



FY24 results

Matthew Crummack, Chief Executive Officer

Joe Fitzgerald, Chief Financial Officer

26 July 2024

FY24 highlights

Our track record of year-on-year profitable growth is testament to the quality and importance of the products and services offered to customers, as well as our focus on growing the quality of revenue through a proven subscription model.

- Group revenue exceeded £1 billion for the first time with strong retention rates driving +9% Group subscription revenue growth
- Double digit adjusted EBITDA growth to £145m, highlighting the quality of earnings via a service focused subscription model improving in all markets
- US business showing strong growth, both organically and inorganically
- Modernisation of key systems including the retirement of legacy systems, implementation of a new finance ledger and transition from our legacy telephony platform to a cloud Software as a Service solution
- Continued high levels of customer service and advocacy
- Extended relationships with key partners – Whirlpool US, Haier and Sky
- Continued good levels of liquidity with leverage ratio reduced to 5.2x and substantial solvency ratio coverage maintained
- Sustainability commitment to set a science-based emissions reduction target

Our strategy

Driving global growth



Maintain UK momentum

Deliver the US ambition

Scale and optimise Europe

Best-in-class customer and partner experiences



Superior service experience

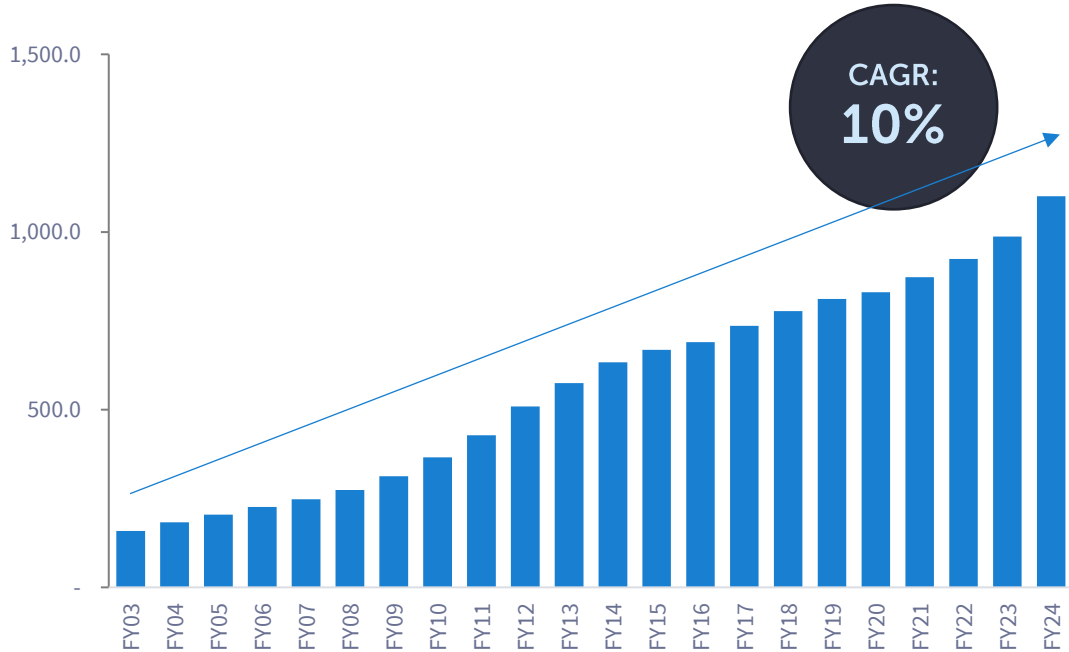
Product and data innovation

Scalable technology foundations

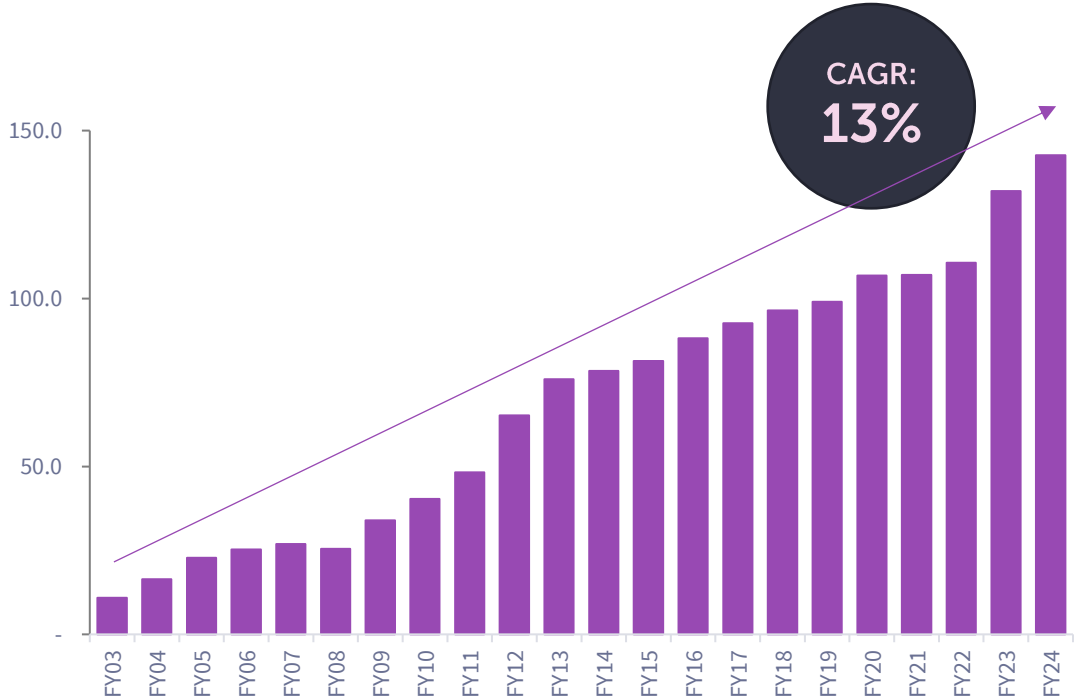
Environmentally aligned | Inclusive and progressive culture

Impressive track record of uninterrupted organic growth over 20+ years

Group underlying revenue¹



Group adjusted EBITDA²



1. Underlying revenue is stated on a consistent basis excluding the impact of fair value adjustments related to acquisition accounting in historic periods. FY23 onwards are presented on an IFRS 17 basis, Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.

2. Accounting policies have changed over the 21 year period. CAGRs based on FY03 and FY24. FY03 Group adjusted EBITDA (excl. investment income) calculated based on historical financials (under UK GAAP, with the Group adopting IFRS from 1 April 2005). FY22 and prior are presented on an IFRS 4 basis. FY23 onwards are presented on an IFRS 17 basis, Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.

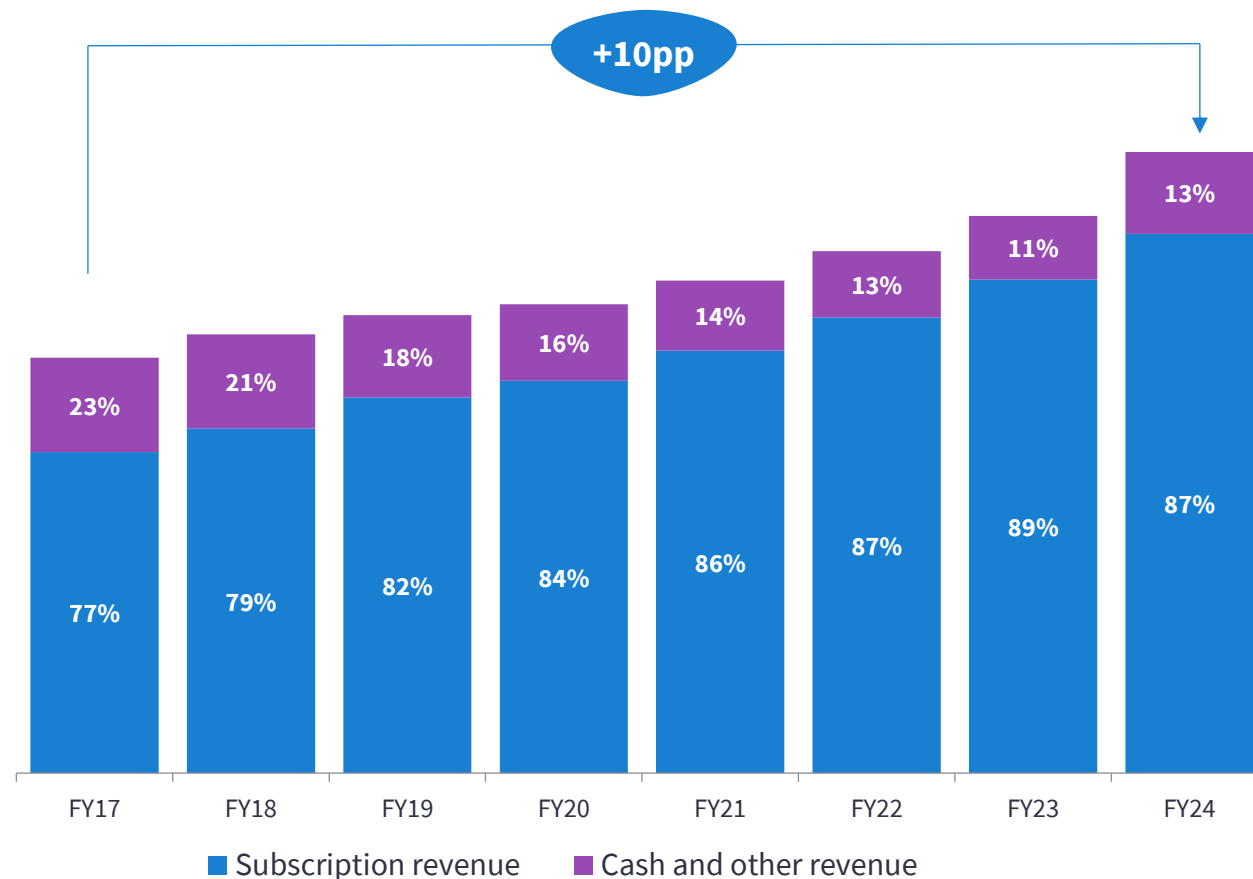
Improving quality of Group earnings

Subscription revenue represents 87% of our total revenue, vs 77% in FY17



85% average customer subscription retention rate since FY17

Increasing subscription contribution and higher lifetime value



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. FY23 onwards are presented on an IFRS 17 basis, Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.

Our sustainability strategy

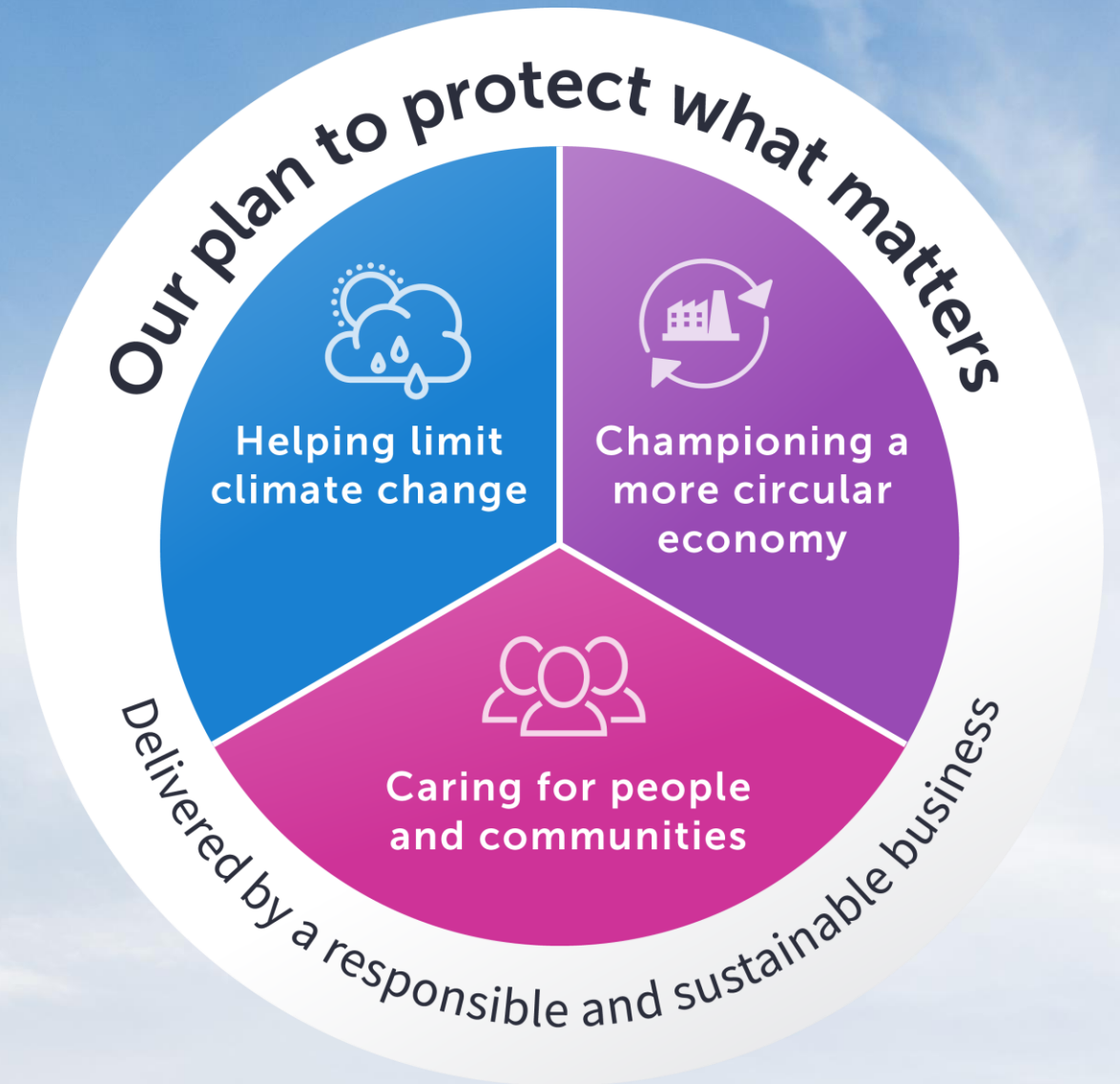
Committed to setting a science-based emission reduction target

31% reduction achieved in FY24 UK scope 1 and 2 emissions

Average emissions intensity of a repair <5% of a replacement

2.6m repairs annually, reducing landfill waste

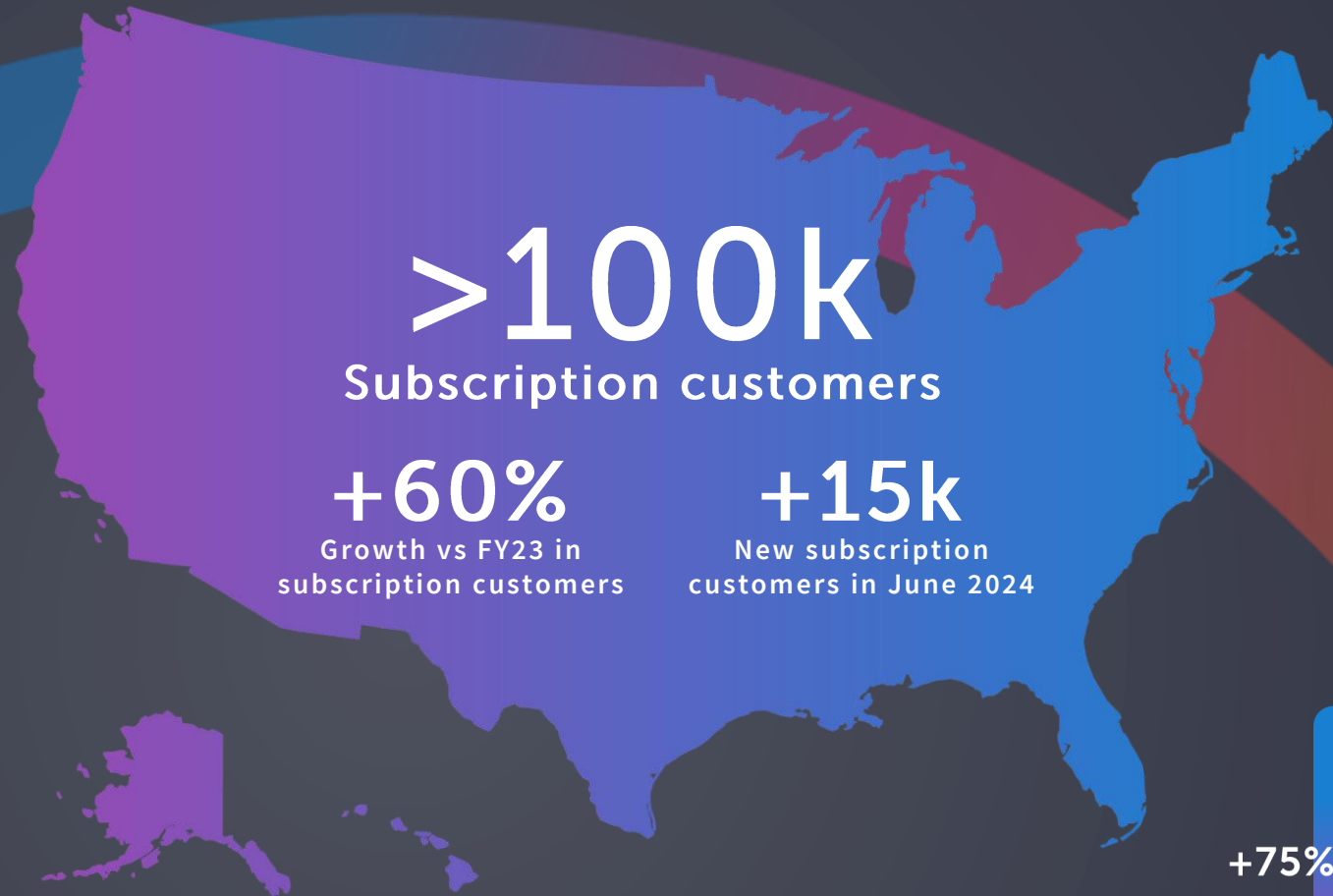
1,766 hours volunteered



FY24 progress on our organic US journey

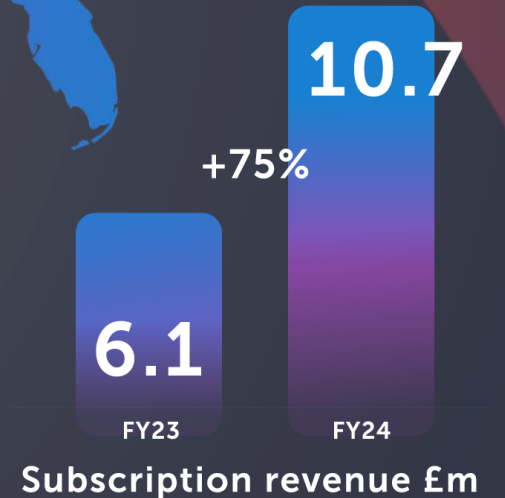


Important contractual enhancements to our US relationship secured with Whirlpool.



x5

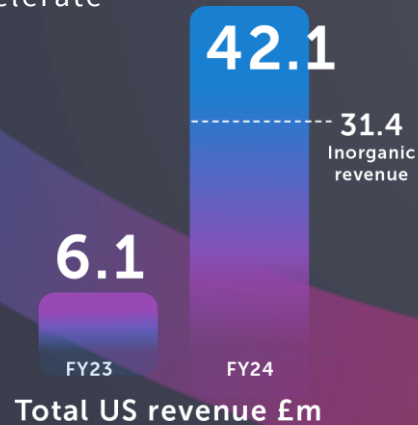
Compared to the UK market, the US has five times the number of households and five times the annual sales volume of major domestic appliances sold in the UK.



Inorganic US growth

During FY24 we made two attractive acquisitions which accelerate the delivery of our US strategy

Together these acquisitions reflect a maturing in-house M&A capability that will serve as further lever to accelerate growth in the US and elsewhere.



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In June 2023, we completed the acquisition of After Inc., an established US post-sale warranty provider.

In December 2023, we completed the acquisition of a state-of-the-art repair platform from Nana Technologies Inc.

Partner relationships obtained through After Inc.





FY24 financial highlights

Joe Fitzgerald

FY24 key results

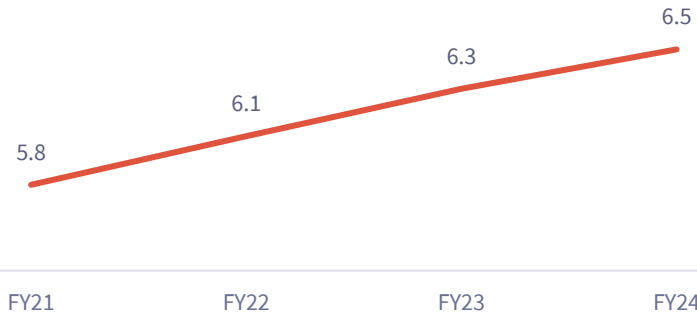
Despite continued economic headwinds and geopolitical uncertainty, we've achieved another strong set of results with annual revenue exceeding £1bn for the first time and double-digit growth in adjusted EBITDA. This demonstrates the strength of our subscription business model and longstanding partnership networks.

- Group revenue exceeded £1 billion for the first time (FY23 Restated¹: £991m)
- 9% Group subscription revenue growth to £956m (FY23 Restated¹: £878m)
- 10% adjusted EBITDA growth to £145m (FY23 Restated¹: £132m)
- Net debt of £756m (FY23: £707m) with a 0.1x leverage reduction to 5.2x
- Substantial solvency ratio of 192% (FY23: 185%²)

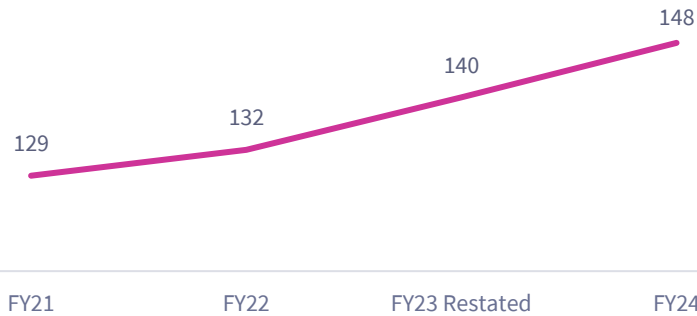
1. Please see the FY24 Annual Report and Accounts for full details of the prior period IFRS 17 restatement.
2. FY23 Solvency ratio restated - see 'Other information' in the FY24 Annual Report and Accounts for further details.

Our subscription model

Subscription customers (m)



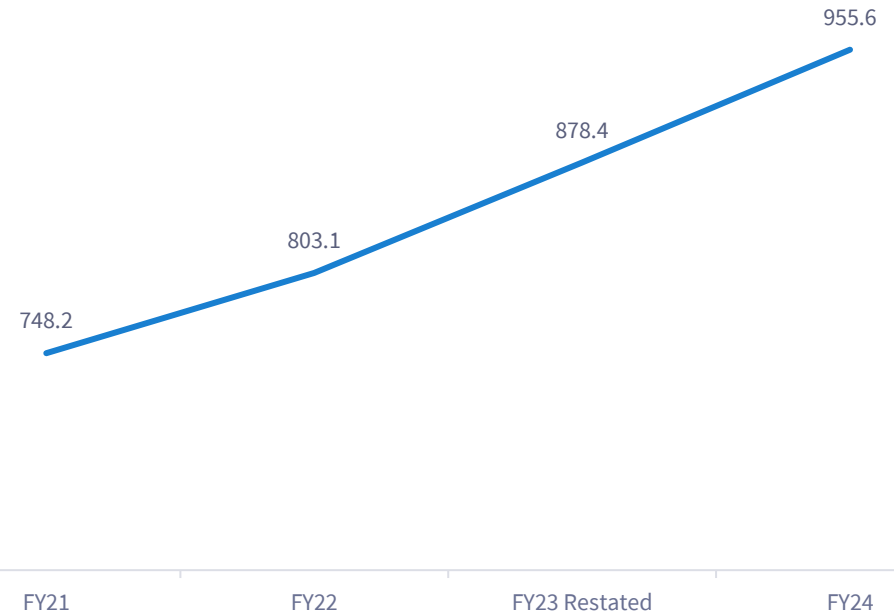
Revenue per customer p.a. (£)



Customer Retention²



Subscription revenue (£m)

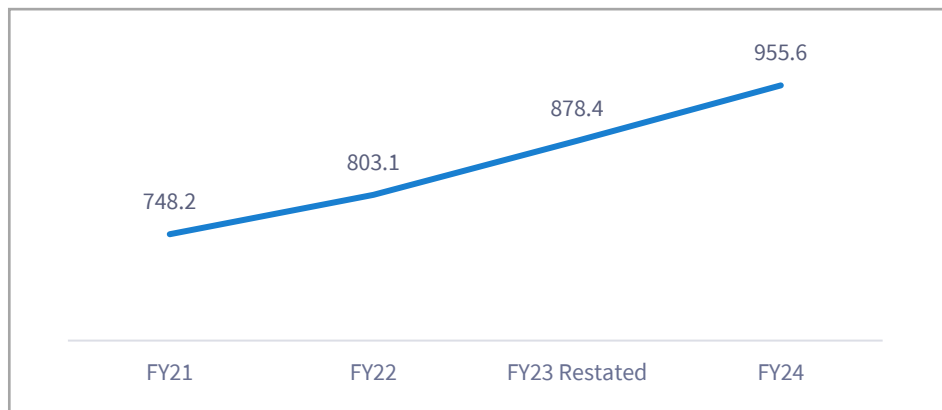


The underlying drivers of our subscription revenue continue to perform well resulting in 9% growth

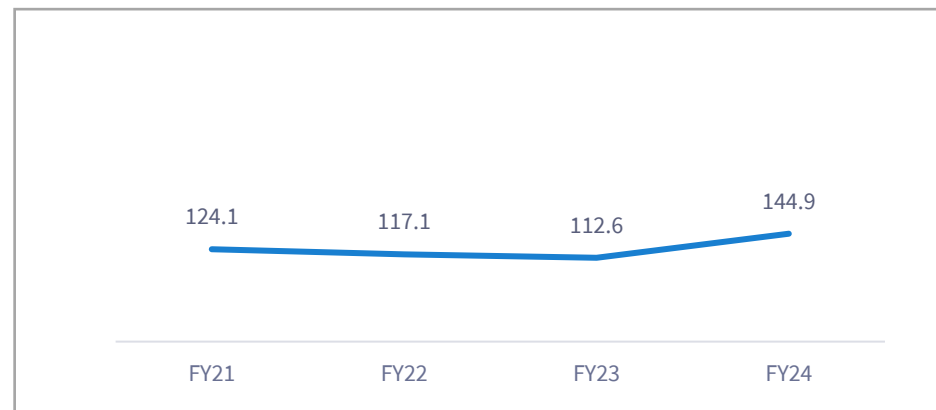
1. FY23 comparative have been restated, please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.
2. Excludes US

Improving financial performance

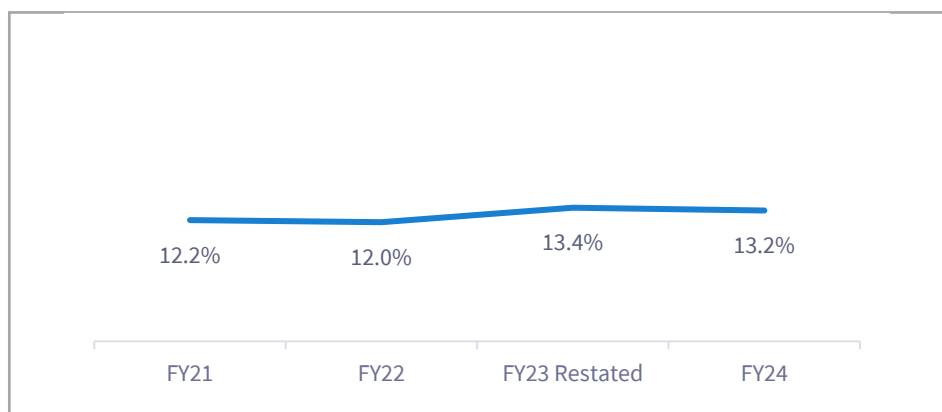
Subscription revenue (£m)



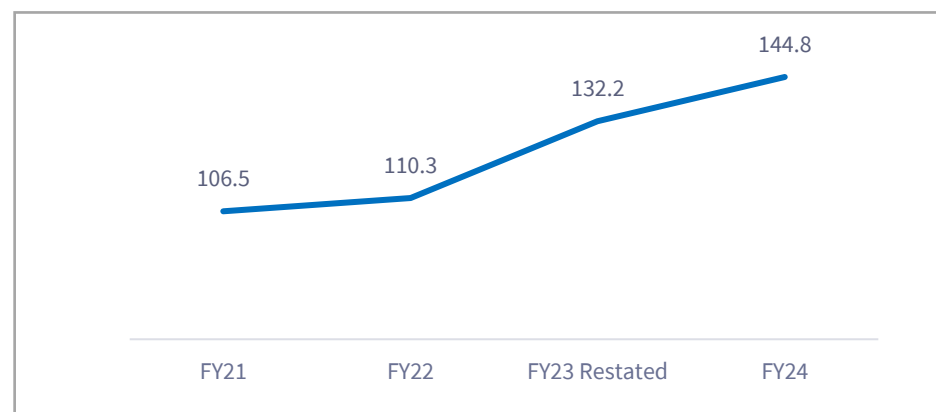
Non-subscription revenue³ (£m)



Adjusted EBITDA margin (%)



Adjusted EBITDA (£m)



1. Prior year FY23 comparative figures have been restated to reflect the adoption of IFRS 17. Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.
2. Adjusted EBITDA represents profit before tax adjusted for depreciation and amortisation, significant items and other finance expenses. See FY24 Annual Report & Accounts for further detail.
3. Non-subscription revenue has grown driven by the addition of 10 months of After Inc revenues of £31.4m.

Improving organic revenue quality

	12 months to 31 March (£m)	FY24	FY23 Restated	Change
Subscription revenue	UK	815.6	756.5	8%
	Europe & Other ¹	129.3	115.8	12%
	US	10.7	6.1	75%
	Group subscription revenue	955.6	878.4	9% 1
Non-subscription revenue	UK	39.8	41.2	-3%
	Europe & Other ¹	73.7	71.4	3%
	US	31.4	-	n/a
	Group non-subscription revenue	144.9	112.6	29% 2
Total revenue	UK	855.4	797.7	7%
	Europe & Other ¹	203.0	187.2	8%
	US	42.1	6.1	n/a
	Total Group revenue	1,100.5	991.0	11% 3

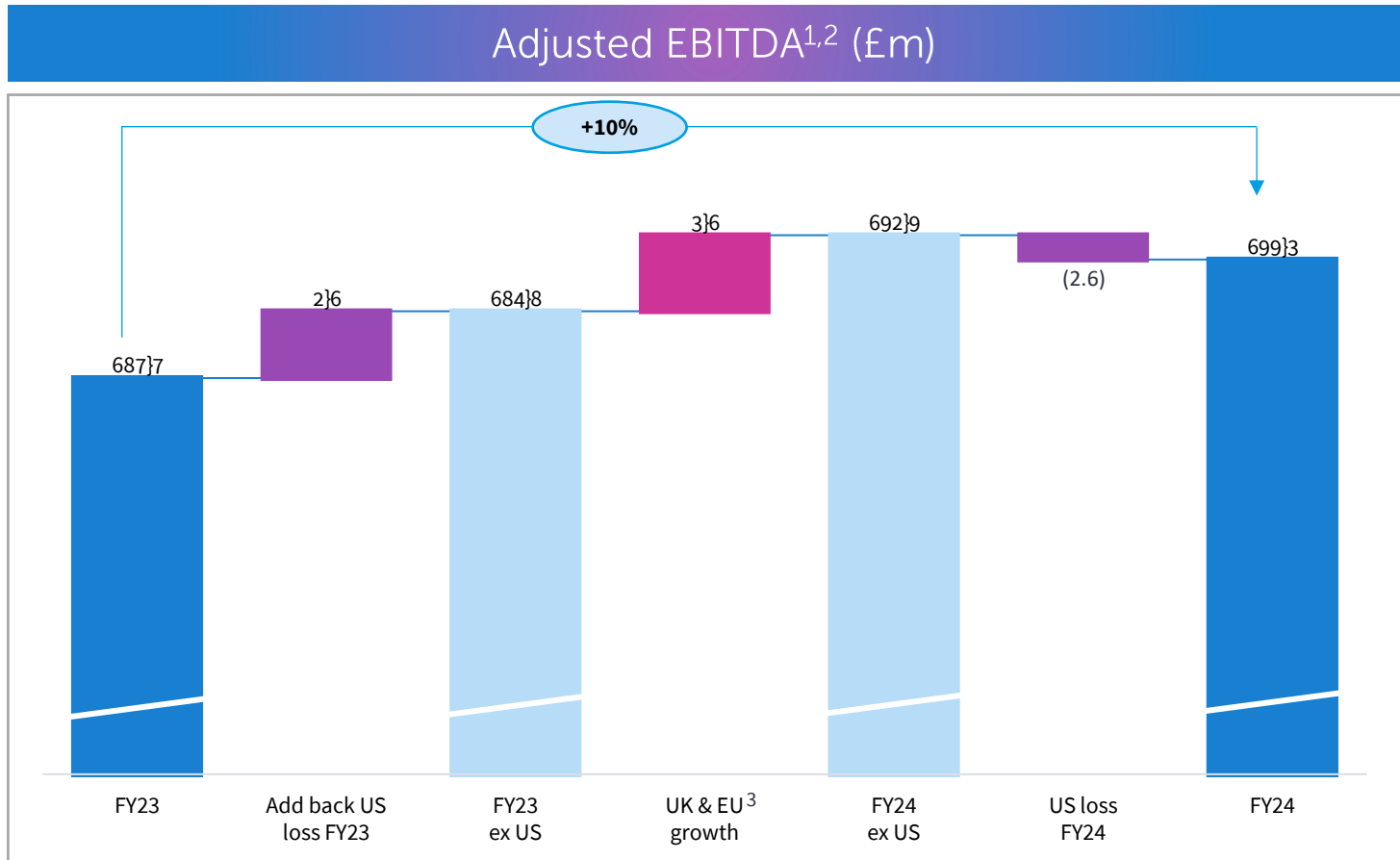
- 1 Continued growth in subscription revenue, up +9% vs FY23, with International³ subscription revenue up 15%. Subscription revenue represents 87% of total revenue (95% in UK, 64% in Europe & Other, 25% in US)
- 2 Non-subscription revenue has grown driven by the addition of 10 months of After Inc revenues
- 3 Year on year total Group revenue growth reflects continued momentum in subscription sales and the inclusion of After Inc revenues

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

2. Revenue includes insurance revenue and other income and reflects the adoption of IFRS 17. Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.

3. Represents Europe & Other and US combined

Adjusted EBITDA growth



- Group adjusted EBITDA growth for the year of +10%
- EBITDA growth driven by continued strong trading performance and stable total cost ratios
- US investment losses reduced due to increased revenue and growing subscription business offset by investment in capabilities

1. Adjusted EBITDA represents profit before tax adjusted for depreciation and amortisation, significant items and other finance expenses.

See FY24 Annual Report & Accounts for further detail.

2. Adjusted EBITDA reflects the adoption of IFRS 17 including the restatement of the FY23 comparatives. Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.

3. Holding company costs are included in the UK segment.

Cashflow and capitalisation

Summary cash flow

12 months to 31 March	FY24	FY23
Adjusted EBITDA ex US	147.4	139.3
Change in unregulated working capital (ex Aus and US)	(26.4)	(9.4)
Excess regulated EBITDA over distributable reserves ¹	(18.8)	(25.8)
Operating cash before capex	102.2	104.1
<i>Operating cash conversion before capex (adj EBITDA ex US)</i>	<i>69%</i>	<i>75%</i>
Capital expenditure	(28.7)	(27.2)
Operating free cash flow before US and Aus working capital	73.5	76.9
<i>Operating cash conversion after capex (adj EBITDA ex US)</i>	<i>50%</i>	<i>55%</i>
Australia working capital	(8.9)	(9.0)
US Costs (excluding capital expenditure)	(7.0)	(11.5)
Operating free cash flow	57.6	56.4
Adjusted EBITDA incl. US	144.8	132.2
<i>Operating free cash conversion (adj EBITDA incl. US)</i>	<i>40%</i>	<i>43%</i>
Debt Interest	(62.4)	(54.6)
Corporation Tax and other	(5.0)	(3.6)
Free Cash flow before significant items and M&A	(9.8)	(1.8)
RCF drawdown and cash equity subscription	68.7	0.0
Acquisition cash flows	(59.6)	0.0
Significant items	(12.4)	(6.9)
Unrestricted cash flow	(13.1)	(8.7)
Unrestricted Cash b/f at 1 April	55.6	64.3
Unrestricted Cash c/f at 31 March	42.5	55.6
¹ Excess of Reg EBITDA over change in distributable reserves:		
Regulated Business adjusted EBITDA	43.3	49.5
Change in distributable reserves in Regulated Business	(24.5)	(23.7)
	18.8	25.8

- Subscription business generates >80% operating cash conversion. The 69% cash conversion before capex shown to the left includes the short-term working capital impact of running-off legacy European non-subscription business. This impact reduces in FY25 and is expected to be immaterial from FY26 onwards
- Operating free cash flow increased by £2m to £58m
- Unrestricted cash decreased to £42.5m due to our strategic investments in the US and related increases in debt interest



Capitalisation

	FY24		FY23		Maturity	Price
	£m	Adj EBITDA Multiple	£m	Adj EBITDA Multiple		
2 Unrestricted Cash Reserves	42.5		55.6			
3 Super Senior RCF	(37.0)		-		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	(580.1)		(530.0)			
Senior Notes	(150.0)		(150.0)		Jul-27	9.25%
Bank and Bond Debt Net of Cash	(730.1)		(680.0)			
Lease liabilities	(26.0)		(26.9)			
Total Net Debt	(756.1)	1 5.2x	(706.9)	5.3x		
LTM underlying adjusted EBITDA (£m)		145.7		132.7		

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.

- 1 Leverage has improved 0.1x since FY23 and is now at 5.2x, primarily driven by the growth in EBITDA, partially offset by the drawn RCF in the year
- 2 Unrestricted cash has decreased in the year to £42.5m due to our strategic investments in the US and increased debt interest
- 3 As at 31 March 2024, the Group had £100.5m of undrawn RCF capacity, inclusive of £30m allocated to uncalled letters of credit in support of the regulated business

FY24 highlights

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- Sustainability commitment to set a science-based emissions reduction target

Q + A

Appendix

Revenue quarterly progression – subscription and non-subscription

£m	FY24			Restated ¹ FY23		
	Subs	Non-subs	Total	Subs	Non-subs	Total
Q1	228.8	32.6	261.4	212.4	27.6	240.0
Q2	238.1	37.7	275.8	217.2	28.5	245.7
Q3	241.7	38.1	279.8	222.7	28.2	250.9
Q4	247.0	36.5	283.5	226.1	28.3	254.4
Full year Total Group	955.6	144.9	1,100.5	878.4	112.6	991.0

1. Revenue includes insurance revenue and other income and reflects the adoption of IFRS 17 (including the restatement of comparative figures). Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.

LTM underlying adjusted EBITDA calculation vs FY23

Adjusted¹ / underlying adjusted² EBITDA by quarter

£m	FY24			Restated ³ FY23		
	Adjusted EBITDA	Add: holdco Costs	U/L adjusted EBITDA	Adjusted EBITDA	Add: holdco costs	U/L adjusted EBITDA
Q1	38.3	0.2	38.5	35.1	0.1	35.2
Q2	41.2	0.2	41.4	36.2	0.0	36.2
Q3	34.6	0.2	34.8	33.5	0.3	33.8
Q4	30.7	0.3	31.9	27.4	0.1	27.5
LTM	144.8		145.7	132.2		132.7

¹ Adjusted EBITDA represents profit before tax adjusted for amortisation and depreciation, significant items and other finance expenses.

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

³ Please see the FY24 Annual Report & Accounts for full details of the prior period IFRS 17 restatement.

Quarterly cash flow

3 months to quarter end (£m)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Adjusted EBITDA ex US	39.9	42.5	35.2	29.8
Change in unregulated working capital (ex Aus and US)	(5.0)	(11.0)	3.3	(13.7)
Excess regulated EBITDA over distributable reserves ¹	(11.9)	(0.1)	(12.5)	5.7
Operating cash before capex	23.0	31.4	26.0	21.8
Cash conversion (adj EBITDA ex US)	58%	74%	74%	73%
Capital expenditure	(7.2)	(6.7)	(8.5)	(6.3)
Operating free cash flow before US and Aus working capital	15.8	24.7	17.5	15.5
Cash conversion (adj EBITDA ex US)	40%	58%	50%	52%
Australia working capital	(2.4)	(2.6)	(1.7)	(2.2)
US Costs (ex capital expenditure)	(2.0)	(1.9)	(2.9)	(0.2)
Operating free cash flow	11.4	20.2	12.9	13.1
Adjusted EBITDA incl. US	38.3	41.2	34.6	30.7
Reported cash conversion	30%	49%	37%	43%
Debt Interest	(5.0)	(26.7)	(5.0)	(25.7)
Corporation Tax and other	0.0	(0.3)	(2.6)	(2.1)
Free Cash flow before significant items and M&A	6.4	(6.8)	5.3	(14.7)
RCF drawdown and cash equity subscription	61.7	0.0	0.0	7.0
Acquisition cash flows	(54.5)	0.0	(4.3)	(0.8)
Significant items	(1.4)	(0.6)	(5.2)	(5.2)
Unrestricted cash flow	12.2	(7.4)	(4.2)	(13.7)
Unrestricted Cash b/f	55.6	67.8	60.4	56.2
Unrestricted Cash c/f	67.8	60.4	56.2	42.5
¹ Excess of Reg EBITDA over change in distributable reserves:				
Regulated Business adjusted EBITDA	17.1	14.2	10.8	1.2
Change in distributable reserves in Regulated Business	(5.2)	(14.1)	1.7	(6.9)
	11.9	0.1	12.5	(5.7)

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thanks + goodbye