

CATAPULT GENERATES \$9.0M CASH IN FY20, REACHING POSITIVE FREE CASH FLOW A YEAR EARLY



20 JULY 2020

Catapult Group International Ltd (ASX:CAT, "Catapult" or the "Company") is pleased to report that it generated net free cash of \$9.0 million in FY20, an improvement of \$24.1 million on FY19¹, and achieving cash flow positivity a year earlier than forecast.

Group revenues and EBITDA also continued to grow despite the postponement of many professional sporting leagues globally, driven by the subscription nature of most of Catapult's revenue and the scalability of the business model.

Ahead of the release of its Appendix 4E and preliminary final results next month, the Company is pleased to provide an update on its unaudited FY20 performance.

Key achievements include:

- Free cash flow for FY20 was \$9.0 million
- The Company's cash balance as at 30 June 2020 was \$27.5 million
- Total revenue for FY20 is expected to be between \$100.0 million and \$101.0 million
- EBITDA for FY20 is expected to be between \$11.5 million and \$12.5 million

STRONG CASH AND FINANCIAL POSITION

Catapult finished FY20 in a position of financial strength, with a balance sheet that included \$27.5 million of cash at bank, after delivering positive free cash flow of \$9.0 million in FY20, a year ahead of its commitment to be free cash flow positive in FY21.

In the early stages of COVID-19, Catapult management adopted a conservative approach by instituting cost control measures and managing working capital. This ensured that the Company maintained a strong cash position, while minimising disruption to the business.

Catapult's subscription-based revenue performed better than anticipated, enabling management to deliver positive cash flow ahead of plan.

¹Adjusted for the \$2.0 million benefit in FY20 associated with the AASB16 accounting change.

Positive cash flow was achieved by the underlying performance of the business, and accelerated by some temporary cost-reduction benefits associated with COVID-19.

Catapult remains well capitalised and with a strong balance sheet to fund its ongoing growth.

CUSTOMER DEMAND

The global landscape for professional sports has improved since the Company's update to the market on 27 March 2020.

Thousands of sports teams and athletes have returned to work and continue to leverage the benefits of Catapult's solutions. Many professional leagues and bodies have restarted competition (for example the K-League in Korea, Bundesliga in Germany, Premier and Championship Leagues in England, NRL and AFL in Australia), while others have proposed dates or are in the process of finalising dates to return to competition.

Catapult continued to win new customers and retain existing customers during recent regional and country lockdowns, including significant deals in the company's core sports and geographies. However, the delays and temporary closures of many sports over recent months have shifted the company's sale cycle, and consequently a significant proportion of sales that would otherwise have been made in 4Q20 are now expected to be made in 1H21. It is too early to accurately quantify the full impact of recent events on FY21.

It's worth noting that approximately 75% of Catapult's revenue is subscriptions-based, supported by long term customer relationships and contracts.

As the FY20 unaudited results highlight, Catapult is extremely well positioned and capitalised to self-fund investment in growth. Catapult will release its preliminary full-year results in late August 2020 and it will provide a detailed review of its FY20 results at that time.

COMMENT

Commenting on the update Catapult's CEO Will Lopes said: "I am pleased to deliver positive free cash flow a year earlier than expected, demonstrating Catapult's operating leverage that our SaaS model enables. These results demonstrate that we can control costs and investment to generate cash, and the potential this gives the Company as we grow. As I stated when presenting our 1H20 results, we will continue to invest in customer solutions with a lens that maximises long-term free cash flow.

I am also pleased that many of our clients have returned to play and we assisted them with a number of innovations, including in-home training and contact tracing solutions.

While we expect the sales impact of Covid-19 to continue for some time, our pipeline remains strong for FY21. The experience level of our executive team coupled with the dedication of our staff, has positioned us to effectively navigate this period, delivering solutions and support to our customers.

Six months into the role of CEO I am more excited than ever about our opportunity to deliver strong growth and cement our position as a global leader in the sports technology industry."

Authorised for release to ASX by the Catapult Board.

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