Chief Financial Officer's review

A platform for compounding profit growth and strong cash generation.

Introduction

We delivered strong growth in profit before tax in FY25, with Adjusted PBT rising by 16.0% to £67.5m and Adjusted basic EPS increasing by 18.1% to 15.0 pence. This reflects consistent revenue growth at the Moonpig segment, sustained Adjusted EBITDA margins and strong Free Cash Flow that has accelerated earnings growth through lower interest costs and a smaller share count following the repurchase and cancellation of shares.

Moonpig Group's revenue base is high-quality and predictable. Nearly nine-tenths of Moonpig and Greetz revenue derives from existing customers, with retention improving across all cohorts and frequency remaining stable. These cohort dynamics underpin consistent revenue growth, reinforce resilience and contribute to steadily rising customer lifetime value.

Technology is our core revenue growth engine, with data forming a structural moat. Every day, we collect more than twice as much data as the rest of the greeting card market combined, deepening our competitive advantage. We have over 101m customer occasion reminders, allowing us to engage customers at moments of gifting intent. AI enhancement such as personalised gifting algorithms, sentiment analysis and semantic search continue to increase conversion, basket size and overall customer engagement.

Adjusted EBITDA (£m)	Adjusted EPS (p)	Free Cash Flow (£m)
£96.8m	15.0p	£66.1m
YoY: 1.3%	YoY: 18.1%	YoY: 8.4%
FY24: £95.5m	FY24: 12.7p	FY24: £61.0m

Chief Financial Officer's review continued

Moonpig's growth strategy is grounded in three clear and compounding revenue drivers: expanding our active customer base, increasing order frequency and growing average order value – in particular, through growth in gift attachment. Our ability to acquire customers at under 12 months' payback and deepen their value over time supports sustainable revenue growth over the medium term. The Plus subscription programme now accounts for approximately 20% of Moonpig orders in the UK and lifts members' average order frequency by over 20%. We returned gift attach rate to growth in FY25, with momentum building as the year progressed.

Our platform is structurally profitable and capital light. We maintain high gross margins, operate with negative working capital and manage capex within a disciplined ROI framework. With low inventory risk and operational leverage across fulfilment and technology, the Group consistently delivers high and growing operating cash flow. These fundamentals enable us to both invest in future growth and generate excess capital.

We generate strong cash flow and allocate capital with discipline. In FY25, Free Cash Flow was £66.1m (FY24: £61.0m). Adjusted operating cash flow, which is stated before capital expenditure, was £82.3m (FY24: £74.2m), representing an Adjusted operating cash conversion rate of 85%. This supported a reduction in net leverage to 0.99x (FY24: 1.31x) and a £25.0m share repurchase programme. The Board has proposed dividends of 3.0 pence per share, amounting to an estimated total dividend distribution of approximately £10.0m, dependent on issued share capital at the next record date. The FY25 dividend is covered 5.0x by Adjusted profit before taxation – above our medium-term target range of 3x to 4x. With our growth priorities fully funded, we intend to repurchase up to £60.0m of shares in FY26, whilst maintaining year-end leverage in line with our 1.0x target.

In combination, these attributes create a platform with high operating leverage, predictable revenue and efficient capital deployment. This has delivered sustained cash generation and Adjusted EPS growth of 18.1%. We expect to deliver consistent mid-teens growth in Adjusted EPS in future years.

Financial performance – Group

	Year ended 30 April 2025	Year ended 30 April 2024	Year-on-year growth
Revenue (£m)	350.1	341.1	2.6%
Gross profit (£m)	208.6	202.5	3.0%
Gross margin (%)	59.6%	59.4%	0.2%pts
Adjusted EBITDA (£m)[1]	96.8	95.5	1.3%
Adjusted EBITDA margin (%)[1]	27.6%	28.0%	(0.4)%pts
Reported profit before taxation (£m)	3.0	46.4	(93.6)%
Adjusted profit before taxation (£m)[1]	67.5	58.2	16.0%
Reported earnings per share - basic (pence)	(3.2)	10.0	(132.0)%
Adjusted earnings per share - basic (pence)[1]	15.0	12.7	18.1%
Free Cash Flow (FCF) (£m)[1]	66.1	61.0	8.4%
Net leverage	0.99x	1.31x	(0.32)x

1 Stated before Adjusting Items of £56.7m in Adjusted EBITDA (FY24: £3.5m), £64.6m in profit before taxation (FY24: £11.8m), £62.6m (FY24: £9.4m) in profit after taxation and £nil is in Free Cash Flow (FY24: £2.4m). See Adjusting Items at Note 6 and definition of Alternative Performance Measures at page 181.

The Group delivered revenue of £350.1m, representing year-on-year growth of 2.6%. This was driven by strong revenue growth of 8.6% at Moonpig, offset in part by performance at Greetz and Experiences. The prior year includes annualisation of prior year temporary additional non-redemption revenue on expired vouchers at Experiences.

Revenue growth at Moonpig was driven by growth in both orders and AOV. This was underpinned by technology investment, with our product, data and technology workforce focused on initiatives that delivered growth in new customer acquisition and customer purchase frequency. We also delivered a return to year-on-year growth in gift attach rate across both H1 and H2 FY25, with growth accelerating in the second half of the year.

We have continued to make progress at Greetz, with revenue decreases moderating from a decrease of 7.5% in FY24 to 4.7% in FY25. On a constant currency basis, this equates to a decrease of 2.4% for the financial year. Greetz had a softer start to the second half of the year, but recent performance has been more encouraging, with an improved exit rate to FY25. A broad range of operational KPIs have maintained an upward trajectory, including new customer acquisition, brand keyword traffic, customer satisfaction scores and gift attachment rates. From April 2025 onwards, Greetz revenue has been in line with prior year on a constant currency basis.

The Experiences segment continues to face a challenging market environment, with a proposition more exposed to cyclical pressures than the rest of the Group. The £56.7m non-cash impairment charge to goodwill recognised as at 31 October 2024 remained unchanged at year-end. We now have strong operational momentum in the Experiences business, which we will continue to build on in FY26, helped by a strengthened divisional management team, the rollout of new features enabled by the completion of re-platforming during FY25 and a strong pipeline of product launches in subscription gifting, casual dining and live experiences.

The Group maintained Adjusted EBITDA margin rate at 27.6% (FY24: 28.0%), despite the absence of the prior year Covid-related non-redemption revenue at 100% margin. Excluding this one-time benefit, underlying margin performance strengthened – supported by intake margin improvements at Moonpig, operational efficiencies in UK fulfilment and continued expansion of higher-margin revenue streams such as Plus subscription fees.

Adjusted profit before taxation increased by 16.0% to £67.5m (FY24: £58.2m), driven by lower net finance charges as we refinanced to lower-cost debt facilities in February 2024 and lower drawdown on our revolving credit facility.

Adjusted basic EPS for FY25 increased by 18.1% to 15.0 pence (FY24: 12.7 pence) as strong Free Cash Flow of £66.1m (FY24: £61.0m) enabled us to both reduce net finance costs through deleveraging and lower our average issued share capital through repurchasing and cancelling shares.

Revenue

	Year ended 30 April 2025	Year ended 30 April 2024	Year-on-year growth %
Active customers (m)	12.0	11.5	4.1%
Orders per active customer (number)	2.94	2.94	0.0%
Moonpig and Greetz orders (m)	35.3	33.9	4.1%
Moonpig and Greetz AOV (£ per order)	8.8	8.6	2.1%
Moonpig and Greetz revenue (£m)	310.9	292.5	6.3%
Moonpig revenue (£m)	262.0	241.3	8.6%
Greetz revenue (£m)	48.9	51.2	(4.7)%
Moonpig and Greetz revenue (£m)	310.9	292.5	6.3%
Experiences revenue (£m)	39.2	48.6	(19.3)%
Group revenue (£m)	350.1	341.1	2.6%

Moonpig and Greetz revenue increased by 6.3% year-on-year, driven by increases in both order volumes and average order value (AOV). Active customers grew by 4.1% to 12.0m, reflecting consistent year-on-year new customer acquisition. Whilst headline order frequency remained unchanged at 2.94 orders per active customer (FY24: 2.94), this includes the mix impact from particularly strong new customer acquisition. We continued to make strong progress with the drivers of underlying frequency growth, including reminders collection and Plus subscriptions. Average order value increased by 2.1% year-on-year, driven by postage price increases, more efficient targeting of promotional activity and year-on-year growth in gift attach rate.

Group revenue growth was powered by Moonpig, at which revenue increased by 8.6% year-on-year. The revenue trajectory at Greetz continued to improve from a 7.5% decrease in FY24 to a decrease of 4.7% in FY25 including the adverse impact from foreign exchange translation. On a constant currency basis, Greetz sales in FY25 were 2.4% lower than the prior year.

Moonpig is driving growth in sales where it acts as an agent, for children's toys and gift experiences. Under the agency model, only commission earned is recognised as revenue, resulting in lower reported revenue compared to the gross amount that would be recorded if the Group acted as principal.

At Experiences, the reported year-on-year reduction in revenue includes the prior year recognition of temporarily higher non-redemption relating to gift boxes (primarily distributed through high street retail partners) and individual experiences vouchers that were sold during Covid with extended expiry dates. As these extended expiry dates have now passed, this benefit did not repeat in FY25.

Group revenue is weighted towards the second half of the year, reflecting key trading peaks including Christmas, Valentine's Day and UK Mother's Day. In FY25, H2 accounted for approximately 55% of Moonpig revenue, 50% at Greetz and 62% at Experiences (FY24: 55%; 51% and 61% respectively). This resulted in around 55% (FY24: 55%) of total Group revenue being generated in the second half.

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Gifting mix of revenue

	Year ended 30 April 2025	Year ended 30 April 2024	Year-on-year growth %
Moonpig and Greetz cards revenue (£m)	186.0	172.0	8.1%
Moonpig and Greetz attached gifting revenue (£m)	116.3	110.8	5.0%
Moonpig and Greetz standalone gifting revenue (£m)	8.6	9.7	(11.1)%
Moonpig and Greetz revenue (£m)	310.9	292.5	6.3%
Experiences gifting revenue (£m)	39.2	48.6	(19.3)%
Group revenue (£m)	350.1	341.1	2.6%
Moonpig / Greetz total gifting revenue (£m)	124.9	120.5	3.7%
Moonpig / Greetz gifting revenue mix (%)	40.2%	41.2%	(0.9)%pts
Group gifting mix of revenue (%)	46.9%	49.6%	(2.7)%pts

Growth in attached gifting revenue reflected both the 4.1% increase in total orders and strengthening gift attach rate, which increased year-on-year by 0.2 percentage points in H1 FY25 and 0.7 percentage points in H2 FY25. In our card-first model, card order volume is a key driver of gifting revenue. Gift attach rate strengthened through the year, supported by the introduction of trusted brands such as Hotel Chocolat, The Entertainer and Next, as well as enhancements to our gifting recommendation algorithms. The continued expansion of the Plus membership base was also positive, as members have a higher average gift attach rate than non-members – a trend that holds even with their uplifted frequency of purchase.

Although standalone gifting revenue decreased year-on-year, this area is not a primary focus, as our strategy remains to prioritise growth in greeting cards and attached gifting to drive purchase frequency and customer lifetime value.

Gross margin rate

	Year ended 30 April 2025	Year ended 30 April 2024	Year-on-year growth %
Moonpig gross margin (%)	57.0%	55.2%	1.8%pts
Greetz gross margin (%)	46.1%	47.1%	(1.0)%pts
Moonpig and Greetz gross margin (%)	55.3%	53.8%	1.5%pts
Experiences gross margin (%)	93.9%	92.9%	1.0%pts
Group gross margin (%)	59.6%	59.4%	0.2%pts

Gross margin rate was 59.6% (FY24: 59.4%), supported by a 1.8 percentage point increase in Moonpig gross margin rate. This reflects improved intake margin from the commercial management of supplier relationships, leveraging AI to make more targeted use of promotional discounts and the successful implementation of efficiency projects at our UK facility including the insourcing of UK balloon fulfilment.

In addition, Moonpig and Greetz revenue includes £10.8m (FY24: £6.2m) from income streams with a 100% incremental gross margin rate, such as Plus renewal subscription fees, on-site marketing income and commissions earned on the sale of toys and digital gift experiences as agent. In due course, we expect this to exert some upward pressure on both gross profit margin and Adjusted EBITDA margin (whilst reducing reported revenue from gross transaction value to commission earned on sales as agent). At the same time, the impact of growth in gift attach rate will be to place downward pressure on headline gross margin rate due to adverse category mix, albeit driving growth in absolute gross profit.

The reduction in gross margin at Greetz reflects increased promotional intensity in gifting.

Experiences gross margin rate remained relatively consistent year-on-year at 93.9% (FY24: 92.9%). The 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 related 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 2025	Year ended 30 April 2024	Year-on-year growth %
Moonpig Adjusted EBITDA margin %	31.2%	30.1%	1.1%pts
Greetz Adjusted EBITDA margin %	13.2%	15.3%	(2.1)%pts
Moonpig and Greetz Adjusted EBITDA margin %	**28.4%**	27.5%	0.9%pts
Experiences Adjusted EBITDA margin %	21.6%	30.9%	(9.3)%pts
Group Adjusted EBITDA margin %	**27.6%**	28.0%	(0.4)%pts

The Group maintained Adjusted EBITDA margin rate at 27.6% (FY24: 28.0%). Excluding prior year excess non-redemption, there was an underlying improvement in Adjusted EBITDA margin rate, driven by Moonpig.

At Moonpig, higher Adjusted EBITDA margin rate reflected the pass-through of higher gross margin rate. In contrast, Greetz's Adjusted EBITDA margin decreased, impacted by lower revenue, operational leverage and higher promotional activity in gifting. At Experiences, the lower Adjusted EBITDA margin reflects prior year excess non-redemption, the year-on-year reduction in revenue and the negative impact of operational leverage.

Depreciation, amortisation, finance costs and taxation

	Year ended 30 April 2025	Year ended 30 April 2024	Year-on-year growth %
Adjusted EBITDA (£m)	**96.8**	95.5	1.3%
Depreciation and amortisation (£m)	(18.9)	(17.4)	8.6%
Adjusted EBIT (£m)	**77.8**	78.1	(0.3)%
Net finance costs (£m)	(10.3)	(19.9)	(48.0)%
Adjusted profit before taxation (£m)	**67.5**	58.2	16.0%
Adjusted taxation (£m)	(16.0)	(14.6)	9.6%
Adjusted profit after taxation (£m)	**51.5**	43.6	18.1%

Depreciation and amortisation (excluding acquisition-related amortisation) increased from £17.4m in FY24 to £18.9m in FY25, driven by continued 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.

Net finance costs decreased to £10.3m (FY24: £19.9m):

- Interest on bank borrowings decreased from £12.3m in FY24 to £7.7m in FY25, reflecting lower drawdown on the Group's revolving credit facilities and lower margins following the refinancing of facilities in February 2024.
- Amortisation of fees decreased from £5.0m in FY24 to £0.8m in FY25, reflecting lower arrangement fees following the Group's February 2024 refinancing to new revolving credit facilities.
- Imputed interest on the Experiences merchant liability balance increased from £1.6m in FY24 to £1.8m in FY25. The merchant accrual is treated as a financial liability and discounted to present value in accordance with IFRS 9.
- Interest on lease liabilities decreased from £0.9m in FY24 to £0.7m in FY25, reflecting scheduled lease repayments.
- There was a £0.9m year-on-year movement in net foreign exchange gain/(loss) on financing activities. The monetary foreign exchange impact of Euro-denominated intercompany loan balances resulted in the Group recognising a £0.5m gain (FY24: £0.4m loss), with the corresponding intercompany loss recognised in other comprehensive income in accordance with IAS 21. Also included in net foreign exchange on financing activities is a £0.1m gain (FY24: £nil) on the revaluation of the Group's euro denominated external debt.

The Adjusted taxation charge was £16.0m (FY24: £14.6m). Expressed as a percentage of Adjusted profit before taxation, the Adjusted effective tax rate was 23.7% (FY24: 25.1%). This was lower than prevailing rates of corporation tax due to the positive impact of deferred tax movements in relation to share-based payment arrangements, driven by increases in the Group's share price. The reported taxation charge was £14.0m (FY24: £12.2m), with the difference from Adjusted taxation relating to deferred tax on acquisition related intangible assets.

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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.

	Year ended 30 April 2025			Year ended 30 April 2024		
	Adjusted Measures[1]	Adjusting Items[1]	IFRS Measures	Adjusted Measures[1]	Adjusting Items[1]	IFRS Measures
EBITDA (£m)	**96.8**	**(56.7)**	**40.1**	95.5	(3.5)	92.0
Depreciation and amortisation (£m)	**(18.9)**	**(7.9)**	**(26.8)**	(17.4)	(8.3)	(25.7)
EBIT (£m)	**77.8**	**(64.6)**	**13.3**	78.1	(11.8)	66.3
Finance costs (£m)	**(10.3)**	**–**	**(10.3)**	(19.9)	–	(19.9)
Profit before taxation (£m)	**67.5**	**(64.6)**	**3.0**	58.2	(11.8)	46.4
Taxation (£m)	**(16.0)**	**2.0**	**(14.0)**	(14.6)	2.4	(12.2)
Profit / (loss) after taxation (£m)	**51.5**	**(62.6)**	**(11.1)**	43.6	(9.4)	34.2
Basic earnings per share (pence)	**15.0p**	**(18.2)p**	**(3.2)p**	12.7p	(2.7)p	10.0p
EBITDA margin (%)	**27.6%**	**–**	**11.5%**	28.0%	–	27.0%
EBIT margin (%)	**22.2%**	**–**	**3.8%**	22.9%	–	19.4%
PBT margin (%)	**19.3%**	**–**	**0.9%**	17.1%	–	13.6%

1 See Adjusting Items at Note 6 and Alternative Performance Measures at page 181.

2 Figures in this table are individually rounded to the nearest £0.1m. As a result, there may be minor discrepancies in the sub-totals and totals due to rounding differences.

Adjusting Items comprise the following:

	Year ended 30 April 2025	Year ended 30 April 2024	Year-on-year movement
Pre-IPO share-based payment charges (£m)	**–**	(1.1)	1.1
Pre-IPO cash bonus awards (£m)	**–**	(2.4)	2.4
Acquisition amortisation (£m)	**(7.9)**	(8.3)	0.4
Impairment of goodwill (£m)	**(56.7)**	–	(56.7)
Operating profit impact of Adjusting Items (£m)	**(64.6)**	(11.8)	(52.8)
Taxation on pre-IPO share-based payment charges (£m)	**–**	(0.3)	0.3
Taxation on pre-IPO cash bonus awards (£m)	**–**	0.6	(0.6)
Taxation on acquisition amortisation (£m)	**2.0**	2.1	(0.1)
Taxation on impairment of goodwill (£m)	**–**	–	–
Taxation on Adjusting Items (£m)	**2.0**	2.4	(0.4)
Post-tax impact of Adjusting Items (£m)	**(62.6)**	(9.4)	(53.2)

Pre-IPO incentive scheme costs consist of £nil (FY24: £1.1m) share-based payment charges and £nil (FY24: £2.4m) cash bonus awards. These relate to one-off compensation arrangements, which fully vested at the end of the FY24 financial year. 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.

Acquisition amortisation of £7.9m (FY24: £8.3m) relates to the amortisation of intangible assets arising on the acquisition of the Greetz and Experiences segments. This is treated as an Adjusting Item as it does not reflect the underlying performance of the Group but is a result of the accounting requirements for a business combination under IFRS 3. Adjusted taxation excludes the credit to reported taxation relating to the unwind of the deferred taxation liability that was recognised alongside the intangible assets arising on business combination.

The non-cash impairment charge relating to Experiences CGU goodwill of £56.7m (FY24: £nil) has been classified as an Adjusting Item.

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. The charge for FY25 reflects relatively low expected vesting for awards maturing in 2025. We currently expect materially higher vesting for subsequent awards, which is reflected in technical guidance.

	Year ended 30 April 2025	Year ended 30 April 2024
Share-based payment charges relating to operation of post-IPO Remuneration Policy[1] (£m)	(3.5)	(3.1)

1 Stated inclusive of employer's national insurance of £1.6m (FY24 £0.5m). The increase in national insurance reflects higher current share price and expected increase in the Group's share price through to the vesting date of each scheme.

Earnings per share (EPS)

Adjusted basic EPS for FY25 increased from 12.7p in FY24 to 15.0p in FY25, reflecting the 18.1% year-on-year increase in Adjusted profit after taxation and the impact of repurchasing and cancelling shares. After accounting for unvested employee share awards, Adjusted diluted earnings per share was 14.5p (FY24: 12.3p). Reported basic EPS loss per share of 3.2p (FY24: earnings 10.0p) reflects the non-cash impairment charge of £56.7m.

	Year ended 30 April 2025	Year ended 30 April 2024	Year-on-year growth %
Adjusted basic EPS (pence)	15.0	12.7	18.1%
Reported basic EPS (pence)	(3.2)	10.0	(132.0)%
Adjusted diluted EPS (pence)	14.5	12.3	17.9%
Reported diluted EPS (pence)	(3.2)	9.6	(133.3)%
Weighted average issued share capital (number of shares)	342,548,159	343,093,868	(0.2)%
Weighted average diluted share capital (number of shares)	356,141,330	354,787,805	0.4%
Closing issued share capital (number of shares)	333,845,736	343,310,015	(2.8)%

The calculation of basic EPS is based on the weighted average number of ordinary shares outstanding. The period-on-period movement reflects the repurchase and cancellation of 11,061,434 (2024: nil) shares during the year. This was offset in part by the issue of 1,597,155 (2024: 1,198,394) shares including 1,413,971 of shares to satisfy the final tranche of the pre-IPO award in July 2024 and 183,184 shares in respect of the operation of post-IPO remuneration policy. The Group expects to move during FY26 to satisfying share awards through market purchases rather than through dilution, subject to this remaining EPS-accretive at the prevailing share price.

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Free Cash Flow

The Group is cash generative, with Free Cash Flow (FCF) of £66.1m (FY24: £61.0m). Adjusted operating cash flow, which includes capital expenditure, was £82.3m (FY24: £74.2m), representing Adjusted operating cash conversion rate of 85% (FY24: 78%).

	Year ended 30 April 2025			Year ended 30 April 2024		
	Adjusted Measures[1] £m	Adjusting Items[1] £m	IFRS Measures £m	Adjusted Measures[1] £m	Adjusting Items[1] £m	IFRS Measures £m
Profit before tax	67.5	(64.6)	3.0	58.2	(11.8)	46.4
Add back: net finance costs	10.3	–	10.3	19.9	–	19.9
Add back: depreciation and amortisation	18.9	7.9	26.8	17.4	8.3	25.7
EBITDA[2]	96.8	(56.7)	40.1	95.5	(3.5)	92.0
Adjust: impact of share-based payments[3]	1.8	–	1.8	3.1	1.1	4.2
Add back: (increase) / decrease in inventories	(1.4)	–	(1.4)	5.2	–	5.2
Add back: decrease in receivables	0.7	–	0.7	0.2	–	0.2
Add back: (decrease) in Experiences merchant accrual	(6.8)	–	(6.8)	(8.2)	–	(8.2)
Add back: increase / (decrease) in trade and other payables	4.4	–	4.4	(7.9)	–	(7.9)
Add back: impairment of goodwill	–	56.7	56.7	–	–	–
Add back: loss on foreign exchange	–	–	–	0.3	–	0.3
Less: research and development tax credits	(0.2)	–	(0.2)	(0.5)	–	(0.5)
Cash generated from operations	95.4	–	95.4	87.6	(2.4)	85.3
Less: income tax paid	(16.2)	–	(16.2)	(10.7)	–	(10.7)
Net cash generated from operating activities	79.2	–	79.2	76.9	(2.4)	74.6
Capital expenditure	(13.3)	–	(13.3)	(13.7)	–	(13.7)
Bank interest received	0.2	–	0.2	0.2	–	0.2
Net cash used in investing activities	(13.1)	–	(13.1)	(13.5)	–	(13.5)
Free Cash Flow (FCF)[2]	66.1	–	66.1	63.4	(2.4)	61.0
EBITDA to FCF conversion %[2]	68%		165%	66%		66%
Cash generated from operations	95.4	–	95.4	87.6	(2.4)	85.3
Less: capital expenditure	(13.3)	–	(13.3)	(13.7)	–	(13.7)
Less: loss on foreign exchange	–	–	–	(0.3)	–	(0.3)
Add back: pre-IPO cash bonus award	–	–	–	–	2.4	2.4
Add back: research and development tax credits	0.2	–	0.2	0.5	–	0.5
Operating cash flow[2]	82.3	–	82.3	74.2	–	74.2
Operating cash conversion %[2]	85%		205%	78%		81%

1 See Adjusting Items at Note 6.

2 EBITDA, Free Cash Flow (FCF), FCF conversion, operating cash flow and operating cash conversion are non-IFRS measures. FCF is defined as net cash generated from operating activities less net cash used in investing activities; it excludes proceeds from or payments for mergers and acquisitions but (as a practical expedient and for greater consistency with IAS 7 classification of cash flows) is not adjusted to exclude bank interest received. Adjusted operating cash conversion, which is defined as the ratio of operating cash flow to Adjusted EBITDA, informs management and investors about the cash operating cycle of the business and how efficiently operating profit is converted into cash.

3 The adjusted add-back relates to non-cash share-based payment charges of £1.8m (FY24: £3.1m) arising from the operation of post-IPO Remuneration Policy. The adjusting item add-back relates to pre-IPO remuneration of £nil (FY24: £1.1m).

4 Figures in this table are individually rounded to the nearest £0.1m, hence sub-totals and totals may not sum due to rounding differences.

Cash generated from operations was £95.4m (FY24: £85.3m):

- There was a year-on-year increase in inventory of £1.4m (FY24: £5.2m decrease), reflecting variation in intake within normal operational parameters. The FY24 decrease in inventory reflected one-time improvements on inventory management.
- There was a cash outflow from the Experiences merchant accrual of £6.8m (FY24: £8.2m outflow). The larger prior year movement reflects higher non-redemption.
- There was an inflow in respect of other trade and other payables of £4.4m (FY24: £7.9m outflow). This reflects higher trade creditors driven by timing of payments and growth in trading.

Capital expenditure remained broadly consistent year-on-year at £13.3m (FY24: £13.7m). This equates to 3.8% of revenue and is below the lower end of our medium-term target range. We expect higher capital expenditure in FY26 as a result of investment in automation at our operational facilities, together with a reversion in technology capitalisation rate to normal levels; during FY25 there have been a number of technology projects, such as the implementation of a new warehouse management system and the migration of Greetz to the same card payment processing platform as Moonpig, which comprise SaaS configuration. As these arrangements grant access to rather than control of the software, they do not give rise to an intangible asset under IFRS; accordingly, the associated payroll costs have been recognised as operating expenses.

Net debt

Net debt at 30 April 2025 improved to £96.0m (April 2024: £125.1m). Net debt is a non-GAAP measure and is defined as total borrowings, including lease liabilities, less cash and cash equivalents. The ratio of net debt to Adjusted EBITDA improved to 0.99x (30 April 2024: 1.31x), in line with our medium-term target of 1.0x.

	As at 30 April 2025	As at 30 April 2024
Borrowings[1] (£m)	(95.1)	(118.4)
Cash and cash equivalents (£m)	12.6	9.6
Borrowings less cash and cash equivalents (£m)	(82.5)	(108.8)
Lease liabilities (£m)	(13.5)	(16.3)
Net debt (£m)	(96.0)	(125.1)
Adjusted EBITDA (£m)	96.8	95.5
Net debt to Adjusted EBITDA (ratio)	0.99:1	1.31:1
Committed debt facilities (£m)	180.0	180.0

1 Borrowings are stated net of capitalised loan arrangement fees and hedging instrument fees of £1.8m as at 30 April 2025 (30 April 2024: £2.0m).

The Group's debt facilities consist of a £180.0m committed revolving credit facility which now has a maturity date of 28 February 2029. This reflects the exercise during the year of a one-year extension option, which was approved by the lenders. Borrowings are subject to interest at a margin over the reference interest rate, with margin of 200bps for net leverage of 1.0x or lower and 225bps for net leverage of 1.5x or lower, thereafter stepping up based on a margin ratchet until it reaches to 300bps for net leverage above 2.5x. Facility covenants are tested semi-annually and comprise a maximum net debt to Adjusted EBITDA ratio of 3.0x and minimum Adjusted EBITDA interest cover ratio of 3.5x.

The Group hedges its interest rate exposure on a rolling basis. As at the current date, several layered SONIA interest rate cap instruments are in place with strike rates of between 4.5% and 5.0% on total notional of £50.0m until 31 October 2026. Further details are set out at Note 20.

Chief Financial Officer's review continued

Capital allocation

In October 2024, we announced a new capital allocation policy, in anticipation of reaching our 1.0x net leverage target. This framework establishes a clear hierarchy: investment to support organic growth – including continued investment in technology development, customer acquisition and operational automation – remains the highest priority, followed by dividends, then selective, value-accretive M&A and finally the repurchase of shares where excess capital is available. Given our organic growth priorities are appropriately funded and M&A is not currently in contemplation, our capital allocation focus has shifted to returning excess capital to shareholders.

	Year ended 30 April 2025 £m	Year ended 30 April 2024 £m
Free Cash Flow[1]	**66.1**	61.0
Interest and fees paid on borrowings, leases and hedging instruments	**(8.8)**	(15.1)
Net repayment of borrowings	**(23.3)**	(54.7)
Net repayment of lease liabilities	**(3.2)**	(3.7)
Own shares repurchased for cancellation[2]	**(24.3)**	–
Dividends paid	**(3.4)**	–
Net cash used in financing activities	**(63.0)**	(73.6)
Differences on exchange	**(0.0)**	(0.2)
Increase/(decrease) in cash and cash equivalents in the year	**3.0**	(12.8)

1 Free Cash Flow (FCF) is a non-IFRS measure. FCF is defined as net cash generated from operating activities less net cash used in investing activities; it excludes proceeds from or payments for mergers and acquisitions but is not adjusted to exclude bank interest received (as a practical expedient and for greater consistency with IAS classification of cash flows).

2 The Group repurchased £25.0 million of its own shares for cancellation. Of this amount, £24.3 million was paid during the year to the corporate broker managing the share repurchase programme, with £0.7 million remaining payable as at 30 April 2025.

During FY25, the Company declared its first interim dividend of 1.0 pence. The Board is recommending a final dividend of 2.0 pence which, if approved at the 2025 AGM, will be paid on 20 November 2025 to shareholders on the register at the close of business on 24 October 2025. This would result in total dividends for FY25 of 3.0 pence (FY24: nil), equating to an estimated total dividend distribution of approximately £10.0m, dependent on issued share capital at the next record date and representing dividend cover of 5.0x. The Group has adopted a progressive dividend policy and intends that dividend per share will grow over time as earnings rise, targeting a cover ratio of 3x to 4x in the medium-term.

The Group's inaugural share repurchase programme was completed in H2 FY25, purchasing a total of 11,377,505 (2024: nil) ordinary shares for total consideration of £25.0m, including transaction costs, of which £24.3m was a cash outflow in the year with the remainder included in year-end payables pending settlement. The average effective purchase price was 218.2 pence per share. All of the purchased shares were subsequently cancelled, with 11,061,434 cancelled as at 30 April 2025 and a further 316,017 shares transferred to the registrar for cancellation post year-end.

The Group has announced its intention to repurchase up to £60.0m of shares in FY26, subject to the normal authority to repurchase shares being granted at the 2025 AGM. The Company's policy is to undertake share repurchases only where they are EPS enhancing and funded from excess capital. We intend for FY26 repurchases to be executed through two separate programmes of £30.0m each, in H1 and H2 respectively. All shares will be cancelled. During FY26 we intend to transition to settling obligations under employee share plans through market purchases of shares, subject to the prevailing share price.

Distributable reserves

As at 30 April 2025, the Company balance sheet held distributable reserves of £559.6m (April 2024: £582.5m), comprising retained earnings and the share-based payments reserve. The Company's ability to distribute capital depends on parent company reserves rather than consolidated reserves.

Whilst the consolidated balance sheet shows net liabilities, a key factor contributing to this is the £993.0m merger reserve – a debit balance in equity arising from the pre-IPO reorganisation, accounted for under common control merger accounting. Under this method, the assets and liabilities of the acquired entities were recognised at their existing carrying amounts rather than at fair value and no goodwill was recognised. The difference between the consideration paid and the book value of net assets acquired was recorded directly in equity within the merger reserve.

This accounting treatment was selected in preference to acquisition accounting in order to reflect the continuity of ownership and to present the Group's financial results on a basis that preserved the historical track record of the underlying trading entities. Had acquisition accounting been applied, the identifiable net assets would have been remeasured at fair value and a significant goodwill asset would likely have been recognised, increasing net assets and potentially resulting in the Group reporting positive net assets. However, such treatment would not have reflected the substance of a restructuring within a commonly controlled group.

Outlook for FY26

Since the start of the year, trading across the Group has been in line with our expectations, including strong Father's Day trading. Moonpig is growing at double-digit levels and Greetz revenue is in line with the prior year. At Experiences, we continue to build on recent operational momentum.

For FY26, we expect Group Adjusted EBITDA to grow at a mid-single digit percentage rate and growth in Adjusted earnings per share at between 8% and 12%, with continued strong free cash flow generation funding ongoing investment in our growth strategy and consistent returns to shareholders.

With respect to the medium term, we continue to target double-digit revenue growth, Adjusted EBITDA margin of 25% to 27% and mid-teens growth in Adjusted EPS.

Technical guidance

Capital expenditure	We expect a year-on-year increase in the ratio of capex to revenue. Tangible and intangible capital expenditure in FY26 and FY27 is expected to sit in the upper half of our 4% to 5% medium-term target range. In both years, this includes mid-single digit millions of spend on property, plant and equipment for planned automation investments at our UK fulfilment centre.
Depreciation and amortisation	We expect depreciation and amortisation to be between £20m and £23m in FY26. This includes the depreciation of tangible fixed assets (including right-of-use assets) and amortisation of internally generated intangible assets. It excludes amortisation of acquisition-related intangible assets.
Net finance costs	We expect net finance costs to be broadly unchanged year-on-year at approximately £10m in FY26. This includes around £6m of interest on bank borrowings and £2m of deemed interest on the Experiences merchant accrual. The remainder relates to interest on leases and the amortisation of arrangement fees on debt facilities and hedging instruments. Beyond FY26, and excluding movements in reference rates, net finance costs are expected to rise in line with Adjusted EBITDA, as net debt increases to maintain net leverage of approximately 1.0x.
Taxation	We expect an effective tax rate of between 25% and 26% of reported profit before taxation in FY26 and thereafter. Adjusted taxation charge excludes credits relating to the unwind of deferred tax liabilities recognised on acquisition-related intangible assets, consistent with the treatment of the related acquisition amortisation.
Working capital	We expect the Experiences merchant accrual to vary broadly in line with trading performance at that segment. Other working capital balances are expected to reflect overall Group revenue growth trends.
Net leverage	We expect IFRS 16 net leverage to be approximately 1.0x as at 30 April 2026. It is likely to be modestly higher at 31 October 2025, reflecting the second-half weighting of Free Cash Flow and the distribution of capital returns across the year. The Group targets medium-term net leverage of around 1.0x, with flexibility to move beyond this as business needs require.

Andy MacKinnon
Chief Financial Officer
25 June 2025