

17 February 2021

Australian Securities Exchange
Companies Announcements Platform
20 Bridge Street
Sydney NSW 2000

TABCORP HALF YEAR RESULTS PRESENTATION

Attached is the presentation regarding Tabcorp Holdings Limited's (**Tabcorp**) results for the half year ended 31 December 2020 to be presented by David Attenborough, Managing Director and Chief Executive Officer.

This presentation will be webcast on Tabcorp's website at www.tabcorp.com.au from 10.00am (Melbourne time) today.

The information contained in this announcement should be read in conjunction with today's announcement of Tabcorp's half year results and Tabcorp's most recent Annual Report.

This announcement was authorised for release by the Tabcorp Board.

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EXCITEMENT

INTEGRITY

TABCORP HOLDINGS LIMITED

2020-21

FIRST HALF RESULTS PRESENTATION

for the six months ended 31 December 2020

17 FEBRUARY 2021

ABN 66 063 780 709



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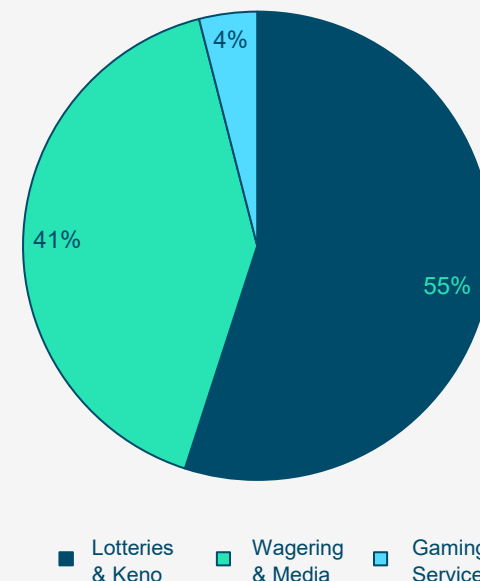
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STRONG RECOVERY IN PROGRESS FOLLOWING COVID-19 CHALLENGES

- Group revenue down 1.5% and EBITDA¹ down 6.2% vs pcp, primarily due to COVID-19 impacts:
 - Lotteries & Keno – strong digital growth and excellent game portfolio performance
 - Wagering & Media
 - Solid underlying performance; digital revenue grew 34%; earnings impacted by the COVID-19 restrictions on venue network
 - Now a better business post integration and transformation
 - Gaming Services – heavily impacted by venue restrictions in 1H21
 - Dividend resumed at 80% payout ratio or 7.5 cps, fully franked
- Emerging from COVID-19 challenges in a stronger financial position
 - Gearing within target range
 - Optimisation program (3S) delivering efficiencies and EBIT savings of \$8m in 1H21
- Cost synergies from integration on track to deliver \$95m of annual EBITDA savings
- All businesses well positioned for the second half



Tabcorp



Notes:

1. EBITDA before significant items
2. Based on 1H21. Contribution excludes Other division

1H21 GROUP RESULT

\$m	1H21	1H20	Change	
			\$	%
Revenues	2,870	2,914	(44)	(1.5%)
Variable contribution	957	1,030	(73)	(7.1%)
Operating expenses	(397)	(433)	36	(8.3%)
EBITDA before significant items	560	597	(37)	(6.2%)
D&A	(188)	(193)	5	(2.6%)
EBIT before significant items	372	404	(32)	(7.9%)
Interest	(82)	(94)	12	(12.8%)
Tax expense	(83)	(96)	13	(13.5%)
NPAT before significant items	207	214	(7)	(3.3%)
Significant items (after tax) ¹	(22)	(15)	(7)	46.7%
Statutory NPAT	185	199	(14)	(7.0%)

Cents per share	1H21	1H20	Change	
			Cents	%
EPS (before significant items)	9.6	10.6	(1.0)	(9.4%)
EPS (statutory)	8.6	9.8	(1.2)	(12.2%)
DPS (fully franked)	7.5	11.0	(3.5)	(31.8%)

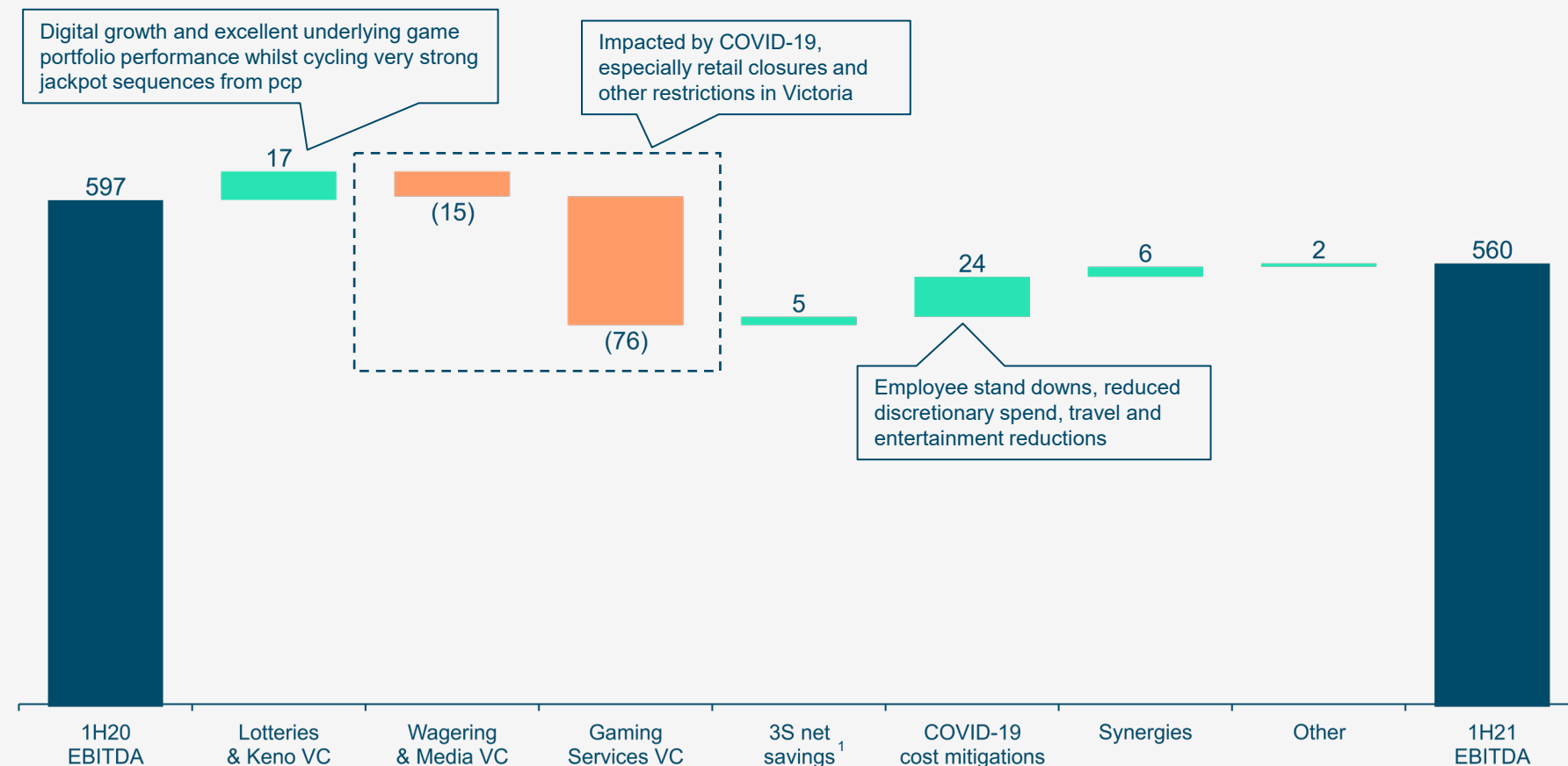
Notes:

- Significant items (after tax) of \$22m comprise amended tax treatment of MAX CMS Licence \$69m, Racing Queensland arrangements \$11m, Tatts Group combination implementation costs \$8m and restructure costs \$3m, partly offset by the profit on sale of Jumbo \$69m. Refer Appendix 1

EARNINGS MATERIALLY IMPACTED BY COVID-19

COVID-19 RETAIL RESTRICTIONS CONTINUED TO IMPACT RESULTS, DESPITE COST CONTROL MEASURES

1H21 EBITDA (\$M)



Notes:

1. 3S net EBITDA savings of \$5m comprise \$7m savings (VC \$3m; opex \$4m), partly offset by \$2m cost to implement

OPTIMISATION PROGRAM (3S) TO DRIVE OPERATIONAL IMPROVEMENTS AND ACCELERATE SAVINGS

Tabcorp-Tatts Merger
December 2017



Integration
January 2018 to FY21



Optimisation
FY21 to FY23

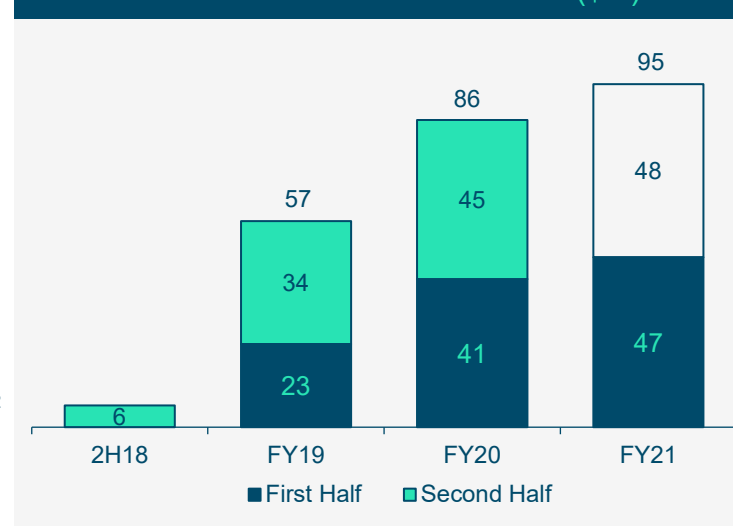
INTEGRATION

- Cost synergies on track to deliver \$95m of annual EBITDA savings
- One-off costs incurred to 31 December 2020: \$114m pre tax
- Wagering & Media retail uplift to complete in FY21

OPTIMISATION – Simpler, Smarter & Stronger (3S)

- A three-year integrated, enterprise-wide optimisation program to deliver enhanced operational capability and sustainable savings (over and above those from integration)
- 1H21 EBIT savings \$8m¹ (VC \$3m; opex \$4m; D&A \$1m); cost to implement \$2m²
- Targeting \$20-25m¹ of savings in FY21
- Key areas impacting FY21
 - Review of key commercial arrangements and programs
 - Operating model changes (Wagering & Media, Gaming Services)
 - Process simplification and re-design:
 - Efficiency improvements (e.g. Field Services)
 - Maximising value from vendor spend

EBITDA – COST SYNERGIES (\$M)



SIMPLER > SMARTER > STRONGER



Notes:

- Excludes cost inflation; savings based on FY20 baseline adjusted to remove impacts of COVID-19 cost mitigations and other non-recurring items
- Excludes restructure costs (\$5m before tax, \$3m after tax) shown as a significant item. Refer Appendix 1

Tabcorp

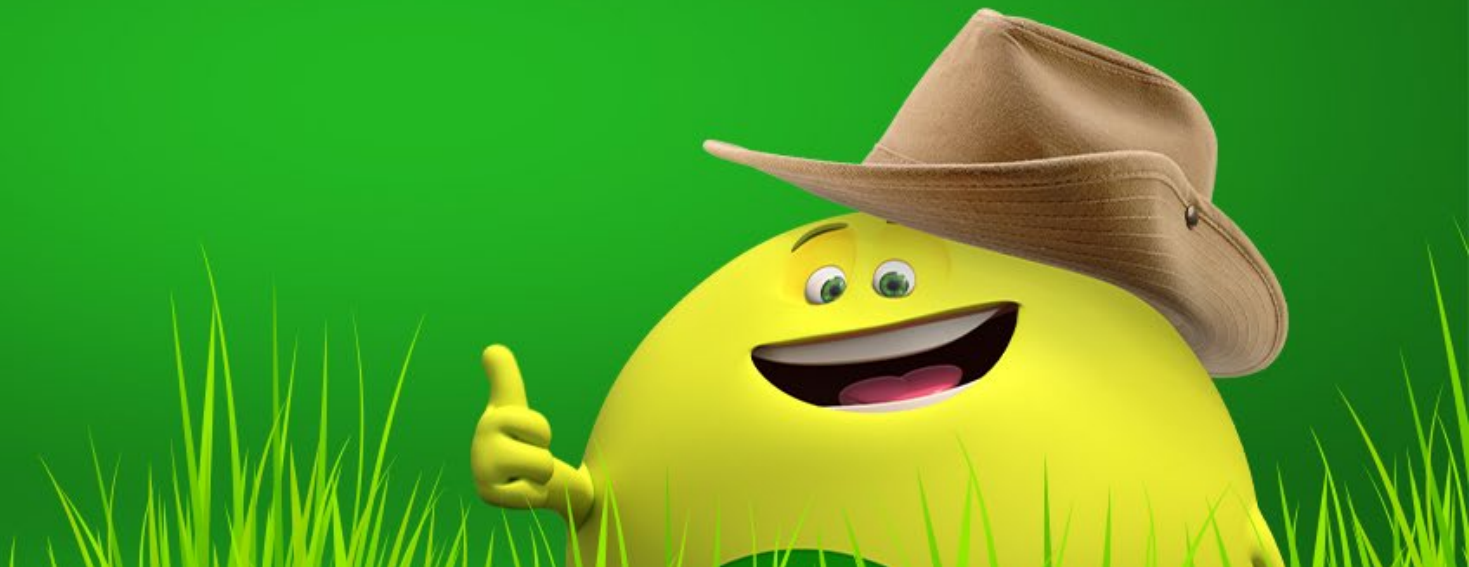


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GROUP & BUSINESS RESULTS¹

\$m	Lotteries & Keno			Wagering & Media			Gaming Services			Group		
	1H21	1H20	Change	1H21	1H20	Change	1H21	1H20	Change	1H21	1H20	Change
Revenues	1,609	1,584	1.6%	1,189	1,180	0.8%	73	149	(51.0%)	2,870	2,914	(1.5%)
Variable contribution	433	413	4.8%	458	473	(3.2%)	66	142	(53.5%)	957	1,030	(7.1%)
Operating expenses	(122)	(118)	3.4%	(231)	(239)	(3.3%)	(44)	(76)	(42.1%)	(397)	(433)	(8.3%)
EBITDA	311	295	5.4%	227	234	(3.0%)	22	66	(66.7%)	560	597	(6.2%)
D&A	(53)	(49)	8.2%	(95)	(95)	0.0%	(40)	(45)	(11.1%)	(188)	(193)	(2.6%)
EBIT	258	246	4.9%	132	139	(5.0%)	(18)	21	(>100.0%)	372	404	(7.9%)
VC / Revenue %	26.9%	26.1%	0.8%	38.5%	40.1%	(1.6%)	90.4%	95.3%	(4.9%)	33.3%	35.3%	(2.0%)
Opex / Revenue %	7.6%	7.4%	0.2%	19.4%	20.3%	(0.9%)	60.3%	51.0%	9.3%	13.8%	14.9%	(1.1%)
EBITDA / Revenue %	19.3%	18.6%	0.7%	19.1%	19.8%	(0.7%)	30.1%	44.3%	(14.2%)	19.5%	20.5%	(1.0%)
EBIT / Revenue %	16.0%	15.5%	0.5%	11.1%	11.8%	(0.7%)	(24.7%)	14.1%	(38.8%)	13.0%	13.9%	(0.9%)
Capex	14	31	(54.8%)	45	81	(44.4%)	11	40	(72.5%)	70	152	(53.9%)

Notes:

1. All amounts are before significant items. Business results may not aggregate to Group total due to intercompany eliminations and unallocated items. (1H20 unallocated items \$2m EBIT loss)

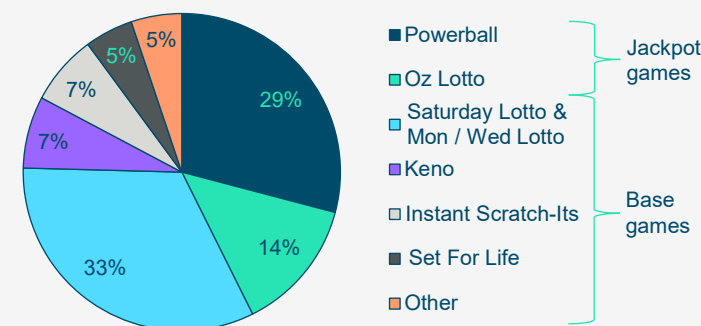
LOTTERIES & KENO

EXCELLENT GAME PORTFOLIO PERFORMANCE, UNDERPINNED BY BASE GAMES AND STRONG DIGITAL GROWTH

- Continuing benefits from game development and active portfolio management:
 - Successful changes to Set For Life and Saturday Lotto
 - Acceleration of jackpot sequences following lift in sales at all jackpot levels
- All base games sales increased significantly during COVID-19
- Revenue growth despite cycling very strong Powerball jackpot sequences in 1H20, below average sequences for jackpot games in 1H21 and timing of \$30m Saturday Super Draw
- Customer led strategies delivering enhanced customer experiences, increased digital conversion and greater integration with retail
 - Digital growth of 20.9% and improved reseller arrangements helped lift margins
 - Omni-channel program continued to deliver for retailers and helped drive improved customer experiences
- Very strong Keno performance – retail rebounding post re-openings; digital continued at elevated levels

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Opex / Revenue %	7.6%	7.4%	0.2%
EBITDA / Revenue %	19.3%	18.6%	0.7%
EBIT / Revenue %	16.0%	15.5%	0.5%

1H21 REVENUE BY PRODUCT¹ (%)



Notes:
1. Gross subscriptions (including commissions and master agent fees) less prizes payable

LOTTERIES & KENO KPIs

BALANCED PORTFOLIO AND STRATEGIC INITIATIVES DELIVERED GROWTH IN A PERIOD OF LOW JACKPOTS

LOTTERIES

- Strong performance during COVID-19 across all games with gambling entertainment and discretionary expenditure category shifts evident
- Strength in base draw games (all up over 20%) and positive response to game changes
 - Instant Scratch-Its growth (+39%) supported by product initiatives and significant supply chain changes
- Jackpot game like-for-like sales up over 20% for both games; absolute sales down due to jackpot sequences
 - Powerball (-18%) – cycling two Division 1 records in 1H20 (\$110m, \$150m)
 - Oz Lotto (-6%) – less than half the number of large jackpots vs pcp (4 vs 9)
- Continued digital growth: 1H21: 32.1% of Lotteries turnover (1H20: 26.7%)
 - 3.7m¹ active registered players (+2.8%)
 - PayPal adoption aided conversion rates

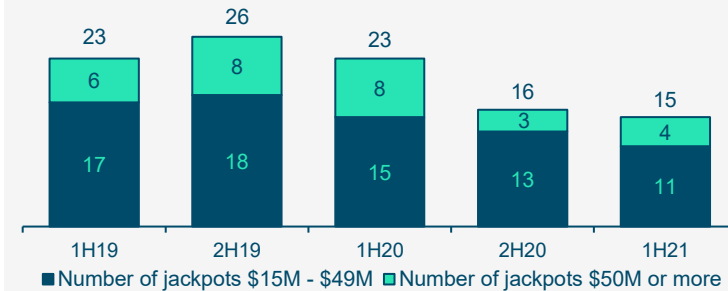
KENO

- Keno revenue up 12.8% due to very strong digital performance despite impacts from venue closures and constraints
 - Digital sales +183.4%
 - Retail up 5-10% in northern states; Greater Melbourne re-opened in November 2020

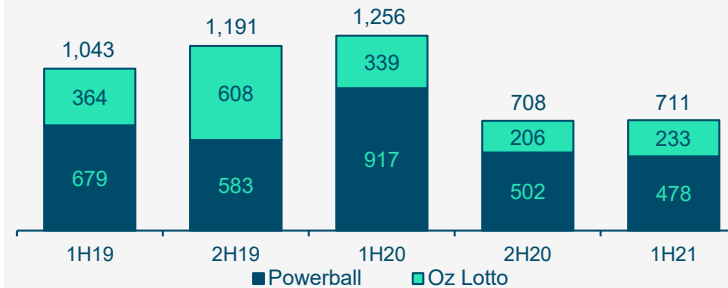
Notes:

- Active registered players measured on a rolling 12 month basis
- The cumulative value of all Division 1 offers for Powerball and Oz Lotto draws
- ACT Keno only. NSW in-venue mobile now decommissioned
- Powerball and Oz Lotto 1H20 adjusted to reflect comparable jackpot sequences
- Saturday Lotto adjusted for \$30m Megadraw (1H21: 2-Jan-21 vs 1H20: 28-Dec-19)

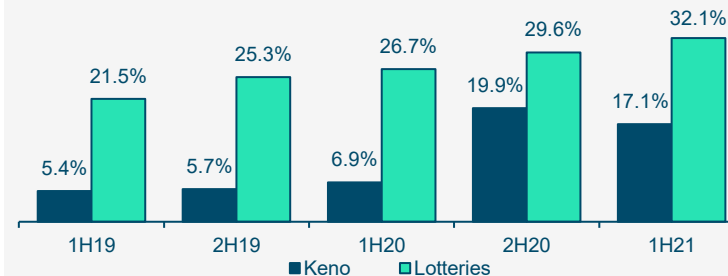
POWERBALL & OZ LOTTO MAJOR JACKPOTS



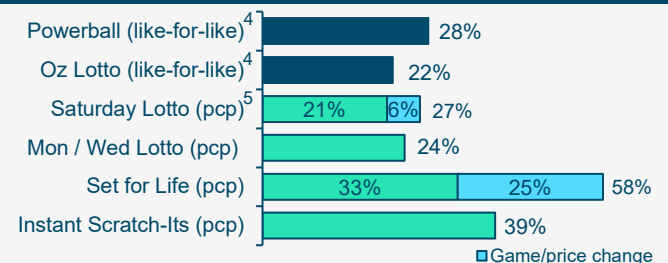
CUMULATIVE JACKPOT VALUE OFFERED² (\$M)



DIGITAL SHARE OF TURNOVER³



TURNOVER GROWTH ON LIKE-FOR-LIKE OFFERS (1H21 vs 1H20)



LOTTERIES & KENO – ACTIVE PORTFOLIO MANAGEMENT

MATERIAL LIFT IN TURNOVER POST WELL RESEARCHED AND PROMOTED GAME CHANGES



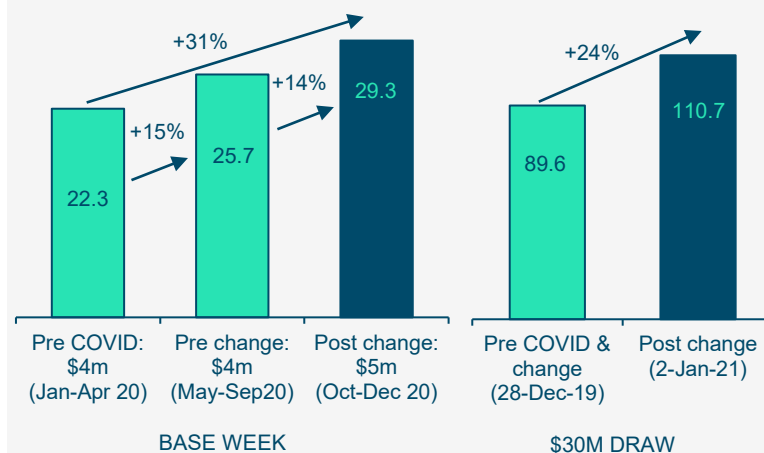
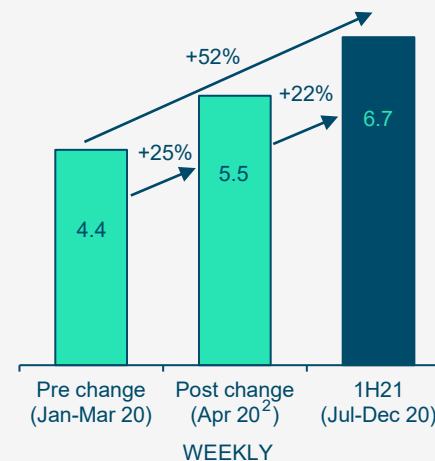
SET FOR LIFE

- Launch: Late March 2020
- Division 2 prize: \$5k/month for 1 year = \$60k
- Matrix change increased number of winners
- 9% price increase (from 55c to 60c), with 278% price retention¹

SATURDAY LOTTO

- Launch: October 2020
- Division 1 prize up from \$4m to \$5m
- Division 6 change doubled number of winners
- 15% price increase (from 65c to 75c), with 93% price retention¹

TURNOVER (\$M)



Notes:

1. Price retention = estimated revenue increase / price increase
2. 30 March 2020 to 14 April 2020

LOTTERIES & KENO: FY21 KEY FOCUS AREAS

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GAME PORTFOLIO

- Oz Lotto game change being explored; research and development to be completed in FY21
- Initiatives across the Instant Scratch-Its category to build on strong FY20 momentum
- Monitor and manage accelerated jackpot offers in light of strength of jackpot games



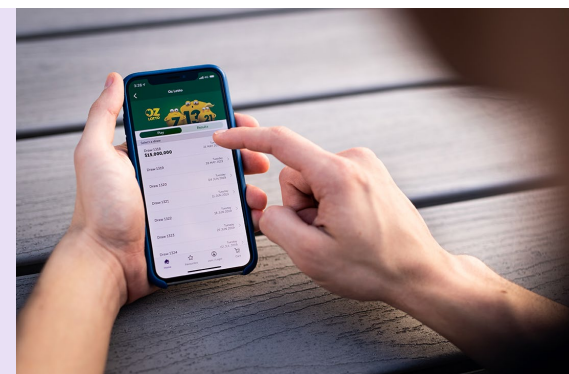
CUSTOMER EXPERIENCE

- Continue retail roll out of the Lott brand refresh
- The Lott app expected to be available in the Google Play store in 2H21



DISTRIBUTION

- Expand omni-channel program into South Australia post enabling legislation and regulatory approval
- Continued improvement in payment options for players
- Ongoing support of retail partners through the challenge of COVID-19 and maintaining COVID-safe operations



WAGERING & MEDIA

SOLID UNDERLYING PERFORMANCE IN A DISRUPTED OPERATING ENVIRONMENT

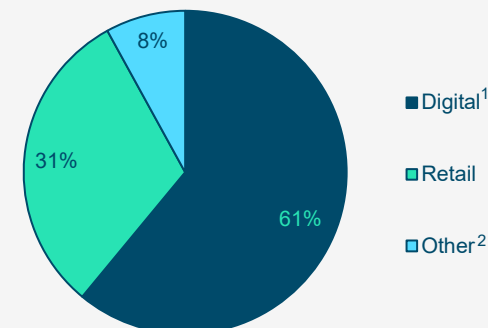
- Significant shifts from retail to digital during COVID-19
 - Strong digital growth in turnover (+43%) and revenue (+34%) in an increasingly digital market, although some loss of market share
- Retail remains a profitable and valuable channel, but was heavily impacted by COVID-19 related shut downs and other restrictions
 - Retail turnover recovering as venues reopen and progressively return to normal capacity (ex-Victoria down 9%)
- Unfavourable net earnings impact of c.\$25m from:
 - Retail closures including lost media revenue, net of COVID-19 cost mitigations
 - Data centre outage (7 and 8 November)
 - Partially offset by favourable US election result
- Marketing and generosity program enhanced to deliver improvement in active customer growth and engagement in a very competitive market; VC margin lower as a result
- Disciplined expense management

Notes:

1. Digital includes digital and call centre, channels in which a customer transacts using their account
2. Other comprises On-course, Premium Customers and PGI

\$m	1H21	1H20	Change
Revenues	1,189	1,180	0.8%
Variable contribution	458	473	(3.2%)
Operating expenses	(231)	(239)	(3.3%)
EBITDA	227	234	(3.0%)
D&A	(95)	(95)	0.0%
EBIT	132	139	(5.0%)
VC / Revenue %	38.5%	40.1%	(1.6%)
Opex / Revenue %	19.4%	20.3%	(0.9%)
EBITDA / Revenue %	19.1%	19.8%	(0.7%)
EBIT / Revenue %	11.1%	11.8%	(0.7%)

1H21 WAGERING TURNOVER BY CHANNEL (%)



WAGERING & MEDIA KPIs¹

BUSINESS RESILIENT THROUGH COVID-19; STRONG DIGITAL GROWTH BUT FURTHER IMPROVEMENT NEEDED

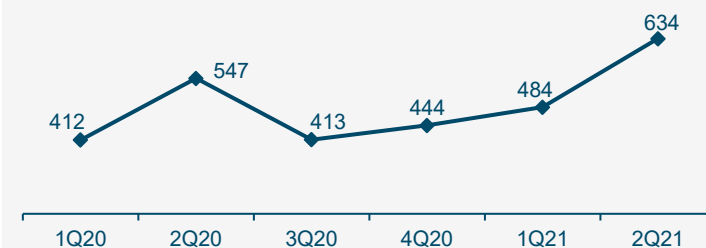
- Our business is different
 - We are a multi-channel business with higher regulatory complexity that impacts speed to market and narrows margins
- COVID-19 significantly disrupted retail
 - This was challenging for TAB and favourable for our digital-only competitors
 - Retail remains a valuable channel, including for digital acquisition
 - Retail has bounced back well as restrictions have eased
- We acted in the right way for our business during this highly abnormal period
 - Strong digital and customer growth – c.\$5b digital sales (61% of business)
 - However our competitors had stronger digital growth
 - A predominately digital market and condensed event calendar drove heightened generosity across the market
- Significant investment in multi-channel digital offering during integration, however there is more to do. Strong pipeline of customer initiatives to come
- Further structural reform to level the playing field is also important. Tabcorp will continue working to secure changes to license conditions and regulatory harmonisation

Notes:

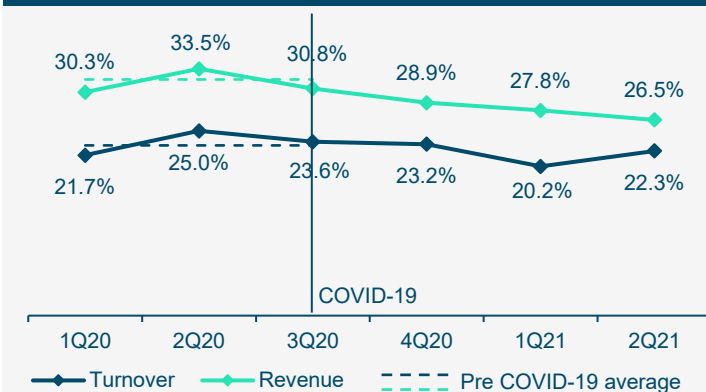
1. Refer to Appendix 6 for additional KPI disclosures
2. Excludes Other (On-course, Premium Customers and PGI)
3. Digital includes digital and call centre - channels in which a customer transacts using their account
4. Number of users active within the relevant quarter. For comparability, prior period data adjusted to exclude duplication between TAB and ex-UBET customers
5. Based on data supplied by industry partners which account for approximately one-third of the wagering market All data is before generosity. Prior year estimates adjusted where necessary to reflect updated data and to align with current measurement methodology

Change on pcp %	Turnover ²		Revenue ²	
	Digital ³	Retail	Digital ³	Retail
Wagering (1H21)	43%	(28%)	34%	(29%)

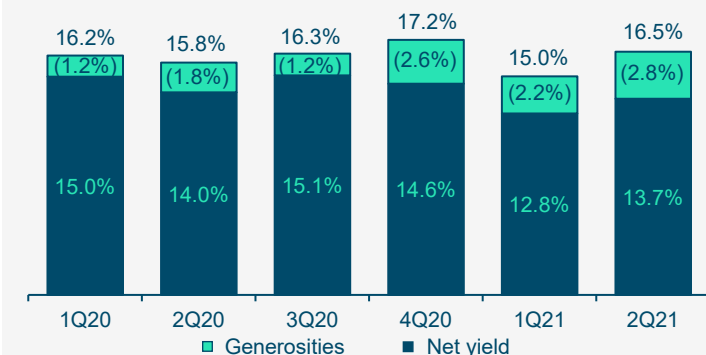
QUARTERLY ACTIVE USERS⁴ ('000)



DIGITAL MARKET SHARE^{3,5}



FIXED ODDS YIELDS



WAGERING & MEDIA: FY21 KEY FOCUS AREAS

CUSTOMER EXPERIENCE ENHANCEMENTS BEING ACCELERATED POST INTEGRATION

BROADEN CUSTOMER BASE, REINVENT MEDIA & GROW SPORT



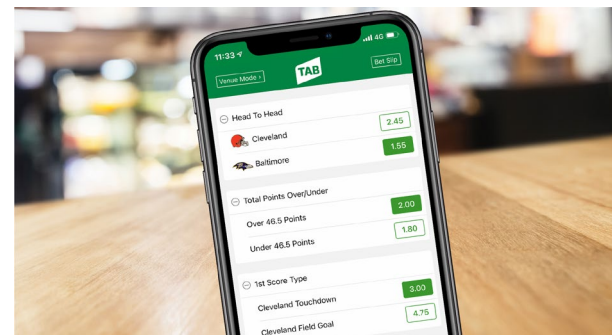
- ✓ Launched new Racing content hub
- ✓ Long term rights secured for NSW, Qld & Vic (digital) racing
- ✓ US sport & international soccer vision acquired (digital & in-venue)
- ✓ Launched Home of US Sports campaign to attract new customers
- ❑ Sports vision & content hub
- ❑ New sports channel in retail

TRANSFORM RETAIL EXPERIENCE



- ✓ Venue mode app feature and personalised proximity based CRM in all TAB venues
- ✓ Digital-in-venue 1H21 turnover +54% ex Vic
- ❑ Significant upgrade to venue mode feature including:
 - Integrated venue specific food offers
 - Differential pricing capability
 - Exclusive expert tips in real time
- ❑ Digital retail (no cash) pilot
- ❑ Ongoing optimisation of retail footprint

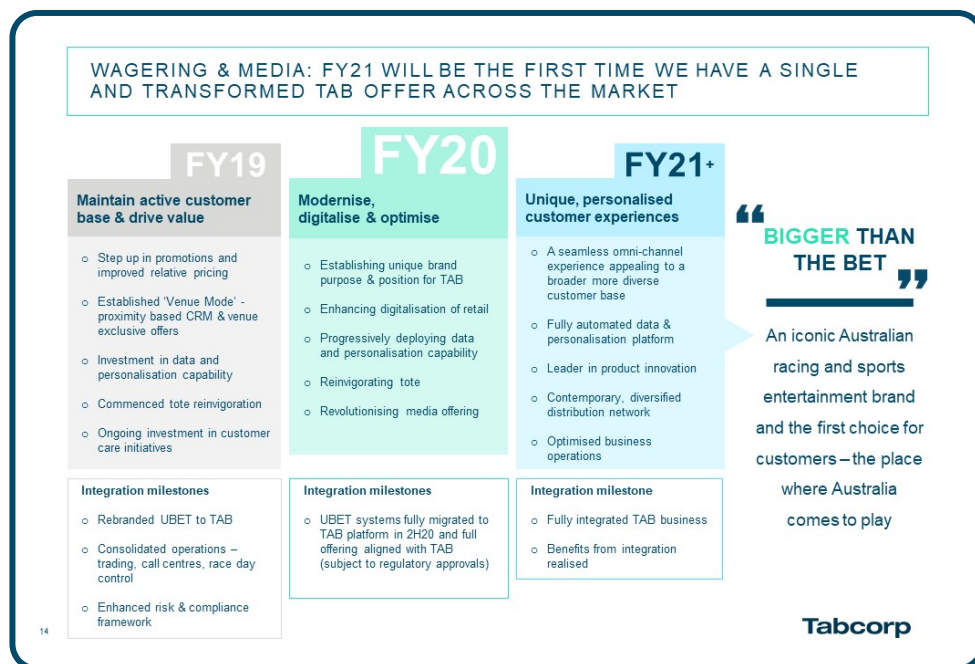
STRENGTHEN DIGITAL & EXPAND PRODUCT



- ✓ New data capability and Adobe driven personalisation engine
- ✓ Same Game Multi now available on 75 sports leagues
- ✓ New Racing Blackbook (with video replays)
- ✓ Personalised tote offers
- ❑ New tote product to be launched in 2H21
- ❑ Live betting enhancements across digital and venue

WAGERING & MEDIA: A BETTER BUSINESS POST INTEGRATION AND TRANSFORMATION

WAGERING & MEDIA BUSINESS IS NOW WELL POSITIONED TO PERFORM AND GROW



Source: 1H20 Results Presentation

- Integrated digital and retail customer experience
- New data capability and Adobe driven personalisation engine
- Single TAB platform and brand
- Media delivering premium sports and racing content digitally and in venue integrated with Wagering
- Growing and more diverse base of active customers
- Well established and growing B2B presence in key overseas markets for vision, data and co-mingling

GAMING SERVICES

BUSINESS EXECUTING AGAINST TURNAROUND PLANS AS HOTELS AND CLUBS RETURN TO OPERATION ACROSS THE COUNTRY

- Revenue decline predominantly COVID-19 related
 - Venues re-opened nationally from June 2020 under social distancing measures (except for Victoria)
 - Victoria (c.30% of revenues) was the key challenge – Greater Melbourne re-opened in November 2020
 - Suspended all fees during shutdown to support venues; once venues reopen, fees are scaled up progressively to return to pre COVID-19 levels
 - Revenues returning as states reopen and restrictions ease
- Cost base being addressed as part of turnaround plan
 - Initial phase of organisational restructure completed (1H21 savings: \$3m)
 - Stand-downs helped manage costs given loss of revenue
- Capital expenditure significantly reduced as part of turnaround plan and COVID-19 mitigations
 - Programs curtailed to focus on core business priorities
- No material progress on extension of the remaining 50% of Victorian EGM contracts beyond 2022 given current market uncertainties

\$m	1H21	1H20	Change
MAX Venue Services	33	102	(67.6%)
MAX Regulatory Services	40	47	(14.9%)
Revenues	73	149	(51.0%)
Variable contribution	66	142	(53.5%)
Operating expenses	(44)	(76)	(42.1%)
EBITDA	22	66	(66.7%)
D&A	(40)	(45)	(11.1%)
EBIT	(18)	21	(>100.0%)
VC / Revenue %	90.4%	95.3%	(4.9%)
Opex / Revenue %	60.3%	51.0%	9.3%
EBITDA / Revenue %	30.1%	44.3%	(14.2%)
EBIT / Revenue %	(24.7%)	14.1%	(38.8%)
Contracted EGMs¹	Dec 20	Jun 20	Change
Victoria	8,185	8,230	(45)
NSW	1,850	1,930	(80)
Total	10,035	10,160	(125)

GAMING SERVICES: FY21 KEY FOCUS AREAS



OPERATIONAL REVIEW

Operational Review / turnaround plan execution is well underway

- Leaner management and simplified operating structure
 - Initial phase of restructuring complete
- Further extension of EGM contracts
- Develop and implement new products for core MAX Venue Services offer, targeting capex reductions
- Review and modify operating model of field services activities
 - Plan developed and execution commenced in 2H21
- Streamline the product portfolio of the systems business
 - Capital program reduced accordingly
- Focus on core monitoring activity within MAX Regulatory Services



STRATEGIC REVIEW

- Strategic Review paused due to COVID-19





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CAPITAL MANAGEMENT

STRONGER FINANCIAL POSITION WITH GEARING NOW WITHIN TARGET RANGE; DIVIDENDS RESUMED

	GEARING ¹	DEBT PROFILE ²	CREDIT RATING	
TARGET	Gross debt / EBITDA 2.5x – 3.0x	Minimise cost of borrowing	Maintain investment grade	<ul style="list-style-type: none"> Undrawn bank facilities: \$1,510m at 31 December 2020
METRIC	31 Dec 2020: 2.8x	Average maturity ³ : 5.8 years Average interest rate ⁴ : 5.3%	S&P rating BBB- /stable	<ul style="list-style-type: none"> Two period covenant waivers and adjusted limits remain in place at 31 December 2020, return to normal at 30 June 2021 Legacy 2010 USPP matured (A\$171m)
	CAPITAL EXPENDITURE ²	ROIC ⁵	DIVIDENDS	
TARGET	BAU range \$200m – \$240m	Increase returns to cost of capital levels over time	70% – 80% of NPAT (before significant items)	<ul style="list-style-type: none"> Working capital facility cancelled (\$226m) EBITDA to operating cash flow conversion⁶ of 148%
METRIC	1H21 BAU capex: \$61m 1H21 non-BAU capex: \$9m FY21 capex: \$180m – \$190m FY21 D&A: \$380m – \$390m	ROIC: 6.0%	1H21 interim dividend 7.5 cps fully franked Payout ratio: 80%	<ul style="list-style-type: none"> Benefited from deferred Lotteries taxes (net \$128m), prize reserve levels and customer account balances Deferred Lotteries taxes of \$242m to be fully paid by the end of 3Q21

Notes:

1. Refer Appendix 2

2. Refer Appendix 3

3. Based on available facilities

4. Based on drawn facilities (based on available facilities: 3.8%)

5. ROIC is an absolute measure, defined as earnings before interest, tax and significant items (EBIT before significant items), divided by the average invested capital base (being shareholders' equity plus net economic debt). Earnings measured on a rolling 12 month basis. Average invested capital is calculated as an average of opening and closing balances. Invested capital base has been adjusted to reflect the impairment charge recognised against goodwill in FY20

6. EBITDA / operating cash flow conversion excludes the impact of significant items



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CONCLUSION: THE TRUSTED GAMBLING ENTERTAINMENT COMPANY

IMPROVED FINANCIAL POSITION AND OUTLOOK AS WE EMERGE FROM COVID-19

- Tabcorp has taken action to improve its financial position
 - Strengthened balance sheet post capital raising
 - Dividends resumed and payout policy reset
- All businesses well positioned for the second half – as we emerge from COVID-19, we continue to unlock digital growth, drive operational improvements and optimise costs
 - Lotteries & Keno – drive upside from increased digital penetration and develop Oz Lotto game change
 - Wagering & Media – following the multi-year journey to integrate and transform capability and competitiveness, the Wagering & Media business is now positioned to perform and grow
 - Gaming Services – executing operational review to lift profitability and performance; support licensed venues as they emerge from COVID-19
 - Optimisation program (3S) to drive operational improvements, accelerate savings and simplify the business

LOTTERIES & KENO



WAGERING & MEDIA



GAMING SERVICES





Tabcorp

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Appendices

1. SIGNIFICANT ITEMS (AFTER TAX)

JUMBO PROFIT ON SALE

- Tabcorp sold its shareholding in Jumbo Interactive for gross proceeds of approximately \$98m and recognised a profit after tax on the sale of \$69m

AMENDED TAX ASSESSMENT RE MAX CMS LICENCE¹

- Tabcorp received an amended tax assessment for the 2016 taxation year regarding the income tax treatment of licence fees incurred by Tatts Group in relation to monitoring gaming machines in New South Wales. The amended assessment was for a total of \$71m, including \$9m (\$7m net of tax) in Australian Taxation Office imposed interest, and was paid in December 2020. Tabcorp has lodged an objection with the ATO and have disclosed a contingent asset in the Financial Statements

RACING QUEENSLAND ARRANGEMENTS²

- Tabcorp guaranteed minimum fees that RQ will receive under the deed of understanding with UBET Queensland in each calendar year from 2018 to 2020 inclusive. A significant item expense of \$11m (after tax) has been recorded in respect of 1H21, being the top up payment required to meet the minimum fee obligation for the final term of the agreement to 31 December 2020

TATTS GROUP COMBINATION IMPLEMENTATION COSTS

- Implementation costs are non-recurring costs and comprise restructure charges, integration management office and dedicated merger implementation resources. Implementation costs incurred to 31 December 2020 were \$114m pre tax (or \$80m after tax). Total implementation costs will not exceed \$130m pre tax (or \$91m after tax)

RESTRUCTURE COSTS (3S)

- Restructure costs have been incurred in 1H21 in relation to the Gaming Service Operational Review

\$m	1H21
Jumbo profit on sale	(69)
Amended tax assessment – MAX CMS Licence	69
Racing Queensland arrangements	11
Tatts Group combination implementation costs	8
Restructure costs (3S)	3
Total	22

Notes:

1. Refer Note C5 in the Financial Statements for the half year ended 31 December 2020
2. In the event Tabcorp is ultimately unsuccessful in the current dispute with Racing Queensland, further payments may need to be made by the Group. Refer to ASX Announcements dated 28 June 2019 and 24 July 2019 and Note C5 in the Financial Statements for the half year ended 31 December 2020

2. CASH FLOW AND BALANCE SHEET

CASH FLOW

\$m	1H21	1H20	Change
Net operating cash flows ¹	811	433	87.3%
Net interest paid	(91)	(98)	(7.1%)
Income tax paid	(138)	(98)	40.8%
Payments for PP&E and intangibles	(101)	(178)	(43.3%)
Sub-total	481	59	>100.0%
Proceeds from sale of PP&E and intangibles	5	1	>100.0%
Proceeds from sale of shares in an associate	98	-	n/m
Payment for other financial assets	(51)	(21)	>100.0%
Net proceeds from issue of shares	587	-	n/m
Ordinary dividends paid	-	(194)	n/m
Other	(2)	(3)	(33.3%)
Net cash flow	1,118	(158)	>100.0%
Net debt at beginning of period	3,724	3,665	1.6%
Non cash movements	(292)	2	(>100.0%)
Net debt at end of period	2,314	3,825	(39.5%)

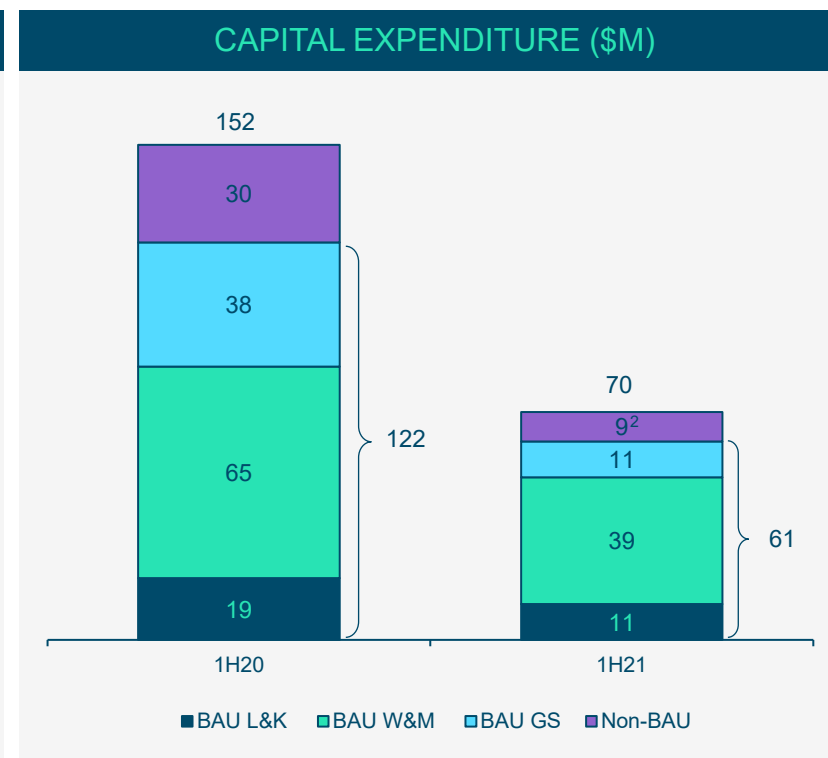
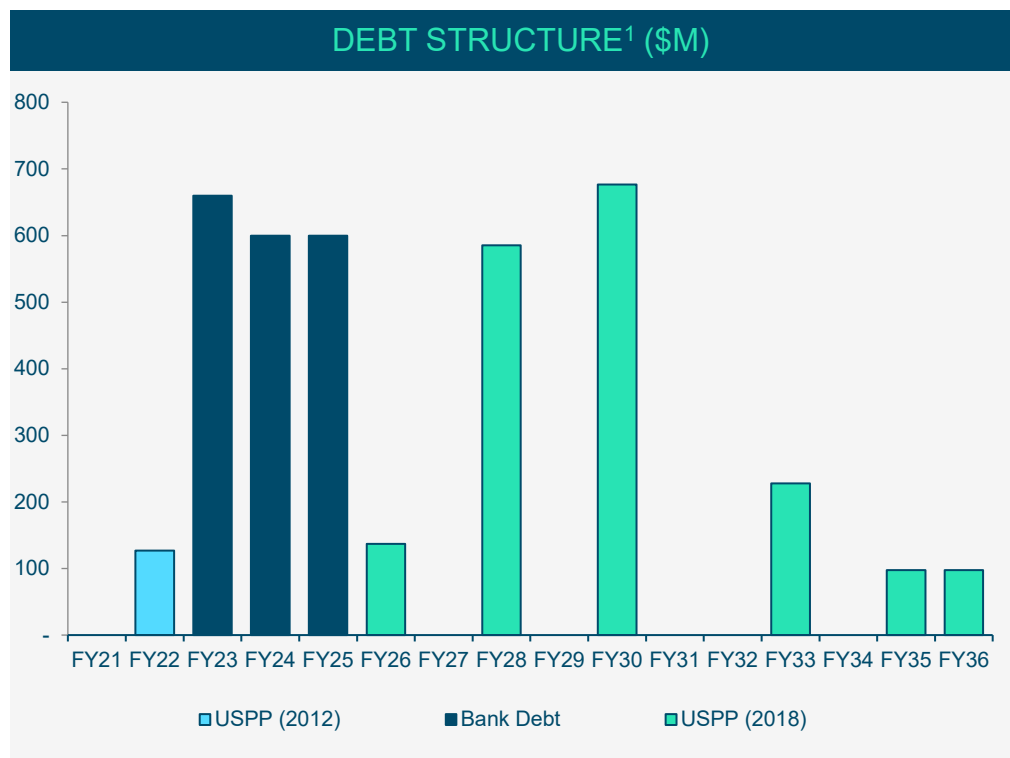
BALANCE SHEET

\$m	Dec-20	Jun-20	Change
Total current assets	862	727	18.6%
Licences	2,094	2,148	(2.5%)
Other intangible assets	8,137	8,134	0.0%
Property, plant and equipment	410	456	(10.1%)
Other non current assets	592	951	(37.7%)
Total assets	12,095	12,416	(2.6%)
Total liabilities	5,367	6,389	(16.0%)
Shareholders' funds	6,728	6,027	11.6%
Net debt (reported) ¹	2,314	3,724	(37.9%)
Net debt (economic) ²	2,282	3,399	(32.9%)
Shares on issue (m)	2,217	2,032	9.1%
Ratios³			
Gross debt ⁴ / EBITDA (x)	2.8	3.8	
EBIT ⁵ / Net interest (x)	3.2	3.3	

Notes:

1. Net debt (reported) includes lease liability of \$329m (Jun-20: \$353m)
2. Net debt (economic) includes USPP debt at the A\$ principal repayment under cross currency swaps
3. Ratios calculated on a rolling 12 month basis
4. Gross debt includes USPP debt at the A\$ principal repayment under cross currency swaps
5. EBIT excludes amortisation of the Victorian wagering and betting licence

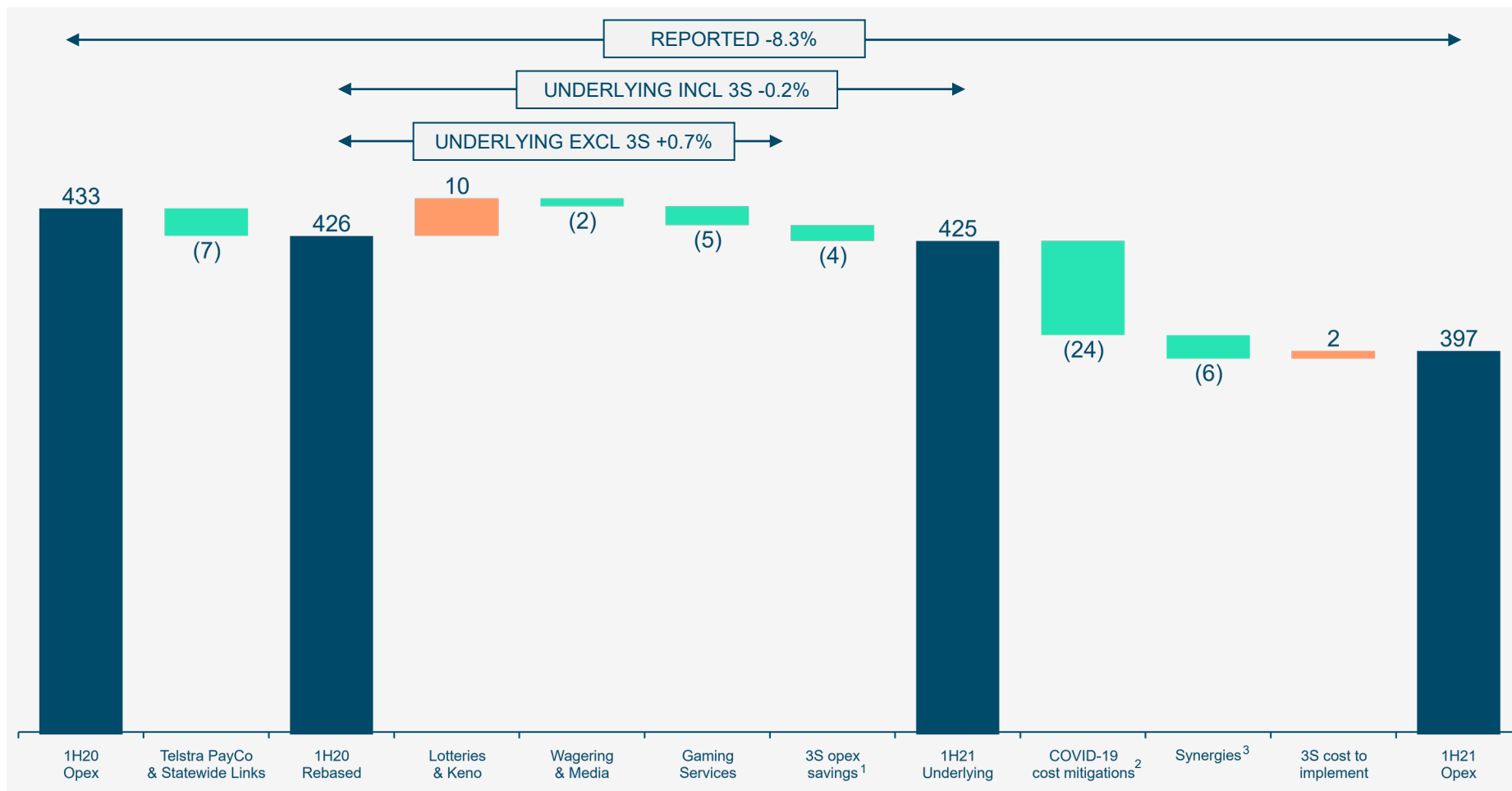
3. DEBT STRUCTURE AND CAPITAL EXPENDITURE



Notes:

1. Excludes \$100m overdraft facility maturing in February 2022
2. Non-BAU capex: integration, data centre consolidation

4. GROUP OPERATING EXPENSES (\$M)



Notes:

1. 1H21 3S opex savings of \$4m (Wagering & Media \$1m, Gaming Services \$3m)
2. 1H21 COVID-19 cost mitigations of \$24m (Lotteries & Keno \$3m, Wagering & Media \$4m, Gaming Services \$17m)
3. 1H21 incremental cost synergies vs pc of \$6m (Lotteries & Keno \$3m, Wagering & Media \$2m, Gaming Services \$1m)

5. LOTTERIES & KENO RESULTS

\$m	1H21	1H20	Change
Lotteries Revenue	1,477	1,467	0.7%
Keno Revenue	132	117	12.8%
Revenues	1,609	1,584	1.6%
Lotteries Variable contribution	360	347	3.7%
Keno Variable contribution	73	66	10.6%
Variable contribution	433	413	4.8%
Operating expenses	(122)	(118)	3.4%
EBITDA	311	295	5.4%
D&A	(53)	(49)	8.2%
EBIT	258	246	4.9%
Lotteries VC / Revenue %	24.4%	23.7%	0.7%
Keno VC / Revenue %	55.3%	56.4%	(1.1%)
VC / Revenue %	26.9%	26.1%	0.8%
Opex / Revenue %	7.6%	7.4%	0.2%
EBITDA / Revenue %	19.3%	18.6%	0.7%
EBIT / Revenue %	16.0%	15.5%	0.5%

6. WAGERING & MEDIA KPIs

	1H21	1H20	Change
Turnover by distribution (\$m)¹			
Retail	2,595	3,612	(28.2%)
Digital	4,956	3,408	45.4%
Call Centre	211	208	1.4%
Other ²	640	768	(16.7%)
Total	8,402	7,996	5.1%
Revenue by product (\$m)¹			
Totalisator	543	587	(7.5%)
Fixed Odds	526	491	7.1%
Total Racing	1,069	1,078	(0.8%)
Sport	114	122	(6.6%)
Trackside	24	37	(35.1%)
Total	1,207	1,237	(2.4%)
Fixed Odds Yields			
Gross Yield	15.6%	16.0%	(0.4%)
Generosities	(2.5%)	(1.5%)	(1.0%)
Net Yield	13.1%	14.5%	(1.4%)
Net Racing Yield	14.3%	15.6%	(1.3%)
Net Sports Yield	9.6%	11.3%	(1.7%)
Other KPIs			
Wagering active customers ³	777,000	688,000	12.9%
Digital-in-venue turnover (\$m)	252	206	22.3%
Retail turnover from SST (%)	59.9%	58.9%	+1.0%
Sky Racing Active registered customers ⁴	47,000	22,000	>100.0%
Sky venue subscriptions (#)	4,908	4,995	(1.7%)
Sky races broadcast (#)	70,352	68,051	3.4%

Notes:

1. Combined Wagering results only (excluding Media). TAB turnover and TAB revenue includes Victorian Racing Industry interest
2. Other turnover comprises On-course, Premium Customers and PGI
3. Wagering active customers measured on a rolling 12 month basis. For comparability, prior period data adjusted to exclude duplication between TAB and ex-UBET customers
4. Reflects life to date Sky Racing Active registered customers. The comparable number at 30 June 2020 was 38,000

7. GLOSSARY

TERM	DEFINITION
1H/2H	Six months ended 31 December/30 June of the relevant financial year
1Q/2Q/3Q/4Q	Three months ended 30 September/31 December/31 March/30 June of the relevant financial year
3S	Optimisation - Simpler, Smarter & Stronger (3S)
ACT	Australian Capital Territory
ASX	Australian Securities Exchange
BAU	Business as Usual
Combination	The Tabcorp-Tatts combination which was implemented in December 2017
CRM	Customer Relationship Management
D&A	Depreciation, Amortisation and impairment
DPS	Dividends Per Share
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortisation and impairment
EGM	Electronic Gaming Machine
EPS	Earnings Per Share
Financial year / FY	The Group's financial year is 1 July to 30 June
Gaming Services (GS)	The Group's business that provides services to licensed gaming venues and EGM monitoring services
Group	The Tabcorp group of companies
Keno	A game of chance that is played approximately every three minutes and part of the Group's Lotteries and Keno business

TERM	DEFINITION
Lotteries and Keno (L&K)	The Group's business that operates lotteries and Keno, which are games of chance
MAX	The Group's Gaming Services brand
N/M	Not meaningful
NPAT	Net Profit After Tax
OPEX	Net operating expenses
PCP	Prior Comparison Period
PGI	The Premier Gateway International joint venture operating from the Isle of Man
POCT	Point of Consumption Tax
ROIC	Return on invested capital (refer Slide 19 for definition)
RQ	Racing Queensland
Sky Racing	Part of the Group's Media business, broadcasting racing and sport throughout Australia and internationally
TAB	The Group's wagering brand
UBET	The part of the Group's wagering business acquired as part of the Combination
Tatts or Tatts Group	Tatts Group Limited (ABN 19 108 686 040) which was acquired by Tabcorp Holdings Limited in December 2017
The Lott	Umbrella brand for the entire lotteries business
USPP	US Private Placement
VC	Variable Contribution
Wagering and Media (W&M)	The Group's business that operates fixed odds and pari-mutuel betting products and services on racing, sport and novelty products, and racing and sports broadcasting

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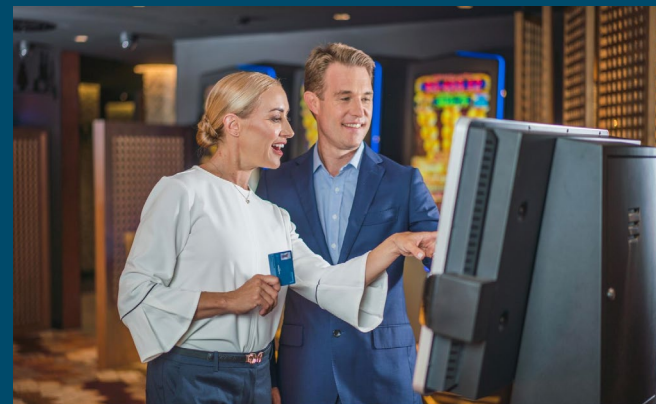
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