Keywords STUDIOS

CAPITAL MARKETS DAY

8 JUNE 2022

ONE
KEYWORDS

AGENDA

01	**Introduction**
02	**First 6 Months**
03	**Igniting Growth**
	→ Strategic Partnerships
	→ Technology
	→ One Keywords
	→ Talent & Capabilities
	→ Adjacent Markets
04	**M&A**
05	**Growth Model and Outlook**

WHAT WE WILL LOOK AT TODAY…

01
Market leading position as the 'go to' provider of technical and creative solutions

02
Unrivalled scale, reach and breadth of capabilities

03
Excellent track record of growth, organically and via targeted acquisitions

04
Well placed in buoyant video games market trending towards external service provision

05
Clear strategic priorities to capitalize on opportunities in video games and beyond

06
Ability to deliver sustained, compounding growth

Keywords STUDIOS

THE KEYWORDS PLATFORM AND OPPORTUNITY

01

KEYWORDS SNAPSHOT

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

8 service lines covering entire gaming value chain

23 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*

€512m FY21 revenue

€86m FY21 adj. PBT

*Sources: Market sizing conducted by IDG Consulting Inc.

2021 FINAL RESULTS

REVENUE

+ 37.1%

Revenue up to €512.2m

(2020: €373.5m)

ADJUSTED PBT

+ 56.4%

Adjusted PBT €86.0m

(2020: €55.0m)

ADJUSTED EPS

+ 46.5%

Adjusted EPS 89.24c

(2020: 60.93c)

ORGANIC REVENUE GROWTH

+ 19.0%

(2020: 11.7%)

ADJUSTED PBT MARGIN

+ 16.8%

Increased by 2.1% pts

(2020: 14.7%)

TOTAL DIVIDEND

2.15p

33.5% increase over 2018 full year dividend

(2020: nil)

SERVICING ENTIRE CONTENT DEVELOPMENT LIFECYCLE

Player Support
365/24/7, multilingual support delivered in game, on digital community and social platforms

Marketing Services
Creation of game trailers, marketing art and materials, PR and full brand campaign strategies

Localization Testing
Testing for out of context translations, truncations, overlaps, spelling, grammar, geopolitical and cultural sensitivities and compliance requirements

Localization
Translation of in-game text, audio scripts, cultural and local adaptation, accreditation, packaging and marketing materials in 50+ languages

Game Development
Includes full & co-development, porting & remastering, tool development and consulting services

Art Services
Creation of video game graphical art, including concept, 2D and 3D asset production & animation

Audio Services
Multi-language voiceover recording, original language voice production, music management, sound effects

Functional Testing
Quality assurance, testing for defects, compliance with hardware/platform specifications, as well as test automation tools and services

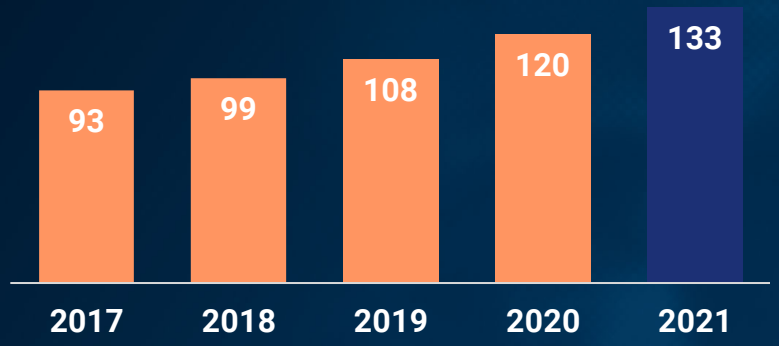
INTERNATIONAL SCALE AND DIVERSIFICATION ACROSS MARKETS

An average of **11,000+** people, working in over **50** languages, more than **70** studios, in **23** countries, on **5** continents, providing follow the sun capability

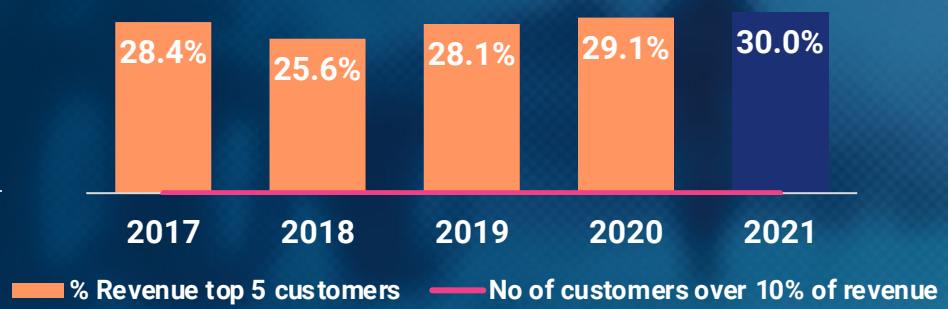
LONG-STANDING RELATIONSHIPS WITH SIGNIFICANT CROSS-SELLING POTENTIAL

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

No. of clients using 3 or more services



Limited customer concentration

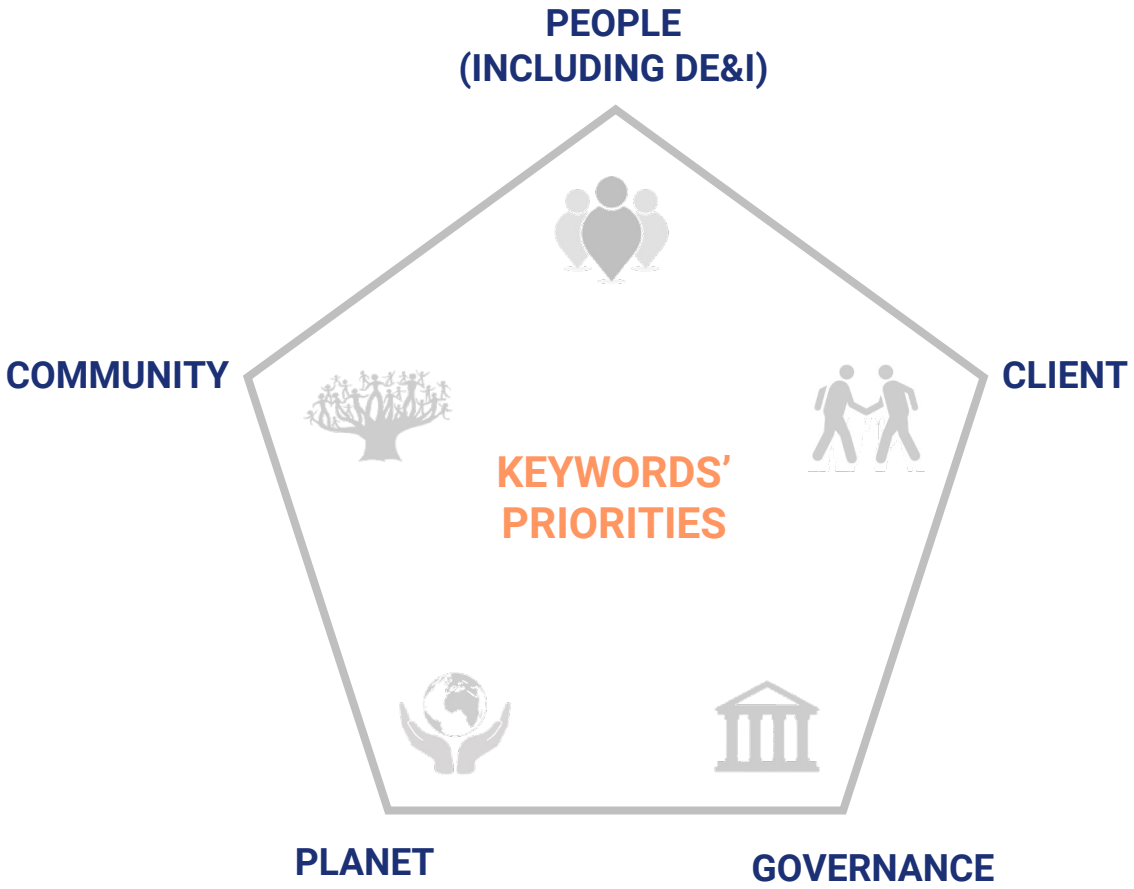


High level of 'sticky' revenue:

- High level of repeat business from trusted partner relationships
- Preferred supplier relationships with many customers
- In addition: 30-40% evergreen revenue
- Highly embedded into customer systems, tools and workflows

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

RESPONSIBLE BUSINESS



- 2021 MSCI ESG Ratings assessment improved to a rating of 'A'
- Established a new partnership with Women in Games, a not-for-profit organization that seeks a game industry, culture and community free from gender discrimination. Planning a number of initiatives to leverage our global platform and client relationships in 2022
- Developed our first Group Environmental policy covering our energy and recycling practices, which will further develop our Sustainable Studios programme
- Hardship fund available to help affected employees of the unfolding humanitarian crisis in Ukraine and Keywords Care CSR fund increased

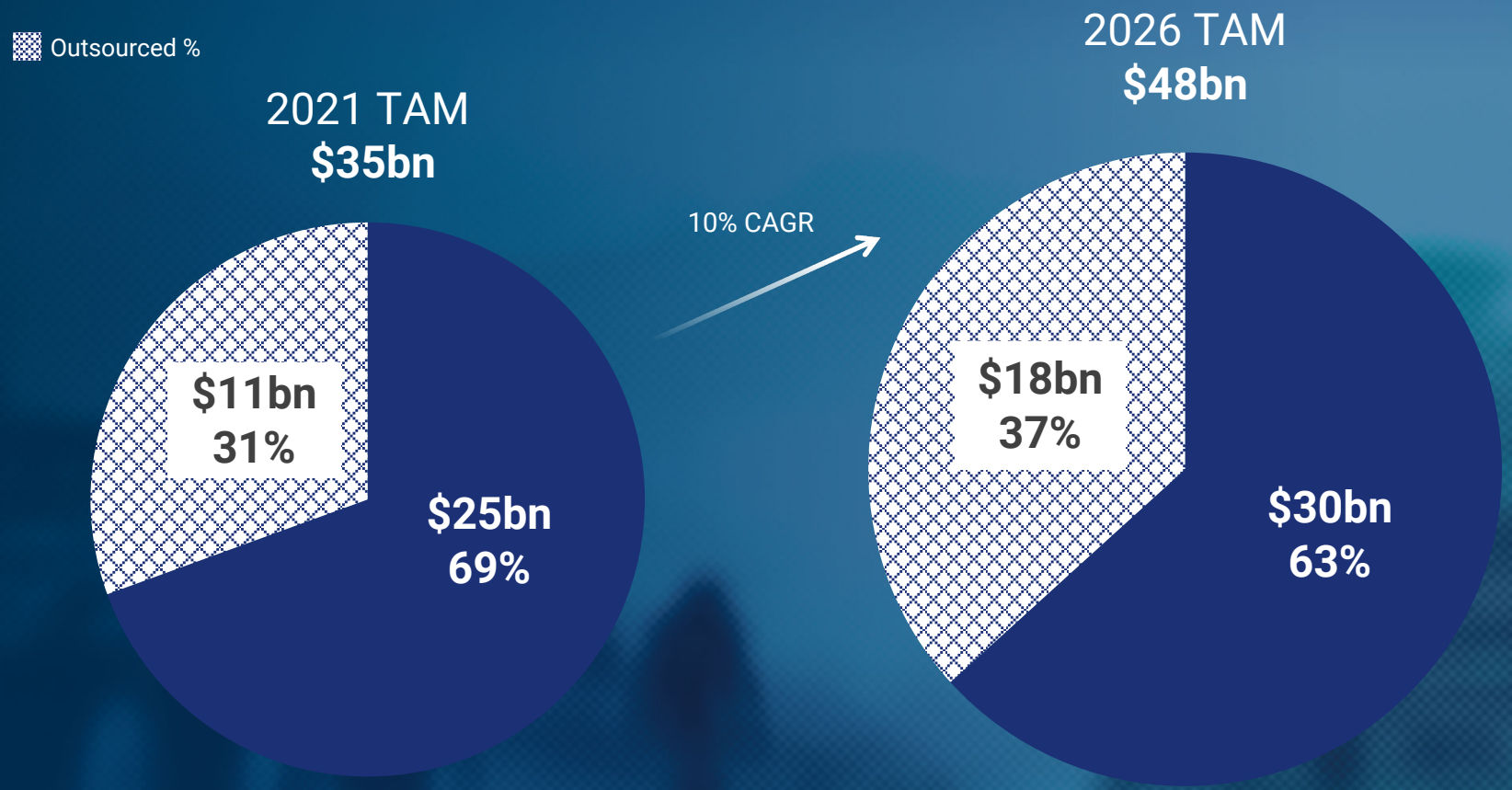
LARGE, DYNAMIC & EXPANDING ADDRESSABLE MARKET

01 **c.$240bn**
Video game market
5% CAGR†

02 **c.$35bn***
Spend on video game content

03 **c.$11bn***
Video game services market of which outsourced
10% CAGR†

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.

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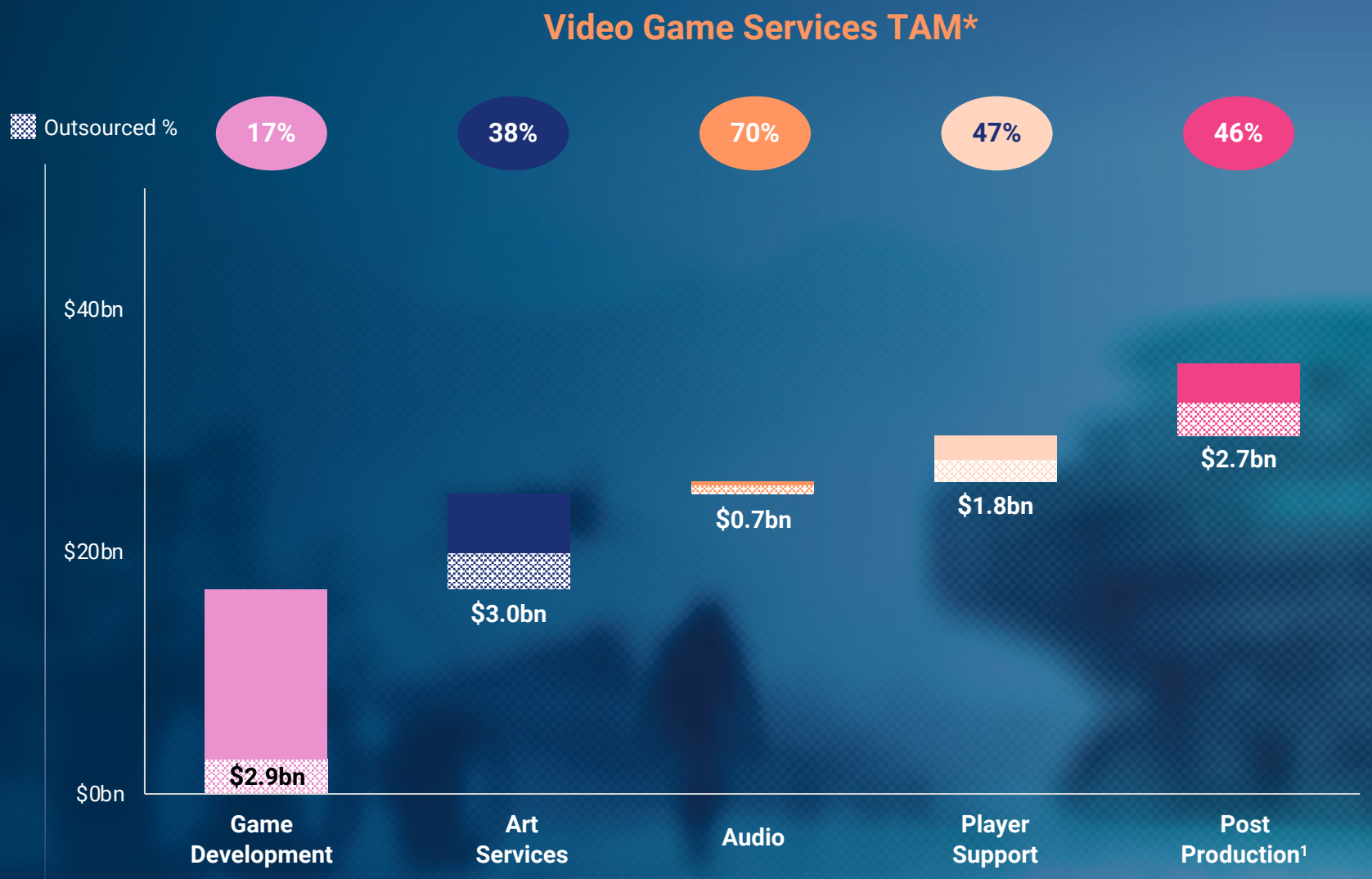

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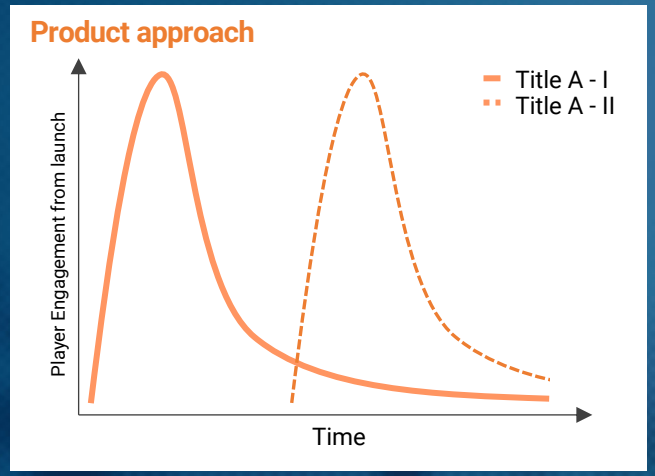
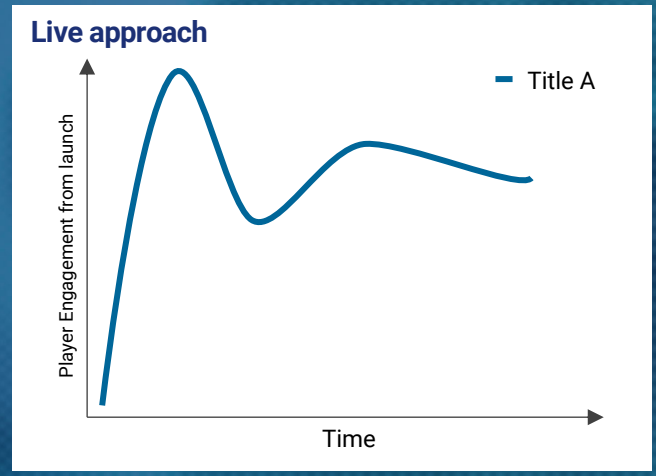
1. Post Production includes Functional Testing, Localization Testing and Localization.

CONTENT CONTENT CONTENT

Demand for content continues to grow:

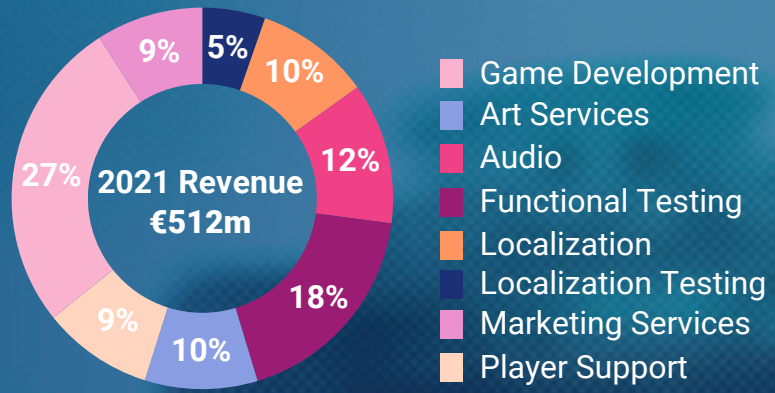
- → Content demand is strong driven by new consoles, streaming platform developments, mobile growth and constantly evolving new platforms
- → Game demand continues even after COVID
- → AAA console/PC remains strong with next-gen consoles starting to scale
- → Increasing complexity in game development leading to higher costs and driving outsourcing demand… budgets are skyrocketing
- → Growth in Games as a Service (GaaS) is driving more and more continuous content development
- → LiveOps, cross platform , increase variety of game development engines all drive the need for specialist support





CLEAR MARKET LEADER

Balanced business across content development lifecycle



Unrivalled global scale in a market with large white space

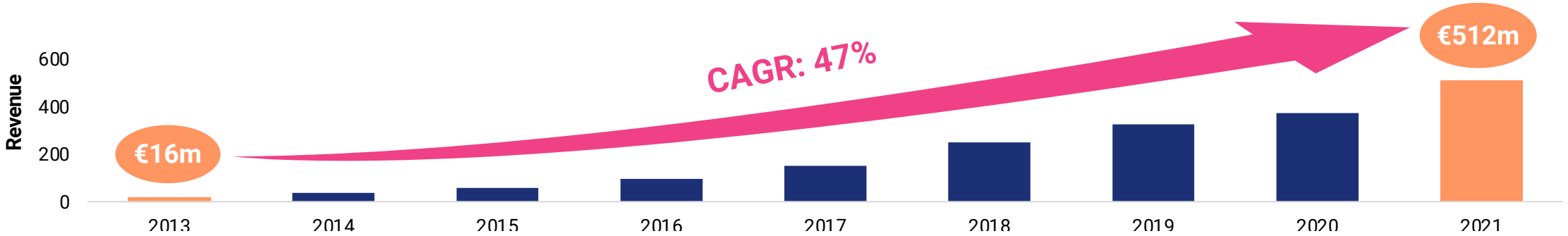
Only full-scale service platform across the entire content development lifecycle

Highly fragmented industry provides opportunities for selective consolidation

Market share of outsourced game services

KEYWORDS STUDIOS SINCE IPO

An incredible journey so far, but plenty of road lies ahead

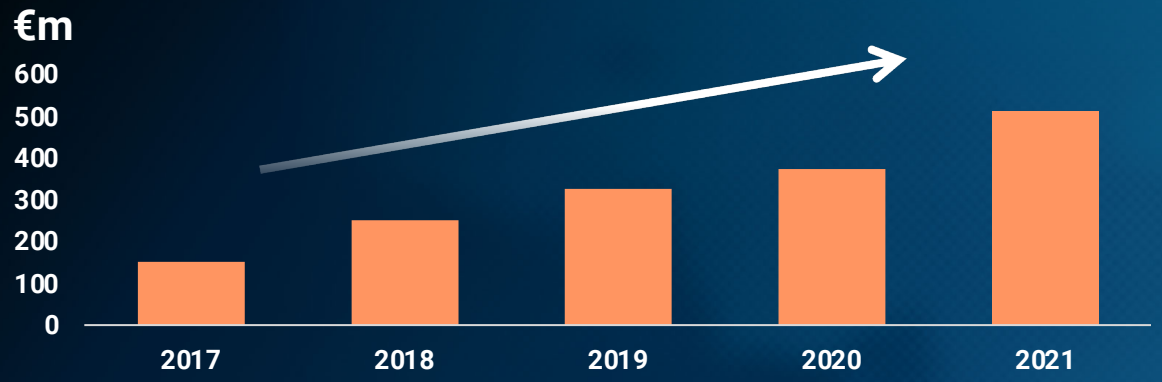


	2013	2014	2015	2016	2017	2018	2019	2020	2021
Service lines	4	5	6	6	7	7	7	7	8
People	371	978	1,273	1,818	3,150	5,238	7,424	8,353	9,493
Countries	8	9	13	15	20	21	21	22	23
Acquisitions		liquid violet, BABEL, binarisonor, LAKSHYA A KEYWORDS STUDIO	ALCHEMIC DREAM, REVERB, KITETEAM, HIPPO DEVELOPMENT	mindwalk STUDIOS, SONOX, SYNTHESIS, player research A KEYWORDS STUDIO, enzyme A KEYWORDS STUDIO, VOLTA, ankama	A KEYWORDS STUDIO, XLOC GLOBALIZATION SOLUTIONS A KEYWORDS STUDIO, LA MARQUE ROSE A KEYWORDS STUDIO, LOLA, d3t A KEYWORDS STUDIO, GAMESIM A KEYWORDS STUDIO, DUNESOUND, SPERASOFT A KEYWORDS STUDIO, asrec A KEYWORDS STUDIO, VMC	MAXIMAL STUDIO, The Trailer Farm, ELECTRIC SQUARE A KEYWORDS STUDIO, CORD CONNECT WITH MUSIC, YOKOZUNA data, Laced, SNOWED IN STUDIOS, blindlight, firewithoutsmoke A KEYWORDS STUDIO, STUDIO gobo	SUNNY SIDE UP, Wizcorp A KEYWORDS STUDIO, GET SOCIAL, Descriptive Video Works creating an impression, TV-SYNCHRON BERLIN, ICHI, syllabes STUDIO, KantanMT.com	DANGER HIGH VOLTAGE SOFTWARE, MAVERICK, coconut lizard, JINGLEBELL	HEAVY IRON STUDIOS, WICKED WITCH, TANTALUS, CLIMAX STUDIOS, AMC, W
		€19.0m	€10.9m	€32.6m	€101.4m	€61.7m	€22.5m	€80.7m	€126.0m

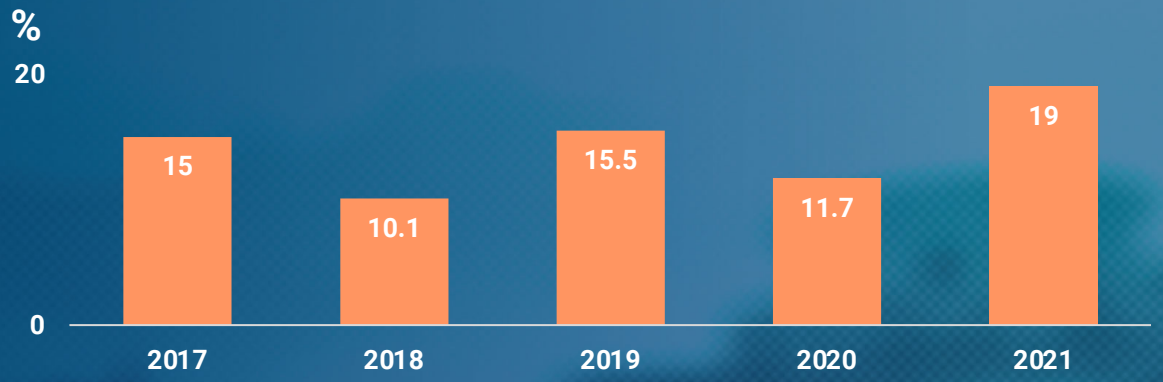
Total cost – includes all cash, deferred and equity portion of consideration

STRONG GROWTH ACROSS KEY FINANCIAL METRICS

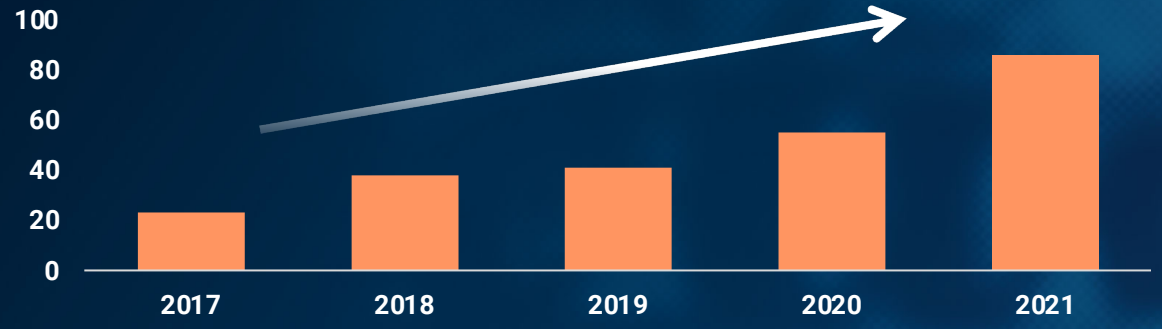
Revenue – 4 year CAGR of 36%



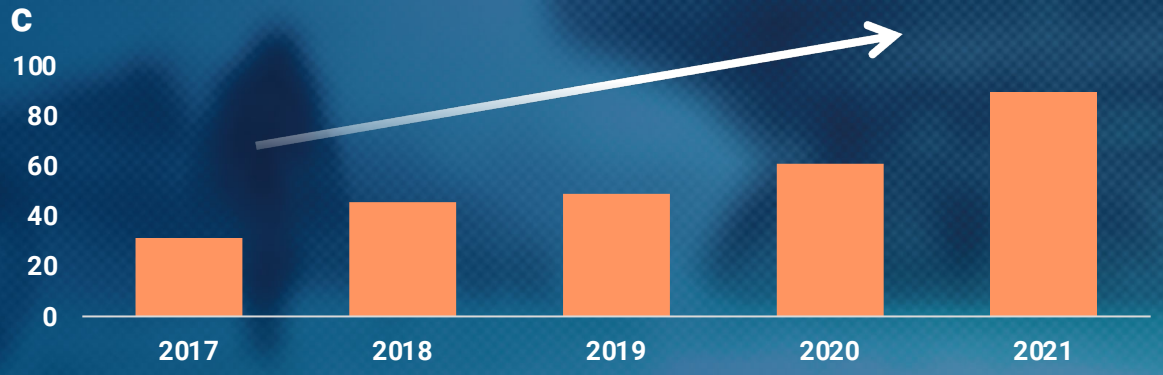
Strong Organic Revenue growth



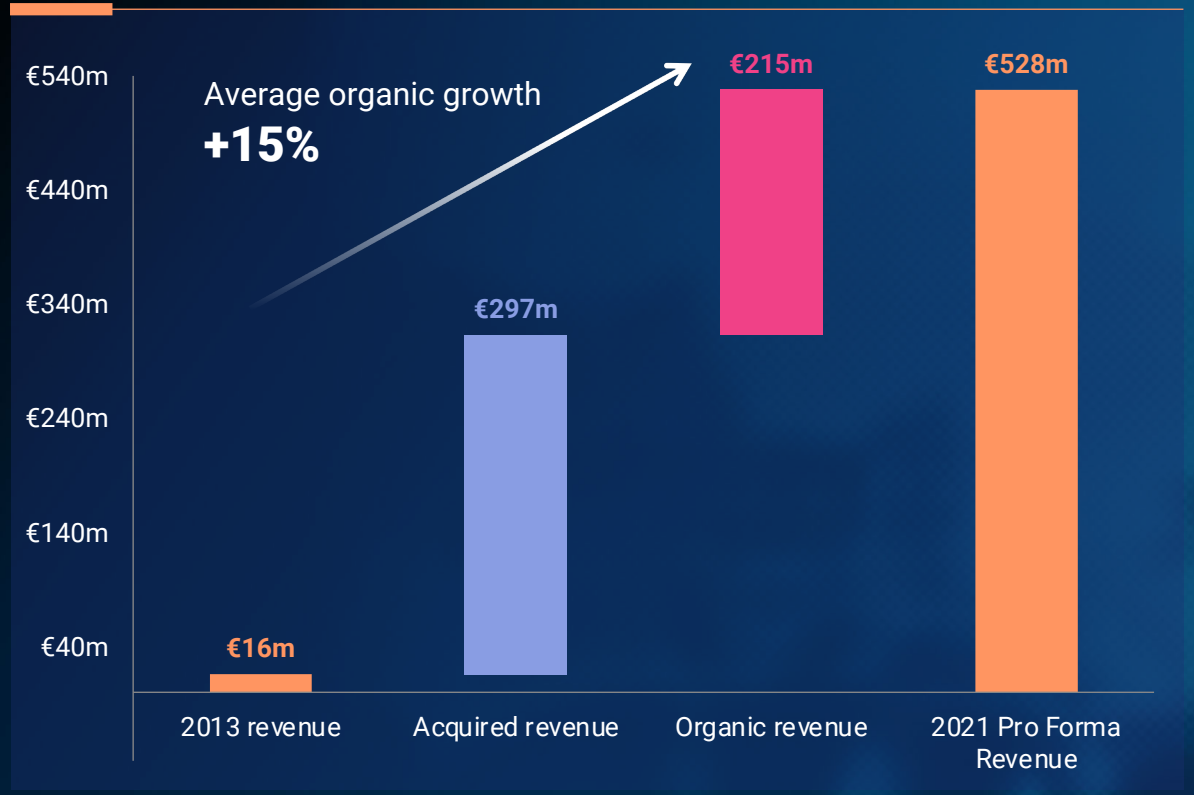
Adjusted PBT – 4 year CAGR of 39%



Adjusted EPS – 4 year CAGR of 30%



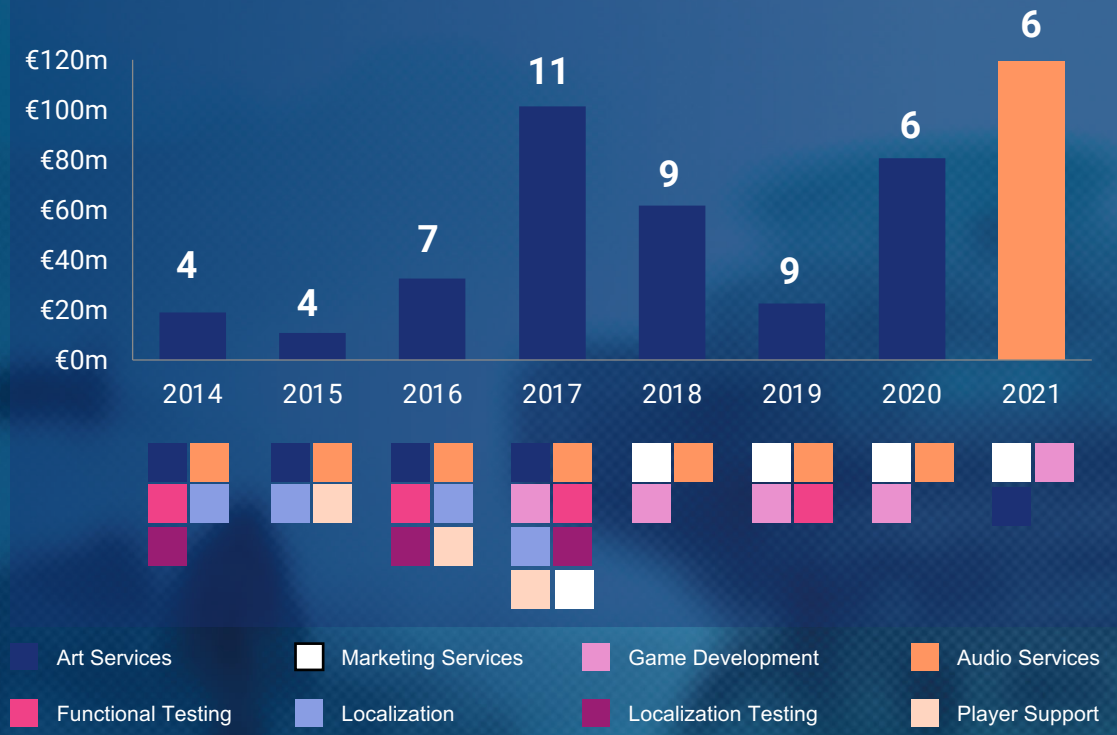
KEYWORDS' INORGANIC GROWTH ENGINE



56
Value creating acquisitions since IPO

€256m
in net cash and undrawn RCF

Total consideration and number of acquisitions



KEYWORDS' INORGANIC GROWTH ENGINE (CONT'D)

01 ORIGINATION

- → Strong pipeline of +90 opportunities identified globally from which only highest quality opportunities selected
- → Particular focus on Game Development and Marketing Services

02 EXECUTION

- → In-house expertise with proven capabilities in market consolidation
- → Strong balance sheet to support acquisition opportunities

03 INTEGRATION

- → Tried and tested integration process with successful track record
- → Detailed integration plans tailored to each business

04 ENHANCE

- → Develop, enhance and cross-pollinate to generate synergies
- → Keyword's platform, scale and global reach eliminates constraints to growth

05 LONG-TERM VALUE CREATION

- → Accelerate and drive organic growth
- → Achieve group margin range
- → Achieve market leader status
- → 5 – 7x EBITDA multiple

KEYWORDS STUDIOS: STRONG FOUNDATION TO BUILD ON

Clear market leader…

…in a large and growing addressable market

Strong & sticky customer relationships

Working with customers across all platforms, without IP risk

Present across the entire content development cycle

International scale brings solutions to global clients

Diverse and skilled workforce providing sought-after expertise

Track record of organic and inorganic growth since IPO

Sources: IDG Consulting.

CAPITALIZING 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

06

Building our platform through **M&A**

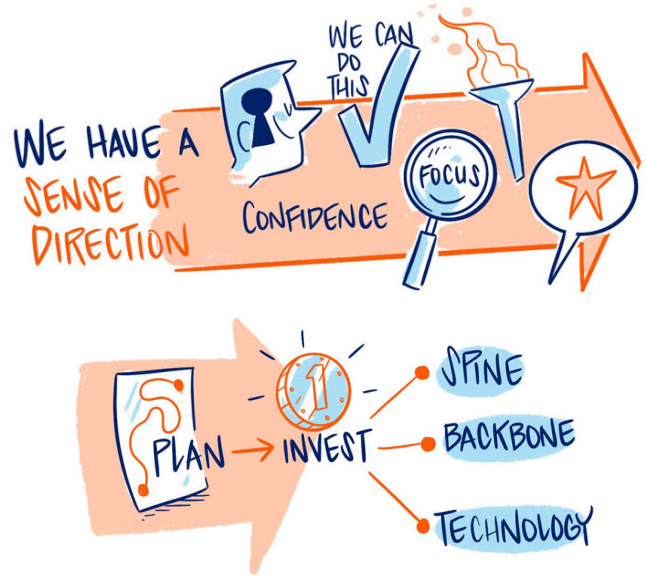
Keywords STUDIOS

FIRST 6 MONTHS

02

Strategy in Action

50+ Leaders
Mobilized around
5 Workstreams



THE VOICE OF THE CUSTOMER

"I need more Devs, today. Do we need a dedicated recruiting team? How do we manage retention? How do we keep **visibility on capacity & skills?"**
Multiple CXOs

"We have a series of pain points including the **race for talent** & resources, **increasingly complex teams and technology** requirements and ability to manage bigger games effectively."
President, Top 10 Publisher

"We're a team of 50 and **we don't want to scale** to 300 ourselves. We need help."
CXO

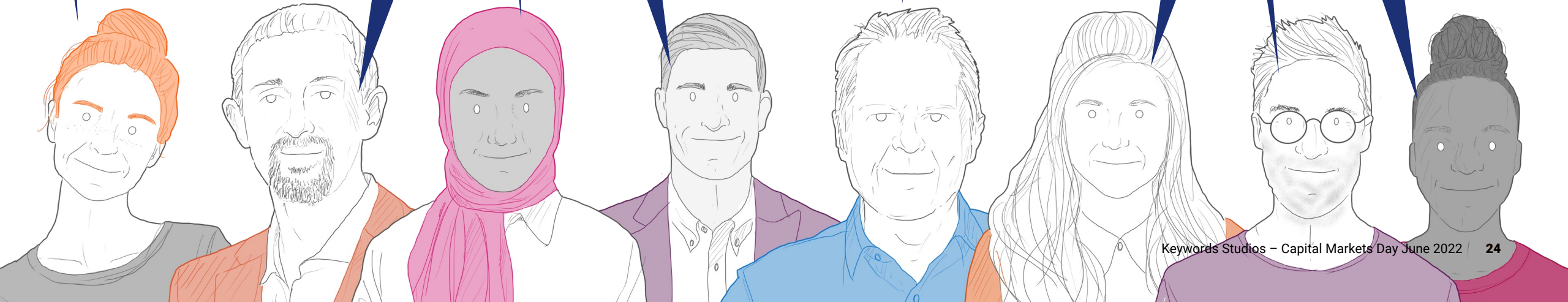
"KWS is a **trusted partner: we will show you our 2027 roadmap**, tell us how to best use KWS end-to-end for the work"
President, Top 10 Publisher

"I didn't realize you had such a breadth of Service Lines and could add such value. Can you also help me on Tech opportunities we have internally?"
Multiple CXOs

"We're improving Player Support / Engagement - we're even starting to talk about Marketing 360 beyond ATL."
Top 10 Publisher

"Should we really have c.500-1000+ testers internally? How could we take this on, economically? **Are trusted partnerships more valuable to us, where partners can support on E2E services, not just QA?"**
Top 10 Publisher

"Quality, Relationships, Flexibility and Proactivity of our teams are the most important things for us from KWS."
H2 2021 Customer Survey & KWS Summit Survey



THE VOICE OF THE STUDIO

Studio Heads would like **more red tape removed**, so they can respond to opportunities quickly and grow faster

HR, IT and Finance could **do more to support the studios** in taking on bigger opportunities

100 Days survey – Studios' **top pain points:**

- **Talent and Recruitment**
- **Alignment of centralized services and systems**

100 Days survey – Studios' **top things clients value about KWS:**

- **Global reach**
- **Quality & Relationships**
- **Breadth of services**

Studios believe there is bigger opportunity if we make it easier to **bundle our capabilities**, services and products together, becoming **an even greater services platform for the industry**

THE VOICE OF THE EMPLOYEE

Salary and compensation is very important to employees, we need to ensure full understanding and that we remain competitive

Employees are looking for **more opportunity for growth and development**

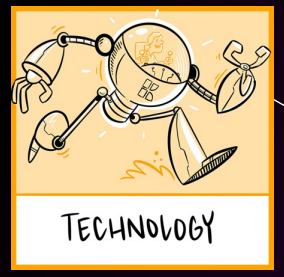
Global eNPS has increased year on year, but there are areas where we need to improve

Leadership communication has vastly improved, consistent messaging and **active demonstration need to continue**

Key areas of importance are **professional development opportunities** and understanding how they can **contribute to the KWS Vision & Mission, and more purpose-driven agendas**

IGNITING GROWTH

Most Compelling Solutions



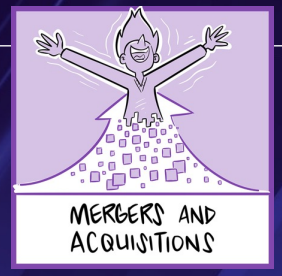
Global Excellence

‘GAME MAKERS’

Best Clients and Titles

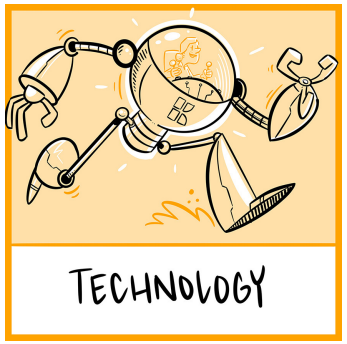
Best People

Targets



5 WORKSTREAMS, 3 FOCUS AREAS EACH

1. Managing Our Top 25 Strategic Partners
2. Internal Capability and Capacity to Manage The Top 25
3. Top 5-10 Lighthouse Deals



1. Internal Tech Spine
2. Service Line Automation
3. Innovation / Mindset

1. Values and Leadership Principles
2. Spine Business Partnering
3. M&A Integration

1. Compensation ‘Clear as a Bell’
2. Specialized Recruitment & Development Pathways
3. Keywords Academy for Excellence

1. Live Operations
2. Media & Entertainment Sector (Incl. Virtual Production)
3. Metaverse

Keywords STUDIOS

STRATEGIC PARTNERSHIPS

03

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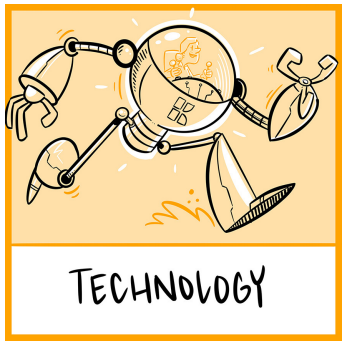

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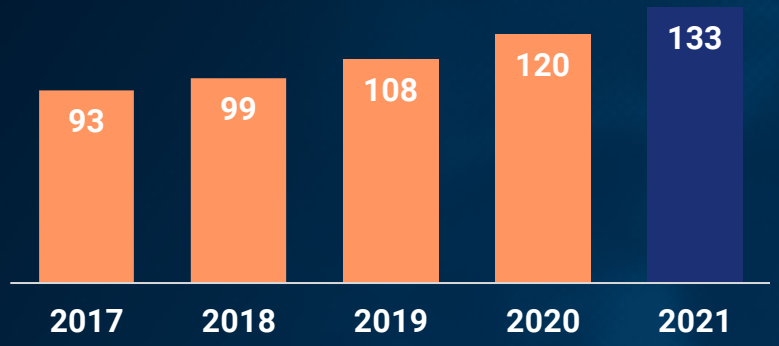

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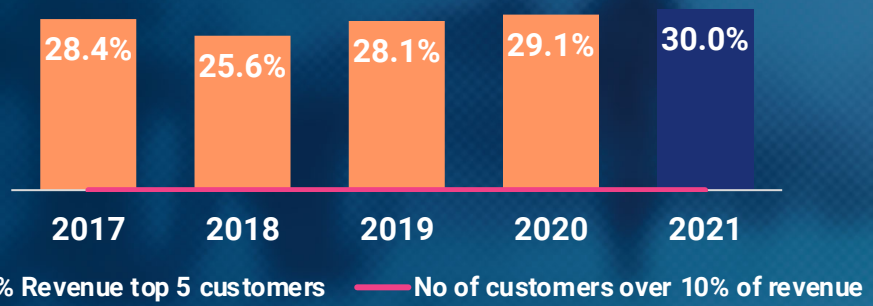

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FROM TACTICAL TO STRATEGIC

Deeper understanding and more integrated end-to-end approach, including at the title level

Current Tactical

- → Multiple studios engaged
- → Good service line coverage but with white spaces
- → Fraction of what we can do
- → We have a global and complete offering
- → High levels of trust and quality
- → Entrepreneurial spirit

Future Strategic

- → Secure resources for longer timeframes
- → More cross service line and studio collaboration
- → Orchestrate solutions for longer pipelines
- → Create and capture more value together
  e.g. QA, co-development of tech, influencing M&A
- → Make even more of our entrepreneurial spirit

Example of title level analysis across Top 25:

Elden Ring
by Bandai Namco Entertainment

Launched February 2022

Multiple KWS engagements happening at title level

Marketing	**GNET**
Art	**LAKSHYA**
Audio Localization	**JINGLEBELL**
Audio Dev (incl. Casting)	**LIQUID VIOLET**
Localization Testing	**KEYWORDS KATOWICE**

=

Opportunities to deliver more value throughout the Content Development Lifecycle with joined-up end-to-end approach at the title level

Keywords STUDIOS

VOICE OF CUSTOMER
JOHN DOYLE
COO, RIOT GAMES

Keywords
STUDIOS
X
RIOT
GAMES

Keywords STUDIOS

VOICE OF CUSTOMER
JOHN DOYLE
COO, RIOT GAMES

Keywords STUDIOS

VOICE OF CUSTOMER

FREDRIK RUNDQVIST, CEO & JAMES DOBROWSKI LONDON MD, SHARKMOB

Keywords
STUDIOS
X
SHARKMOB™

Keywords STUDIOS

FIRESIDE CHAT

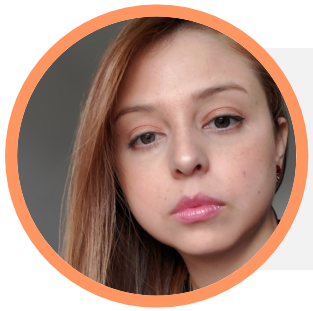
JAMES DOBROWSKI
LONDON MD, SHARKMOB

INVESTING IN STRATEGIC PARTNERSHIP CAPABILITY

Client Partners

Blandine Prost

- → Trusted advisor to Strategic Partners
- → Leads client relationship and business development effort across all service lines within Keywords
- → Point of contact for resolution and escalation of all key items with the client and internally
- → Recognized ambassador of Keywords Studios global platform



Integrated Solution Producers

Claudia Moscoso

- → Coordinates the development and delivery of complex solutions
- → Engages talent across Keywords promoting a client first mindset
- → Identifies opportunities to increase efficiency, effectiveness and quality across the solution scope and lifecycle
- → Looks for opportunities to support mutual benefit

Key takeaways

→ With a more strategic response to our client needs, there will be much more demand for Keywords services

→ The timing is right for our clients – they are looking for true partnering relationships

→ In response, we are investing in our Strategic Partnering Capability

Keywords STUDIOS

TECHNOLOGY

04

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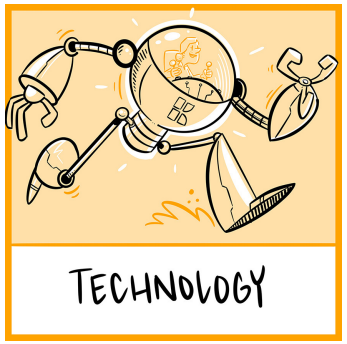

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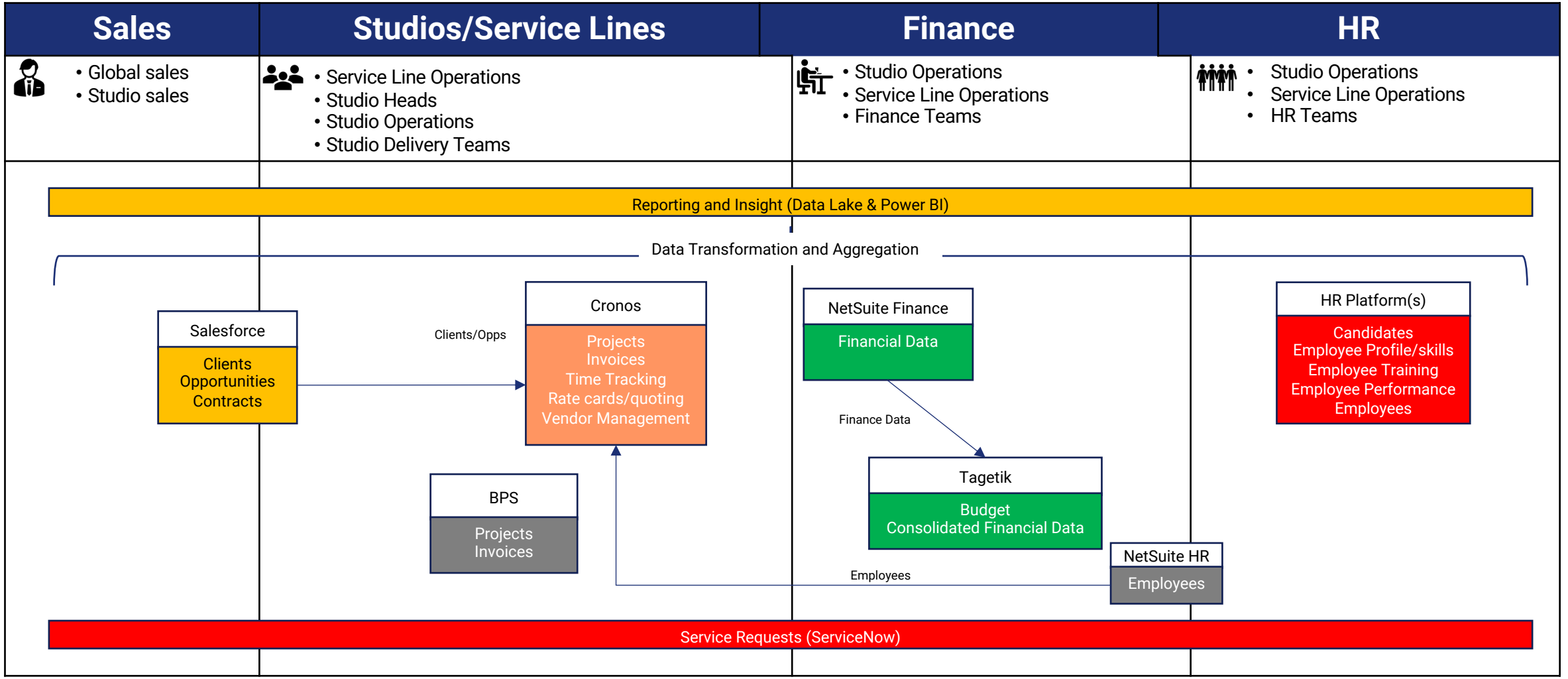
3. M&A Integration

1. Compensation ‘Clear as a Bell’
2. Specialized Recruitment & Development Pathways
3. Keywords Academy for Excellence

1. Media & Entertainment Sector (Incl. Virtual Production)
2. Live Operations
3. Metaverse

TECHNOLOGY PLATFORM OVERVIEW



Fully implemented
In evaluation
Partial adoption
Partial implementation
To be decommissioned

Keywords STUDIOS

TECH CASE STUDY
EXPERT-IN-THE-LOOP AUTOMATION AT MICROSOFT

ROMINA FRANCESCHINA & TONY O'DOWD

MICROSOFT ASKED AND KEYWORDS DELIVERED

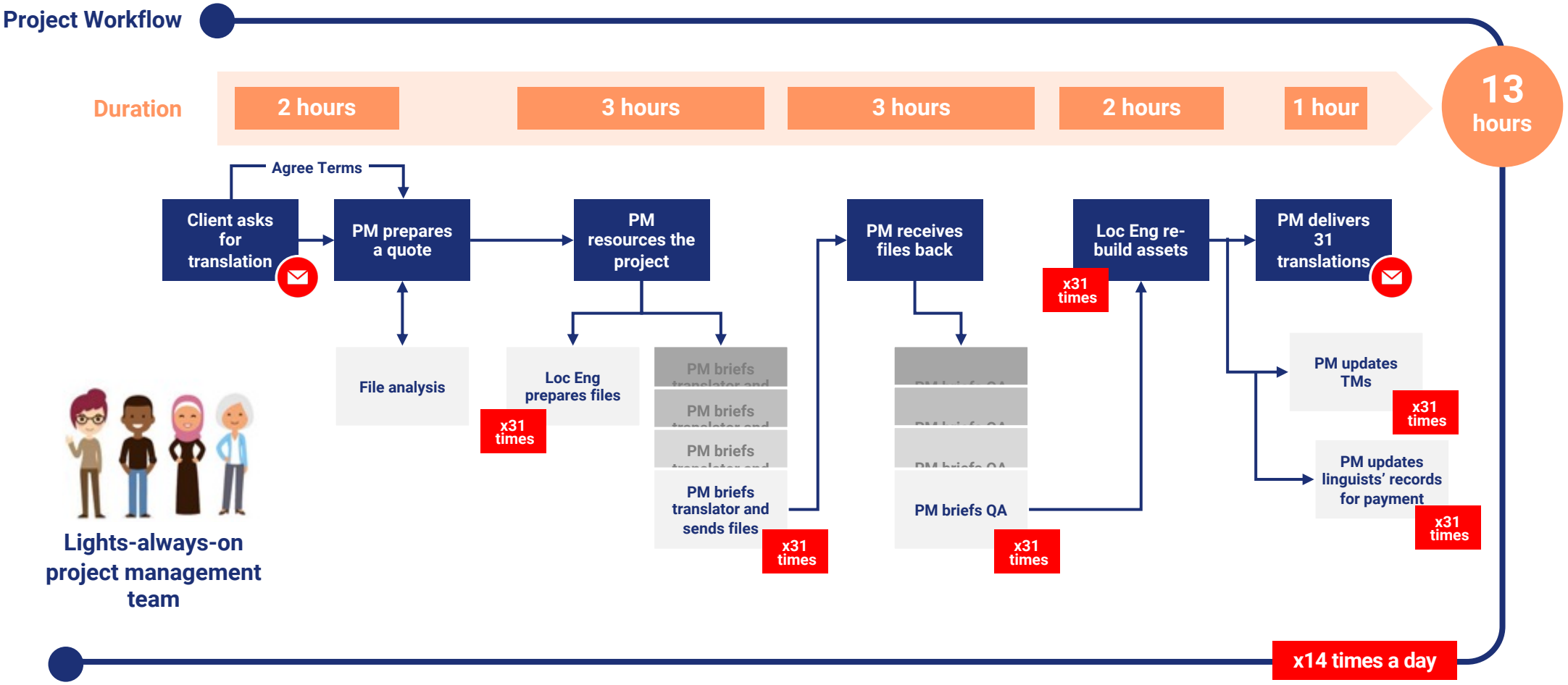
Volumes at speed with simplicity

930,000 words a month	15 Titles	31 MT/TM engines	31 languages	Monthly reporting
300 strong crowd community	1 ticketing system	Post MT Edit + quality	24/7+365 days delivery cycle	Integrated terminology management
End to End Automation (lights out)	Content: in game + other	0% Late delivery KPI	6 weeks development window	Go-live 18 May 2022 @11am BST

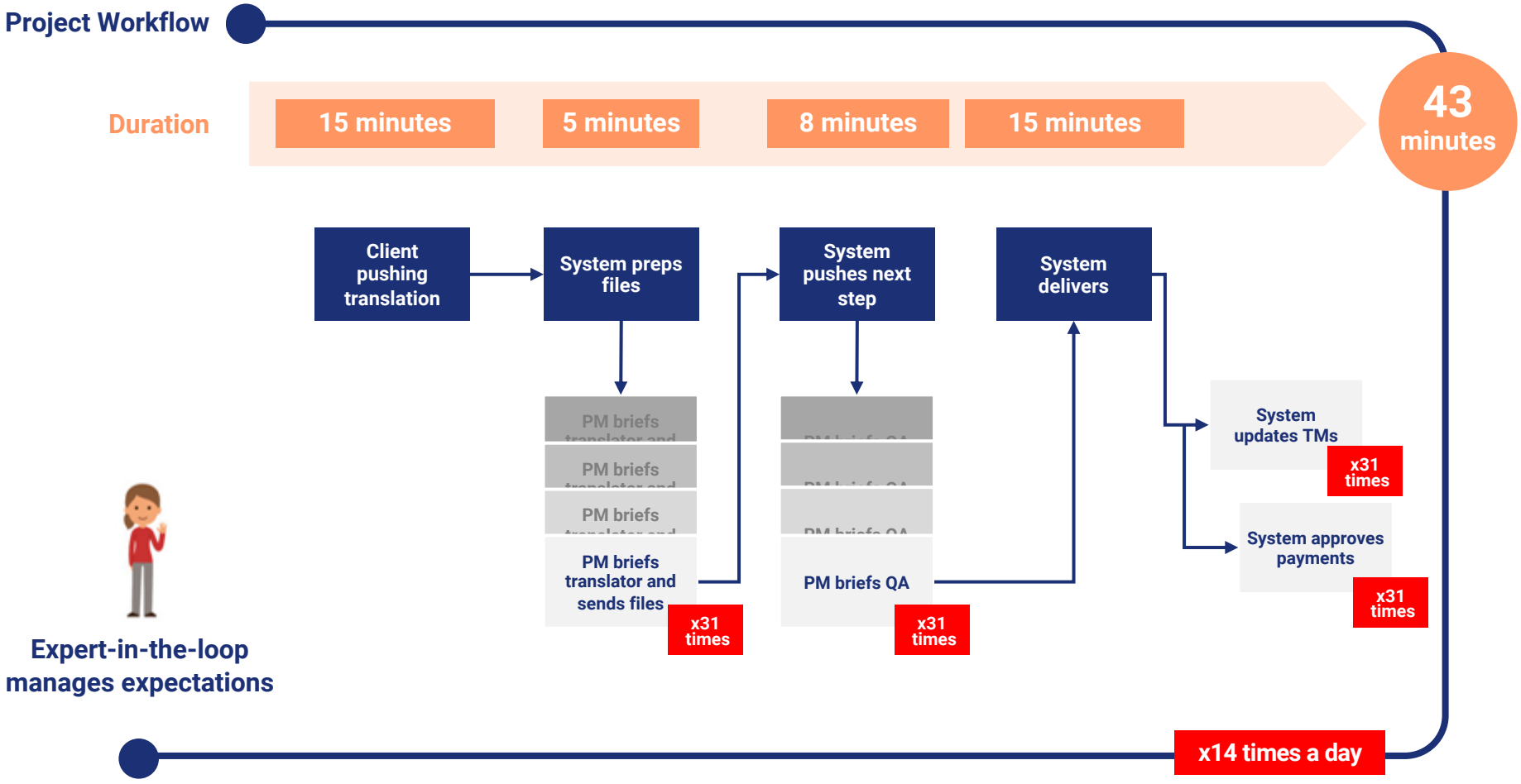
Technological ability with workflow expertise

Keywords STUDIOS

TRADITIONAL WORKFLOW LOOKS LIKE THIS



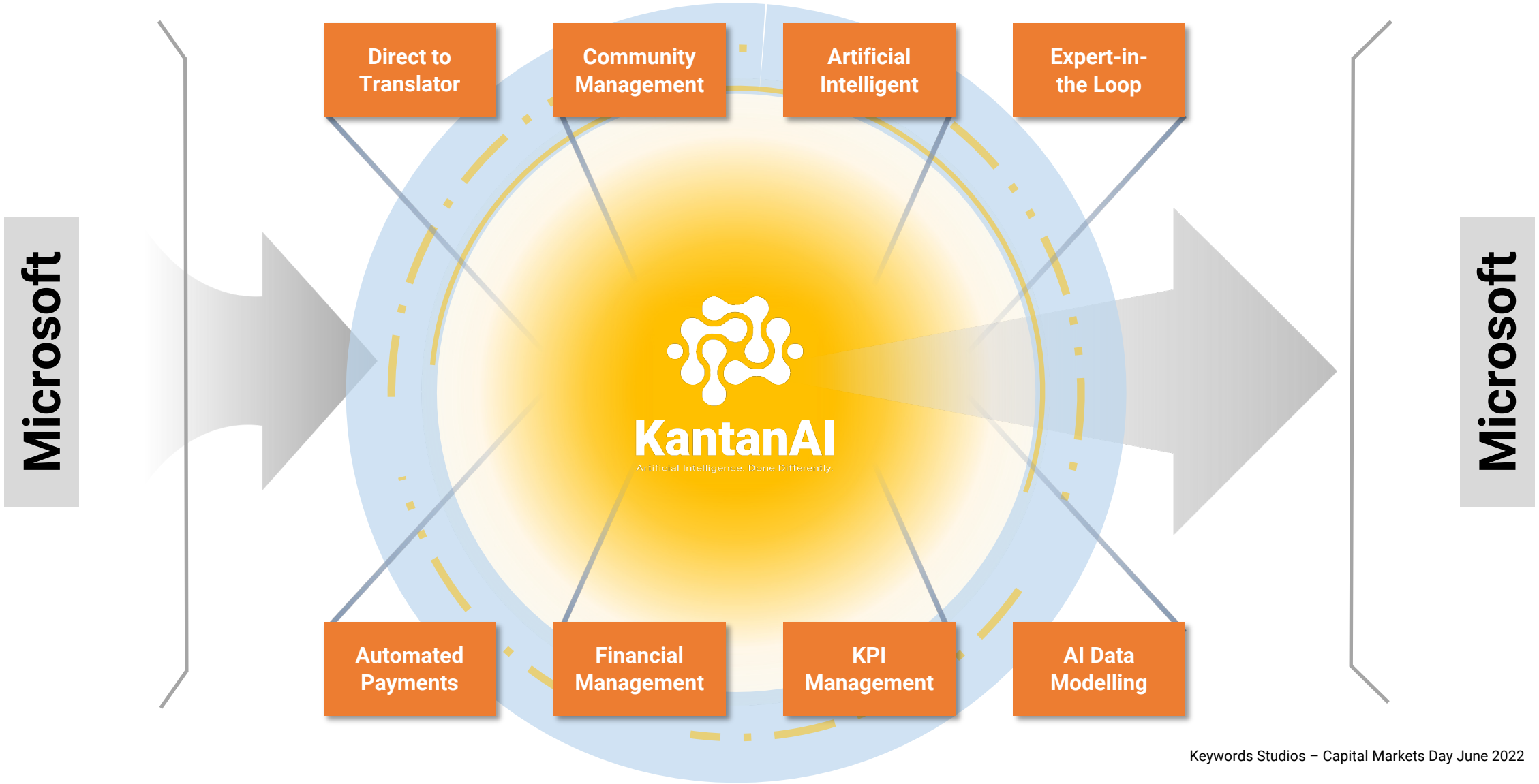
AUTOMATED WORKFLOW FOR MICROSOFT



Keywords STUDIOS

LET US SHOW YOU THE RESULTS…

MICROSOFT HIGH VOLUME TRANSLATION SERVICE

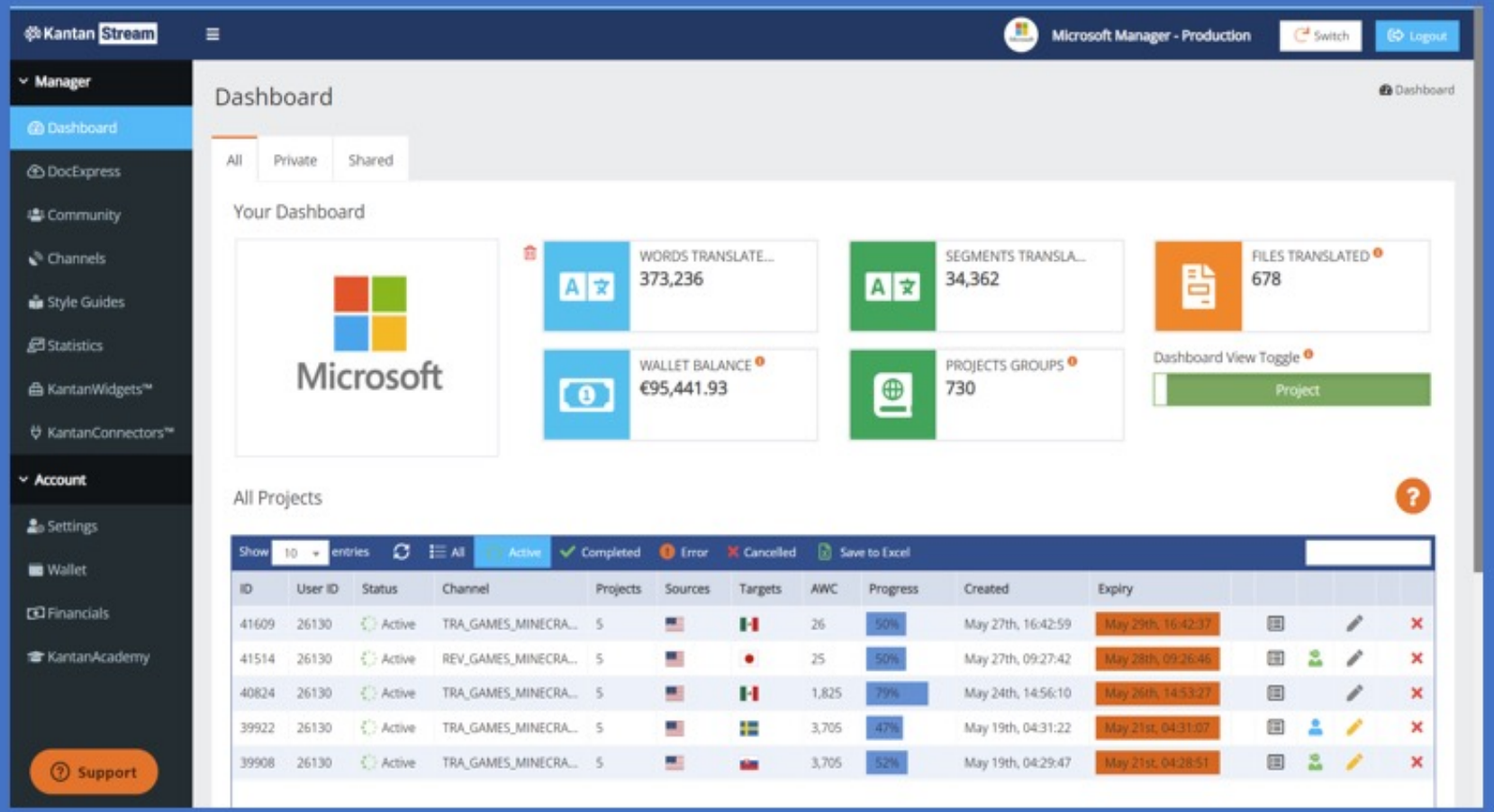


MICROSOFT HIGH VOLUME TRANSLATION SERVICE

Microsoft

Direct to Translator | **Community Management** | **Artificial Intelligent** | **Expert-in-the Loop**

Project Manager View – Speed, Scale, Simplicity

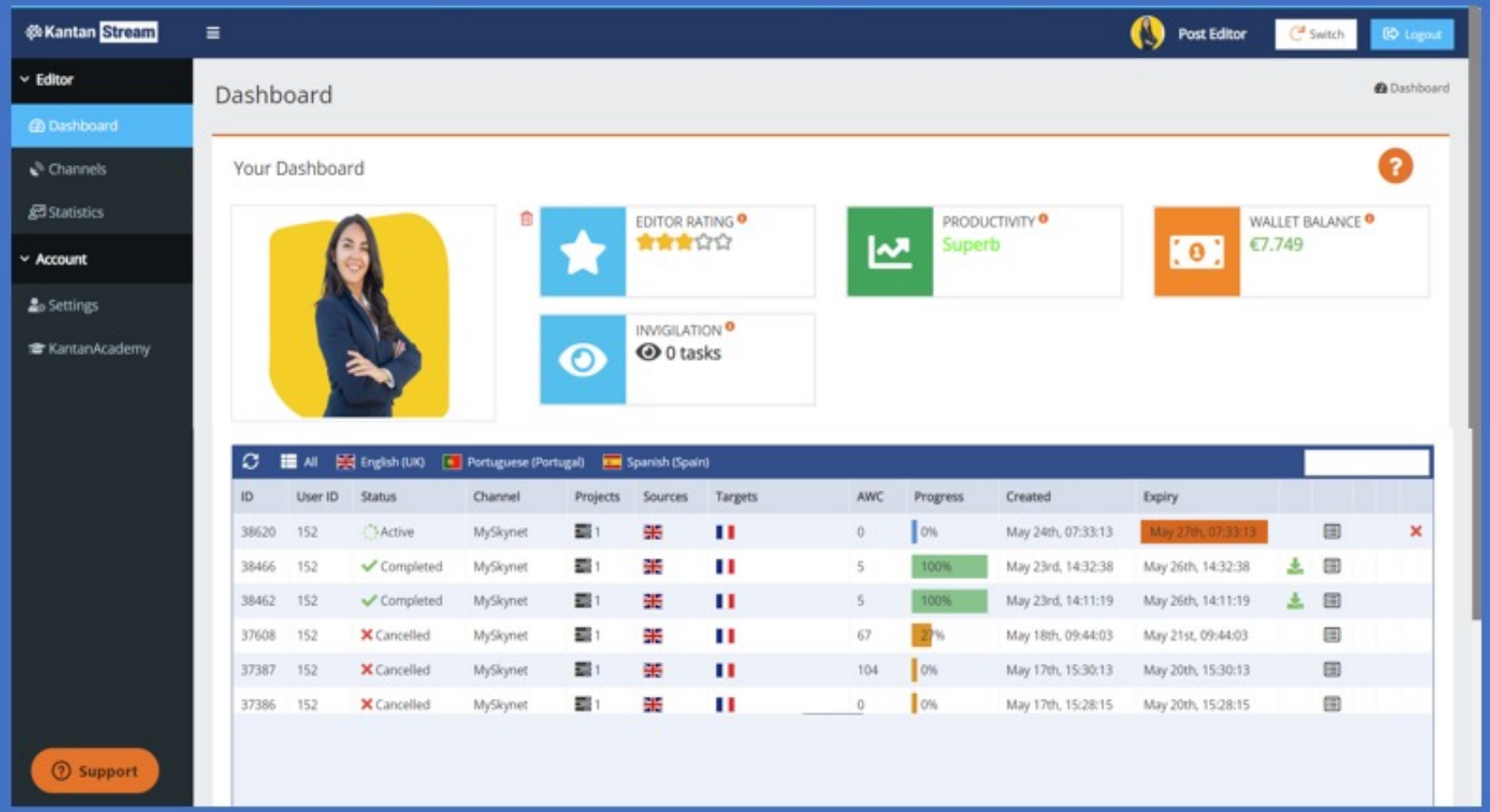


Microsoft

MICROSOFT HIGH VOLUME TRANSLATION SERVICE

Direct to Translator | **Community Management** | **Artificial Intelligent** | **Expert-in-the Loop**

Community Management – Work Anytime, Anywhere, Any device



Microsoft

Microsoft

MICROSOFT HIGH VOLUME TRANSLATION SERVICE

Microsoft

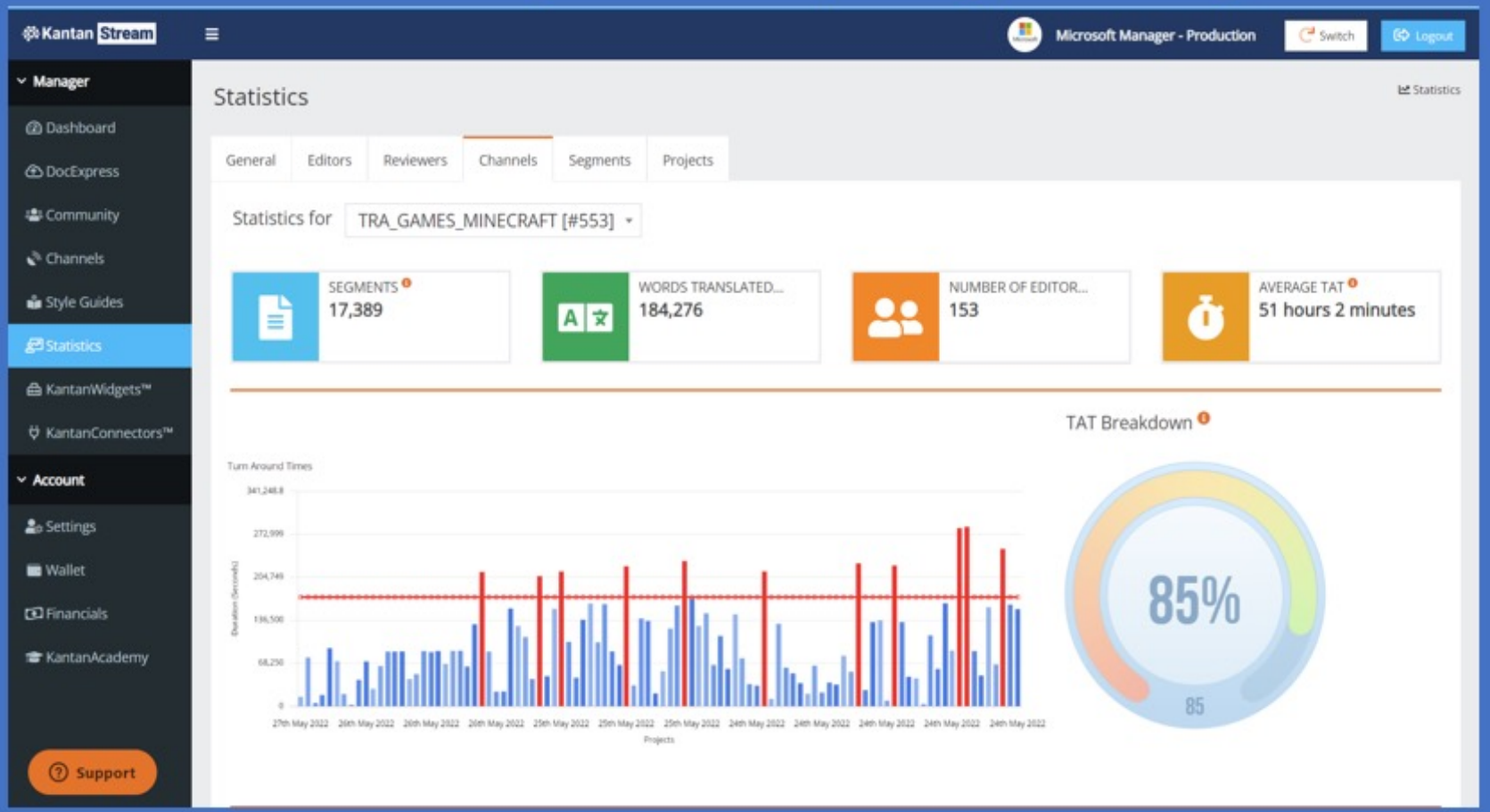
Direct to Translator

Community Management

Artificial Intelligent

Expert-in-the Loop

Artificial Intelligence – Transparency, Traceability

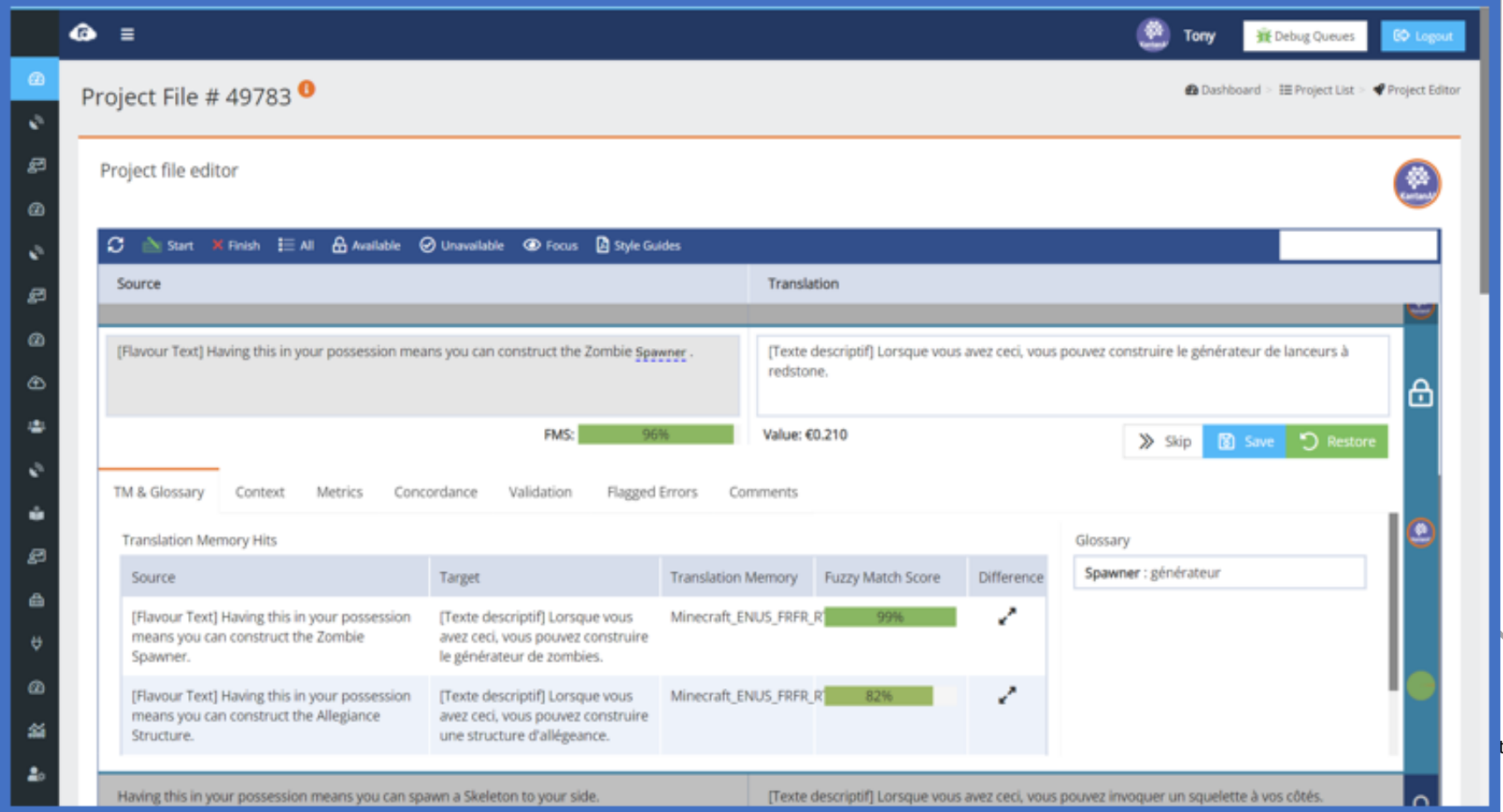


Microsoft

MICROSOFT HIGH VOLUME TRANSLATION SERVICE

Direct to Translator | Community Management | Artificial Intelligent | Expert-in-the Loop

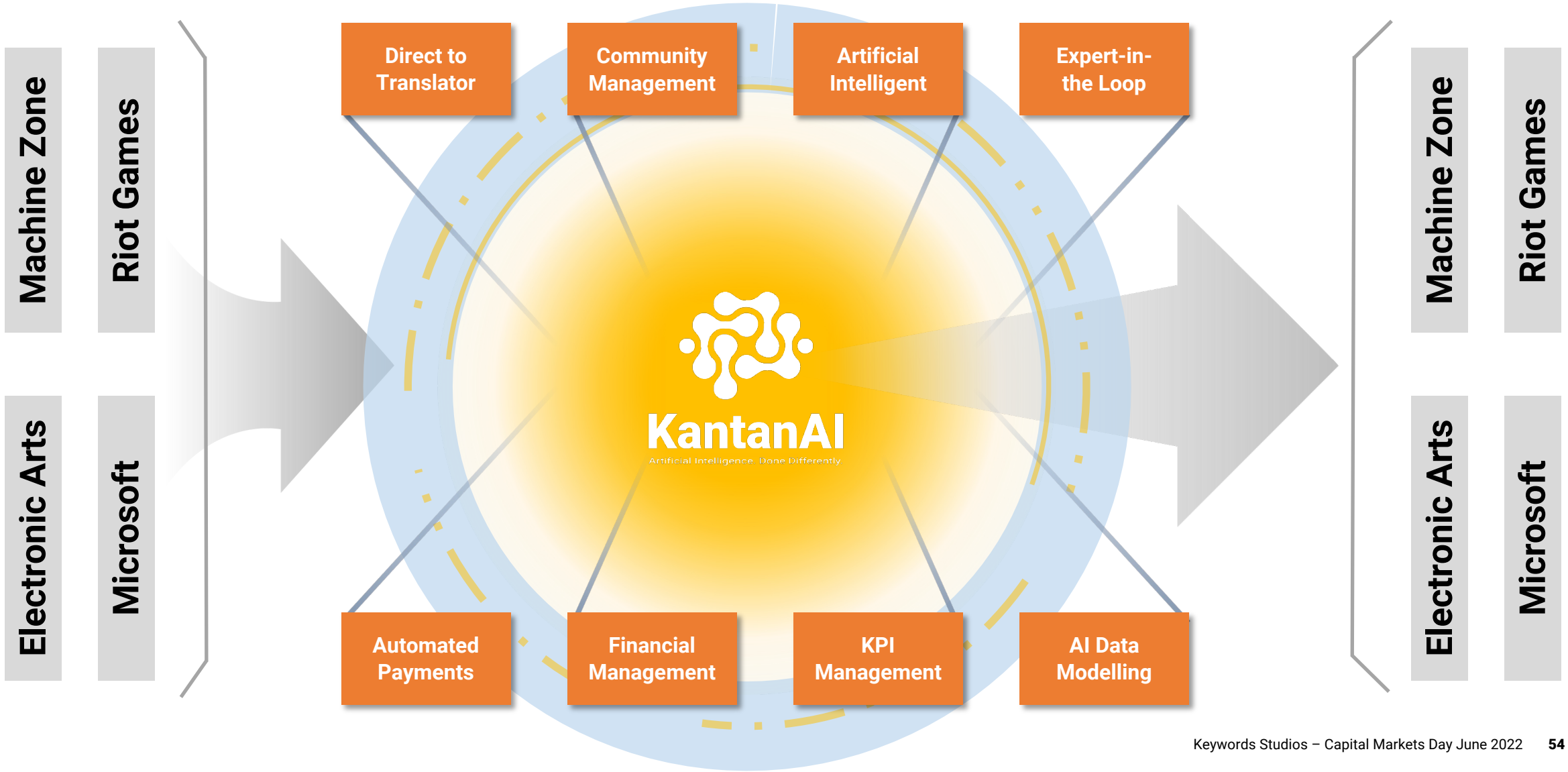
Translator View – Expert in the Loop – AI Enhanced



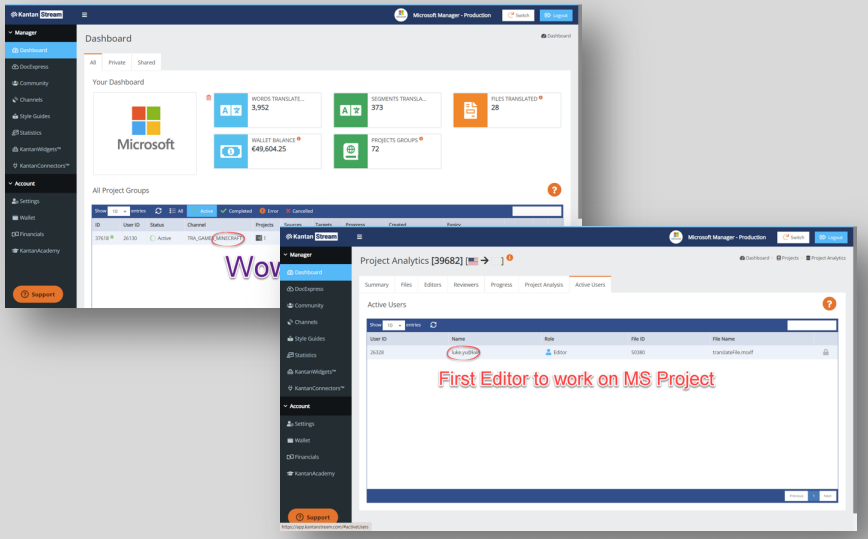
Microsoft

Microsoft

HIGH VOLUME TRANSLATION SERVICE



MICROSOFT IS LIVE!



Hi Localisation - Project Lazarus, first-hand feedback from MS!

"The DTT jobs seems flowing pretty well in general. Thank you for standing up the workflow within quite pressing timeline. We understand this requires a lot of efforts and attention. You may be aware of a few issues - the variant culture settings (MS need to re-look at the adaptation directions), and Supplier wordcount metadata to be fixed for the returned jobs (Keywords to look into). Also, we did receive a heads-up for possible delays of jobs with high volume (approx. 4K words in a single job). These are all good stuffs to catch in earlier stage and adjust to stabilize the workflow and expectations, and I appreciate your team's close monitoring and timely collaboration with us. Thank you for continued efforts until we complete onboarding the full scope to the service."

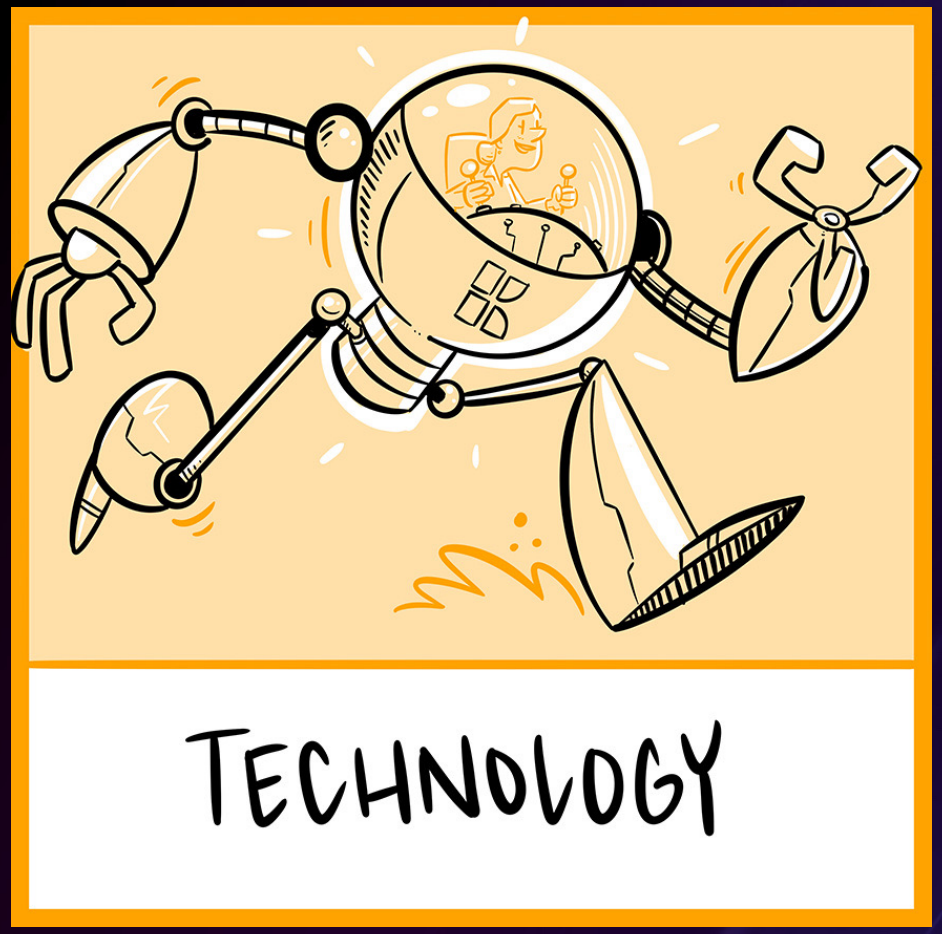
- ✓ **Go live 18th May @11:00 BST**
- ✓ **First job fully processed in 24 minutes**
- ✓ **First linguist to pick up a job, 8 minutes from receipt of alert**
- ✓ **First feedback received from Microsoft**

Deployment Stats

- → 913 projects ingested
- → 859 projects delivered
- → 438k words delivered
- → 475k words managed
- → 121 Linguists engaged
- → Average TAT – 36 hours

Next Priorities

- → Dev of file prioritization criteria
- → Expansion of community
- → Invoicing process
- → Additional dashboards and reports
- → On-boarding 15 Game Titles



Key takeaways

- → Strengthened internal capability supporting larger more complex work
- → Automation enabling us to deliver much more for clients without people constraints
- → Innovation set up to scale and keep us at the forefront of the industry
- → Planned 2-3 years timeframe

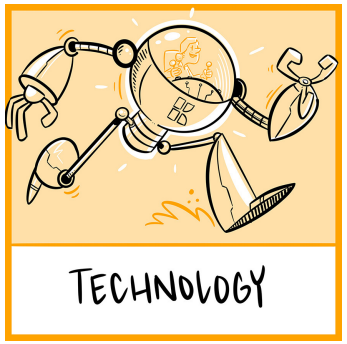
Keywords STUDIOS

ONE KEYWORDS

05

5 WORKSTREAMS, 3 FOCUS AREAS EACH

1. Managing Our Top 25 Strategic Partners
2. Internal Capability and Capacity to Manage The Top 25
3. Top 5-10 Lighthouse Deals



1. Internal Tech Spine
2. Service Line Automation
3. Innovation / Mindset

1. **Values and Leadership Principles**
2. **Spine Business Partnering**
3. M&A Integration

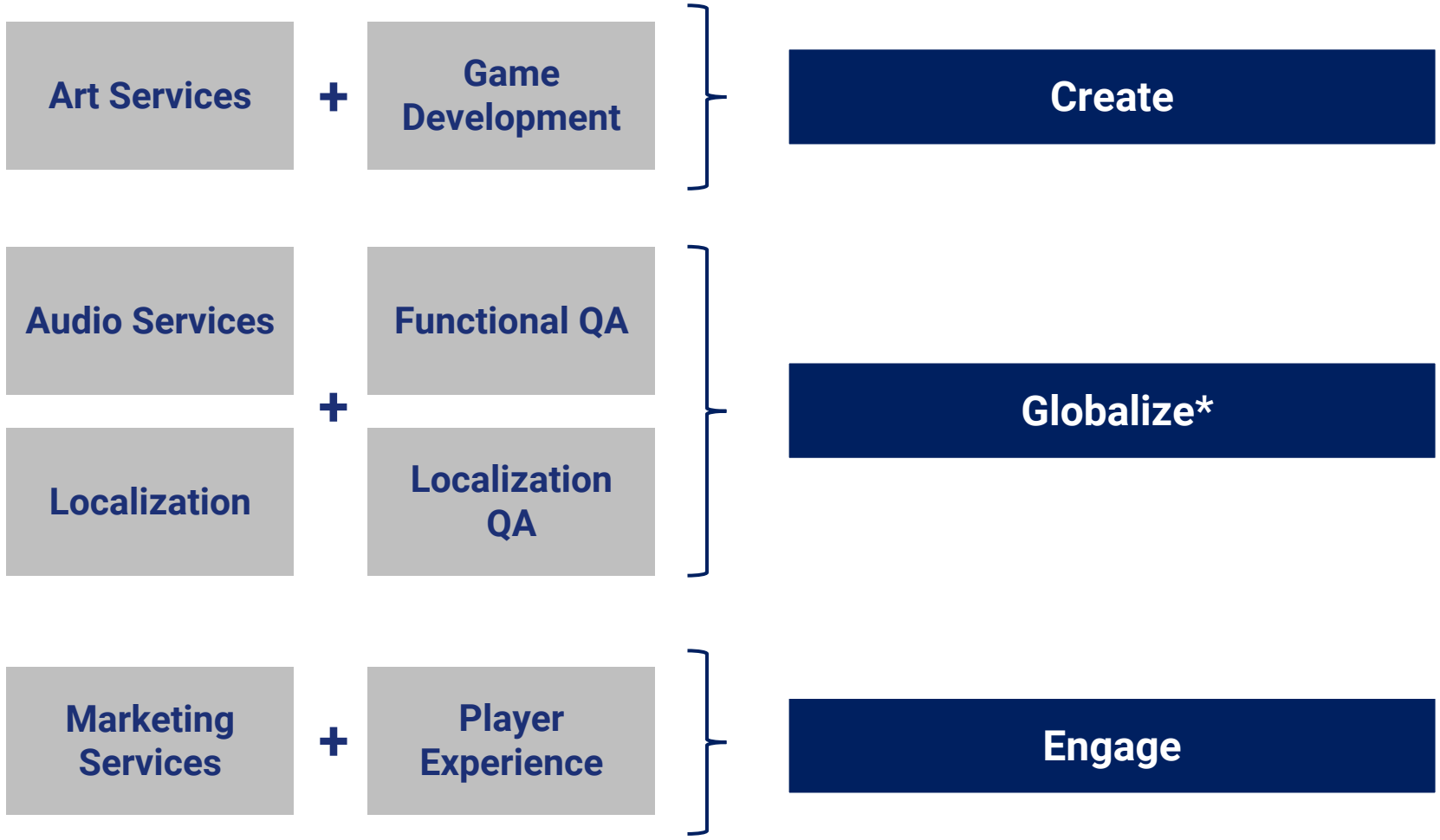
1. Compensation 'Clear as a Bell'
2. Specialized Recruitment & Development Pathways
3. Keywords Academy for Excellence

1. Live Operations
2. Media & Entertainment Sector (Incl. Virtual Production)
3. Metaverse

EXECUTIVE AND SENIOR LEADERSHIP (GUIDING PRINCIPLES)

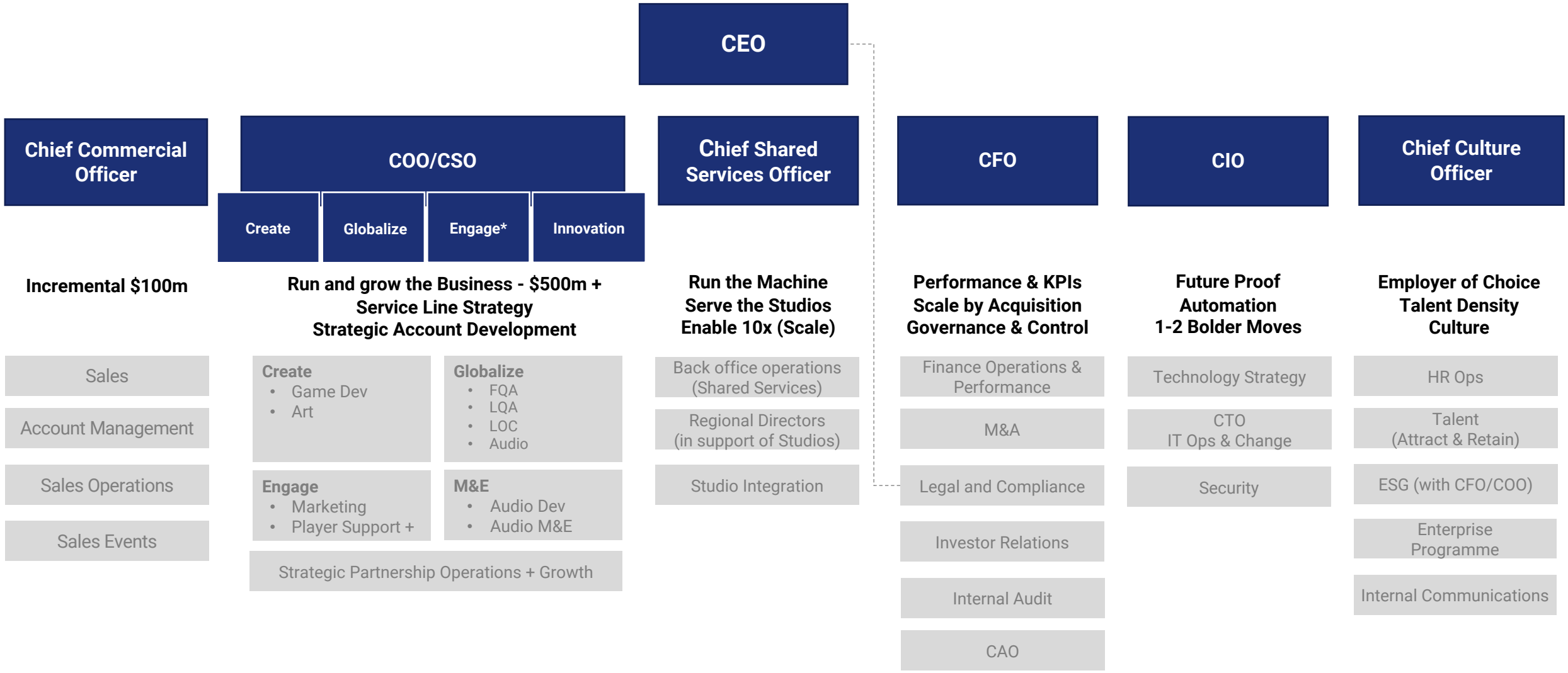
- Simplify the service line structure to enable more collaboration
- Amplify the voice of the studios
- Retain entrepreneurial DNA – it is what makes us magic!
- Reflect our 5 workstreams

SIMPLIFYING THE SERVICE LINE STRUCTURE



* includes Media & Entertainment

SENIOR EXECUTIVE TEAM



* Includes Group Marketing

CREATE SERVICES

Our connected network of studios and specialist teams deliver a range of **Create Services** to clients and partners globally.

€190m FY 2021 Create Revenue

37% FY 2021 % of Group Revenue

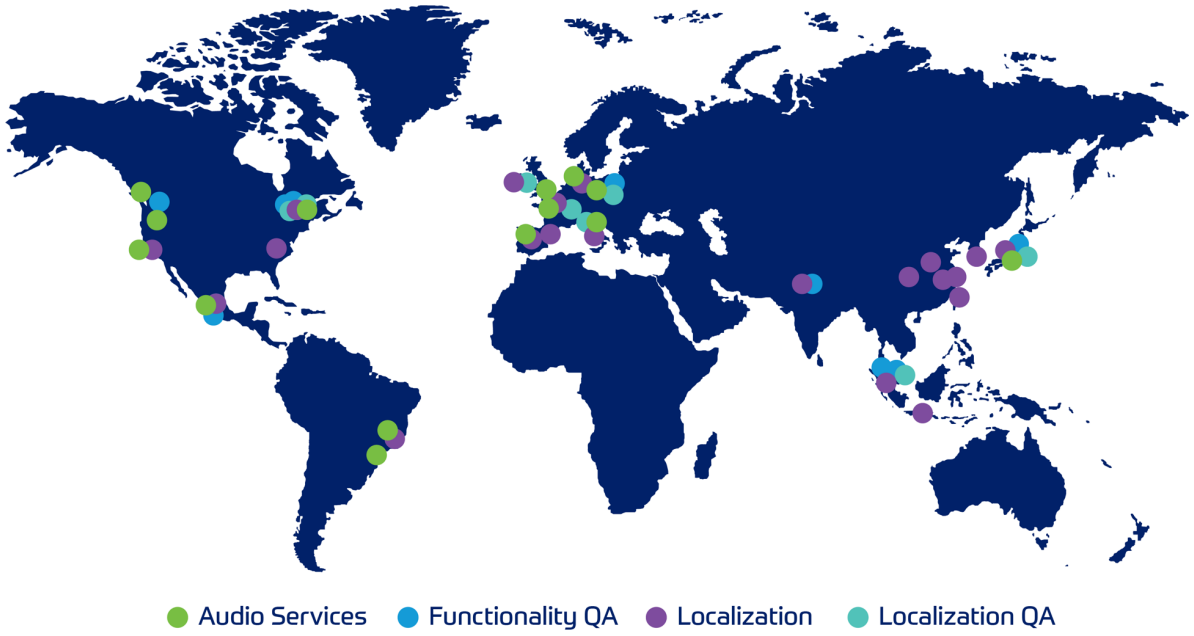
3,000+ Create Employees

41 Create Locations

24 Create Studios

GLOBALIZE SERVICES

Our connected network of studios and specialist teams deliver a range of **Globalize Services** to clients and partners around the world.



Keywords STUDIOS

- Audio Services
- Functional QA
- Localization
- Localization QA

€230m FY 2021 Globalize Revenue

45% FY 2021 % of Group Revenue

4,900+ Globalize Employees

46 Globalize Locations

35 Globalize Studios

ENGAGE TODAY

Bringing together experts from across the network into a simple service offering, supercharging decision making in today's complex marketing landscape

Marketing Services
2021 €46m

+

Player Support & Research
2021 €46m

ENGAGE
Marketing
Community Management
Player Experience
2021 €92m

Servicing clients via specialist teams

Supported by operational excellence from service line

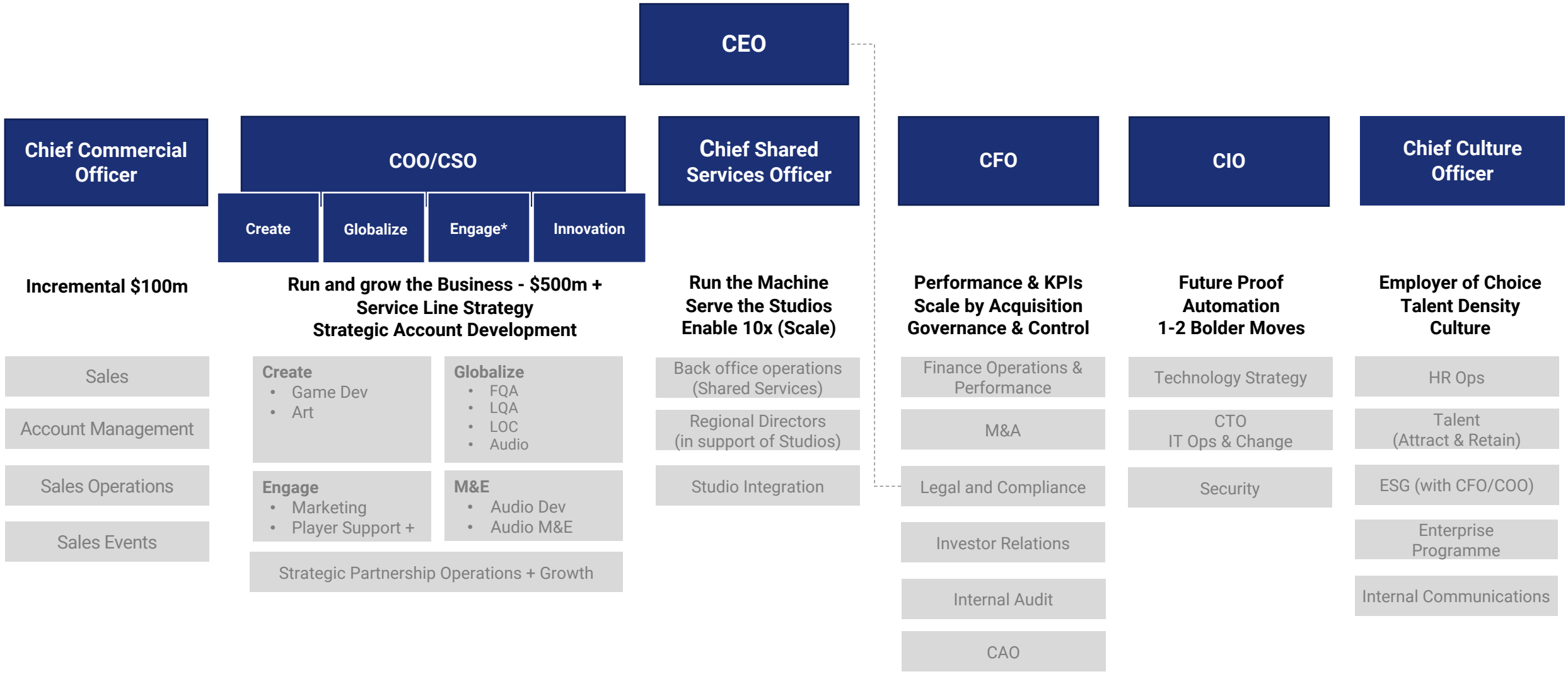
Strategic Account Planning
Market Intelligence & Data Insights Team
Integrated Solutions & Production Team
Unified Production Platform

€92m FY 2021 Engage Revenue
18% FY 2021 % of Group Revenue

2,000+ Engage Employees

30 Engage Locations
28 Engage Studios

SENIOR EXECUTIVE TEAM



* Includes Group Marketing

Key takeaways

- → Simplify the service line structure to enable more collaboration and scalability
- → Retain entrepreneurial DNA and amplify the voice of the studios
- → Global platform with local knowhow
- → Spine business partnering to support studio growth

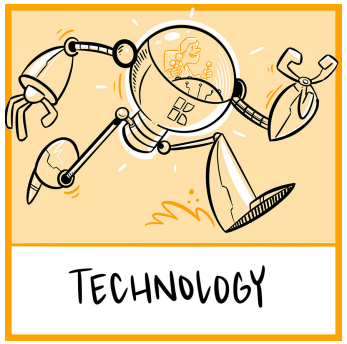
Keywords STUDIOS

TALENT AND CAPABILITIES

06

5 WORKSTREAMS, 3 FOCUS AREAS EACH

1. Managing Our Top 25 Strategic Partners
2. Internal Capability and Capacity to Manage The Top 25
3. Top 5-10 Lighthouse Deals



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1. Compensation 'Clear as a Bell'
2. **Specialized Recruitment & Development Pathways**
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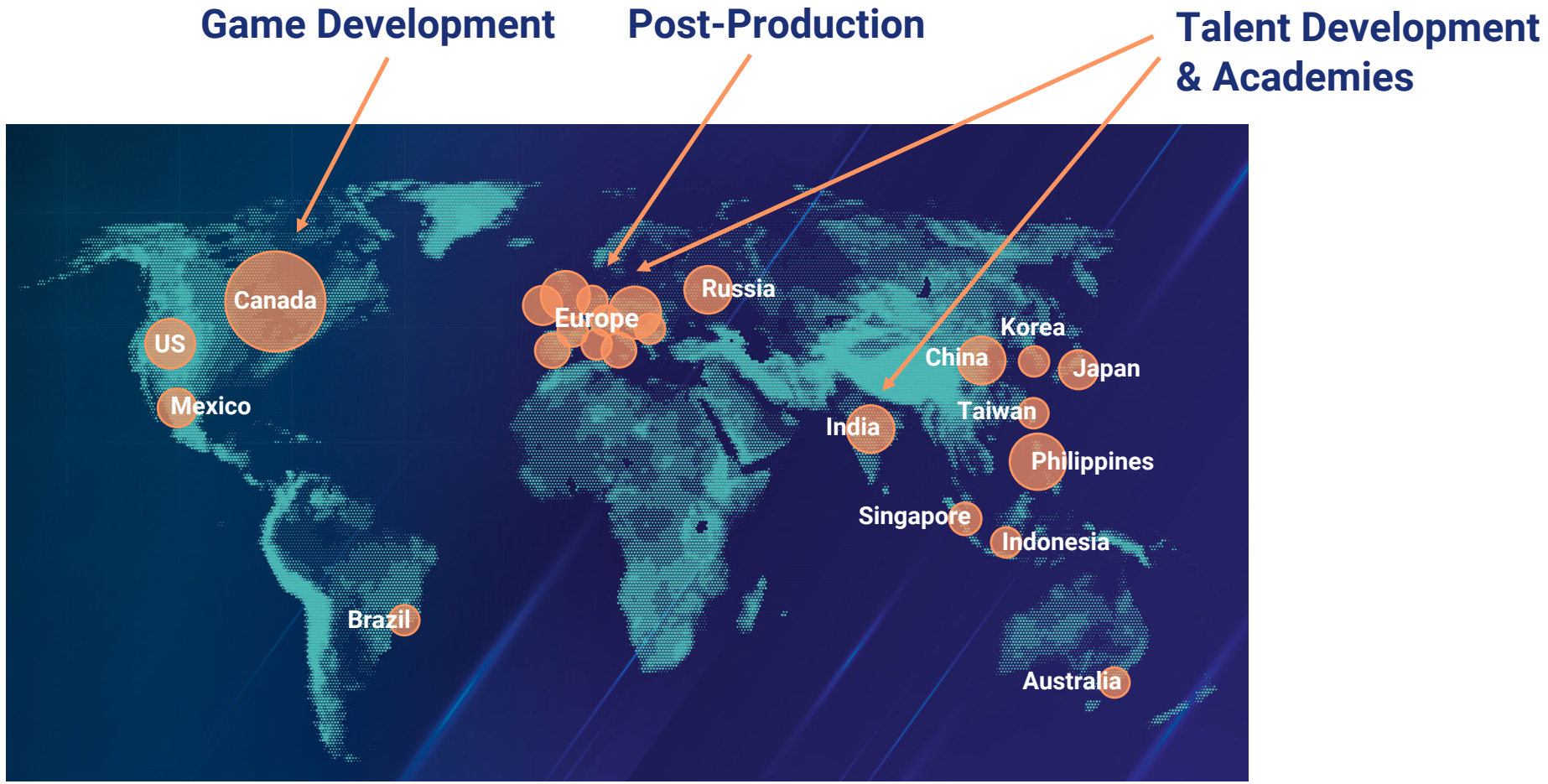
1. Live Operations
2. Media & Entertainment Sector (Incl. Virtual Production)
3. Metaverse

TALENT TOUR



11,000+ people, working in over **50** languages, more than 70 studios, in **23** countries, on **5** continents, across **20** time zones, providing follow the sun capability

TALENT TOUR – OTTAWA – SNOWED IN STUDIOS

Game Development

11,000+ people, working in over **50** languages, more than 70 studios, in **23** countries, on **5** continents, across **20** time zones, providing follow the sun capability

Keywords STUDIOS

TALENT CASE STUDY
SNOWED IN STUDIOS

JEAN-SYLVAIN SORMANY

SNOWED IN STUDIOS

A KEYWORDS STUDIO

TIMELINE

2010 Founded, Ottawa, Canada

2018 Joined Keywords Studios

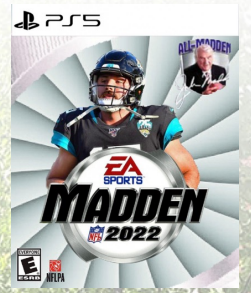
2022 Studio +150 employees

CORE FOCUS

Engineering Projects

LQA

GAMES INCLUDE



EMPLOYEE FRONT AND CENTER

Exciting Work

Employees get access to and involvement in **work and IP that they find exciting**

Variety of Projects

Options to work on a large **variety of projects <u>across Keywords Studios</u>**

Variety of Skills

Diversification of work: **Co-Dev, Porting, Full development, Live-Ops**

Culture + Environment

78% eNPS

Strong culture and best working conditions, including a no-crunch policy and transparency

Talent Growth

Addition of a dedicated **Talent Acquisition Specialist**

Education + Mentoring

Increasing ties with education, **on program advisory boards** and **student mentoring**

Diversification

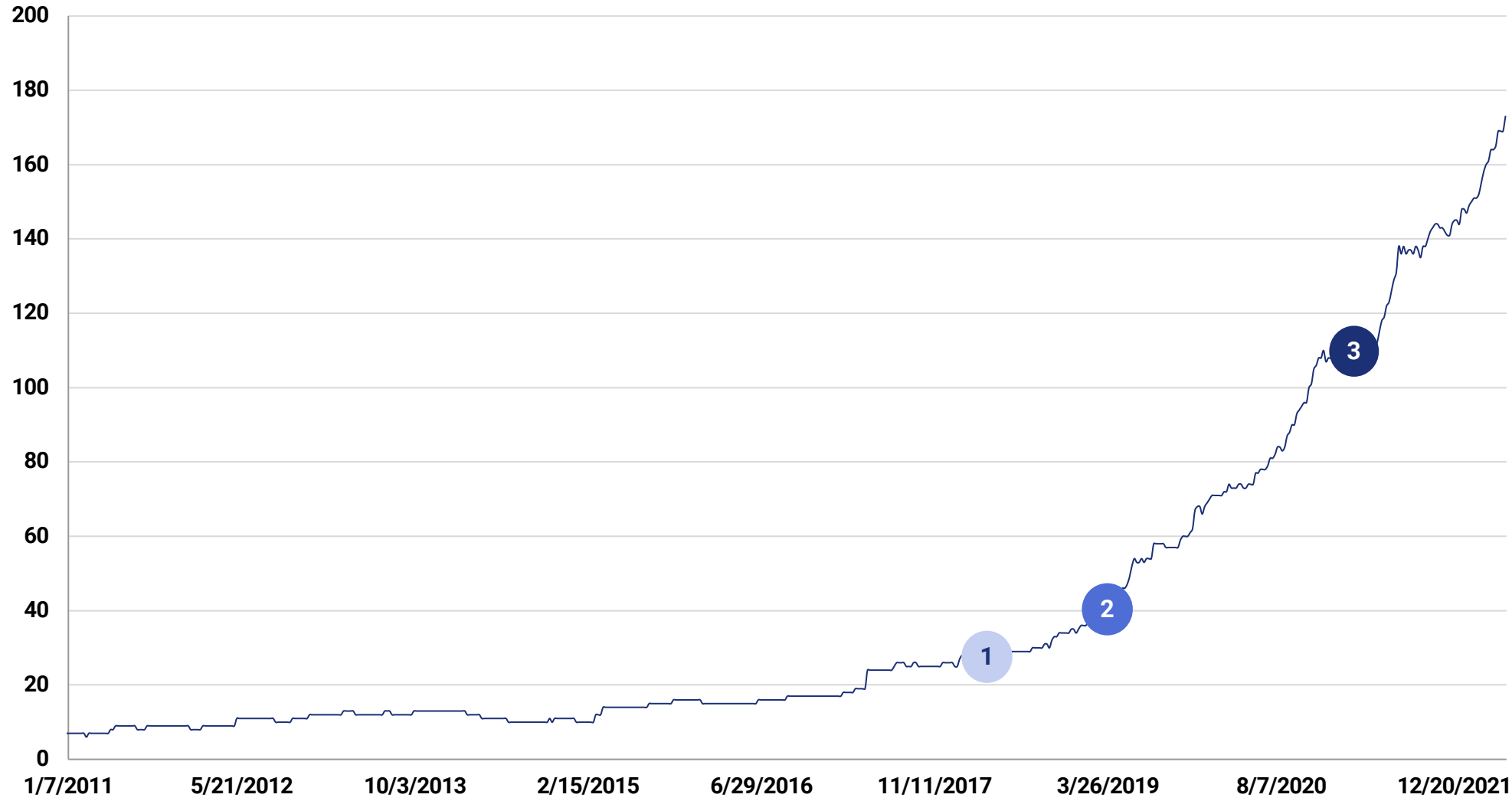
Expanding service offerings, including LQA and exploring more Service Lines

Team Expansion

Engineering 170+, Art 30+, Design 10+, LQA 200+ and R&D division

THE EMPLOYEE NUMBERS…

550
EMPLOYEE GOAL:
by 2027

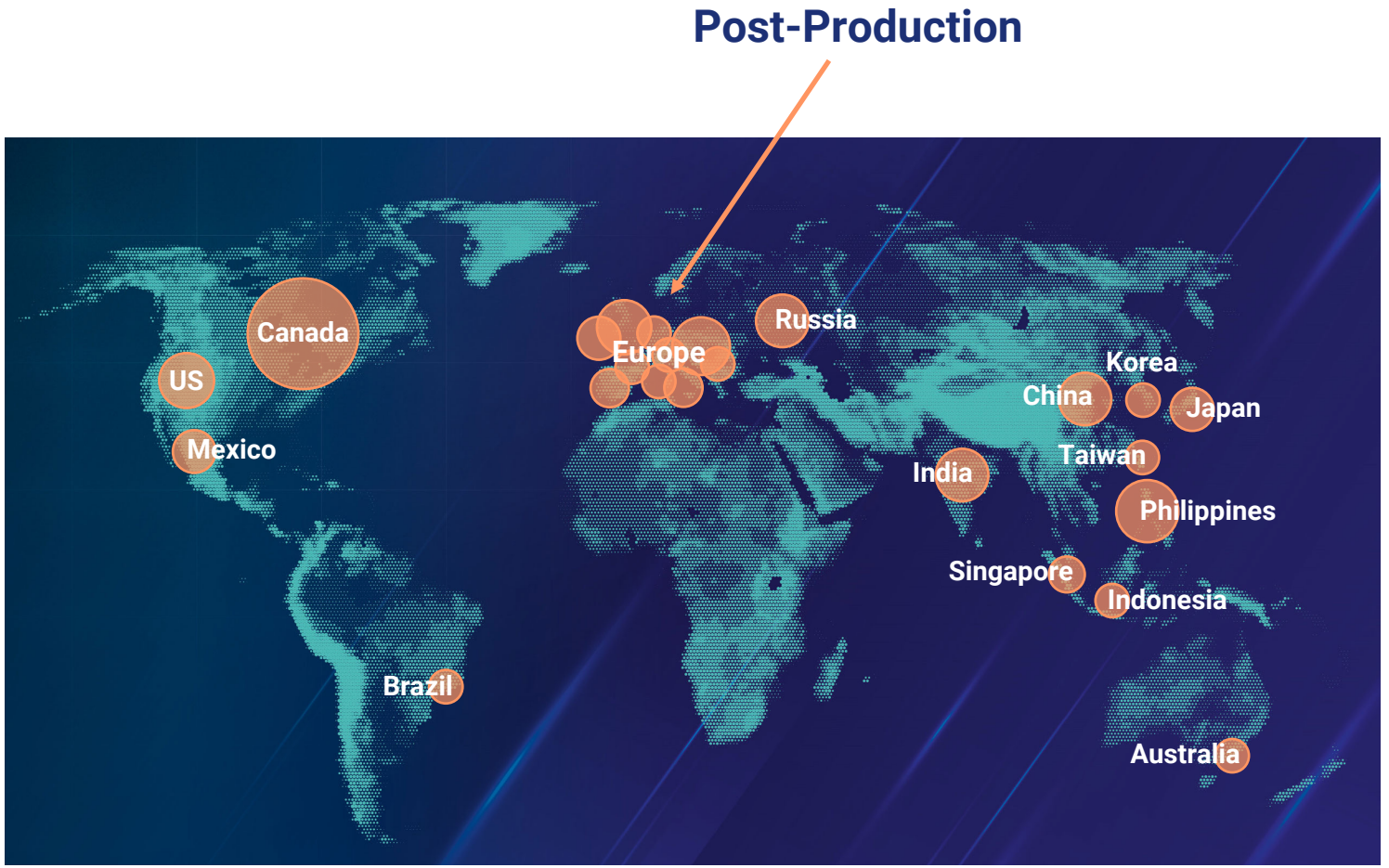


1 Acquired by Keywords Studios in July 2018
Grew staff from 29 at acquisition to 63
Significant revenue growth since acquisition

2 LQA joins the Snowed In Team, March 2019

3 Talent Acquisition Specialist joins Snowed In, April 2021

TALENT TOUR – KATOWICE – POST-PRODUCTION



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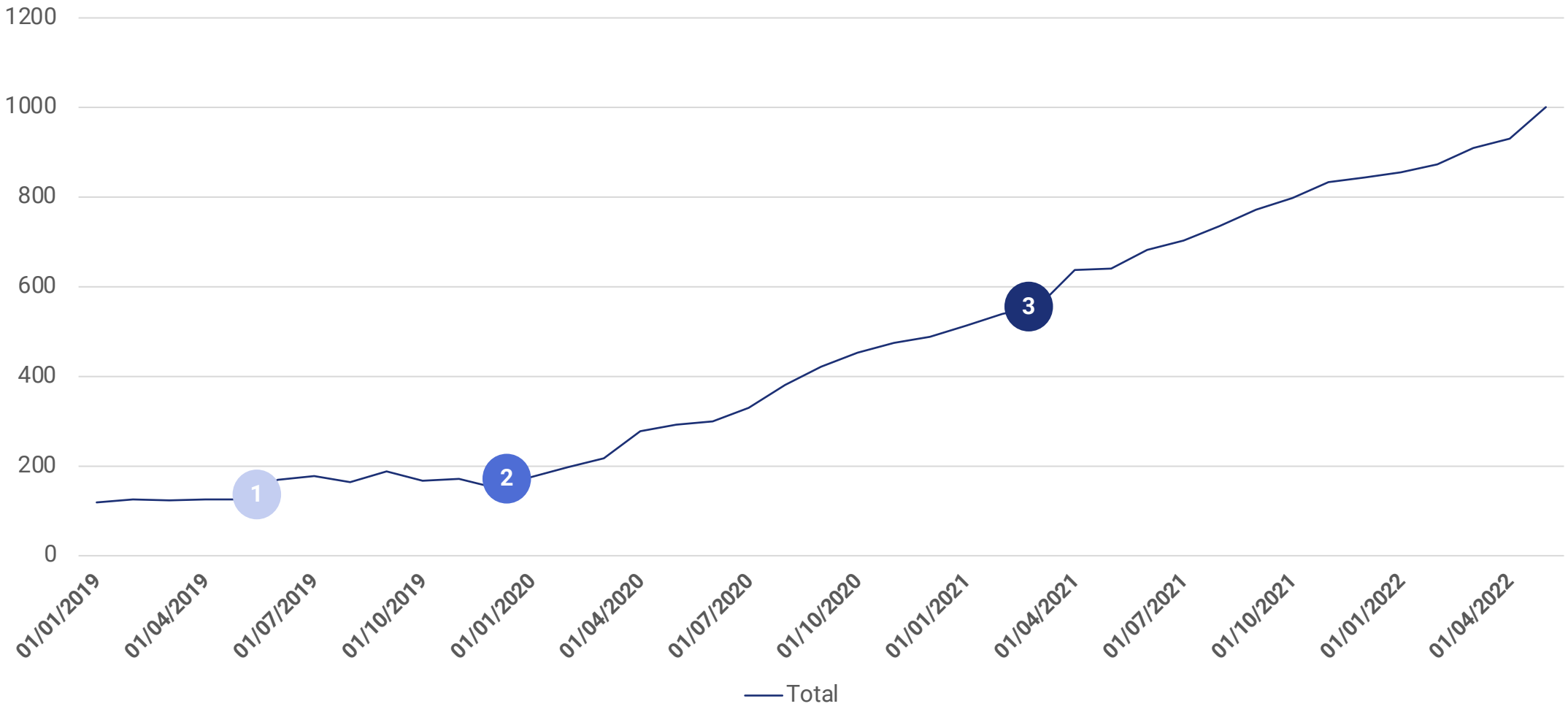
Keywords STUDIOS

TALENT CASE STUDY
KEYWORDS KATOWICE

THE EMPLOYEE NUMBERS…

+SLs
Looking at adding Engineering & Art Services



1 Official opening July 2019, FQA+LQA with adoption of PS staff as overflow of Dublin office. Rapid growth of own client base.

2 Third building expansion

3 Fourth building expansion

TALENT TOUR – INDIA/IRELAND – TALENT DEVELOPMENT

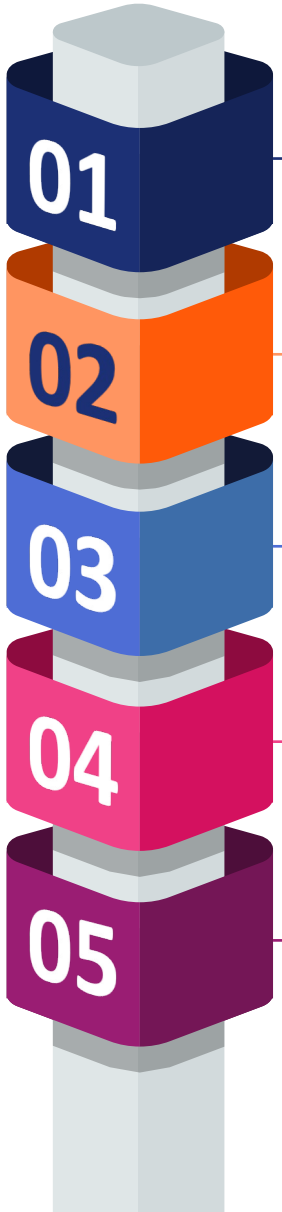
11,000+ people, working in over **50** languages, more than 70 studios, in **23** countries, on **5** continents, across **20** time zones, providing follow the sun capability

Keywords STUDIOS

TALENT DEEP DIVE
DESTINATION INDIA & KWS ACADEMIES

MANVENDRA SHUKUL, LAKSHYA DIGITAL
& JON GIBSON, ELECTRIC SQUARE

WHY INDIA?



Keywords Advantage

Proven record with 850 people across Art, FQA, LOC

Gaming Industry In India

400+ million Gamers

Global Companies

Games companies set up in India; EA, Ubisoft, Rockstar, Zynga, Sumo, etc.

India Advantage

Large pool of service focused, diligent and ambitious talent with 24x7 shift working in highly acceptable form

Talent Landscape

One million Engineers coming out of University annually

Keywords STUDIOS

TALENT DEEP DIVE
DESTINATION INDIA & KWS ACADEMIES

MANVENDRA SHUKUL, LAKSHYA DIGITAL
& JON GIBSON, ELECTRIC SQUARE

Key takeaways

→ Destination for talent and career development

→ Global footprint gives the ability to scale

→ Focusing on all aspects of people and culture, continuously improving our EVP

→ Strategic investment in talent e.g. Academies

Keywords STUDIOS

ADJACENT MARKETS

07

5 WORKSTREAMS, 3 FOCUS AREAS EACH

1. Managing Our Top 25 Strategic Partners
2. Internal Capability and Capacity to Manage The Top 25
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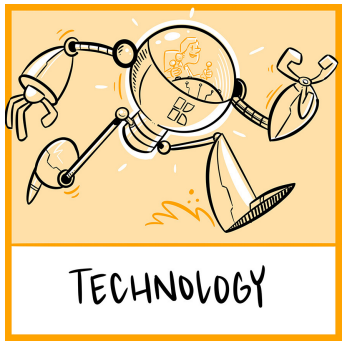

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1. **Live Operations**
2. **Media & Entertainment Sector (Incl. Virtual Production)**
3. **Metaverse**

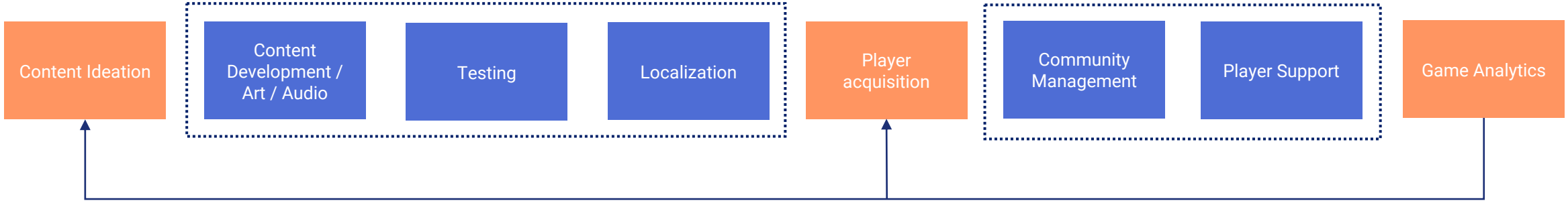
LIVE OPERATIONS

Publisher Activities

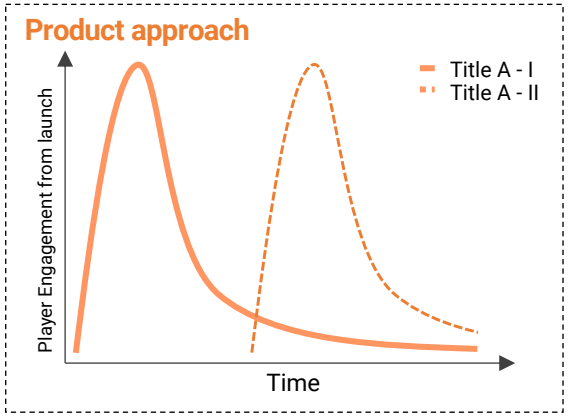
LiveOps Activities

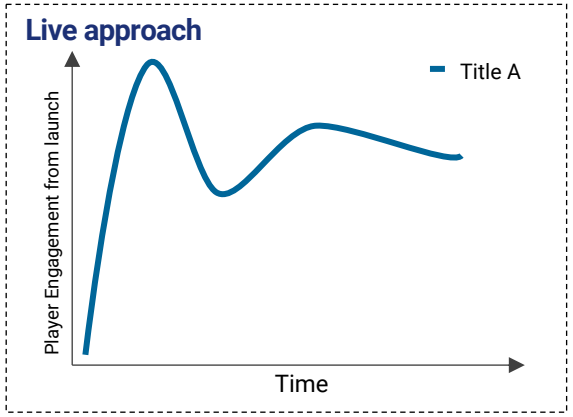
Content Production

In Game Support



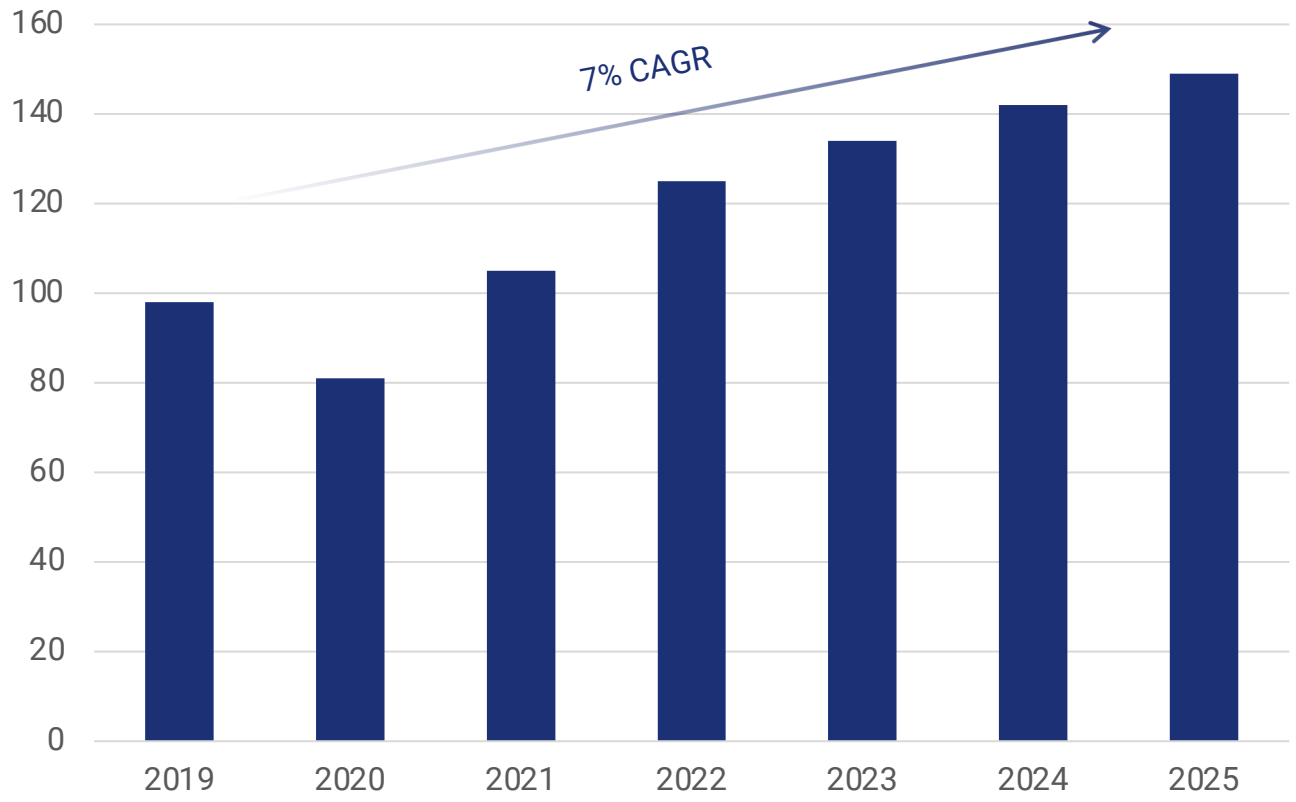
- More and more Games are moving to a 'Games as a Service' model – led by Mobile but increasingly prevalent in Console and PC
- Keywords already provides numerous services to games where content is continually updated (Games as a Service and Mobile)
- We also provide Player Support services and now have the capability to provide Community Management through our Waste Creative agency
- Currently these services are sold as a point solution through the Service Lines but there is an opportunity to go to market as a LiveOps Service
- We are already doing this in some parts of the business and have launched our first LiveOps studio in the UK





MEDIA & ENTERTAINMENT MARKET

Media & Entertainment Market ($bn)



Source: IDG, includes Home Entertainment a(streaming) and Box Office

+$150 billion market for Home Entertainment (streaming) and Box Office

Convergence at the customer level

Video game technology increasingly being used as a means to develop Film & TV content

GAME DNA IS ENABLING NEW OPPORTUNITIES

Video Games Technology is increasingly disrupting the traditional content production process in Film & TV

Game Production workflow

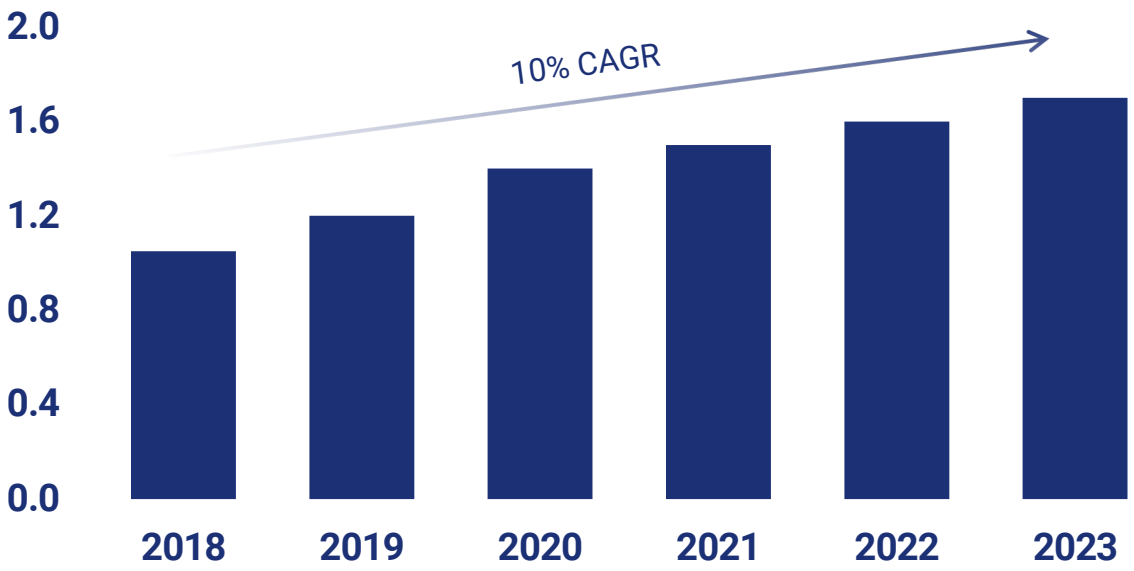
Film & TV Production workflow

Game Engines

Pre-Production	Production	Post-Production
Production scheduling	Developing, rendering	Testing
Early prototyping	Physics, mechanics	Audio post-production
Background design	Audio, VFX	Localisation
Storyboarding	Modeling, designing	Support
		Marketing
Storyboarding	Filming	Editing
Set design	Lighting	VFX
Production scheduling	Sound	Audio post-production
Casting	Behind the scenes	Globalisation
Facility Management		Marketing

FILM & TV DUBBING & SUBTITLING OPPORTUNITY

Film & TV Dubbing & Subtitling Services Market:
New Content ($bn)



$1.7 billion market for New Content

+$4 billion market in total

Highly fragmented landscape

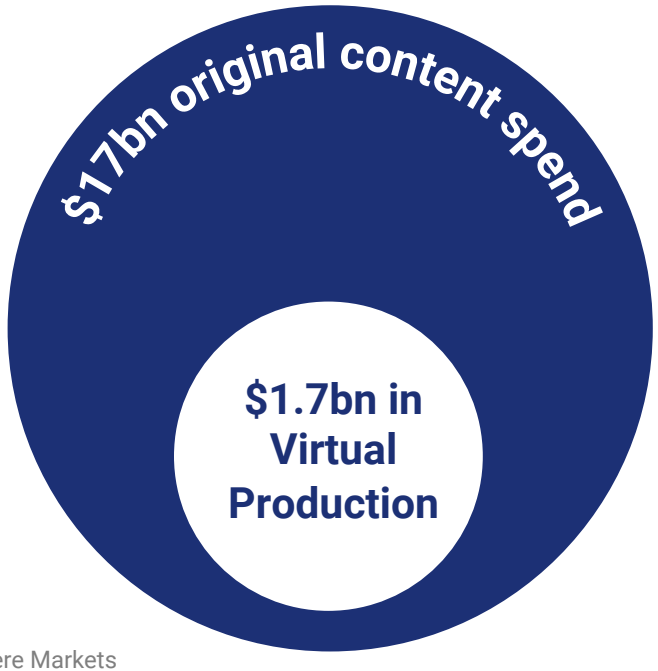
Keywords Film & TV Globalization Initiative

- → **Dubbing & subtitling services for the Film & TV industry**
- → **Capitalizing on existing skills and recording studio infrastructure**
- → **6 locations presently**
- → **Serving Netflix, Amazon, DreamWorks Studios, etc.**
- → **c. €16m of Revenue in FY21**
- → **…with room to leverage Keywords footprint further** (e.g.: Mexico, Brazil, Spain, France, Tokyo)

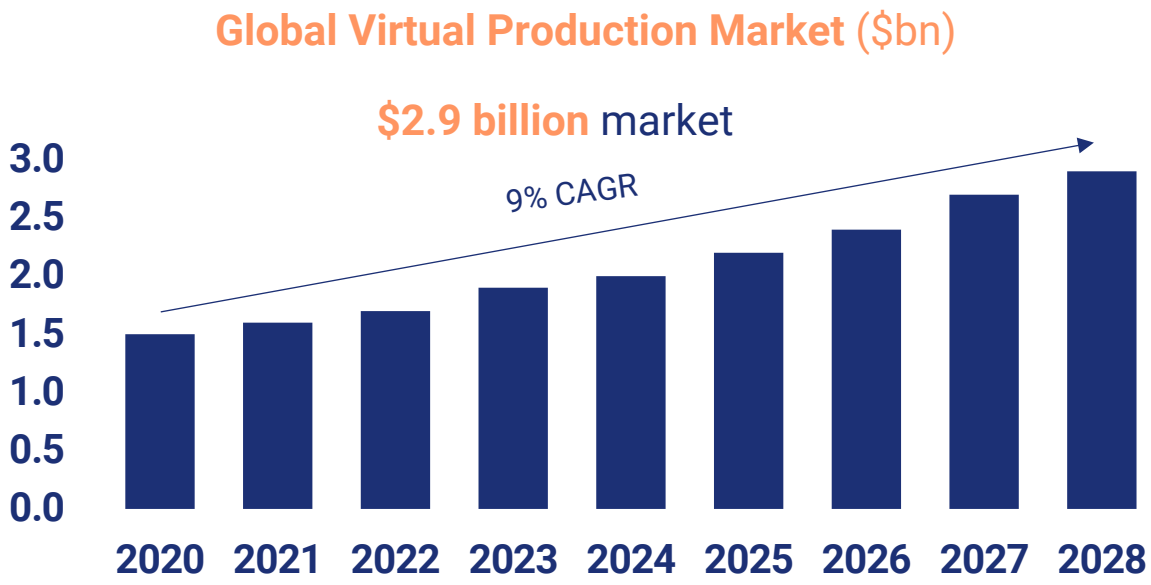
NETFLIX amazonstudios DREAMWORKS STUDIOS WARNER BROS. PICTURES WARNER BROS.

Source: New Content / Caretta Research

VIRTUAL PRODUCTION OPPORTUNITY



Source: Ampere Markets



Source: Statista

Increased appetite for Video Game IPs in the Film & TV industry – most of which Keywords has worked on

“Content war” fueling a buoyant demand for VFX capabilities and capacity

Virtual Production disrupting the Film & TV making process, leveraging game engine technology

Keywords is the largest global provider of game technology experts, with +2,700 specialists in our Create Service Line

… and we’re already utilizing Virtual Production to deliver on our clients’ needs

Made
by
MAVERICK
A KEYWORDS STUDIO

IDEALLY POSITIONED FOR THE METAVERSE

"The metaverse doesn't exist! You're talking about gaming" – The Drum

- Game Development
- Art Services
- Audio Services
- Functional QA
- Localization
- Localization QA
- Marketing services
- Player Experience

ZWIFT, FORTNITE, Meta, LEGO, EPIC GAMES, ROBLOX, ACTIVISION BLIZZARD

Gateways will require reliable additional capacity to create and maintain content

Keywords STUDIOS

Other participants likely to seek turnkey solutions to put their content into the Metaverse

TikTok, NIKE, Gather, PRADA

More limited role for Keywords to play in the infrastructure of the Metaverse…

Infrastructure
- Cloud / Scalability
- Connectivity
- User Interface
- Economic
- Marketing / Adtech

…but content, regardless of target audience, will require similar services to create and maintain

Content
- Social
- Creative
- Digital Events
- Traditional Gaming
- Educational / Professional

Key takeaways

→ Development of Live Ops offering

→ Expanding relevance of Games DNA into natural adjacencies

→ Strong convergence of M&E towards games – both customers and technology (Initial focus on Dubbing & Subtitling and Virtual Production)

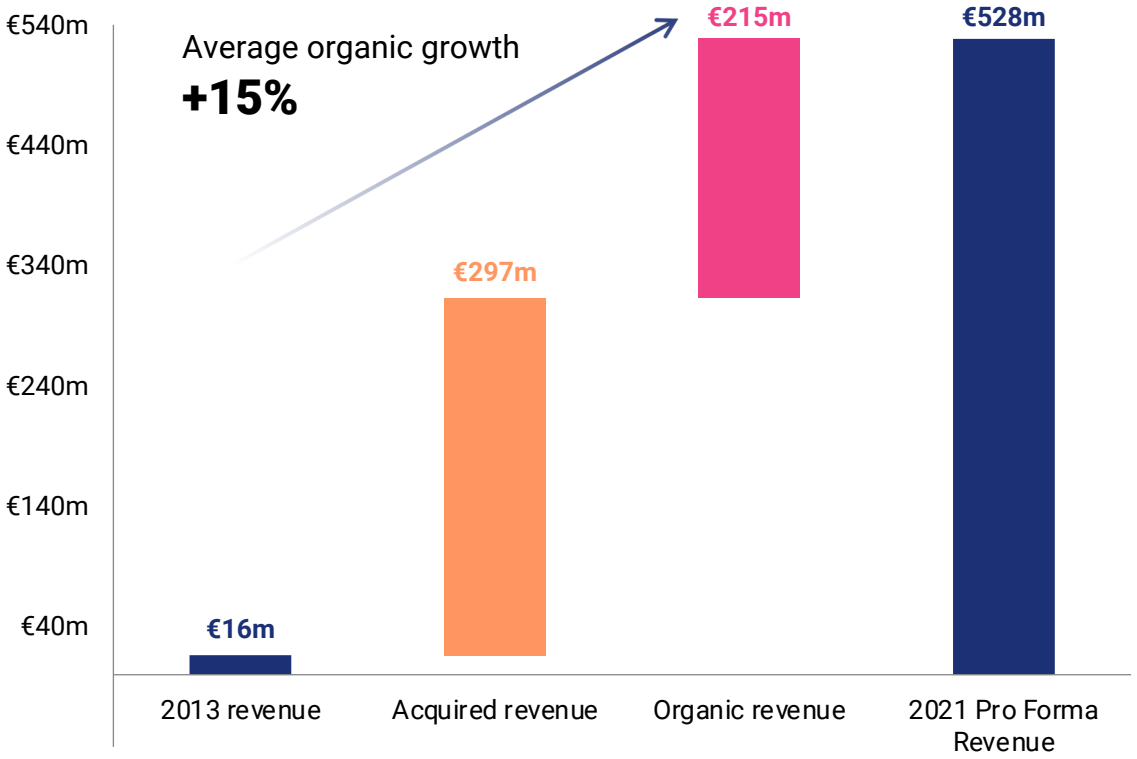
→ Well positioned for the Metaverse

Keywords STUDIOS

M&A

08

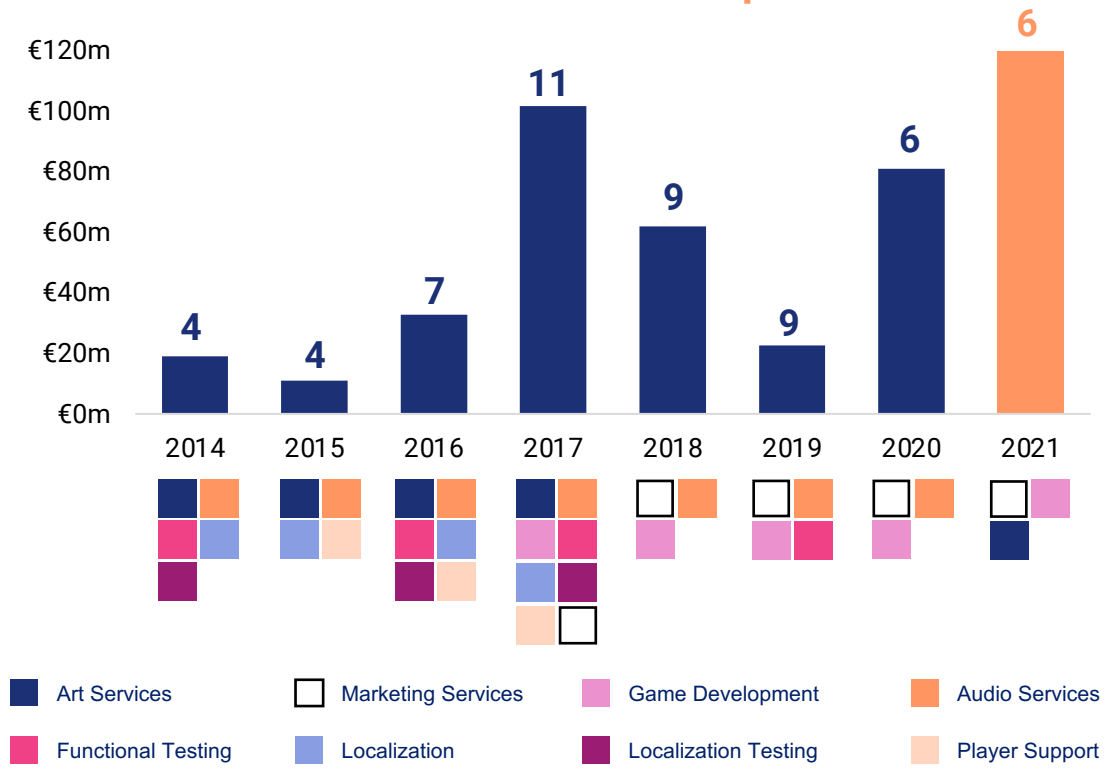
USING M&A TO BUILD OUT OUR PLATFORM



56
Value creating acquisitions since IPO

€256m
in net cash and undrawn RCF

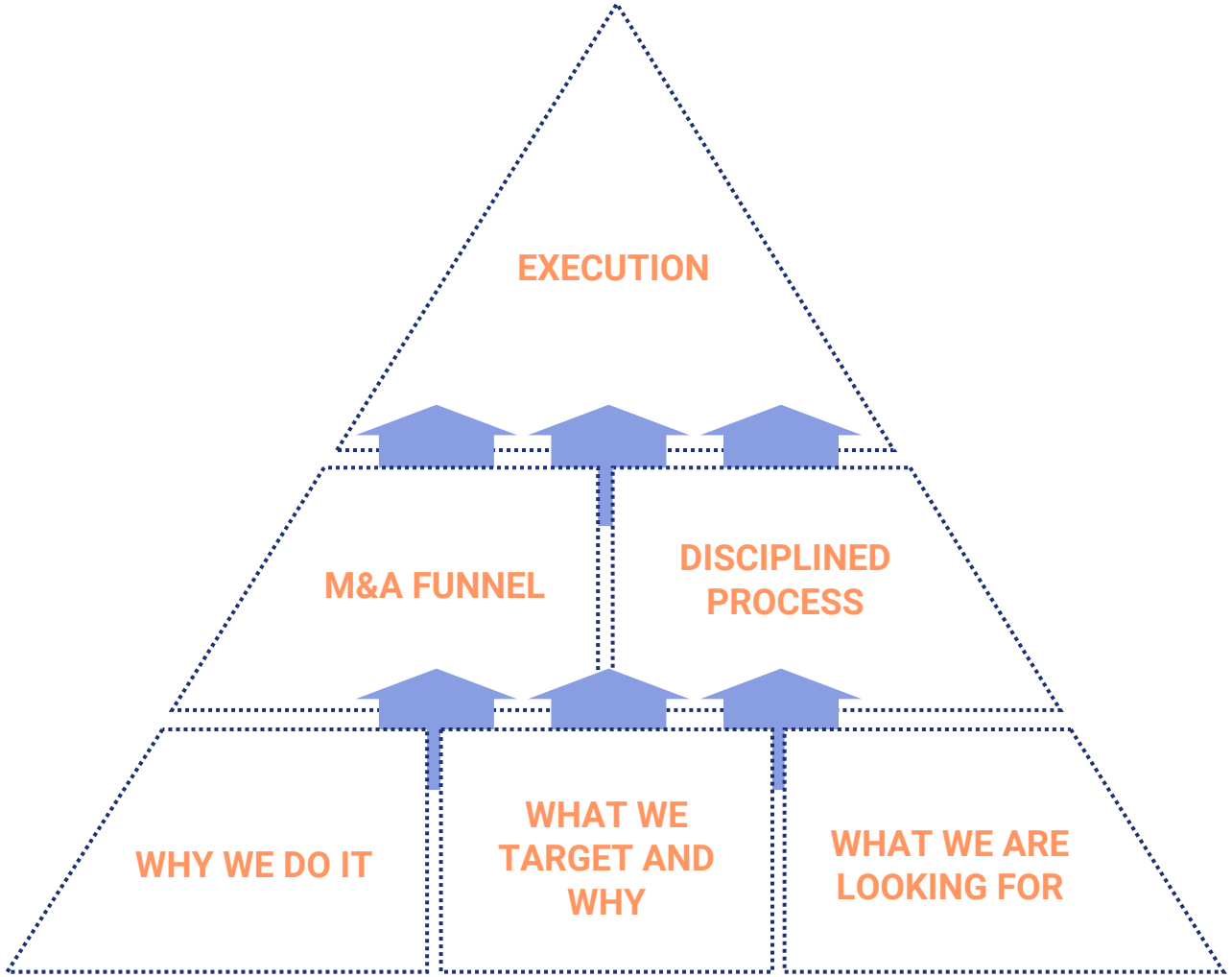
Total consideration and number of acquisitions



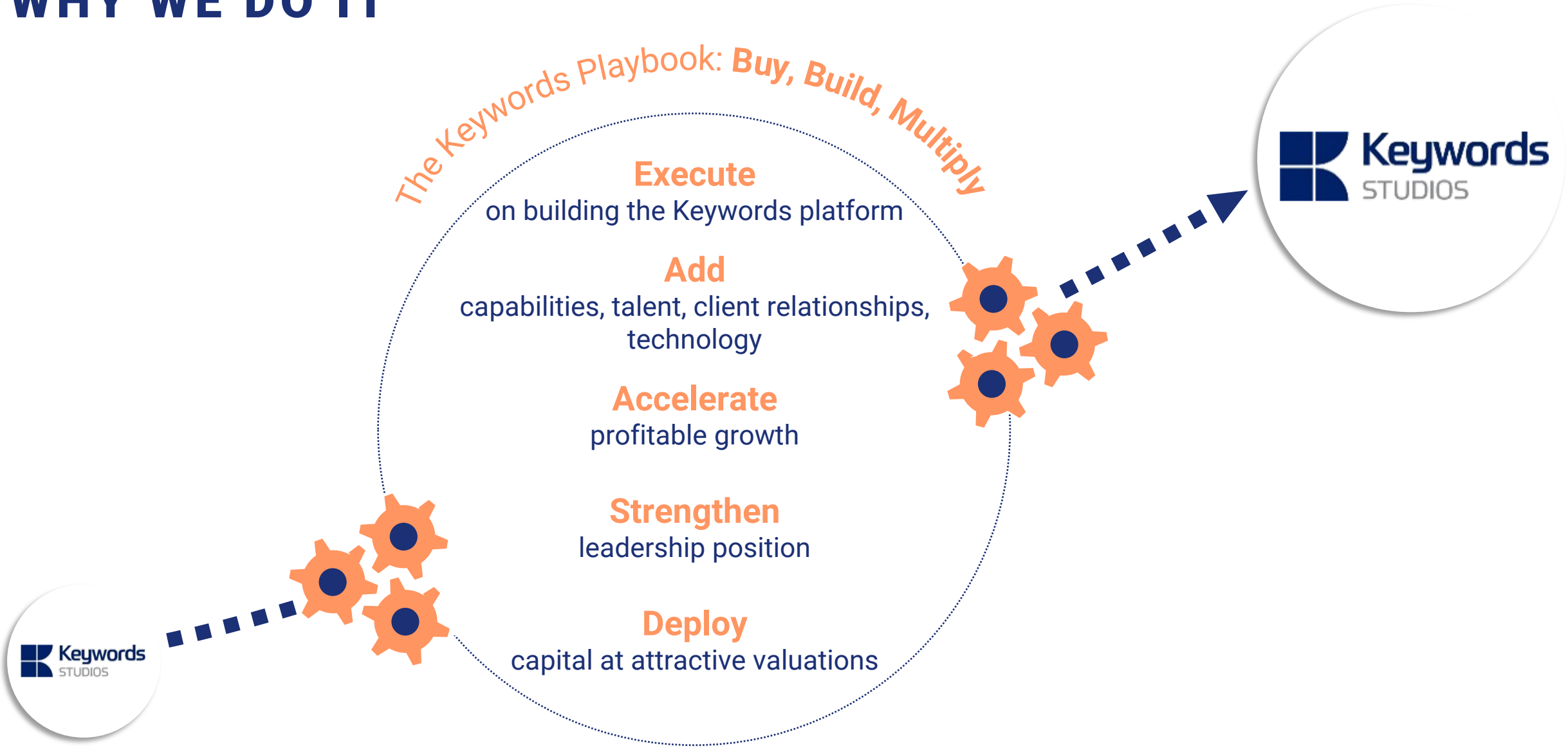
Strong pipeline from which we are selecting highest quality opportunities

Particular focus on **Game Development, Marketing Services, Technology and selective Adjacencies**

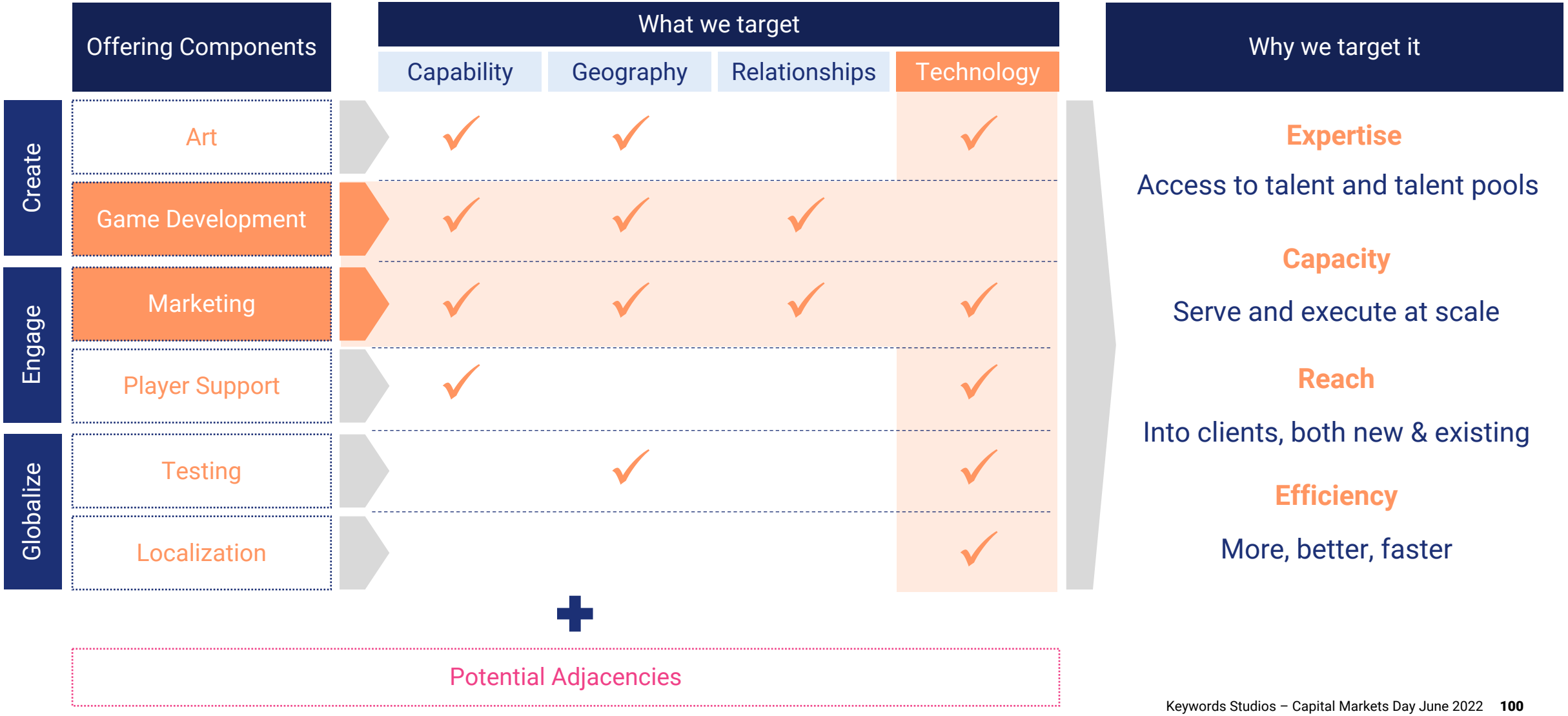
KWS M&A VERTEX



WHY WE DO IT


The Keywords Playbook: Buy, Build, Multiply
Execute
on building the Keywords platform
Add
capabilities, talent, client relationships, technology
Accelerate
profitable growth
Strengthen
leadership position
Deploy
capital at attractive valuations
Keywords STUDIOS
Keywords STUDIOS

WHAT WE TARGET AND WHY



WHAT WE ARE LOOKING FOR

We're only as strong as the next studio that joins Keywords

Culture

"One Keywords"

Entrepreneurial mindset

Humble, yet ambitious

Shared values & attitudes

Quality

Well established reputation

Strong pedigree teams

Exposure to high-profile clients and titles

Repeat business

Performance

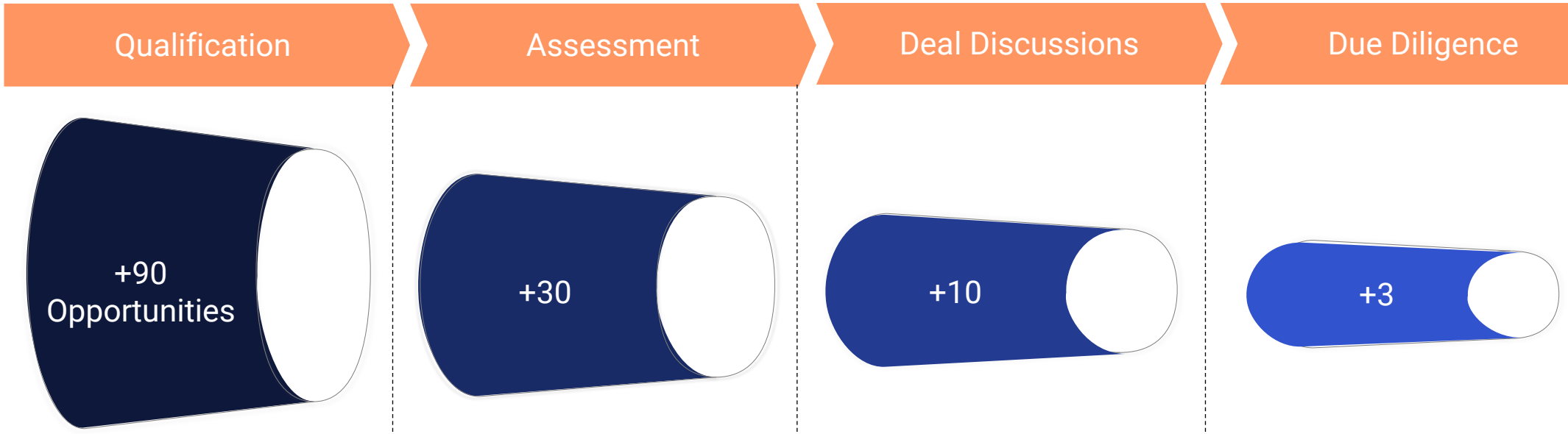
Growth and profitability

Track record of delivery

Ambitious growth plans

INDICATIVE M&A FUNNEL

At any point in time, Keywords is considering c. +30 M&A opportunities



~5-10 studios joining per year, ~€50-100m yearly spend

Strategy-driven target prioritization defined with Service Lines

Disciplined approach, with regular reviews

Strong in-house capabilities, engaging proactively with sellers

DISCIPLINED PROCESS

The “Keywords experience”

Origination

Trust-based relationship

Reputation as "good acquirer"

Early involvement of Service Lines

Internal team reinforced

Introduction to former sellers

Execution

Internal team with external support

Highly repeatable process

Continued involvement of the Service Lines

Development of integration plan

Due Diligence report signed off by Board

Integration

Dedicated onboarding resource

Careful balance:

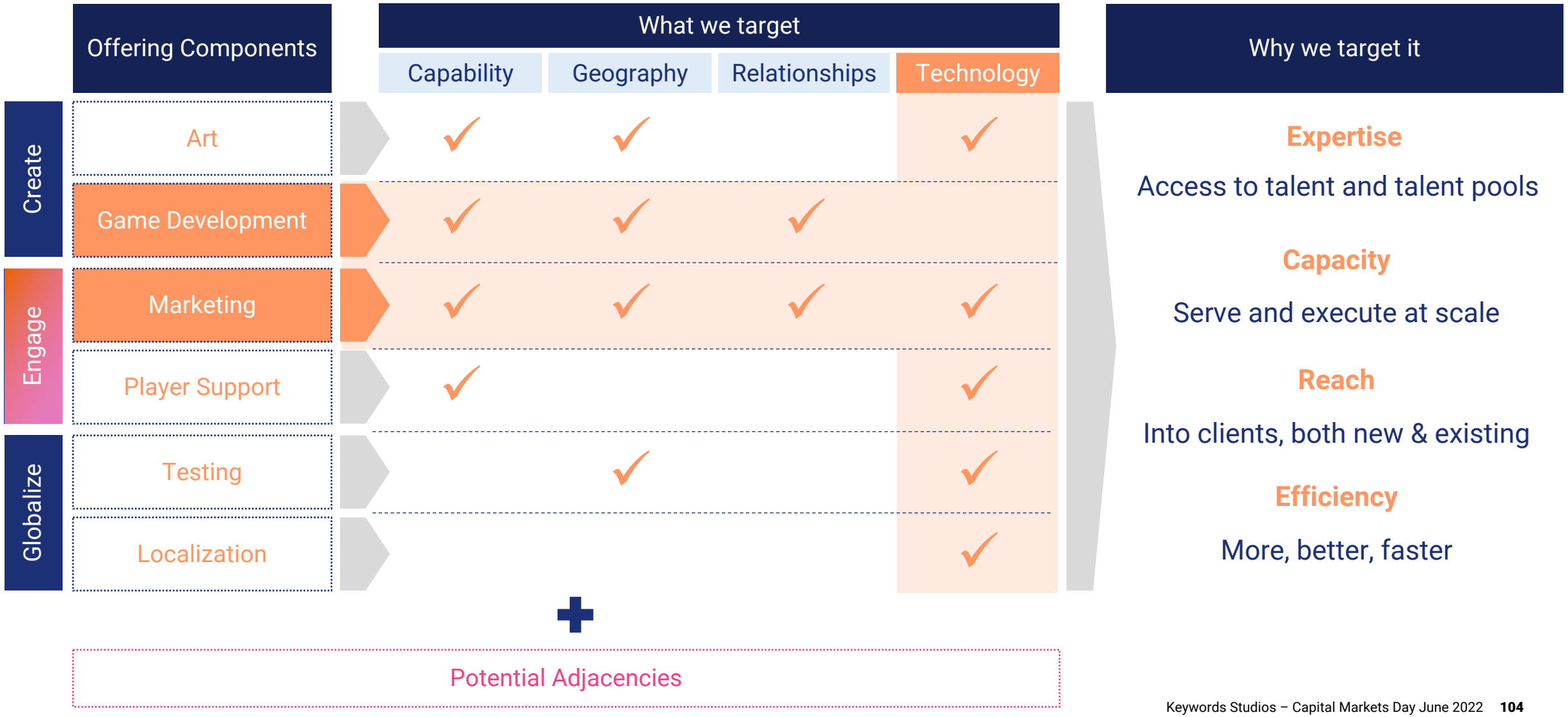
- Preserve studio’s entrepreneurial DNA
- KWS spine absorbs support functions
- Lay foundations for scaling-up

Constant proximity with Sellers throughout the process

Established process, +50 acquisitions completed

High LOI-to-Completion conversion

WHAT WE TARGET AND WHY



ENGAGE TODAY

Bringing together experts from across the network into a simple service offering, supercharging decision making in today's complex marketing landscape

Marketing Services
2021 €46m

+

Player Support & Research
2021 €46m

ENGAGE
Marketing
Community Management
Player Experience
2021 €92m

Servicing clients via specialist teams

Supported by operational excellence from service line

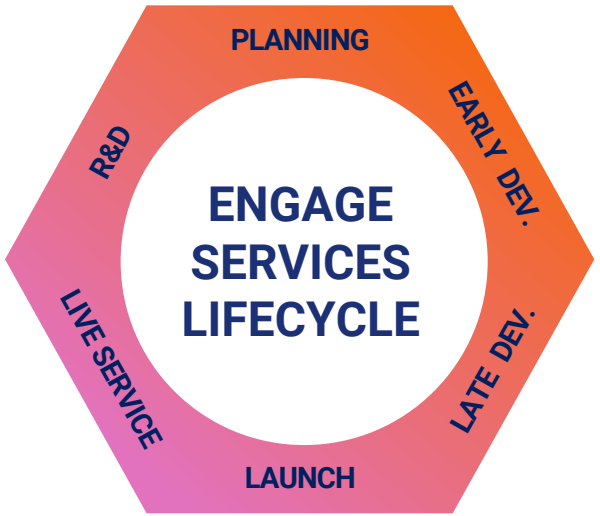
Strategic Account Planning
Market Intelligence & Data Insights Team
Integrated Solutions & Production Team
Unified Production Platform

€92m FY 2021 Engage Revenue
18% FY 2021 % of Group Revenue

2,000+ Engage Employees

30 Engage Locations
28 Engage Studios

ENGAGE TOMORROW: HOW WE WILL SERVE CLIENTS' MARKETING NEEDS



Strategic & Creative Planning

Product & Franchise Planning
Brand Identity
Campaign Planning
Community Strategy

Campaign Execution

Design
AV / content creation
PR
Influencer Marketing
Esports Marketing
Retail / Platform
Metaverse / Experiential Marketing
VR / AR

Live Service / Sustained Marketing

Social & Digital Marketing
Community Management
Player Experience / support
Performance Marketing
User Acquisition
Customer Service Tech

Data/ Insights

Primary Research
Audience, Brand & Marketplace Analysis
Sentiment Analysis
Analytics
Insights

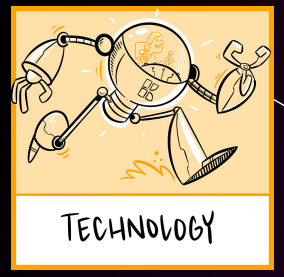
* Capabilities we're interested in

Key takeaways

- → Core part of strategy to build out platform through M&A
- → Track record of execution, with disciplined and consistent process
- → Strong pipeline of opportunities
- → Current focus on Game Development, Marketing capabilities, Technology and selective Adjacencies

IGNITING GROWTH

Most Compelling Solutions



Global Excellence

‘GAME MAKERS’

Best Clients and Titles

Best People

Targets

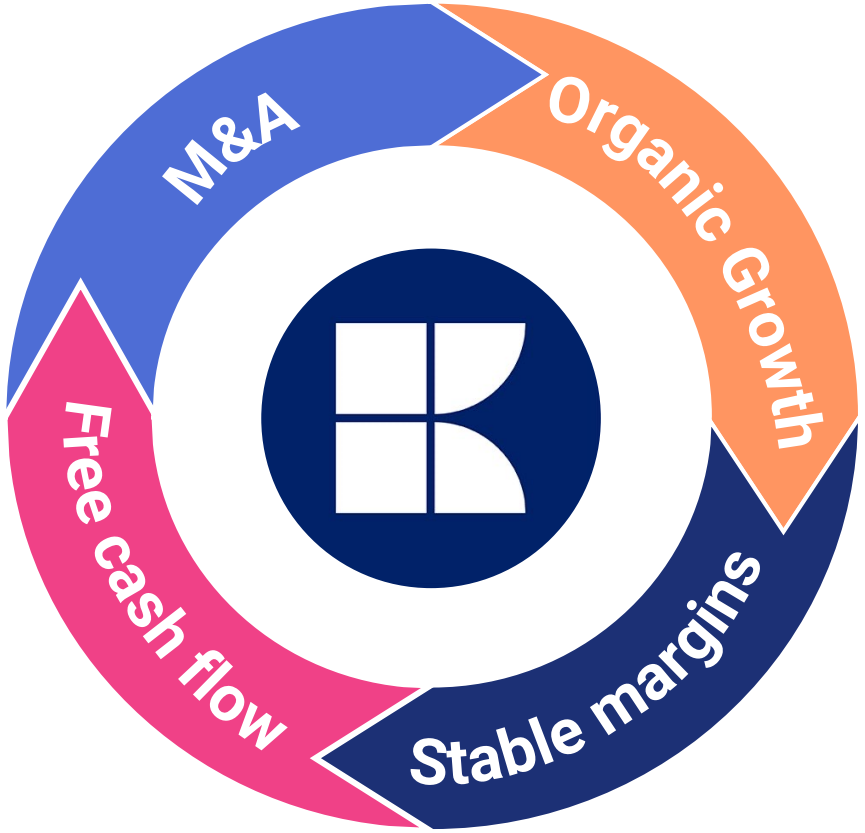
Keywords STUDIOS

KEYWORDS GROWTH MODEL

09

KEYWORDS' MEDIUM-TERM GROWTH MODEL

€50-100m
Acquisition spend per year



10%+
Organic Growth

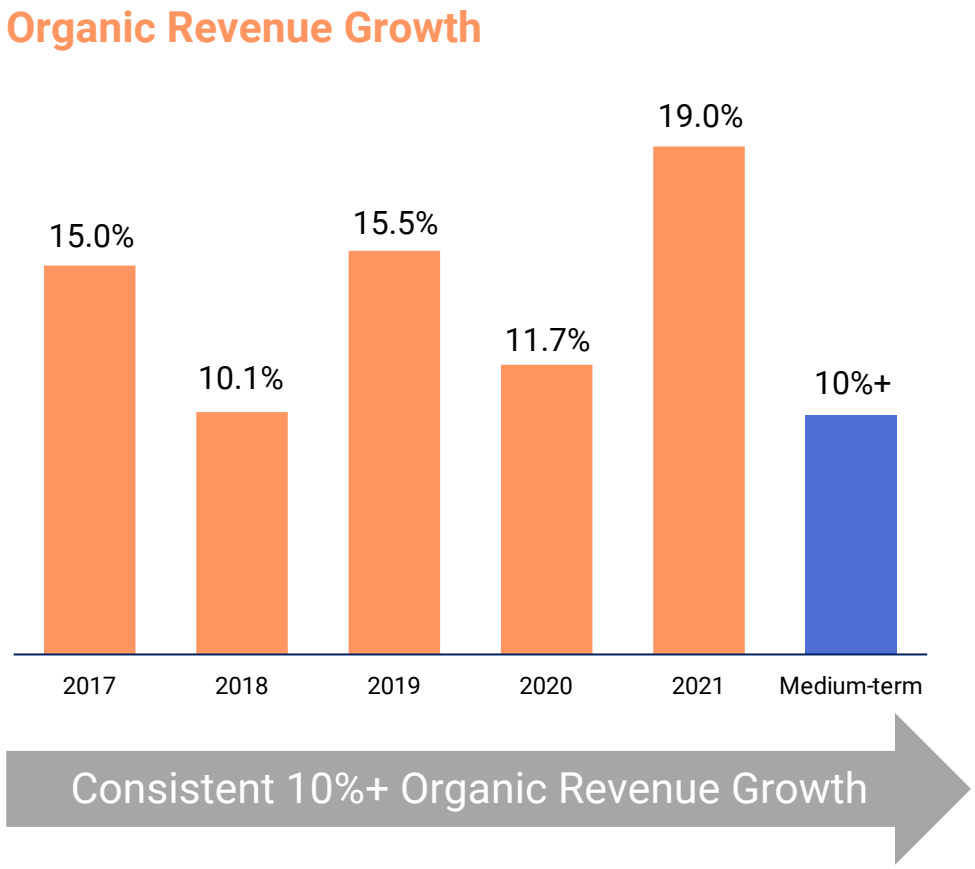
80%+
Cash conversion

~15%
Adjusted PBT margin

10%+ ORGANIC REVENUE GROWTH

10%+ Organic Revenue Growth

- → Large addressable TAM of €11bn growing by 10%
- → Only global, full-service provider in the market
- → Scale begets scale in an otherwise highly fragmented market
- → Balanced business across service lines and geographies
- → Increasingly predictable and repeating revenue base
- → Local business development supplemented by global sales team and continued cross sell opportunity
- → Clear strategy to develop strategic partnerships

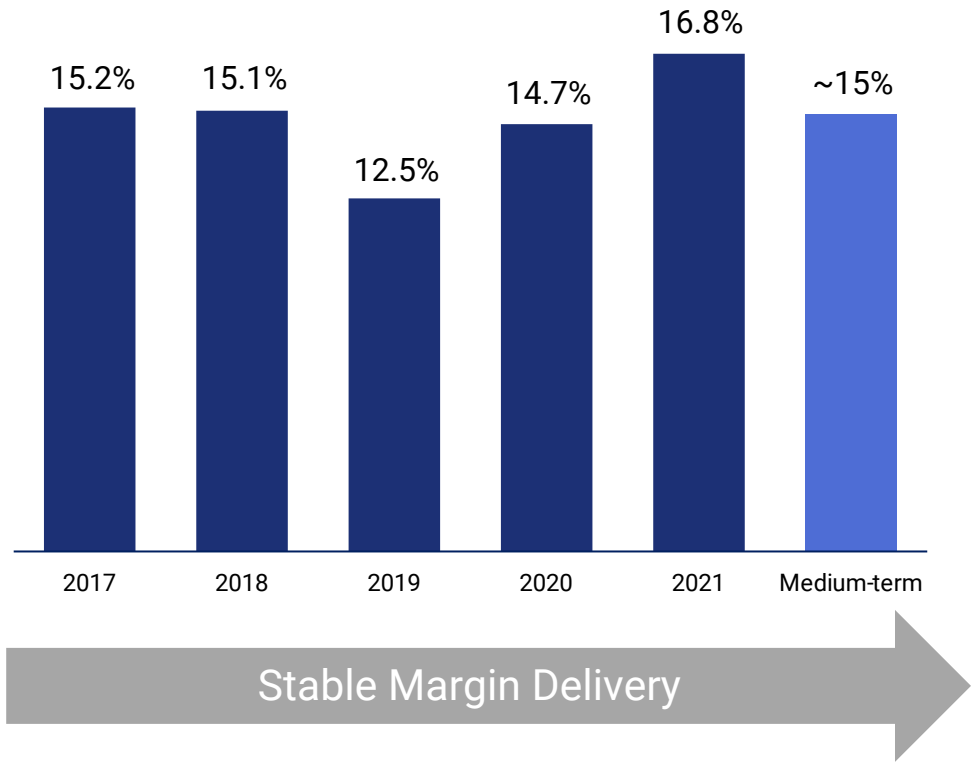


STABLE ADJUSTED PBT MARGINS

~15% Adjusted PBT margin

- → Service Line structure to drive operational excellence
- → Investment in regionalized back office to drive efficiencies of scale
- → Investment in technology and automation (e.g. Kantan)
- → Investment in Talent development particularly Game Development
- → Pricing and right shoring to lower cost locations (Poland, Mexico, India, Philippines)

Adjusted PBT Margins

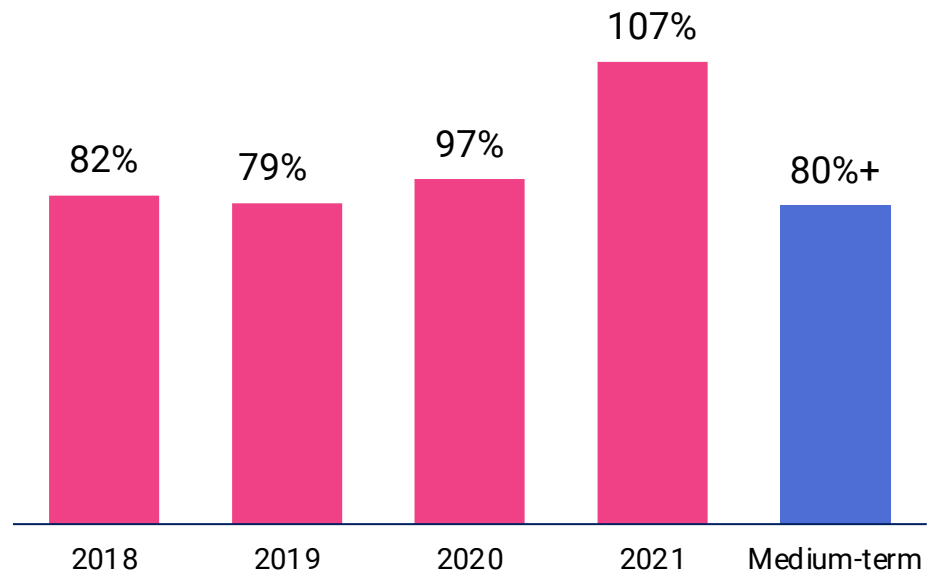


80%+ FREE CASH FLOW CONVERSION

80%+
cash conversion

- → Inherently cash generative business
- → Favourable working capital dynamics
- → Low capital requirements
- → Provides ‘organic’ funding for M&A

Cash Conversion Ratio



€50-€100M ACQUISITION SPEND PER YEAR

56 **Value creating acquisitions since IPO**

Key growth driver

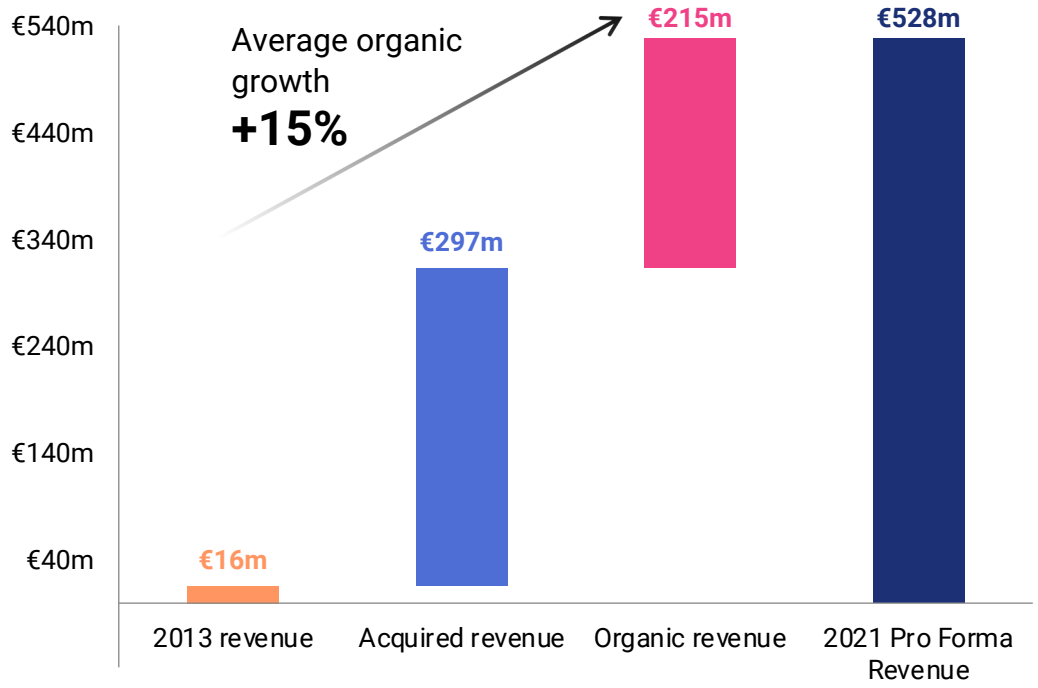
- → Acquisitions converted into resilient growth engines
- → Virtuous circle of organic cash generation from M&A investment

Disciplined and targeted M&A programme

- → Large and highly fragmented market
- → Game Development, Marketing and Technology focus
- → Selective Adjacent Market expansion
- → Executed at attractive valuations; 5 - 7x EBITDA multiple

Robust funding position

- → €253m in cash and undrawn RCF
- → Organic cash generation
- → Ability to leverage balance sheet



Strong pipeline from which we are selecting highest quality opportunities

Particular focus on **Game Development, Marketing services, Technology and selective Adjacencies**

RESILIENT BUSINESS WITH STRONG BALANCE SHEET

Resilient business model

- ‘Sticky’ revenue base with strong long-standing relationships with customers and high level of repeat business
- Increasingly embedded into customers systems and workflows
- Video games industry historically resilient in times of economic downturn
- Ability to operate almost all services in a work from home model if studios are temporarily closed
- Highly cash generative business with flexibility to flex cost base

Robust balance sheet

- Net cash of €103m at end of December 2021
- Revolving Credit Facility (RCF) of €150m expiring in 2025 with option to extend for 2 years and accordion feature to increase by €50m[1]
- Net debt to EBITDA covenant of 3 x providing flexibility to leverage the balance sheet
- Over €250m of liquidity through cash and undrawn committed headroom on the facility to:
  - Provide flexibility to execute the acquisition strategy
  - Continue to invest in the business

1. Subject to lender consent

STRATEGIC PRIORITIES

Continuing to build our platform

Organic investment

- → Continue to expand our end-to-end global services platform
- → Enhancing our service lines through further investment in technology, capacity, capabilities and geographies
- → Leveraging our platform cost-efficiently through investment in automation and innovation

M&A investment

- → A particular focus on Marketing Services and Game Development to establish them as go to providers
- → More selective acquisitions to enhance and extend other service lines and investment in technology
- → Selective adjacent market expansion

THE PATH TO A €1BN REVENUE BUSINESS

Keywords STUDIOS

OUTLOOK AND WRAP UP

10

GROUP OUTLOOK

01
Positive start to 2022 – strong organic revenue growth in the first 4 months

02
Confident of FY22 performance in line with expectations

03
Continued investment in the platform and capabilities

04
Continued strong margins moving back towards 15%

05
Well-funded to deliver our acquisition and growth strategy

06
Well positioned to take business to the next level

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

KEYWORDS STUDIOS: THE INVESTMENT CASE

Lots of runway.
Clear market leader, but only 5% of market

Picks-and-shovels in a buoyant market

Strong and **resilient platform**

We are in motion and have the plan

Source: IDG Consulting.

Keywords
STUDIOS
And here’s a taster of what
we’ve been working on...