



# GoCo Group

## 2020 Interim Results



30<sup>th</sup> July 2020

# Group continues transformation despite Covid-19

- Strong Group performance:
  - Revenue +9%
  - Trading profit +16%
  - Investment in AutoSave
  - AOP down -11%
- Good operational and strategic progress despite Covid-19 headwinds
- On-track for transformation into a higher & more sustainable margin business over the medium-term

# Strong Group financials with +9% revenue growth and +16% trading profit

Group Revenue  
**£82.8m**

**+9%**  
Year on Year

Group Trading Profit<sup>1</sup>  
**£33.1m**

**+16%**  
Year on Year

Adjusted Operating Profit<sup>2</sup>  
**£11.1m**

**-11%**  
Year on Year

Adjusted EBITDA<sup>3</sup>  
**£14.2m**

**-3%**  
Year on Year

Leverage<sup>4</sup>  
**2.26x**

**Flat**

to Group leverage as of 31<sup>st</sup>  
December 2019 at 2.22x



1. Trading profit is defined as revenue less cost of sales and distribution costs  
2. Adjusted operating profit represents operating profit, after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs and Foundation Award share-based payment charges  
3. Adjusted EBITDA represents adjusted operating profit for the period after adding back depreciation and amortisation  
4. Leverage ratio is calculated as net debt divided by 12 month rolling Adjusted EBITDA

# Group resilience to impact of Covid-19 in H1

## Covid-19 H1 Impact

### Price Comparison

#### £3 to 4m revenue

- Loss of travel insurance revenue worth £1.7m over equivalent 2019 period
- Overall search volumes declined in April before recovering through end of H1

### Rewards

#### £0.2 to £0.4m revenue

- Travel revenue reduced to almost nil, offset in part by other verticals (e.g. home and garden retailers)
- Loss of display advertising (*tenancy revenue*) as retailers cut marketing spend

### AutoSave

#### Nil

- Minor impact at height of lockdown but growth rapidly recovered

## Group Macro Economic Opportunities in H2

- Consumers focus on making household savings given challenging macro economic environment
- Savings sought across domestic energy, insurance and discretionary spending
- Accelerated acceptance of managing admin and shopping online

**Anti-cyclical business models focused on saving customers time and money**

# Transforming into a higher & more sustainable margin business



## GoCompare

- Strong brand with **leading awareness**
- Measured growth but **positive momentum**
- Business driving **higher customer retention**
- Highly **cash generative**

2019 Revenue <sup>1</sup> £m	139	2019 AOP <sup>1</sup> £m	51
2020 H1 Revenue <sup>1</sup> £m	70	2020 H1 AOP <sup>1</sup> £m	22



## AutoSave

- **Significant growth** opportunity
- **Higher margin** potential in steady state
- **Recurring revenue** characteristics
- Network effect for the Group, **driving customer lifetime value**

2019 Revenue £m	7	2019 AOP £m	(12)
2020 H1 Revenue £m	11	2020 H1 AOP £m	(2)



## Platform Services<sup>1</sup>



- B2B business providing 3rd parties (e.g. banks) with switching services for their end users
- Significant scalable opportunity available
- Sits in Price Comparison financial segment

## Rewards



- New strategic direction
- When stabilised, cash generative
- Potential for Group network benefits

2019 Rev £m	7	2019 AOP £m	2
2020 H1 Rev £m	2	2020 H1 AOP £m	0

### Resilient business model combining defensive qualities of Price Comparison with AutoSave growth story

Exciting opportunity for further growth both in terms of top-line, but also profitability of the business as the network effect continues to build, with a continued focus on efficiency and innovation and opportunity for future expansion into new verticals

1. Financials shown for Price Comparison segment which includes Platform Services revenue and costs

# 1 Business Review

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Matthew Crummack  
Group CEO



# 2020 H1 Operational Highlights



## GoCompare



- Relentless focus on optimisation driving improved sales conversion +1ppt<sup>1</sup>
- Improved preference +12ppt<sup>2</sup> driven by GoCompare innovation
- ~1.5m signed up to £250 excess proposition with retention opportunity driving higher recurring revenue and increasing customer lifetime value

## AutoSave



- 483k Live Customers<sup>3</sup> as of the end of June
- +183k (+61%) in 6 months and +100k in 2020 Q2
- Operational gains driving improved cohort performance

## Platform Services<sup>4</sup>



- Platform Service established from Energylinx, the energy switching business acquired by the Group in June 2018
- Development of godemand, a scalable SaaS platform providing tools to connect users with saving opportunities natively within any application

## Rewards



- Focus on fixing the basics = SEO volume increase in Q2
- Versatility in relationships with growth in home and garden retailers

1. Average Conversion H1 2019 vs. H1 2020; defined as ratio of # of sales to quotes  
2. Preference = those for whom GoCompare is the only, or one of the first, brands a customer would consider  
3. Live Customers defined as those who have provided full switching authority to enable a switch net of churned customers. Numbers across weflip & Look After My Bills  
4. Platform Services financial performance sits within the Price Comparison segment along with GoCompare

# Revenue growth across key GoCompare verticals

## Financial Highlights

- ➔ GoCompare revenue growth of 1.3% excluding travel insurance<sup>1</sup>
- ➔ Revenue growth on car insurance of 4%, ahead of market growth
- ➔ Continued investment into TV to drive medium term growth

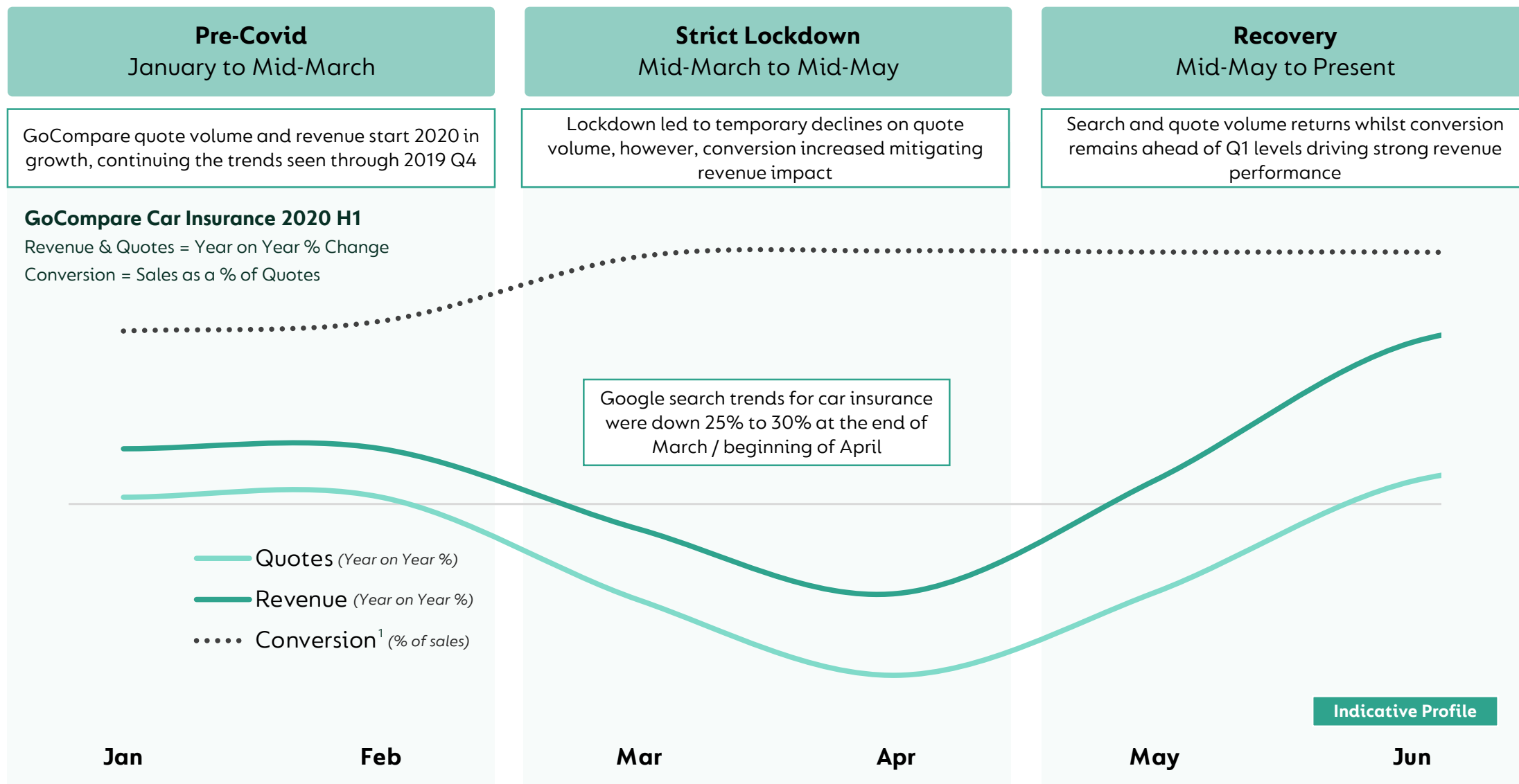
## Operational Highlights

- ➔ Relentless focus on optimisation driving improved sales conversion +1ppt<sup>2</sup>
- ➔ Improved preference +12ppt<sup>3</sup> driven by GoCompare innovation
- ➔ ~1.5m signed up to £250 excess proposition with retention opportunity driving higher recurring revenue and increasing customer lifetime value

**Solid performance in H1 2020 despite temporary impact of Covid-19**



# Three phases of GoCompare revenue performance



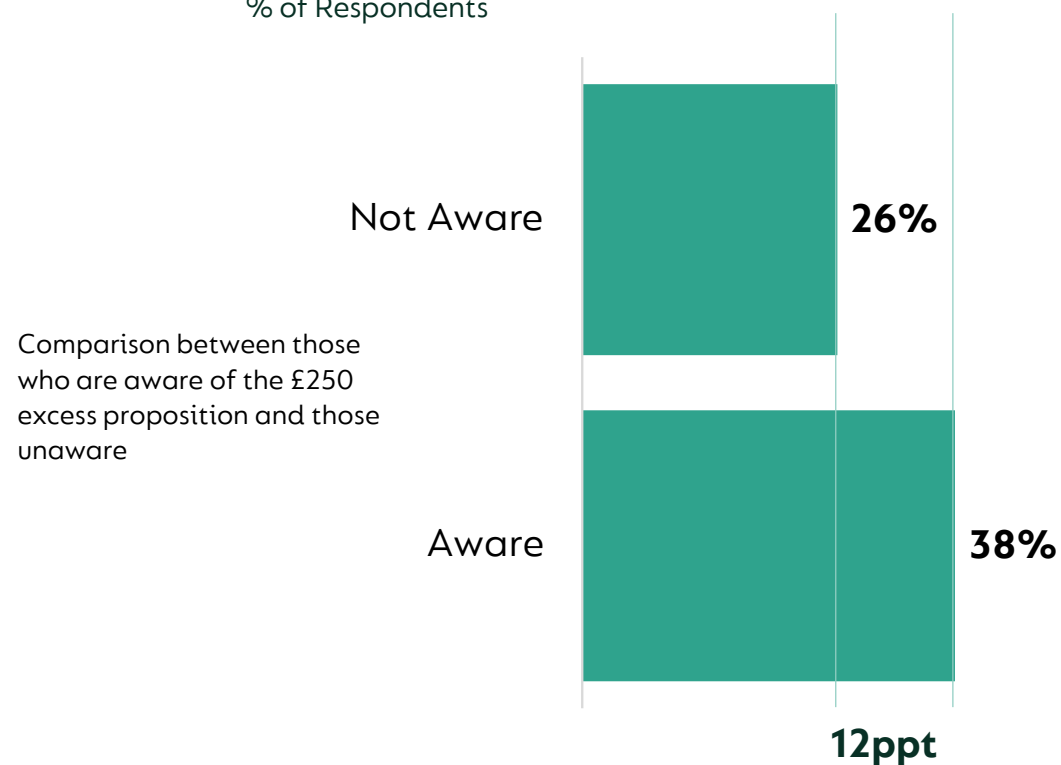
1. Conversion defined as ratio of # of sales to quotes

# GoCompare innovation targets improved retention & recurring revenue

## Positive impact on preference

### Preference for GoCompare<sup>1</sup>

% of Respondents



12ppt increase in preference for those aware of the £250 excess proposition

## Target higher retention and greater loyalty

- GoCompare innovation aiming to increase preference and **drive loyalty** leading to **greater stickiness** amongst customers
- £250 excess proposition launched in July 2019 and now ~1.5m customers with proposition and targeting increased customer retention in H2 2020
- Innovation supported by increased TV spend in H1 2020
- Evolves Price Comparison from an annual transaction funnel; improved retention and higher recurring revenue
- Greater focus on customer lifetime value, increasing switching frequency and improved marketing efficiency

# Focus on execution despite Covid-19 headwinds

## Financial Highlights

- ➔ Rewards challenged in H1 2020 with revenue down 36% as revenue from Travel companies disappeared
- ➔ Tenancy revenue, a form of on-site advertising, impacted by up to £0.4m as advertisers removed marketing spend without directly attributable return on investment

## Operational Highlight

- ➔ Versatility in partner relationships evidenced with growth in home and garden retailers

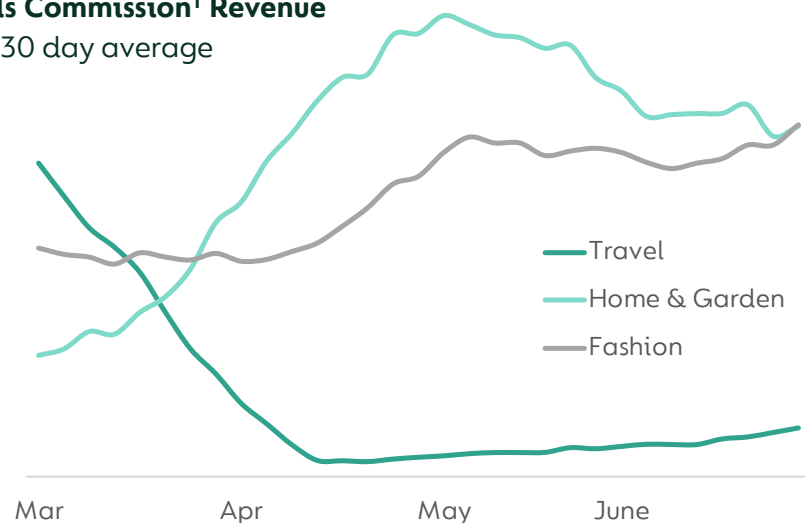
**Challenging H1 performance stalling profit stabilisation**

# Rewards showing versatility and a focus on execution

## Change in sector revenue shows supply versatility

### Rewards Commission<sup>1</sup> Revenue

Rolling 30 day average

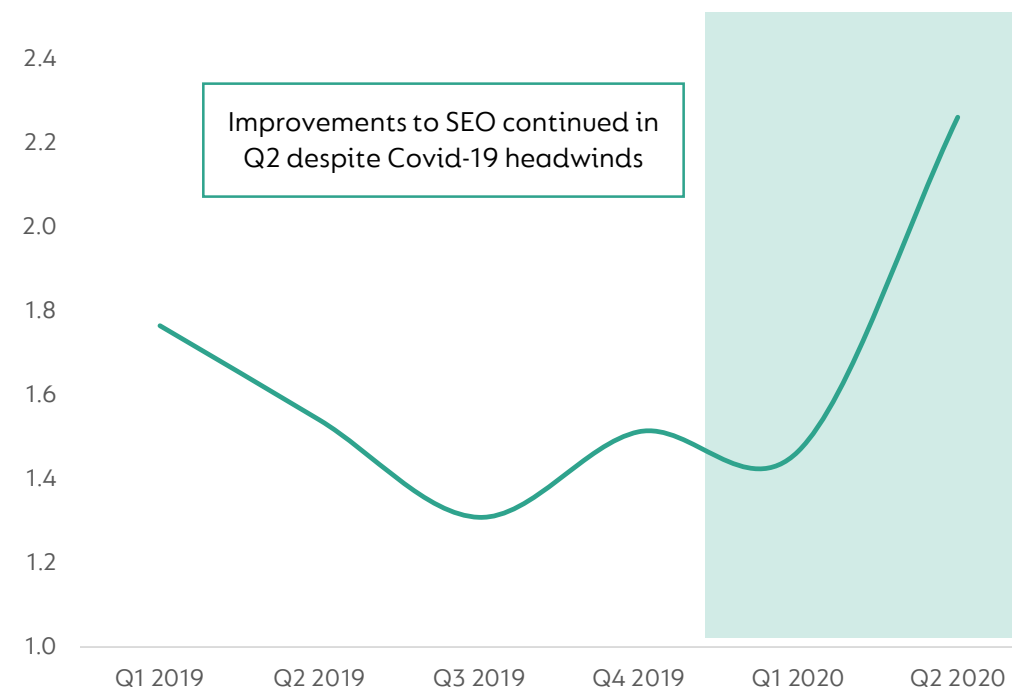


Top Retailers by Revenue	Jan & Feb	March to June
1		
2		
3		

## New leadership focused on execution

### Quarterly SEO Volume

Millions



Improvements to SEO continued in Q2 despite Covid-19 headwinds



1. Revenue based on receiving a commission per basket as a % of basket size

# AutoSave continues to surpass expectations

## Financial Highlights

- ➔ £10.8m of revenue, +370% vs. 2019 H1 and +64% vs. 2019 H2
- ➔ £1.5m trading profit in line with guidance
- ➔ Strong unit economics with customer acquisition profitable on first switch

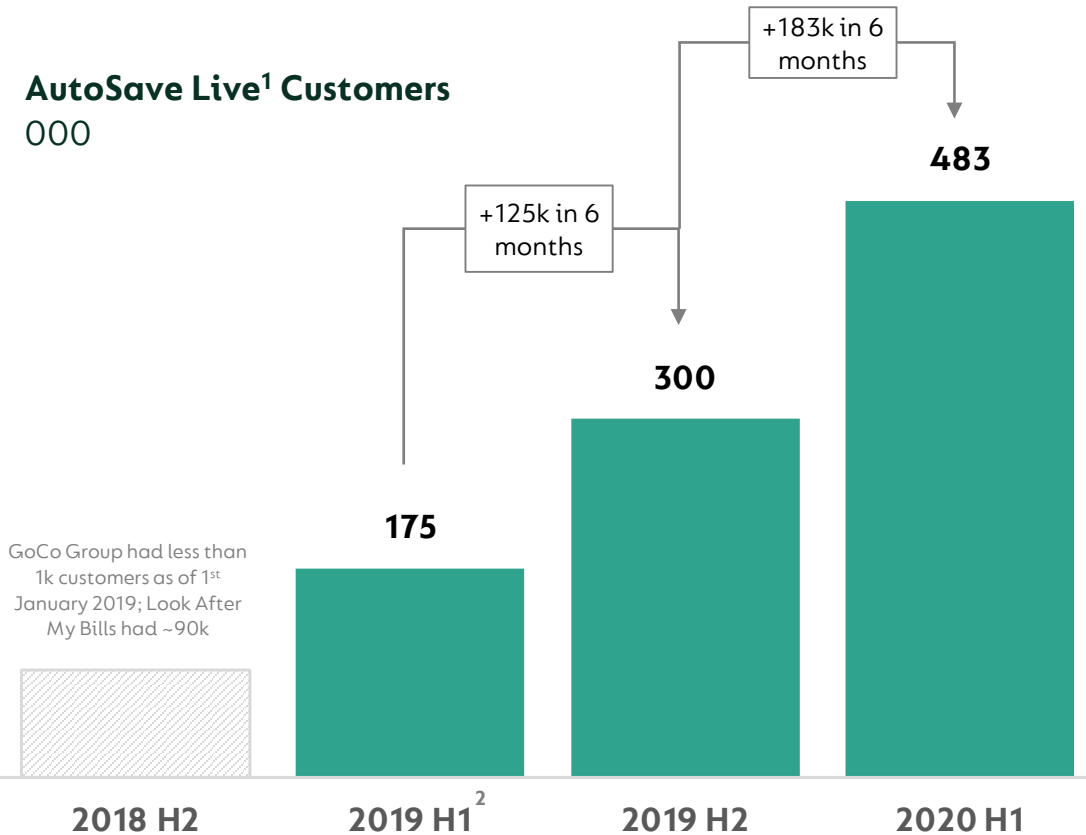
## Operational Highlights

- ➔ 483k Live Customers<sup>1</sup> as of the end of June
- ➔ +183k (+61%) in 6 months and +100k in Q2
- ➔ Operational gains driving improved cohort performance

**Excellent momentum supporting transformation to a higher & more sustainable margin business**

1. Live Customers defined as those who have provided full switching authority to enable a switch net of churned customers. Numbers across weflip & Look After My Bills

# AutoSave continues to grow strongly



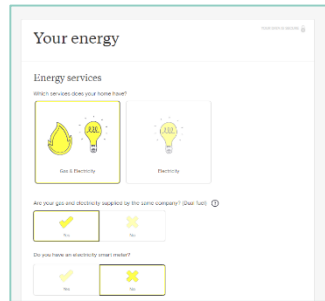
- Annualised growth rate considerably over 100%
- 63,000 (+15%) vs. original expectations of +40%<sup>3</sup>
- +23,000 (+5%) vs. revised expectations on 3<sup>rd</sup> June following considerable outperformance in June
- Customer growth delivered within previously guided parameters of breakeven trading profit in H1

1. Live Customers defined as those who have provided full switching authority to enable a switch net of churned customers. Numbers across woflip & Look After My Bills  
 2. Total combined AutoSave customers post Look After My Bills completion as of 8<sup>th</sup> July 2019  
 3. Guidance of +40% growth provided as part of annual results on 3<sup>rd</sup> March

# AutoSave has a winning business model for customers...

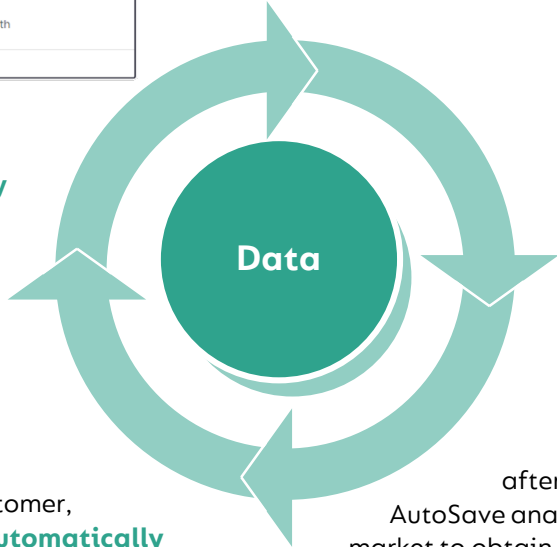
## Simple and leading customer experience

## Customers remain on a great deal automatically



Simple sign-up & first switch

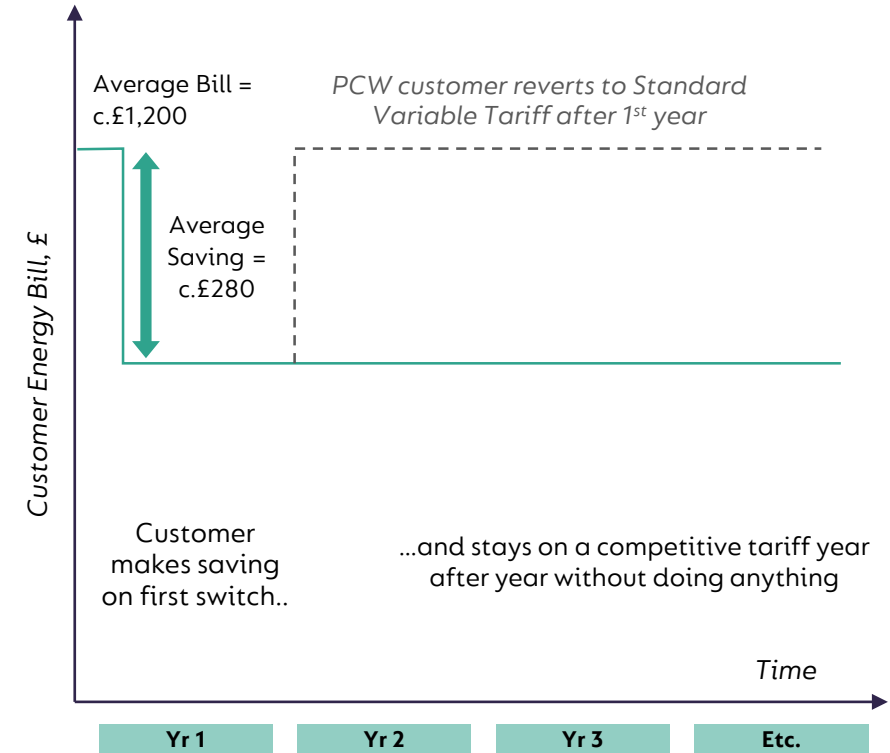
Sign-up once, automatically save forever with no more user action



Customer **automatically** moves to a better deal and continues to save

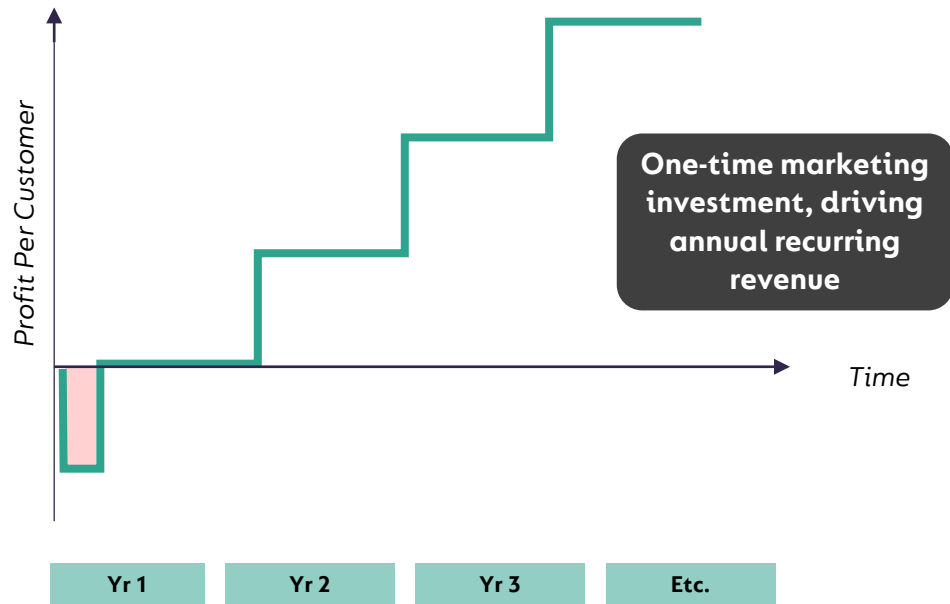
Upcoming switch communicated to customer, but switch happens **automatically** with **no action** required on customer's side

12 months after first switch, AutoSave analyses energy market to obtain competitive tariffs with energy suppliers

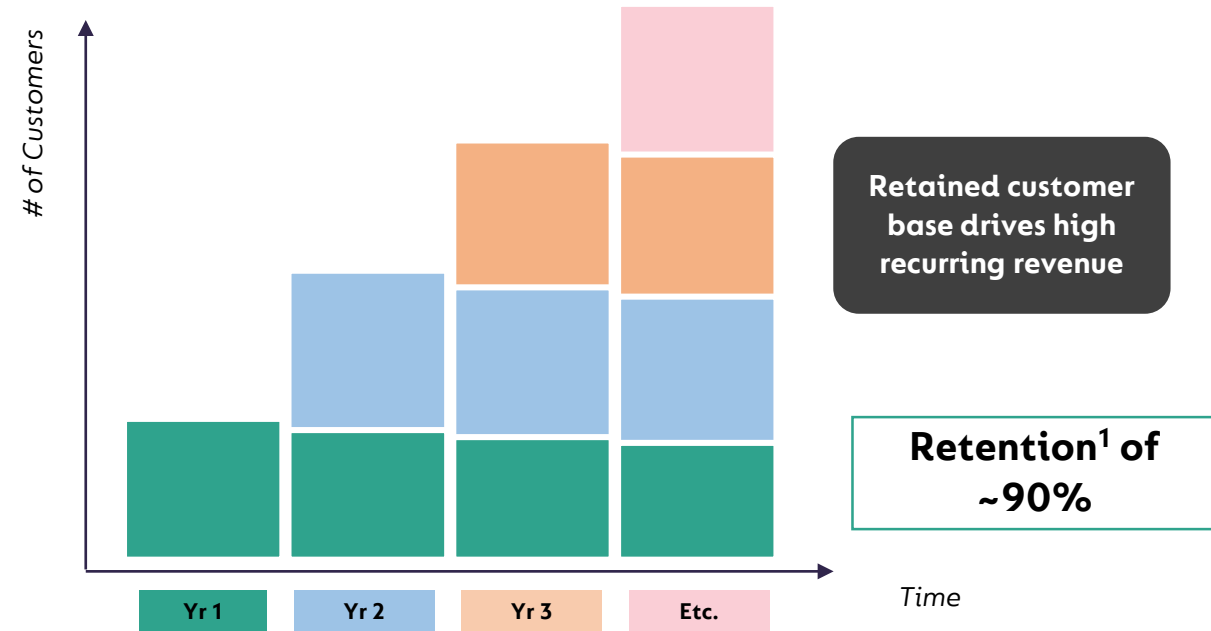


# ... and for GoCo

Strong unit economics >> high LTV



Increasing retained customer base



**Transforming Group into a higher & more sustainable margin business**



1. Customer retention defined as 100% minus churn rate, where churn rate is defined as the % of customers who cancel the service within 12m



# Operational resilience

Socially Responsible

- All employees working from home with no impact to business operations
- Considerable employee flexibility and support focused on mental health and wellbeing
- Doing the right thing by the customer (e.g. removing travel insurance)
- £598m of savings for the customer, +27% year on year



Financially Resilient

- The Group has not called on government-assisted schemes relating to employment or loans nor made any redundancies through Covid-19 pandemic
- Leverage<sup>1</sup> of 2.3x at 30<sup>th</sup> June 2020, broadly flat to 31<sup>st</sup> December 2019, well below covenant of 3.0x
- Maintained Dividend payment



**Working to deliver a sustainable business for all stakeholders**

1. Leverage ratio is calculated as net debt divided by 12 month rolling Adjusted EBITDA



## 2 Financial Review

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Nick Wrighton  
Group CFO

# Strong trading performance and investment into the Group

£m	2020 H1 <sup>1,2</sup>				YoY % Abs £m			
	Price Comparison <i>(GoCompare &amp; Platform Services)</i>	Rewards <i>(MyVoucherCodes)</i>	AutoSave <i>(Look After My Bills &amp; weflip)</i>	Total	Price Comparison	Rewards	AutoSave	Total
Revenue <sup>1</sup>	69.7	2.3	10.8	<b>82.8</b>	-1%	-36%	370%	9%
					-0.4	-1.3	+8.5	+6.8
Trading Profit <sup>2</sup>	30.2	1.3	1.5	<b>33.1</b>	-7%	-38%	n/a	16%
					-2.3	-0.8	+7.5	+4.5
Group Adjusted Op Profit <sup>2</sup>				<b>11.1</b>				-11%
								-1.4



1. 2019 H1 restated with Look After My Bills revenue and profit previously reported in Price Comparison and now moved to AutoSave
2. Totals based on exact figures and hence slight differences may occur due to rounding

# Resilient performance at GoCompare despite Covid-19

## Price Comparison H1 P&L<sup>1,2</sup>

£m

			Year on Year Movements	
	2020 H1	2019 H1 <sup>3</sup>	Abs, £m	YoY %
Revenue	69.7	70.1	(0.4)	-1%
Marketing Costs	(39.5)	(37.6)	(1.9) <sup>4</sup>	5%
<b>Trading Profit</b>	<b>30.2</b>	<b>32.5</b>	<b>(2.3)</b>	<b>-7%</b>
Marketing Margin (%)	43.3%	46.4%		-3ppt

- GoCompare revenue +1.3%, excluding Travel Insurance £1.7m impact from Covid-19
- Car insurance momentum maintained with revenue +4%, ahead of the market
- Planned investment into TV to drive medium term revenue growth in H2 2020 and beyond, leading to a reduction in marketing margin to 43%

1. Price Comparison segmental P&L includes GoCompare and Platform Services (see appendix for detail)  
 2. Totals based on exact figures and hence slight differences may occur due to rounding  
 3. 2019 H1 restated with Look After My Bills revenue and profit previously reported in Price Comparison and now moved to AutoSave  
 4. Adverse movement to trading profit

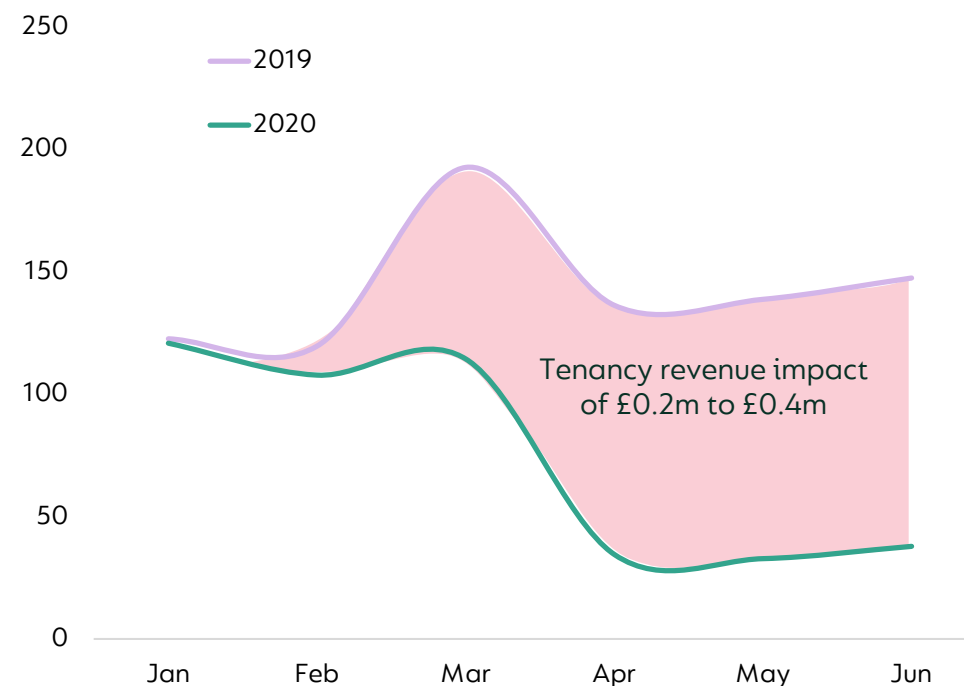
# Rewards showing versatility but Covid-19 stalled profit stabilisation

Rewards P&L, £m	2020 H1		2019 H1		Year on Year Movements	
	Abs, £m	YoY %	Abs, £m	YoY %	Abs, £m	YoY %
Revenue	2.3	-36%	3.6		(1.3)	
Marketing Costs	(1.0)	-33%	(1.5)		0.5 <sup>2</sup>	
<b>Trading Profit</b>	<b>1.3</b>	<b>-38%</b>	<b>2.1</b>		<b>(0.8)</b>	
Marketing Margin (%)	56.5%	-1.8ppt	58.3%			

## Rapid reduction in tenancy impacting H1 profit

### Monthly Tenancy<sup>1</sup> Revenue

£000 per Month

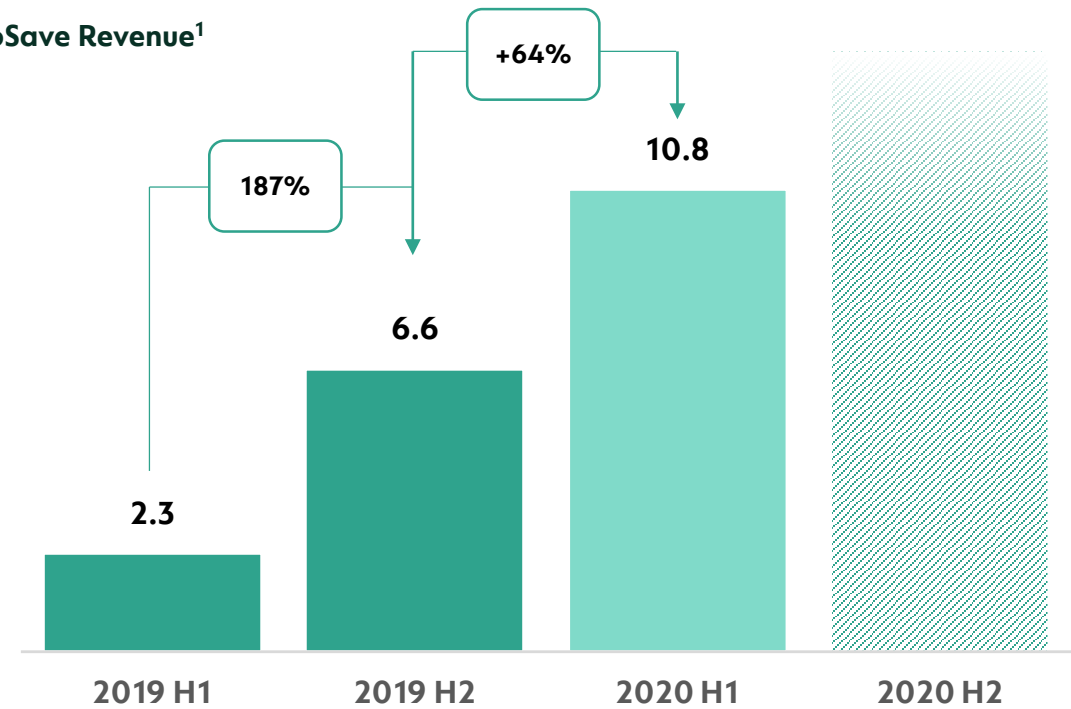


1. Tenancy revenue a form of on site advertising  
 2. Positive movement to trading profit

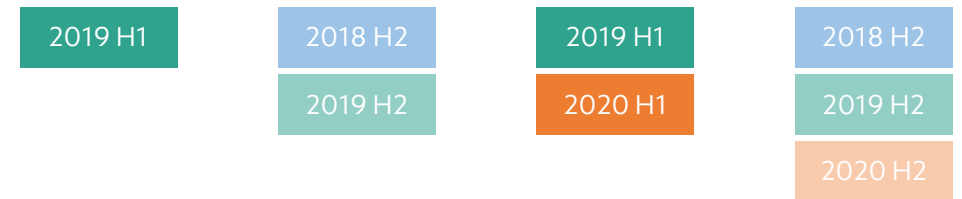
# Continued strong AutoSave growth

AutoSave P&L, £m	2020 H1	2019 H1 <sup>1</sup>	Year on Year Movements	
			Abs, £m	YoY %
Revenue	10.8	2.3	8.5	370%
Marketing Costs	(9.3)	(8.3)	(1.0) <sup>3</sup>	12%
<b>Trading Profit</b>	<b>1.5</b>	<b>(6.0)</b>	<b>7.5</b>	<i>n/a</i>
Marketing Margin (%)	14%	<i>n/a</i>		<i>n/a</i>

AutoSave Revenue<sup>1</sup>  
(£m)



Customer Cohorts Available for Switching in Period<sup>2</sup>



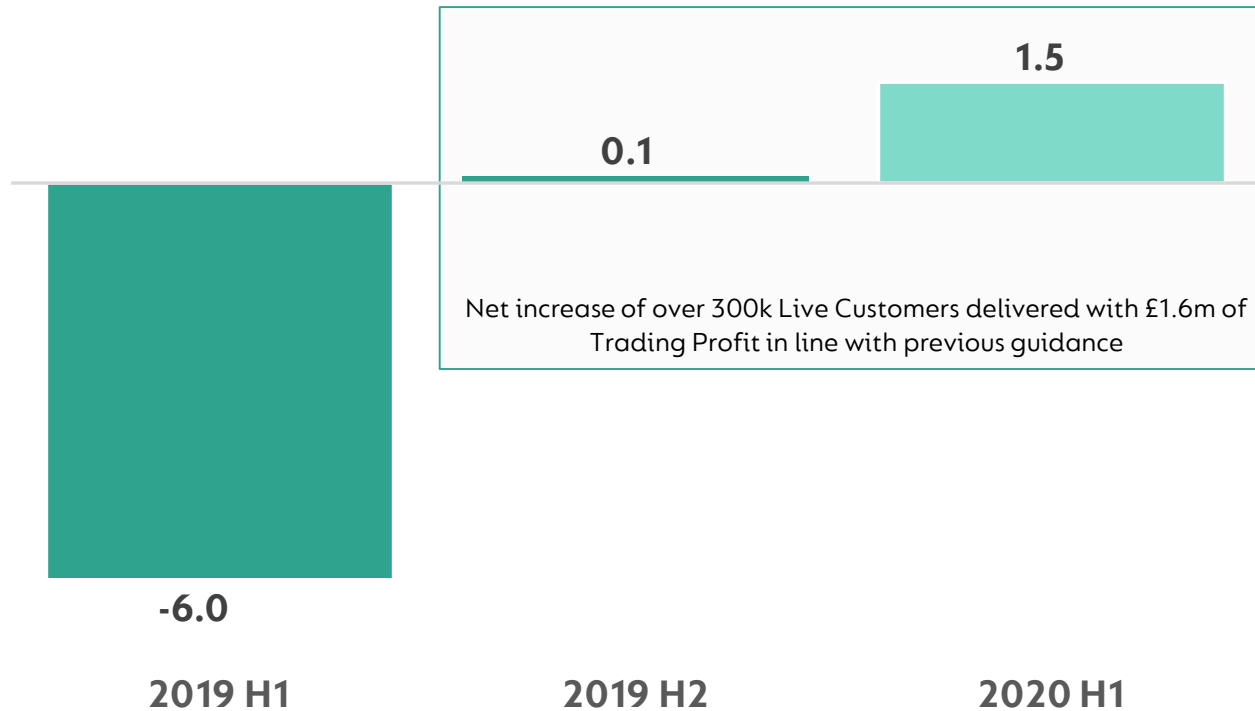
Similar customer cohorts eligible for switching

Additional customer cohorts available in 2020 H2

1. AutoSave segment includes Look After My Bills revenue and cost of sales recognised by the Group in Price Comparison in H1 2019 prior to the acquisition. AutoSave H1 19 revenue has therefore been restated to £2.3m (previously reported as £0.4m) and Cost of sales has been restated to £2.0m (previously reported as £0.4m) to enable a like for like comparison  
 2. Negligible customers acquired in 2018 H1 or earlier  
 3. Adverse movement to trading profit

# AutoSave on path to transform the Group into a higher margin business

**AutoSave Trading Profit<sup>1</sup>**  
(£m)



**Net Customer Acquisition Cost**  
(Total AutoSave Marketing / Net Customers Acquired)

~£100

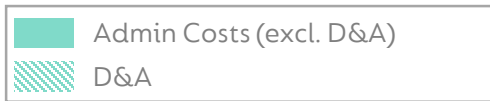
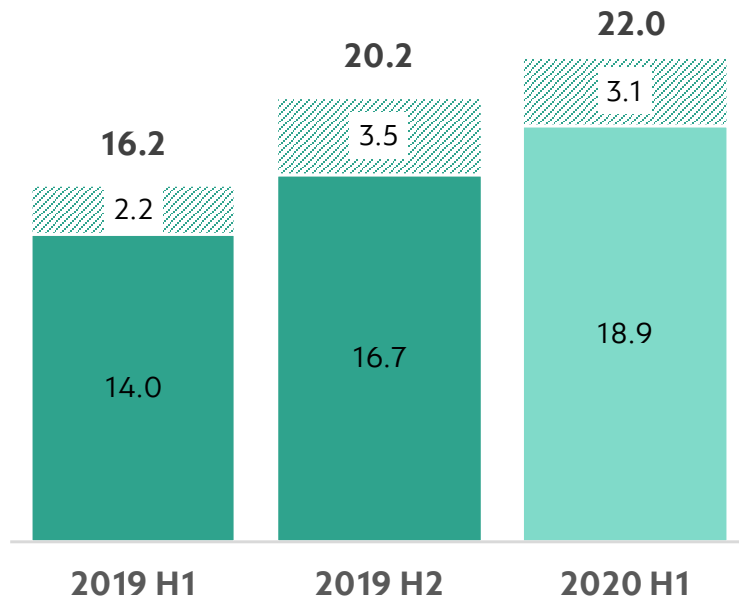
~£50

~£50

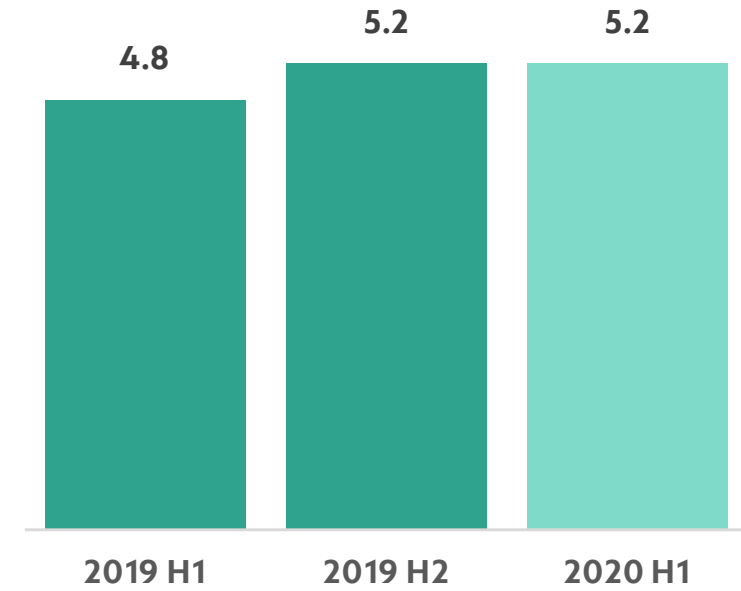
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# Increase in admin costs with Capex flat

**Adjusted Admin Costs**  
£m



**Capex**  
£m

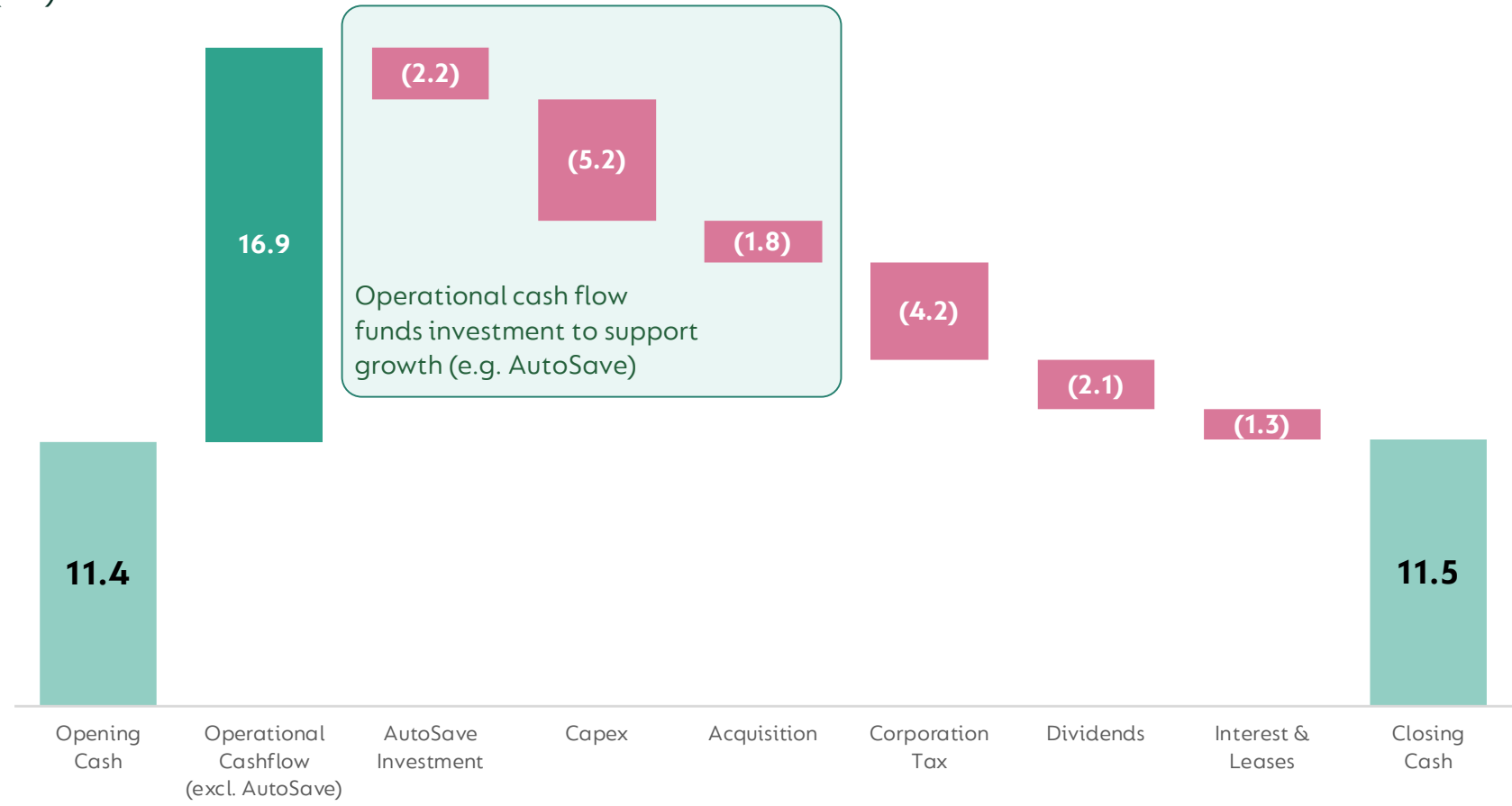




# Strong operational cash generation

## 2020 H1 Cash flow

(£m)



- Net Debt of £71.5m at 30<sup>th</sup> June, flat to 31<sup>st</sup> December 2019
- Leverage<sup>1</sup> at 30<sup>th</sup> June 2020 of 2.3x, broadly flat to 31<sup>st</sup> December 2019 of 2.2x
- Following cash outflows are due in H2 2020:
  - Deferred and contingent consideration payments for Look After My Bills of c.£6m
  - £3m amortisation of £15m term loan
  - Interim dividend of 0.4pence per share, equating to £1.7m

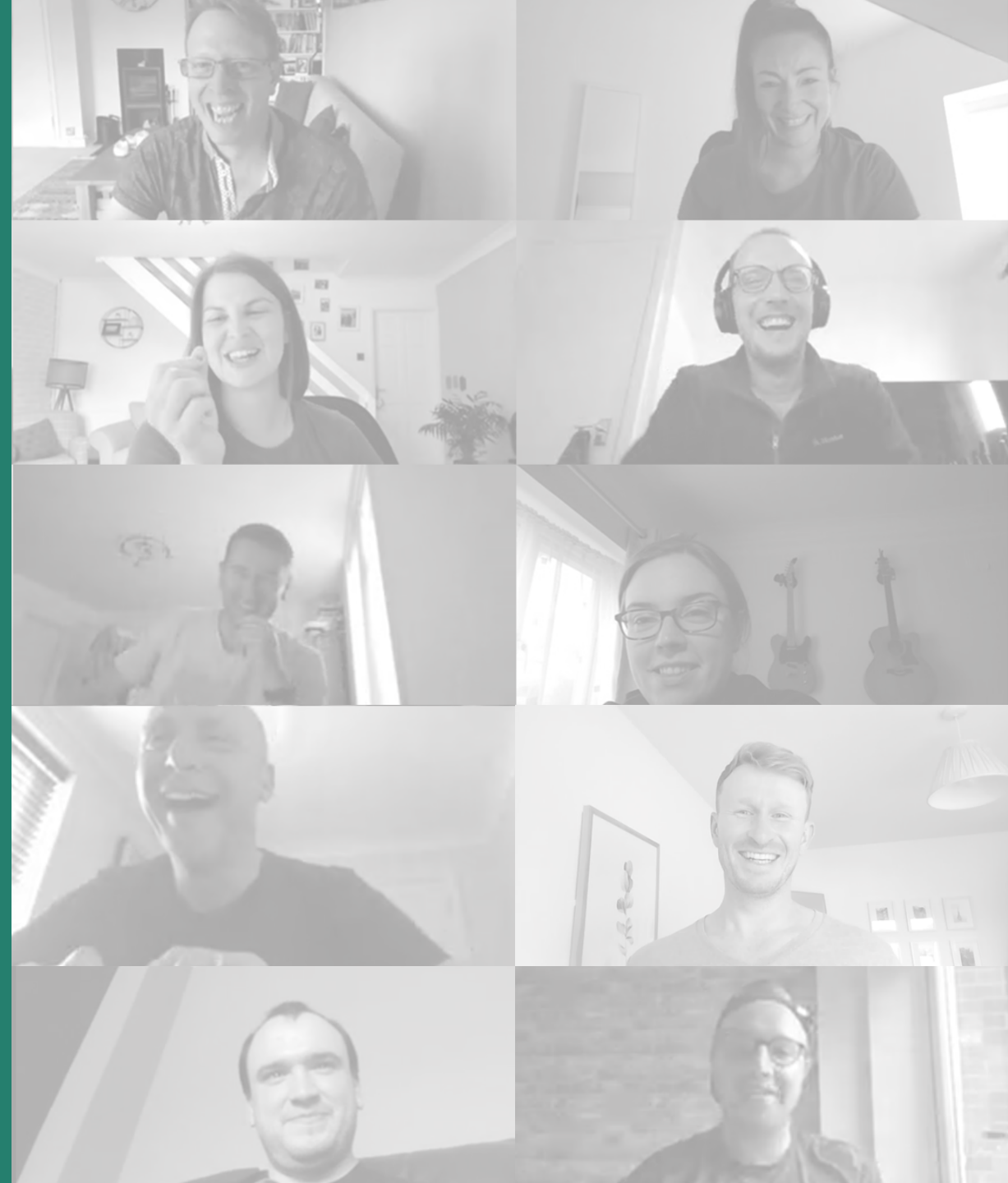


1. Leverage ratio is calculated as net debt divided by 12 month rolling Adjusted EBITDA

## 3 Conclusion

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Matthew Crummack  
Group CEO



# Transforming into a higher & more sustainable margin business



## GoCompare

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- Measured growth but **positive momentum**
- Business driving **higher customer retention**
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## AutoSave

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- **Recurring revenue** characteristics
- Network effect for the Group, **driving customer lifetime value**

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## Platform Services<sup>1</sup>



- B2B business providing 3rd parties (e.g. banks) with switching services for their end users
- Significant scalable opportunity available
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## Rewards



- New strategic direction
- When stabilised, cash generative
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### Resilient business model combining defensive qualities of Price Comparison with AutoSave growth story

Exciting opportunity for further growth both in terms of top-line, but also profitability of the business as the network effect continues to build, with a continued focus on efficiency and innovation and opportunity for future expansion into new verticals

1. Financials shown for Price Comparison segment which includes Platform Services revenue and costs



# Q&A

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# GEICO GROUP

## Appendix

# A diversified and growing Group helping customers save time and money



Helping MORE people find MORE of the right products, saving them MORE time and MORE money

## AutoSave

## Price Comparison

## Rewards



Customers provide full switching authority to switch to a new energy tariff when it saves them money



Core GoCompare price comparison business - car insurance remains the biggest vertical



B2B business focused on providing 3<sup>rd</sup> parties (e.g. banks) with the ability to offer switching services to their end users



Savings on necessary and discretionary spending – particularly retail, travel and recreation



Flexible platform enabling us to innovate at speed and reach customers, wherever they are

1. Includes some affiliate energy revenue as part of the Energylinx acquisition  
2. Platform services revenue and costs captured within Price Comparison segment

# Working to deliver a sustainable business for all stakeholders

We are committed to adopting responsible business practices, delivering sustainable choices, making a difference and improving lives. We are developing our sustainability reporting and disclosures, whilst ingraining ESG into business decision making.

## Our customers



AutoSave customers saved an average of £280 on their energy bills; committed to bringing affordable energy to the UK consumer



SaveStack™ architecture enabling scalability and agility to deliver faster innovation and ascertain data insights to forecast consumer behaviour through Covid-19

## Our people



All staff worked from home safely and fully supported with the ability to work flexibly to support their families during lockdown. No staff furloughed and we continued to recruit and onboard remotely



Increased health and wellbeing package, sick pay guarantees and online learning provided to all

## Our community



Financially supported Show Racism the Red Card, UK Black Pride, Cheers NHS and DevicesDot Now, and donated essential items to local health boards during Covid-19



STEM ambassadors delivered online coding quizzes for schools across the UK and internships with Cardiff University and University of South Wales continued to be onboarded

## Our environment



Achieved 100% carbon neutrality for 2019/2020<sup>1</sup>



Considerable improvements to ESG disclosure including, enhanced auditing and publication of environmental performance records including SECR, energy performance and waste management



1. Based on the data published in EIC 2019 SECR for GoCo Group plc. The Group have offset their carbon emissions for scope 1 & 2 for 2019/2020.

# Income Statement and Segmental Overview

£m	2020 H1				2019 H1 (Rebased <sup>1</sup> )				YoY (%)			
	Price Comparison	Rewards	AutoSave	Total	Price Comparison	Rewards	AutoSave	Total	Price Comparison	Rewards	AutoSave	Total
Revenue <sup>1</sup>	69.7	2.3	10.8	<b>82.8</b>	70.1	3.6	2.3	<b>76.0</b>	-1%	-36%	370%	<b>9%</b>
COS	(14.5)	(0.8)	(8.0)	<b>(23.3)</b>	(20.7)	(1.0)	(2.0)	<b>(23.7)</b>	-30%	-20%	300%	<b>-2%</b>
<b>Gross Profit<sup>2</sup></b>	<b>55.2</b>	<b>1.5</b>	<b>2.8</b>	<b>59.5</b>	<b>49.4</b>	<b>2.6</b>	<b>0.3</b>	<b>52.3</b>	<b>12%</b>	<b>-42%</b>	<b>833%</b>	<b>14%</b>
Distribution Costs	(25.0)	(0.2)	(1.3)	<b>(26.4)</b>	(16.9)	(0.5)	(6.3)	<b>(23.6)</b>	+48%	-60%	-79%	<b>12%</b>
<b>Trading Profit<sup>2</sup></b>	<b>30.2</b>	<b>1.3</b>	<b>1.5</b>	<b>33.1</b>	<b>32.5</b>	<b>2.1</b>	<b>(6.0)</b>	<b>28.6</b>	<b>-7%</b>	<b>-38%</b>	n/a	<b>16%</b>
Marketing Margin (%) <sup>2</sup>	43.3%	56.5%	13.9%	40.0%	46.4%	58.3%	n/a	37.6%	-3.1ppt	-1.8ppt	n/a	2.3ppt
Adjusted Admin Costs	(7.9)	(1.5)	(3.8)	<b>(13.2)</b>	(6.8)	(0.9)	(1.8)	<b>(9.5)</b>	16%	78%	111%	<b>39%</b>
<b>Segment Adjusted Operating Profit<sup>2</sup></b>	<b>22.3</b>	<b>(0.2)</b>	<b>(2.2)</b>	<b>19.9</b>	<b>25.7</b>	<b>1.2</b>	<b>(7.8)</b>	<b>19.1</b>	<b>-13%</b>	n/a	n/a	<b>4%</b>
Group Costs				<b>(8.8)</b>				<b>(6.6)</b>				<b>33%</b>
<b>Group Adjusted Op Profit<sup>2</sup></b>				<b>11.1</b>				<b>12.5</b>				<b>-11%</b>

- AutoSave segment includes Look After My Bills revenue and cost of sales recognised by the Group in Price Comparison in H1 2019 prior to the acquisition. AutoSave H1 19 revenue has therefore been restated to £2.3m (previously reported as £0.4m) and Cost of sales has been restated to £2.0m (previously reported as £0.4m) to enable a like for like comparison
- Totals based on exact figures and hence slight differences may occur due to rounding



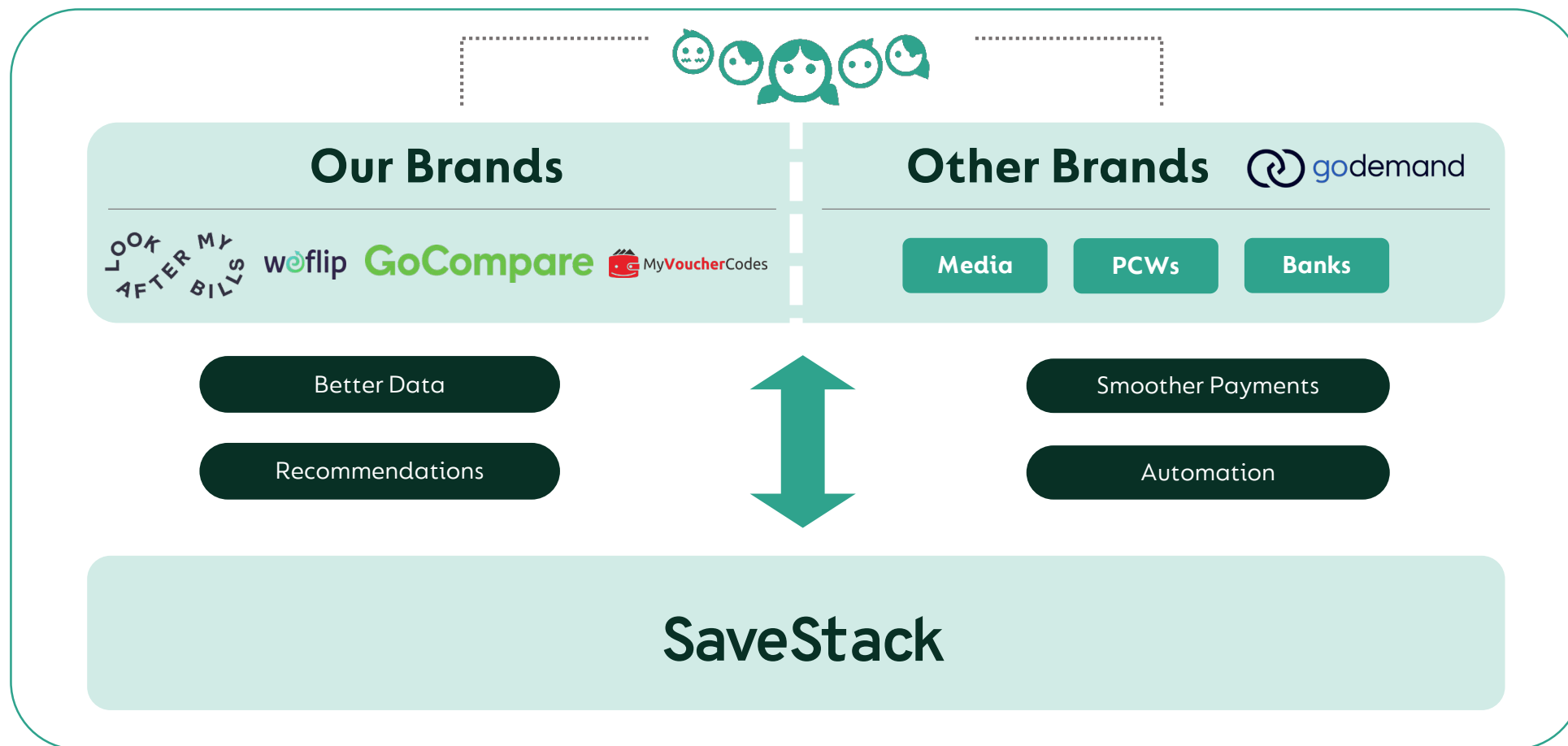
# Quarterly Revenue Performance

## Quarterly Revenue Performance by Segment<sup>1,2</sup> (£m)

	Q1 2020	Q1 2019	YoY %	Q2 2020	Q2 2019	YoY %	H1 2020	H1 2019	YoY %
Price Comparison	36.1	35.9	1%	33.6	34.2	-2%	69.7	70.1	-1%
AutoSave	4.2	1.4	200%	6.6	0.9	633%	10.8	2.3	370%
Rewards	1.2	1.7	-29%	1.1	1.9	-42%	2.3	3.6	-36%
<b>Total</b>	<b>41.5</b>	<b>39.0</b>	<b>6%</b>	<b>41.3</b>	<b>37.0</b>	<b>12%</b>	<b>82.8</b>	<b>76.0</b>	<b>9%</b>

1. AutoSave segment includes Look After My Bills revenue and cost of sales recognised by the Group in Price Comparison in H1 2019 prior to the acquisition. AutoSave H1 19 revenue has therefore been restated to £2.3m (previously reported as £0.4m) and Cost of sales has been restated to £2.0m (previously reported as £0.4m) to enable a like for like comparison
2. Totals based on exact figures and hence slight differences may occur due to rounding

# Our proprietary technology platform **SaveStack**



**Flexible platform enabling us to innovate at speed and reach customers, wherever they are**

# Connecting people everywhere with savings opportunities



## 1 Connect

Our APIs utilise SaveStack technology to power an increasing number of products not just for GoCompare, but for other B2B partners



Energy Rewards Broadband

## 2 Distribute

Straightforward integration with one secure and accessible API to the godemand platform or whitelabel



 godemand

## 3 Partner

We are building robust partnerships based on one simple common value, to save customers time and money which resonates well with banks and fintechs



Connecting people everywhere with savings opportunities on bills and everyday spending using our SaveStack platform

