

24 July 2024

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

H1 2024 Trading Update

Continued record insurance sales driving positive H1 trading performance giving confidence in full year expectations

Personal Group (AIM: PGH), the workforce benefits and services provider, is pleased to provide the following update for the six-month period ending 30 June 2024.

Financial Highlights

- Trading in line with management's expectations for the full financial year
- Revenue from Continuing Operations* of approximately £21.0m (2023: £18.4m)
- Adjusted EBITDA** from Continuing Operations* of £3.9m (2023: £3.0m)
- Recurring revenue continues to increase across the Group's divisions, providing high levels of visibility for the second half of FY24 and beyond:
 - Insurance Annualised Premium Income ("API") increased by c.7% to £33.9m (31 Dec 2023: £31.6m)
 - Benefits Platform Annual Recurring Revenue ("ARR") increased c.4% to £6.3m (31 Dec 2023: £6.1m)
 - Pay & Reward ARR increased c.6% to £0.72m (31 Dec 2023: £0.68m)
- Strong balance sheet and liquidity with a cash position of £23.1m as at 30 June 2024 (31 Dec 2023: £20.1m) and no debt

** Continuing operations excludes the results of Let's Connect, which was disposed of on 9 July 24.*

***Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation of intangible assets, goodwill impairment, share-based payment expenses, corporate acquisition costs and restructuring costs.*

Operational Highlights

The Group made strong progress in its key areas of Affordable insurance and Rewards & Benefits, with all divisions reporting growth versus the prior year.

The Group continues to benefit from a strengthened leadership team and simplified Group structure, with the disposal of Let's Connect, its technology salary sacrifice division, announced on 10 July, now enabling greater focus on the core areas of the business.

Affordable Insurance

Strong insurance sales continued in the first half, with growth of 20% to £7.0m (H1 2023: £5.8m), including record sales months in May and June, resulting in an insurance book of £33.9m at the end of H1, up 7% on December 2023. Retention levels remain strong year on year, at over 80%. Claims levels were slightly higher than anticipated, reflective of increased activity in the NHS to address backlogs in the first half of the year.

The strong performance demonstrates both the market fit for the Group's offerings, and the increasing efficiency and focus of the sales team.

Benefits Platform

Uptake of the Group's digital benefits platform, Hapi and Sage Employee Benefits (SEB), its SME focused offering in partnership with Sage, continued to increase, with each experiencing ARR growth, to £2.53m and £3.81m respectively (31 Dec 2023: £2.45m and £3.66m). Migration of customers onto the next generation platform, Hapi 2.0, is progressing well, with all Sage customers now migrated onto SEB 2.0 and positive feedback received on both the improved employee and employer user experiences.

The Group's Pay & Reward division had a positive period and, as announced on 19 March, secured a significant three-year contract with a global airline, worth £650,000 in total, contributing approximately £100,000 per annum in annual recurring revenue.

Outlook

The Group continues to benefit from the greater clarity and focus on the core areas of the business and further finessing of the Group's longer-term strategy. Levels of recurring revenue continue to grow, and customers are successfully migrating on to the enhanced Hapi 2.0 platform. The Board believes that the quality of the Hapi platform is a key strength of the Group

validated by growing interest from additional partners, which is expected to broaden reach further.

This together with a strong balance sheet gives the Board confidence in the Group's continued growth in the second half of the year and the ability to capitalise on strategic opportunities as they are presented.

Paula Constant, Chief Executive of Personal Group, commented:

"Enterprises across the UK want to find new ways to support and retain their employees, providing us with a strong market backdrop. Our unique face to face insurance sales model, growing customer base and improved product offering provide us with a considerable opportunity for growth acceleration. We continue to explore avenues to increase our reach and are confident in continued progress in the second half of the year and beyond."

-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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