

# GoCompare.com Group plc

## 2018 Half Year Results

31 July 2018

ENERGYLINX

GoCompare

  
MyVoucherCodes

# Introduction

Matthew Crummack, Chief Executive Officer

# Agenda

## **1** Highlights

Matthew Crummack (CEO)

## **2** Financial Review

Nick Wrighton (CFO)

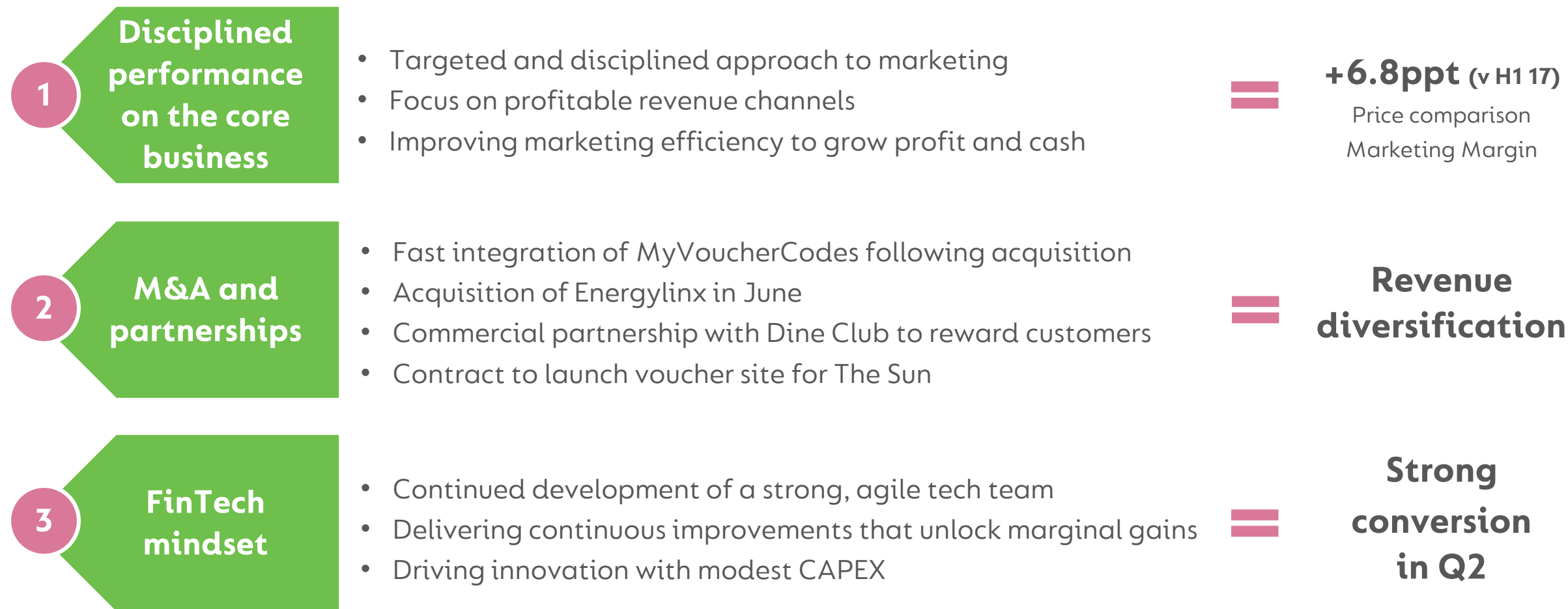
## **3** Business Review

Matthew Crummack (CEO)

## **4** Outlook

Matthew Crummack (CEO)

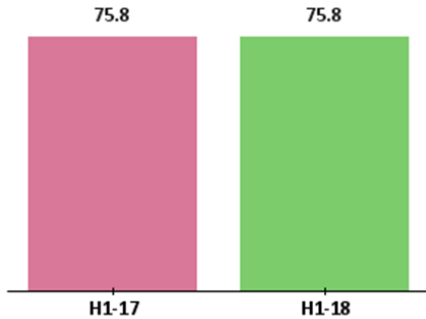
# We are continuing to deliver against our plans...



# ...which is reflected in our financial performance

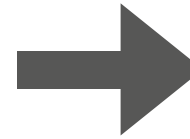
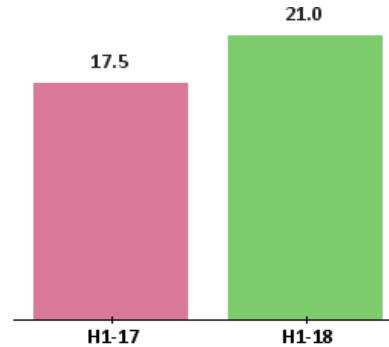
Total Revenue (£m)

0%



Adjusted Operating Profit (£m)

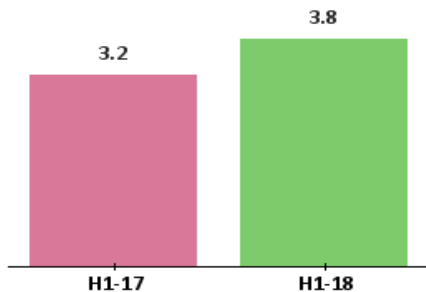
▲ 20%



**Controlled, profitable performance**

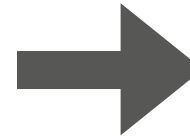
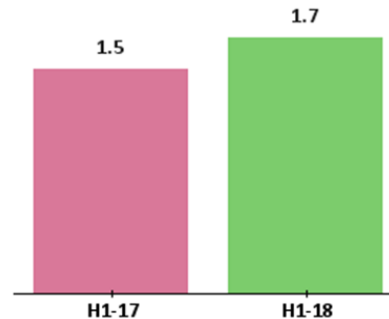
Adjusted Basic EPS (pence)

▲ 19%



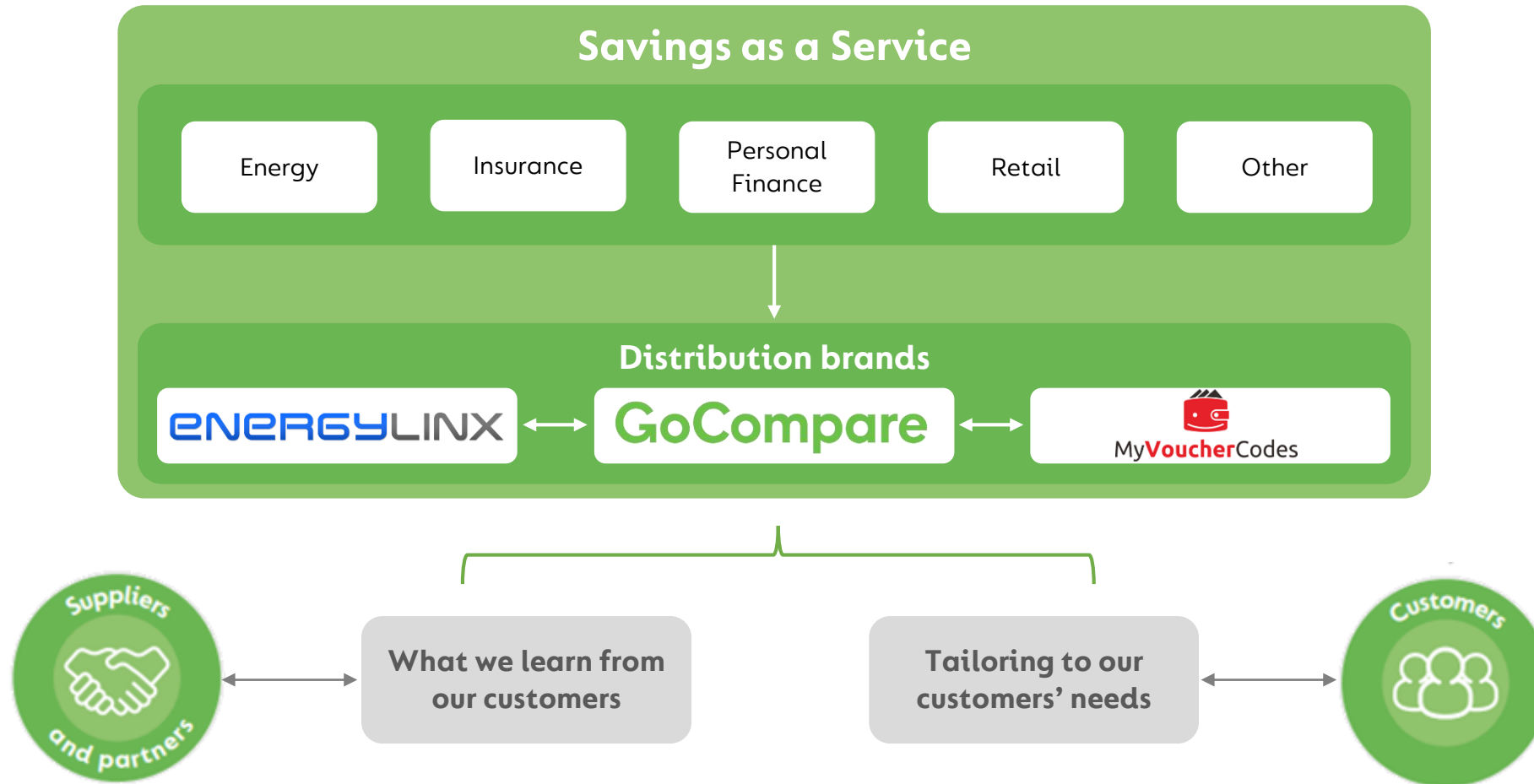
Leverage

▲ 0.2x



**To deliver strong shareholder value**

# ...and positions us to deliver our **Savings as a Service™** strategy



# Agenda

## 1 Highlights

Matthew Crummack (CEO)

## 2 Financial Review

Nick Wrighton (CFO)

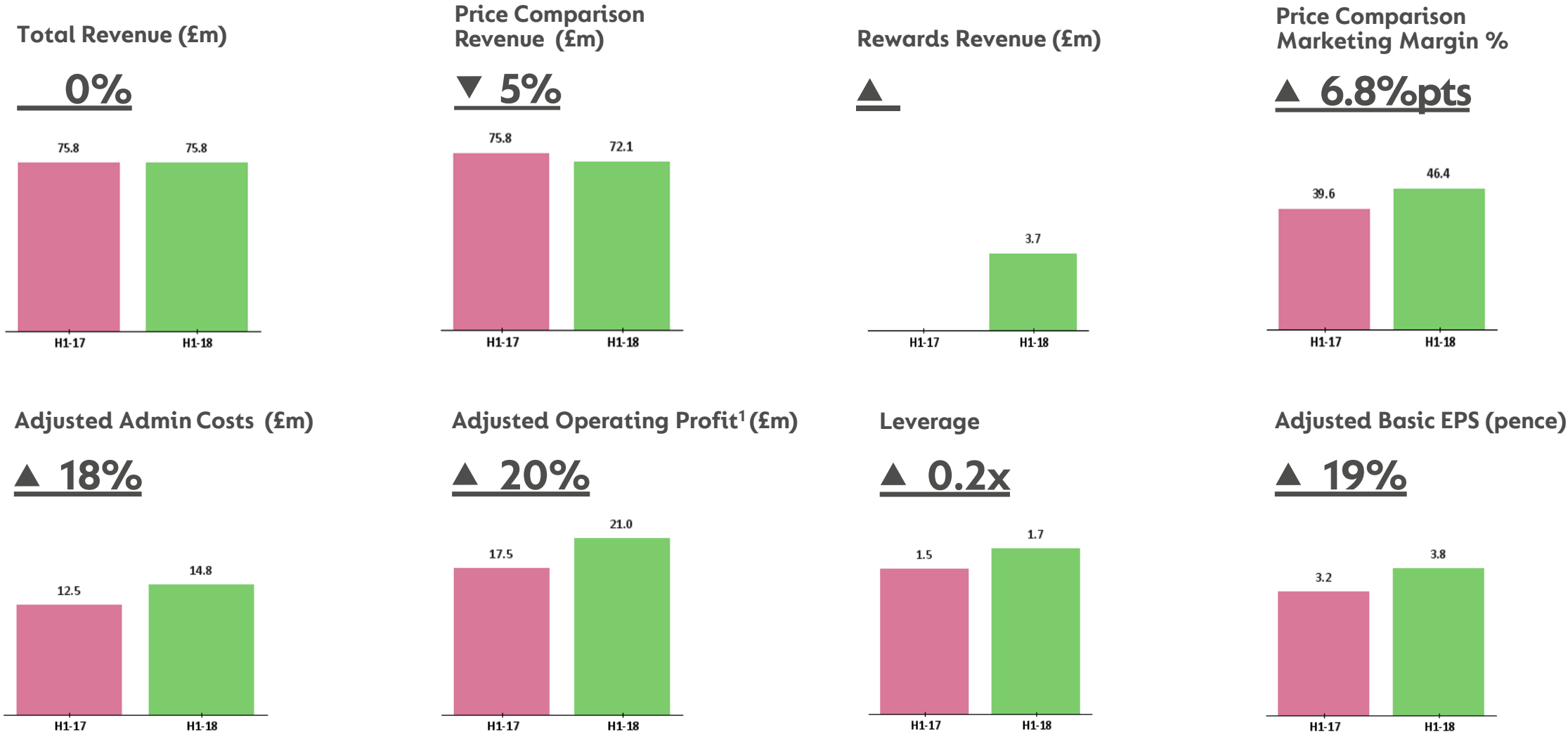
## 3 Business Review

Matthew Crummack (CEO)

## 4 Outlook

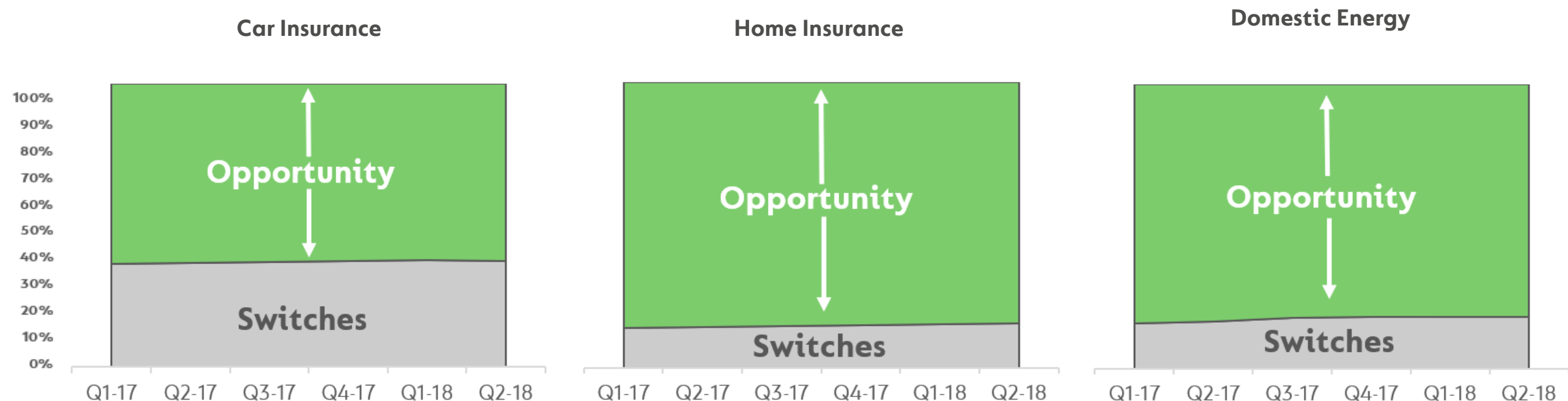
Matthew Crummack (CEO)

# High quality earnings growth





# Our investment is in unlocking significant market opportunity



....rather than over-investing into short-term gains

**Sources:**

1. Car & Home Switches – eBenchmarks
2. Licensed Vehicles – Department for Transport
3. Households – Office for National Statistics
4. Domestic Energy Switches & Meters - Ofgem

# Marketing margin continues to improve

- **Margin improvement driven by...**

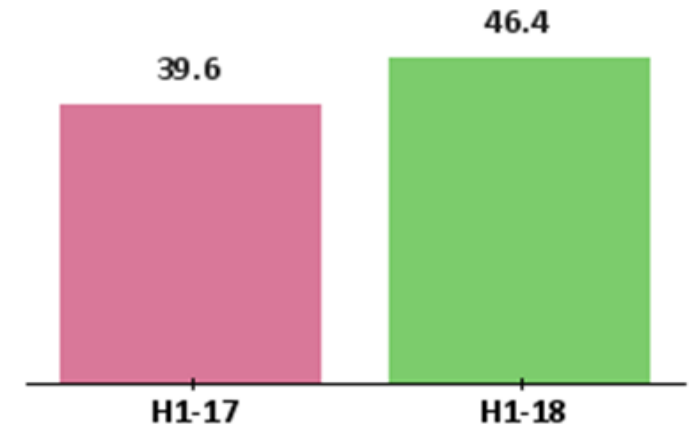
- ▲ Improvement in core product conversion in Q2
- ▲ Lower distribution spend, reflecting test and learn of different broadcast strategies
- ▲ More targeted PPC

- **Despite competitive backdrop....**

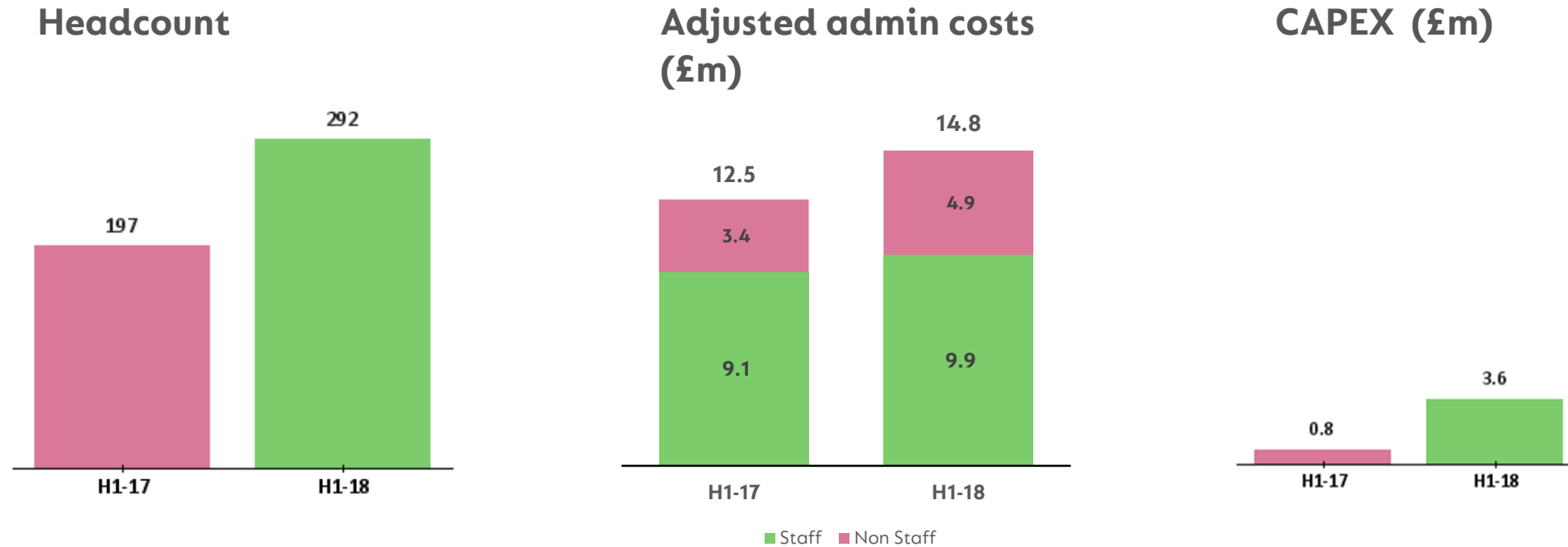
- ▼ Inflation in both generic and brand cost per click

Price Comparison Marketing Margin %

**▲ 6.8%pts**



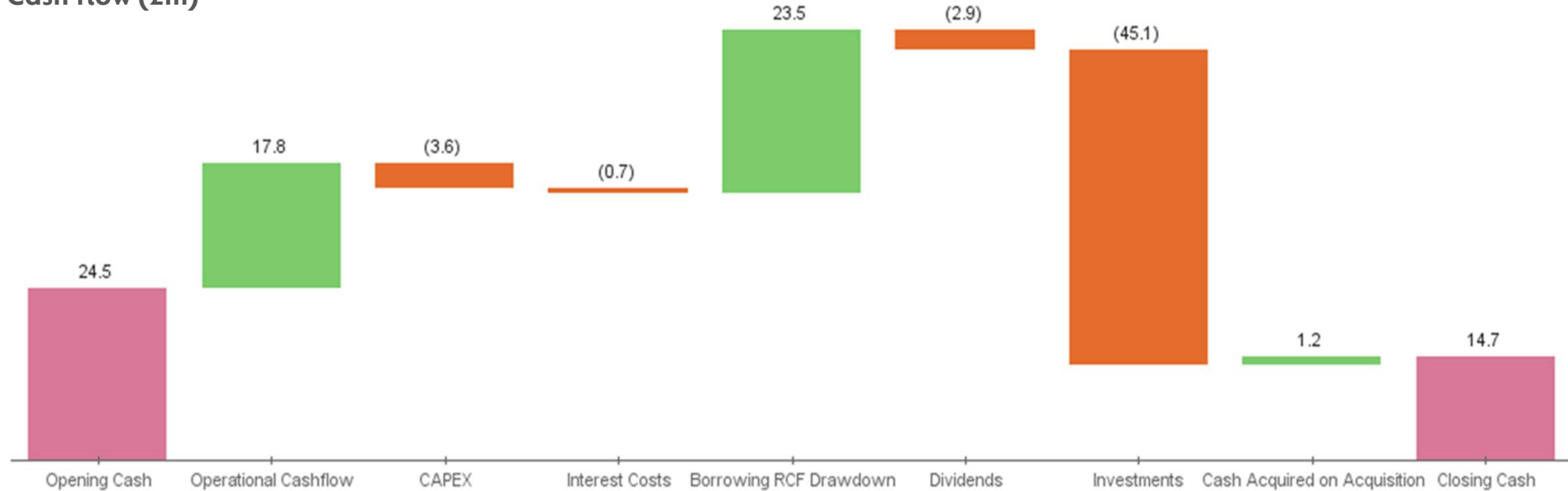
# Disciplined investment in people, with modest CAPEX



- Headcount increased by 95 since June 2017 – reflecting MyVoucherCodes and Energylinx, as well as ongoing recruitment in Newport
- Admin costs up by £2.3m versus H1 2017, which includes MyVoucherCodes costs
- Increase in CAPEX (in line with guidance) from £0.8m to £3.6m – reflecting development of Savings as a Service™, expected to continue in H2 2018

# Strong cash generation

## H1 2018 Cash flow (£m)



Strong operational cash flow - £17.8m

£3.6m CAPEX

£36.9m<sup>1</sup> investment in acquisition of MyVoucherCodes

£8.2m investment in acquisition of Energylinx

£23.5m (net of fees) drawdown on RCF to part fund the M&A

£2.9m final 2017 dividend

Cash of £14.7m at end of June

Leverage of 1.7x at end June, falling from 2.0x post MyVoucherCodes acquisition

	Demerger (Proforma)	31/12/17	Jan 18 – Post MVC	30/06/18
Borrowings	£(75.0)m	£(63.9)m	£(83.9)m	£(88.5)m
Cash	£4.0m	£24.5m	£8.0m	£14.7m
Net debt	£(71.0)m	£(39.4)m	£(75.9m)	£(73.8m)
Leverage	2.8x	1.1x	2.0x	1.7x

<sup>1</sup>Acquisition cost includes a completion payment for working capital of £0.4m

# Agenda

## 1 Highlights

Matthew Crummack (CEO)

## 2 Financial Review

Nick Wrighton (CFO)

## 3 Business Review

Matthew Crummack (CEO)

## 4 Outlook

Matthew Crummack (CEO)

# Transforming the Group into a world-class tech business

2016

- De-merger complete
- New Board and strengthened Exec team
- Strategy defined
- Focus on efficiency / speed introduced

H1 2017

- Strong financial performance
- First **strategic investment**
- Transformed the way we work => reconfigured for agility

H2 2017

- **Transformational** changes to the business
- **Record revenue** in 2017 of £149.2m
- +20% increase in Adjusted Operating Profit
- First **international investment** in Souqalmal
- First **full acquisition** announced (MyVoucherCodes for £36.9m)
- Recruited new talent – especially in engineering/tech – increasing headcount to 214 by the end of 2017

Through the last 18 months we have remained consistent:

**‘Controlled profit growth’**  
to drive shareholder value

# Underpinned by investment in talent that drives innovation



**Launched GoFurther Academy**



**Talent development initiative** at offices in  
*Newport, London and Alloa*



**Group headcount now 292 with 108  
across tech and product**



**Benefits review to attract and retain  
talent**



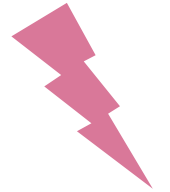
**Development of Group culture**



**Commitments to diversity & inclusion**



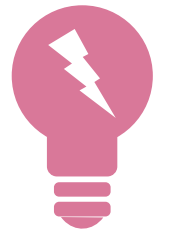
**Move at  
speed**



**Improved  
productivity**



**Innovation  
& creativity**



# We have delivered our core objectives for H1 2018

## GoCompare

### Comparison

- ✓ Focus on margin not revenue
- ✓ Strong conversion in Q2
- ✓ Record marketing margins
- ✓ Launched new incentive- quickly
- ✓ Investing in innovation to drive future growth



MyVoucherCodes

### Reward<sup>1</sup>

- ✓ MyVoucherCodes integrated <6 weeks
- ✓ Re-platformed
- ✓ Website re-launched
- ✓ Contract to launch The Sun voucher site



# Comparison diversified through multiple brands

## Comparison

GoCompare

ENERGYLINX

 souqalmal

 mortgagegym

### Market context:

- Switching through comparison websites seeing low single-digit growth, driven by increased marketing spend
- Price promotions to entice switching result in reduced income per sale

### Our solution – diversify and reward

- Acquisitions and investments that complement our core business and adhere to our strategy
- Smarter use of marketing budget – test and learn rather than spend more on the same
- Launched our customer rewards programme providing free annual DINE memberships for switchers



# With MyVoucherCodes further diversifying the Group

## Reward<sup>1</sup>



My**Voucher**Codes

### The Sun's voucher site

- On 3 July we signed an exclusive partnership with News UK, to launch a voucher site for The Sun
- Using their large and loyal audience we can rapidly create a rewards platform that will extend the reach of the MyVoucherCodes proposition



# Cash being used to fund M&A - introducing **ENERGYLINX**

**On 14 June we announced the acquisition of Energylinx for £10m**

*Our second acquisition in six months following MyVoucherCodes in January 2018*

## Market leading business

- ✓ More commercial partners than anyone else – 109 across domestic and business energy
- ✓ Trusted across the industry – powers over 50% of all energy suppliers and several hundred affiliate partners

## Delivering against our strategy

- ✓ Growing in attractive market - switching rates are growing across the energy market
- ✓ Good fit with the vision – enables the Group to save more people time and money
- ✓ Shareholder value creation – profitable business with potential for growth

## With further opportunities

- ✓ B2C marketing – Group skills complement Energylinx's industry strengths
- ✓ B2C proposition – leverage Energylinx's capabilities to power innovation

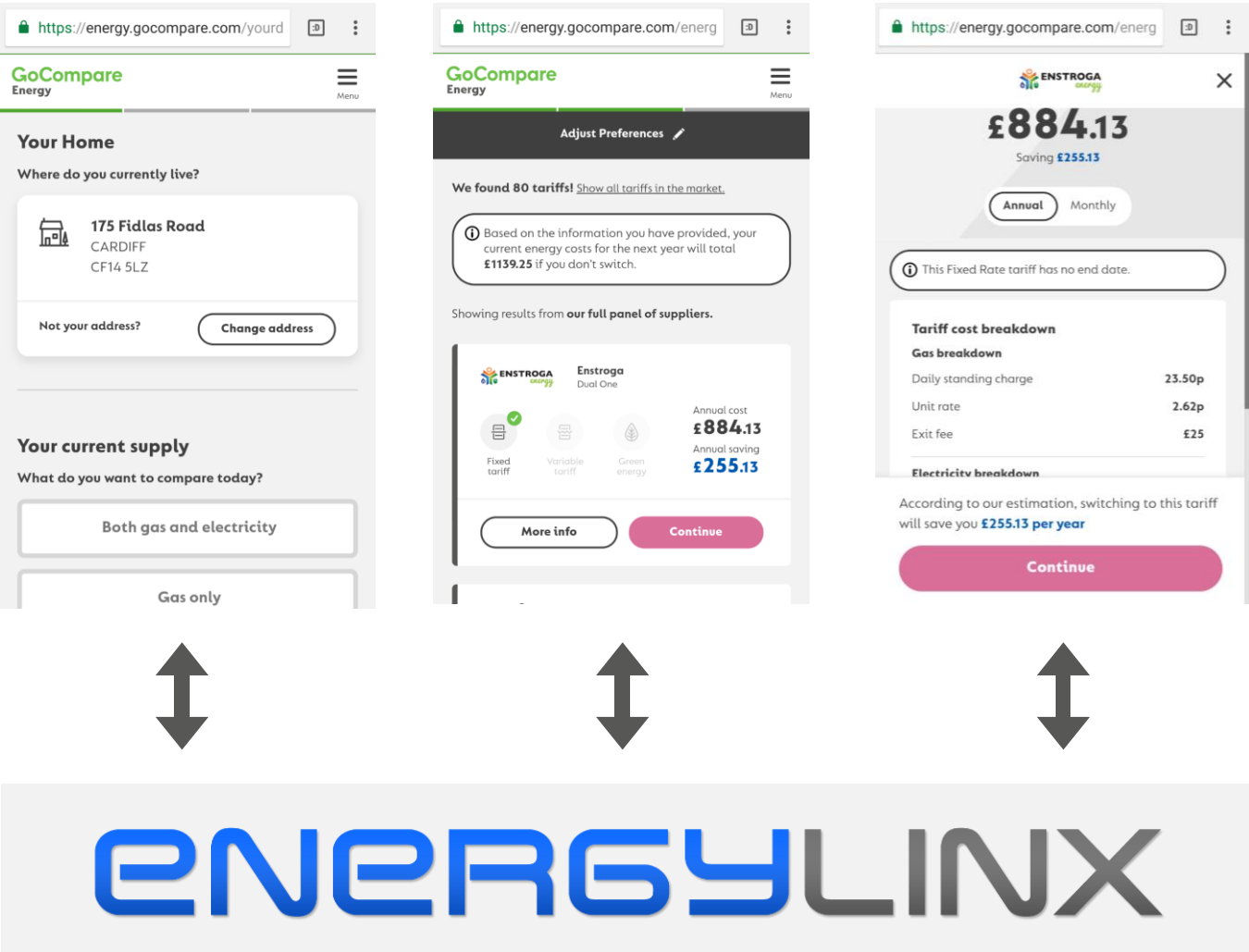
# GoCompare's new energy journey is powered by Energylinx

## Customer journey

New GoCompare energy customer journey launched 16 July with best-in-class supply

## Commercial relationships and switching capabilities

Utilising Energylinx to provide comprehensive choice of energy providers and market-leading insight



# Increased investment in mortgage fintech innovator



## FCA-authorized mortgage robo-adviser

- 100% free for consumers to use
- Online mortgage matching and application
- No impact on an applicant's credit file
- Mortgage results in 60 seconds

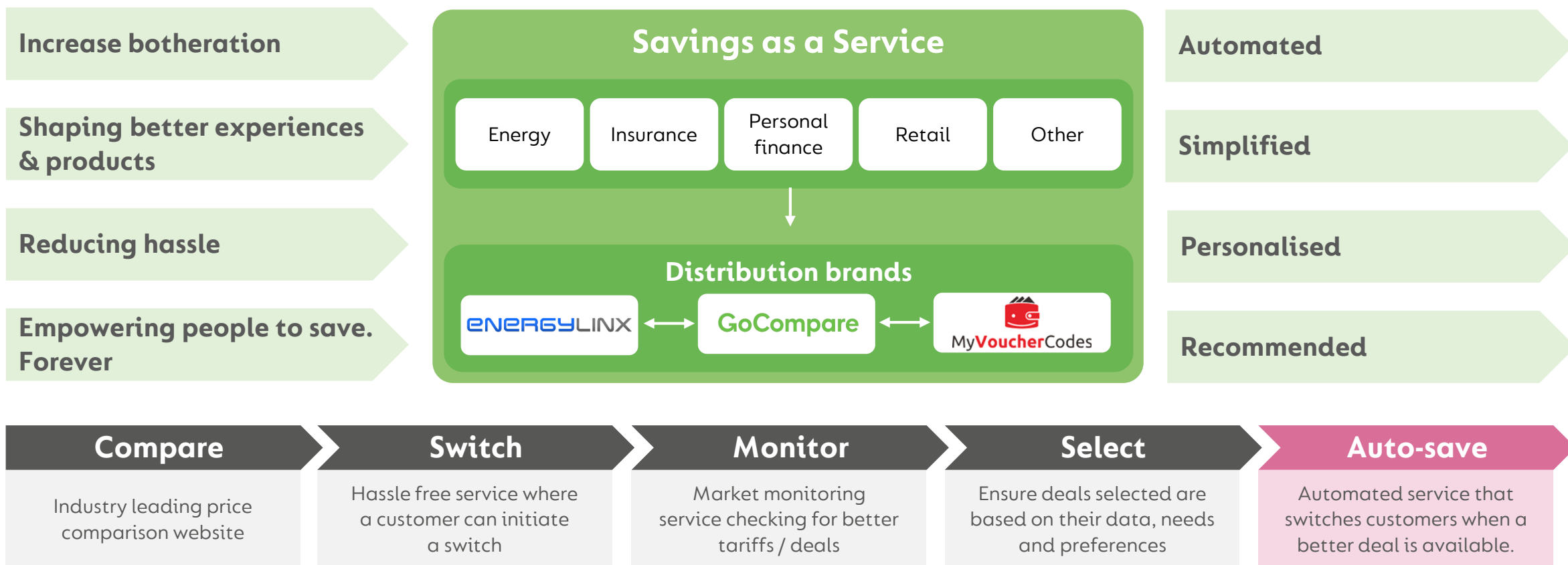
## Significant potential for market disruption

- Increased our investment to take a 26.2% stake
- Second-biggest shareholder in the company
- Actively supporting the founders with a place on the MortgageGym Board

# Multiple brands to power Savings as a Service™

## Our Vision

“Automatically saving households on their bills – forever.  
No more overspending. No more confusion. No more bill worries.”



# Agenda

## 1 Highlights

Matthew Crummack (CEO)

## 2 Financial Review

Nick Wrighton (CFO)

## 3 Business Review

Matthew Crummack (CEO)

## 4 Outlook

Matthew Crummack (CEO)

# H2 2018 Outlook

1

**Disciplined  
performance  
on the core  
business**

- Continue to focus on delivering profit with a highly disciplined approach to marketing
- Energylinx to be positioned for growth in 2019
- Continue to leverage MyVoucherCodes (MVC)

2

**Continued  
M&A and  
partnerships**

- Further domestic and international investment and M&A opportunities being actively explored
- Expansion of B2B proposition with MVC and Energylinx

3

**FinTech  
mindset**

- Expect delivery of our first **Savings as a Service**<sup>™</sup> proposition by the end of the year
- Continued focus on innovation to drive value for customers, partners and shareholders in the medium term

**Controlled  
profitable  
performance**

**Diversification  
of the Group**

**Driver of  
medium term  
growth**



# Questions?