

Alright, welcome everyone.

We've got a really good one for you today.

We're joined by Steven Crisp.

He's the CEO of Racing and Sports Technologies,
or RAs Technologies.

It's a business I learned this morning.

It goes back quite a ways back, uh, in fact, to 1999,
founded out of Canberra, uh,
from a small racing data provider into a key technology
partner for some of the biggest names you'll
hear in wagering.

So, places like Sports Bet, BET 3 6 5,
the Hong Kong Jo Jockey Club.

Uh, so they power everything from race data form analysis
to the pricing engines of some of the biggest platforms,
um, in the space.

Uh, I heard it described on Strawman as a pick
and shovel play on the global wagering industry,
which I thought was a nice description.

So selling data analytics
and tech that makes the whole ecosystem run, essentially.

Uh, it is a global business here in Australia, of course,
but the uk, Asia and the US as well.

The business, uh, as of the most recent financial year,
pulling in about 20 million in revenue, most of
that is recurring
and, uh, very exciting
to see the business also tip into profitability in the last
12 months as well.

So, little wonder perhaps, we had so many people reach out and, and ask us to try and line up an interview, which I'm, I'm really pleased to say that we are able to do.

Um, before I welcome Steven, just the usual reminder, none of this is financial advice, as you know, uh, and we've had some great questions come through.

So if you can think of any others, um, make sure you jump on that Slido link and I'll, I'll put them to Steven when we get the opportunity.

So that's all said and done,
Steven. Thanks for your time today.

Thanks Andrew, and thanks for having me on.

Yeah, as I said, a lot of interest in, in, in the company.

Um, and, um, I try to, um, come in a little bit cold to some of these interviews because it allows me to ask a lot of dumb questions.

And so that's exactly what I'm going to do rather than sort of jump straight into the deep end and, and get very jargon heavy.

I really wanna sort of start as I can if I can, from like a 40,000 foot view and then we can sort of narrow in from there.

So, you know, for those who have never heard of the business before, if you run into someone at a, at a barbecue or something, how, how would you, how do you tend to explain it?

Yeah, look, it's a great question

and it's, um, it's one of those industries that I think on face value, um, you know, looks relatively simple, but it's actually very complex.

Um, and on a global basis it's like a patchwork quilt.

Mm-hmm. Um, so look, racing sports, yeah.

Has been around for 25 years.

Um, you know, founded by my father Gary Crisp and his business partner, Robert VDI.

Uh, and you know, it's all good racing.

Dy have, there's obviously a family legacy I've come back in about, well, I've been involved in the business now for, you know, a majority of that time, um, since where I started my career coding all the way through to now where I've taken over as CEO and, and, uh, and now run the business and have done for, yeah, for five years.

So, um, look, it's, uh, it's a business that centers around data is where it all started.

So, um, having the largest racing database on the planet, but also not just raw data, it's all curated, normalized, um, and standardized for global racing.

So we can essentially, uh, rate a horse that runs anywhere on the planet against any other horse that runs anywhere on the planet.

Now, that might sound like a relatively simple thing, but it's not, obviously there's a lot of characteristics, a lot of data points, uh, that go into that.

And then also just even acquiring some of the data takes a lot of work, um,

and having it in a format and a, and a consistency
and quality where you can actually use it
to generate further products from.

Yeah, so that's been sort of the core of the business.

Uh, and that was, you know,
probably, um, where it all started.

And I, I, I think everything else has come from that.

So really what we do is data.

We do wagering technologies, we do media, uh,
and we also do industry services.

So they're sort of the four buckets
that I talk about the business in.

And those, uh, those parts
of the business all work across seamlessly together
in some way, shape, or form.

So when we talk to clients about what we can offer them, um,
we normally start with the data conversation,
which is a subscription based, very sticky, longstanding,
um, you know, it's the lifeblood of, of, of bookmakers
and platform providers.

It's how they get their customers,
how they keep their customers, um,
how betting transactions are sort of initiated
through having a look at some data points,
just like you do with the stock.

You'll look at the data points, you'll make an informed
decision, you'll have a a bet or you'll buy into a a stock.

The same is with racing and,

and sports Bett for that matter. Yeah.

Do you know, we, we, um, we do come across, uh, companies that we speak to who, who are the largest of what they do in the world, but, you know, generally speaking, you know, Aussie small caps, it'll be a really hyper kind of niche thing when you talk about the global wagering industry.

And I look at RAAs and I go, you know, sub \$50 million market cap, and you are the largest data provider globally.

It, it kind of blows my mind

and it reminds me a little bit, I guess, of how early we are with the internet still,

but I, I, I guess as I said, here's the first dumb question.

How did, how did places like BET 3 6 5 and and others do it before companies like yours came along?

Did they have to curate all of that internally themselves?

Yeah, look, I mean, that's a, a really good question.

And that's sort of where I guess the racing and sports started business started is that they work, you know, back in the early, uh, 20 10, 20 12 when internet, uh, betting and gambling started to really, you know, hit it straps and grow, grow fairly exponentially actually.

Yeah, they were doing all of that manually.

They were, um, contacting companies, you know, like racing and sports and whoever in the market they could get access to, to try and bring all that data in themselves and make sense of it presented in a consistent way in order

to offer betting, you know, betting propositions for their customers.

Yeah. So that's why when racing and sports started to really drive hard at, at, at having that single source of data, one stop shop, you know, for, um, not just the raw data, but also the enhanced information too.

So things like tips, speed maps, uh, comments, um, you know, race summaries, um, and whatever else it might be that we do today.

You know, having all that in the same consistent format for any betting event anywhere around the world, uh, in terms of racing is really important to them.

So, you know, 20 12, 20 13 is where it all started by sort of the late 20 teens.

Um, you know, we were the, the go-to, uh, globally. Yeah.

Uh, the likes of BET three, you know, 3, 6, 5, 1 of our biggest customers now, uh, and they use obviously all our data and tech, but also our wagering technologies as well.

Yeah. So, you know, there's a natural evolution of these customers to grow and take more as they try to, uh, externalize I guess the parts of their business which, uh, are too costly and companies like ours specialize in.

So it makes, makes it, you know, sense for 'em to do that.

Yeah. Did I read that you've never lost a client in 25 odd years?

Tier one customer? Yeah.

We've never lost a tier one, so yeah, it just talks to the, well, look, there's probably a few levers to that.

There's the integrity of the business and the morals and the, the way it's been run.

And, you know, um, I, uh, I joke that, that pre IPO, you know, we, um, we had a whole bunch of contracts that were done on a, on a handshake.

Yeah. And, uh, when you go through the, obviously the listing process, you know, the auditors wanna see contracts and things, and it was a, a funny conversation to go to half our major clients and say, we, we've gotta put some paper in place now and get this done.

And, you know, that's just sort of speaks to the type of business that we are, is that, you know, we've been trusted as a provider in the, in the industry, but we've done these deals on, on the strength of our word and our bond and we, and we deliver.

Yeah. Um, but you know, also, the fact is that our product is, is best in market globally.

It is, you know, it is the product that keeps customers, our customers, customers coming back.

And that's, um, and that's really important that we maintain that.

So, yeah, so it's been a great, uh, a great run and, and something we look to continue.

Let's dig into that a little bit.

When, when you do see a prospective client

and you make a claim like that, what, how do you back it up?

What, what is it, what is it that makes the data

so much better than what else is out there?

Look, it's the, uh, the quality of it.

Um, so the amount of data points we have

and the fact that it is always accurate, um,

and the enhanced information

that we produce from at the tips, um, the speed maps,

the silks, uh, the comments

and the quality of the, of that product is

what really sets us apart.

They're others in market, um, trying

to copy our business and do what we do.

They don't do it as well. And that's,

you know, widely acknowledged.

Um, there is a place for that.

Those products, those lower end products with some of the,

the smaller operators, but the big operators always

demand the best in the industry.

They've always gotta be on parity with, with others.

So that's why racing

and sports is the, the go-to choice

for, you know, large, medium.

And, and now, you know, several small operators coming

online as well, not just in Australia,

but also in the uk, the us uh, emerging territories.

Um, you know, it's a real strong brand.

And if you look at the likes of Sky Channel, you know,

you see the, the brand of racing
and sports Pepper all over there, um,
their Sky Channel broadcast now
because, um, you know, it's an independent brand
that people trust and respect
and, you know, uh, bookmakers wanna be associated
with arts, you know, for that brand. So it's good.
Well, well, not just the brand, Steven, I mean, I can,
correct me if I'm wrong here,
and apologies again for the leading question,
but it, it, it, it strikes me as that this,
if you guys get it wrong, the ramifications
for your customers are pretty big.
In other words, you know, they're, they're,
they've got all kinds of betting engines and odds creation
and just, you know, base level accuracy that rides on it.
So I imagine for them that this is
a mission critical is not too strong a word.
And, and, and also, um, the integrity of
that data is, is everything.
Because without that, you, you, I mean, it's,
it'd be very hard to, to retain, I suppose,
or win new customers without that,
Correct? Yeah, that's
exactly right.
Um, you know, we treat it like a flight control system.
There's always planes taking off and landing.
There's always data points flying
around, and it's gotta be accurate.

Um, and so that's one of the things you pride ourselves on.

We have a, a large 24 7 operations team, you know,
here in Australia and Sri Lanka.

Uh, and you know, that really does, you know,
these people have been with us a long time.

They understand the importance of what we do, um,
why it's important for our customers.

And, you know, there's a lot of people who always go above
and beyond to make sure
that our customer's experiences are good,
which means their customers are
also having a good experience.

And, and that's important to us. So,

Yeah. Yeah, for sure.

Um, uh, gosh,
the network effects must be insane, but let, let's mm-hmm.

S come, let's come back to that for a moment.

Um, one of the other,
or one of the things that I think it's fair to say
that a lot of, um, members of strawman look at is this sort
of, these companies.

It's, it's funny, right? It's sort of like you, you
and your family have been doing it
for 25 years, a quarter of a century.

And then, you know, for a lot of us, it's like, oh,
there's this brand new sort of company.

It's this overnight success that's,
you know, decades in the making.

Um, uh, but,
but when you, you know, I, I think, I think all
of our members would understand that, you know, you've,
you spend a long time
and a lot of money building the foundation,
and then what's a really beautiful thing
to see is this blossoming of this operational leverage
as the business starts to scale.

Now, you know, it, it's year one of sort of cracking,
cracking through that break even kind of point.
But where I'm going with this is help us understand that
that potential for operating leverage
as new customers, uh, come on.

As your existing customers deepen their relationship,
how is it that you are able to, to scale without, um,
necessarily having
to always ramp up the operating costs as you go?
I mean, costs will always rise in any growing business.
It's not a bad thing, but ideally you'd like them not
to rise as much as your,
as your revenue potential is rising.

So yeah. How, how would you sort of address all of that?

And apologies for the rambling question.

Yeah, no, it's okay. Um, look, it is a good question.

And, you know, we are still scaling up.

Um, part of the whole IPO process was to take a company
that was, you know, um, you know, relatively small
and modest, um, and, and well contained at the time
and scale it into a, a massive international business,

you know, and, and take all those tentacles and,
and good tenants we had over the last 20 odd years.
And so, um, that's what we've done.
And, and we have a very good
and agile tech team, um, who can take on a lot.
We've built a lot of, uh, IT assets within the business
that we own, obviously all the IP for, which is important.
We don't outsource any of our, it, it's all in-house.
Uh, and that allows us to scale
and leverage, uh, you know, that, that those products
and the thinking into new products, um, fairly rapidly.
Um, you know, we use a lot of automation.
Um, we use a lot of tenets of AI before AI became a thing.
Yeah. Which is one of the, you know, one
of the most important things in enabling this business to,
to run as efficiently as it as it does and as it has,
and it will continue to be a,
a strong thematic going forward
around gaining more efficiencies with the business
and looking at jobs that,
or roles in the business that are,
are more manually focused,
and how do we automate those if there's something
that's repeatable, something that can be predicted,
something that can be done by a machine,
these are all things that we're looking at as,
as key thematic in terms
of keeping costs at a manageable level.

We'll still continue to grow. Uh,
you look at businesses like the Hong Kong business
that we've just bought, you know,
that's quite heavily personnel driven at the moment.
Um, in time, we'll, we'll, you know,
inject a lot more efficiency
and automation into that business, um, and,
and also grow it at the same time.
So there's, you know, a couple of, um, you know,
key ways that we, we do that.
Um, and that's probably part of our secret
sauce, I guess, within the business.
You know, um, you know, Gary's business partner, Robert, is,
um, you know, moving to a chief, um,
innovation officer role.
So really all he's looking at now is how do we,
how do we get more efficiency?
How do we do cool things?
How do we, you know, disrupt, establish, um,
and inefficient markets of which racing,
there's plenty of them around the place.
Um, so there's a lot of opportunities still to, you know,
use that operating leverage
that we've got to grow and scale.
Um, and, you know, where,
where there are opportunities that require investment.
You know, we've gotta have the courage of our conviction
to say, we are gonna invest in those areas
and, you know, that'll have, uh,

potential impacts on the business,

but, you know, they've gotta be big upside as well.

And so these are all things, yeah.

So, I'm sorry, sorry to interrupt.

I I was gonna say, I, I always, I like to make the, the case

to our guests because I know

that often people in your position will get pushback, um,

from the investment community just saying,

we want free cash flow, we want free cash flow.

I think I would, I would make the case that

what we want is in very attractive

low risk returns on invested capital.

And if you've got those opportunities, go for it, mate.

They don't raise money, borrow debt,

do what you've gotta do, right?

So there, there are, there are

people out there that get that.

I just, I just will, will make that point, um, uh, help us,

help us understand that data collection

point from, from your end.

Right. So a a a simplistic view would be you've just got a

bunch of people putting data entry into a spreadsheet,

which is clearly not the case.

Um, can, can you,

without giving away the secret source here, can you sort

of help us understand how you guys do it and, and,

and I guess in, in reference to the earlier question, how

that also scales?

Yeah, look, I mean, back in the early days,
it probably was, um, a lot of actual manual entry.
And, you know, we, we have had teams in Sri Lanka manually
keying on data and, uh, from time
to time here in Australia as well.
But I mean, fortunately those days are, are only, you know,
dr sense, a disaster recovery sense if something goes down.
But we typically get data feeds from all the rights holders
or regulatory bodies where it's available to.
So we've got agreements in place across the uk, Australia,
uh, parts of Asia and,
and other places, us, France, uh, with all the,
all the rights holders for their, um, source of data.
So that gives us all the raw data, which, um,
which is good to a point.
And then we take it, we ingest it,
and then we go through that whole process within the
business to, you know, to enhance it and, um, and,
and do all the magical things we do with it to create our,
our, you know, our industry leading products.
So, you know, it's heavily automated.
Um, AI's particularly relevant for
that data ingestion process now is looking for anomalies,
things that we can predict where we know
that there are certain, certain things
that happen in the data sets where we can pick them up, um,
you know, using AI and, um,
and processing frameworks, um,
putting 'em into a quarantine pile.

Then we have people actually manually go through and curate those and look at them.

So there is a, a data curation team, um, and that's a relatively small team now.

Um, so, um, we've got a couple of people in Sri Lanka, a couple of people here in Australia who do that.

Um, and that makes sure that the data is always up to up to scratch, uh, and up to standard.

So, you know, there is, um, you know, there's a lot of data now that we get from around the world on a daily basis.

There's data coming into the business, so coming into our infrastructure on the cloud, uh, being processed and then having products created from it, it's a 24 7 operation.

Uh, and products are going out to customers in a variety of formats.

So it's not just one format for every customer.

We, we personalize now for, for several of our customers.

So they get, you know, different formats, uh, different comments, uh, different representations of, of their products as well.

You mentioned something really interesting there, um, Steven, the, the regulatory side of things in the licensing that's required.

So we are like any same thinking investor.

We're big on competitive barriers to entry or so-called moats, and that that sounds like a big one.

Um, can you elaborate a bit on, on that?

I, I guess it's one of those, well, I don't want to assume, but I'm gonna assume that it's one of those things that's hard to get, but very good to get once you get it.

Yeah, it took us a long time to get a lot of those in place.

So we've actually just recently been, uh, awarded as a Racing Australia, uh, authorized wholesaler.

But we have those same agreements in place in the UK with France, with the us, um, and others where we we're a trusted industry participant to, um, as and a custodian of their data to, to have that data and, and commercialize it, um, with the rights holders as our, as our partners.

Mm. So again, it's a really important, uh, place to be.

Um, you know, they see the value that we provide them as well.

So as rights holders, they are the beneficiaries of increased turnover, um, and, and participation on their racing events.

So the better quality product that we can produce for them with them Yeah.

And give to their customers wherever they might be around the world means increased turnover.

And, um, the industry, which obviously fuels the way the industry works.

I mean, obviously revenues and turnover back to industry is, is important for the lifeblood of, of, you know, um, you know,

the racing industry itself, but all the, you know, second and third tier, uh, services that go along to, to running it.

Uh, and it's very similar all around the world.

Um, so it's important that, you know, turnover remains strong.

Where does the, where does the, the power dynamic lie in these value chains?

I mean, I am, again, I'm going to assume, but given the importance you represent for your customers, there's a little bit of pricing power and, and, and flex there, but then you in turn are sort of, are reliant on other parties, uh, uh, as well.

Can you give us a bit of a sense of, of those dynamics, that dynamics that, that are in play?

Yeah, look, they are, I mean, it is a, a patchwork quilt.

So they're all a little bit different, uh, depending on where you're in the world, but the, you know, the rights holders who typically, you know, put on the events.

Uh, so in Australia for example, we've got the PS who are racing against Wales, racing Victoria, so on and so forth around the country.

Um, there are, you know, for every bookmaker that takes a bet within Australia, there are race field levies that go back to the industry body in order to fund, um, fund the event, and, you know, to, um,

make sure the bookmakers are paying their way,
but also the industry's getting enough returns back as well.
And obviously, tab calls a big contributor.
All the tier one operators are massive contributors,
but there's a, a nice ecosystem of smaller operators who,
who, um, you know, who obviously also contribute fairly
heavily to that as a aggregate.
Um, you know, in the UK there are a couple
of big rights holders who own the racetracks there,
so it's a slightly different to Australia,
but the concepts the same, where there's many
that flows back to them, uh, in terms
of percentage turnover from bookmakers.
So that's sort of where the majority
of the funding comes from, is
through bookmaker revenues back into, you know,
the rights holders, so the PRAs in Australia, the, um, arena
or RMG within the, uh, the UK
or astronomic group potentially in the us.
Um, and, and so on, so forth.
So yeah, so that's, that's typically the way, um, you know,
the way the, the, the money flows,
but, you know, the power is really with the rights holders,
um, in the industry and, and the bookmakers
and the rights holders have a, a fairly symbiotic
relationship where the, the two need
to work together and succeed together.
Is it, that makes a lot of sense.
But I I, I suppose the value prop that you provide to,

to these particular players is

that you can get a far wider distribution

of their data. Is that fair?

Yeah, and that's exactly what racing sports does, is we

as a, as an independent provider

of all that enhanced information.

So we take their rights holder data and, um, and, and,

and raw content and translate that, convert

that into a meaningful, um, consumable reliable, uh, product

that allows them to, um, uh, furnish that to

as many bookmakers that want to take it, as long

as those bookmakers pay their, their fees back to industry.

So, so as a, as a rights holder, we only deal with, um,

customers who wanna pay their way.

So, um, so there's a whole gray market out there

that we won't touch and, uh, for good reason as well.

'cause obviously they don't support the industry, um,

which is diametrically opposed to where we come from.

So, um, you know,

but pleasingly, we're seeing, you know, a lot of, um,

you know, companies like stake.com, uh, who are a big, um,

you know, crypto player, um,

and they, they are offering a regulated, legitimate,

um, racing product.

And, um, and they're

offering that to their customers as well.

So they want to participate in, you know, um,

obviously looking after the regulatory framework,

the rights holders, and making sure that that money is returned back to, to those that need it to run the industry.

So, you know, it's a great, um, a great thing to see, you know, these new emerging companies also leaning into, into that as well, which is why we deal with them and support them and, uh, and think it's great for the industry to have a bit of differentiation and engagement with new, younger, younger demos. Yep.

Yep. For sure. I mean, who'd have thought you solve problems for people and create value for them, you tend to have a pretty good business at, at, at the base of all of that.

Um, uh, I'm hoping if we can sort of like, get a little bit more specific, Steven, and just, and, um, wrap our heads around the various segments of, of the business.

So, um, enhanced information, wagering, technology and media.

Can you give us the, the view of each of those specific buckets and how they all tie together, and maybe also a sense of scale or importance and, and where the best growth opportunities lie within that? Or perhaps they're all just interrelated.

Yeah, look, they, they kind of are interrelated, but they also, um, can be sold separately.

Um, so enhanced information services is really that, that data and content side of the business.

So that's really where we, you know, we take all of that raw information, we produce product, um, and we send that around to our customers.

So that's typically a subscription based product.

Um, and they're, they're typically multi-year deals.

There's a very big, um, we talk about defensive moats and, and there's typically a very big integration overhead where, you know, when a customer looks to integrate our data with them.

So, so the deal we did with Tab Core a couple of years ago now, you know, and that was a massive body of work for them and for us to ensure that the integration piece, the mapping piece of all of, um, our data into their systems, you know, was done appropriately.

So that part of the business is very sticky, and that's where we, you know, um, a a lot of our customers have known us from that from, you know, 2010, 2012 onwards.

Uh, and we've been constantly iterating and creating new product in there as well.

So bringing the data to life, uh, and that's sort of been a key thematic now over the last couple of years, is we've got predictive race animations, which, you know, if you were at the, uh, track on the weekend, you would've seen, um, our predictors before each of the main races, um, showing

where we think the horses are gonna jump,
where they're gonna settle, and where they're gonna finish.
Um, and that product has a great strike rate.
It's a really good, um, uh, you know, engagement product
for younger demos who are just there for a,
a day out a day of entertainment.
Yep. We do it for Chelmsford and City in the UK.
We do it for the VRC over Melbourne Cup Week.
Uh, and these products are really gaining a lot
of traction just to, as an entertainment
product, a fan engagement product.
So that's the data side of the business.
So that really, um, you know, there are,
there are a few nuances to that enhanced information side,
but that's really the core.
It, it powers everything in the business, um,
and really drives a lot of, um, a lot
of the additional relationships we get or, or business.
We get, um, interstate wagering technologies, that part
of the business is relatively new
and we've been reporting on it now for, um, well, for,
you know, since we IPOed the business.
But, um, that includes our trading platform.
So this is where a bookmaker, um, has their own trading team
and they want to use, uh, our platform to trade.
And all of our, our data and all of our insights
and all of our pricing logic, they can jump onto our,
our SaaS trading product.
Um, and there's an integration, um, process with that.

But once that's integrated, they can effectively use all of our, our smarts and, um, and logic and, uh, intelligence in the backend to trade their business.

We also offer a managed trading service as well.

So that's where we have our traders.

Um, so we have a global trading team in the UK and Australia, and a support team in Sri Lanka 24 7 mm-hmm.

To make sure that we are trading activities for the bookmaker.

Now they've been a really great part of the business because, um, particularly with the MTS services, they're all percentage of, of turnover upside, um, in the business as well.

So as a customer performs and we perform managing their trading, we achieve, you know, um, growth in revenues as well.

So that's been a really good, good part of the business.

Uh, we also have a platform product that, uh, we've just launched into market as well.

So if you're a bookmaker, you'd like to, uh, to run your own sports book and have all of our data, all of our trading, all of our, uh, media assets as well at your disposal, that's a, a product which we offer now called Wagering 360, uh, 360.

'cause it encompasses effectively everything to do with the wagering product.

Um, and, you know, the, the, uh,

the wagering tech side also, um, important in terms of innovation of new products.

So we've got, uh, products for new customers coming into the market who may not have a racing product at all, and the overhead of creating a racing product can be quite onerous for those companies who don't have any experience in it.

As we know, it is quite a complex, uh, a complex product.

So we have a product called BET Bridge, which is a drop in rapidly deployable racing product that allows a, say a sports book or an online casino who wants to be regulated and licensed to drop in our BET Bridge product and have a racing product that we control.

We run, we do all the UX and UI for them, all the trading, and it's a turnkey solution for them.

So that's the latest product, which has just hit the market in the last few months and, uh, is already gaining some good interest and good traction as well.

So, uh, and then digital media, which is, you know, we have journalists who actually attend the races in Sydney, Melbourne, uh, Queensland, south Australia, uh, Western Australia as well, uh, to cover racing.

And we have a service which we use that goes out a media service that goes out to all of mainstream, uh, media within Australia and some overseas as well for, you know,

getting racing news out to, out to mainstream media outlets.

So we have a very big role to play with the, um, the PRAs,

so the, the rights holders within Australia,

and actually getting their news

and their media out to, to mainstream, uh, channels.

We also host our own socials, um, across Insta and Twitter

and Facebook, and we've, um, we've recently done a,

a partnership with Racing X and,

and the wonderful Bella King, um,

who kicked off on the weekend.

And, and that's been, you know,

really good for racing and sports.

So having these younger demographic now getting involved in,

in our, our digital and our social, uh, channels as well.

So those three, you know, racing

and sports, um, dot com au, co uk, uh,

and all the socials allow us to actually, um,

support our customers, promote the interest

of our customers, whether they be rights holders,

bookmakers, or industry participants

to help them grow their brands.

So being part of the racing and sports family

as a customer gives you access to all three of these,

these verticals within the business that work sort of in,

in synergy together and, and, you know, at different times

and, and, and different stages.

Um, racing seems like the, the, the core,

uh, part of the business.

Uh, how, how important is sports betting,

um, to, to you guys?

And is, is that, um, something

that you see great growth potential with?

We do. We have, uh, so the last couple of years we've,

we've been working on building out our sports capabilities,

uh, which we've now got, um, over 10 comprehensive sports,

and it's taken that long to actually build all the data,

all the models, uh, the, the predictive, uh, tips

and same game multi products that we're,

we're pushing into market.

It's probably a slower burn for us.

Racing is really our DNA in our core,

but sports has a place to play

and we'll see more activity around that racing space.

Uh, sorry, the sports space, um, going forward, particularly

around the Australian sports, um, a FL

and NRL, uh, we have some really good models around those,

um, which, you know, is a, uh, a bit of a unique product

for, um, some of the bigger global sports providers don't

actually cover those, or don't cover them in any detail.

So yeah, we'll see a little bit more interest around that.

We have an IQ stats product, which

gives book makers the ability

to drop in a statistical based, uh,

product into their sports betting, uh, offering where, uh,

customers can look at, you know, all the different

statistics that are relevant to a betting market and, um,

and help them make informed choices, uh, on,

on taking a bet in a sports, uh, match game.

So, yeah, so it, it, it definitely is part of the business, but I wouldn't say it's probably a, you know, 90, 90 10 type of yeah, for us at the moment.

Yep. Fantastic. Um, normally I wait to do questions, but we've got so many coming in, so I'm just going to, I'm just gonna fire a few of them off that, that have come to it, otherwise, I'm, I'm gonna forget we're not gonna get to them all.

Mm-hmm. Um, and apologies if, if, if we have touched on some of these, and if you feel as though we've answered it, just say so and we'll move straight past.

Um, first one from Michael, could you walk us through the different ways wagering companies use your data services?

What those services include, how they integrated into their systems, and how easy or challenging would it be for them to switch to another provider?

Yeah, good question. So, um, most of the operators will integrate, um, our, our data sources with them, which is a, um, you know, it's a fairly comprehensive data source, uh, or, or data offering, which provides everything they need from, you know, when horses are nominated, when they're accepted, uh, race day, um, data, so scratchings, um, dry condition updates and all the information that goes through.

So there's, there's a lot of data points
that get exchanged from the point of initiation of an event
all the way through to post that event where we're,
we're giving results and, you know,
essentially closing off a, a race meeting,
um, or a, or an event.

Mm. And so that's one way in which they use that.

So that obviously includes all the race fields, uh,
all the form, all the statistics,
but also includes things like the silks, you know, um,
so you can obviously see what your jock is gonna be wearing.

Uh, includes things like the comments around the horse about
how we predict the horse is gonna run in a race.

Um, and yeah, these are, you know,
they're data backed comments.

They're not, they're not just opinion or, or,
or AI generated fluff.

They're actually all backed by, by, um, you know,
data points that support the narrative.

There's race overviews, um, you know, there's speed maps,
how we think they're gonna jump and settle,
um, and so on so forth.

Now, we do also have customers who are,
who use our more broader data sets in a more interesting
way, where they want to use our data
to help create their own products
internally where they might have it.

People we do that as well for them.

So there is, uh, there are customers who do pay for a,

a data load and access to a database so they can actually, uh, innovate themselves.

Um, and, and, and that's fine. So we do that as well.

Uh, and then we also use that information to, uh, to create, um, you know, those predictive insights as well.

So the animations

and, um, other, you know,

visual based form products as well.

So things you do for tap call, the fast form products, the indicators that gear punch is a really rapid way to see which horses look like they've got more widgets in a race or more icons in a race.

It typically means that they've got more things going for them, and it's a really, you know, fast way to, to make a, uh, an informed decision and have a bet.

So, um, how hard would it be for customers to, um, to, uh, transition to another data source?

I mean, you know, very, very hard.

It's, uh, once they're integrated, once customer, their customers are used to the quality that we provide and the coverage we provide.

Um, you know, I think any step would be a step backwards, uh, in my opinion, uh, to any other, the data sources that exist in this country.

So, um, which is why they, they generally don't churn, but it would be a big exercise, a big technical exercise, and a, and a risky exercise as well, um, you know, for them. Yeah.

Um, that's the lesson of SAP and Oracle, right?

Like, uh, uh, I heard it once being described as,
it doesn't need, you know, a competing product
or offering doesn't need to be better.

It kind of needs to be 10 x better just to, to warrant
not just the, the work, the cost, the delay, but the risk,
because, you know, there's always the unknown unknown.

So that's, that's, that's definitely nice.

Uh, uh, the next question here is, I, I guess in,
in some way related to what you've just sort of said there,
but, um, it's what's the moat and how strong
and sustainable do you think it is?

Which I, I know we touched on,
but would you add anything to that?

Uh, look, I think it is very sustainable
and we've, you know, uh, we've seen this, you know, time
and time again is that, you know, people try
and come into the industry and do what we do,
but I think they find very quickly that it's,
it's very difficult to do at scale.

Yeah. So, you know, you might come in and try
and compete with us in Australian racing.

Well, you know, that's, that's a challenge in itself,
just given the, the frequency
and the volume of races within
Australia, but do it globally.

Yeah. Do it for over 30 countries Yeah.

And do it reliably every day
and do it at 2:00 AM when you're asleep.

And there are problems, you know, we've got people looking at this stuff all day long.

Yeah, yeah. So, yeah, I think the defensive mode's strong and, uh, you know, the quality of the business, you know, as you just said, um, you know, there's, there's no impetus to change because there's nothing that's gonna be 10 x better.

There's nothing that's two x better in my opinion. So, yeah. Uh, well, having never lost a tier one customer speaks volumes.

Um, I, I just, uh, I, I meant to cover this earlier before I go on with, with the questions.

You, you mentioned that there's a subscription sort of based pricing model that's here.

Is it just a flat sort of subscription model?

Is there, is there a volume, uh, component to all of that?

And also just the nature of these contracts, uh, multi-year.

How often do they renew?

Um, just a bit of color around that as the analyst, like, just say.

Yeah, definitely. Uh, look, in terms of, um, the subscription based products, so it's really based on how much data the customer takes, so how many countries, uh, what the codes, um, whether we've got things like fast form animations, everything included in there.

So then we will generally do a, a negotiated price, um, you know, for, for each customer.

And, and, you know, obviously their size
and scale also has a bearing on that as well.

So, you know, um, we might look
after little, you know, some little tier three customers
differently to, we look after, say, a tier one customer,
and that's obviously just balancing obviously size
and scale within the industry.

Um, so, so that's, you know,
how it goes multi-year contracts, they're normally,
you know, uh, two plus two, three plus three,
they're long term and they typically just roll over.

Um, we index to CPI.

Um, and there's a lot of, uh, upsell in terms of new data
that we bring on into the business
and new product as well that we offer to our customers
and typically have meaningful conversations around,
you know, um, around obviously increasing
those, those deals.

So we do that quite regularly
so they don't stay the same for long.

Um, and as customers, you know, um, want more information
to offer their, their, you know, their, their customer base,
they come to us and, and, um, and say, what do you have?
We've just, uh, bought a Mauritius racing, for example.
It's an industry based solution.

We did, we developed all their tech, um, all of their, um,
you know, their race day control or the infrastructure,
but we're also helping to manage their rights as well.

So for, um, getting Mauritius racing the vision

and the data out to bookmakers around the world,
and we're actually involved in that rights chain
with them on that, and also bringing next year, uh,
racing into Mauritius as well.

So that's a really exciting, uh, project for us.

But it means that, um, on deals like that,
we do get a percentage of their turnover
and their upside on the export
and also imported racing into their country.

So that's gonna be something to watch as well as we get more
and more into those type of products and, uh,
and projects. Yep.

Um, how do you think about flexing your,
your muscle when it comes to pricing power?

Because, you know, on one hand, I mean,
everything you've just said, you know,
it feels like name your price,
but on the other hand, every every customer has a,
has a tolerance.

Um, and I suppose when the opportunity, um, for growth
just in customer numbers and,
and offerings is, is pretty vast, it's not something
that's probably that front of mind,
but just, just your general sort
of philosophy on that as a business.

How, how do you think about, um, uh,
exploiting is probably not the best word,
but exploiting that, that, that, uh,

potential that you have?

Yeah, it's a, it's a dominant market position, um, that, that we, we find ourselves in, but it's also one of responsibility, I guess, to work with our customers and, and make sure we set our pricing at levels that, you know, acceptable to them and, um, you know, and allow them to, to have feasible, viable businesses.

I mean, it seems like everywhere you turn at the moment, there's a lot of taxation pressure, a lot of external pressure on the wagering industry.

And, you know, for the big guys, maybe not as much as the smaller tier two, tier three, uh, bookies, but you know, there, there certainly is a tipping point where, you know, they, they typically won't pay more.

Um, yeah. And, you know, that does become a commercial, um, I guess a commercial lens.

So all, all of that.

But fortunately, you know, I think our pricing is, is pretty well, uh, set and accepted and, you know, we're not the cheapest in market by a long way, but we are certainly the best.

And I think, you know, where there's value, the customers see that and, and are happy to pay for it.

So it's, um, yeah.

So it is a good, um, a good question, and it is one we get actually all the time, is that, you know, if this is so important to bookmakers, why don't they pay more for it?

And I think really what it comes is to, you know,

to looking at the other services we can upsell as well.

So where we've got customers who are taking data,
is there a conversation say, well, let us look
after your trading for you as well.

Yeah. Consider transitioning across, you know, they, they,
they lose the cost of having a trading team, which can be,
you know, quite extensive if you've got your own trading
team, um, and, you know, uh, let us manage that for you.

And that is a percentage of turnover and upside.

And, you know, so in those situations,
we're highly incentive, incentivized to throw all
of our information, all of our products, all
of our information at the customer
to increase their turnover.

So on the back end, we all win together,
and we're seeing more
and more desire to do those types of deals
where we all share the risk and share the upside.

So, um, yeah, I like that. Yeah.

So it is, it, the industry is suddenly changing,
and I think we'll see more of that happening over time.

Yeah, nice, nice.

I really do like the idea of competing on quality of,
as opposed to price, it can be a bit of a race
to the, to the bottom.

Um, so yeah, encourage to hear you say that.

I, I've gotta get back to the questions.

I've already, I've already derailed myself here.

Um, is another good one on the podium data license agreement in the uk.

What's the risk that they see you as an indirect competitor?

Oh, there's a second part, but I'll stop it. Stop there.

Yeah, look, I mean, podium in the uk so we, we've done a lot of work with the podium team over, over the years, and they've got an interesting, um, you know, roll over there as a, as a competitor to us.

So there's no doubt that we do compete, but they also work with industry over in the UK as well, and are their, um, their UK distributor at the moment.

So, yeah, so it is an interesting dynamic.

Um, look, I think we work fine with Medium.

We have appropriate commercial agreements in place for the things that we, we have to do.

And, um, and they're backed by, by the rights holders over there.

So, and where we compete with them, we compete, uh, on a, you know, fair and level playing field.

So, um, I believe we, we do a good job of it.

Um, you can't win everything, but we certainly winners, uh, you know, we're winning, you know, enough at the moment to, uh, to put a smile on my face, so,

Yeah. Nice.

And shareholders, um, uh, what, the second part of the question is what would be the impact of this, of this data partnership not being renewed or ending early, and how do you think about mitigating that risk?

Uh, I mean, with podium,
they're really just commercial agreements that are in place
because of our agreements with the rights holders.
So, you know, if podium were, I mean,
podium themselves may be, um, at some point taken out of
that, that rights holder value chain, um, you know,
because those agreements are, they also have agreements
with the rights holders for that, um, part of the business.
So, yeah. So I, I have zero concerns about that, uh,
and our supply chain and,
and distribution in, in the UK market, it's, uh, very strong
and growing, uh, you know.

Yep. Um, you, you touched on AI before
and gosh, I got, I mean, it's no surprise it's been the,
the topic, uh, of, of, uh, of in focus very much in
for a lot of, of this year, um, but is an interesting one.

You, you touched on it before, is something
that you guys have been doing for a while.

Um, definitely something that can help in terms
of the scalability and the, and the,
and the flex that you have there.

But the question here, well, I'll just put it as worded,
is AI more of a threat
or a tailwind for RTH and, and why is this?

So I guess just elaborating on that a little bit, it,
it allows you guys to do more with less,
but I suppose it also allows others to do more
with, with less as well.

Yeah, look, AI is, um, is extremely topical.

I've had a dollar for every time someone ask me a question similar to that, I'd be a very rich man.

But, um, yeah, as, as I'm sure you would as well.

Yeah, it, um, I think it provides us a tailwind, um, because it, it just enhances what we're doing today.

Um, but what's important to note is that we have all the data and we have all the analytics, and we have all the predictive models, and, you know, AI is, is almost useless without a source of, of intelligence behind it, right?

Yeah. The irony. Um, but what we do with AI is actually use it across all of our data and our information and models to create, um, you know, nuanced products that, that are very much backed by data and backed by science.

Um, I think those looking to use AI in the industry to try and compete with us, um, who don't have those data assets are really just, um, uh, regurgitating I guess what's in market already.

So, and there's a difference between that.

So you'll have two quality of products again, and I think we win every time on that, on that front.

So I'm bullish about AI in our business, and we, we actually have a focus group within the business and we have done for a little while now, and how we use AI across the business, everything from administration all the way through to co-development and processing and product creation.

So these are all

thematics that we're looking at very closely.

Um, we are looking at competitive, um, you know, forces as well around ai, but how other people are using AI and everything we see that that is coming out of, uh, so-called, you know, other new entrants into the market is pretty, pretty basic, pretty, um, generic.

And, you know, it won't stand up over time.

And particularly as, you know, as we start to accelerate our offerings with AI behind us as a, as a, you know, accelerator, um, you know,

I think we, I think we win that battle. So

I love a, I love a good bit of confirmation bias.

I mean, I, that that, that's really been my perspective, Steve, and not, not just in regard to you guys, but just in general.

It, it's sort of like, um, you know, it, the data is the feed stock here and, and that's really the advantage.

And you also sort of have this, well, we should come back to this.

In fact, the network effects there where it's like more data gives you a, a better ai, a better AI is able to better exploit the data.

You get these lovely sort of flywheels that, that are very, they're very hard to catch.

Um, more of a comment than a question, but just on that broader theme in terms of network effects,

are there network effects in your business that,
like specifically, you know, that as,
as you gain more customers, you get more data,
which allows you to get more customers or,
or o other angles towards that?

Or am I, am I sort of fishing un un unreasonably?

So for this, for this angle,

No, I think you're right.

I think there is a network effect
in several parts of the business.

Probably the brand and reputation side of the business,
and particularly since we listed the business, the, um,
racing sports brand
or RTH um, Mar head have, you know, has really taken on a,
a new global, um, presence.

I guess, you know, just given the fact that we've gone
through this, this process of becoming listed on
the stock exchange we've gone through,
Sorry to interrupt, customers.

Go, oh, you're listed, you're, you're more, uh,
legitimate I suppose, is that the, the perspective
More transparent as well?

I mean, Tools around our ownership, structures around,
you know, management board and,
and governance, you know, it's all there and,
and, and we stand behind it.

We take it very seriously, you know,
and, um, you know, we have a, a high powered board, uh,
and they keep us very much in check.

So, you know, I think that side of thing,
um, has absolutely helped the business.

And then also the more our customers, um, stand
behind the racing sports brand on their, on their,
their sites, on their platforms
and say, we're using racing and sports.
'cause they can be trusted. Yeah, they've got integrity,
their product is the best we're using them.

It's, it's a, you know, it's a real vote of confidence.

And the more customers that do that, the more customers
that come to us and say, oh, we've seen your stuff.

You know, we'd like to have a conversation around,
um, you know, around servicing us.

Even our, you know, our competitors customers are,
are now coming to us asking, Hey, we, uh, we want
to tap into what you guys have got.

So, you know, that network effect is working really well
and has done over the last couple of years.

And I guess the other one to talk about is probably
around our trading services.

So the more managed trading services customers
and SaaS trading service customers we've got,
the more telemetry we get around, you know, weight
of money movements, what's happening in the market globally,
uh, around horse racing given it is a very much a
globalized product now.

Um, you know, the big races in Australia, France, America,
uk, um, Asia, you know,

there's a global audience now
looking at all of these products.

And so you, you know, you start to learn where the,
you know, weighted money's coming from,
the betting activities happening, what to look out
for when now traders are trading,
they have much more data points to actually, you know,
arm them to make sure that, you know,
we're not getting picked off by sharps
and our customers are being looked after
and books are being managed efficiently
and all that sort of good stuff.

So, yeah, so there is a, definitely a movement to
that network effect within the business, um, you know,
which is, uh, which is really interesting.

Yeah. Um, another nice bit of confirmation bias.

People will be sick of me saying it,
but I just, it's something that I just,
it's a real pattern recognition kind of thing
that's become clearer to me.

The more I've done this, it's this, you know, customers,
people in general, we, we just demand social proof that,
you know, some unknown little Aussie company comes
and says, we've got great tech.

It's like, yeah, but who are you? You know?

And, and yet when you knock on the door
and say, Hey, bet 3, 6, 5 use s Ladbrokes.

I mean, just, it feels as like that alone opens the doors.

Um, and again, just more, more of a comment than a question.

Um, I've gotta rattle through some of these questions
'cause we're gonna run out of time and this
is entirely my fault.

Um, uh, just a quick one here on the competitors, in fact,
who, who are the, who do you see as your main competitors
and, and how do you differentiate from them?

Yeah, look, first of all, there's probably no one
that really competes head to head on everything we do,
but there are other companies that do some of what we do.
So bet makers here in Australia would be one of them.

And they, you know, they do a lot of other stuff
that we don't do as well and, and vice versa.

So, uh, they are probably in the
mix, uh, or they are in the mix.

Um, you know, in, uh, the UK there's, there's podium
or pa um, who I think we've spoken about
and, you know, am I concerned about them?

You know, probably not. We,
we compete head to head sometimes.
Other times we don't. And we both have our
positions in our respective markets.

So it's, it is what it is.

But we do work with 'em occasionally.

Uh, you know, there is, um, in, uh,
in the UK racing post from a media side,
so the Spotlight Group, uh,
and they have got involved in a bit
of B2B business from time to time and, um, and whatnot,

but they're, they're sort of much more heavily focused on the newspaper, print and, uh, digital media side of, of their business.

Um, yeah.

Uh, look, and I don't know that there are really any other competitors worth sort of noting in this space that, um, that, that, that would give us any course for, you know, cause for concern across the, the data business, the, the wagering tech business, the, the media business, uh, and now the industry tech business as well, which is all around how do we help industry bodies, um, you know, around the world, uh, take cost out, do things more efficiently, uh, innovate, you know, and, and run their, their part of the racing ecosystem globally in a much more cost effective manner, which is, you know, a key thematic as, as global headwinds are, are challenging business models everywhere.

You know, we have a, a role to play in that now because we've invested heavily in platform for industry and our data assets.

We have, you know, as good if not better, you know, regulatory data assets than, than the regulators themselves.

So, um, you know, so I think, I think there is a, you know, a role to play in that vertical that we'll, we'll probably start reporting on at some point as well.

Yeah. Nice one. Um, uh, kaing Rising is seen as a generational Hong Kong sprinter and will no doubt be running more international races.

Do you think this will positively impact the Hong Kong business and demand for your new simulcast product?

That is a wonderful question. Um, the answer is yes.

I mean, it was great to see Kay, uh, out here on, on the Weekend and, and up in Sydney, and I was there myself, and it was a great, a great run and a great win.

Um, and on our ratings, you know, we believe that, uh, he was never in doubt.

Um, I think he ran a 1 28 according to our, our form analysts.

So it was a, it was a solid run.

And, um, you know, I think he'll continue to win races in Hong Kong, and, uh, and hopefully, you know, we've see him, we've see him run internationally again and, and see, you know, what he's made of.

Um, the simulcast products that we've created out of Hong Kong, um, are only very new, but they're working with rights holders to effectively provide a, a way, um, to get, uh, international race information into the Hong Kong market, but also into other markets around Australia, for example, of, um, you know, heavily Chinese based markets, um, you know, who are looking at, um, you know, reading information in a format that they understand and know and they're comfortable with. So in traditional or, um, or simplified Chinese.

And, um, you know, we've created those products now for, um, I think it's been going on two months now, that, that they've been designed, uh, distributed, uh, in Hong Kong, but also here in Australia as well.

And that's becoming quite a important part of our business.

And we've seen increased turnover in the meetings in Hong Kong, uh, the simulcast meetings into Hong Kong that we've been producing our, our, our, our publication on to our newspaper, our publication, and then obviously it's been extremely well received here in Australia as well.

So the short answer there is yes, I think absolutely.

Um, you know, when people start to realize how good the Hong Kong racing product is across Shati and Happy Valley, um, you know, it's twice a week.

It's high quality, it's good fun.

If you ever get a chance, you should go to Happy Valley.

Um, and Charin for that matter, they're both, they're, they're different, but they're both excellent racing products, um, very well run.

And, you know, the quality of racing over there is phenomenal.

So, you know, that's why we invested in, in the publications business over there.

And, um, you know, the simulcast business is now a logical extension of that, is that we have a position within Hong Kong, uh, we have the ability to work with all of our rights holders and promote their racing into Hong Kong in a way

that can be consumed and participated on.

So increased turnover for the Whirlpool
and for the rights holders.

Uh, and obviously we've spoken about the importance of, of
that flow of money back to, to where it belongs, um,
and, you know, the general wellbeing of,
of the global industry.

So Hong Kong has a massive role to play,
um, in, in that journey.

So yeah, really exciting.

Yeah. Fascinating. Um,

I'm just gonna keep powering through.

This is like the power round of the, uh, game show part.

Uh, uh, Steven, um, how, how, how sensitive are you to the,
to the 12 o'clock end time?

No, I'm fine. I can keep answer.

Okay. I won't, I won't, I won't abuse it,

but just, just so I, so I know, um, uh, can you talk us
through the change, uh, in the Pickle Bet deal?

How did it start? Why did it change,
including the impact on a RR and margins, et cetera, and,
and why was this good for, for RAs?

Yeah, look, the Pickle Bit contract was one that, um,
they started as an e-gaming, um, and sports, uh, platform.

And, you know, a couple of young, young fellas, um, out of,
uh, Brisbane started it.

So, um, they, um, they initially wanted to start with a,
a sort of a lights out product to see, um, I think really

to see pricing gain any traction on their platform.

So, you know, uh, that was fine.

And, and we were, you know, at the point
of launching our managed trading service, uh,
we had a partner involved in
that at the time, who we work with.

Um, and, you know, I think over time they saw it perform
so well, and they had a, a great ability
to transition their e-gaming
and sports customers across into
what was a simplified racing product.

They, they did that really well.

They, they, these guys are really good at how do you engage,
how do you speak to younger demo, how do you, um,
give them a product that's differentiated in the market?

And they, they execute on all those things really well.

The, these guys are polished. They're, they're smart. Yeah.

And so what happened is they racing products started
to perform, I think, better than anybody
had expected, including them.

Um, and then they had the ambition to, to take
that in-house, which I think is a totally
valid, valid thing to do.

Um, so in doing that, we gave them the option,
if they wanted to do that, take it in-house,
they could use our SaaS trading platform.

So that's what they've ended up doing.

They transitioned from an MTS, um,
a fully managed service into a self-managed service.

So we still provide them support on the platform itself,
but they have their traders
and they do all their own trading.

And that obviously had an impact on a RRI think, um, in,
in total, the, the net difference
to racing in sports was, was minimal.

I, I don't think there was any actual impact on it from a,
um, uh, from a, um, a profit perspective,
but I think the revenue did drop given it was a, um,
it was a, it was a pay away to a partner
who we've now ceased operating, um, on that deal with.
Um, but that was,

you know, that was a good journey for them.

And we support, you know, support them.

We really like what the Pickle guys do.

Um, you know, they are the Pickle Panthers, I think
that sponsored and, um, you know, guys like that
who are innovating in the industry
and disrupting, um, are extremely valuable
because, you know, this is the future of, of, you know,
engaging younger people, getting 'em interested in the
industry, you know, they won't just bet with Pickle bet,
they'll bet with Tap Core, they'll bet with others as well.

So, you know, it's, um,
it's a very important part of the value chain.

Yeah. And I suppose longer term,
their success is your success too, correct?

Absolutely. Yeah. And they're still, you know,

they're still a great contributor to the platform.

They've got ideas and they say to us, you know, guys, it'd be great to see this feature on your, on your SaaS platform, and if we like it, we get it into the backlog and we get that built out for them, and so on and so forth. So they're, they're great partners, really, um, and great customers, so yeah.

Guys we wanna look after. Yeah.

Nice one. Well, speaking of new products or, or new features or whatever, I mean, this is the dilemma.

There's no right answer to this question, but it's always a good one.

This one's from SO Um, how do you think about capital allocation in light of the investment opportunities in front of you versus the, you know, the, the desire or, or perhaps the, the demand from some investors to sort of, you know, grow, grow profits and, and free cash flow?

Um, it can be a very difficult conundrum on, on one hand, we see it a lot in the A SX where people just grow themselves broke, they've got all this opportunity, they get over their skis, and then every, the funding dries up.

And they, it was such a shame because they often have a great part of their business, but hubris gets in the way.

Um, and then on the other side, you've got, you know, on the other end of the spectrum, you've got a business

that really just doesn't capitalize on all the opportunities and they get overtaken.

And as I say, there's no right answer to this question, but, but I do know it is, it is, it is, um,

for people in your shoes, a, a, a conundrum as to where do you actually set the slider there?

Where do you set the slider? How do you think about that?

Yeah, look, I love, I love this question

and you know, I'm naturally, um, I'm naturally bullish.

I'm naturally, you know, uh, I'll say a risk taker,

but obviously within the parameters of, of common sense, um, you know, having run and grown my own businesses over time, um, you know, I've, I've been here in,

in my own private businesses where you have to look to invest and, and take risks to grow.

Yep. Um, you know, we've done a really great job of, um, becoming profitable over the last year.

And, um, you know, that that's a, you know, a great achievement.

Um, would I say that we would be that way forever?

I mean, it depends what opportunities come our way. Yes.

And if there was something big enough, um, yeah, that, you know, the market would have to see it, though, the same way I see it.

Right? That would be my test if I was standing in a pub and trying to explain the deals, somebody, and they said, well, hang on a second, you've done this, this, this deal.

How does that get you back to profitability?

How does that add to the, you know, to revenue
or how does that add to your strategic growth?

Um, open up new regions, they'd have
to see the same thing I see in a fairly, you know,
short period of time in order for us to do it.

And I think as an executive team
and as a board, we're pretty keen to guard our performance
and trajectory to date, but I don't think
that's gonna be the expense of taking opportunities if they,
if they come in front of us.

And, you know, there are always opportunities, um,
particularly to disrupt established markets that we
as a growing company, if we are to take
that step like we did in the UK when we, you know, we,
we walked into the uk
and I think we're the first international company
to come into the UK market like we've done, and,
and properly disrupt the establishment there to the point
where we are a main competitor there.

You know, we've hired, well, we've hired key
people from industry there.

We've supported them to grow.

We've given them, we've empowered them to, you know,
to do aggressive deal making in order to, you know, um,
assure long-term success
and all that's now starting to bear some real fruit.

Yeah. Uh, and we'll continue to, yeah.

So if we see another opportunity, so like Hong Kong

for example, I mean, that was again, a strategic opportunity where it's gonna bear fruit.

It's already starting to, to place us strategically in the middle of what is gonna be a very big global hotspot in racing.

Um, and not just Hong Kong.

You know, you've got, um, Singapore, Malaysia, Japan, all massive industries that aren't subject to some of the same, uh, perception, regulatory taxation environments that are in the rest of the world.

So, um, so if we see another one of those sort of opportunities, would I go after it?

I mean, probably every day of the week and twice on Sundays.

But, you know, shareholders would have to see the, the same logic that I do in, in order to make it work.

I'm not going to, we as an executive team, aren't gonna take silly decisions or risks with shareholders money if there aren't clear pathways to return and, um, and profitability and success.

So yeah. I, I I guess

that's probably a fairly balanced answer and doesn't really give you the

No, it's a great answer. No,

I mean, respect for it's Jill, I mean, gosh, the amount of, one of the easiest ways to destroy capital for an Australian company is to go overseas, right?

And, and not because Aussies don't know how to do business,

but it is very hard to overstate the, the,
the advantages of incumbency
and just local knowhow and, and connections.
And so, you know, to, to, to, to build,
stand up a business from, from scratch in,
in other jurisdictions, well, you know, well done.
That's, that's, that's not easily done.
Um, LL let's say, let's say I'm a banker
and I knock on your door
and I go, here's a billion dollars very low cost capital.
What, what would you do with it?
What would you, or would you
tell me you don't need it right now?
I mean, you may, may, maybe you don't have to take it.
Yeah, that's right. I mean, I probably,
I probably don't need, well, I don't need a billion.
I mean, I, I probably don't need, you know,
capital now at all, to be honest with you.
Right. Um, I think we're in a pretty good place actually,
um, you know, with, without the size of our workforce,
what we're doing with automation innovation, so, yeah.
Uh, I mean, there's not, look, there's probably a world
where I'd probably grab it and, and do something wild,
but I don't think we're there.
I don't think the industry's there. I
don't think the global economy's there.
So, you know, um, yeah.
So I think I'd probably politely decline
and, um, uh, you know,

Get on, don't get that answer very often.

That's get on with my day. Yeah.

Look, I, yeah, I don't think we,

I don't think we do need a lot of capital.

I mean, you know, we're, we, we're, you know, yeah, we're in that stage of, um, you know, doing more with what we've got and yeah, a lot of gas in the tank, so to speak.

So, yeah. Yeah. I'm, yeah,

it's a, it's a good question though.

I mean, you've, you've kind of answered this already by just speaking a bit about the competitive dynamic and some of the sort of the industry landscape, but we, uh, acquisitions on the radar.

I mean, to, to your earlier point, I guess it depends, like some things just land on the desk that are just too hard to ignore and, and, and, and the rest of it.

But, but is there, is there active efforts on that front, perhaps more so for bolt-on type acquisitions?

Or perhaps there's some, you know, the proverbial team in the garage, you've got some interesting tech that could be incorporated on, or is that really just not the focus at this point?

No, it's all, it, it has been a focus for the last couple of years.

Um, so we have had some very meaningful conversations with, with businesses, uh, around what it would look like.

And I think that's sort of just a fairly, uh, standard thing to do, whether we're partnering or looking at acquisition, um, you know, or a combination of both.

There are things we look at and think, you know, we've already got something like that we've built, or, you know, could our tech team build the same for a lower cost?

And I think they're also those intelligent conversations you've gotta have with yourself to say, we are a tech company.

We're a tech and data company at, at our core, you know, I've got a tech background, most of the people in the business are tech in some ways, you know, we have a lot of racing expertise, but, you know, really tech and data is, is our origin.

So when we look at buying businesses, we really need to look at everything from, you know, can we integrate this business?

Can we operate this business?

Um, can we recreate this business?

Um, you know, and generally that leaves us to, to a position of, you know, it's, it's, it's a nice opportunity, but we're just gonna partner or we're just going to yeah, look at building something ourselves, or we've already got something we've built and we're gonna lean into that and commercialize it first and see how it goes.

Yeah. And we've gotten those,

those conversations pretty right most of the time.

There's probably one or two things now that we're looking at that, you know, could be interesting to us in time.

And I think, um, yeah, I think we'll, we'll, we'll continue to track those, but we have good partnership working models with them already, so.

Yeah. Yeah. Um, but it's always, it's prudent though to look at, look at those things where they're accelerators.

Um, particularly new markets like Hong Kong.

I mean, there was a no brainer there because trying to go in and establish a Hong Kong business from scratch was gonna be very difficult.

Um, and we've sent a lot of people try and fail, similar to the US as well.

A lot of people have gone in there and spent a lot of money, um, with, with limbs or no return, no shareholder value created.

So yeah, we've just gotta make sure that, that we're keeping, you know, all those things in front of mind when having those conversations with ourselves.

Excellent. Uh, I know we've gone over time.

If I, I will wrap it up in, in a moment.

I, and I'm sorry everyone, I don't think we're, we're gonna have time to get to all the questions, although having a quick squeeze down that I think we've, we've at least touched on on most of them.

Um, one thing I'm, I'm keen to do, Steven, is, is, is, um, uh, ask you about the other,

we've talked a lot about all the positives.

What are the, what are the, keep you awake
at night kind of things?

Uh, that, that's probably,

that's probably stating it too strongly, but, but,

but you know, how, how do you, how do you, what do you see
as the, the biggest risks, I suppose, to the business?

Well, probably more global regulatory and taxation.

Um, you know, issues I guess are, are things
that frustrate me more than anything else.

It's like, I see the industry is, is so great and,
and the fact the industry doesn't stand up enough for itself
as well, we are a great industry full of great people,
and it's a great sport with great world class athletes.

Um, you know, and I don't think we, I I think we've gotten
so worried about public perception about, you know, some
of the more negative parts of the industry
that we don't actually, you know,
sing our own praises enough.

And I think that's an important thing for the industry
on a global basis, needs to start to stand up
for itself more and, and really be proud of
what the industry does and the people we employ
and the animal welfare, um, that,
that's come into the industry over the past, you know, five,
10 years that's, that's really safeguarding, you know, uh,
performance of, of animals,
but also the people within it, the jockeys trainers
and, um, handlers and straps and stable hands, et cetera.

So, yeah, I think there are things that, that,
that probably frustrate me more than anything is that I,
I just see a great industry that's not,
not beating its chest enough, um,
but then obviously the overtaxation
overregulation side of the industry as well.

It frustrates me again when, you know, um, the,
there are these, you know,
headwinds imposed upon
the industry, which will make it hard.

The UK they, they had a a day of striking recently
where they didn't race because, you know, of, um,
taxation implications.

And here in Australia we've got our own challenges.

So, you know, I believe that,
that the people operate within,
you know, what they understand.

And I think, you know, both sides of government
and parliament, you know, um, generally doesn't understand
a lot about the racing industry.

There are a few within it that do,
but, you know, so again, getting a better mouthpiece
and a voice piece, um, to, to help educate, um, you know,
would be, would be better.

So they are the things that are at a macro level really kind
of frustrate me and keep me up at night.

Uh, from a business perspective,

I'm probably more bullish than I've been in a long time

around how, how we're tracking, we've, you know,
we're right sizing certain parts of our business.
We're always looking at how to use innovation, ai,
and obviously automation to,
to do things better, cleaner, faster.
Um, we've got a great tech team.
We've got all the right people.
We just brought on a new CTO from, um, uh,
actually moved him out here from Scotland, uh,
who's hit the ground running and see things very clearly.
Um, you know, a great addition to our team.
You know, we're a small executive,
we're a small management team.
Um, we've got a great board and great relationship.
So yeah, I, you know, from a day-to-day perspective,
you know, I love coming to work.
I love working with my team. Yeah.
I love the innovation, I love the energy around the place.
Um, and that's just not from the Canberra team,
it's also from the guys we've got in Melbourne,
the guys we've got in Brisbane,
the guys we've got in Sri Lanka.
Yeah. You know, and our uk uh, team
and now our Asian team as well.
You know, we have, um, you know,
we have such a diverse range
of people working within the business who are passionate,
um, who are well dialed in.
So, you know, it's really just around, you know,

picking the things that we're gonna do and focus on
and driving hard at any given point in time.

So that's around the prioritization.

Um, one thing I was gonna ask you is that it, I I,
I'll admit, I'm, I'm not, I'm not someone who,
who follows the, the horses all, all that much.

I, I, the share market is where I scratch that,
that particular itch.

Um, uh,

and again, I I really, I really don't mean this
as a leading question, but it, it's what I'm asking this
because there are, um, a lot
of macro concerns out there in terms
of the state of various economy.

You mentioned the UK before, my gosh, what a basket case,
you know, and, and that there are these worries
that are out there, but it strikes me
that this is an industry that, that seems some, uh,
no industry is recession proof,
but there some are far more robust than others.

Is it, is there a lipstick effect kind
of phenomenon at play when it comes to your space?

I mean, you know, having, having a bit of a a,
a flutter on the, on the friley doesn't strike me
as something that people necessarily cut back on when things
get particularly tough, or am I wrong?

No, I think, look, our, um, our analysis on that,
which we, um, you know, we did actually a couple

of years ago when we were sort of asked this question,
you know, we have found over time that
that is a relatively recession proof industry.

Uh, wagering continues relatively, um, you know, flat given,
um, you know, given what's happening in the, in the global
economic, uh, landscape.

I think, um, you know, the weekend even at, at the Everest,
I, I mean you saw 50 odd thousand people there.

Yeah. Um, it really goes to show that, you know,
people love, um, you know, big racing carnivals
and, um, you know, there was no shortage of money around.

I think it was the biggest Whirlpool meeting, um,
on turnover ever as well.

So yeah, look,

I think it is a relatively recession proof industry
and, you know, um, that's, uh, you know,
obviously a, a strong industry to be in.

I mean, certainly, you know, 25 years we've been growing,
you know, uh, every year and in that 25 years.

So it's been a, you know, it's been a good run,
but just shows that the industry,
you've gotta keep on innovating though, I think, in,
in order to be relevant still.

So that's, that's kind of the, the secret source in
that whole equation is, um, you know, making sure
that we're keeping wagering dollars onshore.

Yeah. Um, and, you know,
making sure wagering dollars are going back to industry.

How do we help bookmakers

and our customers give them the right products
that keep their customers sticky and engaged
and not looking to, to, you know, to move offshore?

And I think that's, uh, that's important as well.

Nice. I'm not gonna push my luck any further.

I've kept you for longer than I, than I said I would.

My head is absolutely spinning,
so I'll be thinking about this conversation
for quite a while after we hang up.

But, um, uh, all that's left to say, Steven,
is really appreciate your time.

You've really helped illuminate the business for us,
and, uh, I know there'll be a lot of members who are,
are very interested in what you had to say.

Yeah. Thanks Andrew, and appreciate your time and, uh,
and all the great questions from everyone
listening. So thank you very much.

Awesome. Okay. Thank you so much.

You cheers. Cheers.