



**Mortgage
Advice Bureau**

**CAPITAL
MARKETS
DAY** 2025



Peter Brodnicki

Founder and CEO



**CAPITAL
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DAY** 2025

MAB, a unique model performing strongly

New ARs

Organic growth

Strategic investments

In market customers

Estate agent

New build

Client bank

Point of sale technology

Agenda

MAB 2.0 vision & strategic priorities

Peter Brodnicki, CEO

Mortgage innovation opportunities

Ben Thompson, Deputy CEO

Customer acquisition & lifetime value

Sion Williams, CMO

Platform model, scalability & performance

Lucian Morris, CIO

Agenda

Regulation & consumer duty

Paul Gill, CRO

Growth & capital allocation

Emilie McCarthy, CFO

Insights from appointed representatives

Gareth Herbert, Distribution Director | Ian McGrail, First Mortgage Direct
Matt Coulson, Heron Financial | Paul Ford, Fluent Money

Panel Q&A



Ben Thompson

DEPUTY CEO



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Agenda

Structural tailwinds



Current TAM is big with growth levers



TAM expansion through innovation (Medium Term)



Longer term opportunities (MAB 3.0?)



Structural tailwinds

Home ownership	↑	UK home ownership is high with 70% government 'target'
Population growth	↑	+6m by 2045
Government agenda	↑	Growth agenda, responsible risk taking. Housing priority
House prices	↑	Expected to rise 3-5% p.a.
Intermediation	↑	87% and forecast to rise
Lending market	↑	Short-term fixed rates predominate
Protection	↑	UK population is under-insured

Current TAM

£500bn+ and growing

1

Current

£500bn+ 2025

House purchase
re-finance

2

Medium Term

+£100bn

Aspiring FTBs
Later Life Lending

3

Long Term

MAB 3.0?

Breadth &
diversification

Current TAM

£500bn+ and growing

2025 Gross mortgage lending **£260bn (+11%)**
+ Product Transfers **£254bn (+13%)**¹

Purchase
£148bn

+10% YoY

Pent-up demand
Improved affordability
FTB activity fuelled by high rental costs and punitive tax regime for BTL & 2nd homes

Remortgage
£76bn

+30% YoY

Improved affordability
Stable/falling mortgage rates allow borrowers more time and certainty to re-mortgage (instead of PT)
Large rump of mortgages maturing (from 2020/21 peak)
Home improvements

Buy-to-let
£32bn

Flat

Likely headwinds due to higher Stamp Duty
Market increasingly concentrated on professional landlords
Landlords need for optimum yield
Large rump of mortgages maturing (from 2020/21 peak)

Product Transfers
£254bn

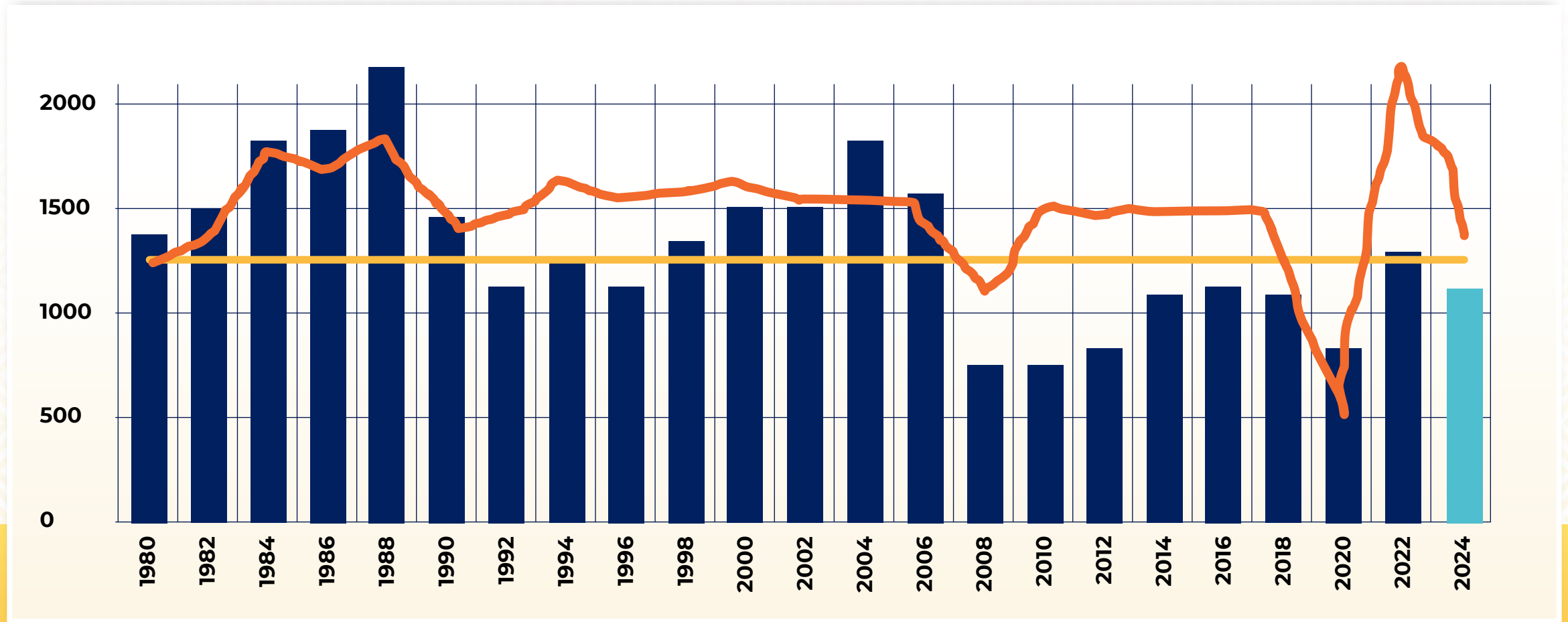
+13% YoY

Large rump of mortgages maturing (from 2020/21 peak)
2023 maturities – large number of Truss era 2Y fixed rate products can now be re-financed at a far lower cost

Current TAM

House Purchase

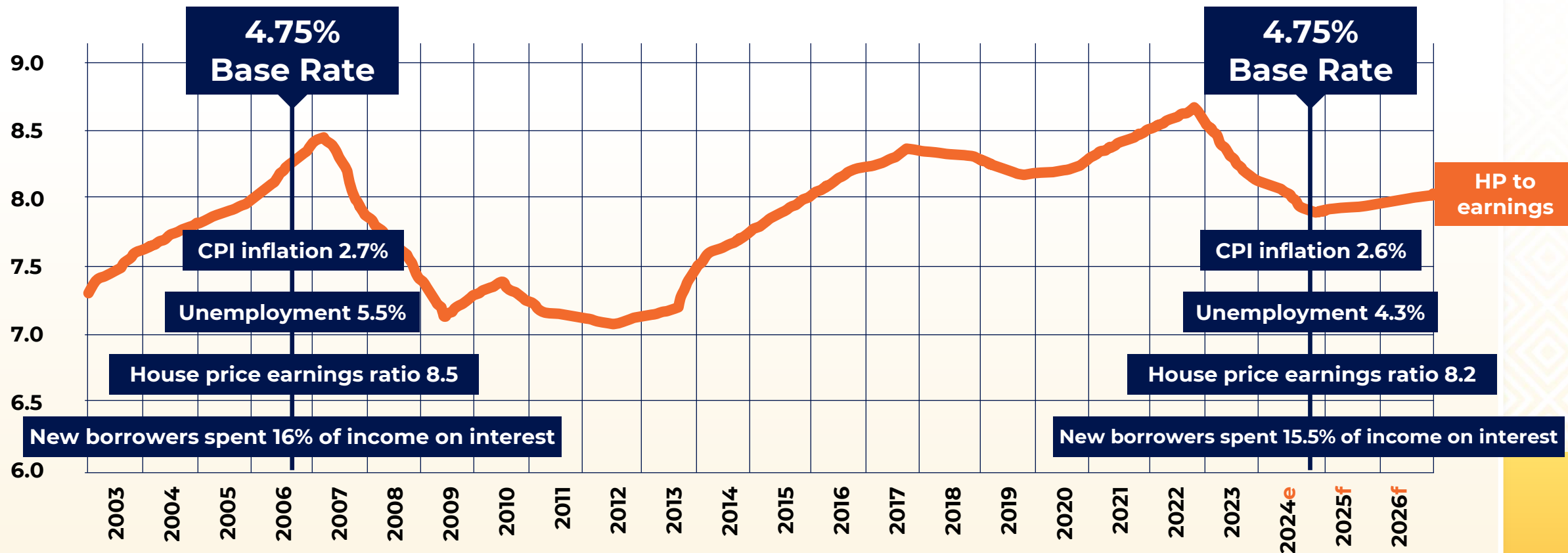
- GDP growth
- Average no. transactions
- UK Housing transactions



Current TAM

House Purchase

House price to earnings ratio*



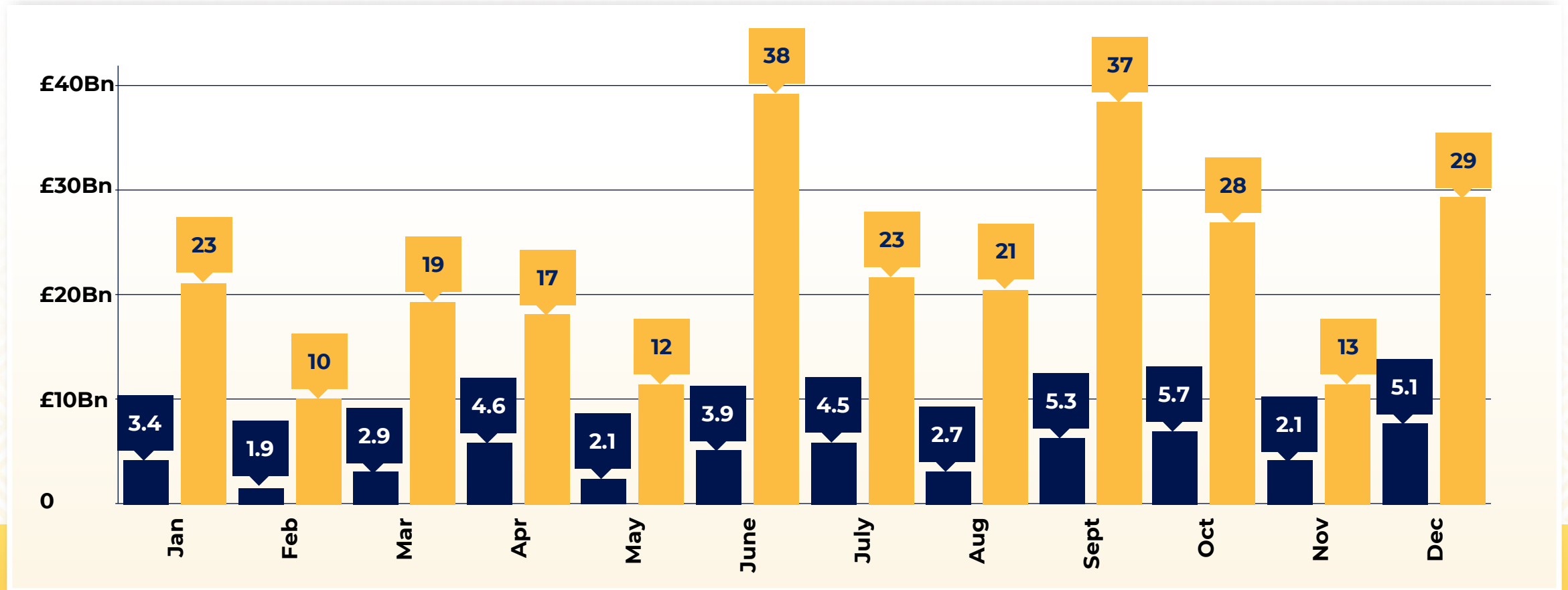
= **“favourable for the UK housing market”** IMLA 12.24

IMLA, ONS, Land Registry

*Affordability ratios calculated by dividing house prices by gross annual residence-based earnings

Current TAM

Re-financing 2025



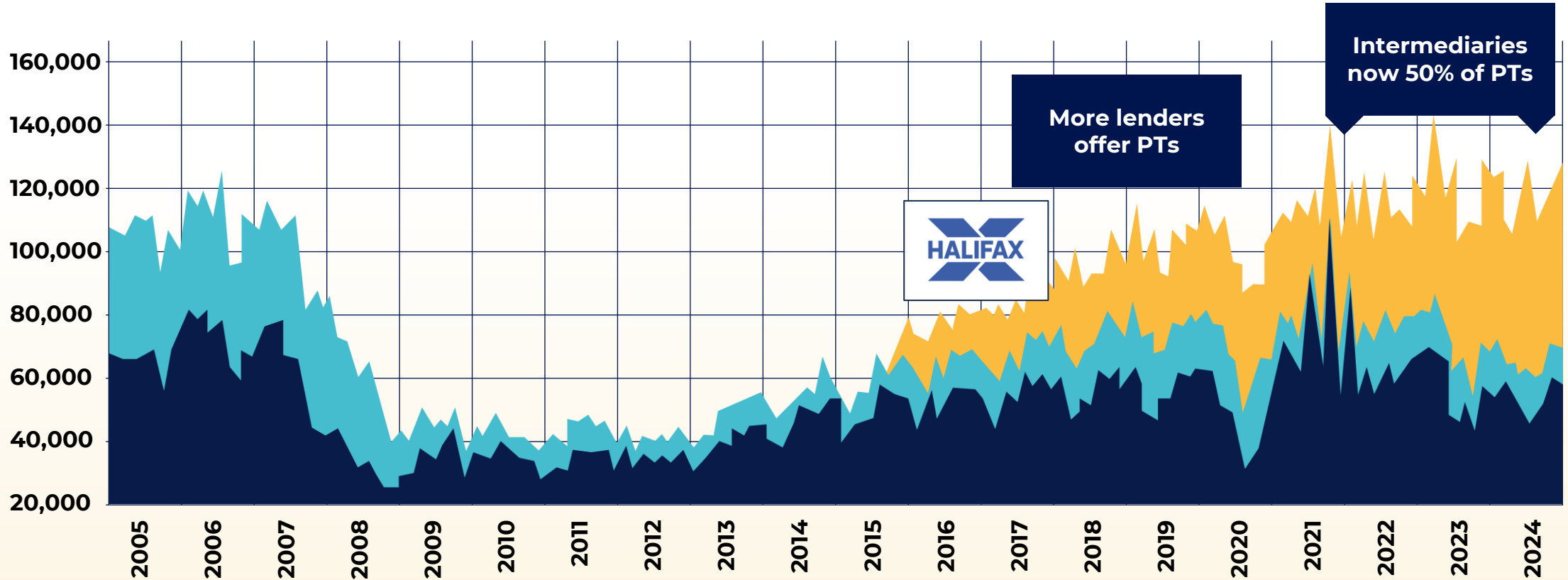
Potential £320bn mortgages need refinancing in 2025

UK Finance forecasts £254bn will be PTs

Current TAM

Re-financing

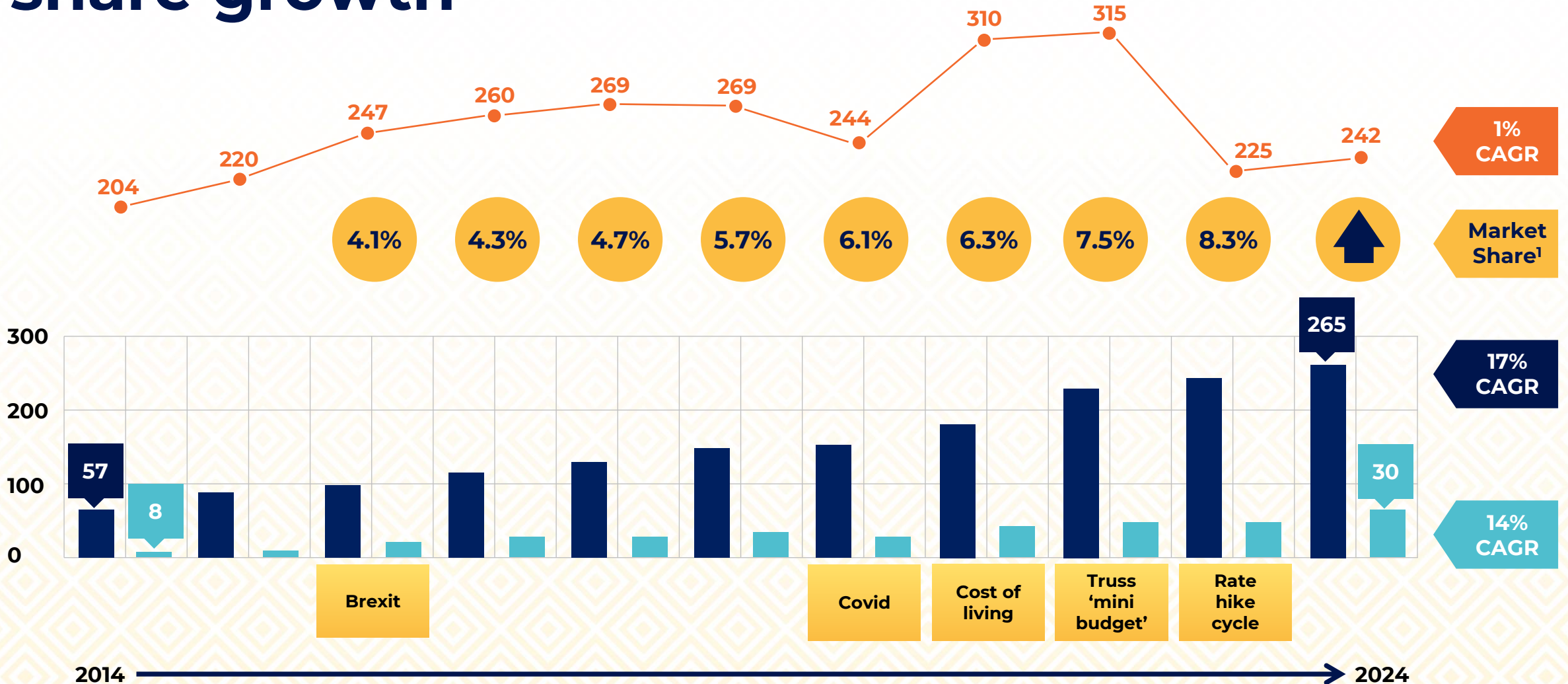
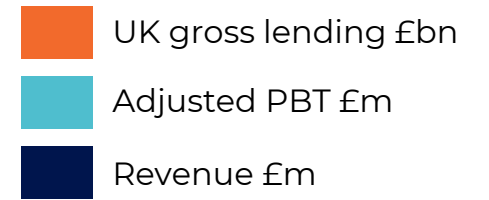
- Purchase
- Remortgage
- Product transfers



MAB remains resilient, and gains market share through economic cycles

Over 35% of MAB revenue annually is from re-financing

MAB resilience and market share growth



¹ Market share represents first charge mortgage completions, excluding secured personal loans (second charge mortgages), later life lending mortgages and bridging finance

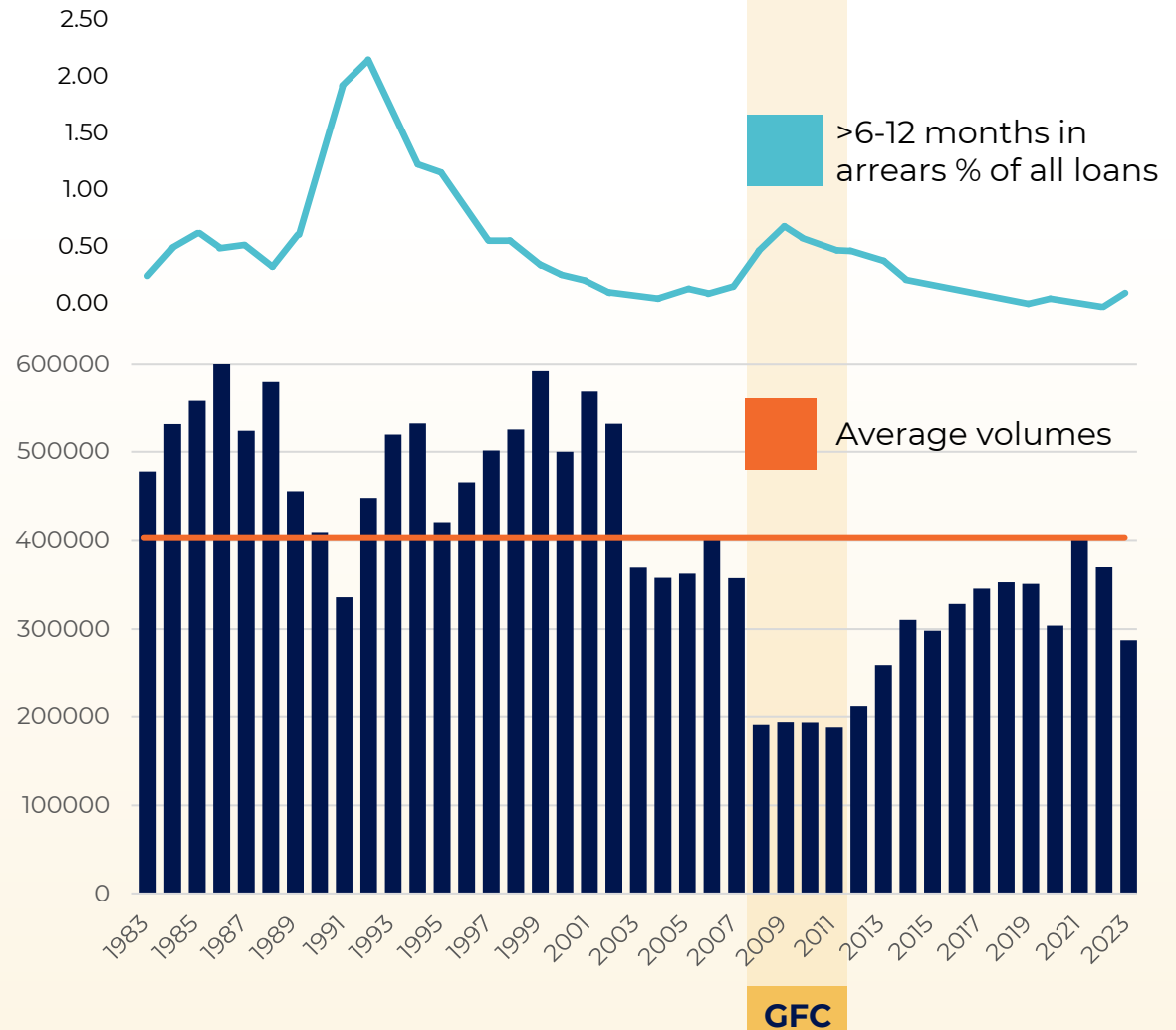
TAM – growth and innovation opportunities – FTBs

Problem: Deposits, affordability stress-testing, LTI limits (e.g. 50% of 18-39 year older renters could afford mortgage payments)

Solution? Relax various regulatory constraints

1. Higher LTVs – encourage them
2. Relax affordability stress-testing (currently SVR + 1% unless > 5 year fix)
3. Relax the loan to income 4.5x / 15% Cap (LTI)
4. Rent payments – accept as proof
5. Help affordability - part interest only
6. Consider H2B alternative

FTB Mortgage volumes materially lower



TAM – growth and innovation opportunities – FTBs

Solution: Long-term fixed rate mortgages / higher LTVs

- Suits those that have stretched to buy their first home.
- 95%+ LTV = smaller deposits.
- **No stress-testing** as no reversion to high SVR (avg.7.69%^{***})
- Could give 3m+ aspiring FTBs access to required mortgage funding*

£70bn pa
TAM opportunity



TAM – growth and innovation opportunities – Later Life

Why will this market grow?

**Interest only maturities
(2021-2027 - £27 billion
2028 onwards - £145 bn)**

600-800k I.O. mortgages outstanding 31.12.23
I.O. stock continues to fall, but those at higher LTVs (75%+) rose by 2.9% in 2023
Many borrowers repay by maturity dates, but SOME need re-financing/rolling into new LLL mortgage products.

Parents/FTBs

INTERGENERATIONAL - BOMAD (Bank of Mum and Dad) lent £9.4 billion in 2023*
Parents will need to continue to help fund children's housing needs
Some of this will be funded via their own mortgages in later life

Pension shortfalls

Many pensioners will have shortfalls that need topping up through equity withdrawal, i.e. mortgages in later life.

Long Term Care (LTC)

Some people will want/have to fund their own LTC

Working longer

Many employees will work longer due to pension shortfalls, plus, they are living and working longer.

**Longer mortgage terms
(30/35 years)**

50% of FTBs in the UK, and 25%+ home movers who took out a mortgage in Q3 24 opted for a term of more than 30 years**

Mortgages for longer

New mortgages are now being taken to run well beyond retirement
This has moved from c.20% in 2005 to c.50% by 2022, and has increased to c.60% since

TAM – growth and innovation opportunities – Later Life

£35bn pa
TAM opportunity

Product innovation will need to recognise and meet big changes:

	Traditional ER customer (Age 70s-80s)	NEW LLL customer (Age 50/55+)
Customer profile	Benefitted strongly from HP growth	Benefitted less from HP growth
	Mortgages typically repaid by retirement	Became FTBs partway through the boom/upgraded home later in life
	Have equity they can use for discretionary spend	Work longer, mortgage likely into retirement
	Asset rich / cash poor	Retirement planning more complex, more debt
Customer acquisition route	Traditional D2C marketing (expensive DRTV)	MAINSTREAM MORTGAGE ADVISERS
Market opportunity	Current market c.£2-3bn+ p.a. lending	Potential market of over £35bn+ p.a. lending

LT growth opportunities

- More inclusive service for customers
- Speedier completions
- Increased completion rates
- Breadth/Earnings mix
- Diversification
- Cross-sales
- Regular client contact
- Positive contribution to 2050 Net Zero
- MAB 3.0?





Sion Williams

CMO



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Phase 1 – optimisation

Property partners

BELVOIR!



LEADERS ROMANS
GROUP



Property portals



Digital lead capture
Digital prospect capture

Phase 1 – optimisation

'In market' lead efficiency



Phase 1 – optimisation



Retaining customers through **valued communications** from **mortgage completion** through to **remortgage**.

Mortgage Completion

Improving our service to you

Hi Sam

Welcome to the 'Mortgage Monitor' programme.

As part of our ongoing commitment to providing you with expert advice, we're excited to let you know that we have enrolled you into our 'Mortgage Monitor' programme. This will help us to:

- Challenge your current mortgage deal against thousands of other mortgages, from 90+ lenders.
- Notify you when there is a deal with a better rate for you.
- Provide you with a monthly report, which will include the latest and most up to date information about your property.

Enrollment

Your Home Report September

Your properties

RESIDENTIAL

Westleigh Avenue
Westleigh Avenue 509

ESTIMATED PROPERTY VALUE 1 MONTH CHANGE
£552,626 ▲ **+ £15,559**

BALANCE	£272,958
PAYMENTS	£843
EQUITY	£62,709
LTV	73%
RATE ENDS	11 Dec 2024

BUY TO LET

The Laurels
The Laurels GK27

ESTIMATED PROPERTY VALUE 1 MONTH CHANGE
£672,355 ▼ **- £91,532**

Great news!

Your mortgage rate is still spot on! So, you don't need to do anything.

We've compared your deal **35,495 times**

Home report

Are you paying the right amount?

Hi Sam

Congratulations, your mortgage's fixed period has ended. This can only mean one of two things:

1. Your new deal is already completed. You're on top of things! But, there are 100s of factors that affect how much you pay. And these change every day. Even now, with your new deal, you may already be overpaying.

The good news? We do thousands of comparison calculations every day to see if you are on the deal that's right for you. Or, better yet, if there's an even better deal for you.

Better deal alert

Remember! You could save up to £X,XXX*

YOUR RESIDENTIAL SAVINGS

£X,XXX over XX months

SAVED	2.47 %
LOAN TO VALUE	60.27 %
LOAN AMOUNT	£715,000

We've monitored your [Lender] mortgage against XXX products

Deal expiring



Phase 2 – entering new lead sources

National introducers

Credit bureaus



Property portals



PCWs

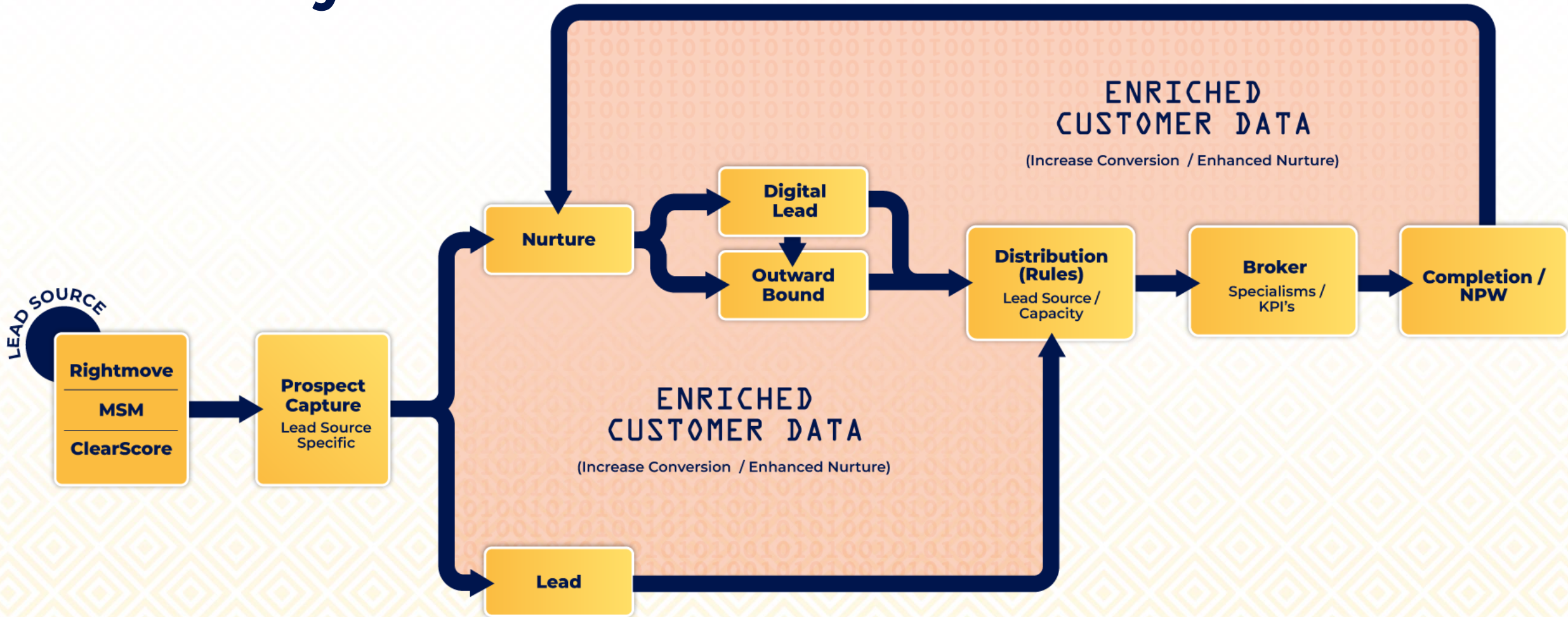


Major employers



Digital lead generation
Early capture and nurture
Data opportunities

Optimal data efficiency



Digital reach has no barriers



A stand-out B2B2C partnership model





Lucian Morris

Group CIO



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Technology at MAB

Background and context

- MAB has a proud history of building and running its own technology solutions.
- Developing a new, ambitious system was initially challenging, but Platform is now nearing its conclusion.
- Technology has a significant role to play in the future of the advice industry.
- MAB has invested in technology and in our team. We are well positioned to capitalise on these changes.



Development at MAB

A history of platform development

We have a proud history of developing our own broker systems, doing so provides:

- Ability to define and implement our own strategy.
- Opportunity for innovation.
- Ability to control the entire end-to-end advice journey.

2006 Classic



2014 Pro



2024

Platform



Who we are building for

Personalised customer and role types for both internal and external stakeholders



Lead sources

Estate agency, builders, digital, existing etc.



Customer types

FTB, home movers, landlords, downsizers etc.



Multiple AR roles

(adviser, lead manager, business principal, case manager etc.)



MAB central functions

Compliance, sales, marketing, finance etc.

Focus on productivity

One of the biggest benefits of Platform will be **productivity**



Focus on productivity

One of the biggest benefits of Platform will be **productivity**



The benefits of AI

AI, an opportunity to generate leverage

A square icon with a dark, textured background and the letters 'AI' in white, set against a blue circuit board background with glowing lines.

AI

**Lead
generation**

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AI

**Supporting
advisers**

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AI

**Central
function
efficiency**

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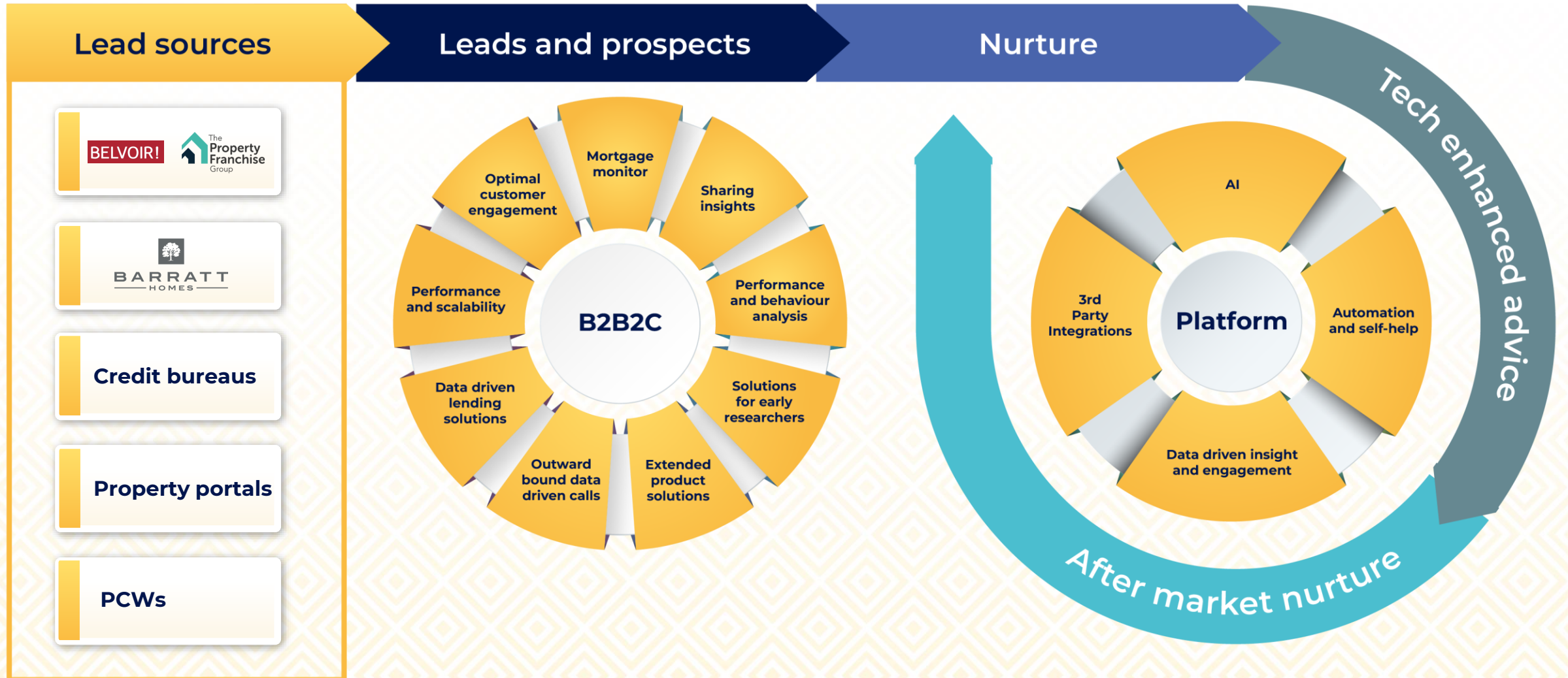
AI

**Customer
outcomes**

AI enhancing the adviser



The MAB ecosystem





Paul Gill

CRO



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Regulations & consumer duty

- MAB's regulated activities include the provision of Mortgage Advice and Protection Advice and these activities are regulated by the Financial Conduct Authority (FCA)
- MAB and the Appointed Representative (AR) Model



- Directly authorised by the Financial Conduct Authority (FCA)
- Holds overall responsibility for the regulated activities carried out by the ARs
- Provides support, supervision, and compliance oversight

Principal firm



AR firm

Firm A

Firm B

Firm C

Advisers

Advisers

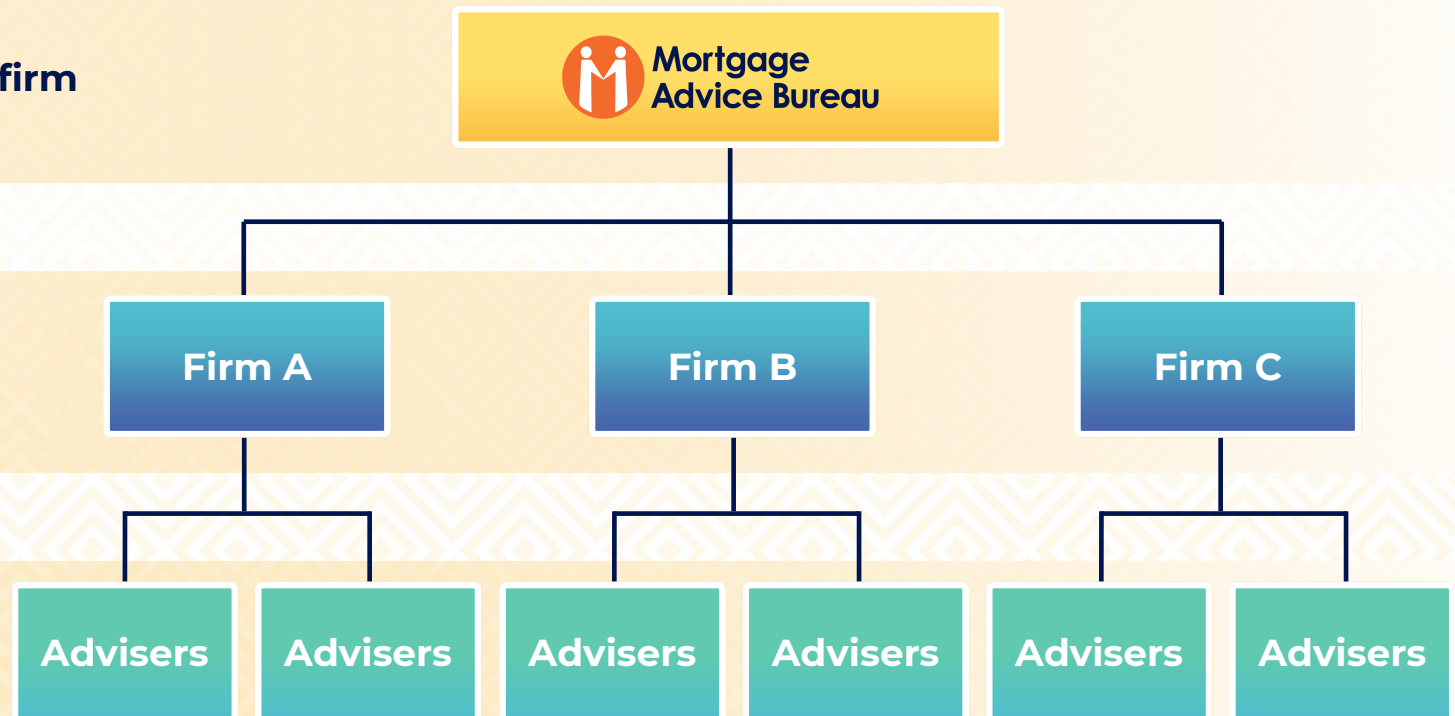
Advisers

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Regulations & consumer duty

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AR Firms

- Carries out regulated activities on behalf of the principal firm
- Operates under the principal firm's authorisation
- Approved persons responsibility

Principal firm



AR firm

Firm A

Firm B

Firm C

Advisers

Advisers

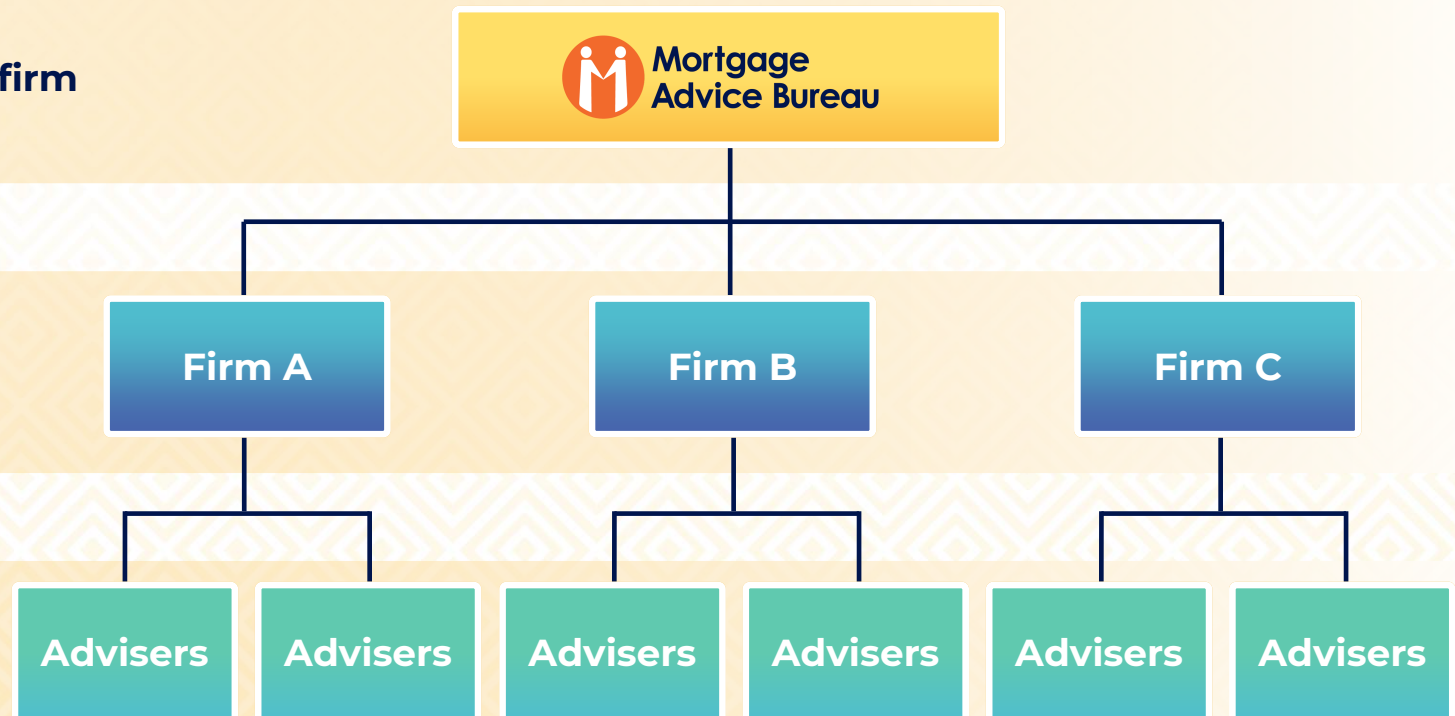
Advisers

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Regulations & consumer duty

- MAB's regulated activities include the provision of Mortgage Advice and Protection Advice and these activities are regulated by the Financial Conduct Authority (FCA)
- MAB and the Appointed Representative (AR) Model

Advisers

- Individuals are employed by the AR firm or self-employed
- Provide advice to clients
- Act under the supervision of the AR firm and ultimately the principal firm

Principal firm



AR firm

Firm A

Firm B

Firm C

Advisers

Advisers

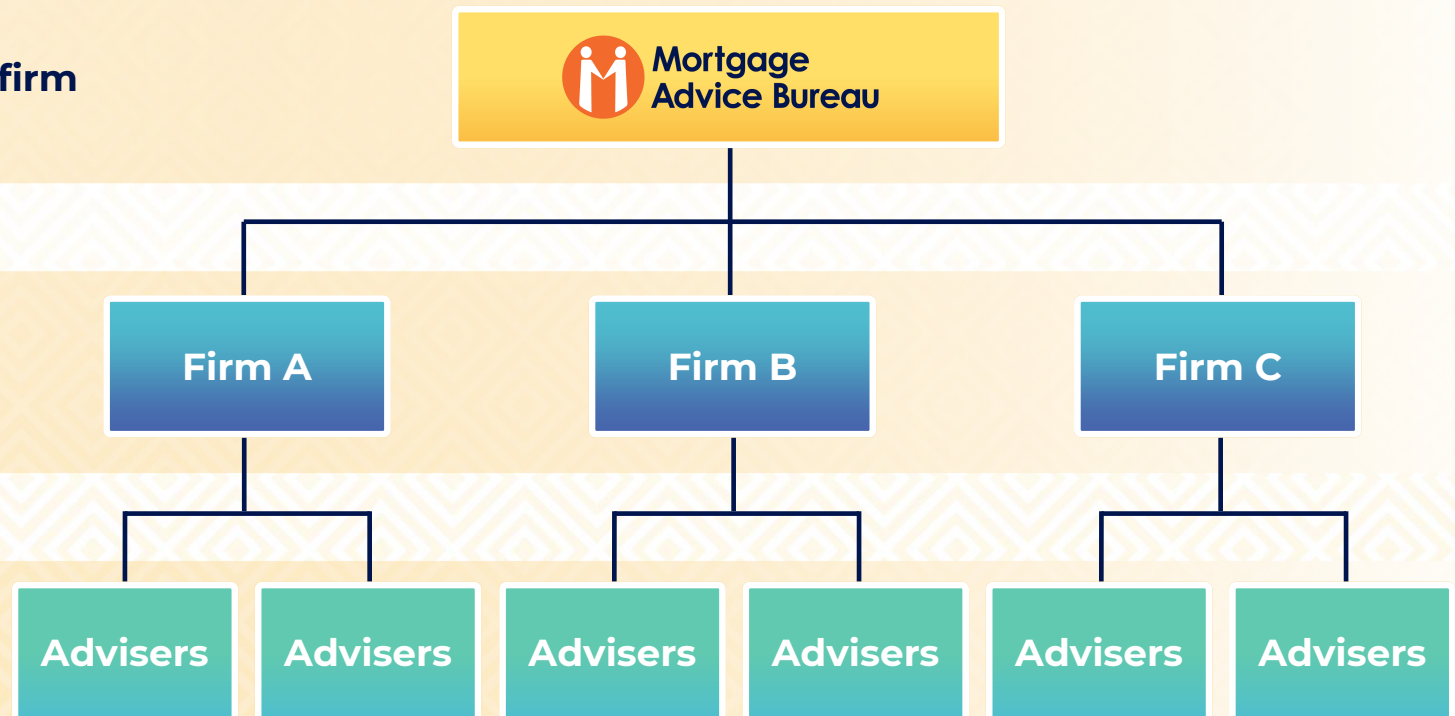
Advisers

Advisers

Advisers

Advisers

Advisers



Regulations & consumer duty

Consumer Duty: a significant regulatory change for all financial services firms in 2023

- Focussed on ensuring good customer outcomes are achieved
- Aligned well with MAB culture and model
- Senior management (business-led) accountability
- MAB met all regulatory timetable requirements
- Continued focus and embedding

Consumer principle

A firm must act to deliver good outcomes for retail customers.

Cross cutting rules

- Avoid causing foreseeable harm
- Enable customers to pursue their financial objectives
- Act in good faith towards customers

The four outcomes

1. Products and services
2. Price and value
3. Consumer understanding
4. Consumer support

Regulations & consumer duty

MAB is pro-actively engaged with trade associations and the FCA and fully supports raising the bar for our industry.





Emilie McCarthy

CFO



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MAB financial model

Revenue and profit resilience supported by a scalable platform model

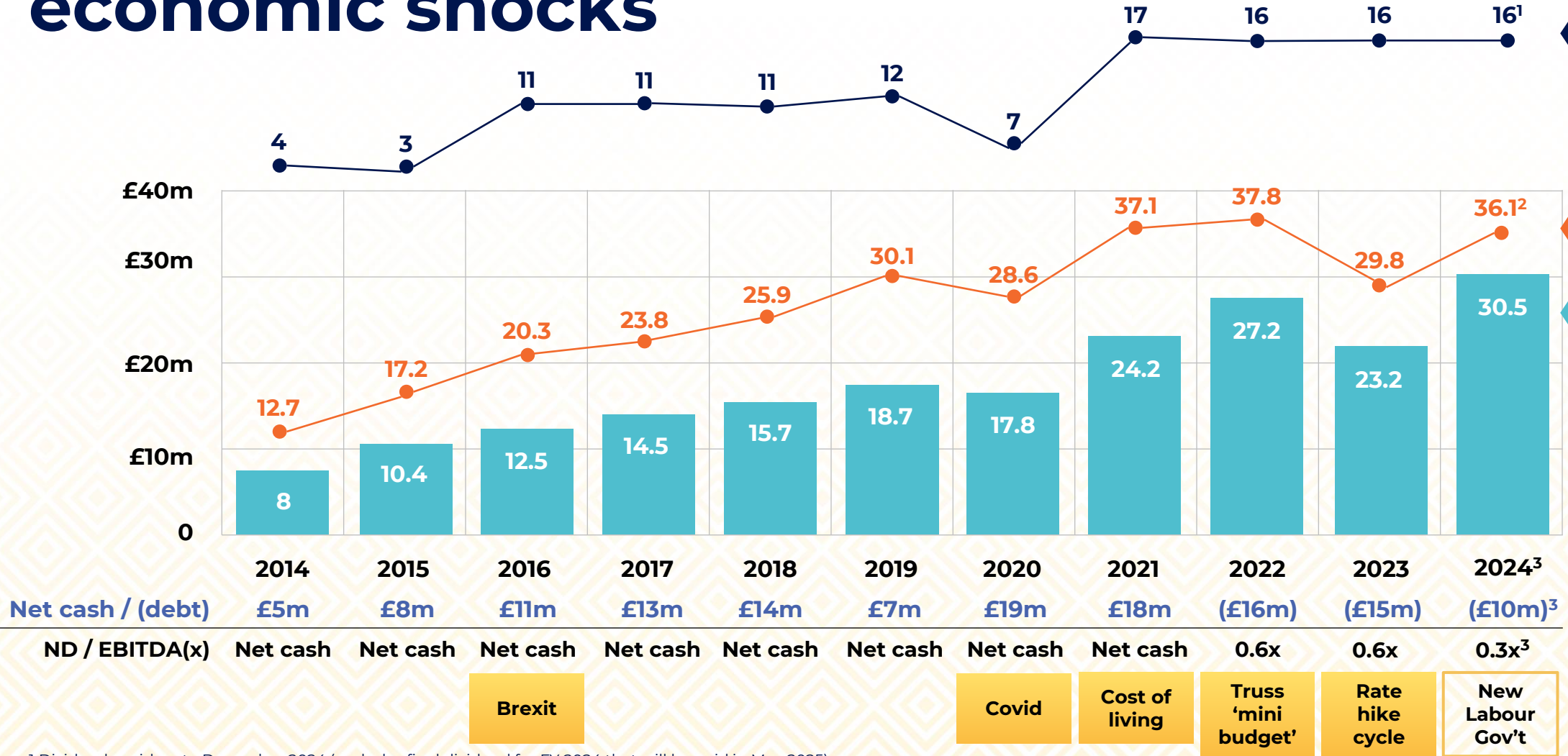
1	Revenue Adjusted PBT	CAGR 2014-2024 17% 14%
2	AR firms with contracts for 5+ years Yearly cases from existing clients	>90% ~40%
3	Cash conversion rate ¹	100%+
4	Dividends paid since IPO 150% of market capitalisation at IPO	£125m



¹ Adjusted cash conversion is adjusted cash generated as a percentage of adjusted operating profit

Financial resilience through economic shocks

Total dividends paid since IPO £125m



¹ Dividends paid up to December 2024 (excludes final dividend for FY 2024 that will be paid in May 2025)

² Consensus estimates

³ Unaudited

MAB 2.0 medium term strategic objectives

Revenue

Double

Adjusted PBT margin

>15%

Adjusted cash conversion¹

>100%

Market share²

Double

¹ Adjusted cash conversion is adjusted cash generated as a percentage of adjusted operating profit

² Market share represents first charge mortgage completions, excluding secured personal loans (second charge mortgages), later life lending mortgages and bridging finance. Assumes 4% p.a. new mortgage lending growth and Product Transfer mix of gross mortgage lending consistent with 2024 mix

How do we do it?

Organic growth

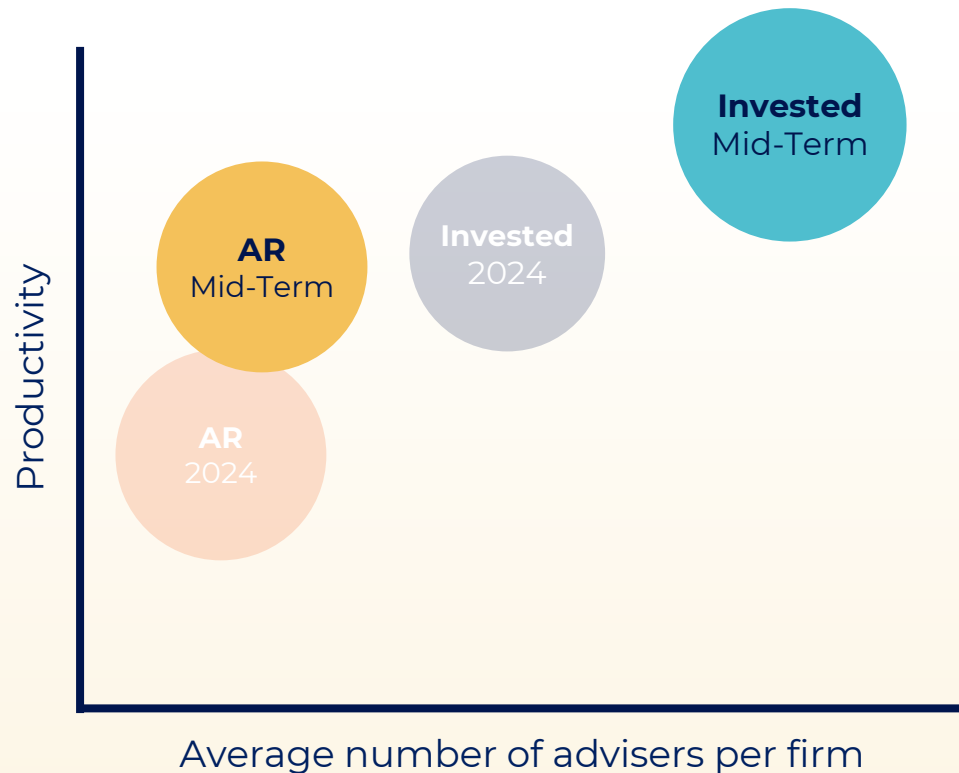
M&A

Operational efficiencies and synergies

MAB 2.0
Strong
sustainable
EPS growth

Organic growth

Adviser productivity¹



- Optimal productivity is being led by our invested businesses.
- Invested businesses are more profitable. Their organic growth contributes to increased overall Adj. PBT margin.
- Technology and AI enhancements will continue to increase broker efficiency and capacity.
- Higher productivity drives higher profitability, aligning AR firms with MAB priorities.

¹. Excludes Fluent second charge and specialist lending and Auxilium.

Organic growth

2024 revenue multiplier based on adviser number and productivity

	Multiplier	Average revenue per adviser (£k)					
		140	150	160	170	180	190
Advisers #	1,950	1.0x	1.1x	1.2x	1.2x	1.3x	1.4x
	2,150	1.1x	1.2x	1.3x	1.4x	1.5x	1.5x
	2,350	1.2x	1.3x	1.4x	1.5x	1.6x	1.7x
	2,550	1.3x	1.4x	1.5x	1.6x	1.7x	1.8x
	2,750	1.4x	1.6x	1.7x	1.8x	1.9x	2.0x
	2,950	1.6x	1.7x	1.8x	1.9x	2.0x	2.1x
	3,150	1.7x	1.8x	1.9x	2.0x	2.1x	2.3x

- Organic growth is our priority, we are expecting it to generate at least 1.7X revenue growth.
- Target is achievable with various combinations of productivity and growth in adviser numbers.
- We expect growth to become less dependent on adviser numbers...
- ...and more balanced with adviser productivity.

Investment in M&A track record

Investment	Rationale	Shareholding	Current IRR (2024)
First Mortgage Direct	Telephony / New build	100%	>20%
Vita	Protection	75%	>20%
Auxilium	Protection	75%	>20%
Clear	Telephony / Network	49%	>20%
Meridian	New Build / Shared Own.	40%	>20%
Pinnacle	Surveys	49%	>20%
Sort Group	Conveyancing	43%	>20%
FMD North East	FMD Acquisition	37%	>20%
Heron	New Build	49%	Above WACC
The Mortgage Broker	Telephony	25%	Above WACC
Fluent	Digital / PCWs	85.4%	Below WACC
Evolve	New Build	49%	Below WACC

Success stories

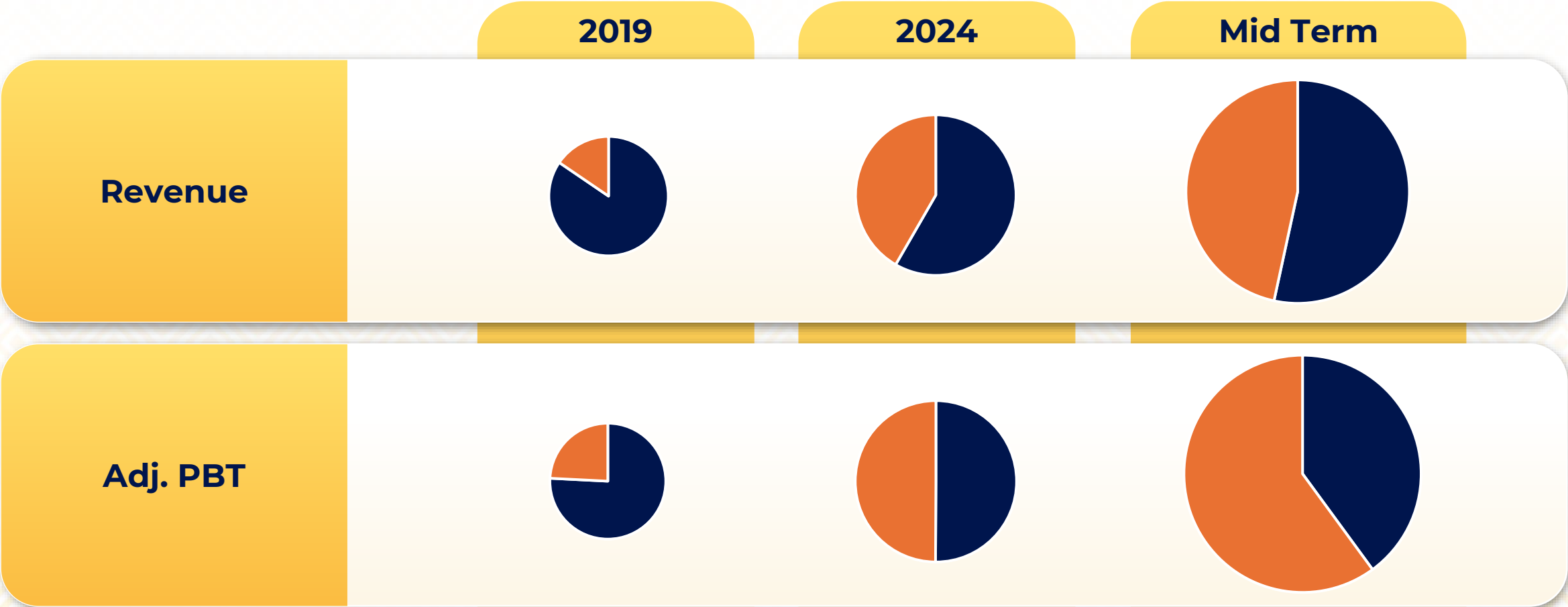
- Invested in high return businesses with WACC > 20%
- Opportunities to increase ownership and therefore consolidating profits further

Fluent update

- Strategic decision to enter national lead sources, which is a key part of MAB 2.0 strategy
- Business turn around in 2024 (+£6m APBT contribution vs 2023)
- New leadership in place for first charge
- On track for accelerated growth

Improving quality of earnings through growth of invested businesses

■ Invested businesses
■ AR network



¹ Adjusted PBT reflects estimated allocation of Group overhead costs

Target 15% Adj. PBT

Operational efficiencies and synergies



Capital allocation

Financial strength

Resilient. Meet regulatory requirement
Target net-zero in steady state. Maintain strong ability to de-lever

1

Organic growth investment

Planned strategic spend to future-proof MAB
Technology, digital marketing, people

2

Ordinary dividend

Regular and progressive full-year dividend
With a rebase in 2025 at 50% payout

3

M&A

Selective
Strict ROI hurdle and integration process

4

Surplus capital

Returned to shareholders
Buybacks, special dividends

5

Capital allocation framework to strike balance between funding for growth and capital returns to shareholders



**Gareth
Herbert**

Distribution Director



**Ian
McGrail**

First Mortgage Direct



**Matt
Coulson**

Heron Financial



**Paul
Ford**

Fluent Money



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**Mortgage
Advice Bureau**

**Insights from our
Appointed Representatives**

What defines MAB

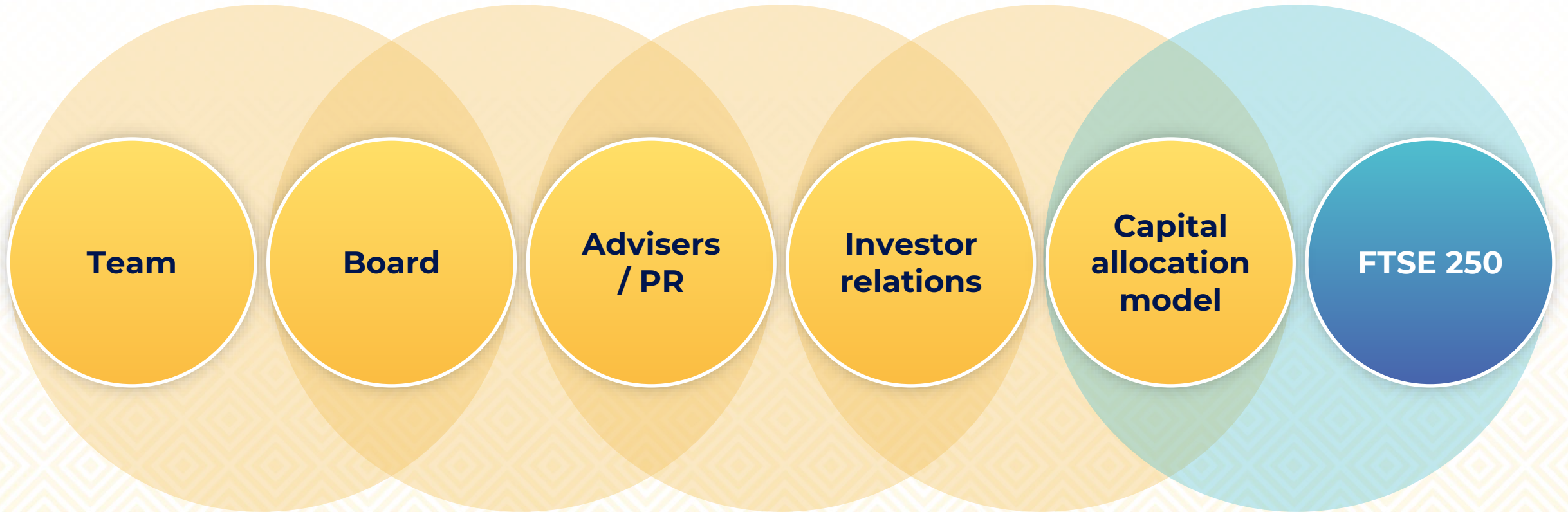
- ✓ My team
- ✓ Our Platform
- ✓ Lead Sources
- ✓ Best in class B2B2C model
- ✓ Our data strategy
- ✓ UKs most recognised brand
- ✓ Strategic M&A
- ✓ Exceptional business quality

**Set for
Accelerated
Growth**

The opportunity

- > Scale local and national lead generation through digital engagement and insights.
- > Lead generation, technology / AI and optimal data efficiency driving productivity.
- > Continued strategy of strategic M&A and consolidation and scaling of existing investments.
- > Transactional mortgage broker to property finance partner, generating lifetime customer value.
- > Digital brand reach will transform and future proof MAB.

Foundations for MAB 2.0





Shaping the future of the Intermediary Sector

Speaker bios



Peter Brodnicki, Founder & CEO

Peter and has led MAB from its formation in 2000 and overseen its growth and evolution to become the UK's leading intermediary mortgage brand



Ben Thompson, Deputy CEO

Ben joined MAB in 2018. He was previous CEO of ULS Technology and prior to that held senior positions at Legal & General Group Plc, where he ran their market-leading mortgage distribution business



Sion Williams, CMO

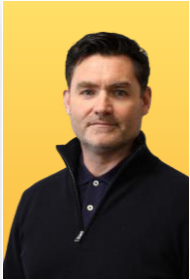
Sion has more than 20 years marketing experience and has been with MAB for the last 3 years, working across both physical and digital environments with one consistent focus - to deliver outstanding customer experiences



Lucian Morris, CIO

CIO of MAB for 5 years, Lucian is a specialist in the build and management of technology solutions in financial services organisations. He has worked with many top tier retail banks include as CIO during the award-winning build and launch of Metro Bank

Speaker bios



Paul Gill, CRO

Paul has spent the last 20+ years specialising in risk management in an FCA regulated environment. Before joining MAB in 2022, he held senior positions in a number of firms, including Deloitte, Metro Bank and Castle Trust, and across a range of financial services sectors



Emilie McCarthy, CFO

Emilie joined MAB in 2024, bringing over 20 years of experience in finance, risk management, and global operations. She was previously CFO at CNBC International and CFO for Hult International Business School. She is a fellow Chartered Management Accountant



Gareth Herbert, Distribution Director

Gareth joined MAB in December 2004. Before that he held roles in SpicerHaart and the Home service industry. He has over 35 years experience working in the mortgage industry

Speaker bios



Paul Ford, Fluent Money

Paul started his career as a Branch Manager at Cattles plc before becoming one of the founders of Fluent Money. Paul is responsible for its lead provider partnerships, mainly within the UK price comparison website sector



Matt Coulson, Heron Financial

Matt co-founded Heron in 2011. He believes that Heron's services should be accessible to all, and is committed to leveraging technology alongside exceptional customer service to achieve this goal



Paul Ford, Fluent Money

Paul started his career as a Branch Manager at Cattles plc before becoming one of the founders of Fluent Money. Paul is responsible for its lead provider partnerships, mainly within the UK price comparison website sector

Glossary

Appointed Representative (AR)

Carries on regulated activity under the responsibility of an authorised firm, known as the 'principal'

Principal

Responsible for making sure the AR is fit and proper and FCA compliant

Directly authorised (DA)

Firm has a direct relationship with the FCA

Refinance / remortgage

Moving mortgage from one provider to another

Product Transfers (PT)

Transfer to a new mortgage product with the same lender

First Time Buyers (FTB)

First charge mortgage

The lender takes a legal claim or charge against the property. Standard mortgage used to buy a home

Second charge mortgage

Additional loan on top of first mortgage. Also known as secured loans

SVR – Refers to a lenders 'Standard Variable Rate'

B2B2C

Business-to-business-to-consumer route to market

Financial Conduct Authority (FCA)

Regulates the conduct of UK businesses to ensure the financial markets work well

Glossary

Consumer Duty

Rules and guidance introduced by the FCA in 2023 that require financial services firms to act in the best interest of their customers

Pure Protection

Long-term insurance contract that provides financial assistance to a policyholder or their dependents if they die or become unable to meet their financial commitments due to ill health or disability

Loan to Income (LTI)

Lender credit metric. Ratio of mortgage size to household income

Loan to Value (LTV)

Lender credit metric. Ratio of mortgage value to property value

Help to Buy (H2B)

Was a government-backed scheme to help FTBs to buy their first home

Later life Lending (LLL)

Refers typically to borrower over the age of 55



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5 February 2025 | London Stock Exchange | 2-4pm

Webcast video available on demand. Please contact investor.relations@mab.org.uk