



Delivering, Growing, Innovating

Investor and Analyst Presentation



Mortgage Advice Bureau (Holdings) Plc
Interim results – six months ended 30 June 2021

Contents



Highlights	3
Market backdrop	6
Financial review	9
Strategy	14
Summary and outlook	17
Appendices	19

Highlights

Financial Highlights

Revenue

£92.4m | +46%

(+52% vs H1 2019)

Gross Profit

£24.6m | +43%

(+74% vs H1 2019)

Adj. PBT¹

£11.6m | +47%

(+56% vs H1 2019)

Adj. EPS¹

17.9p | +36%

(+46% vs H1 2019)

Interim Dividend

13.4p | n/a

(+21% vs H1 2019)

Cash Conversion²

120% | +23pp³

(+21pp vs H1 2019)

1. In H1 2021 and H1 2020 adjusted for £0.2m amortisation of acquired intangibles. In H1 2021, adjusted for £0.6m of additional non-cash operating expenses relating to the put and call option agreement to acquire the remaining 20% of First Mortgage (H1 2020: £0.4m). In H1 2020 also adjusted for the loan write off and loan provision totalling £1.7m, and £0.5m of Government grant income (net £1.2m).
2. Adjusted cash conversion is cash generated from operating activities adjusted for movements in non-trading items, including loans to AR firms and associates totalling £(0.9)m in H1 2021 (H1 2020: £0.3m), £(0.2)m of Government grant income received in H1 2020, and increases in restricted cash balances of £1.2m in H1 2021 (H1 2020: £0.3m), as a percentage of adjusted operating profit.
3. Percentage points.

Operational Highlights

Mortgage Completions¹

£11.0bn | +48%

(+59% vs H1 2019)

Adviser Numbers³

1,694 | +15%

(+31% vs H1 2019)

Market Share²

6.0% | +2%

(+19% vs H1 2019)

Revenue Per Mainstream Adviser⁴

£58.4k | +28%

(+19% vs H1 2019)

Strategic progress

Lead platform integration

- Moneysupermarket.com
- Boomin
- Nottingham Building Society (Beehive)
- Moneybox

M&A

- Acquisition of 49% of Evolve FS Ltd
- Acquisition by Meridian Holdings Group Ltd of 100% of Metro Finance brokers Ltd
- Acquisition by First Mortgage Direct Ltd of 25% in M & R FM Ltd
- Share of profit from associates: £0.7m (H1 2020: £0.1m)

ESG (See Appendix)

1. MAB's gross mortgage completions, including product transfers.

2. Market share of gross new mortgage lending (excluding product transfers). H1 2021 number stated for the 7 months to 31 July 2021 due to the distortion effect around 30 June 2021 with the tapering of the stamp duty holiday thereafter.

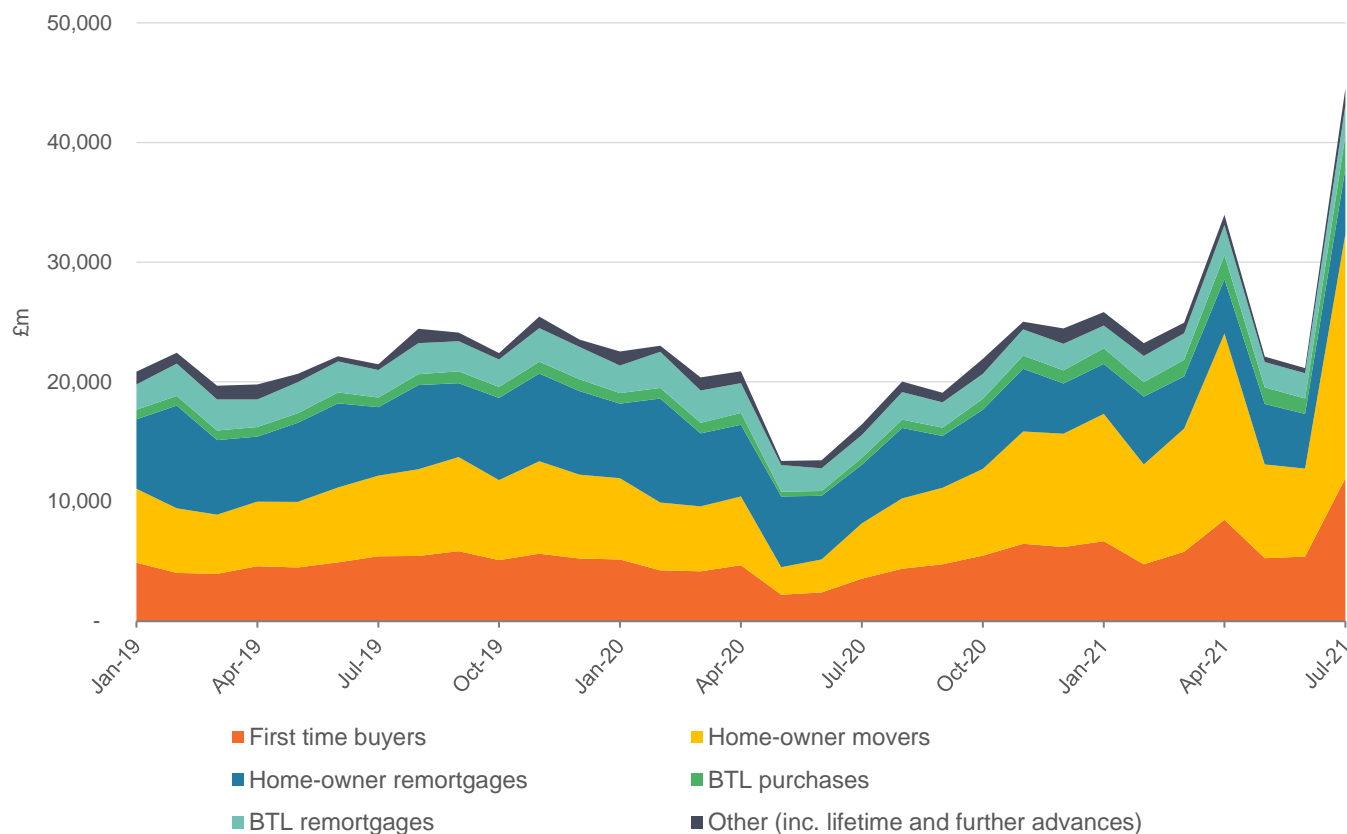
3. At 30 June 2021, includes 52 advisers who are either directly authorised or later life advisers.

4. Based on average number of mainstream advisers for the period. Mainstream advisers exclude directly authorised advisers, later life advisers, and advisers from associates in the process of being onboarded.

Market Backdrop

Mortgage Lending Market

Gross new mortgage lending values¹



1. Source: UK Finance. Chart excludes product transfers.
 2. Includes further advances and lifetime mortgages, excludes product transfers.
 3. In England, Wales, and Northern Ireland.

Commentary

- Gross new mortgage lending of £169.9bn², up 58% on H1 2020 (significantly impacted by the Covid-19 pandemic) and 34% on H1 2019
- Increase in purchase related activity driven by strong underlying demand and changing working and living patterns
- Record activity levels in June 2021 caused by the 30 June 2021 stamp duty deadline³

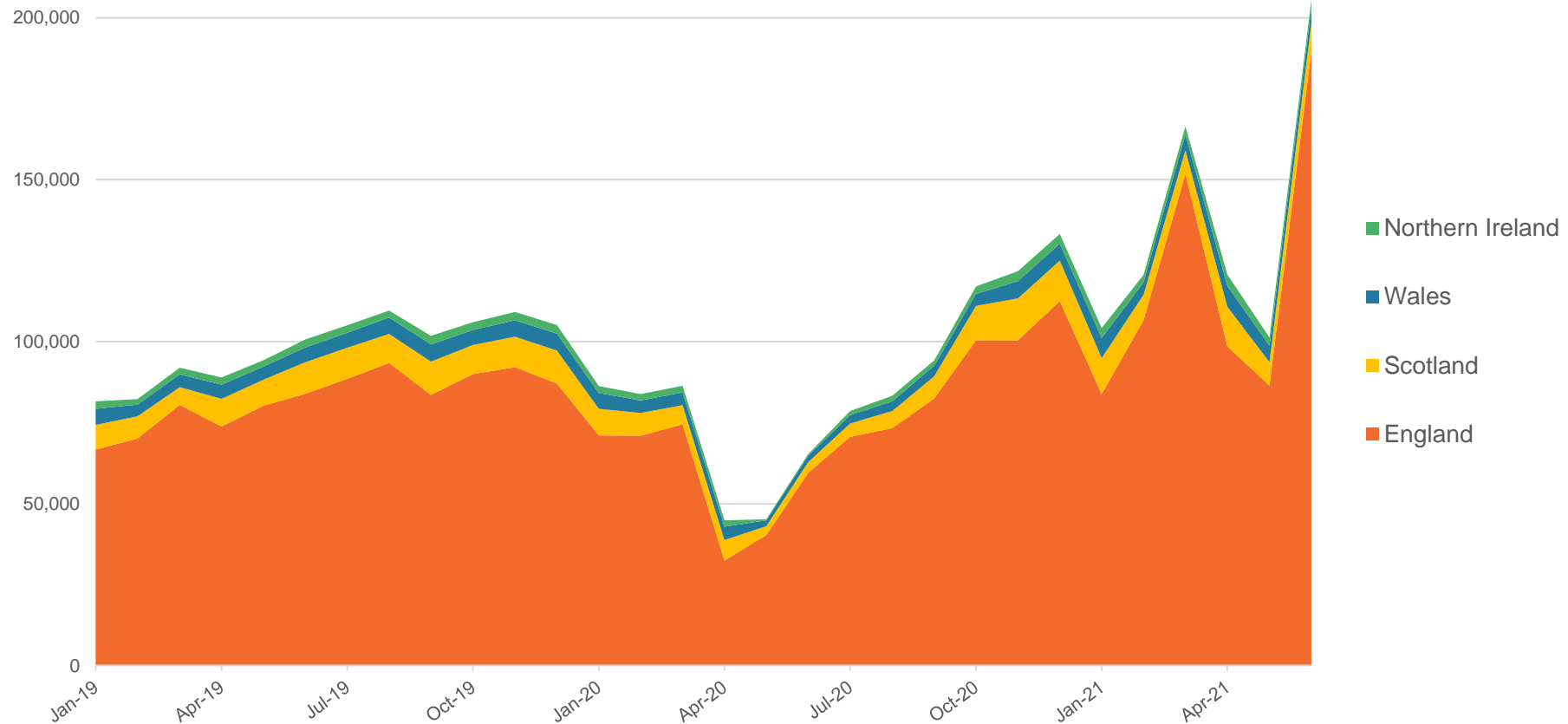
Purchase market	vs. H1 2020	vs. H1 2019
Home-mover	+163%	+104%
First time buyers	+95%	+52%
Buy-to-let	+140%	+106%

- Re-financing activity driven by product transfers

Re-financing market	vs. H1 2020	vs. H1 2019
External re-mortgaging	-15%	-21%
Product Transfers	+8%	+13%

Property Market

UK property transactions by volume¹ increased by 103% vs. H1 2020 and 52% vs. H1 2019

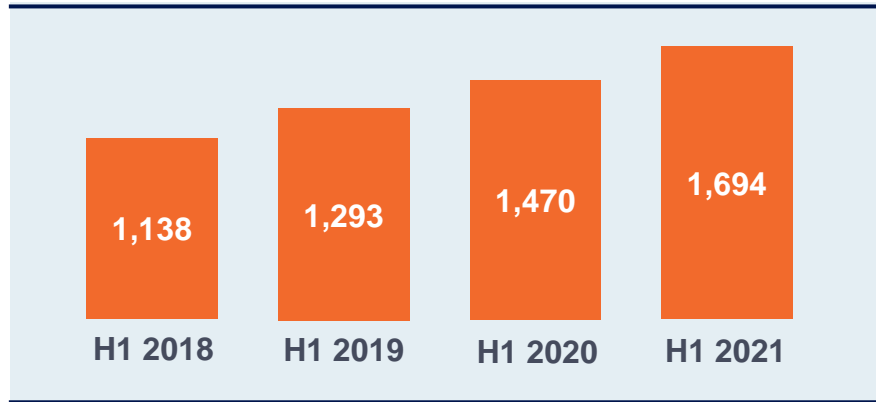


1. Sources: UK Finance. Q2 2021 figures are provisional.
2. Source: Land Registry. House price inflation is the increase in house prices from December 2019 to December 2020. The increase in average house price is the year-on-year increase in average house prices for the year.

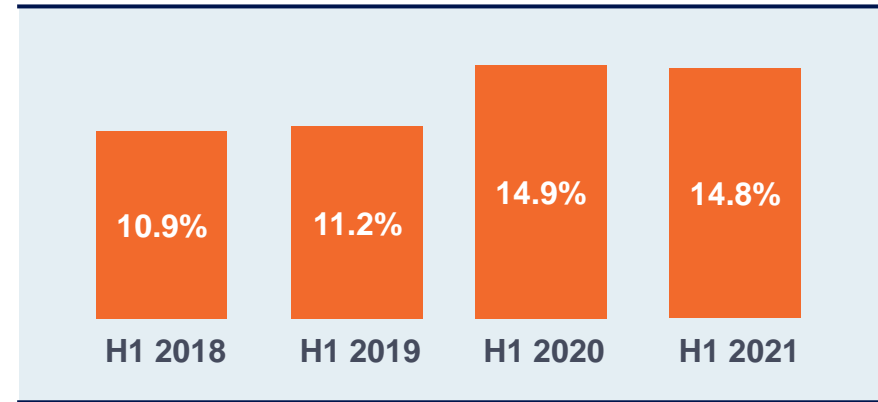
Financial Review

Financial KPIs

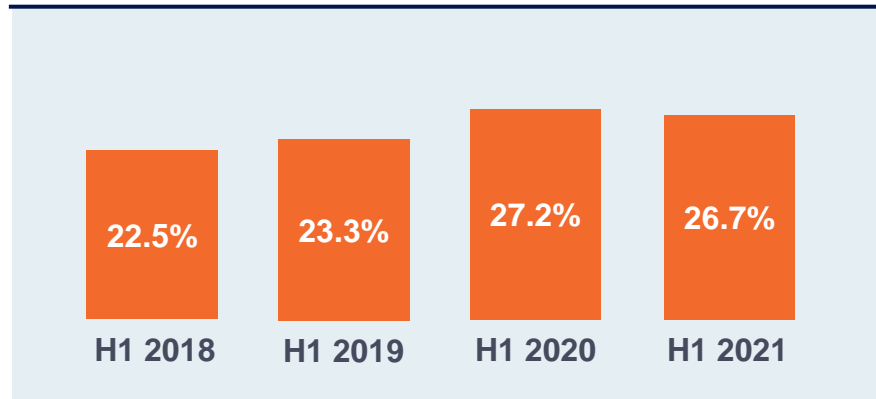
Number of advisers: **1,694**



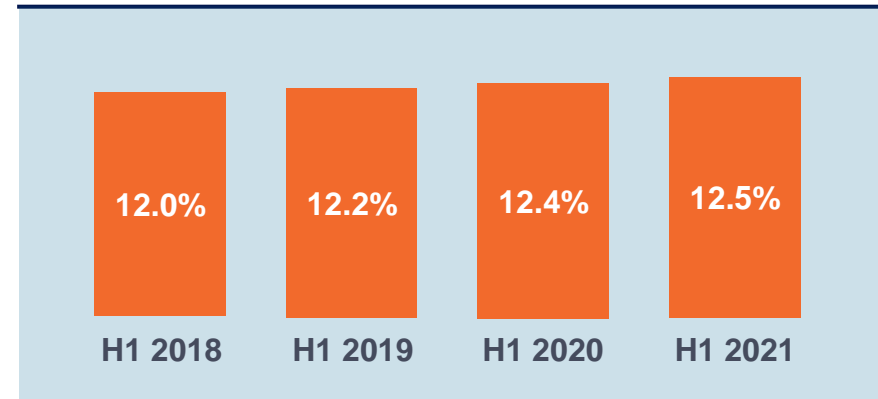
14.8% overheads¹ as % of revenue



26.7% gross profit margin



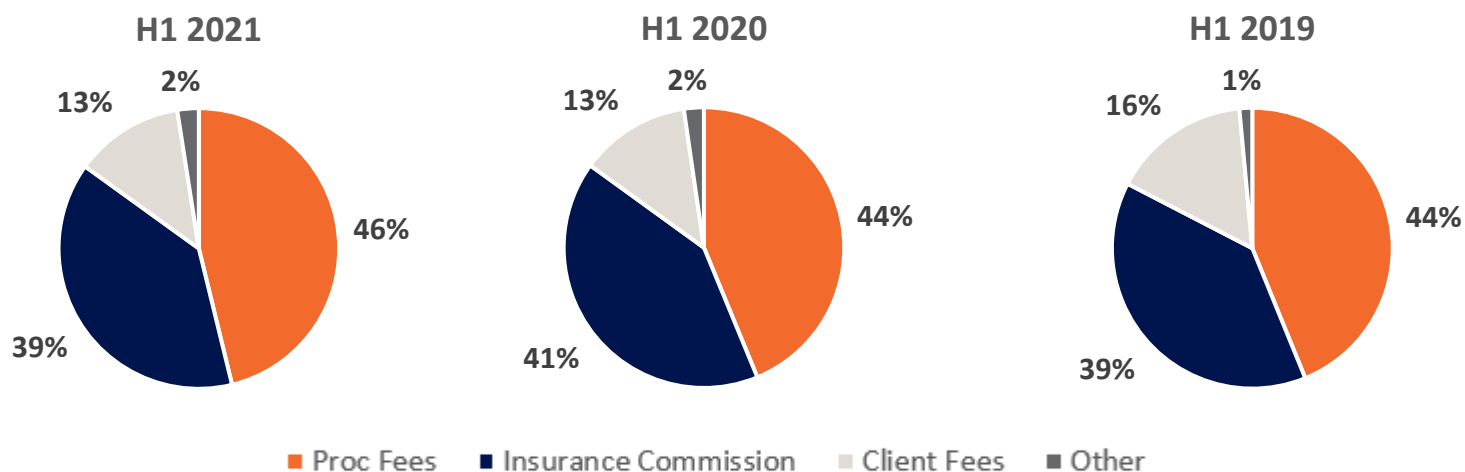
12.5% adj. PBT margin²



1. In H1 2021 and H1 2020 adjusted for £0.2m amortisation of acquired intangibles. In H1 2021, adjusted for £0.6m of additional non-cash operating expenses relating to the put and call option agreement to acquire the remaining 20% of First Mortgage (H1 2020: £0.4m). In H1 2019, £0.2m of one-off costs associated with the acquisition of First Mortgage were also adjusted.
2. Adjusted for items in note (1) above and the loan write-off and loan provision totalling £1.7m and £0.5m of Government grant income (net £1.2m) in H1 2020.

Revenue: income source

Income source	H1 2021	H1 2020	H1 2019	vs H1 2020	vs H1 2019
Mortgage Procurement Fees	£42.7m	£27.6m	£26.7m	+55%	+60%
Protection and General Insurance Commission	£35.8m	£26.3m	£23.6m	+36%	+52%
Client Fees	£11.6m	£8.1m	£9.7m	+43%	+20%
Other Income	£2.3m	£1.5m	£0.9m	+56%	+155%
Total	£92.4m	£63.5m	£60.9m	+46%	+52%



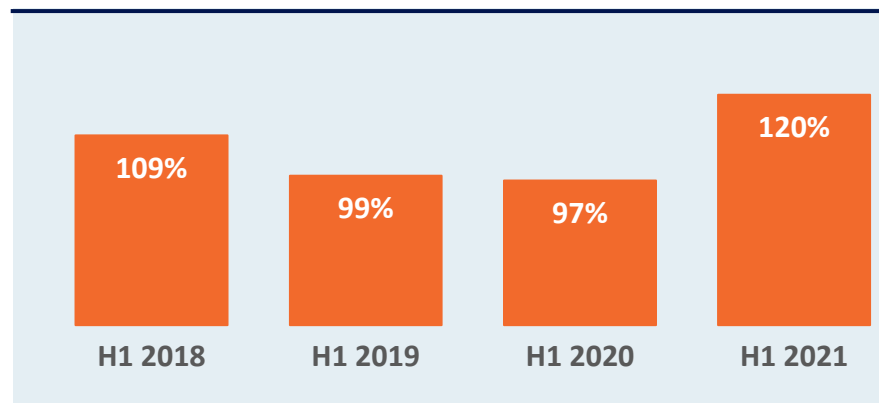
Commentary

- Strong growth across all income sources
- Group revenue increase since H1 2019 driven by:
 - 28% increase in average number of mainstream advisers to 1,584 (H1 2019: 1,242)
 - 19% increase in revenue per mainstream adviser¹ (28% increase compared to H1 2020)
- Comparatively higher increase in procurement fees reflects the run up to the stamp duty deadline
- Increase in Protection and General Insurance commission reflects normalised protection banking profile compared to unprecedented H1 2020
- Revenue from refinancing, including both external re-mortgages and product transfers, represented 24% of total revenue (H1 2020: 38%; H1 2019: 32%)

1. Mainstream advisers exclude directly authorised advisers, later life advisers, and advisers from associates in the process of being onboarded under MAB's AR arrangements.

Strong cash conversion supports growing dividend

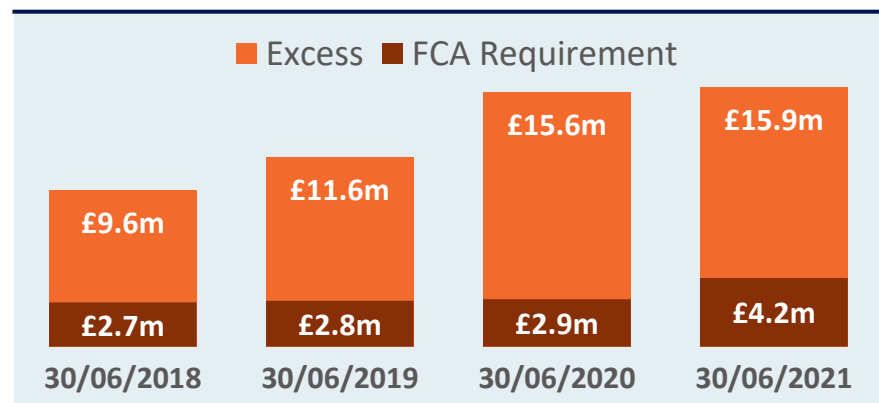
120% Cash Conversion¹



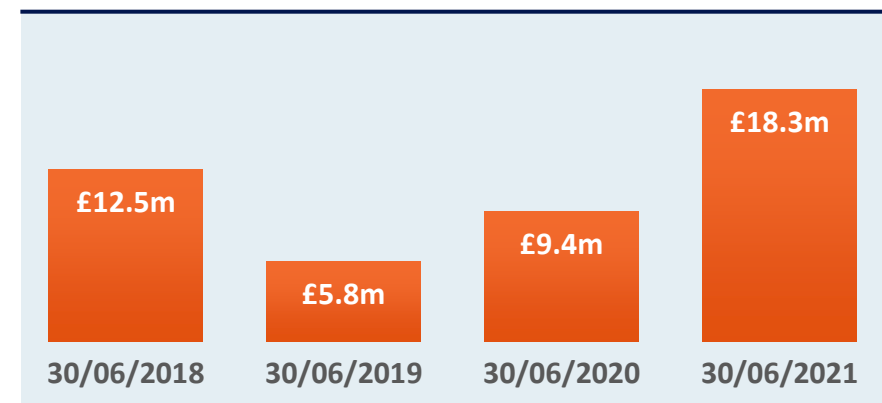
Commitment to dividends



£15.9m Excess Capital



Unrestricted Cash Balance



1. Adjusted cash conversion is cash generated from operating activities adjusted for movements in non-trading items, including loans to AR firms and associates totalling £(0.9)m in H1 2021 (H1 2020: £0.3m), £(0.2)m of Government grant income received in H1 2020, and increases in restricted cash balances of £1.2m in H1 2021 (H1 2020: £0.3m), as a percentage of adjusted operating profit.

Income Statement

	H1 2021	H1 2020	% change
Average number of mainstream advisers ²	1,584	1,396	13%
Average revenue per mainstream adviser (£)	£58.4k	£45.5k	28%
	£m	£m	
Revenue	92.4	63.5	46%
Commissions paid	(63.9)	(43.4)	47%
Other cost of sales	(3.9)	(2.9)	35%
Gross Profit	24.6	17.2	43%
<i>Gross Profit margin</i>	26.7%	27.2%	-2%
Government grant income	0.0	0.5	-100%
Administrative expenses	(14.4)	(10.0)	43%
Impairment losses	(0.0)	(1.7)	-99%
Share of profit of associates, net of tax and impairment	0.3	0.1	265%
Profit on sale of assets	0.3	0.0	n/a
Net finance income / (expense)	(0.0)	(0.0)	-6%
Reported PBT	10.8	6.1	77%
<i>Reported PBT margin</i>	11.7%	9.6%	22%
Add back: Adjusting items ¹	0.7	1.7	-59%
Adjusted PBT	11.6	7.9	47%
<i>Adj. PBT margin</i>	12.5%	12.4%	1%
Tax	(1.8)	(0.8)	140%
Adjusted PAT (attributable to shareholders)	9.8	7.1	38%
Reported PAT	9.0	5.4	68%
Adjusted EPS	17.9p	13.2p	36%
Basic EPS	16.5p	10.1p	63%

Commentary

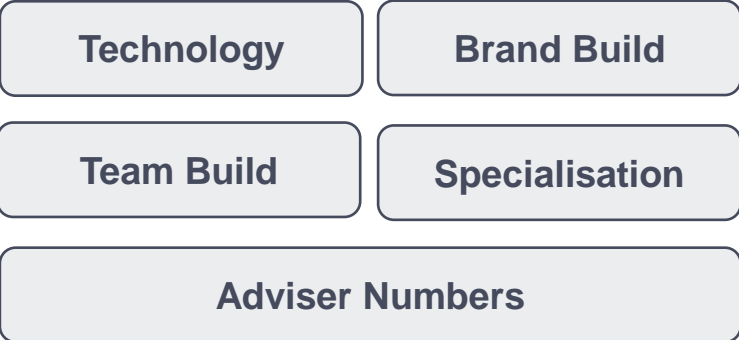
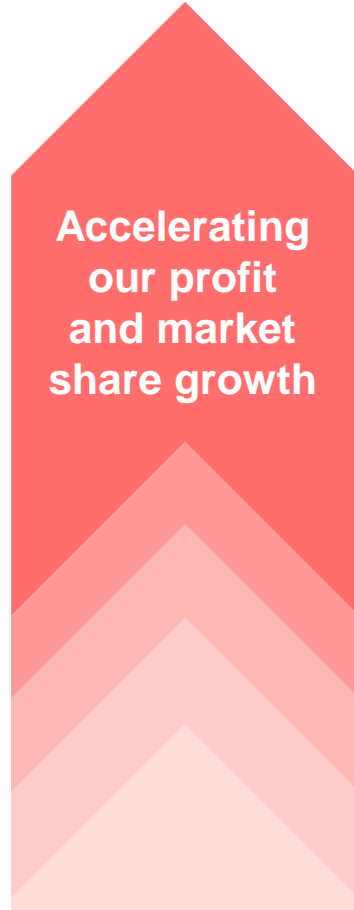
- Revenue up 46% to £92.4m, and 52% vs. H1 2019
- Gross profit margin of 26.7%. Slight reduction compared to H1 2020 due to the skew towards higher margin protection income in H1 2020
- Adjusted profit before tax as a percentage of net revenue³ of 41% (H1 2020: 39%)
- Overheads increase vs. H1 2020 due to temporary salary cuts in Q2 2020, as well as increased IT costs and bonus accruals (in H1 2020 only adviser bonuses were accrued)
- H1 2021 overheads ratio of 14.8% (H1 2020: 14.9%)
- Adjusted Profit Before Tax¹ up 47% to £11.6m (H1 2020: £7.9m)
- Adjusted Profit Before Tax¹ Margin of 12.5% (H1 2020: 12.4%)
- Adjusted EPS¹ up 36% to 17.9p (H1 2020: 13.2p)

1. Adjusted in H1 2021 for £0.2m (H1 2020: £0.2m) amortisation of acquired intangibles and £0.6m (2020: £0.4m) of additional non-cash operating expenses relating to the put and call option agreement to acquire the remaining 20% of First Mortgage. In H1 2020, PBT and EPS are also adjusted for impairment of loans to related parties £1.7m net of tax and £0.5m of Government grant income (net £1.2m).
2. Excludes directly authorised advisers, later life advisers, and advisers from associates in the process of being onboarded.
3. Net revenue is revenue less commissions paid.

Strategy

Set-up for Acceleration

Adjusted
EPS CAGR
since IPO¹:
14.5%



Strong foundations for
next stage growth

Maturing and new **growth drivers**

1. 2014-2020 CAGR.

Strategic progress

MoneySupermarket com

- MAB has secured house purchase lead flow from the UK's leading price comparison website
- Dedicated teams of advisers being recruited

 **The Nottingham Building Society**

- Customer base of over 50,000+ Lifetime ISA savers
- Servicing these future first time buyers through the Beehive Money app

Boomin

- Exclusive relationship with innovative new property portal
- Major focus on millions of homeowners and future buyers in early stages of research

moneybox

- Savings and investing app launches mortgage service in commercial agreement with MAB
- Helping hundreds of thousands of customers save for their first home through its popular Lifetime ISAs and other products

M&A

M & R FM Ltd



Boomin



Adviser Growth



Adviser Productivity



Lead Generation



New Products & Services



Addressable Market



Customer Experience



Summary and Outlook

Summary & outlook

- Strong performance during the period.
- Significant progress made through securing major new lead sources, one of the key pillars of MAB's growth strategy.
- Conversion of recruitment pipeline delayed in H1 due to the various continued restrictions – significant increase in adviser numbers in H2 expected.
- Strong fundamentals of house purchase demand.
- Maturing and new growth drivers will support future profits and market share growth.
- The Group is well positioned to meet the Board's revised expectations for 2022.

Appendices

ESG

We strive to minimise our impact on the environment, to be an amazing place to work and provide an outstanding experience for our customers and ARs

Sustainable

- Green mortgages: MAB at the forefront of change, with ARs now able to actively source all Green Mortgages via the MIDAS platform
- First time reporting on Carbon emissions in 2020 Annual Report
- All MAB offices, including First Mortgage, now on green, 100% renewable electricity tariffs
- Significant reduction in use of paper through e.g. online Annual Report – an important step towards a paperless office
- Secured green sponsorship from one of top 5 lenders at the upcoming net zero carbon MAB Conference

Responsible

- Wide-reaching MABology culture initiative – finalist in 3 categories at the Business Culture Awards 2021
- Over 20,000 CPD hours completed on The Hub, our training and competency online platform
- Committed to supporting all of our customers and achieving the right outcome – gold-rated Feefo member with score of 4.9 out of 5 from over c.15,000 reviews
- Committed to diversity and inclusivity
- Ongoing vulnerable customer initiative to further strengthen our support capabilities in this area
- Increasing employee ownership, notably through MAB's matched Share Incentive Plan
- Increasing focus on supporting local communities



ESG – our culture

We want to become the leading financial partner through life's key moments.



DELIVER WOW

We use our expertise to achieve brilliance.

A T-Rex is on the left, and a tall skyscraper is on the right, both against a blue sky background. A small MAB OLOGY logo is at the bottom center.

BREAK THE MOULD

We think differently and shake things up.

Two pineapples wearing sunglasses are shown against a green background. A small MAB OLOGY logo is at the bottom center.

USE YOUR VOICE

We talk openly and listen, so we're all in the know.

A woman with pink hair is shown in profile, speaking into a vintage-style microphone against a purple background. A small MAB OLOGY logo is at the bottom center.

SEE THINGS THROUGH

We do what we say we will.

A basket filled with various nuts is shown against a teal background. A small MAB OLOGY logo is at the bottom center.

SHARE THE LOVE

We look out for one another and unite as a team.

Two lollipops, one purple and one green, are shown against a red background with faint heart patterns. A small MAB OLOGY logo is at the bottom center.

BE AWESOME

We take pride in who we are and feel safe to show it.

Two hands making the 'rock on' gesture are shown against an orange background. A small MAB OLOGY logo is at the bottom center.

Award Winning



Company Overview

- Mortgage Advice Bureau (“MAB”) is a leading UK mortgage intermediary network
- Directly authorised by FCA, MAB operates an Appointed Representative (AR) network which specialises in providing mortgage advice to customers as well as advice on protection and general insurance
- Over 1,750 advisers, almost all employed or engaged by ARs
- All compliance supervision undertaken by MAB employees
- Broad geographical spread across the UK
- Developed leading in-house proprietary trading platform
- Won over 150 awards

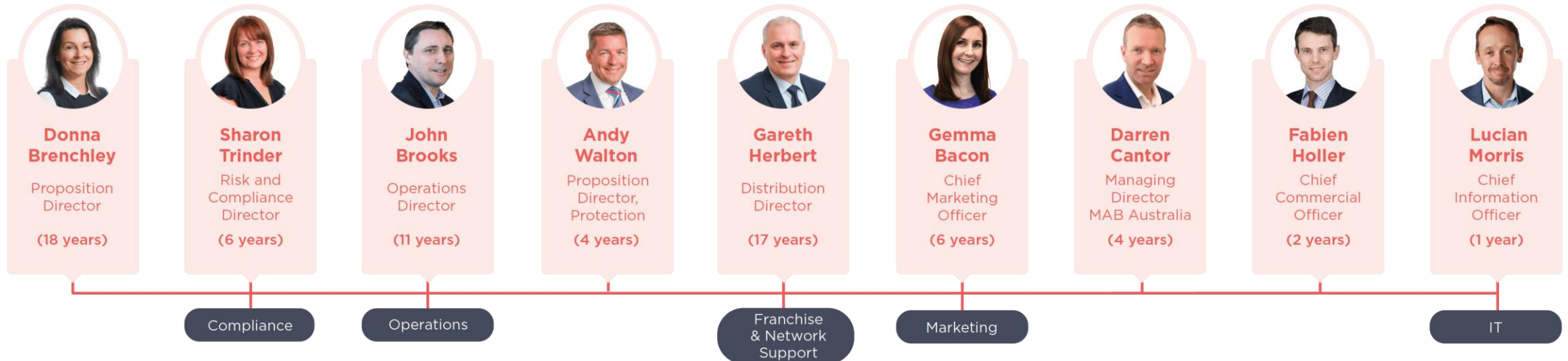


Management

■ Board of Directors
 ■ Senior Management Team
 ■ Divisions

Executive Team

Non-Executive Team



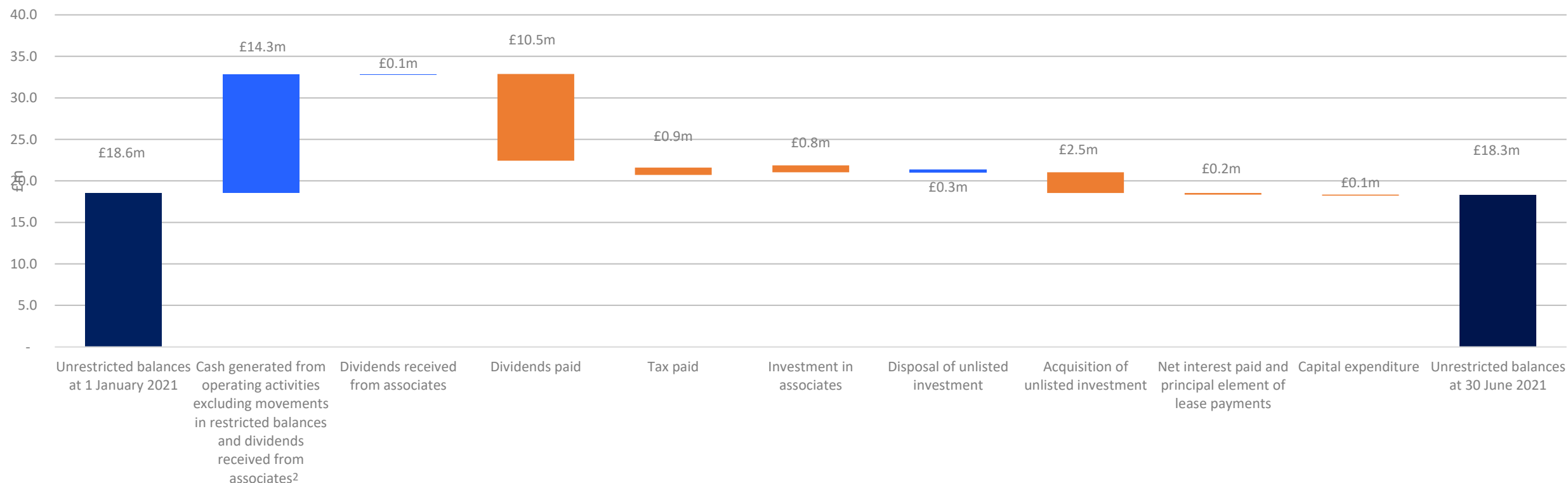
* David Preece retired as Chief Operating Officer on 30 June 2019 and became a Non-executive Director.

Growth Focus – our investments

Investment	Specialism	Shareholding ¹
firstmortgage.co.uk	New Build	80% → 100%
firstmortgage North East	First Mortgage Acquisition	25% → 49%
 Clear	Telephony / Network	49%
 The MortgageBroker	Telephony	25% → 49%
 Mortgage Focus	Online Leads	49%
 BUILDSTORE	Specialist New Build	25%
 Vita	Protection	49%
 SortRefer	Conveyancing	43%
 Pinnacle Surveyors	Surveys	49%
 MAB Australia	International	48%
 MERIDIAN MORTGAGES + METRO FINANCE	New Build / Shared Ownership	40% → 49%
 evolve financial solutions	New Build	49% → 80%

1. Initial → Maximum

Cash Balance Waterfall Unrestricted net cash balances¹



1. Unrestricted net cash balances are for operational purposes; they exclude restricted balances (AR retained commission in case of clawback).
 2. Cash flow from generated from operating activities of £15.6m, less £0.1m dividends received from associates and movements in restricted balances of £1.2m.

Balance Sheet – Strong financial position

£'000s	Jun-21	Dec-20
	£'000	£'000
Non-current assets		
Property, Plant and equipment	2,771	2,847
Right of Use Assets	2,414	2,590
Goodwill	15,155	15,155
Other intangible assets	267	362
Acquisition Intangibles	2,716	2,900
Investments in associates and joint ventures	5,940	4,883
Investments in non-listed equity shares	2,500	75
Other receivables	1,349	806
Deferred tax asset	1,739	822
Total non-current assets	34,851	30,440
Current assets		
Trade and other receivables	11,332	5,603
Cash and cash equivalents	33,949	32,981
Total current assets	45,281	38,584
Total assets	80,132	69,024
Equity and liabilities		
Share capital	53	53
Share premium	9,778	9,778
Capital redemption reserve	20	20
Share option reserve	3,074	1,807
Retained earnings	22,578	23,882
Equity attributable to owners of the parent company	35,503	35,540
Non-controlling interest	1,907	1,908
Total equity	37,410	37,448
Liabilities		
Non-current liabilities		
Provisions	5,269	4,576
Lease liabilities	2,192	2,352
Deferred tax liability	726	643
Total non-current liabilities	8,187	7,571
Current liabilities		
Trade and other payables	33,648	23,662
Lease Liability	341	343
Corporation tax	546	-
Total current liabilities	34,535	24,005
Total liabilities	42,722	31,576
Total equity and liabilities	80,132	69,024