



21 February 2024

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

2024 HALF YEAR RESULTS INVESTOR PRESENTATION

Attached is a copy of the slides that will be presented at The Lottery Corporation's 2024 Half Year Results Briefing today.

The Briefing will commence at 10:30am (Melbourne time). You may register to view the Briefing [here](#).

A webcast and a transcript of the Briefing will be available on The Lottery Corporation's website following the live event.

This announcement was authorised for release by the Board of The Lottery Corporation.

For more information

Media: Rick Wallace, Senior Manager Corporate Affairs +61 3 9737 5724

Investors/Analysts: Chris Richardson, GM Treasury & Investor Relations +61 3 9737 5758

1H24 Half Year Results Presentation

Half Year ended 31 December 2023

21st February 2024





**A world-class
lotteries
business**

**\$900
MILLION**



Table of Contents

04 - 08	Group Overview
10 - 16	Business Results
18 - 19	Capital
21 - 24	Strategy & Conclusion
26 - 31	Appendices

1H24 highlights

A resilient performance from a balanced portfolio

27

Solid business performance

- Revenue resilient amid softer consumer conditions
- Benefits of a diversified and balanced portfolio evident
- Solid result versus a pcp that benefited from timing of Saturday lotto Mid-Year Megadraw and unusually large Lucky Lotteries[®] Super jackpots



Proactive management initiatives delivering results

- Oz Lotto[®] game change increased the probability of large jackpots which helped to deliver \$70m and \$90m jackpots
- Strong retention of 9% Powerball[®] subscription price increase
- 200bps commission rate increase, supporting small business sustainability
- Increased Lotteries digital penetration



Ongoing strategic execution

- Initiatives to further enhance the customer experience – it starts with convenience
- Significant progress on new game development – Weekday Windfall
- Heightened activity to enhance value of existing licences
- Continue to deliver plan that has driven long-term growth



Delivering value for stakeholders

- Interim dividend 8.0cps, payout ratio 91%
- Significant taxes to governments (\$885 million) and commissions to retailers and venue partners (\$347 million)
- Continued delivery of low-spend, mass participation products; promoting responsible play and contributing to communities

The Lottery Corporation

The leader in Australia's lotteries and Keno market and one of the highest performing lotteries businesses globally



Exclusive and/or long dated licences and approvals



Low-spend, mass participation model underpins wide community acceptance



Diversified and balanced portfolio of high-profile and recognised brands



Significant and diverse retail distribution; further upside potential from digital growth



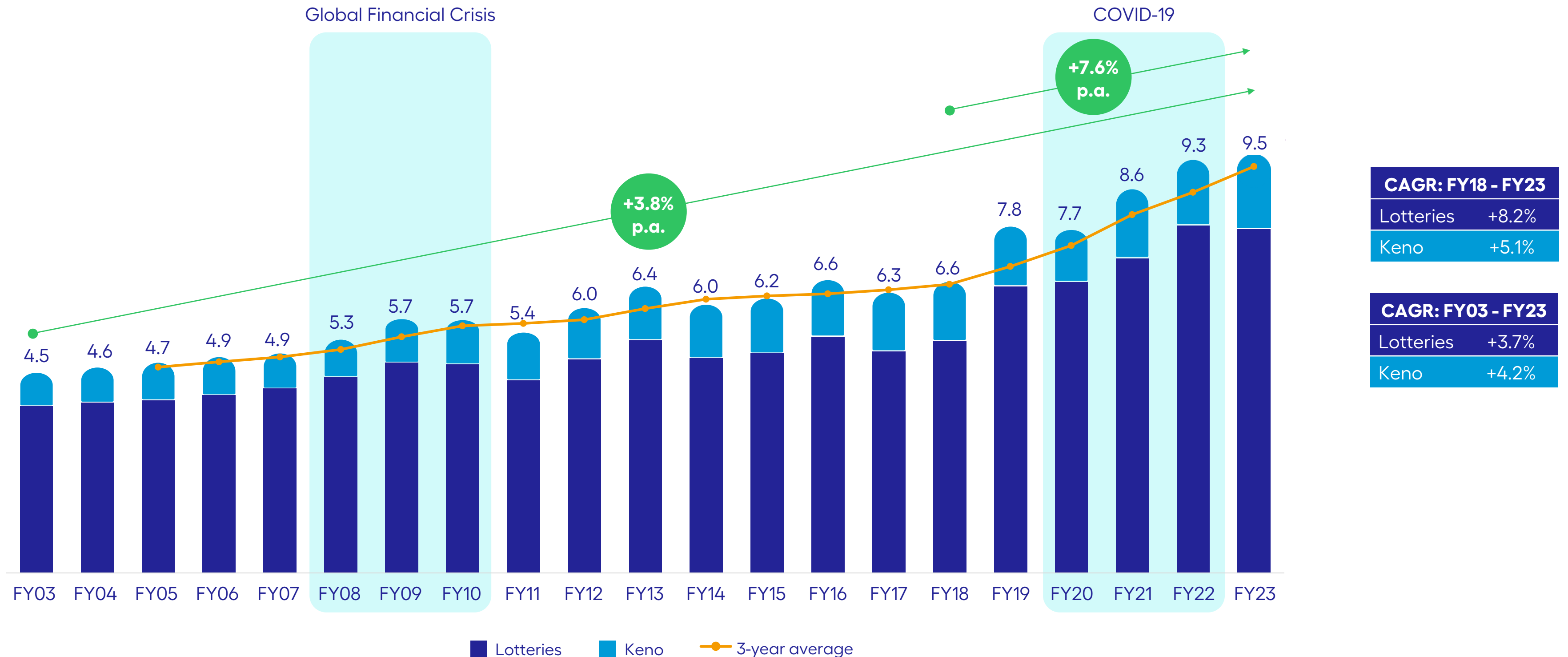
Highly defensive characteristics, including strong cashflow generation, and low capital intensity



A track record of sustained growth and resilience

Growth in the rolling 3-year average turnover has always been positive, notwithstanding some short-term fluctuations due to jackpot variability

Australian Industry Turnover – Lotteries and Keno (A\$bn)^{1,2}



Notes:

1. Source: Australian Gambling Statistics (AGS), 38th edition, for period FY03 to FY21
2. Estimates by The Lottery Corporation of the Australian industry for FY22 to FY23

1H24 Group Results

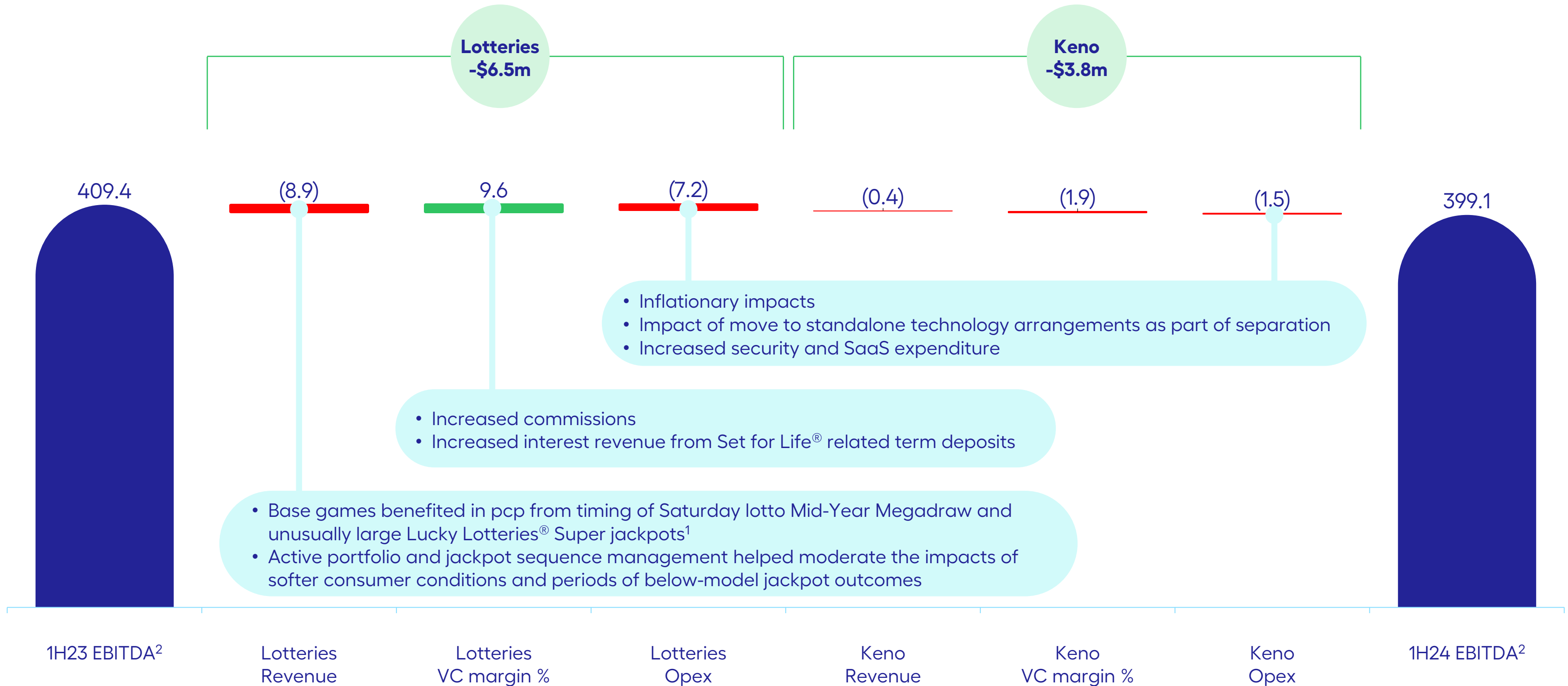
\$m	1H24	1H23	Change	
			\$	%
Revenue	1,884.9	1,920.2	(35.3)	(1.8%)
Variable contribution	534.3	535.9	(1.6)	(0.3%)
Operating expenses	(135.2)	(126.5)	(8.7)	(6.9%)
EBITDA (before significant items)¹	399.1	409.4	(10.3)	(2.5%)
D&A	(52.1)	(48.6)	(3.5)	(7.2%)
EBIT (before significant items)¹	347.0	360.8	(13.8)	(3.8%)
Interest	(61.4)	(60.4)	(1.0)	(1.7%)
Tax expense	(90.6)	(93.1)	2.5	2.7%
NPAT (before significant items)¹	195.0	207.3	(12.3)	(5.9%)
Significant items (after tax) ^{1,2}	22.4	(34.4)	56.8	n.m.
NPAT (including significant items)	217.4	172.9	44.5	25.7%
EPS (before significant items) ¹	8.8 cps	9.3 cps	(0.5)	(5.4%)
EPS (including significant items)	9.8 cps	7.8 cps	2.0	25.6%
DPS (fully franked) – interim	8.0 cps	8.0 cps	-	-
DPS (fully franked) – special	n.a.	1.0 cps	n.a.	n.a.

Notes:

1. This is “Non-IFRS” information and is unaudited
2. Refer Appendix 1 for details

Group EBITDA

Solid result versus a pcp that benefited from timing of Saturday lotto Mid-Year Megadraw and unusually large Lucky Lotteries® Super jackpots¹



Notes:

1. Total estimated turnover impact of c.\$95m (refer footnotes on slide 10 for detail) which equates to an estimated EBITDA impact of c.\$10m
2. Before significant items. This is "Non-IFRS" information and is unaudited

Table of Contents

04 - 08	Group Overview
10 - 16	Business Results
18 - 19	Capital
21 - 24	Strategy & Conclusion
26 - 31	Appendices

Lotteries: Result Summary

Revenue resilient amid softer consumer conditions

Active portfolio and jackpot sequence management helped moderate the impacts of softer consumer conditions and periods of below-model jackpot outcomes

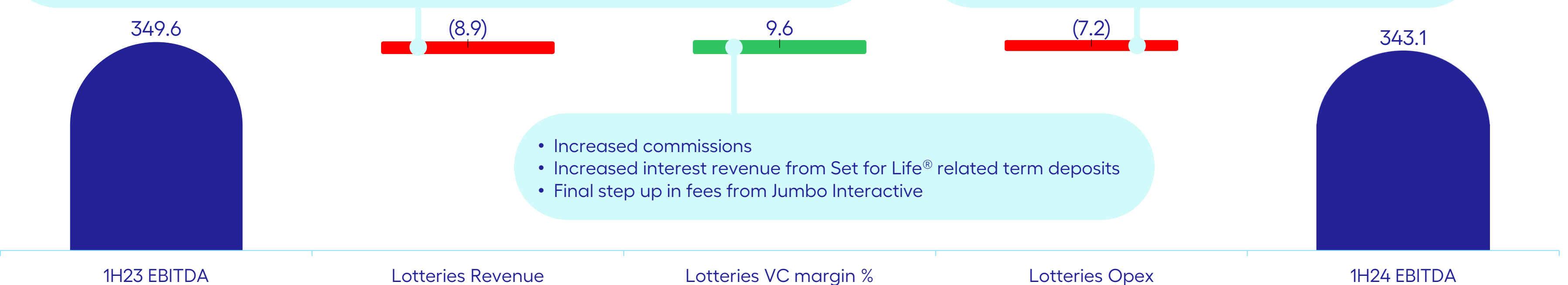
Resumption of growth in digital share (up 120bps to 39.6%) following a period of consolidation of COVID gains

Resilience of demand evident in like-for-like sales levels of base games and base weeks (jackpot games)

\$m	1H24	1H23	Change
Revenue	1,738.3	1,772.8	(1.9%)
Variable contribution	456.6	455.9	0.2%
Operating expenses	(113.5)	(106.3)	(6.8%)
EBITDA (before significant items)	343.1	349.6	(1.9%)
D&A	(35.8)	(33.7)	(6.2%)
EBIT (before significant items)	307.3	315.9	(2.7%)
VC / Revenue %	26.3%	25.7%	0.6%
Opex / Revenue %	6.5%	6.0%	(0.5%)
EBITDA / Revenue %	19.7%	19.7%	-

- Positive impacts from Powerball® subscription price change and increased commissions
- Like-for-like turnover down c.2–4% for most games due to softer consumer conditions
- Base games benefited in pcp from timing of Saturday lotto Mid-Year Megadraw^{1,3} and unusually large Lucky Lotteries® Super jackpots^{2,3}

- Inflationary impacts
- Impact of move to standalone technology arrangements as part of separation
- Increased security and SaaS expenditure



- Increased commissions
- Increased interest revenue from Set for Life® related term deposits
- Final step up in fees from Jumbo Interactive

Notes:

1. Saturday lotto's 2022 Mid-Year Megadraw occurred in July 2022 (i.e. 1H23), whereas the equivalent 2023 event occurred in June 2023 (i.e. 2H23) – 1H23 turnover impact of c.\$45m
2. In 1H23 Lucky Lotteries® Super Jackpot peaked at a record \$33m vs a previous record of \$16m – 1H23 turnover impact of c.\$50m
3. Total estimated turnover impact of c.\$95m which equates to an estimated EBITDA impact of c.\$10m

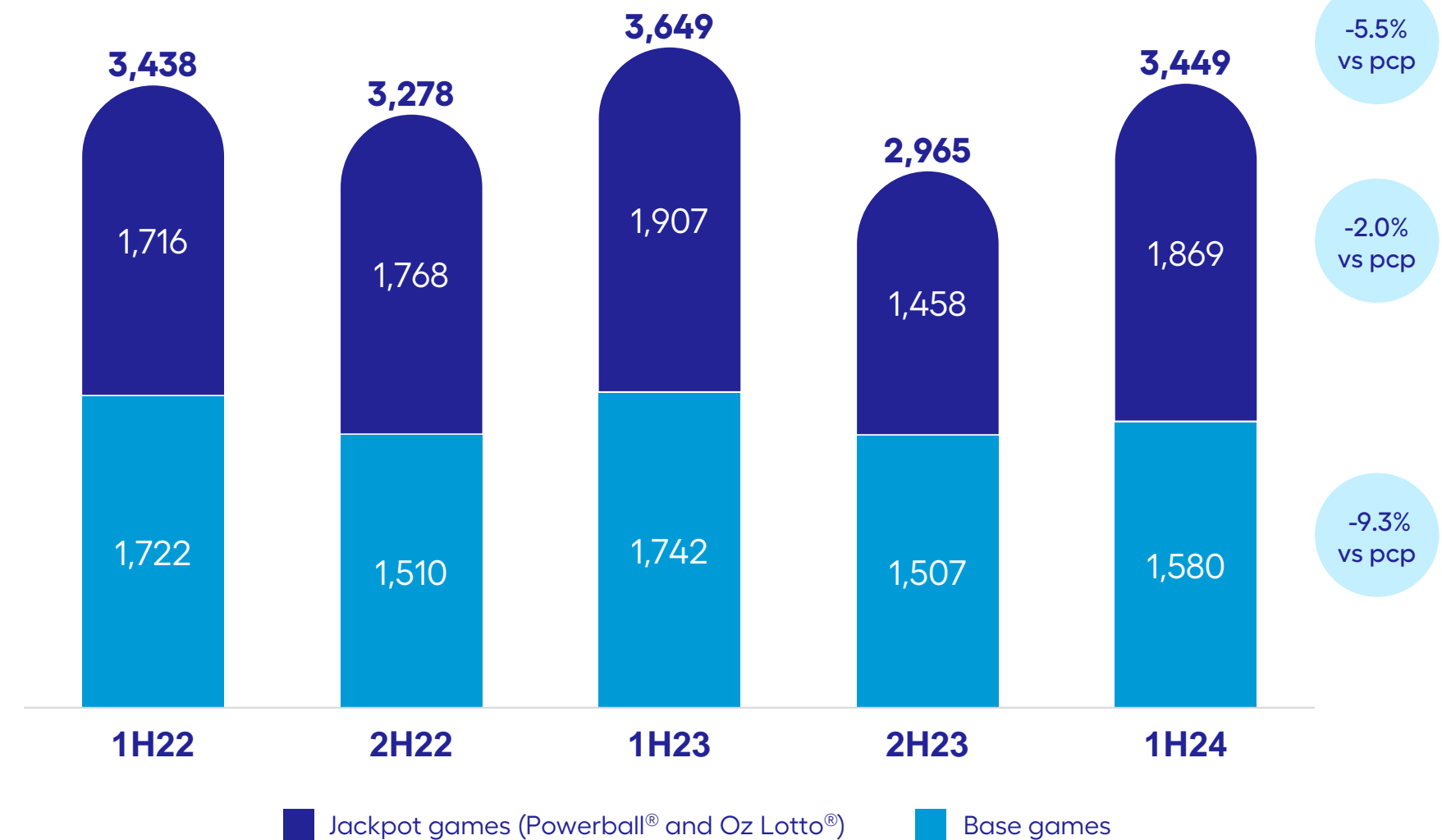
Lotteries: KPIs – Product

Medium-term growth rates illustrate strength of underlying business performance

Turnover Growth (including medium-term CAGR)

	1H24 (v 1H23)		CAGR: 1H20 - 1H24 ³	
	Actual ¹	Like-for-like ^{1,2}	Actual ¹	Like-for-like ^{1,2}
Powerball [®]	(16.0%)	7.1%	0.9%	8.0%
Oz Lotto [®]	41.2%	(3.7%)	8.8%	1.0%
Saturday lotto	(9.6%)	(2.9%)	4.6%	4.9%
Mon & Wed lotto	(2.4%)	(2.4%)	0.0%	0.0%
Set for Life [®]	(3.6%)	(3.6%)	9.7%	9.7%
Lucky Lotteries [®]	(54.1%)	n.m. ⁴	n.m. ⁵	n.m. ⁵
Instant Scratch-Its [®]	(3.0%)	(3.0%)	3.6%	3.6%

Turnover by Product Type (\$m)

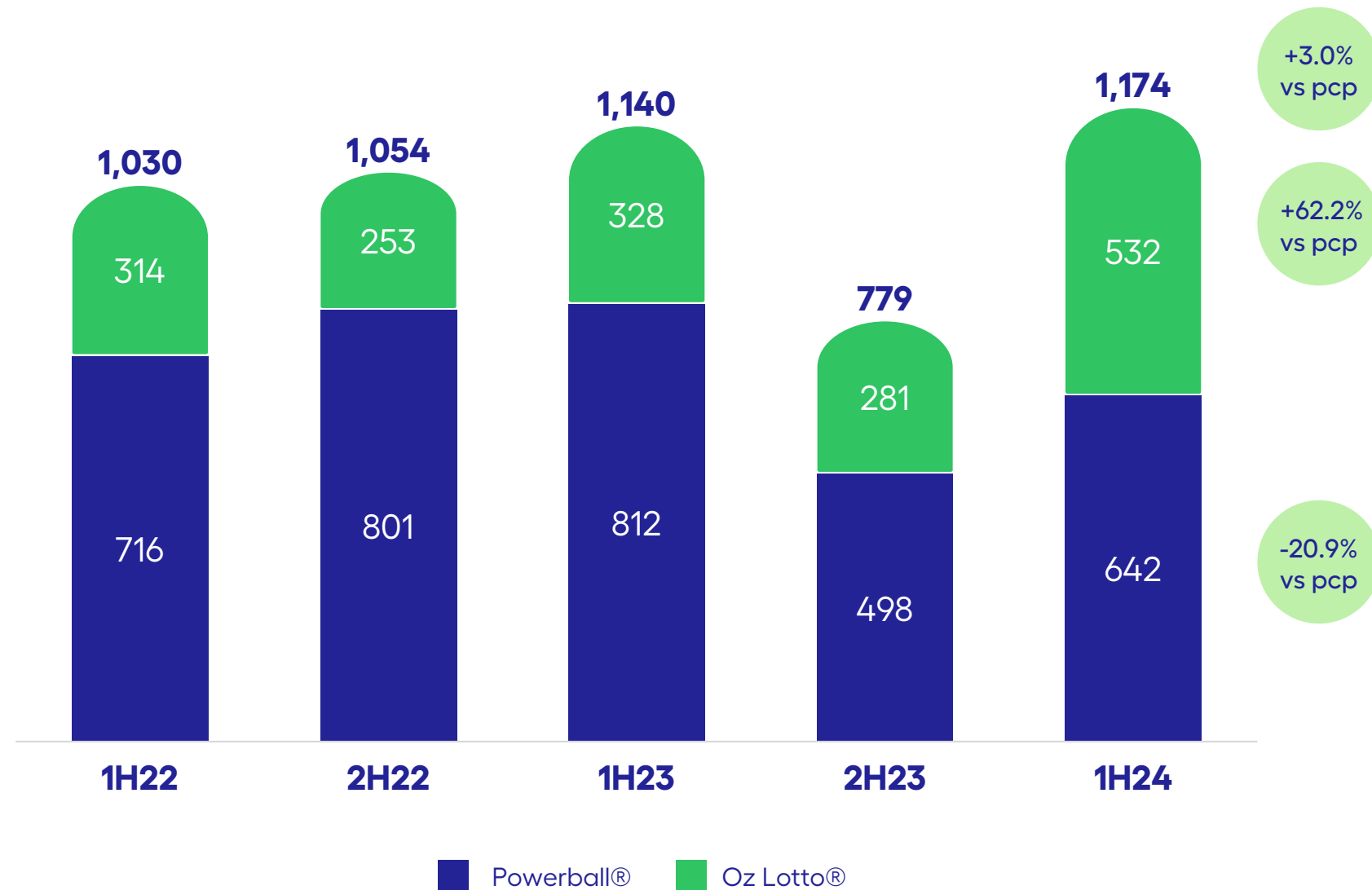


- Notes:
1. Includes impact of game/price changes
 2. Where necessary, adjusts turnover in a prior period to reflect a sequence of jackpots comparable to the reference period as an indicative measure of underlying performance
 3. Comparison to 1H20 provided for a medium-term perspective
 4. In 1H23 Lucky Lotteries[®] Super Jackpot peaked at a record \$33m vs a previous record of \$16m
 5. 1H20 significantly impacted by outlier events leading to unusually large jackpots whereby the Mega Jackpot peaked at \$96m

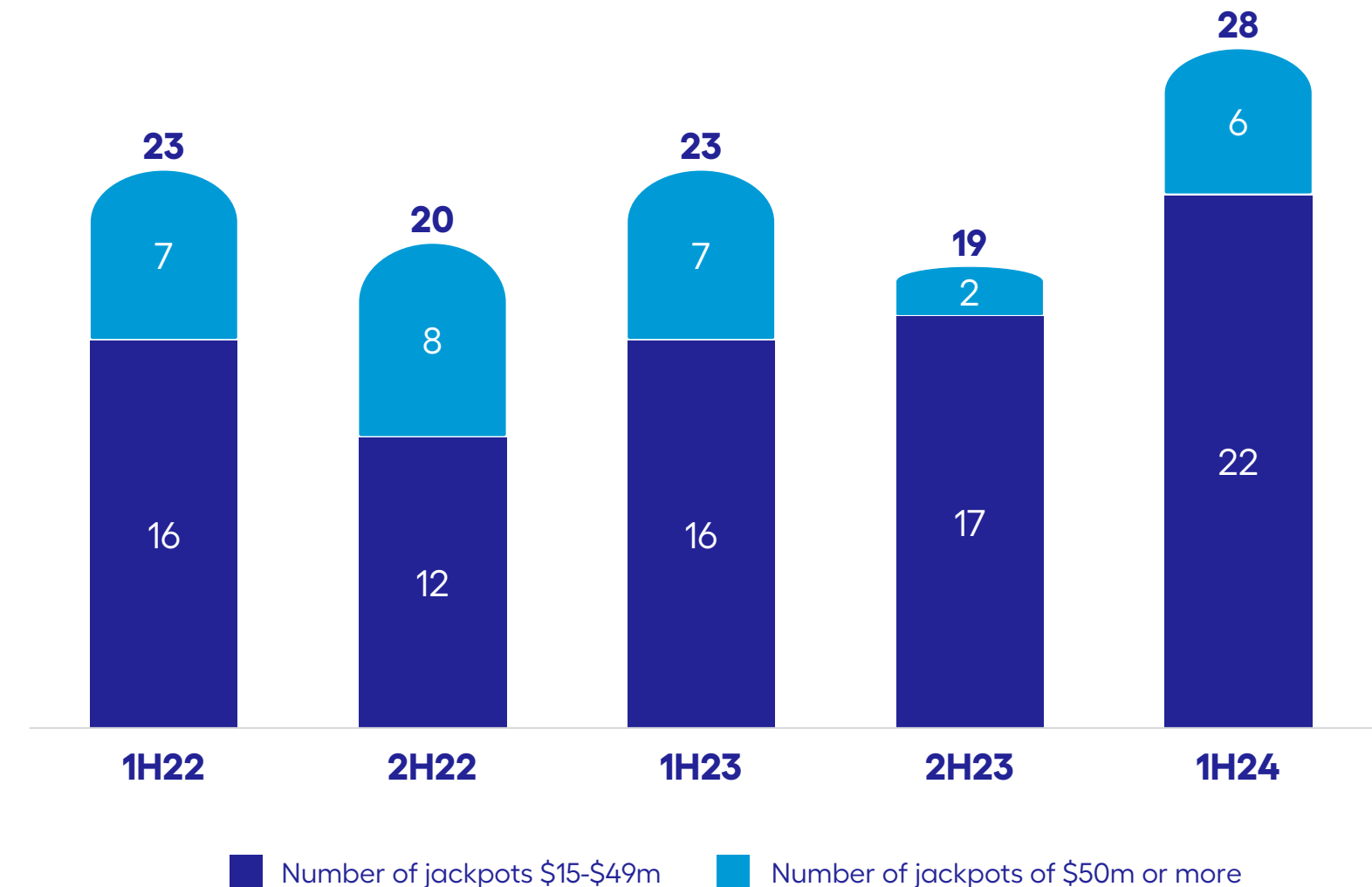
Lotteries: KPIs – Jackpot Games

Strong jackpot period for Oz Lotto®; aggregate outcome in line with model (expected) outcomes^{1,2}

Cumulative Jackpot Value Offered (\$m)



Powerball® and Oz Lotto® Major Jackpots



Notes:

- Simulation of jackpot outcomes over 100 different 26-week periods using average 1H24 turnover for each jackpot level and resulting jackpot win probabilities as a constant
- Positive impact of c. \$125m related to Oz Lotto®, and a negative impact of c. \$125m related to Powerball®. (In 1H23, negative impact of c. \$100m related to Oz Lotto®, and a positive impact of c. \$100m related to Powerball®)

Oz Lotto[®] game change

Increased the probability of large jackpots which helped to deliver jackpots of \$70m and \$90m
Increased player awareness and consideration; driving digital activity



- Modelled outcomes from game change have now played through – May 2022 matrix change was designed to deliver majority of benefit through larger jackpots¹
 - 1H24 actual jackpot outcomes slightly above model, but well up on pcp
 - 10 weeks to reach \$90m jackpot (vs 8 weeks under the regular sequence) due to implementing decelerated sequence following below model outcomes at mid-jackpot levels
- Significant marketing and commercial benefits from the \$90m draw:
 - Digital sales exceeded 50% (with greatest share on Christmas Day and Boxing Day, highlighting the flexibility of the omni-channel model)
 - Personalisation activity drove customer reactivation and new registrations
 - The Lott was #2 in the App store charts for free apps in the entertainment category on draw day



December 2023

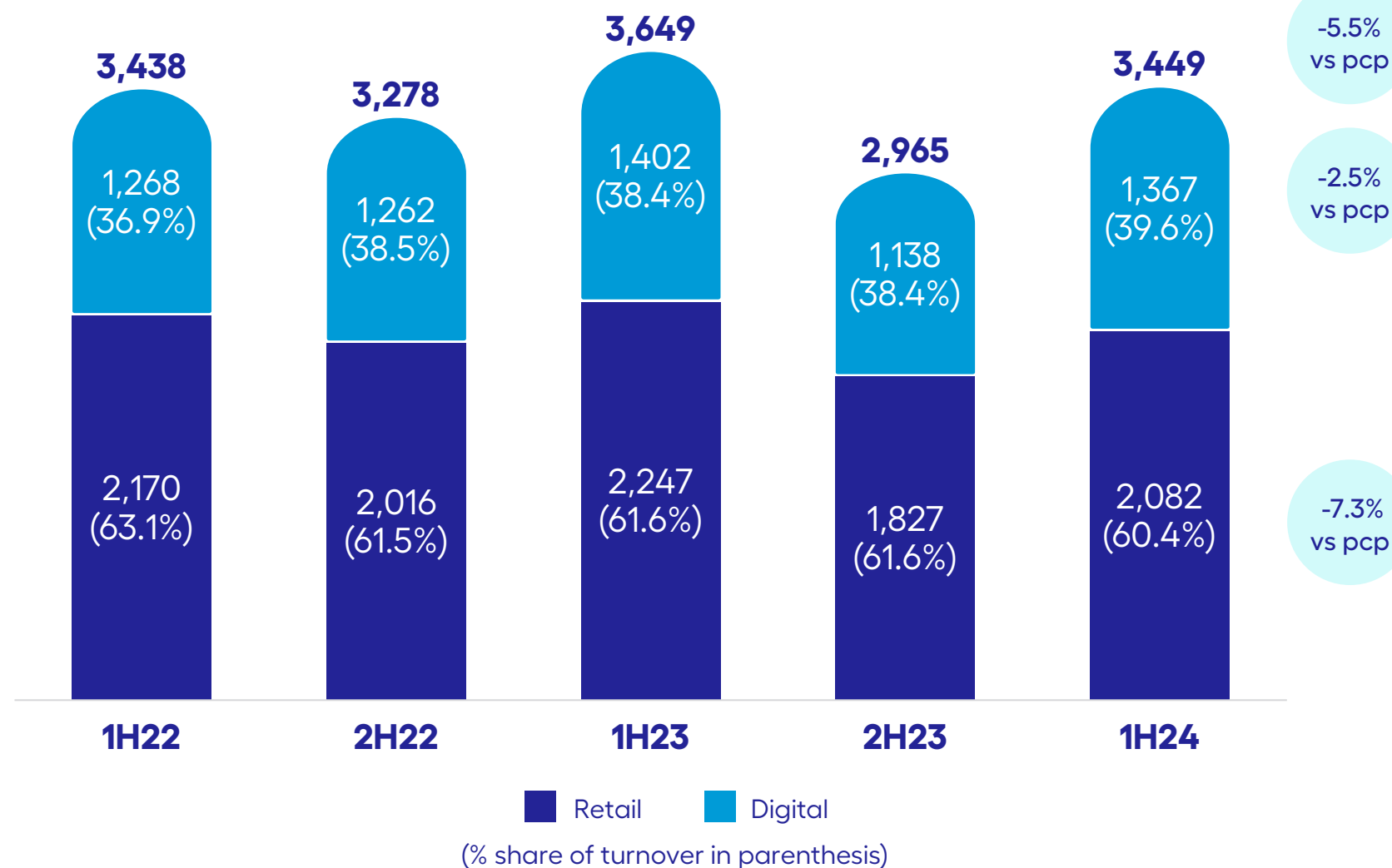
Notes:

1. Matrix change (from 45 to 47 numbers) made Division 1 more likely to jackpot (c.40% more combinations). Based on the matrix change, and current sales levels and sequences, the theoretical model implies a likelihood of approximately three \$50m jackpots p.a., and two jackpots of more than \$50m p.a.

Lotteries: KPIs – Channel & Customers

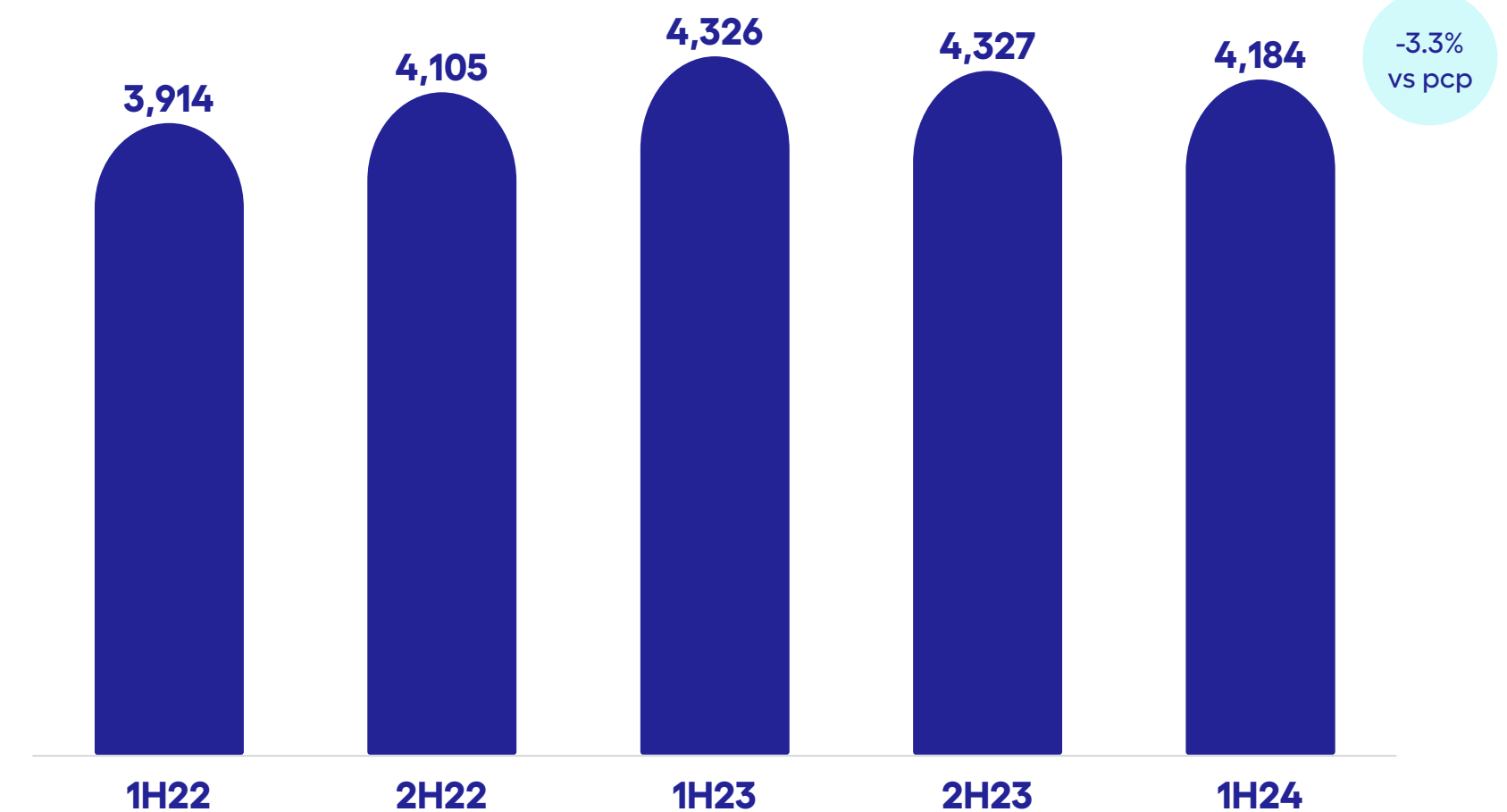
Resumption of digital share growth following a period of consolidation of COVID-era gains; customer growth in recent years greatest in young adult cohorts

Turnover by Channel (\$m)



Number of Active Registered Customers – last 52 weeks¹ (000's)

Short term movements impacted by division 1 prizes on offer (e.g. 1H24 movement negatively impacted by low jackpot activity in 2H23)
Active registered customers¹ post \$200m Powerball[®] draw of 4.6m
Estimated total active customers² of 9.6m



Notes:

1. Played in the previous 52 weeks
2. Estimated total active customers based on Roy Morgan Gambling Monitor. October 2022 – September 2023. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at September 2023, based on Australian Bureau of Statistics monthly estimates

Keno: Result Summary

Strong retail performance with Queensland leading the way; changes in commercial arrangements impacted margins

Increased footfall in venues underpinned growth in Queensland and New South Wales

Continued uplift in local area marketing initiatives is delivering

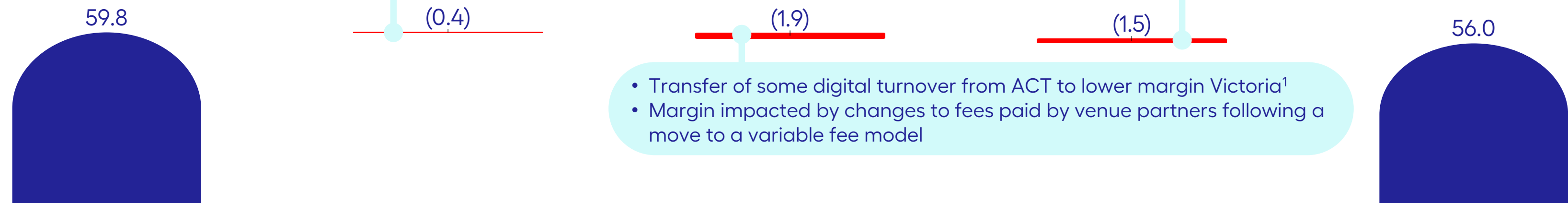
Digital performance stabilised in 2Q24 following initial impact of competition in Victoria

\$m	1H24	1H23	Change
Revenue	146.6	147.4	(0.5%)
Variable contribution	77.7	80.0	(2.9%)
Operating expenses	(21.7)	(20.2)	(7.4%)
EBITDA (before significant items)	56.0	59.8	(6.4%)
D&A	(16.3)	(14.9)	(9.4%)
EBIT (before significant items)	39.7	44.9	(11.6%)
VC / Revenue %	53.0%	54.3%	(1.3%)
Opex / Revenue %	14.8%	13.7%	(1.1%)
EBITDA / Revenue %	38.2%	40.6%	(2.4%)

- Retail turnover growth largely offset by reduction in digital

- Inflationary impacts
- Impact of move to standalone technology arrangements as part of separation
- Increased security and SaaS expenditure

- Transfer of some digital turnover from ACT to lower margin Victoria¹
- Margin impacted by changes to fees paid by venue partners following a move to a variable fee model



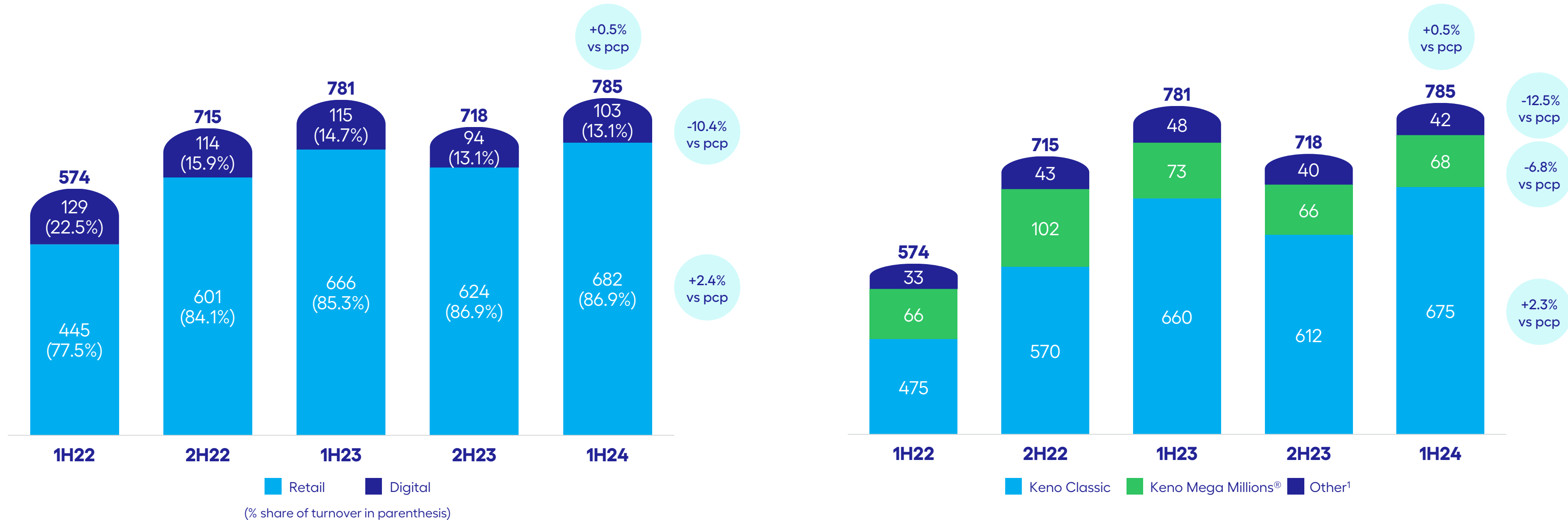
Notes:
1. Transfer of turnover required under new Victorian licence

Keno: KPIs

Strong retail performance, especially in Queensland; digital performance stabilised in 2Q24 following initial impact of competition in Victoria

Turnover by Channel (\$m)

Keno Turnover by Product (\$m)



Notes:

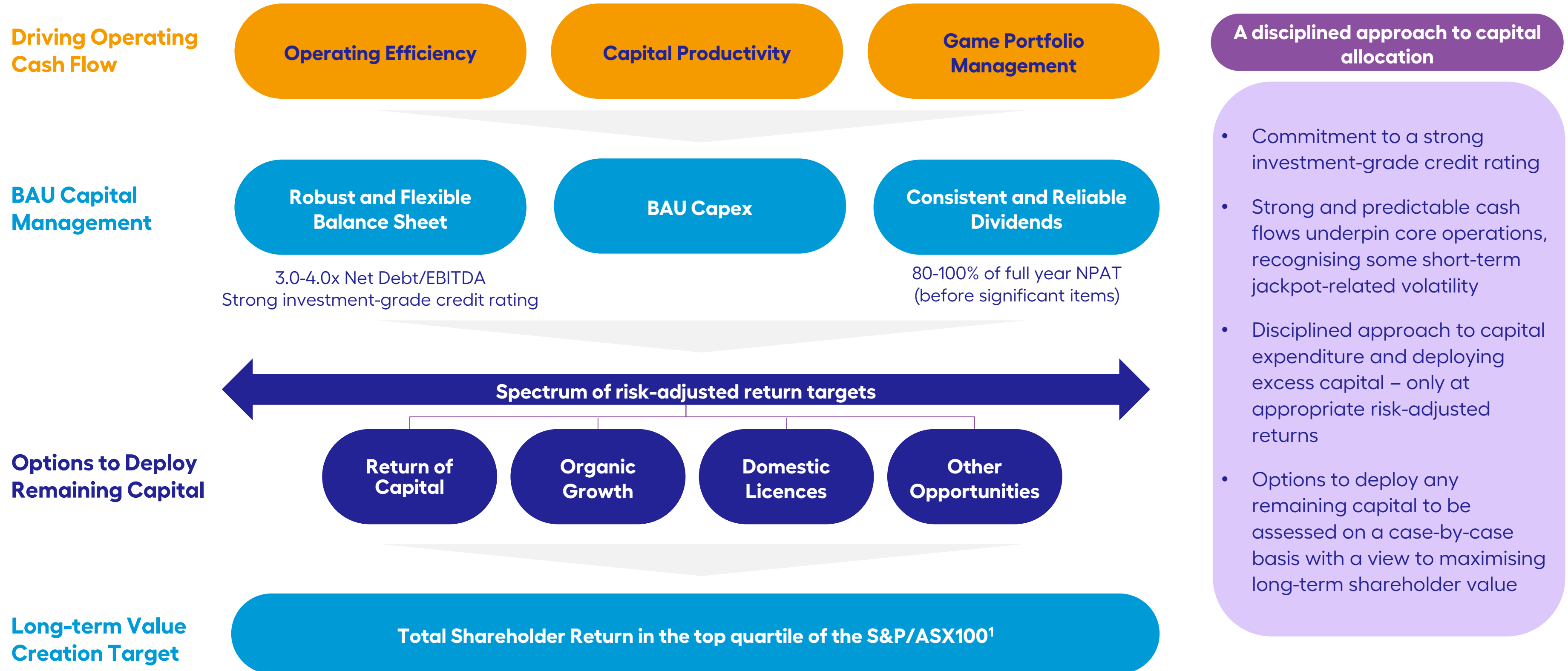
1. "Other" comprises of Keno Heads or Tails, Keno Racing®, and Roulette games

Table of Contents

04 - 08	Group Overview
10 - 16	Business Results
18 - 19	Capital
21 - 24	Strategy & Conclusion
26 - 31	Appendices

Capital Allocation Framework

A long-term framework to underpin a disciplined approach to the allocation of shareholders' capital



Notes:

1. Excludes companies operating in the Metals & Mining and Oil & Gas sectors

Capital and Other Metrics

Strong balance sheet provides financial flexibility and the capacity to support growth



Dividend (fully franked)

Interim **8.0 cps**

(1H23: 8.0 cps¹)

Payout Ratio **91%**



Target: 80-100% of full year NPAT (before significant items)



Leverage

3.0x Net Debt/EBITDA²



Target: 3.0-4.0x



Credit Rating

BBB+ / Stable



Target: Maintain strong investment grade



Debt: Average tenure³

5.5 Years



Average Interest Rate⁴

5.8% p.a.



Fixed Interest Proportion⁵

79% of Gross Debt



Opex

1H24 **\$135.2m**



Target: FY24 Opex \$c.300m⁶



D&A

1H24 **\$52.1m**



Target: FY24 D&A \$110-115m



Capex

1H24 **\$22.5m BAU**



Target: FY24 BAU Capex: \$60-70m

Notes:

1. Excludes special dividend of 1.0 cps paid in relation to June 2022 NPAT
2. As at 31 December 2023. Based on EBITDA (before significant items) for the 12 months to 31 December 2023
3. Based on drawn facilities as at 31 December 2023. (Based on available facilities: 5.2 years)
4. Incorporates lease liabilities and non-interest finance costs. Based on average drawn facilities for the year to 31 December 2023. (If all available facilities were fully drawn, the average interest rate would have been 5.6% p.a.)
5. Hedged against interest rate and foreign exchange movements. Based on drawn facilities as at 31 December 2023
6. Subject to the level of Division 1 jackpot value offered which can impact the level of advertising and promotions expense

Table of Contents

04 - 08	Group Overview
10 - 16	Business Results
18 - 19	Capital
21 - 24	Strategy & Conclusion
26 - 31	Appendices

A bright future: FY24 key focus areas and priorities

Continued progress in customer-centred initiatives to deliver long-term sustainable growth



Supercharging the customer experience

Digitally-enabled, customer experience-led

- Major refresh of Monday & Wednesday lotto, including extension to Friday¹
- Customer Data Platform – enabling increased personalisation



Delivering our games safely and with integrity

- Continued commitment to high standards of customer care, including maintaining highest Level 4 World Lottery Association Responsible Gambling accreditation
- Empowering trust through a significant uplift in data, privacy and cybersecurity investments



Channel investments – it starts with convenience

Accelerated retail/digital convergence

- Investments in world-class retail terminals to deliver a better retailer and customer experience
- BYO device trial – enabling Keno expansion in licensed venues in Victoria



Delivering value to stakeholders, always

- Heightened activity to enhance value of existing licences; explore opportunities for extensions
 - Reinforce customer value proposition
 - Increased regulatory and state government engagement
 - Retail partner and global lottery industry engagement
- Efficiency agenda that delivers simplified technology infrastructure and ways of doing business

Notes:

1. Subject to all necessary regulatory and other approvals



Introducing Weekday Windfall

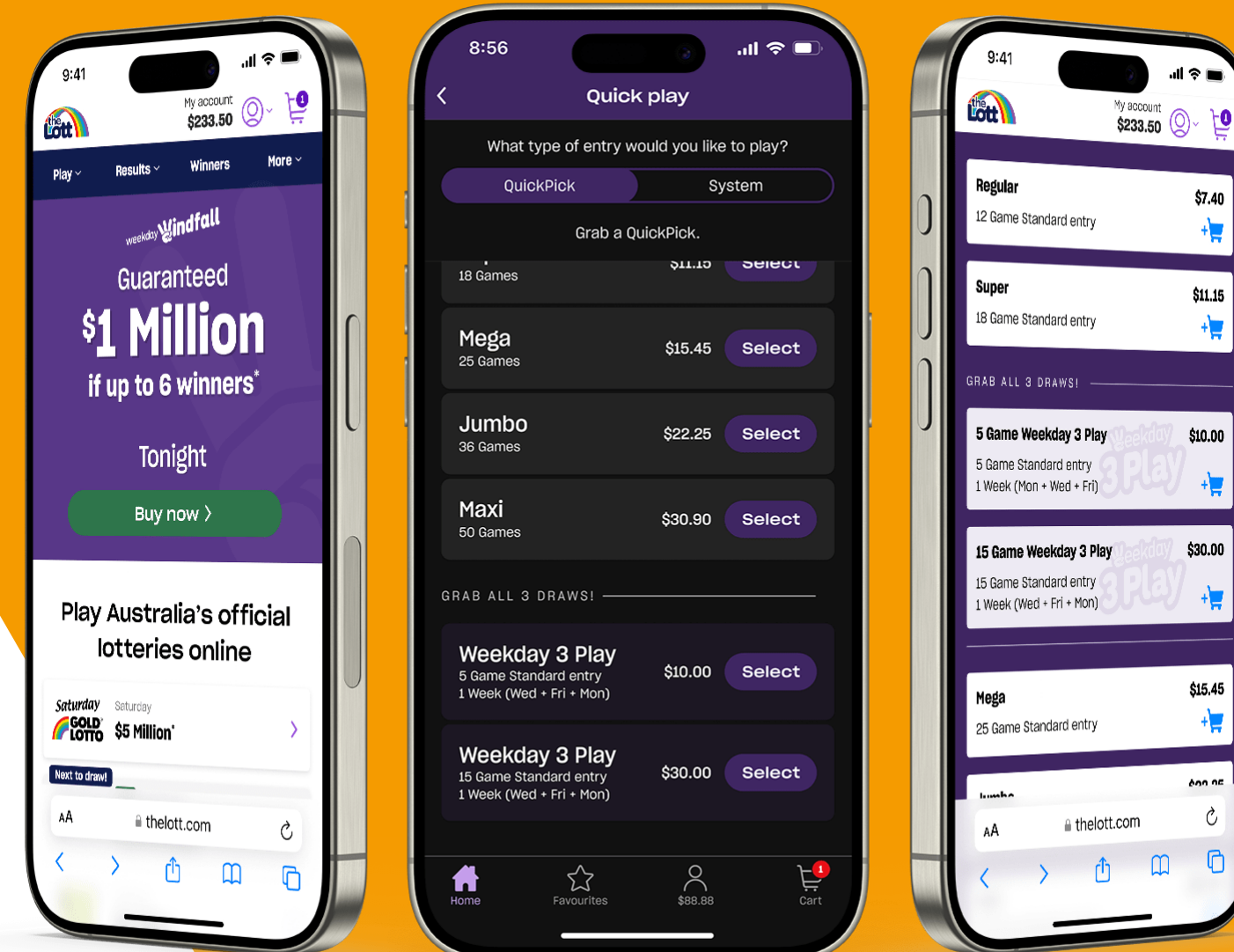
Major refresh of Monday & Wednesday lotto into a new standalone brand, with a Friday draw

- Target launch in May 2024¹
- Addition of Friday draw follows a strategic review and detailed consumer research
- Simplified new national brand (excl. Western Australia)²
 - Replaces state-based brands
 - Differentiates the game from Saturday lotto
- Product enhancements generate value for all stakeholders
 - Subscription price increase from \$0.55 to \$0.60 per game
 - Increase in Division 1 cap - \$1 million for up to six winners three times per week (was up to four winners twice per week)

Moving from state-based brands...



to a new national brand (ex. WA)²



Notes:

1. Subject to all necessary regulatory and other approvals
2. If approvals are received, WA intends to participate in the new game but through their own brands

Key customer convenience initiatives

Digitally-enabled, customer experience-led: delivering improved registered customer acquisition, conversion and retention; driving customer life-time value



Customer onboarding improvement through ID verification optimisation

- Enhancing ID verification through additional data sources
- Customers are 'onboarded' faster and more efficiently with a better customer experience leading to greater retention
- Changes implemented in November 2023 have delivered a 20 percentage point uplift in successful identify verification at time of account set up



Real-time customer experience management via new customer data platform¹

- Enables online real-time communication and customer journey management
- Supports data and privacy reform initiatives
- Drives efficiencies and improves customer care controls
- Target implementation: CY24



Customer growth through digitally-enhanced retail membership¹

- Digital membership journey to replace paper-based and manual methods
- Driving registration growth, allowing transition to lower cost, high service membership model
- Supports personalisation activity and marketing efficiencies
- Target implementation of initial phases: CY24

Notes:

1. Subject to all necessary regulatory and other approvals

Conclusion: A resilient, world-class lotteries business

- ✓ Solid business performance in 1H24
- ✓ Proactive management initiatives delivering results
- ✓ Ongoing strategic execution
- ✓ Delivering value for stakeholders; promoting responsible play
- ✓ A track record of sustainable growth and resilience



Table of Contents

04 - 08	Group Overview
10 - 16	Business Results
18 - 19	Capital
21 - 24	Strategy & Conclusion
26 - 31	Appendices

Appendix 1: Significant Items¹

Settlement of pre-demerger tax litigation matters

- On 11 September 2023 Tabcorp Holdings Limited and The Lottery Corporation Limited (TLC) resolved a dispute with the Australian Tax Office relating to the income tax treatment of payments for various licences and authorities
- TLC's share of the settlement comprises a settlement amount of \$37.1m and \$5.5m representing interest thereon (\$3.8m after tax)
- Refer note A5 of the financial statements for further details

Separation costs

- Relates to costs associated with the replication and separation of technology infrastructure and systems post demerger

Other

- Primarily impairment in respect of surplus lease space at Ann Street office

Significant Items (\$m)	1H24	1H23
Settlement of pre-demerger tax litigation matters	40.9	-
Separation costs	(18.7)	(30.6)
Other	0.2	(3.8)
Total Significant Items (after tax)	22.4	(34.4)

Notes:

1. This is "Non-IFRS" information and is unaudited

Appendix 2: Group & Business Results



\$m	Lotteries				Keno				Group			
	1H24	1H23	%	2H23	1H24	1H23	%	2H23	1H24	1H23	%	2H23
Revenue	1,738.3	1,772.8	(1.9%)	1,459.8	146.6	147.4	(0.5%)	133.1	1,884.9	1,920.2	(1.8%)	1,592.9
Variable contribution	456.6	455.9	0.2%	377.3	77.7	80.0	(2.9%)	70.4	534.3	535.9	(0.3%)	447.7
Operating expenses	(113.5)	(106.3)	(6.8%)	(119.7)	(21.7)	(20.2)	(7.4%)	(24.2)	(135.2)	(126.5)	(6.9%)	(143.9)
EBITDA (before significant items)¹	343.1	349.6	(1.9%)	257.6	56.0	59.8	(6.4%)	46.2	399.1	409.4	(2.5%)	303.8
D&A	(35.8)	(33.7)	(6.2%)	(34.5)	(16.3)	(14.9)	(9.4%)	(15.1)	(52.1)	(48.6)	(7.2%)	(49.6)
EBIT (before significant items)¹	307.3	315.9	(2.7%)	223.1	39.7	44.9	(11.6%)	31.1	347.0	360.8	(3.8%)	254.2
VC / Revenue %	26.3%	25.7%	0.6%	25.8%	53.0%	54.3%	(1.3%)	52.9%	28.3%	27.9%	0.4%	28.1%
Opex / Revenue %	6.5%	6.0%	(0.5%)	8.2%	14.8%	13.7%	(1.1%)	18.2%	7.2%	6.6%	(0.6%)	9.0%
EBITDA / Revenue %	19.7%	19.7%	-	17.6%	38.2%	40.6%	(2.4%)	34.7%	21.2%	21.3%	(0.1%)	19.1%
EBIT / Revenue %	17.7%	17.8%	(0.1%)	15.3%	27.1%	30.5%	(3.4%)	23.4%	18.4%	18.8%	(0.4%)	16.0%

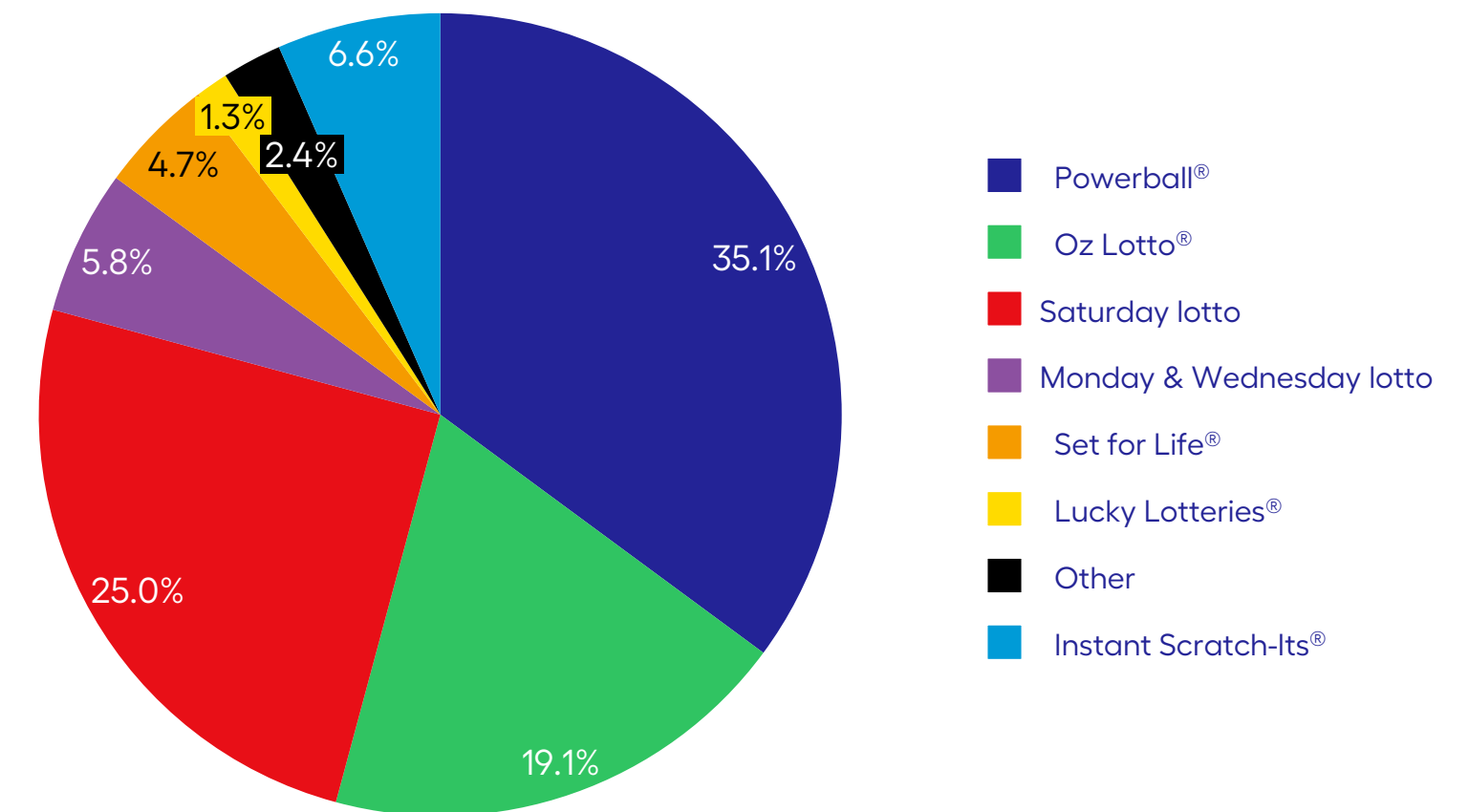
Notes:

1. This is "Non-IFRS" information and is unaudited

Appendix 3: Lotteries – Turnover¹ by product

Turnover by Game (\$m)				
Game	1H24	1H23	Change	
			\$	%
Powerball [®]	1,211	1,441	(230)	(16.0%)
Oz Lotto [®]	658	466	192	41.2%
Jackpot Games	1,869	1,907	(38)	(2.0%)
Saturday lotto	863	955 ²	(92) ²	(9.6%)
Monday & Wednesday lotto	201	206	(5)	(2.4%)
Set for Life [®]	161	167	(6)	(3.6%)
Lucky Lotteries [®]	45	98 ³	(53) ³	(54.1%)
Instant Scratch-Its [®]	227	234	(7)	(3.0%)
Other	83	82	1	1.2%
Base Games	1,580	1,742	(162)	(9.3%)
Total	3,449	3,649	(200)	(5.5%)

1H24 Turnover by Game



Notes:

1. Game sales, excluding commissions
2. Saturday lotto's 2022 Mid-Year Megadraw occurred in July 2022 (i.e. 1H23), whereas the equivalent 2023 event occurred in June 2023 (i.e. 2H23) – 1H23 turnover impact of c.\$45m
3. In 1H23 Lucky Lotteries[®] Super Jackpot peaked at a record \$33m vs a previous record of \$16m – 1H23 turnover impact of c.\$50m

Appendix 4: Balance Sheet and Debt

Balance Sheet	
\$m	Dec-23
Total current assets	1,167.2
Licences	698.6
Other intangible assets	2,254.2
Property, plant and equipment	70.9
Other non current assets	470.2
Total assets	4,661.1
Total liabilities	4,312.8
Shareholders' funds	348.3
Net debt	2,109.7
Shares on issue (m)	2,225.8

Debt	
\$m	Dec-23
Gross debt – excluding lease liabilities (at spot)¹	2,536.7
Less: Benefit of FX hedges on USPP principal ²	(201.0)
Gross debt – excluding lease liabilities (at hedged rates)	2,335.7
Add: Lease liabilities	93.4
Gross debt	2,429.1
Less: Unrestricted cash ³	(319.4)
Net debt	2,109.7

Notes:

1. Interest bearing liabilities. Includes fair value adjustment on demerger regarding USPP balances, net of the written down value of upfront borrowing costs
2. USPP principal at the spot exchange rate (US\$1,250m @ 0.684 = A\$1,827.5m) less principal amount payable at maturity under cross currency interest rate swaps (A\$1,626.5m)
3. Cash and cash equivalents (\$720.9m) less restricted cash (\$401.5m)

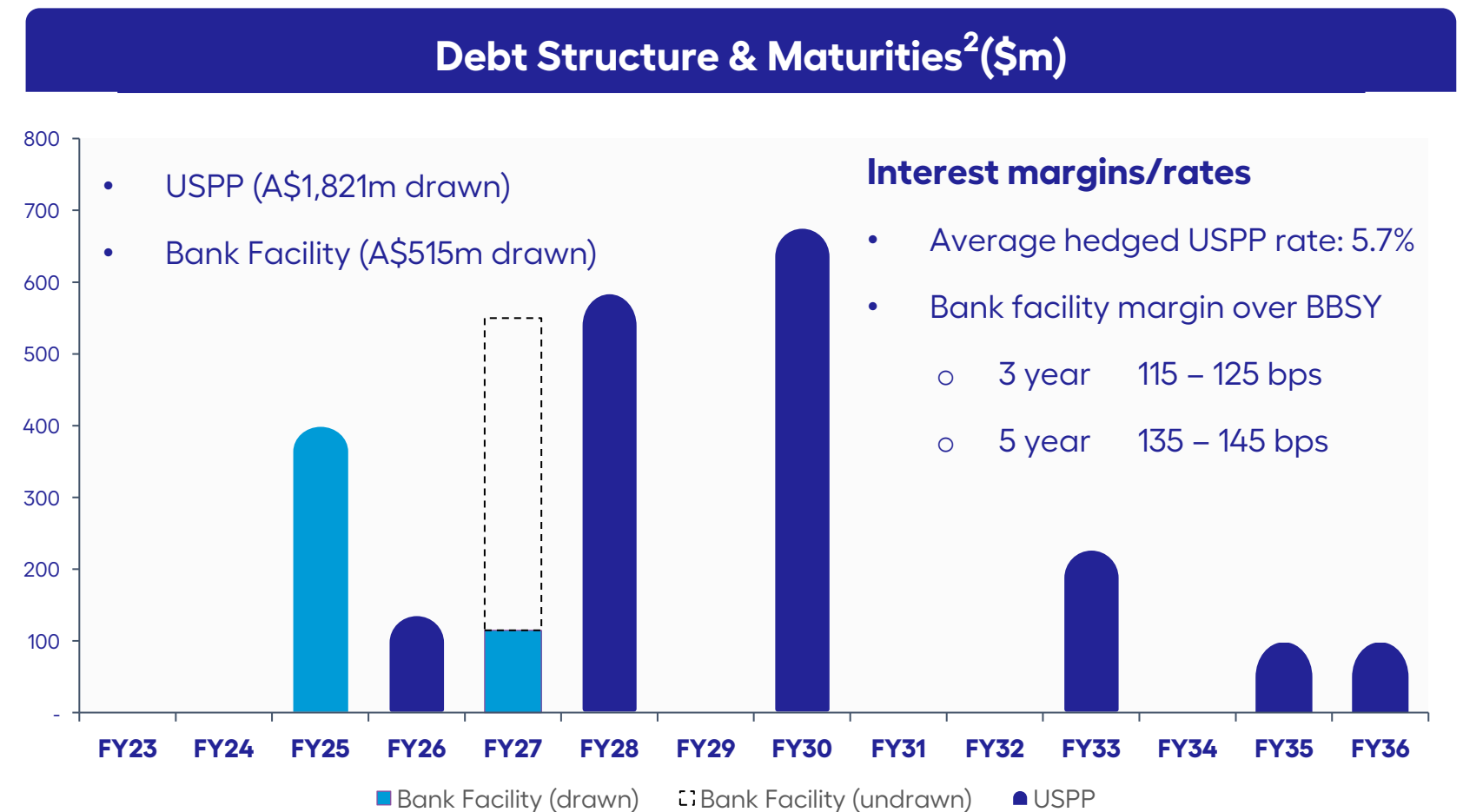
Appendix 5: Cash Flow, Capex and Debt

Cash Flow	
\$m	Dec-23
Net operating cash flows	451.4
Net interest paid	(51.4)
Income tax paid	(60.4)
Payments for property, plant & equipment and intangibles	(28.6)
Sub-total	311.0
Transfers to term deposits relating to certain lottery games	(19.1)
Net outlay to purchase shares	(2.0)
Dividends paid	(133.5)
Net cash flow¹	156.4

Capital Expenditure		
\$m	Dec-23	Dec-22
BAU Lotteries	17.1	11.8
BAU Keno	5.4	7.5
Total BAU	22.5	19.3
Non-BAU	4.8	11.4
Total	27.3	30.7

Notes:

1. Excludes payment of lease liabilities and payment of debt (financing activities)
2. Excludes overdraft facility (\$100.0m) maturing on 29 April 2024



Facilities

- Long-dated USPP debt provides core long-term funding
- Bank debt provides short-to-medium term flexibility
- \$435m of undrawn bank facilities at 31 December 2023²

Appendix 6: Glossary

Term	Definition
1H/2H	Six months ended 31 December/30 June of the relevant financial year
AAS	Australian Accounting Standards
ACT	Australian Capital Territory
Active registered customers	Registered customers who have purchased in the previous 52 weeks in either, or both of, the retail and digital channels
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Base (non-jackpot) games	Saturday lotto, Monday & Wednesday lotto, Set for Life®, Lucky Lotteries®, Instant Scratch-Its® and other smaller lotteries games
BAU	Business as Usual. Excludes any impact from one-off implementation costs
BBSY	Bank Bill Swap Bid Rate
bps	Basis points
CAGR	Compound Annual Growth Rate
Capex	Capital expenditure
Cps	Cents per share
CY	Calendar Year
D&A	Depreciation, Amortisation and impairment
DPS	Dividends Per Share
EBIT	Earnings Before Interest and Tax ¹
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortisation and impairment ¹
EPS	Earnings Per Share
Financial year/FY	The Group's financial year is 1 July to 30 June
FX	Foreign exchange
GAAP	Generally Accepted Accounting Principles
Group	The Lottery Corporation group of companies

Term	Definition
Gross Debt	Defined as per Appendix 4
IFRS	International Financial Reporting Standards
Jackpot games	Powerball® and Oz Lotto®
Keno	A game of chance that is played approximately every three minutes and represents one of the Group's two businesses
KPI	Key Performance Indicator
Like-for-like (LFL)	Defined as per slide 11
Lotteries	The Group's business that operates lotteries, which are games of chance
n.a.	Not applicable
Net debt	Defined as per Appendix 4
n.m.	Not meaningful
NPAT	Net Profit After Tax
Opex	Net operating expenses
p.a	Per annum
pcp	Prior corresponding period
Restricted cash	Certain cash balances that are held by the Group that are restricted under various regulatory requirements pursuant to state-based licences
SaaS	Software-as-a-Service
Subscription price	The entry cost for a game before adding any commission
The Lott	Umbrella brand for the entire Lotteries business
TLC	The Lottery Corporation Limited
Turnover	Game sales based on the subscription price (i.e. excluding commissions)
USPP	US Private Placement
VC	Variable Contribution. Revenue less Variable Costs (principally lottery and Keno taxes, goods and services tax, and commissions paid)
WA	Western Australia

Notes:

1. Includes interest revenue from Set for Life® related term deposits earned in the ordinary course of operations

Disclaimer



This presentation (**Presentation**) contains summary information about the current activities of The Lottery Corporation Limited (**The Lottery Corporation**) and its subsidiaries. It should be read in conjunction with The Lottery Corporation's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

The information contained in this Presentation is of a general nature and has been prepared by The Lottery Corporation in good faith and with due care, however no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of such information.

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian or any other law. This Presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this Presentation nor anything contained in it shall form the basis of any contract or commitment.

The information provided in this Presentation is not financial product or investment advice and has been prepared without taking into account the investment objectives, financial circumstances or particular needs of any particular investor or potential investor. Neither The Lottery Corporation nor any other person warrants or guarantees the future performance of The Lottery Corporation shares or any return on any investment made in The Lottery Corporation shares.

This Presentation may contain certain 'forward-looking statements'. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, financial position and performance are also forward-looking statements. Any forecasts or other forward looking statements contained in this Presentation are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of The Lottery Corporation, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward looking statements. Except as required by law or regulation (including the ASX Listing Rules), The Lottery Corporation undertakes no obligation to update these forward-looking statements.

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Investors should be aware that certain financial measures included in this Presentation are 'Non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and IFRS. Non-IFRS financial information in this Presentation include EBITDA (before significant items), net debt, gross debt and NPAT (before significant items). Such non-IFRS financial information does not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although The Lottery Corporation believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this Presentation.

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

® These trade marks are registered in Australia (either across Australia or limited to certain state/s or territory/ies) and are owned by or licensed to a company in the Group.

