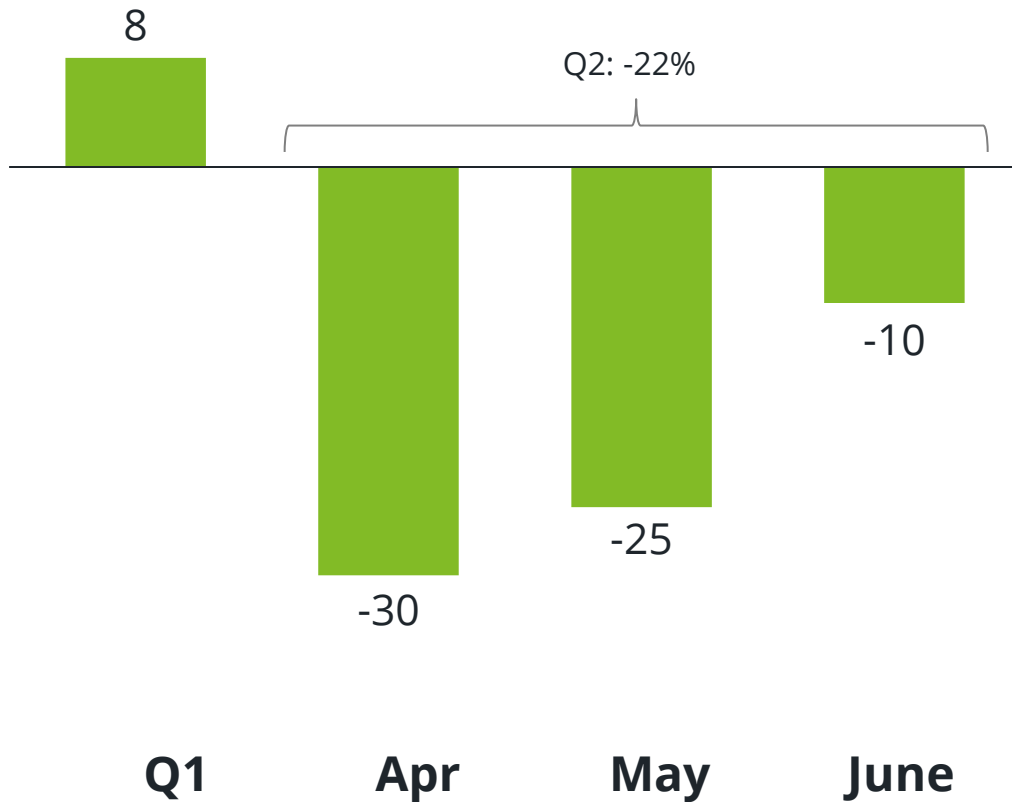
Revenue down 8% driven by exceptional market conditions



- H1 revenue down 8% but Q2 revenue down 20%
- Insurance, Money and TravelSupermarket heavily impacted by market factors during lockdown
- Strong growth in Home Services and Decision Tech

Insurance trends improving

YoY revenue growth (%)



Q1

- Return to premium inflation in motor insurance
- COVID-19 driving strong performance in life and travel

Lockdown

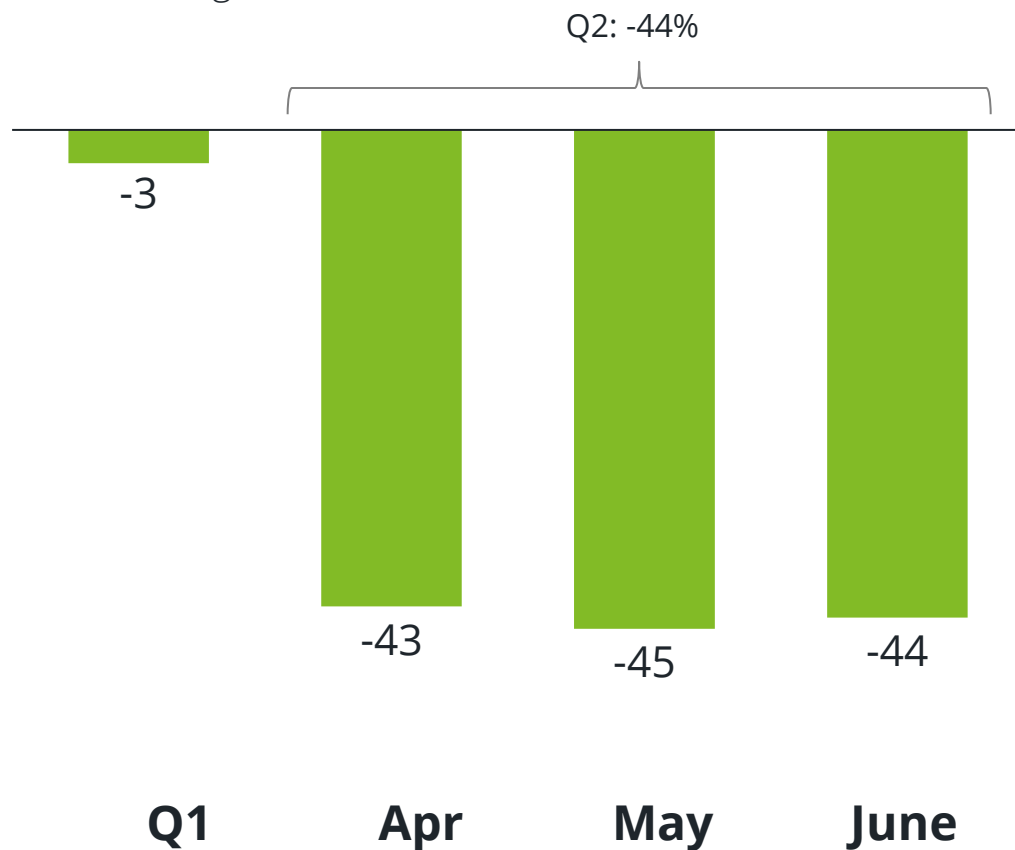
- Initial consumer distraction
- Travel cancellations and bans
- Car dealerships closed
- Home moves discouraged

Recent performance

- Car and home insurance at pre-COVID-19 levels
- Life insurance recovery ongoing
- Travel remains heavily suppressed

Conditions in Money remain challenging

YoY revenue growth (%)



Q1

- Turnaround from Q4 decline to January & February growth
- Weaker trading in March as product availability fell

Lockdown

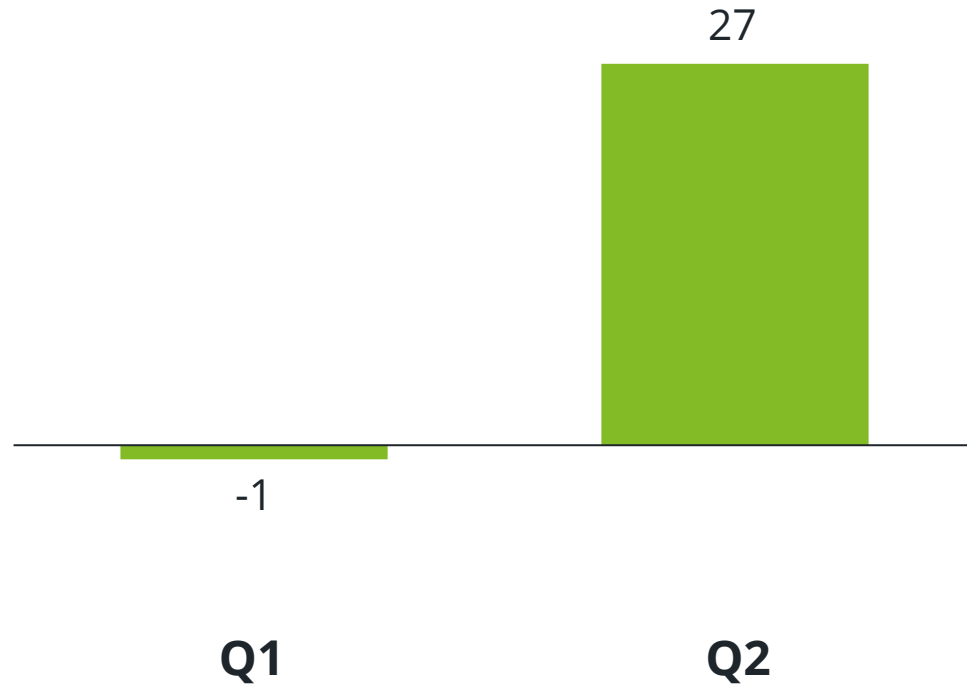
- Credit:
 - Tighter lending criteria
 - Dip in consumer demand
 - Loan and mortgage repayment holidays
- Little promotional product in Banking

Recent performance

- Lending criteria tight – conversion challenges remain
- Banking supply extremely low

Home Services growing well

YoY revenue growth (%)



Q1

- Revenue flat yoy, but on exceptional prior year growth
- Large customer savings available in energy

Lockdown

- Initially some provider processing challenges
- Continued large customer savings, supported by lower wholesale energy prices
- Broadband more critical to customers

Recent performance

- Good switching volumes
- Strong provider appetite - MSE 'Big Switch' in July
- Likely price cap reduction in autumn - may dampen savings in H2

Income statement

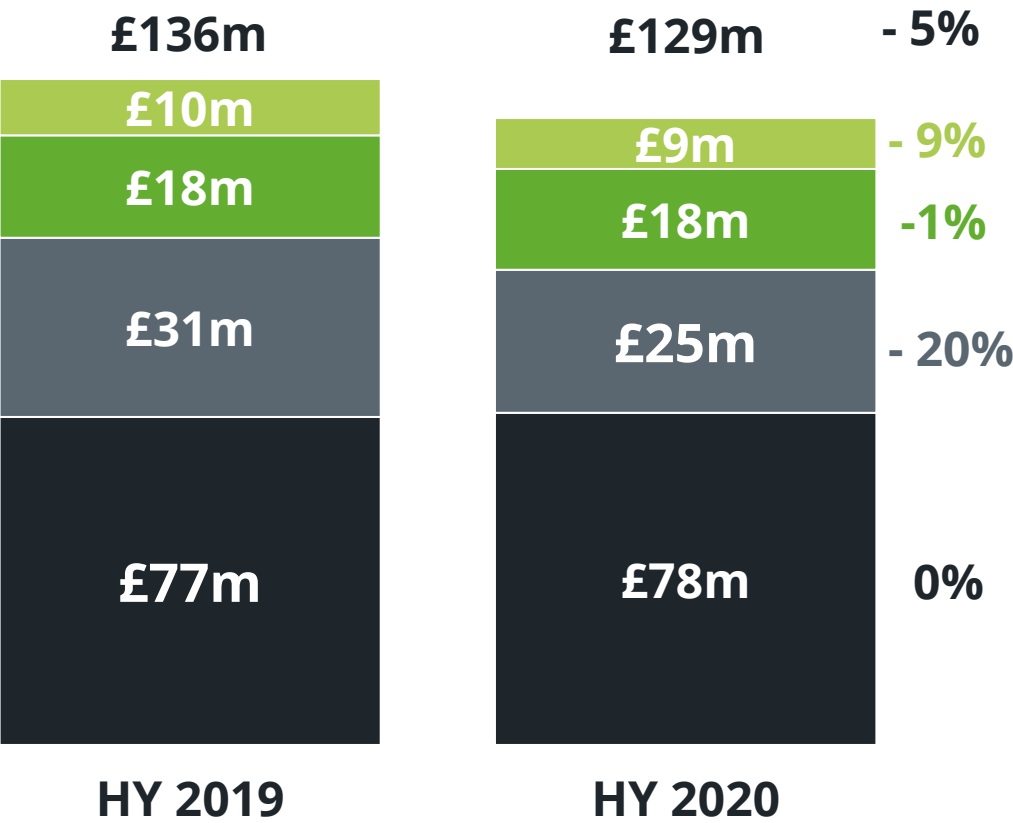
£million	HY 2020	HY 2019	Growth
Revenue	183.2	199.4	-8%
Gross margin	67%	70%	
Adjusted EBITDA *	62.8	72.9	-14%
EBITDA margin	34%	37%	
Depreciation & software amortisation	(8.9)	(9.8)	
Adjusting items **	(1.2)	(1.7)	
Operating profit	52.7	61.4	-14%
Net finance costs	(1.0)	(0.9)	
Share of loss of joint venture	(0.3)	(0.1)	
Taxation	(10.8)	(10.2)	
Net profit	40.6	50.2	-19%
Adjusted EPS	7.9	9.4	-15%
DPS	3.1	3.1	0%

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

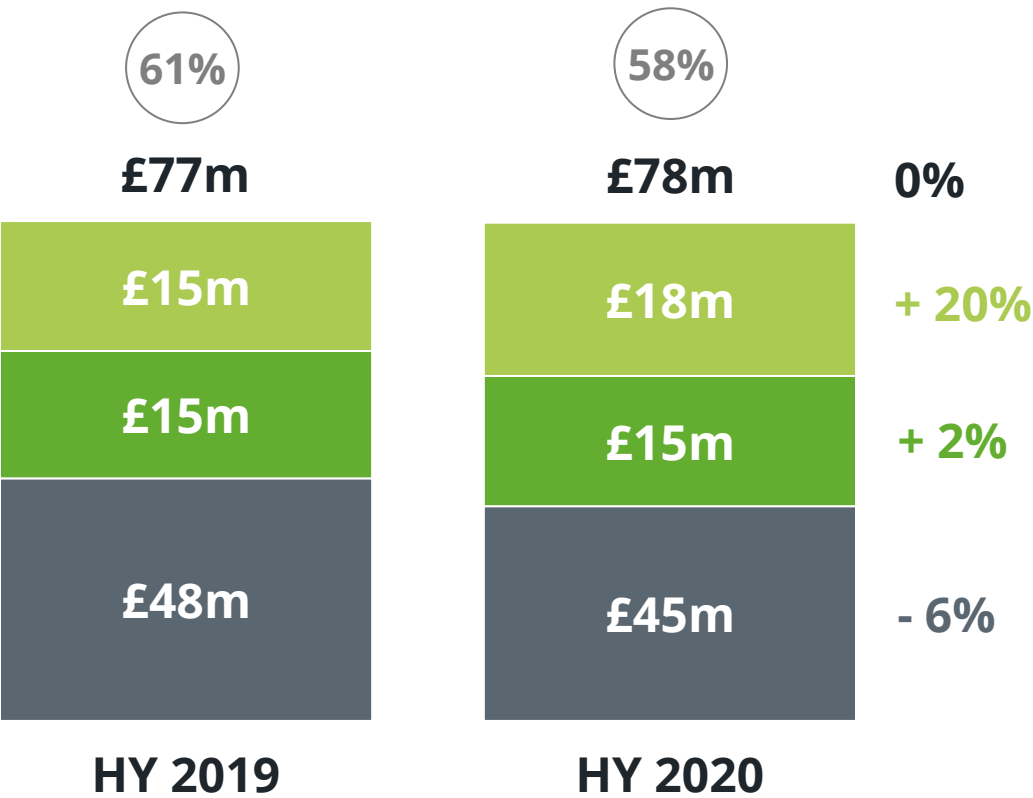
** Adjusting items are amortisation of acquisition-related intangibles and strategy related costs.

Overall reduction in costs

Adjusted cost base



Marketing spend & margin

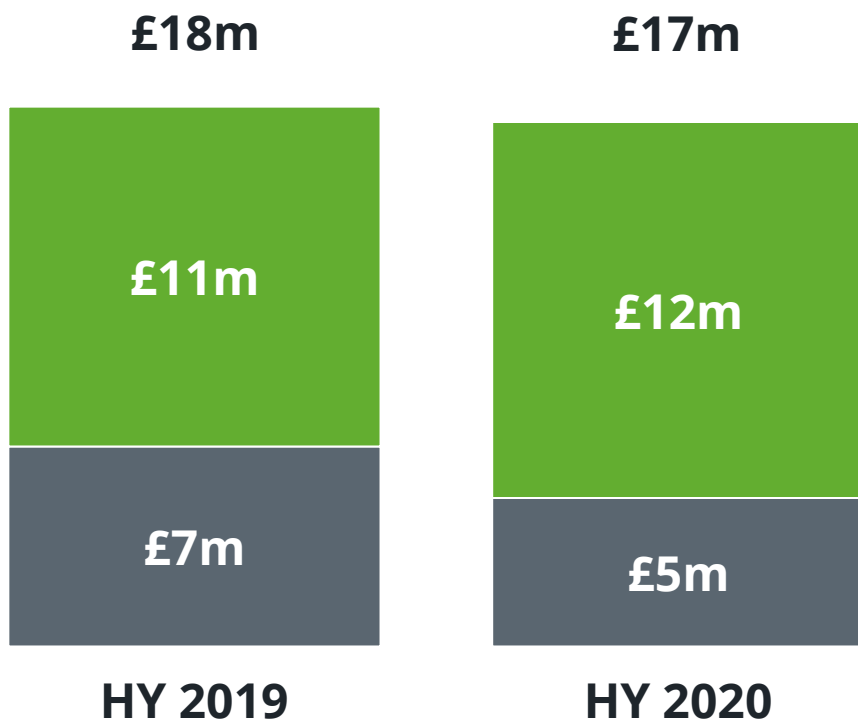


● Marketing costs ● Staff costs ● VAT & other admin ● D&A

● Online spend ● TV & Radio ● Other

Continued investment into technology, supporting future growth

Total tech investment



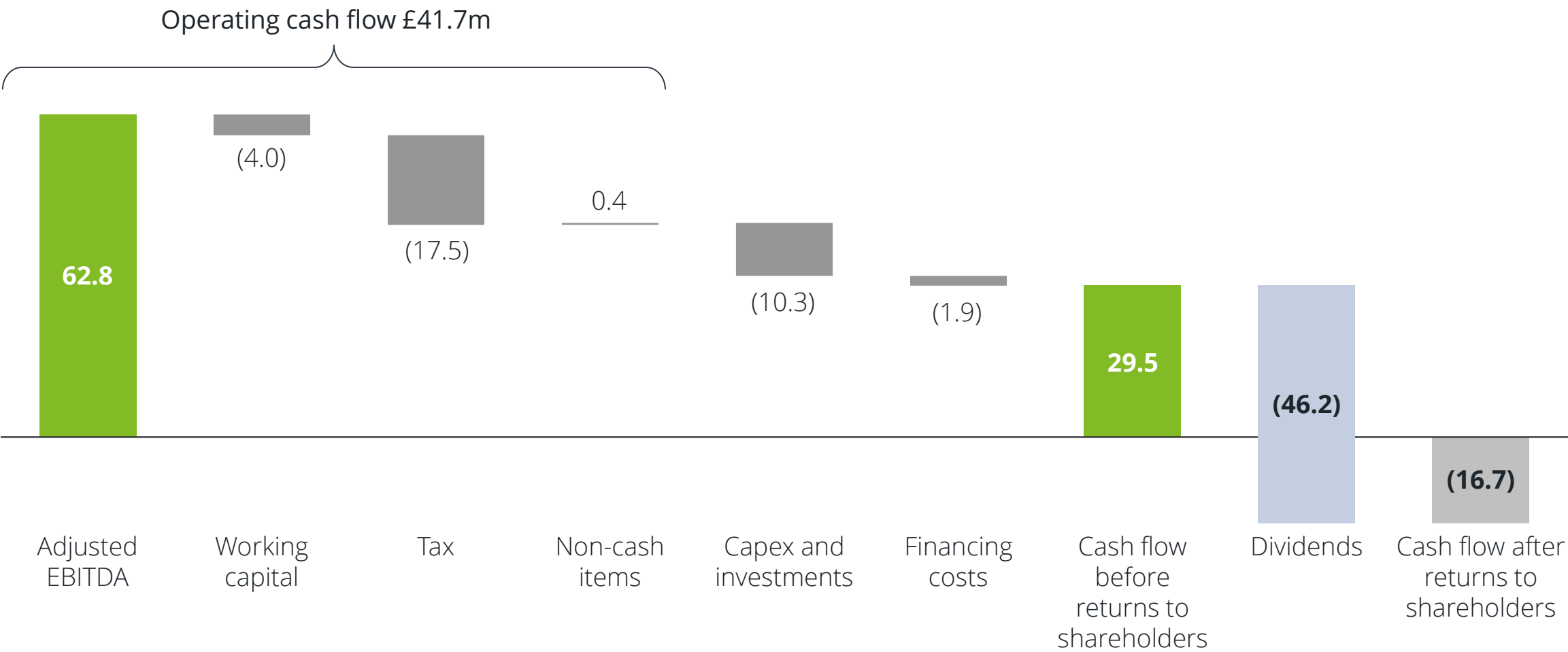
Reinvestment rate



- Continued shift to opex given nature of investment
- 2020 technology capex is expected to be c. £10m
- £1.3m of property capex relating to refurbishment of Ewloe office

● Technology capital investment ● Technology operating costs

Cash conversion remains robust



Net cash £7.5m as at 30 June 2020 (£24.2m as at 31 December 2019)

Note: Net cash is defined as cash and cash equivalents net of borrowings. It does not include deferred consideration in relation to the acquisition of Decision Tech or lease liabilities.

Recent performance Q3 2020

Continued market disruption impacts performance

Group revenue declined 16% in Q3, with ongoing COVID-19 disruption affecting several channels

	3 months to 30 September 2020		9 months to 30 September 2020	
	£m	Growth %	£m	Growth %
Insurance	45.7	(8)	135.1	(7)
Money	12.5	(40)	48.9	(27)
Home Services	15.5	(13)	53.4	3
Other revenue	11.5	(9)	30.9	(12)
Total	85.1	(16)	268.4	(11)

Insurance

- Performance overall was consistent through the quarter and slightly ahead of June.
- Motor continued its strong performance, although home and life declined year on year and travel insurance revenue remained negligible

Money

- Trading dynamics were similar to Q2, with tightened lending criteria and low product availability in banking leading to weak performance
- We continued to see good levels of search demand for lending products

Home Services

- Growth in July driven, in particular, by strong energy performance on MSE
- As the quarter progressed, revenue growth began to slow. The energy price cap fell as expected, while wholesale prices rose. As a result, the level of savings available to customers fell sharply, and energy market switching reduced substantially

Other

- Decision Tech continued to grow strongly, with B2B broadband performing particularly well. This was offset by trading in TravelSupermarket remaining heavily subdued because of ongoing travel restrictions.

Outlook (22 October 2020)

- In Insurance, motor has benefitted from strong but slowing market growth
- We are not seeing similar growth in other core insurance channels
- We have seen little improvement in lending criteria or banking product availability, and the travel market remains severely disrupted
- The current low level of savings available in energy is likely to limit growth in Home Services during Q4
- We continue to benefit from a strong balance sheet and robust operating cash flows. After payment of our interim dividend, we hold a net cash position of £5m (as at 30 September 2020)

Appendix

Strategic KPIs



£1.1bn	74	58%
Savings made by customers	Net promoter score	Marketing margin

12.4m	£16.29
Active users	Revenue per active user

Definitions:

Estimated Savings made by customers in H1 2020
Net Promoter Score: Twelve monthly rolling average (1 July 2019 - 30 June 2020 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue to create a Group wide NPS
Active Users: The number of unique accounts running enquiries in our largest 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 2020
Revenue per active user: The revenue for the equivalent main seven MoneySuperMarket channels divided by the number of active users

Sources of revenue

