

JUMBO INTERACTIVE LIMITED RESULTS PRESENTATION

For the financial year ended 30 June 2020



ABN 66 009 189 128

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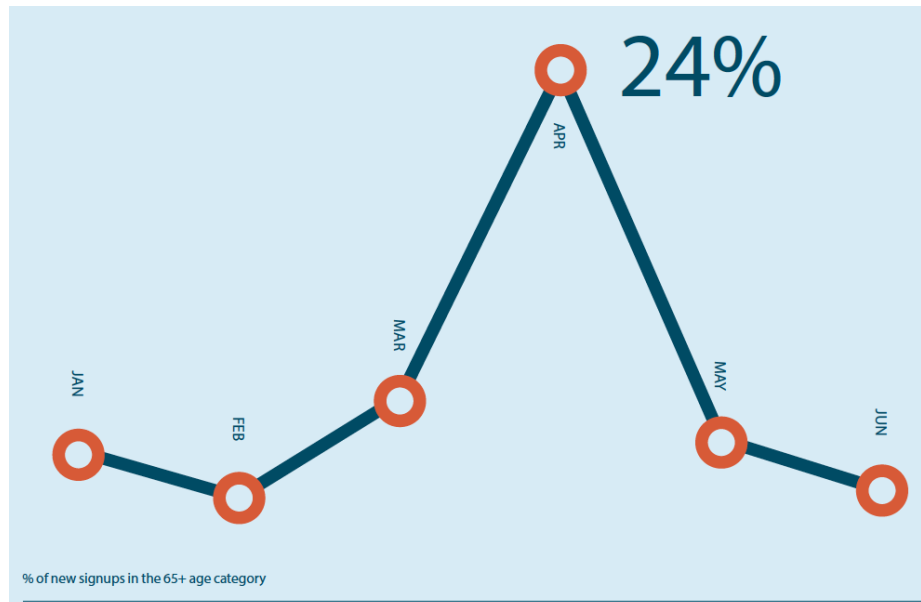


COVID-19 EFFECT



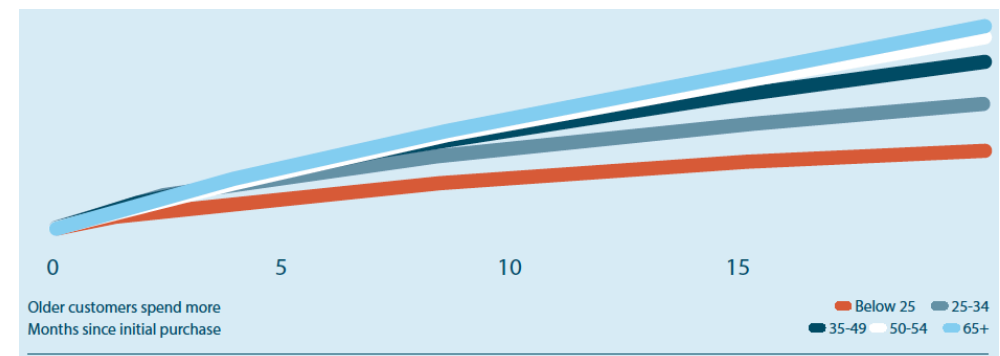
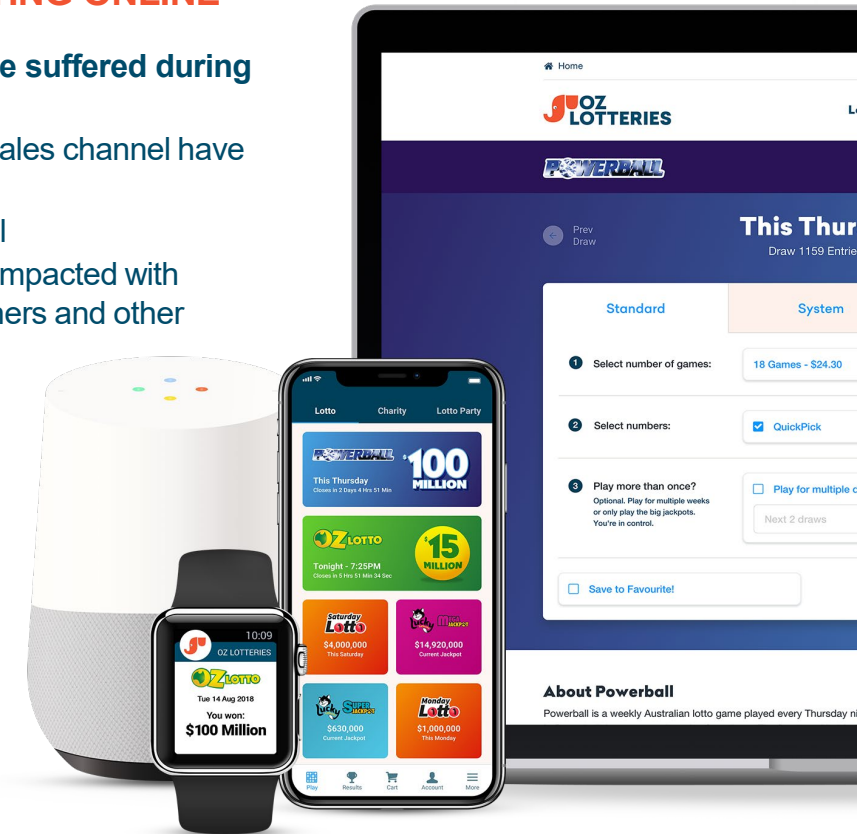
PLAYERS SHIFTING ONLINE

- **Pure digital business model**
 - No supply chain issues
 - No importation, warehouses, deliveries.
 - Contactless payments
 - Like for like sales have increased as seen in July 2020 with the \$80m Powerball
- **Greater portion of older demographics**
 - 24% spike in the 65+ demographic in April 2020.
 - Older demographics spend more



OFFLINE LOTTERIES SHIFTING ONLINE

- **Many lotteries worldwide have suffered during Covid-19**
 - Lotteries without an online sales channel have seen declines in sales
 - Australia has performed well
 - Charity lotteries have been impacted with restrictions on fun runs, dinners and other fund raising events

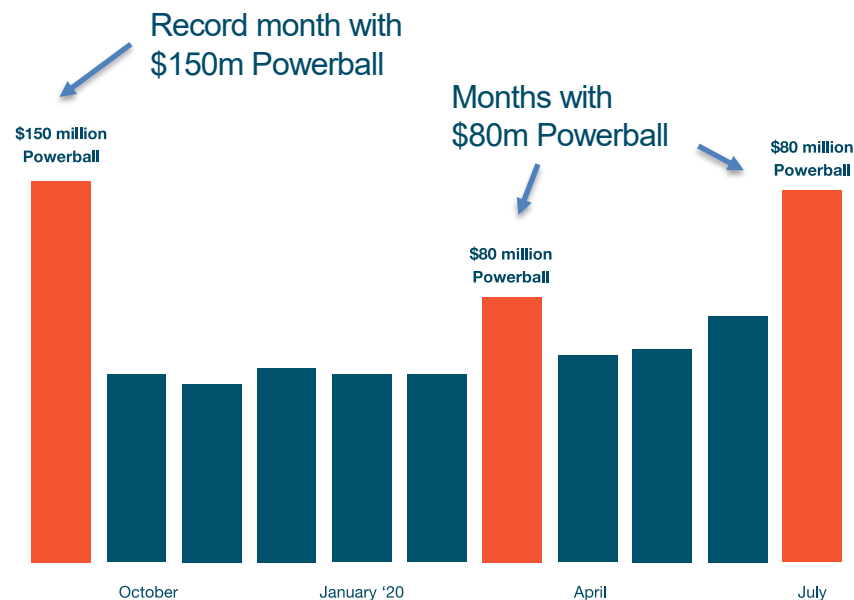


RESULTS HIGHLIGHTS



GROWTH DURING COVID AND LOW JACKPOTS

- Pure digital and online business with no supply chain issues (no importation, warehouses or physical deliveries)
- Like for like sales demonstrate consistent growth during Covid-19 months
- Sales in July 2020 with \$80 mil Powerball similar to Sep 2019 with \$150 mil Powerball
- 39 major Jackpots (FY19: 49)
- Number of Active Customers up 9% to 827,411



Monthly Sales OzLotteries.com to July 2020

- TTV up 8.7% pcp to \$348.6 million
 - 28% (23.5% pcp) of all lottery sales in Australia are sold online.
- REVENUE up 9.1% pcp to \$71.1 million
- NPAT Underlying steady at \$26.5 million
- EBITDA Underlying up 7.6% pcp to \$43.2 million

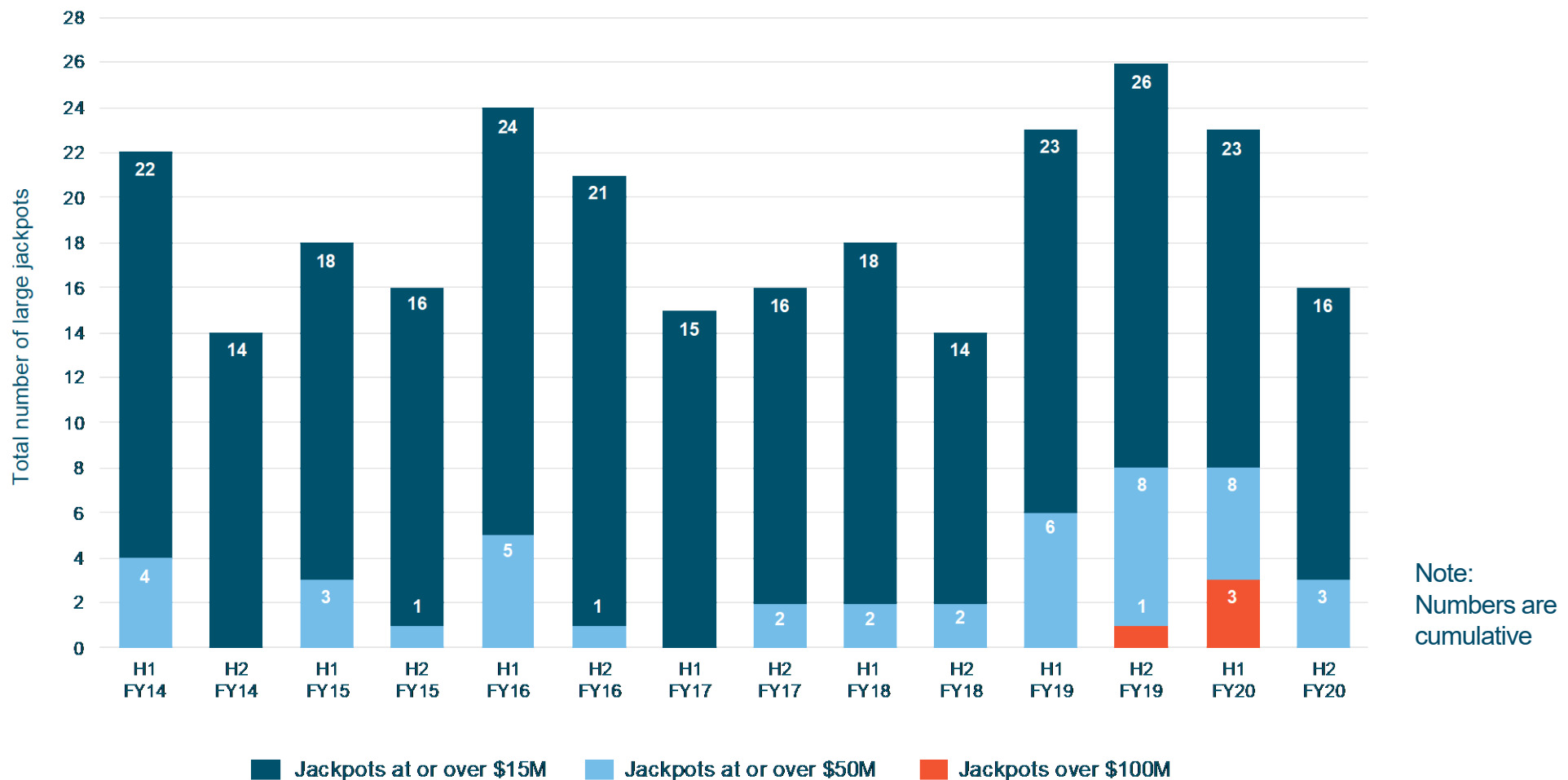
Continuing Operations	FY20 Actual	FY19 Actual	Change Actual
TTV	\$384.6 mil	\$320.7 mil	up 8.7%
Revenue	\$71.1 mil	\$65.2 mil	up 9.1%
EBITDA Underlying	\$43.2 mil	\$40.2 mil	up 7.6%

RESULTS HIGHLIGHTS (CONTINUED)



LOWER RUN OF LARGE JACKPOTS

- **39 large jackpots (Oz Lotto/Powerball at or above \$15 million) vs. 49 in pcp:**
 - Average value per large jackpot - \$40.1 million vs. \$38.4 million
- **11 Jackpots at or above \$50 million vs 14 in pcp:**



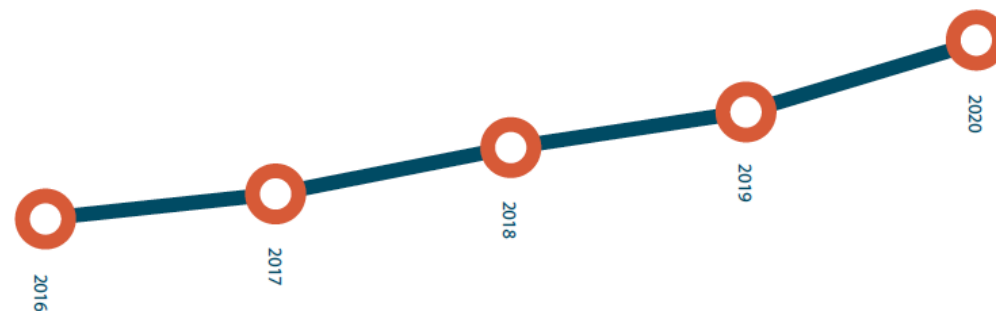
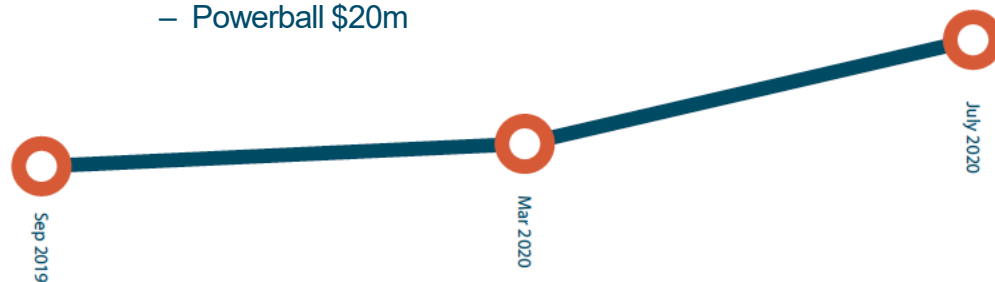
RESULTS HIGHLIGHTS (CONTINUED)



LIKE FOR LIKE GROWTH

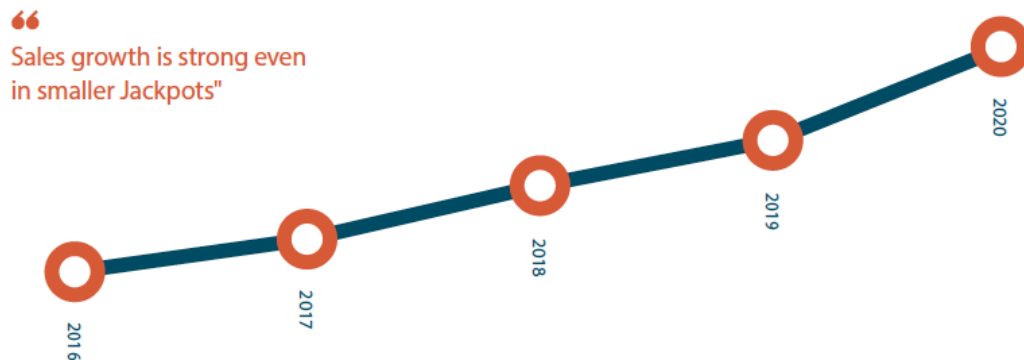
▪ CONSISTENT GROWTH AT ALL LEVELS

- High Jackpots \$80m Powerball
- Low Jackpots <\$15m
- OzLotto \$15m
- Powerball \$20m

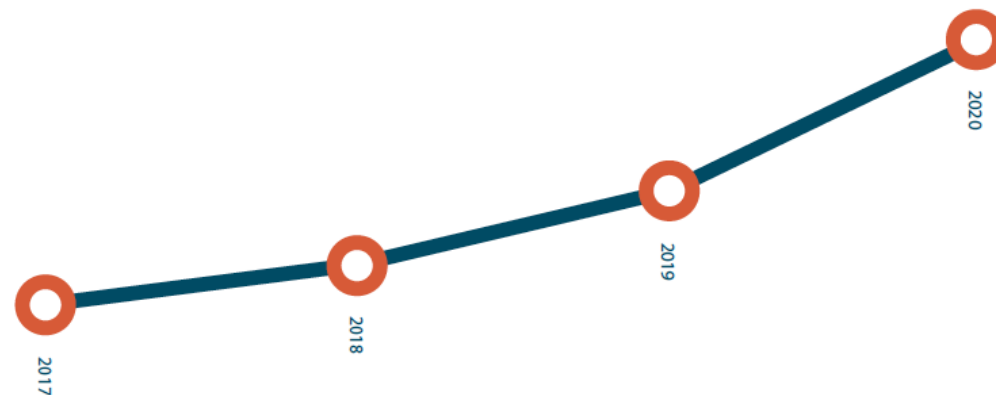


SALES FROM POWERBALL \$80 MILLION JACKPOTS

SALES FROM OZLOTTO \$15 MIL JACKPOTS



SALES FROM ALL JACKPOTS UNDER \$15 MILLION



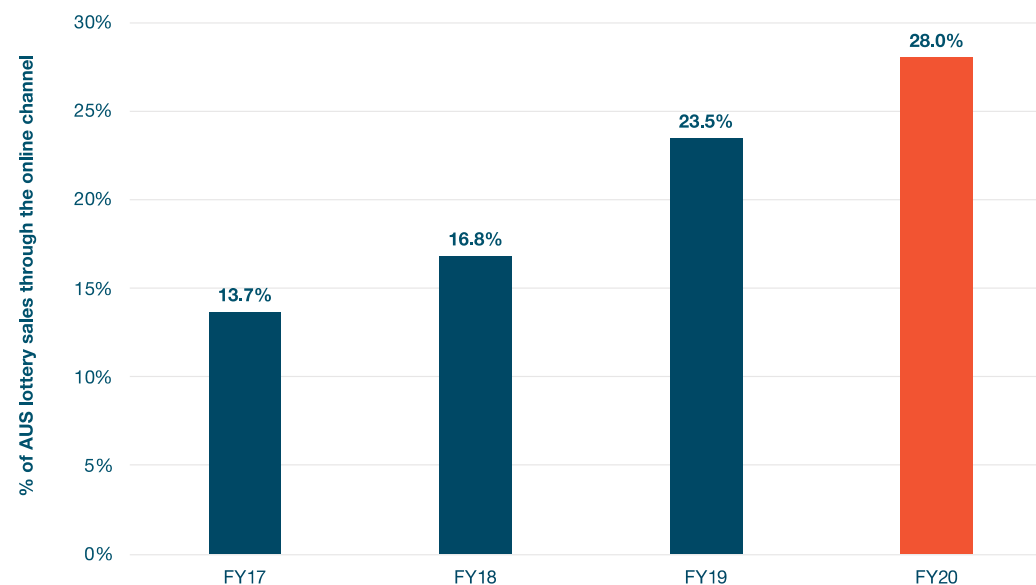
SALES FROM POWERBALL \$20 MIL JACKPOTS

“
Sales growth is strong even
in smaller Jackpots”

CERTAINTY TO 2030

10 YEAR AGREEMENTS WITH TABCORP

- **Extending 15 year relationship**
 - Binding Term Sheet signed 28 June 2020.
 - Long Term Reseller Agreements signed 25 Aug 2020.
 - Certainty provides ability to continue growing sales in Australia over the long term.
 - 28% of tickets sold online in Australia (FY19 23.5%)¹
 - Long term focus necessary to grow the SaaS business
- **Service Fees**
 - Upfront extension fee \$15m
 - Service Fee 1.5% of subscription price in FY21
 - Service Fee 2.5% of subscription price in FY22
 - Service Fee 3.5% of subscription price in FY23
 - Service Fee 4.5% of subscription price in FY24 onward
 - If value of subscriptions is in excess of \$400m in any year, 4.65% fee on value in excess of \$400m
 - Subscription price is approx. 20% below Jumbo ticket price (TTV).



¹ Source: Tabcorp Holdings Limited public filings

SOFTWARE AS A SERVICE (SaaS)

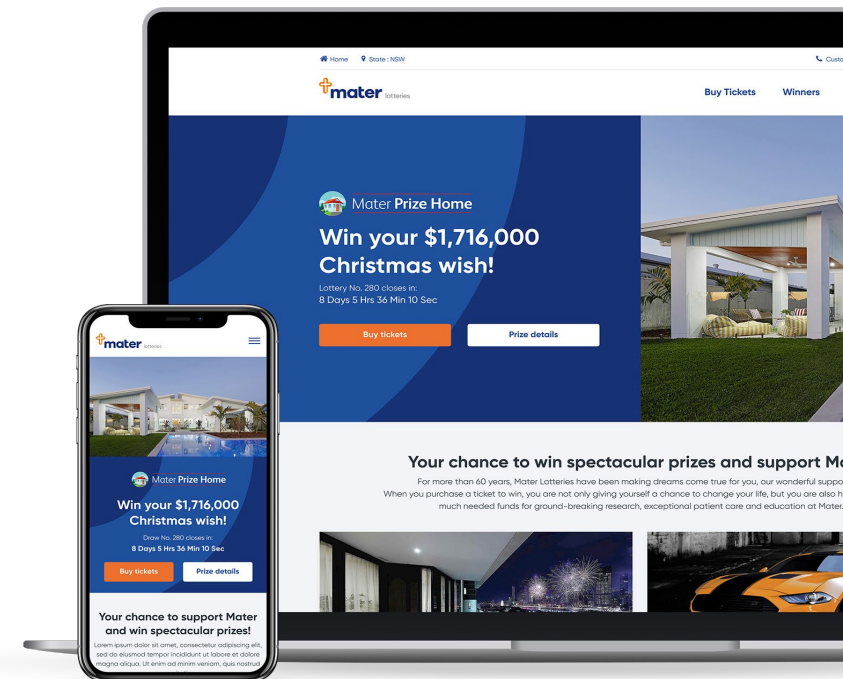


“POWERED BY JUMBO”

- **Mater Lotteries**
 - Agreement signed November 2018.
- **Endeavour Foundation**
 - Agreement signed August 2019 (5+5 year SaaS agreement)
- **Deaf Lottery**
 - Signed 5 December 2019 (5+5 year SaaS agreement)
- **Multiple Sclerosis Queensland**
 - Signed 25 February 2020 (5+5 year SaaS agreement)
- **Classics For A Cause**
 - Signed 8 April 2020

50%

- **50% of TTV from current contracts operationalised**
 - Mater Lotteries 100% operational in July 2020
 - Endeavour partially complete. Target Dec 2020
 - Deaf Lottery partially complete. Target Sep 2020
 - Multiple Sclerosis QLD partially complete. Target Dec 2020
 - Classics for a Cause partially complete. Target Sep 2020



SOFTWARE AS A SERVICE (SaaS)

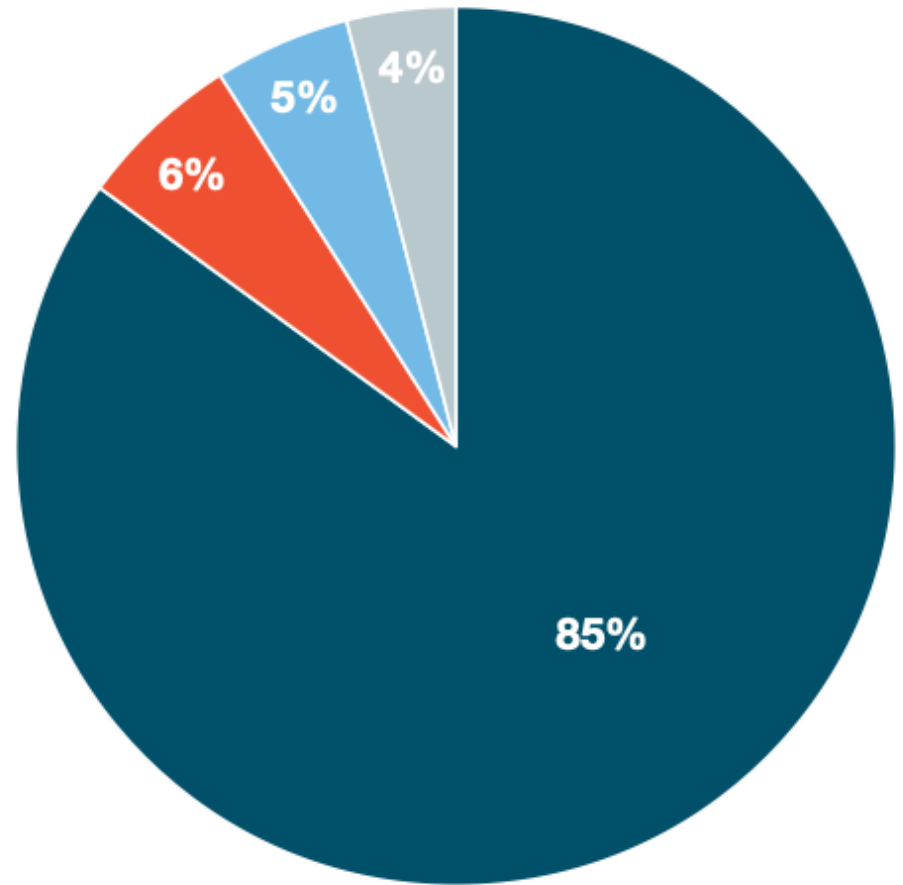
“POWERED BY JUMBO”

▪ Large Global Lottery Market

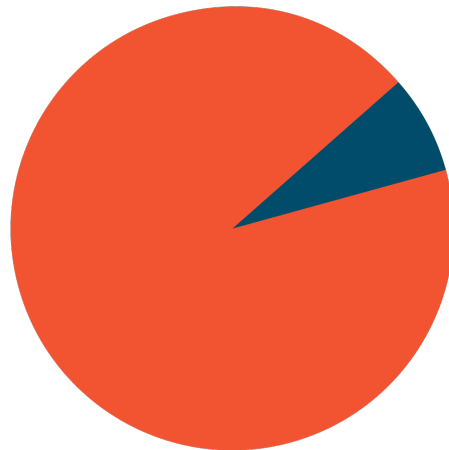
- US\$303 billion Global Lottery Market¹
- Less than 10% is online
- “Powered by Jumbo” is a complete solution for lotteries seeking to move online

▪ A\$26 billion TAM – Total Addressable Market

- | | | |
|-------------------------------|--------------------|-----|
| – Australia Charity Lotteries | A\$1.0 billion TAM | 4% |
| – Canada Charity Lotteries | A\$1.3 billion TAM | 5% |
| – UK Charity Lotteries | A\$1.6 billion TAM | 6% |
| – USA Government Lotteries | A\$22 billion TAM | 85% |



A\$26 billion TAM



Less than 10% is online

US\$303 billion
Global Lottery Market

¹ Sources: The WLA Global Lottery Data Compendium 2018; Jumbo Research;

SOFTWARE AS A SERVICE (SaaS)



GATHERWELL UK

LARGEST EXTERNAL LOTTERY MANAGER TO LOCAL AUTHORITIES AND SCHOOLS IN THE UK

- **Acquired 29 Nov 2019**
 - 1,300 of 32,770 Schools (4%)
 - 67 of 408 Principal Councils (16%)
 - New Onelottery.co.uk opening up new markets.
 - \$1.6bil TAM
 - TTV up 32% to \$12.6m on a 12-month basis
- **Remote First model navigates Covid-19 well**
 - Resilient and highly scalable business model
 - 95% ticket sales are recurring
 - Technology developed inhouse
- **Applications for the Australian market and beyond**
 - "Powered by Jumbo" SaaS suited to large lotteries
 - Gatherwell model suited to small lotteries
 - Potential to introduce the Gatherwell SaaS into other markets



Yourschoollottery.co.uk



Onelottery.co.uk

INNOVATION AND ADVANCED DATA ANALYTICS



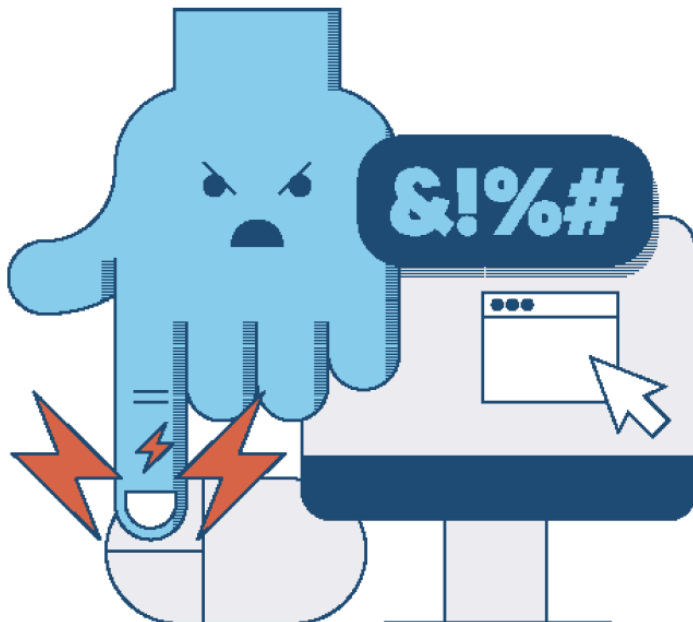
CUSTOMER ENGAGEMENT AND LOYALTY → DRIVEN BY INNOVATION

- **Further innovations to enhance engagement and loyalty**

- Improved data analytics leading to improvements in cohort analysis and customer understanding.

- **Removing Pain Points**

- Rage Click Detection
- Revealed up to \$500,000 lost sales over 6 month period due to confusion around button placement.



- **Lotto Party**

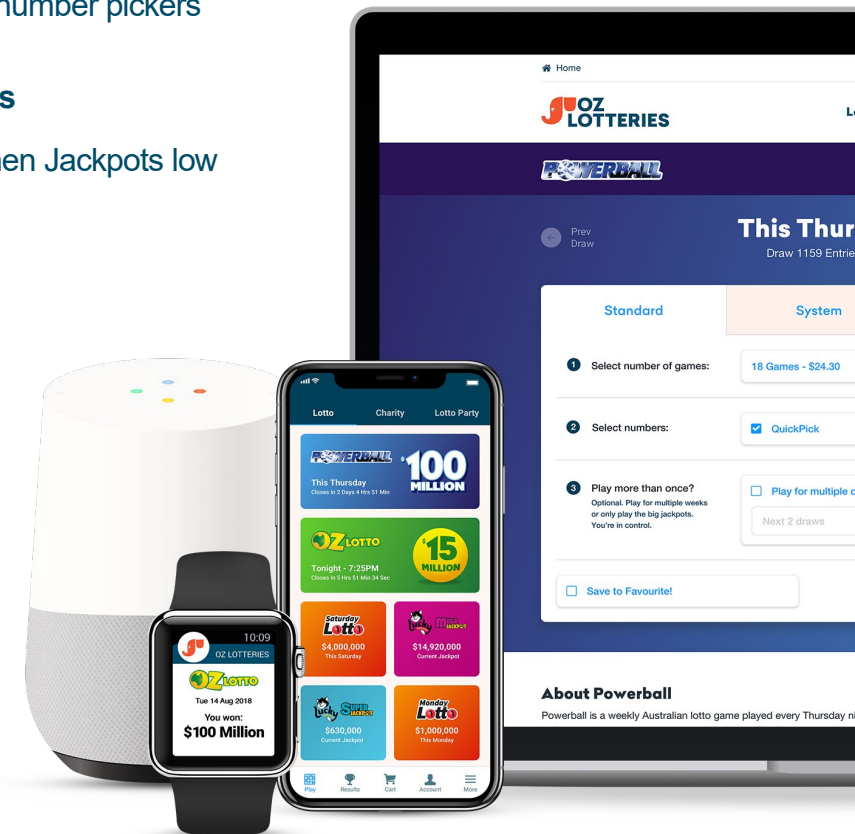
- Friends play socially as a group
- Collects funds and lodges tickets without leaving the app

- **Super Combos and Public Syndicates (Group Play)**

- Advanced game types proving to be popular
- Advanced number pickers

- **Charity Games**

- Popular when Jackpots low



VISION & STRATEGY



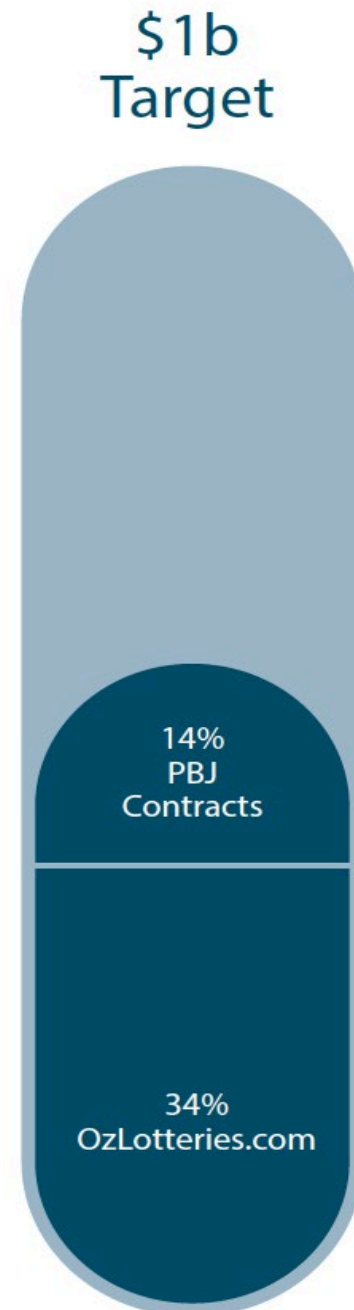
THE \$1 BILLION VISION

‘\$1 Billion in ticket sales on the Jumbo platform by FY22’

- Half way there
- \$340 million ticket sales on OzLotteries.com FY20
- \$140 million total value for 5 SaaS contracts

CAN WE GET TO \$1 BILLION IN TICKET SALES?

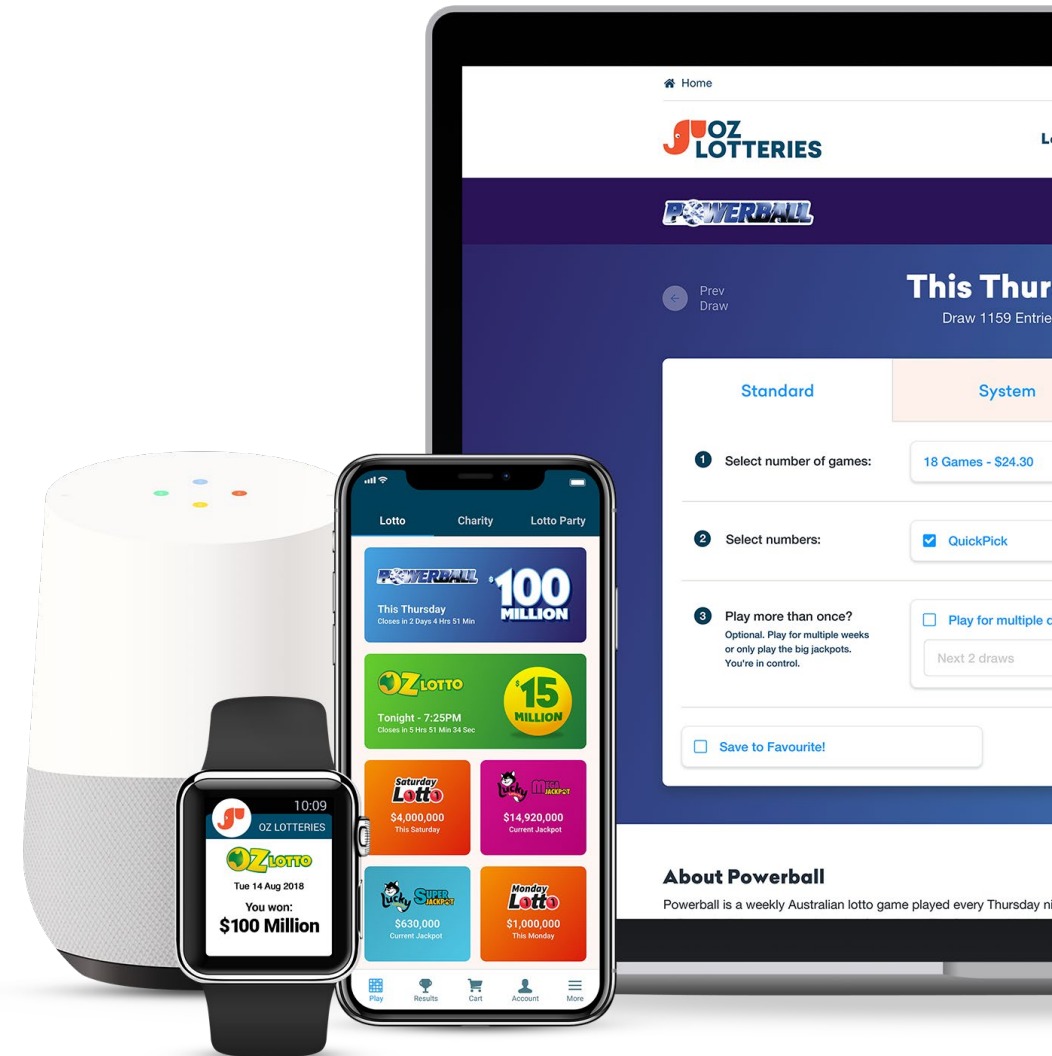
- Aiming to grow OzLotteries.com ticket sales at historical 5 year CAGR 21.0%
- Aiming to sign up additional SaaS contracts by end of FY22
- AU TAM \$1.0 billion
- UK TAM \$1.6 billion
- CA TAM \$1.3 billion
- US TAM \$22 billion
- The \$1 billion vision is not a forecast or target. The vision is a guiding light and aspirational vision for management and staff to aim for.



NUTS AND BOLTS

HOW WILL WE GET TO \$1 BILLION IN TICKET SALES?

- **Best of breed Software Platform**
 - Jumbo's own metrics prove the platform's effectiveness
 - Ongoing software development
 - Continue to improve customer engagement KPI's
 - Continue to maintain 'Powered by Jumbo' SaaS competitiveness
- **OzLotteries.com**
 - Continue building success
 - Room for growth - 28% of lottery tickets in Australia sold online ¹
 - Growing customer database underpinning future growth
 - Strong relationships - continue to build a strong relationship with Tabcorp and with the major charitable lottery operators in Australia.



¹ Source: Tabcorp Holdings Limited / Tatts Group Limited public filings

STRATEGY - FIRST TO MARKET WITH ONLINE INNOVATIONS

- **Lotto Party - Online lottery syndication:**
 - First online lottery operator to offer syndication in Australia
 - Group play as a percentage of total TTV has increased to 10%
 - Combats jackpot fatigue
 - Drives growth through “Refer a friend”
 - Attracts a younger demographic
- **Class leading mobile App:**
 - Trend to mobile continues
 - Mobile accounts for about 75% of all customer interactions
 - Jumbo offers a 5-star App to the Australian market
 - Provides automatic results notification ensuring continued customer interaction after a draw
- **Voice interaction:**
 - Oz Lotteries voice app launched on Google Assistant
 - Product is still new in the market but early indications are good
 - Apple Siri to be launched in future periods



Fantastic Syndicate app – Lotto Party

19 Jul

★★★★★ by Perthgavin

Great app takes all the work out of recruiting, collecting money and paying dividends for your syndicate.

The best!

20 Sept

★★★★★ by rugstan

A very user friendly app, unlike so many others.

Faultless

7 Feb

★★★★★ by Bibby N

The first app that actually works!

Awesome!

2 Feb

★★★★★ by Rodsky

Fantastic app!

Highly recommend

1 Sept

★★★★★ by fmmac1999

Great, great easy to use app, won't go back.

FINANCIAL PERFORMANCE



	FY20	FY19	Change
	\$'000	\$'000	%
Total Transaction Value	348,601	320,659	8.7%
Revenue from continuing operations	71,168	65,212	9.1%
Cost of sales	(5,326)	(5,068)	5.1%
Gross Profit	65,842	60,144	9.5%
Other income	342	472	(27.5%)
Distribution expenses	(31)	(28)	10.7%
Marketing expenses	(5,578)	(6,956)	(19.8%)
Occupancy expenses	(104)	(742)	(86%)
Administrative expenses	(17,637)	(12,695)	38.9%
Fair value movement on financial liabilities	(176)	-	(>100.0%)
Finance costs	(17)	(7)	>100%
EBITDA	42,641	40,188	6.1%
Depreciation and amortisation	(5,987)	(3,433)	74.4%
EBIT	36,654	36,755	(0.3%)
Net interest received/(paid)	771	1,464	(47.3%)
Net Profit before Tax	37,425	38,219	(2.1%)
Income tax expense	(11,542)	(11,799)	(2.2%)
Net Profit after Tax	25,883	26,420	(2.0%)
<i>Basic earnings per share (cents)</i>	<i>41.5</i>	<i>43.9</i>	<i>(5.5%)</i>
<i>Diluted earnings per share (cents)</i>	<i>41.1</i>	<i>42.5</i>	<i>(3.3%)</i>

KEY ITEMS:

- TTV up 8.7% and Revenue up 9.1% on increased customer activity and Gatherwell acquisition
- COSs margin to TTV 1.4% vs 1.6% pcp
- Marketing expenses down 19.8% with reduced large jackpot activity
- Administrative expenses up by 38.9% mainly due to Gatherwell acquisition and positioning the business to underpin planned future growth
- EBITDA up 6.1%

FINANCIAL POSITION



	at 30 Jun 2020	at 30 Jun 2019	Change
	\$'000	\$'000	%
ASSETS	109,528	101,662	7.7%
Current Assets	76,008	85,536	(11.1%)
Intangible Assets	24,824	14,683	69.1%
Property, Plant & Equipment	485	451	7.5%
Other Non-Current Assets	8,211	992	>100.0%
LIABILITIES	30,609	24,284	26.0%
Current Liabilities	23,574	23,666	(0.4%)
Non-Current Liabilities	7,035	618	>100.0%
TOTAL EQUITY	78,919	77,378	2.0%

KEY ITEMS:

CASH

- **Strong cash position of \$72.3 million**
 - General funds down 17.0% from \$73.8 million to \$61.3 million with funding of \$8.8 million Gatherwell acquisition from cash reserves
 - Customer funds up 12.5% to \$11.0 million
- **Growth delivered without the requirement for debt in the business**

INTANGIBLE ASSETS

- **Increase from Gatherwell acquisition \$9.0 million and website development costs \$6.5 million**

CAPITAL

- **Capex of \$6.7 million (\$5.2 million pcg)**
 - FY21 capex estimated at \$6.5 million to \$7.0 million due to expanding SaaS business

EQUITY

- **Contributed equity up 2.0%**
 - Exercise of 300,000 options by KMP/staff (\$0.8 million)

CASH FLOW



	at 30 Jun 2020	at 30 Jun 2019	Change
	\$'000	\$'000	%
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	76,690	71,556	7.2%
Payments to suppliers & employees	(37,632)	(22,800)	(65.1%)
Net income tax paid	(11,569)	(11,076)	4.5%
Net interest received	754	1,456	(48.2%)
Net cash provided by operating activities	28,242	39,136	(27.8%)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment	(243)	(350)	(30.6%)
Payments for intangible assets	(6,454)	(4,824)	33.8%
Payments for investments, net of cash acquired	(4,996)	-	>100.0%
Payment for deposit for contingent consideration	(3,792)	-	>100.0%
Net cash used in investing activities	(15,485)	(5,174)	(>100.0%)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities	(903)	-	>100.0%
Proceeds from issue of shares	787	23,385	(96.6%)
Dividends paid	(24,959)	(20,681)	20.7%
Net cash provided by/(used in) financing activities	(25,075)	2,704	(>100.0%)
Net increase/(decrease) in cash & cash equivalents	(12,318)	36,666	(>100.0%)
Net foreign exchange differences	(6)	(2)	(>100.0%)
Cash at beginning of period	84,583	47,919	76.5%
Cash and cash equivalents at end of period	72,259	84,583	(14.6%)

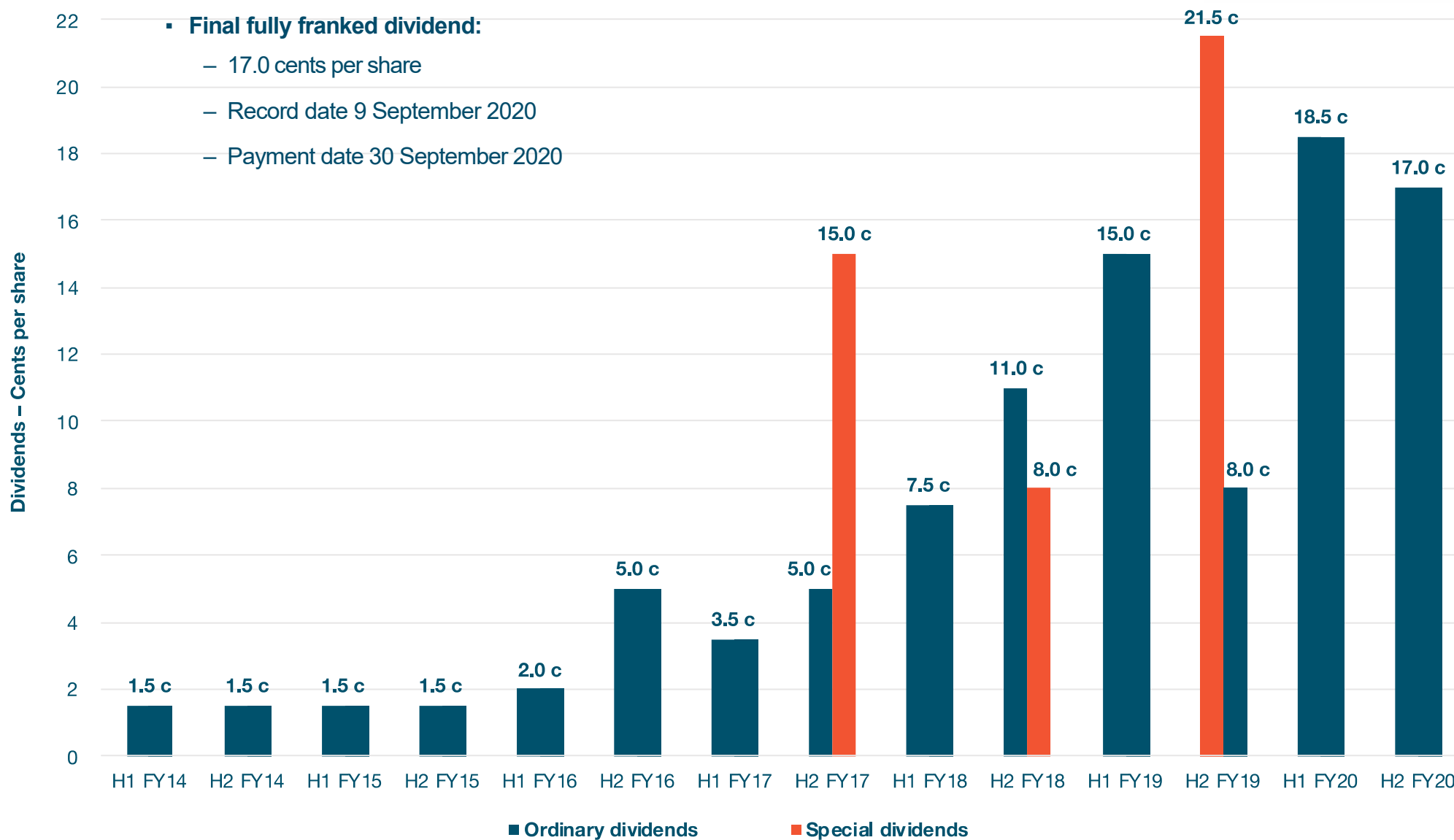
KEY ITEMS:

- Strong cash position of \$72.3 million (\$61.3 million general funds)
- Payments for intangibles relate to website development costs (generated internally)
- Acquisition of Gatherwell \$8.8 million funded from cash reserves
- Payment of \$25.0 million in dividends (+21% on pcg)

DIVIDEND OVERVIEW



EXCEPTIONAL SHAREHOLDER RETURN FROM A GROWTH COMPANY



The business is well placed for the future:

- **Certainty to 2030:**
 - Extended Reseller Agreements with Tabcorp to 2030
 - Increasing digital penetration – 28% FY2020
 - Continuing marketing strategy to attract new customers and improve customer engagement through improved Data Analytics
 - Continue improvements on the software platform to be in the best possible position to take full advantage of any future game changes and/or higher levels of jackpot activity and if and when these occur
- **Large Global Total Addressable Market (TAM) for SaaS business:**
 - \$26 billion TAM in Australia, UK, Canada and USA.

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