Catapult Group International Limited (ASX:CAT, ‘Catapult’ or the ‘Company’), the global performance technology leader in elite sports, is pleased to provide its financial results for the year ended March 31, 2023 (‘FY23’).

FY23 HIGHLIGHTS

- H2 EBITDA of US$2.2M, a US$15.4M improvement from H1
- H2 Gross margin rebounded to 81% from 71%
- Cost to operate the business dropped US$11.9M in H2 from H1
- Operating cashflow +40% YoY to US$3.7M
- SaaS Revenue +21.8% YoY (CC), contributing to a total Revenue of US$84.4M
- Record H2 sales; FY23 Annualized Contract Value (ACV) +20.2% YoY to US$76.8M (CC)
- ACV Churn at record low rates of 3.8%
- Performance & Health Vertical (P&H) ACV grew 28% YoY (CC)

Commenting on the results, Catapult’s CEO Will Lopes said, “Catapult achieved great results during the second half of FY23. We returned the business to EBITDA positive, an improvement of more than US$15M. We were able to reduce expenses and maintain growth, as ACV in our largest vertical expanded 28% during the year. I am confident that margins will continue to improve, and the Company will return to generating positive free cash flow in FY24.” Mr Lopes continued, “It is exciting to see the progress made in our video platform for the coming sales season in the US and Europe. We added several features that will positively impact our customers’ workflows, saving them time while giving them new insights. The early sales success in the EMEA and APAC regions, where we don’t have a well-established subscription base for video solutions, is very encouraging for FY24.”

IMPROVED FINANCIAL POSITION AND PATH TO GENERATING CASH

In September 2022, Catapult announced a reprioritization of its accelerated investment program. In H2 FY23, variable costs improved by US$8.3M while fixed costs improved by US$3.6M. These savings, along with a record half-year of sales, resulted in dramatic margin improvements. Contribution profit improved by US$9.5M and contributed to a positive EBITDA result in H2 of US$2.2M. FY23 EBITDA loss of US$11.0M was a 22.8% improvement on FY22.

In December 2022, The Company expanded its debt facility with its existing debt provider, Western Alliance Bank, for an upsized US$20M(A$31M) revolving facility. The facility increased the Company’s cash reserves on improved commercial terms from its previous facility. The
facility is consistent with Catapult's previous remarks that it is fully funded to reach Free Cash Flow positivity in FY24 and does not anticipate any additional equity funding.

HIGH SAAS GROWTH AND LOW CHURN

Catapult's SaaS revenue increased 21.8% (CC) to US$70.5M(CC). Subscription revenue, comprising SaaS revenue and recurring media revenue, is now 92% of Catapult's total revenue, highlighting the high quality of Catapult's transformed business model.

Consistent with the Company's guidance for FY23, ACV (the leading indicator of future revenue growth) was up 20.2% (CC) to US$76.8M. This follows a record second half of US$6.8M (CC) in ACV growth. The P&H vertical, which includes the Company's wearables products, delivered high growth of 28% (CC) to US$49.9M of ACV.

The Tactical & Coaching (T&C) vertical, which includes the Company's video solutions, had global ACV growth of 11% (CC). However, regions where the Company does not have an established video market, experienced accelerated growth. EMEA more than doubled its FY22 growth rate rising 14.1%, while APAC grew 32.1%. The improved growth in EMEA and APAC is attributable to new customers and the early success of Catapult's video platform, which includes integrated wearables data.

Total revenue in FY23 was US$84.4M, up 10% or 14%(CC). Revenue growth was attributed to SaaS revenue growth of 21.8%, capital revenue down 20% (as the Company fully transitioned to SaaS), and Media & Other revenue staying relatively flat.

INVESTMENT DELIVERS NEW PRODUCTS AND CUSTOMERS

Following the completion of its accelerated growth investment, Catapult had several product launches in FY23, including:

- A new wearable device, Vector T7, for indoor sports
- A Smart American Football with wireless charging
- Wearable/Video integration for Basketball and Ice Hockey
- New live features for athlete monitoring
- New Vest with integrated HR for female athletes

The introduction of new solutions increased Catapult's customer team base to more than 3,800 in FY23, up around 400 teams in the year. Despite its customer base growing, avg. customer lifetime duration lengthened to over 6 years. Cross-selling accelerated the number of customers buying products from 2 or more verticals in Catapult's platform; 9.5% of the Company's customers are now multi-vertical customers.

Reflecting the depth of organic growth opportunity along with the resilience of sport in a recessionary climate, Catapult had notable new deals in FY23, including an expanded League Wide Deal (LWD) with the NRL and NRLW, a LWD agreement with XFL, and many new signings including iconic logos such as McLaren F1, FC St. Pauli, and Princeton University.
OUTLOOK

Catapult’s SaaS business model now delivers predictable revenue and has reached an inflection point for cash generation.Exiting its growth investment phase, Catapult anticipates that every additional $1 of revenue generates approximately 30% or more of profit margin.

In FY24, Catapult aims to deliver on its strategic priorities with a focus on cash generation. The Company expects:

- ACV growth to remain strong with low churn
- Continued improvement in cost margins towards its long-term targets
- To be Free Cash Flow positive in FY24 without the need to raise equity capital

VIDEO PRESENTATION; INVESTOR AND ANALYST BRIEFING

Catapult advises that it has released a video of Management’s presentation of the FY23 results. The video is available for viewing at youtu.be/03u5aOrJTCc.

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 (Melbourne time) on Tuesday, May 23, 2023. To pre-register for this teleconference please use the following link:

catapultsports.zoom.us/webinar/register/WN_acZw821LR_W-iuKfxgwwFw

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.

Authorized for release to ASX by the Catapult CEO, Mr. Will Lopes.

For investor enquiries, please contact:

ANDREW KEYS
Investor Relations Manager | investor.relations@catapultsports.com | +61 400 400 380

ABOUT CATAPULT

Catapult exists to unleash the potential of every athlete and team on earth. Operating at the intersection of sports science and analytics, Catapult products are designed to optimize performance, avoid injury, and quantify return to play. Catapult has more than 400 staff based across 28 locations worldwide, working with more than 3,800 elite teams in more than 100 countries globally. To learn more about Catapult and to inquire about accessing performance analytics for a team or athlete, visit us at catapultsports.com. Follow us at @CatapultSports on social media for daily updates.

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1 This section contains forward looking statements including plans and objectives. Do not place undue reliance on them as actual results may differ, and may do so materially. They reflect Catapult’s views as at the time made, are not guarantees of future performance and are subject to uncertainties and risks, such as those described in Catapult’s most recent financial report. Subject to law, Catapult assumes no obligation to update, review or revise any information in this section.
IMPORTANT NOTICE

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ACV is calculated using an average exchange rate to US$ over a 1-month period ending on the effective calculation date. ACV calculated on a “constant currency” or “(CC)” basis is calculated using an average exchange rate to US$ over a 1-month period ending on March 31, 2022. A reference to ACV growth and ACV (YoY) growth (including on a constant currency basis) for a relevant year is, unless otherwise specified, a reference to, respectively: (i) ACV calculated as at September 30 of that year, or any other specified date; and (ii) the quotient of (x) the ACV calculated as at the relevant date for that year; divided by (y) the ACV calculated as at the date which is 12-months earlier that the date in (x), expressed as a percentage.

While Catapult’s results are reported under IFRS, this document also includes non-IFRS information such as any pro forma information, EBITDA, underlying EBITDA, Gross Margin, Contribution Margin, Free Cash Flow, Annualized Contract Value (ACV), ACV Churn, and Lifetime Duration (LTD). These measures are provided to assist in understanding Catapult’s financial performance. They have not been independently audited or reviewed, and should not be considered an indication of, or an alternative to, IFRS measures. Financial information attributed to a segment in the Appendix 4D dated the date of this document may be presented in a different classification, or split between one or more classifications, in this document.

The information in this document is for general information purposes only, and does not purport to be complete. It should be read in conjunction with Catapult’s other market announcements. Readers should make their own assessment and take professional independent advice prior to taking any action based on the information.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the presented figures.

All financials are in US$ unless otherwise indicated.