



PERFORM

SPORTS CONTENT & MEDIA

FIRST QUARTER RESULTS 2018

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

TRADING UPDATE



Restricted Group

- Strong start to 2018, with revenues up 11%
- Driven by Content growth of 19% – primarily reflecting the FIBA partnership which began in Q3 2017.
- Like-for-like Media revenues (ex US ePlayer) up 9% YoY – including strong growth in continuing US portal business
- Revenues, EBITDA and cash flow remain on track to deliver against Board's expectations for the full year

Content

- Broadcast partnerships (WTA, FIBA and NFL) all contributing to YoY revenue growth as they scale
- Core Betting and Media products continue to show growth +5% YoY
- Start-up costs in Conmebol partnership impacting margin and working capital.

Media

- Like-for-like Media revenue growth across all markets including retained US business at 9% YoY
- Closure of US ePlayer at end of Q1 2017 delivered expected margin improvement going into 2018
- Goal key market users growth in 2017 retained in advance of World Cup
- Sporting News users up 32% at March 2018 – increasing US presence
- Continue to leverage Media business to enhance DAZN – including management of Social Media strategy



FINANCIAL REVIEW



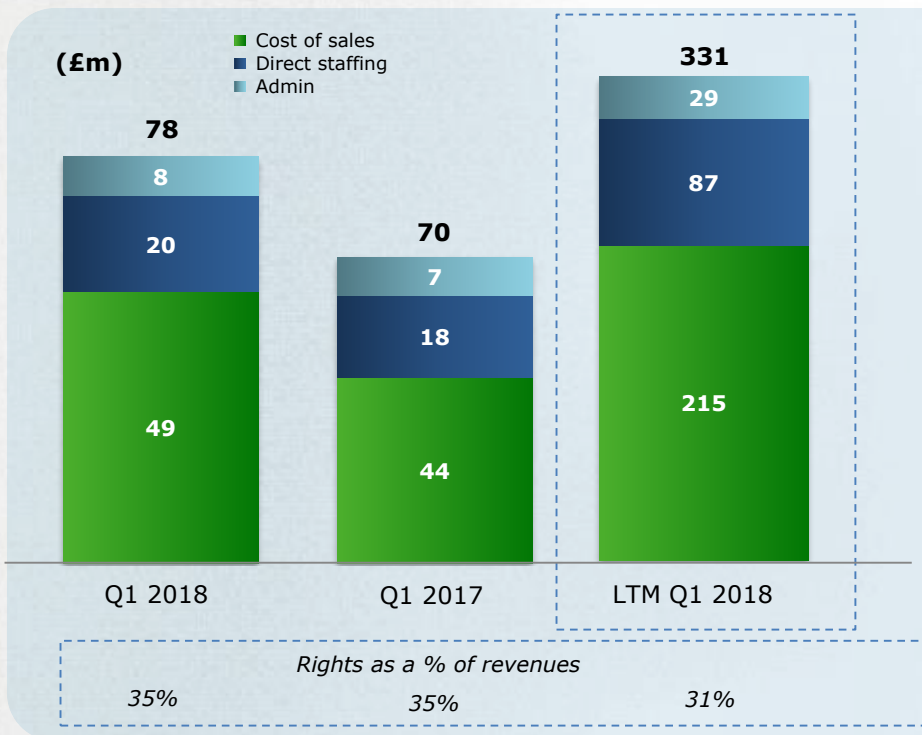
Q1 2018 Financial results

- Revenues up 11% (£8.7 million) vs Q1 2017:
 - Content revenues up 19% (£10.1 million) primarily due to broadcast revenue following the launch of the Group's strategic partnerships with WTA, FIBA and NFL during 2017
 - Media revenues down 4% (£0.5 million) due to the closure of the US ePlayer business at the end of Q1 2017, offset by continued strong underlying growth across all other markets
 - Other revenues down 12% (£0.9 million) driven by strategic exit from legacy tech and subs business in Q2 2017
- Adjusted EBITDA up £0.8 million vs Q1 2017 reflecting the launch of the Group's strategic partnerships during 2017 and the closure of US ePlayer in Q1 2017.
- EBITDA margin of 7.9% broadly in line with Q1 2017 (7.8%)
- Cash outflow of £16.0 million in quarter reflecting £10.0 million repayment of RCF, Q1 capex investment and tax payments – trading cash flows broadly neutral
- Closing cash at 31 March 2018 of £33.4 million, with £10.0 million RCF available

Q1 2018 Financial results

		3 months to 31 March 2018 £'m	3 months to 31 March 2017 £'m	Growth vs. 2017 £'m	12 months to 31 March 2018 £'m
Content		64.6	54.5	10.1	292.4
Media		13.1	13.6	(0.5)	62.3
Other		6.7	7.6	(0.9)	31.5
Total revenue		84.4	75.7	8.7	386.2
Costs		(77.7)	(69.8)	(7.9)	(331.3)
Adjusted EBITDA		6.7	5.9	0.8	54.9
Adjusted EBITDA margin		7.9%	7.8%		14.2%

Costs



Cost of Sales

- Includes rights, revenue shares, technical and production costs
- Q1 2018 up +11% vs Q1 2017 broadly in line with +11% growth in revenues

Direct Staff Costs

- Up +11% vs Q1 2017:
 - Growth in YoY FIBA & NFL operational costs – both partnerships fully operational from Q3 2017
 - Includes Conmebol start up costs

Cash flow

	3 months to 31 March 2018 £'m	3 months to 31 March 2017 £'m	Growth vs. 2017 £'m	12 months to 31 March 2018 £'m
Adjusted EBITDA	6.7	5.9	0.8	54.9
Change in working capital	(6.1)	-	(6.1)	(24.9)
Capex	(3.5)	(5.4)	1.9	(16.1)
<i>% of revenue</i>	4%	7%		4%
Tax	(1.7)	(1.5)	(0.2)	(5.4)
Long Term Incentive Plan	-	-	-	(4.5)
Exceptional items	(0.7)	-	(0.7)	(9.0)
Cash flow (post tax and exceptional items)	(5.3)	(1.0)	(4.3)	(5.0)

Cash flow (cont'd)

	3 months to 31 March 2018 £'m	3 months to 31 March 2017 £'m	Growth vs. 2017 £'m	12 months to 31 March 2018 £'m
Cash flow (post tax and exceptional items)	(5.3)	(1.0)	(4.3)	(5.0)
Acquisitions & related	-	-	-	(2.3)
Net borrowings / repayments	(10.0)	-	(10.0)	14.0
Net interest & related	(0.1)	(0.3)	0.2	(15.9)
Proceeds from issues of shares	-	-	-	-
Repayment / (funding) of OTT	-	-	-	14.0
Cash flow	(15.4)	(1.3)	(14.1)	4.8
Cash b/f	49.4	31.5	17.9	30.1
Effect of FX on cash	(0.6)	(0.1)	(0.5)	(1.5)
Cash c/f	33.4	30.1	3.3	33.4

- £10 million repaid on the RCF during Q1 2018

LOOKING AHEAD – FY 2018



Content

- Delivery of 2018 FIFA World Cup Content Media sales
- Build up to launch of Conmebol (2019) broadcast partnership
- Potential US Betting market opportunities

Media

- Delivery of 2018 FIFA World Cup Media sales
- Launch commercial partnership to manage official NBA sites in multiple territories (inc Australia, Canada and Spain)
- Leverage Media agency expertise to expand DAZN support in existing and new markets

Cash

- Closing cash at 31 March 2018 of £33.4 million, with £10.0 million RCF available
- £40.0 million Tap of HY Bond closing 10 May – full repayment of RCF from proceeds to allow headroom for further growth
- Future cash flows vs LTM:
 - Capex – expect to maintain capex investment at historic levels
 - Working capital – significant reduction in outflow FY18 as strategic partnerships begin to scale
 - Tax payments – will increase in line with growth in taxable profits
 - LTIPs – similar pay-out assuming growth targets delivered
- Cash flow and year end cash remains on track to deliver against Board expectations

Q&A





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