

TRANSFORMING CUSTOMER BEHAVIOURS

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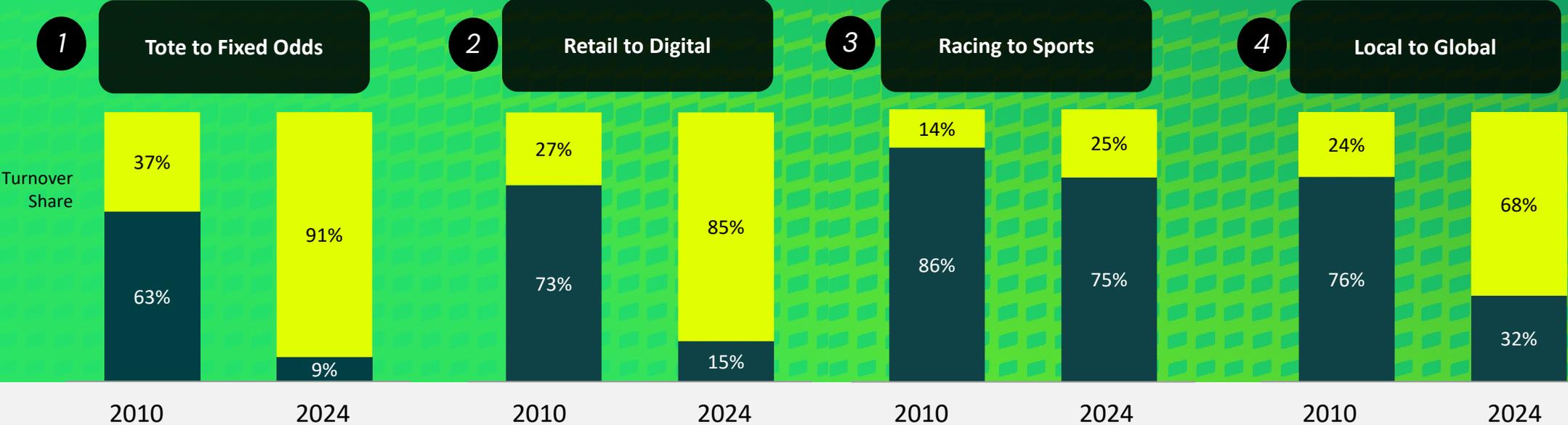
Gillon McLachlan
CEO, Tabcorp

**DO WE TRY TO TRANSFORM
CUSTOMER BEHAVIOURS?**

OR

**TRANSFORM OURSELVES TO MEET OUR
CUSTOMERS WHERE THEY ARE?**

FOUR KEY TRENDS CHANGED THE WAGERING MARKET

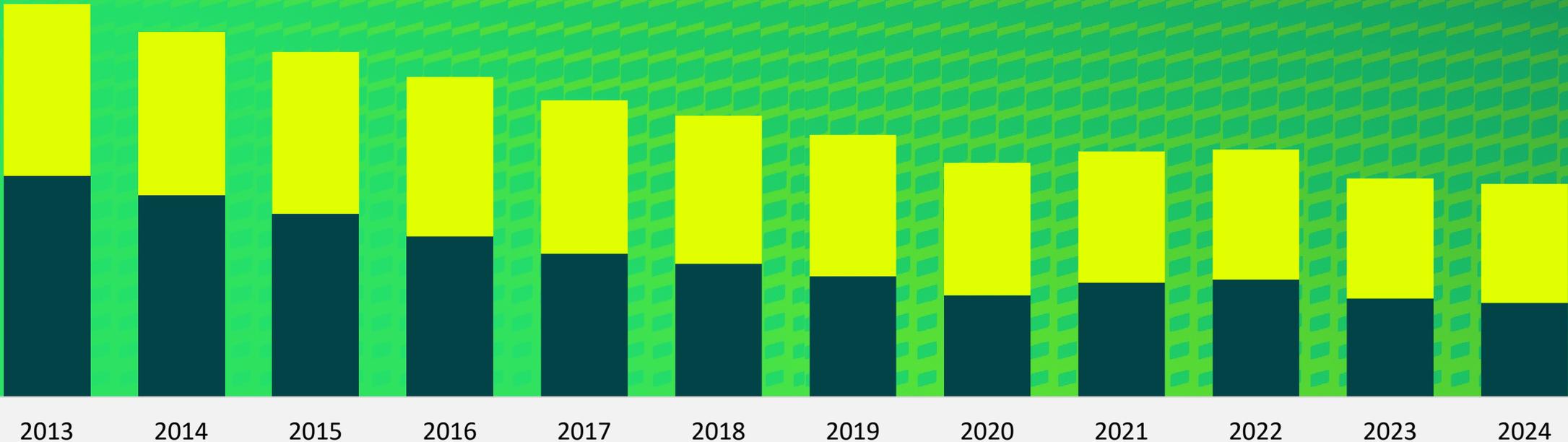


WE ARE A CASE STUDY IN DISRUPTION FROM CHANGING CUSTOMER PREFERENCES

Source: H2GC September 2024 Filings; TAB Internal Business Intelligence

THE AUSTRALIAN TOTE

Exotics
Win/Place



A MONOPOLY CULTURE ALLOWED OUR COMPETITORS TO TAKE GROUND

Source: 1 Tabcorp Assumptions—RQ Tote Derivative Turnover 2023, includes PGI investments into Australian pools. 2. Tabcorp and AP2 estimates

THE COST OF INACTION

TAB Digital Share



TAB TOTAL MARKET SHARE (INC. CASH)



- X** **DIGITAL:** SLOW AND UNCOMPETITIVE
- X** **BRAND:** OLD AND PASSIVE
- X** **DIFFERENTIATION:** UNCLEAR PROPOSITION
- X** **ASSETS:** LEGACY THINKING, SPRAY AND PRAY
- X** **STORY ARC:** NO NARRATIVE OR REASON TO EXIST

CHANGE FOUND TABCORP

- 1 NEW TEAM, CULTURE AND PLAN
- 2 DATA AND INSIGHTS TO SHAPE DECISION MAKING
- 3 BIAS FOR ACTION – EMBRACE IMPERFECTION
- 4 CONSISTENT AND CLEAR DECISION FRAMEWORK
- 5 CLARITY OF MESSAGE EXPRESSED CONSISTENTLY

...AND WE ARE MOVING TOWARD OUR CUSTOMERS AND THEIR EVOLVING NEEDS



FLIGHT TO QUALITY AND VALUE



LIVE EXPERIENCES MORE POWERFUL THAN EVER



SHORTER ATTENTION SPANS. HABITUAL SPEND IN DECLINE



DIGITAL HAS MADE THE WORLD SMALLER – CONSUMER STANDARDS ARE GLOBAL



STORIES SELL – NEED A STRONG NARRATIVE AND CONTINUOUS CONNECTION



THIS HAS IMPORTANT IMPLICATIONS

- ✓ BRAND MUST RESONATE
- ✓ NEED CLEAR POINTS OF DIFFERENTIATION
- ✓ COMPETITION IS GLOBAL AND ITERATING FAST
- ✓ STORIES BUILD ENGAGEMENT
- ✓ TRUE OMNICHANNEL ACTIVATION
Digital, Retail, On-Course, Media.



BRAND IS EVERYTHING



**WE NOW
ACTIVATE OUR
BRAND
CONSISTENTLY
ACROSS ALL
CHANNELS**



IT'S  TIME

**OPEN YOUR TAB APP
TO CLAIM***



**SCAN THE
QR CODE**



ENABLING US TO TELL STORIES IN A DIFFERENT WAY

REFRESHED RACEDAY



UPGRADED PRESENTATION AND GRAPHICS

GREATER TAB INTEGRATION INCLUDING WAGERING QR CODES TO DRIVE TURNOVER ON KEY OFFERS

NEW EXPERTS AND MORE ANALYSIS FROM EVERY TRACK

CONTENT INNOVATION



LIVE STREAMING STYLE BROADCAST WHERE HOSTS WATCH IN REAL TIME AND PROVIDE RUNNING COMMENTARY

FRESH TALENT + TAB CELEBRITY GUESTS

ROLLED OUT AT EVEREST, DERBY DAY, MELBOURNE CUP AND STAKES DAY

MAGAZINE SHOWS



MULTIPLATFORM DISTRIBUTION - SEGMENTS SHARED ACROSS SOCIAL MEDIA, FEATURED IN THE TAB APP, ETC.

DOMESTIC & INTERNATIONAL SPORTS INTEGRATION – LEVERAGING TALENT (E.G., LUKE HODGE, JOSH REYNOLDS)

REGULAR HIGH-QUALITY SHOWS

MAJOR EVENT EXCITEMENT



BUILDING ANTICIPATION AND EXCITEMENT FOR THE BIG EVENTS

CREATIVE ACTIVATION OF TENTPOLE EVENTS AND PARTNERSHIPS

CONTINUING THE STORY ARC FROM EVENT-TO-EVENT



WITH THE SUPPORT OF OUR PARTNERS TAB MARKETING BECAME AN ASSET



AFL'S TRANSFORMATION WAS DRIVEN FROM WITHIN



COMPELLING ON-FIELD PRODUCT

- **BEST ATHLETES** – PATHWAYS, ACADEMIES
- **RULE CHANGES** – FREE FLOWING, HIGH SCORING
- **COMPETITIVE** – SALARY CAPS, REVENUE SHARING



AMAZING FAN EXPERIENCES

- **BEST STADIA** – NEW & RENOVATED STADIA
- **ACCESS** – AFFORDABLE & WELCOMING
- **EVENTS** – MARQUEE MATCHES, GATHER ROUND



EXPANDING INTO NEW MARKETS

- **AFLW** – WOMEN'S LEAGUE OPENS NEW AUDIENCE
- **NEW CLUBS** – GROWTH STATES (NSW, QLD)
- **KIDS & YOUTH** – FANTASY, GAMING, MEDIA



GENERATE VALUE FOR THE SPORT

- **TV RIGHTS** – RECORD \$4.5BN RIGHTS DEAL
- **CLUBS** – RECORD ATTENDANCES, MEMBERS
- **FINANCIAL HEALTH** – \$1BN+ BALANCE SHEET

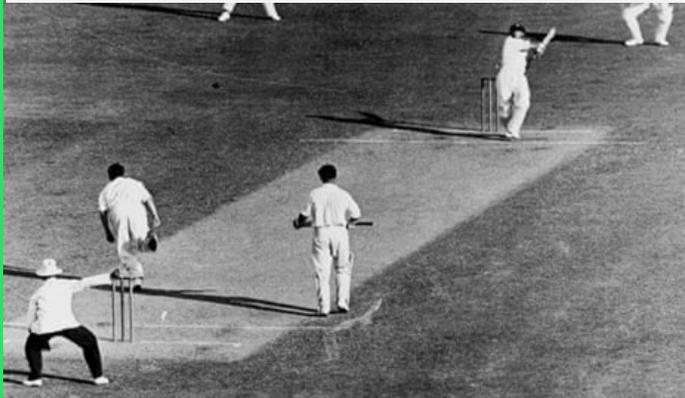
VALUE THAT CAN BE RE-INVESTED BACK INTO THE SPORT AND BRAND TO DRIVE FURTHER GROWTH

THE EARLY TRANSFORMATION OF CRICKET – WAS FORCED BY OUTSIDE PARTIES

TRANSFORMING FAN EXPECTATIONS:

SHORTENING FREE TIME / ATTENTION, A DESIRE FOR ATTACKING CRICKET, SEEKING OUT ENTERTAINING, MADE FOR TV EXPERIENCES

TEST CRICKET



- 5 DAYS (45% END IN DRAWS IN 1980S)
- RUN RATE ~2.8 / OVER (1980S)
- AMATEUR PLAYERS

WORLD SERIES CRICKET



- RUN RATE 4.0-4.4 / OVER (1980S)
- 4 TEAMS; INC WORLD XI AND CAVALIERS XI
- COMMERCIALY CONTROLLED
- MADE FOR TV - FLOODLIGHTS, WHITE BALLS,
- BRASH COLORED CLOTHING

TWENTY20



- ~4 HOURS
- RUN RATE 8.8+ / OVER (2025)
- 10 CITY BASED FRANCHISED TEAMS
- COMMERCIALY CONTROLLED
- MADE FOR GLOBAL TV AUDIENCES
- CELEBRITY CULTURE, FANDOM

EVEN THE WORK OF LEGENDS CAN BE BUILT ON



1987-2005
SOLD \$1BN USD
(BERNIE RETAINS MINORITY SHAREHOLDING)



2005-2016
SOLD \$8BN USD
(BERNIE EXITS)

NEW AUDIENCES, GROWTH MARKETS, EVENTS AND SPECTACLE



DRIVE TO SURVIVE



US FOCUS, MORE RACES INC VEGAS



F1 MOVIE



2016-NOW
EACH TEAM > \$1.5BN
(FERRARI ALONE \$6.5BN)

OPPORTUNITY FOR GLOBAL RACING IS CLEAR...

- ✓ **GLOBALISATION OF RACING BRANDS** – GLOBAL BRANDS, LIKE WORLD POOL
- ✓ **GLOBAL ALIGNMENT** – A 24-HOUR GLOBAL CALENDAR; SCHEDULE ALIGNMENT
- ✓ **PRODUCT INNOVATION** – GLOBAL PRODUCT EXPERIENCES; GLOBAL TOTE
- ✓ **TENTPOLE ASSETS** – PARTNERSHIP OF STRONG BRANDS AND STORY ARCS
- ✓ **STORYTELLING** – CHAMPION STORIES, CHARISMA, AND DRAMA (DON'T BE THE STORY)
- ✓ **ACTIVATION** – BRAND PARTNERING; BIG PRIZES AND STUNTS

BUT WHERE DOES THE LEADERSHIP COME FROM ?

**TRANSFORMING
~~CUSTOMER~~ BEHAVIOURS
INDUSTRY**