moonpig group plc

Full Year Results Presentation

Year ended
30 April 2024

27 June 2024

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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

1. **Overview – Nickyl Raithatha**
2. **Financial performance – Andy MacKinnon**
3. **Strategic update – Nickyl Raithatha**

Revenue and profit growth underpinned by technology

Performance accelerated through the year

- **Step up in revenue growth in H2** at both Moonpig and Greetz
- **Orders and new customers back in growth** in H2
- **Strong profitability** with Adjusted EBITDA and PBT margins increased
- Higher operating cash conversion driving **32% year-on-year growth in operating cash flow**
- **Rapid deleveraging continues** to 1.3x net debt to Adjusted EBITDA

Delivering on our strategy

- **Over 500k active subscribers** of Moonpig Plus.
- New card creativity **features used over 10 million times**
- **AI powered search capabilities, recommendation algorithms, and content personalisation** delivering a step change in personalisation across the customer journey.
- Launch of **same-day gifting** proposition

Renewed confidence in our outlook

- Expected **mid to high single digit percentage[1] revenue growth** in FY25
- **Confidence in the medium term**:
  - Double digit percentage annual revenue growth
  - Adjusted EBITDA margin rate of 25% to 26%
  - Mid-teens percentage Adjusted EPS growth
- Continued **strong cash generation** with potential to reduce net leverage by a further 0.7x in FY25
- We will also have the **financial flexibility to consider returning excess capital** to shareholders

1. Expectation of mid to high single digit percentage revenue growth in FY25 is after adjusting for temporarily higher breakage on experience vouchers in FY24.

Financial performance

Andy MacKinnon

Chief Financial Officer

Year-on-year growth in revenue and profit, with strong cash generation

Year-on-year revenue growth

£341.1m
Revenue

+6.6%
Year-on-year growth

+4.5%
Pro forma growth

Adjusted EBITDA growth

£95.5m
Adjusted EBITDA[1]

28.0%
Adj. EBITDA margin[1]

+13.5%
Year-on-year growth

Adjusted PBT growth

£58.2m
Adjusted PBT[1,4]

17.1%
Adj. PBT margin[1,4]

+5.0%
Year-on-year growth

Continued deleveraging

1.31x
Net leverage[2]

(£125.1)m
Net debt[3]

0.7x
Year-on-year reduction in net leverage

1. Adjusted EBITDA, Adjusted EBITDA margin, Adjusted PBT and Adjusted PBT margin are Alternative Performance Measures. Refer to the results announcement for the year ended 30 April 2024.
2. Net leverage is the ratio of net debt to last twelve months Adjusted EBITDA. Refer to the results announcement for the year ended 30 April 2024.
3. Net debt is stated on an IFRS 16 basis and includes £16.3m of lease liabilities. Bank borrowings less gross cash were £108.8m at 30 April 2024.
4. Before Adjusting Items of £11.8m in FY24 and £20.6m in FY23. The Group has amended its definition of Adjusting Items such that £8.3m of acquisition amortisation (FY23: £7.5m) is treated as an Adjusting Item in both the current and prior year.

Organic revenue growth accelerated during the year

Group Revenue

£m

	H1 YoY	H2 YoY	FY YoY
Reported	+6.5%	+6.6%	+6.6%
Pro forma[1,2]	+2.1%	+6.6%	+4.5%

- **Year-on-year growth strengthened at both Moonpig and Greetz** in the second half of FY24
- Across Moonpig and Greetz, **growth in orders improved** from -5.1% in H1 to +5.2% in H2 FY24
- **Revenue from new customers returned to growth** in H2, increasing at +3.3% year-on-year
- **Cards revenue growth strengthened** to +12.1% in H2, despite lapping prior year card price increases
- **Attached gifting revenue returned to growth in H2**, driven by orders growth, with gift attach rate stable
- **Resilient performance at Experiences**, which grew pro forma revenue grew by +1.5% in FY24

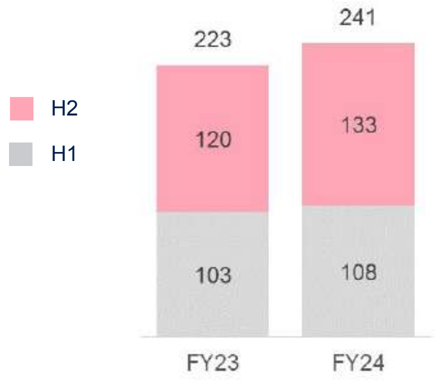
1. The acquisition of Experiences completed on 13 July 2022.
2. Experiences FY24 revenue, pro forma revenue growth and Adjusted EBITDA include mid-single-digit million upside from temporarily higher breakage on gift boxes and vouchers sold during Covid with extended expiry dates. As these extended expiry dates have now passed, this benefit is not expected to recur in future years.

Significant step-up in growth trajectory in H2 at both Moonpig and Greetz

Moonpig revenue growth increased to +11.0% in H2 FY24

£m

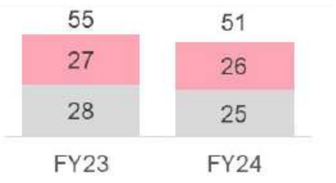
H1 YoY +4.9% → H2 YoY +11.0% | FY YoY +8.2%



Continuing improvement in the growth trajectory at Greetz

£m

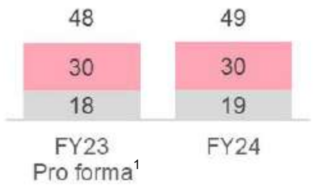
H1 YoY -9.8% → H2 YoY -5.3% | FY YoY -7.5%



Resilient trading at Experiences[1] in a challenging macro context

£m

H1 YoY +4.5%[1,2] → H2 YoY -0.3%[2] | FY YoY +1.5%[1,2]



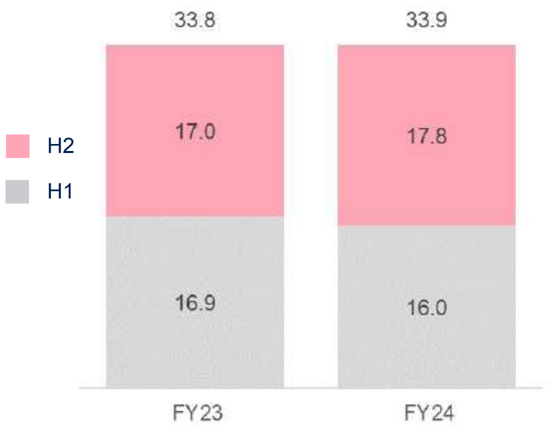
1. Stated pro forma for the acquisition of Experiences, which completed on 13 July 2022.
2. Experiences FY24 revenue, pro forma revenue growth and Adjusted EBITDA include mid-single-digit million upside from temporarily higher breakage on gift boxes and vouchers sold during Covid with extended expiry dates. As these extended expiry dates have now passed, this benefit is not expected to recur in future years.

Orders growth rate accelerated by +10.2%pts from H1 to H2

Moonpig and Greetz Total Orders

Moonpig and Greetz Orders
Millions of orders

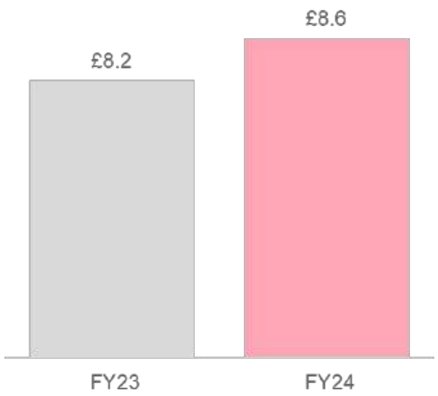
H1 YoY -5.1% → H2 YoY +5.2% | FY YoY +0.1%



Moonpig and Greetz Average Order Value

Moonpig and Greetz AOV
£ / order

H1 YoY +7.1% → H2 YoY +2.7% | FY YoY +5.1%



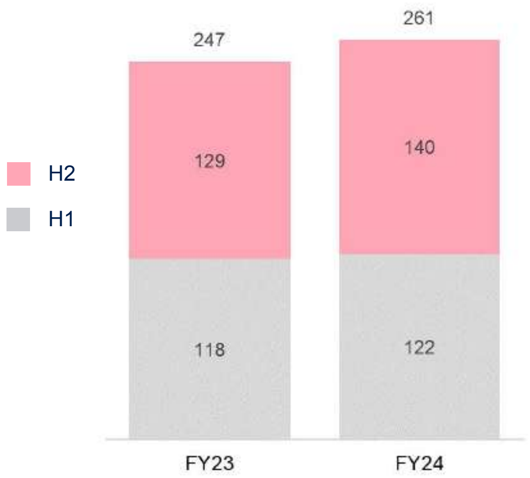
- **Significant step-up in orders** growth in H2 FY24, reflecting:
  - **High single digit order growth from existing customers** at Moonpig
  - **Moonpig new customer orders flat year-on-year** across the final quarter of FY24
  - **Improving trajectory at Greetz** for orders from all customers
- **AOV grew by +5.1%** year-on-year:
  - Impact of **prior year card price increases** in H1 FY24
  - Pass-through of **higher first class postage prices**
  - Moonpig Plus and Greetz Plus **subscription income**

New customer revenue growth rate increased by +11.6%pts from H1 to H2

Moonpig and Greetz Revenue from Existing Customers

Existing customers[1]
£m

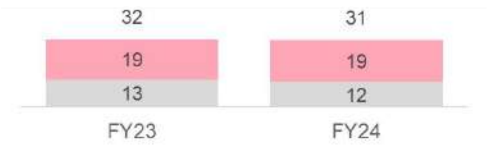
H1 YoY +2.8% → H2 YoY +8.7% | FY YoY +5.9%



Moonpig and Greetz Revenue from New Customers

New customers
£m

H1 YoY -8.3% → H2 YoY +3.3% | FY YoY -1.4%



- **Revenue from new customers returned to growth** in H2 FY24
- **Customer cohorts acquired in FY24** exhibit loyalty consistent with historical cohorts
- **Growing revenue from existing customers** reflected our strong focus on driving frequency:
  - 90m occasion reminders
  - Moonpig Plus and Greetz Plus
  - Greetz app penetration
- **Existing customer mix was 89%[2] of revenue**, unchanged year-on-year

1. Existing customers are those customers that have placed an order prior to the current financial period. Customers must log into an account to make a purchase on Moonpig or Greetz.
2. Percentage share of total Moonpig and Greetz revenue.

Cards revenue and attached gifting revenue both strengthened in H2

Cards revenue growth strengthened in H2 despite lapping prior year price changes

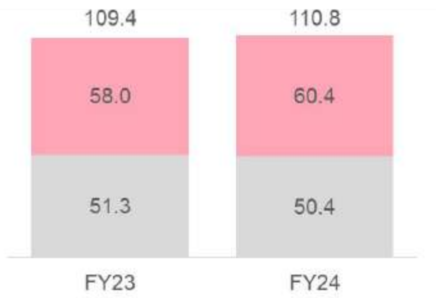
Moonpig and Greetz - Cards revenue
£m

H1 YoY +5.7% → H2 YoY +12.1% | FY YoY +9.1%

Attached gifting revenue growth in H2 driven by orders, with gift attach rate remaining stable

Moonpig and Greetz - Attached Gifting revenue
£m

H1 YoY -1.9% → H2 YoY +4.1% | FY YoY +1.3%

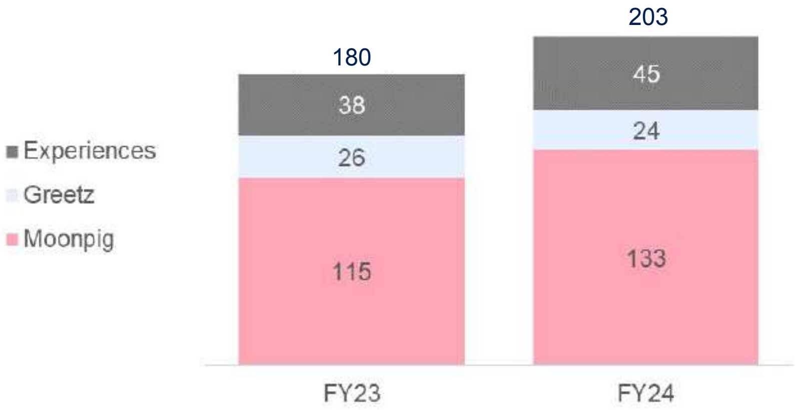


Gross margin rate increased to 59.4%

Moonpig Group Gross Profit

£m, % of total revenue

	FY23	FY24
Group gross margin	56.1%	59.4%
Moonpig gross margin	51.8%	55.2%
Greetz gross margin	46.8%	47.1%
Experiences gross margin[1]	92.0%	92.9%



- Group gross **margin rate increased by +3.3%pts** reflecting continued **focus on rate improvement**
- Driven by +3.4% **rise in Moonpig gross margin:**
  - **Operational efficiencies** in UK fulfilment
  - Full year impact of prior year **card price changes**
- **Experiences gross margin remained relatively consistent** year-on-year

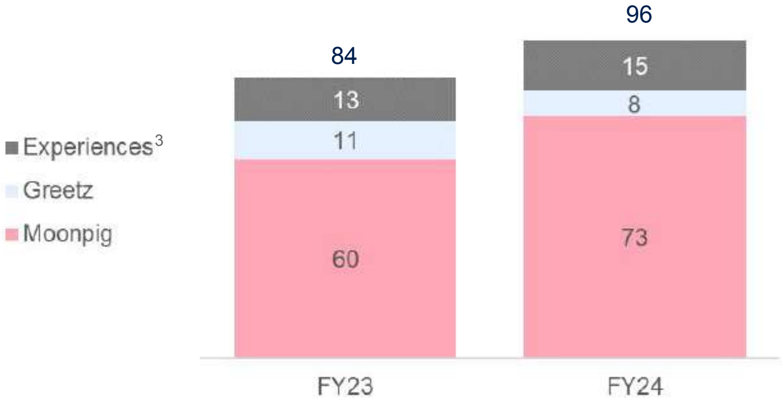
1. The relatively high Experiences gross margin rate reflects its agency commission business model. At Experiences, the cost of goods sold primarily comprises packaging and delivery costs for instances where the customer chooses to have a physical gift box delivered, rather than selecting digital fulfilment.

Group Adjusted EBITDA margin rate increased to 28.0%

Moonpig Group Adjusted EBITDA

£m, % of total revenue

	FY23	FY24
Group margin rate	26.3%	28.0%
Moonpig margin rate	26.8%	30.1%
Greetz margin rate	20.3%	15.3%
Experiences margin rate	29.2%[2]	30.9%



- **Adjusted EBITDA[1] margin rate increased by +1.7%pts** reflecting:
  - **Increase of +3.3%pts at Moonpig**, reflecting pass-through of higher gross margin
  - Reduction of -5.0%pts at Greetz, **reflecting operational leverage impact of lower revenue**
  - **Temporarily higher breakage** on Covid-period vouchers at Experiences
  - **Disciplined management of indirect costs**
- Across FY24 we have **maintained significant investment in marketing in the UK and the Netherlands, in line with prior year levels**

1. Adjusted EBITDA and Adjusted EBITDA margin are Alternative Performance Measures. Refer to the results announcement for the year ended 30 April 2024.
2. Experiences Adjusted EBITDA margin rate in of 29.2% is stated on a pro forma basis. The reported prior year Adjusted EBITDA margin rate of 31.4% related to only part of the year and was is therefore impacted by the seasonality of trading, which is typically lower in the pre-acquisition months that were excluded from consolidation.
3. Experiences absolute Adjusted EBITDA for FY23 of £13.0m is shown on a reported basis. Pro forma annual EBITDA was £14.0m.

Adjusted PBT increased year-on-year by +5.0%

Adjusted EBITDA to Adjusted PBT

£m	FY24	FY23	YoY
Adjusted EBITDA[1]	**95.5**	84.2	11.3
Amortisation - internally generated assets[4]	**(10.8)**	(8.2)	(2.6)
Depreciation	**(6.6)**	(6.9)	0.3
Adjusted EBIT	**78.1**	69.0	9.1
Net finance costs	**(19.9)**	(13.6)	(6.3)
Adjusted PBT[1,3]	**58.2**	55.4	2.8
Adjusted Basic EPS[1,3] (pence)	***12.7p***	*13.1p*	*(0.4)p*

- **Adjusted PBT of £58.2m** stated excluding acquisition amortisation, which we now classify as an Adjusting Item. Current and prior year are presented consistently
- Higher amortisation of internally generated assets reflecting **investment in technology development**
- We expect **significantly lower finance costs in FY25:**
  - **Lower net leverage**
  - SONIA **forward rate expectations**
  - **Lower interest margin and greater flexibility** of our new revolving credit facility
  - Non-recurrence of FY24 one-time £3.1m charge for **accelerated amortisation of loan arrangement fees** on refinancing

1. Adjusted EBITDA, Adjusted PBT and Adjusted Basic EPS are Alternative Performance Measures. Refer to the results announcement for the year ended 30 April 2024.
2. FX gains/losses are recognised in the Income Statement by Cards Holdco Ltd on the basis that they relate to a monetary asset but are recognised by Horizon Bidco BV through Other Comprehensive Income in equity on the basis that the difference arises on balance sheet translation of a liability. This is in accordance with IAS 21.
3. Prior year Alternative Performance Measures have been restated to classify the amortisation on acquired intangibles as an Adjusting Item.
4. Excludes amortisation arising on Group consolidation of intangibles, which is now included in Adjusting Items.

Strong cash generation, with operating cash conversion rising to 78%

Adjusted EBITDA to Operating Cash Conversion

£m	FY24	FY23	YoY
Adjusted EBITDA[1]	**95.5**	**84.2**	**11.3**
Intangible capital expenditure	**(12.7)**	(12.9)	0.2
Tangible capital expenditure	**(1.0)**	(9.7)	8.7
Add back: Impact of Share-based payments	**3.1**	1.9	(1.2)
(Increase) / decrease in inventories	**5.2**	(0.8)	6.0
(Increase) / decrease in receivables	**0.3**	5.3	(5.0)
Increase / (decrease) in payables[2]	**(16.2)**	(11.8)	(4.4)
Operating Cash Flow[2]	**74.2**	**56.2**	**18.0**
Operating Cash Conversion[3]	**78%**	**67%**	**11%pts**

- **Operating cash flow increased by 32%** to £74.2m in FY24, driven by:
  - **Lower capital expenditure**, reflecting prior year investment in new operational facilities
  - **Inventory reduced by £5.2m to £7.1m**, through more efficient stock management
- **Receivables were broadly flat year year**. The prior year inflow reflects unwind of debtors in the acquired balance sheet at Experiences[4]
- Decrease in payables in FY25 reflects a **reduction in the Experiences merchant accrual and lower trade creditors**

1. Adjusted EBITDA is an Alternative Performance Measure. Refer to the results announcement for the year ended 30 April 2024.
2. Operating cash flow in FY23 excludes the settlement of legacy incentive obligations of £13.5m to Experiences management on behalf of the vendor. Refer to the FY24 full year results announcement.
3. Operating Cash Conversion = Operating Cash Flow / Adjusted EBITDA.
4. The FY23 inflow from receivables includes collection of a £3.2m receivable in the acquired Experiences balance sheet relating to cash held in escrow for the settlement of deferred legacy incentive obligations

Continued rapid deleveraging

Net Debt and Net Leverage

£m	April 2024	April 2023
Bank borrowings[1]	(118.4)	(170.5)
Gross cash	9.6	22.4
Bank borrowings less gross cash	**(108.8)**	**(148.1)**
Lease liabilities (IFRS 16)	(16.3)	(19.5)
Net debt	**125.1**	**167.7**
Adjusted EBITDA[2]	95.5	84.2
Net debt to Adjusted EBITDA[2]	**1.31x**	**1.99x**
Committed facilities	**180.0**	**255.0**

- **Net leverage improved to 1.31x** at 30 April 2024 driven by earnings growth and reduced borrowings
- Year-on-year **£43m reduction in net debt**
- **New four-year, committed RCF of £180m** in place with maturity date of 29 February 2028
- **Liquidity headroom** of £69.4m[3] at 30 April 2024
- **Significant covenant headroom:**
  - Maximum net debt to Adjusted EBITDA 3.5x until April 2025 and 3.0x thereafter
  - Minimum interest cover 3.5x (compared to actual cover of 7.5x[4] for FY24)

1. Bank borrowings are stated net of unamortised fees.
2. Adjusted EBITDA and net debt are Alternative Performance Measures. Refer to the results announcement for the year ended 30 April 2024.
3. Liquidity headroom comprises £9.6m of gross cash and £59.8m of unutilised revolving credit facility.
4. Interest cover comprises the ratio of Adjusted EBITDA (£95.5m) plus share based payments (£3.1m) to the total of bank interest payable (£12.3m) and interest payable on leases (£0.9m). Other line items within finance income and charges are excluded from the covenant definition in the facility agreement.

We remain disciplined in our approach to capital allocation

Target net leverage ratio

- Over the past two financial years, the Group has focused on deleveraging. In FY24, we reduced net leverage from 1.99x to 1.31x, a **decrease of approximately 0.7 turns**. Given our **strong cash generation**, there is **potential for a similar reduction in FY25.**
- To maintain an efficient capital structure, our **target is to operate with net leverage of approximately 1.0x over the medium term**, with **flexibility to move beyond this as business needs require**.

Organic investment to drive growth 1

- We **continue to prioritise organic investment to drive growth**, including in technology and marketing
- Future investments may extend to new geographical markets, contingent upon **achieving appropriate customer acquisition costs and confidence in customer lifetime value**

M&A 2

- We will also selectively consider value-accretive M&A opportunities, maintaining a **high threshold for strategic and financial returns**

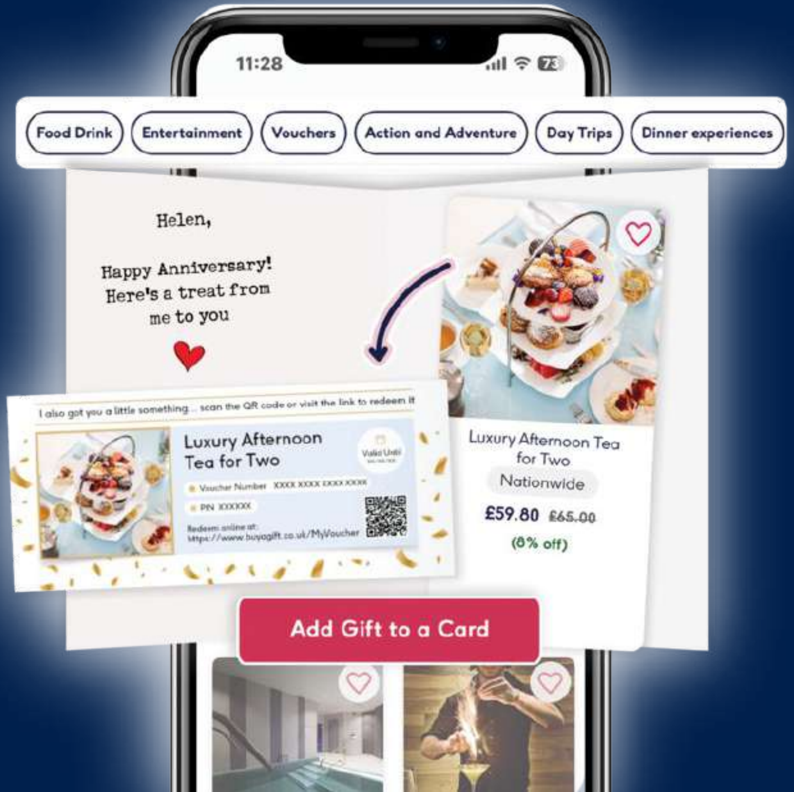
Shareholder returns 3

- With our consistent strong operating cash generation and the progress being made with deleveraging, we will also have the financial **flexibility to consider returning excess capital to shareholders**

Current trading and outlook

Current trading and outlook

- Trading since the start of the year has been in line with our expectations, with both new and existing customer orders in growth.
- In the context of the current macroeconomic environment, we expect FY25 revenue growth (after adjusting for temporarily higher breakage on experience vouchers in FY24) at a mid to high single digit percentage rate, underpinned by growth in orders at the Moonpig brand.
- Our business is well positioned to deliver sustained growth in both revenue, profit and free cash flow, driven by our continued focus on data and technology. With respect to the medium-term, we are targeting:
    - Annual revenue growth at a double-digit percentage rate;
    - An Adjusted EBITDA margin rate of approximately 25% to 26%; and
    - Growth in Adjusted earnings per share at a mid-teens percentage rate.



Strategic Update

At Moonpig and Greetz, we leverage data to drive loyalty and gift upsell

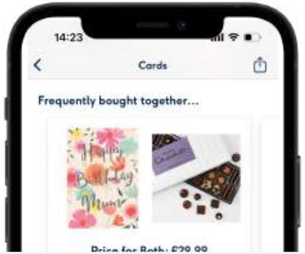
Card-first

Profitable customer acquisition with high loyalty

- ✔ 54[1] million card buyers in UK & NL
- ✔ Secular shift to online, with UK online penetration at 15%[2]
- ✔ Moonpig and Greetz have distinct and increasing market leadership position, supporting profitable customer acquisition
- ✔ High frequency, recurring purchase occasions
- ✔ Loyal customers with 89% of revenue from existing customers

Gift attach

The most relevant gifting platform with minimal acquisition cost



- ✔ >70%[3] cards given with a gift
- ✔ Card-first journey enables highly relevant gift recommendations
- ✔ Purchase intent high post card creation
- ✔ Zero marketing costs, supporting high margins
- ✔ Sidesteps expensive online competition for gifts/flowers

Note: 1. OC&C Estimates 2019. 2. OC&C Estimates 2024, referring to the online penetration within the UK single greetings cards market in 2023. 3. OC&C Estimates; UK Singles Card Purchases in 2019.

Moonpig and Greetz have three compounding growth drivers

Monetising the base

Driving the shift to online

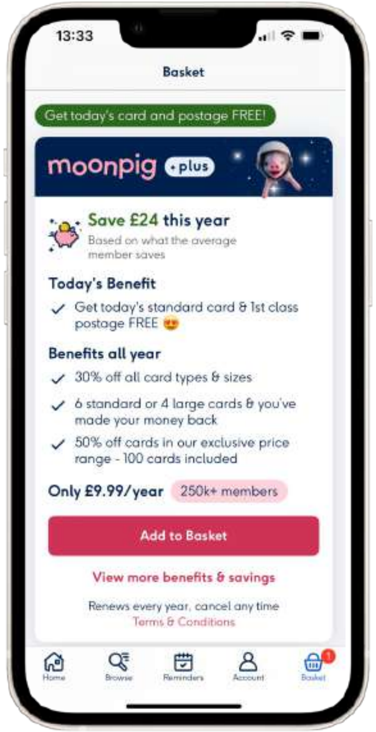
Customer acquisition → 53.8m total card customers in our markets[3]

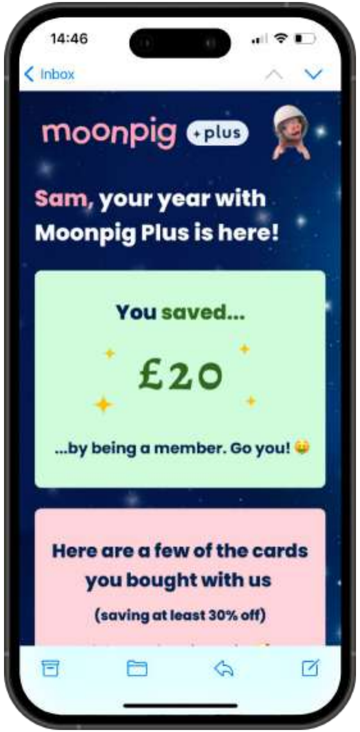
Share of wallet → 23 total cards per year[2]

Gift attach → 72% of occasions where a gift is purchased alongside a card[1]

1. UK single 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 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 53m – 55m card customers in UK and NL based on OC&C 2019 estimates.

Growth in Moonpig Plus subscriptions surpassed our expectations





- **Moonpig Plus subscriptions passed over half a million members** within a year of launch
- Driving **incremental customer lifetime value**
- **Promising early renewal rates** for the first cohort who joined in June 2023
- **Greetz Plus successfully launched** in January 2024 following a similar encouraging trajectory to the UK

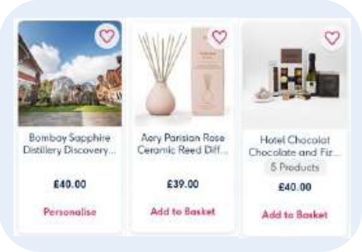
Enhanced deployment of AI to personalise customer experience

Significantly upgraded algorithms now incorporate customer level data into our gift recommendation engine

Customer A

Attaches frequently

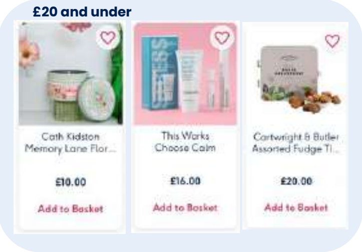
Often spends £30 or more on gifts



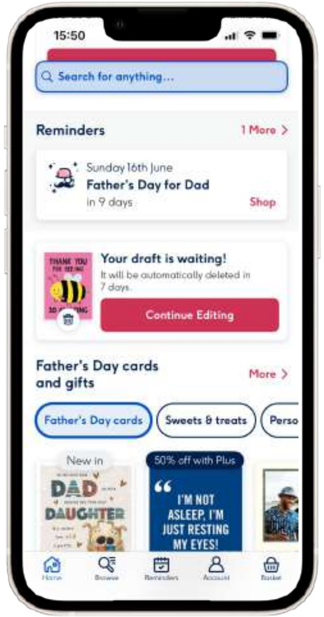
Customer B

Not attached before

Not purchased for this occasion and recipient before



Introduced personalisation elements across the online journey, including unique banners and promotions



Launched AI semantic search capability, which will drive increasingly more relevant search results over time

Before:
10 results

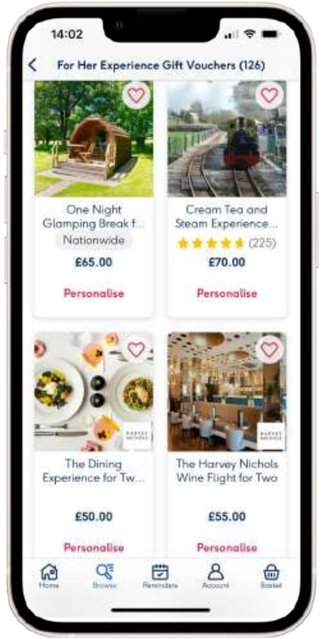
After:
3,153 results

Differentiated creativity features to drive customer lifetime value

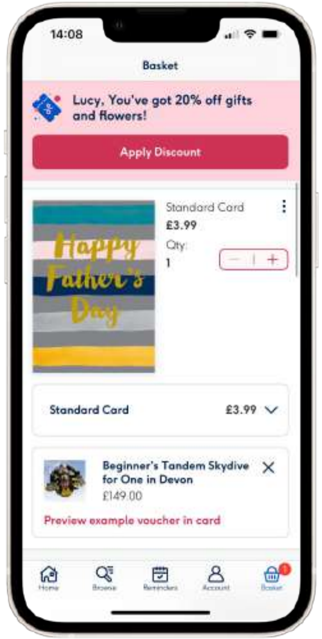
Audio and video messages	AI-driven Smart Text	Flexible photos and moveable text boxes	"Sticker" images including licensed content

Encouraging momentum cross selling Experience gifts on Moonpig

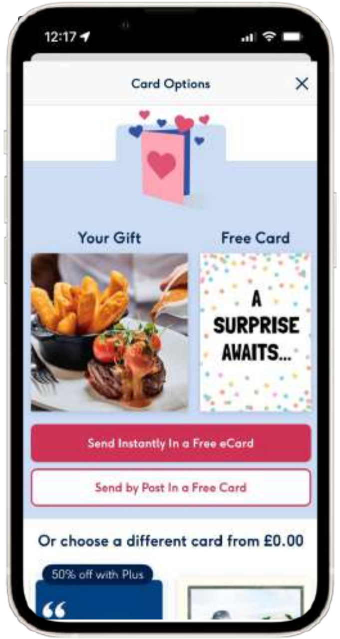
Expanded range of experiences



Gift experience voucher printed inside the physical card



Same day gifting unlocked by combining experience with eCard



Refreshed brand identities, range expansion and enhanced technology

Focused brand identities to increase appeal to target audience

RED LETTER DAYS

buyagift

Establishing partnerships with premium and hero brands

Premium dining partners

CORRIGAN'S MAYFAIR

I'M HALE AND HEARTY DAFFODIL MULLIGAN 70—74 CITY RD THE LIFE OF THE PARTY

COLONEL SAAB

CRAZY BEAR

HARVEY NICHOLS

Mid-range partnerships

MONOPOLY LIFESIZED

BREWDOG

Royal Botanic Gardens Kew

VUE

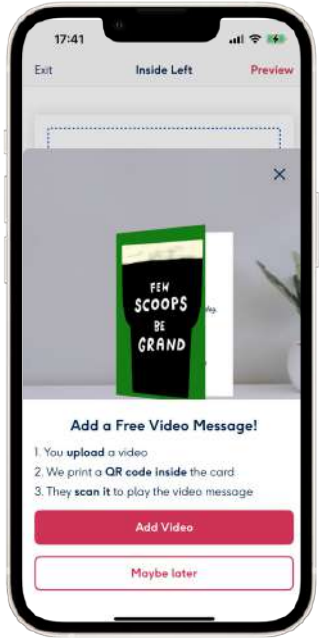
GAUCHO

ZSL | LONDON ZOO

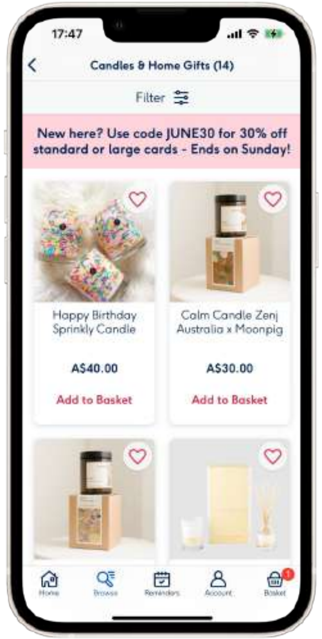
Leveraging customer insights to enhance upselling strategies

Pipeline of early-stage revenue expansion initiatives in new markets

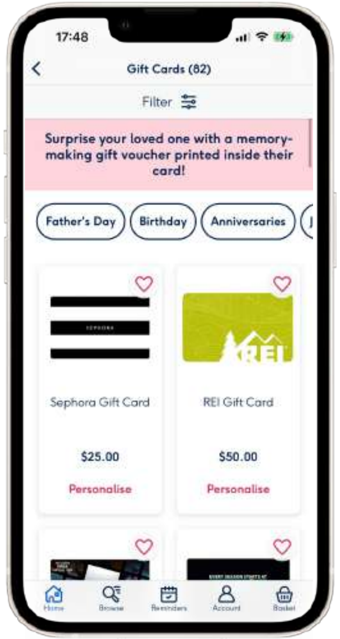
Ireland



Australia



US

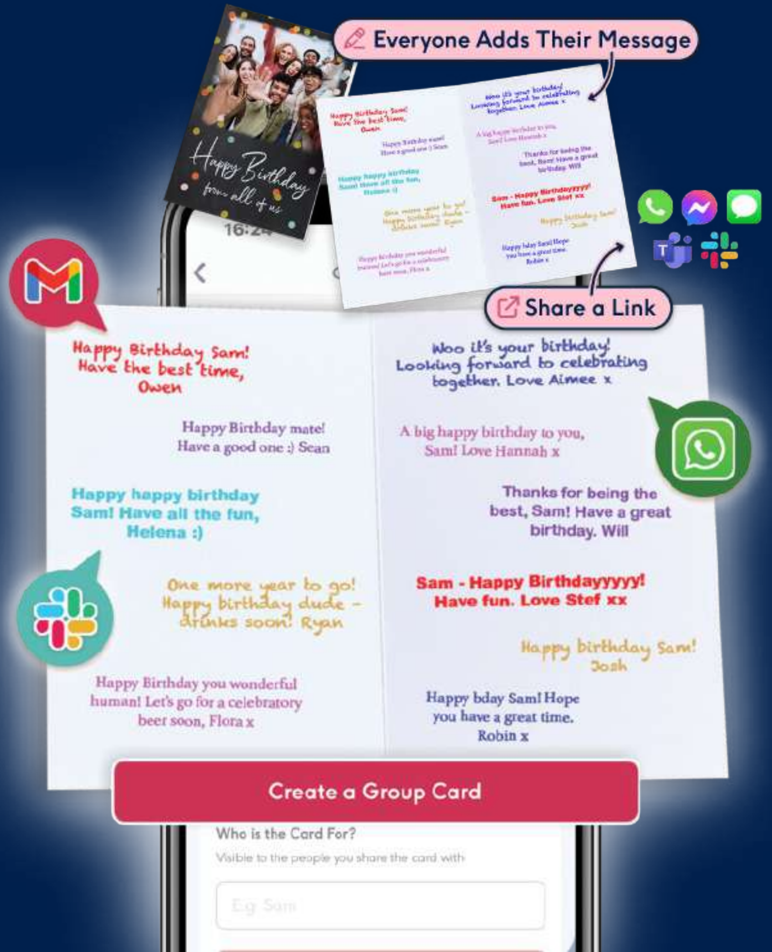


- Revenue from Moonpig websites in **Ireland, Australia** and **the US grew** by **34% to £8.7m**
- **Targeted testing** underway to identify **profitable** ways to scale **marketing activity** in new geographical markets
- Customer proposition **enhanced** through **localised card designs**
- Physical gift **range expansion** with local gifting providers in Ireland and Australia
- **Gift cards** launched in US

Revenue and profit growth underpinned by technology

1. Strong performance, which accelerated through the year
2. We are delivering against our technology-led strategy
3. Renewed confidence in our outlook

moonpig group plc


Everyone Adds Their Message
Share a Link
Happy Birthday Sam! Have the best time, Owen
Happy Birthday mate! Have a good one :) Sean
Happy happy birthday Sam! Have all the fun, Helena :)
One more year to go! Happy birthday dude - drinks soon! Ryan
Happy Birthday you wonderful human! Let's go for a celebratory beer soon, Flora x
Woo it's your birthday! Looking forward to celebrating together. Love Aimee x
A big happy birthday to you, Sam! Love Hannah x
Thanks for being the best, Sam! Have a great birthday. Will
Sam - Happy Birthdayyyyy! Have fun. Love Stef xx
Happy birthday Sam! Josh
Happy bday Sam! Hope you have a great time. Robin x
Create a Group Card
Who is the Card For?
Visible to the people you share the card with
Eg Sam

Appendix

Technical guidance (1 of 2)

Capital expenditure	• We expect total recurring tangible and intangible capital expenditure to equate to between 4% and 5% of revenue in FY25, and we plan to maintain this ratio in the same range going forward. Within this, we expect that tangible capital expenditure will be in the region of £2m per year. • We are evaluating potential for investment in automation and robotics at our UK fulfilment centre to increase efficiency and provide additional capacity at periods of peak throughput for gifting. If pursued, this would require additional capital expenditure in the range of low to mid-single digit millions in FY26.
Depreciation and Amortisation	• We expect depreciation and amortisation of between £20m and £23m in FY25. This includes depreciation of purchased tangible fixed assets (including right-of-use assets) and amortisation of internally generated intangible fixed assets but excludes the amortisation of intangible fixed assets arising on business combinations.
Acquisition amortisation	• We expect the amortisation of intangible fixed assets arising on business combinations to be approximately £8m in FY25 and anticipate that this will be the only Adjusting Item for the year.
Net finance costs	• We expect net finance costs in FY25 to be in the region of £12m. This includes expected interest payments on the new RCF of approximately £8m (based on the Group’s expected deleveraging profile, current forward market expectations for SONIA and hedging arrangements currently in place). Deemed interest on the merchant accrual is expected to be approximately £2m. The remainder relates to deemed interest on lease liabilities and the amortisation of up-front RCF arrangement fees and hedging fees. We have assumed no monetary gain or loss on Euro-denominated intercompany loan balances.

Technical guidance (2 of 2)

RCF costs (within net finance charges)

- Margin on the Revolving Credit Facility (over reference rate) is based on a leverage ratchet as follows:

Net leverage	Margin (bps)
>3.00x	325
>2.50x <=3.00	300
>2.00x <=2.50	275
>1.50x <=2.00	250
>1.00x <=1.50	225
<=1.00	200

- Commitment fees are payable on the unutilised element of the RCF at 35% of the applicable margin per annum (excluding reference rate). Up-front arrangement fees of 80bps on the £180m commitment are amortised over the term of the facility.

Taxation

- We expect the Group's effective tax rate to be between 25% and 26% of reported profit before taxation in FY25 and thereafter.

Share based payments

- We expect the total charge for share based payments (relating to the LTIP, DSBP and SAYE share schemes) to be approximately £6m in FY25. The actual charge may vary to the extent that there are "bad" leavers and, for the element of each LTIP award which is subject to an EPS performance condition, in the event of profit outcomes that vary from current expectations. These share based payment charges will not be classified as an Adjusting Item.

Pre-IPO Award

- The final tranche of the pre-IPO award vested on 30 April 2024. This is expected to result in cash outflows of approximately £5m (excluding national insurance costs) and the issue of 1,413,971 shares, both arising in Q1 FY25.

Alternative Performance Measures

Reconciliation of Alternative Performance Measures to IFRS Measures

£m	FY24 Adjusted Measures	FY24 Adjusting Items	FY24 IFRS Measures	FY23 Adjusted Measures	FY23 Adjusting Items	FY23 IFRS Measures
EBITDA	**95.5**	**(3.5)**	**92.0**	**84.2**	**(13.1)**	**71.1**
Depreciation and amortisation	(17.4)	(8.3)	(25.7)	(15.2)	(7.5)	(22.7)
EBIT	**78.1**	**(11.8)**	**66.3**	**69.0**	**(20.6)**	**48.5**
Finance costs	(19.9)	-	(19.9)	(13.6)	-	(13.6)
PBT	**58.2**	**(11.8)**	**46.4**	**55.4**	**(20.6)**	**34.9**
Taxation	(14.6)	2.4	(12.2)	(11.0)	2.7	(8.3)
PAT	**43.6**	**(9.4)**	**34.2**	**44.4**	**(17.9)**	**26.6**

Basic Earnings per Share (pence)	***12.7p***	***(2.7p)***	***10.0p***	***13.1p***	***(5.3p)***	***7.8p***
EBITDA margin (%)	***28.0%***	**-**	***27.0%***	***26.3%***	**-**	***22.2%***
EBIT margin (%)	***22.9%***	**-**	***19.5%***	***21.6%***	**-**	***15.2%***
PBT margin (%)	***17.1%***	**-**	***13.6%***	***17.3%***	**-**	***10.9%***

Note: figures in this table are individually rounded to the nearest £0.1m. As a result, there may be minor discrepancies in the subtotals and totals due to rounding differences.

Acquisition amortisation is now classified as an Adjusting Item

Adjusting Items

£m	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year movement
Pre-IPO share-based payment charges	**(1.1)**	(5.4)	4.3
Pre-IPO bonus awards	**(2.4)**	(3.3)	0.9
M&A related transaction costs	**-**	(4.4)	4.4
Adjusting Items in EBITDA	**(3.5)**	(13.1)	9.6
Acquisition amortisation	**(8.3)**	(7.5)	(0.8)
Total Adjusting Items	**(11.8)**	(20.6)	8.8

Items not classified as Adjusting Items by the Group

£m	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year movement
Share-based payment charges relating to operation of post-IPO Remuneration Policy[1]	**(3.1)**	(2.5)	(0.6)

1 Stated inclusive of employer's national insurance of £0.5m (FY23: £0.3m).

Impact of classifying acquisition amortisation as an Adjusting Item (1 of 2)

Impact of revising the definition of Adjusting Items to include acquisition amortisation

	Revised definition			Previous definition		
£m	**FY24**	**FY23**	**Year-on-year %**	**FY24**	**FY23**	**Year-on-year %**
Revenue	**341.1**	320.1	6.6%	**341.1**	320.1	6.6%
Adjusted EBITDA	**95.5**	84.2	13.5%	**95.5**	84.2	13.5%
Adjusted depreciation and amortisation (£m)	**(17.4)**	(15.2)	(14.9%)	**(25.7)**	(22.7)	(13.6)%
Adjusted EBIT	**78.1**	69.0	13.2%	**69.8**	61.5	13.5%
Net finance costs	**(19.9)**	(13.6)	(46.7)%	**(19.9)**	(13.6)	(46.7)%
Adjusted profit before taxation	**58.2**	55.4	5.0%	**49.9**	48.0	4.2%
Adjusted taxation	**(14.6)**	(11.0)	(36.8)%	**(12.5)**	(10.1)	(28.7)%
Adjusted profit after taxation	**43.6**	44.4	(2.9)%	**37.4**	37.9	(2.6)%
Adjusted Basic Earnings per Share (pence)	***12.7p***	*13.1p*	*(3.1)%*	***10.9p***	*11.1p*	*(1.8)%*
Adjusted EBITDA margin (%)	***28.0%***	*26.3%*	*1.7%pts*	***28.0%***	*26.3%*	*1.7%pts*
Adjusted EBIT margin (%)	***22.9%***	*21.6%*	*1.3%pts*	***20.5%***	*19.2%*	*1.3%pts*
Adjusted PBT margin (%)	***17.1%***	*17.3%*	*(0.2)%pts*	***14.6%***	*15.0%*	*(0.4)%pts*

Impact of classifying acquisition amortisation as an Adjusting Item (2 of 2)

Historical P&Ls with revised definition of acquisition amortisation as an Adjusting Item

£m	FY18[1]	FY19[1]	FY20[1]	FY21	FY22	FY23	FY24
Revenue	87.9	120.1	173.1	368.2	304.3	320.1	341.1
Adjusted EBITDA	**19.0**	**22.7**	**44.4**	**92.1**	**74.9**	**84.2**	**95.5**
Adjusted depreciation and amortisation (£m)	(2.1)	(3.7)	(7.2)	(9.6)	(12.6)	(15.2)	(17.4)
Adjusted EBIT	**16.9**	**19.0**	**37.2**	**82.5**	**62.3**	**69.0**	**78.1**
Net finance costs	0.4	(0.1)	(1.3)	(5.8)	(9.0)	(13.6)	(19.9)
Adjusted profit before taxation	**17.3**	**18.9**	**35.8**	**76.7**	**53.3**	**55.4**	**58.2**
Adjusted taxation	(0.1)	(0.7)	(1.6)	(13.8)	(10.2)	(11.0)	(14.6)
Adjusted profit after taxation	**17.2**	**18.2**	**34.2**	**62.9**	**43.1**	**44.4**	**43.6**
Adjusted Basic Earnings per Share (pence)	*5.1p*	*5.4p*	*10.1p*	*18.6p*	*12.7p*	*13.1p*	*12.7p*
Adjusted EBITDA margin (%)	*21.6%*	*18.9%*	*25.6%*	*25.0%*	*24.6%*	*26.3%*	*28.0%*
Adjusted EBIT margin (%)	*19.3%*	*15.8%*	*21.5%*	*22.4%*	*20.5%*	*21.6%*	*22.9%*
Adjusted PBT margin (%)	*19.7%*	*15.8%*	*20.7%*	*20.8%*	*17.5%*	*17.3%*	*17.1%*

1. As Moonpig Group plc was incorporated in FY21 there were no issued shares in FY18, FY19 and FY20. Adjusted Basic EPS has been calculated for these years using the weighted average basic number of shares for FY21.