

Second Quarter 2026

Earnings Call Transcript

August 10, 2026

CORPORATE PARTICIPANTS

Jamie Lillis, *Investor Relations, Solebury Strategic Communications*

Ryan Caswell, *Chief Executive Officer*

Brett Correia, *interim Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

Kenneth Lee, *RBC Capital Markets*

Oscar Nieves, *Stephens*

PRESENTATION

Operator

Good afternoon, ladies and gentlemen, and welcome to the Cannae Holdings, Inc. Second Quarter 2026 Financial Results Conference Call. During today's presentation, all parties will be in a listen-only mode. Following the Company's prepared remarks, the conference will be open for questions, with instructions to follow at that time.

As a reminder, this conference call is being recorded, and a replay is available through 11:59 PM Eastern Time on August 24, 2026.

With that, I would like to turn the call over to Jamie Lillis of Solebury Strategic Communications. Please go ahead.

Jamie Lillis

Thank you Operator and good afternoon. Thank you for joining Cannae Holdings' Second Quarter 2026 Earnings Call. On today's call are Ryan Caswell, Chief Executive Officer, and Brett Correia, interim Chief Financial Officer.

Before we begin, I'd like to remind listeners that this call may contain forward-looking statements and references to non-GAAP financial measures. Statements that are not historical facts, including statements about Cannae's expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on Management's beliefs, as well as assumptions made by and information currently available to Management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected.

The Company undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include but are not limited to the risks and other factors detailed in our Quarterly Shareholder Letter which was released this afternoon and in our other filings with the SEC.

Today's remarks will also include references to non-GAAP financial measures. Additional information, including a reconciliation between non-GAAP financial information to the GAAP financial information, is provided in our Shareholder Letter. These statements are subject to risks and uncertainties described in our Shareholder Letter and SEC filings. We undertake no obligation to update forward-looking statements.

With that, I'll turn the call over to Ryan.

Ryan Caswell

Thank you, Jamie, and good afternoon.

On the call today, I plan to cover four topics: how we allocated capital during the quarter and our expectations going forward, the sale of non-core assets, the execution of our multi-club sports strategy at Black Knight Football, and how we are managing the Holding Company.

Starting with capital allocation, in the second quarter we allocated $7 million of capital as returns to shareholders through our quarterly dividend and year-to-date, we have allocated $58 million to shareholders, of which $44 million is from buybacks and $14 million is from dividend.

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In the second quarter, due to the recently announced transactions, the Company did not buy back any stock. Going forward, we remain committed to share buybacks and expect to pursue buybacks in the second half of the year, especially as a result of the capital we received from the sale of Watkins and the capital freed up from the elimination of the put right.

In the second quarter, we allocated approximately $45 million to investments, including both existing investments and new investments, and year-to-date through July we have allocated $54 million to investments.

When allocating capital to investments, the Board and management team analyze the long-term return potential of each investment compared to buying back Cannae stock. This quarter, both the additional investment in BKFC and a new investment in Exeter Rugby presented what we believe are an attractive use of capital to deliver long-term shareholder returns and further our ambition of becoming a leading platform focused on sports and entertainment.

Given Exeter Rugby is a new sports related investment, I wanted to provide more detail on why we are excited about the opportunity. I also ask that you review our website where we posted a presentation on Exeter with additional information.

With Exeter, we acquired a team in one of the world's leading sports with a strong brand, proven fan base, and history of success. Exeter was acquired at an attractive valuation and deal structure. Exeter is also located 80 miles from Bournemouth and we believe there are a number of opportunities to create commercial and operational synergies across the businesses.

We have established a plan to increase commercial revenues at Exeter through a playbook which is consistent with what was developed for AFC Bournemouth. While our plan will take time, we are excited about the opportunity ahead of us and the returns we can deliver to our shareholders.

Turning to non-core asset monetization, we made significant progress this quarter. On July 30, we sold our 49% ownership stake in The Watkins Company for $90 million. Including sale proceeds, preferred dividends, and fees received during our ownership, this transaction represents a multiple on invested capital of approximately 1.2 times in less than two years at an IRR of nearly 10%.

On July 15, we closed the sale of our 87% ownership interest in Brasada Ranch to a company owned by Bill Foley, our Vice Chairman, in exchange for the termination of Bill's put right. The sale in exchange for the elimination of put right was attractive as it, one, monetized a non-core asset; two, eliminated the put right and associated liability, freeing up approximately $47 million of capital; three, eliminated potential future CapEx at Brasada; and four, demonstrated Bill's support for Cannae shares. This transaction was reviewed and unanimously approved by both our Related Person Transaction Committee and Board, with Bill not participating in the deliberations or voting.

Both of these transactions demonstrate the importance our Board and management team have put on monetizing non-core assets to generate capital for share buybacks and new investments.

The strategic process around the restaurant group is continuing, although its taking longer than anticipated. We are looking at strategies that will likely result in both sale proceeds to Cannae and eliminate negative cash flows to Cannae associated with funding operations. We will update you as soon as possible.

Now let me turn to our sports and entertainment portfolio, which continues to be the centerpiece of our strategy.

At Black Knight Football, the headline this quarter is AFC Bournemouth finished sixth in the Premier League with 57 points, the highest finish in the Club's 127-year history, and qualified for the UEFA Europa League, also for the first time in the Club's history. This is a remarkable accomplishment for a club that was fighting

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relegation in 19th place in 2022 before Black Knight acquired the business. It also comes on the heels of two transfer windows in which we sold key players for more than $350 million.

Bournemouth's European qualification meaningfully increases Bournemouth's broadcast revenue, commercial opportunities, and brand relevance. We will also open Phase 1 AFC Bournemouth's stadium redevelopment later this month, which will increase capacity by 1,000 seats and double hospitality. And importantly, the work completed thus far sets us up for the increase to 17,600 capacity starting next season.

Lastly, we continue to build out the multi-club model to create synergies across each club.

The last topic from me is the Holding Company itself. A significant area of focus at the Holding Company remains on reducing our corporate company costs. I'll let Brett expand on the specifics, but our corporate Holding Company costs are down approximately 76% from last year, which reflects the discipline the Board and management have applied.

Additionally, the Board remains focused on improving our governance policies and procedures consistent with best practices. As an example, last week our Board adopted and posted to the Cannae website a new Related Person Transaction Committee Policy that further strengthened the review and approval of related person transactions.

We would also like to welcome Brett as our interim CFO who will be presenting momentarily.

In summary, this was a very active quarter. We continue executing our plan: concentrating our portfolio further into sports and entertainment-related assets that can drive outsized investment returns, monetizing non-core assets, and opportunistically returning capital to shareholders at prices we believe are below intrinsic value. We will continue executing on all aspects of this strategy, which we believe will grow our stock price and close the discount to NAV.

With that, I'll turn the call over to Brett.

Brett Correia

Great. Thank you for the warm welcome, Ryan, and good afternoon everyone.

I'll briefly review the key aspects of Cannae and Black Knight Football's financial results before closing with a discussion of our balance sheet and liquidity position in the quarter.

For the second quarter of 2026, total operating revenues including Restaurants and Brasada, were $102 million compared to $110 million in the prior-year period. The decline was primarily driven by lower revenues at our Restaurant Group as a result of reduced traffic and store closures at O'Charley's.

Total operating expenses, including Restaurants and Brasada, were $159 million in the second quarter of 2026 compared to $171 million in the prior year period. Total operating expenses include $45 million of non-cash impairment charges at our Restaurant Group in 2026 compared to $9 million in 2025.

Operating expenses of the corporate Holding Company were just under $9 million in the second quarter of 2026, an 85% decrease from $59 million in 2025, and $18 million year-to-date in 2026, a 76% decrease from $75 million in 2025. The decrease was driven by our Board's continued focus on cost management and elimination of the management transition costs and management fees in 2025.

Next, a couple of notes on the impact of transactions on our numbers and future reporting.

With the SpaceX IPO in June, we began marking our investment to market, resulting in a gain of $83.4 million in the second quarter of 2026. The gain is based on SpaceX trading price on June 30. We expect variability in earnings as we mark the investment to market going forward.

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Brasada will no longer be a consolidated business following the sale in July and Exeter will come on as a consolidated business on a lag in future periods. Given the timing of the Exeter acquisition at the end of the second quarter, we don't expect a full quarter of P&L activity for Exeter to be reported until the fourth quarter of 2026 when we'll report Exeter results for the third quarter of 2026.

Turning to the results of Black Knight Football, which are reported on a quarter lag and do not consolidate into Cannae's financial reports, total revenues were $89 million in the quarter ended March 31, 2026, a 45% increase over revenue of $61 million in 2025. The increase was driven by continued growth in TV rights and sponsorship revenue at Bournemouth and the inclusion of post majority acquisition revenue from FC Lorient and Moreirense.

EBITDA was $80 million in the first quarter of 2026 compared to $8 million in 2025. The increase was driven by the growth in revenues and profit on player trading. Adjusted EBITDA excluding profit on player trading was $34 million in the first quarter of 2026 compared to $8 million in 2025.

Turning to the balance sheet, the Holding Company ended the quarter with $46 million of cash and $47.5 million of debt maturing in 2030. In July, our liquidity profile was strengthened meaningfully by the sale of Watkins for $90 million and the Brasada transaction, which eliminated the put right. Following these transactions, Cannae has $124 million of corporate cash today and we continue to expect to collect our $45 million federal tax refund in 2026, providing plenty of flexibility to support the capital allocation priorities outlined by Ryan.

With that, Operator, please open the line for questions.

Operator

Thank you. At this time, if you would like to ask a question, please press star, one now on your telephone keypad. To withdraw yourself from the queue, you may press star, two. Again, to ask a question that is star, one now on your telephone keypad, and we'll pause for just a moment to allow everyone a chance to join the queue.

We'll take our first question from Kenneth Lee with RBC Capital Markets. Please go ahead. Your line is open.

Kenneth Lee

Hey, good afternoon, and thanks for taking my question.

First one on just capital allocation priorities. Wondering if you could just frame out or quantify how much repurchases you could do in the second half, or perhaps maybe talk about some of the excess capital you have available for repurchases. Thanks.

Ryan Caswell

Hey, Ken, thank you for the question. As I said in my comments, we remain committed to share buybacks as a way to return capital to shareholders. We review and we'll continue to opportunistically acquire shares. In terms of the specific amount of excess capital we have, as Brett mentioned, we have about $124 million of cash today which gives us plenty of excess capital to acquire shares or look at investment opportunities in the back half of the year.

Kenneth Lee

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Got you. Very helpful there. And then a follow-up, if I may, just on the ongoing restaurant business strategic review there. I wonder if you could talk about, sort of like the activity or the discussions taking place and perhaps why it's taking a little bit longer than you expected. Thanks.

Ryan Caswell

Yes. I think the biggest reason—we are continuing to talk on the different brands. I think, one, there's been a delay around the ability to secure financing around one of the transactions. It's taken longer than we thought. All that being said, I think we have a path. We have a path forward and we're hopeful that over the next quarter we can get to completion.

Kenneth Lee

Got you. Very helpful there. And one more follow-up, if I could just squeeze it in. In terms of the Brasada Ranch transaction, I saw the $40 million enterprise value there. How does that compare with the fair value mark on Brasada prior to the transaction? Thanks.

Ryan Caswell

Yes, so the $40 million, the enterprise value, there was about $17 million of debt on the business, which made about $23 million of equity. We owned about 87% of it, which meant that our equity was worth around $20 million, which was the same value, roughly the same value as the liability on the 3/31 balance sheet related to the put.

Kenneth Lee

Okay, great. Very helpful. Thanks again.

Ryan Caswell

Thank you, Ken.

Operator

Thank you. We'll move on now to Oscar Nieves at Stephens Company. Please go ahead.

Oscar Nieves

Thank you. You disclosed a stake of roughly 650,000 shares of SpaceX in your latest Sum of the Parts. (Inaudible) lockup post SpaceX's IPO, and if so, when does that expire? And on that same topic, what's the current thinking on those shares longer term?

Ryan Caswell

Yes, thanks, Oscar. The lockup is a tiered lockup that's over 180 days. The first set of it was released, I believe it was last Thursday. But if you look in the SpaceX prospectus, you can see the details.

In terms of our plans with regards to the SpaceX shares going forward, like I mentioned on our last call, our Board is going through each asset on our balance sheet quarterly and determining what is the optimal path and timing for liquidity to optimize return to our shareholders, and we will do that with both SpaceX as well as our other investments.

Oscar Nieves

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Very helpful. My next one is a follow-up on your earlier comments on the Restaurant Group. I saw in the 10-Q that there was a $32 million goodwill impairment this quarter. Does that change the timeline on that strategic review at all? Can you give us any color on that?

Ryan Caswell

It does not change the timeline on the strategic review. Some of that was related to different parts and aspects of the actual ongoing process.

Oscar Nieves

All right. Helpful. One last one for now. You noted that HoldCo expenses were down 76% year-over-year this quarter. Do you expect that lower run rate to continue for the rest of the year, or how should we be thinking about that?

Ryan Caswell

Generally, yes. There's a little bit of seasonality with in terms of how payments are made and there was some one-time expenses, so it won't be perfect, but directionally, yes, that's correct. Corporate HoldCo expenses will be down materially for the remainder of the year as well.

Oscar Nieves

Good to hear. Thank you very much.

Operator

Thank you. At this time there are no further questions in queue. I will now turn the meeting back over to Ryan Caswell for closing comments.

Ryan Caswell

I want to thank you for all the support as we continue to execute our strategic priorities. We look forward to updating you on our progress next quarter. Thank you very much.

Operator

Thank you, gentlemen. Again, ladies and gentlemen, this will conclude the Cannae Holdings Inc. Second Quarter 2026 Earnings Conference Call. Thank you all so much for joining us today. We wish you all a great afternoon. Goodbye.

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