

28 July 2022

Fintel plc

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

Trading Update

Robust core business performance drives continued growth following strategic disposals

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 six months ended 30 June 2022.

Financial Highlights

- Core revenue¹ growth of c.9% to £27.1m (HY21: £24.9m)
- Total revenue growth of 2% to £32.2m (HY21: £31.7m)
- Adjusted EBITDA² up 5% to £8.7m (HY21: £8.3m)
- Improved Adjusted EBITDA margin of 27.0% (H1 2021: 26.1%)
- Significant financial resources with £7.6m cash and undrawn £45m RCF
- Underlying operating cash flow conversion³ expected to exceed 120% (HY21: 135%)

Operational update

In the first six months of 2022 the Business has continued to trade well with strong Core revenue¹ growth in line with the Board's expectations and outpacing the revenue impact of strategic disposals. Continued progress in the conversion of Distribution as a Service ("DaaS") revenue has seen a greater proportion of these existing revenues recognised in H1. On a full year basis, the current core revenue expectation is trading at the upper end of the range of our medium term objective⁴.

With the continued digitisation of the Business and successful conversion and scaling of DaaS, earnings quality continues to grow in absolute terms with SaaS and subscription income delivering c.66% of our expanded Core revenues.

Underlying operating cash flow conversion remains strong, in excess of 120%. £7.6m of cash at 30 June 2022, together with the £45m Revolving Credit Facility fully undrawn, provides significant financial resources to fund growth both through organic investment and strategic acquisitions.

Notice of Interim Results

Fintel intends to publish its interim results for the six months ended 30 June 2022 on 20 September 2022.

Matt Timmins, Joint CEO of Fintel plc, said:

"We are delighted to report continued solid trading and earnings quality in the first half of the year, in line with our strategic goals and Board expectations. Growth in our Core business has been strong and in-line with the top end of our medium-term objectives communicated in our CMD (Dec20)⁴ with the balance of new revenues continuing to come through SaaS and subscriptions.

"Increasing regulation continues to drive market demand for our unique Services and fintech offering. Our strong balance sheet and cash flow conversion provides the financial agility to pursue strategic acquisitions and we remain confident of delivering our strategic goals and growth ambitions."

Notes

¹ Core business excludes revenues from Panel Management and Surveying.

² Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs.

³ Underlying operating cash flow conversion is calculated as underlying cash flow from operations (adjusted operating profit, adjusted for changes in working capital, depreciation, amortisation, CAPEX and share based payments) as a percentage of adjusted operating profit.

⁴ *Medium term Core Revenue objective: Core revenue growth between 5% and 7% annually.*

*All financial figures based on unaudited figures.

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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, Wealth Managers and Mortgage Brokers.

The Distribution Channels division delivers market Insight & analysis and targeted distribution strategies to financial institutions and product providers. Clients include major Life & Pension companies, Investment Houses, Banks and Building Societies.

The Fintech and Research division (Defaqto) provides market leading software, financial information and product research to product providers and intermediaries. Defaqto also provides product ratings (Star Ratings) on thousands of financial products. Financial products are expertly reviewed by the Defaqto research team and are compared and rated based on their underlying features & benefits. Defaqto ratings help consumers compare and buy financial products with confidence.

For more information about Fintel, please visit the website: www.wearefintel.com

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