22 February 2024

ME GROUP INTERNATIONAL PLC
("Me Group" or "the Group" or "the Company")

Preliminary results for the 12 months ended 31 October 2023

A year of record financial performance

ME Group International plc (LSE: MEGP), the instant-service equipment group, announces its unaudited preliminary results for the 12 months ended 31 October 2023 ("FY 2023" or the "Period").

KEY FINANCIALS

	12 months ended 31 October 2023	12 months ended 31 October 2022	Change
Revenue	£297.7m	£259.8m	+14.6%
EBITDA[1]	£106.6m	£92.2m	+15.6%
Profit before tax	£67.1m	£53.4m	+25.7%
Profit after tax	£50.7m	£38.8m	+30.7%
Cash generated from operations	£103.7m	£87.9m	+18.0%
Gross cash	£111.1m	£136.2m	+18.4%
Net cash[2]	£33.9m	£34.0m	+0.3%
Earnings per share (diluted)	13.31p	10.23p	+30.1%
Dividends:			
- Interim Dividend per ordinary share (declared)	2.97p	2.60p	n/a
- Special Dividend per ordinary share (paid)	-	7.10p	n/a
- Final Dividend per ordinary share (recommended)	4.42p	3.00p	n/a
Total dividend per ordinary share[3/4]	7.39p	12.70p	n/a

[1] EBITDA is profit before depreciation, amortisation, other net gains / (losses) and finance cost and income.
[2] Net cash excludes investments in convertible bonds (£4.7m) and lease liabilities (£13.3 million). See note 8 for details of net cash.
[3] Interim Dividend paid on 23 November 2023 (£11.2 million). Recommended Final Dividend will be paid on 10 May 2024, subject to approval at the AGM
[4] The total dividend per ordinary share of 12.70p in respect of FY 2022 included special dividends totalling 7.10p per share (£26.8 million).

HIGHLIGHTS

- A year of record financial performance.
- Next-generation photobooth rollout underway, modernising and digitalising photobooth estate
- Market leader in Japan, following photobooth acquisition
- Continued expansion of laundry operations
- Creation of further shareholder value through dividends and share buyback programme
- Return to the FTSE 250 Index on the London Stock Exchange

Serge Crasnianski, CEO & Deputy Chairman, commented:

"We are pleased to report a year of record financial performance during which we continued to make good strides in delivering on our long-term growth strategy. We have reported strong revenue and profit growth across all of our business areas and geographic regions, achieved despite the widely reported macroeconomic challenges. Our laundry operations, a key growth driver for the Group, performed particularly strongly and our expansion continued at pace. Demand for photobooth services remains robust and we continue to develop our relationships with governments and regulatory bodies for our digital and secure photo ID services.

"The modernisation and digitalisation of our business will drive operational efficiencies and improve the services and experience we offer. Our next-generation photobooth is being rolled out at pace, bringing a multi-service offering and seamless user experience, backed by proprietary software. This is just one of many initiatives we are driving forward, underpinned by our strategic focus on digital innovation. We are also working on a range of additional service features and functionalities that could attract more consumers to use our instant vending equipment.

"The Board looks ahead to the future with confidence and, notwithstanding changes in the macro environment, expects the Group to build on the success of FY 2023 and achieve continued revenue and earnings growth in FY 2024."

PUBLICATION OF ANNUAL REPORT AND ACCOUNTS

ME Group International plc will publish its annual report and accounts for the financial year ended 31 October 2023 (the "Annual Report") by 29 February 2024. The Annual Report shall be available on the Company's website at www.me-group.com.

The Annual Report will be posted to those shareholders who have not chosen to receive electronic communication or communication through the Company's website.

A copy of the Annual Report will also be submitted to the National Storage Mechanism and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism

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NOTES TO EDITORS

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

The Group operates vending units across 18 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

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 the Group. The Group pays the site owner a commission based on turnover, which varies depending on the country, location and the type of 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), transport hubs, and administration buildings (City Halls, Police etc.). Equipment is maintained and serviced by an established network of more than 650 field engineers.

In August 2022 the Company changed its listed entity name to ME Group International plc (previously Photo-Me International plc) to better reflect the Group's diversification focus and business strategy.

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

For further information: www.me-group.com

CHAIRMAN'S STATEMENT

2023 Overview

I am pleased to report that the Group delivered a record financial performance in FY 2023, with strong growth delivered against the prior year, particularly across the Group's core Photobooth and Laundry operations. This reflected the positive trading momentum achieved throughout the year with growth achieved across all of ME Group's key business areas and key territories, with activity supported by strong consumer demand for our automated services.

For the 12 months ended 31 October 2023, the Group delivered robust revenue growth of 14.6%, EBITDA growth of 15.6% and a 25.7% increase in profit before tax. In FY 2023, Group EBITDA also surpassed £100 million for the first time, reaching £106.6 million, with profit before tax increasing by £13.7 million to £67.1 million, reflecting the Group's focus on delivering growth profitably across its global vending estate.

Today, ME Group has a dominant market position in most of the markets in which it operates, with its long-term customer contracts supporting good predictability and visibility on its revenue streams. The Group's operations are highly cash-generative, with these cash flows used to fund growth through product innovation and expansion, and in turn driving value to our shareholders through growth and dividends.

Strategic progress

We have continued to make good progress against our growth strategy. Our technological innovation expertise is supporting the diversification of our product portfolio and the Group's digital transformation, as we modernise our vending estate and our organisation. This underpins our continued focus on expanding the number of units in operation and increasing the yield per unit, while reducing production and operational costs to the Group. This enables us to capitalise on the Group's operating leverage.

Our growth strategy is focused on five core pillars:

1. Expansion into new geographic territories
2. Entering new market segments
3. Ongoing new product and technology innovation
4. Continued expansion and diversification of services and revenue growth
5. Merger & Acquisition

Progress was achieved across these pillars, notably with the deployment of our next generation photobooth, integrated with our newly developed proprietary software. We also cemented our presence in the Japanese photobooth market, positioning the Group as market leader in the country, following our photobooth acquisition. Further details on our progress are set out in the Chief Executive's Report.

We continue to explore a plethora of potential opportunities that will help us to meet our growth ambitions and we remain confident in the Group's ability to achieve these and drive attractive levels of returns for our shareholders.

Entry into the FTSE 250 Index

In June, we were delighted to be informed that the Group had been included as a constituent of the FTSE 250 Index, following a review by global index provider FTSE Russell. Our return to the FTSE 250 marked an important corporate milestone demonstrating the journey that the Group has been on to expand and diversify its operations through technological innovation.

The Board & Executive Team

Post period-end, on 2 November 2023, we announced that Jean-Marc Janailhac who had been an Executive Director of the Company since July 2020, would be stepping down from his executive role and replaced by Christian Autié who was appointed COO. We are delighted however that Jean-Marc continues to sit on the Board this time in his original capacity as a Non-executive Director. I would like to take this opportunity to thank him for his valuable contribution to the Company as an Executive Director and I am pleased he will continue to work closely with me and the Board in his previous role.

The Board of Directors continues to believe that it has a strong team in place to continue supporting the leadership team in delivering on the Group's long-term growth strategy.

I would like to thank my Board colleagues, the executive team, and every employee across the Group for their continued dedication, commitment, and hard work.

Shareholder returns and dividend

Share buyback

As a Group, we are committed to creating shareholder value wherever we can and as a Board we look to explore opportunities that reward our shareholders. In August, we announced the launch of a Share Buyback Programme to run until the Company’s next Annual General Meeting. As at 31 October 2023 the Company held 1,260,534 shares, with an average value of 156p per share, at a cost of £1,969,000. It is the aim that the Buyback Programme will reduce the Company’s share capital and in turn drive an increase in the earnings per share and consequently the yield for all shareholders.

Dividends

Under the Company’s current distribution policy, it will look to pay annual dividends in excess of 55% 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 declared an interim dividend for the six months ended 30 April 2023 of 2.97 pence per Ordinary share (the “Interim Dividend”), which amounted to £11.2 million, paid to shareholders on 23 November 2023 to shareholders on the register on 3 November 2023.

The Board has recommended a final dividend for the year ended 31 October 2023 of 4.42 pence per Ordinary share ("Final Dividend") amounting to £16.6 million. Combined with the Interim Dividend, this brings the total dividend for the year ended 31 October 2023 to 7.39 pence per Ordinary share (£27.9 million).

Subject to approval at the Company's annual general meeting on 26 April 2024, the Final Dividend will be paid on 23 May 2024 to shareholders listed on the register at the close of business on 26 April 2024. The ex-dividend date will be 25 April 2024.

Sustainability

We remain committed to strengthening our sustainability 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 Sustainability approach and KPIs are available on the Group's website at me-group.com.

Looking ahead

Laundry is a key part of our growth strategy and we continue to invest to expand our portfolio and build on new and existing partnerships, to further extend our convenient laundry services in high footfall destinations. We are also improving the user experience, through the launch of our consumer App for our laundry services, which delivers better marketing insight. In the year ahead, we plan to install an average of 80-90 Revolution laundry machine per month, with a particular focus on expansion in France and the United Kingdom.

The photobooth market remains robust, and even though it is a mature market, turnover and the number of transactions has stayed stable from year-to-year. Within the Group, 70% of the photobooth market is based on the requirement for official photos (driving licences, passports, ID photos, etc.), unofficial photos (universities, schools, sports clubs etc.) and, to a lesser extent, fun products.

The Group does not foresee a drop in demand for official photos in the short- or medium-term. The Group is securing this market as much as possible by developing agreements with administrations and regulatory bodies (ANTS in France, HMPO in the UK and MY NUMBER in Japan) and by trying to replicate this same model in other countries and by extending it to all official needs (passports, identity cards and driving licences). The demand for official photos is helped by the continual introduction of new legislation (for example, the compulsory renewal of 'old pink driving licences' in France and the My Number campaign in Japan).

At the same time, the Group is working on a range of additional, more entertaining offers in photobooths that could attract other consumers.

The Group has proven to be resilient, despite the ongoing macroeconomic headwinds. It remains highly cash generative, and our financial position remains strong, driven by good trading momentum across the business. This supports the Board's confidence in the Company's ability to make further strategic progress in FY 2024 and beyond.

The Board expects the Group to achieve continued revenue and earnings growth in the financial year ahead, building on the success of FY 2023, subject to any major changes to the macroeconomic environment.

Sir John Lewis OBE
Non-executive Chairman

22 February 2024

CHIEF EXECUTIVE'S REPORT

BUSINESS REVIEW

We are pleased to report a record financial performance in FY 2023. Photo.ME and Wash.ME have continued to drive the overall Group performance as photo ID and laundry services remain in high demand across our key territories, and the Group continued to deliver against its long-term growth strategy.

Our continued focus on technological innovation and diversification, underpinned by our in-house R&D capabilities, enables us to meet the needs of end-users internationally. This, alongside the global footprint of our operations, well positions us on the international stage as a leading operator in instant service vending.

Financial performance

Total revenue increased by 14.6% to £297.7 million (2022: £259.8 million), with strong growth delivered in each of our geographic regions.

By geography, our largest region, Continental Europe, reported revenue growth of 15.4%, due to a continued strong performance in France. In the UK & Republic of Ireland, revenue was up 14.8%, and in Asia Pacific operating revenue was up 11.0%.

Each of our principal business areas delivered operating revenue growth year-on-year compared with the same period in FY 2022. Our laundry operations performed particularly strongly, up 32.0%, photobooth operations grew by 11.8%, digital printing by 5.6% and Other Vending Equipment and Feed.ME operating revenue was up 30.8% on FY 2022.

As a result of the above, EBITDA (excluding associates) was £106.6 million, an increase of 15.6%, which delivered an EBITDA margin of 35.8%. Reported profit before tax was up 25.7% to £67.1 million (2022: £53.4 million), with all regions reporting growth.

The Group's corporation tax charge for the year was £16.4 million, resulting in an effective tax rate of 24.4%. Tax charge for the prior year was £14.6 million, an effective tax rate of 27.4%.

Capital expenditure was £53.5 million, primarily related to laundry (£24.7 million), photobooths (£8.9 million), kiosks (£3.1 million), plant, machinery and vehicles (£6.3 million) and the acquisition of a photobooth business in Japan (£4.8 million).

The Group remains well capitalised and in a strong financial position, with net cash of approximately £33.9 million.

During the year ended 31 October 2023, the Group repurchased 1,260,534 of its ordinary shares and also paid dividends totalling £23.4 million (comprising the interim dividend for 2022 of £9.8 million, the final dividend for 2022 of £11.3 million and a special dividend for 2022 of £2.3 million). In November 2023, the Company paid its announced interim dividend for 2023, totalling £11.2 million.

Further details of the Group's performance by business area and geographic region are set out below.

Overview of principal business areas

Below is an overview of the Group's four principal business areas: photobooth (Photo.ME), digital printing (Print.ME), laundry (Wash.ME) and food (Feed.ME). In addition, the Group operates Other Vending Equipment.

Photo.ME – *Photobooths and secure integrated biometric photo ID solutions*

	12 months ended 31 October 2023	12 months ended 31 October 2022
Number of units in operation	**30,762**	27,625
Percentage of total group vending estate (number of units)	**64.7%**	62.9%
Revenue	**£172.5m**	£154.3m
Capex	**£8.9m**	£3.0m
EBITDA	**£61.8m**	£54.2m

Our photobooth operations, our largest business area by number of units, revenue and EBITDA contribution, continued to perform strongly throughout the financial year.

Revenue increased by 11.8% to £172.5 million (2022: £154.3 million). This performance was supported by continued demand of official photo ID, the continued expansion of the estate both organically and through acquisition, and annualised benefits of FY 2022 price increases implemented in certain locations, particularly France, Germany and Austria. The average revenue per machine (excluding VAT) increased to £5,908 per year (2022: £5,586 per year).

Subsequently, EBITDA was up 14.0% at £61.8 million and represented 58.0% of total Group EBITDA. EBITDA was 35.8% of photobooth revenue during the Period.

Capex increased from £3 million to £8.9 million, reflecting investment in the rollout of next generation photobooths, with 547 installed in France and Germany in FY 2023. While deployment of the machines was slower than initially expected, due to supplier delays, these short-term challenges have been resolved. At the year-end we were installing approximately 180 next-generation units per month. In addition, a programme to upgrade our existing photobooth estate with new proprietary software and functionalities is underway.

At 31 October 2023, the number of photobooths in operation was 30,762, an 11.4% increase on the prior year (2022: 27,625), reflecting the ongoing expansion programme as we continue to rollout units in existing and new territories. This represents 64.7% of the Group's total vending units.

Growth strategy and progress

We believe that there are a number of long-term growth drivers in place which underpin our continued expansion. Demand for photo ID for the use in official documentation, including driving licences and passports, Government requirements for digitalised photo ID and security to combat fraud, and consumers increasingly requesting multi-functional instant services are all factors underpinning the continued growth of Photo.ME. There continues to be a compelling case for the Group to grow its photobooth business and benefit from industry trends and widespread consumer demand.

Our next-generation photobooth was developed by the Group's in-house R&D team and offers range of new functionalities, focused around enhancing the user experience. These new features include 'Mobile to Print', user personalisation services using AI and photo filters. The Group expects other new functions will be added over time. The Group aims to install 3,000 next-generation machines in FY 2024, and approximately 8,000 next-generation photobooths by the end of FY 2025.

At the same time, the Group is modernising the hardware of its existing photobooth estate and intends to install its new proprietary software at a rate of around 200 machines per month. This proprietary software enables the Group's engineers to quickly and cost-effectively upgrade each machine, remotely rather than needing to physically visit the machines.

In October 2023, the Company's Japanese subsidiary, ME Group Japan K.K., acquired the automated-photobooth business owned and operated by two subsidiaries of FUJIFILM Corporation (formerly FUJIFILM Co., Ltd) in Japan for an initial consideration of £4.8 million (Japanese Yen 873 million), funded by a local loan facility. This added 3,548 traditional photobooths, located in high-footfall locations such as travel hubs and shopping centres throughout Japan, delivering official photo ID for consumers, including for the government's social security and taxation photo ID card scheme. The acquired photobooths were fully integrated into the Group's operations in Japan in October 2023 and will benefit from operational synergies under the Group's ownership. Further details of the Japan acquisition are detailed in the Review of Performance by Geography section.

Following the Group's entry into the Australian market through a small acquisition in 2021, the Group is trialling 11 photobooths in across Sydney and Melbourne, as part of our ongoing diversification strategy as we build our presence in both new and existing markets. Whilst this is at an early stage in terms of building out the market, the Group is exploring how best to drive forward expansion and remains excited by the prospects for the Australian market.

The Board continues to believe that there are longer-term opportunities in the photo ID market across both existing and new geographic markets.

Planned photobooth investment in FY 2024 is between £15 million and £20 million, with a target return on investment in approximately 18 months.

Wash.ME – *Unattended Revolution laundry services and laundrettes*

	12 months ended 31 October 2023	12 months ended 31 October 2022
Total Laundry units deployed (owned, sold and acquisitions)	**6,870**	5,924
Total revenue from Laundry operations	**£81.6m**	£61.8m
Total Laundry EBITDA	**£39.5m**	£29.1m
Revolution		
- Number of Revolutions in operation	**5,533**	4,754
- Percentage of total group vending estate (number of units)	**11.6%**	10.8%
- Total revenue from Revolutions	**£76.1m**	£56.7m
- Revolution capex	**£24.7m**	£20.2m

Total revenue from our laundry operations grew by 32.0% to £81.6 million as we continued to expand our estate of Revolution laundry units, generating a higher level of turnover from this business. At 31 October 2023, the total number of laundry units deployed (owned, sold) was up 16.0% to 6,870. Total laundry EBITDA increase by 35.7% to £39.5 million.

Growth of Revolution laundry operations

The total number of Revolution units in operation grew 16.4% to 5,533, as the Group continued to roll out new machines at a rate of 65 per month, with more than 780 machines installed during the year. Revolution laundry machines accounted for 11.6% of the Group's total estate by number of machines (2022: 10.8%).

Revenue increased by 34.2% to £76.1 million, which represented 25.6% of Group revenue, driven by a combination of higher demand and more machines in operation. The average revenue per machine (excluding VAT) was £14,793 per year (2022: £12,816 per year).

EBITDA was £39.5 million and contributed 37.1% of Group EBITDA. EBITDA from Revolution was 48.4% of revenue.

Wash.ME remains our fastest growing and highest margin business area and we continued to invest to deliver our expansion plans. As a result, Revolution capex increased to £24.7 million (2022: £20.2 million) reflecting the continued rollout of units across our core territories. Furthermore, the Group has entered a period of machine refurbishment and maintenance, the first since laundry operations were launched in 2012.

Growth strategy and progress

A key part of our growth strategy for the laundry business is expanding operations through new and existing partners in target territories, as a means of meeting consumer demand by offering convenient, competitively priced and high-capacity laundry services. We announced a new strategic partnership with leading supermarket chain Co-op, in the UK, to position Revolution units at sites in selected parts of the country. The partnership will allow us to position laundry services at an increasing number of high footfall locations across the UK, offering convenient laundry services to consumers at those sites. We see this as a mutually beneficial relationship where we build a destination for consumers looking for high-capacity laundry facilities while shopping.

As well as entering new market segments through strategic partnerships, the Group continues to deliver innovative solutions to drive forward the service offering available under Wash.ME. Alternative machine formats continue to prove popular with different types of users. We see good potential for our ‘Flex’ units, a compact format that can fit into smaller spaces, and believe there to be a long-term opportunity to address the domestic market and at-home laundry needs. Whilst this is at an early stage, we will continue to monitor the opportunity and update in due course.

In June, the Group began rolling out a new consumer App aimed at laundry services as a means of improving the user experience as well as providing better marketing insights on the Group’s end-consumers. It remains a focus for us to improve the App and work towards rolling this out more widely across our operations.

The Group plans to install an average of 80-90 laundry machines per month in FY 2024. In addition, photovoltaic solar panels on being installed on Revolution laundry machines rollout across key territories, including France and the United Kingdom.

Planned laundry investment in FY 2024 will be £22.0 million to £30.0 million, with a with a target return on investment in approximately 18 months.

Print.ME – *High-quality digital printing services*

	12 months ended 31 October 2023	12 months ended 31 October 2022
Number of units in operation	**4,734**	4,785
Percentage of total group vending estate (number of units)	**10.0%**	10.9%
Revenue	**£11.3m**	£10.7m
Capex	**£3.1m**	£1.3m
EBITDA	**£4.2m**	£3.6m

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

At 31 October 2023 the Group had 4,734 kiosks in operation, a reduction of 1.1% compared with the prior year. These accounted for 10.0% of the total number of vending units in operation.

Revenue increased to £11.3 million from £10.7 million in the prior year, reflecting increased demand from new digital kiosks, replacing 413 old machines. Revenue represented 4.1% of Group revenue.

The average revenue per machine (excluding VAT) was £2,374 per year (2022: £2,279).

EBITDA was £4.2 million which represented 3.9% of Group EBITDA. EBITDA was 37.2% of Print.ME revenue in the period.

Capex was £3.1 million, a significant increase on the prior year reflecting an investment programme to replace some existing machines, and deployment of 500 new kiosks.

Growth strategy and progress

In recent years, we have focused more investment towards the Print.ME business as demand for high-quality digital printing services remains robust. This, paired with the increasing use of smartphones and demand for social media sharing, presents a long-term opportunity for our digital printing services. The Group is forecasting c.£3.0 million of capex in FY 2024. As part of the growth strategy for this business area, the Group continues to explore opportunities to extend the services offered through its wider vending estate including digital printing services. Our next-generation photobooths, currently being deployed, offers this functionality as part of the multi-service offering.

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

Feed.ME activities are focused on two areas, self-service fresh fruit juice equipment market and pizza vending machines aimed at the B2B retail and hospitality markets. The Group currently has operations in Belgium, France, Japan and Switzerland.

The Feed.ME business model is primarily based on the sale of vending equipment. Customers frequently, but under no obligation, sell the vending equipment back to the Group at a later date. The equipment is then refurbished and re-sold, generating repeat revenue for the Group.

The Group also sells maintenance agreements, under which it services vending equipment for an agreed period of time.

Technical adjustments to our pizza vending machine led the Group to move manufacture of this machine in-house during the commercialisation phase. This enabled us to increase production to 30 machines per month and ensures that our R&D team are on hand to support and have oversight of quality control and cost efficiencies.

On a smaller scale, the Group operates fruit juice machines in Japan. During the year we reinstated our B2B vending operations aimed at end markets such as the hospitality sector. At 31 October 2023, the Group had 441 freshly squeezed-orange-juice vending machines in operation, which includes fulfilment of the oranges for the machines.

Revenue from the sale of equipment, consumables and services was £8.9 million. Combined with other revenue (£4.6 million), the total revenue of Feed.ME was £13.5 million (2022: £12.5 million). This business area contributed 4.5% of total Group revenue.

A review following the technical issues experienced with the pizza machines, which have slowed progress in this business area, has resulted in an impairment of goodwill and intangibles of £2.6 million related to the acquisition of the pizza vending machine manufacturer (Resto'Clock) in 2021. The group will continue to sell pizza vending equipment, with the target of relaunching this division and improving profitability.

EBITDA was £3.8 million and contributed 3.6 % of Group EBITDA.

Growth strategy and progress

The food service sector remains an attractive proposition for the Group. We remain focused on growing our fruit juice vending machine operations in Japan and we plan to increase the production of our pizza vending machines, with the aim of selling more than 15 per month.

The Group's aim is to become the food vending equipment market leader in Europe.

Other vending equipment

At 31 October 2023, the Group operated 6,055 (2022: 6,483) other vending units in addition to its four principal business areas. These included 2,356 children's rides (Amuse.ME), 3,374 photocopiers (Copy.ME) and 325 other miscellaneous machines.

These machines are typically located in high-footfall locations alongside the Group's principal activities, thereby benefiting from existing site owner relationships and operating synergies. Amuse.ME units are mostly situated in the United Kingdom and the Netherlands. Copy.ME units are mostly situated in France. The Group will continue to operate other vending units where profitable.

Other vending equipment accounted for 13.6% of the Group's total vending estate by number of units, down 1.7% compared with the previous year and represented 4.0% of the total Group revenue.

Growth Strategy In Action

Our growth strategy is centred on five key pillars to support the development of the Group's principal business areas: photobooths, laundry services, digital printing and food vending equipment.

We are pleased to have made solid progress against our five-year plan to 2027, driving forward a number of initiatives as part of this mid-term roadmap.

Below we are pleased to outline progress in FY 2023 on delivery of our growth strategy against each of the five key pillars aimed at supporting the development of the Group's principal business areas.

1. *Expansion into new geographic territories*

Continue to build the Group's international presence in recently entered markets of Italy, Finland and Australia.

Progress in FY 2023

The Group has continued to drive expansion of operations in new geographic territories. In Australia, we have around 11 photobooths installed across Sydney and Melbourne, our pilot cities. Whilst expansion in Australia remains at an early test phase, we continue to look at how we can best grow our operations and believe there is a significant opportunity in the region.

2. *Entering new market segments*

Through securing new partnerships with businesses such as supermarkets and smaller retailers.

Progress in FY 2023

Our partners and site owners remain a valuable route for us to grow our business by entering new market segments. We launched new partnerships with Co-op and Morrisons, two major supermarket chains in the UK, enabling us to offer conveniently accessible laundry services to consumers at those sites.

3. *Ongoing new product and technology innovation*

To meet the vending needs of consumers through state-of-the-art user experience, backed by the best technology, and an omnichannel approach.
Progress in FY 2023

The Group is well underway with the deployment of modernisation software across its photobooth estate. This new proprietary software provides us with the ability to deploy new functionality and services, as well as update interfaces, remotely. Further details are disclosed further down in this report.

4. *Continued expansion and diversification of services*

Revenue growth through a multi-service instant-service offering and integration of centralised operating systems.

Progress in FY 2023

The Group has rolled out a number of next generation photobooths, predominantly across France, as part of our strategy to introduce a multi-service offering across its operations. Machines are being installed at a rate of around 180 per month with ambitions to increase to 250 new installations per month during 2024.

5. *Merger and acquisition strategy*

Focused on enabling our growth strategy through bolt-on acquisitions, which meet the Group's return-on-investment criteria, to extend our geographic footprint, consolidate our market position and increase the breadth of our services available through our machine network.

Progress in FY 2023

In October our Japanese subsidiary, ME Group Japan K.K., completed the acquisition of the automated-photobooth business from FUJIFILM Corporation. The acquired photobooths have been fully integrated into the Group's operations, benefitting from wider operational synergies, and consequently the Group is positioned as a market leader for photobooths across Japan.

Innovation and Diversification

Continuous technological innovation and diversification of operations are central to the Group's growth strategy, driven by our dedicated 50-strong R&D team, most of whom work at our primary R&D facility in France.

We are continually looking at ways to create or evolve service offerings through our vending estate that meet the changing needs of consumers both across our existing and new markets. Our in-house team develops and tests new technologies, products, and functionality before these enter the commercialisation phase and are deployed within our vending estate.

In recent years, innovation has been primarily focused on key initiatives to digitally transform the Group, improve operational efficiencies and enhance the end-user experience.

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

- Design of new, intuitive, and modern user interfaces across product categories
- Integration of digital payment systems
- Up-to-date functionalities, through an aggregate of the best of external technology providers

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

- Use of a powerful CRM which offers a customised experience to end users
- Launch of applications that connect to our machines to offer mobile-to-machine features

- Remote management of our self-service vending equipment through a cloud-based infrastructure
- Multi-service functionality for the next-generation machines. Centralised operating system offering operational efficiencies and a seamless, connected user experience for the consumer

This digital transformation through the modernisation and modularisation of our vending estate will enable the Group to be more agile and operationally efficient. It will support the swift deployment of software upgrades and new services across our machine estate, whilst also enabling us to enhance consumer engagement through targeted marketing campaigns.

Innovation in action

New proprietary software

Our new proprietary software developed by the in-house R&D team is at the centre of the Group's digital transformation, which is initially being rolled out for photobooths. This software is fitted as standard on all next-generation photobooths being installed and, over the coming years, the Group aims to retrofit this software across its existing photobooth estate.

At the touch of a button, the Group will be able to remotely run a software upgrade for each photobooth, giving it the ability to deploy new functionality and services quickly and cost-effectively.. It will allow the Group to remotely update the consumer interface and enhance the end-user experience.

Previously, software updates were implemented manually by an engineer on site.

Enhanced user experience

Our next-generation photobooth offers a redesigned user experience (UI and UX) to support greater digital functionality. This includes visual enhancements to the user interface as well as a more efficient consumer interaction, such as a reduction in the number of clicks required during user interaction. Additionally, users will be able to provide feedback on their experience via a QR code on each machine.

Ongoing digitalisation driving operational efficiencies

We are currently working to develop several new initiatives to centralise back-office processes aimed at driving operational efficiencies. These include:

- A new application for field engineers offering centralised route planning
- Real-time telematics to monitor the operational performance of each machine and reduce downtime
- A new CRM tools to support the Group's sales team function, due to go live by the end of 2024
- Applications to enhance engagement with end user and support marketing campaigns, with new store locator launched in June 2024
- Launch of end-user App in the first half of 2024

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. Some commentary below relates to the performance of specific products in the relevant geographies.

Vending units in operations

	At October 2023		At October 2022	
	Number of units	**% of total estate**	Number of units	% of total estate
Continental Europe	**26,232**	**55.1%**	25,331	57.7%
UK & Republic of Ireland	**6,297**	**13.2%**	6,858	15.6%
Asia Pacific	**15,037**	**31.6%**	11,721	26.7%
Total	**47,566**	**100%**	43,910	100%

The total number of vending units in operation at 31 October 2023 increased by 8.3% to 47,566 (2022: 43,910), mainly due to the acquisition of a photobooth business in Japan, which was completed in September 2023.

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

	12 months ended 31 October 2023	12 months ended 31 October 2022
Continental Europe	**£205.2m**	£177.8m
UK & Republic of Ireland	**£48.2m**	£42.0m
Asia Pacific	**£44.3m**	£39.9m
Total	**£297.7m**	£259.7m

Operating profit by geographic region

	12 months ended 31 October 2023	12 months ended 31 October 2022
Continental Europe	**£62.6m**	£51.3m
UK & Republic of Ireland	**£12.4m**	£11.6m
Asia Pacific	**£4.3m**	£2.0m
Corporate costs	**£(11.8)m**	£(8.1)m
Total	**£67.5m**	£56.8m

Total revenue increased by 14.6% to £297.7 million, reflecting the strong year-on-year performance in all three geographic areas from higher consumer demand for the Group's instant-service machines and, to a lesser extent, the year-on-year benefit of end consumer pricing rises implemented during 2022.

Continental Europe

Continental Europe is the Group's largest region by both number of machines and contribution to Group revenue.

Revenue increased 15.4% to £205.2 million (2022: £177.8 million), reflecting a strong performance and revenue growth across all business areas, notably laundry and photobooth operations.

Total operating revenue increased by 18.7% year-on-year, primarily driven by Wash.ME, which grew by 28.2% and Photo.ME, which grew by 16.1%. Wash.ME delivered consistent quarter-on-quarter growth reflecting continued expansion of operations, with a further 779 laundry units deployed, of which 491 were installed in France. Photobooth operations benefited from higher consumer demand and the rollout of 547 next-generation photobooths, alongside consumer price increases implemented across France (from €6 to €8) and Germany (€8 to €10) during FY 2022. The Group's other business areas saw strongest year-on-year revenue growth in Q1 2023 and Q2 2023, which reflects the recovery of operations in FY 2023 compared with FY 2022 which was still impacted by the pandemic.

Operating profit grew significantly to £62.6 million, an increase of 22.0%.

At 31 October 2023, 26,232 units were in operation in Continental Europe which represented 55.1% of the Group's total estate. Continental Europe contributed 68.9% of total Group revenue.

UK & Republic of Ireland

Revenue grew by 14.8% to £48.2 million, reflecting further expansion in the number of laundry units and demand for laundry services, with Wash.ME operating revenue up 45.7%. Photo.ME operating revenue was up 2.2%, and Other Vending and Feed.ME operations were up 5.8%.

In the UK and Republic of Ireland, the Group has strategic relationships in retail sectors, leading shopping centres, supermarkets and forecourts. We have over 3,000 photobooths and 1,300 laundry units sited across this region with key partners including Tesco, Morrisions, Co-op, Musgraves, BWG, Circle K and Applegreen. The Group remains focused on growing its vending estate within these key accounts, which will provide it with the opportunity to continue building market share in the UK & Republic of Ireland.

Operating profit grew by 6.9% to £12.4 million (2022: £11.6 million).

As at 31 October 2023, there were 6,297 units in operation in the UK & Republic of Ireland, a decrease of 8.2%, due to the loss of two key accounts in 2023. This segment represented 13.2% of the Group's total vending estate.

Asia Pacific

Revenue increased by 11.0% to £44.3 million, driven by a 5.4% increase in photobooth operating revenue, and a 53.5% in revenue from Other Vending and Feed.ME operations which mainly related to the successful expansion of freshly squeezed orange juice vending operations in Japan. Asia Pacific continues to be the only market in which the Group operates fresh fruit juice vending machines, with 441 orange juice machines installed by 31 October 2023.

Operating profit in the region more than doubled to £4.3 million (2022: £2.0 million).

As set out above, the Group acquired 3,548 photobooths in Japan at the end of the financial year for £4.8 million. As a consequence, the Group became the market-leading photobooth operator in the Japanese market. To date, this acquisition has performed in line with expectations and is expected to increase Asia Pacific revenue by 20% to 30% and to add approximately £2.2 million in profit in FY 2024.
As at 31 October 2023, there were 15,037 units in operation in Asia Pacific, which represented 31.6% of the Group's total vending estate. The region contributed 14.9% of total Group revenue.

Serge Crasnianski
Chief Executive Officer & Deputy Chairman

22 February 2024

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 ended 31 October 2023	12 months ended 31 October 2022
Total Group revenue at actual rate of exchange		**£297.7m**	£259.8m
Group Profit before tax		**£67.1m**	£53.4m
Increase in number of photobooths		**3,137**	(242)
Increase in number of Laundry units (operated)	The increase in number of Revolutions is a constant priority and a main driver for growth	**779**	660

PRINCIPAL RISKS

As with 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
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 and other conflict areas.
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. Current and imminent global events (including upcoming elections in both the UK the US) could well cause currency volatility.	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.

Regulatory

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. Furthermore, the Group also ensures that its ID products remain affordable and of a high-quality.

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. Failure in this regard could lead to a lack of competitiveness.	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. 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'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. 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.
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 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 are of critical importance and that any major failure could affect consumer confidence and the Group's competitiveness.	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 critical. Failure to exceed or keep in step could result in a lack of ability to compete.	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 rising threat of cybercrime could lead to business disruption as well as to data breaches.	The Group undertakes an ongoing assessment of the risks and ensures that the infrastructure meets the security requirements.

Environmental

Nature of risk	Description and impact	Mitigation
Increased potential legislation and the rising cost of waste disposal. Energy consumption, water scarcity, and rising car fuel prices (for employees, suppliers, transportation and final consumers) and raising awareness of the climate crisis amongst consumers	The rising costs associated with compliance with such increased demands could impact on overall profitability.	Reducing the amount of waste produced; and the recovery, refurbishment and resale of electrical equipment such as children's rides which promote the principle embodied in recent legislation of reuse before recycling.

GROUP FINANCIAL STATEMENTS

Group Statement of Comprehensive Income
For the 12 months ending 31 October 2023

	Notes	**12 months ended 31 October 2023 £ '000**	12 months ended 31 October 2022 £ '000
Revenue	3	**297,662**	259,780
Cost of Sales		**(195,017)**	(178,377)
Gross Profit		**102,645**	81,403
Other Operating Income		**194**	7,916
Administrative Expenses		**(35,351)**	(32,638)
Share of Post-Tax Profits from Associates		**14**	-
Operating Profit		**67,502**	56,681
Other net gains / (losses)		**701**	(1,176)
Finance Income		**1,401**	-
Finance Cost		**(2,537)**	(2,151)
Profit before Tax		**67,067**	53,354
Total Tax Charge	4	(16,401)	(14,561)
Profit for the year		**50,666**	38,793
Other Comprehensive Income			
Items that are or may subsequently be classified to Profit and Loss:			
Exchange Differences Arising on Translation of Foreign Operations		**454**	829
Total Items that are or may subsequently be classified to profit and loss		**454**	829
Items that will not be classified to profit and loss:			
Remeasurement (losses) / gains in defined benefit obligations and other post-employment benefit obligations		**(220)**	1,151
Deferred tax on remeasurement losses / (gains)		**48**	(248)
Total Items that will not be classified to Profit and Loss		**(172)**	903
Other comprehensive income for the year net of tax		**282**	1,732
Total Comprehensive income for the ear		**50,948**	40,525
Profit for the Year Attributable to:			
Owners of the Parent		**50,666**	38,793
Non-controlling interests		**-**	-
		50,666	38,793
Total comprehensive income attributable to:			
Owners of the Parent		**50,948**	40,525
Non-controlling interests		**-**	-
		50,948	40,525
Earnings per Share			
Basic Earnings per Share	6	**13.40p**	10.26p
Diluted Earnings per Share	6	**13.31p**	10.23p

All results derive from continuing operations.

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

Group Statement of Financial Position
As at 31 October 2023

	Notes	31 October 2023 £'000	31 October 2022 (restated) £'000
Assets			
Goodwill	7	**18,888**	16,320
Other intangible assets	7	**13,054**	16,435
Property, plant & equipment	7	**118,124**	101,090
Investment property	7	**-**	592
Investment in associates		**35**	21
Financial instruments held at FVTPL		**5,886**	5,239
Other receivables		**3,005**	1,973
Non-Current Assets		**158,992**	141,670
Inventories		**32,501**	25,491
Trade and other receivables		**21,391**	20,050
Current tax		**7,962**	2,990
Cash and cash equivalents	8	**111,091**	136,185
Current assets		**172,945**	184,716
Non-Current Assets Classified as Held for Sale		**585**	-
Total assets		**332,522**	326,386
Equity			
Share capital		**1,891**	1,889
Share premium		**11,083**	10,627
Treasury shares		**(1,969)**	-
Translation and other reserves		**11,958**	11,159
Retained earnings		**136,025**	108,974
Total Shareholders' funds		**158,988**	132,649
Liabilities			
Financial liabilities	8	**58,447**	82,429
Post-employment benefit obligations		**4,063**	3,850
Deferred tax liabilities		**8,566**	7,778
Non-current liabilities		**71,076**	94,057
Financial liabilities	8	**32,063**	35,657
Provisions		**1,884**	1,567
Current tax		**10,590**	10,208
Trade and other payables		**57,921**	52,248
Current liabilities		**102,458**	99,680
Total equity and liabilities		**332,522**	326,386

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

Group Statement of Cash Flows
For the 12 months ending 31 October 2023

	12 months ended 31 October 2023 £'000	12 months ended 31 October 2022 £'000
Cash flow from operating activities		
Profit before tax	**67,067**	53,354
Finance costs	**1,286**	794
Interest of lease liabilities	**1,251**	1,357
Finance income	**(1,401)**	-
Other net (gains) / losses	**(701)**	1,176
Operating profit	**67,502**	56,681
Amortisation and impairment of intangible assets	**6,586**	6,772
Depreciation and impairments of property,plant and equipment	**32,552**	28,791
Loss / (gain) on sale of property, plant and equipment and intangible assets	**555**	(7,490)
Exchange differences	**(129)**	(594)
Movements in provisions	**362**	(809)
Other non cash items	**(33)**	(432)
Changes in working capital:	**-**	-
Inventories	**(7,010)**	(7,033)
Trade and other receivables	**(2,372)**	2,295
Trade and other payables	**5,673**	9,764
Cash generated from operations	**103,686**	87,945
Net interest paid	**(1,136)**	(2,151)
Taxation paid	**(20,203)**	(10,895)
Net cash generated from operating activities	**82,347**	74,899
Cash flows from investing activities		-
Acquisition of subsidiaries	**(4,790)**	(739)
Proceeds from disposal of subsidiaries	**209**	152
Purchase of intangible assets	**(2,813)**	(2,486)
Proceeds from sale of intangible assets	**-**	71
Purchase of property, plant and equipment	**(45,842)**	(32,670)
Proceeds from sale of property, plant and equipment	**1,539**	8,997
Investment in financial instruments	**-**	(4,450)
Net cash utilised in investing activities	**(51,697)**	(31,125)
Cash flows from financing activities		
Issue of ordinary shares to equity shareholders	**458**	28
Acquisition of minority interest	**-**	(2,985)
Purchase of treasury shares	**(1,969)**	-
Repayment of principal of leases	**(5,857)**	(6,196)
Repayment of borrowings	**(30,960)**	(24,622)
New borrowings drawn	**4,817**	61,773
Dividends paid to owners of the Parent	**(23,443)**	(35,497)
Net cash utilised in financing activities	**(56,954)**	(7,499)
Net (decrease) / increase in cash and cash equivalents	**(26,304)**	36,275
Cash and cash equivalents at beginning of year	**136,185**	99,362
Exchange gain on cash and cash equivalents	**1,210**	548
Cash and cash equivalents at end of year	**111,091**	136,185

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

Group Statement of Changes in Equity
For the 12 months ending 31 October 2023

	Share capital £'000	Share premium £'000	Treasury shares £'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 November 2021	1,889	10,599	-	1,781	7,654	106,051	127,974	1,720	129,694
Profit for the period	-	-	-	-	-	38,793	38,793	-	38,793
Other comprehensive income / (expense):									
Exchange differences	-	-	-	-	840	-	840	(11)	829
Remeasurement gains in defined benefit pension scheme and other post-employment benefit obligations	-	-	-	-	-	1,151	1,151	-	1,151
Deferred tax on remeasurement gains	-	-	-	-	-	(248)	(248)	-	(248)
Total other comprehensive income / (expense)	-	-	-	-	840	903	1,743	(11)	1,732
Total comprehensive income / (expense)	-	-	-	-	840	39,696	40,536	(11)	40,525
Transactions with owners of the Parent:									
Shares issued in the period	-	28	-	-	-	-	28	-	28
Share options	-	-	-	884	-	-	884	-	884
Dividends	-	-	-	-	-	(35,497)	(35,497)	-	(35,497)
Acquisition of minority	-	-	-	-	-	(1,276)	(1,276)	(1,709)	(2,985)
Total transactions with owners of the Parent	-	28	-	884	-	(36,773)	(35,861)	(1,709)	(37,570)
At 31 October 2022	**1,889**	**10,627**	**-**	**2,665**	**8,494**	**108,974**	**132,649**	**-**	**132,649**
At 1 November 2022	**1,889**	**10,627**	**-**	**2,665**	**8,494**	**108,974**	**132,649**	**-**	**132,649**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**50,666**	**50,666**	**-**	**50,666**
Other comprehensive income / (expense):									
Exchange differences	**-**	**-**	**-**	**-**	**454**	**-**	**454**	**-**	**454**
Remeasurement losses in defined benefit pension scheme and other post-employment benefit obligations	**-**	**-**	**-**	**-**	**-**	**(220)**	**(220)**	**-**	**(220)**
Deferred tax on remeasurement losses	**-**	**-**	**-**	**-**	**-**	**48**	**48**	**-**	**48**
Total other comprehensive income / (expense)	**-**	**-**	**-**	**-**	**454**	**(172)**	**282**	**-**	**282**
Total comprehensive income	**-**	**-**	**-**	**-**	**454**	**50,494**	**50,948**	**-**	**50,948**
Transactions with owners of the Parent:									
Shares issued in the period	**2**	**456**	**-**	**-**	**-**	**-**	**458**	**-**	**458**
Purchase of treasury shares	**-**	**-**	**(1,969)**	**-**	**-**	**-**	**(1,969)**	**-**	**(1,969)**
Share options	**-**	**-**	**-**	**345**	**-**	**-**	**345**	**-**	**345**
Dividends	**-**	**-**	**-**	**-**	**-**	**(23,443)**	**(23,443)**	**-**	**(23,443)**
Total transactions with owners of the Parent	**2**	**456**	**(1,969)**	**345**	**-**	**(23,443)**	**(24,609)**	**-**	**(24,609)**
At 31 October 2023	**1,891**	**11,083**	**(1,969)**	**3,010**	**8,948**	**136,025**	**158,988**	**-**	**158,988**

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

NOTES

1. General information

Me Group International plc (the “Company”) is a public limited company incorporated and registered in England and Wales and whose shares are quoted on the London Stock Exchange, under the symbol MEGP. The registered number of the Company is 735438 and its registered office is at Unit 3B, Blenheim Rd, Epsom, KT19 9AP.

The principal activities of the Group continue to be the operation, sale, and servicing of a wide range of instant-service equipment. The Group operates coin-operated automatic photobooths for identification and fun purposes, and a diverse range of vending equipment, including digital photo kiosks, laundry machines, and business service equipment, and amusement machines.

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 years ended 31 October 2023 or 31 October 2022. The financial information for 2022 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) Companies Act 2006.

The audit of the statutory accounts for the year ended 31 October 2023 is substantially complete, with only a number of minor procedural matters outstanding. These accounts will be finalised on the basis of the financial information presented by the directors in this results announcement and will be delivered to the Registrar of Companies following the Company's annual general meeting.

2. Basis of preparation and accounting policies

This preliminary announcement has been prepared in accordance with UK-adopted international accounting standards (“IFRS”) and in conformity with the requirements of the Companies Act 2006.

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).

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 reports its segments on a geographical basis: Asia Pacific, Continental Europe and United Kingdom & Ireland. The Group’s Continental 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.
Segmental results are reported before intra-group transfer pricing charges.

31 October 2023	Asia Pacific £'000	Continental Europe £'000	United Kingdom & Ireland £'000	Corporate £'000	Total £'000
Total revenue	44,332	211,432	48,183	-	303,947
Inter segment sales	-	(6,275)	(10)	-	(6,285)
Revenue from external customers	**44,332**	**205,157**	**48,173**	**-**	**297,662**
EBITDA	**9,475**	**90,109**	**18,545**	**(11,490)**	**106,639**
Depreciation and amortisation	**(5,126)**	**(26,079)**	**(6,785)**	**(355)**	**(38,345)**
(Impairment) / reversal of impairment	**(37)**	**(1,395)**	**639**	**-**	**(793)**
Operating profit / (loss)	**4,312**	**62,635**	**12,399**	**(11,844)**	**67,502**
Operating profit					67,502
Other net gains					701
Finance income					1,401
Finance costs					(2,537)
Profit before tax					67,067
Tax					(16,401)
Profit for the period					50,666
Capital expenditure (excluding Right of Use assets)	8,846	36,509	7,380	733	53,468
Non-current assets	28,134	103,226	26,508	1,124	158,992

31 October 2022	Asia Pacific £'000	Continental Europe £'000	United Kingdom & Ireland £'000	Corporate £'000	Total £'000
Total revenue	39,945	187,897	41,996	-	269,838
Inter segment sales	-	(10,058)	-	-	(10,058)
Revenue from external customers	39,945	177,839	41,996	-	259,780
EBITDA	9,094	75,497	15,388	(7,738)	92,241
Depreciation and amortisation	(5,421)	(26,153)	(6,954)	(322)	(38,850)
(Impairment) / reversal of impairment	(1,715)	1,919	3,086	-	3,290
Operating profit / (loss)	1,958	51,263	11,520	(8,060)	56,681
Operating profit					56,681
Other net losses					(1,176)
Finance income					-
Finance costs					(2,151)
Profit before tax					53,354
Tax					(14,561)
Profit for the period					38,793
Capital expenditure (excluding Right of Use assets)	4,218	20,056	9,522	1,359	35,156
Non-current assets (restated)	24,870	90,959	25,045	796	141,670

Total revenue from external customers is analysed below:

	31 October 2023 £'000	31 October 2022 £'000
Total revenue from external customers		
Sales of equipment, spare parts & consumables	**18,724**	20,459
Sales of services	**3,615**	3,895
	22,339	24,355
Vending revenue	**275,323**	235,425
Total revenue	**297,662**	259,780

There were no key customers in the period ended 31 October 2023 (2022: none).

4. Taxation expenses

Tax charges/(credits) in the statement of comprehensive income

	31 October 2023 £'000	31 October 2022 £'000
Taxation		
Current taxation		
UK Corporation tax		
– current period	**9,833**	6,104
– prior periods	**(1,068)**	2,253
	8,765	8,357
Overseas taxation		
– current period	**6,916**	7,200
– prior periods	**(212)**	90
	6,704	7,290
Total current taxation	**15,469**	15,647
Deferred taxation		
Origination and reversal of temporary differences		
– current period – UK	**677**	(150)
– current period – overseas	**(663)**	(961)
Adjustments in respect of prior periods - UK	**843**	27
Adjustments in respect of prior periods - Overseas	**-**	45
Impact of change in rate	**75**	(47)
Total deferred tax	**932**	(1,086)
Tax charge in the income statement	**16,401**	14,561
Tax relating to items (credited)/charged to other components of		
Corporation tax	**-**	-
Deferred tax	**(48)**	248
Tax charge in other comprehensive income	**(48)**	**248**
Total tax charge in the statement of comprehensive income	**16,353**	**14,809**

The Group tax charge of £16.4m (2022: £14.6m) corresponds to an effective tax rate of 24.5% (2022: 27.4%).

The UK main rate of corporation tax increased from 19% to 25% on 1 April 2023.
The Group undertakes business in multiple tax jurisdictions.

5. Dividends paid and proposed

	31 October 2023		31 October 2022	
	pence per share	£'000	pence per share	£'000
Dividends Paid				
Special dividend				
Approved by the Board on 18 July 2022	**-**	**-**	6.50	24,572
Final				
2021 approved at AGM held on 29 April 2022	**-**	**-**	2.89	10,925
Interim Dividend				
2022 approved by the board on 18 July 2022	**2.60**	**9,829**	-	-
Final				
2022 approved at AGM held on 28 April 2023	**3.00**	**11,345**	-	-
Special dividend				
2022 approved by the board on 20 April 2023	**0.60**	**2,269**	-	-
	6.20	**23,443**	9.39	35,497
Dividends Proposed				
Interim Dividend				
2022 approved by the board on 18 July 2022	**-**	**-**	2.60	9,829
Interim Dividend				
2023 approved by the board on 11 July 2023	**2.97**	**11,240**	-	-
	2.97	**11,240**	2.60	9,829

Period ended 31 October 2023 – Dividends paid in the period
The Board approved an interim dividend of 2.60p per ordinary share for the six month period ended 30 April 2022, at its 18 July 2022 meeting. The interim dividend was paid on 3 November 2022.

The Board proposed a final dividend of 3.00p per ordinary share in respect of the year ended 31 October 2022, which was approved by shareholders at the Annual General Meeting held on 28 April 2023 and paid on 12 May 2023.

The Board also approved, at its 20 April 2023 meeting, a special dividend of 0.60p per ordinary share, which was paid on 19 May 2023.

Period ended 31 October 2023 – Proposed dividends not paid in the period
The Board approved an interim dividend of 2.97p per ordinary share for the six month period ended 30 April 2023, at its 11 July 2023 meeting. The interim dividend was paid on 23 November 2023.

Period ended 31 October 2022 – Dividends paid in the period
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.

The Board also approved, at its 18 July meeting, a special dividend of 6.50p per ordinary share, which was paid on 1 September 2022.

Period ended 31 October 2022 – Proposed dividends not paid in the period
The Board approved an interim dividend of 2.60p per ordinary share for the six month period ended 30 April 2022, at its 18 July 2022 meeting. The interim dividend was paid on 3 November 2022.

6. Earnings per share

Basic earnings per share amounts are calculated by dividing net earnings attributable to shareholders of the Parent of £50,666,000 (2022: £38,793,000) 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:

	31 October 2023			31 October 2022		
	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	**50,666**	**378,110**	**13.40**	38,793	378,052	10.26
Effect of dilutive share options	**-**	**2,490**	**(0.09)**	-	1,048	(0.03)
Diluted earnings per share	**50,666**	**380,600**	**13.31**	38,793	379,100	10.23

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.

7. Non-current assets: Goodwill, other intangibles, property, plant and equipment and investment property

	Goodwill	Other Intangible assets	Property, plant & Equipment	Investment property
	£'000	£'000	£'000	£'000
Net book value at 31 October 2021	**15,305**	**19,988**	**91,973**	**597**
Exchange adjustment	159	(110)	1,092	10
Additions - photobooths & vending machines	-	-	27,205	-
Additions - other assets	-	2,486	5,465	-
Additions - right of use assets	-	-	7,298	-
Additions - new subsidaries	1,652	98	11	-
Amortisation / Depreciation	-	(6,618)	(32,219)	(15)
(Impairment) / Reversal of impairment	-	(153)	3,443	-
Disposals at net book value	-	(71)	(3,178)	-
Net book value at 31 October 2022	**17,116**	**15,620**	**101,090**	**592**
Purchase price allocation adjustment	(796)	814	-	-
Net book value at 1 November 2022	**16,320**	**16,434**	**101,090**	**592**
Exchange adjustment	1	(175)	628	9
Additions - photobooths & vending machines	-	-	39,122	-
Additions - other assets	-	2,813	6,720	-
Additions - right of use assets	-	-	3,516	-
Additions - new subsidaries	3,268	49	1,496	-
Transfers	-	(121)	121	-
Transferred to non-current assets held for sale	-	-	-	(585)
Amortisation / Depreciation	-	(4,440)	(33,889)	(16)
(Impairment) / Reversal of impairment	(701)	(1,445)	1,353	-
Disposals at net book value	-	(61)	(2,033)	-
Net book value at 31 October 2023	**18,888**	**13,054**	**118,124**	**-**

8. Net cash

	31 October 2023	31 October 2022
	£'000	£'000
Cash and cash equivalents per statement of financial position	**111,091**	136,185
Non-current borrowings	**(50,137)**	(72,365)
Current borrowings	**(27,037)**	(29,799)
Net Cash	**33,917**	34,021

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.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE FINANCIAL REPORT

The Directors of the Company are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 and member of the Executive Team); Tania Crasnianski (Executive Director and member of the Executive Team); Jean-Marc Janailhac (Non-executive Director); René Proglio (Non-executive Director and Chairman of the Audit Committee); Emmanuel Olympitis (Senior Independent Non-executive Director, Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees); Françoise Coutaz-Replan (Non-executive Director and member of the Audit Committee); and Camille Claverie (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 UK-adopted international accounting standards 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 respective 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 UK-adopted international accounting standards, subject to any material departures disclosed and explained in the Group and Company financial statements respectively; 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.

The Directors 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.

Responsibility Statement of the Directors in respect of the annual financial report

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

- The financial statements, which have been prepared in accordance with UK-adopted international accounting standards, 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 and Report of Directors in the Annual Report 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.

Fair, balanced and understandable

In accordance with the principles of the UK Corporate Governance Code, the Directors have arrangements in place to ensure that the information presented in the Annual Report is fair, balanced and understandable.
The Board considers, on the advice of its Audit Committee, that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's and the Group's position and performance, business model and strategy.

By order of the Board

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

22 February 2024