Market Update

Moonpig Group plc

June 2023

OC&C Strategy consultants

uncommon sense

Agenda

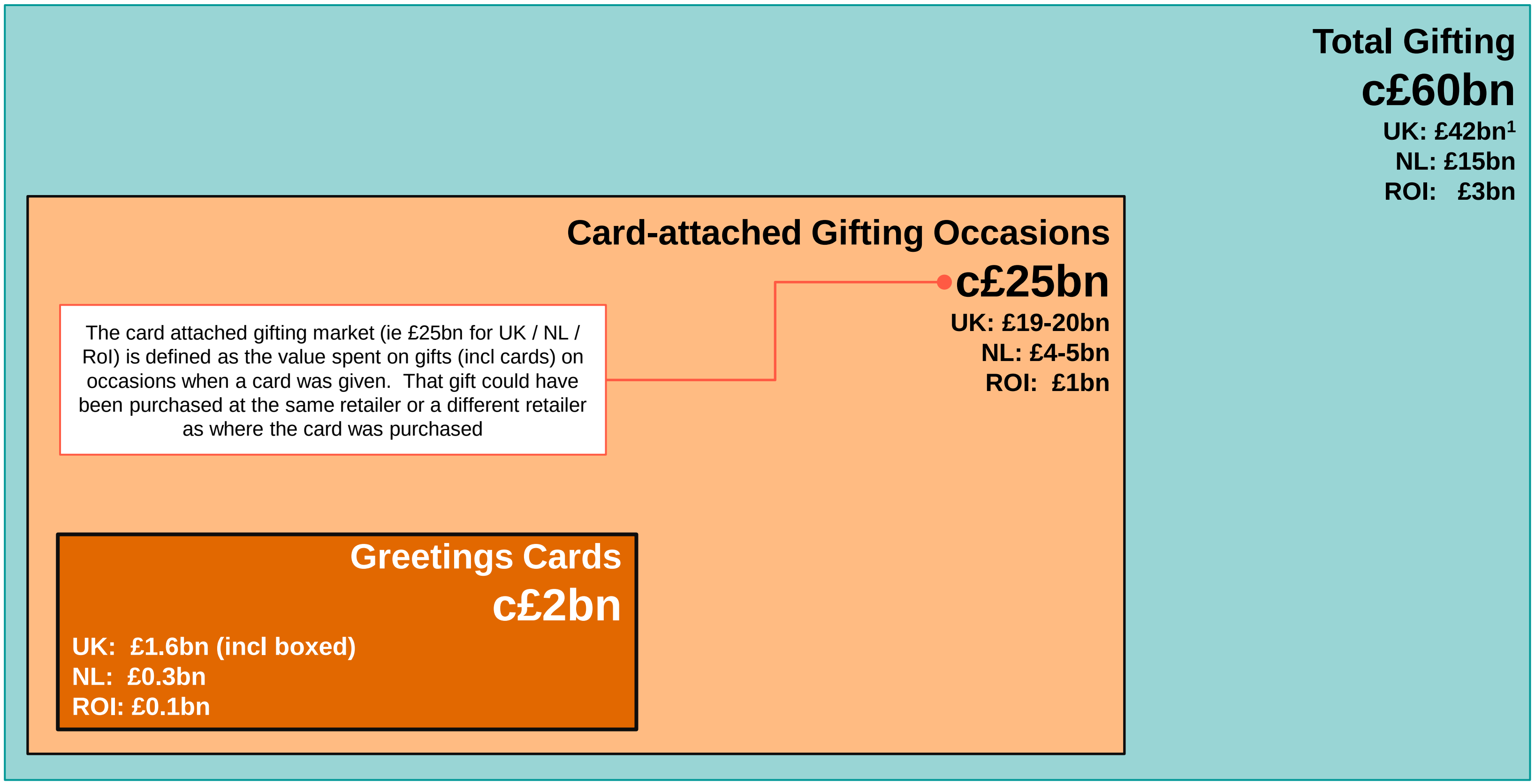
UK Card Market & Moonpig Competitive Position

NL Card Market & Greetz Competitive Position

Experience Gifting

Total UK+NL+RoI gifting spend is worth c£60bn per year of which £25bn is on occasions where a greeting card is sent

Summary of UK + NL + RoI Market Size - 2022

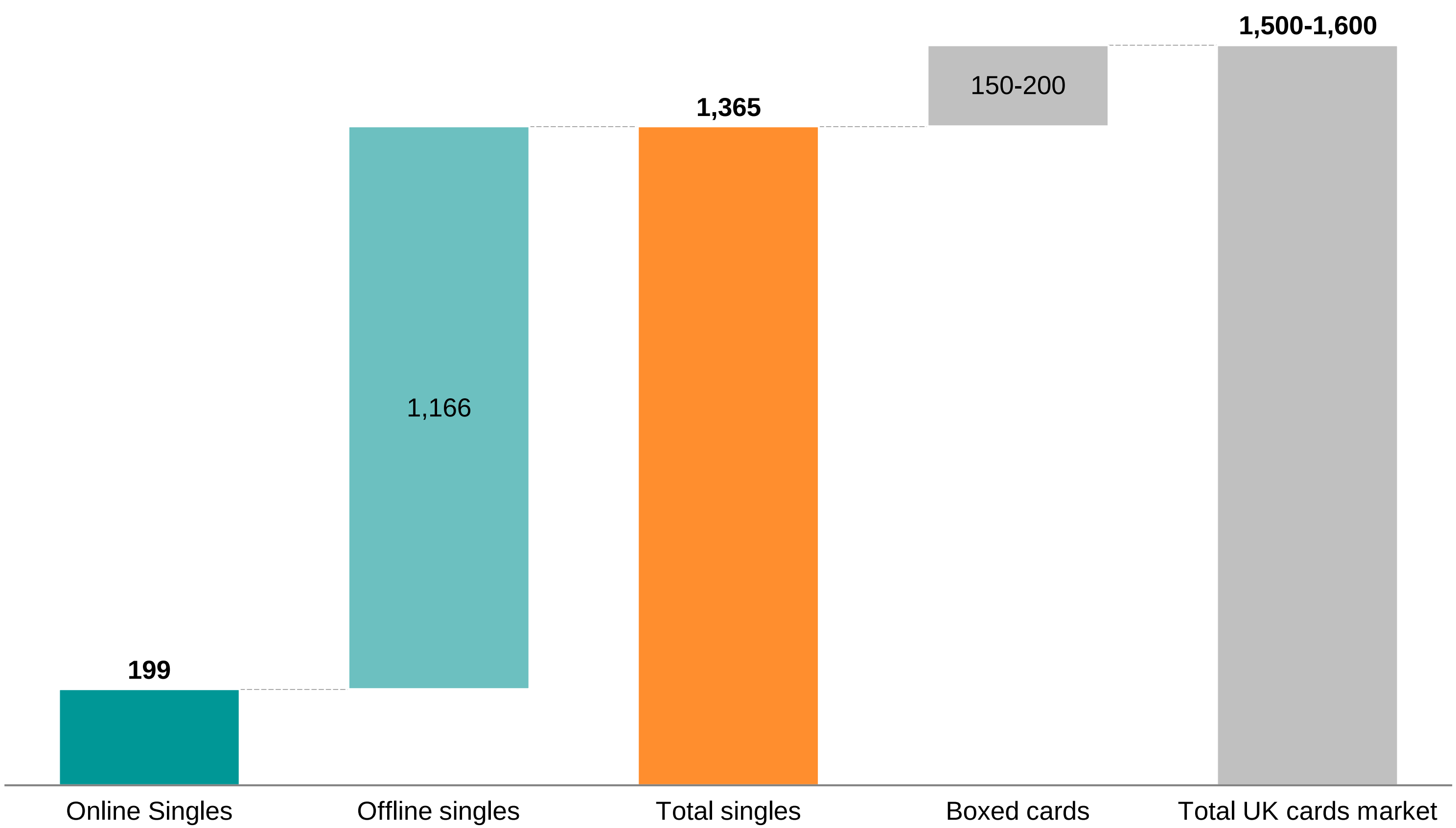


1. Excludes £10bn of gifting in cash.

Source: Nielsen, Kantar, GCA, Mintel, Global Data, Deep Blue Consumer Research, GCVA, Euromonitor, OC&C analysis

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

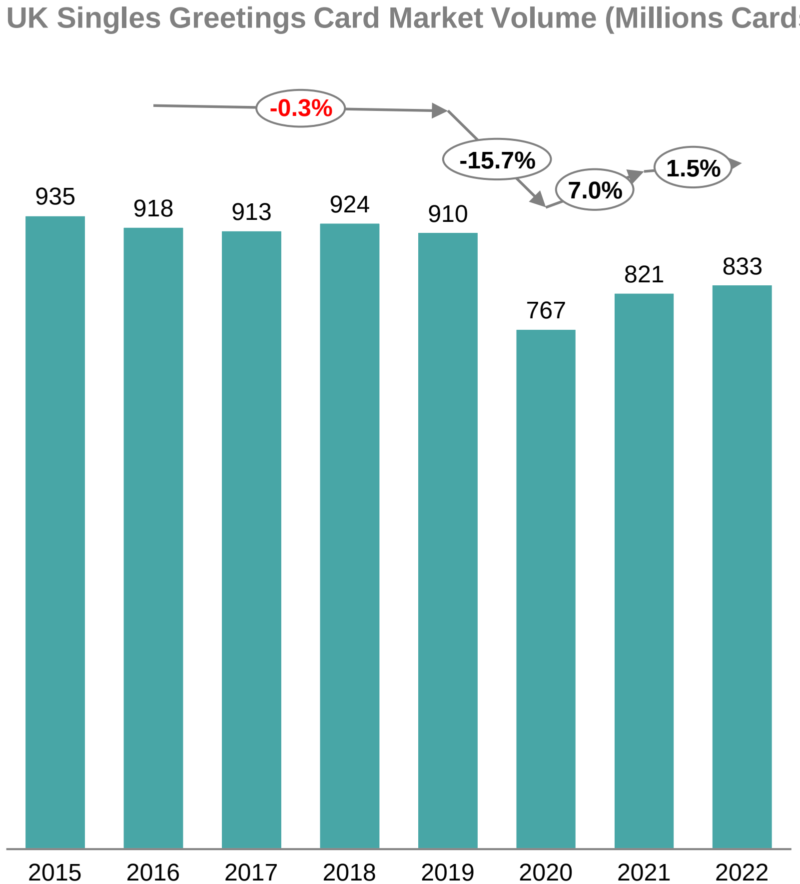
UK Greetings Card (Single + Boxed) Market Value (£m) 2022E



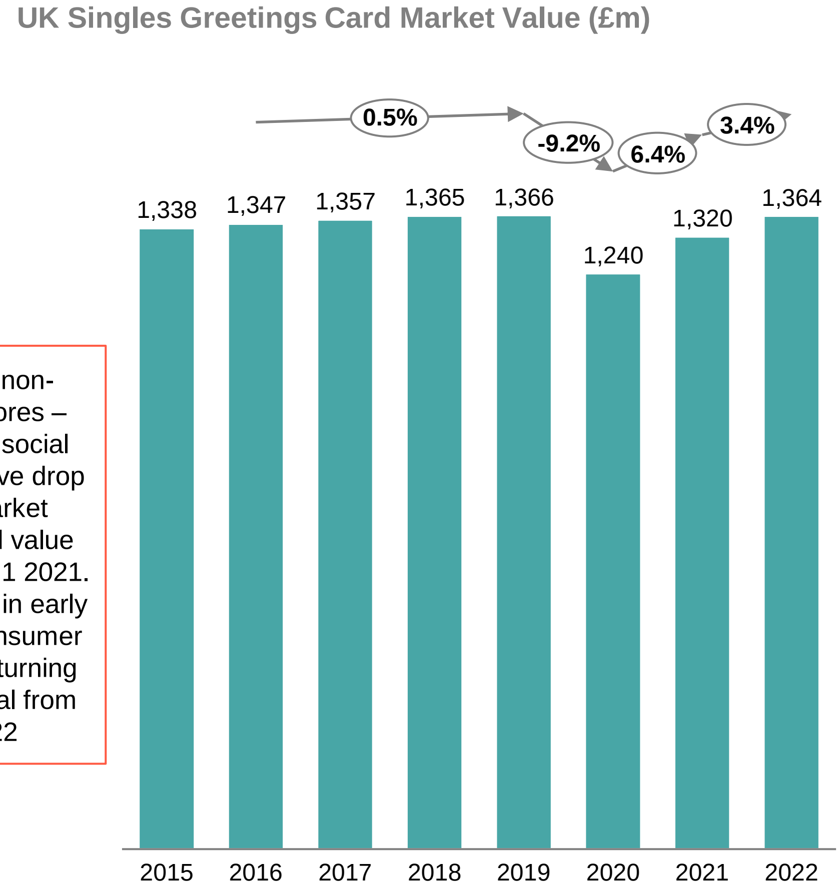
Source: OC&C market model

Pre-COVID, singles market had been experiencing slight (0-1%) volume decline and modest (0-1%) value growth – overall market volumes impacted in COVID from closure of non-essential stores

UK Singles Greetings Card Market Evolution, 2016-22



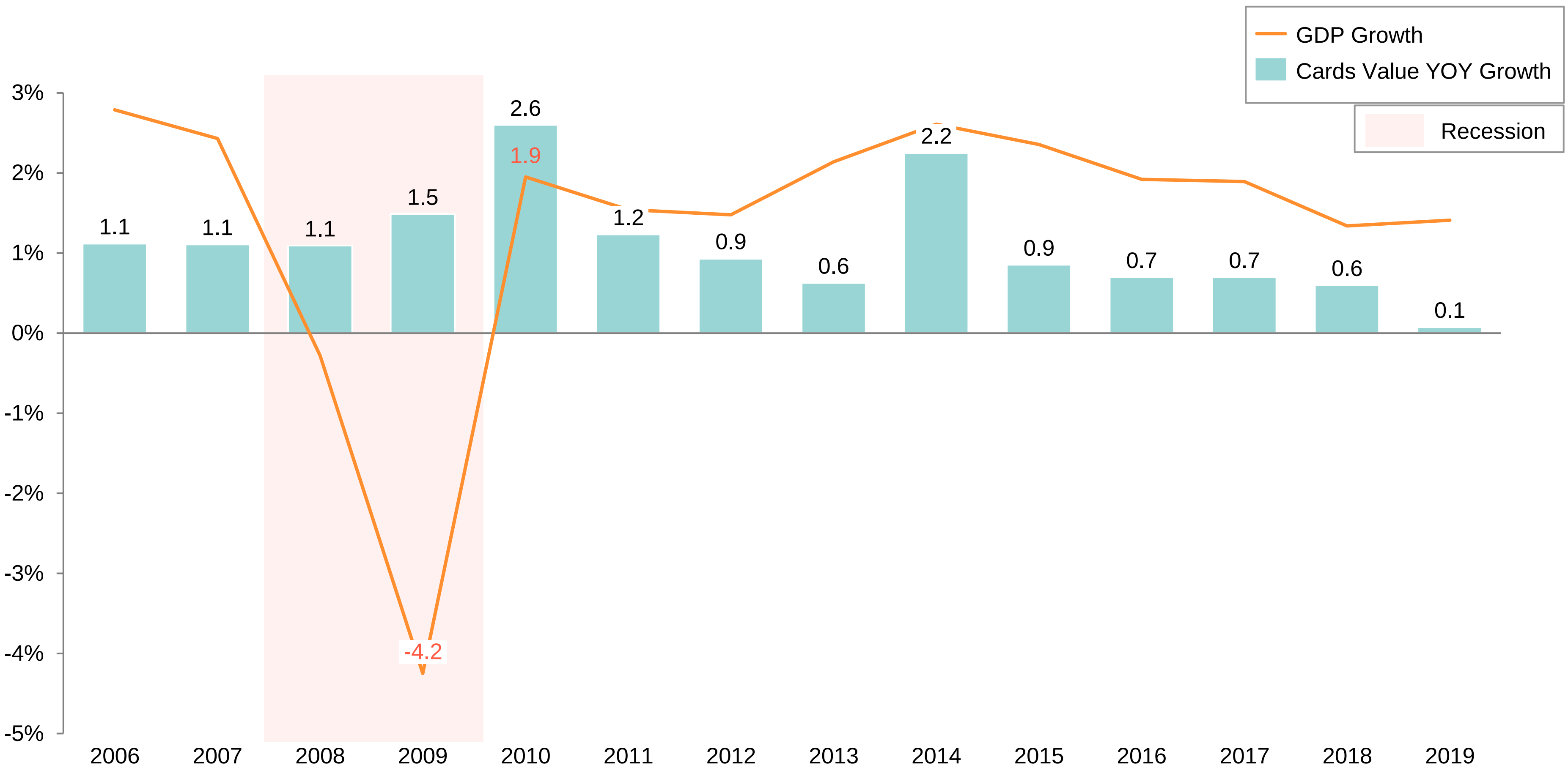
Closure of non-essential stores – reduction in social occasions drive drop in card market volumes and value in 2020 and H1 2021. Some impact in early 2022 with consumer behaviour returning to new normal from mid 2022



Source: OC&C market model

The overall UK greetings card market has historically proven recession resilient – demonstrating consistent growth through the 08-09 downturn

UK Singles Greetings Card Market Value, Year on Year Growth[1], 2006-19

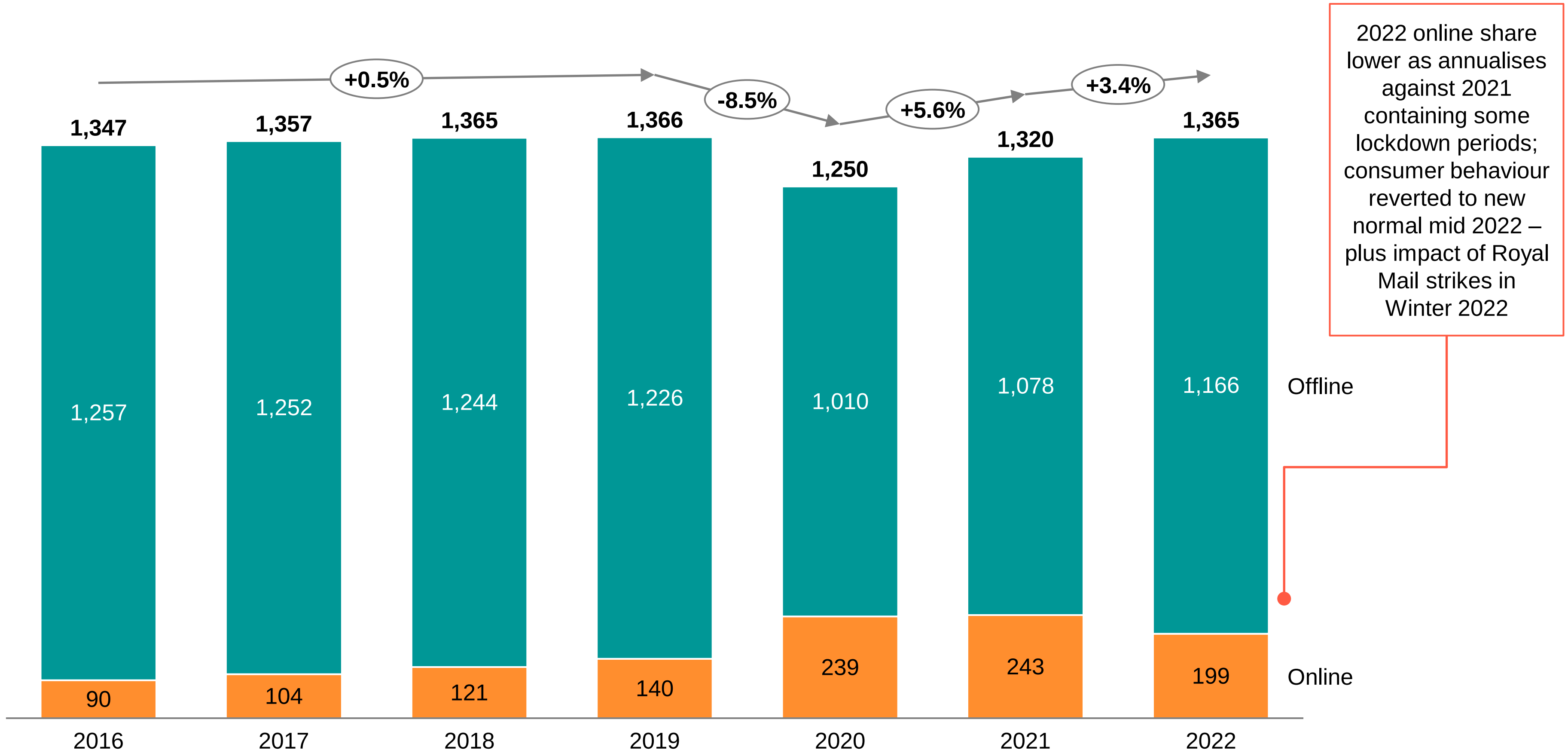


1. 2012 cards value YOY growth is estimation based on 2011 and 2013 data given limited available data

Source: OC&C market mnodel, World Bank, OC&C analysis

Online card sales were worth c£200m in 2022 – lower than 2021 as the channel annualised vs strong COVID-supported 2021 comparatives

UK Singles Greeting Cards Market by Channel, 2016-22 (£m)

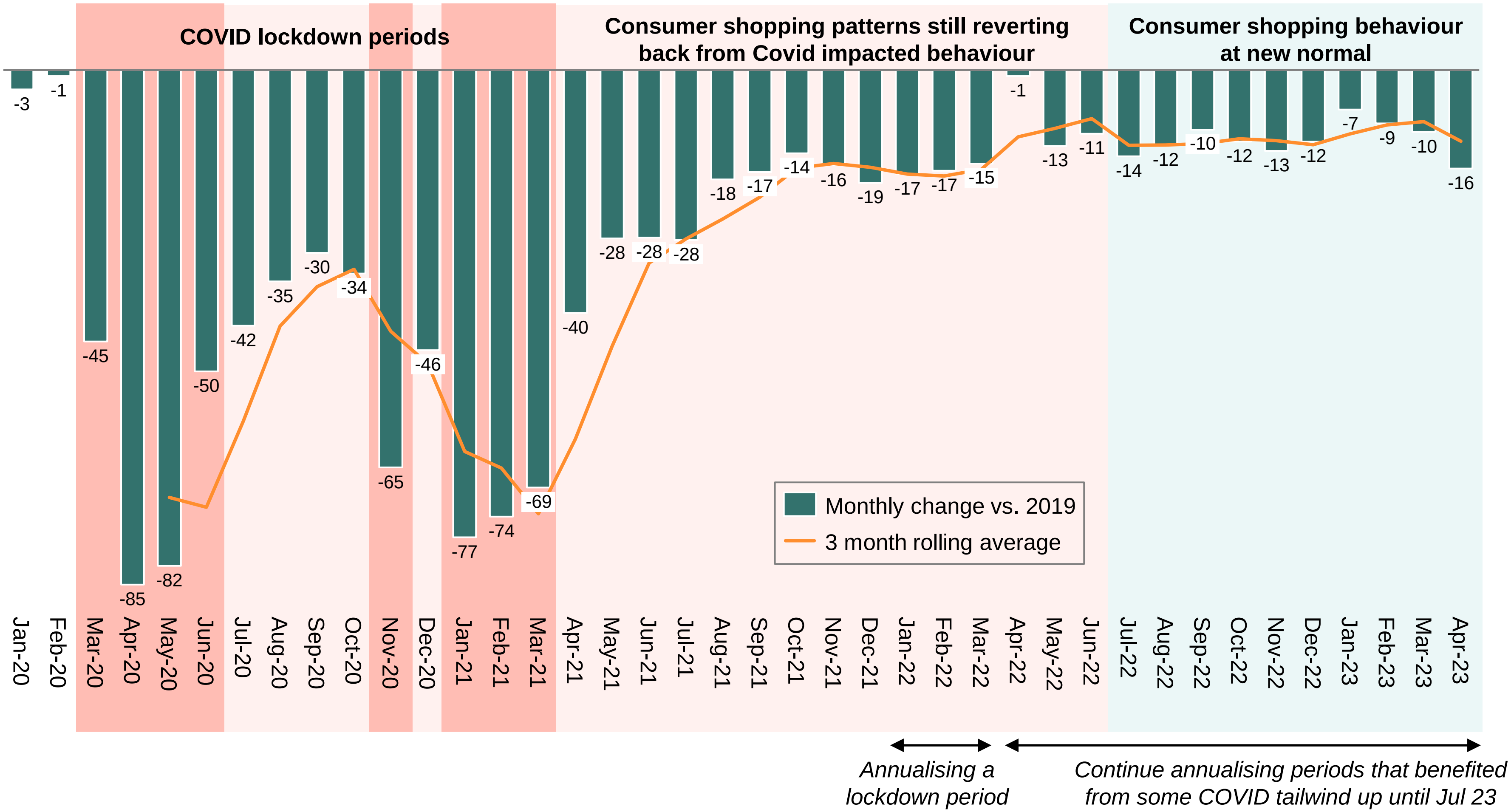


Online share of value (%)	*6.7%*	*7.7%*	*8.8%*	*10.3%*	*19.2%*	*18.4%*	*14.5%*

Source: OC&C market model

Looking at UK shopper footfall, indicates post-COVID shopping patterns stabilised at a new normal in summer 22 – and continued to annualise / lap these tailwinds through to summer 2023

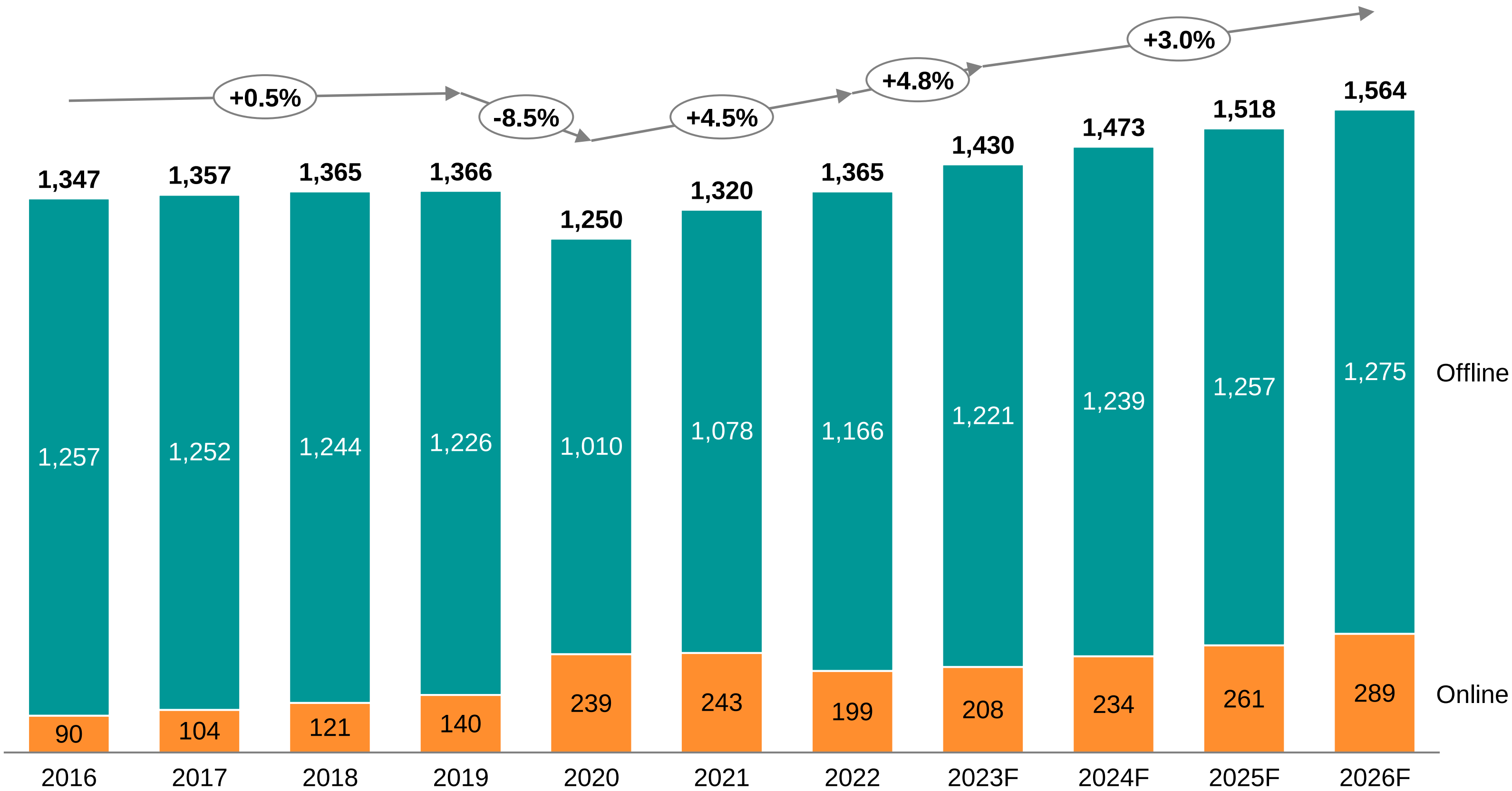
% Change in UK Footfall vs Same Month in 2019



Source: BRC Sensormatic/Shopper Trak Footfall Data

Looking forwards, central case projects c3% value growth in singles cards market – with online channel growing in value terms from 2023

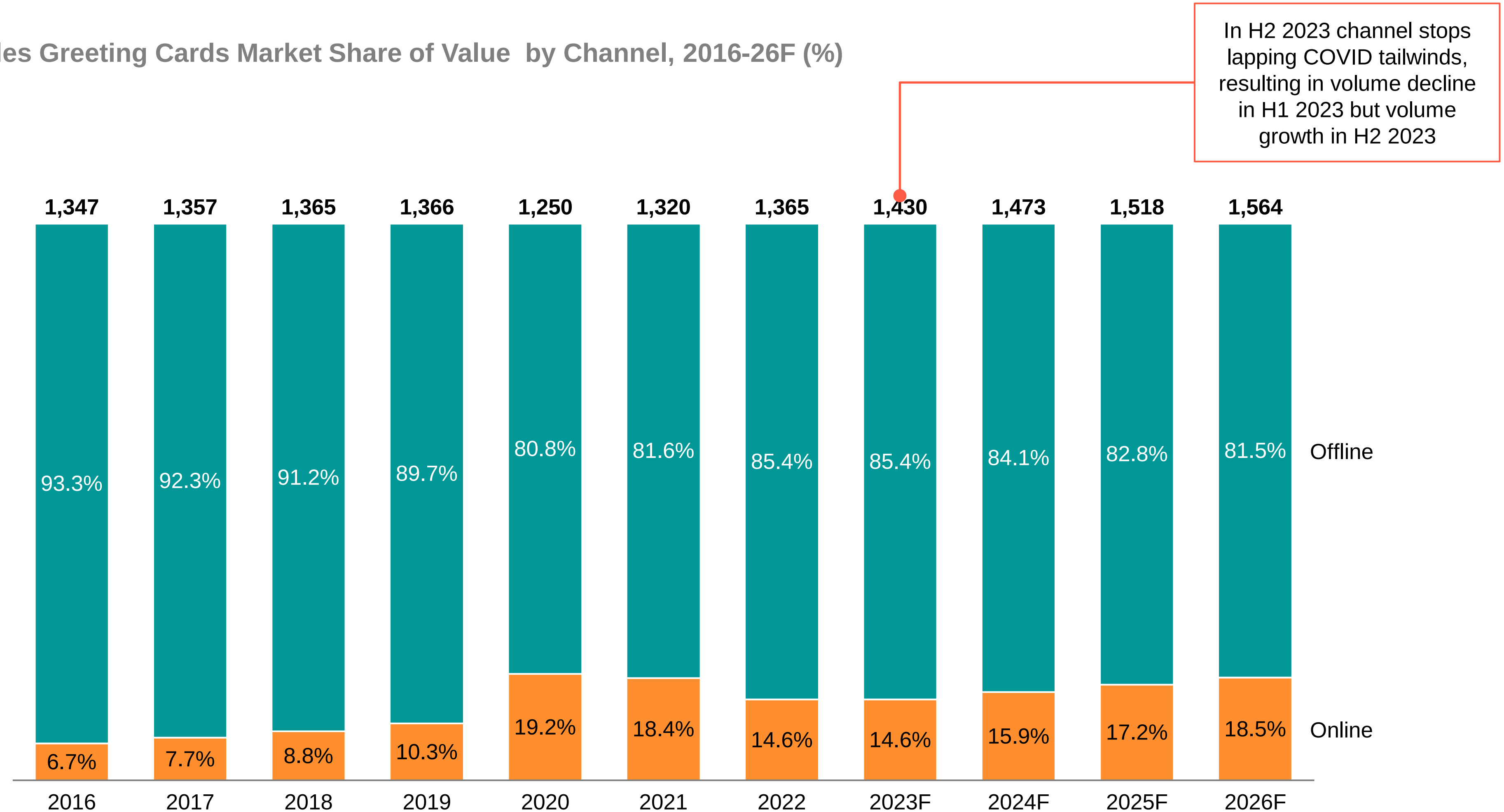
UK Singles Greeting Cards Market by Channel, 2016-26F (£m)



Source: OC&C market model

Online share of singles card market projected to rise to c18% by 2026 – after stabilisation in 2023

UK Singles Greeting Cards Market Share of Value by Channel, 2016-26F (%)



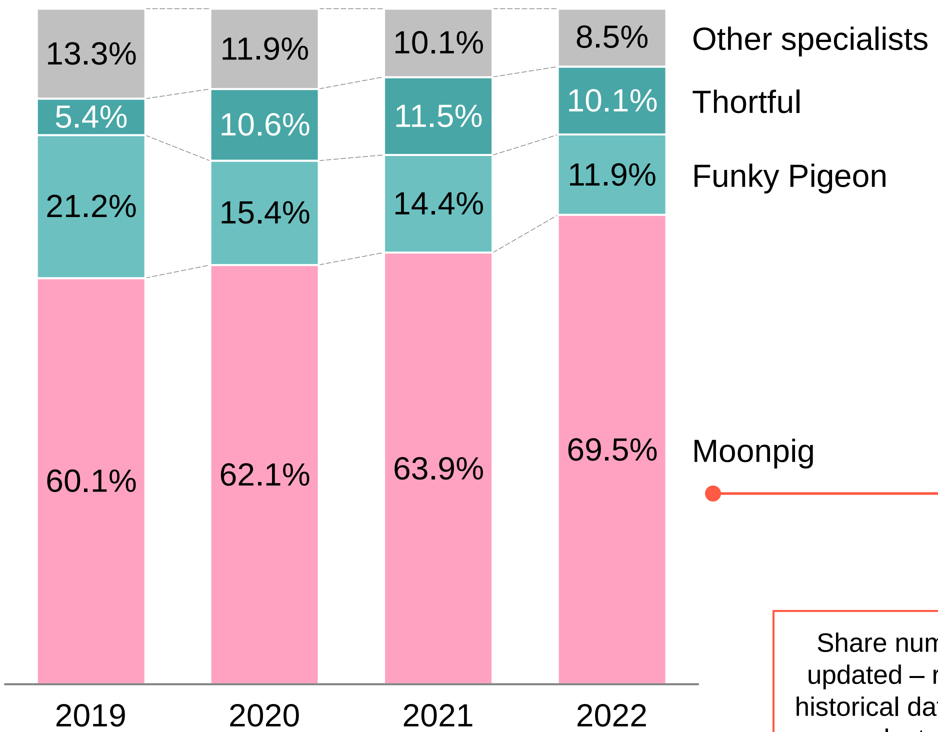
	2016	2017	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F
Total	1,347	1,357	1,365	1,366	1,250	1,320	1,365	1,430	1,473	1,518	1,564
Offline	93.3%	92.3%	91.2%	89.7%	80.8%	81.6%	85.4%	85.4%	84.1%	82.8%	81.5%
Online	6.7%	7.7%	8.8%	10.3%	19.2%	18.4%	14.6%	14.6%	15.9%	17.2%	18.5%
Delta in online share (%)		***1.0%***	***1.1%***	***1.5%***	***8.9%***	***-0.8%***	***-3.8%***	***0.0%***	***1.3%***	***1.3%***	***1.3%***

Source: OC&C market model

Against online card specialists, Moonpig has gained share both in volume and value terms

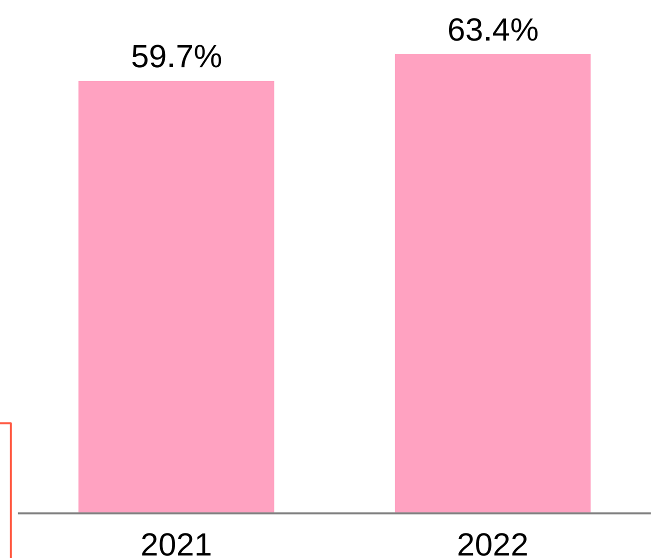
Moonpig Share of Online Major Specialist Greetings Card Players[1]

Share of Online Sales by Card Specialists, 2019-22
(% of total online card specialist sales)



Share numbers slightly updated – reflecting new historical data available on selected players

Moonpig Share of Online Card Volumes 2021-22



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

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UK Card Market & Moonpig Competitive Position

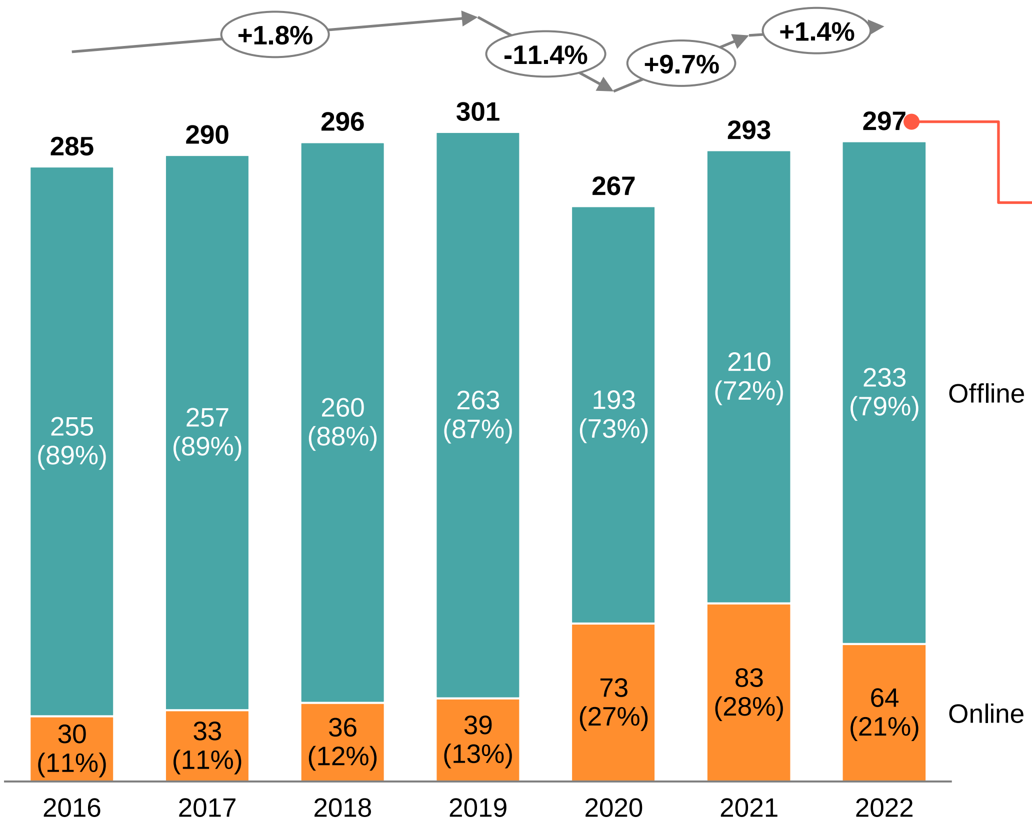
NL Card Market & Greetz Competitive Position

Experience Gifting

NL singles cards market worth c£300m - with online segment worth c£64m in 2022 – equivalent to 21% of value share

Market data shown at constant 2022 exchange rate

Estimated NL Greeting Cards Market Value by Segment, 2016-22 (£m)

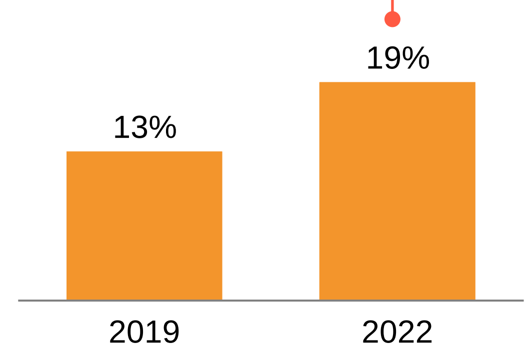


Online share of market value in 2022 of 21% (below Covid peak of c28%) but significantly ahead of 13% pre-COVID level

NL Online Share of Greeting Cards Volume, 2019-22 (%)

Best view of online **volume** share of market is c19% in 2022 - up from 13% in 2019…

…with card ASP online believed to be growing faster than those offline

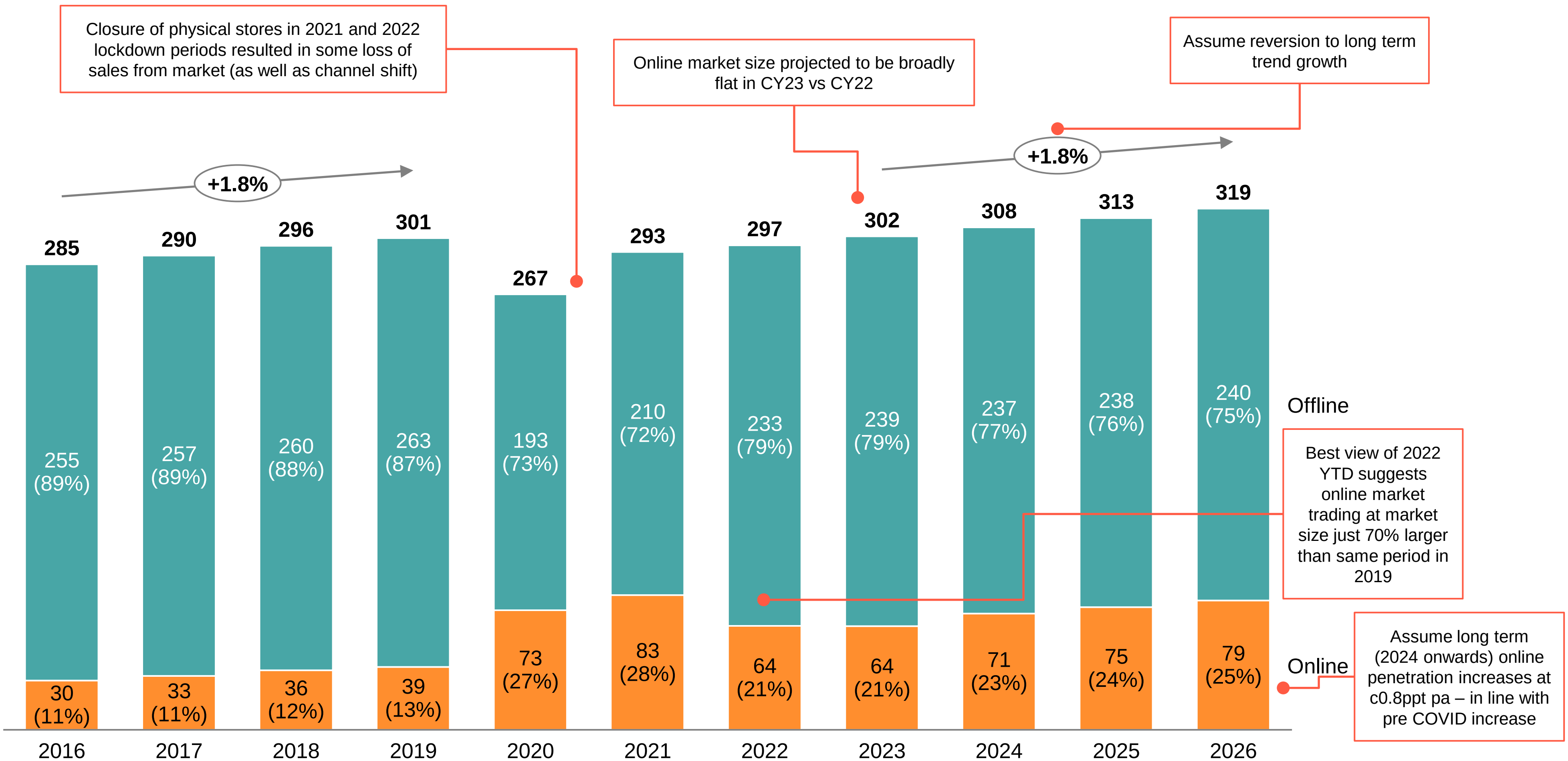


Source: Company Annual Accounts, Management Accounts, OC&C Survey, OC&C market model

Best view of future NL greeting card market growth suggests reversion to trend 1-2% pa growth - online share projected to remain flat in 2023 and then grow from 2024

Estimated NL Greeting Cards Market by Segment, 2016-26 (£m)

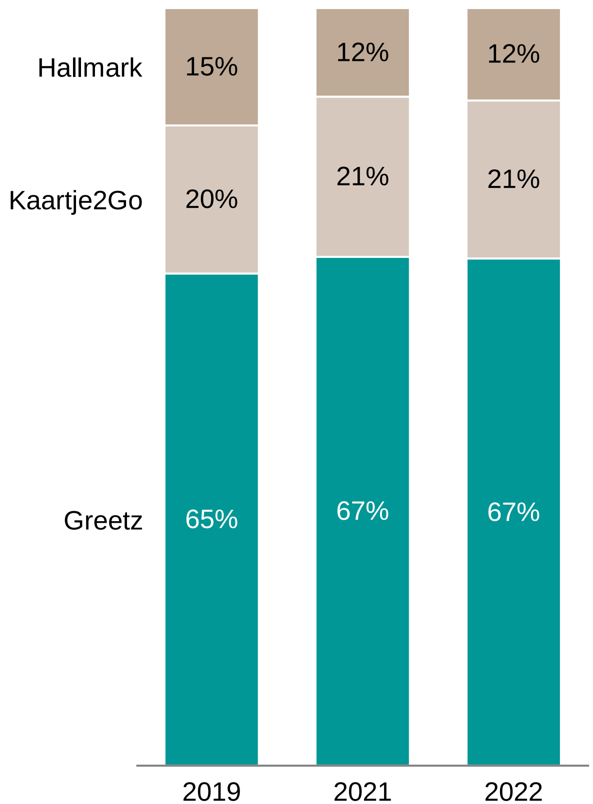
Projections shown at constant 2022 exchange rate



Source: Company Annual Accounts, Management Accounts, OC&C Survey, OC&C market model

Among the largest three online card players, Greetz has a c.67% share of online card revenue in NL – up from 65% 3 years ago

Share of Leading Online Specialist Card Players[1], 2022E (% 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 from previous work at Greetz 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
- Greetz has an estimated 67% of the online segment – up from 65% 3 years ago supported by
  - Faster web channel growth than peers
  - Driving use and sales via app channel (albeit not yet developed to same degree as Moonpig in UK)

1. Leading online specialist card players assumed to hold c65% of total online NL cards market

Source: OC&C market model, , OC&C analysis

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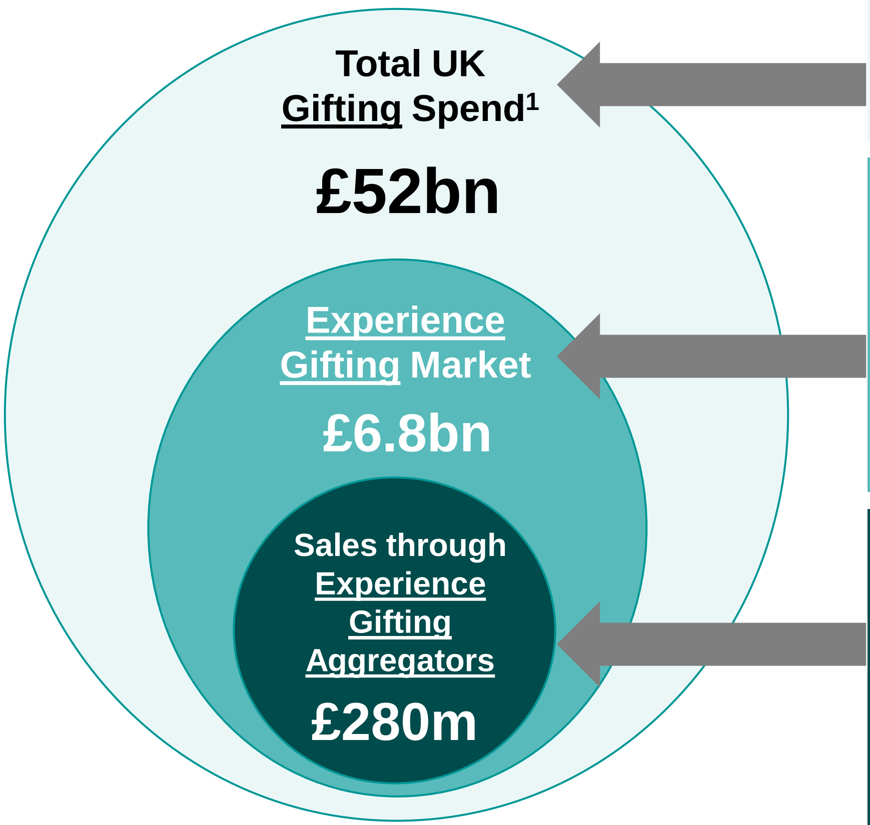
Experience Gifting

The Gifting market is worth £52bn today – of which Experiences represents c£7bn of spend, c£280m of which served via Experience Aggregators

Gift Experience Market Size 2022 and Definition



- Total value of all UK gifting
- Includes gifting of products, experiences and cash

- Total value of all UK gifted experiences
- Includes gifts made in categories such as days out, gifted dining / eating out, adventure experiences, gifted spa & beauty services / experiences, gifted tickets and shows, gifted short breaks etc
- Demand served through multiple channels - and includes booking direct with supplier, vouchers that are gifted, gifted experiences served through more general product / non-gifting specialist platforms

- Total value of spend through gifting aggregators (defined as consumer spend or gross transaction value)
- Aggregators specifically focused on gifting experiences (not including those more generally covering product for gifting – or those selling experiences but mainly for personal use rather than gifting)
- Example players include Buyagift, Red Letter Days, Virgin Experience Days, Activity Superstore etc

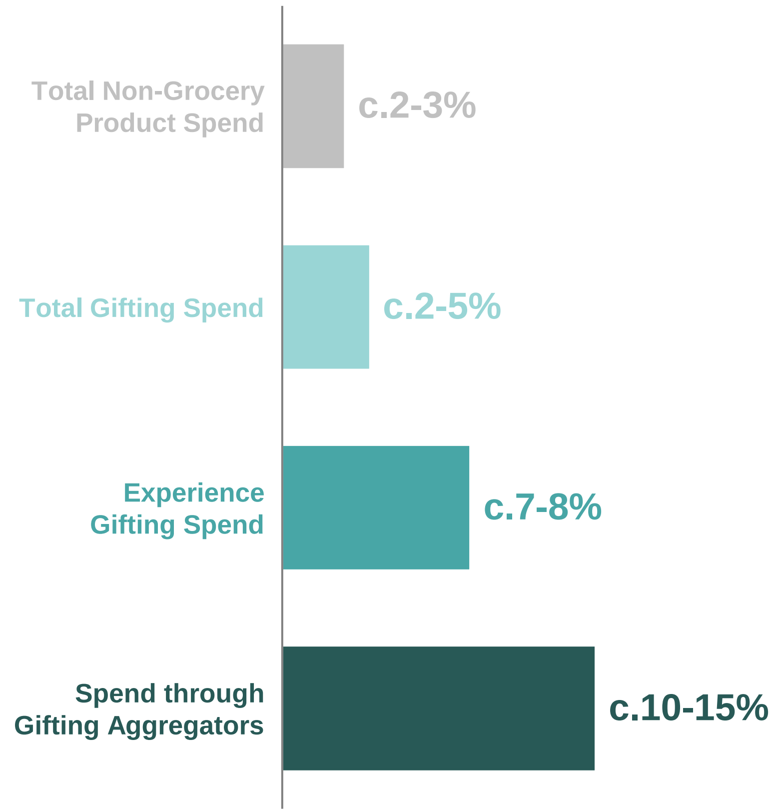
1. Includes c£10bn of gifting in cash.

Source: OC&C analysis

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

Gift Experience Market Size 2022

Estimated 2015-2019 Growth Rates (pre-COVID)

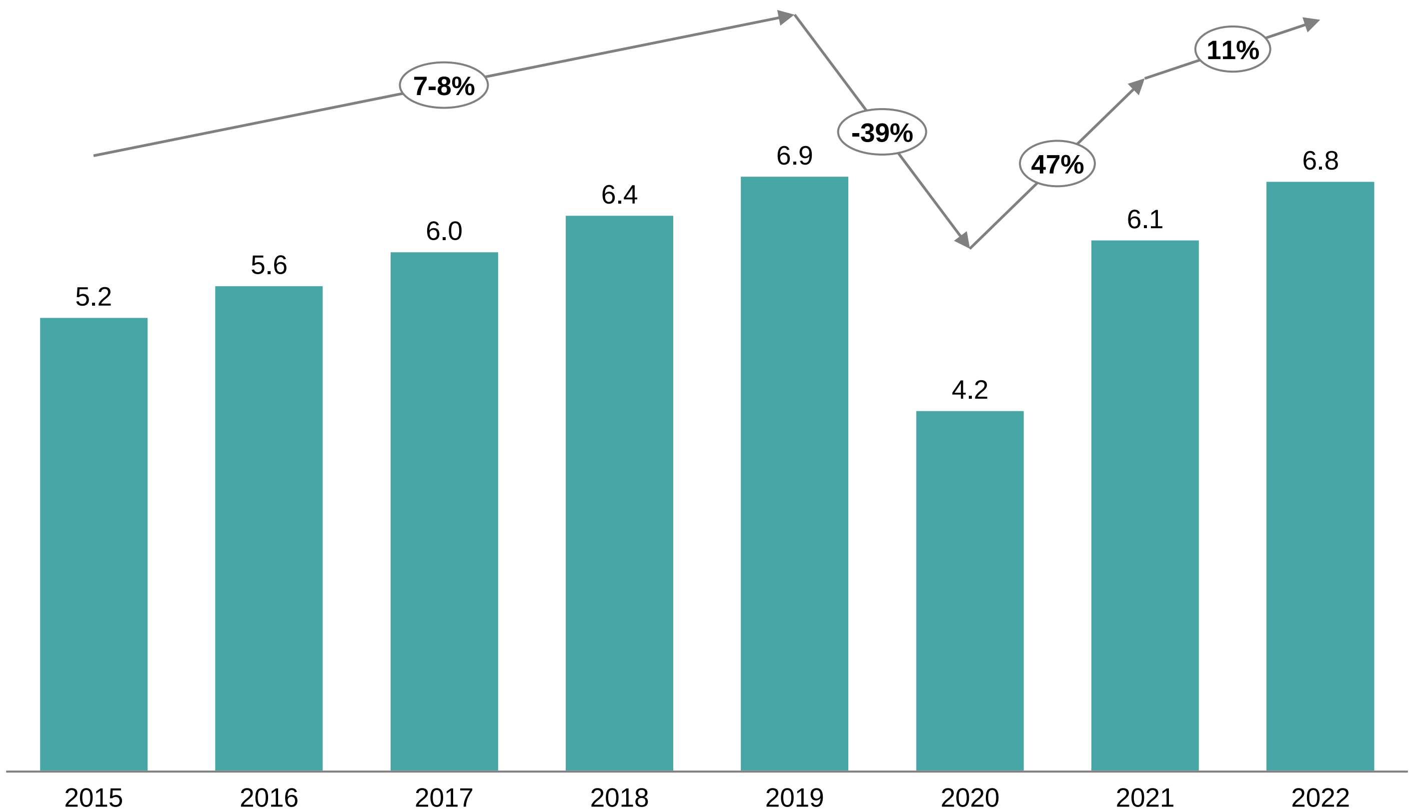


1. Includes c£10bn of gifting in cash.

Source: OC&C market model, OC&C analysis

Experience Gifting growing at c.7% pa pre-Covid – with total spend now recovering strongly from Covid and in 2022 close to pre-Covid levels

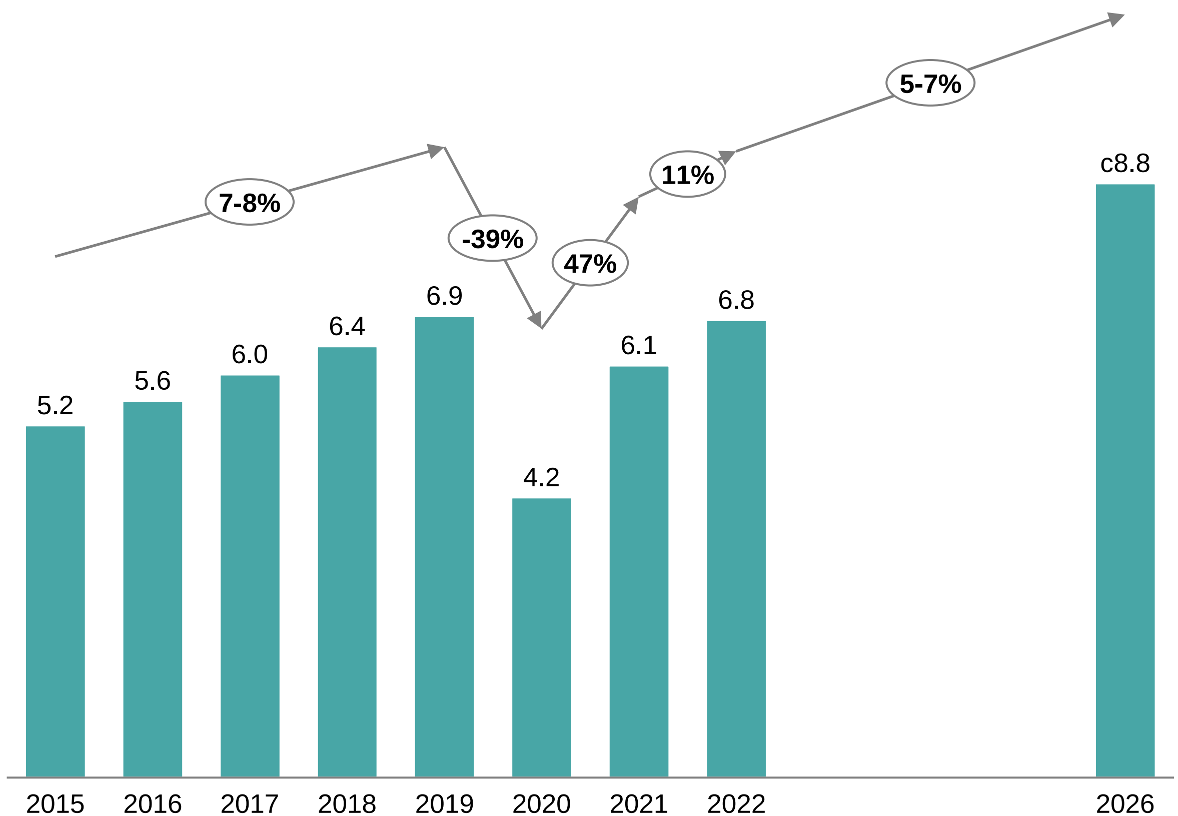
Experience Gifting Market Size 2015-2022 (£bn)[1]



Source: OC&C Consumer Survey,. Company data, SimilarWeb, Google Trends, Desk Research, OC&C analysis

Outlook for Experience Gifting suggests long term growth in spend of 5-7% per annum

Experience Gifting Market Size 2015-2026F (£bn)[1]



Outlook

- 2023 likely to face different balance of factors to long run trend
  - Consumer headwinds of economic challenge – particularly in H1 – creating pressure on spending and volumes (particularly vs strong H1 in 2022)…
  - ….but likely to be volume growth in H2 23 against weaker set of comps
  - Inflation still playing through – particularly in H1 driving increase in spend per experience
- Reversion to long term growth of c7% likely from 2024 onwards
  - Preference of experiences over product – particularly for millennials and younger gifters
  - Development of experience gifting in new categories / verticals

Source: OC&C Consumer Survey,. Company data, SimilarWeb, Google Trends, Desk Research, OC&C analysis

Best view suggests experience aggregators segment grew at c12% over 21-2022 – and in 2022 was 27% larger than pre-COVID (ie 2019)

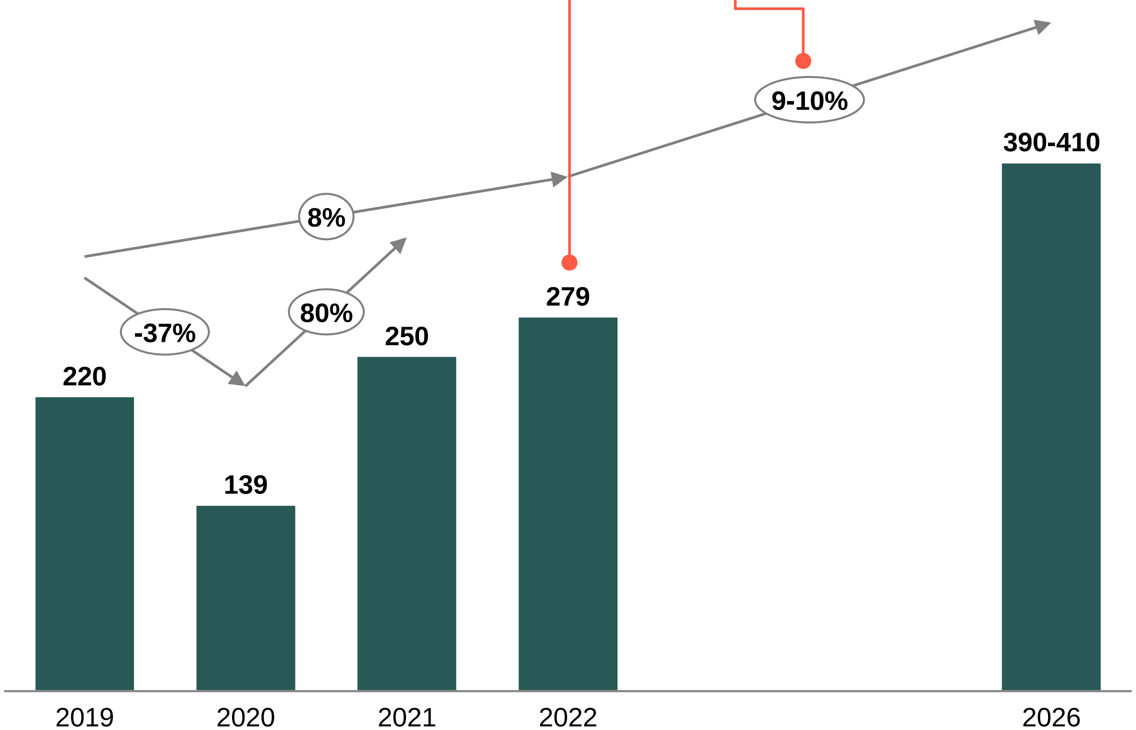
OC&C view that Experience Aggregator segment sent for long term growth at high single digit low double digit growth rate – but growth likely to be significant weaker in 2023 (particularly H1) where consumer economic challenges create headwinds

H1 CY2022 showing strong growth vs 2021 (as it annualised a 2021 period impacted by COVID) and strong up vs 2019 (pre-COVID period)

From, July / August, economic headwinds on the consumer appeared to have some impact on the segment / channel – with market in decline re year on year growth – and showing more modest revenue growth vs 2019

Best views is this nets out at c12% growth vs 2021 – which is equivalent to a channel that is 27% larger in revenue terms than in was in 2019

Experience Aggregators Segment Size 2019-2026F (£m)[1]



1. Key triangulations: revenue profile of players stating revenues, competitor traffic profile and search profile

Source: Company Financials, OC&C Consumer Survey, SimilarWeb, Google Trends, Desk Research, OC&C analysis