

Interim Results

July 2013

Saving
UK
Households
£1bn

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Interim Summary

Gerald Corbett
Chairman

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Summary interims

Strong trading results; increased dividend and strengthened leadership team

- Strong trading results
 - Revenue +10% to £112.3m
- Increased dividend
 - Special dividend 12.92p per share paid on 26 July 2013
- Increased liquidity
 - Simon Nixon sell down to below 30%
- Strengthened board experience
 - Non-execs: Sally James, Robin Klein, Simon Nixon
 - Execs: CMO - Kenny Jacobs, CIO - Tim Jones



Finance Update

Paul Doughty CFO

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Summary financial highlights

Strong trading results; special dividend and interim dividend increased by 20%

- Strong trading results
 - Revenue +10% to £112.3m (+7% excl. MSE)
 - EBITDA +29% to £39.9m (+9% excl. MSE)
- H1 operating margins 36%
 - MSM margin improved slightly
 - Impact of MSE
- Continued strong cash generation
 - Circa 110% of EBITDA converted to cash
- Dividends
 - Interim dividend +20% to 2.16p per share
 - Special dividend of 12.92p per share paid to shareholders on 26 July 2013

Strong trading results

Operating margins increased

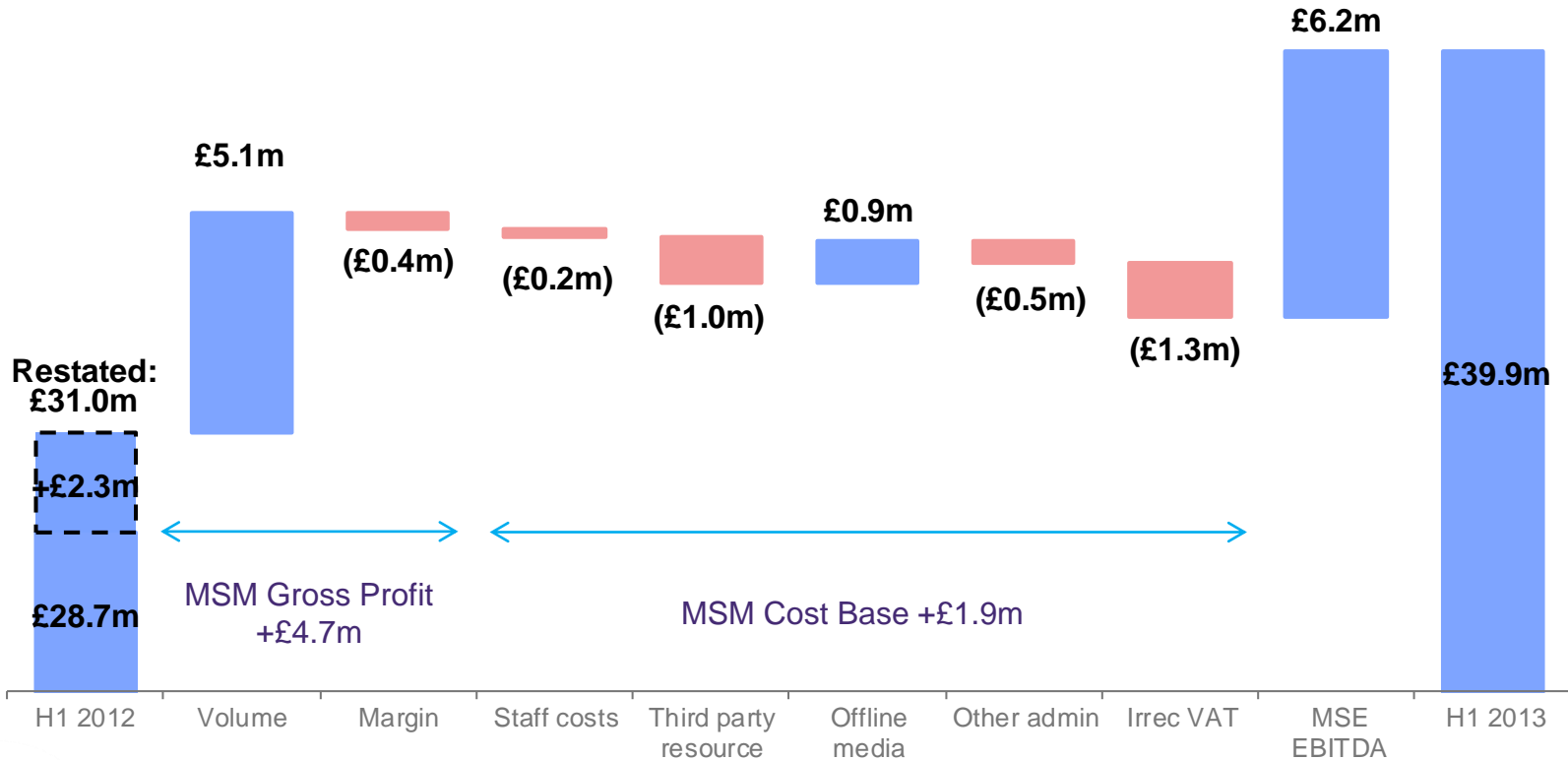
	MSM H1 2013 £m	MSM H1 2012 £m	Variance %	MSE H1 2013 £m	Consol. Adjs	Group H1 2013 £m	Variance %
Revenue	109.4	102.3	7%	8.8	(5.9)	112.3	10%
Gross Profit	78.1	73.4	6%	8.7	–	86.7	18%
<i>Gross Margin</i>	71.4%	71.7%		98.6%		77.2%	
Administrative Costs	(28.4)	(25.5)	11%	(2.4)	–	(30.7)	21%
Distribution Costs	(16.0)	(16.9)	-6%	(0.1)	–	(16.1)	-5%
Adjusted EBITDA	33.7	31.0	9%	6.2	–	39.9	29%
<i>Adjusted EBITDA %</i>	31%	30%		70%		36%	
<i>Adjusted eps</i>		4.2				5.2	24%

* Excludes depreciation, amortisation of intangibles, costs relating to the acquisitions of MoneySavingExpert.com, recovery of VAT relating to prior years and fees relating to corporate finance advice in connection with special dividend.

** Slide 31 contains a reconciliation of adjusted EBITDA to statutory operating profit.

Adjusted EBITDA

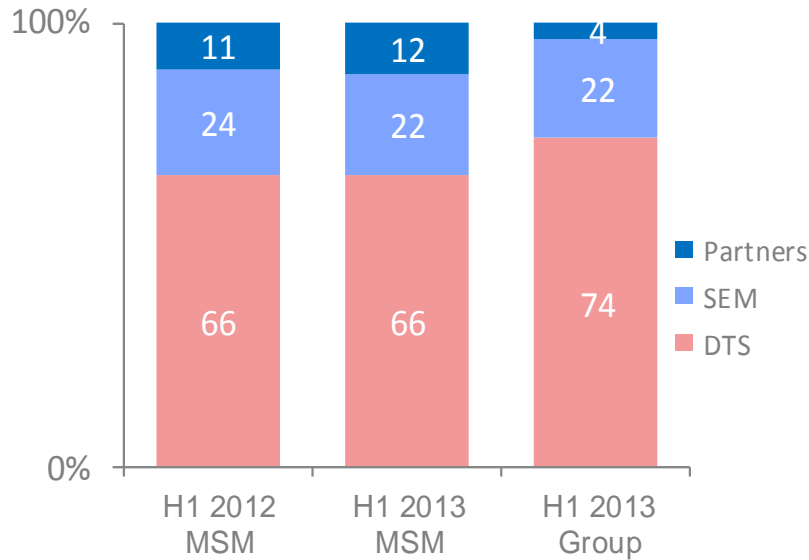
Group EBITDA +29%; EBITDA margin 36%



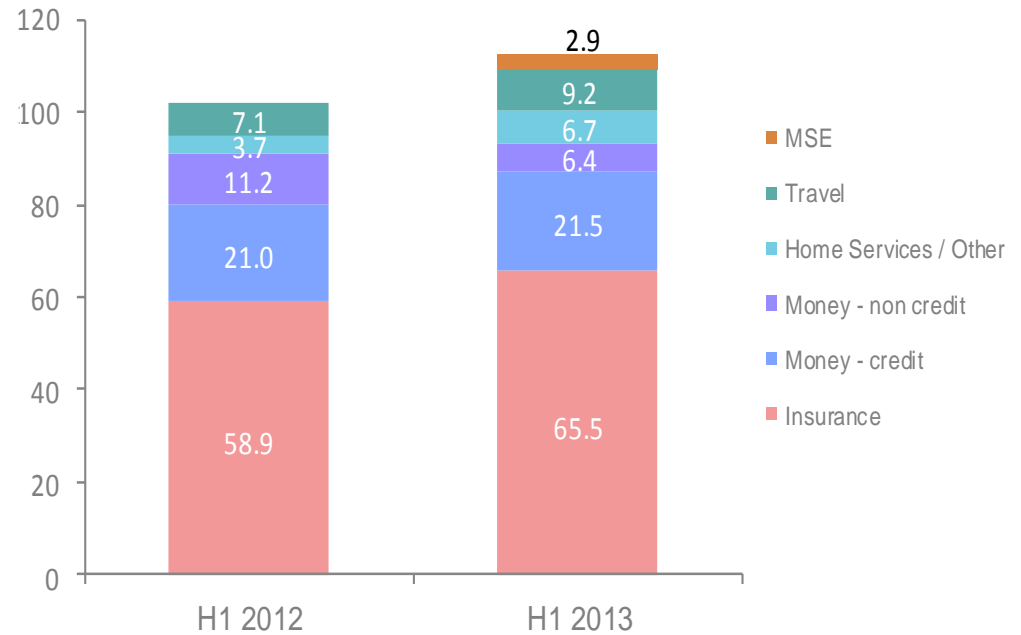
Direct to site share of revenues maintained

DTS revenues +£5m; Offline media spend -6%

Revenue by source



Revenue by vertical



Insurance H1 2013

Good revenue growth, slowing into Q2

- Revenues +11% against last year
 - Growth across each of the major product lines
- Q2 revenue growth slowed
 - Increased offline expenditure by competitors – new campaigns
 - Google algorithm changes in June
- Other revenues £1.0m (13%) ahead of same period last year
 - Data services

	H1 2013	H1 2012	Variance	Variance %	H2 2012
Insurance					
Visitors ('m)	18.8	16.7	2.1	12%	16.0
Transactions ('m)	8.2	8.2	0.0	1%	8.3
Click Revenue (£m)	57.1	51.5	5.6	11%	54.5
Other Revenue (£m)	8.4	7.4	1.0	13%	7.0
Total Revenue (£m)	65.5	58.9	6.6	11%	61.5
RPV	£3.48	£3.52	-£0.04	-1%	£3.86
RPT	£6.96	£6.30	£0.66	10%	£6.59

Money H1 2013

Structural impact of Funding for Lending scheme continues

- Revenues -13% over H1 2012
- Structural impact of Funding for Lending scheme continues
 - Credit revenues 2% ahead in H1
 - Non credit revenues 43% decline in H1
- Provider budgets and availability of product remain solid outside Savings

	H1 2013	H1 2012	Variance	Variance %	H2 2012
Money					
Visitors ('m)	22.8	22.0	0.8	4%	18.5
Transactions ('m)	10.5	12.2	(1.7)	-14%	9.2
Click Revenue (£m)	26.5	30.3	(3.7)	-12%	23.5
Other Revenue (£m)	1.4	2.0	(0.6)	-29%	1.7
Total Revenue (£m)	27.9	32.2	(4.3)	-13%	25.2
RPV	£1.23	£1.47	(£0.24)	-16%	£1.36
RPT	£2.53	£2.48	£0.05	2%	£2.56

Home Services H1 2013

Strong growth in Energy revenues

- Revenues +84% ahead of H1 2012
 - Utility switching volumes increased from Cheap Energy Club in connection with MSE
- Visitors -18% against H1 last year
 - Lower visitor volumes from shopping and vouchers targeted
- RPV +125%
 - Sales and visitor mix

	H1 2013	H1 2012	Variance	Variance %	H2 2012
Home Services					
Visitors ('m)	11.4	14.0	(2.5)	-18%	14.9
Transactions ('m)	4.3	4.9	(0.6)	-12%	4.4
Click Revenue (£m)	6.7	3.6	3.1	84%	7.8
Other Revenue (£m)	0.0	0.0	–	n/a	–
Total Revenue (£m)	6.7	3.6	3.1	84%	7.8
RPV	£0.59	£0.26	£0.33	125%	£0.52
RPT	£1.57	£0.75	£0.82	110%	£1.77

Travel H1 2013

Trading continues to improve

- Revenues +30% on H1 2012
- Package Holidays, Hotels and Car Hire growing
- Continue to see opportunity for growth in Travel
 - Investment over the next 12 months

	H1 2013	H1 2012	Variance	Variance %	H2 2012
Travel					
Visitors ('m)	29.2	22.6	6.6	29%	21.6
Transactions ('m)	14.1	11.6	2.5	22%	8.8
Click Revenue (£m)	8.8	6.6	2.3	35%	5.6
Other Revenue (£m)	0.4	0.5	(0.1)	-28%	0.4
Total Revenue (£m)	9.2	7.1	2.1	30%	6.0
RPV	£0.31	£0.31	£0.00	1%	£0.28
RPT	£0.63	£0.57	£0.06	10%	£0.64

MoneySupermarket marketing investment

Efficiency maintained

	FY 2011		FY 2012		H1 2012		H1 2013	
	£m	%	£m	%	£m	%	£m	%
Online	50.5	65%	55.1	68%	28.8	62%	31.3	69%
Offline	27.0	35%	26.0	32%	14.5	34%	13.9	31%
Total spend	77.5		81.1		43.3		45.3	
Revenue	177.8		203.0		101.8		109.3	
Marketing margin %	56%		60%		57%		59%	

- Marketing efficiency maintained v FY12
 - Offline expenditure broadly flat
 - Growth in DTS revenues from CRM

Note - MoneySupermarket and TravelSupermarket only (excludes MSE, FSN and LDD). Cost included for revenues generated by MSM from visitors from MSE for whole of period.

MoneySavingExpert.com

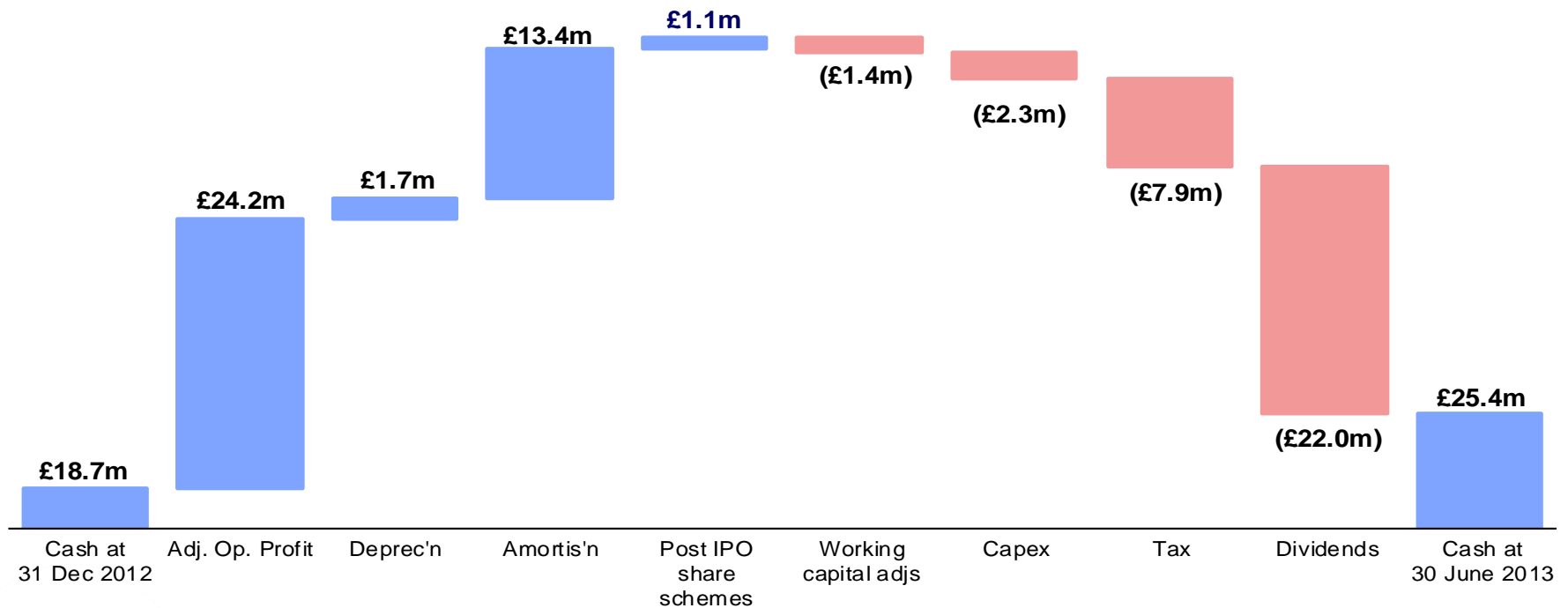
Good H1 Results

- MSE continues to trade well
 - £8.8m revenues (£2.9m contribution to Group)
 - £6.2m EBITDA
- Trading trends similar to MoneySupermarket
 - Money – Funding for Lending
 - Home Services – Cheap Energy Club
- Good progress with operations plan
 - Infrastructure capacity and scalability to be improved in Q3
- MSE well positioned for the future

Cash

Cash generation remains a key strength of the business

- Cash balances of £25.4m at 30 June 2013
- Circa 110% of EBITDA converted to cash
- Special dividend of £70m paid 26 July



Dividends

Interim dividend +20% to 2.16p; special dividend of £70m paid 26 July 2013

	Dividend – p/share		
	2013	2012	2011
Interim	2.16	1.8	1.5
Final		3.94	3.03
Total Dividend Declared		5.74	4.53
Special Dividend	12.92		3.93
TOTAL		5.74	8.46

- Progressive dividend policy
- Interim dividend increased by 20% to 2.16p
- Special dividend of 12.92p per share paid to shareholders on 26 July
- Dates for Interim dividend
 - Ex Div Date – 14 August
 - Payment Date – 13 September

Summary

- Solid start to the year
 - Revenues +10%
 - EBITDA +29%
- MoneySavingExpert.com has continued to perform well
- Cash generation remains strong
 - Converting circa 110% EBITDA to cash
 - Interim dividend +20% to 2.16p per share; special dividend of 12.92p per share.



Business Update

Peter Plumb CEO
Kenny Jacobs CMO

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H1 Performed well

Strong trading results; revenue +10% and EBITDA +29%

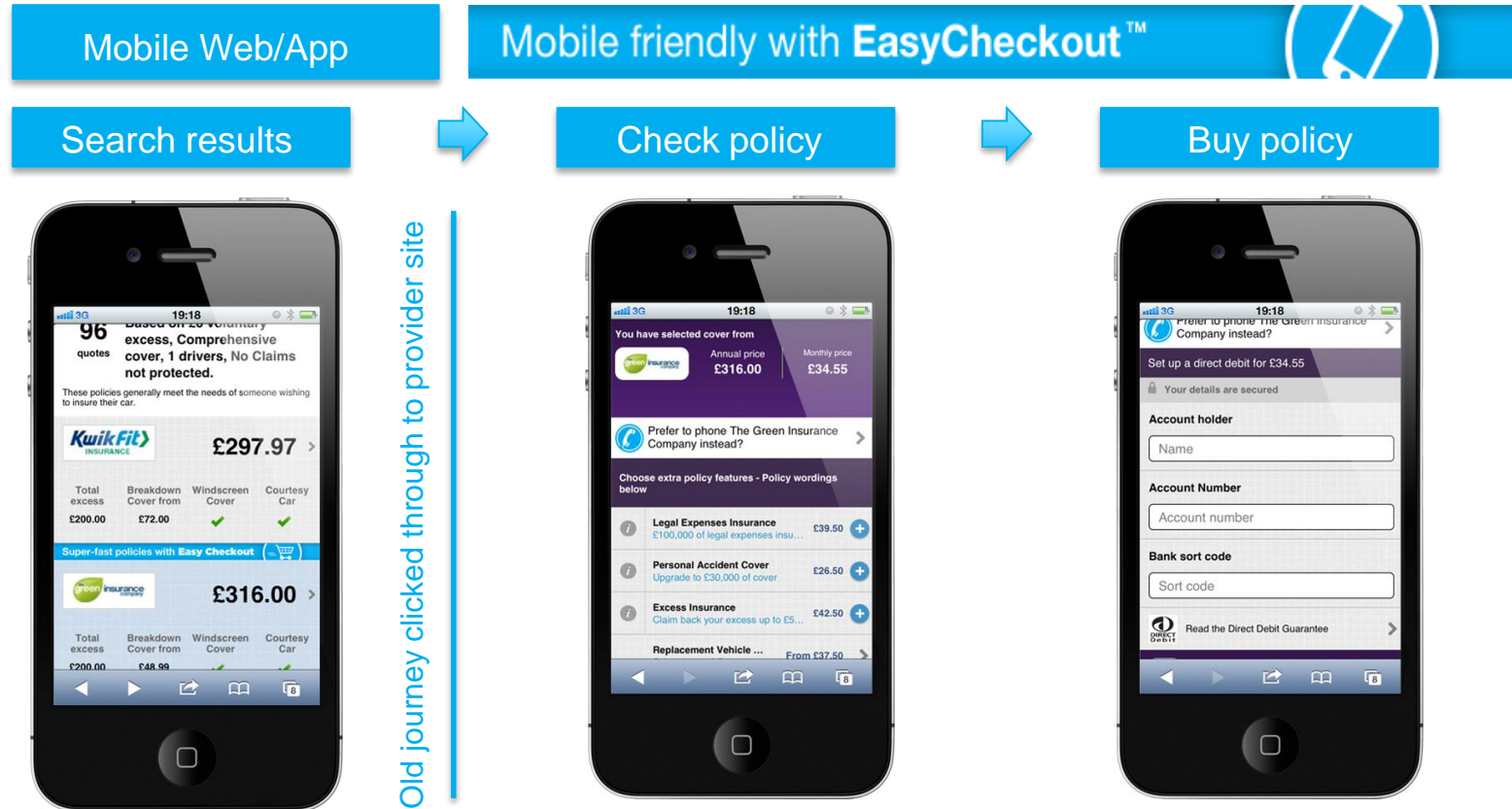
- Brands in good health



- Markets are growing
 - Insurance, Energy, Travel
 - Money impacted by Savings structural change
- H1 Investments delivered against milestones
 - Best Shop Strategy: Energy, Travel Insurance and TravelSupermarket
 - Money new platform migration on track
 - 18m customer data records in Single Customer View
- MSM.com saved UK households >£600m in H1
 - Core channels: 2.4m households saved an average of £210 each

Motor Insurance mobile payment journey

Pioneering a seamless search and purchase journey for mobile



A man with dreadlocks and a young girl are looking at a tablet together. The man is smiling and the girl has an excited expression. They are in a room with a bookshelf and a window in the background.

Marketing Strategy

Kenny Jacobs CMO

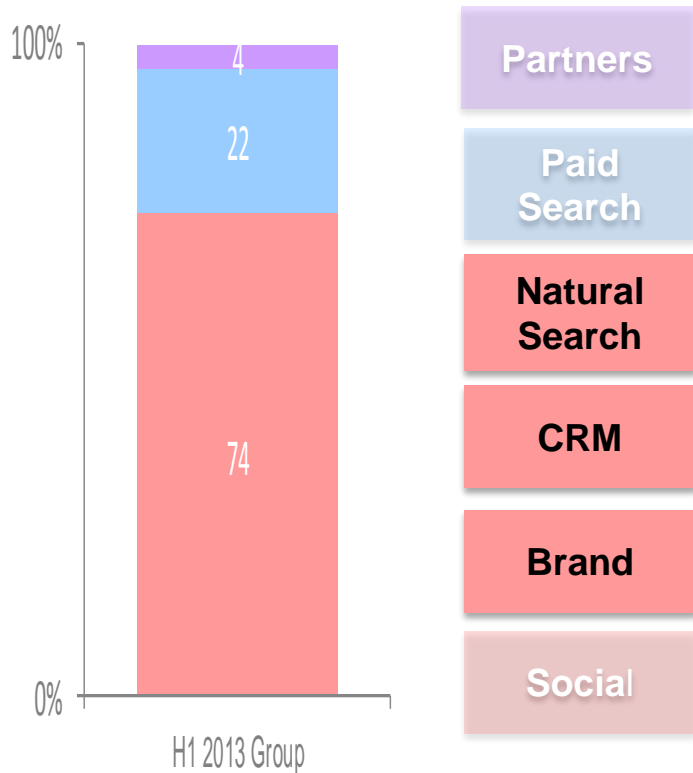
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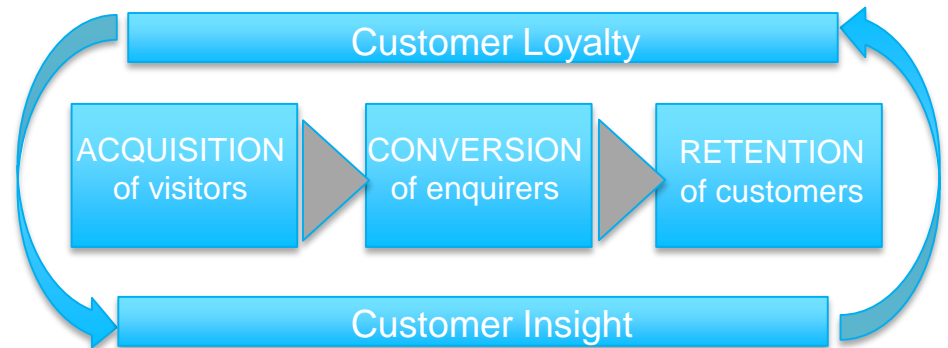
Emphasis on the customer experience

Evolving our model to increase conversion and retention

Marketing levers



Marketing model



Search is changing, we will adapt

Update on latest natural search algorithm change

Marketing levers

- Partners
- Paid Search
- Natural Search
- CRM
- Brand
- Social

Search sources



Site optimised



Retention makes it easier for customers

Using the data we have to drive retention, trust and loyalty

Marketing levers

Partners

Paid Search

Natural Search

CRM

Brand

Social

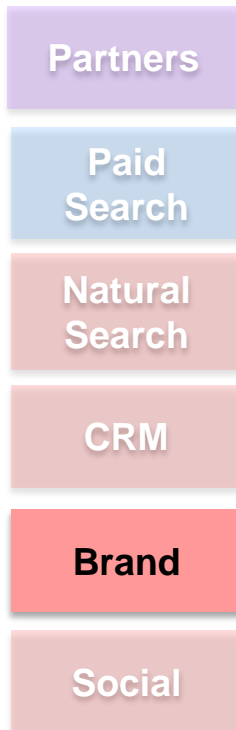
Re-buy email

Cross-buy email

Marketing roadmap for H2 and beyond

More ways to save, we make it easy to save

Marketing levers



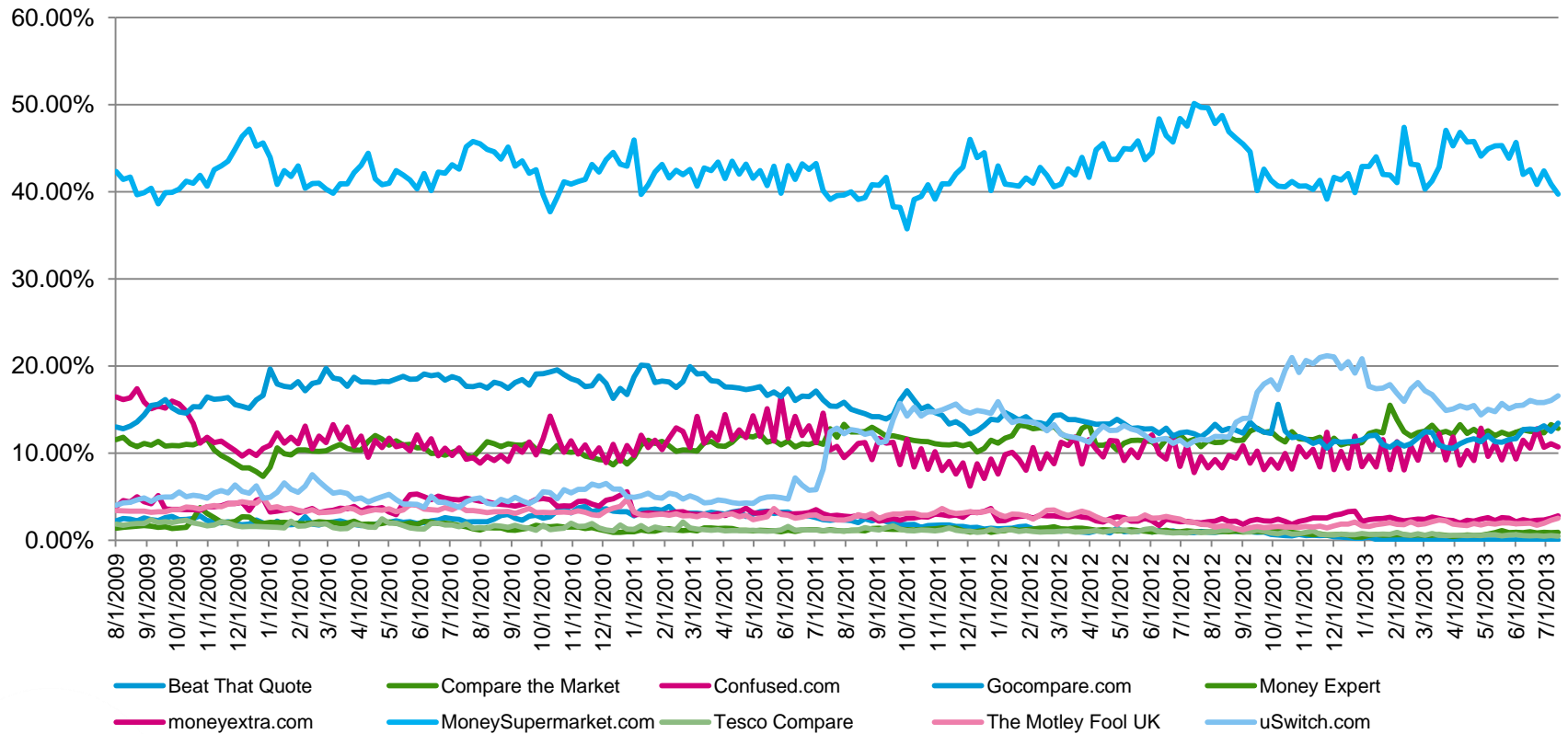
- New campaign for MoneySupermarket from August
- New campaign and site for TravelSupermarket
- The most trusted brand



MoneySupermarket share holds strong

Continued market leadership across Money, Insurance and Energy

Hitwise: Share of Visits - Historical View



Markets all have attractive headroom

Group has long term structural growth across core channels

Policies/Products (m)	Mkt	Switched/ New	Switched/ New Online	On-line CAGR % 11 - 13	Avg Customer Saving
Motor Ins	24	10.5	8.5	6%	£398
Home Ins	18	4.7	2.6	18%	£104
Travel Ins	26	20.4	8.8	7%	£34
Savings	63	9.3	2.8	14%	£25
Cards	32	4.1	2.3	3%	£279
Loans	5	1.0	0.5	42%	£84
Energy	34	5.6	1.8	7%	£103
Total	202	55.6	27.3		

Source: GFK, Internal Data, Consumer Intelligence and Strategy Consultants

Outlook

July is trading flat against a strong 2012

- Group revenues
 - MoneySupermarket: slightly behind last year against tough comps
 - July 2012 – new campaign pre-Olympics
 - TravelSupermarket: strong growth
 - MoneySavingExpert: good growth
- Trading trends inline with June
 - Headwinds: Funding for Lending, natural search
 - Tailwinds: Increased conversion, retention drive using data
- Confident in group's long term prospects
 - Healthy market headroom



Questions & Answers

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Appendix

Additional Financial Materials

Adjusted EBITDA

Reconciliation from stat. revenue and operating profit to adjusted EBITDA

	H1 2013	H1 2012	Var.	Var.%	H2 2012	Var.	Var.%	FY 2012
Revenue	112.3	102.2	10.1	10%	102.6	9.7	9%	204.8
Gross Profit	86.7	73.3	13.4	18%	78.4	8.3	11%	151.7
Margin %	77%	72%			76%			74%
Administrative costs	(50.6)	(45.0)	(5.6)	13%	(44.7)	(5.9)	13%	(89.7)
Distribution Costs	(16.1)	(16.9)	0.8	(5)%	(13.6)	(2.5)	18%	(30.5)
Operating Profit	20.0	11.5	8.6	75%	20.1	(0.1)	(0)%	31.5
Operating Profit	20.0	11.5	8.6	75%	20.1	(0.1)	(0)%	31.5
Amortisation of intangible assets	13.4	12.6	0.8	7%	14.5	(1.0)	(7)%	27.1
Depreciation	1.7	1.8	(0.1)	(5)%	1.8	(0.1)	(3)%	3.6
Impairment of intangible assets	–	–	–	n/a	5.0	(5.0)	(100)%	5.0
Acquis'n related costs	–	2.7	(2.7)	n/a	0.6	(0.6)	(100)%	3.4
Deferred consideration on acquisitions	4.2	0.1	4.0	n/a	1.9	2.2	116%	2.0
Fees associated with special dividend	0.6	–	0.6	n/a	–	0.6	n/a	–
VAT Recovery	–	2.3	(2.3)	n/a	(8.5)	8.5	n/a	(6.1)
Adjusted EBITDA	39.9	31.0	8.9	29%	35.5	4.4	12%	66.5
Margin %	36%	30%			35%			32%

Adjusted cost base

H1 2013 v H1 2012, H2 2012

	H1 2013 £m	H1 2012 £m	Variance	Variance %	H2 2012 £m	Variance
Adjusted Cost Base*						
Staff Costs	18.4	16.5	1.9	12%	18.3	1%
IT Contractors **	1.1	0.0	1.1	n/a	0.6	n/a
Depreciation	1.7	1.8	-0.1	-4%	1.8	-4%
Irrecoverable VAT	4.4	3.2	1.3	40%	3.4	29%
Other Admin	6.9	5.8	1.1	19%	7.0	-2%
Total Adjusted Admin	32.5	27.2	5.3	19%	31.2	4%
Advertising	13.5	15.2	-1.7	-11%	10.8	25%
Other Marketing/PR	2.6	1.7	0.9	51%	2.8	-5%
Total Distribution Costs per P&L	16.1	16.9	-0.8	-5%	13.6	19%
Other Online Marketing Costs	25.9	28.8	-2.9	-10%	24.4	6%
Intermediary Marketing Costs ***	-0.3	-0.1	-0.3	500%	-0.1	173%
Total Marketing Costs	41.7	45.7	-4.0	-9%	37.8	10%
Total Adjusted Cost Base Below Gross Margin	48.6	44.1	4.5	10%	44.7	9%
Total Adjusted Cost Base	74.2	72.9	1.3	2%	69.0	8%

* Represents the cost base for the Group, and therefore includes approximately £2.4m of administrative expenses, and £0.1m of distributions costs, relating to MoneySavingExpert.com in H1 2013 (H1 2012 - nil; H2 2012 £1.0m administrative expenses, £0.1m distribution costs). Excludes costs and deferred consideration associated with the acquisitions of LDD and MSE, costs associated with the special dividend during 2013 and costs/credits associated with VAT recovery.

** Represents the cost of third party development resource only. Other third party resource costs are included within Staff Costs.

*** Represents the release of creditor balances within the intermediary business which are more than 6 years old.

VAT 2012

New Partial Exemption Special Method (PESM)

- A number of the group's services are classified as exempt (for VAT purposes)
 - Restricts the proportion of input VAT incurred on expenses (e.g marketing) that may be recovered by the Group
 - Recoverable proportion calculated by reference to a PESH
- The Group had sought to vary its PESH for a number of years and in July 2012 finally received written notification that HMRC had approved the Group's technical analysis.
- The Group filed voluntary disclosures for £8.3m relating to the current and prior periods seeking to apply the agreed PESH retrospectively.
- Review of the claims and audit of the application of the new method was concluded by HMRC in Q4 2012.
- £8.3m cash payment received from HMRC prior to the end of 2012, and a further £3.3m of credit recognised for periods subsequent to the periods covered by the retrospective claims.
- Total benefit reported in 2012 full year statutory profit of £11.6m, less £1m of contingent fees. Previously reported H1 2012 results have been adjusted to include £2.3m of retrospective benefit relating to the first half of the prior period.

Statutory balance sheet

	June 2013 £m	December 2012 £m	June 2012 £m
Intangible assets	185.2	197.6	148.8
Other non-current assets	11.4	11.7	11.5
Net current liabilities	(52.4)	6.4	20.0
Long term liabilities	(19.7)	(16.0)	(19.9)
Net assets	124.5	199.7	160.3

- Intangible assets include £55m of goodwill and £62m of other intangibles associated with the acquisition of MSFG; £3m of internally generated intangible assets; and £53m of goodwill and £12m of other intangibles associated with the acquisition of MSE.
- Net current liabilities includes cash of £25.4m, and the £70m special dividend which had been declared but not paid, as at the end of June 2013.
- The long term liability represents the net deferred tax liability largely relating to the tax amortisation benefit of the intangibles assets recognised upon the acquisitions of MSFG and MSE, and contingent payables on acquisitions.

Accounting information

Tax

- Tax charge of £4.7m giving effective rate of 23.8%
 - Close to the applicable statutory tax rate for 2013 of 23.25%.
 - Reduction in applicable statutory rate of corporation tax from 24.5% in 2012, to 23.25% in 2013.
 - Vesting of the 2010 LTIP scheme in H1 2013 will give rise to a Schedule 23 deduction to tax, but broadly in line with disallowable share based payment charges for the period.
 - Amortisation of goodwill recognised on acquisition of MSE an allowable deduction against taxable profit under UKGAAP; equal and opposite deferred tax charge keeps effective rate broadly in line with applicable statutory tax rate.

Earnings per share calculation

	H1 2013	H1 2012
	£m	£m
Statutory profit before tax	19.8	11.6
Amortisation of MSFG Intangibles	11.5	11.5
Amortisation of FSN Intangibles	0.0	0.4
Amortisation of MSE Intangibles	0.9	0.0
LDD Deferred consideration	0.0	0.1
Costs relating to MSE acquisition	0.0	2.7
MSE contingent remuneration	4.2	0.0
Fees relating to special dividend	0.6	0.0
VAT PESM adjustment	0.0	2.3
Adjusted earnings 'before tax'	36.9	28.7
Assumed tax at 23.25% (24.5%)	-8.6	-7.0
Adjusted earnings	28.3	21.7
Basic avg. shares (m)	539.5	511.3
Diluted avg. shares (m)	548.8	521.0
Basic adjusted EPS (p)	5.2	4.2
Diluted adjusted EPS (p)	5.2	4.2

KPIs – by vertical

	H1 2013	H1 2012	Var	H2 2012	Var
Money					
Visitors ('m)	22.7	22.0	4%	18.5	23%
Transactions ('m)	10.5	12.2	(14)%	9.2	15%
Revenue (£m) - Click-based	26.5	30.3	(12)%	23.5	13%
Revenue (£m) - Total	27.9	32.2	(13)%	25.2	11%
RPV	£1.23	£1.47	(16)%	£1.36	(10)%
RPT	£2.53	£2.48	2%	£2.56	(1)%
Insurance					
Visitors ('m)	18.8	16.7	12%	16.0	18%
Transactions ('m)	8.2	8.2	1%	8.3	(1)%
Revenue (£m) - Click-based	57.1	51.5	11%	54.5	5%
Revenue (£m) - Total	65.5	58.9	11%	61.5	6%
RPV	£3.48	£3.52	(1)%	£3.86	(10)%
RPT	£6.95	£6.30	10%	£6.59	6%
Travel					
Visitors ('m)	29.2	22.6	29%	21.6	35%
Transactions ('m)	14.1	11.6	22%	8.8	61%
Revenue (£m) - Click-based	8.8	6.6	35%	5.6	56%
Revenue (£m) - Total	9.2	7.1	30%	6.0	53%
RPV	£0.31	£0.31	1%	£0.28	13%
RPT	£0.62	£0.57	10%	£0.64	(3)%
Home Services					
Visitors ('m)	11.4	14.0	(18)%	14.9	(23)%
Transactions ('m)	4.3	4.9	(12)%	4.4	(3)%
Revenue (£m) - Click-based	6.7	3.6	84%	7.8	(13)%
Revenue (£m) - Total	6.7	3.6	84%	7.8	(13)%
RPV	£0.59	£0.26	125%	£0.52	13%
RPT	£1.58	£0.89	77%	£1.77	(11)%

KPIs – MSM

	H1 2013	H1 2012	Variance %	H2 2012	Variance %
Visitors ('m)	82.2	75.2	9%	70.9	16%
Transactions ('m)	37.1	36.8	1%	30.6	21%
Click Revenue (£m)	100.7	92.0	9%	91.4	10%
Other Revenue (£m)	8.6	9.9	-12%	9.0	-5%
Total Revenue (£m)	109.3	101.8	7%	100.4	9%
RPV	£1.33	£1.35	-2%	£1.42	-6%
RPT	£2.71	£2.50	9%	£2.99	-9%

Note - MoneySupermarket and TravelSupermarket only - excludes MSE, FSN and LDD.