



Jumbo Interactive Limited

FY24 Results Presentation

23 August 2024



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All dollar values are in Australian dollars (A\$) unless otherwise stated.



Business Update



Mike Veverka
Managing Director, CEO and Founder



Key Highlights **Our most successful year to date**

Business Update

By Segment

Financials

Conclusion | Outlook



Record Lottery Retailing Performance

Positive engagement from +1 million active players and pricing and product portfolio changes



Positive SaaS Momentum

A combination of partnership extensions and new client wins



Measured Cost Approach

Finding the right balance between cost efficiency and reinvestment for growth



Strong Capital Management

Disciplined on M&A, FY24 dividend up 27%, new debt facility to maximise flexibility and liquidity

Key Metrics **Significant growth across all key metrics**

Business Update

By Segment

Financials

Conclusion | Outlook

Total Transaction Value (\$m)

↑ **1,054**

FY23: **852** (+24%)

Lottery Retailing **544** (FY23: 449)

Group Revenue (\$m)

↑ **159.3**

FY23: **118.7** (+34%)

Revenue Margin **15.1%** (FY23: 13.9%)

Underlying EBITDA² (\$m)

↑ **76.6**

FY23: **58.9** (+30%)

Und. EBITDA Margin **48.1%** (FY23: 49.6%)

Underlying NPATA^{2,3} (\$m)

↑ **46.4**

FY23: **35.3** (+31%)

Und. EPSA^{2,3} **73.7 cps** (FY23: 56.1 cps)

Free Cash Flow⁴ (\$m)

↑ **54.1**

FY23: **47.5** (+14%)

Cash Conversion **125%** (FY23: 146%)

Dividend Declared (cps)

↑ **54.5**

FY23: **43.0** (+27%)

1HY: **27.0 cps** (23.0) | 2HY: **27.5 cps** (20.0)

1. FY23 includes an 8-month contribution from StarVale (completed 1 November 2022).
2. Underlying reflects adjustments for one-off costs: EBITDA \$1.4m in FY24 (FY23: \$0.8m) and NPATA \$0.8m in FY24 (FY23: \$1.5m).
3. NPATA and EPSA are before amortisation of acquired intangible assets.
4. Operating cashflow less capex.

FY24 Report Card **Margin at top end of expected range**

Business Update

By Segment

Financials

Conclusion | Outlook

Lottery Retailing

- Marketing costs expected to be in the range of **1.5% to 2.0% of TTV** (FY23: 1.3%), dependent on jackpots
- Final step up in TLC **service fee¹ to 4.65%** of subscription price of tickets (FY23: 3.5%)
- **Improved revenue margin** following portfolio pricing changes announced in May 2023² (FY23: 20.3%)

Outcome

- ✓ 1.89%
- ✓ 4.65%
- ✓ 22.7%

Acquisitions (Gatherwell + Stride + StarVale)

- **Mid-to-high single digit** revenue growth³
- **Modest investment** to optimise governance, seed Jumbo culture and drive future growth

- ✓ 7.2%
- ✓

Group (excluding impact of incentives)

- Underlying **operating cost growth to grow at a slower pace** than revenue on a like-for-like basis
- Underlying EBITDA margin (excluding incentives⁵) expected to be in **a range of 48% to 50%** (FY23: 50.1%)

- ✓
- ✓ 49.8%⁴

Capital

- Strong free cash flow generation with **~100% cash conversion** expected
- Targeted **dividend payout ratio of 65% to 85%** of statutory NPAT
- **Strong M&A pipeline** supported by balance sheet strength and debt headroom
- On-market share buy-back⁶ of **up to \$25m** expected to continue into FY24; provides capital flexibility

- ✓ 125%
- ✓ 79.2%
- ✓
- ✓ \$3.2m

1. Pursuant to the Reseller Agreements with TLC, the service fee increased from 1.5% of the subscription price in FY21 to 2.5% in FY22, 3.5% in FY23 and 4.65% in FY24 and thereafter. For FY21 to FY23, if the subscriptions exceed \$400m in the applicable year, then a service fee of 4.65% applied to the excess amount.

2. Refer to Presentation to Macquarie Australia Conference Presentation (3 May 2023).

3. Weighted average revenue growth of UK (Gatherwell, Stride) and Canada (StarVale) in local currency. The pcg for StarVale reflects the annualised FY23 revenue (completed on 1 November 2022).

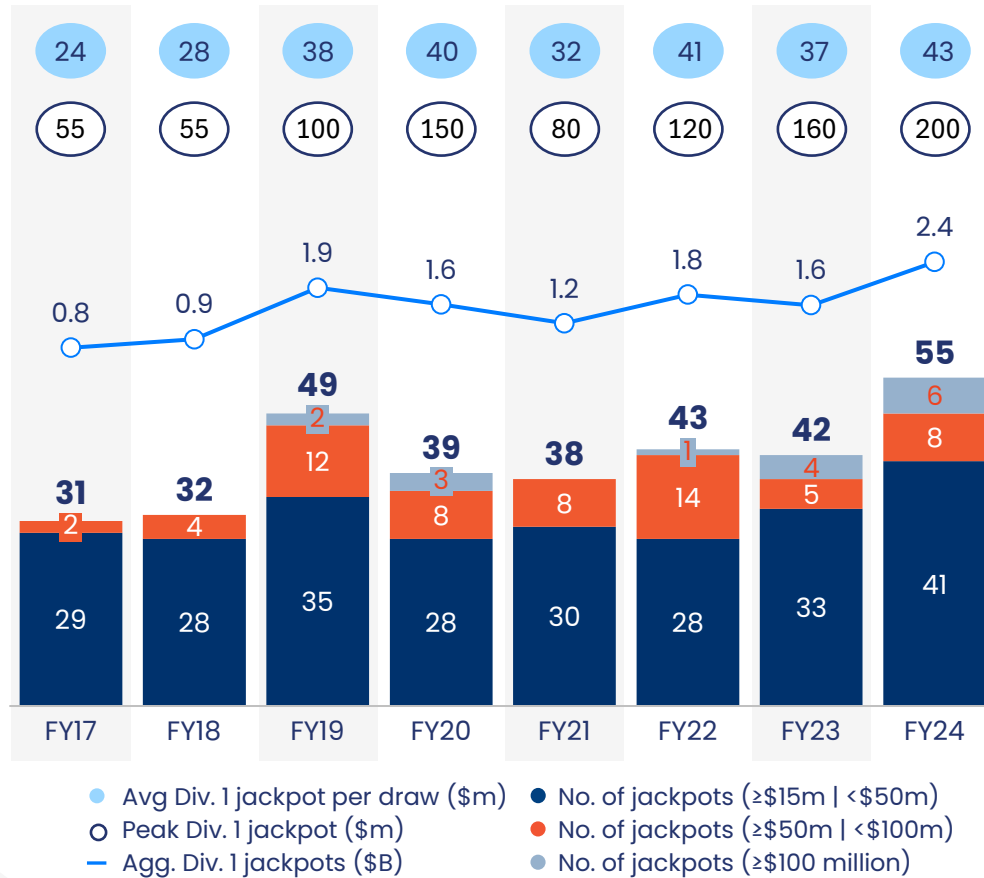
4. Excludes the impact of short-term incentives and Share-based Payments (SBP) – including incentives the underlying EBITDA margin is 48.1%.

5. \$2.8M of Incentives – Share Based Payments of \$1.2M and Short-term incentives of \$1.7M

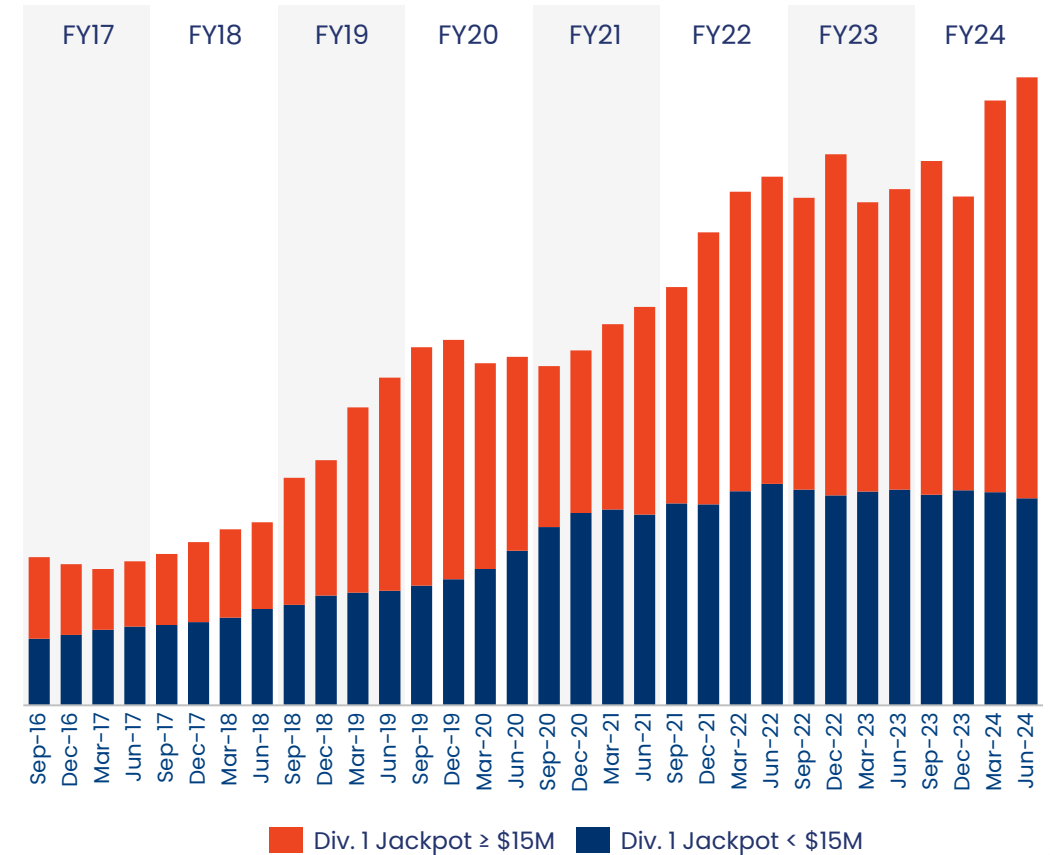
6. On-market share buy-back of up to \$25m conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the program at any time. As at 30 June 2024, \$3.2m of shares had been purchased at an average price of \$12.74.

Lottery Retailing *Ability to maximise strong jackpot run*

Powerball | Oz Lotto Division 1 large jackpots (≥\$15m)



Rolling 12-month TTV¹ *More larger jackpots*



1. Excludes contribution from WA customers transitioned to SaaS (effective Dec-2020).

Lottery Retailing **Robust underlying player performance**

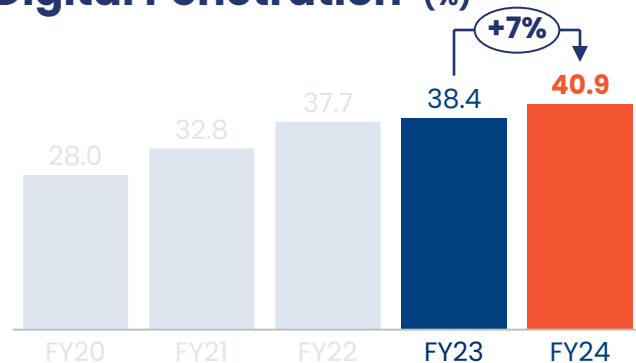
Business Update

By Segment

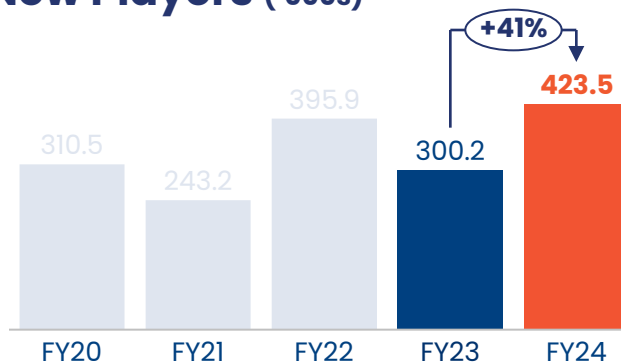
Financials

Conclusion | Outlook

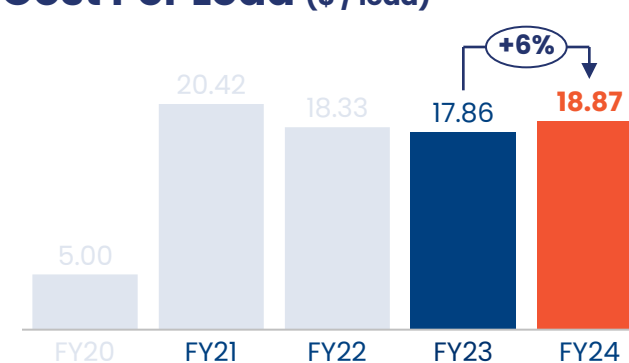
Digital Penetration¹ (%)



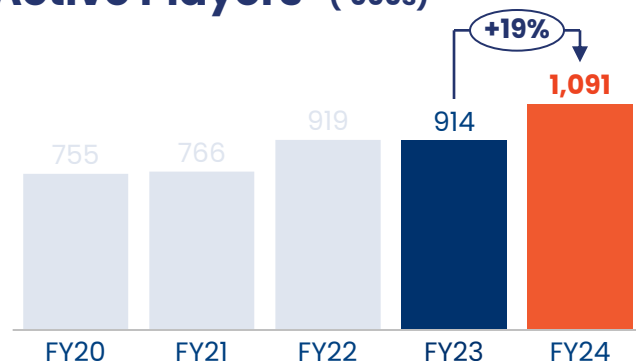
New Players ('000s)



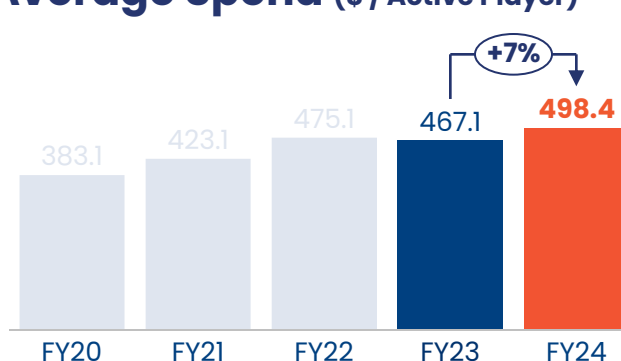
Cost Per Lead (\$ / lead)



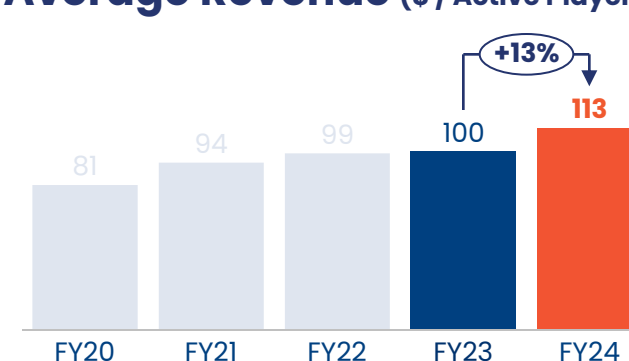
Active Players² ('000s)



Average Spend (\$ / Active Player)



Average Revenue (\$ / Active Player)

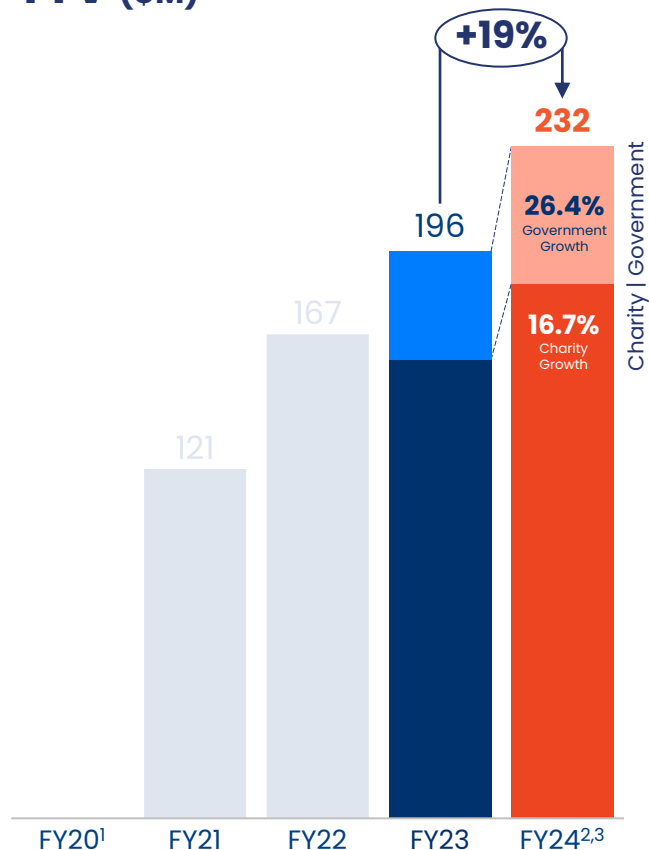


1. TLC FY24 Results Presentation.

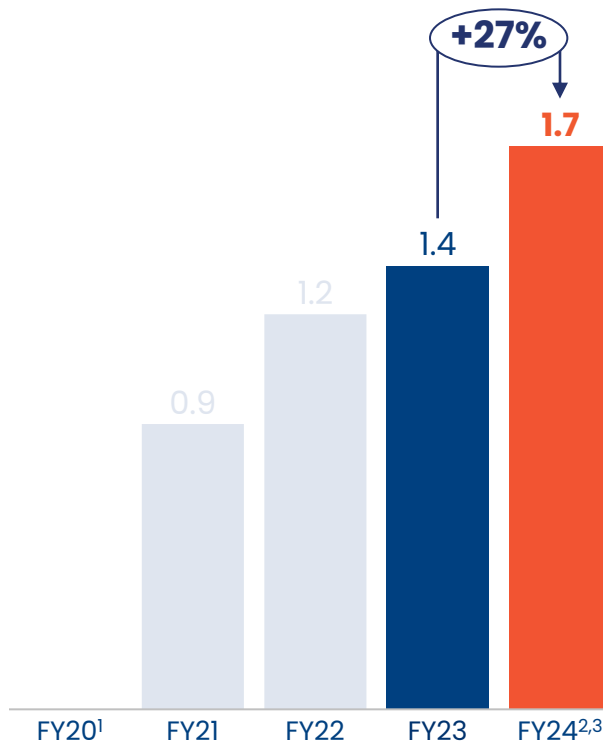
2. Active players who made a purchase in the 12-month period.

Software-as-a-Service **Positive momentum**

TTV (\$M)



Active Players (million)



Our Partners

Existing SaaS²



Transitioned to SaaS³



New SaaS⁴



1. FY20 comparatives not available due to a changes in reportable segments following changes to the Group's operating model in FY2021.
2. St Helena Hospice transitioned to StarVale (Managed Service segment) from May-24.
3. Includes contribution from Jumbo Fundraising (LifeFlight Australia, and Paralympics) from 1 July 2023.
4. New SaaS partners to begin from FY25.

Managed Services **Leadership transition complete**

Business Update

By Segment

Financials

Conclusion | Outlook

New Leadership



Tam Watson

Head of Operations – UK
Joined April 2024

20+ years experience in technology, digital, and SaaS platform providers, in start-up and scale-up businesses and listed multinationals



Marina Avisar

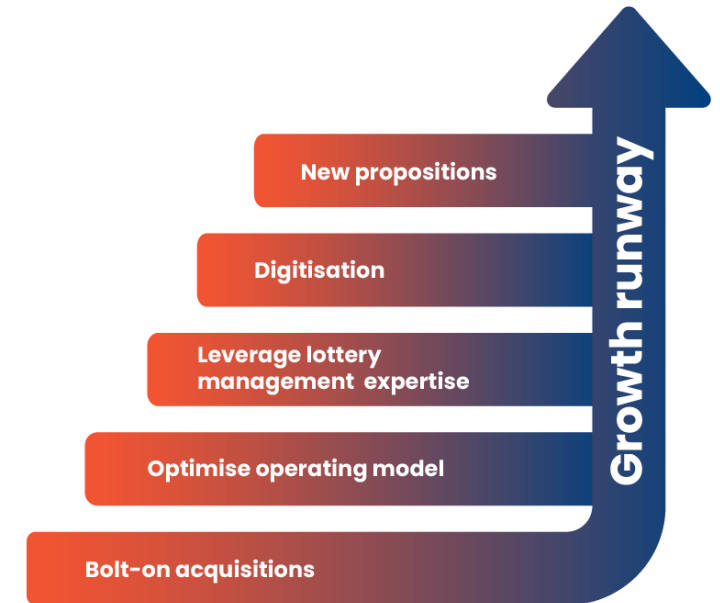
President – Stride
Joined December 2023

20+ years experience in technology, sales and product in software companies, and a proven track-record in transformation and M&A

Immediate Priorities

- New business opportunities including M&A
- Organisational realignment
 - Create an environment that supports staff empowerment
- Improve customer experience and lottery outcomes
 - Leverage off the proven track record in Australia

Significant Long Term Value



Financial Update

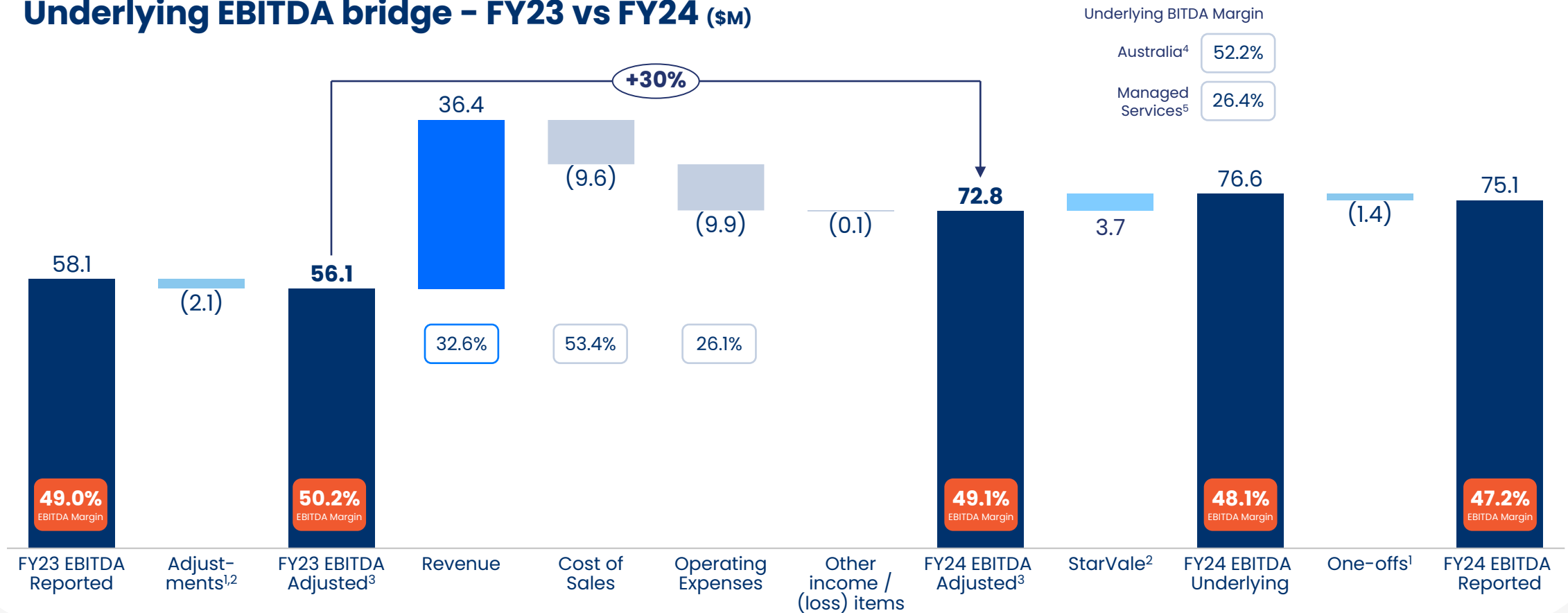


Jatin Khosla
CFO



Underlying EBITDA **Up 30% on pcp excluding StarVale**

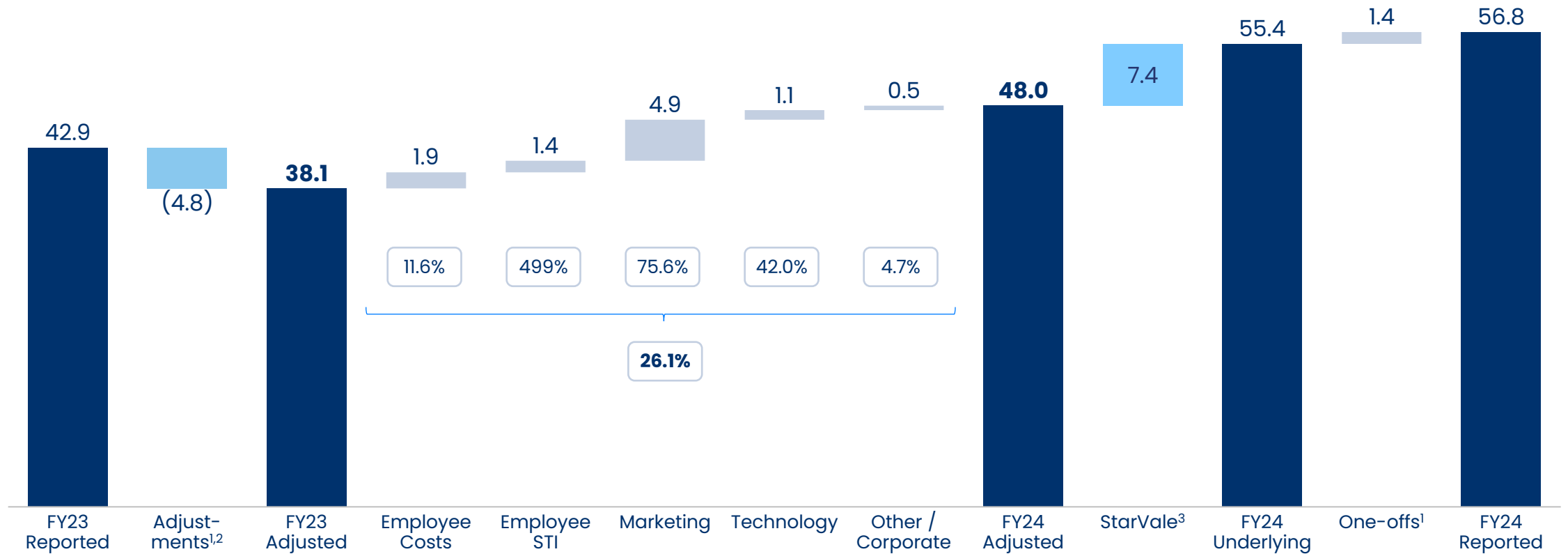
Underlying EBITDA bridge - FY23 vs FY24 (\$M)



1. FY24 One-off adjustments of \$1.4M (FY23: \$0.8M) – refer to slide 36 for further information.
2. FY23: StarVale contribution for 8 months (-\$2.8M) | FY24: StarVale contribution for 12 months.
3. Underlying EBITDA excluding StarVale contribution.
4. Australia is Lottery Retailing, SaaS and Corporate segments
5. Managed Services includes Gatherwell, StarVale and Stride

Cost Management Investment to drive future growth

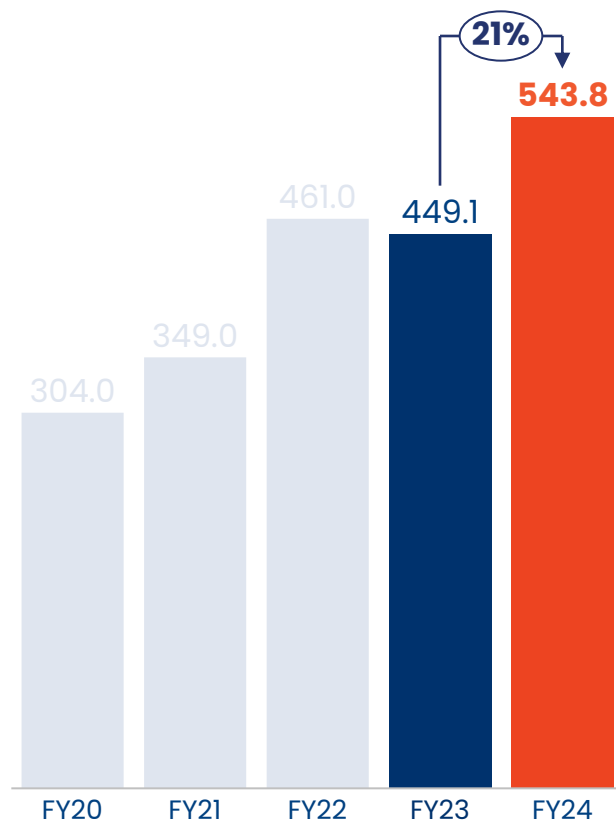
Underlying operating expense bridge – FY23 vs FY24 (\$M)



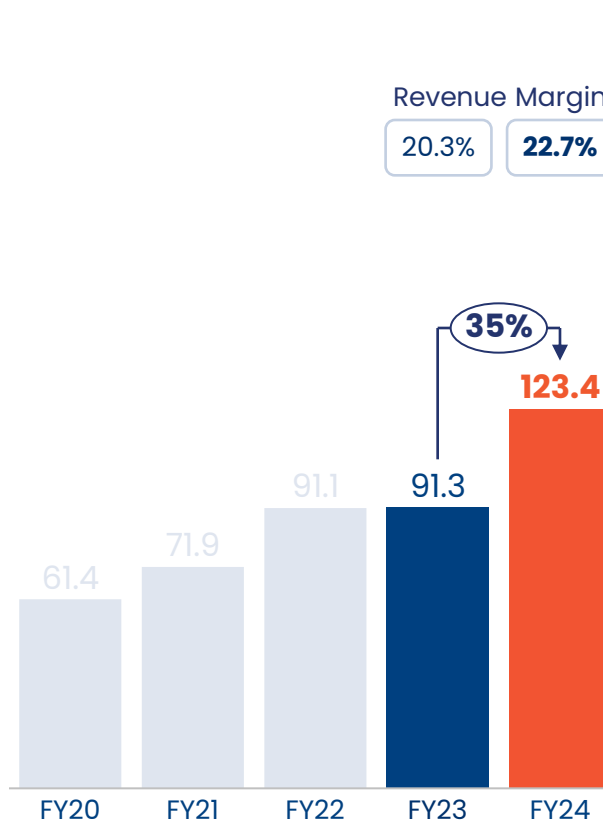
1. One-off adjustments – refer to slide 36 for further information.
 2. Includes \$4.1M of 8-month contribution from StarVale (completed 1 November 2022).
 3. Includes \$7.4M 12-month contribution from StarVale (completed 1 November 2022).

Lottery Retailing **Positive operating leverage**

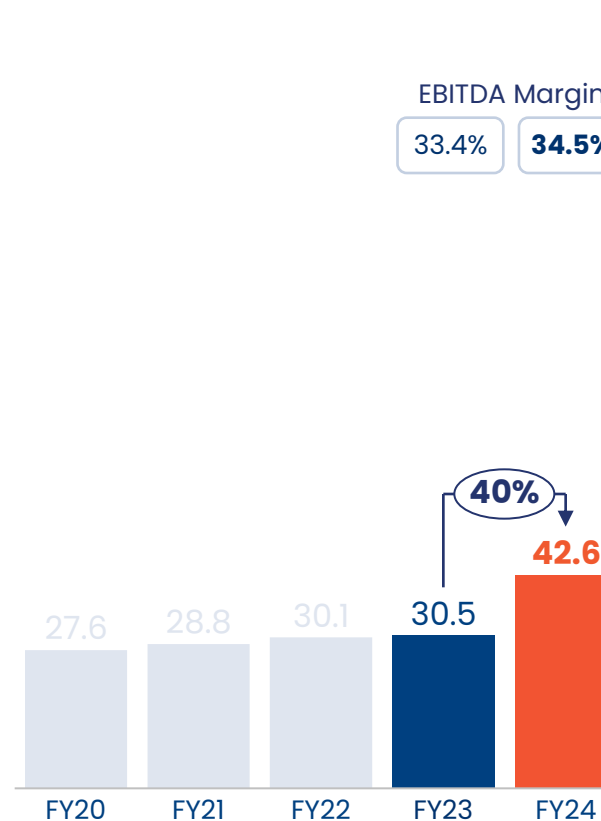
TTV (\$M)



Revenue (\$M)

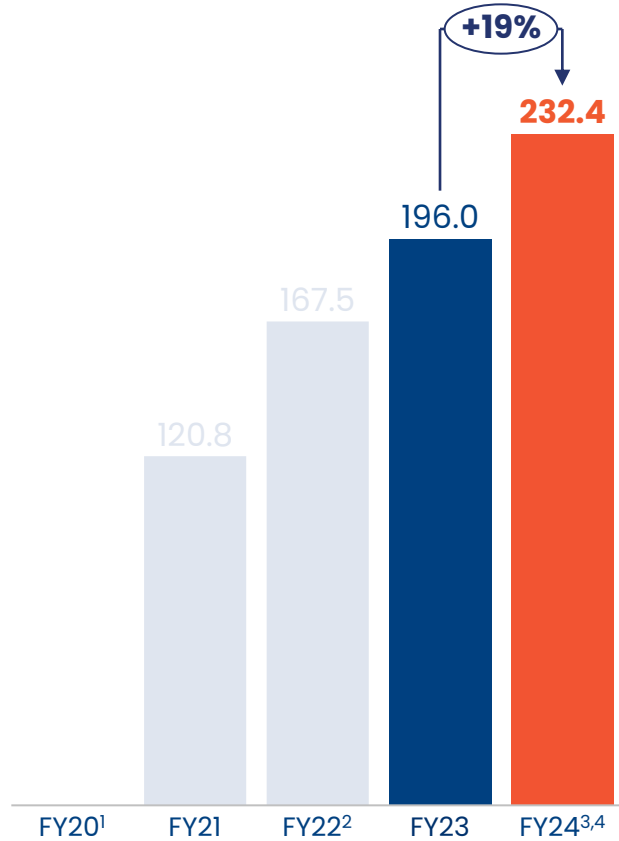


EBITDA (\$M)

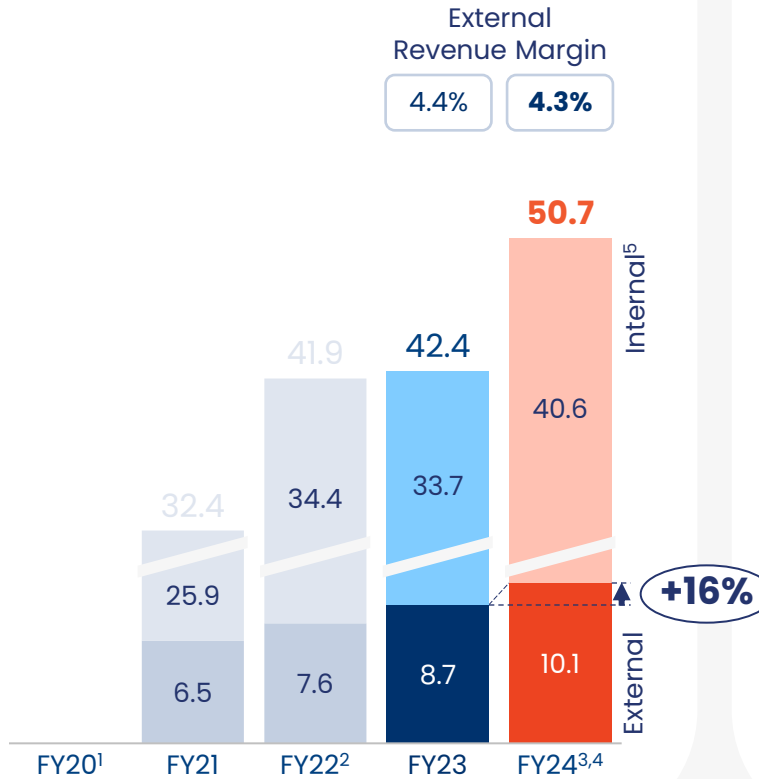


SaaS Consistent growth

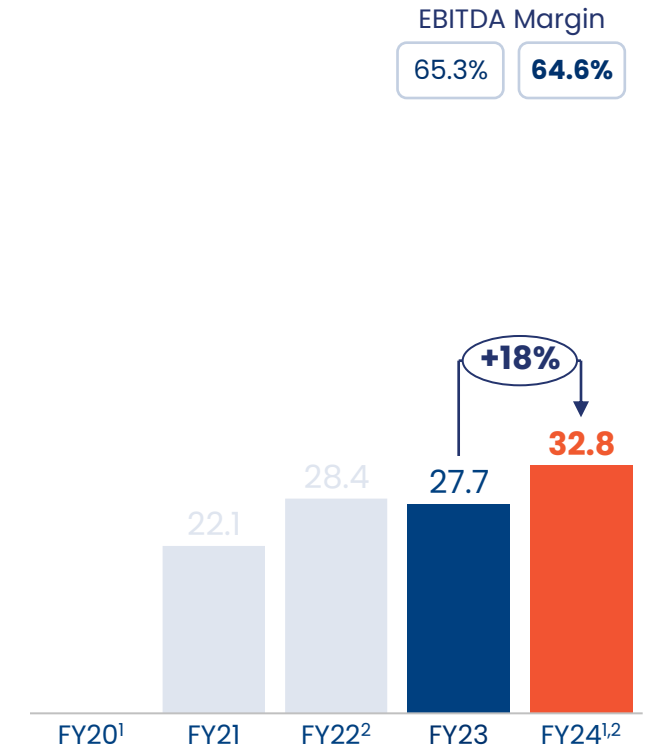
TTV (\$M)



Revenue (\$M)



EBITDA (\$M)



1. FY20 comparatives not available due to a changes in reportable segments following changes to the Group's operating model in FY2021.
2. Excludes \$767k TTV/Revenue and \$538k EBITDA of Intellitron Pty Ltd (sold on 30 June 2022).
3. St Helena Hospice transitioned to StarVale (Managed Service segment) from May-24.
4. Includes contribution from Jumbo Fundraising (LifeFlight Australia, and Paralympics) from 1 July 2023.
5. Lottery Retailing pays a licence fee (equivalent to 7.5% of relevant Lottery Retailing TTV) to SaaS, recognised in Lottery Retailing cost of sales and SaaS internal revenue.

Managed Services **Resilient performance**

Business
Update

By Segment

Financials

Conclusion |
Outlook

A\$'000	FY24			FY23 ¹			Variance %
	UK ²	Canada	Total	UK ³	Canada	Total	
TTV	169,313	108,075	277,388	103,778	102,278	206,056	↑ 34.6%
Revenue	17,065⁴	8,771	25,836	10,543	8,072	18,615	↑ 38.8%
Cost of Sales	(1,479)	(2,158)	(3,637)	(448)	(955)	(1,403)	↓ 159.2%
Gross Profit	15,586	6,613	22,199	10,095	7,117	17,212	↑ 29.0%
Operating Expenses ⁵	(10,783)	(4,703)	(15,486)	(6,690)	(4,224)	(10,914)	↓ 41.9%
EBITDA	4,803	1,910	6,713	3,405	2,893	6,298	↑ 6.6%
One-off items ⁶	-	109	109	-	244	244	↑ 55.1%
Underlying EBITDA	4,803	2,019	6,822	3,405	3,137	6,542	↑ 4.3%
<i>Revenue Margin</i>	10.1%	8.1%	9.3%	10.2%	7.9%	9.0%	↑ 3.1%
<i>Underlying EBITDA Margin</i>	28.1%	23.0%	26.4%	32.3%	38.9%	35.1%	↓ 24.9%

1. Excludes contribution from Jumbo Fundraising (LifeFlight Australia, and Paralympics), transitioned to SaaS segment from 1 July 2023.

2. St Helena Hospice transitioned to StarVale (Managed Service segment) from May-24.

3. StarVale completed 1 November 2022 (FY23 contribution of 8 months).

4. In FY24 there was a change in the revenue recognition of Gatherwell resulting in a reclassification of cost of sales to revenue by \$862k (£449k) with no impact on EBITDA.

5. Includes FV gain on financial liabilities, other income and other gains/(losses).

6. One-off relates to retention payments for key Stride management following finalisation of the earnout for the period ended 30 June 2023.

Capital Management **Enhanced flexibility**

Business
Update

By Segment

Financials

Conclusion |
Outlook

- **Strong balance sheet** with available funds¹ of \$60.9m (FY23: \$41.2m)
- **Refinanced existing debt facilities** via a new financing package with existing lender:
 - New \$50m committed facility
 - \$30m uncommitted accordion²
- **FY24 final ordinary dividend of 27.5 cps (FY24 total dividend of 54.5 cps):**
 - FY24 total Dividend Payout Ratio of 79.2% of statutory NPAT
 - Towards the top end of the targeted 65% to 85% range
 - Record date: 30 August 2024
 - Payment date: 20 September 2024
- **Disciplined approach** to execution of on-market share buy-back³:
 - \$3.2m completed as at 30 June 2024
 - Pace of buy-back impacted by M&A

Available Funds (\$m)	FY24	FY23
Cash and cash equivalents	69.0	54.5⁴
Customer deposits	(17.6)	(13.3)
Unrestricted cash	51.4	41.2
Term deposits ⁵	9.5	-
Available Funds	60.9	41.2

Balance Sheet (\$m)	FY24	FY23
Cash and cash equivalents	69.0	54.5 ⁴
Other current assets ⁵	20.6	16.5
Non-current assets	80.3	85.3
Total Assets	169.9	156.3
Current liabilities	47.2	44.9
Non-current liabilities	7.5	11.4
Total Liabilities	54.7	56.3
Net Assets Equity	115.2	100.0

1. Excluding customer account balances of \$17.6m (FY23: \$13.3m) and including term deposits \$9.5m (FY23: nil).

2. Additional facility is uncommitted and hence not subject to commitment fees, however availability is at lender's discretion.

3. On-market share buy-back of up to \$25m conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the program at any time. As at 30 June 2024, \$3.2m of shares had been purchased at an average price of \$12.74.

4. FY23 Closing Cash restated for an additional \$1.3M of Gatherwell held in trust not recognised in the Statement of Financial Position.

5. \$9.5M of term deposits over 3 months are classified as an "Other Current Asset".

Cash Generation **Strong organic capital generation**

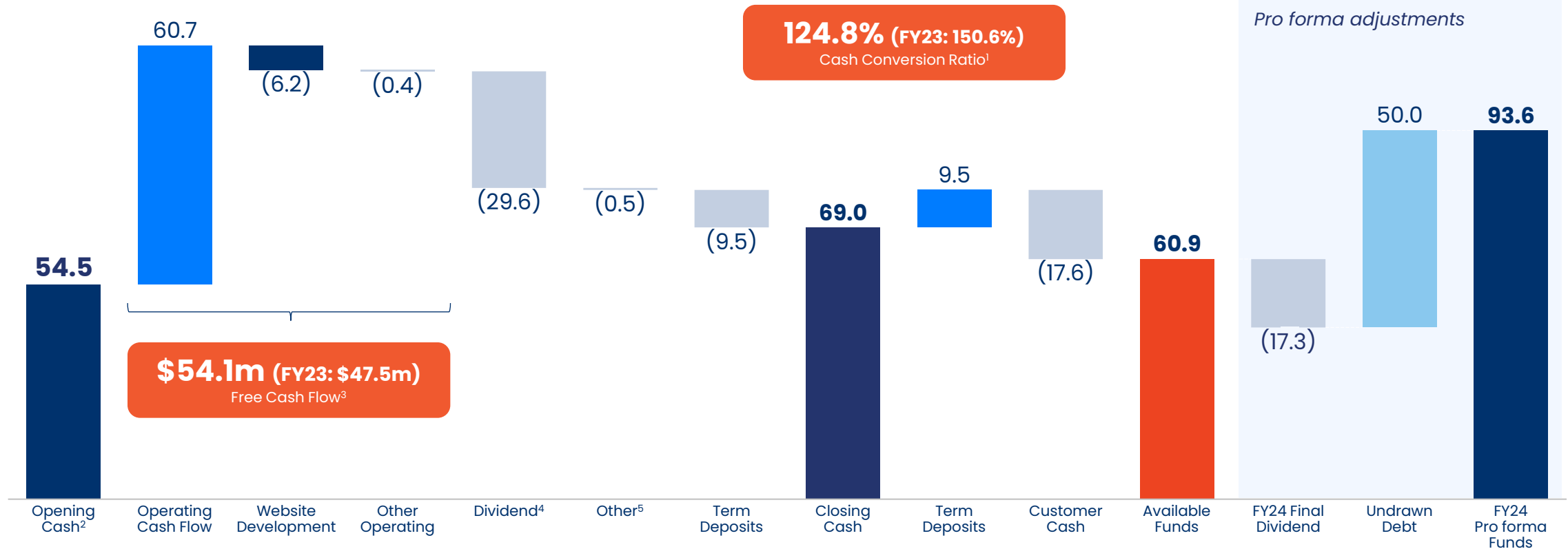
Business Update

By Segment

Financials

Conclusion | Outlook

Cash Flow Reconciliation (\$M)



1. Cash Conversion Ratio = Free cash flow / NPAT.

2. FY23 Closing Cash restated for an additional \$1.3M of Gatherwell held in trust not recognised in the Statement of Financial Position.

3. Free Cash Flow = Operating cash flow less capex.

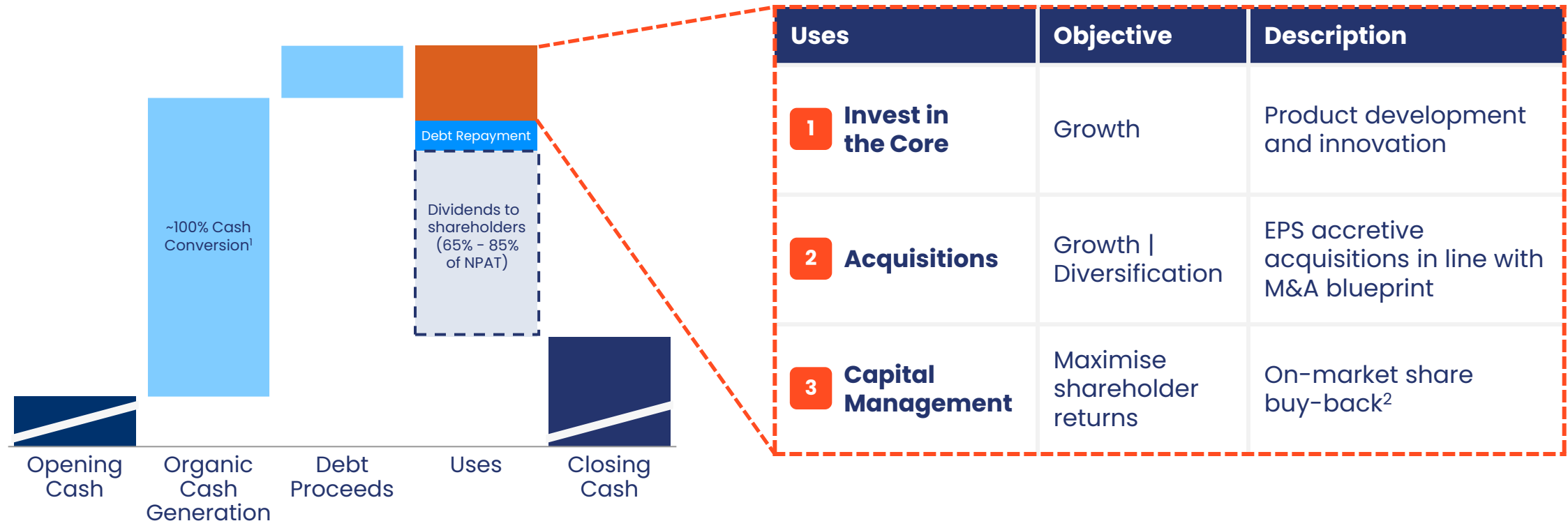
4. FY23 Final Dividend and FY24 Interim Dividend.

5. Reflects release of contingent consideration, share buybacks, net borrowings and FX differences.

Capital Management Framework

Focused on executing our growth strategy while maximising shareholder value

Future capital dynamics and dividend policy (Illustrative)



1. Cash Conversion Ratio = Free cash flow / NPAT (where Free Cash Flow = Operating cash flow less capex).

2. The timing and number of shares to be purchased continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the program at any time.

Conclusions & FY25 Outlook



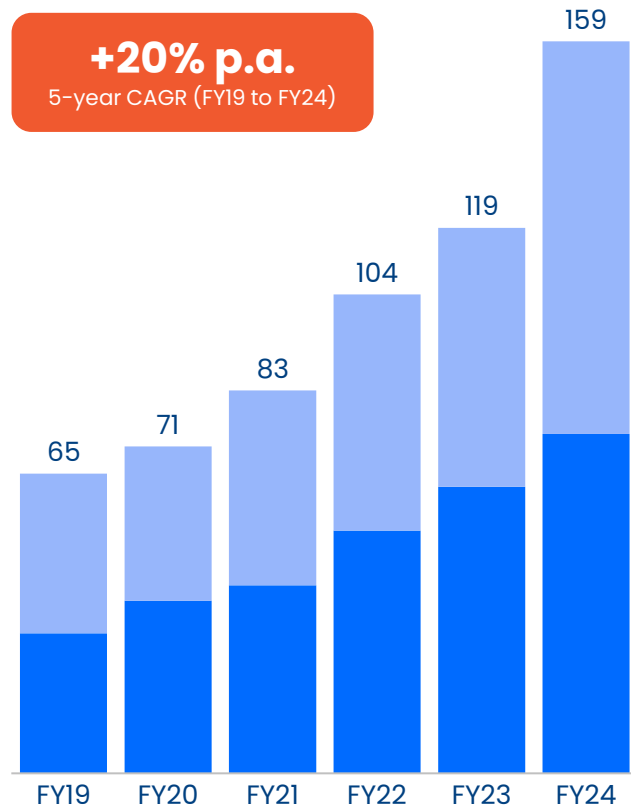
Mike Veverka
CEO and Founder



FY24 Results Successfully growing earnings and cash

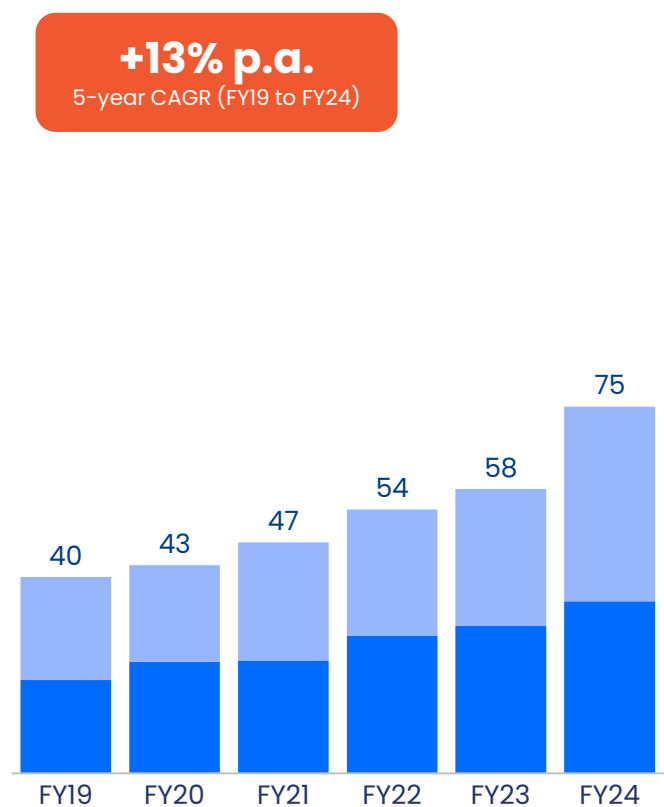
Revenue (\$M)

+20% p.a.
5-year CAGR (FY19 to FY24)



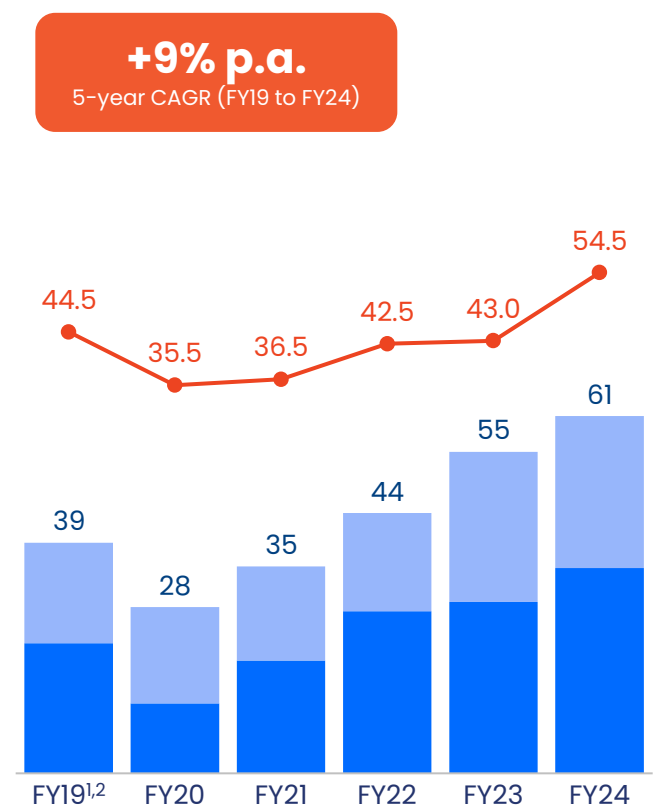
EBITDA (\$M)

+13% p.a.
5-year CAGR (FY19 to FY24)



Operating Cash Flow (\$M)

+9% p.a.
5-year CAGR (FY19 to FY24)



1. FY19 include special dividends.
2. Reflects timing impact where trade and other payables were \$22m (FY18:\$14m), as payments to TLC are one week in arrears.

Australia (Lottery Retailing + SaaS + Corporate)

51% – 53%

Underlying EBITDA Margin
(FY24: 52.2%)

Assumptions

- A return to the historical number of large jackpots:
 - 40 to 45 Powerball/Oz Lotto ≥ \$15m (FY24: 55)
- Flat TLC service fee¹ at 4.65%
- Flat/slightly higher Lottery Retailing revenue margin (FY24: 22.7%)
- Lottery Retailing marketing costs 1.5% to 2.0% of TTV (FY24: 1.89%), dependent on jackpots and product initiatives
- Low-teens underlying SaaS TTV growth (FY24: 19%)
- Flat/slightly lower SaaS external revenue margin (FY24: 4.3%)
- Modest increase in product development and innovation to drive future growth
- Operating cost base will be managed according to revenue growth

Growth and operating leverage focus

Managed Services (UK² | Canada)

21% – 23%

Underlying EBITDA Margin
(FY24: 26.4%)

Assumptions

- Flat-to-low single digit revenue growth reflecting:
 - Mid-to-high single digit growth in UK
 - Revenue decline in Canada as customer contracts across the lottery value chain are re-evaluated
- Modest investment to drive future growth
- Focus on building scale/capabilities through bolt-on acquisitions

Positioning for future growth

Group

46% – 48%

Underlying EBITDA Margin
(FY24: 48.1%)

Capital Management

- Target dividend payout ratio of 65% to 85% of statutory NPAT
- Acceleration of the on-market share buy-back³

1. Pursuant to the Reseller Agreements with TLC, the service fee increased from 1.5% of the subscription price in FY21 to 2.5% in FY22, 3.5% in FY23 and 4.65% in FY24 and thereafter. For FY21 to FY23, if the subscriptions exceed \$400m in the applicable year, then a service fee of 4.65% applied to the excess amount.

2. UK includes Gatherwell and StarVale.

3. On-market share buy-back of up to \$25m conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the program at any time. As at 30 June 2024, \$3.2m of shares had been purchased at an average price of \$12.74.

Artificial Intelligence

Established Initiatives



Staff Empowerment

Provide training and tool to **enhance coding**, provide **fast access** to information and **enhance employee effectiveness**



Marketing

We use machine learning to **analyse** player behaviour, **build** predictive models, and **refine** our marketing strategies.



Customer Support

We leverage AI to **enhance** B2B and B2C customer support.

Developing Initiatives



AI-focused team

We've established a **dedicated team** at focused on AI. Their task is to **assess its risks and benefits** and inform the company about generative AI's capabilities.



In-house AI service

We've **developed an in-house** AI service to enhance our products and services which boosts **functionality and efficiency**.

Try it now!
jumbointeractive.ai

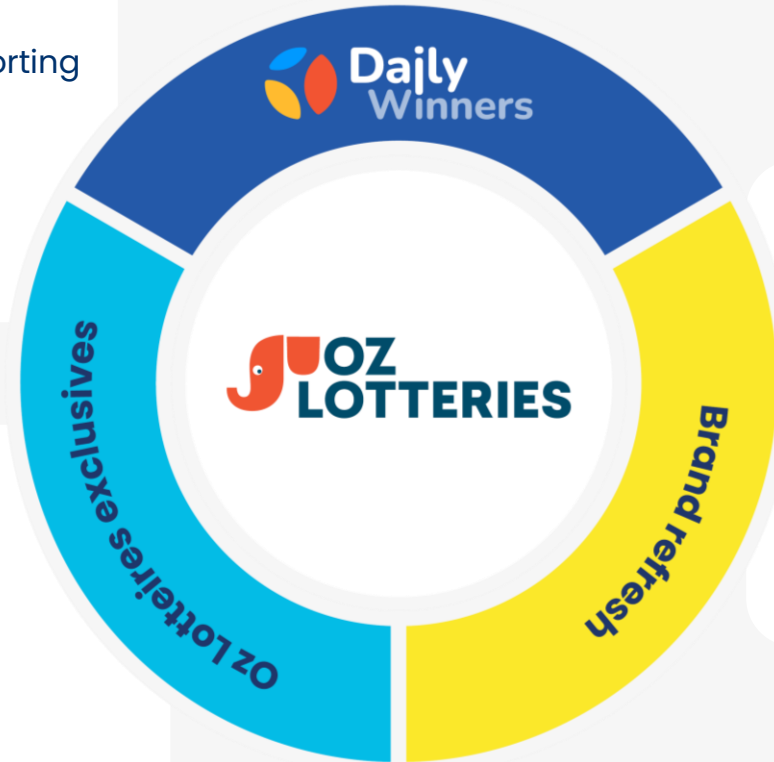


Daily Winners *Driving Player Engagement*

- ✓ **Enhance** the loyalty program with new exclusive rewards and partnerships supporting the premium proposition of Oz Lotteries.
- ✓ **Grow** the member base (free and premium tiers) leveraging positive player sentiment and ongoing promotions.

Learning from Splash for Good

- ✓ **Expand** the charitable lottery offerings with new initiatives similar to Splash For Good.
- ✓ **Develop** exclusive games tailored for the Oz Lotteries customer.



Content and Brand

- ✓ **Investment** in engaging content showing green shots
- ✓ Focus on uplifting our brand to **modernise** the Oz Lotteries image, enhancing brand recognition and appeal.
- ✓ **Update** the visual identity to align with the evolving player demographics and market trends.

Growth and Diversification over time

Business Update

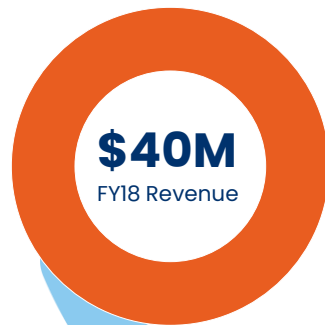
By Segment

Financials

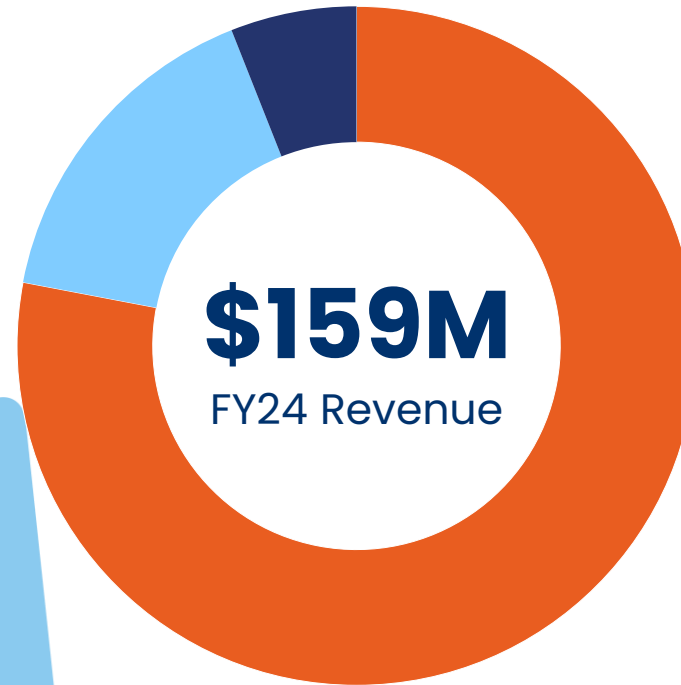
Conclusion | Outlook

Revenue by Segment (\$M)

- Australian Centric
- One customer
- Government Lottery



4x
Six years later



- Lottery Retailing
- Managed Services
- SaaS

- ✓ Global Footprint
- ✓ Diversify outside of TLC agreement
- ✓ Focus on Government and Charity Lotteries

A lot more to come...

1 Underlying Lotteries Growth

Consistent and resilient growth over the long term

Australian lottery sales over time (\$bn)

3.7% p.a.

Lottery Retailing A record Jackpot run

Oz Lotteries Moving Annual TTV*

2 Digital Penetration

Significant growth potential from online penetration

2022* total internet revenues as a % of total lottery sales

100%
47%

Growth in online penetration

Australia lottery sales through the online channel (%)

3 Growth in Active Players

Active players provide the foundation for future growth

Active players who made a purchase in the 12-month period (millions)

Canada
United Kingdom
Australia

FY15: 0.3, FY16: 0.4, FY17: 0.4, FY18: 0.4, FY19: 0.8, FY20: 1.0, FY21: 1.8, FY22: 2.9, FY23: 4.0, FY24: 4.6

4 International Expansion | M&A

Our blueprint for acquisitions

Our M&A strategy seeks to enhance the existing portfolio by acquiring new businesses that enable access to new markets, complementary capabilities and propositions, and to build operating scale.

Strategic objectives

- 1 Access to new regions, sectors and verticals
- 2 Develop complementary capabilities and revenue generating propositions
- 3 Consolidate position in market and build for operating scale

Business criteria

- Established business with proven track record of performance
- High calibre team and expertise (especially leadership)
- Significant growth potential
- Strongly complementary technology and lottery expertise
- Quality, performance, risk management and governance (ESG, legal, regulatory)

Financial criteria

- Highly complementary to our existing portfolio
- Clear path to operating scale
- Strongly complementary capabilities and propositions

Managed Services Leadership transition complete

New Leadership

- Tom Watson** - CEO, appointed 1st April 2024
- Marina Avilar** - CFO, appointed 1st April 2024

Immediate Priorities

- New business opportunities including M&A (e.g. Jumbo Win)
- Organisational realignment - Create an environment that supports staff and the business
- Improve customer experience and lottery outcomes
- Leverage off the proven track record in Australia

Significant Long Term Value

5 New Revenue Opportunities

Large, growing and underpenetrated serviceable available market

\$685bn

\$10.3bn

\$10.3bn

Exclusive content that creates winning moments

- Launched September 2023
- 5000+ winners
- Discounts from our retail partners
- \$20k in prizes in 24h
- Free to play entrance to Oz Lotteries
- \$100 prize daily
- \$1,000 prize on Friday
- \$75k - \$20k major prizes
- Special event draws

Software-as-a-Service positive momentum

Launched in October 2023

- Automated sales process (end of the week)
- 100% win rate
- 100% prize rate
- 100% customer satisfaction

6 Product Development and Innovation (including AI)

Digital lottery innovation

Artificial Intelligence

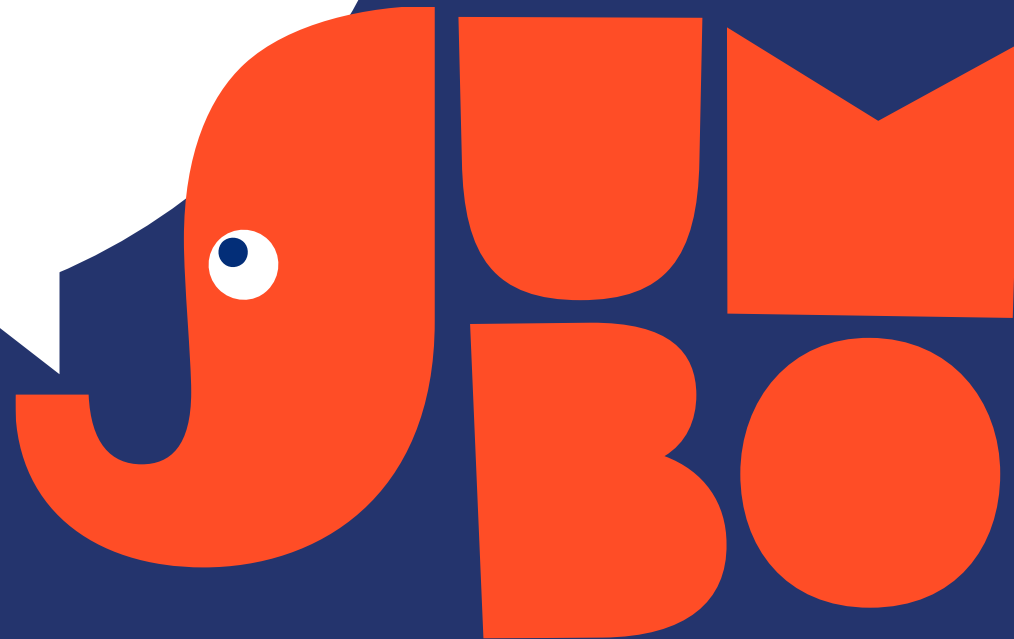
Established initiatives

- AI-powered customer support**
- AI-powered fraud detection**
- AI-powered marketing**
- AI-powered product development**
- AI-powered risk management**
- AI-powered compliance**

Developing initiatives

- AI-powered personalisation**
- AI-powered recommendation engine**
- AI-powered content generation**
- AI-powered image recognition**
- AI-powered video analysis**
- AI-powered audio analysis**

Questions

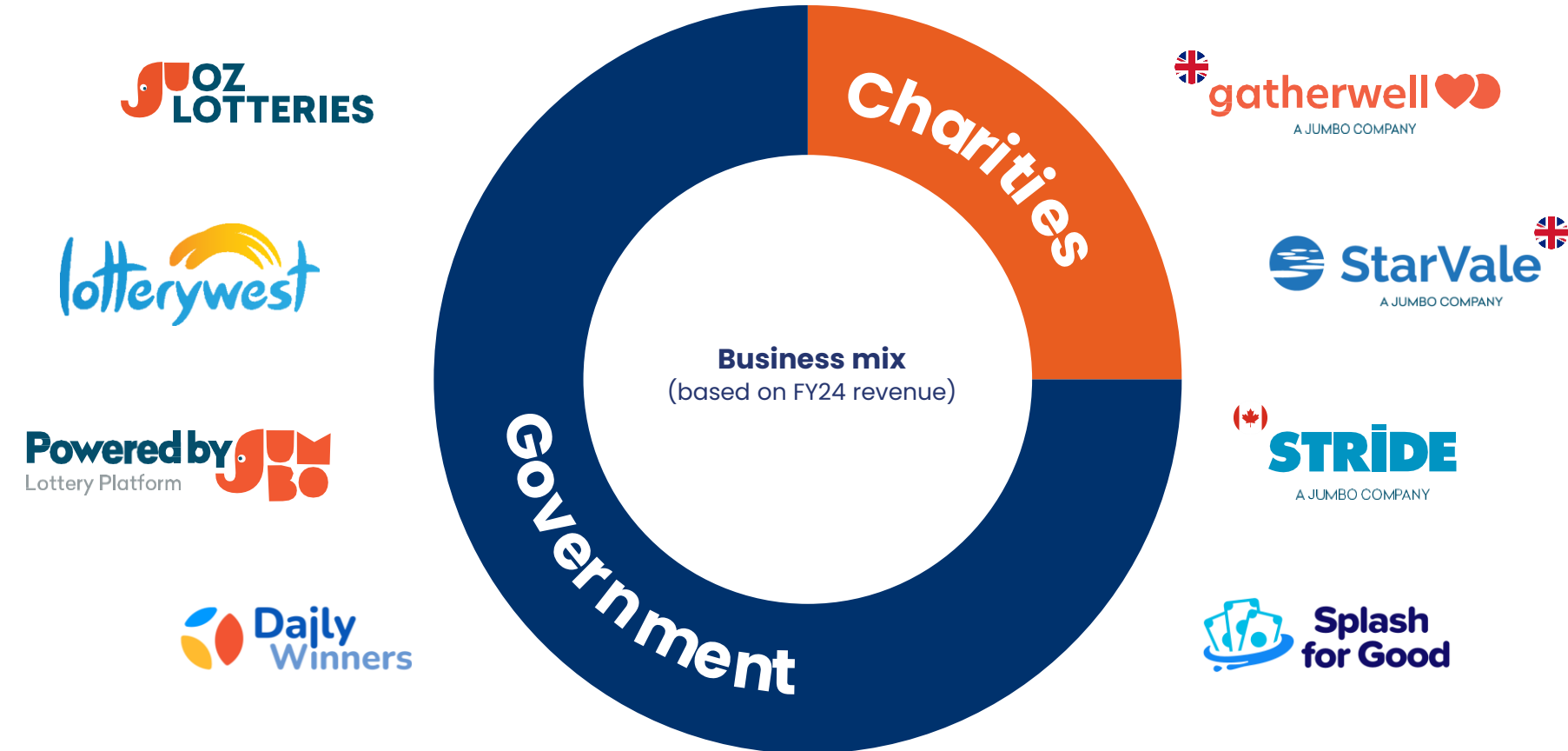


Supplementary Information



Jumbo is a digital lottery specialist

We provide our **proprietary lottery software platform** and **lottery management expertise** to the charity and government lottery sectors.



Our **three** operating segments

1

Lottery Retailing



Jumbo is an **authorised reseller**¹ of Australian digital lottery tickets through Oz Lotteries.



\$3.0B

Serviceable Available Market²

2

Software-as-a-Service



We license our 'Powered by Jumbo' **digital lottery platform** as a solution to government and charity lottery operators.



\$3.1B

Serviceable Available Market²

3

Managed Services

We provide our **lottery platform** and **lottery management services** to charities and causes that are looking to establish a lottery program or enhance an existing program.



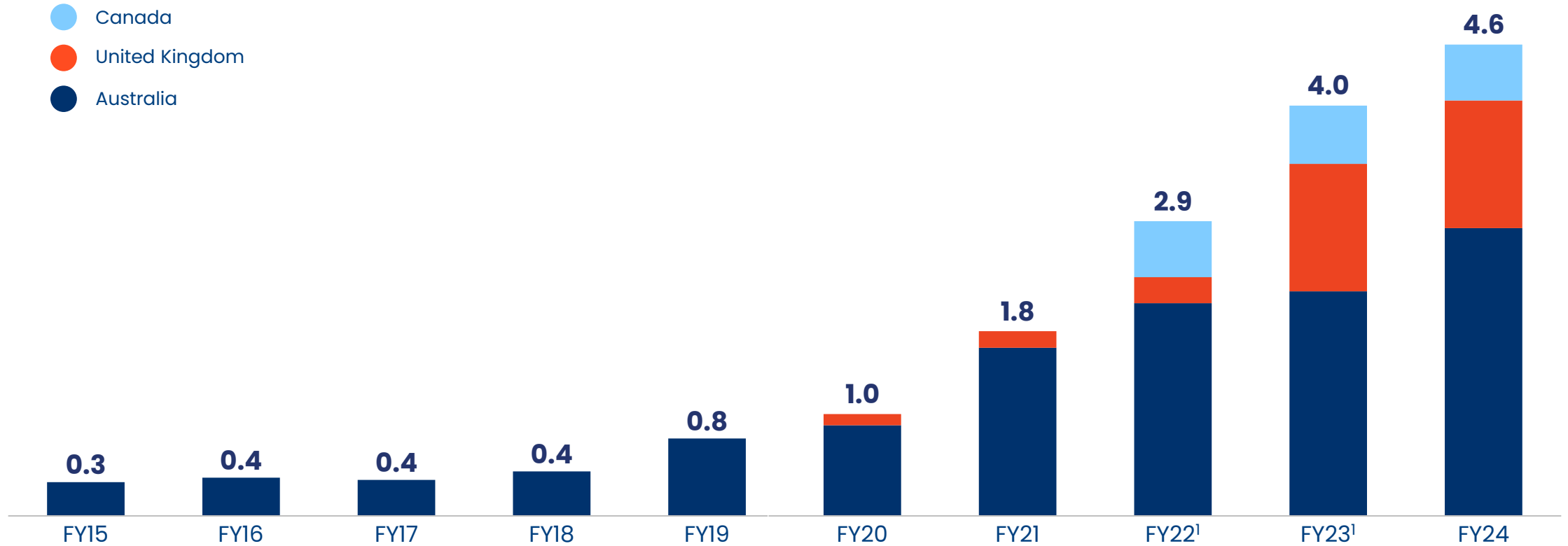
\$5.2B

Serviceable Available Market²

1. Jumbo is an authorised reseller of lottery tickets via Reseller Agreements with TLC. In August 2020, Jumbo extended its long running Reseller Agreements for a further 10 years to Aug-30. The Reseller Agreements do not cover the states of Queensland (due to small business restrictions limiting lottery agencies to businesses that employ less than 50 FTE) and Western Australia (where Jumbo has entered into a SaaS agreement to provide our proprietary lottery software platform and services for up to 10 years). The trademarks are licensed to applicable members of the Jumbo Group under the Reseller Agreements with TLC.
2. Reflects the portion of the market that can be acquired based on our existing business model, including existing product set and capabilities – please refer to Jumbo's FY23 Results Investor Presentation for further detail. Note, Lottery Retailing Serviceable Available market has been updated to reflect FY24 digital penetration.

Active players provide the **foundation for future growth**

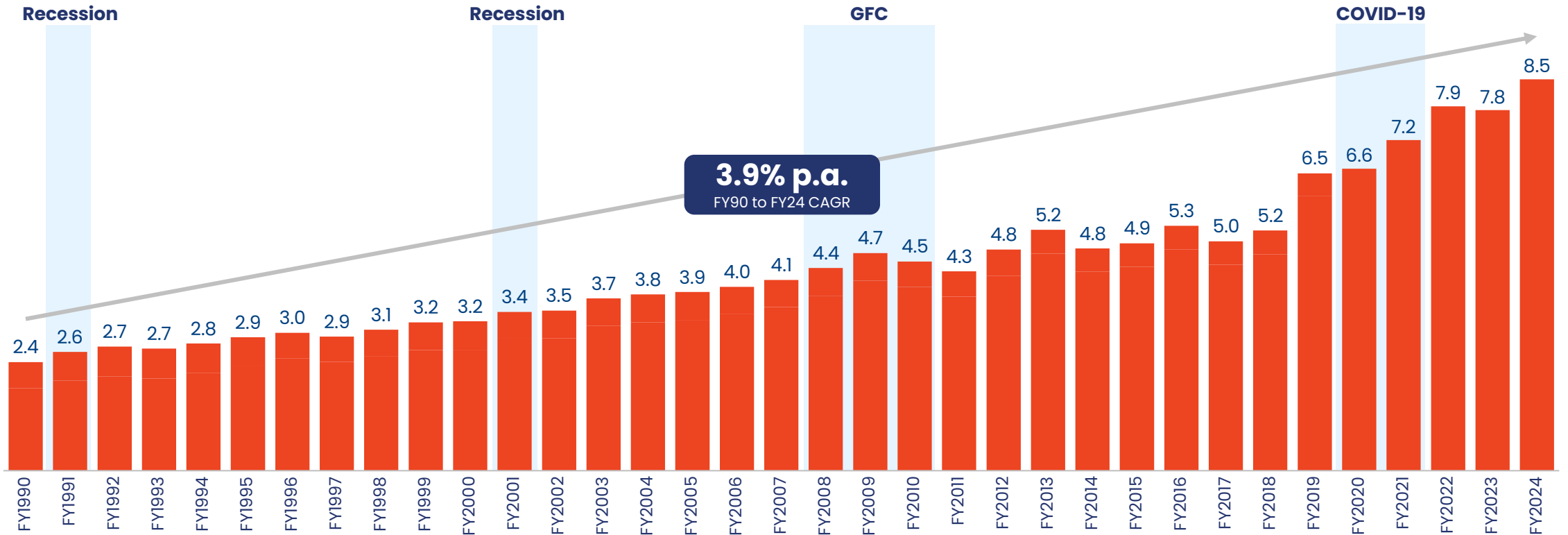
Active players who made a purchase in the 12-month period (millions)



1. Stride active players restated to align with Group methodology (551k in FY22 versus ~750k previously announced at time of acquisition). StarVale active players estimated for FY23 (~975k).

Consistent and resilient growth over the long term

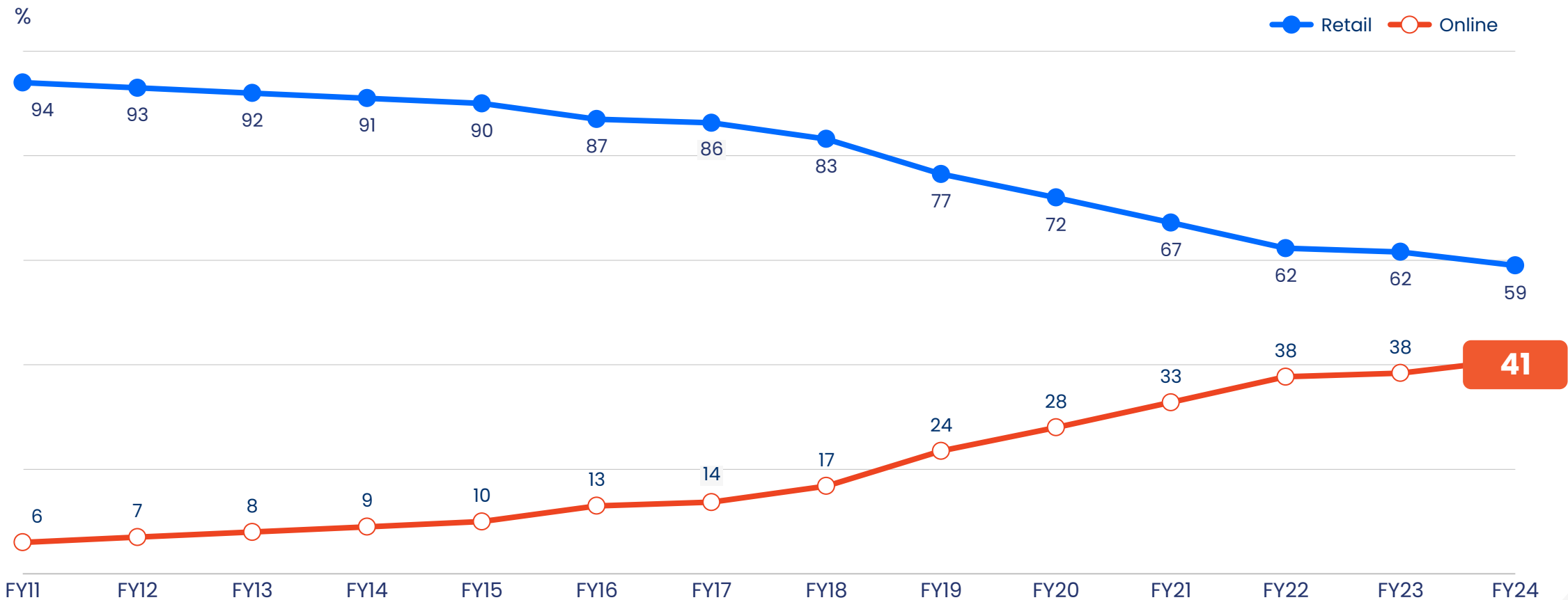
Australian lotteries sales over time (\$bn)



Source: Australian Gambling Statistics, Tabcorp, TLC, Lotterywest financial reports.

Growth in online penetration

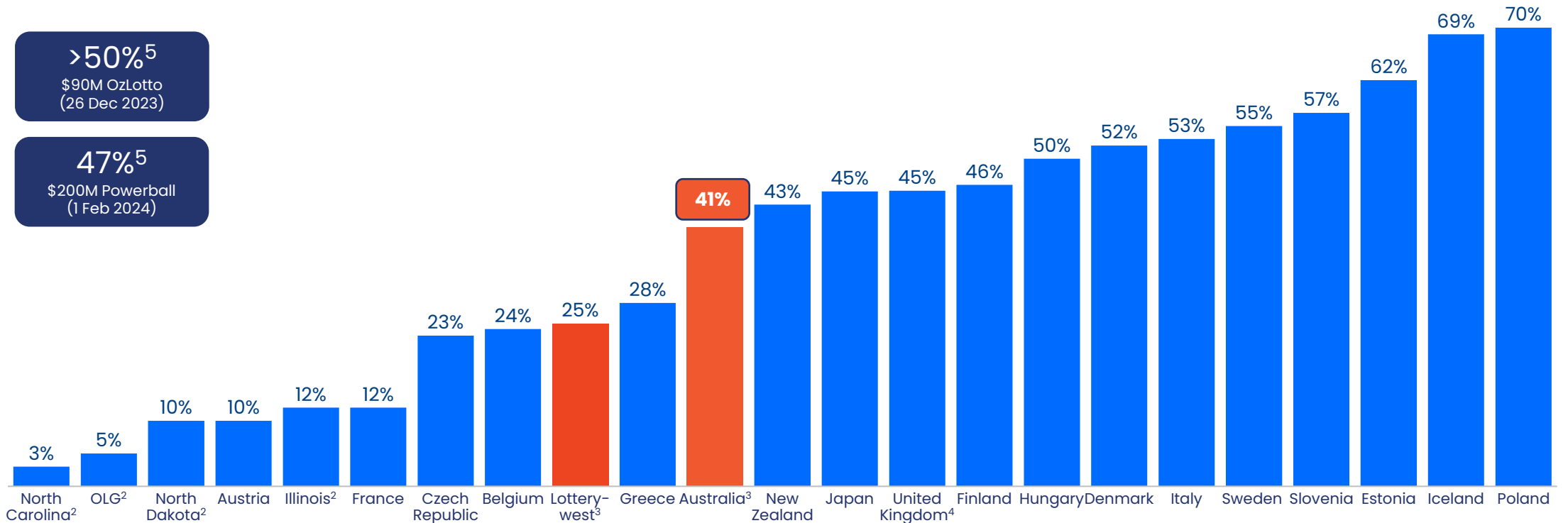
Australian lottery sales through the online channel (%)



Source: Tabcorp | TLC company reports; Management estimates.

Significant growth potential from online penetration

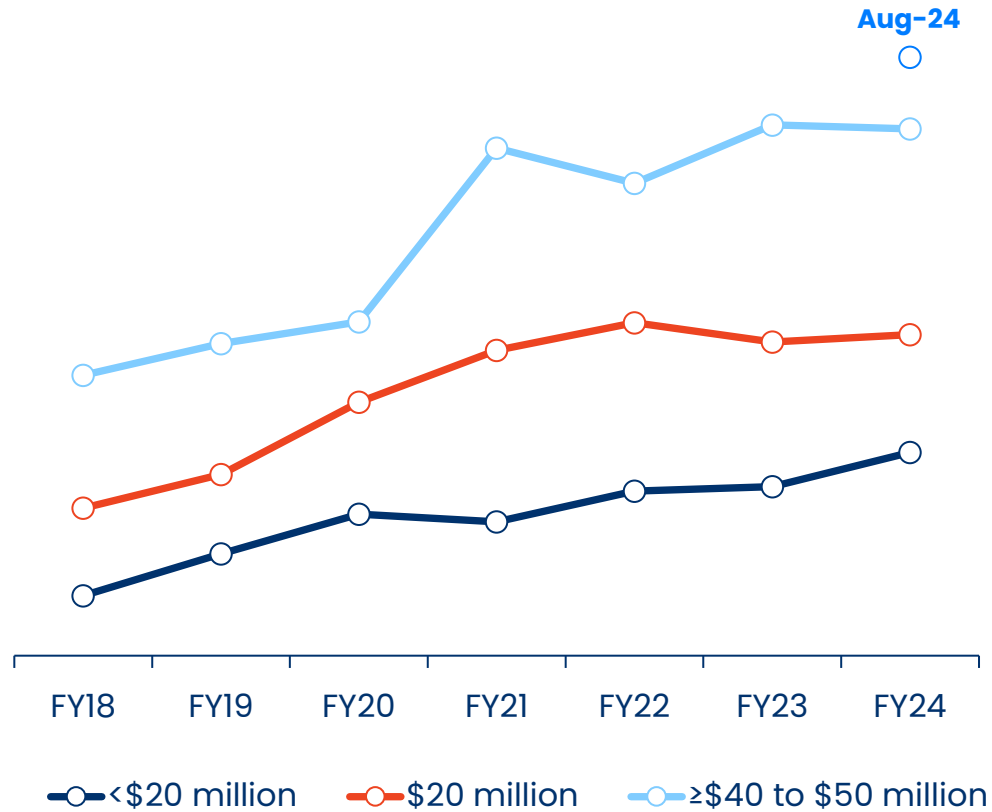
2022¹ total internet revenues as a % of total lottery sales



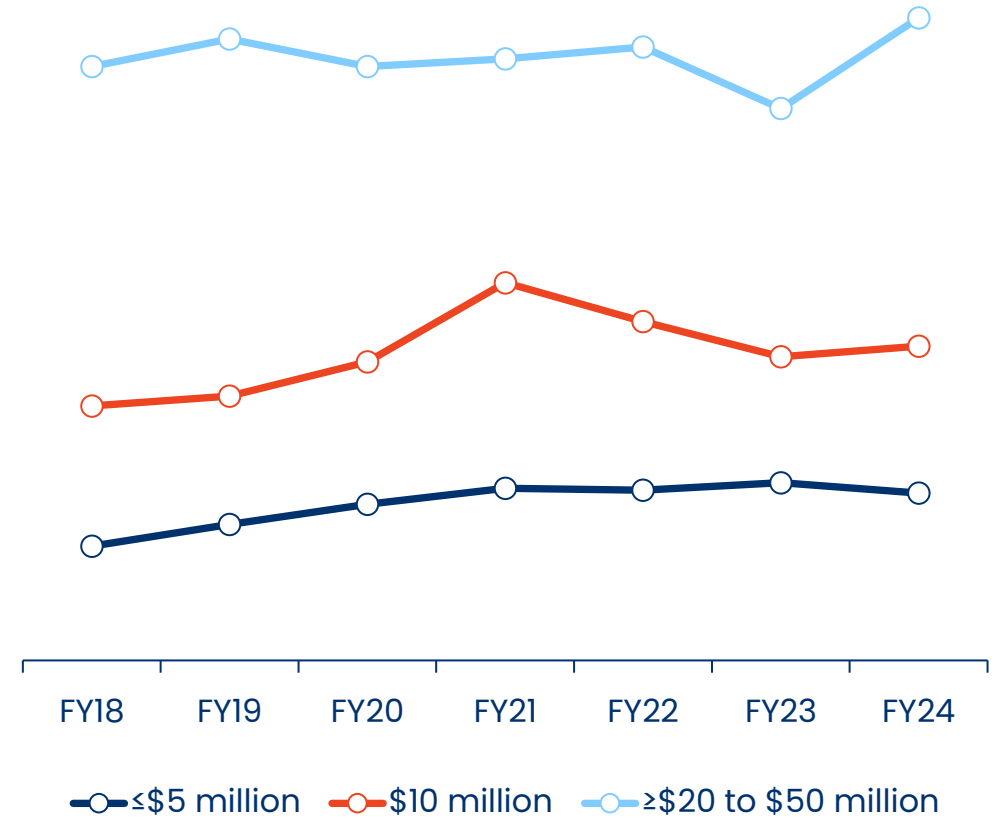
1. Based on calendar year 2022 performance.
 2. Solely sells draw games via the internet.
 3. Australia online penetration based on The Lottery Corporation's FY24 Results Presentation; Lotterywest (WA) online penetration based on FY23 figures from Lotterywest's 2023 Annual Report.
 4. For the 12 months 1 April 2022 to 31 March 2023.
 5. Digital penetration for individual draws based on The Lottery Corporation's IH24 Results Investor Presentation transcript | FY24 Results Presentation
- Source: La Fleur's 2023 Internet Report; Company annual reports/websites.

Average TTV per draw **remains robust**

Powerball (≤\$50 million)



OzLotto (≤\$50 million)



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2 Develop complementary capabilities and revenue generating propositions

3 Consolidate position in market and build for operating scale

Business criteria



Established business with proven track record of performance



Significant growth runway by leveraging Jumbo core IP (technology and lottery expertise)



High calibre team and expertise (typically founder-led)



Strong compliance, risk management and governance (incl. player welfare)

Financial criteria



Operating at scale, generates EBITDA ≥A\$3m per annum



Typically 5 – 7x EBITDA multiple¹



EPS accretion (typically in first year)



Attractive financial profile (EBITDA margin, ROIC²)

1. EBITDA multiple higher than 5 – 7x EBITDA may be considered should the acquisition deliver key strategic or transformational capabilities.
2. Return on invested capital.

Group FY24 Reconciliation to FY24 reported earnings

\$'000	Statutory			Underlying			Add/(deduct) significant one-off items \$'000	FY24	FY23
	FY24	FY23	Variance	FY24	FY23	Variance			
EBITDA	75,147	58,146	29.2%	76,563	58,915	30.0%	Acquisition costs ²	1,363	115
EBIT	62,789	46,851	34.0%	64,205	47,620	34.8%	Retention payments ³	109	244
NPAT	43,349	31,569	37.3%	44,169	33,099	33.4%	Other ⁴	(56)	410
NPATA ¹	45,554	33,743	35.0%	46,374	35,273	31.5%	EBITDA / EBIT adjustments (pre-tax)	1,416	769
EPS (cps)	68.9	50.2	37.3%	70.2	52.6	33.4%	Tax effect	(596)	761 ⁵
EPSA ¹ (cps)	72.4	53.6	35.1%	73.7	56.1	31.4%	NPAT / NPATA adjustments (post-tax)	820	1,530

1. Net profit after tax / Earnings Per Share before amortisation of acquired intangible assets.

2. The acquisition costs reflect one-off consulting & legal expenses including due diligence costs associated with acquisitions.

3. Retention payments were for key Stride management following finalisation of the earnout for the period ended 30 June 2023.

4. Other includes i) One-off costs of \$303,000 associated with an uplift in the internal control environment in Group Finance; ii) Redundancy costs of \$100,000, iii) Following an external review, it was identified that the historical VAT tax treatment for TMS Fiji was incorrect, resulting in a one-off expense of \$266,000, and iv) a \$725,000 fair value gain on financial liabilities primarily relating to the finalisation of the Stride earnout which was below the required earnings hurdle.

5. FY23 includes i) one-off retrospective tax charge of \$0.86 million in FY23 due to a change in the accounting and tax treatment of the capitalised \$15 million extension fee paid under the Reseller Agreements with The Lottery Corporation in August 2020; ii) less \$0.1m tax impact in relation to acquisition costs and retention payments.

Group FY24 Consolidated Results

\$'000	FY24			FY23			Variance		
	1HY	2HY	FY24	1HY	2HY	FY23	1HY	2HY	FY
TTV	484,482	569,131	1,053,613	417,045	434,888	851,933	16.2%	30.9%	23.7%
Revenue	73,884	85,450	159,334	62,389	56,323	118,712	18.4%	51.7%	34.2%
Cost of sales	(12,682)	(14,857)	(27,539)	(9,853)	(8,100)	(17,953)	(28.7%)	(83.4%)	(53.4%)
Gross profit	61,202	70,593	131,795	52,536	48,223	100,759	16.5%	46.4%	30.8%
Other revenue	205	(6)	199	173	150	323	18.5%	(104.0%)	(38.4%)
Expenses (excl. SBP)	(25,690)	(29,992)	(55,682)	(21,670)	(20,130)	(41,800)	(18.6%)	(49.0%)	(33.2%)
EBITDA (excl. SPB)	35,717	40,595	76,312	31,039	28,243	59,282	15.1%	43.7%	28.7%
Share-Based Payments (SBP)	(496)	(669)	(1,165)	(874)	(262)	(1,136)	43.2%	(155.3%)	(2.6%)
EBITDA	35,221	39,926	75,147	30,165	27,981	58,146	16.8%	42.7%	29.2%
Depreciation and amortisation	(4,517)	(4,576)	(9,093)	(4,317)	(4,295)	(8,612)	(4.6%)	(6.5%)	(5.6%)
EBITA	30,704	35,350	66,054	25,848	23,686	49,534	18.8%	49.2%	33.4%
Amort. of acquired intangible assets (IA)	(1,636)	(1,629)	(3,265)	(944)	(1,739)	(2,683)	(73.3%)	6.3%	(21.7%)
EBIT	29,068	33,721	62,789	24,904	21,947	46,851	16.7%	53.6%	34.0%
Net interest revenue	205	748	953	23	(235)	(212)	791.3%	(418.3%)	(549.5%)
NPBT	29,273	34,469	63,742	24,927	21,712	46,639	17.4%	58.8%	36.7%
Income tax expense ²	(9,119)	(11,274)	(20,393)	(7,741)	(7,329)	(15,070)	(17.8%)	(53.8%)	(35.3%)
NPAT	20,154	23,195	43,349	17,186	14,383	31,569	17.3%	61.3%	37.3%
Amortisation of IA after tax	915	1,290	2,205	746	1,428	2,174	22.7%	(9.7%)	1.4%
NPATA¹	21,069	24,485	45,554	17,932	15,811	33,743	17.5%	54.9%	35.0%

1. Net profit after tax and before amortisation of acquired intangible assets.

2. FY23 includes one-off retrospective tax charge of \$0.86 million in FY23 due to a change in the accounting and tax treatment of the capitalised \$15 million extension fee paid under the Reseller Agreements with The Lottery Corporation in August 2020.

Group FY24 Segment Results

\$'000	Lottery Retailing	SaaS	Managed Services	Corporate ³ Eliminations	Total	Australia (LR + SaaS + Corp)
TTV - Group	543,819	-	-	-	543,819	543,819
TTV - Third-party	-	232,406	277,388	-	509,794	232,406
Total TTV	543,819	232,406	277,388	-	1,053,613	776,225
Revenue - External	123,404	10,094	25,836	-	159,334	133,498
Revenue - Intersegment	-	40,640	-	(40,640) ⁴	-	-
Total Revenue	123,404	50,734	25,836	(40,640)	159,334	133,498
Cost of Sales - External	(23,541)	(361)	(3,637)	-	(27,539)	(23,902)
Cost of Sales - Intersegment	(40,640)	-	-	40,640 ⁴	-	-
Gross Profit	59,223	50,373	22,199	-	131,795	109,596
Employee Expenses	(3,590)	(12,211)	(8,958)	(1,423)	(26,182)	(17,224)
Marketing Expenses	(10,305)	(599)	(609)	(28)	(11,541)	(10,932)
Technology Expenses	(260)	(2,448)	(1,221)	(65)	(3,994)	(2,773)
Other Expenses ^{1,2}	(2,454)	(2,317)	(4,698)	(5,462)	(14,931)	(10,233)
Operating Expenses²	(16,609)	(17,575)	(15,486)	(6,978)	(56,847)	(41,162)
EBITDA	42,614	32,798	6,713	(6,978)	75,147	68,434
<i>EBITDA margin (%)</i>	34.5%	64.6%	26.0%	-%	47.2%	51.3%
Underlying EBITDA	42,614	32,798	6,822	(5,671)	76,563	69,741
<i>Underlying EBITDA margin (%)</i>	34.5%	64.6%	26.4%	-%	48.1%	52.2%

1. Includes consulting and legal, office and other costs

2. Includes FV gain on financial liabilities, other income and other gains/(losses).

3. Includes sovereign costs e.g. Directors' fees, CEO/CFO employee costs, share-based payments, insurance etc.

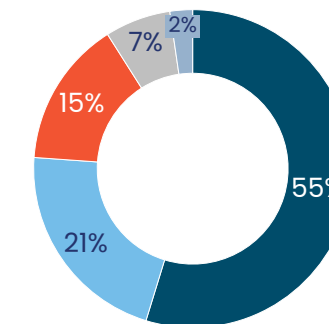
4. Elimination of intersegment.

Group FY24 Lottery Retailing

Financials		FY24	FY23	Variance %
Lotteries TTV	\$'000	531,445	441,606	20.3%
Charity TTV	\$'000	12,374	7,479	65.4%
Total TTV	\$'000	543,819	449,085	21.1%
Revenue	\$'000	123,404	91,287	35.2%
Cost of sales ¹	\$'000	(64,181)	(49,791)	28.9%
Gross Profit	\$'000	59,223	41,496	42.7%
Marketing Expenses	\$'000	(10,305)	(5,957)	73.0%
Other Expenses ²	\$'000	(6,304)	(5,005)	26.0%
Total Operating Expenses²	\$'000	(16,609)	(10,962)	51.5%
EBITDA	\$'000	42,614	30,534	39.6%
Marketing Expense (% of TTV)	%	1.89%	1.30%	42.9%
Revenue Margin	%	22.7%	20.3%	11.8%
EBITDA Margin	%	34.5%	33.4%	3.2%

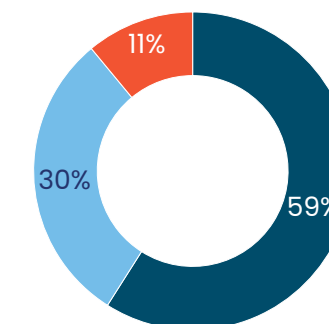
Key Statistics		FY24	FY23	Variance %
Number of jackpots ≥ \$15m	No.	55	42	31.0%
Average Division 1 (Jackpots of ≥ \$15m)	\$m	43.0	36.9	16.5%
Peak Division 1 jackpot	\$m	200	160	25.0%
Aggregate Division 1 jackpots on offer	\$m	2,365	1,550	52.6%
Number of new online accounts for the FY period	accounts	423,474	300,194	18.3%
Cost per lead	\$ / lead	18.87	17.86	5.7%
Number of active players for the previous 12-month period	Players	1,091,185	914,215	19.4%
Average spend per active online player	\$ / year	498.37	467.12	6.7%

TTV by Product (%)



■ Powerball
 ■ Saturday Lotto
 ■ Charities
■ Oz Lotto
 ■ Other

TTV by Platform (%)



■ Mobile App
 ■ Website
 ■ Autoplay

1. Pursuant to the Reseller Agreements with TLC, the service fee increased from 1.5% of the subscription price in FY21 to 2.5% in FY22, 3.5% in FY23 and 4.65% in FY24 and thereafter. For FY21 to FY23, if the subscriptions exceed \$400m in the applicable year, then a service fee of 4.65% applied to the excess amount.
 2. Includes FV gain on financial liabilities, other income and other gains/(losses).

Group FY24 Managed Services Results (Local Currency)

	Gatherwell (£'000)			StarVale ¹ (£'000)			UK ² (£'000)			Stride (C\$'000)		
	FY24	FY23	Var %	FY24	FY23	Var %	FY24	FY23	Var %	FY24	FY23	Var %
TTV	12,635	11,733	7.7%	75,502	46,677	61.8%	88,137	58,410	50.9%	96,027	94,446	1.7%
Revenue	3,090³	2,083	48.3%	5,793	3,895	48.7%	8,883³	5,978	48.6%	7,793	7,417	5.1%
Cost of sales	(770)	(256)	(200.8%)	-	-	-%	(770)	(256)	(200.8%)	(1,917)	(878)	(118.3%)
Gross profit	2,320	1,827	27.0%	5,793	3,895	48.7%	8,113	5,722	41.8%	5,876	6,539	(10.1%)
Operating Expenses ⁴	(1,767)	(1,476)	(19.7%)	(3,847)	(2,297)	(67.5%)	(5,614)	(3,773)	(48.8%)	(4,179)	(3,842)	(8.8%)
EBITDA	553	351	57.5%	1,946	1,598	21.8%	2,499	1,949	28.2%	1,697	2,697	(37.1%)
One-off items ⁵	-	-	-%	-	-	-%	-	-	-%	97	224	(56.6%)
Underlying EBITDA	553	351	57.5%	1,946	1,598	21.8%	2,499	1,949	28.2%	1,794	2,921	(38.6%)
Revenue Margin	24.5%	17.8%	37.8%	7.7%	8.3%	(8.1%)	10.1%	10.2%	(1.5%)	8.1%	7.9%	3.3%
Under. EBITDA Margin	17.9%	16.9%	6.2%	33.6%	41.0%	(18.1%)	28.1%	32.6%	(13.7%)	23.0%	39.4%	(41.5%)

1. Completed on 1 November 2022 (FY23 contribution of 8 months, nil in pcp).

2. UK is the consolidation of Gatherwell and StarVale.

3. In FY24 there was a change in the revenue recognition of Gatherwell resulting in a reclassification of cost of sales to revenue by £449k (A\$862k) with no impact on EBITDA.

4. Includes other income and other gains/(losses)

5. One-off items relates to retention payments for key Stride management in FY24 of CA\$97k (\$109k) following finalisation of the earnout for the period ended 30 June 2023, and preliminary payout of CA\$224k (\$244k) in FY23.

Financial Framework and P&L Drivers

		Lottery Retailing	SaaS	Managed Services	Corporate Eliminations
EBITDA ⁵	Revenue	<ul style="list-style-type: none"> Revenue Margin % x TTV 	<ul style="list-style-type: none"> % of External TTV Intersegment Fee: % of LR TTV² 	<ul style="list-style-type: none"> % of TTV Fee for Service⁴ 	<ul style="list-style-type: none"> Removal of SaaS Intersegment Fee²
	Cost of Sales	<ul style="list-style-type: none"> TLC Service Fee: % of subscription ticket cost¹ Intersegment Fee: % of TTV² Merchant Fee: % x TTV Other (e.g. scratch ticket production costs for Fiji) 	<ul style="list-style-type: none"> Merchant Fee: % x TTV³ 	<ul style="list-style-type: none"> Merchant Fee: % x TTV 	<ul style="list-style-type: none"> Removal of LR Intersegment Fee²
	Opex	<ul style="list-style-type: none"> Marketing Costs Employee Costs Other including general and administrative costs 	<ul style="list-style-type: none"> Technology Costs Employee Costs Other including general and administrative costs 	<ul style="list-style-type: none"> Employee Costs Other including general and administrative costs 	<ul style="list-style-type: none"> Sovereign Costs (e.g. Directors' fees, CEO/CFO Costs, Share Based Payments, Consulting and Legal, insurance etc)

- Pursuant to the Reseller Agreements with TLC, the service fee increased from 1.5% of the subscription price in FY21 to 2.5% in FY22, 3.5% in FY23 and 4.65% in FY24 and thereafter. For FY21 to FY23, if the subscriptions exceed \$400m in the applicable year, then a service fee of 4.65% applied to the excess amount.
- Lottery Retailing pays a licence fee (equivalent to 7.5% of relevant Lottery Retailing TTV) to SaaS, recognised in Lottery Retailing cost of sales and SaaS' internal revenue. This is netted off through an intersegment elimination on consolidation.
- Merchant fees incurred for Lotterywest only, equivalent to ~0.95% of Lotterywest TTV.
- Managed Services principally comprises Gatherwell (UK), StarVale (UK) and Stride (Canada). Revenue generated from these businesses reflects a combination of the contractual arrangements in place for services provided and a % of TTV revenue model.
- "Underlying EBITDA" excludes significant one-off items (non-operating / non-recurring expenses).