



CATAPULT REPORTS ACCELERATED SAAS GROWTH; ACV UP 35% ANNUALIZED, LOW CHURN OF 5.5%, AND FREE CASH FLOW UP 69%, AS COVID-19 IMPACT LESSENS

MAY 26, 2021

Catapult Group International Limited (ASX:CAT, 'Catapult' or the 'Company') is pleased to provide its financial results for the year ending March 31, 2021 (FY21). These include nine-month audited accounts as contained in a separate announcement today, and the 12-month unaudited accounts below. Unless otherwise stated the results below refer to the 12-month unaudited accounts.

2ND HALF MOMENTUM HIGHLIGHTS (all growth rates are YoY unless specified)

All financials are in USD

- Growth in Annualized Contract Revenue (ACV), the Company's key subscription metric, accelerated in H2 to an annualized rate of 35%
- Reduction in ACV Churn in H2 versus H1 (5.5% versus 6.8%)
- ACV in Performance & Health grew at 55% annualized in Q4, with all regions including Americas growing at more than 40%
- Subscription revenue grew 12.5% and comprised 87% of total revenue in Q4 FY21, up from 83% in Q4 FY20
- Multi-solution customers grew at 41% annualized for H2

FY21 HIGHLIGHTS

- Growth in ACV of 16.5%
- ACV growth in EMEA and APAC was 57% and 34%, respectively
- ACV in Performance & Health grew 32% in FY21, far exceeding pre-COVID FY20 growth of 12%
- FY21 ACV Churn of 5.5%, a 14.1% improvement from FY20, despite COVID challenges
- Customers with two or more solutions grew 17%, highlighting the value of Catapult's platform

- Increased Contribution Margin from 47.1% to 48.2%, as efficiency improved
- Subscription revenue was 79% of total revenue, up from 71% in FY20, reflecting the strategic focus on high-quality SaaS revenue over one-time capital sales
- Second consecutive year of positive and growing Free Cash Flow (\$2.9m to \$4.9m), underscoring the Company's long-term cash generation capability

STRONG PROGRESS AGAINST ALL KEY SAAS METRICS

Accelerated Growth as COVID Impact Lessens

Catapult is pleased to report strong and accelerated growth momentum in its key SaaS metrics for FY21, as the negative impact of the pandemic is abating in the sports industry. Annualized Contract Value (ACV), Catapult's leading SaaS metric, grew globally at a 35% annualized rate during the second half of FY21 against a full-year growth rate of 16.5%. This growth highlights the Company's global leadership footprint, delivering regional FY21 ACV growth of 57% in EMEA and 34% in APAC. While the Americas region, the largest market for the Company, was severely disrupted by COVID with approximately 90% of NCAA competition cancelled, it delivered an FY21 ACV growth of 4%. The acceleration of growth in regions less impacted by COVID highlights the significant growth potential of the Americas once COVID impacts subside.

This potential was underscored by the growth in the Company's Performance & Health vertical, where Q4 momentum delivered an annualized ACV growth of 55% globally, with all regions growing more than 40% annualized in the quarter, including the Americas. Another highlight was that ACV growth in the Performance & Health vertical was almost 3x faster in FY21 than in FY20, despite the pandemic impact.

The growth momentum did not impact the Company's world-class retention rates. Catapult's successful focus on customers during the pandemic saw its annual ACV Churn rate of 5.5% improve 14.1% on the FY20 rate of 6.4%. This was particularly evident in H2 where annual ACV Churn to March 31, 2021 was 5.5% compared to 6.8% in the 12 months to September 30, 2020. These sustained world-class SaaS churn rates highlight the essential nature of the Company's solutions to its customers' daily workflows, despite the challenging financial year professional sports faced.

The result of this momentum saw the Company deliver Q4 subscription revenue growth of 12.5% against the previous corresponding quarter (which was not COVID impacted), and compared to a full year growth rate of 3.3%. The Company also reported subscription revenue in Q4 reached 87% of total revenue, as it successfully continued the switch from one-time capital deals to higher-quality, and higher-margin, subscription deals.

The growth momentum was further highlighted by the Company's ability to upsell and cross-sell to its current customer base. Catapult delivered an H2 annualized growth of 41% in customers with two or more solutions, versus an annual growth of 17%. Of particular note was the success in cross-selling existing Performance & Health customers into the Company's Vision video solution.

Catapult Chief Executive Officer Mr Will Lopes said: "I am proud of the results and progress Catapult made in our key SaaS metrics. We finished the year with an annualized ACV growth rate of 35% and world-class customer retention, demonstrating the value our SaaS solutions provide our customers daily. We stayed focused on customers during the pandemic and the business is benefitting as the pandemic impact lessens."

Strength and Focus in the Most Challenging Year

Entering the year, the Company faced a sports industry dealing with world-wide postponements and cancellations of major competitions. The NCAA (US collegiate sports), a major source of Catapult revenue, was particularly impacted with many sports not playing or playing without fans. The Company's customers faced huge financial challenges from the pandemic impact.

Despite the challenges presented, Catapult stayed focused on customer retention, high-margin subscription sales, and efficiency improvements. Catapult leveraged its technology leadership to introduce new solutions dedicated to supporting its customers dealing with COVID impacts, including the ability to train athletes remotely, provision of an athlete proximity report for contact tracing, and the ability for coaches to conduct high-definition video analysis remotely. Catapult's subscription revenue model proved to be resilient in ensuring the health of the Company's balance sheet, and the sustainability of its investments in growth. The focus driven by Management allowed Catapult to generate positive and growing free cash flow (\$4.9M up 69% YoY), for a second year in a row, despite the pandemic headwinds in new sales.

FINANCIAL SUMMARY – ACCELERATING GROWTH IN SUBSCRIPTION REVENUE

Catapult reported revenue of \$67.3 million, a decline of 7.4%. Revenue was lower due to the planned switch from capital sales to SaaS deals and the severe impact from COVID delaying new business.

In line with the growth momentum of Catapult's SaaS metrics, subscription revenue growth accelerated to 12.5% in Q4 versus 3.3% for FY21. High-quality subscription revenue comprised 79% of total revenue in FY21, up from 71% a year ago. Notably, subscription revenue in the Performance & Health vertical, the largest vertical by revenue, grew by 15.8%. Subscription revenue was up 1.6% in the Tactics & Coaching vertical.

EBITDA remained positive at \$6.5 million but declined \$3.9 million with the switch from capital sales to higher-quality margin SaaS deals and the impact of COVID. Underlying EBITDA¹ was \$8.3 million declining by \$2.1 million from FY20. Free cash flow remained positive and grew 69% to \$4.9 million.

OPERATING HIGHLIGHTS

Sales Momentum

Sales highlights through FY21 included signing the Atlanta Falcons to achieve 100% penetration of teams in the NFL; growing multi-solution customer base with marquee teams such as the Seattle Seahawks, Stanford University American Football, Stade Français Paris Rugby, Arizona Coyotes and Swindon Town; signing a Performance & Health contract with US Army Special Forces to help with soldier training; and a Video Exchange contract with 130 Football Bowl Subdivision (FBS) teams in the US.

Technology Investment Highlights

Catapult expanded its technology platform through FY21 with COVID solutions, including a Remote Athlete Solution and Athlete Proximity Reporting, both heavily utilized by customers; new solutions for the American Football season including cloud-based full-

¹ Excludes discretionary non-executive employee share plan expenses, and employee severance costs

resolution video analysis; and a seamless indoor/outdoor athlete monitoring function for training sessions. Catapult also launched the player Movement Profile analytics package for soccer. With continued commitment to R&D, Catapult invested \$6.8 million in R&D in FY21 and expanded its solutions with the acquisition of Science for Sport and the signing of several strategic partnerships.

Scaling for Growth

Preparations to scale Catapult for high growth and sustained technology leadership continued. Late in the year, the Company appointed Tom Bogan to the Board, its first US-based independent Director, and established a SaaS Scaling Committee. The enhancement of executive team capability continued with appointments of a new CTO, COO, CPO, SVP of Product, and SVP of Revenue Operations.

As planned, Catapult started migrating its sales to higher-quality multi-year SaaS subscription contracts away from one-time capital sales, despite the expected short-term negative impact on recognized revenue. To ensure the Company is delivering on its promise of disciplined and value-generating growth, and appropriately reflecting results against its largest market in North America, Catapult introduced a new set of SaaS metrics for growth and efficiency, changed its reporting currency to USD, and moved the financial year end to March.

PROSUMER

Despite the impacts of the pandemic in FY21, Prosumer revenue remained above \$3 million. The achievement is notable, as the Company restructured the Prosumer business to deliver cost containment and lower marketing spend, while it tries to understand customers' key acquisition levers of the product set. The result was a reduction in the Cost to Acquire Customers (CAC) by more than 90%, reducing cash burn and improving Prosumer EBITDA by 79%. A new growth strategy for Prosumer is expected later in FY22.

POSITIVE FREE CASH FLOW AND STRONG FINANCIAL POSITION

Catapult delivered 69% growth in free cash flow to \$4.9 million, a second consecutive year of positive free cash flow, underscoring its long-term cash generation capability. This outcome was delivered while increasing the absolute value of R&D investment by 2% to \$6.8 million.

The Company is well-positioned financially with US\$22.2 million of cash at bank as of March 31, 2021. Catapult's strong financial position and cash flows enabled the repayment of a bank loan facility during FY21.

OUTLOOK

Catapult is increasingly confident in the short- to medium-term, for continued strong organic ACV growth. The Company is also confident in its long-term strategy of expanding ACV to 10x its current size.

As the Company's confidence in growth increases, it sharpens the focus on accelerating opportunities that Catapult is uniquely positioned to capture. Of interest are specific investment opportunities (organic and inorganic) that expand ACV, TAM, technology that deepens its entrenched position in customers' daily workflows, and delivers sustainable EBITDA margin growth. The Company will maintain a disciplined approach in applying the SaaS "Rule of 40" as its core philosophy in investing for growth.

Catapult recently announced a transition of Performance & Health capital deals to subscriptions. This transition will temporarily reduce reported revenue and EBITDA, as sales will be recognized over the life of the subscription contract. Contribution margin and EBITDA will also be lower as there will not be a corresponding reduction in variable operating expenses which will continue to be recognized in the P&L up-front. Longer term, Catapult expects this to yield higher gross margins, contribution margins, and EBITDA margins associated with subscription sales, in part due to the improved customer experience, customer retention and pricing power provided by subscription contracts.

COMMENTS

Commenting on the results Catapult's CEO Will Lopes said:

"I am very excited to announce that Catapult delivered accelerated growth as the impact of the pandemic lessened. We stayed focused through this very challenging year, prioritizing high-margin subscription sales, increasing multi-solution adoption among our customers, keeping churn low, and generating cash. From the day I joined, I believed Catapult was in a strong position for growth, and once COVID hit, if we stayed the course this position would only improve when the pandemic was behind us. What we saw in Q3 and Q4 is an early glimpse of Catapult's potential, and I am delighted by the efforts from our employees during this year.

FY21 completes my first full fiscal year as the Company's CEO. Despite the hurdles COVID presented, I am proud of what the Catapult team accomplished this year. Pre-pandemic, I said we would begin to operate the Company as a true SaaS business, augment our management team, improve our corporate governance, reset our Prosumer business, and return to high-growth rates. At the end of my first full fiscal year, I am pleased we met these goals and did it during the most difficult of periods in sports history. The fact we delivered such strong results during this pandemic impacted year, only enhanced our leadership position and the future potential of Catapult."

VIDEO PRESENTATION; INVESTOR AND ANALYST BRIEFING

Catapult advises that it has released a video of Management's presentation of the FY21 results. The video is available for viewing at www.youtube.com/watch?v=i_RM1ldf5y8. It is strongly recommended that participants view this video prior to the investor teleconference.

The teleconference will be held for investors and analysts at 8.30am (AEST) on Thursday May 27, 2021.

To pre-register for this teleconference please use the following link:

https://catapultsports.zoom.us/webinar/register/WN_jly4ymJ_SlagLtiyCrykZA

Registered participants will receive a calendar invite and meeting link (and dial in number if required) which is to be used when connecting into the call.

Authorised for release to ASX by the Catapult Board.

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