

TAB NEW ZEALAND UPDATE ON TRADING PERFORMANCE

19 February 2021

Introduction

TAB New Zealand (TAB NZ) provides the latest monthly trading update for the 2020/2021 financial year, with the results and highlights for January 2021.

Wagering Performance Summary

The positive performance of the TAB seen in the final months of 2020 has continued into the New Year with January recording a reported profit before distributions of \$17.1M. Notable highlights include a successful summer carnival season, with record turnover on several meetings throughout New Zealand, while continued TAB operational savings and a solid schedule of international sporting fixtures also contributed to the result.

Racing

Wagering on New Year's day racing at Ellerslie was up \$1.5M on the previous year, with a record turnover of \$6.7M for the meeting. The New Zealand Bloodstock Karaka Million meeting generated turnover of \$4.9M, while NZCIS Wellington Cup Day at Trentham achieved \$5.5M. Turnover on NZ thoroughbred racing for the month was \$57.6M at a margin of 20 percent. Starter numbers were up 8.3 percent, as compared with January 2020.

Turnover on domestic harness racing was \$23.1M for the month with 36 percent of favourites winning, against the forecasted 30 percent. This resulted in a lower Fixed Odd Margin for the month of 11.1 percent.

NZ greyhound racing turnover for the month of \$12.45M was at a margin of 14.7 percent. Week to week turnover across the January period has been consistent with a similar number of starters, races and meetings each week.

Outside New Zealand, over the Christmas/New Year period, wagering on Australian product was dominated by Thoroughbred racing and driven by an increase in customers and supply of races, which saw wagering activity being just shy of weeks where feature races (ex Melbourne Cup) have been run (e.g. Cox Plate, Caulfield Cup).

Sport

Turnover on sport for the month was \$68.3M, up \$9.1M against budget. Almost 43 percent of all sports wagering for the month was on Basketball products. While most of this was on NBA, there have also been increases in week to week turnover on US College basketball and the Australian National Basketball League.

TAB NEW ZEALAND UPDATE ON TRADING PERFORMANCE

19 February 2021

January Operational Performance

- **Net Profit** for the month was \$17.1M, which was \$5.3M above budget and \$5.8M above last year.
- **Operating Expenses** for the month were \$9.9M, which was \$0.3M below budget and \$2.3M below last year.
- **Year To Date (1 Aug 2020 to 31 Jan 2021) Reported Profit** was \$94.5M, which was \$25.9M above budget and \$19M above last year.
- **Year To Date (1 Aug 2020 to 31 Jan 2021) Operating Costs** were \$58.5M, which was \$1.2M below budget and \$13M (18 percent) below last year .

Net Profit \$m	January 2021			Year to Date			Full Year
	FY21 Actual	FY21 Budget	Variance	FY21 Actuals	FY21 Budget	Variance	FY21 Budget
Betting Profit	16.3	11.0	+5.3	87.4	61.3	+26.1	117.2
Gaming Profit	1.4	1.4	+0.0	10.5	10.7	-0.2	21.2
RIU	(0.6)	(0.6)	-0.0	(3.4)	(3.4)	-0.0	(6.7)
TAB NZ Profit	17.1	11.8	+5.3	94.5	68.6	+25.9	131.7

January Distributions

Racing Codes were paid \$13.3M in actual distributions for January versus \$12.5M budgeted. This consisted of TAB NZ Betting Profit (listed as Fixed Distribution in the table below), Offshore Bookmaker Commission Fees, which are based on actual turnover (termed Betting Information User Charge (BIUC) in the table below), and Betting Duty repeal.

Trading Distributions \$m	January 2021			Year to Date			Full Year
	FY21 Actual Payments Made	FY21 Budget	Variance	FY21 Actuals	FY21 Budget	Variance	FY21 Budget
Fixed Distribution *	11.0	11.0	+0.0	61.2	61.2	+0.0	117.2
BIUC	1.7	1.0	+0.7	9.6	4.7	+4.9	9.1
Betting Levy repeal	0.6	0.5	+0.1	3.6	2.9	+0.7	5.7
Code Distribution	13.3	12.5	+0.8	74.4	68.8	+5.6	132.0

* Monthly fixed distributions of TAB NZ Betting Profit will be reviewed after each quarter

January Wagering Performance

- **Turnover** of \$236.0M was \$40.2M above Budget and was driven by Sport +\$8.1M, International Racing (exc VIP) +\$9.7M, Domestic Racing +\$18.6M and VIP +\$3.8M.
- **Gross Betting Revenue** was \$38.1M, \$7.4M above Budget and \$11.6M above Last Year.
- The total number of **active customers** was 103,000.

TAB NEW ZEALAND UPDATE ON TRADING PERFORMANCE

19 February 2021

Top 10 Racing events by turnover

Date	Venue	Race No.	Race description	Turnover
30-Jan	Trentham	R9	NZCIS Wellington Cup (G3)	\$1.2M
23-Jan	Ellerslie	R6	Karaka Million 3YO Classic	\$1.1M
23-Jan	Ellerslie	R4	Doubletree By Hilton Karaka Million 2YO	\$983K
1-Jan	Ellerslie	R9	Sistema Railway (G1)	\$876K
23-Jan	Ellerslie	R3	Westbury Classic (G2)	\$846K
1-Jan	Ellerslie	R8	Skycity City Of Auckland Cup (G3)	\$810K
1-Jan	Ellerslie	R7	Rich Hill Mile (G2)	\$770K
23-Jan	Ellerslie	R5	Brighthill Farm Concorde Handicap (G3)	\$753K
1-Jan	Ellerslie	R10	Barfoot & Thompson 1600	\$751K
1-Jan	Ellerslie	R5	Dunstan Feeds Stayers Championship Final	\$691K

Top 10 Sporting events by turnover

Date	Code	Event	Turnover
19-Jan	Cricket	Australia v India	\$452K
24-Jan	MMA	Conor McGregor v Dustin Poirier	\$344K
11-Jan	Cricket	Australia v India	\$293K
26-Jan	Cricket	Melbourne Stars v Sydney Sixers	\$241K
6-Jan	Cricket	Perth Scorchers v Sydney Sixers	\$215K
26-Jan	Cricket	Melbourne Renegades v Hobart Hurricanes	\$188K
5-Jan	Basketball	Golden State Warriors v Sacramento Kings	\$175K
7-Jan	Cricket	Hobart Hurricanes v Sydney Thunder	\$171K
8-Jan	Cricket	Adelaide Strikers v Melbourne Renegades	\$170K
5-Jan	Cricket	New Zealand v Pakistan	\$163K