20 February 2020

Moneysupermarket.com Group PLC preliminary results for the year ended 31 December 2019

RETURN TO PROFIT GROWTH AND GOOD PROGRESS ON REINVENT

Year ended 31 December	2019	2018*	Change %
Group revenue	£388.4m	£355.6m	9
Adjusted EBITDA *	£141.5m	£129.4m	9
Profit after tax	£94.9m	£86.6m	10
Adjusted basic EPS *	18.2p	17.4p	5
Basic EPS	17.7p	16.2p	9
Operating cash flow	£113.7m	£106.6m	7
Net cash	£24.2m	£29.8m	(19)
Dividend per share	11.71p	11.05p	6

- Solid trading performance with revenue up 9% on the prior year
- Adjusted EBITDA of £141.5m, in line with expectations
- Continued strong operating cash generation of £113.7m, with £100m in dividends distributed to shareholders during the year
- Full year dividend increased by 6% reflecting our progressive dividend policy
- Good progress on our Reinvent strategy:
  - Customer experience optimisation delivering conversion gains, reducing margin pressures from the change in mobile mix and natural search ranking volatility
  - We have over 600,000 Moneysupermarket customers using monitoring services. We are seeing higher customer engagement and value uplifts from these customers
  - Launching energy autoswitch service through MoneySavingExpert in H1
  - Continued good progress within our B2B and mortgage initiatives

Mark Lewis, Chief Executive Officer of Moneysupermarket Group, said:

“It’s good to report the Group returned to profit growth and once again helped UK households save over £2bn on their bills.

“Innovation will continue in 2020 as MoneySavingExpert, the most trusted brand for finding energy deals, launches a new energy autoswitching service.”

Outlook

Overall trading dynamics have improved in the first six weeks of 2020. Home Services has traded in line with the prior year, despite the strong comparative. The Board is confident of delivering market expectations for the year.

***Notes:**
The Group has not restated the prior year for **IFRS 16.** Restating would reduce adjusted EBITDA growth to 7%.
Adjusted EBITDA is operating profit before depreciation, amortisation and impairment and adjusted for other non-underlying costs as detailed on page 7. This is consistent with how business performance is measured internally.
Adjusted basic earnings per ordinary share is profit before tax adjusted for amortisation of acquisition related intangible assets and other non-underlying costs as described on page 7, divided by the number of weighted average shares. A tax rate of 19% (2018:19%) has been applied to calculate adjusted EPS.
Market expectations of adjusted EBITDA for 2020 from the analyst consensus on our investor website are in a range of £139.8m to £152.5m, with an average of £147.6m.

Quarter 4 trading

	Revenue for the three months ended 31 December 2019		Revenue for the year ended 31 December 2019	
	£m	**Growth %**	**£m**	**Growth %**
Insurance	42.4	3	188.4	3
Money	18.8	(14)	86.0	(2)
Home Services	16.6	36	68.6	39
Other*	10.3	0	45.4	29
Total	**88.1**	**3**	**388.4**	**9**

*Revenue from Decision Tech was £6.7m in Q4 2019 (Q4 2018: £6.1m)

- Insurance grew despite the volatility in our natural search rankings
- Money underperformed due to the continuing challenges in product availability in our banking business and slowing growth in market demand for consumer credit
- Attractive offers from providers and large customer savings meant energy switching remained very strong, driving the growth within Home Services
- Within Other, Decision Tech delivered good growth in the quarter, but this was offset by weak performance from TravelSupermarket

Results presentation

There will be a presentation for investors and analysts at Herbert Smith Freehills, Exchange House, Primrose Street, London, EC2A 2EG at 9.30am this morning. To hear the presentation being streamed live, please visit: http://corporate.moneysupermarket.com to register and listen.

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Cautionary note regarding forward looking statements

This announcement includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules, Disclosure and Transparency Rules and applicable law, the company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date such statements are published.

Business review

After a year of investment, we have returned to profit growth and are proud to have helped households save over £2 billion on their household bills. Our diverse portfolio of comparison services balanced some mixed market conditions. Exceptional rates of energy switching, the full year benefits of the Decision Tech acquisition and our ongoing work to optimise the customer experience all drove good performance. In Money, performance was weaker than expected due to challenges in product availability in our savings and current accounts business.

2019 was a standout year for MoneySavingExpert (MSE), whose brand and campaigning work attracted record visitors. Once more, MSE is shown to be the voice of authority for those seeking help navigating their finances and in areas such as energy and travel.

We enjoy leading positions in growing markets with significant headroom and our brands are firmly trusted by consumers, as demonstrated by our strong Group Net Promoter Score (NPS) score of 74. Our users are engaged with our brands, saving money across a broad range of products.

The attractions of our business model remain strong, we offer a low cost route to market for our providers, we help consumers save meaningfully across a number of bills and we are pleased to have delivered good returns to our shareholders – paying £100m in dividends in 2019.

Reinvent strategy

The first pillar of our Reinvent strategy, reaccelerate core growth, focuses on the optimisation of our customer experience, improving the customer journey on our websites and thereby helping boost conversion. The customer experience on a mobile device has been a particular focus and we are pleased with the conversion gains we have delivered. These improvements have reduced the margin pressures from the change in mobile mix and natural search ranking volatility. The optimisation of our customer journeys was enabled by our investment into our product engineering capability, which is now established at our permanent tech hub in central Manchester.

The second pillar of our Reinvent strategy leverages our technology platform to enable us to lead the innovation of price comparison to unlock new market growth.

- Personalised MoneySuperMarket

During 2019 we continued to make our services more proactive and personalised. A key enabler of our evolution away from traditional price comparison to a more personalised model was the MoneySuperMarket brand relaunch in March, with the commitment to ‘Get Money Calm’. This new brand identity, implemented across all customer touchpoints, has been well received by customers.

Following the successful trial of energy and credit monitoring services on our mobile app, we extended monitoring services for credit and energy to the core web experience in the second half of the year. This means that our 13 million active users can access these personalised services and avoid overpaying on their bills. We now have over 600,000 MoneySuperMarket customers using these monitoring services. We have recently launched a new personalised dashboard homepage to our web customers, showcasing the monitoring services conveniently in one place. This helps our customers to stay on top of their bills across multiple categories. The initial economics for customers using the monitoring services are promising. We are seeing evidence of higher customer engagement and cross sell of products and a higher likelihood to return to our website from unpaid sources. Whilst the costs to serve for a monitor customer are higher, the revenue upside more than offsets this and the initial acquisition costs. Our initial cohorts of customers using monitoring services therefore have delivered an enhanced contribution versus a control group on a 12 month view.

We have developed an energy autoswitching proposition that works for consumers and providers. This leverages our MSE brand and the Group technology platform. We plan for this service to go live in the first half of the year. We will offer the broadest range of deals in the market for our customers who can set their preferences across a range of features, whilst using provider friendly economics with our CPA model to secure provider support. This is another meaningful step towards creating a personalised and proactive proposition which delivers recurring revenue.

- Taking price comparison to the user

2019 was the first full year of B2B growth after Decision Tech joined the Group in August 2018. Growth in Decision Tech's core business, home communications, was strong. We also made progress in adding new revenue streams by providing energy switching services to our B2B partners, with six services live to date.

- Mortgage price comparison

Millions of customers look to us for help with their mortgages every year. During the year we continued to enhance our proposition. We have added further eligibility factors to our question set, helping our customers find a mortgage more suited to their needs and, for our remortgage customers, we have improved our broker and lender integrations to enhance the overall customer experience. In February we launched our first decision in principle service for remortgage customers. Our Podium joint venture has been key to delivering these improvements.

Key performance indicators

The Board reviews key performance indicators (KPIs) to assess the performance of the business against the Group's strategy. We measure five strategic KPIs:

	31 December 2019	**31 December 2018**
Estimated customer savings	£2.0bn	£2.1bn
Net promoter score	74	74
Active users	13.1m	12.9m
Revenue per active user	£16.40	£15.90
Marketing margin	61%	63%

Estimated customer savings:	This is calculated by multiplying sales volume against the average saving per product for core channels, the balance of the calculation is a company estimation.
Net promoter score:	The 12 monthly rolling average NPS (1 Jan - 31 Dec inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue for each of our brands (excluding Decision Tech's consumer brands) to create a Group-wide NPS.
Active users:	The number of unique accounts running enquiries in our core seven channels for MoneySuperMarket (motor insurance, home insurance, life insurance, travel insurance, credit cards, loans and energy) in the prior 12 month period.
Revenue per active user:	This is the revenue for the core seven MoneySuperMarket channels divided by the number of active users.
Marketing margin:	The inverse relationship between revenue and total marketing spend represented as a percentage. Total marketing spend includes the direct cost of sales plus distribution expenses.

We estimate that our MoneySuperMarket customers saved £2.0bn in 2019. This is a good performance given the average saving from car insurance, the largest channel, has reduced.

Trust and satisfaction in our brands remain strong, with a healthy net promoter score being maintained, in line with last year.

The number of active users increased slightly to 13.1 million. Within this, the number of customers making an enquiry within energy, car insurance and credit grew, offset by declines in travel insurance.

A number of factors impact the increase in revenue per active user to £16.40, including the mix into higher converting channels, and an increase in the number of users engaging in more than one channel.

The marketing margin reduction reflects the dynamics described under gross profit, specifically the consolidation of Decision Tech, the transition of customers to mobile and the weaker natural search positions.

Financial review

Group revenue grew by 9% to £388.4m (2018: £355.6m), with profit after tax growing slightly ahead of this at 10% to £94.9m (2018: £86.6m). When reviewing performance, the Board reviews a number of adjusted measures, including adjusted EBITDA which increased 9% to £141.5m (2018: £129.4m) and adjusted EPS which grew 5% to 18.2p (2018: 17.4p), as shown in the table below.

This year we adopted IFRS 16, the new accounting standard for leases, using the modified retrospective approach. Prior year numbers have therefore not been restated and are disclosed under IAS 17. See "IFRS 16 – Leases" below for further detail.

Extract from the Consolidated Statement of Comprehensive Income

	2019	2018
	£m	£m
Revenue	**388.4**	355.6
Cost of sales	**(122.0)**	(102.3)
Gross profit	**266.4**	253.3
Operating expenses	**(148.1)**	(145.3)
Operating profit	**118.3**	108.0
Amortisation and depreciation	**20.9**	14.7
EBITDA	**139.2**	122.7

Reconciliation to adjusted EBITDA:		
EBITDA	**139.2**	122.7
Impairment of property, plant & equipment	**-**	0.8
Strategy related costs:		
Strategy review and associated reorganisation costs	**2.3**	4.2
Deal fees	**-**	1.7
Adjusted EBITDA	**141.5**	129.4
Adjusted earnings per share**:		
– basic (p)	**18.2**	17.4
– diluted (p)	**18.2**	17.3

**A reconciliation to adjusted EPS is included within note 4.

Alternative performance measures

The Group uses a number of alternative (non-Generally Accepted Accounting Practice ("non-GAAP")) financial measures which are not defined within IFRS. The Board reviews adjusted EBITDA and adjusted EPS alongside GAAP measures when reviewing the performance of the Group. The Group has moved from a period of significant capital investment to investing in customer experience optimisation and the in-house product engineering capability. This has made capital investment and amortisation less relevant. Therefore, adjusted EBITDA alongside adjusted basic EPS has become a more relevant performance measure. Executive management bonus targets include an adjusted EBITDA measure and the long-term incentive plans include an adjusted basic EPS measure.

The adjustments are separately disclosed and are usually items that are non-underlying to trading activities and that are significant in size. Alternative performance measures used within these statements are accompanied with a reference to the relevant GAAP measure and the adjustments made. These measures should be considered alongside the GAAP measures.

Revenue

	2019 £m	2018 £m	Growth %
Insurance	**188.4**	183.0	3
Money	**86.0**	88.1	(2)
Home Services	**68.6**	49.2	39
Other	**45.4**	35.2	29
Total	**388.4**	355.6	9

During the year, Group revenue grew 9%; excluding Decision Tech (which was acquired in August 2018), Group revenue grew 5%.

Insurance grew 3%. Our natural search positions for key insurance search terms were consistently high in 2018 and in the first half of 2019. However, in the second half of the year our natural search positions were more volatile and weaker on average. This meant we had fewer customers coming to us via natural search which suppressed our revenue growth across the vertical.

Our car and home channels grew well despite these natural search headwinds, and the continued absence of premium inflation in car. We receive fewer visitors when premiums are stable or falling than when customers see premiums rising.

Money revenue declined by 2% during the year. Our Money business splits into two main parts, credit products, accounting for over three quarters of Money revenue, and banking products. The reduction in availability and attractiveness of promotional products significantly impacted switching levels for banking products during the year, especially in the second half. Credit performed well over the year although in the final quarter the market slowed and consumer search demand for credit products fell.

Home Services delivered a very strong performance throughout the year, growing 39%, driven by high levels of energy switching. This strong result highlighted that healthy levels of customer savings and switching are possible within the new energy price cap regime.

We maximised the energy switching opportunity through a combination of leading offers from providers, improvements to the customer journeys and leveraging the authority of MSE. Energy is a relatively low engagement channel but MSE's editorial strength and its Cheap Energy Club have helped us overcome this and provide the stimulus for users to switch. The weekly tip email, which is distributed to 12 million MSE users, drew attention to the strong offers from providers and high levels of savings available to users. MSE was also compelling in explaining what the price cap meant to their users.

Within the Other category, Decision Tech contributed £24.8m to revenue, with both its B2B and B2C home communications businesses performing well. TravelSupermarket continued to underperform, with visitors for package holidays and car hire falling and a challenging macro environment for the travel market adversely impacting the first half.

Gross profit

Gross margin fell from 71% to 69% in the year. As anticipated, around one percentage point of this reduction was caused by a full year of consolidation of Decision Tech results, as B2B has lower margins than B2C. The remaining reduction was caused by consumers across our businesses continuing to shift to mobile and by weaker natural search positions.

More customers are choosing to visit our sites from their mobile devices. In comparison to a desktop customer, mobile customers are less committed to the transaction as evidenced by the lower conversion typically seen on mobile. They are also more likely to come to us through paid search which is more prominent on smaller screens.

While our work on customer experience optimisation is helping to improve the journey on mobile devices and increase conversion, margins for mobile visitors remain lower than those for desktop visitors. In aggregate, we estimate the shift to mobile devices placed about one percentage point downward demand pressure on gross margin.

The reduction in insurance customers from natural search, which is explained above, added further pressure to gross margin, particularly during the second half. This is because natural search is a higher margin source of customers than the average.

Operating expenses

	2019	2018
	£m	£m
Distribution expenses	**29.9**	30.2
Administrative expenses	**118.2**	115.1
Operating expenses	**148.1**	145.3
Within administration expenses		
Amortisation of software	**14.0**	11.8
Amortisation of acquisition related intangible assets	**2.4**	1.5
Depreciation	**4.5**	1.4

The MoneySuperMarket brand relaunch did not significantly increase our marketing spend year on year and therefore we were able to manage distribution expenses in line with the prior year. Spending levels on TV and media were similar to 2018.

Administrative expenses increased by 3% to £118.2m (2018: £115.1m). A full year of Decision Tech ownership added £5.3m to these costs, which was partially offset by lower adjusting item charges year on year (£3.5m lower than 2018) which are detailed in the table below.

Technology amortisation charges for the year increased from £11.8m to £14.0m due to the full year impact of several large technology assets that went live in the second half of 2018.

Depreciation is £3.1m higher in 2019, £2.5m of this is due to the adoption of IFRS 16 as lease costs are now largely reflected through depreciation charges.

Adjusting items

	2019	2018
	£m	£m
Impairment of property, plant and equipment	**-**	0.8
Amortisation of acquisition related intangible assets	**2.4**	1.5
Strategy related costs:		
Strategy review and associated reorganisation costs	**2.3**	4.2
Deal fees	**-**	1.7
	4.7	8.2

The acquisition of MSE in 2012 by the Group gave rise to £12.9m of intangible assets excluding goodwill. These are being amortised over a period of 3-10 years with a charge of £1.0m in 2019 (2018: £1.0m). The acquisition of Decision Tech on 1 August 2018 gave rise to £8.7m of intangible assets excluding goodwill, which are being amortised over a period of 3-10 years. The charge incurred in 2019 is £1.4m (2018: £0.5m). Together these amortisation charges totalled £2.4m (2018: £1.5m).

The Group incurred £2.3m (2018: £5.9m) of strategy related costs associated with the strategy review and reorganisation, including the Manchester relocation. We do not anticipate any material strategy related costs during 2020.

Prior year adjusting items included £1.7m of deal fees in relation to the acquisition of Decision Tech.

Outlook

We expect that our Money vertical will return to growth during 2020 and the broader market switching conditions for Insurance will improve during the year. The initial success we have seen in our monitoring services support an additional £5m investment behind our MoneySuperMarket brand. This will be spent on above the line marketing. Other costs will continue to be well controlled. We expect performance will be second half weighted reflecting a combination of market conditions, initiatives and prior year relative performance.

Dividends

The Board has recommended a final dividend of 8.61 pence per share (2018: 8.10p), making the proposed full-year dividend 11.71 pence per share (2018: 11.05 pence per share) and reflecting our progressive dividend policy. The final dividend will be paid on 14 May 2020 to shareholders on the register on 3 April 2020, subject to approval by shareholders at the Annual General Meeting to be held on 9 May 2020.

Tax

The effective tax rate of 18.2% (2018: 19.0%) is below the UK statutory rate of 19.0% (2018: 19.0%) due to prior year adjustments. The Group expects the underlying effective rate of tax to continue to approximate to the standard UK corporation tax rate.

Earnings per share

Basic reported earnings per share for the year ended 31 December 2019 was 17.7p (2018: 16.2p). Adjusted basic earnings per ordinary share increased from 17.4p to 18.2p per share.

The adjusted earnings per ordinary share is based on profit before tax before the adjusting items described above. A tax rate of 19.0% (2018: 19.0%) has been applied to calculate adjusted profit after tax.

Cash flow and balance sheet

Operating cash flow remained robust and grew 7% year on year. The £5m working capital outflow was driven by higher receivables as a result of mixing into verticals and providers with longer working capital cycles. The Group ended the year in a net cash position of £24.2m (2018: £29.8m).

Our technology capital expenditure continued to fall in 2019 to £10.7m (2018: £12.9m), reflecting the ongoing shift of spend toward operating expenditure. Our reinvestment rate has fallen from 11% to 9% as we continue to leverage our technology platform for growth across the Group.

In 2020, we expect technology capex to be in the region of £10m and the technology amortisation charge to be in the region of £13m.

The Group has a revolving credit facility ("RCF") of £100m in committed funds, which matures in September 2021 with the ability to apply for a one or two year extension to this facility. At 31 December 2019 the Group was not utilising any of the facility. The Group also has an accordion option to apply for up to an additional £100m of funds during the term of the RCF.

IFRS 16 – Leases

As expected, the adoption of IFRS 16 has impacted the consolidated statement of comprehensive income in 2019, reducing operating lease costs by £2.7m and reflecting these lease costs through depreciation charges of £2.5m and finance costs of £1.2m. This increased reported 2019 EBITDA by £2.7m. On the balance sheet at 31 December 2019, adoption of IFRS 16 meant the recognition of lease assets and liabilities of £29.7m and £34.4m respectively. The Group adopted IFRS 16 using the modified retrospective approach and therefore the prior year has not been restated.

Consolidated statement of comprehensive income

for the year ended 31 December

	Note	**2019** **£m**	2018 £m
Revenue		**388.4**	355.6
Cost of sales		**(122.0)**	(102.3)
Gross profit		**266.4**	253.3
Distribution expenses		**(29.9)**	(30.2)
Administrative expenses		**(118.2)**	(115.1)
Operating profit		**118.3**	108.0
Finance income		**0.2**	0.2
Finance costs		**(2.2)**	(1.1)
Net finance costs		**(2.0)**	(0.9)
Share of loss of joint venture		**(0.3)**	(0.2)
Profit before tax		**116.0**	106.9
Taxation		**(21.1)**	(20.3)
Profit for the year		**94.9**	86.6
Other comprehensive income		**2.1**	-
Total comprehensive income for the year		**97.0**	86.6
Earnings per share:			
Basic earnings per ordinary share (pence)	*4*	**17.7**	16.2
Diluted earnings per ordinary share (pence)	*4*	**17.7**	16.1

Consolidated statement of financial position

as at 31 December

	Note	**2019**	2018
		£m	£m
Assets			
Non-current assets			
Property, plant and equipment		**44.7**	13.8
Intangible assets	*6*	**177.9**	183.7
Investments		**5.8**	1.7
Total non-current assets		**228.4**	199.2
Current assets			
Trade and other receivables		**47.4**	43.1
Prepayments		**6.3**	6.5
Cash and cash equivalents		**24.2**	44.8
Total current assets		**77.9**	94.4
Total assets		**306.3**	293.6
Liabilities			
Non-current liabilities			
Other payables		**37.3**	4.7
Deferred tax liabilities		**10.8**	10.1
Total non-current liabilities		**48.1**	14.8
Current liabilities			
Borrowings		**-**	15.0
Trade and other payables		**52.2**	54.9
Current tax liabilities		**6.7**	8.4
Total current liabilities		**58.9**	78.3
Total liabilities		**107.0**	93.1
Equity			
Share capital		**0.1**	0.1
Share premium		**204.7**	204.0
Reserve for own shares		**(2.9)**	(2.6)
Retained earnings		**(63.4)**	(59.7)
Other reserves		**60.8**	58.7
Total equity		**199.3**	200.5
Total equity and liabilities		**306.3**	293.6

Consolidated statement of changes in equity

for the year ended 31 December

	Issued share capital	Share premium	Reserve for own shares	Retained earnings	Other reserves	Total
	£m	£m	£m	£m	£m	£m
At 1 January 2018	**0.1**	**203.3**	**(3.5)**	**(88.6)**	**58.7**	**170.0**
Profit for the year	-	-	-	86.6	-	86.6
Total comprehensive income for the year	-	-	-	86.6	-	86.6
Purchase of shares by employee trusts	-	-	(0.8)	-	-	(0.8)
Exercise of LTIP awards	-	-	1.7	(1.7)	-	-
New shares issued	-	0.7	-	-	-	0.7
Distribution in relation to LTIP	-	-	-	(0.3)	-	(0.3)
Equity dividends	-	-	-	(56.5)	-	(56.5)
Share-based payments	-	-	-	0.8	-	0.8
At 31 December 2018	**0.1**	**204.0**	**(2.6)**	**(59.7)**	**58.7**	**200.5**
At 1 January 2019	**0.1**	**204.0**	**(2.6)**	**(59.7)**	**58.7**	**200.5**
Profit for the year	-	-	-	94.9	-	94.9
Other comprehensive income	-	-	-	-	2.1	2.1
Total comprehensive income for the year	-	-	-	94.9	2.1	97.0
Purchase of shares by employee trusts	-	-	(0.5)	-	-	(0.5)
Exercise of LTIP awards	-	-	0.2	(0.2)	-	-
New shares issued	-	0.7	-	-	-	0.7
Equity dividends	-	-	-	(100.0)	-	(100.0)
Share-based payments	-	-	-	1.6	-	1.6
At 31 December 2019	**0.1**	**204.7**	**(2.9)**	**(63.4)**	**60.8**	**199.3**

Consolidated statement of cash flows
for the year ended 31 December

	Note	2019 £m	2018 £m
Operating activities			
Profit for the year		**94.9**	86.6
Adjustments to reconcile Group profit to net cash flow from operating activities:			
Depreciation of property, plant and equipment		**4.5**	1.4
Amortisation of intangible assets	6	**16.4**	13.3
Share of loss of joint venture		**0.3**	0.2
Impairment of tangible assets		**-**	0.8
Net finance costs		**2.0**	0.9
Equity settled share-based payment transactions		**1.6**	0.8
Tax charge		**21.1**	20.3
Changes in trade and other receivables		**(4.1)**	(6.9)
Changes in trade and other payables		**(0.9)**	7.9
Tax paid		**(22.1)**	(18.7)
Net cash flow from operating activities		**113.7**	106.6
Investing activities			
Interest received		**0.2**	0.2
Acquisition of investments		**(2.3)**	(1.5)
Acquisition of property, plant and equipment		**(4.5)**	(6.5)
Acquisition of intangible assets		**(10.7)**	(12.9)
Acquisition of subsidiary, net of cash acquired		**-**	(33.8)
Net cash used in investing activities		**(17.3)**	(54.5)
Financing activities			
Proceeds from share issue		**0.7**	0.7
Proceeds from borrowings		**49.0**	127.5
Repayment of borrowings		**(64.0)**	(112.5)
Purchase of shares by employee trusts		**(0.5)**	(0.7)
Interest paid		**(1.4)**	(0.6)
Repayment of lease liabilities		**(0.8)**	-
Distribution in relation to Long Term Incentive Plan			(0.3)
Dividends paid	5	**(100.0)**	(56.5)
Net cash used in financing activities		**(117.0)**	(42.4)
Net (decrease)/increase in cash and cash equivalents		**(20.6)**	9.7
Cash and cash equivalents at 1 January		**44.8**	35.1
Cash and cash equivalents at 31 December		**24.2**	44.8

Notes

1. **Basis of preparation**

Moneysupermarket.com Group plc (the Company) is a public limited company registered and domiciled in England and Wales and listed on the London Stock Exchange.

The financial statements are prepared on the historical cost basis. Comparative figures presented in the financial statements represent the year ended 31 December 2018.

The Group has adopted IFRS 16 using the modified retrospective approach, the prior year has not been restated. With the exception of IFRS 16, the financial statements have been prepared on the same basis as those for the year ended 31 December 2018.

Going concern

Having reassessed the Principal Risks, the Board is satisfied that the Group has sufficient resources, liquidity and available bank facilities to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this Report. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

2. **Segmental information**

		2019		2018
		£m		£m
Segment revenue:				
Insure	**188.4**		183.0	
Money	**86.0**		88.1	
Home Services	**68.6**		49.2	
Other revenue	**45.4**		35.2	
Total		**388.4**		355.6
Operating expenses		**(270.1)**		(247.6)
Operating profit		**118.3**		108.0
Net finance costs		**(2.0)**		(0.9)
Share of loss of joint venture		**(0.3)**		(0.2)
Profit before tax		**116.0**		106.9
Taxation		**(21.1)**		(20.3)
Profit for the year		**94.9**		86.6

In applying IFRS 8 – Operating Segments, the Group discloses three reportable segments. Having adopted the new vertical structure in 2018, during 2019 the Group has undertaken a project to analyse its cost allocations by vertical, developing appropriate controls and reporting procedures to support the new reporting structure. Having ensured the operational effectiveness of the new reporting procedures, the Group will introduce segmental reporting of profit measures in the 2020 accounting period.

3. **Taxation**

The effective tax rate of 18.2% (2018: 19.0%) includes a £2.5m adjustment in relation to prior periods and a deferred tax charge of £0.7m. The Group expects the underlying effective rate of tax to continue to approximate to the standard UK corporation tax rate.

	2019 **£m**	2018 £m
Current tax		
Current tax on income for the year	**22.9**	21.4
Adjustment in relation to prior period	**(2.5)**	—
	20.4	21.4
Deferred tax		
Origination and reversal of temporary differences	**(0.3)**	(0.9)
Adjustments due to changes in corporation tax rate	**—**	(1.4)
Adjustment in relation to prior period	**1.0**	1.2
	0.7	(1.1)
Tax expense for the year	**21.1**	20.3

4. **Earnings per share**

Basic earnings per share
Basic earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The Company's own shares held by employee trusts are excluded when calculating the weighted average number of ordinary shares outstanding.

Diluted earnings per share
Diluted earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Earnings per share
Basic and diluted earnings per share have been calculated on the following basis:

	2019	2018
Profit after taxation attributable to ordinary shareholders (£m)	**94.9**	86.6
Basic weighted average ordinary shares in issue (millions)	**536.3**	536.2
Dilutive effect of share based instruments (millions)	**0.1**	1.3
Diluted weighted average ordinary shares in issue (millions)	**536.4**	537.5
Basic earnings per ordinary share (pence)	**17.7**	16.2
Diluted earnings per ordinary share (pence)	**17.7**	16.1

Adjusted basic and diluted earnings per share have been calculated as follows:-

		£m
Profit before tax	**116.0**	106.9
Amortisation of acquisition related intangible assets	**2.4**	1.5
Strategy related one-off costs	**2.3**	6.7
	120.7	115.1
Estimated taxation at 19.00% (2018: 19.00%)	**(22.9)**	(21.9)
Profit for adjusted EPS purposes	**97.8**	93.2
Basic adjusted earnings per share (pence)	**18.2**	17.4
Diluted adjusted earnings per share (pence)	**18.2**	17.3

5. Dividends

	2019 pence per share	2019 £m	2018 pence per share	2018 £m
Declared and paid dividends on ordinary shares:				
Prior year final dividend	**8.10**	**43.4**	7.60	40.7
Special dividend	**7.46**	**40.0**	-	-
Interim dividend	**3.10**	**16.6**	2.95	15.8
Total	**18.66**	**100.0**	10.55	56.5
Proposed for approval (not recognised as a liability at 31 December):				
Final dividend	**8.61**	**46.3**	8.10	43.2

6. Intangible assets

	Market related	Customer relationships	Customer lists	Technology related	Goodwill	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 January 2018	148.7	69.3	2.3	83.0	181.9	485.2
Additions	-	-	-	13.0	-	13.0
Assets acquired on acquisition of subsidiary	6.6	-	-	2.1	30.7	39.4
At 31 December 2018	155.3	69.3	2.3	98.1	212.6	537.6
Amortisation						
At 1 January 2018	143.8	69.3	2.3	50.9	74.3	340.6
Charged in period	1.3	-	-	12.0	-	13.3
At 31 December 2018	145.1	69.3	2.3	62.9	74.3	353.9
Net book value						
At 1 January 2018	4.9	-	-	32.1	107.6	144.6
At 31 December 2018	10.2	-	-	35.2	138.3	183.7
Cost						
At 1 January 2019	155.3	69.3	2.3	98.1	212.6	537.6
Additions	-	-	-	10.6	-	10.6
At 31 December 2019	**155.3**	**69.3**	**2.3**	**108.7**	**212.6**	**548.2**
Amortisation						
At 1 January 2019	145.1	69.3	2.3	62.9	74.3	353.9
Charged in period	1.7	-	-	14.7	-	16.4
At 31 December 2019	**146.8**	**69.3**	**2.3**	**77.6**	**74.3**	**370.3**
Net book value						
At 1 January 2019	10.2	-	-	35.2	138.3	183.7
At 31 December 2019	**8.5**	**-**	**-**	**31.1**	**138.3**	**177.9**

7. Related party transactions

In addition to their salaries, the Group also provides non-cash benefits to Directors and Executive Officers.

Robin Freestone, Mark Lewis, Scilla Grimble, Sarah Warby, Andrew Fisher, Caroline Britton, Sally James, Genevieve Shore and Bruce Carnegie-Brown in total received dividends from the Group totalling £14,503 (2018: £23,500).

8. Commitments and contingencies

The Group is committed to incur capital expenditure of £1.4m (2018: £nil).

Along with most companies of our size, the Group is a defendant in a small number of disputes incidental to its operations and from time to time is under regulatory scrutiny.

As a leading website operator, the Group occasionally experiences operational issues as a result of technological oversights that in some instances can lead to customer detriment, dispute and potentially cash outflows. The Group has a Professional Indemnity Insurance Policy in order to mitigate liabilities arising out of events such as this.

In aggregate, the commitments and contingencies outlined above are not expected to have a material adverse effect on the Group.

9. Post balance sheet events

There are no significant post balance sheet events.

Appendix

Statutory Information

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2019 or 31 December 2018 but is derived from those accounts. Statutory accounts for 2018 have been delivered to the registrar of companies, and those for 2019 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The annual report and accounts for the year ended 31 December 2019 will be posted to shareholders in March 2020. The results for the year ended 31 December 2019 were approved by the Board of Directors on 19 February 2020 and are audited. The Annual General Meeting will take place on 9 May 2020. The final dividend will be payable on 14 May 2020 to shareholders on the register at the close of business on 2 April 2020.

Presentation of figures

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.