

# THIRD QUARTER 2023 FINANCIAL RESULTS

| November 1, 2023



# DISCLAIMER

Certain statements in this presentation may constitute “forward-looking” statements and information within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events, including, without limitation, statements regarding future financial or operating performance, planned activities and objectives, anticipated growth resulting therefrom, market opportunities, strategies and other expectations, and expected performance for the full year 2023. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “projects,” “continue,” “contemplate,” “possible” or similar words. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following: economy downturns and political and market conditions beyond our control, including the impact of the Russia/Ukraine and other military conflicts and foreign exchange rate fluctuations; the global COVID-19 pandemic and its adverse effects on our business; dependence on our strategic relationships with our sports league partners; effect of social responsibility concerns and public opinion on responsible gaming requirements on our reputation; potential adverse changes in public and consumer tastes and preferences and industry trends; potential changes in competitive landscape, including new market entrants or disintermediation; potential inability to anticipate and adopt new technology; potential errors, failures or bugs in our products; inability to protect our systems and data from continually evolving cybersecurity risks, security breaches or other technological risks; potential interruptions and failures in our systems or infrastructure; our ability to comply with governmental laws, rules, regulations, and other legal obligations, related to data privacy, protection and security; ability to comply with the variety of unsettled and developing U.S. and foreign laws on sports betting; dependence on jurisdictions with uncertain regulatory frameworks for our revenue; changes in the legal and regulatory status of real money gambling and betting legislation on us and our customers; our inability to maintain or obtain regulatory compliance in the jurisdictions in which we conduct our business; our ability to obtain, maintain, protect, enforce and defend our intellectual property rights; our ability to obtain and maintain sufficient data rights from major sports leagues, including exclusive rights; any material weaknesses identified in our internal control over financial reporting; inability to secure additional financing in a timely manner, or at all, to meet our long-term future capital needs; risks related to future acquisitions; and other risk factors set forth in the section titled “Risk Factors” in our Annual Report on Form 20-F for the fiscal year ended December 31, 2022, and other documents filed with or furnished to the SEC, accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov) and on our website at <https://investors.sportradar.com>. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this press release. One should not put undue reliance on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.


We report under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). We maintain our financial books and records and publish our consolidated financial statements in Euros, which is our functional and reporting currency. There are important differences between IFRS and United States Generally Accepted Accounting Principles (“US GAAP”). This presentation also contains certain supplemental financial measures and other operating metrics, including but not limited to Adjusted EBITDA and Adjusted EBITDA margin, and Net Retention Rate. These non-IFRS financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with IFRS. There are a number of limitations related to the use of these non-IFRS financial measures versus their nearest IFRS equivalents. For example, other companies may calculate non-IFRS financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-IFRS financial measures as tools for comparison. Furthermore, the non-IFRS financial measures presented herein may not be presented in future SEC filings by Sportradar. See the Appendix for further explanations and reconciliations of these non-IFRS measures to the most directly comparable IFRS measures.

# BUSINESS OVERVIEW

01



# 2023 UPDATED GUIDANCE

|  | GUIDANCE       | YoY INCREASE |
|---|----------------|--------------|
| Revenue   | €870 - 880m    | 19% - 21%    |
| Adjusted EBITDA <sup>1</sup>  | €162 - 167m    | 29% - 33%    |
| Adjusted EBITDA Margin <sup>1</sup>   | 18.4% to 19.2% |              |

# THIRD QUARTER 2023 HIGHLIGHTS

Revenue (€ million)

201

Adjusted EBITDA<sup>1</sup> (€ million)

50

Adjusted EBITDA Margin<sup>1</sup>

25%

Revenue Growth

+12%

Y-o-Y Growth ▲

Adjusted EBITDA<sup>1</sup> Growth

+38%

Y-o-Y Growth ▲

Adjusted EBITDA Margin<sup>1</sup> Expansion

+471bps

Y-o-Y Growth ▲

# RECENT COMPANY HIGHLIGHTS

## Deals and Extensions



Taiwan Sport Lottery Company



BETMGM

## Sportradar Awards



Live Streaming Supplier



Marketing & Services Provider of the Year



Sports Betting Provider of the Year



Leaders in AI 100

# GROWING WITH NBA AND ADDING VALUE THROUGH OUR CONTENT PORTFOLIO



## Next Gen Telecast

- AI-driven insights, plus instant generated virtualized clips such as replays shown from first-person view
- Utilizing tracking data to display side-by-side player motion comparison, heat maps
- Gamification of broadcast



## FanID & Betting Engagement

- Automated tooling to drive team specific objectives via paid media
- Drive revenue from NBA owned properties
- Provide new partner fan access capabilities and drive incremental commercial opportunities



## Coaching & Analytics

- Interact with 3D re-creation of the game in real-time
- Augment re-creation with player labels, movement and ball trails
- Overlay advanced analytics such as shot positions, player tendencies, shot heatmaps, matchup distances/stats



# FINANCIAL OVERVIEW

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# THIRD QUARTER HIGHLIGHTS

## Key Metrics

Revenue Growth

**+12%**

Y-o-Y Growth ▲

Adjusted EBITDA growth<sup>1</sup>

**+38%**

Y-o-Y Growth ▲

Adjusted EBITDA margin<sup>1</sup>

**+471bps**

Y-o-Y Growth ▲

## Product Revenue Growth

U.S. Betting & Gaming and AV

**+19%**

Y-o-Y Growth ▲

Live Data & Live Odds

**+18%**

Y-o-Y Growth ▲

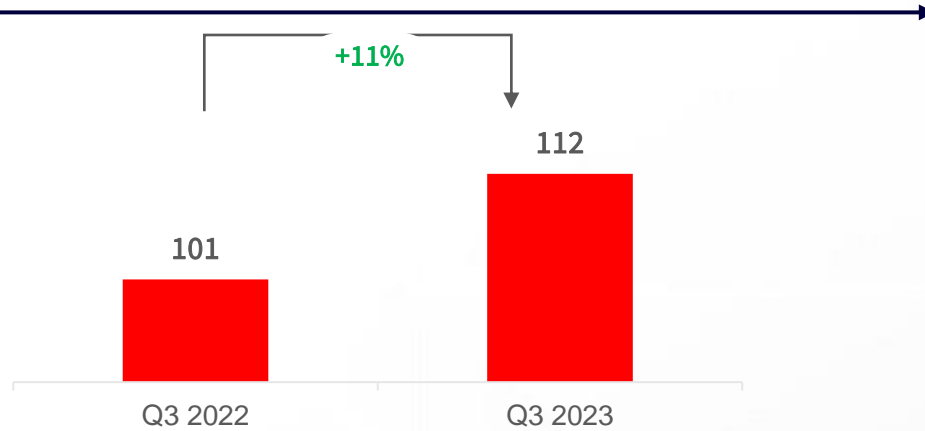
MBS

**+7%**

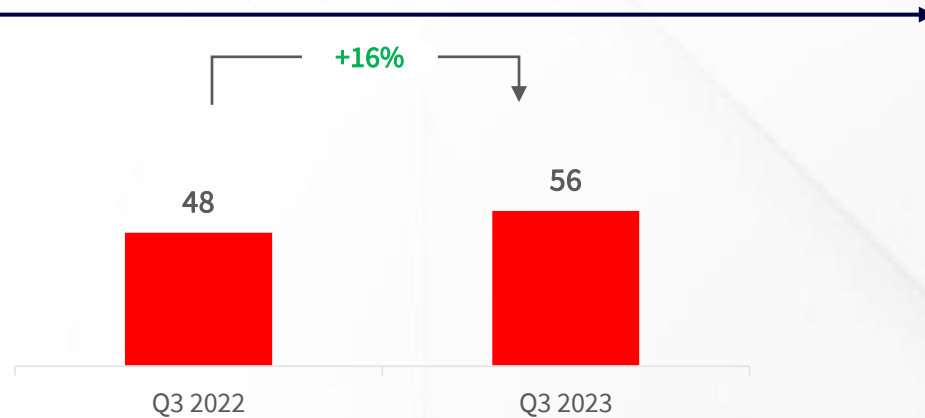
Y-o-Y Growth ▲

# RoW BETTING

## REVENUE (€m)



## ADJUSTED EBITDA<sup>1</sup> (€m)



### HIGHLIGHTS

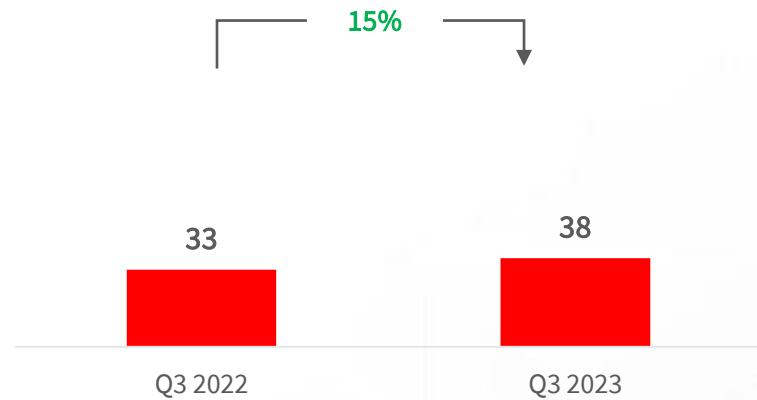
- **Revenue** growth driven by and Live Odds and Data ( +18%) and Managed Betting Services (MBS, +7%).
- Strong Live Odds and Data growth was mainly driven by the upselling and cross selling to existing customers, acquisition of new customers as well as due to price increases and overbookings (clients booking the matches after their package was reached). MBS growth was mainly impacted by the new Taiwan lottery deal.

### HIGHLIGHTS

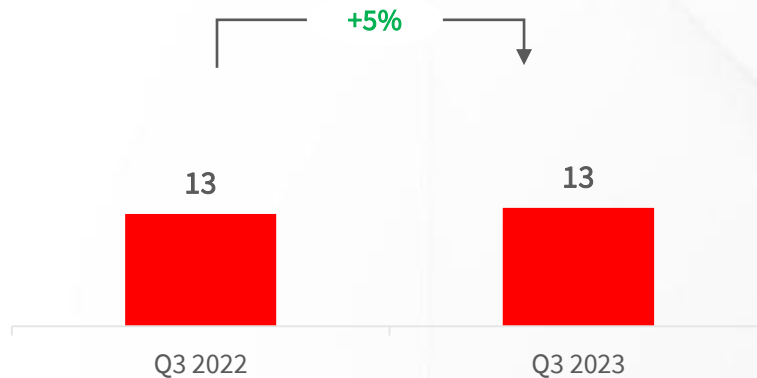
- **Adjusted EBITDA<sup>1</sup>** driven by improved operating results offset by investments into AI for MTS product and Computer Vision technology.
- **Adjusted EBITDA margin<sup>1</sup>** of 50% reflects investments in new content, technology and people.

# RoW AUDIOVISUAL

## REVENUE (€m)



## ADJUSTED EBITDA<sup>1</sup> (€m)



### HIGHLIGHTS

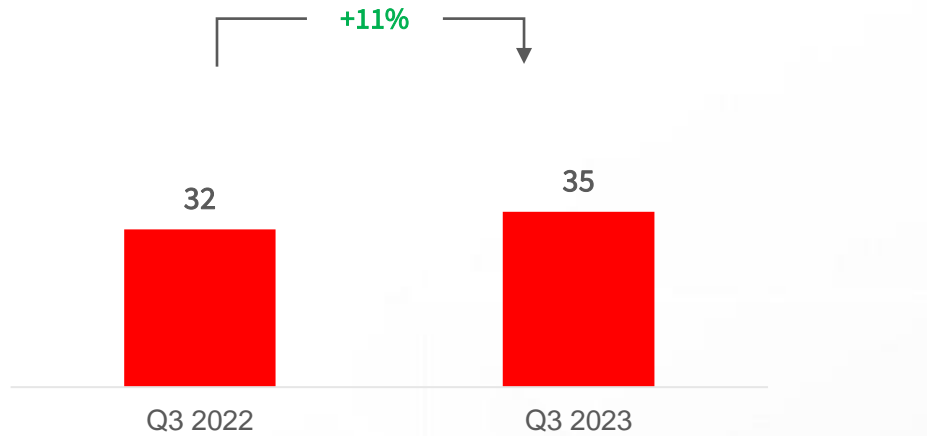
- **Revenue** increase was aided by new CONMEBOL and MLB rights and further growth in sales to existing and new customers.

### HIGHLIGHTS

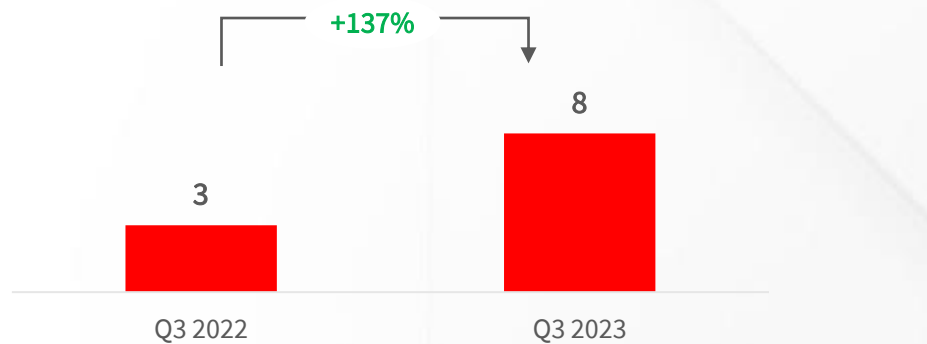
- **Adjusted EBITDA<sup>1</sup>** slightly increased due to higher content coverage as well as growth in sales to existing customers.
- **Adjusted EBITDA margin<sup>1</sup>** decreased to 35% from 38% in Q3 2022.

# UNITED STATES

## REVENUE (€m)



## ADJUSTED EBITDA<sup>1</sup> (€m)



### HIGHLIGHTS

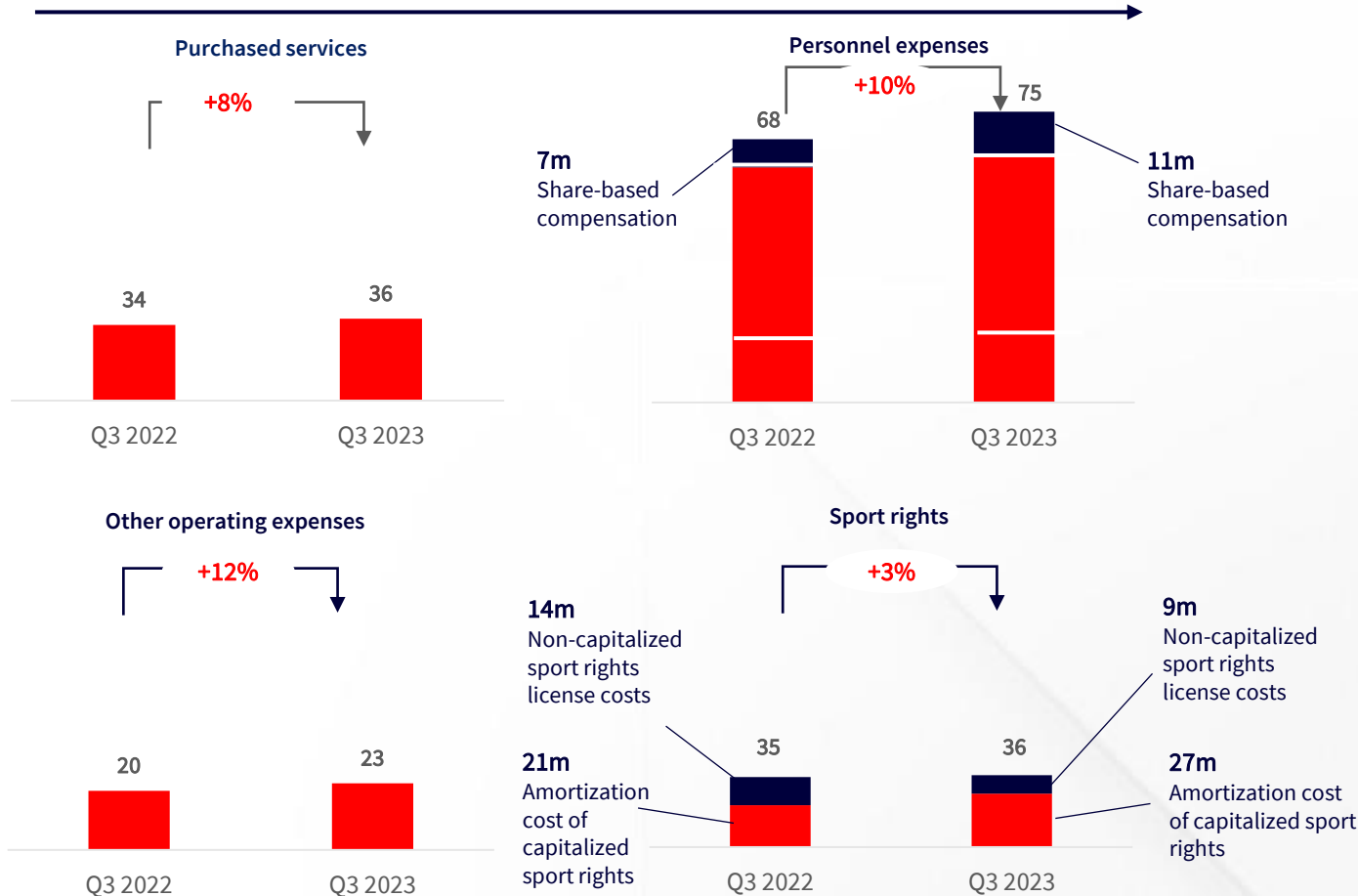
- **Revenue** growth was due to growth in core betting products.
- Betting & Gaming and Audio Visual grew 19%.

### HIGHLIGHTS

- **Adjusted EBITDA<sup>1</sup>** increased by 137% mainly driven by revenue growth while cost of sales and personnel costs decreased Y-o-Y.
- **Adjusted EBITDA margin<sup>1</sup>** improved to 23% from 11% in the third quarter of last year reflecting operating leverage in the U.S. segment.

# COST ANALYSIS

## COSTS (€m)



## HIGHLIGHTS


- Purchased services increase reflects investments in IT development and greater event coverage.
- Personnel expenses increase due to FTE growth, YoY by 465 headcounts, propelled by both sustained organic growth and inorganic expansion. Concurrently, as the global workforce expands, the cost per FTE has been improved YoY in all personnel cost's elements given strategic growth in cost-effective geographic regions.
- Other operating expenses increase as a result of higher software licenses, IT consulting, audit fees, travel expense and SOX related fees.
- Sport rights costs increase primarily due to new content in 2023, mainly CONMEBOL and Copa del Rey.

# CASH FLOW AND LIQUIDITY

| <i>in € million</i>   | Three Months Ended<br>September 30 |       |
|---|------------------------------------|-------|
|   | 2023                               | 2022  |
| Cash and cash equivalents as of June 1                              | 264                                | 716   |
| Net cash from operating activities                                  | 76                                 | 64    |
| Net cash used in investing activities                               | (54)                               | (87)  |
| Net cash used in financing activities                               | (3)                                | (203) |
| Net increase (decrease) in cash                                     | 19                                 | (226) |
| Effects of movements in exchange rates on cash and cash equivalents | 7                                  | 22    |
| Cash and cash equivalents as of September 30                        | 290                                | 512   |
| Debt Outstanding  | -                                  | (237) |
| Net cash and cash equivalents as of September 30                    | 290                                | 275   |

- As of September 30, 2023, total liquidity is €510 million comprised of €290 million cash and cash equivalents and €220 million credit facility.
- As of September 30, 2022, total liquidity was €732 million, comprised of €512 million in cash and cash equivalents and €220 million credit facility.
- Of the effects of movements in exchange rates on cash and cash equivalents, €6 million is related to our U.S. money market funds in the third quarter of 2023 compared with €62 million in the prior year quarter.

# 2023 UPDATED GUIDANCE

|  | GUIDANCE       | YoY INCREASE |
|---|----------------|--------------|
| Revenue   | €870 - 880m    | 19% - 21%    |
| Adjusted EBITDA <sup>1</sup>  | €162 - 167m    | 29% - 33%    |
| Adjusted EBITDA Margin <sup>1</sup>   | 18.4% to 19.2% |              |

# Q&A

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# APPENDIX

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# NON-IFRS FINANCIAL MEASURES

## Non-IFRS Financial Measures and Operating Metrics

We have provided in this press release financial information that has not been prepared in accordance with IFRS, including Adjusted EBITDA and Adjusted EBITDA margin (together, the “Non-IFRS financial measures”), as well as operating metrics, including Net Retention Rate. We use these non-IFRS financial measures internally in analyzing our financial results and believe they are useful to investors, as a supplement to IFRS measures, in evaluating our ongoing operational performance. We believe that the use of these non-IFRS financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-IFRS financial measures to investors.

Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS. Investors are encouraged to review the reconciliation of these non-IFRS financial measures to their most directly comparable IFRS financial measures provided in the financial statement tables included below in this press release.

- “Adjusted EBITDA” represents profit for the period from continuing operations adjusted for share based compensation, depreciation and amortization (excluding amortization of sports rights), impairment loss on other financial assets, remeasurement of previously held equity-accounted investee, non-routine litigation costs, professional fees for SOX and ERP implementations, one-time charitable donation for Ukrainian relief activities, share of loss of equity-accounted investee (SportTech AG), loss on disposal of equity-accounted investee (SportTech AG), impairment loss on goodwill and intangible assets, impairment loss on assets held for sale, foreign currency (gains) losses, finance income and finance costs, and income tax expense and certain other non-recurring items
- License fees relating to sports rights are a key component of how we generate revenue and one of our main operating expenses. Such license fees are presented either under purchased services and licenses or under depreciation and amortization, depending on the accounting treatment of each relevant license. Only licenses that meet the recognition criteria of IAS 38 are capitalized. The primary distinction for whether a license is capitalized or not capitalized is the contracted length of the applicable license. Therefore, the type of license we enter into can have a significant impact on our results of operations depending on whether we are able to capitalize the relevant license. Our presentation of Adjusted EBITDA removes this difference in classification by decreasing our EBITDA by our amortization of sports rights. As such, our presentation of Adjusted EBITDA reflects the full costs of our sports right’s licenses. Management believes that, by deducting the full amount of amortization of sports rights in its calculation of Adjusted EBITDA, the result is a financial metric that is both more meaningful and comparable for management and our investors while also being more indicative of our ongoing operating performance.

We present Adjusted EBITDA because management believes that some items excluded are non-recurring in nature and this information is relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry. Management believes Adjusted EBITDA is useful to investors for evaluating Sportradar’s operating performance against competitors, which commonly disclose similar performance measures. However, Sportradar’s calculation of Adjusted EBITDA may not be comparable to other similarly titled performance measures of other companies. Adjusted EBITDA is not intended to be a substitute for any IFRS financial measure.

Items excluded from Adjusted EBITDA include significant components in understanding and assessing financial performance. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation, or as an alternative to, or a substitute for, profit for the period, revenue or other financial statement data presented in our consolidated financial statements as indicators of financial performance. We compensate for these limitations by relying primarily on our IFRS results and using Adjusted EBITDA only as a supplemental measure.

- “Adjusted EBITDA margin” is the ratio of Adjusted EBITDA to revenue.

In addition, we define our operating metric as follows:

- “Net Retention Rate” is calculated for a given period by starting with the reported annual revenue, which includes both subscription-based and revenue sharing revenue, from our top 200 customers as of twelve months prior to such period end, or Prior Period revenue. We then calculate the reported annual revenue from the same customer cohort as of the current period end, or Current Period revenue. Current Period revenue includes any upsells and is net of contraction and attrition over the trailing twelve months but excludes revenue from new customers in the current period. We then divide the total Current Period revenue by the total Prior Period revenue to arrive at our Net Retention Rate.

The Company is unable to provide a reconciliation of Adjusted EBITDA to profit (loss) for the period, its most directly comparable IFRS financial measure, on a forward- looking basis without unreasonable effort because items that impact this IFRS financial measure are not within the Company’s control and/or cannot be reasonably predicted. These items may include but are not limited to foreign exchange gains and losses. Such information may have a significant, and potentially unpredictable, impact on the Company’s future financial results.

# NON-IFRS RECONCILIATION – ADJUSTED EBITDA & MARGIN

|   | Three Months Ended September 30 |              |               |              |
|---|---------------------------------|--------------|---------------|--------------|
|   | 2023                            | 2023         | 2022          | 2022         |
|   | €'000                           | % of revenue | €'000         | % of revenue |
| <b>Profit for the period from continuing operations</b> | 4,615                           | 2%           | 12,750        | 7%           |
| Share based compensation                                | 11,368                          | 6%           | 7,348         | 4%           |
| Litigation costs <sup>1</sup>                           | -                               | -            | 2,975         | 2%           |
| Professional fees for SOX and ERP implementations       | 100                             | >0%          | 946           | 1%           |
| Depreciation and amortization                           | 38,184                          | 19%          | 31,760        | 18%          |
| Amortization of sports rights                           | (26,372)                        | (13%)        | (20,668)      | (12%)        |
| Impairment loss (gain) on other financial assets        | -                               | -            | (18)          | >0%          |
| Share of loss of equity-accounted investee <sup>2</sup> | -                               | -            | 1,167         | 1%           |
| Impairment loss on goodwill and intangible assets       | 9,854                           | 5%           | -             | -            |
| Impairment loss on assets held for sale                 | 5,600                           | 3%           | -             | -            |
| Other reconciling items <sup>3</sup>                    | 7,137                           | 4%           | 224           | >0%          |
| <b>Adjusted EBITDA &amp; margin</b>                     | <b>50,486</b>                   | <b>25%</b>   | <b>36,484</b> | <b>20%</b>   |

# NON-IFRS RECONCILIATION – ADJUSTED EBITDA & MARGIN

|  | Nine Months Ended September 30 |              |               |              |
|--|--------------------------------|--------------|---------------|--------------|
|  | 2023                           | 2023         | 2022          | 2022         |
|  | €'000                          | % of revenue | €'000         | % of revenue |
| <b>Profit for the period from continuing operations</b>      | 11,458                         | 2%           | 43,774        | 8%           |
| Share based compensation                                     | 31,340                         | 5%           | 20,035        | 4%           |
| Litigation costs <sup>1</sup>                                | -                              | -            | 6,146         | 1%           |
| Professional fees for SOX and ERP implementations            | 404                            | >0%          | 3,485         | 1%           |
| One-time charitable donation for Ukrainian relief activities | -                              | -            | 147           | >0%          |
| Depreciation and amortization                                | 137,847                        | 22%          | 133,332       | 25%          |
| Amortization of sports rights                                | (104,482)                      | (17%)        | (100,793)     | (19%)        |
| Impairment loss on other financial assets                    | -                              | -            | 158           | >0%          |
| Share of loss of equity-accounted investee <sup>2</sup>      | 3,699                          | 1%           | 1,167         | >0%          |
| Loss on disposal of equity-accounted investee                | 8,018                          | 1%           | -             | -            |
| Impairment loss on goodwill and intangible assets            | 9,854                          | 2%           | -             | -            |
| Impairment loss on assets held for sale                      | 5,600                          | 1%           | -             | -            |
| Remeasurement of previously held equity-accounted investee   | -                              | -            | (7,698)       | (1%)         |
| Other reconciling items <sup>3</sup>                         | 23,129                         | 4%           | (9,015)       | (2%)         |
| <b>Adjusted EBITDA &amp; margin</b>                          | <b>127,259</b>                 | <b>20%</b>   | <b>90,738</b> | <b>17%</b>   |

1) Includes legal related costs in connection with a non-routine litigation • 2) Includes the related share in the equity-accounted investee of SportTech AG  
3) Aggregate of Foreign currency (gains) losses, finance income, finance costs, income tax expense