



# Q2 2024 Results Presentation

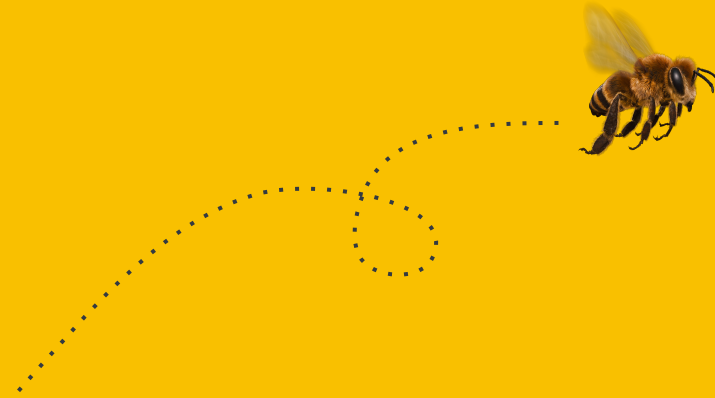
For the period ended 30 June 2024



# Agenda

- 1 Strategic Update
- 2 Financial Update
- 3 Appendix

# 1 Strategic Update



# Q2 2024 Summary: Creating a Global Leader in the Consumer Retirement Market

## United Kingdom

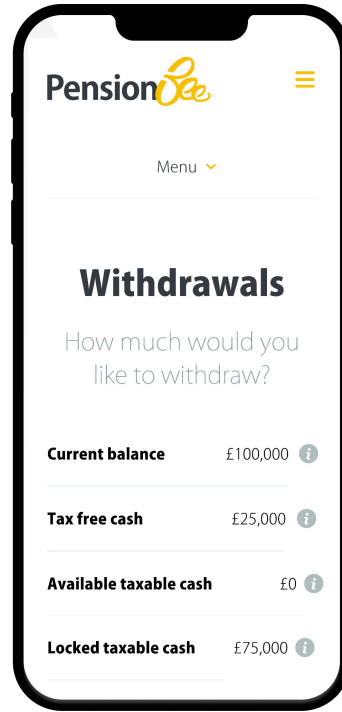
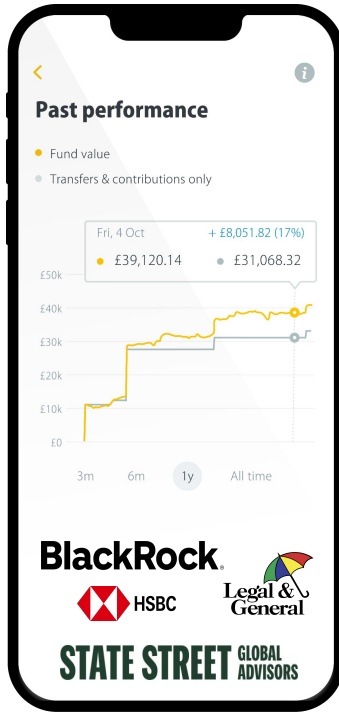
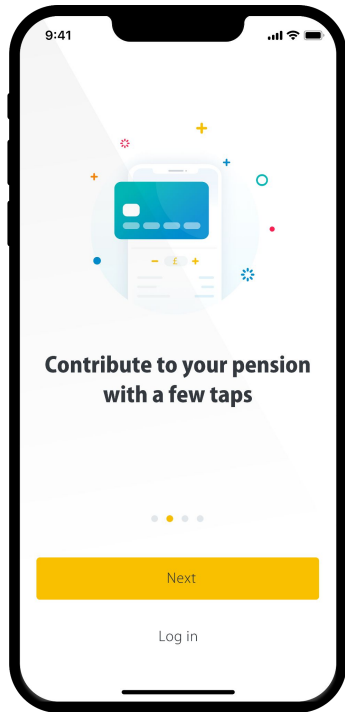
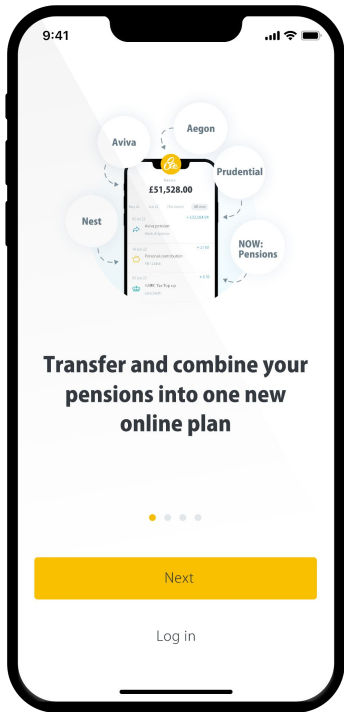
- 1 PensionBee achieved significant growth, with **Assets under Administration of £5.2 billion** (40% YOY growth), **Annual Run Rate Revenue of £32m** (39% YOY growth) and **252,000 Invested Customers** (19% YOY growth).
- 2 Our data-led marketing approach, combined with our household brand name, enabled us to **reduce our Cost per Invested Customer** (£242 at H1 2024 vs. £247 at H1 2023). Each £1 of marketing expenditure generated £82 of net flows in H1 2024, an increase of 20% YOY (H1 2023: £69).
- 3 We continued to delight our customers with excellent customer service and new product initiatives, as reflected in our **4.7★ TrustPilot score** and **96% retention rate** (Invested Customers and Assets Under Administration).
- 4 As a result of growing revenue, effective cost control and increasing productivity, we achieved **positive Adjusted EBITDA<sup>(1)</sup>** for PensionBee Group in Q2 2024 and reaffirm our expectation of achieving Adjusted EBITDA profitability in the UK for the full year 2024.

## United States

- 5 PensionBee announced the **launch of its US business (PensionBee Inc.) in partnership with one of our long-standing asset management providers, State Street Global Advisors (State Street)**. State Street will provide asset management expertise and meaningful marketing support under a long-term strategic agreement.
- 6 Similar to our operations and value proposition in the UK, PensionBee Inc. enables consumers to roll over 401(k)'s into a new Individual Retirement Account (IRA). PensionBee Inc. is **registered with the Securities and Exchange Commission** as an investment adviser.

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

# Leading Online Pension Provider in the UK: Continuing our Rapid Growth While Providing an Excellent Service



**Award-winning offering**

★ Trustpilot 4.7 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

**£5.2bn**  
Assets under Administration  
June 2024  
**+40% YoY**

**252k**  
Invested Customers  
June 2024  
**+19% YoY**

**£32m**  
Annual Run Rate  
Revenue  
**+39% YoY**

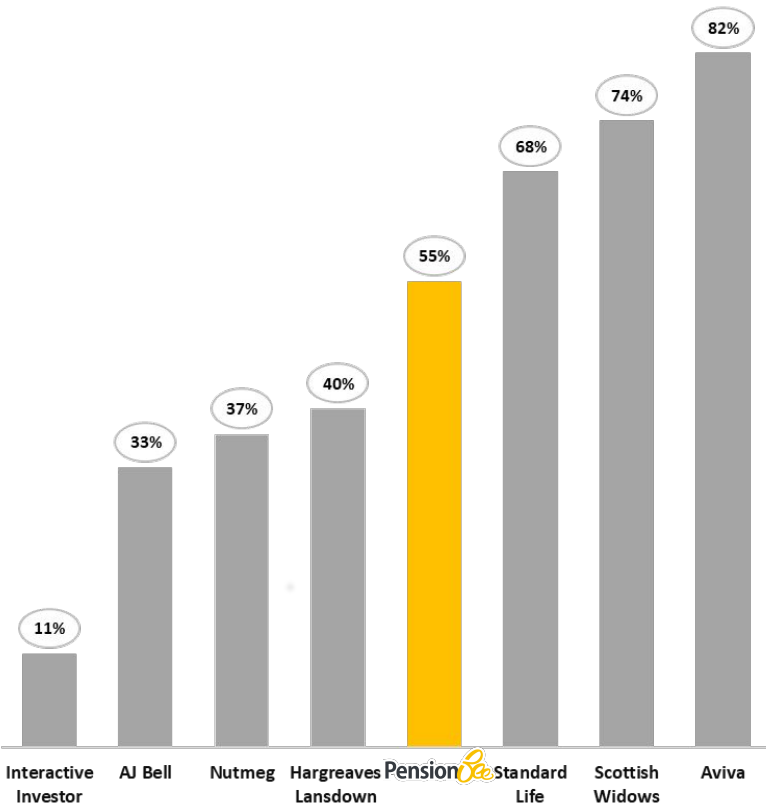
**>95%**  
Customer Retention  
June 2024  
**Stable**

\*All figures as at 30 June 2024

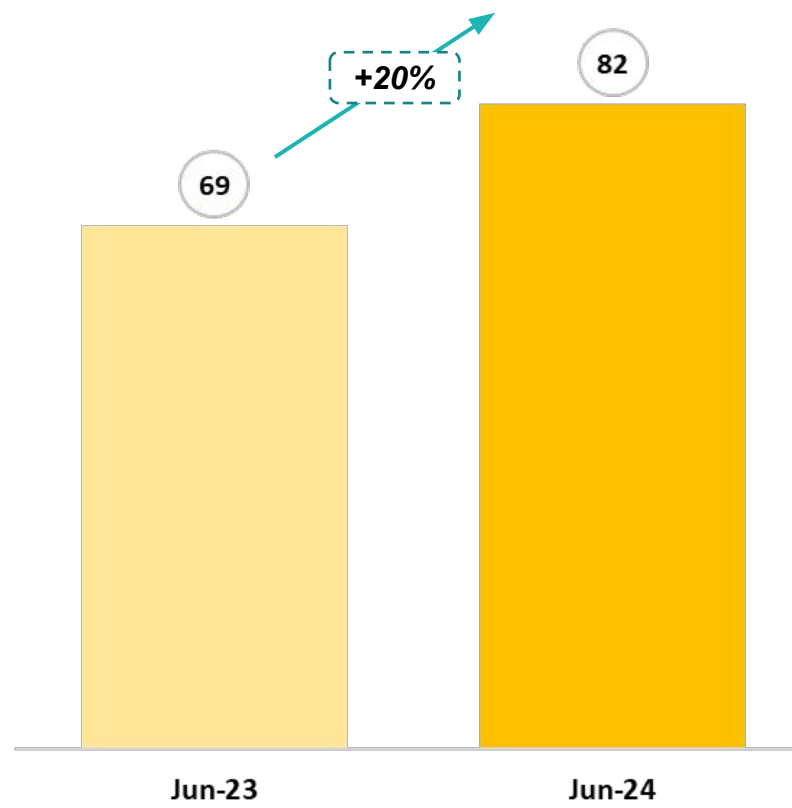
(1) Trustpilot score of 4.7★ out of 5 (based on 10,920 reviews) recorded 11 July 2024.

# Household Brand and Data-Led Marketing Strategy Enables PensionBee to Continue Growing Efficiently

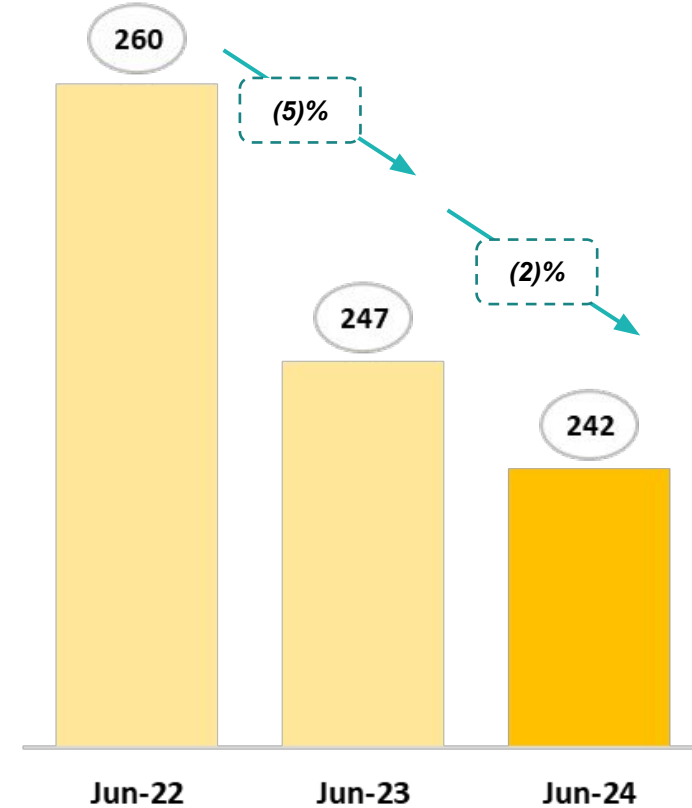
Cumulative Marketing Spend of £61 million has Supported PensionBee's Household Brand Name<sup>(1)</sup>



Increasing Net Flows per £1 of Marketing Expenditure<sup>(2)</sup>



Cumulative CPIC Continues to Decline<sup>(3)</sup>



(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 Net Flows over the relevant period divided by Cumulative Marketing spend over the relevant period.  
 (3) 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 c.£61 million cumulative marketing expenditure since FY2015.

# Technology Platform Enables Personalised Customer Service, Product Innovation and Operating Leverage

## Excellent, Personalised Customer Service Continues to Differentiate PensionBee

★★★★★ Verified 11 Jun 2024

**I would highly recommend PensionBee**  
I would highly recommend PensionBee, they are very helpful and professional, they have made my experience great and I am very happy to be with them

**Excellent Trustpilot Rating**  
4.7★ out of 5<sup>(1)</sup>

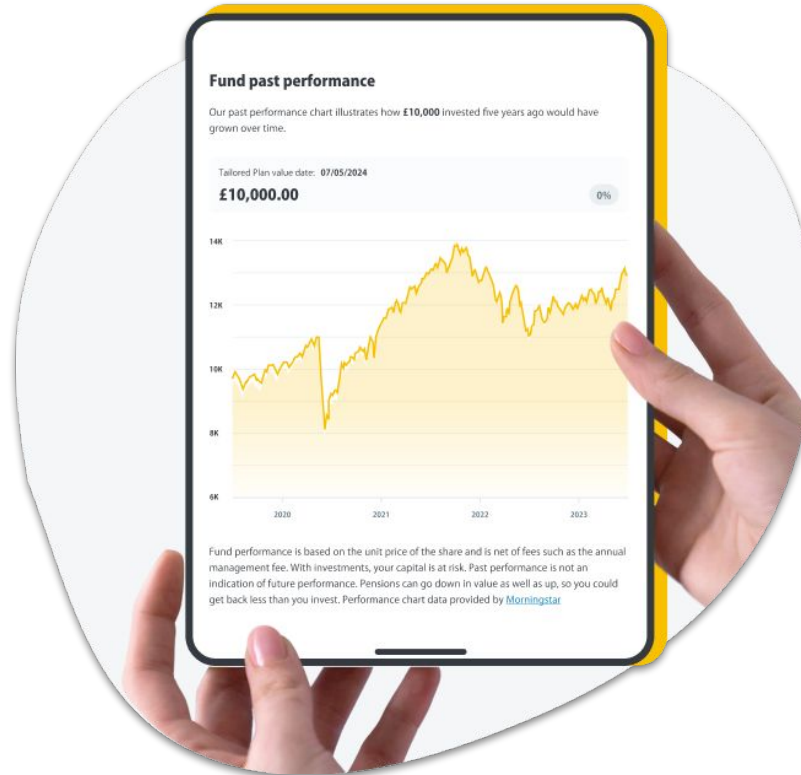
★★★★★

**53seconds**  
Average phone line waiting time  
(of 12,757 phone calls in Q2 2024)

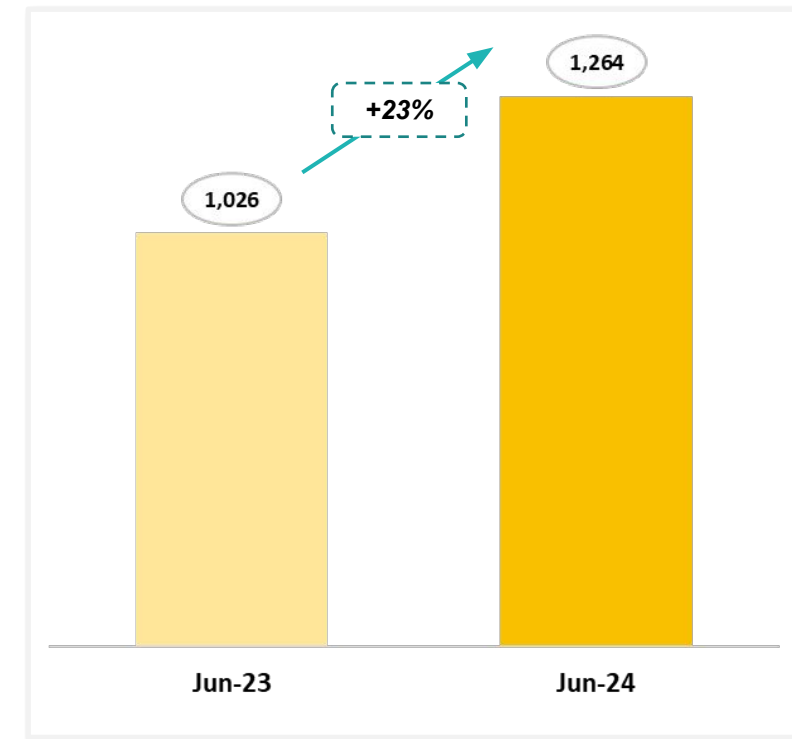
**13seconds**  
Average live chat waiting time  
(of 4,388 live chats in Q2 2024)

**84%**  
Email cases closed within <72 hours  
(of 51,482 emails in Q2 2024)

## Product Innovation Enables Engagement and Encourages Contributions



## Invested Customers / FTE Continue to Rise Owing to Scalable Technology<sup>(2)</sup>



(1) Trustpilot score of 4.7★ out of 5 (based on 10,920 reviews) recorded 11 July 2024.

(2) Invested Customers per Staff Member calculated using LTM average for total workforce. Management information as at 30 June 2024.

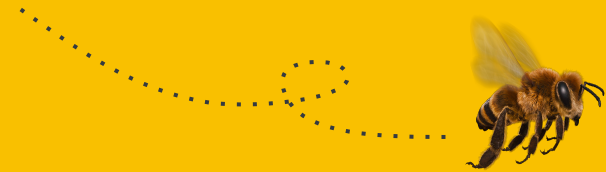
# US Update

- 1** PensionBee announced the **launch of its US business (PensionBee Inc.) in partnership with our long-standing asset management provider, State Street Global Advisors (State Street)**. The US Defined Contribution pension market represents approximately 80% of the global total and \$22.5tr in assets.<sup>(1)</sup>
- 2** PensionBee will **deploy its award-winning online retirement proposition and proprietary technology**, enabling US consumers to easily consolidate and roll over their 401(k) plans and Individual Retirement Accounts (IRAs) into one new PensionBee IRA. PensionBee Inc. is **registered with the Securities and Exchange Commission (SEC)** as an investment adviser, enabling the company to operate federally and statewide without additional registrations.
- 3** PensionBee Inc. offers a range of investment portfolio options, with underlying State Street model portfolios. Each investment portfolio is constructed exclusively with **Exchange Traded Funds (ETFs) managed by State Street**.
- 4** The PensionBee **IRA will be offered under a wrap fee program**, including the PensionBee advisory service, asset allocation and management fees and custody fees. The overall cost will be 0.85% of assets under management, of which PensionBee will retain approximately 0.55% after asset allocation, investment product and custody costs. The average account balance is expected to be approximately \$50,000.
- 5** State Street will provide meaningful marketing support to PensionBee as the Company uses its data-led, multi-channel customer acquisition approach to attract new customers. Under the terms of the agreement with State Street, the **annual amount of the marketing support is variable based on the achievement of certain net new asset thresholds**. For example, marketing support is anticipated to be **\$2m in 2024 and in 2025 the support will be at least \$4m**. Marketing support is expected to continue for 5-7 years. PensionBee expects a US Cost per Invested Customer of similar proportions to its UK business over time.
- 6** PensionBee Inc. is a wholly owned subsidiary of PensionBee. **PensionBee Inc. is financially managed separately** to PensionBee Group's UK business. PensionBee Inc. is separately regulated by the SEC. PensionBee Group will capitalise PensionBee Inc. with an injection from the existing resources of its Group balance sheet (approximately \$4m over 36 months).
- 7** PensionBee expects its **US business to grow rapidly**, aiming to manage **\$20-25bn in US Defined Contribution assets over the next decade**, such that it becomes of equal importance to its growing UK business. PensionBee Inc. is **targeting profitability in the medium-term**.

(1) Investment Company Institute, "Release: Quarterly Retirement Market Data" as at 13 December 2023. Includes the sum of DC Plans and IRAs.



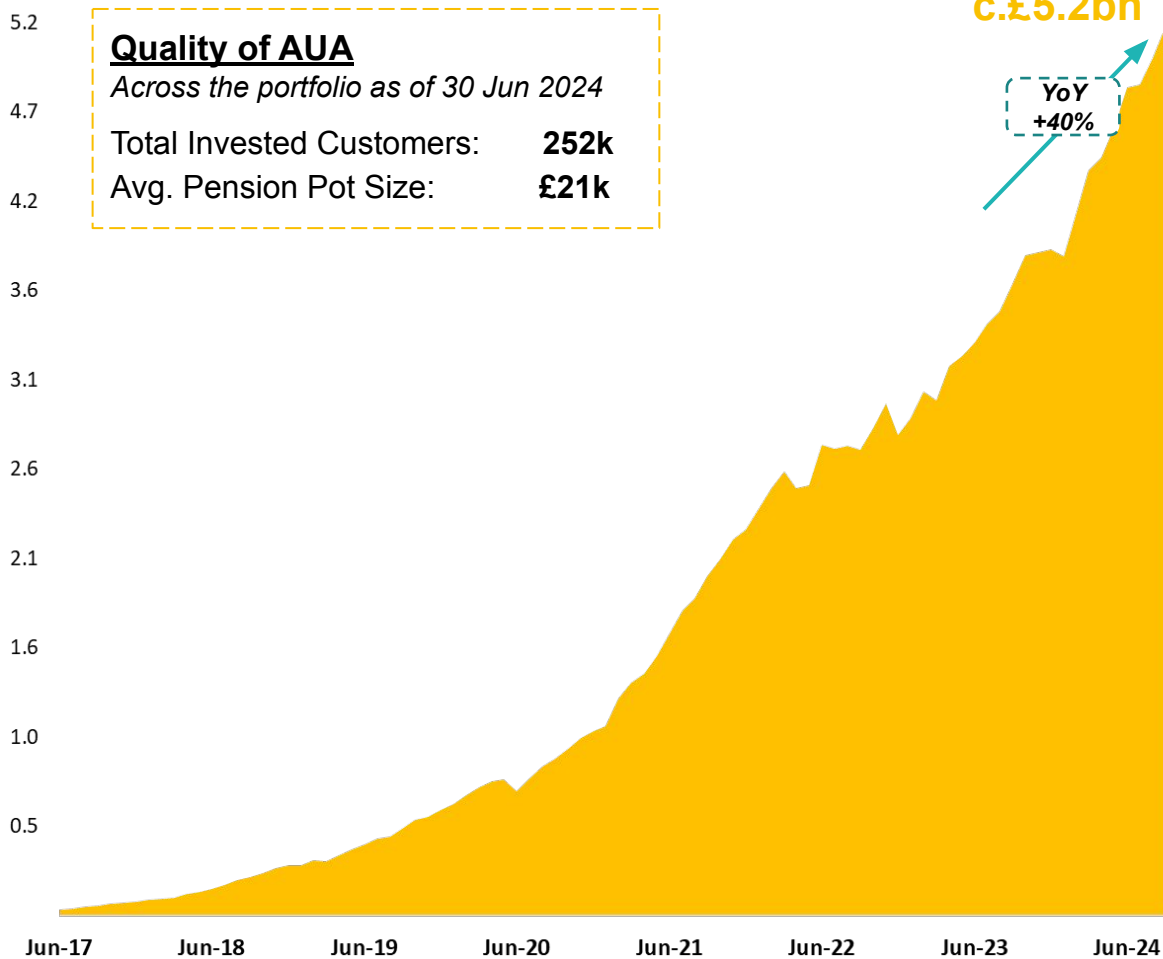
# 2 Financial Update



# Strong Growth in YTD AUA of >£0.8bn

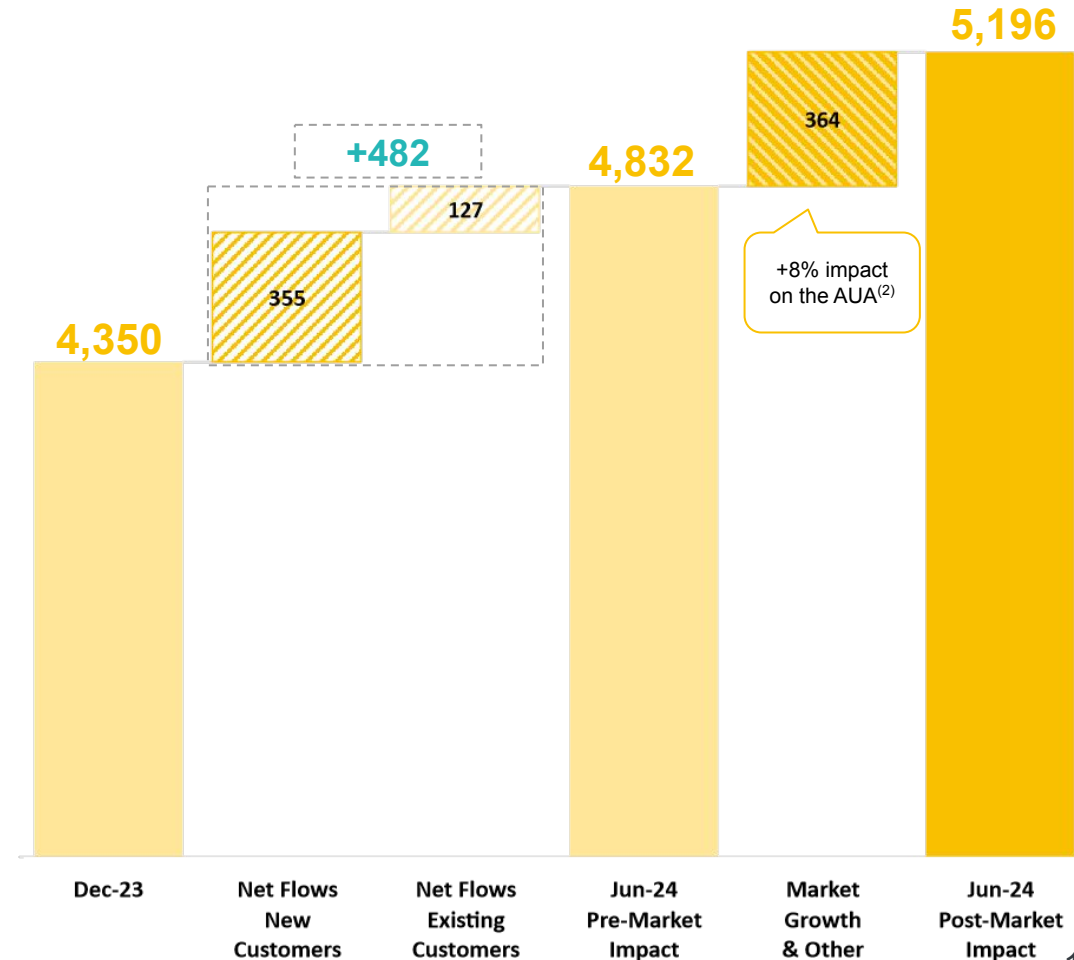
## Long Term Compounding AUA Reaching c.£5.2bn as of Q2 2024

(AUA, £bn)



## Strong Net Flows from New and Existing Customers<sup>(1)</sup> & Supportive Markets Grew AUA by >£0.8bn

(Net Flows, £m)



(1) New Customers refers to customers acquired between 1 January and 30 June 2024 while Existing Customers refers to customers acquired between 2016 and 2023.

(2) The market impact on the AUA is based on average of the beginning of period AUA and (pre-market impacted) end of period AUA, total Market impact over 2024 was £364m.

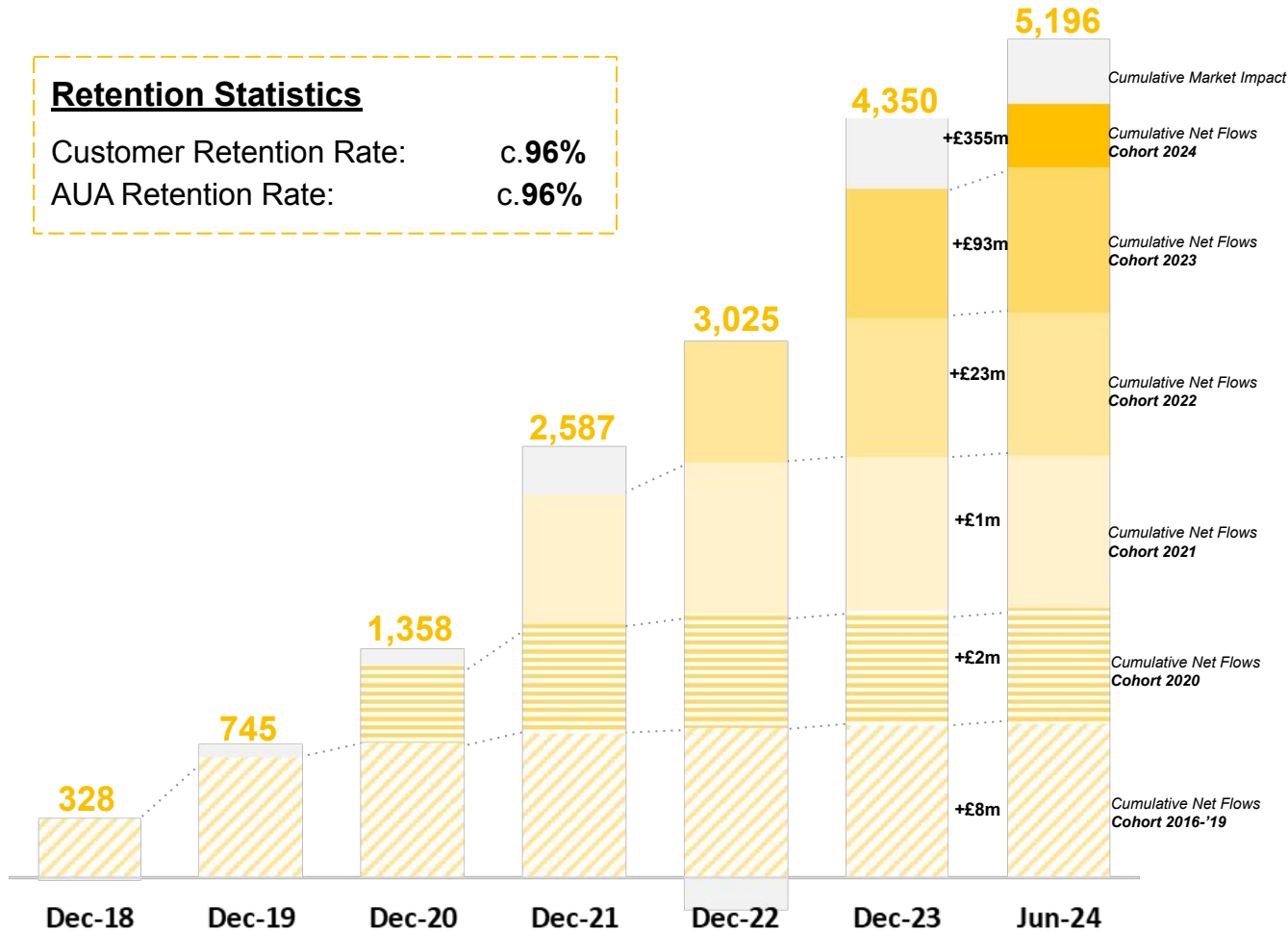
# Strong Retention Drives AUA & Predictable Revenue

## High Customer and AUA Retention Rates Support Compounding AUA ...

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

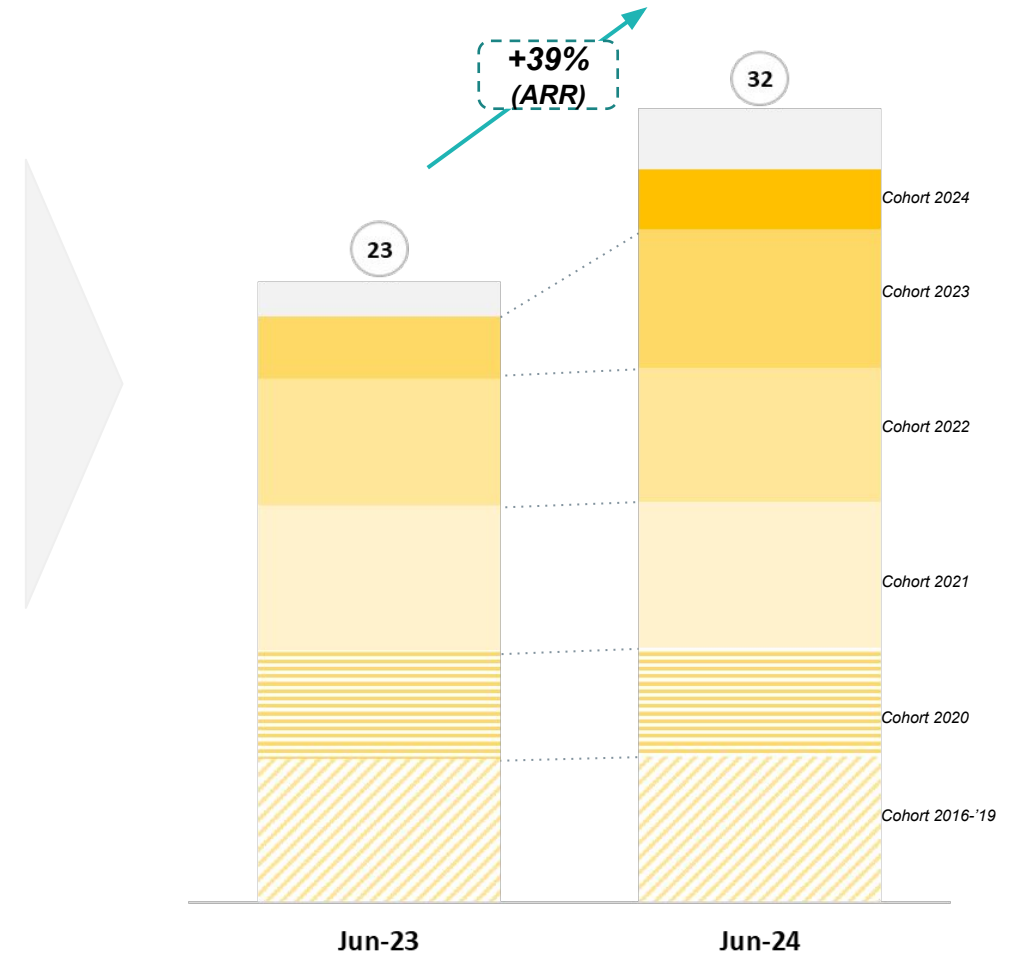
### Retention Statistics

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



## ... and Drive Predictable Revenue

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

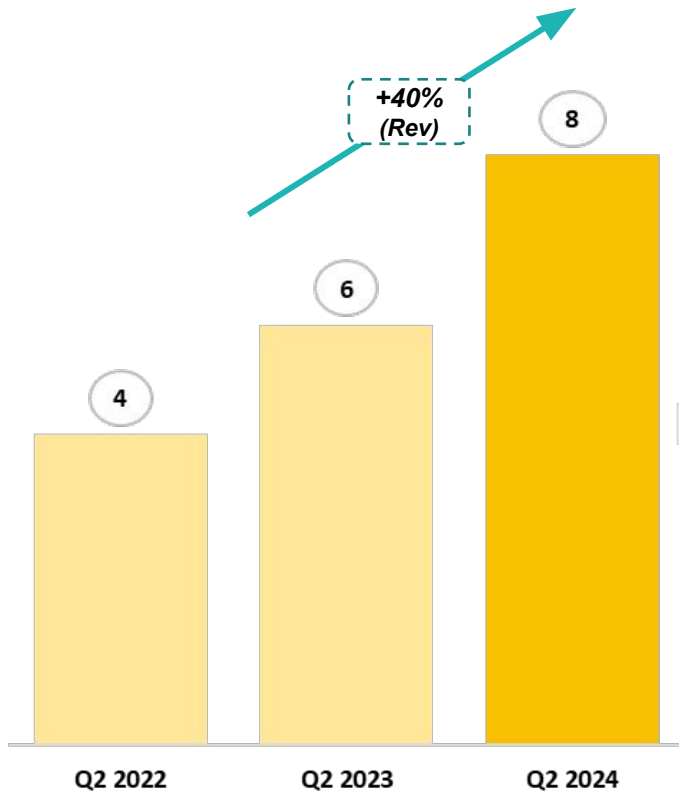


(1) Annual Run Rate (ARR) Revenue is calculated using the recurring Revenue for the relevant month multiplied by 12.  
 (2) Revenue from cohorts approximated through cohort net flows data

# Scalable Cost Base Drives Operating Leverage & Profitability

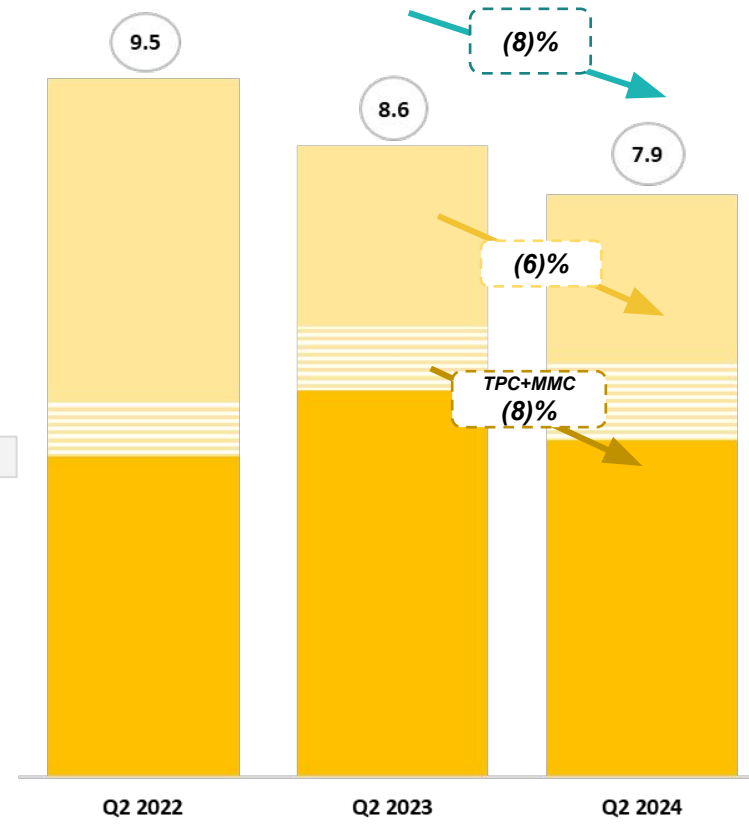
## Predictable Revenue ...

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



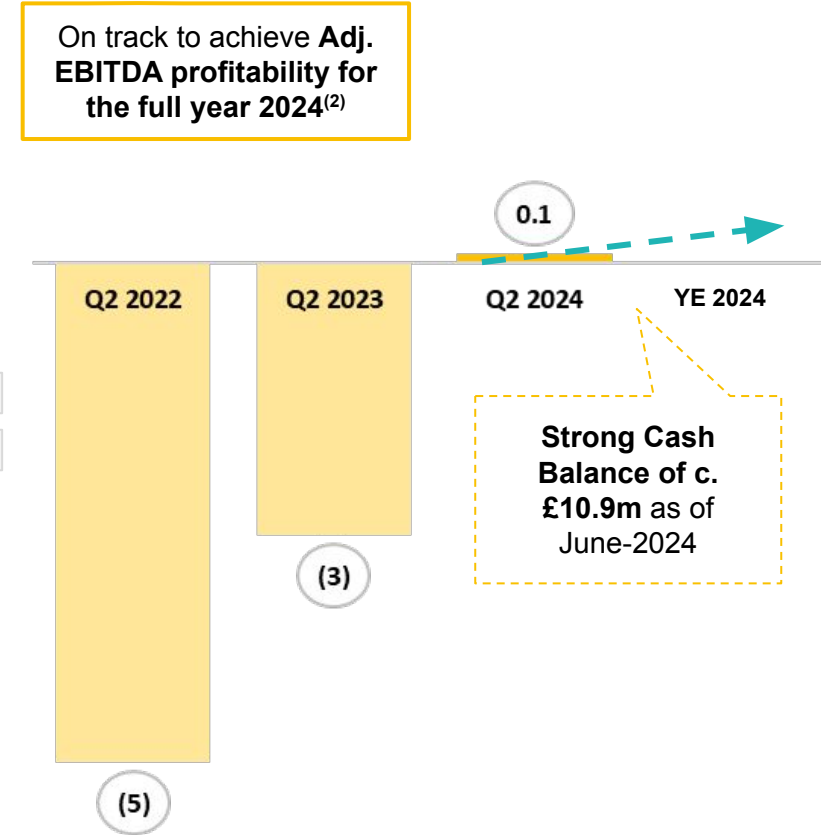
## ... Coupled with a Efficient Cost Base ...

(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)

(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, which was profitable alongside PensionBee group for Q2.

# Long Term Outlook is Positive

Objective	UK Guidance <sup>(1)(2)</sup>
Revenue	<ul style="list-style-type: none"> <li>Aim to deliver <b>sustained and high Revenue growth</b> by continuing to appeal to the mass market, acquiring more new customers and growing customers' pension balances.</li> <li>Pursue a <b>c.2% market share</b> of the <b>£1.2tr<sup>(3)</sup> UK transferable pensions market</b> over the next 5-10 years, equivalent to c.1m Invested Customers (assuming an average pension pot size of £20,000-25,000).</li> <li>Expect to maintain relative Revenue margin stability, translating into a <b>long-term Revenue ambition of c.£150m</b> in the UK.</li> </ul>
Profitability	<ul style="list-style-type: none"> <li>On track to achieve <b>Adjusted EBITDA profitability for the full year 2024</b>.</li> <li>Ambition to achieve <b>long-term EBITDA Margins of over 50%</b>, leveraging the scalability of the technology platform, through further automation while maintaining the high quality of service, and by steadily continuing to reduce the Cost per Invested Customer.</li> </ul>

## Long Term Illustration



(1) Guidance refers to PensionBee UK.

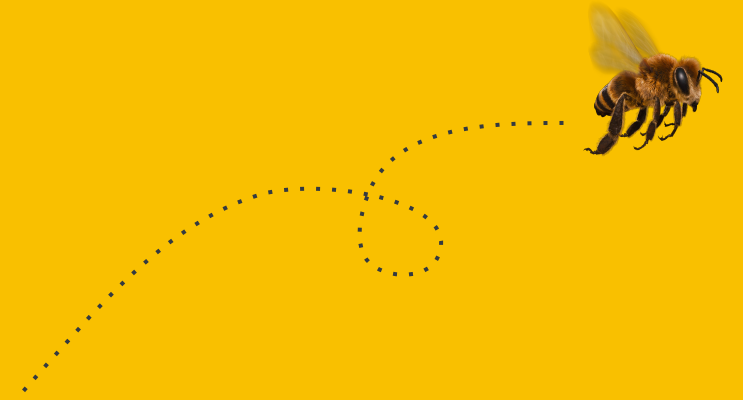
(2) All guidance assumes relative market stability.

(3) £1.2tr UK transferable pensions market is as of 2023 while the £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).

(4) 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.

# Future Updates

- Interim Results 2024 on Wednesday 28 August 2024 (post-market close)
- Capital Markets Day on Tuesday 1 October 2024 (hosted in New York, London and virtually)
- Q3 2024 Trading Update on Wednesday 23 October 2024 (post-market close)



# 3 Appendix

# 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**



# Group Financial Summary Q2 2024

KPIs		As at Period End		
		Jun-2023	Jun-2024	YoY
AUA	(£m)	3,704	5,196	40%
AUA Retention Rate	(% of AUA)	>95%	>95%	Stable
Invested Customers	('000)	211	252	19%
Customer Retention Rate	(% of IC)	>95%	>95%	Stable
Cost per Invested Customer	(£)	247	242	(2)%
Revenue Margin	(% of AUA)	0.65%	0.64%	Stable
Annual Run Rate Revenue	(£m)	23	32	39%
LTM Revenue	(£m)	20	28	40%
Levels of AUA		Over the 6-month Period Ending		
		Jun-2023	Jun-2024	YoY
<b>Opening AUA</b>	<b>(£m)</b>	<b>3,025</b>	<b>4,350</b>	<b>44%</b>
Gross Inflows	(£m)	612	695	14%
Gross Outflows	(£m)	(143)	(214)	49%
Net Flows	(£m)	469	482	3%
Market Growth and Other	(£m)	210	364	74%
<b>Closing AUA</b>	<b>(£m)</b>	<b>3,704</b>	<b>5,196</b>	<b>40%</b>
Financials		Over the 3-month Period Ending		
		Jun-2023	Jun-2024	YoY
Revenue	(£m)	6	8	40%
Cost Base	(£m)	(9)	(8)	(8)%
Adjusted EBITDA	(£m)	(3)	0.1	n/m
Adjusted EBITDA Margin	(% of Revenue)	(50)%	1%	52ppt*
Financials		Over the 6-month Period Ending		
		Jun-2023	Jun-2024	YoY
Revenue	(£m)	11	15	41%
Cost Base	(£m)	(19)	(17)	(8)%
Adjusted EBITDA	(£m)	(8)	(2)	75%
Adjusted EBITDA Margin	(% of Revenue)	(73)%	(13)%	60ppt*

All figures unaudited and as at 30 June 2024. See glossary for definitions.  
\*ppt is the absolute change in percentage points

# Scalable Technology Platform Generates Operating Leverage

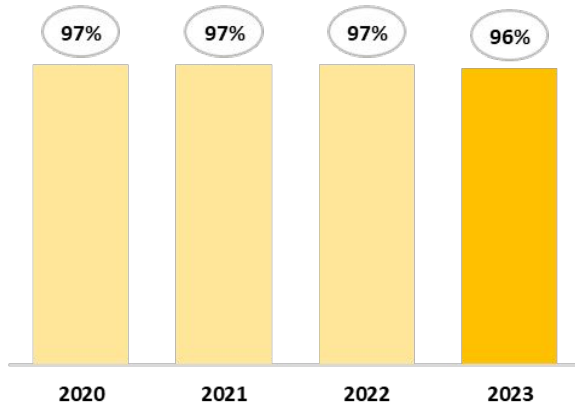
KPI & Financials	Over the 6-month Period Ending			YoY (Jun-23 to Jun-24)	Drivers
	June 2022	June 2023	June 2024		
<b>Assets under Administration</b>	£2,676m	£3,704m	£5,196m	<b>+40%</b>	Drivers of AUA and embedded growth include: (i) efficient customer acquisition driven by strong brand awareness (ii) retention rate >95% and (iii) continued strong Net Flows
<b>Total Revenue</b>	£8.3m	£10.9m	£15.4m	<b>+41%</b>	Revenue driven by recurring nature and robustness of underlying AUA and stable revenue margin
<i>Revenue Margin</i>	0.63%	0.65%	0.64%	stable	<i>Revenue Margin reflects demand for customer value proposition</i>
<b>Operating Costs (excl. Marketing)</b>	£(10.8)m	£(12.0)m	£(11.5)m	<b>(4)%</b>	Scalable technology platform generates operating leverage over time
<i>of which Money Manager Fees</i>	£(1.4)m	£(1.6)m	£(2.0)m	+22%	<i>Money Manager costs are variable costs and remained within consistent range</i>
<i>of which Tech Platform &amp; Others</i>	£(9.4)m	£(10.3)m	£(9.5)m	(8)%	<i>Scalability of platform demonstrated thanks to automation and customer self-service features</i>
<b>Advertising and Marketing</b>	£(12.4)m	£(6.8)m	£(5.8)m	<b>(14)%</b>	Improvement in marketing efficiency drives future long-term recurring revenue growth
<b>Adj. EBITDA Margin</b>	£(14.9)m (181)%	£(7.9)m (73)%	£(2.0)m <sup>(1)</sup> (13)%	<b>75%</b>	As a result of recurring revenue and its scalable technology platform, PensionBee is well positioned to drive long term operating leverage

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

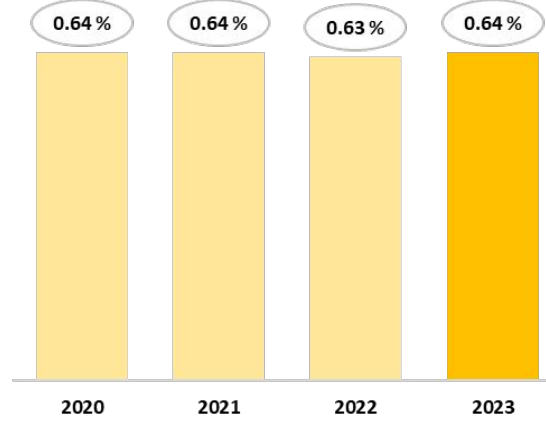
# Scalability Drives Operating Leverage & Visibility on Profitability

Recurring & Predictable Revenue ...

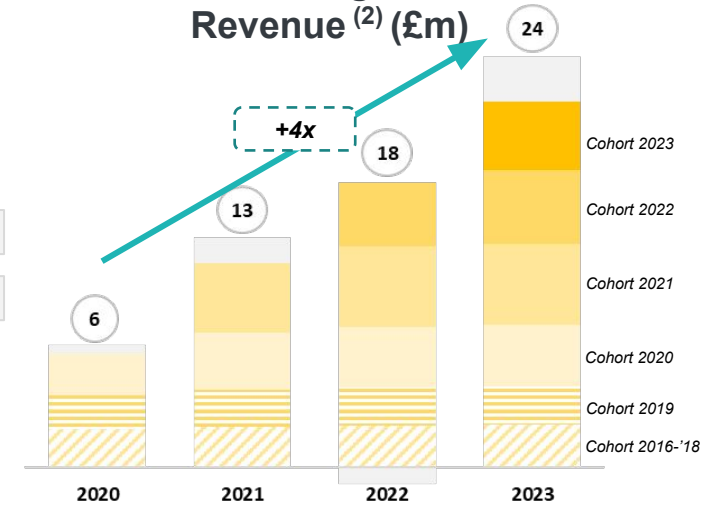
High Retention Rate<sup>(1)</sup> (%) ...



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

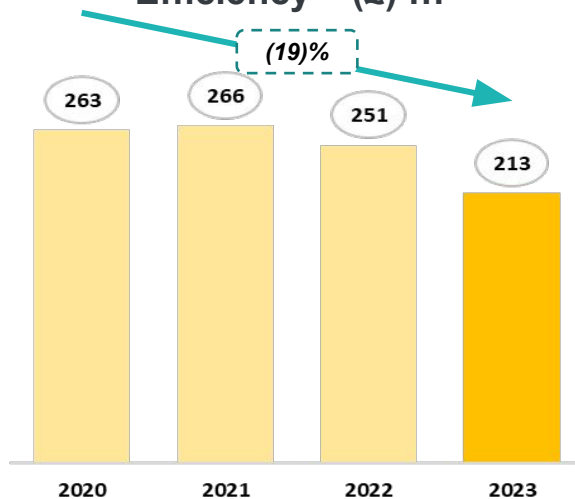


... Creates Recurring and Predictable Revenue<sup>(2)</sup> (£m)

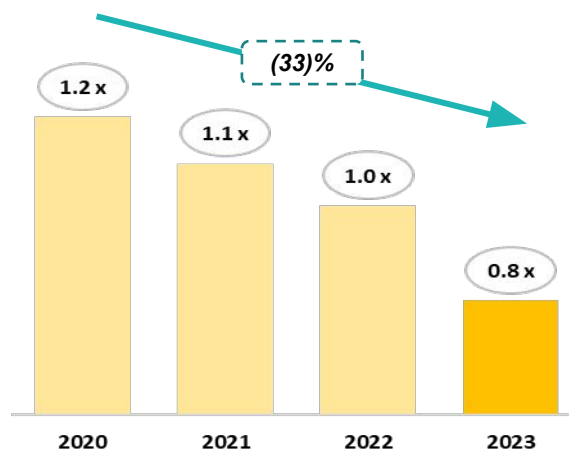


... Coupled with Cost Control on Technology Platform Creates Margin Expansion & Forward Visibility on Profitability

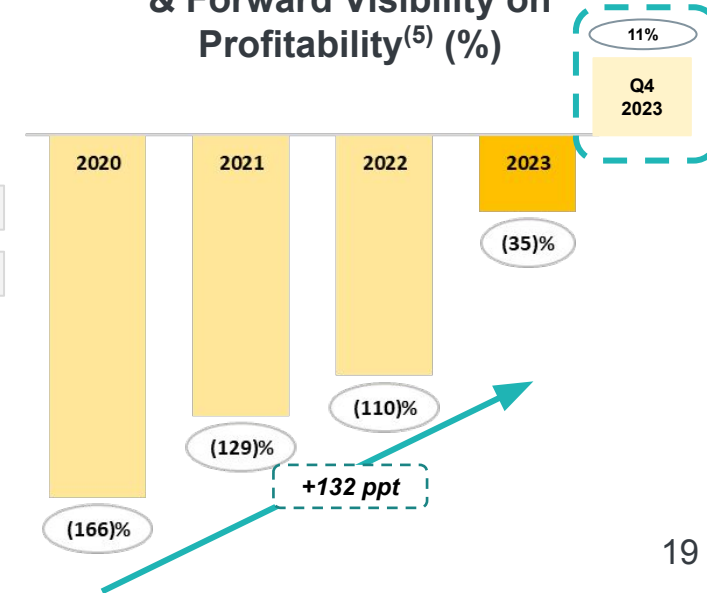
Increased Marketing Efficiency<sup>(3)</sup> (£) ...



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



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



(1) Customer retention rate

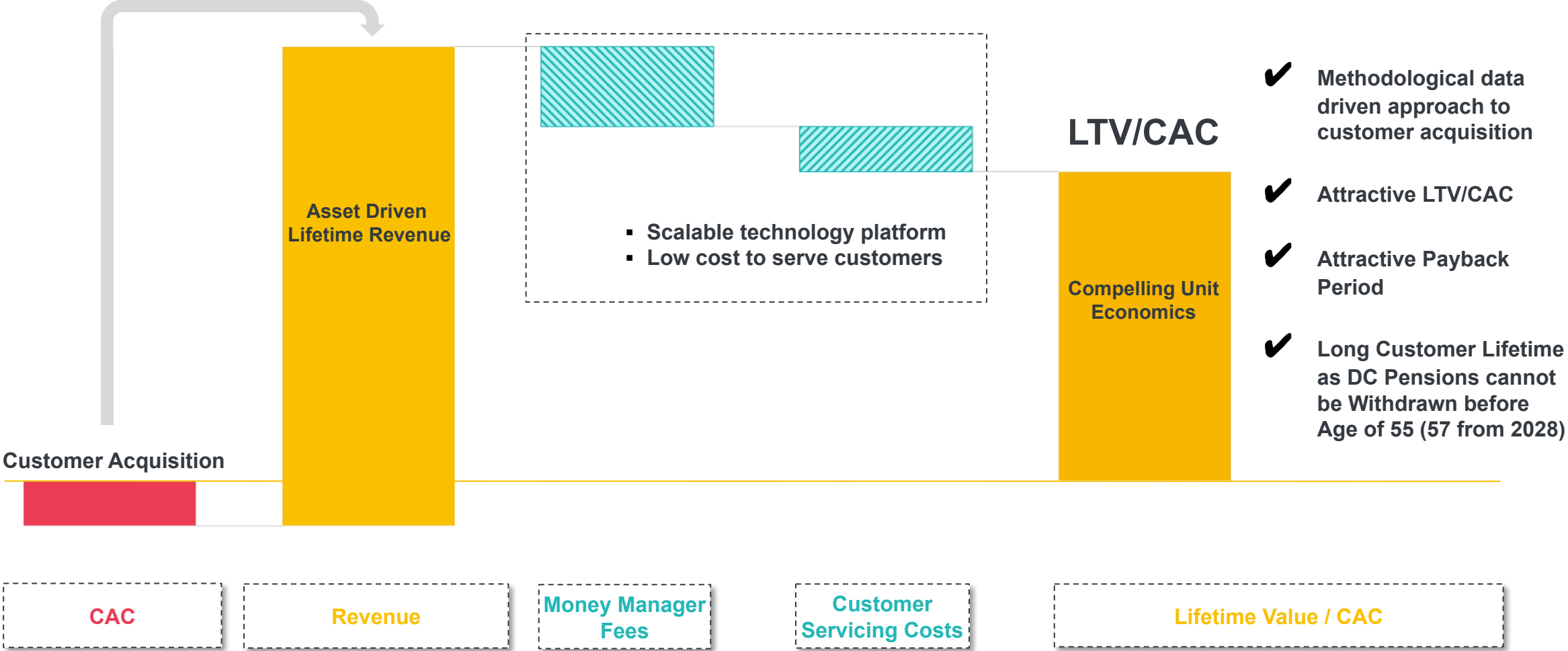
(2) Revenue from cohorts approximated through cohort net flows data

(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



# Glossary

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**Adjusted EBITDA**

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

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**Adjusted EBITDA Margin**

Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of Revenue for the relevant period.

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**Annual Run Rate (ARR)**

Revenue Annual Run Rate (ARR) Revenue is calculated using the recurring Revenue for the relevant month multiplied by 12.

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**Assets under Administration (AUA)**

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.

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**AUA Retention Rate (% of AUA)**

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.

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**Cost Base**

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.

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**Cost per Invested Customer (CPIC)**

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.

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**Customer Retention Rate (% of IC)**

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.

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**Invested Customers (IC)**

Invested Customers (IC) means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.

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**LTM Revenue**

LTM 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 over the last twelve months.

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**Net Flows**

Net Flows measures the cumulative inflow of PensionBee AUA from consolidation and contribution ('Gross Inflows'), less the outflows from withdrawals and transfers out ('Gross Outflows') over the relevant period.

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**Net Flows/Marketing Spend**

Cumulative Net Flows over the relevant period divided by Cumulative Marketing spend over the relevant period.

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**Revenue**

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.

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**Revenue Margin**

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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