



## **Brightside H1 2017 EBITDA improves after tough 2016**

- 57% increase in Group EBITDA for H1 2017 to £2.647m (2016: £1.682m)
- Policy count shows uptick in H1 for first time in four years
- Brightside MGA capacity confirmed – will begin trading at half year 2018
- 2016 EBITDA £3.9m on £49.4m trading revenues

*“2016 was a very tough year, but we are now through it and there are green shoots across the group. I am confident H1 2017 will mark the moment when the investment in re-engineering Brightside Group begins to pay off.”*

**Mark Cliff – group chief executive**

After a tough 2016, Brightside Group’s half-year trading results show that the South-West based broker is back on the road to recovery. Brightside’s chief executive, Mark Cliff, said that H1 trading showed improving returns after a “very tough” 2016. Mr Cliff is half-way through a five-year turnaround strategy for the Group, which began in 2015/16.

### **2016 results**

In accounts due to be filed at Companies House, the Group will announce EBITDA of £3.9m (2015: £7.0m), on revenues of £49.4m (2015: £59.4m). Mark said: “The 2016 results reflect a really tough year for the Group, as we came through our re-organisation in a brutal personal lines market.”

He added: “IQED has continued to deliver good results, and this year I expect to see improvements in the Bristol operation following significant IT, people and trading partner ‘fixes’ in 2016.”

### **2017 H1**

He said: “We have delivered a 57% increase in EBITDA for the first half compared to 2016, and we have seen the first signs of a positive uplift in our policy count in the latter part of the first half year.”

“These are of course early days but it is the first time in four years that the policy count has increased. I’m also especially pleased that our renewal income is well above plan (at nearly £7.7m), reflecting improvements to renewal pricing and customer contact.”

He said that partner confidence in the Group remained high. “The Brightside Car panel has grown from nine schemes in 2015 to 19 today, while Brightside Van has gone from seven schemes at launch to 14 schemes now.”

## **MGA to begin trading in 2018**

Mark also confirmed that he has secured capacity for Brightside's MGA (announced at the end of last year) and is expected to begin trading van and car next year.

"We have moved into build phase having secured in principle capacity and intend to launch at the half year. We will explore other MGA opportunities in SME business, which continues to go from strength to strength."

## **Focus on niche and digital**

He said he believed the Group was now the UK's leading leads transfer provider having signed contracts with MORE THAN and another top ten insurer. "These deals secured through One Insurance Solution will help us build out our niche and specialist business."

Mark said he remained on track to oversee the digitisation of the business by 2020. "Offline sales and marketing will remain part of Brightside's overall proposition, but we will continue to invest where technology can improve the customer experience."

"As a mark of our progress we have been shortlisted for a number of digital awards this year, and we are already looking at the next generation of digital customer interface via virtual assistants."

## **Costs and acquisitions**

On costs, Mark said management focus on efficiency savings will continue, after operating costs fell during the 2017 half year by nearly 20% compared to H1 2016.

He said that Brightside will also step up its acquisitions strategy following the recruitment of an acquisitions manager. "We are looking for businesses but also books of business covering any part of Brightside's portfolio, including van, car, bike, taxi and fleet. We want to talk to acquirers who wish to offload business that doesn't fit their existing risk appetite."

## **Market outlook**

Looking ahead, Mark said that Brexit and macro-economic uncertainty, the discount rate and continuing intense competition will continue to bear down on personal lines motor, but "I am optimistic that the transformation we have wrought in the business will see us through the current market headwinds."

On the people side, Mark said the Brightside apprenticeship programme, launched in 2016, was proving an invaluable talent-spotting exercise.

“We have really benefited from an influx of new young talent, and I was delighted when one of our apprentices, Asher Budd, won Apprentice of the Year at the South West Contact Centre annual awards, and OIS employee Katie Waugh was a finalist in Broker Apprentice.”

“On the strength of results to date I expect to expand our apprenticeship programme next year.”

Finally, Mark paid tribute to “our fantastic people for sticking with Brightside through thick and thin, and our insurer partners for their continuing confidence in our strategy and our future as a successful and growing UK broker.”