



PERFORM

SPORTS CONTENT & MEDIA

SECOND QUARTER RESULTS 2016

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Ashley Milton, CFO

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1. Trading update
2. Financial review
3. Looking ahead - 2016
4. Q&A

TRADING UPDATE



Trading update

Restricted Group

- Strong Q2 results driven by growth in Content revenues
- Continued weakness in US media mitigated by cost reductions and FX
- Full year outlook expected to follow this trend
- Revenues, EBITDA and cash flow remain on track to deliver against Board's FX adjusted expectations for the full year

Content

- Continuing to build on success of 2015 and Q1 2016
- Strong Watch & Bet performance:
 - 2 new Watch & Bet clients added in Q2 2016 (incremental to 4 added in Q1 and 12 added in 2015)
 - Additional upselling to existing clients
- Growth in Content Media driven by major championships including Euro 2016
- WTA partnership – latest deals announced in Scandinavia, Balkans and South East Asia
- FIBA partnership – broadcast contracts signed in Italy and China

Trading update

Media

- Digital advertising still growing but an increasingly competitive market, particularly in the US
- Reflected in weak Media revenues, predominantly in the US
- Ongoing challenges presented by viewability, pricing and ad-blocking
- Focus on technology, content and delivery
- Taking longer than expected to stabilise
- Taking action on costs to minimise impact on margin

Unrestricted Group

- DAZN business successfully launched in Germany, Austria, Switzerland and Japan
- Funding on track with further investment supported by majority shareholders



FINANCIAL REVIEW



Q2 Financial Results

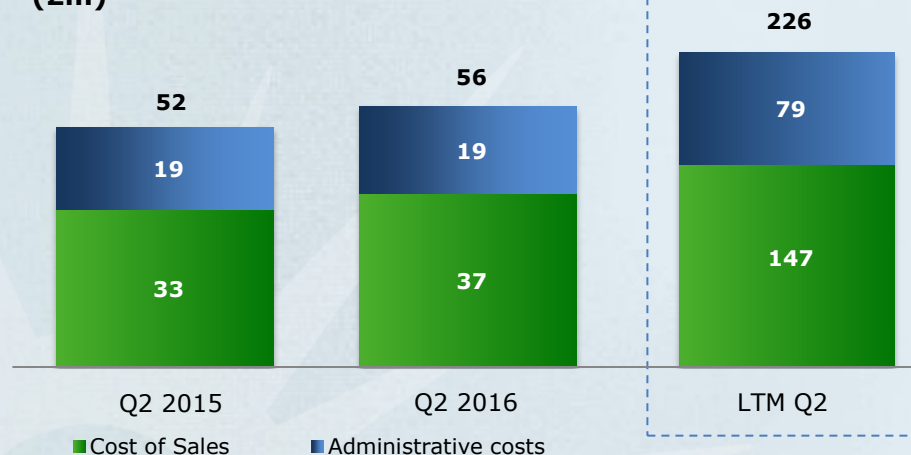
- Results below comprise Restricted Group only (excluding the OTT business)
- Revenues in Q2 2016 up 16% (£9.4 million) vs Q2 2015:
 - Content revenues up 29% (£10.8 million) reflecting continued growth in both betting and data products
 - Media revenues down 10% (£1.7 million) due to ongoing weakness in US video advertising
- Adjusted EBITDA up 73% (£5.9 million) to £14.0 million reflecting:
 - Increased Content revenues
 - Cost savings offsetting weak media sales
 - Resulting EBITDA margin at 20%
- Strong cash flow of £4.5 million in the quarter reflecting EBITDA growth and improved working capital management
- Cash of £39.4 million at 30 June 2016, in line with expectations following payment of final earn outs for Mackolik and Voetbalzone

Q2 Financial Results

		3 months to 30 June 2016 £'m	3 months to 30 June 2015 £'m	Growth vs. 2015 £'m	LTM to 30 June 2016 £'m
Content		48.2	37.4	10.8	187.3
Media		15.2	16.9	(1.7)	63.2
Other		6.3	6.0	0.3	24.3
Total revenue		69.7	60.3	9.4	274.8
Costs		(55.7)	(52.2)	(3.5)	(225.6)
Adjusted EBITDA		14.0	8.1	5.9	49.3
Adjusted EBITDA margin		20.1%	13.4%		17.9%

Costs

(£m)



Cost of sales

- +12% vs Q2 2015
- Includes rights, publisher shares, technical and production costs
- Increased content and production costs to support 29% revenue growth in Content division
- Gross margin increased from 45% in Q2 2015 to 47% in Q2 2016

Administrative costs

- Administrative costs includes staff costs, rent, overheads and professional fees
- Held flat quarter on quarter

Cash flow

	3 months to 30 June 2016 £'m	3 months to 30 June 2015 £'m	Growth £'m	LTM to 30 June 2016 £'m
Adjusted EBITDA	14.0	8.1	5.9	49.3
Change in working capital	(2.1)	(8.2)	6.1	8.2
Capex	(6.2)	(5.2)	(1.0)	(22.5)
<i>% of revenue</i>	9%	9%		8%
Tax	(0.9)	(2.1)	1.2	(4.5)
Exceptional items	(0.3)	(1.2)	0.9	(1.4)
Cash flow (post tax and exceptional items)	4.5	(8.6)	13.1	29.1

- Working capital inflow in Q2 2016 reflects strong cash collection and advance receipts for 2017 WTA revenues
- Capital expenditure flat at 9% of revenue
- Earlier corporation tax payments on account made in Q1 2016 (vs Q2 2015)

Cash flow

	3 months to 30 June 2016 £'m	3 months to 30 June 2015 £'m	LTM to 30 June 2016 £'m
Cash flow (post tax and exceptional items)	4.5	(8.6)	29.1
Acquisitions & related	(33.6)	(9.2)	(33.6)
Net borrowings / repayments	26.0	(0.2)	144.0
Net interest & related	(8.2)	0.2	(9.8)
Funding of OTT	(26.0)	0.0	(120.0)
Cash flow	(37.3)	(17.8)	9.7
Cash b/f	75.5	45.9	27.4
Effect of FX on cash	1.2	(0.7)	2.3
Cash c/f	39.4	27.4	39.4

- Final earn-out payments for Mackolik and Voetbalzone made in Q2 2016
- Prior year acquisition payments related to Matchendirect and Voetabalzone earn-outs
- First interest payment on Notes in Q2 2016
- OTT business funded £26.0m from proceeds of RCF draw down – total funding as at Q2 - £120.0m
- Cash of £39.4 million at 30 June 2016

LOOKING AHEAD - 2016



Looking ahead - 2016

- Full year trading expected to be in line with Board's FX adjusted expectations overall, but revenue mix continuing to shift towards Content
- Weaker sterling expected to impact FY EBITDA by approx. -£2m vs initial guidance. Post Brexit FX broadly neutral.
- Content
 - Continued growth in core products
 - W&B renewals – update towards end of Q4 2016 / Q1 2017
 - Preparing for start of WTA (10yrs) and FIBA (17yrs) partnerships in 2017
- Media
 - Reduced FY visibility
 - EMEA and APAC tracking broadly in line with expectations
 - US digital market remains volatile and will take time to settle, impacting US revenue growth in 2016
 - Positive effect of H1 strategy expected to impact H2:
 - Addressing viewability
 - Programmatic distribution
 - Semantic, relevant content
- Cash flow and year end cash remains on track to deliver against Board expectations

Q&A





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