Third Quarter 2026
Earnings Call Transcript

November 9, 2026

CORPORATE PARTICIPANTS

Jamie Lillis, *Investor Relations, Solebury Strategic Communications*

Ryan Caswell, *Chief Executive Officer*

Brett Correia, *interim Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

Oscar Nieves, *Stephens*

PRESENTATION

Operator

Good afternoon, ladies and gentlemen, and welcome to the Cannae Holdings, Inc. Third 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 November 23, 2026.

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

Jamie Lillis

Good afternoon, and thank you for joining Cannae Holdings' Third 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, an update on our sports-related assets, progress on our non-core asset monetization strategy, and managing the Holding Company.

Starting with capital allocation, in the third quarter we allocated $54 million of capital as a return to our shareholders through both share buybacks and our quarterly dividend. Year-to-date through today, we now have allocated $131 million to shareholders, including 7.7 million shares bought back, representing over 16% of our shares outstanding, and further demonstrating our commitment to capital returns to our shareholders. Going forward, we will remain committed to both disciplined share buybacks and our quarterly dividend.

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

In the third quarter, we continued the transformation of our portfolio to focus on sports and entertainment-related assets, as evidenced through our investments during the quarter.

In the quarter, we allocated $28 million of capital to new investments, which consisted of $22 million to Black Knight Football and $4 million to the Restaurant Group.

Our Black Knight Football investment related to our participation in a $40 million Black Knight capital raise to accelerate growth and expansion of the platform. The raise was done at a 20% premium to the initial capital raise and a 7% premium to the shares issued in connection with the FC Lorient transaction in January. We believe there remains significant upside to this valuation as Black Knight executes on its plan.

Capital to the Restaurant Group related to funding ongoing cash losses and closing O'Charley's. We expect cash uses at the Restaurant Group to be much lower going forward, given the closure of O'Charley's.

Year-to-date, we have now allocated $62 million to investments in sports-related assets, or 91% of the total capital allocated to new investments, excluding funding related to the Restaurant Group, demonstrating our commitment to transitioning our portfolio to focus on sports and entertainment.

We will continue to search for sports and entertainment-related investments, given their strong macroeconomic tailwinds and unique characteristics that support long-term value creation and our proven track record of sourcing, operating and creating value within these assets. Any new investment will be compared to buying back Cannae stock in terms of what is best positioned to deliver long-term shareholder returns.

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

At our largest investment, Black Knight Football Club, we continue to make progress across the group. At AFC Bournemouth, this fall the team opened Phase 1 of its stadium renovation, which included updates to all hospitality offerings, including doubling hospitality covers and increasing the capacity of the stadium. Phase 2, which will open next year, is focused on further increasing the capacity to approximately 17,600. The stadium investment improves the overall brand, enhances our ability to recruit top talent, improves fan experiences, and allows the stadium to generate additional match-day revenue of approximately $10 million when complete.

From a sporting perspective, Bournemouth is performing incredibly well and is currently on an 8-game winning streak across all competitions. It has started its first-ever European campaign by winning its first four games and currently sits in second place in the Europa League.

In the Premier League, after a slower start, Bournemouth has won four straight games and now sits in seventh place. Bournemouth is also in the quarterfinals of the Carabao Cup, a separate domestic competition, for only the second time in its history.

AFC has also seen significant improvement from a financial perspective with fiscal year 2026 up 50% since we acquired the team and EBITDA, including player trading, currently at $84 million, up over 250% since we acquired the team. Brett will provide more details on these financials.

All of these results speak to the changes and value we have created from when we acquired AFC Bournemouth in 2022 and the team was fighting relegation.

We also continue to build out FC Lorient and Moreirense FC in terms of both their success within their domestic leagues, as well as creating a broader player development and commercial strategy across the group. We are excited for the future of Black Knight.

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 https://viavid.com/

Moving to our newest sports investment, Exeter Rugby, since we acquired the business at the end of June, we have spent significant time with management beginning to transform the business. We are currently focused on hiring additional experience in the commercial and marketing departments to expand the fan base, improve fan experience and deliver additional commercial revenues. We have also looked at key areas to improve facilities and the playing squad within the confines of a salary cap league with no relegation. While still early, we are very optimistic about where we can take the team and following parts of the playbook learned from AFC Bournemouth.

Turning to non-core asset monetization, this quarter we closed on the sale of the previously announced 49% ownership stake in The Watkins Company, as well as 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 the put right.

During the quarter, we also chose to close the operations of O'Charley's. As we have mentioned previously, despite management's best efforts, post-COVID, O'Charley's has struggled to return to profitability. While we wished for a different outcome, ultimately, we made the decision that funding losses at O'Charley's was not in the best interest of our shareholders, and we used the broader strategic process to manage this outcome. We have now recognized all material expenses associated with the wind-down.

As it relates to Ninety Nine, we continue to look for solutions that generate capital for Cannae. Unfortunately, the business and broader market for casual dining restaurants has generally been challenged since we announced the strategic review in February. This has meant that the potential transaction has taken longer and been more complicated than expected, but we remain focused and resolute on finding an outcome. I will provide more details as we are able.

More broadly, our Board and management team have spent significant time over the quarter reviewing our portfolio and identifying select non-core assets where a disciplined monetization strategy can generate additional capital for share buybacks and new investments. We remain committed to monetizing non-core assets in a disciplined manner going forward and will provide announcements as appropriate.

The last topic to discuss is the Holding Company itself. We continue to focus on making the Holding Company more efficient from a cost perspective, and we have made substantial progress, which Brett will address. Additionally, the Board remains focused on improving our governance policies and procedures.

Finally, our Board announced last week that two members, Mark Linehan and Woody Tyler, would not stand for reelection and that we would be reducing the overall size of our Board to 10 members. We would like to thank both Mark and Woody for their contributions to Cannae.

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

Brett Correia

Thank you, Ryan, and good afternoon everyone.

I will 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.

First, a note on the impact of transactions from the quarter on our financials.

Beginning this quarter, O'Charley's was presented as a discontinued operation following the closure of its remaining restaurants in September, and prior-period results have been recast accordingly. Brasada Ranch was sold in mid-July, and its results are included in continuing operations through the date of its sale.

The third quarter was our first full quarter of ownership of Exeter Rugby, which we consolidate on a lag. We will first report Exeter's calendar third quarter results in the fourth quarter of 2026.

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 https://viavid.com/

For the third quarter of 2026, total operating revenues were $68 million compared to $81 million in the prior-year quarter. The decline in revenue was primarily driven by the sale of Brasada Ranch, which accounted for $10 million of the revenue decline from the prior-year quarter.

Total operating expenses were $95 million in the third quarter of 2026 compared to $89 million in the prior-year period. Total operating expenses include $18 million of non-cash impairment charges primarily to goodwill at our Restaurant Group in 2026, compared to less than $1 million in 2025.

Operating expenses of the corporate Holding Company were $7 million in the third quarter of 2026 compared to $9 million in 2025. Holding Company expenses were $25 million year-to-date in 2026, representing a 70% or $59 million decrease from $84 million in 2025. The decrease was driven by our Board's continued focus on cost management and the elimination of the management transition and management fees in 2025.

Highlighting our continued focus on corporate Holding Company expense savings, we have recently identified approximately $3 million of additional annualized savings going forward by eliminating a lease and cost-sharing agreement.

Recognized gains were $30 million in the third quarter of 2026 compared to $9 million in 2025. Recognized gains in the third quarter of 2026 primarily reflect a $15 million gain on the sale of Watkins, a $9 million gain on the sale of Brasada, and a $20 million bargain purchase gain on the Exeter acquisition, partially offset by an unrealized mark-to-market loss on SpaceX.

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 $118 million in the quarter ended June 30, 2026, a 34% increase over revenue of $88 million in 2025. The increase was driven by continued growth at Bournemouth from the success of its '25/26 campaign and the inclusion of post-majority acquisition revenue from FC Lorient and Moreirense.

EBITDA was $11.6 million in the quarter ended June 30, 2026, compared to $95.7 million in 2025. The decrease was driven by lower profit on player trading, which was $5 million in the quarter ended June 30, 2026 compared to $80 million in the prior-year quarter.

Adjusted EBITDA excluding profit on player trading was $6.6 million in the quarter ended June 30, 2026, compared to $15.8 million in 2025.

For the trailing 12 months ended June 30, 2026, Black Knight Football generated revenue of $312 million, a 32% increase over 2025. Bournemouth achieved record revenue of $287 million in its fiscal year ended June 30, 2026, a 21% increase over 2025.

Finally, turning to our balance sheet and cash flow, the Holding Company ended the quarter with $90 million of cash. During the quarter, we received $90 million from the sale of Watkins and collected our $45 million federal tax refund, and we deployed $47 million of capital to repurchase 3.1 million Cannae shares, $6 million to our dividend and $22 million to an additional investment in Black Knight Football.

We repurchased an additional 1.2 million Cannae shares in October and November for $19 million. Year-to-date through today, we have now returned $131 million to shareholders, including $111 million for the repurchase of 7.7 million Cannae shares ,and $20 million of dividends.

Cannae has $68 million of corporate cash as of today. Looking forward, we expect to save approximately $16 million of cash annually from the closure of O'Charley's based on the run rate of Cannae's funding of the business from the first half of 2026.

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

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

Operator

Thank you. If you would like to ask a question, please press star, one on your telephone keypad. To leave the queue at any time, press star, two. Once again, to ask a question that is star, one.

We will take our first question from Oscar Nieves with Stephens Inc. Please go ahead.

Oscar Nieves

Hello, good afternoon.

My first question is on the Ninety Nine announcement that you guys made, you said that O'Charley's is closed and that the review now covers Ninety Nine only. Is the transaction that you mentioned last time that was delayed on financing still ongoing, or is that something that didn't materialize?

Ryan Caswell

Hey, Oscar, thank you very much. Yes, so we split them into two separate transactions. As we said, we closed O'Charley's. As I mentioned in my prepared remarks, the Ninety Nine transaction is still ongoing, but given the performance and the overall market, it has been delayed, and so we are continuing to look at multiple alternatives, but we are resolute in trying to find a solution for the business.

Oscar Nieves

My next one is on buybacks. You mentioned how much capital you have allocated to shareholder returns year-to-date. Can you give us an update on how much buyback authorization is still available, and whether the framework for share repurchases has changed now that the cash balance is a little lower than it was earlier in the year?

Ryan Caswell

Let me start with the back half of the question first, and I'll let Brett answer on how much we have under the buyback authority.

Our view on buybacks has not changed since the beginning of the year. We remain committed to share buybacks, as evidenced both from the purchases thus far this year and our comments in the script. We'll continue to look at capital allocation and liquidity on an ongoing basis to try and determine what will maximize value for shareholders between capital returns and new investments. So that framework is consistent and will continue going forward.

Brett, do you want to talk about the authority?

Brett Correia

Oscar, we have about 7.6 million of remaining authority under our current programs.

Oscar Nieves

Thank you. My last one is, you mentioned an incremental investment in Black Knight. Can you elaborate a little bit more on what the use of funds of that capital raise is?

Ryan Caswell

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 https://viavid.com/

Of course. The use of funds is for the individual clubs. The biggest piece of that is at Bournemouth, where as I mentioned in the remarks, we're continuing the stadium renovation. We've completed Phase 1 and are now working on Phase 2, and then separately to fund operations of the businesses. There's some small capital needs at both Lorient and Moreirense, but the vast majority is at Bournemouth and the stadium renovation.

Oscar Nieves

Thank you. Very helpful.

Ryan Caswell

Thanks, Oscar.

Operator

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

Ryan Caswell

I want to thank you all for 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 Incorporated Third Quarter 2026 Earnings Conference Call. Thank you all so much for joining us today. We wish you all a great afternoon. Goodbye.

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 https://viavid.com/