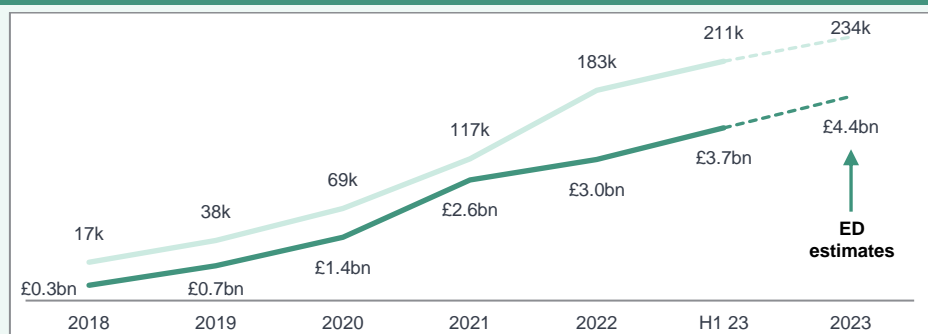


## Growth on track, as is target of profitability in FY24

Invested customers reached 211k on 30 June 23, with 28k added over H1-23 (+15%) and 52k y-o-y (+33%). AUA was up £678m over H1 (+22% over 6m, +38% y-o-y), reaching £3.7bn, with £469m added from net client inflows and £210m from positive investment performance. This progress is on track to meet our previous growth targets and confirms that PensionBee continues to gain market share in the £700bn UK transferable pensions market (it is aiming for a 2% share of this market i.e., 1m customers, in the next 5-10 years).

### Long-term growth trend still strong



Source: Company reports

Encouragingly, increasing brand awareness (c 50% prompted brand awareness) and sophisticated data-driven marketing has resulted in 'cumulative cost per invested customer' continuing to decline (H1-22: £260; H1-23: £247). This has in turn resulted in strong growth continuing but with lower marketing spend (£12m spend in H1-22 v £7m in H1-23 but gross inflows were up 6%).

Revenue grew 32% to £11m (H1-22: £8m) and the trajectory of adjusted EBITDA (H1'22: -£15m; H1'23, -£8m) continued on track to be positive in FY24, a target that was set at the 2021 IPO. We think this is impressive given market turmoil in 2022 and 2023. Operational leverage continues with the number of invested customers per staff member increasing from 919 in H1-22 to 1,026 in H1-23. Net cash remains solid at £14m with PensionBee reiterating no new cash raising is envisaged.

### Fundamental value 100% above current share price

We make very small revenue and cost adjustments to our previous forecasts with the added insights from H1 but our fundamental value of 150p per share remains unchanged and is now 100% above the current share price of 75p.

### Key Financials

Year-end 31 Dec	FY 20A	FY 21A	H1-22A	FY 22A	H1-23A*	FY 23E	FY 24E
Invested customers, k	69	117	159	183	211	234	297
AUA, £bn	1.4	2.6	2.7	3.0	3.7	4.4	6.3
Rev, £m	6.3	12.8	8.3	17.6	10.9	23.3	33.7
Adj. expenses**, £m	(16.7)	(29.2)	(23.2)	(37.2)	(18.8)	(32.1)	(32.7)
Adj EBITDA, £m	(10.4)	(16.4)	(14.9)	(19.5)	(7.9)	(8.8)	1.0
Adj EBITDA margin	-166%	-129%	-181%	-110%	-73%	-38%	3%
Statutory PAT, £m	(13.3)	(24.6)	(16.7)	(22.1)	***	(10.9)	(1.0)
EPS basic & adj, p	0.0	(11.9)	(7.5)	(10.0)	***	(4.8)	(0.4)
Net assets, £m	6.5	43.8	28.2	23.5	***	14.3	14.9
Net cash, £m	6.7	43.5	29.1	21.3	14	12.1	12.8

Source: Company Historic Data, ED estimates.

\*Invested customers & AUA actual; financial data approximate based on disclosures in 20 Jul 23 trading update

\*\*excl. share-based payments, depreciation, and one-off/extraordinary expenses (mostly IPO related)

\*\*\*full details expected with interim results scheduled for publication on 31 Aug 23

### Company Data

EPIC	PBEE
Price (last close)	75p
52 weeks Hi/Lo	115p/46p
Market cap	£168m
ED Fair Value/share	150p
Net cash	£14m
Avg. daily volume	173k

### Share Price, p



Source: ADVFN

PensionBee was founded in 2014 and is listed on the Premium Segment of the Main Market of the LSE. Its IPO was in Apr 21.

It is a direct-to-consumer business, whose primary product gives customers the ability to easily switch their (often multiple) 'legacy' pensions, which are typically from previous jobs, and consolidate these into a single new pension. This can then be contributed to until retirement and drawn down from retirement age.

PensionBee also offers 'new' pensions to the self-employed.

AUA 30 Jun 23: £3.7bn

### Next Event

31 Aug 23: FY23 interim results

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