



# Q1 2024 Results Presentation

For the three months to 31 March 2024



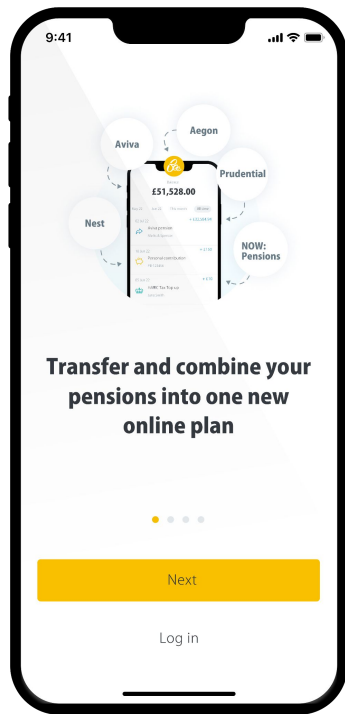
# Agenda

- 1 Overview of Q1 2024
- 2 Financial Update
- 3 Conclusion
- 4 Appendix

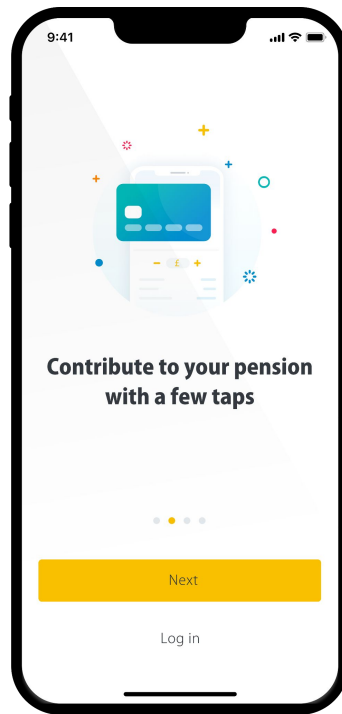


# 1 Overview of Q1 2024

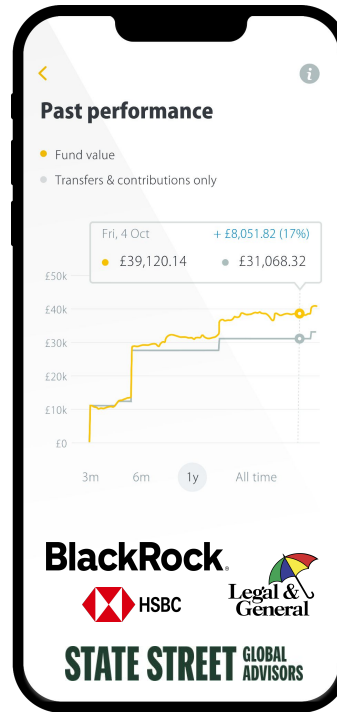
# Leading Online Pension Provider: Solving Genuine Problems for Consumers



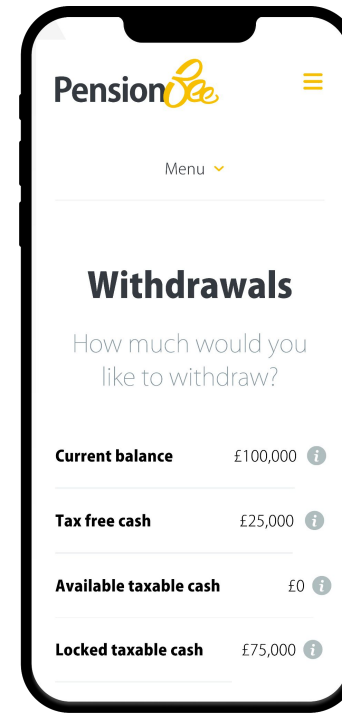
**£4.9bn**  
Assets under Administration  
Mar 2024  
**+44% YoY**



**240k**  
Invested Customers  
Mar 2024  
**+22% YoY**



**£7m**  
Revenue  
Q1 2024  
**+42% YoY**



**>95%**  
Customer Retention  
Mar 2024  
**Stable**

## Award-winning offering

Trustpilot 4.6 out of 5 - Excellent<sup>(1)</sup>

Best Buy Pension 2024

Download on the App Store GET IT ON Google Play

Best For Low-cost PENSION <£50K 2024

Best For Beginners 2024

Best For Customer SERVICE 2024

FT ADVISER DIVERSITY IN FINANCE AWARDS 2022 Winner Employer of the Year (Small Firm) PensionBee

UK FinTech AWARDS 2022 WINNER Pensions Tech of the Year

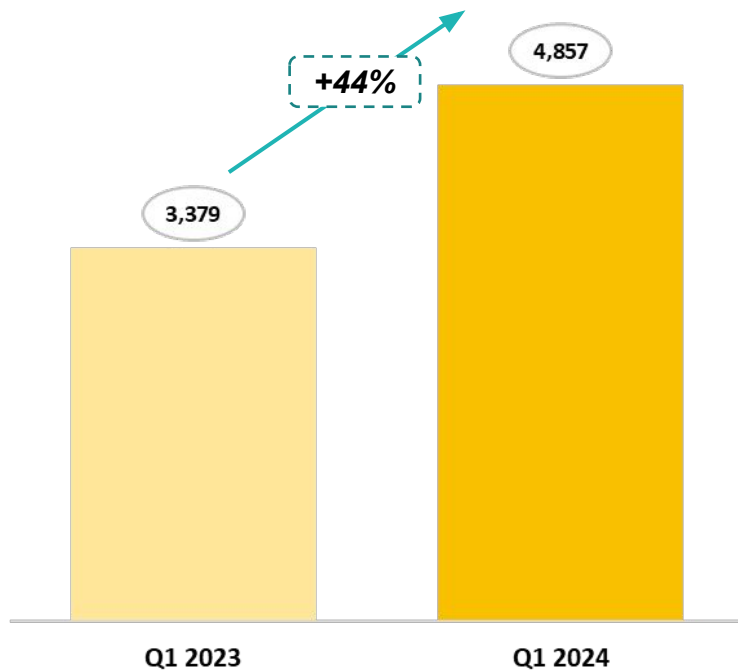
THE ALLICA BANK GREAT BRITISH ENTREPRENEUR AWARDS WINNER OF INNOVATION ENTREPRENEUR OF THE YEAR 2023

\*All figures as at 31 March 2024

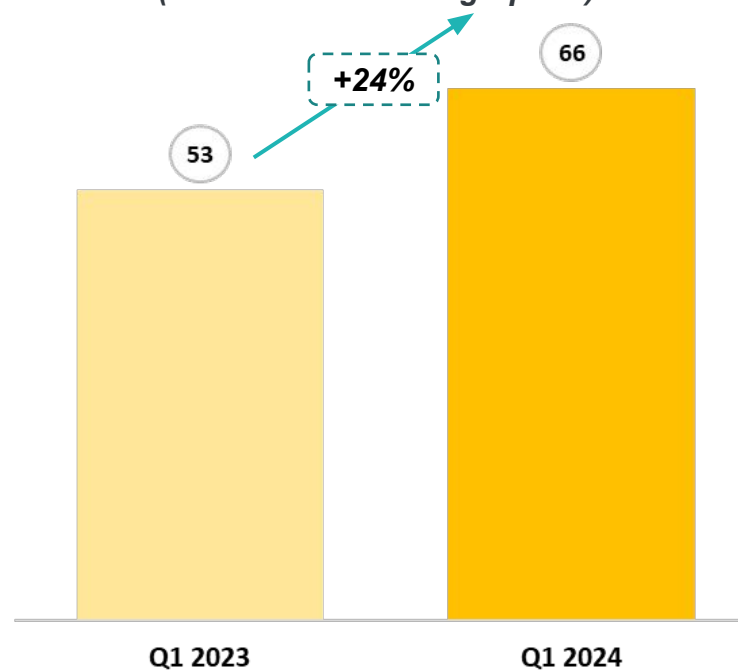
(1) Trustpilot score of 4.6★ out of 5 (based on 10,510 reviews) recorded 11 April 2024.

# AUA Base Growing Efficiently with Strong Increase in Net Flows per £ of Marketing Expenditure

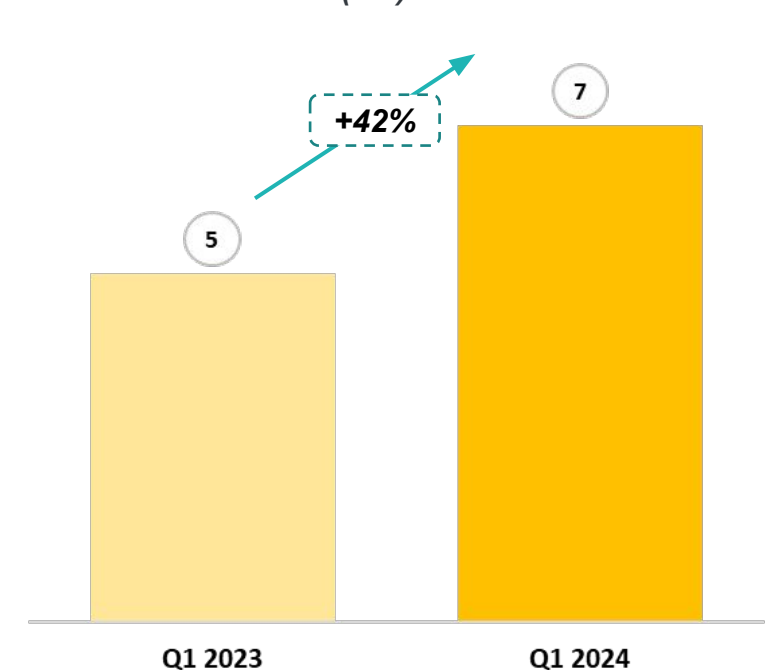
Increasing AUA Base  
(£m)



Through Increased Efficiency  
(Net Flows/Marketing Spend)<sup>(1)</sup>



Driving Revenue Growth  
(£m)



**AUA increased by 44% year on year to £4.9bn**, driven by strong net flows from new and existing customers, as well as consistently high **Customer and AUA Retention Rates (>95%)**.

**Net Flows/Marketing Spend increased 24% year on year to £66.**<sup>(1)</sup> Increased efficiency driven by effective deployment of marketing expenditure.

**Revenue increased by 42% year on year to £24m.**<sup>(2)</sup> Annual Run Rate Revenue of £31m<sup>(3)</sup> increasing 41% YoY.

All figures unaudited and as of 31 Mar 2024.

<sup>(1)</sup> Cumulative Net Flows over 2024/Marketing spend over 2024.

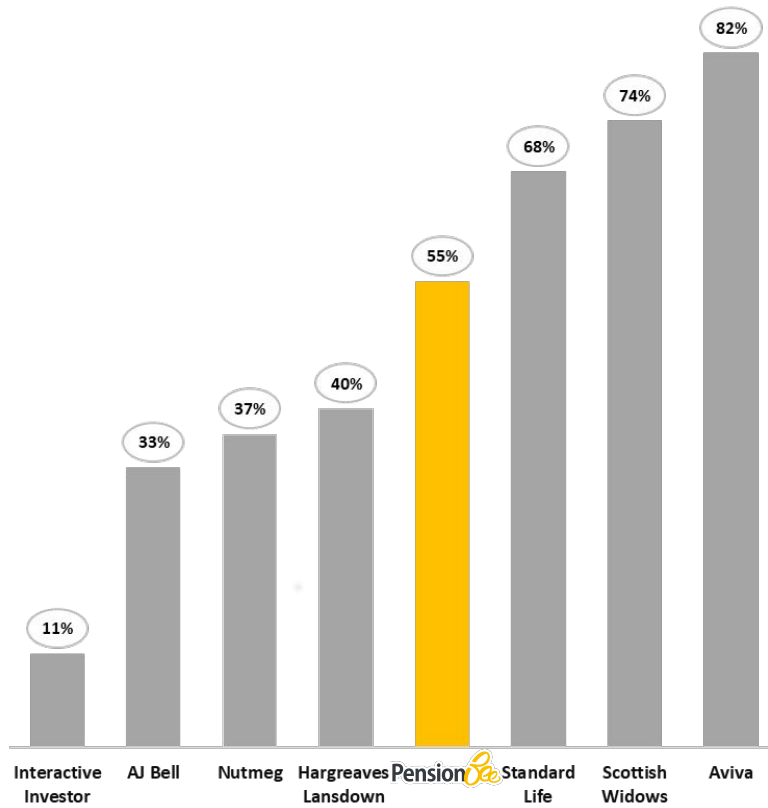
<sup>(2)</sup> YTD Revenue as of 31 March 2024

<sup>(3)</sup> Annual Run Rate (ARR) is calculated using the Recurring Revenue for the relevant month multiplied by 12.

# Marketing Strategy Growing our Brand Efficiently

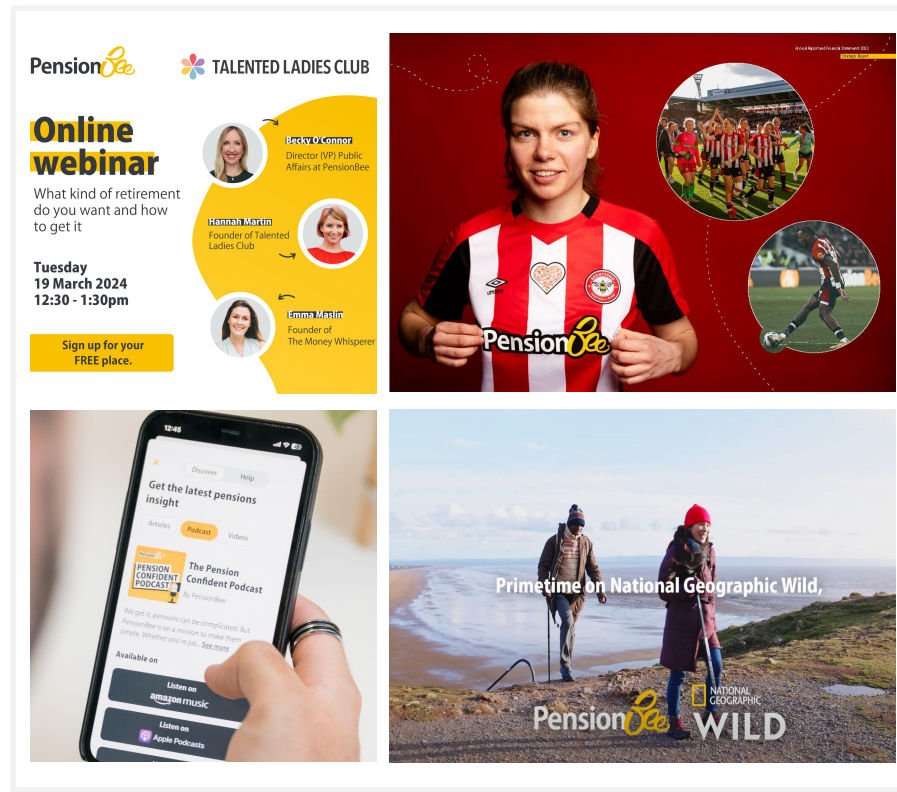
## Cumulative Marketing Spend of £59 Million has made PensionBee a Household Brand<sup>(1)</sup>

PensionBee's brand awareness is at an all time high, up 5ppt from Dec-23



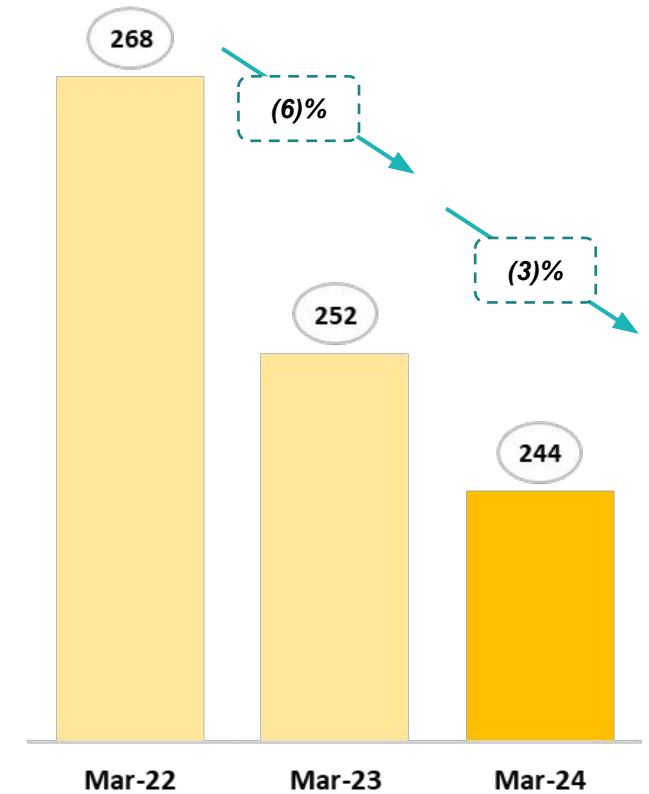
## Efficient Investment in Customer Acquisition and Brand Awareness

PensionBee has been the proud sponsor of primetime on National Geographic Wild and has extended its brand presence with other partnerships



## Cumulative CPIC Continues to Drop<sup>(1)</sup>

Cumulative CPIC remains on a downwards trajectory



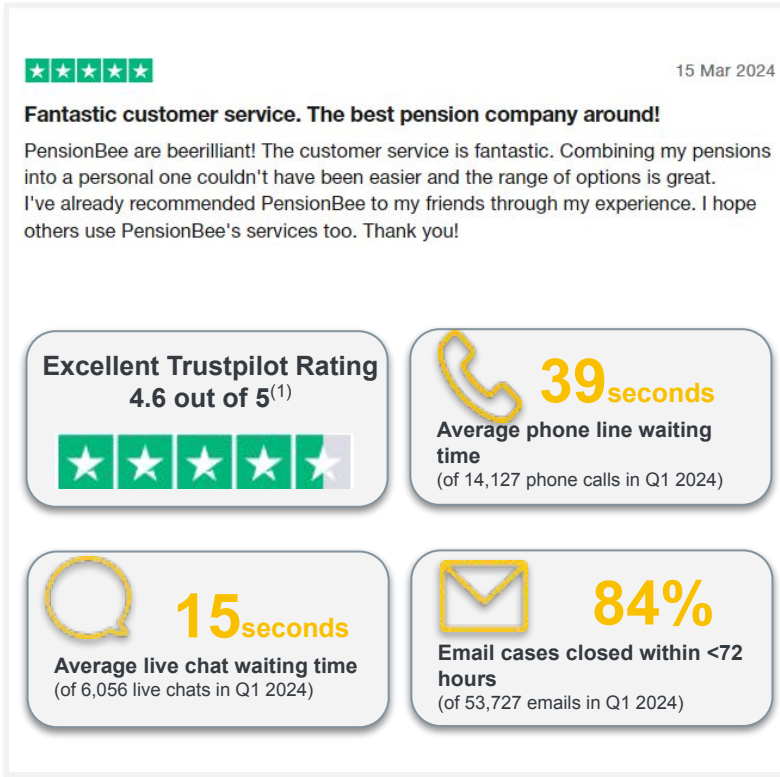
(1) PensionBee prompted brand awareness tracker, April 2024. Prompted brand awareness measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 82%, Scottish Widows 74%, Standard Life 68%, PensionBee 55%, Hargreaves Lansdown 40%, Nutmeg 37%, AJ Bell 33%, Interactive Investor 11%

(2) Cumulative CPIC is defined as the cumulative marketing and advertising costs incurred by PensionBee since FY2015 up until the relevant point in time, divided by the cumulative number of Invested Customers at that point in time. c.£59 million cumulative marketing expenditure since FY2015.

# Strategic Goals Advanced over the Last Quarter

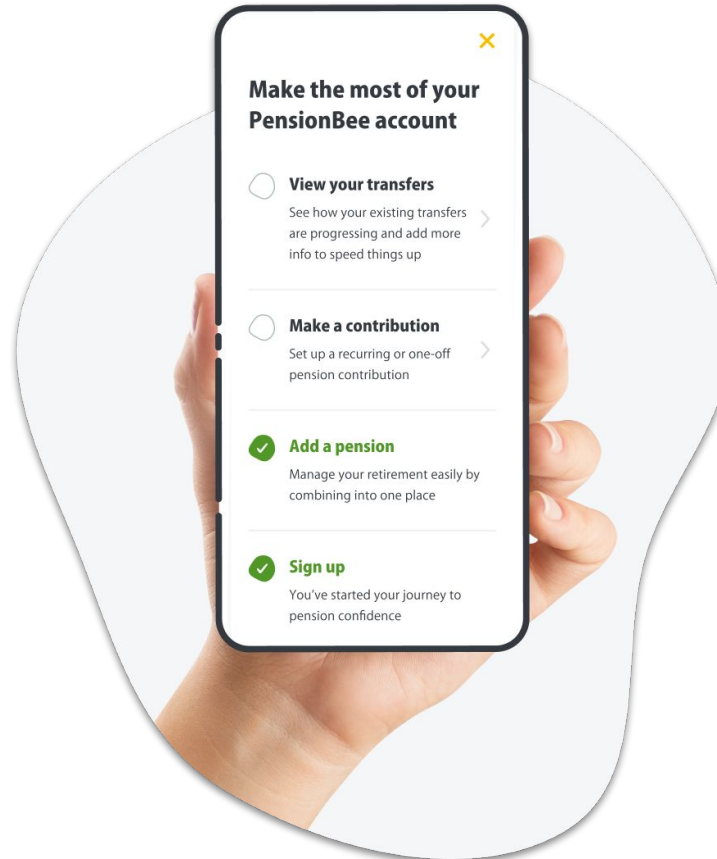
## Excellent Customer Service Prioritised

Excellent Trustpilot rating and rapid customer response times maintained through tax year end



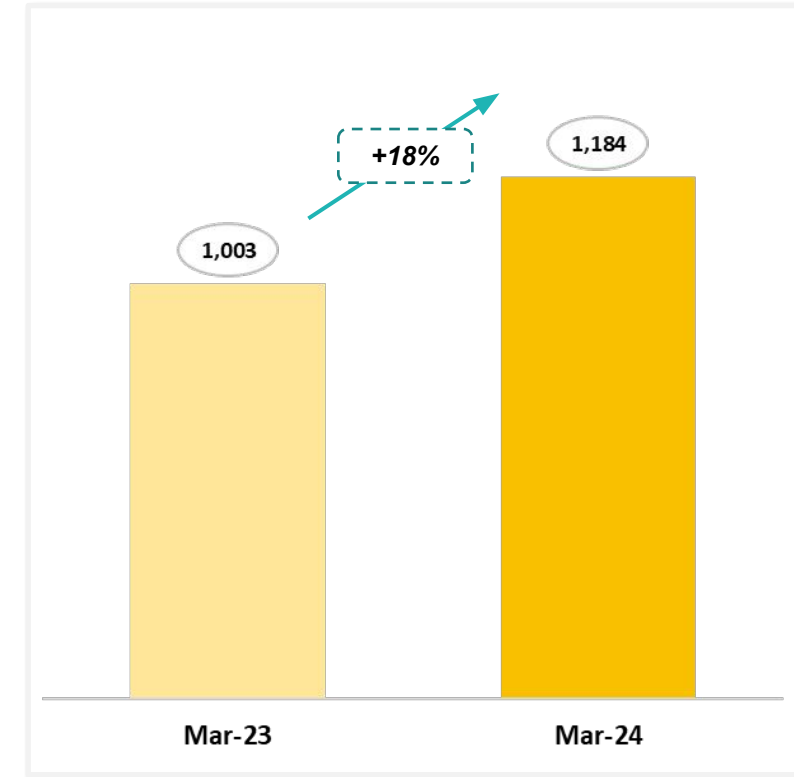
## Product Innovation Through Engagement

Our new checklist feature helps customers identify and complete all the steps to manage their pensions



## Scalable Technology Platform Continues to Underpin Competitive Advantage

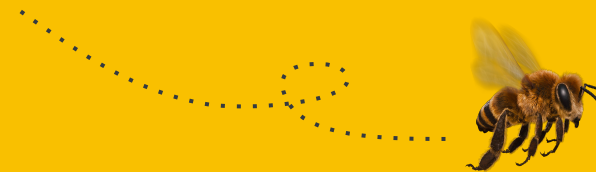
Efficiency improvements through automation reflected in our Invested customer per Staff Member metric



(1) Trustpilot score of 4.6★ out of 5 (based on 10,510 reviews) recorded 11 April 2024.

(2) Invested Customers per Staff Member calculated using LTM average for total workforce. Management information as at 31 March 2024.

# 2 Financial Update

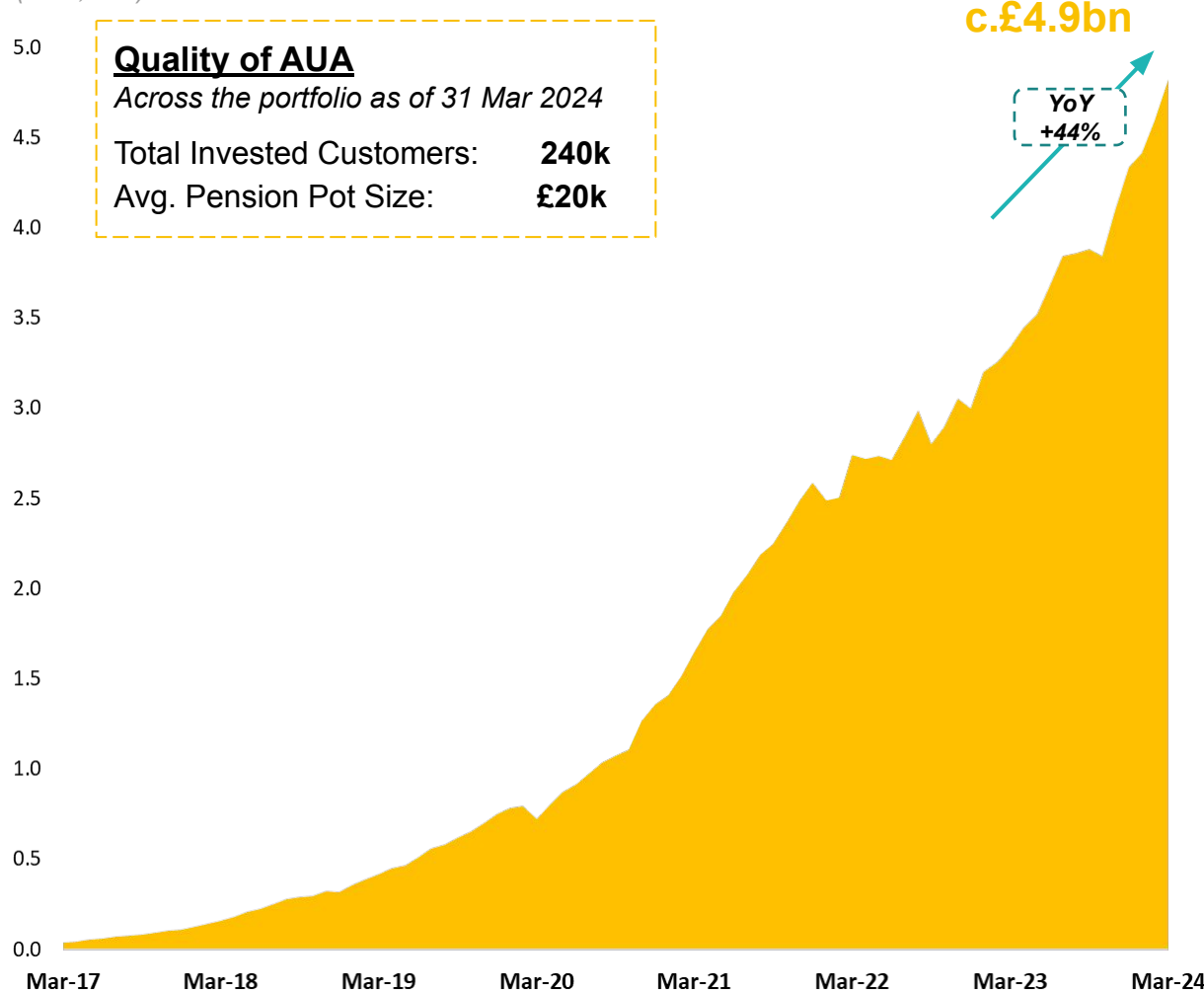




# Strong Growth in AUA of >£0.5bn over Q1 2024

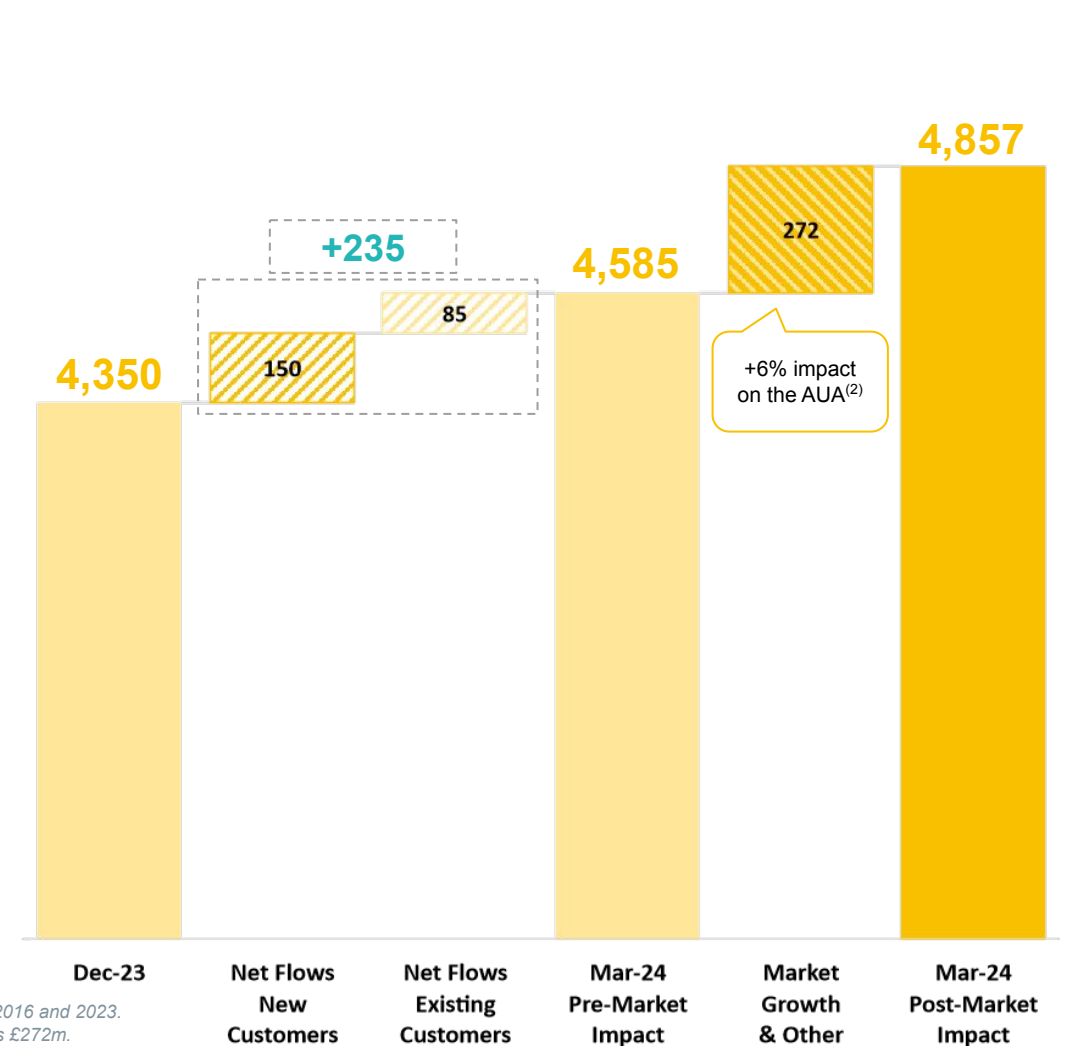
## Long Term Compounding Reaching c.£4.9bn of AUA as of 1Q 2024

(AUA, £bn)



## Strong Net Flows from New and Existing Customers<sup>(1)</sup> & Supportive Markets Grew >£0.5bn of AUA

(Net Flows, £m)



(1) New Customers refers to customers acquired between 1 January and 31 March 2024 while Existing Customers refers to customers acquired between 2016 and 2023.  
 (2) The market impact on the AUA is based on the beginning of period AUA and (pre-market impacted) end of period AUA, total Market impact over Q1 was £272m.

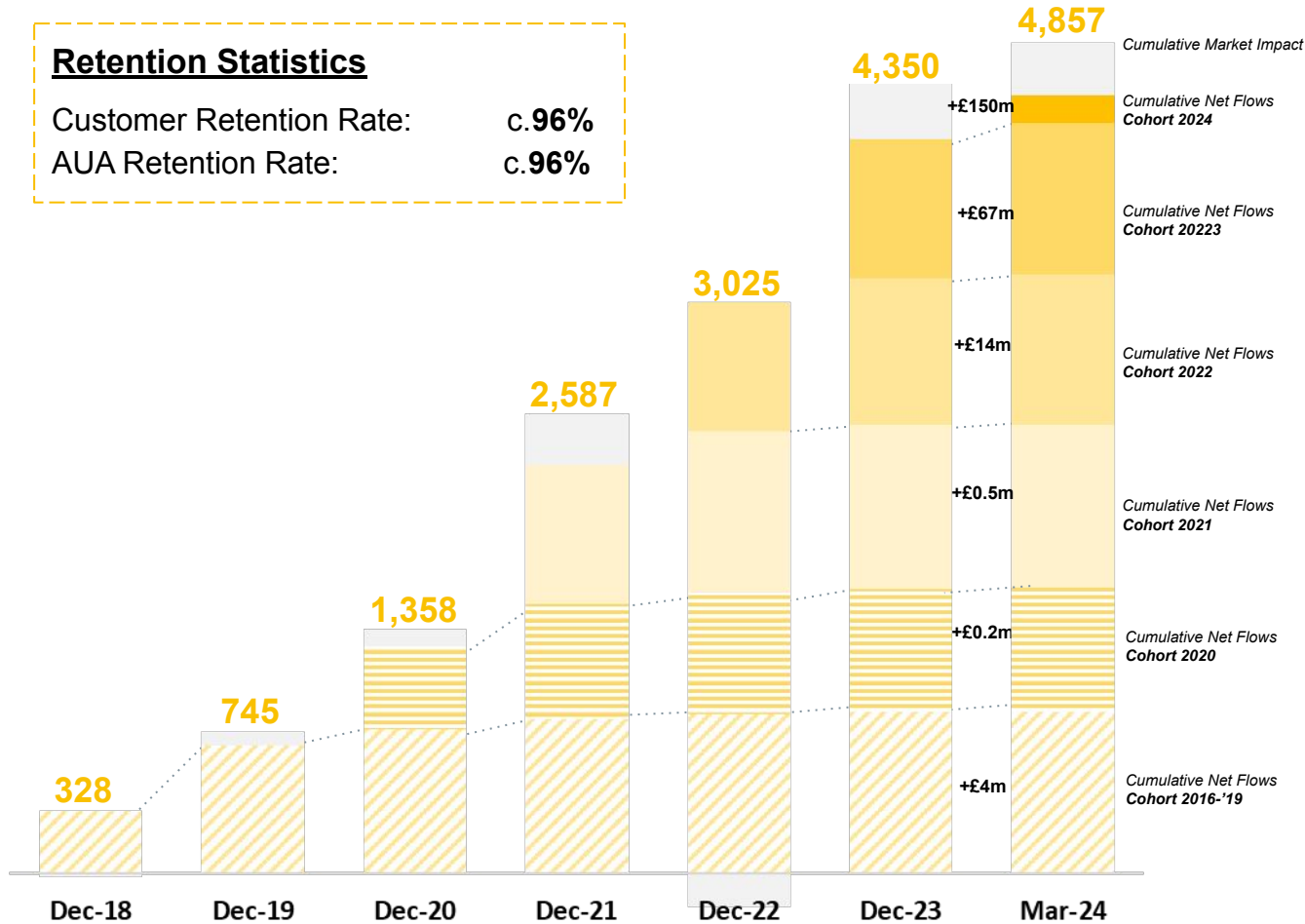
# Strong Retention Compounds AUA and Drives Predictable Revenue

## High Customer and AUA Retention Rates Compound AUA ...

(AUA Breakdown into Net Flow Cohorts and Market Impact, £m)

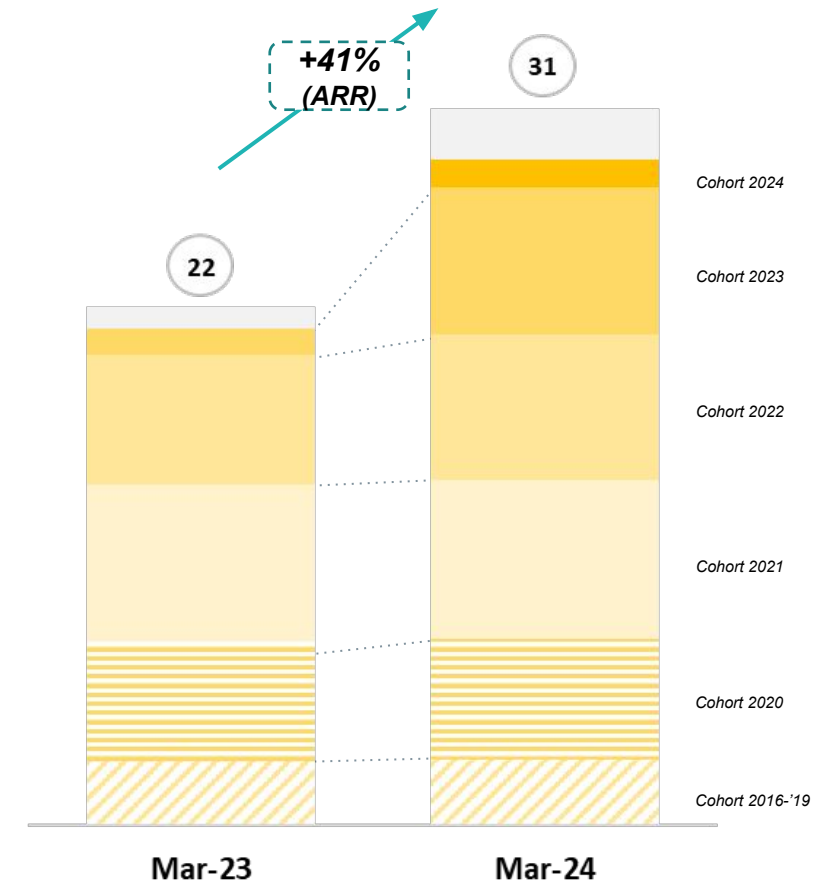
### Retention Statistics

Customer Retention Rate: c.96%  
 AUA Retention Rate: c.96%



## ... and Drive Predictable Revenue

(March Annual Run Rate Revenue<sup>(1)(2)</sup>, £m)

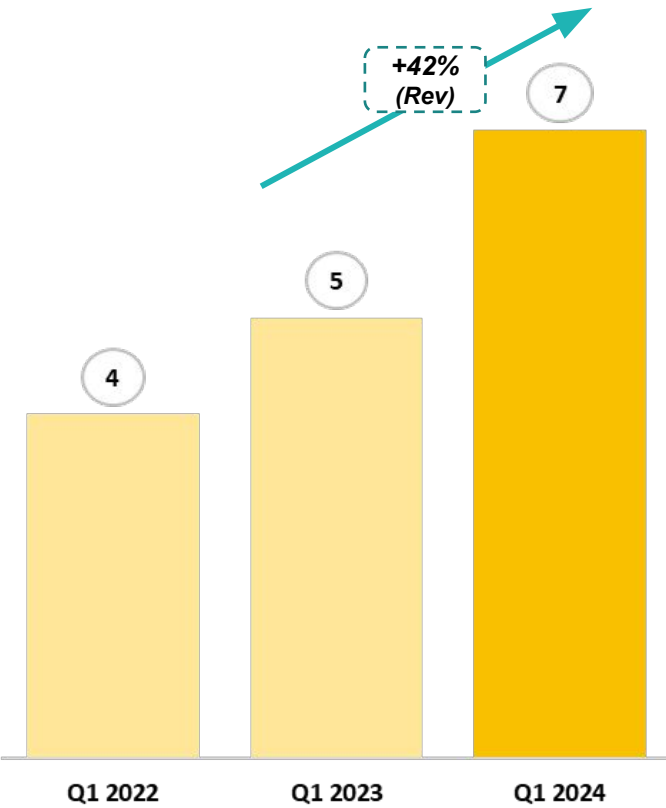


(1) Annual Run Rate (ARR) Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12.  
 (2) Revenue from cohorts approximated through cohort net flows data

# Scalable Cost Base Drives Operating Leverage & Profitability

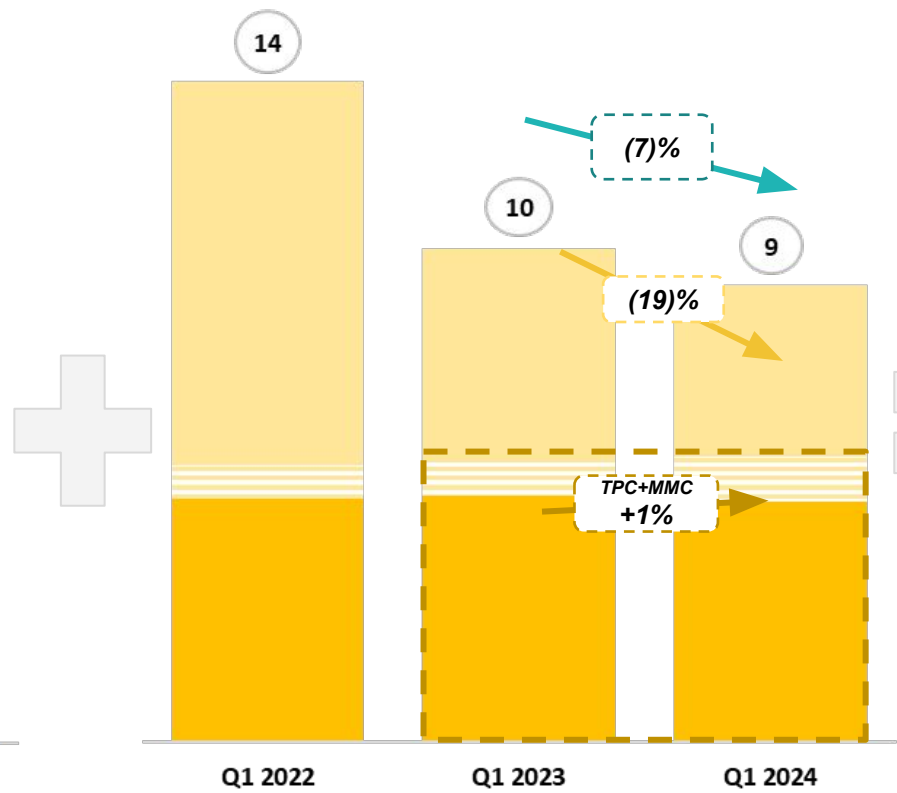
## Predictable Revenue ...

(Over the 3 month period ending Revenue, £m)



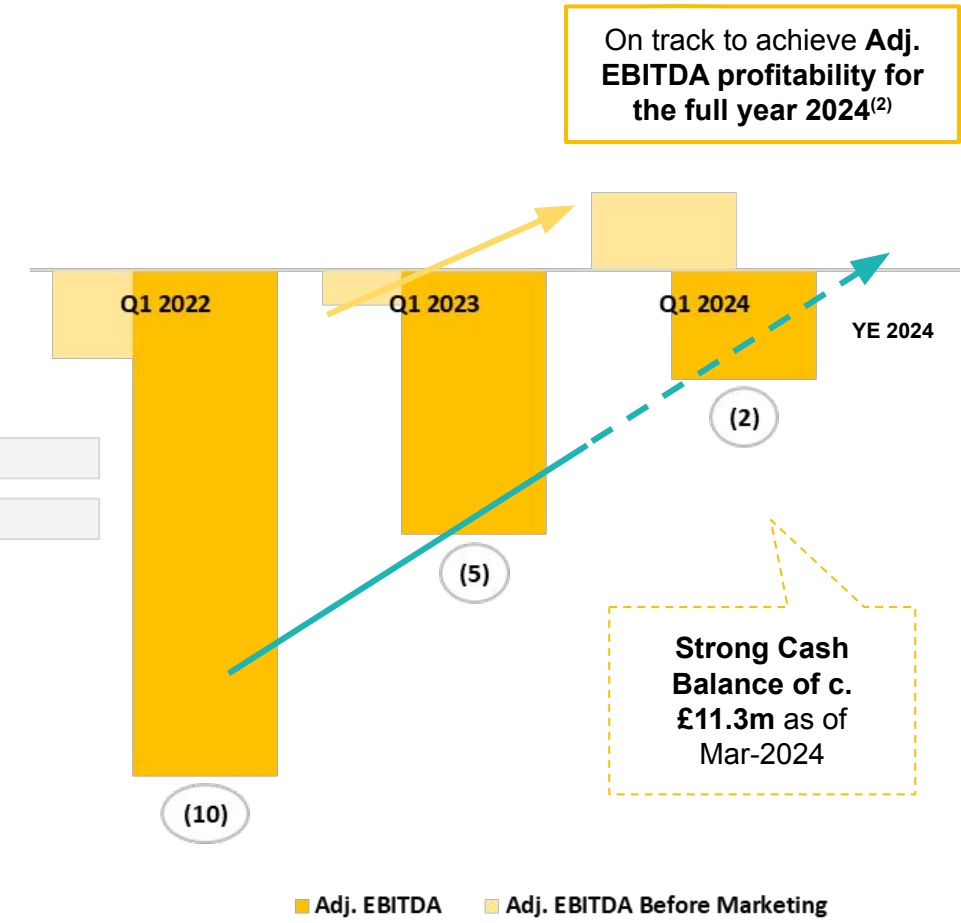
## ... Coupled with Scalable Cost Base ...

(Over the 3 month period ending Cost Base, £m)



## ... Creates Strong Operating Leverage

(Quarterly Adj. EBITDA<sup>(1)</sup>, £m, %)



- Marketing Costs (MC)
- Money Manager Costs (MMC)
- Tech Platform Costs (TPC)

- Adj. EBITDA
- Adj. EBITDA Before Marketing

See glossary for definitions

(1) Adjusted EBITDA is the profit or loss for the period before taxation, finance costs, depreciation, share based compensation and transaction costs.

(2) Guidance refers to PensionBee UK

# Long Term Outlook is Positive

## Objective

## UK Guidance

## Long Term Illustration

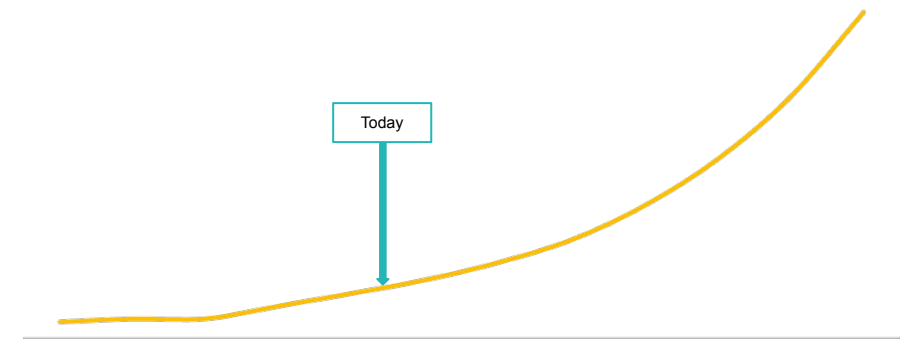
### Revenue

- Aim to deliver **sustained high annual Revenue growth**.
- Continue appealing to the mass market, acquiring more new customers and growing customers' pension balances.
- Our ambition is to pursue a **c.2% market share** of the substantial **£1.2tn UK transferable pensions market** over the next 5-10 years, equivalent to **c.1m Invested Customers** (assuming an average pension pot size of £20,000-£25,000).
- Expect to maintain relative Revenue margin stability, translating into a **long term annual Revenue ambition of c.£150m**.

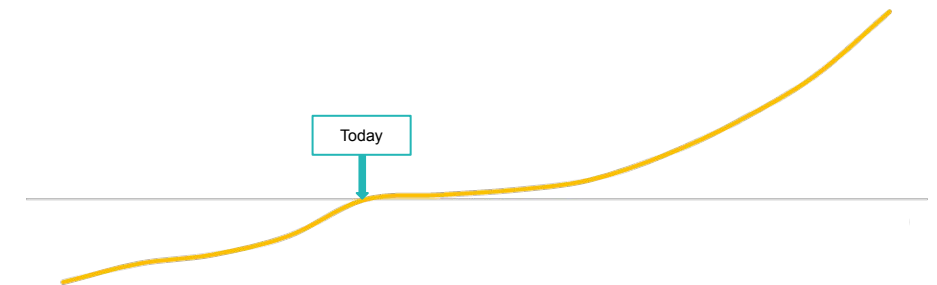
### Profitability

- We are on track to achieve **Adjusted EBITDA<sup>(1)</sup> profitability for the full year 2024**.
- Ambition to achieve **long-term Adjusted EBITDA<sup>(1)</sup> Margins of over 50%**, leveraging the scalability of the technology platform and maintaining our high quality of service.
- Will achieve this by steadily continuing to reduce the Cost per Invested Customer and focusing on the scalability of PensionBee's technology platform through further automation.

### AUA and Revenue



### Adj. EBITDA Margin (%)



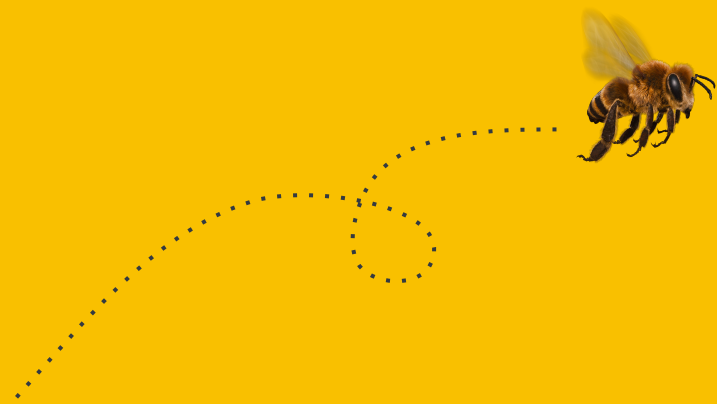
(1) Adjusted EBITDA Margin is defined as earnings for the financial year before taxation, finance costs, depreciation, share based compensation and non-recurring items including transaction costs / Revenue.

(2) All guidance assumes relative market stability.

(3) Guidance refers to PensionBee UK.

(4) £1.2tr UK transferable pensions market is as of 2023 while £722bn reference previously used was as of 2019; as such the increase is driven due to growth over that time period (c.10% CAGR consistent with c.12.5% CAGR in the period before that)

# 3 Conclusion



# Further Updates

- Work on the U.S expansion continues to be on track with our timeline.
- Annual General Meeting on Thursday 16 May 2024.
- Q2 2024 trading update on Wednesday 24 July 2024 (post-market close).
- Interim Results 2024 on Wednesday 28 August 2024.

# Key Investment Highlights



**Leading Online Pension Provider: Solving Genuine Problems for Consumers**

**Enormous DC Pensions Market Underpinned by Structural Growth Drivers presents Mass Market Opportunity**

**Household Brand Name supports Effective, Data-led Marketing Strategy to Acquire Customers**

**Scalable Technology Platform developed over Past Decade underpins Sustainable Competitive Advantage**

**Simple, Long-Term Business Model demonstrates Growth in Recurring Revenue and Margins**

# Q1 2024 Highlights

KPIs		As at Period End		
		Mar-2023	Mar-2024	YoY
AUA	(£m)	3,379	4,857	44%
AUA Retention Rate	(% of AUA)	>95%	>95%	Stable
Invested Customers	('000)	198	240	22%
Customer Retention Rate	(% of IC)	>95%	>95%	Stable
Cost per Invested Customer	(£)	252	244	(3)%
Revenue Margin	(% of AUA)	0.64%	0.64%	Stable

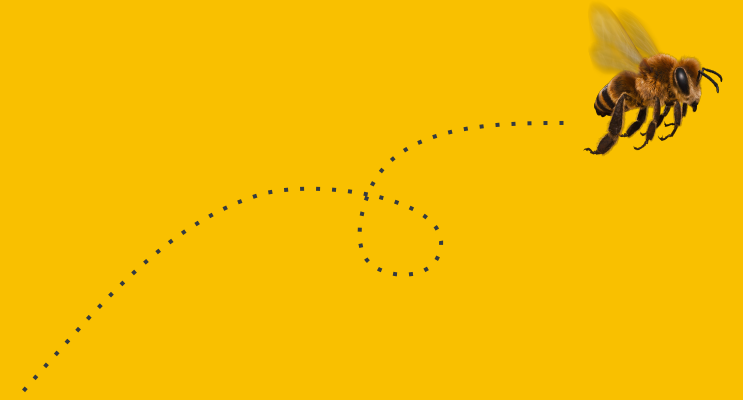
Levels of AUA		Over the 3-month Period Ending		
		Mar-2023	Mar-2024	YoY
<b>Opening AUA</b>	<b>(£m)</b>	<b>3,025</b>	<b>4,350</b>	<b>44%</b>
Gross Inflows	(£m)	297	336	13%
Gross Outflows	(£m)	(64)	(101)	59%
Net Flows	(£m)	233	235	1%
Market Growth and Other	(£m)	121	272	124%
<b>Closing AUA</b>	<b>(£m)</b>	<b>3,379</b>	<b>4,857</b>	<b>44%</b>

Financials		Over the 3-month Period Ending		
		Mar-2023	Mar-2024	YoY
Revenue	(£m)	5	7	42%
Cost Base	(£m)	(10)	(9)	(7)%
Adjusted EBITDA	(£m)	(5)	(2)	59%
Adjusted EBITDA Margin	(% of Revenue)	(98)%	(28)%	69ppt

Financials		Over a Trailing 12-month Period Ending		
		Mar-2023	Mar-2024	YoY
LTM Revenue	(£m)	19	26	38%
LTM Adjusted EBITDA	(£m)	(15)	(5)	65%
LTM Adjusted EBITDA Margin	(% of Revenue)	(79)%	(20)%	59ppt

All figures unaudited and as at 31 March 2024. See glossary for definitions.  
(1) ppt is the absolute change in percentage



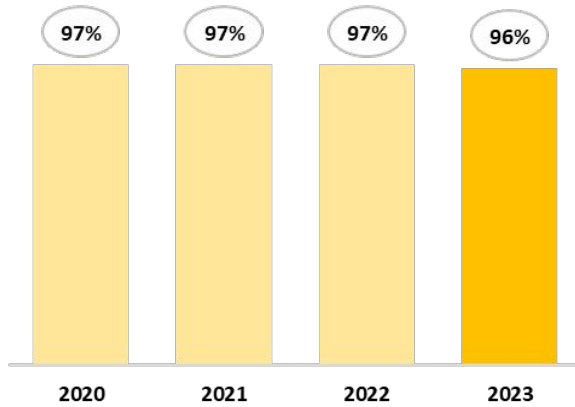


# 4 Appendix

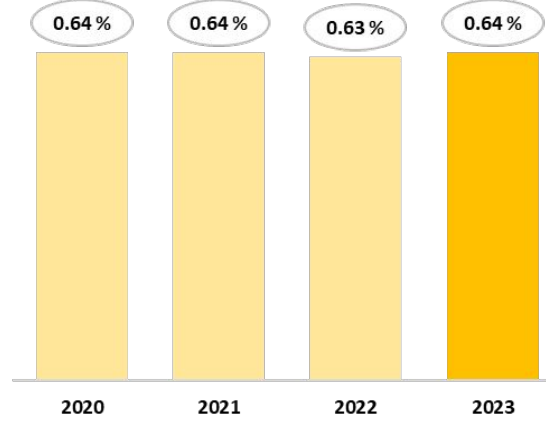
# Scalability Drives Operating Leverage & Visibility on Profitability

Recurring & Predictable Revenue ...

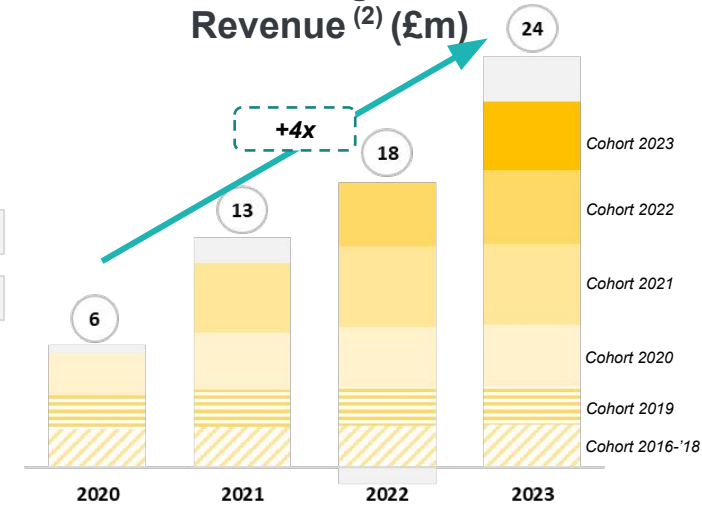
High Retention Rate<sup>(1)</sup> (%) ...



... Combined with Consistent Revenue Margin (%) ...

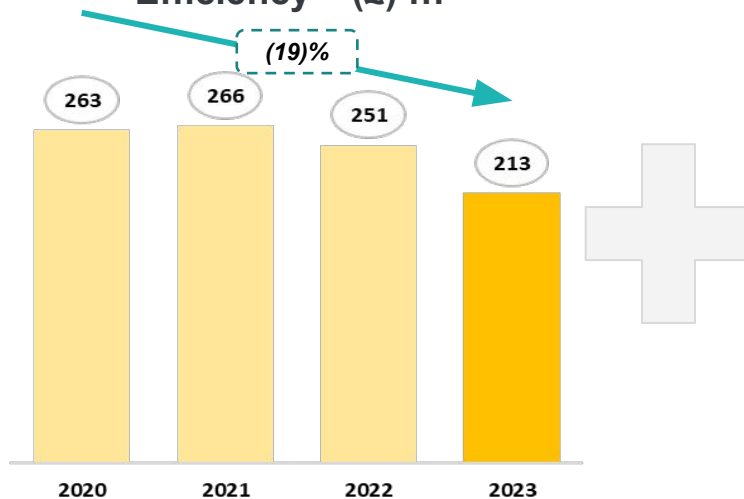


... Creates Recurring and Predictable Revenue<sup>(2)</sup> (£m)

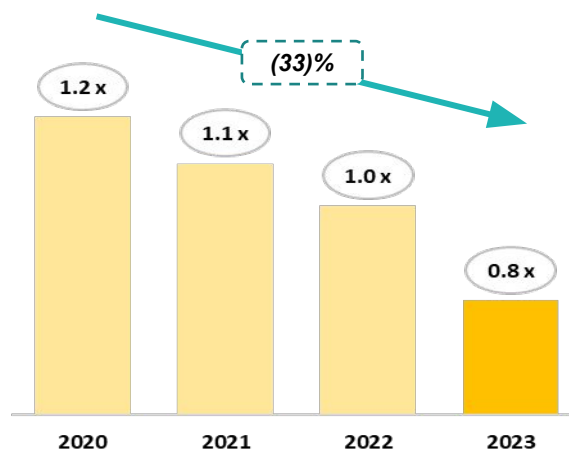


... Coupled with Cost Control on Technology Platform Creates Margin Expansion & Forward Visibility on Profitability

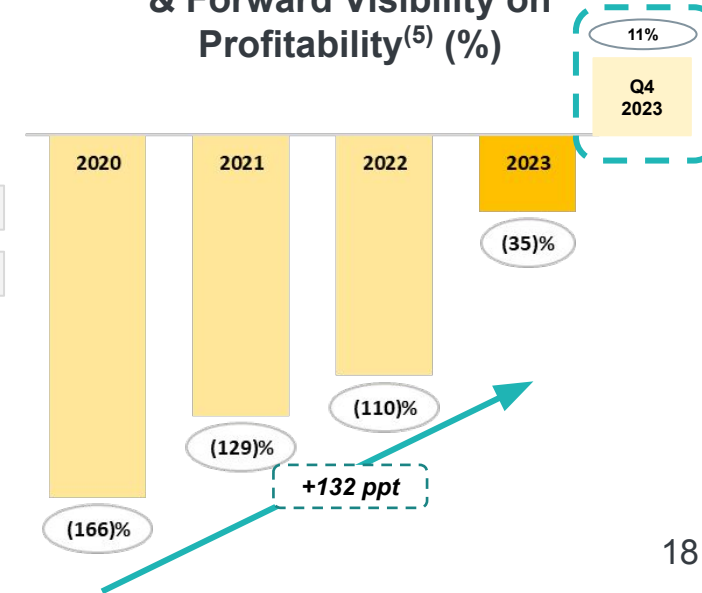
Increased Marketing Efficiency<sup>(3)</sup> (£) ...



... Combined with Scalable Technology Platform<sup>(4)</sup> (x) ...



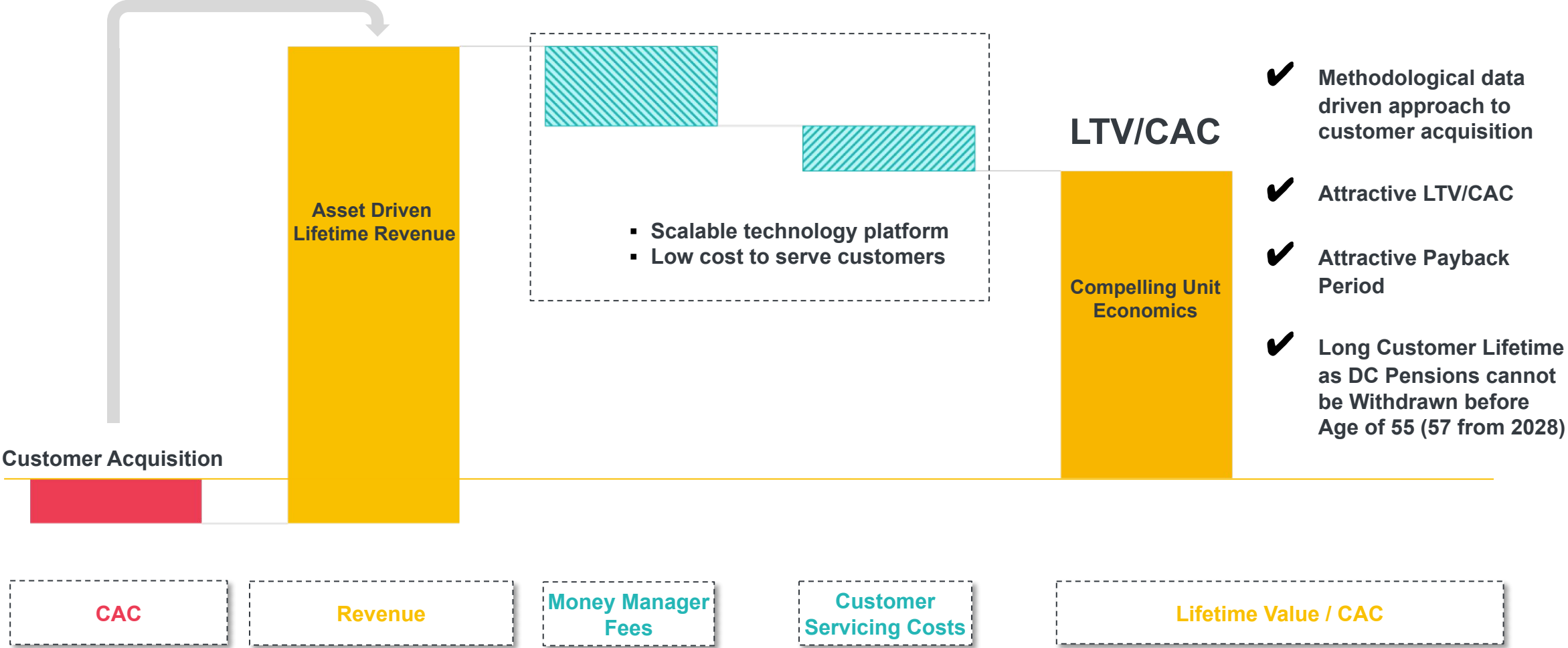
... Leading to Margin Expansion & Forward Visibility on Profitability<sup>(5)</sup> (%)



(1) Customer retention rate  
 (2) Revenue from cohorts approximated through cohort net flows data  
 (3) In-Period CPIC

(4) Technology platform and other operating expenses as a multiple of revenue  
 (5) Margin expansion: Adjusted EBITDA as a % of revenue

# Illustrative Unit Economics Demonstrate Attractive Returns



# Scalable Technology Platform Generates Operating Leverage

KPI & Financials	Over the 3-month Period Ending			YoY (Q1 2023 to Q1 2024)	Drivers
	Q1 2022	Q1 2023	Q1 2024		
<b>Assets under Administration</b>	£2,747m	£3,379m	£4,857m	+44%	Drivers of AUA and embedded growth include: (i) efficient customer acquisition driven by strong brand awareness (ii) retention rate >95% and (iii) continued strong Net Flows
<b>Total Revenue</b>	£4.0m	£5.2m	£7.4m	+42%	Revenue driven by recurring nature and robustness of underlying AUA and stable revenue margin
<i>Revenue Margin</i>	0.64%	0.64%	0.64%	stable	<i>Revenue Margin reflects demand for customer value proposition</i>
<b>Operating Costs (excl. Marketing)</b>	£(5.7)m	£(5.9)m	£(5.9)m	+1%	Scalable technology platform generates operating leverage over time
<i>of which Money Manager Fees</i>	£(0.7)m	£(0.8)m	£(0.9)m	+23%	<i>Money Manager costs are variable costs and remained within consistent range</i>
<i>of which Tech Platform &amp; Others</i>	£(5.0)m	£(5.1)m	£(5.0)m	(3)%	<i>Scalability of platform demonstrated thanks to automation and customer self-service features</i>
<b>Advertising and Marketing</b>	£(8.0)m	£(4.4)m	£(3.6)m	(19)%	Improvement in marketing efficiency drives future long-term recurring revenue growth
<b>Adj. EBITDA Margin</b>	£(9.7)m (238)%	£(5.1)m (98)%	£(2.1)m (28)%	59%	As a result of recurring revenue and its scalable technology platform, PensionBee is well positioned to drive long term operating leverage

# Glossary

<b>Adjusted EBITDA</b>	Adjusted EBITDA is the profit or loss for the period before taxation, finance costs, depreciation, share based compensation and transaction costs.
<b>Adjusted EBITDA Margin</b>	Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of Revenue for the relevant period.
<b>Annual Run Rate (ARR)</b>	Revenue Annual Run Rate (ARR) Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12.
<b>Assets under Administration (AUA)</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.
<b>AUA Retention Rate (% of AUA)</b>	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.
<b>Cost Base</b>	Cost Base is the total operating costs, including Money Manager Costs, Advertising and Marketing Expenses and Technology Platform Costs & Other Operating Expenses, for the relevant period.
<b>Cost per Invested Customer (CPIC)</b>	Cost per Invested Customer (CPIC) means the cumulative advertising and marketing costs incurred since PensionBee commenced operations 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.
<b>Customer Retention Rate(% of IC)</b>	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.
<b>Invested Customers (IC)</b>	Invested Customers (IC) means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
<b>Revenue</b>	Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA and is recurring in nature, together with a minor revenue contribution from other services.
<b>Revenue Margin</b>	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.

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