Photo-Me

Annual Results

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21 March 2022

PHOTO-ME INTERNATIONAL PLC
("Photo-Me" or "the Group")

ANNUAL RESULTS FOR THE 12 MONTHS ENDED 31 OCTOBER 2021

Photo-Me International plc (PHTM.L), the instant-service equipment group, announces its results for the 12 months ended 31 October 2021.

RESULTS SUMMARY

	Reported	
	12 months ended 31 October 2021	**12 months ended 31 October 2020**
Revenue	£214.4m	£186.3m
EBITDA (excluding associates)[1]	£65.1m	£41.4m
Profit before tax[2]	£28.6m	£(27.8)m
Profit after tax	£21.9m	£(24.9)m
Cash generated from operations	£66.1m	£51.8m
Gross cash	£98.4m	£106.2m
Net Cash	£34.9m	£22.3m
Earnings per share (diluted)	5.77p	N/A
Total dividend per ordinary share	2.89p	N/A

1 EBITDA is Reported profit before tax, total depreciation and amortisation, other net gain, finance cost and revenue.

2 Includes impairments and provisions

FINANCIAL SUMMARY

- Revenue was up 15.1% to £214.4 million (2020: £186.3 million), as the Group benefited from the easing of COVID-19 restrictions on the movement of people compared with comparative period last year
- EBITDA increased by 57.2% to £65.1 million (2020: £41.4 million)
- Reported Profit before tax increased by £56.4 million to £28.6 million (2020: £(27.8) million)
- Cash generated from operations increased 27.6% to £66.1 million (2020: £51.8 million)
- Net cash position of £34.9 million, an increase of 56.5% from the same in the prior year

OPERATIONAL SUMMARY

- Strong performance with a progressive recovery in demand for our vending services seen across most of our key markets
- Photobooth revenue up 15.2%, driven by a strong performance in France and Japan

- Revenue from Revolution laundry units was up 26.6%, and the total number of Revolution units in operation was up 19.1%

- Continued focus on new product innovation and diversification of operations to meet customer and consumer needs

- Launch of ME Group, new corporate brand strategy to reflect diversification of operations

Commenting on the results, Serge Crasnianski, CEO & Deputy Chairman, said:

"Despite the ongoing impact of COVID-19, our proven and resilient business model has enabled the Group to make progress towards returning to its pre-pandemic performance, across all business areas including photobooths. This progress was underpinned by our market leading position, our established and long-term partnerships which gives the Group good revenue visibility and year-on-year recurring revenue streams.

"Reported total revenue and profit before tax for the year were at the upper end of our expectations, having benefitted strongly from the recovery that followed the easing of restrictions across our key markets. This performance is testament to the expertise and hard work of our teams around the world and their impressive skill and adaptability.

"Following the launch of our new corporate brand strategy, ME Group, we are looking forward to the next chapter of our growth as we enter our 60th year. Our growth strategy is focused on continued innovation and diversification, including the use of the best available technology to commercialize our next generation photobooths (Photo.ME), continuing to expand our laundry operations (Wash.ME) and growing our food vending operations (Feed.ME) to become a leader in France by the end of next year."

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NOTES TO EDITORS

Photo-Me International plc (LSE: PHTM) operates, sells and services a wide range of instant-service vending equipment, primarily aimed at the consumer market.

The Group operates vending units across 20 countries and its technological innovation is focused on four principal areas:

- Photo.ME - Photobooths and integrated biometric identification solutions
- Wash.ME - Unattended laundry services, launderettes, B2B services
- Print.ME - High-quality digital printing kiosks
- Feed.ME - Vending equipment for the food service market

The Group entered the self-service fresh fruit juice equipment market in April 2019, with the acquisition of Sempa, and the acquisition of SGER (Resto'clock) in June 2021, a French Pizza vending equipment company for the self-service food equipment market. Feed.ME will become a key business area - alongside photobooths and identification (Photo.ME), laundry (Wash.ME), and printing kiosks (Print.ME) - and is a significant part of the Group's future growth strategy.

In addition, the Group operates other vending equipment such as children's rides, amusement machines, and business service equipment.

Whilst the Group both sells and services this equipment, the majority of units are owned, operated and maintained by Photo-Me International plc. The Group pays the site owner a commission based on turnover, which varies depending on the country, location and the type of the machine.

The Group has built long-term relationships with major site owners and its equipment is generally sited in prime locations in areas of high footfall such as supermarkets, shopping malls (indoors and outdoors), public transport hubs, and administration buildings (City Halls, Police etc.). Equipment is maintained and serviced by an established network of 650 field engineers.

The Company's shares have been listed on the London Stock Exchange since 1962.

ME Group is a trademark and trading name of Photo-Me International plc.

www.photo-me.com

CHAIRMAN'S STATEMENT

In 2022 the Group will celebrate its 60th anniversary. The year will also mark its rebirth, both in terms of our operational performance, if the pandemic recedes, and in terms of innovation, diversification and expansion of our historical business activities, photobooths, and laundry activities, alongside our newer self-service food vending equipment activities.

Photo-Me is a unique business. Our business model has proven its strength through the resilience of our performance in the 2021 financial year. Hundreds of millions of people see our machines each day and we benefit from a dominant market position in many of the countries in which we operate, with limited or no competition. We have established and long-standing partnerships with site owners and customers, underpinned by long-term contracts. This gives the Group good revenue visibility and year-on-year recurring revenue streams and provides a significant barrier to potential competitors. We use cash generated from our operations to fund product innovation, to consolidate our offer and to extend our geographic presence. Shareholder value is delivered through growth and dividends.

Our strategy remains to provide consumers and our partners with an excellent customer experience. This approach is based on our three pillars: People, Service and Customer Satisfaction.

Innovating local automatic services to meet the needs of consumers is in our DNA, and all our people work together to deliver this objective. We have rejuvenated the Group's corporate brand identity and are now trading under the ME Group brand. To further cement this adherence to our purpose and values, we have launched an ambitious policy of Corporate Social Responsibility (CSR). Our people, across our operations, play an important part in the Group's responsibility for reducing carbon emissions, reducing material consumption and the circular economy.

Finally, our sustained efforts in research and development, boosted tenfold by a true digital revolution launched in 2020, will continue to bring our machines to the forefront of innovation and customer attraction.

2021 Overview

The Group delivered a strong performance for the 12 months ended 31 October 2021 ("the Period"), with a progressive recovery in demand for our vending services seen across most of our key markets during the Period, driven by increased photobooth activity and a strong performance from our laundry operations. The Group also benefited from completion of its restructuring programmes to remove unprofitable machines from its estate (primarily photobooths and children's rides) which were completed in April 2021.

As a result, the Board is pleased to report that total revenue and profit before tax for the Period were at the upper end of its expectations.

As well as benefiting from increased activity in most of our markets, considerable strategic progress was made, despite ongoing disruption and challenges caused by the COVID-19 pandemic. The number of Revolution laundry units grew by c. 19% year-on-year. We extended our presence in the food vending equipment market with the acquisition of a pizza vending manufacturer and we launched a fresh apple juice and fresh pineapple juice machine for the B2B market. The Group also entered two new territories with plans to develop its operations in Finland and Australia.

ME Group corporate brand

The Group has a rich history spanning seven decades and its proposition has evolved significantly, particularly in recent years as our diversification strategy has been successfully implemented.

Today the Group has a presence in 20 countries, and operates, sells and services a wide range of instant-service equipment, primarily aimed at the end consumer. Whilst our photobooth services remain an important part of our operations, the Group now offers an extensive and diverse range of products and services beyond its photobooth heritage.

During the Period, the Group launched a new corporate brand **"ME Group"** to better reflect the change in the breadth and reach of our operators, and the wide range of easy to use and convenient vending products and solutions offered by the Group. ME GROUP is a trademark and trading name of Photo-Me International plc.

Whilst our principal business areas are unchanged, we have aligned these to our new branding. Identification and photobooths is called "Photo.ME", laundry services called "Wash.ME", digital printing kiosks, "Print.ME" and vending equipment for the food service market is now referred to as "Feed.ME".

Growth strategy

Our growth strategy is centred on further diversifying our operations, through product innovation and new technologies. Our aim is to expand the number of units in operation and increase the yield per unit by leveraging our technological and industry expertise, and our scale to rapidly rollout new products in existing and new markets, whilst minimising production and operational costs.

Product innovation remains at the core of the Group to support diversification of our operations. We have in-house R&D capabilities in France (primary facility), Vietnam and Japan, a team of more than 50 dedicated engineers.

We use cash flow generated by our long-established operations, such as photobooths, to invest in future growth.

Our key investment priorities are focused on three of our principal business areas:

- Diversification and commercialisation of the next generation photobooths (Photo.ME), a key margin contributor to the Group.
- Continued expansion of our laundry operations (Wash.ME), a key growth driver for the Group.
- Growth of our food vending equipment business (Feed.ME), with aim of becoming a leader in the European market.

In addition to developing these business areas through organic growth, the Group will continue to identify selected bolt-on acquisitions which meet the Group's return on investment criteria.

As the Board drives this strategy forward, we expect that the Group's Wash.ME and Feed.ME business areas will contribute an increasing proportion of total Group revenue and profit.
Furthermore, the Group has extended its geographic footprint. In June 2021 we took the first commercial steps to expand vending operations into Finland, and in September 2021 we entered the Australian market via a small vending acquisition for a consideration of £1.9 million (A$3.5 million). The Board is also considering opportunities in other European markets.

Further details of the growth strategy for each of our principal business areas and strategic progress in the Period are set out in the Business Review.

Our corporate responsibility

The Board recognises the Group's responsibilities to the community and the environment and believes that health, safety, and environmental issues are integral and important components of best practice in business management.

Our systemic CSR approach and focus on inventing eco-responsible local services together supports our growth strategy and operations by integrating social, environmental, and economic expectations into the Group's strategy and operations. We are committed to strengthening our efficiency by better coordinating and aligning all our CSR-related actions across our organisation to accelerate delivery of our CSR goals. Our priorities are focused on our social commitment, our environmental footprint, and our responsibility toward society. Our aim is for the Group to be carbon neutral by 2040.

The Board

The Board of Directors has been working hard to refresh its membership for some time as it continues to plan for succession for both Executive and Non-executive Directors and we were delighted to announce the appointment of four new members on 23 June 2021.

Tania Crasnianski was appointed as an Executive Director, and Camille Claverie, René Proglio and Sigieri Diaz della Vittoria Pallavicini were appointed as Non-executive Directors. These new appointments bring a wealth of experience and breadth of skill sets and the Board looks forward to working with Tania, Camille, René and Sigieri to drive forward the Group's growth strategy.

Mr Yitzhak Apeloig tendered his resignation as a Non-executive Director and left the Company in April 2021.

Dividend

The final dividend of 2.89p per ordinary share is recommended by the Directors for the shareholders on the register at the close of business on 19 April 2022. The ex-dividend date will be 14 April 2022, and if approved by shareholders at the Company's annual general meeting on 29 April 2022, the dividend will be paid on 13 May 2022.

Looking ahead

While there continues to be some disruption from the pandemic and market visibility is still somewhat limited, we remain highly vigilant and continue to take the steps needed to mitigate the impact of the current trading environment on our operations and our financial position.

The situation in Russia and Ukraine is being closely monitored by the Board, however. The Group has no activities at all in this region and therefore it does not currently expect Group revenue to be impacted.

The Board has carefully reviewed several scenarios and we are confident that the Group has sufficient financial resources to continue to deal with the economic risks over the next five years.

There has been a recovery in activity in most territories, except for Asia which is still severely impacted by COVID-19 government restrictions. The Board believes that the Group's recovery to date demonstrates its resilience and the benefits of its strategic activities, which gives us further confidence that our financial performance will return closer to pre-pandemic levels as the pandemic subsides.

SIR JOHN LEWIS
Non-executive Chairman

21 March 2022

CHIEF EXECUTIVE'S REPORT

BUSINESS REVIEW

The Group has continued its recovery, despite the ongoing disruption in 2021 due to COVID-19 in all the countries in which the Group operates, which followed a difficult year in 2020. Nonetheless, the Group has made progress towards returning to its pre-pandemic performance. The responsiveness of the management team, the rapid and decisive actions taken and the efforts made by all have made it possible to overcome adversities and envisage the way forward post-pandemic with confidence.

The in-depth restructuring of the Group and its assets is now complete, and the Group is entering a new era. While maintaining the same strategic direction, focused on photobooth, laundry and food activities, we continue to expand our presence in all the territories where we operate, and extend our presence in Southern and Northern Europe and in Asia Pacific. Through targeted acquisitions we have consolidated our position in Japan and extended our Feed.ME business. Despite the pandemic, we have continued to invest in R&D, including a unique anti-spoofing patent for our photobooths, and solar panels for our Revolution laundry units. Our commercial performance has also been supported by our marketing activities, which are essential to ensure a high-quality customer experience.

Financial performance

Reported revenue in the Period increased by 15.1% to £214.4 million, compared with £186.3 million in the prior 12 months ended 31 October 2020, reflecting continued recovery in activity levels in most of our markets.

Continental Europe performed particularly well, with revenue up 22.7% and operating profit up 773.5%, primarily driven by activity in France. The UK & Ireland delivered a significant improvement in profitability, with operating profit at £5.0 million, compared with a loss of £20.9 million in the 12 months ended 31 October 2020. A breakdown of performance by region is set out in the Review of Performance by Geography.

Reported EBITDA (excluding associates) was £65.1 million, an increase of 57.2% on the prior 12-month period, which delivered an EBITDA margin of 30.4%.

Reported profit before tax improved significantly to £28.6 million compared with a loss of £27.8 million in the 12 months to 31 October 2020.

Capital expenditure in the Period was £29.9 million, primarily related to laundry operations (£16.2 million). The remainder relates to photobooths, and other plant equipment. The investment in acquisitions (Photo Plaza in Japan, Resto'Clock in France and NRG in Australia) was £11.5 million.

Funding and liquidity

At 31 October 2021, the Group had gross cash of £98.4 million and a net cash balance of £34.9 million. This is net of £10.1 million net cash investment in acquisitions.

During the Period, the Group's French state-backed PGE loan with French banks was converted into a commercial loan. Subsequently, the Group is no longer restricted by conditions which meant it was unable to allocate surplus cash or return capital to shareholders under the original terms of the loan.

The Group remains confident that it has sufficient liquidity to navigate headwinds from the pandemic.

Overview of principal business areas

Below is an overview of the Group's four principal business areas: Identification (**Photo.ME**), Laundry (**Wash.ME**), Kiosks (**Print.ME**) and Food (**Feed.ME**). In addition, the Group operates other vending equipment.

Photo.ME
Photobooths and integrated biometric identification solutions

	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 (number of units)	**63.6%**	61.0%
Operating Revenue	**£123.2m**	£106.9m
Capex	**£5.0m**	£5.7m

We are a prominent international player in the photobooth market, offering market-leading photographic quality and technology across our operating regions.

Our well-established network of photobooths is situated in attractive, high-footfall locations, such as travel hubs, shopping centers and retail parks. Over the years, our photobooth offer has diversified to include encrypted photo ID upload technology connected to government organizations including in the UK, France, Republic of Ireland, and the Netherlands. All our photobooths conform to ICAO and ISO rules for photo ID for official documentation, including passports.

While the photobooth market was severely and widely impact by the onset of the pandemic in 2020, the actions taken by the Board to mitigate the impact, including the removal and in some cases relocation of unprofitable machines, positioned this business area to benefit from the recovery seen during FY2021. As government lockdowns and restrictions were eased, we saw a return of consumer activity, albeit this varied across the countries in which we operate.

Revenue grew by 15.2% to £123.2 million, driven by a stronger than anticipated recovery in most of our key markets, particularly in France and Japan. Activity levels in the UK improved, although the market remains challenging due to both the pandemic. Whilst the UK Government's policy to accept photos taken at home (selfies) for official documentation including passports has had some negative impact on activity levels, this has not been as severe as initially anticipated when the acceptance of selfie's was first introduced by the Government.

Consequently, EBITDA was £36.4 million, and represented 55.8% of Group EBITDA.

In the Period, the Group's capital expenditure on the photobooth business was £5.0 million, a 12.3% decrease compared with the prior 12 months. In the prior 12 months during the pandemic, machines were removed and relocated to new sites.

At 31 October 2021, the Group had 27,867 photobooths in operation, an increase of 2.5% compared with 31 October 2020. Photobooths accounted for 63.6% of total vending units in operation.

We remain focused on diversification and commercialisation of our next generation photobooth, which is a key margin contributor to the Group, and to grow revenue through a multiple service offering.

We have been working to introduce additional security measures across our photobooths, developing anti-spoofing technology for the Photo.ME business. Whilst this is still at an early development stage, we believe this exciting new technology will help further differentiate the Group in the photobooth market.

The Board continues to believe that there are longer-term opportunities in the photo ID market and continues to install photobooths in countries outside of the UK, particularly where self-taken ID photos for official documents are not permitted.

Wash.ME

Unattended Revolution laundry services, launderettes, business to business laundry services

	12 months ended 31 October 2021	12 months ended 31 October 2020
Total Laundry units deployed (owned, sold and acquisitions)	**5,533**	5,568
Total revenue from Laundry operations	**£54.2m**	£47.3m
Revolution *(excludes Launderettes and B2B):*		
- Number of Revolutions in operation*	**4,094**	3,437
- Percentage of total Group vending estate (number of units)	**9.3%**	7.7%
- Total revenue from Revolutions	**£44.8m**	£35.4m
- Revolution capex	**£15.9m**	£14.4m

*There were 3,765 Revolution units in operation through the entirety of the 12 months ended 31 October 2021 compared with 3,216 in 12 months ended 31 October 2020.

The total number of laundry units has decreased by 35 machines due to the sale of the Group's UK B2B business (Revolution Max). The Group launched its laundry business in 2012 in France, and since then we have continuously, successful expanded our operations and now operate in 13 countries. Our most important markets by number of laundry machines are France, the UK, Republic of Ireland and Portugal.

In the Period, total revenue from laundry operations increased by 14.6% to £54.2 million despite the sale of Revolution Max Ltd last year, which comprised 412 machines and contributed £4.5 million of revenue. The total number of Revolution units deployed (owned only) increased by 19.1% in the Period. This was despite some operational challenges related to our supply chain, namely around supply of vending machines, which restricted the number of laundry machines available for deployment. The Group believes these were short term issues and will not continue into 2022

Nonetheless, total laundry EBITDA increased significantly to £22.6 million in the Period, which represented 34.7% of Group EBITDA.

Our Wash.ME business comprises of three areas of operation. Revolution laundry units, which remains a key growth driver for the Group, launderette, and business-to-business (B2B) laundry services. The Group has stopped installing new launderettes and sold its UK B2B business (Revolution Max) to focus on vending equipment.

Continued growth of Revolution laundry operations

Revolution is our 24-hour, outdoor, self-service laundry unit which is typically located on busy sites such as supermarket car parks and petrol station forecourts.

Our strategy is to continue to expand our operations through partnerships with strategic site owners and identify and expand into new high-demand markets.

Our target geographies are the UK & Republic of Ireland and Continental Europe, including France, Portugal, Germany and Austria. We are also focused on the commercialisation of new indoor-format Revolution machines for the B2B market (University, administration, campsite, etc.).

In the year, the number of Revolution units (owned only) in operation grew by 19.1% to 4,094, from 3,437 at 31 October 2020. We installed an average of 60 machines per month with the aim of increasing this to 70 machines per month, subject to the pandemic. Our rollout strategy remains focused on Continental Europe (mainly France and Germany) and the UK & Republic of Ireland.

Total revenue from Revolution units increased by 26.6% to £44.8 million, from £35.4 million in the prior year, reflecting the Group's ongoing growth strategy of expanding Revolution operations as well as the continued recovery across key markets.

In the Period, capex for our Revolution operations increased by 10.4% to £15.9 million, mainly due to the installation of 716 units in the Period.

The Group is continually considering methods to reduce the impact of its laundry operations on the environment and good progress has been made. To date we have now installed Photovoltaic solar panels on 198 Revolution units in France and have started to roll these out to other geographies including the UK and Germany.

Revolutions accounted for 9.3% of the Group's total vending estate, up from 7.7% at 31 October 2020.

Launderette

These shops are typically situated in or near to town centres where there is limited competition from other laundry services. Expansion has been delivered through an owned-and operated model. As flagged at the interim results on 12 July 2021, the Group continues to review its Launderette operations and remove or sell unprofitable machines.

B2B laundry services

The Group sells laundry services. Customers include institutions such as hospitals, care homes, and universities. Following the sale of the UK B2B subsidiary, the Group has only one franchise in Spain.

Print.ME

High-quality digital printing services

	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 (number of units)	**11.8%**	11.9%
Operating revenue	**£11.7m**	£11.4m
Capex	**£0.5m**	£1.4m

Our estate of digital printing kiosks offers a wide range of competitively priced print formats and personalized products. Our key markets are France, where most machines are situated, the UK, and Switzerland.

The number of kiosks in operation was 5,173, compared with 5,304 at 31 October 2020, and Print.ME operations represented 11.8% of the Group's total vending estate.

Our state-of-the-art machines - Speedlab cube and Speedlab bio - are fully integrated with all major social media networks and offer consumers a fast, high-quality printing service. As previously flagged, the Group is in the process of developing a new cloud architecture which aims to support multi-functional capabilities of photobooths and Speedlab units. We will aim to launch a prototype in May and provide an update on progress later in 2022.

Print.ME revenue increased slightly to £11.7 million compared to £11.4 million in the 12 months to 31 October 2020. EBITDA remained stable at £3.4 million and represented 5.3% of Group EBITDA.

Capex was reduced by 64.3% to £0.5 million, in line with the Group's current strategy to primarily focus expansion of its Wash.ME and Feed.ME operations.

Feed.ME
Vending equipment for the food service market

The Group entered the food vending equipment market in 2019 with the acquisition of a B2B specialist in commercialised self-service fresh fruit juice equipment for freshly squeezed orange juice. Since then, our R&D team has developed innovative professional apple and pineapple machines for the B2B market. The rollout of these machines has been delayed due to the pandemic, however we installed 100 machines across France, Belgium and Japan which was very promising and plan to rollout many more during the 2022 financial year, subject to the pandemic.

In addition, a prototype of a new grape juice machine is being tested, and the Group has developed a 'juice wall concept' which offers a variety of self-service fresh juice options, 25 of which were deployed in the Period.

In the second half of the Period the Group extended its Feed.ME business with the acquisition of Resto'Clock, a French manufacturer of pizza vending machines, for a net cash consideration of £2.9 million, offering consumers pizzas 24/7 which are ready to eat in four minutes. The machines, aimed at the hospitality market, have been redesigned and the Group either sells or leases these machines to site owners. During the Period, the Group accelerated the rate of installations from 40 per year to 30 per month with the aim of scaling this up to c.100 machines per month by the end of 2023. The Group will target additional geographies and has earmarked the UK, Switzerland and Belgium for deployment in 2022.

In the Period, revenue was £9.6million and contributed 4.5% to Group revenue. EBITDA was £2.1 million, contributing 3.2% of Group EBITDA.

The Group's strategy is to continue to (i) expand its presence in the self-service fruit juice equipment market and offer a wider variety of self-service fresh juice options in all territories where the Group has an existing footprint; (ii) establish a presence in the pizza vending equipment market with the aim of becoming a leader in the European market, and install 100 machines per month by 2023; and (iii) become the food vending equipment market leader in France by 2023.

The Board remains confident in the long-term opportunities in this market and expects that Feed.ME will become an increasingly important business area for the Group.

Other vending equipment

In addition to our four principal business areas, the Group operates 6,624 other vending units, which are primarily situated alongside the Group's principal activities, and benefit from existing site owner relationships and operating synergies, such as leveraging the same 650-strong field engineer and maintenance network. These units include 2,428 children's rides, 3,464 photocopiers and 732 other miscellaneous machines.

These machines are reliant on high footfall to generate consumer demand. The ongoing pandemic and lockdown measures continued to impact the performance of this business area during the Period. So far, no real recovery has been noted.

At 31 October 2021, other vending equipment accounted for 15.1% of the Group's total vending estate by number of units, down 4.1% compared with the prior 12 month period, and represented 2.5% of the total Group revenue.

Further details on all our operations are provided in the Review of Performance by Geography.

Cyber security certification

We are proud that Photo-Me UK has been awarded PCI DSS certification. The acronym PCI DSS (Payment Card Industry Data Security Standard) refers to data security standards for the payment industry. Developed by the PCI Security Standard Council, the PCI DSS aims to reduce online fraud.

This certification, which is subject to annual renewal, reflects the dedication of our IT team and the Group's commitment to improving payment security across its portfolio. This certification has a bearing across the Group's operations, particularly in KIS where the payment process will soon need to be PCI DSS-certified.

Continuous innovation and diversification

We are continuously working to evolve our product offer to meet the constantly changing needs of our customers and consumers. This is supported by our 50-strong team of dedicated engineers within our in-house R&D department.

Our approach has been focused on two key pillars:

1. *A state-of-the-art user experience, backed by the best technology*

    - Design new, intuitive and modern user interfaces (HMI) across all our product categories
    - Integrate digital payment systems (ex: cashless / QR codes)
    - Aggregate the best of external technology providers to offer up-to-date functionalities

2. *An omnichannel approach, leveraging digital functionalities to enhance user experience of our brands and explore new business models*

    - Build a powerful CRM which offers a customised experience to end users
    - Launch applications that connect to our machines to offer mobile-to-machine features
    - Manage our self-service vending equipment remotely through a cloud-based infrastructure

Update on new product development

Photobooths and digital kiosks

The Group is reinventing its offer in the photobooth category through three main areas of development which support our innovation strategy; (i) face ID anti-spoofing support through biometric authentication; (ii) entertainment to meet the younger generation's expectations for fun products and social media sharing functions; and (iii) multiservice photobooths and kiosks to integrate the consumer journey into specific omnichannel automated services.

Laundry

We have developed an innovative modular self-service laundry range, Optimus, to further enhance our presence in the self-service laundry market. This module-based approach gives us the flexibility to offer multiple configuration options which can be tailored to the needs of our customers. In addition, this format of machine considerably reduces our production costs and the number of lines in our sales catalogue.

The new outdoor Revolution Compact V3 was released in Europe in 2021. This laundry unit offers new features, such as a better user interface, to benefit our customers and the environment. The unit uses less energy and detergent, and is equipped with solar panels on the roof, reducing the carbon footprint through the optimisation of renewable energy.

In addition, we are extending our distribution of launderettes into co-living locations, with our new indoor lineup unit (Flex), which is also based on modular configurations.

Food

The Group plans to launch a second-generation of pizza kiosks from June 2022 (Boxpresso, e-Fridge together with our oven) to October 2022 (64-pizza Multiquattro V3 and 96-pizza capacity kiosks).

These new models will enable the Group to address the independent pizzaiolos market as well as special-interest and hypermarket global key accounts. Furthermore, we will digitalise our pizza kiosks by using a centralised software platform to manage our customers' activity remotely. This digital multichannel platform will integrate a real-time inventory and sales management back-office functions, cashless payment systems, as well as an application dedicated for end users.

Our professional fresh fruit juice range is also due to be expanded [in coming months], to include grape, kiwi, and pear products.

Our People

The pandemic has continued to cause disruption to our operations and has touched many people personally. On behalf of the Board, I would like to thank all our team members across the world for their continued commitment and ongoing hard work throughout the Period, supported by our country managers. We are proud of what they have achieved in difficult circumstances.

REVIEW OF PERFORMANCE BY GEOGRAPHY

Commentary on the Group's financial performance is set out below, in line with the segments as operated by the Board and the management of the Group. These segmental breakdowns are consistent with the information prepared to support the Board's decision-making. Although the Group is not managed around product lines, some commentary below relates to the performance of specific products in the relevant geographies.

Vending units in operations

	12 months to 31 October 2021		12 months to 31 October 2020	
	Number of units	**% of total estate**	Number of units	% of total estate
Continental Europe	**25,111**	**57.3%**	25,097	56.3%
UK & Republic of Ireland	**7,238**	**16.5%**	9,499	21.3%
Asia	**11,468**	**26.2%**	9,955	22.3%
Total	**43,817**	**100.0%**	44,551	100.0%

As expected, the Group's total vending estate reduced slightly in the Period, in line with its strategy to remove unprofitable machines. The vending estate restructuring programmes were completed in April 2021. Consequently, the total number of vending units in operation was 1.6% lower at 43,817.

Key financials

The Group reports its financial performance based on three geographic regions of operation: (i) Continental Europe; (ii) the UK & Republic of Ireland; and (iii) Asia.

Revenue by geographic region

	12 months to 31 October 2021	12 months to 31 October 2020
Continental Europe	**£145.0m**	£118.2m
UK & Republic of Ireland	**£29.6m**	£30.5m
Asia	**£39.8m**	£37.6m
Total	**£214.4m**	£186.3m

Operating profit

	12 months to 31 October 2021	12 months to 31 October 2020
Continental Europe	**£29.6m**	£3.3m
UK & Republic of Ireland	**£5.0m**	£(20.9)m
Asia	**£2.0m**	£1.1m
Corporate costs	**£(7.3)m**	£(9.3)m
Total	**£29.3m**	£(25.8)m

The Group delivered a 15,1% increase in total revenue to £214.4 million. Subsequently, and driven by recovering markets as well as successful progression of the Group's restructuring programme, operating profit increased by £55.0 million to £29.3 million.

Operating revenue evolution (last 12 months by quarter)

The table below provides a detailed breakdown of operating revenue by geographic region and business area for the Period, compared with the similar period in the 12 months ended 31 October 2020.

	Nov 2020 to Jan 2021	Feb 2021 to Apr 2021	May 2021 to Jul 2021	Aug 2021 to Oct 2021	TOTAL
CONTIENTIAL EUROPE					
Photo.ME	-6.9%	35.4%	68.0%	12.0%	25.3%
Print.ME	-2.8%	59.1%	0.5%	-6.5%	6.1%
Wash.ME	0.8%	29.5%	30.2%	33.4%	23.6%
Other Vending	-19.4%	8.1%	-15.6%	-5.0%	-10.1%
Total	**-4.7%**	**34.8%**	**46.9%**	**15.4%**	**21.7%**
UK & REPUBLIC OF Ireland					
Photo.ME	-50.0%	-32.1%	59.0%	109.5%	-1.3%
Print.ME	-44.2%	2.9%	-18.2%	-16.4%	-24.0%
Wash.ME	15.4%	21.4%	46.1%	44.2%	31.3%
Other Vending	-78.4%	-77.3%	659.1%	78.7%	-43.2%
Total	**-34.4%**	**-21.6%**	**57.4%**	**69.1%**	**5.5%**
ASIA					
Photo.ME	-13.6%	35.4%	7.7%	-14.0%	4.4%
Print.ME	-15.1%	-1.5%	-7.3%	-3.6%	-7.1%
Wash.ME	39.5%	50.9%	40.2%	65.0%	49.1%
Other Vending	-84.0%	605.2%	-199.7%	-51.5%	-41.6%
Total	**-17.8%**	**41.2%**	**1.9%**	**-14.9%**	**2.9%**
TOTAL					
Photo.ME	-16.4%	24.7%	47.0%	10.7%	15.2%
Print.ME	-7.0%	52.3%	-0.8%	-7.1%	3.6%
Wash.ME	4.9%	27.3%	33.6%	36.0%	25.6%
Other Vending	-57.5%	-0.5%	-21.7%	3.6%	-27.0%
Total	**-13.7%**	**25.4%**	**38.0%**	**15.3%**	**14.9%**

Continental Europe

Continental Europe is the Group's largest region by both number of machines and contribution to Group revenue. The region experienced a strong rebound in activity, particularly in France, as restrictions were eased which supported a recovery of consumer demand in the region.

As a result, revenue increased 22.7% to £145.0 million. This was driven by a strong and sustained increase in Photo.ME and Wash.ME revenue from Q2 onwards. In total, Continental Europe contributed 67.6% of total Group revenue.

Operating profit increased by £26.3 million to £29.6 million.

At 31 October 2021, there were 25,111 units operating in the region which represented 57.3% of the Group's total estate.

UK & Republic of Ireland

Trading remained challenging due to the ongoing pandemic. In addition, the UK Government's policy to accept photos taken at home (selfies) for official documentation including passports has led to some reduction in activity, albeit this has not been as dramatic as the Group initially anticipated. European regulation does not permit this method for photo ID, and the Board continues to be hopeful that at some stage official documents in the UK will once again need to conform to ICAO and ISO rules.

Our previously announced restructuring programme to remove unprofitable machines, renegotiation of site rent, and labour cost savings supported the Group's return to profitability in this region. At the same time, the Group continued with its expansion of Revolution units across the region in line with its growth strategy for the Wash.ME business.

As a result of the successful restructuring programme in the UK & Ireland, the region returned to profitability during FY21. Operating profit increased to £5.0 million from a loss of £20.9 million in the prior year.

At 31 October 2021 the Group had 7,238 vending units in operation across the region, 23.8% lower than at 31 October 2020 due to the actions taken to restructure operations.

The Group has expanded its laundry presence and now operates 887 Revolutions units in the region, of which 285 units were added in the Period. The average revenue per unit improved to £15,000, up 36.4% from £11,000 per unit in the 12 months ended 31 October 2020, mainly due to returning demand.

Asia

The performance in Asia was driven by photobooth activity in Japan, owing to the My Number card, the Japanese government's social security and taxation photo identification card scheme. The Group's photobooths in Japan are equipped to scan the unique "My Number card" QR code that every Japanese citizen has received and match the ID photo to the card application. The scheme (launched in 2015) is not mandatory, but a government-backed incentive scheme to drive adoption of the scheme and promote citizen applications was introduced in September 2020. This generated significantly more photobooth activity in the first half of the Period.

The Group acquired Photo Plaza in February 2021, which added a further 1,500 photobooth units to the Group's operations in Asia. The business was integrated into our existing operations in Japan in Q2.

The second-half activity in Japan was impacted by COVID-19 restrictions. Similarly, trading conditions in China remained challenging owing to border closures and COVID-19 restrictions.

As shown in the table above (operating revenue evolution by quarter), photobooths revenue in the region increased only 4% due to a combination of a general decline in revenue from photobooths in China, and the impact of the pandemic in Japan, specifically during Q1 and Q2.

Nevertheless, overall revenue grew by 5.9% to £39.8 million, including a contribution of £4.2 million from Photo Plaza. Operating profit grew by £0.9 million to £2.0 million.

At 31 October 2021, there were 11,468 units situated in Asia, representing 26.2% of the Group's total units in operation.

Key performance Indicators (KPIs)

The Group measures its performance using different types of indicators. The main objective of these KPIs is to monitor the Group's cash generation, long-term profitability, preservation of the value of its assets, and of returns to shareholders.

Description	Relevance	Performance	
		12 months to 31 October 2021	12 months to 31 October 2020
Total Group revenue at actual rate of exchange		**214.4m**	£186.3m
Group profit before tax		**28.6m**	£(27.8)m
Increase in number of photobooths		**679**	(1,250)
Increase in number of Laundry units (operated)	The increase in number of Revolutions is a constant priority and a main driver for growth	**657**	389

FINANCIAL REVIEW

Financial performance

Reported revenue in Period was up at £214.4 million (2020: £186.3 million), underpinned by recurring revenue received from long-term customer contracts. Reported EBITDA (excluding associates) was up at £65.1 million (2020: £41.4 million) and reported profit before tax improved to £28.6 million from a loss of £27.8 million in 2020.

	12 months to 31 October 2021	12 months to 31 October 2020
Revenue	**£214.4m**	£186.3m
EBITDA (excluding associates)	**£65.1m**	£41.4m
Operating profit (excluding associates)	**£29.3m**	£(25.7)m
Reported profit / (loss) before tax	**£28.6m**	£(27.8)m
Profit / (loss) after tax	**£21.9m**	£(24.9)m

The movements in turnover are outlined in the following table.

Turnover at 31 October 2020 (12 months)	£186.3m
Change in turnover:	
Continental Europe	£26.8m
UK & Ireland	£(0.9)m
Asia	£2.2m
Turnover at 31 October 2021	**£214.4m**

The increase in the profit before tax can be explained as follows:

Profit before tax at 31 October 2020	£(27.8)m
Changes in revenue	£28.1m
Changes in costs	£26.0m
Restructuring costs	£1.0m
Increase in net finance income & other gains	£1.4m
Impact of exchange rates	£(0.1)m
Profit before tax 31 October 2021 (12 months)	**£28.6m**

The movement in costs is mainly due to the variance of provisions and impairments impact between the prior period and FY2021 (£33.3 million in the prior period).

Provisions and impairment

The COVID-19 crisis has required an in-depth review of the Group's operations and increased rigor to address the current trading environment. As a result, in the 12 months to 31 October 2021, the same testings were made and no major new impairments were noted.

Earnings per share

Diluted earnings per share was 5.77 pence (2020: nil pence). Basic earnings per share was 5.78 pence (2020: nil pence).

Taxation

The Group tax charge of £6.8 million corresponds to an effective tax rate of 23.8% (30 October 2020: 578.0%).

Statement of financial position

At the end of October 2021, the Group had a gross cash of £98.4 million, and a net cash balance of £34.9 million. The Group continues to comply with its revised banking covenants.

The Group balance sheet can be summarised as follows:

	31 October 2021	31 October 2020
Non-current assets	**£133.4m**	£127.5m
Current assets	**£140.7m**	£139.8m
Non-current liabilities	**£68.8m**	£53.0m
Current liabilities	**£75.7m**	£100.4m
Gross cash	**£99.4m**	£107.2m
Total equity	**£128.0m**	£112.2m
Minority interests	**£1.7m**	£1.7m
Total shareholders' funds	**£129.7m**	£113.9m

Non-current assets detailed are outlined in the following table:

	31 October 2021	31 October 2020
Goodwill	**£17.6m**	£13.8m
Other intangible assets	**£21.0m**	£19.0m
Property, plant and equipment	**£90.8m**	£90.3m
Investment property	**£0.6m**	£0.7m
Financial instruments	**£2.5m**	£1.9m
Trade and other receivables	**£1.9m**	£1.8m
Total non-current assets	**£133.4m**	£127.5m

The £3.8 million increase in goodwill was due to the acquisitions of Resto'clock, Now Retail Group and Photo Plaza (+ £4.6 million), net of additional impairments of £(0.6 million) and a foreign exchange translation impact of £(0.2 million).

Cash flow and net cash position

	12 months to 31 October 2021	18 months to 31 October 2020
Opening net cash	**£22.3m**	£18.2m
Cash generated from operations	**£66.1m**	£92.9m
Interest paid	**£(3.0)m**	£(2.6)m
Taxation	**£(9.3)m**	£(4.7)m
Net cash generated from operations	**£53.8m**	£85.6m
Net cash used in investing activities	**£(33.9)m**	£(45.9)m
Net cash (used) / generated in financing activities	**£(6.8)m**	£(1.8)m
Dividends paid net of shares issued	**-**	£(31.9)m
Net cash (utilised) / generated	**£13.1m**	£6.0m
Impact of exchange rates	**£(0.5)m**	£(1.9)m
Net cash (outflow) / inflow	**£12.6m**	£4.1m
Closing net cash	**£34.9m**	£22.3m

Net cash generated from operations reduced by 37.1% in the Period. The net cash used in investing activities decreased to £33.9 million (31 October 2020: £(45.9) million), despite acquisition of subsidiaries, which amounted to £10.1 million. The reduction is due to lower capital expenditure. The closing net cash was £34.9 million.

Outstanding debt of £65.9 million (excluding Lease Liabilities).

Total cash and cash equivalents at 31 October 2021 were £99.4 million (at 31 October 2020: £107.2 million).

At 31 October 2021, the Group's net cash was £34.9 million (31 October 2020: £22.3 million), and was split as follows:

	Cash and deposits	Borrowings	Net Cash
Balance at 31 October 2020	£107.2m	£(84.9)m	£22.3m
Cash flow	£(7.8)m	£15.0m	£7.2m
Non-cash movements	£0m	£5.4m	£5.4m
Balance at 31 October 2021	£99.4m	£(64.5)m	£34.9m

Serge Crasnianski
Chief Executive Officer & Deputy Chairman
21 March 2022

PRINCIPAL RISKS

Similar to any business, the Group faces risks and uncertainties that could impact the achievement of the Group's strategy. These risks are accepted as inherent to the Group's business. The Board recognizes that the nature and scope of these risks can change; it therefore regularly reviews the risks faced by the Group as well as the systems and processes to mitigate them.

The table below sets out what the Board believes to be the principal risks and uncertainties, their impact, and actions taken to mitigate them.

ECONOMIC

Nature of risk	Description and impact	Mitigation
COVID-19	COVID-19 has continued to cause disruption to worldwide markets and supply chains, including those that Photo-Me operates within. In the UK government guidance around COVID-19, especially in light of the Omicron variant, continued to evolve and restrict footfall through the course of 2021.	The Group continues to monitor the COVID-19 situation closely particularly given the emergence of the Omicron variant of COVID-19, and continually reviews operational practices, updating its practices in line with government guidelines and other relevant guidance. The pandemic cleaning regime continues, to help reduce the risk of cross contamination between the Company's customers. Measures taken include providing employees with face shields, surgical masks, gloves, hand sanitizer. The cleaning equipment additions such as SD90 and DEW remain in use.
Global economic conditions	Economic growth has a major influence on consumer spending. A sustained period of economic recession could lead to a decrease in consumer expenditure in discretionary areas.	The Group focuses on maintaining the characteristics and affordability of its needs-driven products.
Volatility of foreign exchange rates	The majority of the Group's revenue and profit is generated outside the UK, and the Group's financial results could be adversely impacted by an increase in the value of sterling relative to those currencies.	The Group hedges its exposure to currency fluctuations on transactions, as relevant. However, by its nature, in the Board's opinion, it is very difficult to hedge against currency fluctuations arising from translation in consolidation in a cost- effective manner.

REGULATIONS

Nature of risk	Description and impact	Mitigation

Centralisation of the production of ID photos	In many European countries where the Group operates, if governments were to implement centralised image capture, for biometric passport and other applications, or widen the acceptance of self-made or home- made photographs for official document applications, the Group's revenues and profits could be affected.	The Group has developed new systems that respond to this situation, leveraging 3D technology in ID security standards, and securely linking our booths to the administration repositories. Solutions are in place in France, Ireland, Germany, Switzerland and the UK; discussions in Belgium and The Netherlands). Furthermore, the Group also ensures that its ID products remain affordable and of a high-quality.
Brexit	The UK left the EU on 31 January 2020. This has led to changes in UK regulations as modifications to numerous arrangements between the UK and other members of the EU and EEA, affecting trade and customs conditions, taxation, movements of resources, among other things.	The Board is continually reviewing the potential impact on the Group's operations following the UK's leaving the EU. Any potential developments, including new information and policy indications from the UK Government and the EU, is scrutinised with a view to enhancing the Group's ability to take appropriate action targeted at managing and, where possible, minimising adverse repercussions of Brexit. The specific impact of Brexit on the Group will depend on the details of any potential renegotiation of the Brexit deal between the UK and the EU. The business carried out post-transition impact assessments to include all customs documentation, licences, permits, consents, certificates, rules of origin, commodity codes, and delays at the borders. The Board foresees that in the short-term the negative impact of the uncertainty overshadowing the general UK economy could spill over into the Group's UK operations.

STRATEGIC

Nature of risk	Description and impact	Mitigation
Identification of new business opportunities	The failure to identify new business areas may impact the ability of the Group to grow in the long-term.	Management teams constantly review demand in existing markets and potential new opportunities. The Group continues to invest in research in new products and technologies. Furthermore, the Group also ensures that its ID products remain affordable and of a high-quality.
Inability to deliver anticipated benefits from the launch of new products	The realisation of long-term anticipated benefits depends mainly on the continued growth of the laundry business and the successful development of integrated secure ID solutions.	The Group regularly monitors the performance of its entire estate of machines. New technology-enabled secure ID solutions are heavily trialled before launch and the performance of operating machines is continually monitored.

MARKET

Nature of risk	Description and impact	Mitigation
Commercial relationships	The Group has well-established, long-term relationships with a number of site-owners. The deterioration in the relationship with, or ultimately the loss of, a key account would have an adverse, albeit contained, impact on the Group's results, bearing in mind that the Group's turnover is spread over a large client base and none of the accounts represent more than 2% of Group turnover.	The Group's major key relationships are supported by medium-term contracts. The Group actively manages its site-owner relationships at all levels to ensure a high quality of service.
	To maintain its performance, the Group needs to have the ability to continue trading in good conditions in France and the UK, taking into account the situation in these two countries.	The Group continues to monitor the situation in both the French and the UK markets.

OPERATIONAL

Nature of risk	Description and impact	Mitigation
Reliance on foreign manufacturers	The Group sources most of its products from outside the UK. Consequently, the Group is subject to risks associated with international trade.	Extensive research is conducted into quality and ethics before the Group procures products from any new country or supplier. The Group also maintains very close relationships with both its suppliers and shippers to ensure that risks of disruption to production and supply are managed appropriately.
Reliance on one single supplier of consumables	The Group currently buys all its paper for photobooths from one single supplier. The failure of this supplier could have a significant adverse impact on paper procurement.	The Board has decided to hold a strategic stock of paper, allowing for 6-10 months' worth of paper consumption, to allow enough time to put in place alternative solutions.
Reputation	The Group's brands are key assets of the business. Failure to protect the Group's reputation and brands could lead to a loss of trust and confidence. This could result in a decline in our customer base.	The protection of the Group's brands in its core markets is sustained by products with certain unique features. The appearance of the machine is subject to high maintenance standards. Furthermore, the reputational risk is diluted as the Group also operates under a range of brands.
Product and service quality	The Board recognises that the quality and safety of both its products and services is of critical importance and that any major failure will affect consumer confidence.	The Group continues to invest in its existing estate, to ensure that it remains contemporary, and in constant product innovation to meet customer needs. The Group also has a programme in place to regularly train its technicians.

TECHNOLOGICAL

Nature of risk	Description and impact	Mitigation
Failure to keep up with advances in technology	The Group operates in fields where upgrades to new technologies are mission-critical.	The Group mitigates this risk by continually focusing on R&D.

Cyber risk: Third party attack on secure ID data transfer feeds	The Group operates an increasing number of photobooths capturing ID data and transferring these data directly to government databases.	The Group undertakes an ongoing assessment of the risks and ensures that the infrastructure meets the security requirements.

Group Statement of Comprehensive Income
For the 12 months ended 31 October 2021

	Note	**12 months to 31 October 2021 £'000**	12 months to 31 October 2020 £'000
Revenue	2	**214,404**	186,384
Cost of sales		**(161,467)**	(168,895)
Gross profit		**52,937**	17,489
Other operating income		**317**	318
Administrative expenses		**(23,919)**	(43,428)
Share of post-tax profits from associates		**-**	(53)
Operating profit/(loss)		**29,335**	(25,674)
Other gains and losses		**1,998**	(283)
Finance revenue		**177**	(15)
Finance cost		**(2,955)**	(1,879)
Profit/(loss) before tax		**28,555**	(27,851)
Total tax (charge)/credit	3	**(6,703)**	2,960
Profit/(loss) for the period		**21,852**	(24,891)
Other comprehensive income			
Items that are or may subsequently be classified to profit and loss:			
Exchange differences arising on translation of foreign operations		**(6,987)**	3,796
Taxation on exchange differences		**-**	(15)
Total items that are or may subsequently be classified to profit and loss		**(6,987)**	3,781
Items that will not be classified to profit and loss:			
Remeasurement gains/(losses) in defined benefit obligations and other post-employment benefit obligations		**560**	340
Deferred tax on remeasurement (losses)/gains		**(94)**	(65)
Total items that will not be classified to profit and loss		**466**	275
Other comprehensive income/(loss) for the period net of tax		**(6,521)**	4,056
Total comprehensive income/(loss) for the period		**15,331**	(20,835)
Loss for the period attributable to:			
Owners of the Parent		**21,713**	(24,797)
Non-controlling interests		**139**	(94)
		21,852	(24,891)
Total comprehensive income attributable to:			
Owners of the Parent		**15,192**	(20,769)
Non-controlling interests		**139**	(65)
		15,331	(20,835)
Earnings per share			
Basic earnings per share	4	**5.78p**	(6.58)p
Diluted earnings per share	4	**5.77p**	(6.58)p

All results derive from continuing operations.

Group Statement of Financial Position
As at 31 October 2021

		Group	
	Note	**31 October 2021 £'000**	31 October 2020 £'000
Assets			
Goodwill	6	**17,642**	13,767
Other intangible assets	6	**21,011**	18,972
Property, plant & equipment	6	**90,822**	90,285
Investment property	6	**597**	652
Investment in associates		**21**	57

Financial instruments held at FVTPL		**1,501**	960
Trade and other receivables		**1,868**	1,799
Non-current assets		**133,462**	126,492
Inventories		**18,458**	16,611
Trade and other receivables		**21,451**	16,740
Current tax		**1,417**	217
Cash and cash equivalents	7	**99,362**	107,177
Current assets		**140,688**	140,745
Total assets		**274,150**	267,237
Equity			
Share capital		**1,889**	1,889
Share premium		**10,599**	10,599
Translation and other reserves		**9,435**	15,245
Retained earnings		**106,051**	84,448
Equity attributable to owners of the Parent		**127,974**	112,181
Non-controlling interests		**1,720**	1,689
Total Shareholders' funds		**129,694**	113,870
Financial liabilities	7	**54,928**	40,937
Post-employment benefit obligations		**4,933**	5,973
Deferred tax liabilities		**8,571**	6,058
Provisions		**338**	-
Non-current liabilities		**68,770**	52,968
Financial liabilities	7	**26,007**	54,516
Provisions		**3,828**	1,262
Current tax		**3,367**	4,909
Trade and other payables		**42,484**	39,712
Current liabilities		**75,686**	100,399
Total equity and liabilities		**274,150**	267,237

Group Statements of Cash Flows

For the period ended 31 October 2021

	31 October 2021 £'000	31 October 2020 £'000
Cash flow from operating activities		
Profit before tax	**28,555**	492
Finance cost	**697**	791
Interest of lease liabilities	**2,258**	1,801
Finance income	**(177)**	(51)
Other gains	**(1,998)**	283
Operating profit	**29,335**	3,317
Amortisation and impairments of intangible assets including goodwill	**5,419**	18,939
Depreciation and impairments of property, plant and equipment	**30,328**	64,610
Loss/(profit) on sale of property, plant and equipment	**(368)**	-
Exchange differences	**(392)**	(2,597)
Other items	**(321)**	43
Changes in working capital:		
Inventories	**(1,847)**	5,728
Trade and other receivables	**(4,780)**	4,177
Trade and other payables	**8,278**	(1,170)
Provisions	**400**	(112)
Cash generated from operations	**66,083**	92,935
Interest paid	**(2,956)**	(2,594)
Taxation paid	**(9,269)**	(4,688)
Net cash generated from operating activities	**53,858**	85,653
Cash flows from investing activities:		
Acquisition of subsidiaries net of cash acquired	**(10,133)**	(786)
Proceeds from disposal of associate	**-**	357
Proceeds from sale of subsidiary	**1,050**	-
Investment in intangible assets	**(2,529)**	(2,326)
Proceeds from sale of intangible assets	**-**	50
Purchase of property, plant and equipment	**(26,376)**	(44,782)
Proceeds from sale of property, plant and equipment	**3,911**	1,474
Interest received	**73**	259
Dividends received	**104**	(184)
Net cash utilised in investing activities	**(33,900)**	(45,938)
Cash flows from financing activities:		
Issue of ordinary shares to equity shareholders	**-**	11
Repayment of leases liabilities	**(4,600)**	(286)
Repayment of borrowings	**(22,365)**	(17,097)
Increase in borrowings	**5,093**	30,964
Decrease in assets held to maturity	**25**	**-**
Dividends paid to owners of the Parent	**-**	(31,894)
Net cash utilised in financing activities	**(21,847)**	(18,302)
Net increase in cash and cash equivalents	**(1,889)**	21,585
Cash and cash equivalents at beginning of the period	**107,177**	85,573
Exchange gain on cash and cash equivalents	**(5,926)**	19
Cash and cash equivalents at end of the period	**99,362**	107,177

Group Statements of Changes in Equity

For the period ended 31 October 2021

	Share capital £'000	**Share premium £'000**	**Other reserves £'000**	**Translation reserve £'000**	**Retained earnings £'000**	**Attributable to owners of the Parent £'000**	**Non-controlling interests £'000**	**Total £'000**
At 1 May 2019	1,889	10,588	1,781	10,588	117,131	141,977	1,870	143,847
Loss for the period	-	-	-	-	(2,305)	(2,305)	(47)	(2,352)
Exchange differences	-	-	-	3,948	-	3,948	-	3,948
Tax on exchange	-	-	-	(3)	-	(3)	-	(3)
Remeasurement losses in defined benefit pension scheme and other post-employment benefit obligations	-	-	-	-	340	340	-	340
Deferred tax on remeasurement gains	-	-	-	-	(65)	(65)	-	(65)
Total other comprehensive (expense)/income	-	-	-	3,945	275	4,220	-	4,220
Total comprehensive (expense)/income	-	-	-	3,945	(2,030)	1,915	(47)	1,868
Shares issued in the period	-	11	-	-	-	11	-	11
Share options	-	-	-	-	172	172	-	172
Dividends paid	-	-	-	-	(31,894)	(31,894)	-	(31,894)
Disposal of minority	-	-	-	-	-	-	(134)	(134)
Total transactions with the Parent	-	11	-	-	(31,722)	(31,711)	(134)	(31,845)

At 31 October 2020	**1,889**	**10,599**	**1,781**	**14,533**	**83,379**	**112,181**	**1,689**	**113,870**
At 1 November 2020	**1,889**	**10,599**	**1,781**	**14,533**	**83,379**	**112,181**	**1,689**	**113,870**
Profit for the period	**-**	**-**	**-**	**-**	**21,713**	**21,713**	**139**	**21,852**
Other comprehensive (expense)/income								
Exchange differences	**-**	**-**	**-**	**(6,879)**	**-**	**(6,879)**	**(108)**	**(6,987)**
Tax on exchange	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Remeasurement gains in defined benefit pension scheme and other post-employment benefit obligations	**-**	**-**	**-**	**-**	**560**	**560**	**-**	**560**
Deferred tax on remeasurement gains		**-**	**-**	**-**	**(94)**	**(94)**	**-**	**(94)**
Total other comprehensive/income	**-**	**-**	**-**	**(6,879)**	**466**	**(6,413)**	**(108)**	**(6,521)**
Total comprehensive (expense)/income	**-**	**-**	**-**	**(6,879)**	**22,179**	**15,300**	**31**	**15,331**
Transactions with owners of the Parent								
Share options	**-**	**-**	**-**	**-**	**493**	**493**	**-**	**493**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners of the Parent	**-**	**-**	**-**	**-**	**493**	**493**	**-**	**493**
At 31 October 2021	**1,889**	**10,599**	**1,781**	**7,654**	**106,051**	**127,974**	**1,720**	**129,694**

NOTES

1. Basis of preparation and accounting policies

The preliminary results for the Period have been extracted from near-final versions of the unaudited consolidated financial statements, which the Board expects to approve shortly (and in any case before the end of March) after Photo-Me's auditor, Mazars LLP, signs off on them.

Abridged financial information
The financial information in this announcement which was approved by the Board of Directors does not constitute the Company's statutory accounts for the Period but is derived from those accounts. Statutory accounts for 2020 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under s498(2) or (3) Companies Act 2006.

This preliminary announcement has been prepared in accordance with the accounting policies under IFRS as adopted by the EU.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. This preliminary announcement constitutes a dissemination announcement in accordance with Section 6.3 of the Disclosures and Transparency Rules (DTR).

2. Segmental analysis

IFRS 8 requires operating segments to be identified, based on information presented to the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and monitor performance. The Group reports its segments on a geographical basis: Asia, Continental Europe and United Kingdom & Ireland. The Group's European operations are predominately based in Western Europe and, with the exception of the Swiss operations, use the Euro as their domestic currency. The Board, being the CODM, believe that the economic characteristics of the European operations, together with the fact that they are similar in terms of operations, use common systems and the nature of the regulatory environment allow them to be aggregated into one reporting segment.

The CODM monitors performance of the segments at the underlying operating profit level before specific items, interest and taxation.

12 months to 31 October 2021	Asia £'000	Continental Europe £'000	United Kingdom & Ireland £'000	Corporate £'000	Total £'000
Total revenue	39,751	152,257	29,644	-	221,652
Inter segment sales	-	(7,248)	-	-	(7,248)
Revenue from external customers	**39,751**	**45,009**	**9,644**	**-**	**214,404**

EBITDA	**8,062**	**54,809**	**8,587**	**(6,381)**	**65,077**
Depreciation, amortisation and impairment	(6,024)	(25,174)	(3,643)	(904)	(35,745)
				-	
Operating profit/loss excluding associates	**2,038**	**29,635**	**4,944**	**(7,282)**	**29,335**
Operating profit					29,335
Other gains					1,998
Finance income					177
Finance costs					(2,955)
Profit before tax					28,555
Tax					(6,703)
Profit for the period					21,852
Capital expenditure (excluding IFRS16)	2,993	20,749	5,974	245	29,961
Non-current assets	28,088	85,150	14,789	3,435	131,462

12 months to 31 October 2020	**Asia £'000**	**Continental Europe £'000**	**United Kingdom & Ireland £'000**	**Corporate £'000**	**Total £'000**
Total revenue	37,634	121,147	31,219	-	190,001
Inter segment sales	(2)	(2,946)	(669)	-	(3,617)
Revenue from external customers	37,632	118,201	30,551	-	186,384
EBITDA	7,532	39,886	1,465	(7,806)	41,077
Depreciation, amortisation and impairment	(6,419)	(36,488)	(22,371)	(1,473)	(66,751)
Operating profit/loss excluding associates	**1,113**	**3,398**	**(20,906)**	**(9,279)**	**(25,674)**
Operating loss					(25,674)
Other losses					(283)
Finance income					(15)
Finance costs					(1,879)
Profit before tax					(27,851)
Tax					2,920
Profit for the period					(24,891)
Capital expenditure (excluding IFRS16)	3,436	15,840	(4,223)	324	15,377
Non-current assets	20,023	85,360	17,178	3,931	126,492

Inter-segment revenue mainly relates to sales of equipment.

The Parent Company is domiciled in the UK. Total revenue from external customers is as follows:

	Group	
	12 months ending 31 October 2021 £'000	12 months ending 31 October 2020 £'000
Total revenue from external customers		
Asia and rest of the world	**39,751**	37,632
Europe	**145,009**	118,201
UK	**29,644**	30,551
	214,404	186,384

	12 months ending 31 October 2021 £'000	12 months ending 31 October 2020 £'000
Total revenue from external customers		
Sales of equipment, spare parts & consumables	**21,013**	17,221
Sales of services	**3,772**	4,167
Other sales	**130**	206
	24,915	21,594
Vending revenue	**189,488**	164,790
Total revenue	**214,404**	**186,384**

There were no key customers in the period ended 31 October 2021 (2020: nil).

3. Taxation expenses

Tax charges / credits in the statement of comprehensive income

	12 months ending 31 October 2021 £'000	18 months ending 31 October 2020 £'000
Taxation		
Current taxation		
UK Corporation tax		
- current period	**3,562**	700
- prior periods	**(259)**	-
	3,303	700
Overseas taxation		
- current period	**3,415**	4,209
- prior periods	**259**	-
	3,674	4,209
Total current taxation	**6,976**	4,909
Deferred taxation		
Origination and reversal of temporary differences		
- current period - UK	**(301)**	(175)
- current period - overseas	**119**	(1,890)
Impact of change in rate	**-**	-
Total deferred tax	**(181)**	(2,065)
Tax charge in the statement of comprehensive income	**6,796**	2,844

The Group tax charge of £6.8m (2020: £2.8m) corresponds to an effective tax rate of 23.8% (2020: 578.0%).

The Group undertakes business worldwide.

4. Earnings per share

Basic earnings per share amounts are calculated by dividing net earnings attributable to shareholders of the Parent of £21,852,000 (2020: loss of £24,891,000) by the weighted average number of shares in issue during the period.

Diluted earnings per share amounts are calculated by dividing the net earnings attributable to shareholders of the Parent by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into shares. The Group has only one category of dilutive potential shares being share options granted to senior staff, including Directors.

The earnings and weighted average number of shares used in the calculation are set out in the table below:

	12 months ending 31 October 2021			12 months ending 31 October 2020		
	Earnings £'000	**Weighted average number of shares '000**	**Earnings per share pence**	Earnings £'000	Weighted average number of shares '000	Earnings per share pence
Basic earnings per share	**21,852**	**378,012**	**5.78**	(24,891)	378,012	(6.58)
Effect of dilutive share options	**-**	**927**	**(0.01)**	-	-	-
Diluted earnings per share	**21,852**	**378,938**	**5.77**	(24,891)	378,012	(6.58)

Potential shares (for example, arising from exercising share options) are treated as dilutive only when their conversion to shares would decrease basic earnings per share or increase loss per share from continuing operations.

5. Dividends paid and proposed

Periods ended 31 October 2021 and 31 October 2020 - Proposed dividends not yet paid

The Board is recommending a dividend of 2.89p per ordinary share for the Period.

6. Non-current assets

	Goodwill £'000	**Intangible assets £'000**	**Property, plant & equipment £'000**	**Investment property £'000**
Net book value at 1 May 2019	**18,419**	**25,775**	**95,353**	**648**

Exchange adjustment	28	(913)	937	28
Additions - photobooths & vending machines	-	-	38,435	-
Additions - other assets	-	2,446	7,464	-
Additions - right of use	-	-	16,533	-
Additions - new subsidaries	464	-	-	-
Amortisation / Depreciation	-	(6,846)	(48,816)	(24)
Impairment	(5,144)	(6,950)	(15,794)	
Disposals at net book value	-	(46)	(3,827)	-
Net book value at 31 October 2020	**13,767**	**13,466**	**90,285**	**652**
Exchange adjustment	(228)	208	(4,983)	(39)
Additions - photobooths & vending machines	-	-	22,563	-
Additions - other assets	-	2,529	4,866	-
Additions - right of use	-	-	9,741	-
Additions - new subsidaries	4,685	7,644	2,481	-
Amortisation / Depreciation	-	(1,347)	(33,185)	(16)
(Impairment) / Reversal of impairment	(582)	(1,490)	2,875	
Disposals at net book value	-	-	(3,821)	-
Net book value at 31 October 2021	**17,642**	**21,011**	**90,822**	**597**

7. Net cash

	31 October 2021 £'000	31 October 2020 £'000
Cash and cash equivalents per statement of financial position	99,362	107,177
Non-current borrowings	(44,323)	(39,444)
Current borrowings	(20,120)	(45,434)
Net cash*	**34,919**	**22,298**

*Net cash was reported at 31 October 2020 net of certain lease liabilities of £421,000. The Group no longer includes any lease liabilities in its calculation of net cash. The net cash at 31 October 2020 has been restated to reflect the change of definition.

At 31 October 2021, £984,000 of the total net cash (2020: £984,000) comprised bank deposit accounts that are subject to restrictions and are not freely available for use by the Group and Company, but meet the definition of cash and cash equivalents.

Net cash is a non-GAAP measure since it is not defined in accordance with IFRS but is a key indicator used by management in assessing operational performance and financial position strength. The inclusion of items in net cash as defined by the Group may not be comparable with other companies' measurement of net cash/debt. The Group includes in net cash, cash and cash equivalents and certain financial assets, mainly deposits, less current and non-current borrowings outstanding, excluding lease liabilities of £17,845,000.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF FINANCIAL REPORT

The Directors who are making this responsibility statement and who are responsible for preparing the Annual Report, the Report of the Directors and the Group and Company financial statements in accordance with applicable law and regulations (and their respective functions) are as follows:

Sir John Lewis OBE (Non-executive Chairman of the Board, Chairman of the Nomination Committee, and member of the Remuneration and Audit Committees); Serge Crasnianski (CEO and Deputy Chairman); Jean-Marc Janailhac (Executive Director, chairman of the Strategic Committee); Tania Crasnianski (Executive Director); Emmanuel Olympitis (Senior Independent Director, Chairman of the Remuneration Committee, and member of the Nomination and Audit Committees); Jean-Marcel Denis (Non-executive Director, chairman of the Audit Committee, and member of the Nomination and Remuneration Committees); Françoise Coutaz-Replan (Non-executive Director and member of the Audit Committee); Camille Claverie (Non-executive Director); René Proglio (Non-executive Director and member of the Audit Committee); Sigieri Diaz Della Vittoria Pallavicini (Non-executive Director).

Company law requires the Directors to prepare financial statements for the Group and the Company for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law and have elected to prepare the Company's financial statements on the same basis.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their profit or loss for that period. In preparing each of the Group and the Company's financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that their financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and as regards the Group's financial statements, Article 4 of the IAS Regulation. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the above-mentioned Directors of the Company confirms that, to the best of his or her knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, will give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report, which is incorporated into the Report of the Directors, will include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Sir John Lewis OBE (Non-executive Chairman)
Serge Crasnianski (Chief Executive Officer and Deputy Chairman)

21 March 2022