

2017

Full Year Results

28 February 2018

GoCompare

Introduction

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Matthew Crummack

2 Financials

Nick Wrighton

3 Business in focus

Matthew Crummack

Focus on...innovation

Jackson Hull and Faisal Galaria

4 Outlook

Matthew Crummack

Strong progress in 2017 with ongoing delivery against our objectives

Financial:

Controlled revenue growth with an improved marketing margin

- Increased adjusted operating profit by 20%
- Continued to generate strong operational cash flow, reducing leverage
- Paid our first dividend

Transformation:

- Transformed the way we work, building internal competence
- Recruited new talent with a focus on engineering/tech capability
- Completed strategic minority investments in Mortgage Gym and Souqalmal
- Announced the acquisition of MVC for £36.5m

We continue to save our customers everywhere time and money

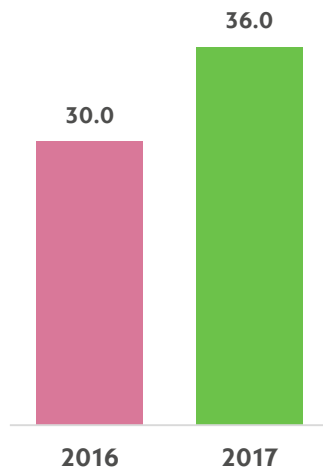
Revenue
(£m)

▲ 5%



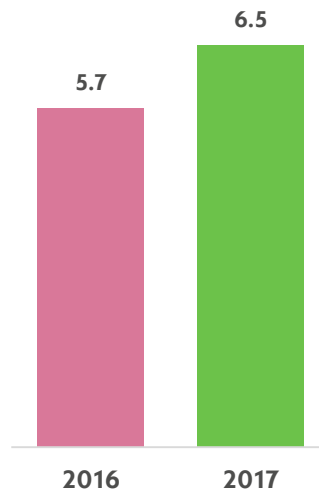
Adj Op Profit
(£m)

▲ 20%



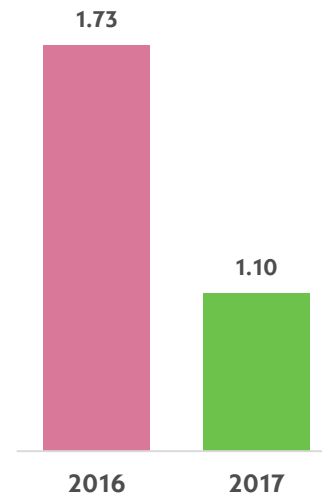
Adj basic EPS
(pence)

▲ 14%



Leverage

▼ 0.6x



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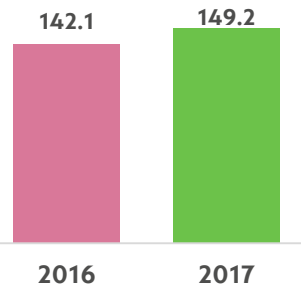
Jackson Hull and Faisal Galaria

4 Outlook

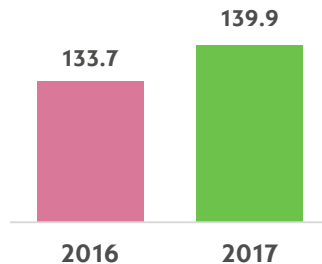
Matthew Crummack

Total revenue
(£m)

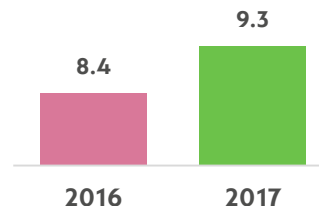
▲ 5%

Insurance revenue
(£m)

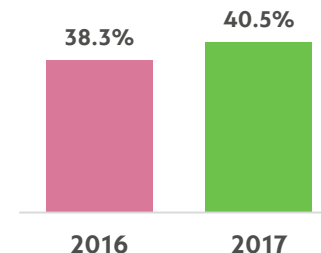
▲ 5%

Strategic initiatives
revenue (£m)

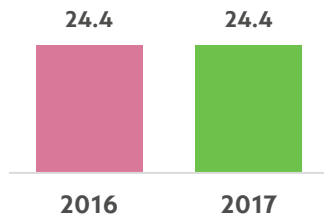
▲ 11%

Marketing margin
(%)

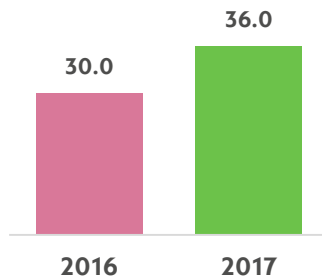
▲ 2.2% pts

Adjusted admin
costs (£m)

► 0%

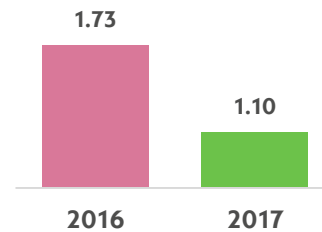
Adjusted operating profit
(£m)

▲ 20%

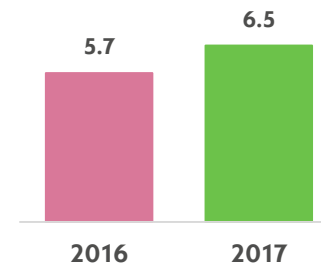


Leverage

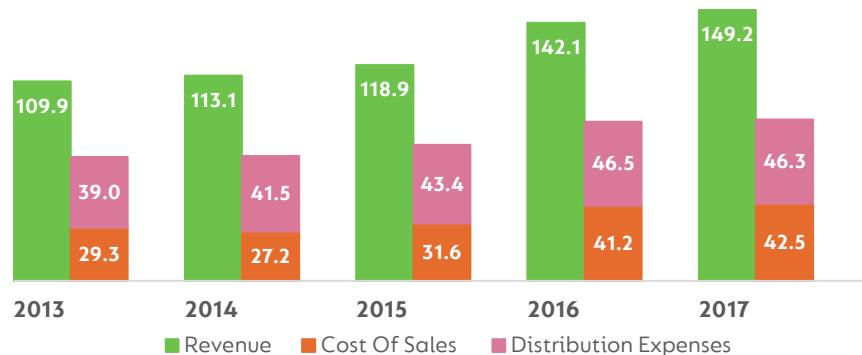
▼ 0.6x

Adjusted basic EPS
(pence)

▲ 14%



Revenue and marketing spend (£m)

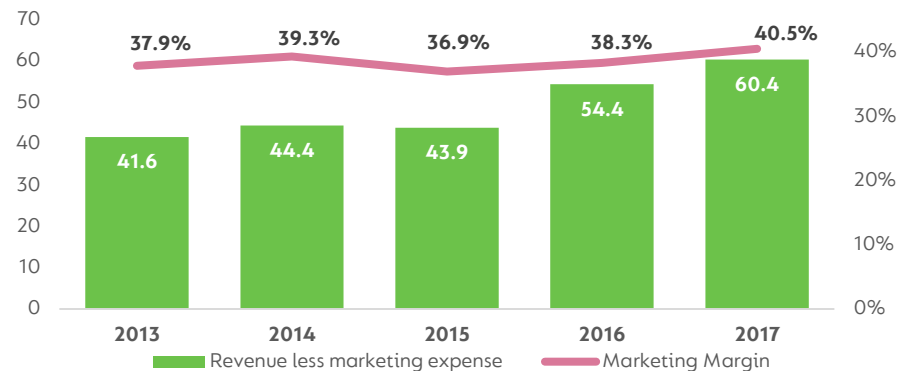


Revenue growth of 5% compared to 2016 with marketing spend up 1% - a disciplined approach

Increase in cost of sales reflects inflation in on-line cost per click

Distribution costs broadly flat

Marketing margin and contribution (£m)



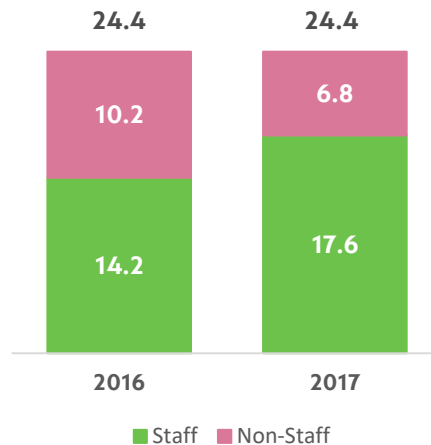
Continue to improve contribution

Marketing margin of 40.5% - 2.2pts better than in 2016. Expect further increase in 2018 as improvements in funnel conversion continue

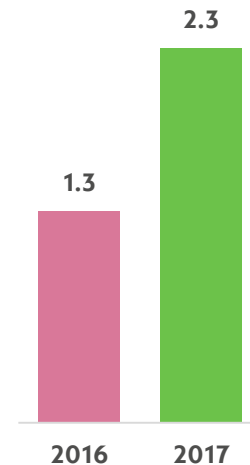
Headcount



Adjusted admin costs (£m)



CAPEX (£m)



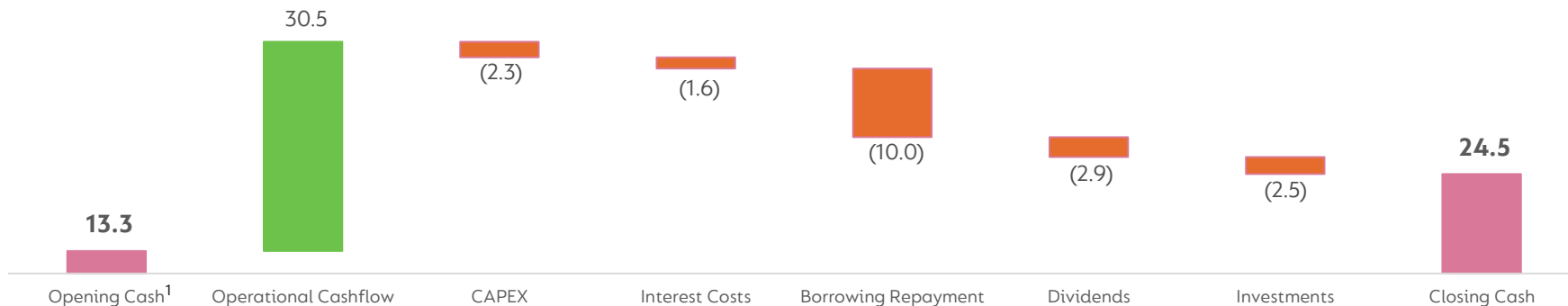
Headcount increased by 27 to 214 as we recruit new talent

Increase in staff costs has been offset by significant savings in consultancy and contractors spend

Admin costs will increase in 2018 as we see full year impact of 2017 recruitment with a further increase in headcount in 2018

CAPEX increased slightly in 2017 but remains modest at £2.3m

2017 cash flow (£m)



Strong operational cash flow

£1m invested in Mortgage Gym and £1.5m in Souqalmal

Cash of £24.5m at end of year

£16.5m cash combined with draw down of £20m from RCF used to fund acquisition of MVC in January 2018

Leverage of 1.10x at year end, rising to 2.0x following MVC acquisition

	Demerger (Proforma)	31/12/16	31/12/17	Jan 18 – Post MVC
Borrowings	£(75.0)m	£(73.1)m	£(63.9)m	£(83.9)m
Cash	£4.0m	£18.4m	£24.5m	£8.0m
Net debt	£(71.0)m	£(54.7)m	£(39.4)m	£(75.9m)
Leverage	2.80x	1.73x	1.10x	2.0x

¹ adjusted for £5.1m timing difference

Final dividend pay out ratio of 21% of PAT¹– 0.7pence per share taking the full year dividend to 1.4pence per share

Dividend pay-out at the lower end of the range as cash has been utilised for investments and M&A, in line with the Group's strategy

Continue to prioritise capital allocation as follows:

- 1. Operational requirements**
- 2. Repayment of debt – £10m per annum**
- 3. Dividends – target pay out ratio of 20% - 40%**
- 4. Strategic investments and M&A**

Expect to make further investments in 2018

¹ adjusted for the share based payment charge net of tax for the Foundation Awards

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3 **Business in focus**

Focus on...innovation

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Continuous focus on:

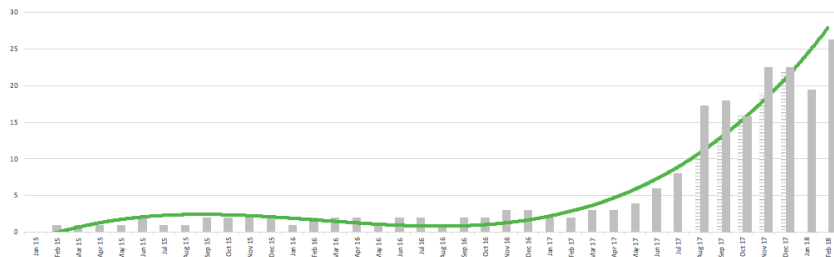
- Improving customer conversion
- Improving marketing efficiency

MVC – fast start to creating group value

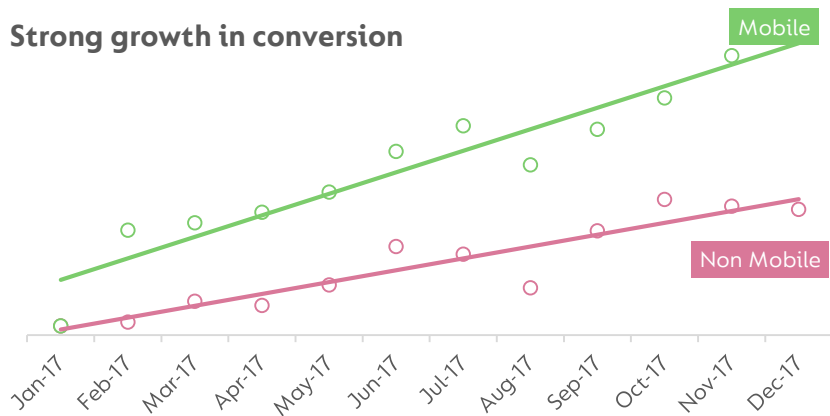
Innovating internally and externally



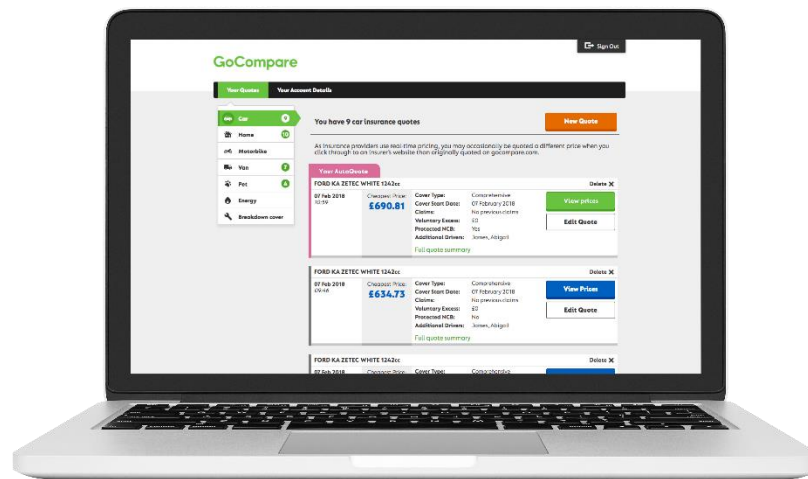
Doubled engineering resources = accelerating release cycle



Strong growth in conversion



- Transformation of organisation
- Accelerated release cycle
- Strong progress in growing conversion





GoCompare

Insurance renewal for BMW X5 CR16 YVO is due*

Your car Insurance for the BMW X5 you ran a quote for last year with GoCompare is due for renewal, on 31/10/2017*

Don't just renew with your existing insurer. Compare quotes with GoCompare to get the right deal for you.

[Get quotes](#)

f t y i

If you do not wish to receive any more marketing communications from GoCompare please [click here](#).

*This reminder is based on the insurance you chose and may vary by the vehicle.

GoCompare
Click. Save. Done.

Dump your Monster Bill once and for all

WE TEST VASE-LIFE OF

YOUR FAVE VALENTINE BLOOMS

Dud year for the roses

Make a date with a dishy Italian tonight

Applying agile test and learn methodology

- For example print: Daily cartoon campaign launched with The Sun

Smarter planning and buying of media

- In-house competency build
- Scientific approach matching spend and customer insight.

Personalised customer communication

- Leveraging existing infrastructure, zero capital requirement
- Higher precision message, offer and timing

...ion and interest rates.

Company Overview

- **£11.8m** Turnover (2017)
- **£4m** EBITDA (2017)
- **65 people**
(+ 24 outsourced in India)
- Av. **4m** monthly page visits
- Up to **7.5m page visits** during peak trading
- **8m** email subscribers of which ~2m active in the last 3 months

Consumers

- **Strong overlap with GoCo** – 70% of MVC customers also use GoCo
- **High frequency of engagement** – 45% of MVC users did so in last 3mths & 72% within last 6 mths
- **Similar demographics** - consistent household income distribution, home ownership...
- **...whilst MVC over-index for females** (60:40) and a **slightly younger consumer base** (~60% <45 yrs)

Partners

- Work with ~**2,500 retailers**
- Key sectors include **Travel, Fashion, Home and Restaurants**
- Average around **400 best-in-market deals per month**
- **Best-in-market offers** typically last around 1 to 2 weeks
- Typical offer of **10-15% off RRP**

amazon *Boots* Argos
 sky asos M&S
EST 1884



1 Focus on core

- UK MVC = 100%+ of profit, 90% of revenue
- Focus on UK, resources removed from other initiatives (e.g. adjacencies & international)

2 Focus on competencies

- Focus on strengthening MVC Commercial & Trading team in London
- SEO plan and management now led by GoCompare team
- Tech and Finance under review for potential relocation to Newport

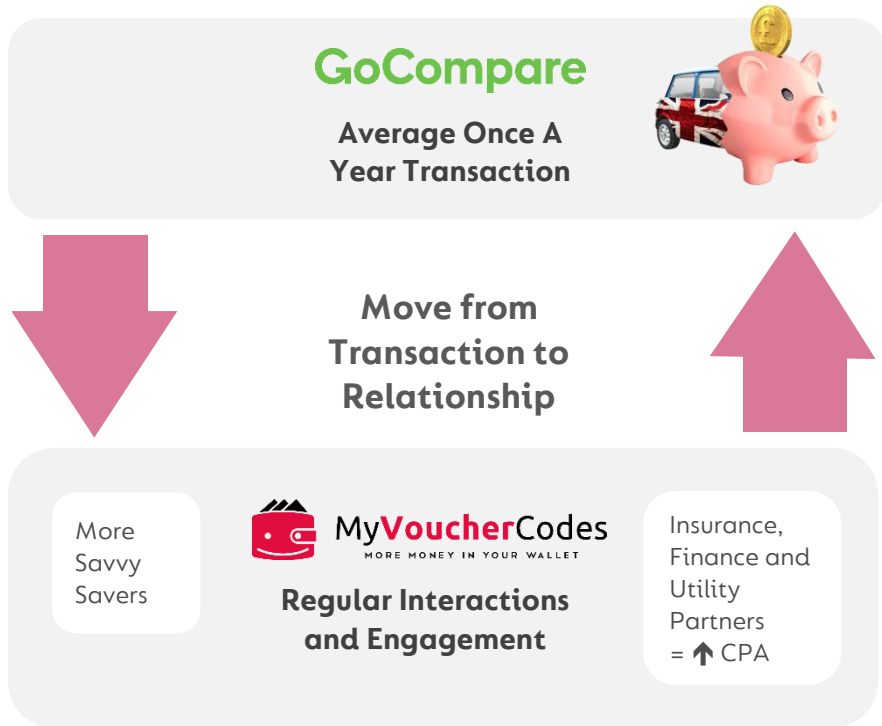


3 Commercial opportunities

- We are working quickly to identify opportunities for both businesses
- Number of quick-wins already identified and in flight

GoCompare

Fast integration: "best of both"



- 1 Gives GoCompare the opportunity to re-engage with its customers on MVC to develop a relationship: **leverage customer overlap**
- 2 Bundled offers to incentivise conversion on GoCompare: **maximise MVC relationships**
- 3 Provide a new channel for existing GoCompare partners to get exposure to MVC customers: **increase CPA for MVC**

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GoCo 2020 is a three-year plan to solve botheration through strategic resource allocation

GoCo 2020

- Experienced executive team – strong background across sectors and geographies gives unique insight into effective resource allocation
- Focused on both internal and external innovation
- Focus on sector outperformance



Matthew Crummack
CEO



Faisal Galaria
Strategy and M&A



Jackson Hull
Tech and Operations



Lee Griffin
Founder



Nick Wrighton
Finance



Nick Edwards
Chief of staff

We have a robust screening process through which we examine opportunities for M&A and investments to fuel further innovation

Needs to be a good fit with the vision (piece of the puzzle)

- Help people save time and money
- Reduce botheration and hassle
- Benefits to both GoCompare and acquired company
- Can be in adjacencies rather than a direct hit

Delivers medium term shareholder value creation

- Earnings accretive

Is growing in an attractive market

GoCompare can help it grow through management expertise, platform or distribution

Is innovative/market leading?

- Investment in future possibilities, including data
- Plug capability gaps/technical holes



MyVoucherCodes
MORE MONEY IN YOUR WALLET

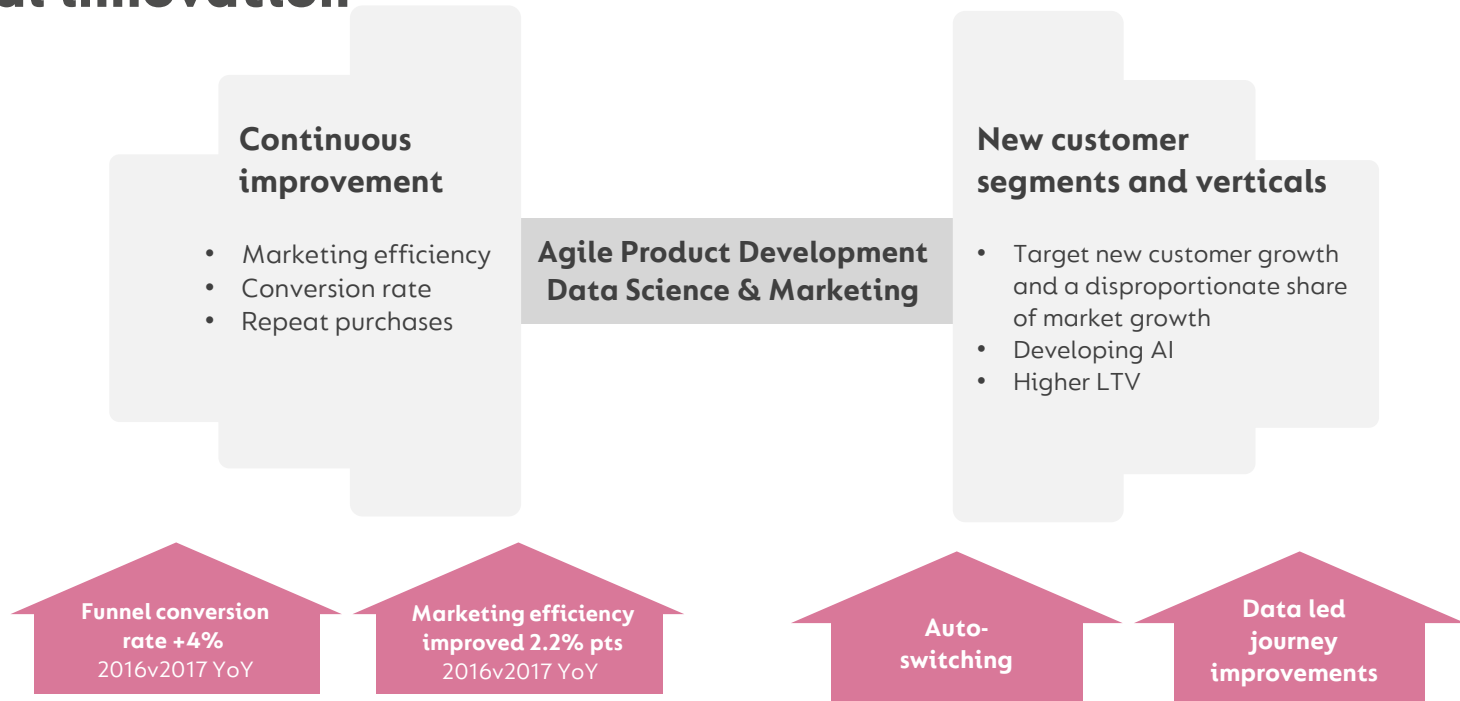
souqalmal.com

 **mortgagegym**

GoCompare

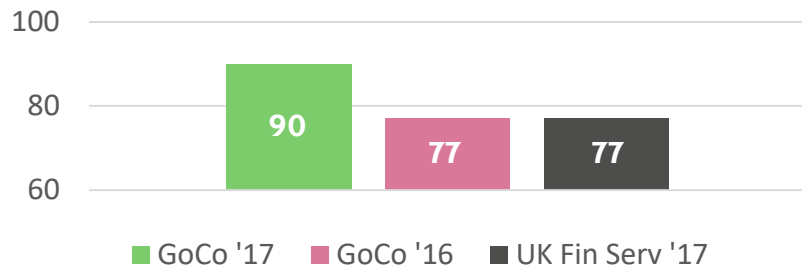
Our external innovation vision

We target outperformance from strong execution and internal innovation



Our employees are a source of competitive advantage – they need to reflect the UK population, their different points of view and experiences. This helps us better serve our customers and foster a better company culture.

Sustainable Engagement



...but, attracting the best talent is a long-term plan

- Launched Diversity & Inclusion program: we commit to close our diversity gaps
- Announcing the 2018 launch of the GoCompare “Digital & Tech Solutions” BSc apprenticeship degree with Aston University. First intake from local schools

We're getting great feedback...

- Launch of “GoCo values”: genuine, fair, bold, open & driven
- Strong employee value proposition – we hired 59 new starters in 2017, with heavy emphasis on product, engineering and data science
- Employee base from 187-214 YoY



Lee Griffin
Founder

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- A continued, disciplined approach to improving marketing margin and revenue
- A fast and successful integration of the MVC business into the Group
- The Board remains confident of meeting its expectations for the full year 2018
- Performance skewed towards the second half of the year.

Q&A