

# BetMakers Technology Group Limited

## Cost base reset, revenues turning a corner

28 November 2024

We initiate on BetMakers Technology Group (BET) with a **SPECULATIVE BUY** recommendation and **\$0.16/sh PT**. Over the past ~2-years, BET has right-sized its cost base (from \$92m to a <\$60m guide), while we expect revenue growth will return from 2H25. The company is also guiding to positive OCF from 3Q24 (we model 2Q25). On this basis, and given the company trades on just ~1.4x FY26 EV/rev, we see now as an interesting entry point on a risk/reward basis. We are a **SPECULATIVE BUY** on the grounds of some Balance Sheet concerns remaining – the removal of which will be a material positive catalyst.

### Cost base reset, revenue headwinds receding

- BET has made significant strides in reducing its fixed cost base, from a peak annual run-rate of ~\$91m to just ~\$62m in Q25. The company is now guiding to <\$60m for FY25. Additionally, the launch of its *Next Gen* platform should further reduce hosting and infrastructure costs.
- Major deals with Caesars and the Norway Tote (due to kick in shortly), in addition to an improving industry backdrop and removal of BETR headwinds; should all collide to see BET return to revenue growth from 2H25 – recent guidance was also provided for 2H25 revs > 1H25.

### BET's funding position is the key delta

- BET finished 1Q25 with available funds of <\$10m, while we model 12-month FCF of -\$8.5m. And despite the recent provision of a further US\$3m from Tekkorp, the company's funding position looks tight.
- Notably, BET is guiding to an OCF +ve 2H25, which is materially ahead of OMLe at -\$1.3m. Delivery against this target will change the funding calculus outlined above and be a significant positive catalyst.

### Initiate at SPECULATIVE BUY

- We derive our \$0.16/sh PT via a 10-year DCF. This implies a TSR of 45% and underpins our recommendation.
- Our PT implies an FY26 EV/rev multiple of just 1.6x, which is well below ASX tech peers – particularly if BET can return to growth (as we expect).
- Catalysts.** (1) delivery against management KPIs – particularly 2H25 OCF, (2) a return of revenue growth, (3) new contract signings, (4) M&A.

### Key Financials

Year-end June (\$)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (\$m)	95.0	95.2	86.2	93.9	99.3
EBITDA (\$m)	(41.0)	(5.2)	(2.6)	6.0	11.4
EBIT (\$m)	(52.8)	(17.4)	(13.6)	(4.4)	1.5
Reported NPAT (\$m)	(38.8)	(38.7)	(9.9)	(3.3)	0.9
Reported EPS (c)	(4.2)	(4.0)	(1.0)	(0.3)	0.1
Normalised NPAT (\$m)	(38.8)	(38.7)	(9.9)	(3.3)	0.9
Normalised EPS (c)	(4.2)	(4.0)	(1.0)	(0.3)	0.1
EV/EBITDA (X)	-	-	-	20.5	10.8
Normalised ROE (%)	-	-	-	-	0.9

Source: OML, Iress, BetMakers Technology Group Limited

Last Price

**A\$0.11**

Target Price

**A\$0.16**

Recommendation

**Speculative Buy**

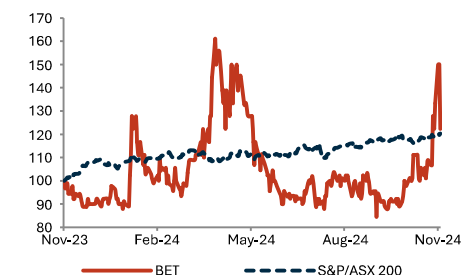
Risk

**Higher**

#### Software

ASX Code	BET
52 Week Range (\$)	0.08 - 0.15
Market Cap (\$m)	106.7
Shares Outstanding (m)	970.1
Av Daily Turnover (\$m)	0.3
3 Month Total Return (%)	19.6
12 Month Total Return (%)	22.2
Benchmark 12 Month Return (%)	20.3
NTA FY25E (¢ per share)	4.8
Net Cash FY25E (\$m)	18.7

#### Price performance



Source: FactSet

#### Consensus Earnings

	FY25E	FY26E
NPAT (C) (\$m)	-	-
NPAT (OM) (\$m)	(9.9)	(3.3)
EPS (C) (c)	-	-
EPS (OM) (c)	(1.0)	(0.3)

Source: OML, Iress, BetMakers Technology Group Limited

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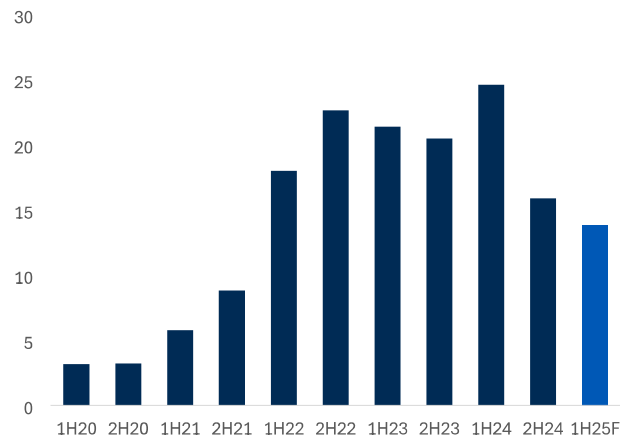
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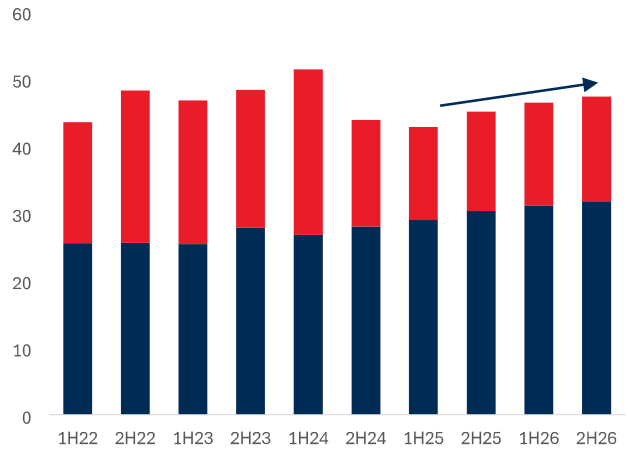
**Key Charts**

**Figure 52: GBS headwinds largely washed through (ie. BETR + platforms), revenue base reset...**

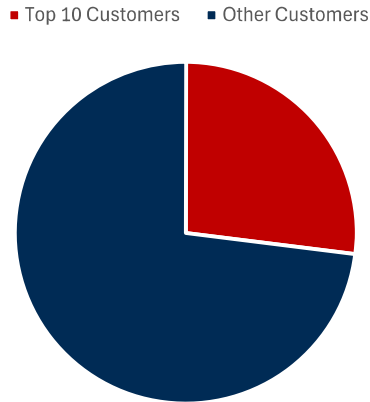


Source: Company Data, Ord Minnett Research

**Figure 53: ...with growth expected from 2H25 (headwinds removed + Caesars + Norway Tote)**

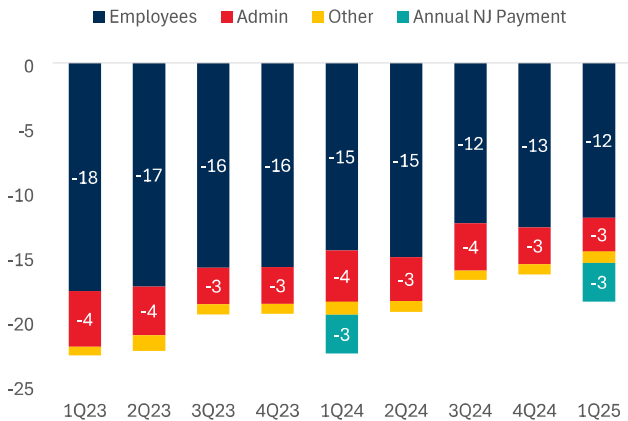


**Figure 54: Revenues are underpinned by a diverse mix of customers (top 10 only ~27% of revs)**

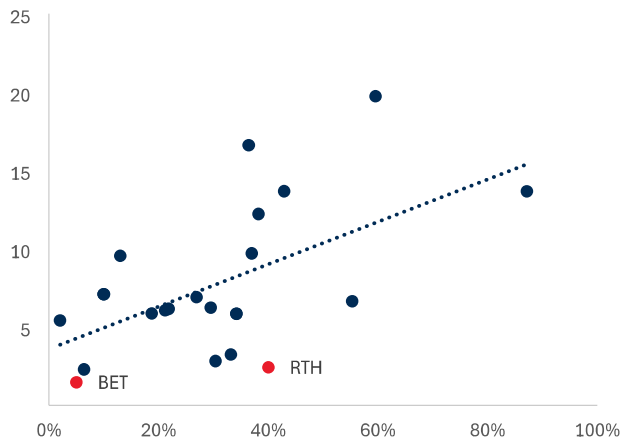


Source: Company Data, Ord Minnett Research

**Figure 55: Cost base has been largely right-sized (down ~\$30m from the peak)**

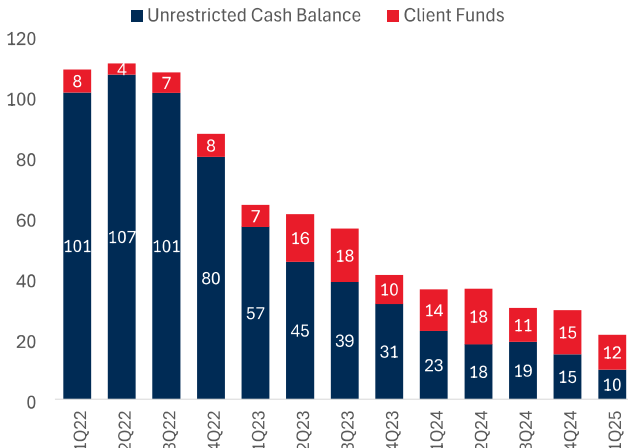


**Figure 56: BET appears inexpensive relative to ASX-listed tech peers**



Source: Bloomberg, Company Data, Ord Minnett Research

**Figure 57: ...we attribute this to Balance Sheet concerns (ie. available funding <\$10m)**



## Company Overview

### Snapshot

BetMakers Technology Group (BET) is a leading provider of B2B software, data and platform services to bookmakers, racing authorities and wagering professionals globally. The company’s products enhance the fixed odds and pari-mutuel wagering experience while unlocking revenue opportunities and expanding markets.

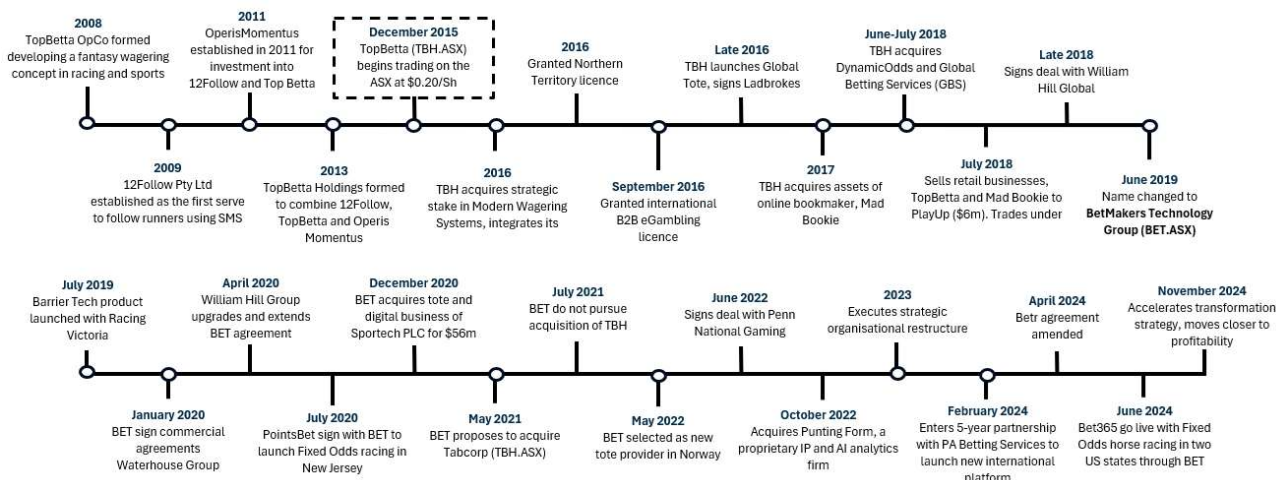
### TopBetta Holdings (TBH)

- BET listed on the ASX in late-2015 as **TopBetta Holdings (TBH)**. At the time, TBH was operating for ~5yrs, generating its revenue via an online bookmaking division.
- BET launched its **Global Tote** product shortly thereafter (May 2017), initially in Australian and international thoroughbred, greyhound, and harness racing.
- Looking to capitalise on its early success, TBH acquired rival Australian bookmaker, **Mad Bookie**, in early 2017.
- TBH sold its **TopBetta** and **Mad Bookie** assets, to **PlayUp** for \$6m in 2018.

### BetMakers Technology Group (BET)

- Following the sale of its retail bookmaking businesses, TBH shifted focus to the supply of wholesale, or B2B, wagering services in 2018.
- The company’s initial entry to the space came with the concurrent acquisitions of **DynamicOdds** and **Global Betting Services** in mid-2018. Following this move, TBH was renamed to **BetMakers Technology Group (BET)**.
- In its initial two years of operation, BET signed several deals with local and global bookmakers, including **William Hill**, **BetEasy** and **Unibet** and separately with **Racing Victoria** and the **Waterhouse Group**.
- As the US wagering industry de-regulated, BET entered the country with a 10-year deal to be exclusive provider of fixed odds racing in the state of **New Jersey**.
- BET furthered its global expansion with the acquisition of **Sportech** in 2020. The deal grew revenues by a factor of ~6x (\$9m to \$56m) and EBITDA ~10x.
- In mid-2021, BET was made an unsuccessful approach to acquire the Wagering & Media businesses of **Tabcorp**.
- Since this time BET has continued signing deals with key logos, both domestically (BETR) and globally (Caesars, Penn National, Norway Tote, and Bet365).

Figure 58: A brief company history

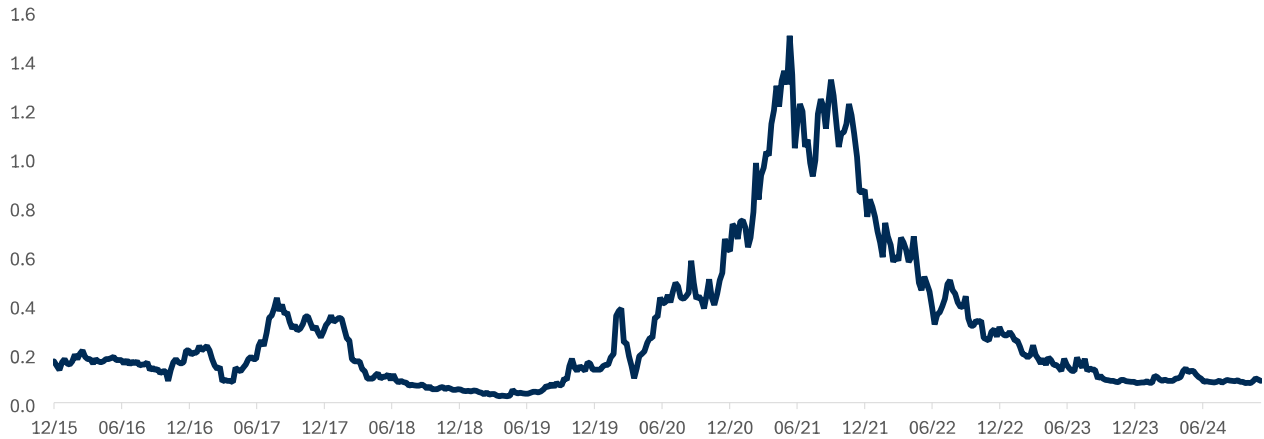


Source: Company reports, Ord Minnett Limited

**Recent price performance**

- Following its formation, BET enjoyed a multi-year, ~30x run-up in its share price.
- However, this price action peaked in mid-2021, coinciding with the group’s unsuccessful offer for **Tabcorp’s** Wagering & Media assets (and subsequently, a sharp de-rating in small cap technology names globally).
- At ~\$11/Sh, BET’s share price is currently ~95% off its all-time highs of mid-2021. And with the company having right-sized its cost base (more to come), we see now as an interesting entry point to this one-time market leader.

**Figure 59: Historical price chart**

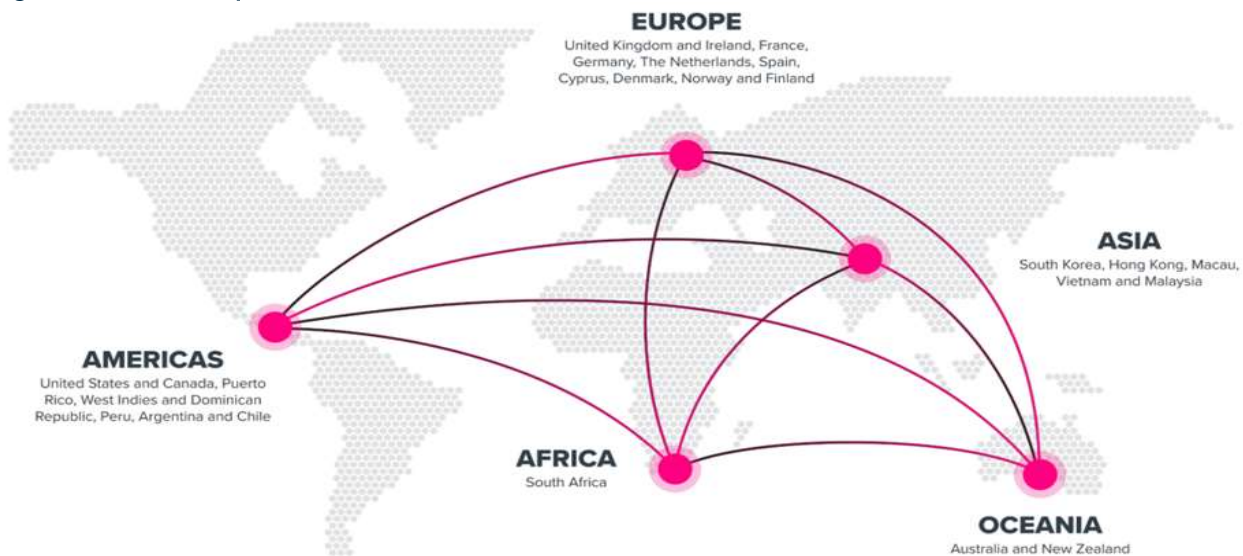


Source: Bloomberg, Ord Minnett Research  
 Units: Weekly prices, post-listing in 2015

**Geographic footprint**

The company is headquartered in Melbourne, Australia and employs 376 personnel across its 8 worldwide offices (down from peaks of 568 and 11 respectively). BET operates in >30 countries, across all major continents and holds 45+ regulatory licenses within its relevant jurisdictions.

**Figure 60: Global footprint**

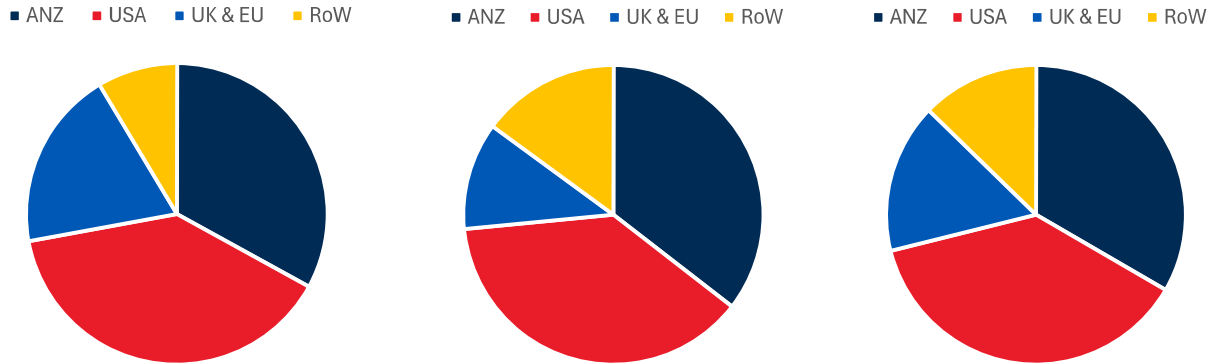


Source: Company presentation



- In FY24, BET’s revenues came predominantly from the USA (38%) and ANZ (33%), which is broadly similar across each of the past three years (Figure 61). The remaining ~30% of group revenues come from UK/EU (16%) and RoW (13%).

**Figure 61: Global footprint**



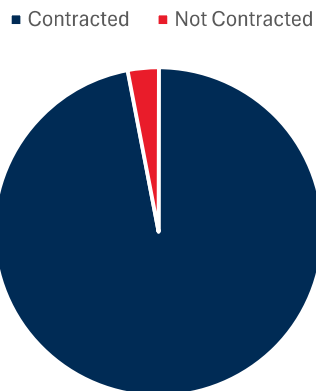
Source: Company Reports, Ord Minnett Research

### Revenue model

The vast majority of BET’s revenues in FY24 (97%) came from customers who were **contracted** at the beginning of the year. Of these revenues, approximately 1/3<sup>rd</sup> are **fixed** in nature while the remaining ~2/3<sup>rds</sup> **variable**.

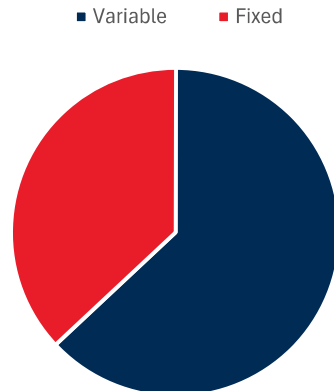
- Variable** revenues are prevalent within the company’s Global Tote division and for GBS offerings such as the company’s White Label platform. Revenues are received as either a contracted percentage of gross (or net) gaming revenues, or as a fixed proportion of a variable betting pool (ie. in the case of a pari-mutuel wagering).
- Fixed revenues** are provisioned on a SaaS subscription basis and typically found within the company’s GBS division – ie. content and data, MTS, race day controls.

**Figure 62: Contracted revenues**



Source: Company presentations

**Figure 63: Revenue model**



Source: Company presentations

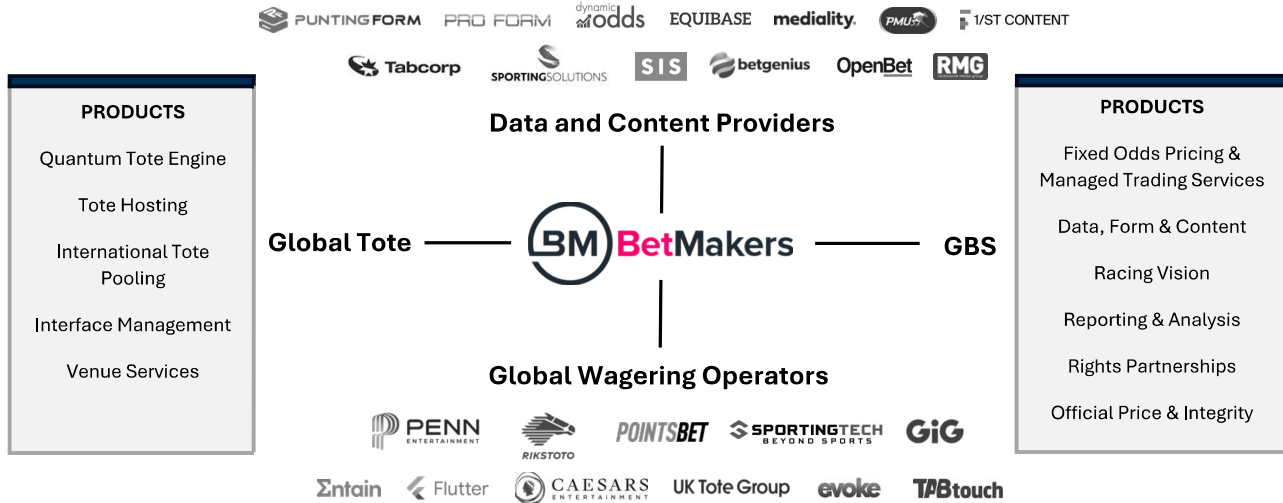
**Operating model**

BET has built a reliable and scalable B2B marketplace for its software, data and rightsholder partners for the racing-led wagering sector.

Figure 64 provides an overview of this operating model, demonstrating how **customer segments** (data & content providers / wagering operators), **business units** (Global Tote / GBS), and **products** co-exist within the BET ecosystem.

We discuss each of these dimensions in greater detail below.

**Figure 64: The BET operating model**



Source: Company Reports, Ord Minnett Research

**Customers**

BET holds relationships with customers across the racing spectrum, from **wagering operators** – both domestic (Tabcorp, Pointsbet) and international (Entain, Flutter) – to **global casino and resort operators** such as Penn National Gaming and Caesars, and **racing authorities**, including the Hong Kong Jockey Club and Racing Victoria).

Figure 65 provides a snapshot of some key logos across BET’s various end-markets.

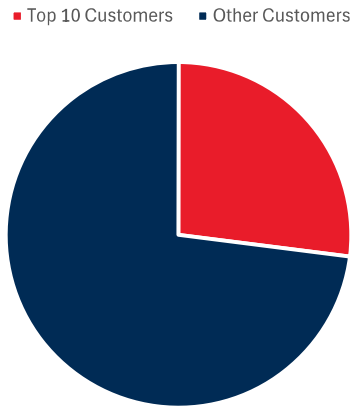
**Figure 65: BET customer snapshot**



Source: Company presentations

The company’s customer base is well diversified with only 27% of revenues coming from its largest 10 customers in FY24 and no single customer accounting for >5% of group revenues (Figure 66).

**Figure 66: Customer concentration**



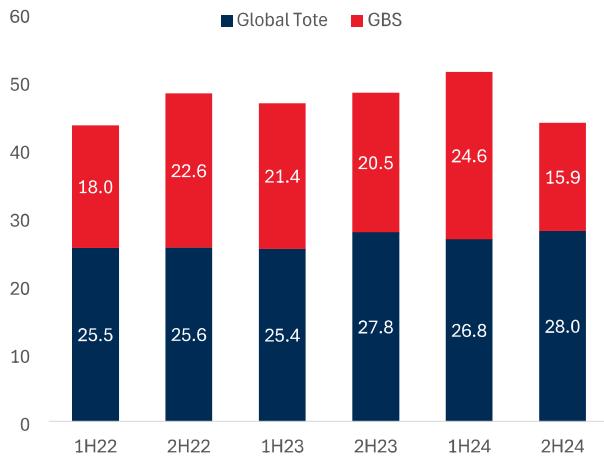
Source: Company Reports, Ord Minnett Research

**Business units**

BET’s operations are segmented into two key business units, being **Global Tote** and **Global Betting Services (GBS)**.

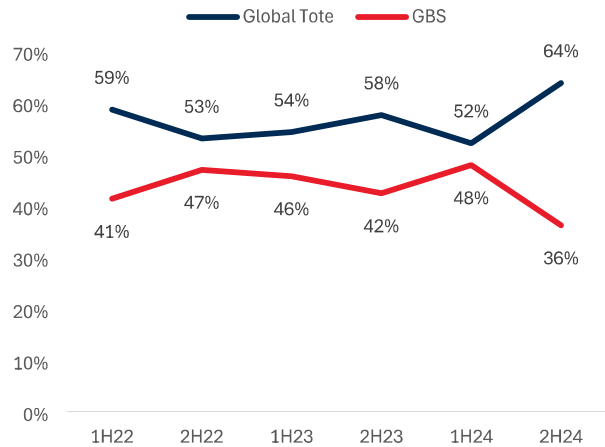
- While **GBS** and **Global Tote** have fluctuated in their relative importance over time, Global Tote been the major contributor to group revenues (ranging from 54% to 64%) post its Sportech acquisition. This is particularly true post the cessation of BET’s relationship with BETR (Figures 67 & 68).
- We believe GBS revenues have now rebased and will return to growth from 2H25.

**Figure 67: Revenues by division**



Source: Global Racing (BetMakers) website

**Figure 68: Relative revenue contributions**



Source: Global.Racing (BetMakers) website

**We look at these divisions, and the products and services offered within each, over the following pages.**

## Products Overview

### Global Tote

BET's Global Tote business powers **pari-mutuel wagering** markets globally, offering SaaS solutions for tote wagering which feature various pools and bet types, advanced solutions for international commingling / World Pools, support for high value players, and broad integration capabilities that help its customers reach new markets.

This division also offers solutions for **wagering terminal** hardware and software (i.e. New Jersey / Caesars), which allow for tote wagering to be conducted on traditional lottery and casino terminals. Turn-key tote ADW wagering websites and mobile wagering apps are also included within this division.

### What is pari-mutuel wagering?

- Pari-mutuel wagering is also known as “totalisator systems” and commonly referred to as betting on “the tote”.
- The system is commonly used in horse, greyhound, and harness whereby all bets and money wagered on an event are pooled together.
- Winners receive a share of that pool money depending on the size of their original bet, known as the dividends.
- Importantly, tote betting **odds are not fixed and fluctuate** with the amount of money flowing in for the event's participants. Typically, the odds are “closed” at the start of the event.
- This form of wagering sees bettors effectively competing against each other, as opposed to the bookmaker.

### BET's pari-mutuel offering

BET's pari-mutuel wagering technology is offered across the Americas, Europe, and Asia and includes:

- Quantum™ Tote
- Global commingling capabilities
- Turn-key hosting and operations

BET also offers advanced retail **betting terminals** and online betting technologies

### Quantum™ Tote

Delivered as a turn-key SaaS solution, Quantum Tote's engine is the core of the pari-mutuel solution and is designed to support high-volume transaction processing for operators in highly-regulated markets and powers some of the world's largest racing and pari-mutuel betting organisations.

### Global commingling

Commingling pari-mutuel bets is the process of combining bets from multiple pools across different jurisdictions or operators into a single, centralised pool.

Global Tote's commingling solution provides licensed partners with access to international betting markets. Powered by Quantum, it is compliant with commingling protocols and offers extensive integration and data services, enabling connections with licensed commingling operators.

Supporting this is Global Tote's 24/7 Hosting and Operations teams, managing complex commingling connections through a dedicated cloud computing environment and specialised operations facilities.

### Hosting and operations

Global Tote provides 24/7 hosting and operations for partners worldwide through secure, purpose-built operations centres and a fully managed SaaS environment.

Facilities are staffed around by highly qualified team members with advanced infrastructure and real-time monitoring to ensure operational accuracy and system availability.

BET offer varying packages to accommodate partner needs. Packages may include Solution Hosting, Basic and Enhanced Operations, and the most comprehensive offering of turn-key Race Day Control services – see *Racing Bodies Solutions* page 58

### Betting terminals

BET's Global Tote offers an omnichannel solution with options for teller point-of-sale terminals, self-service betting terminals, cashing kiosks, and white-label web and mobile betting platforms.

BET's terminal software is designed to accommodate both fixed odds and pari-mutuel wagering. The integration capabilities allow for BET to offer new services on their own terminals or to offer pari-mutuel wagering on other terminal networks for partners. This includes integrations with lottery and sportsbook terminal networks.

BET offers four physical devices:

- BetLine SST - self-service terminal
- BetLine TSST - teller/self-service terminal
- BetLine Teller - compact teller terminal
- BetLine SSCK - self-service cashing kiosk

The **BetLine SST** utilises a user-friendly interface, high-performance components, and customizable arrangements to create an enhanced user experience. The device is constructed around a core unit that offers readers, scanners, and displays. Optional modular configurations customers may choose from include:

- Platinum (Figure 69) for the full range of services, including the use of bank notes
- Gold for enhanced self-service betting
- Bronze for standalone account betting

The **BetLine TSST** (Figure 70) is a high-performance dual-mode betting terminal designed to attract players and maximise productivity, featuring large high-definition touch screens, an Intel Celeron processor, and ergonomic design for speed and ease of use. It offers comprehensive betting services with barcode, mag stripe, and NFC readers, a banknote acceptor, printer, brander, and dual multi-touch screens, setting a new standard for betting terminals.

The **BetLine Teller** (Figure 71) compact terminal is a space-saving, durable, and easy-to-maintain betting terminal designed for space constrained venues. It comes in two configurations: both featuring a 15.6-inch teller touchscreen, 7-inch customer screen, and scanner. The platinum model includes a ticket reader/brander, and separate printer module. The Bronze model, with a smaller footprint forgoes the integrated printer module.

Figure 69: BET's platinum BetLine SST



Source: Global.Racing (BetMakers) website

**Figure 70: BetLine teller/self-service terminal**



Source: Global.Racing (BetMakers) website

**Figure 71: BetLine Teller compact teller terminal**



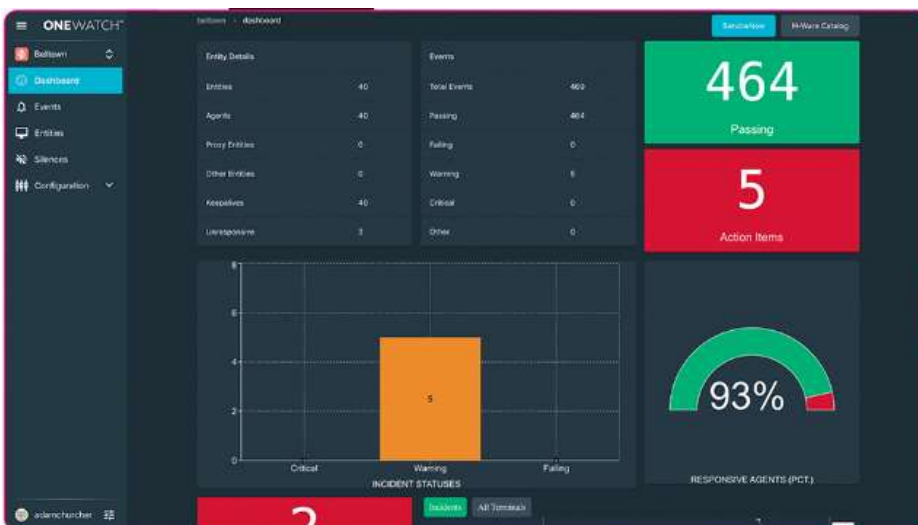
Source: Global.Racing (BetMakers) website

The **BetLine self-serving cashing kiosk** is a secure, self-service terminal designed to streamline cashing transactions, enhancing convenience for users and efficiency for operators. Each kiosk includes multiple security features, a large touchscreen, high-quality components, easy maintenance access, and a cash dispenser with high-capacity, lockable cassettes, a system for rejected notes, and support for various denominations.

**OneWatch**

BET’s OneWatch is a new monitoring tool for the BetLine series of wagering terminals. OneWatch offers a holistic view of terminal performance, peripheral management, and the tracking of BetLine wagering terminals across locations. OneWatch’s real-time information and predictive alarms for maintenance and operations teams maximises terminal uptime, customer experience, and controls costs.

**Figure 72: OneWatch’s dashboard acts as a real-time control centre**



Source: Global.Racing (BetMakers) website



## Global Betting Solutions – Bookmaker Solutions

GBS provides customers with a range of basic race data such as pricing, runners, and form in addition to analytical tools which help leverage this data, and wagering tools such as:

- **Trading Solutions**
- **Digital Platforms & Widgets**
- **Fixed Odds Pricing**
- **Form & Informatics**
- **Platform Enhancements**

The GBS division also offers rights holders effective rights partnership management for their content and gives racing bodies advanced solutions for race day control, official price, and integrity platforms.

### Trading Services

BET provides Trading Solutions for gaming operators of all sizes, from established businesses aiming for significant growth to start-ups needing a complete trading room setup. Operators can choose a fully outsourced risk and trading solution with end-to-end event management or opt for a SaaS model that supplies pricing and risk management tools. Both options offer access to a cost-effective, world-class race book that continually evolves.

Through its managed trading services, BET can deliver fully outsourced management that encompasses the entire event lifecycle, including market creating, pricing, risk and liability management, close, and settlement of up to 6,000 races per week. BET works with customers to customise and establish the appropriate risks levels that customers are willing to take.

**Figure 73: BET's managed services covers the entire event lifecycle**



Source: Global.Racing (BetMakers) website

## Digital Platforms & Widgets

BET's omnichannel solution offers white-label responsive websites and mobile apps for wagering, tailored for licensed operators across the United States, Europe, Latin America, the Caribbean, and Asia. These digital platforms come with flexible options for support and back-office services, creating a turn-key package that lets partners focus on customer experience and revenue growth. Services include business office functions, customer care, live telephone operator services, ID verification service management, settlement, and IRS reporting for multi-jurisdictional hubs.

**Figure 74: BET offers white-label websites and mobile wagering apps**



Source: Global.Racing (BetMakers) website

## Fixed Odds Pricing – BetMakers Price Manager

BetMakers Price Manager is an all-in-one price management and automated trading solution, combining a proprietary rating and pricing model with extensive coverage of >250k racing events annually across thoroughbred, harness, and greyhound markets. Offering market monitoring, analysis, and automatic price management for fixed odds across win, place, exotics, and derivatives, Price Manager allows for rule-based or custom price inputs, seamlessly integrating into customer trading systems.

## Form & Informatics

BET's Form and Content services provide in-depth data, enhanced race informatics, and statistics to support players in making well-informed wagering choices.

Following the acquisition of RACELAB Global, BET's Form and Content services were elevated after the integration of RACELAB ProFORM betting prompts.

## Platform Enhancements

**Same Race Bet Builder:** BET of the Same Race Bet Builder, a same race parlay/multi allowing players to combine two to four runners to finish into the top two/three/four. The ability to customise margin and API integration make for an easy implementation and management by bookmakers. Bookmakers currently integrated with the BET API will have all prices return for a Same Race Bet Builder based on a user's selections.

**Racing Futures:** Also known as 'ante-post', Racing Futures is a turn-key solution fully managed by BET, enabling bookmakers to display accurate futures markets. BET manages all stages of the futures market and provides form data for futures events.

## Global Betting Services – Racing Bodies Solutions

BET's solutions for racing bodies help to streamline operational performance, protect stakeholders, and connect rights holders with various markets globally. BET does this through:

- **Content Rights Management**
- **Race Day Control**
- **Racing Vision & Streaming**
- **Integrity Platform**
- **Reporting & Analysis**

### Content Rights Management

BET enables racing rights holders to expand revenue by distributing their content for fixed odds and tote betting to licensed operators worldwide.

BET further supplies comprehensive data, reporting, and analytics tools to stimulate wagering and revenue for rights holders. BET's existing content network now spans 36 countries with 2,000 races streamed weekly.

### Race Day Control

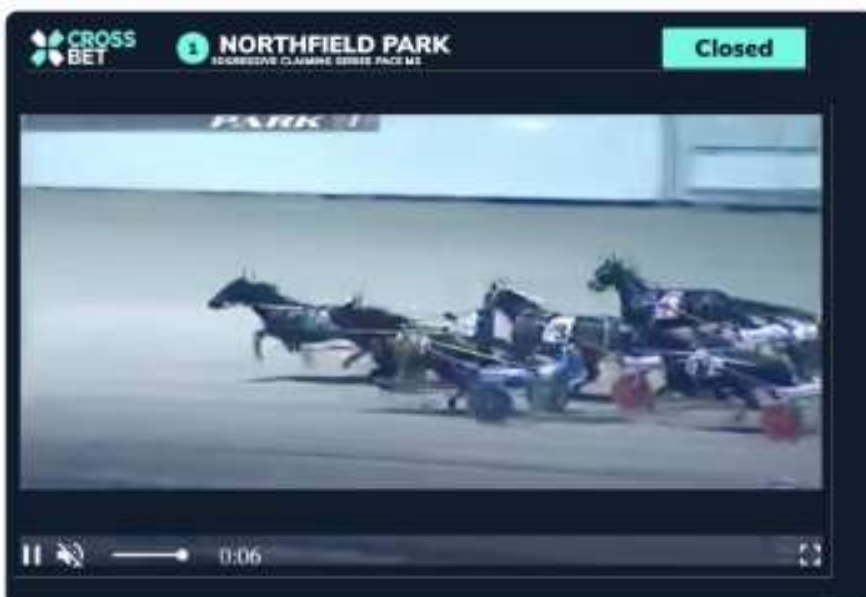
BET provides a turn-key solution for 24/7 Race Day Control services. With facilities in the USA and Sri Lanka, BET can provide round the clock international coverage to global partners.

### Racing Vision & Streaming

BET's Racing Vision services provides operators with live a video stream of races from around the world, customised with operators own logos, branding, colours and a pricing feed. Figure 75 illustrates an example of the service with custom Cross Bet

Additional filter controls allow for partners to amend the content that is offered by them to match with their own preferences and to comply with content privileges.

**Figure 75: BET Racing Vision services with CrossBet logos and branding**



Source: Global.Racing (BetMakers) website

## **Integrity Platform**

BetMakers' proprietary Integrity Platform is a comprehensive tool designed to enhance integrity protection programs for racing authorities and operators. It tracks real-time data on price movements and betting patterns, cross-referencing them with performance indicators.

The platform includes a database and library for logging irregularities related to horses, trainers, jockeys, and wagering. Users benefit from specialised tools such as bespoke performance ratings, speed maps, market alerts, and automated pre- and post-race reports.

## **Reporting & Analysis**

Partners of BET's Integrity Platform and Bookmaker Platform have access to the BET's reporting engine. The engine was designed to provide a centralised reporting resource for racing authorities, rights holders, regulators, and bookmakers, granting authorised users access to betting transaction information in real time for operations, decision making and analysis.

## The path to OCF breakeven in 2H25

### Transformation strategy

Following three years of exponential growth through the end of 2022, BET’s operations became increasingly global and diverse; adding to the complexity and costs of doing business.

As a result, the company restructured its management team and Board in early 2023 as part of a broader **transformation strategy**, with Matt Davey elevated to Executive Chairman and Jake Hensen to CEO (amongst others). The intended purpose of these changes was to:

- **Accelerate growth** by allowing a more agile team to focus on capitalising the international opportunities that were emerging.
- **Improve gross margins**, via platform upgrades which would lower cloud hosting costs, and by creating more scalable processes and platform upgrades.
- **Reduce costs** by addressing operational efficiencies, creating more scalable processes and centralising corporate functions.

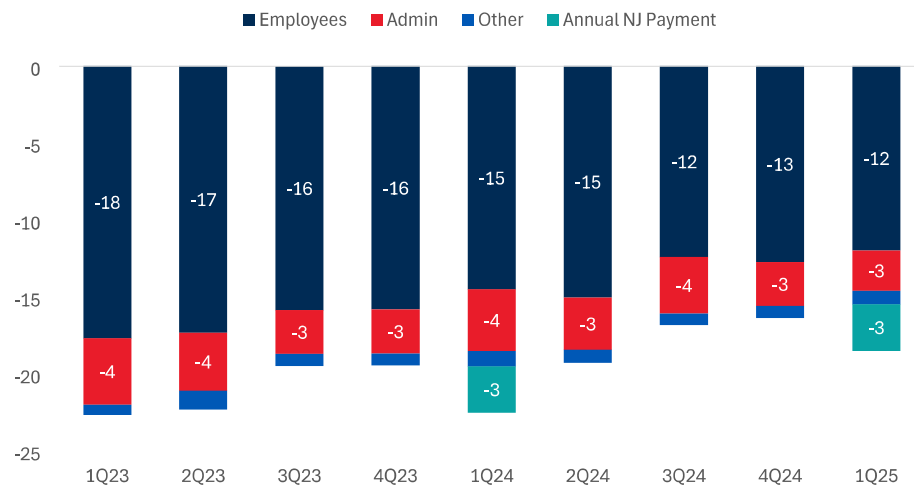
And while progress on the company’s growth initiatives and GP% improvements have been mixed (discussed in the following section); significant progress has been made in reducing its cost base.

### Fixed cost base reduced from ~\$91m to ~\$62m...

Beginning 1Q23, BET’s fixed cash cost base has been reduced from an annual run-rate of ~\$91m to just ~\$62m in 1Q25 (Figure 76). These savings have come about as a result of:

- Material **headcount reductions**, with staff reducing from a high of 568 to just 376 at last update (ie. ~1/3<sup>rd</sup> reduction). This accounted from ~\$23m of its annual savings.
- An even larger (in % terms) reduction to **general admin** expenses, with the annual run-rate reduced from >\$17m to ~\$10m in 1Q25 (a ~40% reduction).
- **Other expenses** held ~flat.

**Figure 76: Cost reductions under BET’s operational efficiency program**



Source: Company Reports, Ord Minnett Limited estimates

### ...With more to come

Additionally, **BET provided an update to the market earlier this week**, which sees its transformation strategy ‘accelerate’ and move the company closer to profitability. Key incremental cost announcements include:

- **A \$5.1m reduction in annualised staff costs**, compared with the FY24 closing run-rate. We estimate this will equate to ~\$2m in incremental savings beyond the 1Q25 run-rate.
- **Operating expenses to fall below \$60m for FY25**. Given we model the 1Q25 run-rate to be ~\$62m, this requires an FY25 exit run-rate comfortably below \$60m.
- Upgrading of customers and products to the company’s **Next Gen** platform.
- Benefits to be realised in 2H25 from **lower cloud costs**.

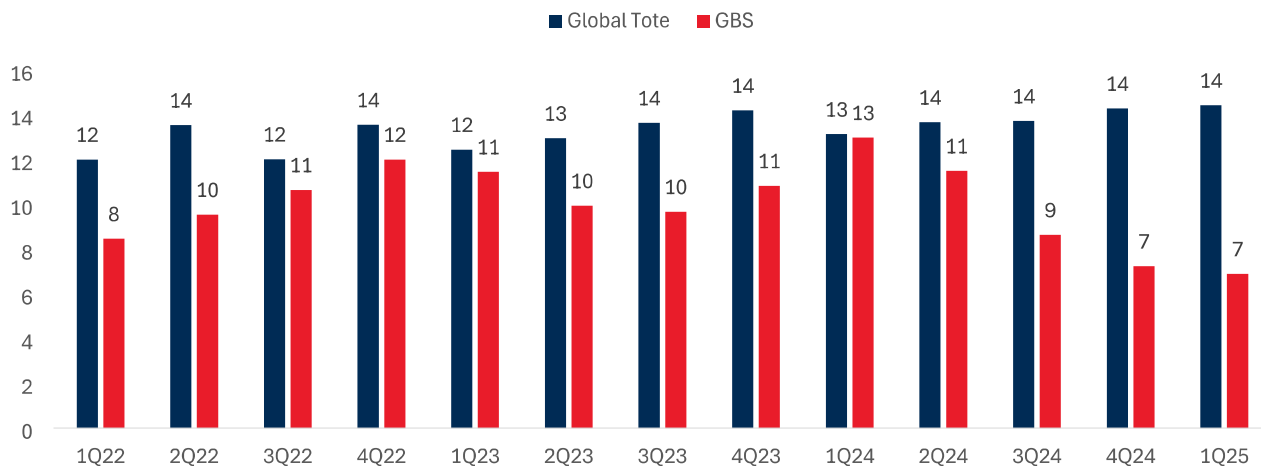
Ultimately, we estimate the sum-total of the above will see ~\$0.8m/qtr of additional savings when compared with 1Q25 run-rate.

### Revenue declines have dampened the cost-out effect thus far...

On the other side of the ledger; material declines in revenues have offset much of the work completed by BET on the cost front. For example, BET’s revenue run-rate peaked at ~\$104m in 1Q24 (not accounting for seasonal impacts), having since declined to just ~\$84m at 1Q25 (ie. a ~\$20m annual fall).

- **Global Tote** revenues have been resilient, and even continued to increase in recent quarters (Figure 77).
- Following rapid expansion in **GBS** revenues pre-FY23, weakness in domestic platforms, and the loss of its BETR contract have seen performance suffer.

**Figure 77: Divisional revenue performance**



Source: Company Reports, Ord Minnett Limited estimates  
Units: A\$m

### ...but green shoots are beginning to appear

Despite the rapid declines referenced above, we believe BET’s revenues have now fully rebased and expect growth to return from 2H25. This view is informed by:

- **Norway Tote**. BET secured a 10-year technology and services contract with Norsk Rikstoto to provide pari-mutuel betting in Norway. This system is now in



its final testing stages with a go-live date expected in the current quarter. We expect this deal will add ~\$1m in revenues over FY25, with a heavy 2H weight.

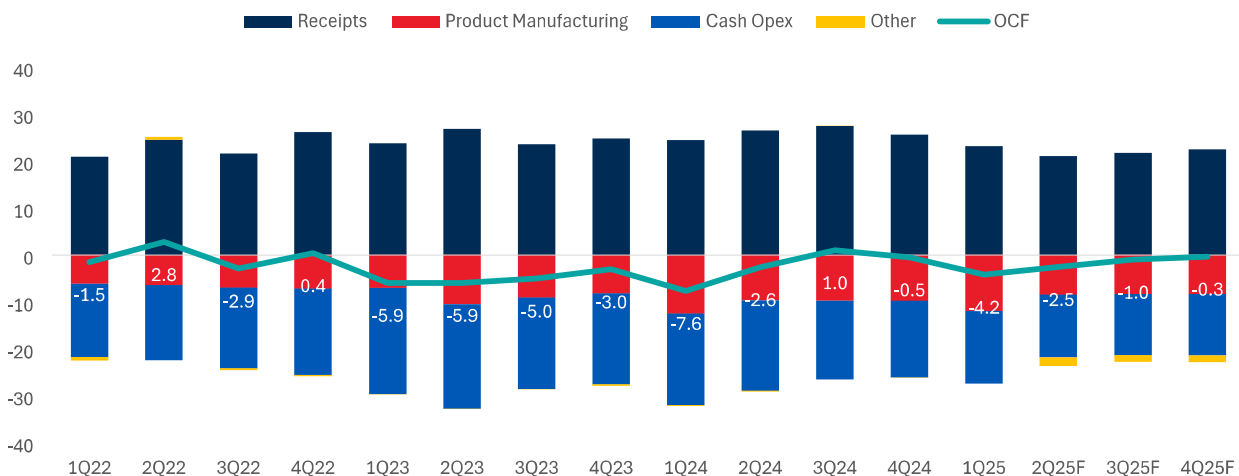
- **Caesars** have BET’s Embedded Tote solution live across 22 sites in Nevada, as well as single sites in each of Nebraska and Iowa. While difficult to quantify, at full run-rate we believe this contract could be worth many millions of \$’s per year.
- **Next Gen.** BET expects to launch four new Australian platforms onto Next Gen by the end of 1H25. At the very least, the improved functionality of Next Gen will see recent material declines in BET’s platforms business moderate.
- The **BETR** migration is now complete. This will both mathematically reduce the drag on group revenues, while also removing an organisational distraction.
- **New Jersey.** While we don’t assume anything at this stage, ongoing progress in New Jersey will be supportive of a more-favourable revenue outlook. The recent go-live of Bet365 in Colorado (with NJ to follow) is an interesting signpost in this regard.
- **Guidance.** Finally, BET has guided to 2H25 revenues exceeding those of 1H25. Our modelling implies something similar (\$45m vs \$43m) and is notable given we would expect a 1H skew under normal operating conditions.

### The path to OCF breakeven in 2H25 – where do we land?

Given a pick-up in revenues, expected improvement in gross margins (Next Gen, BETR roll-off) and ongoing cost reductions; we see a material improvement in OCF over the balance of FY25, from -\$4.2m in 1Q25 (-\$1.2m underlying) to just -\$0.3m in 4Q25.

**Nevertheless, our modelling does not quite deliver the positive OCF in 3Q/4Q that BET is expecting – providing room for upside vs our estimates.**

Figure 78: The path to OCF breakeven



Source: Company Reports, Ord Minnett Limited estimates  
Units: A\$m

## Financials

### Revenues

We expect revenue growth to return from 2H25 (+1% YoY, following -18% in 1H) and continue thereafter, delivering a 2-year CAGR of ~7% through FY27. Our estimates are predicated on:

- **Caesars / Norway Tote.** Caesars now has an Embedded Tote solution live in 22 sites across Nevada (plus Nebraska / Iowa), while the Norway Tote is expected to go-live in the current quarter. We model ~\$0.8m contributions from each in 2H25.
- **Domestic platforms.** Recent industry weakness has contributed to a material decline in domestic platforms revenue (we estimate as much as ~50%). However, with the pending launch of Next Gen, we expect these declines to moderate. We model flat revenues into perpetuity.
- The **BETR** migration is now complete. This will both mathematically reduce a drag on group revenues (~\$6-7m in FY23/FY24), while also removing an organisational distraction.
- **Core businesses.** Underneath visibility of domestic platforms / BETR revenue drags, we believe BET's core Global Tote and GBS businesses have been growing at a relatively consistent rate in recent years. Accordingly, we model ongoing ~4% 'core business' growth.

Figure 79: Revenue drivers

Revenue Drivers		FY22	FY23	FY24	FY25	FY26	FY27	3Y CAGR
Global Tote	\$m	51.1	53.2	54.8	57.6	62.2	65.6	6%
GBS	\$m	40.6	41.8	40.4	28.6	31.8	33.7	-6%
<b>Revenue</b>	\$m	<b>91.7</b>	<b>95.0</b>	<b>95.2</b>	<b>86.2</b>	<b>93.9</b>	<b>99.3</b>	<b>1%</b>
Growth	%		4%	0%	-9%	9%	6%	
Other Income	\$m	0.0	8.7	1.6	0.0	0.0	0.0	-100%

Source: Company reports, OMLe

### Expenses

- **Gross Profit** rises faster than revenues (12% CAGR) as COGS fall meaningfully, due to (1) the removal of BETR-associated costs, and (2) a reduction in cloud hosting and infrastructure costs post-the Next Gen rollout.
- **Employee expenses** continue to fall through FY25 due to ongoing cost-cutting that has been signalled in this line item (ie. -\$5.1m vs June 30). We hold staff costs flat in each of FY26/FY27 as modest revenue growth is absorbed within a streamlined operating structure. **Other expenses** follow a similar trajectory.
- **Adj. EBITDA** rises from -\$7.2m in FY24 to -\$0.5m in FY25 (noting BET incentives are for >\$6m in 2H25), and to \$8.1m in FY26. These estimates are driven by the abovementioned inputs. Margins improve from -8% in FY24 (and -29% FY23) to 14% by FY27. This remains below our long-term margin assumptions of ~25-30% for BET (ie. in-line with mature peers).

Figure 80: Expense drivers

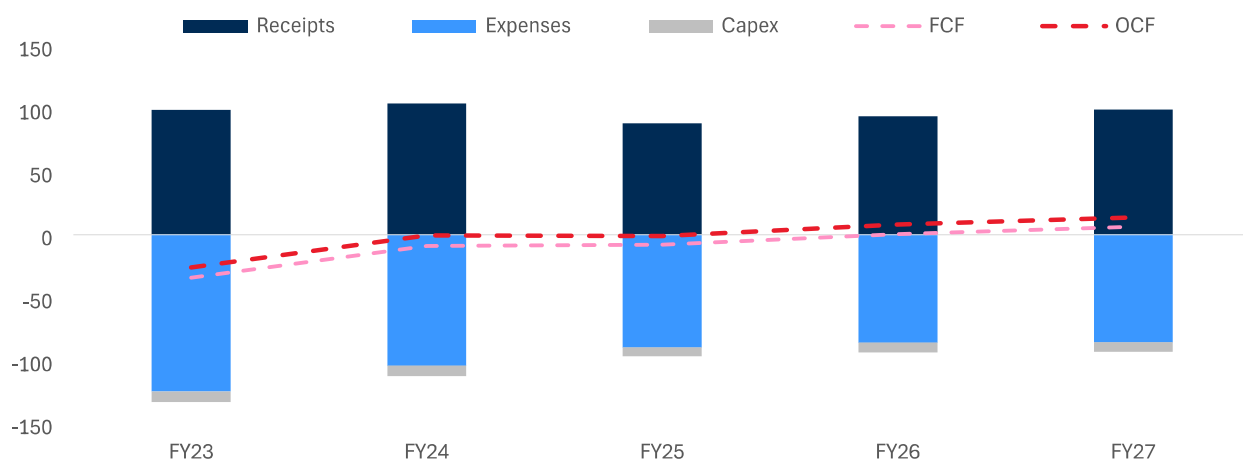
Expense Drivers		FY22	FY23	FY24	FY25	FY26	FY27	3 YR
<b>Total Revenue</b>	\$m	91.7	95.0	95.2	86.2	93.9	99.3	1.4%
		25.4	35.9	37.8	33.6	33.6	33.5	-3.9%
<b>Gross Profit</b>	\$m	66.3	59.2	57.4	52.6	60.4	65.8	4.6%
Margin	%	72.3%	62.3%	60.3%	61.1%	64.3%	66.3%	
Other Income	\$m	0.0	8.7	1.6	0.0	0.0	0.0	n.m.
<b>Operating Expenses</b>								
Employee Expenses	\$m	46.8	64.4	45.4	38.4	37.8	37.8	-5.9%
% of Sales	%	51%	68%	48%	45%	40%	38%	
All Other	\$m	34.6	36.1	20.7	14.7	14.5	14.5	-11.3%
Stock-based Compensation	\$m	71.0	8.3	-1.9	2.1	2.1	2.1	nm
<b>Total Opex</b>	\$m	152.4	108.8	64.2	55.2	54.4	54.4	-5.4%
EBITDA	\$m	-86.1	-41.0	-5.2	-2.6	6.0	11.4	nm
<b>Adj. EBITDA</b>	\$m	2.2	-27.8	-7.2	-0.5	8.1	13.5	nm
Margin	%	2.4%	-29.3%	-7.6%	-0.5%	8.6%	13.6%	

Source: Company Reports, OMLe

### Cash flow statement

- **OCF** rises in-line with EBITDA given receipts and cash expenses have traditionally tracked P&L items, with negligible working capital drag. We do not expect cash taxes to be incurred by FY27, given a >\$200m accumulated loss.
- **FCF** rises from ~-\$8-9m in each of FY24/FY25 to ~\$6m by FY27. This improvement is driven by the abovementioned dynamics and strips out any impact of customer funds.

Figure 81: Free cash flow composition (\$m)

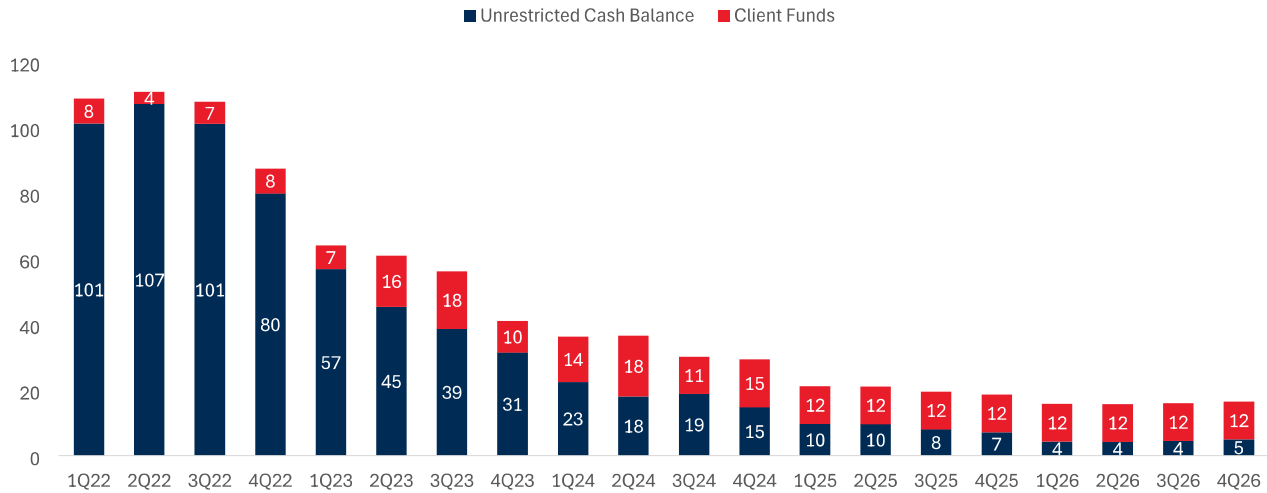


Source: Ord Minnett Limited estimates

Units: A\$m

### Balance Sheet

- **Cash balances.** We expect BET to end FY25 with \$15.6m of cash, of which ~\$11m will be client funds (in-line with 1Q25). On an ex-client funds basis, we expect available funds to trough at ~\$4m in mid-FY26 before beginning to rise thereafter (Figure 82).

**Figure 82: Closing cash balances (\$m) – restricted and unrestricted**


Source: Company Reports, Ord Minnett Limited estimates

- **Debt.** We assume only US\$2m of the Tekkorp US\$3m is drawn and subsequently repaid in 24 months (1H25 and 1H27 respectively). The remainder of the balance sheet is debt free, less some minor lease liabilities.

**Figure 83: Balance Sheet**

Balance Sheet		FY22	FY23	FY24	FY25	FY26	FY27
Cash and Equivalents	\$m	87.6	41.0	29.3	18.7	16.5	17.0
Trade and Other Receivables	\$m	15.4	27.6	14.2	11.9	11.9	11.9
Finished Goods	\$m	4.0	4.2	3.7	3.7	3.7	3.7
Other	\$m	2.1	2.5	1.7	1.7	1.7	1.7
<b>Total Current Assets</b>	\$m	<b>109.1</b>	<b>75.3</b>	<b>48.9</b>	<b>35.9</b>	<b>33.8</b>	<b>34.2</b>
PP&E	\$m	24.8	28.4	24.4	23.0	21.3	19.7
Right of Use Assets	\$m	4.9	4.3	2.9	1.9	1.3	0.9
Intangibles	\$m	65.8	56.7	59.1	57.6	57.2	56.8
Deferred Tax Assets	\$m	18.5	34.0	13.9	18.1	19.5	19.1
Other	\$m	0.0	0.8	1.4	5.1	5.1	5.1
<b>Total Non-Current Assets</b>	\$m	<b>113.9</b>	<b>124.2</b>	<b>101.8</b>	<b>105.7</b>	<b>104.5</b>	<b>101.6</b>
Trade and Other Payables	\$m	15.7	35.1	31.8	27.4	25.2	22.9
Contract Liabilities	\$m	1.0	1.8	1.5	1.5	1.5	1.5
Lease Liabilities	\$m	0.6	1.4	1.6	1.6	1.6	1.6
Employee Benefits	\$m	2.8	2.3	2.4	2.4	2.4	2.4
Other	\$m	1.1	4.6	0.0	0.0	0.0	0.0
<b>Total Current Liabilities</b>	\$m	<b>21.3</b>	<b>45.3</b>	<b>37.2</b>	<b>32.8</b>	<b>30.6</b>	<b>28.3</b>
Lease Liabilities	\$m	4.6	3.3	1.6	1.6	1.6	1.6
Borrowings	\$m	0.0	0.0	0.0	3.1	3.1	0.0
Other	\$m	7.9	0.3	0.3	0.3	0.3	0.3
<b>Total Non-Current Liabilities</b>	\$m	<b>12.5</b>	<b>3.7</b>	<b>1.9</b>	<b>5.0</b>	<b>5.0</b>	<b>1.9</b>
Contributed Equity	\$m	252.5	300.0	305.2	307.3	309.4	311.5
Reserves	\$m	69.5	15.9	9.9	9.9	9.9	9.9
Retained Earnings	\$m	-132.7	-165.3	-203.5	-213.4	-216.7	-215.8
<b>Total Equity</b>	\$m	<b>189.3</b>	<b>150.6</b>	<b>111.6</b>	<b>103.8</b>	<b>102.6</b>	<b>105.6</b>

Source: Ord Minnett Limited estimates

Units: A\$m

## Management Incentives Provide Additional Upside

### Background

Alongside its 1Q25 result, BET provided detail on its updated management incentive structure, which sees key personal aligned to the transformation strategy discussed throughout this report.

A summary of these incentives is outlined below, with OML estimates compared against each in Figures 84 through 85 – highlighting clear upside against our published numbers.

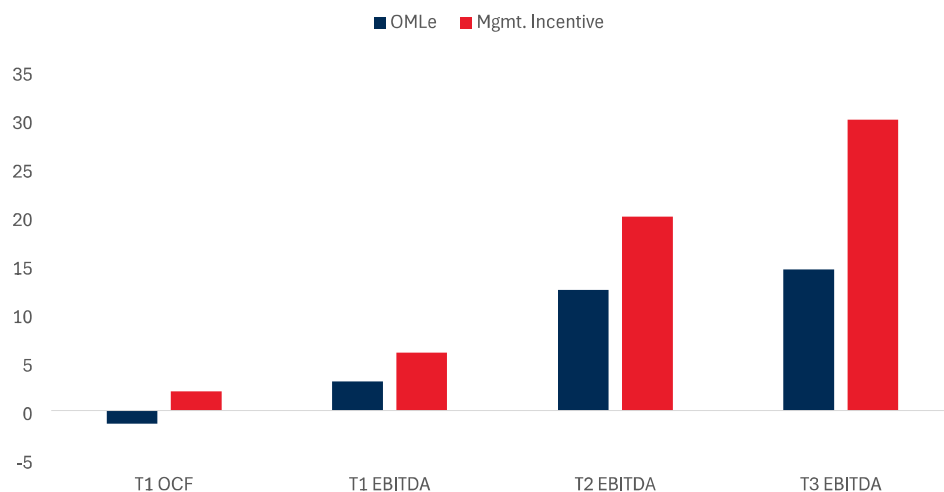
**Figure 84: Management incentives**

	Criteria			Date
	OCF	EBITDA	SP	
Tranche 1	2.0	6.0	0.25	FY25
Tranche 2		20.0	0.33	1H27
Tranche 3		30.0	0.4	2H27

Source: Company Reports

Note: T2/T3 require trailing 12m EBITDA delivery of \$15m

**Figure 85: Management incentives vs OMLe**



Source: Company Reports, Ord Minnett Limited estimates

Units: A\$m

## Key Risks

Key risks to our thesis include:

- **Dilution risk.** We model a trough cash balance for BET of ~\$4m in mid-FY26 and therefore do not expect additional capital will be required to fund operations. Nevertheless, the company remains a loss making entity at this time, so dilution remains a risk.
- **Regulatory change.** Changes in any applicable industry regulation may affect BET and/or its customers through additional compliance costs or the inability to access certain services or markets. As discussed throughout this note; changes to wagering ad bans and/or POC taxes fall into this category.
- **New markets / verticals.** As part of its growth strategy, BET will look to expand into new international geographies. While these markets offer new opportunities; they may also be unproven.
- **Competition.** The racing and sports wagering and associated technology space is reasonably competitive, with modest switching costs (in some cases) and a constant stream of new products and services being offered. Any changes to the competitive environment could lead to revenue and/or margin pressures.
- **Key person risk.** BET is led by a tight senior executive team with each holding a moderate level of control. Strategic decision-making is held with Executive Chair, CEO and CFO. The exit of any of these individuals is a risk factor.
- **Technology risk.** The technology sector is fast-moving and as such, there is a risk that new (and superior) products come to market and usurp market incumbents.
- **Security risks.** Cyber-security incidents may compromise or breach technology and service platforms used by the company. This could result in loss of data and reputational damage.



## ESG

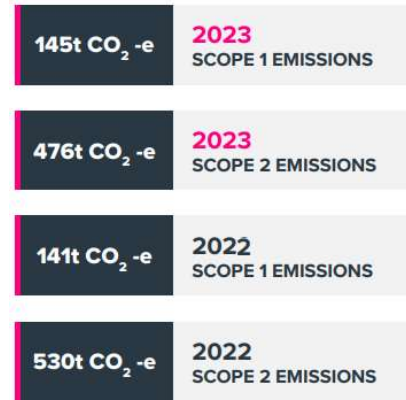
BET in FY22 established the Environmental, Social and Governance (ESG) Committee. The committee reports an annual ESG Investor Update with the latest available on the company’s website being the 2023 edition.

### Environmental

BET references the Task Force Climate-Related Financial Disclosures (TCFD) and SASB frameworks in ensuring best practice structuring and reporting of environmental matters. The Company’s Scope 1 and Scope 2 emissions were primarily a result of energy usage within leased premises, and fuel associated with company owned vehicles. For the continuous improvement of its practices, BET is undertaking activities to support further positive environmental outcomes including:

- Minimising carbon intensive travel options and encouraging video meetings.
- Reducing, reusing and recycling terminal shipping and storage materials.
- Developing and promoting technologies that reduce dependence on betting terminal ticket paper in venues.
- Choosing terminal and other supply partners who have established environmental practices (in accordance with BetMakers’ Supplier Code of Conduct) and more.

Figure 86: Emissions



Source: BET ESG Investor Update

### Social

A key strategic goal for BET is the attraction, retention, and development of marketing leading talent. In doing so, the company believe it achieves this through the below key priorities.

**Employee engagement:** BET completed an engagement survey in October 2023, with an 83% participation rate and a 64% engagement score, slightly below the industry benchmark of 72%.

**Diversity goals:** BET promotes diversity in all areas, including race, nationality, age, and gender. The board had 40% female representation in FY23 (now 50%), with the overall employee gender ratio at 20% female and 80% male.

**Gender diversity targets:** By June 2024, BET expected to achieve 25-30% female representation across all employee levels – the FY24 annual report did not include an update. BET’s engagement survey showed a 76% on diversity and inclusion.

**Gender equality:** The company is committed to regular pay equity analyses, ensuring female candidates are interviewed for all roles, unconscious bias training, and providing a comprehensive parental leave policy.

**Hybrid working:** BET supports flexible work arrangements, with employees scoring a 77% work-life balance in the October 2023 engagement survey.

**Health & safety:** BET takes a proactive approach to workplace safety, conducting regular inspections, and providing health and ergonomic assessments.

**Employee benefits:** Employees in the United State of America and Sri Lanka have access to health insurance, and all employees are offered free, unlimited access to confidential counselling services.

**Exposure to gambling:** Although wagering technology companies are not directly exposed to wagering itself, those within the industry face criticism for the enablement or exacerbation of gambling and its potentially addictive nature. The effects of problem gambling and addiction are well documented and include impacts to mental health, financial distress, family breakdown, and work productivity.

**Governance**

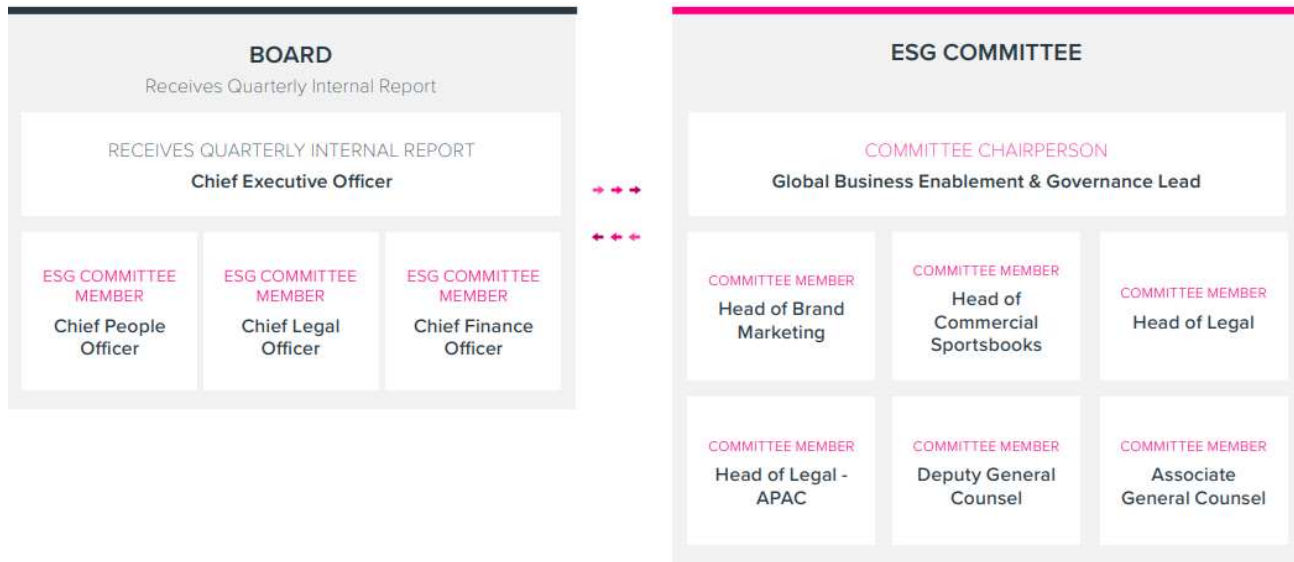
BET continues to prioritise compliance, risk management, and stakeholder protection through strong corporate governance, with the Board overseeing key policies and is supported by specialised committees.

In responsible gaming, BetMakers promotes tools that encourage safe wagering, such as self-exclusion, deposit limits, and training for staff. Despite a B2B-focused, BET advocates for responsible gaming through employee training and platform features.

BetMakers also leads in integrity solutions for racing events, using data analysis and AI to detect fraud. For anti-money laundering (AML), BetMakers adheres to AML and counter-terrorism regulations across all jurisdictions and screens Australian employees for compliance.

Data and cybersecurity security remains a priority, evidenced by its ISO27001 certification and ongoing cybersecurity initiatives. The company further maintains licensing compliance and works proactively with regulators to ensure its technology meets standards across the 30 countries it operates within.

**Figure 87: BET’s ESG committee is comprised of various senior executives and department heads**



Source: BET ESG Investor Update 2023

## Board and Management

### Board of Directors

#### **Matt Davey – President and Executive Chairman**

Matt Davey possesses extensive expertise in the gaming and wagering industry within the United States. Previously, he served as the Chief Executive Officer of NYX Gaming Group, a company that was subsequently acquired by Scientific Games (NASDAQ: SGMS). During his tenure as CEO at NYX Gaming Group, Matt Davey demonstrated exceptional leadership by formulating and implementing a highly successful corporate strategy, resulting in substantial revenue growth. Furthermore, he spearheaded the acquisition of ten companies, including OpenBet, a renowned provider powering one of the largest volumes of online sports bets worldwide. This strategic move contributed significantly to NYX Gaming Group's emergence as a leading supplier of digital gaming content and cutting-edge technology. He was appointed to the Board in 31 January 2023. Prior to his current appointment, Matt held a Non-executive Director role at BetMakers from September 2020 to April 2022.

Other current directorships: Nil

#### **Simon Dulhunty – Independent Non-executive Director**

Simon Dulhunty has more than 25 years of media experience. He is a former Fairfax Media executive where he has held senior roles including roles as Editor of The Sun-Herald and General Manager of Fairfax mobile development for SMH, The Age and AFR apps. Simon now operates a private consultancy where he serves as corporate affairs, issues management and business development advisor to a range of clients from multi-national companies, sporting organisations, technology start-ups and high profile individuals. He is a member of the Audit & Risk Committee, member of the Nomination & Remuneration Committee and was appointed to the Board on 2 October 2015.

Other current directorships: Nil

#### **Rebekah Giles – Independent Non-executive Director**

Rebekah Giles possesses an extensive legal career spanning over 20 years, with a focus on contentious matters. She has garnered a wealth of expertise in handling complex commercial disputes, sensitive legal conflicts, regulatory investigations, reputational risk management, prosecution, and inquiries. As the principal director of the boutique legal firm, Company (Giles), Rebekah holds a prominent position in the legal industry. In addition to her legal practice, Rebekah maintains a diverse portfolio of non-executive directorships across various sectors, including government, sports, and private enterprises. Noteworthy positions include Chair of the Board of Governors for the Centennial Parklands Foundation in Sydney, Western Sydney Football Club (AFL GWS Giants), FrontRunners, SOBA (Sydney Olympic Park Business Association), Greyhound Racing NW, and the Association for Women in Insurance. Beyond her professional achievements, Rebekah has a longstanding passion for the racing industry. She is Chair of the Nomination & Remuneration Committee, member of the Audit & Risk Committee and was appointed to the Board on 9 February 2022.

Other current directorships: Nil

### Anna Massion – Independent Non-executive Director

Anna Massion is an accomplished finance professional with over 20 years of experience as an independent director and investment professional. Ms. Massion joined the board of BetMakers in March 2022 and currently serves as a Non- Executive Director on the boards of Playtech, PLC, AGS LLC, and Gaming Realms PLC. She previously served as a Non-Executive Director for Artemis Strategic Investment Corporation. Prior to her board appointments, Ms. Massion was a Senior Analyst at PAR Capital Management from 2014-2019, held the role of Director of Gaming, Lodging and Leisure at Hedgeye Risk Management, LLC from 2008-2014, worked at Marathon Asset Management as a Vice President in the Global Equity Fund, and spent 7 years at JPMorgan Securities with her last role as a Vice President on the Proprietary Trading Desk. Ms. Massion is Chair of the Audit & Risk Committee, member of the Nomination & Remuneration Committee and was appointed to the Board on 4 March 2022

Other current directorships: Non-Executive Director, Playtech PLC (LSE: PTEC), Non-Executive Director, AGS LLC (NYSE: AGS), Non-Executive Director, Gaming Realms PLC (LSE: GMR)

### Figure 88: Board statistics

#### Board Statistics: As at November 2024

Number of directors	4
Average duration	4.6 years
Independent directors	75% (3/4)
Female representation	50% (2/4)

Source: Company Data, Ord Minnett Research

### Figure 89: Board & KMP shareholdings

Shareholdings	Start of FY23	Received as			Today
		remuneration	Additions	Disposals	
<i>Directors</i>					
Matt Davey	102,500,000	-	17,500,000	-28,000,000	92,000,000
Simon Dulhunty	3,973,620	-	-	-	3,973,620
Rebekah Giles	161,802	50,048	-	-	211,850
Anna Massion	124,587	221,488	-	-	346,075
<i>KMP</i>					
Jake Henson	2,737,836	-	556,818	-	3,294,654
Todd Buckingham	20,256,834	-	500,000	-	20,756,834
<b>Total</b>	<b>129,754,679</b>	<b>271,536</b>	<b>18,556,818</b>	<b>-28,000,000</b>	<b>120,583,033</b>

Source: Company Data, Ord Minnett Research

### Figure 90: Performance right holdings

Name	Rights		Vesting /		Exercise Price	Fair Value at Grant Date
	Granted	Grant Date	Exercise Date	Expiry Date		
Matt Davey	1,500,000	31-Jan-23	30-Jun-25	30-Jun-26	\$0.00	\$0.16
	2,500,000	31-Jan-23	30-Jun-26	30-Jun-27	\$0.00	\$0.16
Jake Henson	250,000	23-Jun-21	31-Dec-24	30-Jun-25	\$0.00	\$0.77
	750,000	31-Jan-23	30-Jun-25	30-Jun-26	\$0.00	\$0.16
	1,250,000	31-Jan-23	30-Jun-26	30-Jun-27	\$0.00	\$0.16
Todd Buckingham	5,000,000	29-Apr-21	30-Jun-24	30-Jun-25	\$0.00	\$0.90

Source: Company Data, Ord Minnett Research

## Key Management Personnel

### Jake Henson – Chief Executive Officer

Jake Henson has been a key member of BetMakers since 2013 and holds over a decade of experience in the sports and wagering industries. Most recently, Jake has overseen the integration of the company's acquisitions, DynamicOdds, Global Betting Services, and the former Sportech Racing, within the BetMakers business, as well as introducing these end-to-end product offerings to BetMakers global client base.

### Todd Buckingham – Chief Growth Officer

Todd Buckingham has more than 20 years of experience working in the sports and wagering industry in Australia. After completing a double bachelor's degree in teaching and health and physical education in 2000, Todd taught secondary education for 5 years at Hunter Sports High School while simultaneously working as a sports manager at a successful sports management company, NSRT. During his time at NSRT, Todd negotiated more than \$20M worth of sporting contracts, culminating in his appointment as Managing Director. As Managing Director of NSRT, his responsibilities included managing the affairs of Rugby League athletes, negotiating contracts, sourcing sponsorships, managing accounting and budgeting affairs, crisis management, and media relations. In 2009, Todd founded 12Follow OpCo, and in 2010 he founded TopBetta OpCo.

### Martin Tripp – Chief Operating Officer

Martin Tripp has held senior executive roles across trading, product, operations, and analytics teams over a 15-year wagering career, including most recently as Chief Trading Officer at BetEasy. He brings a wealth of knowledge from the corporate wagering industry and has been involved in highly successful start-ups, including Sportsbet and BetEasy.

### Carl Henschke – Chief Financial Officer

Carl Henschke joined BetMakers in 2024 with over 17 years of experience in financial services, capital markets and legal sectors. Carl brings to the role of CFO his deep expertise in financial planning and analysis, strategy, capital management, and M&A, as well as a keen understanding of high growth technology companies. Beginning his career as a solicitor at Herbert Smith Freehills, Carl has since worked as an investment banker, most recently serving as Managing Director at Canaccord Genuity, where he focused on software and digital businesses, including those in the wagering and betting sector.

### Dan MacDonald – Chief Digital Officer

Dan MacDonald has been involved in the wagering industry for 12 years, holding roles across Customer Service, Trading, Product, and Technology. Having worked at the likes of Sportsbet, BetEasy, and William Hill, he has developed a deep understanding of the wagering customer, and the role technology plays in exceeding their expectations. Moving from Head of Product into Chief Digital Officer, Dan brings a customer-focused approach to delivering the many exciting global opportunities at BetMakers.

### Chelsey Abbott – Chief People Officer

Chelsey Abbott has extensive experience in the People & Culture field and a comprehensive understanding of the wagering industry. With a deep understanding of human behaviour and its influencing factors, Chelsey is passionate about implementing contemporary People & Culture solutions, working with people to achieve their full potential. Chelsey has played a pivotal role in the HR components of the migrations between Sportech and BetMakers, William Hill and CrownBet, and BetEasy and Sportsbet. Her focus on cultivating a positive employee-employer relationship is matched by her commitment to fostering a culture of high performance and engagement.

### Sam Adams – Chief Legal & Compliance Officer

Sam Adams has extensive experience working in legal, senior executive and board roles, including with the Brisbane Racing Club and Racing Queensland and he has developed specialist expertise in the wagering and sports industries in Australia and overseas. Sam is a Graduate of the Australian Institute of Company Directors.

**Figure 91: Board and KMP remuneration**

	Cash Salary & Fees	Non- Monetary	Cash Bonus	Cash Superannuation	Performance Rights	Total
<i>Non-Executive Directors</i>						
Nicholas Chan	\$ 35,247	9,260	-	211	-	44,718
Simon Dulhunty	\$ 99,548	-	-	10,529	-	110,077
Rebekah Giles	\$ 85,973	-	-	9,457	32,846	128,276
Anna Massion	\$ 20,000	-	-	-	126,660	146,660
<i>Executive Directors:</i>						
Matt Davey	\$ 351,029	-	-	-	-	351,029
<i>Executive KMP</i>						
Jake Henson	\$ 372,115	-	16,450	27,500	247,500	663,565
Todd Buckingham	\$ 325,682	-	13,462	27,500	1,422,280	1,788,924
<b>Total</b>	<b>\$ 1,289,594</b>	<b>9,260</b>	<b>29,912</b>	<b>75,197</b>	<b>1,829,286</b>	<b>3,233,249</b>

Source: Company Data, Ord Minnett Research



## Major shareholders

**Figure 92: Shares held by major shareholders**

	<b>Shares Held</b>	<b>% of SOI</b>
Tekcorp Holdings LLC	95,000,000	9.8%
Matt Tripp	60,000,000	6.2%
Perennial Value Management Limited	46,951,331	4.8%
Waterhouse VC Pty Ltd	45,933,159	4.7%
Paradice Investment Management Pty Ltd	45,008,524	4.6%
Macquarie Capital Investment Management	44,384,596	4.6%
Norges Bank Investment Management	27,193,666	2.8%
Todd Buckingham	26,525,452	2.7%
David Rocci	17,709,176	1.8%
J & M Hunter Investments Pty Ltd	11,756,940	1.2%
Jason Byrne	11,242,106	1.2%
Bridgetrack Investments Pty Ltd	8,849,472	0.9%
Thackeray Pty Ltd	8,283,334	0.9%
Rosshaw Pty Ltd	6,745,000	0.7%
P.G. Binet Pty Ltd	6,625,000	0.7%
Ada Services (NSW) Pty Ltd	5,845,559	0.6%
Diane Arapidis	5,679,685	0.6%
Dimensional Fund Advisors LP	5,350,127	0.6%
Hkelly Holdings Pty Ltd	4,547,369	0.5%
Angus Johnson	4,519,859	0.5%
Shares held by top holders	488,150,355	50.3%
Shares held by individuals/insiders	138,022,346	14.2%
Shares held by 5% owners	155,000,027	16.0%
Shares held by institutions	218,525,155	22.5%
<b>Total shares on Issue</b>	<b>970,114,394</b>	

Source: Iress

**BetMakers Technology Group Limited**

<b>PROFIT &amp; LOSS (A\$m)</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Revenue	95.0	95.2	86.2	93.9	99.3
Other income	8.7	1.6	-	-	-
Operating costs	121.3	76.9	66.7	65.1	64.5
<b>Operating EBITDA</b>	<b>(41.0)</b>	<b>(5.2)</b>	<b>(2.6)</b>	<b>6.0</b>	<b>11.4</b>
D&A	(11.8)	(12.2)	(11.1)	(10.4)	(9.9)
<b>EBIT</b>	<b>(52.8)</b>	<b>(17.4)</b>	<b>(13.6)</b>	<b>(4.4)</b>	<b>1.5</b>
Net interest	(0.6)	(0.4)	(0.4)	(0.3)	(0.2)
<b>Pre-tax profit</b>	<b>(53.4)</b>	<b>(17.9)</b>	<b>(14.1)</b>	<b>(4.7)</b>	<b>1.3</b>
Net tax (expense) / benefit	14.6	(20.8)	4.2	1.4	(0.4)
<b>Normalised NPAT</b>	<b>(38.8)</b>	<b>(38.7)</b>	<b>(9.9)</b>	<b>(3.3)</b>	<b>0.9</b>
<b>Reported NPAT</b>	<b>(38.8)</b>	<b>(38.7)</b>	<b>(9.9)</b>	<b>(3.3)</b>	<b>0.9</b>
Normalised dil. EPS (cps)	(4.2)	(4.0)	(1.0)	(0.3)	0.1
Reported EPS (cps)	(4.2)	(4.0)	(1.0)	(0.3)	0.1
Effective tax rate (%)	(27.4)	116.5	(30.0)	(30.0)	(30.0)
Diluted # of shares (m)	933.2	960.1	962.3	962.3	962.3

<b>CASH FLOW (A\$m)</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Net Interest (paid)/received	(0.6)	(0.4)	-	-	-
Income tax paid	(0.2)	(0.4)	-	-	-
Other operating items	2.1	3.9	-	-	-
<b>Operating Cash Flow</b>	<b>(24.3)</b>	<b>3.2</b>	<b>(1.0)</b>	<b>8.2</b>	<b>13.8</b>
Capex	(8.2)	(8.2)	(7.1)	(7.7)	(7.4)
Acquisitions	(2.8)	(3.2)	-	-	-
Other investing items	-	-	(2.7)	-	-
<b>Investing Cash Flow</b>	<b>(11.0)</b>	<b>(11.5)</b>	<b>(9.8)</b>	<b>(7.7)</b>	<b>(7.4)</b>
Other financing items	(2.3)	(2.7)	0.6	(2.6)	(5.9)
<b>Financing Cash Flow</b>	<b>(11.7)</b>	<b>(2.7)</b>	<b>0.6</b>	<b>(2.6)</b>	<b>(5.9)</b>
FX adjustment	0.5	(0.8)	(0.5)	-	-
Net Inc/(Dec) in Cash	(47.0)	(11.0)	(10.2)	(2.2)	0.5

<b>BALANCE SHEET (A\$m)</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Cash	41.0	29.3	18.7	16.5	17.0
Receivables	27.6	14.2	11.9	11.9	11.9
Other current assets	6.6	5.4	5.4	5.4	5.4
PP & E	28.4	24.4	23.0	21.3	19.7
Intangibles	56.7	59.1	57.6	57.2	56.8
Other non-current assets	5.1	4.3	7.1	6.4	6.0
<b>Total Assets</b>	<b>199.5</b>	<b>150.7</b>	<b>141.7</b>	<b>138.2</b>	<b>135.8</b>
Payables	35.1	31.8	27.4	25.2	22.9
Other current liabilities	9.6	5.4	5.4	5.4	5.4
Other non-current liabilities	3.5	1.9	5.0	5.0	1.9
<b>Total Liabilities</b>	<b>48.9</b>	<b>39.1</b>	<b>37.8</b>	<b>35.6</b>	<b>30.2</b>
<b>Total Equity</b>	<b>150.6</b>	<b>111.6</b>	<b>103.8</b>	<b>102.6</b>	<b>105.6</b>
Net debt (cash)	(41.0)	(29.3)	(18.7)	(16.5)	(17.0)

**Speculative Buy**

<b>DIVISIONS</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>KEY METRICS (%)</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Revenue growth	3.6	0.2	(9.4)	9.0	5.7
EBITDA growth	-	-	-	-	90.9
EBITDA margin	-	-	-	6.4	11.5
OCF / EBITDA	62.2	-	37.7	137.0	120.7
EBIT margin	-	-	-	-	1.5
Return on assets	-	1.6	-	-	1.4
Return on equity	-	-	-	-	0.9

<b>VALUATION RATIOS (x)</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Reported P/E	-	-	-	-	118.3
Price To Free Cash Flow	-	-	-	229.6	16.7
Price To NTA	1.1	2.0	2.3	2.3	2.2
EV / EBITDA	-	-	-	20.5	10.8
EV / EBIT	-	-	-	-	81.0

<b>LEVERAGE</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
ND / (ND + Equity) (%)	(37.5)	(35.7)	(21.9)	(19.1)	(19.1)
Net Debt / EBITDA (%)	100.2	562.2	723.3	(276.3)	(149.0)
EBIT Interest Cover (x)	-	-	-	-	6.4
EBITDA Interest Cover (x)	-	-	-	19.8	48.0

<b>SUBSTANTIAL HOLDERS</b>	<b>m</b>	<b>%</b>
Tekcorp Holdings LLC	95.0	9.8%
Matt Tripp	60.0	6.2%
Perennial Value Management Ltd	47.0	4.8%

<b>VALUATION</b>	
Cost of Equity (%)	9.5
Cost of debt (after tax) (%)	6.0
<b>WACC (%)</b>	<b>9.0</b>
Target Price Method	DCF
Target Price (\$)	0.16
Valuation disc. / (prem.) to share price (%)	46.3

## Guide to Ord Minnett Recommendations

**Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.**

SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.

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