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.

19 July 2022

Photo-Me International plc
(“Photo-Me”, "ME Group", "the Group" or “the Company”)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2022

Strong half-year performance underpins full year outlook ahead of expectations
ME Group name change to better reflect diversification focus and business strategy

Photo-Me International plc (PHTM.L), the instant-service equipment group, announces its results for the six months ended 30 April 2022 (the "Period").

Results summary

	Reported		
	Six months ended 30 April 2022	Six months ended 30 April 2021	Change
Revenue	**£115.3m**	£94.6m	21.9%
EBITDA (excluding associates)[1]	**£40.2m**	£28.7m	40.1%
Reported profit before tax	**£19.9m**	£12.0m	65.8%
Adjusted profit before tax[2]	**£16.0m**	£12.9m	24.0%
Profit after tax	**£16.4m**	£9.4m	74.5%
Cash generated from operations	**£29.8m**	£22.4m	33.0%
Gross Cash	**£96.8m**	£95.3m	1.6%
Net cash	**£43.2m**	£16.9m	155.6%
Earnings per share (diluted)	**4.35p**	2.49p	N/A
Interim dividend per Ordinary share	**2.6p**	nil	N/A
Special dividend per Ordinary share	**6.5p**	nil	N/A

[1] EBITDA is Reported profit before tax, less total depreciation and amortisation, less other net gain, finance costs and income.
[2] Adjusted profit before tax for the six months to 30 April 2022 is profit before tax adjusted to exclude profit on sale of property and loss on disposal of subsidiary La Wash
[3] Refer to note 8 for the reconciliation of net cash to cash and cash equivalents as per the financial statements.

Financial summary

- Revenue was up 21.9% to £115.3 million (H1 2021: £94.6 million), resulting mostly from the continued easing of Covid-19 related restrictions across the Group’s key operating markets and subsequent positive impact of increased demand for passports and other official documentation

- EBITDA increased by 40.1% to £40.2 million (H1 2021: £28.7 million)

- Reported profit before tax increased by 65.8% to £19.9 million (H1 2021: 12.0 million)

- Cash generated from operations was up 33.0% to £29.8 million (H1 2021: £22.4 million)

- Net cash position of £43.2 million, an increase of 155.6% (30 April 2021: £16.9 million)

Operational summary

- Photobooth business saw a stronger than anticipated recovery as travel and social restrictions were eased. Revenue was up 27.4% which is a testament to the resilience of the photobooth market

- Laundry division operations continued to perform well with total laundry revenue (Revolution laundry operations and sale of machines) up 8.4% to £25.9 million

- Expansion of Revolution laundry operations continued and revenue was up 37.5% to £25.3 million. The total number of Revolution units in operation grew by 15.9%

- Continued focus on new product innovation and diversification of operations to meet ever-changing consumer needs, with new products launched and technology partnerships announced

- ME Group corporate brand rolled out across the majority of operations - plan to change listed entity name shortly, to align to the new corporate brand strategy and reflect broader based concession offer.

Outlook

- Expect performance for the year ending 31 October 2022 to show revenue growth of at least 20% compared with FY 2021

- EBITDA to be in the range of £79 to £84 million, assuming that Covid-19 or other social restrictions are not re-imposed in our key markets

- Adjusted profit before tax expected to be in the range of £47 million to £50 million

Serge Crasnianski, CEO and Deputy Chairman, said:

"We are proud to announce an extremely strong first half performance, ahead of the Board's expectations. Demand for our machines continues to grow at pace, as economies reopen and confidence returns among consumers globally, and we are working hard to keep up with evolving trends and consumer needs.

We look forward to maintaining this strong growth as we celebrate our 60th year as a listed company, investing strongly in innovation and rapidly upgrading to the next generations of our machines across all business areas, including photobooths, laundry and food vending. The opportunities for the Group and our consumers are endless, supported by our ME Group corporate brand which better reflects our strategic diversification. Our plans to change the listed entity name later this year will be an important start to the next chapter of our growth story.

We are also very pleased to reward our loyal shareholders with a special dividend this year as a result of the Company's strong cash position, particularly after the freeze on dividends during the worst of the pandemic. This along with our progressive dividend policy reflects the Board's optimism for the future.

"We are grateful to all our partners and our employees who have helped us throughout the challenges posed by Covid-19. The Board believes that the Group's ability to come through the pandemic in such good shape and increase its profitability is testimony to the strong fundamentals of the Group and its resilience in the face of adverse economic headwinds."

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An investor presentation will be available to download later today at www.me-group.com

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 and launderettes
- 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.me-group.com

CHAIRMAN'S STATEMENT

The Group's first half performance was ahead of the Board's expectations, with a strong recovery seen across all operating markets, except for Asia. The easing of restrictions and the ability for consumers to socialize and travel created strong demand for our services, driving demand for photo ID and laundry services. We are pleased to report that trading has now returned to pre-pandemic levels in Continental Europe, the UK and the Republic of Ireland.

We have a proven and stable concessions-based business model. Our dominant market positions in unique locations give us pricing power to mitigate inflationary pressures in the markets where we operate. Our established and long-standing partnerships offer long-term contracts for siting our machines. Generally, in 90% of cases these contracts are renewed by tacit renewal. Alongside our track record of innovation and new product development the Group is well positioned to grow the number of units in operation in each of its core divisions, increasing the yield per machine and attracting new users to our breadth of instant service equipment. This means a significant profit before tax contribution is made with marginal increases in revenues, which is boosted by appropriate marketing capex and commercial improvement of our machines across all our territories.

Innovation and growth strategy

The Group's strong first half performance was driven predominantly by the post-Covid recovery however the Directors believe that the Company's growth moving forward will be driven more by the ME Group growth strategy, which is focused on diversifying our operations through innovation and new technologies to meet the ever-changing needs of our customers and consumers. We leverage our in-house R&D capabilities in France (primary facility), Vietnam and Japan and our 50-strong team of dedicated engineers. Our services are centered on providing a state-of-the-art user experience underpinned by technology, and an omnichannel approach across our vending estate.

Good strategic progress was achieved in the Period, with a focus on our key investment priorities of (i) creation of the next generation photobooths; (ii) continued expansion of laundry operations; and (iii) growth of our food vending equipment business. Each of these areas of investment increases the asset base of the Company and establishes long-term revenue streams for the Company moving forward.

Notably in the Period, the number of Revolution laundry units in operation increased by 15.9% to 4,360. Further fresh juice machines were installed and the rollout of pizza vending machines accelerated and averaged 20 per month.

As anticipated, the contribution from laundry and food vending equipment operations has increased as a proportion of the Group's total revenue and EBITDA. This is a trend the Board expects to continue moving forward, providing a more balanced revenue profile.

In addition to the above, the Board will continue to identify selected bolt-on acquisitions which meet its return-on-investment criteria. Any acquisitions will be in line with the growth strategy of the Company, as set out above. It will also consider opportunities to extend the Group's footprint into new European markets, with the Group having recently entered Italy, Finland and Australia.

Further details are set out in the Chief Executive's Business and Financial Review.

ME Group corporate brand

Adoption of our new corporate brand, ME Group, which is a trademark and trading name of Photo-Me International plc, continued apace and with most subsidiary companies now operating under the ME Group name. This new identity supports our growth strategy and better reflects the diversity of the Group's operations today. It also enhances our brand proposition amongst our consumers and customers.

The Group plans to change its listed entity name, to align to the new corporate brand strategy, in autumn 2022. The proposed name change reflects the transition of the Company from one that has historically been viewed as a consumer product and services company, predominantly based around the ownership of photobooths, into a broader based infrastructure company targeting multiple revenue streams.

Corporate responsibility

We remain committed to strengthening our CSR activity to deliver our goals through inventing eco-responsible local services to support growth by integrating social, environmental, and economic expectations into our strategy and operations. Details of our CSR approach and KPIs is available on the Group's website me-group.com.

Dividends

Given the strong performance of the Company since the end of Covid restrictions including during the six months ended 30 April 2022 set out above, and the Board's confidence in the future performance of the Company, the Board is pleased to announce that it is adopting a distribution policy under which for the foreseeable future it will pay annual dividends in excess of 50% of its annual profits after tax subject to market and capital requirements. This total will be split between interim dividends (1/3) (generally to be paid in the month of November) and final dividends (2/3) (generally to be paid in the month of May).

The Board has therefore declared an interim dividend for the six-month period ended 30 April of 2.6 pence per Ordinary Share (the "Interim Dividend"), payable on 3 November 2022 to shareholders on the register at 14 October 2022, the ex-dividend date being 13 October 2022.

The Board is also pleased to announce that it has approved an additional return of approximately £24.57 million to shareholders by way of a special dividend of 6.5 pence per ordinary share (the "Special Dividend") which will be payable on 1 September 2022 to shareholders on the register at 12 August 2022, the ex-dividend date being 11 August 2022. The Directors would like to thank all shareholders who supported the Company during the Covid pandemic and feel a special dividend, at this time, is an appropriate way to return excess capital. This Special Dividend is in addition to the Interim Dividend, which totals £9.84 million, and the anticipated final dividend for the year ending 31 October 2022.

The level of the Special Dividend takes into account:

1. The Group's capital expenditure programme
2. The intention to maintain a progressive dividend policy
3. The level of distributable reserves available to pay dividends
4. The likelihood of making acquisitions

The Board and Executive team

There have been several changes to the composition of the Board of Directors. On 29 April 2022, Jean-Marcel Denis resigned as a Non-executive Director with immediate effect. René Proglio, Non-executive Director and member of the Audit Committee succeeded Mr Denis as Chairman of the Audit Committee. On 16 May 2022, Sigieri Diaz Della Vittoria Pallavicini resigned as an Independent Non-executive Director for personal reasons with immediate effect.

On behalf of the Board, I would like to extend our sincere thanks to Jean-Marcel for his years of dedicated and loyal service and to Sigieri for his contribution to the Group. We wish them both all the best for the future.

The Group has a strong Board of Directors, which for some time has been focused on succession for both Executive and Non-executive Directors, and the management team. Our Corporate Governance structure enables the leadership team to work together closely to deliver our growth strategy. Our Strategic Committee chaired by Jean-Marc Janailhac, is focused on delivering our strategy and future developments, new products, new joint ventures, communication and marketing, commercial, sales force and training, maintenance, productivity, quality and training – all drivers of our growth strategy.

Looking ahead

Trading in the first half was strong and ahead of initial expectations, which was achieved against a backdrop of continued economic and consumer uncertainty across many of our operating markets. Cost pressures are being experienced across many industries and the Group is not immune to these. We have seen a significant increase in supply chain and raw materials costs. Nonetheless, our strong proposition and market position gives the Group significant pricing power. This will help to limit the impact of these headwinds on the Group’s financial performance in the second half and FY23 whilst we continue to innovate and diversify our operations and attract new customers and consumers.

As previously announced, the Board believes that following the strong first half the Group's performance for the year ending 31 October 2022 will show revenue growth of not less than 20% compared with FY 2021 whilst EBITDA is now expected to be in the range of £79 to £84 million and adjusted profit before tax is expected to be 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.

CHIEF EXECUTIVE'S BUSINESS AND FINANCIAL REVIEW

Financial performance

Reported revenue for the six months ended 30 April 2022 was £115.3 million, an increase of 21.9% compared with the six months ended 30 April 2021 (“H1 2021”), mainly driven by a strong recovery across our markets in Continental Europe, the UK and the Republic of Ireland. Trading in Asia was more subdued due to endemic Covid-19 cases remaining at a higher level and consequently social restrictions remaining in place for a longer period of time.

The performance of our laundry operations was very strong, with revenue up 8.4% compared with H1 2021. Our photobooth business benefitted from pent-up demand for passports and other official documents and product delivered via our photobooth estate. This resulted in revenue increasing by 27.4%.

Reported EBITDA (excluding associates) increased by 40.1% to £40.2 million (H1 2021: £28.7 million), which delivered an EBITDA margin of 34.9% (H1 2021: 30.3%).

Reported profit before tax was 65.8% higher at £19.9 million (H1 2021: £12.0 million). Adjusted profit before tax (after specific items) was up 24.0% to £16.0 million (H1 2021: £12.9 million).

The table below provides a reconciliation of reported profit before tax to adjusted profit before tax.

	Six months ended 30 April 2022	Six months ended 30 April 2021
Reported profit before tax	**£19.9m**	£12.0m
Specific items - restructuring costs	**-**	£0.3m
Specific items - impairments	**-**	£1.3m
Specific items - sales of Inox assets	**-**	£(0.7)m
Specific items - sale of property, provisions	**£(4.4)m**	-
Other losses - loss on La Wash disposal	**£0.5m**	-
Adjusted profit before tax	**£16.0m**	£12.9m

The Group remained cash flow positive, with significantly improved cash generated from operations of £29.8 million (H1 2021: £22.4 million).

We continue to invest in future growth. Excluding intangibles, capital expenditure was £14.4 million, mainly related to laundry capex of £8.5 million and investment in VIP box of £1.3 million (H1 2021: £22.5 million). Capex decreased for two reasons in the Period. Firstly, photobooth capex was temporarily kept at a low level ahead of significant investment when the next generation machines are ready to be installed. Secondly, the rate of Revolutions installations slowed down due to supply chain constraints.

Funding and liquidity

As at 30 April 2022, the Group had gross cash of £96.8 million and a net cash balance of £43.2 million. The Group continues to comply with its banking covenants. We did not have the benefit of any government facilities in the Period.

The Board continues to believe it has sufficient liquidity to navigate potential 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*

	Six months ended 30 April 2022	Six months ended 30 April 2021	Change
Number of units in operation	**27,617**	28,095	(1.7)%
% of total Group vending estate (units)	**63.7%**	62.9%	1.3%
Total revenue	**£66.9m**	£52.5m	27.4%
Capex	**£1.4m**	£3.3m	(57.6)%
EBITDA	**£23.5m**		

Having been severely impacted by the pandemic, as restrictions were eased and consumers were able to travel and socialise again, we saw strong Photo ID demand for passports and other official documentation, as well as other products delivered via our photobooth estate. This was particularly the case in France, and also in the UK despite the Government's acceptance of home taken photos for official documents. In Asia activity levels were still curtailed by some restrictions during the Period, however we are confident that activity levels will return once these restrictions are eased.

In the UK, we have successfully mitigated the decline in revenue experienced due to the introduction of home taken ID photos through the implementation of various marketing initiatives, machine maintenance and the removal of unprofitable machines. As a result, average revenue and visits per machine have increased by 22% and 58% respectively when compared with pre-pandemic levels (in 2019). In addition, our partnership with Her Majesty's Passport Office ('HMPO') and our secure digital upload technology direct to the UK Government server via our photobooths avoids verification delays that can otherwise be experienced when using self-taken photos. This further underpins the long-term future of our photobooth estate.

During Q2 2022, we reviewed the end-user pricing of our photobooths and the cost per use was increased by 33% from €6 to €8. This change in price has not impacted consumer demand to date and we plan to implement similar price increases across most of our operating markets during H2. The full benefit of this will be evident in FY 2023.

The average revenue per machine (excluding VAT) was £4,941 per year. EBITDA was 35.1% of the revenue during the period (six-month). Due to seasonality, this performance is expected to be higher in the second half of the financial year (31 October 2022).

As a consequence of the above, revenue grew by 27.4% to £66.9 million (H1 2021: £52.5 million) representing 58% of Group revenue. EBITDA was £23.5 million, contributing 63.9% of Group EBITDA (excluding the property sale).

Capex reduced by 57.6% to £1.4 million. The decision was taken to pause investment in photobooth capex until our next generation photobooth is available for installation in H1 2023, at which point we will extensively invest in this business area.

At 30 April 2022, the total number of photobooths in operation had reduced by 1.7% to 27,617 units, reflecting the restructuring programme undertaken in FY 2021. Photo.ME operations accounted for 63.7% of the Group's total vending units.

Innovation and new product development

Our photobooth business has showed its resilience and stability by returning to pre-pandemic levels of activity. It remains an important part of our long-term growth strategy and we are continuing to evolve our offer as to attract new users of our equipment, supported by our marketing activities.

The digital transformation of both the photobooth and print kiosk businesses has been a priority for the Group, evolving our offer from a hardware- to cloud-based architecture. This fundamental paradigm change in technology is still in development stage.

Our face ID anti-spoofing technology was recognised as compliant under international Biometrics Presentation Attack Detection standards (ISO/IEC 30107-3) by the French biometrics and security technologies experts at Cabinet Louis Reynaud Labs ("CLR Labs").

We are developing entertainment functions and fun products within our photobooths to meet the needs of the younger generation, including social media and sharing functions. We acquired VIP Box, the French leader in selfie station event rentals in April 2022, which strengthens our offering in the photo-entertainment market. This acquisition will help to further extend our leadership and influence in the photobooth and print kiosk markets across the event sector internationally.

In addition, we are developing multiservice photobooths and kiosks to integrate the consumer journey into specific omnichannel automated services. We plan to deploy or exchange next generation photobooths starting from H1 2023 for three next year, up to a total of 10,000 machines.

Wash.ME *Unattended Revolution laundry services and launderettes*

	Six months ended 30 April 2022	Six months ended 30 April 2021	Change
Total laundry units deployed (owned, sold, acquisitions)	**5,565**	5,298	5.0%
Total revenue from laundry operations	**£25.9m**	£23.9m	8.4%
Revolution (excludes Launderettes):			
Number of Revolution units in operation	**4,360**	3,762	15.9%
% of total Group vending estate (number of units)	**10.1%**	8.4%	19.8%
Total revenue from Revolution	**£25.3m**	£18.4m	37.5%
Revolution capex	**£8.5m**	£8.1m	4.9%
EBITDA	**£13.2m**		

Total revenue from laundry operations grew by 8.4% to £25.9 million, driven by continued growth of our Revolution laundry estate. The total number of laundry units deployed (owned, sold, acquired) has increased 5.0%. However the Group has sold La Wash and following this disposal we no longer operate B2B laundry services except for a small level of activity in Ireland.

Growth of the number of Revolution installations was significantly impacted by supply chain constraints.

Revolution laundry operations

Revolution laundry operations performed very strongly. The number of units in operation increased by 15.9%, with an average of 50 units installed per month. Revolution machines now account for 10.1% of the total Group vending estate by number of units (H1 2021: 8.4%) and remain a key driver of growth.

Revenue from Revolution operations grew by 37.5% to £25.3 million, reflecting our continued emphasis on expanding our laundry activities and representing 21.9% of Group revenue. EBITDA was £13.2 million, contributing 35.9% of Group EBITDA (excluding property sale).

As a result, average revenue per machine excluding VAT was £12,884 per year. EBITDA was 52.2% of the revenue in HY1 2022. Due to seasonality, this performance is expected to be higher in the second half of the financial year.

Revolution capex increased by 4.9% to £8.5 million to fund expansion, primarily in UK, Ireland, Portugal and France.

We have continued to deliver on our sustainability commitment and reduce our impact on the environment. To date, we have installed 223 Photovoltaic solar panels on Revolution units in France.

Innovation and new product development

We launched our new low-cost Revolution laundry machine, the "Flex", to expand our product range and extend our distribution of launderettes into co-living locations and at retailers with limited available footprint. This indoor and outdoor line-up unit is based on our recently developed modular configuration self-service laundry range. Several installations across Europe have been successfully completed and early trading results have been extremely positive. The Group aims to further deploy this new product rapidly across Continental Europe to take advantage of the strong market opportunity.

In addition, the Revolution Laundry Compact V3 has been a commercial success everywhere in Europe and this success continues to grow. It will slowly be replaced by the “Optimus” model in the coming months, an” industrial concept bringing substantial savings in production costs and flexibility of deployment.

Print.ME *High-quality digital printing service*

	Six months ended 30 April 2022	Six months Ended 30 April 2021	Change
Number of units in operation	**4,848**	5,211	(7.0)%
% of total Group vending estate (units)	**11.2%**	11.7%	(4.4)%
Revenue	**£5.2m**	£6.0m	(13.3)%
Capex	**£0.1m**	£0.2m	(50.0)%
EBITDA	**£1.6m**		

The total number of kiosks in operation at 30 April 2022 was 4,848, a reduction of 7.0% due to the removal of unprofitable machines which were relocated to France. Kiosks accounted for 11.2% of the total number of vending units in operation.

Revenue was £5.2 million, a decrease of 13.3%, due to a decline in average revenue per machine and the removal of machines and representing 4.5% of Group revenue, EBITDA was £1.6 million, contributing 4.2% of Group EBITDA.

The average revenue per machine (excluding VAT) was £2,172 per year. EBITDA was 30.8% of the revenue on HY1 2022. Due to seasonality, this performance will of course be higher for the full year ending 31 October 2022.

In line with the Group's ongoing strategy to limit kiosk investment to premium sites and its focus on expansion of laundry operations, kiosks capex was 50% lower in the Period at £0.1 million.

The Group plans to refresh its kiosk machines portfolio during H2 2022 by investing in 500 new kiosks in France.

Feed.ME *Vending equipment for the food service market*

Vending equipment for the food service market is the newest of the Group’s business areas. Operations and new product development are currently focused on two areas (i) self-service fresh fruit juice equipment for the B2B market and (ii) pizza vending machines targeted at the B2B hospitality market (restaurants, takeaways).

Revenue solely from the sale of equipment was £3.1 million and this business area contributed 2.7% to Group revenue. EBITDA was £1.2 million, contributing 3.2% of Group EBITDA (excluding the property sale).

Fresh fruit juice equipment

Progress was made to expand our 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. Following delays due to the pandemic, the Group’s professional apple and pineapple machines were installed across France, Belgium and Japan. Furthermore, nine of the Group’s innovative ‘juice wall concept’ were deployed in the Period.

Pizza vending equipment

Our pizza vending machines offer consumers pizzas 24/7 which are ready to eat in four minutes. The machines are sold or leased to site owners. Our strategy is to enhance our presence in the pizza vending equipment market, with the aim of becoming a leader in the European market.

To date, we have accelerated the rate of installations to an average of 20 per month in France and have plans to deploy further machines in Spain, Belgium and the Netherlands.

Our goal is to scale this up to c.100 machines per month by the end of 2023 across additional geographies, including the UK, Switzerland and Belgium.

Innovation and new product development

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

In May 2022, we announced a technological partnership with groundbreaking digital platform Digitiz.me, which will accelerate the Group's development in the fast-growing connected food vending market.

Digitiz.me supports the digitisation of food vending machines, enabling professionals in the food and wider hospitality sector to work with a powerful omnichannel platform that enables them to easily connect to their equipment via the web, mobile or interactive terminals, and from a single interface. Through the partnership, omnichannel software offering an all-in-one complete solution will be rolled out across all ME Group food vending equipment to offer consumers an easy and integrated experience. This will revolutionize the way our food vending machines function and deliver value for our partners.

In June 2022 we launched Boxpresso, our new connected fridge, in partnership with Digitiz.me. This kiosk combines our two unique technologies of integrated omnichannel software and 'Ovenbox' packaging, which enables pizzas to be stored and cooked all in one box, providing consumers a quality product and a seamless user experience.

We also plan to launch 64-pizza Multiquattro V3 and 96-pizza capacity kiosks in October 2022, with a completely new design as well as a new industrialization process that will enable us to decrease production costs and optimize logistics costs.

Other vending equipment

At 30 April 2022, the Group operated 6,460 other vending units, such as children's rides, photocopiers and other miscellaneous machines (H1 2021: 7,509).

These machines are primarily situated alongside our principal activities, and benefit from existing site owner relationships and where operating synergies can be captured, such as leveraging the same 650-strong field engineer and maintenance network.

During the pandemic a number of these machines were unprofitable and were removed from the estate as part of the restructuring program. As a result, other vending equipment accounts for 14.9% of the Group's total vending estate by number of units (H1 2021: 16.8%) and 3.6% of the total Group revenue (H1 2021: 5.7%).

REVIEW OF PERFORMANCE BY GEOGRAPHY

The Group's financial performance is set out below, in line with the segments as operated by the Board and the management of Photo-Me and is 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 operation

	At 30 April 2022		At 30 April 2021		Change
	No. of units	**% of total**	No. of units	% of total	
Continental Europe	**25,047**	**57.8%**	24,913	55.8%	0.5%
UK & Republic of Ireland	**6,874**	**15.9%**	8,356	18.7%	(17.7)%
Asia Pacific	**11,415**	**26.3%**	11,371	25.5%	0.4%
Total	**43,336**	**100.0%**	44,640	100.0%	(2.9)%

The total number of vending units in operation at 30 April 2022 reduced by 2.9% to 43,336 (at 30 April 2021: 44,640), reflecting the removal of unprofitable machines as part of our restructuring programme. Likewise, the decline in the UK & Republic of Ireland is due to the removal of 1,482 unprofitable machines (mainly children's rides and photobooths).

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 Pacific.

Revenue by geographic region

	Six months ended 30 April 2022	Six months ended 30 April 2021	Change
Continental Europe	**£75.6m**	£58.7m	28.8%
UK & Republic of Ireland	**£19.9m**	£13.3m	49.6%
Asia Pacific	**£19.8m**	£22.5m	(12.0)%
Total	**£115.3m**	£94.6m	21.9%

Operating profit by geographic region

	Six months ended 30 April 2022	Six months ended 30 April 2021	Change
Continental Europe	**£17.0m**	£10.1m	68.3%
UK & Republic of Ireland	**£4.2m**	£2.0m	110.0%
Asia Pacific	**£1.9m**	£2.7m	(29.6)%
Corporate costs	**£(1.6)m**	£(1.3)m	(23.1)%
Total	**£21.5m**	£13.4m	59.3%

Operating revenue evolution (last six months by quarter)

The table below provides a detailed breakdown of operating revenue evolution by geographic region and business area in Q1 FY 2022 vs November 2020 to January 2021, Q2 FY 2022 vs February to April 2021 and H1 2022 vs November 2020 to April 2021.

	Q1 Nov 2021 to Jan 2022	Q2 Feb 2022 to Apr 2022	H1 2022 Nov 2021 to Apr 2022
CONTIENTIAL EUROPE			
Photo.ME	40%	39%	40%
Print.ME	-13%	-8%	-11%
Wash.ME	33%	29%	31%
Other Vending	-24%	5%	-12%
Total	**28%**	**31%**	**30%**
UK & REPUBLIC OF Ireland			
Photo.ME	82%	125%	106%
Print.ME	-30%	-84%	-56%
Wash.ME	53%	43%	48%
Other Vending	92%	107%	98%
Total	**63%**	**82%**	**72%**
ASIA			
Photo.ME	2%	-28%	-17%
Print.ME	-6%	-20%	-13%
Wash.ME	78%	83%	80%
Other Vending	528%	72%	127%
Total	**9%**	**-23%**	**-11%**
TOTAL			
Photo.ME	31%	19%	24%
Print.ME	-14%	-13%	-14%
Wash.ME	39%	33%	36%
Other Vending	43%	48%	45%
Total	**29%**	**21%**	**25%**

Continental Europe

Revenue increased by 28.8% to £75.6 million, driven by a strong performance in photobooth and laundry activity throughout the first half, particularly in France. France also gradually benefited in Q2 from increased consumer pricing at the point of use from €6 to €8 for official documents.

Photo.ME and Wash.ME operating revenue were up 40% and 31% respectively in H1. Print.ME and Other vending operations saw a slower recovery, but notably demand improved in Q2. The region contributed 65.6% of total Group revenue. Operating profit increased by 68.3% to £17.0 million.

We sold an office building for £7.1 million in April 2022, which had a £4.4 million positive impact on profit before tax. In November 2021 we sold La Wash, our Spanish B2B laundry service franchise business at a loss of £(0.5) million.

As at 30 April 2022, there were 25,038 units in operation in the region, which represented 57.8% of the Group's total vending estate. Continental Europe remains the largest region of operation by both machine volume and contribution to total Group revenue.

UK & Republic of Ireland

Revenue was up 49.6% to £19.9 million primarily driven by a strong performance in photobooth (Photo.ME) and laundry (Wash.ME) activity.

Operating revenue from Photo.ME was up 106%, due to a significant increase in demand for photo ID for passports and official documents. This business area was severely impacted during the pandemic, however as Photo ID demand rose, traditional photobooth activity became stronger. Home taken photo ID had a limited impact on activity.

Wash.ME also performed strongly, with operating revenue up 48%. Revolution units in operation in the region increased by 115 units compared with H2 2022.

Other vending equipment, which was also severely impacted by restrictions during the pandemic, saw operating revenue recover, up 98%.

Operating profit increased by 110% to £4.2 million, which reflected the successful restructuring programme in the region, which included the removal of unprofitable machines and bolstering of the management team in the region.

As at 30 April 2022, 6,874 units were in operation, a reduction of 17.7%, which represents 15.9% of the Group's total vending estate.

Asia Pacific

Performance was hampered by ongoing Covid-19 restrictions during the Period, notably in Japan in Q2. Trading conditions in China have also remained challenging. Consequently, revenue in the region decreased by 12.0% to £19.8 million.

Operating revenue in the region for Photo.ME and Print.ME was down 17% and 13% respectively. While laundry activities were more resilient, with Wash.ME operating revenue up 80%, and other vending equipment was up 127%, operating profit was therefore £1.9 million, a decline of 29.6%.

As at 30 April 2022, 11,415 units were in operation, an increase of 0.4%. Units situated in Asia Pacific represented 26.3% of the Group's total units in operation.

The Board is confident that trading in Japan will return when restrictions are eased, as has been the case so successfully in Europe, which bodes well for the coming months.

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 recognises 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 and a period of high inflation 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. Like 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 Group has no exposure to the invasion of Ukraine by Russia.
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 and food businesses 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 program 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 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 CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 April 2022

	Notes	Unaudited Six months to 30 April 2022 £ '000	Unaudited Six months to 30 April 2021 £ '000	Audited 12 months to 31 October 2021 £ '000
Revenue	3	**115,261**	94,581	214,404
Cost of sales		**(85,634)**	(69,019)	(161,467)
Gross profit		**29,627**	25,562	52,937
Other operating income		**159**	156	317
Administrative expenses		**(8,268)**	(12,289)	(23,919)
Operating Profit	3	**21,518**	13,429	29,335
Other net gains/(losses)	4	**(462)**	20	1,998
Finance income		**19**	-	177
Finance cost		**(1,129)**	(1,442)	(2,955)
Profit before tax		**19,946**	12,007	28,555
Total tax charge	5	**(3,514)**	(2,611)	(6,703)
Profit for the period		**16,432**	9,396	21,852
Other comprehensive income				
Items that are or may subsequently be classified to Profit and Loss:				
Exchange differences arising on translation of foreign operations		**120**	(1,402)	(6,987)
Taxation on exchange differences		**-**	(7)	-
Total Items that are or may subsequently be classified to profit and loss		**120**	(1,409)	(6,987)
Items that will not be classified to profit and loss:				
Remeasurement gains in defined benefit obligations and other post-employment benefit obligations		**-**	-	560
Deferred tax on remeasurement gains		**-**	-	(94)
Total Items that will not be classified to Profit and Loss		**-**	-	466
Other comprehensive (expense)/income for the period net of tax		**120**	(1,409)	(6,521)
Total Comprehensive income/(expense) for the period		**16,552**	7,987	15,331
Profit for the Year Attributable to:				
Owners of the Parent		**16,432**	9,396	21,713
Non-controlling interests		**-**	-	139
		16,432	9,396	21,852
Total comprehensive income attributable to:				
Owners of the Parent		**16,552**	8,044	15,192
Non-controlling interests		**-**	(57)	139
		16,552	7,987	15,331
Earnings per Share				
Basic Earnings per Share	7	**4.35p**	2.49p	5.78p
Diluted Earnings per Share	7	**4.35p**	2.48p	5.77p

All results derive from continuing operations.
The accompanying notes form an integral part of these condensed consolidated financial statements.

GROUP CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 April 2022

	Notes	**Unaudited 30 April 2022 £'000**	Unaudited 30 April 2021 £'000	Audited 31 October 2021 £'000
Assets				
Goodwill	8	**19,272**	13,675	17,642
Other intangible assets	8	**14,088**	17,212	16,860
Property, plant & equipment	8	**88,337**	93,776	91,973
Investment property	8	**585**	662	597
Investment in associates		**21**	56	21
Financial instruments held at FVTPL		**1,501**	957	1,501
Trade and other receivables		**1,789**	1,742	1,868
Non-current assets		**125,593**	128,041	130,462
Inventories		**21,737**	18,022	18,458
Trade and other receivables		**19,197**	20,419	22,451
Current tax		**3,273**	55	1,417
Cash and cash equivalents	9	**96,757**	96,257	99,362
Current assets		**140,964**	134,753	141,688
Total assets		**266,557**	262,794	272,150
Equity				
Share capital		**1,889**	1,889	1,889
Share premium		**10,599**	10,599	10,599
Translation and other reserves		**9,566**	14,962	9,435
Retained earnings		**121,207**	92,775	106,051
Equity attributable to owners of the Parent		**143,261**	120,225	127,974
Non-controlling interests		**-**	1,632	1,720
Total Shareholders' funds		**143,261**	121,857	129,694
Liabilities				
Financial liabilities	9	**45,523**	41,653	55,058
Post-employment benefit obligations		**4,888**	5,510	4,933
Deferred tax liabilities		**7,781**	6,737	8,571
Provisions		**-**	-	338
Non-current liabilities		**58,192**	53,899	68,900
Financial liabilities	9	**21,665**	46,542	25,877
Provisions		**1,351**	411	1,828
Current tax		**688**	1,506	3,367
Trade and other payables		**41,400**	38,579	42,484
Current liabilities		**65,104**	87,038	73,556
Total equity and liabilities		**266,557**	262,794	272,150

The accompanying notes form an integral part of these condensed consolidated financial statements.

GROUP CONDENSED STATEMENT OF CASH FLOWS
for the six months ended 30 April 2022

	Notes	**Unaudited Six months to 30 April 2022 £000**	Unaudited Six months to 30 April 2021 £000	Audited 12 months to 31 October 2021 £000
Cash flow from operating activities				
Profit before tax		**19,946**	12,007	28,555
Finance cost		**1,129**	1,442	2,955
Finance income		**(19)**	-	(177)
Other losses/(gains)		**462**	(20)	(1,998)
Operating profit/(loss)		**21,518**	13,429	29,335
Amortisation of intangible assets		**4,030**	1,837	5,419
Depreciation of property, plant and equipment		**14,620**	11,760	30,328
(Profit)/loss on sale of property, plant and equipment		**(7,277)**	767	(368)
Exchange differences		**(348)**	(156)	(355)
Other items		**(812)**	(604)	680
Changes in working capital:				
Inventories		**(3,279)**	(1,411)	(1,847)
Trade and other receivables		**3,333**	(3,679)	(5,780)
Trade and other payables		**(1,084)**	(1,172)	8,278
Provisions		**(863)**	1,616	400
Cash generated from operations		**29,837**	22,387	66,090
Interest paid		**(1,129)**	(365)	(2,956)
Taxation paid		**(8,839)**	(6,015)	(9,269)
Net cash generated from operating activities		**19,869**	16,007	53,865
Cash flows from investing activities				
Acquisition of subsidiaries net of cash acquired		**(739)**	(6,575)	(10,133)
Acquisition of minority interest		**(2,985)**		
Proceeds from sale of subsidiary		**152**	-	1,050
Investment in intangible assets		**(1,266)**	(691)	(2,529)
Purchase of property, plant and equipment		**(13,123)**	(15,993)	(26,376)
Proceeds from sale of property, plant and equipment		**7,945**	1,235	3,904
Interest received		**19**	106	73
Dividends received from associates		**-**	-	104
Net cash utilised in investing activities		**(9,997)**	(21,918)	(33,907)
Cash outflows from financing activities				
Repayment of capital element of finance leases		**(2,105)**	(181)	(4,600)
Repayment of borrowings		**(9,862)**	(11,137)	(22,365)
Increase in borrowings		**186**	6,310	5,093
Decrease in assets held to maturity		**-**	-	25
Net cash utilised in financing activities		**(11,781)**	(5,008)	(21,847)
Net Decrease in cash and cash equivalents		**(1,909)**	(10,947)	(1,899)
Cash and cash equivalents at beginning of year		**99,362**	107,177	107,177
Exchange loss on cash and cash equivalents		**(696)**	-	(5,926)
Cash and cash equivalents at end of year	9	**96,757**	96,257	99,362

The accompanying notes form an integral part of these condensed consolidated financial statements.

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 April 2022

	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Attributable to owners of the Parent	Non-controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 November 2020	**1,889**	**10,599**	**1,781**	**14,533**	**83,379**	**112,181**	**1,689**	**113,870**
Profit for period	**-**	**-**	**-**	**-**	**9,396**	**9,396**	**-**	**9,396**
Other comprehensive expense								
Exchange differences	-	-	-	(647)	-	(647)	(57)	(704)
Tax on exchange	-	-	-	(7)	-	(7)	-	(7)
Transfers between reserves	-	-	-	(698)	-	(698)	-	(698)
Total other comprehensive expense	**-**	**-**	**-**	**(1,352)**	**-**	**(1,352)**	**(57)**	**(1,409)**
Total comprehensive (expense)/income	**-**	**-**	**-**	**(1,352)**	**9,396**	**8,044**	**(57)**	**7,987**
At 30 April 2021	**1,889**	**10,599**	**1,781**	**13,181**	**92,775**	**120,225**	**1,632**	**121,857**

	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Attributable to owners of the Parent	Non-controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 November 2021	**1,889**	**10,599**	**1,781**	**7,654**	**106,051**	**127,974**	**1,720**	**129,694**
Profit for period	**-**	**-**	**-**	**-**	**16,432**	**16,432**	**-**	**16,432**
Other comprehensive expense								
Exchange differences	-	-	-	131	-	131	(11)	120
Total other comprehensive expense	**-**	**-**	**-**	**131**	**-**	**131**	**(11)**	**120**
Total comprehensive (expense)/income	**-**	**-**	**-**	**131**	**16,432**	**16,563**	**(11)**	**16,552**
Acquisition of minority	-	-	-	-	(1,276)	(1,276)	(1,709)	(2,985)
Total transactions with owners of the parent	**-**	**-**	**-**	**-**	**(1,276)**	**(1,276)**	**(1,709)**	**(2,985)**
At 30 April 2022	**1,889**	**10,599**	**1,781**	**7,785**	**121,207**	**143,261**	**-**	**143,261**

The accompanying notes form an integral part of these condensed consolidated financial statements

NOTES

1. Corporate information

The condensed consolidated interim financial statements of Photo-Me International plc (the "Company") for the six months ended 30 April 2022 ("the Interim Report") were approved and authorised for issue by the Board of Directors on 18 July 2021. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together the "Group") and are presented in pounds sterling, rounded to the nearest thousand.

The Company is a public limited company, incorporated and domiciled in England, whose shares are quoted on the London Stock Exchange, under symbol PHTM. Its registered number is 735438 and its registered office is at Unit 3B, Blenheim Rd, Epsom, KT19 9AP, Surrey.

Photo-Me's principal activity is the operation of unattended vending equipment aimed primarily at the consumer market. The largest part of the estate comprises photobooths and digital printing kiosks, with the remainder including laundry units, amusement machines and business service equipment. The Group manages these on a geographical basis with the principal operations of the Group in the United Kingdom and Ireland, Continental Europe, and Asia.

2. Basis of preparation and accounting policies

The financial statements have been prepared in accordance with IAS 34. The accounting policies applied are consistent with those that were applied in the Company's consolidated financial statements for the 12 months ended 31 October 2021 and that are expected to be applied in its consolidated financial statements for the year ended 31 October 2022. The condensed consolidated interim financial statements comprise the unaudited financial information for the six months ended 30 April 2022. They do not include all of the information and disclosures required for full annual financial statements, and should be read in conjunction with the Group's financial statements for the period ended 31 October 2021. The condensed financial statements do not constitute statutory accounts within the meaning of section 434 of the UK Companies Act 2006.

The consolidated financial statements of the Group as at and for the period ended 31 October 2021 are available at www.me-group.com or upon request from the Company's registered office at Unit 3B, Blenheim Rd, Epsom, KT19 9AP, Surrey.

The Interim Report is unaudited but has been reviewed by the auditors and their report to the Company is included in the Interim Report. The comparative figures for the financial period ended 31 October 2021 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors (i) was unmodified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without modifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Accounting policies and estimates
The accounting policies applied by the Group in this Interim Report are the same as those applied in the Group's financial statements for the 12 months period ended 31 October 2021.

New standards adopted in the period:
There are a number of new and revised standards and interpretations, not all of which are applicable to the Group, which have been issued and are effective for the year 2022 and future reporting periods. The most significant standards and interpretations were listed in the Group's 2021 Annual Report, however none of these are likely to have a material impact on the Group's financial statements.

Estimates and significant judgements
The preparation of the condensed consolidated financial information requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the condensed consolidated financial information. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the financial statements. In future, actual experience may deviate from these estimates and assumptions, which could affect the financial statements as the original estimates and assumptions are modified, as appropriate, in the period in which the circumstances change.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were in the same areas as those that applied in the consolidated financial statements as at and for the period ended 31 October 2021.

Use of non-GAAP profit measures
The Group measures performance using earnings before interest, tax, depreciation and amortisation ("EBITDA"). EBITDA is a common measure used by a number of companies, but is not defined in IFRS.

The Group measures cash on a net cash basis as explained in note 8.

Going Concern
The Annual Report for the period ended 31 October 2021 provided a full description of the Group's business activities, its financial position, cash flows, funding position and available facilities together with the factors likely to affect its future development, performance and position. It also detailed risks associated with the Group's business. This interim report provides updated information on these subjects for the six months to 30 April 2022.

The Group has at the date of this Interim Report, sufficient financing available for its estimated requirements for at least the next twelve months, together with the proven ability to generate cash from its trading performance. This provides the Directors with confidence that the Group is well placed to manage its business risks successfully in the context of the current financial conditions and the general outlook in the global economy.

After reviewing the Group's annual budgets, plans and financing arrangements, the Directors consider that the Group has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing this Interim Report.

3. 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 monitors performance at operating profit level before interest and taxation.

In accordance with IFRS 8, no segment information is provided for assets and liabilities in the disclosures below, as this information is not regularly provided to the CODM.

Seasonality of operations

Historically, the second half of the financial year is seasonally the strongest for the Group in terms of profits.

	Asia £'000	Continental Europe £'000	United Kingdom & Ireland £'000	Corporate £'000	Total £'000
Six months ended 30 April 2022					
Total revenue	19,793	80,597	19,866	-	**120,256**
Inter segment sales	-	(4,994)	(2)	-	**(4,996)**
Revenue from external customers	**19,793**	**75,603**	**19,864**	**-**	**115,261**
EBITDA	**4,531**	**29,262**	**7,532**	**(1,157)**	**40,168**
Depreciation and amortisation	(2,638)	(12,266)	(3,337)	(409)	**(18,650)**
Operating profit excluding associates	**1,893**	**16,996**	**4,195**	**(1,566)**	**21,518**
Operating profit					**21,518**
Other gains					**(462)**
Finance income					**19**
Finance costs					**(1,129)**
Profit before tax					**19,946**
Tax					**(3,514)**
Profit for period					**16,432**
Capital expenditure (excluding right of use assets)	1,725	7,595	3,933	1,136	**14,389**

	Asia £'000	Continental Europe £'000	United Kingdom & Ireland £'000	Corporate £'000	Total £'000
Six months ended 30 April 2021					
Total revenue	24,012	58,716	13,321	-	**96,049**
Inter segment sales	(1,468)	-	-	-	**(1,468)**
Revenue from external customers	**22,544**	**58,716**	**13,321**	**-**	**94,581**
EBITDA	**6,418**	**19,572**	**3,908**	**(1,202)**	**28,696**
Depreciation and amortisation	(3,736)	(9,507)	(1,879)	(145)	**(15,267)**
Operating profit excluding associates	**2,682**	**10,065**	**2,029**	**(1,346)**	**13,429**
Operating profit					**13,429**
Other gains					**20**
Finance income					**-**
Finance costs					**(1,442)**
Profit before tax					**12,007**
Tax					**(2,611)**
Profit for period					**9,396**
Capital expenditure (excluding right of use assets)	9,782	9,988	2,572	135	**22,477**

	Asia £'000	Continental Europe £'000	United Kingdom & Ireland £'000	Corporate £'000	Total £'000
12 months ended 31 October 2021					
Total revenue	39,751	152,257	29,644	-	**221,652**
Inter segment sales	-	(7,248)	-	-	**(7,248)**
Revenue from external customers	**39,751**	**145,009**	**29,644**	**-**	**214,404**
EBITDA	**8,062**	**54,809**	**8,587**	**(6,381)**	**65,077**
Depreciation and amortisation	(6,024)	(25,174)	(3,643)	(901)	**(35,742)**
Operating profit 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 period					**21,852**
Capital expenditure (excluding right of use assets)	2,993	20,749	5,974	245	**29,961**

4. Other gains and losses

	Six months to 30 April 2022 £'000	Six months to 30 April 2021 £'000	12 months to 31 October 2021 £'000
Disposal of Subsidiary	**(462)**	-	1,093
Fair value gain on financial instrument held at FVTPL	**-**	-	546
Gain/(loss) on available for sale financial instruments	**-**	-	26
Other gains	**-**	20	333
	(462)	20	1,998

The Group incurred a loss on disposal of £462,000 from the disposal of its Spanish subsidiary La Wash Group, recognised in other losses in the income statement.

5. Taxation

	Six months to 30 April 2022 £'000	Six months to 30 April 2021 £'000	12 months to 31 October 2021 £'000
Profit/(loss) before tax	**19,946**	12,007	28,555
Total taxation charge	**(3,514)**	(2,611)	(6,703)
Effective tax rate	**17,6%**	21.7%	23.5%

The tax charge in the Group Income Statement is based on management's best estimate of the full year effective tax rate based on expected 12 Months profits to 31 October 2022.

The corporation tax rate for the period ended 30 April 2022 was 19%. The Finance Bill 2021 was substantively enacted on 24 May 2021, legislating that the UK Corporation Tax rate will increase from 19% to 25% with effect from 1 April 2023.

The Group undertakes business in multiple tax jurisdictions.

6. Dividends

Dividends paid and proposed

	30 April 2022		31 October 2021	
	Pence per share	**£'000**	Pence per share	£'000
Interim	**2.6**	**9,840**	-	-
Final	**-**	**-**	-	-

No dividends were paid in the year ended 31 October 2021.

The Board proposed a final dividend of 2.89p per ordinary share in respect of the year ended 31 October 2021, which was approved by shareholders at the Annual General Meeting held on 29 April 2022 and paid on 13 May 2022.

7. Earnings per share

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

	Six months to 30 April 2022	Six months to 30 April 2021	12 months to 31 October 2021
Basic earnings per share	**4.35**	2.49p	5.78p
Diluted earnings per share	**4.35**	2.48p	5.77p
Earnings available to shareholders (£'000)	**16,432**	9,396	21,852
Weighted average number of shares in issue in the period			
- basic ('000)	**378,012**	378,011	378,012
- including dilutive share options ('000)	**378,012**	378,212	378,938

8. Non-current assets - intangibles, property, plant and equipment and investment property

	Goodwill £'000	**Intangible assets £'000**	**Property, plant & equipment £'000**	**Investment property £'000**
Net book value at 1 November 2020	**13,767**	**13,466**	**90,285**	**652**
Exchange adjustment	(228)	202	(4 981)	(39)
Additions - photobooths & vending machines	-	-	22 563	-
Additions - other assets	-	2 529	4 866	-
Additions – right of use	-	-	9 741	-
Additions - new subsidiaries	4 685	7 644	2 481	-
Amortisation / Depreciation / Impairment	(582)	(4 837)	(30 312)	(16)
Transfers	-	(1 144)	1 144	-
Disposals at net book value	-	(1 000)	(3 814)	-
Net book value at 31 October 2021	**17 642**	**16 860**	**91 973**	**597**
Exchange adjustment	**(22)**	**(76)**	**(729)**	**(4)**
Additions - photobooths & vending machines	**-**	**-**	**11,120**	**-**
Additions - other assets	**-**	**1,266**	**2,003**	**-**
Additions – right of use	**-**	**-**	**781**	**-**
Additions - new subsidiaries	**1,652**	**96**	**25**	**-**
Transfers	**-**	**-**	**-**	**-**
Amortisation / Depreciation / Impairment	**-**	**(4,030)**	**(14,612)**	**(8)**
Disposals at net book value	**-**	**(28)**	**(2,224)**	**-**
Net book value at 30 April 2022	**19,272**	**14,088**	**88,337**	**585**

9. Net cash

	30 April 2022 £'000	30 April 2021 £'000	31 October 2021 £'000
Cash and cash equivalents per statement of financial position	**96,757**	96,257	99,362
Non-current borrowings	**(34,673)**	(35,372)	(44,323)
Current borrowings	**(18,930)**	(44,007)	(20,120)
Net cash	**43,155**	16,878	34,919

At 30 April 2022, £984,000 (30 April 2021: £984,000; 31 October 2021: £984,000) of the total net cash comprised bank deposit accounts that are subject to restrictions and are not freely available for use by the Group.

Cash and cash equivalents per the cash flow comprise cash at bank and in hand and short-term deposit accounts with an original maturity of less than three months, less bank overdrafts.

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 instalments on loans and other borrowings.

The table above, which is not currently required by IFRS, reconcile the Group's net cash to the Group's statement of cash flows. Management believes the presentation of the tables will be of assistance to shareholders.

10. IFRS3 Business Combinations

The Group continues to expand with the recent acquisition of 100% of Vip Box, the French leader in the rental and sale of selfie stations for private and professional events.

This acquisition supports the Group's strategic aims of product diversification.

The transaction completed on the 31 March 2022 for a consideration of €3,900,000 (£3,274,000).

The acquisition was funded from the Group's cash resources.

Deferred consideration

Of the total consideration, €600,000 (£504,000) is deferred and contingent on future performance. The deferred payment will be due 12 months from the acquisition date. The value will be determined based on Vip Box's profit before tax over the 12 months following the acquisition date.

Management expects Vip Box to meet the maximum profit before tax target, so have accrued the maximum contingent consideration value of €600,000 and included this amount in the total consideration.

Acquired assets and liabilities

Due to the proximity of the transaction to the reporting date, the purchase price allocation, including determination of the fair value of intangible assets recognised on consolidation has not been finalised.

Goodwill has been calculated using the provisional fair values of the assets and liabilities acquired, with a value of £1,652,000 recognised in the Group's Statement of Financial Position.

Pending receipt of the final valuations of the assets acquired, in accordance with IFRS3, the accounts will be adjusted retrospectively within the measurement period of no more than one year from the acquisition date.

Revenue and profit contribution
The acquired business contributed revenues of £142,000 and profit before tax of £30,000 to the Group for the period from 31 March 2022 to 30 April 2022.

11. Changes to the composition of the Group

Disposal of La Wash Group
On 8 April 2022, the Group disposed of its Spanish B2B laundry business La Wash Group. This was for consideration of £152,000. The Group incurred a loss of £462,000 which has been recognised in other losses in the income statement.

Acquisition of non-controlling interest in SCI du Lotissement d'Echirolles
The Group owned 61% of SCI Lotissement d'Echirolles (SCI), with the remaining 39% previously being held by a third party non-controlling interest.

In April 2022, the Group acquired the remaining 39% from the non-controlling interest increasing its ownership of SCI to 100%. The consideration paid for the non-controlling interest was €3,554,000 (£2,985,000).

In accordance with IAS27 this acquisition was accounted for as an equity transaction. The Group's non-controlling interest in SCI has been reduced to nil and the excess of consideration paid over non-controlling interest fair value has been recognised as a reduction in Group equity. Therefore, the total impact to equity was the consideration paid of €3,554,000 (£2,985,000).

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

- The Interim Management Report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the year and

  (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

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

18 July 2022

INDEPENDENT REVIEW REPORT

We have been engaged by Photo-Me International PLC ("the Company") to review the financial information for the six months ended 30th April 2022 which comprises the Group Condensed Statement of Comprehensive Income, the Group Condensed Statement of Financial Position, the Group Condensed Statement of Cash Flows and the Group Condensed Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board and our Engagement Letter dated 20th June 2022. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Respective responsibilities of directors and auditor

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with International Accounting Standard 34, 'Interim Financial Reporting', in accordance with Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority which requires that the interim report must be prepared and presented in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility is to express to the Company a conclusion on the condensed set of financial information in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial information in the interim report does not give a true and fair view of the financial position of the Company as at 30th April 2022 and of its financial performance and its cash flows for the six months then ended, in accordance with International Accounting Standard 34, 'Interim Financial Reporting and Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Signed:

Mazars LLP
Chartered Accountants
30 Old Bailey
London
EC4M 7AU
Date: 19 July 2022

Note:

a) The maintenance and integrity of the Photo-Me International plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CAUTIONARY STATEMENT AND DISCLAIMERS

This Interim Financial Report is addressed to the shareholders of Photo-Me International plc and has been prepared solely to provide information to them. This report is intended to inform the shareholders of the Group's performance during the six months to 30 April 2022. It has been prepared to provide additional information to shareholders to enable them to access the Group's strategies, performance and the potential for those strategies to succeed. It should not be relied upon for any other purpose.

This Interim Financial Report contains certain forward-looking statements which are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. It is believed that the expectations reflected in this report are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently expected. No assurances can be given that the forward looking statements in this Interim Financial Report will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation.

DISTRIBUTION OF REPORT

This Interim Report is released to the London Stock Exchange. It may be viewed and downloaded from the Company's Investor Relations section on the website www.me-group.com.

Shareholders and others who require a copy of the report may obtain a copy by contacting the Company Secretary at the Company's registered office.

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