



FINTEL | H1 2021

INTERIM RESULTS PRESENTATION

PRESENTING TEAM

NEIL STEVENS
Joint CEO



MATT TIMMINS
Joint CEO



DAVID THOMPSON
CFO



AGENDA

01 OVERVIEW & HIGHLIGHTS

02 FINANCIAL REVIEW

03 STRATEGIC DELIVERY

04 CURRENT TRADING & OUTLOOK

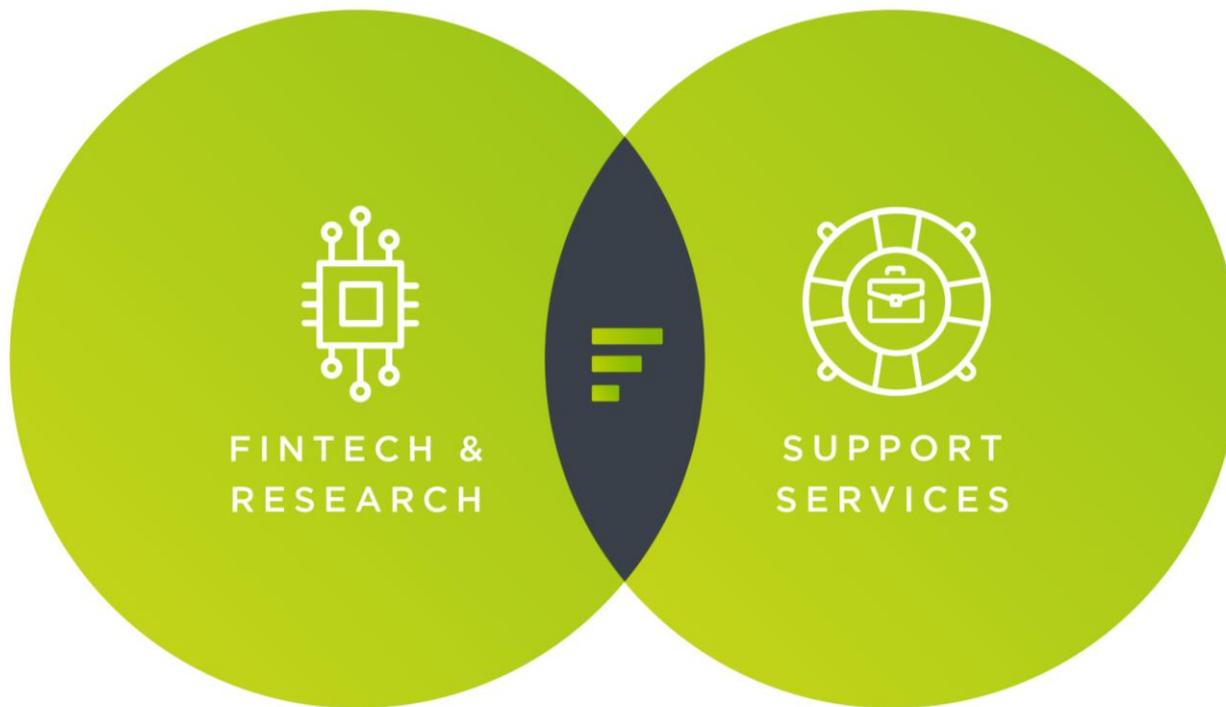
05 SUMMARY

06 APPENDICES

ROBUST TRADING
DIGITAL ACCELERATION
STRATEGIC DELIVERY

BUSINESS OVERVIEW

UK RETAIL FINANCIAL SERVICES



H1 2021 HIGHLIGHTS

STRATEGIC DELIVERY

Robust Trading

- Revenue, Adjusted EBITDA and Adjusted EBITDA Margin Growth
- Strong cashflow and strategic deleveraging

Digital Acceleration

- Portal launch – Managed Distribution Service (DaaS)
- Growth in Fintech recommendations

Strategic Delivery

- Strategic Partnership with Tatton Asset Management and disposal of Verbatim Funds
- Strategic disposal of Zest



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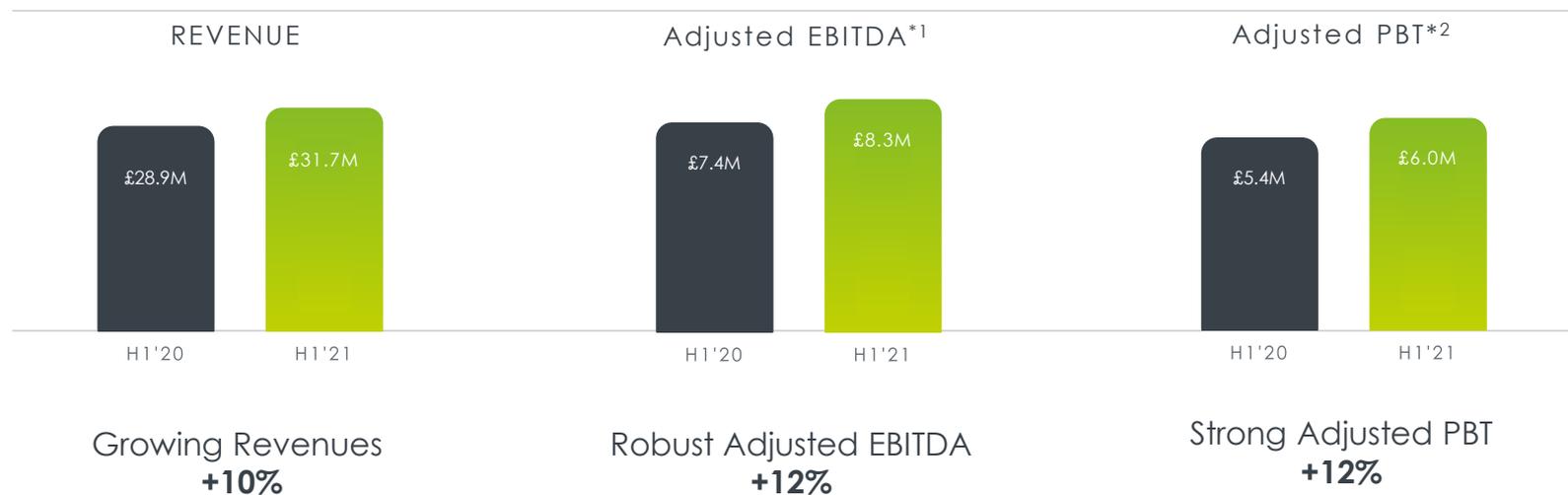
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WE ARE FINTEL 

HIGHLIGHTS – FINANCIAL



*¹ Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and exceptional operating costs.

*² Adjusted PBT is calculated as adjusted profit before tax, which excludes exceptional operating costs and amortisation of intangible assets arising on acquisition.



HIGHLIGHTS – FINANCIAL



*3 Adjusted Earnings Per Share is calculated as adjusted profit after tax, which excludes exceptional operating costs and amortisation of intangible assets arising on acquisition divided by the average number of ordinary shares in issue for the period. EPS includes the one off effect of the step up in UK corporation tax rate from 19% to 25% of £0.8m, without which the underlying EPS would be 5.0p and show strong growth of 18%

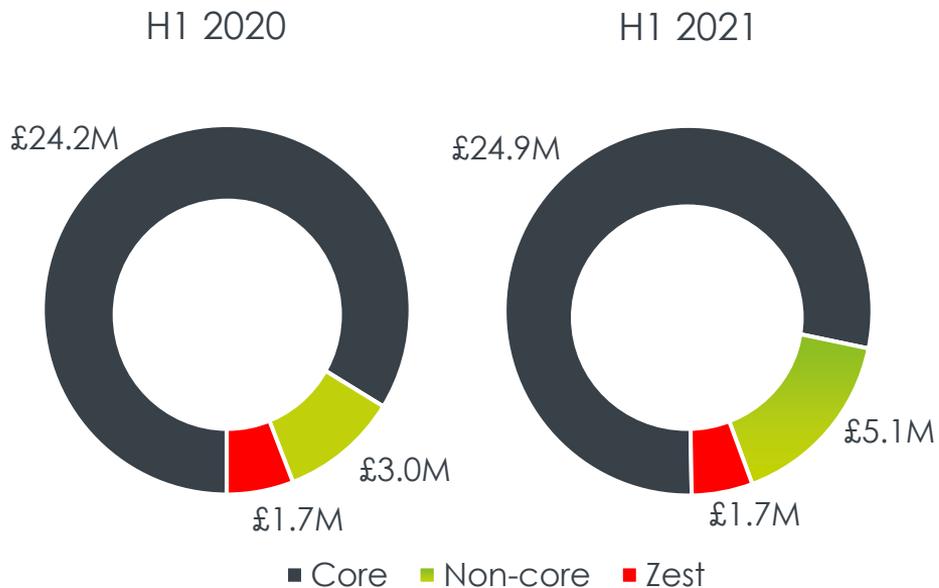
*4 Free cash flow conversion is calculated as adjusted EBITDA, less working capital movements, lease payments, CAPEX, development expenditure, corporation tax and interest paid, as a percentage of Adjusted EBITDA.

*5 Pro-forma 30 June 2021 including the deleveraging effect of £10m from the sale of Zest and £2.8m of initial cash proceeds from the sale of Verbatim funds



FINANCIAL REVIEW

CORE VS NON-CORE REVENUE SPLIT



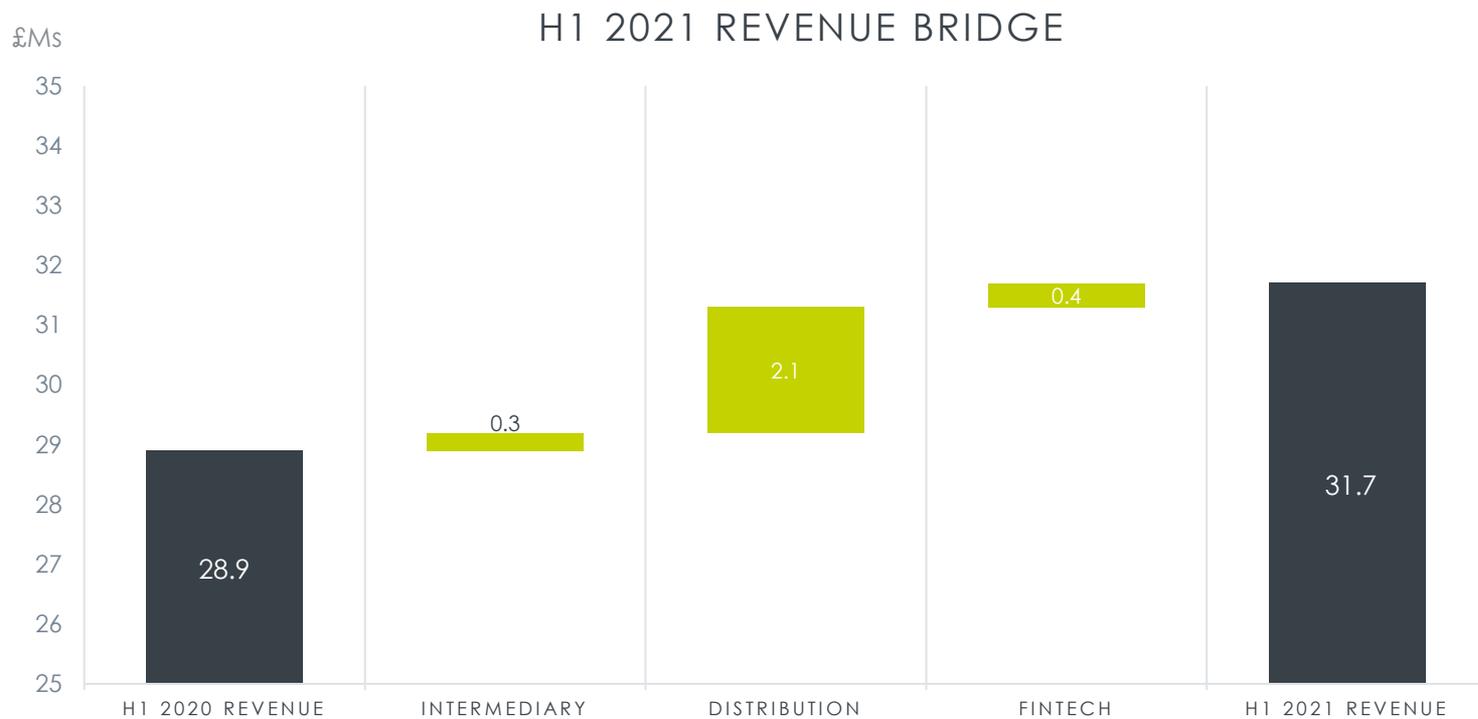
REVENUE GROWTH: **10%**

- Core Revenue Growth: **3%** (£0.7M)
- Non-core Revenue Growth: **48%** (£2.2M)

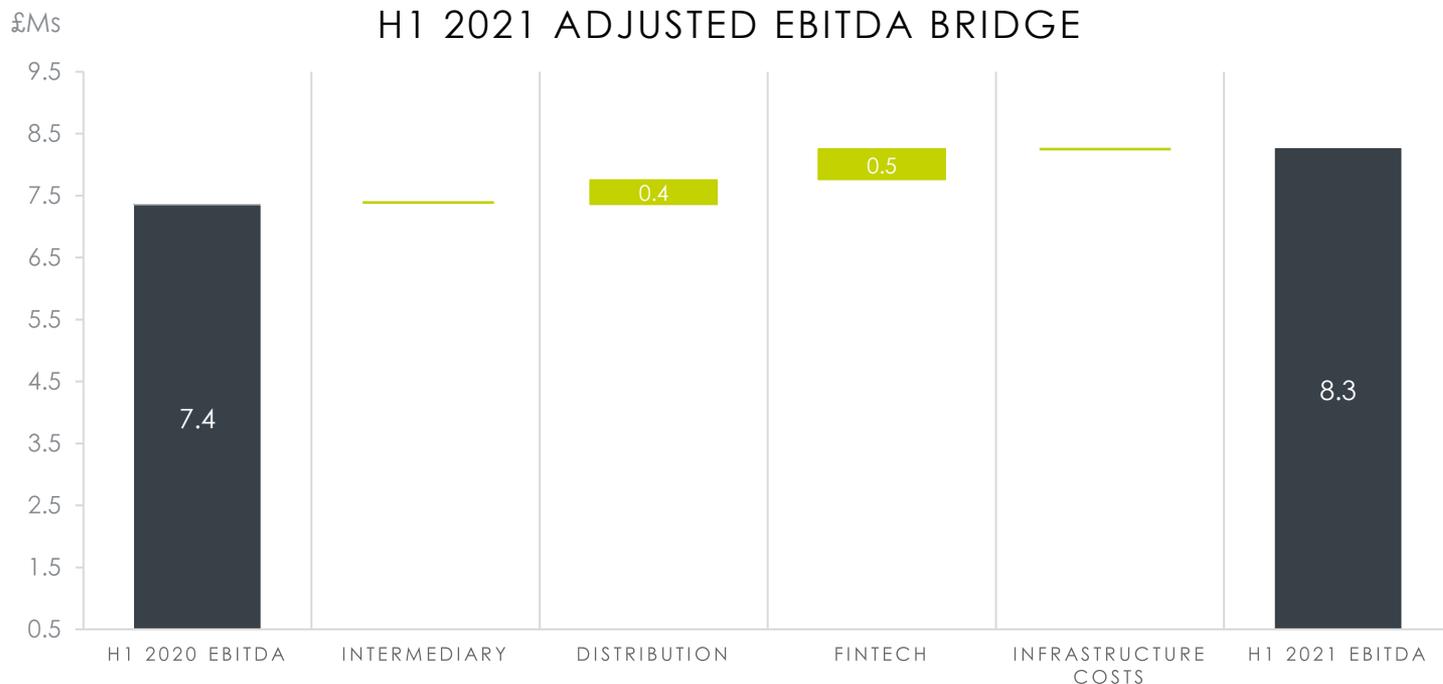
Note: activity undertaken by the property valuations team was significantly curtailed in the prior period due to COVID restrictions in H1 2020



H1 2021 – REVENUE BRIDGE



H1 2021 – ADJUSTED EBITDA BRIDGE



SEGMENTAL PERFORMANCE

INTERMEDIARY SERVICES

	H1 2020	H1 2021	Change
Revenue	£12.3M	£12.6M	3%
Gross Profit* ⁶	£3.9M	£3.9M	0%
Gross Margin	31.6%	30.9%	▼

DISTRIBUTION CHANNELS

	H1 2020	H1 2021	Change
Revenue	£9.2M	£11.3M	22%
Gross Profit* ⁶	£4.7M	£5.1M	10%
Gross Margin	50.9%	46.0%	▼

FINTECH & RESEARCH

	H1 2020	H1 2021	Change
Revenue	£7.4M	£7.8M	5%
Gross Profit* ⁶	£4.2M	£4.7M	11%
Gross Margin	56.5%	59.7%	▲

- Revenue growth in all three divisions
- Total gross profit generated by the business was £13.7m (H1'20: £12.8m)
- Infrastructure and support costs of £5.4m (H1'20: £5.4m)
- Adjusted EBITDA £8.3m (H1'20: £7.4m)

⁶Gross profit is Revenue less directly attributable costs to deliver. The remainder of the cost base in arriving at Adjusted EBITDA represents common infrastructure and support costs.



FINANCIAL REVIEW

CASH FLOW CONVERSION

£M	H1 2020	H1 2021
Adjusted EBITDA	7.4	8.3
Working Capital	1.8	1.4
Tax paid	(1.4)	(1.2)
Capex	(1.0)	(0.0)
Dev. spend	(1.4)	(0.9)
Financing costs	(0.2)	(0.4)
Lease payments	(0.5)	(0.4)
Cash flow	4.7	6.8
Conversion (%)	65%	81%

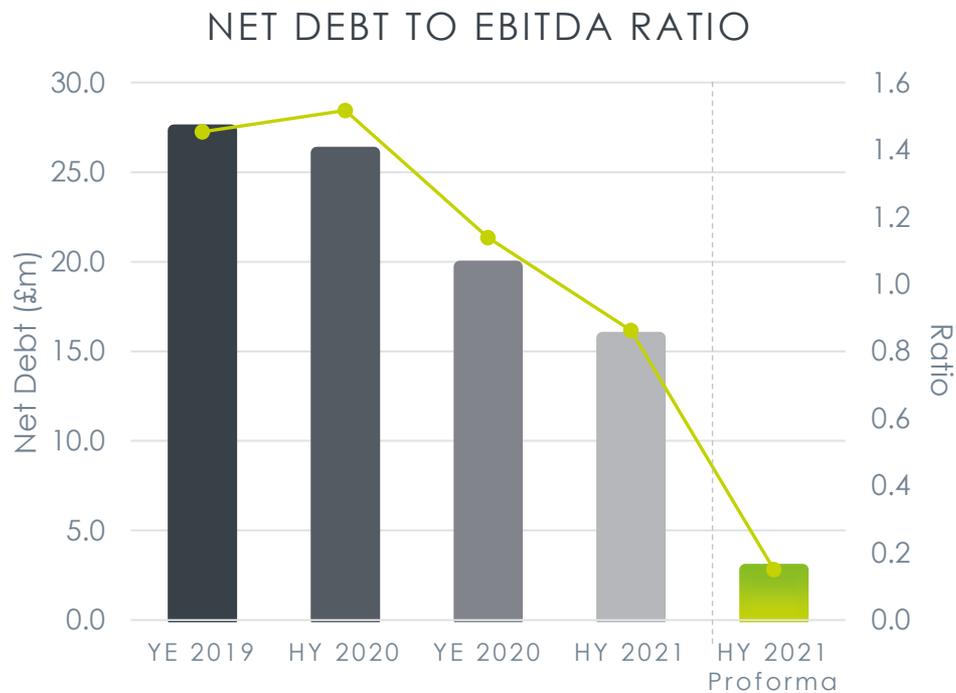
81% CASH FLOW CONVERSION

- H1 2020: 65%
- Run rate annual cash conversion c70%
- Cash flow conversion of Adjusted EBITDA



FINANCIAL REVIEW

CASH GENERATIVE - DELEVERAGING



STRONG CONTINUING CASH FLOWS

- **c.0.2x*** pro-forma net debt to EBITDA at 30 June 2021 after strategic deleveraging
- Strategic headroom for future acquisitions
- Increased financial flexibility and resources

* Pro-forma 30 June 2021 including the deleveraging effect of the sale of Zest and initial cash proceeds from the sale of Verbatim funds



FINANCIAL SUMMARY



ROBUST FINANCIAL
PERFORMANCE



INCREASING REVENUE
QUALITY IN CORE BUSINESS



STRONG CASH
GENERATION



SIGNIFICANT
FINANCIAL
RESOURCES



PROGRESSIVE
DIVIDEND POLICY



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STRATEGIC DELIVERY - DIGITAL ACCELERATION

PRODUCT AND SERVICE DEVELOPMENT

ENHANCING EARNINGS
QUALITY



Managed Distribution Service

- Distribution and Data service (DaaS) for product providers
- Multi year subscription – improving the quality and certainty of future revenues
- Insights and analytics accessed via a digital Provider Portal

Recurring Revenue

Subscription model

Long-term Revenue

Multi-year
agreements

Partner Development

Strong pipeline



STRATEGIC DELIVERY - DIGITAL ACCELERATION

PRODUCT AND SERVICE DEVELOPMENT

DISTRIBUTION AS A SERVICE (DaaS)

H1 2021

£1.8M annualised revenue

Schroders 
BMO  GUARDIAN Life
BlackRock.

FY 2021

c40% of partner revenue converted

FY 2022

c60% of partner revenue converted

SaaS & Sub
70-80%



STRATEGIC DELIVERY

FOCUS ON CORE BUSINESS

5 - 7 %

REVENUE GROWTH



35 - 40 %

MARGIN



70-80% SAAS & SUBS
EARNINGS QUALITY



SUCCESSFUL SALE OF ZEST TECHNOLOGY

- Strategic disposal of non-core asset
- Strong realised value
- **£10m** = 22x trailing EBITDA
- Focus on our core business
- Financial resources for investment

Deleveraging

£10M used to pay
down debt

Cash Generation

£10M realised
+ **£1.5M** subject to performance



STRATEGIC DELIVERY

STRATEGIC PARTNERSHIP

5 - 7 %

REVENUE GROWTH



35 - 40 %

MARGIN



70-80% SAAS & SUBS
EARNINGS QUALITY



FINTEL & TATTON STRATEGIC PARTNERSHIP

- **£13m** Fintech, Distribution and Fund Management deal
- Fintel to provide Fintech to Tatton for up to **2,500 additional users**
- Tatton joins **Managed Distribution Service**
- Fintel to provide **SAA, Insights & Data** to Tatton
- Fintech and Distribution deal for minimum of **5 years**
- **Significant Value Creation**



STRATEGIC DELIVERY

STRATEGIC PARTNERSHIP

5 - 7 %
REVENUE GROWTH



35 - 40 %
MARGIN



70-80% SAAS & SUBS
EARNINGS QUALITY



FINTEL & TATTON STRATEGIC PARTNERSHIP

- Largest Fintech contract: **c£1.4m pa for 5 years**
- **5 year Managed Distribution Service**
- SAA contract aligns **revenue and earnings growth** for both businesses

Revenue Growth

30% expansion of Fintech client base creates network effect

Revenue Quality

Fintech contract - **c£1.4m pa** x 5 years

Cash Generation

Verbatim funds sale realises up to **£5.8M**



STRATEGIC FOCUS – CORE*⁷ BUSINESS

FINTEL STRATEGIC PLAN 2021-24

5-7%
REVENUE GROWTH



35-40%
MARGIN



70-80% SAAS & SUBS
EARNINGS QUALITY



DIGITISATION



*⁷ Figures exclude non-core revenues from Panel Management, Surveying and Employee Benefits software

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WE ARE FINTEL 

ROBUST TRADING & CONFIDENT OUTLOOK

ROBUST TRADING



Trading in line with expectations

Significant Strategic Progress

CONFIDENT OUTLOOK



Confident of meeting FY21 expectations

Confident of meeting medium-term CMD targets



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STRATEGIC DELIVERY

SUMMARY

H1 2021



**ROBUST
TRADING**



**DIGITAL
ACCELERATION**



**STRATEGIC
DELIVERY**



We are **FINTEL**



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WE ARE FINTEL 

STRATEGY - ESG INTEGRATION

INSPIRING BETTER OUTCOMES



PURPOSE

Core to the values of Fintel is a cause-based philosophy and we are uniquely positioned to **inspire better outcomes for our stakeholders and society.**



PROCESS



FINTEL ESG DEFINED

- ✓ Peer analysis
- ✓ Consolidation of existing ESG activity
- ✓ Risks and opportunities review
- ✓ Evaluation of external support

H1 2021

MATERIALITY ASSESSMENT

Stakeholder communication
Materiality matrix

SEPT

ESG STRATEGY

Material topics prioritisation
Framework identification
Strategy, goal and KPI development
Launch of an ESG Committee

NOV

ESG PROGRAMME

ESG programme design
Operational ESG integration

JAN 2022

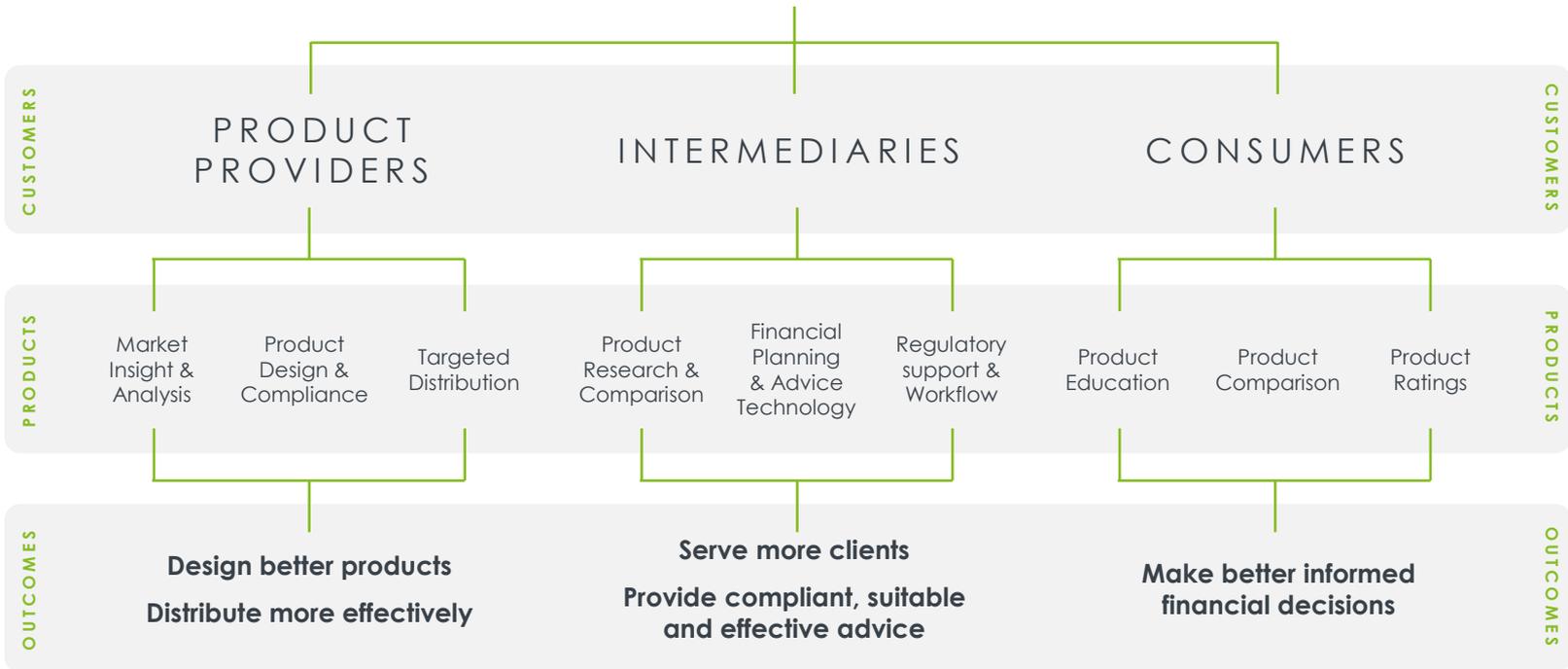
INAUGURAL ESG REPORTING

Reporting on inaugural KPIs,
framework choice and aspirations

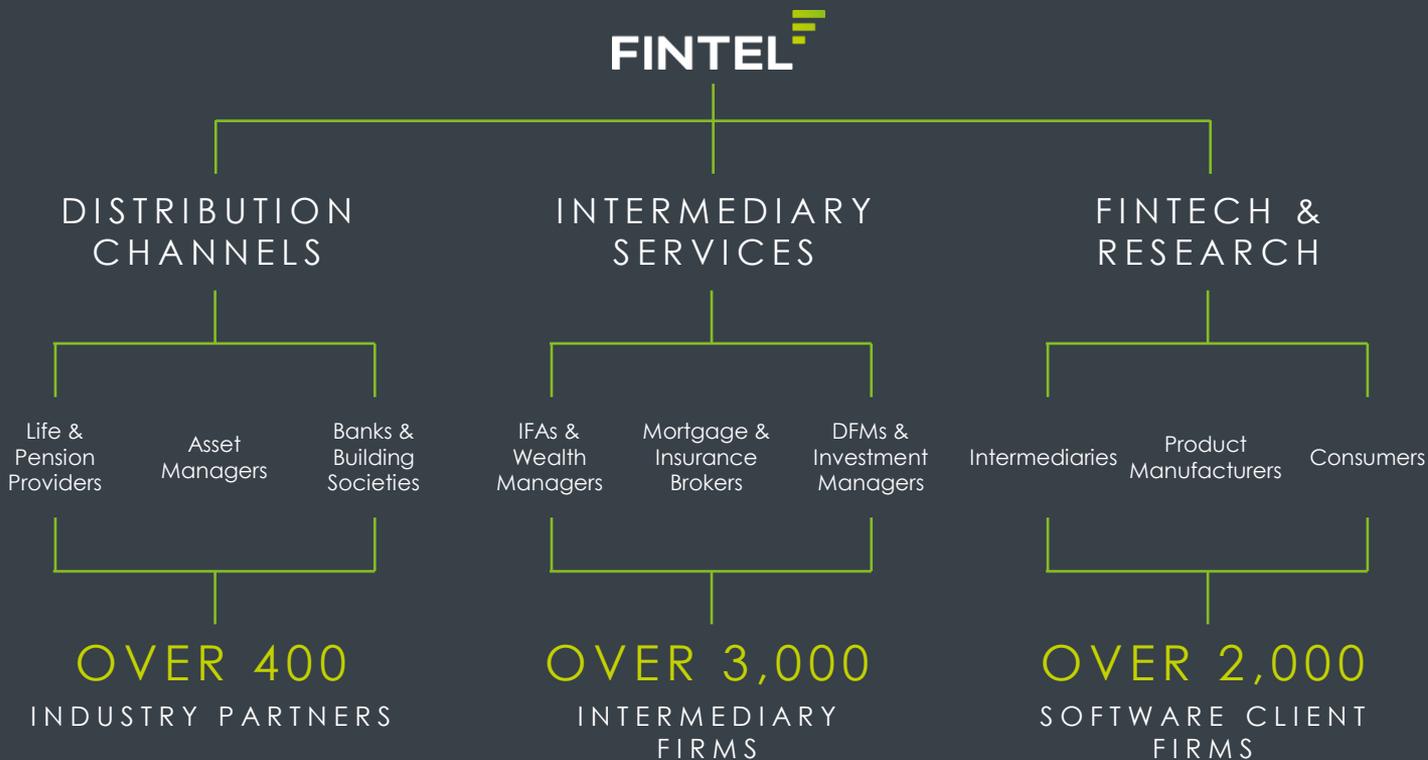
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BUSINESS OVERVIEW



BUSINESS OVERVIEW



"

APPENDIX

ENABLING CHANNEL PARTNERS TO REACH THE MARKET

DISTRIBUTION PARTNER

"Their marketing and training activity creates the **clear understanding** of Premier Miton solutions for financial advisers.

Target market data enables clients to receive **relevant outcomes** from their investments

We **understand how and when our products are used** across a broad range of advisers, supporting our **product governance** and **product development** processes."

Mike Hammond,
Distribution Director

Premier Miton
INVESTORS

MANAGED DISTRIBUTION SERVICE

"They have always been **ahead of the curve** in their developments for advisers, and similarly in the evolution of distribution activities for us.

We have always valued the marketing and events services, and the recent development that bring data and connect our solutions to the market **take it to a different level again.**

They **answer the real challenges** of taking products to market and we look forward to working with them for many years."

Rob Thorpe, Distribution Director



POWERFUL MARKET INSIGHTS

"We have really been able to see the **power of their data and insights** into market dynamics and trends.

The power of their call campaign takes away the heavy strain from our distribution teams.

They deliver warm targeted activity for us to act on.

Going forward I see them as a **vital part of our distribution strategy.**"

Mark Baldwin, Distribution Director

The Vitality logo is the word "Vitality" written in a pink, cursive script font.



APPENDIX

OUR LOCATIONS AND TEAMS

- 479 staff as at 21/07/21*
- Track record for recruiting and retaining talent across all business areas
- High level of staff retention, average tenure of 5.4 years
- Staff skill set and experience supports continued operational leverage



c500
EXPERIENCED
STAFF



5
LOCATIONS



*Updated following the disposal of Zest Technology Ltd on 21st July 2021

APPENDIX

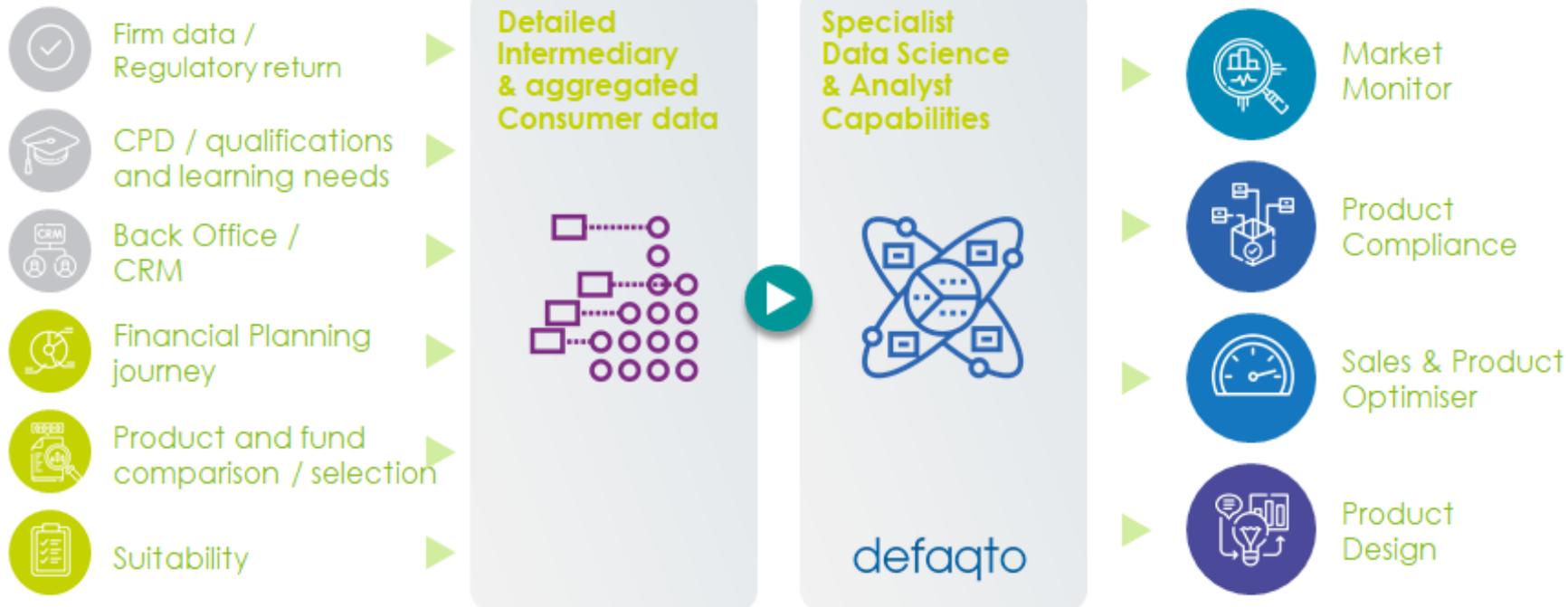
STRONG DELIVERY AND CUSTOMER ENGAGEMENT DURING DISRUPTED TIMES

H1 2021 Jan - Jun	
Net Members	0% change
Events Customer Satisfaction	82% rated their experience as excellent
Avg. Customer Satisfaction – Compliance Audit	9.6
Attrition	5.3%



APPENDIX

DATA AND INSIGHTS



SEGMENTAL PERFORMANCE – FY'20 *proforma*

INTERMEDIARY SERVICES

	FY 2020
Revenue	£25.0M
Gross Profit* ⁶	£8.6M
Gross Margin	34.2%

DISTRIBUTION SOLUTIONS

	FY 2020
Revenue	£20.7M
Gross Profit* ⁶	£11.3M
Gross Margin	54.5%

FINTECH & RESEARCH

	FY 2020
Revenue	£15.3M
Gross Profit* ⁶	£9.2M
Gross Margin	60.1%

- The gross profit per segment is shown on a proforma basis for FY 2020
- The total Gross profit for the year was £29.1m, or 47.7%
- Seasonality in H2 typically has a higher margin than H1
- Administrative and support costs amounted to £11.8m in FY 2020, resulting in an EBITDA of £17.3m

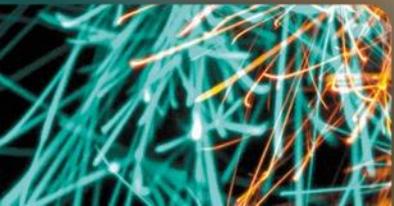
⁶ Gross profit is Revenue less directly attributable costs to deliver. The remainder of the cost base is shown separately as common infrastructure and support costs in arriving at EBITDA.



APPENDIX

AWARD WINNING BRAND LEADER





THANK YOU

FINTEL³
INSPIRING BETTER OUTCOMES