

19 July 2023

Personal Group Holdings plc
("the Company", "Personal Group" or "Group")

Trading Update and Update on CEO transition

Positive first half trading resulting in significant YOY EBITDA growth alongside continued growth in recurring revenues

The following amendment has been made to the "Trading Update and Update on CEO transition" announcement on 19 July 2023 at 07:00 under RNS 4368G.

- In the Highlights section the benefits platform ARR has been amended from £5.3m to £5.5m representing an increase of c. 8% rather than c. 6%.

All other details remain unchanged.

The full amended text is shown below.

Personal Group (AIM: PGH), the workforce benefits and services provider, is pleased to provide the following update on trading for the six-month period ending 30 June 2023 (HY23).

Highlights

- Total revenue for the six months to 30 June 2023 increased 34% to £46.4m (HY22: £34.7m), driven primarily by voucher resales through the benefits platform of £24.6m (HY22: £13.8m), demonstrating the value placed on it by our clients and their employees;
- Adjusted EBITDA increased 75% to £2.7m (HY22: £1.5m);
- Strong balance sheet and liquidity with a cash position of £22.6m as at 30 June 2023 (31 Dec 2022: £18.7m) and no debt;
- The Group continues to benefit from an increasing proportion of recurring revenues, providing high levels of visibility for the second half of 2023 and into 2024:
 - Insurance Annualised Premium Income ("API") increased by c.6% to £29.6m (31 Dec 2022: £28.0m)
 - Benefits Platform Annual Recurring Revenue ("ARR") increased c.8%. to £5.5m (31 Dec 2022: £5.0m)
 - Pay & Reward ARR increased c.4% to £0.57m (31 Dec 2022: £0.54m)

Operational Highlights

Growth of the Group's client base continued in the first half, with 52 new client wins (HY22: 52) and the award of a place on the Crown Commercial Services framework, alongside high levels of retention of existing clients. Continued progress against the Board's key strategic objectives was also made; in particular, positive momentum across the business' largest division - *Affordable Insurance*.

Affordable Insurance

Strong insurance sales in the first half resulted in 34% growth in new annualised insurance sales to £5.8m for the period (2022: £4.3m). This, alongside strong retention levels, which remain above pre-pandemic averages, helped to drive up the API value to £29.6m (31 Dec 2022: £28.0m). As anticipated, claims levels for the first half remained higher than historic norms on Hospital Cashplans, as activity continued at an increased rate, in an attempt to address NHS backlogs.

Benefits Platform

Continued growth was seen in HY23, across both Enterprise clients, taking Hapi, and Sage Employee Benefits, ending the half year with ARR of £2.2m and £3.3m respectively (31 Dec 2022: £2.0m and £3.0m).

The contribution from *Pay & Reward*, comprising Innecto and Quintige Consulting Group, has remained steady. This division has shown resilience despite the attention of their normal audience of HR Directors being diverted to the tactical focus of dealing with the cost-of-living crisis for their employees and growth in the pipeline towards the end of the period gives confidence for improved performance in H2.

Contribution from *Other Owned Benefits (Let's Connect)* was in line with management's expectations post cessation of the long-term scheme with a major client in March 2023, as previously announced.

Outlook

It is pleasing to achieve this level of financial growth in the context of the current cost-of-living crisis. The need for organisations to look after their people has never been more important and Personal Group's offering remains extremely relevant in a growing market.

The Group's financial performance in the first half has reinforced management's belief in a return to a growth trajectory and provides the Company with a solid foundation from which to grow further. While continuing to focus on strategic execution in H2, the Company is well-placed to capitalise on opportunities and is strengthened by a strong balance sheet, a quality customer base and leading technology platform. The Group's continued growth of recurring revenues, and the level of visibility which it provides, enables the Board to remain confident that trading for the full financial year remains in line with market expectations.

Update on CEO transition

Further to the Company's announcement on 4 May 2023 with respect to the Company's CEO succession, the Board is pleased to announce that, following the expedited completion of the sale of the underlying businesses of the Woven Group Solutions Limited, Paula Constant will assume the role of CEO Designate with immediate effect. Following an orderly transition period, Deborah Frost will step down from the role of CEO and from the Board with effect from 1 August 2023, and will remain an employee of the Company until 31 December 2023 to support a smooth and effective handover.

Deborah Frost, Chief Executive of Personal Group, commented:

"Personal Group is well positioned to serve and capitalise upon a growing market for employee engagement. Whilst cognisant that 2023 is set to be another challenging year for the economy, our product offerings are particularly valuable to customers in times of economic pressure. This is evident with our high levels of customer retention and new client wins.

Despite economic headwinds, I am very pleased with the strategic progress made by the Group, and we are on track to meet market expectations of growth for the full year. We look to the future with confidence and excitement for the opportunities that lie ahead.

While my time at Personal Group is coming to an end, I remain highly confident in the prospects for the business which is well-positioned to continue delivering strong financial results and wish Paula and the whole Personal Group team well for the future."

-ENDS-

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Notes to Editors

Personal Group Holdings Plc (AIM: PGH) is a workforce benefits and services provider. The Group enables employers across the UK to improve employee engagement and support their people's physical, mental, social and financial wellbeing. Its vision is to create a brighter future for the UK workforce.

Personal Group provides health insurance services and a broad range of employee benefits, engagement, and wellbeing products. Its offerings can also be delivered through its proprietary app, Hapi, and the recently developed extension to the platform, Hapiflex.

The Group's growth strategy is centred around widening the footprint of the business into the SME, talent-led & Public Sectors, thereby expanding the addressable customer base. In addition, it aims to grow in its existing industrial heartlands, to re-invigorate growth in insurance policyholders and to drive the use of its SaaS offerings.

Group Clients include: Airbus, Barchester Healthcare, British Transport Police, Merseyrail, Randstad, Royal Mail Group, The Royal Mint, the Sandwell & Birmingham NHS Trust, Stagecoach Group plc, and The University of York.

For further information on the Group please see www.personalgroup.com

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