



SCIENCE IN SPORT PLC

Full Year Results

Year ended 31st December 2019 | Investor presentation March 2020



DISCLAIMER

These presentation materials ("the Presentation Materials") are being issued by Science in Sport plc ("the Company") to Investment Professionals as defined in Section 21 of the Financial Services and Markets Act (Financial Promotion) Order 2005 and are therefore exempt from the general restrictions (contained in section 21 of the Financial Services and Markets Act 2000 ("FSMA")) on communications of invitations or inducements to engage in investment activity. The Presentation Materials are only available to and are only being made to such persons who have professional experience in matters relating to investments and those persons who do not have such experience should not act upon or rely on these Presentation Materials. If you are in any doubt about the investment to which the document relates, you should consult an authorised person specialising in advising on investments of this kind.

The Presentation Materials do not constitute or form part of any offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities in the Company nor shall they or any part of them form the basis of or be relied upon in connection with any contract or commitment whatsoever.

These Presentational Materials are not, nor does the Company purport them to be, all inclusive or to contain all the information that potential investors may require to evaluate the investment to which it relates. These Presentational Materials are not, and should not be construed as, a recommendation or advice by the Company or its advisers to potential investors to participate in any investment in the Company. In all cases potential investors should conduct their own investigations and analysis concerning the risks associated with investing in shares in the Company, the business plans, the financial condition, assets and liabilities and business affairs of the Company, and the contents of these Presentational Materials.

These slides may contain certain forward-looking statements, including revenue and profit forecasts. Whilst the directors believe all such statements to have been fairly made on reasonable assumptions, there can be no guarantee that any of them are accurate or that all relevant considerations have been included in the directors' assumptions; accordingly, no reliance whatsoever should be placed upon the accuracy of such statements, all of which are for illustrative purposes only and are based solely upon historic financial trends and information. Accordingly, neither the Company nor its directors makes any representation or warranty in respect of the contents of the Presentation Materials.

The Presentation Materials are being supplied to you for your own information on a strictly private and confidential basis and may not be reproduced, further distributed to any other person or published, in whole or in part, for any purpose whatsoever. In particular, they must not be distributed to persons with addresses in Canada, Australia, Japan or the Republic of Ireland, or to persons with addresses in the United States of America, its territories or possessions, or to any national or resident of Canada, Australia, Japan, the Republic of Ireland or the United States or to any corporation, partnership, or other entity created or authorised under the laws thereof. Any such distribution could result in a violation of Canadian, Australian, Japanese, Irish or United States law.

HIGHLIGHTS

- Continued strong growth in revenue up 23% (like for like basis) to £50.6m reflective of the first full year contribution of PhD and strong organic growth by both brands;
 - PhD brand revenue growth 23% (FY 2018: 12%)
 - SiS brand revenue growth 24% (FY 2018: 27%)
- PhD Integration completed on time and in full;
- Online revenue grew strongly up 36% to £16.4m (2018: pro forma¹ £12.1m);
- Strategic markets USA and Football grew 92% and 94% to £3.9m;
- Group International retail revenue up 41% to £12.3m (FY 2018: pro forma¹ £8.7m);
- Innovation-driven new products delivered 25% of Group revenue growth;
- Group gross margin of 44% (2018: 45% pro forma¹) impacted by one-off items from inventory and global whey commodity pricing;
- Underlying operating loss² of £0.3m in line with expectation (2018: loss of £2.7m) reflecting growth strategy and investment in brand awareness, e-commerce and international expansion;
- Period end cash of £5.4m (2018: £8.0m) in line with market expectations; and
- Performing in line with expectations post-period, Covid-19 preparations in place



¹pro forma revenue is compared with full year 2018 results for PhD and SiS brands

²excludes depreciation, amortisation, non-cash share-based payments, costs relating to the acquisition and integration of PhD Nutrition, IFRS 16 Lease payments and foreign exchange variances on intercompany balances

COVID-19 Contingency Planning

- Sensitive raw materials secured
- Supply chain sites and shifts separated
- Commercial and operating staff working remotely
- Italy currently sharply down, China recovering
- Working with key customers to deliver forward orders
- Costs being managed very tightly
- Plans in place to protect the business and its workforce in extended impact





SCIENCE
IN SPORT



OPERATIONAL

INTEGRATION ON TRACK

- PhD.com relaunched on Group online platform in April and increased investment committed
- New E-Commerce fulfilment facility, supporting UK and International opened in June
- New protein powder production line live November 2019, on budget and on time
- Integrated commercial team selling both brands across our UK and International Retail businesses
- During the integration the PhD brand grew 23% outperforming the prior 6-year CAGR of 8%



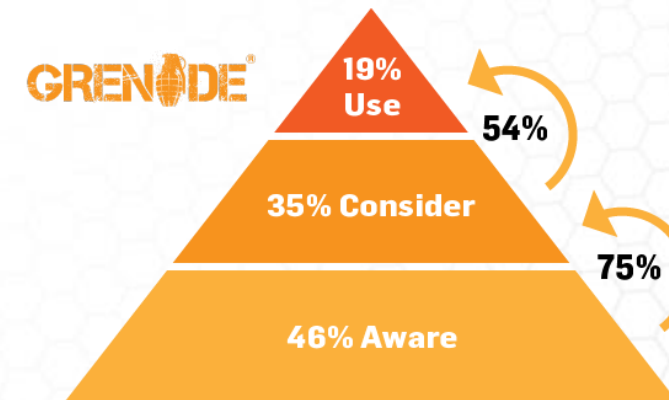
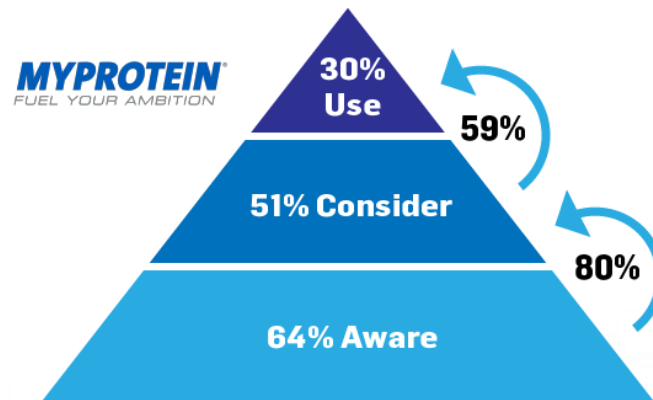
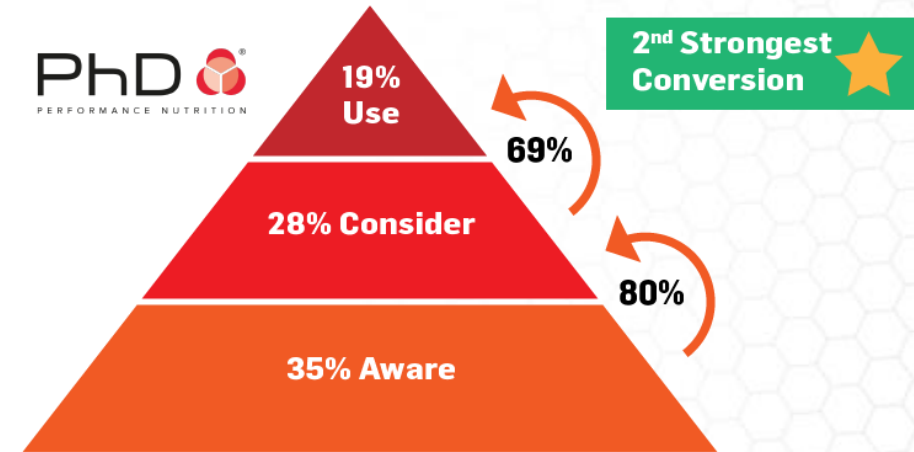
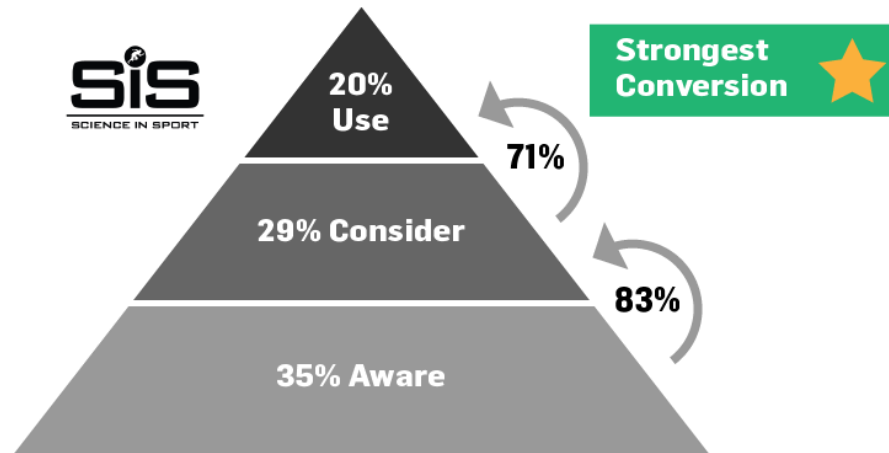
GROWTH DRIVER: INNOVATION

Innovation delivered 25% of Group revenue growth

Key launches included PhD vegan Smart Bar Plant, SiS Protein 20 bars, and SiS Football range



GROWTH DRIVER: BRAND STRENGTH



Source: Mindmover report April 2019

B3. Which of the following sports nutrition brands are you aware of? B8. Which of the following brands would you consider using for protein products in the future?

B7. Which of the following sports nutrition brands do you use?

Base: All protein nutrition users: wave 1 (570)

GROWTH DRIVER: E-COMMERCE

SiS.com KPIs Twelve months ended 31 December 2019	FY 2019	FY 2018	Change
Sales	£8,657k	£6,362k	+36.1%
Average Order Value (AOV)*	£34.96	£29.12	+20.1%
Conversion**	6.12%	7.3%	-16.2%
Customers	201,375	179,139	+12.4%
Database	519,828	397,061	+30.9%

- SiS.com has a proven and replicable model
- Key metrics on track across Australia, Italy, UK and USA
- Starting to focus on growth in Germany
- **Note while conversion down, traffic increased by 24%

PhD.com KPIs Twelve months ended 31 December 2019	FY 2019	FY 2018	Change
Sales	£1,513k	£939k	+61.1%
Average Order Value (AOV)*	£33.38	£31.68	+5.4%
Conversion^	7.10%	4.85%	225bps
Customers^	51,129	10,558	+19%
Database^	76,162	1,480	+2,093%

- PhD.com re-launched April, with a strong finish to 2019
- PhD.com UK remains a focus in 2020 with new site launches in Germany and Italy
- Continued focus on driving database growth

GROWTH DRIVER: INTERNATIONAL



SCIENCE
IN SPORT



USA - SiS

- USA revenue up 92% to £2.6m
- Losses in-line with expectation
- SiS.com 68% YOY growth to £1.4m
- Amazon 175% YOY growth to £0.9m



AUSTRALIA - SiS

- Revenue up 46% to £1.1m
- SiS.com up 66% YOY to £0.7m
- Retail 17% YOY growth to £0.4m



ITALY - SiS

- Revenue up 66% to £1.6m
- SiS.com up 54% to £0.9m
- Amazon and Shimano performing well

DISTRIBUTORS - GROUP

- PhD delivered 49% growth to £7.1m
- SiS delivered 37% growth to £5.2m
- Brands combined in China, Russia and Middle East
- New markets include Colombia and Brazil

RETAIL & 3rd PARTY ONLINE : UK MARKET



SCIENCE
IN SPORT



Channel	PhD	SiS
Grocers	<ul style="list-style-type: none">• 37% growth to £4.6m• Smart Bar growth• New listings in Aldi	<ul style="list-style-type: none">• 40% growth to £2.5m• Distribution gains and NPD in Tesco and Sainsburys• New listings in Lidl
High Street	<ul style="list-style-type: none">• 15% growth to £5.5m• Plant Bar launch in Holland & Barrett	<ul style="list-style-type: none">• Down 19% to £1.2m
Heartland	<ul style="list-style-type: none">• Down 8% to £3.8m	<ul style="list-style-type: none">• Down 12% to £1.0m• Managed decline, single distributor consolidation
Online	<ul style="list-style-type: none">• 12% growth to £3.6m• Rationalisation of online customers	<ul style="list-style-type: none">• Wiggle down 17% to £2.2m• Amazon broadly flat due to new range strategy, 2020 performing strongly

FOOTBALL

- Revenue up 94% to £1.3m
 - Football.com up 91% to £0.3m
 - Elite clubs up 61% to £0.7m
 - Brand investment £0.5m
-
- Manchester United partnership ensures traction
 - Official nutrition partners to Manchester United, Arsenal and Celtic
 - More than 100 elite clubs are customers, across the UK, Europe and the USA



FINANCIALS

SUMMARY GROUP INCOME STATEMENT



Twelve months ended 31 December 2019 £'000	FY 2019	FY 2018	LFL Change
Revenue	50,573	40,974	+23.4%
Gross Profit	22,207	18,442	+20.4%
Gross Margin % sales	43.9%	45.0%	-110 bps
Sales and Marketing costs	(17,527)	(13,716)	+27.8%
Loss from Operations £'000	(5,045)	(5,995)	+16%
Underlying EBITDA ² £'000	(347)	(2,709)	+87%
Underlying EBITDA Margin % sales	-0.7%	-6.6%	+590bps

¹pro forma revenue is compared with full year 2018 results for PhD and SiS brands

²excludes depreciation, amortisation, non-cash share-based payments, costs relating to the acquisition and integration of PhD Nutrition, IFRS 16 Lease payments and foreign exchange variances on intercompany balances

SUMMARY GROUP INCOME STATEMENT BY BRAND



PhD Brand: 12 months ended 31 December 2019 £'000	FY 2019	¹ FY 2018	Change
Revenue	25,972	21,161	+22.7%
Gross Profit	8,308	6,916	+20.1%
Gross Margin	32.0%	32.7%	-70 bps
Sales and Marketing costs	(4,545)	(3,053)	+48.8%
Administrative Costs	(689)	(911)	-24.4%
Underlying EBITDA ²	3,075	2,952	+4.1%
Underlying EBITDA Margin	11.8%	14.0%	-220bps

SiS Brand: 12 months ended 31 December 2019 £'000 (ex IFRS 16)	FY 2019	FY 2018	Change
Revenue	24,601	19,813	+24.2%
Gross Profit	13,899	11,526	+20.6%
Gross Margin	56.5%	58.2%	-170 bps
Sales and Marketing costs	(12,982)	(10,663)	+21.8%
Administrative Costs ³	(4,339)	(3,545)	+22.4%
Underlying EBITDA ²	(3,422)	(2,682)	-32.2%
Underlying EBITDA Margin	-13.9%	-13.5%	-90bps

1. pro forma revenue is compared with full year 2018 results for PhD and SiS brands

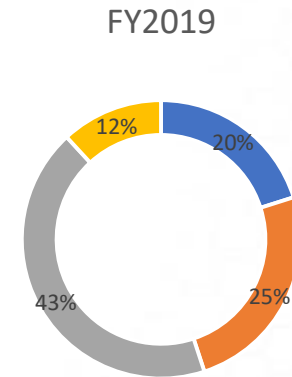
2. excludes depreciation, amortisation, non-cash share-based payments, costs relating to the acquisition and integration of PhD Nutrition, IFRS 16 Lease payments and foreign exchange variances on intercompany balances

3. IFRS18 reduces 2019 administrative costs in PhD by £42k, comparable profit with 2018 accounting would be £3,033k. In SiS administrative costs are reduced by £133k in 2019, comparable loss with 2018 accounting would be £3,678k

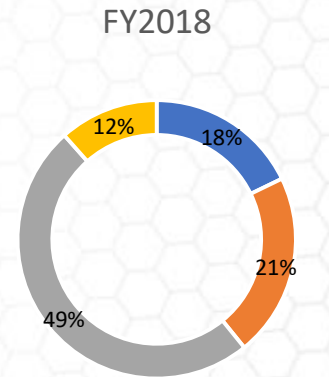
SIS GROUP REVENUE BY SEGMENT

Revenue By Channel Twelve months ended 31 December 2019	FY 2019 £'000	FY 2018* £'000	Change
E-Commerce	10,170	7,301	39.3%
Marketplace	6,236	4,802	31.7%
Export	12,321	8,681	40.8%
Retail	21,846	20,190	8.2%
TOTAL	50,573	40,974	23.4%

Revenue By Geography Twelve months ended 31 December 2019	FY 2019 £'000	FY 2018* £'000	Change
UK	32,751	29,089	12.6%
RoE	9,174	5,315	72.6%
Australia	1,416	994	42.4%
Rest of World	7,232	5,576	29.7%
TOTAL	50,573	40,974	23.4%

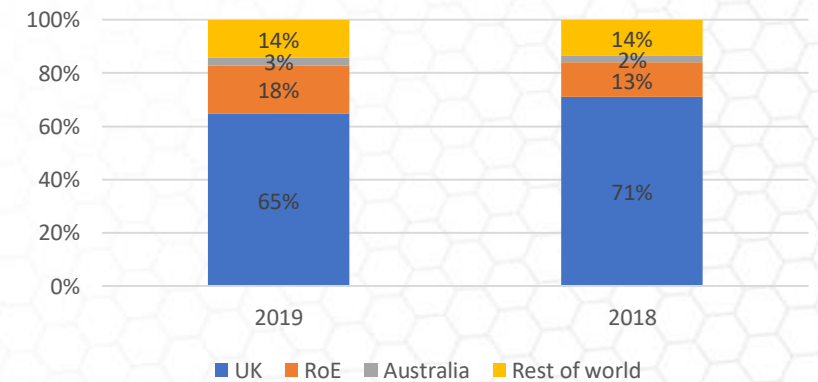


■ eCommerce
■ Export
■ UK Retail
■ Marketplace



■ eCommerce
■ Export
■ UK Retail
■ Marketplace

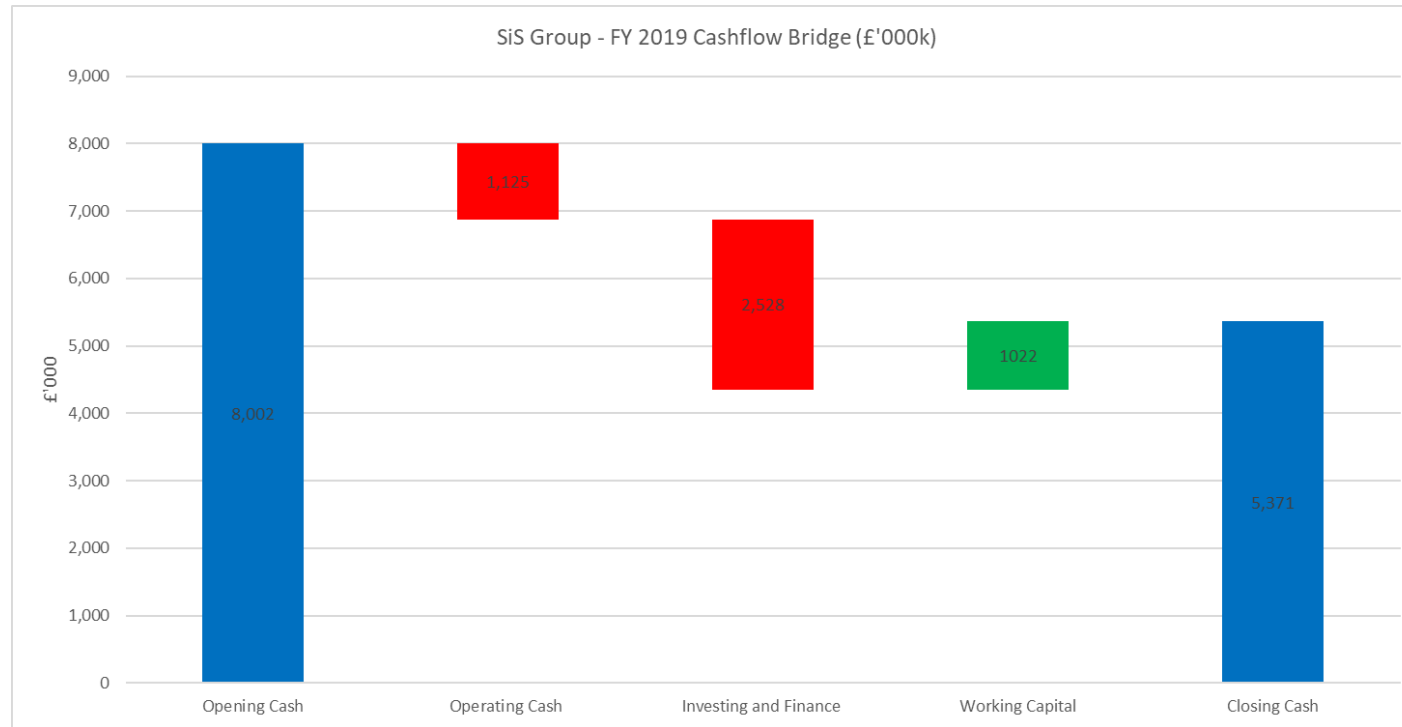
Net Revenue by Geography



GROUP OPERATING CASHFLOW BRIDGE



SCIENCE
IN SPORT





SCIENCE
IN SPORT



OUTLOOK

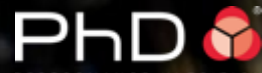
OUTLOOK

- Innovation, e-commerce and international growth will continue to be our strategic priorities
- Cost savings efficiency from supply chain optimisation
- Current trading in line with expectation
- Covid-19 contingency plan highest priority





SCIENCE
IN SPORT



APPENDICES

GROWTH DRIVER: BRAND STRENGTH



Is a brand that are protein experts	84%	83%	76%	71%	68%	75%
Is a brand with well-designed products	82%	87%	70%	69%	70%	66%
Is a brand that is superior quality over the others	78%	77%	58%	60%	60%	57%
Is a brand I can trust	78%	83%	76%	72%	68%	69%
Is a brand that always innovates	77%	76%	65%	69%	65%	68%
The packaging looks appealing	77%	81%	67%	66%	74%	64%
Is a brand which understands my needs and can help me	77%	81%	67%	66%	67%	64%
Is a brand that offers superior protein products to others	76%	76%	62%	61%	59%	63%
Is for elite athletes	76%	81%	62%	65%	60%	63%
Is a brand relevant to me	75%	83%	69%	67%	66%	65%
It tastes good	73%	78%	66%	61%	68%	63%
Is a brand worth paying more for	71%	73%	59%	56%	56%	55%
It is made from natural ingredients	69%	72%	63%	60%	64%	62%

Source: Mindmover report April 2019

B11. Of the following brands below, which of these statements would you use to describe them?

Base: All protein nutrition users who are aware of: PhD (200); SiS (139); MyProtein (298); Maximuscle (250); Grenade (196); The Protein Works (147)



#FUELLED BY SCIENCE

scienceinsport.com