



Delivering, Growing, Innovating

2021 Results

Investor and Analyst presentation



Mortgage Advice Bureau (Holdings) Plc
Final results for the year ended 31 December 2021

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Highlights

MAB Financial Highlights for 2021

Revenue

£188.7m | +27%

(+31% vs 2019)

Gross Profit

£51.0m | +28%

(+40% vs 2019)

Adj. PBT¹

£24.2m | +36%

(+30% vs 2019)

Adj. EPS¹

37.1p | +30%

(+23% vs 2019)

Full Year Dividend³

28.1p | +46%³

(+18% vs 2019)

Cash Conversion²

113% | +1pp⁴

(-6pp vs 2019)

1. In 2021 and 2020 adjusted for £0.4m amortisation of acquired intangibles (2019: £0.2m). In 2021, adjusted for £1.0m of additional non-cash operating expenses relating to the put and call option agreement to acquire the remaining 20% of First Mortgage (2020: £0.9m, 2019: £0.4m). In 2021 adjusted for £0.3m of non-cash fair value gains on financial instruments. In 2020 also adjusted for the loan write off and loan provision totalling £1.7m. Adjusted earnings per share is stated on the same basis, net of any associated tax effects.

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 £(0.7)m in 2021 (2020: £(1.5)m; 2019: £0.9m), and increases in restricted cash balances of £2.4m in 2021 (2020: £0.6m; 2019: £2.2m), as a percentage of adjusted operating profit.

3. For 2021, proposed final dividend per share of 14.7p. The 2021 interim dividend per share was 13.4p. The 2020 final dividend included a 6.4p "catch up" dividend from 2019, which has been adjusted out of 2020 and in to 2019 to show more appropriate comparisons. 2021, 2020 and H2 2019 dividend pay-out was 75% of adjusted profit after tax, minorities and adjusting for non-cash items; H1 2019 was 90%.

4. Percentage points.

MAB Operational Highlights for 2021

Mortgage Completions¹

£22.8bn | +33%

(+42% vs 2019)

Market Share²

6.3% | +3%

(+14% vs 2019)

Adviser Numbers³

1,885 | +19%

(+29% vs 2019)

Revenue Per Mainstream Adviser⁴

£114.4k | +12%

(+7% vs 2019)

Strategic progress

Investment strategy

- M & R FM Ltd (25% through First Mortgage)
- Metro Finance Brokers Ltd (100% through Meridian Holdings Group Ltd)
- Evolve FS Ltd (49%)
- Heron Financial Ltd (49%)

National customer lead sources

- Boomin (investment and strategic partnership)
- Nottingham Building Society (Beehive)
- Moneybox
- MoneySuperMarket

1. MAB's gross mortgage completions, including product transfers. Based on information received from the Legal & General Mortgage Club.

2. Market share of gross new mortgage lending (excluding product transfers).

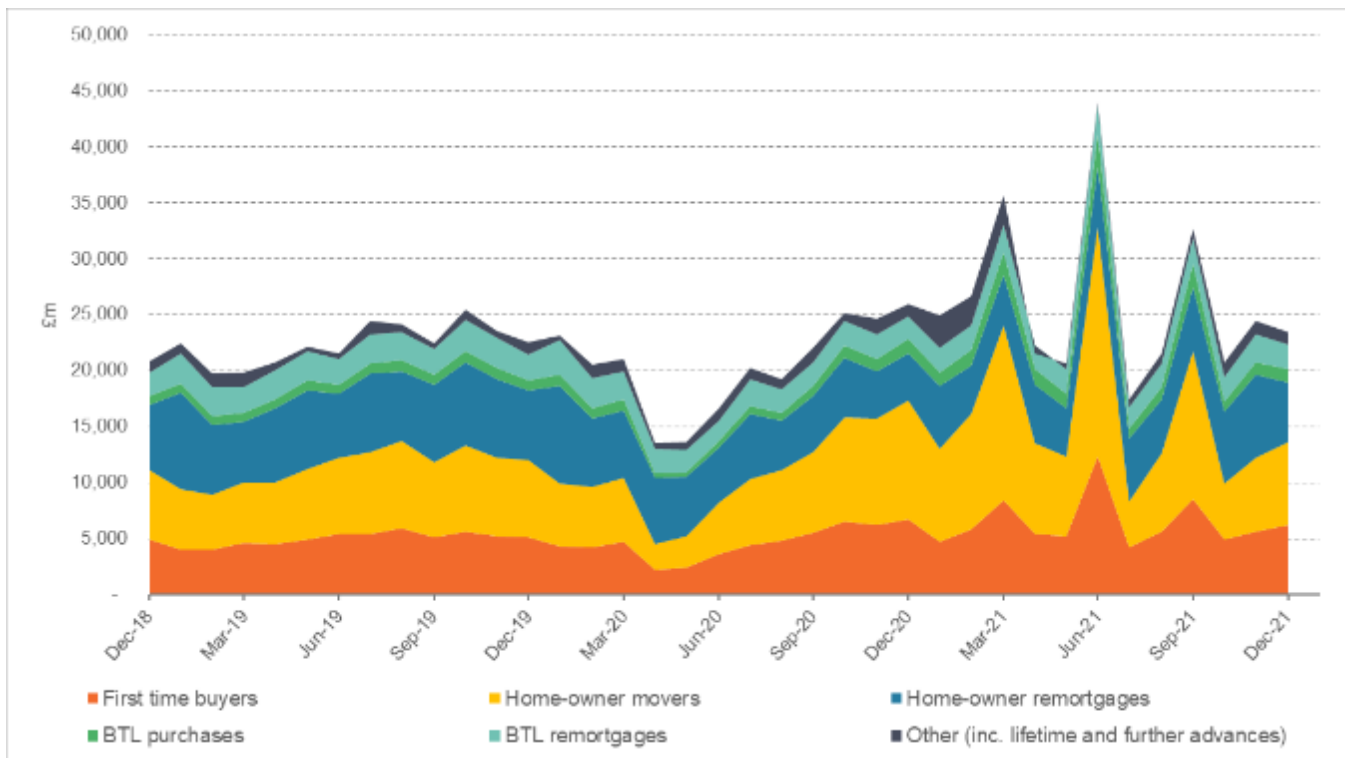
3. At 31 December 2021, includes 47 advisers who are either directly authorised or later life advisers. Adviser numbers exclude advisers on furlough.

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 includes further advances and lifetime mortgages, excludes product transfers.
 2. Includes further advances and lifetime mortgages, excludes product transfers.

Commentary

- Gross new mortgage lending of £313.2bn², up 27% on 2020 and 17% on 2019, driven by a strong purchase market.
- H1 gross new mortgage lending increased by 60% and 37% compared to H1 2020 and H1 2019 respectively.
- Gross new mortgage lending market softened in H2 2021, residential and buy-to-let purchase values decreased by 4% compared to H2 2020 (increase of 5% vs H2 2019).

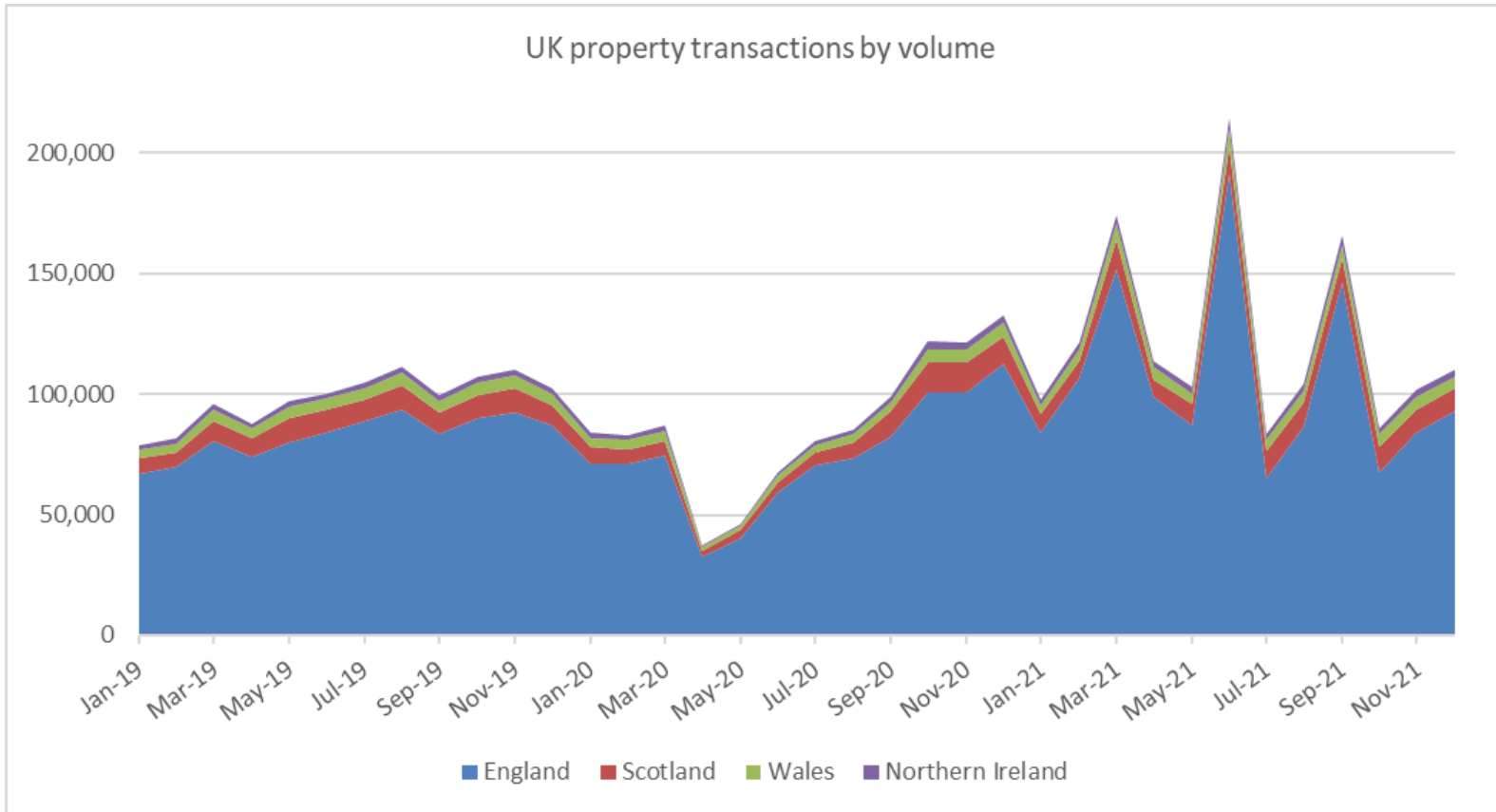
Purchase market	vs. 2020	vs. 2019
Home-mover	+50%	+46%
First time buyers	+39%	+28%
Buy-to-let	+73%	+65%

- Re-financing activity driven by product transfers

Re-financing market	vs. 2020	vs. H1 2019
External re-mortgaging	-1%	-17%
Product Transfers	+10%	+11%

Property Market

UK property transactions by volume¹ increased by 43% vs. 2020 and 26% vs. 2019



1. Source: UK Finance.

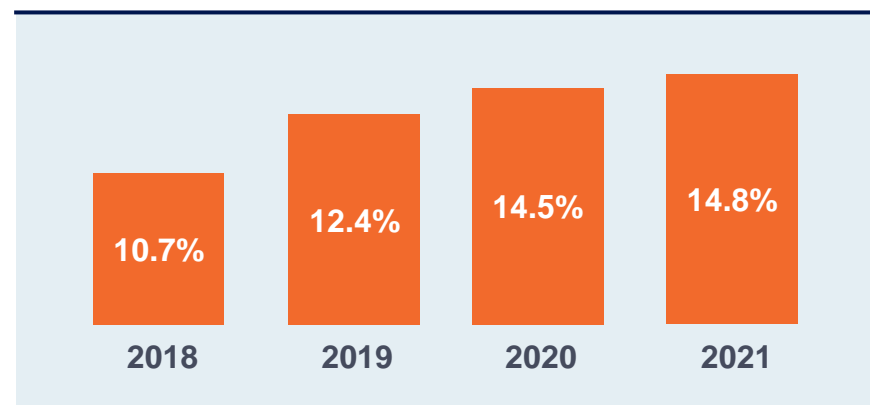
Financial Review

Financial KPIs

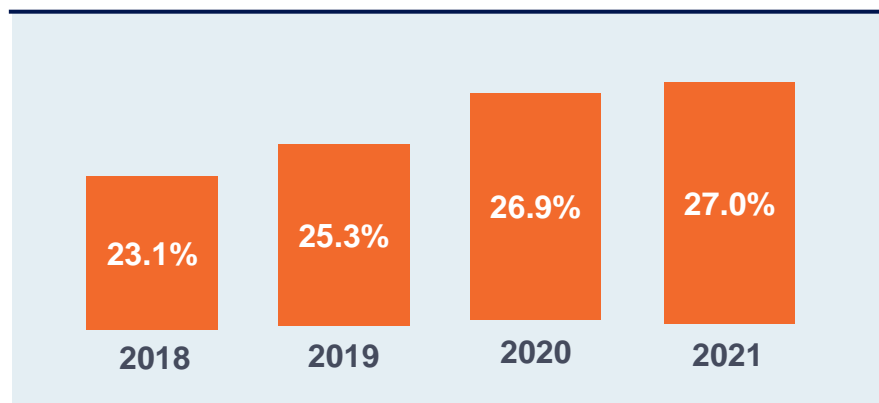
Number of advisers: **1,885**



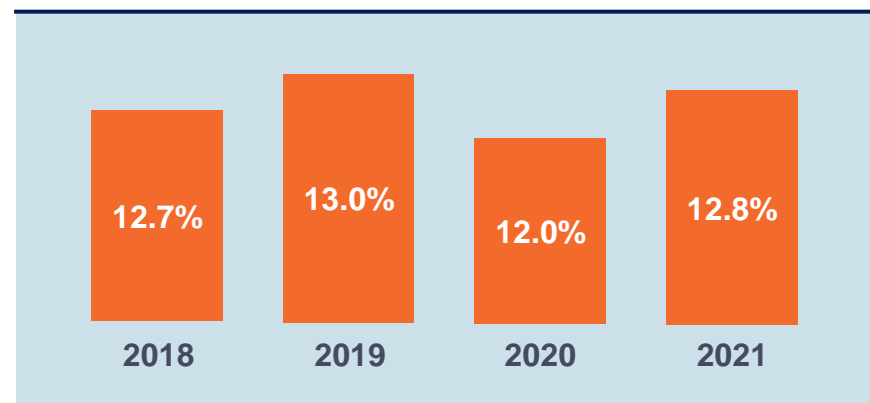
14.8% overheads¹ as % of revenue



27.0% gross profit margin



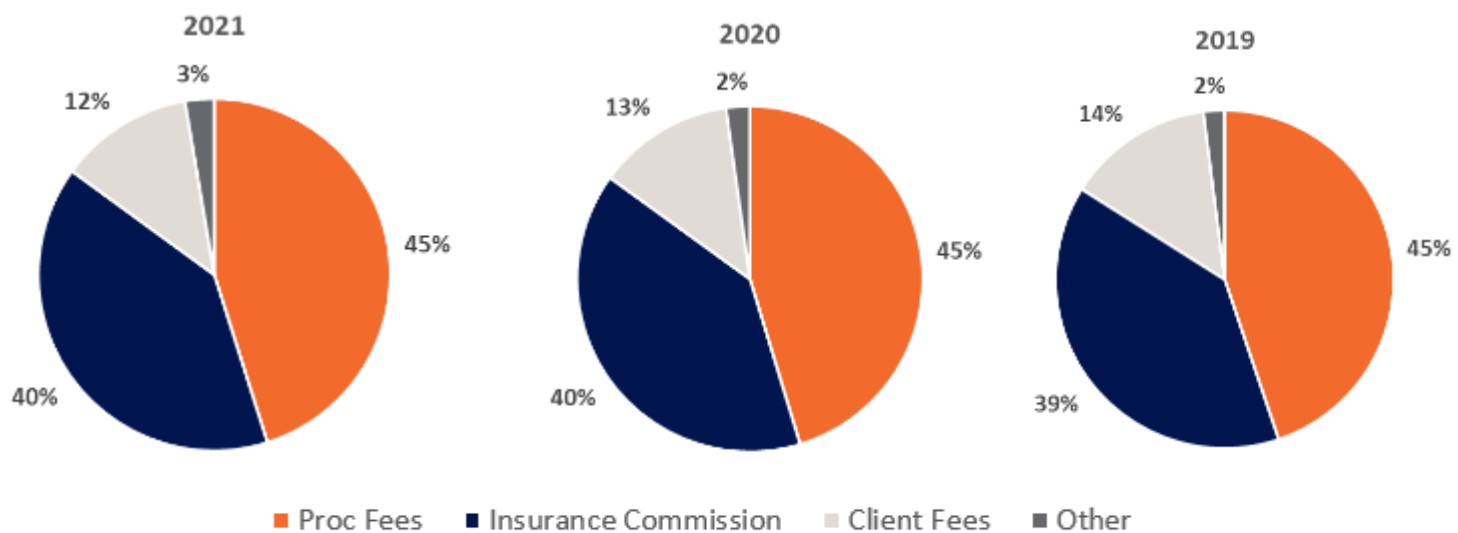
12.8% adj. PBT margin²



- Adjusted in 2021 and 2020 for £0.4m amortisation of acquired intangibles (2019: £0.2m). In 2021, overheads are adjusted for £1.0m of additional non-cash operating expenses relating to the put and call option agreement to acquire the remaining 20% of First Mortgage (2020: £0.9m, 2019: £0.4m). In 2019, £0.4m of one-off costs associated with the acquisition of First Mortgage were also adjusted.
- Adjusted profit before tax is stated before the items in (1) above and £0.3m of non-cash fair value gains on financial instruments in 2021 and the loan write off and loan provision totalling £1.7m in 2020. Adjusted earnings per share is stated on the same basis, net of any associated tax effects .

Revenue: income source

Income source	2021	2020	2019	vs 2020	vs 2019
Mortgage Procurement Fees	£85.1m	£67.2m	£64.3m	+27%	+32%
Protection and General Insurance Commission	£75.3m	£58.8m	£56.2m	+28%	+34%
Client Fees	£23.2m	£19.0m	£20.2m	+22%	+15%
Other Income	£5.1m	£3.3m	£3.0m	+55%	+70%
Total	£188.7m	£148.3m	£143.7m	+27%	+31%



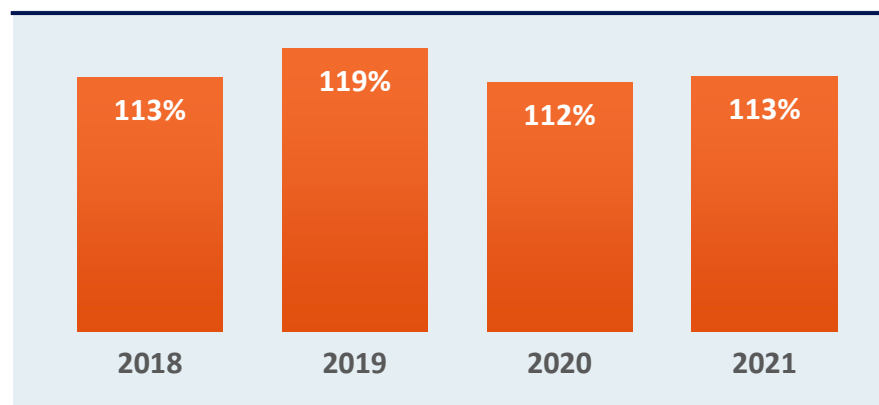
Commentary

- Continued strong growth across all income sources
- Group revenue increase since 2019 driven by:
 - 23% increase in average number of mainstream advisers¹ to 1,649 (2019: 1,341)
 - 7% increase in revenue per mainstream adviser¹
- Mortgage procurement fees up 27% driven by gross mortgage completions increasing by 29%²
- Protection and general insurance commission up 28%
- Revenue from refinancing, including both external re-mortgages and product transfers, represented 25% of total revenue (2020: 32%, 2019: 31%)

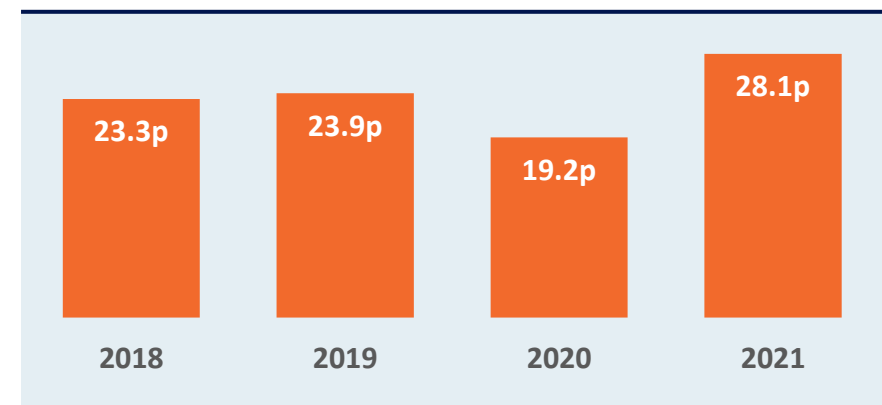
1. Mainstream advisers exclude directly authorised advisers, later life advisers, and advisers from associates in the process of being onboarded under MAB's AR arrangements.
 2. Stated before completions from associates in the process of being onboarded under MAB's AR arrangements as MAB did not record the revenue in relation to those completions.

Strong cash conversion supports growing dividend

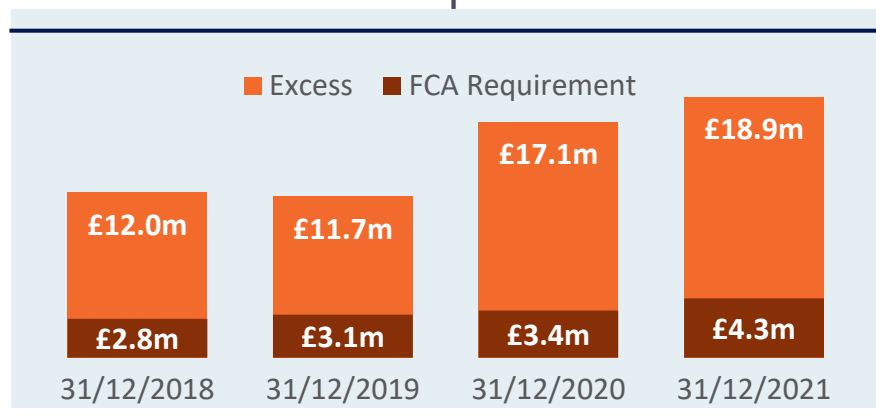
113% Cash Conversion¹



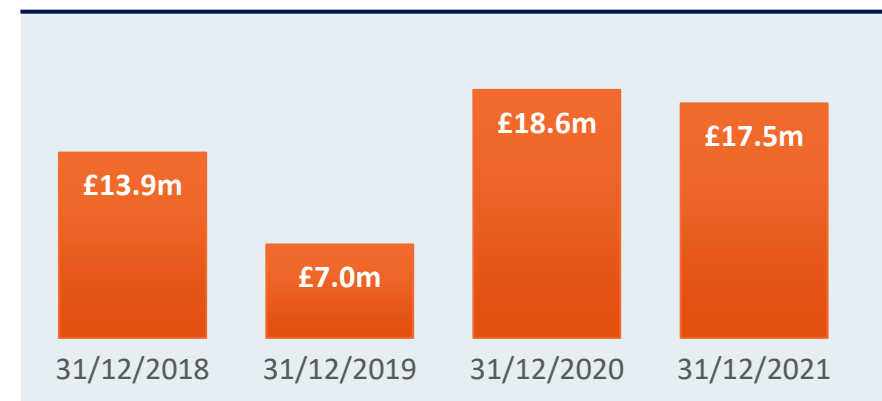
Commitment to dividends²



£18.9m Excess Capital



Unrestricted Cash Balance



- Adjusted cash conversion is cash generated from operating activities adjusted for movements in non-trading items, including loans to AR firms and associates totalling £(0.7)m in 2021 (2020: £(1.5)m; 2019: £0.9m), and increases in restricted cash balances of £2.4m in 2021 (2020: £0.6m; 2019: £2.2m), as a percentage of adjusted operating profit.
- For 2021, proposed final dividend per share of 14.7p. The 2021 interim dividend per share was 13.4p. The 2020 final dividend included a 6.4p "catch up" dividend from 2019, which has been adjusted out of 2020 and in to 2019 to show more appropriate comparisons. 2021, 2020 and H2 2019 dividend pay-out was 75% of adjusted profit after tax, minorities and adjusting for non-cash items; H1 2019 was 90%.

Income Statement

	2021	2020	% change
Average number of mainstream advisers ¹	1,649	1,455	13%
Average revenue per mainstream adviser (£)	£114.4k	£101.9k	12%
	£m	£m	
Revenue	188.7	148.3	27%
Commissions paid	(129.6)	(101.9)	27%
Other cost of sales	(8.1)	(6.6)	22%
Gross Profit	51.0	39.8	28%
<i>Gross Profit margin</i>	<i>27.0%</i>	<i>26.9%</i>	<i>1%</i>
Administrative expenses	(29.2)	(22.7)	28%
Impairment losses	(0.0)	(1.7)	-99%
Gains on investment in non-listed equity shares	0.3	0.0	n/a
Gains on derivative financial instruments	0.3	0.0	n/a
Share of profit of associates, net of tax and impairment	0.6	(0.4)	n/a
Profit on sale of assets	0.3	0.0	n/a
Net finance income / (expense)	(0.1)	(0.1)	1%
Reported PBT	23.2	14.9	56%
<i>Reported PBT margin</i>	<i>12.3%</i>	<i>10.0%</i>	<i>23%</i>
Add back: Adjusting items ⁴	1.0	2.9	-59%
Adjusted PBT	24.2	17.8	36%
<i>Adj. PBT margin</i>	<i>12.8%</i>	<i>12.0%</i>	<i>7%</i>
Tax	(3.9)	(2.1)	88%
Adjusted PAT (attributable to shareholders)	20.3	15.7	29%
Reported PAT	19.3	12.8	51%
Adjusted EPS	37.1p	28.6p	30%
Basic EPS	35.2p	23.7p	49%

Commentary

- Revenue up 27% to £188.7m, and 31% vs. 2019
- Gross profit margin of 27.0% (2020: 26.9%). Larger new ARs typically join the Group on lower-than-average margins due to their existing scale. Slight erosion in underlying margin to be countered by reduction in overheads ratio
- Adjusted profit before tax as a percentage of net revenue² of 41% (2020: 38%)
- 2021 adjusted overheads ratio³ of 14.8% (2020: 14.5%)
- Adjusted Profit Before Tax⁴ up 36% to £24.2m (2020: £17.8m)
- Adjusted Profit Before Tax⁴ Margin of 12.8% (2020: 12.0%)
- Adjusted EPS⁴ up 30% to 37.1p (2020: 28.6p)

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.

2. Net revenue is revenue less commissions paid.

3. In 2021 and 2020 adjusted for £0.4m amortisation of acquired intangibles. In 2021, adjusted for £1.0m of additional non-cash operating expenses relating to the put and call option agreement to acquire the remaining 20% of First Mortgage (2020: £0.9m).

4. Adjusted profit before tax is stated before the items in (3) above, £0.3m of non-cash fair value gains on financial instruments in 2021 and the loan write off and loan provision totalling £1.7m in 2020. Adjusted earnings per share is stated on the same basis, net of any associated tax effects.

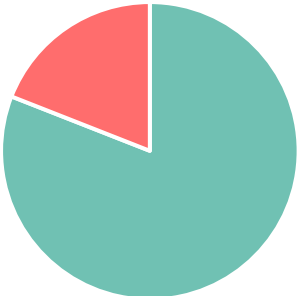
Strategy

Illustrative Profit Profile - Investments

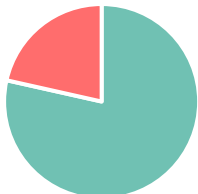
Investments ARs

HISTORIC

Revenue



Profit Before Tax

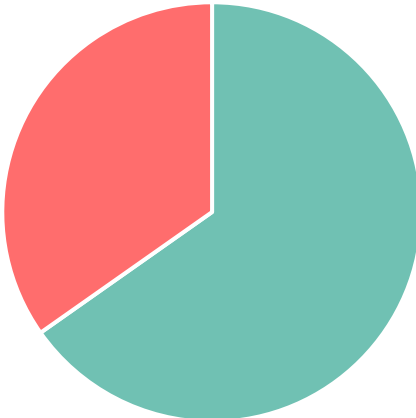


New national lead model & investments offer potential for accelerating profit growth

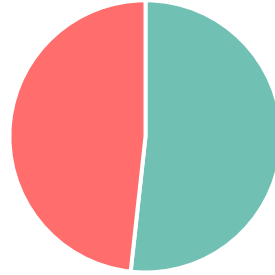
Productivity has greatest margin impact on Investments

FUTURE

Revenue



Profit Before Tax



Platform → Speed | Ease | Efficiency

Lead Generation → Growth | Productivity | Margin

Acquisition of Fluent Money Group

- Acquisition of Fluent Money Group¹ (“Fluent”), a fast-growing telephone advice mortgage and specialist lending intermediary for aggregators and other national lead sources
- Acquiring c.75% of Fluent for an enterprise value of £95m with 6 year put/call over remaining c.25% to align founders with MAB’s growth objectives.
- c.£73m² paid in upfront cash to be funded by up to £40m equity placing alongside renewed and increased debt facilities and existing resources
- Transformational for MAB’s national lead generation strategy, should accelerate the Group’s growth and broaden revenue mix and customer proposition
- Significant earnings enhancement expected in first full year post acquisition

1. Acquisition of Project Finland Topco Limited, of which The Fluent Money Group Ltd is a wholly-owned subsidiary. The acquisition is subject to FCA change of control approval and is not expected to complete until H2 2022.
2. Assumes completion on or around 30 June 2022. Excludes deal-related fees.
3. The current accounting reference date of 31 March for Project Finland Topco Limited will be changed to 31 December post completion. FY22 outturn based on 11 months actuals.
4. Excludes costs relating to the private equity structure.

Overview of Fluent Money Group

Tech-enabled business, delivering mortgage and other lending solutions to customers of leading price comparison websites and consumer brands. Significant momentum across newer product lines, with potential for accelerated growth and market share gains.

Product	Secured Personal Loans	Mortgages	Later Life Lending	Bridging Finance
Fluent Launch Date	September 2008	June 2017	September 2018	March 2021
Adviser Numbers	50	59	14	3

Blue Chip Customer Base

- Fast growing telephone advice broker with national customer lead sources
- Well positioned to capture new business opportunities

Confused.com

MONEY SUPERMARKET

ClearScore

experian.

End-to-end digital customer journey

- Pure-play digital and telephony advice model
- Exceptional customer experience and adviser productivity
- One platform across multiple specialisms

Significant growth prospects

- Strong performance resulting in major new mortgage contracts being secured
- Business scaling at pace to fulfil rapidly increasing lead flow
- Significant margin upside as business scales, and adds protection and retention specialisation

Quality credentials

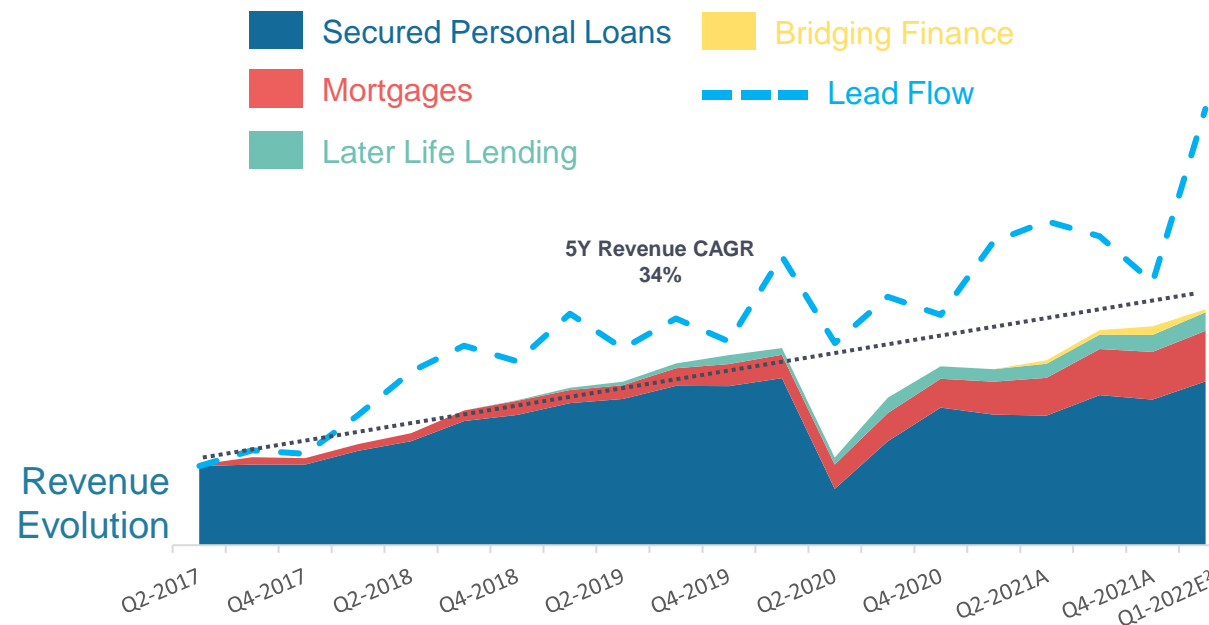
- Over 16,700 customer reviews with average score of 4.91 out of 5
- Multiple ISO accreditations a key differentiator

People and culture

- Entrepreneurial management team led by the founders
- Aligned with MAB's values and strategic thinking
- Further strengthens MAB's senior management

Accelerated growth for Fluent's newer product lines

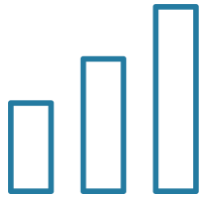
- Three new product teams established in the last five years following success of secured personal loans business
- Performance has also been strong, and as a result significant new contracts secured
- Investment for growth continues to fulfil rapidly growing lead flow
- Significant increase in lead flow run-rate driving revenue and EBITDA growth – adj. EBITDA expected to more than double in calendar year 2022 vs. year ending 31 March 2022
- EBITDA margin benefits from higher margin newer product lines
- Significantly higher margin opportunities from retention and protection that are in early stages of growth



£m	Mar-20a	Mar-21a	Mar-22e ²
Revenue	33.0	26.6	38.5
Adj. EBITDA ¹	3.2	1.9	4.2
Margin (%)	9.6%	7.2%	10.9%

1. Excludes costs related to the private equity structure.
 2. Outturn based on 11 months actuals.

Compelling Rationale for Acquisition



Margin Growth

- Revenue synergies readily realisable
- Higher margin opportunities from retention and protection that are in early stages of growth will be enhanced by MAB expertise
- Potential for future cost synergies



Lead Generation

- MAB has a strong position in servicing locally generated leads, and has recently expanded its addressable market by launching a national lead source proposition
- Fluent has a strong and growing position in servicing nationally generated leads
- Competitive advantage leveraging reputation of the two businesses, with combined resources to service rapidly increasing lead generation



Adviser Productivity

- Fluent is demonstrating high levels of adviser performance as a result of combining strong and reliable lead flow and technology
- This supports our strategy of delivering lead flow to high performing advisers and firms
- Lead flow to invested businesses benefits Group margin



Compelling Rationale for Acquisition



Adviser growth

- The increasing level of national lead generation allows Fluent to scale adviser numbers quickly
- Through sharing best practice, Fluent's well established processes will support MAB's other invested businesses and other ARs who are servicing MAB's national lead generation. This will help MAB to optimise its own performance and adviser growth
- The majority of advisers in specialist telephone advice centres join through an academy programme. MAB and Fluent are successful in onboarding 'new to industry' advisers



New Products and services

- Fluent has a broad range of specialist lending solutions in-house, enabling them to secure major new lead sources and optimise margins
- MAB has generally outsourced these specialisms. Fluent supports our strategy to bring these in-house, leveraging their specialist processes across our distribution
- Diversification of earnings mix supports growth



Addressable Market

- The Fluent acquisition enables MAB to partner with a fast growing broker in the national lead source sector
- This acquisition will widen MAB's market reach, and accelerates our plans to grow market share, productivity, and margins
- The new products and services that will now be delivered in-house should enable MAB to grow these market segments across both businesses



Summary and Outlook

Summary & outlook

- Strong performance during the period
- Significant progress made through new high-quality investments and securing major new lead sources
- Significant increase in adviser numbers
- Acquisition of Fluent expected to be significantly earnings accretive in first full year following completion
- Demand for housing continues to be very strong, re-financing having picked up over recent months
- Maturing and new growth drivers will support future profits and market share growth
- Current trading in line with Board's expectations, revised upwards in March 2021

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
- All MAB offices, including First Mortgage, now on green, 100% renewable electricity tariffs
- 7% reduction in Scope 1 & 2 emissions intensity ((tCO2e/employee/yr)
- 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 five lenders at the upcoming net zero carbon MAB Conference

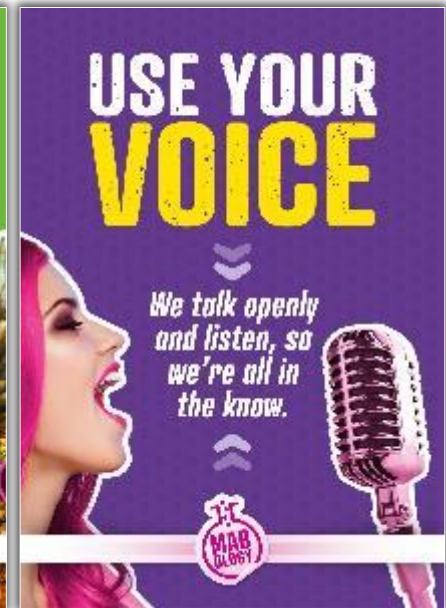
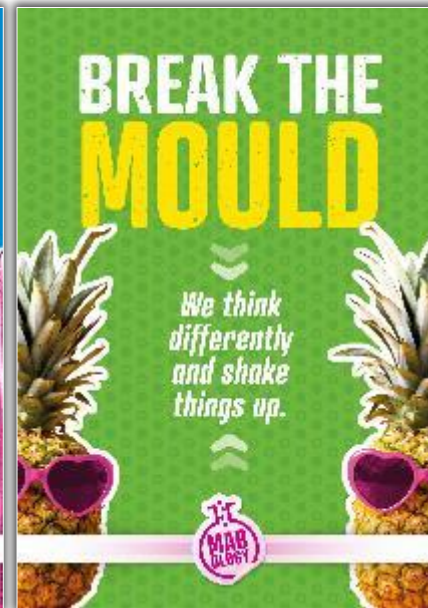
Responsible

- Wide-reaching MABology culture initiative – won Best Small Organisation for Business Culture at the Business Culture Awards 2021 and a finalist in two further categories
- Over 72,000 CPD hours completed on The Hub, our training and competency online platform
- Committed to supporting all of our customers and achieving the right outcome – Platinum trusted award from Feefo with score of 4.9 out of 5 from over c.16,000 reviews
- Committed to diversity and inclusivity - Equality Employer of the Year 2021 at the Financial Reporter Women's Recognition Awards
- 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.



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
- C.2,000 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



Growth Focus – our investments

Investment

Specialism

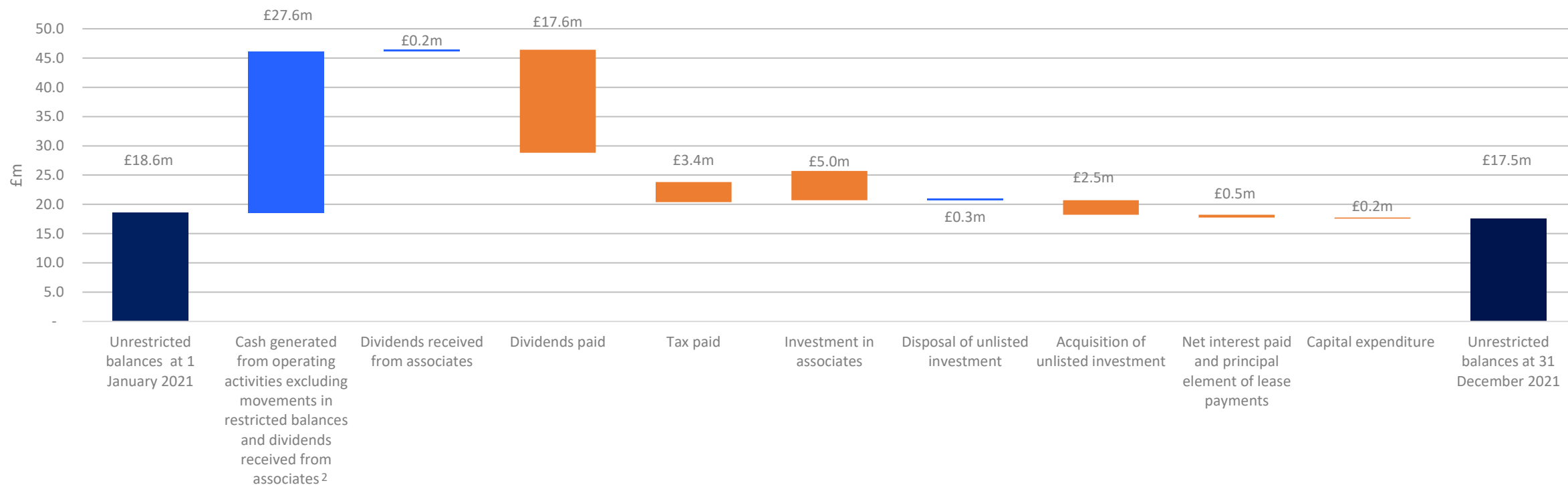
New Build
First Mortgage Acquisition
Telephony / Network
Telephony
Specialist New Build
Protection
Conveyancing
Surveys
International
New Build / Shared Ownership
New Build
New Build

Shareholding¹

80% → 100%
25% → 49%
49%
25% → 49%
25%
49%
43%
49%
48%
40% → 49%
49% → 80%
49% → 100%

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 £30.3m, less £0.3m dividends received from associates and movements in restricted balances of £2.4m.

Balance Sheet – Strong financial position

£'000s	Dec-21	Dec-20
	£'000	£'000
Non-current assets		
Property, Plant and equipment	2,667	2,847
Right of Use Assets	2,457	2,590
Goodwill	15,155	15,155
Other intangible assets	172	362
Acquisition Intangibles	2,533	2,900
Investments in associates and joint ventures	12,433	4,883
Investments in non-listed equity shares	2,783	75
Derivative financial instruments	220	-
Other receivables	1,098	806
Deferred tax asset	1,871	822
Total non-current assets	41,388	30,440
Current assets		
Trade and other receivables	6,341	5,603
Derivative financial instruments	142	
Cash and cash equivalents	34,411	32,981
Total current assets	40,894	38,584
Total assets	82,282	69,024
Equity and liabilities		
Share capital	53	53
Share premium	9,778	9,778
Capital redemption reserve	20	20
Share option reserve	3,523	1,807
Retained earnings	25,408	23,882
Equity attributable to owners of the parent company	38,782	35,540
Non-controlling interest	2,205	1,908
Total equity	40,987	37,448
Liabilities		
Non-current liabilities		
Provisions	5,716	4,576
Lease liabilities	2,202	2,352
Derivative financial liabilities	34	-
Deferred tax liability	757	643
Total non-current liabilities	8,709	7,571
Current liabilities		
Trade and other payables	31,925	23,662
Lease Liability	394	343
Corporation tax	267	-
Total current liabilities	32,586	24,005
Total liabilities	41,295	31,576
Total equity and liabilities	82,282	69,024