

PhotoBox Group Delivers Robust Financial Performance for the 12 months ended 30 April 2013

Double digit year-on-year Group revenue growth of 16%¹ - Continued momentum at both PhotoBox and Moonpig - Reinforcing market leading position in the personalisation space through growth, innovation, and improved profitability -

PhotoBox Holdco Limited (the “Group”), Europe’s leading provider of personalised products and operator of the PhotoBox, Moonpig, StickyGram and PaperShaker brands, today announces results for the 12 months ended 30 April 2013.

The financial results reflect another year of strong progress at both PhotoBox and Moonpig, with each brand delivering solid double digit revenue growth and maintaining their leading market positions through expanding product ranges, international growth, and continued innovation in particular in social and mobile platforms.

Key Financial Metrics

	12 months ended 30 April 2013	12 months ended 30 April 2012 (proforma) ³	YoY Growth
Revenue (£m)	147.6	130.3	+13.3%
			+16% (FX adjusted)
Gross Profit (£m)	77.4	66.6	+16.2%
Gross Margin (%)	52.5	51.1	+1.4 pc pts
Adj. EBITDA ² (£m)	19.7	16.5	+19%
Adj. EBITDA Margin (%)	13.4	12.7	+0.7 pc pts

Operational Headlines

- Strong year-on-year Group revenue growth of 16%, driven by both PhotoBox and Moonpig brands
- Solid gross margin progression to over 52% across the business
- Improving Adj. EBITDA profitability: +19% over the previous year
- PhotoBox performance driven by strong growth in personalised products (Photo books, calendars, cards), and the wall décor category, as well a continuing success of its international expansion
- Moonpig growth driven by the continued success of its constantly evolving gift range and mobile services, including over 1.5million cumulative app downloads

Commenting on the results, Stan Laurent, Group Chief Executive Officer said:

“We are very pleased to report on another year of progress, with the Group making significant strides in its ambition to strengthen its leadership in the online market for personalised products. Our leading brands PhotoBox and Moonpig are showing healthy growth in revenues and profits and are increasingly focused on bringing their leading product ranges and customer experience to international and mobile users. We’re also excited by our recent acquisition of StickyGram and the launch of PaperShaker adding further breadth and depth to both our product offering and geographic reach. As a result of these developments, coupled with our continued investment in mobile and social innovation, we are confident of continued growth in the future.”

Performance Review

Strong year-on-year Group performance

The Group performed strongly during the year, growing proforma revenue by 16% to £148 million driven by continued customer growth and development of average order values at both PhotoBox and Moonpig. Gross margin improved to 52.5% of revenue, benefiting from the scale effects of higher volumes, productivity improvements and better cost management.

PhotoBox performance

The PhotoBox brand delivered another year of robust growth, achieving over 16% year-on-year FX adjusted revenue growth, to £101m. Personalised products and the wall décor category continued to grow ahead of the market and investments in product breadth and customer acquisition are delivering solid results. Strong growth outside of the UK and France, PhotoBox's traditional key markets, was further boosted by new geographic expansion, notably in Australia in October 2012.

Moonpig performance

Moonpig also continued its growth trend with proforma revenues increasing 15% in FY13, to £46m. The primary driver was the performance of the gift products category which was well supported by the continually evolving product range, and this, together with solid execution, has continued to have a positive effect on the gift-attach rate. Moonpig also sustained its success in the mobile space with over 1.5million cumulative downloads of its app in addition to the increasing share of its "web" business being conducted from mobile devices.

Continued investment in innovation and geographic expansion

Throughout the financial year, the PhotoBox Group made substantial progress with its strategic objectives to focus on product expansion, international growth and mobile/social platforms. In order to help achieve these goals, the Group has created the Incubator, a new team entirely focused on business development and expansion into these areas

Execution against these objectives has continued after the period end and, demonstrating the initial success of the Incubator, in June this year, the Group acquired StickyGram, a fast-growing online premium print brand which transforms Instagram photographs into magnets. Since the acquisition in June, the service has already been expanded to offer customers high quality personalised phone cases.

The Incubator team also developed and launched PaperShaker, a fourth new online brand targeting the invitations and announcements market with a wide offering of quality designs and unique personalisation tools. The service has been rolled-out in the UK and France, with further European expansion planned soon.

Outlook

The PhotoBox Group has entered the next financial period with solid sales momentum across each of its brands, including the new StickyGram and PaperShaker brands, and as we prepare for what is traditionally our peak period in the lead up to Christmas, we are confident that this trend will continue. Our FY14 plans are focused on maintaining solid top-line growth, whilst investing in our 3 main growth levers: international, mobile and social services, and breadth of product offering across each of our leading brands.

¹ *FX-adjusted*

² *Earnings before Interest, Tax, Depreciation, Amortisation and excludes share option expense, costs associated with the acquisition of Moonpig.com Limited, impairment charges, foreign exchange gains/losses and indemnity recoveries and other exceptional items. Note: Adjusted EBITDA in the directors' report within the audited financial statements does not exclude foreign exchange gains/losses.*

³ *Unaudited proforma consolidation including Moonpig.com for the entire period adjusted to reflect the impact of changes to VAT regulation as if the changes had been in place for all periods.*

Note: in 2011, the Group changed its year end date, bringing all operating business into line with a 30 April year end date. As such, the comparative period in the Group's consolidated audited financial statements cover a 16 month period of account, with Moonpig's results consolidated only for the period since acquisition. Therefore, the numbers presented here comprise an overview of the audited results for the 12 months period ended 30 April 2013 with a comparison to the 12 months period ended 30 April 2012 (FY12) on a pro-forma basis, to allow like-for-like comparison

Contacts

FTI Consulting LLP
Matt Dixon / Jon Snowball

+44 (0)20 7831 3113

About PhotoBox Group

The PhotoBox Group is Europe's leading provider of personalised products through its flagship branded retail channels, PhotoBox, Moonpig.com, StickyGram.com and Paper-Shaker.com – all leading brands in their segments and geographies. From Photobooks and unique artwork to the very latest personalised apparel, gifts and greeting cards, the Group's products enable customers across 19 countries to share memories, celebrate great moments and inject personal expression into their everyday lives. The Group has 600 employees worldwide and is backed by leading international private equity firms including Index Ventures, Highland Capital Partners, Quilvest Ventures, Greenspring Associates, HarbourVest and Insight Ventures.