



CATAPULT 2020 AGM

CEO'S ADDRESS AND PRESENTATION



17 NOVEMBER 2020

Catapult Group International Limited (ASX:CAT, 'Catapult') attaches a copy of the CEO's address and presentation which is to be delivered to shareholders at its Annual General Meeting commencing at 10:00am (Melbourne time).

Authorised for release to ASX by the Catapult Executive Chairman, Adir Shiffman.

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CATAPULT GROUP INTERNATIONAL LTD

2020 Annual General Meeting

Tuesday, 17 November 2020 at 10:00am

CEO's Address

Thank you Adir for the earlier introduction and good morning to all of you joining us today. I am disappointed I cannot be in Australia for this AGM but given the current travel restrictions I am sure you all understand. However, I am excited to share our accomplishments of the past FY in spite of the challenges that we've faced during this year due to the pandemic.

Catapult's progress through FY20 highlights why I was excited to join Catapult. It demonstrates that the fundamentals of a strong recurring subscription business coupled with a low churn customer base creates amazing operating leverage.

This operating leverage allowed us to achieve positive cash flow a year ahead of plan under the extremely challenging and stressful circumstances presented by COVID-19.

Our progress to date excites me even more about our future as we continue to innovate on behalf of our customers.

I am going to cover 3 topics in my presentation today.

1. Highlight our customer focus and innovation and how this is driving growth in subscription revenue.
2. Recap our strong FY20 performance.
3. Provide some commentary on our FY21 outlook and an update on how we are progressing

1. Customer focus and innovation driving subscription revenue growth

Before we get started, I would like to point out that over 30 world champions were using Catapult's solutions in the last Sport season. We are very proud to have supported so many of them across the globe and we look forward to adding even more in the coming year.

Now let's discuss some of our customer success and innovations that translated into continued growth in subscription revenue.

Catapult continued to win marquee customer signings, be successful with League Wide Deals (LWD), grow multi-solution customers, secure deal renewals and extensions, and report low

churn in FY20.

Catapult's global customer base expanded to 3,246 teams with marquee signings and renewals including Real Madrid, Chicago Bears, Stanford University and the England and Wales Cricket Board. Prominent LWDs were the signing of Dimayor (top two tiers of Colombian Football with 36 teams) and Major League Rugby.

Customers with more than one solution grew 39% year-on-year, and significantly contributed to continued low customer churn with ACV churn for FY20 at 6.7% compared to 6.3% in FY19.

Catapult invested \$9 million in R&D in FY20 to drive future growth and build on its industry leadership position. 96% of this investment was focused on Pro segment innovation. The new 26 customer-facing solutions included COVID-19 innovations and upgrades for Pro segment customers across soccer, baseball, rugby and US college football.

Catapult's new COVID-19 innovations are now used by over 2,000 athletes and customer utilisation of our solutions is now higher than a year ago.

Our success in expanding our customer base and introducing new solutions translated into a successful FY20.

2. Recap our strong FY20 performance

Catapult was pleased to deliver EBITDA of \$13.3 million in FY20, an improvement of \$9.2 million, driven by continued strong subscription revenue growth of 21% (total revenue growth 6%) and a decline in operating expenses.

All solution verticals contributed to subscription revenue growth with Performance & Health +29%, Tactics & Coaching +10%, Management +26% and Media and Engagement +27%.

Despite COVID-19 impacts slowing our growth late in the year, we were able to grow subscription revenue in the most difficult period by 25% in our Performance and Health category.

Catapult has now delivered five consecutive half-years of consistent EBITDA growth driven by our continued focus on efficient implementation of a SaaS business model resulting in higher operating leverage and profitable growth.

I was pleased we managed the Prosumer customer segment more efficiently and to plan. It delivered strong EBITDA improvement with a loss of \$0.7 million compared with a loss of \$6.1 million in FY19. The improvement is attributable to the restructuring of this business delivering

operating cost containment and lower marketing spend.

This led Catapult to be in a strong financial position. At the end of our FY our cash position was \$27.5 million, which included a \$7.3 million drawn from a debt facility in March 2020 at the beginning of COVID-19 lockdown restrictions.

During our end of FY presentation, we introduced new metrics that highlights the strength of our subscription business. We can see how Catapult has matured into a strong SaaS mode in the last FY with these key metrics.

- Our ACV, that is our annual contracted value, grew 12% during the year.
- Our ACV churn was minimal at 6.7% despite the headwinds we faced in Q4.
- The average Lifetime Duration of our customers is incredibly high at over 6+ years in spite of welcoming many new customers in the last 2 years.
- And our operating leverage continues to improve as evident in our contribution margin of 49% for FY20.

These positive results positions Catapult for continued success. We have been focused in scaling our solutions across regions and sports, and we are pleased that this increased focus has made the US our key market with US customers now contributing 65% of Catapult's revenue. In addition to myself being US based I have made some key US appointments which will help Catapult scale globally and accelerate growth. Further to Adir's comments I was delighted to welcome Chris Cooper (COO) and Yana Bulva (SVP Product) to senior US based roles at Catapult. The executive team was also strengthened by my appointment of Hayden Stockdale as Catapult's CFO.

Earlier in the year we presented a new strategy to continue to expand our products across key verticals and integrate them together to deliver a cohesive view of athletic performance in a single platform. As I finish my first year as Catapult's CEO I could more bullish than ever that this strategy will lead to long-term success based on what we saw in FY20.

To recap –

The Company committed to deliver positive free cash flow into FY21 and it is pleased to achieve this goal a year earlier than planned, in spite of COVID-19.

Positive free cash flow of \$9 million further de-risked the Company. This achievement was delivered after spending \$9 million of R&D investment in our future growth.

This positive cash flow inflection point means we are becoming a great SaaS business that is well positioned to scale while delivering great service to our customers and value to our shareholders.

And these strong financial results were achieved during a most challenging period with the impacts from COVID-19.

Catapult's ability to execute during such a challenging period is a great sign of our product strength, our employees' dedication to our customers, and the experience of our executive team.

3. Looking into FY21 and our outlook.

FY21 will be a shorter financial year comprising nine months as a result of Catapult changing to a 31 March year end.

The change of year end and switch to a USD reporting currency will better reflect the Company's underlying successful operation and earnings profile driven by its growth in the northern hemisphere market.

Subject to our commitment on cash flow positivity, we will look to increase our investment in R&D in order to generate further revenue with high contribution margins.

We're making good progress in light of the COVID backdrop which is frustrating our attempts to sign new business.

Since the start of FY21 our cash balance has strengthened further, rising to US\$24.0 million as of 9 November (excluding drawn loans), an increase of US\$10.1 million from 30 June 2020.

The increase in cash flow is driven by strong cash collections, and ongoing cost savings associated with COVID-19. This position of financial strength has enabled us to pay down our loan facility so we are now debt free.

Catapult has been heartened by the strong and trusted nature of its relationships, with teams across all major sporting competitions globally continuing to heavily utilize Catapult solutions during return-to-play programs and in competition. Customer usage of Catapult's cloud-based SaaS solutions are higher than the previous year across all individual regions.

As previously advised, a number of new business opportunities were delayed from late FY20 into FY21, and many of these remain open as professional and US college level sports continue to manage the significant impacts and restrictions posed by the COVID-19 pandemic. Although new business opportunities remain challenged in the current environment, we are utilizing our

strong cash position and positive cash flow to convert new opportunities and other capital sales to full SaaS subscription-based deals. Going forward we expect a significant shift from capital to subscription for Performance & Health sales.

The Company's strategic focus and investment in innovation continues. We recently we delivered new customer-facing solutions. These include Catapult Form, a dedicated athlete feedback and wellness management software solution, and two solutions to support American football teams as they return to play, enhancing workplace flexibility and efficiency amidst new COVID-19 restrictions. The solutions provide teams with cloud-based full-resolution video analysis and a new seamless indoor-outdoor experience for American football that allows teams to transition between global positioning system (GPS) and local positioning system (LPS) tracking in a single session.

Finally, I want to thank the Board for their support, our staff for their dedication to our mission, and our customers for their loyalty.

What attracted me to Catapult is its global technology leadership and the huge opportunity to keep innovating and redefining the performance of elite teams and athletes globally. Catapult is a business with strong financial fundamentals with the potential to become the 'Salesforce' of the sports technology world.



CEO ADDRESS



WILL LOPES

CHIEF EXECUTIVE OFFICER



2019/20 CHAMPIONS USE CATAPULT



KANSAS CITY CHIEFS
NFL



LOUISIANA STATE
UNIVERSITY
NCAA FOOTBALL



REAL MADRID
LA LIGA



FC PORTO
PRIMEIRA LIGA



ROYAL ANTWERP FC
CROKY CUP



BEERSCHOT WILRIJK
PROXIMUS
LEAGUE



DINAMO ZAGREB
PRVA LIGA



SYDNEY ROOSTERS
NRL



RICHMOND TIGERS
AFL



CANTERBURY
CRUSADERS
SUPER RUGBY



RED STAR BELGRADE
SERBIAN
SUPERLIGA



FK VOJVODINA
SERBIAN CUP



KAWASAKI FRONTALE
J.LEAGUE YBC



FK SARAJEVO
NATIONAL CUP



LEGIA WARSAW
EKSTRAKLASA



STAL MIELEC
I LIGA



SLAVIA PRAGUE
FORTUNA LIGA



FK PARDUBICE
FNL



FERENCVAROS
NEMZETI
BAJNOKSAG I



MTK BUDAPEST
NEMZETI
BAJNOKSAG II



FC SHAKHTAR
DONETSK
UKRAINIAN
PREMIER LEAGUE



FC DYNAMO KYIV
UKRAINIAN CUP



FK SUDUVA
NATIONAL LEAGUE



FK QARABAG
AZERBAIJANI
PREMIER LEAGUE



SYDNEY FC
A- LEAGUE



PERTH WILDCATS
NBL



SUWON SAMSUNG
KOREAN FA CUP



KASHIWA REYSOL
J-2 LEAGUE



















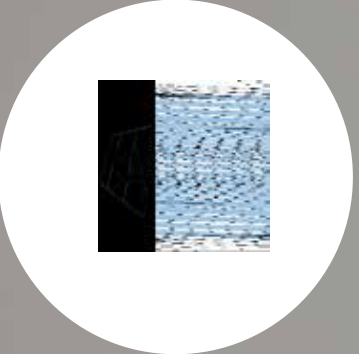

NIPPON TV TOKYO
VERDY BELEZA
NADESHIKO
LEAGUE DIV1



KFA
EAFF E-1
CHAMPIONSHIP



JUST SOME OF OUR FY20 MAJOR SIGNINGS

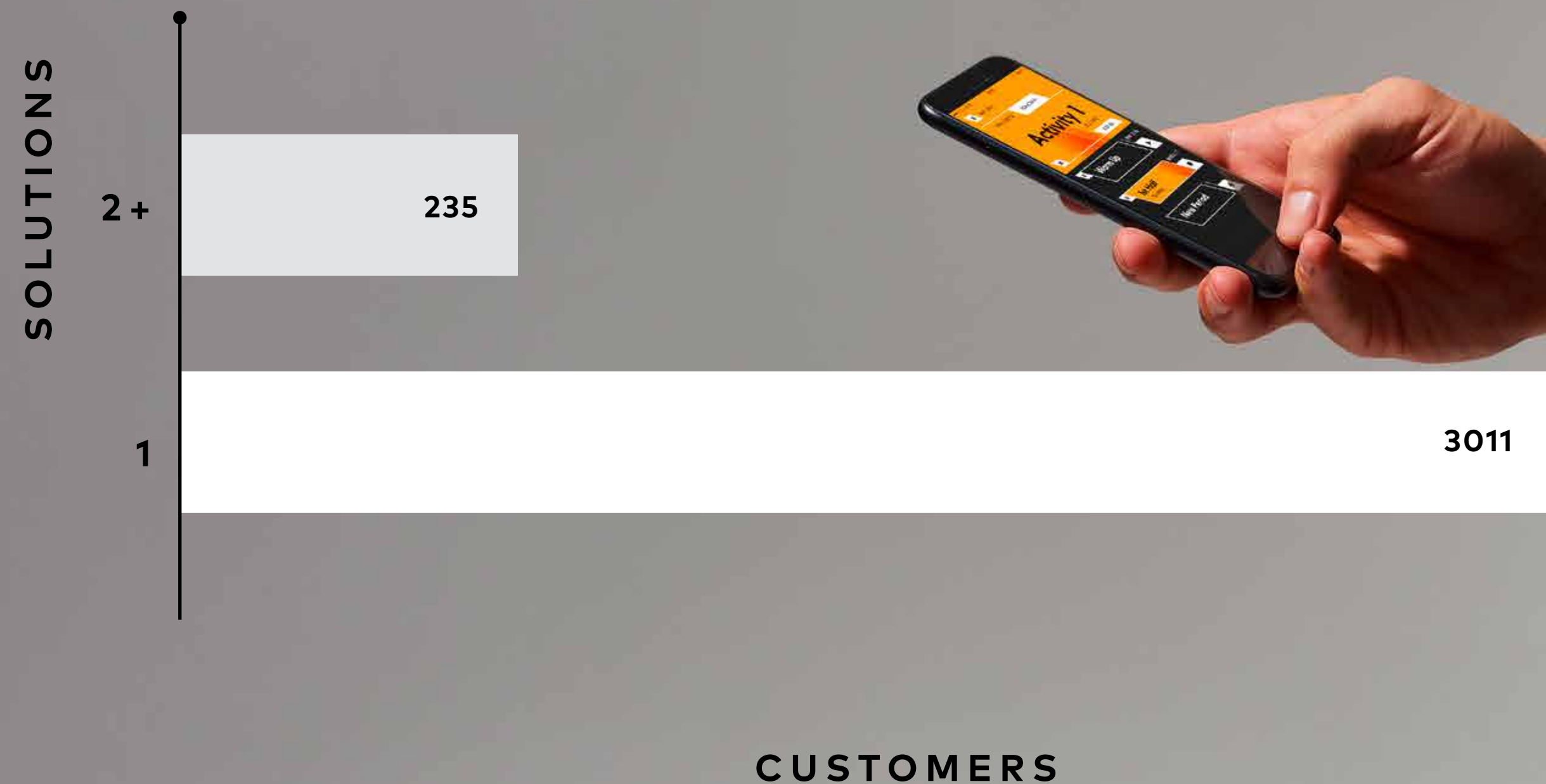
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|---|---|---|---|---|---|
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| REAL MADRID
CF | MAJOR LEAGUE
RUGBY
(LEAGUE-WIDE) | CAROLINA
PANTHERS | UNIVERSITY
OF NORTH
CAROLINA | UNIVERSITY
OF SOUTH
CAROLINA | ENGLAND AND
WALES CRICKET
BOARD |
|  |  |  |  |  |  |
| CHICAGO
BEARS | FC RIGA | ANAHEIM
DUCKS | UNIVERSITY
OF MISSISSIPPI | UNIVERSITY
OF IOWA | STANFORD
UNIVERSITY |
|  |  |  |  |  |  |
| FC BASEL | DIMAYOR
(LEAGUE-WIDE) | ZHEJIANG
GREENTOWN FC | SK SLAVIA
PRAGUE | LAWN TENNIS
ASSOCIATION | UNIVERSITY OF
NEVADA LAS
VEGAS |





GROWTH IN CUSTOMERS WITH 2+ SOLUTIONS OF 39%

GROWTH IN TOTAL CUSTOMERS OF OVER 20% SINCE JUNE 2019



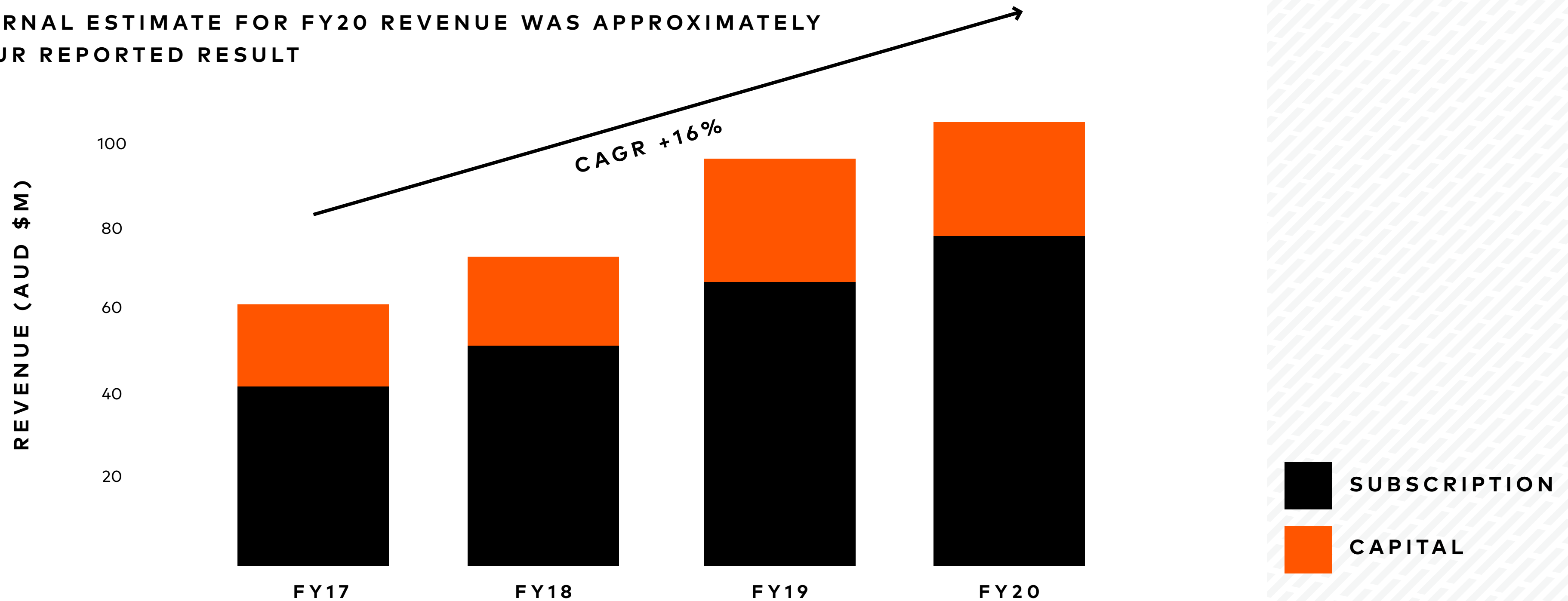


REVENUE GROWTH DRIVEN BY **SUBSCRIPTION REVENUE**

SUBSCRIPTION REVENUE +21%

OUR MAJOR Q4 SELLING SEASON WAS DISRUPTED BY COVID-19, LIKELY, PUSHING SALES INTO H1 FY21. CAPITAL SALES (-27.6%) WERE MOST AFFECTED.

OUR PRE-COVID-19 INTERNAL ESTIMATE FOR FY20 REVENUE WAS APPROXIMATELY \$14.5M HIGHER THAN OUR REPORTED RESULT





STRONG SUBSCRIPTION REVENUE GROWTH ACROSS ALL SOLUTIONS

DESPITE COVID-19, SUBSCRIPTION REVENUE GREW STRONGLY IN 4Q FY20 WITH PERFORMANCE & HEALTH UP 25% AND TACTICS & COACHING UP 11% ON 4Q FY19.

(AUD \$M)

40

+29%

+10%

+26%

+27%

30

20

10

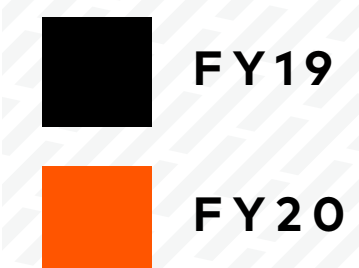
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PERFORMANCE &
HEALTH
(WEARABLES)

TACTICS &
COACHING
(VIDEO SOLUTIONS)

MANAGEMENT
(AMS)

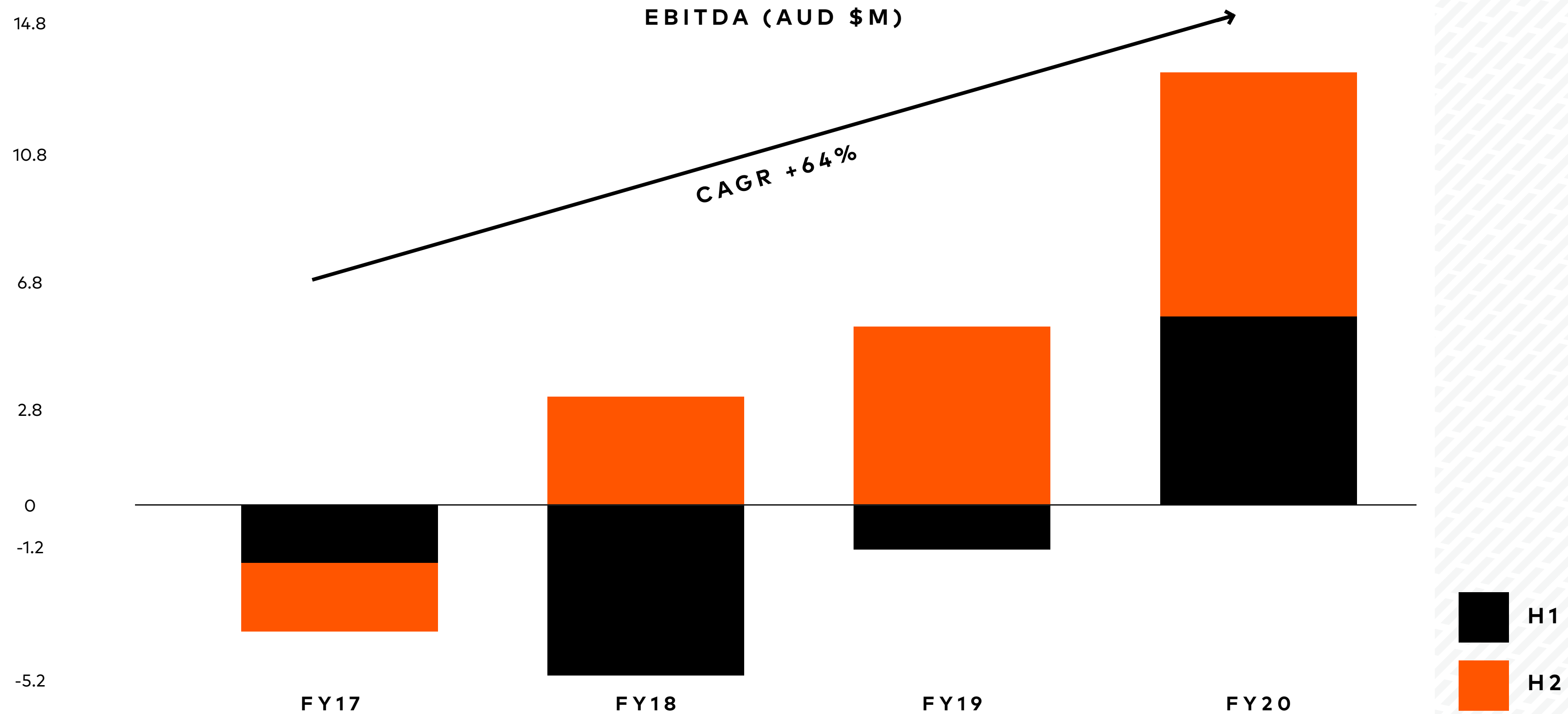
MEDIA &
ENGAGEMENT
(CONTENT LICENSING)





EBITDA GROWTH MOMENTUM

DELIVERED FIVE CONSECUTIVE HALVES OF CONSISTENT EBITDA GROWTH





FINANCIAL HIGHLIGHTS

WITH NEW METRICS

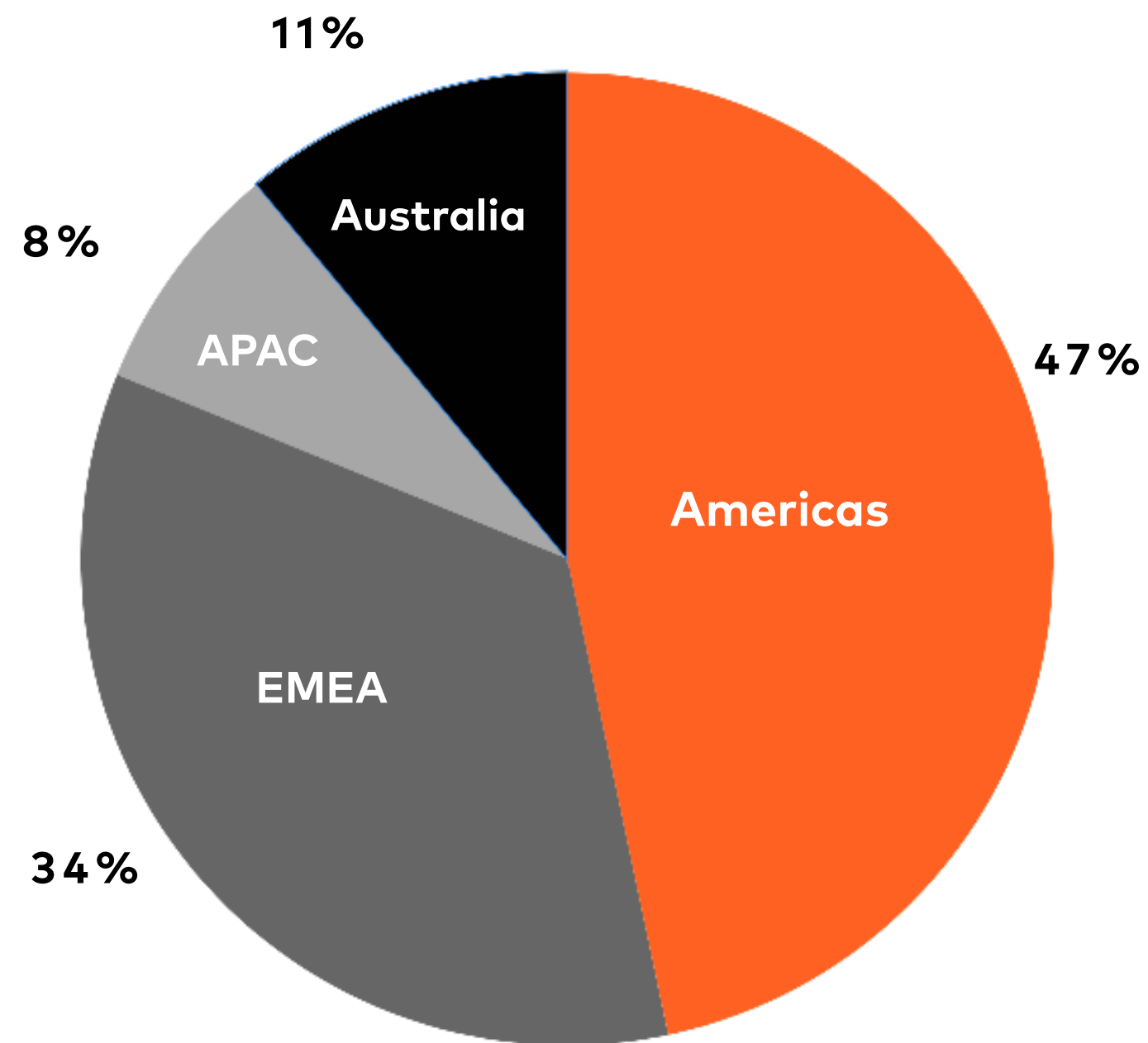
		FY20 (AUD \$M)	FY19 (AUD \$M)	% CHANGE
RECURRING REVENUE	ARR	72.6	66.2	10%
	ACV	62.5	55.6	12%
	ACV CHURN (%)	6.7%	6.3%	6%
	SUBSCRIPTION REVENUE	77.6	64.0	21%
	LIFETIME DURATION (YEARS)	6.5	6.7	(3%)
	REVENUE	100.7	95.4	6%
EFFICIENCY AND SCALABILITY	CONTRIBUTION MARGIN (%)	48.6	40.3	21%
OPERATING LEVERAGE	EBITDA	13.3	4.1	225%
	FREE CASH FLOW	9.0	(17.1)	153%
GROWTH INVESTMENT	R&D AS A % OF REVENUE	9%	11%	18%



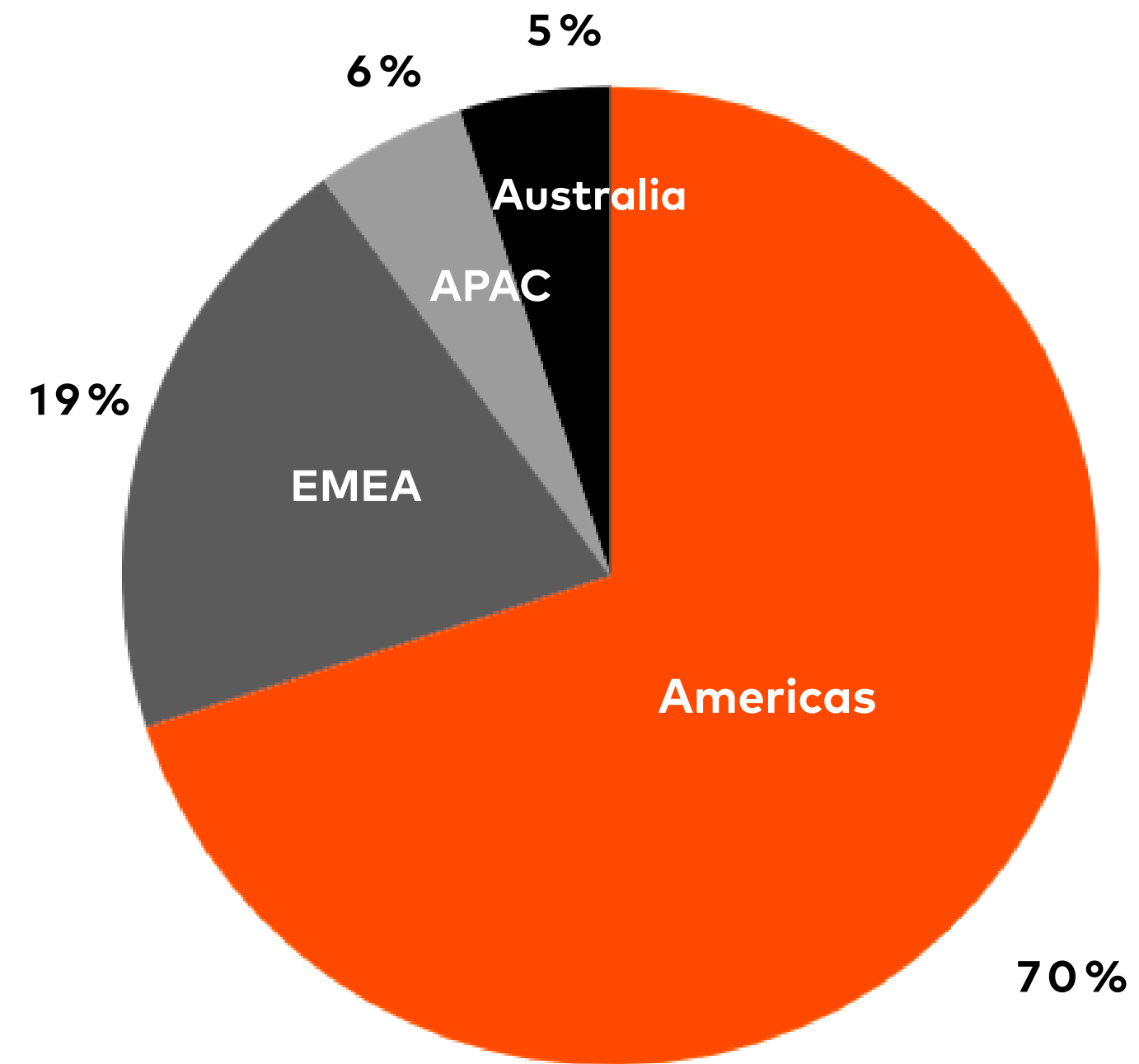
GLOBAL FOOTPRINT CONTINUES TO SCALE

DELIVERING HIGH VALUE CUSTOMERS AND HIGH REVENUE GROWTH

TEAMS BY REGION

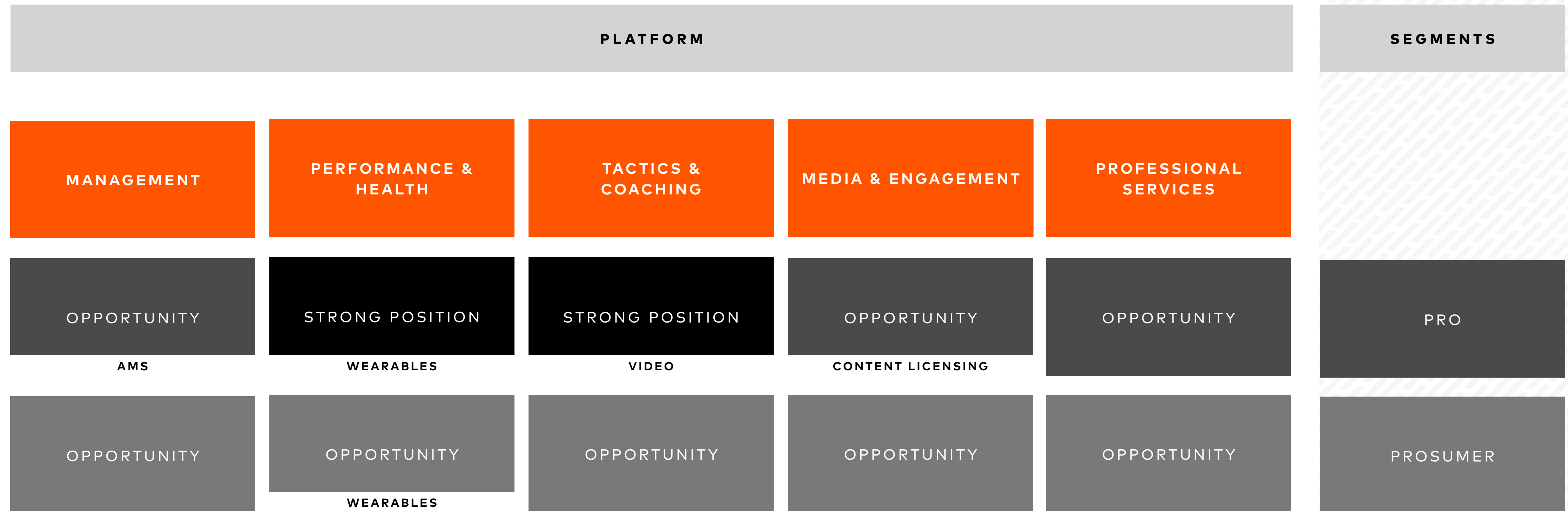


REVENUE BY REGION





OUR CUSTOMER SOLUTION-BASED STRATEGY



PLAY SMART



FY21 BUSINESS UPDATE AND OUTLOOK

- Customer usage of Catapult's cloud-based SaaS solutions are higher than the previous year across all individual regions.
- Catapult is debt free.
- New business opportunities remain challenged by the COVID impact on the sports industry.
- Catapult's cash balance has strengthened further, rising to US\$24.0 million as of November 9 (excluding drawn loans), an increase of US\$10.1 million from 30 June 2020. The increase in cash flow is driven by strong cash collections, and ongoing cost savings associated with COVID-19.
- Innovation continues - new solutions include Catapult Form and two tailored COVID related solutions for American football
- FY21 will be a shorter financial year comprising nine months with Catapult changing to a 31 March year end. The change of year end and switch to a USD currency will better reflect the Company's underlying successful operating and earnings profile driven by its growth in the northern hemisphere market.
- The Company expects to modestly elevate its R&D investment while maintaining positive free cash flow in FY21.

