



BETTER
COLLECTIVE

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Better Collective reports Q4 2024

Interim report October 1 - December 31 2024

Regulatory release no. 2/2025

Flash Q4 2024 Highlights:

- Revenue of 96 mEUR, growth of 13%
- Recurring revenue of 63 mEUR, growth of 28%
- EBITDA before special items of 34 mEUR up 14%, 35% margin
- 50 mEUR efficiency program was executed faster than expected

Flash Full Year Highlights:

- Revenue of 371 mEUR, growth of 14%
- Recurring revenue of 231 mEUR, growth of 21%
- EBITDA before special items of 113 mEUR up 2%, 31% margin
- Net debt to EBITDA of 2x
- Revenue ended in the high end of full year guidance with EBITDA ending slightly above revised targets

Other Highlights:

- 2025 guidance
 - Revenue of 320-350 mEUR
 - EBITDA before special items 100-120 mEUR
 - Free cash flow between 55-75 mEUR
 - Net debt to EBITDA below 3
- New adjusted 2023-2027 guidance excluding M&A
- Announcement of new 10 mEUR share buyback program and proposal for the cancellation of holding of own shares at upcoming AGM

Jesper Søgaard, Co-founder & CEO comments:

"In just a few years, Brazil and the US have emerged as key growth drivers for our business, now representing more than half of our 2024 Group revenues. We have strategically leveraged our strong organic and inorganic growth performance to secure leading positions in these growing markets for Better Collective. Despite the unforeseen challenges which arose in the second half of 2024 in those markets, our confidence in the long-term potential remains strong. I am pleased with the growth we saw over the year in key areas, including our Europe, Canada, and South

American businesses, as well as the advancements we made in our esports business. As we have progressed into 2025, our focus is on commercial execution, business development and capital allocation. Supported by our exceptional team and our leading House of Brands, we are well-positioned to seize the many opportunities ahead."

Highlights Q4, 2024

- Better Collective announced its preliminary headline numbers on February 6, 2025, showing revenue in the high end of guidance, and EBITDA above the guidance.
- Revenue grew by 13% to 96 mEUR, with a 2% decline in organic growth. After the guidance update in October, the US and Brazilian markets performed as anticipated, while the rest of the business—including Europe, Canada, and esports—grew in line with expectations.
- Recurring revenue grew by 28% to 63 mEUR making up 65% of group revenues. This was driven by organic revenue share growth plus the acquisitions of Playmaker Capital and AceOdds.
- EBITDA before special items was 34 mEUR, up 14% and exceeded the recent guidance given in connection with the downgrade in October. This was primarily driven by revenues ending in the high end of the range, as well as the cost efficiency program being implemented faster than expected. The EBITDA-margin for the quarter was 35%.
- Cash flow from operations before special items was 20 mEUR. The cash conversion was 60%. The lower cash conversion relates to increase in trade receivables that is expected to be paid during Q1, 2025. By the end of Q4, capital reserves stood at 102 mEUR of which cash of 38 mEUR and unused credit facilities of 64 mEUR.
- The group delivered 407.000 New Depositing Customers (NDCs) of which 82% were on revenue share contracts. The number of NDCs were down 15% due to the development in Brazil.
- **Brazilian market update.** During 2024, Better Collective experienced an increasing slowdown in the Brazilian market in anticipation of the regulation January 1, 2025. This impacted both NDCs and financial performance throughout the year and accelerated in Q3 as well as further in Q4. The Brazilian market has now gone live under new local gambling regulation on January 1, 2025, and the implications and experiences so far are the following:
 - Better Collective had around 70 mEUR in revenues from Brazil in 2024, equivalent to 19% of group revenues. Most of the revenue is revenue share income.
 - A local tax on gambling revenue (GGR) and added costs on net gaming revenue is estimated at 26%. This will expectedly affect revenue negatively by 15-20 mEUR in 2025.
 - In the move to a regulated market all players must re-activate their accounts, and in this process, it is expected for sportsbooks to see customer churn - further negatively amplified by the increasing competition between sportsbooks. This is estimated to impact Better Collective's revenue share income in the market by around 20-30 mEUR in 2025. The players left after this process is however expected to be of very high quality with higher lifetime values in comparison to the previous database.
 - The negative impact of the new regulation is thereby estimated to be 35-50 mEUR on revenue and EBITDA before special items in 2025.
 - Throughout 2023 and 2024, Better Collective has expanded its localization efforts by building a team of over 100 employees in Brazil to meet all onshoring requirements under the regulation.

- The market has launched with some sportsbooks being granted licenses, while the market is in low season. The activity is expected to pick up from March when the high season for sports begins.
- The Brazilian market is expected to return to growth by 2026 and Better Collective expects Brazil to become a highly profitable and high growth market for the group in the mid-to-long-term, which will outweigh the short-term impact. Better Collective always welcomes a regulated market as the better alternative for both player protection, taxation, and for other stakeholders involved.
- **Cost efficiency program.** The efficiency program that was initiated in October was fully implemented during Q4 2024 and executed faster than expected. The program had a partial effect in Q4 2024 of 10 mEUR as well as one-off savings of bonuses and other of 5 mEUR, which improved EBITDA by 15 mEUR. The program will have full annual effect of 50 mEUR in 2025. Approximately 65% of the total program cost is allocated to salaries, with 2% attributed to Executive Management. Additional cost savings include 13% from editorial reductions, 9% from procurement, 3% from office closures, and 10% from other savings.
- Better Collective continues to focus on its AdVantage platform. During Q4 the development has been moving forward as the Group has increased the connectivity across brands. Throughout the year of 2024, the Group has strengthened its commercial team, which has resulted in expanding presence in global agency budgets.
- On September 6, Better Collective's Board of Directors resolved to extend the buy-back program, allowing it to continue until November 27, 2024. The program was finalized on that date, and as a result, Better Collective now owns 1.8% of the company's outstanding capital.

Financial targets

2025 guidance

Better Collective's guidance for 2025 is as follows:

- Revenue of 320-350 mEUR
- EBITDA before special items of 100-120 mEUR
- Free cash flow of 55-75 mEUR
- Net debt to EBITDA below 3x

2025 guidance implications

Revenue growth will be short-term impacted by the Brazilian market regulation. Given the before-mentioned factors in Brazil including taxation and added costs on net gaming revenue as well as expected customer churn, Better Collective estimates between 50-70% decline in Brazilian revenue share income short term, which impacts EBITDA for 2025 by estimated 35-50 mEUR. H1 2024 further provides a tough comparison with a 20 mEUR EBITDA before special items effect stemming from a higher US marketing activity from partners last year, the state launch in North Carolina as well as the European Championships in Soccer. On the other hand, Better Collective expects absolute growth in its European, Esport, South America ex Brazil and Canadian businesses, as well as US growing from its lower baseline. This is estimated to give an EBITDA before special items growth boost of between 20 to 40 mEUR during 2025. Lastly, the cost efficiency program will have full effect of 50 mEUR for the year. All this combined means EBITDA before special items is guided flat versus last year.

Adjusted long-term guidance for 2027

- Positive organic growth from 2026
- EBITDA-margin before special items for 2027 continued at 35-40%
- Continued strong cash conversion
- Net debt to EBITDA below 3x

2027 guidance assumptions

When launching the long-term guidance in 2023, Better Collective included both organic growth and M&A. Given the changing market conditions and share price development Better Collective will likely consider other capital allocation measures in the near-term such as bringing down debt and share buybacks. This consideration combined with the challenges in the US and Brazilian markets make the company adjust its guidance to focus on organic growth

Significant events after close

- Better Collective's Board and Executive Management propose to the Annual General Meeting that the 1.8% holding of own shares as of December 31, 2024, be canceled.
- Better Collective has decided to launch a new share buyback of 10 mEUR.
- Better Collective's leading esports community, HLTV, hosted its annual HLTV Award Show for the fourth year in a row. The event brought together the global Counter-Strike community to honor and celebrate the best and brightest in the world of CS 2. HLTV stands as the leading Counter-Strike platform in the world featuring news, live-streaming, statistics, on-site tournament coverage and more. On average, the HLTV website has more than 270 million monthly pageviews while across social media platforms the brand has nearly two million followers.

Intention to align with Danish Recommendations on Corporate Governance

- The Company has broadly observed the Swedish corporate governance recommendations and practices for publicly traded companies since its 2018 IPO and listing on Nasdaq Stockholm. In 2023, however, the Company completed its Nasdaq Copenhagen dual-listing. As a Danish company headquartered in Copenhagen, and now also with a Danish listing, it is the opinion of the Board of Directors and the Nomination Committee that it makes sense for the Company to generally align itself with the Danish corporate governance recommendations and practices. Accordingly, following the Company's 2025 annual general meeting, the Company will generally seek such alignment, observing the "comply or explain"-principle. Among other things, the transition away from the Swedish corporate governance practices entails that the Company will not prepare and publish a Q4 report for the fourth quarter of 2025 and forward. Instead, the annual report will replace and combine the Q4 report with the annual report. The Company's alignment with the Danish corporate governance recommendations and practices will also be taken into account in the Company's future reporting on corporate governance (except for the corporate governance reporting to be prepared as part of the Company's annual report for the financial year of 2024 (to be published on 25 March 2025) which will be based on the Swedish corporate governance recommendations and practices as they have applied to the Company during 2024 and will still apply to the Company at that time).

Q4 webcast - February 20th, 2025

- A conference call for Better Collective's stakeholders will be held on February 20th, at 10:00 CET and can be joined online [here](#).
- To participate through phone, follow [this link](#). Once signed up you will receive an e-mail with a phone number and a personal dial-in code for the call.
- The presentation material for the webcast will be available after market close on February 19th via:
www.bettercollective.com

This report contains inside information in regards to the 2025 guidance and long-term guidance adjustments.

About Better Collective

Better Collective owns global and national sport media, with a vision to become the leading digital sports media group. We are on a mission to excite sports fans through engaging content and foster passionate communities worldwide. Better Collective's portfolio of digital sports media brands includes; [HLTV](#), [FUTBIN](#), [Betarades](#), [Soccernews](#), [Tipsbladet](#), [SvenskaFans](#), [Action Network](#), [Playmaker HQ](#), [VegasInsider](#), [Bolavip](#) and [Redgol](#). The company is headquartered in Copenhagen, Denmark, and dual listed on Nasdaq Stockholm (BETCO) and Nasdaq Copenhagen (BETCO DKK). To learn more about Better Collective please visit bettercollective.com.

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