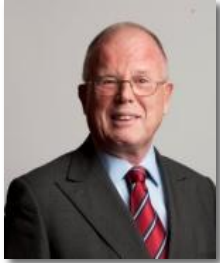


# 2013 Full Year Financial Results



**Wednesday 5 March 2014**



**Roger Withers** Chairman



**Ian Penrose** Chief Executive



**Cliff Baty** Chief Financial Officer

- Good set of results in a transformational year
- 2013 – a year of investment and strategic positioning of the Group
- US positioning delivers many exciting growth opportunities
- Confidence in Football Pools future – strong cash generation to fund investment

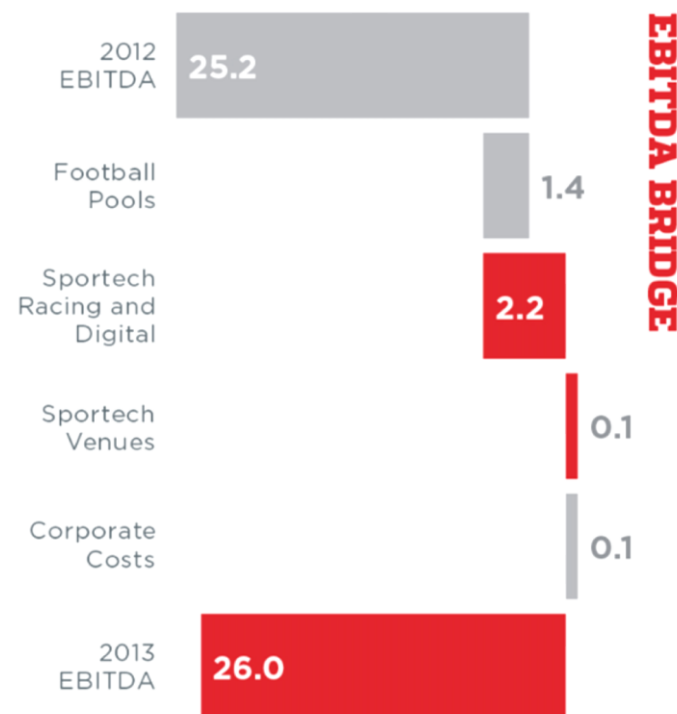


Servicing	B2B	B2C	B2C
<i>Description</i>	<ul style="list-style-type: none"> <li>• Supplier of tote equipment, services and software both on-track, online and mobile</li> <li>• Includes online JVs with NYX and Picklive</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusive operator of betting on racing in venues and online across Connecticut and the Netherlands</li> <li>• Winners, MyWinners and Runnerz brand names</li> <li>• California venues launched in 2014 under new brand name</li> </ul>	<ul style="list-style-type: none"> <li>• Operator of pools betting through collection, subscription and online channels</li> </ul>
<i>Location</i>	US (Atlanta, New Jersey, California), UK, Ireland, Germany	US (Connecticut, California), Netherlands	UK
<i>Customers</i>	Worldwide	CT and CA consumers	Predominantly UK
<i>% Revenue FY 2013</i>	32%	31%	37%

# 2013 Full Year Financial Results

Sportech PLC 2013 Preliminary Results

	2013	Restated 2012	Change
	£m	£m	£m
Revenue	110.3	107.7	2.6
EBITDA*	26.0	25.2	0.8
Depreciation and amortisation	(5.7)	(4.8)	(0.9)
Share option expense	(1.5)	(1.4)	(0.1)
Net bank interest	(4.3)	(4.1)	(0.2)
<b>Adjusted** profit before tax</b>	<b>14.5</b>	<b>14.9</b>	<b>(0.4)</b>
Taxation of adjusted profit	(4.0)	(4.2)	0.2
<b>Adjusted** profit after tax</b>	<b>10.5</b>	<b>10.7</b>	<b>(0.2)</b>
<i>Adjusted EPS - pence</i>	<i>5.3</i>	<i>5.4</i>	<i>(0.1)</i>
<i>EPS from continuing operations - pence</i>	<i>1.7</i>	<i>0.3</i>	<i>1.4</i>

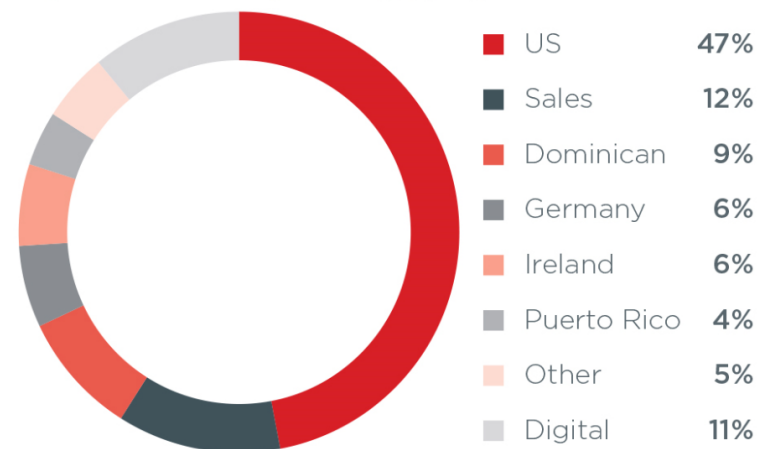


\* EBITDA is stated before exceptional costs and share option expense.

\*\* Adjusted profit figures are from continuing operations and are stated before amortisation of acquired intangibles, exceptional costs, share of loss after tax of joint ventures, and other finance income/(charges).

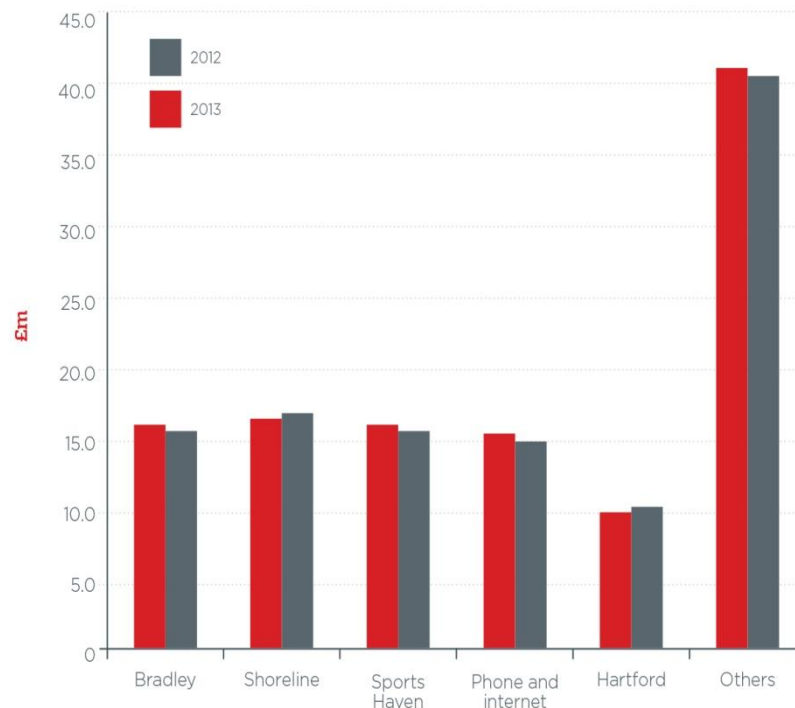
	2013 £m	2012 £m	Change £m
Tote services	27.9	25.8	2.1
Equipment sales	4.1	4.3	(0.2)
Digital	3.9	1.6	2.3
<b>Total revenue</b>	<b>35.9</b>	<b>31.7</b>	<b>4.2</b>
Payroll	(15.0)	(14.8)	(0.2)
Other costs	(13.2)	(11.4)	(1.8)
<b>EBITDA</b>	<b>7.7</b>	<b>5.5</b>	<b>2.2</b>

## TOTAL REVENUE BY SOURCE



- Revenue growth driven by Dominican Republic and Digital revenues
- Equipment sales include Danske Spil and UK Tote
- Cost actions being implemented to drive further efficiencies

	2013 £m	% of handle	2012 £m	% of handle	Change £m
Handle	118.2		116.8		1.4
Revenue	28.2	23.9%	27.7	23.7%	0.5
Tax	(4.1)	(3.5%)	(4.2)	(3.6%)	0.1
Track/Tote/Interface fees	(7.9)	(6.7%)	(7.1)	(6.1%)	(0.8)
Margin	16.2	13.7%	16.4	14.0%	(0.2)
Payroll	(4.7)	(4.0%)	(4.4)	(3.8%)	(0.3)
Facility costs	(3.7)	(3.1%)	(4.0)	(3.4%)	0.3
Other costs	(3.4)	(2.9%)	(3.6)	(3.0%)	0.2
Connecticut EBITDA	4.4	3.7%	4.4	3.8%	-
Other EBITDA	0.4		0.3		0.1
<b>Total Venues EBITDA</b>	<b>4.8</b>		<b>4.7</b>		<b>0.1</b>



- Revenues in line with prior year with EBITDA up 2%
- Other Venues include the Netherlands and California mini-satellites

	2013	Restated 2012	Change
	£m	£m	£m
<b>Revenue</b>			
Collector and overseas	8.9	10.6	(1.7)
Direct	27.5	27.7	(0.2)
Online	1.9	1.6	0.3
Games and lotteries	3.0	3.0	-
<b>Football Pools revenue</b>	<b>41.3</b>	<b>42.9</b>	<b>(1.6)</b>
Sales related costs	(8.6)	(9.3)	0.7
Overheads:			
- Staff costs	(6.0)	(6.5)	0.5
- Marketing	(2.0)	(1.5)	(0.5)
- Entry printing	(1.3)	(1.3)	-
- Other overheads	(6.0)	(5.5)	(0.5)
<b>EBITDA</b>	<b>17.4</b>	<b>18.8</b>	<b>(1.4)</b>



- Overall revenue decline due to forecast collector channel decrease
- Direct revenues in line with prior year

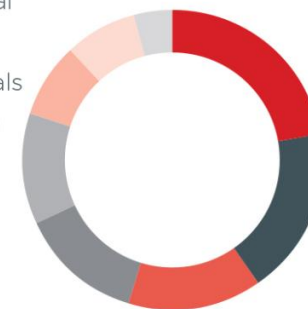


	2013	2012	Change
	£m	£m	£m
Sportech Racing and Digital	6.4	4.4	2.0
Sportech Venues	3.6	1.1	2.5
Football Pools	2.1	2.4	(0.3)
Discontinued operations	0.5	0.4	0.1
	12.6	8.3	4.3

## CAPEX SPEND ANALYSIS CHART

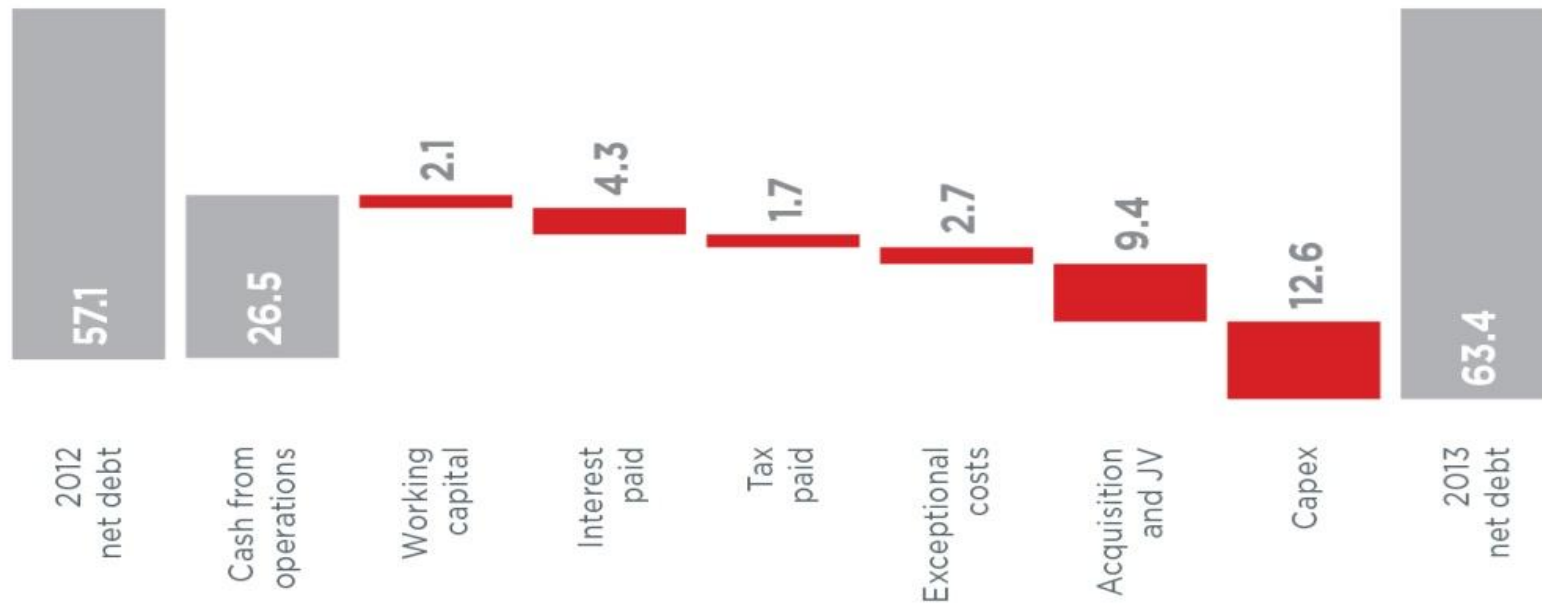
£m

- 2.8 ■ Technology enhancement in Sportech Racing and Digital
- 2.3 ■ Bradley Sports Bar
- 1.7 ■ Tote services contract renewals
- 1.5 ■ Football Pools modernisation programme
- 1.0 ■ Existing venue investment
- 1.0 ■ Data centre upgrades
- 0.5 ■ Discontinued operations
- 1.8 ■ Other



- Significant investment in the year including Bradley Sports Bar and Tote digital technology
- Capex spend for 2014 expected to be approx. £11m

## NET DEBT BRIDGE



- 2013 cash flow includes £6.5m deferred consideration payment to Scientific Games in relation to the 2010 Racing acquisition
- Net Debt/EBITDA leverage covenant for testing purposes is 2.4x

# Chief Executive's Review



## Sportech Racing and Digital

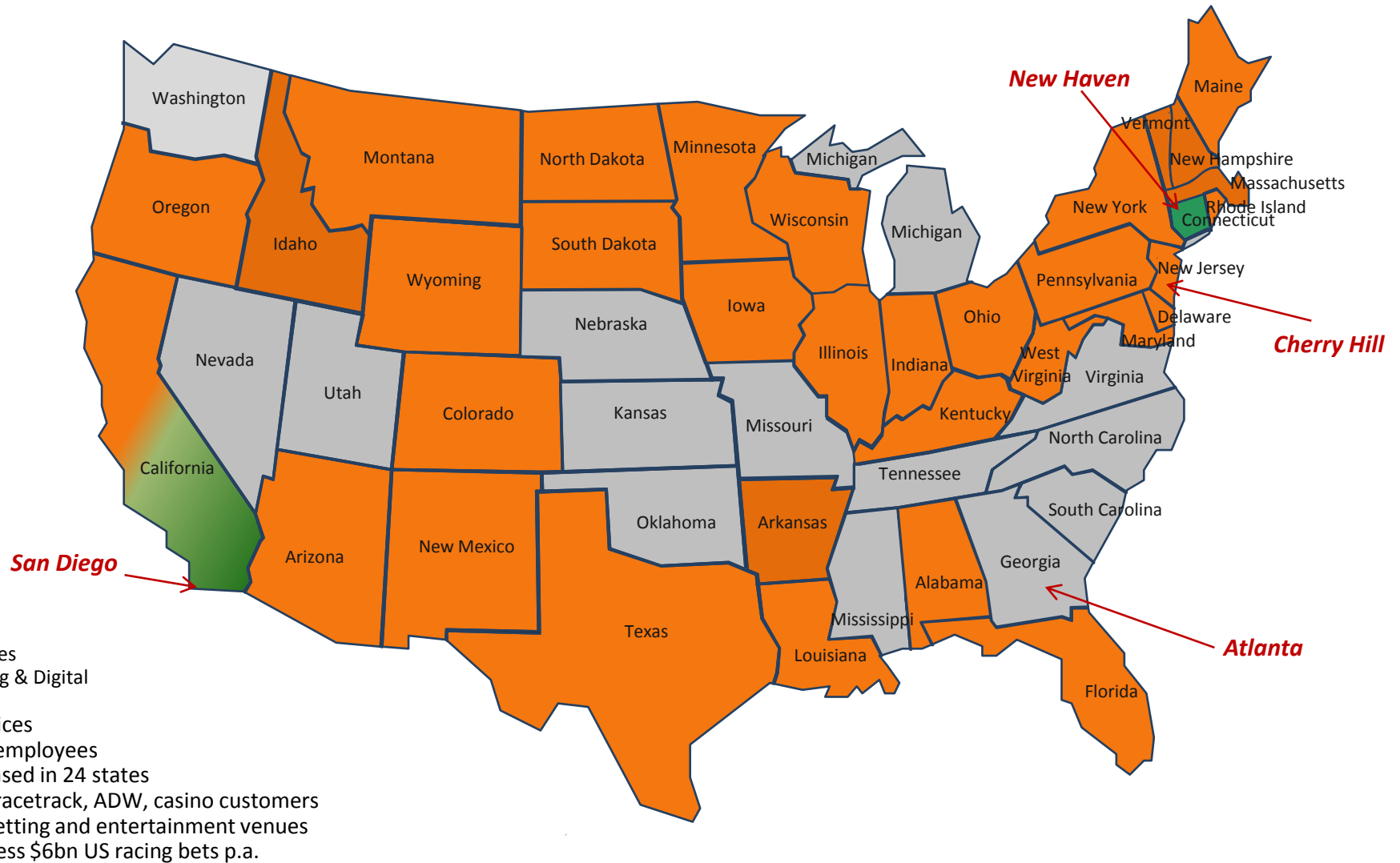
- New contracts signed
- Launched innovative mobile and online products
- Online joint ventures formed


## Sportech Venues

- Opened flagship sports bar
- Launched exclusive online horserace betting site
- Signed development agreement in California

## Football Pools

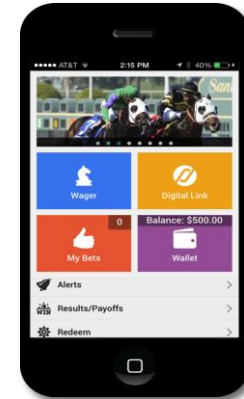
- Continued progress towards profit stabilisation
- Increase in spend per head
- Successful recruitment to the Direct channel



 - offers delivery of terrestrial, online and mobile betting technology to customers

## Technology investment

- Digital Link suite of mobile apps
- G4 – white label wagering site



## Operational

- New contract wins (Penn National Gaming, Danske Spil)
- Cost efficiencies – data centre consolidation
- Digital – integrated eBet, captured synergies



## Acquisition of Data Tote

- Strengthens European operations
- Complementary product suite



## NYX JV – B2B provider of iGaming platform plus content

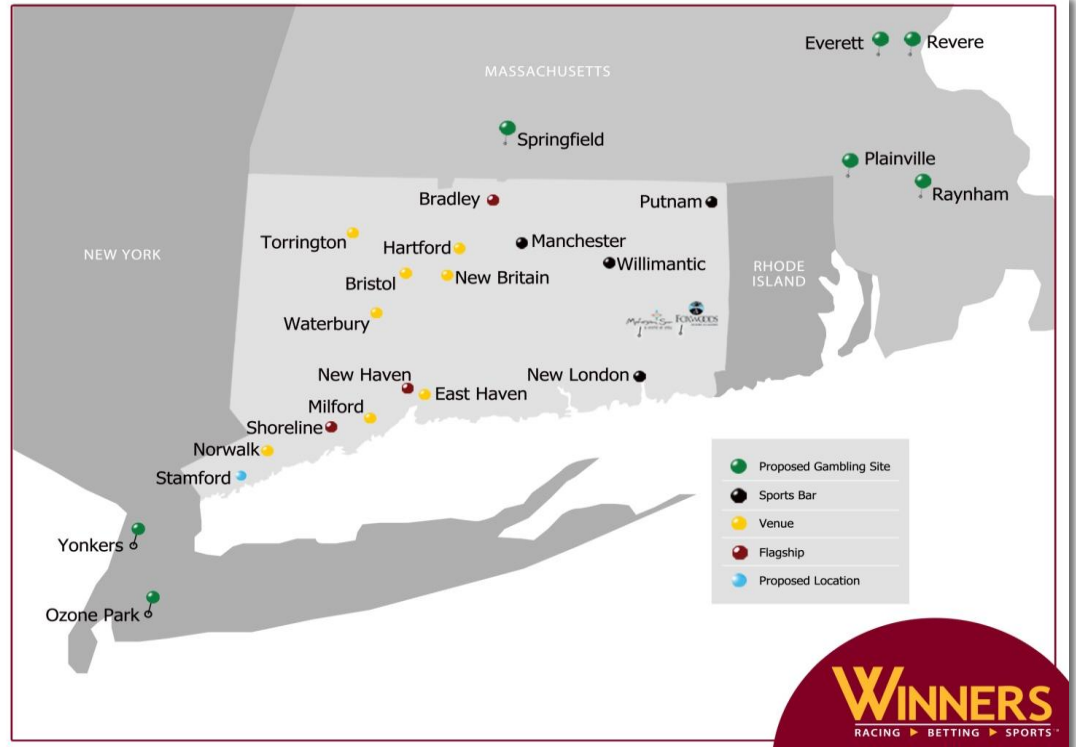
- Sportech – Customer relationships, regulatory positioning and infrastructure
- NYX – established gaming platform



## Picklive JV – daily fantasy sports

- Fast growing US market sector
- Launching in mid 2014 with baseball and H2 with American Football







- Bradley flagship sports bar
  - Significant £2.3m investment to attract younger sports orientated customers
  - Launched for the Super Bowl under brand name “Bobby V’s”
  - Initial trading is encouraging
- Refresh of our 55,000 sq ft Sports Haven venue
  - Created sports and gaming zones and an updated bar area
- Potential new site identified in Stamford
  - Location close to the New York border
  - Awaiting final regulatory approvals



# Venue Development – Bradley Sports Bar

Sportech PLC 2013 Preliminary Results



## Online

- Connecticut's only legal online betting site
- Launched in February 2014, with new website front end and marketing launch to commence this month
- Connecticut Attorney General to issue cease and desist letters issued to current national ADW operators in state

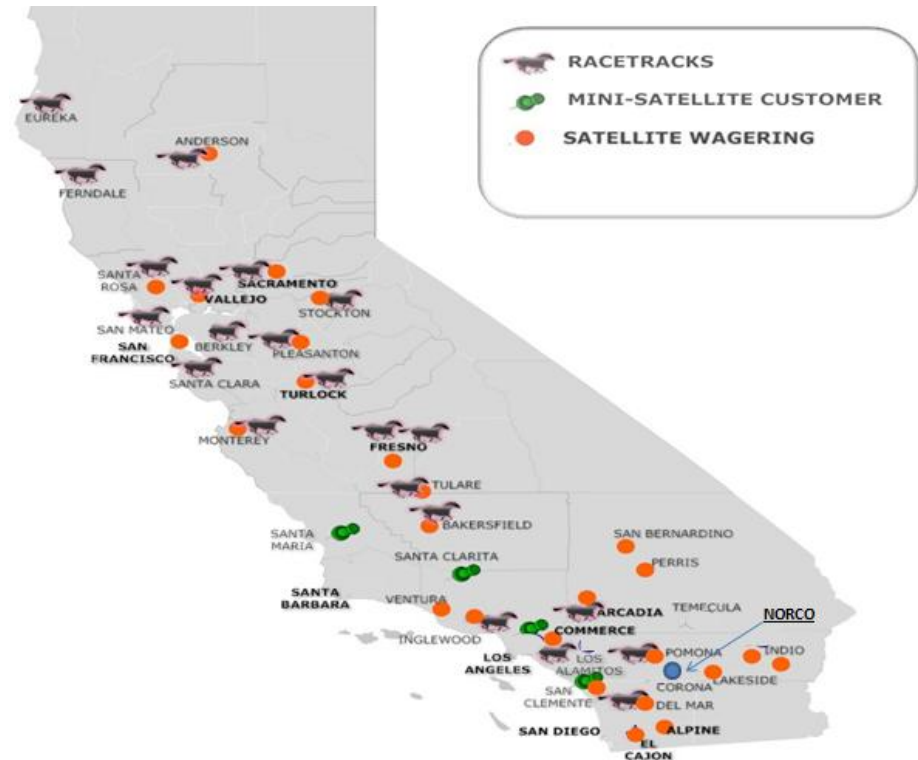
The screenshot displays the MyWinners.com website interface. At the top, there's a navigation bar with 'Wager Online', 'Wager by Phone', 'Locations', 'Information', and 'Rewards & Promos'. The main content area is divided into several sections: 'UPCOMING RACES' with a table of race details; 'TODAYS TRACKS' listing various tracks; 'VIDEOS' showing a horse race in progress; 'ACCOUNT SUMMARY' with balance information; 'ACTIVE BETS' showing current bets; and 'PAST BETS' showing historical bets. A 'GETTING STARTED' banner is visible at the bottom right.

## Slots

- Task force created by Connecticut General Assembly to look at expansion of slot machines into existing betting facilities
- Many interested parties and debate ongoing



- Secured deal with SCOTWinc to develop up to 10 sports bar, restaurant and wagering locations in southern and central California
- Sites will be rolled out under a Sportech owned brand name
- California is an under-served betting market
- Initial venue at Norco, is a JV with a local F&B partner
- Norco to open in summer 2014



- Outbound sales calling has delivered 15,000 new customers in the year
- Continuing improvement in Direct customer number trends
- Increase in spend per customer per week
- 2013 saw record win on Jackpot 12 with one customer winning £440k
- Significant online and mobile development planned in 2014 using NYX platform

Football Pools	Customer Numbers		Weekly rev per customer	
	2013 FY 000s	2012 FY 000s	2013 FY £	2012 FY £
Direct	248	265	2.71	2.58
Collector	70	84	2.56	2.55
Overseas	6	7	2.75	2.86
	324	356	2.67	2.58



- Results in line with market expectations
- Good progress against strategic objectives
- Re-organisation of business complete
- Continue to invest in growth opportunities
- Unique position in US market
- Looking forward to 2014 with confidence

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# Appendices







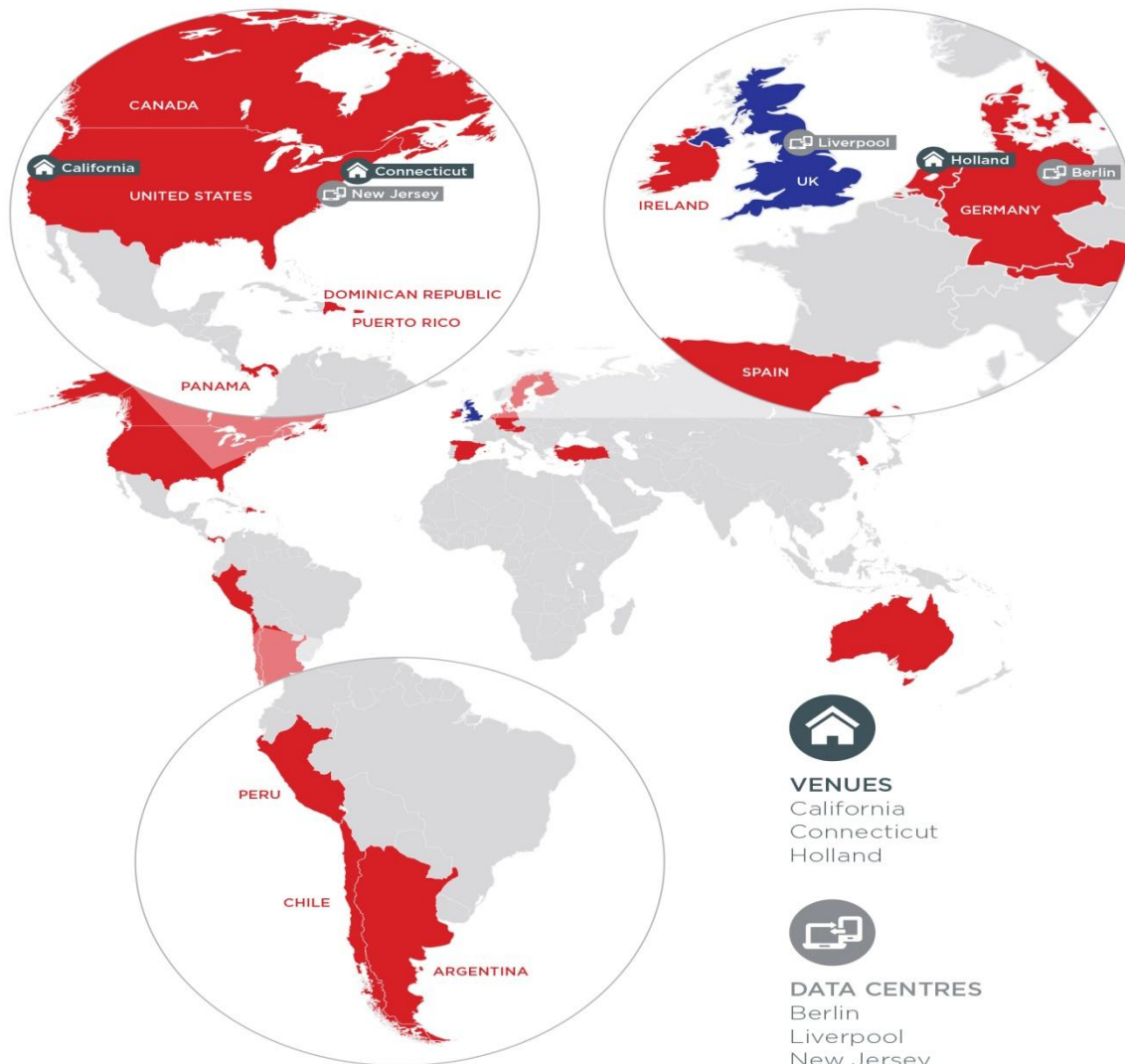
## TOTE SERVICES AND EQUIPMENT SALES

- Argentina
- Australia
- Austria
- Canada
- Chile
- Cyprus
- Denmark
- Dominican Republic
- Finland
- Germany
- Holland
- Ireland
- Korea
- Northern Ireland
- Panama
- Peru
- Puerto Rico
- Spain
- Sweden
- Turkey
- United Kingdom
- USA



## FOOTBALL POOLS CUSTOMERS

- Bermuda
- Gibraltar
- Ireland
- Northern Ireland
- United Kingdom
- Mauritius



## VENUES

- California
- Connecticut
- Holland



## DATA CENTRES

- Berlin
- Liverpool
- New Jersey

	2013	Restated 2012	Change
	£m	£m	£m
<b>Adjusted** profit before tax</b>	14.5	14.9	(0.4)
Exceptional costs	(2.7)	(2.8)	0.1
Amortisation of acquired intangibles	(7.2)	(5.9)	(1.3)
Other finance income/(charges)	0.8	(4.7)	5.5
Share of loss of JV	(0.2)	(0.2)	-
Discontinued operations	0.1	0.8	(0.7)
<b>Profit before tax</b>	<b>5.3</b>	<b>2.1</b>	<b>3.2</b>
Taxation	(1.9)	(0.8)	(1.1)
<b>Profit after tax</b>	<b>3.4</b>	<b>1.3</b>	<b>2.1</b>
<i>EPS - pence</i>	1.7	0.7	1.0

\*\* Adjusted profit figures are from continuing operations and are stated before amortisation of acquired intangibles, exceptional costs, share of loss after tax of joint ventures, and other finance income/(charges).

# 2013 Cash Flow Summary

Sportech PLC 2013 Preliminary Results

	2013	2012	Change
	£m	£m	£m
EBITDA from continuing operations	26.0	25.2	0.8
EBITDA from discontinued operations net of disposal proceeds	0.5	1.2	(0.7)
<b>EBITDA including discontinued operations</b>	<b>26.5</b>	<b>26.4</b>	<b>0.1</b>
Working capital (outflow)/inflow	(2.1)	0.2	(2.3)
Exceptional costs	(2.7)	(2.0)	(0.7)
Interest payable	(4.3)	(4.1)	(0.2)
Taxation	(1.7)	(2.0)	0.3
Capex, acquisitions, payment of deferred consideration and investment in JVs	(22.0)	(14.3)	(7.7)
Refinancing costs	-	(2.1)	2.1
<b>Movement in net debt</b>	<b>(6.3)</b>	<b>2.1</b>	<b>(8.4)</b>