



TABCORP HOLDINGS LIMITED ANNUAL GENERAL MEETING

17 OCTOBER 2018

CHAIRMAN'S ADDRESS

Tabcorp

A WORLD-CLASS, DIVERSIFIED GAMBLING ENTERTAINMENT GROUP

Tabcorp is now one of the largest publicly listed, diversified gambling entertainment businesses in the world.

Tabcorp

WAGERING & MEDIA



LOTTERIES & KENO



GAMING SERVICES



EBITDA CONTRIBUTION BY BUSINESS UNIT^{1, 2}



45%

WAGERING
& MEDIA

40%

LOTTERIES
& KENO

15%

GAMING
SERVICES

- Annualised revenues in excess of \$5bn
- Australia's biggest retail footprint
- 3 million+ registered customers

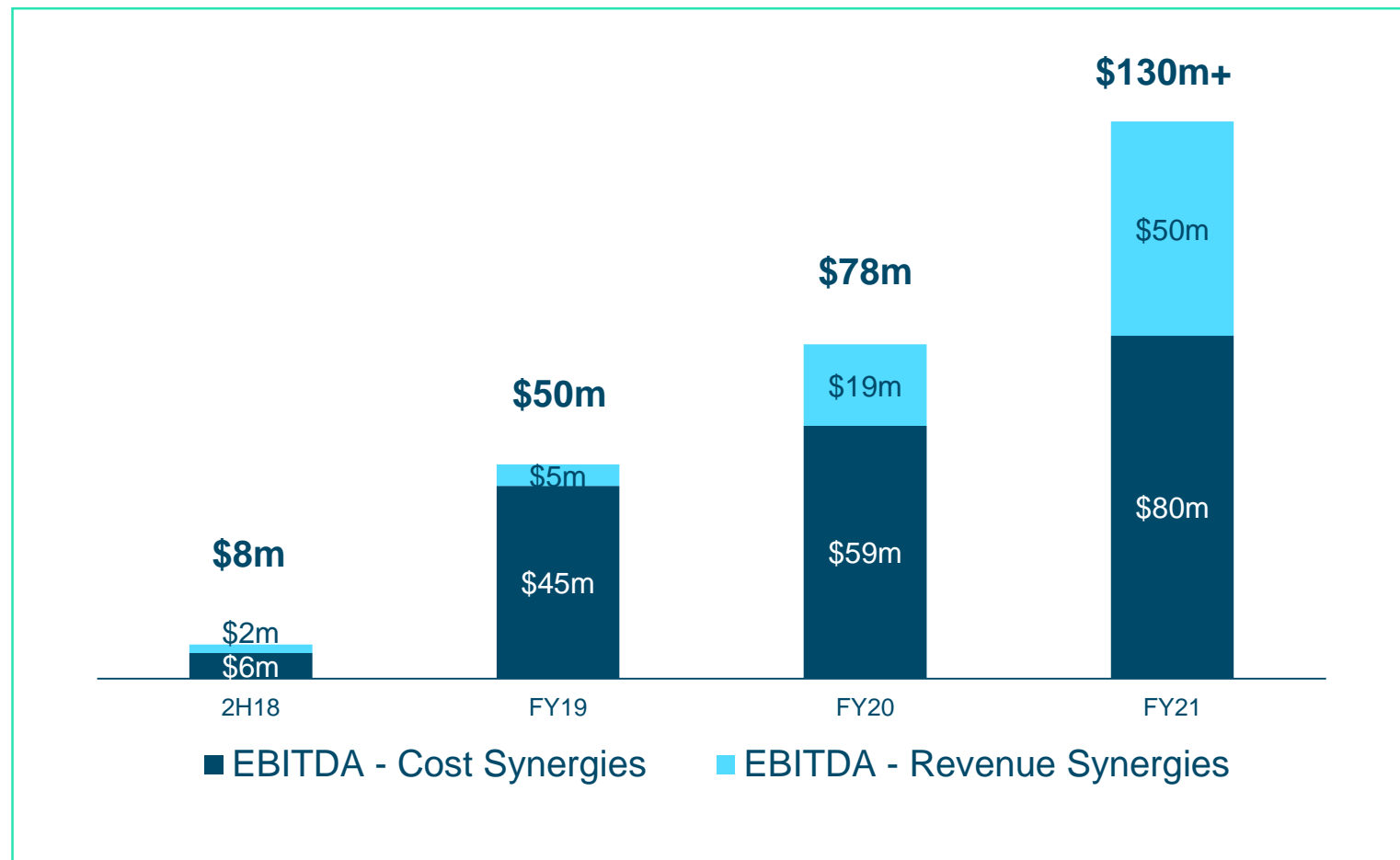
Notes

¹ Pro-forma EBITDA, which includes adjustments to Tabcorp's reported results to permit investors to examine the financial performance of the combined group as if the Tatts combination had been in place for the full year.

² Business results do not aggregate to Group total due to unallocated items.

THE TABCORP-TATTS COMBINATION

We are on track to deliver the integration benefits





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GROUP RESULTS^{1,2}

\$m	FY18	FY17	Change on pcp
Revenues	3,828.7	2,229.6	71.7%
Variable contribution	1,489.9	1,006.3	48.1%
Operating expenses	(753.5)	(502.2)	50.1%
EBITDA before significant items	736.4	504.1	46.1%
D&A	(248.6)	(178.7)	39.2%
EBIT before significant items	487.8	325.4	49.9%
Interest	(118.6)	(68.3)	73.6%
Tax expense	(123.0)	(78.2)	57.4%
NPAT before significant items	246.2	178.9	37.6%
Significant items (after tax) ³	(217.5)	(199.7)	8.9%
Statutory NPAT	28.7	(20.8)	>100.0%

Notes:

1. Results include Tatts Group from 14 December 2017
2. Sun Bets was treated as a significant item in FY17
3. Significant items expense (after tax) of \$217.5m comprise Tatts Group combination \$114.6m, Sun Bets exit \$90.5m, and Luxbet closure \$12.4m



TABCORP'S BUSINESSES CREATE VALUE FOR ITS STAKEHOLDERS

The combined Tabcorp-Tatts business underpins Australia's vibrant racing industry and is a large taxpayer.

A\$917 MILLION

In racing industry funding (FY18).

A\$1.1+ BILLION

In gambling taxes and GST (FY18).

A\$594 MILLION

In venue partner commissions (FY18).

DROUGHT RELIEF SUPPORT TO FARMERS AND COMMUNITIES ACROSS QUEENSLAND AND NSW



POSITIVE DEVELOPMENTS IN AUSTRALIAN GAMBLING REGULATION

- Tabcorp has welcomed recent developments which create a better regulated and more sustainable gambling industry
 - Legislation to ban synthetic lotteries and Keno products effective from January 2019
 - South Australia and Queensland have introduced a Point of Consumption tax on wagering, with other states to follow
 - Legislative amendments introduced in August 2017 clarify that online betting on live sport is illegal
 - The offering of credit to bet by wagering operators prohibited since February 2018
 - New restrictions on gambling advertising during sports commenced in March 2018



BOARD UPDATE

- Tabcorp welcomed Harry Boon as a Non-Executive Director in December 2017
- Elmer Funke Kupper retires from the Board of Tabcorp today
- Board Committees have been restructured to focus on key business priorities
- New diversity targets established:
 - At least 40% female non-executive directors by end of FY23
 - At least 40% of senior leadership roles filled by females by end of FY21



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A COMPANY-DEFINING YEAR



MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER'S ADDRESS

Tabcorp

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LOTTERIES & KENO

Business Results

Revenue

\$1,390.7m

Up | >100%

EBITDA

\$255.6m

Up | >100%

FY18 in review

- Powerball game change launched April 2018
- Sales growth in retail network
- Strong digital performance
 - Digital sales up 27.8%
- Digital share of Keno sales 3.8%, up from 0.7% in the pcp
- Keno Mega Millions launched in Queensland in March 2018



WAGERING & MEDIA

Business Results

Revenue

\$2,186.1m

Up | 16.7%

EBITDA

\$396.9m

Up | 13.4%

FY18 in review

- Strong digital and fixed odds performance in TAB
- 720,000-plus active account customers, supported by Soccer World Cup campaign and venue sign-ups
- TAB performance relative to UBET highlights improvement opportunity
- Sun Bets ceased trading in July 2018



GAMING SERVICES

Business Results

Revenue

\$249.7m

Up | 73.5%

EBITDA

\$121.8m

Up | 48.4%

FY18 in review

- New NSW monitoring licence commenced December 2017
- New Victorian gaming arrangements now provide industry certainty to 2032 (previously 2022)
- TGS is seeking to transition existing Victorian customers to longer term contracts beyond 2022



INTEGRATION ON TRACK

Corporate

- Board and senior leadership changes implemented
- New management structures implemented across group
- Corporate functions consolidated
- Back office integration in progress
- Procurement contract re-negotiations underway
- Corporate systems consolidation on track
- Property rationalisation commenced

Technology

- Core technology functional consolidation occurring across FY19/FY20, including removal of duplication and the re-negotiation of commercial contracts including insourcing where appropriate
- Data centre consolidation 2H20
- Wagering host systems consolidation 2H20

Wagering & Media

- Fixed odds trading system integration to drive improved risk management and productivity
- UBET Fixed Odds and Tote markets expansion underway including introduction of higher-yielding products
- UBET brand change to TAB across retail & digital commencing end 1H19, with enhancements including vision, form, and flexi-betting

Lotteries & Keno

- Keno SA brand alignment and game enhancements planned FY20
- Combined marketing team

Gaming Services

- Dandenong call centre consolidated in 2H18
- Combined sales team
- Co-location of field services underway

BUILDING A HIGH PERFORMANCE CULTURE






Rachel Osborne
Talent Acquisition Advisor

THIS IS
WHAT TRUST FEELS
LIKE

All for one

Tabcorp



Craig McSorley
Head of Technical Services QLD

THIS IS
WHAT ASKING FOR
HELP LOOKS LIKE

All for one

Tabcorp

FY19 PRIORITIES

- Deliver expected benefits from the combination with Tatts
- Continue to execute on growth opportunities across all businesses
 - Enhance digital capability and improve consistency of customer digital experience
 - Deepen integration of digital technology into retail network
 - Deploy new products across all markets for all businesses
- Ongoing investment to maintain the highest levels of risk management and regulatory compliance
- Maintain discipline with operating expenses, capital expenditure and balance sheet management

LOTTERIES & KENO



WAGERING & MEDIA



GAMING SERVICES



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