

# Q2



**Interim report**

April–June 2024



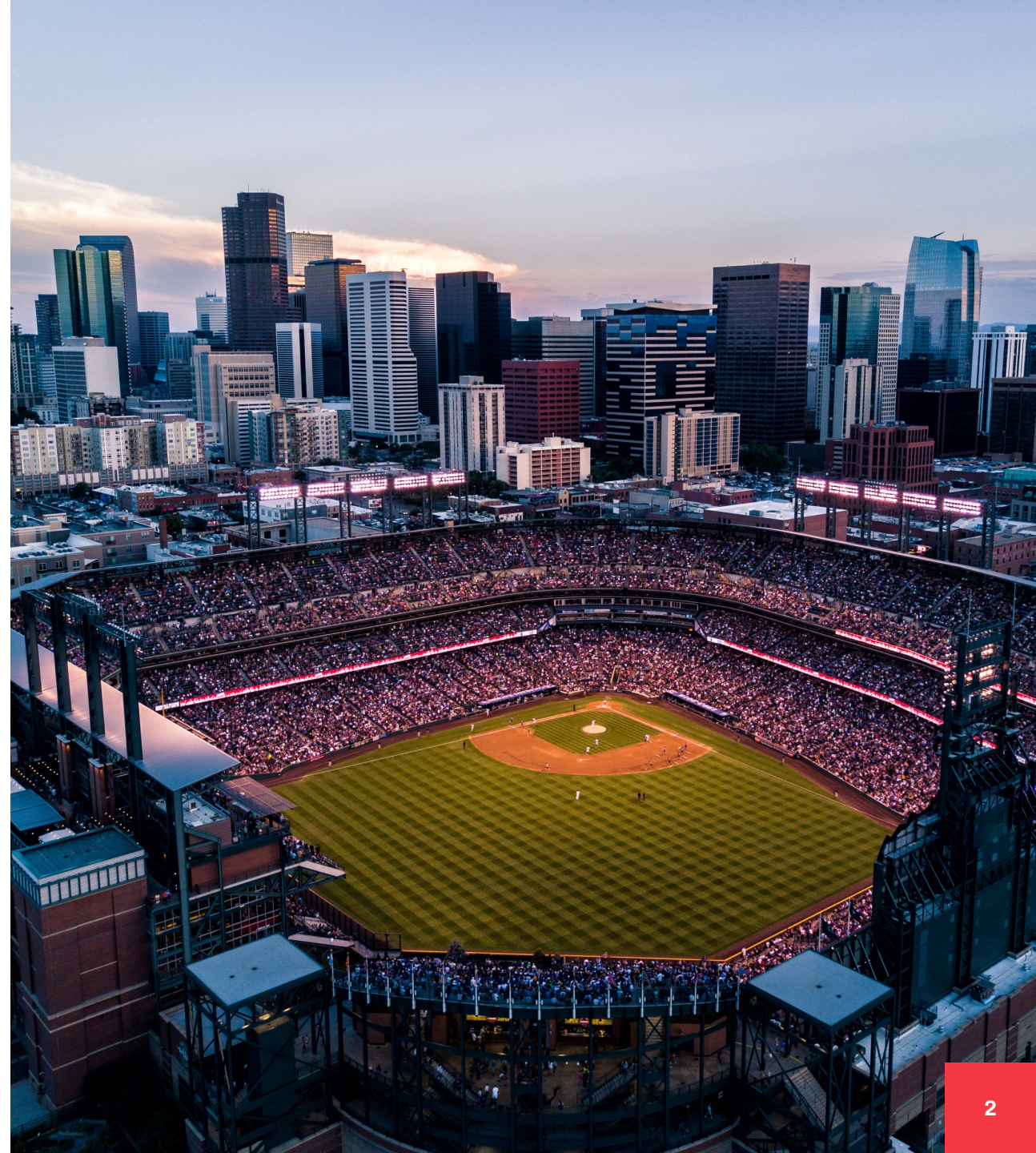
**Manuel Stan**  
CEO



**Mike Gerrow**  
CFO

# Overview

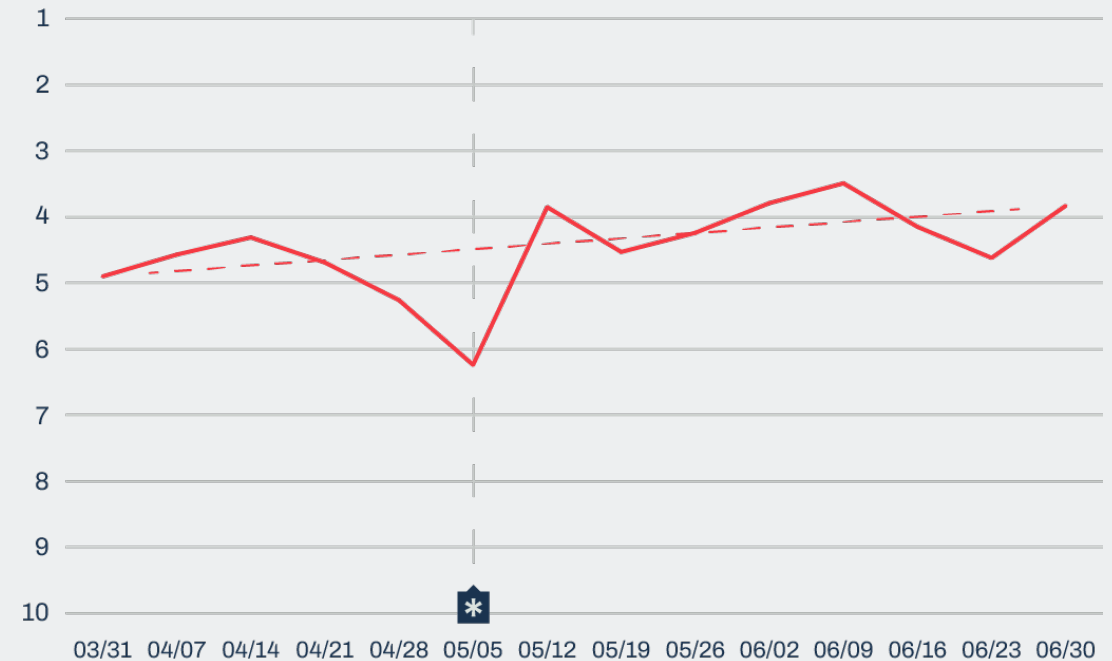
- Revenue from continuing operations of EUR 12.8m (14.9).
- Four out of five executive management team members new since 1 April:
  - Manuel Stan CEO, appointed 1 July
  - Michael Gerrow CFO, appointed 15 April
  - Pierre Cadena COO, appointed 1 July.
  - Edward Midolo CTO, appointed 1 April
- Implementation of new **product-focused operating model**, replacing former geographical structure
- Soft launch of **new subaffiliation platform**, Mrktplays
- Launch of **Spanish-language version** of Bonus.com
- May search engine policy update impacted effectiveness of certain media partnerships
- Non-renewal of several media partnerships will significantly improve cost base going forward



## New KPI – organic search score

- **New KPI** of average organic search ranking score for the 70+ most important keywords across Catena Media's products
- 5 May Google search policy update **reduced effectiveness** of some strategic media partnerships
- Effect somewhat offset by **higher traffic and improved search rankings** for owned and operated brands
- Positive trend in search rankings and traffic continued into Q3
- **Ranking score** as of 30 June:
  - Total average: 3.88

Total average score





# Financials

Q2 2024

# North America

- Revenue decreased **11%** to EUR 11.2m (12.5)
- Adjusted EBITDA **24% lower** at EUR 4.0m, equal to margin of 36%
- North America contributed 88% (84) of group revenue from continuing operations
- In Sports segment, **seasonal weakness** combined with underperformance at some key brands
- Continued rebound in North American Casino for second consecutive quarter, with 13% YoY revenue growth
- High costs due to **minimum guarantees for media partnerships**. Many of these partnerships have now been terminated
- **Aggressive programme of measures** still ongoing to restore the business to profitability in second half of 2024



## Rest of the world

- **Revenue down 33%**, primarily due to weaker performance in Casino
- **Adjusted EBITDA of EUR 0.8m**, corresponding to margin of 53%
- **In Japan, uncertainty over regulatory frameworks** negatively impacted operations. New management considers Japan a non-priority market
- **Modest slowdown in esports** due to seasonal factors
- **Esports.net** continues to evolve on a positive trajectory

### Rest of the world

Continuing operations

Revenue  
(EURm)

1.6

Apr-Jun 2024

2.4

Apr-Jun 2023

-33%

Adjusted EBITDA  
(EURm)

0.8

Apr-Jun 2024

0.3

Apr-Jun 2023

+216%

NDCs  
(‘000s)

1.7

Apr-Jun 2024

4.3

Apr-Jun 2023

-62%

# Segment performance

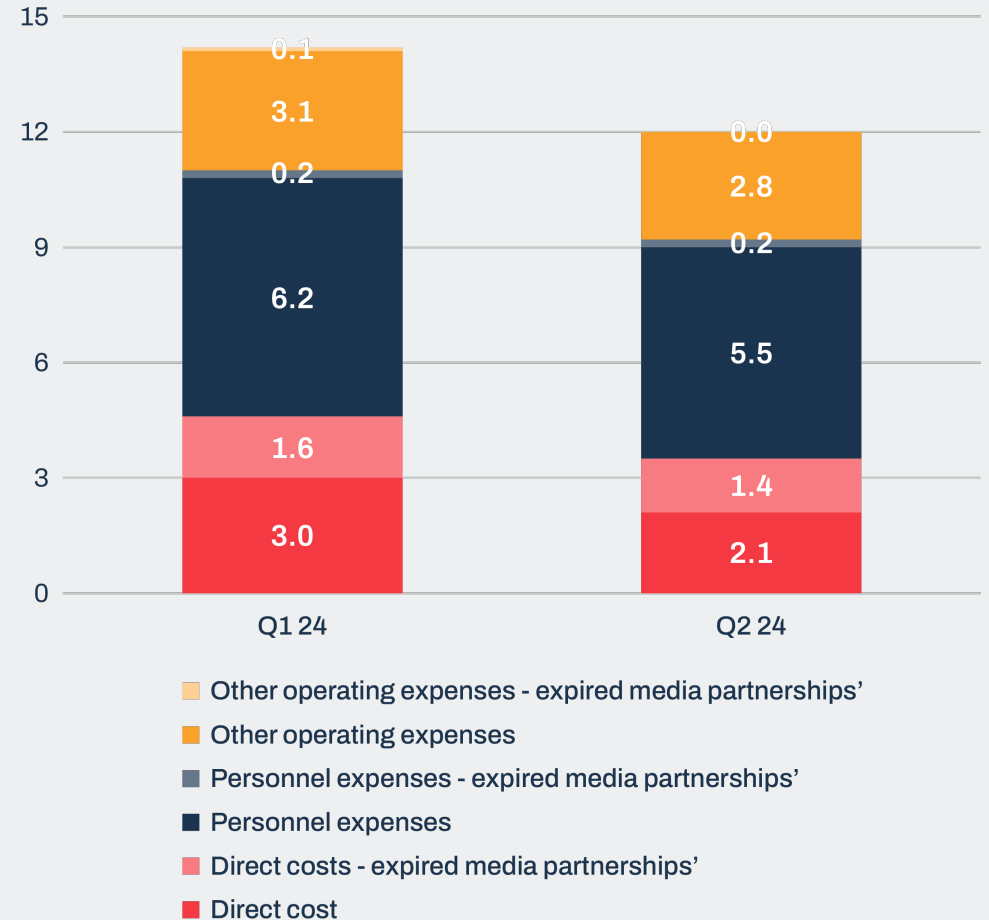
- **Sports revenue** from continuing operations down 47% and accounted for 22% of group revenue. Adjusted EBITDA of EUR -3.2m (-2.7)
- **Casino revenue** from continuing operations increased 3% and contributed 78% of group revenue. Adjusted EBITDA of EUR 3.9m (4.8)
- In Sports, seasonality factors impacted revenue. Profitability down due to **minimum guarantees paid to media partners**
- In Casino segment, stronger performance with **3% revenue growth** bolstered by social sweepstakes casino
- Strong Q2 performance in **social sweepstakes casino**, which accounted for one third of casino revenue

Segments		Continuing operations	
<b>Sports revenue (EURm)</b> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <b>2.8</b>  <small>Apr-Jun 2024</small> </div> <div style="text-align: center;"> <b>5.2</b>  <small>Apr-Jun 2023</small> </div> </div>		<b>Casino revenue (EURm)</b> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <b>10.0</b>  <small>Apr-Jun 2024</small> </div> <div style="text-align: center;"> <b>9.7</b>  <small>Apr-Jun 2023</small> </div> </div>	
<b>-47%</b>		<b>3%</b>	
<b>Sports NDCs ('000s)</b> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <b>9.0</b>  <small>Apr-Jun 2024</small> </div> <div style="text-align: center;"> <b>16.5</b>  <small>Apr-Jun 2023</small> </div> </div>		<b>Casino NDCs ('000s)</b> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <b>22.5</b>  <small>Apr-Jun 2024</small> </div> <div style="text-align: center;"> <b>21.4</b>  <small>Apr-Jun 2023</small> </div> </div>	
<b>-46%</b>		<b>5%</b>	

# Cost development

- **Cost improvement** QoQ due to new operating model
- Cost base expected to decrease starting in Q3 further following **non-renewal of media partnerships** in wake of May search engine update:
  - Minimum guarantees: EUR 1.4m / quarter
  - Internal and outsourced content costs: EUR 0.2-0.3m / quarter
- Items affecting comparability of EUR 1.3m (-0.2)

## Cost development<sup>1</sup> Continuing operations

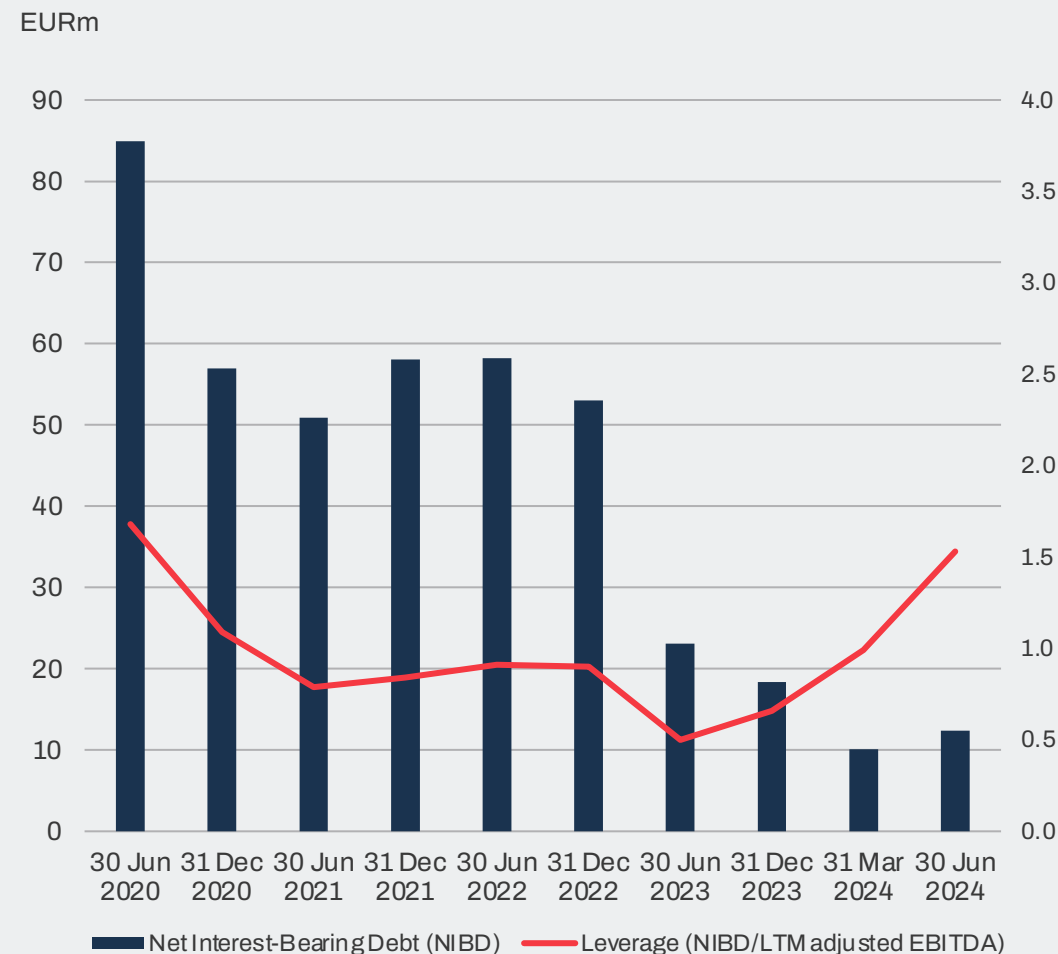


<sup>1</sup> Cost excluding items affecting comparability (IACs)



# Healthy financial position

- **Net interest-bearing debt (NIBD)** down 46% to EUR 12.4m (23.1)
- **Net cash position** when future proceeds from divestments factored in
- Continued focus on **debt reduction** and strategic investments
- Debt reduction has priority over any potential share buybacks



# Capital structure

- **Cash and cash equivalents** of EUR 18.9m on 30 June
- **Reported net debt** of EUR 12.4m
- **Net cash position** of EUR 9.6m after adjustment for scheduled inflow of EUR 22.0m in divestment proceeds from 2024 to 2025
- To date, scheduled payments for assets sold have been **received according to plan**
- **No outstanding financial commitments** in relation to prior acquisitions
- **Final warrant exercise period**, starting 15 August up until 24 August.

## CURRENT DEBT OVERVIEW AS OF 30 June 2024

EUR '000

### Bond issue 2021/2025

– Total bonds issued*	27,500
– Repurchased bonds*	(6,150)

**Outstanding bonds\*** **21,350**

Revolving credit facility (RCF) 10,000

**Total debt** **31,350**

**Cash and cash equivalents** **18,938**

**Net debt** **12,412**

## EXPECTED FUTURE PROCEEDS FROM DIVESTMENTS

EUR '000

Q4 2024	3,500
Q1 2025	15,000
Q2 2025	3,500
<b>Total proceeds</b>	<b>22,000</b>

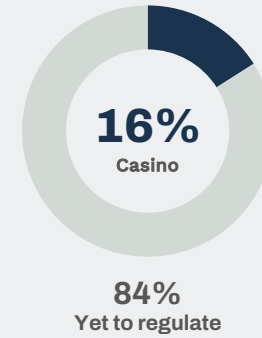
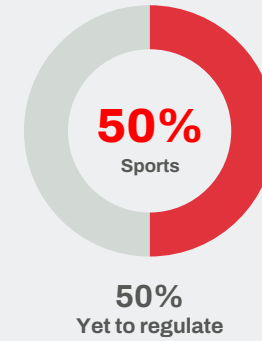


# Strategy and outlook

Q2 2024

# Launches in North America

## Market penetration\*



**2021** 5 sports (23.9m)  
2 casino (10.8m)

Q1 – Michigan, Virginia  
Q2 – Arizona  
Q3 – Wyoming  
Q4 – Connecticut

**2022** 4 sports (43.0m)  
1 casino (11.9m)

Q1 – New York, Louisiana  
Q2 – Ontario  
Q3 – Kansas  
Q4 – Maryland

**2023** 4 sports (19.5m)

Q1 – Ohio, Massachusetts  
Q3 – Kentucky  
Q4 – Maine

**2024** 2 sports (9.0m)

Q1 – Vermont, North Carolina

# Strategic focus areas

## People

- + Implement product-led organisational structure
- + Finalise senior leadership team with new General Counsel and VP Commercial
- + Foster high energy and motivation levels in new organisational setup
- + Ensure right people in right places following cost rightsizing
- + Develop talent to support core product focus

## Product

- + Build and leverage first-party data for improved decision-making
- + Focus on products with best ROI, particularly in North American casino
- + Integrate AI and subaffiliation capabilities into product offerings
- + Optimise owned and operated brands for improved organic search rankings
- + Continue development of Spanish-language products for Hispanic market

## Profitability

- + Build a strong cash flow and lower debt position
- + Implement cost reductions from terminated media partnerships
- + Focus on strategic investments such as social sweepstakes casino
- + Optimise core products to drive revenue growth
- + Enhance accountability across all brands to address underperformance

## Key takeaways

- New leadership team in place, bringing fresh perspectives and strategic focus to drive the company forward
- New product-focused operating model being implemented, with a strong focus on core products and targeted investments to enhance organisational alignment and efficiency to drive future growth
- Casino segment shows continued growth with 13% year-over-year revenue increase in North America
- Lower revenue in North America due to seasonality and decreased efficiency from media partnerships following May policy update
- Significant cost reductions of EUR 1.6m per quarter from non-renewed media partnerships
- Launch of new technical and subaffiliation platforms to help build first-party data capabilities and diversify revenue

## Financial targets

1. Double-digit organic growth in both revenue and adjusted EBITDA for 2025 and 2026 at group level
2. Net interest-bearing debt to adjusted EBITDA ratio of 0-1.75





# Q & A

Q2 2024



## Contact information

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## Upcoming events

**Interim report Q3 2024**  
7 November 2024