

# **POINTS**BET

**EVERY POINT MATTERS**

12 November 2024

The Manager, Listings  
Australian Securities Exchange  
ASX Market Announcements  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**PointsBet Holdings Limited - 2024 Annual General Meeting**

In accordance with Listing Rule 3.13.3, please find attached the:

- Chairman's AGM Address; and
- Group CEO and Managing Director's AGM Address.

Yours faithfully



Andrew Hensher  
Group General Counsel  
and Company Secretary

# PointsBet Holdings Limited

## **Chairman's Address (Mr Brett Paton)**

The key event during FY24 was the completion of the sale of the US Business to Fanatics Betting and Gaming for a headline purchase price of US\$225 million.

Despite the strategic success of building a valuable asset in the US, the costs of operating in a state-by-state environment, together with the requirement to build significant scale to compete against well capitalised operators meant that a sale delivered the most attractive risk-adjusted value outcome for shareholders.

The completion of the sale of the US Business involved a complex technical and operational migration, separation and re-organisation of the business over a 10-month period. The ability to continue to deliver outstanding results in Australia and Canada whilst re-structuring the business for future growth and success is a true testament to all of our staff.

The net sale proceeds of the US Business, together with the majority of the Company's surplus corporate cash reserves was distributed to shareholders during the financial year. The Board is pleased to have returned a total of \$442.4 million, representing \$1.39 per share to shareholders across the first and second capital returns.

As previously announced, the Company applied for and received a Class Ruling from the ATO, confirming that for Australian tax residents, no part of the first or second capital returns will be assessable as a dividend.

## **Group Financials**

The PointsBet Group had an outstanding year and achieved, and in a number of measures exceeded, previous guidance.

This includes:

- Total Net Win of \$267.1 million, being 16% higher than FY23.
- Gross Profit Margins of 52.8%, an increase from 50.3% in FY23.
- Total Marketing Expense of \$71.0 million, being 21% Lower than in FY23
- Normalised Operating Expenses (excluding marketing expense) of \$60.4 million, coming in at the lower end of the previous guidance of \$60 – \$70 million; and
- A normalised EBITDA loss of \$1.8 million, which was a \$2.2 million improvement on the upper end of our previous guidance and represents a \$47.2 million improvement from the loss of \$49 million in FY23.

## **Regulation and Responsible Wagering**

I would now like to make a few comments on our global commitment to responsible gambling.

PointsBet endorses the principle of informed choice, which is aimed at empowering customers to make informed decisions and exercise choice regarding their gambling expenditure.

PointsBet's commitment to responsible gambling is demonstrated through its wide range of responsible gambling initiatives and tools.

Responsible Gambling initiatives will continue to remain central to our organization's Sustainability commitment.

In addition to paying 48c in the dollar to Governments and Racing and Sports bodies, Pointsbet makes a material investment in achieving best in class compliance with important consumer protection measures.

In Australia, PointsBet committed significant resources to deliver Zero Day KYC, integration to the National Self Exclusion Register, and a ban on using Credit Cards to deposit.

This package of initiatives and others mean the REGULATED online wagering sector in Australia is clearly operating to very strong consumer protection standards. When it comes to advertising, PointsBet has re-stated many times our support for advertising reform.

However, we do believe it is important that reputable, licensed Australian operators that pay significant taxes and fees can distinguish ourselves from unregulated offshore service providers via sensible advertising. We have consistently outlined a logical and sensible advertising model to be adopted that can clearly protect children and vulnerable people.

## **Corporate Governance**

The Board of PointsBet Holdings considers good corporate governance a priority. It has adopted policies and practices to ensure the Board remains effective and has the composition to adequately discharge its responsibilities and duties and maintain best practice governance. A review of these documents was undertaken during the year to ensure we stay compliant with the ever-changing governance framework.

During the year, there was a particular focus on the areas of cyber security and data protection, as well as our 'know your customer' and 'anti-money laundering' policies and procedures in all our jurisdictions.

A full summary of our corporate governance activities and policies are available on our website.

### **A great team**

Our Group CEO, Sam Swanell, supported by his Executive leadership team have done a tremendous job in leading the business through a period of substantial change and growth over the past 12 months. In addition, our highly talented employees are a key asset, and the results we have been able to achieve are testament to their dedication, commitment and passion.

On behalf of the Board, I would like to thank all of our team for delivering on the opportunities we saw over FY24 and positioning the business for continued growth in FY25 and beyond.

I would also like to thank my fellow Directors for their support over a very busy past 12 months as we executed on our strategy.

I would like to thank you, our shareholders, for your support and vote of confidence in the business and its team. We look forward to delivering on the opportunities we see for the business moving forward and growing shareholder value.

It is now my pleasure to invite Sam Swanell, Group CEO and Managing Director to provide further commentary on the FY24 financial year and the business' strategy and priorities over the coming period.

## **Group CEO & Managing Director's Address (Mr Sam Swanell)**

### **Australia**

In **Australia** FY24 was a record year of Revenue - being \$211.5m, up 10% compared to the PCP.

Gross Profit was also a record being \$111.8 million up 14% compared to the PCP. Gross Profit growth of 14% outstripped Net Win growth of 10% as our greater promotions efficiency and leaning to lower cost international sports product, improved our gross profit margin.

Statutory segment EBITDA for the year was \$26.8 million, a material improvement compared to \$0.1 million in the PCP and constituted record EBITDA performance for the Australian business.

We have now delivered positive full year EBITDA in Australia for the past five financial years.

Our 10% growth in Revenue outpaced the market and we gained market share.

### **Canada**

In **Canada** we continued our improvement in EBITDA performance on the back of Revenue increasing 87% on the PCP. Statutory segment EBITDA loss reduced to \$19.7 million compared to a loss of \$35.8 million in the PCP.

Gross Profit was up 141% vs the PCP, with improved gross profit margins from efficiency in cost of sales as the Canadian business continues to scale.

Sportsbook Net Win was \$15.2 million up 124% vs. the PCP. This growth was driven both by improved trading margin on a higher overall mix of multi bets and continued gains in customer generosity efficiency.

Our multi, same game multi and live same game multis are powered by our in-house Odds Factory technology and along with our live, in-play betting capability form the cornerstone of our sportsbook product led strategy in Canada.

Sportsbook in-play handle grew to 66% of total handle up from 63% in the PCP, highlighting the strength of PointsBet's live betting product offering.

The Ontario market continues to grow strongly, and we continue to outgrow the market and increase our market share.

We are also particularly excited about our progress in online casino. In FY24 we grew net win by 63% while in parallel we invested to strengthen our product and overall player experience which has positioned us to accelerate our performance further in FY25.

### **Operations and Investment**

As noted earlier, the completion of the sale of the US Business involved a complex technical and operational migration, separation and re-organisation of the business over a 10-month period. This excellent work has meant that PointsBet maintains significant operating leverage through our fit for purpose global 24/7 follow-the-sun operating model.

We also continue to invest for growth via our investment in marketing, technology and product. Our investment levels are set at a level for the company we will grow into in the coming years. When we talk about transitioning to EBITDA profitability, we do so with investment in these key growth drivers already built into our P&L. However, that investment is largely stable now and as we grow revenue we will now benefit from significant operating leverage. This is a significant inflection point and the revenue growth we generate will flow efficiently to the EBITDA line and expand our EBITDA margins.

As I have said before, sports betting and iGaming remains a fast-growing global market and companies like PointsBet, with a globally powerful product, proprietary technology, and international regulated markets experience are valuable within this industry.

I will now hand back to the Chairman for the formal business of the meeting.