

MoneyHero

Q324 results

Emphasis on driving margin

MoneyHero's Q324 results show revenues up 6% y-o-y (9M24 +18%) and a smaller adjusted EBITDA loss, as expected. The important element of the narrative, though, is the emphasis on driving revenues in higher-margin product areas and increasing operating efficiency within the business. Group CFO Hao Qian has resigned to return to China, with the group FD, Danny Leung, stepping up on an interim basis. The market opportunity remains substantial, and with customer data now on a unified platform, MoneyHero is well placed to deliver improved outcomes for both providers and end consumers. Our forecasts are updated to show more moderate top-line growth through FY26e, generating stronger margins.

Year end	Revenue (\$m)	PBT* (\$m)	EPS* (\$)	DPS (\$)	P/E (x)	Yield (%)
12/22	68.1	(30.2)	(52.17)	0.00	N/A	N/A
12/23	80.7	(156.5)	(13.49)	0.00	N/A	N/A
12/24e	91.4	(21.6)	(0.41)	0.00	N/A	N/A
12/25e	107.6	(0.3)	(0.01)	0.00	N/A	N/A
12/26e	128.8	1.1	0.02	0.00	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Optimising the mix and cost base

Credit cards remain the group's largest source of revenue (Q324: 63%). This was a challenging market in the quarter but remains an important part of the mix, with consumers typically handling several cards and looking for the most advantageous deals. It also acts as a 'gateway' product to cross-selling opportunities. With its new mobile app, MoneyHero should be able to increase engagement and help providers drive card usage post issue, as well as facilitate cross-selling. Wealth and investment products and the insurance vertical deliver higher margins, and both showed strong progress in Q324, up 34% and 36%, respectively. MoneyHero's internal cost optimisation programme has been ongoing through Q324, so is not yet showing in the numbers, but should support the drive to pre-tax break-even in FY25.

Balance sheet firepower

MoneyHero ended Q324 with net cash of \$47.7m (small lease liabilities only). This financial strength is supporting the internal investment in building out the unified platform, which enables a centralised customer view, and investment in advertising to drive growth. Importantly, though, it also gives management an advantage in a market ripe for consolidation, and the ability to strike partnerships, such as that with bolttech, from a position of strength. Strategic acquisitions are actively being sought that enhance scale and/or consolidate market share in MoneyHero's geographies.

Valuation: Well below level indicated by DCF

Although our short-term revenue numbers are pulled back, our mid-term (FY27–34) expectations for growth are broadly unchanged (assuming a revenue CAGR of 11%). We have edged up our adjusted EBITDA margin to 7.8% (vs 7.6% previously) over the same time frame. These adjustments result in an implied DCF-based valuation of \$2.71 per share (previously \$2.86/share), well ahead of the current share price.

Media

20 December 2024

Price **\$1.08**

Market cap **\$47.8m**

Net cash (\$m, excluding lease liabilities) at 30 September 2024 47.7

Shares in issue 44.3m

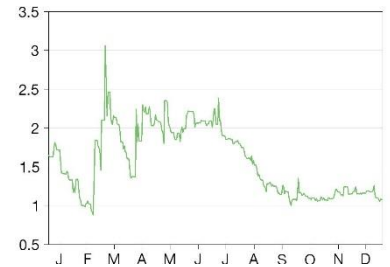
Free float 39.9%

Code MNY

Primary exchange Nasdaq

Secondary exchange N/A

Share price performance



% 1m 3m 12m

Abs (11.6) (8.5) (36.7)

Rel (local) (10.8) (10.9) (48.5)

52-week high/low \$3.06 \$0.88

Business description

MoneyHero is a leading personal finance and digital insurance comparison platform in South-East Asia. The group operates online through both its direct to consumer (DTC) platforms and its B2B channel, Creatory. MoneyHero offers users financial products including credit cards, personal loans, mortgages and insurance.

Next events

Year-end trading update January 2025

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Q3 results

The revenue breakdown by geography and activity by quarter for the year to date is shown in Exhibit 1 below. The challenged areas were clearly the Singaporean market and the credit card market. In Singapore, this reflected some major providers pulling back on performance (paid) marketing activities in the period. While credit card revenues were down 13% year-on-year, there was an improvement in the quarter, with 4% growth over Q224. We would expect this to improve further with the increasing adoption of the app, which allows end consumers to gain greater granularity of insight over their spending breakdown. Management is also proactively diversifying the product portfolio available in Singapore, which should help on the margin front, alongside developing partnerships. The emphasis is on driving higher-margin products, such as personal loans, insurance and wealth and investment offerings.

In the Hong Kong market, the insurance offering is being boosted by the incorporation of real-time pricing in the aggregator space, driving engagement. This is the first live offering via the partnership with bolttech, announced in [October](#).

Exhibit 1: Q324 revenue breakdown				
\$m	Q124	Q224	Q324	y-o-y growth (%)
Revenue	22.2	20.7	20.9	6%
By geography:				
Singapore	8.9	9.0	7.9	(13%)
Hong Kong	7.7	7.3	8.1	18%
Taiwan	1.4	1.4	1.0	5%
Philippines	4.0	2.9	4.0	49%
Malaysia	0.1	0.0	0.0	(88)%
By product vertical:				
Credit cards	15.4	12.7	13.2	(13%)
Personal loans and mortgages	3.3	2.6	2.9	34%
Insurance	1.8	2.2	2.1	36%
Other verticals	1.6	3.2	2.7	252%
By channel:				
Online financial comparison platforms	18.1	17.8	17.4	8%
Creatory	4.1	2.9	3.5	(0)%
Unique monthly users	8.5m	7.7m	7.4m	

Source: MoneyHero

Drivers into FY25

We have revisited our forecasts in light of the Q324 results and the most obvious adjustment we have made is to the revenue line, as the implied growth in our previous forecasts for Q424 was no longer feasible. We have, though, taken a slightly more positive stance with regard to the margin, with a reduced loss expected for the current year and greater progress anticipated in FY25e and FY26e. This reflects the group's greater emphasis on higher-margin product verticals, such as personal loans, insurance and wealth offerings, as well as the positive impact of the app-driven customer engagement strategy.

The progress into FY25 and onwards is supported by the group's move onto a single, integrated platform. With this, MoneyHero can build a data lake that can then be used more effectively for segmentation and targeting.

At the front end, it also gives Moneyhero the ability to create a much more attractive user interface and experience, using tailored content appropriate to the site visitor's point in the sales funnel. Creating high levels of consumer trust and driving brand recognition should increase organic traffic and reduce the need to spend on paid traffic for customer acquisition. The roll-out of the revamped website has recently started in the Singapore market and management is already starting to see an

improvement in conversion rates, even at this very early stage. The timetable is for a roll-out to the Hong Kong market before the year-end.

The bolttech partnership, with its innovation in the insurance vertical, should also be a positive factor, as should continuing progress at Creatory, Moneyhero's B2B business that enables third-party online channel partners and content creators to monetise their user base. The results in future periods should also benefit more obviously from the cost base changes that have been, and continue to be, implemented as part of management's efficiency strategy, and which are built into our modelling.

Exhibit 2: Changes to forecasts

\$m	FY24e		Change	FY25e		Change	FY26e		Change
	Old	New		Old	New		Old	New	
Revenues	104.4	91.4	-12%	125.1	107.6	-14%	150.3	128.8	-14%
Adjusted EBITDA	(20.2)	(19.3)	N/A	2.5	3.0	+20%	6.2	6.5	+5%
Adjusted EBITDA margin	-22.4%	-21.1%	N/A	2.0%	2.8%	+80bp	4.1%	5.0%	90bp
Normalised PBT	(22.5)	(21.6)	N/A	(0.8)	(0.3)	N/A	0.9	1.1	+22%
Normalised basic EPS (\$)	(0.43)	(0.41)	N/A	(0.02)	(0.01)	N/A	0.02	0.02	u/c%
Net cash (including leases)	53.6	55.0	+3%	53.6	56.8	+6%	59.4	63.2	+6%

Source: Edison Investment Research

Valuation

Due to the early stage of maturity of the group, it is difficult to derive a meaningful estimate of valuation from comparison with any particular peer set. Rather, we continue to use a discounted cash flow approach.

Based on our revised estimates above, and using an unchanged assumption on mid-term growth of 11% but a slightly higher averaged adjusted EBITDA margin of 7.8%, from 7.6%, we now derive a valuation equivalent to \$2.71/share (previously \$2.86/share). This is based on a weighted average cost of capital of 12% and terminal growth of 2% (unchanged). Exhibit 3 shows the sensitivity of that outcome to differing assumptions on revenue and margin.

Exhibit 3: DCF sensitivity (\$ per share)

		Revenue growth FY27-34					
		4.0%	6.0%	8.0%	10.0%	12.0%	14.0%
Adjusted EBITDA margin FY27-34	4.0%	2.28	2.37	2.46	2.55	2.64	2.74
	5.0%	2.30	2.38	2.47	2.57	2.66	2.75
	6.0%	2.31	2.40	2.49	2.58	2.68	2.77
	7.0%	2.33	2.42	2.51	2.60	2.70	2.79
	8.0%	2.35	2.44	2.53	2.62	2.72	2.81
	9.0%	2.37	2.46	2.55	2.64	2.74	2.83
	10.0%	2.38	2.47	2.57	2.66	2.76	2.85
	11.0%	2.40	2.49	2.58	2.68	2.77	2.87
	12.0%	2.42	2.51	2.60	2.70	2.79	2.89

Source: Edison Investment Research

Exhibit 4: Financial summary

	\$m	2022	2023	2024e	2025e	2026e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue		68.1	80.7	91.4	107.6	128.8
Cost of Sales		(33.9)	(43.9)	(56.6)	(61.3)	(70.8)
Gross Profit		34.3	36.7	34.7	46.3	58.0
EBITDA		(15.6)	(6.8)	(19.3)	3.0	6.5
Operating profit (before amort. and excepts.)		(21.5)	(14.0)	(24.2)	(2.7)	(0.8)
Exceptionals		(19.5)	(15.5)	0.0	0.0	0.0
Share-based payments		0.0	(0.5)	(0.5)	(0.5)	(0.5)
Reported operating profit		(41.0)	(30.0)	(24.7)	(3.2)	(1.3)
Net Interest		(7.6)	(18.2)	2.6	2.4	1.9
Change in FV of financial instruments		(1.1)	(57.3)	0.0	0.0	0.0
Exceptionals		0.0	(67.0)	0.0	0.0	0.0
Profit Before Tax (norm)		(30.2)	(156.5)	(21.6)	(0.3)	1.1
Profit Before Tax (reported)		(49.7)	(172.5)	(22.1)	(0.8)	0.6
Reported tax		0.3	(0.1)	3.8	0.1	(0.1)
Profit After Tax (norm)		(25.2)	(129.9)	(17.9)	(0.3)	0.9
Profit After Tax (reported)		(49.4)	(172.6)	(18.3)	(0.7)	0.5
Minority interests		0.0	0.0	0.0	0.0	0.0
Discontinued operations		0.0	0.0	0.0	0.0	0.0
Net income (normalised)		(25.2)	(129.9)	(17.9)	(0.3)	0.9
Net income (reported)		(49.4)	(172.6)	(18.3)	(0.7)	0.5
Average Number of Shares Outstanding (m)		0.5	9.6	43.9	43.9	43.9
EPS - normalised (\$)		(52.17)	(13.49)	(0.41)	(0.01)	0.02
EPS - normalised fully diluted (c)		(5,217.47)	(1,348.69)	(40.86)	(0.58)	2.12
EPS - basic reported (\$)		(102.40)	(17.90)	(0.42)	(0.02)	66.60
Dividend (\$)		0.00	0.00	0.00	0.00	0.00
Revenue growth (%)			18.4	13.2	17.8	
Gross Margin (%)		50.3	45.5	38.0	43.0	45.0
EBITDA Margin (%)		-23.0	-8.5	-21.1	2.8	5.0
Normalised Operating Margin (%)		-31.5	-17.4	-26.5	-2.5	-0.6
BALANCE SHEET						
Fixed Assets		15.6	8.1	6.1	3.1	(1.9)
Intangible Assets		14.4	7.3	5.6	2.3	(2.7)
Tangible Assets		1.1	0.8	0.5	0.7	0.7
Investments & other		0.1	0.0	0.0	0.0	0.0
Current Assets		48.6	106.9	89.4	93.0	102.7
Contract assets		11.1	16.0	14.6	19.4	21.9
Debtors		13.2	22.1	19.0	16.0	16.9
Cash & cash equivalents		24.1	68.6	55.6	57.4	63.8
Other		0.2	0.2	0.2	0.2	0.2
Current Liabilities		(39.0)	(35.7)	(35.1)	(36.3)	(40.5)
Creditors		(23.2)	(33.2)	(32.6)	(33.8)	(38.0)
Short term borrowings		0.0	0.0	0.0	0.0	0.0
Finance leases		(0.5)	(0.6)	(0.6)	(0.6)	(0.6)
Other		(15.3)	(1.9)	(1.9)	(1.9)	(1.9)
Long Term Liabilities		(9.4)	(0.3)	(0.3)	(0.3)	(0.3)
Long term borrowings		(8.7)	0.0	0.0	0.0	0.0
Other long term liabilities		(0.7)	(0.3)	(0.3)	(0.3)	(0.3)
Net Assets		15.8	79.1	60.2	59.5	60.1
Minority interests		0.0	0.0	0.0	0.0	0.0
Shareholders' equity		15.8	79.1	60.2	59.5	60.1
CASH FLOW						
Operating Cash Flow		(44.9)	(172.5)	(19.7)	(0.8)	0.6
Working capital		1.9	(3.7)	4.3	(0.6)	0.9
Exceptional & other		28.4	159.2	(0.1)	3.3	5.3
Tax		0.0	0.0	3.8	0.1	(0.1)
Net operating cash flow		(14.6)	(17.0)	(11.8)	2.0	6.7
Capex		(5.0)	(2.2)	(3.6)	(2.6)	(2.2)
Net interest		(7.8)	(18.2)	2.6	2.4	1.9
Equity financing		0.0	91.5	0.0	0.0	0.0
Dividends		0.0	0.0	0.0	0.0	0.0
Other		42.6	(9.4)	(0.2)	(0.1)	(0.1)
Net Cash Flow		15.2	44.7	(13.0)	1.8	6.4
Opening net debt/(cash) (including leases)		3.6	(14.5)	(68.0)	(55.0)	(56.8)
FX		(0.3)	(0.1)	0.0	0.0	0.0
Other non-cash movements		0.0	0.0	0.0	0.0	0.0
Closing net debt/(cash) (including leases)		(14.5)	(68.0)	(55.0)	(56.8)	(63.2)

Source: Company accounts, Edison Investment Research

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