Photo-Me International PLC

Annual Results
for the 12 months ended 31 October 2021

21 March 2022

Overview

Agenda

01 Financial and operational summary

02 ME Group

03 Business model & strategy

04 Financial review

05 Business review

06 Innovation

07 Conclusion

ME Group: New corporate brand

Photo-Me International PLC has evolved over time

New corporate brand better defines how the Group has innovated and diversified its operations and unifies the Group's strategy across all its markets

New identify reflects the Group's mission to revolutionise local retail by bringing innovative automated self-service solutions to consumers

ME captures the easy-to-use and convenient nature of the Group's diverse vending equipment portfolio and consumer experience and engagement

New brand strategy supports growth strategy and continued diversification

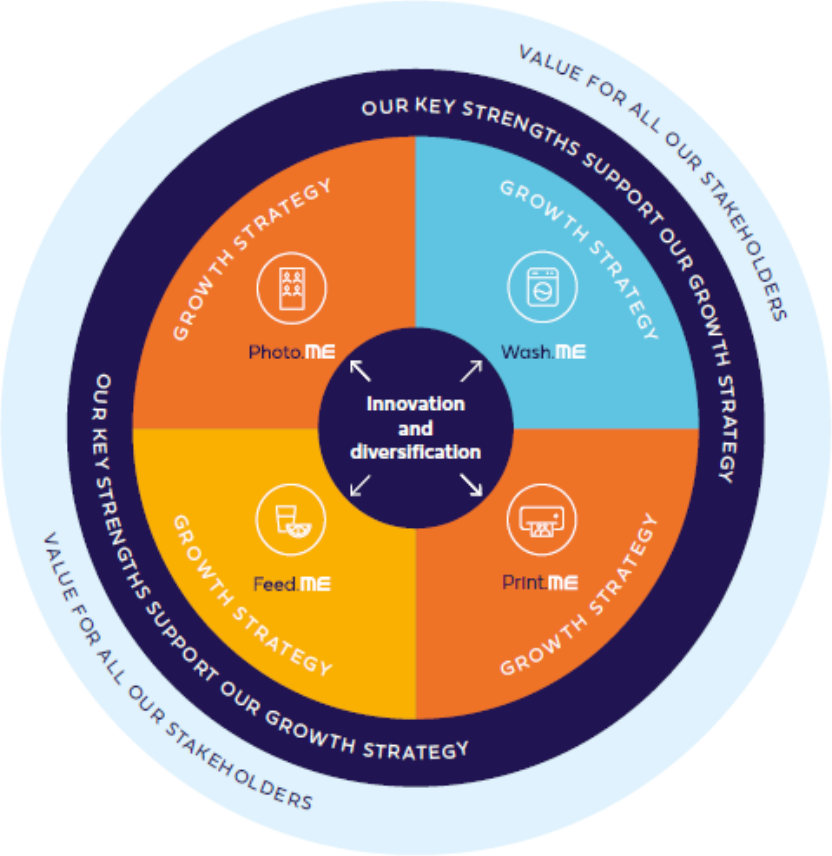
ME MY **EXPERIENCE**

ME MORE **ENGAGED**

ME MINUTE **EXPERIENCE**

ME MAKING **EASY**

Business model & strategy



Our business strategy

Focused on diversifying our product portfolio, expanding the number of units in operation, and increasing the yield per unit, while minimising production and operational costs to the Group.

Our priorities

Focused on our social commitment, our environmental footprint, and our responsibility towards society. Our aim is for the Group to be carbon neutral by 2040.

Financial summary

- Total revenue and profit before tax (before exceptional items) at the upper end of expectations
- Strong performance and progressive recovery in demand across our vending services and markets
- Increased photobooth activity and strong performance in laundry and benefit from completion of restructuring programmes to remove unprofitable machines (completed April 2021)

REVENUE UP 15.1%

£214.4m

2020: £186.3m

EBITDA[1]

£65.1m

2020: £41.4m

PROFIT BEFORE TAX[2]

£28.6m

2020: Loss of £27.8m

CASH GENERATED FROM OPERATIONS

£66.1m

2020: £51.8m

GROSS CASH

£98.4m

2020: £106.2m

NET CASH

£34.9m

2020: £21.9m

EARNINGS PER SHARE

5.77p

2020: N/A

CAPITAL EXPENDITURE

£29.9m

2020: £15.4m

GEARING

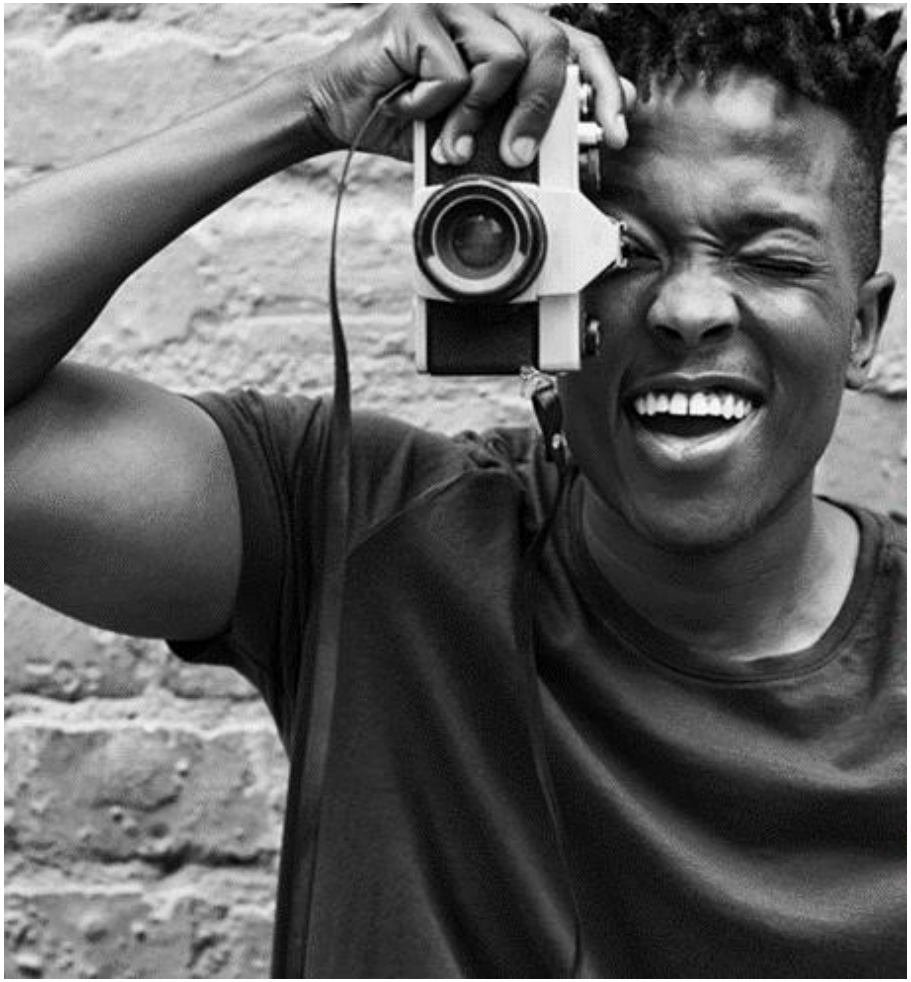
38.8%

2020: 41.4%

[1] EBITDA is Reported profit before tax- total depreciation and amortization - other net gain-Finance cost and revenue.
[2] Includes impairments and provisions resulting directly and indirectly from the pandemic.
All 2020 figures are for the 12 months ended 31 October 2020

Operational summary

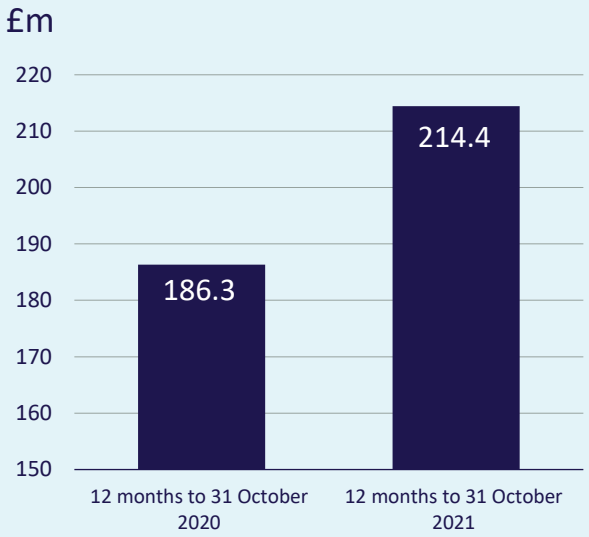
- Launch of ME Group, new corporate brand strategy
- Stronger than anticipated recovery across most key markets
- Photobooth revenue grew 15.1% driven by France and Japan performance
- Revenue from laundry operations increased 14.6%, despite the sale of Revolution Max (B2B)
- Continued expansion of Revolution laundry estate, with number of owned units deployed up 19.1% and revenue up 26.6%
- Acquisition of French manufacturer Resto'Clock, marking entry into the food-on-the-go market
- Entered two new territories including Australia and Finland



Financial Review

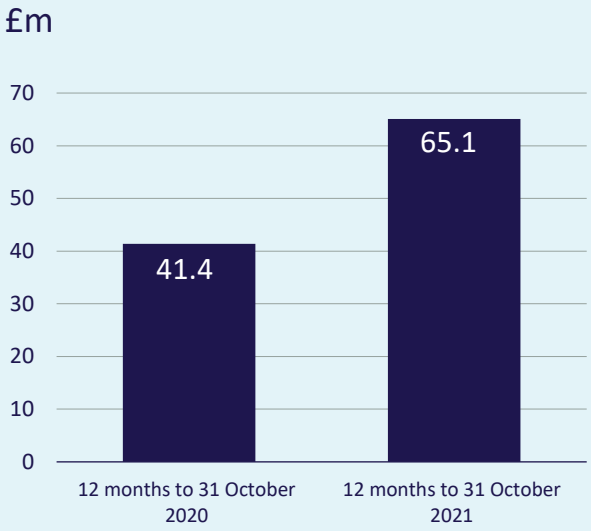
Key financials

Reported Revenue



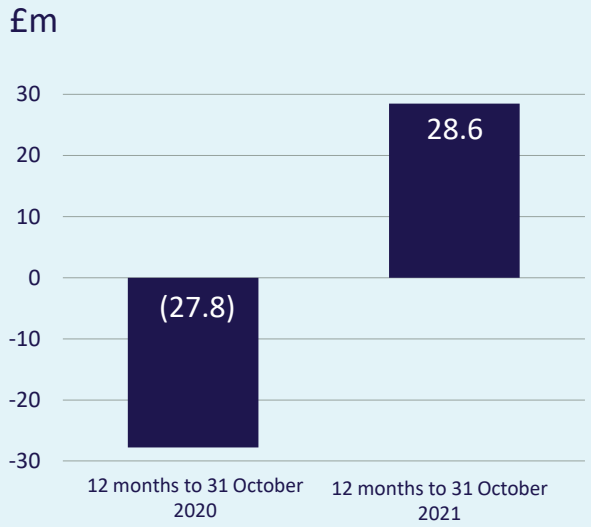
- Revenue increased by 15.1% to £214.4 million
- Revenue performance reflects continued recovery in activity levels in most markets

EBITDA (Excluding associates)



- Reported EBITDA (excluding associates) increased 57.2% to £65.1 million
- EBITDA margin was 30.5% compared to 22.2% in the prior 12 months

Profit Before Tax



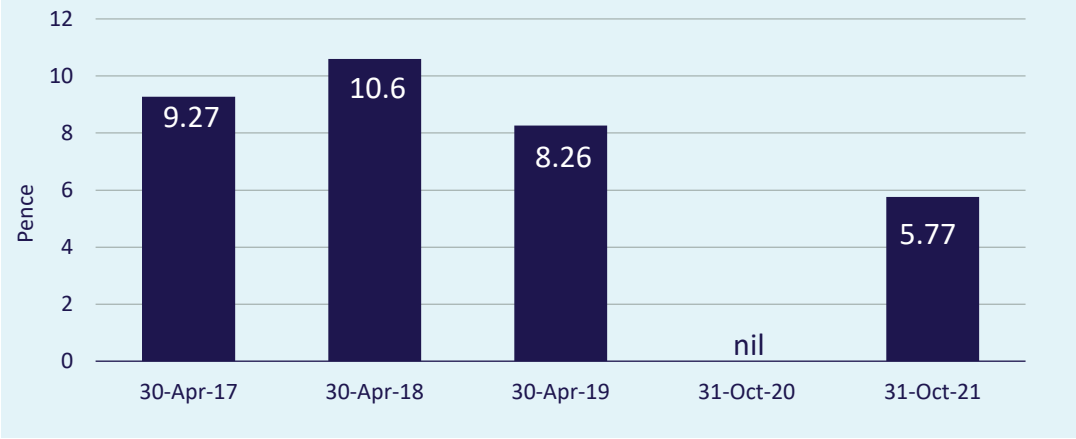
- Profit before tax was £28.6m
- Last year was impacted by £33.3m of provisions and impairments, this year was impacted by £5.7m

Provisions and impairment

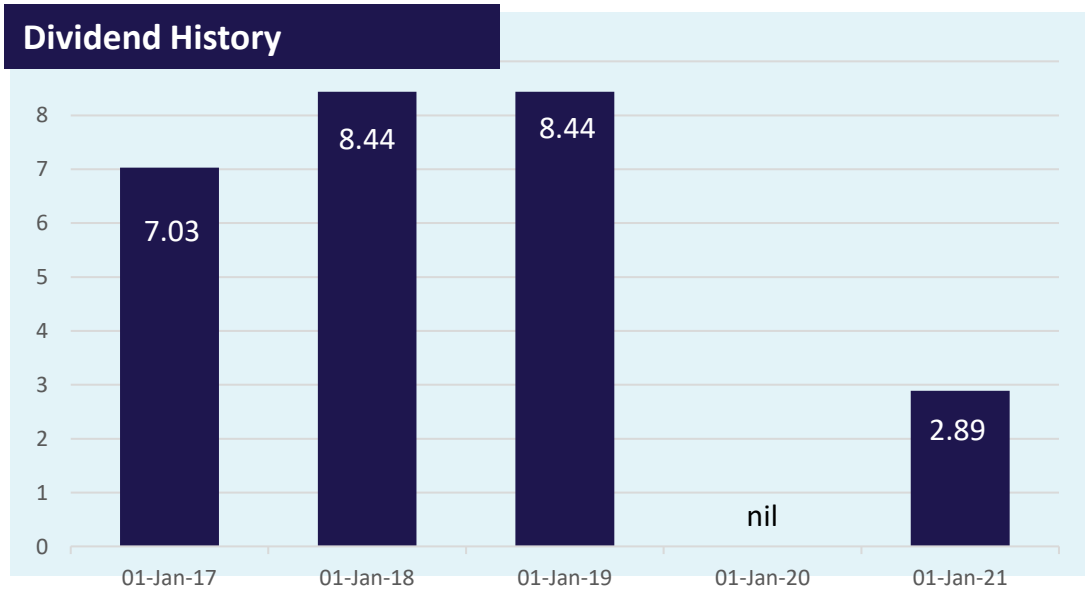
- £5.7 million impact from exceptional items, provision and impairment
- The largest elements include:
  - Write down of the carrying value of non-profitable machines
  - The impairment of R&D and other intangibles
  - The impairment of goodwill and investments
  - Provision for bad debt, machines costs provision and stock impairments

Earnings per share and dividend

Diluted Earnings Per Share



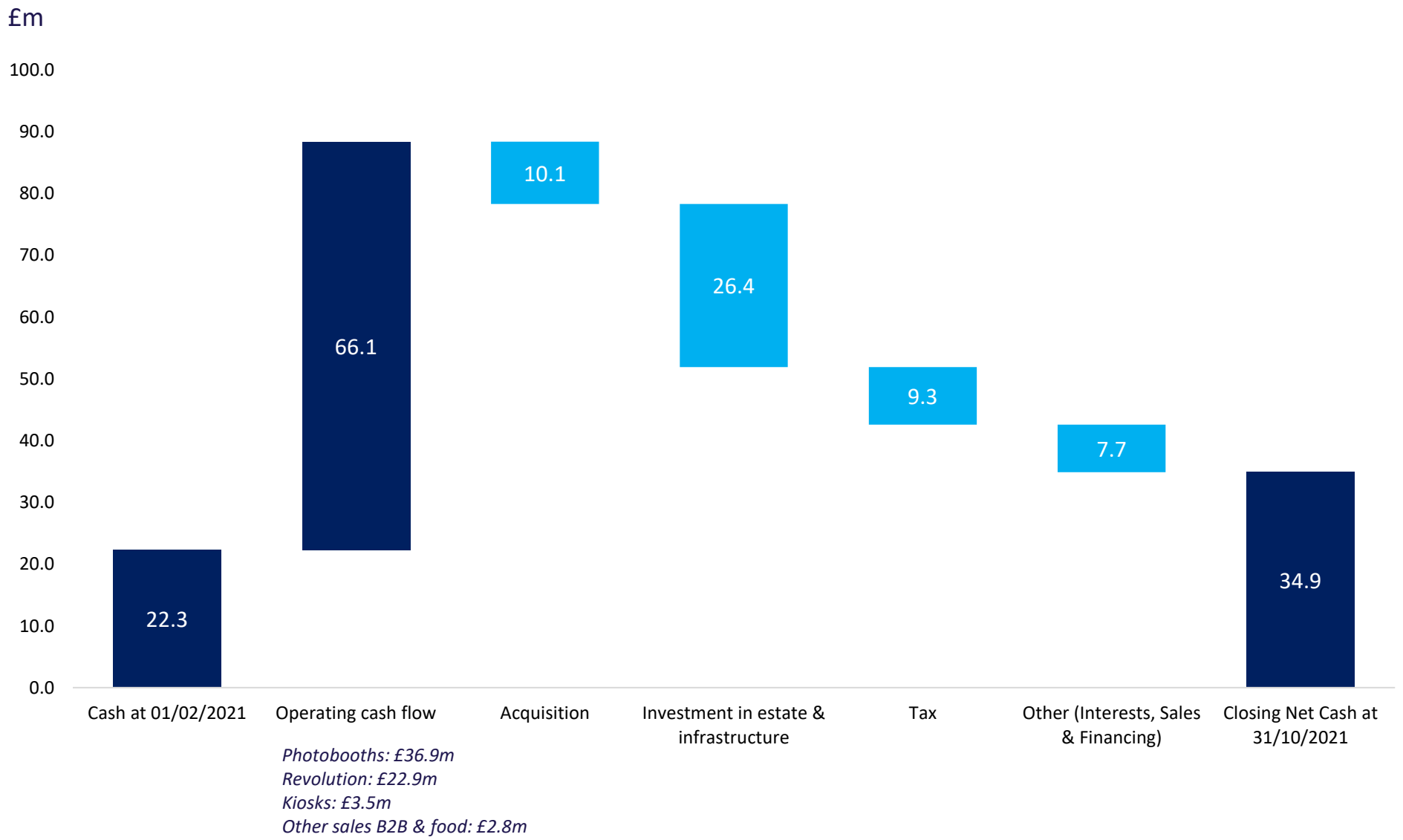
Dividend History



- Diluted earnings per share was 5.77 pence compared to nil pence in 2020

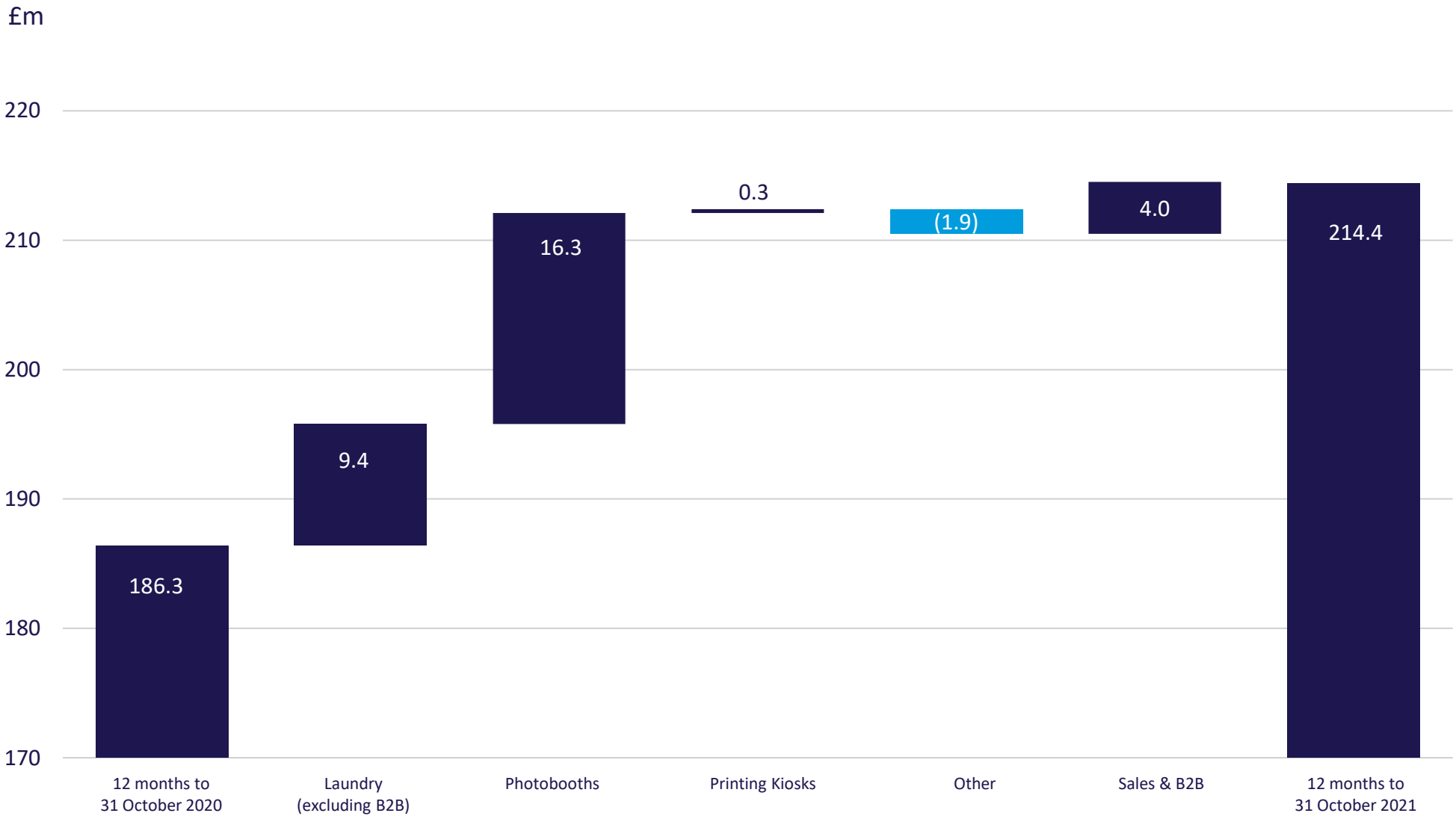
- Board continues to review its dividend policy
- The final dividend of 2.89 p per ordinary share is recommended by the Directors

Net cash bridge

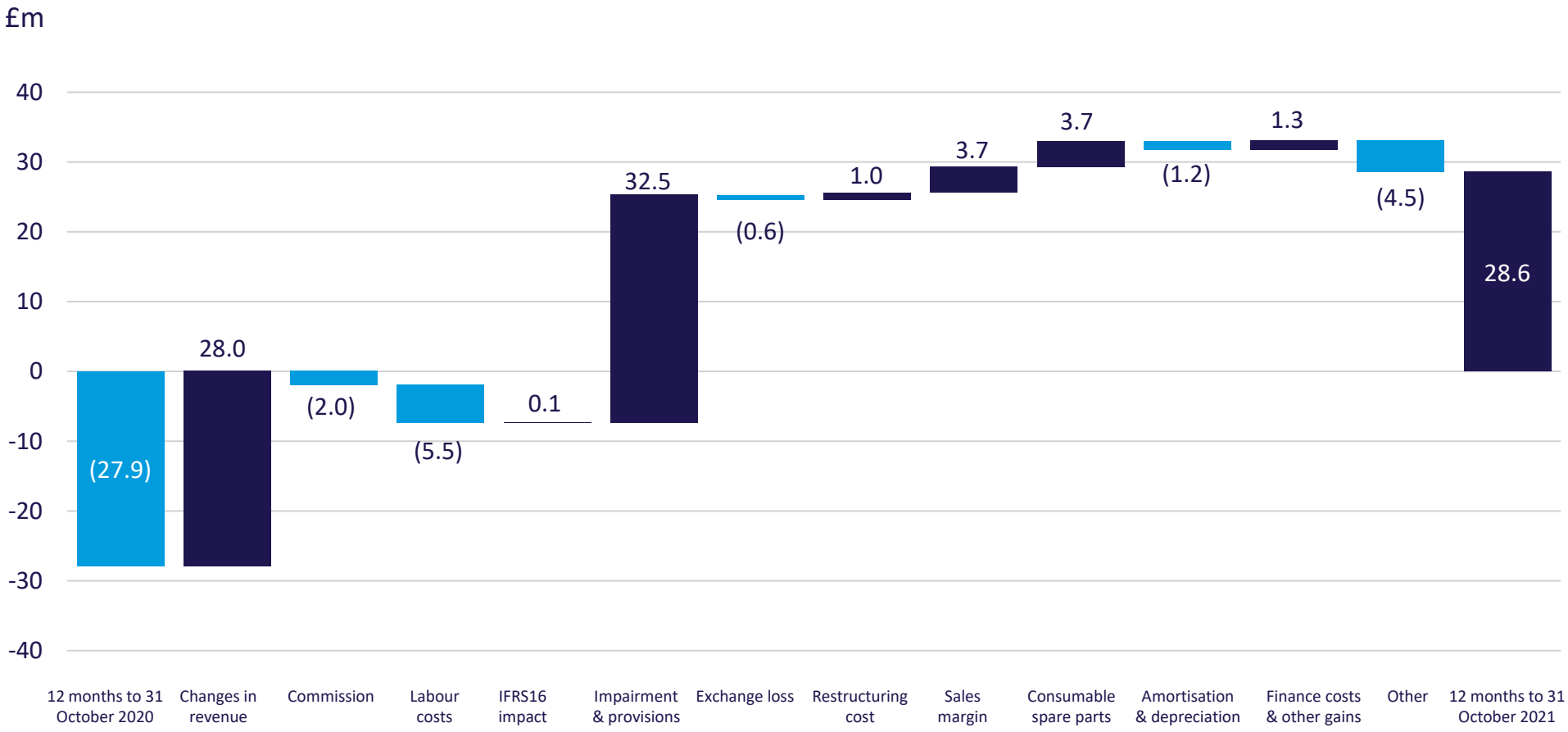


Photobooths: £36.9m
Revolution: £22.9m
Kiosks: £3.5m
Other sales B2B & food: £2.8m

Revenue bridge



Profit before tax



Business Review

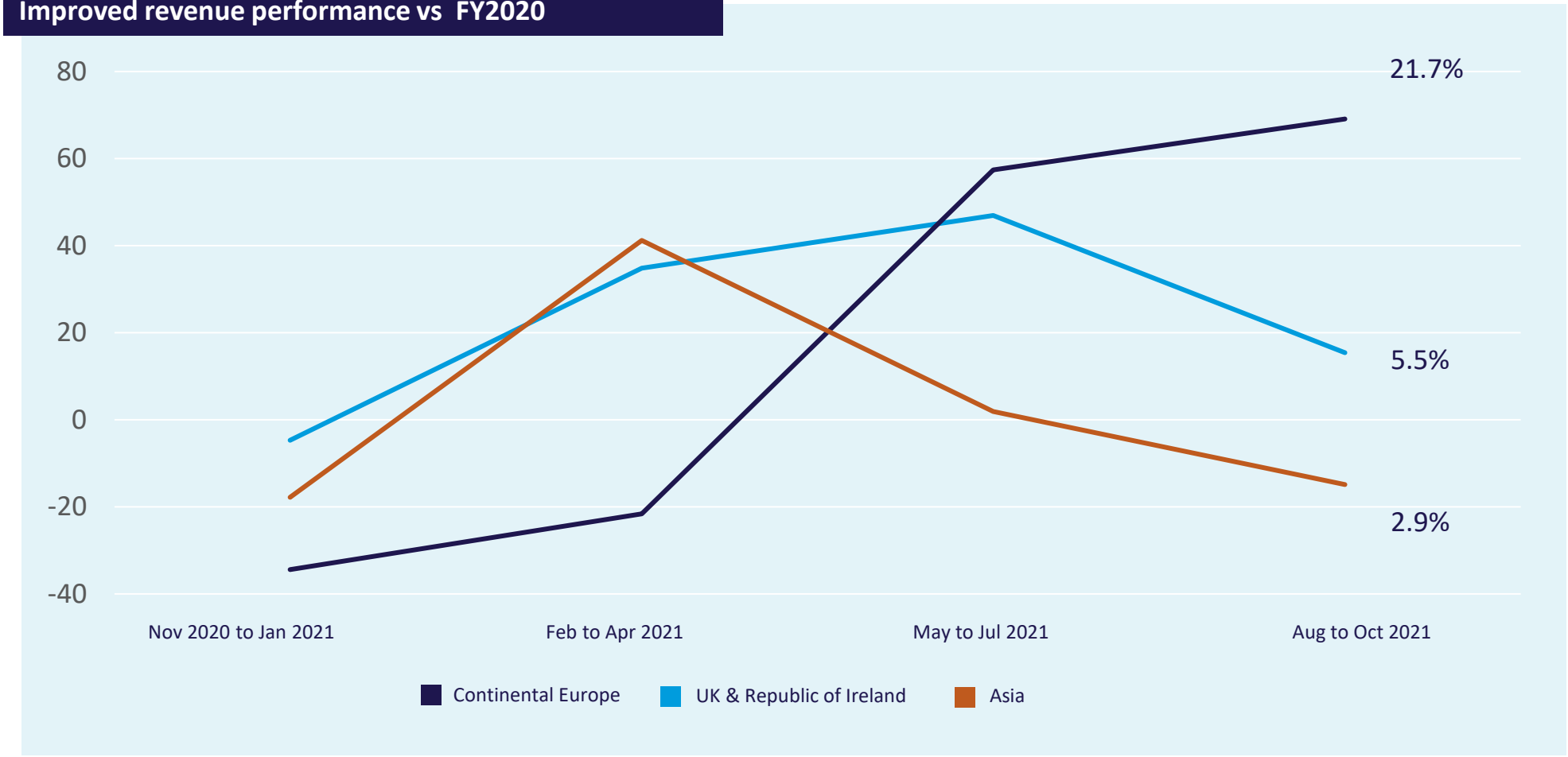
Results by geographic area

COUNTRIES	Austria, Belgium, Finland, France, Germany, Italy, Morocco, Netherlands, Poland, Portugal, Spain and Switzerland		United Kingdom and Republic of Ireland		Australia, China, Japan, Singapore, South Korea, Vietnam	
VENDING UNITS % OF THE GROUP	**25,111 units** 57.3%		**7,238 units** 16.5%		**11,468** 26.2%	
	12 months to 31 October 2021	**12 months to 31 October 2020**	**12 months to 31 October 2021**	**12 months to 31 October 2020**	**12 months to 31 October 2021**	**12 months to 31 October 2020**
REVENUE	£145.0m	£118.2m	£29.6m	£30.5m	£39.8m	£37.6m
OPERATING PROFIT	£29.6m	£3.3m	£5,0m	£(20.9)m	£2.0m	£1.1m
MARGIN	20.4%	2.8%	16.9%	(68.5)%	5.0%	2.9%
	• Revenue increased by 22.7% • Continental Europe experienced a strong rebound in activity, particularly in France, as COVID-19 restrictions eased • Operating profit increased by £26.3m to £29.6m		• Revenue decreased by 2.9% in the 12-month period • Trading remained challenging due to COVID-19 and the UK Government's policy to accept photos taken at home for official documentation • Nevertheless, the region returned to profitability reporting operating profit of £5.0m		• Revenue increased 5.9% in the 12-month period • Stronger performance driven by photobooth activity in Japan owing to the My Number card scheme in H1 • Activity in Japan impacted by COVID-19 restrictions in H2. China remained challenging	

Operating revenue evolution

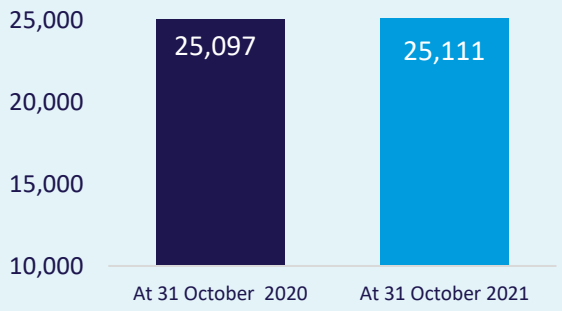
In the last 12 months, the Group continued to recover across most markets of operation despite ongoing disruption due to COVID-19

Improved revenue performance vs FY2020

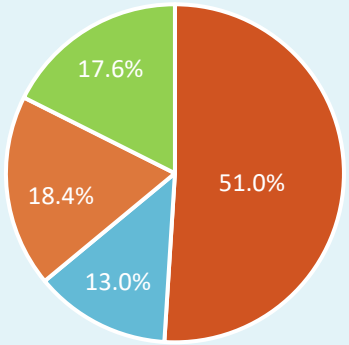


KEY FINANCIALS

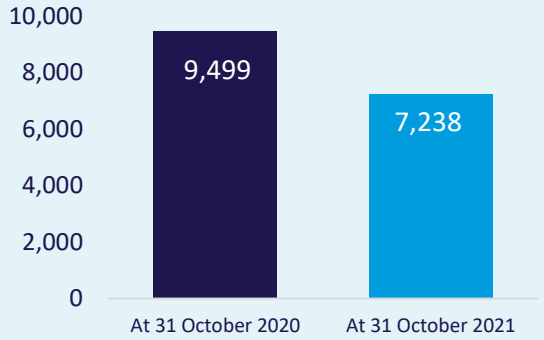
Continental Europe



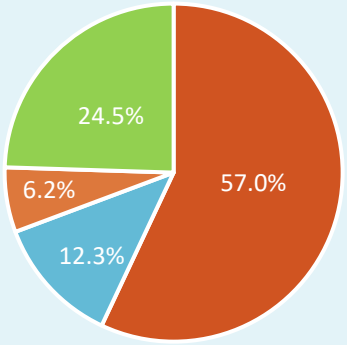
- Total number of vending units broadly flat



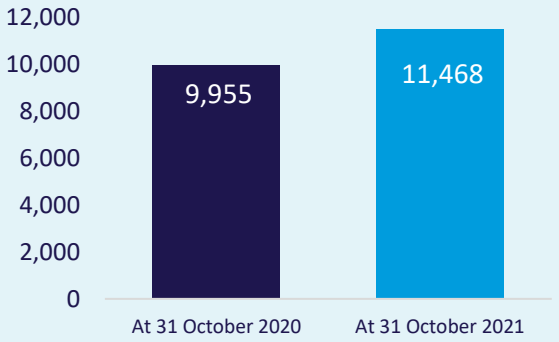
UK & Republic Of Ireland



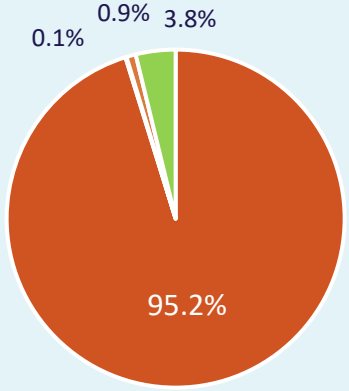
- Total units down 23.8% due to the recent restructuring programme, however region returned to profitability



Asia



- Total units up 15.2% due to acquisition of Photo Plaza (adding 1,500 machines)



Photobooths Laundry Printing Kiosks Other

Photo.ME

Facilitating the administrative procedures of several hundred thousand citizens every day throughout the world in government-approved connected photo ID booths.

Photo.ME

Photobooths and integrated biometric photo identification solutions

A global leader in the photobooth market for instant photo ID, portraits, and fun photographs

An established network of nearly 28,000 photobooths offering market-leading photographic quality and technology

	12 months to 31 October 2021	12 months to 31 October 2020
Number of units in operation	**27,867**	27,189
Percentage of total Group vending estate	**63.6%**	61.0%
Operating Revenue	**£123.2m**	£106.9m
Capex	**£5.0m**	£5.7m

Photo.ME operating revenue evolution (last 12 months by quarter)

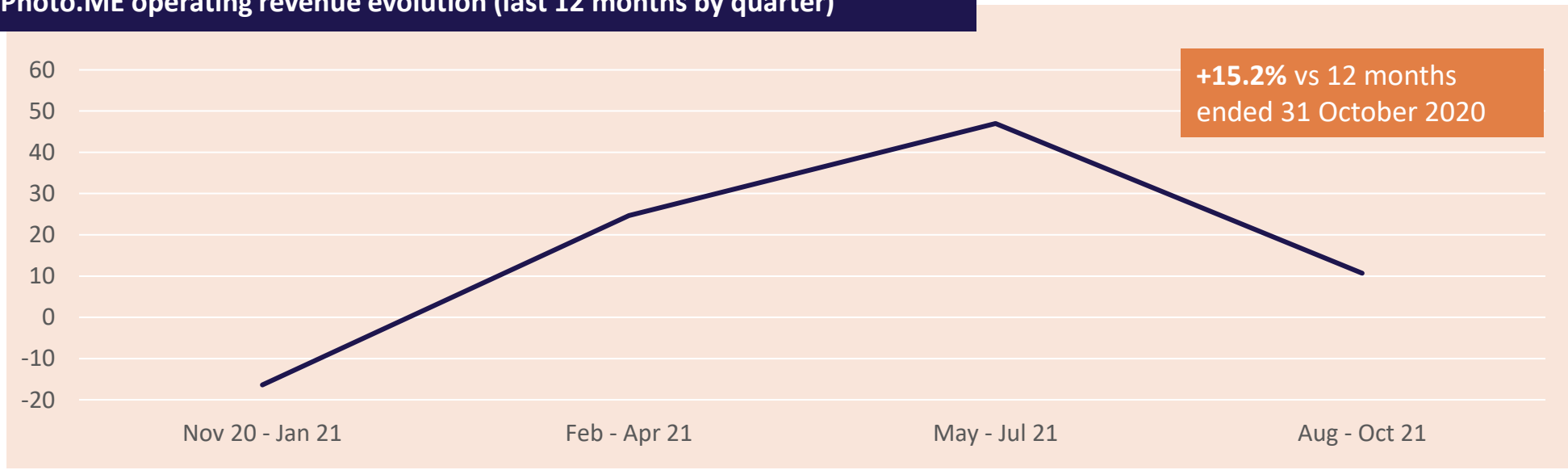


Photo.ME

Performance

- Actions taken to mitigate impact of the ongoing pandemic well-positioned this business area to benefit from the recovery seen in 2021
- Revenue grew by 15.2% to £123.2 million, driven by a stronger than anticipated recovery in most key markets, particularly France and Japan
- Activity levels in the UK improved, although the market remains challenging
- EBITDA was £36.4 million, and represented 55.8% of Group EBITDA
- Capital expenditure was £5.0 million, a 12.3% decrease compared with the prior 12-months, due to removal and relocation of machines
- Photobooths in operation, an increase of 2.5% to 27,867
- Focused on diversification and commercialisation of our next generation photobooth
- Working to introduce additional security measures across photobooths estate, including anti-spoofing technology
- Longer term opportunities to grow revenue through multiple service offering

Wash.ME

To provide a professional laundry service,
accessible 24 hours a day, 7 days a week,
for all inhabitants of small towns and cities.

Wash.ME

Key growth driver for the Group

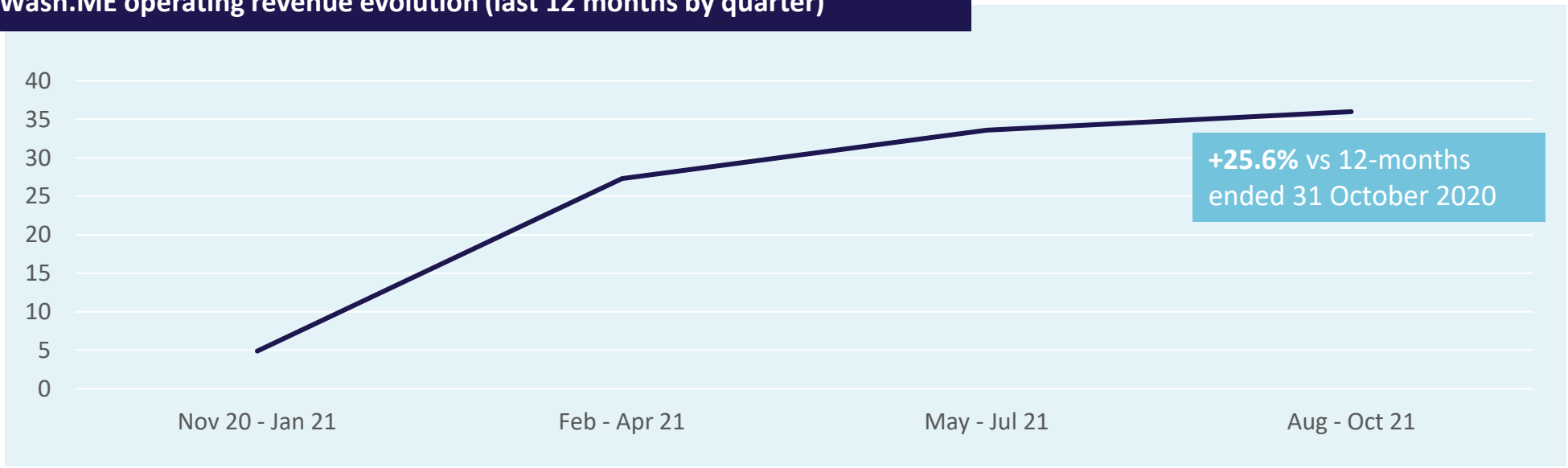
Large-capacity, energy saving rapid unattended laundry services aimed at consumers and B2B market

Three key areas of Laundry services:

- Revolution: outdoor self-service laundry units
- Launderettes: self-service shops
- B2B Laundry Services: distribution and leasing of equipment

	12 months to 31 October 2021	12 months to 31 October 2020
Total laundry units deployed (owned, sold and as a result of acquisitions)	**5,533**	5,568
Total revenue from laundry operations	**£54.2m**	£47.3m
Revolution laundry units		
Number of Revolutions in operation*	**4,094**	3,437
Percentage of total Group vending estate	**9.3%**	7.7%
Total revenue from Revolutions	**£44.8m**	£35.4m
Revolution capex	**£15.9m**	£14.4m

Wash.ME operating revenue evolution (last 12 months by quarter)



*There were 3,765 full-time revolution units in operation during the 12 months ended 31 October 2021 compared with 3,216 in 12 months ended 31 October 2020.

Wash.ME

Performance

- Total revenue from laundry operations increased by 14.6% to £54.2 million despite the sale of Revolution Max last year, which contributed £4.5 million of revenue
- Laundry EBITDA increased significantly to £22.6 million, representing 34.7% of Group EBITDA
- The total number of Revolution units deployed (owned only) increased by 19.1% in the Period
- Installed an average of 60 machines per month, aiming to increase to 70 subject to the pandemic
- Total revenue from Revolution units increased by 26.6% to £44.8 million
- Capex for Revolution operations increased by 10.4% to £15.9 million, mainly due to the installation of 716 units
- Good progress made in reducing impact on environment of our washing machines e.g. installation of photovoltaic solar panels

Print.ME

Immortalise your most beautiful memories on paper in a few minutes thanks to the latest generation of photo printing kiosks for the greatest pleasure of your friends and family.

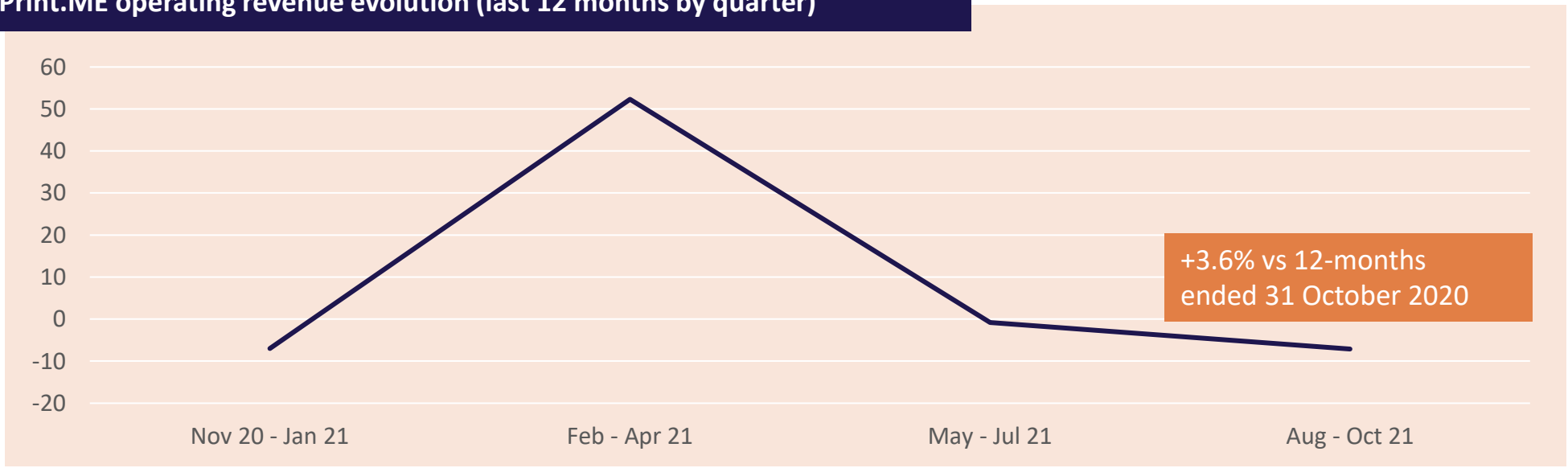
Print.ME

High-quality digital printing kiosks positioned in attractive high footfall locations across Europe

Network of 5,173 digital printing kiosks in operation

	12 months to 31 October 2021	12 months to 31 October 2020
Number of units in operation	**5,173**	5,304
Percentage of total Group vending estate	**11.8%**	11.9%
Operating Revenue	**£11.7m**	£11.4m
Capex	**£0.5m**	£1.4m

Print.ME operating revenue evolution (last 12 months by quarter)



Print.ME

Performance

- Revenue increased slightly to £11.7 million compared to £11.4 million vs 2020
- EBITDA remained stable at £3.4 million and represented 5.2% of Group EBITDA
- Capex reduced by 64.3% to £0.5 million, in line with the Group's strategy to primarily focus on expansion of Wash.ME and Feed.ME operations

Other vending equipment

- The Group operates 6,624 other vending units, which are primarily situated alongside the Group's principal activities
- Other vending equipment accounted for 15.1% of the Group's total vending estate in terms of units, representing 2.5% of total Group revenue

Feed.ME

To offer a balanced diet through a wide range of top-of-the-range juicers and vending machines for food professionals and their customers.

Feed.ME

Vending equipment for the food service market

Entered food vending equipment market through the acquisition of Sempa SARL in 2019

Business area expanded through innovation and bolt-on acquisitions

Performance

- Revenue was £9.6 million and contributed 4.5% to Group revenue
- EBITDA was £2.1 million, contributing 3.2% of total Group EBITDA
- Installed 100 fresh fruit juice machines across France, Belgium and Japan and plan to rollout further during 2022
- Acquisition of pizza vending machine manufacturer Resto'Clock for a consideration of £2.9 million
- Installations accelerated from 40 per year to 30 per month, aiming to scale up to c.100 machines per month by end of 2023
- Earmarked UK, Switzerland and Belgium for deployment in 2022

Celebrating 60 years of innovation

1962 2022
PHOTO-ME 60 YEARS

R&D focused on two key pillars

1. A state-of-the-art user experience, backed by the best technology
2. An omnichannel approach, leveraging digital functionalities to enhance user experience of our brands and explore new business models

New Product Development updates

Wash.ME

Optimus modular self service range for better end-user experience

- New outdoor laundry unit, Revolution Compact V3
- New indoor laundry unit, Flex

Photo.ME Print.ME

Photobooths & digital printing kiosks – three main areas including:

- Face ID anti-spoofing support
- Fun products & social media sharing
- Multiservice machines

Feed.ME

Second generation pizza kiosks offering multichannel digital platform targeted at:

- Independent pizzaiolos market
- Hypermarket global key accounts
- Application for end-users

Conclusion

Summary of FY2021 performance

- Resilient performance across the Group underpinned by a strong recovery in most markets
- Steps taken as required to mitigate impact of trading environment on operations
- Recovery to date provides further confidence that financial performance will return closer to pre-pandemic levels as pandemic subsides
- Launch of ME Group corporate brand presents exciting new chapter

Growth strategy and investment priorities

Innovation and diversification focused on delivering a state-of-the-art user experience, backed by the best technology and an Omnichannel approach

- Commercialisation and diversification of next generation photobooths a key margin contributor
- Continued expansion of laundry operations, a key growth driver
- Growth of Feed.ME to become a market leader in France by 2023

ME GROUP
Making Easy

Well positioned to continue to meet ever-changing consumer needs

Thank you