

PensionBee Group plc
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PensionBee Group plc

Trading Update for the nine months ending 30 September 2021

Customer Centric Proposition Drives Further Growth

PensionBee Group plc (“PensionBee” or “the Company”), a leading online pension provider, today announces a trading update for the nine months ending 30 September 2021.

Highlights

- Continued to deliver strong growth across its core KPIs during the quarter, in line with guidance and expectations
- Strong value proposition continued to resonate with new and existing customers across the UK, with a Registered Customer base in excess of 600,000
- Invested Customers increased by 75% year on year to 104,000 (Sep 2020: 59,000)
- Assets under Administration (AUA) increased by 108% year on year to £2,247m (Sep 2020: £1,082m)
- Annual Run Rate Revenue increased by 107% to £13.9m (Sep 2020: £6.7m)

The Company made further targeted investment in customer acquisition and brand awareness, with a specific focus on Out of Home advertising, while ensuring that Cost per Invested Customer remained within the desired range previously communicated, with the objective of maximising return on investment. It continued to invest in product innovation in order to enhance the customer experience and further its strategic goals, including delivering additional functionality through its new “easy bank transfer” feature via an open banking Plaid integration. PensionBee also continued to invest in its industry-leading technology platform, building out its data platform capability and data team.

PensionBee prides itself on its excellent customer service, maintaining a Customer Retention Rate in excess of 95% and achieving an Excellent Trustpilot rating. It continuously engages with customers and has simplified its investment offering with two of its less core plans (Match Plan and Future World Plan) being merged into other plans.

Outlook

The strong performance achieved during the period and the continuation of the growth trajectory during the year to date, combined with the scale of the opportunity in the UK Defined Contribution pensions market and PensionBee’s broad appeal to customers across the UK, underpins the Board’s confidence in the future growth opportunity for the Company. As such, the Company re-iterates the guidance given at the time of the IPO and now expects revenue growth for 2021 to be at the top end of the range.

Continued growth in customer numbers provides increasing visibility over longer term performance and the Company anticipates providing more detailed financial guidance for FY22 at the time of our trading update for the year to 31 December 2021 in January 2022.

It remains PensionBee’s intention to transition to the Premium Segment of the London Stock Exchange’s Main Market during the first half of 2022.

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

Romi Savova, CEO of PensionBee, commented:

“We are pleased with our strong financial and operational performance over the period, demonstrating the strength of our customer focused proposition and the extent to which our offering continues to resonate with the UK population. Our investment in technology and brand awareness will allow us to make further progress against our growth strategy, bringing us one step closer towards achieving our goal of making pensions simple for all while continuing to make positive changes in the pensions industry.”

Financial summary

	Sep-2020	Dec-2020	As at Period End	
			Sep-2021	YoY change
AUA (£m)¹	1,082	1,358	2,247	108%
AUA Retention Rate (% of AUA) ²	>95%	>95%	>95%	Stable
Registered Customers (thousands) ³	353	403	602	71%
Active Customers (thousands) ⁴	104	119	155	49%
Invested Customers (thousands) ⁵	59	69	104	75%
Customer Retention Rate (% of IC) ⁶	>95%	>95%	>95%	Stable
Cost per Invested Customer (£) ⁷	229	232	250	Within Threshold
Same Year RC: IC Conversion (% of RC) ⁸	17%	17%	17%	Stable
Contractual Revenue Margin (% of AUA) ⁹	0.69%	0.69%	0.70%	+1bp

	Sep-2020	Dec-2020	For the Period Ending	
			Sep-2021	YoY change
Revenue (£m)¹⁰	4.2	6.3	8.9	110%
Annual Run Rate Revenue (£m) ¹¹	6.7	8.8	13.9	107%
Adjusted EBITDA (£m) ¹²	(7.2)	(10.4)	(11.9)	66%
Adjusted EBITDA Margin (% of Revenue) ¹³	(169%)	(166%)	(133%)	+36ppt

	Q3-2020	FY 2020	For the Period Ending	
			Q3-2021	YoY change
Opening AUA (£m)¹	745	745	1,358	82%
Gross Inflows (£m)	393	593	824	109%
Gross Outflows (£m)	(49)	(70)	(104)	114%
Net Inflows (£m)	345	523	720	109%
Market Growth and Other (£m)	(8)	90	169	
Closing AUA (£m)¹	1,082	1,358	2,247	108%

- 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 £2.25 billion in Assets under Administration as at 30 September 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 an Excellent Trustpilot rating.

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