

22 February 2022

Jumbo Interactive delivers strong growth in 1H22 with positive momentum across all business segments

Jumbo Interactive Limited (**ASX:JIN or Jumbo**) today announced its results for the half year ended 31 December 2021 demonstrating the continued strength of the Lottery Retailing segment underpinned by an improved jackpot cycle and increased customer activity. The emerging Software-as-a-Service (**SaaS**) and Managed Services segments also made a significant contribution to the 41% growth in Group Total Transaction Value (**TTV**).

1H22 performance highlights

- Strong double digit growth across key performance metrics:
 - TTV up 41% to \$327.9 million
 - Revenue up 29% to \$52.8 million
 - Underlying EBITDA¹ up 18% to \$28.3 million
- Underlying NPAT¹ up 18% to \$16.5 million
- Underlying EPS¹ up 18% to 26.4 cents per share
- Fully franked interim dividend up 22% to 22 cents per share

Jumbo Interactive CEO and Founder Mike Veverka said *"We are very pleased with the growth that we have achieved this half, across all our operating segments, and the positive momentum across the business. Lottery Retailing continues to perform exceptionally well, underpinned by the improved jackpot cycle and our focus on player engagement and retention. Our SaaS and Managed Services segments continue to demonstrate good organic growth, with all our Australian SaaS clients contributing on a full run-rate basis."*

"We are successfully executing on our strategy and planning is underway to ensure we efficiently and effectively integrate the Stride and StarVale acquisitions post completion. The global lottery industry is in the midst of a digital change and our Powered By Jumbo software platform will be key to supporting lotteries through this change. Our balance sheet remains strong and when combined with our new debt facility, provides additional headroom for further strategic growth."

Lottery Retailing

There were 23 Powerball/Oz Lotto jackpots greater than or equal to \$15 million in 1H22, compared to 15 in 1H21, with the average value of these jackpots up 11%. Lottery Retailing delivered headline TTV growth of 26% and revenue growth of 24%. On an underlying basis, adjusting for the transfer of our Western Australia customers from Lottery Retailing to SaaS in December 2020², underlying TTV and revenue growth was 38% and 35% respectively. Lottery Retailing delivered EBITDA of \$15.8 million in 1H22, reflecting an EBITDA/revenue margin of 33.9% (1H21: 40.7%).

SaaS

Jumbo licenses its Powered by Jumbo (**PBJ**) software platform to government and charity operators globally. On a reported basis, SaaS TTV more than doubled compared to 1H21, however on an underlying basis, adjusting for the transfer of Western Australia customers from Lottery

¹ Adjusted for one-off costs of \$1.1m in 1H21 and \$0.1m in 1H22

² Western Australia customers (originally reported within Lottery Retailing at a ~20% revenue margin) transferred to SaaS, effective 21 December 2020 (at a 9.5% revenue margin)



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Retailing to SaaS, TTV growth was 46%. SaaS delivered EBITDA of \$14.8 million in 1H22, reflecting an EBITDA/revenue margin of 68.8% (1H21: 67.2%).

Managed Services

Jumbo provides lottery management services to charities and worthwhile causes. This segment predominantly reflects UK-based Gatherwell, which was acquired in November 2019. On a constant currency basis, Gatherwell delivered a 56% and 30% increase in TTV and revenue respectively. Gatherwell delivered EBITDA of £332k, reflecting an EBITDA/revenue margin of 30.2% (1H21: 36.1%).

Jumbo announced the conditional acquisitions of Canada-based Stride Management Inc (**Stride**) and UK-based StarVale Group (**StarVale**) in August 2021 and January 2022 respectively. As both of these acquisitions remain subject to regulatory approval, no contribution from these businesses has been included in 1H22.

1H22 financial summary

Group (\$'000)	1H22	1H21	Change
TTV	327,934	232,776	40.9%
Revenue	52,841	40,939	29.1%
Underlying EBITDA ¹	28,348	24,135	17.5%
Underlying NPAT ¹	16,496	13,953	18.2%
EBITDA	28,222	23,083	22.3%
NPAT	16,408	13,161	24.7%
Underlying EBITDA margin ¹	53.7%	59.0%	(5.3ppts)
Underlying EPS ¹	26.4cps	22.3cps	18.4%
Interim dividend declared	22.0cps	18.0cps	22.2%
Return on capital employed	18.1%	16.1%	2.0ppts

Group TTV and revenue increased 41% and 29% respectively, underpinned by strong double-digit growth across all operating segments. Underlying EBITDA increased 18% however the underlying margin was impacted by an increase in the Tabcorp service fee², higher marketing expenses in Lottery Retailing and higher employee expenses to support growth.

Dividend

The ongoing positive cash generation of the business and strength of our balance sheet has enabled the Board to declare an interim, fully franked dividend of 22 cents per share, equivalent to

¹ Adjusted for one-off costs of \$1.1m in 1H21 and \$0.1m in 1H22

² Effective 13 July 2020, a service fee was introduced under the 10 year agreement with Tabcorp (signed August 2020). The service fee is based on the cost of ticket purchases from Tabcorp at 1.5% for FY21 purchases, 2.5% for FY2022 purchases, 3.5% for FY2023 purchases and 4.65% for FY2024 onwards purchases. If the cost of ticket purchases exceeds \$400,000,000 in any applicable year then a service fee of 4.65% applies to the excess amount



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a dividend payout ratio of 83.7% of statutory NPAT. The record and payment date for the dividend is 4 March 2022 and 18 March 2022 respectively.

Capital management

The Board has reviewed and assessed Jumbo's capital management framework in the context of the organic capital generation of the business, future capital requirements, the strength of the balance sheet and the desire to provide an appropriate dividend to shareholders.

As announced on 27 January 2022, Jumbo has successfully secured a new \$50 million senior debt facility for up to five years with an initial tranche of \$30 million to be used for the acquisition of StarVale and a further \$20 million available for future strategic growth.

The Board has resolved to adjust its targeted dividend payout ratio to a range of 65% to 85% of statutory NPAT following the completion of the StarVale acquisition. The new dividend policy, which will be effective from FY23, will enhance Jumbo's flexibility to repay debt while maintaining a satisfactory dividend yield for shareholders.

1H22 investor/analyst briefing

A briefing for investors and analysts will be held today at 9.00am (Brisbane/AEST).

To register to access the webcast please click on the following link:

[Jumbo Interactive Limited 1H22 Results Briefing](#).

To register to access the conference call please click on the following link:

<https://s1.c-conf.com/diamondpass/10019721-5hamk76.html>.

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Authorised for release by the Board of Directors.

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About Jumbo Interactive

Jumbo is Australia's leading dedicated digital lottery company, making lotteries easier by offering its proprietary lottery software platform and lottery management expertise to the government and charity lottery sectors in Australia and globally, and by retailing lottery tickets in Australia and the South Pacific via ozlotteries.com.

Jumbo was founded in Brisbane in 1995, listed on the ASX in 1999, and has ~160 employees creating engaging and entertaining lottery experiences for its global player base.