



Personal
Group

Personal Group Holdings Plc Interim Statement

For the six months ended 30 June 2024



Interim Results & Interim Dividend for the six months ended 30 June 2024

Positive first half performance, driven by growth across all business lines

On track to meet market expectations for the full year

Personal Group Holdings Plc (AIM: PGH), the workforce benefits and health insurance provider, is pleased to announce its interim results for the six months ended 30 June 2024.

The last six months have seen a strong performance across the business with the evolution of a clear strategy to capture a significant market opportunity. The Company has delivered double digit revenue growth across all areas of the business and notable EBITDA growth in excess of 30%.

Highlights

Financial

- Revenue from Continuing Operations* up 14% to £21.0m (H1 2023: £18.4m), with growth across all areas
- Recurring revenue now 81% of total, up from 76% in H1 2023
- Adjusted EBITDA** from Continuing Operations* up 31% to £3.9m (H1 2023: £3.0m)
- Profit before tax from Continuing Operations* up 14% to £2.3m (H1 2023: £2.0m)
- Basic EPS of 5.4p (H1 2023: 4.5p)
- Recurring revenue continues to increase across the Group, providing high levels of visibility for the second half of FY24 and beyond:
 - Insurance Annualised Premium Income (“API”) increased by c.14% to £33.8m (H1 2023: £29.6m)
 - Benefits Platform Annual Recurring Revenue (“ARR”) increased c.15% to £6.3m (H1 2023: £5.5m)
 - Pay & Reward ARR increased c.6% to £0.7m (H1 2023: £0.6m)
- £5.2m of cash generated from operations, with cash and deposits at 30 June 2024 of £23.1m (31 December 2023: £20.1m), and debt free
- Interim dividend increased by 11% to 6.5p (H1 2023: 5.85p), reflecting the Board's continued confidence in the Group's performance and prospects

Operational

- New annualised insurance sales up 21% to £6.9m (H1 2023: £5.8m), a result of improved productivity alongside the growth in the size of the field sales team
- Disposal of Let's Connect post the period-end has resulted in a simplified Group structure, enabling greater focus on core areas of the business
- Remaining business now has c.80% of recurring revenues and is no longer impacted by the seasonality of Let's Connect
- 36 new client wins in the period (H1 2023: 36)
- Year on year retention rates for insurance remained strong at over 80%
- 100% of Sage Employee Benefits clients and c.40% of the Hapi Enterprise client base migrated across to next generation Hapi 2.0 platform, with full migration anticipated by the end of the year

Post-Period Trading and Outlook

Strong new insurance sales have continued at the start of H2 2024, with retention rates remaining robust.

Trading in Q3 2024 continues to be in line with management's expectations. This combined with the Group's growing proportion of recurring revenues underpins the Board's confidence in achieving market expectations for the full year.

* Continuing Operations excludes the results of Let's Connect, which was disposed of on 9 July 2024.

** Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation of intangible assets, goodwill impairment, share-based payment expenses, corporate acquisition costs and restructuring costs; this definition remains unchanged from previous periods.

Paula Constant, Chief Executive of Personal Group, commented:

“ We are pleased to be reporting another set of strong results, showing continued growth, an increasing base of recurring revenue with high customer retention and strong cash generation. In the light of our strong performance to date in 2024, I am pleased to announce an increased interim dividend of 6.5 pence.

Our aspiration is to be the champion of affordable and accessible benefits, keeping businesses and their employees happy, healthy and protected. Never has this been more important. The ongoing cost-of-living pressures, increased sick leave and long NHS waiting lists are combining to put considerable pressure on UK businesses and their employees. We are focused on providing them with the offerings they need to mitigate these challenges.

We have an excellent platform from which to grow. The work in my first year as CEO to crystalise the strategy and simplify our products, processes and organisation puts us in a strong position to accelerate growth through both organic and inorganic channels, delivering further value to all our stakeholders.”

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Notes to Editors

Personal Group Holdings Plc (AIM: PGH) is a workforce benefits and health insurance provider. Its vision is to be the champion of affordable and accessible insurance and benefits, keeping businesses and their employees happy, healthy and protected. The Group is proud to support the health and wellbeing of c. 1.25 million UK employees.

The Group's insurance provides employees with access to affordable, individual policies for hospital, recovery and death benefit plans. The Group's award-winning benefits platform, Hapi, brings together extensive employee benefits, discounts and rewards, in one responsive platform. As well as being sold direct to employers, the Hapi platform supports Sage's Employee Benefits offerings for SMEs.

This comprehensive range of offerings, powerful platform and unique sales model of face-to-face, one-to-one engagement with employees, provides Personal Group with a strong market position from which to grow.

Head-quartered in Milton Keynes, the Group has built an extensive blue-chip customer list over its 40-year history, including Airtanker, B & Q, Barchester Healthcare, British Transport Police, Merseyrail, Office of National Statistics, Randstad, Royal Mail Group, The Royal Mint, Stagecoach Group plc, and The University of York.

For further information on the Group please see www.personalgroup.com

CEO STATEMENT

I am pleased to report on a strong first half for the Group. We have seen record insurance sales again, with our unique face-to-face sales model and focus on increased effectiveness of the sales team driving high conversion rates. Our higher margin recurring SaaS revenue continues to grow, as we win new customers onto our Benefits platform, Hapi.

We have now successfully migrated a large proportion of our customer base onto our next generation of the platform, providing an enhanced experience for them and increased scalability for us. New customers have been secured across both benefits and insurance divisions and we continue to expand within our extensive customer base.

The disposal of Let's Connect, our salary sacrifice division, post period end has provided us with a simplified structure, while reducing the cash impact of seasonality within the business and enabling us to increase our focus on recurring

revenue streams. The proceeds of the disposal have further strengthened our balance sheet, increasing our ability to exploit what we see as a considerable opportunity ahead, through both organic and acquisitive means.

Personal Group is now a more focused business, with a majority of recurring revenue, high levels of cash generation, a unique offering and an extensive customer base. Following the completion of our market analysis and strategy review, we have a clear, compelling strategy for growth, both within our existing customer

base and more broadly, building on these strong foundations.

We are progressing a number of key growth initiatives moving forwards. For insurance, these comprise expanding our employee-paid portfolios, accelerating a simplified digital offering across the SME market, and partnering to access a greater proportion of employees in adjacent segments. We intend to strengthen our existing employer-paid group cash plan offering, establishing stronger broker relationships, and adding bolt on options to enhance our proposition.

On employee benefits, we will grow our higher margin, recurring SaaS revenue through further developing our relationship with Sage, progressing additional partnerships, continuing to monetise our eCommerce partnerships, including adding further gamification options, and accelerating our digital consulting propositions, which will also be offered through our Hapi platform. Following full migration, we will enhance the award-

winning Hapi platform offering with further AI and analytics.

We have agreed a set of aspirations to exit 2030. The KPIs to gauge our progress include growing revenues to in excess of £100m, group EBITDA to £30m, growth in our face-to-face insurance capability coupled with significant expansion into other channels, and an ambition to increase the size of our current digital SaaS annual recurring revenues to £20m. We believe we can achieve these based on organic initiatives but, with the strength of our balance sheet, and available cash, we also have the opportunity to accelerate growth through acquisitions.

We continue to work on streamlining and optimising our operations and I would like to thank the team for their ongoing passion, pace and professionalism. We have huge belief in the role we can play in positively impacting the happiness, health and protection of the UK workforce and I am excited to embark on delivering these aspirations with their support.

CEO STATEMENT

Divisional H1 Segmental Analysis

Insurance

New annualised insurance sales in the first six months rose by 21% to £6.9m (H1 2023: £5.8m), a result of the growth in the size of the field sales team alongside improved productivity and we recorded new 'best' performances for 'week' 'month' and 'quarter' during the period. This, alongside continued strong retention levels, helped to drive up the API value to £33.8m (31 Dec 2023: £31.6m) and led to an 11% increase in earned premium for the period to £15.4m (H1 2023: £13.8m). New customers secured in the period include Atalian and Europa Worldwide Group.

As anticipated, claims levels for the first half were higher than the previous year on Hospital Cash plans, as activity to address NHS backlogs continued. These combined factors resulted in a 3% increase in adjusted EBITDA contribution to £5.3m (H1 2023: £5.1m). The strong performance demonstrates both the market fit for the Group's offerings, and the increasing efficiency and focus of the sales team.

In July 2024, the Board approved its annual Consumer Duty Report, which confirmed that we believe we are meeting our FCA obligations in terms of product governance, fair value, customer service and consumer understanding. We remain committed to continually improving the way we monitor the outcomes consumers experience as well as keeping up to date with FCA guidance, thematic reviews and enforcement actions across the industry.

Benefits

Platform

Uptake of the Group's digital benefits platform, Hapi and Sage Employee Benefits ("SEB"), its SME focused offering in partnership with Sage, continued, resulting in growth in recurring subscription income, which ended the half year with collective ARR of £6.3m (H1 2023: £5.5m). Revenue from digital platform subscriptions and commissions from third party benefit suppliers which sit on the platform rose to £3.8m (H1 2023: £3.1m) with a resulting growth in EBITDA of 17% to £2.2m (H1 2023: £1.8m).

Migration of customers onto the next generation platform, Hapi 2.0, is progressing well, with all Sage customers now migrated onto SEB 2.0 and 40% of direct customers onto Hapi 2.0 with positive feedback received on both the improved employee and employer user experiences.

The platform continues to win notable industry awards, including Best Use of Technology in the 2024 Health and Wellbeing Awards, and Best Use of Technology in Benefits in the 2024 Workplace Savings & Benefits Awards.

Notable new Hapi customers secured in the period include the Office of National Statistics, DHU Healthcare and Karbon Homes.

Pay and Reward

The Group's Pay & Reward division had a positive period and as announced on 19 March, secured a significant three-year contract with a global airline, worth £650,000 in total, contributing approximately £100,000 per annum in ARR. The contribution from this sector increased by c.11% with revenue of £1.2m (H1 2023: £1.1m) and EBITDA of £0.3m (H1 2023: £0.2m).

Interim Dividend

The Company is pleased to announce an interim dividend for 2024 of 6.5p, representing an 11% increase on the previous year, to be paid on 8 November 2024 to members on the register as at 4 October 2024. Shares will be marked ex-dividend on 3 October 2024. The Board has considered the level of dividend in the context of the expectation of full year results, and this reflects continued confidence in the Group's business model and prospects.

Current Trading and Outlook

The market opportunity is, I believe, considerable and we have an excellent platform from which to grow our recurring revenues through both organic and inorganic means to deliver further value to all our stakeholders.

Trading in Q3 has remained robust and in line with management's expectations to date. This combined with the Group's growing proportion of recurring revenues underpins the Board's confidence in achieving market expectations for the full year.

Paula Constant
Group Chief Executive

24 September 2024



Consolidated Income Statement

	Note	6 months ended 30 June 2024 Unaudited £'000	6 months ended 30 June 2023 Unaudited (Restated*) £'000
Insurance revenue		15,409	13,848
Employee benefits and services		4,976	4,212
Other income		69	69
Investment income		582	295
Revenue		21,036	18,424
Insurance service expenses	4	(8,670)	(7,230)
Net expenses from reinsurance contracts held		(47)	(57)
Employee benefits and services expenses		(3,987)	(3,725)
Other expenses		(35)	(41)
Group administration expenses		(5,954)	(5,296)
Share based payment expenses		(80)	(110)
Charitable donations		(50)	(50)
Expenses		(18,823)	(16,509)
Operating profit		2,213	1,915
Finance costs		(53)	(22)
Unrealised gains on equity investments		90	77
Profit before tax		2,250	1,970
Tax	5	(376)	(306)
Profit for the period after tax from continuing operations		1,874	1,664
Loss for the period from discontinued operations	11	(185)	(255)
Total comprehensive income for the period		1,689	1,409
Earnings per share	6	Pence	Pence
Basic earnings (loss) per share			
Continuing operations		6.0	5.3
Discontinued operations		(0.6)	(0.8)
Total		5.4	4.5
Diluted earnings (loss) per share			
Continuing operations		5.9	5.3
Discontinued operations		(0.6)	(0.8)
Total		5.3	4.5

The total comprehensive income for the period is attributable to equity holders of Personal Group Holdings Plc.

Consolidated Balance Sheet

		At 30 June 2024 Unaudited £'000	At 31 Dec 2023 Audited (Restated*) £'000
	Note		
ASSETS			
Non-current assets			
Goodwill	7	2,684	2,684
Intangible assets	8	4,185	3,604
Property, plant and equipment	9	4,831	4,915
		11,700	11,203
Current assets			
Assets included in disposal group classified as held for sale	11	1,719	7,639
Financial assets	10	3,335	4,035
Trade and other receivables		7,996	8,872
Reinsurance contracts held		6	(2)
Cash and cash equivalents		20,692	17,433
Current tax assets		644	12
		34,392	37,989
Total assets		46,092	49,192

* Following the Group's decision to sell Let's Connect, revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line in the consolidated income statement. Assets and liabilities allocable to Let's Connect have been classified as a disposal group. See note 11 for further details.

Consolidated Balance Sheet

		At 30 June 2024 Unaudited £'000	At 31 Dec 2023 Unaudited (Restated) £'000
	Note		
EQUITY			
Equity attributable to equity holders of Personal Group Holdings plc			
Share capital		1,562	1,562
Share premium		1,134	1,134
Capital redemption reserve		24	24
Other reserve		(27)	(36)
Share based payment reserve		582	513
Profit and loss reserve		28,665	28,798
Total equity		31,940	31,995
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		879	778
Trade and other payables		599	548
		1,478	1,326
Current liabilities			
Liabilities included in disposal group classified as held for sale	11	553	2,534
Trade and other payables		11,047	12,602
Insurance contract liabilities		1,074	735
		12,674	15,871
Total liabilities		14,152	17,197
Total equity and liabilities		46,092	49,192

Consolidated Statement of Changes in Equity for the six months ended 30 June 2024

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Other reserve £'000	Share Based Payment Reserve £'000	Profit & loss reserve £'000	Total equity £'000
Balance as at 1 January 2024	1,562	1,134	24	(36)	513	28,798	31,995
Dividends	-	-	-	-	-	(1,827)	(1,827)
Employee share-based compensation	-	-	-	-	69	11	80
Proceeds of SIP* share sales	-	-	-	-	-	76	76
Cost of SIP shares sold	-	-	-	82	-	(82)	-
Cost of SIP shares purchased	-	-	-	(33)	-	-	(33)
Purchase of new shares	-	-	-	(40)	-	-	(40)
Transactions with owners	-	-	-	9	69	(1,822)	(1,744)
Profit for the period	-	-	-	-	-	1,689	1,689
Total comprehensive income for the period	-	-	-	-	-	1,689	1,689
Balance as at 30 June 2024	1,562	1,134	24	(27)	582	28,665	31,940

* PG Share Ownership Plan (SIP)

Consolidated Statement of Changes in Equity for the six months ended 30 June 2023

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Other reserve £'000	Share Based Payment Reserve £'000	Profit & loss reserve £'000	Total equity £'000
Balance as at 1 January 2023	1,562	1,134	24	(55)	367	27,946	30,978
Dividends	-	-	-	-	-	(1,656)	(1,656)
Employee share-based compensation	-	-	-	-	110	-	110
Proceeds of SIP* share sales	-	-	-	-	-	12	12
Cost of SIP shares sold	-	-	-	17	-	(17)	-
Cost of SIP shares purchased	-	-	-	(10)	-	-	(10)
Transactions with owners	-	-	-	7	110	(1,661)	(1,544)
Profit for the period	-	-	-	-	-	1,409	1,409
Total comprehensive income for the period	-	-	-	-	-	1,409	1,409
Balance as at 30 June 2023	1,562	1,134	24	(48)	477	27,694	30,843

* PG Share Ownership Plan (SIP)

Consolidated Statement of Cash Flows from continuing operations

	6 months ended 30 June 2024 Unaudited £'000	6 months ended 30 June 2023 Unaudited (Restated) £'000
Net cash from operating activities (see opposite)	5,238	6,384
Investing activities		
Additions to property, plant, and equipment	(63)	(97)
Additions to intangible assets	(1,250)	(865)
Proceeds from sale of property, plant and equipment	54	-
Purchase of financial assets	-	(29)
Sale of financial assets	790	-
Interest received	582	295
Net cash from investing activities	113	(696)
Financing activities		
Interest paid	-	(3)
Purchase of own shares by the SIP	(6)	(6)
Proceeds from disposal of own shares by the SIP	11	12
Payment of lease liabilities	(270)	(229)
Dividends paid	(1,827)	(1,656)
Net cash used in financing activities	(2,092)	(1,882)
Net change in cash and cash equivalents from continuing operations	3,259	3,806
Cash and cash equivalents, beginning of period from continuing operations	17,433	16,700
Cash and cash equivalents, end of period from continuing operations	20,692	20,506

Consolidated Statement of Cash Flows from continuing operations

	6 months ended 30 June 2024 Unaudited £'000	6 months ended 30 June 2023 Unaudited (Restated) £'000
Operating activities		
Profit after tax	1,874	1,664
Adjustment for:		
Depreciation	567	471
Amortisation of intangible assets	669	383
(Profit) / Loss on disposal of property, plant and equipment	(12)	14
Interest received	(582)	(295)
Realised and unrealised investment gains	(90)	(77)
Interest charge	53	24
Share-based payment expenses	80	111
Taxation expense recognised in income statement	368	306
<i>Changes in working capital:</i>		
Trade and other receivables	868	875
Trade and other payables	2,003	3,068
Movement in insurance liabilities	339	141
Inventories	-	(9)
Taxes paid	(899)	(292)
Net cash from operating activities	5,238	6,384

Notes to the Consolidated Financial Statements

1. General information

The principal activities of Personal Group Holdings Plc ('the Company') and subsidiaries (together 'the Group') include transacting short-term accident and health insurance and providing employee services in the UK.

The Company is a limited liability company incorporated and domiciled in England. The address of its registered office is John Ormond House, 899 Silbury Boulevard, Milton Keynes, MK9 3XL.

The Company is listed on the Alternative Investment Market of the London Stock Exchange.

The condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023.

The financial information for the year ended 31 December 2023 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2023 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

These interim financial statements are unaudited and have not been reviewed by the auditors under International Standard on Review Engagements (UK and Ireland) 2410.

These consolidated interim financial statements have been approved for issue by the board of directors on 24 September 2024.

2. Accounting policies

These interim consolidated financial statements of Personal Group Holdings Plc are for the six months ended 30 June 2024. These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed for use in the UK.

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

These financial statements have been prepared in accordance with IFRS standards and IFRIC interpretations as adopted by the UK, issued and effective as at 30 June 2024.

Insurance contracts

IFRS 17 sets out the classification, measurement and presentation and disclosure requirements for insurance contracts. It requires insurance contracts to be measured using current estimates and assumptions that reflect the timing of cash flows and recognition of profits as insurance services are delivered. The standard provides two main measurement models which are the General Measurement Model ("GMM") and the Premium Allocation Approach ("PAA").

The PAA simplifies the measurement of insurance contracts for remaining coverage in comparison to the GMM. The PAA is very similar to Personal Group's previous accounting policies under IFRS 4 for calculating revenue, however there are some presentation changes.

The GMM is used for the measurement of the liability for incurred claims.

PAA eligibility

Under IFRS 17, Personal Group's insurance contracts issued and are all eligible to be measured by applying the PAA, due to meeting the following criteria:

- Insurance contracts with coverage period of one year or less are automatically eligible. This covers all hospital, convalescence, and death benefit insurance contracts.
- Modelling of contracts with a coverage period greater than one year (employee default policies) produces a measurement for the group of reinsurance contracts that does not differ materially from that which would be produced applying the GMM.

Level of aggregation

Personal Group manages all insurance contracts as one portfolio within the insurance operating segment as they are subject to similar risks.

Onerous contracts

Under the PAA, it is assumed there are no contracts in the portfolio that are onerous at initial recognition, unless there are facts and circumstances that may indicate otherwise. Given the short-tailed nature of policies issued by Personal Group, management do not consider there to be any material circumstance under which policies in issue would be onerous.

Notes to the Consolidated Financial Statements

Modification and derecognition

Personal Group derecognises insurance contracts when the rights and obligations relating to the contract are extinguished (meaning discharged, cancelled, or expired) or the contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring the contract.

Contract boundaries

The measurement of insurance contracts includes all future cash flows expected to arise within the boundary of each contract. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which Personal Group can compel the policyholder to pay premiums or in which it has a substantive obligation to provide the policyholder with services.

Personal Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effects of changes in circumstances on the Group's substantive rights and obligations. The assessment of the contract boundary, which defines the future cash flows that are included in the measurement of the contract, requires judgement and consideration.

Personal Group primarily issues insurance contracts which provide coverage to policyholders in the event of hospitalisation, convalescence, or death. While the contracts are typically weekly or monthly in their term length, the contract boundary is assessed with consideration of the delayed timing around claims of this nature and the timing of expected future claims payments with reference to the covered loss event.

Measurement - Liability for remaining coverage

On initial recognition of insurance contract, the carrying amount of the liability for remaining coverage is measured as the premiums received on initial recognition, if any, minus any reinsurance acquisition expense cash flows allocated to the contracts and any amounts arising from the derecognition of the prepaid reinsurance acquisition expense cash flows asset. Personal Group has chosen not to expense insurance acquisition expense cash flows as incurred on its contracts as they have coverage of less than one year.

Subsequently, at the end of each reporting period, the liability for remaining coverage is increased by any additional premiums received in the period and decreased for the amounts of expected premium cash flows recognised as reinsurance revenue for the services provided in the period.

Personal Group has elected not to adjust the liability for remaining coverage for the time value of money as its insurance contracts do not contain a significant financing component.

3. Segment analysis

The segments used by management to review the operations of the business are disclosed below.

1) Insurance

Personal Assurance Plc (PA), a subsidiary within the Group, is a PRA regulated general insurance Company and is authorised to transact accident and sickness insurance. It was established in 1984 and has been underwriting business since 1985. In 1997 Personal Group Holdings Plc (PGH) was created and became the ultimate parent undertaking of the Group.

Personal Assurance (Guernsey) Limited (PAGL), a subsidiary within the Group, is regulated by the Guernsey Financial Services Commission and has been underwriting death benefit policies since March 2015.

This operating segment derives the majority of its revenue from the underwriting by PA and PAGL of insurance policies that have been bought by employees of host companies via bespoke benefit programmes. During 2020 PAGL began underwriting employee default insurance for a proportion of LC customers.

2) Benefits Platform

Revenue in this segment relates to the annual subscription income and other related income arising from the licensing of Hapi, the Group's employee benefit platform. This includes sales to both the large corporate and SME sectors.

3) Pay and Reward

Pay and Reward refers to the trade of the Group's pay and reward consultancy companies, Innecto, purchased in 2019, and QCG, purchased in 2022. Revenue in this segment relates to consultancy, surveys, and licence income derived from selling digital platform subscriptions.

4) Other

The other operating segment includes revenue generated from the resale of vouchers. This segment also consists of revenue generated by Berkeley Morgan Group (BMG) and its subsidiary undertakings along with any investment and rental income obtained by the Group.

Discontinued Operations – Other Owned Benefits

This segment constitutes any goods or services in the benefits platform supply chain which are owned by the Group. At present this is made up of a technology salary sacrifice business trading as PG Let's Connect, purchased by the Group in 2014. The Group sold Let's Connect in July 2024 (see Note 11 for further details). As such, this segment is treated as discontinued operations within these accounts.

The revenue and net result generated by each of the Group's continuing operating segments are summarised as follows,

	6 months ended 30 June 2024 Unaudited £'000	6 months ended 30 June 2023 Unaudited - Restated £'000
Revenue by Segment from continuing activities		
Insurance	15,409	13,848
Benefits Platform	5,207	4,563
Platform – Group Elimination	(1,425)	(1,425)
Pay & Reward	1,194	1,074
Other	69	69
Investment income	582	295
Group Revenue from continuing activities	21,036	18,424
Adjusted EBITDA contribution from continuing activities by segment		
Insurance	5,291	5,143
Benefits Platform	2,161	1,842
Pay & Reward	347	172
Other	623	299
Group admin and central costs	(4,510)	(4,449)
Charitable donations	(50)	(50)
Adjusted EBITDA from continuing activities	3,862	2,957
Depreciation	(567)	(471)
Amortisation	(669)	(383)
Interest	(52)	(22)
Share based payments expenses	(80)	(111)
Reorganisation Costs	(244)	-
Profit before tax from continuing activities	2,250	1,970

The revenue and net result generated by the Group's discontinued operating segment is summarised as follows,

	6 months ended 30 June 2024 Unaudited £'000	6 months ended 30 June 2023 Unaudited £'000
Revenue by Segment from discontinued activities		
Other Owned Benefits	2,489	3,563
Group Revenue from discontinued activities	2,489	3,563
Adjusted EBITDA contribution from discontinued activities		
Other Owned Benefits	(200)	(287)
Adjusted EBITDA from discontinued activities	(200)	(287)
Depreciation	(34)	(35)
Amortisation	(14)	(16)
Interest	(1)	(2)
Profit before tax from discontinuing activities	(249)	(340)

All income was derived from customers that are based in the UK.

4 Insurance service expenses

	6 months ended 30 June 2024 £'000	6 months ended 30 June 2023 £'000
Claims incurred	5,028	3,750
Insurance operating expenses	3,642	3,480
	8,670	7,230

5. Taxation

The tax expense recognised is based on the weighted average annual tax rate expected for the full financial year multiplied by management's best estimate of the taxable profit of the interim reporting period.

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2024 was 16.7% (six-month period ended 30 June 2023: 15.5%). The tax charge recognised in the prior period benefited from the application of the super-deduction capital allowances tax relief, which ended on 31 March 2023.

6. Earnings per share and dividends

The weighted average numbers of outstanding shares used for basic and diluted earnings per share are as follows:

	6 months ended 30 June 2024	EPS Pence	6 months ended 30 June 2023	EPS Pence
Basic	31,223,218	5.4	31,230,807	4.5
Diluted	31,950,931	5.3	31,230,807	4.5

During the first six months of 2024 Personal Group Holdings Plc paid dividends of £1,827,000 to its equity shareholders (2023: £1,656,000). This represents a payment of 5.85p per share (2023: 5.30p).

	6 months ended 30 June 2024 £'000	6 months ended 30 June 2023 £'000
Dividends paid or provided for during the period	1,827	1,656

7. Goodwill

	Let's Connect £'000	Pay & Reward £'000	Total £'000
Cost			
At 1 January 2024	10,575	2,684	13,259
Additions in the period	-	-	-
Disposals in the period	-	-	-
At 30 June 2024	10,575	2,684	13,259
Amortisation and impairment			
At 1 January 2024	10,575	-	10,575
Impairment charge for period	-	-	-
Disposals in period	-	-	-
At 30 June 2024	10,575	-	(10,575)
Net book value at 30 June 2024	-	2,684	2,684
Net book value at 31 December 2023	-	2,684	2,684

8. Intangible assets

	Let's Connect Customer Value £'000	Pay & Reward customer book and trade name £'000	Innecto Technology £'000	Computer software and development £'000	Internally Generated Computer Software £'000	WIP £'000	Total £'000
Cost							
At 1 January 2024	1,648	1,063	298	2,323	506	2,948	8,786
Transfers	-	-	-	2,806	-	(2,806)	-
Additions	-	-	-	58	-	1,192	1,250
Disposals	-	-	-	-	-	-	-
At 30 June 2024	1,648	1,063	298	5,187	506	1,334	10,036
Amortisation							
At 1 January 2024	1,648	803	290	1,935	506	-	5,182
Amortisation charge for the period	-	58	8	603	-	-	669
Disposals in the period	-	-	-	-	-	-	-
At 30 June 2024	1,648	861	298	2,538	506	-	5,851
Net book amount at 30 June 2024	-	202	-	2,649	-	1,334	4,185
Net book amount at 31 December 2023	-	260	8	388	-	2,948	3,604

9. Property, plant and equipment

	Freehold land and properties £'000	Motor vehicles £'000	Computer equipment £'000	Furniture fixtures & fittings £'000	Right of use Assets £'000	Total £'000
Cost						
At 1 January 2024	5,037	53	1,491	2,210	1,916	10,707
Additions	-	-	63	-	460	523
Disposals	-	-	(253)	-	(580)	(833)
At 30 June 2024	5,037	53	1,301	2,210	1,796	10,397
Depreciation						
At 1 January 2024	2,002	41	1,224	1,555	970	5,792
Provided in the period	43	5	109	80	330	567
Disposals	-	-	(253)	-	(540)	(793)
At 30 June 2024	2,045	46	1,080	1,635	760	5,566
Net book amount at 30 June 2022	2,992	7	221	575	1,036	4,831
Net book amount at 31 December 2023	3,035	12	267	655	946	4,915

10. Financial Investments

	At 30 June 2024 Unaudited £'000	At 31 December 2023 Audited £'000
Bank deposits	1,775	2,565
Equity investments	1,560	1,470
	3,335	4,035

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

Bank deposits, held at amortised cost, are due within 6 months and the amortised cost is a reasonable approximation of the fair value. These would be included within Level 2 of the fair value hierarchy.

Equity Investments are held at fair value and are considered Level 1 financial assets.

11. Disposal group classified as held for sale and discontinued operations

At the start of 2024 (following an ongoing strategy review), management decided it would look to sell the Group's technology salary sacrifice division ("Let's Connect"). Consequently, assets and liabilities allocable to Let's Connect were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from the profit or loss from the Group's continuing operations and are shown as a single line in the consolidated income statement.

On 10 July 2024, Let's Connect was sold for a total consideration of £2.0m on a cash-free, debt-free basis.

	6 months ended 30 June 2024 Unaudited £'000	6 months ended 30 June 2023 Unaudited £'000
Revenue	2,491	3,563
Operating expenses	(2,738)	(3,902)
Loss from discontinued operations before tax	(247)	(340)
Tax credit	62	85
Loss for the period from discontinued operations	(185)	(255)

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	At 30 June 2024 Unaudited £'000	At 31 Dec 2023 Audited £'000
Non-current assets		
Intangible assets	36	50
Property, plant and equipment	74	105
Current assets		
Trade and other receivables	796	7,143
Inventories	215	277
Cash and cash equivalents	598	64
Assets classified as held for sale	1,719	7,639
Non-current liabilities		
Deferred tax liabilities	12	12
Current liabilities		
Trade and other payables	541	2,522
Liabilities classified as held for sale	553	2,534

The table below shows the results of cashflows attributable to discontinued operations for the six months ended 30 June 2024 and 30 June 2023.

	6 months ended 30 June 2024 Unaudited £'000	6 months ended 30 June 2023 Unaudited £'000
Net cash from operating activities	586	58
Net cash from investing activities	4	(9)
Net cash from financing activities	(56)	14
Net increase in cash and cash equivalents from discontinued operations	534	63

12. Long Term Incentive Plan (LTIP)

During the period, the Remuneration Committee granted a fourth tranche of share awards under the existing LTIP Scheme approved on 6 April 2021. Further details of the award can be found in the RNS announcement from 05 April 2024.

Under the scheme share options of Personal Group Holdings Plc are granted to senior executives with an Exercise Price of 5p (nominal value of the shares). The share options have various market and non-market performance conditions which are required to be achieved for the options to vest. The options also contain service conditions that

require option holders to remain in employment of the Group. The market and non-market performance conditions are set out below.

Total Shareholder Return (Market condition)

50% of the awards vest under this condition. Subject to Compound Annual Growth Rate (CAGR) of the Total Shareholder Return (TSR) over the Performance Period.

EBITDA Target (Non-market condition)

50% of the awards vest under this condition. Subject to cumulative EBITDA over the Performance Period.

The fair value of the of the share options is estimated at the grant date using a Monte-Carlo binomial option pricing model for the market conditions, and a Black-Scholes pricing model for non-market conditions.

However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

There are no cash settlements alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the LTIP as an equity-settled plan.

In total, £69,000 of employee share-based compensation has been included in the consolidated income statement to 30 June 2024 (2023: £99,000). The corresponding credit is taken to equity. No liabilities were recognised from share-based transactions. The remaining £11,000 (2023: £11,000) of share-based compensation expense relates to the Company Share Option Plan (CSOP).

13. Post balance sheet events

On the 10 July 2024, the Group disposed of the entire issued share capital of its technology salary sacrifice division, Lets Connect IT Solutions Limited ("Let's Connect"), to SME HCI Limited (trading as The "Perkbox Vivup Group") for a total up front cash consideration of £2.0m on a cash-free, debt-free basis. In the six months to 30 June 2024, Let's Connect delivered a loss before tax of £0.2m (six months to 30 June 2023: loss before tax of £0.3m).

14. Financial calendar for the year ending 31 December 2024

The Company announces the following dates in its financial calendar for the year ending 31 December 2024:

- Preliminary results for the year ending 31 December 2024 - March 2025
- Publication of Report and Accounts for 2024 - March 2025
- AGM - April/May 2025

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