

**PensionBee Group plc**  
Incorporated in England and Wales  
Registration Number: 13172844  
LEI: 2138008663P5FHPGZV74  
ISIN: GB00BNDRNLN84



**20 July 2023**

## **PensionBee Group plc**

### **Trading Update for the six months ended 30 June 2023**

**Continued strong growth across all key metrics**  
**On track to achieve ongoing Adjusted EBITDA profitability by end of 2023**

PensionBee Group plc ('PensionBee' or the 'Company'), a leading online pension provider, today announces a trading update for the six months ended 30 June 2023.

#### **Highlights**

- Strong continued customer growth, with Invested Customers having increased by 33% year on year to 211,000 (June 2022: 159,000).
- Assets under Administration increased by 38% year on year to £3,704m (June 2022: £2,676m), underpinned by strong Net Inflows from new and existing customers.
- Successful launch of LifeSearch partnership with initial positive customer demand.
- Commitment to continuous product innovation and outstanding customer service contributed to a sustained high Customer Retention Rate of c.97%.
- LTM Revenue increased by 30% to £20m (June 2022: £16m) and first half Revenue increased by 32% to £11m (June 2022: £8m).
- Adjusted EBITDA of £(8)m (June 2022: £(15)m), reflecting continued progress towards profitability.
- On track to achieve ongoing Adjusted EBITDA profitability by the end of 2023 and profitability for the full year 2024.

PensionBee delivered strong growth across all of its key performance indicators in the first half of the year, with Assets under Administration ('AUA') increasing by 38% to £3,704m.

The Company has seen excellent momentum in the growth of the customer base, adding approximately 30,000 new Invested Customers in the first half of the year, taking the overall Invested Customer base to 211,000. This demonstrates the continued success of its data-led, multi-channel customer acquisition approach and highlights the clear demand for its customer-focused proposition.

Revenue for the first half of the year grew by 32% year on year to £11m as a result of strong Net Inflows from new and existing customers, with LTM Revenue increasing by 30% to £20m. The Company's sustained high Customer Retention Rate and AUA Retention Rate, both c.97%, have continued to drive recurring revenue.

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

Sustained marketing investment of £7m across the last two quarters has supported brand building and customer acquisition. PensionBee expects to continue investing in its brand awareness through the renewal of its partnership with Brentford FC, becoming the left sleeve sponsor of the Men's first team and the 'front of shirt' sponsor for the B team, Academy and Women's team. The Company has continued to apply its data-driven, multi-channel approach to successfully reach new customers, bringing educational initiatives to customers through roadshows, podcasts and new channels such as TikTok. The Cost per

Invested Customer has continued to demonstrate a downward trajectory, in line with expectations, given the depth of the Company's marketing capability in efficient customer acquisition.

PensionBee has continued to innovate and adapt its products to suit the evolving needs of its customers and to support customer engagement. It has added free informative content and helpful tools, including a state pension age calculator. The in-app offering has been enhanced via the launch of in-app content delivering helpful insights to mobile app users to increase their transfer and saving rates. The Company has also launched a successful partnership with LifeSearch, helping customers to obtain a range of insurance products and critical illness cover which enable them to continue to save for a happy retirement even in the event of unforeseen circumstances, with initial positive customer demand. The Company's focus on delivering outstanding customer service has been evidenced through the maintenance of its Excellent Trustpilot rating and rapid response times on the phone and live chat.

The Company has continued to invest in the scalability of its technology platform through a focus on internal automation, efficiency, security and pension transfer improvements to support productivity, as demonstrated by a 12% improvement in productivity<sup>1</sup> over the first half of the year. The Company will continue to explore and adopt artificial intelligence tooling within its departments, using it for initial content generation, project research and coding problem resolution. It is increasingly integrating its data platform within daily product management operations to ensure its multidisciplinary development teams remain productive and impactful.

## **Outlook**

The Board remains confident in PensionBee's potential for continued growth and profitability, due to its ability to attract new customers that generate growth in recurring revenue through its scalable technology platform.

The Company is pleased to reiterate the guidance previously provided at the time of the 2022 full year results. Its strong cash balance of £14m leaves it well-placed to pursue a c.2% market share target of the substantial £700bn UK transferable pensions market over the next 5-10 years, resulting in a long-term potential revenue opportunity of approximately £150m.

The Company remains on track to further reduce Cost per Invested Customer, expecting to achieve ongoing Adjusted EBITDA profitability by the end of 2023 and profitability for the full year 2024. PensionBee expects to achieve long-term EBITDA margins in excess of 50%, driven by the scalability of its technology platform. This is supported by the Company's continued positive momentum in its trading performance and growth in key metrics such as customer growth and AUA.

## **Analyst and Investor Presentation**

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

Romi Savova, CEO of PensionBee, commented:

*"We are delighted to report a successful first half of 2023 as we pursue our mission to make pensions simple so that everyone can look forward to a happy retirement. We have continued growing our Assets Under Administration and Revenue by acquiring new customers and helping our existing customers to save more in their pensions.*

*We are preparing the Company for the achievement of ongoing Adjusted EBITDA profitability in the second half of the year by consistently focusing on our productivity and harnessing the scalability of our technology platform. We have continued to invest effectively in our marketing initiatives, maintaining our household brand name status. We are proud to have launched additional helpful features, such as in-app content and life insurance, to help our customers navigate a testing economic environment. The market opportunity for PensionBee is vast and our strong cash balance leaves us well-positioned to continue capturing market share."*

## Financial Summary

	As at Period End		
	Jun-2022	Jun-2023	YoY change
<b>AUA (£m)<sup>2</sup></b>	<b>2,676</b>	<b>3,704</b>	<b>38%</b>
AUA Retention Rate (% of AUA) <sup>3</sup>	>95%	>95%	Stable
Invested Customers (thousands) <sup>4</sup>	159	211	33%
Customer Retention Rate (% of IC) <sup>5</sup>	>95%	>95%	Stable
Cost per Invested Customer (£) <sup>6</sup>	260	247	(5)%
Realised Revenue Margin (% of AUA) <sup>7</sup>	0.63%	0.65%	+1 bps

	For the Trailing 12-month Period Ending		
	Jun-2022	Jun-2023	YoY change
<b>LTM Revenue</b>	<b>16</b>	<b>20</b>	<b>30%</b>
LTM Adjusted EBITDA	(24)	(13)	(47)%
LTM Adjusted EBITDA Margin	(152)%	(62)%	90ppt*

	For the 6 month Period Ending		
	Jun-2022	Jun-2023	YoY change
<b>Revenue (£m)<sup>8</sup></b>	<b>8</b>	<b>11</b>	<b>32%</b>
Adjusted EBITDA (£m) <sup>9</sup>	(15)	(8)	(47)%
Adjusted EBITDA Margin (% of Revenue) <sup>10</sup>	(181)%	(73)%	108ppt*

	For the 6 month Period Ending		
	Jun-2022	Jun-2023	YoY change
<b>Opening AUA (£m)<sup>2</sup></b>	<b>2,587</b>	<b>3,025</b>	<b>17%</b>
Gross Inflows (£m)	579	612	6%
Gross Outflows (£m)	(98)	(143)	47%
<b>Net Inflows (£m)</b>	<b>481</b>	<b>469</b>	<b>(3)%</b>
Market Growth and Other (£m)	(392)	210	n/a
<b>Closing AUA (£m)<sup>2</sup></b>	<b>2,676</b>	<b>3,704</b>	<b>38%</b>

### Notes

\* ppt is the absolute change in percentage.

- Invested Customers per Staff Member calculated using LTM average for total workforce. Management information as at 30 June 2023.
- 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.
- 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.

- 6 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.
- 7 Realised Revenue Margin is calculated by using the last twelve months of Recurring Revenue over the average quarterly AUA held in PensionBee's investment plans over the period.
- 8 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.
- 9 Adjusted EBITDA is the profit or loss for the period before taxation, finance costs, depreciation, share based compensation and transaction costs.
- 10 Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of Revenue for the relevant period.

## **Contacts**

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## **About PensionBee**

PensionBee is a leading online pension provider, making pension management easy for its customers while they save for a happy retirement.

PensionBee helps its customers combine their old pension pots, make flexible contributions, invest in line with their goals and values and make withdrawals from the age of 55 (increasing to 57 in 2028). PensionBee offers a range of investment plans, including fossil fuel free options, from some of the world's largest asset managers.

Operating in the £1 trillion market of Defined Contribution pension assets, PensionBee has grown rapidly through its direct-to-consumer marketing activities, creating a household brand name for the mass market.

The Company has £3.7 billion in Assets Under Administration and 211,000 Invested Customers as at 30 June 2023. PensionBee has consistently maintained a Customer Retention Rate in excess of 95% and an Excellent Trustpilot rating, reflecting its commitment to outstanding customer service.