

27 January 2022

## **Fintel plc**

("Fintel", the "Company" or the "Business")

### **Trading Update for the year ended 31 December 2021 and notice of Full Year Results**

**Robust financial performance. Significant strategic progress. Positioned for strong and sustainable growth.**

Fintel (AIM: FNTL), the leading provider of fintech and support services to the UK Retail Financial Services sector, today issues a trading update for the year ended 31 December 2021.

#### **Financial Highlights**

- Total revenue growth, marginally ahead of expectations, **up £2.9m to £63.9m** (2020: £61.0m)
- Core Revenue growth up c.**5%** to **£52.2m** (2020: £49.8m)
- Solid Adjusted EBITDA\*<sup>1</sup> growth, in line with expectations
- Positive net cash position\*<sup>2</sup> of **£2.5m** (2020: Net Debt of £19.4m) as a result of resilient cash conversion and proceeds from strategic divestment
- Strong balance sheet with significant, flexible funding capacity for growth including net cash position and access to a £45m revolving credit facility

#### **Operational Highlights**

- SaaS & Subscriptions revenue continues to grow across all three operating divisions
- Margins maintained whilst continuing to invest in the Business's digital services platform
- Continued digitisation of core business and new strategic partnership to deploy up to 2,500 additional Fintech licenses through Tatton Asset Management
- Significant progress in Distribution Division with 13 Distribution partners converted to multi-year subscription agreements via the launch of Managed Distribution Service (DaaS)
- Significant strategic progress with the successful sale of non-core Zest Technology and disposal of Verbatim Funds
- Development of comprehensive ESG strategy, following a wide-ranging and all-inclusive Materiality Assessment with key stakeholder groups

#### **Outlook**

With the benefit of high levels of recurring income from SaaS and Subscriptions, combined with the strong customer base and positive market dynamics, the Board remains confident of delivering future earnings growth and continued strategic progress.

**Matt Timmins, Joint CEO of Fintel plc, said:**

2021 has been a year of significant strategic progress, continued digitisation and strong trading as the Business continues to perform well.

Revenue has been delivered marginally ahead of expectations, with earnings expected to be in line, having made continued investment into our digital growth.

The successful sale of non-core Zest Technology and the strategic disposal of Verbatim has streamlined the business, giving us the financial agility to support future strategic growth.

The rapid digitisation of our SaaS & subscription based business has continued, improving earnings quality and delivery of key services to customers.

In addition, we have built a comprehensive ESG Strategy spanning Fintel Plc's own requirements as well as those of our clients. This is core to our vision of creating better outcomes for all stakeholders. Our Defaqto ESG research platform has been expanded to cover 76 retail investment funds and our Digital ESG Client Profiler has been deployed to over 8,000 wealth managers and financial advisers.

The board is confident of continued strong trading and key strategic progress in 2022.

### **Notice of Full Year Results**

Fintel intends to announce its Full Year Results for the year ended 31 December 2021 on 22 March 2022.

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

*\*<sup>2</sup> Net cash position excludes any adjustment under IFRS16 "Lease Accounting" and compares gross cash balances to gross borrowings under the Group's £45m Revolving Credit Facility.*

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### **Notes to Editors**

Fintel is the UK's leading fintech and support services business, combining the largest provider of intermediary business support, SimplyBiz, and the leading research, ratings, and Fintech business, Defaqto.

Fintel provides technology, compliance and regulatory support to thousands of intermediary businesses, data and targeted distribution services to hundreds of product providers and

empowers millions of consumers to make better informed financial decisions. We serve our customers through three core divisions:

The Intermediary Services division provides technology, compliance, and regulatory support to thousands of intermediary businesses through a comprehensive membership model. Members include directly authorised IFAs, directly authorised mortgage advisers and wealth managers.

The Distribution Channels division delivers market Insight and analysis, product design and compliance and targeted distribution channels to financial institutions and product providers.

The Fintech and Research division comprises Defaqto which provides market leading software, financial information and product research to product providers and intermediaries. Defaqto also provides product ratings to help consumers compare products and buy with confidence.

For more information about Fintel, please visit the website: [www.wearefintel.com](http://www.wearefintel.com)

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