

16 October 2024

Moonpig Group plc

Update on capital allocation and capital markets day

Dividend policy and share buyback programme Up to £25m share buyback

Moonpig Group plc (the “Group”), the leading online greeting card and gifting platform in the UK and the Netherlands, provides an update on capital allocation, ahead of a capital markets event to be held this afternoon.

Capital allocation, dividend policy and share buyback programme

We continue to prioritise organic investment to drive growth, including in technology and marketing. We will continue to selectively consider value-accretive M&A opportunities, maintaining a high threshold for strategic and financial returns.

We will always prioritise growth investment in the business, however our consistent strong operating cash generation and the progress being made with deleveraging means that we have the financial flexibility to consistently return incremental excess capital to shareholders by way of dividends and share buybacks.

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 are introducing a dividend policy that commits to maintaining robust dividend cover of 3x to 4x in the medium term. We intend to pay a total FY25 dividend of £10m, growing thereafter in line with Adjusted Earnings Per Share. The first dividend under this policy is expected to be an interim dividend to be declared alongside the H1 FY25 results and paid around March 2025. Further details will be included in the Group’s half year results announcement.

Our share buyback policy is that we will only conduct share buybacks when they use excess capital and they are earnings enhancing. Accordingly, today we announce our first buyback programme, returning up to £25m, which is expected to commence in early November 2024.

Capital markets day

During the capital markets day event this afternoon, members of the Moonpig Group leadership team will provide insight into our strategy for technology-driven growth.

The presentations will focus on:

- The drivers of the Group’s medium-term double digit revenue growth target.
- How we are leveraging our core platform to build medium term growth opportunities in new markets.
- The performance of customer cohorts.
- How the Group uses technology and data to drive revenue growth.
- Our card and gifting proposition, including digital gifting.
- Our financial framework.
- Capital allocation, dividend policy and share buyback programme.

No update on current trading will be provided, with management reiterating guidance for the current financial year ending 30 April 2025. We continue to 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 medium-term targets remain unchanged, 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.

The event will commence at 1:30pm BST for pre-registered in-person attendees. The presentation and Q&A will be webcast live at the following link: <https://www.lsegissuerservices.com/spark/MoonpigGroup/events/40303548-321c-4e31-a0b1-2f67c5ae8ae3>.

A recording of the webcast and a copy of the presentation will be made available after the event on the Group’s corporate website at <https://www.moonpig.group/investors>.

Enquiries

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About Moonpig

Moonpig Group plc (the "Group") is a leading online greeting cards and gifting platform, comprising the Moonpig, Red Letter Days and Buyagift brands in the UK and the Greetz brand in the Netherlands. The Group's leading customer proposition includes an extensive range of cards, a curated range of gifts, personalisation features and next day delivery offering.

The Group offers its products through its proprietary technology platforms and apps, which utilise unique data science capabilities designed by the Group to optimise and personalise the customer experience and provide scalability. Learn more at <https://www.moonpig.group/>.

Forward Looking Statements

This announcement contains certain forward-looking statements with respect to the financial condition, results or operation and businesses of Moonpig Group plc. Such statements and forecasts by their nature involve risks and uncertainty because they relate to future events and circumstances. There are a number of other factors that may cause actual results, performance or achievements, or industry results, to be materially different from those projected in the forward-looking statements.

These factors include general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance of programmes, or the delivery of products or services under them; industry; relationships with customers; competition; and ability to attract personnel. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances.