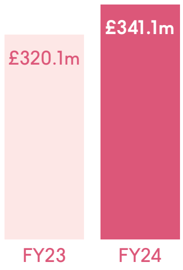
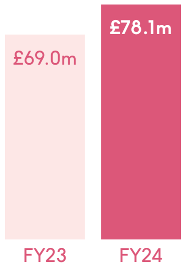
Financial highlights

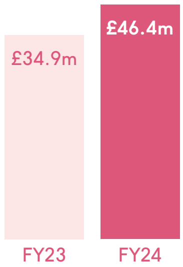
Revenue (£m)
Year-on-year growth: 6.6%



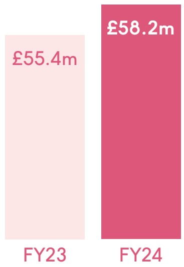
Adjusted EBIT[1,2] (£m)
Year-on-year growth: 13.2%



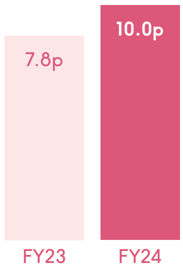
Reported PBT (£m)
Year-on-year growth: 32.9%



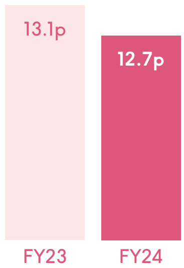
Adjusted PBT[1,2] (£m)
Year-on-year growth: 5.0%



Reported Basic EPS (p)
Year-on-year growth: 27.3%



Adjusted Basic EPS[1,2] (p)
Year-on-year growth: (3.1)%

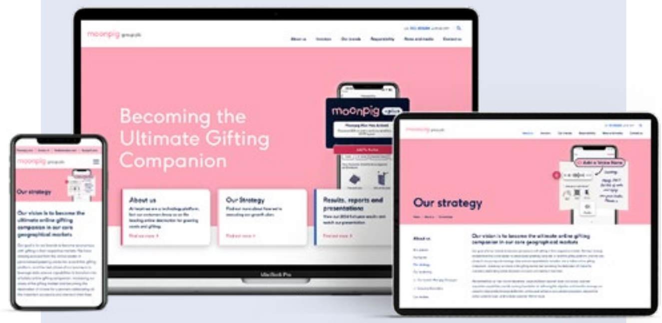


1 Adjusted EBIT, Adjusted PBT and Adjusted Basic EPS are Alternative Performance Measures, definitions of which are set out on pages 176 to 177.

2 The Group has amended its definition of Adjusting Items such that amortisation of intangible assets arising on business combinations (acquisition amortisation) is now treated as an Adjusting Item. As a result, current and prior year Alternative Performance Measures are stated excluding acquisition amortisation of £8.3m (FY23: £7.5m).

Operational highlights

- Moonpig Plus subscriptions passed half a million members and Greetz Plus launched.
- Database of customer occasion reminders grown to 90 million (April 2023: 84 million).
- Our creativity features were used over 10 million times to add video and audio messages, "sticker" images, digital gift vouchers and AI-driven customised messages to the inside of greeting cards.
- App penetration of orders at Greetz increased to 33% as at April 2024.
- Launch of AI semantic search capability, delivering more relevant and accurate search results.
- Upgrade to our recommendation algorithms to incorporate customer-level data including gift price preferences.
- A tailored online journey for every user, including personalised homepage banners and personalised promotions.
- Increase in automated customer service resolutions through AI chatbot deployment.
- Targeted testing underway to identify profitable ways to scale marketing activity in new geographical markets. Total revenue in Ireland, Australia and the US grew by 34.3% to £8.7m (FY23: £6.5m).
- Same-day digital gifting launched on Moonpig, combining gift experiences with e-cards.
- Re-platforming of Red Letter Days and Buyagift is on track with new gallery and landing pages launched.



To find out more visit us at:
www.moonpig.group/investors

At a glance

The leading data and technology platform for online greeting cards and gifting in the UK and the Netherlands.

The UK and the Netherlands are our current core markets.

Proportion of revenue by country % of FY24 Group revenue

United Kingdom	Netherlands	Rest of world
82%	15%	3%
FY23: 81%	FY23: 17%	FY23: 2%

We operate through four online brands.

moonpig

Moonpig has been a pioneer since it was founded as the UK's first online greeting cards business in 2000.

It has since grown to become a well-loved brand and the number one online destination for our customers' gifting needs.

greetz

Greetz was founded in 2004 as the Netherlands' first online greeting card service.

Since then it has evolved into the leading online choice for our Dutch customers' card and gifting needs.

buyagift

Founded in 1999, Buyagift is a leading UK gift experiences platform with options in categories such as dining, theatre and family outings.

With the broadest and deepest geographical footprint in the UK, it offers customers something to suit every taste and occasion.

RED LETTER DAYS

Launched in 1989, Red Letter Days pioneered the concept of giving unforgettable experiences as a gift.

The idea caught people's imaginations and today Red Letter Days, with its iconic red gift box, remains the "go-to" gift experiences company.

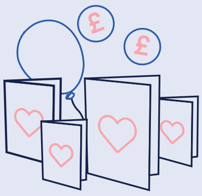
Our strategy is to become the ultimate gifting companion.

Gifting share of revenue

50%

FY23[1]: 51%

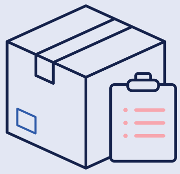
Cards and gifts sold



48.8m

FY23[1]: 49.0m

Orders[2]



33.9m

FY23: 33.8m

We have a broad and balanced customer demographic.

% total users split by age group in FY24

Under 35	35 – 55	55+
40%	36%	24%
FY23[1]: 40%	FY23[1]: 38%	FY23[1]: 22%

% total users split by gender in FY24

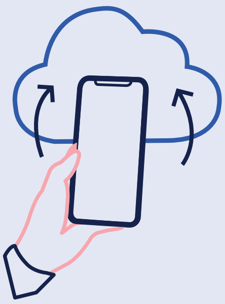
Male	Female
41%	59%
FY23[1]: 44%	FY23[1]: 56%

We use data and technology to create loyal customer relationships.

Skilled data scientists, analysts and engineers

242

April 2023[1]: 250



Moonpig and Greetz customer reminders set[2]

90m

April 2023: 84m

Card creative feature usage[3]

10m

FY23: N/a

1 FY23 stated for the Group (including Experiences since acquisition on 13 July 2022).
2 As at 30 April 2024. Moonpig and Greetz only.
3 Our creativity features were used over 10 million times to add video and audio messages, "sticker" images, digital gift vouchers and AI-driven customised messages to the inside of greeting cards. Not applicable for prior year as the features are newly introduced.

Chair's statement

Moonpig Group delivered growth in revenue and profit in FY24, driven by continued focus on technology and data.

Overview

The past year has been characterised by strengthening in trading performance with positive and improving revenue growth across H1 and H2, combined with order volumes moving into growth in the second half of the year. This trajectory of improvement has been driven by the Group's continued focus on technology and is underpinned by a resilient, profitable and cash generative business model that uses data to drive customer loyalty.

The majority of the Group's technology team are now focused on innovation, which has driven an acceleration of the pace at which new features are deployed. The Group has delivered functionality to encourage customers to place orders more frequently, including the Moonpig Plus and Greetz Plus subscription memberships, together with card creativity features such as video and audio messages and AI-driven customised messages. The Group has continued to tailor how it personalises recommendations to customers, including more sophisticated gifting recommendation algorithms and the implementation of a tailored online journey for every user, including personalised homepage banners and personalised promotions.

Alongside innovation on the core platform, the Group is developing a pipeline of initiatives that the Board expects will drive medium-term growth. Revenue from Moonpig's websites outside the UK and the Netherlands increased year-on-year by 34.3% to £8.7m (FY23: £6.5m). The Group is now able to acquire customers profitably in Ireland and, with the Board's support, management is carrying out targeted testing to identify profitable ways to scale customer acquisition in Australia. Management is also testing the prototype Moonpig for Work solution for SME business-to-employee greeting cards and gifting.

Technology re-platforming of the Experience Division websites continues at pace with a full rebuild of the front end now complete. Our new integration with a premium dining partner has unlocked access to a range of gourmet restaurants in London. We have also launched same-day gifting capability on Moonpig by combining e-cards with Red Letter Days and Buyagift gift experiences, with encouraging early traction across peak event days so far.

FY24 performance

The Group delivered revenue of £341.1m in FY24, representing year-on-year growth of 6.6%. On a pro forma basis (as if Experiences had been owned throughout FY23) full year revenue growth was 4.5%, strengthening to 6.6% in the second half of the year.

Growth was underpinned by trading at Moonpig, where revenue increased by 8.2% in FY24 with a trajectory of improvement across the twelve months. In the second half of the year, revenue from both new and existing customers was in year-on-year growth. Performance throughout FY24 was strong given a challenging macroeconomic context in which the wider UK online non-food market declined year-on-year in every month of FY24[1]. Technology innovation has enabled the Moonpig brand to outperform its competitors and continue capturing UK online market share[2].

The revenue trajectory at Greetz continued to improve, with year-on-year revenue declines abating to 5.3% in H2 FY24 from 9.8% in H1 FY24 and 20.4% in FY23. Migrating Greetz onto our unified technology platform in late 2022 prioritised a card-first online customer journey, impacting headline revenue growth due to the foregoing of non-core standalone gifting revenue. The resulting card-first business is now positioned for growth in FY25. Furthermore, organisational changes have been made such that Greetz can better leverage Group capabilities in areas such as marketing and card design and there has been a strong focus on new technology features such as video and audio messages and Greetz Plus subscription membership.

1 Source: KPMG-BRC Retail Sales Monitor.
2 Source: OC&C, June 2024.

The Board was pleased that the Group's focus on technology innovation delivered a return to volume growth in the second half of the year. Across Moonpig and Greetz, year-on-year orders growth improved from a decrease of 5.1% in H1 to an increase of 5.2% in H2 FY24. This more than compensated for the impact from moving past the full annualisation of card pricing changes implemented in 2022.

Trading at Experiences has been resilient, increasing by 1.5% year-on-year on a pro forma basis. The management team continues to make good progress with strategic delivery, including the new technology platforming for Red Letter Days and Buyagift and launch on the Moonpig platform of same-day digital delivery of gift experiences with an e-card.

The Group has remained focused on profitability, delivering Adjusted EBITDA of £95.5m (FY23: £84.2m) and an Adjusted EBITDA margin rate of 28.0% (FY23: 26.3%). Adjusted profit before tax increased by 5.0% to £58.2m (FY23: £55.4m). This includes the full-year benefits of insourcing UK fulfilment in FY23.

The Group remains strongly cash generative, with operating cash inflows of £74.2m (FY23: £56.2m) delivering a reduction in net leverage to 1.31x (April 2023: 1.99x). The Group has also agreed a new four-year committed revolving credit facility of £180m, improving the efficiency and flexibility of our bank borrowings.

Employees

The dedication and hard work of the Group's people in the Netherlands, Guernsey and the UK has enabled it to deliver the return to revenue growth in FY24. On behalf of the Board, I would like to thank all employees for their contribution during the year.

Sustainability

Moonpig Group's purpose is to help its customers to connect with people who they care about. The Board is pleased with the Group's progress against its sustainability goals during FY24.

In particular, the Group has made strong progress against its target to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030. At the end of the financial year, the Group had obtained supplier commitments covering 19.3% of Scope 3 emissions, compared to 9.7% at 30 April 2023.

The Moonpig Group Foundation has continued to support organisations with missions that align with the Group's aim of creating better and more personal connections between people who care about each other. Beneficiaries in FY24 included the Campaign Against Living Miserably in the UK, the Guernsey Society for Cancer Relief and Stichting Jarige Job in the Netherlands.

Customer net promoter score continues to be affected by the delivery performance of the postal service providers in the UK and the Netherlands. Management has a clear strategy to address this, focused on leveraging the Group's database of reminders to encourage earlier ordering and delivery, improving how the Group communicates estimated delivery dates, providing more options for tracked delivery and expanding our range of digital delivery options.

Board and governance

The Group maintained full compliance with the UK Corporate Governance Code in FY24, as detailed in the Corporate governance statement on pages 76 to 85.

The Board has been briefed on the UK Corporate Governance Code 2024, which will apply to the Group from FY26 generally and from FY27 for Provision 29, which concerns the Company's internal control framework. Work has commenced to facilitate compliance from the effective dates.

The Board continues to meet the requirement that at least half its members (excluding the Chair) are Independent Non-Executive Directors.

During the year, the Group completed its first externally-facilitated evaluation of the Board and its Committees. The results were discussed at our March 2024 Board meeting, together with progress against actions from previous years' evaluations. These are summarised in the Corporate governance statement on page 83.

Directorate change

Simon Davidson resigned as Nominee Director in April 2024, following Exponent Private Equity LLP's reduction in its shareholding below the 10% threshold at which it had a right to nominate a director to the Board. On behalf of the Board, I would like to thank Simon for the significant contribution that he has made to Moonpig Group across the last eight years. His insight and expertise have been of great value to the Board.

Diversity

As at 30 April 2024 and at the date of this report, the Board has 43% female representation, and therefore meets the Listing Rule target for at least 40% of individuals on the Board to be women. We also meet the Listing Rule targets for at least one senior board position to be held by a woman (by virtue of my appointment as Chair) and for at least one Board member to be from an ethnic minority background (as the Board currently has two ethnic minority directors).

During the year, the Board considered the new Parker Review requirements to improve the ethnic diversity of FTSE 350 senior management teams and approved an updated Board Diversity Policy which includes a voluntary target for 15% representation of ethnic minorities in the Extended Leadership Team by 2027.

The Board remains committed to the FTSE Women Leaders Review target of at least 40% female representation on the Extended Leadership Team. Current female representation at this level is 41%. The Group is ranked 32nd in the FTSE 250 for women on boards and in leadership by the FTSE Women Leaders Review 2023.

Audit tender

During the year the Audit Committee carried out a formal tender of the external audit for the year ending 30 April 2026. Based on the recommendations of the Audit Committee, the Board selected PricewaterhouseCoopers LLP. The tender process and selection criteria are set out in the Audit Committee report on pages 86 to 95.

Looking ahead

The Board is pleased with the start to the new financial year and is confident that the business will deliver long-term value for shareholders. The Group remains ideally placed to maintain and increase its online market share whilst leading the shift in its markets from offline to online.

Kate Swann

Non-Executive Chair
26 June 2024

Chief Executive Officer's review

We delivered a return to revenue growth, underpinned by acceleration in technology innovation.

Overview

FY24 has been a period of strong financial and strategic delivery, with activity focused in the following key areas:

- Innovation on our unified technology platform, which drove a strengthening in revenue growth to 6.6% in the second half of the year. Our product, data and technology teams have significantly increased the velocity of delivery for customer-facing growth initiatives. These include Moonpig Plus and Greetz Plus subscriptions, card creativity features (such as audio and video messages, group cards, digital delivery of gift experiences) and AI technologies that leverage data on previous customer purchase behaviour to enhance gifting recommendation algorithms.
- Continued execution of the transformation project at Experiences, including phased migration to a new technology platform and the launch of a new visual identity for both brands to support differentiated market positioning.
- Developing our pipeline of initiatives intended to drive medium-term growth, including marketing investment in Ireland, targeted testing to identify profitable ways to scale customer acquisition in Australia and the US, and testing of our prototype Moonpig for Work solution for SME business to employee gifting.

Moonpig Group has maintained its investment in technology, marketing and operations through the economic cycle due to the resilience, profitability and cash generation of our business:

- Our focus on customer lifetime value equips us with resilience in more challenging conditions. Our approach at Moonpig and Greetz is focused on acquiring loyal customer cohorts that drive recurring revenue and 89% of revenue at these brands was generated from existing customers (FY23: 89%). The long-term "sticky" nature of these customer cohorts is supported by our data and technology platform, which allows us to personalise the user experience. More generally, the greeting cards market has a long track record of recession-resilience.
- Adjusted EBITDA margin rate increased to 28.0% (FY23: 26.3%) through a combination of gross margin rate improvement and disciplined control of indirect costs. Our low-inventory strategy means that profit margins are not exposed to significant stock-related risks.
- Our business is highly cash generative. We improved the ratio of net debt to Adjusted EBITDA to 1.31x at 30 April 2024, from 1.99x at 30 April 2023.

Leveraging data and technology

Last year, we completed a multi-year project to unite Moonpig and Greetz onto a single technology platform. This freed most of our technology teams to focus on innovation and experimentation, driving an acceleration of the pace at which we deploy new features.

We have further enhanced our use of AI to personalise customer experience:

- Significant upgrade to our algorithms by incorporating individual customer level data into our gift recommendation engine, unlocking the ability to show different price ranges to different customer cohorts.
- Introduced personalisation elements into all parts of the journey, including homepage banners and promotions unique to the individual customer.
- Enhanced the capabilities of our AI-powered Customer Service chatbot, driving a significant reduction in the number of customer contacts being handled by agents.
- Launched AI semantic search capability, using large language models to better understand and interpret customer search terms, which will drive increasingly more relevant search results over time.

We are leveraging technology to drive higher customer lifetime value:

- Moonpig Plus subscriptions passed the milestone of half a million members, with continued strong sign-up rates and promising renewal rates for the first cohort who joined in June 2023.
- Greetz Plus launched in January 2024 and is following a similar encouraging trajectory to the UK.
- Our creativity features were used over 10 million times, allowing customers to add video and audio messages, "sticker" images, digital gift vouchers and AI-driven customised messages to greeting cards.

We are building deeper network effects:

- We have deployed features that enable online interaction with recipients (such as video messages and digital gifts) and message contributors (group cards), increasing the potential to convert them into new customers.
- Moonpig for Work is live in beta version for several customers ahead of planned launch in FY25. This solution is initially targeted at SME business-to-employee card giving and gifting around events such as birthdays, work anniversaries and Christmas.

We are investing in technology at Experiences, and upgrading how we cross-sell gift experiences to Moonpig customers:

- We have launched same-day gifting capability on Moonpig by combining e-cards with digital gift experiences, with encouraging early traction across peak event days so far.
- Technology re-platforming of the Red Letter Days and Buyagift websites continues at pace with a full rebuild of the front end now complete.
- We completed an integration with a premium dining partner unlocking access to restaurants in London such as Harvey Nichols, Benihana, Colonel Saab, Corrigan's Mayfair and Harrods.

Building our brands

Our strategy remains focused on delivering revenue growth through our existing customer base and we grew Moonpig and Greetz revenue from existing customers by 5.9% to £261.3m (FY23: £246.8m). Our key areas of focus remain:

- Continuously improving how we leverage our database of 90 million customer occasion reminders (April 2023: 84 million) to communicate with customers. Reminders represent a powerful ecosystem, enabling us to engage with customers at moments of high card-giving intent, and drive a significant proportion of Moonpig and Greetz revenue.
- Encouraging customer sign-up to Moonpig Plus and Greetz Plus, as well as migrating Greetz customers to the app that we launched in FY23. Greetz app penetration increased during the year to 33% (April 2023: 22%).
- Raising customer awareness of differentiated card creativity options that we believe will drive customer loyalty and increase lifetime value. By showcasing innovative features such as video and audio messages, we emphasise that our offering is superior to the online and offline competition. This message is delivered through our website real estate, social media and video on demand. Initiatives include the "With Greetz you give more than a card" campaign in the Netherlands and new creative advertising copy for Moonpig, which we plan to launch across all channels including TV in the UK in FY25.

We were pleased that revenue from newly acquired customers moved back into year-on-year growth at Moonpig in H2 FY24, whilst the behaviour of cohorts acquired in the past year remained consistent with historical cohorts. Our brands are powerful assets, built over several decades, with high levels of consumer awareness and a strong association with convenience, service and range. Across FY24 we have maintained significant investment in marketing in the UK and the Netherlands, in line with prior year levels. We continue to acquire loyal customer cohorts that deliver lifetime value rather than pursuing short-term, transactional revenue.

We want to build a pipeline of early-stage revenue expansion initiatives and have increased our activity in new geographical markets. Revenue from Moonpig websites in Ireland, Australia and the US grew by 34.3% to £8.7 million (FY23: £6.5 million). We successfully increased new customer acquisition in Ireland and are conducting tests to identify scalable marketing strategies in Australia and the US. Additionally, we are enhancing the customer proposition by introducing localised card design ranges, expanding the gifting range (through physical gifts in Ireland and Australia and retail gift vouchers in the US) and building partnerships with local gifting providers. Where we gain confidence in customer lifetime value in any of these markets, we would look to further scale our marketing investment.

At Experiences, we have continued the process of differentiating the Red Letter Days and Buyagift brands, so that the former emphasises iconic experiences and a more curated range, whilst the latter is more value-led. A new, fresh visual identity has been rolled-out at each brand. We have also increased marketing investment during the key pre-Christmas trading period, supplementing the optimisation of performance marketing with new brand marketing activity focused around online video and social media to build awareness and purchase consideration.

Chief Executive Officer's review continued

Evolving our range

Our customers love well-known brands that provide reassurance that the gift will delight the recipient. As part of our ongoing programme to onboard "trusted brands" at Moonpig, we expanded our partnership with Virgin Wines to cover personalised still and sparkling wine and launched Hotel Chocolat in February 2024, which instantly became one of our most popular gifting options. Similarly, at Greetz we are likewise strengthening our roster of trusted brands, for instance through the recent launch of Lindt chocolate.

We have established a unified global team responsible for all designs on greeting cards and personalised gifts. This team continues to negotiate with global licensors to bring internationally recognised properties to Greetz that already feature on Moonpig. Given the popularity of "sticker" images that customers can use to personalise the inside of greeting cards on Moonpig and Greetz, we have also expanded our range of sticker designs to include images from franchises such as Disney Princess, Marvel, Star Wars and Harry Potter.

In FY24, our Experiences division onboarded "hero" brands such as Champneys Health Spa and W Hotels. With Moonpig scaling sales of gift experiences as both physically printed codes in cards and instantly delivered digital attachments to e-cards, we are now focused on expanding our range of mid-priced experiences in categories such as casual dining that resonate well with Moonpig customers.

In the current trading environment, we have also focused on operational process efficiency and the delivery of improvements in gross margin. We delivered an increase in Group gross margin rate to 59.4% (FY23: 56.1%), the reduction in inventories to £7.1m (April 2023: £12.3m) and an extension in the Greetz cut-off time for same-day dispatch to 11pm for all cards, gifts and flowers.

Maintaining high ethical, environmental and sustainability standards

We continue to execute against our sustainability strategy, which commits the Group to eight long-term goals focused on the environment, its people and its communities. In particular, the Group has made strong progress against its target to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria, representing 67% of Scope 3 emissions by 30 April 2030. At the end of the financial year, the Group had obtained supplier commitments covering 19.3% of Scope 3 emissions, compared to 9.7% at 30 April 2023.

A key area of focus remains customer net promoter score, which has been impacted by the delivery performance of postal service providers in the UK and the Netherlands. To address this, we have implemented a clear strategy focused on:

- Encouraging earlier ordering and delivery, including sending the first reminder message to customers 14 days before each occasion.
- Improving how we communicate estimated delivery dates. Our new "date first" user experience flows at the checkout on our website and apps clearly inform customers about the possibility of scheduling their orders for cards and gifts in advance.
- Providing more options for tracked delivery. We have collaborated with Royal Mail to introduce a tracked delivery service at an attractive consumer price. This service, available during peak demand periods such as Christmas, Valentine's Day, and Mother's Day, allows customers to send greeting cards even after the cut-off for first-class letter post.
- Expanding our digital offering to include e-cards with same-date digital delivery of a gift experience, leveraging the range of Red Letter Days and Buyagift.

We are passionate about diversity in the technology sector. As at 30 April 2024, the combined representation of women and ethnic minorities on our extended leadership team stands at 49% (April 2023: 52%). Female representation at this level is 41%, exceeding the 40% target set by the FTSE Women Leaders Review Target. We were proud to be ranked 32nd in the FTSE 250 for women on boards and in leadership by the FTSE Women Leaders Review 2023.

Nickyl Raithatha
Chief Executive Officer
26 June 2024

Moonpig Plus and Greetz Plus

At the end of May 2023, we introduced Moonpig Plus subscriptions. This scheme offers a package of benefits including discounts on greeting card purchases in return for an annual fee, incentivising and rewarding increased usage. The response has been positive, with over half a million customers becoming members so far.

Building on this success, we launched Greetz Plus in January 2024, which has resulted in customer order frequency increases similar to those seen with Moonpig Plus.

Looking ahead, we will continue to refine and enhance the scheme, adding benefits and features to encourage higher subscription uptake and increase order frequency.

Personalised audio messages

As part of our strategy to differentiate the inside of our cards from competitors, we introduced a unique feature in FY23 that allows customers to add custom video messages to any Moonpig or Greetz greeting card. Building on this, we launched audio messages across both brands in October 2023.

Customers can choose their favourite card design and upload a personalised video or audio message. We then print the card with a QR code linked to this media. The recipient can easily access and enjoy the personalised message by scanning the QR code with their smartphone.

Both innovations have proven popular. By 30 April 2024, over 500,000 audio and video messages had been sent, helping our customers to connect meaningfully with those they care about.

Our journey

We have transformed our business into a technology and data platform for gifting.

Moonpig Group is a leading international gifting platform with a rich history of innovation and growth. It all began in April 2000 when moonpig.com was launched as the UK's first online card retailer. The vision was simple: to create a better card than customers could find on the high street, by combining digital printing and the internet. As time went on, the Group expanded into card-attached gifting, adding flowers, off-the-shelf gifts and balloons to its range.

In 2018, the Group acquired Greetz, one of the Netherlands' leading online card and gifting businesses. Greetz was founded in 2004, since then it has established itself as a clear market leader in online cards with strong brand awareness.

On 5 February 2021, the Company was admitted to trading on the London Stock Exchange's Main Market for listed securities.

In July 2022, the Group completed the acquisition of Experiences, which operates the Red Letter Days and Buyagift brands. The acquisition was closely aligned to our strategy of becoming the ultimate gifting companion.

From 2018 onwards, the Group has invested in transforming itself into the world's leading technology and data platform for greeting cards and gifting. This has involved several large foundational projects, including the migration of Greetz onto our unified technology platform and the opening of new, state-of-the-art operational facilities in the UK and the Netherlands.

Since completing these foundational projects, the Group's technology, data and product teams have focused on growth initiatives and product innovations, such as AI-generated 'smart text' greeting card messages, the ability to add personalised video and audio messages to cards and the ability to send group cards containing messages from multiple contributors.

Features launched in the last twelve months include Moonpig Plus and Greetz Plus membership subscriptions, same-day digital capability on Moonpig by combining gift experiences with e-cards, a range of physical gifts in Australia and retail gift cards in the US. In addition, our B2B product Moonpig for Work is live in beta version for several customers ahead of planned launch in FY25.

01 Innovator of personalised cards

02 The leading online card and gift shop

03 Transformation into a technology and data platform

04 Transition to innovation and growth initiatives

01

2000

Moonpig, the first online greeting cards business, was founded

2004

Greetz was founded in the Netherlands

2007

Moonpig introduced gifts

02

2010

Greetz introduced flowers

03

2018

Moonpig Group acquired Greetz

2021

Moonpig Group floated on the London Stock Exchange

Following our IPO

04 2022

March
Moonpig launched in Ireland

July
Moonpig Group acquired Experiences (Red Letter Days and Buyagift)

September
- Greetz completed its migration onto the unified technology platform
- Moonpig Group opened operational facilities in the UK and the Netherlands
- Greetz launched new iOS and Android apps

2024
- Greetz launched its membership subscription service, Greetz Plus
- Moonpig introduced same-day digital gifting with an e-card
- Moonpig launched a physical gift range in Australia and retail gift cards in the US

2023
Moonpig introduced digital gifting in greeting cards

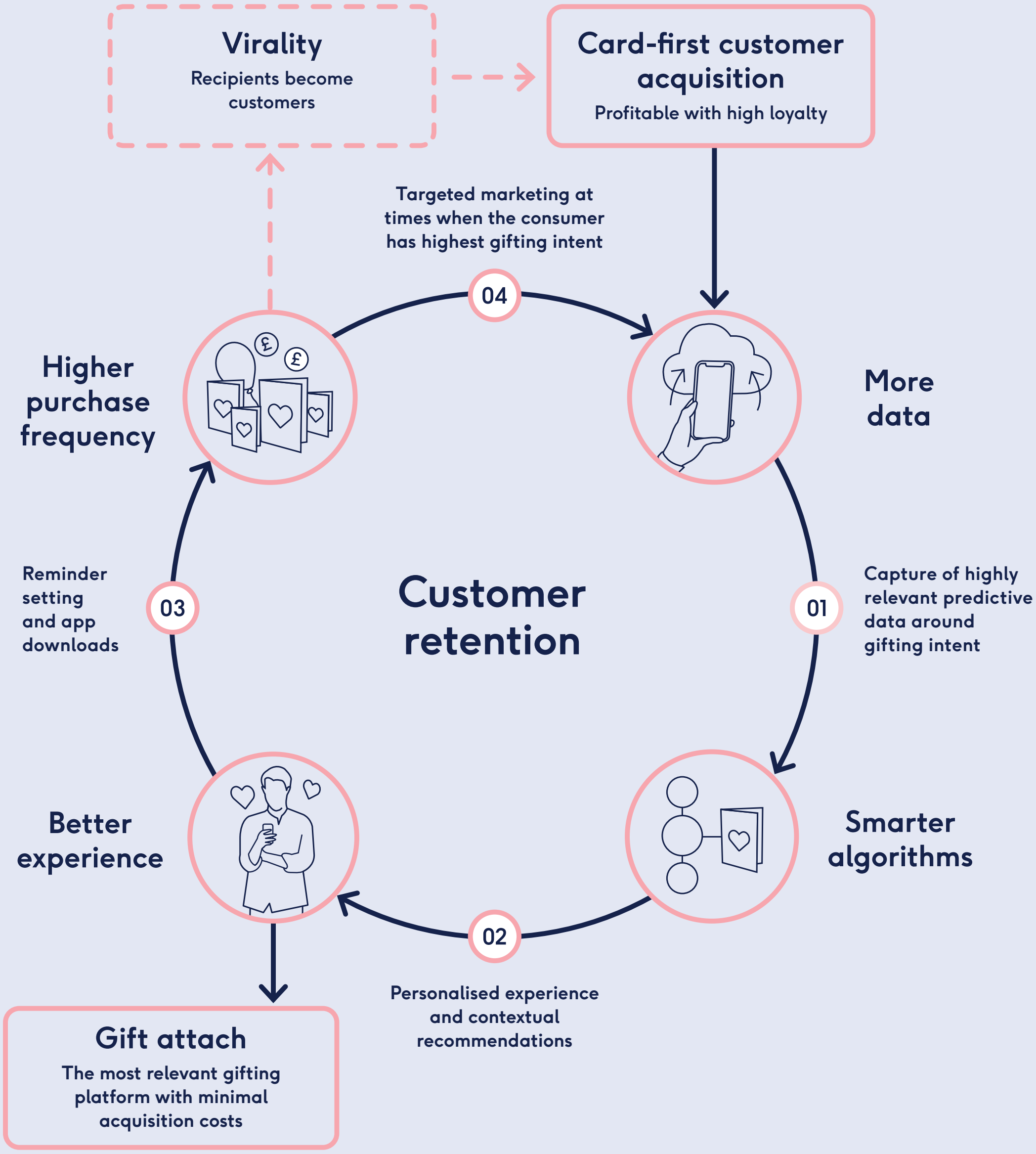
Moonpig launched its subscription membership service, Moonpig Plus

Moonpig and Greetz launched innovative new card features, including:

- Video and audio messages
- Expanded library of "sticker" images and enhanced photo options
- Group cards
- 'Smart text' AI functionality to help customers create personalised messages

Business model

At Moonpig and Greetz, our data-driven growth flywheel drives customer retention and lifetime value.



Competitive advantages

Brand power
Clear market leader, with two category-defining brands and high brand awareness.

Rich data pools
Proprietary recommendation algorithms are optimised across 90m reminders as at 30 April 2024.

Scale
Each day, the Group captures approximately six times[1] the customer data of its nearest competitor.

Platform
A world-class technology platform, which is constantly optimised through ongoing testing.

1 Source: OC&C, June 2024. Based on Moonpig's relative UK market share.

At Experiences, our strategy is to drive growth by focusing on the conversion of recipients into future customers.

Range

The broadest and deepest range of gift experiences in the UK, including the widest range across categories and the most comprehensive geographical coverage in the UK.

Brands

Red Letter Days and Buyagift are two long-established brands with high levels of customer satisfaction.

Recipients become customers

Conversion of gift experience recipients into future customers, leveraging the online touchpoints during the redemption and booking journey.

Revenue synergy with Moonpig

The only gift experiences platform that can leverage Moonpig's proprietary dataset on customer gifting intent. This journey is underway with an offering of over 300 digital gifts on Moonpig.com as at 30 April 2024.

Business model in action

Our platform is a data-driven gifting recommendation engine.

We leverage proprietary data on customers' gifting intent and self-learning algorithms to make it as effortless as possible to find the perfect card and gift.

Card-first acquisition of loyal customers

- The card purchase journey captures multiple unique datapoints including relationship, occasion, age, style, mood, recipient address and propensity to spend.
- 90%[1] of card occasions are linked to a calendar event (for instance birthdays, anniversaries) that repeats every year. This builds long-term relationship data, which strengthens over time.
- Customer loyalty is supported by personalised occasion reminders.
- The typical customer buys approximately three cards per year.

Every card order is an opportunity to cross-sell gifts

- Extensive data collected during the card personalisation journey powers proprietary cross-sell algorithms, which enable us to provide highly relevant gift recommendations.
- There is a significant upsell opportunity, with 72%[1] of all cards in the UK being given with a gift.
- It is key to build the right range of curated gifts, so that our algorithms can recommend the perfect gift for every gifting relationship and occasion.
- Cross-sell allows us to participate in physical and experiential gifting categories with negligible incremental marketing costs.

Driving customer acquisition through network effects

- The Group creates network effects with every customer interaction. When each of the millions of group cards, physical gifts and gift experiences are sent, the Group gains exposure and the recipient becomes a potential future customer.
- Red Letter Days and Buyagift have direct opportunities to interact with recipients during the online experience code redemption process.
- Moonpig has extended the online redemption touchpoint to recipients through digital gift experiences that are redeemed using a code printed on the inside of the card. This will expand opportunities for recipient-to-customer conversion.

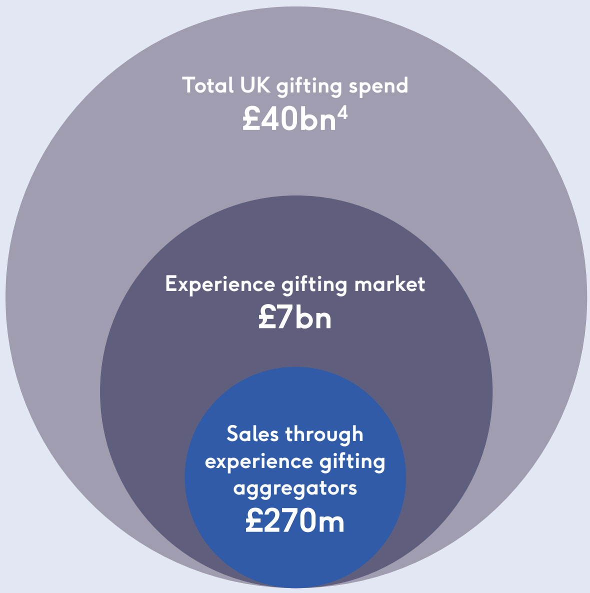
1 Source: OC&C, December 2020.

Market overview

The overall gifting market is large and underpenetrated.

Total addressable market size – UK, Ireland and the Netherlands[1, 2]

UK gift experience market size 2023



1 Source: OC&C, June 2024.
2 Of the £58bn total gifting market, £34bn is standalone gifts, £22bn is gifts attached to a card and £2bn is greeting cards.
3 UK total cards market of £1.6bn in 2023 comprises £1.4bn single greeting cards and £0.2bn boxed card sets.
4 Addressable market stated excluding gifting in cash. In the UK this is estimated by OC&C at £10bn, suggesting a total gifting market in the UK of £50bn including gifting in cash.

Our strategy

Our strategy is to become the ultimate gifting companion.

Strategic focus

Leveraging data and technology

What this means

We aim to use technology to harness our extensive and unique dataset on customers' gifting behaviour, generating highly relevant, personalised gifting recommendations.

Our algorithms are optimised across 301m cumulative transactions as at April 2024 (April 2023: 266m)[1]. As leaders in the online segment of the greeting card market, Moonpig captures approximately six times[2] and Greetz captures over three times[2] more customer data daily compared to our closest competitors.

What we have done

- We have continued to roll out innovative card features. Last year's launch of video messages has been followed by the introduction of audio messages, a broader range of "sticker" images that can be added to the inside of each card and introducing AI-generated 'smart text'.
- We continue to use AI to personalise recommendations to customers. For instance, our gift recommendations now use customer-level data (in addition to the data from personalisation of greeting cards).
- On Moonpig and Greetz we have implemented a significant improvement in on-site search functionality through the deployment of AI semantic search technology.
- We have implemented social sign-in through Google and Apple for Moonpig and Greetz.
- We have implemented changes to increase customer confidence around delivery including a new "delivery date first" checkout user experience, improved address validation and improved order tracking.
- At Experiences, we are re-platforming the shopper website to enhance site speed, improve on-site search results and boost search engine optimisation ("SEO"). The new platform will also enable the deployment of new functionalities, such as the additional payment options introduced this year.

Strategic focus

Building our brands

What this means

We aim to ensure that customers are excited to send Moonpig, Greetz, Red Letter Days and Buyagift products while recipients are delighted to receive them.

To achieve this, we invest in strengthening our brands and building trust in our quality and service. This trust underpins customer loyalty and drives growth in our customer base as recipients become customers themselves, generating a virtuous cycle of growth.

What we have done

- Marketing campaigns at both Moonpig and Greetz have showcased the creative personalisation features such as video messages, which make our cards more meaningful to the recipient.
- We launched Moonpig Plus subscription membership for UK customers in May 2023, followed by Greetz Plus in January 2024, to promote existing customer purchase frequency and retention.
- We have grown our database of customer occasion reminders across Moonpig and Greetz from 84m at April 2023 to 90m at April 2024.
- We are testing our prototype Moonpig for Work solution for SME business-to-employee greeting cards and gifting ahead of intended full launch in FY25.
- At Experiences we have continued to differentiate the Red Letter Days and Buyagift brands, so that the former emphasises iconic experiences and a more curated range, whilst the latter is more value-led. A new visual identity has been rolled-out at each brand.

Strategic focus

Evolving our range

What this means

We strive to offer the perfect card and gift for every relationship and occasion.

To achieve this, we continuously improve our range for cards, physical gifts and gift experiences. As we refine our algorithms to help customers discover the full extent of our range, we aim to capture a greater share of their gifting wallet, raising purchase frequency and gift attach rate.

What we have done

- We have continued to adapt our greeting card range for international markets, for instance rolling out licensed properties at Greetz, introducing 'mom' cards for the US and strengthening our range of Holy Communion and Confirmation cards in Ireland.
- In the UK, we have continued to build our range of trusted brands that give consumers confidence in the gifting proposition, including the launch of Hotel Chocolat and the extension of our partnership with Virgin Wines to cover sparkling wines.
- We have launched our first range of physical gifts in Ireland and in Australia.
- We launched a range of digital retail gift cards, which can be added to physical greeting cards in the US and to e-cards in the UK.
- At Experiences, we have focused on acquiring premium partners such as Champneys Health Spa and W Hotels, and launched a restaurant booking integration that has strengthened our gourmet restaurant offering.

Transforming the inside of our greeting cards

Having set a market-leading standard for the outside of greeting cards, we have focused in the last year on transforming the customer and recipient experience relating to the inside of each card.

In FY24, our innovative card creativity features including video and audio messages, "sticker" images for the inside of cards, emojis, flexible photographs, code-in-a-card digital gifting and AI-driven customised messages were used over 10 million times.

Creative features are a key component of our strategy to increase purchase frequency. Our card editor offers a market-leading user experience and enables customers to create feature-rich greeting cards that delight recipients. By innovating new personalisation features, we aim to deepen customer engagement and enhance the overall appeal of Moonpig and Greetz greeting cards.

1 Cumulative transactions as of April 2024. All-time for Moonpig, from 1 September 2018 (post-acquisition) to April 2024 for Greetz and from 13 July 2022 (post-acquisition) to April 2024 for Experiences.

2 By virtue of the ratio of Moonpig and Greetz share of the online segment of the market, relative to that of their closest competitor.

Key drivers of growth

A compelling growth opportunity with clear, compounding growth drivers.

Moonpig and Greetz

Growth drivers

Customer acquisition

What this means

There are an estimated 53.8m[1] card purchasers in the Group's existing core markets of the UK and the Netherlands. As online market leaders, the Group expects to continue to capitalise on the structural shift to online.

The Group's superior online proposition drives significant competitive advantage versus the offline market.

Future priorities

- Maintaining and growing brand awareness, highlighting the creative features that differentiate our greeting cards.
- Always-on marketing to acquire customers in the UK, Ireland and the Netherlands.
- Ongoing, focused marketing tests in Australia and the US to identify the most efficient strategies for acquiring new customers in these regions.
- Improving the recipient experience to amplify network effects, increasing the propensity of recipients to become future customers.

Share of wallet (order frequency)

What this means

The Group's active customers are estimated to purchase, on average, 23 cards per annum[1] (versus 20 cards per annum for consumers in the market as a whole), of which only a small proportion are purchased from the Group.

We aim to make gifting for every occasion easy to remember, to choose, to create and to purchase.

Future priorities

- Data-driven personalisation of the customer journey.
- Continuing to grow our database of occasion reminders.
- Developing the Moonpig Plus and Greetz Plus subscription memberships.
- Increasing iOS and Android app penetration at Greetz.
- Ongoing testing of our prototype Moonpig for Work solution for SME business-to-employee greeting cards and gifting.

Driving gift attachment

What this means

In the UK, approximately 72%[1] of cards are given with a gift. The card-first journey enables highly relevant gift recommendations. Purchase intent is high following card creation.

Cross-selling gifts means negligible incremental marketing costs, sidestepping expensive online competition in paid marketing for gifts and flowers.

Future priorities

- Ongoing programme of improvements in user experience and personalised gift recommendations.
- Continuing to onboard more of the trusted consumer brands that resonate with our customers and recipients.
- Driving growth in digital gifting, for instance e-cards plus gift experiences in the UK.
- Extending our range of physical gifts in Ireland and Australia and expanding sales of third-party retail gift vouchers in the US.

Enabler

Technology and data platform

What this means

Moonpig and Greetz have scalable, custom-built technology and proprietary algorithms optimised across millions of data points.

As we capture more data on gifting intent, we are able to offer increasingly relevant gifting recommendations to customers, in turn driving revenue.

Future priorities

- The majority of our technology resource is now focused on revenue growth initiatives, either through developing new and innovative features or optimisation of our algorithms and user experience.

1 Source: OC&C, December 2020. The weighted average number of cards sent based on 24 cards per UK customer and 18 per Netherlands customer.

Experiences

Growth drivers

Customer acquisition

What this means

The UK gift experiences segment of the market is estimated at £7 billion[1] and there is a long-term secular trend from physical towards experiential gifting.

Platforms are better positioned than direct suppliers and category specialists to continue increasing overall market share, given their superior customer proposition for both givers and recipients.

Future priorities

- Further strengthening and differentiating the Red Letter Days and Buyagift brands.
- Optimisation of performance marketing capabilities.
- Improving site speed through technology re-platforming, which should improve SEO and increase the percentage of website traffic that converts into orders.
- Emphasising complete flexibility to exchange, giving peace of mind to the giver.

Recipient-to-customer conversion

What this means

We want to capture recipient data consent during the online redemption journey to convert recipients into customers.

The key to this is building a compelling range of experiences that can be booked online, so that recipients browse the best range, have a great recipient experience and interact directly with Red Letter Days and Buyagift during the redemption process.

Future priorities

- Continuing to expand our experiences range to ensure we have the broadest and best offering.
- Expanding the proportion of the range that can be booked directly online, so that redemption is on the Red Letter Days and Buyagift platforms.
- Adding new opportunities for upsell at the point of redemption.

Leveraging synergy with Moonpig

What this means

We are using Moonpig's proprietary dataset on gifting intent to drive sales of gift experiences on the Moonpig website and app.

At the same time, we are leveraging the Group's capabilities in technology, data and marketing with the intention of accelerating growth at Experiences.

Future priorities

- Roadmap of technology development to improve the way that we recommend and present experience gifts on the Moonpig website and apps.
- Driving Moonpig customer awareness of digital gifting options, including same-day digital delivery of gift experiences with an e-card and gift experiences printed inside physical greeting cards.
- Strengthening the Experiences product range in those categories and price-points that appeal most to Moonpig customers.

Enabler

Technology and data platform

What this means

We are part-way through transforming Experiences from a transactional online retailer into a technology-first business.

Future priorities

- We will complete the roll-out of a new technology platform for the shopper websites, increasing site speed and hence SEO and conversion rate.
- Implementing a new data platform to facilitate business decision making based on data and analytics.
- On the redemption websites, we will continue to integrate with experience providers so that more experiences are redeemed on our platform.

1 Source: OC&C, June 2024.

Section 172 statement and stakeholder engagement

Section 172(1) statement

The Directors of the Company (and those of all UK companies) are required to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, whilst also having regard to the matters listed in Section 172 of the Companies Act 2006.

The interests of key stakeholders and the Board's approach to these are explained below. Further information on the Board's approach during FY24 to the matters set out in s172 of the Act and on decisions made by the Board, are set out in the Governance Report at pages 70 to 121 and forms part of this s172(1) statement and is thereby incorporated by reference in this Strategic report.

Stakeholder	What matters to them	How we engage
Customers **At Moonpig and Greetz, our business model is built around the progressive accumulation of loyal customer cohorts.** **The use of data and technology differentiates the Group from its competitors.** **At Experiences we focus on the conversion of recipients into future customers.**	• Ability to express that they care about the recipient • The right card design • Relevant gifting recommendations • Ability to personalise • Convenience, including same day despatch and digital delivery • Product quality • Timely delivery • Data protection • Wide geographical choice of location for gift experiences and peace of mind that the recipient has flexibility of choice	• We collect continuous customer feedback for each of our brands through multivariate testing, on-site surveys, consumer research, reviews on third party websites and brand awareness tracking. • We extensively A/B test new features such as audio messages and digital gifts within greeting cards before rolling them out to all customers. • The Group aims to achieve a customer Net Promoter Score ("NPS") of at least 70 and surveys NPS on an ongoing basis. • Our customer service team operates seven days per week at each of our four brands. Issues and themes from customer feedback are communicated to our operational teams daily. • We engage with customers through multi-channel marketing and provide personalised reminders by email and app notification. • Our unified technology platform now leverages AI and data to provide a personalised online customer experience at Moonpig and Greetz. • We continue to improve the Experiences technology platform to enable a better and more personalised online customer experience. • We offer a range of delivery options to suit customers' timescales. • We are committed to prioritising technology security and data protection as explained on page 66.
Recipients **We want recipients to be delighted to open their card or gift. Positive recipient experience drives viral customer acquisition through word-of-mouth.** **At Experiences, we focus on accelerating recipient-to-customer conversion by investing in the online redemption experience.**	• A memorable and enjoyable experience • Convenient and reliable delivery • High quality products and packaging • Sustainability and ease of recycling • Ease of redemption for gift experiences • Wide geographical choice of location for gift experiences	• The breadth of our card design range means that recipients should see a highly relevant card upon opening their envelope. • The Group invests in technology development to deliver innovations such as group cards, video messages in greeting cards and digital gifting. These differentiate our offerings from those of our offline and online competitors. • We have launched new flowers and gifts ranges, and now offer the ability for card customers to add digital gifts from our Red Letter Days and Buyagift ranges. • In both the UK and the Netherlands, we offer seven or eight days' guaranteed freshness on cut flowers. • We offer a seven-day parcel delivery service in the UK and the Netherlands. • To enhance our customers' experience, we have invested in expanding the proportion of gift experience categories that can be redeemed on the Red Letter Days and Buyagift websites, rather than with the merchant.

Stakeholder	What matters to them	How we engage
Employees **The Group's delivery against its strategic objectives is dependent upon it being able to attract, recruit, motivate and retain its highly skilled workforce.**	• Career and personal development • Reward • Employee engagement • Health and wellbeing • Safe working conditions • Dignity, respect and inclusivity	• We foster an open, transparent culture through regular "All Hands" meetings, an annual all-employee strategy conference, and an annual strategy showcase, all of which are led by the Executive Committee. • We conduct twice-annual employee engagement surveys, which are used to build engagement action plans at divisional and functional level. • Management engages with employee networks and affinity groups, which provide supportive forums for under-represented employee groups. See page 42. • Regular health and safety assessments are carried out to ensure the wellbeing of all employees. • We engaged with the Dutch Works Council ahead of organisational changes at Greetz and the planned relocation of the Amsterdam office to Almere. • The Board engages with employees both through a defined programme of meetings carried out by the Designated Non-Executive Director for workforce engagement ("DNED") and through direct engagement with employees by the other NEDs. The full Board engages in oversight of employee engagement through reviewing employee engagement survey results and receiving regular feedback from the DNED. Refer to page 78. • The Group provides an independent whistleblowing service to encourage employees to raise relevant concerns anonymously and/or confidentially. This service is communicated proactively to employees and annual training on whistleblowing is provided to all employees. During FY24, one whistleblowing report was raised (FY23: none). The report was made directly to the Company Secretary who investigated the allegations thoroughly and confidentially, with oversight from the Audit Committee Chair. No evidence was found to support the allegations. The outcome was reported to the Board.
Investors **Access to capital is crucial for the Group's long-term performance.** **To provide investors and analysts with a clear understanding of our strategy, business model, culture, performance and governance, we aim to provide fair, balanced and understandable information.**	• High governance standards • A balanced and fair representation of financial results and prospects • Confidence in the Company's leadership • Clarity around principal risks and uncertainties • Total shareholder return • Progress on business and sustainability strategy delivery	• We maintain open communication with investors through disclosures in the Annual Report, investor presentations and trading updates. These are available on our corporate website, along with other market-related information via the regulatory news service. • The Executive Directors interact with investors at formal roadshows, investor meetings and attendance at investor conferences. See page 79. • All Directors attended the Annual General Meeting held on 19 September 2023. • Proactive shareholder engagement is carried out by the Non-Executive Directors whenever the Board or its Committees identify matters arising that merit discussion with shareholders. See page 79 of the Corporate governance statement. • Regular updates are provided to the Board on market sentiment, investor relations activity and equity research reports. • At IPO, a Relationship Agreement was put in place to ensure that the Company was capable at all times of carrying on its business independently of Exponent, its former controlling shareholder. On 25 April 2024, Exponent ceased to be a substantial shareholder of the Company, the Relationship Agreement accordingly ceased to have effect and the Nominee Director appointed by Exponent resigned.

Section 172 statement and stakeholder engagement continued

Stakeholder	What matters to them	How we engage
Suppliers **Strong relationships with suppliers are critical to the Group's success.** **We prioritise building long-term, mutually-beneficial relationships with our suppliers, collaborating with them to uphold high standards and expectations of business conduct.**	• Long-term collaborative relationships • Growth opportunities • Fair terms and conditions • Responsible, ethical procurement • Prompt and accurate payment	• The Group engages with suppliers and partners regularly, including through members of the Executive Committee. • Our supplier onboarding process is rigorous and includes technology security and data protection due diligence, as well as checks on financial viability, modern slavery, anti-facilitation of tax evasion, anti-bribery and sanctions and GHG emissions. • A Supplier Code of Conduct is available on our corporate website, outlining expectations for ethical conduct, environmental sustainability and social responsibility. • We collaborate with key outsourcing partners to raise operational performance. • The Group's Global Design Platform provides independent designers with opportunities to make their card designs available to our customers in return for royalties. • We report on supplier payment practices. • We have set a goal to obtain commitments to set net zero targets from suppliers representing 67% of Scope 3 emissions by April 2030 and in FY24 we commenced a related programme of supplier engagement.
Communities and environment **The Group is committed to making a positive impact on the communities and the environment in which it operates.**	• Positive impact on the community • Energy usage and carbon emissions • Sustainability	• The Group has a long-standing commitment to charitable activity. Our charitable donations in FY24 are summarised on page 25. • The Group continues to pursue a strategy to support the wider technology sector. This includes extending our successful apprenticeship programme and recruiting a diverse range of candidates to participate in our coding bootcamps. • Our operational facilities in the UK and the Netherlands are designed with the environment in mind. The UK facility has achieved a BREEAM Excellent rating, and the Netherlands facility has been retrofitted in line with best practice. • The Group is committed to sustainable sourcing and continues to ensure that 100% (FY23: 100%) of our card, envelope and paper packaging SKUs for our core UK and Netherlands markets are 100% sustainably sourced, either through FSC or PEFC certification or containing more than 75% recycled content. • In FY24, the Group planted 66 hectares of woodland in partnership with Tree-Nation, in addition to offsetting Scope 1 and 2 emissions. • The Group has set a target to reduce Scope 3 emissions by 97% tCO_2/Revenue by 2050 versus FY22. • The Board monitors the Group's progress against our climate transition plan, which sets out how the business plans to adapt as the world transitions to a low carbon economy.

Sustainability

The Group's sustainability strategy focuses on making a difference to the environment, its people and its communities.

Across an extended period, Moonpig Group has contributed to society through its core purpose, which is to create better, more personal connections between people who care about each other and through its support for charities. We have built on these foundations through ongoing delivery against the Group's sustainability strategy.

Our sustainability strategy commits the Group to eight long-term goals focused on the environment, its people and its communities.

Sustainability goals
See pages 23 to 25

Environment (including TCFD)
See pages 26 to 41

People
See pages 42 to 43

Communities
See pages 44 to 45

SASB Standards
See pages 46 to 47

UN Sustainable Development Goals

We focus on six of the United Nations' 17 Sustainable Development Goals that we consider most relevant to the business.

	SDG 4 – Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Goal 7: Technology representation
	SDG 5 – Gender equality Achieve gender equality and empower all women and girls	• Goal 4: Leadership representation • Goal 7: Technology representation
	SDG 8 – Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Goal 5: Employee engagement
	SDG 12 – Responsible consumption and production Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests	• Goal 3: Forest positive
	SDG 13 – Climate action Take urgent action to combat climate change and its impacts	• Goal 1: Net zero operational emissions • Goal 2: Net zero value chain emissions
	SDG 15 – Life on land Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests	• Goal 3: Forest positive

Delivery against the Group's sustainability goals in FY24

Goal	Progress to date	Next steps for FY25
Goal 1 – Deliver net zero direct emissions by 2050. The Group is committed to: (a) reduce absolute emissions arising from its own operations (Scope 1 and Scope 2) by at least 50% by 2030, validated by the SBTi; (b) reduce operational emissions by at least 90% by 2050; and (c) offset any emissions that cannot be reduced. Reduction targets are expressed relative to total emissions of 677tCO_2e in the baseline year of FY20[1,2].	In FY24, the Group's total Scope 1 and 2 emissions were 535tCO_2e[2], (FY23: 540tCO_2e[4]) representing a reduction of 21% from FY20 baseline[1] emissions of 677tCO_2e. The Scope 1 and 2 baseline validated by the SBTi was for total emissions of 635tCO_2e at Moonpig and Greetz in FY20[1], which has been re-calculated for the acquisition of Experiences. The reduction in emissions was driven by the full-year impact of the FY23 opening of two new fulfilment sites with high environmental standards (including a BREEAM Excellent-rated facility in the UK and a Netherlands facility retrofitted in line with best practice) and making continuous improvements. During FY24 we conducted energy audits to understand potential actions to reduce operational emissions. We have offset Scope 1 and 2 emissions from the previous year by investing through Climate Impact Partners, which obtains independent verification from a recognised accreditation body for each project that it works with.	Solar panels are to be fitted at our Netherlands facility in FY25 under a lease agreement recently put in place with the landlord. We will implement the findings of the recently completed energy audits. We will consolidate our Dutch footprint by relocating head office functions from Amsterdam to our facility in Almere. We will continue to procure renewable energy for our offices and operational facilities, exploring decentralised options such as solar panels. We will also prioritise energy efficiency enhancements and investigate strategies to reduce natural gas consumption.
Goal 2 – Deliver net zero value chain emissions by 2050. The Group aims to deliver Net Zero value chain emissions by 2050: • Obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030. • Reduce Scope 3 emissions intensity by 97% tCO_2e/£1m of revenue[3] by 2050, using FY22 as the baseline year, offsetting any emissions which cannot be reduced.	We have re-expressed Scope 3 emissions intensity for the baseline year of FY22[1] from 433tCO_2e/£1m of gross profit to 233tCO_2e/£1m of revenue[3]. Absolute baseline Scope 3 emissions remain unchanged at 80,928tCO_2e. In FY24, we reduced emissions by 60tCO_2e from our baseline. Revenue intensity remained broadly consistent between FY22 and FY24, offsetting the reduction in absolute emissions is the £39m Covid-related revenue boost in FY22. Emissions by category and measurement methodologies are set out at pages 35 to 41. As at 30 April 2024, we had obtained commitments from suppliers representing 19.3% of Scope 3 emissions to set net zero emissions reduction targets aligned with SBTi criteria. The GHG emissions disclosure on pages 35 to 36 includes details of our Scope 3 categories, our organisational and operational boundaries and the methodologies we use to measure value chain emissions.	The Group intends to continue to work with its delivery partners, focusing in FY25 on those that do not have publicly disclosed reduction targets.
Goal 3 – Reforest at least 330 hectares of woodland by the end of calendar year 2025. The Group relies on wood pulp to make its products and therefore aims to be "forest positive". This means that we will plant more trees than we use in our operations and value chain.	In FY24, we achieved 66% cumulative delivery against this five-year goal (FY23: 46%). In partnership with Tree-Nation, we planted 66 hectares of woodland, comprising 103,000 trees (FY23: 99,000), in addition to any emissions offsetting conducted within Goal 1. We worked with Tree-Nation to focus planting activity in ecologically sensitive areas and safeguard the long-term impact of tree planting by managing the forests. We contributed to projects in Madagascar, Nepal, Tanzania, Columbia, Thailand, India and the UK.	The Group intends to plant a further 66 hectares of forest in FY25.

1 For Scope 1 and Scope 2 emissions, the baseline year is FY20 and this has been validated by the SBTi. The FY20 baseline has been re-calculated for FY20 emissions at Experiences, following the acquisition of that segment. For Scope 3, the baseline year is FY22, which includes FY22 Experiences emissions.

2 Scope 2 emissions are calculated using the "location-based" method. For comparatives using the "market-based" method, see page 35.

3 The emissions target has been re-expressed as the Group has decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a function of revenue. In FY23 the target was expressed as a reduction of 97% tCO_2e/£1m gross profit.

4 The FY23 Scope 1 emissions have been increased by 9tCO_2e compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Goal	Progress to date	Next steps for FY25
Goal 4 – Maintain the combined representation of women and ethnic minorities on the Leadership Team[1] at around 50%. The Group wants to be representative of its customers and the communities in which it operates.	As at 30 April 2024, the combined representation of women and ethnic minorities on the Leadership Team[1] was 49% (April 2023: 52%). Across the Group, 50% of individuals newly appointed into Leadership Team[1] roles were female (FY23: 42%).	We will continue to develop our next generation of female leaders and monitor the retention of women and ethnic minorities currently in leadership roles.
Goal 5 – Reach and maintain an employee engagement score at or above 72%. Improving engagement in our teams will improve productivity and hence business performance. It will help to ensure that employees are retained for longer, reducing recruitment costs.	The Group's average engagement score across two surveys was 61%, in-line with the prior year[2] (61%) but below our long-term goal (72%). The results reflect the continued challenges of operating in an economic downturn, characterised by more disciplined cost control and greater pressure to meet targets. Management has focused during the year on increasing employees' understanding of the Group's strategy and it was particularly pleasing that the April 2024 score for "I understand the long-term strategic direction for Moonpig Group" improved from 62% to 81%.	Our action plan for FY25 employee engagement is built around raising the proportion of employees who agree with the survey statement "I feel proud to work for this company."
Goal 6 – Invest £1m between 2020-2025 through the Moonpig Group Foundation. Through the Moonpig Group Foundation, we want to support initiatives that create connections and spark moments of joy in our communities.	During FY24 the Moonpig Group Foundation made charitable donations totalling £176,000 (FY23: £211,000). As at 30 April 2024 the Foundation has cumulatively donated £620,000 (30 April 2024: £444,000) to third-party charities since being set up in FY21. The Group also made charitable donations on its own account totalling £436,000; £304,000 to the Foundation and £132,000 direct to charities (FY23: £70,000, all to the Foundation).	Employees in each of our locations have chosen a cause to support in FY25. The chosen charities are Campaign Against Living Miserably (UK), The Willow Foundation, The Ivy Trust (Guernsey) and Stichting Jarige Job (Netherlands).
Goal 7 – Maintain the level of new hires into technical roles[3] at around 45% women. To deliver the Group's strategy, we need to hire highly skilled technology workers from all areas of society.	In FY24 40% of new hires into technical roles were female (FY23: 45%). As at 30 April 2024, 33% of employees in these teams are female (FY23: 34%). We have confidence in our ability to increase these KPIs. Our current performance remains favourable compared to the wider market, which we attribute to having built excellent relationships with gender diversity organisations such as SheCanCode and Women In Tech. During the year, we have continued to develop our mentoring and experiences programmes with them.	There are opportunities to more closely align recruitment processes at Experiences with recruitment processes already operated at Moonpig and Greetz. We will continue our partnership with Cajigo, a technology platform focused on mentoring women in technology.
Goal 8 – Reach and maintain a top-quartile Customer NPS score of at least 70. The Group's mission is to help people connect and it is important that the Group's customers believe it is doing this.	For FY24, the Group's weighted average customer NPS score was 57 (FY23[2]: 60). The reduction in customer NPS from 71 in FY22 is driven by issues with postal delivery and primarily reflects the impact of poor delivery performance by the postal services in both the UK and the Netherlands.	Our FY25 plans focus on: (1) leveraging our database of reminders to encourage earlier ordering and delivery. (2) UX improvements in relation to how we communicate estimated delivery dates; (3) providing more options for tracked letter delivery.

1 Comprises the Executive Committee (including Executive Directors) and their direct reports who are also members of the Extended Leadership Team.

2 Employee engagement score and customer NPS for FY23 is stated for Moonpig and Greetz only. For FY24 we have extended measurement to Experiences, hence figures are stated for the Group.

3 Technical roles for these purposes comprise those in technology security, engineering, product and analytics.

The environment

The Group aims to reduce emissions across its value chain and proactively manage the transition to a lower-carbon economy.

Environmental impact of products and services

In FY24, the proportion of sustainably sourced paper, card and packaging across all our brands was 100% (FY23: 100%) in the UK and the Netherlands and 98% (FY23: 98%) globally. In addition, all cards, envelopes and packaging procured by Moonpig and Greetz in the UK and Netherlands are reusable, recyclable or compostable.

The Group is committed to phasing out single-use plastic packaging through our own operations and throughout its value chain. Single-use plastics have been completely removed from the Group's operations in the UK during FY24 and we intend to completely remove them from our operations in the Netherlands in FY25. The Group also has a packaging waste management programme in place. At Experiences, all experience gift cards are made of compressed paper rather than plastic.

Statement of the extent of consistency with the TCFD framework

The Group's disclosure is based on the requirements of "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 and "Implementing the Recommendations of the TCFD" published in June 2021 by the TCFD. To ensure clear and concise disclosure of the progress made during the past year, only material changes are set out in this report. The Group's full sustainability disclosure, including relating to climate is set out in the Sustainability Report, which can be accessed at www.moonpig.group/investors. Additionally, the Group has ensured compliance with the Companies Act 414CB and has indicated in the below table which of the climate-related disclosures, outlined in Section 414CB, are addressed by the TCFD recommended disclosures.

The following table sets out the extent of consistency of Group's disclosures with the four recommendations and the eleven recommended disclosures set out in the initial TCFD report. Disclosure outlined in the "Guidance for All Sectors", included within the updated report published in 2021, has been presented against each Pillar section of this TCFD report on pages 26 to 41:

TCFD pillar	TCFD recommended disclosure	Status		CA 414CB
1. Climate governance The organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities.		The Board's oversight is described at page 28.	(a)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.		Management's role is described at page 28.	(a)
2. Climate strategy The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.		The Group's climate-related risks and opportunities are disclosed across pages 29 to 33.	(d)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.		The impact of this risk assessment on business strategy and financial planning is set out at page 30.	(e)
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios.		The Group has qualitatively assessed its resilience to individual climate risks, but has not prepared integrated, quantified climate scenarios due to transitional challenges in embedding the relevant capabilities. We intend to ensure full consistency with this requirement within the next three years. Refer to page 30.	(f)

TCFD pillar	TCFD recommended disclosure	Status		CA 414CB
3. Climate risk management How the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks.	●	The Group's processes for identifying and assessing climate-related risks are set out at page 34.	(b)
	b) Describe the organisation's processes for managing climate-related risks.	●	The Group's processes for managing climate-related risks are set out at page 34.	(b)
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	●	Climate risk management is fully embedded within the Group's overall risk management framework. Refer to statement on page 34 and summary of the Group's risk management process at pages 60 to 66.	(c)
4. Climate metrics and targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	●	The Group's climate-related metrics are disclosed on page 35. One TCFD cross-industry metric category (internal carbon prices) is not disclosed, however this is because the Group does not use internal carbon prices due to its low carbon footprint.	(h)
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions and the related risks.	●	Disclosure of absolute Scope 1, 2 and 3 GHG emissions for FY24 and FY23 is set out on page 36 to 37.	(h)
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	The Group has set targets for Scope 1, 2 and 3 emissions and the proportion of Scope 3 emissions from suppliers with an emissions reduction target aligned with SBTi criteria. Refer to page 37 to 41.	(g)

Disclosure level:

● Full consistency ◐ Partial consistency ○ Omitted disclosure

Voluntary assurance over TCFD disclosures

The Group has not obtained voluntary assurance over any area of FY24 TCFD reporting.

The environment continued

TCFD Pillar 1: climate governance

Disclosures (a) and (b) – Board oversight and management role

The Group has governance arrangements in place relating to the assessment and management of climate-related risks and opportunities that are based on the TCFD's all-sector guidance. These are set out in full in the FY23 Annual Report and Accounts and in the Group's FY24 Sustainability Report, which can be accessed at www.moonpig.group/investors.

During FY24, the Board continued its oversight of the Group's climate-related risks and opportunities. Three key focus areas were the Group's sustainability governance framework, the expansion of focus from climate-related risks and opportunities to incorporate sustainability-related risks and opportunities and the alignment of incentives for the Extended Leadership team to that of the Executive Committee with respect to climate-related measures.

Stakeholder engagement

We took significant steps in FY23 to strengthen and formalise our sustainability governance framework. We have focused in the last twelve months on embedding this, whilst engaging with external stakeholders.

Several independent agencies rate our sustainability performance throughout the year including MSCI, Sustainalytics and ISS ESG, and we engage on a regular basis to ensure the accuracy of their monitoring.

We also participate voluntarily in the Carbon Disclosure Project ("CDP"), a not-for-profit charity that runs a global disclosure system for investors, companies, states and public authorities. Our engagement with the CDP involves disclosure of our carbon emissions data and climate-related strategies allowing investors, stakeholders and the public to assess our environmental impact and efforts to mitigate climate change. Through the disclosure process, we gather insights into our environmental impact and identify areas for improvement. We were pleased to see our CDP score for 2023 improve year-on-year from D to B, which is the third highest of the eight CDP scoring bands.

Sustainability risk management

In FY24, the Group incorporated the review of sustainability risks into its risk management framework, producing its first sustainability risk register, which was approved by the Board in March 2024. The principal sustainability risks are set out in the Sustainability Report on the Group's corporate website.

This followed an exercise, led by the Group's Sustainability Working Group, to identify potential risks relating to climate change, nature, human capital, human rights, circular economy, materials sourcing and value chain, technology security and data protection and water and marine resources.

This work is part of the Group's work for the expected UK Government endorsement of IFRS S1 and S2, the first two IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board.

Alignment of incentives

The Board considers that the inclusion of climate-related measures in leadership remuneration is important for ensuring alignment of interests. The Remuneration Committee has applied a phased approach, starting with the introduction of sustainability measures for the annual bonus in FY22, initially for the Executive Directors and Executive Committee members.

In FY23, the Group introduced a sustainability measure relating to climate change, based on the renewable energy mix at the Group's two new fulfilment centres. Recognising that most of our carbon footprint relates to value chain emissions, this was accompanied by a gateway requirement to measure the Group's Scope 3 GHG emissions and set a reduction target.

For FY24 and FY25, we have expanded this approach such that all members of the Executive Committee and Extended Leadership Team have a bonus measure that aligns with the Group's Sustainability Goal 2. This goal is to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria.

TCFD Pillar 2: climate strategy

Disclosure (a) – description of climate-related risks and opportunities

The Group has identified the following key climate-related risks and opportunities, which are unchanged from prior year and further described on pages 31 to 33:

Category	Theme	Risk or opportunity	
Physical risks	Acute and chronic physical risks	R1	Operational sites and distribution exposure to physical risks
Transition risks	Price analysis and regulatory changes	R2	Carbon tax and pricing mechanisms in a Paris Agreement Aligned scenario
	The path to decarbonisation	R3	Potential consumer preference changes in a Paris Agreement Aligned scenario
		R4	Future failure of suppliers to decarbonise in a Paris Agreement Aligned scenario
Transition opportunities	Price analysis and regulatory changes	O1	Increased usage of renewable energy and on-site solar generation
	The path to decarbonisation	O2	Decarbonisation of distribution
		O3	Lower carbon product portfolio, sustainable wood products and packaging
		O4	Increased consumer demand for recycled content
		O5	Reforesting initiatives

The Group considers that the above risks are common to all the Group's segments and principal geographies.

For operational risks, the Group considers impact over three years, which aligns to the Group's viability statement period. However, climate risks and opportunities may crystallise over a longer period, therefore our assessment of climate-related risks considers three time horizons:

- **Short term (up to 3 years)** – climate-related risks which are identified as material within this time frame will additionally be categorised as a principal risk, in line with our overall risk management process.
- **Medium term (3 to 10 years)** – climate-related risks which are identified as material during this time frame are monitored and assessed.
- **Long term (over 10 years)** – the Group recognises that it must consider and address longer-terms risks as it formulates business strategy.

When assessing climate-related risks and opportunities, the Group applies the "double materiality" approach recommended by the Global Reporting Initiative. This recognises that the impacts of an organisation's activities extend beyond its own operations and financial performance, and that sustainability issues can have both external and internal materiality. Materiality is determined based on the assessed potential impact (for each of the two temperature pathways) on both:

- **Group financial performance** – categorised as either High (>10%), Medium (>5% <=10%) or Low (<=5%) impact on consolidated Adjusted EBITDA.
- **Relevance to stakeholders** – the risk classification is raised where management judgement determines a matter as having become sufficiently important to stakeholders.

Whilst the Group has assessed each risk in relation to the above defined impact, the Group considers a risk to be material if it has either a high impact on Adjusted EBITDA or is judged to have a sufficiently important impact to our stakeholders. This definition of material differs from that used within our financial reporting as we have deemed a material financial impact to the business, in this scenario, to be aligned to our risk management criteria and thus would be deemed a principal risk if it met this threshold.

The environment continued

TCFD Pillar 2: climate strategy continued

Disclosure (b) – impact of climate-related risks and opportunities

The Group's assessment of the impact of climate-related risks and opportunities is based on the TCFD's all-sector guidance. During the current financial year, there has been no material change to this assessment. It is disclosed in full in the Group's FY23 Annual Report and Accounts and in the FY24 Sustainability Report, which can be accessed at www.moonpig.group/investors.

Implications for financial statements

The Group has considered the impact of climate-related risks and opportunities in preparing the financial statements in the Notes to the consolidated financial statements on page 134. The nature of the Group's business model and the low assessed materiality of climate-related risks meant that there were no significant judgements and estimates relating to climate change in FY24.

The Board considered the carrying amount of freehold land and buildings in Guernsey, which is the Group's site most exposed to physical risk. It was concluded that no impairment of accelerated depreciation is required. This was not deemed to involve the exercise of significant judgement given the low probability of impact.

As the Group's Scope 3 emissions make up 99.3% of its carbon footprint, the Group's focus is on obtaining commitments from suppliers to set emissions reduction targets aligned with SBTi criteria (in line with the Group's Sustainability Goal 2). It therefore does not expect to deploy material capital expenditure on the delivery of Scope 1 and 2 emissions reductions.

Disclosure (c) – resilience under different climate scenarios

The Group analyses risks and opportunities using two climate scenarios:

- **Scenario 1** – "Paris Agreement Aligned": Under this transition scenario, there is sustained and coordinated collective action, with emissions reductions meeting the required levels to keep global average temperature increases to below 1.5°C by 2100. There is a lower likelihood of severe climate-change-related weather events, but potential impact from the climate change policies implemented globally to align to the 1.5°C warming pathway.
- **Scenario 2** – "Business as Usual": Under this scenario, there is inadequate action to limit emissions and modelling reflects a world where increasing concentrations of CO_2 put global average temperature increases on a trajectory towards 4°C by 2100. There is no further climate policy intervention, but increased risk of physical impacts due to the severity and frequency of climate-change-related weather events.

The Group has qualitatively assessed its resilience to key climate risks, as detailed on page 32. In both the short and medium term these risks have a low impact whilst in the long term, they do not exceed a medium impact. Consequently, the Board considers that the Group's resilience to climate-related risks is high in both scenarios.

This assessment relies on our evaluation of risk R2, which pertains to carbon taxation and pricing mechanisms in a Paris Agreement Aligned scenario. By applying the latest carbon price projections from the International Energy Agency's World Energy Model, we have estimated the financial impact of Scope 3 emissions to be approximately £30m per year by 2050, which initially indicates a "High" risk rating. However, we believe it is improbable that governments would in practice enforce such substantial carbon taxes on a relatively non-energy-intensive sector, considering the devastating consequences that this would have for the wider economy. Therefore, we have exercised discretion to classify the risk as "Medium" for the long term.

The Group is not yet able to perform comprehensive, quantitative scenario analysis and we state on page 26 that this is an area where disclosure is not yet consistent with the TCFD framework. This reflects transitional challenges in embedding the relevant capabilities, given the complexity inherent in modelling such scenarios. We are committed to ensuring compliance with this requirement within the next three years.

Primary climate-related opportunities

The Group's primary climate-related opportunities are summarised below. The Group does not assess the potential revenue or profit upside from climate opportunities to be material.

Opportunity	Potential impact	Next steps
Increased usage of renewable energy; on-site solar generation	The cost of energy from traditional sources is expected to rise due to the transition to a lower carbon economy, causing a relative fall in costs for renewable energy. Shifting to 100% renewable energy could enable the Group to take advantage of cheaper power and lower its Scope 2 emissions.	• Solar panels are to be fitted at our Netherlands facility in FY25 under a lease agreement recently put in place with the landlord.
Decarbonisation of distribution	The UK and EU are committing to reduce emissions across forms of transport leading to an increase in adoption of electric vehicles. This may provide an opportunity for the Group to decarbonise its distribution channels more easily.	• We have set a goal to obtain commitments from suppliers to set net zero targets covering 67% of Scope 3 emissions by April 2030, and increased coverage from 9.7% to 19.3% during FY24. Our main distribution partners across the UK, NL, Ireland and Australia have SBTi commitments. • The Group intends to continue to work with its delivery partners focusing in FY25 on those that do not have publicly disclosed reduction targets.
Lower carbon product portfolio; sustainable paper packaging	Changes in consumer habits might provide opportunities to capitalise on a growing market for sustainable or zero-carbon gifting.	• Our card, envelopes and packaging are 98% from sustainable sources. This has reduced the likelihood of deforestation in the supply chain and associated emissions. • The Group plans to continue its existing work on the development of its digital gifting proposition, which accelerated following the acquisition of Experiences in FY23.
Increased consumer demand for recycled content	In the Paris Agreement Aligned scenario, greater demand for circularity is expected. There may be opportunities to take advantage of this trend by improving the prominence of labelling and recycling instructions.	• The Group plans to continue engaging with suppliers to increase the quality of labelling and recycling instruction on products and investigate opportunities to increase the level of recycled content in its products where possible. • We display FSC recycling logos on all our cards sold in the UK and the Netherlands. We are now working to implement the same for cards ordered and printed in other geographies.
Reforesting initiatives	By meeting its reforesting goal (see page 24), the Group can improve its reputation amongst consumers.	• The Group intends to fund the planting of a further 66 hectares of forest in FY25.

The environment continued

TCFD Pillar 2: climate strategy continued

Primary climate-related risks

TCFD category	Risk	Potential impact
Physical (acute and chronic)	R1 **Operational sites and distribution exposure to physical risks**	An increase in the frequency and severity of extreme weather conditions could result in damage and/or interruption to manufacturing and distribution facilities. Third-party analysis suggests coastal inundation is likely the most significant hazard in both scenarios. The highest levels of exposure relate to the Group's Guernsey operations. Levels of impact for the Group's Dutch operations are low within the time horizons considered by our assessment, owing to strong coastal defences in the Netherlands. Coastal inundation is a risk for the UK mainland; however, key in-house and outsourced facilities are either located well inland (Tamworth, Droitwich, Northampton) or in locations not expected to be at risk of inundation prior to 2050 in a Business-as-Usual scenario (Sleaford).
Policy and legal	R2 **Carbon tax and pricing mechanisms in a Paris Agreement Aligned scenario**	Carbon taxation is assumed to be the primary lever by which governments around the globe will incentivise decarbonisation. Increases to carbon tariffs could lead to additional operational costs, through direct carbon costs on Scope 1 and 2 emissions or indirectly through increased input costs from suppliers (Scope 3). Quantification of potential future liabilities for Scope 1 and 2 emissions show the financial impact to the Group is not expected to be significant out to 2050 even if the Group fails to meet decarbonisation goals (less than £2m Adjusted EBITDA impact in a Business-as-Usual scenario). Applying carbon price projections from the International Energy Agency's World Energy Model, we have calculated the financial impact of Scope 3 emissions to be approximately £30m per year by 2050, which initially indicates a "High" risk rating. However, we believe it is unlikely that governments could in practice impose such significant carbon taxes on a comparatively non-energy-intensive sector, as the repercussions of such a policy for the broader economy could be devastating. As a result, we have exercised discretion and classified the long-term risk as "Medium" in this case.
Market	R3 **Potential future consumer preference changes in a Paris Agreement Aligned scenario**	Shifts in consumption habits are expected to be a prerequisite for the transition to a lower-carbon economy and limiting global warming to 1.5°C. In the Paris Agreement Aligned scenario, there is a possibility that consumer preferences might change in future in ways that could reduce demand for the Group's product offering. Given that pulpwood is a small proportion of the Group's value chain, this would require continued high carbon emissions in other services consumed by the Group, for instance postal services. Should transition not be achieved in the relevant industry sectors, then there may be an impact over the long term.
Technology	R4 **Future failure of suppliers to decarbonise in a Paris Agreement Aligned scenario**	A future failure of the Group's suppliers to decarbonise at sufficient speed and scale could impact the Group's reputation with consumers leading to a fall in demand in the long term. Decarbonising the Group's product offering in a 1.5°C scenario will be dependent on efforts by third-party suppliers.

Note: the Group applies the "double materiality" approach recommended by the Global Reporting Initiative, in the first instance, RAG ratings are based on financial impact, with each risk classified as either High (>10% impact on Group Adjusted EBITDA), Medium (>5% <=10% impact on Group Adjusted EBITDA) or Low (<=5% impact on Group Adjusted EBITDA) within each time horizon. The risk classification is raised where a matter is assessed as having become sufficiently important to stakeholders.

Potential mitigation	Impact assessment			
• The Group has significant flexibility in its production network, which would enable it to mitigate business interruptions by shifting production to unaffected sites. The Group temporarily rerouted Guernsey volumes to different sites during periods of 2020 and 2021 when lockdown restrictions imposed by the States of Guernsey significantly limited production capacity at the site. • The Group will consider coastal flood risk when considering future changes to the Group's operational network, making site-specific assessments at the appropriate time.		Short term	Medium term	Long term
	1.5°C	Low	Low	Low
	4.0°C	Low	Low	Low
• Successful implementation of the Group's Scope 1 and 2 emissions reduction goals would mitigate any increase in direct carbon costs. • The Group's climate transition plan (pages 39 to 41) sets out the areas of focus which management intends to pursue to reduce Scope 3 emissions.		Short term	Medium term	Long term
	1.5°C	Low	Low	Medium
	4.0°C	N/a	N/a	N/a
• Delivery of the Group's climate transition plan (pages 39 to 41), and hence its decarbonisation targets, will drive a reduction in the emissions intensity of its product offering. • The Group will continue its existing work on the development of its digital gifting proposition, leveraging the launch of e-cards with digital gift experiences during FY24.		Short term	Medium term	Long term
	1.5°C	Low	Low	Medium
	4.0°C	N/a	N/a	N/a
• The Group has set a goal to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030. • The Group engages proactively with suppliers and as at 30 April 2024 had obtained commitments from suppliers covering 19.3% of Scope 3 emissions (April 2023: 9.7%).		Short term	Medium term	Long term
	1.5°C	Low	Low	Medium
	4.0°C	N/a	N/a	N/a

The environment continued

TCFD Pillar 3: climate risk management

Disclosure (a) – processes for identifying and assessing climate-related risks

In FY22, we established a working group to conduct the Group's first climate risk management assessment. With support from a third-party specialist and with executive-level sponsorship we identified the Group's material climate-related risks and opportunities as follows:

- For physical risks and for transition risks related to price analysis and regulatory changes, the Group performed a quantitative assessment of individual key risks under two scenarios, with support from external advisers.
- For physical risks, the Group considered acute physical risks (coastal inundation, extreme wind, extreme heat, riverine and surface water flooding and forest fires) across its UK and Netherlands operations. The Group also performed site-specific analysis on its Guernsey manufacturing site.
- Potential physical impacts were assessed through two metrics, site damage (the potential impact of hazards on site infrastructure) and business interruption (the potential revenue loss associated with hazards).
- For transition risks related to price analysis and regulatory change, these were analysed using climate scenario modelling to assess the potential financial impact in both the Paris Agreement Aligned and the Business-as-Usual scenarios.
- For transition risks related to the path to decarbonisation, and for climate opportunities, we have performed a qualitative assessment of risk and impact, using available internal data and external literature.

Thereafter, a climate risk register has been maintained on an ongoing basis with oversight from the CFO. Twice each year, the primary climate-related risks and opportunities are considered and approved by the Board on recommendation from the Audit Committee. This process follows the Group's risk management process, which is set out at page 61.

The Group's assessment of its material climate-related risks and opportunities is summarised at pages 31 to 33. There have been no changes made in FY24.

Disclosure (b) – processes for managing climate-related risks

The Group's processes for managing climate-related risks are as follows:

- **Managing risks:** The climate risk register is the primary mechanism for the management of climate-related risks. Mitigation of identified risks is considered first by executive management and then presented for discussion with the Audit Committee and Board, in accordance with the Group's overall risk management process.
- **Mitigate, transfer, accept or control risks:** Most of the identified climate-related risks have been assessed as low materiality for all timeframes and scenarios, and the Group's approach has been to accept these risks. However, there are two long-term, assessed medium impact market and technology risks (labelled R3 and R4 on page 32) in a Paris Agreement Aligned (below 1.5°C) scenario, which envisage potential reputation impact from failure to decarbonise the Group's products and/or value chain. The Group's mechanism for mitigation of these risks is through the climate transition plan set out on page 39.
- **Prioritisation of risks and materiality determination:** The organisation prioritises climate-related risks based on the materiality of impact and likelihood of occurrence. Materiality determination is performed on a "double materiality" basis as set out on page 29, considering the potential impact on its financial performance and reputation, as well as the expectations of stakeholders.
- **Assessment of climate-related issues:** Assessment of climate-related issues is performed by a management Sustainability Working Group that meets across the year and comprises the CFO and the Chief Operations Officer together with individuals in finance and sustainability roles. No new climate-related issues arose during the year.

Disclosure (c) – climate risk integration into overall risk management

The Group's climate risk management procedures are integrated into its overall risk management framework, as set out at page 60. The Group's climate risk register was approved by the Board on three occasions during the year.

There are differences in approach for the assessment of climate-related risks, compared to the assessment of principal risks and uncertainties. Principal risks and uncertainties are assessed based on the materiality of their potential financial impact, with a focus on a three-year horizon, whereas climate-related risks are assessed based on "double materiality" over an extended time horizon.

None of the Group's climate-related risks are currently classified as principal risks as none have been assessed as having a material impact on the Group's business model, strategy or the Directors' assessment of viability (as set out in the viability statement on page 67).

TCFD Pillar 4: climate metrics and targets

Disclosure (a) – climate-related metrics

The following table sets out the metrics used by the Group to assess climate-related risks and opportunities. These are drawn from the seven cross-industry metric categories identified by TCFD, together with five metrics which are specific to the Group's climate transition plan. An internal carbon price is not disclosed, as the Group has not defined and does not currently use internal carbon prices.

Metric category	Metric	Risk or Opportunity	Unit of measure	FY24	FY23[2]
Cross-industry metrics:					
Absolute GHG emissions	Absolute Scope 1 emissions	R2 R3	tCO_2e	31	35[6]
Absolute GHG emissions	Absolute Scope 2 emissions[1]	R2 R3 O1	tCO_2e	504	505
Absolute GHG emissions	Absolute Scope 3 emissions	R2 R3 R4	tCO_2e	80,868	87,486
Transition risks	Proportion of fixed assets exposed to transition risks	N/a	%	–	–
Physical risks	Proportion of fixed assets exposed to physical risks	R1	%	19	27
Climate-related opportunities	Revenue from products or services that support transition to a lower-carbon economy	O3 O4 O5	%	–	–
Capital deployment	Percentage of annual revenue invested in R&D of low-carbon products/services	O3 O4	%	–	–
Internal carbon prices	Internal carbon price	R2	N/a[3]	N/a[3]	N/a[3]
Remuneration	Proportion of executive management remuneration linked to climate considerations	O1 O2 O3	%	10.0	6.7
Company-specific metrics:					
Sustainably sourced cards and gifts	Proportion of Scope 3 emissions from suppliers with an emissions reduction commitment aligned with SBTi criteria	R4	%	19.3	9.7
Sustainably sourced cards and gifts	Scope 3 economic emissions intensity (tCO_2e/£1m of revenue[4])	R3 R4	tCO_2e/£1m of revenue[4]	237.0	268.0
Low carbon delivery	Distribution emission per 1,000 orders	O2	tCO_2e/order	0.136	0.115
Low carbon manufacturing and fulfilment	Proportion of energy consumption from renewable sources	O1	%	65	59
More accurate emissions measurement	Proportion of Scope 3 emissions measured using primary data[5]	O2	%	46	41

1 Absolute Scope 2 emissions calculated using the "market-based" method were 110tCO_2e in FY24, a 4.0% decrease year-on-year compared to 114 tCO_2e in FY23.

2 FY23 data is stated pro forma, inclusive of Experiences data for the full financial year.

3 The Group has not defined and does not currently use internal carbon prices.

4 The emissions target has been re-expressed since FY23 as the Group has made the decision to align reporting with the Corporate Sustainability Reporting Directive and therefore has presented its intensity targets as a product of revenue rather than gross profit.

5 Primary data is data provided by suppliers or others that directly relate to specific activities within the value chain.

6 The FY23 Scope 1 emissions have been increased by 9tCO_2e compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Sustainability continued

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (b) – greenhouse gas emissions

The greenhouse gas reporting period is aligned to the financial reporting year. The Group reports emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") and Corporate Value Chain (Scope 3) Accounting and Reporting Standard ("Scope 3 Standard"). The 2022 (for FY23) and 2023 (for FY24) UK Government GHG Conversion Factors for Company Reporting are used to convert energy use in operations to emissions of tCO_2e.

The tables below set out the Group's mandatory reporting on greenhouse gas emissions and global energy use pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the Government's policy on Streamlined Energy and Carbon Reporting ("SECR").

	FY24				FY23[1,6]			
GHG emissions (tCO_2e)	UK[2]	NL	Rest of world	Total	UK[2]	NL	Rest of world	Total
Scope 1: Emissions from combustion of gas	10	21	–	31	10	25	–	35[5]
Scope 2: Emissions from purchased electricity	236	268	–	504	220	285	–	505
Total operational emissions (tCO_2e)	246	289	–	535	230	310	–	540
Scope 1 and 2 Intensity ratio: tCO_2e/£1m of revenue[4]	0.87	5.64	–	1.57	0.87	5.59	–	1.65
Scope 3: Emissions from indirect sources								
Category 1: Purchased goods and services	60,969	10,052	329	71,350	58,698	13,835	119	72,651
Category 2: Capital goods	430	78	–	508	3,523	2,758	–	6,281
Category 3: Fuel and energy related activities	63	14	–	77	63	16	–	79
Category 4: Upstream transportation and distribution	483	99	5	587	243	26	1	270
Category 5: Waste generated in operations	10	3	–	13	8	9	–	17
Category 6: Business travel	105	28	–	133	66	16	–	82
Category 7: Employee commuting	370	71	–	441	1,095	236	–	1,331
Category 8: Upstream leased assets	–	–	–	–	57	–	–	57
Category 9: Downstream transportation and distribution[6]	3,285	1,167	262	4,714	2,634	1,168	253	4,055
Category 10: Processing of sold products[3]	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Category 11: Use of sold products	22	1	–	23	11	1	–	12
Category 12: End of life treatment of sold products	2,017	931	19	2,967	1,591	1,017	5	2,613
Category 13: Downstream leased assets	55	–	–	55	37	–	–	37
Category 14: Franchises[3]	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Category 15: Investments[3]	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Scope 3: Emissions from indirect sources	67,809	12,444	615	80,868	68,026	19,082	378	87,486
Total emissions (tCO_2e)	68,055	12,733	615	81,403	68,256	19,392	378	88,026
Scope 3 Intensity ratio: tCO_2e/£1m of revenue[4]	241.1	242.8	70.7	237.0	257.2	344.3	58.4	268.0

1 FY23 emissions are stated pro forma, inclusive of Experiences data for the full financial year.
2 The UK data also includes emissions produced within the factory located in Guernsey.
3 Categories 10, 14 and 15 are not applicable for the Group, as explained within our Sustainability Report, accessed at www.moonpig.group/investors.
4 The emissions target has been re-expressed since FY23 as the Group has decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a product of revenue rather than gross profit.
5 The FY23 Scope 1 emissions have been increased by $9tCO_2e$ compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.
6 FY23 restated to include Ireland within rest of world to align with segmental reporting in the consolidated financial statements.

Energy consumption in with line SECR

Energy consumption (kWh)	FY24				FY23[1]			
	UK[2]	NL	Total	% Renewable	UK[2,3]	NL	Total	% Renewable
Gas	53,915	125,278	179,193	0%	54,726	140,936	195,662	0%
Electricity (purchased)	1,139,544	725,757	1,865,301	65%	1,135,881	772,044	1,907,925	59%
Total energy consumption	1,193,459	851,035	2,044,494	65%	1,190,607	912,980	2,103,587	59%
Mileage claims (miles)	96,169	7,739	103,908	–	33,359	8,426	41,785	–

1 FY23 data is stated pro forma, inclusive of Experiences data for the full financial year.
2 The UK data also includes energy used within the factory located in Guernsey.
3 The FY23 gas consumption has been increased to 54,726 kWh since that presented in the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Baseline years and reporting boundary

The baseline year for Scope 1 and 2 is FY20, as re-expressed to take into account the subsequent acquisition of Experiences. For Scope 3 emissions, the baseline year is FY22, which was selected because it is the first year for which the Group had the necessary understanding and data for each respective emissions category.

To ensure accurate progress tracking toward our targets, we may adjust the baseline year due to significant changes, such as acquisitions or divestments, methodology or activity changes, or data errors. Restatement will only occur if the recalculated emissions differ by more than 10% from the previously reported baseline year emissions. The Group will review and, if needed, recalculate and validate our baseline and targets at least once every five years.

Our organisational emissions reporting boundary, as defined by the GHG Protocol, includes Moonpig Group and its subsidiaries, taking an operational control approach. This method allows us to "manage what we measure". As at 30 April 2024, Moonpig Group consisted of eight controlled entities. Additional information on our subsidiary undertakings and controlled entities can be found in Note 25 to the consolidated financial statements on page 167.

Our operational boundary covers Scope 1, Scope 2 and all fifteen Scope 3 reporting categories set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for which there are relevant activities in our value chain. Our operational boundaries are consistent with those disclosed within the FY23 Annual Report and Accounts and can be found in our FY24 Sustainability Report, which can be accessed at www.moonpig.group/investors

Sustainability continued

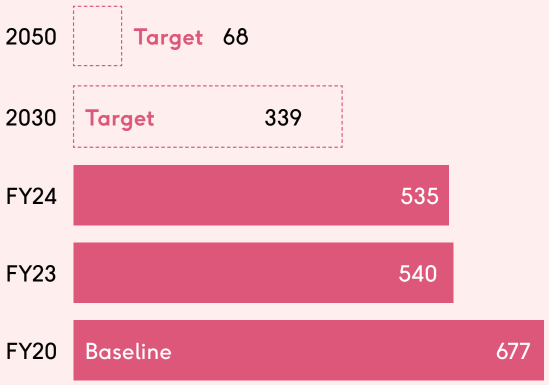
The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (c) – climate-related targets

The targets used by the Group to manage climate-related risks and opportunities are summarised below, together with performance against these targets. These targets align to the Group's Sustainability Goals 1 and 2, set out on page 24.

Absolute Scope 1 and 2 emissions (tCO_2e)



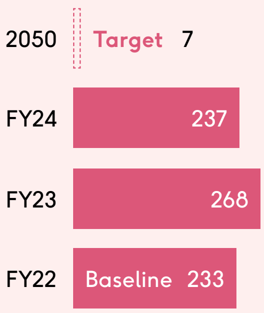
We have set a goal to reduce absolute Scope 1 and 2 emissions by at least 50% by 2030 and achieve at least a 90% reduction by 2050, using FY20 as the baseline year.

The Scope 1 and 2 baseline validated by the SBTi was for Moonpig and Greetz in FY20, which has been re-expressed for the acquisition of Experiences (see page 24).

We reduced absolute Scope 1 emissions by 11.4% from $35tCO_2e$ in FY23 to $31tCO_2e$ in FY24, maintaining a low level consistent with earlier years. This reflects a reduction in the use of natural gas to a minimum possible level which will be maintained in future years.

Absolute Scope 2 emissions reduced by 0.2% from $505tCO_2e$ in FY23 to $504tCO_2e$ in FY24, as measured on a location-based methodology which are influenced by emission factors which have increased year-on-year. Normalising for the effect of the emissions factor increase, our Scope 2 emissions would have decreased year-on-year by 3.3% as we continue to source renewable electricity.

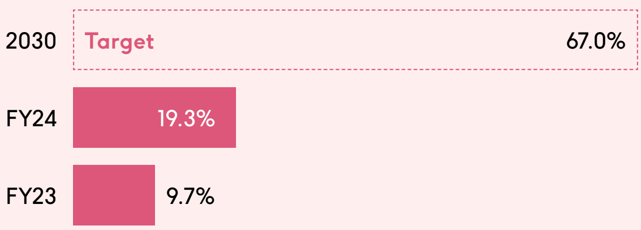
Scope 3 economic emissions intensity (tCO_2e/£1m of revenue[1])



We have set a long-term goal to reduce Scope 3 emissions intensity by 97% tCO_2e/£1m of revenue[1] by 2050, using FY22 as a baseline.

Absolute location-based Scope 3 emissions decreased by 7.6% from $87,486tCO_2e$ in FY23 to $80,868tCO_2e$ in FY24. This was primarily due to lower capital expenditure on physical assets in FY24, whereas FY23 included the furnishing of our operational facilities in Tamworth (UK) and Almere (Netherlands).

Proportion of Scope 3 emissions from suppliers with an emissions reduction commitment aligned with SBTi criteria (%)



We have set a goal to obtain commitments to set SBTi aligned net zero emissions reduction targets from suppliers representing 67% of Scope 3 emissions by 30 April 2030.

As at 30 April 2024, the Group had identified suppliers with SBTi-aligned net zero commitments in place covering 19.3% (FY23: 9.7%) of its Scope 3 emissions.

1 The emissions target has been re-expressed since FY23 as the Group decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a product of revenue rather than gross profit.

Disclosure (c) – climate-related targets continued

Climate transition plan

The Group is committed to achieving its climate-related targets set out above. As part of this commitment, the Board approved our climate transition plan in April 2023. It is intended to address the long-term, assessed Medium impact market and technology risks (labelled R2, R3 and R4 on pages 32 to 33) in a Paris Agreement Aligned (below 1.5°C) scenario, which envisage potential financial impact from carbon tax and pricing mechanisms as well as potential reputation impact from failure to decarbonise the Group's products and/or value chain. It focuses on four pathways: sustainably sourced cards and gifts, low carbon delivery, low carbon manufacturing and fulfilment, and more accurate emissions data measurement.

Pathway	Objectives	Areas of focus	FY24 Progress
Sustainably sourced cards and gifts	Cards and gifts represent the greatest proportion of our Scope 3 emissions and so reducing the emissions footprint of our purchased goods is the highest priority in our transition plan. We aim to evolve a lower carbon product portfolio, continue to source sustainable paper and packaging and motivate our suppliers to set and deliver specific emission reduction goals. We will initially focus on three product categories: flowers and plants, (24% of our Scope 3 emissions in our FY22 baseline year), food and drink (12% of our Scope 3 emissions in our FY22 baseline year) and card, paper, and packaging (6% of our Scope 3 emissions in our FY22 baseline year).	• **Sustainable floristry:** we plan to work with flower and plant suppliers, which have sustainability roadmaps already in place. We intend to develop specific emission reduction plans, and support initiatives to deliver these goals including water usage reduction, waste reduction, and single-use plastic reduction. • **Sustainable food gifts:** we plan to increase the proportion of food gifts (comprising food, drink, alcohol and chocolate categories) sold with carbon reduction plans in place focusing on risk areas including being deforestation-free and containing only sustainable palm oil, cocoa and wood products. We aim to source products with verified certifications. • **Sustainable card, paper and packaging:** we intend to continue to sustainably source card, paper, and cardboard packaging certified as FSC, PEFC or >80% recycled content. Reduce single-use plastic packaging and increase recycled content across our packaging range. We plan to reduce packaging void space to reduce transport emissions.	Alongside our UK flowers supplier we have enhanced our bouquet packaging by increasing the number of ranges wrapped in paper, reducing our plastic consumption. Additionally we have introduced a closed-loop waste system for certain wraps, effectively minimising waste generated during the harvesting of stems. Green offcuts are redirected to a paper mill where they are converted into packaging materials, thereby decreasing the need for wood-based cellulose. We have focused on encouraging customers to adopt innovative digital card personalisation features (such as emojis, "sticker" images and photos). These features negate the need for options such as glitter, plastic and foil within our cards which are non-recyclable. During the year, our Dutch flowers supplier and one of our key UK confectionery suppliers each made SBTi-aligned commitments to set net zero emissions reduction targets.

Sustainability continued

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (c) – climate-related targets continued

Pathway	Objectives	Areas of focus	FY24 Progress
Low carbon delivery	Upstream and downstream transport and distribution together account for 6,216tCO_2e and 8% of our Scope 3 footprint in our FY22 baseline year. The ability to order late and for the recipient to receive their gift the next day is a key part of our offering. To mitigate the risk that delivery partners fail to decarbonise through their own ambition, we are committed to engaging with those partners on decarbonising their distribution networks, to reducing the number of delivery miles required, and increase the carbon efficiency of those miles. We will also expand our digital gifting offering to reduce the need for physical transportation.	• **Digital gifting:** we plan to expand our gifting offering to increase the proportion of electronically fulfilled products to reduce the need for physical product deliveries. • **Reduce the number of shipments:** we aim to minimise void space in our packaging and combine orders into single packages to reduce the number of shipments required. • **Reduce transport miles:** we intend to continue to locate our operations close to distribution hubs to reduce the distance travelled by our deliveries. • **Work with our partners:** we plan to collaborate with our delivery and third-party logistics partners on reducing emissions from distribution by focusing on low carbon distribution, low carbon last mile delivery, and low carbon distribution centre operations.	At Moonpig, we have expanded our digital gifting offering by enabling the delivery of gift experiences both as an attachment to an e-card and as a code within a physical greeting card. In the Netherlands, we implemented new processes to consolidate multiple gifting items into single-delivery packaging, reducing the number of shipments where possible. Our main distribution supplier in the UK had its Scope 1, 2 and 3 SBTi targets approved in August 2023.
Low carbon manufacturing and fulfilment	Our Scope 1 and 2 emissions represent a small proportion of our total footprint, but they are areas within our direct control. We aim to further reduce our emissions in these areas, both through absolute reductions in energy consumption and by increasing renewable energy mix of consumption.	• **Increase energy efficiency of our sites:** we plan to minimise on-site data processing in favour of more efficient cloud computing, manage energy demand between renewable and non-renewable energy sources, and use technology to reduce energy demand. • **Power our sites through renewable energy:** we intend to source renewable electricity in all locations and use on-site solar generation where possible. • **Procurement:** we aim to prioritise energy-efficiency when procuring new assets or operating locations. • **Implement low carbon transportation:** we aim to optimise transportation routes to reduce our emissions. • **Engage employees:** we plan to educate and engage employees in low-carbon practices, such as turning off equipment when not in use.	Following the acquisition of Experiences, we have migrated several systems from on-premise to the cloud, aligning with standard practice for the rest of the Group. This has reduced our data storage requirements, improving energy efficiency and lowering operational costs. During FY24 we carried out energy savings opportunity assessments, in line with ESOS Phase 3. These assessments identified potential to reduce emissions through improved energy management policies and utilisation of building management systems, creation of a lighting inventory and improvements to fenestration. These will be prioritised in FY25. We plan to install solar panels at our Almere facility in the Netherlands in FY25 under a lease agreement recently put in place with the landlord.

Pathway	Objectives	Areas of focus	FY24 Progress
More accurate emissions measurement	More accurate measurement of Scope 3 emissions will enable us to develop more effective emissions reduction strategies, and better manage climate-related risks. At present, we have a robust baseline calculated on a consistent basis with the GHG Protocol, and we have leveraged industry-specific standards and frameworks to measure emissions in our value chain. However, as best practices evolve and we support our suppliers to improve procedures, we aim to progressively increase the accuracy of our Scope 3 emissions data.	• **Primary data:** we aim to increase the proportion of Scope 3 emissions that are measured using primary data, which is provided by suppliers or others and directly relates to specific activities within the value chain. • **Data protocols:** we plan to work closely with our suppliers to establish clear and consistent data collection protocols, ensuring that we receive accurate and complete data that aligns with our requirements. • **Data verification:** we plan to establish procedures to validate and verify data to ensure its accuracy, including verifying data provided by suppliers, as well as conducting internal audits to ensure that emissions from all relevant sources are included. • **Data management systems:** we intend to continue to invest in systems that allow for efficient data collection, analysis, and reporting. This will involve using software tools and platforms to collect and analyse data from a range of sources, such as supplier surveys and customer data.	To improve the measurement of Scope 3 emissions in FY24 we have gathered primary data relating to capital goods and leased assets. In FY24, we expanded our contract with Rizikon to gather data on suppliers' carbon footprints and assess their alignment with SBTi standards. We systematically request emissions reduction and net zero targets from suppliers, as well as specific emissions data relating to goods and services provided. Since implementation, this has been rolled out to all new key suppliers and any key suppliers due for periodic review.

Our people

Our people strategy is focused on promoting high performance, engagement and inclusion. We foster an environment where people can learn, grow and develop their careers.

Developing our people

We continue to invest in employee learning and development. In FY24 we recorded 5,558 hours of structured learning (FY23: 1,715 hours) excluding mandatory compliance and systems training. This encompasses self-learning, mentoring, coaching and formal programmes. We operate a learning portal that offers a range of tools to assist employees with their career progression. We provide opportunities for independent learning, supported by an annual allowance that is funded by the Group, in addition to our central learning and development programme. We sponsor employees pursuing professional qualifications and support employees in their access to continuing professional development. In FY24, we also supported ten employees through apprenticeships, across fields including software development, data literacy, and leadership.

Engaging our people

We conduct employee engagement surveys twice each year, encouraging participation from our entire workforce. The surveys allow us to collect open and honest feedback which enables us to improve the experience of working for the Group. Following each survey, we ensure that all employees have access to the results for their Division and functional department, to allow team members to contribute to decisions relating to the actions that follow.

The Group's average engagement score across two surveys in FY24 was 61% (FY23: 61%[1]) below our long-term goal of 72%. This reflects the continued challenges of operating in an economic downturn, characterised by more disciplined cost control and greater pressure to meet targets. Management has focused during the year on increasing employees' understanding of the Group's strategy and it was particularly pleasing that the April 2024 score for "I understand the long-term strategic direction for Moonpig Group" improved from 62% to 81%. Our action plan for FY25 employee engagement is built around raising the proportion of employees who agree with the survey statement "I feel proud to work for this company."

Supporting our people

We support employee wellbeing through initiatives that include enhanced Company-paid parental (maternity, paternity, adoption or shared parental) leave for all new parents in the UK; we have fertility and baby loss policies in place; we provide discretionary sabbaticals which allow eligible employees within our Experiences business to take a 4-week sabbatical after 5 years of employment and provide both financial support and paid time off to many employees who are working towards a professional qualification.

We provide access to mental health experts who can provide a spectrum of support from struggling to self-improvement where our employees can ask a question, book a one-off therapy session or a course of therapy sessions.

Where practicable, we support different working patterns and 9.7% (FY23: 10.5%) of our total headcount is employed on a part-time basis.

Rewarding our people

Substantially all employees participate each year in a variable performance-based bonus scheme, with targets that align to those of the Executive Directors. We also offer a range of benefits which include matched employer pension contributions, life assurance, medical insurance and dental insurance. We also operate a Save-As-You-Earn ("SAYE") share scheme, subject to minimum service, offering the opportunity for UK employees to purchase Company shares at a discounted price in accordance with HMRC rules. 16% (FY23: 20%) of eligible employees participate in one of the current SAYE schemes.

We pay all employees in the UK and Guernsey at or above both the legal minimum wage (National Living Wage) and the Real Living Wage as defined by the Living Wage Foundation[2]. In the Netherlands we pay at or above the legal minimum wage (Minimumloon). There is a Works Council in place at Greetz.

Ensuring the safety of our people

We are committed to creating a safe environment at both our offices and our fulfilment locations. Our principal objective is to minimise accidents, injury and illness to staff working within one of our premises or remotely. The Group's Health and Safety policy is reviewed at least annually and covers all aspects of our working environment with appropriate insurance in place for all employees. We offer a hybrid working environment for many of our staff (excluding those in fulfilment or similar roles) and offer ergonomic assessments to employees who work from home to ensure it is safe and effective.

We had no serious injuries during the year and recorded a 0.00 incident rate per 200,000 working hours (FY23: 0.00 per 200,000 working hours).

Diversity, equity and inclusion

We are dedicated to creating a working environment where everyone enjoys coming to work, feels supported and can express their individuality and perspectives without fear of discrimination. Our commitment is underpinned by an equal opportunities and equality and diversity policy, which is applicable to all employees.

Our organisation proudly supports a variety of internal networking and affinity groups. These groups focus on areas such as accessibility and inclusion, ethnic diversity, LGBTQ+, gender equality and neurodiversity.

We are focused on creating a diverse and inclusive workforce, with balanced representation at all levels of the business. This is embedded in our sustainability goals. Goal 4 focuses on increasing the representation of women and ethnic minorities on the Leadership Team and Goal 7 relates to female new hires into technical roles. See page 25.

1 Employee engagement score for FY23 is stated for Moonpig and Greetz only. For FY24 we have extended measurement to Experiences, hence figures are stated for the Group.

2 Guernsey employees are paid in line with the UK Real Living Wage as defined by the Living Wage Foundation for "rates outside London".

Gender and ethnicity data – leadership[6]

As at 30 April 2024	Male	Female	Total	% Female	Non-minority ethnic[5]	Minority ethnic[5]	Total	% Minority ethnic[5]	Non-ethnic minority male[5]	Women and ethnic minority[5]	Total[5]	% Women and ethnic minority[5]
Board[1]	4	3	7	43%	5	2	7	29%	3	4	7	57%
Executive Committee[2]	4	2	6	33%	5	1	6	17%	3	3	6	50%
Extended Leadership[3]	17	14	31	45%	27	4	31	13%	16	15	31	48%
Combined Leadership Team[4]	23	16	39	41%	33	6	39	15%	20	19	39	49%
As at 30 April 2023												
Board[1]	5	3	8	38%	6	2	8	25%	4	4	8	50%
Executive Committee[2]	5	2	7	29%	6	1	7	14%	4	3	7	43%
Extended Leadership[3]	19	14	33	42%	28	5	33	15%	15	18	33	55%
Combined Leadership Team[4]	26	16	42	38%	35	7	42	17%	20	22	42	52%

Gender representation – whole business

	As at 30 April 2024				As at 30 April 2023			
	Male	Female	Total	% Female	Male	Female	Total	% Female
Board[1]	4	3	7	43%	5	3	8	38%
Executive Committee[2]	4	2	6	33%	5	2	7	29%
Extended Leadership[3]	17	14	31	45%	19	14	33	42%
Total Group	334	354	688	51%	360	375	735	51%

1 Includes Executive Directors. All Board members have British nationality.
2 Comprises the Executive Committee excluding Executive Directors.
3 Comprises direct reports to the Executive Committee who are also members of the Extended Leadership Team.
4 Comprises the Executive Committee, Extended Leadership and the Executive Directors.
5 Ethnicity is special category data under Data Protection legislation and is therefore not collected and held for all employees. Data has been collected based on explicit consent for the purposes of monitoring racial and ethnic diversity at senior levels. In any instance where a relevant employee has not consented to the collection of data, they are counted in the denominator but not the numerator for the percentage representation KPIs.
6 Data required to be disclosed under LR 9.8.6R(10) is shown in the Nomination Committee report on page 99.

Gender pay gap

The Group's 2024 gender pay report discloses the mean and median gender pay gap for the Group's main UK trading entity, Moonpig.com Limited as required by legislation, together with voluntary disclosures for the whole of Moonpig Group. It can be accessed at www.moonpig.group/investors.

The gender pay gap is not the same thing as equal pay. Equal pay requires that men and women are paid the same amount for performing the same or similar work, which is a legal requirement. The gender pay gap, however, looks across all jobs at all levels within an organisation.

We have continued to make progress in reducing the gender pay gap. For Moonpig Group, we have improved the mean hourly gender pay gap by 6.1%pts year-on-year to 23.5% at 5 April 2024.

There has been a headline increase in the bonus rate gender pay gap, however this is driven by the vesting of the first tranche of the pre-IPO award, which is a legacy scheme and is not part of our ongoing remuneration policy. We do not consider it to be representative of the Group's trajectory or the improvements that we have made across the period since the IPO. Excluding the pre-IPO award, Moonpig Group's median bonus gender pay gap improved year-on-year by 3.2%pts to 38.4% and its mean bonus gender pay gap improved year-on-year by 3.6%pts to 48.5%.

The Group's gender pay gap is primarily due to relative under-representation of women in our technology function (which reflects the wider societal challenge of female under-representation in technical roles) together with the current gender composition of the Executive Committee.

Our long-term aim is to close the Group's gender pay gap, through systemic action to balance gender representation across our business, as set out in the sustainability Goal 4 (combined leadership representation of women and ethnic minorities) and Goal 7 (female new hires into technology roles), however the impacts of these actions will take time to be realised.

Our communities

Our community strategy focuses on charitable giving, creating opportunity in under-represented communities and on the customer and recipient experience.

Charitable giving

Through the Moonpig Group Foundation, we support initiatives that create connections and spark moments of joy in our communities. The Foundation is an account within the Charities Aid Foundation ("CAF"), a donor-advised fund and Registered Charity (Number 268369). Governance of the charity is provided by the trustees of the CAF. Giving requests for the Moonpig Group Foundation to donate to other charities are managed internally by a charity committee that is chaired by the CEO.

We have several mechanisms in place to facilitate employee engagement and involvement with our charitable partners. The Moonpig Group Foundation provides our employees with access to matched funding to increase the value of their donations. We also encourage our skilled and motivated workforce to volunteer for causes, allowing paid time off to do so.

£000	FY24	FY23	Cumulative[1]
Donations by Moonpig Group to the Foundation	304	70	
Donations by Moonpig Group to other charities	132	–	
Total donations made by Moonpig Group	436	70	
Donations by the Foundation to other charities	176	211	620

1 Cumulative since the Foundation was set up in January 2021.

Creating opportunity in under-represented communities

We are committed to increasing female representation in the technology industry, thereby expanding the pool of potential female applicants for technology roles.

We have continued our collaboration with Cajigo, a technology mentoring platform for women in STEM careers. This programme featured workshops, panel discussions and mentoring sessions on a range of topics from software engineering to cybersecurity. The activities were designed to equip participants with skills and knowledge that will enable them to excel in the technology industry.

To ensure fair and equitable recruitment for open roles at Moonpig Group, our talent acquisition team operates processes to promote diverse and inclusive candidate sourcing. For example, we utilise diversity and inclusion application surveys to gain insight into the backgrounds of applicants and ensure that we source gender-balanced candidate shortlists for open roles.

Moonpig and CALM

In FY24, Moonpig partnered with the Campaign Against Living Miserably ("CALM"), a suicide prevention charity, to launch a unique range of greeting cards designed to make reaching out to loved ones easier during difficult times.

The card collection, which was designed in collaboration with CALM, features a variety of messages, from humorous to heartfelt. It aims to encourage open conversations and reconnect friends and family, reflecting the urgent need to address the issue of suicide, which claims around 125 lives weekly in the UK. This aligns closely with Moonpig Group's purpose, which is to create better, more personal, connections between people that care about each other.

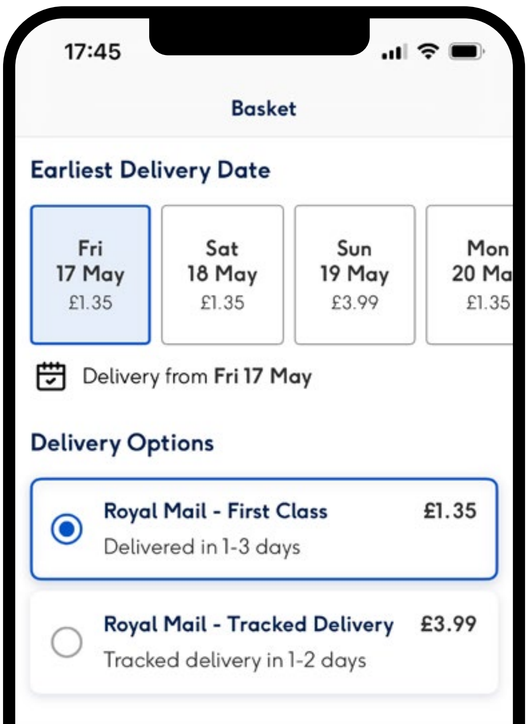
Moonpig also supported CALM's mission by donating £50,000 from the proceeds of their CALM-themed Christmas card collection.

Improving customer and recipient experience

Over the past two years, the postal operators in the UK and the Netherlands have demonstrated poor service performance. In the UK, Royal Mail consistently failed to meet the Service Level Agreement for next-day letter post deliveries, alongside implementing significant increases in stamp prices. This has negatively impacted our customer net promoter scores in FY23 and FY24.

In response, we are redesigning business processes to mitigate these impacts on our customers, by focusing on four key areas:

1. **Encouraging early ordering and dispatch.** To enhance delivery reliability, we have initiated early shipping for future orders, which has significantly reduced customer inquiries related to these orders. Leveraging our database of 90m customer occasions reminders (FY23: 84m), we now send the first reminder 14 days before each occasion, encouraging customers to place their orders well in advance.
2. **Improving how we communicate estimated delivery dates.** We have implemented "date first" user experience flows at the checkout on our website and apps to inform customers more clearly about the possibility of scheduling their orders for cards and gifts in advance.
3. **Providing more options for tracked delivery.** We have collaborated with Royal Mail to introduce a tracked delivery service at an attractive consumer price. This service, available during peak demand periods such as Christmas, Valentine's Day and Mother's Day, allows customers to send greeting cards even after the cut-off for first class letter post.
4. **Expanding our digital offering.** We have launched same-day digital gifting capability on Moonpig by combining gift experiences with e-cards, leveraging the range of Red Letter Days and Buyagift.



Consultation on the USO

In January 2024, the UK regulator Ofcom launched a consultation on its document "The Future of the Universal Postal Service" which proposed potential modifications to the universal service obligation ("USO") that governs Royal Mail. In response, Moonpig Group submitted a formal response expressing significant concerns about the document's prejudicial tone and its failure to meet Ofcom's obligations to protect consumer interests in terms of choice, price, quality, and value.

Our response outlined deficiencies in Ofcom's evaluation. Firstly, we noted that Ofcom's analysis of trends in demand for postal services disregards the persistent underperformance of Royal Mail compared to its mandated service levels. Secondly, we pointed out that the analysis of Royal Mail's costs and revenue seemed incomplete.

We also stressed the importance of considering the broader repercussions that any changes might have on stakeholders. This includes the essential role of physical mail in maintaining social connections, ensuring inclusivity and bridging the "digital divide" with those who do not have ready access to the internet. An affordable, consistent and universally available next-day service is critical for many communications such as medical appointments and is also relied upon by many small businesses.

We have urged Ofcom to fundamentally reconsider its approach. Rather than overseeing a continued decline in service quality, Ofcom should explore strategies to promote operational reforms that enable Royal Mail to fulfil its service obligations effectively.

Alcohol sales

Some investors require visibility of exposure to alcohol sales. The proportion of revenue generated from alcohol products during FY24 was 5.3% (FY23: 5.2%).

Sustainability continued

SASB Standards

The Group's FY24 disclosure against the SASB Standards maintained by the International Sustainability Standards Board of the IFRS Foundation is set out below and is aligned to the E-Commerce SASB Standard. Use of SASB Standards is voluntary and the standards specify that it is for the reporting entity to determine which disclosure topics are financially material to its business and which associated metrics to report. Where the Group does not currently provide disclosure metrics, this is indicated.

Topic	SASB Accounting or Activity Metric	SASB Code	Moonpig Group Disclosure
Hardware, Infrastructure, Energy & Water Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-EC-130a.1	(1) 2,044,494kWh (FY23: 2,103,587kWh)[1]. (2) 28% (FY23: 36%). (3) 72% (FY23: 64%).
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	CG-EC-130a.2	(1) 3,991 (FY23: 6,394). (2) 3,991 (FY23: 6,394).
	Discussion of the integration of environmental considerations into strategic planning for data centre needs	CG-EC-130a.3	We handle most of our data in cloud services provided by AWS and Azure, both of whom have committed to 100% renewable energy by 2025. The Group uses one internal data centre in the Netherlands, which is powered by 100% renewable electricity. We have no plans to expand the number of data centres or increase energy consumption at the existing data centre.
Data Privacy & Advertising Standards	Number of users whose information is used for secondary purposes	CG-EC-220a.1	The Group does not provide quantitative disclosure. The Group provides its customers transparency where personal data is collected within our privacy and cookies notices. Where a customer opts in, data collected is primarily used to improve our services and enable users to enjoy a personalised user experience on our own website and app. As soon as personal data is no longer required, it is either deleted or anonymised.
	Description of policies and practices relating to behavioural advertising and user privacy	CG-EC-220a.2	We are committed to protecting the privacy of our customers and the confidentiality of the data processed. A privacy notice is provided to all customers. It clearly and transparently details how and for what purpose customer data is processed and sets out customer rights in relation to this processing. Additionally, our customers are provided access to our cookie policy and can manage and update their preferences in relation to this. The Group has a dedicated Technology Security Team and Data Protection Office who carry out privacy impact assessments.
Data Security	Description of approach to identifying and addressing data security risks	CG-EC-230a.1	The Group operates a "three lines of defence" model for the management and mitigation of risks relating to data security, including robust data security procedures and the maintenance of a detailed data security risk register. Further detail is set out in our Technology Security and Data Protection disclosure on page 66.
	(1) Number of data breaches, (2) percentage involving personally identifiable information ("PII"), (3) number of users affected	CG-EC-230a.2	The Group does not disclose this.

Topic	SASB Accounting or Activity Metric	SASB Code	Moonpig Group Disclosure
Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	CG-EC-330a.1	Engagement score averaged 61% across two surveys conducted in FY24 (FY23: 61%[2]).
	(1) Voluntary and (2) involuntary turnover rate for all employees	CG-EC-330a.2	Voluntary staff turnover for FY24 was 22.0% (FY23: 22.8%). Involuntary staff turnover for FY24 was 3.3% (FY23: 13.1%). These figures are stated excluding the direct workforce at our fulfilment and production centres and exclude casual and fixed-term staff and contractors.
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	CG-EC-330a.3	Percentage of female employees in the respective roles at 30 April 2024 was: (1) 48.7% (FY23: 39.6%) (2) 33.1% (FY23: 34.0%) (3) 62.5% (FY23: 61.2%) The Group discloses ethnicity data for senior leaders on page 43. Equivalent data is not provided for all employees due to legal restrictions on the ability to gather a reliable dataset of such information.
	Percentage of technical employees who are foreign nationals[3]	CG-EC-330a.4	As at 30 April 2024, the percentage of visa holders was 4.7% of total employees (FY23: 5.9%). The Group ensures sponsorship requirements are met for all visa-holding employees.
Product Packaging & Distribution	Total GHG footprint of product shipments	CG-EC-410a.1	Scope 3 Category 9 emissions for the year were 4,714tCO_2e (FY23: 4,055tCO_2e).
	Discussion of strategies to reduce the environmental impact of product delivery	CG-EC-410a.2	The Group has GHG emission reduction goals that include a goal to obtain commitments to set net zero emissions reduction targets aligned with SBTi criteria from suppliers representing 67% of Scope 3 emissions by 30 April 2030 as well as to reduce Scope 3 emissions intensity by 97% tCO_2e/£1m of revenue by 2050, using FY22 as the baseline year[4]. During FY24, the Group commenced a programme of supplier engagement to deliver against this goal, which has included product delivery service providers.
Activity Metrics	Entity-defined measure of user activity	CG-EC-000.A	The Group's chosen disclosure is the number of orders fulfilled in the year at Moonpig and Greetz, which was 33.9m in FY24 (FY23: 33.8m).
	Data processing capacity, percentage outsourced	CG-EC-000.B	The Group does not disclose this.
	Number of shipments	CG-EC-000.C	The Group does not disclose this.

1 The FY23 gas consumption has been increased by 54,726 kWh since that presented in the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

2 For FY23, this metric was measured for Moonpig and Greetz. The Group's employee engagement survey was extended to Experiences for FY24.

3 This metric has been changed to reflect the jurisdictions where Moonpig Group operates.

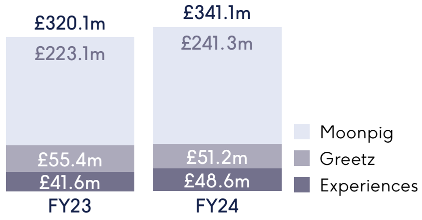
4 The emissions intensity target has been re-expressed since FY23 as the Group has made the decision to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presenting its intensity targets as a product of revenue rather than gross profit.

Key performance indicators

The Group uses a range of financial and non-financial KPIs to measure strategic performance.

Revenue
(£m)

£341.1m



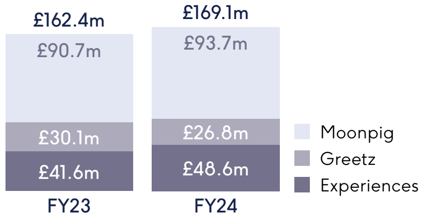
Revenue increased by 6.6% on a consolidated basis. This was driven by the strengthening of Moonpig revenue, which increased by 8.2% through a combination of orders and AOV growth.

Greetz revenue decreased by 7.5%, showing a trajectory of improvement with a decrease of 5.3% in H2 FY24.

Experiences revenue increased by 1.5% a pro forma basis, against FY23 full year revenue of £47.9m.

Gifting revenue
(£m)

£169.1m

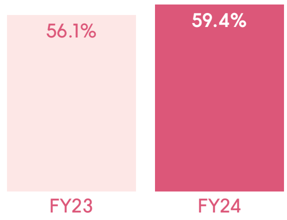


Gifting mix of revenue remained broadly flat at 49.6% (FY23: 50.7%), reflecting a full year of revenue at Experiences.

Across Moonpig and Greetz, gifting revenue mix decreased from 43.4% in FY23 to 41.2% in FY24. This primarily reflected the full year impact of prior year greeting card price increases. There was stability in gift attachment rate.

Gross margin rate
(% Total revenue)

59.4%

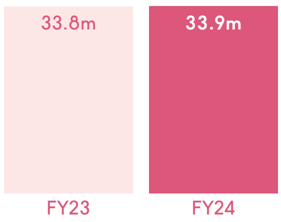


The increase in gross margin rate primarily reflects a 3.4%pts improvement at Moonpig, driven by operational efficiencies in the UK and the full year impact of FY23 card price increases.

Experiences gross margin rate increased by 0.9%pts. The positive impact from higher non-redemption of vouchers issued during Covid was offset by provisions against gift box inventory.

Orders
Moonpig and Greetz
(m)

33.9m

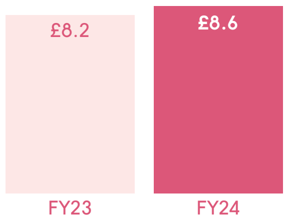


The trajectory of Moonpig and Greetz orders growth has been positive. Orders decreased by 14.9% in FY23 and by 5.1% in H1 FY24 but increased by 5.2% in H2 FY24.

The key driver of orders growth in H2 FY24 was the performance of existing customer cohorts at Moonpig, reflecting initiatives including Moonpig Plus. New customer orders at Moonpig fell, albeit reaching flat year-on-year in the final quarter. Greetz order performance also improved although the exit run-rate was not yet in growth.

Average order value ("AOV")
Moonpig and Greetz
(£ Revenue per order)

£8.6

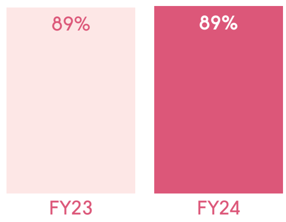


AOV at Moonpig and Greetz increased by 5.1%, reflecting the annual impact of card price increases implemented in H2 FY23, stamp price increases and stability in gift attachment rates.

The Experiences segment is not included in the calculation of average order value as revenue per order is not directly comparable. It represents agency commission earned from suppliers rather than amounts earned from consumers.

Existing customer mix
Moonpig and Greetz
(% Total revenue)

89%



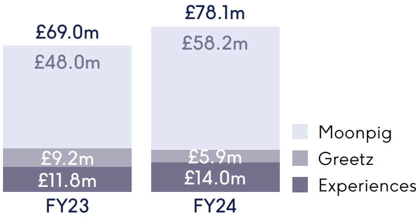
Our strategy at Moonpig and Greetz is centred around acquiring loyal customer cohorts that generate recurring revenue.

The long-term value of these customer cohorts is strengthened by our data and technology platform. Our database of 90m reminders (April 2023: 84m) allows us to communicate directly with customers at key moments of purchase intent.

This metric is less relevant for Experiences, for which our strategy is focused around driving recipient-to-customer conversion.

Adjusted EBIT[1,2] (£m)

£78.1m

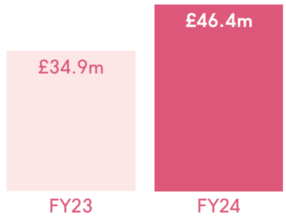


Adjusted EBIT increased by 13.2% to £78.1m reflecting revenue growth and the pass through of higher gross margin.

Adjusted EBIT margin rate increased by 1.3%pts to 22.9%, whereas Adjusted EBITDA margin rate increased by 1.7%pts to 28.0%. This reflects a rise in depreciation and amortisation (excluding acquisition amortisation) from £15.2m in FY23 to £17.4m in FY24, resulting from additional investment in operational facilities and technology development.

Reported PBT (£m)

£46.4m



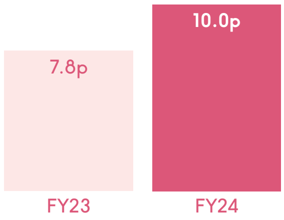
Reported profit before taxation increased by 32.9% as stronger Adjusted EBIT and lower Adjusting Items were partially offset by higher finance costs.

Net finance costs increased from £13.6m in FY23 to £19.9m in FY24 primarily due to higher SONIA and the accelerated amortisation of loan arrangement fees arising on the refinancing.

Adjusted PBT[1,2] increased by 5.0% to £58.2m. Adjusting Items[2] were lower in FY24 as there were no M&A transaction fees and the cost of only the final tranche of the pre-IPO award.

Basic earnings per share (p)

10.0p

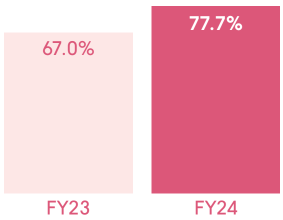


Basic EPS increased by 28.2% from 7.8p in FY23 to 10.0p in FY24, reflecting higher Reported PBT.

Adjusted basic EPS[1,2] decreased by 3.1% from 13.1p in FY23 to 12.7p in FY24. Prior year Adjusting Items included transaction costs relating to the Experiences acquisition and a full year charge for the first tranche of the pre-IPO award which vested in June 2023.

Operating cash conversion[1] (%)

77.7%

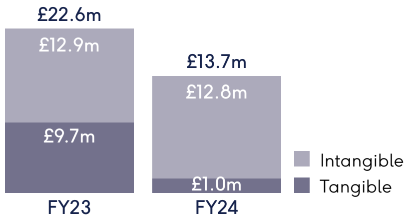


The Group generated an operating cash inflow of £74.2m in FY24, compared to £56.2m in FY23.

Adjusted Operating Cash Conversion increased from 67.0% in FY23 to 77.7% in FY24, predominantly driven by a rise in Adjusted EBITDA from £84.2m in FY23 to £95.5m in FY24 and by the reduction in capital expenditure.

Capital expenditure (£m)

£13.7m

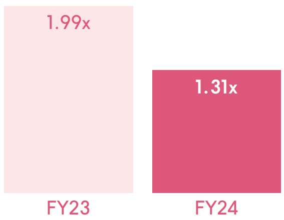


Capital expenditure comprises acquired tangible fixed assets and internally generated intangible assets. It excludes IFRS16 right-of-use assets.

Tangible capital expenditure decreased from £9.7m to £1.0m reflecting one-time spend in the prior year to fit out new operational facilities. Intangible capital expenditure remained broadly consistent at £12.8m in FY24.

Net debt to Adjusted EBITDA[1] (Ratio)

1.31x



Net debt to Adjusted EBITDA decreased from 1.99x at 30 April 2023 to 1.31x at 30 April 2024, reflecting the Group's strong operating cash flow.

In February 2024, the Group agreed a new four-year, committed, multi-currency RCF of £180m with a syndicate of banks. The Group's previous £175m term loan and £80m revolving credit facilities have been fully repaid and cancelled.

1 Adjusted EBITDA margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted PBT, Adjusted PBT margin, Adjusted EPS, net debt, net debt to Adjusted EBITDA and Operating Cash Conversion are Alternative Performance Measures. Refer to pages 174 to 175.

2 Prior year Alternative Performance Measures have been restated to classify acquisition amortisation as an Adjusting Item. Refer to pages 174 to 175.

3 In addition to the above, specific environmental and employee KPIs are set out in the Sustainability section on pages 24 to 25.

Chief Financial Officer's review

We have delivered a return to revenue growth, increased profitability and strong cash generation.

Overview

The Group delivered consolidated revenue growth at 6.6% in FY24, underpinned by revenue at the Moonpig brand, which grew year-on-year at 8.2% and by the consolidation of a full year of trading at Experiences.

Alongside positive and strengthening Group revenue growth, we have continued to focus on profitability, raising Adjusted EBIT margin rate to 22.9% (FY23: 21.6%) through a combination of gross margin rate improvement and disciplined control of indirect costs. Our low-inventory strategy means that profit margins are not exposed to significant stock-related risks.

The Group has amended its definition of Adjusting Items such that amortisation of intangible assets arising on business combinations (acquisition amortisation) is now treated as an Adjusting Item.

The change has been made in response to investor feedback that it would bring the Group's approach into closer alignment with majority market practice and result in the reporting of Alternative Performance Measures that are more readily comparable with those of other listed businesses. As a result, current year and prior year Adjusted EBIT, Adjusted profit before taxation and Adjusted EPS are stated excluding acquisition amortisation of £8.3m (FY23: £7.5m).

The Group remains strongly cash generative, with operating cash inflows of £74.2m in FY24, compared to £56.2m in FY23. Net debt to Adjusted EBITDA decreased from 1.99x at 30 April 2023 to 1.31x at 30 April 2024. In February 2024, the Group agreed a new four-year, committed, multi-currency revolving credit facility ("RCF") of £180m with a syndicate of banks. The Group's previous £175m term loan and £80m revolving credit facilities have been fully repaid and cancelled. The RCF is fully available for general corporate purposes.

Financial performance – Group

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Revenue (£m)	341.1	320.1	6.6%
Gross profit (£m)	202.5	179.7	12.7%
Gross margin (%)	59.4%	56.1%	3.3%pts
Adjusted EBITDA (£m)[1]	95.5	84.2	13.5%
Adjusted EBITDA margin (%)[1]	28.0%	26.3%	1.7%pts
Adjusted EBIT (£)[2]	78.1	69.0	13.2%
Adjusted EBIT margin (%)[2]	22.9%	21.6%	1.3%pts
Reported profit before taxation (£m)	46.4	34.9	32.9%
Adjusted profit before taxation (£m)[2]	58.2	55.4	5.0%
Earnings per share – basic (pence)	10.0	7.8	28.2%
Earnings per share – diluted (pence)	9.6	7.7	24.7%
Net debt (£m)[3]	(125.1)	(167.7)	25.4%

1 Before Adjusting Items of £3.5m in FY24 and £13.1m in FY23. See Adjusting Items at Note 6 and definition of Alternative Performance Measures at page 174.

2 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 year and prior year. See Adjusting Items at Note 6 and definition of Alternative Performance Measures at page 174.

3 Net debt is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents.

The Group delivered revenue of £341.1m in FY24, representing year-on-year growth of 6.6% on a consolidated basis. This reflects the inclusion of a full year of Experiences revenue in FY24, which would have contributed an additional £6.3m of prior year revenue if owned throughout FY23. Pro forma revenue growth was 4.5%, underpinned by the Moonpig brand.

Gross margin rate strengthened by 3.3%pts year-on-year reflecting the benefits from insourcing fulfilment in the UK, the full year impact of changes to card prices and shipping prices for gifts and the mix impact of a full year of trading at Experiences. Combined with continued disciplined control of indirect costs, this enabled the Group to deliver increases in Adjusted EBITDA margin to 28.0% (FY23: 26.3%) and Adjusted EBIT margin to 22.9% (FY23: 21.6%).

FY24 revenue and Adjusted EBIT include a mid-single-digit millions uplift from temporarily higher breakage on gift boxes (primarily distributed through high street retail partners) and individual experience vouchers that were 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.

Reported profit before taxation increased by 32.9% to £46.4m (FY23: £34.9m), as a lower charge for Adjusting Items was offset in part by higher depreciation and amortisation and higher finance costs. Net finance costs increased from £13.6m in FY23 to £19.9m in FY24, primarily reflecting higher SONIA charges on the unhedged element of borrowings, the accelerated amortisation of loan arrangement fees arising on refinancing and the imputation of interest on the Experiences merchant liability balance. Adjusted profit before taxation increased year-on-year by 5.0% to £58.2m. Adjusting Items were lower in FY24 as there were no M&A transaction fees and the cost of only the final tranche of the pre-IPO award which vested on 30 April 2024.

Net debt is a non-GAAP measure and is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents. Group net debt as at 30 April 2024 was £125.1m (30 April 2023: £167.7m), resulting in a ratio of net debt to Adjusted EBITDA of 1.31x (30 April 2023: 1.99x). Net debt excluding lease liabilities was £108.8m (30 April 2023: £148.1m).

Revenue

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig and Greetz orders (m)	33.9	33.8	0.1%
Moonpig and Greetz average order value (£ per order)	8.6	8.2	5.1%
Moonpig and Greetz revenue (£m)	292.5	278.5	5.0%
Moonpig revenue (£m)	241.3	223.1	8.2%
Greetz revenue (£m)	51.2	55.4	(7.5%)
Moonpig and Greetz revenue (£m)	292.5	278.5	5.0%
Experiences revenue (£m)	48.6	41.6	16.8%
Group revenue (£m)	341.1	320.1	6.6%

Chief Financial Officer's review continued

Moonpig and Greetz orders were flat year-on-year for full year FY24. However, there has been a positive trend in performance, with new technology features delivering volume growth in the second half of the year. Orders decreased by 14.9% in full year FY23, decreased by 5.1% in H1 FY24 and increased by 5.2% in H2 FY24. The key driver of orders growth in H2 FY24 was the strong performance of existing customer cohorts at Moonpig, reflecting initiatives including Moonpig Plus subscriptions. New customer orders at Moonpig decreased year-on-year but with an improving trajectory, reaching flat year-on-year in the final quarter. Greetz order performance also improved although the exit run-rate was not yet in growth.

Average order value at Moonpig and Greetz increased by 5.1% year-on-year, reflecting the full annual impact of card price increases implemented at the end of H1 FY23, stamp price increases and subscription membership fee income.

This was reflected in the strengthening of Moonpig revenue, which increased by 8.2% across the full year and 11.0% in H2 FY24, underpinned by orders growth in the second half. However this includes annualisation against prior year disruption from industrial action at Royal Mail, excluding which, growth would have been at a high single digit rate.

The revenue trajectory at Greetz has continued to improve with year-on-year revenue declines abating to 5.3% in H2 FY24 from 9.8% in H1 FY24 and 20.4% in FY23. This reflects organisational changes that have enabled Greetz to better leverage Group capabilities, the roll-out of new technology features such as audio and video messaging for Dutch customers, a sharper brand marketing focus on the differentiated features of Greetz cards and encouraging customer adoption of functionality that drive lifetime value such as Greetz Plus subscription membership and the Greetz app. Trading across the last two years has been impacted by the migration of Greetz onto our unified technology platform, which features a clearly card-first online customer journey and has therefore led to the foregoing of standalone gifting revenue, which is not core to our strategy; however, the resulting card-first business is now positioned for growth in FY25.

Trading at Red Letter Days and Buyagift has been resilient, in the context of its higher average selling price and the more discretionary nature of its gifting offering. We continue to make good progress with strategic delivery, including the technology re-platforming of Red Letter Days and Buyagift and launch of same-day gifting on Moonpig by combining e-cards with digital gift experiences. Experiences revenue totalled £48.6m, which represents an increase of 1.5% relative to full-year revenue for FY23 of £47.9m (stated pro forma to include the period prior to acquisition). Pro forma revenue would have decreased year-on-year if not for the mid-single-digit million upside from temporarily higher breakage on gift boxes and vouchers that were sold during Covid with extended expiry dates; these expiry dates have now passed, so this benefit is not expected to recur in future years.

Breakage is revenue earned in respect of vouchers that expire without being redeemed. When a voucher is purchased, the expected value of future amounts that will become payable to merchant providers is recorded within trade and other payables on the consolidated balance sheet. The Group considers historical redemption rates when estimating future payments to merchant providers and estimates are trued up for actual customer redemption rates. For cohorts of vouchers where non-redemption exceeds the expected rate, the Group recognises revenue from the additional unredeemed vouchers and derecognises the accrued merchant payable once its legal obligations to the merchants expire.

Gifting mix of revenue

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig and Greetz cards revenue (£m)	**172.0**	157.7	9.1%
Moonpig and Greetz attached gifting revenue (£m)	**110.8**	109.4	1.3%
Moonpig and Greetz standalone gifting revenue (£m)	**9.7**	11.4	(14.8)%
Moonpig and Greetz revenue (£m)	**292.5**	278.5	5.0%
Experiences gifting revenue (£m)	**48.6**	41.6	16.8%
Group revenue (£m)	**341.1**	320.1	6.6%
Moonpig/Greetz total gifting revenue (£m)	**120.5**	120.8	(0.2)%
Moonpig/Greetz gifting revenue mix (%)	**41.2%**	43.4%	(2.2)%pts
Group gifting mix of revenue (%)	**49.6%**	50.7%	(1.1)%pts

Gifting mix of revenue remained broadly flat at 49.6% (FY23: 50.7%), reflecting a full year of consolidated revenue at Experiences. Excluding the Experiences segment, gifting revenue mix decreased from 43.4% in FY23 to 41.2% in FY24. This primarily reflected the full year impact of greeting card price increases implemented during the prior year. Gift attachment rate was stable notwithstanding the more challenging market environment for gifting. Standalone gifting revenue decreased by 14.8% year-on-year, however this is not an area of focus as our strategy at Moonpig and Greetz is to drive growth in cards and attached gifting.

Gross margin rate

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig gross margin (%)	55.2%	51.8%	3.4%pts
Greetz gross margin (%)	47.1%	46.8%	0.3%pts
Moonpig and Greetz gross margin (%)	53.8%	50.8%	3.0%pts
Experiences gross margin (%)	92.9%	92.0%	0.9%pts
Group gross margin (%)	59.4%	56.1%	3.3%pts

Management has maintained its focus on margin rate improvement, increasing the Group's gross margin rate to 59.4% (FY23: 56.1%). This primarily reflects a 3.4%pts year-on-year improvement in gross margin rate at Moonpig, which was driven by operational efficiencies in the UK delivered in the year after opening new operational facilities, and the full year impact of FY23 greeting card price increases.

Experiences gross margin rate remained relatively consistent year-on-year at 92.9% (FY23: 92.0%). The relatively high gross margin rate at Experiences reflects the nature of revenue recognised at this segment, which comprises agency commission earned from partners for the distribution of experiences, rather than gross transaction value. Cost of goods at the Experiences segment relates primarily to packaging and distribution for those orders where the consumer elects to pay for a physical gift box rather than digital delivery.

Adjusted EBITDA margin

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig Adjusted EBITDA margin (%)	30.1%	26.8%	3.3%pts
Greetz Adjusted EBITDA margin (%)	15.3%	20.3%	(5.0)%pts
Moonpig and Greetz Adjusted EBITDA margin (%)	27.5%	25.5%	2.0%pts
Experiences Adjusted EBITDA margin (%)	30.9%	31.4%	(0.5)%pts
Group Adjusted EBITDA margin (%)	28.0%	26.3%	1.7%pts

Adjusted EBITDA margin rate at Moonpig increased by 3.3%pts, reflecting pass-through of the higher gross margin rate. The reduction in Adjusted EBITDA margin rate at Greetz reflects the operational leverage impact of lower revenue. Across both businesses, we have applied disciplined management of indirect costs.

Adjusted EBITDA margin at Experiences was 30.9%, which is comparable to a pro forma Adjusted EBITDA margin rate of 29.2% for FY23 (stated as though the business had been owned throughout the year). The reported prior year Adjusted EBITDA margin rate of 31.4% relates to only part of the year and is therefore impacted by the seasonality of trading, which is typically lower in the pre-acquisition months that were excluded from consolidation.

Adjusted EBIT margin

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig Adjusted EBIT margin (%)	24.1%	21.5%	2.6%pts
Greetz Adjusted EBIT margin (%)	11.6%	16.6%	(5.0)%pts
Moonpig and Greetz Adjusted EBIT margin (%)	21.9%	20.6%	1.3%pts
Experiences Adjusted EBIT margin (%)%	28.7%	28.3%	0.4%pts
Adjusted EBIT margin (%)	22.9%	21.6%	1.3%pts

Adjusted EBIT increased year-on-year by 13.2% to £78.1m reflecting revenue growth and the pass through of higher gross margin rates. Adjusted EBIT margin rate increased year-on-year by 1.3%pts to 22.9%, whereas Adjusted EBITDA margin rate increased by 1.7%pts to 28.0%. This reflects an increase in depreciation and amortisation (excluding acquisition amortisation) from £15.2m in FY23 to £17.4m in FY24, resulting from additional investment in operational facilities and technology development. There has been no change in the Group's accounting policies or practices relating to the capitalisation of costs as internally generated intangible assets. We continue to amortise internally generated intangible assets over a relatively short useful life of three years.

Chief Financial Officer's review continued

Profit before taxation

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Adjusted EBIT (£m)[1]	**78.1**	69.0	13.2%
Net finance costs (£m)	**(19.9)**	(13.6)	(46.7)%
Adjusted profit before taxation (£m)	**58.2**	55.4	5.0%
Adjusting Items (£m)	**(11.8)**	(20.6)	42.6%
Reported profit before taxation (£m)	**46.4**	34.9	32.9%

1 Adjusted EBIT for both FY24 and FY23 excludes acquisition amortisation following a change in the definition of Adjusting Items. The impact of this change on Adjusted EBIT is set out in the Alternative Performance Measures section at page 174.

Reported profit before taxation increased by 32.9% to £46.4m (FY23: £34.9m), as stronger operating profit and a lower charge for Adjusting Items were only partially offset by higher net finance costs.

Net finance costs increased from £13.6m in FY23 to £19.9m in FY24:

- Interest on bank borrowings increased from £11.6m in FY23 to £12.3m in FY24. The impact of a higher reference rate on the unhedged element of the Group's interest rate exposure was offset in part by lower draw-down of the Group's revolving credit facilities.
- Amortisation of fees increased from £2.0m in FY23 to £5.0m in FY24, reflecting a non-cash interest charge of £3.1m in FY24 for the accelerated amortisation of loan arrangement fees arising on refinancing (which would otherwise have been recognised in FY25 and FY26).
- There was an additional £1.6m relating to imputation of interest on the Experiences merchant liability balance, which we treat as a financial liability and discount to present value in accordance with IFRS 9.
- Interest on lease liabilities remained unchanged year-on-year at £0.9m.
- There was a £1.3m year-on-year movement in the monetary foreign exchange impact of Euro-denominated intercompany loan balances. The Group recognised a £0.4m loss (FY23: £0.9m gain), with the corresponding intercompany gain recognised in other comprehensive income in accordance with IAS 21.

Adjusted profit before taxation increased year-on-year by 5.0% to £58.2m. Adjusting Items were lower in FY24 as there were no M&A transaction fees and the cost of the pre-IPO award related only to the final tranche following vesting of the first tranche in June 2023.

Taxation

The taxation charge of £12.2m (FY23: £8.3m) represents an effective taxation rate of 26.4% (FY23: 23.8%). This exceeded the prevailing rates of corporation tax of 25.0% in the UK and 25.8% in the Netherlands primarily because of the impact of the Group's share schemes. Expressed as a percentage of Adjusted profit before taxation, the effective tax rate was 25.1% (FY23: 19.9%).

Earnings Per Share ("EPS")

Basic EPS for FY24 was 10.0p (FY23: 7.8p) and Adjusted Basic EPS, which is stated before Adjusting Items was 12.7p (FY23: 13.1p). After accounting for the effect of employee share arrangements, diluted earnings per share was 9.6p (FY23: 7.7p).

The calculation of basic EPS is based on the weighted average number of ordinary shares outstanding during FY24 of 343,093,868 (FY23: 340,061,402), which includes the issue of 1,198,394 shares to employees following vesting of the first tranche of the pre-IPO award and in relation to the DSBP where shares have been awarded to good leavers.

Throughout FY23, total issued share capital was 342,111,621, however 3,075,329 shares issued to employees prior to the IPO remained subject to recall within a two-year period if employment conditions were not met. These shares were excluded from the relevant portion of FY23 in accordance with paragraph 24 of IAS 33 on the basis that they were contingently returnable. The employment condition fell away in January 2023 therefore these shares are included in the number of ordinary shares outstanding throughout FY24.

Alternative Performance Measures

The Group has identified certain Alternative Performance Measures ("APMs") that it believes provide additional useful information on the performance of the Group. These APMs are not defined within IFRS and are not intended to substitute or be considered as superior to IFRS measures. Furthermore, these APMs may not necessarily be comparable to similarly titled measures used by other companies. The Group's Directors and management use these APMs in conjunction with IFRS measures when budgeting, planning and reviewing business performance. Executive management bonus targets for FY25 include an Adjusted EBIT measure (FY24: Adjusted EBITDA) and long-term incentive plans include an Adjusted Basic Pre-Tax Earnings Per Share ("EPS") measure.

	Year ended 30 April 2024			Year ended 30 April 2023		
	Adjusted Measures[1]	Adjusting Items[1]	IFRS Measures	Adjusted Measures[1,2]	Adjusting Items[1,2]	IFRS Measures
EBITDA (£m)	95.5	(3.5)	92.0	84.2	(13.1)	71.1
Depreciation and amortisation (£m)	(17.4)	(8.3)	(25.7)	(15.2)	(7.5)	(22.7)
EBIT (£m)	78.1	(11.8)	66.3	69.0	(20.6)	48.5
Finance costs (£m)	(19.9)	–	(19.9)	(13.6)	–	(13.6)
Profit before taxation (£m)	58.2	(11.8)	46.4	55.4	(20.6)	34.9
Taxation (£m)	(14.6)	2.4	(12.2)	(11.0)	2.7	(8.3)
Profit after taxation (£m)	43.6	(9.4)	34.2	44.4	(17.9)	26.6
Basic earnings per share (pence)	12.7p	(2.7)p	10.0p	13.1p	(5.3)p	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%

1 See Adjusting Items at Note 6 and Alternative Performance Measures at page 174.

2 The Group has amended its definition of Adjusting Items, which now include acquisition amortisation in both the current and prior year.

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.

The definitions for the adjusted measures in the table are as follows:

- Adjusted profit after taxation is profit after taxation and before Adjusting Items.
- Adjusted profit before taxation is profit before taxation and Adjusting Items. Adjusted PBT margin is Adjusted profit before taxation divided by total revenue.
- Adjusted EBIT is profit before taxation, interest and Adjusting Items. Adjusted EBIT margin is Adjusted EBIT divided by total revenue.
- Adjusted EBITDA is profit before taxation, interest, depreciation, amortisation and Adjusting Items. Adjusted EBITDA margin is Adjusted EBITDA divided by total revenue.

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

Adjusting Items comprise:

- Pre-IPO incentive scheme costs, consisting of £1.1m (FY23: £5.4m) share-based payment charges and £2.4m (FY23: £3.3m) cash bonus awards. These relate to one-off compensation arrangements, which have now fully vested, granted prior to IPO and set out in the Prospectus. The Group treats these costs as Adjusting Items as they relate to one-off awards implemented whilst the Group was under private equity ownership and are not part of the Group's ongoing remuneration arrangements.
- M&A-related transaction costs of £nil (FY23: £4.4m). The prior year costs comprise advisers' fees, stamp duty and other costs directly relating to the acquisition of Experiences. The Group treats these costs as Adjusting Items as they are not part of normal business operations.
- Acquisition amortisation of £8.3m (FY23: £7.5m). For FY24, the Group has changed its definition of Adjusting Items to include acquisition amortisation. The change means that the Group now reports Alternative Performance Measures on a basis that is more readily comparable with other listed businesses. Adjusted taxation includes the deferred taxation impact of acquisition amortisation.

Chief Financial Officer's review continued

The impact of changing the definition of Adjusting Items to include acquisition amortisation is summarised below.

	Revised Definition			Previous Definition		
	FY24	FY23	Year-on-year %	FY24	FY23	Year-on-year %
Revenue (£m)	341.1	320.1	6.6%	341.1	320.1	6.6%
Adjusted EBITDA (£m)	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 (£m)	78.1	69.0	13.2%	69.8	61.5	13.5%
Net finance costs (£m)	(19.9)	(13.6)	(46.7)%	(19.9)	(13.6)	(46.7)%
Adjusted profit before taxation (£m)	58.2	55.4	5.0%	49.9	48.0	4.2%
Adjusted taxation (£m)	(14.6)	(11.0)	(36.8)%	(12.5)	(10.1)	(28.7)%
Adjusted profit after taxation (£m)	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

Determining which items should be classified as Adjusting Items involves the exercise of judgement. We do not classify the following as Adjusting Items on the basis that they are recurring costs associated with delivery of financial performance. However, we have observed that certain users of our accounts adopt a different approach in their own financial modelling and have therefore provided the information below to assist these users:

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

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

Net debt

Net debt decreased during the period, from £167.7m at 30 April 2023 to £125.1m as at 30 April 2024. Net leverage improved to 1.31x (30 April 2023: 1.99x). Net debt is a non-GAAP measure and is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents.

	As at 30 April 2024 £m	As at 30 April 2023 £m
Borrowings[1]	(118.4)	(170.5)
Cash and cash equivalents	9.6	22.4
Borrowings less cash and cash equivalents	(108.8)	(148.2)
Lease liabilities	(16.3)	(19.5)
Net debt	(125.1)	(167.7)
Last twelve months Adjusted EBITDA	95.5	84.2
Net debt to last twelve months' Adjusted EBITDA	1.31:1	1.99:1
Committed debt facilities (£m)	180.0	255.0

1 Borrowings are stated net of capitalised loan arrangement fees and hedging instrument fees of £2.7m as at 30 April 2024 (30 April 2023: £4.6m).

In February 2024, the Group agreed a new four-year, committed, multi-currency revolving credit facility ("RCF") of £180m with a syndicate of banks. The Group's previous £175m term loan and £80m revolving credit facilities have been fully repaid and cancelled. The RCF is fully available for general corporate purposes.

The RCF has an initial maturity date of 29 February 2028 with an option to extend by one year, subject to lender approval. Borrowings are subject to interest at a margin over the relevant currency reference interest rate dependent on net leverage, with margins of between 2.00%-2.50% at net leverage levels of 1.0x-2.0x. The facility covenants are tested semi-annually and comprise a maximum ratio of net debt to Adjusted EBITDA of 3.5x until 30 April 2025 and 3.0x thereafter and a minimum Adjusted EBITDA interest cover ratio of 3.5x for the term of the facility. For FY24 the actual interest cover was 7.5x calculated as 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.

The Group's interest rate hedging arrangements now comprise an interest rate cap in place with a cap strike rate of 3.00% on £70m notional until 30 November 2024 and a new cap, put in place during the current financial year, of 5.00% on £50m notional from this date until 1 June 2025 and £35m until 30 November 2025. This follows the expiry of an interest rate swap (a rate of 2.4725% on £90m notional) on 30 November 2023.

Cash flow

Cash generated from operations was £85.3m (FY23: £57.9m):

- There was a cash inflow from lower inventory of £5.2m (FY23: £0.8m outflow) driven through more efficient stock management. Net inventory at 30 April 2024 was £7.1m (FY23: £12.3m).
- Trade and other receivables remained broadly unchanged year-on-year, with a net inflow of £0.3m (FY23: £5.3m). The prior year inflow includes the collection of a £3.2m receivable balance in the Experiences opening balance sheet at acquisition, consisting of funds placed in escrow to settle deferred legacy incentive obligations.
- There was a cash outflow from trade and other payables of £16.2m (FY23: £25.3m). This reflects lower trade creditors and a reduction in the Experiences merchant accrual, including the impact of additional breakage on vouchers sold during Covid with extended expiry dates. The prior year outflow includes the impact of the one-off settlement in FY23 of £13.5m of legacy incentive obligations associated with the acquisition, which were fully provided for in the opening balance sheet.
- Capital expenditure decreased year-on-year to £13.7m (FY23: £22.6m) reflecting one-time expenditure on plant and equipment in the prior year to fit out new operational facilities in both the UK and the Netherlands.

Within trade and other payables as at 30 April 2023, we have reclassified £2.3m from merchant accrual to other taxation and social security. As such, merchant accrual balances of £45.3m as at 30 April 2024 and £53.5m as at 30 April 2023 are stated excluding the corresponding VAT.

Chief Financial Officer's review continued

Adjusted Operating Cash Conversion

The Group is strongly cash generative, with operating cash inflows of £74.2m (FY23: £56.2m) representing Adjusted Operating Cash Conversion of 78% (FY23: 67%). The increase in Operating Cash Conversion reflects prior year one-time capital expenditure on new operational facilities in both the UK and the Netherlands.

	Year ended 30 April 2024	Year ended 30 April 2023[4]
Profit before taxation	**46.4**	34.9
Add back: Finance costs	**19.9**	13.6
Add back: Adjusting Items (excluding share-based payments)[1]	**10.7**	15.1
Add back: Adjusting Items - Share-based payments	**1.1**	5.4
Add back: Depreciation and amortisation (excluding acquisition amortisation)[1]	**17.4**	15.2
Adjusted EBITDA	**95.5**	84.2
Less: Capital expenditure (fixed and intangible assets)	**(13.7)**	(22.6)
Adjust: Impact of share-based payments[2]	**3.1**	1.9
Add back: Decrease/(increase) in inventories[3]	**5.2**	(0.8)
Add back: Increase in trade and other receivables[3]	**0.3**	5.3
Add back: (Decrease) in trade and other payables[3]	**(16.2)**	(11.8)
Operating cash flow[4]	**74.2**	56.2
Adjusted Operating Cash Conversion	**78%**	67%
Add back: Capital expenditure	**13.7**	22.6
Add back: Loss on disposal and right of use asset impairment	**0.2**	0.5
Add back: (Decrease)/increase in debtors and creditors with undertakings formerly under common control	**–**	0.3
Less: Adjusting Items (excluding share-based payments and amortisation)	**(2.4)**	(7.7)
Less: Research and development tax credit	**(0.4)**	(0.4)
Cash generated from underlying operations	**85.3**	71.5
Settlement of M&A related employee bonuses at Experiences[4]	**–**	(13.5)
Cash generated from / (used in) operations	**85.3**	57.9

1 The prior year Adjusting Items (excluding share-based payments) and Depreciation and Amortisation numbers have been restated to reflect the classification of acquisition amortisation as an Adjusting Item.

2 Comprises: (1) the add-back of non-cash share-based payment charges of £2.6m (FY23: £2.2m) relating to operation of post-IPO Remuneration Policy, which are not classified as an Adjusting Item; offset by (2) the cash impact of employer's national insurance of £0.2m (FY23: £0.3m) arising on pre-IPO share-based payment charges, which are classified as an Adjusting Item (Refer to Note 6). In FY24 the charge was offset by a release of £0.7m in relation to a true up of NI at year end to reflect the share price at the vesting date of the pre-IPO share awards.

3 Working capital movements for the year ended 30 April 2023 have been adjusted for the opening balances arising upon acquisition of Experiences.

4 Operating cash flow excludes settlement of legacy incentive obligations in FY23 associated with the acquisition, which were fully provided for in the opening balance sheet.

Operating cash flow and Adjusted Operating Cash Conversion are non-GAAP measures. Adjusted Operating Cash Conversion is defined as operating cash flow divided by Adjusted EBITDA, expressed as a ratio. Adjusted Operating Cash Conversion informs management and investors about the cash operating cycle of the business and how efficiently operating profit is converted into cash.

Capital allocation

We remain disciplined in our approach to allocation of capital[1] and continue to prioritise organic investment to drive growth, including investment in technology and marketing. Future investments may extend to new geographical markets, contingent upon achieving optimal customer acquisition costs and confidence in customer lifetime value. We will also selectively consider value-accretive M&A opportunities, maintaining a high threshold for strategic and financial returns.

Over the past two financial years, we have also focused on balance sheet 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 net leverage 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.

We will continue to prioritise investment to drive the execution of our growth strategy. 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.

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 revenue, profit and free cash flow, driven by our continued focus on data and technology. With respect to the medium-term, we are targeting double digit percentage annual revenue growth, an Adjusted EBITDA margin rate of approximately 25% to 26% and growth in Adjusted earnings per share at a mid-teens percentage rate.

Technical guidance

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 forwards. 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.
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 expected issue of 1,413,971 shares, both arising in Q1 FY25.

Andy MacKinnon

Chief Financial Officer
26 June 2024

Risk management

The Group's risk appetite is an expression of the amount and type of risks that it is willing to take to achieve its strategic objectives. The Group operates to a set of Board-approved risk appetite principles, which enable consistent, informed decision making that is aligned with strategy, define the risk culture that flows through the Group and support corporate governance by setting clear boundaries for risk taking.

The Group's risk management and internal control framework provides the Board with assurance that risks are being appropriately identified and managed in line with its risk appetite. The Board has collective responsibility for risk management and the Board does not have a separate risk committee.

We recognise both that excessive risk-taking could threaten our long-term success and that some level of risk is inherent or necessary to drive growth and value creation. The Group's risk management framework is therefore designed to manage, rather than eliminate, the risk of not meeting business objectives, providing reasonable rather than absolute protection.

Board

- Overall responsibility for the Group's risk management and internal control framework.
- Determines the Group's risk appetite.
- Determines the Group's culture.
- Approves the risk register (and the sustainability risk register) taking account of advice from the Audit Committee.

Audit Committee

- Assists the Board in reviewing the effectiveness of the risk management internal control framework.
- Advises the Board on risk appetite, tolerance and strategy and on principal and emerging risks.
- Agrees the scope of the internal audit and external audit functions and reviews their work.
- Advises the Board on the identification and assessment of sustainability risks.

First Line: Executive Committee

- Operational management has primary day-to-day responsibility for risk management.
- Ensures that risk management is an integral part of implementing the strategic objectives.
- Ensures that the Group operates within the set risk appetite and tolerances.
- Supported by and contributes to internal risk management systems and processes.

Second Line: Oversight functions

- Operational management has primary day-to-day responsibility for risk management.
- Ensures that risk management is an integral part of implementing the strategic objectives.
- Ensures that the Group operates within the set risk appetite and tolerances.
- Supported by and contributes to internal risk management systems and processes.

Third Line: Independent assurance

- Provides independent assurance that risk is being appropriately managed.
- The internal audit programme is outsourced to KPMG LLP with its annual review plan aligned to identified risks.

Risk management process

- Twice-annual assessment of the Group's principal and emerging risks and the effectiveness of risk mitigations.
- Sustainability risk management is assessed as part of the Group's overall risk management framework.

Risk management process

Effective risk management is key in enabling the Group to achieve its strategic objectives and maintain long-term growth. The Group follows a five-step process to identify, monitor and manage risks. Management of sustainability risks is performed as part of this overall risk management process. Identified risks and mitigations are captured in a risk register:

1 Establish strategy

The Board approves the Group's strategy annually, which serves as the basis for the Group's risk identification process, enabling a focus on risks that could impact the achievement of strategic objectives.

2 Identify risks

A top-down and bottom-up approach is used to identify the principal and emerging risks facing the Group. The detailed work is performed by management and approved by the Board, taking account of advice from the Audit Committee.

3 Evaluate risks

Risks are evaluated based on the likelihood of occurrence over the next three years and their potential impact from a financial, reputational, compliance, ethical and safety perspective if they were to crystallise. Risks are categorised and rated based on the aggregate impact of these two parameters.

4 Manage and mitigate risks

Management identifies mitigating actions for each risk, based on an assessment of the effectiveness of the existing control environment. The control environment is reviewed and changes implemented when necessary.

5 Monitor and review

On an ongoing basis, management monitors risks and mitigations, which are captured in the risk register. The Executive Committee is assisted in this monitoring process by the Group's internal audit programme, which is outsourced to KPMG LLP. The Board has most recently approved the risk register at Board meetings in June 2023, November 2023 and June 2024, with particular focus on the principal risks identified.

Effectiveness of risk management and internal control

The Audit Committee supported the Board to complete its annual review of the effectiveness of the Group's risk management and internal control framework in March 2024. The Audit Committee report (page 86 onwards) summarises the work carried out as part of this review as well as the activities performed by the Audit Committee to monitor the framework throughout the year.

During FY24, the Group undertook various initiatives to progress its management of risk, some of which are outlined below:

- Migration of Experiences onto the Group's finance and payments systems.
- Establishment of a single financial operations team that is responsible for processing transactions relating to all of the Group's segments.
- Revision of the Group's treasury policy to set out a more structured framework for the operationalisation of interest rate and foreign currency hedging.
- Implementation of internal audit recommendations relating to inventory management, technology security and a cross-functional "health check" review of key internal controls at Experiences.
- Creation of a sustainability risk management process, encompassing existing climate risk management procedures.
- Ongoing work relating to the implementation of new systems that are expected to commence operation in FY25, including systems for financial planning and forecasting, for the preparation of external financial reporting, for contract management, for UK demand planning and for warehouse management in the UK.

Risk management continued

Emerging risks

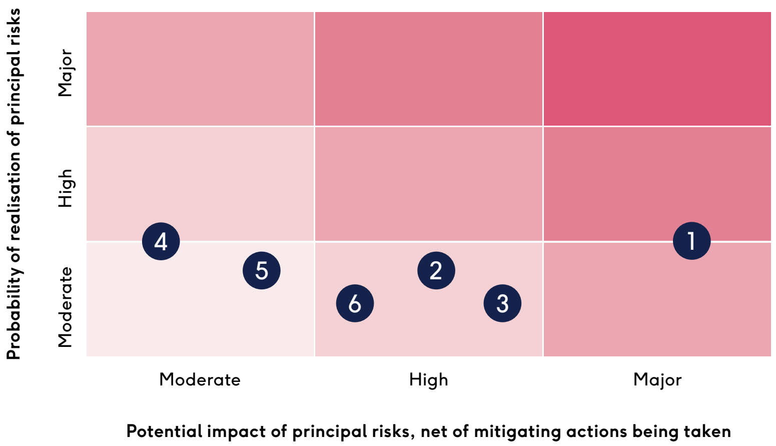
Emerging risks are new or changing risks, for which likelihood and impact are uncertain or unknown, which we believe are not immediate but which may represent a significant future threat. Horizon scanning for emerging risks is performed as an integral part of the risk management process, with input from risk owners across the business, with review by the Executive Committee and approval by the Board, taking account of advice from the Audit Committee. Examples of emerging risks that we continue to monitor include:

- The pace of technological change with regards to Artificial Intelligence. Our current assessment it that this presents significant opportunities, however we remain vigilant with respect to future developments that might impact either customer behaviour or competitive dynamics.
- The possibility that physical greeting cards might become less culturally relevant in the markets where the Group operates. There is no evidence of this currently, either for consumers generally or for any age cohort. We have seen no evidence of generational shifts in behaviour, and consumers see digital alternatives (such as video or voice messages and e-cards) as complementary rather than substitutional.

In addition, whilst the risk of changes to postal services is one of the Group's principal risks, we also monitor changes in risk relating to this topic, for instance in connection with the UK regulator Ofcom's 2024 consultation on the design of the universal postal service.

Principal risks and uncertainties

The Board has carried out a thorough assessment of the Group's emerging and principal risks, evaluating the probability and potential impact of each risk while considering any mitigating actions that were being implemented. As part of this assessment, the Board reviewed and adjusted risk levels as necessary to reflect its current understanding of the significance of each risk.



Key

1. Technology security and data protection
2. Consumer demand
3. Strategic delivery
4. Changes to the postal services
5. Brand strength and reputation
6. Disruption to operations

The Group's principal risks and uncertainties are set out below. When considering principal risks, the Board has regard for the Group's three-year viability assessment period, which aligns to its technology investment cycle. Additional risks and uncertainties for the Group, including those that are not currently known or are not considered material, may individually or cumulatively also have a material effect on the Group's business, results of operations and/or financial condition.

The Group's sustainability risks are set out on page 29. None of these risks are currently classified as a principal risk as none have been assessed as having a material impact on the Group's business model, strategy or the Directors' assessment of viability (as set out in the viability statement).

Key

Increasing Decreasing Stable

The Board has approved amendments of the Group's assessment of principal risks since the prior year. The risk in relation to leadership retention has been removed following approval of the 2023 Remuneration Policy at AGM. The risk in relation to input cost inflation has been removed as the Group has not seen significant input cost inflation; the Group continues to monitor this closely. Other risks have been amended as appropriate based on the output of risk management assessment.

Risk	Description	Management and mitigation	Developments in FY24	Risk trend[1]
1 **Technology security and data protection**	As a digital platform business, the Group requires its technology infrastructure to operate. Downtime of the Group's systems resulting from a technology security breach would cause an interruption to trading. Either a technology security breach or a failure to appropriately process and control the data that the Group's customers share (whether because of internal failures or a malicious attack by a third party), could result in reputational damage, loss of customers, loss of revenue and financial losses from litigation or regulatory action.	Page 66 summarises how the Group manages technology security and data protection risks using a Three Lines of Defence model. Whilst risk cannot be eliminated, the Board attaches a high level of importance to how our risk management framework operates in relation to technology security and data protection.	The Group's technology security team, which oversees Moonpig and Greetz, additionally assumed responsibility for Experiences during FY24. An FY24 internal audit review of key internal controls at Experiences identified no significant findings relating to data privacy. Internal audit performed a review of the technology security environment across the Group in FY24 and implementation of its recommendations is underway.	↔
2 **Consumer demand**	Should macroeconomic conditions worsen in future, this could impact demand and Group revenue.	The UK greeting card market has proven to be relatively resilient to recession. At Moonpig and Greetz, our approach is focused around acquiring loyal customer cohorts that drive recurring annual revenue, with 89% (FY23: 89%) of revenue at these segments from existing customers. Our business model is flexible, and we can respond rapidly to economic changes, for instance with respect to pricing, merchandise range and cost base.	The Group has not experienced any further deterioration in the economic environment during FY24. We have continued the development of new technology features that promote customer lifetime value, such as Moonpig Plus, Greetz Plus and card creativity features.	↓
3 **Strategic delivery**	The Group's strategy is focused on investment in technology and data to drive growth across each of our businesses. There is a risk that this strategy does not deliver growth in revenue and profit to the extent expected. Our strategy for Experiences is to transform it from an ecommerce marketing operation into a technology and data-led platform. As with any business acquisition, the delivery of plans carries a higher level of execution risk compared to segments that have been operated by the Group for some time.	The Group monitors return on investment for all technology development. The product, data and technology functions are managed to enable rapid redirection of resource towards those projects that most strongly contribute to revenue growth. Should our strategy not deliver growth in revenue to the extent expected, there is scope to flex investment accordingly.	The velocity of new product development on the Moonpig and Greetz technology platform has remained high across FY24. The re-platforming of Experiences has progressed in line with our expectations. Work to deliver revenue synergies from the Experiences acquisition is ongoing, with developments in FY24 including the launch of digital gift experiences with e-cards.	↔

Risk management continued

Risk	Description	Management and mitigation	Developments in FY24	Risk trend[1]
4 **Changes to the postal services**	Moonpig and Greetz use regulated postal services for the delivery for greeting cards sent by envelope post. Demand for single greeting cards could be impacted by changes to the frequency, reliability or affordability of postal delivery. In 2024, the UK regulator with responsibility for the universal postal service (Ofcom) carried out a consultation on the future of Royal Mail's universal service obligation. It is possible that Royal Mail could in future cease daily mail flights from Guernsey, where one of Moonpig's production facilities is based.	We maintain good relationships with postal service providers and there is regular, senior-level communication. We have engaged in Ofcom's "The Future of the Universal Postal Service" consultation. Our strategy is to grow attached gifting, which moves orders from envelope post to parcel courier delivery for which there are multiple providers. At Experiences, a significant proportion of orders are fulfilled digitally rather than physically. We are also innovating solutions for digital delivery at Moonpig and Greetz. Cessation of mail flights from Guernsey would not impact our ability to fulfil Moonpig greeting card orders.	A core part of our strategy is to grow the proportion of orders with a gift. Roughly one-in-six UK orders have a gift attached, which means that they are a parcel delivery through a courier network and hence would be unaffected by any changes. We have a growing database of 90m (April 2023: 84m) customer occasions reminders. We now send the first reminder to customers 14 days before each occasion, to encourage them to place card orders earlier. For recent peak trading periods we have operated an arrangement with Royal Mail to send cards through their Tracked 24 service (which is a different, separate network from the regular postal service) at an attractive consumer price point. In December 2023 we launched the ability to send an e-card with a digital gift experience, a proposition that effectively eliminates potential postal delays.	↔
5 **Brand strength and reputation**	The Group's continued success depends on the strength of its brands: Moonpig, Greetz, Red Letter Days and Buyagift. Any event that damages the Group's reputation or brands could adversely impact its business, results of operations, financial condition or prospects.	There is high consumer awareness of the Group's brands, which is maintained by ongoing investment in marketing. This is further strengthened by network effects from recipients receiving cards and gifts. Significant ongoing investment in technology, with innovations such as video and audio messages in greeting cards, helps to differentiate our brand from its online and offline competitors. Investment in data protection and technology security helps to protect the Group from the adverse impact of a data breach or cyber-attack.	The Group has continued to invest significantly in brand marketing throughout FY24. We have continued to invest significantly in technology, focusing on innovations that differentiate our brand from its online and offline competitors, such as audio messages, AI driven 'smart text' message recommendations, Moonpig Plus, Greetz Plus and testing the prototype Mooning for Business solution for SME business-to-employee greeting cards and gifts.	↔

Risk	Description	Management and mitigation	Developments in FY24	Risk trend[1]
6 **Disruption to operations**	Any disruption to in-house or third-party facilities within the Group's production and fulfilment network could have an adverse effect on trading. In the UK, there was service disruption at Royal Mail during FY23 due to industrial action. This could recur in future periods. The Group uses third-party suppliers for solutions on its platforms and any disruptions, outages or delays in these would affect the availability of, prevent or inhibit the ability of customers to access or complete purchases on its platforms.	We operate flexible fulfilment technology with application programming interface ("API") based data architecture which allows the addition of third-party suppliers to the production and fulfilment network with relative speed. The Group carries out due diligence on key suppliers at the onset of a relationship. This includes technology and data protection due diligence and checks on financial viability. Experiences offers digital voucher fulfilment, so could continue to trade in the event of disruption to its operations.	The Group continues to operate a multi-site approach to ensure UK operational resilience. The Group's facilities at Tamworth and Guernsey operate alongside the use of outsourced partners. In the Netherlands, we have a standby agreement with a third party that would provide card fabrication and gift fulfilment services in the event of significant disruption to our facility in Almere. Flowers are fulfilled by a single supplier in both the UK and the Netherlands, however there is partial substitutability of demand between flowers and other gifting product categories.	↔

1 This risk trend is based on the risk position in the current year compared to the previous year, as assessed at the June 2023 and June 2024 Board meeting.

Risk management continued

Technology security and data privacy

The Group operates a technology platform for gifting, with a strategy based upon utilising its unique data science capabilities to optimise and personalise customer experience. It processes significant volumes of data on customers' gifting intent and as such, technology and data security are key areas of risk management focus.

Risk management objectives	**Technology and information security** *The Group's risk management framework incorporates controls to protect its technology systems and the data contained therein from damage, unauthorised use and exploitation (and in addition to enable restoration where needed), with the purpose of maintaining their confidentiality, integrity and availability.*	**Protection of data privacy** *The Group's risk management framework incorporates controls to ensure that its collection and processing of personal data is compliant with UK privacy laws and with equivalent laws in territories where it has operations.*
First line of defence	The Group has in place a comprehensive set of policies covering all aspects of technology and information security. Security incident response processes are regularly reviewed and with ransomware specific technical playbooks. Multi-Factor Authentication ("MFA") is in place across the Group for admin/privileged application access and remote access to infrastructure. Network segmentation is in place, reducing the ability for an impacted instance to infect other instances. Endpoint Detection and Response ("EDR") tooling and anti-virus tooling are in place across all Group infrastructure. Strong perimeter defences (including Web Application Firewalls) are in place to protect public-facing infrastructure. Security scanning of developed code is automated and in place across the Group. The Group implements patching within 7 days for Critical or High vulnerabilities across the Group. In most cases patching occurs in under 3 days. The Group works closely with suppliers to ensure that they only receive and store the minimum data for the purposes required; security audits are performed to confirm these suppliers operate at a high standard to protect and manage data. Annual technology security training is mandatory for all employees and contractors.	Data protection policies are in place that embed each of the key principles set out in UK GDPR. Key data flows are mapped and captured in a Record of Processing Activities ("RoPA"). The Data Protection Office works closely with stakeholders to embed privacy by design. Data Protection Impact Assessments ("DPIAs") and other regulatory impact assessments are completed as appropriate for proposed new data processing activities. External and internal privacy policies are in place. The website privacy policies include clear and accessible mechanisms for data subjects to manage their data sharing preferences, raise concerns, or to request that their accounts be amended, rectified or erased. We are committed to notifying data subjects in a timely manner in case of policy changes or breach of privacy of their personal data. There are clear processes in place to manage data handling by suppliers through implementation of robust contractual arrangements. A data retention policy is in place. Annual data protection training is mandatory for all employees and contractors.
Second line of defence	The Technology Security Team performs regular security testing of the key platform and applications and reviews internal processes and capabilities. Quarterly health checks ensure that critical security tools are configured and operating appropriately. The Group subscribes to bug bounty schemes that reward friendly hackers who uncover security vulnerabilities. A technology security risk register is maintained and regularly reviewed. This feeds into the Group's overall risk register. Technology Security continues to follow industry standards, aligning to the UK's National Institute of Standards and Technology ("NIST") Cyber Security Framework and utilising threat intelligence feeds from both Government and Private Sector to ensure defensive measures are up to date and appropriate for a business of our nature and scale.	Oversight is provided by the Group Data Protection Office, which leads a cross-functional Data Protection Governance Committee to drive continuous improvement. A data protection risk register is maintained. This feeds into the Group's overall risk register. Documented procedures are in place for data protection incident management.
Third line of defence	Independent third party review of the Group's technology security was performed in FY21, with the findings of this exercise reviewed by the Board. All recommendations have been implemented in full. The same independent third party specialist was commissioned to perform due diligence on the Experiences business prior to acquisition. Internal audit performed a review of the technology security environment across the Group in FY24 and implementation of its recommendations is underway.	Following the establishment of the Group's internal audit programme, Data privacy posture at Moonpig and Greetz was reviewed by internal audit in FY22. All recommendations have been implemented in full. The data protection control environment at the Experiences segment was scrutinised and reported on as part of pre-acquisition legal due diligence. An FY24 internal audit "health check" review of key internal controls at Experiences identified no significant findings relating to data privacy.

Viability statement

The Directors have assessed the prospects and viability of the Group over a period of three years, significantly longer than 12 months from the approval of these financial statements.

Assessment of prospects

The Directors have assessed the Group's prospects taking into account its current financial position, its recent historical financial performance, its business model (pages 12 to 13), its strategy (pages 16 to 17) and the principal risks and uncertainties (as described on pages 62 to 65).

The Group's prospects are assessed primarily through its strategic planning process. This includes an annual review which considers forecast monthly profitability, cash flows and liquidity over three years. The first year of the forecast is the Group's annual budget. The second and third years are prepared using the same calculation methodology as the budget with a top-down strategic overlay.

Financial forecasts for Moonpig and Greetz are based on modelling of KPIs that include orders and revenue for each monthly cohort of customers that has (or is expected in future to be) acquired by the Group. For the Experiences segment, financial forecasts are developed based on the number of orders that can be generated from its marketing activity. Detailed monthly financial forecasts are then prepared for each segment that consider orders, revenue, profit, capital expenditure, working capital, cash flow and key financial ratios.

During the financial year the Group replaced its previous debt facilities with a new £180m committed four-year RCF. The RCF has an initial maturity date of 29 February 2028 with an option to extend by one year, subject to lender approval.

The Group's forecast liquidity headroom and forecast ongoing compliance with the six-monthly financial covenants set out in the RCF agreement are both considered.

The CEO and CFO, through the Executive Committee, lead the planning process. The Board participates fully in the annual process and considers whether the plan continues to take appropriate account of the external environment including technological, social and macroeconomic changes. The most recent plan was approved by the Board in April 2024.

As set out in the Audit Committee report at pages 86 to 95, the Audit Committee reviews and discusses with management the schedules supporting the assessments of going concern and viability.

The assessment period

The Directors have determined that three years to 30 April 2027 is an appropriate period over which to provide the Board's viability statement. This was considered the appropriate timeframe by the Directors because it is consistent with the three-year horizon of the Group's strategic planning process and it aligns to the investment cycle of a technology platform business.

Assessment of viability

The output of the Group's strategic planning process reflects the Board's best estimate of the future prospects of the business. To make the assessment of viability, additional scenarios have been modelled over and above those in the ongoing plan. These scenarios were overlaid into the plan to quantify the potential impact of one or more of the Group's principal risks and uncertainties crystallising over the assessment period.

The Group's principal risks and uncertainties are set out on pages 62 to 65.

Each of the Group's principal risks has a potential impact and has therefore been considered as part of the assessment.

Scenario modelled	Principal risks included in the scenario
Data breach The impact of a significant data breach has been considered. We modelled a reduction in revenue of 5% as a result of any reputational brand damage in each of the assessment years. It is additionally assumed that the Group receives the maximum possible fine of £17.5m under the General Data Protection Regulation ("GDPR") in one of its countries of operation.	• Technology security and data protection • Brand strength and reputation
Significant disruption to trading We have modelled a 5.3 percentage point reduction in the compound annual growth rate (CAGR) of forecast revenue across the viability period to capture potential risks such as lower purchase frequency, fewer new customers, reduced attach rates, lower average order value, decreased gross margin rate, disruption to fulfilment operations or disruption to regulated postal services. Different revenue sensitivities have been applied to each segment to reflect their respective risk profiles. The modelling is consistent with the sensitivity analysis related to the value in use (VIU) of the parent company investment (see Note 4 of the Company financial statements). The percentage CAGR is expressed for the three-year viability period rather than for the six-year pre-perpetuity period assumed in the VIU calculation, however it is based on the same absolute forecast revenue figures.	• Consumer demand • Strategic delivery • Brand strength and reputation • Changes to the postal services • Disruption to operations

The results of this scenario modelling indicate that the business would be able to withstand a combination of both scenarios, without recourse to mitigating actions. This reflects the resilience of the Group's business model, its profitability and strong operating cash conversion and its current liquidity headroom.

In the event of such a scenario, management would have options available to maintain the Group's financial position including cost-reduction measures and reducing acquisition marketing spend.

The Directors also reviewed the results of reverse stress testing performed to provide an illustration of the extent to which existing customer purchase frequency and levels of new customer acquisition would need to deteriorate in order that their cumulative effect should either trigger a breach in the Group's covenants under the RCF or else exhaust liquidity.

The probability of this scenario occurring was deemed to be remote given the resilient nature of the Group's business model and its strong operating cash conversion.

Viability statement

Based on the assessment above, the Directors confirm that they have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due over the three-year period ending 30 April 2027.

Going concern

The Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of preparation paragraph in Note 1 to the financial statements.

Non-financial and sustainability information statement

The Group complies with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The below table outlines the Group's position on non-financial and sustainability matters and identifies where the information required is included in the report.

Reporting requirement	Policies and Standards which govern the Group's approach	Additional information and risk management
Description of business model	N/a	Business model pages 12 to 13
Non-financial KPIs	N/a	Key performance indicators pages 48 to 49
Stakeholders	Group Data Protection Policies Code of Conduct	Stakeholder engagement pages 20 to 22 s172 statement pages 20 to 22 Board activities page 84 Sustainability disclosures pages 23 to 47 Task Force for Climate-related Financial Disclosures ("TCFD") pages 26 to 41 Employee engagement page 21 Technology security and data privacy page 66 Corporate governance report pages 70 to 121 Audit Committee report pages 86 to 95
Environmental	Environmental Policy	Sustainability disclosure pages 23 to 47
Climate-related financial disclosures	N/a	Sustainability disclosure pages 23 to 47 Task Force for Climate-related Financial Disclosures ("TCFD") pages 26 to 41 SASB Standards pages 46 to 47
Employees	Code of Conduct Flexible Working Policy Whistleblowing Policy Health and Safety Policy Health, Safety and Environment Integrated Management System	Sustainability disclosure pages 23 to 47 s172 statement pages 20 to 22
Human rights	Anti-Slavery and Human Trafficking Policy Code of Conduct	Human rights page 69
Social matters	Anti-Slavery and Human Trafficking Policy	Sustainability disclosure pages 23 to 47 Directors' report pages 118 to 120
Anti-corruption and anti-bribery	Anti-Bribery and Anti-Corruption Policy (which includes clauses on hospitality, gifts, political involvement and political expenditure and charitable donations) Conflicts of Interest Policy Anti-Money Laundering Policy	Anti-bribery and anti-corruption page 69
Principal risks and impact on the business	N/a	Risk management pages 60 to 66 Principal risks pages 62 to 65 Business model pages 12 to 13 Audit Committee report pages 86 to 95

Across the Group, policies and codes of conduct are in place to ensure consistent governance. For the purposes of the Non-Financial Reporting requirements, these include, but are not limited to the following:

People

The Group has a Health, Safety and Environment Integrated Management System which is communicated to all employees through a handbook, which is regularly reviewed and updated. A Code of Conduct applies to all employees and sets out the Group's commitment to:

- Behave ethically.
- Comply with relevant laws and regulations.
- Do the right thing.

Disclosure concerning employment of disabled persons

We give full and fair consideration to applications for employment by the Company made by disabled persons, having regard to their particular aptitudes and abilities. We make reasonable adjustments during the application process as well as during employment. We are also committed to continuing employment of, and for arranging appropriate training for, employees who have become disabled whilst employed by the Company. Training, development and promotion opportunities are provided for all employees, with learning and development provided in flexible and accessible ways.

Human rights

The Group's Code of Conduct confirms that it respects and upholds internationally proclaimed human rights principles as specified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work ("ILO Convention") and the United Nations' Universal Declaration of Human Rights. The Group's Procurement Policy outlines how it procures goods and services. In addition, the Group has an Anti-Slavery and Human Trafficking Policy which applies to both suppliers and employees.

Online training is provided to all employees, including part-time employees and contractors, on issues of modern slavery.

The Group is committed to implementing and enforcing effective systems and controls to ensure modern slavery does not take place anywhere in its own business or in any of its supply chains.

The Group publishes its Modern Slavery Act Transparency Statement annually on its corporate website and it can be accessed at www.moonpig.group.

Data protection

As a data-driven business, the Group is committed to respecting and protecting the privacy and security of personal information. The Group's Privacy Statement governs how it collects, handles, stores, shares, uses and disposes (including timely deletion) of information about people, whether they are customers, employees or people in the Group's supply chain. The Group does not rent, sell, or provide personal data to third parties for purposes other than completing transactions or providing our services. Data Protection Policies are a key element of corporate governance within the Group. The Group's privacy notices are available on the Group's corporate website at www.moonpig.group.

Anti-bribery and anti-corruption

The Chief Financial Officer is the Board member with responsibility for executive oversight of anti-bribery and anti-corruption. The Group has an Anti-Bribery and Anti-Corruption Policy, a Conflict of Interest Policy and an Anti-Money Laundering Policy, as well as a Code of Conduct. Each policy incorporates the Group's key principles and standards, governing business conduct towards key stakeholder groups. The Anti-Bribery and Anti-Corruption Policy is supported by clear guidelines and processes for giving and accepting gifts and hospitality from third parties.

Whistleblowing

The Group's Whistleblowing Policy is supported by an external, confidential reporting hotline which enables employees to raise concerns in confidence. Any reported issues will be reported to the full Board and handled in the first instance by the Company Secretary, with support from the Chair of the Audit Committee and, where appropriate, remedial actions taken. Employees receive annual training on our whistleblowing policy, and posters advertising the service are displayed in all locations.

Tax strategy

The Group is committed to acting with integrity and transparency in all tax matters. The Group undertakes tax planning only where it supports genuine commercial activity and in doing so is committed to remaining compliant with all relevant tax laws and practices. A copy of the Group's tax strategy can be accessed on the Group's corporate website at www.moonpig.group.

Dividend policy

Consistent with prior year, the Company's current policy is not to pay dividends. This is to be kept under review, in the context of the approach to capital allocation set out on page 58.

The Strategic report was approved by the Board of Directors and signed on its behalf by:

Nickyl Raithatha
Chief Executive Officer
26 June 2024