



Market Update 2024

Moonpig Group plc

June 2024



OC&C
Strategy consultants

uncommon sense

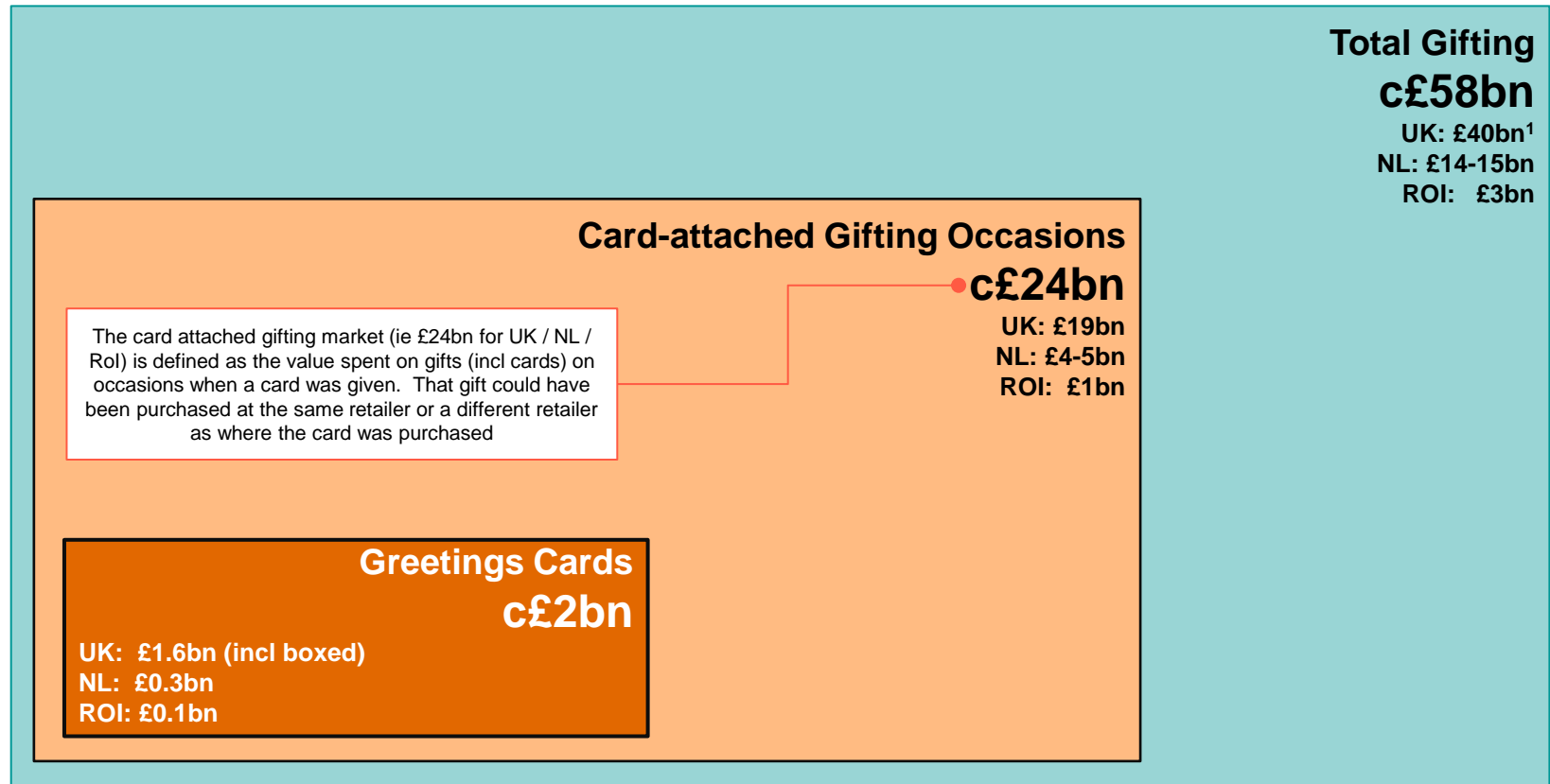
Agenda

UK Card Market & Greetz Competitive Position

NL Card Market & Greetz Competitive Position
Experience Gifting

Total UK+NL+RoI gifting spend is worth c£58bn per year of which £24bn is on occasions where a greeting card is sent

Summary of UK + NL + RoI Market Size - 2023



1. Excludes £10bn of gifting in cash.

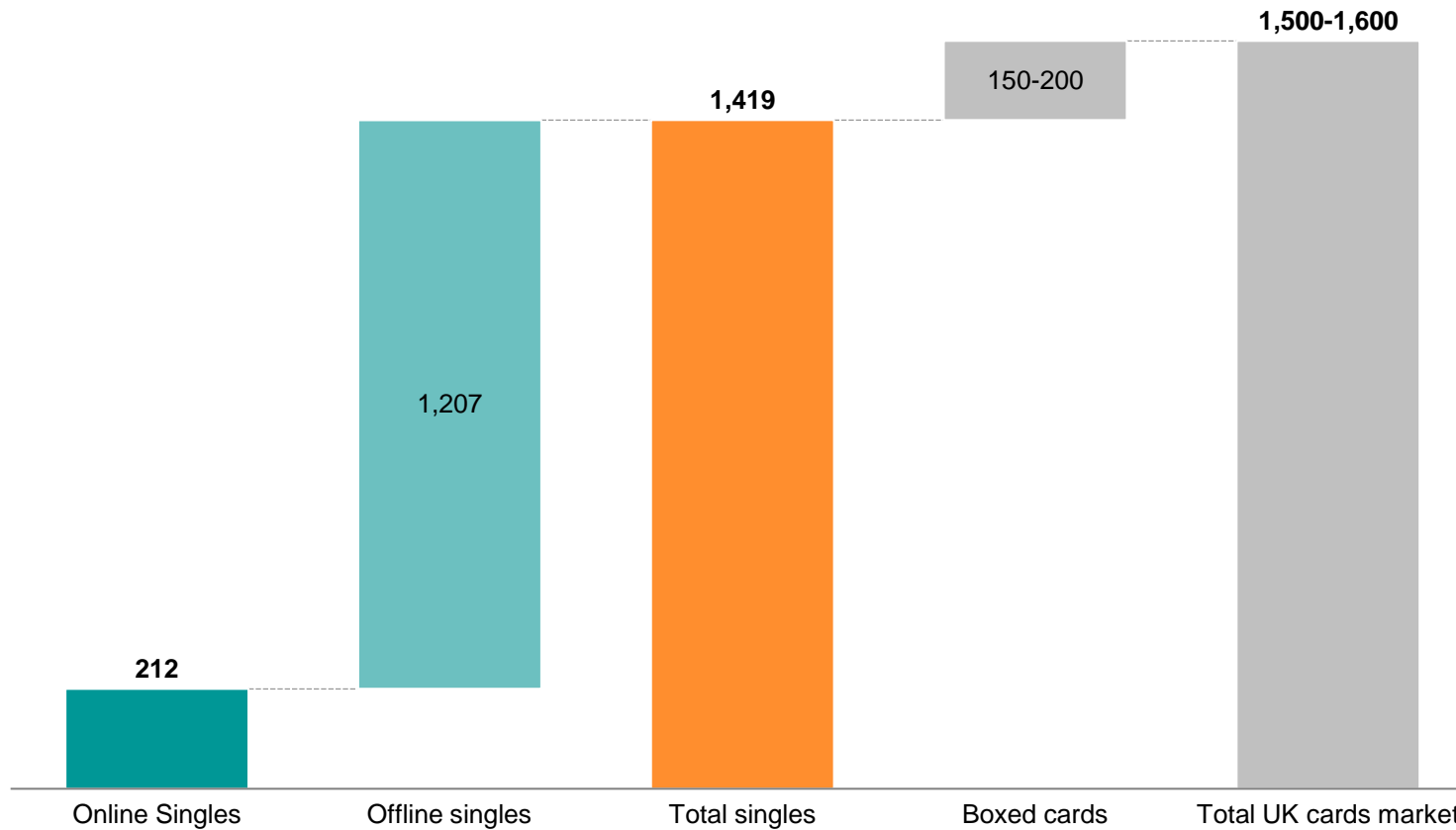
Source: OC&C model, OC&C analysis





In the UK, singles greetings cards (where Moonpig focuses) account for c£1.4bn of market sales

UK Greetings Card (Single + Boxed) Market Value (£m) 2023E

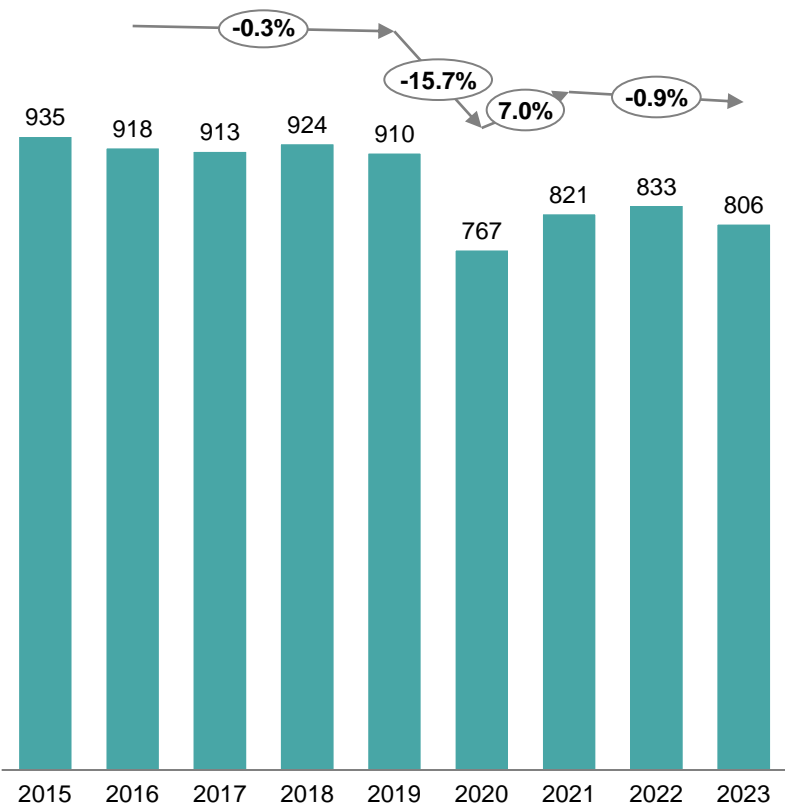




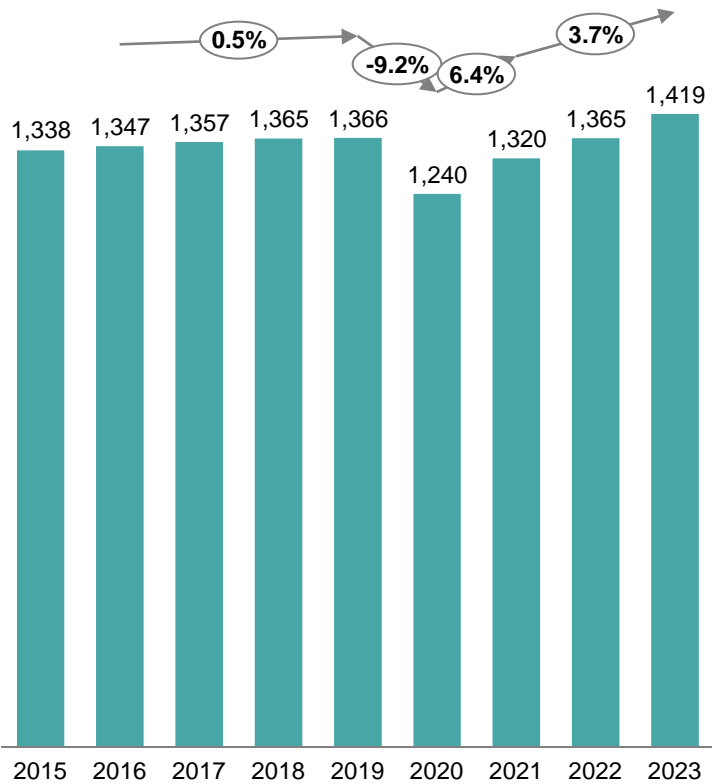
In 2023, singles market experienced slight volume decline – but grew in value terms driven by ASP inflation (and annualisation of previous price rises)

UK Singles Greetings Card Market Evolution, 2016-23

UK Singles Greetings Card Market Volume (Millions Cards)



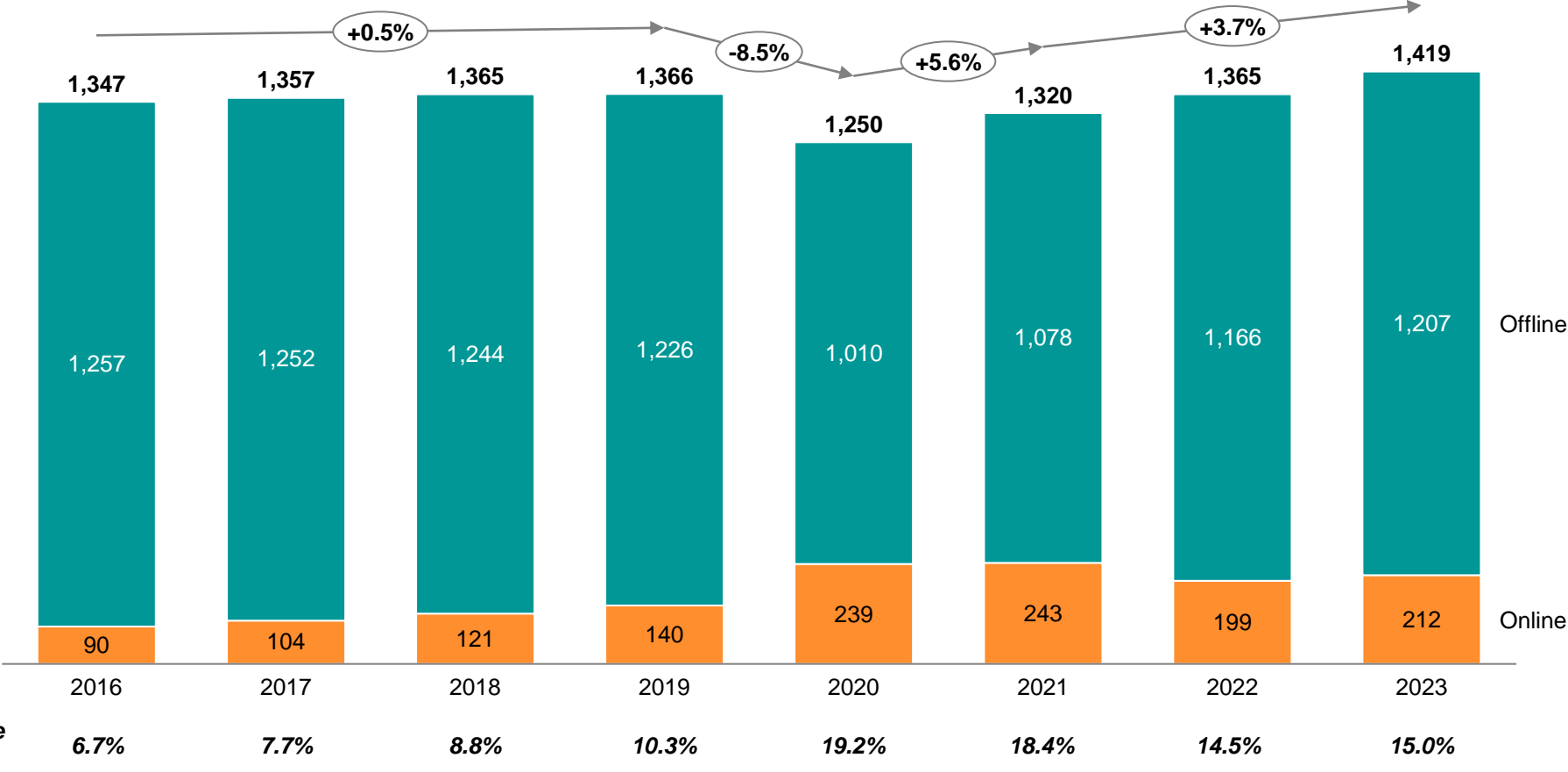
UK Singles Greetings Card Market Value (£m)





Online card sales were worth c£212m in 2023 – up c7% in revenue vs 2022 (mostly driven by ASP increase)

UK Singles Greeting Cards Market by Channel, 2016-23 (£m)



Source: OC&C market model

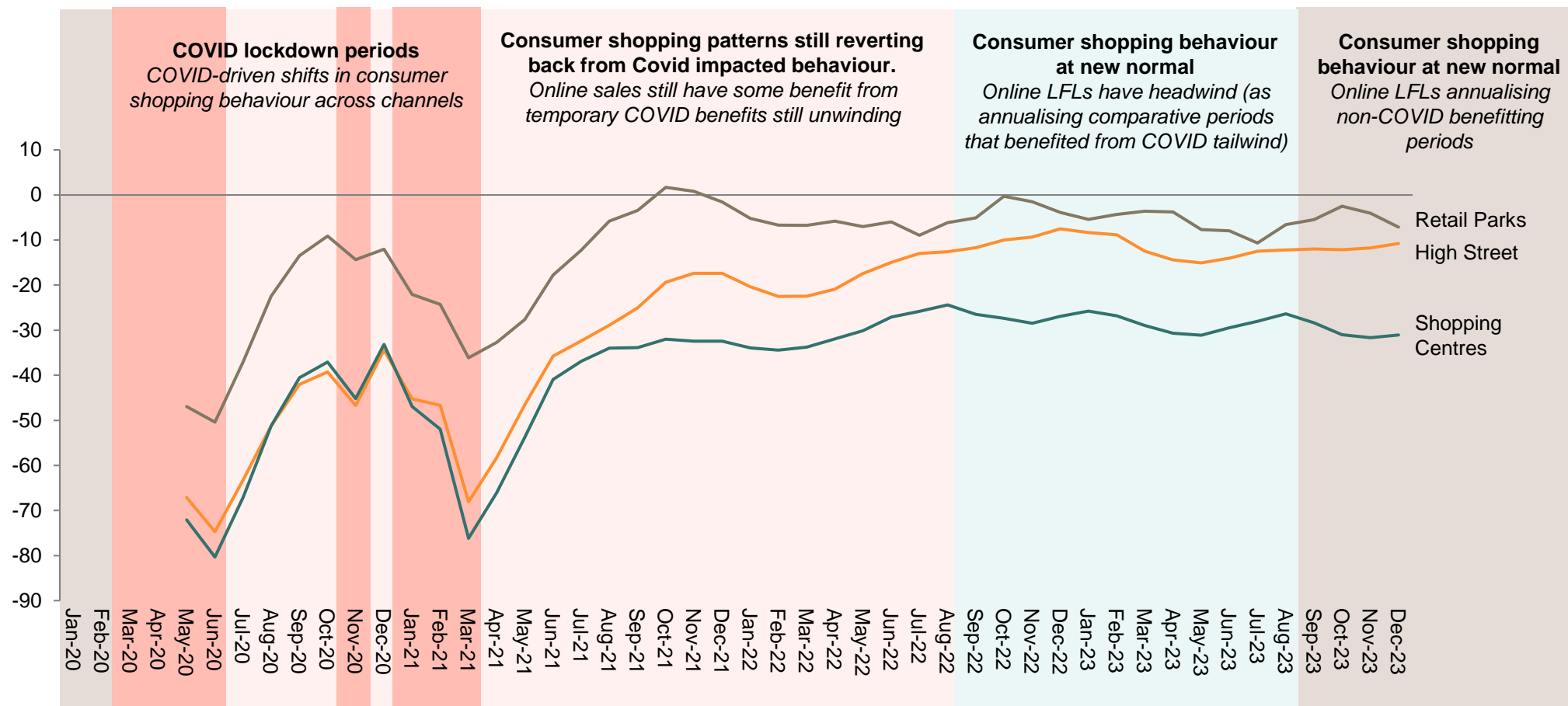
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Autumn 2023 represents the first period since COVID in which online LFLs are not impacted by either COVID benefits or subsequent unwinding of these



% Change in UK Footfall vs Same Month in 2019 (Rolling 3 Month Average)



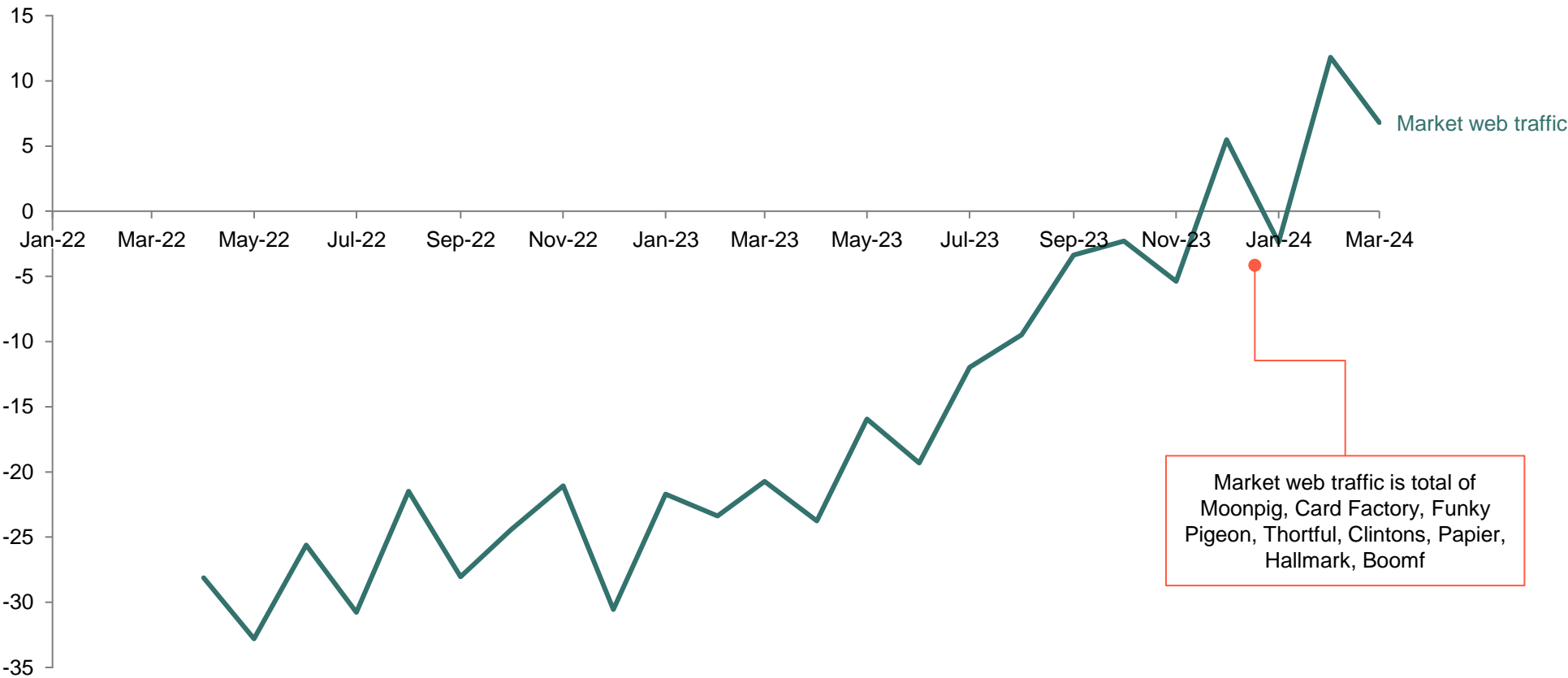
Source: BRC Sensormatic/Shopper Trak Footfall Data, OC&C analysis





Market web traffic levels point to online market volume growth resuming in Autumn 2023

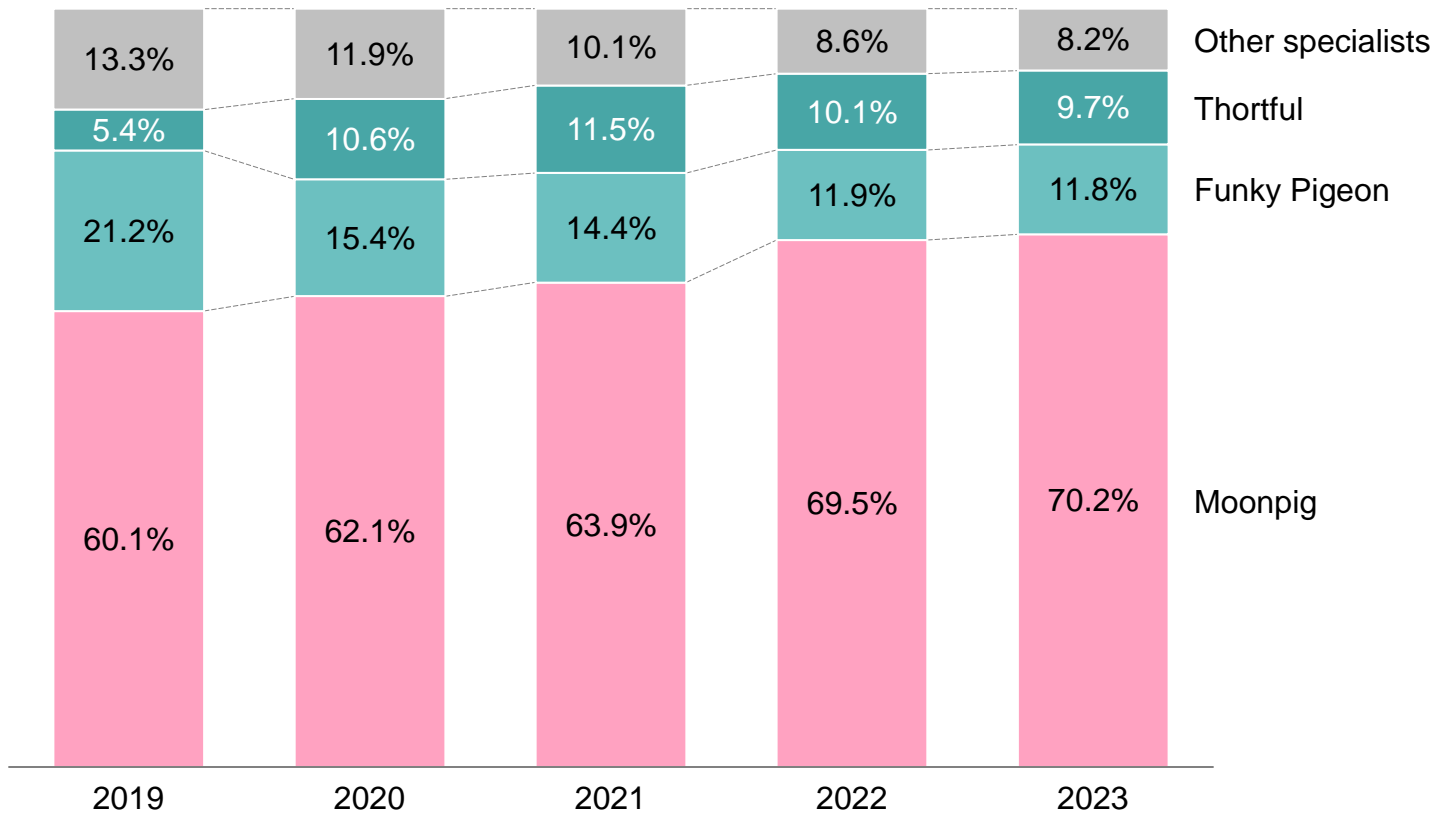
Market Web Traffic Growth – Month vs same month previous year





Against online card specialists, Moonpig has consistently gained market share

Moonpig Share of Online Sales by Greetings Card Specialists ¹, 2019-23
(% of total online card specialist sales)



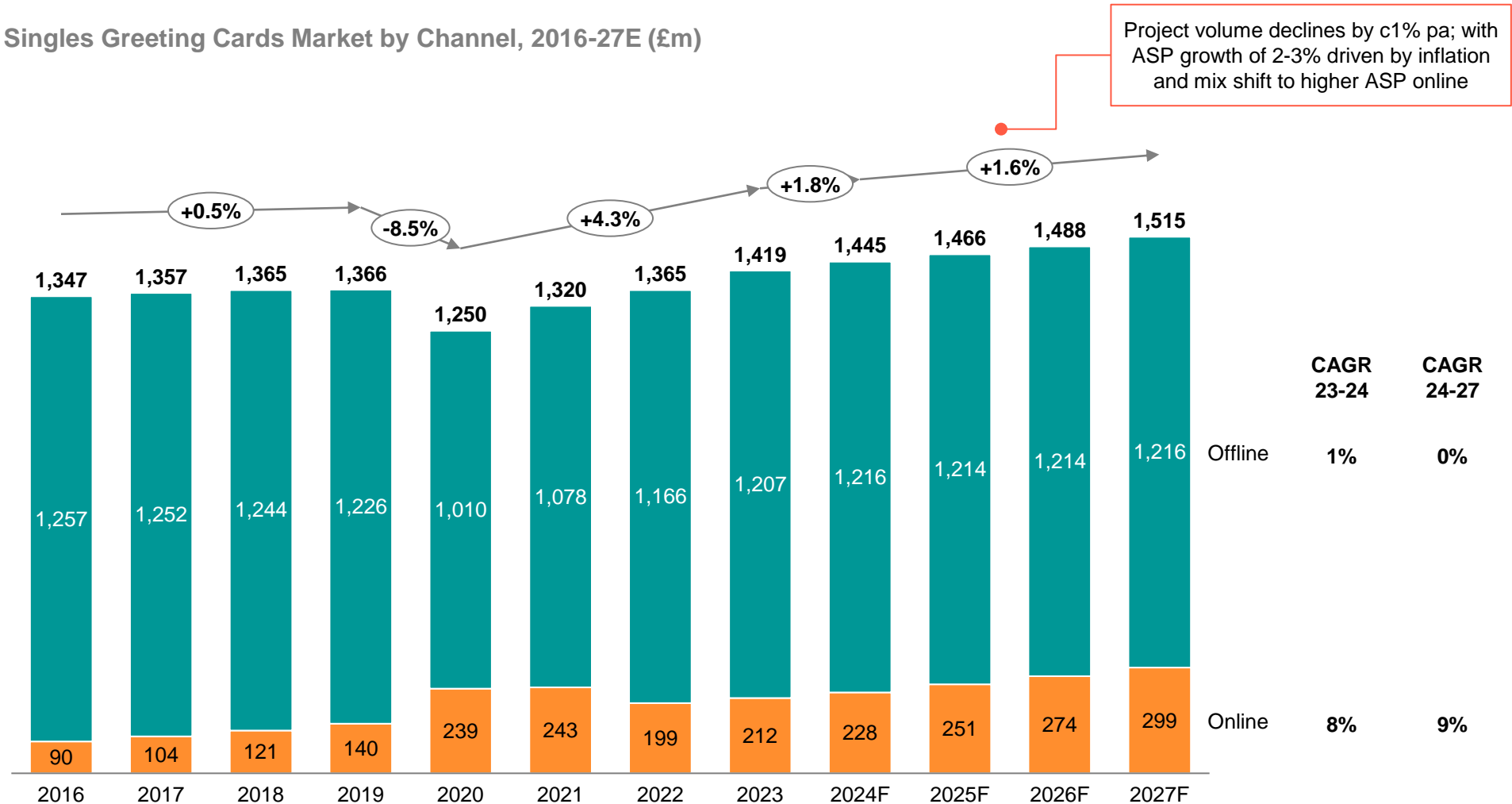
1. Other specialists include Card Factory, TouchNote, Clintons, Paperchase, Hallmark, Boomf, Papier; numbers exclude online card sales of non-specialists which are estimated to be c£16m in total
Source: Management Data, Company Accounts, OC&C analysis and market model





Looking forwards, central case projects c1-2% value growth in singles cards market – with online channel growing c9% CAGR 24-27

UK Singles Greeting Cards Market by Channel, 2016-27E (£m)

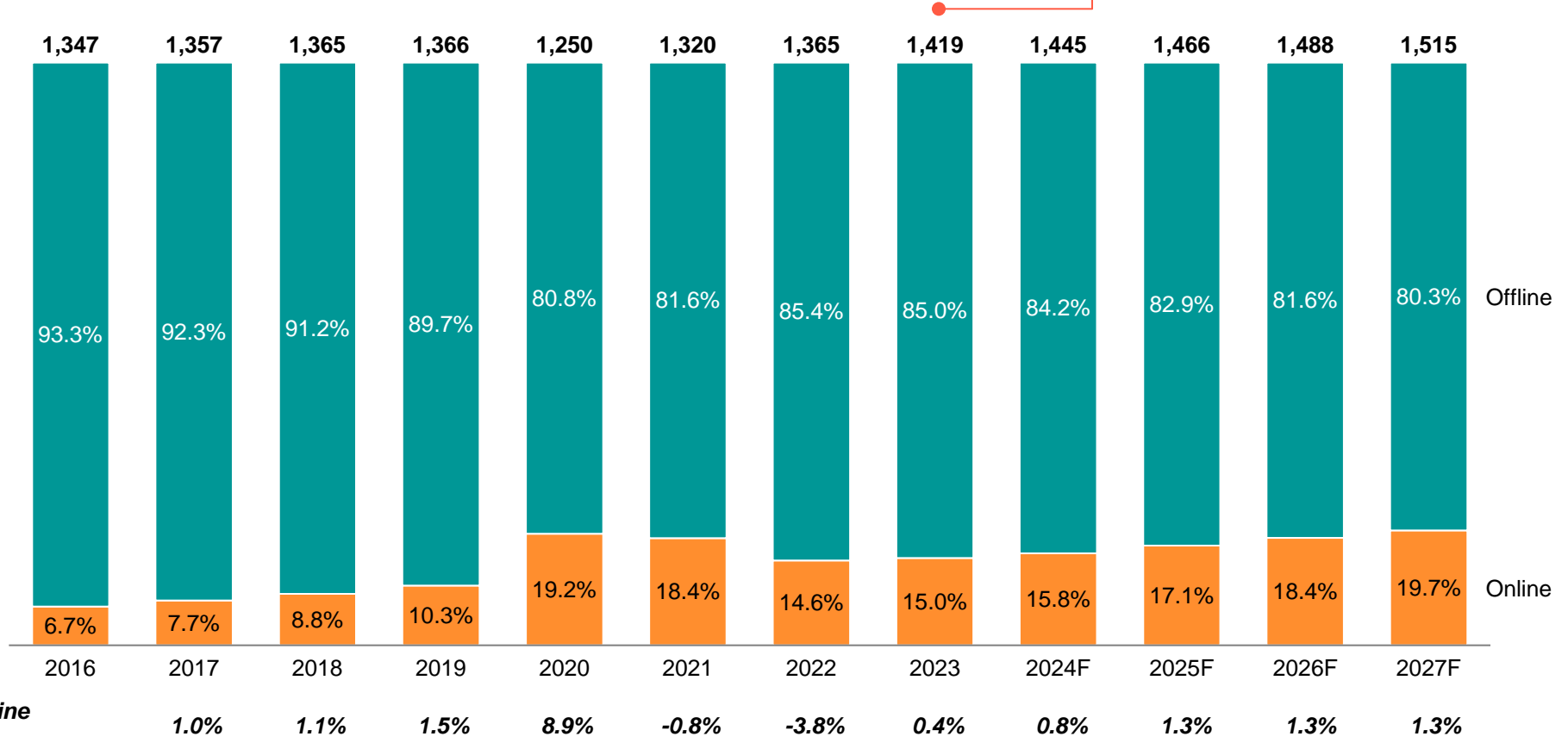




Online share of singles card market projected to rise to c19-20% by 2027 – up from 15% in 2023

UK Singles Greeting Cards Market Share of Value by Channel, 2016-27E (%)

In H2 2023 channel stops lapping COVID tailwinds, resulting in volume decline in H1 2023 but volume growth in H2 2023



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UK Card Market & Greetz Competitive Position

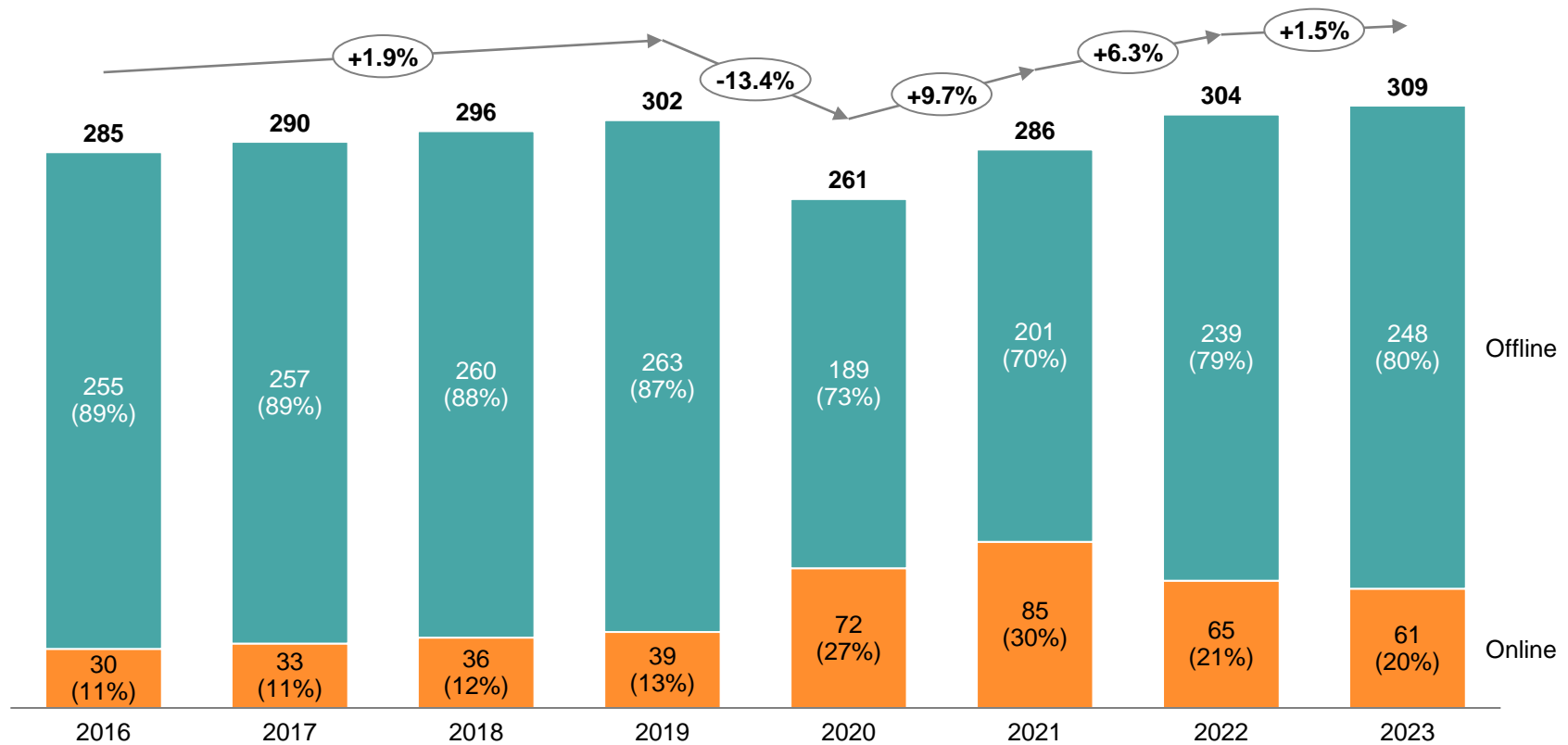
NL Card Market & Greetz Competitive Position

Experience Gifting

NL singles cards market worth c£300m - with online segment worth c£61m in 2023

Estimated NL Greeting Cards Market by Segment, 2016-23 (£m)

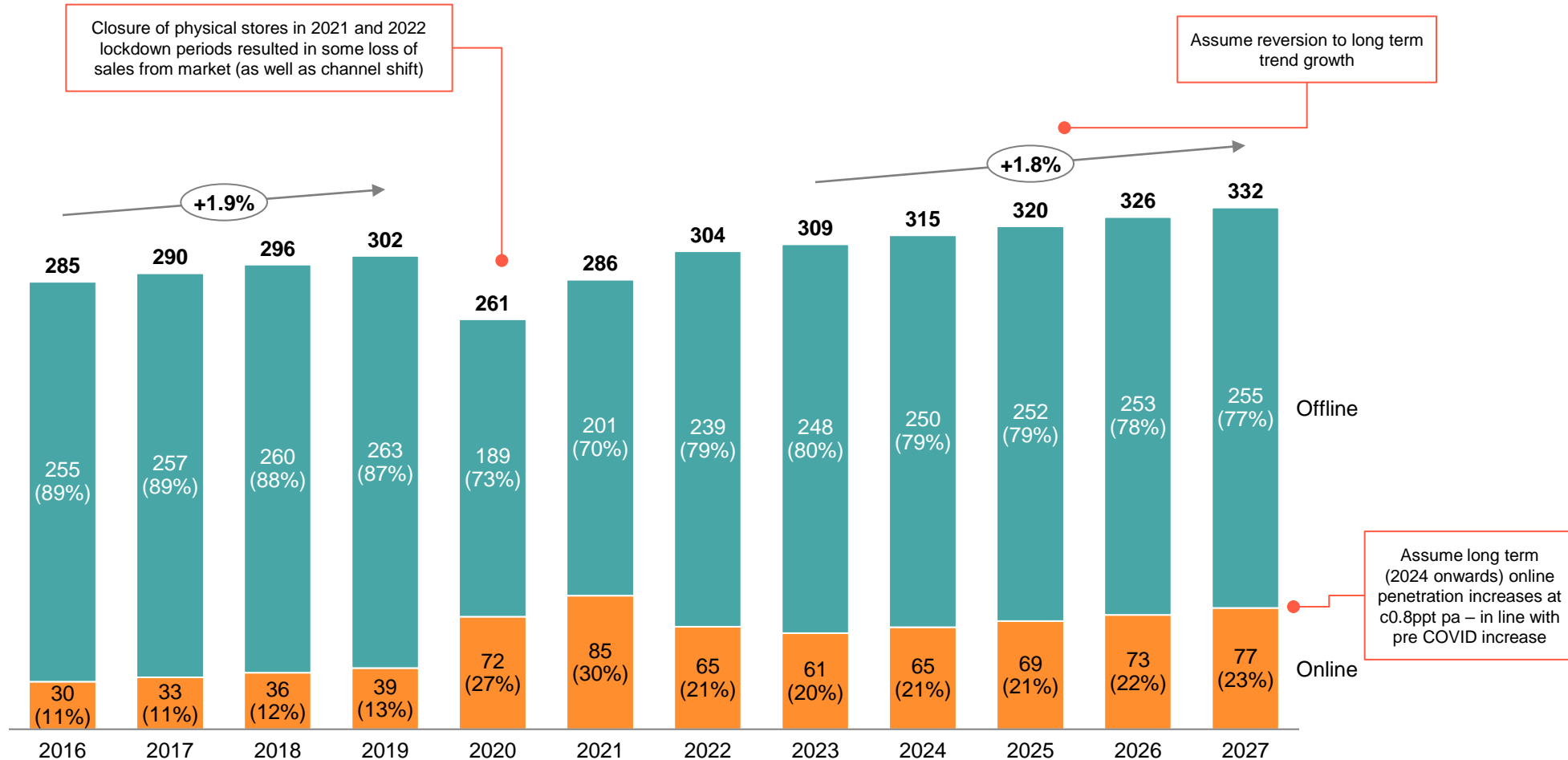
Projections shown at constant 2023 exchange rate



Best view of future NL greeting card market growth suggests reversion to trend 1-2% positive a growth - online share projected to have modest gains in 2024

Estimated NL Greeting Cards Market by Segment, 2016-27 (£m)

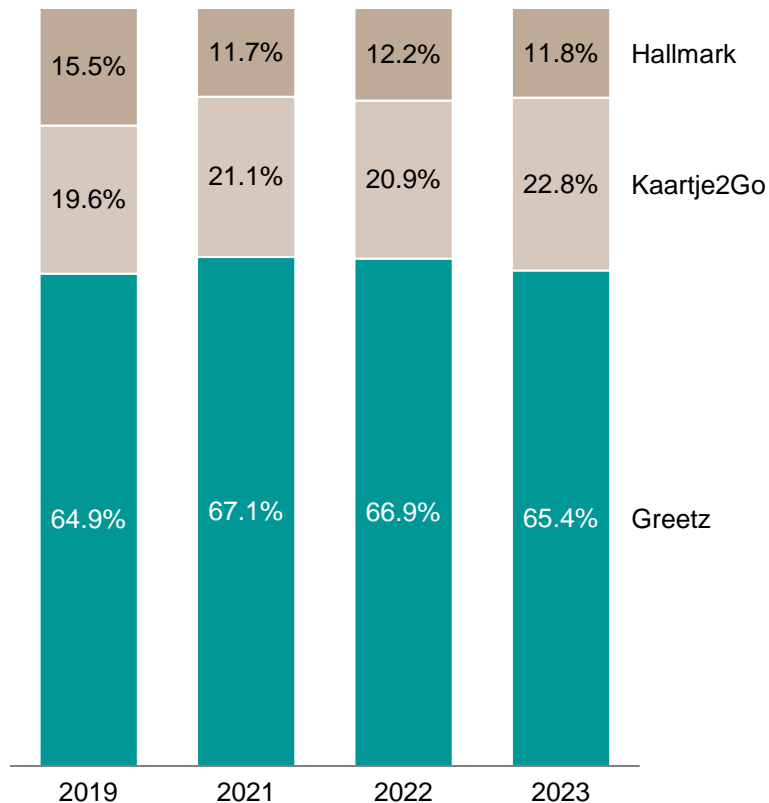
Projections shown at constant 2023 exchange rate



Among the largest three online card players, Greetz has a c.65% share of online card revenue in NL

Online Sales of Major Specialist Greetings Card Players in NL – 2023E

Share of Leading Online Specialist Card Players, 2021-23E
(% of online specialist card sales)



Largest 3 online card players are based on estimated online greeting card sales in the Netherlands. Based on reported revenue data where available; where not, estimated by traffic to these players from which revenue is estimated based on ratio of Greetz revenue/ traffic. This has been triangulated with consumer survey data analysing stated purchasing levels by retailer

Commentary

- 3 major players in Netherlands account for c65% of total online cards market
- The revenue of Kaartje2Go and Hallmark is estimated by scaling Greetz revenue relative to traffic, given similar category offering and business model

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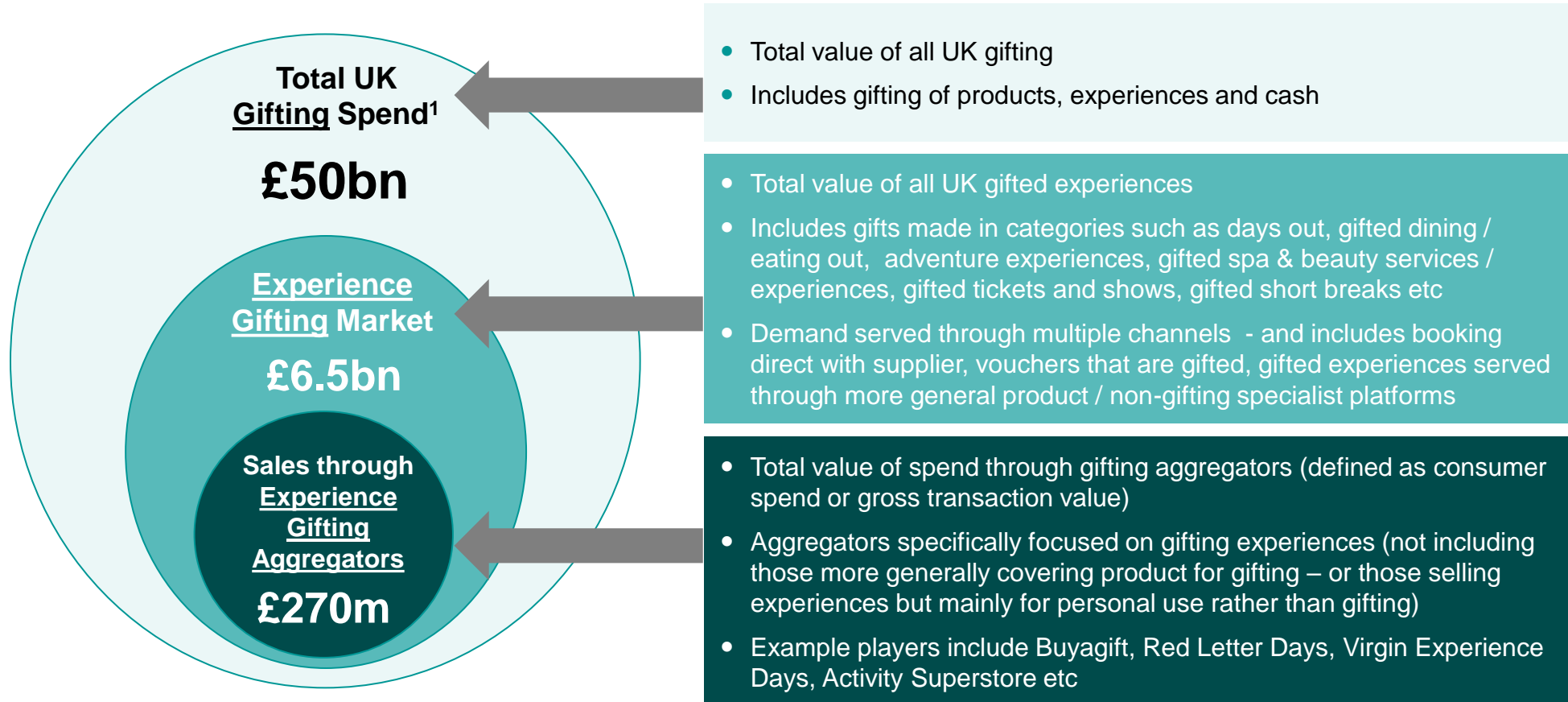
UK Card Market & Greetz Competitive Position

NL Card Market & Greetz Competitive Position

Experience Gifting

The Gifting market is worth £50bn today – of which Experiences represents c£6.5bn of spend, c£270m of which served via Experience Aggregators

Gift Experience Market Size 2023 and Definition



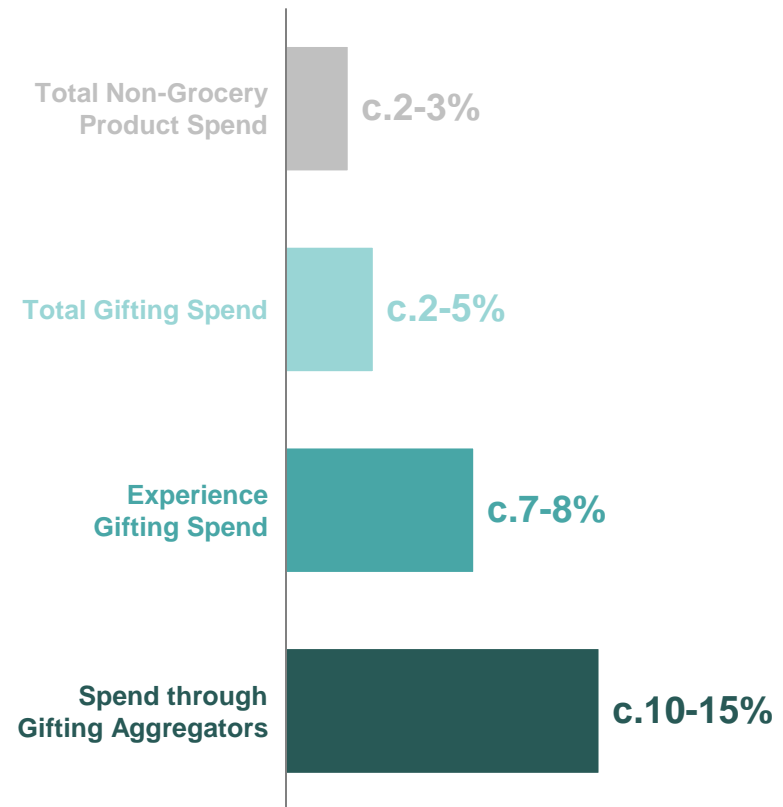
1. Includes c£10bn of gifting in cash.
Source: OC&C analysis

Historical trend has been experiences gifting growing faster than overall gifting – with experience aggregators growing faster

Gift Experience Market Size 2023



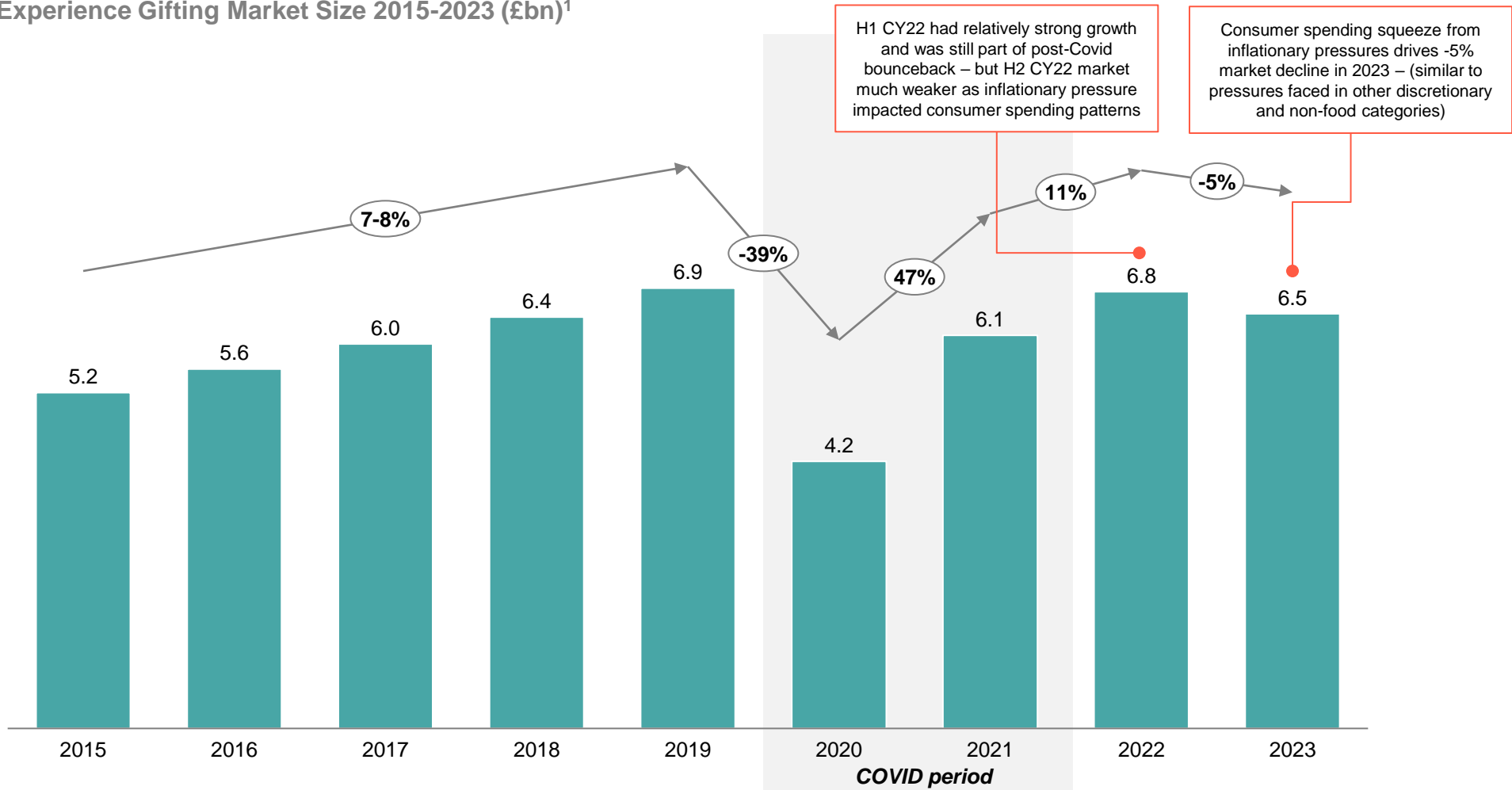
Estimated 2015-2019 Growth Rates (pre-COVID)



1. Includes c£10bn of gifting in cash.
Source: OC&C market model, OC&C analysis

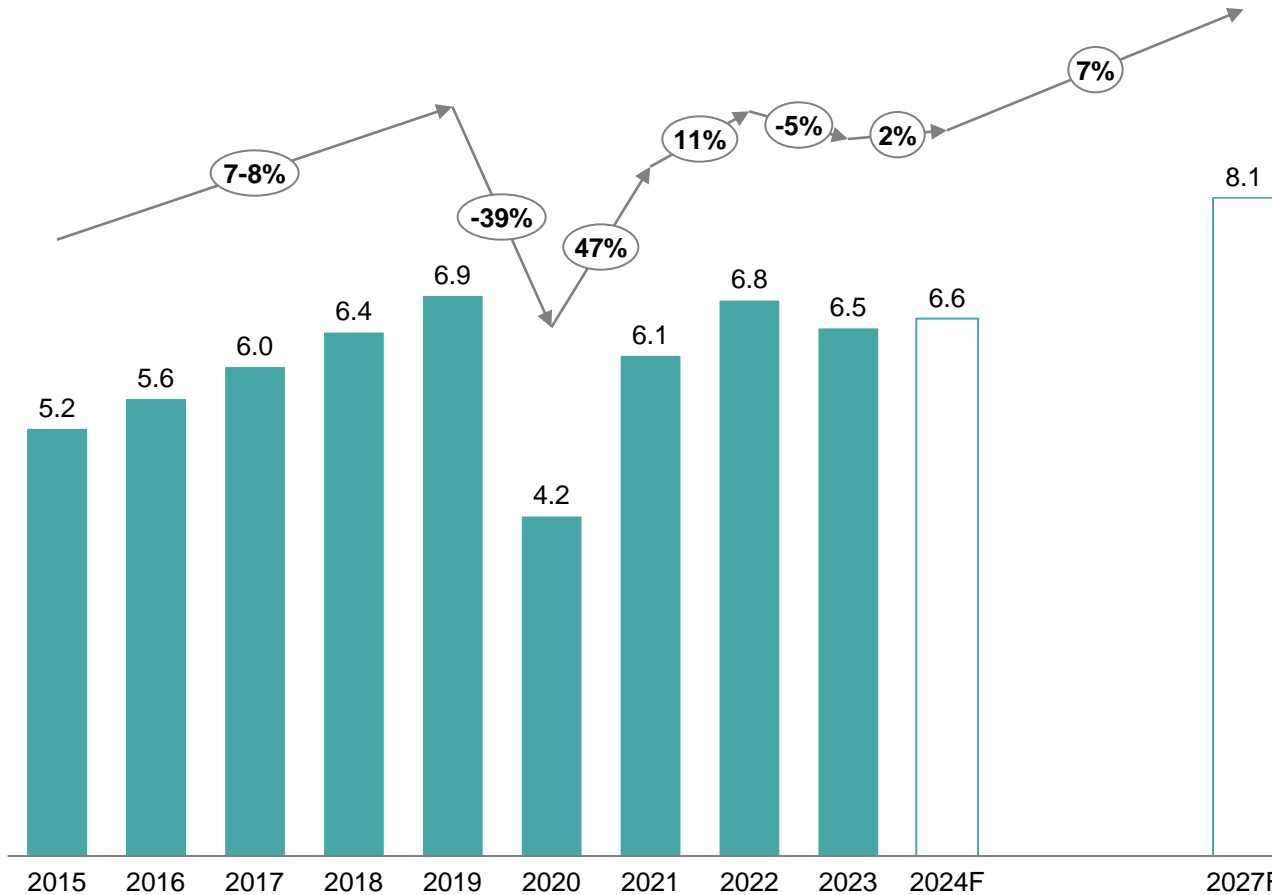
Experience Gifting growing at c.7% pa pre-Covid – with 2022 sales back near to 2019 levels - but market sales dipped by 5% in 23 given consumer squeeze

Experience Gifting Market Size 2015-2023 (£bn)¹



Outlook for Experience Gifting suggests long term growth in spend 7% per annum, but modest growth outlook for 2024

Experience Gifting Market Size 2015-2027F (£bn)¹



Outlook

- 2024 likely to be a year of more stability and modest (but not strong) recovery
 - Inflationary headwinds abating
 - Consumer confidence improving
 - Consumer disposable income improving – but only slowly and may be 2025 before a stronger pick-up in this
- Reversion to long term growth of c7% likely given favourable fundamentals – but probably only from 2025 onwards
 - Preference of experiences over product – particularly for millennials and younger gifters
 - Development of experience gifting in new categories / verticals

Best view suggests experience aggregators segment revenue in 2022 was 27% larger than pre-COVID (ie 2019) – but fell by 5% over 22-23 with consumer income squeeze

Experience Aggregators Segment Size 2019-2027F (£m)¹

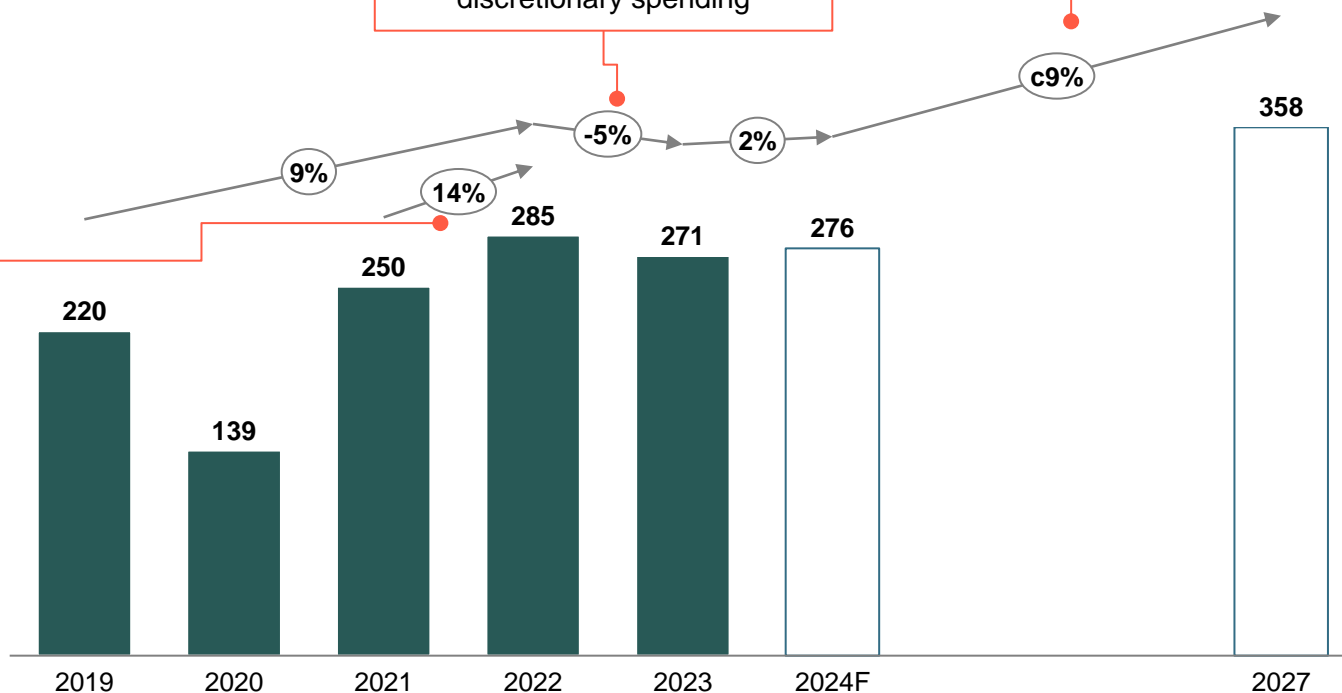
H1 CY22 had strong growth vs 2021 (as it annualised a 2021 period impacted by COVID)

H2 CY22, had revenue decline vs previous year as economic headwinds on the consumer impacted the segment / channel

This nets out at c14% growth vs 2021 – which is equivalent to a channel that is 27% larger in revenue terms than in was in 2019 (ie a 9% CAGR in underlying growth)

Revenue fell by c5% in 22-23 as consumer disposable income headwinds impacted overall gifting spending and discretionary spending

OC&C view that Experience Aggregator segment sent for long term growth at high single digit low double digit growth rate – but growth likely to remain modest in 2024 while consumer disposable income recovery still at an early stage



1. Key triangulations: revenue profile of players stating revenues, competitor traffic profile and search profile
Source: Company Financials, OC&C Consumer Survey, Google Trends, Desk Research, OC&C analysis