



RESULTS | FY2020

PRESENTING TEAM

NEIL STEVENS
Joint CEO



MATT TIMMINS
Joint CEO



GARETH HAGUE
Group Finance Director



AGENDA

01 FINTEL OVERVIEW

02 HIGHLIGHTS

- Financial
 - Operational
-

03 FINANCIAL REVIEW

04 STRATEGIC FOCUS

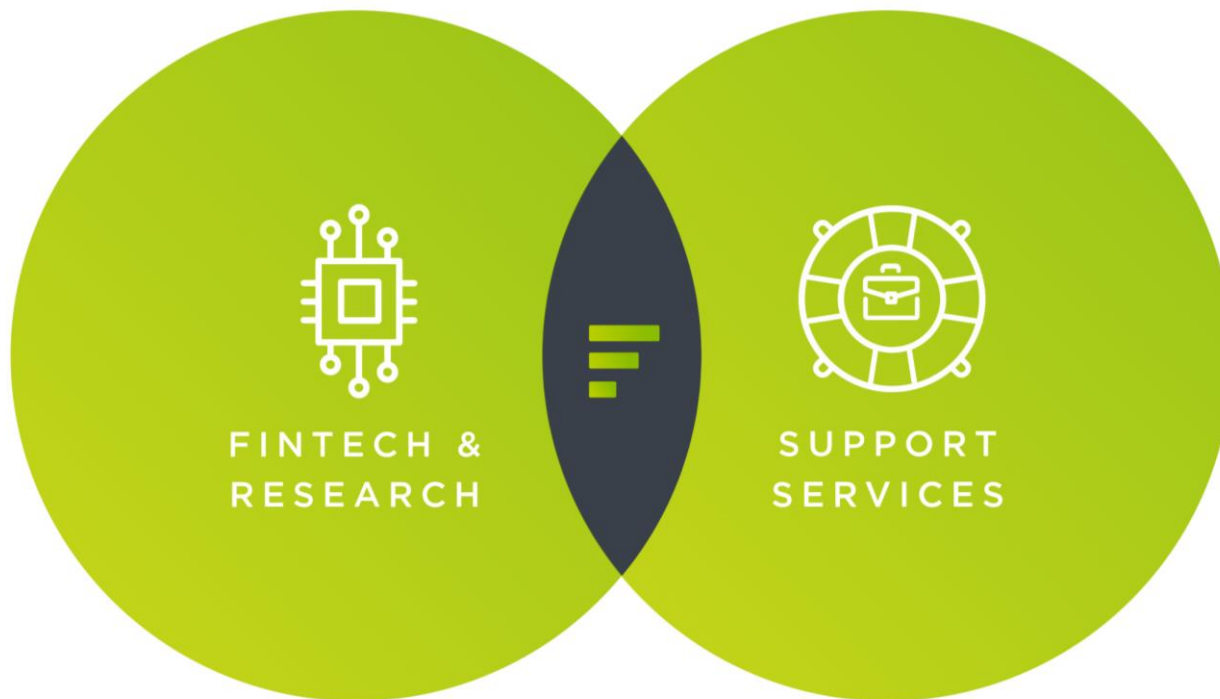
05 OUTLOOK & CURRENT TRADING

06 APPENDICES

RESILIENT REVENUES
DIGITISATION
STRONG MARGIN
ROBUST CASHFLOW
DIVIDEND
STRATEGIC PROGRESS

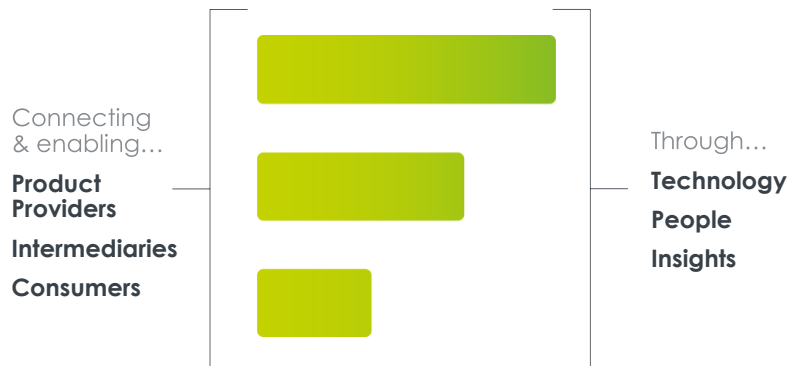
BUSINESS OVERVIEW

UK RETAIL FINANCIAL SERVICES



OUR MISSION

To simplify and improve UK retail financial services by acting in the best interests of the market; connecting and enabling advisers, providers and customers through technology, people and insights that help inspire better outcomes for all.



INSPIRING
BETTER
OUTCOMES

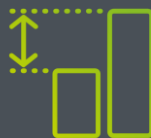


STRATEGIC FOCUS – Core* Business

5 - 7%
REVENUE GROWTH



35 - 40%
MARGIN



70 - 80% SAAS & SUBS
EARNINGS QUALITY



DIGITISATION



*Figures exclude non-core revenues from Panel Management, Surveying and Employee Benefits software

PRODUCT PROVIDERS



Banks
Building Societies
Insurers
Pension providers
Asset Managers



INTERMEDIARIES



IFA's
Mortgage Brokers
Wealth Managers
Discretionary Managers
Aggregators
Consolidators



CUSTOMERS



Individuals
Couples
Families
Businesses
Employees

£257bn

Investment Market in 2019

80% Intermediated*

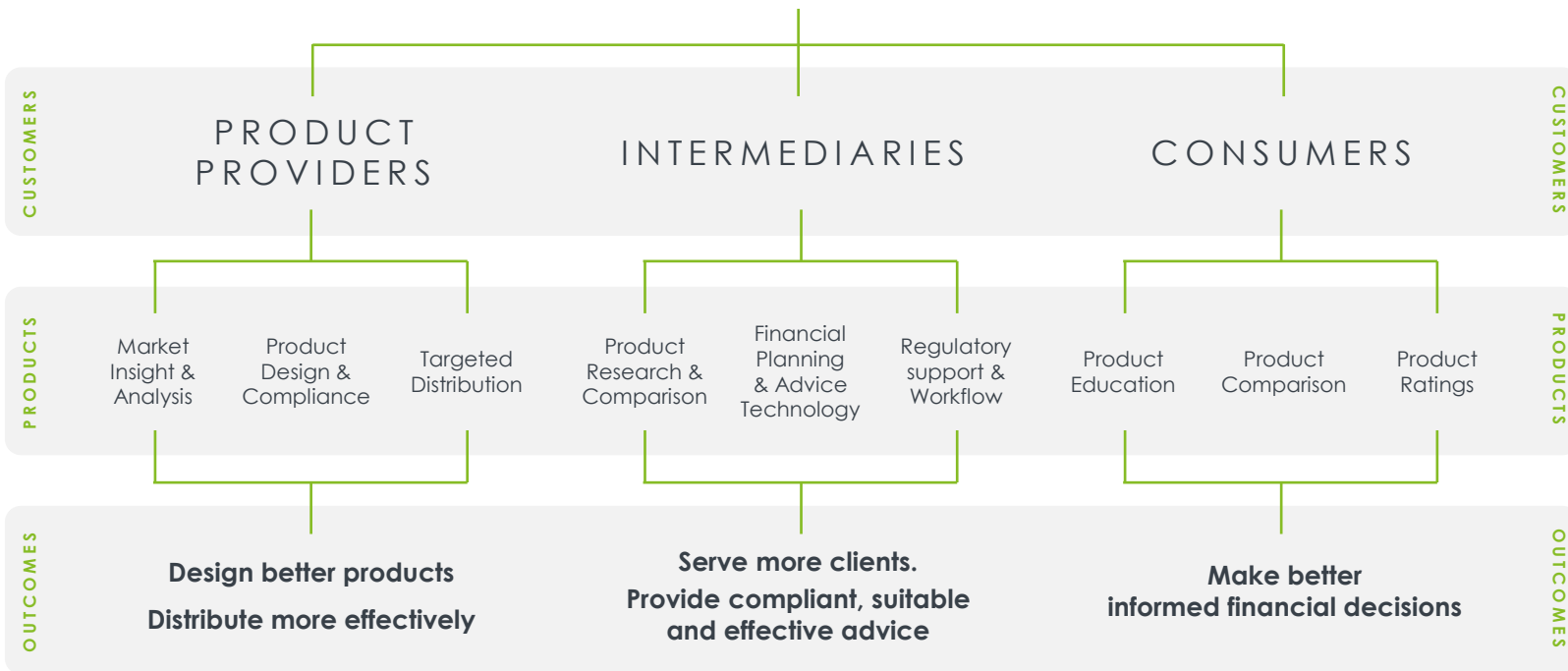
£265bn

Mortgage Market in 2019

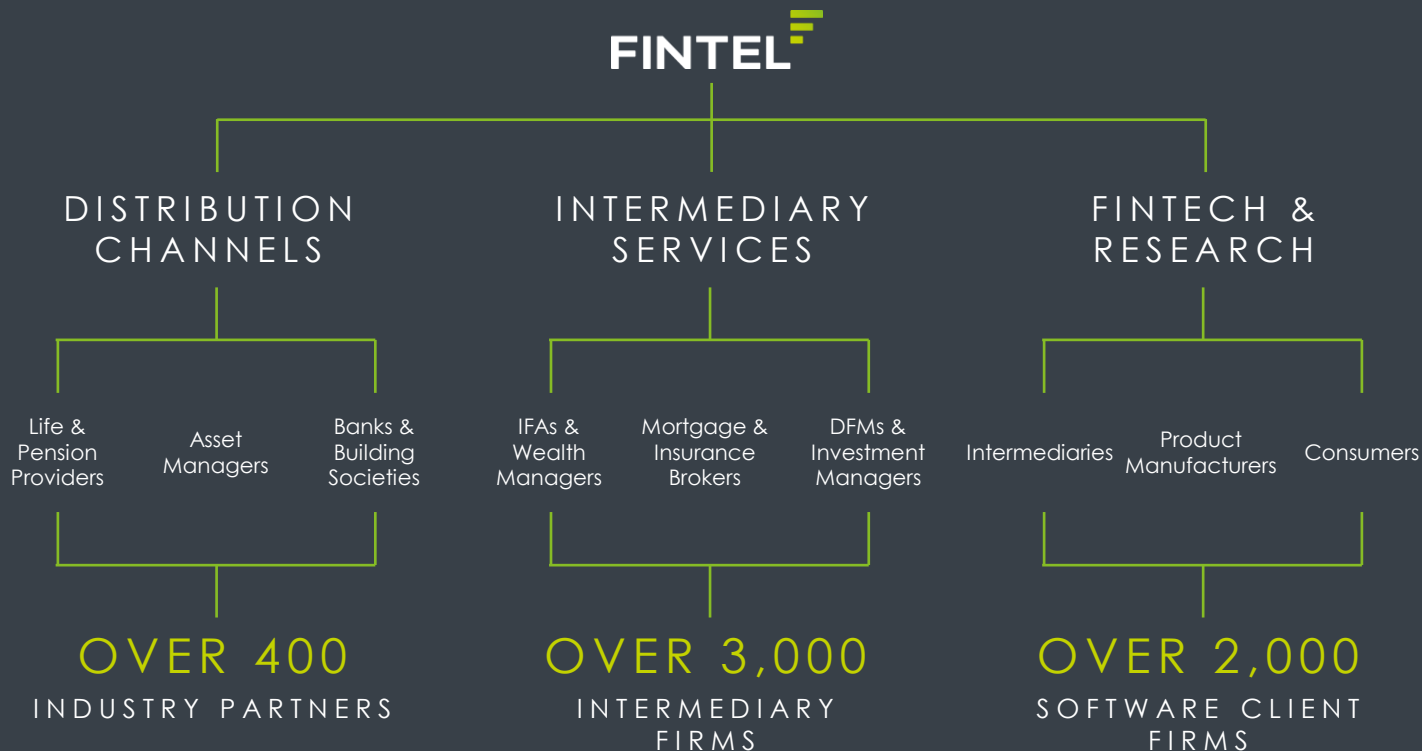
75% Intermediated**



BUSINESS OVERVIEW



BUSINESS OVERVIEW



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WE ARE FINTEL 

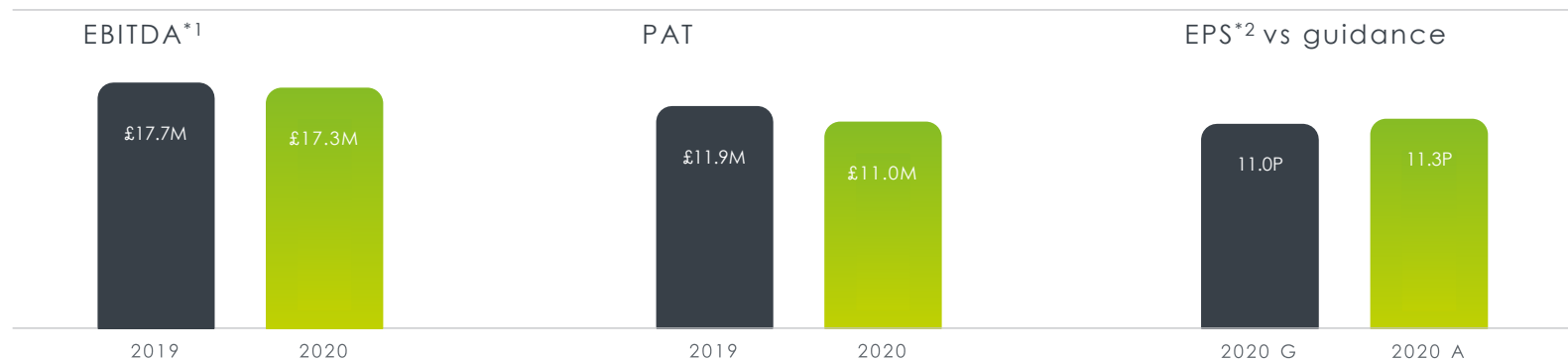
HIGHLIGHTS – FINANCIAL



*¹ Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Adjusted profit before and profit after tax exclude operating exceptional costs and amortisation of intangible assets arising on acquisition.



HIGHLIGHTS – FINANCIAL



Robust EBITDA

Strong PAT

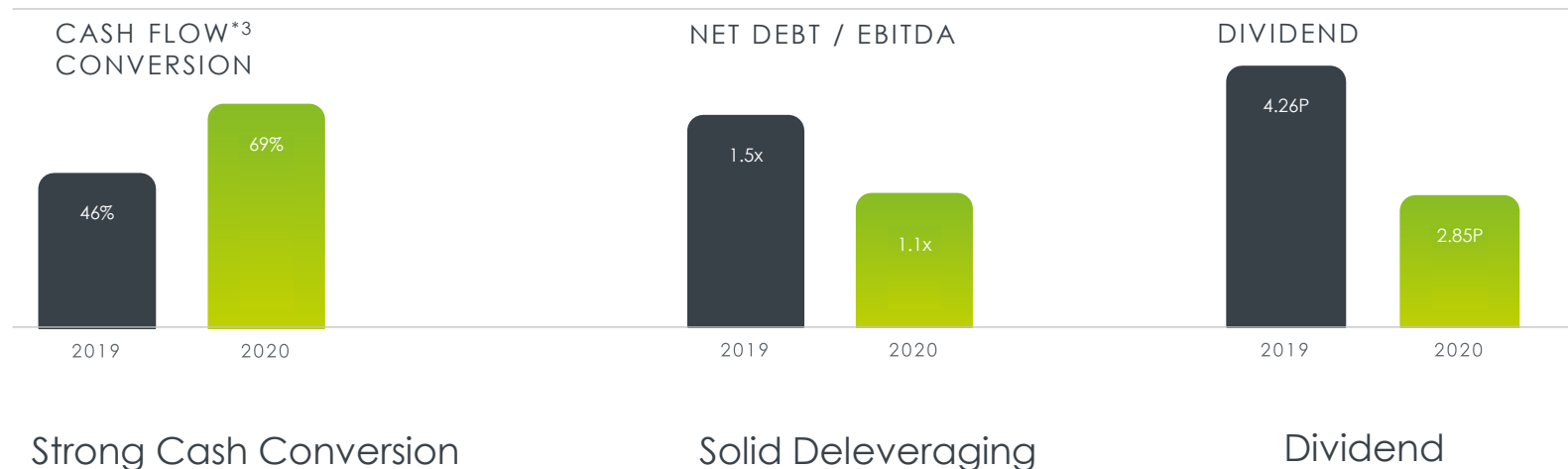
Delivered EPS

*1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Adjusted profit before and profit after tax exclude operating exceptional costs and amortisation of intangible assets arising on acquisition.

*2 Adjusted Earnings Per Share is calculated as adjusted profit after tax, which excludes operating exceptional costs and amortisation of intangible assets arising on acquisition, divided by the average number of ordinary shares in issue for the period. EPS floor communicated on 23rd July 2020.



HIGHLIGHTS – FINANCIAL



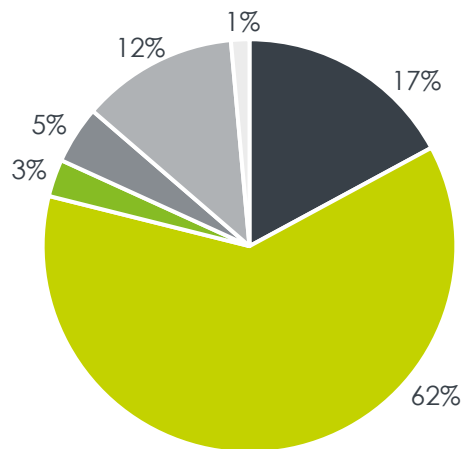
*³ Free cash flow conversion is calculated as adjusted EBITDA, less working capital movements, lease payments, CAPEX, development expenditure, corporation tax paid and interest, as a percentage of Adjusted EBITDA.



Overheads & Investment

Digital Transformation

2020 OPEX Split



- Cost of sales (inc. licences) (17%)
- People Costs (62%)
- Property Costs (3%)
- IT Costs (5%)
- Professional & Marketing (12%)
- Other (1%)

- + £1.2m digital and infrastructure
- IT Costs; (FY19) 3% - (FY20) 5%



OPERATIONAL HIGHLIGHTS

DISTRIBUTION DIVISION

DISTRIBUTION CHANNELS



OVER 400

INDUSTRY PARTNERS



OPERATIONAL DELIVERY

- 16k attendees on our online events platform
- Lending volume exceeded £16.4bn
- Reduced cost base in valuations business



DIGITISATION

- Created Distribution as a Service (DaaS)
- Initiated provider portal build
- Moved all services to digital



OPERATIONAL HIGHLIGHTS

INTERMEDIARY DIVISION

INTERMEDIARY SERVICES



OVER 3,000

INTERMEDIARY FIRMS



REVENUE GROWTH

- Grew members 2% to 3,133 (2019: 3,056)
- Grew ARPC 2% to £6,729 (2019: £6,565)
- Software license income growth 8%



DIGITISATION

- Moved all services to digital platform



OPERATIONAL HIGHLIGHTS

FINTECH & RESEARCH DIVISION

FINTECH & RESEARCH



OVER 2,000
SOFTWARE CLIENT
FIRMS



REVENUE GROWTH

- 9% growth in Fintech contracts
- 15% growth in Fund Mappings research
- Resilient ratings renewals



DIGITISATION

- £30Bn Fintech recommendations (£21bn FY19)
- Full programme of R&D delivered
 - ESG research launched Q1
 - Retirement Income software launched Q1



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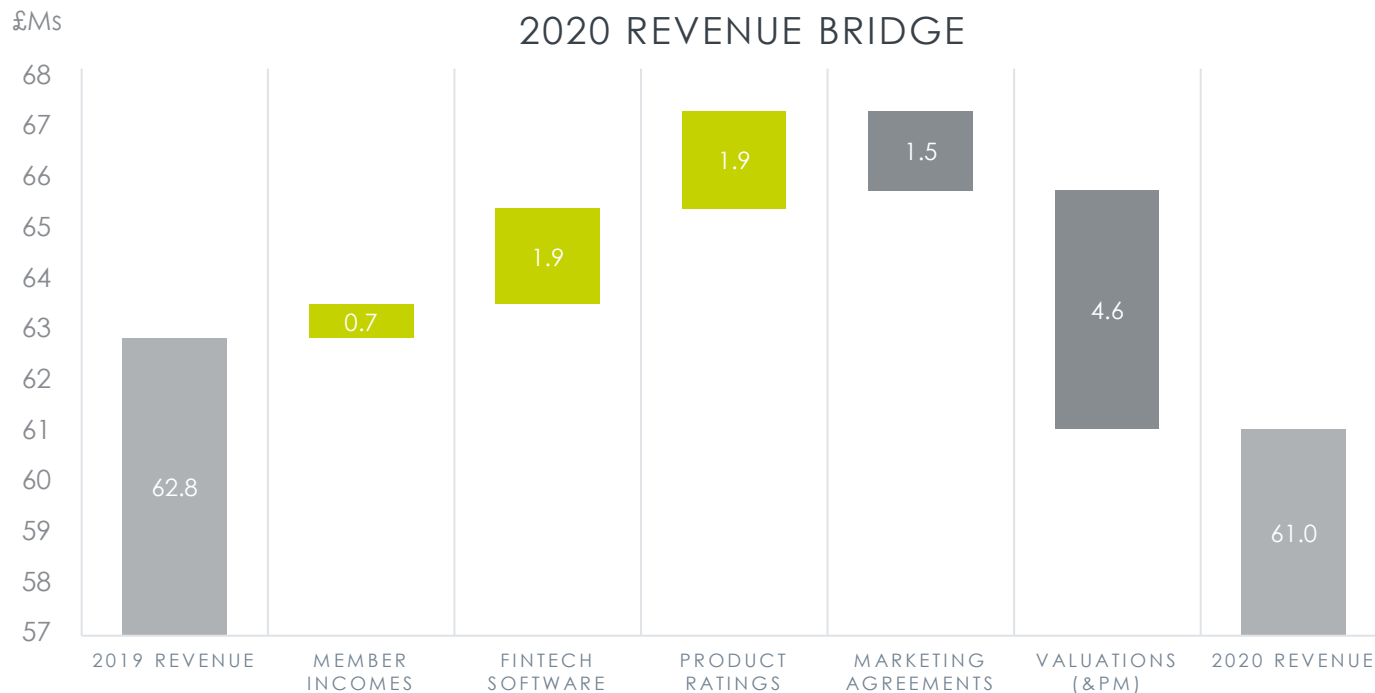
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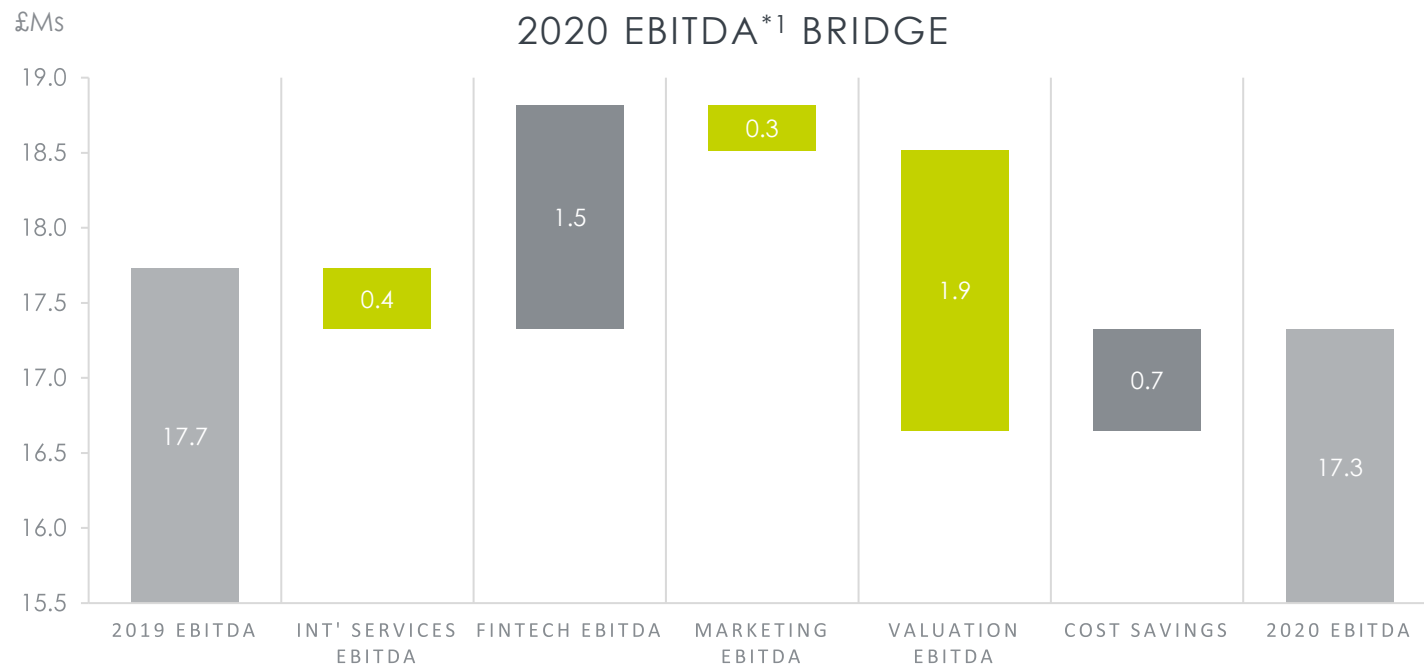
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2020 – REVENUE BRIDGE



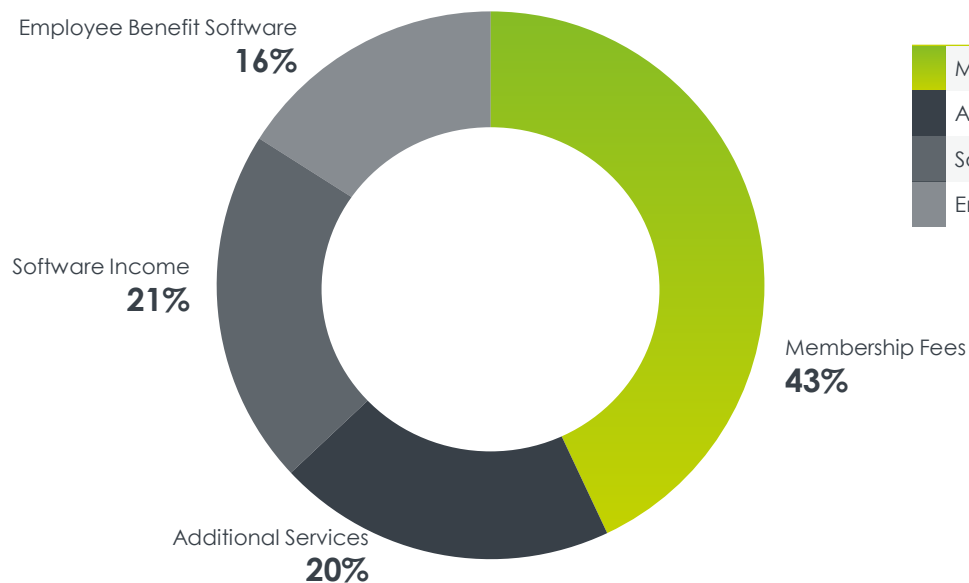
2020 – EBITDA*¹ BRIDGE



*¹ Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Adjusted profit before and profit after tax exclude operating exceptional costs and amortisation of intangible assets arising on acquisition.

FINANCIAL REVIEW

INTERMEDIARY SERVICES



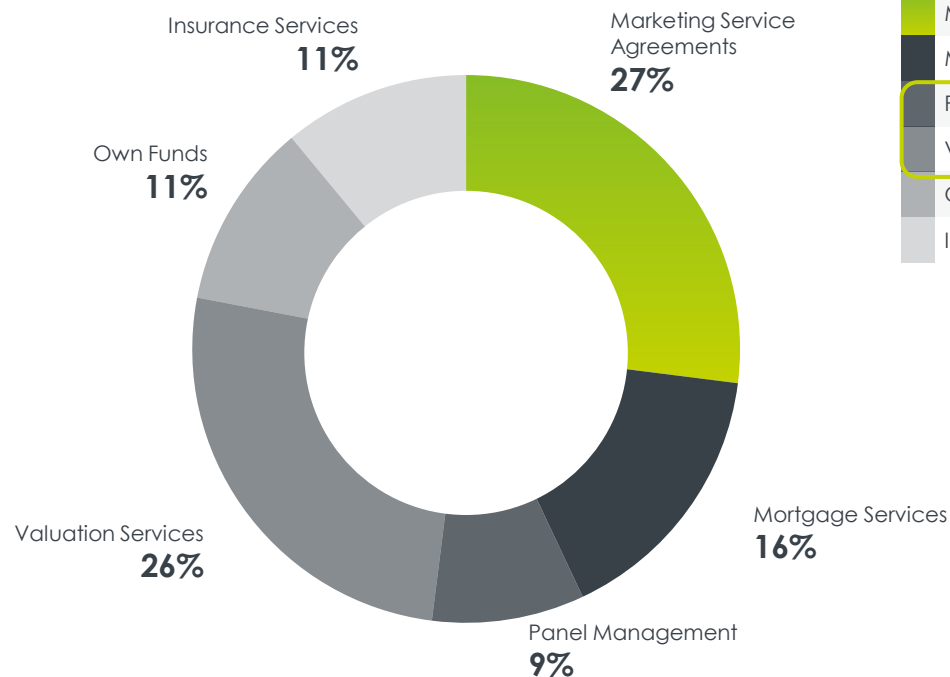
	2020	% Division	Growth	Quality	Margin
Membership	£10.7m	43%	3.5%	Subs	High
Additional Services	£4.9m	20%	-4.1%	Subs	Medium
Software	£5.5m	21%	8%	SaaS	Medium
Employee Benefits	£3.9m	16%	8%	SaaS	High

	FY 2020
Revenue	£25.1m
EBITDA* ¹	£5.5m
EBITDA* ¹ Margin	21.8%

*¹ Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Adjusted profit before and profit after tax exclude operating exceptional costs and amortisation of intangible assets arising on acquisition.

FINANCIAL REVIEW

DISTRIBUTION CHANNELS



	2020	% Division	Growth	Quality	Margin
Marketing Services	£5.6m	27%	-21.9%	Repeat	High
Mortgage Services	£3.3m	16%	-1.3%	ADV	High
Panel Management	£1.7m	9%	-50.2%	Repeat	Low
Valuation Services	£5.5m	26%	-34.8%	Repeat	Low
Own Funds	£2.3m	11%	-0.9%	AUM	High
Insurance Services	£2.2m	11%	1.6%	ADV	High

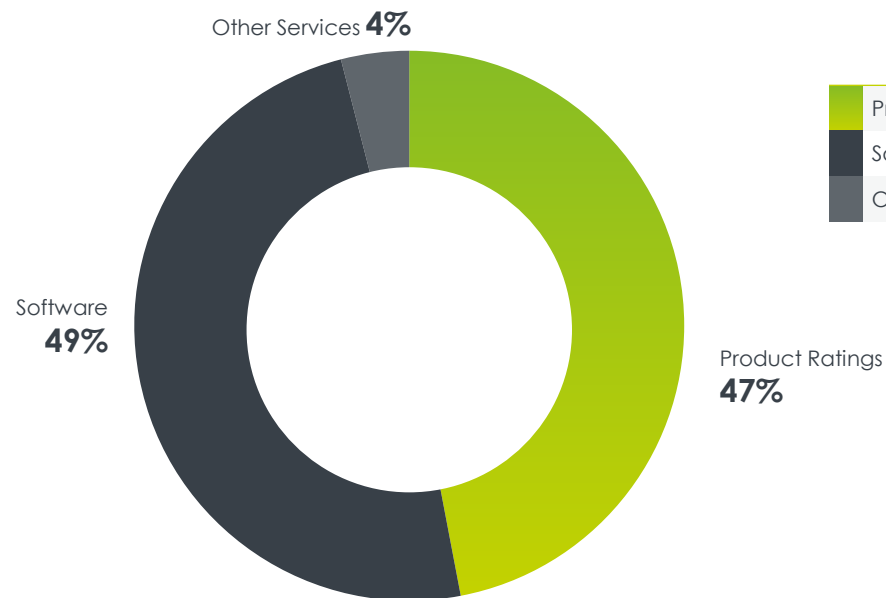
	FY 2020
Revenue	£20.6m
EBITDA* ¹	£5.3m
EBITDA* ¹ Margin	25.6%

*1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Adjusted profit before and profit after tax exclude operating exceptional costs and amortisation of intangible assets arising on acquisition.



FINANCIAL REVIEW

FINTECH & RESEARCH | EARNINGS ENHANCING RESULTS IN 2019 AND 2020



	2020	% Division	Growth	Quality	Margin
Product Ratings	£7.3m	47%	35%	Subs	High
Software	£7.4m	49%	31%	SaaS	High
Other Services	£0.6m	4%	-14%		Medium

	FY 2020
Revenue	£15.3m
EBITDA* ¹	£6.6m
EBITDA* ¹ Margin	43%

*¹ Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Adjusted profit before and profit after tax exclude operating exceptional costs and amortisation of intangible assets arising on acquisition.



FINANCIAL REVIEW

CASH FLOW*³ CONVERSION

£m	2019	2020
Adjusted EBITDA	17.7	17.3
Working Capital Movement	(3.5)	2.5
Corporation Tax paid	(2.3)	(2.4)
Capital expenditure	(0.2)	(1.3)
Development expenditure	(1.9)	(2.3)
Net interest payable	(1.0)	(1.0)
Lease payments	(0.7)	(1.0)
Free cash flow	8.2	11.8
Conversion (%) ^{*3}	46%	69%

Cash flow*³ conversion of
Adjusted EBITDA

69% (2019:46%)

Including non-recurring
CAPEX of £1.0m

*³ Free cash flow conversion is calculated as adjusted EBITDA, less working capital movements, lease payments, CAPEX, development expenditure, corporation tax paid and interest, as a percentage of Adjusted EBITDA.



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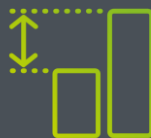
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REVENUE GROWTH



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MARGIN



70 - 80% SAAS & SUBS
EARNINGS QUALITY



DIGITISATION



*Figures exclude non-core revenues from Panel Management, Surveying and Employee Benefits software

STRATEGY



REVENUE GROWTH

- Growth in intermediary customers
- Increase ARPC
- Growth in Fintech
- Growth in Research



MARGIN

- Value pricing
- Upsell through digital portals
- NEW Fintech modules



EARNINGS QUALITY

- Increased SaaS and Subs
- Digital products
- Cost efficiency



DIGITISATION

- Grow and develop the digital platform
- Provider and adviser portals
- Distribution as a Service



STRATEGY – INVESTING IN TALENT

STRENGTHENING OUR TEAM

CFO Fintel – David Thompson (Apr 21)

COO – Kyle Augustin (Apr 20)

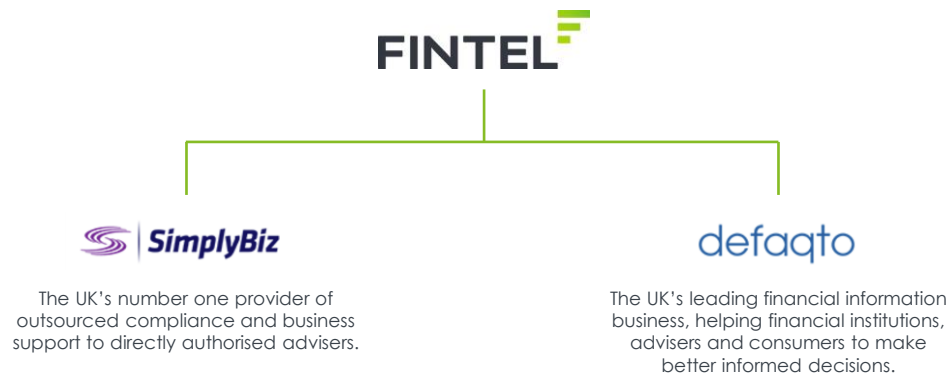
CEO Defaqto – John Milliken (Mar 21)

Director Analytics – Chris Deavin (Sep 20)

Digital Team – Ed Rycroft (May 20)

HR Director – Emily Blain (Sep 20)

NED Fintel – Imogen Joss (Jan 21)



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WE ARE FINTEL 

Outlook & current trading

Positive market dynamics and strong start to 2021

- Trading marginally ahead of expectations
- Positive market dynamics
- On track to achieve full year targets



We are **FINTEL** 



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APPENDIX

CASE STUDIES – ENABLING CHANNEL PARTNERS TO REACH THE MARKET

KEY STRATEGIC PARTNER

"Their marketing and training activity creates the **clear understanding** of Premier Miton solutions for financial advisers.

Target market data enables clients to receive **relevant outcomes** from their investments

We **understand how and when our products are used** across a broad range of advisers, supporting our **product governance** and **product development** processes."

Mike Hammond,
Distribution Director

Premier Miton
INVESTORS

DISTRIBUTION AS A SERVICE

"They have always been **ahead of the curve** in their developments for advisers, and similarly in the evolution of distribution activities for us.

We have always valued the marketing and events services, and the recent development that bring data and connect our solutions to the market **take it to a different level again**.

They **answer the real challenges** of taking products to market and we look forward to working with them for many years."

Rob Thorpe, Distribution Director



POWERFUL MARKET INSIGHTS

"We have really been able to see the **power of their data and insights** into market dynamics and trends.

The power of their call campaign takes away the heavy strain from our distribution teams.

They deliver warm targeted activity for us to act on.

Going forward I see them as a **vital part of our distribution strategy**."

Mark Baldwin, Distribution Director



MUTUALLY ALIGNED

"We work to **mutually advance** of our offerings, a really important relationship in the near, medium and long term.

I would like to think **we can double our revenue spend** in the next 2-3 years.

We are **ethically, morally and economically aligned**.

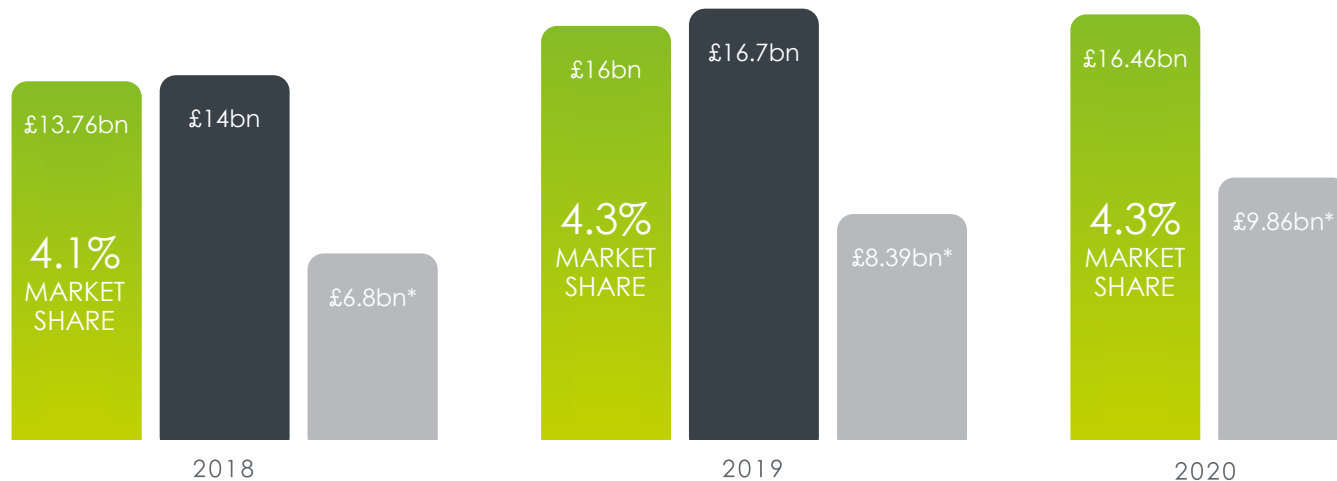
This business is a very high-class operation"

Phil Smith,
CEO Embark Group



APPENDIX

MORTGAGE COMPLETIONS



SimplyBiz Mortgages



Mortgage Advice Bureau



Tatton (Paradigm Mortgages)

* Year end 31st March

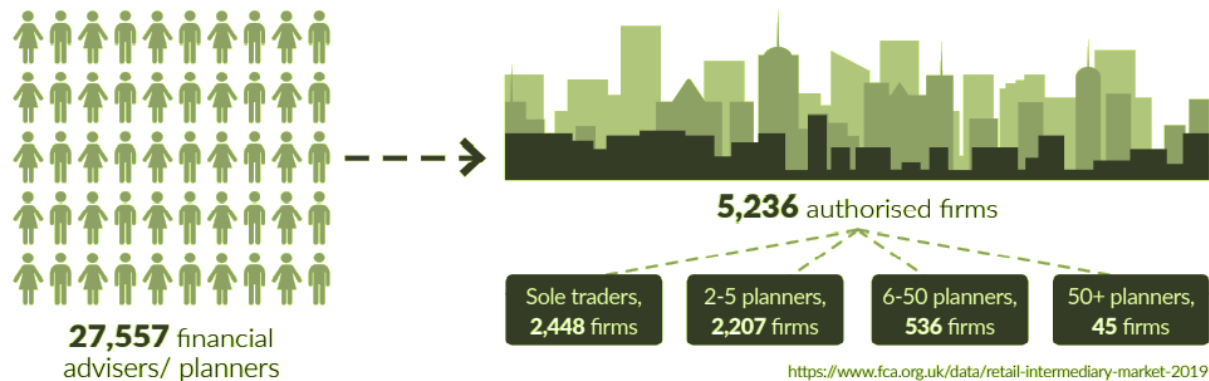
**UK Finance; £242bn total lending estimated for 2020. Intermediary Mortgage Lenders Association; 2021 forecast is £283bn (excluding product transfers) 2018 total lending estimated £269bn market (exc PT's) , 2019 est £268bn market (exc PT's). Lending figures include product transfers. Market share figures exclude product transfers.



APPENDIX

THE UK ADVISORY MARKET 2020

THE SHAPE OF THE FINANCIAL ADVICE MARKET



PFS report 2020.

There are 27,557 Financial Advisers working in 5,236 Financial Advice firms(FCA Register 31 December 2019).



APPENDIX

THE UK ADVISORY MARKET 2020

10,900

FIRMS IN THE INVESTMENT ADVISORY SECTOR

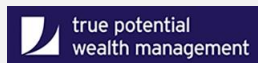
5,600

NETWORKS & NATIONALS



Quilter
Financial Planning

ST. JAMES'S PLACE
WEALTH MANAGEMENT



positive solutions[®]
altogether individual

Openworko Sesame

5,300

DA ADVISORY FIRMS



threesixty
Bankhall

TCC20

apricity

RETAIL INVESTMENT

- 27,557 total advisers
- Advice type by firm is 85% Independent, 13% for Restricted and 2% for both

(firms with the category of financial adviser, advice type by number of firms was 88% for Independent and 10% for Restricted)



APPENDIX

THE UK MORTGAGE ADVISORY MARKET 2020



Figures from the FCA reported in July 2020 for end of 2019.



APPENDIX PROVIDER IMPACT

RECOGNITION

TRUST

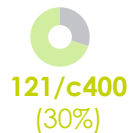
MARKET LEADING



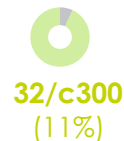
CONSUMER AWARENESS



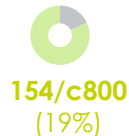
Asset
Managers



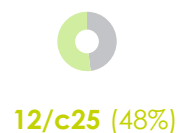
Banks



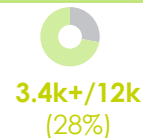
Insurers/
Underwriters



Comparison
Sites

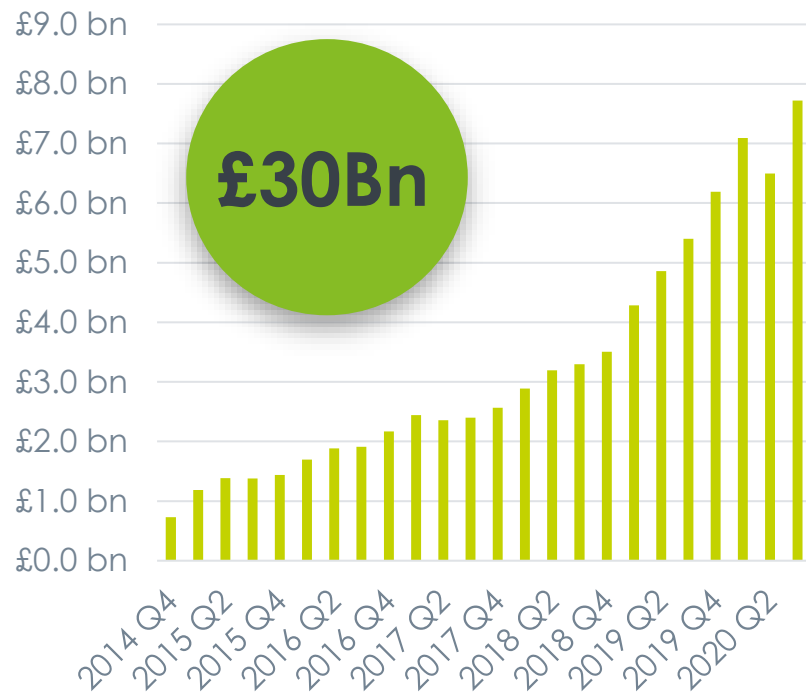


Intermediaries



APPENDIX PROVIDER IMPACT FROM NETWORK EFFECT

RECOMMENDATIONS MADE BY FINANCIAL ADVISERS IN DEFAQTO'S FINANCIAL PLANNING SOFTWARE



NETWORK EFFECT

Suitability Ratings



Fund Reviews



ESG Reviews



APPENDIX

OUR LOCATIONS AND TEAMS

- 522 staff 31/12/20
- Track record for recruiting and retaining talent across all business areas
- High level of staff retention, average tenure of 5 years
- Staff skill set and experience supports continued operational leverage

500+
EXPERIENCED
STAFF

6
LOCATIONS



APPENDIX

ACQUISITION FOCUS



APPENDIX

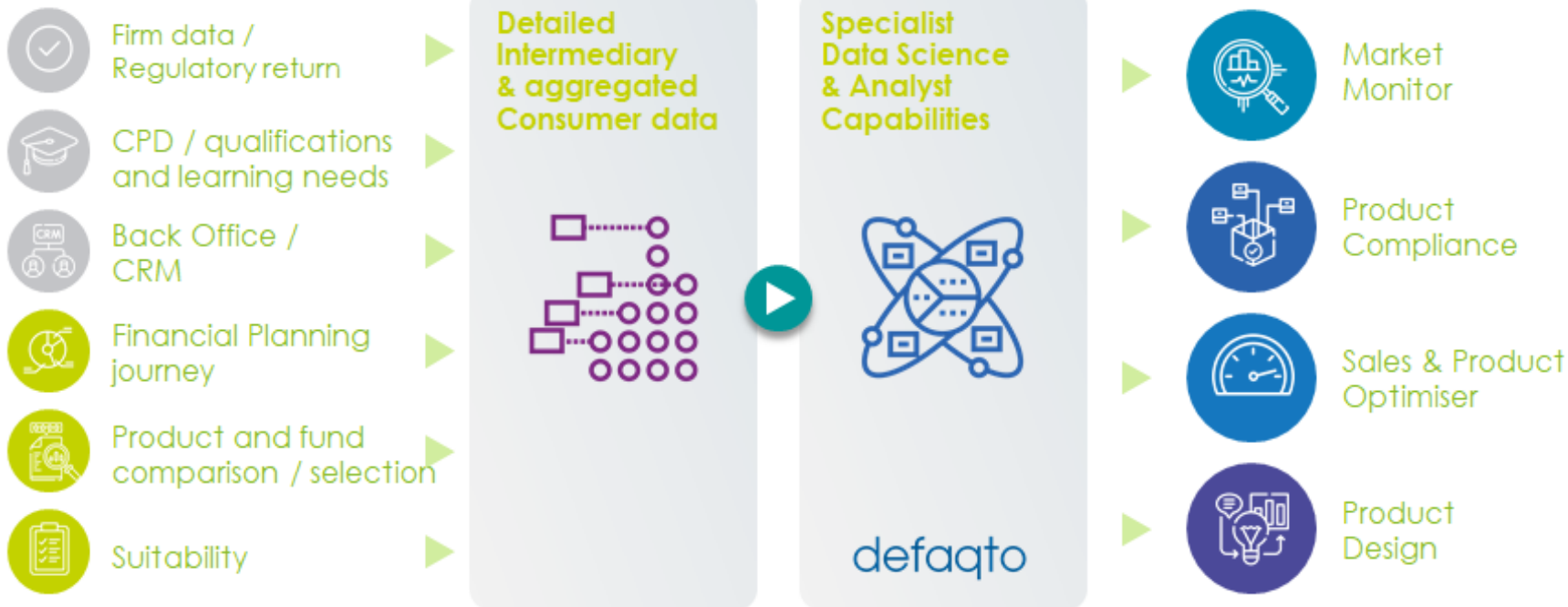
CUSTOMER ENGAGEMENT AND SATISFACTION

H2 2020 Jul - Dec	
Net Members	+79
Software Licenses	+69
Customer Satisfaction	9.8
Attrition	6.7%



APPENDIX

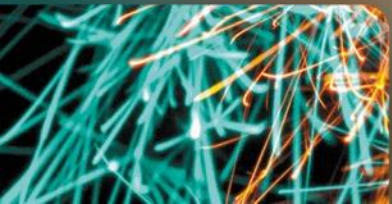
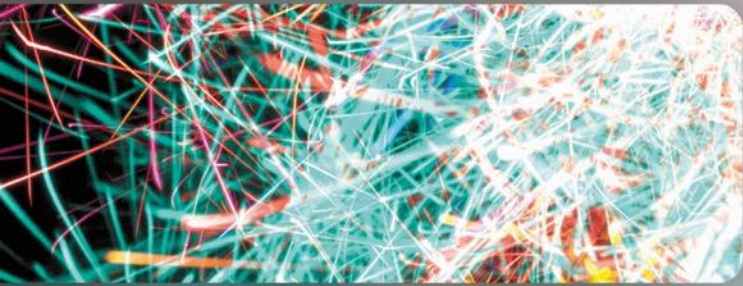
DATA AND INSIGHTS



APPENDIX

AWARD WINNING BRAND LEADER





THANK YOU