



18 February 2026

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

2026 HALF YEAR RESULTS ASX RELEASE

Attached is an ASX release relating to the 2026 Half Year Results.

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, General Manager, Investor Relations & Treasury +61 3 9737 5758

The Lottery Corporation Limited (ASX: TLC) today announces its results for the half year ended 31 December 2025 (1H26)

1H26 Results Overview

- Resilient underlying performance in the least favourable half for jackpot outcomes since demerger (turnover impact of c.\$400m)
- Interim dividend 8.0 cps, in line with pcp, payout ratio of 103%; free cash flow remains strong
- Successful Saturday lotto game change – strong price retention of 103%
- Digital share of Lotteries turnover up 80bps to 41.2%, despite low jackpot outcomes
- Continued strong Keno growth
- Balance sheet remains robust, supporting ongoing investment and flexibility for organic opportunities

The Lottery Corporation Managing Director & CEO, Wayne Pickup, said:

"It's been three months since I joined The Lottery Corporation and I'm privileged to lead the team and take carriage of such a powerful portfolio of brands and products that touch millions of Australians.

"The resilience of our model, combined with our unmatched assets and licences and strong balance sheet, gives us strategic optionality and enables us to deliver strong and consistent shareholder returns.

"This was evidenced by our ability to maintain the dividend in a historically low jackpot environment in the first half, supported by our ongoing focus on disciplined cost management.

"The Group's strategy has served us well, but there are clear opportunities to unlock more value.

"Looking forward, three themes will guide us.

"Firstly, we will accelerate our evolution as a digital entertainment company.

"Secondly, we will concentrate on the highly attractive local and regulated markets in which we operate.

"The third theme is focused execution. This means continued innovation and active portfolio management, maximising the digital opportunity, and disciplined capital allocation and cost management to ensure we deliver strong returns on shareholders' capital."

1H26 Group Results

\$m	1H26	1H25	Change	
			\$	%
Revenue¹	1,815.0	1,779.2	35.8	2.0%
Variable contribution	513.0	511.6	1.4	0.3%
Operating expenses	(146.0)	(141.9)	(4.1)	(2.9%)
EBITDA	367.0	369.7	(2.7)	(0.7%)
D&A	(54.0)	(53.5)	(0.5)	(0.9%)
EBIT	313.0	316.2	(3.2)	(1.0%)
Interest	(62.0)	(60.6)	(1.4)	(2.3%)
Tax expense	(77.7)	(79.9)	2.2	2.8%
NPAT	173.3	175.7	(2.4)	(1.4%)
EPS	7.8 cps	7.9 cps	(0.1) cps	(1.3%)
DPS (fully franked) - ordinary	8.0 cps	8.0 cps	-	-

Business Unit Commentary:

Lotteries – resilient underlying performance in the least favourable jackpot period since demerger

- Revenue \$1,615.7m, down 0.9% on the pcp; EBITDA \$308.6m, down 1.9% on the pcp

The Lotteries division delivered a resilient underlying performance in the least favourable half for jackpots since The Lottery Corporation's demerger from Tabcorp Holdings Limited in 2022.

This impacted volumes from Powerball – our biggest game – and Oz Lotto. The cumulative value of Powerball and Oz Lotto jackpots in the half was \$873m, 14.2% lower than the pcp – which resulted in a c.\$400m unfavourable impact on turnover (vs. a c.\$200m unfavourable impact in 1H25).

Growth in the base game portfolio largely offset reduced jackpot games volumes, with game changes and active portfolio management having a positive impact.

The new \$6 million Division 1 offer and subscription price increase for Saturday lotto (in May 2025) won immediate acceptance with strong price retention of 103% - surpassing prior changes. A Powerball subscription price increase was implemented in November 2025.

Set for Life will be our next game refresh (expected in September 2026, subject to regulatory approvals) with additional upfront prizes for Divisions 1 and 2, accompanied by a subscription price increase to 70c (from 60c).

Digital share of turnover (vs pcp) continued to grow despite lower jackpot activity, accounting for 41.2% of Lotteries turnover in 1H26 (40.4% in the pcp). This helped lift the Variable Contribution/Revenue margin to 26.8% (26.7% in the pcp).

Operating expenses increased by 2.6%, with continued disciplined cost management keeping growth to below inflation.

¹ The presentation of revenue for Keno in NSW has been aligned to the change in financial information reported to the Chief Operating Decision Maker. This change has no impact on variable contribution, with the increase in revenue offset by a corresponding increase in variable costs. The 1H25 comparative information for only the Keno segment (but not the Group result) has been presented on a consistent basis (\$38.1m increase in revenue) in accordance with the accounting standards.

Keno – continued strong retail performance; return to digital growth

- Keno revenue² \$199.3m, up 7.0% on the pcp; EBITDA \$58.4m, up 6.2% on the pcp

Keno continued its recent strong performance with turnover growing above the historical trend.

Retail turnover growth of 7.5% reflected strong visitation to pubs and clubs and effective marketing initiatives to make Keno an attractive option for patrons in licensed venues. The online channel returned to growth following the introduction of mandatory spend limits in FY25, with turnover up 3.5% in the half.

Keno also benefited from a strong Keno Mega Millions jackpot run, which was ultimately won in the new year by a Queenslander who took home an \$8.8 million windfall.

Capital and Other Metrics

The Lottery Corporation maintains strong capital and cost discipline alongside balance sheet flexibility as part of its capital management framework.

A key component of the framework is consistent and reliable dividends. The Board is pleased to determine an ordinary 1H26 dividend of 8.0 cents per share, in line with the pcp, with a payout ratio of 103% of 1H26 NPAT.

The interim dividend will be fully franked and payable on 26 March 2026 to shareholders registered at 26 February 2026. The ex-dividend date is 25 February 2026.

At the end of 1H26, the Company's leverage ratio (Net Debt /EBITDA)³ was 3.0 times, at the lower end of the target range of 3.0-4.0x. The Board continues to monitor the Group's capital position and remains committed to the target leverage range of 3.0x to 4.0x.

FY26 guidance:

- Operating expenses \$310-\$320m (1H26 \$146m)
- Depreciation & amortisation \$110-\$115m (1H26 \$54m)
- Capital expenditure \$90-\$100m (1H26 \$34m)

Priorities for Calendar Year 2026

The Lottery Corporation is prioritising the following initiatives to unlock more of the existing businesses' potential:

- Transform digital to elevate the customer experience
- Review brand architecture and positioning
- Enhance base game portfolio performance (including FY27 Set for Life game changes⁴)
- Explore new product opportunities
- Invest in Keno to drive further engagement and growth across channels and geographies
- Simplify and better align organisation structure to increase accountability, speed and quality of decision making
- Preserve/enhance/extend existing licences

For more information:

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

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

² The presentation of revenue for Keno in NSW has been aligned to the change in financial information reported to the Chief Operating Decision Maker. This change has no impact on variable contribution, with the increase in revenue offset by a corresponding increase in variable costs. The 1H25 comparative information has been presented on a consistent basis (\$38.1m increase in revenue) in accordance with the accounting standards.

³ EBITDA for the 12 months to 31 December 2025.

⁴ Subject to all necessary regulatory and other approvals.