

28 August 2023

ASX Announcement

RAS Technology Holdings Limited (ASX:RTH)

Recurring Revenue Growth Positions RTH for Strong FY24

Highlights

- Annualised Monthly Recurring Revenue (AMRR) of \$13.2 million, up 48% compared to the previous corresponding period (“pcp”).
- Record revenue of \$11.72 million in FY23, up 41% compared to the pcp.
- FY23 total customers of 55, up 15% compared to the pcp.
- EBITDA surplus of \$262k, compared to an EBITDA loss of \$2.2m in FY22.
- Positive cashflow from operations of \$64k.
- Signed six-year deal with Tabcorp to supply market-leading content and innovation products (initial value \$1.8 million per year).
- RAS expects to deliver strong positive operating cashflow in FY24, moving towards profitability from increased recurring revenue balanced with continuing investment to support favourable long-term growth.
- Cash balance of \$8.68 million at 30 June 2023.
- Investor webinar to be held 11:00am AEST today, Monday, 28 August 2023. [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 to the global racing and wagering industries, is pleased to provide its full year results for the period ended 30 June 2023 (“FY23”).

RAS CEO Stephen Crispe said:

“These results show strong gains in FY23 across all key metrics and importantly, we have delivered record revenue of \$11.7 million and positive cash flow from our operations. We expect this momentum to grow in FY24 on the back of our key partnerships, such as our six-year deal with Tabcorp and the expansion of our five-year deal with Entain, which underlines our performance in providing enhanced racing content across Australia.

“Our new relationships with the Victoria Racing Club, the Greyhound Board of Great Britain (GBGB) and Picklebet are also key to our growth and further demonstrate our industry-leading offerings. We achieved growth across all business segments, with Wagering Technology and Enhanced Information Services the best performers, while Digital and Media has seen strong momentum as we move into FY24.

“We expect our EBITDA to grow strongly in FY24 from our increased recurring revenue balanced with continuing investment for long-term growth, and we will assess strategic opportunities for accelerated growth.”

Financial Performance

AMRR was \$13.2 million at 30 June 2023, up from \$11.7m at 31 March 2023 and \$8.9 million at 30 June 2022. The Company has delivered record revenue of \$11.7 million for FY23, representing an increase of 41% compared to the previous corresponding period.

	FY22	FY23	Change
Revenue	\$8.3m	\$11.7m	41%
Gross Profit	\$6.8m	\$8.9m	30%
Gross Profit (%)	82%	76%	(6%)

Gross margin declined to 76% during FY23 (from 82% pcp), due of sales commissions mostly relating to MTS partnership with RacebookHQ which has accelerated revenue growth and mutually benefited all parties.

Encouragingly, all business segments continued to deliver strong performance. Enhanced Information Services generated recurring revenues of \$9.1m (+48% vs pcp); Wagering Technology generated recurring revenues of \$3.6m (+65% vs pcp); Digital and Media recorded recurring revenues of \$432k (-25% vs pcp) due to timing of contracts falling on 1 July 2023. Including contracted revenue as at 1 July, recurring revenue from Digital and Media totalled \$842k, representing a 47% increase vs the pcp.

Operational Summary

In FY23, the Company achieved significant milestones and strengthened its position in the market through various strategic partnerships and innovations. RAS signed a six-year deal with Tabcorp, valued at \$1.8 million per year. Additionally, the Company entered into a two-year agreement with Picklebet to provide Risk Managed Trading Service and customer-facing content for their racing product. A five-year deal with Entain was expanded and is now worth \$5 million, making the Company the exclusive provider of enhanced racing content to the Entain group in Australia.

Furthermore, RAS secured a contract to provide the National Form Database for the Greyhound Board of Great Britain until 2027, showcasing its expertise and reliability in data services. The Racing and Sports AI-powered animated race predictors were prominently featured during the 2022 Melbourne Cup Carnival, reaching global audiences, and marking the beginning of a relationship with the Victoria Racing Club.

As digital traffic on the Company's assets reached record levels and the content offering expanded, there was increased demand for digital advertising and sponsored content. The Company capitalised on this trend and launched its first sports content offer to the market, including NRL and AFL insights packs, diversifying its revenue streams and catering to the needs of its audience.

Lastly, RAS solidified its international presence by signing an agreement with Wettstar (German Tote) to distribute the full package of German content into Australia.

Outlook & Update

Racing and Sports has received approval as an accredited UK racing data rights provider by the Racecourse Data Company (RDC), making it the first new provider to be approved in the UK in almost a decade. Racing and Sports plans to work closely with rights holders to provide innovation and development of fresh products aimed at engaging new demographics.

In addition, RAS' integration with Tabcorp in Australia has been successfully completed to deliver best-in-class enhanced racing information aimed at driving turnover and increasing market share.

RAS has a strong pipeline of opportunities across Australia and the UK which will see FY24 continuing to experience growth across all parts of the business. Following on from this growth the Company expects to deliver strong positive operating cashflow in FY24 as it heads towards profitability off the back of increased recurring revenue balanced with continuing investment to support favourable long-term growth. The company will continue to assess strategic partnership and M&A opportunities.

Investor Webinar

The Company will host an investor webinar with Chief Executive Officer Stephen Crispe and Chief Financial Officer Tim Olive at 11.00am AEST today, Monday, 28 August 2023, to discuss the results.

Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_shVd7pTfS0is_zzsy-gDow#/registration

- Ends -

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

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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 (ASX:TAH), BlueBet Holdings Limited (ASX:BBT), Bet365, Singapore Pools, Australian Turf Club, Hong Kong Jockey Club and Racing Victoria.

Important Notice

RAS Technology Holdings Limited ACN 650 066 158 (ASX:RTH) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only. It does not constitute an offer, invitation, solicitation or recommendation regarding the purchase or sale of any securities in RTH, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, or financial situation or needs. Any investor must not act based on any matter contained in this announcement in making an investment decision but must make its own assessment of RTH and conduct its own investigations and analysis. Past performance is not a reliable indicator of future performance.

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