



## THIRD 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

- Strategic partnerships continue to gather momentum, with the announcement of 4 year Broadcast deal with Conmebol (joint partnership with IMG). WTA, FIBA and NFL partnerships continue to be delivered successfully
- Continued organic growth in Betting and Content Media, supported by acquisition of Scout7 in October, complementing our OptaPro product

### Media

- Goal continuing to grow ahead of 2018 World Cup, with 75M users in September
- UU's on Goal and Sporting News +30% year on year.
- Sporting News Canada successfully launched with 900K users in September – new edition to be launched in Japan Q4 2017

# FINANCIAL REVIEW

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## Q3 Financial Results

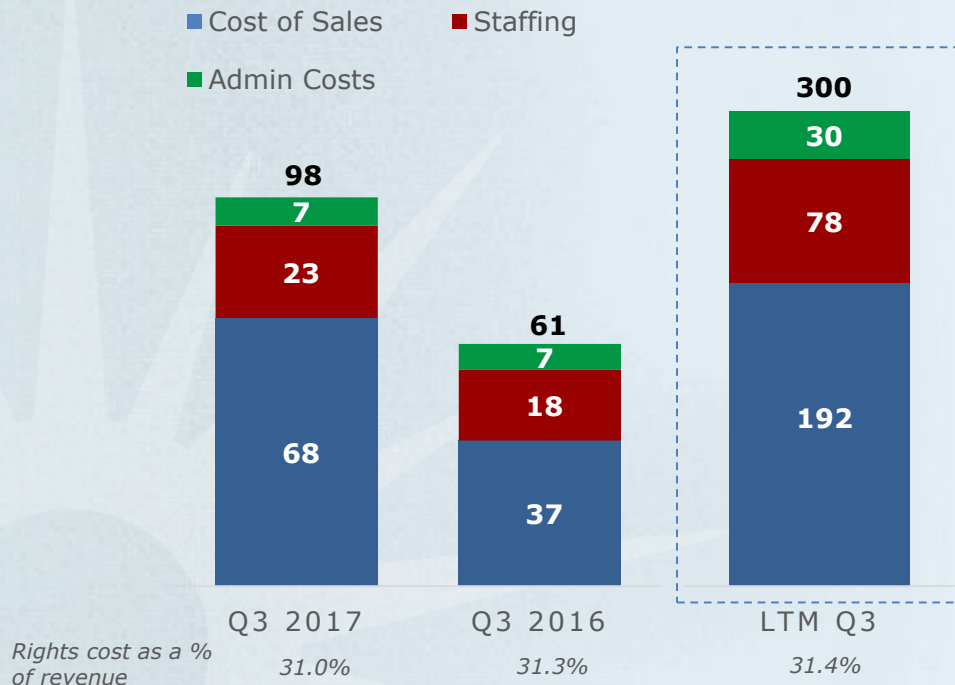
- Trading in line with Board expectations and remain on track to deliver against full year outlook
- Revenues up +56% (£40.9 million) vs Q3 2016:
  - Content revenues up +81% (£40.9 million) reflecting full launch of WTA, FIBA and NFL partnerships in 2017 and continued growth in data and news products
  - Media revenues have decreased -10% (£1.7 million) due to the closure of US ePlayer (at end of Q1 2017) and the benefit of the Euro Championships in Q3 2016, offset by continued strong growth in advertising revenues from owned and operated portals
- Adjusted EBITDA up £3.7 million to £16.0 million reflecting the launch of the WTA, FIBA and NFL broadcast partnerships in 2017
- Cash inflow in Q3 includes exceptional payments and anticipated initial working capital impact of strategic partnerships, offset by partial loan repayment from Unrestricted Group
- Cash of £34.1 million at 30 September 2017

## Q3 Financial Results

		Q3 2017 £m	Q3 2016 £m	Growth vs. 2016 £m	LTM to Q3 2017 £m
Content		<b>91.6</b>	50.7	40.9	<b>257.6</b>
Media		<b>15.0</b>	16.7	(1.7)	<b>64.9</b>
Other		<b>7.7</b>	6.0	1.7	<b>28.3</b>
<b>Total revenue</b>		<b>114.3</b>	73.4	40.9	<b>350.8</b>
Costs		(98.3)	(61.1)	(37.2)	(299.7)
<b>Adjusted EBITDA</b>		<b>16.0</b>	12.3	3.7	<b>51.1</b>
<i>Adjusted EBITDA margin</i>		<b>14%</b>	17%		<b>15%</b>



# Q3 Costs



## Cost of Sales

- +84% vs Q3 2016 (vs revenue growth of +56%) to support +81% growth in Content revenues
- Includes rights, publisher shares, technical and production costs

## Direct Staff costs

- +28% vs Q3 2016
  - Sales and content output teams scaled to deliver +81% increase in Content revenues
  - Investment in Operations teams to deliver against new broadcast partnerships

# Cash flow

	Q3 2017 £m	Q3 2016 £m	Growth vs. 2016 £m	LTM to Q3 2017 £m
<b>Adjusted EBITDA</b>	<b>16.0</b>	<b>12.3</b>	<b>3.7</b>	<b>51.1</b>
Change in working capital	<b>(7.5)</b>	(5.7)	(1.8)	<b>(26.1)</b>
Capex	<b>(4.6)</b>	(5.8)	1.2	<b>(18.6)</b>
<b>% of revenue</b>	<b>4%</b>	8%		<b>5%</b>
Tax	<b>(0.3)</b>	(0.7)	0.4	<b>(5.3)</b>
Long term incentive plan	-	-	-	<b>(4.5)</b>
Exceptional items	<b>(5.6)</b>	-	(5.6)	<b>(6.9)</b>
<b>Cashflow (post tax and exceptional items)</b>	<b>(2.0)</b>	<b>0.1</b>	<b>(2.1)</b>	<b>(10.2)</b>

- Q3 2017 and LTM working capital outflow reflects the start up investment in the new, long-term strategic partnerships
- Q3 2017 exceptional items reflect £4 million legacy GSOP outflows and rights costs associated with the US video closure

# Cash flow

	Q3 2017 £m	Q3 2016 £m	Growth vs. 2016 £m	LTM to Q3 2017 £m
<b>Cashflow (post tax and exceptional items)</b>	<b>(2.0)</b>	<b>0.1</b>	<b>(2.1)</b>	<b>(10.2)</b>
Acquisition & related	-	(1.8)	1.8	-
Net borrowings / repayments	-	-	-	<b>14.0</b>
Net interest & related	<b>(0.2)</b>	(0.1)	(0.1)	<b>(15.9)</b>
Proceeds from issues of shares	-	35.0	(35.0)	<b>(0.9)</b>
Funding of OTT	<b>8.0</b>	(35.0)	43.0	<b>8.9</b>
<b>Cash flow</b>	<b>5.8</b>	<b>(1.8)</b>	<b>7.6</b>	<b>(4.2)</b>
Cash brought forward	<b>28.7</b>	39.4	(10.7)	<b>38.5</b>
Effect of FX on cash	<b>(0.4)</b>	0.9	(1.3)	<b>(0.2)</b>
<b>Cash carried forward</b>	<b>34.1</b>	<b>38.5</b>	<b>(4.4)</b>	<b>34.1</b>

- Cash of £34.1 million at 30 September 2017

# LOOKING AHEAD

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# Looking ahead - 2017

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

- **Content**

- Continued growth in core products
- Start up of Conmebol joint partnership with IMG, with minimal impact on Q4 2017
- Integration of Scout7 business

- **Media**

- New edition of Sporting News (Japan)
- Continued focus on owned and operated portals 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 and external equity investment

Q&A

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