

RTH Delivers Before Tax Profit in FY24 on the Back of Strong Revenue Growth

Highlights

- **FY24 revenue a record \$16.2m, +38% versus prior corresponding period (pcp).**
- **Annualised recurring revenue (ARR) of \$18.9m, +43% versus pcp.**
- **EBITDA of \$1.9m, versus \$0.3m in pcp.**
- **Achieved first before tax profit since listing on the ASX.**
- **Cashflow from operations of +\$2.3m, versus +\$64k in pcp.**
- **Executed landmark deals with Stake.com and Playbook Engineering.**
- **Cash balance of \$8.3m at 30 June 2024.**
- **Strong finish to FY24 positions the Company well for improved revenue and profit outcomes in FY25.**
- **Investor webinar to be held 11:00am AEST today, Thursday, 22 August 2024. [Click here to register](#)**

RAS Technology Holdings Ltd (ASX:RTH) ('RAS' or 'the Company'), a leading provider of fully integrated premium data and enhanced content and technology solutions to the global racing and wagering industries, is pleased to announce its results for the full year ended 30 June 2024 ("FY24").

RAS CEO Stephen Crispe said:

"Our results for FY24 highlight our continued growth trajectory, achieving record revenue of \$16.2 million, up 38% on the prior corresponding period. This has been driven through careful execution of our expansion strategy, which has included development of new products and services in the wagering technology space, continued innovation in our range of enhanced data and content products, and an uplift of demand in the digital business.

"Pleasingly, we have signed landmark deals with Stake.com, who are one of the largest crypto wagering and casino operators in the world, as well as Playbook Engineering, who has integrated our premium racing data and content together with our industry leading Trading Manager into their sportsbook platform, with 12 customers onboarded to date. We also closed a number of other major deals, including providing our premium data and content to Racing and Wagering Western Australia (RWWA), combined with a range of smaller contracts across all geographies, a trend which is continuing into FY25.

"Despite some global headwinds, we are seeing consistent demand for our products and services which are aimed at reducing operator overheads and increasing wagering participation and turnover. With our focus on targeting existing and emerging international territories to maintain and accelerate growth, we are confident about the future and continued expansion of the business."

Financial Performance

	FY23	FY24	Change
Revenue	\$11.7m	\$16.2m	38%
Gross Profit	\$10.1m	\$13.1m	29%
Gross Profit (%)	86%	81%	5%

The Company delivered record revenue of \$16.2m in FY24, representing an increase of 38% compared to the previous corresponding period. EBITDA for the 12 months was \$1.9m, up from \$0.3m in the pcp.

ARR was \$18.9m at 30 June 2024, up from \$13.2m a year earlier.

Gross margins remain strong at 81% (down from 86% pcp). The slight decrease in gross margins was due to several factors including increased sales expenses comprising pay aways to delivery partners (as well as commissions to internal staff), increased data rights fees with the Company's acquisition of the UK and French racing rights, and growing IT processing costs to service higher volumes.

All business segments continued to deliver strong performance. Enhanced Information Services generated recurring revenues of \$11.7m (+28% vs pcp); Wagering Technology generated recurring revenues of \$5.9m (+65% vs pcp); and Digital and Media recorded recurring revenues of \$1.2m (+39% vs pcp) driven by strong demand for online advertising against the backdrop of the Government review into advertising restrictions for online gambling.

Operational Summary

RAS experienced a surge in deal activity and the successful launch of key initiatives in FY24, including the execution of landmark deals with leading platform provider in the UK and European sports betting markets, Playbook Engineering, and one of the largest online casinos and sportsbooks globally, Stake.com.

RAS has successfully integrated Racing and Sports data and content onto the Playbook Engineering platform, with 11 brands already live by 30 June 2024, resulting in annual revenue from the deal already exceeding \$1.15 million. Further brand integrations are anticipated in FY25.

The Company has extended its services, in addition to data and content integration, since the multi-year contract was initially signed to include a fixed odds service for the UK, Ireland, and South Africa racing, further developing the offering on the Playbook Engineering platform.

RAS anticipates continued robust revenue growth throughout FY25 from Playbook Engineering, driven by the increasing adoption of its services and the ongoing expansion of the partnership.

In early June, Stake.com successfully launched its new racing offer to its entire customer base, achieving results in line with expectations in what has the potential to be RAS's most significant partnership to date.

Stake.com initially launched a limited MVP racing offer focused on thoroughbreds with win and place betting, covering regions like Australia/NZ, Asia, Ireland, and South Africa, but without visual content. In June, the platform added greyhound content and streaming for select regions, followed by harness racing in July. Over the coming months, Stake.com plans to introduce more betting options, including exotics and same-race multis.

Stake.com are also planning on adding further high-quality content from other key racing jurisdictions. This rollout will feature expanded video streaming, a fuller range of bet types, enhanced racing experiences with tips and race overviews, and increased promotional efforts as the platform broadens its global reach.

The collaboration's remuneration model is structured around a percentage of the net gaming revenue generated through Stake.com's racing offer. Stake.com has facilitated over 230 billion bets since its 2017 inception, and supports fiat and cryptocurrencies for betting.

The Company signed a three-year deal with Racing and Wagering Western Australia (RWWA) to supply international, market-leading racing data and content for RWWA's racing wagering and sportsbook arm, TABtouch. RAS is contracted to receive \$1.16 million plus indexation over the initial three-year term, with an additional \$772k plus indexation to be received upon the exercise of an optional two one-year options.

RAS also signed a range of new deals and contract extensions during the year including a deal extension with Tabcorp Holdings (ASX:TAH) to provide additional innovative features for their customer base, an extension of RAS's agreement with global sports betting and gaming entertainment operator Entain Group to include the provision of racing data and content to Entain NZ, and a contract extension with Bet365 to provide additional services to support their current contracted operations.

Trading Update & Outlook

The strong momentum has continued into the early stages of FY25 with the Company recently signing a new agreement with Pragmatic Play (Pragmatic), a leading sportsbook, casino and slots supplier to the iGaming industry. This partnership will leverage RAS Technology's Software as a Service (SaaS) platform, along with its comprehensive horse racing and greyhound data and editorial content, to drive the new Pragmatic hosted Sportsbook's racing offering.

Pragmatic's new solution will be available globally, both to existing sportsbook operators as well as to casinos and other iGaming operators wishing to complement their offering with this additional vertical.

The agreement marks a significant step forward for RAS, enhancing its footprint in the global wagering and racing industries. The collaboration with Pragmatic Play is expected to drive substantial growth as their Sportsbook client base grows, and further solidify RAS's position as a leading provider of innovative solutions.

Meanwhile, Picklebet is transitioning from the MTS solution to RAS's in-house Trading Manager platform from September. The Company will continue to provide Picklebet with an extensive racing solution including RAS's trading SaaS, data and content, betting and racing innovations. This change is not expected to significantly impact the Company's bottom line (given that the service will now be delivered entirely on RAS's technology platform and will no longer require a delivery partner) but may

impact annual revenue and ARR to the extent that RAS is not able to replace the value of these services through another source.

The Company also recently signed a multi-year Data and Content agreement with Pointsbet and is nearing completion of renewal contracts for several Tier 1 customers.

Last week, RAS announced it had entered into a strategic partnership with gaming and wagering industry investor Waterhouse VC, under the terms of which, Waterhouse VC has been invited on to the RAS register as a strategic investor. The partnership is expected to accelerate growth for RAS by expanding opportunities and its pipeline, with Waterhouse VC providing access to their extensive global network.

Waterhouse VC Chief Investment Officer, Tom Waterhouse, has an extensive pedigree in the wagering industry and brings with him a wealth of knowledge and experience, combined with a superior network of global wagering participants, to the partnership. Further to this, the Waterhouse VC fund has a significant representation of members from industry segments around the globe.

The strategic partnership arrangement with the Waterhouse VC will operate for an initial term of 36 months from completion of a Placement (expected to occur on 23 August 2024) or completion of a potential acquisition, whichever is later.

The Company is positioned for continued robust revenue and profit growth in FY25, following a strong finish to FY24. With the demand for comprehensive racing solutions on the rise, RAS is well-placed to capitalise on major opportunities across the globe, including increased revenue from agreements with platform providers, while the strategic partnership with the Waterhouse VC Fund is also expected to accelerate global expansion.

The Company enters FY25 with a record pipeline of business opportunities and will continue to target strategic acquisitions that offer synergies and increased scale. This approach, combined with continuing strong market momentum and a growing portfolio of high-quality partnerships, positions RAS to deliver sustained growth in the years ahead.

– Ends –

This announcement was authorised for release by the Board of RAS.

For Further Information:

Investor Enquiries:

investor@racingandsports.com.au

Media Enquiries:

Simon Hinsley

simon@nwrcommunications.com.au

+61 401 809 653

About Racing and Sports

Founded in 1999, RAS Technology Holdings Limited ('Racing and Sports') is a leading provider of fully integrated premium data and enhanced content to the global racing and wagering industries. It services consumer and enterprise markets and its clients span the spectrum of the racing and wagering industries such as Entain Group (including Ladbrokes and Neds), Flutter Group (including Sportsbet, Paddy Power and Betfair), Tabcorp, BlueBet Holdings Limited (ASX: BBT), Bet365, Singapore Pools, Australian Turf Club, Hong Kong Jockey Club and Racing Victoria.

Important Notice

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RAS Technology Holdings Limited

Level 21, 459 Collins Street,

Melbourne, Victoria 3000

+61 3 8630 3321