

PensionBee Group plc
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24 April 2024

PensionBee Group plc

Q1 2024 Trading Update

Successful strategy drives strong performance for Q1 2024
UK on track to achieve Adjusted EBITDA Profitability for FY 2024

PensionBee Group plc ('PensionBee' or the 'Company'), a leading online pension provider, today announces a Q1 trading update (unaudited) for the three months ended 31 March 2024.

Highlights

- Assets under Administration increased by 44% year on year to £4.9bn (March 2023: £3.4bn), underpinned by strong Net Flows from new and existing customers and supportive markets.
- Invested Customers increased by 22% year on year to 240,000 (March 2023: 198,000), demonstrating strong continued growth.
- Net Flows per £ of Marketing Spend¹ increased by 24% year on year to £66, driven by effective deployment of marketing expenditure.
- Customer Retention Rate remained >95%, driven by continued strong customer satisfaction and ongoing product innovation.
- Revenue increased by 42% to £7m (Q1 2023: £5m), with Annual Run Rate Revenue having increased by 41% to £31m (Q1 2023: £22m).²
- Adjusted EBITDA improved by 59% year on year to £(2)m (Q1 2023: £(5)m), driven by strong Revenue growth and cost efficiencies across the business. UK on track to achieve Adjusted EBITDA Profitability for FY 2024.

Continued Advancement of Strategic Goals

The Company has continued to grow its brand and acquire customers efficiently, investing £3.6m in marketing across the first quarter of the year, bringing the cumulative marketing investment since inception to £59m. PensionBee's brand awareness activities for the quarter have been centred on cost-effective channels such as radio, television and sports sponsorship and partnerships. This approach has been accompanied by continued investment in performance channels such as search and social media, with data-led insights driving decision-making. Cost per Invested Customer ('CPIC') has continued to demonstrate a downward trajectory of 3% year on year to £244, highlighting the strength of the Company's marketing capability and efficiency of spend, while brand awareness has increased to 55% from 50% in the previous quarter.³

PensionBee has continued to innovate, to meet the needs of its customers and support their engagement. It has continued to provide customers with helpful tools they need to plan for their retirement, such as its tax relief, state pension and inflation calculators and the introduction of in-app withdrawals. The new checklist feature helps customers to identify and complete all the required steps to manage their pensions.

The Company has continued to prioritise the delivery of excellent customer service, evidenced through the achievement of a 4.6★ Excellent Trustpilot rating from approximately 10,500 Trustpilot reviews, and consistently rapid response times on phones and live chat.

PensionBee has continued with its ongoing investment in the scalability of its technology platform through internal automation, efficiency, security and pension transfer improvements to support productivity, as demonstrated by the achievement of an 18% improvement in productivity.⁴

Guidance and Outlook

The Board remains confident in PensionBee's potential for continued growth and profitability, due to a combination of the strength and stability of its existing customer base, together with 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 for the UK: aiming to deliver sustained and high Revenue growth, pursuing c.2% market share of the £1.2 trillion transferable pensions market over the next 5-10 years, and looking to onboard 1 million Invested Customers, creating a long-term Revenue ambition of c.£150m.

Given its historical investment in its brand and technology over many years, and the achievement of ongoing Adjusted EBITDA profitability in the final quarter of 2023, the Company is poised to deliver Adjusted EBITDA profitability for the full year 2024, with an ambition to achieve long-term EBITDA margins of over 50%.

The recently announced proposed US expansion in partnership with a large, US-based global financial institution will see the US-based partner providing its expertise and substantial marketing funding to the US business. Correspondingly, PensionBee's financial contribution will be financed from the existing resources of PensionBee Group plc, and as a result the US business does not change the existing guidance in the UK.

Romi Savova, CEO of PensionBee, commented:

"We are pleased to have grown substantially over the first quarter, with Assets under Administration reaching approximately £5 billion, now helping 240,000 Invested Customers across the UK prioritise and engage with their retirements.

Looking forward, as we continue to execute on our strategy, we remain confident in the continued growth of the business and the delivery of profitability across the UK business for the full year 2024, as we continue to help more and more consumers become Pension Confident."

Analyst, Investor and Press Presentation

A copy of the Q1 2024 Trading Update and the Q1 2024 Results Presentation will be made available post-market close on 24 April 2024 for download at: pensionbee.com/investor-relations/results-and-reports. A recording of the presentation will follow.

There will be a webcast presentation for analysts, investors and press on Wednesday 24 April at 5:00pm UK (BST) / 12:00pm US (EST). Please contact press@pensionbee.com if you would like to attend.

Alternatively you can register and access the webcast with the following links:

Webcast Link: [Webcast for video presentation](#)

Conference Call Link: [Conference call for Q&A](#)

Financial Summary

	As at Period End		
	Mar-2023	Mar-2024	YoY change
AUA (£m)⁵	3,379	4,857	44%
AUA Retention Rate (% of AUA) ⁶	>95%	>95%	Stable
Invested Customers (thousands) ⁷	198	240	22%
Customer Retention Rate (% of IC) ⁸	>95%	>95%	Stable
Cost per Invested Customer (£) ⁹	252	244	(3)%
Revenue Margin (% of AUA) ¹⁰	0.64%	0.64%	Stable

	Over the 3-month Period Ending		
	Mar-2023	Mar-2024	YoY change
Opening AUA (£m)⁵	3,025	4,350	44%
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%
Closing AUA (£m)⁵	3,379	4,857	44%

	Over the 3-month Period Ending		
	Mar-2023	Mar-2024	YoY change
Revenue (£m)¹¹	5	7	42%
Cost Base (£m)	(10)	(9)	(7)%
Adjusted EBITDA (£m) ¹²	(5)	(2)	59%

Adjusted EBITDA Margin (% of Revenue) ¹³	(98)%	(28)%	69ppt
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	For the Trailing 12-month Period Ending		
	Mar-2023	Mar-2024	YoY change
LTM Revenue (£m)	19	26	38%
LTM Adjusted EBITDA (£m)	(15)	(5)	65%
LTM Adjusted EBITDA Margin (% of Revenue)	(79)%	(20)%	59ppt

Notes

- * A ppt is a percentage point. A percentage point is the unit for the arithmetic difference of two percentages.
- 1 Net Flows per £ of Marketing Spend is calculated as cumulative net flows divided by the marketing spend over the period.
- 2 Annual Run Rate ("ARR") Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12.
- 3 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.
- 4 Productivity, measured using Invested Customers per Staff Member, is calculated using LTM average for total workforce. Management information as at 31 March 2024.
- 5 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.
- 6 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.
- 7 Invested Customers ('IC') means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
- 8 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.
- 9 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.
- 10 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.
- 11 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.
- 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, 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 and impact investing options, from some of the world's largest asset managers.

Operating in the UK Defined Contribution market which exceeds £1 trillion of 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 £4.9bn in Assets Under Administration and 240,000 Invested Customers as at 31 March 2024. PensionBee has consistently maintained a Customer Retention Rate in excess of 95% and an Excellent Trustpilot rating from more than 10,500 customers, reflecting its commitment to outstanding customer service.

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

Forward Looking Statements

Statements that are not historical facts, including statements about PensionBee's or management's beliefs and expectations, are forward-looking statements. The results contain forward-looking statements, which by their nature involve substantial risks and uncertainties as they relate to events and depend on circumstances which will occur in the future and actual results and developments may differ materially from those expressly stated or otherwise implied by these statements.

These forward-looking statements are statements regarding PensionBee's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies and the industry and markets within which it operates.

These forward-looking statements relate to the date of these results and PensionBee does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of the results.

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