

28 February 2025

Donaco records revenue and EBITDA growth in 1H FY25

Summary

- Group net revenue of A\$21.83 million (1H FY24: A\$19.45m) and EBITDA of A\$11.39 million (1H FY24: A\$9.73m¹), highlighting steady growth across the business, following stringent financial management and increased traffic from tourism activities.
- Group net profit after tax increased to A\$7.77m (1H FY24: A\$5.70m).
- DNA Star Vegas recorded net revenue of A\$14.08 million and EBITDA of A\$8.10 million.
- Aristo reported net revenue of A\$7.76 million and EBITDA of A\$4.85 million, representing a 39.9% EBITDA increase on PCP.
- Strong cash position of A\$36.26 million as of 31 December 2024.

Donaco International Limited (**Donaco** or the **Company**) provides the following trading update for the six months ended 31 December 2024 (**1H FY25**).

Donaco delivered a solid performance in the first half of FY25, with earnings growth and robust financial management benefiting the group. Donaco recorded net revenue of A\$21.83 million, representing a 12.2% increase over the previous corresponding period (**PCP**) (1H FY24: A\$19.45m), and EBITDA of A\$11.39 million, a 17.0% increase on PCP (1H FY24: A\$9.73m). Group net profit after tax was A\$7.77m, a 36.3% rise on PCP (1H FY24: A\$5.70m).

Donaco's DNA Star Vegas operation (**DNA Star Vegas**), situated on the Cambodia-Thailand border, reported stable net revenue and EBITDA relative to the PCP, with net revenue of A\$14.08 million (1H FY24: A\$13.36m) and EBITDA of A\$8.10 million (1H FY24: A\$7.66m). DNA Star Vegas registered an increase of 949 players in average daily visitation for the first half of FY25, also driven by the membership loyalty program Donaco launched in January 2024.

Aristo International Hotel (**Aristo**), located near the Chinese border in Vietnam, performed strongly compared to the PCP. Aristo delivered net revenue of A\$7.76 million, a 27.3% increase on 1H FY24's A\$6.09 million, while EBITDA substantially improved to A\$4.85 million, a 39.9% increase on PCP (1H FY24: A\$3.47m).

¹ 1H FY24 Restated Figures: *Restatement of prior year statement of profit or loss and other comprehensive income*. For the half-year ended 31 December 2023, gaming tax of \$1,060,629 for DSV was incorrectly reported as income tax expense instead of gaming taxes, resulting in an overstatement of profit before income tax. Gaming taxes and income tax for the comparative have therefore been restated, resulting in a decrease in profit before income tax and EBITDA, however, no impact on profit after income tax expense.

Donaco held a strong cash position of A\$36.26 million as of 31 December 2024, a 44.3% increase from the previous year's A\$25.12 million as of 31 December 2023.

The Company's Annual General Meeting was held on 22 November 2024 in Sydney. All resolutions were successfully passed by way of a poll at the meeting.

Donaco's Non-Executive Chairman, Mr Porntat Amatavivadhana, commented:

"At a group level Donaco performed strongly in the first half of 2025, building on the turnaround strategy implemented over a year ago, and driven by our rigorous financial management and increased tourism activities across our operations. Over the past six months, the Company has grown its revenue and EBITDA, with both operations generating positive cash flow. Aristo performed particularly well, and we're confident that the operations will benefit from the upcoming opening of the new Sapa airport.

Nonetheless, Donaco faces some headwinds, including the Thai Government's recently proposed draft bill to legalise gambling, which may impact our Star Vegas operation. Additionally, we await updates on Aristo's appeal following legal proceedings with Vietnam's General Department of Taxation (GDT).

Despite these challenges, we are confident in our ability to navigate any impacts arising from these events. Our balance sheet remains strong, and we aim to deliver solid results moving forward."

Outlook

Donaco enters the second half of FY25 in a strong financial position, supported by a robust cash balance and stable revenue and EBITDA. This solid position enables the Company to navigate potential challenges effectively.

The Company continues to monitor the Thai Government's in-principle proposed Draft Entertainment Complex Business Act (**Draft Bill**) to legalise casinos and regulate entertainment complex operations in the country², which could have implications for the DNA Star Vegas operation. The proposal is open for public hearings until 1 March 2025³.

In relation to the former decision from Vietnam's General Department of Taxation (GDT) to deny Aristo's appeal application regarding tax payable for unredeemed chips (chips customers deposit at Aristo), in January 2025, representatives of Lao Cai attended two dialogue meetings with the GDT at the Hanoi People's Court to discuss the appeal. Following the second dialogue meeting on 21 January 2025, the case will be brought to a public trial, the date of which is still to be determined. Donaco will provide an update on the outcome of these proceedings in due course. The potential liability of this matter is approximately AU\$8,857,906 (as of the 30 June 2024 spot rate), which could impact Donaco's financials if GDT's decision is not overturned.

Donaco remains optimistic about growth opportunities across its operations and expects continued financial stability for the remainder of FY25.

[ENDS]

Authorised for release by the Board.

² <https://www.lexology.com/library/detail.aspx?g=4f812ea4-929c-43b7-bdc3-f3aaf2c43cf8>

³ <https://www.ggrasia.com/thais-to-face-us1-5mln-bank-deposit-threshold-to-gamble-in-any-local-casinos-according-to-latest-draft-law>

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