

ZEAL NETWORK SE

XTRA:TIMA

FY 2025 Earnings Call Transcripts

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Presentation

Operator

Welcome, ladies and gentlemen, to the Full Year 2025 Earnings Call of ZEAL Network SE. The company's CEO, Dr. Stefan Tweraser; and CFO, Andrea Behrendt, will guide you through the figures in a moment, followed by

a Q&A session via audio line. And with that, I'm handing over to you, Andrea.

Andrea Behrendt CFO & Member of Management Board

Thanks a lot, and good morning, everybody, and welcome to our earnings call for the full year results 2025. We are very happy to have you here. I hope you can all see the presentation. If not, please go on our website in the Investor Relations section, you will find it there. With me today is Stefan, our CFO -- CEO, and together, we will present our strong results of 2025. First of all, let me briefly walk you through our agenda for today. So we will start with an overview of our key

highlights from 2025, followed by the review of the financial performance. And then we will look into 2026 with our strategic priorities and the guidance. Last but not least, we will, of course, share our dividend proposal and the main takeaways before we are opening up for our Q&A session. And with that, let me hand over to Stefan for the summary of our 2025 results.

Stefan Tweraser CEO & Chairman of Management Board

Thank you, Andrea. And also from my side, a warm welcome to all of you on the call. More than happy to have you. Let me give you a brief summary of what we've achieved in the financial year of 2025, which was defined by a less than exciting market environment but we've been able to, regardless deliver outstanding operational results. Let me highlight 4 things. First of all, we continued to significantly expand our customer base. Andrea will dive into the details of that. We have once again improved our gross margin in the fourth quarter of last year, we've achieved a gross margin of 18.5%, a really remarkable result, and we were able to continue growing profitable on the basis of our operational strength.

But having achieved all those operational excellence has also allowed us to raise more than EUR 375 million for charitable causes, which is a significant driver of what we do here. All of this has been driven by us being able to really deliver on our strategic objectives for

2025. To remind you, we had 3 things set out for 2025. We wanted to continuously improve the acquisition performance and the profitability of our core business, Lotto24. We wanted to successfully scale Traumhausverlosung and we vowed to accelerate the growth of our games business. In all of those 3 areas, we've been able to achieve outstanding results. In our core business, we've increased the gross margin to 17.7%, which was supported by both successful pricing measures and an increase of our product and improvement of our product mix towards more profitable and more margin-strong products. Despite a less than exciting jackpot situation, we've been still able to acquire customers and the customer acquisition is one of the main strengths of our Lotto24 business.

In Traumhausverlosung, we've achieved a jaw-dropping growth of billings of more than 200%, 205% to be exact. We raffled off a total of 4 houses in 2025. And the performance of 2025 was significantly above

our expectations with billings close to 40%. In terms of the houses, one outstanding performance house was the St. Peter-Ording house, which delivered the best performance of our 2025 portfolio. And in the games business, also astonishing growth more than 40%, 42% to be exact. Our games portfolio today consists of more than 650 games, which is well received by our customers. We have active customers, our active

Andrea Behrendt CFO & Member of Management Board

And talking about ambitious targets. We also raised midyear in September '25, our guidance, thanks to the improved lottery gross margin and highly successful businesses, especially calling out also Traumhausverlosung and games, as Stefan already explained. We closed the year with delivering EUR 219 million in revenues and EUR 69 million in EBITDA. And now let's go in the details for our financials. Before we go into the income statement, let's put the results in context with our Jackpot situation that we had in 2025.

Just a reminder, Jackpots are the key driver for customer acquisition and on the other side, also the reactivation of existing customers. Last year was a weak jackpot environment. So we saw just 4 peak jackpots in Eurojackpot compared to an exceptional 2024 with 13 peak jackpots. In Lotto 6/49, we haven't seen any jackpots in the last 2 years. Despite this less supportive jackpot environment, we delivered really strong results and are proud of that. And on Slide #5, you will see how this translates into our financials. On this slide, let me highlight 3 numbers to you. So overall, our revenues grew by 16%, that's driven by higher billings and improved gross margin, and I will explain a bit more in detail later. On the other hand, we were able to spend 21% more on marketing and acquired a significant number of new customers. That is a real achievement in such a weak jackpot environment. And that within our efficiency guardrails that we give out to our teams, and therefore, this is a really great achievement.

And bottom line, we delivered a strong EBITDA with EUR 69 million. And we are continuing delivering efficient growth like we promise, and we are really

customer is increasing from 2024 to 2025 from 22,000 to more than 30,000 customers. and we generated over EUR 14 million of revenues and a very strong EBITDA contribution of our games business of EUR 6.1 million. And in both of these measures, we have surpassed our very ambitious targets.

proud of that. And now let's zoom into our top line growth. Here on the lottery billings, it's a pretty good achievement, especially comparing with 2024. That was an exceptional jackpot year. Despite the weak jackpot, we had 1.6 million customers in average life on our platform, and they spent EUR 59 and this is a normal expectation on the average billings per user that you would expect in a weak jackpot environment. And this overall translate in a billings growth of 2%. As mentioned already, the second driver is the revenue growth -- of the revenue growth is the margin increase. And here, you see our underlying lottery gross margin is the 77% significantly higher to previous year. And that's driven by pricing activities and especially the big price increase in 2024 and a steadily improving product margin where we, on a daily basis, drive improved margins in the products and also improved product market mix.

So on top of that, we were really able to double down on our customer growth. That's a relevant driver for the future growth of ZEAL and the valuation of ZEAL. Despite the weak market environment, we acquired 1.2 million new customers in 2025. And this number really underlines our ability to grow our customer base even in weak jackpot phases. I want to compare here the numbers with 2023 because this was a weak jackpot environment like this year. And here, we actually showed that we were able to acquire 96% more new customers than in previous -- in this year. And this really is the success of our strategy to diversify our product offering and make the business and the customer acquisition less dependent on jackpots. Overall, the cost per lead was at EUR 46.47. That is an expected increase as it reflects the weak jackpot

environment, higher media prices and the really strategic marketing tests in reaching new target audiences especially calling out here Traumhausverlosung and the growth we have generated here. In our core brokerage business, the CPL was at EUR 41.3.

And games as well, we gained momentum in 2025. And already in the last quarters, we communicated that with you. We significantly increased our games portfolio, established new partnerships and really

Stefan Tweraser CEO & Chairman of Management Board

Yes. I have the good part of the presentation because Traumhausverlosung is really a product that delights us, delights our customers and delights our investors. Since we've launched the product, we have raffled off a total of 6 houses and 4 of those houses have been raffled up in 2025. We even added an international house, which we raffled off in February of this year, the Mallorca house. And all of these houses, all of these raffles have received very good feedback from the market.

As I mentioned at the beginning of the presentation, the St. Peter-Ording house, the house #4 has been the most successful house so far, really driving new active users, driving the image of the product and also driving the results that we've been able to achieve. As a first glance,

Andrea Behrendt CFO & Member of Management Board

Thank you, Stefan. As in previous years, we translated our strategy into really tangible assets that we want to share with you and that we keep ourselves accountable for. So this year, we continue to focus on our 3 strategic pillars. First of all, in our core business, we still see potential upside for our operational margin in -- especially in high jackpot phases. At the same time, we continue to scale our efficient marketing and build a strong -- build on the strong progress that we made in 2025. And in parallel, we work on continue to diversify our product offering. That said, it's really important for us that the core -- that it's understood that the core

implemented new customer-facing features that really resonated here. And this progress shows into our numbers. Like Stefan said, we are at 30,000 MAU in games and these customers spend around EUR 40 NGR with us. And as a result, the games revenues increased by 46%, and EBITDA reached EUR 6.1 million, a great achievement.

And with that, handing over for the details on Traumhausverlosung to Stefan.

the House #5, the Bavarian Forest House did deliver billings of 7.5 million users. We deliberately reduced the rate at the time between the draws, significantly increasing the cadence of the business. We started out with 91 days. Now we're at 56 days. So really driving the operational performance of the team and of the houses to drive us to new average billings and daily performance highlights. All in all, we are very proud to have achieved goals that we set out and overachieve them in the course of 2025. We are well ahead of our original business plan and look forward to the performance of House raffle in 2026 and beyond.

Speaking of 2026, I'll hand over to Andrea to guide you through the priorities of the coming year.

business is still a key driver for ZEAL's long-term growth, and we see a huge potential there.

Secondly, our focus area is Traumhausverlosung, of course. Here, we remain in scaling mode like last year, and we plan in 2026 to run 6 raffles compared to 4 raffles last year. And we are targeting a billings growth of 50% year-over-year. And this will be supported by an investment into customer acquisition in the Traumhausverlosung. And the third pillar is games. We will continue to expand our games offering, our portfolio here and also will invest into user experience.

And this will show into -- in significant growth with over 20% year-over-year. These strategic priorities are reflected in the guidance that we shared with you now. We expect for 2026 revenues to be in the range of EUR 250 million to EUR 260 million and the EBITDA in the range of EUR 70 million to EUR 75 million. Like always, this guidance is based on an average jackpot development, and we will see how this year goes.

But we aim also to expand our marketing significantly to EUR 85 million to EUR 95 million. And this increase of up to EUR 25 million compared to last year, demonstrates our ambition to further grow, but this always within our efficiency guardrails. Looking beyond 2026, the midterm guidance for the next years, our goals are still valid that we already shared with you. We are targeting double-digit growth in the annual revenues, in mid-teens, and we really want to, here, double down on the growth potential that is there

in the German market and is there for the coming years as well.

And at the same time, we are, of course, not only focusing on top line growth but also committed to deliver strong EBITDA and with a strong focus on profitability. We want to keep our EBITDA margin over 30%. Let's come to the dividend. Following the strong financial performance in 2025, the Management Board and the Supervisory Board have decided yesterday to propose to the AGM a payment of a dividend of EUR 1.40 per share. This reflects a total payout of around EUR 30 million. As in the past, additionally to the dividend, ZEAL is looking and allocate capital via share buybacks and also into alternative growth opportunities. And our core focus is always with that in mind to generate value for our shareholders.

And with that, back to Stefan for the key takeaways.

Stefan Tweraser CEO & Chairman of Management Board

Thank you, Andrea. So speaking of value to our shareholders, if you takeaway 3 messages from what Andrea and I have been able to share with you today, the 3 messages should be. We've been able to significantly expand our customer base in a less than favorable jackpot environment, but very strongly within the economic guidance that we give our teams for growth. We have, in addition, been able to improve our gross margin, driven by both pricing levers and product mix levers, and overall, have been able to continue to grow profitable based on the operational strength of our business. We are super happy that we've been able to share these results with you, and I hand over to Andrea to guide you through the questions and answers. Thank you for your attention.

Question & Answer

Operator

[Operator Instructions] And we already have 4 hands up, Christian Salis. The stage is yours.



Christian Salis

Cantor Fitzgerald & Co., Research Division

Christian from Cantor. I've got 2 questions, please. The first one, on the sales guidance, could you talk about the key drivers, again, for the expected 70% sales growth at midpoint year-over-year? And how many Dream Houses, after the 4 Dream Houses in 2025 do you plan in 2026, please?

And then second question, on the EBITDA guidance. So at midpoint, the EBITDA guidance implies around 3 percentage points margin decline. You mentioned the higher marketing investments. Could you maybe talk about the specific areas where you plan to put these marketing investments too? And maybe related to this, could you also talk about the competitive environment in the Dreamhouse Raffle?

I saw that Omaze is also pushing their marketing efforts in Germany. So how do you see the competitive landscape evolving in this segment, please?



Andrea Behrendt

CFO & Member of Management Board

Thanks, Christian, for your question. Let me start with the guidance topic. So on the sales side, like I told about the 3 strategic pillars, that's reflecting in all these areas, significant growth. Like we said, in the core business, we are acquiring -- planning to acquire more customers and growing significantly. We will double down on the

Traumhausverlosung raffles and want to raffle out 6 houses in 2026. And additionally, we want to continue to significant double-digit growth in the games area. So in all 3 strategic areas for the year, we expect growth to happen in 2026. And on the competition...

A **Stefan Tweraser**
CEO & Chairman of Management Board

Yes. So on the other 2 questions that you asked, Christian, and again, thanks for the questions from my side. A, when it comes to the competition of Traumhausverlosung, we definitely own the category in Germany. We also don't think that Traumhausverlosung house raffles are a winner takes all market. It's an exciting segment of the market that is continuing to grow. And we have a very clear objective as Andrea said, to substantially increase the number of houses that we are raffling off to increase the -- our ability to deliver profits on that product for

our investors. And thus, the investments are very targeted within the economic guidelines that we set our teams when it comes to spend per customer and the lifetime value that we generate with these customers. So the investments as you talked about the increase in marketing spend, the investments are very targeted in terms of strengthening the performance of our products online, but also continue to establishing the brands in the more general public domain.

Operator

And next line is Tim Kruse, you may speak now.

Q **Tim Kruse**
Montega AG

Yes. Congratulations on the impressive year once again. Yes, just a quick follow-up on Christian's question on competition maybe in the [Foreign Language] on your core business, if you see any changes. We have 3 other parties who have a license there, just -- it will be interesting to see what the dynamics there are. And then maybe on the games business, it's still a low base, but impressive growth. So is it the 40% plus something we can expect in this year as well. And then maybe just a follow-up on the Dream houses. You were at 56 days for the Bavaria house, and now you're back at 80 days. So can you tell us what you think about the cadence of the Dream houses? I mean you said 6 this year, but how do you expect that to pan out maybe over the next years? What are your plans there?

A **Stefan Tweraser**
CEO & Chairman of Management Board

So thanks for the question. On the brokerage business, I mean, yes, there are other providers in the German market, but none of them is anywhere near our scale,

so anywhere near our ability to generate customer growth out of the market, not anybody near our ability to benefit from the offline to online movement that we

see in the German market and nowhere anybody near our ability to establish a brand like Lotto24 in the German market.

So obviously, we look very closely at these competitors and can take them very seriously. But we are convinced

A **Andrea Behrendt**
CFO & Member of Management Board

And on the game side, we expect games overall billings growth from 20%. And of course, this year was much higher at 25%, but it's still a very ambitious goal to grow, and we are proud of that. And on the cadence for the raffles -- for the house raffles, we are, of course, looking into the dates and when it makes sense to raffle

that our ability to really drive that business at scale, both from an operation as well from a marketing perspective, really are second to none. So we think that we can definitely get the greatest chunk of the growth in the German market towards our brand.

our houses based on time line and so on. But our strategic goal for this year is to raffle out 6 houses and to increase the cadence over the next years. We think house a month is a realistic target midterm.

Q **Tim Kruse**
Montega AG

Okay. Thank you, Andrea. Just a quick follow-up maybe on the games. I mean you're still very restricted in terms of marketing there. Can you maybe just give a quick update on sort of your regulatory improvements there? I know you are fighting to loosen those restrictions a bit. Is there anything coming up this year that might change this situation?

A **Stefan Tweraser**
CEO & Chairman of Management Board

Yes. So we don't foresee a significant change in the regulatory environment. Obviously, we are in very close contact with the GGL to make sure that this is really a level playing field, which currently, as you know, it isn't. But given the playing field as it currently is, I think our growth is the perfect balance between being as pushy as we can. And on the other hand, taking

player protection and responsible gaming really very seriously. So for the time being, as I said, we don't expect a big change, but we still think that within that environment, we can deliver very, very healthy growth in the games business.

Operator

Thank you for your questions, Tim. And the next one is Simon Keller, you should be able to speak now.



Simon F. Keller

NuWays AG, Research Division

I would love to get a deeper understanding of your marketing efforts. And I guess a good starting point is the difference between your H1 and H2 '25 marketing spending. Because despite similar jackpots, there was a marketing step up by approximately EUR 10 million between H1 and H2. And I'm wondering is that only the marketing spend for Traumhausverlosung, basically is the only real explanation here. And in this context, could you please elaborate more on your overall marketing strategy? And any color here would be helpful. Maybe you can share the expected payback profile and how that is changing right now or explain how much of the marketing spend is strategically necessary for brand building.



Andrea Behrendt

CFO & Member of Management Board

Thanks, Simon, for your questions. So let me -- let's see if I cover all the questions that you asked. So first of all, I think the marketing increase is not only driven by Traumhausverlosung, but also that we are really doubling down on a playbook how to invest also in low jackpot situations. Our diversification is really targeted

towards a more independent customer acquisition setup, also compared to low and high jackpots. So -- and we are in the past, invested significant in this area to be able to really, yes, have a proper setup also in low jackpots, and that's a real achievement.



Stefan Tweraser

CEO & Chairman of Management Board

And when you -- again, Andrea pointed that out during the presentation. I think the best comparison to judge our marketing efforts and the successes of those is when you compare between 2023 and 2025, which are years with a similar, let's say, unexciting jackpot environment. We've been able to almost more than double the customer acquisition in 2025 compared to

2023. So there are very, very targeted investments in all the digital channels as well as some brand building. But the message is that we've been substantially able to grow our customer base in, as Andrea pointed out, a weak jackpot environment.

A **Andrea Behrendt**
CFO & Member of Management Board

And on the payback, our goal is continues to be a payback period for all acquired customers within a 2- to 3-year horizon. So the profile of our customer didn't change. So we have a very healthy lifetimes supported by very strong margins for the customers and are still

targeting on that one, and that these are the efficiency guardrails that we are giving our teams on every campaign, every channel.

Q **Simon F. Keller**
NuWays AG, Research Division

That's very helpful. I have one follow-up question. And that's particularly between H1 and H2 this year. Have you learned something in H1 that allowed you to be basically more efficient with your marketing spend? Because the jackpot situation was similar and your target by -- your aim at looking at the payback period, probably hasn't changed either. So maybe you have become more efficient. That's a fair assumption?

A **Stefan Tweraser**
CEO & Chairman of Management Board

Yes. What we can definitely point that is that we've been able to expand the scope of our digital marketing efforts. So we have more channels, not just the usual ones, kind of the big Google or Meta channels, but really have been able to expand that footprint into the smaller channels very successfully. We've been able to really excel in our approach to partnerships, which has been a significant driver of new customers, both for our existing Lotto24 business as well as for the new businesses.

But we cannot rest on these learnings also already in the first quarter -- in the first few months of this year, we've been able to leverage learnings into new channels. So it's an ongoing quest to make sure that we are on the top of the game, not just in the channels, but also in the abilities that we apply to these channels.



Simon F. Keller

NuWays AG, Research Division

Awesome. I have one more question, if I may, and that's because it's linked to the marketing spend, and it's around the midterm margin target with the 30% that you've outlined. Should we see it as a floor that you're willing or going to achieve irrespective of the growth opportunities and jackpot environment? So basically, will you steer your marketing efforts such that you will be able to achieve the 30% midterm either way?



Andrea Behrendt

CFO & Member of Management Board

Yes. So the EBITDA margin of 30% we see as a floor. We see that in high jackpot phases where we can invest even more than we currently guided you on. We will nevertheless outgrow on the top line. So bottom line,

there will be always much more growth available also in this situation. So yes, you can take the 30% as a full.

Operator

Thank you for your questions, Simon. And next line is Abed Jarad.



Abed Jarad

mwb research AG

To be honest, most of my questions regarding marketing spending were already answered. But when do you expect this marketing spend to normalize? I mean, in 2025 and 2026, they grew both expected to grow more than revenue. When do you expect this trend to normalize?

A **Andrea Behrendt**
CFO & Member of Management Board

For us, it's really -- we are proud when we can grow marketing because that's within our efficiency guardrails and the payback period of 2 to 3 years. And as long as we are able to be in these guardrails, we want to spend as much marketing as possible. Because it

pays off and it generates significant shareholder value. So really, we are proud of that. And we still see a lot of potential in the online lottery markets to switch from offline to online. So we don't think this will stop.

Operator

And Lucas [indiscernible] this is the stage for questions.

Q **Unknown Analyst**

I would like to follow on -- also on the marketing topic at first. Maybe you can elaborate a little bit more on your difference between marketing spending this year and last year in terms of the 3 -- or the main products like lottery games and the Traumhausverlosung. What could we expect in terms of these higher marketing spend?

A **Andrea Behrendt**
CFO & Member of Management Board

Thanks, Lucas.

Q **Unknown Analyst**

Where do you want to allocate this?

A **Andrea Behrendt**
CFO & Member of Management Board

Yes. Maybe starting. So in general, the strategy doesn't change there, although you have to see that 2025 was a weak jackpot year. Therefore, we were able to allocate less money than we would in a normal jackpot year. And as our guidance is based on a normal jackpot year, the biggest change is there that we are actually expecting to grow our investments in the core market because we always give guidance on a normal jackpot year. So marketing in the core business will increase.

A **Stefan Tweraser**
CEO & Chairman of Management Board

And I think if I build on what Andrea just said, 3 main messages for our marketing. The first one is, we really approach this kind of as an open budget situation as long as the teams are able to spend within our economic guidelines, which are how much we want to spend per customer and what is the customer lifetime value that we get back so that we can always find the balance in the 2- to 3-year payback horizon. That's point number one.

Point #2 is, given that it's kind of an open budget situation, we push for opportunities in high jackpot situations, which is kind of the easier environment. But we are also very, very bullish that we've improved our abilities to attract customers in low jackpot situations. Again, I'll point to that 2023 to 2025 comparison, where we've faced a similar challenging jackpot

On the other hand, in Traumhausverlosung, we are investing similar to last year. And on the games side, we are still in the testing phase for customer acquisition. So no significant marketing investments are allocated to games today. That might change during the year, but that's the situation we have today.

situation, but have been able to acquire almost double the new customers that we wanted to acquire. And finally, we always push for efficiency in new channels, in new applications of our marketing money to make sure that we really capture all opportunities that are out there.

And as Andrea pointed out, test new approaches and really push our teams to make sure that we capture all opportunities that are out there. So bottom line is, and I just can second what Andrea said, the more marketing that we can spend within our economic guidelines, the better for us. Because it's a strong indicator of customer growth, which is a substantial driver of our business.

Q **Unknown Analyst**

Okay. But to make it clear, if I take your marketing guidance of EUR 85 million to EUR 90 million and compare it with 2025, let's say, roughly EUR 16 million to EUR 20 million or EUR 21 million, that is mainly then going to lottery again?

A **Stefan Tweraser**
CEO & Chairman of Management Board

Lottery is our main driver of the business, our main driver of customer acquisition. And again, the foundation of this guidance is an average jackpot situation, which would have led to higher marketing spend already in 2025. So would there have been a

more, let's say, favorable jackpot situation in 2025, the overall increase of marketing spend between '25 and '26 would not be that high. But again, we are allocating marketing budgets on an average jackpot situation.

Q **Unknown Analyst**

And then my second question is concerning the topic of products and new products. I remember in the last meetings that you have also for 2026, the topic of new products on the agenda. Is there anything you can also share today with us?

A **Stefan Tweraser**
CEO & Chairman of Management Board

So when it comes to new products, I think it's good to look into all 3 elements, all 3 pillars of our business. In our core business, Lotto24, we are driving product innovation like team player that adds a social component to the kind of standard lottery games. And we are very happy with the development in this area. So adding exciting opportunities to play lotteries within the Lotto24 is one priority.

The second priority is that we add additional games and additional entertainment opportunities in the games segment itself. We are now at 650 games. Quite a few of them have been developed in-house. The majority obviously is delivered by a partner and we are

continuously expanding that scope to make sure that our slot portfolio second to none in the German legal market.

And then finally, we think that with -- especially with Traumhausverlosung but also with freiheit+, we have found products that have a great product market fit that are very well received by the German consumer. And thus, we are not only looking into additional categories of social lotteries but also are exploring opportunities to look beyond Germany for a product like Traumhaus with a proven product market fit.

**Unknown Analyst**

But we can still expect that for 2026 or has there anything changed?

**Andrea Behrendt**

CFO & Member of Management Board

No. We are, for sure, looking in diversification. And as soon as we are able to communicate something, we will.

**Unknown Analyst**

Okay. And then the third topic is around cash allocation. I think that maybe the disappointing part of today's release that on the one hand, you have around EUR 60 million of free cash flow generated last year, but only allocate EUR 30 million, so roughly the half of that in terms of dividend. But what is about the other half? Is there still a progress of thinking about it? Or how should we think about the second part of allocating cash in terms of share buybacks?

**Andrea Behrendt**

CFO & Member of Management Board

Exactly. Like that's what I said, and you have seen that in the past, right? We are looking into share buybacks, and we are looking into exciting investment opportunities. So please, I think you shouldn't be

disappointed. You should be rather proud. We will find a good use of that money to be allocated.

A **Stefan Tweraser**
CEO & Chairman of Management Board

Just to second what Andrea said, considered to be a very strong war chest that we have that can be invested into either exciting growth opportunities or very

attractive share buybacks. So watch this space and no reason to be disappointed in any shape or form.

Operator

Thank you very much for your questions, Lucas. And we have a person dialing in from Great Britain with

phone, with the phone number ending 1610. [Operator Instructions] And you may ask your questions.

Q **Luka Trnovsek**
Joh. Berenberg, Gossler & Co. KG, Research Division

So I think my question on the cash has been partially answered, but I just want to maybe give a little bit of a push just to see in terms of timing. Is this something we can, could we expect an announcement in the next few quarters? Or is there something that you think on a more full year basis? Could you give us some color around that, please?

Andrea Behrendt
CFO & Member of Management Board

Thanks for your question. Could you let us know who you are?

Luka Trnovsek
Joh. Berenberg, Gossler & Co. KG, Research Division

Luka from Berenberg.

**Andrea Behrendt**

CFO & Member of Management Board

Okay. Great. So thanks for the question. So we are looking, like I said, into share buybacks and investment opportunities. As soon as we have something to communicate, we'll let you know. Hopefully, that will happen in 2026.

Operator

Thank you very much for your question. And next in line is Peter [indiscernible].

**Unknown Analyst**

I have 3 questions. Which online penetration in the lottery market do you expect in 2026, and the 2 following years thereafter? In 2025, we have seen 31%. Question two, which online penetration do you expect in the long term? Is it still between 50% and 70% or maybe more? In which year do you expect an online penetration above 50%? Last question #3, which total lottery market volume in billion, do you expect in the long term? Currently, I have seen that we have a market of approximately EUR 8.3 billion.

**Andrea Behrendt**

CFO & Member of Management Board

Thanks a lot, Peter, for your questions. So on the online penetration, of course, we are not able to give you exact numbers for the next years. But what we see and have seen in the last years is the online penetration increases year-over-year. It increases more when we have high jackpot phases and it increases a little bit less

when we have low jackpot phases. So something in between, but we see an average of 1% -- 2 percentage points increase year-over-year. So yes, that should answer your first question, the 2 of them. And the last one was on?



Unknown Analyst

The market volume.



Andrea Behrendt

CFO & Member of Management Board

The total market volume. On the online market, we always communicate that we see long-term ambition of

having a market of EUR 5 billion to EUR 7 billion in online lotteries.



Unknown Analyst

In online, yes, but in the total market?



Andrea Behrendt

CFO & Member of Management Board

EUR 10 billion. That's quite stable. It's not changing significantly.

**Unknown Analyst**

But this is based on data which are very old, yes? So no update?

**Andrea Behrendt**

CFO & Member of Management Board

No updates.

Operator

And some follow-up questions from Tim Kruse.

**Tim Kruse**

Montega AG

Yes. Just one actually on the Traumhausverlosung and the D2C share, it's now -- the last one was at 53%. I was just wondering 2 things, Andrea. So what is your expectations and maybe also reflect of what you thought you could achieve here on the outset when you started this product, and how important this D2C share in terms of profitability for you?

**Andrea Behrendt**

CFO & Member of Management Board

Yes. So we set out the strategic goal to acquire new target audiences with that product. Therefore, the D2C shop is actually -- D2C share is a relevant strategic goal for us, and we want to increase that time over time. Here, it's really about audiences who would not show

in Lotto24 for EJ and LOTTO 6aus49, but rather are interested in a more innovative product. And here, we are really seeing that this is a younger audience, maybe a little bit more female. And therefore, it's really a strategic goal for us, and we are tracking towards that.



Tim Kruse
Montega AG

And is there a difference in customer acquisition cost between the channels there, just out of interest?



Andrea Behrendt
CFO & Member of Management Board

There is a difference in customer acquisition costs. That's why we also share the 2 CPLs with you, one for the whole group and one for the core broker because costs in the new product, especially Traumhausverlosung is higher. Why is that the case? Because, of course, it's still a category that is building

up and the brand that is building up. Therefore, this is a bit less efficient than our core brokerage investments. But with a very healthy lifetime value for our customers because, as you know, it's a high-margin product for us.



Tim Kruse
Montega AG

Exactly. Overall margin profile is better as well, right?

A **Andrea Behrendt**
CFO & Member of Management Board

Exactly.

Operator

And also a follow-up and the last hand up for now is from Abed.

Abed Jarad
mwb research AG

Sorry, I forgot to take back my question, sorry.

Operator

Okay. Thank you so much. So with that, we have no questions left. Ladies and gentlemen, I will hold the room for a moment if there should be one in the line. And this doesn't seem to be the case.

We, therefore, come to the end of today's earnings call. Thank you very much for your interest in ZEAL Network SE. A big thank you also to you, Stefan and

Andrea for your presentation and your time. Should you have any further questions at a later date, please feel free to contact Senior Investor Relations Manager, Frank Hoffmann, I wish you all the successful day around the world and handing over to you, Andrea, once again for your closing remarks.

Andrea Behrendt
CFO & Member of Management Board

Yes. Thanks a lot. We are excited that you all joined our call this morning and your interest in ZEAL, and we are very excited to deliver a strong 2026.

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