



21 August 2024

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

**INVESTOR PRESENTATION
FULL-YEAR RESULTS FOR THE YEAR ENDED 30 JUNE 2024**

Attached is the Investor Presentation that will be presented at The Lottery Corporation's 2024 full-year results briefing today.

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

A webcast 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

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FY24 Full Year Results Presentation

Full Year ended 30 June 2024

21 August 2024



A world-class lotteries business

POWERBALL[®]

PLAY BY YOUR OWN RULES

RECORD JACKPOT

\$ **2000**
MILLION
THIS THURSDAY

HAVE FUN & PLAY
RESPONSIBLY

The
Lottery
Corporation

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FY24 highlights

Strong FY24 performance demonstrates portfolio resilience and jackpot game strength

27

Delivering strong performance and proactive initiatives

- Significant growth in active registered Lotteries customers to 4.75 million
- Successfully embedded increase to Powerball® subscription price and commission rates
- Record Powerball® year with \$200m jackpot
- \$90m Oz Lotto® jackpot – largest in over a decade
- New look Weekday Windfall lottery live May 2024
- Strong Lotteries digital share growth



Executing strategy to deliver value for stakeholders responsibly

- Heightened activity to enhance value of existing licences
- Ordinary dividend of 16.0¹ cps, special dividend of 2.5 cps; total payout ratio of 100%²
- Returns to governments and retail businesses of \$2.6 billion
 - \$1.9 billion to state & territory governments
 - \$725 million in commissions to retailers & venue partners

Notes:

1. Ordinary dividend comprises an interim dividend of 8.0 cps and a final dividend of 8.0 cps, both fully franked
2. 100% payout ratio based on FY24 NPAT (before significant items)

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



Low-spend, mass participation model underpins wide community acceptance



Diversified and balanced portfolio of high-profile brands



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



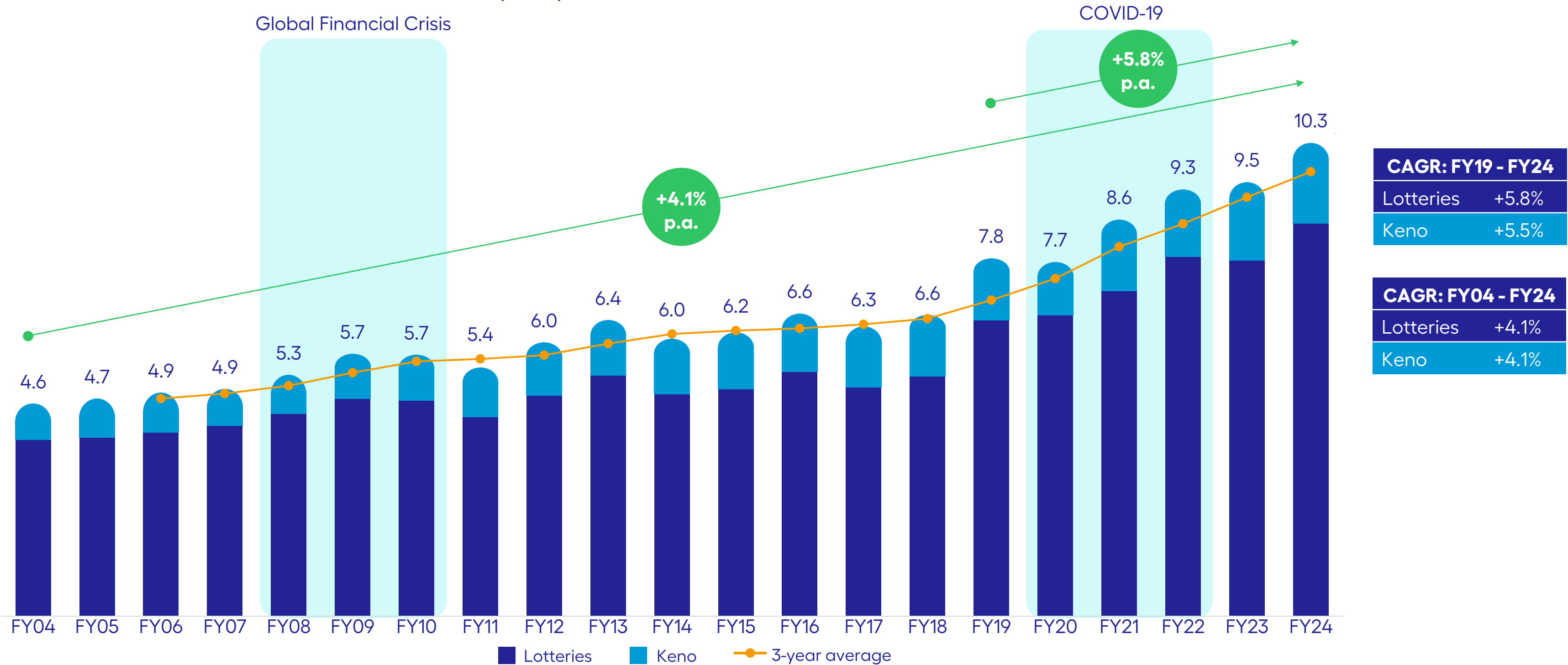
Highly defensive characteristics, including strong cashflow generation and low capital intensity



A track record of sustained growth and resilience

Growth in the 3-year average turnover has always been positive, notwithstanding 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 FY04 to FY21
2. Estimates by The Lottery Corporation of the Australian industry for FY22 to FY24

FY24 Group Results

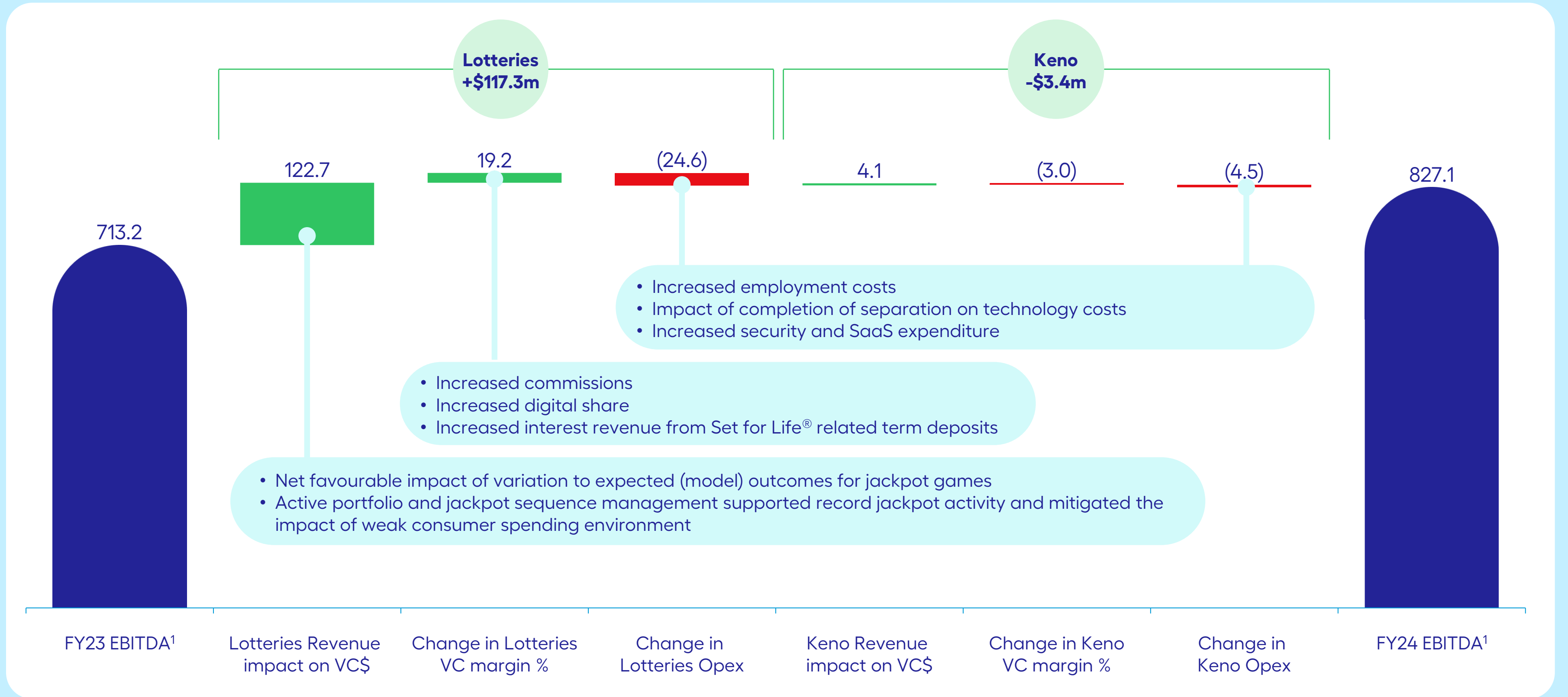
\$m	FY24	FY23	Change	
			\$	%
Revenue	3,996.6	3,513.1	483.5	13.8%
Variable contribution	1,126.6	983.6	143.0	14.5%
Operating expenses	(299.5)	(270.4)	(29.1)	(10.8%)
EBITDA (before significant items)¹	827.1	713.2	113.9	16.0%
D&A	(108.3)	(98.2)	(10.1)	(10.3%)
EBIT (before significant items)¹	718.8	615.0	103.8	16.9%
Interest	(118.6)	(121.9)	3.3	2.7%
Tax expense	(188.4)	(153.7)	(34.7)	(22.6%)
NPAT (before significant items)¹	411.8	339.4	72.4	21.3%
Significant items (after tax) ^{1,2}	2.2	(74.6)	76.8	n.m.
NPAT (including significant items)	414.0	264.8	149.2	56.3%
EPS (before significant items) ¹	18.5 cps	15.2 cps	3.3 cps	21.7%
EPS (including significant items)	18.6 cps	11.9 cps	6.7 cps	56.3%
DPS (fully franked) – ordinary	16.0 cps	14.0 cps	2.0 cps	14.3%
DPS (fully franked) – special	2.5 cps	1.0 cps	1.5 cps	n.m.

Notes:

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

Group EBITDA¹

Record turnover underpinned by jackpot game outcomes drove result



Notes:

1. Before significant items. This is "Non-IFRS" information and is unaudited

Capital Allocation Framework



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

Driving Operating Cash Flow



BAU Capital Management



Options to Deploy Remaining Capital



Long-term Value Creation Target



A disciplined approach to capital allocation

- Commitment to a strong investment-grade credit rating (Current: BBB+)
- Strong and predictable cash flows underpin core operations, recognising some short-term jackpot-related volatility
- Disciplined approach to capital expenditure and deploying excess capital – only at appropriate risk-adjusted returns
- Options to deploy any remaining capital to be assessed on a case-by-case basis with a view to maximising long-term shareholder value

Notes:

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

Capital and Other Metrics

Retaining balance sheet flexibility

Dividends (fully franked)

Ordinary **16.0 cps**

(+14.3% vs FY23: 14.0 cps)

Payout Ratio **86%**

FY24 NPAT (before significant items)

Special **2.5 cps**

(FY23: 1.0 cps¹)

Total dividend **18.5 cps**

(+23.3% vs FY23: 15.0 cps)

Payout Ratio **100%**

FY24 NPAT (before significant items)

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

Leverage

2.6x Net Debt/EBITDA²

 Target: 3.0-4.0x

Opex

FY24 **\$299.5m**

 Target: FY24 Opex c.\$300m

Expected incremental impact in FY25 of separation costs: c.\$12m

D&A

FY24 **\$108.3m**

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

Capex

FY24 **\$59.7m BAU**

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

Notes:

1. Paid in relation to June 2022 NPAT (being the month subsequent to the demerger from Tabcorp Holdings Limited)
2. EBITDA (before significant items) as at 30 June 2024

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Lotteries: Result Summary

Strong result reflects management actions and highly favourable jackpot outcomes

Active portfolio and jackpot sequence management supported record jackpot activity and mitigated the impact of weak consumer spending environment

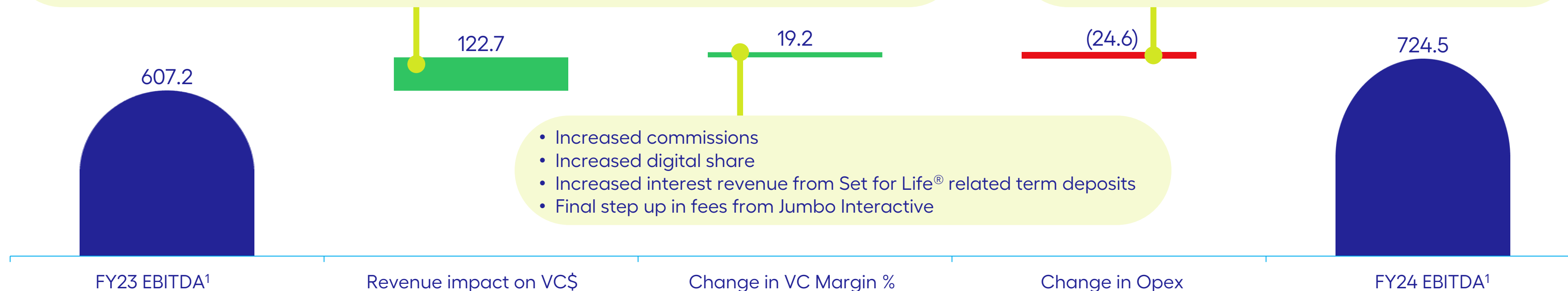
Resilience of demand evident in customer number growth, and like-for-like turnover levels of base games and base weeks of jackpot games

Strong digital share growth

\$m	FY24	FY23	Change
Revenue	3,708.5	3,232.6	14.7%
Variable contribution	975.1	833.2	17.0%
Operating expenses	(250.6)	(226.0)	(10.9%)
EBITDA¹	724.5	607.2	19.3%
D&A	(73.0)	(68.2)	(7.0%)
EBIT¹	651.5	539.0	20.9%
VC / Revenue %	26.3%	25.8%	0.5%
Opex / Revenue %	6.8%	7.0%	0.2%
EBITDA / Revenue %	19.5%	18.8%	0.7%

- Positive impacts from Powerball[®] subscription price change and increased commissions
- Net favourable impact of variation to expected (model) outcomes for jackpot games²
- Like-for-like turnover down c.2–4% for most base games in a weak consumer spending environment

- Increased employment costs
- Impact of completion of separation on technology costs
- Increased security and SaaS expenditure



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

Notes:

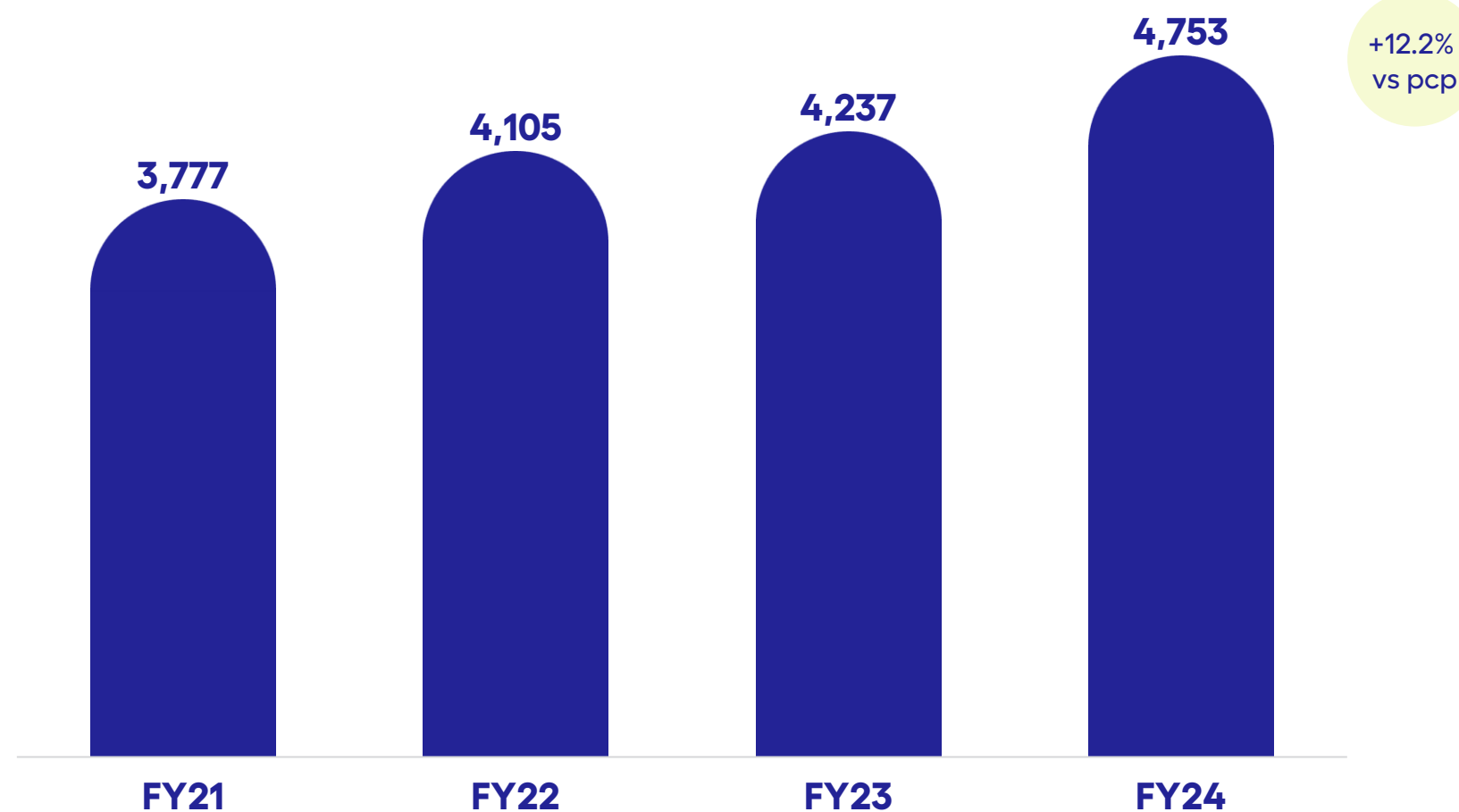
1. This is "Non-IFRS" information and is unaudited
2. Estimated impacts: FY24 favourable - turnover: c.\$500m, Revenue: c.\$250m; FY23 unfavourable - turnover: c.\$250m, Revenue: c.\$125m

Lotteries: KPIs – Customers & Channel

Continued growth and lift in proportion of total active registered customers increases opportunity for greater personalisation; growth in share of higher margin digital sales

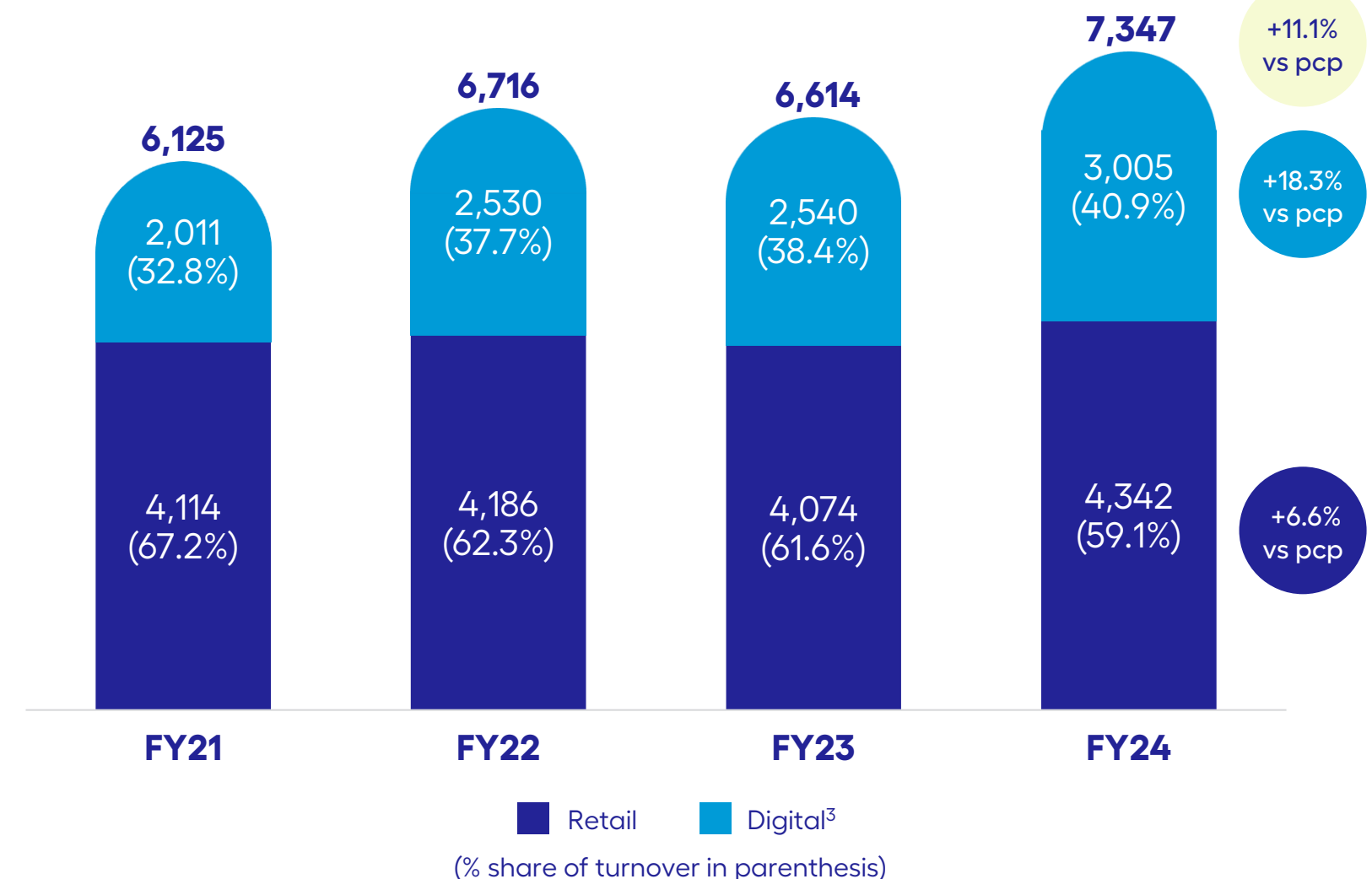
Number of Active Registered Customers – last 52 weeks¹ (000's)

Estimated total active customers² of c.10m (FY23: 9.7m)



Turnover by Channel (\$m)

Nearly half of the growth in digital share came from digital sales on which commissions are retained



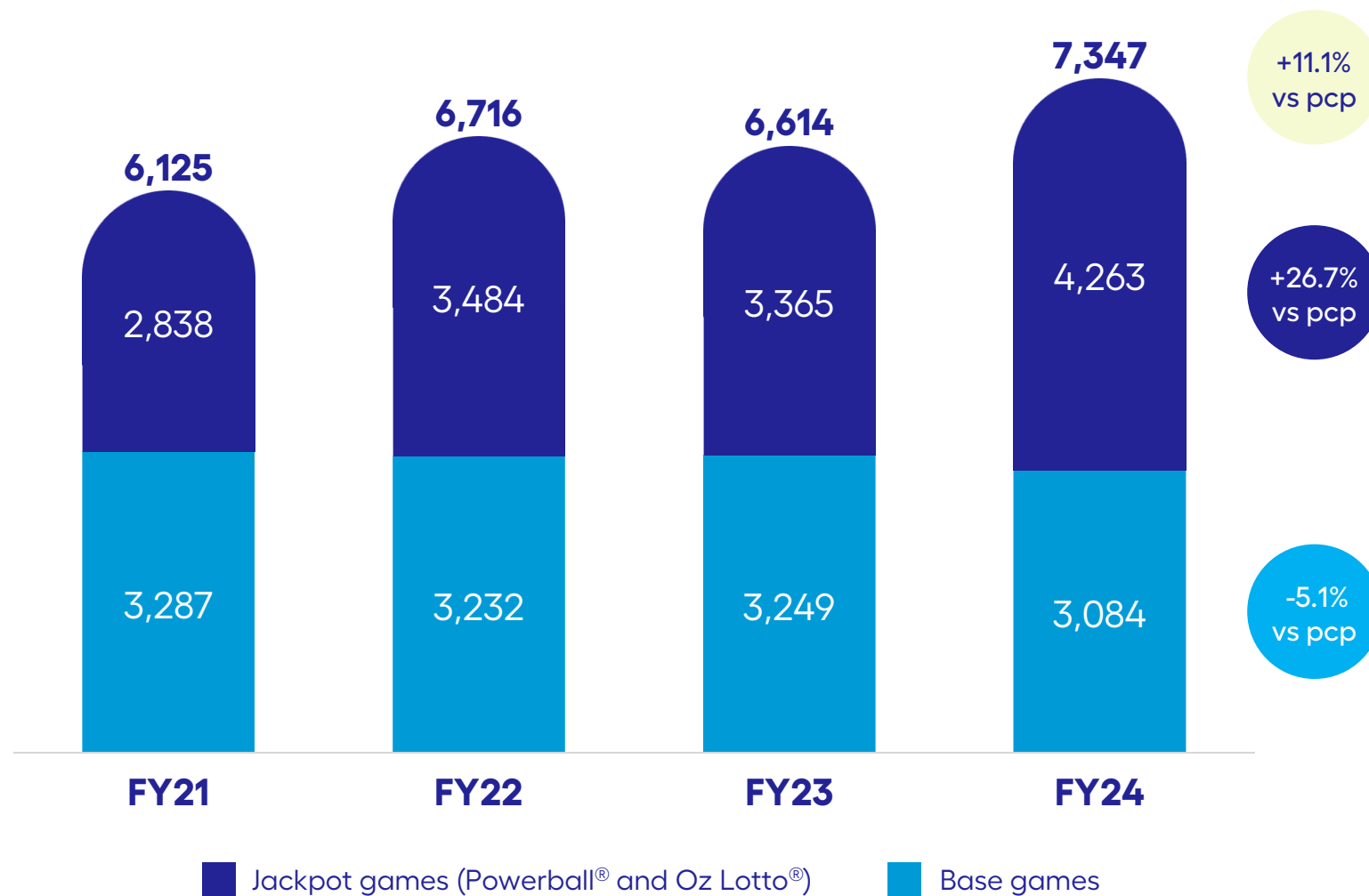
Notes:

1. Played in the previous 52 weeks. Comprises retail and/or digital customers
2. Estimated total active customers based on Roy Morgan Gambling Monitor. April 2023 – March 2024. 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 March 2024, based on Australian Bureau of Statistics monthly estimates
3. Digital turnover comprises TLC direct online (including Store Syndicates Online) and resellers

Lotteries: KPIs – Product

Resilience of demand evident in strong portfolio performance; softness in base games amid weak consumer spending environment and some transference to jackpot games

Turnover by Product Type (\$m)



Turnover Growth

	FY24 (v FY23)	
	Actual ¹	Like-for-like ^{1,2}
Powerball®	24.8%	1.4%
Oz Lotto®	32.1%	(0.5%)
Saturday lotto ³	(7.1%)	(4.3%)
Weekday Windfall lottery ⁴	(0.5%)	(3.6%)
Set for Life®	(3.6%)	
Instant Scratch-Its®	(1.9%)	
Lucky Lotteries®	(18.0%)	n.m. ⁵

NOTE: Like-for-like measures do not include any allowance for second order impacts such as transference from base games to jackpot games

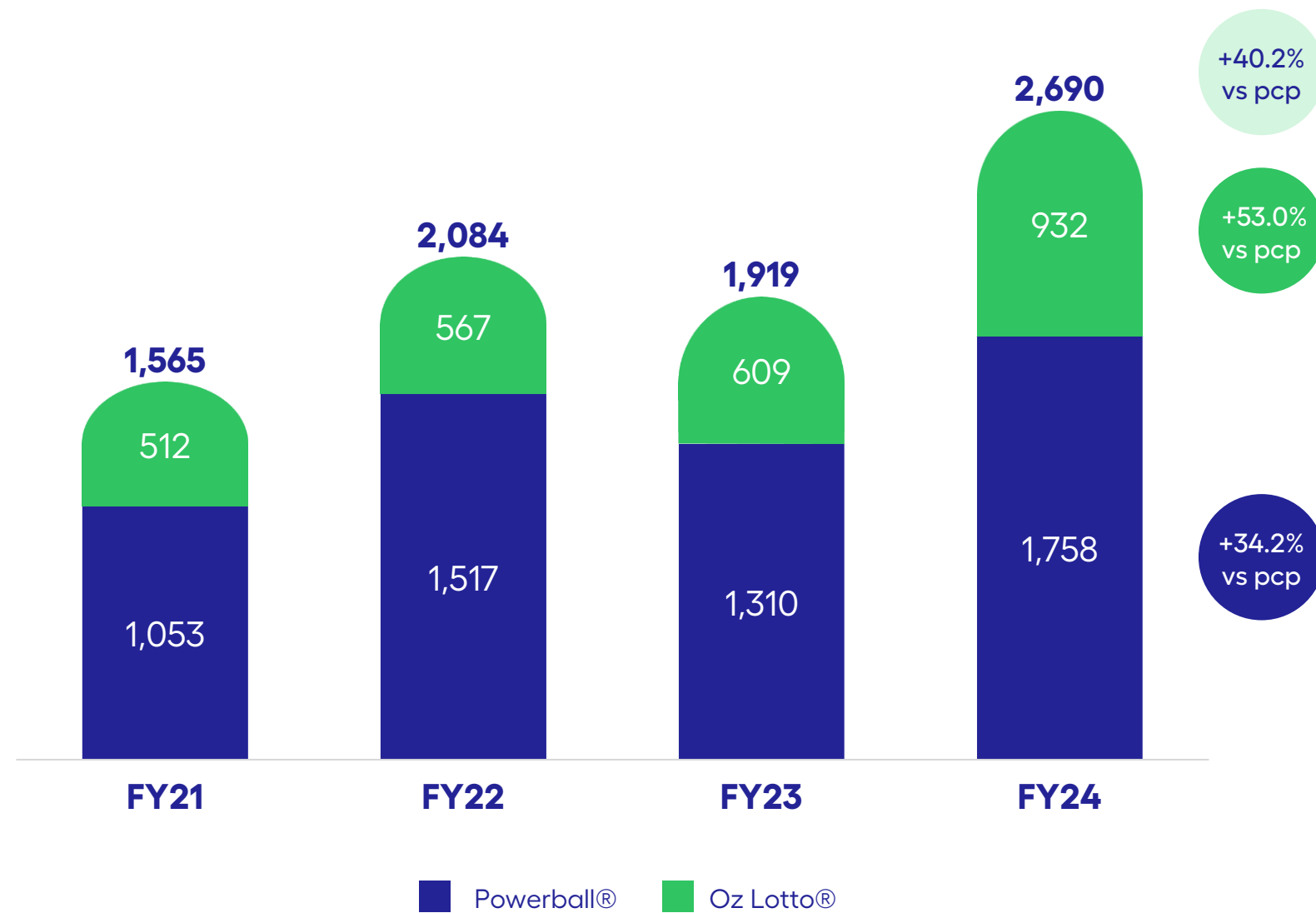
Notes:

- Includes impact of game/price changes
- Where necessary, adjusts turnover in a prior period to reflect a sequence of jackpots and offers comparable to the reference period as an indicative measure of underlying performance
- Like-for-like performance includes an adjustment for Saturday lotto's 2022 \$30m Mid-Year Megadraw which occurred in July 2022 (i.e. FY23), whereas the equivalent 2023 event occurred in June 2023 (i.e. also FY23)
- On 20 May 2024, Monday & Wednesday Lotto underwent a game refresh into a new standalone brand, named Weekday Windfall lottery, with the addition of a Friday draw
- In FY24 Lucky Lotteries® Mega Jackpot peaked at an unusually high \$21m. In FY23 Lucky Lotteries® Super Jackpot peaked at a record \$33m vs a previous record of \$16m

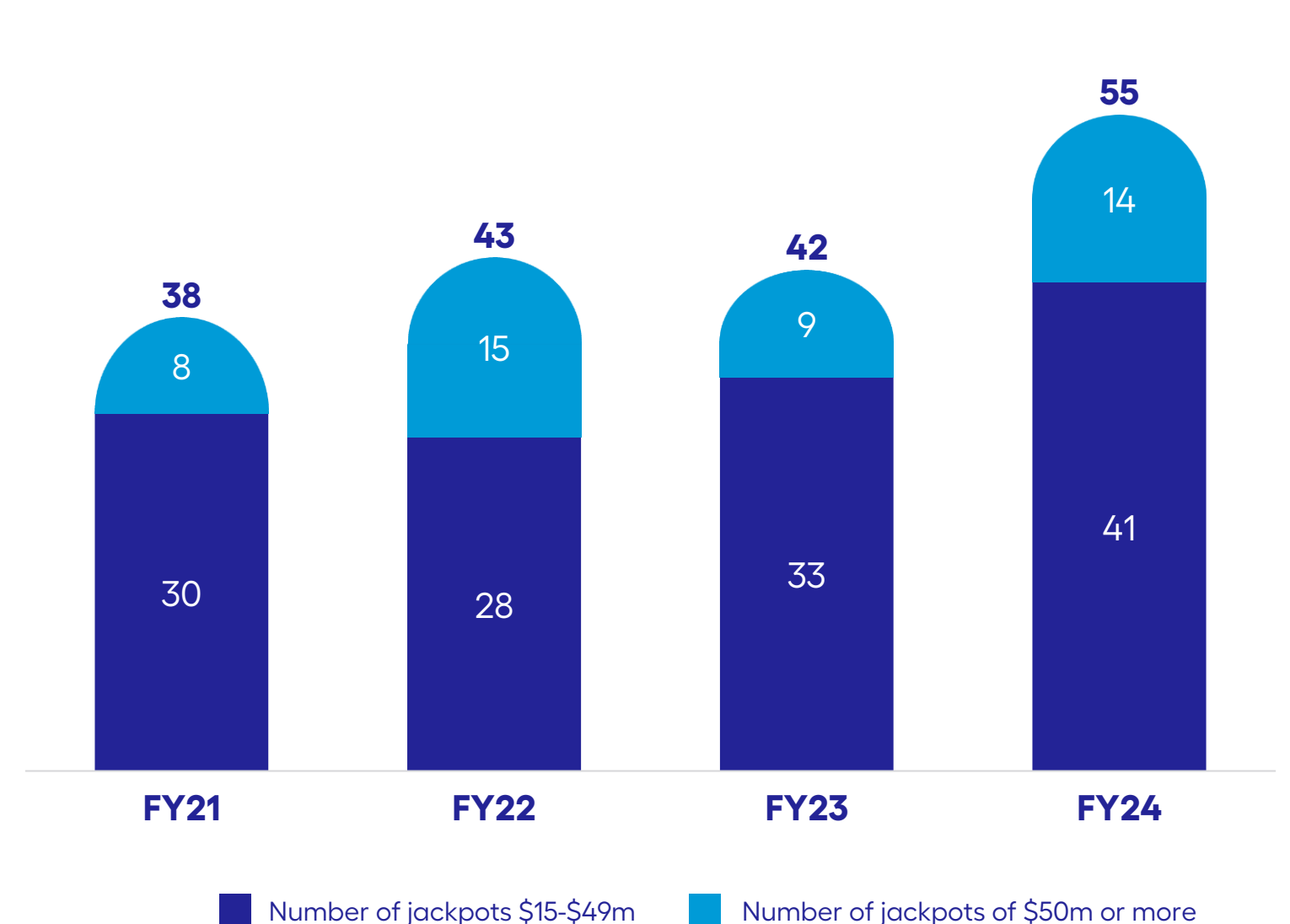
Lotteries: KPIs – Jackpot Games

Highly favourable year for jackpot outcomes – estimated FY24 turnover benefit of c.\$500m from variation to expected (model) outcomes^{1,2}

Cumulative Jackpot Value Offered (\$m)



Powerball® and Oz Lotto® Major Jackpots



Notes:

- Simulation of jackpot outcomes over 100 different 52-week periods using average FY24 turnover for each jackpot level and resulting jackpot win probabilities as a constant
- FY24 favourability of c.\$500m, approximately three-quarters related to Powerball®, with the balance attributable to Oz Lotto®. (FY23 unfavourability of c.\$250m, approximately one-third related to Powerball®, with the balance attributable to Oz Lotto®).

Record \$200m Powerball[®] jackpot¹

Turnover of \$320m; equivalent of 1 in 2 Australian adults purchased an entry; digital sales 47%

Marketing and operational strategy geared to maximise benefits of jackpot event

- Flexible and scalable media and communications strategy
- Elevated personalised marketing through digital channels
- Leveraged momentum from \$90m Oz Lotto[®] jackpot and \$30m Saturday lotto Megadraw (December 2023)

Continuous engagement to maximise ongoing benefits

- Uplift in activation and onboarding rates
- Personalisation activities leveraging first party data
- c.40% of new active registered customers have made a subsequent purchase

Successful execution delivered significant commercial benefits

- Delivered more than 170,000 new active registered customers
- Increased participation among customers aged 18 to 44
- Generated earned media of c.\$20m²

Notes:

1. Drawn on 1 February 2024
2. Advertising space rates as calculated by Isentia



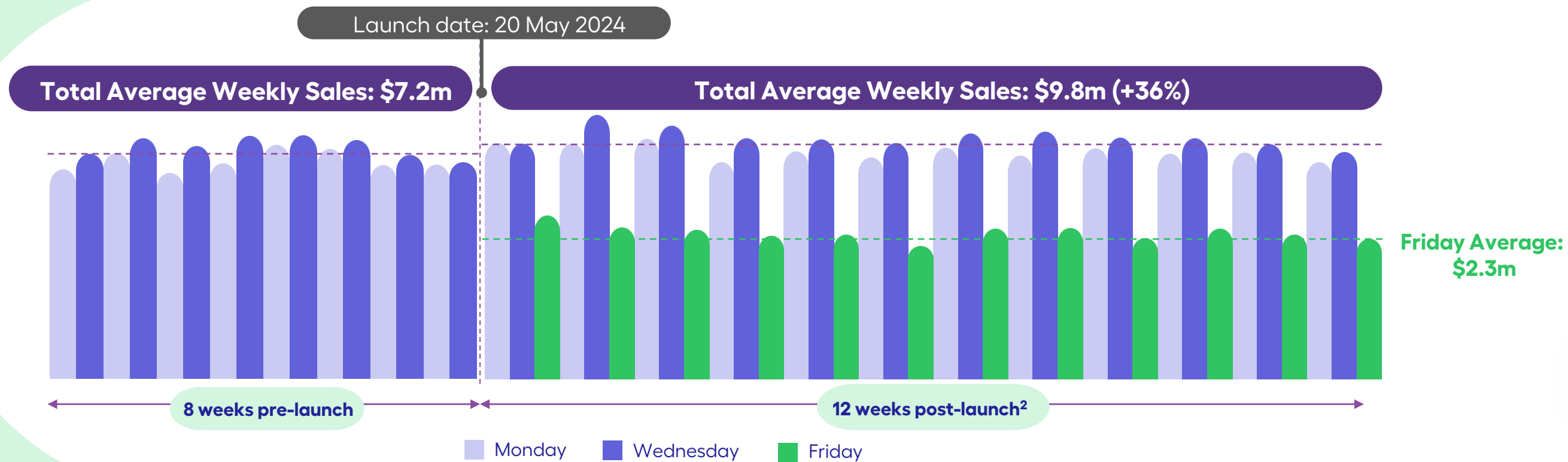
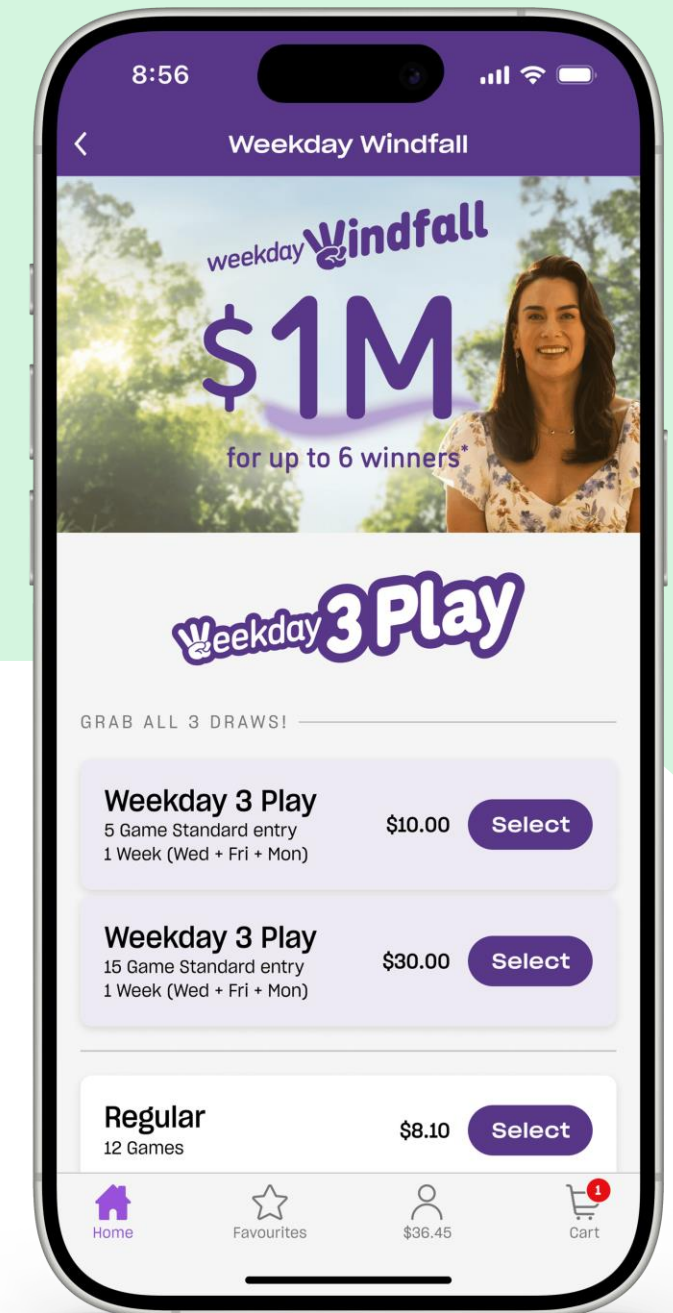
Successful launch of Weekday Windfall lottery

Addition of new Friday draw and price increase currently delivering c.\$135m¹ in annualised estimated additional turnover

Scale of new Friday Draw
c.60%
of average of Monday/
Wednesday

Annualised Friday Turnover
c.\$120M
Based on current
run-rate

Total increase from Weekday Windfall lottery
+36%
Based on current
run-rate



Notes:

1. Annualised Friday turnover plus uplift in Monday/Wednesday turnover (including price retention of c.40% of the 5 cent or 9.1% price increase)
2. Excludes Double Dividends promotion draw

Keno: Result Summary

Strong in-venue performance, with Queensland continuing to lead the way; cycling record profitability in FY23

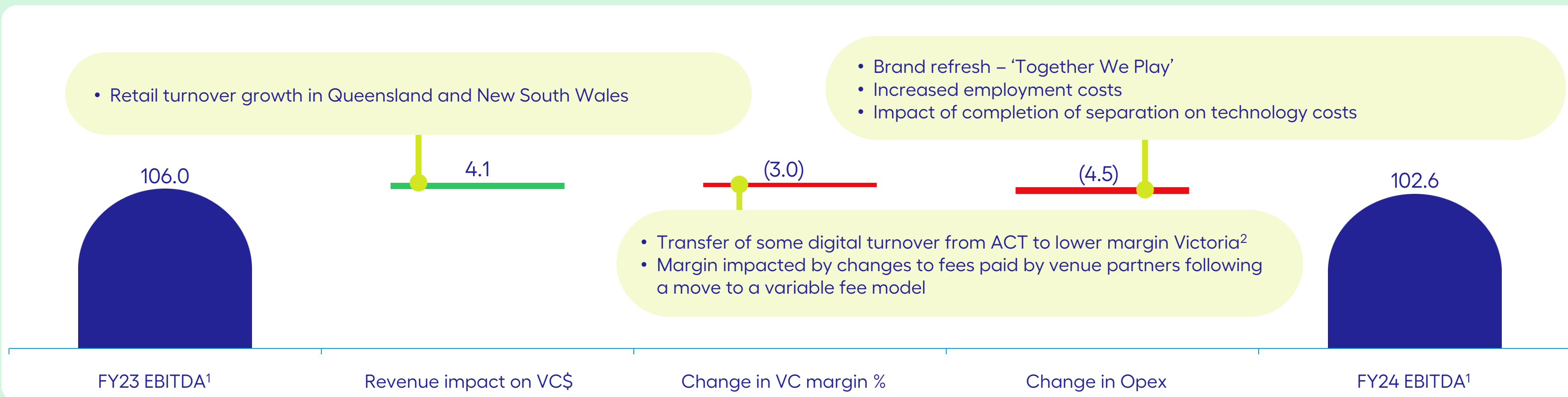
Increased footfall in venues underpinned growth in Queensland and New South Wales

Continued uplift in local area marketing initiatives is delivering; “Together We Play” brand refresh expected to benefit future periods

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

Changes in commercial arrangements impacted margins

\$m	FY24	FY23	Change
Revenue	288.1	280.5	2.7%
Variable contribution	151.5	150.4	0.7%
Operating expenses	(48.9)	(44.4)	(10.1%)
EBITDA¹	102.6	106.0	(3.2%)
D&A	(35.3)	(30.0)	(17.7%)
EBIT¹	67.3	76.0	(11.4%)
VC / Revenue %	52.6%	53.6%	(1.0%)
Opex / Revenue %	17.0%	15.8%	(1.2%)
EBITDA / Revenue %	35.6%	37.8%	(2.2%)



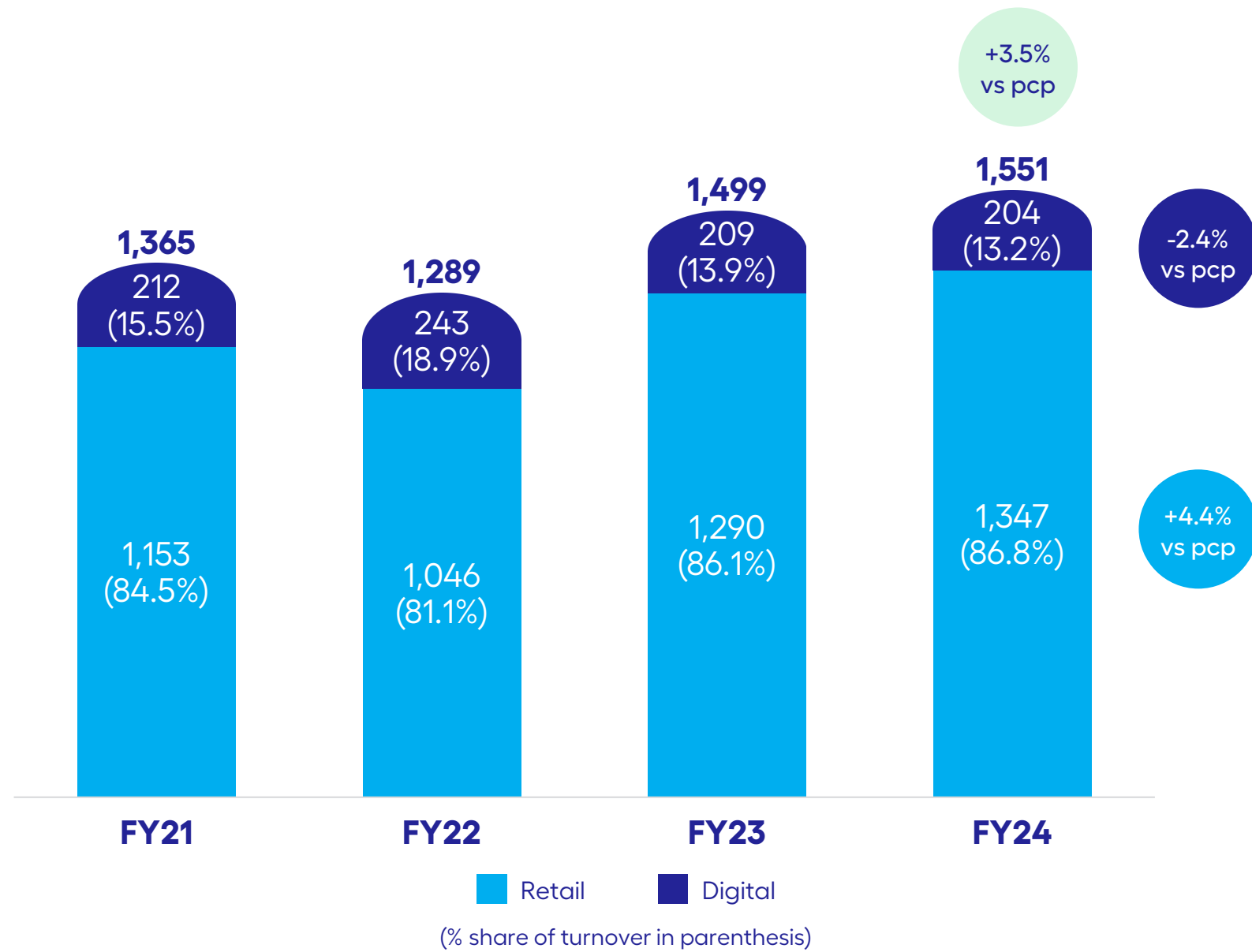
Notes:

1. This is “Non-IFRS” information and is unaudited
2. Transfer of turnover required under new Victorian licence

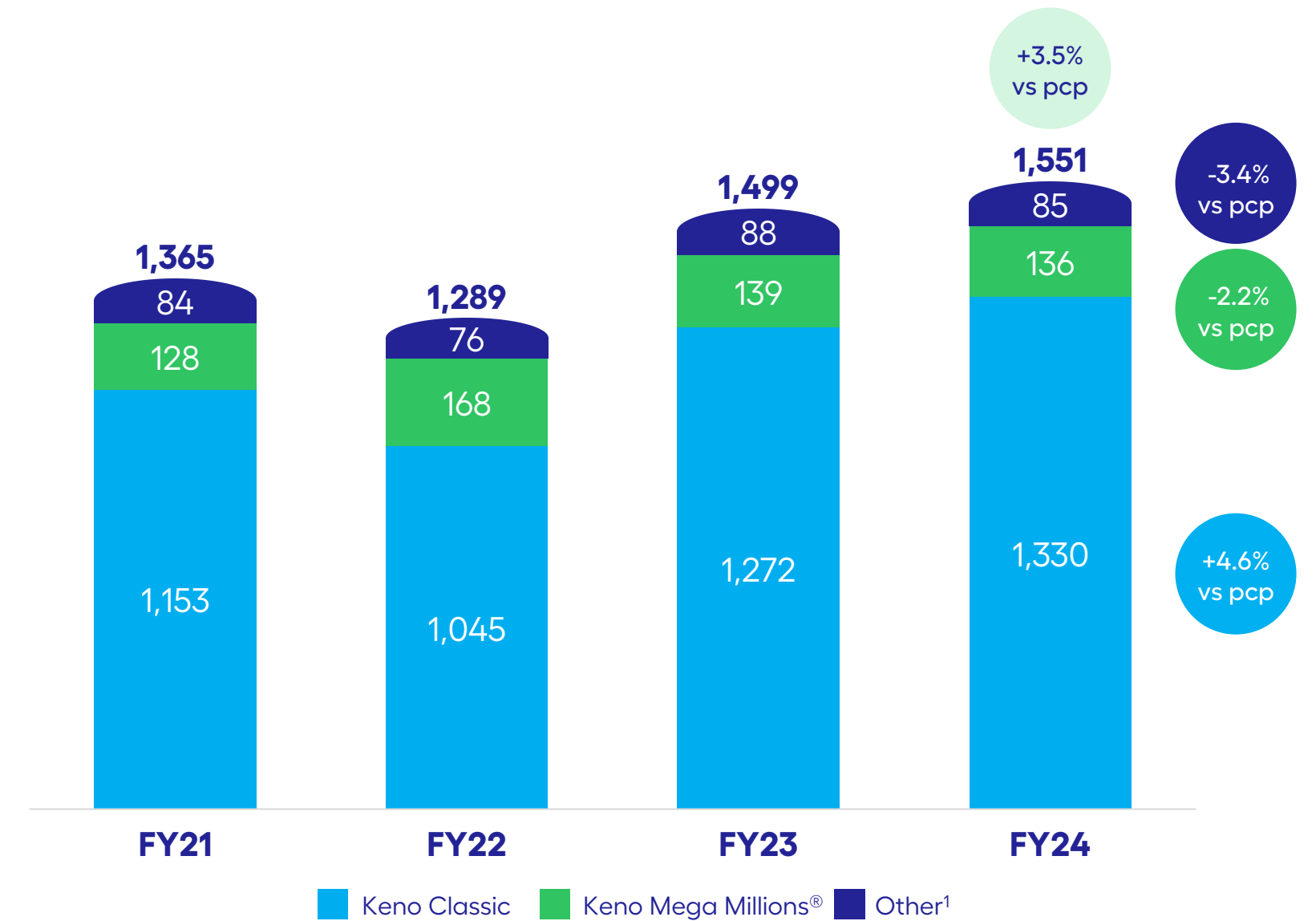
Keno: KPIs

Strong retail performance, especially in Queensland; digital grew in 2H24 following initial impact in 1Q24 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

New Keno brand campaign

Campaign emphasises Keno is a social game that can bring everyone together



together we play

WHEN YOU PLAY TOGETHER IT ALWAYS FEELS LIKE A WIN!



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Key initiatives delivered in FY24

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



Successfully embedded increase to Powerball® subscription price and commission rates



Successful Weekday Windfall lottery launch – major Monday & Wednesday lotto refresh, including new Friday draw



Achieved re-certification of highest Level 4 World Lottery Association responsible gambling accreditation



Accelerated retail/digital convergence, including Store Syndicates Online and BYO device trial in Keno



Continued to build trust through a significant uplift in data, privacy and cybersecurity investments



Effective completion of separation from Tabcorp



Our strategy to continue to deliver long-term growth and value

VISION AND PURPOSE

Our Vision
To be the world's best lottery operator

Our Purpose
To create positive impacts

STRATEGIC PILLARS

DRIVE

*Customer centred initiatives to support **sustainable growth***

Responsibly deliver seamless and personalised customer experiences

Continue to reshape digital and retail offer

Actively manage and innovate the game portfolio

DEVELOP

*Guiding strategies to **future-proof TLC***

Reimagine digital experiences

Maximise operational efficiency

Enhance licence value

Amplify community impact

DISCOVER

*Complementary **new earnings pathways***

Explore new revenue segments

Pursue new licence opportunities

COMPANY PRINCIPLES

CREATE JOYFUL MOMENTS

BE ACCOUNTABLE & TRANSPARENT

DARE TO FIND A BETTER WAY

NURTURE THE UNIQUENESS OF OUR PEOPLE

A bright future: FY25 key priorities

Our Vision: To be the world's best lottery operator

DRIVE

Our existing business

Responsibly deliver seamless and personalised customer experiences

Continue to reshape digital and retail offer

Actively manage and innovate the game portfolio

- Implement new customer data platform to drive personalisation across channels
- Improve customer onboarding processes
- Deploy new retail terminals across our Lotteries and Keno networks to improve our CX
- Expand cashless options in our Keno networks
- Implement Saturday Lotto game change (FY25)¹
- Research and commence development of potential FY26 and FY27 changes – Set for Life[®] & Powerball^{®1}

DEVELOP

Prepare for the future

Reimagine digital experiences

Maximise operational efficiency

Enhance licence value

Amplify community impact

- Implement Digitally Enhanced Retail Membership (DERM) program – support growth in registered customer numbers through our retail channel
- Expand payment options for customers and reduce overheads through E-commerce program
- Progress a transformation program across call centre operations
- Input into Federal review announced into online keno and foreign matched lotteries
- Uplift Charitable Games via integration of products into The Lott's digital channels¹

DISCOVER

New earnings possibilities

Explore what's possible

- Explore new licence opportunities

Notes:

1. Subject to all necessary regulatory and other approvals

Conclusion: A resilient, world-class lotteries business

- ✓ Strong result in FY24
- ✓ Proactive management initiatives delivering results
- ✓ Ongoing strategic execution
- ✓ Delivering value for stakeholders responsibly
- ✓ A track record of sustainable growth and resilience



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Appendix 1: Significant Items¹

Settlement of pre-demerger tax litigation matters

- On 11 September 2023 The Lottery Corporation Limited (TLC) and Tabcorp Holdings Limited 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 was comprised of 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)	FY24	FY23
Settlement of pre-demerger tax litigation matters	40.9	-
Separation costs	(37.3)	(70.8)
Other	(1.4)	(3.8)
Total Significant Items (after tax)	2.2	(74.6)

Notes:

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

Appendix 2A: Group Results

\$m	1H24	1H23	Change	2H24	2H23	Change	FY24	FY23	Change
Revenue	1,884.9	1,920.2	(1.8%)	2,111.7	1,592.9	32.6%	3,996.6	3,513.1	13.8%
Variable contribution	534.3	535.9	(0.3%)	592.3	447.7	32.3%	1,126.6	983.6	14.5%
Operating expenses	(135.2)	(126.5)	(6.9%)	(164.3)	(143.9)	(14.2%)	(299.5)	(270.4)	(10.8%)
EBITDA (before significant items)¹	399.1	409.4	(2.5%)	428.0	303.8	40.9%	827.1	713.2	16.0%
D&A	(52.1)	(48.6)	(7.2%)	(56.2)	(49.6)	(13.3%)	(108.3)	(98.2)	(10.3%)
EBIT (before significant items)¹	347.0	360.8	(3.8%)	371.8	254.2	46.3%	718.8	615.0	16.9%
VC / Revenue %	28.3%	27.9%	0.4%	28.0%	28.1%	(0.1%)	28.2%	28.0%	0.2%
Opex / Revenue %	7.2%	6.6%	(0.6%)	7.8%	9.0%	1.2%	7.5%	7.7%	0.2%
EBITDA / Revenue %	21.2%	21.3%	(0.1%)	20.3%	19.1%	1.2%	20.7%	20.3%	0.4%
EBIT / Revenue %	18.4%	18.8%	(0.4%)	17.6%	16.0%	1.6%	18.0%	17.5%	0.5%

Notes:

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

Appendix 2B: Lotteries Results

\$m	1H24	1H23	Change	2H24	2H23	Change	FY24	FY23	Change
Revenue	1,738.3	1,772.8	(1.9%)	1,970.2	1,459.8	35.0%	3,708.5	3,232.6	14.7%
Variable contribution	456.6	455.9	0.2%	518.5	377.3	37.4%	975.1	833.2	17.0%
Operating expenses	(113.5)	(106.3)	(6.8%)	(137.1)	(119.7)	(14.5%)	(250.6)	(226.0)	(10.9%)
EBITDA¹	343.1	349.6	(1.9%)	381.4	257.6	48.1%	724.5	607.2	19.3%
D&A	(35.8)	(33.7)	(6.2%)	(37.2)	(34.5)	(7.8%)	(73.0)	(68.2)	(7.0%)
EBIT¹	307.3	315.9	(2.7%)	344.2	223.1	54.3%	651.5	539.0	20.9%
VC / Revenue %	26.3%	25.7%	0.6%	26.3%	25.8%	0.5%	26.3%	25.8%	0.5%
Opex / Revenue %	6.5%	6.0%	(0.5%)	7.0%	8.2%	1.2%	6.8%	7.0%	0.2%
EBITDA / Revenue %	19.7%	19.7%	-	19.4%	17.6%	1.8%	19.5%	18.8%	0.7%
EBIT / Revenue %	17.7%	17.8%	(0.1%)	17.5%	15.3%	2.2%	17.6%	16.7%	0.9%

Notes:

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

Appendix 2C: Keno Results

\$m	1H24	1H23	Change	2H24	2H23	Change	FY24	FY23	Change
Revenue	146.6	147.4	(0.5%)	141.5	133.1	6.3%	288.1	280.5	2.7%
Variable contribution	77.7	80.0	(2.9%)	73.8	70.4	4.8%	151.5	150.4	0.7%
Operating expenses	(21.7)	(20.2)	(7.4%)	(27.2)	(24.2)	(12.4%)	(48.9)	(44.4)	(10.1%)
EBITDA¹	56.0	59.8	(6.4%)	46.6	46.2	0.9%	102.6	106.0	(3.2%)
D&A	(16.3)	(14.9)	(9.4%)	(19.0)	(15.1)	(25.8%)	(35.3)	(30.0)	(17.7%)
EBIT¹	39.7	44.9	(11.6%)	27.6	31.1	(11.3%)	67.3	76.0	(11.4%)
VC / Revenue %	53.0%	54.3%	(1.3%)	52.2%	52.9%	(0.7%)	52.6%	53.6%	(1.0%)
Opex / Revenue %	14.8%	13.7%	(1.1%)	19.2%	18.2%	(1.0%)	17.0%	15.8%	(1.2%)
EBITDA / Revenue %	38.2%	40.6%	(2.4%)	32.9%	34.7%	(1.8%)	35.6%	37.8%	(2.2%)
EBIT / Revenue %	27.1%	30.5%	(3.4%)	19.5%	23.4%	(3.9%)	23.4%	27.1%	(3.7%)

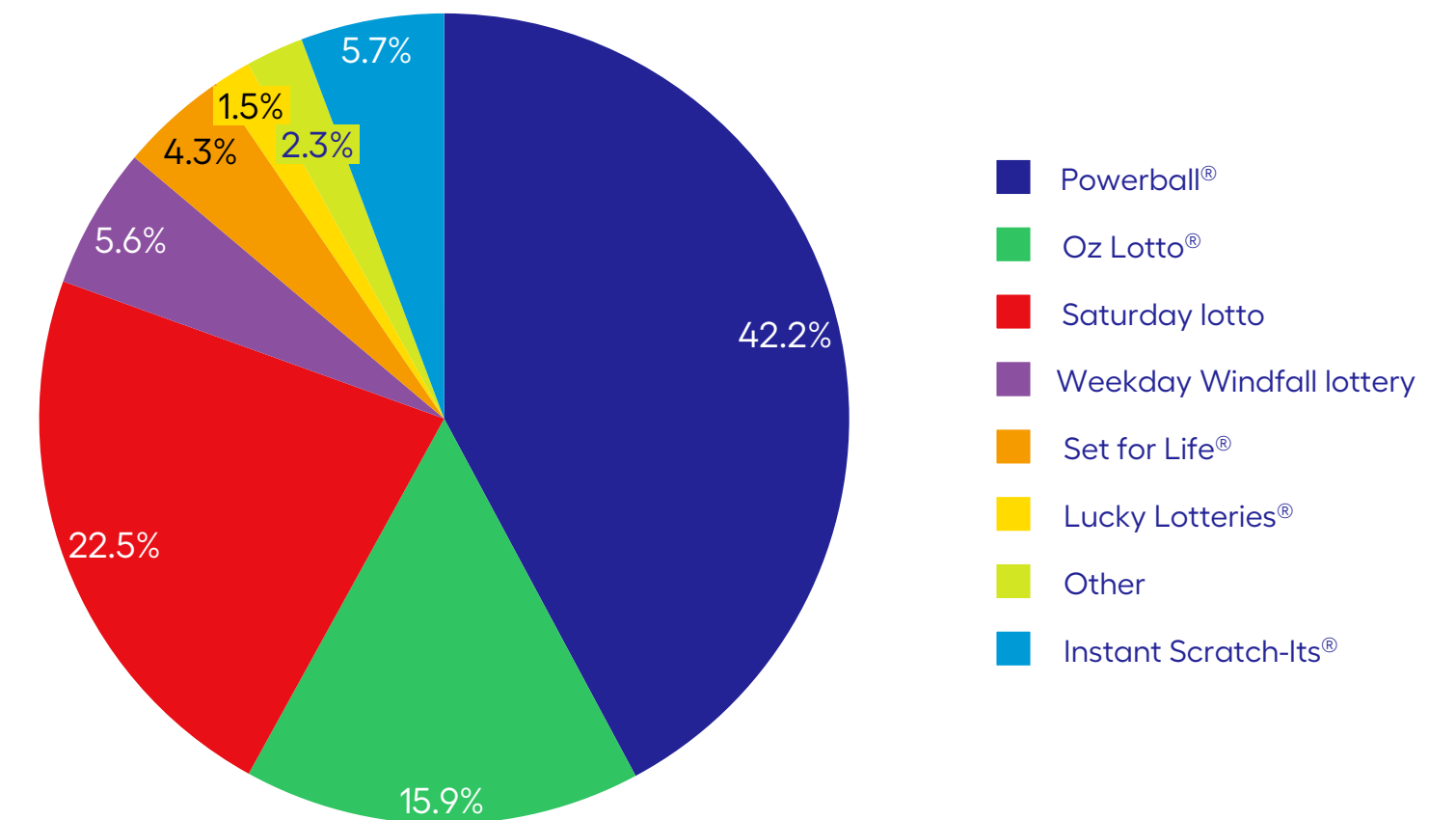
Notes:

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

Appendix 3: Lotteries – Turnover¹ by product

Turnover by Game (\$m)				
Game	FY24	FY23	Change	
			\$	%
Powerball [®]	3,098	2,483	615	24.8%
Oz Lotto [®]	1,165	882	283	32.1%
Jackpot Games	4,263	3,365	898	26.7%
Saturday lotto ²	1,652	1,778	(126)	(7.1%)
Weekday Windfall lottery ³	415	417	(2)	(0.5%)
Set for Life [®]	318	330	(12)	(3.6%)
Lucky Lotteries ^{®4}	109	133	(24)	(18.0%)
Instant Scratch-Its [®]	421	429	(8)	(1.9%)
Other	169	162	7	4.3%
Base Games	3,084	3,249	(165)	(5.1%)
Total	7,347	6,614	733	11.1%

FY24 Turnover by Game



Notes:

1. Game sales, excluding commissions
2. Saturday lotto's 2022 \$30m Mid-Year Megadraw occurred in July 2022 (i.e. FY23), whereas the equivalent 2023 event occurred in June 2023 (i.e. also FY23) – positive impact on FY23 turnover of c.\$45m
3. On 20 May 2024, Monday & Wednesday Lotto underwent a game refresh into a new standalone brand, named Weekday Windfall lottery, with a Friday draw
4. In FY24 Lucky Lotteries[®] Mega Jackpot peaked at an unusually high \$21m – positive impact on FY24 turnover of c.\$25m. In FY23 Lucky Lotteries[®] Super Jackpot peaked at a record \$33m vs a previous record of \$16m – positive impact on FY23 turnover of c.\$50m

Appendix 4: Balance Sheet and Debt

Balance Sheet	
\$m	Jun-24
Total current assets	706.3
Licences	681.4
Other intangible assets	2,247.3
Property, plant and equipment	85.9
Other non current assets	643.3
Total assets	4,364.2
Total liabilities	4,001.1
Shareholders' funds	363.1
Net debt	2,147.2
Shares on issue (m)	2,225.8

Debt	
\$m	Jun-24
Gross debt – excluding lease liabilities (at spot)¹	2,391.1
Less: Benefit of FX hedges on USPP principal ²	(260.6)
Gross debt – excluding lease liabilities (at hedged rates)	2,130.5
Add: Lease liabilities	88.6
Gross debt	2,219.1
Less: Unrestricted cash ³	(71.9)
Net debt	2,147.2

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 @ 0.6624 = A\$1,887.1m) less principal amount payable at maturity under cross currency interest rate swaps (A\$1,626.5m)
3. Cash and cash equivalents (\$445.9m) less restricted cash (\$374.0m)

Appendix 5: Cash Flow, Capex and Debt

Cash Flow

\$m	Jun-24
Net operating cash flows	747.8
Net interest paid	(105.7)
Income tax paid	(186.4)
Payments for property, plant & equipment and intangibles	(68.5)
Settlement of pre-demerger tax litigation matters	37.1
Sub-total	424.3
Transfers to term deposits relating to certain lottery games	(19.1)
Net outlay to purchase shares	(2.0)
Dividends paid	(311.6)
Net cash flow¹	91.6

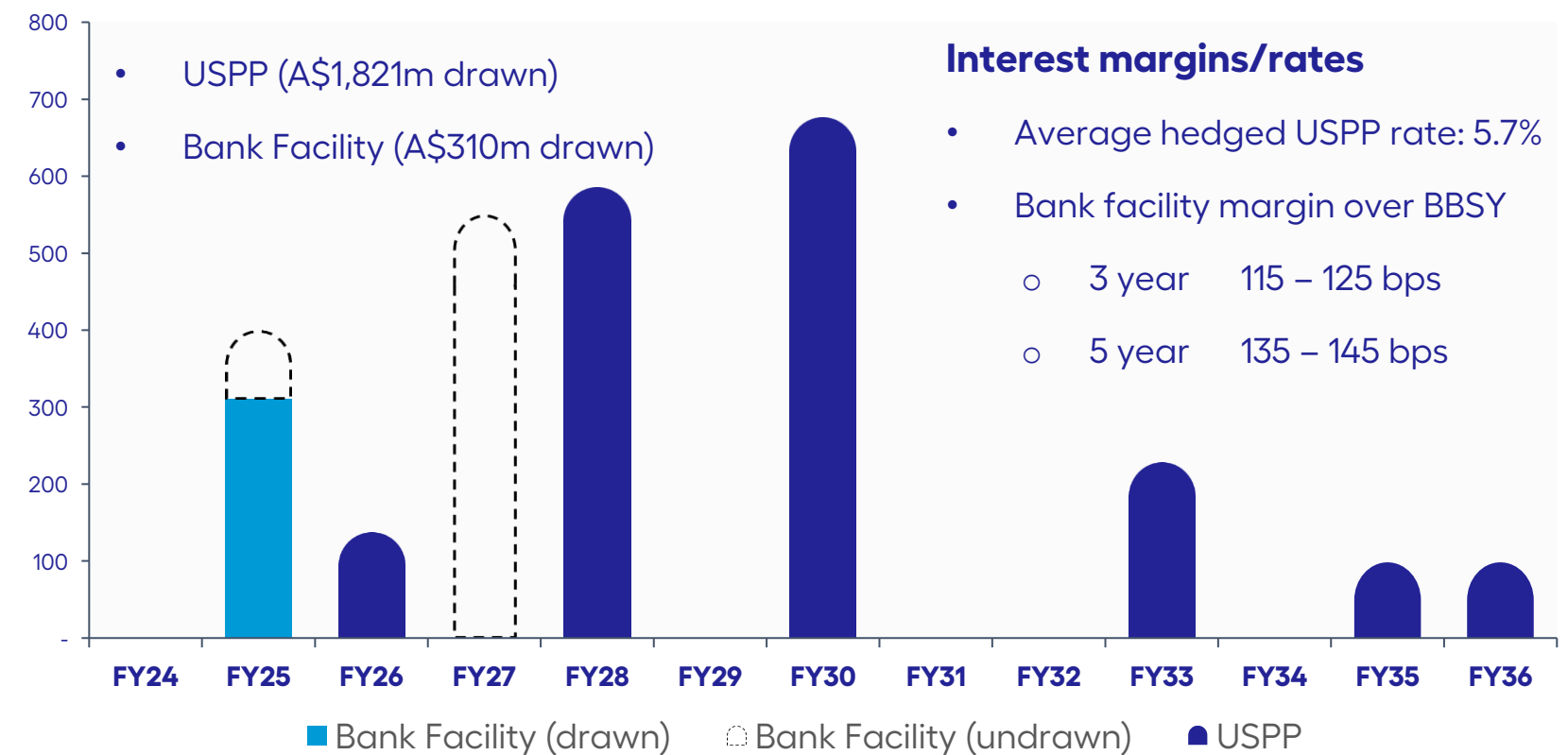
Capital Expenditure

\$m	Jun-24	Jun-23
BAU Lotteries	45.4	40.9
BAU Keno	14.3	24.3
Total BAU	59.7	65.2
Non-BAU	8.4	16.7
Total	68.1	81.9

Notes:

- Excludes payment of lease liabilities and payment of debt (financing activities)
- Excludes overdraft facility (\$100.0m) maturing on 30 April 2025
- Based on drawn facilities as at 30 June 2024. (Based on available facilities: 4.8 years)
- Incorporates lease liabilities and non-interest finance costs. Based on average drawn facilities for the year to 30 June 2024. (If all available facilities were fully drawn, the average interest rate would have been 5.6% p.a.)
- Hedged against interest rate and foreign exchange movements. Based on drawn facilities as at 30 June 2024

Debt Structure & Maturities²(\$m)



Facilities

- Long-dated USPP debt provides core long-term funding
- Bank debt provides short-to-medium term flexibility
- \$640m of undrawn bank facilities at 30 June 2024²
- Average maturity³: 5.5 years
- Average interest rate⁴: 5.8% p.a.
- Interest rates fixed on 86%⁵ of gross debt

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, Weekday Windfall lottery, 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
CX	Customer experience
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 14
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

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