

Interim Results

20 July 2017

Matthew Price

Chief Financial Officer

Half year themes

Diversified business operating in attractive growth markets

- Doing a great job for our customers – saving them £1.1BN in H1 up 17%
- Mixed performance – weak energy and strong growth in insurance
- The relatively small Q2 collective switch in addition to soft core energy trading has altered the full year outlook
- Full-Year Adjusted Operating Profit outlook tracking to the lower end of consensus range on current market conditions for energy in H2

Continued investment in technology and our future

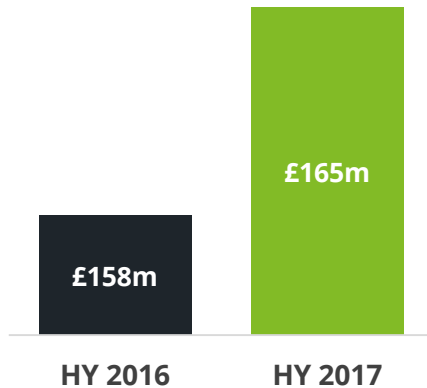
- Migration of technology on track for completion in H2

Delivering great returns to shareholders

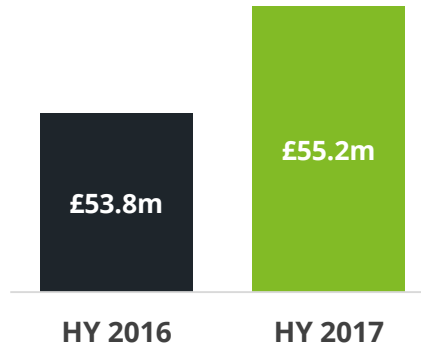
- Cash generation remains good
- Increasing interim dividend by 3%, distributing £15M to shareholders

We continue to grow our diversified business

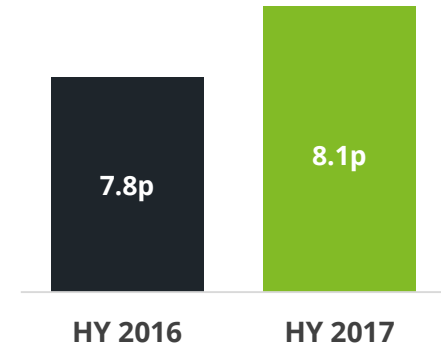
Revenue +5%



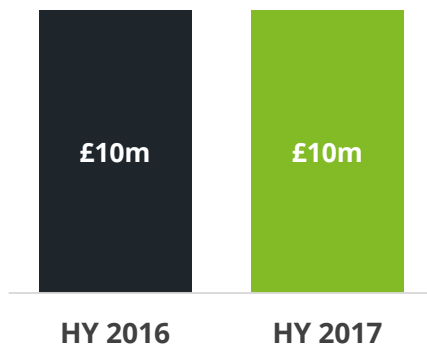
AOP +3%



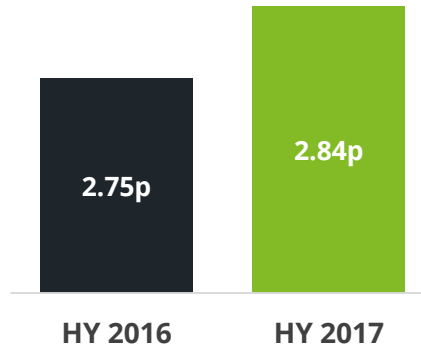
EPS (Adjusted basic) +3%



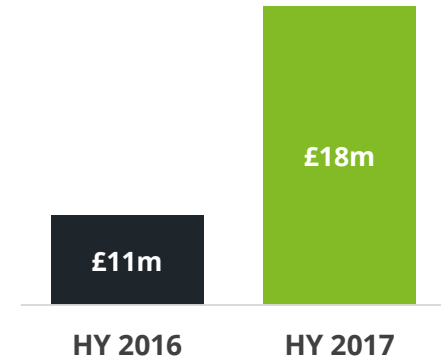
Technology Investment



Interim Dividend +3%



Cash +£7m



Income statement

£Millions	HY 2017	HY 2016	Growth
Revenue	165.3	157.6	+5%
Gross Margin	73%	76%	
Adjusted EBITDA	62.1	59.7	+4%
EBITDA margin %	38%	38%	
Depreciation & Software Amortisation	(6.9)	(5.9)	
Adjusted Operating Profit *	55.2	53.8	+3%
Adjusted Operating Profit margin %	33%	34%	
Adjusting items *	(6.7)	(7.2)	
Operating Profit	48.5	46.5	+4%
Net finance costs	(0.3)	(0.2)	
Profit on disposal of associate & investment	1.3	0.8	
Taxation	(9.2)	(9.2)	
Net Profit	40.3	37.9	6%

*AOP definition: Operating profit adjusted for the amortisation of acquisition-related intangible assets (2017: £6.7M, 2016: £7.2M)

Revenue

Revenues	HY 2017 (£M)	HY 2016 (£M)	Growth (%)
Insurance	88.6	75.3	18%
Money	41.8	41.7	0%
Home Services	16.9	25.1	-33%
MoneySuperMarket.com	147.3	142.2	4%
MoneySavingExpert.com	20.0	19.3	4%
TravelSupermarket.com	12.2	11.1	10%
Intra-Group eliminations and other income	(14.2)	(14.9)	
Total Group	165.3	157.6	5%

Strategic KPIs

Best Site



24M (+0%)
Unique monthly
visitors

£10M (-£1M)
Investment in
Technology

Earn Customer Loyalty



23M (+14%)
People choosing
to share data

43% (-2%)
Net Promoter
Score

£1.1B (+17%)
Savings made by
customers

Preferred partner



886 (+4%)
Number of
providers

63% (+0%)
Marketing
margin

Our core markets are worth c.£1.7B, growing at 10%

Online Switching Market Today

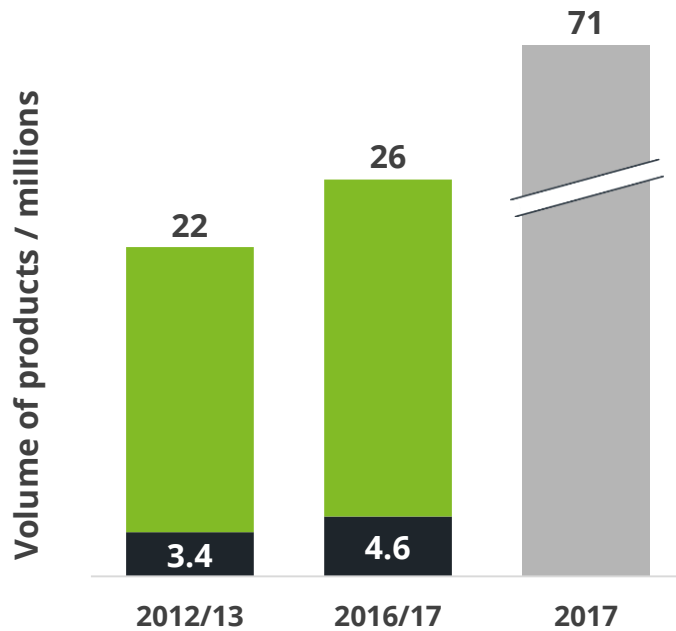


Source: Based on internal data and external sources

Note: £ relates to PCW revenue, LTM to June. Growth rate refers to value growth of potential fees. In 2016 presentation it was volume growth only.

Insurance: Grew by 18% in H1 2017

Home, Motor and Travel Insurance



CAGR 2012/13 – 2016/17

- +8% ● MSM sales new / switching
- +4% ● Online sales new / switching
- Total market

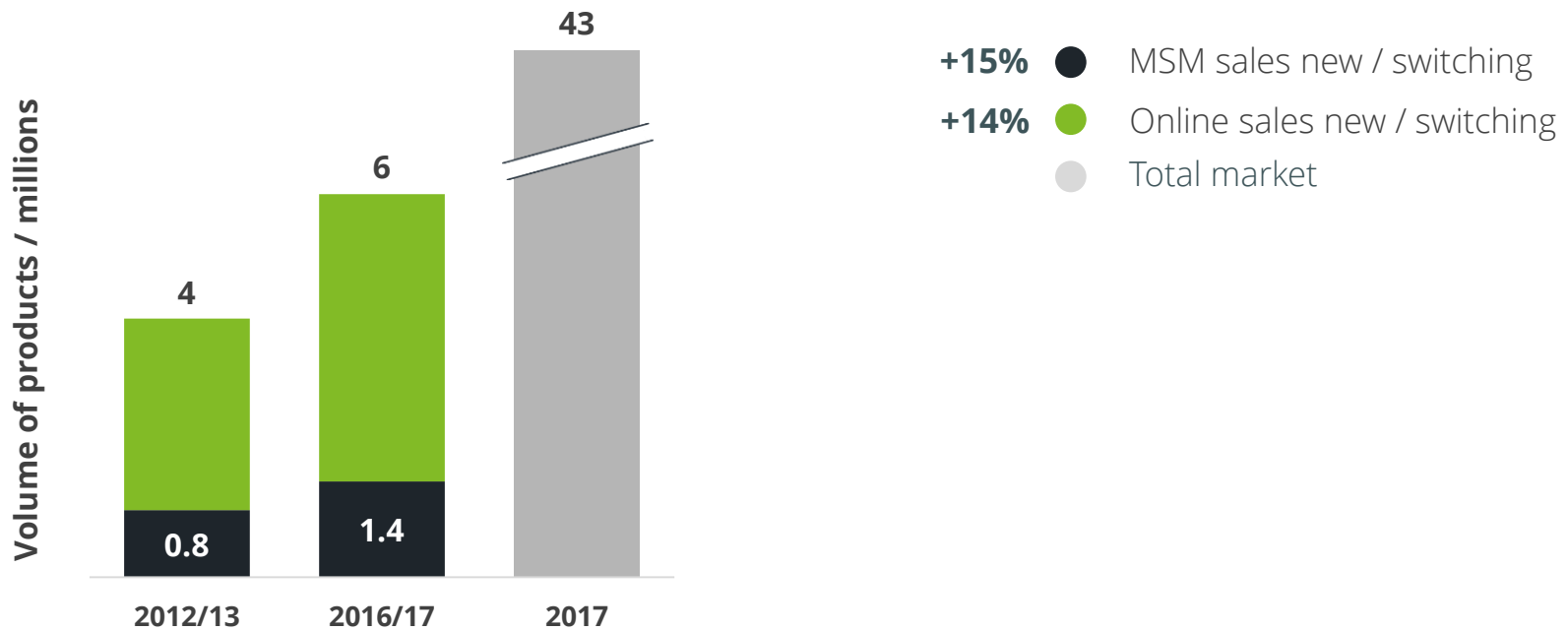
- The products above represent over 70% of Group Insurance revenues

Source: Internal estimates based on DfT, ABI, ONS, Mintel, Kantar, Internal Data
Note: Online size is based on 12 months to April, MSM and total market are LTM.

Money: Good core credit product performance

Cards & Loans

CAGR 2012/13 – 2016/17

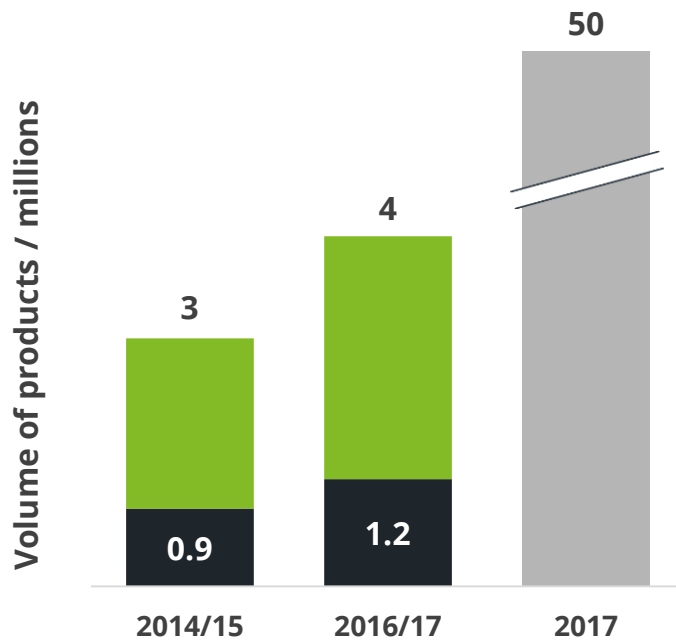


- Cards and Loans represent over 70% of total Group Money revenues

Source: Internal estimates based on BBA, Mintel, EIU, GfK, Internal Data. MSM sales include and unsecured loans only for 2012/13

Energy: Changing market dynamics

Energy



CAGR 2014/15 – 2016/17

- +17% ● MSM sales new / switching
- +25% ● Online sales new / switching
- Total market

- Market-leading collectives from big six providers not available so far this year
- MSE Collective Switch in H1 2017 delivered 25,000 switches compared to 136,000 in H1 2016
- MSE Collective Switch comparative for H2 2016 is 152,000
- Energy is over 70% of Home Services revenue

Source: Internal estimates based on DECC, Ofgem, TNS, Internal Data

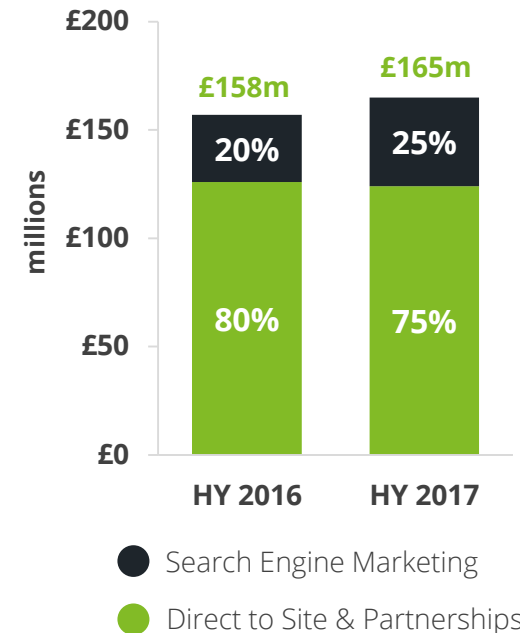
Note: Dual fuel counted as two switches

Gross margin in-line with guidance

Marketing Spend

£Millions	HY 2016	HY 2017	YOY
TV & Radio	17.9	14.4	-3.5
Online spend	29.2	39.7	+10.5
Other	11.2	7.8	-3.4
Total Group	58.3	61.9	+3.6
Marketing Margin	63%	63%	

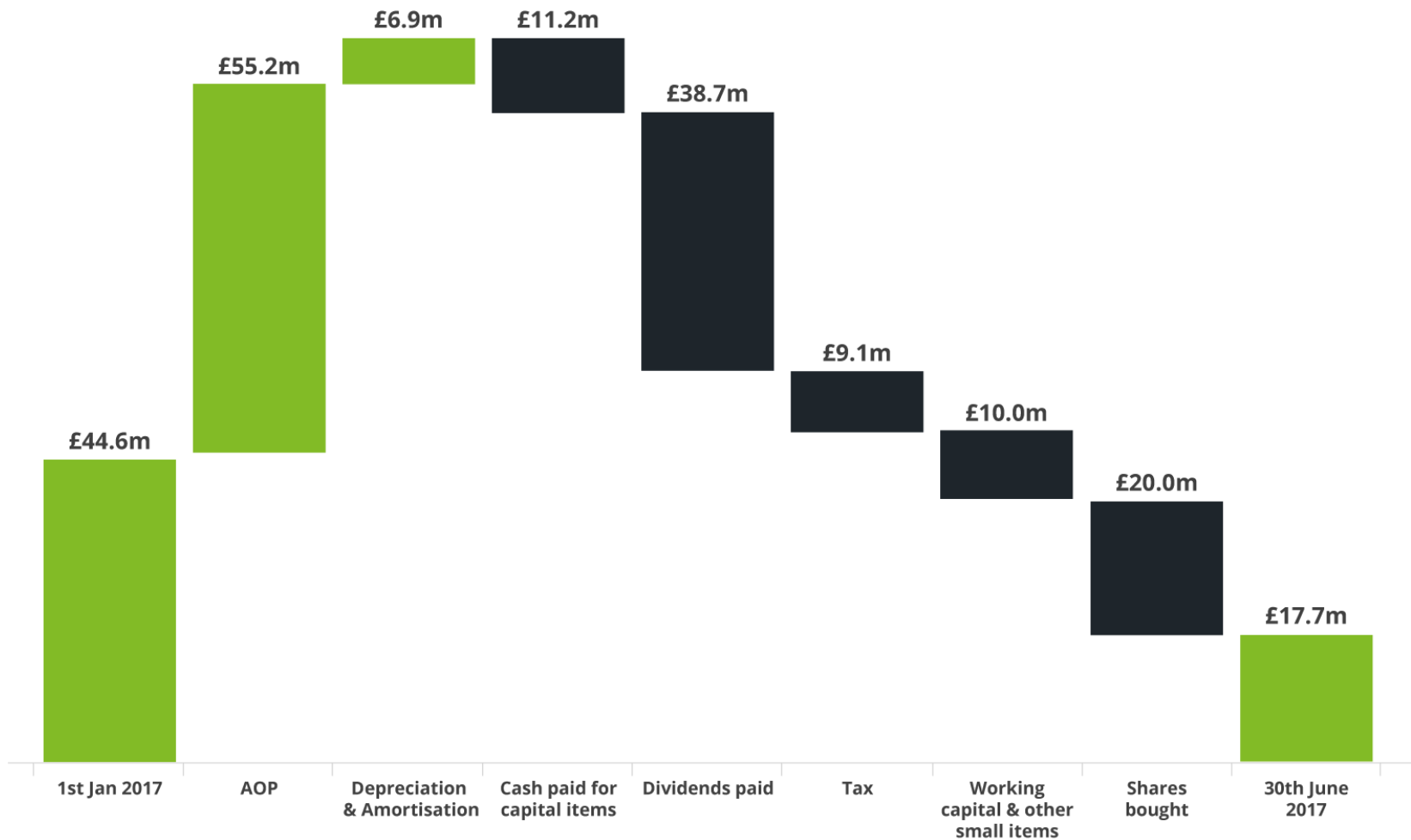
Revenue By Source



- TV and radio spend is lower because TravelSupermarket did not run a January TV campaign in 2017
- Savings in offline marketing were reinvested in search engine marketing
- Direct to site revenue was maintained despite less Collective Switch revenue from our Energy Club
- Customers continue to shift to smartphones where organic and paid search operate differently

Note: Partnerships revenue was less than 1% of total revenue in HY 2017 so has been combined with direct to site revenue in the above graph (HY 2016 – 1%)

Positive cash position after distributing £59M to shareholders



Note: Other smaller items include £1.8M for disposals of an associate and investment and £0.5M Share purchases from EBT

Priorities have not changed



- Group will borrow to fund growth investments, not to finance distributions to shareholders
- On track to return £40M through share buy back

A mixed first half

The best place for people to switch & save

- Strong and diversified positions in markets worth £1.7B and growing
- Great opportunities for further growth as consumers continue to shift online to save money on their household bills and financial products
- Technology investment remains our foundation for growth

Delivering returns to shareholders

- Track record of growth across our markets and converting this to profits
- No debt
- Highly cash generative with £20m returned through share buyback to date
- Increasing interim dividend by 3% to £15M



Mark Lewis

Chief Executive Officer

Key factors driving H1 trading

- We've helped more customers save more money than ever before
- Share growth in Insurance driven by pricing and marketing
- Gross margin reflects increased Paid Search investment and move to mobile
- Increase in level of technology spend amortisation
- Shift in energy market conditions
 - Unfavourable for large collective switches
 - Highlighted gaps in core proposition





Clear H2 trading priorities

- Refocusing on core energy trading
- Maintaining growth in Insurance
- Trading the Money category within the low interest rate environment
- Continuation of the Travel recovery



To help every household make the
most of their money



To help every household make the most of their money

- Trading and delivery culture
- Strong positions in growing markets
- Trusted brands and market leading diversification
- Dynamic markets
- Customer relationships
- Pace of innovation

Developing our future plans

- Rediscover our DNA of innovation
- Make our brands and services even more relevant to our users
- Build on the best of the tech and data investments
- Explore appropriate adjacencies

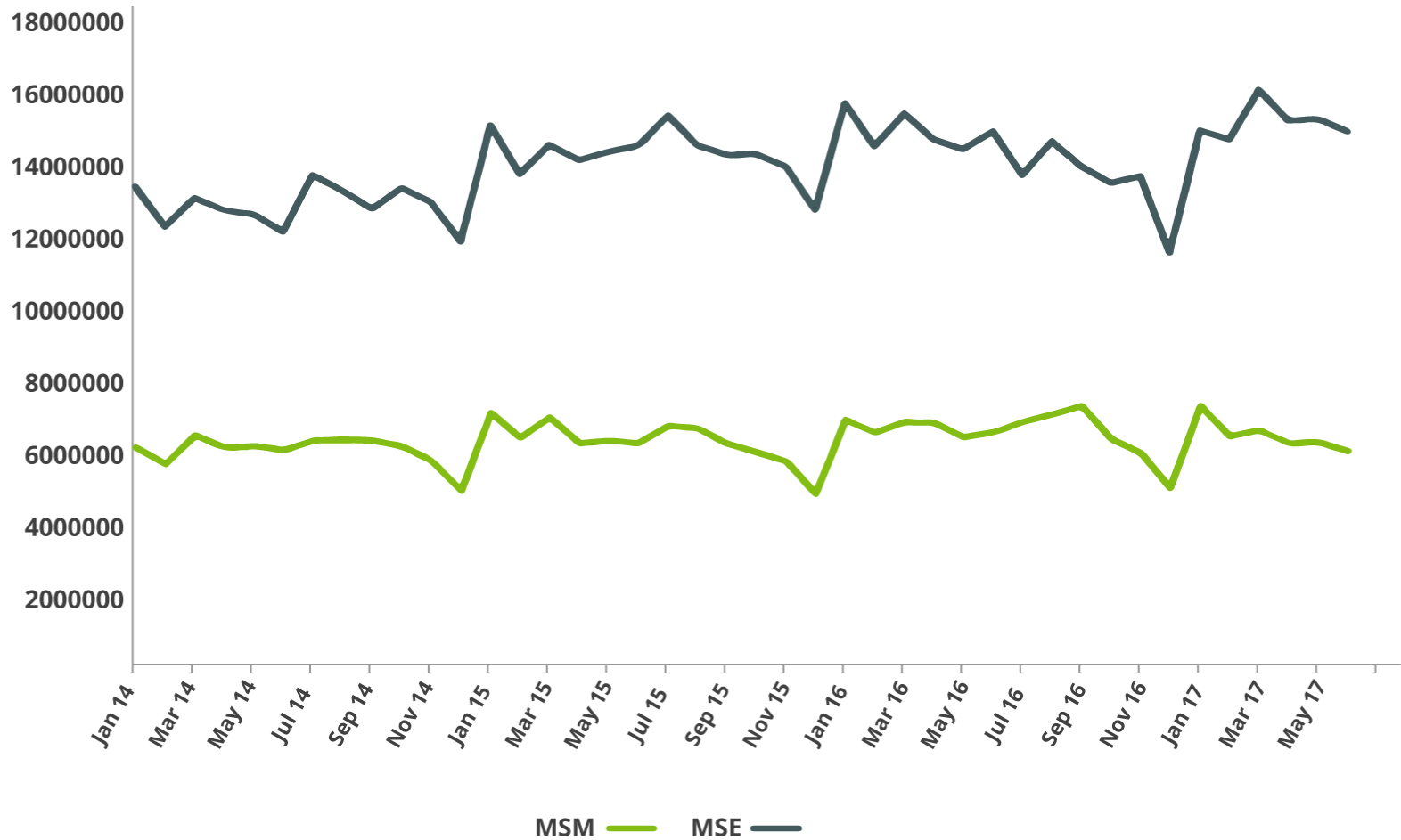


Q&A

Mark Lewis & Matthew Price

Appendix

Unique monthly users



Source: Google Analytics

Cash and capital update

- Software amortisation costs were £6 million in H1 2017 and we expect the full-year amortisation charge to be in the region of c.£16 million for 2017
- We expect technology capital investment of c.£17 million in 2017
- The Group is reorganising its London offices and so will incur some additional capital investment for fit-out for this year
- Intangible assets related to the pre-IPO reorganisation were fully-amortised in H1 2017. Amortisation of assets relating to the MoneySavingExpert acquisition continues until 2022 at £1 million per annum. We expect the total amortisation charge across these acquired intangible assets to be around £7 million for 2017
- The Group's cash tax payment will continue to benefit from the amortisation of goodwill on the MoneySavingExpert acquisition until September 2017 with a full year benefit of £12 million
- The Group has a revolving credit facility of £100 million until December 2019
- Number of shares in issue 30 June 2017 541,821,784

Dividends, EPS and dividend cover

Dividend (pence)	HY 2017	HY 2016
Interim	2.84	2.75
Ratios		
Earnings per share	7.4	6.9
Dividend Cover	2.6 x	2.5 x

Dates for interim dividend – [date] ex-div date, [date] payment date

Adjusted operating profit

£Millions	HY 2017	HY 2016	Variance	Variance (%)
Revenue	165.3	157.6	7.7	+5%
Gross Profit	120.4	120.4	0.0	+0%
Gross Margin	73%	76%		
Administrative Costs	(54.5)	(52.7)	(1.8)	+3%
Distribution Costs	(17.4)	(21.2)	3.8	-18%
Operating Profit	48.5	46.5	2.0	+4%
Amortisation of acquired intangible assets	6.7	7.2	(0.5)	-7%
Adjusted Operating Profit	55.2	53.8	1.4	+3%
Depreciation	0.7	1.1	(0.4)	-36%
Amortisation of technology related intangible assets	6.2	4.8	1.4	+29%
Adjusted EBITDA	62.1	59.7	2.4	+4%

Adjusted cost base

£Millions	HY 2017	HY 2016	Variance
Staff costs	25.4	24.7	0.7
Depreciation	0.7	1.1	(0.4)
Amortisation of technology	6.0	4.8	1.2
Irrecoverable VAT	6.3	4.4	1.9
Other administrative costs	9.9	10.6	(0.7)
Total Adjusted Administrative Costs	48.3	45.6	2.7
Advertising	14.4	17.9	(3.5)
Other marketing	2.9	3.3	(0.4)
Total Distribution Costs per P&L	17.3	21.2	(3.9)
Online and other marketing costs*	44.6	37.1	7.5
Total Marketing Costs	61.9	58.3	3.6
Total adjusted cost base below gross margin	65.6	66.8	(1.2)
Total Adjusted Cost Base	110.2	103.9	6.3

Represents the adjusted cost base for the Group, and therefore includes approximately £6.1m of administrative and distribution costs (HY 2016: £4.9m) relating to MoneySavingExpert.com.

* Includes costs relating to cashback, smartsearch and online display

Tax and Earnings Per Share calculations

£Millions	HY 2017	HY 2016
Profit before tax	49.5	47.1
Standard rate of tax 19.25% (2016: 20%)	9.5	9.4
Effects of:		
Profit on disposal exempt from tax	(0.2)	(0.2)
Tax expense for the period	9.2	9.2
Effective tax rate	18.6%	19.5%
Adjusted Earnings	44.4	42.8
Basic average shares (millions)	544.6	546.7
Basic adjusted EPS (pence)	8.1	7.8
Diluted average shares (millions)	546.8	549.1
Diluted adjusted EPS (pence)	8.1	7.8

Statutory balance sheet

£Millions	30 June 2017	30 June 2016
Property, Plant And Equipment	6.9	7.6
Intangible Assets - Technology	41.1	33.3
Intangible Assets - Acquisition Related	113.1	128.6
Investments	0.2	0.5
Trade and Other Receivables	47.4	42.3
Cash and Cash Equivalents	17.7	20.7
Total Assets	226.5	233.0
Trade And Other Payables	(62.3)	(40.6)
Tax Assets and Liabilities	(16.4)	(16.6)
Borrowings	-	(10.0)
Total Liabilities	(78.7)	(67.2)
Net Assets	147.8	165.8

- Acquisition related intangible assets excluding goodwill include £nil associated with the pre-IPO Group reorganisation, and £5.5 million from the acquisition of MoneySavingExpert.
- Tax assets and liabilities include both current and non-current balances

Quarterly performance

Quarterly performance	Q1 17 (£M)	Growth (%)	Q2 17 (£M)	Growth (%)	HY 2017 (£M)
Insurance	44.5	23	44.1	13	88.6
Money	22.3	(2)	19.5	3	41.8
Home Services	9.3	(45)	7.6	(5)	16.9
MoneySuperMarket.com	76.1	0	71.2	8	147.3
MoneySavingExpert.com	10.7	(4)	9.3	15	20.0
TravelSupermarket.com	5.9	12	6.3	10	12.2
Intragroup / Other	(7.7)	13	(6.4)	6	(14.2)
Group Revenues	85.0	2	80.4	9	165.3

- Q1 growth was lower as we did not run a MSE collective energy switch.