



April 2014 - Preliminary Results Presentation  
For year ended 31<sup>st</sup> December 2013

# Agenda

- Highlights
- Growth Strategy
- Operational Review
- Financial Review
- Outlook
- Appendices

# Presenting Team

## ***Mike Principe - CEO***

A co-Founder of TLA, Mike has been CEO since its inception and IPO in December 2011. He has over 15 years of experience in sports and entertainment deal making, operations and management. Prior to TLA, Mike was Managing Director of Blue Entertainment Sports Television (BEST), where he was responsible for day to day operations, acquisitions and growth strategy. BEST engaged in talent representation, television rights and production, event production and operation and sponsorship sales. Prior to BEST's sale to Lagadere Unlimited, under his leadership, BEST was ranked as the top media company by *Inc Magazine*. A leading sports executive, Mike was honored as a *Sports Business Journal's* prestigious "Forty Under 40".

## ***Bart Campbell – Executive Chairman***

A co-Founder of TLA, from 2009 until June 2013, Bart was the Group COO of Chime Communications plc (“Chime”) sports division, called CSM Sport & Entertainment which has 670+ staff, in 15 offices across 13 countries. During that period he was a member of the executive board of Chime. Prior to that, Bart was the Group CEO of the sports marketing and management business, Essentially Group plc (“Essentially”) which is part of Chime today, starting this role in 2006. During his tenure as CEO of Essentially, he led the IPO of the business and grew it from 20 to 120 professionals with offices in London, Australia, South Africa, New Zealand, India and Japan. Since June 2013 Bart has been a shareholder and Chairman of the Melbourne Storm, a premiership National Rugby League team in Australia.

## ***Don Malter - CFO***

Don joined TLA on 17 September 2013 as CFO. He was previously CFO (North America) for BMG Chrysalis since 2010, a joint venture between private equity firm, KKR and European media conglomerate, Bertelsmann. Prior to this he was CFO (North America) for Dimensional Music Publishing, LLC, a private equity backed music publishing house for 5 years. Don is very experienced having worked in the media and entertainment industry for over 20 years.



# Financial Highlights

- Reported revenues increased by 23% to \$18.6 million
- Adjusted revenues of \$20.2 million and corresponding Adjusted EBITDA of \$8.7 million
- Total long term contracted revenues rose 45% to \$58 million (2012: \$40 million) providing excellent forward revenue visibility
- Headline EBITDA grew by 11% higher to \$7.3 million\*
- Headline EBITDA margins at 39% (2012: 43%)\*\*
- Headline earnings per share 5.34 cents (2012: 4.19 cents), 27% growth
- Dividend raised to 0.7 pence (2012: 0.6 pence), an increase of 17%
- Cash at year end amounted to \$4.4 million (2012: \$4.1 million) up 7%

## ***Good trading momentum and increased contracted revenues***

Note : \* Operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any acquisition related charges, share based payments charges and exceptional items excluding the unrecognised revenue of \$1.6 million and EBIT of \$1.4 million.

\*\*Headline EBITDA divided by Reported revenues



# Operational Highlights

- Continued revenue and profit growth in Baseball Representation and Sports Marketing
- Total client base rose by 16% to 440
- Net clients wins up 29% at 67 (2012: 52)
- Baseball:
  - Achieved No. 1 position in professional baseball with our roster
  - Clients up 12 % to 254 players (64 MLB, including 22 MLB All Stars; 63 MiLB All Stars)
  - Negotiated \$150 million of contracts in the off season (2012: \$210 million)
- Sports Marketing:
  - Clients up 20% to 186
  - Created an events business with proprietary IP and delivered the TLA owned Baseball City in 2014
  - Expansion into media rights consulting and signed the NHL as our first client in 2014



# Growth Strategy

## Baseball:

- Growing the current business by organic client acquisition
- Client retention as they move through their career – client base up 12% to 254
- Continuing to maximise our clients earning cycle
- Selective talent / staff and regional agency acquisitions to grow geographically

## Sports Marketing:

- Continuing to increase client base and revenue per client
- Build up the events revenues (new and repeatable) both in the USA and Internationally
- Further develop our recently established media and TV rights business
- Look at new service opportunities

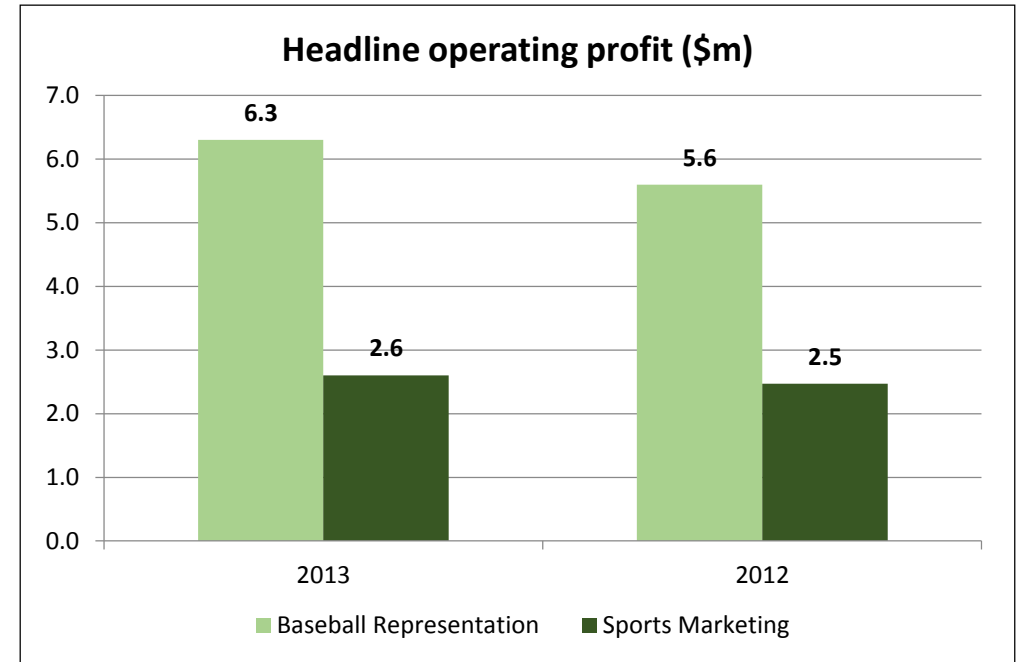
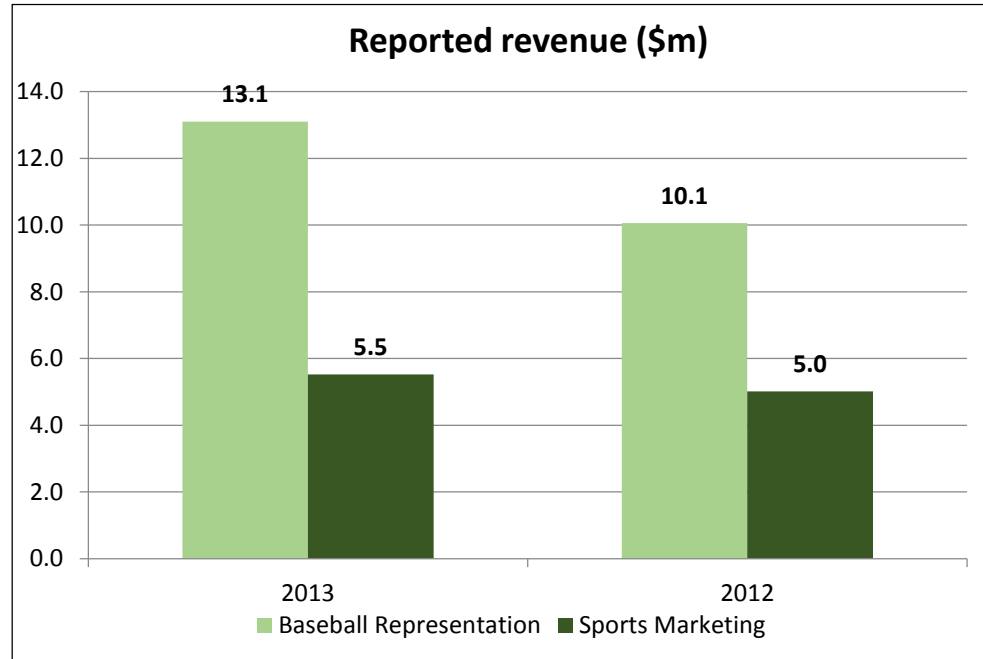
# **Operational Review**

# Summary Headline Results

	2013	2012	% change
Reported revenues (\$m)	18.6	15.1	23%
Headline EBITDA (\$m)	7.3	6.6	11%
Adjusted revenues (\$m)	20.2	15.1	34%
Adjusted EBITDA (\$m)	8.7	6.6	32%
Contracted revenues (\$m)	58	40	45%
Net new client wins	67	52	29%

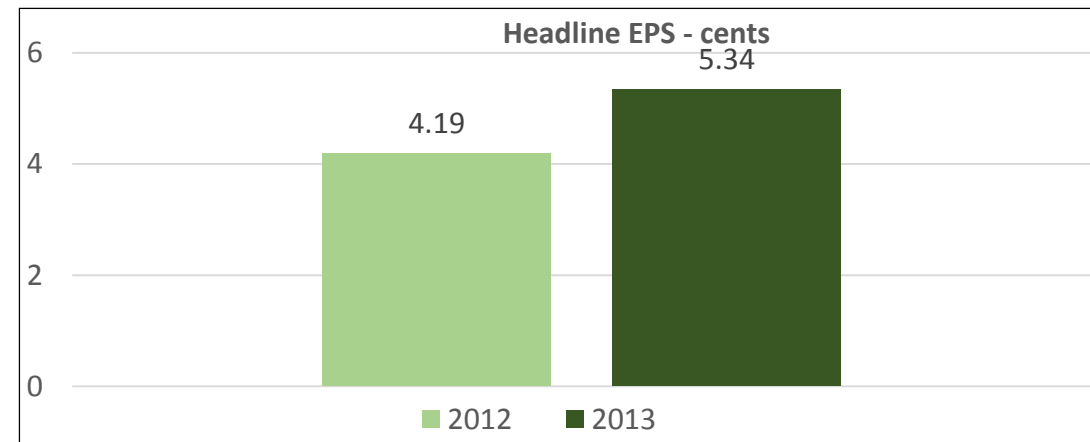
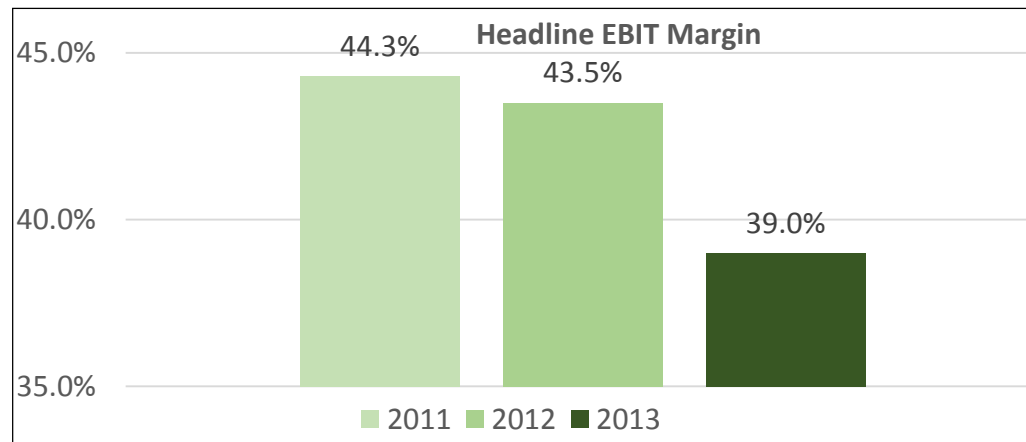
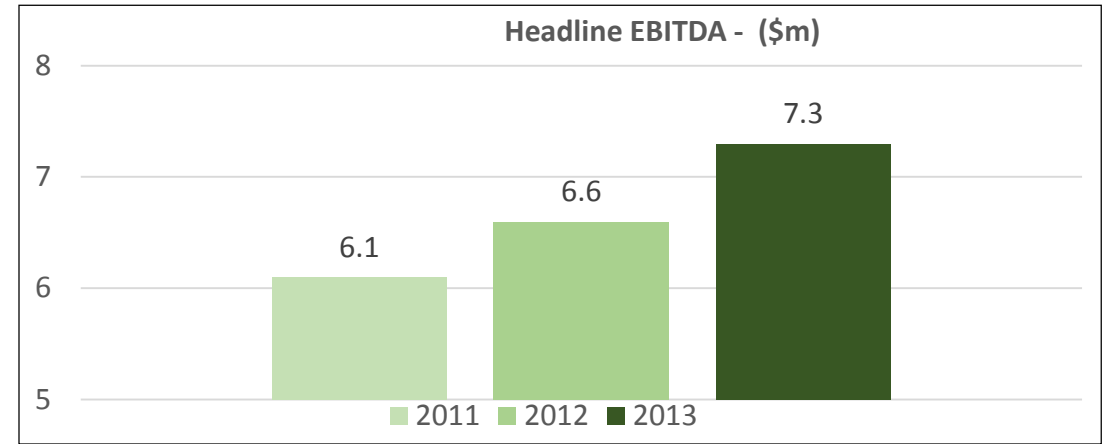
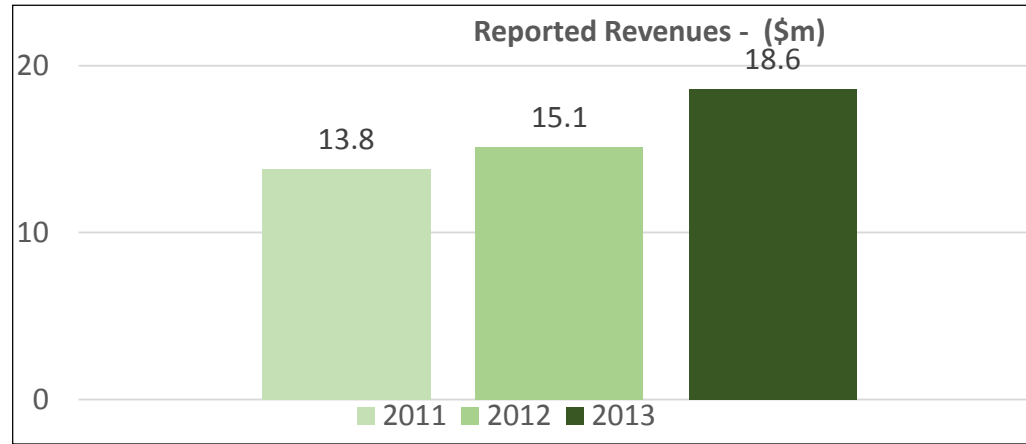


# Segmental Analysis



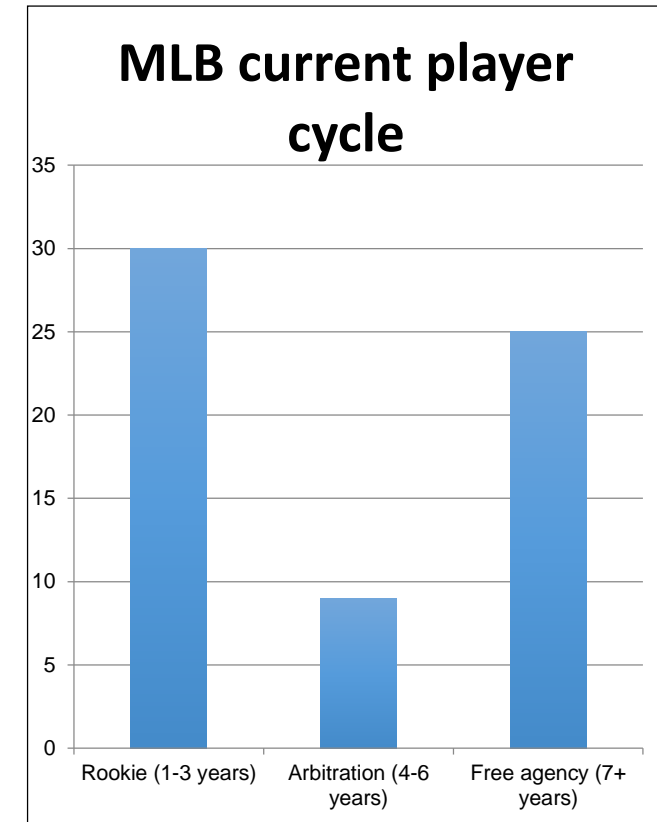
- Baseball:
  - Reported revenue increased by 30%, including PEG; organic growth of 2% (prior to the \$1.6 million of revenue not recognised)
  - Headline operating profit increased by 13%, including PEG; organic growth of 11%
- Sports Marketing
  - Operating income showed organic growth of 10%
  - Operating profit organic growth of 5%, after absorbing costs of organic hires in events and media

# Historic Performance



# Baseball Representation

- Organic client acquisition rate of 12%
  - 254 (227) clients
  - MLB 64 (59) clients, including 22 All Stars
  - MiLB 200 (168), including 63 All Stars
- Largest professional baseball agency in the industry, by clients
- \$150m of off season contracts negotiated in 2013 (\$210 million)
- Performance impacted by prudently not recognising \$1.6 million of revenue and expected \$1.4 million of EBIT
- Good pipeline of young players expected to move into a key earning period of their careers



# Sports Marketing

- Organic client acquisition growth of 20% to 185: and across all activities;
  - Golf up 34%
  - Coaching up 13%
  - Broadcasting up 18%
- Operating income up 10%
- Events business created and first major event delivered in March 2014
- Melbourne office opened as part of our geographic expansion to exploit opportunities
- Established a media and TV rights consultancy with the NHL as our first client
- The fundamentals in global sports marketing remain strong:
  - North America sponsorship\* was \$13.3 billion in 2012 and forecast to growth by 6% p.a. to \$17.7 billion by 2017
  - North America media rights\* was \$11.8 billion in 2012 and forecast to growth by 7.7% p.a. to \$17.1 billion by 2017
  - Asia Pacific is the 3<sup>rd</sup> largest region at \$22.7 billion and is expected to have the 3<sup>rd</sup> fastest growth at 3.9%\*\*

\* PWC sports outlook North America Nov 2013

\*\* PWC outlook for global sports market Dec 2011

# Financial Review

# Income Statement

\$m	2013 (Headline)	2012 (Headline)	growth %	2013 (reported)
Revenues	18.6	15.1	24%	18.6
Costs	(11.4)	(8.6)	32%	(17.2)
EBIT	7.3	6.5	12%	1.4
<i>EBIT margin</i>	39%	43%	-9%	8%
Bank Interest	(0.4)	(0.5)	-17%	(0.4)
IFRS Finance charges				(0.9)
<b>Headline Profit before tax</b>	<b>6.9</b>	<b>6.0</b>	<b>14 %</b>	<b>-</b>
Tax	(1.7)	(1.2)	42%	0.9
Tax rate	21%	20%	4%	

# Cashflow

	2013	2012		2013	2012
<b>Headline EBITDA</b>	<b>7.3</b>	<b>6.6</b>	<b>Net cash generated from trading</b>	<b>6.3</b>	<b>5.2</b>
Depreciation	0.0	0.0	Capital expenditure	(0.2)	0.0
Income tax paid	(0.7)	(1.2)	Movement in working capital	(2.8)	(1.9)
Other non cash movements	(0.4)	(0.2)	Deferred consideration paid	(4.0)	(0.3)
<b>Net cash generated from trading</b>	<b>6.3</b>	<b>5.2</b>	Acquisition payments	0.0	(2.4)
			Proceeds from shares issue	0.1	3.8
			Interest paid	(0.4)	(0.5)
			Debt repayment	(1.0)	(2.0)
			Drawn down / (repayment) of revolver	3.4	0.0
			Cash restructuring costs	(0.2)	(1.0)
			Other dividends	(0.8)	0.0
			<b>Net Cash inflow/(outflow)</b>	<b>0.3</b>	<b>1.0</b>

- Debtor days improved to 49 days from 56 days
- Cash conversion improved 86% of Headline EBITDA from 79%

# Balance Sheet

\$m	Dec 2013	Dec 2012	Forecast earn out payments	
Intangible Assets	46.4	51.5		\$m
Fixed Assets	0.2	-	2014	1.80
Deferred Tax	2.8	1.0	2015	3.55
Net Current Assets (ex cash)	3.0	1.8	2016	2.77
Cash	4.4	4.1	2017	2.98
Borrowings	(10.2)	(7.7)	2018	1.59
Other Liabilities	-	(0.1)	<b>Gross</b>	<b>13.88</b>
Current Taxation	-	-	IRFS discount	(1.48)
Deferred consideration	(12.4)	(16.1)	<b>Total</b>	<b>12.40</b>
<b>Net Assets</b>	<b>34.2</b>	<b>34.5</b>		
<b>Net debt</b>	<b>5.8</b>	<b>3.9</b>		



# Outlook

# Outlook

- Solid foundation in place to implement strategy and deliver future growth
- Positive outlook for 2014 with the new long term media and broadcasting rights in baseball and a developing events business
- First quarter up over the same period as last year and trading momentum in 2014 remains encouraging across all activities
- Excellent revenue visibility for the year ahead
- Increasing dividend payment by 17%
- Continuing to pay down debt

# Appendices

# Reconciliation to Headline Results

\$m

	<u>2013</u>	<u>2012</u>
<b>Headline profit before tax</b>	<b>6.8</b>	<b>6.0</b>
amortisation of intangibles	(5.0)	(4.4)
exceptional/restructuring costs	(0.8)	(0.9)
IFRS finance charges	(1.0)	(0.8)
<b>Reported profit / (loss) before tax</b>	<b><u>(0.0)</u></b>	<b><u>(0.1)</u></b>

# Baseball player career path

