Card Market and Consumer Buying Behaviour

Key Findings for Capital Markets Event

Moonpig Group

15 October 2024

OC&C Strategy consultants

Certified B Corporation

Agenda

Card Market Country Overview

UK Greetings Card Purchasing Behaviour and Resilience

UK Online Card Purchasing Propensity and Headroom

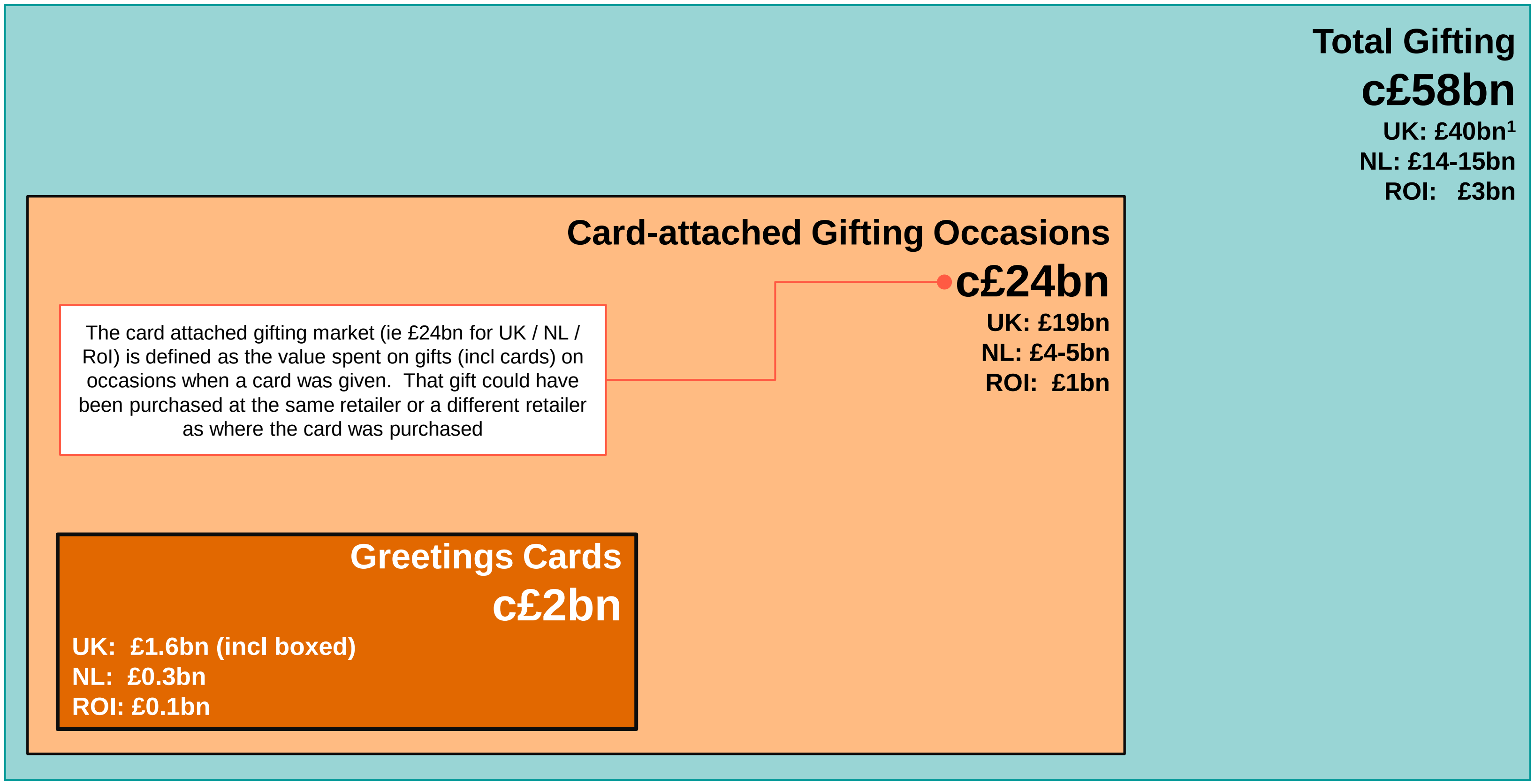
Netherland Card Market and Online Buying Behaviour

Card Attached Gifting in the UK

UK Experience Gifting

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

Summary of UK + NL + RoI Market Size - 2023



1. Excludes £10bn of gifting in cash.

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

Card giving penetration is generally lower across markets outside of the UK and RoI, alongside lower purchase frequency

International Markets Summary

Singles Only

	UK	US	AUS	NL	IE
Adult Population (m)	54m	262m	21m	14m	4m
Singles Market Value (£bn)	£1.4bn	£4.4bn	£0.3bn	£0.3bn	£0.1bn
Card Giving Penetration[1] (% Adult Population)	77%	63%	64%	65%	80%
No. of Adult Card Buyers	42m	165m	13m	9m	3.2m
Cards per Giver per Year[2]	19	11	9	13	13
Cards per Capita (Adults)	**14.8**	**7.0**	**5.4**	**8.3**	**10.5**
Spend per Capita (£/Adults)	£34	£27	£19	£33	£21
Est. Total Volume (m)	**c. 810m**	**c. 1,850m**	**c. 110m**	**c. 120m**	**c. 40m**
Online Buyer Penetration[3] (% Card Buyers)	37%	24%	14%	38%	26%

1. Q2.1: "Which of the following have you bought in the last 12 months?"; 2. Q3.1: "Thinking again about the physical greetings cards you buy – How many greetings cards have you bought in the last 12 months for each of the following occasions?"; 3. Q2.4: "You said that you bought [X] cards during the last 12 months. How many were purchased…" *1. In-store; 2. Online*

Source: OC&C 2024 Greeting Cards Survey, OC&C Market Model, OC&C analysis

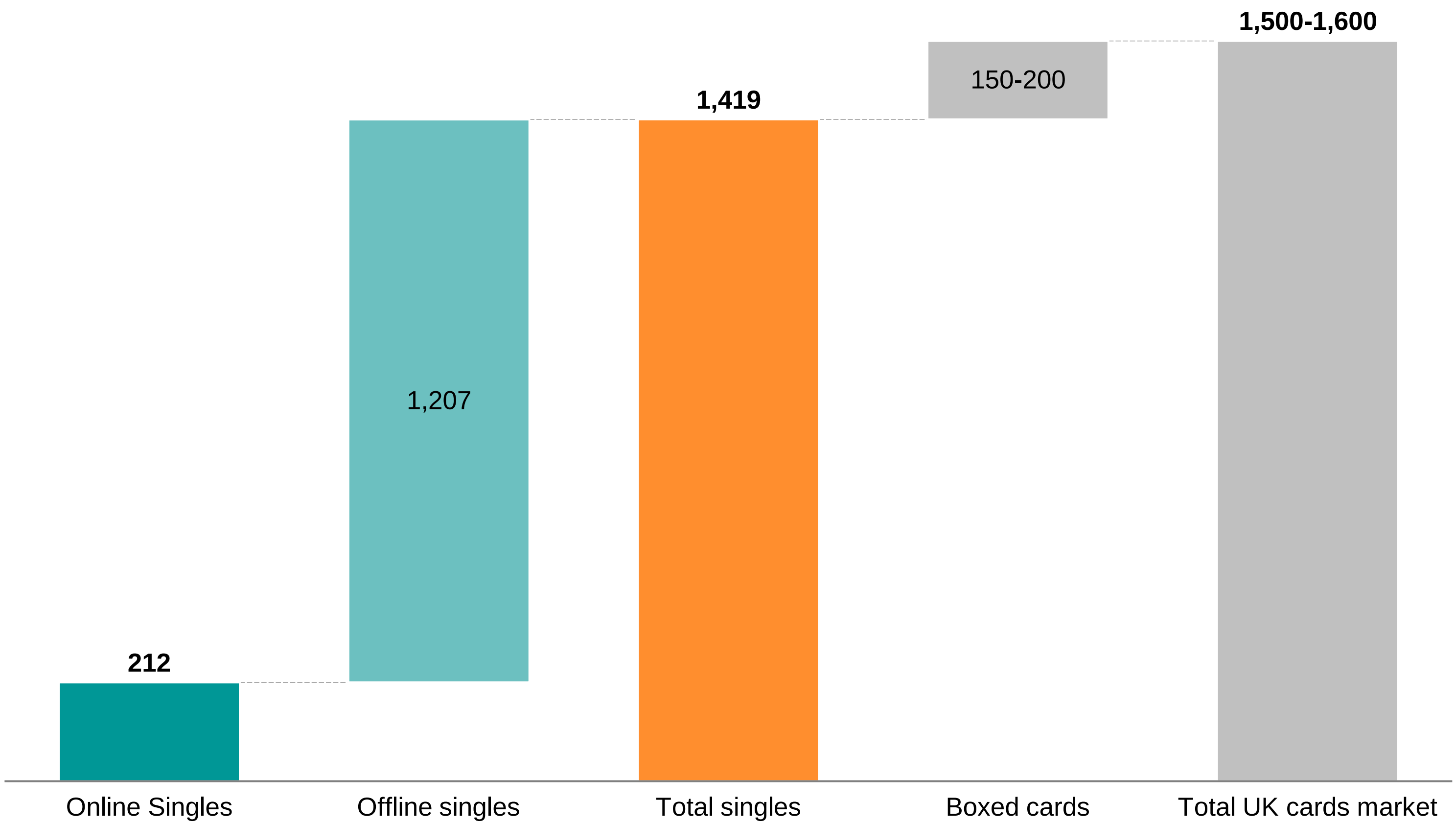
Executive summary – UK card and gift market and outlook

- Overall UK singles market experienced a step down through Covid in card purchasing volume (decline in cards purchased per buyer through loss of peripheral occasions plus some penetration fall-off in younger generations) but that has now mostly stabilised
- Threats from digital substitution are low (use of digital alternatives has plateau-ed and is in many cases incremental not substitutional) and there are multiple behavioural factors and generational purchasing patterns that should underpin resilience in a high proportion of current card volume purchasing base
- Against that backdrop, overall card market is expected to grow by 1-2% CAGR 24-27 – driven by rising ASP and slight volume decline
- Online card purchasing has faced some post-Covid unwind headwinds– these have now bottomed out to a base online segment value and volume that remains significantly above pre-Covid levels
- Higher online card purchasing propensity and expectations for greater future online purchases (particularly in younger generations of card buyers) – supportive of long term further structural increases in online card buying penetration
- There remains material addressable headroom in both online penetration of card buyers and online share of card wallet (of those using online) to support substantial future growth online segment share of card market
- This supports a central case market outlook projecting c1-2% value growth in singles cards market – with online channel growing c9% CAGR 24-27
- Gifting (both card-attached and experience gifting) has faced stronger cyclical headwinds (more exposed to consumer reduction in discretionary spending behaviour) but headwinds stabilising and outlook more positive

Agenda

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

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

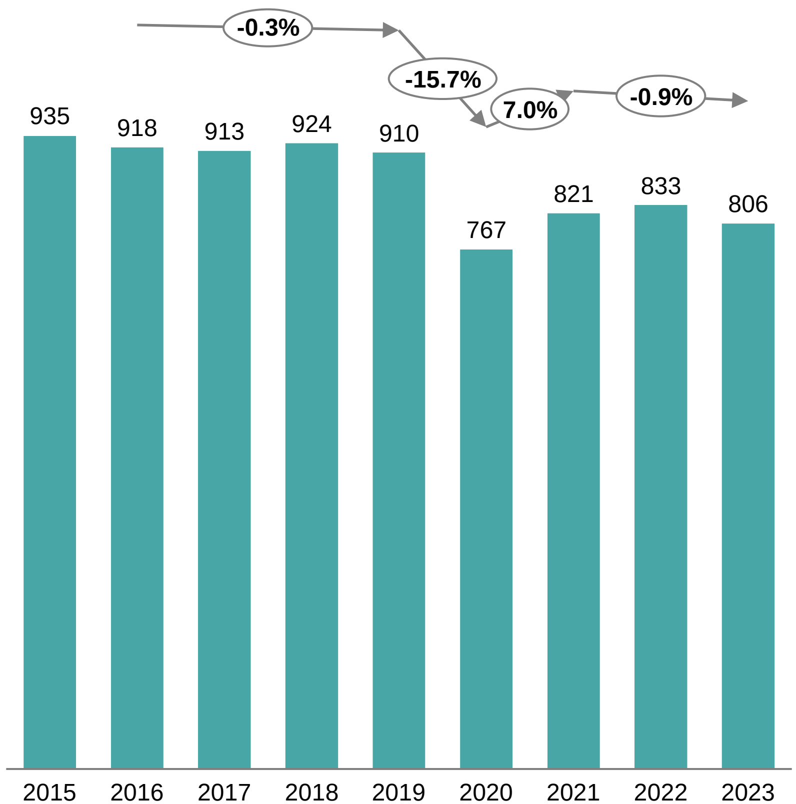


Source: OC&C market model

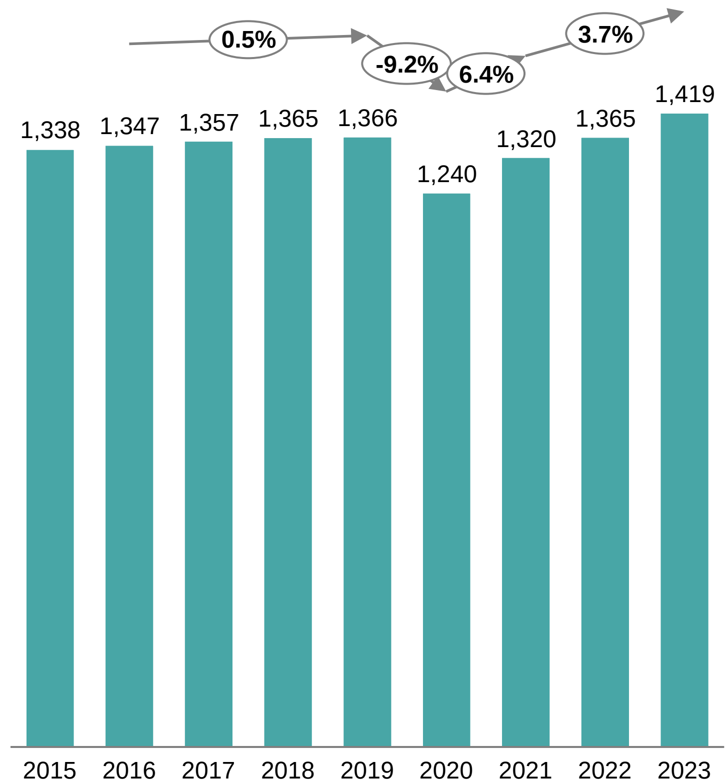
In 2023, singles market experienced slight volume decline – but grew in value terms driven by ASP inflation (and annualisation of previous price rises)

UK Singles Greetings Card Market Evolution, 2016-23

UK Singles Greetings Card Market Volume (Millions Cards)



UK Singles Greetings Card Market Value (£m)

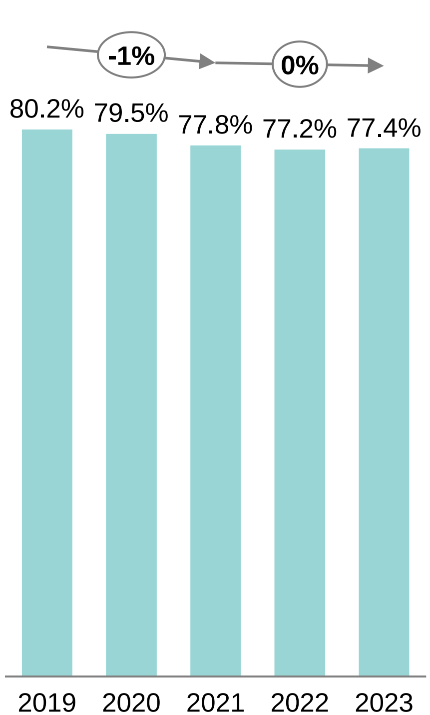


Source: OC&C market model

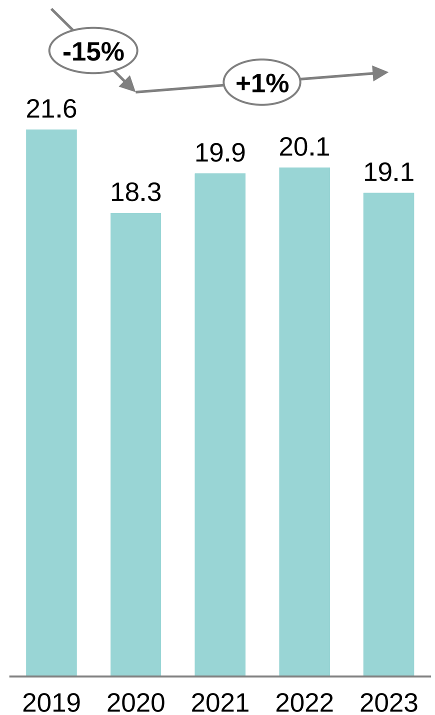
Covid drove a one-off drop in cards per buyer, which has now stabilised slightly below 2019 levels; ASP growth has sustained value momentum

Key Market Drivers, 2019-23 (% / units / £)

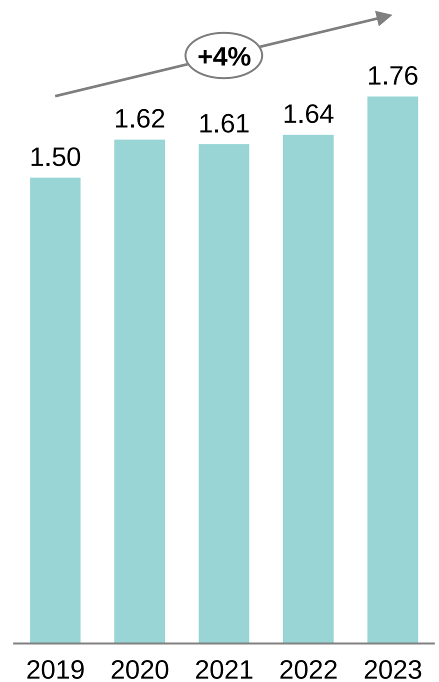
Overall Card Giving Penetration
(% UK Adults)



Cards per Buyer



ASP



Declines in overall penetration and frequency are not reflected in online cards market, which has grown in both volume and value terms since 2019

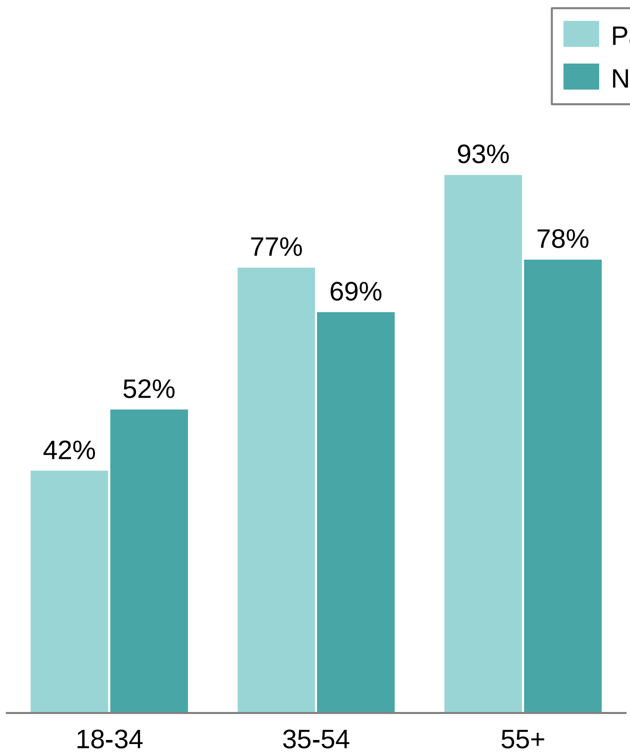
Source: OC&C 2024 Market Model, OC&C surveys across time, OC&C analysis

While card penetration is generally higher amongst older demographics, life stage plays an important role with parents driving up cards per sender

Greetings Cards Usage by Age & Life Stage[1,2,3]

N=2,004

Greeting Cards Usage (% Population by Age)[4]



Cards Sent in L12M

Life Stage		Age Band: 18-34	Age Band: 35 - 54	Age Band: 55+	Average
Life Stage	Non-Parent	17.4	12.2	15.6	15.1
Life Stage	Parent	19.9	21.1	21.1	21.0
Life Stage	Average	18.5	18.5	19.7	19.1

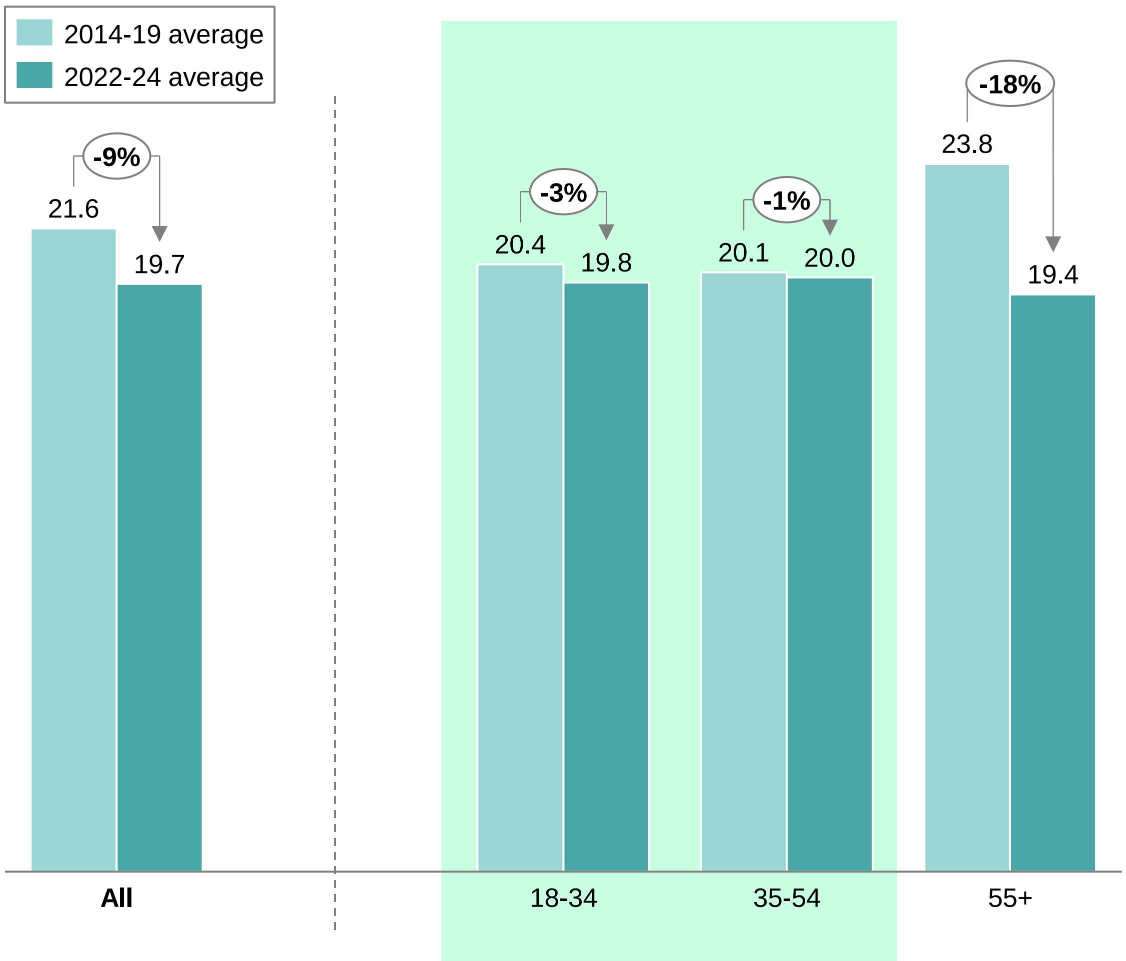
1. Q1.2: "How old are you?"
2. Q1.6: "How many children do you have in the following age groups?"
3. Q3.1: "Thinking again about the physical greetings cards you buy – How many greetings cards have you bought in the last 12 months for each of the following occasions?"
4. Survey weighted results to aggregate market penetration value

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Cards per buyer have held up in younger demographics, with decline in volume driven by a drop in peripheral occasions during Covid amongst 55+

Cards Purchased per Card Buyer per Year By Age Group: Pre- vs Post-Covid

Long-Term Consumer Survey Tracking

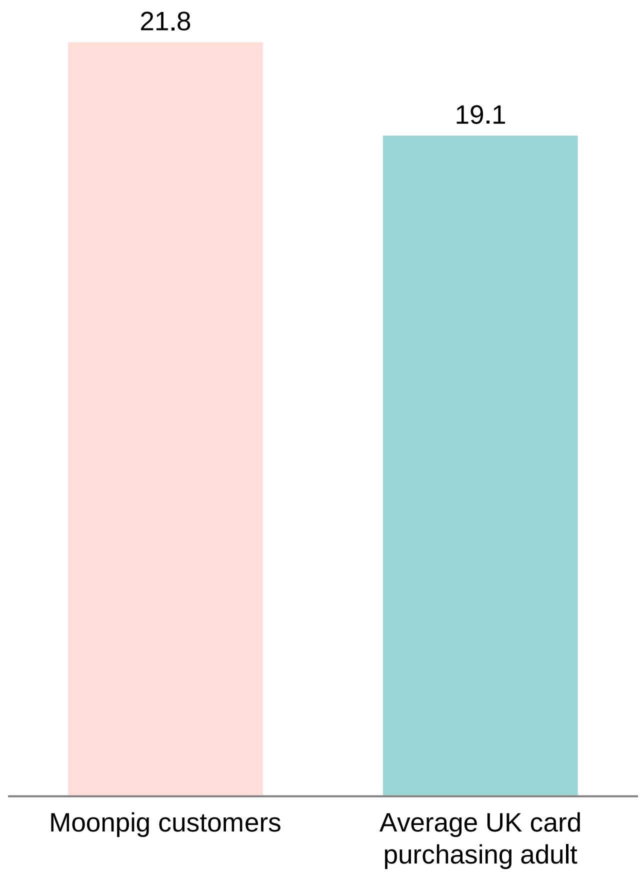


- Cards sent per year per card buyer have **declined by c.2 cards per year pre vs post covid** (c2014-19 vs 2022-24)
- This has not been seen evenly across all age groups – but underpinned by a **one-off drop in sending cards for peripheral occasions amongst the 55+** age-group
- **The 18-54 age groups have been much more resilient;** it is **not** the case that **younger consumers have stopped sending cards**
- The **Moonpig customer is more focused on under 55 year olds** – and therefore **more resilient in card sending behaviour**

Source: OC&C Greeting Cards Surveys over time, OC&C analysis

The average Moonpig customer purchases c22 singles cards per year in total - above the average behaviour of a UK card purchasing adult

Total Singles Cards Purchased per Person – Last 12 Months

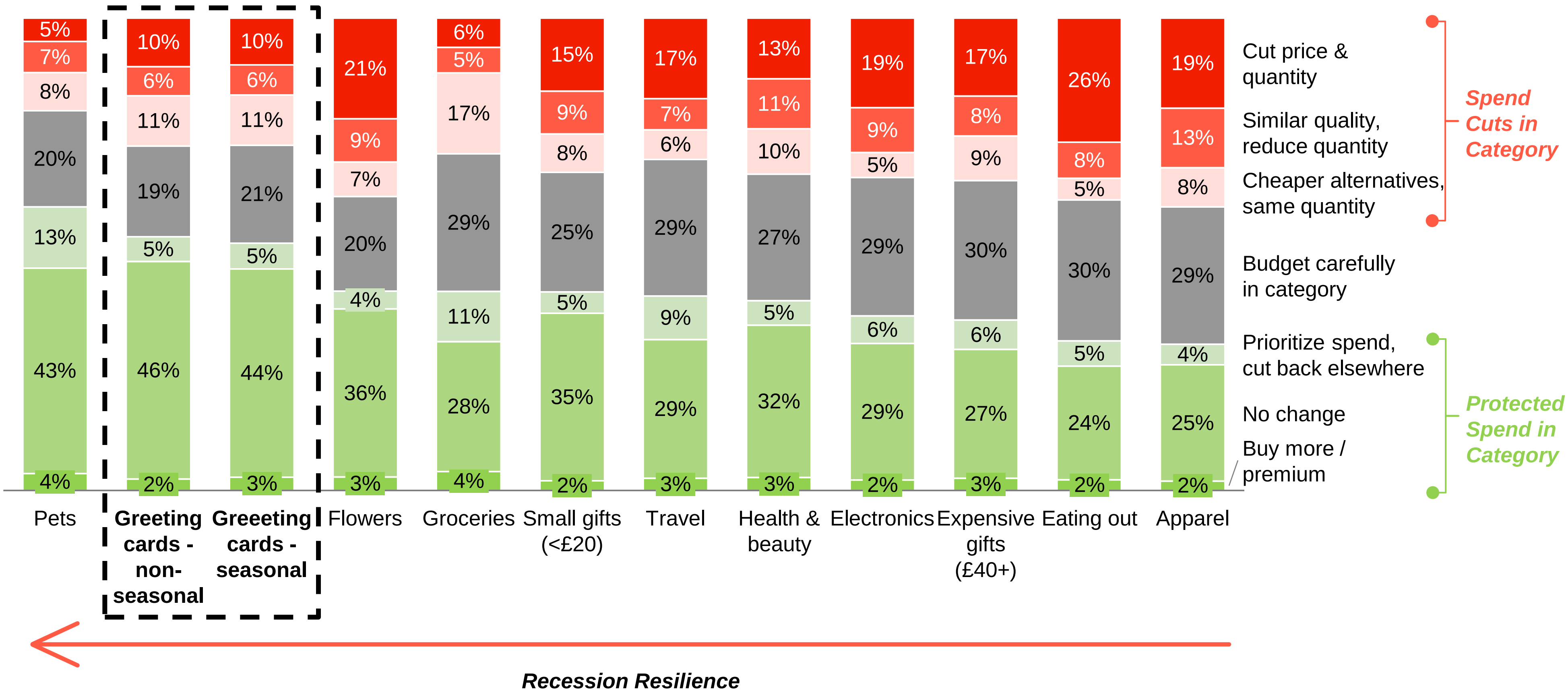


Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Greeting cards are one of the most resilient categories in recession – most consumers would cut spend elsewhere instead

Recession Resilience by Category[1] (% Respondents)

N=2,004



1. Q3.11: "Which of the below categories would you prioritize for reducing typical annual expenses on in the case of a recession?"

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Replacement threat from digital alternatives / e-cards is low – most consumers believe they can never replace physical cards

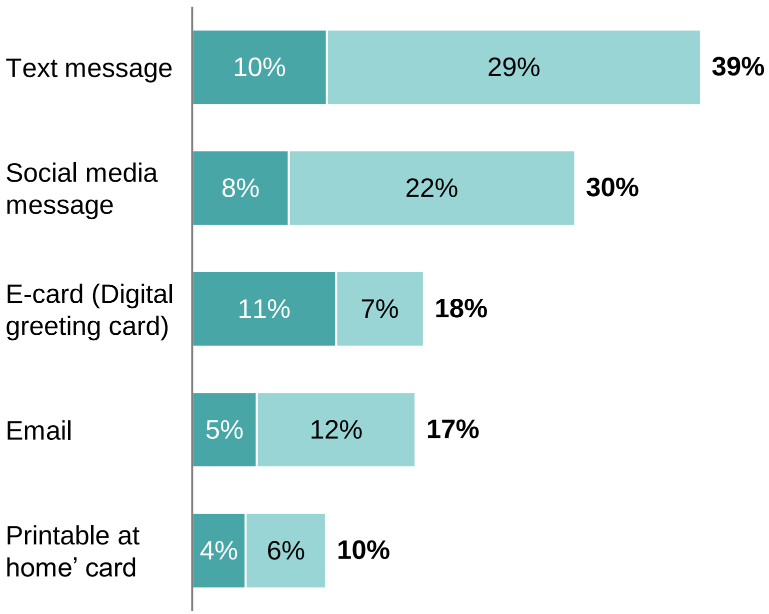
Threat of Digital Alternatives[1]

N=2,004

Usage of alternative channels is low today, with most use cases as a *complement* rather than *substitute* for physical cards

Usage of Digital Alternatives
% Respondents

Used as replacement for physical card
Used in addition to physical card



Most customers don't see digital channels ever replacing their need to give physical greeting cards

Consumer Attitudes to Card Usage
% Respondents

73% *…consumers think E-cards can never replace physical cards*

77% *…think social media can never replace physical cards*

76% *…say that handwriting a personalized note on the card is very important to them*

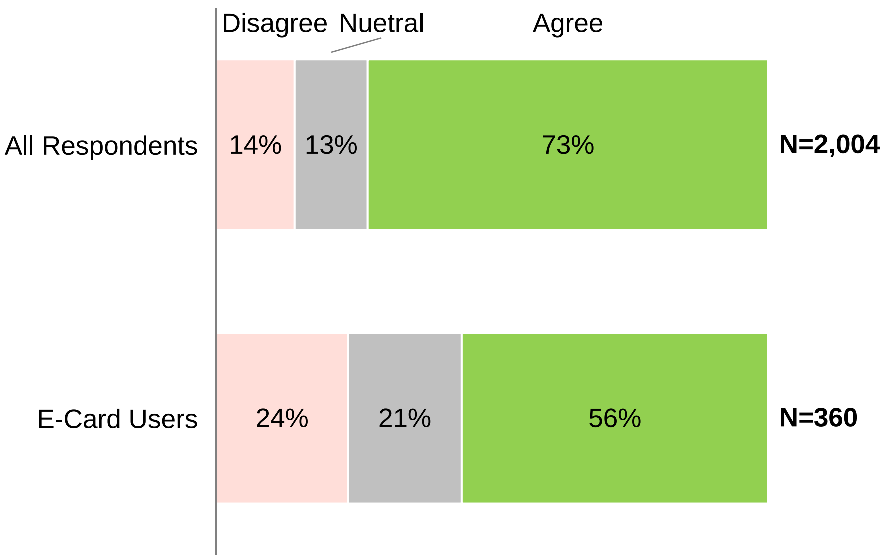
1. Q3.8: "When you last used (method for occasion), did you:" *1. Use this as a replacement for a paper card that you would have sent?; 2. Use this as a greeting to someone who you would not have sent a paper card to?; 3. Send this in addition to a paper card?*

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

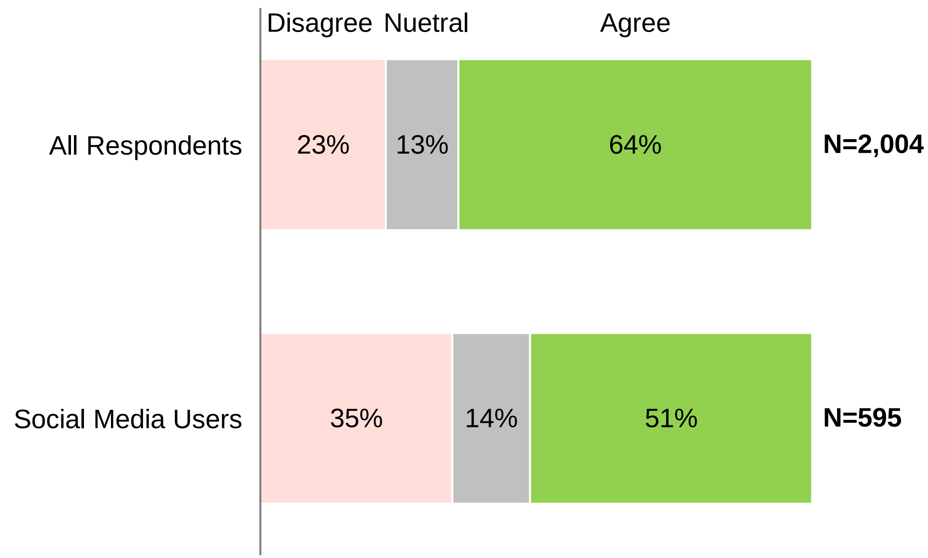
>50% of users of e-cards and social media greetings do not see the channels as a replacement for physical cards

Threat of Digital Alternatives[1]

"E-cards can never replace physical cards"



"Social media cannot replace the need to send physical cards"



1. Q3.8: "When you last used (method for occasion), did you:" *1. Use this as a replacement for a paper card that you would have sent?; 2. Use this as a greeting to someone who you would not have sent a paper card to?; 3. Send this in addition to a paper card?*

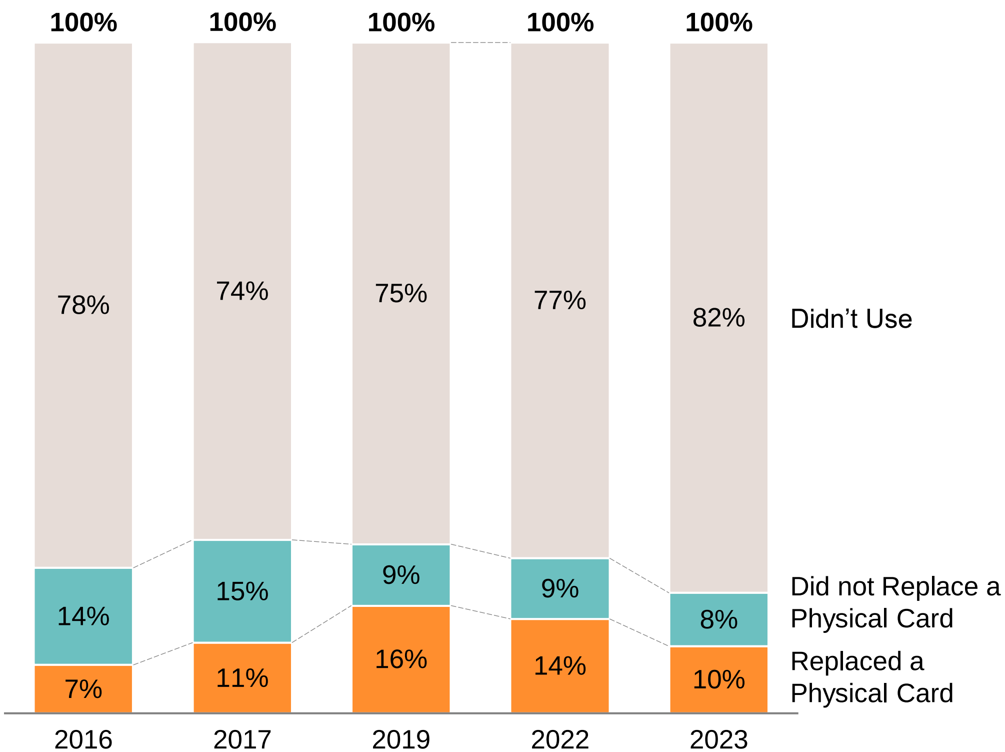
Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Usage of digital cards appears to have peaked c. 4-5 years ago whilst overall volume search interest has been declining over the longer term

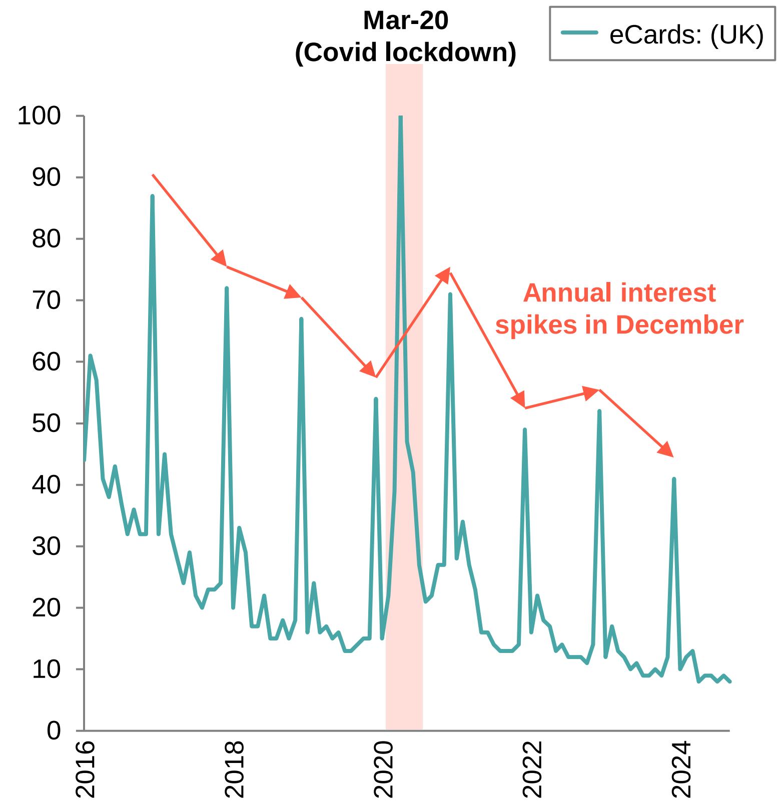
Digital Card Usage Over Time

Long-Term Consumer Survey Tracking

Digital Card Usage[1], 2016-23
% Respondents



Volume of Search Interest Google Trends, 2016-24
Indexed to 100 at the Highest Point in the time series

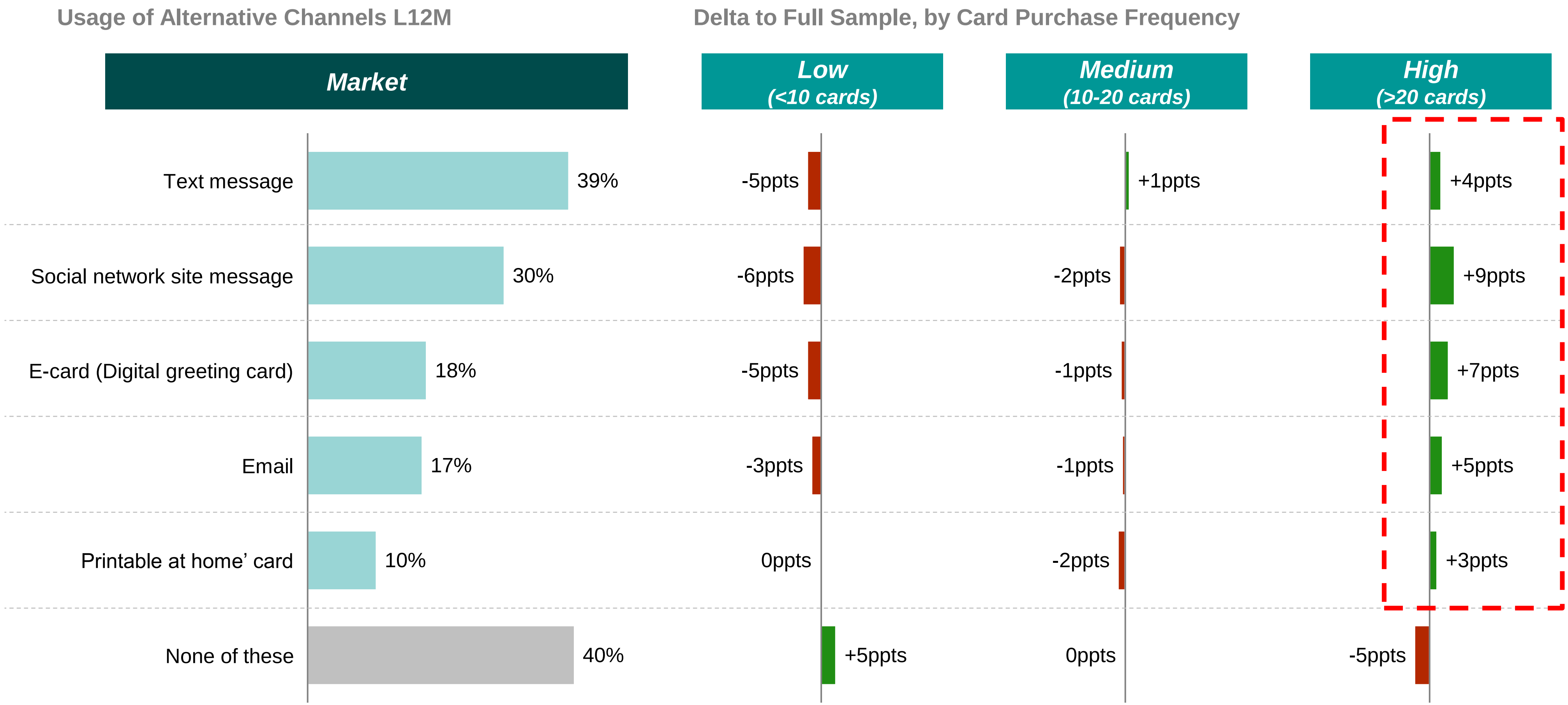


1. Q3.8: "When you last used (method for occasion), did you:" *1. Use this as a replacement for a paper card that you would have sent?; 2. Use this as a greeting to someone who you would not have sent a paper card to?; 3. Send this in addition to a paper card?*

Source: OC&C Greeting Cards Surveys over time, Google Trends, OC&C analysis

Heavy users of greeting cards are typically much more likely to complement those with digital alternatives (rather than replace)

Alternative Greeting Methods[1] by Card Purchase Frequency



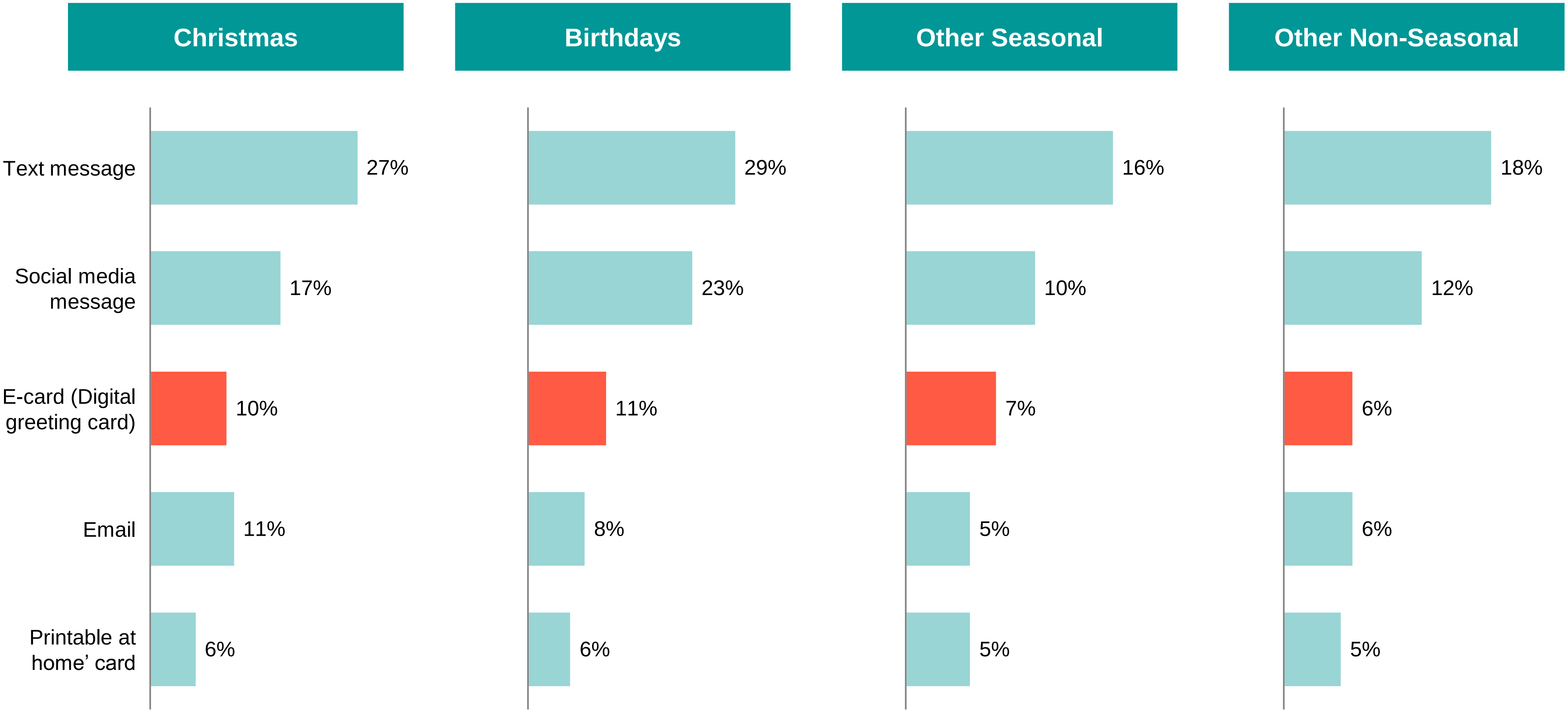
1. Q3.7: "Have you used any of the following to communicate with friends and family for the following occasions in the last 12 months?" *a. An E-Card (Digital greeting card); b. A 'Printable at home' card; c. An email; d. A text message; e. A message on a social network site; f. None of these.* N is 2,004 for market, 744 for low, 588 for medium, and 672 for high

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

This is consistent across occasions; consumers are more likely to opt for social media / messaging

Usage of Digital Alternatives across Occasions[1]
% Respondents

N=2,004

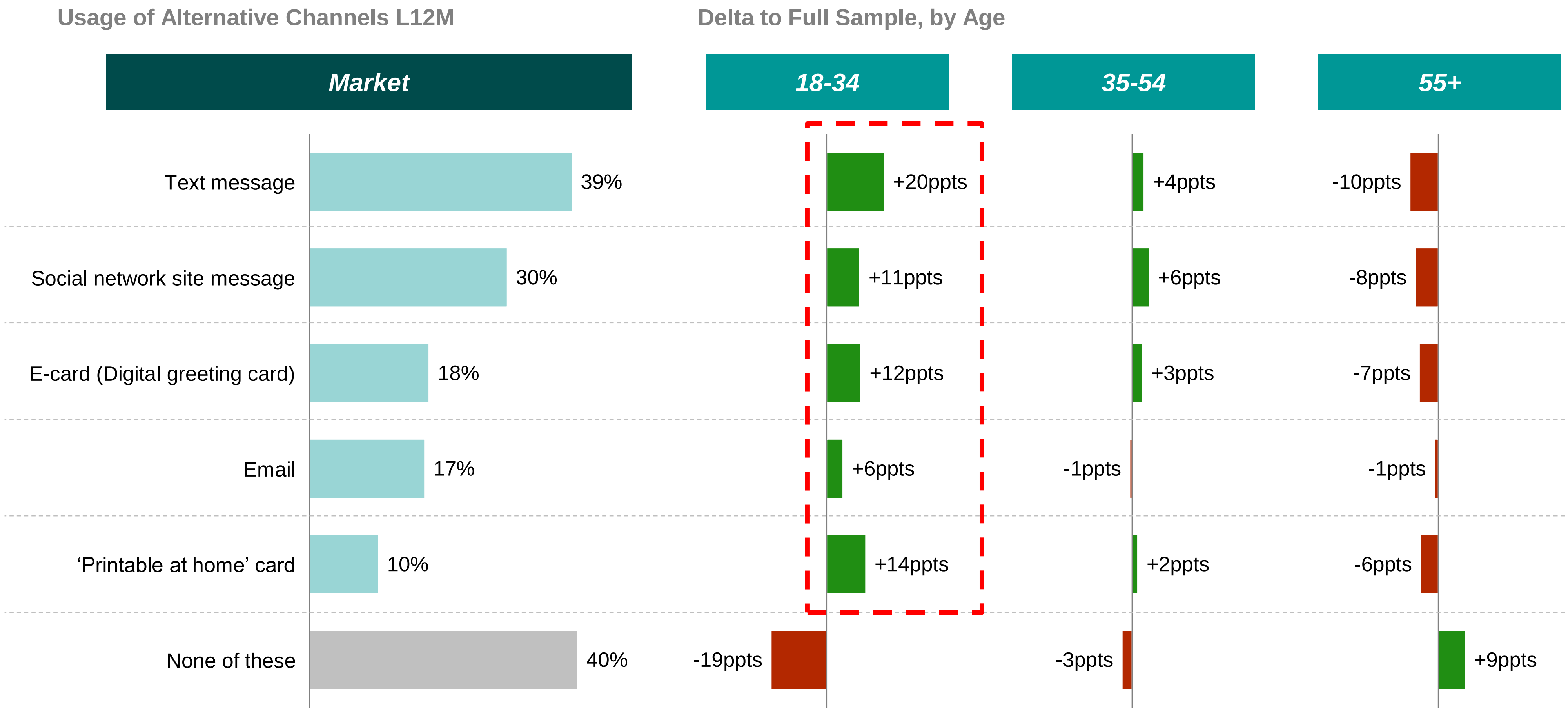


1. Q3.7: "Have you used any of the following to communicate with friends and family for the following occasions in the last 12 months?" *a. An E-Card (Digital greeting card); b. A 'Printable at home' card; c. An email; d. A text message; e. A message on a social network site; f. None of these*

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Younger age groups significantly overindex on all digital alternative channels, especially on text and social messages relative to 55+ age group

Alternative Greeting Methods[1] by Age

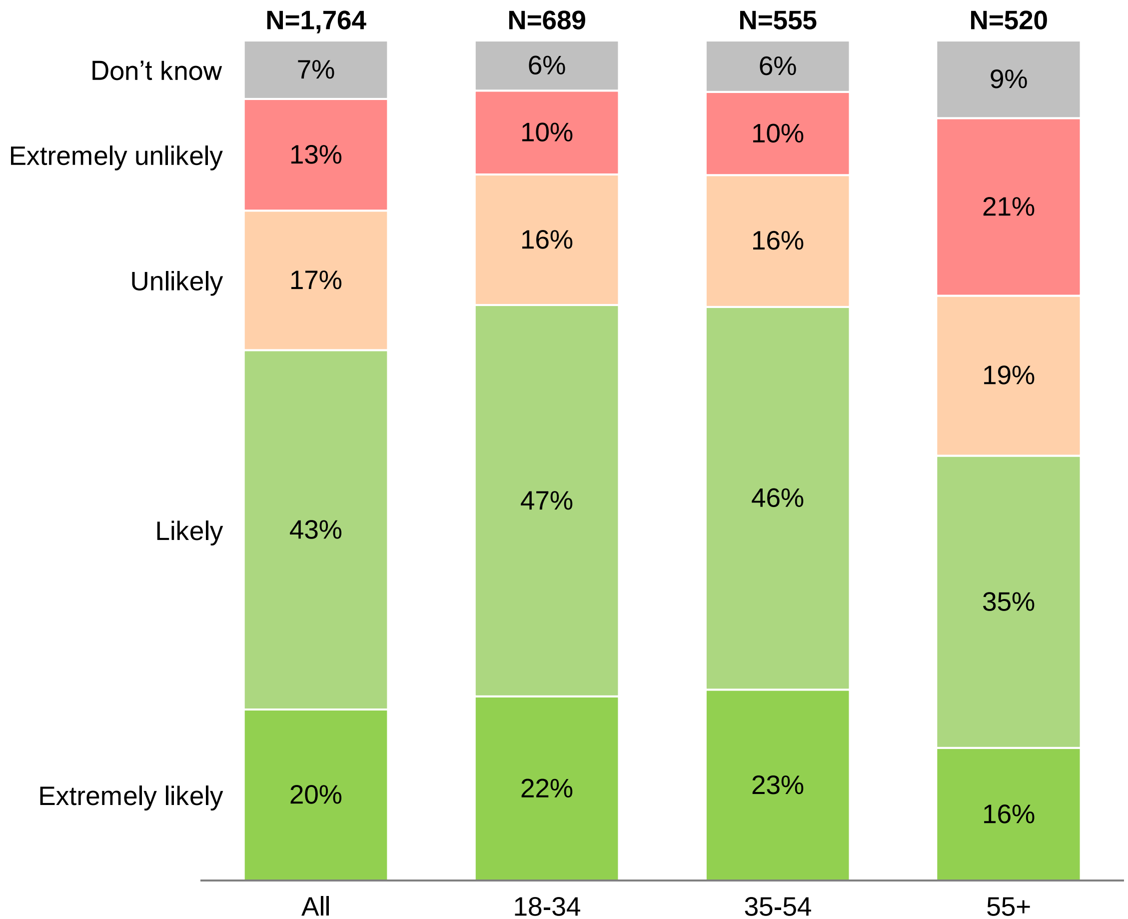


1. Q3.7: "Have you used any of the following to communicate with friends and family for the following occasions in the last 12 months?" *a. An E-Card (Digital greeting card); b. A 'Printable at home' card; c. An email; d. A text message; e. A message on a social network site; f. None of these.* N is 2,004 for market, 744 for low, 588 for medium, and 672 for high

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

c.65% of non-card purchasers state they are likely to buy a card in the next 12 months, which is significantly higher amongst under 55s

Likelihood of Purchasing Cards Next 12 Months of Non-Card Buyers by Age



c.50% of 55+ non-card buyers are likely to purchase a card in the next 12 months, vs. ***c.70% for under 55s***

1. Q2.3: "Do you think you are likely to purchase any physical (paper or card based) greeting cards in the next 12 months?"

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Agenda

Card Market Country Overview

UK Greetings Card Purchasing Behaviour and Resilience

UK Online Card Purchasing Propensity and Headroom

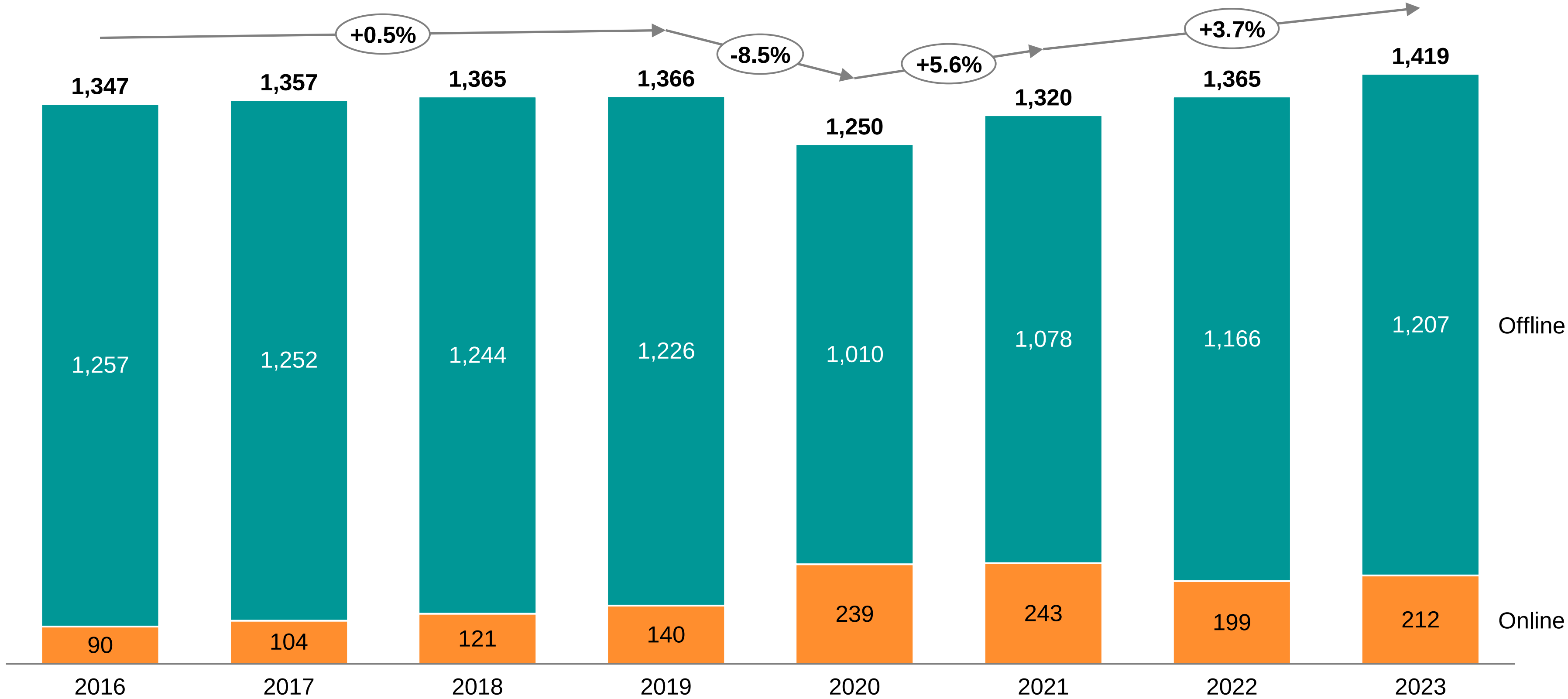
Netherland Card Market and Online Buying Behaviour

Card Attached Gifting in the UK

UK Experience Gifting

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

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



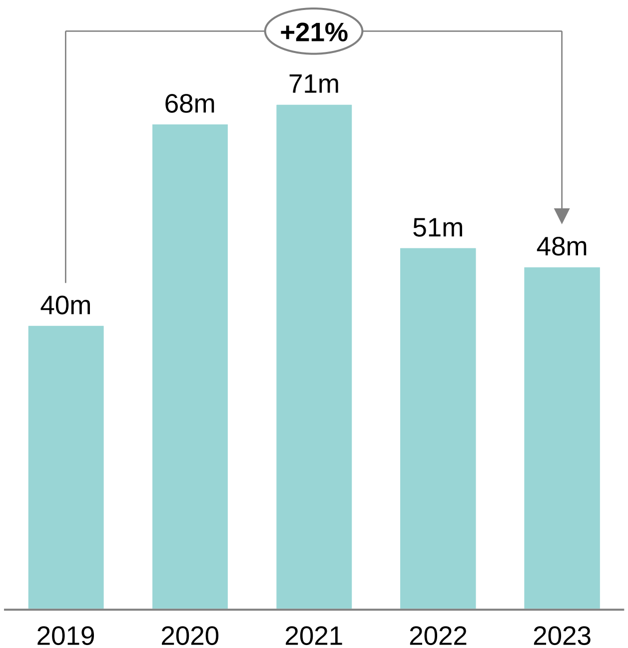
	2016	2017	2018	2019	2020	2021	2022	2023
Online share of value (%)	*6.7%*	*7.7%*	*8.8%*	*10.3%*	*19.2%*	*18.4%*	*14.5%*	*15.0%*

Source: OC&C market model

The UK online cards market is c. 50% larger vs. pre-Covid in value terms, with the volume normalisation having now played through

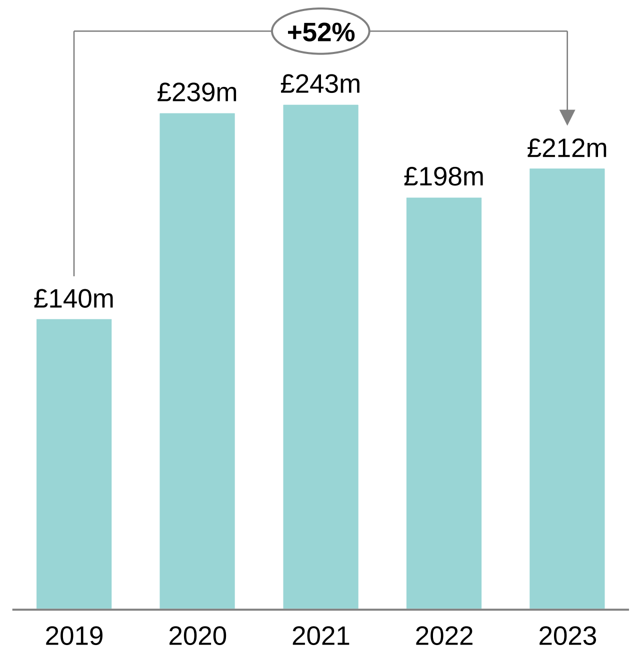
Key Online Market Drivers, 2019-23 (m units / £m)

Online Volume



	2019	2020	2021	2022	2023
% Total Volume	**4.4%**	**8.9%**	**8.7%**	**6.1%**	**6.0%**

Online Value



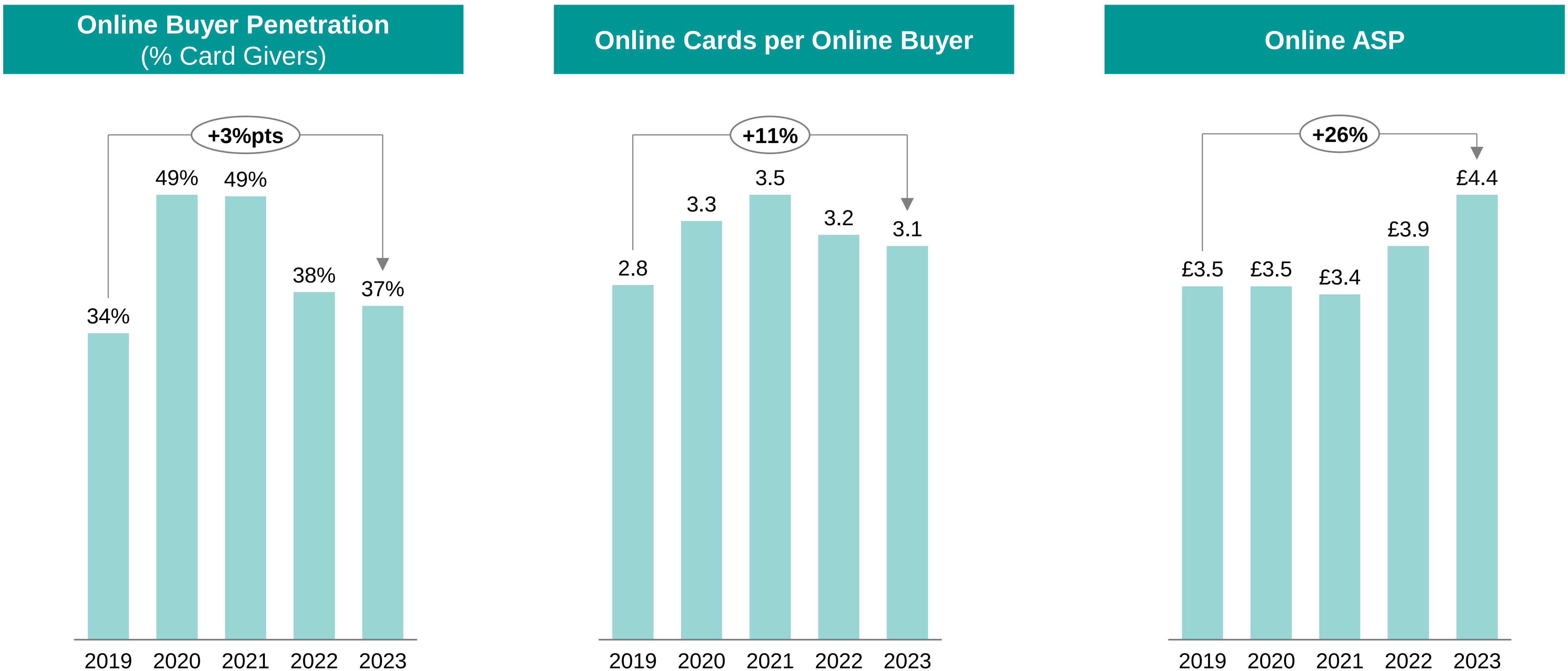
	2019	2020	2021	2022	2023
% Total Value	**10.3%**	**19.1%**	**18.4%**	**14.5%**	**15.0%**

Source: OC&C 2024 Market Model, OC&C analysis

Recent UK market performance suggests online buyer penetration and cards per buyer have settled at a new base (above pre-Covid levels)

Key Online Market Drivers, 2019-23 (% / units / £)

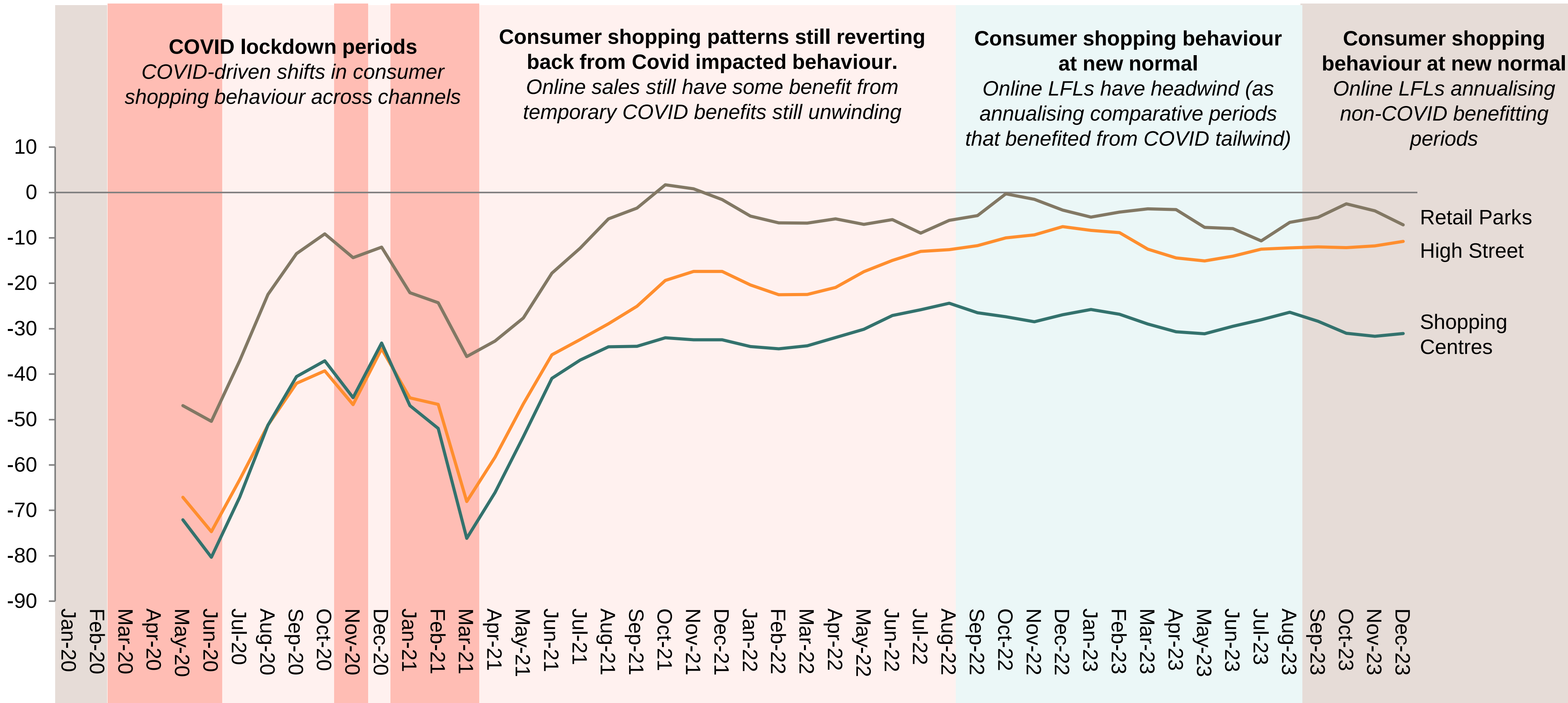
Work in Progress – May be Refined



Source: OC&C 2024 Market Model, OC&C surveys across time, OC&C analysis

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

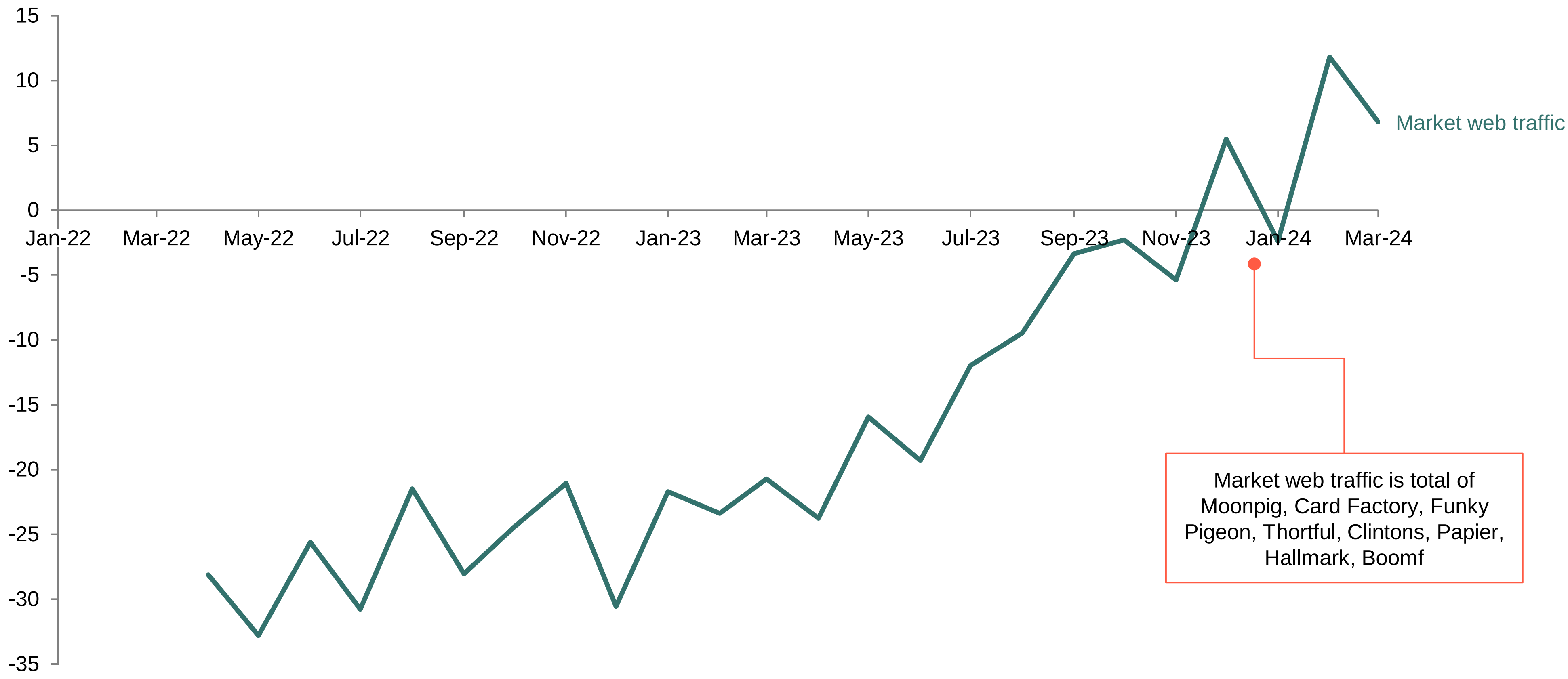
% Change in UK Footfall vs Same Month in 2019 (Rolling 3 Month Average)



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

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

Market Web Traffic Growth – Month vs same month previous year

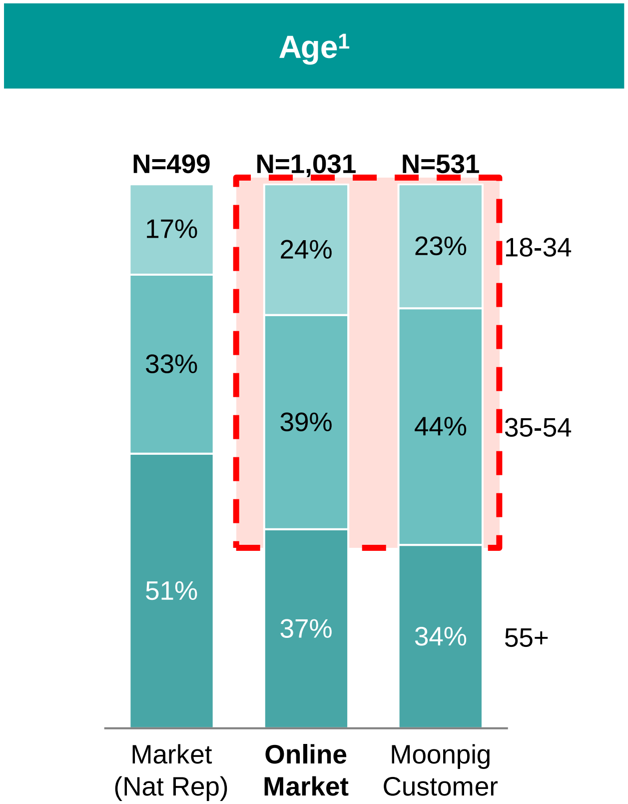


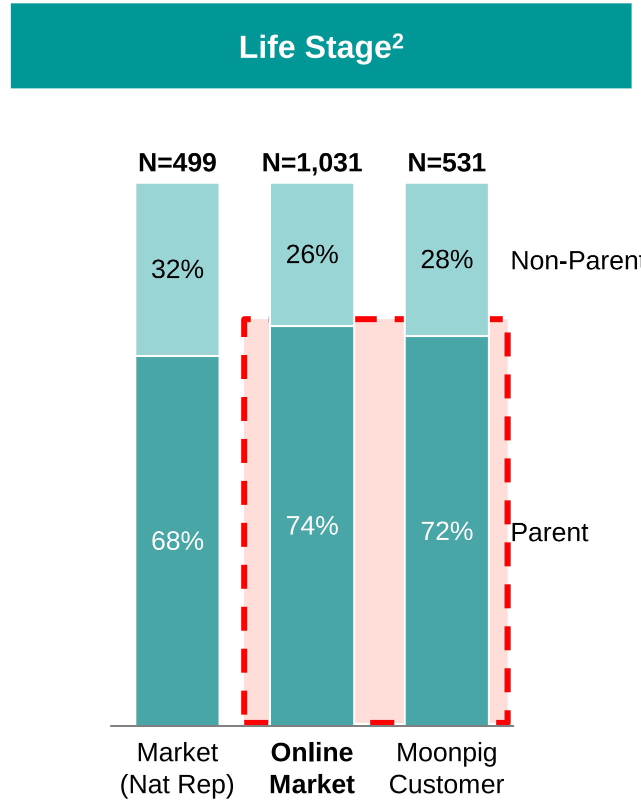
Source: OC&C analysis

Online card purchasing propensity is highest in under 55 age groups and parenting lifestage

Underpenetrated Customer Groups and Occasions for Online

Share of [Card Volume], %



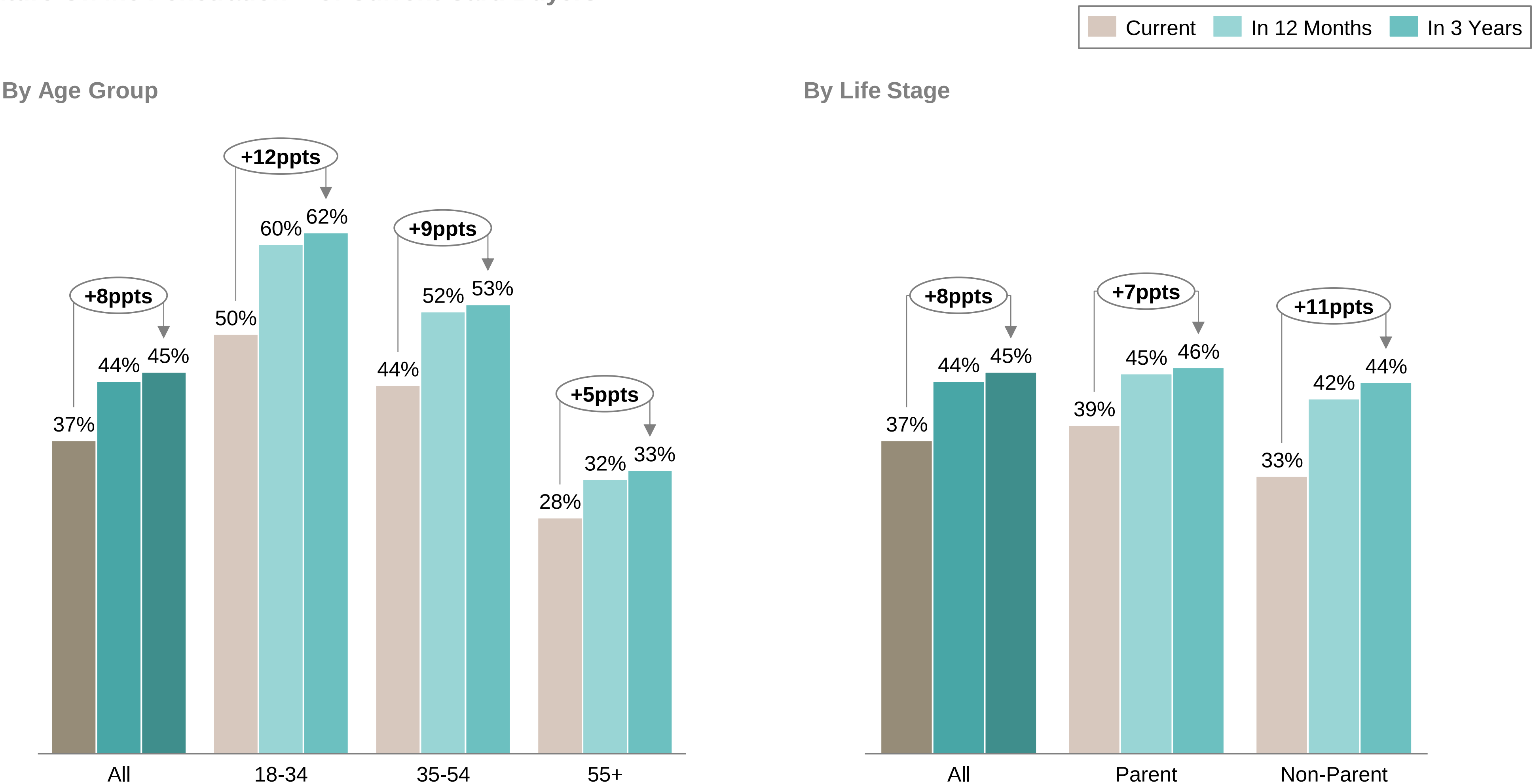


1. Q1.2: “How old are you?”;
2. Q1.6: “How many children do you have in the following age groups?”

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Outlook for online buyer penetration is consistently positive across age and life stage

Future Online Penetration[1,2] of Current Card Buyers



1. Q2.4: "What is the share of physical greeting cards you purchased online vs in a shop during the last 12 months?" *1. In-Store; 2. Online*
2. Q4.5: "You mentioned that roughly [X%] of your card purchases in the last 12 months were online earlier in the survey. What % of your greetings card purchases will be online…" *1. In the next 12 months; 2. In 3 years' time (e.g. in 2027)*

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Younger generations are demonstrating increasing propensity to shop for cards online with high future channel shift momentum expected

Evolution of Greetings Cards Usage[1,2,3] by Age

	Adult population	# Card Buyers	Online cards per online buyer 2019-23	Expected change in # cards bought by online buyers, in 3Y vs. L12M	Expected change in # cards bought online, in 3Y vs. L12M
18-34	14.6 m	7.0 m	2019: 2.9; 2023: 3.1 (+5%)	+30%	+74%
35-54	17.7 m	13.2 m	2019: 2.6; 2023: 3.0 (+15%)	+5%	+45%
55+	22.0 m	19.6 m	2019: 3.2; 2023: 3.3 (+3%)	-6%	+13%
Total	54.3 m	42.0 m	2019: 2.8; 2023: 3.1 (+11%)	7%	39%

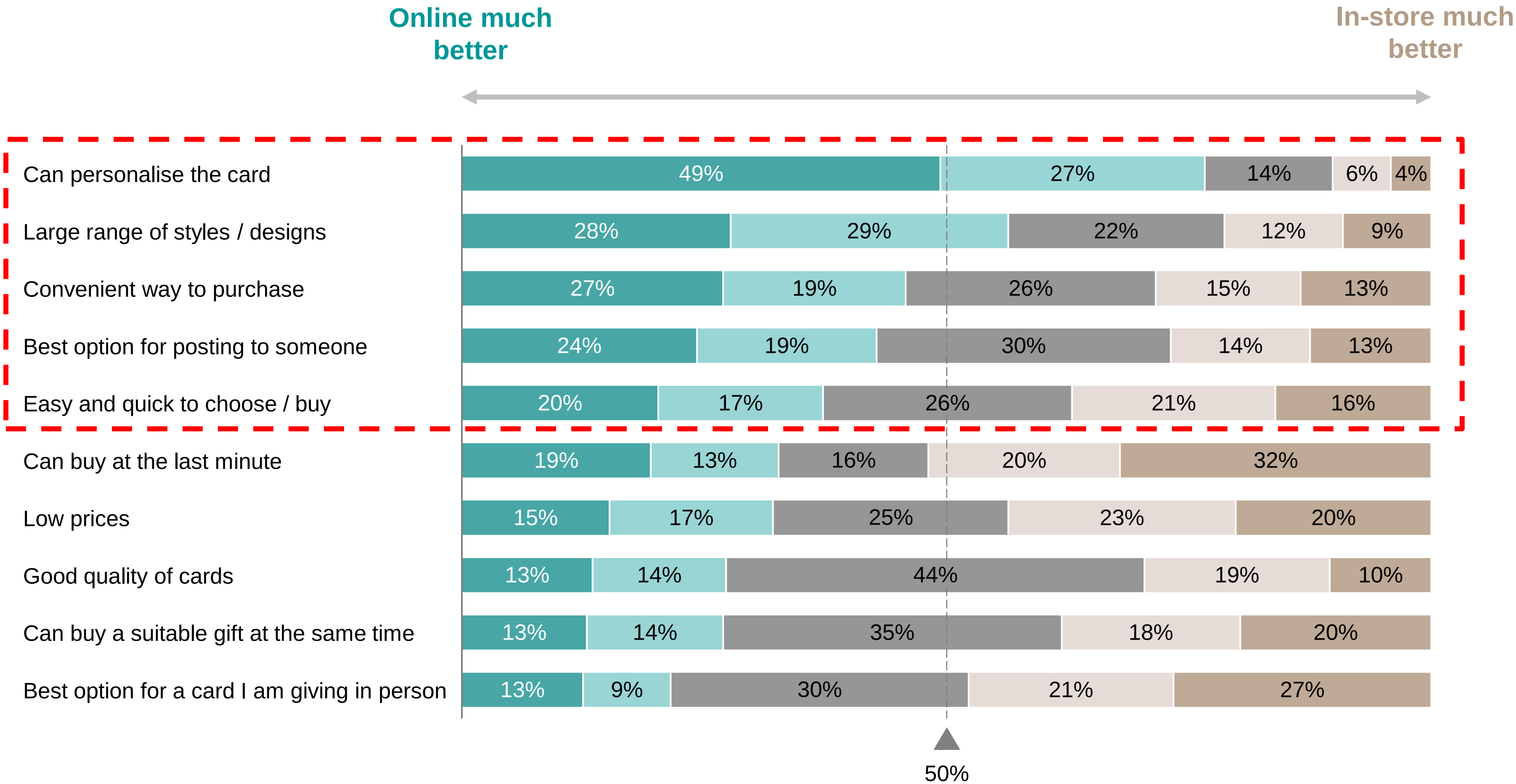
1. Q2.4: "What is the share of physical greeting cards you purchased online vs in a shop during the last 12 months?"
2. Q3.12: "You mentioned that you purchased [X] greeting cards in the last 12 months. What do you estimate will be the approx. number of greeting cards you will purchase….?" *1. In the next 12 months; 2. In 3 years' time (e.g. in 2027)*
3. Q4.5: "You mentioned that roughly [X%] of your card purchases in the last 12 months were online earlier in the survey. What % of your greetings card purchases will be online" *1. In the next 12 months; 2. In 3 years' time (e.g. in 2027)*

Source: OC&C 2024 Greeting Cards Survey, OC&C past surveys, Euromonitor, OC&C analysis

Personalisation, breadth of choice and convenience are the key drivers of online card purchase

Drivers of Online Card Purchase[1]
% Respondents

Online Shoppers (N=1,031)



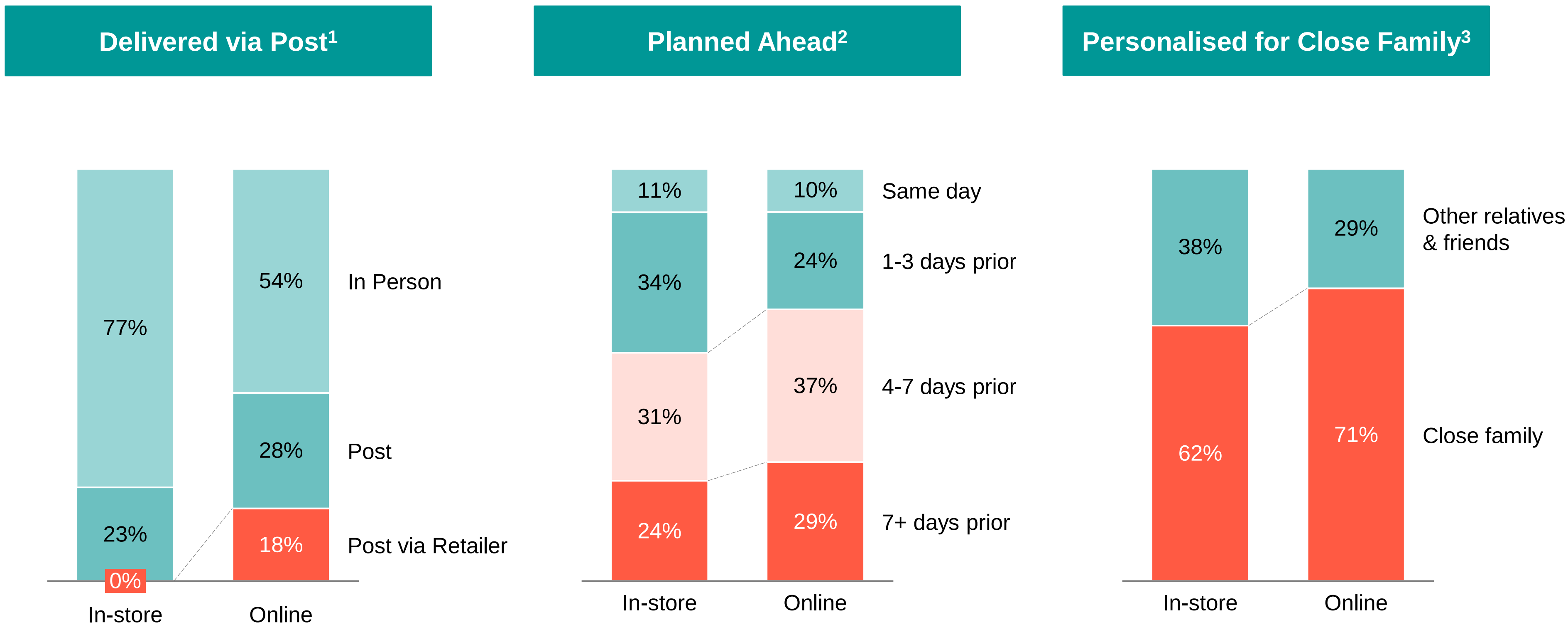
1. Q5.1: "How would you compare buying a greetings card online versus in a store on the following dimensions?"

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Online overindexes in some specific customer missions – particularly posted cards and where there is a desire to personalise for close family

Online vs. In-store Last Channel Purchase
% Respondents

Last Channel In-store (N=1,418)
Last Channel Online (N=586)



1. Q6.4: “Still thinking about this last purchase, how did you give the card to the recipient?”
2. Q6.5: “Still thinking about this last purchase, how long after purchasing the card did you send / give it to the recipient?”
3. Q6.3: “Who was or will be the recipient of the card? If you purchased multiple cards, please tell us about the most important card”

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Occasions where online card penetration over-indexes are typically those where postage convenience and customisation are particularly important

Share of Card Purchase Volumes by Channel and Time to Card Delivery[1,2,3]

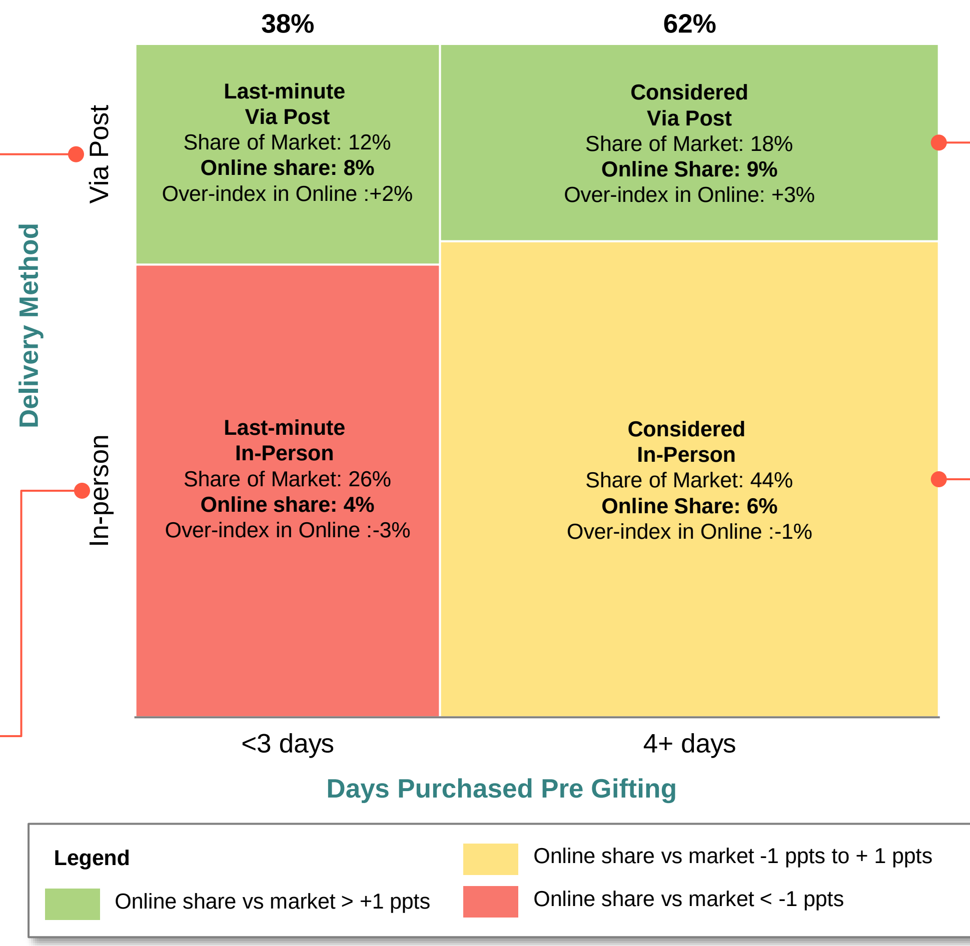
Survey Responses Weighted to GCA Last Occasion
Overall Volume Share, L12M Estimate:6.0%

Last-minute Via Post – Top Purchasing Criteria for Online buyers[4]

1	Convenience	79%
2	Personalisation	42%
3	Send directly	39%
4	Prefer shopping online	38%
5	Choice	19%

Last-minute In-Person – Top Purchasing Criteria for Online buyers[4]

1	Convenience	65%
2	Prefer shopping online	38%
3	Personalisation	35%
4	Choice	30%
5	Easy to use app	29%



Considered Via Post – Top Purchasing Criteria for Online buyers[4]

1	Convenience	71%
2	Personalisation	37%
3	Prefer shopping online	36%
4	Choice	33%
5	Send directly	31%

Considered In-Person – Top Purchasing Criteria for Online buyers[4]

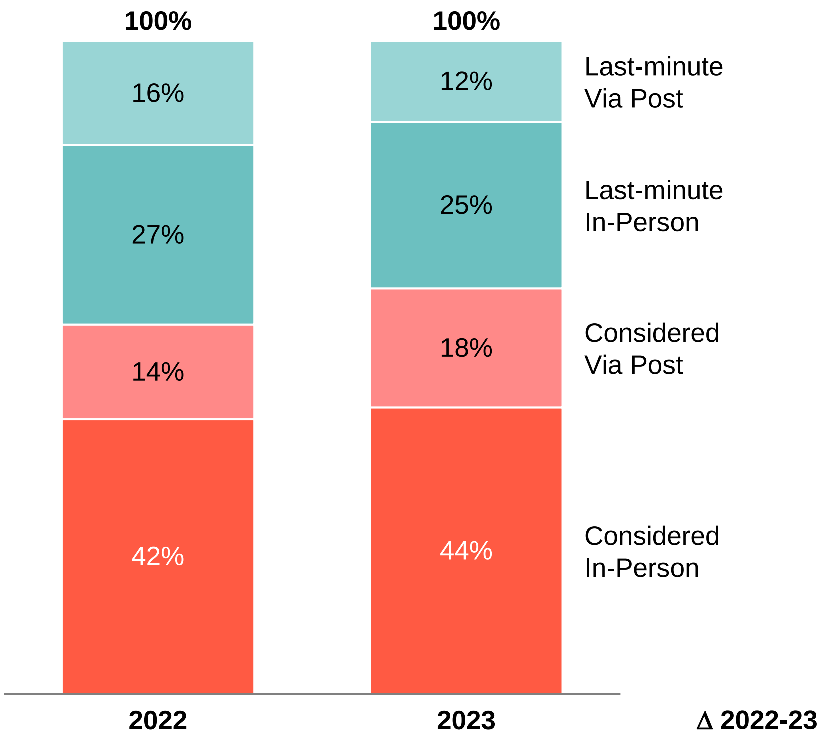
1	Convenience	76%
2	Personalisation	50%
3	Choice	48%
4	Prefer shopping online	37%
5	Innovative design	27%

1. Q6.4: “Still thinking about this last purchase, how did you give the card to the recipient?”; 2. Q6.5: “Still thinking about this last purchase, how long after purchasing the card did you send / give it to the recipient?”
3. N is 99 for Last-minute Via Post, 163 for Considered Via Post, 84 for Last-Minute In-Person, and 229 for Considered In-Person; 4. Q8.1: “Why did you choose to buy your card online instead of in-store in this instance?” *% ranking in top 3*

Source: OC&C Greeting Cards Survey 2024, OC&C analysis

Trajectory for addressable missions is positive for online – consideration has increased (+5-6%pts) while postal share is stable (+0-1%pts)

Change in Mix of Card Purchase Volumes by Channel and Time to Card Delivery[1,2]



	2022	2023	∆ 2022-23
Post %	***30%***	***31%***	***+0-1%pts***
Considered %	***57%***	***62%***	***+5-6%pts***

- Customer behaviour shows resilience to concerns on Royal Mail delivery reliability which is positive for Moonpig
  - Overall postal share is stable
  - Considered share rising across both post and in-person which could benefit Moonpig's relevance

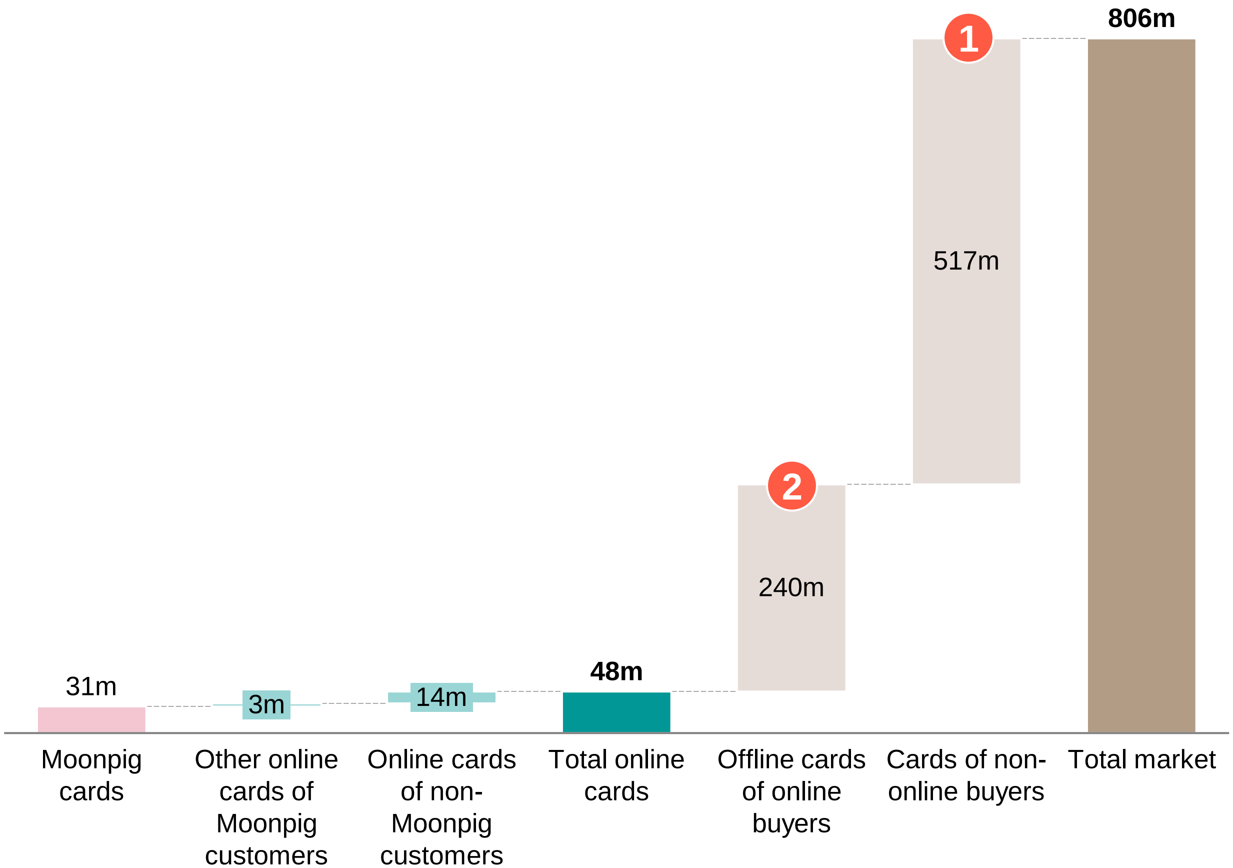
1. Q6.4: "Still thinking about this last purchase, how did you give the card to the recipient?"; 2. Q6.5: "Still thinking about this last purchase, how long after purchasing the card did you send / give it to the recipient?"

Source: OC&C Greeting Cards Surveys over time, OC&C analysis

We have built a view of online headroom that considers both online penetration and share of wallet opportunity

Approach to Headroom

UK Market Volume – Split by Customer and Channel



Sources of online headroom

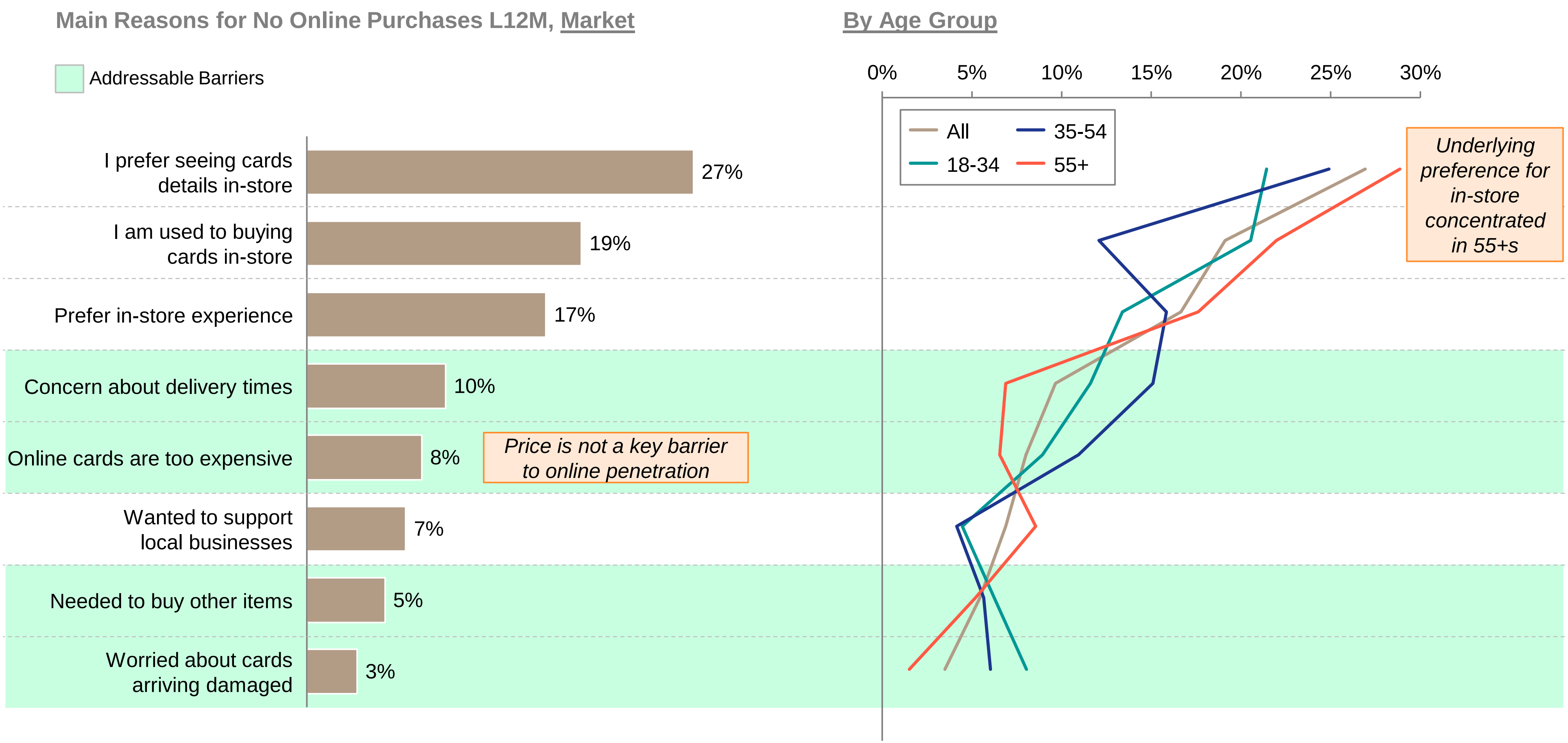
1. **Penetration:** Conversion of offline buyers to online

2. **Share of wallet (SOW):** Capture greater share of volume for existing online buyers

Source: OC&C analysis

While many physical shoppers have habitual / experience preferences for offline shopping, c. 30% of their barriers appear addressable

Online Barriers for Offline Card Purchasers[1]



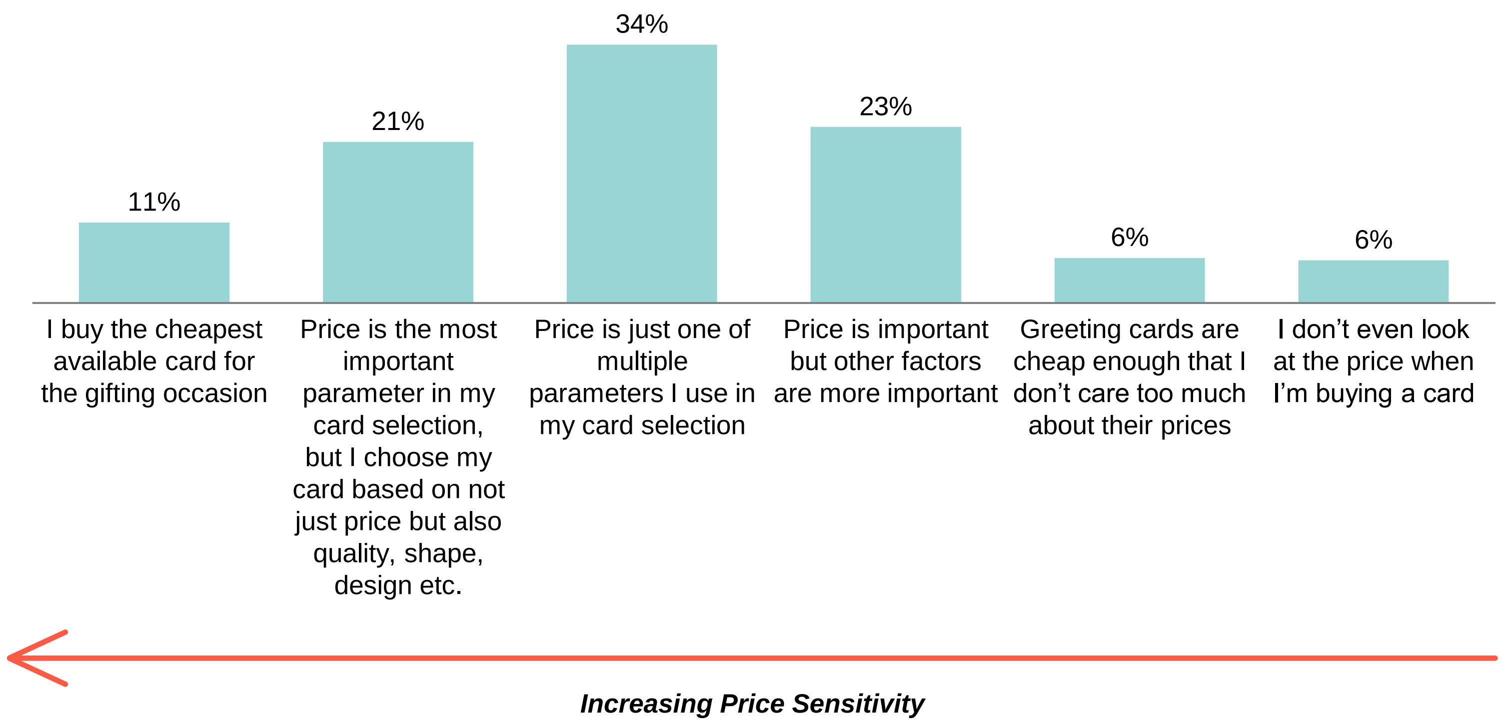
1. Q2.4.3: “What are the main reasons why none of your physical card purchases in the last 12 months were online?” N is 2,004 for market, 360 for 18-34, 671 for 35-54, and 973 for 55+

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Most consumers pick their card based on multiple parameters beyond just price itself

Consumer Attitudes to Price

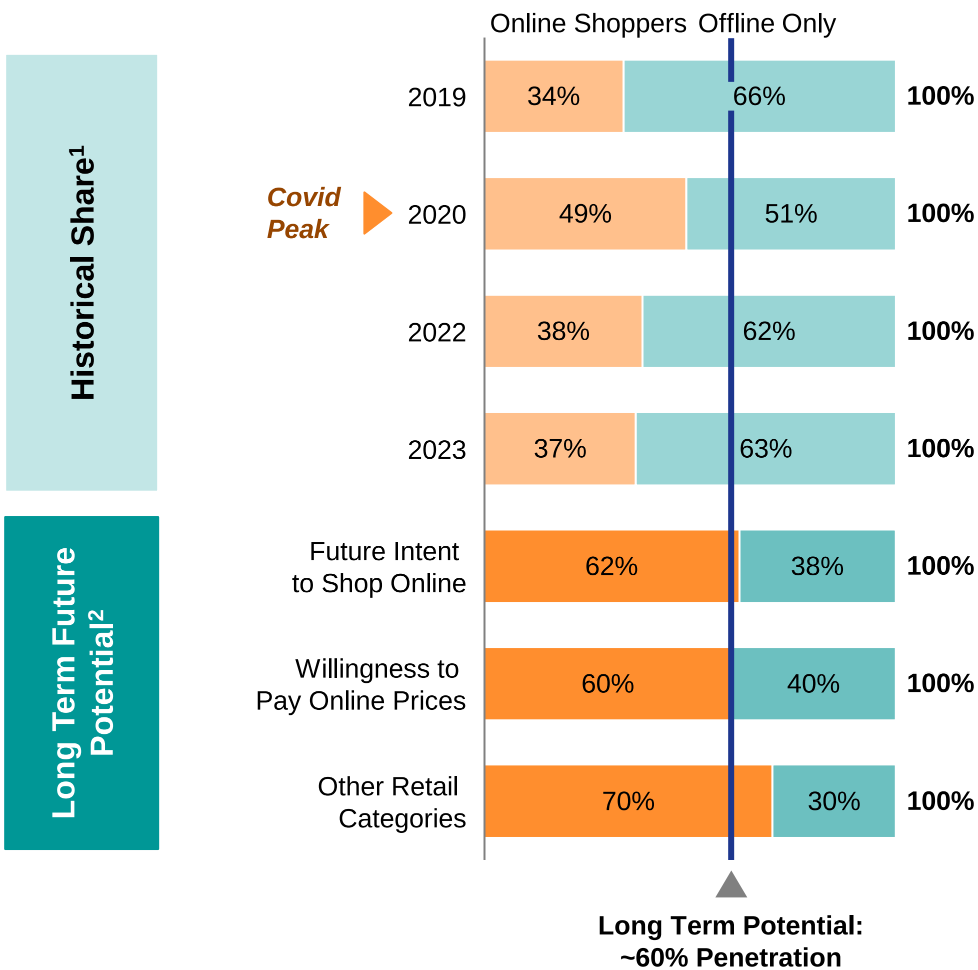
N=2,004



Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Best view is that there remains material online buyer penetration headroom potential in the online cards market in the longer-term

Online Buyer Penetration Potential (% of Card Purchasers who buy 1+ Item Online)



Online buyer penetration levels achieved during Covid period (c. 50%) suggest much higher penetration is realistic

c.38% of surveyed respondents have no intention of shopping online in the next 3 years

c.20-45% of consumers are not willing to pay the higher online prices

There is a natural headroom within retail markets for share of consumers shopping online, where cross category estimates are at c.70%

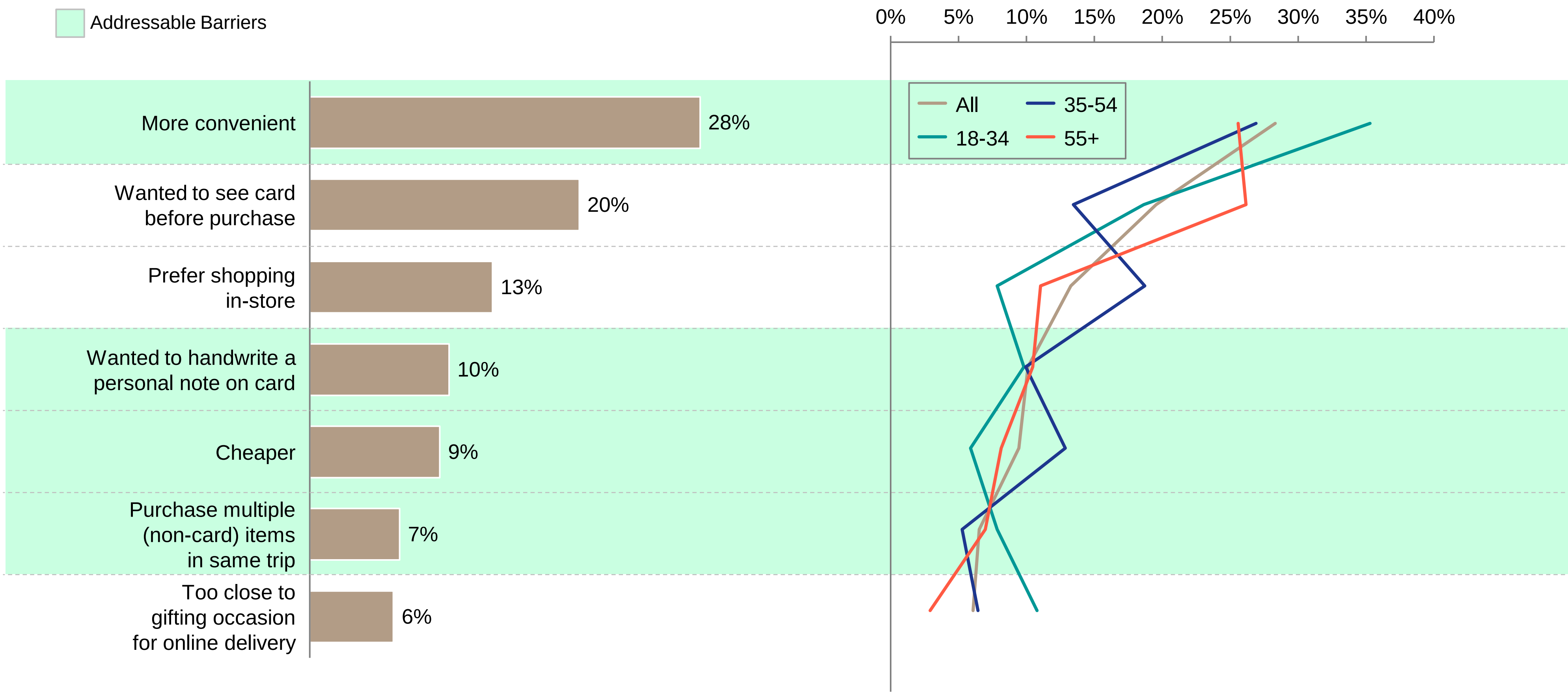
1. Q2.4: "What is the share of physical greeting cards you purchased online vs in a shop during the last 12 months?" *1. In-store; 2. Online*
2. Q4.5: "You mentioned that roughly [X%] of your card purchases in the last 12 months were online earlier in the survey. What % of your greetings card purchases will be online" *1. In the next 12 months; 2. In 3 years' time (e.g. in 2027*)

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

For existing online customers, over 50% of barriers to higher online SoW appear addressable, particularly around convenience

Online Last Purchase Barriers for Online Card Purchasers L12M[1]

Main Reasons Last Purchase In-Store, Market | By Age Group

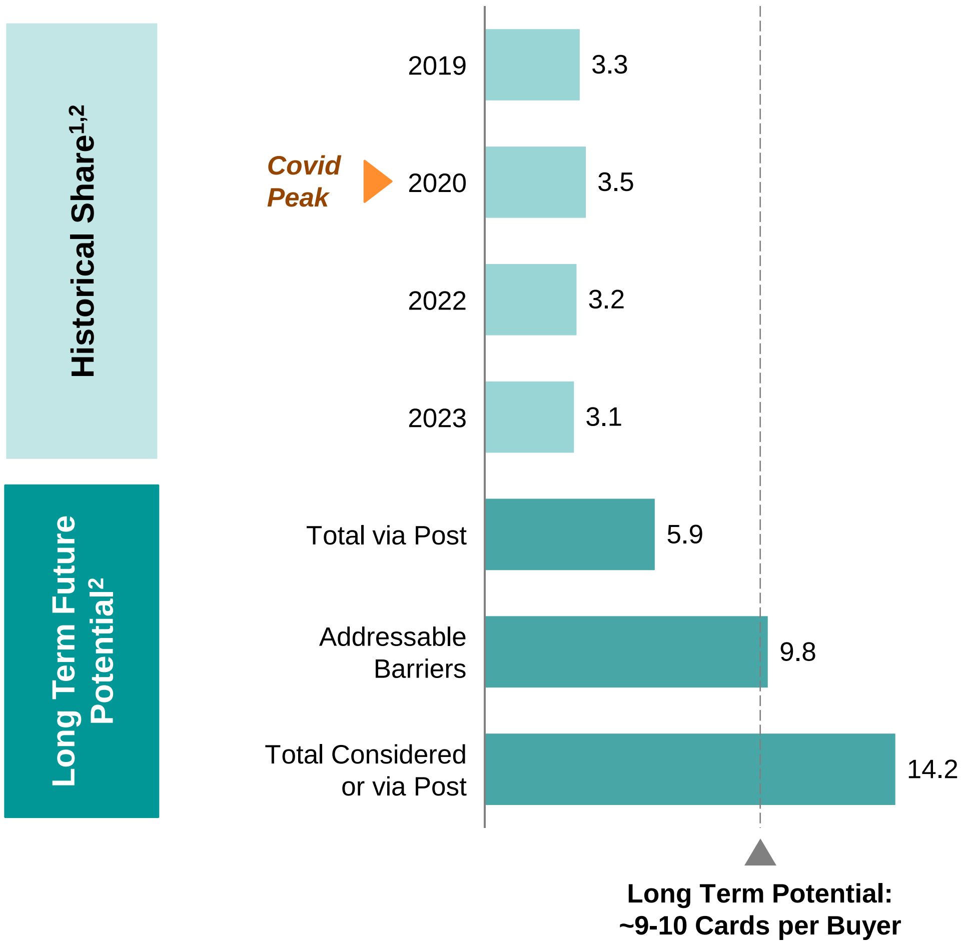


1. Q7.2: "Why did you choose to buy your card in-store instead of online in this instance? Select as many as applicable in order of importance (Rank 1 is most important)" N is 445 for Market, 102 for 18-34, 171 for 35-54, 172 for 55+

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Breakdown of customer purchase missions & declared barriers to online shopping indicates further headroom on online cards per buyer

Online Cards per Online Buyer Potential



Peak Covid online cards per online buyer (c. 3.5) suggests realistic headroom in the near-term

Cards sent via post are the most addressable segment given propensity to purchase online for that segment

Large share of online buyers' wallet (c. 60%) appears convertible via addressing barriers to purchase (e.g. lower price, more choice, higher personalisation)

On top of delivery via post, customers purchasing far in advance might be convertible given higher need for customisation / personalisation

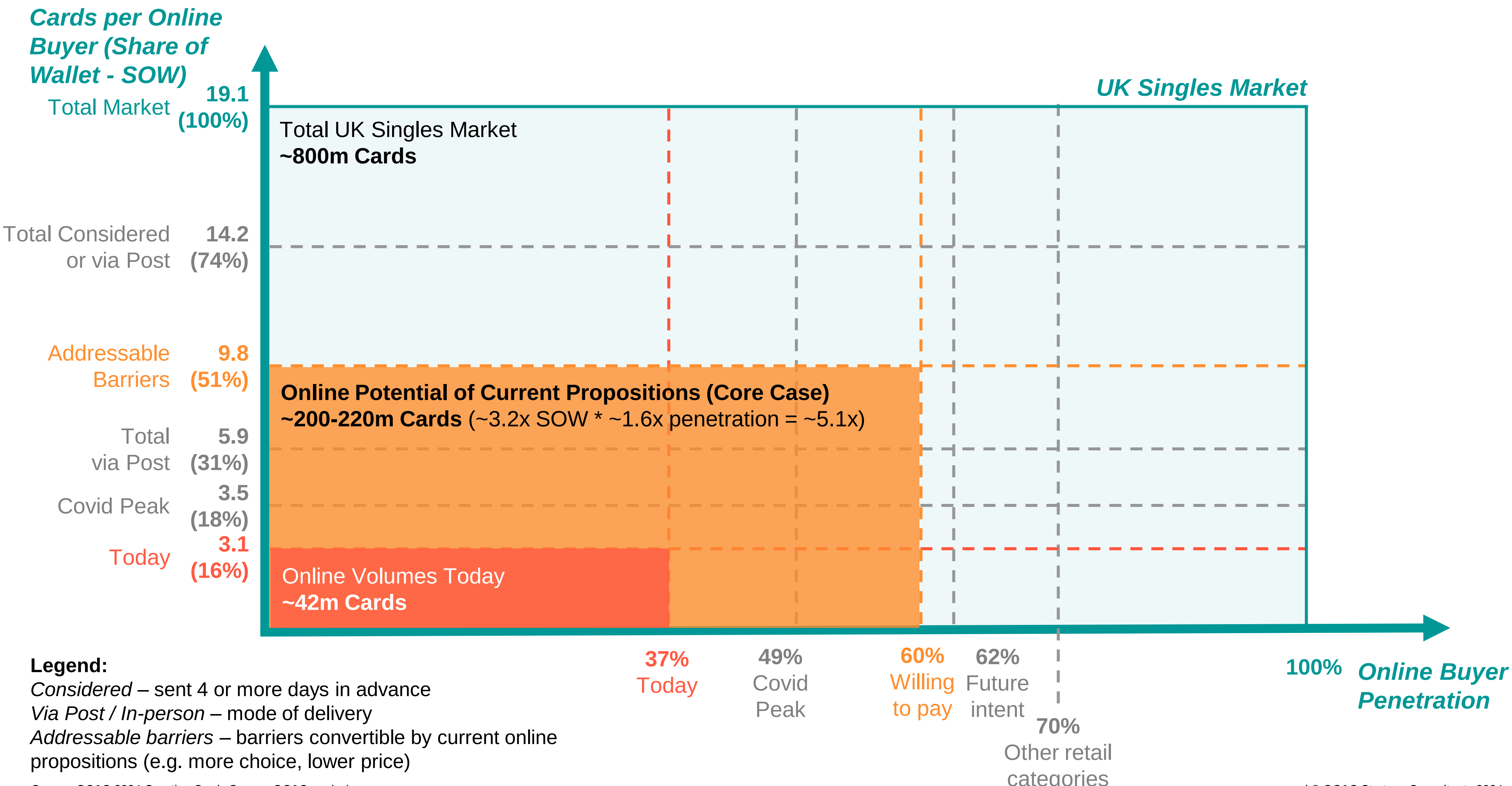
1. Q3.1: "Thinking again about the physical greetings cards you buy – How many greetings cards have you bought in the last 12 months for each of the following occasions?"
2. Q2.4: "What is the share of physical greeting cards you purchased online vs in a shop during the last 12 months?"

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

The full potential of current online propositions is ~200-220m single cards, equivalent to ~5x of current online singles volume

Online Headroom Potential

Not to Scale



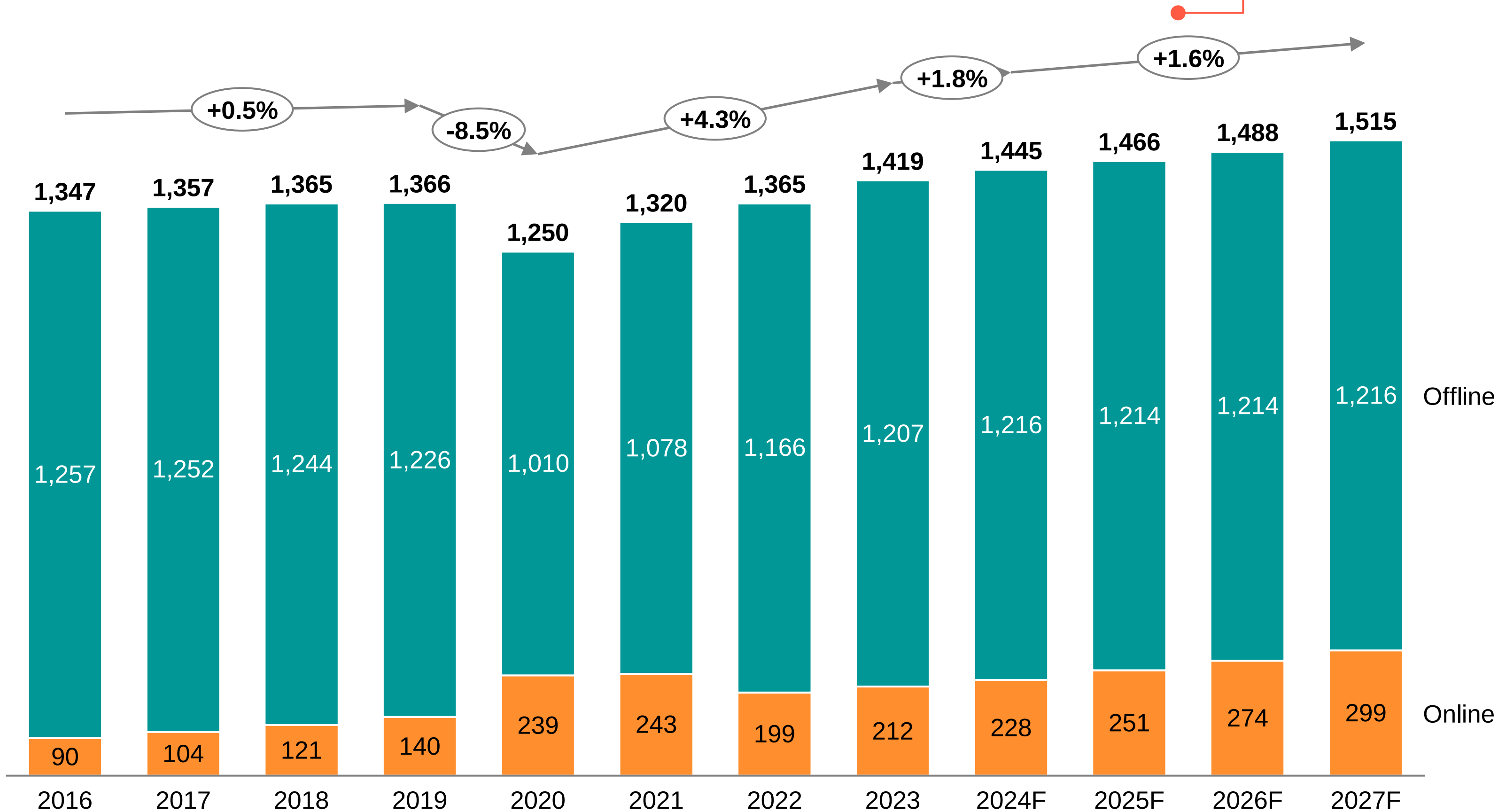
Legend:
Considered – sent 4 or more days in advance
Via Post / In-person – mode of delivery
Addressable barriers – barriers convertible by current online propositions (e.g. more choice, lower price)

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

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

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

Project volume declines by c1% pa; with ASP growth of 2-3% driven by inflation and mix shift to higher ASP online

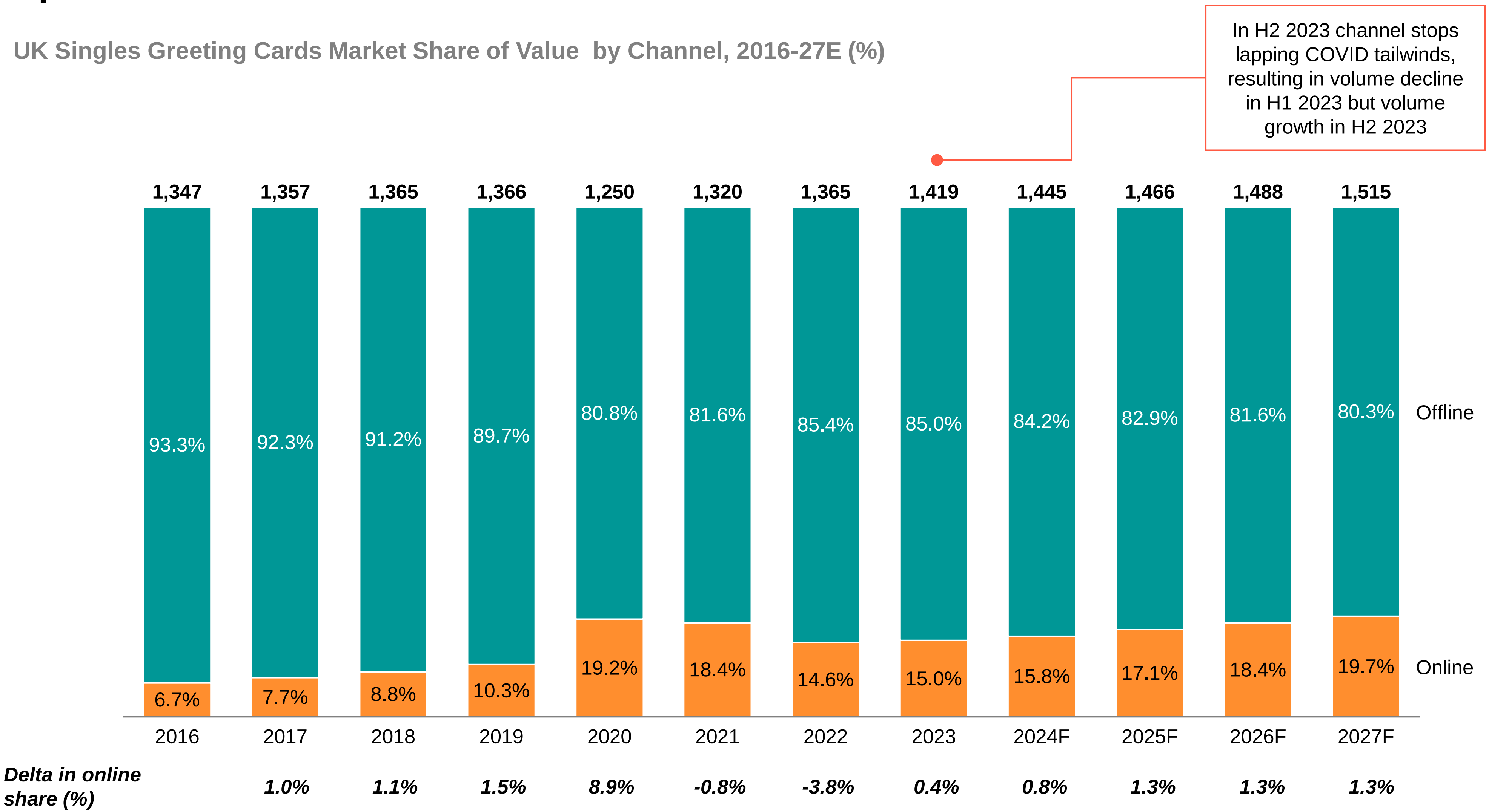


	CAGR 23-24	CAGR 24-27
Offline	1%	0%
Online	8%	9%

Source: OC&C market model

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

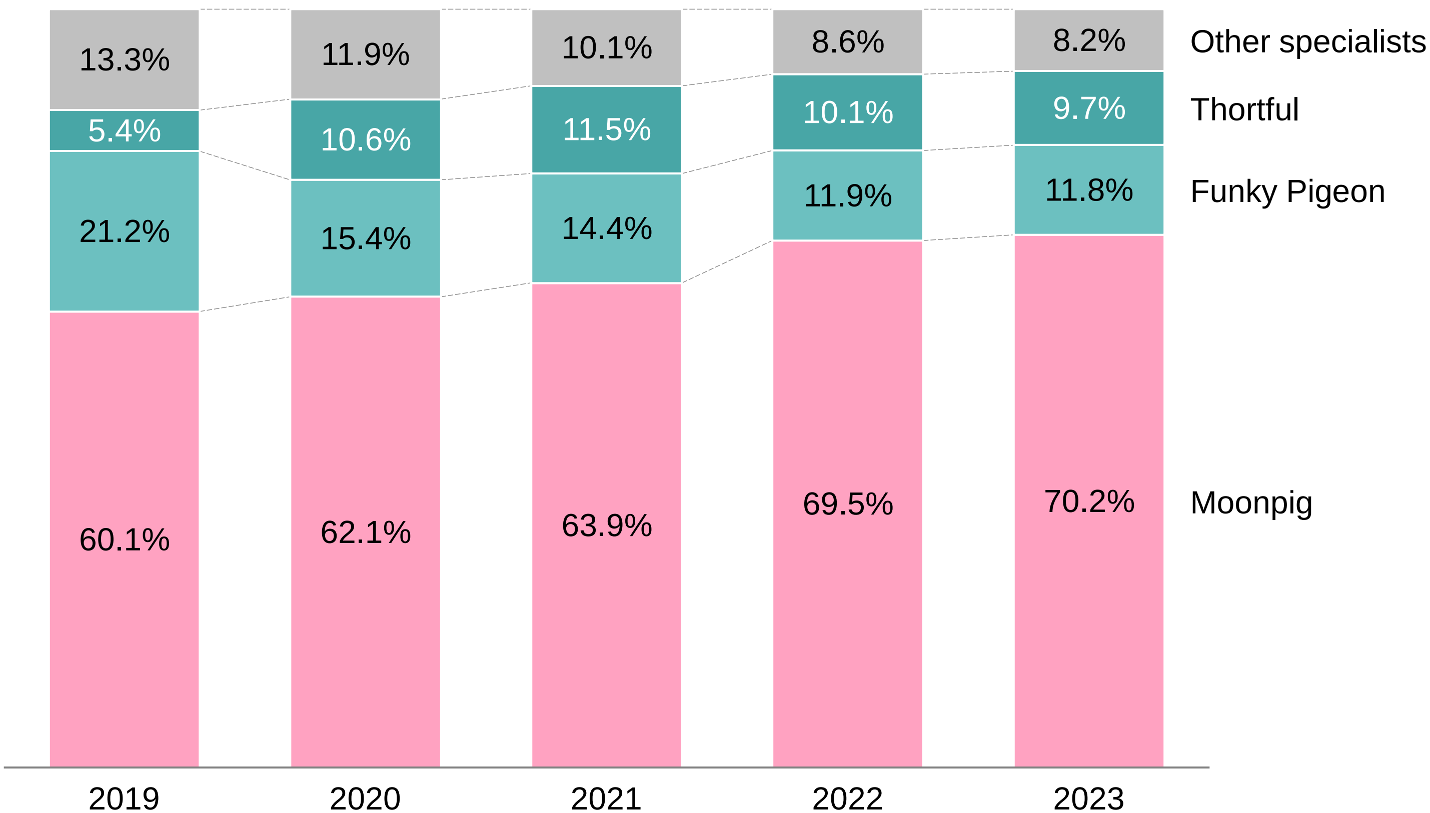
UK Singles Greeting Cards Market Share of Value by Channel, 2016-27E (%)



Source: OC&C market model

Against online card specialists, Moonpig has consistently gained market share

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



1. Other specialists include Card Factory, TouchNote, Clintons, Paperchase, Hallmark, Boomf, Papier; numbers exclude online card sales of non-specialists which are estimated to be c£16m in total

Source: Management Data, Company Accounts, OC&C analysis and market model

Agenda

Card Market Country Overview

UK Greetings Card Purchasing Behaviour and Resilience

UK Online Card Purchasing Propensity and Headroom

Netherland Card Market and Online Buying Behaviour

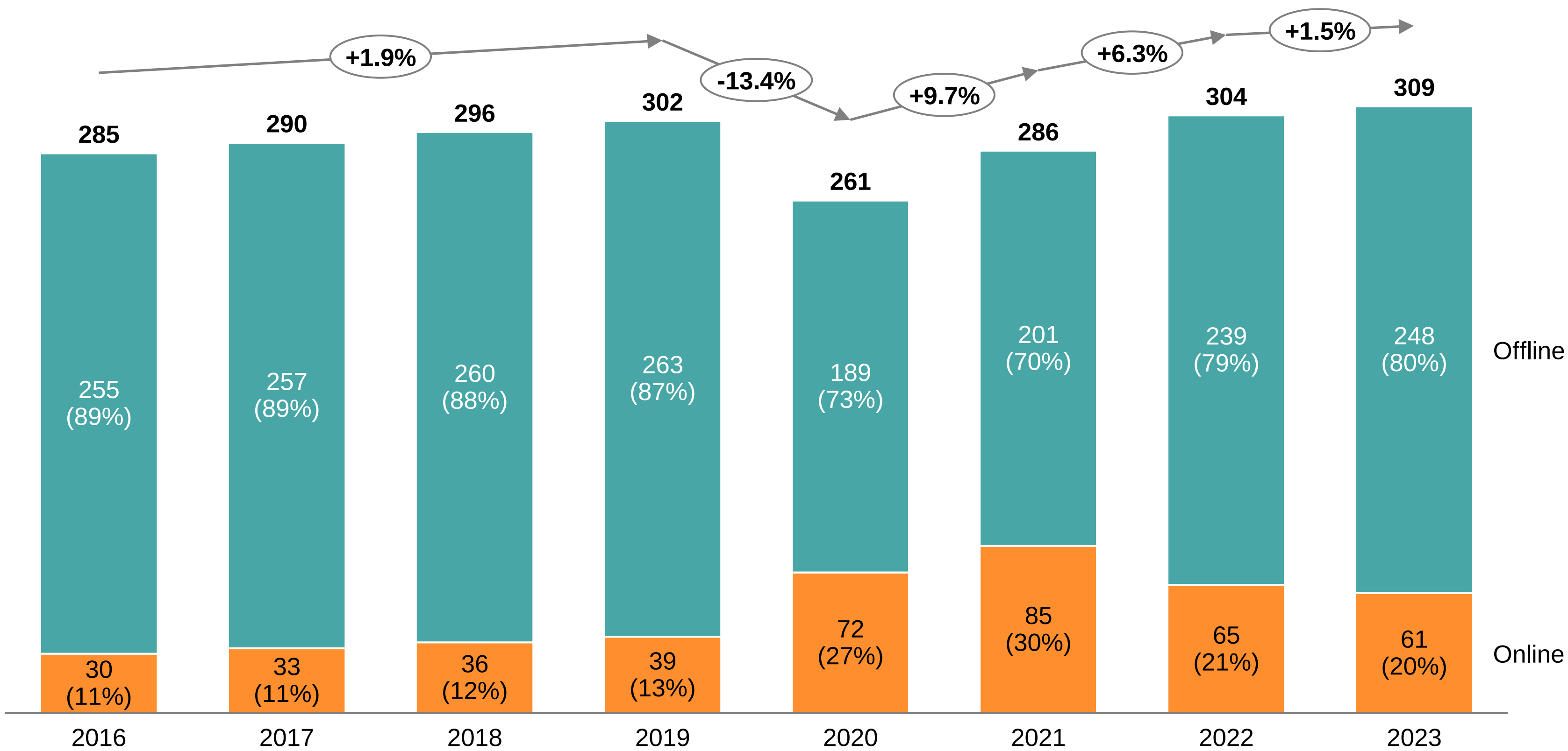
Card Attached Gifting in the UK

UK Experience Gifting

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

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

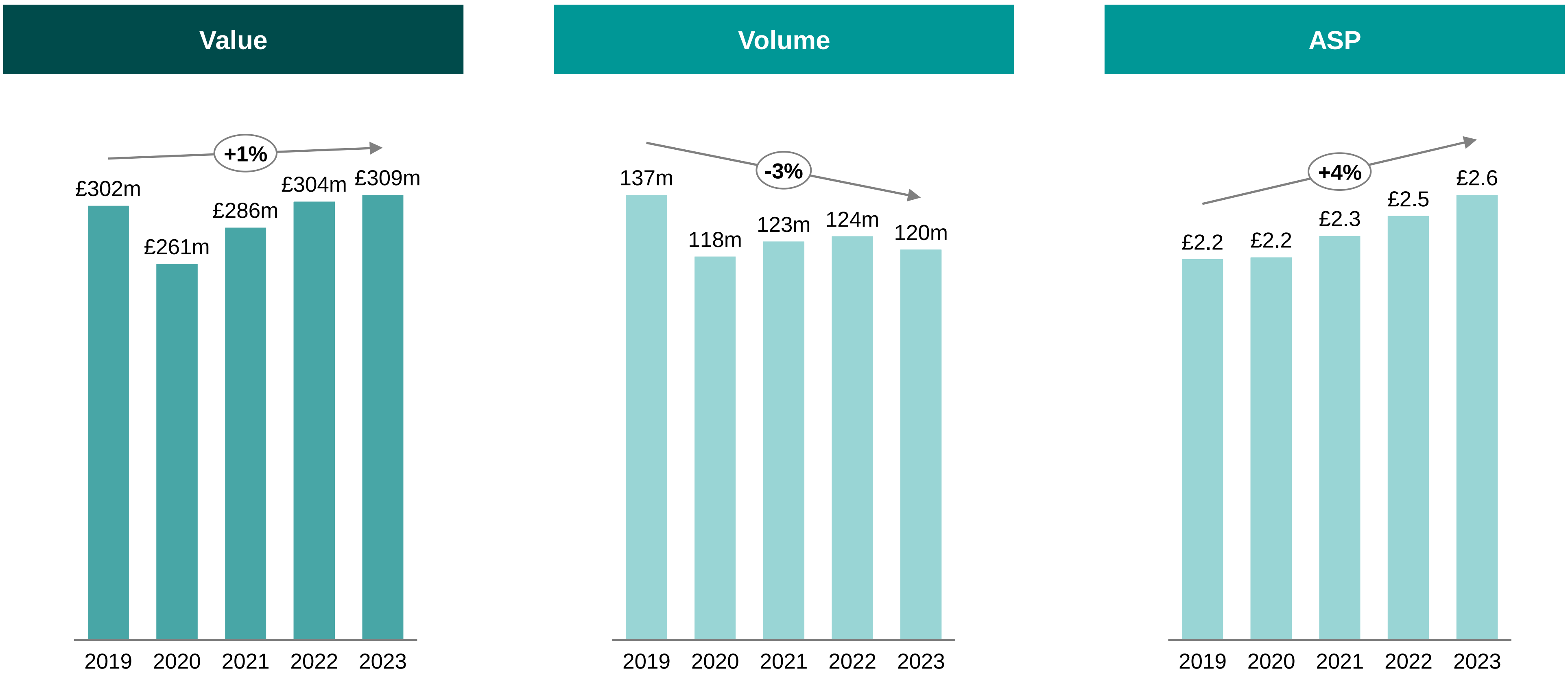
Projections shown at constant 2023 exchange rate



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

The Netherlands greeting cards market has followed a similar trajectory to the UK, with value growth driven via ASP

Key Market Drivers, 2019-23 (£m / M units / £)

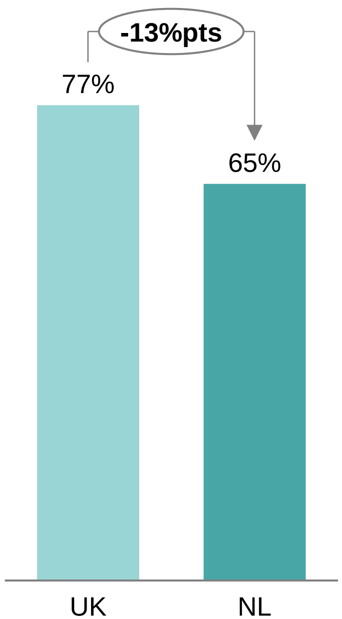


Source: OC&C 2024 Market Model, OC&C analysis

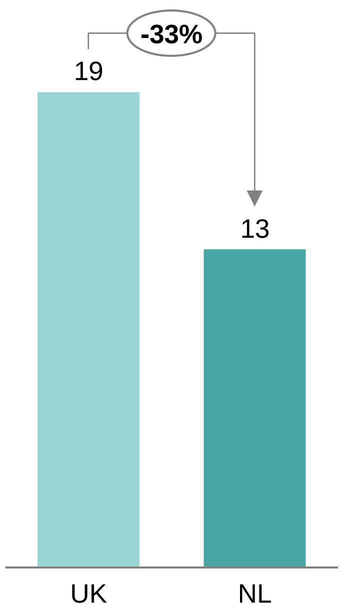
NL cards usage & penetration is lower vs. the UK

Key Usage Metrics vs. UK

Cards Penetration[1]



Cards per Buyer[2]



Adult Card Giving Population	UK	NL
	42m	**9m**

1. Q2.1: "Which of the following have you bought in the last 12 months?"
2. Q3.1: "Thinking again about the physical greetings cards you buy – How many greetings cards have you bought in the last 12 months for each of the following occasions?"

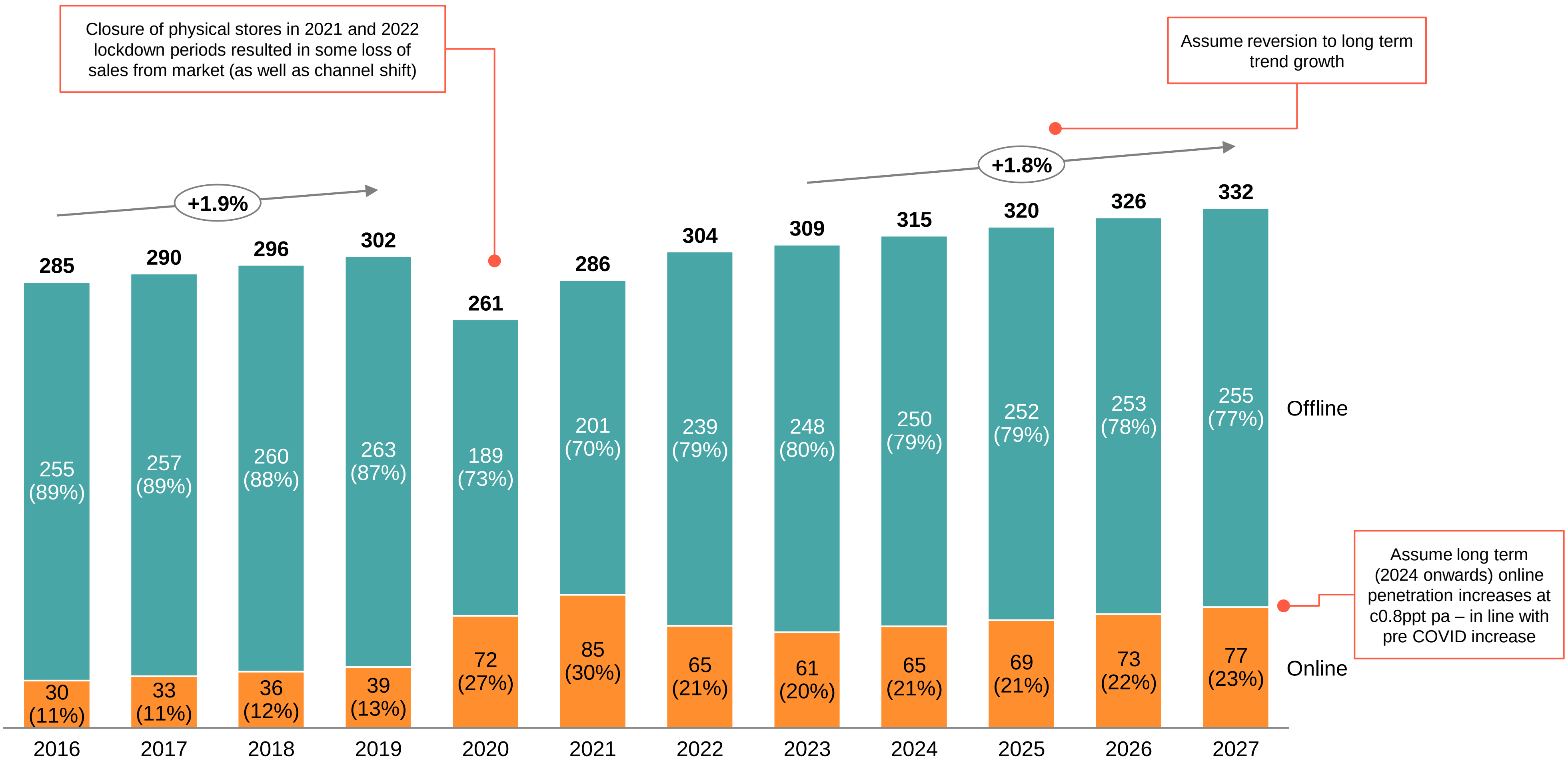
Source: OC&C 2024 Greeting Cards Survey, OC&C 2024 Market Model, OC&C analysis

NL Card Market and Online Buying Behaviour

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

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

Projections shown at constant 2023 exchange rate

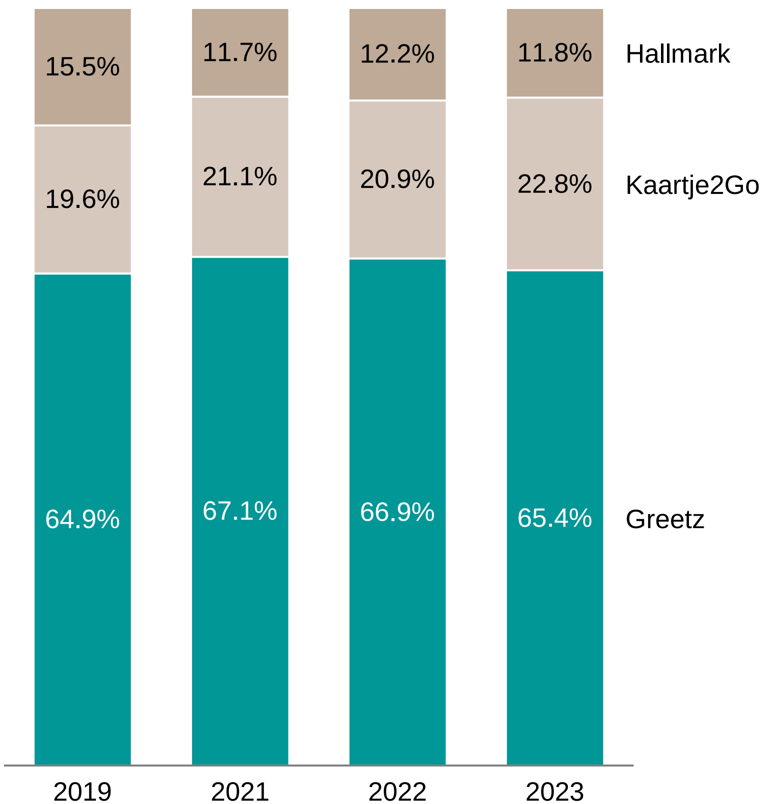


Source: Company Annual Accounts, Management Accounts, OC&C Survey, OC&C market model

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

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

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



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

Commentary

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

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

Agenda

Card Market Country Overview

UK Greetings Card Purchasing Behaviour and Resilience

UK Online Card Purchasing Propensity and Headroom

Netherland Card Market and Online Buying Behaviour

Card Attached Gifting in the UK

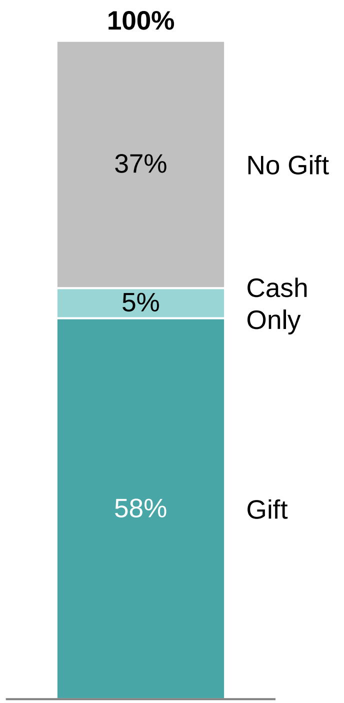
UK Experience Gifting

Attachment of gifts/cash to cards is c63% with gift attachments increasing the addressable wallet by ~15x vs card alone

Card / Gift Attachment

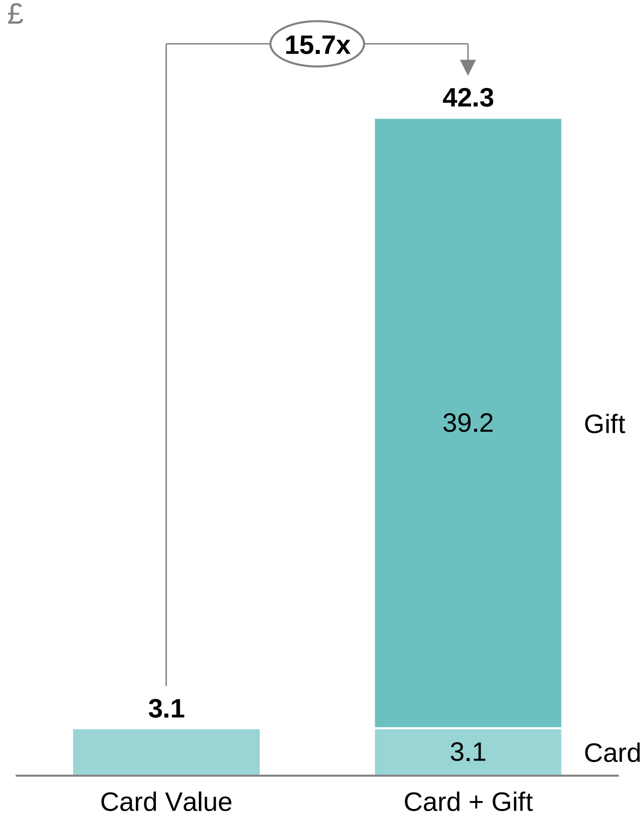
Gift Attachment to Card Purchase[1]

% of Card Purchases with gift attached, last purchase



Average Value of Online Card & Gift[2,3]

£



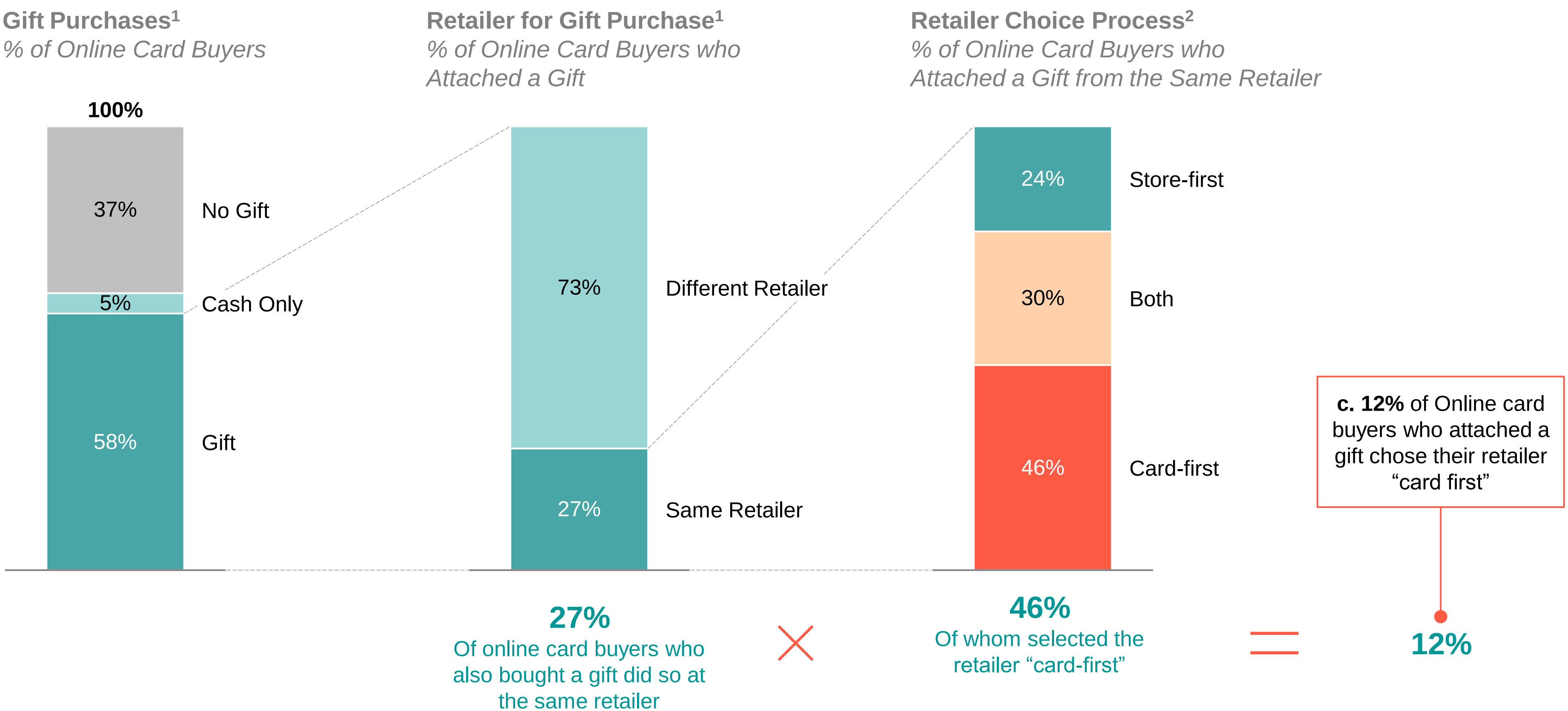
1. Q6.10: “Did you give a gift to the recipient along with the card? (If you bought multiple cards, please tell us about the most important or "main" recipient you purchased the card for)” N=586
2. Q6.7: “What was the price of the card? (If you bought multiple cards, please tell us about the most important or "main" recipient you purchased the card for)” N=586;
3. Q6.12: “How much did you spend on the gift purchase?” N=366

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Of the c.58% of online card buyers who attach gifts, c. 12% choose a card-first retailer to fulfil both the gift and card

Online Gift & Card Purchase Journey
% Respondents

Last Channel Online Buyers (N=586)



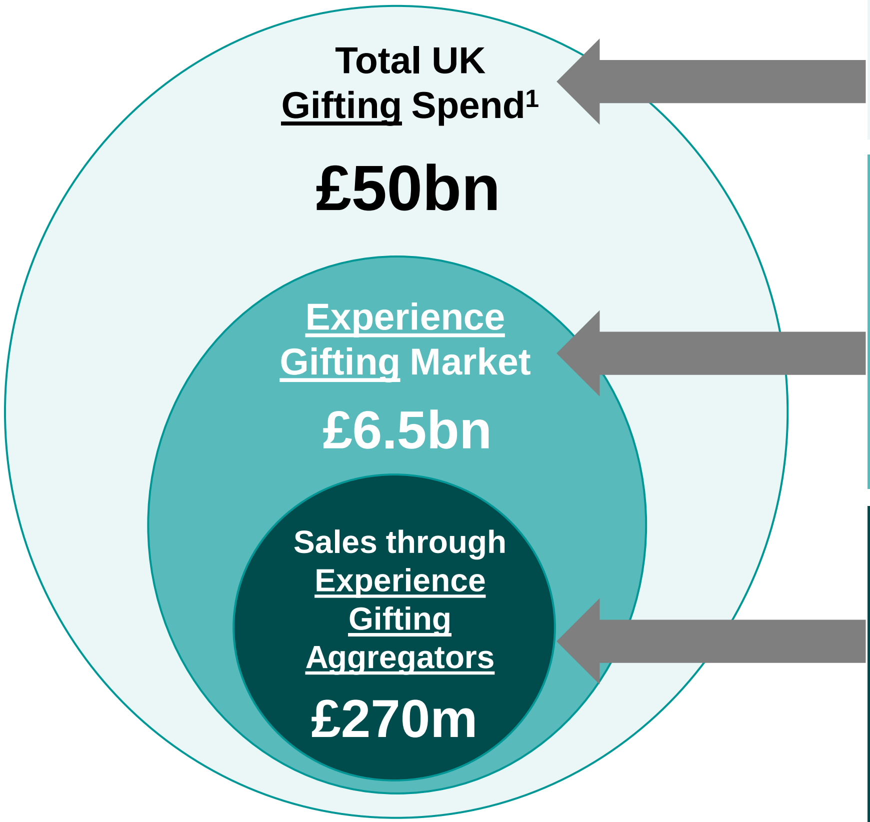
1. Q6.10: "Did you give a gift to the recipient along with the card? (If you bought multiple cards, please tell us about the most important or "main" recipient you purchased the card for)"
2. Q6.10.2: "You mentioned that your last card purchase was accompanied by a gift purchased from the same store as the card. Which of the below best describes your purchase process?"

Source: OC&C 2024 Greeting Cards Survey, OC&C analysis

Agenda

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

Gift Experience Market Size 2023 and Definition



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

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

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

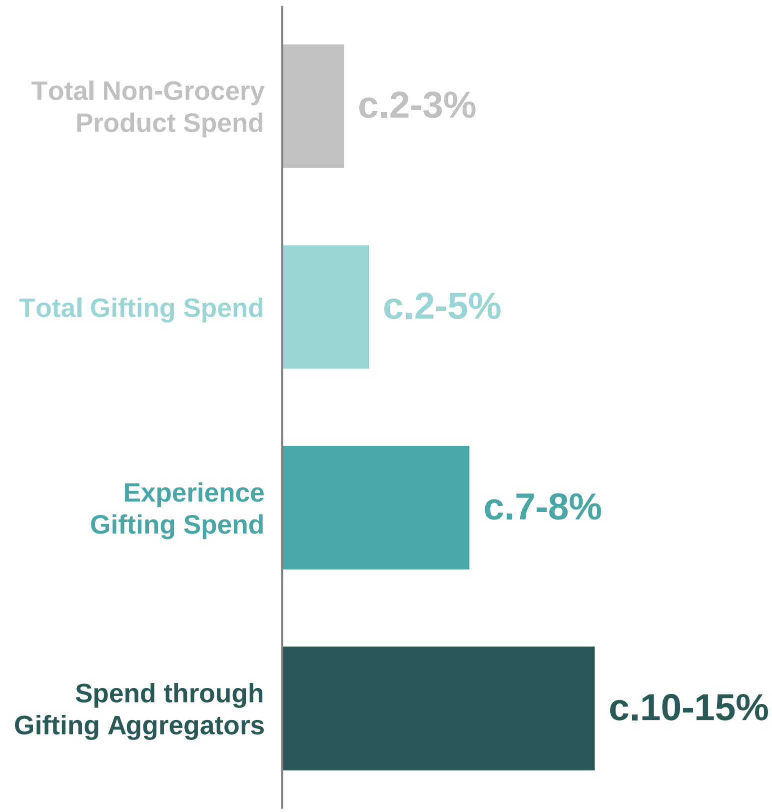
1. Includes c£10bn of gifting in cash.

Source: OC&C analysis

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

Gift Experience Market Size 2023

Estimated 2015-2019 Growth Rates (pre-COVID)

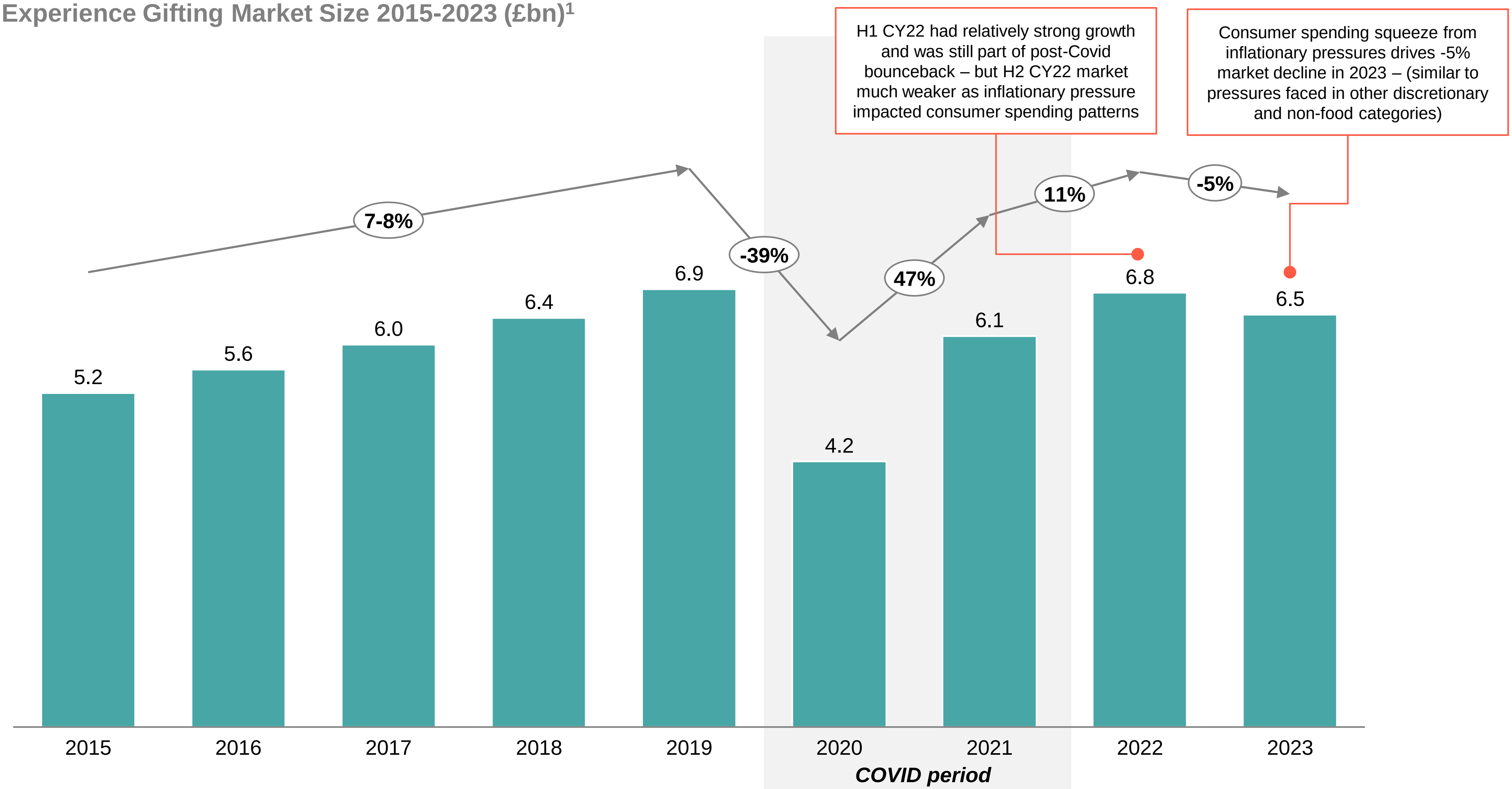


1. Includes c£10bn of gifting in cash.

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

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

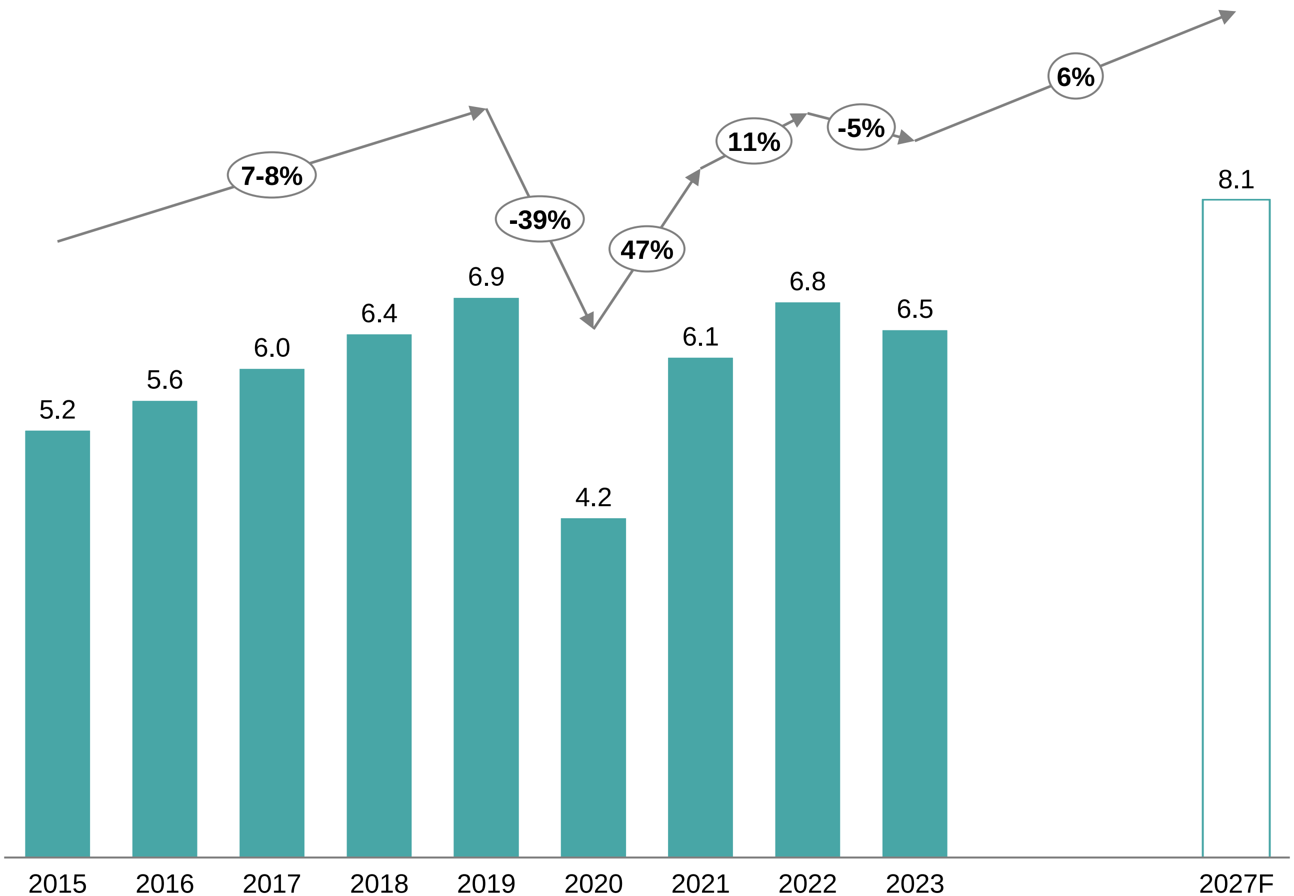
Experience Gifting Market Size 2015-2023 (£bn)[1]



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

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

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



Outlook

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

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

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

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

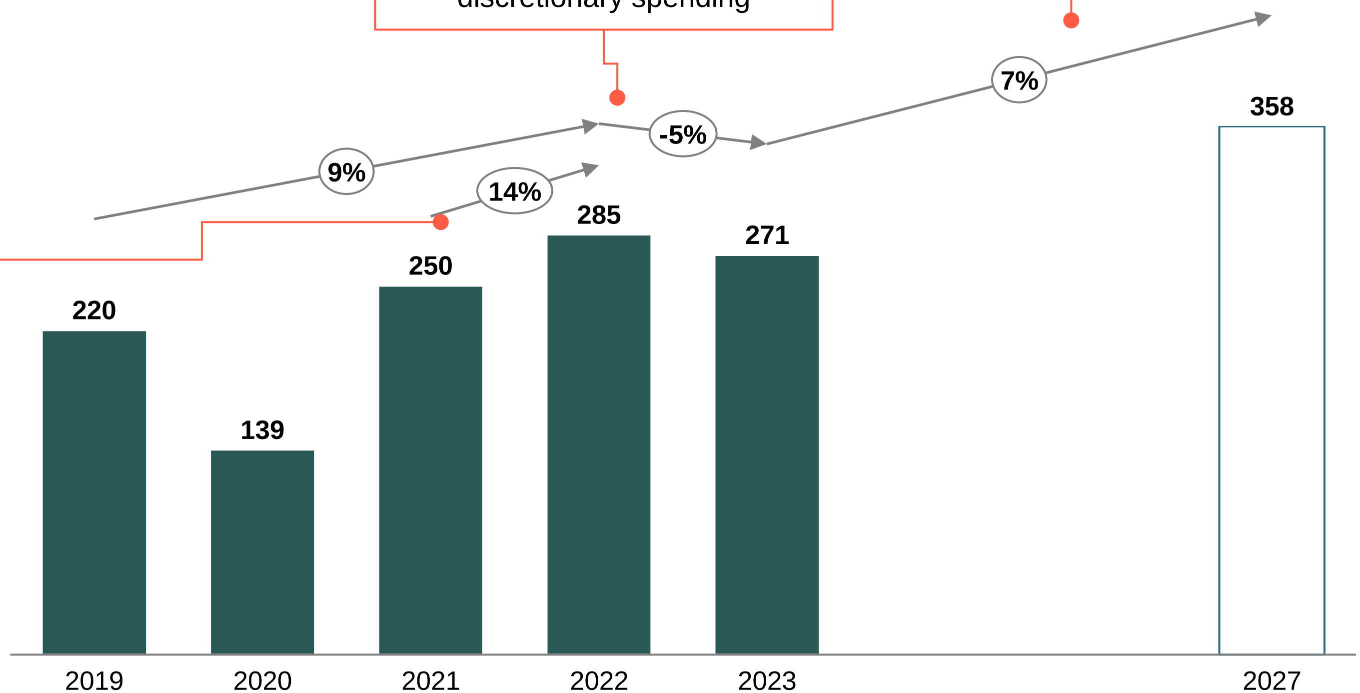
Experience Aggregators Segment Size 2019-2027F (£m)[1]

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

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

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

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



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

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