



19 February 2025

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

2025 HALF YEAR RESULTS APPENDIX 4D AND INTERIM FINANCIAL REPORT

The Lottery Corporation Limited (**The Lottery Corporation**) attaches for immediate release the following documents:

1. Appendix 4D - Results for Announcement to the Market; and
2. Interim Financial Report for the half year ended 31 December 2024.

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

For more information

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Appendix 4D



Results for announcement to the market

Half year report for the 6 months ended 31 December 2024

The Lottery Corporation Limited (ABN 21 081 925 706)

Results	\$m	% change increase/(decrease)
Revenue from ordinary activities	1,779.2	(6%)
Profit from ordinary activities after tax attributable to members	175.7	(19%)
Net profit for the period attributable to members	175.7	(19%)

Dividend	Record date	Payment date	Amount per share	Franked amount per share
Final dividend	29 August 2024	25 September 2024	8.0 ¢	8.0 ¢
Special dividend	29 August 2024	25 September 2024	2.5 ¢	2.5 ¢
Interim dividend	27 February 2025	27 March 2025	8.0 ¢	8.0 ¢

Dividend reinvestment plan

The Lottery Corporation Limited's Dividend Reinvestment Plan (DRP) will operate in respect of the interim dividend, with the last date for receipt of election notices being 28 February 2025. No discount is applicable to shares allocated to participants and no brokerage, commission or other transaction costs will be payable by participants on shares acquired under the DRP. Shares will be allocated on 27 March 2025 and will rank equally in all respects with existing shares. The price at which shares are allocated is the daily volume weighted average market price of The Lottery Corporation Limited shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of 10 business days beginning on the second business day after the dividend record date. The Company intends to purchase shares on market to satisfy its obligations under the DRP.

Net tangible asset backing ⁽ⁱ⁾	December 2024 \$	December 2023 \$
Net tangible asset backing per ordinary share	(1.17)	(1.17)
Net tangible asset backing per ordinary share including licences	(0.88)	(0.86)

(i) Net tangible assets includes liabilities in relation to leasing and the corresponding right-of-use assets.

Supplementary information

The previous corresponding period is the half year ended 31 December 2023.

For additional Appendix 4D disclosures, and further commentary on these results, refer to the accompanying Interim Financial Report (which includes the Directors' Report) for the half year ended 31 December 2024 and the Media Release lodged with the ASX on 19 February 2025.

This Appendix 4D should be read in conjunction with The Lottery Corporation Limited's Annual Report 2024 which was published on 21 August 2024 and any public announcements made in the period by The Lottery Corporation in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules.



The Lottery Corporation Limited

Interim Financial Report
for the half year ended 31 December 2024



The Lottery Corporation Limited
ABN 21 081 925 706

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Directors' Report



Directors' Report

The Directors of The Lottery Corporation Limited (**The Lottery Corporation**, or the **Company**) present their report for the consolidated entity comprising the Company and its subsidiaries (the **Group**) in respect of the half year ended 31 December 2024 (**1H25**).

1. Directors

The names of the Company's Directors in office at any time during or since the end of the half year are set out below. Directors were in office for the entire period unless otherwise stated.

- Doug McTaggart (Chairman)
- Sue van der Merwe (Managing Director and CEO)
- Harry Boon
- Anne Brennan
- Stephen Morro
- John O'Sullivan
- Megan Quinn

It is intended that Mr Tim Poole will be appointed as a Non-executive Director of The Lottery Corporation subject to receipt of necessary regulatory and ministerial approvals. As previously announced, Mr Poole was appointed as an Observer to the Board with effect on and from 16 December 2024. He has not been involved in the preparation of this Directors' Report and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Directors' Report.

2. Principal activities

The principal activities of the Group during the half year comprised the operation of a portfolio of lottery and Keno games. There have been no significant changes to the nature of the principal activities of the Group during 1H25.

3. Review and results of operations

1H25 Group Result

The Group's revenue for 1H25 decreased 5.6% on the prior corresponding period (pcp) to \$1,779.2m. A summary statement of the Group's results is set out in the table over the page.

The Group's net profit after tax (NPAT) for 1H25 was \$175.7m, a decrease of \$19.3m or 9.9% on the pcp (before significant items).

EBIT for 1H25 was \$316.2m, a decrease of 1.3% or \$4.3m on the pcp.

EBIT (before significant items) for 1H25 was \$316.2m, a decrease of 8.9% or \$30.8m on the pcp.

Earnings per share (EPS) for 1H25 was 7.9 cents per share, down 1.9 cents per share or 19.4% compared to the pcp.

EPS (before significant items) for 1H25 was 7.9 cents per share, down 0.9 cents per share or 10.2% compared to the pcp.

Group results for the half year ended 31 December 2024	1H25 \$m	1H24 \$m
Revenue	1,779.2	1,884.9
Taxes, levies, commissions and fees	(1,261.4)	(1,347.5)
Operating expenses	(148.1)	(165.9)
EBITDA	369.7	371.5
EBITDA (before significant items) ⁽ⁱ⁾	369.7	399.1
Depreciation and amortisation	(53.5)	(52.1)
Impairment	-	1.1
EBIT	316.2	320.5
EBIT (before significant items) ⁽ⁱ⁾	316.2	347.0
NPAT	175.7	217.4
NPAT (before significant items) ⁽ⁱ⁾	175.7	195.0
EPS – cents per share	7.9	9.8
EPS (before significant items) ⁽ⁱ⁾ – cents per share	7.9	8.8
Interim dividend (fully franked) – cents per share	8.0	8.0

Additional information relating to the dividend for 1H25 is set out in section 5 below.

1H25 Highlights

Resilient financial performance	<ul style="list-style-type: none"> Diversified portfolio attracted strong participation in period of below-average jackpot outcomes Growth in Lotteries' active registered customers and digital share driven by marketing and customer experience investment Keno marketing initiatives drove strong retail performance
Innovating for the customer	<ul style="list-style-type: none"> Strong uptake of new Friday Weekday Windfall draw delivered incremental turnover Saturday Lotto game change on track for May 2025⁽ⁱⁱ⁾; Powerball change planned for FY26⁽ⁱⁱ⁾ Onboarding improvements delivering better customer conversion
Delivering value for stakeholders responsibly	<ul style="list-style-type: none"> Strong balance sheet and free cash flow enabled interim dividend of 8.0cps, fully franked, in line with pcg; payout ratio of 101%⁽ⁱⁱⁱ⁾ Returns to governments and retail businesses of \$1.2bn

(i) 'Non-IFRS' information and unaudited. For details of significant items, refer to note A1 Segment information of the Financial Report.

(ii) Subject to regulatory and other approvals

(iii) Payout ratio based on 1H25 NPAT (before significant items)

4. Business results

Lotteries

Lotteries results for the half year ended 31 December 2024	1H25 \$m	1H24 \$m
Revenue	1,631.1	1,738.3
Taxes, levies, commissions and fees	(1,190.3)	(1,278.6)
Operating expenses	(126.1)	(116.6)
EBITDA	314.7	343.1
Depreciation and amortisation	(37.6)	(35.8)
EBIT	277.1	307.3

Lotteries revenue was \$1,631.1m, down 6.2% on the pcpc, and EBIT was \$277.1m, down 9.8% on the pcpc.

The Lotteries division delivered solid underlying performance given the below-average jackpot outcomes in the half and the timing of the Saturday Lotto end of year Megadraw in January 2025, rather than December. These events had an estimated revenue impact of c.\$100m and c.\$40m, respectively.

Participation remained strong across the portfolio, with active registered customer numbers up 12.6% on the pcpc to 4.71m. The Company continued its targeted strategy of accelerating the Powerball sequence to stimulate larger jackpots, which ultimately helped to deliver two \$100m jackpots in the first half.

Demand for the portfolio's base games (Saturday Lotto, Set for Life, Weekday Windfall lottery, Instant Scratch-Its and Lucky Lotteries) has stabilised following softness in 2H24.

Turnover in both retail and digital channels was lower than the prior period given the lower Division 1 prizemoney on offer. The reduction in large Division 1 jackpots, which typically drive higher levels of foot traffic, resulted in retail turnover being down 6.7% on the pcpc, with digital turnover down a more modest 3.5%.

Digital share growth helped improve the VC/Revenue margin on the pcpc.

Operating expenses increased primarily due to the significant increase in technology costs, largely due to separation run-rate impacts.

A revamped Saturday Lotto game is on track to go to market in May 2025 (subject to regulatory and other approvals), offering an increased Division 1 prize of \$6m (up from \$5m). The change will be accompanied by an increase in the price per game from 75 cents to 85 cents - the first price change to Saturday Lotto in five years.

Other customer-centred growth initiatives planned for roll out in 2H25 include: a new customer data platform that will enable personalisation at scale, new Lottery and Keno retail terminals, and the introduction of Play for Purpose products in The Lott's website and app. This means Australians would be able to buy tickets in the 50-50 Foundation's Play for Purpose raffle through The Lott's digital channels, with 50% of the ticket price supporting a cause of the customer's choice.

Keno

Keno results for the half year ended 31 December 2024	1H25 \$m	1H24 \$m
Revenue	148.1	146.6
Taxes, levies, commissions and fees	(71.1)	(68.9)
Operating expenses	(22.0)	(21.7)
EBITDA	55.0	56.0
Depreciation and amortisation	(15.9)	(16.3)
EBIT	39.1	39.7

Keno revenue was \$148.1m, up 1.0% on the pcpc and EBIT was \$39.1m, down 1.5% on the pcpc.

Keno continued its strong retail performance, with retail turnover up 5.6% versus the pcpc. The new *'Together We Play'* brand campaign and enhanced local area marketing initiatives strengthened the game's popularity in the pub and club environment, with increased footfall contributing to good growth in Queensland and New South Wales.

Digital turnover declined 17.5%, largely offsetting the strong retail performance. The decline was primarily due to our voluntary decision to introduce mandatory spend limits for all online Keno players in September 2024. This decision is part of The Lottery Corporation's long-term sustainability strategy for Keno and complements other tools to help customers manage their play.

The EBITDA/Revenue margin was 37.1% (38.2% in the pcpc). This was impacted by a reduction in online turnover – which is higher margin than retail – and changes to fees paid by venue partners following a move to a variable fee model.

5. Dividend

The Directors have determined to pay an interim dividend of 8.0 cents per share, fully franked, and in line with the pcpc, which represents approximately 101% of 1H25 NPAT before significant items.

The Company's dividend reinvestment plan (DRP) will operate in respect of the interim dividend, with no discount or underwriting applicable. The Company intends to purchase shares on market to satisfy its obligations under the DRP.

6. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9. This auditor's independence declaration forms part of this Directors' Report.

7. Rounding of amounts

Dollar amounts in the Financial Report and the Directors' Report have been rounded to the nearest hundred thousand unless specifically stated to be otherwise, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Signed in accordance with a resolution of the Directors:

A handwritten signature in dark ink, appearing to read 'DMcTaggart', with a stylized, wavy flourish at the end.

Doug McTaggart
Chairman

A handwritten signature in dark ink, appearing to read 'Sue van der Merwe', with a stylized, wavy flourish at the end.

Sue van der Merwe
Managing Director and Chief Executive Officer

19 February 2025



**Shape the future
with confidence**

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Auditor's Independence Declaration to the Directors of The Lottery Corporation Limited

As lead auditor for the review of the half-year financial report of The Lottery Corporation Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) no contraventions of any applicable code of professional conduct in relation to the review; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of The Lottery Corporation Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized script.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Michael Collins', written in a cursive script.

Michael Collins
Partner
19 February 2025

Financial Report



Income statement

For the half year ended 31 December 2024

		December 2024 \$m	December 2023 \$m
	Note		
Revenue	A4	1,779.2	1,884.9
Other income		1.9	1.6
Government taxes and levies		(972.6)	(1,033.7)
Commissions and fees		(288.8)	(313.8)
Employment costs		(75.8)	(67.2)
Communication and technology costs		(25.8)	(25.3)
Advertising and promotions		(18.7)	(20.0)
Separation costs	A1	-	(26.7)
Other expenses		(29.7)	(28.3)
Depreciation and amortisation	A4	(53.5)	(52.1)
Impairment	A4	-	1.1
Profit before income tax and net finance costs		316.2	320.5
Finance income	A4	5.7	11.7
Finance costs	A4	(66.3)	(67.6)
Profit before income tax		255.6	264.6
Income tax expense	A5	(79.9)	(47.2)
Net profit after tax		175.7	217.4
Other comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedges taken to equity		(14.4)	(3.3)
Income tax relating to these items		5.7	2.3
Items that will not be reclassified to profit or loss			
Change in fair value of equity instruments		(0.1)	-
Other comprehensive income for the period, net of income tax		(8.8)	(1.0)
Total comprehensive income for the period		166.9	216.4
		December 2024 cents	December 2023 cents
Earnings per share:			
Basic and diluted earnings per share	A2	7.9	9.8
Dividends per share:			
Interim dividend	A3	8.0	8.0

The income statement should be read in conjunction with the accompanying notes.

Balance sheet
As at 31 December 2024

	Note	December 2024 \$m	June 2024 \$m
Current assets			
Cash and cash equivalents	C2	429.0	445.9
Receivables		34.0	47.7
Prepayments		25.2	19.2
Derivative financial instruments	B3	14.6	13.5
Other financial assets	B1	80.5	58.1
Other		129.4	121.9
Total current assets		712.7	706.3
Non current assets			
Receivables		6.9	7.3
Other financial assets	B1	301.1	319.2
Licences		664.2	681.4
Other intangible assets		2,248.6	2,247.3
Property, plant and equipment		82.8	85.9
Right-of-use assets		65.4	70.7
Prepayments		-	0.5
Derivative financial instruments	B3	343.6	245.3
Other		0.2	0.3
Total non current assets		3,712.8	3,657.9
TOTAL ASSETS		4,425.5	4,364.2
Current liabilities			
Payables	C1	755.2	847.6
Lease liabilities		12.9	12.4
Current tax liabilities		20.0	40.6
Provisions		15.0	15.0
Derivative financial instruments	B3	3.6	9.1
Other		106.1	101.1
Total current liabilities		912.8	1,025.8
Non current liabilities			
Payables	C1	369.1	349.3
Interest bearing liabilities	B2	2,622.6	2,391.1
Lease liabilities		70.8	76.2
Deferred tax liabilities		135.8	141.2
Provisions		10.1	9.7
Other		6.6	7.8
Total non current liabilities		3,215.0	2,975.3
TOTAL LIABILITIES		4,127.8	4,001.1
NET ASSETS		297.7	363.1
Equity			
Issued capital		781.6	782.7
Retained earnings		688.0	746.0
Reserves		(1,171.9)	(1,165.6)
TOTAL EQUITY		297.7	363.1

The balance sheet should be read in conjunction with the accompanying notes.

Cash flow statement

For the half year ended 31 December 2024

	Note	December 2024 \$m	December 2023 \$m
Cash flows from operating activities			
Net cash receipts in the course of operations		1,763.1	1,991.8
Payments to suppliers, service providers and employees		(515.2)	(560.3)
Payments to government (including GST)		(946.3)	(980.1)
Finance income received		5.6	10.4
Finance costs paid		(63.2)	(61.8)
Income tax paid		(99.7)	(97.5)
Income tax benefit received in respect of settlement of pre-demerger tax litigation matters	A5	-	37.1
Net cash flows from operating activities		144.3	339.6
Cash flows from investing activities			
Payment for property, plant and equipment and intangibles		(26.3)	(28.6)
Transfers to term deposits relating to certain lottery games		(22.1)	(19.1)
Redemption from managed fund relating to certain lottery games		18.3	-
Net cash flows used in investing activities		(30.1)	(47.7)
Cash flows from financing activities			
Net drawdown from revolving bank facilities		110.0	135.0
Payment of lease liabilities		(5.2)	(5.0)
Dividends paid		(189.6)	(116.6)
On-market share purchase for dividend reinvestment plan		(44.1)	(16.9)
Net outlay to purchase shares		(2.2)	(2.0)
Net cash flows used in financing activities		(131.1)	(5.5)
Net increase/(decrease) in cash held		(16.9)	286.4
Cash at beginning of period		445.9	434.5
Cash at end of period		429.0	720.9

The cash flow statement should be read in conjunction with the accompanying notes.

Statement of changes in equity
For the half year ended 31 December 2024

	Number of shares		Issued capital		Retained earnings \$m	Reserves			Total equity \$m
	Ordinary m	Treasury m	Ordinary shares \$m	Treasury shares \$m		Hedging \$m	Demerger \$m	Other \$m	
2024									
Balance at 1 July 2024	2,225.2	0.6	785.9	(3.2)	746.0	(35.1)	(1,137.1)	6.6	363.1
Profit for the period	-	-	-	-	175.7	-	-	-	175.7
Other comprehensive income	-	-	-	-	-	(8.7)	-	(0.1)	(8.8)
Total comprehensive income	-	-	-	-	175.7	(8.7)	-	(0.1)	166.9
Dividends paid	-	-	-	-	(233.7)	-	-	-	(233.7)
Share based payments expense	-	-	-	-	-	-	-	3.6	3.6
Transfers	0.2	(0.2)	-	1.1	-	-	-	(1.1)	-
Net outlay to purchase shares	(0.5)	0.5	-	(2.2)	-	-	-	-	(2.2)
Balance at 31 December 2024	2,224.9	0.9	785.9	(4.3)	688.0	(43.8)	(1,137.1)	9.0	297.7
TOTAL	Shares	2,225.8	Issued capital \$781.6m				Reserves (\$1,171.9m)		
2023									
Balance at 1 July 2023	2,224.4	1.4	785.9	(6.3)	644.3	(29.3)	(1,137.1)	7.3	264.8
Profit for the period	-	-	-	-	217.4	-	-	-	217.4
Other comprehensive income	-	-	-	-	-	(1.0)	-	-	(1.0)
Total comprehensive income	-	-	-	-	217.4	(1.0)	-	-	216.4
Dividends paid	-	-	-	-	(133.5)	-	-	-	(133.5)
Share based payments expense	-	-	-	-	-	-	-	2.6	2.6
Transfers	1.2	(1.2)	-	5.0	-	-	-	(5.0)	-
Net outlay to purchase shares	(0.4)	0.4	-	(2.0)	-	-	-	-	(2.0)
Balance at 31 December 2023	2,225.2	0.6	785.9	(3.3)	728.2	(30.3)	(1,137.1)	4.9	348.3
TOTAL	Shares	2,225.8	Issued capital \$782.6m				Reserves (\$1,162.5m)		

The statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements: About this report

For the half year ended 31 December 2024

ABOUT THIS REPORT

The Lottery Corporation Limited (**The Lottery Corporation** or the **Company**) is a company incorporated and domiciled in Australia. The general purpose condensed consolidated half year financial report of the Company for the six months ended 31 December 2024 (half year financial report) comprises the Company and its subsidiaries (the **Group**).

The half year financial report was authorised for issue by the Board of Directors on 19 February 2025 and has been prepared in accordance with AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001* (Cth), and with IAS 34 'Interim Financial Reporting'.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The accounting policies used are consistent with those applied in the 30 June 2024 financial report.

The Directors are of the opinion that the Company is a going concern, and have prepared the financial report on this basis.

The Group's balance sheet reflects a net current asset deficiency as follows:

	Note	December 2024 \$m	June 2024 \$m
Current assets			
Cash and cash equivalents ⁽ⁱ⁾	C2	429.0	445.9
Receivables		34.0	47.7
Other financial assets ⁽ⁱⁱ⁾	B1	80.5	58.1
SA Lotteries monies held in trust		104.7	99.6
Other		64.5	55.0
Total current assets		712.7	706.3
Current liabilities			
Payables - prize liabilities and customer account balances		520.1	612.2
Payables - other		235.1	235.4
SA Lotteries monies held in trust		104.7	99.6
Other		52.9	78.6
Total current liabilities		912.8	1,025.8
Net current asset deficiency		(200.1)	(319.5)

(i) Includes restricted cash balances (Dec-24: \$343.9m; Jun-24: \$374.0m). Refer to note C2 for further details.

(ii) Other financial assets are held to fund payments to winners of certain lottery games, where winnings are payable for up to 20 years.

The net current asset deficiency largely arises due to prize liabilities and customer account balances totalling \$520.1m required to be classified as current liabilities under Australian Accounting Standards.

The Group maintains cash balances of \$429.0m (of which \$343.9m is restricted). The Group holds other financial assets (current) of \$80.5m required to be held to satisfy licence conditions to fund winnings of certain lottery games payable for up to 20 years. The Group has access to undrawn debt facilities of \$630.0m (June 2024: \$740.0m) to meet working capital and licence requirements, including settlement of prizes payable and customer account balances.

Working capital movements are impacted by the timing of lottery draws, receipt of customers' entries, prize settlements, jackpot activity, new winners for long-term annuity prizes, and the maturity profile of investments relating to long-term annuity prizes.

Note disclosures in this half year financial report have been grouped into the following three sections:

A Group performance

- A1 Segment information
- A2 Earnings per share
- A3 Dividends
- A4 Revenue and expenses
- A5 Income tax
- A6 Subsequent events

B Capital and risk management

- B1 Other financial assets
- B2 Interest bearing liabilities
- B3 Derivative financial instruments
- B4 Fair value measurement

C Operating assets and liabilities

- C1 Payables
- C2 Cash and cash equivalents

Notes to the financial statements: Group performance

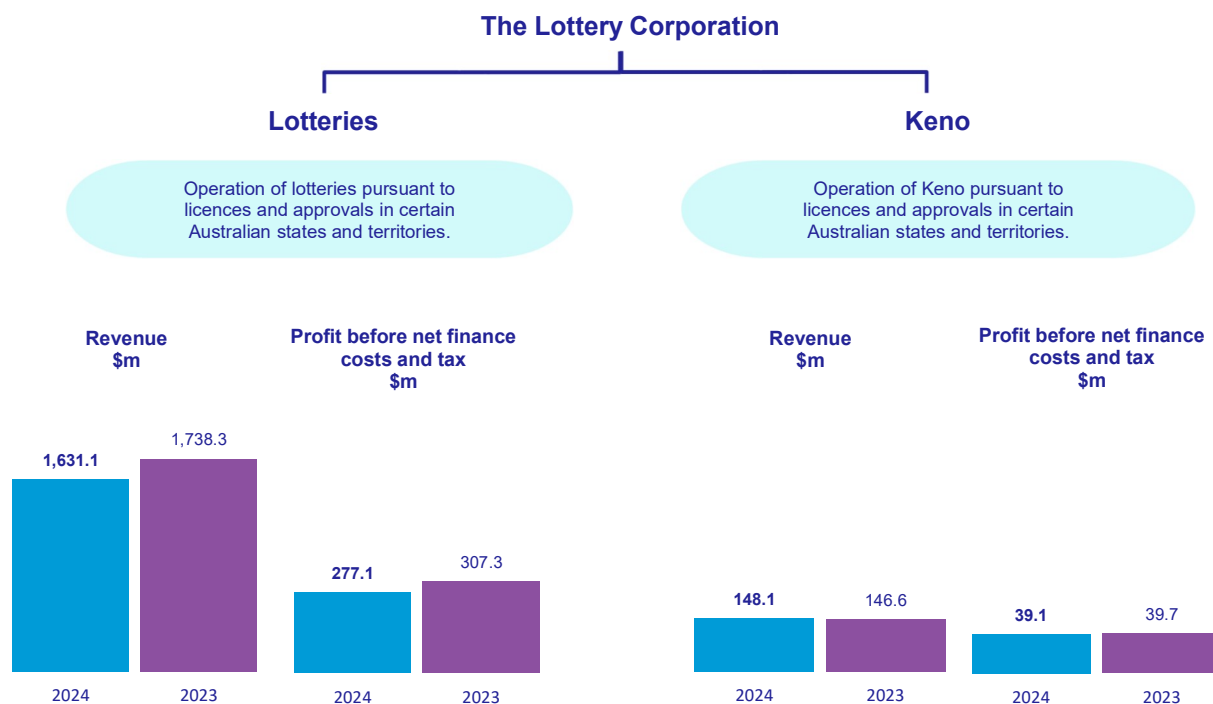
For the half year ended 31 December 2024

SECTION A - GROUP PERFORMANCE

A1 Segment information

Operating segments reflect the business level at which financial information is provided to the Managing Director and Chief Executive Officer (Chief Operating Decision Maker), for decision making regarding resource allocation and performance assessment. The measure of segment profit used excludes significant items not considered integral to the ongoing performance of the segment. Intersegment pricing is determined on commercial terms and conditions.

The Group has two operating segments at period end.



Notes to the financial statements: Group performance
For the half year ended 31 December 2024

SECTION A - GROUP PERFORMANCE (CONTINUED)

A1 Segment information (continued)

	Lotteries \$m	Keno \$m	Total \$m
December 2024			
Segment revenue ⁽ⁱ⁾	1,631.1	148.1	1,779.2
Segment profit before net finance costs and tax ⁽ⁱ⁾	277.1	39.1	316.2
December 2023			
Segment revenue ⁽ⁱ⁾	1,738.3	146.6	1,884.9
Segment profit before net finance costs and tax ⁽ⁱ⁾	307.3	39.7	347.0

A reconciliation of segment result to the Group's income statement is as follows:

	Revenue		Profit before income tax	
	December 2024 \$m	December 2023 \$m	December 2024 \$m	December 2023 \$m
Segment total (per above)	1,779.2	1,884.9	316.2	347.0
Unallocated items:				
- significant items:				
- separation costs ⁽ⁱⁱ⁾	-	-	-	(26.7)
- impairment ⁽ⁱⁱⁱ⁾	-	-	-	1.1
- other	-	-	-	(0.9)
	-	-	-	(26.5)
- finance income	-	-	5.7	11.7
- finance costs	-	-	(66.3)	(67.6)
Total per income statement	1,779.2	1,884.9	255.6	264.6

(i) Lotteries includes interest revenue, refer to note A4.

(ii) Predominantly relates to costs associated with the replication and separation of technology infrastructure and systems from Tabcorp Holdings Limited post demerger.

(iii) Comprises a partial reversal of the write down of assets in respect of surplus corporate lease space.

A2 Earnings per share

	December 2024 \$m	December 2023 \$m
Earnings used in calculation of earnings per share (EPS) attributable to shareholders	175.7	217.4
	December 2024 Number (m)	December 2023 Number (m)
Weighted average number of ordinary shares used in calculating basic EPS	2,225.1	2,225.8
Effect of dilution from Performance Rights	4.3	1.7
Weighted average number of ordinary shares used in calculating diluted EPS	2,229.4	2,227.5

Notes to the financial statements: Group performance
For the half year ended 31 December 2024

SECTION A - GROUP PERFORMANCE (CONTINUED)

A3 Dividends

	December 2024 Cents per share	December 2023 Cents per share	December 2024 \$m	December 2023 \$m
Fully franked dividends declared and paid during the period:				
Prior year final dividend	8.0	6.0	178.1	133.5
Prior year special dividend	2.5	-	55.6	-
	10.5	6.0	233.7	133.5
Fully franked dividends declared and recognised after balance date:				
Interim dividend	8.0	8.0	178.1	178.1
	8.0	8.0	178.1	178.1

A4 Revenue and expenses

	December 2024 \$m	December 2023 \$m
(a) Revenue comprises:		
Revenue from contracts with customers ⁽ⁱ⁾	1,768.6	1,875.3
Interest revenue	10.6	9.6
	1,779.2	1,884.9
(b) Finance income		
Interest income	5.7	6.2
Interest on settlement of pre-demerger tax litigation matters ⁽ⁱⁱ⁾	-	5.5
	5.7	11.7
(c) Finance costs		
Interest costs on interest bearing liabilities	62.8	64.4
Interest costs on lease liabilities	0.9	0.8
Other	2.6	2.4
	66.3	67.6
(d) Depreciation and amortisation		
Licences	17.2	17.4
Other intangible assets	19.1	18.0
Property, plant and equipment	11.5	11.0
Right-of-use assets	5.7	5.7
	53.5	52.1
(e) Impairment ⁽ⁱⁱⁱ⁾		
Right-of-use assets	-	(1.1)
	-	(1.1)

(i) Includes management fees recognised in relation to the Master Agent Agreement associated with the operation of SA Lotteries of \$78.2m (2023: \$77.4m).

(ii) Refer to note A5.

(iii) Comprises a partial reversal of the write down of assets in respect of surplus corporate lease space.

Notes to the financial statements: Group performance
For the half year ended 31 December 2024

SECTION A - GROUP PERFORMANCE (CONTINUED)

A5 Income tax

	December 2024	December 2023
	\$m	\$m
The major components of income tax expense are:		
Current tax	81.5	86.0
Adjustments in respect of current income tax of previous years	(1.9)	1.5
Deferred tax	0.3	(3.2)
Settlement of pre-demerger tax litigation matters ⁽ⁱ⁾	-	(37.1)
	79.9	47.2

- (i) In the prior year, on 11 September 2023 Tabcorp Holdings Limited (Tabcorp) and The Lottery Corporation resolved a dispute with the Australian Taxation Office relating to the income tax treatment of payments for various licences and authorities. Under the terms of the Separation Deed dated 25 March 2022 between Tabcorp and the Company, proceeds obtained, including any interest thereon, on the settlement of matters relating to businesses conducted by the Group prior to demerger would be remitted to the Group. The settlement funds received by the Group comprised a settlement amount of \$37.1m and \$5.5m representing interest thereon.

A6 Subsequent events

Other than the events disclosed elsewhere in this report, no additional matters or circumstances have arisen since the end of the half year, that may significantly affect the Group's operations, the results of those operations or the state of affairs of the Group.

Notes to the financial statements: Capital and risk management
For the half year ended 31 December 2024

SECTION B - CAPITAL AND RISK MANAGEMENT

B1 Other financial assets

Other financial assets are held to fund payments to winners of certain lottery games, where winnings are payable for up to 20 years.

	December 2024 \$m	June 2024 \$m
Equity instruments at fair value through other comprehensive income		
Unlisted investments – managed fund ⁽ⁱ⁾	5.6	23.4
Debt instruments at amortised cost		
Investment – term deposits ⁽ⁱ⁾	376.0	353.9
	381.6	377.3
Current	80.5	58.1
Non current	301.1	319.2
	381.6	377.3

(i) Held to satisfy various regulatory requirements per state and territory-based licences under which the Group operates. Refer to note C2 for further details.

B2 Interest bearing liabilities

The Group borrows money from financial institutions and debt investors in the form of bank loans, overdraft and foreign currency denominated notes.

The following table details the debt position of the Group at balance date:

Facility	Details	Facility limit \$m	Maturity	December 2024 \$m	June 2024 \$m
Bank overdraft	Floating interest rate overdraft facility	100.0	Apr-25	-	-
Bank loans - unsecured	Floating interest rate revolving facility ⁽ⁱ⁾	400.0	Jul-27	399.0	307.9
		550.0	Jul-29	17.5	-
		950.0		416.5	307.9
US Private Placement	Fixed interest rate US dollar debt. Aggregate US dollar principal of \$1,250.0m (June 2024: \$1,250.0m). Cross currency interest rate swaps are in place for all US dollar debt. These swaps hedge the underlying US dollar debt amounts payable, resulting in the aggregate Australian dollar amount payable at maturity being \$1,626.5m (June 2024: \$1,626.5m).	USD 105.0	Jun-26	169.1	158.8
		USD 450.0	Jun-28	726.4	682.3
		USD 520.0	Jun-30	841.1	790.2
		USD 175.0	Jun-33	284.1	266.9
		AUD 97.3	Jun-35	92.9	92.7
		AUD 97.3	Jun-36	92.5	92.3
				2,206.1	2,083.2
				2,622.6	2,391.1
Current				-	-
Non current				2,622.6	2,391.1
				2,622.6	2,391.1

(i) The revolving facility was extended by two years during the current period.

All facilities are subject to financial undertakings as to leverage and interest cover, with reporting required at 30 June and 31 December. The Group has complied with these financial undertakings in both the current period and prior financial year.

Notes to the financial statements: Capital and risk management
For the half year ended 31 December 2024

SECTION B - CAPITAL AND RISK MANAGEMENT (CONTINUED)

B3 Derivative financial instruments

The Group holds the following derivative financial instruments, all at fair value based on level 2 observable inputs (refer to note B4):

	December 2024 \$m	June 2024 \$m
Current assets		
Cross currency interest rate swaps	5.1	1.7
Foreign currency forward	0.6	-
Interest rate swaps	8.9	11.8
	14.6	13.5
Non current assets		
Cross currency interest rate swaps	331.3	222.2
Interest rate swaps	12.3	23.1
	343.6	245.3
	358.2	258.8
Current liabilities		
Cross currency interest rate swaps	3.6	9.1
	3.6	9.1

B4 Fair value measurement

The fair value of financial assets and financial liabilities is estimated for recognition, measurement and disclosure purposes at each balance date. Various methods are available to estimate the fair value of a financial instrument, and comprise:

- Level 1 - calculated using quoted prices in active markets.
- Level 2 - estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - estimated using inputs for the asset or liability that are not based on observable market data.

The carrying amount of financial assets or liabilities recognised in the financial statements is deemed to be the fair value unless stated below:

	Carrying amount		Fair value	
	December 2024 \$m	June 2024 \$m	December 2024 \$m	June 2024 \$m
Financial liabilities				
US Private Placement	2,206.1	2,083.2	2,149.6	1,999.9

The fair value of the Group's financial instruments is estimated as follows:

US Private Placement

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at balance date, in combination with restatement to foreign exchange rates at balance date (level 2 in fair value hierarchy).

Cross currency interest rate and interest rate swaps

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at balance date (level 2 in fair value hierarchy).

Equity instruments at fair value through other comprehensive income

Fair value is referenced to market prices prevailing at balance date (level 2 in fair value hierarchy).

There have been no significant transfers between level 1 and level 2 during the half year ended 31 December 2024.

Notes to the financial statements: Operating assets and liabilities
For the half year ended 31 December 2024

SECTION C - OPERATING ASSETS AND LIABILITIES

C1 Payables

	December 2024 \$m	June 2024 \$m
Current		
Payables ⁽ⁱ⁾	755.2	847.6
Non current		
Payables ⁽ⁱⁱ⁾	369.1	349.3

(i) Includes prize liabilities and customer account balances totalling \$520.1m (June 2024: \$612.2m).

(ii) Comprises prizes payable to the winners of certain lottery games where winnings are payable for up to 20 years (refer to note B1).

C2 Cash and cash equivalents

	December 2024 \$m	June 2024 \$m
Cash and cash equivalents comprise:		
Cash on hand and in banks - significant restrictions ⁽ⁱ⁾	343.9	374.0
Cash on hand and in banks - available for corporate use	85.1	71.9
	429.0	445.9

(i) Significant restrictions

The Group operates under state and territory-based licences which have various regulatory requirements in place that restrict the Group's use of certain cash balances and other financial assets (refer to note B1) for payment of lotteries duties and licence fees and to satisfy customer prize payment obligations. These restrictions arise under the trading conditions for each licence in connection with the Group's liability obligations and vary by jurisdiction. Cash on hand and in banks subject to restrictions as presented are held in accounts segregated from cash held for general use for corporate purposes where required.

Directors' declaration

In the opinion of the Directors of The Lottery Corporation Limited:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards and *Corporations Regulations 2001* (Cth); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Doug McTaggart
Chairman



Sue van der Merwe
Managing Director and Chief Executive Officer

19 February 2025

Independent Auditor's Review Report





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Independent auditor's review report to the members of The Lottery Corporation Limited

Conclusion

We have reviewed the accompanying half-year financial report of The Lottery Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Balance sheet as at 31 December 2024, Income statement, Cash flow statement and Statement of changes in equity for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Ernst & Young logo, featuring the company name in a stylized, handwritten font.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Michael Collins'.

Michael Collins
Partner
Melbourne
19 February 2025

