

4Q & FY 2025 Earnings Call Transcript

Super Group Participants

Neal Menashe, Chief Executive Officer
Alinda van Wyk, Chief Financial Officer
Nkem "Ink" Ojougboh, Head of Investor Relations

Other Participants

Clark Lampen, BTIG
Jason Tilchen, Canaccord Genuity
Jordan Bender, Citizens JMP
Ryan Sigdahl, Craig-Hallum Capital Group
Bernie McTernan, Needham & Co.
Jed Kelly, Oppenheimer & Co.
Mike Hickey, The Benchmark Co.

Operator

Hello, everyone, and thank you for joining the Super Group Fourth Quarter and Full Year 2025 Earnings Webcast and Conference Call. My name is Lucy, and I'll be coordinating your call today. [Operator Instructions] It is now my pleasure to hand over to your host, Ink Ojougboh, Head of Investor Relations, to begin. Please go ahead.

Nkem Ojougboh

Good morning, everyone, and thank you for joining us today to discuss Super Group's results for the fourth quarter and full year 2025. During this call, Super Group may make comments of a forward-looking nature that is subject to risks, uncertainties and other factors discussed further in its SEC filings that could cause its actual results to differ materially from historical results or from the company's forecast. Super Group assumes no responsibility to update forward-looking statements other than as required by law.

On today's call, Super Group may refer to certain non-GAAP financial measures. These non-GAAP financial measures are in addition to and not a substitute for measures of financial performance prepared in accordance with GAAP. Super Group has provided a reconciliation of the non-GAAP financial measures to the most comparable GAAP figures in the press release issued yesterday and available on the Investor Relations page of Super Group's website. Super Group recommends that investors refer to its supplementary presentation posted to the company's website.

Today, I'm joined by Neal Menashe, Chief Executive Officer; and Alinda van Wyk, Chief Financial Officer. After our prepared remarks, we will open the call up for questions.

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And now I'd like to turn the call over to Neal.

Neal Menashe

Thank you, Ink. Good morning, everyone.

2025 was a standout year for Super Group. We refined our portfolio by exiting U.S. iGaming, allowing us to focus on markets where we expect clear durable advantages and where we believe we can win decisively. Concentrating resources in our core regions in this manner has paved the way for the record growth and operating leverage that we continue to see today. Despite some unfavorable sport outcomes late in the year, Q4 was another record-breaking period. Monthly active customers exceeded 6 million, a new record, and deposits also reached new highs.

In preparation for a strong 2026, we successfully launched the ZAR Supercoin in South Africa, the first step in our broader digital payments infrastructure. We are also pleased that we have received the final regulatory approval of the Apricot transaction, which strengthens our sportsbook technology platform and begins the process of realized cost savings.

Turning to our operational performance. We closed the year with significant momentum across priority markets. Europe saw strong revenue growth this quarter, up 23% year-over-year, led by a 37% increase in the U.K. In Spain, revenue grew 5% on the back of strong retention and product improvements. In Germany, we remain encouraged by the upcoming H1 slots launch and the operational efficiencies we continue to implement across the market.

Africa grew 27% for the full year against 2024 with Botswana outperforming since launch and South Africa delivering strong wagering growth and record casino volumes. Compared to fourth quarter 2024, Africa was up 7%. This was a very solid result given last year's robust sports margin and this year's customer-friendly outcomes. The underlying strength of our Africa business is highlighted by 31% growth in sports wagers and 32% growth in casino wagers year-over-year. Overall, Africa remains a powerful growth engine, supported by continued customer momentum and high brand loyalty across the region, and we continue to assess our strategy in Nigeria.

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In North America, Canada ex-Ontario increased 15%, supported by strong customer retention and acquisition, coupled with improved product rollout. In Ontario, product improvements also drove record engagement and deposits. Alberta continues to show solid growth, and we are preparing for regulation in Q2. Overall, North America, excluding the U.S., grew 10%.

APAC revenue rose 6% year-over-year despite New Zealand's 5% dip, reflecting our disciplined weight on the sidelines ahead of the long anticipated local regulations framework.

We continue to undertake product innovations in support of future growth. During the quarter, we improved sports promotional mechanics for Betway ex-Africa, leading to a 400-basis point sequential increase in the sportsbook parlay wager mix. In Africa, in the beginning of this year, we completed the technology migration in all our markets. We are now implementing AI-driven hyper-personalized bet pricing to translate real-time liability analysis, market data and customer behavior insights into dynamic odds. We are confident that this will improve our trading efficiency and help to mitigate volatility.

These upgrades are all part of our broader focus on improving customer engagement, optimizing the efficiency of our promotional mechanics and building scalable features that support long-term margin quality.

In South Africa, ZAR Supercoin has two significant catalysts expected in the coming months. First, the launch of the Supercoin wallet, which will give customers a seamless way to acquire, hold and redeem directly within our ecosystem. We expect this to increase engagement. Second, we're preparing additional exchange listings to broaden access, deepen liquidity and expand distribution. We believe that together, these developments will position us well for this year.

With that, I'll turn it over to Alinda.

Alinda van Wyk

Thank you, Neal. 2025 was truly exceptional. Our total revenue for the year reached \$2.2 billion, reflecting a 22% increase compared to the previous year. Adjusted EBITDA saw an increase of 57% year-over-year, amounting to \$560 million. This represents an impressive margin of around 25% compared with 19% in the prior year.

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Despite a challenging year-over-year benchmark, total revenue grew 8% to \$578 million during the fourth quarter, with adjusted EBITDA up 11% to \$139 million. Record deposits were driven by casino momentum and an active sports calendar. Total wagering activity remained robust with an increase of 20% for sports and 17% for casino compared to last year. In addition, average monthly active customers reached an all-time high of 6.1 million for the quarter, a 16% jump from the same period in 2024.

Our results demonstrate a commitment to cost discipline, and we maintained operational and marketing efficiencies. This is supported by further AI-enabled improvements, enhancements in customer support, product customization and sports trading that are ongoing.

The consistent strength of our business lies in our effective conversion of EBITDA to free cash flow, as shown by this year's impressive 72% conversion rate. We closed the year with \$513 million in cash, up 32% year-over-year, an increase that underscores the resilience and durability of our business model.

Our capital allocation strategy includes a commitment to rewarding our shareholders. Over the course of 2025, we returned \$156 million to shareholders, including \$20 million in quarter 4, with an additional special dividend in excess of \$125 million paid this month. Our robust cash generation allows us to maintain this discipline while funding organic growth.

Turning to guidance, 2026 is off to a strong start, aided by an impressive active customer number even higher than last quarter. After an unusually high performance in January, sports hold has returned to levels typically the same as our trailing 12-month average of last year. For 2026, we are guiding to total revenue of at least \$2.55 billion and adjusted EBITDA of more than \$680 million. This reflects purely organic growth, continued customer engagement and the FIFA World Cup uplift. Notably, this guidance assumes ongoing marketing discipline at roughly 22% of revenue, U.K. tax increases taking effect from April, Alberta regulating locally from midyear and continued operating leverage supported by a strong balance sheet.

We are really pleased to share that the Board approved an increase of our minimum quarterly dividend target from \$0.04 to \$0.05 per share. The first payment will be made towards the end of March with the Board reviewing this on a quarterly basis thereafter. And to conclude, we expect to release full

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financial statements in April, consistent with prior periods. I will now hand back to Neal for closing remarks.

Neal Menashe

Thanks, Alinda. Looking ahead, we are really excited to continue scaling our strongest markets, exploring expansion into new African territories, and we believe that our teams are well prepared for upcoming regulation. The expanded World Cup schedule offers a driver for global engagement, setting the stage for a strong 2026. To our employees, thank you for an exceptional year. And to our shareholders, thank you for your ongoing support.

I'll now hand over to the operator to open the call up for questions. Operator?

Operator

Thank you. [Operator Instructions] The first question comes from Ryan Sigdahl of Craig-Hallum Capital Group. Your line is now open, please go ahead.

Ryan Sigdahl

Neal, Alinda, good day. Congrats on the strong business trends. I want to start with the customer-friendly outcomes in December. Curious how much that impacted results, if you can quantify that? And then secondly, how that's translated into potentially greater recycling of profits in play as you look at January and February and if there's any notable trend differences to call out between sports and casino as we start the new year?

Neal Menashe

Okay. So the quarter started off really great. But obviously, in December, the sports outcomes were more customer-friendly, obviously, in Africa, Cup of Nations, Champions League and the English Premier League. You recall quarter four 2024, we had a hard comp of like 16%, and we finished the quarter with sports at 11.4%. December was meaningful given that we estimate it was probably about a \$20 million EBITDA impact from these customers. But obviously, it did flow through on our side in January. As Alinda said, we really had a fantastic January. But again, it's all about the favorites and drawing or losing, but this is what we sell. We sell that the favorite, obviously sometimes can win all the time. And

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we see lots of activity, obviously, in our casino. If you compare our casino Q4 2025 to the prior period, it's up significantly.

Ryan Sigdahl

Great. Just given the strength of the business, and some recent news. I guess, can you explain what the company is doing from a charitable standpoint with Betway Cares reinvestment in the community? I saw Mr. Beast yesterday. Certainly seems like a lot of good things you guys are working on. It's been spun a little bit negatively by certain people. So curious just to level set what you guys are doing with your communities and reinvestment. And then secondly, Alinda, if you can just explain at a high level all those expenses and the spending flows through the income statement.

Neal Menashe

Perfect. Before I hand over to Alinda to answer the accounting, let me give you some context of Betway Cares. At a high level, Betway Cares is our charitable trust in South Africa, dedicated to community initiatives: clean drinking water, sports development, arts, cultural access and with obviously the goal of driving long-term impact. So we do vast amounts of charities across the spectrum. Alinda can now talk to covering how that flows through our income statement.

Alinda van Wyk

Thanks, Ryan. On the accounting side, IFRS require us to consolidate 100% of the earnings of the South African entity as well as then 100% of the expenses of the minority, which is Betway Cares. And the operating expenses of Betway Cares is expensed as general and administrative expenses and what we spend is shown as restricted cash on the balance sheet.

Ryan Sigdahl.

Great, thanks guys. Good luck.

Operator

The next question comes from Jordan Bender of Citizens. Your line is now open, please go ahead.

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Jordan Bender

Good morning, everyone, thanks for the question. Two for me. One on South Africa, we saw a potential flareup in tax changes towards the end of last year. Are you able to help us just better understand kind of what you're hearing and seeing on the ground and maybe the outlook for that?

And then the second question, so we have '26 guidance. You guys gave us your '28 targets at your Investor Day a couple of months ago or back in September. From what the guidance range maybe tells us is you can potentially get to the low end of your '28 targets by this year. So are you able to just help us understand what you're seeing might be running better than expected when you gave that outlook back in September?

Neal Menashe

Okay. So I'll start with South Africa. There are obviously no new updates. All the operators in South Africa expect to submit their responses at the end of February to the government paper and then it goes through different committees. So we will see how that goes. From our perspective, when it comes to all these countries, it's all about operating efficiently, right? And that's what you'll see in our guidance and our margin. So it's all about that operating leverage that we keep talking about in this business, all sits at that extra revenue coming in at almost 50% to 60% to our bottom line. So from the guidance for next year at \$680 million, we hope by like '27, '28, we will increase that as the operating leverage kicks in and our marketing efficiencies across the world start playing out.

Alinda van Wyk

And maybe just to add to that, we made specific reference to long-term goals more than guide. And what we had to embed this quarter for the guidance of 2026 and just when we put it all together is just to keep in mind the effect of the U.K. tax that is in effect in April of 2026 as well as the change over to regulation in Alberta, which we embedded in the guidance of 2026 halfway through the year. The interesting thing as well is we build our guidance on our continued customer momentum. I think we spoke a lot about our cohorts. And that is even though we have a lot of confidence in what already exists within our business, we remain quite conservative in how we roll it out in the next couple of years.

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Jordan Bender

Understood. Thank you very much.

Operator

Thank you. The next question comes from Bernie McTernan of Needham & Co. Your line is now open, please go ahead.

Bernie McTernan

Great, thanks for taking the questions. Maybe just to start -- or I have two. I just wanted to ask on Nigeria. So the slide deck mentioned assessing a new plan in Nigeria. So just wanted to get a sense in terms of what's contemplated in the guide and what's the time line of the rollout of that new plan?

And then also discussion on the final regulatory approval for Apricot. So I just wanted to make sure, was this -- was Apricot always treated arm's length since the original deal announcement, I think, a couple of years ago at this point. And -- but more importantly, what will you be able to do now with that final regulatory approval that you weren't able to do before?

Neal Menashe

So just obviously, in Africa, we continue to operationalize in all the countries within Africa, and we're still refining our strategy in Nigeria. We expect low single-digit World Cup tailwinds there, right? So Nigeria, it's more to decide what we're doing, which part of the market we are setting, and we've got 1 or 2 other African countries we are looking at there. But we see lots of low-hanging fruit in all our other African markets, operationalizing them the same way we've operationalized the other markets across the world.

When it comes to Apricot, we purchased -- as you know, we purchased the sportsbook technology, bring it in-house, just to explain that sportsbook technology is for Betway outside of Africa. We now have full control over it. So it means that all the staff, et cetera, come into our organization and then we can even do more product enhancements with the software because now we own that part of it.

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Alinda van Wyk

Yes. And maybe just to add to that, even though the transaction was reported on and details explained in the 20-F that we previously published last year, we only could complete the transaction now when we had regulatory approval to operate this product in different jurisdictions.

Bernie McTernan

Got it. Thank you, both.

Operator

Thank you. The next question comes from Jason Tilchen of Canaccord. Your line is now open, please go ahead.

Jason Tilchen

Good afternoon where you guys are, good morning if you're in New York. Just wanted to start with a question. You obviously provided some extra balance sheet on flexibility. Wondering if you could just remind us a little bit of what some of the key considerations as you contemplate potential M&A opportunities are? What would be sort of the type of acquisition you'd be focused on here in the near term? And is there any sort of country or region in particular you feel you could be strengthened via M&A?

Neal Menashe

Okay. So as you know, when it comes to M&A, we always are highly selective. We don't really need M&A to hit our plans. Obviously, the bolt-on improves tech, our product or our market position with attractive returns, we will engage. But I think the real key for us is we're not overpaying. We've seen lots of our competitors overpay, and that's not what we do. It has to make strategic sense for us. And the businesses we acquire have to either be stand-alone or if they're coming into our world, we can then take them to another level. So that's always been how we've looked at it.

Alinda van Wyk

And yes, Jason, you made reference to a nice amount of cash on the balance sheet. So how we deploy that is discipline first and flexibility next. Organic growth has always been important to us with a clear

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eye on return on investment. And then you've noticed we pay regular and special dividends. So -- and as Neal said, we'll only select bolt-on opportunities that strengthen our core.

Jason Tilchen

Great, very helpful. And then just one quick follow-up. I'm wondering if you could share a little bit more on the strategy in Alberta and how you're taking learnings from the Ontario transition and applying them to sort of improve the performance here this time around.

Neal Menashe

So as we know, Alberta is now expected to regulate in Q2 2026. I mean I'll say this, we are ready. We've learned our lessons from Ontario of how to migrate the customers from our dot-com product to now Alberta. We've also obviously enhanced our Rest of Canada product and our Ontario products. So all those features will now come into Alberta product. I think we saw lots of heavy marketing activity early on in Ontario. I'm not sure that all the competitors can keep spending as they have been spending. So we think that will be a more rational competitive environment. And as you know, we've already got the revenue. So when we spend X percentage of our marketing on revenue, we already have that revenue. So we're waiting to see as soon as all the regulations come and we're ready to go, we go for Alberta.

Jason Tilchen

Very helpful, thanks very much.

Operator

The next question comes from Clark Lampen of BTIG. Your line is now open, please go ahead.

Clark Lampen

Thank you. Good morning, everyone. I wanted to follow up on Bernie's question before around Nigeria, but maybe in sort of a broader context. If I think back to what you laid out for us in September, I think there were up to 4 markets that were targeted potentially for expansion. Are any of those encompassed in the plan for 2026 or embedded in guidance? Or whether yes or no, maybe you could give us an update on which of them seem most addressable or I guess, sort of most actionable near term?

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Alinda van Wyk

Yes. Thank you for your question. The only market in expansion into Africa that is included in the guidance is Namibia at this point in time. We did call out 1 or 2 other markets as well in Investors Day like you've mentioned. But we also remain disciplined to have a strategic rollout plan and make sure that how we operate in Africa is 100% effective. And we also obtain that operating leverage there.

Neal Menashe

And I'll just add to that is, remember, besides that one country, we're obviously rolling out our Jackpot City brand as a pure-play casino into more African markets, and we've got a few of them coming online. So -- and then at the same time, operationalize the existing products and teams that we've got in those regions.

Clark Lampen

Understood. And a very quick follow-up, if I may. Neal, I think you called out a low single-digit benefit in Nigeria from the World Cup. Would it be possible to quantify how big the tournament could be for your sports business in 2026 from a handle standpoint?

Neal Menashe

So what we said is generally in our budget, we've got low single-digit World Cup tailwinds across. I mean, just to put in perspective, 40% of the countries we operate in are participating in the World Cup. So the World Cup is obviously an expanded format. So what it can mean in the beginning part of the World Cup, you'll have really good teams against not so good teams. That means that we might have more favorites winning in this World Cup, but it's a longer tournament with a lot more games. So we believe the engagement, et cetera, over time is going to be really good. And obviously, the World Cup is at that time when it is, we normally wouldn't have any sporting events. So it's really going to fill the calendar for us from that perspective.

Clark Lampen.

Thank you.

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Operator

Thank you. The next question comes from Mike Hickey of StoneX. Your line is now open, please go ahead.

Mike Hickey

Hey Neal, Alinda, great job guys on a stellar '25. Just a few questions from us. First on Apricot. I think, Alinda, you were sort of penciling out \$35 million in EBITDA savings from the deal and integration. Is that still the number you're thinking about in '26? And how much have you baked into your guidance now that you've completed or have the official approval to complete this deal?

Alinda van Wyk

Thanks, Mike. During Investor Day, we called out \$35 million, this is not a day-1 saving, this is an annualized saving projection. And these savings will come from reduced royalty fees, infrastructure enhancements and most importantly, bringing staff closer to Super Group. So we're starting to bring the team together. The savings definitely already started, but this is an annualized number that we called out. And we will update you on progress as we continue and execute according to our plans

Mike Hickey

Alinda, just to confirm, you've put the presumed savings now into your guide, correct?

Alinda van Wyk

That's correct. The savings that we will realize in 2026 are in the guide, correct.

Mike Hickey

I guess just to stay on the guide, Alinda, did you also bake in presumed savings on the Supercoin initiative as well? Or is that something that you look to just earn as you sort of continue to roll out the product, I guess, the next big step would be the wallet.

Neal Menashe

Yes. The ZAR Supercoin launched in South Africa and obviously, it's a step toward broader payment and engagement. It will take us time. Obviously, you can't just switch the lights on and it just happens. The customers have to adapt it. So one, is we have the customer base. Two, is we have the product that our

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African customers love. So we're going to start as soon as the wallet comes in, in the first half of this year, be able to incentivize to that, but it's already helping us save on other banking fees from the different suppliers we use. So we are really seeing a benefit. So some of that is obviously put into our guidance.

Mike Hickey

Last question. On the World Cup, I think it's pretty obvious to see how strong of a catalyst that's going to be for you guys onboarding players here and the cross-sell to iGaming is significant. I think you said 60-plus percent. But just, I guess, reflecting on the Africa Cup and the pressure on hold that you experienced at the beginning of that event, given that the World Cup this year has expanded significantly. How do you sort of assess sort of early tournament risk on hold and what you would do to mitigate that, if that's a factor that we should be thinking about?

Neal Menashe

Yes. So listen, I think it is better that there are more teams, right? Listen, in all the past World Cups, we've always found in the early rounds, some of the favorites don't win, either win or draw, sometimes don't even qualify for the next round. What we have done and will do is that we are all over our incentives and our boost that we give the customers in the tournament, especially in the early rounds. So this is all a mass exercise of working out where the volatility lies. And as you can imagine, from the Africa Cup of Nations, we've learned some clever lessons there.

Also, what does happen is, you saw what happened in December and then it all flowed through in January where the sports results went the other way. So then you get nirvana, you get brilliant sports margin and you get your constant casino. So together, that helps us. And also, we've got all the new AI pricing, new initiatives we are then embedding from our traders, et cetera. So we are all over this.

And listen, the World Cup, I think, is going to be a real catalyst for -- it's all about the customer engagement. Remember, it's not about the customer just in that first week or two of the World Cup -- it is about his or her engagement going forward. And that's what our whole business is about. And then the cohort analysis that Spencer kept on showing on our Investor Day is how the cake is layering. This just helps layering the cake even more.

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Alinda van Wyk

And just to conclude, remember, our sports is 20% of our business. 80% is casino. So we like to believe that the 80% being casino-focused gives us the ability to navigate the ups and downs of sports.

Mike Hickey

Absolutely, thanks guys. Good luck.

Operator

The next question comes from Jed Kelly of Oppenheimer. Your line is now open, please go ahead.

Jed Kelly

Could you just talk about some of the risk you've commented on in guidance on and why it could come under your expectations?

Alinda van Wyk

So I think the risk around any guidance is usually that the variance would cut both ways. So over time, hopefully, like we've just mentioned, the sports results will normalize, and we feel comfortable that that will even be the effect of our 2026 guide. And we've already started to see that because January was exceptional more than we've ever seen, but it's already normalized to our trailing 12-month average after the results in February. And we just have to make sure that we -- like Neal made reference to -- launch more of the Jackpot City in different countries, so we have that uplift in growth.

Neal Menashe

Yes. And then I think to answer some of the questions I thought we got was, in the guide, we've done a normalized sports margin is how is embedded into the guide.

Alinda van Wyk

And maybe there's always that risk of sudden regulatory shifts like taxes and -- but that we have been navigating for the last 20 years. So we take a conservative approach around including that in the guide.

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Jed Kelly

Great. And then if you can hear me all right, I'll sneak one more in. Any regions outside of Africa we should be watching that could potentially open up?

Neal Menashe

Listen, I mean, obviously, Brazil was last year or the year before. There's talk of UAE, et cetera, coming. So again, it's all about the numbers. It's all about what are the taxes, what you can do in those markets, what products, is it sports? Is it casino? So from that perspective, that's probably only the other one, right? Most of the European countries, as you know, are all regulated today. And there are some 1 or 2 African countries that are starting to regulate over time. So we're all over it.

Jed Kelly

Thank you. Good luck.

Neal Menashe

Any more questions from anyone else?

Operator

We have no further questions.

Neal Menashe

Okay. So again, thank you, everyone, for joining today's call. We are really, really, super proud of our performance in 2025 and the start of the new year, and we'll speak to you again soon. Thank you.

Operator

This concludes today's call. Thank you all for joining. You may now disconnect your lines.