

**21 July 2022**

## **PensionBee Group plc**

### **Trading Update for the six months ending 30 June 2022**

#### **Excellent Customer Growth; on Track to Reach Profitability**

PensionBee Group plc (“PensionBee” or the “Company”), a leading online pension provider, today announces a trading update for the six months ending 30 June 2022.

#### **Highlights**

- Excellent customer growth, with Invested Customers increasing 72% to 159,000 (June 2021: 92,000) and a Registered Customer base of 897,000 (June 2021: 538,000), demonstrating the strength of the customer-focused proposition and vast UK market opportunity
- Assets under Administration (“AUA”) increased by 35% year on year to £2,676m (June 2021: £1,987), despite global market volatility, underpinned by strong net flows from new and existing customers and a customer retention rate of 97%
- Annual Run Rate Revenue increased by 37% to £17m (June 2021: £12m)
- Cost per Invested Customer reduced to <£260, on track to decrease further by the year end
- On track to achieve monthly Adjusted EBITDAM profitability by end of 2022 and monthly Adjusted EBITDA profitability by end of 2023

#### **Continued Advancement of Strategic Goals**

In line with its data-driven acquisition approach and as stated in its growth strategy, PensionBee has continued to focus on disciplined investment in marketing. This has resulted in exceptional customer growth, with Invested Customers increasing by 72% year on year with the addition of 41,000 new Invested Customers in the first half of the year. PensionBee is pleased with the trajectory of the Cost per Invested Customer, which has decreased to less than £260 and is on track to reduce further by the end of the year as the Company takes advantage of its substantial brand investment.

PensionBee has a relentless focus on customer service and has maintained its Excellent Trustpilot rating, resulting in the achievement of a consistently high customer retention rate for the Company. Robust growth of AUA was achieved despite the prevailing global market volatility, driven by continuous net flows of both new and existing customers which, in turn, will generate attractive lifetime value.

The Company continues to demonstrate leadership in product innovation, with initiatives such as a stronger nudge to guidance deployed for the over 50's, Easy Bank Transfer enabling rapid contributions launched in the web estate and advances made in regular withdrawal functionality. The Company also continues to invest in its industry leading technology platform to drive efficiency improvements around pension transfers, internal automation and to make further advancements in information security.

#### **Continued Commitment to Strong Corporate Governance**

The Company reached an important milestone in the first half of the year. Following its successful first year as a public company, it transferred from the High Growth Segment of the Main Market of the London Stock Exchange plc to the Premium Segment. This underscores the Company's commitment to the highest levels of corporate governance, has allowed the Company to further raise its profile in line with its growth ambitions, and the move will enable it to access a wider investor base as it becomes eligible for FTSE index inclusion.

PensionBee's Board of Directors (the “Board”) was further strengthened with the appointment of Christoph Johannes Martin, the Company's Chief Financial Officer, as an Executive Director. Christoph was instrumental in the Company's IPO and has been playing a key role in the achievement of its strong financial results.

## Outlook

The Board is pleased with the progress PensionBee has made against its core KPIs, demonstrating the strength of its customer-focused proposition and the vast UK market opportunity. Invested Customer growth and the reduction in cost of customer acquisition demonstrate the excellent momentum in the business.

The priority continues to be the achievement of near-term monthly Adjusted EBITDAM profitability to be reached by the end of 2022 and monthly Adjusted EBITDA profitability by the end of 2023.

The uncertain macro-economic outlook, and the impact that global market volatility has had on assets under administration for all companies in the space, is well understood. Against this backdrop, our revenue remains resilient, with high double digit revenue growth expected in the short-term. Having considered the likelihood that market volatility will continue, the Board expects that full year revenue will fall within the range £17m to £20m against a range of scenarios.

## Analyst and Investor Presentation

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

Romi Savova, CEO of PensionBee, commented:

*"We are delighted to have again achieved strong results for the period, despite the challenging market conditions. Our robust performance demonstrates just how much people are thinking about their financial futures in these uncertain economic times, making it even more important for all consumers to have access to a simplified approach to saving."*

*"We are constantly evolving and adapting our product according to our customers' needs, and we look forward to continuing to do so as we grow in size. Now that we have reached the next milestone in our growth plan by moving to the Premium Segment, we are well positioned to capitalise on the significant market opportunity ahead, accelerating our leading position to make pensions simple for all."*

## Financial Summary

|  | As at Period End |              |            |
|--|------------------|--------------|------------|
|  | Jun-2021         | Jun-2022     | YoY change |
| <b>AUA (£m)<sup>1</sup></b>                        | <b>1,987</b>     | <b>2,676</b> | <b>35%</b> |
| AUA Retention Rate (% of AUA) <sup>2</sup>         | >95%             | >95%         | Stable     |
| Registered Customers (thousands) <sup>3</sup>      | 538              | 897          | 66%        |
| Active Customers (thousands) <sup>4</sup>          | 155              | 246          | 59%        |
| Invested Customers (thousands) <sup>5</sup>        | 92               | 159          | 72%        |
| Customer Retention Rate (% of IC) <sup>6</sup>     | >95%             | >95%         | Stable     |
| Cost per Invested Customer (£) <sup>7</sup>        | 240              | 260          | As guided  |
| Same Year RC: IC Conversion (% of RC) <sup>8</sup> | 17%              | 18%          | 1 ppt      |
| Contractual Revenue Margin (% of AUA) <sup>9</sup> | 0.69%            | 0.69%        | Stable     |

|   | For the Trailing 12-month Period Ending |           |            |
|---|---|-----------|------------|
|   | Jun-2021                                | Jun-2022  | YoY change |
| <b>LTM Revenue (£m)<sup>10</sup></b>                    | <b>9</b>                                | <b>16</b> | <b>72%</b> |
| Annual Run Rate Revenue (£m) <sup>11</sup>              | 12                                      | 17        | 37%        |
| LTM Adjusted EBITDA (£m) <sup>12</sup>                  | (14)                                    | (24)      | -67%       |
| LTM Adjusted EBITDA Margin (% of Revenue) <sup>13</sup> | (156)%                                  | (152)%    | 4ppt       |

|   | For the 6-month Period Ending |          |            |
|---|-------------------------------|----------|------------|
|   | Jun-2021                      | Jun-2022 | YoY change |
| <b>Revenue (£m)<sup>10</sup></b>                    | <b>5</b>                      | <b>8</b> | <b>53%</b> |
| Adjusted EBITDA (£m) <sup>12</sup>                  | (8)                           | (15)     | -96%       |
| Adjusted EBITDA Margin (% of Revenue) <sup>13</sup> | (141)%                        | (180)%   | -40ppt     |

|                                     | For the 6-month Period Ending |              |            |
|-------------------------------------|-------------------------------|--------------|------------|
|                                     | Jun-2021                      | Jun-2022     | YoY change |
| <b>Opening AUA (£m)<sup>1</sup></b> | <b>1,358</b>                  | <b>2,587</b> | <b>91%</b> |
| Gross Inflows (£m)                  | 550                           | 579          | 5%         |
| Gross Outflows (£m)                 | (69)                          | (98)         | -42%       |
| <b>Net Inflows (£m)</b>             | <b>482</b>                    | <b>481</b>   | <b>0%</b>  |
| Market Growth and Other (£m)        | 148                           | (392)        | n/m        |
| <b>Closing AUA (£m)<sup>1</sup></b> | <b>1,987</b>                  | <b>2,676</b> | <b>35%</b> |

- 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.
- 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.
- 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.
- 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.
- Invested Customers ("IC") means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
- 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.
- 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.
- 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.
- 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.
- 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.

## Enquiries

PensionBee

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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 159,000 Invested Customers from 18-80 years of age with £2.7 billion in Assets under Administration as at 30 June 2022. 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 an Excellent Trustpilot rating.