



## SECOND QUARTER RESULTS 2017

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Ashley Milton, CFO

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**PERFORM**  
SPORTS CONTENT & MEDIA

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1. Trading update
2. Financial review
3. Looking ahead
4. Q&A

# TRADING UPDATE

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## Restricted Group

### Content

- Continued growth in Betting and Content Media, driven by product innovation and commercial partnerships
- Strategic partnerships on track, with growth further accelerated by announcement of new Broadcast and Game Pass partnership with NFL

### Media

- Goal continuing to grow ahead of 2018 World Cup
  - Existing markets – users +30% yoy in key markets
  - New markets added (Korea)
  - New partnerships (Sela Sport in MENA; Soccerex)
- Sporting News – new editions to be launched in Japan and Canada H2 2017

# FINANCIAL REVIEW



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## Q2 Financial Results

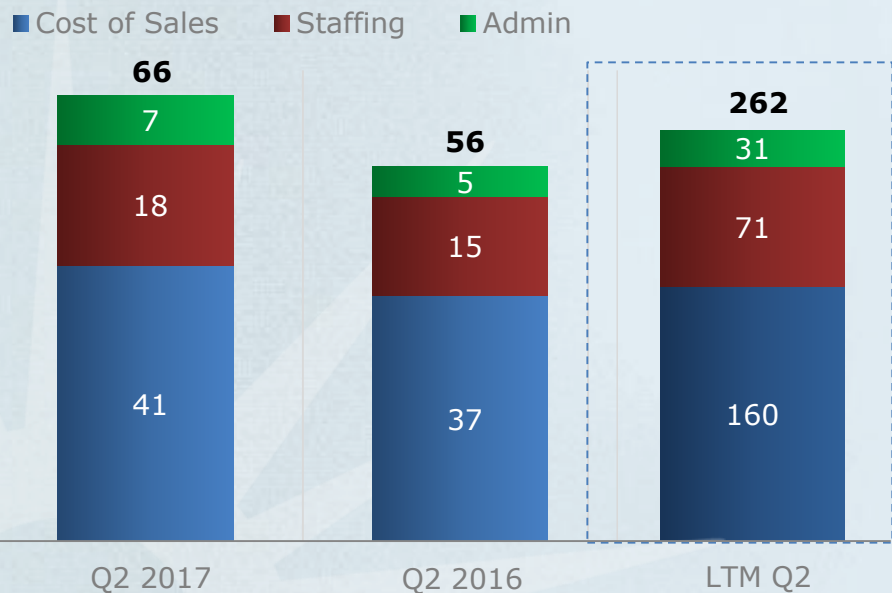
- Trading in line with Board expectations and remains on track to deliver against full year outlook
- Revenues up +16% (£11.0 million) vs Q2 2016:
  - Content revenues up 19% (£9.2 million) reflecting launch of WTA and FIBA partnerships in 2017 and continued growth in data and news products
  - Media revenues flat reflecting strong growth in Europe and APAC, offset by closure of US ePlayer (at end of Q1 2017) and Euro Championships in Q2 2016
- Adjusted EBITDA up £0.4 million to £14.4 million reflecting improved Media profitability following the closure of US ePlayer, and the launch of the WTA and FIBA Broadcast partnerships in H1 2017
- Cash outflow in Q2 include annual bonus & LTIP payments, half yearly bond interest and anticipated initial working capital impact of strategic partnerships
- Cash of £29 million at 30 June 2017, with undrawn RCF of £10m

## Q2 Financial Results

		<b>Q2 2017 £'m</b>	Q2 2016 £'m	Growth vs. 2016 £'m	LTM to Q2 2017 £'m
Content		<b>57.4</b>	48.2	9.2	213.9
Media		<b>15.2</b>	15.2	-	67.1
Other		<b>8.2</b>	6.3	1.9	28.4
<b>Total revenue</b>		<b>80.8</b>	<b>69.7</b>	<b>11.1</b>	<b>309.4</b>
Costs		<b>(66.4)</b>	(55.7)	(10.7)	(262.0)
<b>Adjusted EBITDA</b>		<b>14.4</b>	<b>14.0</b>	<b>0.4</b>	<b>47.4</b>
<i>Adjusted EBITDA margin</i>		<i>18%</i>	<i>20%</i>		<i>15%</i>



# Q2 Costs



*Rights costs reduced at c.35% of revenues (vs 38% Q2 2016)*

## Cost of Sales

- +10% vs Q2 2016 (vs revenue growth of +16%)
- Includes rights, publisher shares, technical and production costs

## Direct Staff costs

- +20% vs Q2 2016
  - Sales and content output teams scaled to deliver +19% increase in Content revenues
  - Investment in Operations teams to support launch of 2017 Broadcast partnerships

## Cash flow

	Q2 2017 £'m	Q2 2016 £'m	Growth £'m	LTM Q2 2017 £'m
<b>Adjusted EBITDA</b>	<b>14.4</b>	<b>14.0</b>	<b>0.4</b>	<b>47.4</b>
Change in working capital	<b>(10.3)</b>	(1.2)	(9.1)	(24.3)
Capex	<b>(3.8)</b>	(6.2)	2.4	(19.8)
<i>% of revenue</i>	<b>5%</b>	9%		1%
Tax	<b>(2.6)</b>	(0.9)	(1.7)	(5.7)
Long Term Incentive Plan	<b>(4.5)</b>	(0.8)	(3.7)	(4.5)
Exceptional items	<b>(0.6)</b>	(0.3)	(0.3)	(1.4)
<b>Cash flow (post tax and exceptional items)</b>	<b>(7.4)</b>	<b>4.6</b>	<b>(12.0)</b>	<b>(8.2)</b>

- Q2 2017 working capital impact reflects timing of strategic partnership cashflows
- LTM working capital outflow includes WTA rights deposit in Q3 2016
- Residual 2014 LTIP payment made in April 2017
- Equivalent tax payment made in Q1 2016

# Cash flow

	Q2 2017 £'m	Q2 2016 £'m	Growth £'m	LTM Q2 2017 £'m
<b>Cash flow (post tax and exceptional items)</b>	<b>(7.4)</b>	<b>4.6</b>	<b>(12.0)</b>	<b>(8.2)</b>
Acquisitions & related	-	(33.6)	33.6	(1.8)
Net borrowings / repayments	<b>14.0</b>	26.0	(12.0)	14.0
Net interest & related	<b>(7.6)</b>	(8.2)	0.5	(15.9)
Proceeds from issues of shares	-	-	-	34.1
Funding of OTT	-	(26.0)	26.0	(34.1)
<b>Cash flow</b>	<b>(1.0)</b>	<b>(37.2)</b>	<b>36.2</b>	<b>(11.8)</b>
Cash b/f	<b>30.1</b>	75.5	(45.4)	39.4
Effect of FX on cash	<b>(0.4)</b>	1.1	(1.5)	1.1
<b>Cash c/f</b>	<b>28.7</b>	<b>39.4</b>	<b>(10.7)</b>	<b>28.7</b>

- Cash of £28.7 million at 30 June 2017, with undrawn RCF of £10 million

# LOOKING AHEAD

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## Underlying full year trading on track vs Board's expectations, despite exit from US ePlayer

- **Content**

- Continued growth in core products
- Launch of new NFL partnership in H2 2017
- Q3 benefits from FIBA tournament calendar

- **Media**

- Support of DAZN launch markets + two new editions of Sporting News
- Continued focus on owned and operated portals ahead of new seasons commencing and football World Cup in 2018

- **Funding**

- Cash flow and year end cash remains on track to deliver against Board expectations
- Exploring future DAZN funding options, including shareholder loans, external equity investment and refinancing of Senior Secured Notes

Q&A

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