Financial results and acquisition

PhotoBox Group acquires leading German online photo business

Acquisition bolstered by strong performance and more than 20% revenue growth during last fiscal year 2014/15

London/Munich - 27 July 2015 – PhotoBox Holdco Limited (the "Group"), Europe's leading digital consumer service for personalised products and gifts and parent of the PhotoBox, Moonpig, PaperShaker, Sticky9, Hofmann and Posterjack brands today announces the acquisition of posterXXL, a leading service in Germany's online photo print market.

The landmark announcement follows the acquisition of Spanish market leader, Hofmann in December 2014, and marks another major milestone in the Group's strategy to lead the European personalisation space. The acquisition of posterXXL will significantly boost PhotoBox's presence in Germany, taking a 10% share of the estimated £341 million German online photo market[1] and strengthening its number 1 position in the European B2C market.

Founded in 2004 in Munich (Germany), posterXXL has built an excellent market position in the online personalised printing space:

• Pioneer in the online large format photo printing (posters, canvas prints, and framed prints)
• A high-profile brand with a significant presence in Germany and Austria in particular
• A robust revenue profile with latest 2014/15 revenues (ending Feb 28, 2015) of €39m and EBITDA of €8m
• A fast-growing business with a year-on-year growth of 25% in its fiscal year 2014/15.

The acquisition will be financed by an extended debt facility provided by Barclays Bank PLC, The Royal Bank of Scotland plc and Santander.

Commenting on the transaction, PhotoBox Group President and Chief Executive Officer, Stan Laurent, said:

"The acquisition of posterXXL is ground-breaking for PhotoBox, delivering yet more scale to the Group and a prime position in Germany, by far the largest photo market in Europe. We're excited to add a new leading brand and a highly entrepreneurial team to our family of personalisation services. This is XXL in all respects!

Commenting on the transaction, posterXXL Founder & CEO, Christian Schnagl, said:

"This is a combination of two of the most successful and innovative businesses in the photo printing space in Europe. The team and I are excited to be joining PhotoBox to continue expanding posterXXL and to participate in the creation of the largest B2C personalisation business in Europe."

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[1] Source: Futuresource forecasted data for 2015 Online Consumer Photo Market in Germany (photo prints, photo books and photo-merchandise)

photobox   moonpig.com   PAPER Shaker   Sticky 9   Hofmann   POSTERJACK   posterXXL

The acquisition of posterXXL has been announced in conjunction with the Group's financial results for the 12 months ended 30 April 2015, which reflect another year of strong progress across the board.

Key Financial Metrics

Figures are on a reported basis and include the figures for Hofmann and Posterjack from 1 December 2014 to 30 April 2015

	12 months ended 30 April 2015	12 months ended 30 April 2014	YoY Growth
Revenue (£m)	215.3	175.3	+22.8% (+26.4% FX adjusted)
Gross Profit (£m)	111.7	91.6	+21.9%
Gross Margin (%)	*52%*	*52%*	
Underlying EBITDA[2] (£m)	28.6	19.8	+44.4%

- 22.8% year-on-year Group revenue growth on a reported basis (+26.4% FX adjusted), up from 18.8% in FY13/14 (17.6% FX adjusted)
- Organic growth accelerated to +18% on an FX-adjusted basis. Moonpig growing nearly +15% as a result of improvements to its mobile proposition and its expanding gifting range. PhotoBox growing +19% year-on-year with good momentum in all European regions as well as Australia/NZ
- Strong mobile growth with 43% of yearly Moonpig transactions taken on mobile device, and double digit share on PhotoBox
- Strong Group gross margin maintained at 52%
- Significant improvement to underlying EBITDA (+44.4%) resulting partly from the successful acquisition and ensuing integration of Hofmann on Dec 1, 2014
- Highly cash generative, with £25.2m of Net Cash Generated from Operating Activities[3] in the year, up 18.3% from £21.3m in FY14

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

"It's been an incredible 12 months for the Group. We've continued to ramp up our mobile propositions across all brands and all platforms and expand our customer reach whilst delivering on our M&A strategy. Our organic growth has accelerated and Hofmann is now largely integrated in the Group. I am proud of what the team has achieved and I look forward to offering new ways for our customers to be 'even more personal' in the year ahead".

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[2] Underlying EBITDA is defined as earnings before net finance costs, taxation, depreciation and amortization, excluding exceptional and non-recurring items, share option expense and foreign exchange gains/(losses)

[3] Net Cash Generated from Operating Activities is defined as cash generated from operations, plus interest received, less tax paid.

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About Photobox Group
The PhotoBox Group is Europe's leading digital consumer service for personalised products and gifts and parent of the PhotoBox, Moonpig, PaperShaker, Sticky9, Hofmann, Posterjack and posterXXL brands. From photobooks and unique artwork to the very latest personalised apparel, gifts and greeting cards, the Group's products enable customers across 22 countries to share memories, celebrate great moments and inject personal expression into their everyday lives. The Group has 1,000 employees across Europe, generated turnover of £215.3m in the fiscal year ending April 2015 and is backed by leading international private equity firms including Insight Venture Partners, Index Ventures, Highland Capital Partners, HarbourVest Partners, Quilvest Ventures and Greenspring Associates.
For more information about us, please visit group.photobox.com.

About posterXXL
posterXXL is a fast-growing manufacturer and provider of personalised photo printing services. posterXXL came first in the 2009 "Deloitte Technology Fast 50 Competition" as Germany's fastest growing technology company. Via its website http://posterxxl.eu/, the company offers several possibilities online for having your own photos printed on a wide variety of materials. The full-range service provider's range of products includes posters and canvasses from photo albums and calendars to various photo gifts. The company delivers to private and business clients in Germany, Austria, France, Belgium and the Netherlands. posterXXL is also an industrial laboratory for resellers, photo shops and photographers.

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