

Full Year Results Presentation

Year ending
30 April 2022

29 June 2022



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This presentation and the discussion which follows it may include certain forward-looking statements with respect to the business, strategy and plans of the Company (together with its subsidiaries, the “Group”) and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical or current facts, including statements about the Group or its directors’ and/or management’s beliefs and expectations, are forward-looking statements. These forward-looking statements may include words such as “aims”, “anticipates”, “believes”, “continues”, “estimates”, “expects”, “goal”, “intends”, “likely”, “may”, “plans”, “projected”, “seeks”, “sees”, “should”, “targets”, “will” or the inverse of such terms or other similar words. These forward-looking statements involve known and unknown risks and uncertainties and other factors, many of which are beyond the Group’s control and all of which are based on current beliefs and expectations about future events. They are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant risks, uncertainties, contingencies and other important factors. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements, such as (but not limited to) future market and economic conditions, currency fluctuations, the behaviour of other market participants, the response of customers to sales and marketing activities, the performance, security and reliability of the Group’s online platform and other information technology systems, the cost of, and potential adverse results in, litigation involving any of the Group’s intellectual property, changes in business strategy, political, economic and regulatory changes in the countries in which the Group operates or changes in economic or technological trends or conditions, and the success of the Group in managing the risks of the foregoing. As a result, investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements speak only as of their date and the Company expressly disclaims any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so in accordance with its regulatory or legal obligations.

Agenda



The slide features a large light blue background. On the left, there is a graphic consisting of three concentric circles: a large pink inner circle, a medium blue middle circle, and a thin white outer circle. The text 'moonpig group plc' is centered within the pink circle. To the right of these circles, a dark blue curved line connects three circular nodes, each containing a white number (1, 2, and 3). To the right of each node is a text item for the agenda.

moonpig
group plc

1

Overview – Nickyl Raithatha

2

Financial performance – Andy MacKinnon

3

Strategic progress – Nickyl Raithatha

Moonpig Group has continued its transformation during our first full financial year post-IPO



Significant financial outperformance versus guidance at IPO

£304m

FY22 revenue

£232m - £239m
FY22 revenue guidance in IPO Prospectus¹



Step change in Adjusted EBITDA margin rate

24.6%

FY22 Adjusted EBITDA margin

18.9%
FY19 Adjusted EBITDA margin



Delivery against our strategy to become the ultimate gifting companion

47.7%

FY22 gifting share of revenue

40.8%
FY19 gifting share of revenue



Step-change in gifting through the proposed acquisition of Buyagift

20%+

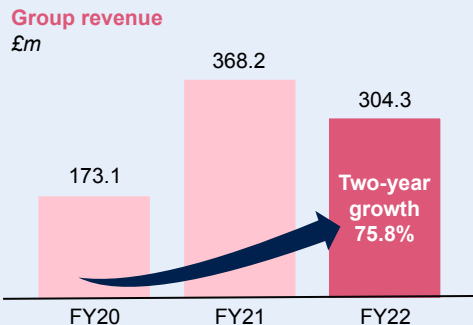
EPS accretion in first year

£124m
Cash consideration versus FY22 unaudited EBITDA of £14m

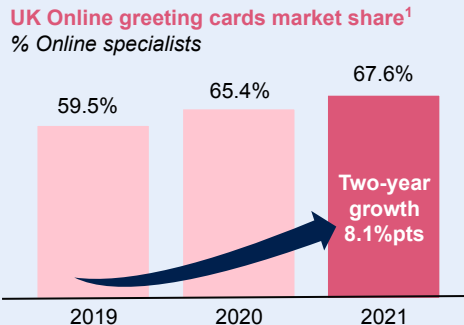
1. IPO published in February 2021 contained guidance that FY22 revenue growth was expected "to be approximately 34% to 38% compared to the year ended 30 April 2020". FY20 revenue was £173m

A bigger, stronger business, confident in our outlook for growth

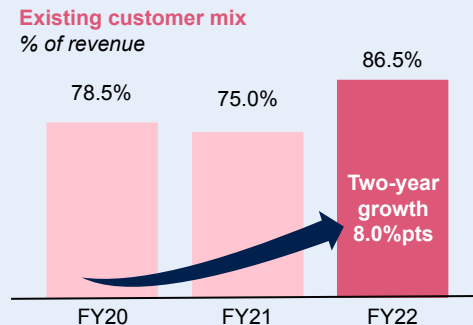
Enduring uplift in the scale of the Group's revenue and customer base



Extension of our market leadership position in online greeting cards



A data-driven customer retention flywheel that drives 'sticky' customers relationships and lifetime value



We remain **confident in outlook** for the year ahead
and expect FY23 revenue for the enlarged Group to be approximately £350m

1. Source: OC&C, May 2021. Stated on a calendar year basis

Financial performance

Andy MacKinnon



Strong financial results and a step-change in scale

Strong FY22 revenue performance

£304m

Revenue



+76%
Two year growth¹

40m
Orders

Adjusted EBITDA margin rate maintained

24.6%

Adjusted margin²



£75m
Adjusted EBITDA²

+69%
Two year growth¹

Further growth in gifting revenue mix

£145m

Gifting revenue



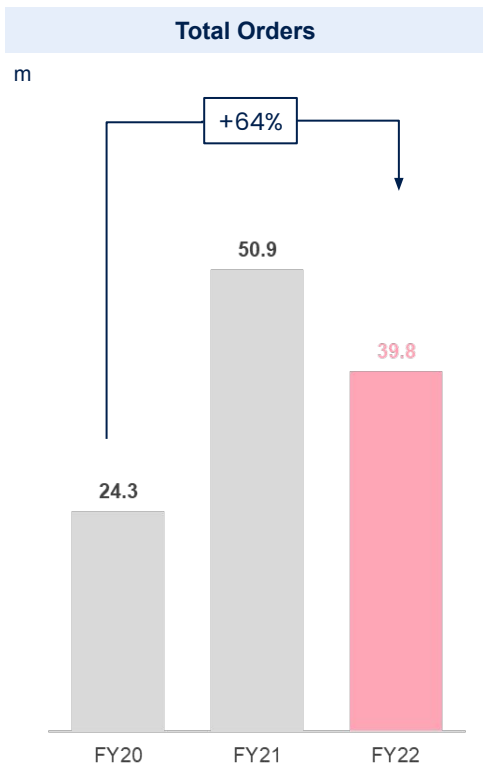
101%
Two year growth¹

47.7%
Gifting revenue mix

1. Cumulative two year growth rate, comparing the year ended 30 April 2022 against the year ended 30 April 2020

2. Adjusted EBITDA is an Alternative Performance Measure calculated as operating profit adding back depreciation, amortisation and adjusting items. Refer to the details set out in the full year results announcement for the year ended 30 April 2022, issued on 29 June 2022.

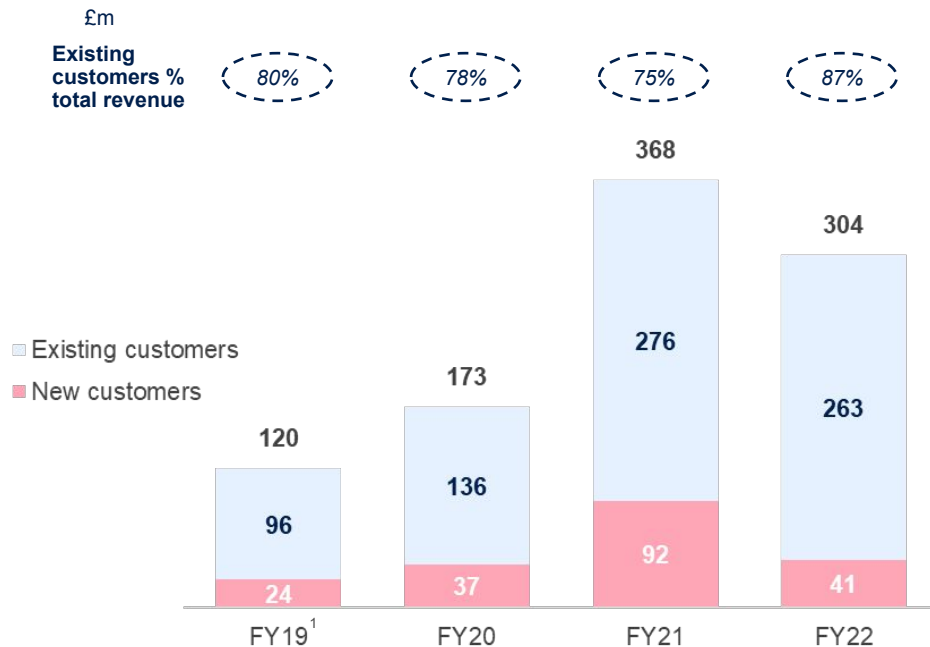
Two-year orders growth at 64% reflecting an enduring step change in the scale of our business



- **39.8m orders** driven by the successful retention of customer cohorts acquired during lockdown
- **AOV stepped up by 6% YoY driven by attached gifting.** The two year increase reflects discretionary promotional activity to drive customer behaviours that align with higher retention and frequency (e.g. reminder setting, app downloads)

Strong cohort retention is reflected in existing customers accounting for 87% of total revenue

Revenue from New and Existing Customers



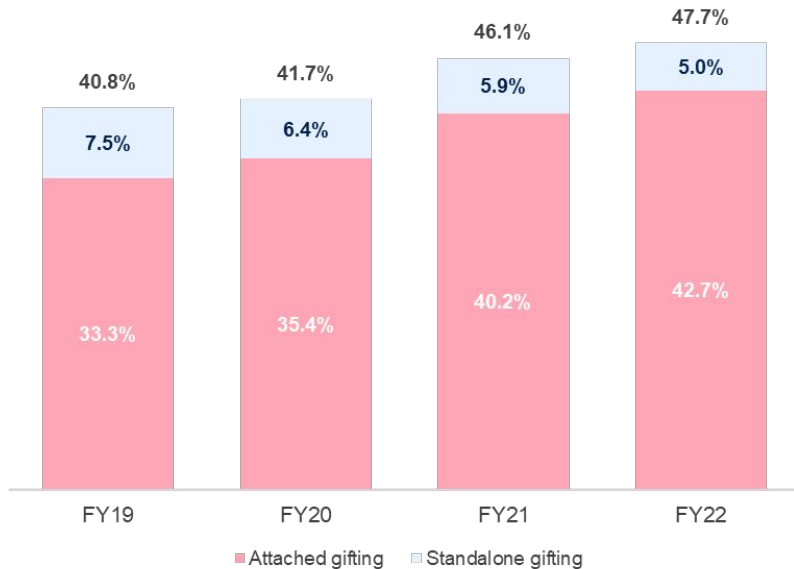
- **Repeat behaviour** of customers acquired during the last two years is **consistent with historical cohorts**
- Customer retention has **been driven by management action** to increase app penetration, reminder setting, contextual recommendations and targeted marketing
- The Group's marketing activity is focussed on new customer acquisition. It has remained effective following the end of lockdown, driving **higher new customer revenue compared to pre-Covid (FY19)**

1. Greetz included from acquisition; September 2018 onwards.

We have driven an increasing share of revenue from gifting

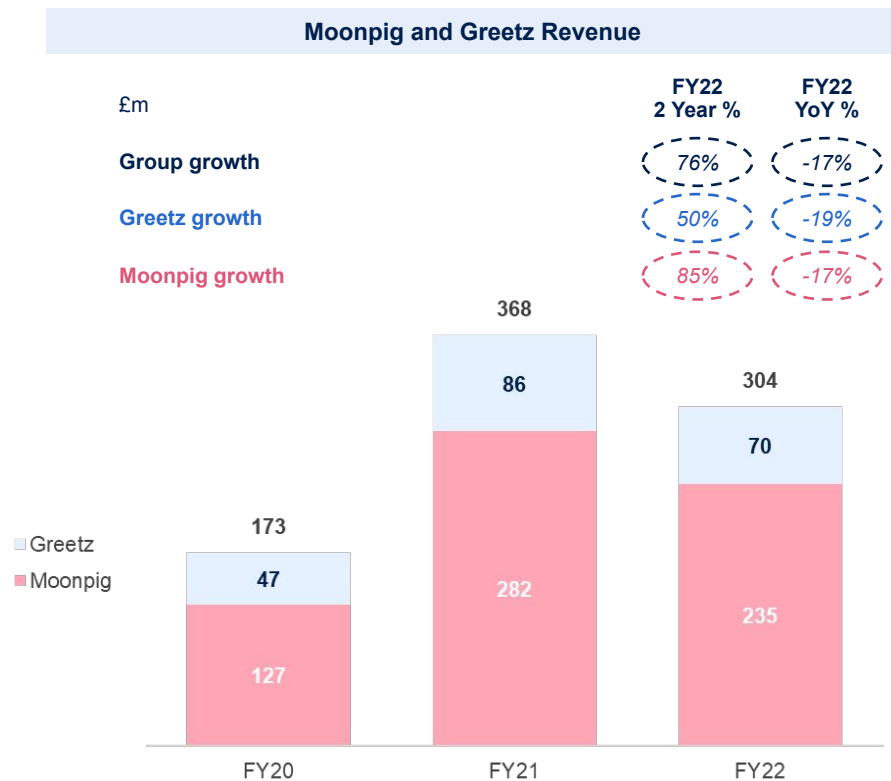
Gifting Revenue Mix

% of total revenue



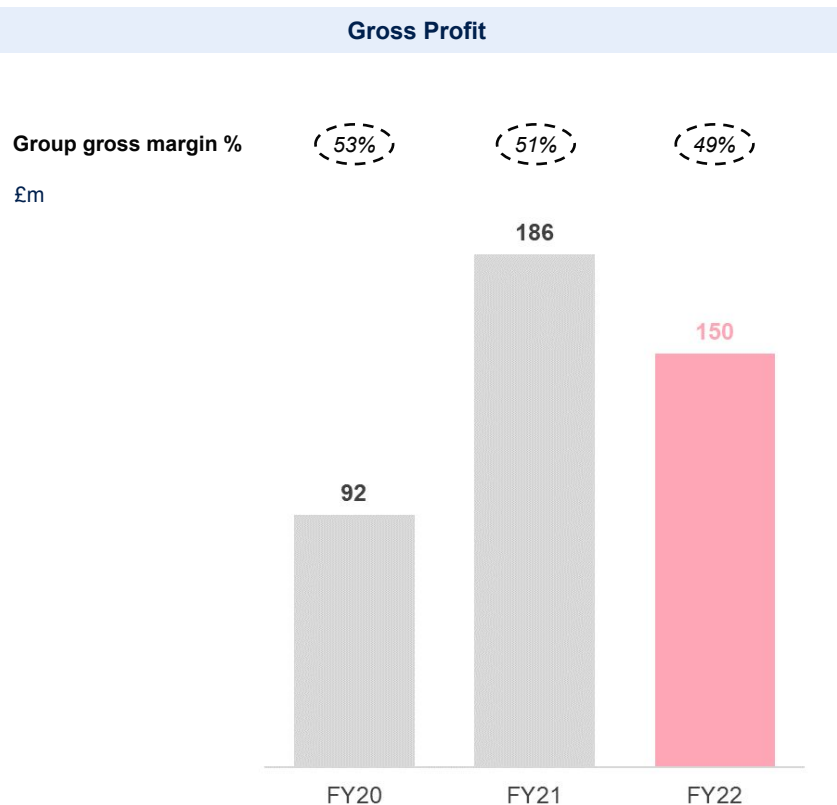
- Two-year growth in gifting revenue of 101% to £145m
- Growth in gifting revenue mix to 48% driven by:
 - Optimising digital user experience
 - Better leveraging data to produce more personalised gifting recommendations
 - Broadening merchandise offering
- This is an established multi-year progression reflecting successful execution against the Group's strategy to become the ultimate gifting companion

An enduring step change in scale across two years



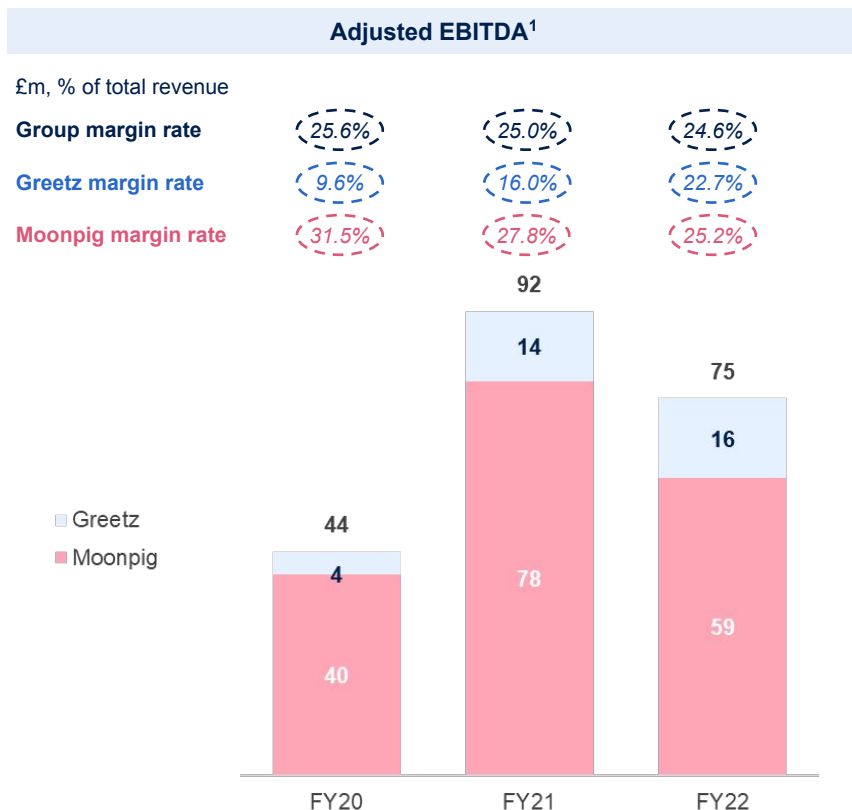
- **Revenue of £304m**, well ahead of expectations at the start of the year
- Group revenue growth at **+76% across two years**
- Higher two-year revenue growth at Moonpig reflects the **benefits from our new technology and data platform**. Greetz will be migrated to this technology platform by the end of calendar year 2022.

Significant step up in gross profit over two years



- We have **raised gross profit** from £92m in FY20 to £150m in FY22, a **two year increase of +64%**
- The trend in gross margin rate reflects:
 - **Growth in attached gifting mix** at lower than average gross margin rate. Higher gifting sales driving absolute gross profit
 - Promotional activity at Moonpig from FY21 onwards to **drive app downloads and reminder setting**
- We have seen no material impact on gross margin rate from cost inflation at either Moonpig or Greetz

Adjusted EBITDA margin rate remains controlled



- We have maintained Adjusted **EBITDA margin rate at 24.6%**
- Greetz Adjusted EBITDA reflects **successful delivery of our card-first strategy** with limited promotional activity
- Moonpig **Adjusted EBITDA margin trend reflects exit from lockdown**. There was significant free organic customer acquisition in both FY20 and FY21
- As previously communicated, we have continued to make discretionary investments to underpin medium-term revenue growth, with investment focussed on Moonpig segment

1. Adjusted EBITDA is an Alternative Performance Measure. It is calculated as operating profit adding back depreciation, amortisation and adjusting items. Refer to the details set out in the full year results announcement for the year ended 30 April 2022, issued on 29 June 2022.

Delivered 80% operating cash conversion

Adjusted EBITDA to Cash Conversion

£m	FY22	FY21
Adjusted EBITDA¹	74.9	92.1
Less: Tangible capital expenditure	(1.4)	(3.1)
Less: Intangible capital expenditure	(8.3)	(7.7)
Adjust: Impact of Share-Based Payments	0.7	-
Add back: (Increase) / decrease in inventories	4.8	(12.0)
Less: Increase in trade and other receivables	(0.3)	(1.8)
Add back: Increase / (decrease) in trade and other payables	(10.8)	29.7
Operating cash flow	59.6	97.2
Operating cash conversion²	80%	106%

- **Strong operating cash conversion at 80%** net of the unwind of high trade payables at April 2021 driven by elevated trading and marketing in lockdown
- Capex of £9.7m, supporting the development of our **proprietary technology platform** and the **Greetz platform migration**
- Higher capex³ expected in FY23:
 - Tangible capex of approximately £11m - £13m driven by one-off fit-out of **two new operational facilities in the UK and Netherlands** on 10-year leases
 - Intangible capex of approximately £13m - £15m as we raise ongoing **investment in our technology platform**
- **Closing net debt of £84m** as at April 2022, including **closing cash of £102m**

1. Adjusted EBITDA is an Alternative Performance Measure. It is calculated as operating profit adding back depreciation, amortisation and adjusting items. Refer to the details set out in the full year results announcement for the year ended 30 April 2022, issued on 29 June 2022.

2. Operating cash conversion = operating cash flow / Adjusted EBITDA.

3. Excludes capex at Buyagift (approximately £2m per annum, growing with sales) and excludes initial recognition of an IFRS16 right of use assets in respect of the lease for the Netherlands operational facility

Proposed acquisition of Buyagift

Attractive valuation

- Cash consideration of £124m, compared to unaudited FY22 Adjusted EBITDA¹ of £14m²
- FY22 revenue of £44m³, low double digit revenue CAGR over last ten years⁴ which we plan to accelerate in the medium term
- M&A-related fees expected to be approximately £6m, of which £0.9m recognised in FY22 as an Adjusting Item

Significant financial benefits

- 20+% EPS accretive in first year of acquisition
- ROIC > WACC during third year of acquisition

Funding

- Funded through cash on the Group's balance sheet and £60m of additional revolving credit facilities (interest at SONIA + 300bps⁵)
- Following completion, the combined Group's pro forma net debt to Adjusted EBITDA as at 30 April 2022 would have been approximately 2.3x⁶. We expect this leverage ratio to increase by approximately half a turn by 31 October 2022, driven by working capital seasonality, after which the combined Group will de-leverage rapidly to comfortably below 2.0x by April 2023

1. Adjusted EBITDA is an Alternative Performance Measure ("APM"), the definition of which is set out in the Group's FY22 Annual Report and Accounts.

2. Unaudited management estimate.

3. Statutory revenue, based on unaudited management estimate.

4. FY11-FY22.

5. Interest on the additional revolving credit facility is expected to be SONIA plus a margin of 300bps (reducing to 250bps following a half year-end at which net debt to LTM Adjusted EBITDA is below 2.0x)

6. Based on pro forma Adjusted EBITDA for the preceding 12 months.

Confident in outlook for FY23, reconfirming existing guidance

Capital allocation priorities remain unchanged

- We remain focussed on investing in growth:
 1. Organic investment to drive growth, with a primary focus on our current core geographical markets
 2. M&A where relevant, value-accretive opportunities arise in current markets, adjacent areas or technology that will accelerate our medium-term goals
 3. We do not intend to pay a dividend as we continue to invest in growth. We will continue to evaluate dividend policy over time

Current trading and outlook

- We are pleased with the start to the new financial year and remain confident in our existing expectations for Group trading in FY23.
- Based on the anticipated completion of the acquisition of Buyagift by the end of July 2022, we expect revenue for the enlarged Moonpig Group in FY23 to be approximately £350m.
- In the medium-term, we continue to target mid-teens percentage underlying revenue growth for the enlarged Group. Margin trends remain resilient in the near and medium-term, and the proposed acquisition of Buyagift is expected to be margin accretive. In view of this, we have recently raised the Group's medium-term Adjusted EBITDA margin rate target to between approximately 25.0% and 26.0%.



Strategic progress

Nickyl Raithatha

Our card-first model leverages data to increase customer loyalty and drive gift upsell...



Card-first

*Profitable customer acquisition
with high loyalty*

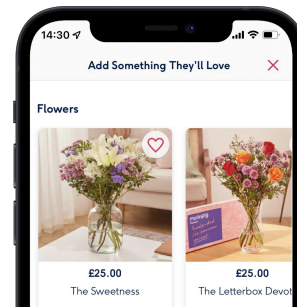


- ✓ 54¹ million card buyers in UK & NL
- ✓ Structural shift to online
- ✓ Market leadership supports profitable customer acquisition
- ✓ High frequency, recurring purchase occasions
- ✓ Loyal customers



Gift Attach

*The most relevant gifting platform
with minimal acquisition cost*



- ✓ >70%² cards given with a gift
- ✓ Card-first journey drives highly relevant gift recommendations
- ✓ Purchase intent high post card creation
- ✓ Zero marketing costs, supporting high margins
- ✓ Sidesteps expensive online competition for gifts/flowers

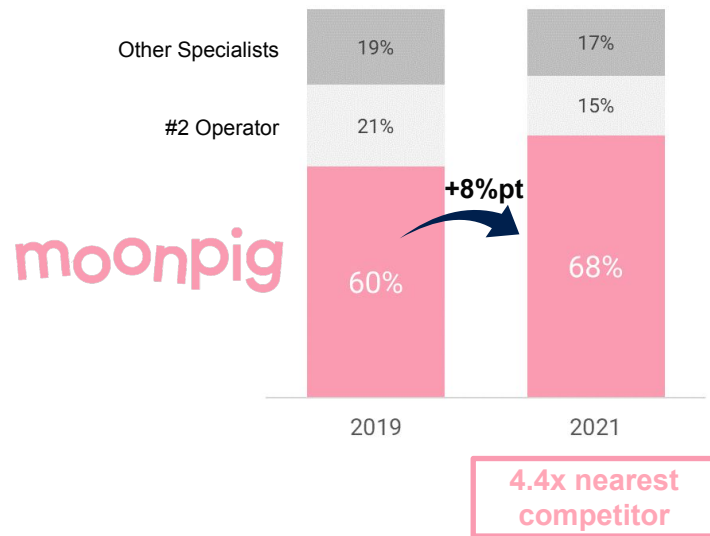
...This delivers a growth flywheel which has resulted in a widening of our market leadership in online cards

19

Market share of UK major online specialists



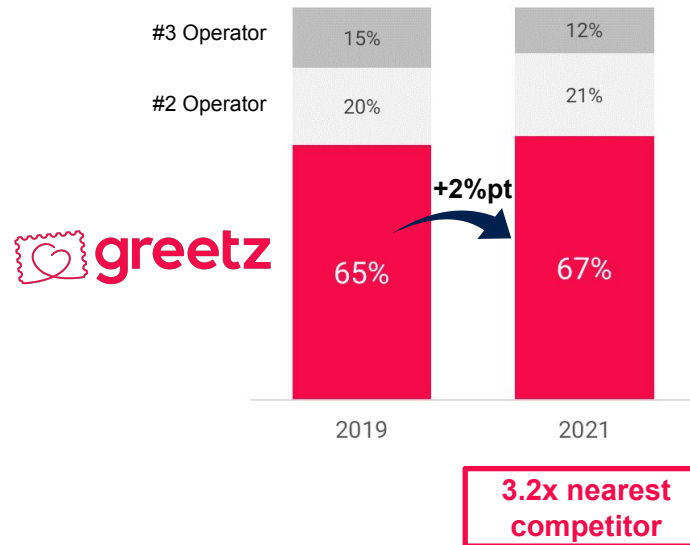
% of total, 2019 - 2021¹



Market share of Netherlands top three online operators



% of total, 2019 - 2021¹



Our vision is to Become the Ultimate Gifting Companion

Three key pillars for delivering our vision



Leveraging data and technology to make the gifting experience effortless



Building our brands so receiving our product always means more



Ensuring the perfect range of cards and gifts for every occasion



Further progress in leveraging data to deliver a hyper-personalised customer journey

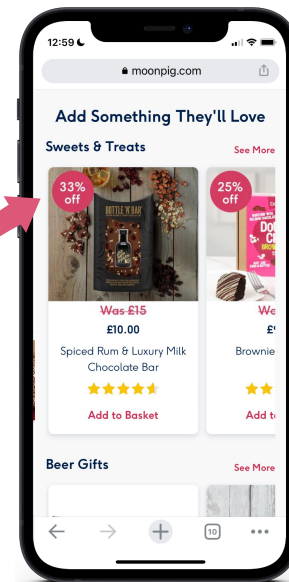
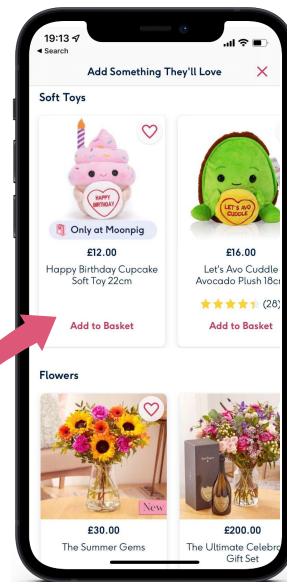
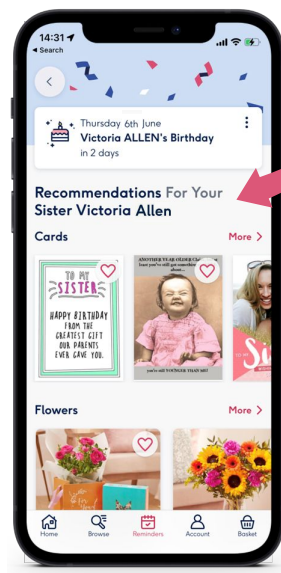
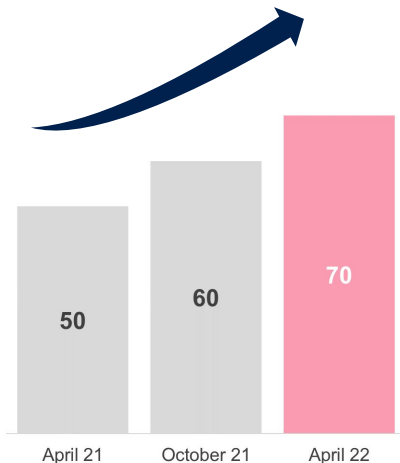
Continuing growth in reminders

Personalised recommendations on reminder landing pages

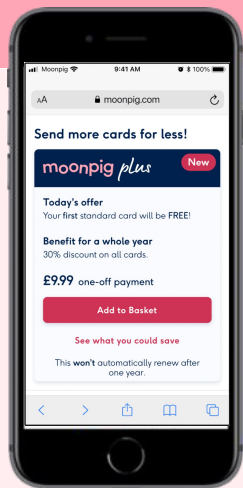
Upgraded algorithms driving enhanced cross sell experience

Personalised promotions targeting customer missions with lower attach rates

Reminders set at each period end
Millions

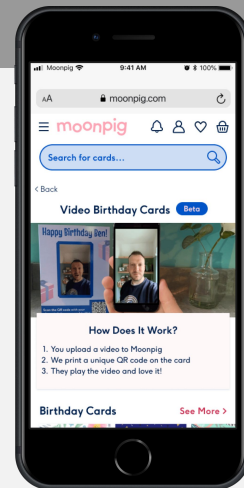


As we approach completion of Greetz migration project, resource will be unlocked to focus on innovation



Moonpig Plus (in beta)

- Begun trialling Moonpig Plus, our subscription service
- Package of discounts and other benefits for an annual fee
- Testing variants of proposition and pricing to promote customer purchase frequency and lifetime value



Video cards (coming soon)

- Customers can add a personalised video message to their card, using a printed QR code.
- Greater integration of emotional connection into the Moonpig experience
- Further differentiates our offering and increases AOV

2018 - 2021 Group Platform

Building a platform that enables us to develop at pace

2022 Greetz migration

Bringing the data and technology benefits to the Dutch market

FY23 H2 onwards
Acceleration of innovation
Technology focus on customer-facing functionality that we expect to drive revenue growth

Our investments in marketing and recipient experience underpin our high brand awareness and customer retention

Successful launch of a refreshed visual identity for Greetz



Continued strong awareness for both of our leading brands

moonpig

84%

Prompted brand awareness April 2022

greetz

72%

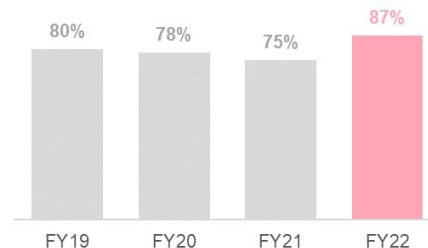
Prompted brand awareness April 2022

Focus on recipient experience to drive recipient-to-customer conversion



Retention of customers acquired during lockdown

Existing customer share of revenue
% total revenue



A fully localised card and gifting proposition launched in Ireland

Localised card design range

- 1,200 **bespoke Irish cards**
- 400 Irish language cards



First international launch of a gifting range

- Launched **gifts in Ireland** with a selection of locally-relevant brands



Local fulfilment and shipping

- **Local fulfilment** through a new printing and distribution partner
- **Next day delivery** on cards and attached gifts



Range expansion to 2,400 gifts has driven a further increase in gifting revenue mix

Continued addition of key brands



Cath Kidston®



STORMTROOPER
SPICE CRAFT BEER



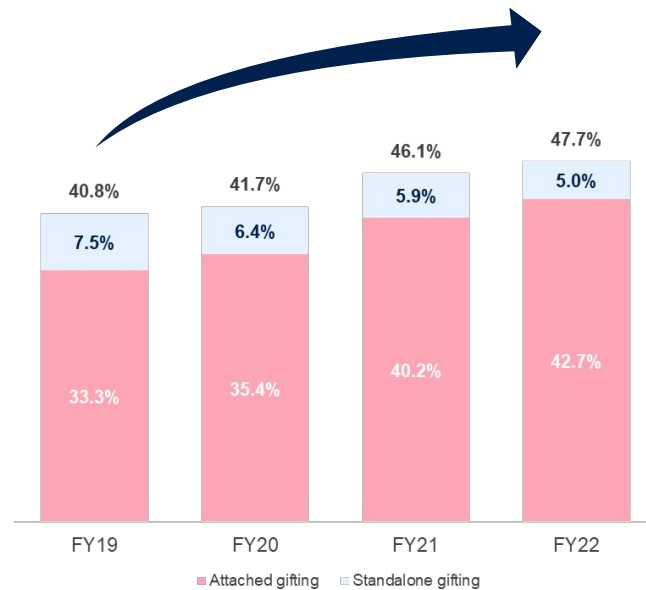
MARS



MY
1st years

+1.6%pts increase in gifting revenue mix

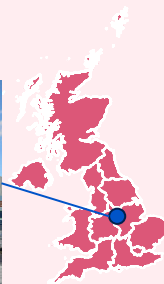
% of total revenue



Expanding our capacity with two new distribution facilities

moonpig Tamworth, UK

- 9,200 sqm / 100k sqft
- 9,000 cards per hour capacity
- 1 hr from Royal Mail
- BREEAM Excellent rating



Summer 2022

greetz Almere, NL

- 7,400 sqm / 80k sqft
- 7,500 cards per hour capacity
- 20 min from PostNL
- Energy efficient design including community heating system



Autumn 2022

Investment rationale

- Building operational resilience
- Supporting future capacity
- Enabler for gift bundling
- High environmental standards

The Buyagift acquisition will transform our gifting proposition

Best-in-class range

5k SKUs with no inventory

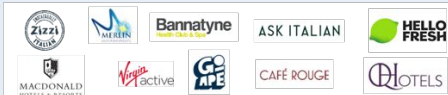
buyagift RedLetter days

Iconic Partners

THE SHARD



National Partners

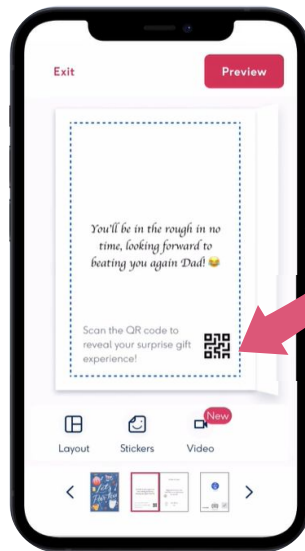


Local Partners



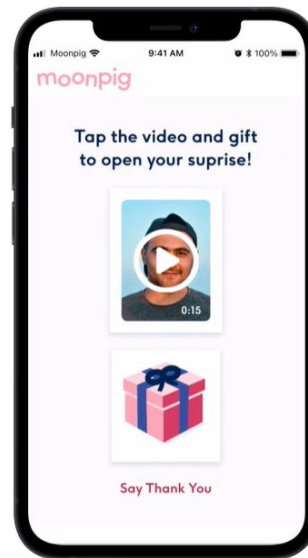
Digital gifting

Creating recipient to customer network effect



Enabler for same-day gifting

Superior service proposition



Strong results and continued market share growth



moonpig group plc