

CATAPULT DELIVERS 21% ACV GROWTH, RETURNS POSITIVE FREE CASH FLOW OF US\$1.4M

NOVEMBER 14, 2023

ALL FINANCIALS ARE IN USD UNLESS OTHERWISE INDICATED

Catapult Group International Ltd (ASX:CAT, 'Catapult' or the 'Company'), the global leader in sports technology solutions for professional teams, is pleased to announce its financial results for the half year ended September 30, 2023 (1H FY24).

1H FY24 HIGHLIGHTS

- Annualized Contract Value (ACV) of US\$79.7M (A\$124M), +21% on a constant currency (CC) basis year on year (YoY)
- Revenue increased to US\$49.8M (A\$77M), +21% (CC) YoY
- Retention trends remain best in class, with ACV Churn falling to 3.6%
- Incremental profit margin of 19% in 1H FY24, confirming strong operating leverage as Catapult grows at scale
- Achieved positive Free Cash Flow (FCF) of US\$1.4M in 1H FY24 (1H FY23: -US\$13.4M)
- US\$4.7M of debt repaid, demonstrating confidence in Catapult's outlook and strengthened financial position

Commenting on the results, Managing Director & Chief Executive Officer, Mr Will Lopes, said "Catapult delivered another strong set of results, where we delivered ACV Growth above 20% year on year while reducing costs. Our growth was underpinned by consistent strong performance in our Performance & Health vertical. However, this half year period we saw accelerated ACV Growth in our Tactics and Coaching vertical, driven by our new video solution growing 41% year on year. Retention trends remain at all-time highs, which is an excellent outcome given we have been through our busiest renewal period. Our incremental profit margin improved significantly in the first half, enabling our business to generate positive free cash flow after a period of investing. We remain committed to generating positive free cash flow, strengthening our financial position further, and ensuring we can continue to drive future revenue growth."



CONSISTENTLY STRONG METRICS; BEST IN CLASS RETENTION

Catapult delivered another strong performance from its core verticals, with ACV Growth of 21% (CC) YoY. Catapult's core metrics demonstrate both the benefits of a scalable and repeatable business model, and the embeddedness of Catapult's product and solutions into team workflows, with:

- ACV Churn falling to just 3.6%
- Lifetime Duration increasing 18% YoY to 7.1 years
- Pro Teams increasing 9.6% YoY to 3,217 teams
- Average ACV per Pro Team increasing 9.4% (CC) YoY to US\$23.7k

In Performance & Health (P&H), ACV grew 27% (CC) YoY, generated by broad sporting and geographic success. The Company experienced particular success signing new league wide deals in soccer across LATAM, EMEA, and APAC regions. This yet again reinforces that Catapult remains the partner of choice when teams and leagues are evaluating the best available solution for athlete monitoring, management, and recovery. Despite another strong performance, there remains significant market opportunity for expansion, with Catapult delivering solutions to less than 15% of Pro P&H teams in an estimated market of 20,000 Pro Teams.

In Tactics & Coaching (T&C), ACV Growth of 12% (CC) YoY was driven by an acceleration of growth within its New Video Solutions, with New Video Solutions ACV Growth up 41% (CC) YoY. Expansion in EMEA and North America with new customers in soccer and motorsport were highlights, and illustrates the incredible value that teams and organisations across the world derive from adopting this market leading technology. This acceleration of growth represents an ongoing validation of the Company's investment into New Video Solutions, reinforced by the attractiveness of the strong unit economics they deliver.

Catapult continues to demonstrate the effectiveness of its Land and Expand strategy, with Multi Vertical Pro Teams who adopted more than one Catapult solution increasing 15.7% YoY (33% when run off products are excluded) to 406 Teams. With the early results of this strategy and initial positive feedback from teams and athletes, cross-sell remains a significant opportunity for the Company.

DISCIPLINED COST MANAGEMENT, RETURNS POSITIVE FREE CASH FLOW

Total revenue grew to US\$49.8M, up 21% (CC) YoY, primarily driven by accelerating SaaS (ACV) revenue increasing to US\$39.5M, up 25% (CC) YoY. Revenue growth along with a disciplined approach to costs, generated a Contribution Margin of 44%, a significant increase from 23% in the first half of FY23. This enabled the Company to make substantial progress toward its ~30% incremental profit margin target, with an incremental profit margin of 19% in the first half of FY24. Given variable costs are historically seasonally higher in the first half of a financial year in support of the Company's peak sales cycle, Catapult is on track to make further progress on this target and its Contribution Margin in the second half of FY24.

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Catapult is delivering on its commitment to generate positive free cash flow in FY24, generating positive free cash flow of US\$1.4M in the first half of FY24. This represents a milestone for the Company and is the first time since the first half of FY21 that Catapult has generated positive free cash flow.

During the first half of FY24, Catapult repaid US\$4.7M of funds drawn down from its existing debt facility with Western Alliance Bank. This leaves the Company with an existing debt balance of US\$11M. The repayment was made after Catapult's busiest period in its sales cycle, demonstrating confidence in the Company's outlook and strengthened financial position.

Commenting on the results, Mr Bob Cruickshank, Chief Financial Officer, said "Following a period of investment into our product solutions, and building the foundations to support our business at scale, it's very encouraging to see the strong financial performance we have delivered in the first half. The growth of our SaaS revenue highlights the strength of our core verticals, and disciplined cost management has enabled us to return to positive free cash flow generation. The significant improvement in our incremental profit margin, the result of a very focused approach to how we run our business, demonstrates that we are delivering on our strategy and ensuring we are well positioned for future growth."

CONTINUED EXPANSION OF PRODUCT SOLUTIONS

Catapult released several new product solutions in the first half of FY24, delivering on the investments made into Research & Development (R&D) initiatives. These included:

- Vector Core: An expansion of its P&H solution that extends usage beyond the First Team down to the academy level of Pro Teams
- Pro Video Soccer: An update to features enabling significant time-saving and improved team workflows for Soccer teams
- Pro Video Football: A new integration that connects its legacy solution with its new Hub product for Football clients along with a new scouting solution
- Next Gen Vest: A new best in class heart rate data vest with improved comfort and wearability

FY24 OUTLOOK

Commenting on the outlook for the Company, Mr Lopes said "In FY24 we continue to expect ACV Growth to remain strong with high retention rates, and to generate positive free cash flow for the full year without the need to raise equity capital. We will continue to innovate, releasing new solutions in support of our products, helping teams make even better decisions with our technology. We will remain focused on our go-to-market strategy, whilst maintaining a disciplined approach to our cost base, driving our contribution and incremental profit margins towards our long-term targets.

"With our unique and comprehensive all-in-one technology SaaS business model, I am confident in our outlook and the critical role we provide in helping unleash the potential of every athlete and team on earth."

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Authorized for release to ASX by the Board

For further information, please contact:

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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 improve return to play. Catapult works with more than 4,100 teams in over 40 sports across 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 catapult.com. Follow us at @CatapultSports on social media for daily updates.

FORWARD-LOOKING STATEMENTS

This document may contain 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 document.

DEFINED TERMS AND CALCULATION METHODOLOGIES

In this document, unless otherwise indicated:

"ACV" or "Annualized Contract Value" is the annualized value of all active subscription contracts in effect using an average exchange rate to US\$ over a 1-month period ending on the ACV Effective Calculation Date;

"ACV (CC)" or "ACV constant currency" is ACV calculated on a "constant currency" basis, which is calculated using an average exchange rate to US\$ over a 1-month period ending on March 31, 2023;

"ACV Effective Calculation Date" for ACV is, unless otherwise stated September 30, 2023. The ACV Effective Calculation Date for ACV denoted as "Opening ACV" or "Closing ACV" is ACV calculated as at, respectively, the start or end of the relevant period. Therefore, for example, the Opening ACV 1H FY24 Effective Calculation Date is April 1, 2023 and the Closing ACV 1H FY23 Effective Calculation Date is September 30, 2022. ACV denoted as "1H" is calculated as at the end of the relevant period. Therefore, for example, the ACV 1H22 Effective Calculation Date is September 30, 2021, and the ACV 1H24 Effective Calculation Date is September 30, 2023:

"ACV Churn" is the reduction in ACV from the loss of customers over a period, which is calculated as the quotient (expressed as a percentage) of (x) the reduction in ACV from the loss of customers over the 12-month period prior to the Effective Calculation Date; divided by (y) the total ACV calculated as at the date that is 12 months prior to that Effective Calculation Date; "ACV Growth" is the growth in ACV (including on a "constant currency"), which is calculated as the quotient (annualized and

expressed as a percentage) of (x) the ACV calculated as at the Effective Calculation Date; divided by (y) the ACV calculated as at, unless otherwise stated, the date which is 6 months prior to that Effective Calculation Date;

"ACV YoY" is the growth in ACV (including on a "constant currency"), which is calculated as the quotient (expressed as a percentage) of (x) the ACV calculated as at the Effective Calculation Date; divided by (y) the ACV calculated as at the date which is 12 months prior to that Effective Calculation Date;

"Free Cash Flow' or "FCF" is cash flows from operating activities less cash flows used for investing activities, excluding cash used for acquisitions of, and investments into, businesses and strategic assets. FCF excludes AASB16 lease payments;

"Incremental profit margin" over a period is calculated as the quotient (expressed as a percentage) of (x) the incremental Management EBITDA over that period; divided by (y) the incremental revenue over that period.

"Lifetime Duration" or "LTD" is the average length of time that customers have continuously subscribed for Catapult's products or services as at the effective calculation date, weighted by each customer's ACV as at that date;

"Management EBITDA" is EBITDA excluding share based payments, severance, purchase consideration, and including capitalized development expense;

"Multi-Vertical customers" is the number of customers that, as at the effective calculation date, use a product from more than one of Catapult's verticals; and

"SaaS (ACV) Revenue" is revenue attributable to ACV.

NON-IFRS INFORMATION

While Catapult's results are reported under IFRS, this document may also include non-IFRS information such as the pro forma information referred to above, EBITDA, Management EBITDA, Gross Margin, Contribution Margin, free cash flow, Annualized Contract Value (ACV), ACV Churn, Lifetime Duration (LTD), and Future Revenue Under Contract (FRUC). These measures are provided to assist in understanding Catapult's financial performance given that it is a SaaS business. They have not been independently audited or reviewed, and should not be considered an indication of, or an alternative to, IFRS measures.

GENERAL

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.