**PensionBee Group plc**
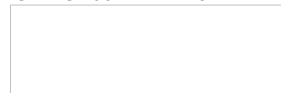Incorporated in England and Wales
Registration Number: 13172844
LEI: 2138008663P5FHPGZV74
ISIN: GB00BNDRLN84

**23 October 2024**

**PensionBee Group plc**

**Q3 2024 Results**

## Successful Strategy drives Strong Financial Performance

PensionBee Group plc ('PensionBee' or the 'Company', together with its subsidiaries the 'Group'), a leading online pension provider, today announces a trading update (unaudited) for the quarter ended 30 September 2024.

## Summary

- Assets under Administration increased by 41% year on year to £5.5bn (September 2023: £3.9bn), underpinned by strong Net Flows from new customers (YTD £538m) and existing customers (YTD £153m) and supportive markets.

- Group Revenue for the quarter increased by 37% year on year to £9m (Q3 2023: £6m). Annual Run Rate Revenue increased by 41% to £34m (September 2023: £24m).[1]

- Group Adjusted EBITDA was positive for the quarter (Q3 2024: £1m vs. Q3 2023: £(1)m), with PensionBee expecting to achieve Group Adjusted EBITDA breakeven for FY 2024.

- Invested Customers increased by 16% year on year to 260,000 (September 2023: 223,000), demonstrating strong continued growth driven by PensionBee's data-led, efficient customer acquisition approach and the strength of PensionBee's household brand, with PensionBee's prompted brand awareness reaching an all time high of 58%.[2] Net Flows per £1 of Marketing Spend[3] increased by 10% year on year to £85 (YTD Sep-23: £77).

- Net Retention Rate[4] which captures all underlying cash inflows and outflows was >100%, supported by continued strong customer satisfaction (4.7★ Excellent Trustpilot score[5]) and ongoing product innovation.

- Cash balance of £14.6m as of September 2024.

- Following its SEC registration in July, PensionBee commenced live consumer testing in the US market, the world's largest Defined Contribution pension market, in partnership with State Street Global Advisors, one of its long-standing asset management providers and one of the world's largest money managers.

**Romi Savova, CEO of PensionBee, commented:**

*"Our substantial growth has continued over the third quarter, with Assets under Administration reaching £5.5 billion and 260,000 Invested Customers. As we continue to consistently execute on all elements of our strategy, having achieved two consecutive quarters of positive Group Adjusted EBITDA this year, we expect to deliver Group breakeven on the same basis for the full year 2024.*

*We are delighted to be expanding the reach of our award-winning customer proposition, innovative technology platform and unique marketing approach, having entered the US market, the world's largest Defined Contribution pension market, in partnership with State Street Global Advisors. We are pleased to see a positive consumer response to our marketing approach and to have developed local features to facilitate easier rollovers. The opportunity we have ahead of us, to help millions of Americans enjoy a happy retirement, is transformational for the next decade of PensionBee's growth."*

## United Kingdom Operational Highlights

In the UK, PensionBee has further advanced its strategic goals, continuing to grow its customer base and Assets under Administration, leveraging its established position as a household brand.

*Efficient Investment in Customer Acquisition and Growing Brand Awareness:*

PensionBee's UK business continued to grow its brand and acquire customers efficiently, investing £2m in

PensionBee's UK business continued to grow its brand and acquire customers efficiently, investing £2m in diversified marketing activities across the quarter (£8m across 2024), bringing the cumulative marketing investment since inception to £63m. Across the year, there has been a focus on reaching customers with higher account sizes, resulting in growth of 21% in the average account value to c.£21,000 (Q3 2023: c. £17,000). Cost per Invested Customer continued to be stable (Q3 2024: £244 vs. Q3 2023: £244), highlighting the strength of the Company's marketing capability, the efficiency of spend, and the importance of household brand awareness in driving customer acquisition. Prompted Brand Awareness reached an all time high of 58%[2] over Q3 2024 (Q3 2023: 51%), demonstrating that PensionBee continues to be embedded in consumers' minds as a trusted household name in the UK.
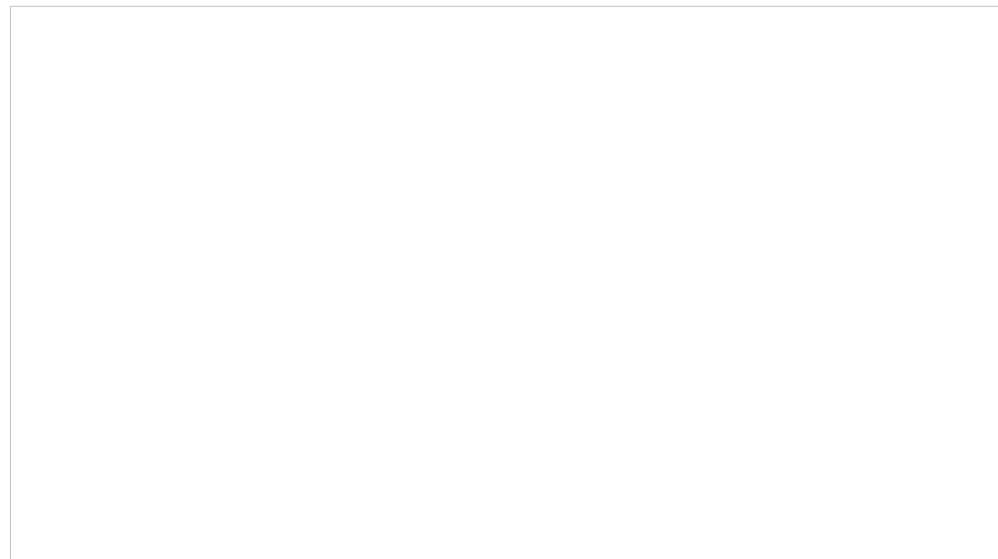
*Leadership in Product Innovation*

PensionBee has continued to innovate to meet the needs of its UK customers by releasing helpful and engaging tools, designed to enhance the customer experience, such as new performance analytics. Over the third quarter of 2024 the Company has continued to make further improvements to the pension transfer journey, introducing further system efficiencies to automated processes. Streamlining the process has enhanced the processing speed and accuracy by reducing manual data entry.

*Focus on Excellent Customer Service:*

Across the quarter, the delivery of excellent customer service has continued to be prioritised, as evidenced through the achievement of a 4.7★ Excellent Trustpilot rating from approximately 11,300 Trustpilot reviews[5] and the maintenance of rapid customer response times.[6]

Ensuring excellent levels of customer satisfaction is central to PensionBee's ambition of retaining and serving its customers throughout their lifetimes. As such, PensionBee maintained a Net Retention Rate >100% across the year to date (Q3 2023: >100%).[3]

*Investment in and Development of Leading Technology Platform:*

PensionBee has continued with its ongoing investment in the scalability of its technology platform, which continues to underpin its competitive advantage. Efficiency improvements through internal automation, security and pension transfer improvements, have delivered a 22% productivity improvement year on year (Q3 2024:1,305 Invested Customers / Staff Member vs. Q3 2023: 1,072 Invested Customers / Staff Member).[7]
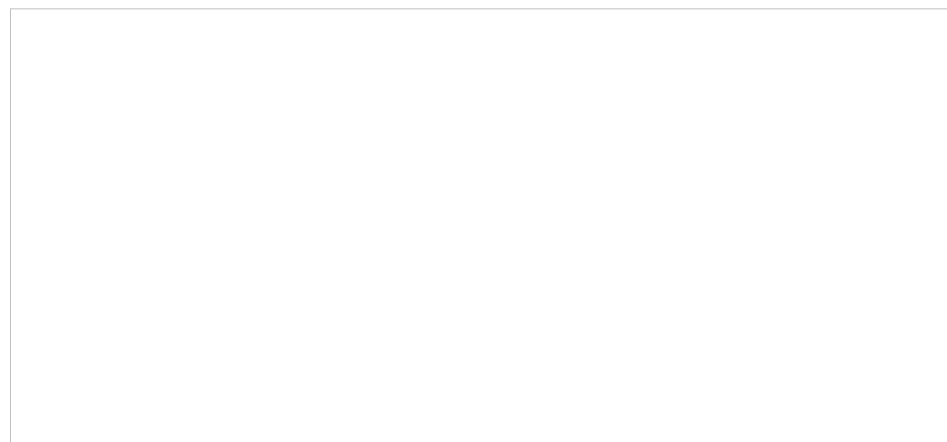
## United States Operational Highlights

PensionBee entered the US market, the world's largest Defined Contribution pension market, in partnership with State Street Global Advisors, one of its long-standing asset management providers and one of the world's largest money managers. PensionBee will pursue a substantial growth opportunity to reach millions of underserved Americans across the US, capitalising on its existing strengths to harness substantial consumer appetite for an easy retirement solution.

PensionBee Inc. has had its SEC registration granted, enabling federal operation. Its US technology platform

PensionBee Inc. has had its SEC registration granted, enabling federal operation. Its US technology platform has been built and is operational, having been fully tested with the completion of retirement account transfers.

Initial US marketing has begun, with new channels having been established (including organic and paid search, organic and paid social, PR and brand advertising) and the calibration of these channels is underway. Channels are demonstrating a positive early consumer response. New search functionality for 401(k) accounts has been developed and initial provider-specific journeys for rollovers have been validated and prepared for customer usage.

### Financial Update

PensionBee has continued to deliver consistent and predictable Revenue growth, driven by the compounding nature of its Assets under Administration ('AUA'), positive Net Retention, ongoing Net Flow generation across cohorts and a stable Revenue Margin over Q3 2024. Its Net Retention Rate >100% across the year to date (Q3 2023: >100%)[3], highlighting the long-term compounding nature of the asset base. Compounding growth has translated into predictable Revenue, with Revenue for the year to date of £24m (YTD Sep-23: £17m) and Annual Run Rate Revenue growth of 41% year on year to £34m (Q3 2023: £24m).

**Predictable and Recurring Revenue Base**



Note on Charts: Represents Cohort AUA from bottom to top, Cohort 2016-2019, Cohort 2020, Cohorts 2021, Cohort 2022, Cohort 2023, Cohort 2024 and Market Impact (darkest orange).

PensionBee's scalable business has continued to drive operating leverage and profitability. The Cost Base[8] for Q3 2024 has remained stable at £8m (Q3 2023: £7m), achieved with a combination of relatively stable money manager and technology platform costs, increasing at 9.5% year on year relative to Annual Run Rate Revenue growth of 41%, together with more efficient deployment of marketing costs for the quarter.

**Business Scalability to Drive Margin Improvements**

The combination of strong predictable revenue growth combined with business scalability and strict cost discipline has continued to drive high growth and to generate a second consecutive quarter of positive Group Adjusted EBITDA at £1m for Q3 2024 (Q3 2023: £(1)m).
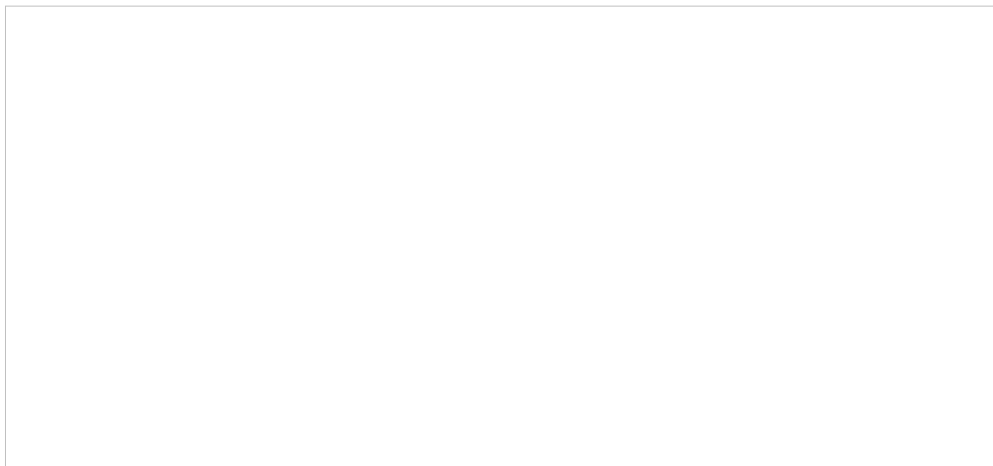


Note on Chart: Marketing Expenses are offset by £200k from the marketing reimbursement as provided by State Street.

**Business Scalability Translates into Improvement in Profitability**

## Group Financial Guidance Framework

The Company is pleased to reiterate the guidance framework as previously presented at its recent Capital Markets Day:

*Revenue Objectives:*

- PensionBee expects Group Revenue to exceed £30m for the full year 2024.

- It has an ambition to reach >£100m of Group Revenue in the short to medium term (by year 5), with a longer term (5 to 10 years) ambition to exceed £250m.

*Profitability Objectives:*

- PensionBee expects to reach Group Adjusted EBITDA breakeven for the full year 2024.

- It has an ambition to reach an Adjusted Group EBITDA Margin of approximately 20% in the short to medium term (by year 5), with a longer term (5 to 10 years) ambition to reach c.50%.

## Group Financial Summary

|  | As at Period End | | |
|---|---|---|---|
|  | Sep-2023 | Sep-2024 | *YoY change* |
| **AUA (£m)[9]** | **3,902** | **5,484** | *41%* |
| AUA Retention Rate (% of AUA)[10] | 96% | 96% | *Stable* |
| Invested Customers (thousands)[11] | 223 | 260 | *16%* |
| Customer Retention Rate (% of IC)[12] | 97% | 96% | *Stable* |
| Cost per Invested Customer (£)[13] | 244 | 244 | *Stable* |
| Revenue Margin (% of AUA)[14] | 0.65% | 0.64% | *Stable* |
| Annual Run Rate Revenue[1] | 24 | 34 | *41%* |
| LTM Revenue[15] | 22 | 31 | *40%* |

|  | Over the 9-month Period Ending | | |
|---|---|---|---|
|  | Sep-2023 | Sep-2024 | *YoY change* |
| **Opening AUA (£m)[9]** | **3,025** | **4,350** | *44%* |
| Gross Inflows (£m) | 923 | 1,020 | *10%* |
| Gross Outflows (£m) | (231) | (328) | *42%* |
| **Net Flows (£m)[16]** | **692** | **692** | *0%* |
| Market Growth and Other (£m) | 185 | 442 | *n/m* |
| **Closing AUA (£m)[9]** | **3,902** | **5,484** | *41%* |

|  | Over the 3-month Period Ending | | |
|---|---|---|---|
|  | Sep-2023 | Sep-2024 | *YoY change* |
| **Revenue (£m)[17]** | **6** | **9** | *37%* |
| Cost Base (£m)[8] | (7) | (8) | *6%* |
| Adjusted EBITDA (£m)[18] | (1) | 1 | *n/m* |
| Adjusted EBITDA Margin (% of Revenue)[19] | (17)% | 9% | *26ppt\** |

|  | Over the 9-month Period Ending | | |
|---|---|---|---|
|  | Sep-2023 | Sep-2024 | *YoY change* |
| **Revenue (£m)[17]** | **17** | **24** | *40%* |
| Cost Base (£m)[8] | (26) | (25) | *(4)%* |
| Adjusted EBITDA (£m)[18] | (9) | (1) | *87%* |

| Adjusted EBITDA Margin (% of Revenue)[19] | (52)% | (5)% | *47ppt** |

A copy of this Q3 2024 Results Announcement will be made available post-market close on 23 October 2024 for download at: pensionbee.com/uk/investor-relations/results-and-reports.

### Enquiries

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### About PensionBee

PensionBee is creating a global leader in the consumer retirement market with £5.5 billion in assets on behalf of 260,000 customers.

Founded in 2014, we aspire to make as many people as possible pension confident so that everyone can enjoy a happy retirement.

We help our customers to combine their retirement savings into a new online account, which they can manage from the palm of their hand.

PensionBee accounts are invested by the world's largest investment managers, collectively looking after more than 10 trillion in savings between them. Each PensionBee customer has a personal account manager ("BeeKeeper") to guide

trillion in savings between them. Each PensionBee customer has a personal account manager ("BeeKeeper") to guide them through their savings and retirement journey. PensionBee has an "Excellent" Trustpilot rating based on over 10,000 reviews.

As a public company, we aspire to the highest standards in everything we do because our customers deserve peace of mind. Our team of approximately 200 pension professionals, based in London and New York, has one focus: you, our customer.

PensionBee is listed on the London Stock Exchange (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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