Pensionbee’s strategic US expansion backed by £20m funding as fintech eyes global pension market

Pensionbee, the online retirement savings provider, reported positive adjusted earnings in the last quarter and raised £20m for its US expansion. The London-based fintech firm saw a revenue increase in the third quarter, jumping to £9m from £6m the previous year.

The company anticipates breaking even on an adjusted EBITDA basis by 2024. For the third quarter, it recorded its second consecutive quarter of positive adjusted EBITDA at £1m, as reported by City AM.

The firm also reported £5.5bn in assets under administration (AuA), marking a 41 per cent increase from £3.9bn in September 2023. This year, Pensionbee has seen £538m in net flows from new customers and £153m from existing ones, with customer numbers reaching 260,000 at the end of the third quarter, an addition of 37,000 year on year.

Since its listing on the London Stock Exchange in 2021, Pensionbee’s stock price has more than doubled as it continues to scale up and improve profitability. The firm aims to capture approximately two per cent of the UK’s £1.2 trillion pensions market over the next five to 10 years, targeting 1m customers and £20bn to £25bn in AuA.

In separate news on Thursday, Pensionbee announced that it had raised £20m through a share placing to invest in its nascent US business, which was launched in July with support from a partnership with State Street’s investment management division.

The US defined contribution pension market, representing approximately 80 per cent of the global total, boasts a value close to $22.5 trillion.

“We are pleased to see a positive consumer response to our marketing approach and to have developed local features to facilitate easier rollovers,” commented PensionBee’s chief executive Romi Savova, the entrepreneur who launched the firm in 2014.

“The opportunity we have ahead of us, to help millions of Americans enjoy a happy retirement, is transformational for the next decade of PensionBee’s growth.”

Aiming high, Pensionbee sets its sights on acquiring $20bn to $25bn in US defined contribution assets over the next decade, seeking to elevate this division to the same level of prominence as its UK counterpart.

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