

# **RAKETECH**

**Q4 2022 Report Presentation**

**RAKETECH**

# Q4 2022

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**Oskar Mühlbach**  
Chief Executive Officer



**Måns Svalborn**  
Chief Financial Officer

# Q4 Financial highlights

## RECORD QUARTER WITH STRONG ORGANIC GROWTH

- Q4 32.5% growth → 2022 36.7%
- Q4 23.1% organic growth → 2022 10.8%
- Q4 40.3% EBITDA margin → 2022 38%
- Strong organic momentum, Sweden and ROW
- FIFA World Cup boost
- Strong Sub-affiliation quarter
- BOD suggests EUR 0.094 per share to be distributed as dividends

### OUTLOOK January – revenues EUR 5.0m

- Flagships going strong, Sweden and ROW
- Double down on US and AffiliationCloud

**15.7m**

**REVENUE**

Y +32.5%  
Q +20.9%

**6.3m**

**EBITDA**

Y +15.9%  
Q +31.2%

**23.1%**

**ORG. GROWTH**

Q +20.9%

**0.07**

**Adj. EUR EPS**

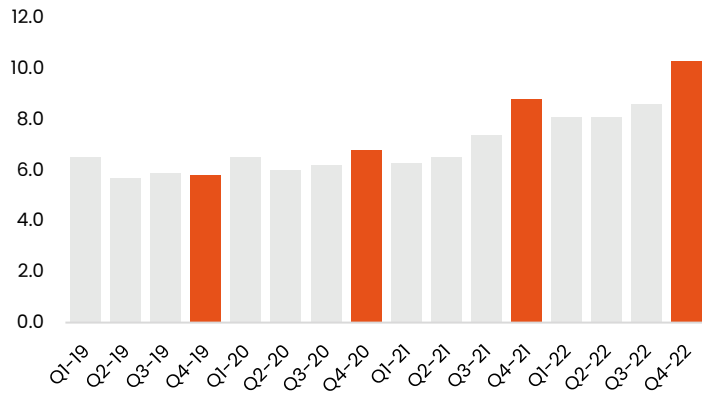
Y +4.2%  
Q +40.0%

# Q4 Operational highlights

## Affiliation marketing

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

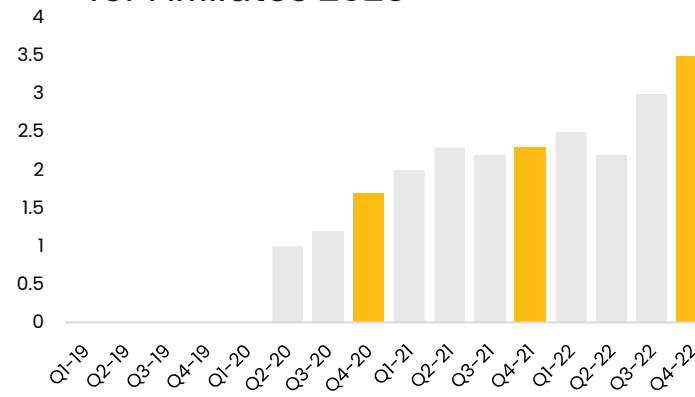
- **16.2% growth YoY**
- Casinofeber taken over by RT
- Casinotempen™ launched
- Casinoguide all time high, 186% growth YoY



## Sub-affiliation

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

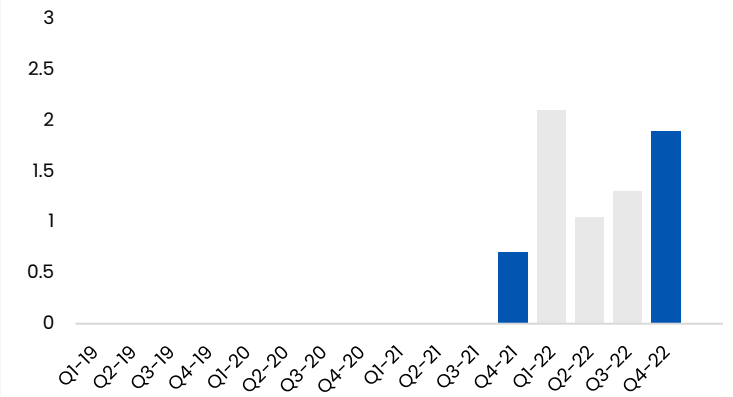
- **53.7% growth YoY**
- Majority of growth from Network
- 8 new AC clients
- 2 full-managed AC accounts live
- Live in South America and India
- IGB award winner – “Best Tech for Affiliates 2023”



## Betting tips and advice

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

- **175.1% growth YoY**
- New backend platform for P&P
- US MD appointed
- Dedicated US Affiliation Resources added to pickster organization



# 2023 Financial guidance

New business areas and operational platform

## Previous targets

- Organic growth 10%
- Acquired growth 20%
- EBITDA 50%
- Leverage 1.5–2.5x EBITDA

→ Replaced with near term financial guidance

**60–65m**

**EUR Revenue**  
15–25% growth

**20–24m**

**EUR EBITDA**  
0–20% growth

**11–13m**

**EUR Free Cash**  
120–160% growth

# Organic growth drivers 2023 and onwards

## FLAGSHIPS

Stable and continuous high margin growth

## US AFFILIATION

Accelerated US affiliation growth on the back of tipster assets

## AFFILIATION CLOUD

Significant share of revenues coming from SaaS segment

### 2023

- Casinofeber overtake
- Casinoguide geo expansion
- SlotsJava US entry

- Bespoke affiliation content and commercials on P&P and W&W

- Sales push
- Product features/development

### Long term

- External marketing
- User databases/added value

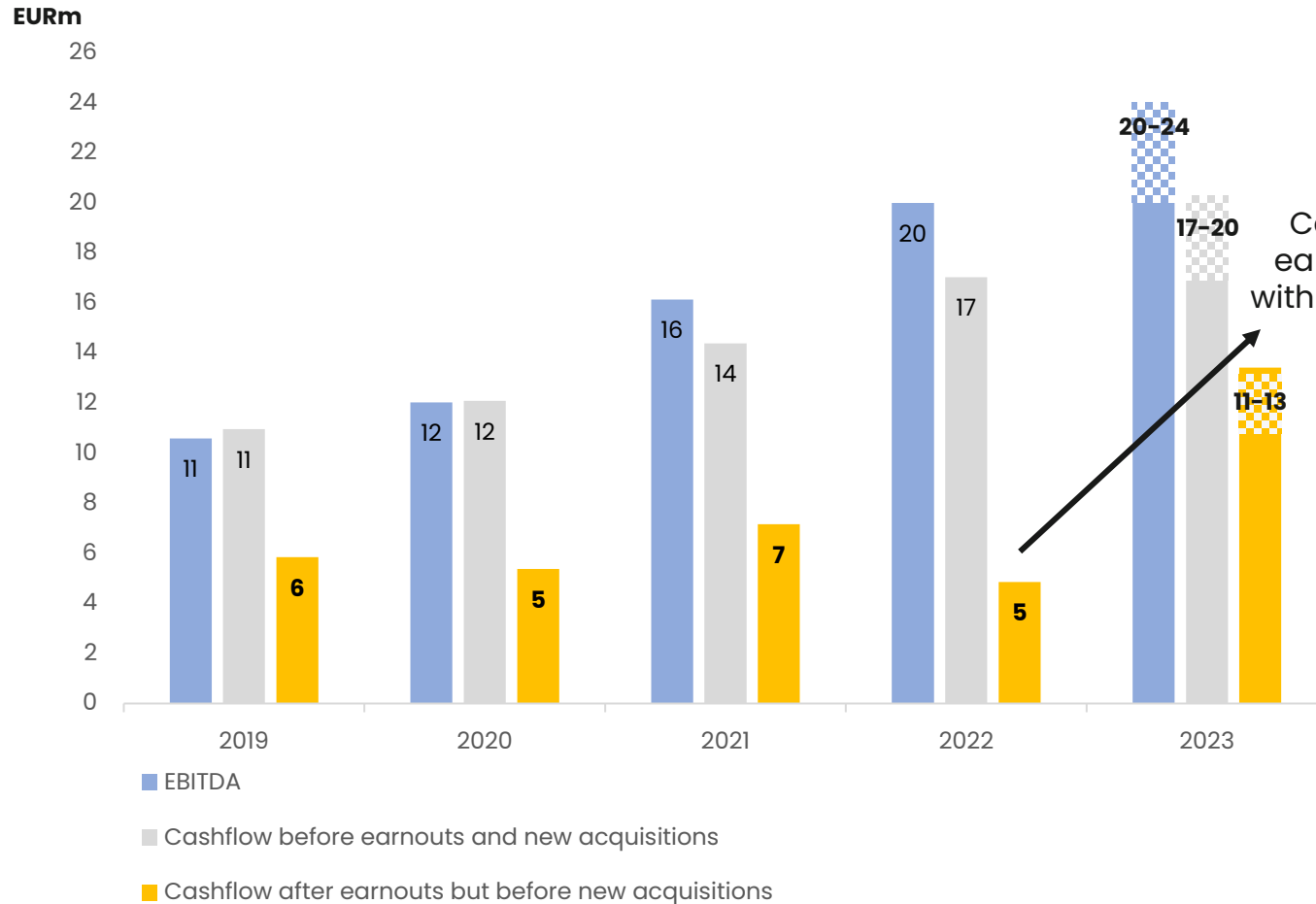
- Centralized global CRM platform
- State by state affiliation on US wide assets

- Full-service concept for operators on selected markets
- Additional services such as systems and KPI monitoring, hosting and more
- Acquisitions database

Accretive acquisitions on strategic markets and/or with strategically important technology, verticals and/or user segments

# **Financials Q4 2022**

# High-margin, highly cash generative business



Cash flow net of earnouts increase with 120-160% in 2023

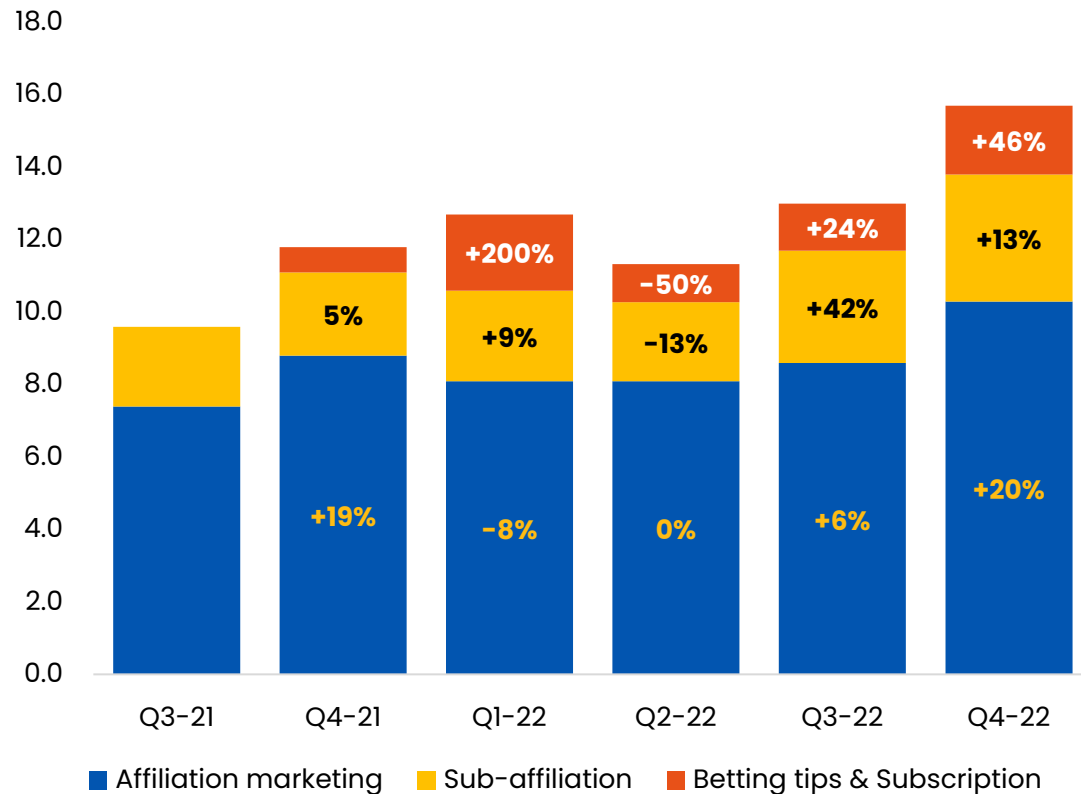
- The end of two earnouts **impacts EBITDA with approx. EUR 2m** through operational costs as an effect of taking over the assets, **but free cash flow increase with approx. EUR 6m**
- Renegotiated settlement period for the Casumba earnout **solidifies cash position and cash generation** leaving room for
  - An active M&A agenda
  - Continuous dividend payouts



# Q4 performance overview

## Revenue streams

EUR million



## Product overview

Q4 2022	% of total revenues	Growth Q vs. Q	Growth YoY	Expected quarterly EBITDA % interval *
Affiliation marketing	66%	+20%	+16%	60-80%
Sub-affiliation	22%	+13%	+54%	10-20%
Betting tips & Subscription	12%	+46%	+175%	5-40%

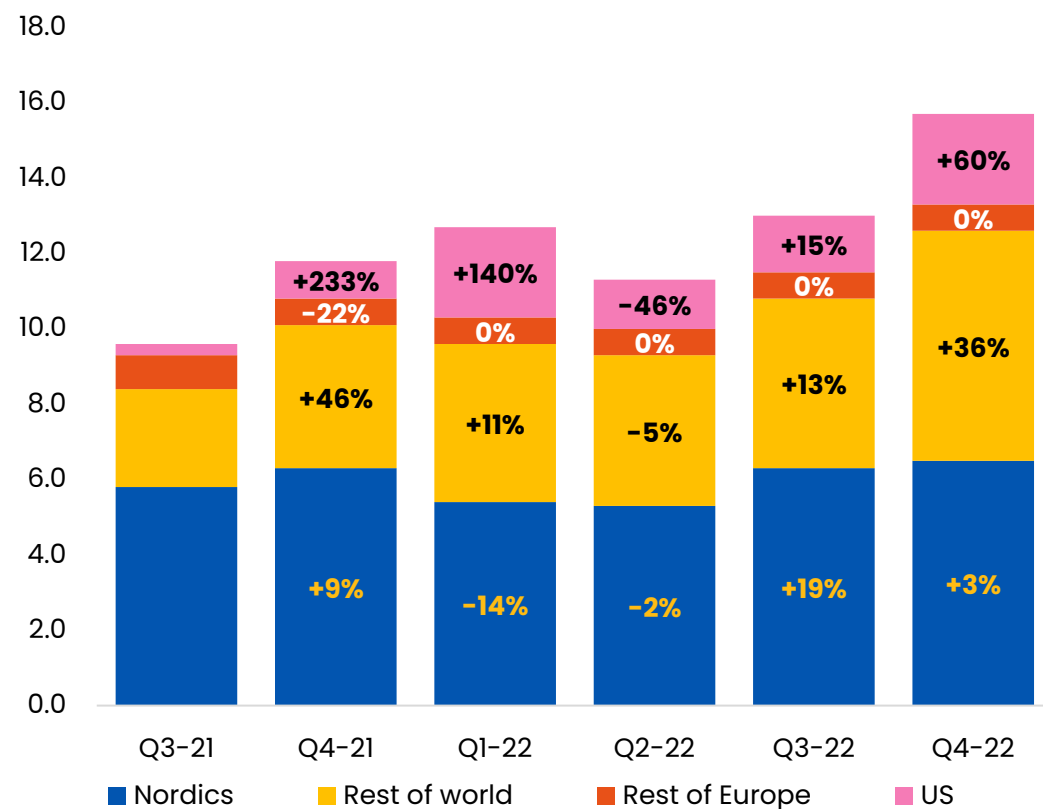
\* Excluding overhead costs

- Growth for **affiliation marketing** as an effect of seasonality and improved performance, with a solid EBITDA margin
- **Sub-affiliation** increase with higher activity for Network sales
- **Betting tips & subscription** entered the US high season in Q4

# Geographic diversification

## Geographic diversification

EUR million



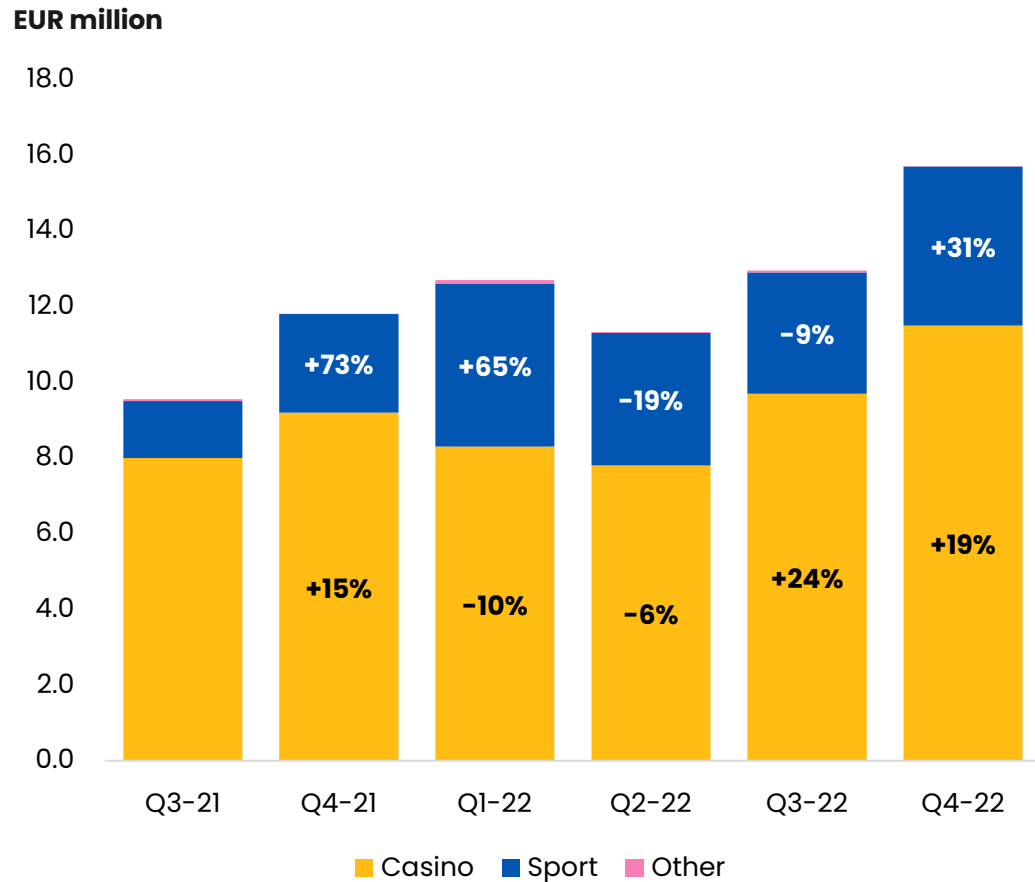
## Region overview

Q4 2022	% of total revenues	Growth Q vs. Q	Growth YoY
Nordics	41%	+3%	+2
Rest of World	39%	+36%	+61%
Rest of Europe	4%	-	-5%
US	16%	+60%	+150%

- **Nordics continued to perform well in Q4**
  - Swedish affiliation marketing assets standing out positively
  - Somewhat offset by a shift within sub-affiliation to other markets
- **Rest of World continues with positive trend**
  - High activity within Network
  - Casumba continues to grow
- **US benefitting from sport high season**
  - Win share performance somewhat below expectations but strong activity
- **Rest of Europe stable**

# Vertical diversification

## Vertical split



## Vertical overview

Q4 2022	% of total revenues	Growth Q vs. Q	Growth YoY
Casino	73%	+19%	+25%
Sport	27%	+31%	+60%

### Casino revenues at 73% of total revenues

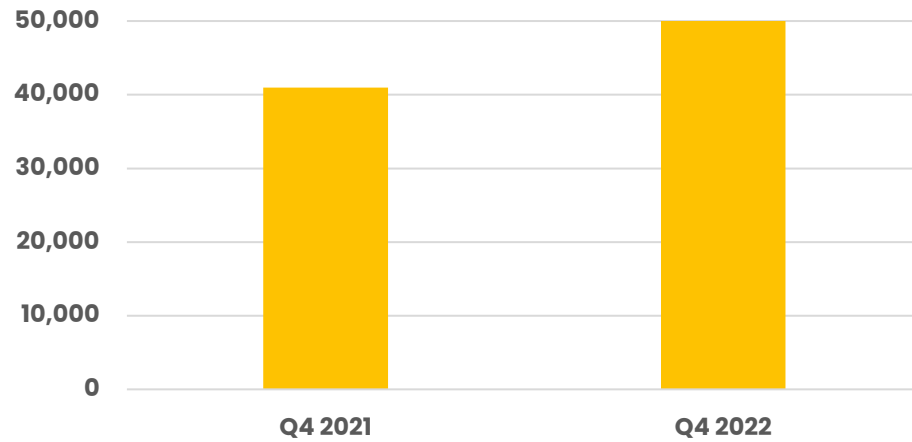
- An increase with +19% Q vs. Q
  - seasonality effects and improved performance for affiliation marketing assets
  - Higher share of casino revenues within sub-affiliation

### Sport revenues at 27% of total revenues

- An increase of +60% from last year through 2021 acquisition of US focused sport assets
- An increase of 31% Q vs. Q, positively affected by higher activity within US sport and World Cup

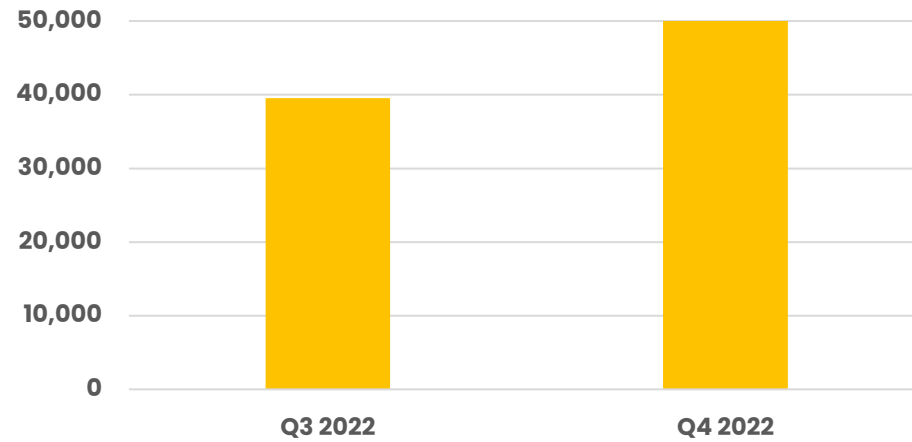
# NDC development

Q4 2021 vs. Q4 2022



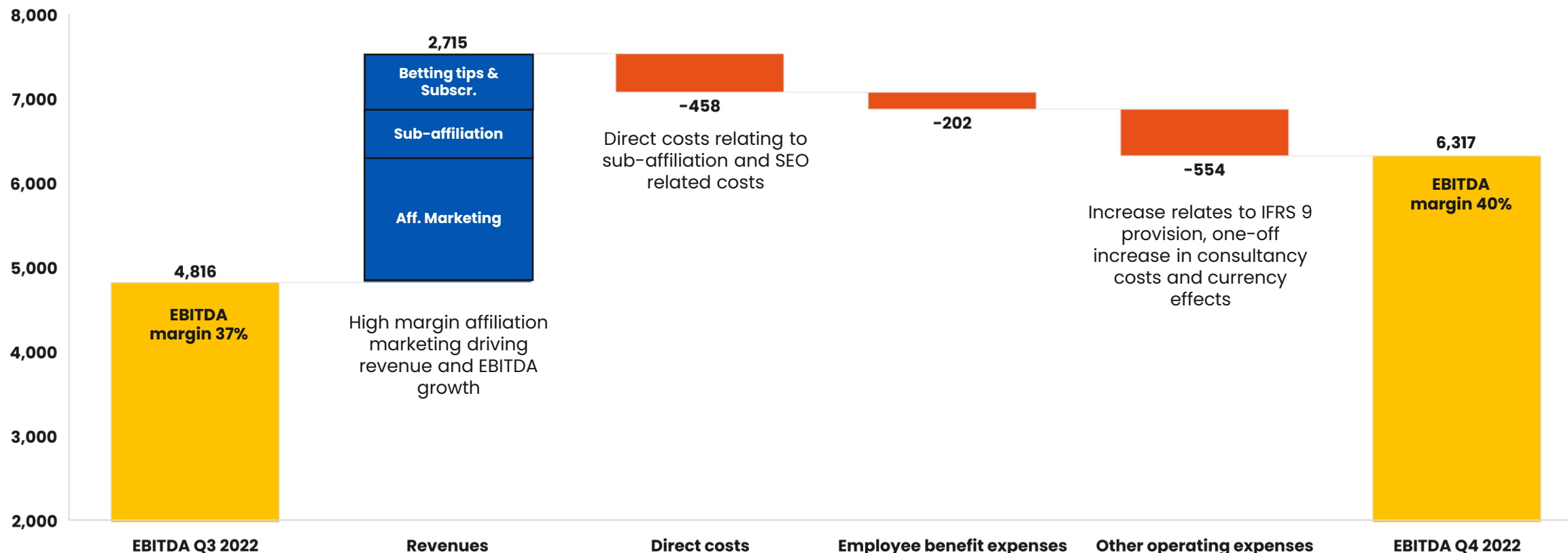
- Strong performance and organic growth for affiliation marketing and sub-affiliation

Q3 2022 vs. Q4 2022

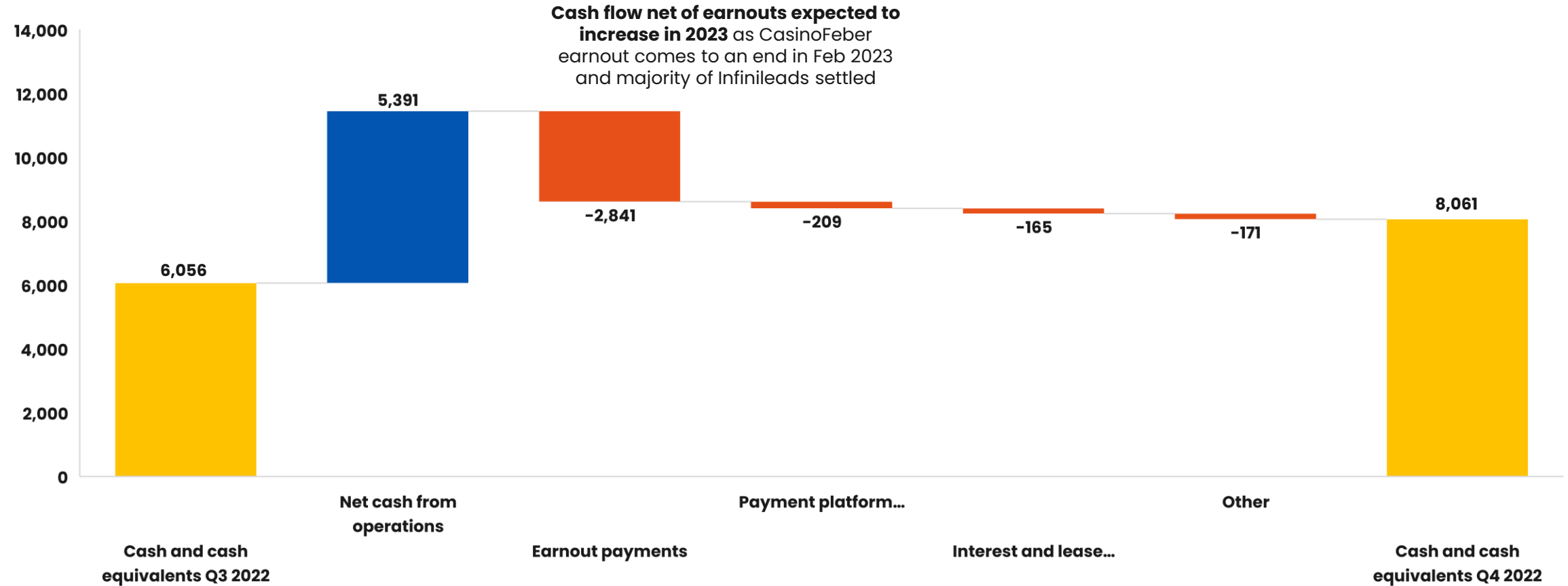


- Growth as an effect of improved performance and seasonality for affiliation marketing and sub-affiliation

# High margin affiliation marketing drive EBITDA



# Cash flow bridge Q3 vs. Q4 2022



# Key takeaways

*"A strong end to the year, thanks to continuous solid operational momentum, high season and FIFA world cup"*

## Financials

- Revenues of EUR 15.7m
- 32.5% revenue growth YoY
- Organic growth 23.1% YoY
- EBITDA of EUR 6.3m
- EBITDA Margin at 40.3%

## KPIs and Milestones

- US 16% of total (+150% YoY)
- Non-Nordic revenues close to 60%
- Sports 27%, (+60% YoY)
- BOD recommends EUR 0.094 to be distributed as dividends

## Outlook and way forward

- 2023 guidance
  - EUR 60-65m revenue
  - EUR 20-24m EBITDA
  - Cash flow 11-13m
- **January revenues EUR 5.0m**

# Q&A



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***Thank you!***