



# H1 FY25 results

Matthew Crummack, Chief Executive Officer

Joe Fitzgerald, Chief Financial Officer

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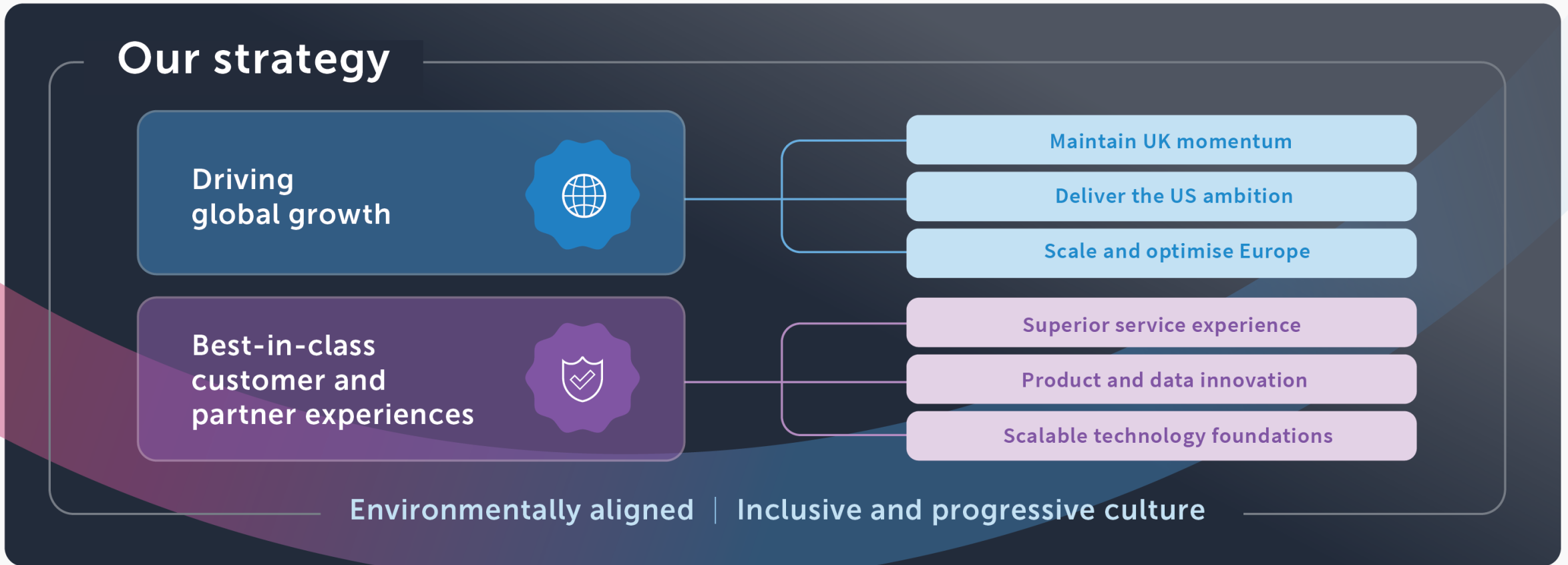
21 November 2024

# H1 FY25 highlights

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

- Group revenue of £580m, +8% vs H1 FY24 (H1 FY24: £537m)
- 11% Group subscription revenue growth to £516m (H1 FY24: £466m)
- 10% adjusted EBITDA growth to £87m (H1 FY24: £79m)
- Net debt of £767m (Q1 FY25: £758m) with a 0.1x leverage reduction to 5.0x
- Substantial solvency ratio of 189% (FY24: 192%)
- US subscription customer growth continues at pace with c.190k live customers as at 30 September 2024 (FY24: c.100k)

We are a healthy business with strong momentum: our strategy is to drive global growth underpinned by best-in-class customer and partner experiences





Domestic & General is a subscription provider of appliance care services, embedded in B2B2C partnership ecosystems

D&G is a large, high service, international business<sup>1</sup>...

**£1.1bn**

Revenue<sup>2</sup>



**20+ years**

Successive subscription revenue growth



**11%**

Subscription rev. growth YoY



**£153m**

Adj. EBITDA<sup>2</sup>



**86%**

Customer retention rate



**89%**

Subscription revenue



**12**

Geographies



**6.6m**

Subscription customers



**>3k**

Employees<sup>3</sup>



**25+ years**

Average partner tenure<sup>4</sup>



**80%**

First time fix rate<sup>3</sup> (%)



**99%**

Claims approval rate<sup>3</sup>



1. Key figures as of HY25 unless indicated otherwise.

2. Last 12 months as at 30 September

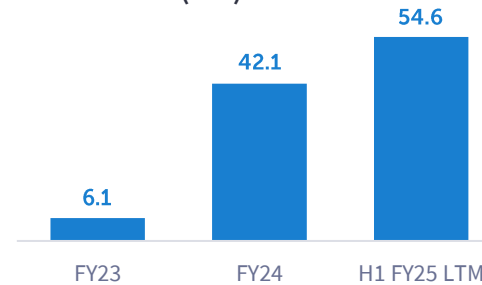
3. As at 31 March 2024

4. Based on largest ten UK partners by FY24 sales.

.....with recent US expansion success

Strong growth underpinned by successful M&A and strong customer appetite

US Revenue (£m)



FY24 organic growth (%)  
**+75%**

**c.190k**

US subscription customers at 30 September 2024

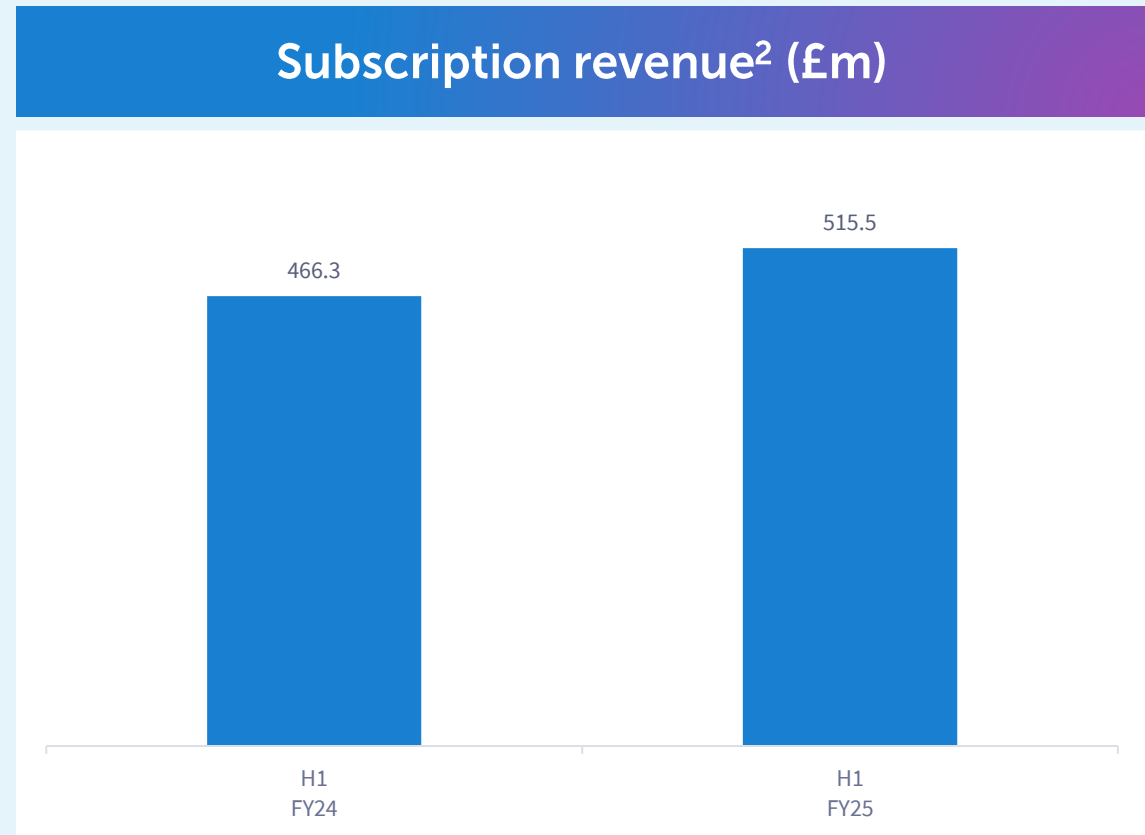
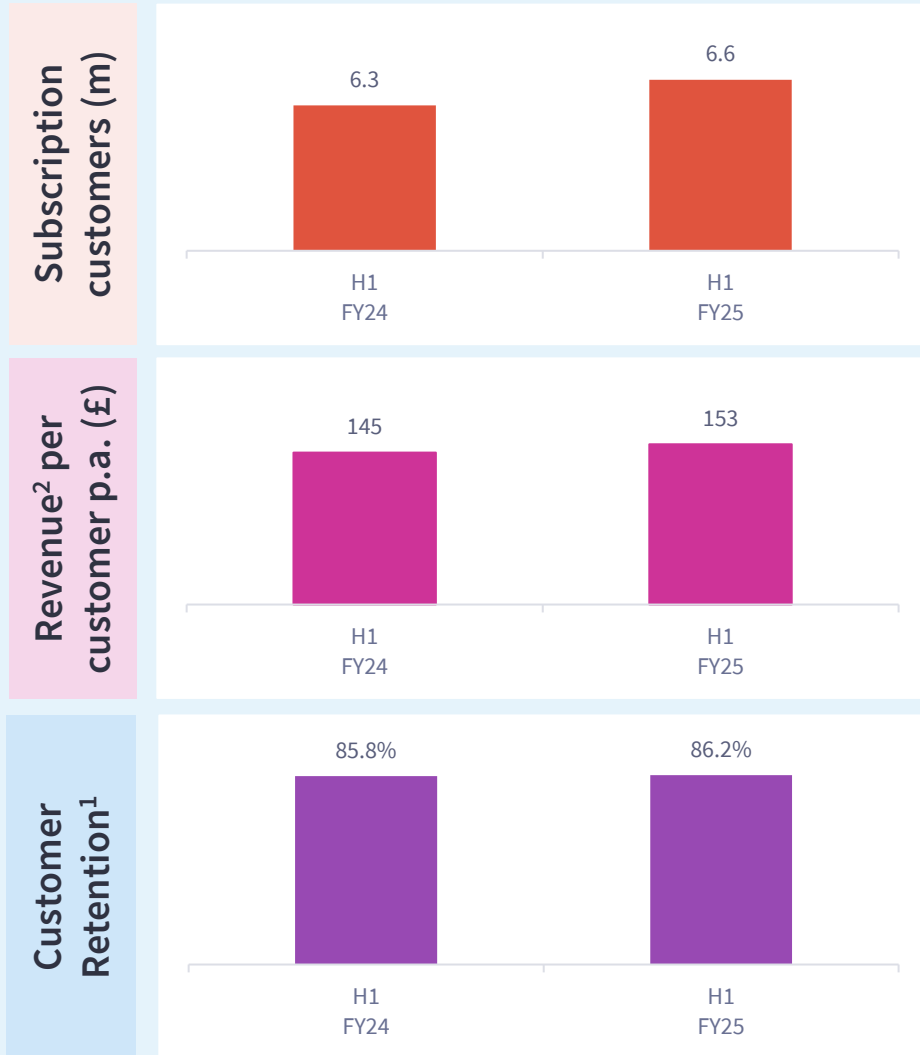
**>15k**

Monthly US customers run rate maintained from June 2024

Key highlights

- ✓ Fully established with licences, contact centre infrastructure and claims network
- ✓ Monthly run rate tripled vs same time last year with conversion rates close to UK levels
- ✓ Whirlpool contract recently expanded, enhanced and extended by 5 years
- ✓ Strong pipeline of other partner prospects

# Our subscription model



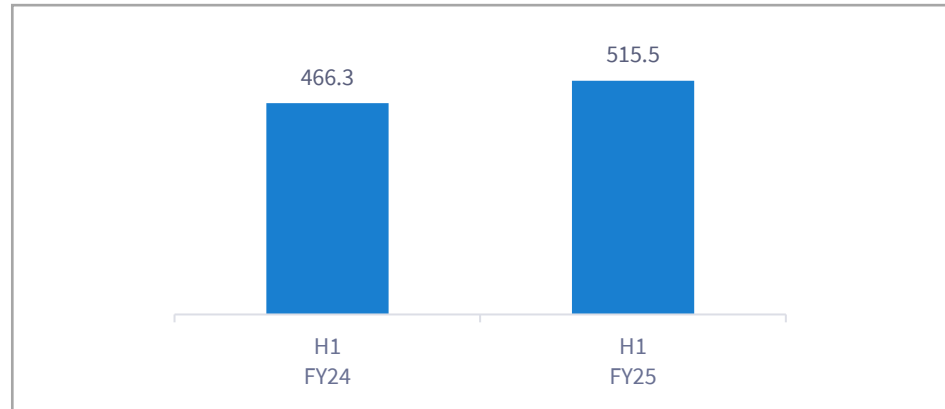
The underlying drivers of our subscription revenue continue to perform well resulting in 11% growth

1. Excludes US

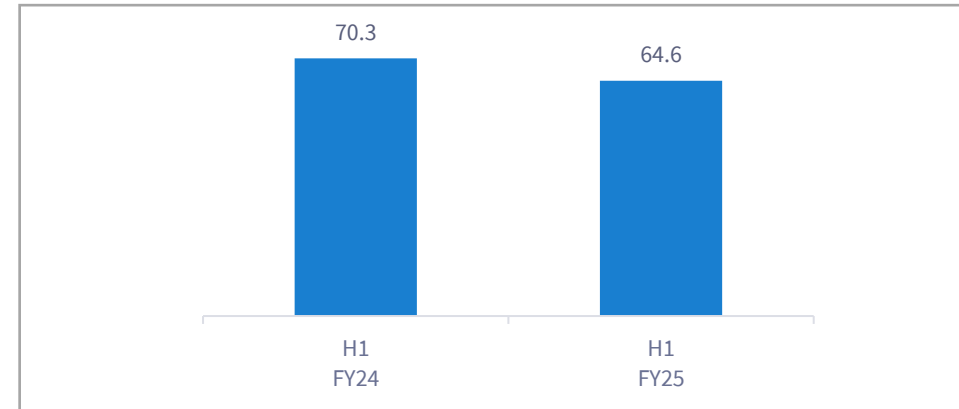
2. Revenue reflects the adoption of IFRS 17 including the restatement of the H1 FY24 comparatives. FY24 audited results are unchanged however, there has been rephrasing of the quarterly results.

# Continued strong financial performance

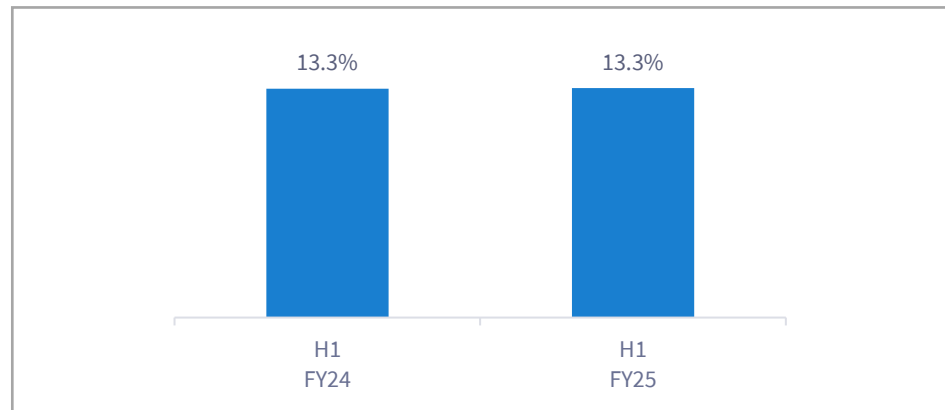
## Subscription revenue (£m)



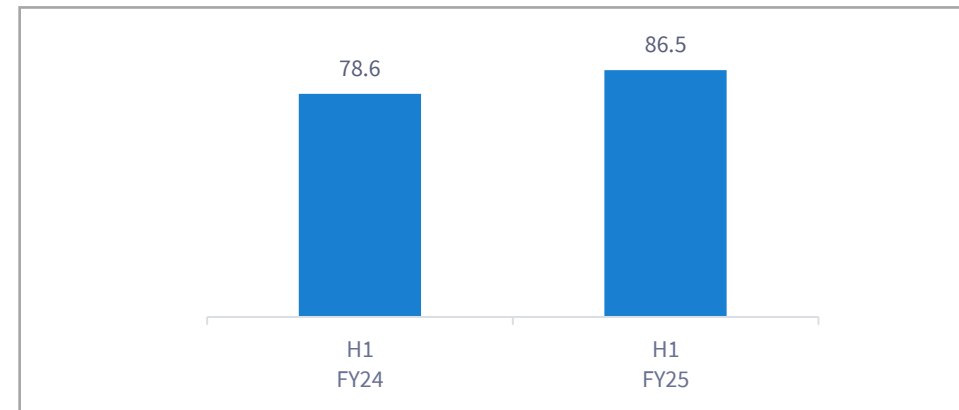
## Non-subscription revenue<sup>1</sup> (£m)



## LTM adjusted EBITDA<sup>2</sup> margin (%)



## Adjusted EBITDA<sup>2</sup> (£m)



1. Non-subscription revenue has declined overall, primarily driven by the planned EU shift to subscription revenue, offset by the addition of a full period of After Inc revenue (vs 4 months in H1 FY24)
2. Adjusted EBITDA represents profit before tax adjusted for depreciation and amortisation, significant items and other finance expenses.
3. Adjusted EBITDA and revenue reflect the adoption of IFRS 17 including the restatement of H1 FY24. FY24 audited results are unchanged however, there has been rephasing of the quarterly results.

# Continued growth in subscription revenue

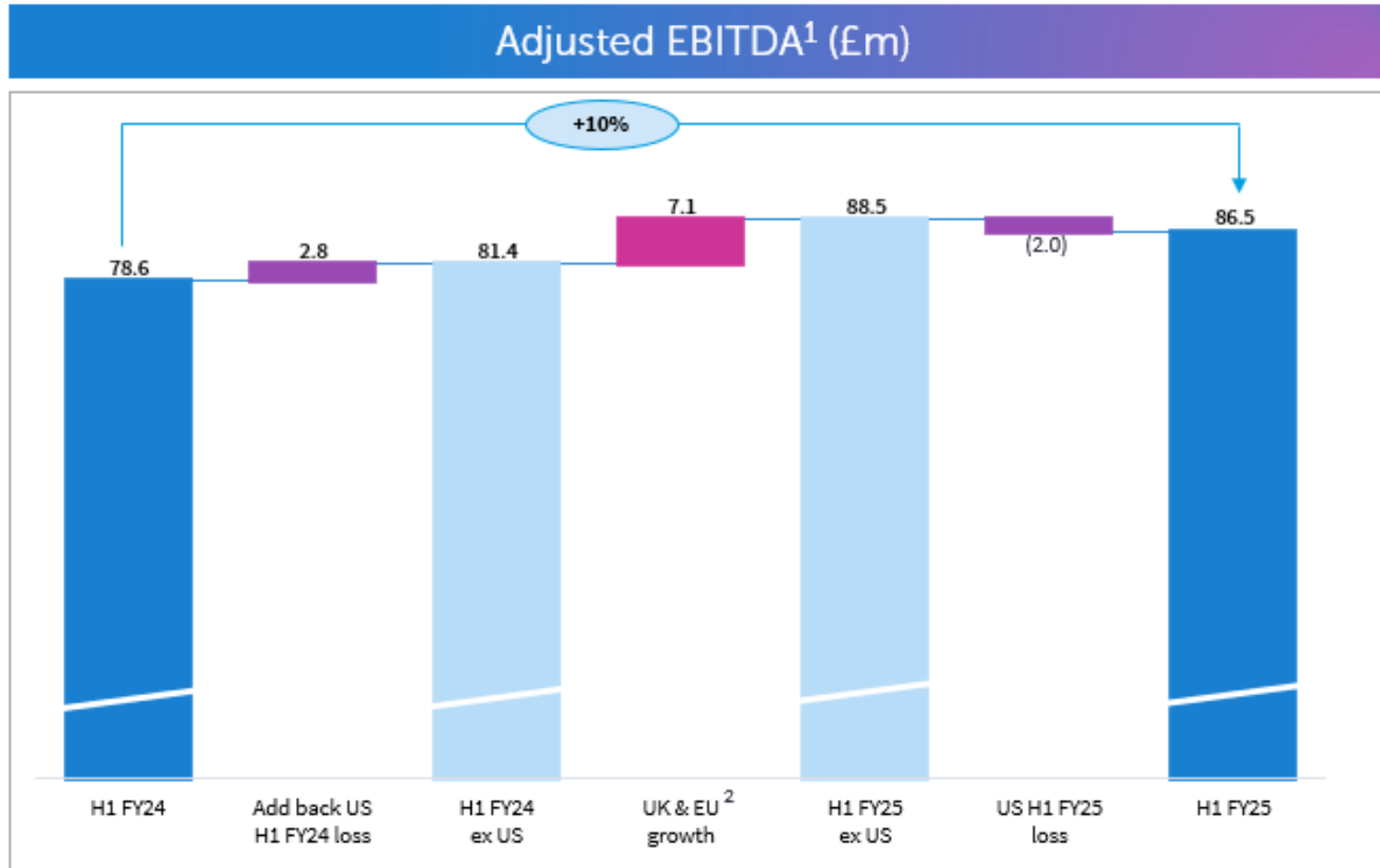
	6 months to 30 September (£m)	FY25	FY24	Change
Subscription revenue	UK	433.9	399.8	9%
	Europe & Other <sup>1</sup>	69.5	62.1	12%
	US	12.1	4.4	275%
	<b>Group subscription revenue<sup>2</sup></b>	<b>515.5</b>	<b>466.3</b>	<b>11%</b>
Non-subscription revenue	UK	20.5	19.9	3%
	Europe & Other <sup>1</sup>	27.5	38.6	(29)%
	US	16.6	11.8	41%
	<b>Group non-subscription revenue<sup>2</sup></b>	<b>64.6</b>	<b>70.3</b>	<b>(8)%</b>
Total revenue	UK	454.4	419.7	8%
	Europe & Other <sup>1</sup>	97.0	100.7	(4)%
	US	28.7	16.2	77%
	<b>Total Group revenue<sup>2</sup></b>	<b>580.1</b>	<b>536.6</b>	<b>8%</b>

- ① Continued growth in subscription revenue, up 11% YTD vs FY24, with ‘Europe & Other’ subscription revenue up 12%. Subscription revenue represents 89% of total revenue (95% in UK, 72% in Europe & Other, 42% in US)
- ② Non-subscription revenue has declined overall, primarily driven by the planned EU shift to subscription revenue, offset by the addition of a full period of After Inc revenue (vs 4 months in H1 FY24)
- 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 including the restatement of the H1 FY24 comparatives. FY24 audited results are unchanged however, there has been rephrasing of the quarterly results.

# Adjusted EBITDA growth



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

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

3. Adjusted EBITDA reflects the adoption of IFRS 17 including the restatement of the H1 FY24 comparatives. FY24 audited results are unchanged however, there has been rephrasing of the quarterly results.

- Group adjusted EBITDA growth for the year of +10%
- EBITDA growth driven by continued strong trading performance and customer retention
- Year-on-year US losses slightly reduced, as business growth offsets investment in capabilities
- LTM adjusted EBITDA margin is slightly up vs year-end at 13.3%
- Margin growth expected across territories as initiatives impact and revenue scale economies come to bear



# Cashflow and capitalisation

# Summary cash flow

6 months to 30 September	H1 FY25	H1 FY24
<b>Adjusted EBITDA ex US<sup>2</sup></b>	<b>88.5</b>	<b>81.4</b>
Change in unregulated working capital (ex Aus and US)	(6.7)	(16.0)
Excess regulated EBITDA over distributable reserves <sup>1</sup>	(20.2)	(11.0)
<b>Operating cash before capex</b>	<b>61.6</b>	<b>54.4</b>
<i>Operating cash conversion before capex (adj EBITDA ex US)</i>	<i>70%</i>	<i>67%</i>
Capital expenditure	(16.0)	(13.9)
<b>Operating free cash flow before US and Aus working capital</b>	<b>45.6</b>	<b>40.5</b>
<i>Operating cash conversion after capex (adj EBITDA ex US)</i>	<i>52%</i>	<i>50%</i>
Australia working capital	(3.0)	(5.0)
US Costs (excluding capital expenditure)	(11.4)	(3.9)
<b>Operating free cash flow</b>	<b>31.2</b>	<b>31.6</b>
<b>Adjusted EBITDA incl. US<sup>2</sup></b>	<b>86.5</b>	<b>79.5</b>
<i>Operating free cash conversion (adj EBITDA incl. US)</i>	<i>36%</i>	<i>40%</i>
Debt Interest	(33.6)	(31.7)
Corporation Tax and other	(6.3)	(0.3)
<b>Free Cash flow before significant items and M&amp;A</b>	<b>(8.7)</b>	<b>(0.4)</b>
RCF drawdown and cash equity subscription	6.5	61.7
Acquisition cash flows	0.0	(54.5)
Significant items	(3.0)	(2.0)
<b>Unrestricted cash flow</b>	<b>(5.2)</b>	<b>4.8</b>
<b>Unrestricted Cash b/f at 1 April</b>	42.5	55.6
<b>Unrestricted Cash c/f at 30 September</b>	<b>37.3</b>	<b>60.4</b>
<sup>1</sup> Excess of Reg EBITDA over change in distributable reserves:		
Regulated Business adjusted EBITDA	45.2	30.3
Change in distributable reserves in Regulated Business	(25.0)	(19.3)
	20.2	11.0

<sup>2</sup> Adjusted EBITDA reflects the adoption of IFRS 17 including the restatement of the H1 FY24 comparatives. FY24 audited results are unchanged however, there has been rephrasing of the quarterly results.

- +9% year-on-year growth in adjusted EBITDA ex US
- Operating cash conversion reflects ongoing investment in business growth and remains robust and consistent
- FY25 cash conversion expected to improve vs FY24 due to reduced cash impact from non-subscription business run-off, as guided previously
- Capital expenditure reflects investment in IT capabilities
- US cash flows reflect working capital investments to secure business growth
- Unrestricted cash has decreased slightly from its year end position

# Capitalisation

	H1 FY25		Q1 FY25		Maturity	Price
	£m	Adj EBITDA Multiple	£m	Adj EBITDA Multiple		
2 Unrestricted Cash Reserves	37.3		42.4			
3 Super Senior RCF	(43.5)		(39.0)		Apr-26	SONIA + 3.00%
Senior Secured FRN (€200m) <sup>1</sup>	(180.6)		(180.6)		Jul-26	EURIBOR + 5.00%
Senior Secured Notes	(405.0)		(405.0)		Jul-26	6.50%
<b>Senior Secured Net Debt</b>	<b>(591.8)</b>		<b>(582.2)</b>			
Senior Notes	(150.0)		(150.0)		Jul-27	9.25%
<b>Bank and Bond Debt Net of Cash</b>	<b>(741.8)</b>		<b>(732.2)</b>			
Lease liabilities	(25.4)		(25.8)			
<b>Total Net Debt</b>	<b>(767.2)</b>	<b>1 5.0x</b>	<b>(758.0)</b>	<b>5.1x</b>		
<b>LTM underlying adjusted EBITDA (£m)</b>		<b>153.5</b>		<b>149.4</b>		
4 <b>Adjusted EBITDA proforma adjustments</b>		<b>11.0</b>				
<b>LTM structuring adjusted EBITDA</b>		<b>164.5</b>				
<b>Structuring adjusted EBITDA Leverage</b>		<b>4.7</b>				

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 Q1 FY25 and is now at 5.0x, primarily driven by the growth in EBITDA
- 2 Unrestricted cash has decreased slightly to £37.3m
- 3 As at 30 September 2024, the Group had £94m of undrawn RCF capacity, inclusive of £30m allocated to uncalled letters of credit in support of the regulated business
- 4 Proforma adjustments to arrive at structuring adjusted EBITDA include £2m add back for LTM US losses and £9m uplift for EBITDA relating to business that was written in the past 12 months, which has not yet been recognised in the P&L.

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- 10% adjusted EBITDA growth to £87m (H1 FY24: £79m)
- Net debt of £767m (Q1 FY25: £758m) with a 0.1x leverage reduction to 5.0x
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- US subscription customer growth continues at pace with c.190k live customers as at 30 September 2024 (FY24: c.100k)

Q + A

# Appendix

## Revenue<sup>1</sup> progression– subscription and non-subscription

£m	FY25			FY24		
	Subs	Non-sub	Total	Subs	Non-sub	Total
Q1	255.5	34.0	<b>289.5</b>	228.8	32.6	<b>261.4</b>
Q2	260.0	30.6	<b>290.6</b>	237.5	37.7	<b>275.2</b>
Q3				241.7	38.1	<b>279.8</b>
Q4				247.6	36.5	<b>284.1</b>
<b>Full year Total Group</b>				<b>955.6</b>	<b>144.9</b>	<b>1,100.5</b>

1. Revenue includes insurance revenue and other income and reflects the adoption of IFRS 17 including the restatement of the Q2 FY24 comparatives. FY24 audited results are unchanged however, there has been rephrasing of the quarterly results.

## LTM underlying adjusted EBITDA calculation vs Q1 FY25

Adjusted<sup>1</sup> / underlying adjusted<sup>2</sup> EBITDA by quarter

£m	Q2 FY25			Q1 FY25		
	Adjusted EBITDA	Add: holdco Costs	U/L adjusted EBITDA	Adjusted EBITDA	Add: holdco Costs	U/L adjusted EBITDA
Q2 FY24 <sup>3</sup>				40.3	0.2	40.5
Q3 FY24	35.4	0.2	35.6	35.4	0.2	35.6
Q4 FY24	30.8	0.3	31.1	30.8	0.3	31.1
Q1 FY25	42.1	0.1	42.2	42.1	0.1	42.2
Q2 FY25	44.4	0.2	44.6			
<b>LTM</b>	<b>152.7</b>		<b>153.5</b>	<b>148.6</b>		<b>149.4</b>

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

<sup>2</sup> Underlying adjusted EBITDA is adjusted EBITDA, as further adjusted to exclude holding company costs.

<sup>3</sup> Adjusted EBITDA reflects the adoption of IFRS 17 including the restatement of the FY24 comparatives. FY24 audited results are unchanged however, there has been rephasing of the quarterly results.



# Quarterly cash flow

3 months to quarter end (£m)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
<b>Adjusted EBITDA ex US<sup>2</sup></b>	<b>39.9</b>	<b>41.5</b>	<b>35.2</b>	<b>29.8</b>	<b>43.3</b>	<b>45.2</b>
Change in unregulated working capital (ex Aus and US)	(5.0)	(11.0)	3.3	(13.7)	(9.7)	3.0
Excess regulated EBITDA over distributable reserves <sup>1</sup>	(11.9)	0.9	(12.5)	5.7	(9.6)	(10.6)
<b>Operating cash before capex</b>	<b>23.0</b>	<b>31.4</b>	<b>26.0</b>	<b>21.8</b>	<b>24.0</b>	<b>37.6</b>
<i>Cash conversion (adj EBITDA ex US)</i>	58%	76%	74%	73%	55%	83%
Capital expenditure	(7.2)	(6.7)	(8.5)	(6.3)	(9.0)	(7.0)
<b>Operating free cash flow before US and Aus working capital</b>	<b>15.8</b>	<b>24.7</b>	<b>17.5</b>	<b>15.5</b>	<b>15.0</b>	<b>30.6</b>
<i>Cash conversion (adj EBITDA ex US)</i>	40%	60%	50%	52%	35%	68%
Australia working capital	(2.4)	(2.6)	(1.7)	(2.2)	(0.7)	(2.3)
US Costs (ex capital expenditure)	(2.0)	(1.9)	(2.9)	(0.2)	(6.0)	(5.4)
<b>Operating free cash flow</b>	<b>11.4</b>	<b>20.2</b>	<b>12.9</b>	<b>13.1</b>	<b>8.3</b>	<b>22.9</b>
<b>Adjusted EBITDA incl. US<sup>2</sup></b>	<b>38.3</b>	<b>41.2</b>	<b>34.6</b>	<b>30.7</b>	<b>42.1</b>	<b>44.4</b>
<i>Reported cash conversion</i>	30%	49%	37%	43%	20%	52%
Debt Interest	(5.0)	(26.7)	(5.0)	(25.7)	(6.1)	(27.5)
Corporation Tax and other	0.0	(0.3)	(2.6)	(2.1)	(2.2)	(4.1)
<b>Free Cash flow before significant items and M&amp;A</b>	<b>6.4</b>	<b>(6.8)</b>	<b>5.3</b>	<b>(14.7)</b>	<b>0.0</b>	<b>(8.7)</b>
RCF drawdown and cash equity subscription	61.7	0.0	0.0	7.0	2.0	4.5
Acquisition cash flows	(54.5)	0.0	(4.3)	(0.8)	0.0	0.0
Significant items	(1.4)	(0.6)	(5.2)	(5.2)	(2.1)	(0.9)
<b>Unrestricted cash flow</b>	<b>12.2</b>	<b>(7.4)</b>	<b>(4.2)</b>	<b>(13.7)</b>	<b>(0.1)</b>	<b>(5.1)</b>
<b>Unrestricted Cash b/f</b>	55.6	67.8	60.4	56.2	42.5	42.4
<b>Unrestricted Cash c/f</b>	<b>67.8</b>	<b>60.4</b>	<b>56.2</b>	<b>42.5</b>	<b>42.4</b>	<b>37.3</b>
<sup>1</sup> Excess of Reg EBITDA over change in distributable reserves:						
Regulated Business adjusted EBITDA	17.1	13.2	10.8	1.2	25.9	19.3
Change in distributable reserves in Regulated Business	(5.2)	(14.1)	1.7	(6.9)	(16.3)	(8.7)
	11.9	(0.9)	12.5	(5.7)	9.6	10.6

<sup>2</sup> Adjusted EBITDA reflects the adoption of IFRS 17 including the restatement of the Q2 FY24 comparatives. FY24 audited results are unchanged however, there has been rephasing of the quarterly results.

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thanks + goodbye