

Half Year Results Presentation

Six months ending
31 October 2021

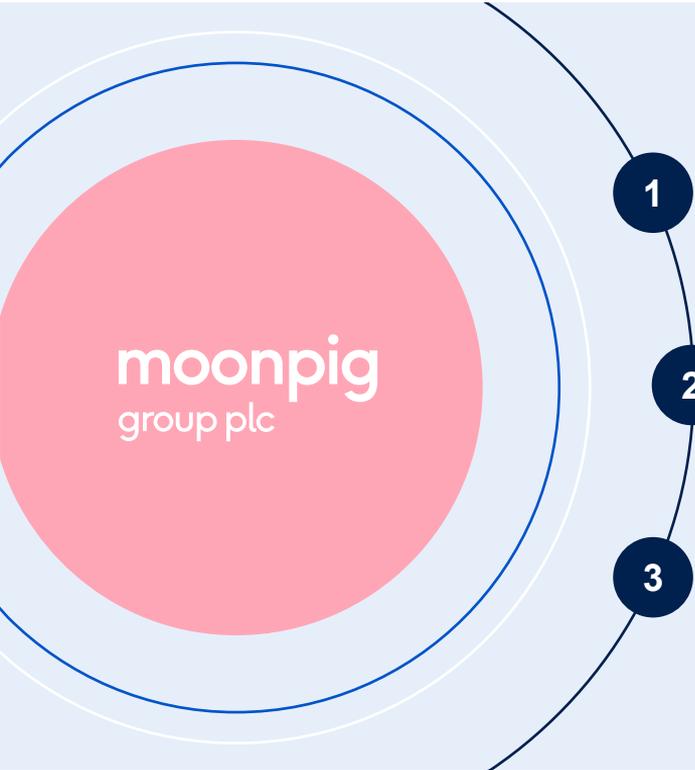
9 December 2021



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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 logo graphic consists of a large pink circle containing the text 'moonpig group plc'. This circle is surrounded by several concentric blue and white circles of varying thicknesses, creating a layered effect. A thin black line curves from the top right of the pink circle towards the right side of the slide, passing through three numbered dark blue circles.

moonpig
group plc

1

Overview – Nickyl Raithatha

2

Financial performance – Andy MacKinnon

3

Strategic progress – Nickyl Raithatha

Strong results and continued growth in gifting share of revenue



- 1** Revenue and Adjusted EBITDA more than doubled across two years, confirming that we have delivered a transformation in scale
 - 2** Continued growth in gifting share of revenue to 48%, reflecting ongoing progress in our strategy to become the ultimate gifting companion
- Further delivery against our **key growth levers**:
- Growth in **app penetration to 42%** and **over 60m reminders** collected
 - 3** • Retention of customers acquired during lockdown, with **89% of revenue derived from existing customers**
 - Commercial proposition strengthened through further **card and gift range expansion**, and new packaging for gifts to elevate the recipient experience
- 4** Our expectations for FY22 are **at the upper end of the existing guidance range**

Becoming the Ultimate Gifting Companion

Creating better,
more personal,
connections
between people
that care about
each other



Ensuring the **perfect range** of cards and gifts for **every occasion**



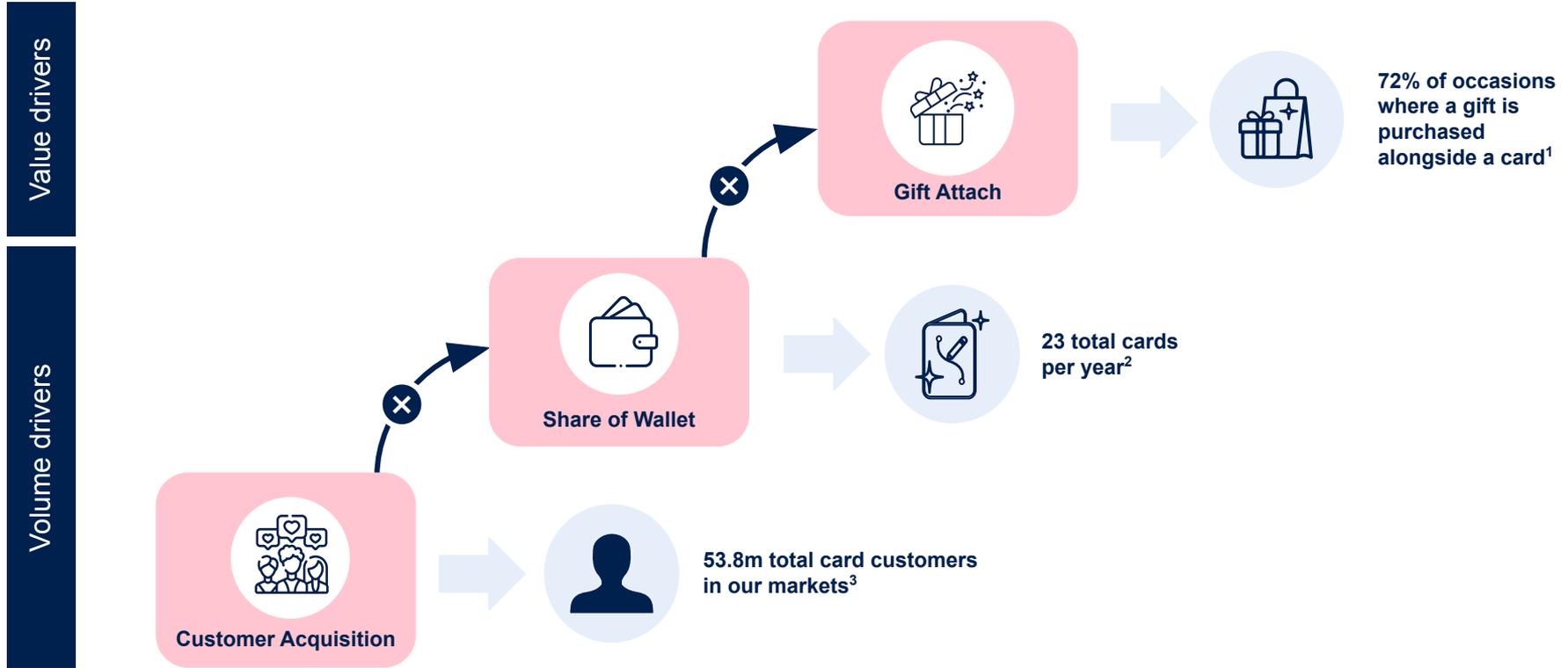
Building our brands so receiving our product **always means more**



Leveraging data and technology to make the **gifting experience effortless**



A compelling growth runway with three compounding drivers



¹ UK Singles Card Purchases in 2019 where a gift was purchased either in the same place as a card or a separate retailer to a card, as percentage of total UK Singles Card Purchases in 2019. ² Blended average total number of cards purchased by Moonpig customers in the UK and card customers in NL, weighted by individual entity's customer base, for UK and NL only. ³ Midpoint of range identified as 53mn – 55mn card customers in UK and NL based on OC&C 2019 estimates.

Financial performance

Andy MacKinnon



Strong H1 financial results and a step-change in scale

Strong H1 revenue performance



**£142.6m
Revenue**

+115%
Two year growth¹

19.5m
Orders

H1 Adjusted EBITDA margin rate maintained



**24.5%
Adjusted margin²**

£35.0m
Adjusted EBITDA²

+133%
Two year growth¹

Further growth in gifting revenue mix



**47.5%
Gifting revenue mix**

+3.3%pts
Year on year growth

+7.0%pts
Two year growth¹

¹ Cumulative two year growth rate, comparing the six months ended 31 October 2021 against the six months ended 31 October 2019

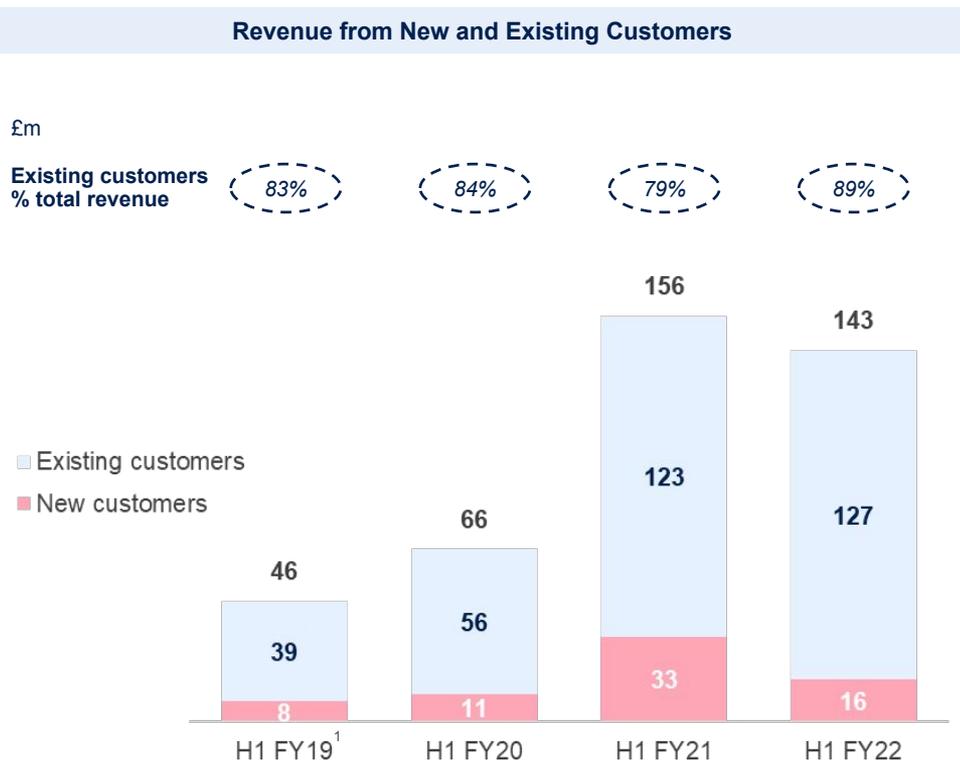
² Adjusted EBITDA is an Alternative Performance Measure. It is calculated as operating profit adding back depreciation, amortisation and adjusting items. Refer to the details set out in the half year results Announcement for the six months ended 31 October 2021, issued on 9 December 2021.

Orders have more than doubled across two years



- **19.5m orders**, which includes the impact of **elevated frequency** as customer behaviour normalises following the end of lockdown restrictions
- **AOV growth at 3% YoY driven by attached gifting**, offset in part by discretionary promotional activity to drive customer behaviours that align with higher retention and frequency (e.g. reminder setting, app downloads)

We have driven revenue from existing customers to 89% of total



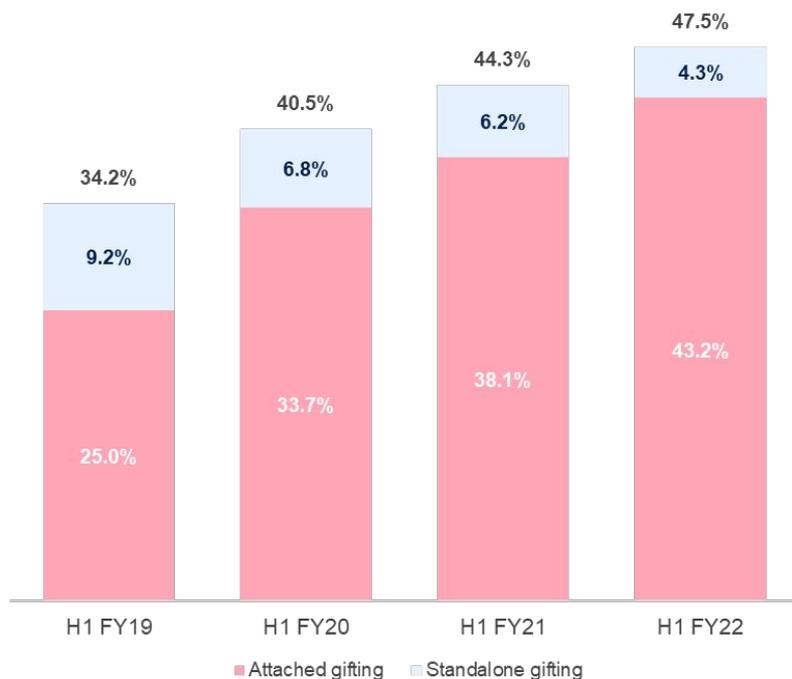
- **Repeat behaviour** of customers acquired during lockdowns is **consistent with historical cohorts**
- **Underpinned by management action** to drive app penetration, reminder setting, contextual recommendations and targeted marketing
- The customer acquisition environment has normalised following the end of lockdown². Acquisition activity remained effective, driving a **+53% increase in new customer revenue** across two years

¹ Greetz included from acquisition; September 2018 onwards. ² Management belief statement

We are driving an increasing proportion of revenue from gifting

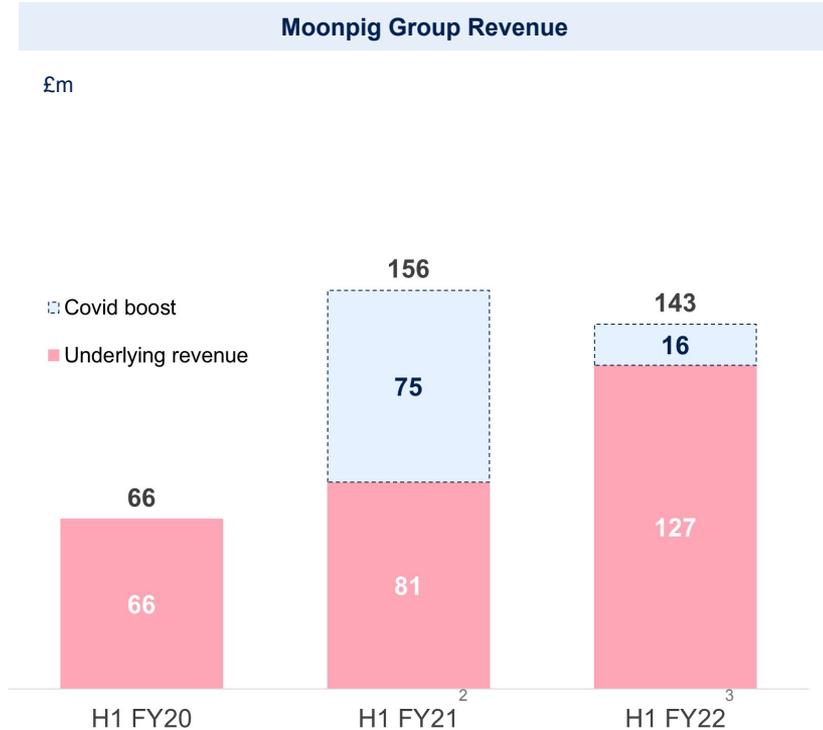
Gifting Revenue Mix

% of total revenue



- Further **growth in gifting revenue mix** driven by:
 - **Broadening merchandise** offering
 - **Optimising digital** user experience
 - Better leveraging data to produce more **personalised gifting recommendations**
- This is **an established multi-year progression** reflecting successful execution against the Group's strategy to become the **ultimate gifting companion**
- **No lockdown impact on gifting revenue mix** during H1 FY22
- We expect slower growth in the second half of FY22 due to a robust comparative, as lockdown in Spring 2021 drove temporary elevation in gift attachment

H1 revenue includes £16m in respect of elevated frequency



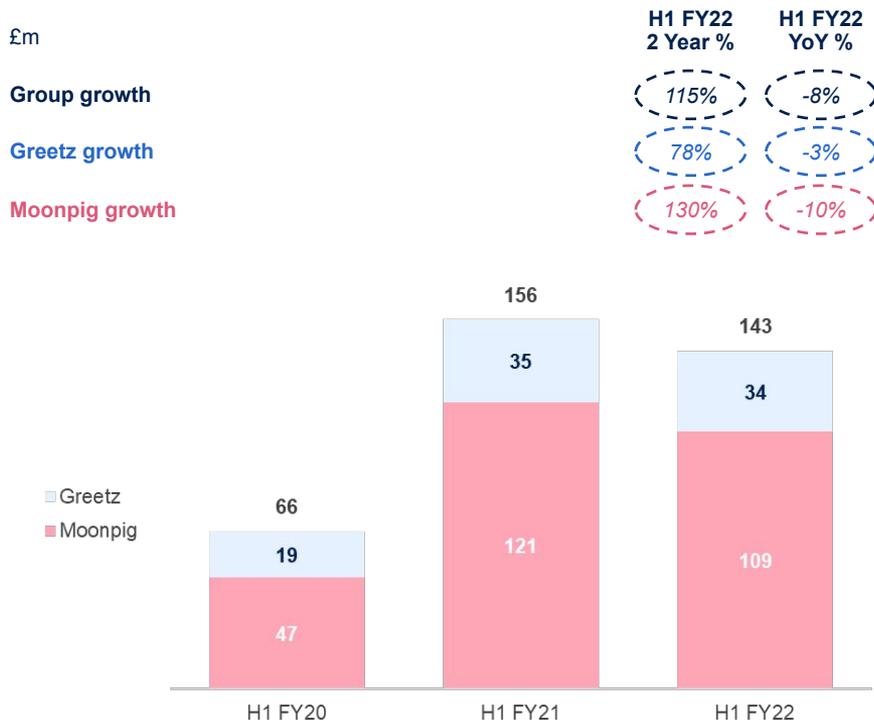
Recent data points gives us confidence that we will exit FY22 with a **frequency uplift of c. 15% in the UK** compared to pre-lockdown, ahead of our previous expectations. This is driven by initiatives such as app migration and the reminders ecosystem

- The equivalent **frequency uplift in the Netherlands is likely to be c. 5%**, in line with our previous expectations. Greetz does not yet have access to the new Group technology platform
- H1 FY22 revenue includes **£16m¹ impact of frequency** above the approximate exit rates of 15% (UK) and 5% (NL)
- For the full year, we expect a total **£20m¹ temporary revenue uplift** from this frequency elevation
- Excluding the temporary frequency elevation, H1 FY22 revenue was **£127m¹**, indicating **underlying two year revenue growth at 91%**

¹ Underlying revenue and management estimates of accelerated customer activity as a result of Covid-19 lockdowns are a management belief statement. ² H1 FY21 underlying revenue reflects uplifted customer acquisition and all uplift in customer purchase frequency in excess of pre-pandemic levels. ³ H1 FY22 underlying revenue reflects the uplift in customer purchase frequency in excess of 15% in the UK and 5% in the NL, compared to pre-pandemic levels

Two year revenue growth of 130% at Moonpig and 78% at Greetz

Moonpig and Greetz Revenue



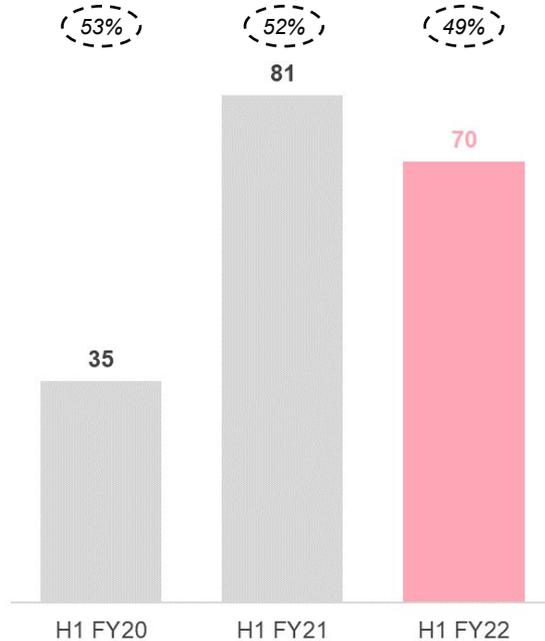
- Group revenue growth at **+115% across two years**
- Successful application of the **Moonpig strategy and operational playbook to Greetz**, delivering growth at our Dutch business
- Higher two-year revenue growth at Moonpig reflects the **benefits from our new technology and data platform**. We will migrate Greetz to this platform by end of calendar year 2022

Significant step up in gross profit over two years

Gross Profit

£m, % of total revenue

Group gross margin



- The trend in gross margin rate at Moonpig reflects:
 - **Growth in attached gifting mix** at lower than average gross margin rate. Higher gifting sales drive absolute gross profit
 - Promotional activity to **drive app downloads and reminder setting**

Adjusted EBITDA margin rate maintained following lockdown

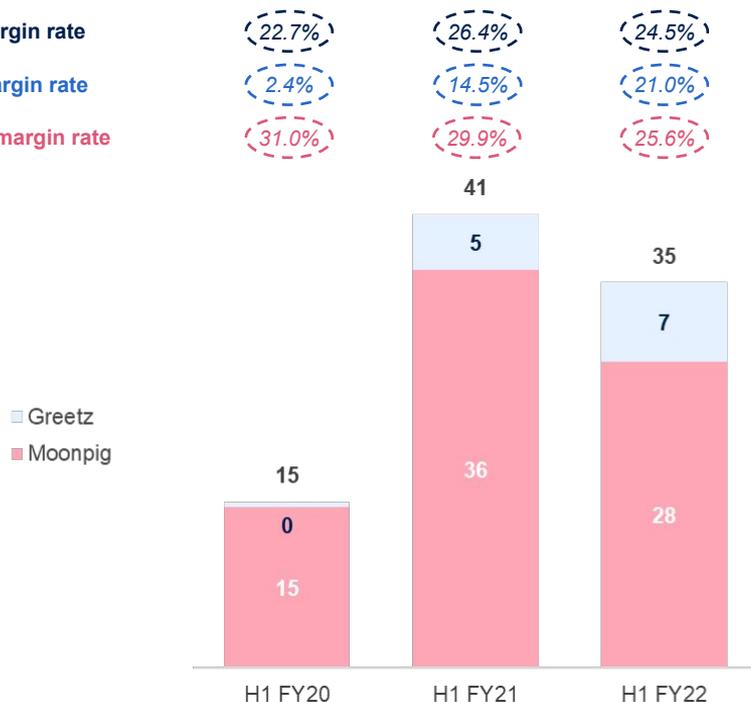
Adjusted EBITDA

£m, % of total revenue

Group margin rate

Greetz margin rate

Moonpig margin rate



- Adjusted **EBITDA margin rate held at 24.5%**
- The year-on-year reduction in Moonpig's Adjusted EBITDA margin rate reflects:
 - Annualisation against significant free organic customer acquisition in the early months of H1 FY21
 - Lower rates of purchase frequency in H1 FY22 compared to prior year
- The two-year trend in margin rate at Moonpig reflects promotional discounting to **drive app download and reminder setting**
- Greetz Adjusted EBITDA reflects **successful delivery of our card-first strategy** with limited promotional activity in H1 FY22

Operating cash conversion¹ reflects the unwind of high April trade payables

Adjusted EBITDA to Cash Conversion

£m	6 months to Oct 2021	6 months to Apr 2021	6 months to Oct 2020
Adjusted EBITDA	35.0	50.9	41.2
Less: Capital expenditure	(4.1)	(5.8)	(5.0)
Add back: (Increase) / decrease in inventories	2.9	(8.8)	(3.2)
Add back: (Increase) / decrease in trade and other receivables	1.4	(2.3)	0.5
Add back: Increase / (decrease) in trade and other payables	(21.8)	37.6	(7.9)
Operating cash flow	13.4	71.6	25.6
Operating cash conversion¹	38%	141%	62%

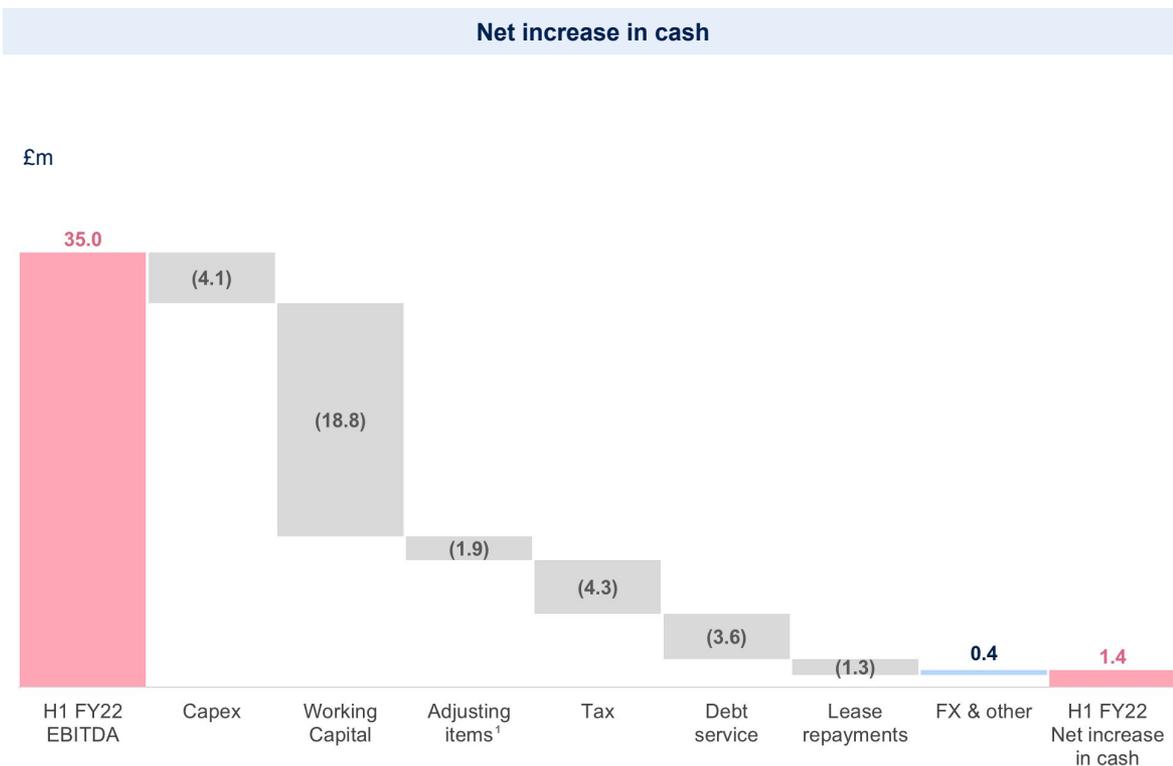
Operating cash conversion at **38%** reflects **seasonality** in working capital and the **unwind of high trade payables** at 30 April 2021 related to strong trading in lockdown and marketing spend

- Total capex of £4.1m:
 - Ongoing development of our **proprietary technology platform**
 - **Migration of Greetz** onto the platform
 - YoY reflects timing of physical capex
- Partial unwind of inventory buffer for **resilience of supply** during lockdown
- We expect to incur capex² outside the ordinary course on the fit-out of **new operations facilities to expand our network** in the UK in H2 FY22 and (as previously disclosed) in the NL in FY23. This is in addition to the initial recognition of IFRS 16 Right of Use assets in respect of the leases²

¹ Operating cash conversion = operating cash flow / Adjusted EBITDA.

² Refer to further details set out in the financial review section of the half year results announcement issued 9 December 2021

Net debt of £113m as at October 2021, with net leverage of 1.3x



- **Closing net debt of £113m** as at October 2021 (April 2021: £115m)
- Net debt to LTM Adjusted EBITDA **of 1.3x**
- Comfortably below the 2.0x net leverage commitment made at IPO

¹ Adjusting items relate to pre-IPO legacy incentives

Capital allocation priorities remain unchanged

Organic investment to drive growth

1

Marketing

- Customer acquisition
- Promotional activity for app downloads and reminder setting

Technology

- Data science capabilities
- In-house expertise and platform

Operations

- Enhance flexibility and scalability of production footprint

M&A

2

- **Relevant, value-accretive** M&A opportunities
- **Current markets**, adjacent areas or technology that will **accelerate our medium-term goals**

Shareholder returns

3

- Do **not** intend to pay a **dividend** as we continue to invest in growth
- Will continue to evaluate dividend policy and shareholder returns over time

Capital allocation priorities focus on investment in growth

Current trading, outlook and guidance

Current Trading and Outlook

- Group annual revenue for FY22 is now expected to be at the upper end of the previous guidance range of between approximately £270 million and £285 million. This includes approximately £20 million that is non-recurring as it relates to elevation in frequency above the expected exit rate, of which more than three quarters arose in the first half of the year.
- Customer purchase frequency has not yet fully normalised, but the data we now have provides us with confidence that we will exit the financial year with an enduring uplift in UK customer purchase frequency of approximately 15% compared to pre-Covid-19 levels.
- In the Netherlands, we expect customer purchase frequency to settle at a rate that is in line with existing expectations, reflecting the fact that Greetz does not yet have access to the new Group technology platform.
- With respect to the medium-term, the Group continues to target underlying annual revenue growth in the mid-teens and an Adjusted EBITDA margin rate of approximately 24% to 25%.



Strategic progress

Nickyl Raithatha

Our three compounding growth drivers



Market-leading online brand awareness, which continues to rise

Brand awareness remains at an all time high



+7%

Moonpig prompted brand awareness (Sep 21 vs Mar 21)

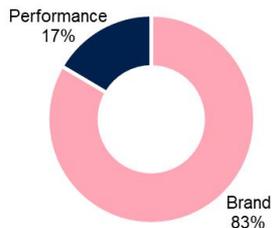


+4%

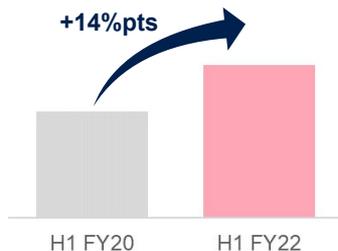
Greetz prompted brand awareness (Oct 21 vs Apr 21)

Vast majority of traffic comes from brand

Group Traffic by Channel - H1 FY22



% Users Coming Direct to the Group's Site / App



A customer base that loves our brands

4.8



4.3



4.2

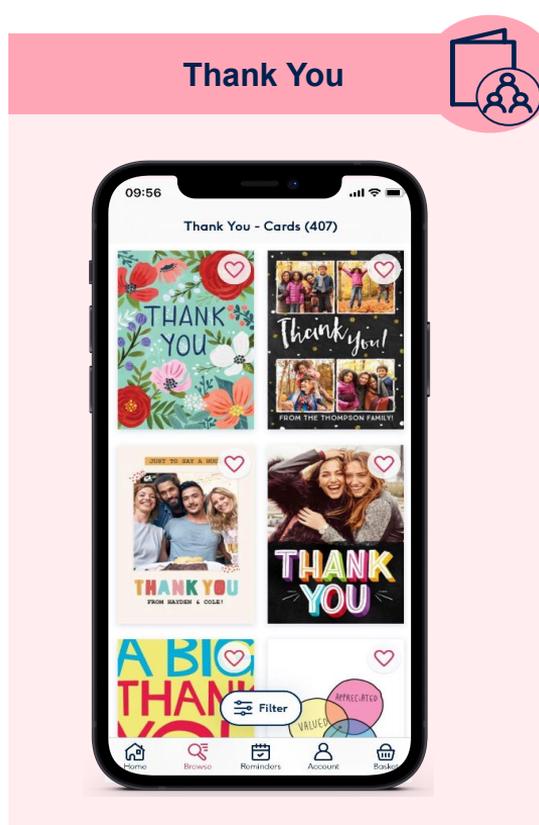
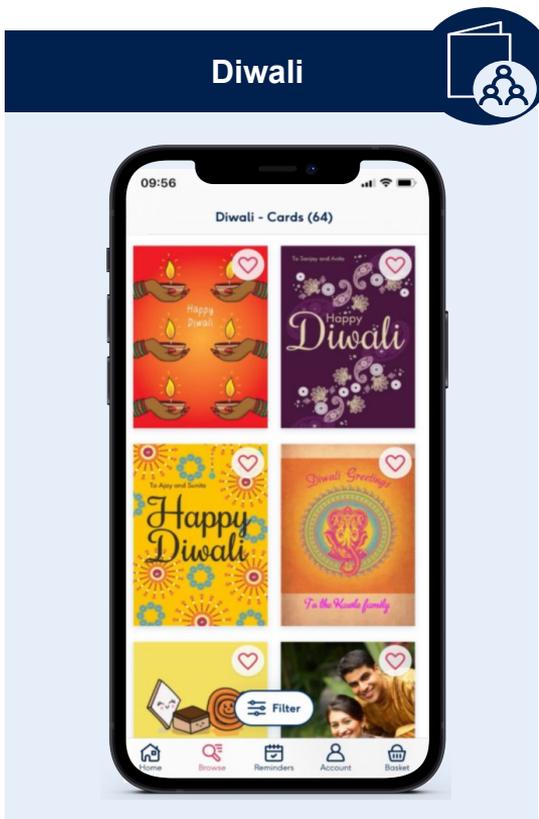


72.4

Net Promoter Score¹

¹ Group average NPS for the six months to October 2021 ² As at 25 November 21, Moonpig.com only

Focussed campaigns driving customers into new moments



- Global Design Platform now has 33,000 card designs
- We have the perfect card for a wide range of customer moments
- Campaigns focused around lower-volume missions drive range awareness and encourage habit
 - Diwali cards +180% YoY
 - Thank you cards +360% YoY in August

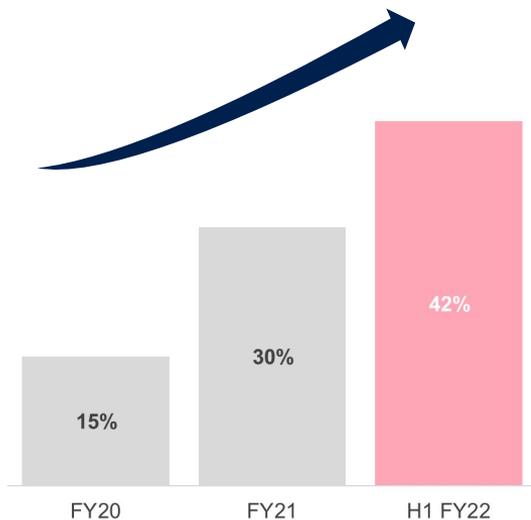
Further progress on Moonpig's journey to become app-first

Rapidly growing
App penetration

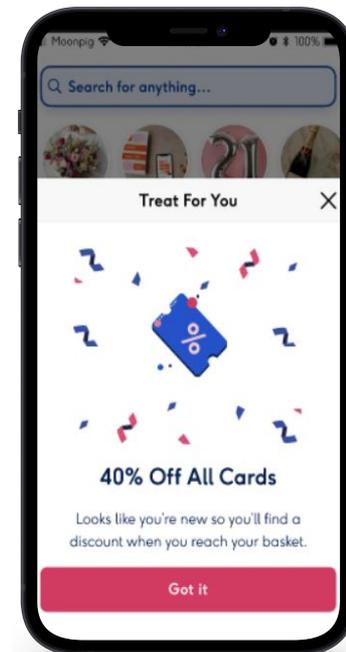
UK eCommerce awards
'App of the Year'

New personalised
promotions engine launched

App orders as % of total orders⁽³⁾



2.5m downloads in H1 FY22⁽¹⁾
with 31m lifetime orders⁽²⁾

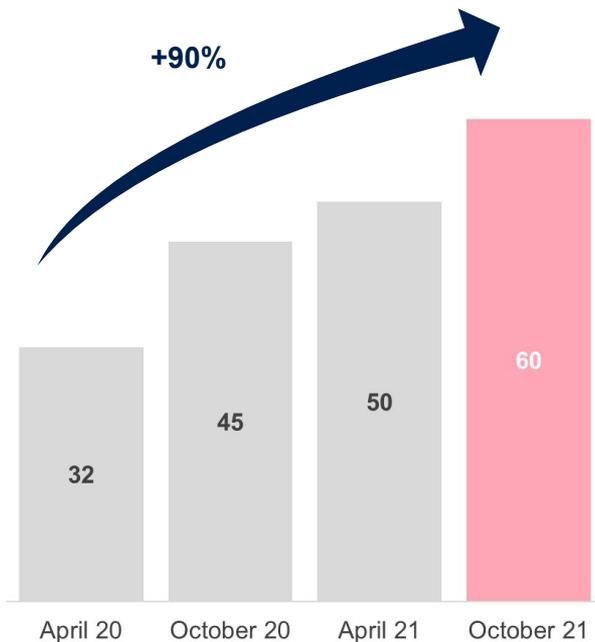


¹ Year ended 30 April 2021 Moonpig only. ² Moonpig.com lifetime cumulative orders. ³ Moonpig

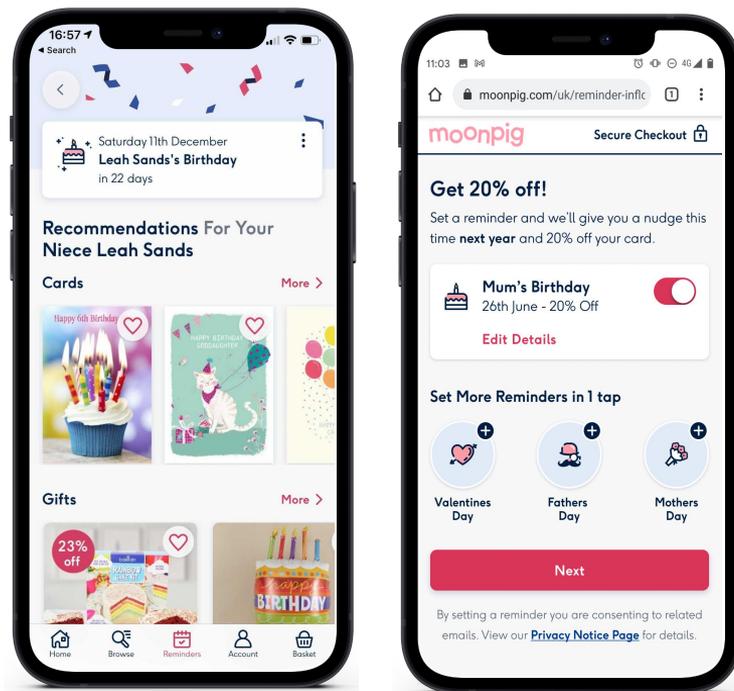
Continued focus on reminder collection and conversion rates

We have broadly doubled our database of reminders collected in the last 18 months

Reminders set at each period end

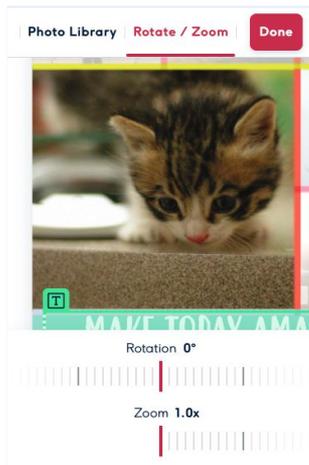


Personalised reminder landing pages and one-click reminder creation



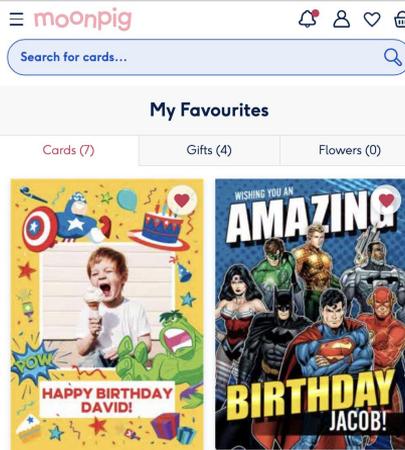
New feature launches to support better conversion and upsell

New editor on web



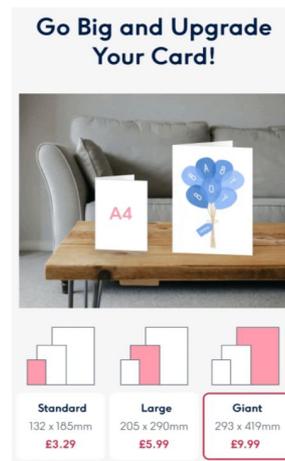
- The new editor has made it easier and quicker for customers to personalise their card or gift, **increasing usability**

Search and favourites



- Our **improved search service** helps consumers navigate our constantly expanding cards range
- Our new **favourites** functionality has **improved conversion rates**

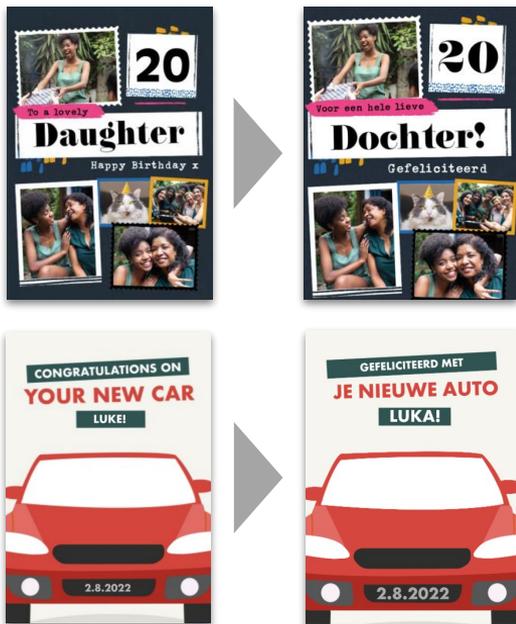
Card upsell



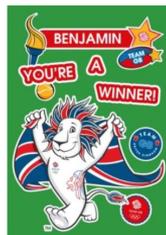
- Our new upsell page helps **customers upgrade their cards with confidence**
- **Card upsell is up +5%pts YoY** in H1 FY22

Integration of Greetz into the Global Design Platform

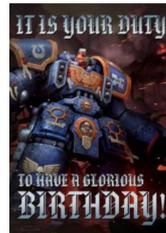
3,000 Global Design Platform designs extended to Greetz



More exclusive partnerships

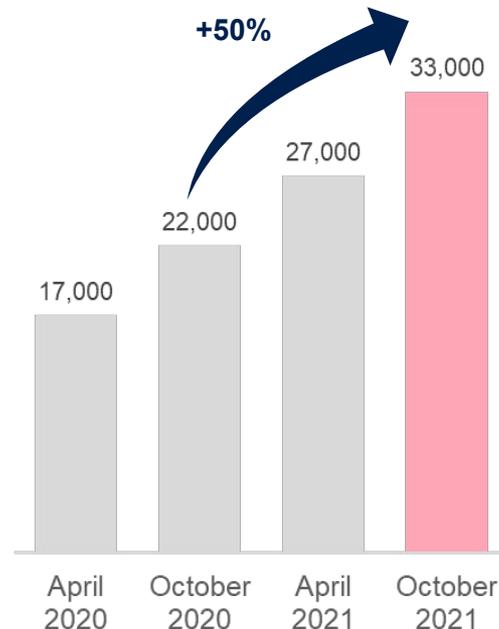


THE TALE OF PETER RABBIT



WARHAMMER

Our card range now contains 33,000 designs, up +50% YoY



New gift category partners in wine and fine fragrances

<p>New partnership with Virgin Wines</p>	 <p><i>>30 new wines</i></p>	
<p>New premium fragrance range</p>	<p><i>Partnership with specialist fine fragrance wholesaler</i></p> <p><i>>40 new fragrances</i></p> <p><i>>20 new gift sets</i></p>	
<p>Further improving our unique letterbox offering</p>	<p><i>+200% larger range</i></p> <p><i>+350% revenue YoY</i></p>	

Upgraded algorithms drive relevance and cross-sell

Our new “Mission Dynamic” cross-sell algorithm has further improved the relevance of gifting recommendations

New cross-sell touchpoints on web and app within basket

Card-first strategy enables us to capture customers' intent



Recipient



Card choice

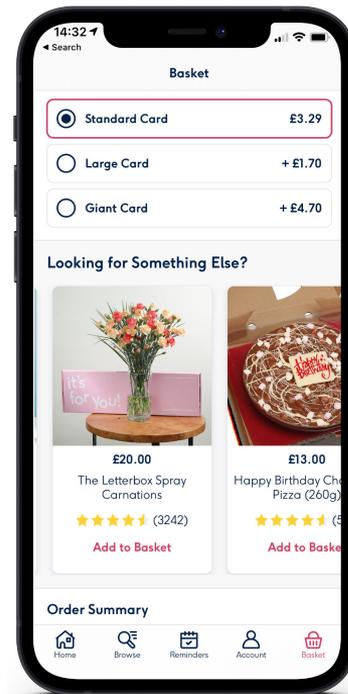


Customer data and previous activity

Algorithmic cross-sell recommendations



>50,000 unique cross-sell pages



New packaging to elevate the recipient experience

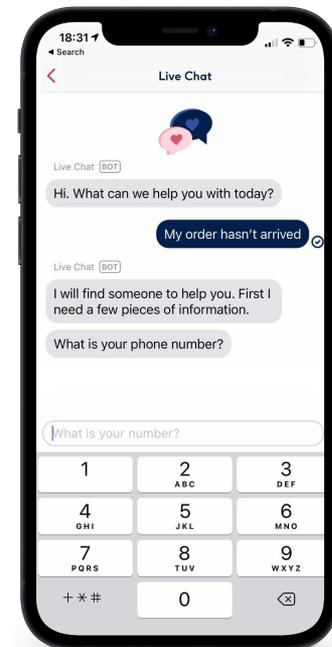
New layer-on-layer packaging for improved recipient experience



Delivery seven days a week



24/7 chatbot launched



Ongoing execution against our ESG goals

Full FSC certification, and on course for 100% sustainable card, paper and packaging by 2022



Ongoing actions to reduce direct GHG emissions. Net zero by 2030 goal approved by SBTi



Partnering with organisations that work to improve technology sector diversity



Working to fund the reforestation of 90,000 trees in FY22



Launched hybrid and fully remote working models. Aligned employee benefits across our brands

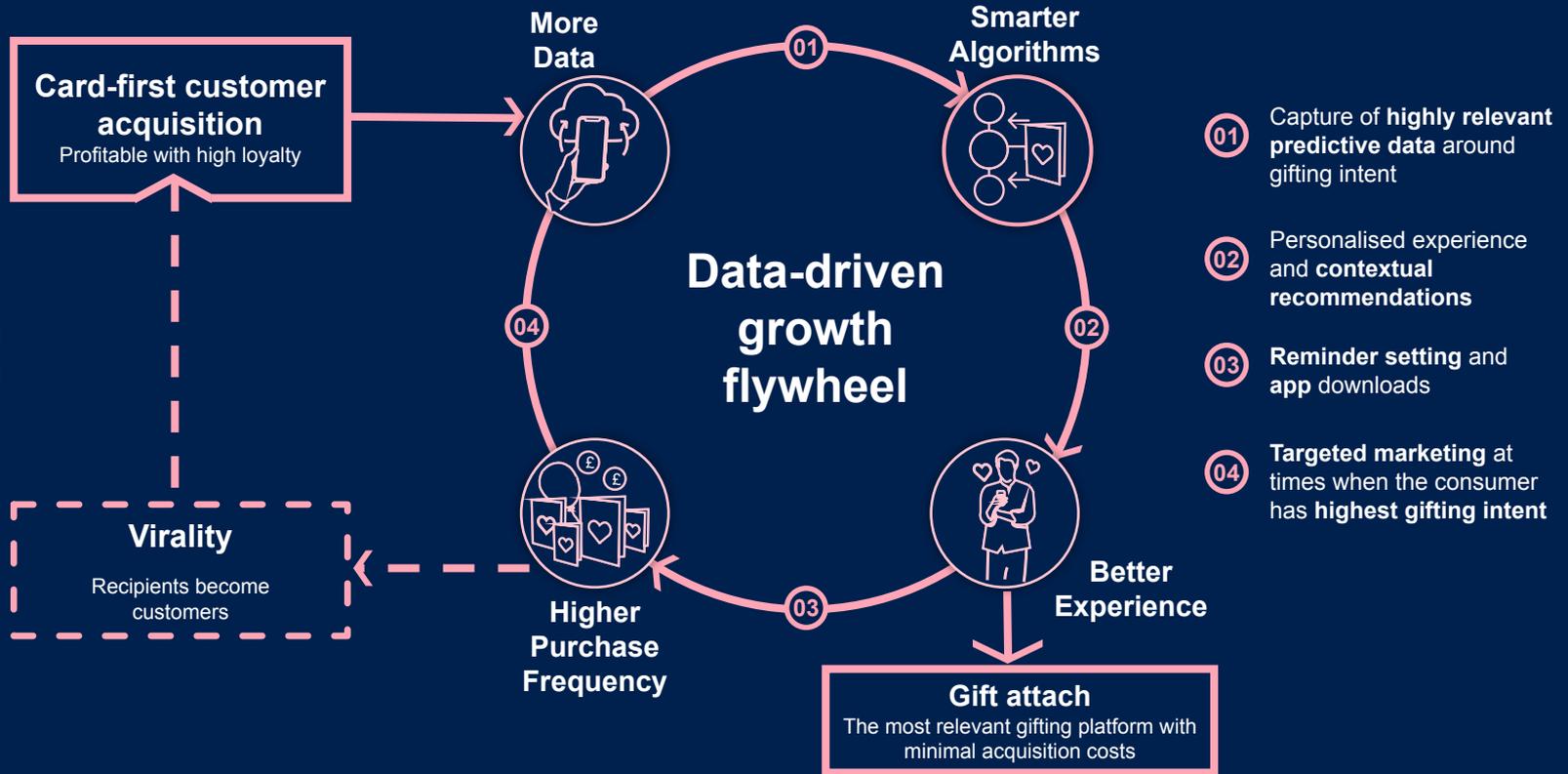


Delivering a top-quartile customer Net Promoter score of at least 70

72.4 Net Promoter Score

Our business model positions us to drive sustained growth

Virtuous cycle driving customer retention and lifetime value



Strong results and continued growth in gifting share of revenue



moonpig
group plc

The slide features a large pink circle on the left containing the Moonpig Group PLC logo. To its right, a blue arc contains four numbered circles (1, 2, 3, 4) that point to four key performance indicators listed on the right side of the slide.

1

Revenue and Adjusted EBITDA more than doubled in two years

2

Continued growth in gifting share of total revenue to 48%

3

Continued delivery against our key growth levers

4

Our expectations for FY22 are at the upper end of the existing guidance range

moonpig group plc