

-Market Release-  
31 January 2017

## Catapult reports strong ARR growth, reaffirms guidance, and advances live broadcast offering

Catapult Group International Limited (ASX:CAT), the world leader in wearable and video performance analytics for elite sporting teams, today lodged its Appendix 4C report of cash flow for the second quarter ended 31 December 2016 (Q2 FY17) with the Australian Securities Exchange.

This report presents the first full quarter of financials for the recently acquired XOS Technologies Inc. (XOS) and PLAYERTEK<sup>1</sup> businesses (both completed in August 2016). To provide continuity for investors, this Business Update continues to follow the previous format (primarily focusing on the Elite wearables business). However, Catapult advises that its customary practice and format of quarterly Business Updates will change from Q3 FY17 to more fully reflect the enlarged business.

### Key Highlights

- Group level Annualised Run Rate (ARR) rose to A\$44.7m<sup>2</sup> as at 31 December 2016, up 13% on the 30 June 2016 pro-forma ARR of \$39.5m<sup>3</sup> and 391% over the \$9.1m ARR reported as at 31 December 2015;
- Solid underlying<sup>4</sup> growth in Elite team wearable sales<sup>5</sup> with 1,731 units ordered during the quarter, up 28% on the previous corresponding period (pcp);
- Continued high mix of subscription sales in Elite wearables, representing 63% of units ordered during the quarter, up from 55% in pcp;
- Management reiterates guidance of 21-30% pro-forma revenue growth in FY17 (226-250% growth on a statutory basis) set at Annual General Meeting (AGM);
- Significant progress towards the strategic objective of fan-driven data monetisation, with NBL showing televised Catapult statistics during broadcast;
- Catapult partners with Reese's to track the performance of selected senior college football players as they enter the launch of the NFL draft season;
- PLAYERTEK sales continue to validate demand in the prosumer market with 437 units ordered during the quarter, as work continues towards strategic goal of launching a global prosumer platform offering

<sup>1</sup> Kodaplay Limited, trading as PLAYERTEK

<sup>2</sup> Calculated on a constant currency basis with AUD:USD = 0.75

<sup>3</sup> Pro-forma ARR combines Catapult ARR of \$13.5m with XOS ARR of \$26m as at June 30 2016. XOS was acquired on 12 August 2016

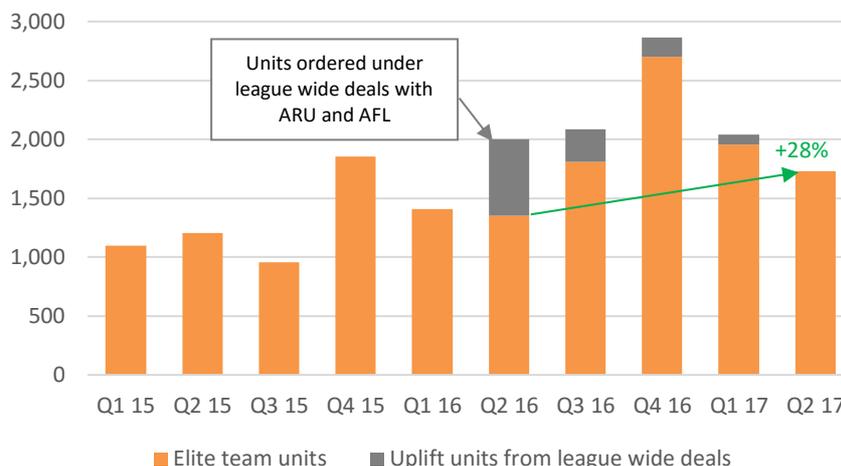
<sup>4</sup> Excluding new units ordered as part of a league wide deal

<sup>5</sup> Includes unit orders delivered by Elite wearables sales team; excludes unit orders delivered by PLAYERTEK sales team

### Second quarter Elite wearables sales performance

Catapult today reported that it had sold 1,731 new Elite units to teams in Q2 FY17 via team sales. This compares to team sales of 1,350 units sold in Q2 FY16, representing growth of 28% on pcp.

### Elite wearable unit orders per quarter



Q2 FY16 total unit orders also included an additional 650 units sold via 2 league wide deals (AFL and ARU). League deals are inherently larger and less frequent than team sales, distorting quarter on quarter comparisons. Hence the table above displays total unit sales with the impact of league partnerships highlighted.

Commenting on the results, CEO Shaun Holthouse said: “We are really pleased with the continued strong performance of our core elite wearables business. Team sales grew again this quarter compared to pcp, and the high subscription mix continues to validate our long-term business strategy.”

“We are also really pleased with how our league-wide deal pipeline is building. While league deals weren’t a contributor to Q2 (FY17), we have several active deals currently being negotiated and we expect to report further progress this financial year. Last year our league opportunities were focused on Australia, where transactions tend to close in Q2 (pre-season for local football codes). This year we are focused primarily on northern hemisphere markets. These sports move into their pre-season in H2, where transactions typically cluster.”

### Catapult reports strong ARR growth and continued high mix of subscription sales

Pleasingly, Q2 FY17 once again saw a high proportion of units sold to teams on a subscription basis. 63% of Q2 FY17 Elite units sold were on a subscription basis (compared to 55% in pcp), adding 1,090 units to Catapult’s Elite wearable subscription base which grew to 11,125 units as at 31 December 2016.

The Elite wearable unit orders continue to show strong Average Revenue per Unit (ARPU) and ARR for the company (combining both XOS and Catapult Elite wearables) has now increased to A\$44.7m. This is up 391% in the last twelve months and 13% on the previously reported pro-forma ARR of \$39.5m as at 30 June 2016.

**Significant progress towards data monetisation with data streaming live for gameday and scouting**

Catapult reached a significant milestone in its ongoing development of fan engagement applications for use by leagues. The NBL has begun displaying unique graphics live on-screen during game-day broadcasts, using Catapult’s proprietary analytics to track player movement and workload. The NBL partnership acts as a global showcase for the opportunities to work with leagues and monetise data for fan engagement.



*Images: Catapult’s proprietary Playerload® data broadcasted live during National Basketball League (NBL) Round 15 (Cairns Taipans v Perth Wildcats)*

Catapult has also been providing real time player performance data for Reese’s Senior Bowl in the US ([www.seniorbowl.com](http://www.seniorbowl.com)). Senior Bowl is a post-season college football all-star game which showcases the best NFL draft prospects from the NCAA. This co-operative venture aims to dramatically expand the pool of draft-prospect data available at this point in the pro football calendar, and to create fan engagement opportunities.

"The Senior Bowl presents a unique and exciting opportunity to legitimately showcase the future of technology for football," said Brian Kopp, President of North America for Catapult. "We're excited to use Catapult’s wearable solutions to track every player throughout the entire week. It also means that for the very first time, in collaboration with our XOS team we are providing coaches and scouts with integrated tactical and performance analytics from our complementary technologies. This is a key part of our long-term strategy."

Catapult wearable solutions delivered athlete profiling and ranking across key performance metrics including: maximum velocities, player workload (Playerload®) and high intensity movements. This analysis was compiled into a profiling report and a public version can be found at the following link:  
<[http://www.seniorbowl.com/pdf/news/catapult\\_final.pdf](http://www.seniorbowl.com/pdf/news/catapult_final.pdf)>

"Incorporating XOS and Catapult technology into Senior Bowl week allows us to better showcase the talents of the participants and provide greater insight to all the scouts, coaches, and executives in attendance," said Senior Bowl executive director Phil Savages.

Commenting on these partnerships, CEO Shaun Holthouse said "Catapult has a rapidly growing install base in elite sport, and a number of league and fan engagement developments this quarter are a very encouraging step towards creating multiple revenue streams that leverage this market leadership. We continue to believe that there are lucrative opportunities to add high-margin, incremental revenue across both elite teams and leagues."

<sup>6</sup> <http://www.sporttechie.com/2017/01/27/sports/nfl/senior-bowl-partners-with-catapult-xos-digital-to-offer-more-data-to-nfl-draft-talent-evaluators/>

### New Catapult team additions

New client acquisitions during the quarter continue cover a wide range of sports and geographies, including:

- West Ham United FC (English Premier League football)
- Colgate University (NCAA div 1, USA)
- Concordia University, St. Paul (NCAA div 2, USA)
- FC Dynamo Brest (Belarusian First Division League football)
- FC Infonet Tallinn (Estonian First Division football)
- Kalmar FF (Swedish First Division football)
- Real Salt Lake (Major League Soccer, USA)
- Netball New Zealand
- RSC Anderlecht (Belgian First Division football)
- Sarpsborg 08 FF (Norwegian First Division football)
- Shimizu S-Pulse (Japanese First Division football)
- FK Vojvodina (Serbian First Division League football)

### FY17 outlook reaffirmed

Management issued FY17 guidance at its recent AGM, with revenue expected to be in the range of \$61.0m-\$65.5m, representing statutory growth of 226-250% and pro-forma growth of 21%-30% on FY16<sup>7,8</sup>. This growth guidance comes from combining the original Elite wearables business, which continues to deliver high growth, with the newly acquired XOS – traditionally a low growth but highly reliable business.

“Catapult has made a strong start to the year in Elite wearables and excellent progress towards integrating the XOS and PLAYERTEK acquisitions. We remain confident of reaching the FY17 guidance and Q2 is consistent with these forecasts. Integration of the XOS business has already delivered excellent cross-selling opportunities in the US market, and we expect that momentum to continue and over time transform XOS into a much higher growth division” said Mr. Holthouse.

### PLAYERTEK sales continue to validate large prosumer market opportunity

With a significant software upgrade nearing completion, in Q2 PLAYERTEK achieved orders of 437 units selling only its existing range of products. This positive result continues to validate the Company’s view of the much larger addressable market for team sports wearables beyond elite teams.

Commenting on prosumer progress, CEO Shaun Holthouse said “While it’s good to see PLAYERTEK’s existing platform achieving healthy sales numbers, the acquisition was primarily focused on accelerating Catapult’s deployment of elite-inspired wearable solutions into the prosumer market. To this end we continue to make good progress and achieved a significant step forward in Q2. We have allocated increased funding, as announced at our AGM, and now have in place a top quality team led by Benoit Simeray as CEO of this division. Benoit has recruited an experienced senior leadership executive supported by a strong team, all of whom are fully dedicated to this massive market opportunity.”

-Ends-

<sup>7</sup> Revenue guidance range excludes c.\$3.7m of revenue generated by XOS Technologies Inc (XOS) and Kodaplay Limited (PLAYERTEK) pre-acquisition close in FY17

<sup>8</sup> Assumes a subscription mix of 62% of all elite wearable units ordered. Overall revenue recorded is highly sensitive to subscription mix eg. +5% in subscription mix decreases revenue and EBITDA by ~\$600k, increases ARR by \$940k; Growth in uptake of subscription model is difficult to predict

For more information on Catapult, please visit:

Investor Centre – <http://www.catapultsports.com/au/investors/>

Website – [www.catapultsports.com](http://www.catapultsports.com)

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

**Name of entity**

Catapult Group International Limited

**ABN**

53 164 301 197

**Quarter ended ("current quarter")**

31 December 2016

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	13,673	27,918
1.2	Payments for		
	(a) research and development	(104)	(251)
	(b) product manufacturing and operating costs	(4,718)	(9,225)
	(c) advertising and marketing	(505)	(972)
	(d) leased assets	(74)	(126)
	(e) staff costs	(6,303)	(12,058)
	(f) administration and corporate costs	(2,970)	(5,078)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	47
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(1)	(3)
1.7	Government grants and tax incentives	48	48
1.8	Other (provide details if material)	(7)	(39)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(955)</b>	<b>261</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment <sup>(i)</sup>	(1,153)	(1,619)
	(b) businesses net of cash acquired (see item 10)	-	(81,955)
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets <sup>(ii)</sup>	(1,791)	(2,457)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,944)</b>	<b>(86,031)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	100,335
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(81)	(4,907)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(81)</b>	<b>95,428</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	17,317	3,643
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(955)	261
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,944)	(86,031)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(81)	95,428
4.5	Effect of movement in exchange rates on cash held	666	702
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>14,003</b>	<b>14,003</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	14,003	17,317
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>14,003</b>	<b>17,317</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
(315)
-

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**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
(93)
-

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(120)
9.2 Product manufacturing and operating costs	(6,456)
9.3 Advertising and marketing	(1,014)
9.4 Leased assets	(75)
9.5 Staff costs	(7,544)
9.6 Administration and corporate costs	(2,051)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(17,260)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Notes**

- (i) 'Property, plant and equipment' includes Capitalisation of hardware sold under subscription model.
- (ii) 'Other non-current assets' includes Capitalisation of product development activities.

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Director/Company secretary)

Date: .....

Print name: .....