

17 February 2022

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 2021 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](http://www.tabcorp.com.au) from 10.30am (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  
with Integrity

Tabcorp

2021-22

HALF YEAR RESULTS PRESENTATION  
FOR THE SIX MONTHS ENDED  
31 DECEMBER 2021

17 FEBRUARY 2022

ABN 66 063 780 709





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# EXECUTIVE SUMMARY

Record lotteries result; significant COVID-19 impacts on the other businesses

GROUP REVENUE

**\$2,934M**

+2.2% ON PCP

GROUP EBITDA<sup>1</sup>

**\$529M**

-5.5% ON PCP

GEARING

**2.5X**

GROSS DEBT/EBITDA

1H22 DIVIDEND

**6.5 CPS**

DOWN 13.3% ON PCP  
77% PAYOUT RATIO

## LOTTERIES & KENO

- Record profit result (despite cycling the strong COVID-19 tailwind from 1H21)
- Digital turnover growth of 26%<sup>2</sup>; retail performance remained resilient

## WAGERING & MEDIA

- Results heavily impacted by COVID-19 related retail closures and increased generosities, advertising and promotions in a largely digital market
- Improved performance following retail re-openings in 2Q22

## GAMING SERVICES

- Revenue continued to be heavily impacted by significant fee relief to customers
- Returned to full fee model on 1 December 2021

Notes:

1. EBITDA before significant items
2. Lotteries 28%; Keno 6%

# 1H22 GROUP RESULTS

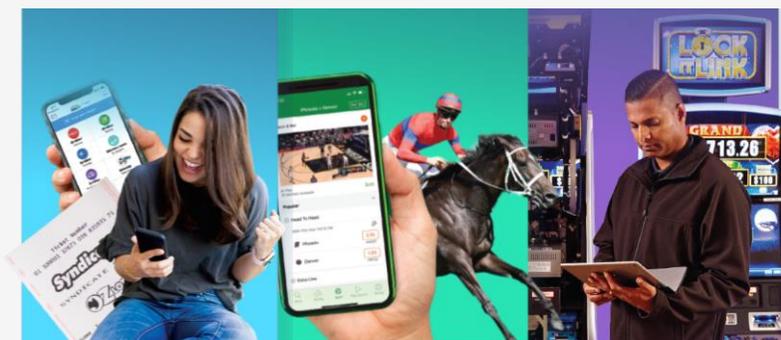
\$M	1H22	1H21	Change	
			\$	%
<b>Revenues</b>	<b>2,934</b>	<b>2,870</b>	<b>64</b>	<b>2.2%</b>
Variable contribution	942	951	(9)	(0.9%)
Operating expenses	(413)	(391)	(22)	5.6%
<b>EBITDA before significant items</b>	<b>529</b>	<b>560</b>	<b>(31)</b>	<b>(5.5%)</b>
D&A	(196)	(188)	(8)	4.3%
<b>EBIT before significant items</b>	<b>333</b>	<b>372</b>	<b>(39)</b>	<b>(10.5%)</b>
Interest	(71)	(82)	11	(13.4%)
Tax expense	(75)	(83)	8	(9.6%)
<b>NPAT before significant items</b>	<b>187</b>	<b>207</b>	<b>(20)</b>	<b>(9.7%)</b>
Significant items (after tax) <sup>1</sup>	(12)	(22)	10	(45.5%)
<b>Statutory NPAT</b>	<b>175</b>	<b>185</b>	<b>(10)</b>	<b>(5.4%)</b>
EPS (before significant items)	8.4	9.6	(1.2)	(12.5%)
EPS (statutory)	7.9	8.6	(0.7)	(8.1%)
DPS (fully franked)	6.5	7.5	(1.0)	(13.3%)

EBITDA  
**-5.5%**  
BEFORE SIGNIFICANT  
ITEMS

NPAT  
**-9.7%**  
BEFORE SIGNIFICANT  
ITEMS

EPS  
**-12.5%**  
BEFORE SIGNIFICANT  
ITEMS

DPS  
**-13.3%**  
77% PAYOUT  
RATIO



Notes:

1. 1H22 significant items (after tax) reflect costs related to the proposed demerger as announced on 5 July 2021

# GROUP EBITDA DOWN 5.5%

Record Lotteries & Keno result (despite cycling the strong COVID-19 tailwind from 1H21)

Wagering & Media heavily impacted by retail closures in largest market (NSW)<sup>1</sup>

Gaming Services returned to full fee model on 1 December 2021



Notes:

1. NSW effectively represented c.50% of retail revenue in the pcp
2. Exclusive of 3S VC savings (Lotteries & Keno \$3m, Wagering & Media \$2m)
3. Comprises VC \$5m, opex \$9m, less costs to implement (program costs) of \$1m

# COVID-19 REVENUE IMPACTS

Limited overall impact of Victorian closures on period-on-period performance

However, significant impact from NSW closures on Wagering & Media, Gaming Services and Keno

## LOTTERIES & KENO

- Lotteries' retail network not materially impacted
- Keno revenue adversely impacted by venue closures

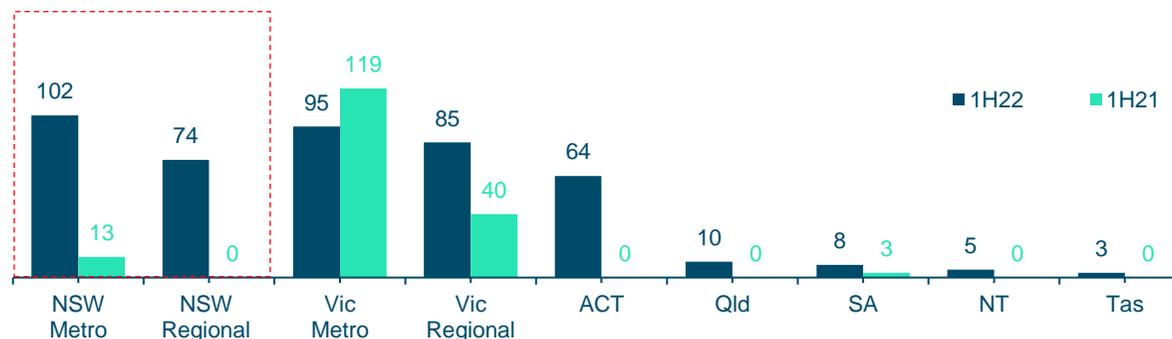
## WAGERING & MEDIA

- Revenue adversely impacted by venue closures (both wagering and media), particularly in NSW<sup>1</sup> which was significantly more impacted vs pcp
- Material COVID-19 impacts on retail compared to pcp

## GAMING SERVICES

- Venue Services revenue up due to relatively small exposure to NSW and reduction in Vic Metro closures vs pcp
- Regulatory Services revenue down due to NSW closures
- Continued to provide significant fee relief to closed venues for most of the period

## NUMBER OF LOST DAYS IN RETAIL VENUES<sup>2</sup>



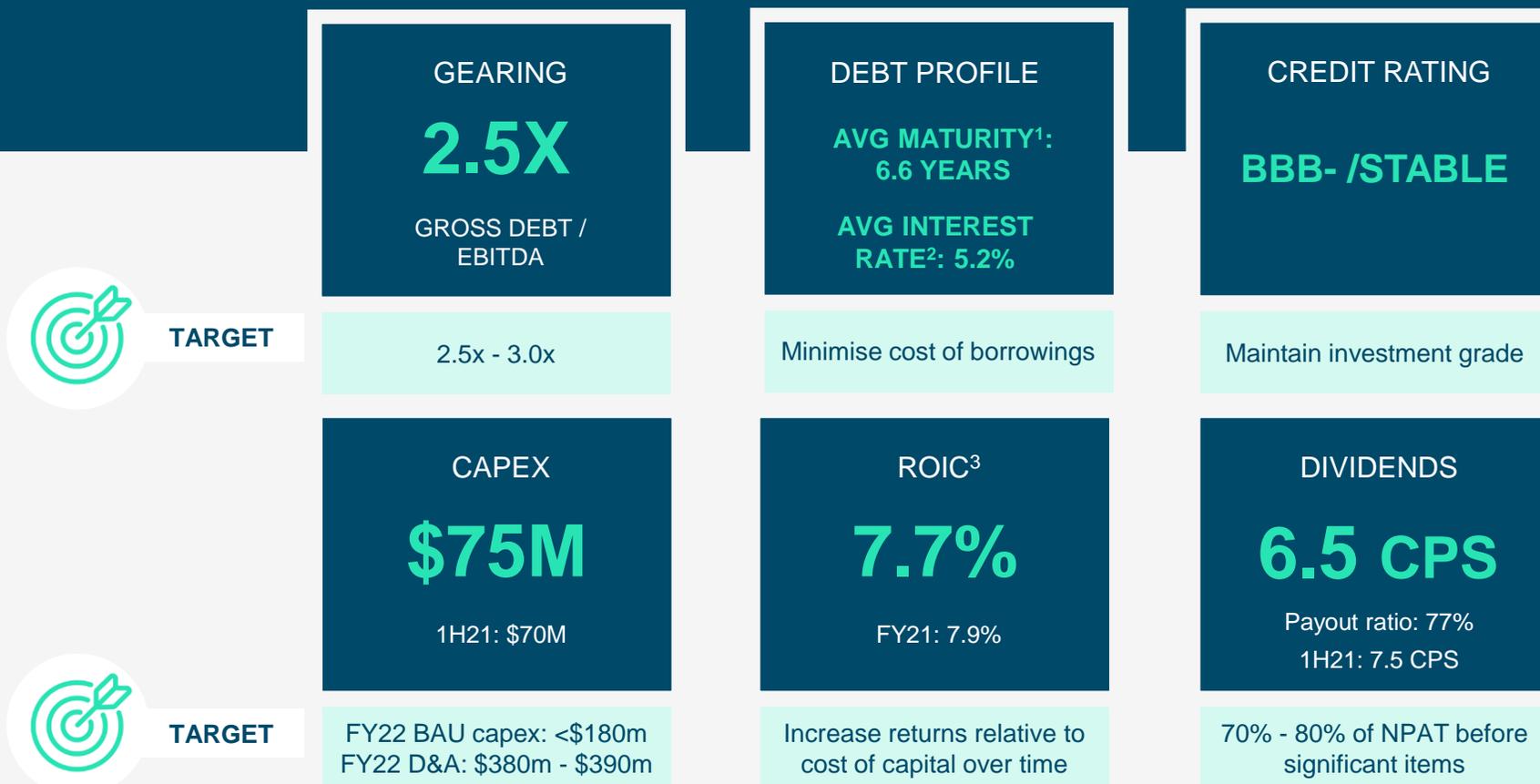
Notes:

1. NSW effectively represented c.50% of retail revenue in the pcp
2. Pubs, clubs and agencies regarding Wagering & Media, Gaming Services and Keno venues

# CAPITAL METRICS

Strong and flexible financial position leading into the demerger

Gearing at lower end of target range despite COVID-19 impacted earnings



Notes:

1. Based on drawn facilities (based on available facilities: 5.2 years)
2. Based on drawn facilities and inclusive of unused facility fees (based on available facilities: 3.9%)
3. 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. Earnings measured on a rolling 12 month basis. Where applicable, historical invested capital bases have been pro-forma adjusted to reflect goodwill impairments as if they occurred at the beginning of the comparative period

# OPTIMISATION PROGRAM '3S'

Ongoing savings expected to help offset ongoing incremental cash costs post demerger



VARIABLE CONTRIBUTION



**\$5M**

OPERATING EXPENSES



**\$9M**

DEPRECIATION & AMORTISATION



**\$2M**

Key initiatives include:

- Jumbo reseller agreement (L&K)
- Agency rationalisation (W&M)
- Operating model changes (W&M, GS)
- Process simplification & redesign (Group-wide)

Notes:

1. Comprises Lotteries & Keno \$4m (VC \$3m, opex \$1m), Wagering & Media \$9m (VC \$2m, opex \$6m, D&A \$1m), Gaming Services \$3m (opex \$2m, D&A \$1m). Amounts are before costs to implement (program costs) of \$1m (pre tax)



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# GROUP & BUSINESS RESULTS<sup>1</sup>

\$M	Lotteries & Keno			Wagering & Media			Gaming Services			Group		
	1H22	1H21	Change	1H22	1H21	Change	1H22	1H21	Change	1H22	1H21	Change
<b>Revenues</b>	<b>1,784</b>	<b>1,609</b>	<b>10.9%</b>	<b>1,073</b>	<b>1,189</b>	<b>(9.8%)</b>	<b>78</b>	<b>73</b>	<b>6.8%</b>	<b>2,934</b>	<b>2,870</b>	<b>2.2%</b>
Variable contribution	475	427	11.2%	394	458	(14.0%)	73	66	10.6%	942	951	(0.9%)
Operating expenses	(117)	(116)	0.9%	(246)	(231)	6.5%	(52)	(44)	18.2%	(413)	(391)	5.6%
<b>EBITDA</b>	<b>358</b>	<b>311</b>	<b>15.1%</b>	<b>148</b>	<b>227</b>	<b>(34.8%)</b>	<b>21</b>	<b>22</b>	<b>(4.5%)</b>	<b>529</b>	<b>560</b>	<b>(5.5%)</b>
D&A	(53)	(53)	-	(105)	(95)	10.5%	(38)	(40)	(5.0%)	(196)	(188)	4.3%
<b>EBIT</b>	<b>305</b>	<b>258</b>	<b>18.2%</b>	<b>43</b>	<b>132</b>	<b>(67.4%)</b>	<b>(17)</b>	<b>(18)</b>	<b>NM</b>	<b>333</b>	<b>372</b>	<b>(10.5%)</b>
VC / Revenue %	26.6%	26.5%	0.1%	36.7%	38.5%	(1.8%)	93.6%	90.4%	3.2%	32.1%	33.1%	(1.0%)
Opex / Revenue %	6.6%	7.2%	(0.6%)	22.9%	19.4%	3.5%	66.7%	60.3%	6.4%	14.1%	13.6%	0.5%
EBITDA / Revenue %	20.1%	19.3%	0.8%	13.8%	19.1%	(5.3%)	26.9%	30.1%	(3.2%)	18.0%	19.5%	(1.5%)
EBIT / Revenue %	17.1%	16.0%	1.1%	4.0%	11.1%	(7.1%)	(21.8%)	(24.7%)	2.9%	11.3%	13.0%	(1.7%)
<b>Capex</b>	<b>18</b>	<b>14</b>	<b>28.6%</b>	<b>43</b>	<b>45</b>	<b>(4.4%)</b>	<b>14</b>	<b>11</b>	<b>27.3%</b>	<b>75</b>	<b>70</b>	<b>7.1%</b>

Notes:

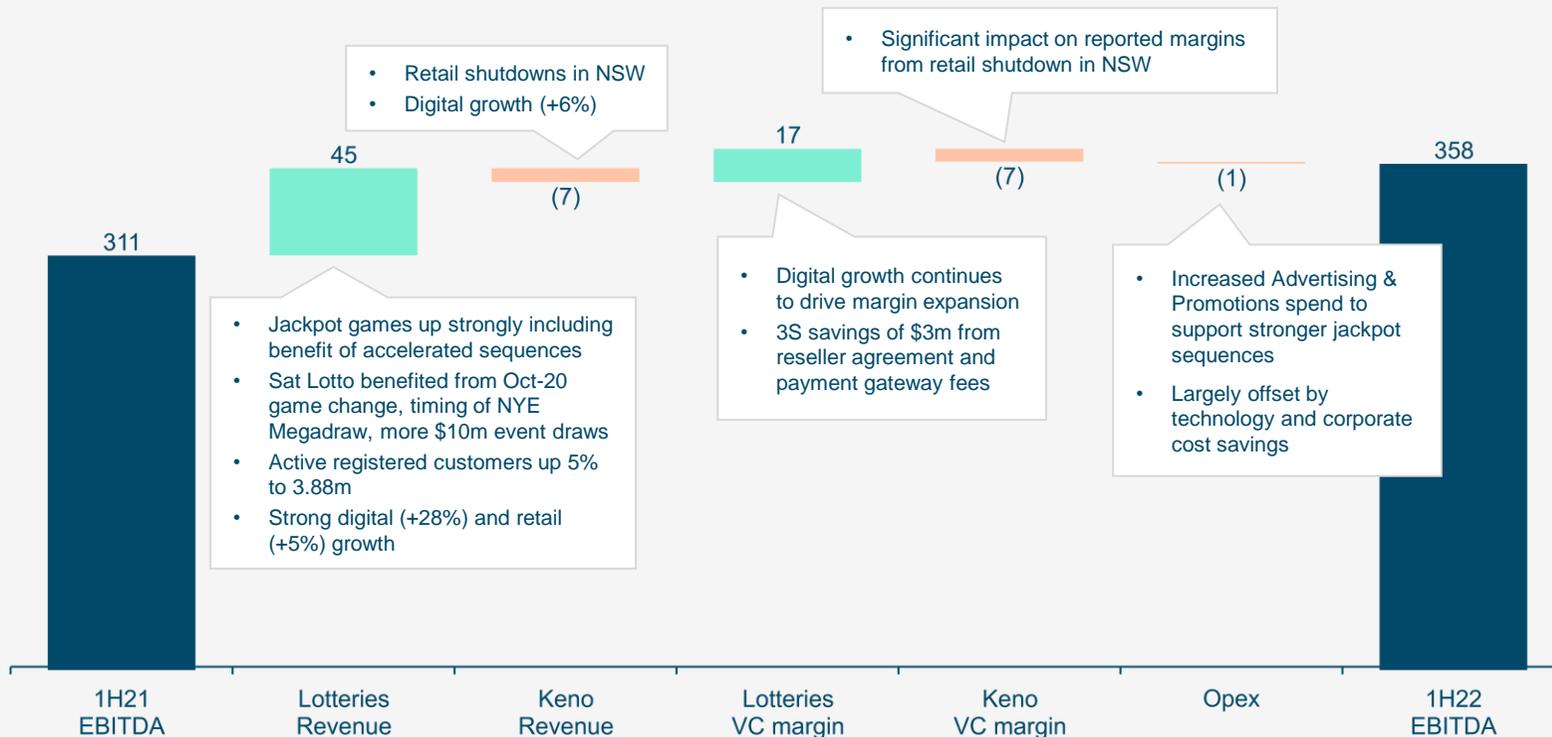
1. All amounts are before significant items. Business results may not aggregate to Group total due to intercompany eliminations and unallocated items

# LOTTERIES & KENO RESULT HIGHLIGHTS

Strong revenue growth (+11%) underpinned by game development, active portfolio and sequence management, and constantly improving player experiences

Digital boost to Lotteries margins and fixed cost leverage resulted in even greater growth at the EBITDA level (+15%)

\$M	1H22	1H21	Change
<b>Revenues</b>	<b>1,784</b>	<b>1,609</b>	<b>10.9%</b>
Variable contribution	475	427	11.2%
Operating expenses	(117)	(116)	0.9%
<b>EBITDA</b>	<b>358</b>	<b>311</b>	<b>15.1%</b>
D&A	(53)	(53)	-
<b>EBIT</b>	<b>305</b>	<b>258</b>	<b>18.2%</b>
VC / Revenue %	26.6%	26.5%	0.1%
Opex / Revenue %	6.6%	7.2%	(0.6%)
EBITDA / Revenue %	20.1%	19.3%	0.8%



# LOTTERIES & KENO

## KEY PERFORMANCE INDICATORS

### POWERBALL AND OZ LOTTO MAJOR JACKPOTS

1H22 outcomes broadly in line with model (expected) outcomes



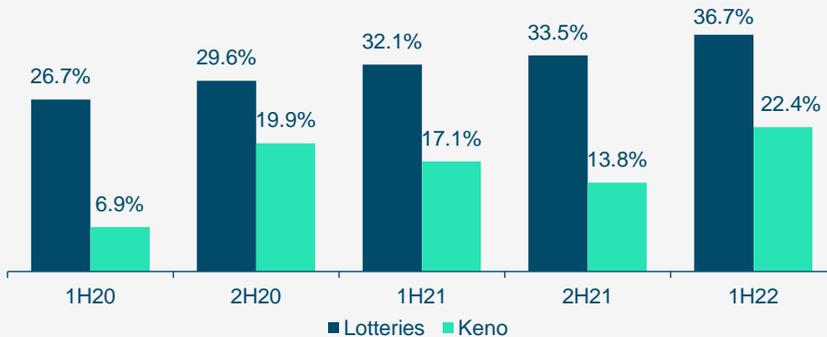
### CUMULATIVE JACKPOT VALUE OFFERED<sup>1</sup>

Cumulative jackpots up on 2H21 due to more very large jackpots, especially Powerball



### DIGITAL SHARE OF TURNOVER

Margin growth supported by continued customer shift to digital



### COMPARABLE TURNOVER GROWTH

	1H21 v 1H20	1H22 v 1H21	1H22 v 1H20 CAGR
<b>Actual Growth</b>			
Powerball (pcp)	-18%	27%	2%
Oz Lotto (pcp)	-6%	11%	2%
Saturday Lotto (pcp)	27%	16%	21%
<b>Comparable Growth</b>			
Powerball (like-for-like) <sup>2</sup>	28%	0%	13%
Oz Lotto (like-for-like) <sup>2</sup>	22%	-5%	8%
Saturday Lotto (like-for-like) <sup>2,3</sup>	27%	-1%	12%
Mon / Wed Lotto (pcp = like-for-like)	24%	-11%	5%
Set for Life (pcp = like-for-like) <sup>3</sup>	58%	-1%	25%
Instant Scratch Its (pcp = like-for-like)	39%	-11%	11%
Keno (pcp = like-for-like)	13%	-10%	1%

Notes:

- The cumulative value of all Division 1 offers for Powerball and Oz Lotto draws
- Powerball and Oz Lotto adjusted to reflect comparable jackpot sequences. Saturday Lotto adjusted for 31-Dec-21 Megadraw in 1H22 vs 2-Jan-21 (2H21) in prior financial year, and increased number of \$10M draws (4 in 1H22 vs 1 in 1H21)
- Includes impact of game/price changes. Excluding such changes: Saturday Lotto 1H22 v 1H20 CAGR 8%; Set for Life 1H22 v 1H20 CAGR 15%

# LOTTERIES & KENO

## OZ LOTTO GAME CHANGE

Planned game change expected to improve the customer value proposition and product experience, and drive a material uplift in Oz Lotto sales



Concept artwork only<sup>1</sup>

### The opportunity

- Oz Lotto is one of Australia's favourite lottery games and enjoys awareness of over 80%
- Our brand investments remain important across the portfolio: our "Big. Aussie. Fun." campaign over the past two years has enhanced brand associations and core brand positioning ahead of the change
- The game changes have been researched extensively and appeal to both existing and new audiences, and build upon the strength of the Oz Lotto brand platform
- Customers told us they wanted Oz Lotto to remain a jackpotting game, but wanted to see bigger divisional prizes and more frequent large jackpots

### The change (launch: May 2022<sup>1</sup>)

- Matrix change (from 45 to 47 numbers) makes Division 1 more likely to jackpot (c.40% more combinations)
- Additional supplementary number (from 2 to 3) helps maintain the same win frequency for Division 2-7
- Prize Boost promotional feature to increase Division 2-7 prizes by up to 30% (up to 8x p.a.)
- 8.3% price increase (from \$1.20 to \$1.30)

# LOTTERIES & KENO

## KEY GROWTH STRATEGIES

Growth to be underpinned by a customer-led focus on product innovation, deepened engagement across all channels and digital expansion

Strategy to be further refined with The Lottery Corporation Board

### INNOVATE GAME PORTFOLIO



- Continue to optimise and refresh the game portfolio to align with changing player motivations
- Innovation pipeline to be informed by deep in-house expertise along with international partnerships

### ENHANCE CUSTOMER EXPERIENCE



- Further innovate tailored customer experiences to drive engagement across all channels
- Complement this with data driven personalised marketing

### INCREASE DIGITAL PENETRATION AS PART OF OMNI-CHANNEL STRATEGY



- Continue to increase digital penetration through customer-led initiatives, increased digital conversion and greater integration with retail

### EVOLVE RETAIL FOOTPRINT



- Further diversify retail channel mix through targeted growth in selected channels to meet changing customer purchasing behaviours

### PURSUE NEW LICENCE AND ACQUISITION OPPORTUNITIES



- Explore opportunities for enhancements to existing licences
- Evaluate potential future new licence opportunities (domestically and internationally)

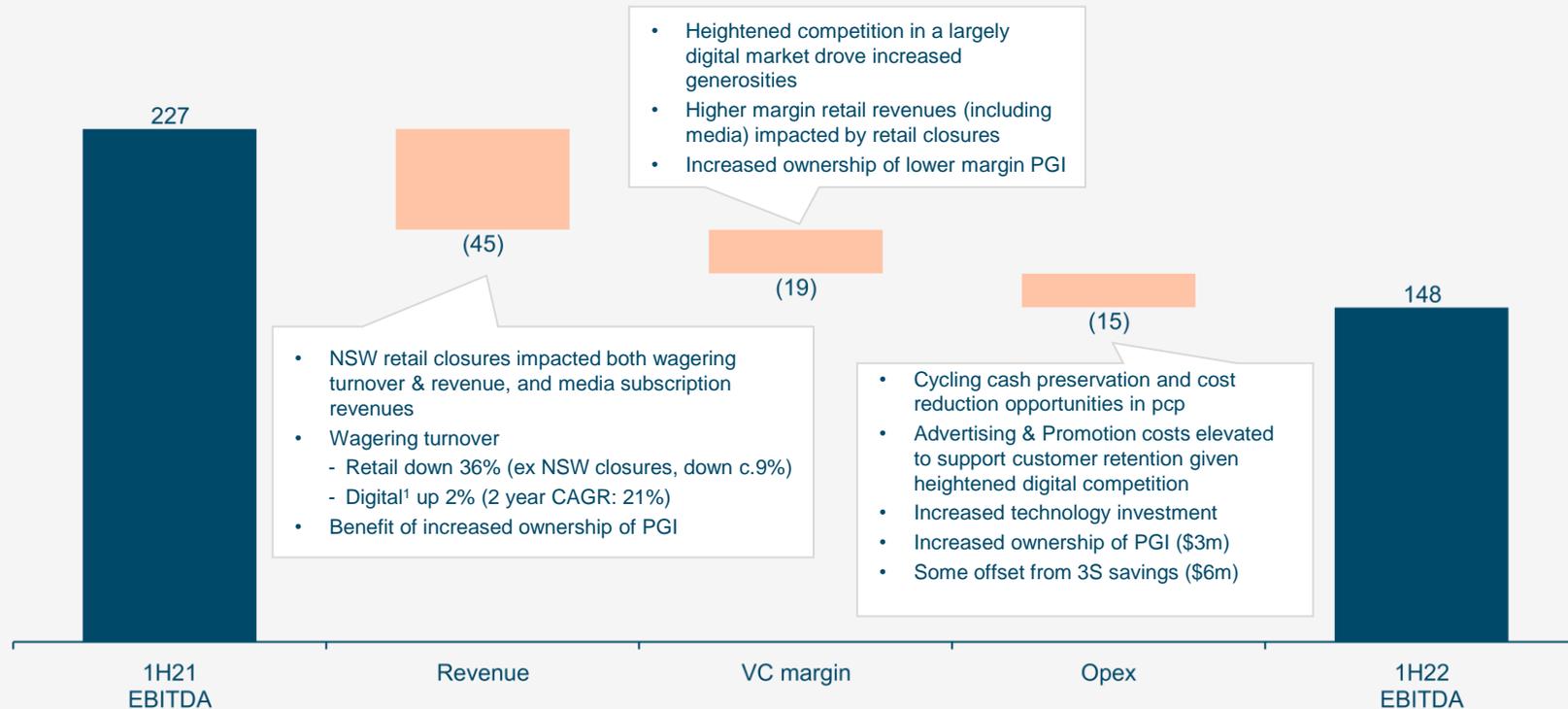
STRONG INDUSTRY AND REGULATORY ENGAGEMENT AS WELL AS COMMUNITY CONTRIBUTION

# WAGERING & MEDIA RESULT HIGHLIGHTS

Results heavily impacted by retail closures in largest market (NSW); improved performance following retail re-openings in 2Q22

Margin reduction due to elevated generousities and advertising in a largely digital market

\$M	1H22	1H21	Change
<b>Revenues</b>	<b>1,073</b>	<b>1,189</b>	<b>(9.8%)</b>
Variable contribution	394	458	(14.0%)
Operating expenses	(246)	(231)	6.5%
<b>EBITDA</b>	<b>148</b>	<b>227</b>	<b>(34.8%)</b>
D&A	(105)	(95)	10.5%
<b>EBIT</b>	<b>43</b>	<b>132</b>	<b>(67.4%)</b>
VC / Revenue %	36.7%	38.5%	(1.8%)
Opex / Revenue %	22.9%	19.4%	3.5%
EBITDA / Revenue %	13.8%	19.1%	(5.3%)



Notes:

1. Digital includes digital and call centre channels in which a customer transacts using their account

# WAGERING & MEDIA

## KEY PERFORMANCE INDICATORS

### QUARTERLY ACTIVE USERS ('000)

Growth supported by improving digital experience, but also impacted by retail closures (through reduced DIV and deposit activity)



### DIGITAL MARKET SHARE<sup>1,2</sup>

Improved share in 2Q22 highlights that TAB digital performance is better when retail is fully open



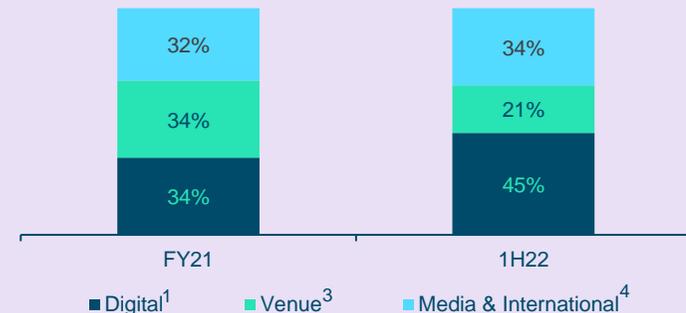
### FIXED ODDS YIELDS

Record generosity in 1Q22 more than offset by above-average gross yield; slightly below-average net yield for 1H22 overall



### VARIABLE CONTRIBUTION

Diversity of earnings reduced the impacts of retail closures



Notes:

- Digital includes digital and call centre channels in which a customer transacts using their account
- Based on data supplied by industry partners which account for approximately one-third of the wagering market. All data is before generosities
- Venue includes retail and on course channels in which a customer transacts using cash
- Media & International includes PGI, export, Sky Racing World and domestic Media business

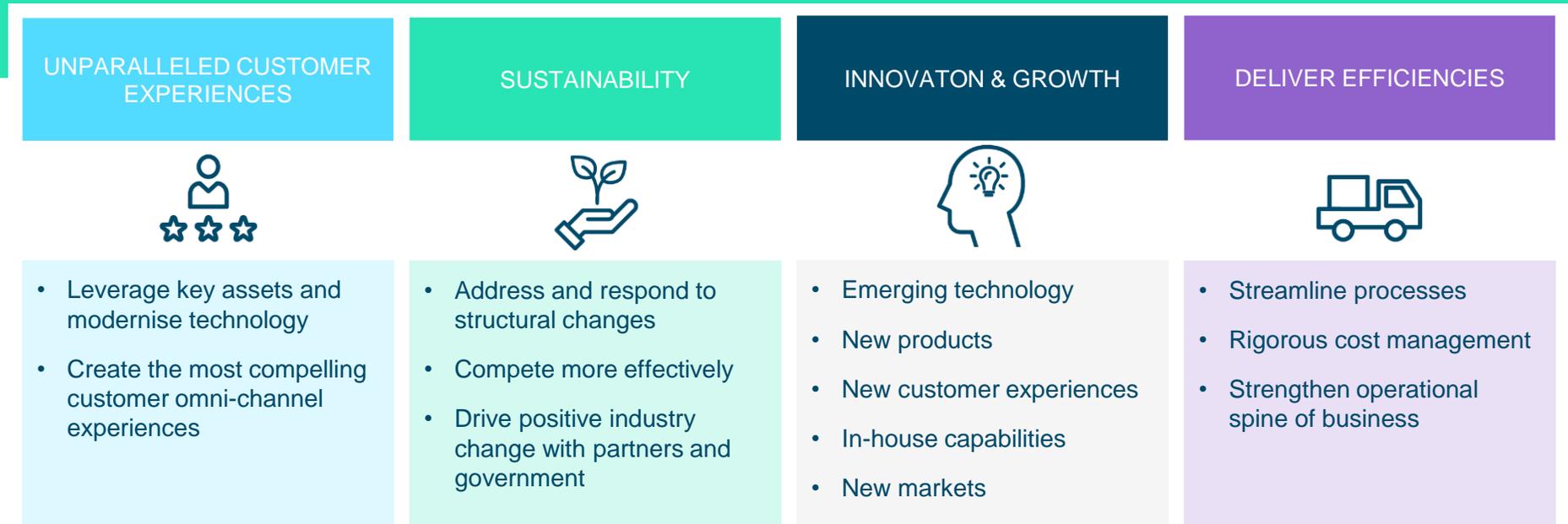
# WAGERING & MEDIA

Foundations in place and refreshing the strategy for a new era post demerger

Executed to date:

- Strong data and personalisation capability, backed by market-leading Adobe technology
- TAB brand (*'long may we play'*) re-established into a strong, well-loved brand that resonates with customers
- SKY Media business underpinned with key racing rights, digital distribution and created SKY Racing Active
- Digital In-Venue Mode providing exclusive features and offers to TAB app customers in venues
- International business expanded with 100% PGI ownership, SKY Racing World in US and expanded global exports
- Partnerships established with premium US sports

## FRAMEWORK FOR NEW TABCORP STRATEGY

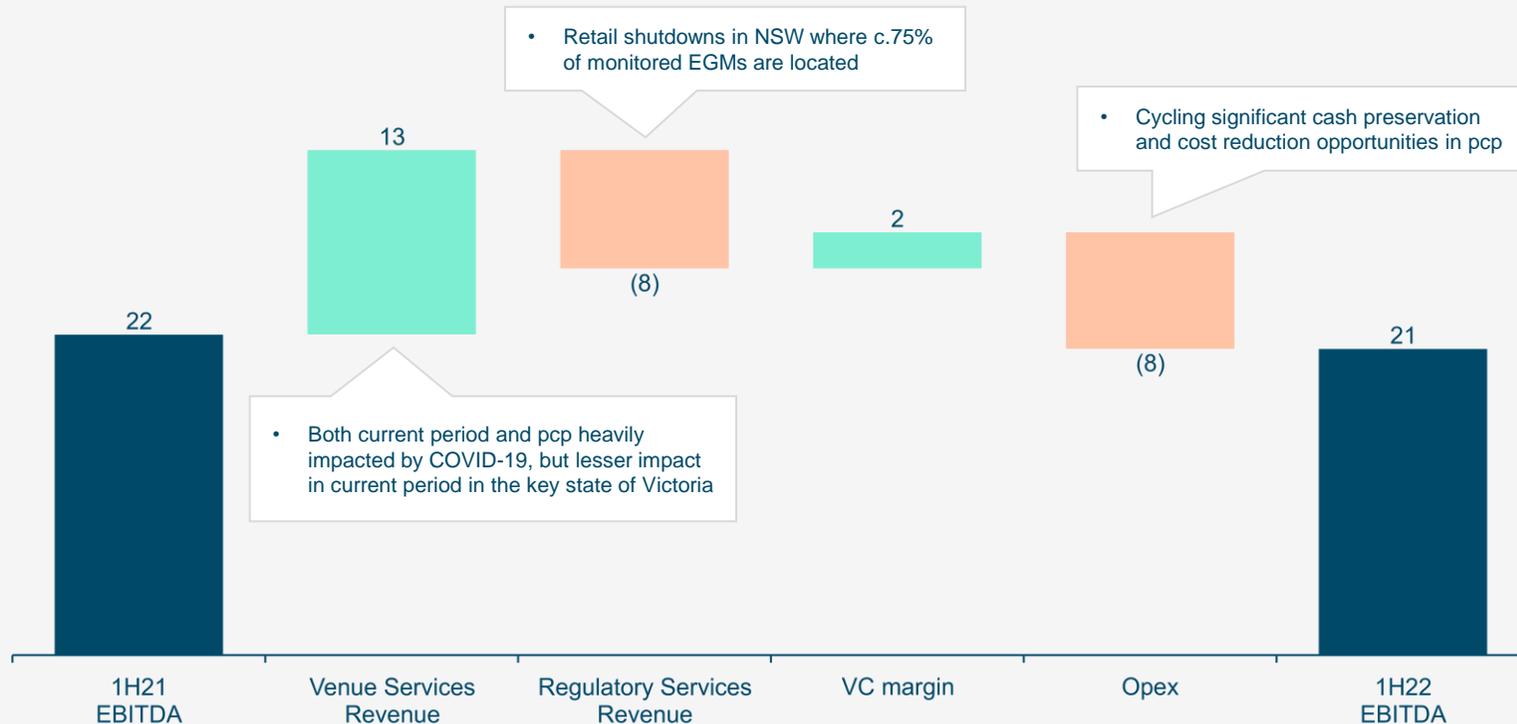


# GAMING SERVICES RESULT HIGHLIGHTS

Revenue continued to be heavily impacted by COVID-19 given significant fee relief to customers; returned to full fee model on 1 December 2021

Operating expense growth due to extraordinary cost reduction opportunities available in the pcp

\$M	1H22	1H21	Change
<b>Revenues</b>	<b>78</b>	<b>73</b>	<b>6.8%</b>
Variable contribution	73	66	10.6%
Operating expenses	(52)	(44)	18.2%
<b>EBITDA</b>	<b>21</b>	<b>22</b>	<b>(4.5%)</b>
D&A	(38)	(40)	(5.0%)
<b>EBIT</b>	<b>(17)</b>	<b>(18)</b>	<b>NM</b>
VC / Revenue %	93.6%	90.4%	3.2%
Opex / Revenue %	66.7%	60.3%	6.4%
EBITDA / Revenue %	26.9%	30.1%	(3.2%)



# GAMING SERVICES

## KEY STRATEGIES

Continue to execute the current plan to simplify the operating and business model, and streamline the operating cost base

Increasing focus on new markets for integrity services and products

### SIMPLIFY AND STREAMLINE THE BUSINESS



- Right size MAX Venue Services given the profile of contracts post August 2022:
  - Approximately half of EGMs have been extended (generally to 2027 to 2030) on a full-service model
  - Approximately one-third of EGMs will not be extended
  - Discussions continuing for the balance of EGMs, with a number of venues already committed to an advisory-only model
- Simplify and streamline the operating structure
- Streamline the product portfolio of the systems business
- Optimise field services by stabilising its technology

### INVEST IN THE CORE TO GROW



- Pursue additional monitoring licences and integrity services and products
- Expand third party distribution partnerships
- Continue to grow data and analytics
- Secure key long-term field services opportunities



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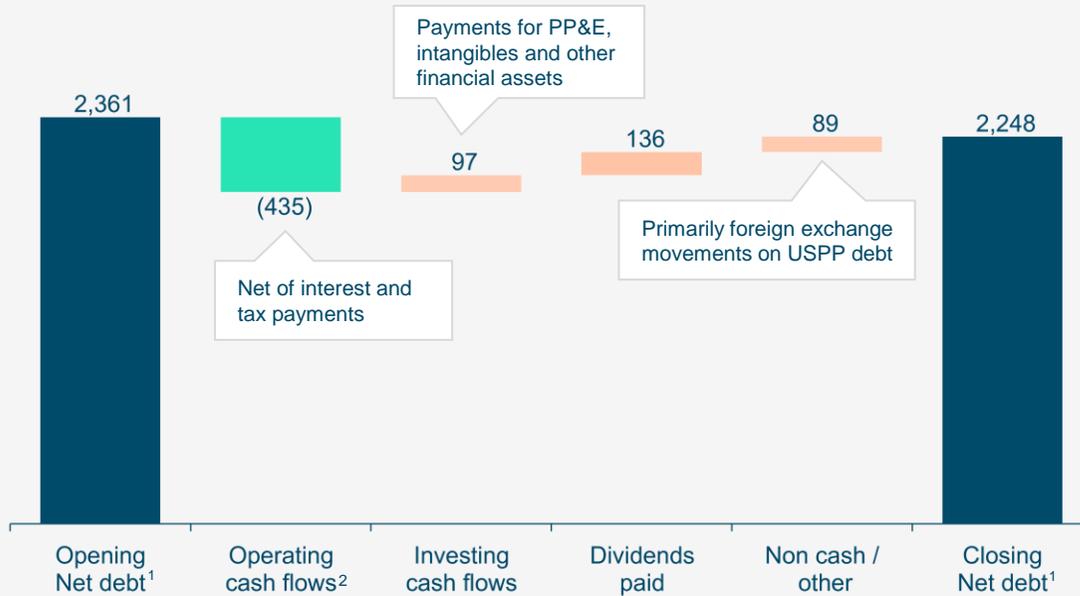
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# CASH FLOW AND DEBT

Strong balance sheet and operating cash flow conversion  
 Net debt reduction enabled by strong operating cash flows

## CASH FLOW (\$M)

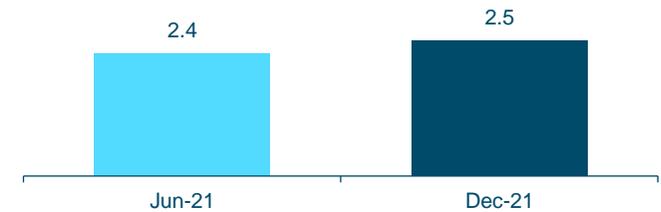


• EBITDA / operating cash flow conversion<sup>3</sup> of 116%

## KEY DEBT RATIOS<sup>4</sup>

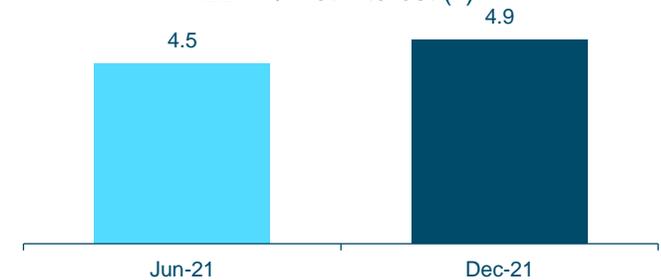
### GEARING

Gross debt (economic)<sup>5</sup> / EBITDA (x)



### INTEREST COVER

EBIT<sup>6</sup> / Net interest (x)



Notes:

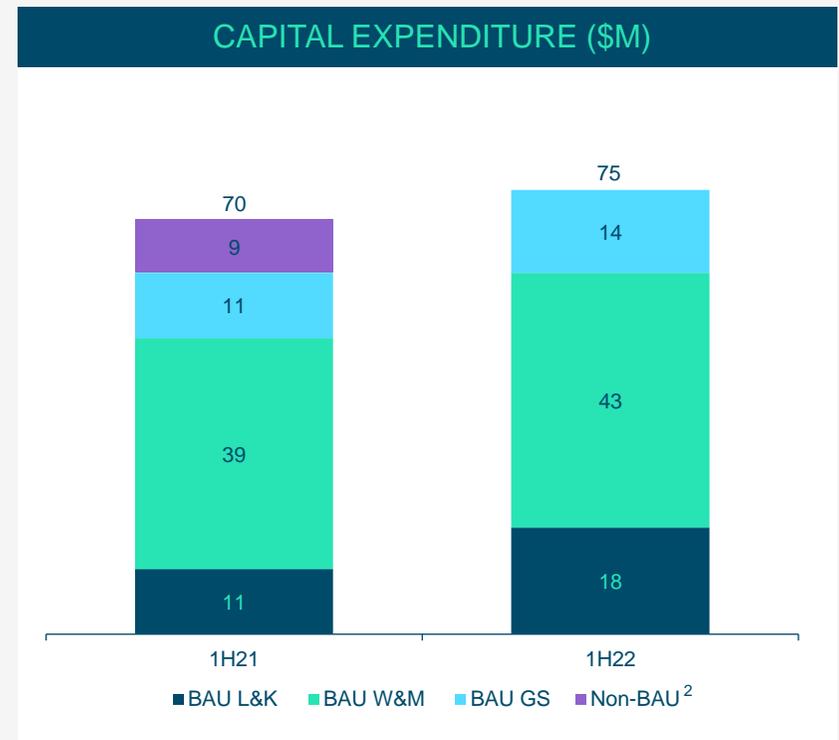
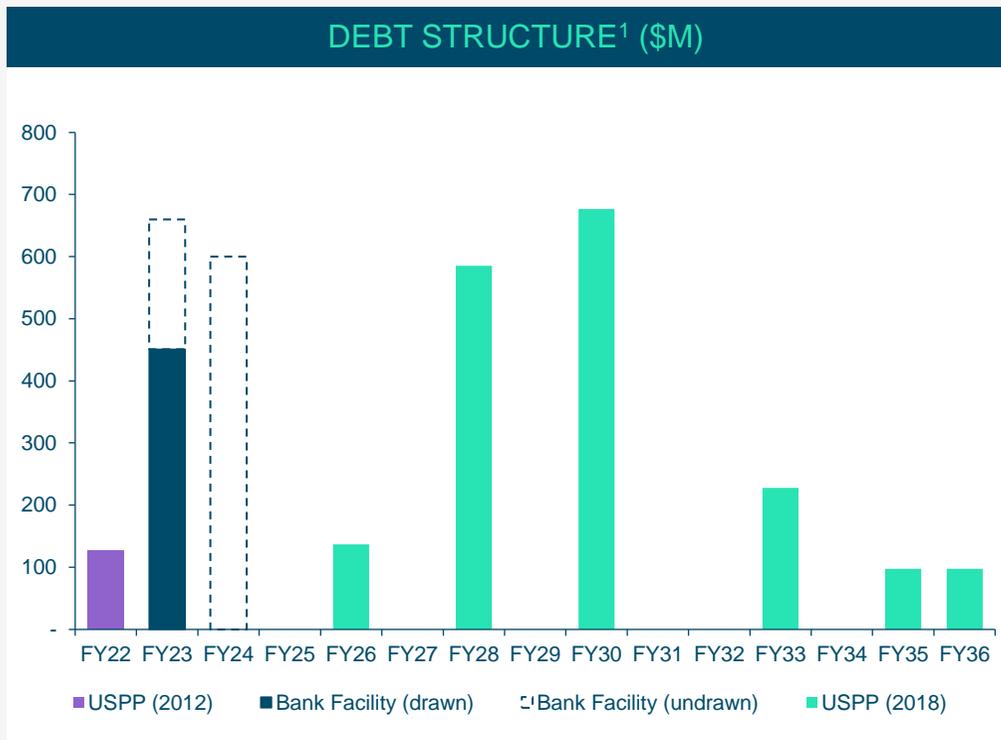
1. Net debt (reported) includes lease liability of \$286m (FY21: \$309m)
2. Includes cash outflows of \$17m relating to significant items
3. Excludes significant items
4. Ratios calculated on a rolling 12 month basis
5. Includes USPP debt at the A\$ principal repayment under cross currency swaps
6. EBIT excludes amortisation of the Victorian wagering and betting licence

# DEBT STRUCTURE AND CAPITAL EXPENDITURE

Long-dated USPP debt intended to be assumed by Lotteries & Keno

Over \$900m of unused bank facilities at period end

Capex reflects disciplined BAU spend in a COVID-19 impacted environment



Notes:

1. Excludes \$100m overdraft facility maturing on the earlier of the date of the demerger or 31 July 2022
2. Non-BAU capex: integration, data centre consolidation



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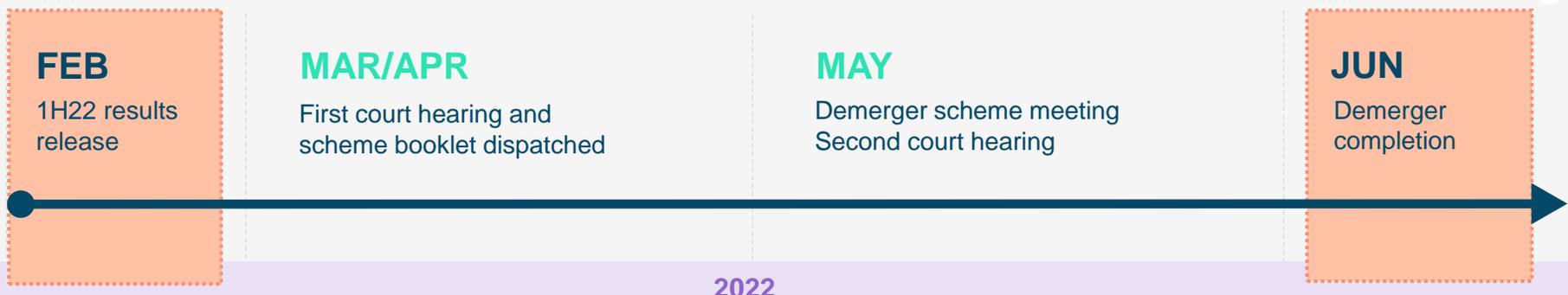
# DEMERGER UPDATE

The proposed demerger<sup>1</sup> remains on track for completion in June 2022

- Key workstreams
  - Scheme of arrangement process
  - Continued stakeholder and regulatory engagement to secure necessary approvals
  - Organisational design and key appointments
  - Technology and operational separation delivery
  - Transitional and commercial arrangements operational
- Demerger costs
  - One-off costs: up to \$275m
  - Ongoing incremental costs, pre-mitigation: c.\$40m-\$45m p.a.



## KEY EVENTS<sup>2</sup>



# CONCLUSION

- Lotteries & Keno: Record profit result (despite cycling the strong COVID-19 tailwind from 1H21)
- Wagering & Media: Heavily impacted by retail closures; improved performance following retail re-openings
- Gaming Services: Following extended period of fee relief for customers, returned to full fee model on 1 Dec 21

The proposed demerger is expected to enable two significant businesses to operate independently with focused management and to trade at market values which reflect their individual characteristics



**The Lottery Corporation** is one of the highest performing Lotteries businesses globally and offers infrastructure-like qualities, with low capital intensity and upside from continuing digital growth

**New Tabcorp** has national scale and reach, a unique omni-channel offering, organic growth options and potential upside from future domestic structural reform



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# 1. GROUP OPERATING EXPENSES



Notes:

1. Comprises Lotteries & Keno \$1m, Wagering & Media \$6m, Gaming Services \$2m, less costs to implement (program costs) of \$1m

## 2A. GROUP RESULTS

\$M	1H22	1H21	Change	2H21
<b>Revenues</b>	<b>2,934</b>	<b>2,870</b>	<b>2.2%</b>	<b>2,816</b>
Variable contribution	942	951	(0.9%)	963
Operating expenses	(413)	(391)	5.6%	(416)
<b>EBITDA before significant items</b>	<b>529</b>	<b>560</b>	<b>(5.5%)</b>	<b>547</b>
D&A	(196)	(188)	4.3%	(195)
<b>EBIT before significant items</b>	<b>333</b>	<b>372</b>	<b>(10.5%)</b>	<b>352</b>
Interest	(71)	(82)	(13.4%)	(73)
Tax expense	(75)	(83)	(9.6%)	(87)
<b>NPAT before significant items</b>	<b>187</b>	<b>207</b>	<b>(9.7%)</b>	<b>192</b>
Significant items (after tax)	(12)	(22)	(45.5%)	(108)
<b>Statutory NPAT</b>	<b>175</b>	<b>185</b>	<b>(5.4%)</b>	<b>84</b>
VC / Revenue %	32.1%	33.1%	(1.0%)	34.2%
Opex / Revenue %	14.1%	13.6%	0.5%	14.8%
EBITDA / Revenue %	18.0%	19.5%	(1.5%)	19.4%
EBIT / Revenue %	11.3%	13.0%	(1.7%)	12.5%

## 2B. LOTTERIES & KENO RESULTS

\$M	1H22	1H21	Change	2H21
Lotteries Revenues	1,665	1,477	12.7%	1,474
Keno Revenues	119	132	(9.8%)	123
<b>Revenues</b>	<b>1,784</b>	<b>1,609</b>	<b>10.9%</b>	<b>1,597</b>
Lotteries Variable contribution	416	354	17.5%	365
Keno Variable contribution	59	73	(19.2%)	66
<b>Variable contribution</b>	<b>475</b>	<b>427</b>	<b>11.2%</b>	<b>431</b>
Operating expenses	(117)	(116)	0.9%	(122)
<b>EBITDA</b>	<b>358</b>	<b>311</b>	<b>15.1%</b>	<b>309</b>
D&A	(53)	(53)	-	(51)
<b>EBIT</b>	<b>305</b>	<b>258</b>	<b>18.2%</b>	<b>258</b>
Lotteries VC / Revenue %	25.0%	24.0%	1.0%	24.8%
Keno VC / Revenue %	49.6%	55.3%	(5.7%)	53.7%
VC / Revenue %	26.6%	26.5%	0.1%	27.0%
Opex / Revenue %	6.6%	7.2%	(0.6%)	7.6%
EBITDA / Revenue %	20.1%	19.3%	0.8%	19.3%
EBIT / Revenue %	17.1%	16.0%	1.1%	16.2%

## 2C. WAGERING & MEDIA RESULTS

\$M	1H22	1H21	Change	2H21
<b>Revenues</b>	<b>1,073</b>	<b>1,189</b>	<b>(9.8%)</b>	<b>1,109</b>
Variable contribution	394	458	(14.0%)	426
Operating expenses	(246)	(231)	6.5%	(239)
<b>EBITDA</b>	<b>148</b>	<b>227</b>	<b>(34.8%)</b>	<b>187</b>
D&A	(105)	(95)	10.5%	(103)
<b>EBIT</b>	<b>43</b>	<b>132</b>	<b>(67.4%)</b>	<b>84</b>
VC / Revenue %	36.7%	38.5%	(1.8%)	38.4%
Opex / Revenue %	22.9%	19.4%	3.5%	21.6%
EBITDA / Revenue %	13.8%	19.1%	(5.3%)	16.9%
EBIT / Revenue %	4.0%	11.1%	(7.1%)	7.6%

## 2D. GAMING SERVICES RESULTS

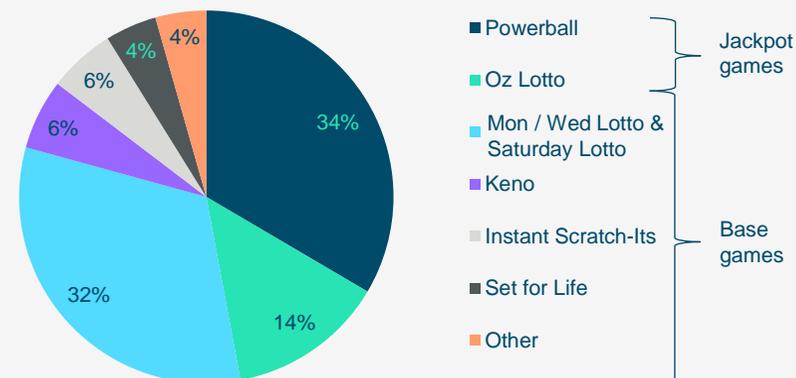
\$M	1H22	1H21	Change	2H21
MAX Venue Services	47	33	42.4%	66
MAX Regulatory Services	31	40	(22.5%)	44
<b>Revenues</b>	<b>78</b>	<b>73</b>	<b>6.8%</b>	<b>110</b>
Variable contribution	73	66	10.6%	106
Operating expenses	(52)	(44)	18.2%	(57)
<b>EBITDA</b>	<b>21</b>	<b>22</b>	<b>(4.5%)</b>	<b>49</b>
D&A	(38)	(40)	(5.0%)	(41)
<b>EBIT</b>	<b>(17)</b>	<b>(18)</b>	<b>NM</b>	<b>8</b>
VC / Revenue %	93.6%	90.4%	3.2%	96.4%
Opex / Revenue %	66.7%	60.3%	6.4%	51.8%
EBITDA / Revenue %	26.9%	30.1%	(3.2%)	44.5%
EBIT / Revenue %	(21.8%)	(24.7%)	2.9%	7.3%

# 3. ADDITIONAL KPIs

## WAGERING & MEDIA

	1H22	1H21	Change
<b>Turnover by distribution (\$m)<sup>1</sup></b>			
Retail	1,675	2,595	(35.5%)
Digital	5,071	4,956	2.3%
Call Centre	179	211	(15.2%)
Other <sup>2</sup>	1,181	640	84.5%
<b>Total</b>	<b>8,106</b>	<b>8,402</b>	<b>(3.5%)</b>
<b>Revenue by product (\$m)<sup>1</sup></b>			
Totalisator	561	543	3.3%
Fixed Odds	417	526	(20.7%)
<b>Total Racing</b>	<b>978</b>	<b>1,069</b>	<b>(8.5%)</b>
Sport	109	114	(4.4%)
Trackside	16	24	(33.3%)
<b>Total</b>	<b>1,103</b>	<b>1,207</b>	<b>(8.6%)</b>
<b>Fixed Odds Yields</b>			
Gross Yield	16.0%	15.6%	0.4%
Generosities	(3.1%)	(2.5%)	(0.6%)
<b>Net Yield</b>	<b>12.9%</b>	<b>13.1%</b>	<b>(0.2%)</b>
Net Racing Yield	13.4%	14.3%	(0.9%)
Net Sports Yield	11.4%	9.6%	1.8%
<b>Other KPIs</b>			
Wagering active customers <sup>3</sup>	780,000	777,000	0.4%
Digital-in-venue turnover (\$m)	248	252	(1.6%)
Retail turnover from self service terminals (%)	56.5%	59.9%	(3.4%)
Sky Racing Active registered customers <sup>4</sup>	66,000	47,000	40.4%
Sky venue subscriptions (#)	4,907	4,908	0.0%
Sky races broadcast (#)	72,826	70,352	3.5%

## LOTTERIES & KENO: REVENUE BY PRODUCT



## GAMING SERVICES

### MAX VENUE SERVICES

Contracted EGMs	Dec-21	Jun-21	Change	Dec-20
Victoria	7,690	7,980	(290)	8,185
NSW	430	530	(100)	1,850
<b>Total</b>	<b>8,120</b>	<b>8,510</b>	<b>(390)</b>	<b>10,035</b>

### MAX REGULATORY SERVICES

Monitored EGMs	Dec-21	Jun-21	Change	Dec-20
NSW	90,260	90,700	(440)	91,550
Queensland	29,370	29,860	(490)	30,960
NT	1,420	1,450	(30)	1,380
<b>Total</b>	<b>121,050</b>	<b>122,010</b>	<b>(960)</b>	<b>123,890</b>

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 digital customers measured on a rolling 12 month basis
4. Reflects life to date Sky Racing Active registered customers

# 4. BALANCE SHEET

\$M	Dec-21	Jun-21	Change
Total current assets	1,160	898	29.2%
Licences	1,988	2,041	(2.6%)
Other intangible assets	8,043	8,056	(0.2%)
Property, plant and equipment	341	376	(9.3%)
Other non current assets	556	498	11.6%
<b>Total assets</b>	<b>12,088</b>	<b>11,869</b>	<b>1.8%</b>
Total liabilities	5,321	5,173	2.9%
<b>Shareholders' funds</b>	<b>6,767</b>	<b>6,696</b>	<b>1.1%</b>
Net debt (reported) <sup>1</sup>	2,248	2,361	(4.8%)
Net debt (economic) <sup>2</sup>	2,104	2,284	(7.9%)
Shares on issue (m)	2,226	2,222	0.2%
<b>Key debt ratios<sup>3</sup></b>			
Gross debt (economic) <sup>2</sup> / EBITDA (x)	2.5	2.4	
EBIT <sup>4</sup> / Net interest (x)	4.9	4.5	

Notes:

1. Net debt (reported) includes lease liability of \$286m (FY21: \$309m)
2. Includes USPP debt at the A\$ principal repayment under cross currency swaps
3. Ratios calculated on a rolling 12 month basis
4. EBIT excludes amortisation of the Victorian wagering and betting licence

# 5. GLOSSARY

TERM	DEFINITION	TERM	DEFINITION
<b>1H/2H</b>	Six months ended 31 December/30 June of the relevant financial year	<b>Group</b>	The Tabcorp group of companies
<b>1Q/2Q/3Q/4Q</b>	Three months ended 30 September/31 December/31 March/30 June of the relevant financial year	<b>IFRS</b>	International Financial Reporting Standards
<b>3S</b>	Optimisation program - Simpler, Smarter & Stronger	<b>Keno</b>	A game of chance that is played approximately every three minutes and part of the Group's Lotteries and Keno business
<b>AAS</b>	Australian Accounting Standards	<b>Lotteries and Keno (L&amp;K)</b>	The Group's business that operates lotteries and Keno, which are games of chance
<b>ACT</b>	Australian Capital Territory	<b>MAX</b>	The Group's Gaming Services brand
<b>ASIC</b>	Australian Securities and Investments Commission	<b>New Tabcorp</b>	Following the proposed demerger, Tabcorp Holdings Limited will continue to operate the Wagering & Media and Gaming Services businesses
<b>ASX</b>	Australian Securities Exchange	<b>NM</b>	Not meaningful
<b>BAU</b>	Business as Usual	<b>NPAT</b>	Net Profit After Tax
<b>CAPEX</b>	Capital expenditure	<b>NYE</b>	New Year's Eve
<b>CPS</b>	Cents per share	<b>OPEX</b>	Net operating expenses
<b>D&amp;A</b>	Depreciation, Amortisation and impairment	<b>PCP</b>	Prior Corresponding Period
<b>DIV</b>	Digital-in-venue	<b>PGI</b>	Premier Gateway International Limited
<b>DPS</b>	Dividends Per Share	<b>PP&amp;E</b>	Property, plant & equipment
<b>EBIT</b>	Earnings Before Interest and Tax (before significant items)	<b>ROIC</b>	Return on invested capital (refer Slide 6 for definition)
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation, Amortisation and impairment (before significant items)	<b>Sky Racing</b>	Part of the Group's Media business, broadcasting racing and sport throughout Australia and internationally
<b>EGM</b>	Electronic Gaming Machine	<b>TAB</b>	The Group's wagering brand
<b>EPS</b>	Earnings Per Share	<b>The Lottery Corporation</b>	Will hold the Lotteries and Keno businesses, and become a standalone company listed on the ASX if the demerger proceeds
<b>Financial year / FY</b>	The Group's financial year is 1 July to 30 June	<b>USPP</b>	US Private Placement
<b>GAAP</b>	Generally accepted accounting principles	<b>VC</b>	Variable Contribution
<b>Gaming Services (GS)</b>	The Group's business that provides services to licensed gaming venues and EGM monitoring services	<b>Wagering and Media (W&amp;M)</b>	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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