



# PERFORM

SPORTS CONTENT & MEDIA

## SECOND QUARTER RESULTS 2018

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

# TRADING UPDATE

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## Restricted Group

- Continued strong 2018 performance, with Q2 revenues up 11% YoY
- Both Media and Content showing double digit growth YoY
- Revenues, EBITDA and cash flow remain on track to deliver against Board's expectations for the full year

## Content

- Broadcast partnerships (WTA and FIBA) contributing to YoY revenue growth as they scale
- As messaged, start-up costs in Conmebol partnership impacting margin and working capital
- Core Betting and Media products continue to deliver growth: +10% YoY
- FIFA World Cup Content Media sales in line with expectations
- US betting regulation opens up opportunity for future growth.



## Media

- Like-for-like Media revenue growth across all markets at 22% YoY - partially driven by the FIFA World Cup
- FIFA World Cup Goal users over 150 million across all platforms – a new record high
- FIFA World Cup sales in line with Board expectations
- Relationship with DAZN delivering additional revenues, including affiliate fees and fees for managing DAZN's social media strategy.

# FINANCIAL REVIEW

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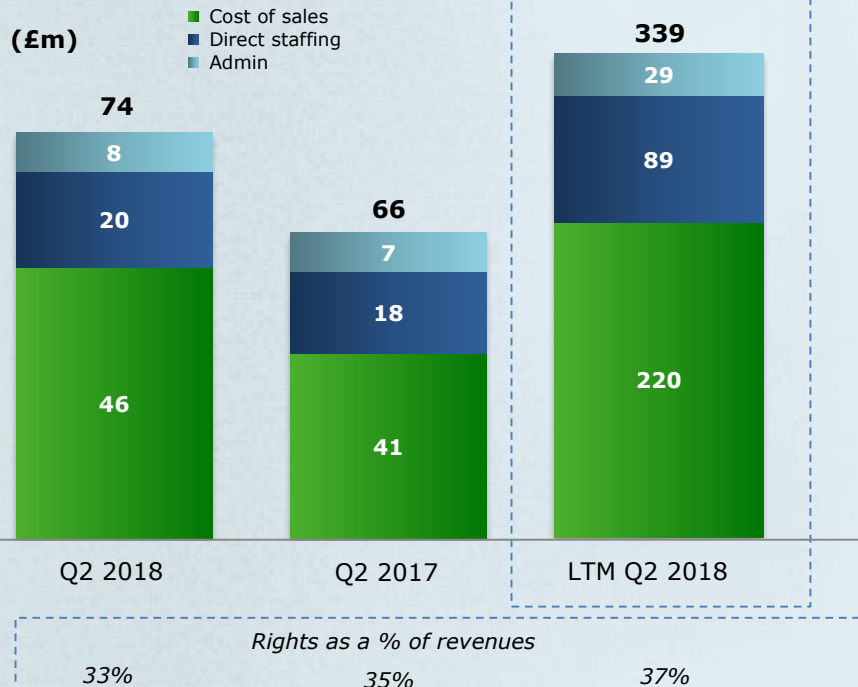
## Q2 2018 Financial results

- Revenues up 11% (£9.1 million) vs Q2 2017:
  - Content revenues up 11% (£6.6 million) primarily due to:
    - Broadcast revenue following the launch of the Group's strategic partnerships with WTA and FIBA during 2017
    - Strong betting trading – revenues up 12% YoY
  - Media revenues up 22% (£3.4 million) due to a strong FIFA World Cup coupled with underlying user growth
  - Other revenues down 11% (£0.9 million) driven by strategic exit from legacy tech and subs business in Q2 2017
- Adjusted EBITDA up £1.3 million vs Q2 2017 reflecting the margin impact of revenue growth
- EBITDA margin of 17.5% broadly in line with Q2 2017 (17.8%)
- Cash outflow of £12.2 million in quarter reflecting half yearly bond interest payment, Q1 capex investment and annual LTIP payments – offset by positive trading cash flows
- Closing cash at 30 June 2018 of £21.2 million, with £50.0 million RCF available to draw

## Q2 2018 Financial results

		<b>3 months to 30 June 2018 £'m</b>	3 months to 30 June 2017 £'m	Growth vs. 2017 £'m	<b>12 months to 30 June 2018 £'m</b>
Content		<b>64.0</b>	57.4	6.6	<b>297.7</b>
Media		<b>18.6</b>	15.2	3.4	<b>65.7</b>
Other		<b>7.3</b>	8.2	(0.9)	<b>31.8</b>
<b>Total revenue</b>		<b>89.9</b>	<b>80.8</b>	<b>9.1</b>	<b>395.2</b>
Costs		<b>74.2</b>	66.4	7.8	339.2
<b>Adjusted EBITDA</b>		<b>15.7</b>	<b>14.4</b>	<b>1.3</b>	<b>56.1</b>
<b>Adjusted EBITDA margin</b>		<b>17.5%</b>	<b>17.8%</b>		<b>14.2%</b>

# Costs



## Cost of Sales

- Includes rights, revenue shares, technical and production costs
- Q2 2018 up +12% vs Q2 2017 reflecting impact of strategic broadcast partnerships

## Direct Staff Costs

- Up +11% vs Q2 2017:
  - Growth in YoY FIBA & NFL operational costs – both partnerships fully operational from Q3 2017
  - Includes Conmebol start up costs

# Cash flow

	<b>3 months to 30 June 2018 £'m</b>	3 months to 30 June 2017 £'m	Growth vs. 2017 £'m	<b>12 months to 30 June 2018 £'m</b>
<b>Adjusted EBITDA</b>	<b>15.7</b>	<b>14.4</b>	<b>1.3</b>	<b>56.1</b>
Change in working capital	<b>(10.1)</b>	(10.3)	0.2	<b>(24.7)</b>
Capex	<b>(5.0)</b>	(3.8)	(1.2)	<b>(17.3)</b>
<i>% of revenue</i>	<b>5.6%</b>	4.7%		<b>4.4%</b>
Tax	<b>(0.7)</b>	(2.6)	1.9	<b>(3.5)</b>
Long Term Incentive Plan	<b>(2.7)</b>	(4.5)	1.8	<b>(2.7)</b>
Exceptional items	<b>(0.4)</b>	(0.6)	0.2	<b>(8.9)</b>
<b>Cash flow (post tax and exceptional items)</b>	<b>(3.2)</b>	<b>(7.4)</b>	<b>4.2</b>	<b>(1.0)</b>

## Cash flow (cont'd)

	3 months to 30 June 2018 £'m	3 months to 30 June 2017 £'m	Growth vs. 2017 £'m	12 months to 30 June 2018 £'m
<b>Cash flow (post tax and exceptional items)</b>	<b>(3.2)</b>	<b>(7.4)</b>	<b>4.2</b>	<b>(1.0)</b>
Acquisitions & related	-	-	-	(2.3)
Borrowings and drawdowns	<b>48.5</b>	14.0	34.5	58.5
Repayment of borrowings	<b>(50.0)</b>	-	(50.0)	(60.0)
Net interest & related	<b>(8.2)</b>	(7.6)	(0.6)	(16.2)
Proceeds from issues of shares	<b>980.0</b>	-	980.0	980.0
Repayment / (funding) of OTT	<b>(979.3)</b>	-	(979.3)	(965.3)
<b>Cash flow</b>	<b>(12.2)</b>	<b>(1.0)</b>	<b>(11.2)</b>	<b>(6.3)</b>
Cash b/f	<b>33.4</b>	30.1	3.3	28.7
Effect of FX on cash	-	(0.4)	0.4	(1.2)
<b>Cash c/f</b>	<b>21.2</b>	<b>28.7</b>	<b>(7.5)</b>	<b>21.2</b>

# LOOKING AHEAD – FY 2018

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## **Content**

- Progressing Conmebol tender process
- Impact of MLB video & data rights partnership deal
- Progress US betting strategy in light of recent change in regulation

## **Media**

- 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 30 June 2018 of £21.2 million, with £50.0 million RCF available
- Future cash flows vs LTM:
  - Capex – expect to maintain capex investment at historic levels, in line with guidance
  - Working capital outflow will reduce considerably vs LTM of £24.7m and will end up broadly in line with the outflow recorded in Q2
  - Tax payments – will increase in line with growth in taxable profits
- Buy out of remaining shareholding in ex Latin America JV completed in August
- After factoring in working capital and JV buy out, year end cash expected to close c£10m ahead of 30 June 2018, with £50m of undrawn RCF available

Q&A

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