



INTERIM RESULTS 2022

21 SEPTEMBER 2022

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This report contains “forward-looking statements” with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives. In particular, such forward-looking statements include, but are not limited to, statements with respect to: expectations regarding the Group’s financial condition or results of operations and the guidance for a financial year; the Group’s sustainable business strategy and targets; expectations for the Group’s future performance generally; expectations regarding the operating environment and market conditions and trends, including customers, new game launches and next generation consoles, adjacent markets, games-as-a-service, competitive position and macroeconomic pressures, price trends, commercial momentum and opportunities in specific geographic markets; expectations regarding the integration or performance of current and future investments and newly acquired businesses. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “could”, “may”, “should”, “expects”, “believes”, “anticipates”, “estimates”, “intends”, “plans” “projects” or “targets” (in each case including in their negative form or other variations or their comparable terminology). By their nature, forward-looking statements include matters that are not historical facts and are inherently predictive, speculative and involve risk and uncertainty because they relate to events, and depend on circumstances, that may or may not occur in the future. No reliance whatsoever should be placed on any forward-looking statements.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in economic, financial, political and regulatory conditions; factors that contribute to uncertainty and volatility, including natural and man-made disasters, civil unrest, pandemics (e.g. the coronavirus (COVID-19) pandemic (the “COVID-19 pandemic”)) and geopolitical uncertainty; the ability of the Group to successfully recover from a disaster, force majeure event or other business continuity problem including, but not limited to, due to a hurricane, flood, earthquake, terrorist attack, war, pandemic, security breach, cyber-attack, insider threats or supplier breach, power loss, telecommunications failure or other natural or man-made event; any governmental or other third party policies or actions to maintain the functioning of national or global economies and markets; changes to legal, regulatory and tax environments; increased competition; the Group’s ability to generate and grow revenue; slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure; the Group’s ability to attract and retain talent and wage inflation; the Group’s ability to realise expected benefits or synergies from acquisitions; acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities; the Group’s ability to integrate acquired business or assets; the extent of any future write-downs or impairment charges on the Group’s assets, or restructuring charges incurred as a result of an acquisition or disposition; developments in the Group’s financial condition, earnings and distributable funds and other factors that the Board takes into account in determining the level of dividends; the Group’s ability to satisfy working capital requirements; and changes in foreign exchange rates.

AGENDA

01

H1 2022 Results Highlights

02

Financial Review

03

Strategy

04

Outlook

EXECUTIVE SUMMARY

01

Strong revenue growth driven by healthy levels of demand and supported by the industry drive for new content

02

Continued profitable growth and cash generation underpinning strong balance sheet and liquidity

03

Launched evolved strategy to further unlock Keywords' potential and deliver an ever-more compelling proposition for our partners

04

Delivering on our acquisition strategy and engaging with an extensive pipeline of opportunities

05

Tangible progress against our responsible business agenda across the period

06

Trading has continued to be encouraging in H2, and remain **confident of delivering a performance in line with recently upgraded market expectations**

Continue to further cement our position as the partner of choice for the global video games industry and beyond

STRONG REVENUE AND PROFIT GROWTH

REVENUE

+ 34.5%

Revenue up to €321.1m
(H1 2021: €238.7m)

ORGANIC REVENUE GROWTH

+ 21.7%

(H1 2021: 22.9%)

ADJUSTED PBT

+ 38.0%

Adjusted PBT €54.8m
(H1 2021: €39.7m)

ADJUSTED PBT MARGIN

17.1%

Increased by 0.5% pts
(H1 2021: 16.6%)

ADJUSTED EPS

+ 34.4%

Adjusted EPS 55.89c
(H1 2021: 41.57c)

INTERIM DIVIDEND

0.77p

10% increase over 2021
interim dividend
(H1 2021: 0.7p)

ACQUISITIONS AND PIPELINE



3

Acquisitions
signed in 2022



€67m

Total maximum
consideration

Extensive pipeline with a primary focus
on Game Development, Marketing
Services and technology

RESPONSIBLE BUSINESS

KEYWORDS' FIVE PRIORITIES



PEOPLE*



CLIENT



GOVERNANCE



COMMUNITY



PLANET

* Including Diversity, Equality, Inclusion and Belonging

- MSCI ESG Ratings assessment improved to a rating of 'A', up from BBB previously
- Strengthened partnership with Women in Games, hosting a number of events including our second internal #Breakthebias Women's Summit in Asia
- Sustainable Studios initiative progressed following completion of an internal review of energy and recycling practices
- Initiatives making Keywords a great place to work increasingly recognised with studios in Mexico, Philippines and the UK all receiving industry awards

FINANCIAL REVIEW

02

H1 2022 FINANCIAL HIGHLIGHTS

	H1 2022 €m	H1 2021 €m	% change
Revenue	321.1	238.7	+ 34.5%
Organic Revenue Growth	21.7%	22.9%	
Adjusted EBITDA	70.1	50.7	+ 38.3%
Margin	21.8%	21.2%	
EBITDA	61.0	40.8	+ 49.5%
Adjusted PBT	54.8	39.7	+ 38.0%
Margin	17.1%	16.6%	
PBT	39.1	21.9	+ 78.2%
Adjusted EPS (€ cents per share)	55.89	41.57	+ 34.4%

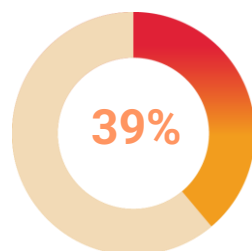
- Reported revenue up 34.5% with Organic Revenue up 21.7%
- Adjusted EBITDA up 38.3% with margin improving 0.6% pts to 21.8%
 - Margin reflected the strong growth in revenues whilst managing costs, together with a ~1% benefit from a favourable foreign exchange impact
- Adjusted PBT up 38.0% with margin improving 0.5% pts to 17.1%; due to the favourable foreign exchange impact and continuing management of the return of certain costs post COVID restrictions
- Statutory PBT increased by 78.2%

SERVICE LINE REVIEW

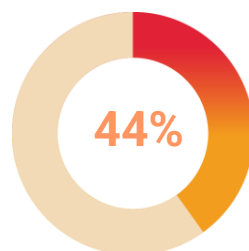
CREATE - combines Game Development and Art Services and represents 3,000+ people in 24 studios across 46 locations



% of
Group revenue



% of Group
Adj EBITDA



H1 2022 H1 2021 Change

Revenue €m	124.3	86.0	44.5%
Organic Revenue growth %			23.3%
Adjusted EBITDA €m	30.9	23.0	34.3%
Adjusted EBITDA margin %	24.9%	26.7%	

- Create performed well in the first half with revenues up by 44.5% to €124.3m
- Organic Revenue grew by 23.3%
 - Very strong performance in Art Services, with record performance in certain studios, while Game Development performed well
 - Transition from Russia began in H1, with increased impact expected in H2. Making transition as smooth as possible for both our people and international clients
- Adjusted EBITDA up 34.3% at €30.9m with margin slightly lower due to sales mix and investing ahead of demand
- 3 new Game Development studios added so far this year
- Expect continued strong demand across our Create service line

SERVICE LINE REVIEW

GLOBALIZE - combines Audio, Testing and Localization with nearly 5,000 people in 35 studios across 45 locations

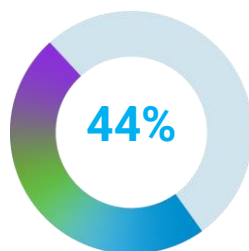
Keywords
Functionality QA

Keywords
Localization

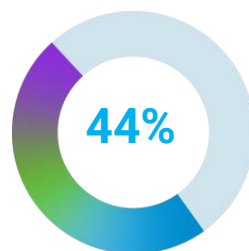
Keywords
Localization QA

Keywords
Audio Services

% of
Group revenue



% of Group
Adj EBITDA



H1 2022

H1 2021

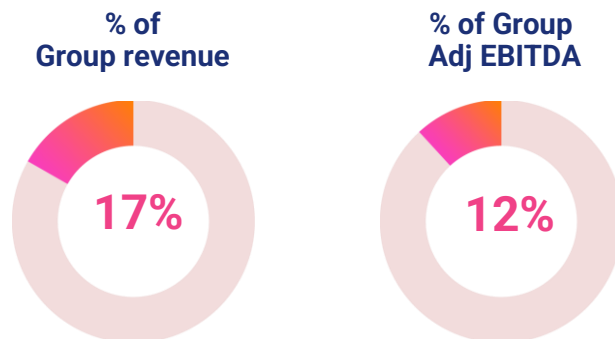
Change

Revenue €m	141.5	107.4	31.8%
Organic Revenue growth %			25.7%
Adjusted EBITDA €m	31.1	21.1	47.4%
Adjusted EBITDA margin %	22.0%	19.6%	

- Globalize performed well in the first half with revenues up by 31.8% to €141.5m
- Organic Revenue grew by 25.7%
 - All of the lines of business within Globalize performed well as the benefits from the current levels of content creation flowed through to the later stages of the development cycle that Globalize serves
- Adjusted EBITDA in Globalize grew 47.4% to €31.1m
 - Adjusted EBITDA margin increased to 22.0% due to operating leverage from the strong growth and the strength of the US dollar
- Activity levels across the service line remain high and we are continuing to recruit aggressively and distribute work across studios to ensure client needs are met

SERVICE LINE REVIEW

ENGAGE - combines Marketing and Player Experience services with 2,000+ people in 28 studios across 30 locations



	H1 2022	H1 2021	Change
Revenue €m	55.3	45.3	22.1%
Organic Revenue growth %			9.8%
Adjusted EBITDA €m	8.1	6.6	22.7%
Adjusted EBITDA margin %	14.6%	14.6%	

- Engage performed well in the first half with revenues up by 22.1% to €55.3m
- Organic Revenue grew by 9.8%
 - Player Support performed strongly with the addition of a number of new clients and good growth across our top clients
 - Our Marketing studios delivered a more modest performance in part due to the exceptional performance in H1 2021, during which the business experienced significant organic growth of over 50%
- Adjusted EBITDA grew 22.7% to €8.1m (H1 2021: €6.6m)
 - Adjusted EBITDA margin of 14.6% was in line with H1 2021
- Continue to broaden our Marketing service range and positive first half trends in Player Support are expected to continue in H2

OPERATING AND FREE CASH FLOW

	H1 2022 €m	H1 2021 €m	Change €m
Adjusted EBITDA	70.1	50.7	19.4
MMTC and VGTR	(10.4)	(3.8)	(6.6)
Working capital and other items	(12.7)	1.7	(14.4)
Capex – PPE	(10.0)	(9.4)	(0.6)
Capex - intangible assets	(0.2)	(0.2)	-
Payments of principal on lease liabilities	(5.5)	(4.6)	(0.9)
Operating cash flows	31.3	34.4	(3.1)
Net Interest paid	(0.8)	(0.8)	-
Free cash flow before tax	30.5	33.6	(3.1)
Tax	(6.2)	(9.8)	3.6
Free cash flow	24.3	23.8	0.5
Adjusted free cash flow before tax	31.7	37.7	(15.7)%
Adjusted cash conversion rate	57.9%	94.9%	

- €0.5m increase in Free Cash Flow year on year as the €19.4m increase in Adjusted EBITDA and €3.6m reduction in tax payments due to timing differences were largely offset by:
- Working capital and other items outflow of €12.7m due to the growth in the business and the timing of payments
 - €6.6m increase in MMTC and VGTR credits accrued as they returned to the regular H2 collection cycle
 - €0.6m increase in capex as we continued to invest in the growth of the business
- Adjusted cash conversion rate of 57.9% in H1 2022
- Capex expected to increase in H2 with the opening of new facilities
 - Full year Adjusted cash conversion expectations remain at ~80%

MOVEMENT IN NET CASH / DEBT

	H1 2022 €m	H1 2021 €m	Change €m
Free cash flow	24.3	23.8	0.5
M&A - acquisition spend	(13.6)	(44.7)	31.1
M&A - acquisition and integration costs	(1.3)	(1.5)	0.2
Other income	1.1	-	1.1
Dividends paid	(1.3)	-	(1.3)
Shares issued for cash	2.4	2.3	0.1
Underlying increase / (decrease) in net cash / (debt)	11.6	(20.1)	31.7
FX and other items	4.1	1.3	2.8
Increase in net cash / (debt)	15.7	(18.8)	34.5
Opening net cash / (debt)	105.6	102.9	
Closing net cash / (debt)	121.3	84.1	

- Acquisition spend of €14.9m:
 - €13.6m on acquisitions in respect of the cash component of prior year acquisitions
 - €1.3m of acquisition and integration costs
- Increase in net cash in H1 2022 driven by good free cash flow and timing of M&A
- Increase in net cash of €15.7m versus decrease of €18.8m in H1 2021
- Net cash at 30 June 2022 of €121.3m (H1 21: €84.1m)

FUNDING POSITION AND GUIDANCE

Robust financial position to enable strategy



Cash generative business with an adjusted free cash flow of €31.7m in H1 2022 (H1 2021: €37.7m)



€271m of liquidity through cash and undrawn committed RCF headroom[#]



Reviewing an extensive pipeline of acquisition opportunities



Revolving Credit Facility (RCF) of €150m with a €50m accordion



Balance sheet capacity to:

- Provide flexibility to execute acquisition strategy
- Invest to support future growth
- Deliver returns for shareholders

Full year guidance

Following a strong H1, we are seeing an encouraging start to H2 and experiencing healthy demand across our three service lines

Expect organic growth rates to moderate in the second half, with margins moving to historic levels of ~15% as we invest in the business, transition from Russia, and as more costs return with the easing of COVID restrictions.

Adjusted effective tax rate in line with the H1 2022 rate of ~22%

Capex at a higher % of revenue than in 2021, reflecting expansionary capex

Adjusted cash conversion rate expected to be ~80%, in line with guidance

We are confident of delivering a performance for the full year in line with recently raised market expectations*

* As at 20th September 2022, company compiled analysts' forecasts gave a consensus for FY 2022 of €642m of revenue and €102m of adjusted profit before tax.

[#] RCF matures in December 2024 with an option to extend the term by two further one-year periods.

STRATEGY

03

KEYWORDS SNAPSHOT



#1 technical & creative solutions provider to the video games industry



3 service lines covering entire gaming value chain



26 countries and more than **70** studios



Over **11,000** employees that speak **50** languages



23 out of top 25 gaming companies are clients



10 out of top 10 mobile games companies are clients



c. **\$35bn**
Video game services market*

c. **\$11bn**
Video game services market of which outsourced*



€595m
LTM revenue

€101m
LTM adj. PBT

*Sources: Market sizing conducted by IDG Consulting Inc.

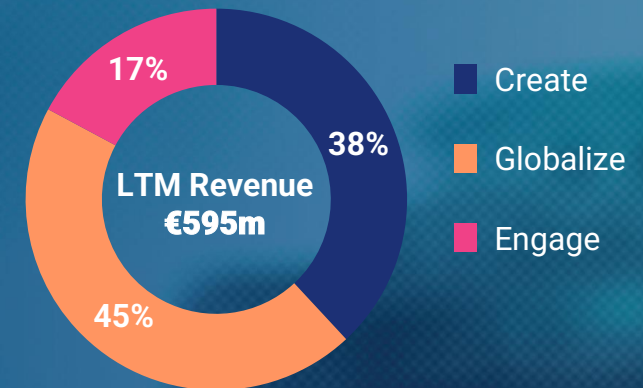
CLEAR MARKET LEADER



Unrivalled global scale in a market with large white space

Only full-scale service platform across the entire content development lifecycle

Balanced business across content development lifecycle



Highly fragmented industry provides opportunities for selective consolidation

Market share of outsourced game services

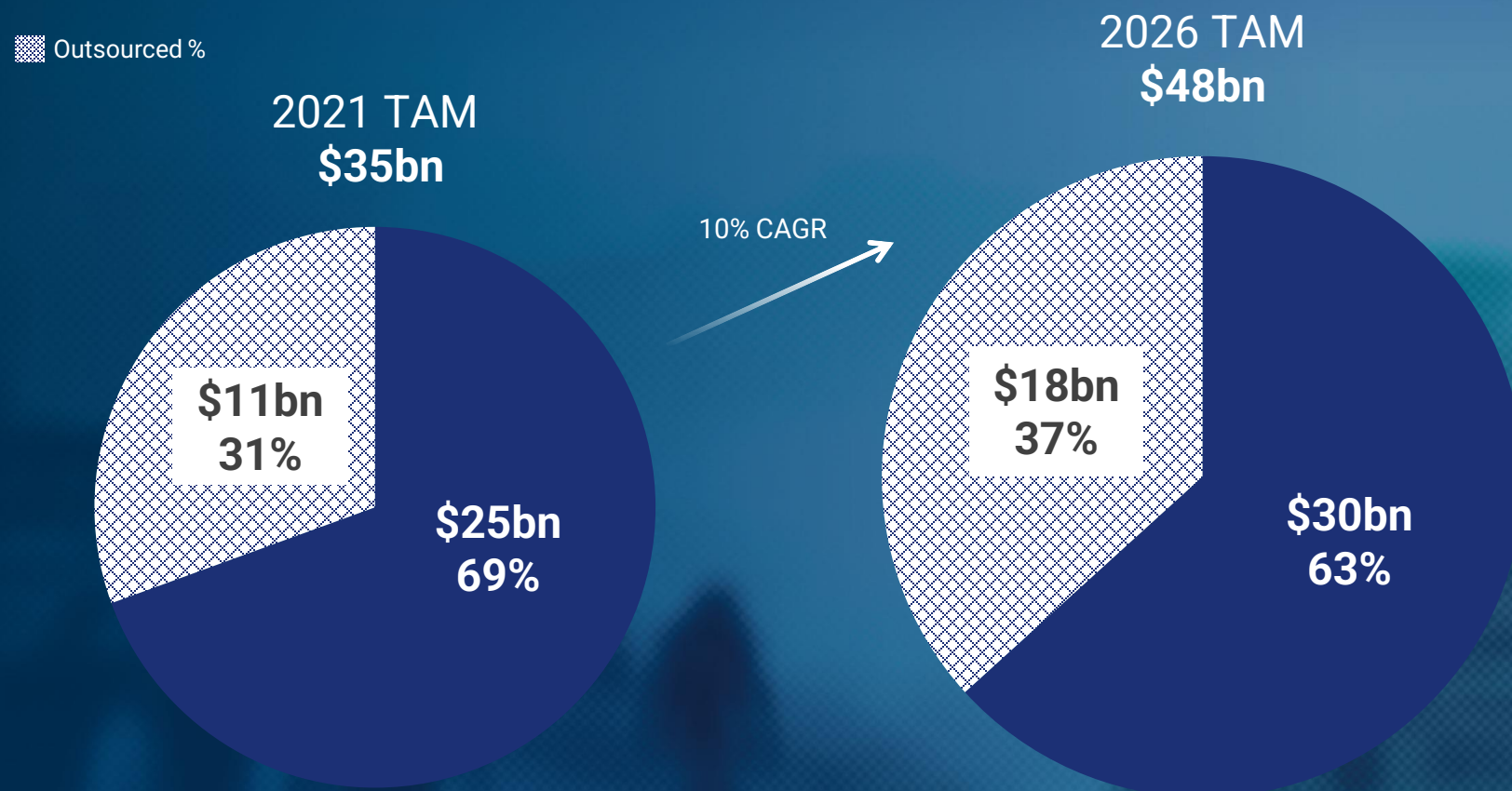
* LTM represents the trailing twelve months from 30 June 2022

INTERNATIONAL SCALE AND DIVERSIFICATION ACROSS MARKETS



LARGE, DYNAMIC & EXPANDING ADDRESSABLE MARKET

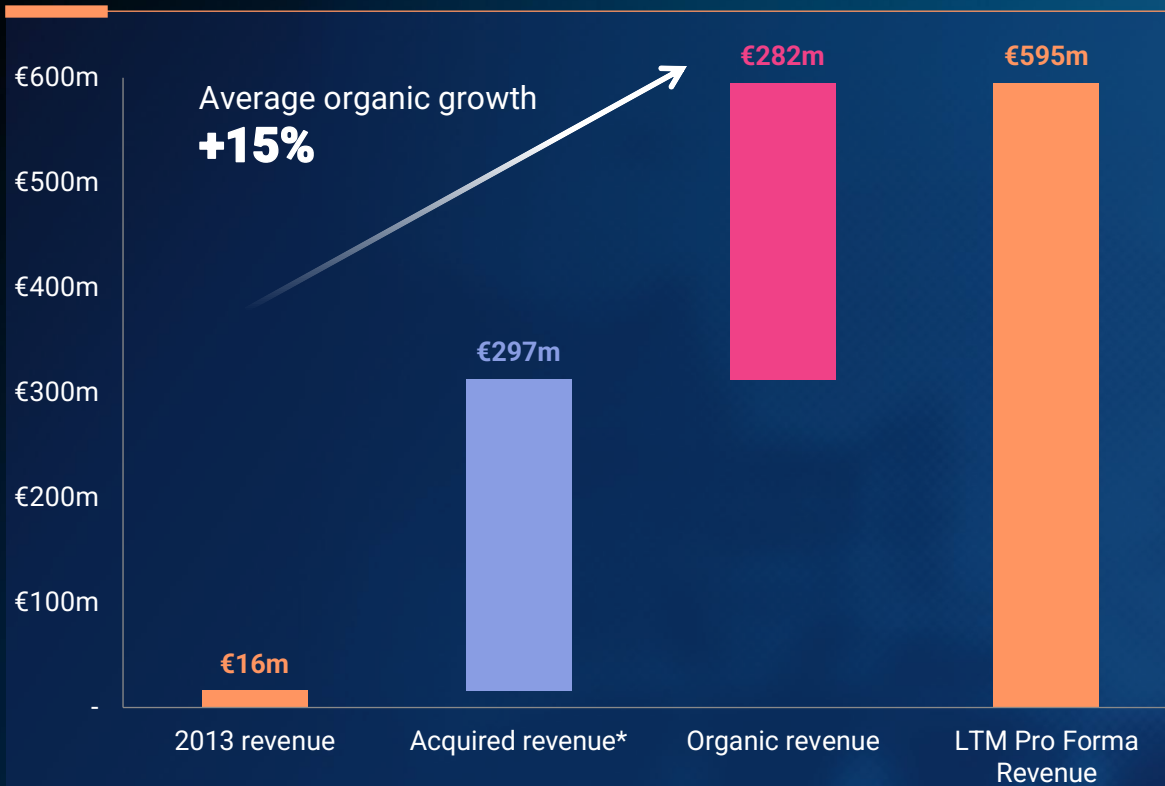
Video Game Services TAM*



*Source: IDG Consulting.

† CAGR from 21-26 except for Video game market where CAGR is from 21-24. Estimates range 5 to 8.7% CAGR, we took most conservative.

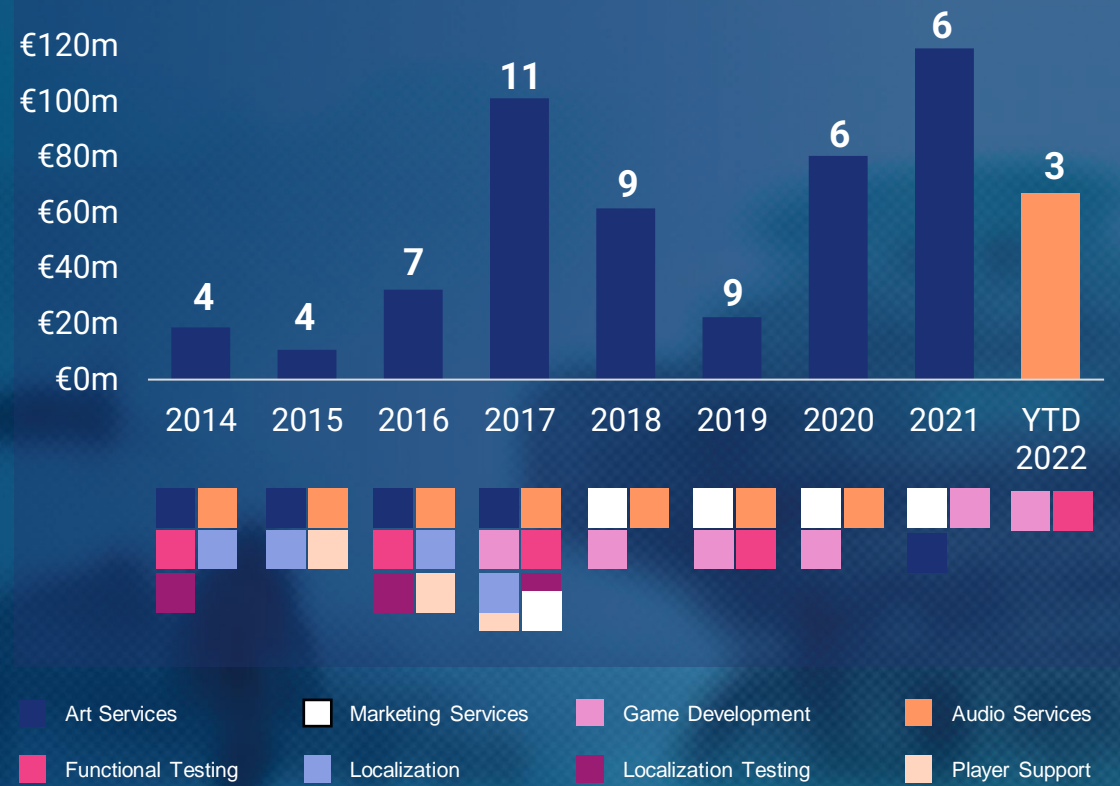
KEYWORDS' INORGANIC GROWTH ENGINE



59
Value creating acquisitions since IPO

€271m
in net cash and undrawn RCF at end of H1 22

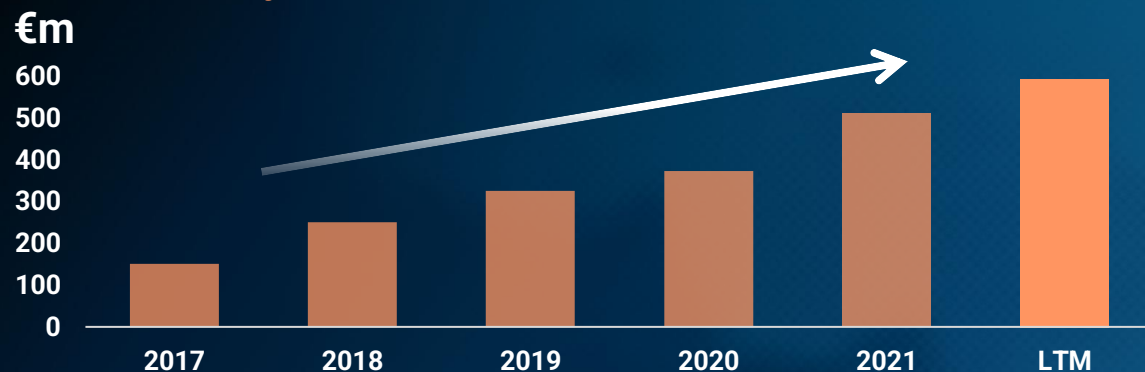
Total consideration and number of acquisitions



* Only includes acquisitions completed before 30 June 2022

STRONG TRACK RECORD OF GROWTH

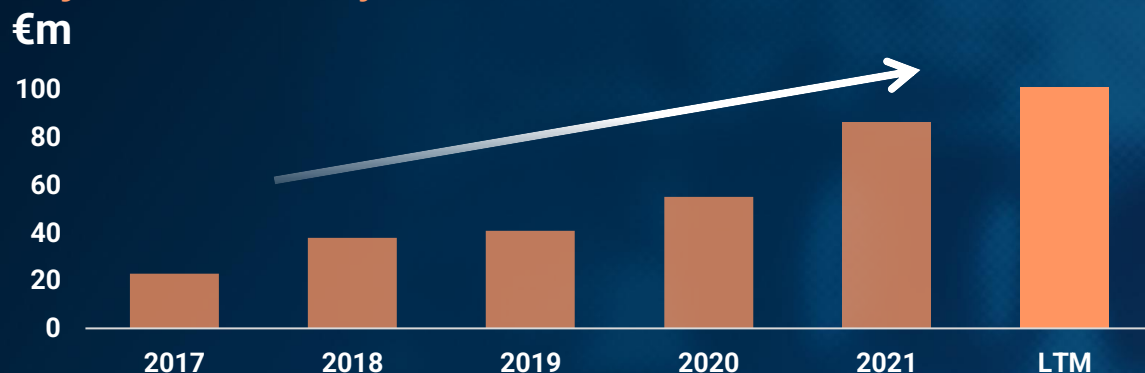
Revenue – 5 year CAGR of 31%



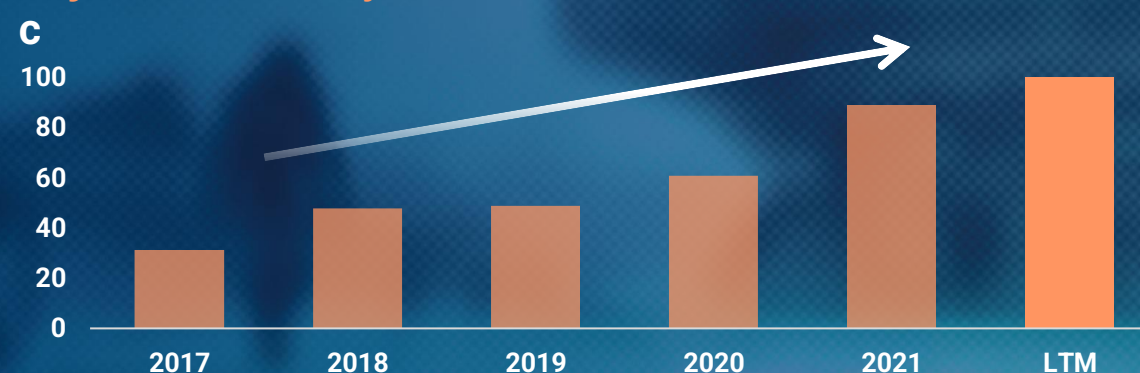
Strong Organic Revenue growth



Adjusted PBT – 5 year CAGR of 34%



Adjusted EPS – 5 year CAGR of 27%



* LTM represents the trailing twelve months from 30 June 2022

FIVE STRATEGIC FOCUS AREAS TO CAPITALIZE ON OUR MARKET OPPORTUNITY

01

Developing **strategic customer partnerships** to create and capture more value together

02

Harnessing **technology to work smarter**, do more and stay at the forefront of our industry

03

Galvanising our **"One Keywords" culture** of entrepreneurialism and collaboration

04

Establishing Keywords as the **destination for talent** and career development

05

Leveraging **our capabilities in adjacent markets** increasingly requiring games expertise

Supported by **delivering value accretive M&A** to develop our platform

INITIAL PROGRESS AGAINST EVOLVED STRATEGY

01 Strategic customer partnerships

Obsessive focus on deepening key client relationships

Introduced Annual Business Reviews with key clients

Investing in our Strategic Partnering Capability

02 Technology

Incorporating automation where appropriate (i.e. Kantan AI)

Acquisition of Mighty Games brings a proprietary AI-based Testing tech platform

Focus on enhancing internal systems

03 One Keywords

New simplified structure facilitating internal collaboration

Amplifying the voice of the studios and investing in the “spine”

Launch of studio hub model

04 Talent and Capabilities

New Culture leadership team in place and building capacity

Expanded initiatives to develop talent through our Academies and Bootcamps

MOU with Gov’t of India to expand Keywords inGame Academy as part of Destination India initiative

05 Adjacent Markets

Focus on markets that naturally fit our current offering including Media & Entertainment

Building our GAAS & LiveOps offerings

Preparing for longer term opportunities such as Web 3 / the metaverse

OUTLOOK

04

GROUP OUTLOOK

01

Strong organic revenue growth in H1 and encouraging start to the second half, complemented by a healthy M&A pipeline

02

Confident of FY22 performance in line with recently raised expectations

03

Well positioned to take business to the next level and continue to drive growth in 2023 and beyond

Expect to further cement our position as the partner of choice for technical and creative solutions to a global client base



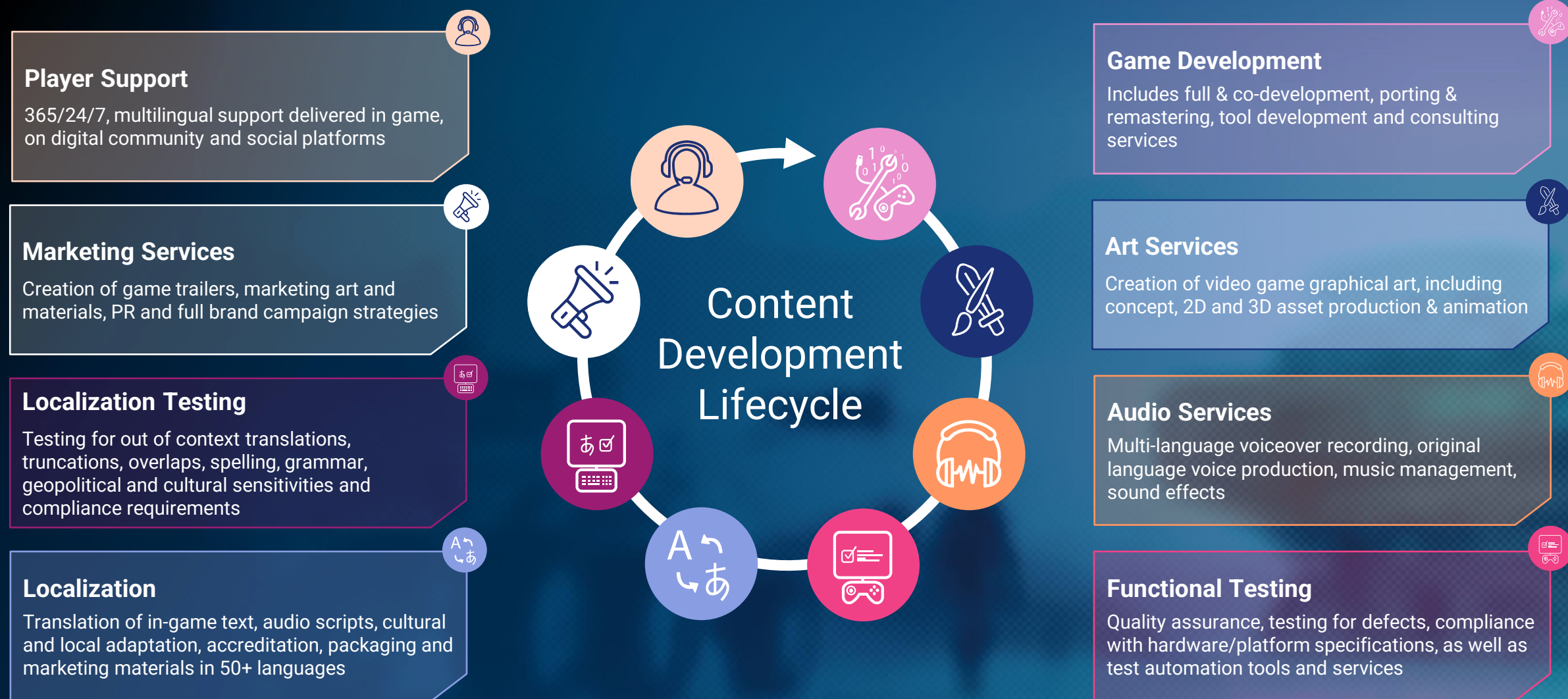
Q&A

BERTRAND BODSON – CEO

JON HAUCK - CFO



SERVICING ENTIRE CONTENT DEVELOPMENT LIFECYCLE



LONG-STANDING RELATIONSHIPS WITH SIGNIFICANT CROSS-SELLING POTENTIAL

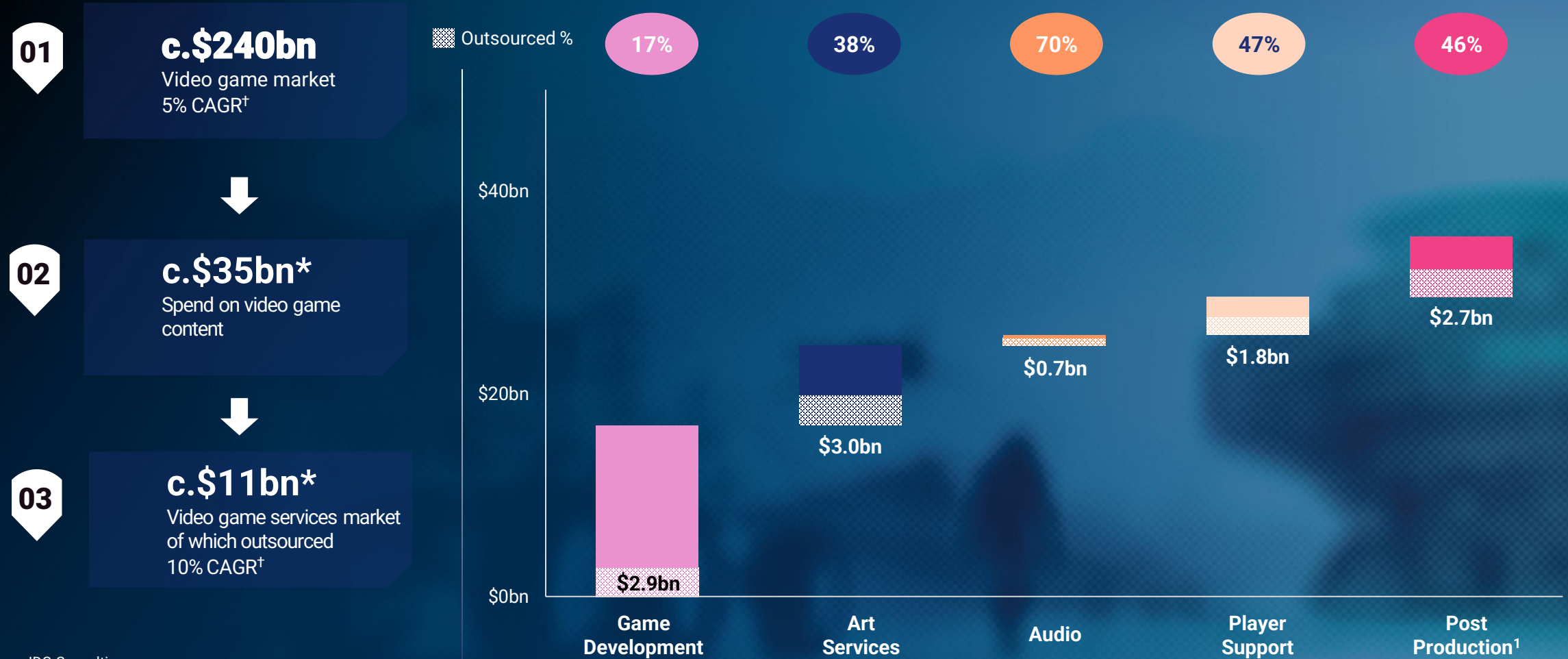
We work with 23 of the top 25 games companies by revenue and 10 of the top 10 mobile games publishers by revenue*



* Newzoo, Top 25 public companies by game revenues in Q3 2021 and App Annie, Top publishers of 2021

LARGE, DYNAMIC & EXPANDING ADDRESSABLE MARKET

Video Game Services TAM*



*Source: IDG Consulting.

[†] CAGR from 21-26 except for Video game market where CAGR is from 21-24.

Estimates range 5 to 8.7% CAGR, we took most conservative.

1. Post Production includes Functional Testing, Localization Testing and Localization.

ACQUISITION HISTORY

Year	Art Services	Marketing services	Game Development	Audio	Functional Testing	Localization	Localization Testing	Player Support	Total Cost*
2014	Lakshya Digital			Liquid Violet Binari Sonori	Babel Media	Babel Media Binari Sonori	Babel Media		€19.0m
2015	Liquid Development			Reverb Kite Team		Reverb Kite Team		Alchemic Dream	€10.9m
2016	Mindwalk Volta			Synthesis Sonox	Enzyme Player Research	Synthesis Sonox	Synthesis Enzyme	Ankama	€32.6m
2017	RedHot	SPOV	GameSim d3t Sperasoft	La Marque Rose Dune Sound AsRec	VMC	VMC XLOC Around the Word La Marque Rose Dune Sound AsRec LOLA	VMC	VMC	€101.4m
2018		Fire Without Smoke Trailer Farm	Snowed In Studio Gobo Electric Square Yokozuna Data	Maximal Cord Laced Blindlight					€61.7m
2019		Sunny Side Up Ichi Worldwide	GetSocial Wizcorp	Descriptive Video Works TV+SYNCHRON Syllabes	AppSecTest**	Kantan			€22.5m
2020		Maverick g-Net Indigo Pearl	Coconut Lizard High Voltage	Jingle Bell					€80.7m
2021	AMC	Waste Creative	Heavy Iron Tantalus*** Climax Wicked Witch						€126m
2022			Forgotten Empires, Mighty Games Smoking Gun		Mighty Games				€67.2m

* Includes all cash, deferred and equity portions of consideration

** 48.8% subsidiary interest

*** 85.0% interest

ALTERNATIVE PERFORMANCE MEASURES

The Group reports a number of alternative performance measures (APMs) to present the financial performance of the business which are not GAAP measures as defined by International Financial Reporting Standards (IFRS). The Directors believe these measures provide valuable additional information for the users of the financial information to understand the underlying trading performance of the business. In particular, adjusted profit measures are used to provide the users of the accounts a clear understanding of the underlying profitability of the business over time. For full definitions and explanations of these measures and a reconciliation to the most directly referenceable IFRS line item, please refer to the APMs section at end of the Group's Interim Results announcement.

Organic Revenue at constant exchange rates is calculated by adjusting the prior year revenues, adding pre-acquisition revenues for the corresponding period of ownership, and applying the prior year foreign exchange rates to both years, when translating studio results into the Euro reporting currency.

EBITDA comprises Operating profit as reported in the Consolidated statement of comprehensive income, adjusted for amortisation and impairment of intangible assets, depreciation, and deducting bank charges. **Adjusted EBITDA** comprises EBITDA, adjusted for share option expense, costs of acquisition and integration and non-controlling interest.

Adjusted profit before tax comprises Profit before taxation as reported in the Consolidated statement of comprehensive income, adjusted for share-based payment expense, costs of acquisition and integration, amortisation and impairment of intangible assets, non-controlling interest, foreign exchange gains and losses, and unwinding of discounted liabilities. In order to present the measure consistently year-on-year, other income is excluded.

Adjusted earnings per share comprises the adjusted profit after tax divided by the non-diluted weighted average number of shares as reported. The adjusted profit after tax comprises the adjusted profit before tax, less the tax expense as reported in the Consolidated statement of comprehensive income, adjusted for the tax impact of the adjusting items in arriving at adjusted profit before tax.

Adjusted cash conversion rate is the adjusted free cash flow as a percentage of the adjusted profit before tax.

Adjusted free cash flow is a measure of cash flow adjusting for capital expenditure that is supporting growth in future periods (as measured by capital expenditure in excess of maintenance capital expenditure).

Pro Forma Revenue is calculated by adding pre-acquisition revenues of current year acquisitions to the current year revenue numbers, to illustrate the size of the Group had the acquisitions been included for a full financial year.