

# **RAKETECH**

**Q3 2023 Report Presentation**

**RAKETECH**

## **Q3 2023**

- 01.** Highlights and business update
- 02.** Financials Q3 2023
- 03.** A detailed plan regarding earnouts in Casumba
- 04.** Key takeaways
- 05.** Q&A



**Oskar Mühlbach**  
Chief Executive Officer



**Måns Svalborn**  
Chief Financial Officer

# Q3 Financial highlights

- A STRONG QUARTER IN LINE WITH PREVIOUSLY INCREASED TRADING UPDATE

- All time high group Revenues
  - 264% growth from Sub-affiliation totaling EUR 11.1m
  - 10% growth from high margin Affiliation marketing totaling EUR 9.5 million
- All growth is organic

## October revenues amounted to EUR 7.7 million

→ Revenues expected to exceed EUR 65-70 million

→ EBITDA is expected to come in between EUR 23-25 million

→ Free cash flow is expected to increase to EUR 13-15 million

## 21.5m

**REVENUE**

Y +65.8%

Q +22.1%

## 5.6m

**EBITDA**

Y +16,5%

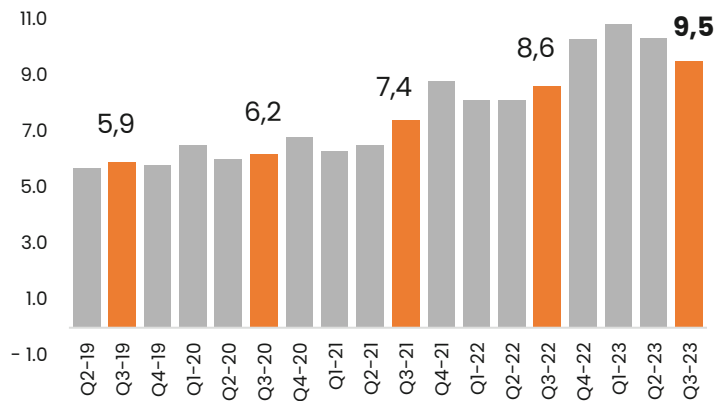
Q +2.3%

# Q3 Operational highlights

## Affiliation marketing

Performance marketing and lead generation provided for operators via Raketechn owned assets. CPA, Revshare, Listing fees

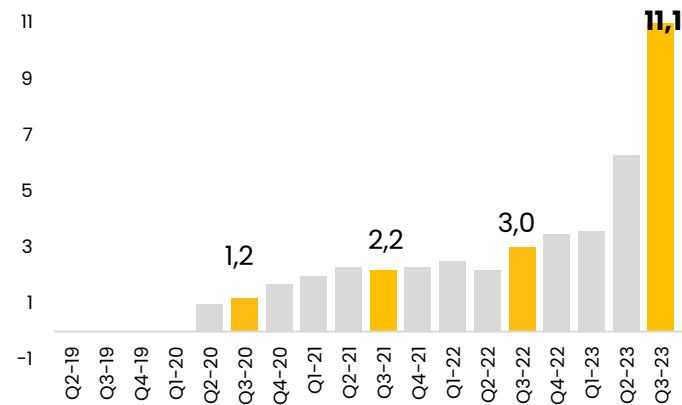
- **10% growth YoY**
- Strong performance from Casumba
- Softer markets in the US and Nordics



## Sub-affiliation

SaaS and managed solutions for administration, data analytics, reporting, payments and compliance for affiliates and operators. Commission + fees

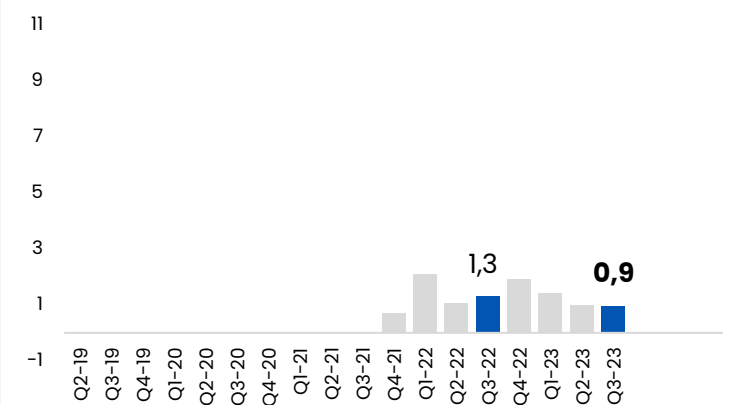
- **264% growth YoY**
- AffiliationCloud steady growth with increasing demand from new markets
- Paid sub affiliation standing out positively
- AffiliationCloud Sub affiliation doubled active partners compared to Q2



## Betting tips and advice

Consumer services, tailored sports data insights, analytics and predictions for engaged bettors. Subscription fees and win-share

- **-28% decline YoY**
- US slow season
- September-February high season
- Q3 included operational regrouping activities within infrastructure as well as organisation.



# Growth plan highlights

## FLAGSHIPS

- ✓ First ever Cricket World Cup marketing packages for OCB
- ✓ Unique AI Picks Product launched for Winners & Whiners in the US. Over 3000 signups within first month.
- ✓ Casinofeber.se first ever radio commercials in Sweden, direct traffic up over 50%

## US AFFILIATION

- ✓ Local key individuals and systems in place → execution mode
- ✓ Global infrastructure and increased global product management wherever it makes sense to increase delivery and margins

## AFFILIATION CLOUD

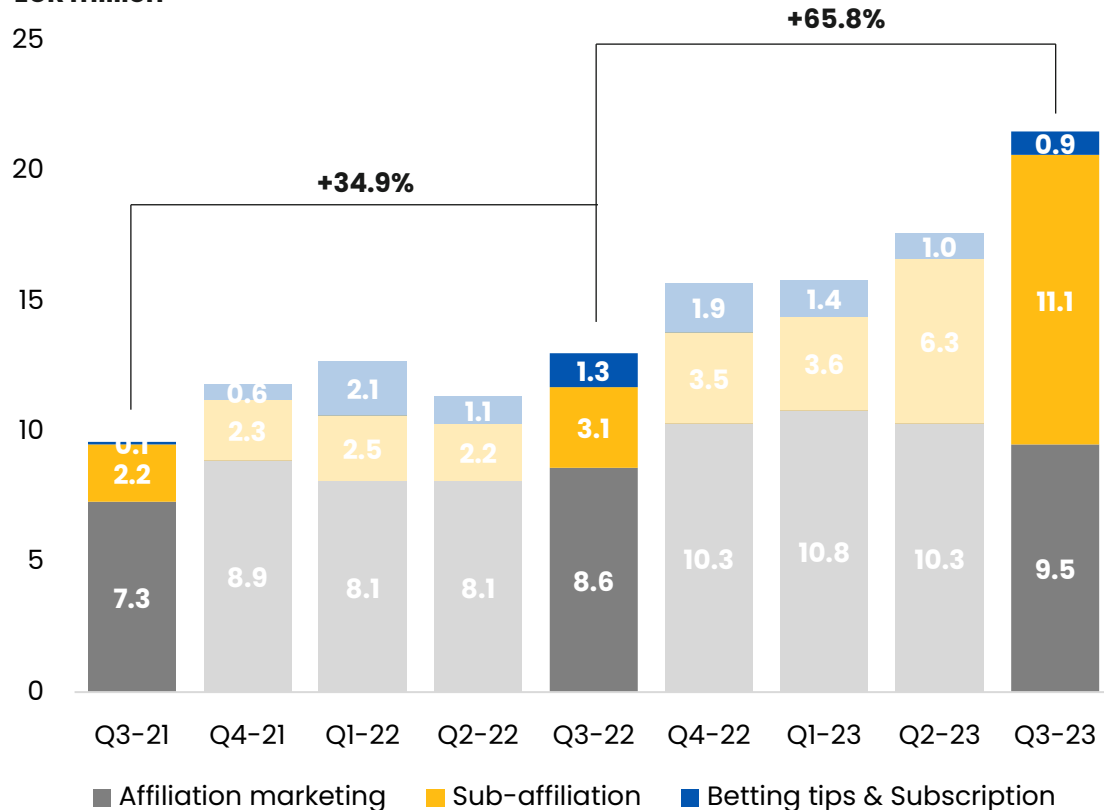
- ✓ Continuously stable growth with doubled number of Active Partners compared to Q2
- ✓ Increased demand from several new markets, where the US is prio for Q4 and Q1 2024
- ✓ Focus on quickly increasing capacity and scalability to meet demand

# **Financials Q3 2023**

# Accelerated growth

## Revenue streams

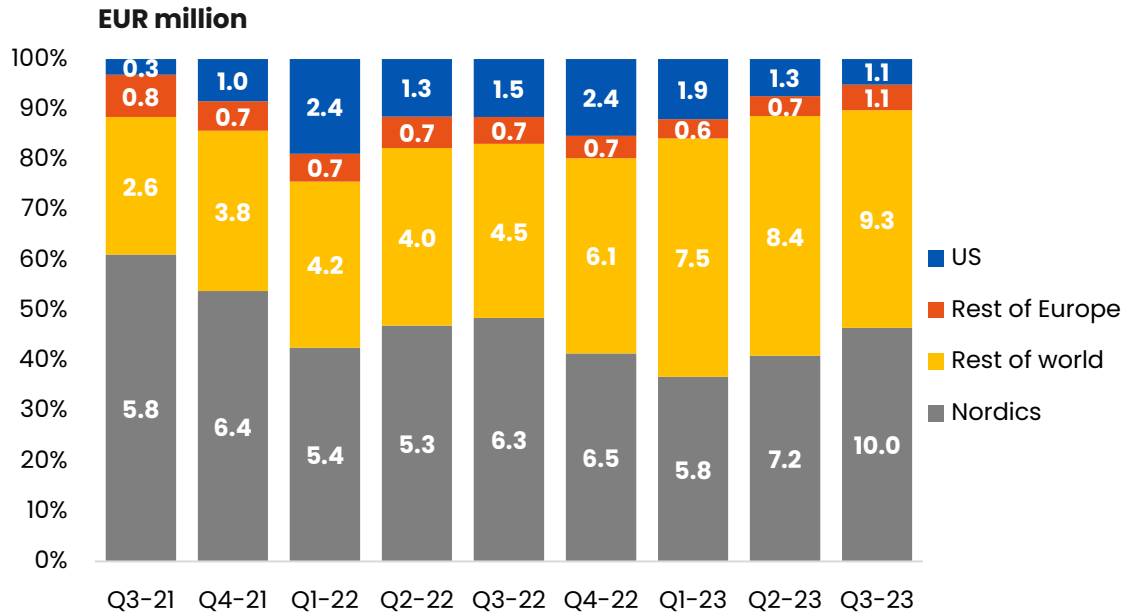
EUR million



- **Affiliation marketing** represents 44% of total revenues in Q3. The quarter saw continued strong performance from Casumba, somewhat softer performance from Sweden and stable in other regions.
- **Sub-affiliation** amounted to 52% of total revenues in the quarter as both LATAM and Nordic revenues increase.
- **Betting tips & subscription** at 4% of total revenues, picking up towards the end of Q3 but not on par with expectations.

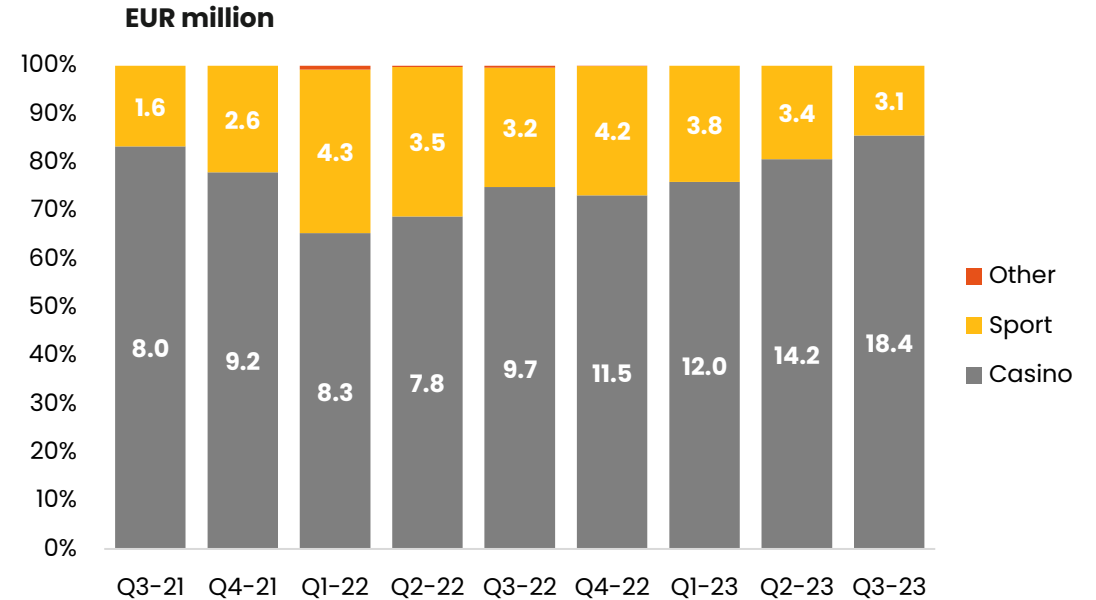
## Well balanced market mix with increased casino share

### Region split



- **Nordics** growth driven primarily by increased Network sales (sub-affiliation)
- **Rest of World** continues with positive trend for Casumba and rapid growth in multiple markets for Network (sub-affiliation)
- **US** entering high season but not reaching expectations

### Vertical split



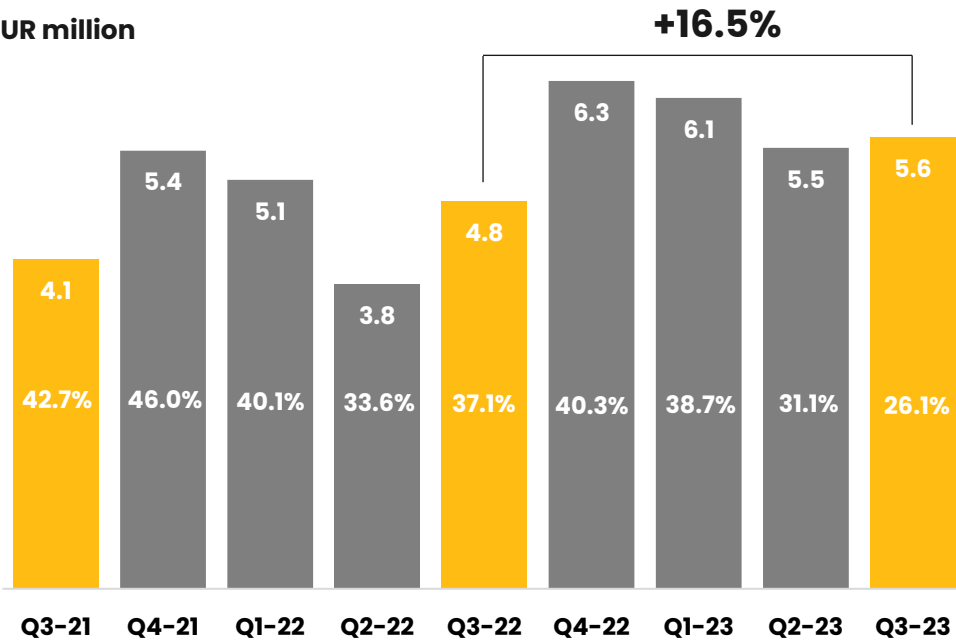
- **Casino** at 86% of total revenues with strong performance from ROW coupled with higher share of casino revenues within Sub-affiliation/Network



# EBITDA growth with increasing cash flow

## EBITDA and margin quarterly

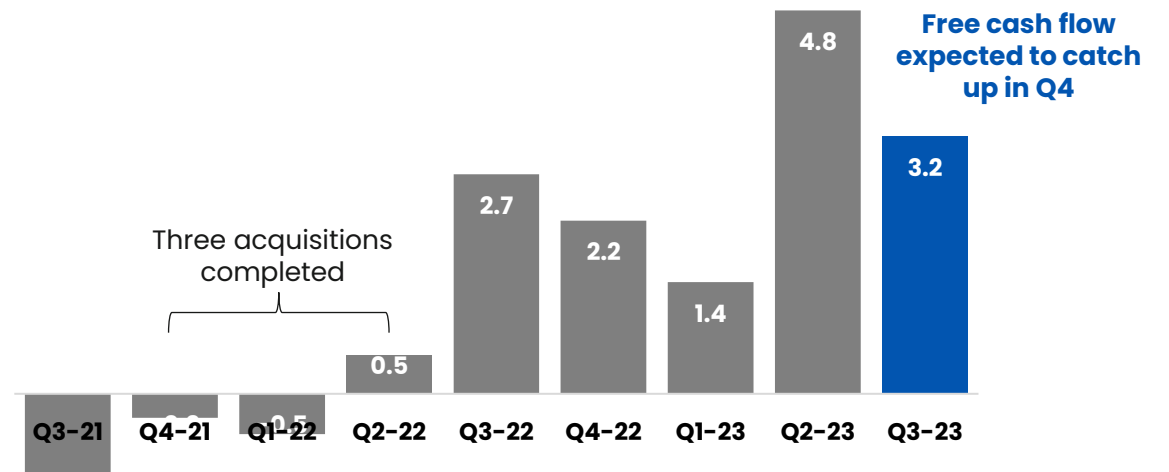
EUR million



- Continuous growth in EBITDA with a well-balanced product mix
- Positive EBITDA contribution from growth in sub-affiliation
- Lower group EBITDA margin as Sub-affiliation grows in relative terms

## Cash flow quarterly (ex dividends)

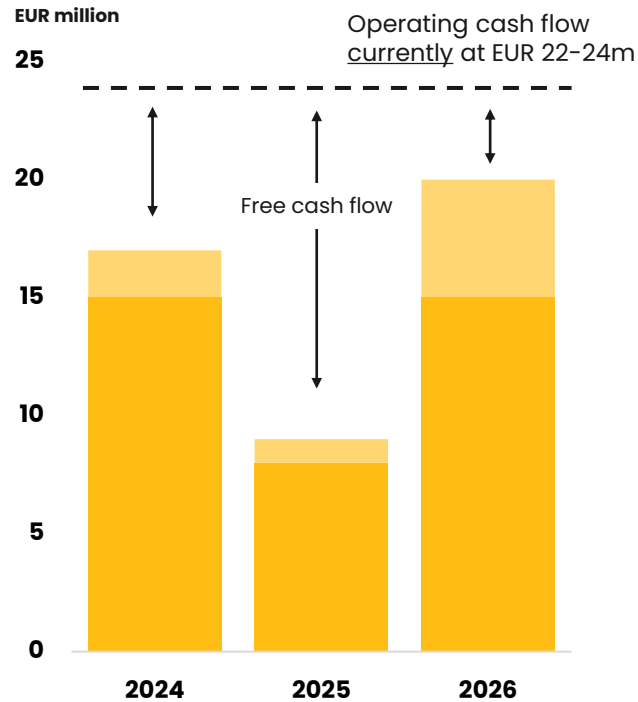
EUR million



- Strong free cash flow impacted by timing effect from settlement of trade receivables within sub-affiliation
- Free cash flow for the full year expected at EUR 13-15m

# Casumba earnout coming to an end

## Estimated earnout settlements



	2024	2025	2026
<b>Estimated earnout to settle</b>	<b>17m</b>	<b>9m</b>	<b>20m*</b>
Cash	15-17m	6-9m	12-20m
Equity (at RT discretion)	0-2m	0-3m	0-8m

\* Can be settled at any point in time up until September 2026

- **Majority of earnout determined**, with only cash flow positive profit share remaining
- **Current cash flow well above estimated earnout** cash outflows
  - Settlement in shares at full discretion of Raketech
- **Founders to stay onboard**, to oversee portfolio of assets and work on other growth projects

# Key takeaways and outlook

*"A strong quarter in line with previously increased financial guidance."*

## Financials

- ATH revenues, EUR 21.5m
- Strong organic growth, +66% Y/Y
- Strong EBITDA, EUR 5.6 million, +16.5% Y/Y

## KPIs and Milestones

- Paid Sub-affiliation significant positive standout
- Doubled number of AffiliationCloud partners vs Q2
- First ever external marketing, Casinofeber.se radio ads
- Weak performance from Betting tips and advice

## Outlook and way forward

- October revenues EUR 7.7m
- Confident with Casumba Earnout
- Casumba founders to stay onboard
- Focus on increasing AffiliationCloud capacity to meet demand

## Reiterated 2023 guidance

→ Revenue*	EUR 65-70m
→ EBITDA	EUR 23-25m
→ Free Cash Flow	EUR 13-15m

\* Likely to over deliver on Revenues

# Q&A

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***Thank you!***