



**WOTA PRESENTATION / 4 RACING |
30 MARCH 2023**

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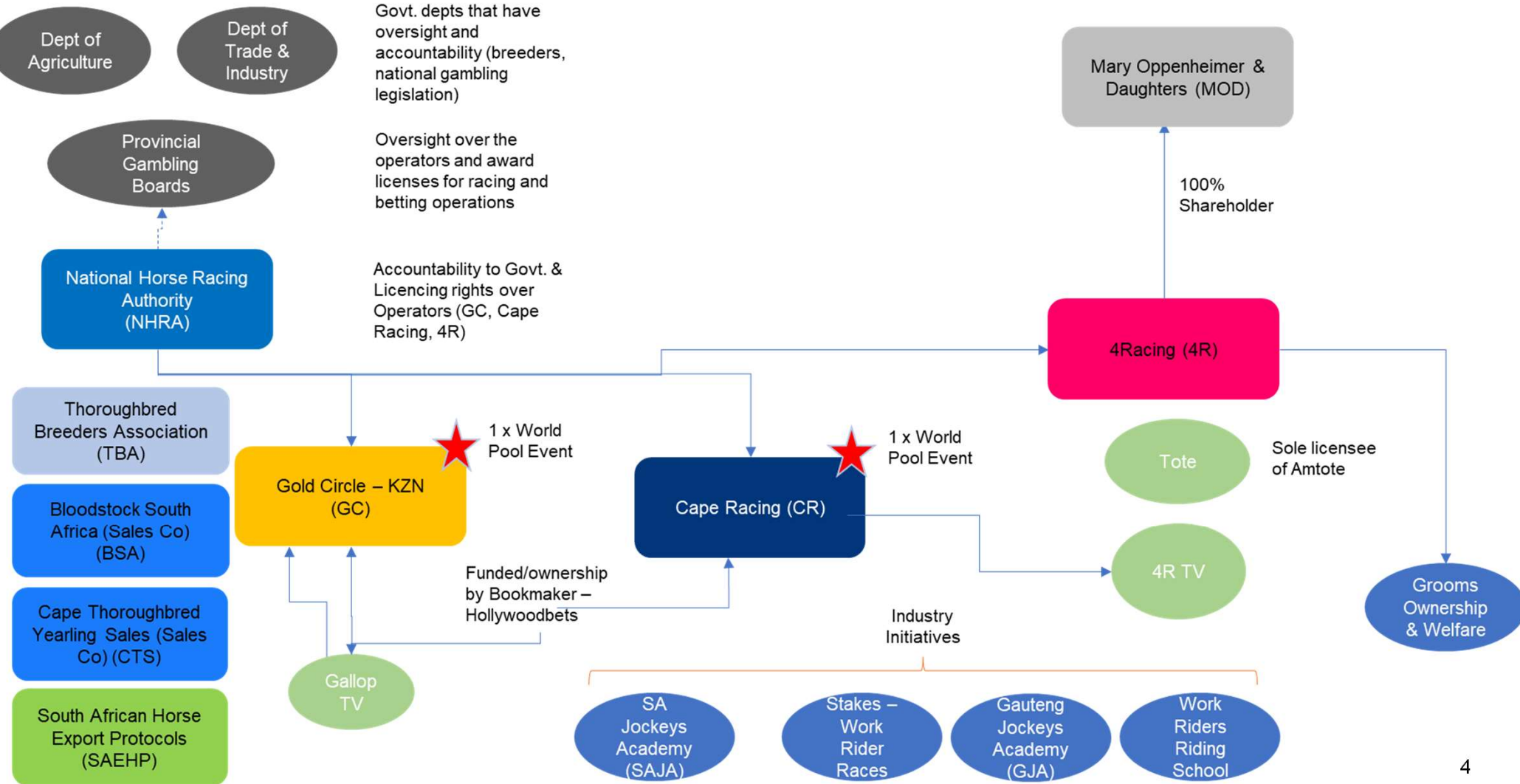
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An industry collapsing or a rebirth...



- In **May 2020**, Phumelela Gaming and Leisure was placed under business rescue.
 - The implication being an industry facing a complete collapse/demise
 - Dire consequences not only for the remaining racing operators, the tote product, breeders, and the entire workforce (jockeys, trainers, grooms, work riders, etc.)
- Mary Oppenheimer Daughters (MOD) stepped in
- New operator, 4Racing formed with the following objectives:
 - Create a sustainable industry to protect the workforce, in particular the most vulnerable in the form of grooms
 - Create strong and strategic partnerships
 - Focusing on **growing the tote and a focus on increase in tote revenues** – which fund the business of horse racing.
- 4Racing, after receiving the required licenses from authorities, started officially operating on **1 Dec 2021**

Industry Overview



4Racing Business



4Racing is the largest of the 3 operators in the South African industry, with the following assets:

Licenses:

- **Totalisator (Tote) licenses:** Gauteng, Limpopo, Mpumalanga, Free State, Eastern Cape, North West, Northern Cape

Racecourse Licenses:

- Gauteng Race Meeting Licence – Turffontein Racecourse (65 race meetings of which we have 8 GR1 races)
- Free State Racecourse – Vaal Racecourse (55 race meetings)
- Eastern Cape Race Meeting License – Fairview Racecourse (61 race meetings)

4Racing TV:

- Racing 240
- Global Racing 1 & 2
- SABC (national free to air broadcaster) daily show “Racing Today” specifically targeting a newer, younger and more diverse audience.

Footprint:

- Retail footprint: 80 TAB stores and 99 agencies
- Online
- Tab4Racing App

Industry dynamics



- Rise of On-line Casinos by Fixed odds licensees during covid
 - Decrease in tote revenues and related taxes to Gambling Boards more than compensated for by rise of these games
- A large percentage of potential tote revenues is removed by the **bookmakers who offer tote derivatives/open bet** to the detriment of the tote.



Engaging with Government



- Predecessor had poor relationship with Government
 - Historical Monopoly
 - Not transformed
 - Disputes with Bookmakers
 - picture rights
 - Open bet/tote derivatives
- Challenges
 - Mistrust
 - Perceived White elitist sport
 - Provincial Gambling boards and legislation
 - Political turmoil
 - On-line Casino style games more than compensating for any loss of revenue

Engaging with Government



- Need to **effectively** tell our story
 - Jobs rescued and jobs at risk
 - How we are transforming the organization and in time the industry
 - How the industry is funded
 - Simplify
 - Re-inforce
 - Illegal Gambling
 - **What are they missing out on**



Illegal Gambling



- National Horseracing Authority (NHA) local regulator
 - Member of ARF
- In conjunction with NHA sharing magnitude of problem with Provincial Gambling Boards
- Multi pronged Strategy being developed
 - Tote liquidity
 - Legal Alternatives
 - Reserve Bank assistance
 - **Quantifying what they are missing out on or that could be at risk**





THANK YOU!

