



# PERFORM

SPORTS CONTENT & MEDIA

## FOURTH QUARTER RESULTS 2017

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9 March 2018  
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1. Trading update
2. Financial review
3. Looking ahead – 2018
4. Q&A

# TRADING UPDATE

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## Restricted Group

- Strong close to year for both Content and Media
- 2017 full year revenues reported ahead of Board expectations
- Full year revenues up 30% driven primarily by strategic partnerships with WTA, FIBA and NFL
- Full year EBITDA up 13% reflecting strong sales with margin impacted by launch costs relating to strategic partnerships
- Closing cash of £49 million

## Content

- Q4 revenue growth at 44%, reflecting launch of strategic partnerships with WTA, FIBA and NFL
- Betting revenues stable after contract renewals in early 2017 and despite ongoing consolidation in the market
- Q4 revenues from Content Media increased 7% year on year and the Group expanded its OptaPro offering with the acquisition of Scout7 in October 2017
- Resulting in full year revenue growth of 42%, well ahead of initial guidance
- Latest global strategic partnership signed with Conmebol (JV with IMG) to commercialise rights and production/media services



## Media

- Q4 revenues down 10% due to the closure of the US ePlayer business at the end of Q1 2017, offset by continued growth in advertising revenue from owned and operated portals
  - Advertising (excl. US) up 9% year on year
- Goal continuing to grow ahead of 2018 World Cup, with 89M users in January 2018 and key market users up 31% year on year
- Sporting News unique users up 9% year on year at January 2018 – new editions launched during 2017 in Japan and Canada
- Continued investment in Gaming to leverage portals user base and generate new revenues

# FINANCIAL REVIEW

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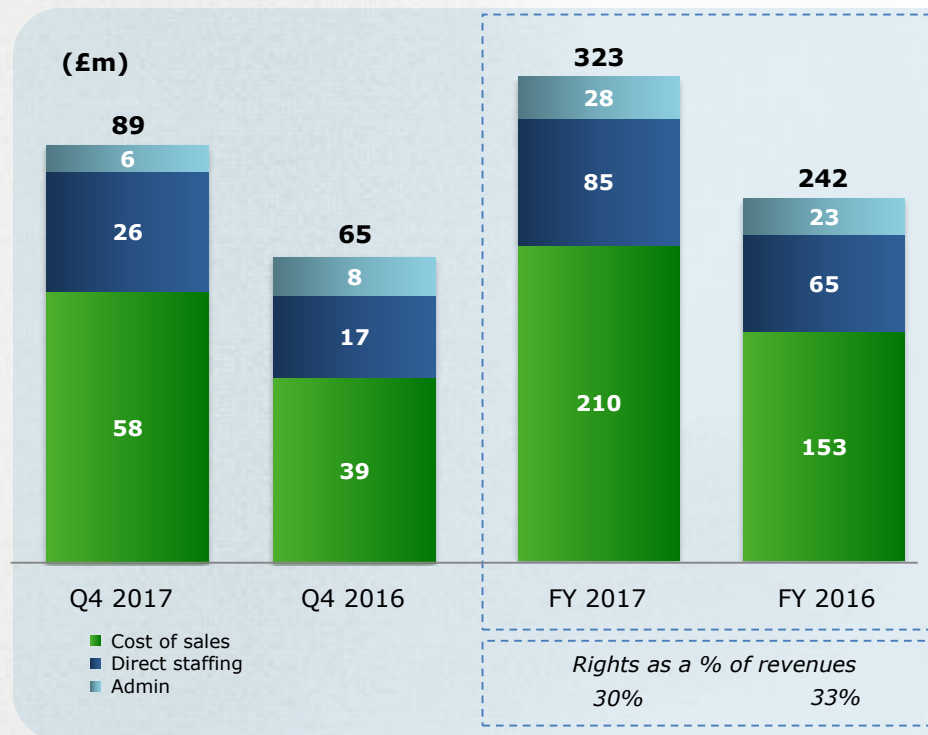
## 2017 Financial results

- Full year revenues up 30% (£88.0 million) vs 2016:
  - Content revenues up 42% (£83.0 million) primarily due to broadcast revenue generated following the launch of the Group's strategic partnerships with WTA, FIBA and NFL during 2017
  - Media revenues down 4% (£2.6 million) due to the closure of the US ePlayer business at the end of Q1 2017, offset by continued strong underlying growth from owned and operated portals
  - Other revenues up 29% (£7.6 million) driven by the Group's Sports Cloud product including the successful delivery of 11,000+ live events to DAZN
- Adjusted EBITDA up £6.2 million vs 2016 reflecting the launch of the Group's strategic partnerships during 2017
- EBITDA margin of 14.3% (down from 16.5% in full year 2016) reflecting start up costs on the new strategic partnerships commenced during the year
- Full year operating cash flows down £19.8 million vs 2016 reflecting investment in strategic partnerships and payment of exceptional costs
- Cash of £49.4 million at 31 December 2017, with RCF fully drawn down

# 2017 Financial results

		<b>3 months to 31 December 2017 £'m</b>	3 months to 31 December 2016 £'m	Growth vs. 2016 £'m	<b>12 months to 31 December 2017 £'m</b>	12 months to 31 December 2016 £'m	Growth vs. 2016 £'m
Content		<b>77.5</b>	53.7	23.8	<b>281.0</b>	<b>198.0</b>	83.0
Media		<b>19.0</b>	21.1	(2.1)	<b>62.8</b>	<b>65.3</b>	(2.6)
Other		<b>10.1</b>	4.8	5.3	<b>33.6</b>	<b>26.0</b>	7.6
<b>Total revenue</b>		<b>106.6</b>	<b>79.6</b>	<b>27.0</b>	<b>377.4</b>	<b>289.4</b>	<b>88.0</b>
Costs		<b>(88.9)</b>	(64.7)	(24.2)	(323.4)	(241.6)	(81.8)
<b>Adjusted EBITDA</b>		<b>17.7</b>	<b>14.9</b>	<b>2.8</b>	<b>54.0</b>	<b>47.8</b>	<b>6.2</b>
<b>Adjusted EBITDA margin</b>		<b>16.6%</b>	<b>18.7%</b>		<b>14.3%</b>	<b>16.5%</b>	

# Costs



## Cost of Sales

- Includes rights, publisher shares, technical and production costs
- Full year +37% vs 2016 driving +42% growth in Content revenues

## Direct Staff Costs

- Full year +31% vs 2016:
  - Strategic partnership sales, production and technical teams growth to deliver +42% increase in Content revenues
  - Investment in Broadcast operations during full launch of WTA and FIBA in H1 2017 and NFL during H2 2017

# Cash flow

	<b>3 months to 31 December 2017 £'m</b>	3 months to 31 December 2016 £'m	Growth £'m	<b>12 months to 31 December 2017 £'m</b>	12 months to 31 December 2016 £'m	Growth £'m
<b>Adjusted EBITDA</b>	<b>17.7</b>	<b>14.9</b>	<b>2.8</b>	<b>54.0</b>	<b>47.8</b>	<b>6.2</b>
Change in working capital	<b>(1.0)</b>	(8.3)	7.3	<b>(18.8)</b>	-	(18.8)
Capex	<b>(4.2)</b>	(4.7)	0.5	<b>(18.0)</b>	(22.0)	4.0
<i>% of revenue</i>	<b>4%</b>	6%		<b>%</b>	8%	
Tax	<b>(0.8)</b>	(0.8)	-	<b>(5.3)</b>	(4.7)	(0.6)
Long Term Incentive Plan	-	-	-	<b>(4.5)</b>	(0.8)	(3.7)
Exceptional items	<b>(2.2)</b>	(0.7)	(1.5)	<b>(8.4)</b>	(1.5)	(6.9)
<b>Cash flow (post tax and exceptional items)</b>	<b>9.5</b>	<b>0.4</b>	<b>9.1</b>	<b>(1.0)</b>	<b>18.8</b>	<b>(19.8)</b>

# Cash flow

	3 months to 31 December 2017 £'m	3 months to 31 December 2016 £'m	Growth £'m	12 months to 31 December 2017 £'m	12 months to 31 December 2016 £'m	Growth £'m
<b>Cash flow (post tax and exceptional items)</b>	<b>9.5</b>	<b>0.4</b>	<b>9.1</b>	<b>(1.0)</b>	<b>18.8</b>	<b>(19.8)</b>
Acquisitions & related	(2.3)	-	(2.3)	(2.3)	(35.3)	33.0
Net borrowings received	10.0	-	10.0	24.0	26.0	(2.0)
Net interest & related	(7.8)	(7.9)	0.1	(15.9)	(16.7)	0.8
Proceeds from issues of shares	-	-	-	-	34.1	(34.1)
Repayment / (funding) of OTT	6.0	-	6.0	14.0	(60.1)	74.1
<b>Cash flow</b>	<b>15.4</b>	<b>(7.5)</b>	<b>22.9</b>	<b>18.8</b>	<b>(33.2)</b>	<b>(52.0)</b>
Cash b/f	34.1	38.5	(4.4)	31.5	61.1	(29.6)
Effect of FX on cash	(0.1)	0.5	(0.6)	(1.0)	3.6	(4.6)
<b>Cash c/f</b>	<b>49.4</b>	<b>31.5</b>	<b>17.9</b>	<b>49.4</b>	<b>31.5</b>	<b>17.9</b>

- Acquisitions cash-flow related to Scout7 in Q4 2017
- RCF fully drawn down at 31 December 2017 (£10 million drawn down in Q4 2017))

# LOOKING AHEAD – FY 2018

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## Content

- Continued growth in existing strategic partnerships
- Exploring new incremental partnership opportunities (in period of exclusive negotiation with EHF)
- Launch of "FC Diez Media" (joint venture with IMG) acting as broadcast rights strategic partner with Conmebol
- US betting market under watch, with strategy in place if regulation opens up
- Cement OptaPro's position as primary supplier of data services to professional clubs, leagues and federations, supported by acquisition of Scout7 in Q4 2017
- Continued growth in Betting and Media products

## Media

- Focus on brand advertising campaigns during Russia World Cup
- Continued growth in owned and operated portals (Goal, Sporting News)
- Revenue opportunities transitioning users in DAZN launch markets

## Cash

- Closing cash at 31 December 2017 of £49.4 million, with RCF fully drawn in advance of payments in Q1/Q2 2018 including interest on Notes, tax, LTIP's/bonus, rights and exceptionals
- Future cash flows vs LTM:
  - Capex – expect to maintain capex investment at historic levels
  - Working capital – significant reduction in outflow as strategic partnerships begin to scale
  - Tax payments – will increase in line with growth in taxable profits
  - LTIPs – similar pay-out in future years assuming growth targets delivered

Q&A

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