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12 January 2021

**Cards Holdco Limited**  
**(current holding company of the Moonpig Group)**

**Announcement of Intention to Publish a Registration Document and**

**Expected Intention to Float on the London Stock Exchange**

Moonpig, a leading online greeting card and gifting platform comprising the Moonpig brand in the UK and the Greetz brand in the Netherlands, is today announcing the intended publication by Cards Holdco Limited of a registration document (the "**Registration Document**") and its potential intention to undertake an initial public offering (the "**IPO**" or the "**Offer**"). Should Moonpig proceed with the Offer, the Company will apply for admission of its Shares to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities (together, "**Admission**").

**Moonpig Group Highlights**

- Moonpig Group is a leading online greeting card and gifting platform, comprising the Moonpig brand in the UK and the Greetz brand in the Netherlands. In both markets, Moonpig Group is the clear online market leader in cards, holding a 60% market share in the UK among online card specialists in 2019 and a 65% market share in the Netherlands among the top three online card players in 2019, according to OC&C estimates.
- Moonpig Group's leading customer proposition includes an extensive range of over 20,000 cards, a curated range of gifts, personalisation features, and next day delivery offering. This has enabled Moonpig Group to build a large and loyal customer base efficiently and profitably, demonstrated by its 12.2 million active customers as at 31 October 2020 and strong customer retention, with 78% of Moonpig Group's revenue in the year ended 30 April 2020 derived from previously acquired customers.
- Moonpig Group offers its products through its proprietary technology platforms and apps, which utilise unique data science capabilities designed by Moonpig Group to optimise and personalise the customer experience and provide scalability. Moonpig Group benefits from its dataset of approximately 160 million cumulative historical transactions, which have enabled it to capture and leverage the purchase intent of its customers and provide a unique user experience, with approximately 45 million cumulative personalised reminders set by customers for important occasions and events as of 31 October 2020.
- Moonpig Group's operational excellence is underpinned by an asset light and inventory light business model, which combines lean, process designed automation with an efficient supply chain strategy consisting of a mix of in-house

and outsourced functions. Moonpig Group has flexible capacity arrangements with its third-party suppliers, allowing it to economically flex and scale its operations up to three times its normal dispatch volumes during peak periods.

- Moonpig Group has demonstrated unbroken revenue growth since inception, and grew revenues at a mid-teens CAGR over the ten year period ended April 2020. Most recently, revenue from Moonpig Group grew at a CAGR of 20% from the year ended 30 April 2018 to the year ended 30 April 2020.
- For the year ended 30 April 2020, Moonpig Group's revenue was £173.1 million, with £126.5 million contributed by the Moonpig segment and £46.6 million contributed by the Greetz segment. This represents 44% growth for Moonpig Group year-on-year, compared to the year ended 30 April 2019. During the year ended 30 April 2020, Moonpig Group's underlying EBITDA was £44.4 million, representing an underlying EBITDA Margin of 26%. For the six months ended 31 October 2020, Moonpig Group's revenue was £155.9 million, with £120.8 million contributed by the Moonpig segment and £35.1 million contributed by the Greetz segment. This represents 135% growth for Moonpig Group compared to the six months ended 31 October 2019. Moonpig Group's business is also highly cash generative, due to its high margins, an attractive negative working capital profile and relatively low capital expenditure requirements.
- Moonpig Group operates in the large and underpenetrated gifting market, which includes the sale of greeting cards and gifts. According to OC&C, the overall value of customer spending on gifting in the UK, the Netherlands and the Republic of Ireland, which are Moonpig Group's core markets, was approximately £57 billion in 2019, spread across a wide range of categories and gifting occasions. Moonpig Group holds a leading position within the online cards market which provides it with a competitive advantage in the market for card-attached gifting, and access to standalone gifting, larger market opportunities that are moving online.
- Moonpig Group is led by a dynamic leadership team, who are fully dedicated to the continued success of the Company. The establishment of a new leadership team over the last 3 years, including Nickyl Raithatha as CEO in June 2018, Andy MacKinnon as CFO in January 2019 and Kate Swann as Chair in August 2019, has accelerated Moonpig Group's growth and sharpened its focus on becoming the gifting companion.

Nickyl Raithatha, Chief Executive Officer of Moonpig Group, said:

*"Moonpig Group's mission is to create moments that matter, helping people to connect by sharing meaningful cards and gifts. This is more important now than perhaps ever before. We have built a technology platform that harnesses data-science and AI at every point of our customers' journey, making it as effortless as possible for them to be as thoughtful as possible.*

*The combination of our extensive range of personalised cards, curated gifts, high-speed logistics, and unique predictive insights into gifting intent, helps our 12 million loyal customers to remember, choose, and create the perfect card and gift for every occasion.*

*We are confident that Moonpig Group will continue to make gifting even more effortless for millions of people across the UK and internationally, and as the leaders of the accelerating shift to online now is the perfect time for us to bring the company to the public market."*

Kate Swann, Chair of Moonpig Group, said:

*"Moonpig Group combines strong and sustained growth with excellent cash generation, in a market which is underpenetrated and moving online. I have been impressed by the management team, their innovation, and by the customer insight provided by Moonpig Group's data. The Board is confident that Moonpig Group is well positioned to capitalise on its first mover advantage in the online card market and continue its strong momentum in the gifting segment, benefit from the continued human need for connections, and cycle-resilient customer spend on gifts and cards."*

### **Potential Offer Highlights**

Should Moonpig Group proceed with an Offer, it is expected to have the following features:

- Admission to listing on the premium listing segment of the Official List of the FCA and admission to trading on the main market for listed securities of the London Stock Exchange;

- Immediately following Admission, the Company intends to have a free float of at least 25 per cent. of the Company's issued share capital and expects that it would be eligible for inclusion in the FTSE UK indices;
- Moonpig Group is targeting approximately 2.0x net debt to EBITDA; and
- Any additional details in relation to the potential Offer, together with any changes to corporate governance arrangements would be disclosed in an Intention to Float ("**ITF**") announcement and/or the Prospectus, if and when published.

The IPO is being considered, among other reasons, to further raise the profile of the Company, provide it with a platform for continued growth, and allow the selling shareholders to sell part of their shareholdings, while providing increased trading liquidity in the Ordinary Shares. Moonpig Group has engaged Citigroup Global Markets Limited ("**Citigroup**") and J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) ("**J.P. Morgan Cazenove**") as Joint Global Co-ordinators, and HSBC Bank plc ("**HSBC**"), Jefferies International Limited ("**Jefferies**") and Numis Securities Limited ("**Numis**") as Joint Bookrunners, in the event the Offer proceeds.

A copy of the Registration Document will be submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> once approved by the FCA. A copy of the Registration Document will also be available on Moonpig Group's website at [www.moonpig.group](http://www.moonpig.group) subject to certain access restrictions.

### **Investment Highlights**

The Directors believe that Moonpig Group benefits from a combination of competitive advantages, which position Moonpig Group to continue its growth trajectory from a position of strength. In particular, the Directors believe that Moonpig Group benefits from the following key strengths:

#### ***Leading online operator in a large market with clear competitive advantages driving a secular shift to online***

- Moonpig Group operates in the large £24 billion card-attached gifting market in the UK, the Netherlands and Ireland. This market is undergoing a structural shift from offline to online purchasing with only approximately 12% of card-attached gifting currently purchased online according to OC&C. These trends are also evident in the £2 billion card market (including boxed sets) in the UK, the Netherlands, and Ireland. Only approximately 10% of purchases made online as of 2019 in the UK, with this forecast to increase significantly to approximately 20% by 2024, according to OC&C. These advantages are underpinned by the strengths of the online proposition and experience when compared to offline card-attached gift purchasing, including broader choice, ability to personalise products and enhanced convenience, additional digitally-enabled features such as reminders, and a personalised customer experience.
- Furthermore, Moonpig Group is the clear online market leader in cards in its key geographies of the UK and the Netherlands with Moonpig Group's category defining brands Moonpig and Greetz holding market shares among online card specialists and the top three online operators of approximately 60% and 65% respectively, representing approximately three times the share of the next largest competitor in each of these countries.

#### ***A large and loyal customer base underpinned by a category leading brand and proposition***

- Moonpig Group's leading customer proposition, including an extensive range of over 20,000 cards, a curated range of gifts, personalisation features and next day delivery offering, has enabled it to build a large and loyal customer base, demonstrated by its 12.2 million active customers as at 31 October 2020 and strong customer retention, with 78% of the Group's revenue for the year ended 30 April 2020 derived from previously acquired customers.
- This is underpinned by Moonpig's high 86% brand awareness in the UK (year ended 30 April 2020, according to OC&C), and a strong NPS score of 74% (annual average NPS as at October 2020 for Moonpig).
- Together, these strengths have enabled Moonpig Group to acquire customers efficiently and profitably, with a short payback period for new customers of approximately 6 months.

### ***Proprietary technology platform with unique data capabilities***

- Moonpig Group employed a team of 141 data scientists, analysts, product developers and software engineers, comprising over a third of its workforce, as at 31 October 2020, and operates a proprietary technology platform which has been recently upgraded over the course of the years ended 30 April 2019 and 2020 to accelerate the optimisation of the customer experience and provide enhanced scalability and security.
- With one in three orders made on the app, Moonpig Group is increasingly evolving into an app-first business. Moonpig's App was the number one shopping app on both iOS and Android in June 2020. The Directors believe that the app enhances the user experience and increases order frequency, with a 15% increase in order frequency displayed by customers who downloaded the app in 2019.
- Data is at the core of what Moonpig Group does, and it has collected a wealth of proprietary customer data over the years, having processed approximately 160 million cumulative transactions and collected 45 million cumulative reminders from October 2011 through to 31 October 2020 (with Greetz data processed since September 2018). This data continues to increase rapidly as the company gains new customers and as both new and existing customers make purchases and set reminders, creating a virtuous circle. The Directors believe that Moonpig Group's internally developed data science expertise, including proprietary algorithms, artificial intelligence, machine learning tools and real-time data processing, enable it to capture and reflect the purchase intent of its customers (e.g. the who, what, why, and what style they are buying for), providing a personalised and efficient user experience with personalised reminders, recommendations and targeted promotions, and serving as a significant differentiator and barrier to entry.

### ***Lean and best-in-class supply chain provides strong service offering, high flexibility and scalability***

- Moonpig Group consistently delivers a seamless customer journey with the best and most up to date features that e-commerce has to offer. For example, in addition to Moonpig Group's intuitive and user-friendly online interface, Moonpig Group offers its customers a curated product assortment, enhanced order tracking and market leading cut-off times for next day delivery.
- Moonpig Group's operational excellence is underpinned by an asset and inventory light business model, which combines lean, process designed automation with an efficient supply chain strategy consisting of a mix of in-house and outsourced functions to provide operational flexibility, minimise capital expenditure requirements, and enable operational leverage. For example, Moonpig Group has flexible capacity arrangements with its third-party partners, allowing it to economically flex and scale its operations up to three times its normal dispatch volumes during peak periods.
- The strength of Moonpig Group's business model was evidenced by Moonpig Group's ability to not only maintain operational continuity during the Covid-19 lockdown period of approximately mid-March to July 2020, but also to increase output to successfully meet customers' heightened demand.

### ***Unique combination of scale, revenue growth, and high margins and robust cash generation***

- The Director's believe that Moonpig Group offers a powerful and unique combination of leading market positions, with a track record of strong, consistent revenue growth, high profitability and robust cash generation.
- Moonpig Group has demonstrated unbroken revenue growth since inception, and grew revenues at a mid-teens CAGR over the ten year period ended April 2020. Most recently, revenue from Moonpig Group grew at a CAGR of 20% from the year ended 30 April 2018 to the year ended 30 April 2020.
- In the year ended 30 April 2020 and six months ended 31 October 2020, underlying EBITDA was £44.4 million, representing an underlying EBITDA margin of 26% and £41.2 million representing an underlying EBITDA margin of 26%, respectively. Moonpig Group has experienced a significant underlying EBITDA margin expansion from

19% in the year ended 30 April 2019, driven by a robust and broadly consistent gross margin of 53% over the same period and the benefits of operating leverage as the business has scaled. Moonpig Group's business model is also highly cash generative, due to its structurally high margins, an attractive negative net working capital profile and relatively low capital expenditure requirements. Moonpig Group's cash conversion rate was 73% for the year ended 30 April 2018, rising to 115% for the year ended 30 April 2020.

#### ***Digital first, highly experienced leadership team with an entrepreneurial culture***

- Moonpig Group is led by a dynamic leadership team, who are fully dedicated to the continued success of Moonpig Group, and fostering an entrepreneurial, growth-oriented culture with strong employee engagement.
- CEO Nickyl Raithatha and CFO Andy MacKinnon both have significant experience and expertise in successfully running high growth e-commerce businesses, having previously held leadership roles at companies including Finery (LFG Limited), Rocket Internet SE, LateRooms.com and Wowcher, and have been instrumental in accelerating the growth of Moonpig Group since joining in June 2018 and January 2019, respectively.
- Moonpig Group is chaired by Kate Swann, who has significant listed UK plc experience, having formerly served as the CEO of WH Smith PLC and SSP Group plc. Both businesses created notable value for investors under her leadership.
- The leadership team is supported by a deep bench of managers with extensive experience in product, operations, marketing, commercial strategy, data science and technology.

#### ***Highly resilient business model that continues to outperform in the current environment***

- Moonpig Group has continued to trade exceptionally well through the pandemic, with its scale, market leadership and flexible operations enabling strong revenue growth and providing validation of Moonpig Group's customer proposition, customer acquisition model and technology platform.
- In the six months ended 31 October 2020, Moonpig Group delivered revenue growth of 135% compared to the six months ended 31 October 2019 and experienced strong adoption of the app, with the app share of total orders increasing from 16% in the month of October 2019 to 33% in the month of October 2020.
- Moonpig Group also benefitted from management actions and investments undertaken in response to the Covid-19 pandemic and the lockdowns to accelerate new customer acquisitions in the six months ended 31 October 2020. In connection with these actions, Moonpig Group experienced a threefold increase in revenue from new customers growing from £11 million in the six months ended 31 October 2019 to £33 million in the six months ended 31 October 2020.
- Moonpig Group also proved resilient during the global financial crisis in 2008, reflecting both the business's differentiated customer proposition and the category's relatively low price points and exposure to special occasion purchase patterns (Source: OC&C 2020).

### **Strategy**

#### ***Moonpig Group's vision is to become the e-commerce gifting companion in its markets***

- Moonpig Group's goal is for the Moonpig and Greetz brands to become synonymous with gifting in their respective markets. Moonpig Group has already evolved from the online leader in personalised greeting cards into a card-first gifting platform, with 44% of revenues coming from gifts and flowers in the twelve months ended 31 October 2020. The next phase of Moonpig Group's journey is to transition into a holistic online gifting companion, increasing its

share of the gifting market and becoming the destination of choice for customers seeking to purchase the right gifts for all of the important occasions and events in their lives.

- The Directors believe that Moonpig Group's high brand awareness, large and loyal customer base, and strong customer acquisition capabilities provide a strong foundation for achieving this objective, and intend to leverage Moonpig Group's powerful data-science, technology, marketing and design capabilities to continuously enhance its platforms to grow, increase and extend its customer base, customer lifetime value and range of addressable gifting occasions.

#### ***Capitalise on the structural shift to online with continued growth in the customer base***

- Continued customer acquisition, and in particular continuing to win customers migrating from the offline to online channel forms a key part of Moonpig Group's growth strategy. There are estimated to be 53.8 million card purchasers in Moonpig Group's core markets of the UK and the Netherlands according to OC&C, representing a large, untapped pool of potential customers for Moonpig Group to win.
- Moonpig Group will continue employing its card-first customer acquisition strategy, leveraging Moonpig Group's strong brand awareness and reputation to bring new customers onto Moonpig Group's platforms. The Directors believe that a card-first strategy allows Moonpig Group to acquire customers efficiently and profitably, as the strong customer proposition and high brand awareness draw new customers to the platforms with high efficiency.
- In addition to enhancing customer acquisition from both offline and online channels, reducing customer churn is another key component of growing the customer base. The Directors believe that Moonpig Group's differentiated gifting ecosystem and platforms foster a strong sense of customer loyalty and meaningfully support Moonpig Group's customer retention efforts, with 78% of Moonpig Group's revenue derived from previously acquired customers. It also strives to ensure that its platforms deliver the most complete, intuitive and up-to-date user experience and interface, and seeks to offer its customers the most convenient delivery options and industry leading cut-off times.

#### ***Drive growth through the existing customer base***

- Moonpig Group's active customers are estimated to purchase, on average, 23.0 cards each per annum, of which just 3.3 are estimated to be purchased from Moonpig Group according to OC&C and management estimates. The Directors believe that through a combination of enhancing the product offering through its Global Design Platform, expansion of the gifting range, a focus on convenience through adoption of the app, and using data insights to personalise the customer journey, the Group will be able to increase its penetration of its customer base's annual spending on occasion-based gifting.
- Moonpig Group seeks to achieve orders growth through the continued use of reminders ahead of purchasing occasions to prompt customers to make additional purchases.
- Moonpig Group will seek to increase average order value by leveraging its strong product design capabilities and predictive algorithms to offer the customer the most relevant selection of gifts and increase both the gifting attach rate and, through an increasing use of brand partnerships and licenses, the price points at which gifts are attached. For the twelve months ended 31 October 2020, customers on average attached gifts to 16% of card purchases, with attached gifting representing 37% of Moonpig Group's revenue mix.

#### ***Continuous enhancement of the technology platform and data science capabilities to deliver a personalised app-first customer journey***

- Having successfully re-platformed the Moonpig business, the next stage is to unify the whole Group onto a single platform, with Greetz currently in the process of being migrated. The Directors believe this will enable the

harmonisation of the operating businesses, including the alignment of Greetz to Moonpig's card-first strategy, increasing the speed of innovation across Moonpig Group and driving operational efficiencies.

- Moonpig Group intends to continue increasing its collection of data, adding to its deep pool of customer datasets and developing its proprietary algorithms, machine learning tools and techniques. The Directors believe that this drives a virtuous cycle of continuous customer data acquisition, learning, and self-improvement, ultimately enhancing customer retention and lifetime value.
- Moonpig Group will continue developing its app-first strategy and continue adding innovative features and functionality to Moonpig's market leading app in order to accelerate app adoption and increase loyalty and order frequency. 33% of Moonpig's orders were app-based for the month of October 2020, a significant increase compared to the month of October 2019, when 16% of orders were app-based.
- Further, Moonpig Group will continue to develop the user interface to ensure the customer journey remains seamless and incorporates the latest e-commerce features. The Directors are targeting further improvements in both the user interface, including enhanced page layout and speed, pre-populated fields, and faster checkout times, and e-commerce capabilities, including later cut-off times for next day delivery on products and enhanced order tracking.

#### ***Further growth opportunities***

- Focusing on standalone flowers and gifting categories would allow Moonpig Group to further tap into the non-attached gifting market, where Moonpig Group derived 7% of its revenue in the year ended 30 April 2020. This would also expand Moonpig Group's total addressable market size, from the attached gifting market of £24 billion to the total gifting market of £57 billion, in the UK, the Netherlands and Ireland according to OC&C estimates of such markets sizes in 2019.
- Further, there is the opportunity to extend and grow Moonpig Group's existing relatively small operations in the large gifting markets of the United States and Australia, worth £158 billion and £22 billion in 2019, respectively, according to OC&C.
- In addition to these organic growth opportunities, there is the potential for Moonpig Group to consolidate its existing core markets or to enter into new markets through a bolt-on acquisition strategy, with Moonpig Group already having demonstrated its ability to successfully integrate acquired companies through its acquisition of Greetz.
- At this stage, Moonpig Group's immediate focus is on the continued growth of the core business within Moonpig Group's core markets of the UK and the Netherlands, but the pursuit of a number of these opportunities forms part of the Directors' longer term vision for the business.

#### **Supplemental Information for Bona-fide Unconnected Sell-Side Research Analysts**

Bona fide unconnected research analysts may receive additional information on Moonpig Group by requesting access from Ashley Wood, Citigroup ([ashley.wood@citi.com](mailto:ashley.wood@citi.com)) or Beau Freker, J.P. Morgan Cazenove ([beau.freker@jpmorgan.com](mailto:beau.freker@jpmorgan.com)).

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### **Further information on Moonpig Group**

#### **Board of Directors**

Should the Company proceed with an Offer, it is expected that the board of directors of the Company (the "**Board**") will be chaired by Kate Swann and consist of Nicky Raithatha as CEO, Andy MacKinnon as CFO, David Keens as Senior Independent Non-Executive Director, Niall Wass and Susan Hooper as Independent Non-Executive Directors and Simon Davidson as Non-Executive Director.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Kate Swann .....	56	Chair
Nickyl Raithatha.....	37	Chief Executive Officer
Andy MacKinnon.....	46	Chief Financial Officer
David Keens.....	67	Senior Independent Non-Executive Director
Niall Wass .....	51	Independent Non-Executive Director
Susan Hooper .....	60	Independent Non-Executive Director
Simon Davidson .....	44	Non-Executive Director

#### ***Kate Swann (Non-Executive Director and Chair)***

Kate is Chair of Moonpig, having held the role since August 2019. Kate has more than 30 years of experience in top management positions, including considerable experience in chairing boards. She currently serves as Chair of IVC Evidensia, a large veterinary care provider, Secret Escapes, an online members only luxury travel club, and Parques Reunidos, a leisure park operator that owns and operates more than 60 parks internationally. Kate has extensive UK plc experience, having previously served as the Chief Executive Officer and Executive Director of SSP Group plc from 2013 to 2019 (including at the point of its listing on the London Stock Exchange in 2014), and as the Chief Executive Officer of WH Smith PLC from 2003 to 2013. Prior to this, Kate held roles as Managing Director of Homebase, and Managing Director of Argos.



In 2012, Kate was awarded the National Business Awards' Daily Telegraph Special Award for a decade of excellence in business, and in 2019, she was awarded the Business Leader of the Year award at the Evening Standard Business Awards.

Kate holds a Bachelor of Science with honours in Business Management from the University of Bradford and, in 2007, was awarded an honorary doctorate from the University of Bradford.

**Nickyl Raithatha (*Chief Executive Officer*)**

Nickyl is the Chief Executive Officer of Moonpig, having held the role since June 2018. Nickyl has extensive e-commerce leadership experience, having founded Finery, an online British womenswear brand in 2014 and holding the role of Chief Executive Officer until 2017. Nickyl also served as the Chief Executive Officer of e-commerce for Rocket Internet, a company that incubates and invests in internet and technology companies globally, from 2012 to 2014. Nickyl spent the early part of his career in financial services, where he was Vice President at Goldman Sachs until 2010 and then worked at Arrowgrass Capital Partners LLP until 2012, leading research and investments into Global technology, media and telecoms companies. Nickyl holds an MBA from Harvard Business School and a bachelor's degree in Economics from Cambridge University.

**Andy MacKinnon (*Chief Financial Officer*)**

Andy is the Chief Financial Officer of Moonpig, having held the role since January 2019. Andy has extensive operational and financial leadership experience in e-commerce, having previously held roles as Chief Financial Officer of Wowcher, a consumer e-commerce business operating in the daily voucher deals sector, from 2015 to 2018, and as Chief Financial Officer of The LateRooms Group, an online travel agency business, where he worked from 2012 until 2015. Prior to that, he worked at Shop Direct Group (now The Very Group), which is one of the UK's largest online retail and financial services businesses. Andy spent his early career working in corporate finance with professional service firm Deloitte and at HSBC's investment banking division.

Andy holds a Bachelor of Science with honours in Management Sciences from the University of Manchester, and has, since 2009, been a fellow of the ICAEW, having qualified as a chartered accountant with KPMG in 1999.

**David Keens (*Senior Independent Non-Executive Director*)**

David has extensive experience in the retail sector and knowledge of consumer-facing businesses, together with core skills in finance. David currently serves as an Independent Non-Executive Director and Chair of the Audit Committee of J Sainsbury plc and as Senior Independent Director and Chair of the Audit Committee of Auto Trader Group plc. David was formerly Group Finance Director of NEXT plc from 1991 to 2015 and their Group Treasurer from 1986 to 1991. David's previous management experience also includes nine years in the United Kingdom and overseas operations of multinational food manufacturer Nabisco and, prior to that, seven years in the accountancy profession.

David is a member of the Association of Chartered Certified Accountants and of the Association of Corporate Treasurers.

**Niall Wass (*Independent Non-Executive Director*)**

Niall has extensive experience in the online consumer business space. He currently serves as Chair and Independent Non-Executive Director of Glovo, an on-demand delivery marketplace for food, groceries and other lifestyle products, and the Chair and Independent Non-Executive Director of Trouva, an online marketplace for independent retail boutiques. Niall is a Partner at Atomico, an early and growth stage venture capital fund, where he helps portfolio companies in the consumer space and marketplaces with their growth strategy and scaling, and through this role, is a board member for Koru Kids, Habito, OnTruck, Ree Technology and Jobandtalent. Niall has spent over 15 years as an executive in early-stage tech-enabled consumer businesses. Most recently he was part of the Executive Team at Uber, leading the international business into 50 countries.

Niall holds degrees in Economics from Oxford University and Birmingham University and an MBA from INSEAD.

**Susan Hooper (*Independent Non-Executive Director*)**

Susan has extensive experience within large consumer-facing businesses in both executive and non-executive roles. Susan is a Non-Executive Director of Uber UK, The Rank Group plc and Affinity Water Limited (where she is also Chair of the Remuneration Committee). Susan is also the Chair of Caresourcer.com, the United Kingdom's first comparison and matching site for care and is a founding director of ChapterZero.org.uk an organisation dedicated to helping board directors and chairs get the knowledge and insight on climate change for use in board discussions. Until June 2020, Susan was a Non-Executive Director of Wizz Air plc, and, until March 2020, she was a Non-Executive Director for the Department for Exiting the European Union. Susan has previously held roles as managing director of British Gas Residential Services and as chief executive of Acromas Group's travel division (including the brands Saga and the AA). Prior to this, Susan held senior roles at Royal Caribbean International, Avis Europe, PepsiCo International, McKinsey & Co, and Saatchi & Saatchi.

Susan holds bachelor's and master's degrees in international politics and economics from the Johns Hopkins University and the John Hopkins University's School of Advanced International Studies (SAIS).

#### **Simon Davidson (Non-Executive Director)**

Simon Davidson is a Senior Partner at Exponent Private Equity, where he invests in the consumer sector. In addition to leading Exponent's investment into Moonpig in 2016, his other investments at Exponent have included the Ambassador Theatre Group, Quorn Foods, Photobox, Wowcher, Evergreen Garden Care and Vibrant Foods. Prior to joining Exponent in 2008, Simon worked at Apax Partners and OC&C Strategy Consultants. Simon holds a MBA from the Wharton School and a bachelors degree in Politics, Philosophy and Economics from Oriel College, Oxford.

#### **Selected Historical Financial Information**

##### **Condensed Consolidated Income Statement**

	For the year ended 30 April			For the six months ended 31 October	
	2018	2019	2020	2019	2020
		<i>£ 000'</i> <i>(audited)</i>		<i>£ '000</i> <i>(unaudited)</i>	<i>£ 000'</i> <i>(audited)</i>
Revenue.....	87,857	120,141	173,119	66,302	155,898
Cost of sales .....	(39,522)	(56,936)	(81,430)	(31,073)	(75,140)
<b>Gross profit .....</b>	<b>48,335</b>	<b>63,205</b>	<b>91,689</b>	<b>35,229</b>	<b>80,758</b>
Selling and administrative expenses .....	(32,827)	(49,234)	(58,581)	(25,488)	(47,773)
Other income .....	-	-	-	-	738
<b>Operating profit .....</b>	<b>15,508</b>	<b>13,971</b>	<b>33,108</b>	<b>9,741</b>	<b>33,723</b>
Finance income .....	399	847	942	826	356
Finance expense .....	-	(898)	(2,275)	(1,189)	(1,089)
<b>Profit before taxation.....</b>	<b>15,907</b>	<b>13,920</b>	<b>31,775</b>	<b>9,378</b>	<b>32,990</b>
Income tax .....	(50)	(325)	(1,077)	(580)	(5,150)
<b>Profit for the period .....</b>	<b>15,857</b>	<b>13,595</b>	<b>30,698</b>	<b>8,798</b>	<b>27,840</b>

##### **Condensed Consolidated Balance Sheet**

	As at 30 April			As at 31 October	
	2018	2019	2020	2020	
		<i>£ 000'</i> <i>(audited)</i>			
<b>TOTAL ASSETS.....</b>	<b>24,071</b>	<b>77,773</b>	<b>108,038</b>	<b>108,038</b>	<b>116,606</b>
<b>TOTAL LIABILITIES.....</b>	<b>14,569</b>	<b>56,549</b>	<b>88,523</b>	<b>88,523</b>	<b>77,065</b>
<b>TOTAL EQUITY .....</b>	<b>9,502</b>	<b>21,224</b>	<b>19,515</b>	<b>19,515</b>	<b>39,541</b>
<b>TOTAL EQUITY AND LIABILITIES ..</b>	<b>24,071</b>	<b>77,773</b>	<b>108,038</b>	<b>108,038</b>	<b>116,606</b>

## Condensed Consolidated Cash Flow Statement

	For the year ended 30 April			For the six months ended 31 October	
	2018	2019	2020	2019	2020
		<i>£ 000'</i> <i>(audited)</i>		<i>£ '000</i> <i>(unaudited)</i>	<i>£ 000'</i> <i>(audited)</i>
Net cash generated from operating activities....	17,898	26,692	61,636	14,674	19,587
Net cash used in investing activities .....	(7,208)	(30,146)	(7,482)	(4,001)	(5,032)
Net cash used in financing activities.....	(12,410)	3,660	(44,153)	(10,900)	(19,683)
<b>Net (decrease)/ increase in cash and cash equivalents .....</b>	<b>(1,720)</b>	<b>206</b>	<b>10,001</b>	<b>(227)</b>	<b>(5,128)</b>

## Non-IFRS Financial and Operating Data

The following measures are used by Moonpig Group's management to monitor and manage financial and operational performance. Certain of these measures are Non-IFRS Measures that are not calculated in accordance with IFRS.

	For the year ended 30 April			For the six months ended 31 October	
	2018	2019	2020	2019	2020
				<i>(unaudited)</i>	
Total orders (m) <sup>(1)(8)</sup> .....	13.5	17.3	24.3	9.5	21.9
Average order value (£) <sup>(2)(8)</sup> .....	6.5	6.9	7.1	6.9	7.1
Group revenue (£'000) .....	87,857	120,141	173,119	66,302	155,898
Moonpig revenue (£'000) .....	87,510	96,639	126,536	47,104	120,841
Greetz revenue (£'000).....	-	23,502	46,583	19,198	35,057
Group attached gifting revenue (%) <sup>(3)(8)</sup> .....	29%	33%	35%	34%	38%
Group gross margin (%) <sup>(4)</sup> .....	55%	53%	53%	53%	52%
Moonpig gross margin (%) <sup>(4)</sup> .....	55%	55%	56%	58%	54%
Greetz gross margin (%) <sup>(4)</sup> .....	-	42%	44%	42%	45%
Group underlying EBITDA (£'000) <sup>(5)</sup> .....	18,977	22,741	44,403	15,046	41,213
Moonpig underlying EBITDA (£'000) <sup>(5)</sup> .....	18,977	22,380	39,919	14,583	36,131
Greetz underlying EBITDA (£'000) <sup>(5)</sup> .....	-	361	4,484	463	5,082
Group underlying EBITDA margin (%) <sup>(6)</sup> .....	22%	19%	26%	23%	26%
Moonpig underlying EBITDA margin (%) <sup>(6)</sup> .....	22%	23%	32%	31%	30%
Greetz underlying EBITDA margin (%) <sup>(6)</sup> .....	-	2%	10%	2%	14%
Operating cash conversion (%) <sup>(7)</sup> .....	73%	90%	115%	75%	62%

(1) Moonpig Group defines total orders as the number of total orders placed by all customers in the period.

(2) Moonpig Group defines average order value as revenue for the period divided by total orders for that period.

(3) Moonpig Group defines attached gifting revenue as revenue where a product is (or products are) purchased in addition to a card, including the shipping fee that is charged to the customer but excluding revenue relating to the card.

(4) Moonpig Group defines gross margin as the ratio of gross profit to revenue, expressed as a percentage.

(5) Moonpig Group defines underlying EBITDA as the profit or loss for the period before finance income, finance expense, taxation charge, foreign exchange gain/loss, depreciation and amortisation and before adjusted non-recurring items. Adjusted non-recurring items are

significant items of income or expense not considered by the Directors to represent underlying operational performance because of their size, nature or incidence. The Directors believe underlying EBITDA aids comparability between periods and removes items which could distort the understanding of the performance for the year. Examples of adjusting items include costs associated with acquisitions, office relocation costs, restructuring costs, IT infrastructure migration costs and brand transformation costs.

- (6) Moonpig Group defines underlying EBITDA margin as the ratio of underlying EBITDA to revenue, expressed as a percentage. The Directors view underlying EBITDA margin as a useful measure because it assists in evaluating Moonpig Group's operating performance.
- (7) Moonpig Group defines operating cash conversion as underlying EBITDA less capital expenditure less change in net working capital as a percentage of underlying EBITDA.
- (8) These figures are unaudited.

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