

Photo-Me

07 June 2022

Photo-Me International plc
("Photo-Me" or "the Group")

Trading Update

Trading above expectations leads to upgraded FY22 forecasts

Photo-Me International plc (PHTM.L), the instant-service equipment group, provides an update on the Group's trading for the six months ended 30 April 2022.

Trading Update

The Group has performed above expectations in the year to date. Group revenue for the period was up 24.2% compared with the same period last year, with a consequential positive impact on profitability. Net cash at period end was £41.4million.

As Covid-19 related restrictions have continued to ease across the Group's key operating markets and consumers become more confident in their ability to travel and socialise, demand for the Group's services is stronger than ever. Trading has now returned to pre-pandemic levels across all markets bar Asia.

Our photobooth business remains an important part of the Group's long-term growth strategy and we continue to invest in upgrading the estate with our innovative next generation machines. We saw a significant increase in revenues driven by our photobooths in the period, particularly in France and the UK, as we benefitted from pent-up demand for passports, other official documentation and all other products delivered by our photobooths.

In Asia, where some restrictions remain in place, trading continues to be more subdued, but the Board is confident that Japan will pick back up when restrictions ease, as has been the case so successfully in Europe, which bodes well for the coming months.

The Group continues to make strong progress against its growth strategy, underpinned by the rollout of its new corporate brand strategy, ME Group. This continues to strengthen the brand proposition and better reflects the Group's recent diversification and investment in innovation. This includes our continued emphasis on growing our laundry division, which continues to perform and develop strongly. We installed 53 machines per month throughout the period, with further significant international growth expected in the laundry division in the coming months and years.

Furthermore, in order to expand the laundry range and better position ourselves in the market, we recently launched a new low-cost laundry machine, the "Flex", and have already successfully carried out several installations across Europe. Early trading results have been extremely positive, and so the Group aims to further deploy this new product rapidly across the continent in order to take advantage of the strong market opportunity. Meanwhile, the Board continues to see that the food business, including the new pizza vending offer, is proving very attractive and represents a great future development opportunity.

Outlook

The Group's strong start to 2022 is particularly pleasing against a backdrop of economic and consumer uncertainty, of which the Board remains aware and continues to monitor closely. In keeping with most businesses around the world, the Group has had to face a significant increase in supply chain and raw material costs. However, its strong position in the markets in which it operates gives the Group significant pricing power.

The Board therefore believes that the Group's performance for the year ending 31 October 2022 will show revenue up at least +20% over FY 2021 and adjusted PBT in the range of £47 million to £50 million, assuming that Covid-19 or other social restrictions are not re-imposed in our key markets.

The Group will publish its interim results for the six months ended 30 April 2022 in mid-July.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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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 vast majority of units are owned, operated and maintained by Photo-Me. Photo-Me 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.

<https://me-group.com/>