

CATAPULT'S GROWTH STRATEGY DELIVERING: SUBSCRIPTION REVENUE ACCELERATED BY 29% IN FY22, UP FROM 3% IN FY21

MAY 25, 2022

ALL FINANCIALS ARE IN USD UNLESS OTHERWISE INDICATED

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, 2022 (FY22).

FY22 HIGHLIGHTS

- Catapult reached a major inflection point –
 - Its SaaS move is complete, with 92% of revenue now contracted and recurring. The drag on total revenue growth from the switch to subscription from capital deals is now behind it.
 - Its core business of P&H pro (elite wearables) is back to high growth, with ACV in FY22 up 32%, driven by the Americas region up 51% (both constant currency) ('CC').
 - It delivered on its promise of connecting wearable with video data with faster than expected integration of MatchTracker and Vector, starting a new growth engine for Catapult's Tactics & Coaching ('T&C') vertical.
- Strong progress against key SaaS metrics
 - Annualized Contract Value ('ACV'), the leading growth indicator, grew 23% (CC), with all regions performing strongly
 - World-class ACV retention with churn falling to just 3.4%
 - Continued strong growth in multi-vertical customers, which expanded 50%
- Subscription revenue grew by 29% (up from 3.3% in FY21), as ACV growth accelerated. Total revenue growth accelerated to 14.4% (up from a 7.4% decrease in FY21) as the proportion of high-growth subscription revenue continued to offset the cessation of capital P&H sales.
- \$26.1 million of cash at bank, with accelerated growth initiatives fully funded.

GROWTH STRATEGY TO REACH \$400M+ STARTING TO DELIVER

The Company is increasingly confident in its ability to grow ACV, by surrounding customers with value-adding SaaS products.

During FY22, the Company completed its shift to a full SaaS business model with 92% of its revenue now contracted and recurring, ending the drag on total revenue growth from the switch away from capital sales.

It returned its core business of P&H Pro back to high growth, with ACV up 32% (CC) with subscription revenue now accounting for 98% of the vertical's total revenue. And it created a new growth leg with its Tactics & Coaching (T&C) vertical, with the integrated video/wearable solution showing early signs of high growth with APAC up 29.7%, being the only region to benefit from the integration.

UNLEASH POTENTIAL

ACV growth accelerated to 23% (to \$65.6M) on a constant currency basis. The Company has been focused on growing contracted recurring revenue, and the lead indicator of this progress, and success, is ACV growth.

All Regions Deliver Accelerated P&H Growth

Catapult has accelerated its leadership in Pro athlete monitoring. The Company's leading growth engine, P&H, has doubled its rate of ACV growth in two years, from 16% in FY20 to 32% in FY22 (CC). All regions for P&H performed strongly, with the Americas up 50.6%, APAC up 29.9%, and EMEA up 13.5% (all CC). The Americas' impressive growth was due to new customers and upsells of major NCAA customers. Also in APAC, there was ACV growth via upsells of major customers in the region. There are now approximately 2,000 Pro teams using Catapult's athlete monitoring solution.

New Growth Engine (T&C) Launches Ahead of Schedule

The integration of MatchTracker and Vector was completed ahead of time, within 7 months, and is providing emerging evidence of a second high-ACV growth engine. In APAC, during its key selling season, T&C ACV grew 29.6%. Momentum in other regions was seen in FY22 ahead of key selling seasons with new deals (e.g., NASCAR, eSports, VfB Stuttgart, German FA) won significantly earlier than expected. The video integration positions the EMEA region well entering into FY23 and poised for key selling seasons for soccer and rugby. Global T&C ACV grew by 6.5% in FY22 (CC).

Accelerated Cross-Sell, Customer Retention Strategies

Other SaaS metrics across Catapult's Pro customer base continue to show the value and relevance of Catapult's deeply embedded software solutions. The cross-selling strategy is accelerating; multi-vertical customer growth was 50%, with 69% of additions coming from the adoption of a T&C product (up from 34% in FY21). Average customer duration lengthened slightly to 5.8 years, and ACV Churn dropped an incredible 38% to 3.4%.

Opened New Mass Market, ACV Up 303%

Catapult has seen early success expanding into the mass market, reporting Prosumer ACV growth of 303% (to \$2.4M) in FY22. The "Catapult One" product was soft launched in late H1 FY22 as a subscription-only offering. It is replacing PLAYR and PlayerTek and has generated strong interest from individuals and teams. The growth in ACV is a leading indicator for continued future subscription revenue growth.

FINANCIAL SUMMARY – ACCELERATING GROWTH IN SUBSCRIPTION REVENUE

Subscription revenue grew by 29% (up from 3.3% in FY21), as ACV growth accelerated. Total revenue growth accelerated to 14.4% (up from a 7.4% decrease in FY21) as the proportion of high-growth subscription revenue continued to offset the cessation of capital P&H sales.

The year-on-year change in Underlying EBITDA, Free Cash Flow, and R&D spend were in line with Catapult's stated Accelerated Growth investment in sales, product, and operations to further accelerate ACV growth. The Underlying EBITDA loss was \$5.8M.

Gross margins of 74.5% improved 1% due to the increased proportion of subscription business revenue, whereas the contribution margin was lower at 43.3%, consistent with the additional investment in accelerating ACV growth.

Operating cash flow remained positive at \$2.7M despite the significant operating investments undertaken.

STRONG FINANCIAL POSITION

In addition to the strong performance against its key SaaS metrics, the Company is well-positioned financially, with \$26.1 million of cash at bank as of March 31, 2022. Catapult's Accelerated Growth investments are fully funded, and the Company has previously proven its ability to generate positive EBITDA and free cash flow.

OUTLOOK¹

The Company is confident that ACV growth will be strong in the short to medium term and expects ACV growth between 20%-25% in FY23, with ACV Churn in the range of 4.5% to 6.0%.

Catapult is confident in its ability to generate strong operating cash flow in the short to long term. Operating cash flow is expected to be positive for FY23.

During FY22 Catapult was subject to increasing supply chain challenges and cost inflation. These are expected to continue at a moderate degree throughout FY23, impacting freight, COGS, wage costs, and inventory sourcing.

Catapult's planned organic investments in FY23 are fully funded.

COMMENTS

Commenting on the results, Catapult's CEO Will Lopes said: "With our transition into a fully-SaaS model, we can better serve our customers around the world and provide them the objective data they need for their athletes and teams. As proof, subscription revenue accelerated dramatically after 12 months of strong ACV growth. With the world reopening post-pandemic, sports are delivering excitement and engagement again. The strong rebound in North America especially, increases our confidence in future ACV growth.

In FY22, the P&H vertical has also delivered high growth, and following our acquisition of SBG, we see new demand for our Tactics & Coaching solutions and are starting a second growth engine for the Company. The new customers we added along with new innovations continue to position us well for capturing demand at all levels of sport."

VIDEO PRESENTATION; INVESTOR AND ANALYST BRIEFING

Catapult advises that it has released a video of Management's presentation of the FY22 results. The video is available for viewing at youtube.com/watch?v=pSePDHiyyVE

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 Thursday May 26, 2022. To pre-register for this teleconference please use the following link: catapultsports.zoom.us/webinar/register/WN_nsQjUyVTTtKeJGo7V19IRw

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.

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.

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

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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 quantify return to play. Catapult has more than 500 staff based across 28 locations worldwide, working with more than 3,400 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.

IMPORTANT NOTICE

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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.