THOUGHT LEADERSHIP · COMMERCIAL STRATEGY

The EBITDA *Equation.*

Why the operators who will win the next decade are making one decision, not two.

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In boardrooms across the world's regulated gaming markets, a version of the same conversation is playing out. The EBITDA line is under pressure. For integrated resort operators, the pressure takes a specific form: a structural shift in revenue mix as VIP and premium mass segments rebalance, rising reinvestment and capital obligations, licence renewal dynamics that demand a demonstrably broader commercial proposition, and a cost base — staff, compliance, technology — that continues to expand regardless of where gaming revenue lands. Non-gaming represents the strategic answer, but converting that logic into a revenue line that materially moves the needle has proven harder than the strategy documents suggested. And sitting on top of all of it, the regulatory burden: more reporting, more KYC obligations, more AML infrastructure, more cost.

The CFO is being asked to fund a compliance function that has grown its budget every year and generates, by conventional analysis, no commercial return. The CMO is making the case for the customer intelligence and personalisation investment required to make non-gaming growth actually work. The CEO is being asked to choose between them, or to find a way to make both happen on a capital budget that is already stretched.

What is rarely questioned in this conversation — and what represents, in this author's observation across multiple markets and operator types, one of the most consequential strategic errors in the sector today — is the assumption that these are two separate problems requiring two separate solutions.

They are not. They are the same problem. And the operators who recognise that are building a competitive advantage that their peers will spend the following decade trying to ***close.***

01 THE EBITDA TRAP

A slow compression, not a *crisis.*

The financial reality facing most operators today is not a crisis — it is a slow compression. Gaming floors continue to generate revenue, but margin expansion has stalled. Non-gaming has grown in absolute terms but has not, for most operators, grown fast enough to offset the cost increases that have accompanied it. Human capital is the single largest line on the expense account, and in a sector that has historically been labour-intensive across both gaming and hospitality operations, efficiency gains have been incremental at best.

Investors watching this picture have drawn a clear conclusion: the traditional gaming model, absent a meaningful structural change, is not a growth story. The capital that once flowed freely toward casino development is now asking harder questions about EBITDA trajectory, reinvestment rates, and the quality of the earnings being generated. Return on invested capital is under scrutiny in a way it has not been before.

The response of most operators to this pressure has been to attack the expense line — rationalising staff, renegotiating contracts, trimming marketing spend. These are rational short-term responses. What they are not is a strategy. Cutting costs to defend EBITDA in a period of flat revenue does not create the EBITDA growth that investors, boards, and future strategic options require. It preserves a position. It does not build one.

There is a second, less visible dimension to the EBITDA trap. The compliance investment mandated by regulators in every serious gaming jurisdiction — AML infrastructure, KYC systems, source-of-funds verification, cashless gaming architecture, digital account-based play — is a cost that is growing annually and generating, by conventional measurement, no commercial return. Every dollar allocated to compliance is, from the commercial leadership's perspective, a dollar unavailable for growth. And unlike staff or marketing, it cannot be cut. It is the floor.

> ***EBITDA dollars matter more than EBITDA margin. The operator who grows absolute earnings while compressing the cost of compliance and customer intelligence is playing a different game to everyone else at the table.***
>
> · THE THESIS IN ONE LINE

The trap, then, is this: a cost structure that is expanding at the bottom (compliance) and resistant to improvement in the middle (human capital), combined with a revenue line that is not growing fast enough at the top to absorb it. The operators caught in this trap are not failing. They are doing exactly what prudent management requires. But prudent management of the wrong architecture is not the same as building a structurally advantaged business.

02 THE NON-GAMING GROWTH DILEMMA

The capability required to grow is treated as *discretionary.*

The case for growing the non-gaming revenue base is not controversial. The secular trends are well understood: gaming's share of the total leisure wallet under secular pressure across established markets, a traditional guest base that is not growing at pace, and a generation of prospective guests who expect a digital, personalised, multi-channel relationship as a baseline condition of loyalty, not a premium feature.

Operators who have done the work on non-gaming know that dining, accommodation, entertainment, retail, and community programming can carry more of the revenue load — and that operators who have invested in multi-channel engagement consistently report that guests who interact across gaming and non-gaming touchpoints generate materially higher lifetime value and lower churn than those who only visit the floor. The portfolio is the point: the right blend of gaming and non-gaming, managed as a single commercial proposition, is more resilient, more attractive to a broader guest base, and more defensible as a long-term business model than a floor-dependent operation.

What non-gaming growth actually requires, however, is not more marketing spend — it is the ability to read a guest's behaviour *in the moment* and respond before the moment passes. A patron whose session data signals early exit is not a target for next week's email campaign. They are a dining reservation, a bar tab, or an accommodation upgrade — if the right offer reaches them in the right window, which is measured in seconds, not in the next batch run. The guests who engage across multiple touchpoints spend more and stay longer — but only when the connections between those touchpoints are made in real time, not reconstructed in retrospect.

The investment required to build that intelligence capability is not trivial. It requires a unified customer record, real-time data flows from every touchpoint on the property, a decisioning engine capable of acting on signals in the moment, and the organisational capability to deploy it across gaming and non-gaming simultaneously. Most operators, when they examine that investment case, treat it as a second project — something to fund after the compliance obligations have been met.

This is the non-gaming growth dilemma: the capability required to grow is treated as discretionary precisely when the budget is most constrained by mandatory compliance expenditure.

03 THE GOLDEN THREAD

One investment. *Two purposes.*

The strategic insight that resolves both dilemmas simultaneously is this: the compliance investment and the customer intelligence investment are not different investments. They are the same investment, made once, deployed across two purposes.

The regulatory requirement in every sophisticated jurisdiction reduces to a single demand: **know your customer.** Know who they are, verify their identity, understand their financial behaviour, detect when something changes. This is not materially different from what a world-class customer intelligence capability requires: know who the guest is, understand their commercial behaviour, detect when their engagement pattern changes, and act on it. The data is the same data. The identity infrastructure is the same infrastructure. The difference is entirely in how it is architected — whether it is built as a compliance system that happens to hold customer data, or as a customer intelligence platform that is compliant by design.

The regulatory requirement and the commercial opportunity reduce to the same question: do you truly know your customer? The architecture that answers that question for the regulator can, if built correctly, answer it for the CFO and the CMO at the same time.

The operator who builds a compliance architecture that is also a unified customer record has, with a single investment, created the foundation for everything the non-gaming growth agenda requires. Member identity is verified and current. Behavioural data — gaming and non-gaming — flows into a single record in real time. The decisioning capability that monitors for AML signals is the same infrastructure that monitors for a dining offer moment, a churn risk signal, or an upsell opportunity in accommodation. The compliance function and the marketing function are, for the first time, drawing from the same well.

The expense implications are significant and often underestimated. An operator running separate compliance infrastructure, a standalone loyalty platform, a disconnected CRM, and a marketing automation tool is carrying four sets of licence costs, four sets of integration costs, and four sets of operational overhead — with data that is never quite current, never quite joined up, and never quite trusted by the teams using it. A single unified architecture does not merely solve the strategic problem. It compresses the expense line in a way that discrete point solutions cannot.

The architecture described here is not theoretical. It has been deployed within IR gaming environments in the Asia-Pacific region, maintaining a real-time, verified member record that satisfies regulatory obligations as a by-product of commercial operation — and producing outcomes that neither the compliance function nor the marketing function could have generated working from separate systems: audit-ready identity and transaction data on one side, and visit frequency and engagement performance above modelled expectation on the other, with non-gaming offer economics that reflect genuine behavioural change rather than promotional spend. The mechanism is less complex than it appears: the same data infrastructure, ***serving two masters simultaneously***, at real-time speed.

The same is true of responsible gambling. The behavioural intelligence that identifies the right moment to extend a dining offer is the same infrastructure that identifies an escalating risk pattern — a guest whose session velocity, spend acceleration, or time-on-floor metrics have moved outside their established baseline. Regulators in Singapore, Australia, and across the FATF network are raising their expectations of operators on this dimension with the same urgency they are applying to AML. The architecture that serves compliance and commercial simultaneously can, if designed correctly, serve the responsible gambling obligation as ***a third output of the same investment*** — without a separate system, a separate data feed, or a separate budget line.

04 THE PORTFOLIO DIMENSION

One investment. Three returns, *compounding.*

The same architecture resolves a third pressure that boards are navigating in parallel. The convergence of land-based and digital is no longer a future scenario — it is a capital allocation question that sits on the agenda of every operator with a physical asset base and a board asking about online adjacency. In several key jurisdictions, the question of digital adjacency is no longer purely strategic — it is embedded in concession obligations, licence renewal conditions, and government-mandated non-gaming diversification targets that require demonstrable progress. The challenge is not whether to participate in digital; it is whether the customer intelligence infrastructure being built for the physical operation can extend into digital without rebuilding from scratch.

An architecture that holds a single verified guest identity, updated in real time across every on-property touchpoint, is already most of the way to answering that question. The guest who visits the floor, books a restaurant, and then engages digitally between visits is not three data problems. They are *one* — and the operator who has solved the compliance and non-gaming intelligence problem with the right architecture has, largely without knowing it, also solved the foundation of the digital channel problem.

The reinvestment decisions that determine how much of gaming revenue flows back to guests through promotions and comps can now be made with a full picture of guest value across the complete portfolio — physical visits, digital engagement, non-gaming spend — rather than from fragmented data and educated guessing. **One investment, three returns, compounding simultaneously.**

Operators who get this right are not merely running a more efficient gaming business. They are building the data-centric infrastructure that the next generation of the industry — personalised, digital-native, multi-channel — will require as its foundation.

05 THE COMPETITIVE TIMING ARGUMENT

Compounded years are not a marginal *advantage.*

There is a timing dimension to this thesis that board-level decision-makers should consider carefully. The regulatory mandates driving compliance investment are not optional and they are not moving backwards. In every market where they are being introduced, they will eventually require every operator to build some version of a unified customer identity infrastructure. The question is not whether that infrastructure will be built — it is when, and whether it will be built in a way that serves only compliance or in a way that serves the whole business.

Operators who make that architectural decision now — before mandatory deadlines arrive, before the implementation resources in the market are constrained by every operator building simultaneously, and before competitors have had the same realisation — will have compounded two to three years of non-gaming revenue growth and customer intelligence before their peers have finished implementation. That compounding effect, across a guest base measured in hundreds of thousands, is not a marginal advantage. It is a structural one.

But there is a dimension beyond the operational advantage that deserves explicit consideration at the board level: **strategic optionality.** The operators who build this architecture well are not just running a better business day-to-day. They are creating a new category of asset.

A gaming operator with a unified, real-time customer intelligence platform — compliant by design, producing demonstrable EBITDA uplift, with a data asset that is clean, current, and commercially deployed — is a fundamentally different investment proposition to one running disconnected legacy systems. It attracts a different class of capital partner. It supports a different conversation in M&A. It gives the board genuine strategic choices: grow organically, attract co-investment, or create the conditions for a premium exit. None of those options are equally available to the operator who waited.

In M&A specifically, the difference is not marginal. A buyer evaluating two comparable gaming assets — similar revenue, similar margin, similar market position — will ascribe ***materially different multiples*** to the one whose EBITDA is demonstrably driven by a proprietary data advantage rather than floor traffic alone. The first asset is a gaming business. The second is a gaming business with a defensible data moat, a loyalty infrastructure that survives any individual revenue cycle, and a compliance posture that reduces regulatory risk premium at the point of transaction. Private equity, strategic acquirers, and infrastructure capital increasingly understand this distinction. The operators who have built the architecture will find it reflected in their valuation. Those who have not will find it reflected in the discount.

Operators who wait will build the same infrastructure, pay a similar price, and find that the commercial returns have a later start date and the strategic options have a narrower range. The compliance cost will be identical. The growth advantage will not be. The optionality certainly will not.

> ***The mandatory investment that costs more every year and compounds nothing — or the foundation on which a decade of EBITDA growth and strategic optionality is built. The architecture determines which.***
>
> · THE CHOICE IN FRONT OF THE BOARD

06 THE QUESTION FOR THE BOARDROOM

One question before the next compliance budget is *approved.*

The conversation in most boardrooms treats compliance spend and growth investment as competing claims on the same budget. The more useful question — and the one that this thesis suggests should be asked before the next compliance budget is approved — is whether the architecture being funded is capable of serving both purposes simultaneously.

The question worth taking into the next budget conversation is not whether the compliance investment is necessary — it is. The question is whether the architecture being funded is being evaluated against a single criterion or ***two.*** A compliance system that cannot feed the marketing function in real time, cannot produce a unified view of guest value across gaming and non-gaming, and cannot compress the operational cost of running four disconnected systems — is a compliance system, and only that.

One that can do those things is something considerably more valuable. It is the commercial foundation of the next decade. It is the architecture that drives EBITDA growth, not just EBITDA defence. And for the operators who build it well, it is the platform on which entirely new strategic choices become available.

The gap between the two is not a technical question. It is a strategic one — made once, at the point of design, and difficult to correct without cost once the wrong path has been taken. The operators who get it right will spend the next decade compounding an advantage their competitors cannot easily close: stronger EBITDA, a more resilient revenue mix, a data asset that appreciates with every guest interaction, and strategic options that simply do not exist for the operator running yesterday's infrastructure. The operators who get it wrong will spend the same decade watching those options narrow — not because the market moved against them, but because a decision made in a budget meeting locked the trajectory before anyone in the room understood what was at stake. That decision is being made now, in every boardroom where the next infrastructure investment is being approved. The only question is whether it is being made ***deliberately.***

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Matt Dobbin is Co-Founder and Chief Commercial Officer of Syntrii, a digital utility platform built for the global gaming, entertainment, and hospitality sectors. He brings more than 25 years of commercial experience spanning private equity and funds management, strategic advisory, enterprise technology, and government, with extensive international market exposure across Asia-Pacific, Southeast Asia, and beyond. At Syntrii, he leads commercial strategy, business development, and growth — working with operators across Australia and internationally to convert digital infrastructure investment into sustainable EBITDA advantage.