

ME Group International plc
Unaudited results for the 12 months ended 31 October 2023



2023 Preliminary Results

February 2024



Agenda

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FY 2023 highlights

- A year of record financial performance
- Modernisation and digitalisation of photobooth estate underway
- Acquisition of photobooth business in Japan
- Expansion into new region of Australia
- Continued expansion of laundry operations
- Inclusion in the FTSE 250 Index
- Creation of further shareholder value through dividends and share buybacks



About us

Business overview

The Group operates, sells and services a wide range of instant-service vending equipment, primarily aimed at the consumer market.

Established operational network across three core geographies:

- Continental Europe (our largest region)
- UK & Republic of Ireland
- Asia Pacific

Vending machines
in operation

47,566

no. countries in
which we operate

18

R&D
Centres

2

FOUR PRINCIPAL BUSINESS AREAS

Photo.ME
GROUP

Photobooths with integrated biometric photo identification solutions

Wash.ME
GROUP

Unattended 24/7 laundry services and launderettes

Print.ME

High-quality digital printing kiosks positioned across Europe

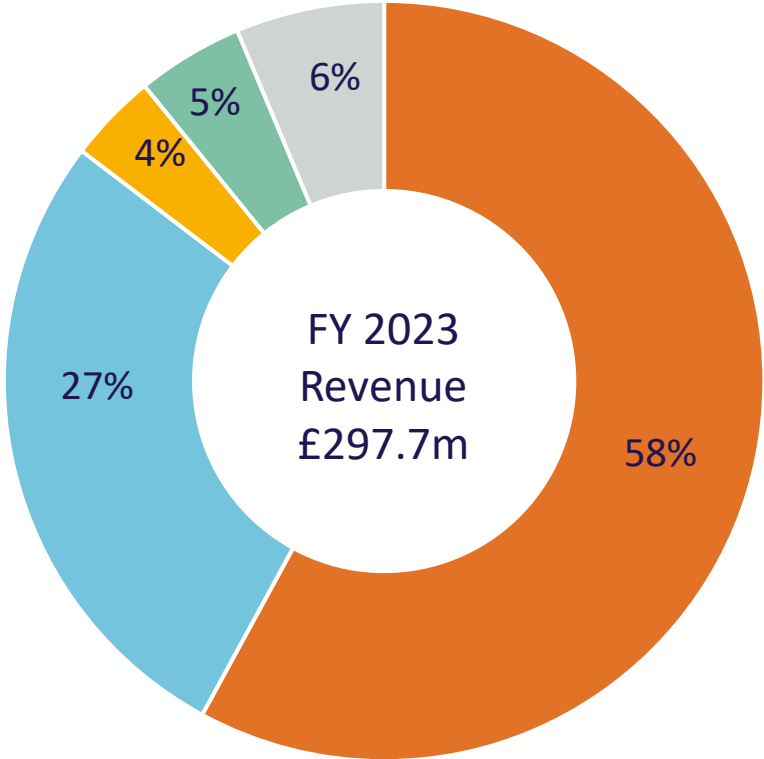
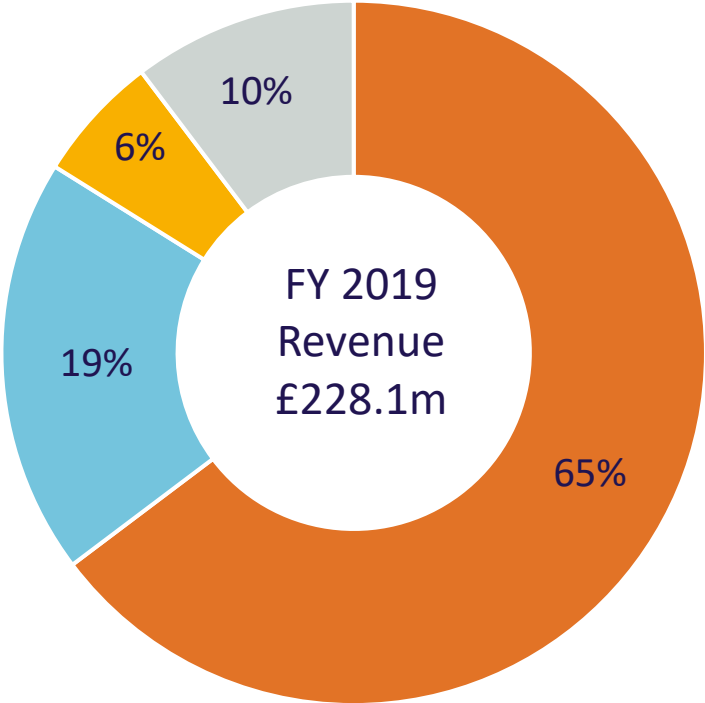
Feed.ME
GROUP

Vending equipment for the food service market

OUR PURPOSE is to create eco-responsible local services that make everyday life easier

Diversification - 5-year evolution of revenue mix

% OF REVENUE BY BUSINESS AREA



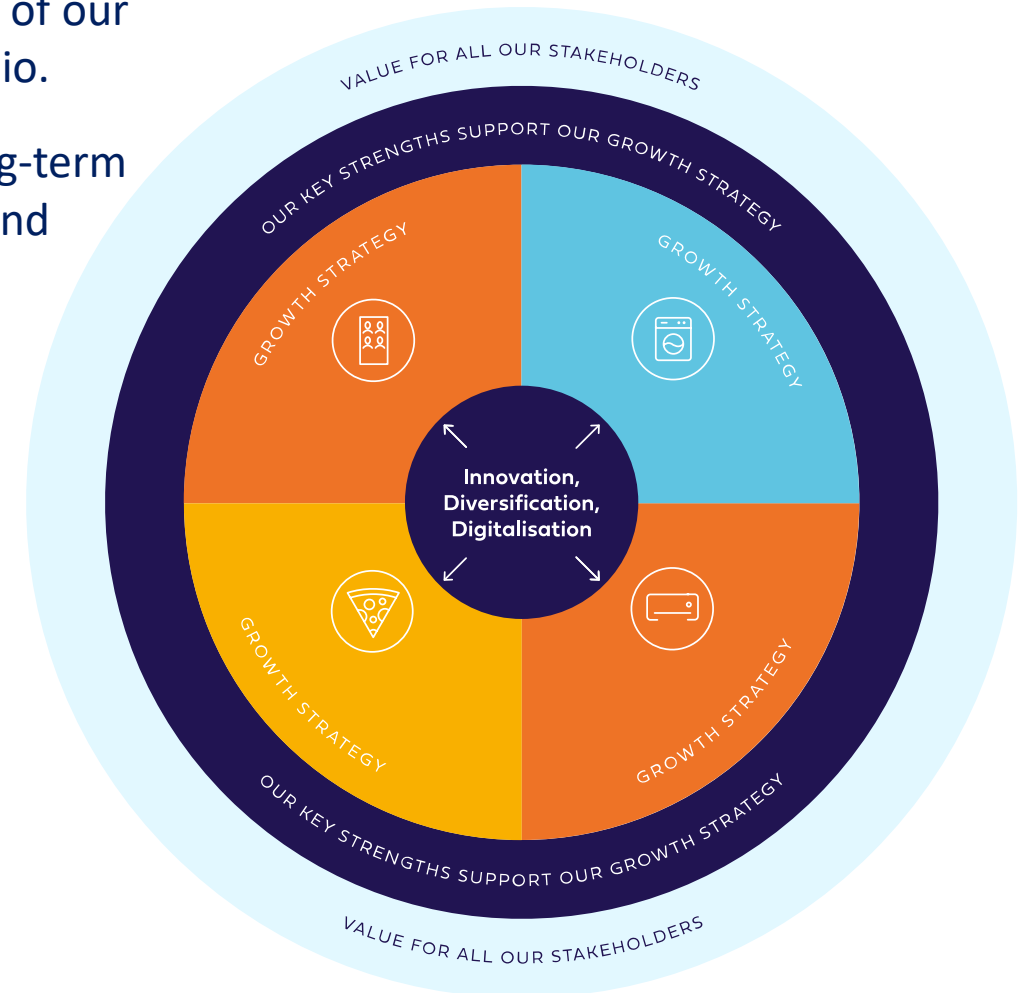
- Photobooths
- Laundry
- Printing kiosks
- Food
- Other vending equipment

Business model and key strengths

Technological innovation and digital transformation sit at the core of our business strategy, with a focus on diversifying our product portfolio.

Long-standing partnerships with site owners and utilisation of long-term contracts ensure consistent and solid recurring revenue streams and revenue visibility.

1. Predictable and stable cash flows	4. International footprint and diversity of services offered	7. Established network of skilled field engineers
2. Industry-leading technology capabilities and proven track record	5. Competitively priced, high-quality services with a focus on consumer experience	8. Value for all our stakeholders
3. Long-term partnerships and contracts with high-footfall site owners	6. A market leader with more than 60 years of industry expertise	9. Sustainability with focus on societal responsibility, social commitment, environment



Financial Review

Key Financials

REPORTED REVENUE



EBITDA



PROFIT BEFORE TAX



Record financial performance in FY 2023

- Revenue growth of 14.6%
- EBITDA increased by 15.6%;
- EBITDA margin 35.8%
- Profit before tax increased by 25.7%

Positive trading momentum throughout the year, with growth achieved across all principal business areas and geographic regions

Strong performance reflecting focus on delivery of profitable growth across our estate

¹ EBITDA is profit before depreciation, amortisation, other net gains/(losses) and finance cost and income

Key Financials

CASH GENERATED FROM OPERATIONS



Highly cash-generative, with cash generated from operations up 17.7%

Change in Gross cash position was due to the loan repayment of £31.0m

GROSS CASH



Net cash position remained strong throughout the year. Small reduction due to the exclusion of convertible bonds (£4.7m) and share buybacks (£1.9m)

NET CASH¹



Increased cash flows are used to fund product innovation and expansion, in turn driving value to shareholders through growth and dividends

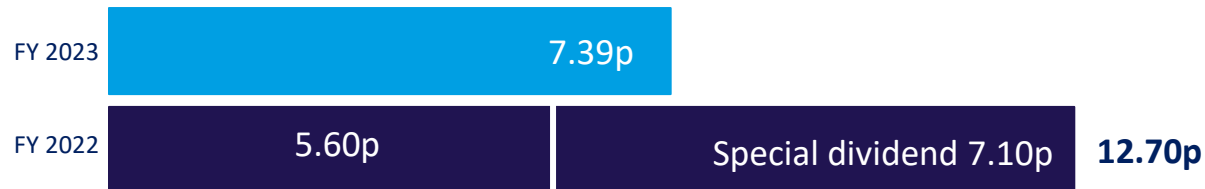
¹ Net cash excludes investments in convertible bonds (£4.7m) and lease liabilities (£13.3 million).

Earnings per share and dividend

DILUTED EARNINGS PER SHARE



DIVIDEND PER SHARE



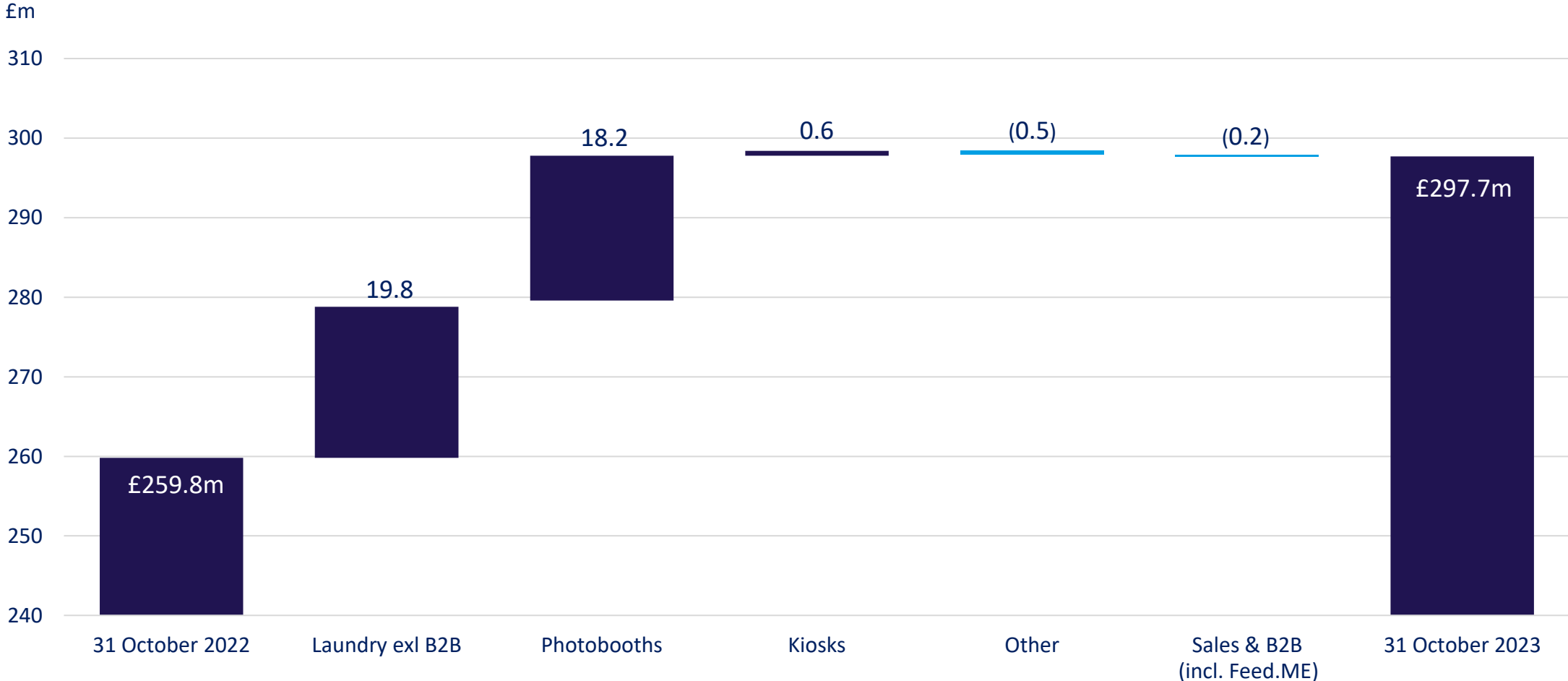
Diluted EPS increased by 30.1%, supported by the strong performance and Share Buyback Programme

The Group bought back 1,260,534 shares (average value of 156p per share) for £1,946,000

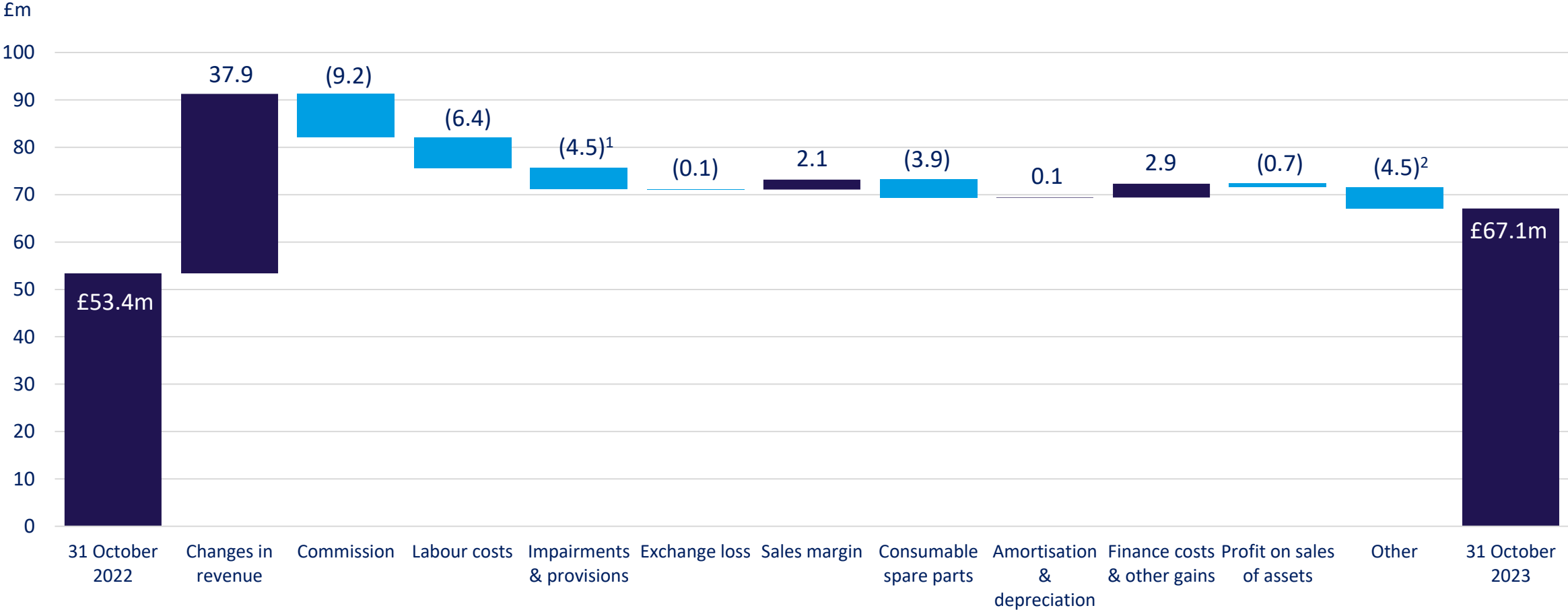
Total ordinary dividend per share increased by 32.0% to 7.39p (FY 2022: 5.60p), totalling £27.9 million. A special dividend of 7.10p was paid in respect of FY 2022

The Group will continue to seek to pay annual dividends in excess of 55% of annual profits after tax, subject to market and capital market requirements

Revenue bridge



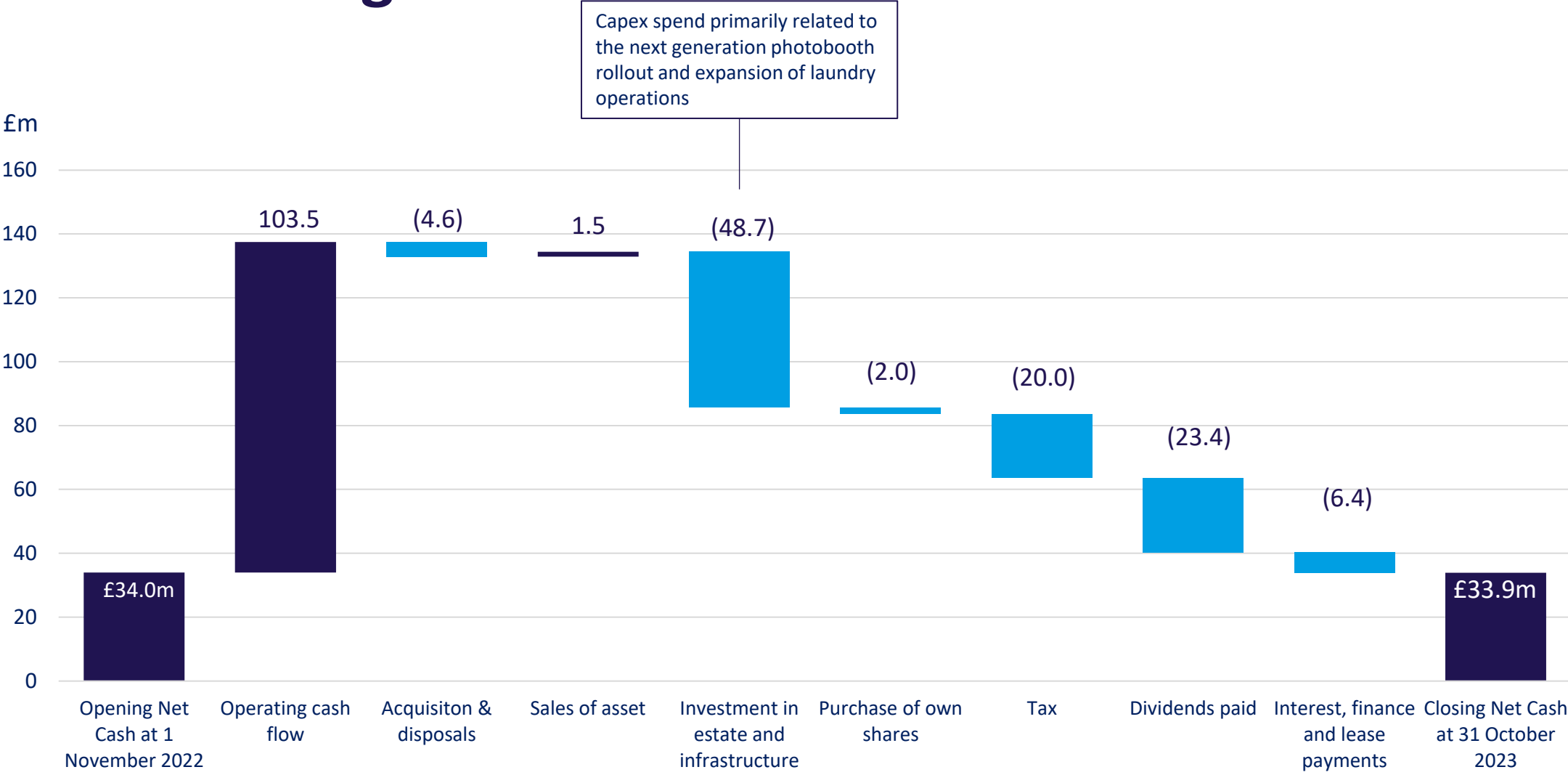
Profit before tax bridge



¹ The year-on-year movement from a net P&L credit of £3.3m in FY22 to a net P&L charge of £1.2m in FY2023 is the £4.5m shown in the bridge

² FY22 PBT included the £7.5m sale of office, net of a £3m reduction in other overheads

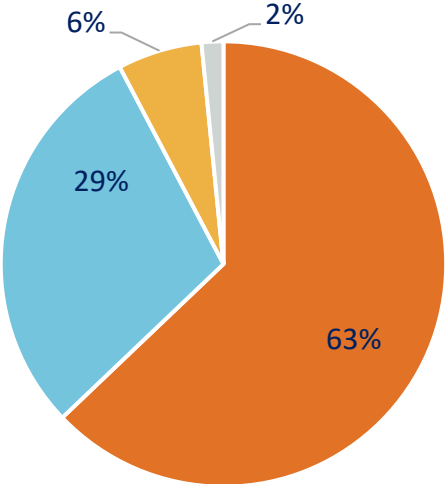
Net cash bridge



Continental Europe

% REVENUE BY BUSINESS AREA

- Photobooths
- Laundry
- Printing kiosks
- Other vending equipment



REVENUE



OPERATING PROFIT



Countries of operations*

10

No. of Vending units

26,232

% of total Group vending units

55.1%

Largest operating region by number of machines and revenue

Revenue grew by 15.4%, reflecting strong performance and growth in all business areas.

The region contributed 68.9% of total Group revenue

Wash.ME revenue grew by 28.2%, driven by continued expansion of operations with a further 779 laundry units deployed

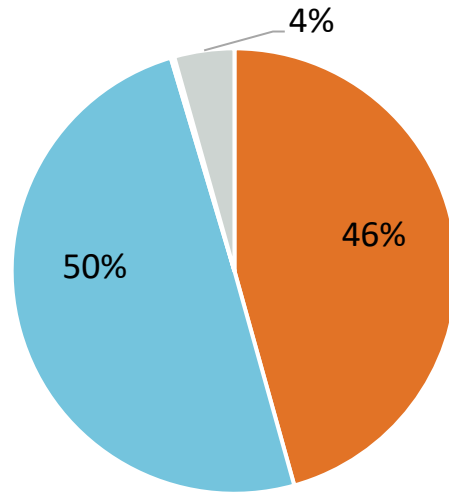
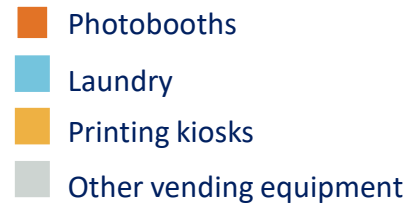
Photo.ME revenue grew by 16.1%, benefiting from higher consumer demand and rollout of next-generation photobooth in France

Operating profit increased by 22.0% and operating margin was 31.0%

*Austria, Belgium, Finland, France, Germany, Italy, Morocco, Portugal, Spain, Switzerland

United Kingdom & Republic of Ireland

% REVENUE BY BUSINESS AREA



REVENUE



OPERATING PROFIT



Countries of operations

2

No. of Vending units

6,297

% of total Group vending units

13.2%

Strong revenue performance up 14.8%, driven by laundry expansion and demand for photo ID services. The region contributed 16.2% of total Group revenue

Wash.ME operating revenue grew by 45.7%, benefiting from a further 180 laundry units installed during the year

Photo.ME operating revenue grew by 2.2%, reflecting demand for photo ID and price rises implemented across some sites

Other vending and Feed.ME operating revenue combined was up 5.8%, primarily reflecting the recovery in children's rides

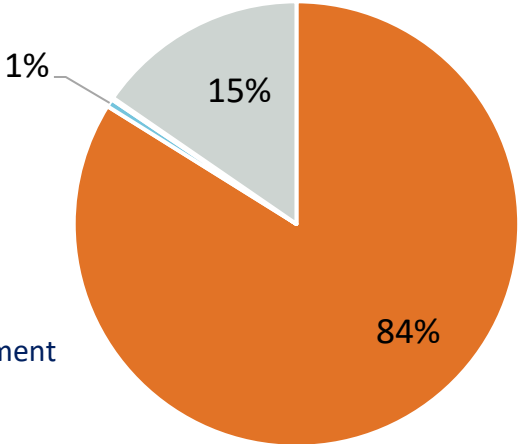
Focus on growing vending estate with key accounts - more than 3,000 photobooths and 1,300 laundry units sited with key strategic partners including Network Rail, Tesco, Morrisons, Co-op, Applegreen

Operating profit increased by 6.9%; operating margin was 26.0%

Asia Pacific

% REVENUE BY BUSINESS AREA

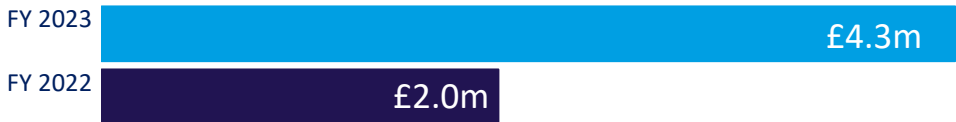
- Photobooths
- Laundry
- Printing kiosks
- Other vending equipment



REVENUE



OPERATING PROFIT



Countries of operations*

5

No. of Vending units

15,037

% of total Group vending units

31.6%

Revenue grew by 11.0%, driven by a strong revenue performance in Japan. The region contributed 14.9% of total Group revenue

Photobooth operating revenue grew by 5.4%, with continued strong demand for photo ID

Other vending equipment and Feed.ME operating revenue grew by 53.5%, driven by successful expansion of freshly squeezed orange juice vending operations (441 machines in operation)

Acquisition of 3,548 photobooths in Japan in October 2023, positioned the Group as the market-leading photobooth operator in Japan.

Operating profit more than doubled to £4.3m; operating margin was 10.0%

In 2024, the photobooth acquisition in Japan is expected to deliver a 20 to 30% increase in revenue and add c.£2.2 million in profit

*Australia, China, Japan, Singapore, Vietnam

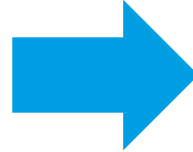
Business Review

Growth strategy in action

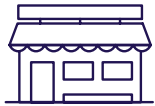
Progress in FY 2023



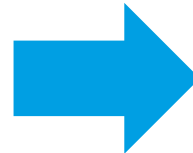
EXPANSION INTO NEW GEOGRAPHIC TERRITORIES



- Continue to drive expansion of operations in new geographic locations
- Australia - installed 11 photobooths in Sydney and Melbourne
- Considerable opportunity to grow operations in the region



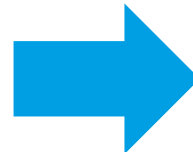
ENTERING NEW MARKET SEGMENTS



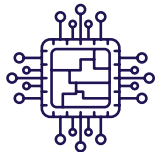
- Secured new key partnerships in key locations
- Continued partnerships with Co-op and Morrisons in the UK
- Expands offer of convenient laundry services across sites of two major supermarket chains



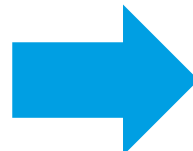
CONTINUED EXPANSION AND DIVERSIFICATION OF NEW SERVICES



- Deployment of modernisation software across our photobooth estate
- Proprietary software enables us to deploy new functionalities and services
- Enables swift and cost-effective interface updates to be carried out remotely



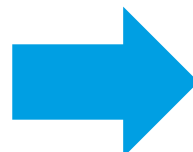
ONGOING NEW PRODUCT AND TECHNOLOGY INNOVATION



- Rollout of next generation photobooths, predominantly across France
- New photobooths supporting offering multi-service functionality across estate
- Installations at a rate of 180 per month with ambitions to install 250 per month in 2024



MERGER AND ACQUISITION STRATEGY

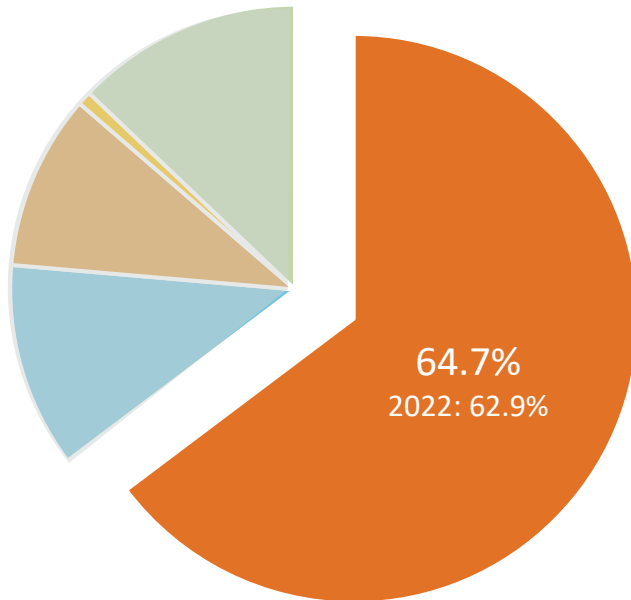


- Japanese photobooth acquisition completed in October 2023 and now fully integrated
- ME Group subsequently positioned as a market leader for photobooths across Japan
- Acquisition is expected to deliver 20 to 30% increase in revenue; £2.2 million profit in 2024

Integrated biometric photo identification solutions

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

**NUMBER OF VENDING UNITS
% OF VENDING ESTATE**



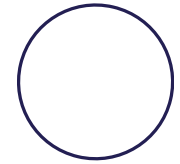
18
countries of operations

30,762 2022: 27,625
number of units in operation

£5,908 2022: 5,586
average revenue per machine¹

57.9% 2022: 63.8%
% of Group EBITDA





REVENUE



Strong revenue and EBITDA performance driven by an increase in demand for official photo ID and continued expansion

Increase in Capex reflecting investment in rollout of next generation photobooths - 547 installed in France in FY 2023

EBITDA



Plans to install 3,000 next generation photobooths in FY 2024 - 8,000 units by the end of FY 2025

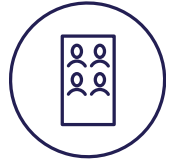
Hardware modernisation programme in progress, installing new proprietary software in c. 200 photobooths per month

CAPEX



Pilot testing 11 machines across Sydney and Melbourne – exciting prospects for the Australia region

Planned Capex in FY 2024 is £15 million - £20 million



Next-generation photobooth will offer greater functionality, diversified services and enhanced consumer experience

Standard photobooth

Existing features plus mobile-to-print functionality



Mobile to print



Store in app



Next generation photobooth new features:

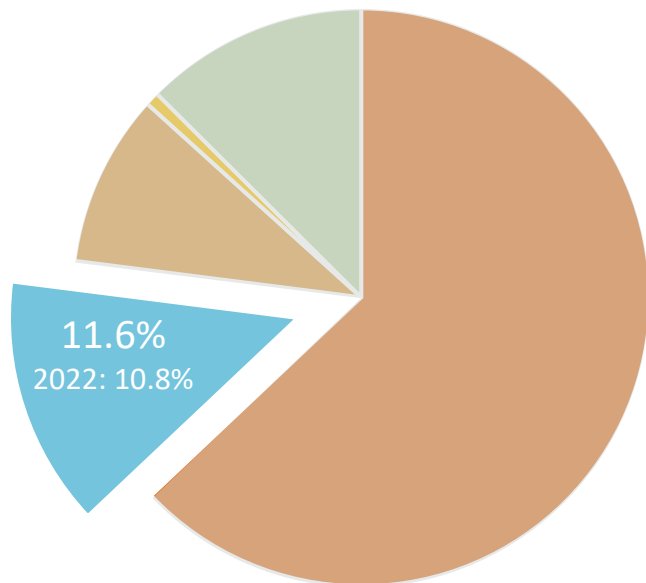
Metallic photo paper, large pictures (20x30), biometric system (fingerprint, iris recognition, digital signature), prints, use of A4, format, use of royalty cards for discounts, etc.





Unattended 24/7 laundry services and laundrettes
Large-capacity, energy-saving rapid self-service laundry service

**NUMBER OF VENDING UNITS
% OF VENDING ESTATE**



12
Countries of operations

6,870 2022: 4,754
Number of units in operation²

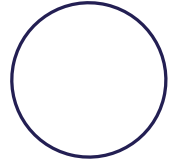
£14,793 2022: 12,816
Average revenue machine^{1,2}

37.1% 2022: 34.3%
% of Group EBITDA



¹ Excluding VAT

² Revolution laundry machine



Revolution machine operations

REVENUE



EBITDA



CAPEX



Strong revenue growth reflected higher consumer demand and an increase in the number of machines in operation

Average revenue per machine rose by 15.4% to £14,793 per year

799 machines installed during the year – plan to install an average of 80-90 machines per month in FY 2024

First period of machine refurbishment and maintenance since the launch of our laundry operations in 2012

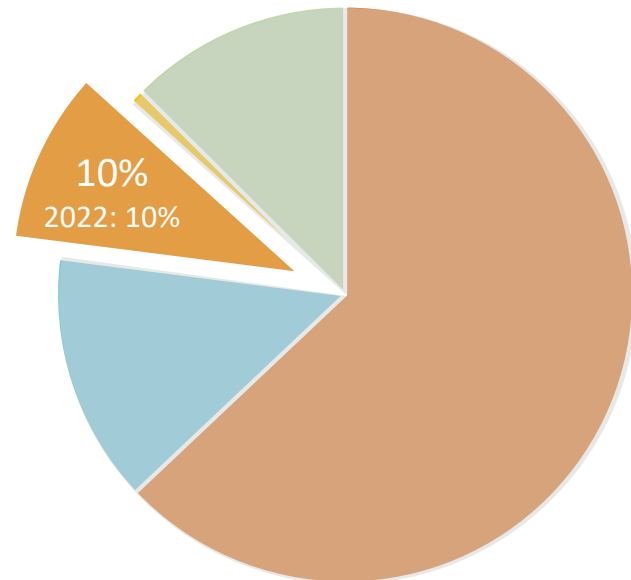
Began rollout of consumer App in June – remain focused on improving the App and wider rollout

Planned Capex in FY 2024 is £22 million - £30 million



High-quality digital printing services

NUMBER OF VENDING UNITS % OF VENDING ESTATE



8
countries of operations

4,734 2022: 4,785
number of units in operation

£2,374 2022: 2,279
average revenue per machine¹

3.9% 2022: 3.9%
% of Group EBITDA



¹ Excluding VAT



REVENUE



Revenue increase resulting from higher demand from new digital kiosks – contributed 4.1% of Group revenue

EBITDA



Capex increased significantly to £3.1 million - investment programme replacing 413 existing machines and deploying 500 new kiosks.

We see long-term opportunity for digital printing services and continue to invest in this business area

CAPEX



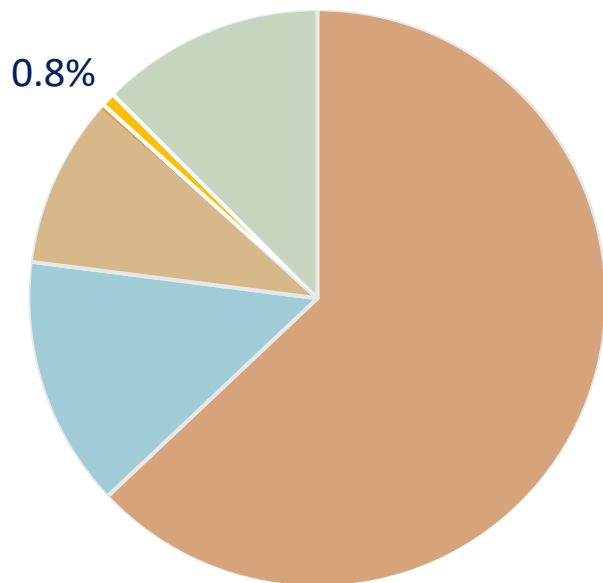
Group exploring opportunities to extend services offered through wider vending estate – e.g. next generation photobooths multi-service offering



Vending equipment for the food service market

Self-service fresh fruit juice equipment and Pizza vending machines aimed at the B2B retail and hospitality markets

NUMBER OF VENDING UNITS
% OF VENDING ESTATE



5

Countries of operations

441

number of units in operation

£10,421

average revenue per machine¹

3.6%

% of Group EBITDA





REVENUE FROM OPERATING AND SALE OF EQUIPMENT



REVENUE FROM SALE OF EQUIPMENT



EBITDA



Total revenue increased slightly to £13.5 million – contributed 4.5% of total Group revenue

Capacity to produce 30 pizza vending machines per month after taking manufacturing in-house

Technical issues resulted in impairment of goodwill and intangibles of £2.6 million related to Resto'Clock – has been resolved

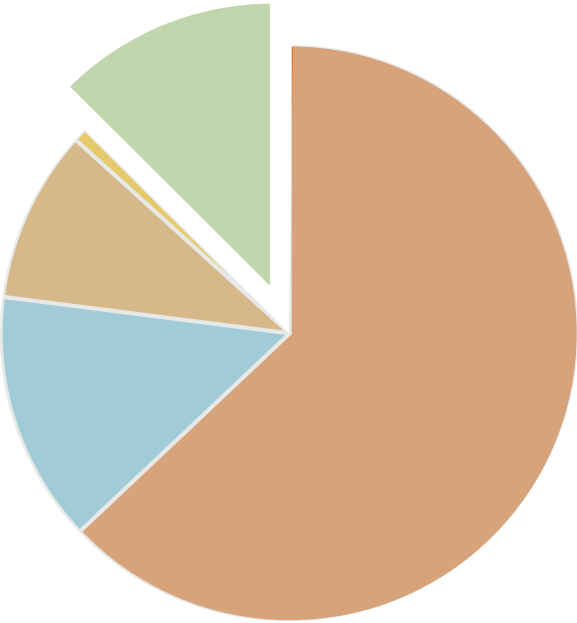
B2B fresh fruit juice vending operations reinstated in Japan, with 375 machines in operation – remain focused on growing Japanese operations

Plan to increase pizza vending machine production and sell 15 per month



Other vending equipment

NUMBER OF VENDING UNITS
% OF VENDING ESTATE



6,055 2022: 6,483
Number of units in operation

13.6% 2022: 15.3%
% of total Group vending units



Other vending equipment is made up of two business areas including:

- **Amuse.ME** - self-service traditional amusement and interactive rides offering safe entertainment for children (2,356 machines)
- **Copy.ME** - photocopiers which enable consumers to reproduce physical documents, safely and securely, using the latest technology

6,055 units in operation accounting for 13.6% of our total vending estate

Accounts for a small portion of Group revenue and profit, therefore not reported on as individual business area

Conclusion

FY 2023 Summary

- A year of record financial performance
- Total revenue increased by 14.6% to £297.7 million, with strong growth delivered in each of our geographic regions.
- Group EBITDA surpassed £100 million for the first time, reaching £106.6 million
- Highly cash-generative, with net cash of approximately £33.9 million
- Returned to the FTSE 250 Index
- Attractive shareholder returns, with a 32% increase in Ordinary dividend per share
- Continue to deliver against long-term growth strategy



Looking Ahead

- Ongoing modernisation and digitalisation across operations
- Continued rollout of next generation photobooths with 3,000 installations expected in FY 2024 and c.8,000 by end of FY 2025
- Investing in Wash.ME with plans of installing 80-90 laundry machines per month in FY 2024.
- Exploring opportunities to extend services offered through wider vending estate – provide multi-functional services for consumers
- We continue to focus on delivering against our long-term growth strategy
- Notwithstanding macroeconomic changes, the Board expects the Group to achieve continued revenue and earnings growth in FY 2024



Investor contacts

Email: ir@me-group.com



Serge Crasnianski, CEO & Deputy Chairman

Appointed to the Board in 2009.

Previously served on the Board from 1990 to 2007; until 1994 as a Non-executive Director, from 1994 as an Executive Director and as Chief Executive Officer from 1998 to 2007. Founded KIS in 1963.



Stéphane Gibon, CFO

Joined the Company in 1997, in the role of Head of Controlling

He was nominated as Chief Financial Officer in 2018.



Christian Autié, COO

Appointed to the role of COO on 1 November 2022

Prior to this, he held the role as Head of Asia at the Group for five years



Vlad Crasneanski, Head of IR

Joined ME Group in 2021

Currently working as Head of Investor Relations and UK Commercial Operations UK



ME
GROUP

Making Easy

