



Q3 FY24 results

Matthew Crummack, Chief Executive Officer

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22 February 2024

Q3 highlights

Continued strong financial performance reflecting the strength and resilience of our subscription business model, partnership networks and underlying cost discipline

- + Strong retention rates driving year to date Group subscription revenue growth (10%), supported by 17% subscription revenue growth in International
- + Group adjusted EBITDA increased by 9% for the year to date to £114m
- + Continued good levels of liquidity and substantial solvency ratio coverage
- + Signed new long-term deal with Whirlpool US delivering important contractual enhancements to our relationship
- + Acquired a state-of-the-art data driven repair platform from Nana Technologies Inc.

D&G extends and enhances partnership with Whirlpool US...

- + D&G extends and expands provision of warranty plans for Whirlpool US, one of the largest white goods OEMs in the US.
- + Enhanced partnership will increase sales in existing channels, launching new channels such as campaigning, **extending the scope of D&G's exclusivity** and the existing contract term for a further 5 years.
- + **Launched cross selling** and we have extended our service repair network to accommodate increased volumes.
- + Whirlpool Contact Centre is live, selling D&G products: **conversion rates are strong** signalling the consumer appeal.
- + **Complements the US acceleration effect of the After Inc acquisition**, which brought After's scalable campaigning capability, plus connections and know-how in the market.

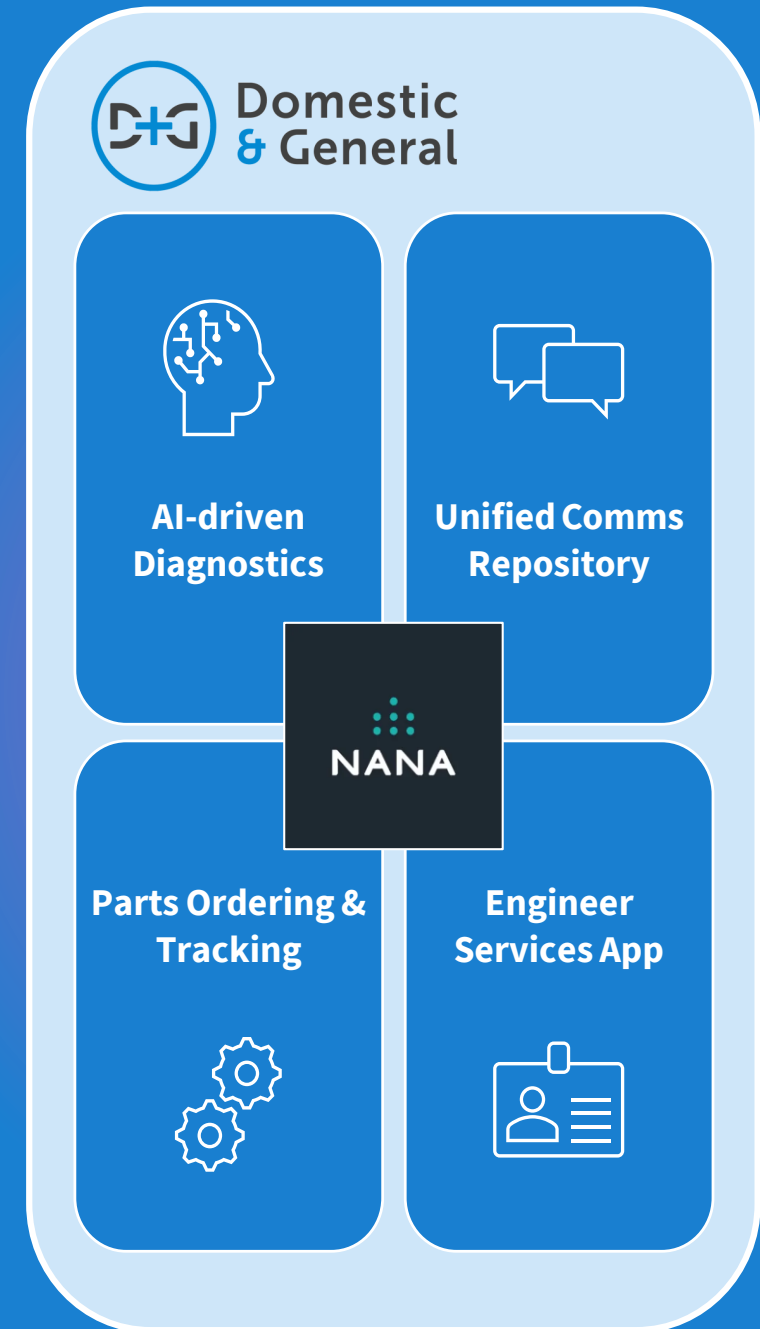


...and acquires platform from Nana Technologies

- In a December asset acquisition, D&G purchased a state-of-the-art repair management platform, including a functionality-rich engineer app from Nana Technologies.

Why is the asset acquisition important?

- It is expected to bring a **step-change to our customer service proposition**
 - The application of analytics is expected **to improve speed and quality of service**
 - Parts location tracking will provide more visibility and **better communication for customers**
 - Initial focus on use in the US business, with potential for wider application in the global business, a significant milestone for both our US and broader tech and data ambitions
- The sophisticated data & AI-driven repair platform will drive **operational improvements** and **margin expansion** opportunities
 - Provides a more efficient and **attractive proposition for engineers**, leading to operational improvements and increased engineer availability
 - Removes **costs of operational imperfection** and positively influences the customer experience leading **to improved retention**

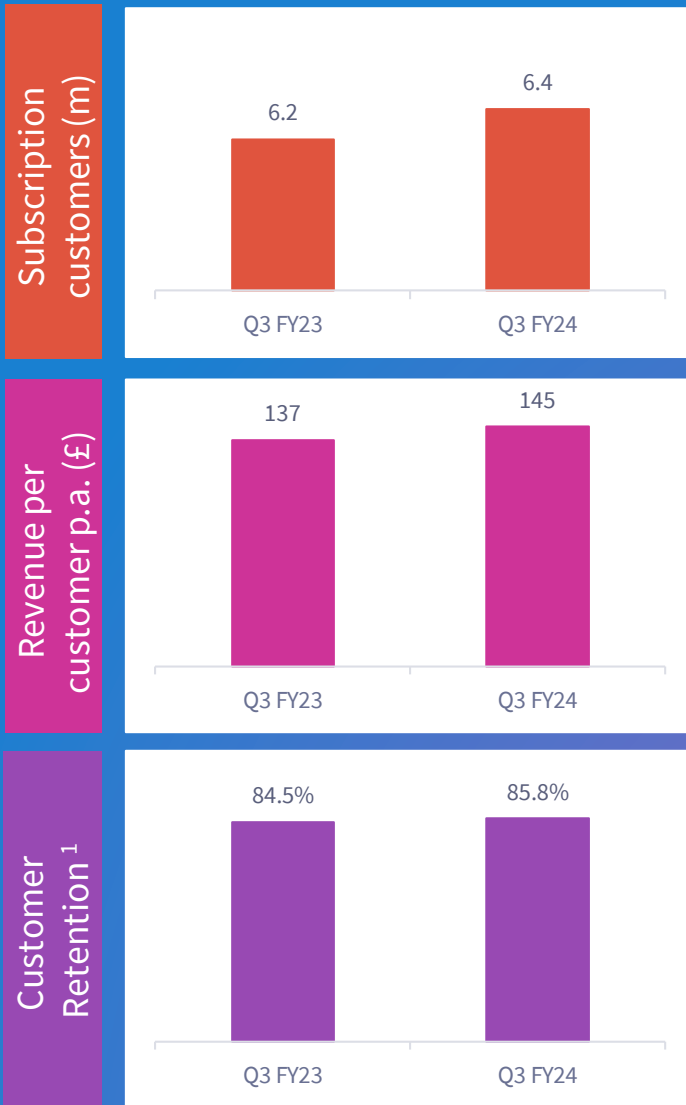




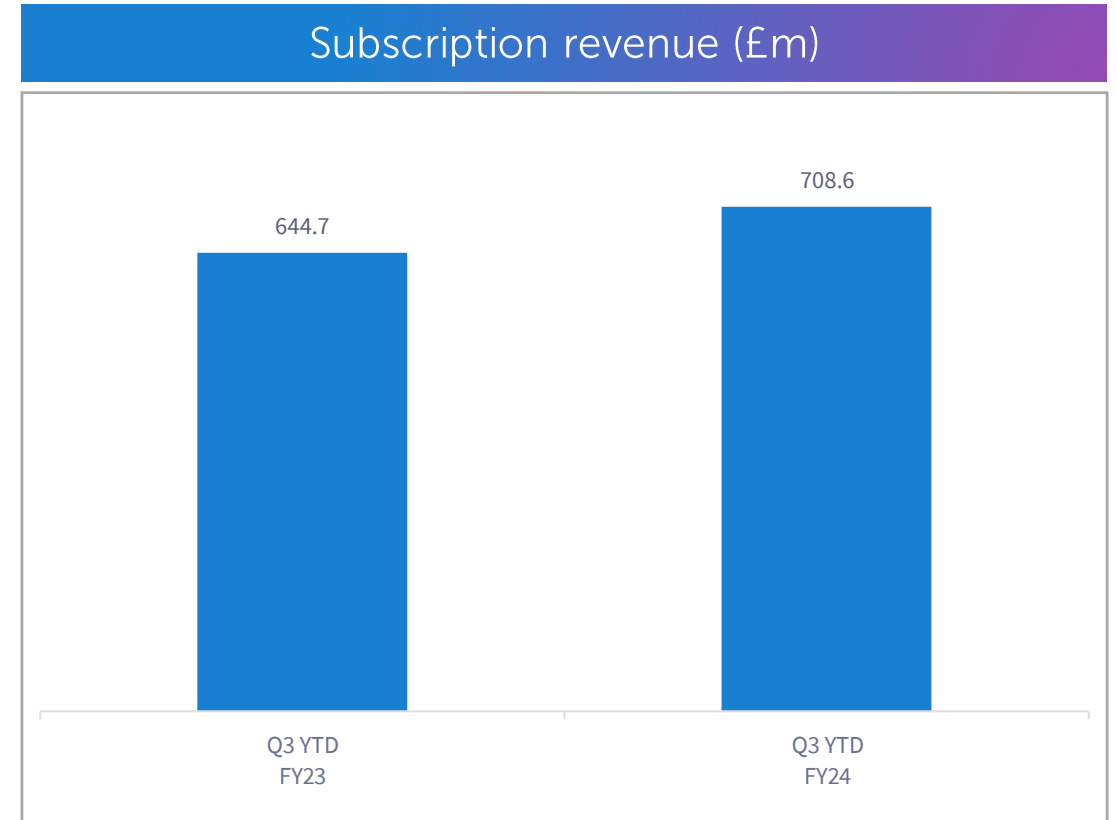
Q3 FY24

Continued growth and resilience

Our subscription model



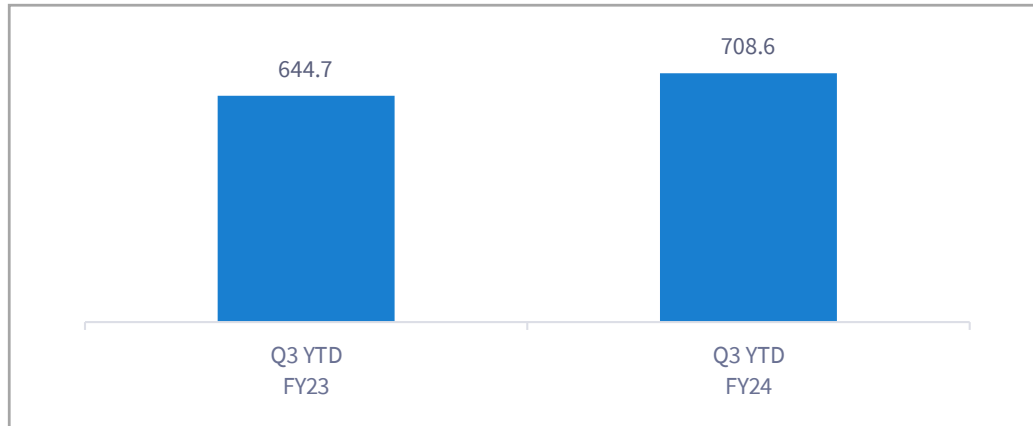
1. Excludes US



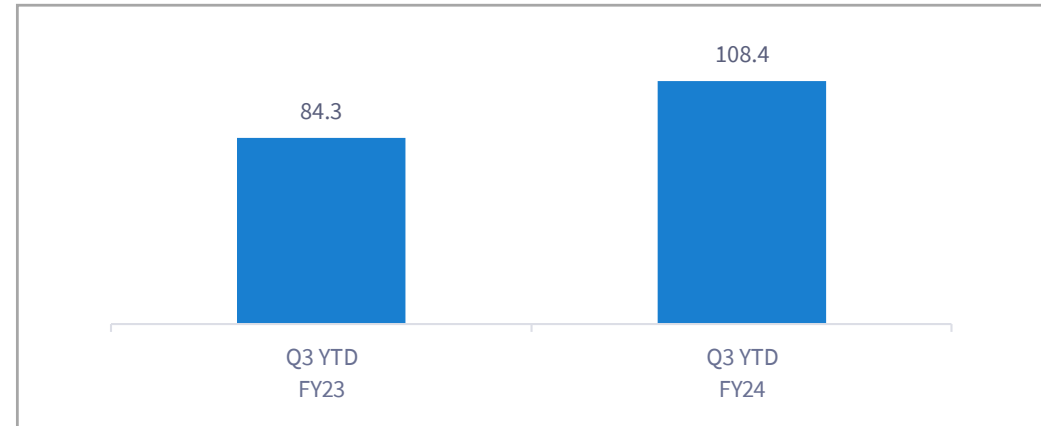
The underlying drivers of our subscription revenue delivered growth of 10%

Improving financial performance

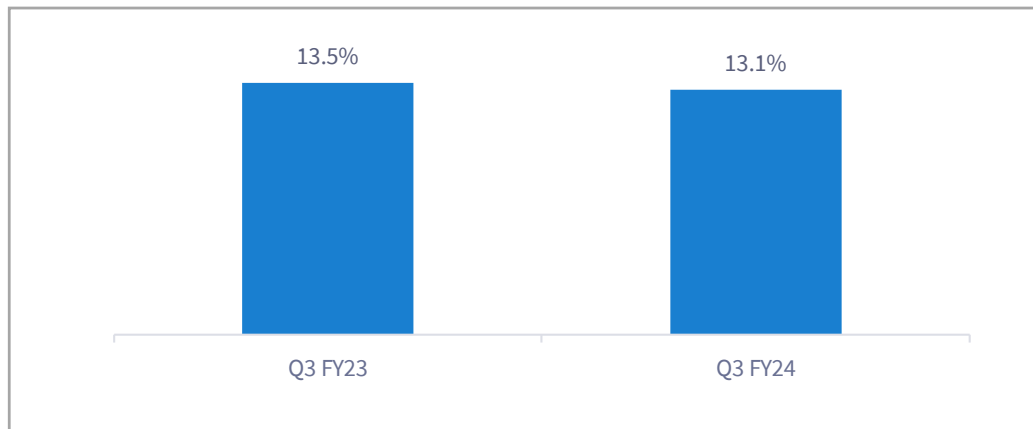
Subscription revenue (£m)



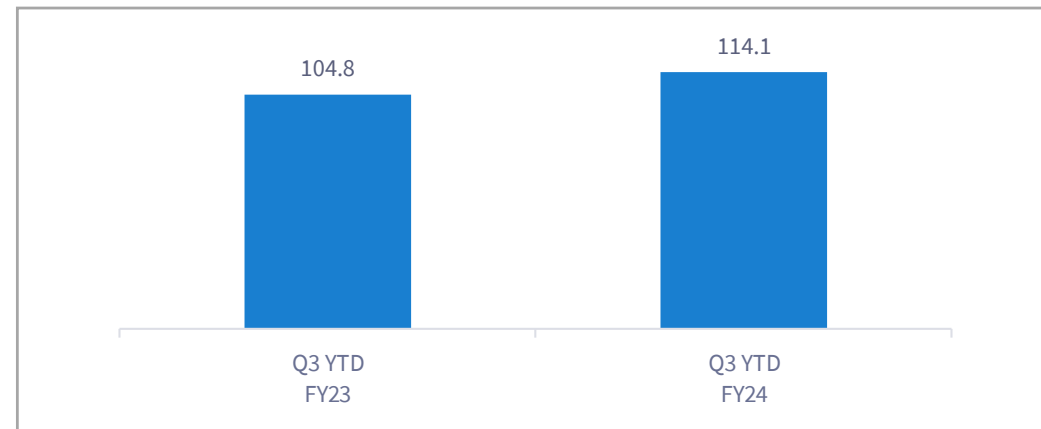
Non-subscription revenue³ (£m)



LTM Adjusted EBITDA margin (%)



Adjusted EBITDA (£m)



1. Prior year comparative figures have been restated to reflect the adoption of IFRS 17.

2. Adjusted EBITDA represents profit before tax adjusted for depreciation and amortisation, significant items and other finance expenses. See Results Statement for further detail.

3. Non-subscription revenue has grown driven by the addition of 7 months of After Inc revenues

Improving revenue quality

	9 months to 31 December (£m)	FY24	FY23	Change
Subscription revenue	UK	606.2	557.0	9%
	Europe & Other ¹	95.2	83.5	14%
	US	7.2	4.2	71%
	Group subscription revenue	708.6	644.7	10% ¹
Non-subscription revenue	UK	29.7	31.2	-5%
	Europe & Other ¹	56.6	53.1	7%
	US	22.1	0.0	n/a
	Group non-subscription revenue	108.4	84.3	29% ²
Total revenue	UK	635.9	588.2	8%
	Europe & Other ¹	151.8	136.6	11%
	US	29.3	4.2	n/a
	Total Group revenue	817.0	729.0	12% ³

1. Europe & Other revenue represents European and Australian businesses.

2. Revenue includes insurance revenue and other income and reflects the adoption of IFRS 17.

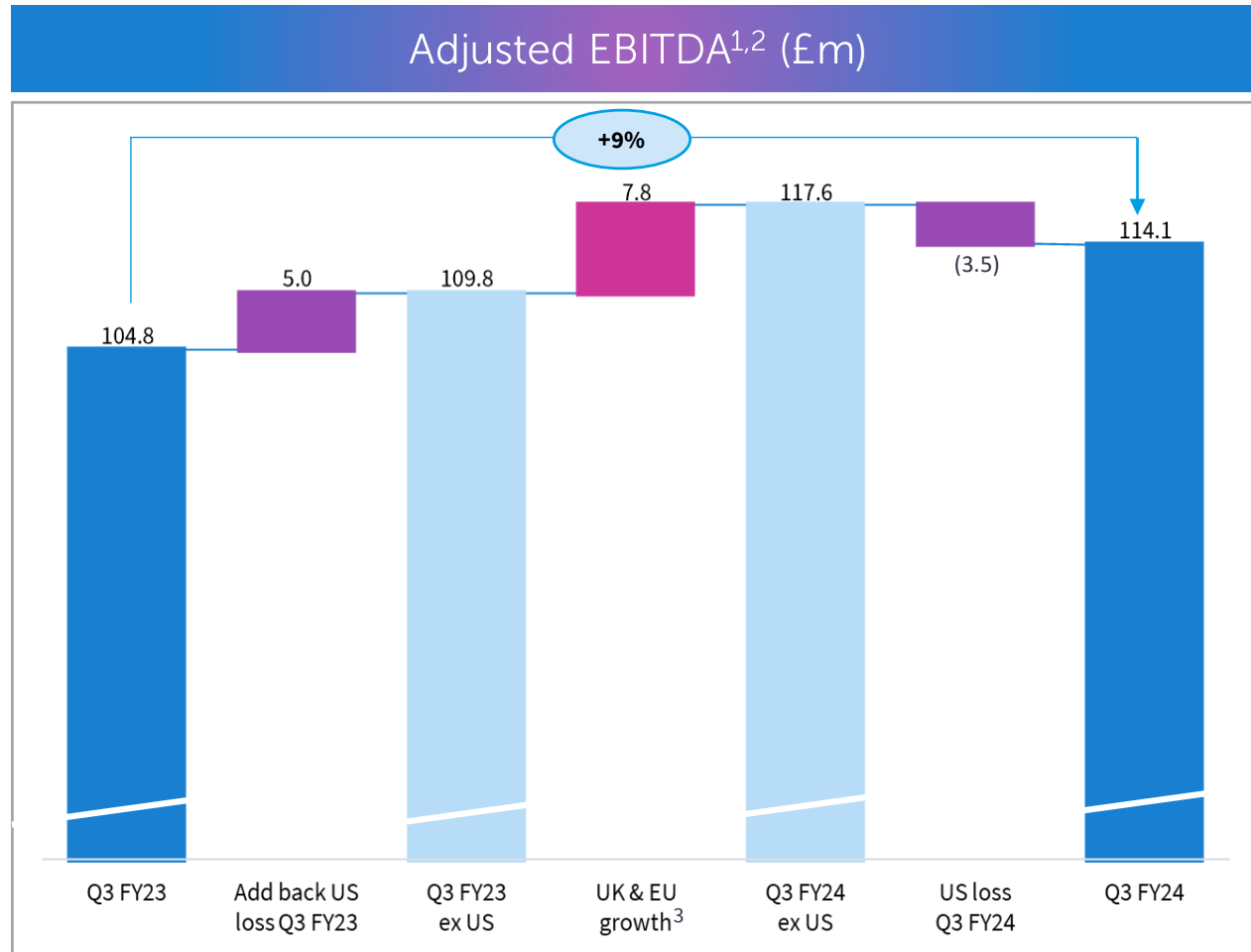
3. Represents Europe & Other and US combined

¹ Continued growth in subscription revenue, up +10% vs FY23, with International³ subscription revenue up 17%. Subscription revenue represents 87% of total revenue (95% in UK, 63% in Europe & Other, 25% in US)

² Non-subscription revenue has grown driven by the addition of 7 months of After Inc revenues

³ Year on year total Group revenue growth of +12%, reflects the inclusion of After Inc revenues and continued momentum in subscription sales

Adjusted EBITDA growth



- + Group adjusted EBITDA growth for Q3 year to date of +9%
- + EBITDA growth driven by revenue growth, underwriting performance and stability of costs
- + EBITDA growth excluding US was +7% for the year to date
- + US losses reflect early-stage costs and earning patterns, partially offset by the recent After Inc acquisition

1. Adjusted EBITDA represents profit before tax adjusted for depreciation and amortisation, significant items and other finance expenses. See Results Statement for further detail.
 2. Adjusted EBITDA reflects the adoption of IFRS 17 including in the FY23 comparatives.
 3. Holding company costs are included in the UK segment.

Cashflow and capitalisation



Summary cash flow

9 months to 31 December	FY24	FY23
Adjusted EBITDA ex US	117.6	109.8
Change in unregulated working capital (ex Aus and US)	(12.7)	(7.5)
Excess regulated EBITDA over distributable reserves ¹	(24.5)	(22.5)
Operating cash before capex	80.4	79.8
<i>Cash conversion before capex (adj EBITDA ex US)</i>	68%	73%
Capital expenditure	(22.4)	(21.6)
Operating free cash flow before US and Aus working capital	58.0	58.2
<i>Cash conversion (adj EBITDA ex US)</i>	49%	53%
Australia working capital	(6.7)	(5.9)
US Costs (excluding capital expenditure)	(6.8)	(8.4)
Operating free cash flow	44.5	43.9
Adjusted EBITDA incl. US	114.1	104.8
<i>Cash conversion (adj EBITDA incl. US)</i>	39%	42%
Debt Interest	(36.7)	(30.5)
Corporation Tax and other	(2.9)	(5.9)
Free Cash flow before significant items and M&A	4.9	7.5
RCF drawdown and cash equity subscription	61.7	0.0
Acquisition cash flows	(58.8)	0.0
Significant items	(7.2)	(3.0)
Unrestricted cash flow	0.6	4.5
Unrestricted Cash b/f at 1 April	55.6	64.3
Unrestricted Cash c/f at 31 December	56.2	68.8
¹ Excess of Reg EBITDA over change in distributable reserves:		
Regulated Business adjusted EBITDA	42.1	45.1
Change in distributable reserves in Regulated Business	(17.6)	(22.6)
	24.5	22.5

- + +7% year-on-year growth in adjusted EBITDA ex US
- + Operating cash conversion reflects ongoing investment in business growth. Pre-capex operating cash conversion is expected to trend upwards into the high 70s in the future
- + Unrestricted cash increased marginally by £0.6m from its year end position to £56.2m

Capitalisation

	Q3 FY24		Q2 FY24		Maturity	Price
	£m	Adj EBITDA Multiple	£m	Adj EBITDA Multiple		
2 Unrestricted Cash Reserves	56.2		60.4			
3 Super Senior RCF	(30.0)		(30.0)		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	(559.4)		(555.2)			
Senior Notes	(150.0)		(150.0)		Jul-27	9.25%
Bank and Bond Debt Net of Cash	(709.4)		(705.2)			
Lease liabilities	(26.5)		(27.1)			
Total Net Debt	(735.9)	1 5.2x	(733.3)	5.2x		
LTM underlying adjusted EBITDA (£m)		141.5		140.5		

- 1 Leverage has improved 0.2x since FY23 and is now at 5.2x, consistent with Q2 driven by the growth in EBITDA
- 2 Unrestricted cash has decreased in the quarter to £56.2m due to our strategic investments in the US, however increased marginally since FY23 as analysed on previous slide
- 3 As at 31 December 2023, the Group had £107.5m of undrawn RCF capacity, inclusive of £30m allocated to uncalled letters of credit in support of the regulated business

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

2. Leverage is calculated using adjusted EBITDA determined inclusive of the impacts of IFRS 17. However, formal ratios, calculations and determinations under the Group's RCF agreement and bond indentures are required to be, and will continue to be, calculated based on IFRS disregarding the effect of IFRS 17.

Q3 highlights

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- + Group adjusted EBITDA increased by 9% for the year to date to £114m
- + Continued good levels of liquidity and substantial solvency ratio coverage
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Q + A



Appendix

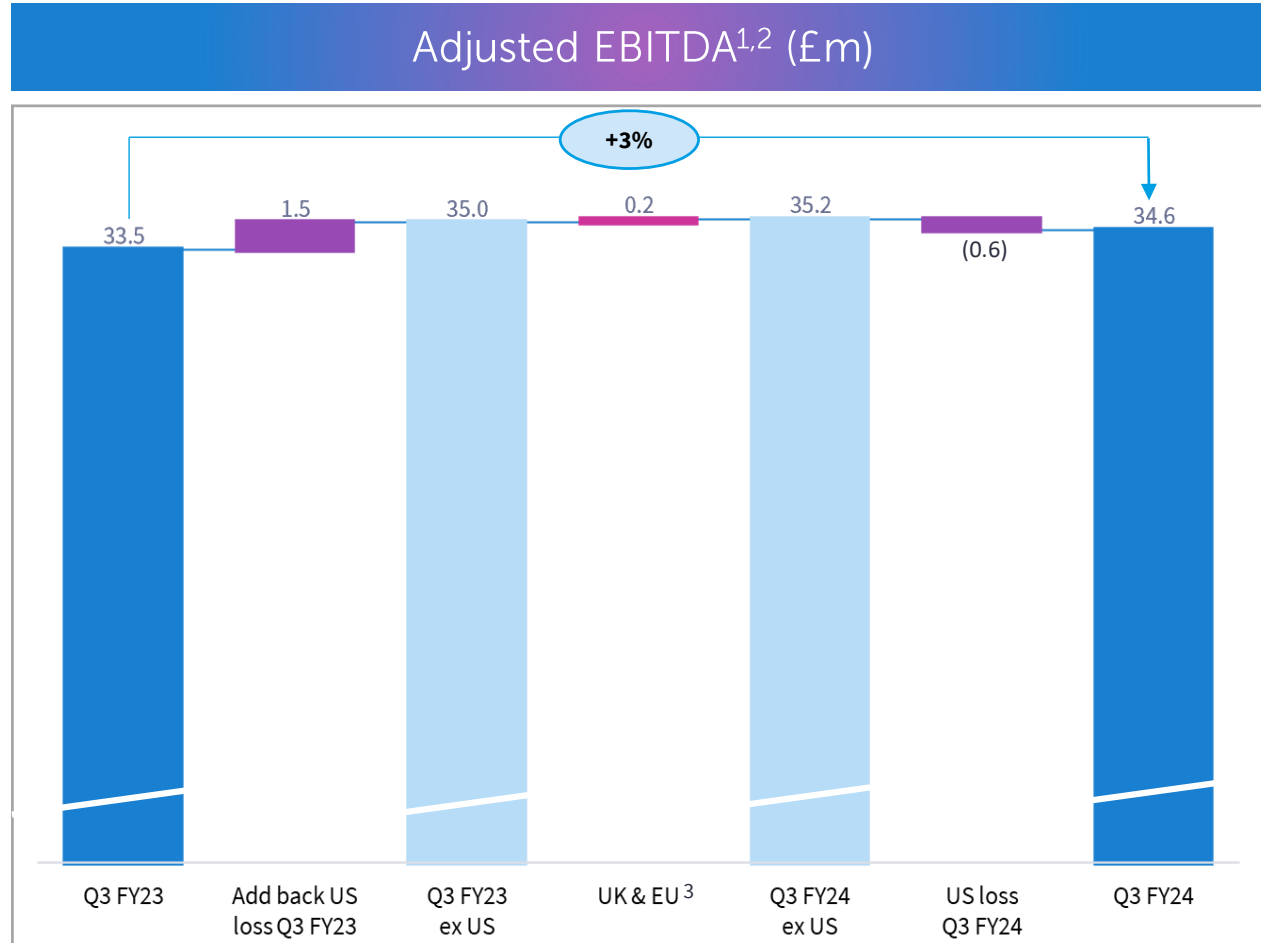


Revenue quarterly progression – subscription and non-subscription

£m	FY24			FY23		
	Subs	Non-subs	Total	Subs	Non-subs	Total
Q1	228.8	32.6	261.4	209.9	27.6	237.5
Q2	238.1	37.7	275.8	214.5	28.5	243.0
Q3	241.7	38.1	279.8	220.3	28.2	248.5
Q4				227.8	28.3	256.1
Full year Total Group				872.5	112.6	985.1
Full year excluding US				866.4	112.6	979.0

1. Revenue includes insurance revenue and other income and reflects the adoption of IFRS 17 (including the restatement of comparative figures)

Q3 discrete adjusted EBITDA growth



- + Group adjusted EBITDA growth for Q3 discrete of +3%
- + EBITDA growth driven by revenue growth, underwriting performance and stability of costs
- + EBITDA growth excluding US was 1% for Q3 discrete
- + US losses reflect early-stage costs and earning patterns, partially offset by the recent After Inc acquisition

1. Adjusted EBITDA represents profit before tax adjusted for depreciation and amortisation, significant items and other finance expenses. See Results Statement for further detail.
 2. Adjusted EBITDA reflects the adoption of IFRS 17 including in the FY23 comparatives.
 3. Holding company costs are included in the UK segment.

Quarterly cash flow

3 months to quarter end (£m)	Q1 FY24	Q2 FY24	Q3 FY24
Adjusted EBITDA ex US	39.9	42.5	35.2
Change in unregulated working capital (ex Aus and US)	(5.0)	(11.0)	3.3
Excess regulated EBITDA over distributable reserves ¹	(11.9)	(0.1)	(12.5)
Operating cash before capex	23.0	31.4	26.0
Cash conversion (adj EBITDA ex US)	58%	74%	74%
Capital expenditure	(7.2)	(6.7)	(8.5)
Operating free cash flow before US and Aus working capital	15.8	24.7	17.5
Cash conversion (adj EBITDA ex US)	40%	58%	50%
Australia working capital	(2.4)	(2.6)	(1.7)
US Costs (ex capital expenditure)	(2.0)	(1.9)	(2.9)
Operating free cash flow	11.4	20.2	12.9
Adjusted EBITDA incl. US	38.3	41.2	34.6
Reported cash conversion	30%	49%	37%
Debt Interest	(5.0)	(26.7)	(5.0)
Corporation Tax and other	0.0	(0.3)	(2.6)
Free Cash flow before significant items and M&A	6.4	(6.8)	5.3
RCF drawdown and cash equity subscription	61.7	0.0	0.0
Acquisition cash flows	(54.5)	0.0	(4.3)
Significant items	(1.4)	(0.6)	(5.2)
Unrestricted cash flow	12.2	(7.4)	(4.2)
Unrestricted Cash b/f	55.6	67.8	60.4
Unrestricted Cash c/f	67.8	60.4	56.2
¹ Excess of Reg EBITDA over change in distributable reserves:			
Regulated Business adjusted EBITDA	17.1	14.2	10.8
Change in distributable reserves in Regulated Business	(5.2)	(14.1)	1.7
	11.9	0.1	12.5

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