



PERFORM

SPORTS CONTENT & MEDIA

THIRD QUARTER RESULTS 2016

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1. Trading update
2. Financial review
3. Looking ahead – Q4 2016
4. Q&A

TRADING UPDATE



Restricted Group

- Strong trading in third quarter, with revenues up 15%
- Growth driven by Content division, up 20% vs Q3 2015
- Media revenues flat, arresting decline of previous quarters, but benefiting from FX on US advertising
- Revenues, EBITDA and cash flow remain on track to deliver against Board's FX adjusted expectations for the full year

Content

- Continuing to deliver ahead of expectations
- Strong Watch & Bet performance:
 - 4 new Watch & Bet clients added in Q3 2016 (adding to 6 new in H1 and 12 new in 2015)
 - Additional upselling to existing clients
- Growth in Content Media from major championships including Euro 2016, impacting both Q2 & Q3
- WTA partnership – latest deals completed in Slovakia, Japan and Germany
- FIBA partnership – broadcast negotiations ongoing in advance of H2 2017 launch
- FIBA Basketball Champions League created in partnership with Perform

Media

- Europe and APAC reporting strong double digit growth
- US advertising remains volatile and lacking visibility, but some progress being made:
 - Semantic product live across key publishers
 - US sales team restructured and beginning to create traction
 - Transition to Google for ad-serving now complete
- Key portals delivering registrations to DAZN (OTT)
- Exploring opportunities around social gaming to leverage user base



FINANCIAL REVIEW



Q3 Financial Results

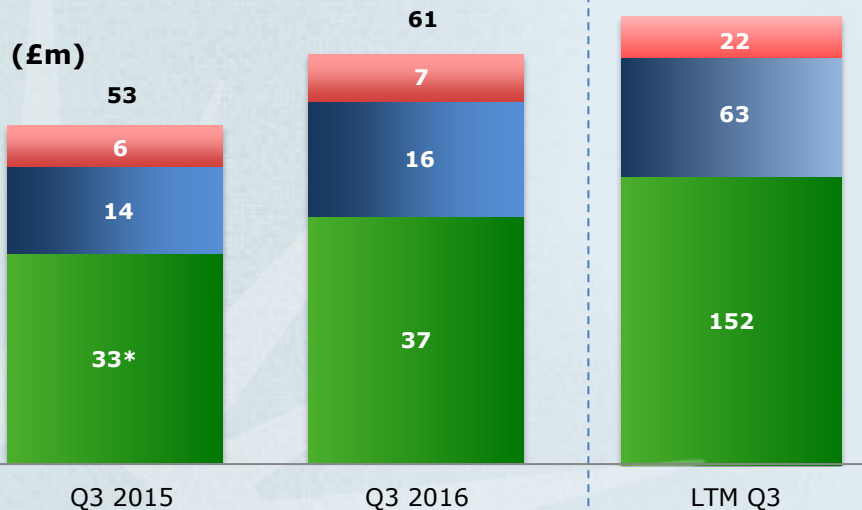
- Revenues up 15% (£9.4 million) vs Q3 2015:
 - Content revenues up 20% (£8.5 million) reflecting continued growth in both betting and data products
 - Media revenues up 3% (£0.5 million) reflecting strong growth in Europe and APAC
- Adjusted EBITDA down 14% (£2.0 million) to £12.3 million reflecting change to phasing of football rights in 2016 (calendar year vs football season)
- Comparable EBITDA up 19% vs adjusted Q3 2015
- Cash flow broadly neutral in quarter despite prepayment of 2017 WTA rights
- Cash of £38.5 million at 30 September 2016, with undrawn RCF of £24m

Q3 Financial Results

		3 months to 30 September 2016 £'m	3 months to 30 September 2015 £'m	Growth vs. 2015 £'m	LTM to 30 September 2016 £'m
Content		50.3	41.8	8.5	196.2
Media		16.7	16.2	0.5	63.4
Other		6.0	5.6	0.4	24.7
Total revenue		73.0	63.6	9.4	284.3
Costs		(60.7)	(49.3)	(11.4)	(237.1)
Adjusted EBITDA		12.3	14.3	(2.0)	47.2
Adjusted EBITDA margin		16.8%	22.5%		16.6%

Costs

- Cost of Sales
- Direct Staff costs
- Administrative costs



Rights costs flat at c.32% of Revenues (vs 33% Q3 2015)

Cost of Sales (comps adjusted)

- +12% vs Q3 2015*
- Includes rights, publisher shares, technical and production costs
- Increased content and production costs to support 20% revenue growth in Content division

Direct Staff costs

- +14% vs Q3 2015
- Includes staff costs related to sales and content output
- Increase reflects:
 - Increase in event volumes underpinning Content revenue growth
 - Investment in FIBA and WTA teams
 - Technical Services (provided by Perform Sports Cloud) to DAZN (recovered through arms-length cross-charge)

*Q3 2015 cost of sales adjusted to reflect 2016 phasing of football rights on a calendar basis rather than football season

Cash flow

	3 months to 30 September 2016 £'m	3 months to 30 September 2015 £'m	Growth £'m	LTM to 30 September 2016 £'m
Adjusted EBITDA	12.2	14.3	(2.1)	47.2
Change in working capital	(5.7)	(6.8)	1.1	9.3
Capex	(5.8)	(4.9)	(0.9)	(23.5)
<i>% of revenue</i>	8%	8%		10%
Tax	(0.8)	(0.8)	-	(4.4)
Exceptional items	(0.0)	(0.6)	0.6	(0.8)
Cash flow (post tax and exceptional items)	0.0	1.2	(1.2)	27.8

- Working capital outflow in Q3 2016 includes prepayment of 2017 WTA rights
- Partially offset by advanced receipts from WTA Broadcast customers
- Capital expenditure flat YoY at 8% of revenue

Cash flow

	3 months to 30 September 2016 £'m	3 months to 30 September 2015 £'m	LTM to 30 September 2016 £'m
Cash flow (post tax and exceptional items)	0.0	1.2	27.8
Acquisitions & related	(1.8)	(0.0)	(33.1)
Net borrowings / repayments	0.0	(0.0)	144.0
Net interest & related	(0.1)	(0.7)	(11.4)
Proceeds from issues of shares	35.0	0.0	35.0
Funding of OTT	(35.0)	(7.9)	(147.1)
Cash flow	(1.9)	(7.4)	15.2
Cash b/f	39.4	27.4	19.7
Effect of FX on cash	1.0	(0.3)	3.6
Cash c/f	38.5	19.7	38.5

- OTT business funded £35.0m from proceeds of equity raise. Total funding of £155.0 million as at Q3 2016
- Cash of £38.5 million at 30 September 2016

LOOKING AHEAD – FY 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
- Content
 - Continued growth in core products
 - W&B renewals – update on progress on Q4 Investor call
 - Preparing for start of WTA (10yrs) and FIBA (17yrs) partnerships in 2017
- Media
 - Reduced FY visibility for US advertising
 - EMEA and APAC tracking in line with expectations, reporting strong double digit growth on 2015
- Cash flow and year end cash remains on track to deliver against Board expectations

Q&A





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