

Keywords Studios plc

Annual General  
Meeting

11.00am

26 May 2021



# Introduction



# Presentation from Jon Hauck and Sonia Sedler



Support | Deliver | Evolve

**DISCLAIMER:** This presentation contains forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this presentation. Due to inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The Directors undertake no obligation to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise.

# Executive Summary

Delivered **strong revenue growth**, despite COVID-19 disruptions, with healthy market backdrop

**Reacted with agility** to fundamental changes in our ways of working, whilst continuing to deliver for our clients

**Increased profitability** and **cash generation** driving strong balance sheet and liquidity

Continued to **deliver on our acquisition strategy** following placing in May 2020

Demand **outlook is strong** in 2021 and beyond, supported by increased content and new generation console launches

Development of **Responsible Business** priorities, with Board level committee established

Expect to further cement our position as the 'go to' provider of technical and creative services to a global client base



## Strong FY Revenue Growth

**+ 14.4%**

Reported growth in 2020

to €373.5m (2019: €326.5m)

**+ 11.7%**

Organic Revenue growth

(H1 2020: 8.0%, FY 2019: 15.5%)

## Improved margin

**+ 28.8%**

Increase in FY Adjusted EBITDA

to €74.2m (2019: €57.6m)

**19.9%**

Adjusted EBITDA margin

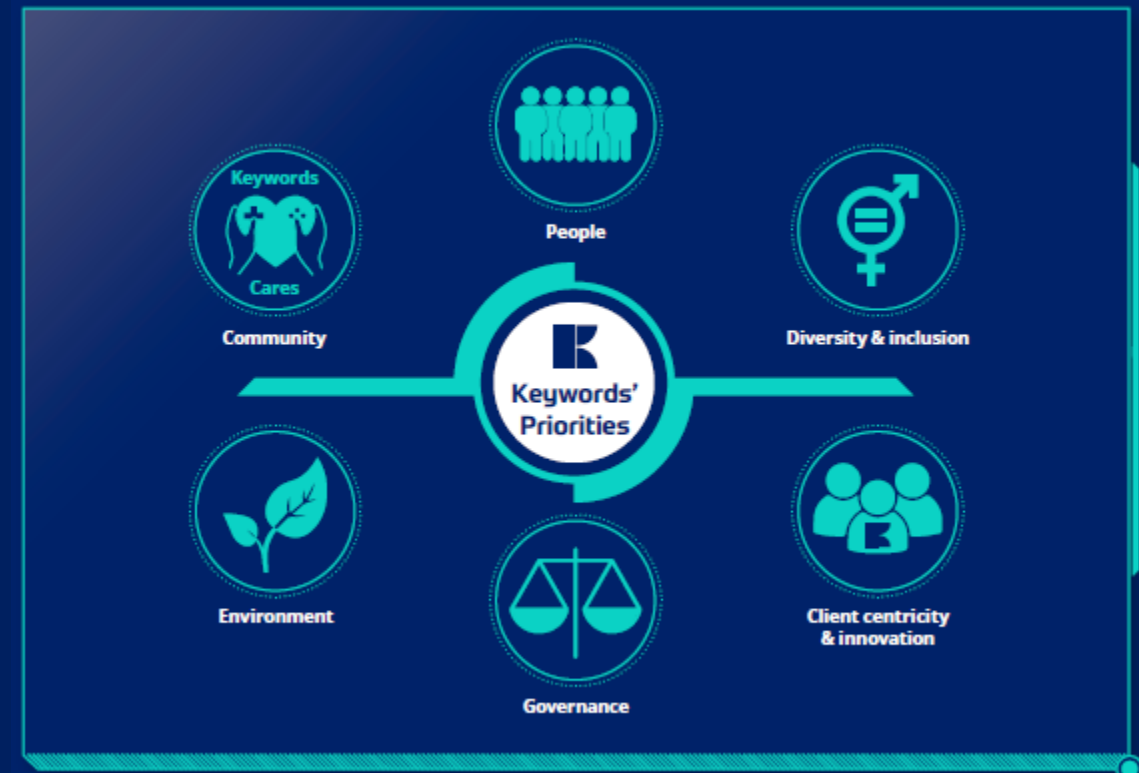
increased by 2.3% pts (2019: 17.6%)

# Responsible Business

## 2020 progress

- Global Diversity & Inclusivity Council established
- Code of Business Conduct, refreshed and relaunched
- Keywords Cares matching program launched
- US\$500,000 hardship fund put in place to support colleagues as a result of the COVID-19 pandemic
- Quantified our greenhouse gas emissions scope 1 and 2 emissions for the first time

Responsible Business Board Committee formed to monitor progress on Keywords' Priorities



# Resilient business with excellent M&A track record

Market leading technical and creative services provider to the global video games industry – diversified geographies, services and client base

Operations in 22 countries across five continents



Balanced across seven service lines



- Player Support
- Functional Testing
- Art & Marketing Services
- Audio Services
- Localization
- Localization Testing
- Game Development

950+ customers including the leading game content creators and publishers

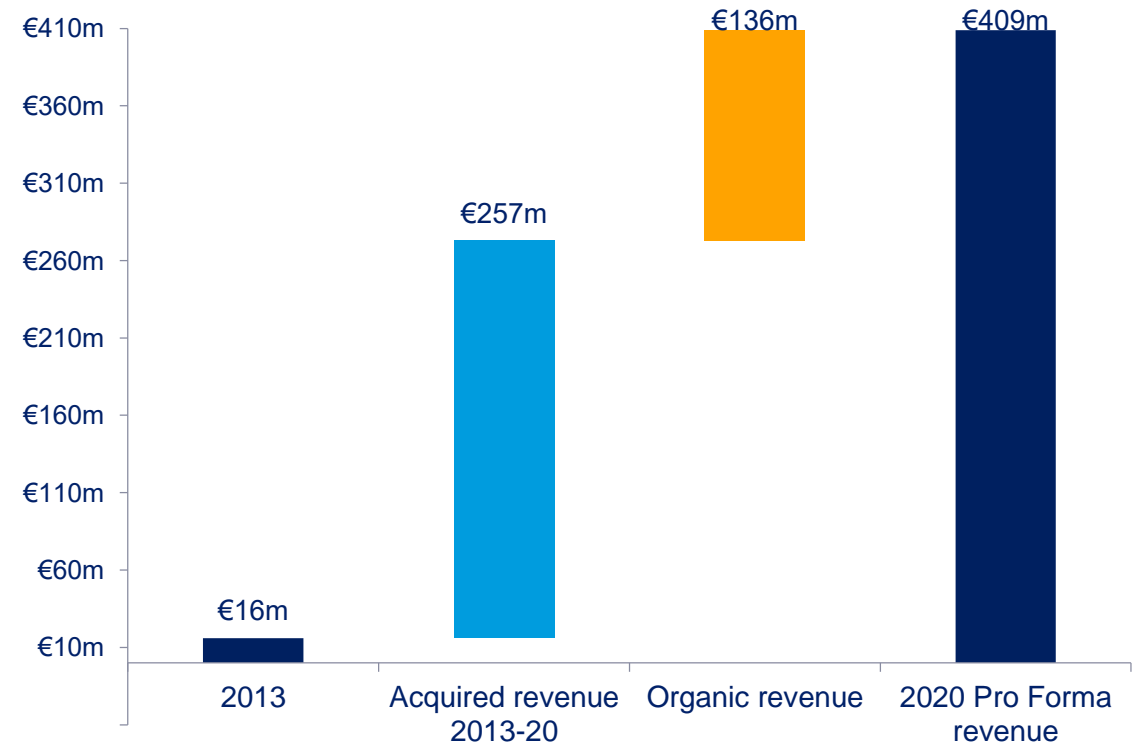


23 of the top 25 games companies by revenue and 10 of the top 10 mobile games publishers by revenue\*



# Excellent track record of targeted acquisitions as platforms for organic growth

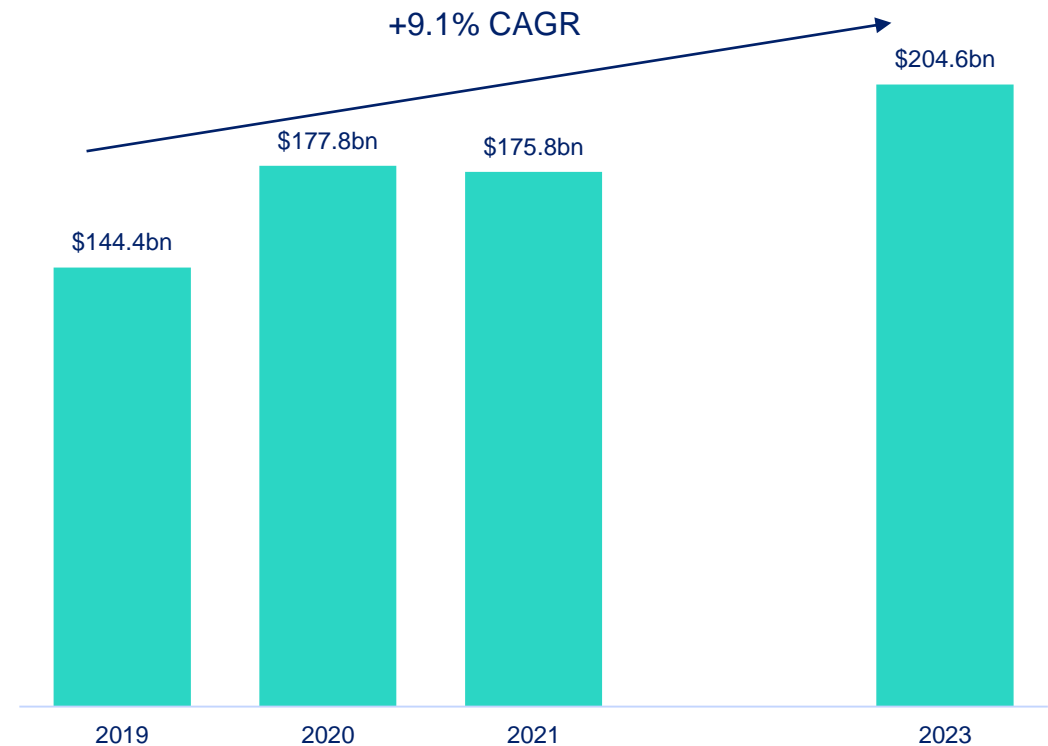
- Acquisitions have been a key pillar of growth, increasing scale and capabilities across multiple geographies
- Proven track record of delivering and integrating 53 acquisitions since IPO at attractive valuations, typically achieving multiples of 1.0-1.5x EV/sales or 5-10x EV/EBITDA
- Delivered 40% revenue and 39% adjusted Profit before tax CAGR over the last 5 financial years



# Market Growth Drivers

Favourable  
market  
growth  
drivers

- **Progressive, ever-expanding games industry:** boasting strong growth – c. 9% CAGR
- **Customer engagement high:** driven by an influx of fresh gamers and an uplift in time spent playing, delivering 20% industry growth in 2020
- **Gaming services output high:** following previously constrained production in 2020, compounding 2021's additional needs
- **Increased content demand:** with new console launches and an industry shift towards an 'always on' service the benefits the end user
- **Greater need for strategic partnerships** as the supply chain becomes more structured and the industry gradually matures



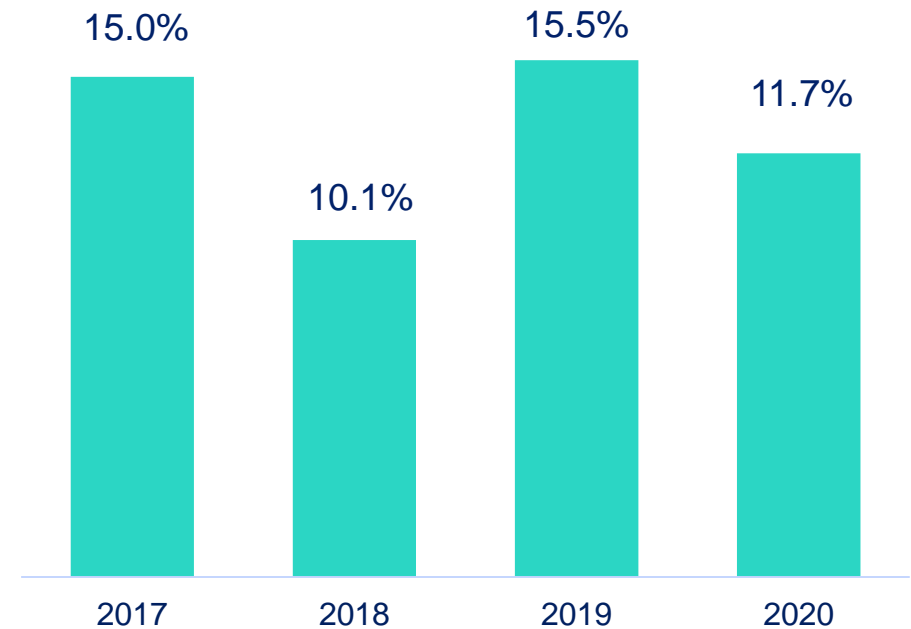
Source: Newzoo 2021 Global Games Market Report, May 2021

# Keywords' growth drivers

Keywords  
best placed  
to exploit  
market  
growth  
drivers

- **Unrivalled within the industry:** the world's only full service provider
- **Built for continued growth:** as industry consolidation leads to increased revenue
- **A global footprint defined by local market needs:** efficiently servicing the 'always on' industry, around the clock, anywhere in the world
- **A diverse, stable business:** spread across service lines and geographies, creating predictable, and repeating revenue
- **Comprehensive business development approach:** capitalising on local teams that support our global initiative orchestrating cross-sell opportunities and service innovations
- **Growth ecosystem:** enabling new acquisitions to thrive

## Strong track record of organic growth



# Looking Ahead

## Positive start to 2021

Despite COVID-19 related constraints, 2021 trading has started well, propelled by an influx of new gamers to the market, an increase in content demand, and the launch of a new generation of consoles

## Successful hybrid work-from-home model

Recognising the business value of co-location and offering remote working to our colleagues, we've proven a robust operating model for an agile, future-facing workflow

## Sustainable margins

We expect to maintain Adjusted PBT margins in line with our historic range of between 14-15%

## Well-funded to deliver our acquisition and growth strategy

Well-funded to deliver on our value accretive acquisition strategy and we are actively engaging with selected targets from a healthy pipeline of opportunities

## Selective acquisitions

Our M&A, and organic growth strategy, powered by an ability to provide customer engagement insight and results-focussed, end-to-end services, enables us to achieve consistent performance for our customers and shareholders

## Well positioned in a growth market

Well placed as a diversified provider of scale to deliver on the opportunity presented by the strong underlying and structural market drivers

## Gaming natives

Our passion for gaming is evident across all service lines, enabling strong customer relationships and the ability to pivot to meet their evolving needs

# Formal Business



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## Resolution 1

To receive the Annual Report and Accounts of the Company for the financial year ended 31 December 2020, together with the Directors' Report, the Directors' Remuneration Report and the Auditor's report on those Accounts and that part of the Directors' Remuneration Report which is required to be audited.

## Resolution 2

To approve the Directors' Remuneration Report, in the form set out in the Company's Annual Report and Accounts for the financial year ended 31 December 2020.

## Resolutions 3, 4, 5, 6

### Resolution 3

- To re-elect Andrew Day as a Director of the Company.

### Resolution 4

- To re-elect Georges Fornay as a Director of the Company.

### Resolution 5

- To re-elect Charlotta Ginman as a Director of the Company.

### Resolution 6

- To re-elect Ross Graham as a Director of the Company.

## Resolutions 7, 8, 9, 10

### Resolution 7

- To re-elect Giorgio Guastalla as a Director of the Company.

### Resolution 8

- To re-elect David Reeves as a Director of the Company.

### Resolution 9

- To re-elect Jon Hauck as a Director of the Company.

### Resolution 10

- To elect Sonia Sedler as a Director of the Company.



## Resolution 11

To re-appoint BDO as Auditor of the Company to hold office until the conclusion of the next general meeting at which the Accounts of the Company are laid.

## Resolution 12

To authorise the Directors of the Company to determine the Auditor's remuneration for the ensuing year.

## Resolution 13

That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this Resolution to the extent not utilised at the date this Resolution is passed and without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities, the Directors be and they are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (“Act”), to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “relevant securities”):

(a) up to an aggregate nominal amount of £37,232.42 in respect of the Company’s Long Term Incentive Plan and Share Option Plan; and

(b) otherwise than pursuant to paragraph (a) above, up to an aggregate nominal amount of £247,968.02,

provided that, unless previously revoked, varied or extended, this authority shall expire on the earlier of the close of business on the date 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2022, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

## Resolution 14

That:

(a) subject to the passing of Resolution 13 set out above (the “Allotment Authority”), the Directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

(i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as practicable) to their then holdings of such securities but subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or desirable in relation to fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory, or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever; and

(ii) any other allotment (otherwise than pursuant to sub-paragraph (i) of this Resolution) of equity securities up to an aggregate nominal amount of £74,464.87; and

(b) the power given in this Resolution:

(i) shall be in substitution for all other authorities pursuant to section 570 of the Act to the extent not utilised at the date this Resolution is passed but shall be without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities; and

(ii) unless renewed, revoked, or varied in accordance with the Act, shall expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2022, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry.

# Q&A



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# Results

Resolution	Votes for	%	Votes against	%	Votes withheld
Resolution 1 (Ordinary)	56,705,818	99.98	85	0.01	49,970
Resolution 2 (Ordinary)	55,473,009	98.12	1,054,342	1.87	228,522
Resolution 3 (Ordinary)	53,668,154	94.55	3,085,245	5.44	2,474
Resolution 4 (Ordinary)	55,071,069	97.03	1,682,330	2.96	2,474
Resolution 5 (Ordinary)	50,766,255	89.44	5,987,143	10.55	2,474
Resolution 6 (Ordinary)	54,430,756	96.37	2,047,057	3.62	278,060
Resolution 7 (Ordinary)	53,968,696	95.08	2,784,703	4.91	2,474
Resolution 8 (Ordinary)	54,279,197	95.63	2,474,202	4.36	2,474
Resolution 9 (Ordinary)	53,889,289	94.94	2,864,110	5.05	2,474
Resolution 10 (Ordinary)	53,972,722	95.09	2,780,677	4.90	2,474
Resolution 11 (Ordinary)	56,752,792	99.98	85	0.01	2,996
Resolution 12 (Ordinary)	56,753,223	99.98	176	0.01	2,474
Resolution 13 (Ordinary)	53,128,748	93.60	3,623,919	6.39	3,206
Resolution 14 (Special)	49,424,792	87.08	7,328,281	12.91	2,800

Thank you for participating in the  
Keywords Studios plc AGM.  
The meeting is now closed.

## Contacts

**Jon Hauck**, Joint Interim Chief Executive Officer

**Sonia Sedler**, Joint Interim Chief Executive Officer

**Joseph Quinn**, Investor Relations

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## Financial calendar

Aug 2021 Trading Update

Sept 2021 Half Yearly Results