



Q3 FY23 results

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Q3 FY23 highlights

Continued strong financial performance reflecting resilient business model

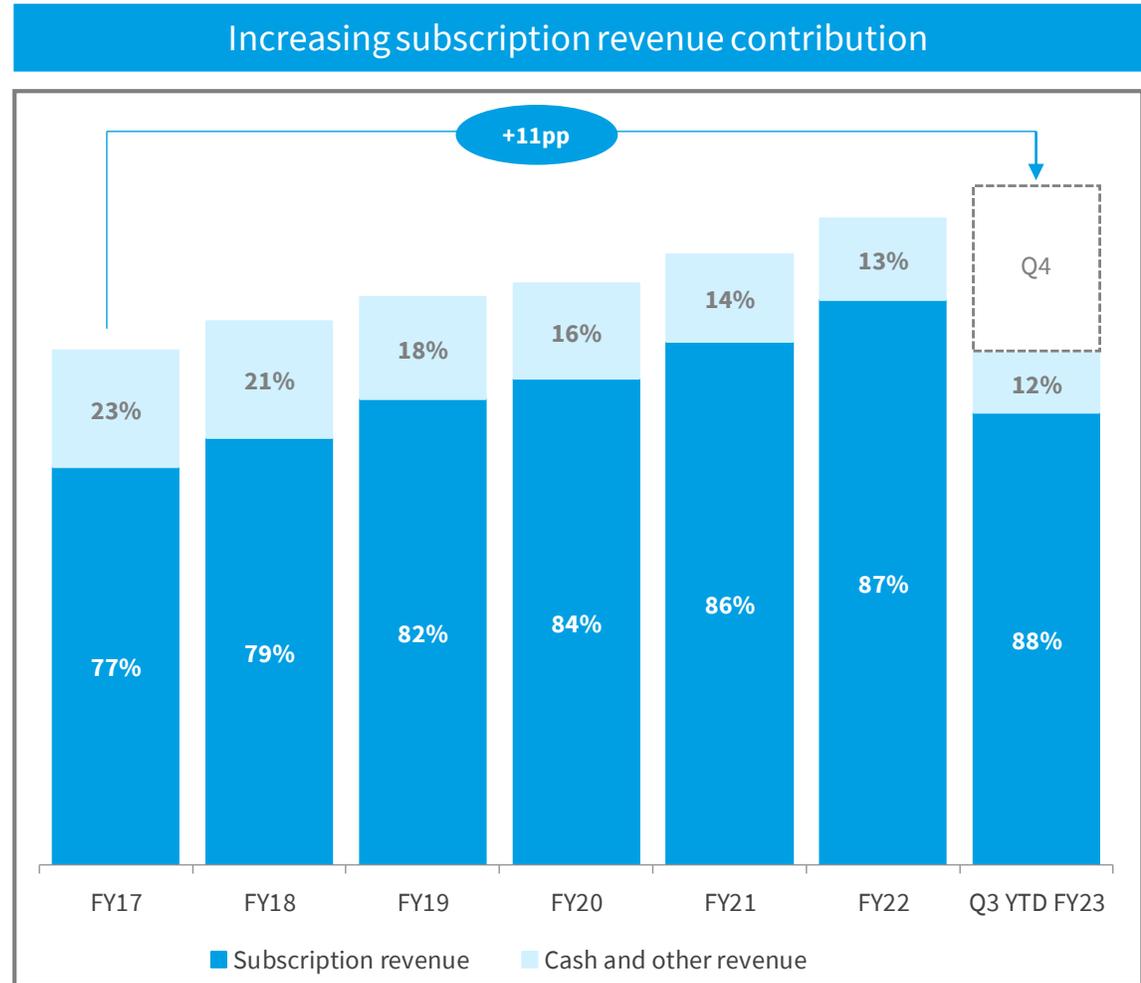
- + Stable retention rates driving YTD subscription revenue growth (8%)
- + Supported by 20% subscription revenue growth in International
- + Group adjusted EBITDA ex US for Q3 YTD increased by 13% to £104m (adjusted EBITDA including US increased by 11% to £98m)
- + Continued good levels of liquidity and solvency ratio coverage (207%)
- + Leverage ratio reduced by 0.1x in Q3 FY23 to 5.7x
- + US remains on track with £4m of revenue generated year to date
- + Our business model continues to respond well to inflationary pressures

Improving quality of Group earnings

85%



Average customer subscription rate since FY17



1. Contributions shown are based on group underlying revenue (including US) stated on a consistent basis excluding the impact of fair value adjustments related to acquisition accounting in historic periods.

2. Routes to market: point of sale 28%, post-point of sale 64% and point of need 8% based on FY22 group subscription new business plans.



Q3 FY23

Continued growth and resilience





Q3 FY23 key results

+

6% revenue (ex US) growth YTD to £727m
(Q3 FY22: £687m)¹

+

8% subscription revenue (ex US) growth YTD to £642m
(Q3 FY22: £597m)²

+

13% adjusted EBITDA (ex US) growth YTD to £104m
(Q3 FY22: £91m)³

+

Q3 net debt of £693m (Q2 FY23: £692m) with a 0.1x leverage
reduction over the quarter

+

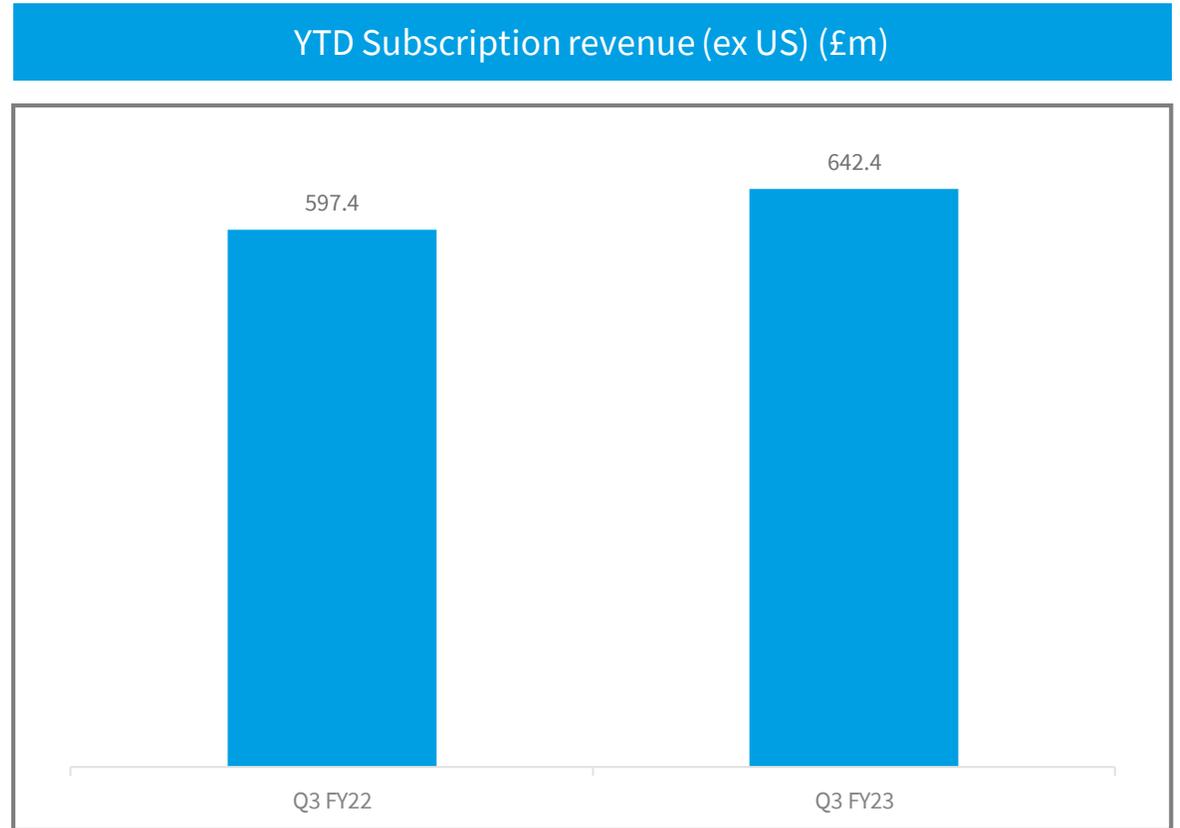
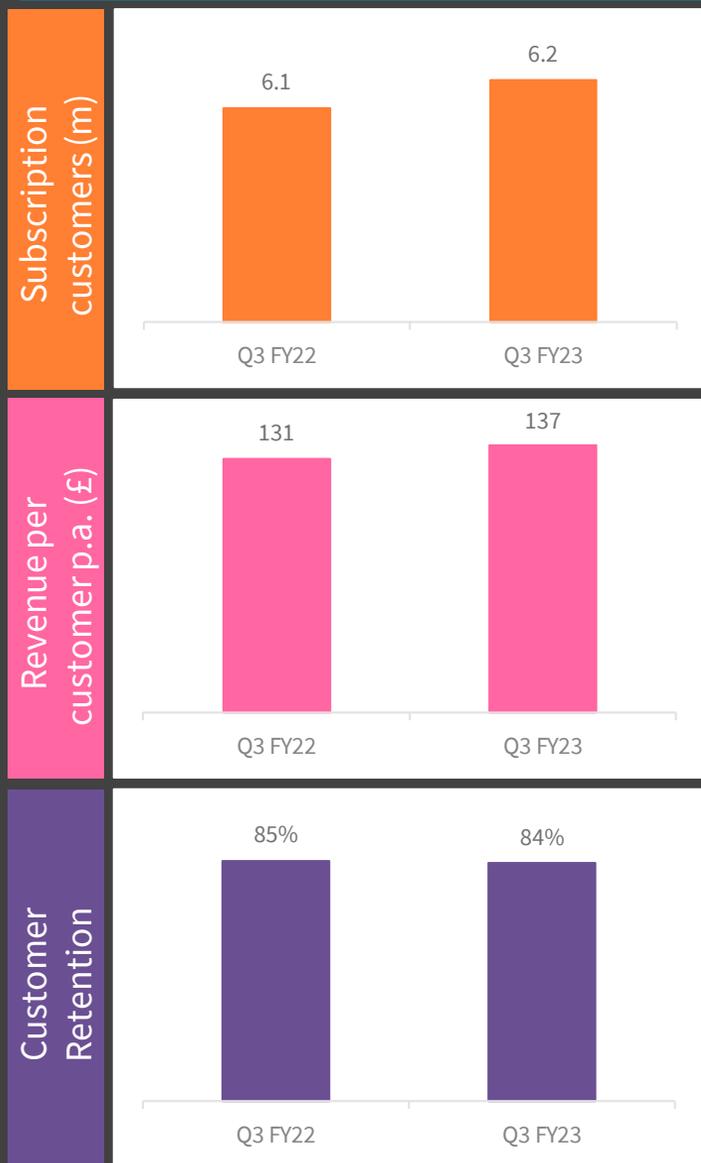
Strong solvency ratio of 207% (Q2 FY23: 201%)

1. 6% revenue (including US) growth YTD to £731m (Q3 FY22: £687m)

2. 8% subscription revenue (including US) growth YTD to £647m (Q3 FY22: £598m)

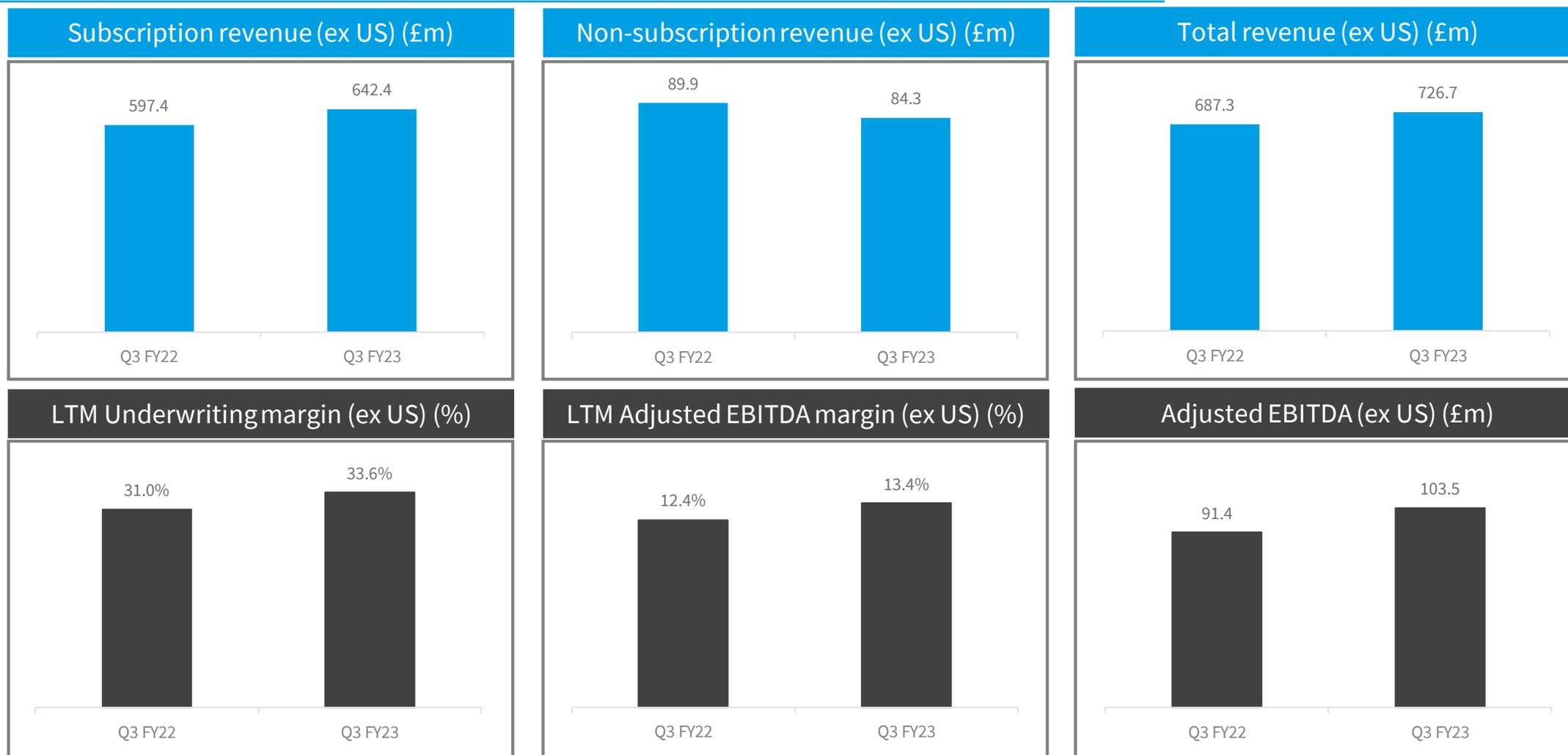
3. 11% adjusted EBITDA (including US) growth YTD to £98m (Q3 FY22: £88m)

Our subscription model



The underlying drivers of our subscription revenue continue to perform well resulting in 8% growth

Improving financial performance over the financial year to date



¹ Underwriting margin represents revenue less claims, commissions and marketing as a proportion of total revenue.

² Adjusted EBITDA represents operating profit excluding the US result and adjusted for amortisation of acquisition intangibles, depreciation and amortisation, significant items and net investment income/(expense)

³ Non-subscription revenue continues to decline in line with our shift in strategic focus to subscription business.

Improving revenue quality

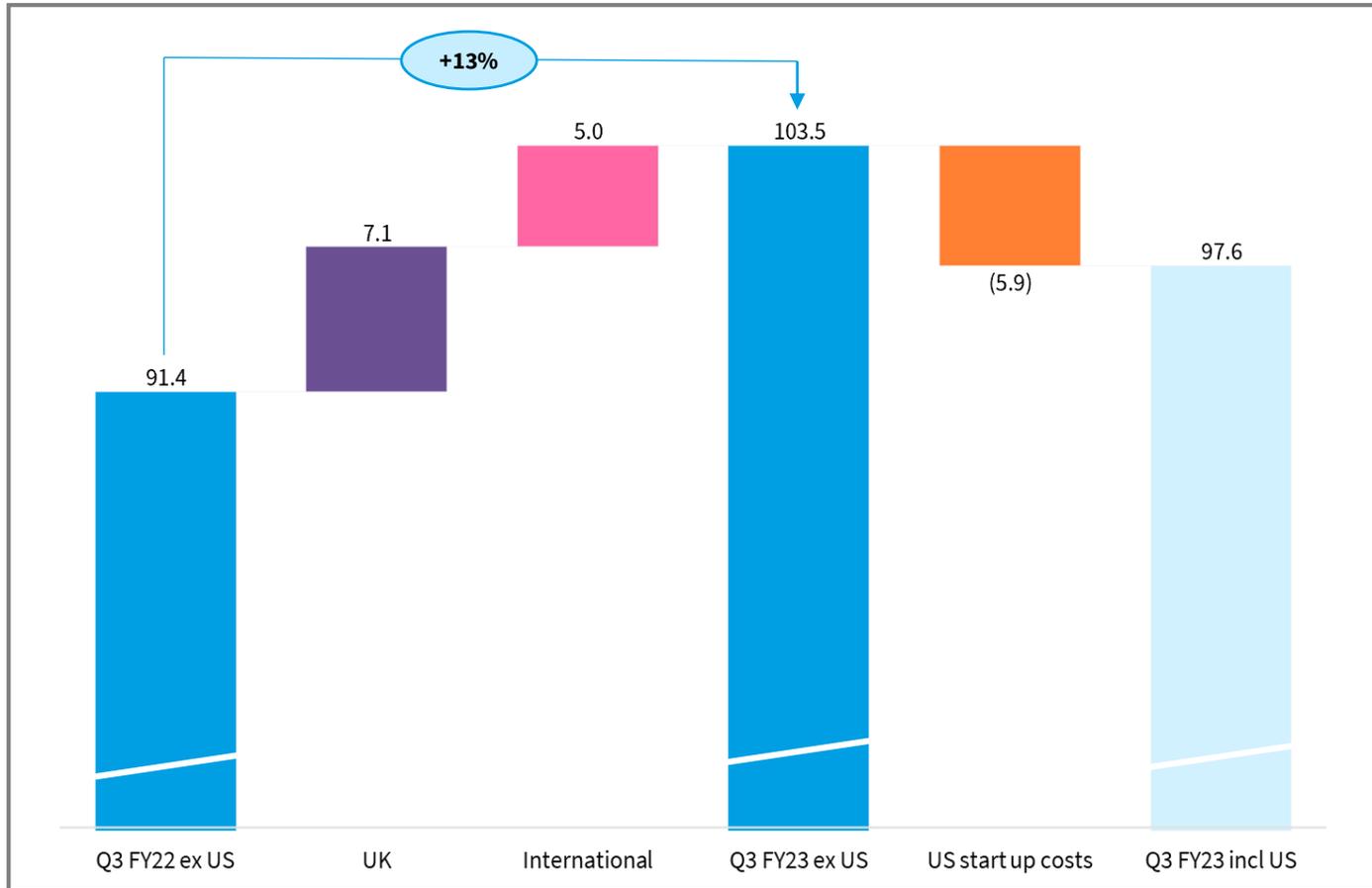
	Nine months to 31 December (£m)	FY23	FY22	Variance
Subscription revenue	UK	558.8	528.0	6%
	International	83.6	69.4	20%
	Group subscription revenue (ex US)	642.4	597.4	8% 1
Non-subscription revenue	UK	31.2	36.1	(14)%
	International	53.1	53.8	(1)%
	Group non-subscription revenue (ex US)	84.3	89.9	(6)% 2
Revenue	UK	590.0	564.1	5%
	International	136.7	123.2	11%
	Total group revenue (ex US)	726.7	687.3	6% 3
	Total group revenue (incl US)	730.9	687.4	6%

- Continued growth in subscription revenue, up +8% vs Q3 FY22, in line with recent quarterly progression, with International subscription revenue up 20%. Subscription revenue now represents 88% of total revenue (95% in UK, 61% in International)
- Non-subscription revenue decreasing in line with strategic focus on subscription business
- Q3 FY23 year on year revenue growth of +6%, maintaining momentum from FY22

1. International revenue represents European and Australian businesses and excludes US business.

Adjusted EBITDA growth

YTD Adjusted EBITDA (£m)



- + Group adjusted EBITDA (ex US) growth of +13%
- + Both UK and International businesses have grown EBITDA driven by stable cost ratios and favourable underwriting performance with no material impact seen on renewals YTD
- + EBITDA growth including US was +11%

1. UK segment includes holding company costs.

Cashflow and capitalisation

Summary cash flow

Nine months to 31 December (£m)	FY23	FY22	Variance
Adjusted EBITDA ex US	103.5	91.4	13%
Less: US result	(5.9)	(3.4)	
Adjusted EBITDA	97.6	88.0	11%
Less: Regulated Business adjusted EBITDA	(36.5)	(27.0)	
Unregulated Business adjusted EBITDA	61.1	61.0	0%
Capital expenditure	(21.6)	(30.0)	
Change in working capital	(15.7)	(0.5)	
US capex and working capital	(2.5)	(5.4)	
Unregulated Business Free Cash Flow	21.3	25.1	(15)%
Increase in distributable reserves in Regulated Business ¹	22.6	11.2	
Group Free Cash Flow	43.9	36.3	21%
<i>Conversion</i>	45%	41%	

1. Distributable reserves comprise net income of the Regulated Business before significant items and as adjusted for changes in capital requirements and Solvency II valuation differences.

Adjusted EBITDA

- + +13% year-on-year growth in adjusted EBITDA ex US
- + US losses reflect early stage costs and earnings patterns

Unregulated business

- + Capex (ex US) is reduced from its FY22 peak
- + Working capital outflows reflect Australian run-off (£6m), one-off timing impacts and business-as-usual payment patterns

Regulated business

- + The gap between Regulated EBITDA and growth in Regulated reserves reflects regulatory capital requirements

Capitalisation

	Q3 FY23			Q2 FY23			Maturity	Price
	£m	Adj EBITDA Multiple	Adj EBITDA Multiple (Ex US)	£m	Adj EBITDA Multiple	Adj EBITDA Multiple (Ex US)		
2 Unrestricted Cash Reserves	68.8			59.2				
Super Senior RCF	0.0			0.0			Apr-26	SONIA + 3.00%
Senior Secured FRN (€200m) ¹	(180.6)			(180.6)			Jul-26	Euribor + 5.00%
Senior Secured Notes	(405.0)			(405.0)			Jul-26	6.50%
Senior Secured Net Debt	(516.8)	4.2x	4.0x	(526.4)	4.4x	4.2x		
Senior Notes	(150.0)			(150.0)			Jul-27	9.25%
Bank and Bond Debt Net of Cash	(666.8)	5.5x	5.1x	(676.4)	5.7x	5.4x		
3 Lease liabilities	(26.4)			(15.2)				
Total Net Debt	(693.2)	1 5.7x	5.3x	(691.6)	5.8x	5.5x		
LTM underlying adjusted EBITDA (£m)		122.0	130.2		119.1	126.2		

1 Leverage has reduced in the quarter from 5.8x to 5.7x, which is equivalent to 5.3x excluding the US impact on EBITDA

2 Unrestricted cash has increased to £69m, ahead of the semi-annual bond payment in Q4

3 Lease liabilities increased due to the inception of our new Nottingham lease

The Group has £100m of undrawn RCF capacity, inclusive of £30m allocated to uncalled Letters of Credit in support of the Regulated Business

1. Note the €200m senior secured floating rate note is translated at transaction date spot rate as the currency exposure is fully hedged.

Q3 FY23 highlights

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- + Continued good levels of liquidity and solvency ratio coverage (207%)
- + Leverage ratio reduced by 0.1x in Q3 FY23 to 5.7x
- + US start-up remains on track with £4m of revenue generated year to date
- + Our business model continues to respond well to inflationary pressures

Appendix

Available cash as at 31 December 2022

Nine months to 31 December (£m)	FY23	FY22
Group Free Cash Flow	43.9	36.3
Debt Raise, Repayment (incl leases) & RCF Drawdown	0.0	(3.0)
Debt Interest	(30.5)	(29.3)
Corporation Tax and other	(5.9)	(5.2)
Free Cash flow before significant items	7.5	(1.2)
Significant items	(3.0)	(3.9)
Unrestricted cash flow	4.5	(5.1)
Unrestricted Cash b/f at 1 April	64.3	74.7
Unrestricted Cash c/f at 31 December	68.8	69.6

Group free cash flow

Free cash flow as analysed on slide

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Debt interest

Debt interest primarily relates to bond coupon payments

Significant items

Significant items mainly relate to restructuring costs YTD with an immaterial increase in the quarter

LTM underlying adjusted EBITDA calculation

Adjusted¹ / underlying adjusted² EBITDA by quarter

£m	Q3 FY23 LTM			Q2 FY23 LTM		
	Adjusted EBITDA	Add: holdco costs	U/L adjusted EBITDA	Adjusted EBITDA	Add: holdco costs	U/L adjusted EBITDA
FY22 Q3				27.8	0.1	27.9
FY22 Q4	23.7	0.3	24.0	23.7	0.3	24.0
FY23 Q1	33.5	0.1	33.6	33.5	0.1	33.6
FY23 Q2	33.6	0.0	33.6	33.6	0.0	33.6
FY23 Q3	30.5	0.3	30.8			
LTM including US	121.3		122.0	118.6		119.1
LTM excluding US	129.5		130.2	125.7		126.2

Note:

¹Adjusted EBITDA represents the group's operating profit adjusted for amortisation of acquisition intangibles, depreciation and amortisation, significant items and net investment income/(expense)

²Underlying adjusted EBITDA is adjusted EBITDA, as further adjusted to exclude holding company costs

Revenue quarterly progression – subscription and non-subscription

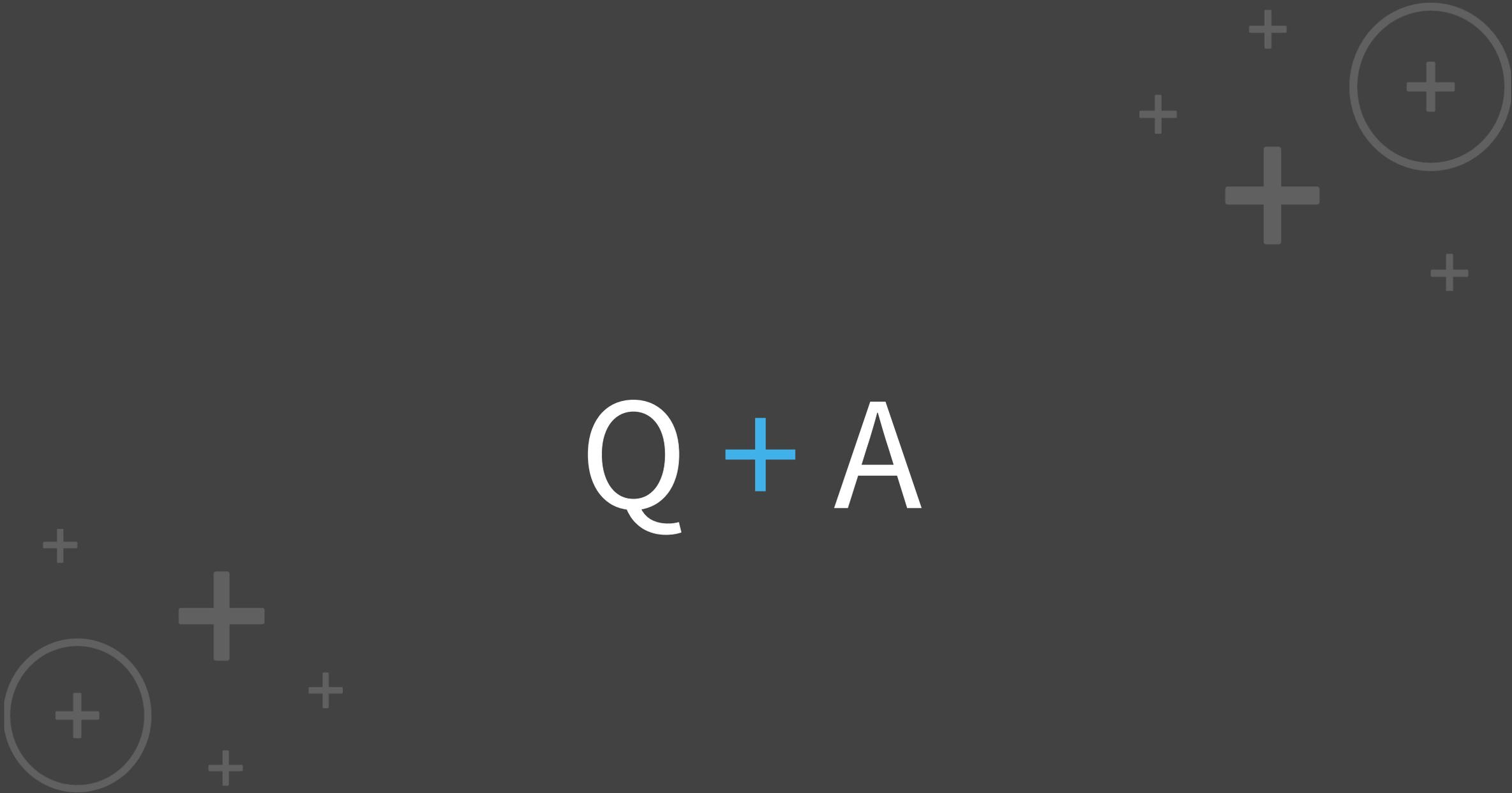
£m	FY23			FY22		
	Subs	Non-subs	Total	Subs	Non-subs	Total
Q1	210.5	27.6	238.1	195.1	30.3	225.4
Q2	215.3	28.5	243.8	197.9	30.2	228.1
Q3	220.8	28.2	249.0	204.5	29.4	233.8
Q4				209.9	27.2	237.1
Q3 YTD including US	646.6	84.3	730.9	597.5	89.9	687.4
Q3 YTD excluding US	642.4	84.3	726.7	597.4	89.9	687.3

Reconciliation of adjusted EBITDA ex US to Group operating profit

Nine months to 31 December (£m)	FY23	FY22
Adjusted EBITDA ex US¹	103.5	91.4
Less: US result	(5.9)	(3.4)
Adjusted EBITDA	97.6	88.0
Net investment income	(0.3)	(0.3)
Depreciation and amortisation	(31.7)	(32.4)
Significant items	(1.6)	(1.0)
Operating profit	64.0	54.3

¹Adjusted EBITDA represents the group's operating profit excluding the US result adjusted for amortisation of acquisition intangibles, depreciation and amortisation, significant items and net investment income/(expense)

Q + A



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