MORTGAGE ADVICE BUREAU (HOLDINGS) PLC

("MAB" or "the Group")

24 September 2024

Interim Results for the six months ended 30 June 2024

Mortgage Advice Bureau (Holdings) plc (AIM: MAB1.L) is pleased to announce its interim results for the six months ended 30 June 2024.

Financial summary

	H1 2024	H1 2023	Change
Revenue	£123.9m	£117.5m	+5.4%
Gross profit	£37.7m	£32.9m	+14.5%
Gross profit margin	30.4%	28.0%	+2.4pp(1)
Adjusted EBITDA*	£13.8m	£10.5m	+31.3%
Adjusted EBITDA margin*	11.1%	8.9%	+2.2pp(1)
Adjusted profit before tax*	£12.3m	£8.8m	+39.9%
Statutory profit before tax	£6.2m	£7.6m	-17.9%
Adjusted profit before tax margin*	9.9%	7.5%	+2.4pp(1)
Reported profit before tax margin	5.0%	6.4%	-1.4pp(1)
Adjusted fully diluted EPS*	14.8p	11.8p	+25.8%
Basic EPS	6.5p	11.3p	-42.3%
Adjusted cash conversion*	119%	131%	-12pp(1)
Interim dividend	13.4p	13.4p	-

Highlights

- Adjusted PBT was up 39.9% to £12.3m (1H 2023: £8.8m)
- Market share of new mortgage lending(2) up to 8.2% (H1 2023: 8.1%)
- Gross mortgage completions(2) (including product transfers) flat at £12.1bn (H1 2023: £12.1bn)
- Gross new mortgage completions(2) (excluding product transfers) up 1.3% to £9.1bn (H1 2023: £9.0bn)
- Mainstream adviser(3) numbers down 0.7% to 1,908 (H1 2023: 1,921), however the number of mainstream advisors post-period end has grown to 1,945 as at 20 September 2024.
- Revenue per mainstream adviser(3) up 9.2% to £65.3k on H1 2023

* In addition to statutory reporting, MAB reports alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). The Group uses these APMs to improve the comparability of information between reporting periods, by adjusting for certain items which impact upon IFRS measures, to aid the user in understanding the activity taking place across the Group's businesses. APMs are used by the Directors and management for performance analysis, planning, reporting and incentive purposes. A summary of APMs used and their closest equivalent statutory measures is given in the Glossary of Alternative Performance Measures.

Peter Brodnicki, Chief Executive, commented:

"The first few months of 2024 started well as mortgage rates edged down ahead of expected base rate cuts and a more stable political outlook. When it became clear those cuts were not imminent, lenders adjusted their mortgage rates back up and the increased activity we saw started to tail off towards the end of Q1.

Re-financing and purchase activity remained subdued for the rest of H1 ahead of the general election. Having now seen the first of a number of expected base rate cuts, activity levels are starting to gradually build again and we expect momentum to continue.

Against this backdrop I am very pleased with the progress MAB continues to make in a year that mortgage volumes are likely to be at very similar levels to 2023.

MAB's investment in technology and AI remains a strategic priority as we shape the business for strong and sustainable growth, while further increasing our operational resilience. Significant progress continues to be made in terms of lead generation, which is becoming an increasingly major differentiator, and will support our strategy to help scale firms and increase adviser productivity.

Our adviser numbers have started to pick up since the period end and we expect to deliver further growth this year as new ARs are recruited into MAB and our existing ARs start growing adviser numbers again after a sustained period of market-induced consolidation.

We expect to see record years in terms of re-financing activity in 2025/2026 and it is very encouraging to have a new government that is so focused on housebuilding and other initiatives that will bring a tail wind to MAB and our market."

Current Trading and Outlook

MAB's written new case numbers are 11% up in July and August compared to last year. The Group continues to trade in line with expectations with this pick-up in activity expected to continue in the final quarter of this year.

A significant amount of mortgage re-financing has been delayed for several months and we expect August's Bank of England rate cut – and the prospect of further cuts – to foster a more active refinancing market, as well as a gradual recovery in the number and make-up of housing transactions.

As expected, 2024 is shaping up to be a year of stability, following a highly challenging 2023. Our targeted investments in lead generation and customer retention put MAB in a strong position to capitalise on the growing market momentum, both in the latter part of this year and into 2025.

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Analyst presentation

There will be an in-person analyst presentation to discuss the results at 9:30am today.

Those analysts wishing to attend are asked to contact investor.relations@mab.org.uk. If you are unable to attend in person, but would like to join virtually, please contact IR for details.

Copies of this interim results announcement are available at www.mortgageadvicebureau.com/investor-relations

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

(1) Percentage points.

(2) Based on first charge mortgage completions, secured personal loans (second charge mortgages), later life lending mortgages and bridging finance.

(3) Excludes directly authorised advisers, later life advisers without a mortgage and protection license, and advisers in the process of being onboarded who are not yet able to trade.

Chief Executive's Review

The year started well with lower mortgage rates and the expectation of rate cuts through 2024. The subsequent pushing out of rate cut expectations delayed a sustained pick up in purchase and refinance activity in H1, with gross new mortgage completions in the UK up just 1.5% in the period to £111.1bn.

Against this backdrop, MAB delivered a creditable 5% growth in first charge purchase lending completions by value compared to H1 2023. Purchase completions represented 47% of lending value (H1 2023: 46%) with refinance at 53% (H1 2023: 54%).

Although refinancing activity was still quite buoyant, numbers were lower than in the equivalent period last year, as borrowers hoped for further rate reductions and opted to delay switching. Gross UK remortgage lending was down 8%, and down 2% for product transfers. MAB's remortgage and product transfer completions by lending value were down 1% and 6% respectively.

MAB's market share of new mortgage lending in the first half increased to 8.2% (H1 2023: 8.1%). Following the period end, adviser numbers have started to pick up again, and we expect further momentum in the remainder of this year as new ARs are recruited into MAB, our AR partners recommence their growth plans as the market gradually recovers and MAB's maturing lead generation initiatives support an increasing number of firms to expand.

Continued investment in technology and lead flow means the Group is constantly improving its resilience, efficiency and ability to diversify. MAB is in an increasingly strong position to drive growth in all market conditions. Our focus is also on delivering a future proofed business model that recognises how customers will want to research, receive advice, and transact. Putting MAB in an increasingly strong position to drive growth in all market conditions. MAB can and will play a major part in shaping an evolving landscape for intermediaries. How we achieve our growth is as important, if not more important than the pace of growth itself. This clear and deliberate strategy defines MAB and will uniquely position the business to capitalise on the significant and increasing opportunities we generate.

In May 2024, MAB bought the remaining 20% stake in First Mortgage Direct, a business where profitability has grown by over 250% since our initial investment in 2019. Our most recent acquisition, Fluent, is strategically important in broadening MAB's route to market through Price Comparison Websites ("PCW") and other major national lead sources. With a better-balanced cost base, the underlying business generated a strong adjusted PBT in H1 2024 and is well-positioned for a further recovery in revenue and profits in the second half of the year and into 2025.

Lead generation and lifetime customer value

MAB's success has been built on being the leader in providing an exceptional service to introducer lead sources and their customers. Further investment in early customer capture and nurture, data analytics and customer profiling are helping us build a better understanding of our existing and future customers and how to best service their requirements to generate a greater lifetime value.

This learning is driving the development of our customer and broker platform and our apps and tools, whilst shaping our entire customer engagement strategy. These optimisations are already showing early signs of the size of the opportunity we have, including an increasing number of customer referrals from our existing lead channels, supporting the conversion of all leads, and identifying a demand for additional products and services.

MAB's client bank and related retention opportunities grow year after year, as MAB and its ARs continue to generate new lead flows. Although we are in the early stages of implementation, we are entering an exciting period as we layer additional opportunities to attract potential customers to MAB.

Our acquisition of Fluent has added PCWs and other major national lead sources to MAB's market leading position in the estate agency and new build sectors.

Although MAB is the market leader in customer acquisition and fulfilment from local and national leads sources, we also support our ARs in optimising direct customer engagement and acquisition through organic website traffic and social media.

Lead generation - whether that be new customers, retaining customers, or increasing the lifetime value of a customer - is the major and increasing differentiator for MAB that drives adviser and AR growth, performance, and retention. Technology and Artificial Intelligence (AI) are likely to have an increasing impact on how we acquire, retain, and build extended value for our customers and for MAB, its ARs and their advisers. Accordingly, continued investment in these areas remains a priority, regardless of market conditions, and will continue to underpin our strategy for strong market share and profit growth.

Leveraging existing associates and subsidiaries

Our subsidiaries and associates have strengthened their businesses and are in a good position to capitalise on a recovering market and make a stronger contribution to the Group's overall performance.

On 29 May 2024, MAB exercised its option to purchase the remaining 20% stake in First Mortgage Direct ("FMD") for a total consideration of £9.4m payable as £2.4m of cash consideration and £7.0m of new shares in MAB. Since MAB's original investment in 2019, FMD has increased profit before tax by over 250%. FMD is now preparing for an accelerated UK expansion.

Management completed the project to right-size the cost base of Fluent in H1 2023, leading to gross profit margin increasing to 32.5% (H1 2023: 21.7%) and Fluent making a positive profit contribution in H1 2024. With a better-balanced cost base, new lead sources and processes, and a strengthened management team, the business is well-positioned for continued recovery and growth into 2025.

We expect strong performance from all our subsidiaries and associates in 2025/26, and we have plans to scale a number of them significantly.

Technology, Automation and AI

Whilst others move away from in-house solutions, technology remains central to our strategy and our investment in our MIDAS Platform, our proprietary technology platform, will continue at the levels required to ensure we are always in the strongest possible position to optimise operational efficiency and drive revenue growth from new lead flow, lead nurture, customer retention, adviser productivity and customer lifetime value.

Our strategy is to continue developing our system, to provide a best-in-class experience for our firms and improve the customer journey. To this end, management is currently reviewing whether the historic accounting policy to fully expense these costs appropriately reflects the expected future economic benefit associated with the ongoing investment.

We are committed to maintaining differentiation through the technological advantage our MIDAS Platform gives us, and our roadmap now incorporates enhanced functionality through the adoption of AI. As with our MIDAS Platform development, automation and AI will significantly contribute to our growth plans and operational efficiency across all areas of the business, as well as future proof our business model and cement our leadership position in the intermediary sector.

FCA Regulation

Consumer Duty

The Financial Conduct Authority's ("FCA") Consumer Duty rules require all regulated firms to consider the needs, characteristics, and objectives of their customers, and to ensure they are always acting to consider and deliver the right outcome for customers.

The requirements also include the need to show consideration, flexibility and attention to customers with characteristics of vulnerability. The Consumer Duty sets clear standards of consumer protection across financial services and requires all firms to put the needs of their customers first, and central to all they do.

Consumer Duty rules have now been in place for more than a year, all regulatory deadlines have been met and the requirements are embedded into all MAB's activities and owned by senior leaders across the business. This helps us to ensure that good customer outcomes are always considered as a matter of course.

Pure Protection – Market Study

In August 2024 the FCA announced a market study into the Distribution of Pure Protection Products to Retail Customers. Good customer outcomes have always been, and continue to be, central to MAB's strategy and culture, and we see this as a positive initiative for the market and that clearer governance is complementary and supportive of our objectives as a Group.

As with Consumer Duty, we agree with the raising of standards across our sector, and that through raising the bar, in the medium to longer term this only accelerates the need for, and the pace of, market consolidation.

We will ensure that MAB continues to be optimally positioned firstly to continue doing the right thing by customers, but also to maximise this market consolidation opportunity.

Resilient Homes

At MAB we serve a genuine social purpose, helping people to move home, improve their homes, and be protected as best they can be when things go wrong. 2050 net zero ambitions give MAB more relevance and social purpose in helping our stakeholders make more sustainable decisions.

This year, MAB became the UK's first intermediary group to launch an initiative to connect customers with the means to improve the energy efficiency of their properties through the mortgage journey. 11.5m owner occupied homes in the UK have an EPC rating of D or worse and retrofitting (insulation, solar panels, smart meters, double glazing) plays a crucial role in improving the energy efficiency of the country's existing housing stock.

Partnering with Effective Energy Group, Resilient Homes is an end-to-end process that enables customers to quickly and easily assess potential cost savings and connect customers to credible suppliers with built-in financial advice via MAB. We expect this initiative to benefit customers (access to cheaper finance, reduced energy bills) and advisers (competitive advantage), as well as mortgage lenders (de-risking of book).

Resilient Homes is a significant USP in our AR proposition, and as with everything else MAB does, we are leading from the front with this initiative that further enhances our customer relationships, and opens the door to many new ones, not least of which those 11.5m customers that will at some stage need to invest in improving their homes, many of whom will need mortgage advice.

Board changes

Non-executive chair

Mike Jones became Chair of the Company with effect from 22 May 2024. Mike joined the Board in March 2021 and has chaired the Group Risk Committee since November 2022. Mike also chairs the nomination committee. He succeeds Katherine Innes Ker, who retired from the Board having served as Chair since the IPO in 2014.

Chief Financial Officer

Emilie McCarthy became Chief Financial Officer of the Company with effect from 22 May 2024. Emilie succeeds MAB's previous CFO, Lucy Tilley.

Non-Executive Director

Rachel Haworth became an independent Non-Executive Director of the Company with effect from 1 May 2024. Rachel chairs the Remuneration Committee and also serves on the Audit, Nomination and Group Risk Committees.

(1) First charge mortgage completions, excluding secured personal loans (second charge mortgages), later life lending mortgages and bridging finance.

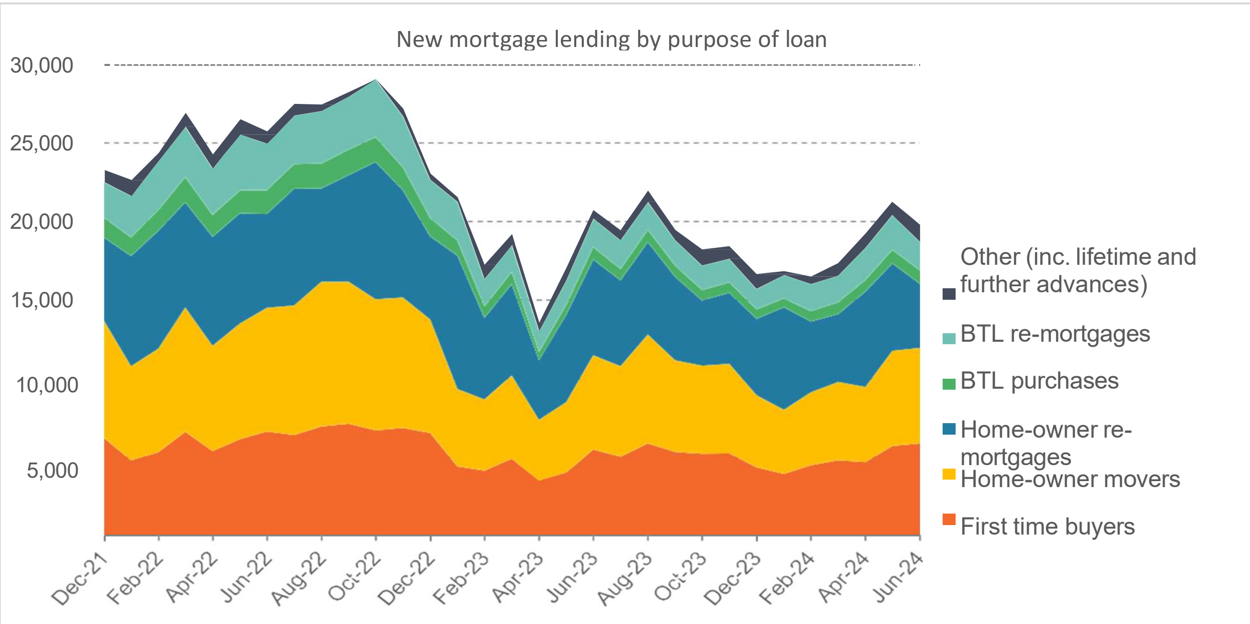
Market review

Gross new mortgage completions(1) across the wider market nudged up 1% at £111.1bn (H1 2023: £109.5(2)). This follows 2023 when new mortgage completions were down 29% in the aftermath of the UK's 'mini-budget'.

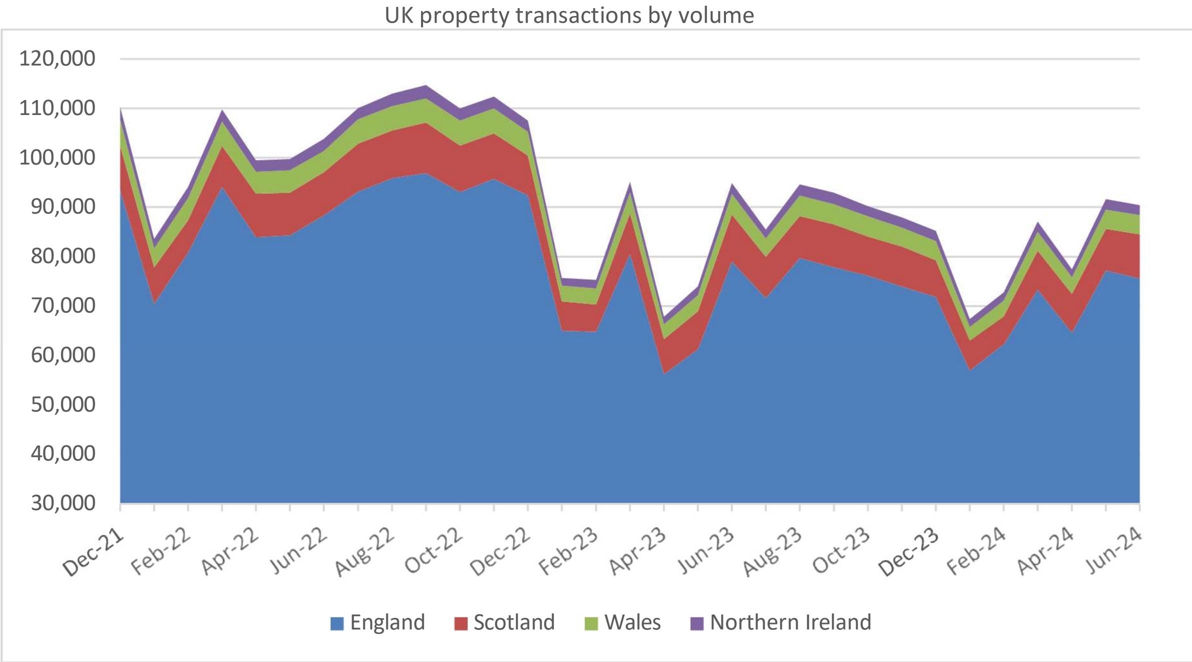
The purchase segment was up 8%, indicating some release of pent-up demand, but the re-mortgaging segment was down 8% as refinancing decisions continued to be deferred.

UK Gross new mortgage lending by segment, £bn	H1 2024	H1 2023	%
Residential purchase	60.1	55.5	+8%
Buy-to-let purchase	4.4	4.4	-
Purchase segment	**64.5**	**59.9**	**+8%**
Residential re-mortgage	31.0	34.9	-11%
Buy-to-let re-mortgage	11.1	10.8	+3%
Re-mortgage segment	**42.1**	**45.7**	**-8%**
Other	4.5	3.9	+15%
Total	**111.1**	**109.5**	**+1%**

Source: UK Finance



UK property transactions were broadly flat in H1 2024 compared to H1 2023. This is consistent with new mortgage lending. Average house prices were 1% higher in H1 2024 than H1 2023.



Source: UK Finance

The share of UK residential mortgage transactions via intermediaries (excluding Buy to Let, where intermediaries have a higher market share, and Product Transfers where intermediaries have a lower market share) remains at 87% (H1 2023: 87%), with customers increasingly needing choice, advice and support in a complex and uncertain macro environment. We expect this increased intermediary market share to remain stable. UK Finance's and the Intermediary Mortgage Lenders Association's latest estimates of gross new mortgage lending for 2024, published in December 2023, are £215bn and £205bn, down 4% and 8% respectively compared to 2023, which itself was down 28% on 2022. The latest market data indicates that actual numbers may end up slightly higher than these forecasts.

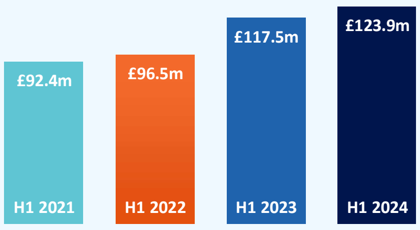
(1) First charge mortgage completions, excluding secured personal loans (second charge mortgages), later life lending mortgages and bridging finance.

(2) UK Finance regularly updates its estimate of gross new mortgage lending, and previously reported £110.5bn at the time of our 2023 interim results.

Financial review

We measure the development, performance, and position of our business against several key indicators.

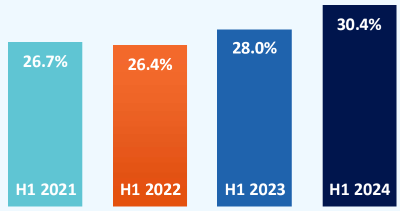
Revenue
£123.9m



Total income from all revenue streams.

Strategy/objective
Shareholder value and financial performance.

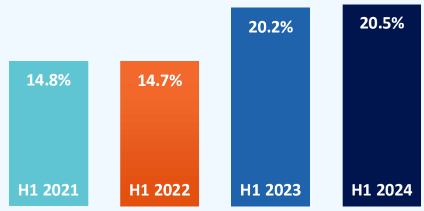
Gross Profit Margin %
30.4%



Gross profit generated as a proportion of revenue.

Strategy/objective
Managing gross margins.

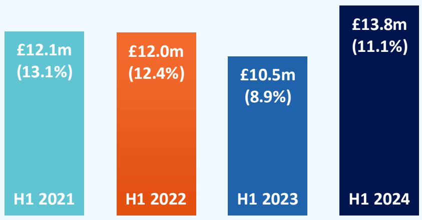
Administrative expenses ratio %
20.5%



Administrative expenses, depreciation and amortisation as a proportion of revenue.

Strategy/objective
Operating efficiency.

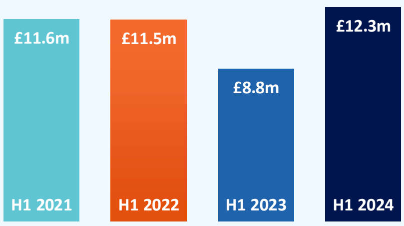
Adjusted EBITDA (Margin %) [1]
£13.8m (11.1%)



Earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA as a proportion of revenue).

Strategy/objective
Shareholder value and financial performance.

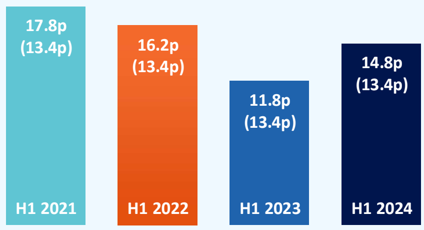
Adjusted PBT [1]
£12.3m



Adjusted profit before tax

Strategy/objective
Shareholder value and financial performance.

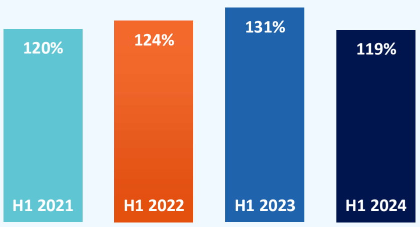
Adjusted Fully Diluted EPS (DPS) [1]
14.8p



Total comprehensive income attributable to equity holders of the Company, adjusted for exceptional items, divided by total number of fully diluted ordinary shares (Dividend per share).

Strategy/objective
Shareholder value and financial performance.

Adjusted Cash Conversion %
119%



Cash generated from operating activities adjusted for movements in non-trading items as a percentage of adjusted operating profit.

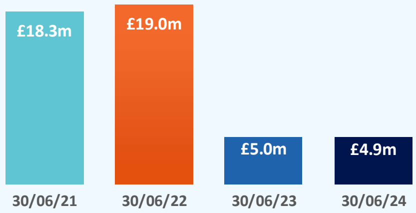
Strategy/objective
Financial stability.

Unrestricted cash balances / (Net debt)

Net cash / (debt)

£18.3m	£19.0m	£(19.4)m	£(16.7)m

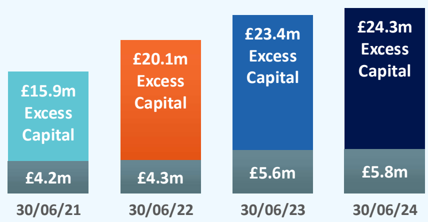
Unrestricted cash balances



Bank balances at 30 June available for use in operations.

Strategy/objective
Financial stability.

Capital adequacy
£24.3m



Excess capital requirements over amounts required by the Financial Conduct Authority (FCA).

Strategy/objective
Financial Stability.

[1] In addition to statutory reporting, MAB reports alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). The Group uses these APMs to improve the comparability of information between reporting periods, by adjusting for certain items which impact upon IFRS measures, to aid the user in understanding the activity taking place across the Group's businesses. APMs are used by the Directors and management for performance analysis, planning, reporting and incentive purposes. A summary of APMs used and their closest equivalent statutory measures is given in the Glossary of Alternative Performance Measures.

Revenue

Group revenue increased by 5.4% to £123.9m (H1 2023: £117.5m) despite the average number of mainstream[1] advisers in the first half dipping 3.5% to 1,898 (H1 2023: 1,966). Revenue per mainstream adviser increased by 9.2% to £65.3k, reflecting a lower proportion of new advisers in the period and a slightly higher rate of protection attachment.

The Group continued to generate revenue from three core areas, as set out below.

Income source (£m)	**H1 2024**	**H1 2023**	**Change**
Mortgage procuration fees	48.8	48.4	+0.8%
Protection and General Insurance Commission	48.8	44.9	+8.6%
Client Fees	24.0	21.9	+9.5%
Other Income	2.4	2.3	+4.6%
Total	**123.9**	**117.5**	**+5.4%**

Mortgage procuration fees increased by 0.8% reflecting a stable outturn for net mortgage completions by value. We have seen improved protection volumes as our advisors focus on improving customer outcomes by aiding them to better protect the biggest investment of their life, their home. The resulting impact has led to higher protection volumes and attachment rate to mortgages resulting in 8.6% growth in protection and GI revenue in H1 2024 compared to H1 2023.

Client fees increased by 9.5% in the first half due to growth in the overall number of more complex specialist mortgages leading to a higher attachment rate of client fees.

The proportion of revenue derived from each of the Group's core revenue streams has remained consistent, with the movements reflecting the change in the banked mortgage mix during the period.

Income source	**H1 2024**	**H1 2023**
Mortgage Procuration Fees	39%	41%
Protection and General Insurance Commission	39%	38%
Client Fees	19%	19%
Other Income	3%	2%
Total	**100%**	**100%**

The Group's business mix is little changed compared to H1 2023, purchase market activity is at 53% (H1 2023: 52%) of lending by value with product transfers remaining consistent at 17% (H1 2023: 17%). Remortgage business nudged down to 30% (H1 2023: 31%) due to clients delaying remortgage activities in anticipation of more favourable rates.

Business mix by lending value (%)	H1 2024	H1 2023	Change
Purchase	53%	52%	+0.8pp
Remortgage	30%	31%	-1.2pp
Product transfer	17%	17%	+0.4pp
Total	**100%**	**100%**	

Gross profit and Gross Profit margin

Gross profit for the period increased 14.5% to £37.7m (H1 2023: £32.9m), with the margin increasing to 30.4% (H1 2023: 28.0%). The gross margin has improved from a combination of an increased protection attachment rate and improved performance at Fluent.

Fluent undertook a right-sizing of the cost base in H1 2023, reducing the number of advisers due to market conditions following the 2022 'mini-budget'. This initiative has led to a double-digit Gross Margin improvement in Fluent to 32.5% in H1 2024 (H1 2023: 21.7%).

Administrative expenses

Group administrative expenses increased by £1.7m (+7.4%) to £25.5m, with a marginal increase in the administrative expense ratio to 20.5% (H1 2023: 20.2%). MAB continues to invest in the business to drive growth, and specifically in its technology platform and marketing team through a mix of employee and third-party costs, which we expect to drive enhanced lead generation opportunities and future revenue growth. All development work on our proprietary MIDAS platform continues to be fully expensed, although management is reviewing whether this policy duly reflects the expected future economic benefits associated with this ongoing investment.

The Group expects to continue to benefit from the relatively fixed cost nature of much of its cost base, where those costs typically rise at a slower rate than revenue, with some anticipated benefits from operational leverage as the Group grows.

Adjusted EBITDA and margin

Adjusted EBITDA* was up 31.3% to £13.8m (H1 2023: £10.5m), with the margin thereon of 11.1% (H1 2023: 8.9%) reflecting a higher gross profit margin together with growth in Fluent.

Adjusted profit before tax and margin

Adjusted PBT* was up 39.9% to £12.3m (H1 2023: £8.8m), with the margin thereon being 9.9% (H1 2023: 7.5%). Finance income of £0.3m (H1 2023: £0.1m) reflects the higher interest rates that prevailed during the period, and the interest income accrued or received on loans to associates and other appointed representatives. Finance expense of £1.0m (H1 2023: £1.1m) includes a £0.3m (H1 2023: £0.4m) charge relating to the unwinding of the redemption liability of the Fluent and Auxilium Option.

Earnings per share

Adjusted fully diluted earnings per share* was 14.8p (H1 2023: 11.8p). Basic earnings per share fell to 6.5p (H1 2023: 11.3p) primarily due to the recognition of £1.1m loss on remeasurement of the redemption liability (H1 2023: £3.5m gain). The effective tax rate on adjusted profit before tax* increased to 24.7% (H1 2023: 20.6%), primarily due to the increase in the prevailing UK corporation tax rate from 1 April 2023.

Dividend

The Board is pleased to confirm an interim dividend of 13.4p per share (H1 2023: 13.4p) reflecting the Group's policy to pay dividends reflecting a minimum pay-out ratio of 75% of the Group's annual adjusted post-tax and minority interest profits. This represents a cash outlay of £7.8m (H1 2023: £7.7m). Following payment of the dividend, the Group will continue to maintain significant surplus regulatory reserves.

The interim dividend will be paid on 1 November 2024, shares will trade ex-dividend from 3 October 2024 and the record date will be 4 October 2024.

Adjusted cash conversion

Adjusted cash conversion* was 119% in H1 2024 (H1 2023: 131%), consistent with the range of recent years (H1 2022: 124% and H1 2021: 120%.)

The following table demonstrates how cash generated from operations was applied:

	£m
Unrestricted bank balances at the beginning of the year	3.0
Cash generated from operating activities excluding movements in restricted balances and dividends received from associates	14.1
Dividends received from associates	0.2
Dividends paid	(8.4)
Dividends paid to minority interest	(0.2)
Tax paid	(3.3)
Proceeds from borrowings	3.4
Net interest paid and principal element of lease payments	(0.9)
Acquisition of minority interest in subsidiaries	(2.3)
Capital expenditure	(0.7)
Unrestricted bank balances at the end of the year	4.9

Unrestricted cash balances / (net debt)

As at 30 June 2024, the Group had drawn down £6.9m on the revolving credit facility (£15m available), in addition to a remaining balance of £14.4m on the term loan undertaken to fund the Fluent acquisition (£20m at acquisition), and had £0.4m of accrued interest net of prepaid loan arrangement fees. Net debt (adjusting only for unrestricted cash balances of £4.9m) was £16.7m.

Since the period end the Group has been highly cash generative, as at 20 September 2024 our net debt position improved to £6.7m owed with £1.0m currently drawn on the RCF.

Capital adequacy

The Group's regulatory capital requirement represents 2.5% of regulated revenue and totalled £5.8m at 30 June 2024 (H1 2023: £5.6m), with the Group reporting a surplus of £24.3m (H1 2023: £23.4m).

* In addition to statutory reporting, MAB reports alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). The Group uses these APMs to improve the comparability of information between reporting periods, by adjusting for certain items which impact upon IFRS measures, to aid the user in understanding the activity taking place across the Group's businesses. APMs are used by the Directors and management for performance analysis, planning, reporting and incentive purposes. A summary of APMs used and their closest equivalent statutory measures is given in the Glossary of Alternative Performance Measures.

(1) Excludes directly authorised advisers, MAB's later life advisers and advisers from associates in the process of being onboarded under MAB's AR arrangements. Includes Fluent's second charge, later life and bridging advisers who have a higher revenue per adviser than first charge advisers.

Cautionary Statement

Certain statements included or incorporated by reference within this announcement may constitute "forward-looking statements" in respect of the Group's operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as "aims", "anticipates", "believes", "continues", "could", "due", "estimates", "expects", "goal", "intends", "may", "objectives", "outlook", "plans", "potential", "probably", "project", "seeks", "should", "targets", or "will" or, in each case, their negative or other variations or comparable terminology.

By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as required by applicable law or regulation, no responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Company. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). Statements in this announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this announcement shall be governed by English law. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

INDEPENDENT REVIEW REPORT TO MORTGAGE ADVICE BUREAU (HOLDINGS) PLC ("the Company")

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the London Stock Exchange AIM Rules for Companies.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the interim condensed consolidated statement of financial position, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and related explanatory notes that have been reviewed.

Basis for conclusion

We conducted our review in accordance with Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410 (Revised), however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the London Stock Exchange AIM Rules for Companies which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange AIM Rules for Companies for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
23 September 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
		Unaudited	Unaudited
	Note	**£'000**	£'000
Revenue	2	**123,933**	117,545
Cost of sales	3	**(86,219)**	(84,601)
Gross profit		**37,714**	32,944
Administrative expenses		**(25,458)**	(23,713)
Share of profit of associates	9	**379**	75
Costs relating to First Mortgage, Fluent and Auxilium options	4	**(1,991)**	(1,081)
Amortisation of acquired intangibles	4	**(2,580)**	(2,580)
Acquisition costs	4	**(89)**	(148)
Restructuring costs		**-**	(238)
Gain/(Loss) on fair value measurement of derivative financial instruments		**31**	(214)
Operating profit		**8,006**	5,045
Finance income	5	**295**	130
Finance expense	5	**(972)**	(1,081)
(Loss)/Gain on remeasurement of redemption liability	4	**(1,104)**	3,485
Profit before tax		**6,225**	7,579
Tax expense	6	**(2,378)**	(1,149)
Profit for the period		**3,847**	6,430
Total comprehensive income		**3,847**	6,430
Profit is attributable to:			
Equity owners of Parent Company		**3,695**	6,423
Non-controlling interests		**152**	7
		3,847	6,430
Earnings per share attributable to the owners of the Parent Company			
Basic	7	**6.5p**	11.3p
Diluted	7	**6.4p**	11.2p

Adjusted measures

Adjusted EBITDA	**13,764**	10,483
Adjusted profit before tax	**12,255**	8,758
Adjusted fully diluted earnings per share	**14.8p**	11.8p

Further details of adjusted measures are provided within the Glossary of Alternative Performance Measures.

Interim condensed consolidated statement of financial position as at 30 June 2024 and 31 December 2023

	Note	30 June 2024 Unaudited £'000	31 Dec 2023 Audited £'000
Assets			
Non-current assets			
Property, plant and equipment		**5,455**	5,799
Right of use assets		**1,930**	2,283
Goodwill		**53,885**	53,885
Other intangible assets		**49,147**	51,474
Investments in associates and joint venture	9	**12,462**	12,301
Derivative financial instruments		**338**	302
Trade and other receivables	10	**515**	353
Deferred tax asset		**1,117**	719
Total non-current assets		**124,849**	127,116
Current assets			
Trade and other receivables	10	**12,530**	9,321
Cash and cash equivalents	11	**24,525**	21,940
Corporation tax asset		**232**	-
Total current assets		**37,287**	31,261
Total assets		**162,136**	158,377
Equity and liabilities			
Share capital	15	**58**	57
Share premium		**55,163**	48,155
Capital redemption reserve		**20**	20
Share option reserve		**5,018**	6,045
Retained earnings		**9,679**	15,921
Equity attributable to owners of Parent Company		**69,938**	70,198
Non-controlling interests		**1,399**	4,211
Total equity		**71,337**	74,409
Liabilities			
Non-current liabilities			
Trade and other payables	12	**2,739**	2,642
Redemption liability	4	**4,194**	2,793
Lease liabilities		**1,348**	1,805
Derivative financial instruments		**188**	183
Loans and borrowings	13	**10,580**	12,426
Deferred tax liability		**11,128**	11,417
Total non-current liabilities		**30,177**	31,266
Current liabilities			
Trade and other payables	12	**37,031**	35,225
Clawback liability		**11,581**	10,331
Lease liabilities		**932**	931
Loans and borrowings	13	**11,078**	5,824
Corporation tax liability		**-**	391
Total current liabilities		**60,622**	52,702
Total liabilities		**90,799**	83,968
Total equity and liabilities		**162,136**	158,377

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2024

	Note	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	Share option reserve £'000s	Retained earnings £'000s	Total £'000s	Non-controlling interest £'000s	Total equity £'000s
		Attributable to holders of the Parent Company							
Balance as at 1 January 2023		**57**	**48,155**	**20**	**4,511**	**15,154**	**67,897**	**7,548**	**75,445**
Profit for the period		-	-	-	-	6,423	6,423	7	6,430
Total comprehensive income		-	-	-	-	6,423	6,423	7	6,430
Transactions with owners									
Share based payment transactions		-	-	-	1,289	-	1,289	-	1,289
Current and deferred tax recognised in equity	6	-	-	-	296	-	296	-	296
Acquisition of minority interests		-	-	-	-	45	45	(140)	(95)
Reserve transfer		-	-	-	(378)	378	-	-	-
Dividends paid	8	-	-	-	-	(8,384)	(8,384)	(357)	(8,741)
Total transactions with owners		-	-	-	1,207	(7,961)	(6,754)	(497)	(7,251)
Balance at 30 June 2023 (unaudited)		**57**	**48,155**	**20**	**5,718**	**13,616**	**67,566**	**7,058**	**74,624**
Balance as at 1 January 2024		**57**	**48,155**	**20**	**6,045**	**15,921**	**70,198**	**4,211**	**74,409**
Profit for the period		-	-	-	-	3,695	3,695	152	3,847
Total comprehensive income		-	-	-	-	3,695	3,695	152	3,847
Transactions with owners									
Acquisition of minority interests	4	1	7,008	-	(2,544)	(1,730)	2,735	(2,735)	-
Share-based payment transactions		-	-	-	1,330	-	1,330	-	1,330
Current and deferred tax recognised in equity	6	-	-	-	366	15	381	-	381
Reserve transfer		-	-	-	(179)	179	-	-	-
Dividends paid	8	-	-	-	-	(8,401)	(8,401)	(229)	(8,630)
Total transactions with owners		**1**	**7,008**	**-**	**(1,027)**	**(9,937)**	**(3,955)**	**(2,964)**	**(6,919)**
Balance at 30 June 2024 (unaudited)		**58**	**55,163**	**20**	**5,018**	**9,679**	**69,938**	**1,399**	**71,337**

Interim condensed consolidated statement of cash flows
for the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024	2023
		Unaudited	Unaudited
	Note	**£'000**	£'000
Cash flows from operating activities			
Profit for the period before tax		**6,225**	7,579
Adjustments for:			
Depreciation of property, plant and equipment		**569**	621
Depreciation of right of use assets		**352**	443
Amortisation of intangibles		**2,787**	2,693
Profit on disposal of fixed assets		**(4)**	-
Share-based payments	17	**1,842**	1,473
Share of profit from associates	9	**(379)**	(75)
Loss/(Gain) on remeasurement of redemption liability	4	**1,104**	(3,485)
Unwinding of loan arrangement fees		**37**	-
(Gain)/Loss on fair value movements taken to profit and loss		**(31)**	214
Dividends received from associates	9	**218**	-
Finance income	5	**(295)**	(130)
Finance expense	5	**972**	1,081
		13,397	10,414
Changes in working capital			
Increase in trade and other receivables	10	**(3,371)**	(3,529)
Increase in trade and other payables	12	**3,727**	4,721
Increase in clawback liability		**1,250**	516
Cash generated from operating activities		**15,003**	12,122
Income taxes paid		**(3,305)**	(3,309)
Interest received		**295**	-
Acquisition of minority interests	4	**(2,336)**	(189)
Net cash generated from operating activities		**9,657**	8,624
Cash flows from investing activities			
Purchase of property, plant and equipment		**(223)**	(720)
Purchase of intangibles		**(458)**	(498)
Acquisition of associates		**-**	(469)
Net cash used in investing activities		**(681)**	(1,687)
Cash flows from financing activities			
Proceeds from borrowings		**5,299**	2,800
Repayment of borrowings		**(1,875)**	(1,875)
Interest received		**-**	122
Interest paid		**(729)**	(608)
Principal element of lease payments		**(456)**	(455)
Dividends paid to Company's shareholders	8	**(8,401)**	(8,384)
Dividends paid to minority interest		**(229)**	(357)
Net cash used in financing activities		**(6,391)**	(8,757)
Net increase/(decrease) in cash and cash equivalents		**2,585**	(1,820)
Cash and cash equivalents at the beginning of the period		**21,940**	25,462
Cash and cash equivalents at the end of the period		**24,525**	23,642

Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2024

1 Accounting policies

Corporate information

The interim condensed consolidated financial statements of Mortgage Advice Bureau (Holdings) plc and its subsidiaries (collectively, "the Group") for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 23 September 2024.

Mortgage Advice Bureau (Holdings) plc ("the Company") is a public limited company incorporated and domiciled in England whose shares are publicly traded on the Alternative Investment Market ("AIM"). The registered office is located at Capital House, Pride Place, Pride Park, Derby, DE24 8QR. The Group's principal activity is the provision of financial services.

Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 'Interim financial reporting' and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. They do not include all of the information required for full annual financial statements and should be read in conjunction with the 2023 Annual Report and Accounts, which were prepared in accordance with UK – adopted international accounting standards.

The comparative figures for the six months ended 30 June 2023 are not the Group's statutory accounts for that financial period. The accounts for the year ended 31 December 2023 have been reported on by the Group's auditors and delivered to the registrar of companies. There are no changes in the basis of preparation adopted, which remains in line with the 2023 audited accounts.

The accounting policies applied are consistent with those described in the Annual Report and Group financial statements for the year ended 31 December 2023. New or amended standards effective in the period have not had a material impact on the condensed consolidated interim financial statements.

Going concern

The Directors have assessed the Group's prospects until 31 December 2025, taking into consideration the current operating environment, including the impact of geopolitical and macroeconomic uncertainty and inflationary pressures on property and lending markets. The Directors' financial modelling considers the Group's profit, cash flows, regulatory capital requirements, borrowing covenants and other key financial metrics over the period.

These metrics are subject to sensitivity analysis, which involves flexing a number of key assumptions underlying the projections, including the effect of geopolitical and macroeconomic uncertainty and inflationary pressures and their impact on the UK property and lending markets and the Group's business volumes and revenue mix, which the Directors consider to be severe but plausible stress tests on the Group's cash position, banking covenants and regulatory capital adequacy. The Group's financial modelling shows that the Group should continue to be cash generative, maintain a surplus on its regulatory capital requirements and be able to operate within its current financing arrangements.

Based on the results of the financial modelling, the Directors expect that the Group will be able to continue in operation and meet its liabilities as they fall due over this period. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Significant estimates and judgements

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2023. There have been no material revisions to the nature and amount of estimates reported in prior period.

The impairment reviews conducted at the end of 2023 concluded that there had been no further impairment of goodwill. We have performed an impairment assessment to the period ending 30 June 2024 and there are no matters which have arisen that indicate that an impairment is required.

Future new standards and interpretations

A number of new standards and amendments to standards and interpretations will be effective for future annual and interim periods, and therefore have not been applied in preparing these condensed consolidated interim financial statements. At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

Standard or Interpretation	**Periods commencing on or after**
IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2 - Climate-related Disclosures	1 January 2024

IFRS S1 and IFRS S2 are not expected to have a material impact on the results of the Group other than to expand on climate related disclosures within the financial statements. It is anticipated that transition reliefs for comparative information prior to the first year of adoption will be utilised. At the time of preparing the most recent consolidated financial statements, a decision on the UK adoption of the IFRS Sustainability Standards was expected by June 2024, however this has now been delayed to January 2025. We have not decided to voluntarily apply these standards within these interim financial statements, nor will we in the full year financial statements ending 31 December 2024 and as such there is no impact upon these statements.

Segment reporting

An operating segment is a distinguishable segment of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are reviewed regularly by the entity's chief operating decision maker ("CODM"). The Board reviews the Group's operations and financial position as a whole and therefore considers that it has only one operating segment, being the provision of financial services operating solely within the UK. The information presented to the CODM directly reflects that presented in the financial statements and they review the performance of the Group by reference to the results of the operating segment against budget.

Operating profit is the profit measure, as disclosed on the face of the consolidated statement of comprehensive income, that is reviewed by the CODM.

During the six month period to 30 June 2024, there have been no changes from the prior year in the measurement methods used to determine operating segments and reported segment profit or loss.

2 Revenue

The Group operates in one segment being that of the provision of financial services in the UK. Revenue is derived as follows:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	£'000	£'000
Mortgage procuration fees	**48,813**	48,456
Protection and general insurance commission	**48,768**	44,913
Client fees	**23,972**	21,899
Other income	**2,380**	2,277
	123,933	117,545

3 Cost of sales

Costs of sales are as follows:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	£'000	£'000
Commissions paid	**67,530**	65,556
Fluent affinity partner payments	**7,169**	6,660
Movement in provision for impairment of trade receivables	**(141)**	-
Other cost of sales	**771**	644
Wages and salary costs	**10,890**	11,741
	86,219	84,601

4 Acquisition related costs, acquisition of minority interests and redemption liability

First Mortgage Direct Limited

Exercise of put and call option

On 29 May 2024 Mortgage Advice Bureau Limited exercised its option to purchase the remaining 20% stake in First Mortgage for £9.4m. This was funded through £2.4m of cash consideration and a £7.0m equity share issue by the parent entity, Mortgage Advice Bureau (Holdings) plc. The £7.0m equity share issue resulted in clearing £2.7m of accumulated non-controlling interest, a reduction in parent equity of £1.7m and a transfer of £2.5m from the share option reserve.

The costs relating to this acquisition for the period are made up as follows:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	£'000	£'000
Amortisation of acquired intangibles	**183**	183
Option costs (IAS 19)	**412**	224
Option costs (IFRS 2)	**512**	205
Acquisition related costs	**47**	-
Total costs	**1,154**	612

The Fluent Money Group Limited

Put and call options

There is a put and call option over the remaining 15.7% of the issued share capital of Fluent which has been accounted for under IAS 32 Financial Instruments and IFRS 2 Share-based Payments, as respectively a proportion is treated as consideration under IAS 32, with the balance treated as remuneration under IFRS 2, because the amount payable on exercise of the option consists of a non-contingent element, and an element that is contingent upon continued employment of the option holders within the Group. There is also a put and call option over certain growth shares that have been issued to Fluent's wider management team that has been accounted for under IFRS 2 Share-based Payments as exercise is solely contingent upon continued employment.

The costs relating to this acquisition for the period are made up as follow:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	£'000	£'000
Amortisation of acquired intangibles	**2,199**	2,199
Option costs (IFRS 2)	**972**	630
Acquisition related costs	**42**	128
Total costs	**3,213**	2,957

Vita Financial Limited

The costs relating to this acquisition for the period are made up as follow:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	£'000	£'000
Amortisation of acquired intangibles	**33**	33
Acquisition related costs	**-**	10
Total costs	**33**	43

Aux Group Limited

Put and call options

There is a put and call option over the remaining 25% of the issued share capital of Aux Group Limited which has been accounted for under IAS 32 Financial Instruments and IFRS 2 Share-based Payments, as respectively a proportion is treated as consideration under IAS 32, with the balance treated as remuneration under IFRS 2 because the amount payable on exercise of the option consists of a non-contingent element, and an element that is contingent upon continued employment of the option holder within the Group.

The costs relating to this acquisition for the period are made up as follow:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	£'000	£'000
Amortisation of acquired intangibles	**165**	165
Option costs (IFRS 2)	**95**	22
Acquisition related costs	**-**	10
Total costs	**260**	197

Redemption liability

At 30 June 2024, the expected cash flows relating to the redemption liability were remeasured resulting in a loss of £1.1m included within the consolidated statement of comprehensive income. £0.3m has been included within finance expenses relating to the unwinding of the redemption liability from the end of the prior year.

Carrying value of redemption liability	30 June 2024	31 December 2023
	Unaudited	Audited
	£'000	£'000
Balance as at 1 Jan	**2,793**	7,186
Purchase of additional minority interest in Fluent	**-**	(1,090)
Loss/(Gain) on remeasurement	**1,104**	(4,486)
Unwinding of redemption liability	**297**	1,183
Balance as at period end	**4,194**	2,793

5 Finance income and expense

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
Finance Income	**£'000**	£'000
Interest income	**295**	122
Interest income accrued on loans to associates	**-**	8
	295	130

Finance expenses		
Interest expense	**638**	620
Interest expense on lease liabilities	**37**	58
Unwinding of redemption liability	**297**	403
	972	1,081

6 Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statements of comprehensive income are:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
Current tax expense	**£'000**	£'000
UK corporation tax charge on profit for the period	**2,696**	2,085
Total current tax	**2,696**	2,085

Deferred tax expense		
Origination and reversal of timing differences	**(318)**	(936)
Total deferred tax	**(318)**	(936)
Total tax expense	**2,378**	1,149

For the period ended 30 June 2024 the deferred tax credit relating to unexercised share options recognised in equity was £0.4m (2023: £0.3m).

The deferred tax asset is recognised after being assessed as recoverable on the basis of available evidence including projected profits, capital and liquidity position. The deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The headline UK rate of corporation tax for the period 25% (2023: 23.52%), and the rate at which deferred tax has been provided is 25% (2023: 25%)

7 Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Six months ended 30 June	
	2024	2023
Basic earnings per share	**Unaudited**	Unaudited
Profit for the period attributable to the owners of the parent (£'000)	**3,695**	6,423
Weighted average number of shares in issue	**57,260,870**	57,054,481
Basic earnings per share (in pence per share)	**6.5**	11.3

For diluted earnings per share, the weighted average number of ordinary shares in existence is adjusted to include potential ordinary shares arising from share options.

	Six months ended 30 June	
	2024	2023
Diluted earnings per share	**Unaudited**	Unaudited
Profit for the period attributable to the owners of the parent (£'000)	**3,695**	6,423
Weighted average number of shares in issue	**57,547,255**	57,288,052
Diluted earnings per share (in pence per share)	**6.4**	11.2

The share data used in the basic and diluted earnings per share computations are as follows:

	Six months ended 30 June	
	2024	2023
Weighted average number of ordinary shares	**Unaudited**	Unaudited
Issued ordinary shares at the start of the year	**57,127,034**	57,054,481
Effect of shares issued during the period	**133,836**	-
Basic weighted average number of shares	**57,260,870**	57,054,481
Potential ordinary shares arising from options	**286,385**	233,571
Diluted weighted average number of shares	**57,547,255**	57,288,052

The reconciliation between the basic and adjusted figures is as follows:

	Six months ended 30 June					
	2024 Unaudited £'000	2023 Unaudited £'000	**2024 Basic earnings per share pence**	2023 Basic earnings per share pence	**2024 Diluted earnings per share pence**	2023 Diluted earnings per share pence
Profit for the period	**3,695**	6,423	**6.5**	11.3	**6.4**	11.2
Adjustments:						
Amortisation of acquired intangibles	**1,887**	2,580	**3.3**	4.5	**3.3**	4.5
Costs relating to the First Mortgage, Fluent and Auxilium options	**1,814**	920	**3.2**	1.6	**3.2**	1.6
Costs relating to Fluent and Auxilium acquisitions	**89**	148	**0.2**	0.3	**0.2**	0.3
Loss on derivative financial instruments	**(31)**	214	**(0.1)**	0.4	**(0.1)**	0.4
Restructuring costs	**-**	182	**-**	0.3	**-**	0.3
Remeasurement and unwinding of redemption liability	**1,401**	(3,082)	**2.4**	(5.4)	**2.4**	(5.4)
Tax effect of adjustments	**(339)**	(644)	**(0.6)**	(1.2)	**(0.6)**	(1.1)
Adjusted earnings	**8,516**	6,741	**14.9**	11.8	**14.8**	11.8

The Group uses adjusted results as key performance indicators, as the Directors believe that these provide a more consistent measure of operating performance. Adjusted earnings is therefore stated before one-off acquisition costs, one-off restructuring costs, ongoing non-cash items relating to the acquisitions of First Mortgage, Fluent and Auxilium, fair value gains on financial instruments relating to options to increase shareholding in associate businesses and impairment of loans to related parties, net of tax.

8 Dividends

	Six months ended 30 June	
	2024 Unaudited £'000	2023 Unaudited £'000
Dividends paid and declared on ordinary shares during the period:		
On ordinary shares at 14.7p per share (2023:14.7p)	**8,401**	8,384
	8,401	8,384
Equity dividends on ordinary shares:		
Declared:		
Interim dividend for 2024 13.4p per share (2023:13.4p)	**7,766**	7,655
	7,766	7,655

9 Investment in associates and joint ventures

The investment in associates and a joint venture at the reporting date is as follows:

	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
At start of the period	**12,301**	11,387
Additions	**-**	469
Credit to statement of comprehensive income		
Share of profit	**379**	848
	379	848
Dividends received	**(218)**	(403)
At period end	**12,462**	12,301

The Group is entitled to the results of its associates in equal proportion to its equity stakes.

10 Trade and other receivables

	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Trade receivables	**2,796**	2,028
Less provision for impairment of trade receivables	**(313)**	(454)
Trade receivables - net	**2,483**	1,574
Other receivables	**699**	924
Loans to related parties	**404**	201
Less provision for impairment of loans to related parties	**-**	(18)
Total financial assets other than cash and cash equivalents	**3,586**	2,681
Prepayments and accrued income	**9,459**	6,993
Total trade and other receivables	**13,045**	9,674
Less: non-current - Loans to related parties	**(207)**	(77)
Less: non-current - Trade receivables	**(308)**	(276)
Current trade and other receivables	**12,530**	9,321

Reconciliation of movement in trade and other receivables to cash flow	30 June 2024 Unaudited £'000	30 June 2023 Unaudited £'000
Movement per trade receivables	**3,371**	3,537
Accrued interest movement	**-**	(8)
Total movement per cash flow	**3,371**	3,529

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Included within trade receivables are operational business loans to Appointed Representatives. The non-current trade receivables balances is comprised of loans to Appointed Representatives.

Also included in trade receivables are amounts due from Appointed Representatives relating to commissions that are refundable to the Group when policy lapses or other reclaims exceed new business. As these balances have no credit terms, the Board of Directors consider these to be past due if they are not received within seven days. In the management of these balances, the Directors can recover them from subsequent new business entered into with the Appointed Representative or utilise payables that are owed to the same counterparties and included within payables as the Group has the legally enforceable right of set off in such circumstances. These payables are considered sufficient by the Directors to recover receivable balances should they default, and, accordingly, credit risk in this respect is minimal.

In light of the above, the Directors do not consider that disclosure of an aging analysis of trade and other receivables would provide useful additional information. Further information on the credit quality of financial assets is set out in note 14.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. As at 30 June 2024 the lifetime expected loss provision for trade receivables is £0.3m (2023: £0.5m). The movement in the impairment allowance for trade receivables has been included in cost of sales in the consolidated statement of comprehensive income.

Impairment provisions for loans to associates are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. In determining the lifetime expected credit losses for loans to associates, the Directors have considered different scenarios for repayments of these loans and have applied percentage probabilities to each scenario for each associate where applicable.

11 Cash and cash equivalents

	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Unrestricted cash and bank balances	**4,944**	3,022
Bank balances held in relation to retained commissions	**19,581**	18,918
Cash and cash equivalents	**24,525**	21,940

Bank balances held in relation to retained commissions earned on an indemnity basis from protection policies are held to cover potential future lapses in Appointed Representatives commissions. Operationally the Group does not treat these balances as available funds. An equal and opposite liability is shown within Trade and other payables (note 12).

12 Trade and other payables

	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Appointed Representatives retained commission	**19,581**	18,918
Other trade payables	**9,310**	7,644
Trade payables	**28,891**	26,562
Social security and other taxes	**2,241**	2,116
Other payables	**233**	169
Accruals	**8,405**	9,020
Total trade and other payables	**39,770**	37,867

	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Current	**37,031**	35,225
Non-current	**2,739**	2,642
Total trade and other payables	**39,770**	37,867

Should a protection policy be cancelled within four years of inception, a proportion of the original commission will be clawed back by the insurance provider. The majority of any such repayment is payable by the Appointed Representative, with the Group making its own liability for its share of any such repayment. It is the Group's policy to retain a proportion of commission payable to the Appointed Representative to cover such potential future lapses; these sums remain a liability of the Group. This commission is held in a separate ring-fenced bank account as described in note 11.

The non-current portion of trade and other payables relates to Appointed Representative retained commission and accruals.

As at 30 June 2024 and 31 December 2023, the carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Reconciliation of movement in trade and other payables to cash flow	30 June 2024 Unaudited £'000	30 June 2023 Unaudited £'000
Movement per trade and other payables	**1,903**	1,729
Redemption liability	-	3,176
Share-based payment accruals	**(512)**	(184)
Acquisition of associates and contingent consideration for associates	**2,336**	-
Total movement per cash flow	**3,727**	4,721

13 Loans and borrowings

	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Bank loans	**21,658**	18,250
Total loans and borrowings	**21,658**	18,250
Less: non-current - Bank loans	**(10,580)**	(12,426)
Current loans and borrowings	**11,078**	5,824

A summary of the maturity of loans and borrowings is as follows:

Bank loans	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Payable in 1 year	**11,078**	5,824
Payable in 1-2 years	**3,750**	3,750
Payable in 2-5 years	**6,830**	8,676
Total bank loans	**21,658**	18,250

Loan covenants

Under the terms of the Facilities Agreement, the Group is required to comply with the following financial covenants:

- Interest cover shall not be less than 5:1
- Adjusted leverage shall not exceed 2:1

The Group has complied with these covenants since the Facilities Agreement was entered into.

14 Financial instruments - risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

- Trade and other receivables
- Derivative financial instruments
- Cash and cash equivalents
- Trade and other payables
- Loans and other borrowings

A summary of financial instruments by category is provided below:

Financial assets	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Cash and cash equivalents	**24,525**	21,940
Trade and other receivables (amortised cost)	**3,586**	2,681
Derivative financial instruments (FVTPL)	**338**	302
Total financial assets	**28,449**	24,923

Financial liabilities	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Trade and other payables (amortised cost)	**9,542**	7,812
Loans and borrowings (amortised cost)	**21,658**	18,250
Accruals (amortised cost)	**8,405**	9,020
Redemption liability (FVTPL)	**4,194**	2,793
Clawback liability (FVTPL)	**11,581**	10,331
Lease liabilities (amortised cost)	**2,280**	2,736
Derivative financial instruments (FVTPL)	**188**	183
Appointed representative retained commission (amortised cost)	**19,581**	18,918
Total financial liabilities	**77,429**	70,043

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies, and designs and operates processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board sets guidelines to the finance team and monitors adherence to its guidelines on a monthly basis.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Credit risk

Credit risk is the risk of financial loss to the Group if a trading partner or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from loans to its trading partners. It is Group policy to assess the credit risk of trading partners before advancing loans or other credit facilities. Assessment of credit risk utilises external credit rating agencies. Personal guarantees are generally obtained from the Directors of its trading partners.

The carrying amounts stated above represent the Group's maximum exposure to credit risk for trade and other receivables. An element of this risk is mitigated by collateral held by the Group for amounts due to them.

Trade receivables consist of a large number of unrelated trading partners and therefore credit risk is not concentrated. Due to the large volume of trading partners the Group does not consider that there is any significant credit risk as a result of the impact of external market factors on their trading partners. Additionally, within trade payables are Appointed Representative retained commission amounts due to the same trading partners that are included in trade receivables; this collateral of £0.2m (2023: £0.2m) reduces the credit risk.

The Group's credit risk on cash and cash equivalents is limited because the Group places funds on deposit with National Westminster Bank plc (rated A), The Royal Bank of Scotland plc (rated A+), Barclays plc (rated A), HSBC Bank plc (rated AA-) and Bank of Scotland plc (rated A+).

Market risk

Interest rate risks

The Group's main interest rate risk arises from borrowings, both short term facilities and long-term debt, with floating interest rates that are linked to SONIA. The Group manages the risk by continually reviewing expected future volatility in UK interest rates and will consider entering into hedges as deemed appropriate to fix the floating interest rate. A maturity analysis of loans and borrowings is set out in Note 13.

Foreign exchange risk

As the Group does not operate outside of the United Kingdom and has only one investment outside the United Kingdom, it is not exposed to any material foreign exchange risk.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group's trade and other payables are repayable within one year from the reporting date and the contractual undiscounted cash flow analysis for the Group's trade and other payables is the same as their carrying value.

Capital management

The Group monitors its capital which consists of all components of equity (i.e. share capital, share premium, capital redemption reserve, share option reserve and retained earnings).

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders,
- To ensure that capital is maintained at all times to ensure that financial resource requirements set by its regulator, the Financial Conduct Authority, are exceeded at all times, and
- To ensure the Group has the cash available to develop the services provided by the Group to provide an adequate return to shareholders.

15 Share capital

Issued and fully paid	**30 June 2024 Unaudited £'000**	31 December 2023 Audited £'000
Ordinary shares of 0.1p each	**58**	57
Total share capital	**58**	57

During the period 25,001 ordinary shares of 0.1p each were issued following partial exercise of options issued in 2020 and 2021 at no premium. 804,754 ordinary shares were also issued following the exercise of the option over the remaining 20% stake in First Mortgage Direct Limited, see note 4 for further details. As at 30 June 2024, there were 57,956,789 ordinary shares of 0.1p in issue (2023: 57,127,034).

16 Related party transactions

The following table shows the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2024 and 2023, as well as balances with related parties as at 30 June 2024 and 31 December 2023.

	Relationship	Commission received/(paid)		Balance of retained commissions*		Loans owed to MAB	
		30 June 2024 £'000	30 June 2023 £'000	**30 June 2024 £'000**	31 December 2023 £'000	**30 June 2024 £'000**	31 December 2023 £'000
Buildstore Limited	Associate	**(496)**	(419)	**38**	23	**13**	-
Sort Limited	Associate	**639**	811	**-**	-	**-**	-
Clear Mortgage Solutions Limited	Associate	**(2,654)**	(2,506)	**667**	595	**-**	-
Evolve FS Ltd	Associate	**(1,694)**	(1,876)	**223**	178	**-**	-
The Mortgage Broker Limited	Associate	**(767)**	(728)	**39**	67	**-**	5
Meridian Holdings Group Ltd	Associate	**(2,302)**	(2,085)	**555**	550	**-**	81
M & R FM Ltd	Associate	**(1,911)**	(1,460)	**230**	184	**-**	-
Heron Financial Limited	Associate	**(1,823)**	(724)	**80**	41	**318**	-
Pinnacle Surveyors (England & Wales) Ltd	Associate	**52**	-	**-**	-	**48**	100
MAB Broker Services PTY Limited	Joint Venture	**-**	-	**-**	-	**15**	15

* Balances in relation to retained commissions are to cover future lapses

During the period the Group received dividends from associate companies as follows:

	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Clear Mortgage Solutions Limited	**32**	56
M & R FM Limited	**186**	222
Heron Financial Limited	**-**	125
Total dividends received	**218**	403

17 Share-based payments

On 22 April 2024 and 24 May 2024, 274,563 and 50,986 options over ordinary shares of 0.1 pence each in the Company, respectively, were granted to the Executive Directors and senior executives of the Group under the equity settled Mortgage Advice Bureau Executive Share Option Plan (the "Options"). Exercise of the Options is subject to the service conditions and achievement of performance conditions based on total shareholder return and earnings per share criteria. Subject to achievement of the performance conditions, the Options will be exercisable 35 months and 34 months respectively from the date of grant. The exercise price for the Options is 0.1 pence, being the nominal cost of the Ordinary Shares.

Options exercised in April 2024 resulted in 25,001 ordinary shares being issued at an exercise price of £0.01. The price of the ordinary shares at the time of exercise were £9.22.

Share-based remuneration expense

The share-based remuneration costs for the period are made up as follows:

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	£'000	£'000
Charge for equity settled schemes	**296**	416
National Insurance on equity settled schemes	**(248)**	(13)
Share incentive plan costs	**50**	80
Free shares awarded to employees	**165**	133
Charge for equity settled acquisition options	**1,034**	872
Charge for cash settled acquisition options	**545**	(15)
Total costs	**1,842**	1,473

18 Events after the reporting date

There were no material events after the reporting period which have a bearing on the understanding of these interim financial statements.

Glossary of Alternative Performance Measures ("APMs") for the Group's interim report and financial statements

Certain numerical information and other amounts and percentages presented have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

APM	Closest equivalent statutory measure	Definition and purpose
Income statement measures		
Administrative expenses ratio	None	Calculated as administrative expenses (which exclude amortisation of acquired intangibles, acquisition costs incurred in the year and non-cash operating expenses relating to put and call option agreements) divided by revenue.
Adjusted EBITDA	None	Calculated as EBITDA before charges associated with acquisition and investments, and other adjusting items that the Group deems, by their nature, require adjustment in order to show more accurately the underlying business performance of the Group from period to period in a consistent manner. Charges associated with acquisition or investments in businesses include: • non-cash charges such as amortisation of acquired intangibles and the effect of fair valuation of acquired assets, • non-cash operating expenses relating to put and call option agreements and cash charges including transaction costs, • fair value movements on deferred and contingent consideration, and • fair value movements on derivative financial instruments.

£m	H1 2024	H1 2023
Gross profit	**37.7**	32.9
Administrative expenses	**(25.5)**	(23.7)
Depreciation	**0.9**	1.1
Amortisation	**0.2**	0.1
Share of profit from associates	**0.4**	0.1
Rounding difference	**0.1**	-
Adjusted EBITDA	**13.8**	10.5

APM	Closest equivalent statutory measure	Definition and purpose
Adjusted EBITDA margin	None	Calculated as Adjusted EBITDA divided by revenue.
Adjusted operating profit	Operating profit	Calculated as operating profit before charges associated with acquisition and investments, and other adjusting items that the Group deems, by their nature, require adjustment in order to show more accurately the underlying business performance of the Group from period to period in a consistent manner. Charges associated with acquisition or investments in businesses include: • non-cash charges such as amortisation of acquired intangibles and the effect of fair valuation of acquired assets, • non-cash operating expenses relating to put and call option agreements and cash charges including transaction costs, • fair value movements on deferred and contingent consideration, and • fair value movements on derivative financial instruments.

£m	**H1 2024**	H1 2023
Operating profit	**8.0**	5.0
Amortisation of acquired intangibles	**2.6**	2.6
Acquisition costs	**0.1**	0.1
Non-cash operating expenses relating to put and call option agreements	**2.0**	1.1
Non-cash fair value losses on financial instruments	**-**	0.2
Restructuring costs	**-**	0.2
Round difference	**(0.1)**	0.1
Adjusted operating profit	**12.6**	9.3

Adjusted profit before tax	Profit before tax	Calculated as profit before tax before charges associated with acquisition and investments, and other adjusting items that the Group deems, by their nature, require adjustment in order to show more accurately the underlying business performance of the Group from period to period in a consistent manner. Charges associated with acquisition or investments in businesses include: • non-cash charges such as amortisation of acquired intangibles and the effect of fair valuation of acquired assets, • non-cash operating expenses relating to put and call option agreements and cash charges including transaction costs, • fair value movements on deferred and contingent consideration, and • fair value movements on derivative financial instruments.

£m	**H1 2024**	H1 2023
Profit before tax	**6.2**	7.6
Amortisation of acquired intangibles	**2.6**	2.6
Acquisition costs	**0.1**	0.1
Non-cash operating expenses relating to put and call option agreements	**2.0**	1.1
Non-cash fair value losses on financial instruments	**-**	0.2
Restructuring costs	**-**	0.2
Unwinding of redemption liability	**1.4**	(3.1)
Round difference	**-**	0.1
Adjusted profit before tax	**12.3**	8.8

Adjusted profit before tax margin	None	Calculated as Adjusted profit before tax divided by revenue
Adjusted earnings per share	Basic earnings per share	Calculated as basic earnings per share before charges (net of tax) associated with acquisition and investments, and other adjusting items that the Group deems, by their nature, require adjustment in order to show more accurately the underlying business performance of the Group from period to period in a consistent manner. See note 7 for further details.
Adjusted fully diluted earnings per share	Diluted earnings per share	Calculated as diluted earnings per share (basic EPS, adjusting for the effects of potentially dilutive share options) before charges (net of tax) associated with acquisition and investments, and other adjusting items that the Group deems, by their nature, require adjustment in order to show more accurately the underlying business performance of the Group from period to period in a consistent manner. See note 7 for further details.

Cash flow measures		
Adjusted cash generated	None	Adjusted cash generated is cash generated from operating activities adjusted for movements in non-trading items, including loans to AR firms and associates, cash transaction costs, and increases in restricted cash balances as a percentage of adjusted operating profit.

£m	H1 2024	H1 2023
Cash generated from operating activities	**15.0**	12.1
Acquisition costs	**0.1**	0.1
Restructuring costs	**-**	0.2
Increase in loans to AR firms and associates	**0.6**	0.1
Increase in restricted cash balances	**(0.7)**	(0.4)
Rounding differences	**-**	0.1
Adjusted cash generated	**15.0**	12.2

Adjusted cash conversion	None	Adjusted cash conversion is adjusted cash generated as a percentage of adjusted operating profit
Balance sheet measures		
Net debt	None	Loans and borrowings less unrestricted cash balances.