

Mizzen Mezzco Limited

Results for the quarter ended 31 March 2016

Tom Woolgrove, Chief Executive, commenting on the results said:

“The Group has continued to deliver another strong financial performance in the first quarter of 2016, with Adjusted Pro Forma Post Securitisation EBITDA of £16.6 million, an increase of 15.3% year on year. With our focus on developing the foundations to support and sustain business growth, and value creation, we remain confident that we will continue to deliver long term and sustainable value to our business partners, customers, employees and shareholders.”

Key Financial Results

Financial Data	For the quarter ended 31 March 2016	For the quarter ended 31 March 2015	Increase / (Decrease)
(£ in millions, except percentages and ratios)	(unaudited)	(unaudited)	(unaudited)
Net Advances ^(a)	834.0	786.4	47.6
Turnover	31.7	30.4	1.3
EBITDA.....	19.9	13.1	6.8
Adjusted EBITDA ^(b)	20.8	19.1	1.7
Adjusted EBITDA Margin ^(b)	65.6%	62.8%	2.8%
Adjusted Post-Securitisation EBITDA ^(c)	16.6	14.4	2.2
Adjusted Post-Securitisation EBITDA Margin ^(c)	52.4%	47.4%	5.0%
Cash Conversion ^(d)	82.5%	92.8%	(10.3%)

a. Net Advances represents gross advances net of loans for policies or services that have been cancelled by end customers, or which have been cancelled by the insurance policy or service provider

b. Adjusted EBITDA represents EBITDA as adjusted for certain transaction costs, one-time information technology and other expenses, Adjusted EBITDA margin as a % of Turnover.

c. Adjusted Post-Securitisation EBITDA adjusted for funding costs; Adjusted Post-Securitisation EBITDA margin as a % of Turnover.

d. Cash conversion as % of Adjusted Post-Securitisation EBITDA; Free Cash Flow represents Adjusted Post-Securitisation EBITDA – CapEx;

Highlights for the quarter ended 31 March 2016

- EBITDA increased by £6.8 million or 51.9% to £19.9 million in the quarter ended 31 March 2016 (Q1 2015: £13.1 million). Adjusted post-securitisation EBITDA increased £2.2 million or 15.3%. Turnover growth of 4.3% combined with the positive operating leverage of the Group is driving this increase.
- We have increased the overall size of our net advances by 6.1% to £834.0 million for the quarter ended 31 March 2016 (Q1 2015: £786.4 million), due to the combination of relationships established with new intermediaries, greater penetration with our existing intermediaries and the increase in Insurance Premium Tax.
- Group turnover increased by £1.3 million, or 4.3%, to £31.7 million for the quarter ended 31 March 2016 (Q1 2015: £30.4 million). This increase is driven by the growth in net advances and the impact of the IPT increase.
- Operating expenses decreased by £25.1 million to £11.1 million for the quarter ended 31 March 2016 (Q1 2015: £36.2 million). This decrease is primarily driven by the write off of £13.2 million of goodwill and change of ownership costs in the quarter ended 31 March 2015, both driven by the Group's acquisition by Cinven.
- Securitisation interest expense decreased by £0.5 million, or 10.6%, to £4.2 million for the quarter ended 31 March 2016 (Q1 2015: £4.7 million) as we extended and amended the term of our securitisation facility; with effect from 1 July 2015, the facility has been reduced from £1.15 billion to £1.05 billion following the exit of Deutsche Bank and has been extended to September 25, 2018.