

PensionBee Group plc
Incorporated in England and Wales
Registration Number: 13172844
LEI: 2138008663P5FHPGZV74
ISIN: GB00BNDRLN84

22 July 2021

PensionBee Group plc

Trading Update for the period ended 30 June 2021

Further Growth sees Assets under Administration reach £2 billion

PensionBee Group plc (“PensionBee” or “the Company”), a leading online pension provider, today announces a trading update for the six month period ended 30 June 2021 (1H 2021).

PensionBee has continued to implement its customer-focused strategy, achieving strong year-on-year growth in the first half of 2021. Invested Customers increased by 81% to 92,000 (1H 2020: 51,000) while Assets under Administration (AUA) increased by 117% to £1,987m (1H 2020: £915m) driven by strong net flows from new and existing customers. Annual Run Rate Revenue increased by 114% to £12.3m (1H 2020: £5.7m).

The Company continued to scale-up its marketing spend in 1H 2021 and rolled out a new national brand campaign, “Feels so good”, across its advertising channels. PensionBee benefitted from the launch of its new data platform, supporting continued marketing spend whilst keeping Cost per Invested Customer within its desired range.

PensionBee demonstrated the continued strength of its customer value proposition by maintaining a Customer Retention Rate in excess of 95% and achieving a 4.7★ Excellent Trustpilot rating. The high levels of recurring revenues generated as a result of this high customer retention, combined with the scalability of its technology platform continue to support PensionBee’s financial model of improving operating leverage over time.

PensionBee’s customer-focused offering received further industry recognition during the period. PensionBee was named as a ‘Best Buy’ in five categories at the Boring Money 2021 Awards, which commended the quality of the customer service and communications, commitment to sustainability, website and ease of use.

The Company raised £55m of capital in its successful IPO on the High Growth Segment of the London Stock Exchange, enabling further innovation and growth and supporting a path to profitability by the end of 2023. PensionBee expects to transition to the Premium Segment of the London Stock Exchange’s Main Market in 2022.

PensionBee expects performance to be in line with market guidance provided at the time of the IPO, driven by ongoing rapid growth of its investment in marketing, continued product innovation to maintain customer satisfaction and further investment in people and technology.

PensionBee expects its growth to be supported by continued demand for online pension consolidation and positive contribution behaviour, set against the backdrop of an enormous opportunity in the UK Defined Contribution pensions market.

There will be a presentation for analysts this morning at 8:30am via webcast. Please contact pensionbee@tulchangroup.com if you would like to attend.

Romi Savova, CEO of PensionBee, commented:

“I am pleased to report another period of continued strong financial and operational performance following our successful IPO. We have continued to drive growth by prioritising our customers and giving

them control of their financial future. We are excited about the vast growth opportunity ahead and look forward to continuing to work towards our mission of making pensions simple so everyone can look forward to a happy retirement.”

Highlights:

	As at Period End		
	Jun-2020	Jun-2021	YoY
AUA (£m)¹	915	1,987	117%
AUA Retention Rate (% of AUA) ²	>95%	>95%	stable
Registered Customers (thousands) ³	297	538	81%
Active Customers (thousands) ⁴	87	155	78%
Invested Customers (thousands) ⁵	51	92	81%
Customer Retention Rate (% of IC) ⁶	>95%	>95%	stable
Cost per Invested Customer (£) ⁷	209	240	within threshold
Same Year RC: IC Conversion (% of RC) ⁸	17%	17%	stable
Contractual Revenue Margin (% of AUA) ⁹	0.68%	0.69%	+1bp

	For the 6-month Period Ending		
	Jun-2020	Jun-2021	YoY
Revenue (£m)¹⁰	2.6	5.4	109%
Annual Run Rate Revenue (£m) ¹¹	5.7	12.3	114%
Adjusted EBITDA (£m) ¹²	(4.0)	(7.6)	89%
Adjusted EBITDA Margin (% of Revenue) ¹³	(155%)	(141%)	+14ppt

	For the 6-month Period Ending		
	Jun-2020	Jun-2021	YoY
Opening AUA (£m)¹	745	1,358	82%
Gross Inflows (£m)	238	550	131%
Gross Outflows (£m)	(30)	(69)	129%
Net Inflows (£m)	208	482	131%
Market Growth and Other (£m)	(38)	148	n/a
Closing AUA (£m)¹	915	1,987	117%

- 1 Assets under Administration (AUA) is the total invested value of pension assets within PensionBee Invested Customers' pensions. It measures the new inflows less the outflows and records a change in the market value of the assets. AUA is a measurement of the growth of the business and is the primary driver of Revenue.
- 2 AUA Retention measures the percentage of retained PensionBee AUA from Transfer Outs over the average of the trailing twelve months. High AUA retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
- 3 Registered Customers (RC) measures customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers.
- 4 Active Customers (AC) means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers.
- 5 Invested Customers (IC) means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.

- 6 Customer Retention Rate measures the percentage of retained PensionBee Invested Customers over the average of the trailing twelve months. High customer retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
- 7 Cost per Invested Customer (CPIC) means the cumulative advertising and marketing costs incurred since PensionBee commenced trading up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time. This measure monitors cost discipline of customer acquisition. PensionBee's desired CPIC threshold is £200-£250.
- 8 Same Year RC:IC Conversion percentage is calculated by dividing the number of Invested Customers as at the end of the period by the number of Registered Customers at the end of the period. This measure monitors PensionBee's ability to convert customers through the acquisition funnel.
- 9 Contractual Revenue Margin means the weighted average contractual fee rate across PensionBee's investment plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan across the period.
- 10 Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA, together with a minor revenue contribution from other services.
- 11 Annual Run Rate (ARR) Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12.
- 12 Adjusted EBITDA is the profit or loss for the period before taxation, finance costs, depreciation, share based compensation and transaction costs.
- 13 Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of Revenue for the relevant period.

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About PensionBee

PensionBee is a leading online pension provider, enabling customers to interact with their savings through its unique combination of smart technology and dedicated customer service.

Since it was founded in 2014 by Romi Savova, PensionBee has been a challenger in an industry ripe for disruption. It has grown rapidly by helping consumers to solve the challenges they face when it comes to locating, combining and managing their pension savings. PensionBee counts 155,000 Active Customers from 18-80 years of age with £2.0 billion in Assets under Administration as at 30 June 2021. Its range of pension plans are tailored to its customers and are managed by some of the world's largest money managers including: BlackRock, HSBC, Legal & General and State Street Global Advisors.

PensionBee uses its proprietary technology and Open APIs to allow customers to manage their pension easily, view their live balance, and with the help of a smart calculator to plan their savings, make contributions and withdrawals online, all with transparency on fees. It continuously engages with customers through its dedicated customer account managers using jargon-free communication and listens to feedback to develop new tools which help customers to easily plan for their retirement. PensionBee has consistently maintained a Customer Retention Rate and an AUA Retention Rate of >95% and a 4.7★ Excellent Trustpilot rating.

PensionBee is admitted to trading on the High Growth Segment of the London Stock Exchange's Main Market (LON:PBEE).