



**RESULTS FOR THE
YEAR ENDED
30 APRIL 2018**

10 July 2018

Photo-Me

**EXECUTION
& EVOLUTION**



SERGE CRASNIANSKI

Chief Executive Officer & Deputy Chairman

OVERVIEW

Overview

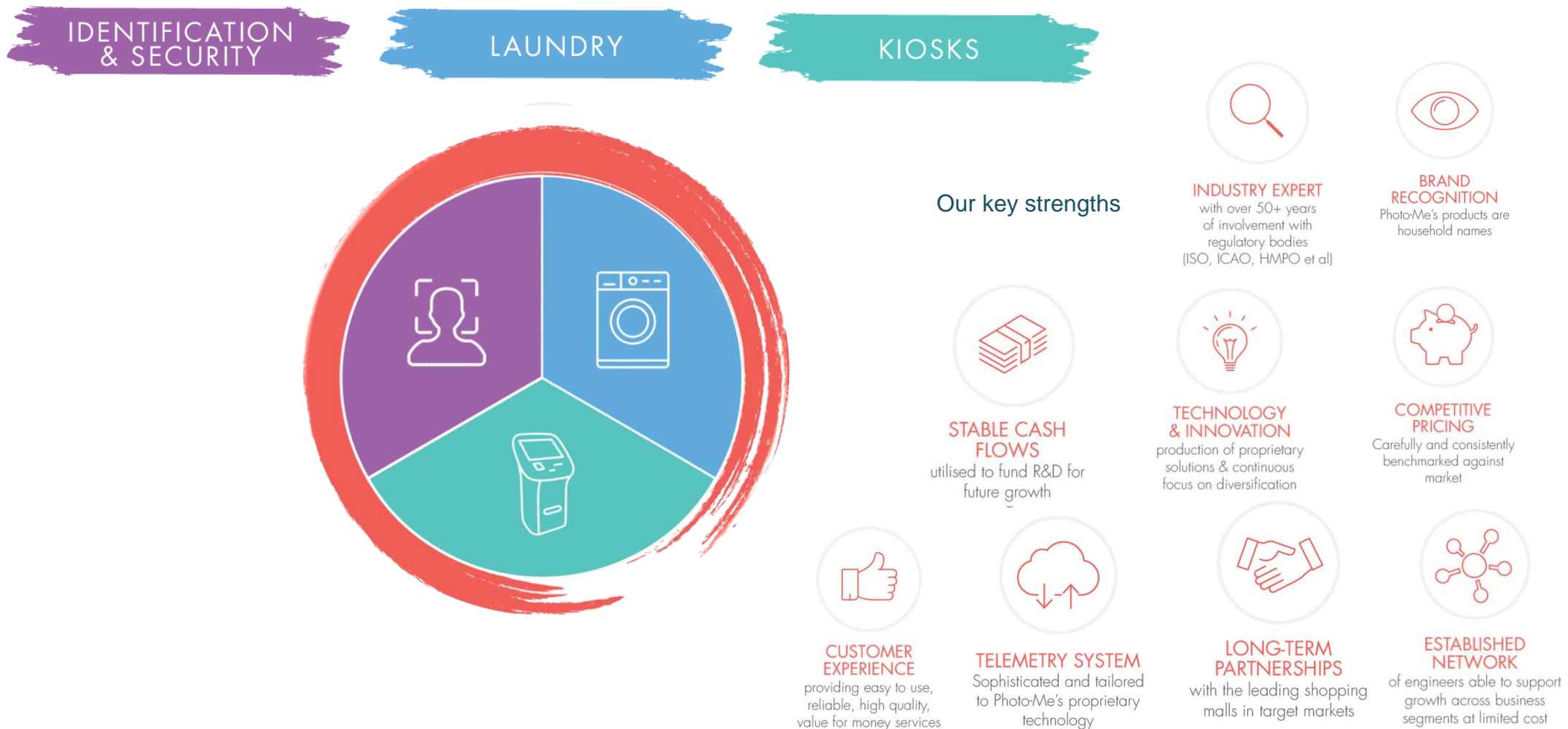
- Good financial performance
- Continued progress on execution of the Group's growth strategy
- Revenue growth in all of Photo-Me's territories, except Japan
- Laundry business revenue growth of almost 70% year-on-year, contributing 16% of total Group revenue
- Strategy in place to return Japanese subsidiary to profit, the very early stages have been positive
- Restructuring of Photo-Me Retail now complete and delivering profitability
- Remained highly cash-generative, supporting innovation in future growth and high returns to shareholders

Agenda

- OUR BUSINESS MODEL
- FINANCIAL HIGHLIGHTS
- OPERATIONAL HIGHLIGHTS
- FINANCIAL OVERVIEW
- BUSINESS REVIEW
- GROWTH STRATEGY AND INNOVATION

Our business model

- 46,710 instant-service units focused on three principal areas
- Investment in new technologies and complementary products and services
- Leverage scale of operations to rapidly deploy new products at low incremental cost, providing rapid return on investment



Financial highlights

- Another year of good progress
- Expansion of the laundry business remains the primary growth driver (organic and by acquisition)
- Further deployment of identification technology in key markets

Reported **revenue**
+7.1% to £229.8m

Profit before tax
+4.4% to £50.2m

Reported **EBITDA**
+2.8% to £71.0m

EBITDA margin
30.9%

Cash generated from operations
£61.0m

Net cash position
£26.7m

Earnings per share
+14.2% to 10.60p

Total ordinary dividend per share
+20.1% to 8.44p

At constant currency
Revenue **+5.9%**
Profit before tax **+2.5%**

Operational highlights

EXPANDING IDENTIFICATION PARTNERSHIPS WITH GOVERNMENTS

- Continued profit growth and strong cashflow
- Rollout of secure photo ID upload technology for passport applications launched with HMPO in the UK
- Continued rollout of secure photo ID upload technology in France, Ireland, Germany, and discussions ongoing with the Dutch government
- Plan in place to restructure Japanese business, delivering positive results

CONTINUED RAPID GROWTH OF HIGHER MARGIN LAUNDRY BUSINESS

- Total Laundry revenue growth 69%
- Total revenue from Revolution units up 49%
- Good contribution from UK B2B bolt-on laundry acquisitions
- Post-period acquisition of a leader in the high-growth potential Spanish launderette market

KIOSKS CONTINUE TO DELIVER REVENUE GROWTH

- Revenue growth of 23.8%
- Refocus of Photo-Me Retail completed, with improved profitability already achieved

FOCUSED INVESTMENT IN INNOVATION FOR FUTURE GROWTH

- Continued investment in R&D
- Banking Booth and 3D Enrolment Kiosk awarded at TRUSTECH
- Continued focus on new opportunities to extend our biometric and 3D capture technology

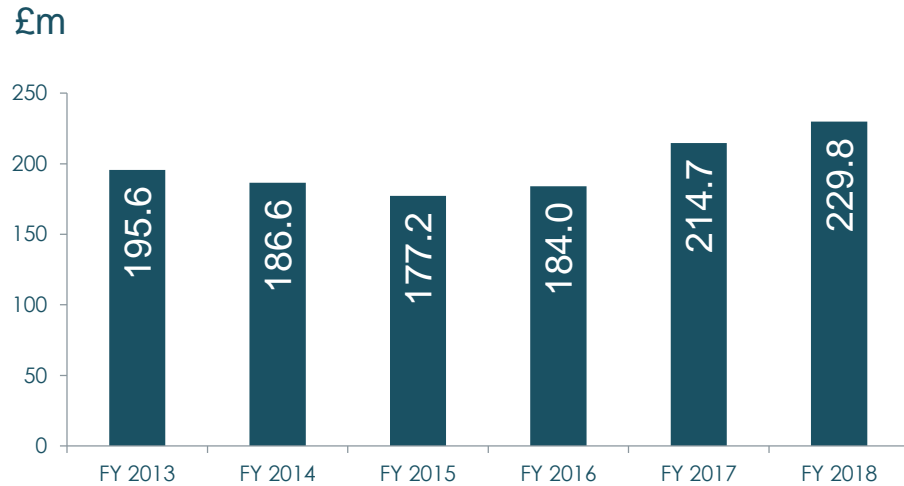


STEPHANE GIBON
Chief Financial Officer

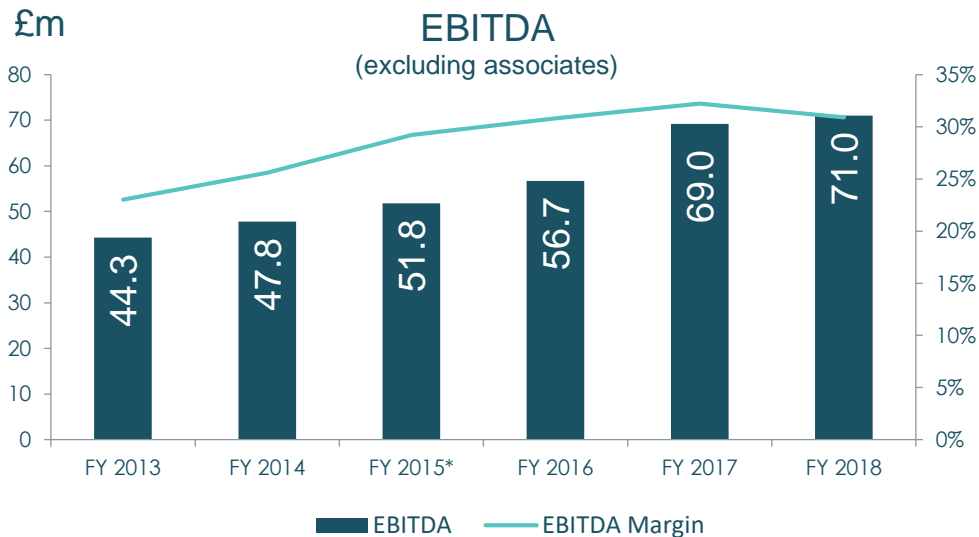
FINANCIAL REVIEW

Key financials

REPORTED REVENUE



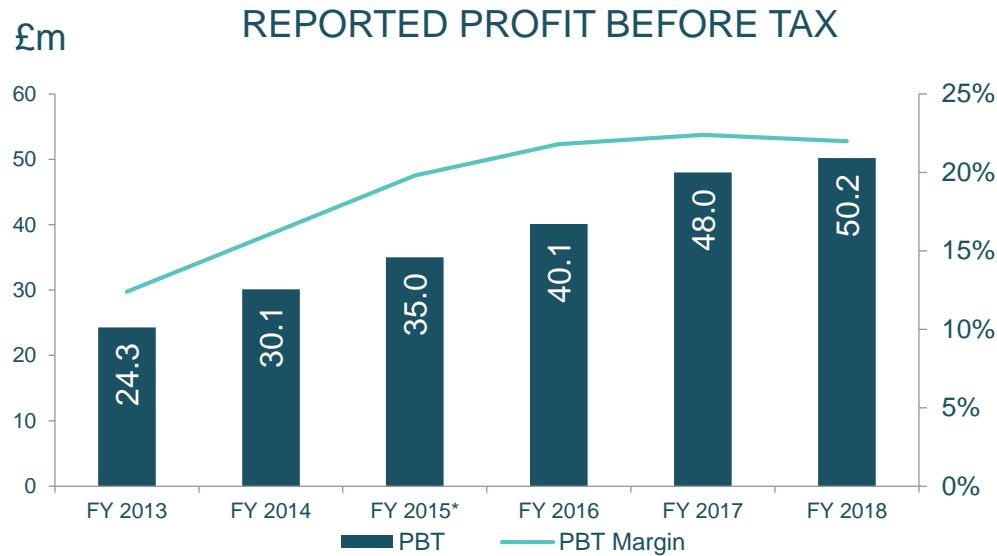
- Reported revenue +7.1%
- At constant currency¹ +5.9% to £216.9m



- EBITDA +2.8%
- At constant currency¹ +1.0% to £70.4m
- EBITDA margin was 30.9%

¹2017 trading results of overseas subsidiaries converted at 2018 exchange rates

Key financials

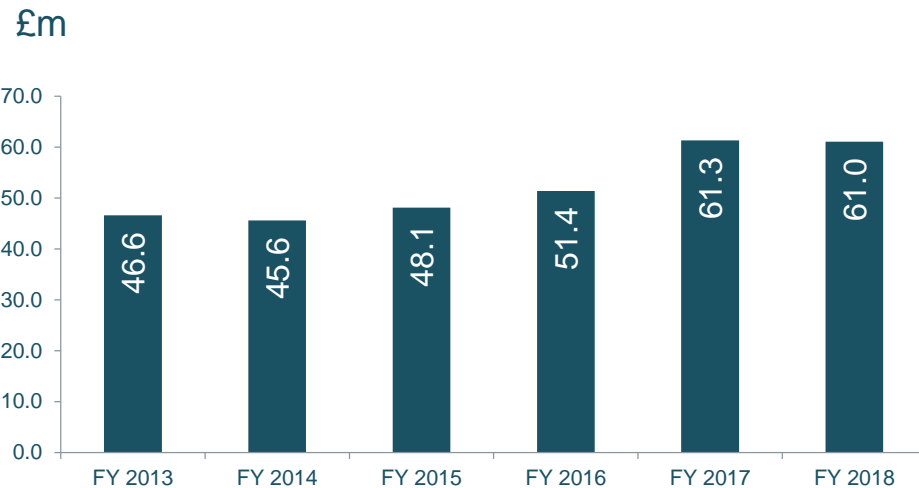


- Reported profit before tax +4.4%
- Underlying profit before tax² +0.3% to £46.8m, at constant currency¹ was £47.5m, down 1.6%
- Profit after tax +14.7% to £40.3m, due to reduction in effective tax rate

¹2017 trading results of overseas subsidiaries converted at 2018 exchange rates

²Underlying profit before tax is 2018 profit before tax adjusted to exclude the gain on the Group's shareholding in Max Sight Group Holdings Limited, the profit on disposal of the former head office building, and restructuring fees relating Photo-Me Retail. 2017 profit before tax is adjusted to exclude the translation reserve taken to profit on disposal of subsidiaries

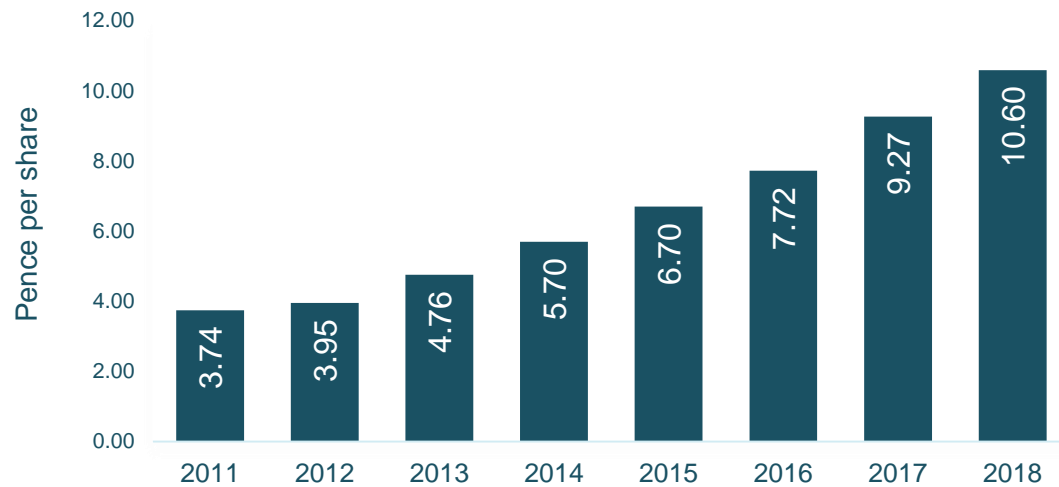
CASH GENERATED FROM OPERATIONS



- Remain highly cash generative
- Ongoing investment in innovation

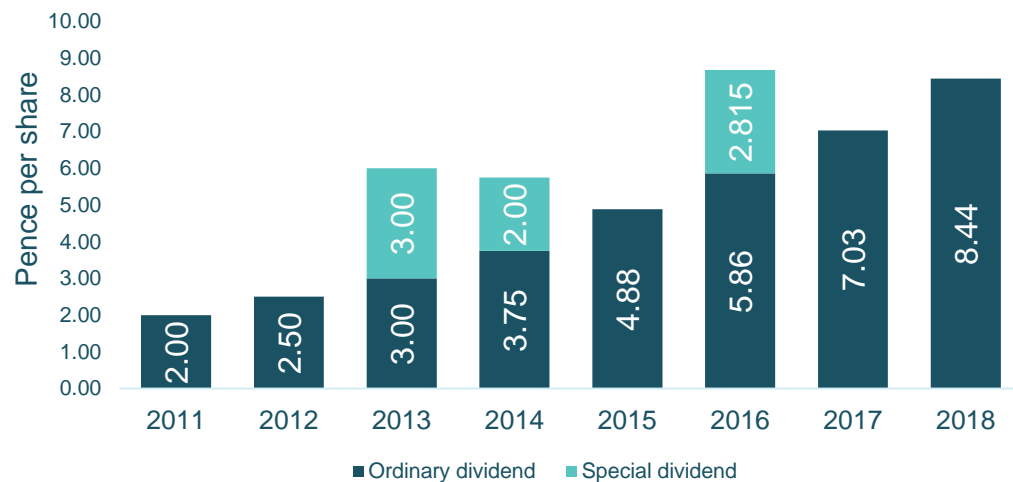
EPS and dividends

DILUTED EPS



- Diluted earning per share +14.2%
- Total ordinary dividend per share +20.1%
- £26.2m cash returned to shareholders by way of dividends in the year
- Total dividend to be maintained for FY2019

DIVIDEND HISTORY



Results by geographic area

CONTINENTAL EUROPE



Austria, Belgium, France, Germany, Netherlands, Poland, Portugal, Spain and Switzerland

UK & IRELAND



United Kingdom and Ireland (Including Corporate)

ASIA

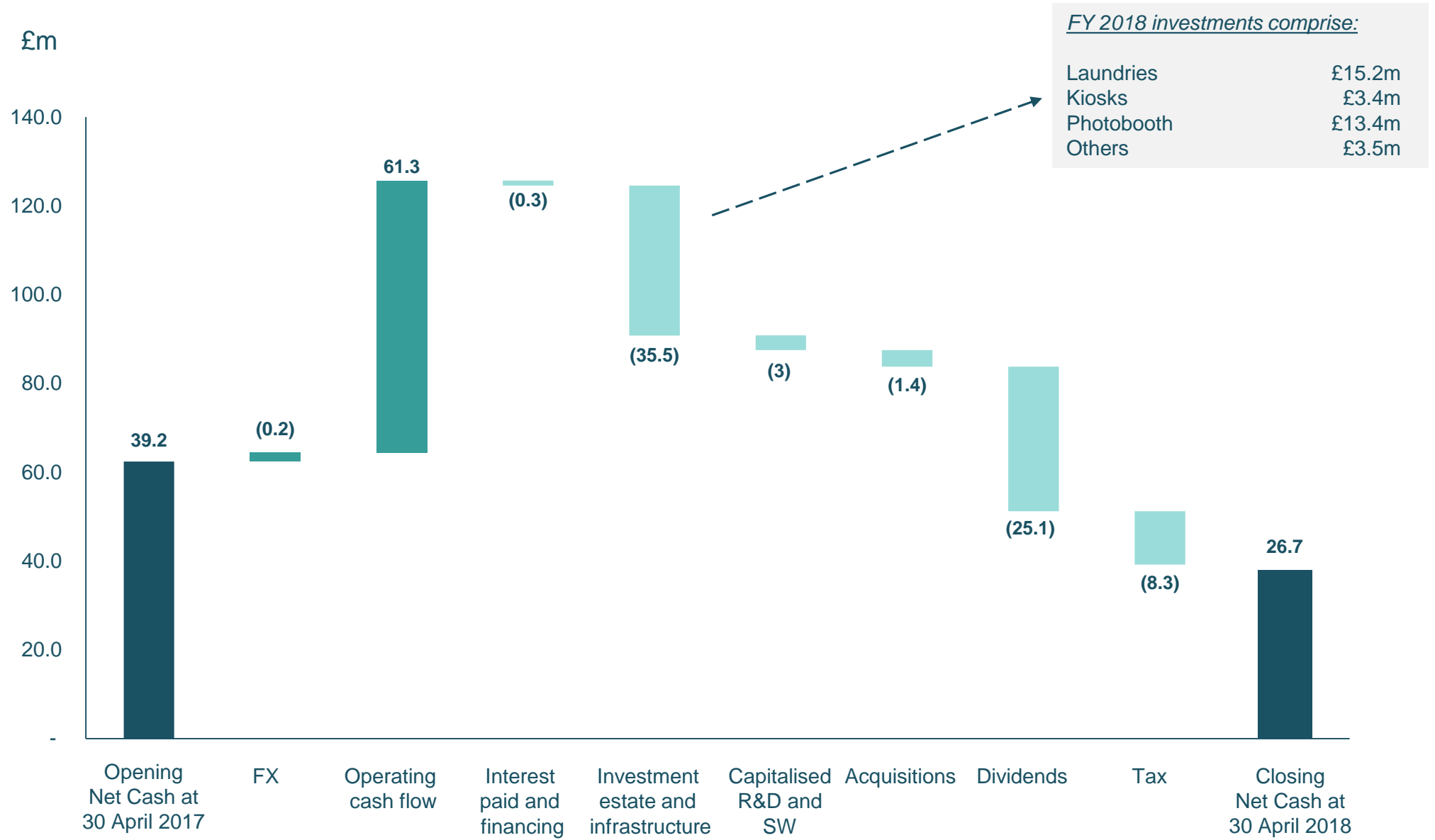


China, Japan, Singapore, South Korea, Vietnam

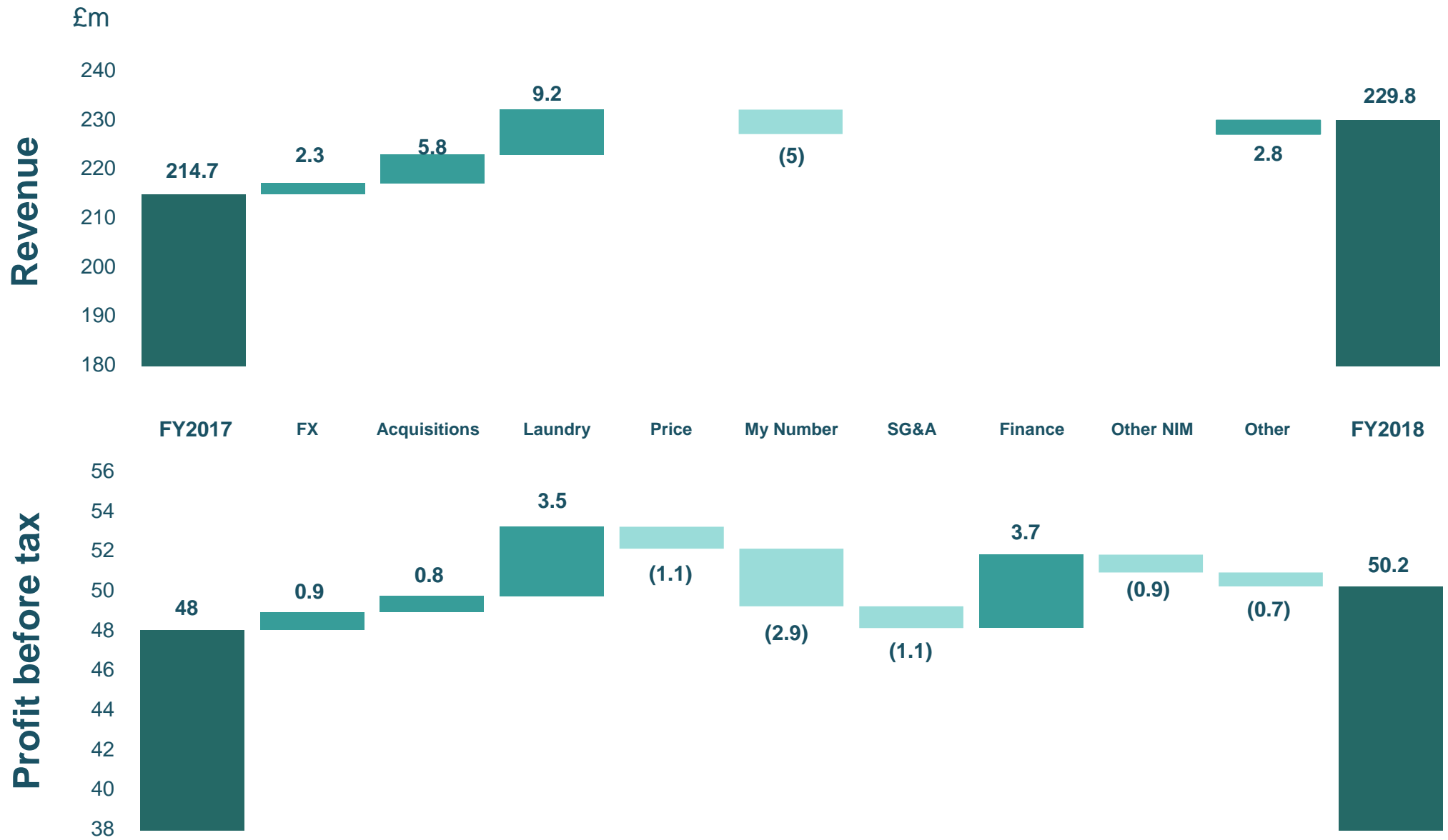
COUNTRIES	CONTINENTAL EUROPE				UK & IRELAND				ASIA			
VENDING UNITS % OF THE GROUP	24,550 units 52.6%				12,055 units 25.8%				10,105 units 21.6%			
	2018	2017	Change	2017¹	2018	2017	Change	2017¹	2018	2017	Change	2017¹
REVENUE	£121.1m	£111.7m	+8.5%	£116.3m	£63.6m	£53.6m	+18.8%	£53.8m	£45.0m	£49.4m	-8.8%	£46.8m
OPERATING PROFIT	£31.9m	£33.9m	-5.8%	£35.3m	£10.4m	£7.3m	+42.5%	£7.3m	£5.4m	£8.4m	-35.7%	£8.0m
MARGIN	26.3%	28.8%	-13.2%	30.3%	16.4%	13.6%	+19.9%	13.5%	12%	17.4%	-31.0%	17.5%

- Continental Europe
 - Steady revenue growth driven by continued rollout of Revolution units
 - Operating profit decline reflected investments in long-term research and development projects
- UK & Ireland
 - Operating profit growth includes acquisitions, a benefit from the sale of the head office, and a one-off charge of £2.6 million, relating to the restructuring of the Photo-Me Retail business.
- Asia
 - Revenue decline reflected an oversupply of photobooths in the Japanese market

Net cash



Revenue and profit bridges



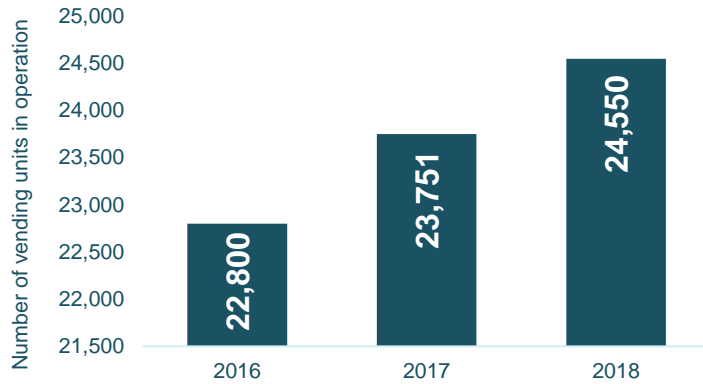


ERIC MERGUI
Chief Operating Officer

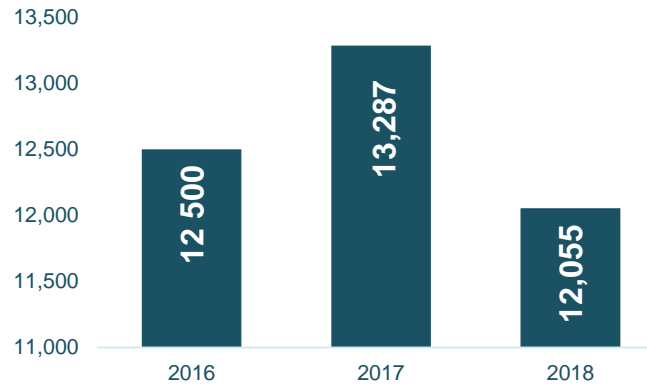
BUSINESS REVIEW

Vending units in operation

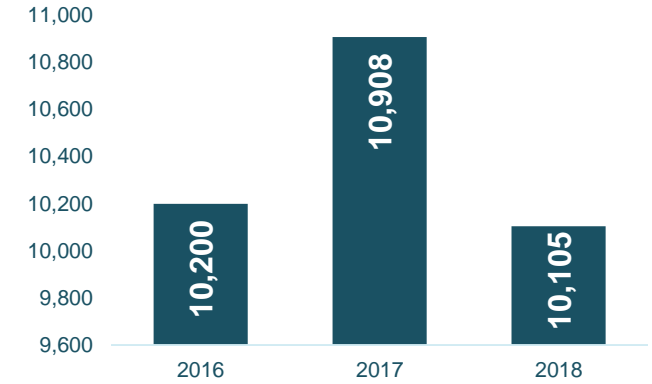
CONTINENTAL EUROPE



UK & IRELAND



ASIA

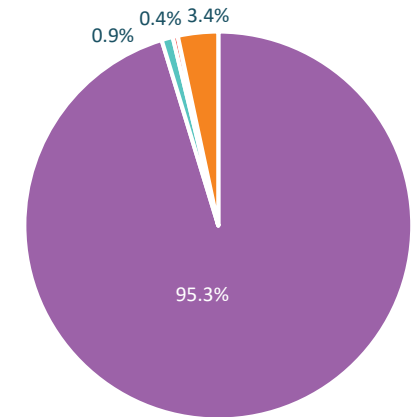
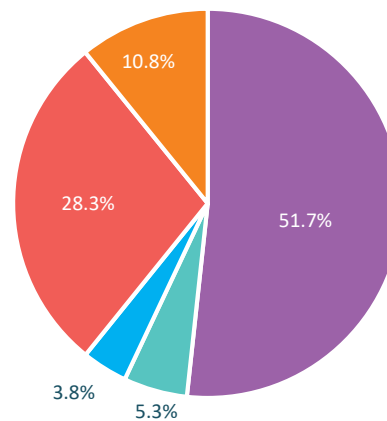
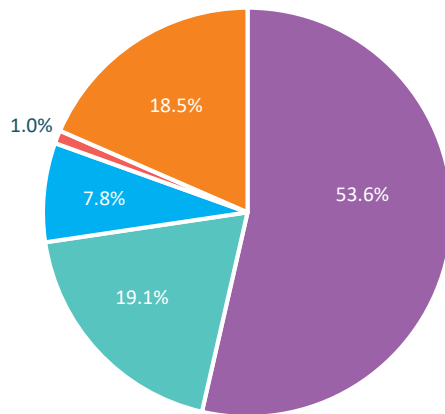


- Steady growth driven by continued deployment of Revolution units

- Decline in units reflects restructuring of Photo-Me Retail, which is now delivering profitability

- Photobooth estate +3.9%, while the decline in overall vending units reflected the removal of old sticker machines

Number of vending units in operation (% of estate)



■ Photobooth
 ■ Kiosk
 ■ Laundry
 ■ Children's rides
 ■ Other

Identification - overview



PHOTOBOOTH ESTATE

- Established network of **29,015 photobooths**, representing **62% of total vending estate**
- Presence in 18 countries
- Integrated software to ensure conformity to ISO and ICAO photo ID regulations
- Dedicated support maintenance and remote telemetry
- Market-leading brands across all operating regions

GROWTH DRIVERS

- Demand from governments for cheaper and more secure services
- Photo-Me's major networks of photobooths can provide governments with customer points of contact across the country



Identification – strategic progress



	30 April 2018	30 April 2017	Change
Number of units in operation	29,015	28,541	+1.7%
Percentage of total Group vending estate (number of units)	62.0%	59.0%	+5.1%
Revenue	£149.3m	£152.2m	-1.9%
Capex	£13.4m	£12.0m	+11.6%

- Continued expansion of estate and further deployment of ID solutions for governments
- Excluding Japan, identification revenue increased by 1.2%
- Launch of secure digital upload system for passport renewals in the UK with HMPO
 - 2,200 photobooths upgraded at the year end
- Continued deployment of secure upload solution in partnership with governments
 - 5,700 photobooths in France upgraded
 - 300 units upgraded in Ireland for passport renewal, in line with plan
 - Discussions ongoing with the Dutch government
- Plan in place to restructure Japanese subsidiary to return business to profit growth
 - My Number ID card programme introduced in January 2016 was not made compulsory
 - Oversupply in the photobooth market, which now has the highest density of photobooths per person
 - As a global market-leader, Photo-Me remains strongly positioned in the Japanese market vs peers

Identification – execution of growth strategy



ENCRYPTED DIGITAL PHOTO ID UPLOAD TECHNOLOGY FOR UK PASSPORT RENEWALS

- Positive conclusion of discussions with HMPO in late 2017
- Deployment of e-passport technology in the UK in mid-December 2017
- 2,200 photobooths upgraded as at 30 April 2018
- 4,000 photobooth upgrades planned by end of September 2018

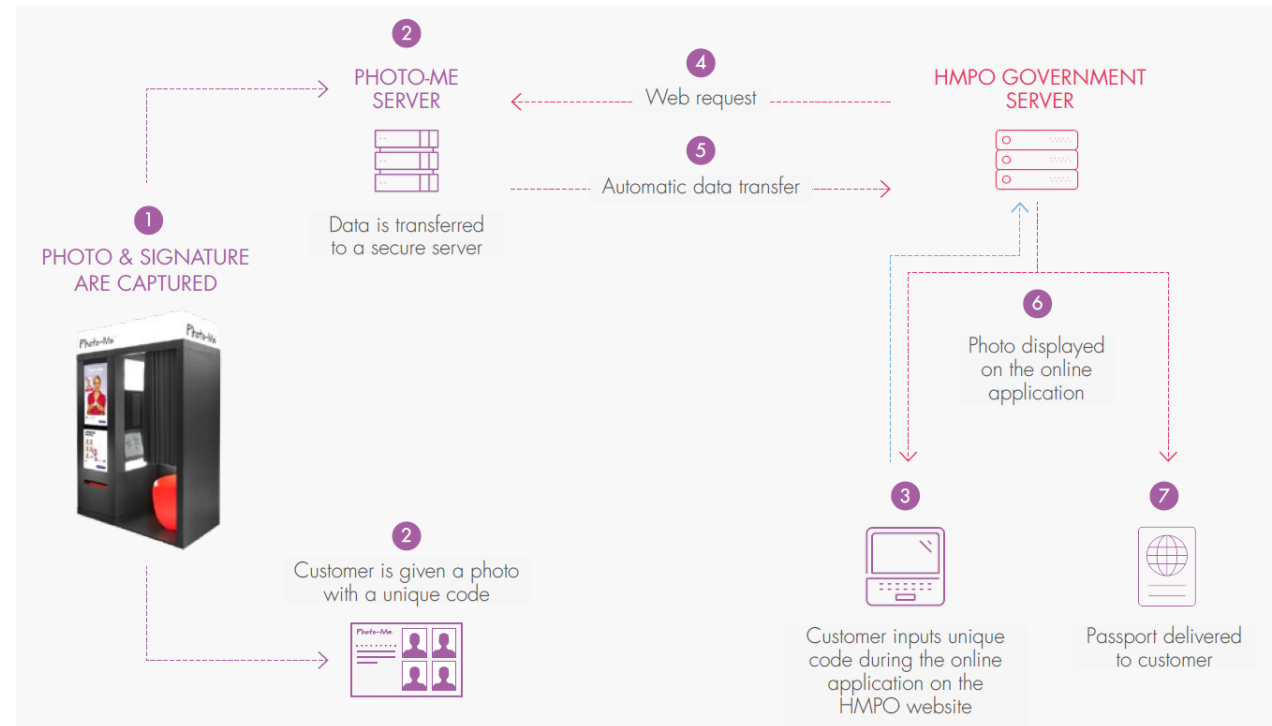
BENEFITS OF THE TECHNOLOGY

For consumers

- Great customer experience through an easy-to-use, reliable, high-quality and value-for-money service

For government

- Simplification of administrative process, which provides a secure, easy and quick way to digitalise and transfer sensitive biometric data which cannot be corrupted (customer does not have access to the data)



Laundry - overview



- Launched in 2012, our laundry business operates in three key areas



REVOLUTION

- Outdoor self-service laundry units
- 24-hour access to large capacity, rapid laundry services
- Located on easy access, high-footfall sites such as supermarket car parks or petrol forecourts



LAUNDERETTES

- Convenient, competitively priced, large capacity self-service launderette shops
- Typically positioned in or near to town centres
- Strategy to acquire and refit underperforming launderette businesses and open new launderettes in attractive locations
- Currently operated in France, Spain, Belgium, Ireland and Japan



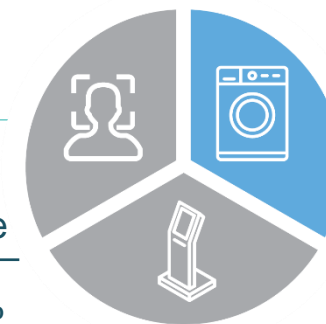
B2B LAUNDRY SERVICES

- B2B distribution and leasing of laundry and catering equipment to institutions such as hospitals, care homes and universities, through FowlerUK.com Limited, Inox Equip Limited and Tersus Limited.

GROWTH DRIVERS

- Demand for high capacity laundry services
- Competitive pricing
- Convenience; prime locations, open 24/7
- Very limited competition

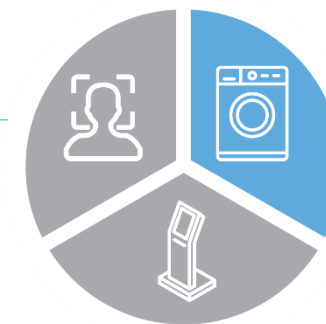
Laundry – strategic progress



	30 April 2018	30 April 2017	Change
Total laundry units deployed (owned, sold & acquisitions)	4,449	3,251	+36.9%
Total revenue from laundry operations (owned, sold & acquisitions)	£36.7m	£21.7m	+69.1%
Number of Revolution units in operation	2,313	1,750	+32.2%
Revolution share of total Group vending estate (number of units)	5.0%	3.6%	+38.9%
Total revenue from Revolutions	£21.2m	£14.2m	+49.3%
Revolution capex	£15.2m	£10.5m	+44.8%

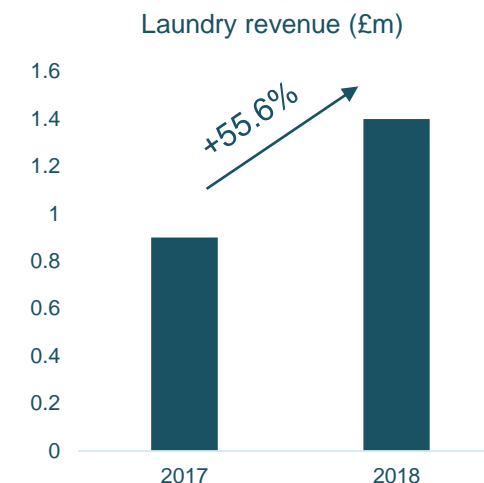
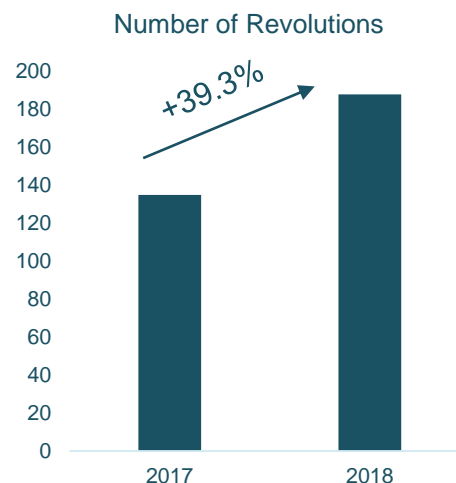
- Continued expansion of Laundry operations, focused on France, Belgium, Portugal, Ireland, UK, across Photo-Me's three laundry segments: Revolution, Launderette, and B2B
- Total Laundry revenue now contributing 16% of total Group revenue (2017: 10%)
- On track to deploy 6,000 owned, sold and acquired units by 2020
- Continued rollout of Revolution machine estate, now representing 5% of total Group vending estate
- Average takings per owned laundry unit (based on machines in France, Ireland and Portugal full month takings) increased by 6.2% year on year, to €16,329 since 2016
- Further expansion of Launderette estate; La Wash Group, a leader in the attractive Spanish launderette market, acquired in May 2018
- Good progress in expanding B2B laundry services, with two acquisitions in July 2017
- Pipeline of further B2B and launderette acquisition opportunities, looking specifically at Continental Europe

Laundry: strategy driving significant shift in revenue mix



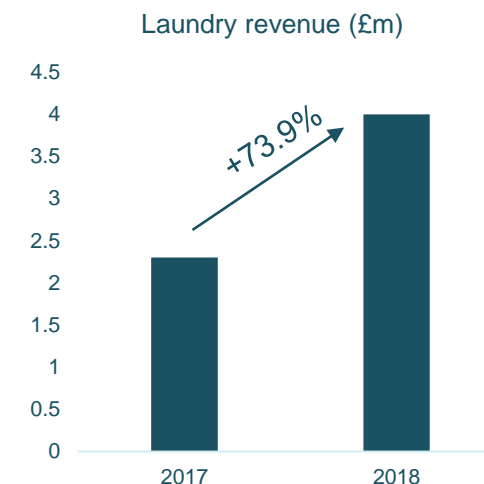
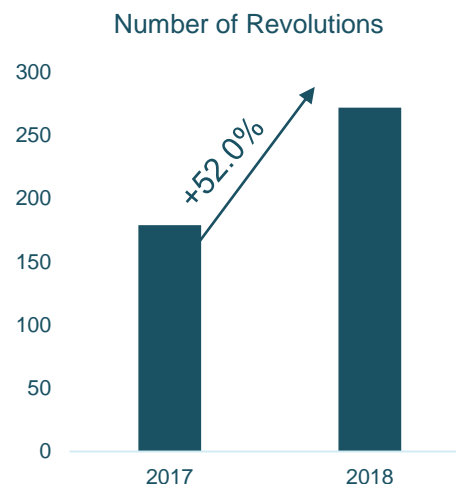
PORTUGAL

- First Revolution laundry machine installed in May 2014
- Total of 188 units deployed as at 30 April 2018 (2017: 135), **up 39%**
- Laundry revenue was £1.4m as at 30 April 2018 (2017: £0.9m), **up 55.6%**
- Significant shift in revenue mix with laundry now representing **68.9%** of total revenue in Portugal (2017: 60.6%)



IRELAND

- First Revolution laundry machine installed in May 2014
- Total of 272 units deployed as at 30 April 2018 (2017: 179 units), **up 52%**
- Laundry revenue was £4.0m as at 30 April 2018 (2017: £2.3m), **up 73%**
- Significant shift in revenue mix with laundry now representing **69.8%** of total revenue in Ireland (2017: 63.1%)



Kiosks - overview

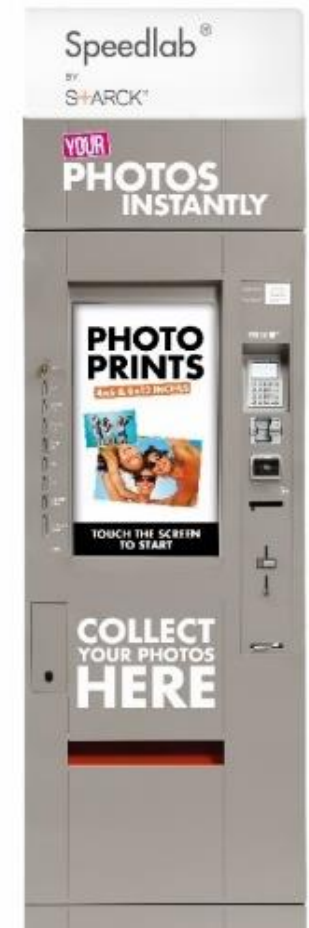


UNATTENDED KIOSK ESTATE

- More than 5,400 digital printing kiosks in operation
- Key markets are France, UK and Switzerland
- Wide range of competitively priced print formats and personalised products
- Latest generation - Speedlab cube and Speedlab bio units - fully integrated with all major social media networks
- Positioned in attractive high-footfall locations

GROWTH DRIVERS

- Increased use of smartphones for taking photographs
- Digital photo sharing across social media platforms
- Fragmented market, expansion opportunities across Europe, US and Asia



Kiosks – strategic update



	30 April 2018	30 April 2017	Change
Number of units in operation	5,416	5,872	(7.8)%
Percentage of total Group vending estate (number of units)	11.6%	12.2%	(4.9)%
Revenue	£16.5m	£13.3m	24.1%
Capex	£3.4m	£6.9m	(50.7)%

- Kiosks revenue grew by 24.1% year-on-year
- Photo-Me Retail reorganised to focus on unattended machines
 - Slightly reduced number of machines in operation
 - Business is now profitable
- Continued to deploy Speedlab cube and Speedlab bio units set up at high-footfall premises across territories





**SERGE CRASNIANSKI, CEO
GROWTH STRATEGY AND
INNOVATION**

Growth strategy (2017-2020)

- Continued diversification of operations focused on three key business areas:



- Target expansion into high-footfall locations
- Penetrate new territories
- Grow revenue through multiple-service offering
- Deploy proven identification security technologies into existing and new territories



- Deploy 6,000 owned, sold and acquired laundry units by 2020
- Identify and deliver products to new high-demand markets
- Expand launderette presence through the owned/operated model
- Extend B2B offering in the UK and into new territories



- Increase presence on high-footfall sites
- Through multi-service offering
- Extend product partnerships into new territories
- Capitalise on market leading position and competitor landscape

Innovation - overview



RESEARCH & DEVELOPMENT PLATFORM

- Continual investment in innovation is at the core of the business
- Four R&D centres globally; France, China, Vietnam, Japan
- 60 highly experienced engineers specialised in software development (3D, security standards, design and unit upgrades)
- Award-winning new product development
- New product industrialisation (pilot production and testing) prior to scaled production
- Continual investment in refurbishment and upgrade of existing estate
- Supply and logistics supporting European operations



KEY FOCUS AND OPPORTUNITIES

- Continual investment in refurbishment and upgrade of existing estate
- Further development and rollout of proprietary security biometric identification solutions
- Identification and development of complementary products and services
- Aim to achieve first year gross revenues equivalent to or greater than the cost of investment in any new product offering

Innovation – strategic update



AWARD WINNING NEW PRODUCT DEVELOPMENT

- Banking booth technology won the 2017 Sesames Award at TRUSTECH for Best eTransactions Solution
- 3D Enrolment Kiosk product was a finalist

BANKING BOOTH

- Front-end retail banking services via established photobooth network, supporting fintech companies competing with traditional high street banks
- Leverage presence in high-footfall locations and ability to deploy technology rapidly at low incremental cost to the business
- Discussions with financial institutions to provide front-end retail banking services ongoing



3D ENROLEMENT

- 3D Enrolment Booth that can improve facial recognition accuracy by more than 100% for applications such as access control, video surveillance, and secure payments
- Technology addresses increased government focus on secure identification systems that comply with the latest standards of identity assurance and privacy protection



Conclusion

- Good financial performance
- Continued progress on execution of the Group's growth strategy
- Revenue growth in all of Photo-Me's territories, except Japan
- Laundry business revenue growth of almost 70% year-on-year, contributing 16% of total Group revenue
- Strategy in place to return Japanese subsidiary to profit, the very early stages have been positive
- Restructuring of Photo-Me Retail now complete and delivering profitability
- Remained highly cash-generative, supporting innovation in future growth and high returns to shareholders



TECHNOLOGY & INNOVATION
production of proprietary solutions & continuous focus on diversification



LONG-TERM PARTNERSHIPS
with the leading shopping malls in target markets



BRAND RECOGNITION
Photo-Me's products are household names



ESTABLISHED NETWORK
of engineers able to support growth across business segments at limited cost



CUSTOMER EXPERIENCE
providing easy to use, reliable, high quality, value for money services



TELEMETRY SYSTEM
Sophisticated and tailored to Photo-Me's proprietary technology



STABLE CASH FLOWS
utilised to fund R&D for future growth



COMPETITIVE PRICING
Carefully and consistently benchmarked against market



INDUSTRY EXPERT
with over 50+ years of involvement with regulatory bodies (ISO, ICAO, HMPO et al)