



23 February 2023

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

2023 HALF YEAR FINACNIAL RESULTS PRESENTATION SLIDES

Attached is a copy of the slides that will be presented at The Lottery Corporation Limited's half year 2023 results briefing today.

The briefing commences at 10.30am (Melbourne time). Register to view the briefing [here](#).

The webcast will be available for viewing on The Lottery Corporation's website after the live event.

This announcement was authorised for release by the Board of The Lottery Corporation.

For more information

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1H23 Half Year Results Presentation

Half Year ended 31 December 2022

23 February 2023

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A winning first six months

↑ **7.7%**

Group Revenue
(on a comparable basis)^{1,2}

Driving the whole
portfolio for growth

↑ **15.8%**

Group EBITDA
before significant items
(on a comparable basis)^{2,3}

↑ **221k**

Active registered
Lotteries customers;
now 4.3 million in total

↑ **3.5%**

Retail Lotteries Turnover

↑ **10.6%**

Digital Lotteries Turnover

8.0 cps

Interim dividend⁴

1.0 cps

Special dividend⁴

POWERBALL

OZ LOTTO

Lotto

**Monday &
Wednesday
Lotto**

**INSTANT
SCRATCH-ITS®**

**Set for
LIFE**

**Lucky
Lotteries**

KENO

Notes:

1. Reported Group Revenue of \$1,920.2m vs. Comparable Group Revenue of \$1,783.6m in 1H22
2. “Comparable” information is defined as per slide 6. This is “Non-IFRS” information and has not been subject to audit or review assurance procedures
3. Reported Group EBITDA before significant items of \$409.4m vs. Comparable Group EBITDA before significant items of \$353.5m in 1H22
4. Interim dividend represents a dividend payout ratio of 86% of 1H23 NPAT before significant items. Special dividend paid in relation to June 2022 NPAT before significant items

A winning first six months



Delivering strong financial performance

- Double-digit earnings growth¹ despite Lotteries cycling significant COVID benefits in the pcip
- Continued strong cashflow generation
- Result shows the business' resilience, defensive qualities and benefits of omni-channel model



Delivering value for shareholders

- Increase in the target dividend payout ratio to 80-100% of full year NPAT before significant items
- Maiden interim dividend of 8.0 cps², special dividend of 1.0 cps², both fully franked



Driving game portfolio performance

- Further growth in both jackpot and base game categories, which continue to complement each other
- Proactive jackpot sequence management, coupled with additional base game promotional draws around major jackpots, helped drive portfolio growth



Enhancing omni-channel model and seamless customer experience

- Significant increase in active registered customers
- Launched innovative Store Syndicates product online, driving omni-channel adoption and supporting retailers
- Return to venue campaigns for Keno helped drive strong retail growth
- Enhanced personalised marketing program



Establishing TLC as a stand-alone listed entity

- Launched new Vision, Purpose and Principles; strong early team engagement; strong governance frameworks embedded
- Separation from Tabcorp remains on track; continued people, systems and vendor separation activity

Notes:

1. Based on Comparable EBIT and EBITDA growth
2. Interim dividend paid in relation to 1H23 NPAT before significant items. Special dividend paid in relation to June 2022 NPAT before significant items, being the period post the demerger from Tabcorp Holdings Limited but prior to the commencement of the 2023 financial year

Key Segment Drivers



Lotteries

- Significant increase in active registered customers – 221,000 in the last six months
- Continued growth in both retail and digital
- No material net impacts evident in the period from COVID
- Active management of the portfolio – optimising the interaction between base and jackpot games
 - Powerball® – successful management of jackpot sequences; record \$160m jackpot
 - Saturday Lotto – consolidated gains from 2020 game change and COVID impacts
 - Lucky Lotteries® – record \$33m Super Jackpot
 - Other games down, primarily due to COVID tailwinds in the pcg
- Turnover growth vs pre-COVID levels for all games illustrates strength of the balanced portfolio



Keno

- Strong revenue growth
 - Return to unrestricted trade in NSW, Victoria, ACT
 - Increased footfall in Queensland
 - Return to venue campaigns
- Margins in the pcg impacted by NSW retail closures
- Digital share of turnover has more than doubled from pre-COVID



1H23 Group Results

| \$m | Reported | | | | Comparable ² | | | |
|--|----------------|----------------|---------------|----------------|-------------------------|----------------|--------------|--------------|
| | 1H23 | 1H22 | Change | | 1H23 | 1H22 | Change | |
| | | | \$ | % | | | \$ | % |
| Revenues | 1,920.2 | 1,664.6 | 255.6 | 15.4% | 1,920.2 | 1,783.6 | 136.6 | 7.7% |
| Variable contribution | 535.9 | 415.4 | 120.5 | 29.0% | 535.9 | 474.7 | 61.2 | 12.9% |
| Operating expenses | (126.5) | (99.0) | (27.5) | 27.8% | (126.5) | (121.2) | (5.3) | 4.4% |
| EBITDA | 409.4 | 316.4 | 93.0 | 29.4% | 409.4 | 353.5 | 55.9 | 15.8% |
| D&A | (48.6) | (29.1) | (19.5) | 67.0% | (48.6) | (45.1) | (3.5) | 7.8% |
| EBIT | 360.8 | 287.3 | 73.5 | 25.6% | 360.8 | 308.4 | 52.4 | 17.0% |
| Interest | (60.4) | (1.2) | (59.2) | n.m. | | | | |
| Tax expense | (93.1) | (87.9) | (5.2) | 5.9% | | | | |
| NPAT before significant items | 207.3 | 198.2 | 9.1 | 4.6% | | | | |
| Significant items (after tax) ^{1, 2} | (34.4) | - | (34.4) | n.m. | | | | |
| NPAT including significant items | 172.9 | 198.2 | (25.3) | (12.8%) | | | | |
| EPS (before significant items) ³ | 9.3 cps | 8.9 cps | 0.4 | 4.5% | | | | |
| EPS (including significant items) ³ | 7.8 cps | 8.9 cps | (1.1) | (12.4%) | | | | |
| DPS (fully franked) – interim | 8.0 cps | - | 8.0 | n.m. | | | | |
| DPS (fully franked) – special | 1.0 cps | - | 1.0 | n.m. | | | | |

Results for 1H22 were pre-demerger and under the ownership of Tabcorp Holdings Limited

Reported results:

- Six months of Lotteries in both periods
- Keno for six months in 1H23 (1H22: nil)
- Transfer of debt to The Lottery Corporation as part of the demerger

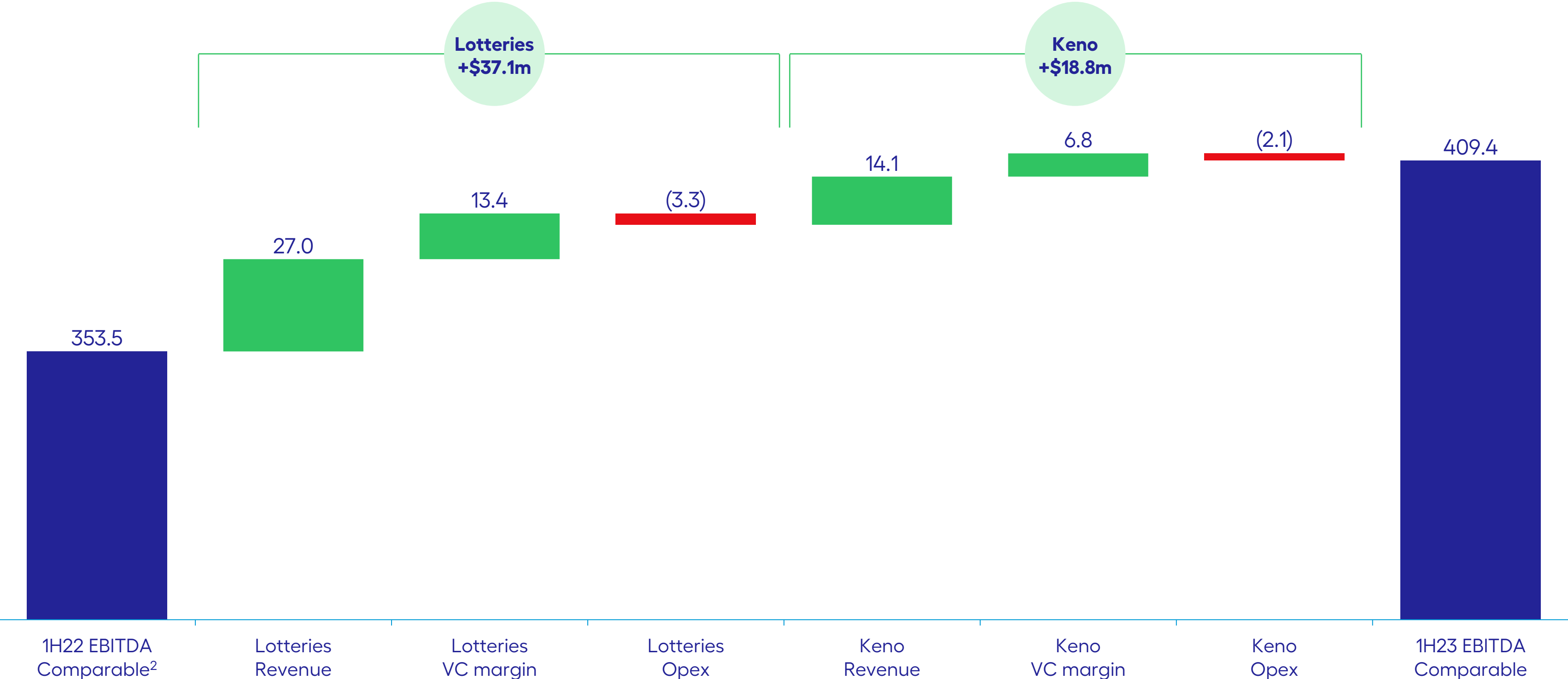
Comparable results²:

- Comparable results adjust the reported results to include Keno fully in the pcpc in relation to:
 - Keno operating results
 - Amortisation of Keno fair value uplift (\$4.8m)
- Comparable results for 1H22 include a pro forma adjustment for the estimated impact of net additional standalone operating costs associated with the demerger (c.\$4.5m)⁴
- Comparable results exclude significant items

Notes:

- 1H23 amounts relate primarily to separation costs (refer Appendix 1)
- This is “Non-IFRS” information and has not been subject to audit or review assurance procedures. The Lottery Corporation believes these “Non-IFRS” financial measures provide useful information to investors in measuring the financial performance and condition of its business
- The weighted average number of ordinary shares for the comparative period has been restated to reflect the change in The Lottery Corporation’s capital structure as a result of the demerger from Tabcorp, as if the change had occurred at the beginning of the comparative period
- Pro forma adjustment for net additional standalone operating costs as per Section 3.13.4 of the Demerger Booklet

Group Comparable¹ EBITDA Growth \$55.9m or 15.8%



Notes:

1. “Comparable” information is defined as per slide 6. This is “Non-IFRS” information and has not been subject to audit or review assurance procedures

2. Pro forma adjustment for net additional standalone operating costs as per Section 3.13.4 of the Demerger Booklet

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Comparable Group & Business Results^{1,2}

| \$m | Lotteries | | | Keno | | | Group | | |
|-----------------------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | 1H23 Comparable | 1H22 Comparable | % | 1H23 Comparable | 1H22 Comparable | % | 1H23 Comparable | 1H22 Comparable | % |
| Revenues | 1,772.8 | 1,664.6 | 6.5% | 147.4 | 119.0 | 23.9% | 1,920.2 | 1,783.6 | 7.7% |
| Variable contribution | 455.9 | 415.5 | 9.7% | 80.0 | 59.1 | 35.4% | 535.9 | 474.7 | 12.9% |
| Operating expenses | (106.3) | (103.0) | 3.2% | (20.2) | (18.1) | 11.6% | (126.5) | (121.2) | 4.4% |
| EBITDA | 349.6 | 312.5 | 11.9% | 59.8 | 41.0 | 45.9% | 409.4 | 353.5 | 15.8% |
| D&A | (33.7) | (29.0) | 16.2% | (14.9) | (16.1) | (7.5%) | (48.6) | (45.1) | 7.8% |
| EBIT | 315.9 | 283.5 | 11.4% | 44.9 | 24.9 | 80.3% | 360.8 | 308.4 | 17.0% |
| VC / Revenue % | 25.7% | 25.0% | 0.7% | 54.3% | 49.7% | 4.6% | 27.9% | 26.6% | 1.3% |
| Opex / Revenue % | 6.0% | 6.2% | (0.2%) | 13.7% | 15.2% | (1.5%) | 6.6% | 6.8% | (0.2%) |
| EBITDA / Revenue % | 19.7% | 18.8% | 0.9% | 40.6% | 34.5% | 6.1% | 21.3% | 19.8% | 1.5% |
| EBIT / Revenue % | 17.8% | 17.0% | 0.8% | 30.5% | 20.9% | 9.6% | 18.8% | 17.3% | 1.5% |

Notes:

1. "Comparable" information is defined as per slide 6. This is "Non-IFRS" information and has not been subject to audit or review assurance procedures
2. Business results may not aggregate to Group total due to unallocated items

Lotteries: Result Highlights (Comparable)¹

Significant increase in active registered customers; continued growth in both retail and digital

Revenue growth underpinned by active portfolio and jackpot sequence management

Base game offers adjusted to maximise reinvestment from larger jackpot events

No material net impacts evident in the period from COVID

| \$m | 1H23 | 1H22 | Change |
|-----------------------|---------|---------|--------|
| Revenues | 1,772.8 | 1,664.6 | 6.5% |
| Variable contribution | 455.9 | 415.5 | 9.7% |
| Operating expenses | (106.3) | (103.0) | 3.2% |
| EBITDA | 349.6 | 312.5 | 11.9% |
| D&A | (33.7) | (29.0) | 16.2% |
| EBIT | 315.9 | 283.5 | 11.4% |
| VC / Revenue % | 25.7% | 25.0% | 0.7% |
| Opex / Revenue % | 6.0% | 6.2% | (0.2%) |
| EBITDA / Revenue % | 19.7% | 18.8% | 0.9% |

- Powerball® up strongly – temporary acceleration of jackpot sequences; favourable jackpot outcomes
- Lucky Lotteries® up significantly – record Super Jackpot

27.0

13.4

- General inflation
- COVID impacts in the pcg

(3.3)

349.6

- Further lift in digital share of turnover (from 36.9% in the pcg to 38.4%)
- Further step up in fees from Jumbo
- Interest income from Set for Life® deposits

1H22 EBITDA
Comparable

Revenue

VC margin

Opex

1H23 EBITDA
Comparable

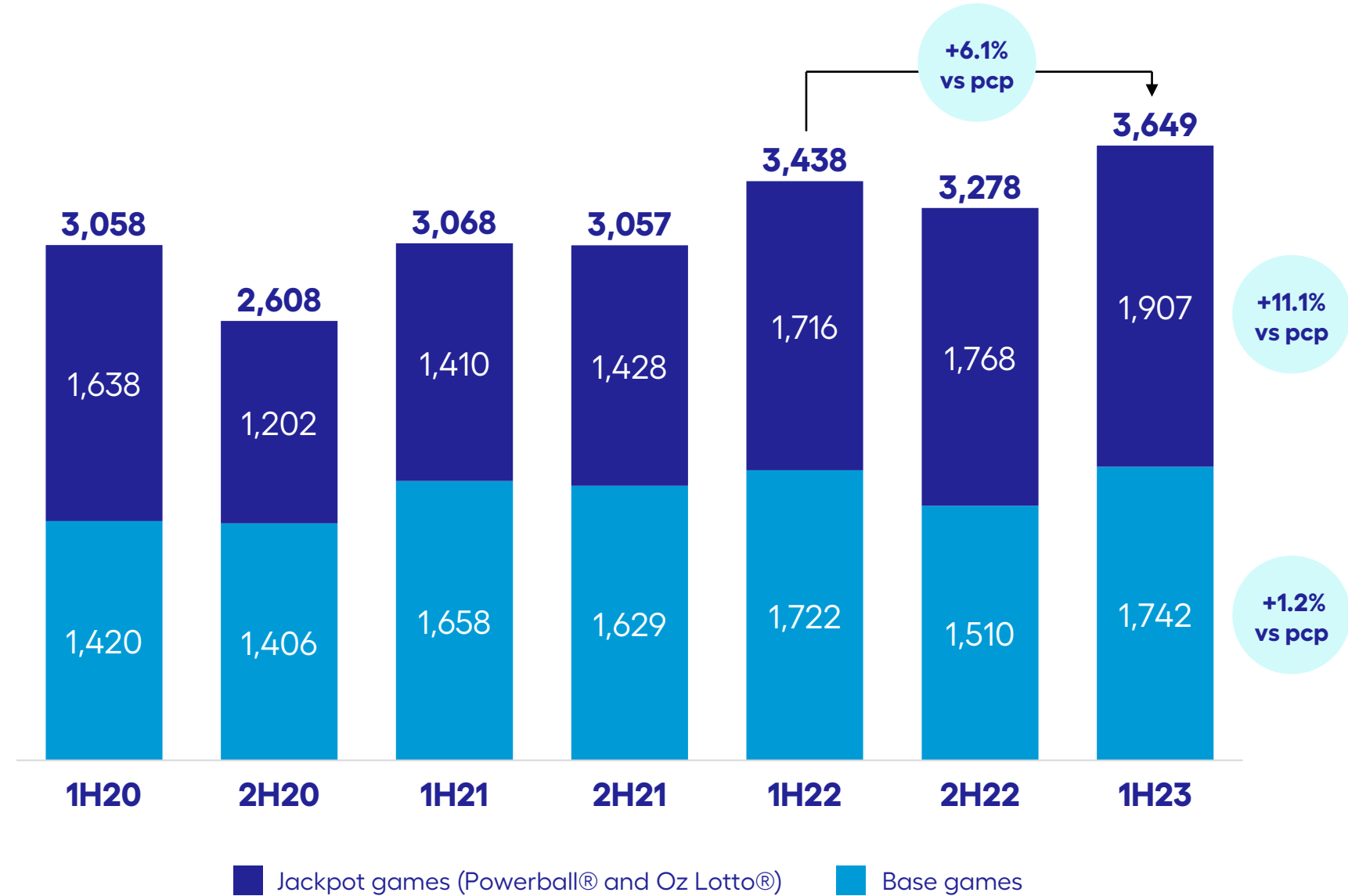
Notes:

1. For Lotteries, “Comparable” results are the same as reported results except that 1H22 results have been pro forma adjusted to include \$3.9m for estimated net additional standalone operating costs associated with the demerger. “Comparable” information is defined as per slide 6. This is “Non-IFRS” information and has not been subject to audit or review assurance procedures

Lotteries: KPIs – Product

Turnover by Product Type (\$m)

Further growth in both jackpot and base game categories reflects a strong and balanced portfolio of products



Turnover Growth

Three year CAGR vs pre-COVID evidences strength of underlying business performance and momentum; 1H23 cycling strong COVID tailwind from 1H22

| Actual Growth | 1H23 v 1H22 | 1H23 v 1H20 CAGR ¹ |
|----------------------------|-------------|-------------------------------|
| Powerball® | 17.8% | 7.3% |
| Oz Lotto® | (5.5%) | (0.3%) |
| Saturday Lotto | (0.5%) | 9.8% |
| Mon & Wed Lotto | (7.6%) | 0.8% |
| Set for Life® | (4.0%) | 14.6% |
| Instant Scratch-Its® | (4.5%) | 5.9% |
| Lucky Lotteries® | 139.0% | n.m. ² |
| Like-for-like ³ | | |
| Powerball® | (1.0%) | 8.3% |
| Oz Lotto® | (7.0%) | 2.6% |

¹ Comparison to 1H20 (pre-COVID) provided for comparative purposes. Refer Appendix 6 for further details

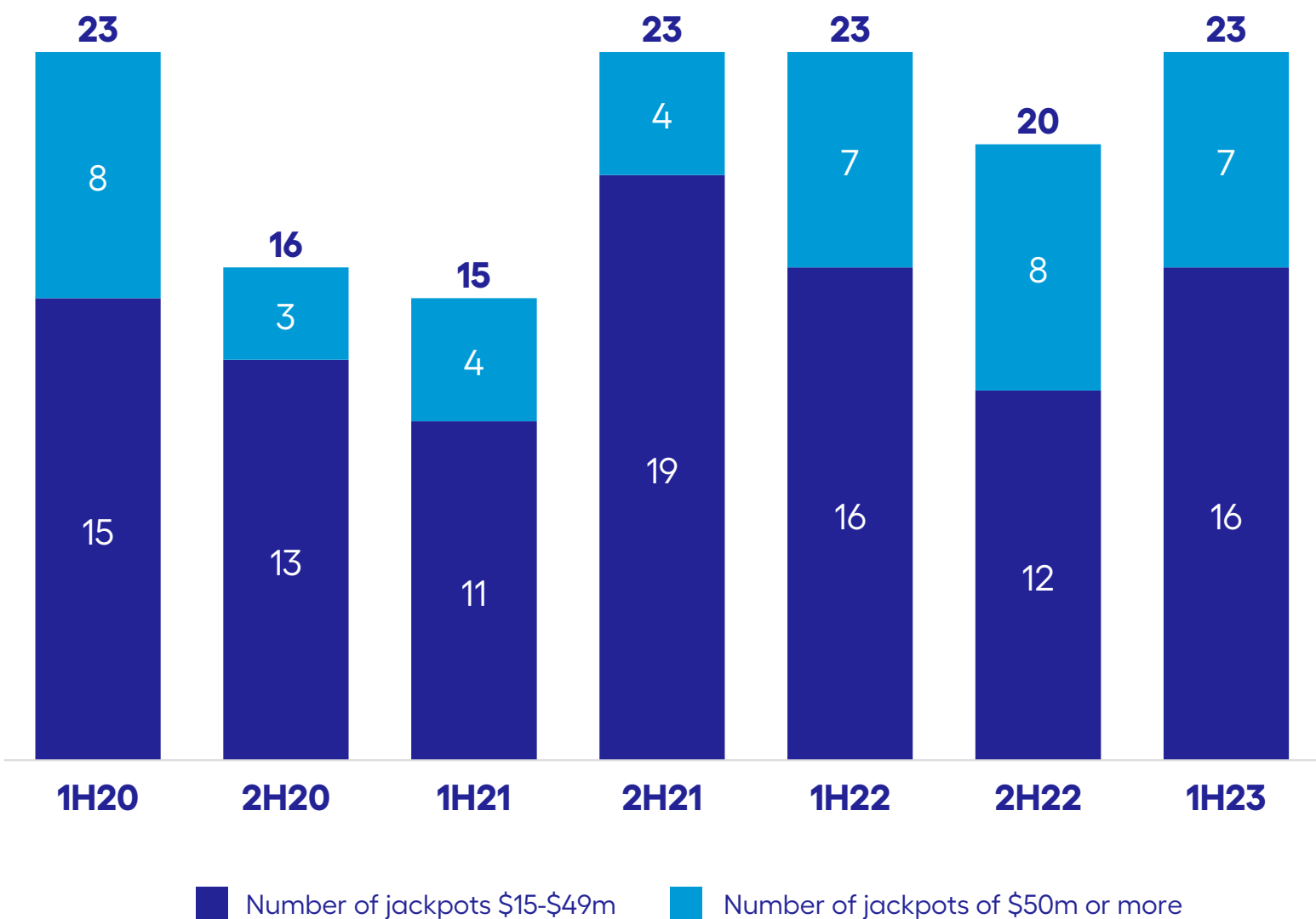
² Both periods significantly impacted by outlier events leading to unusually large jackpots (1H20: Mega Jackpot \$96m; 1H23: Super Jackpot \$33m)

³ Adjusts turnover in a prior period to reflect a sequence of jackpots comparable to the reference period as an indicative measure of underlying performance

Lotteries: KPIs – Jackpot Games

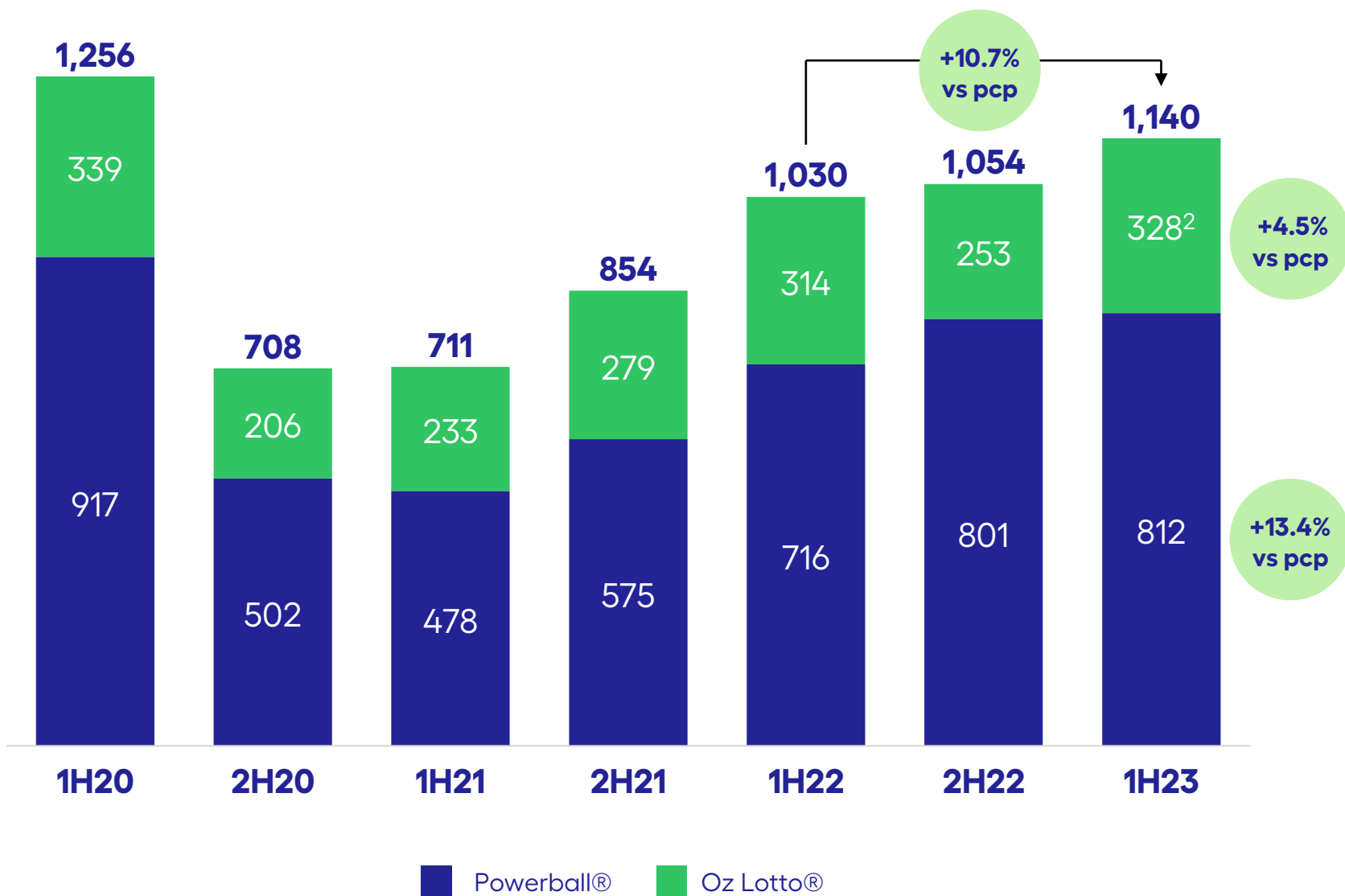
Powerball® and Oz Lotto® Major Jackpots

In both the current and the pcp, six of the seven \$50m+ jackpots related to Powerball® with a single \$50m Oz Lotto® jackpot in each period



Cumulative Jackpot Value Offered (\$m)

Increase driven by Powerball® jackpots of 2 x \$100m and a record \$160m draw Powerball® (c.60th percentile), Oz Lotto® (c.15th percentile) vs 100-year simulation¹



Notes:

- Simulation of jackpot outcomes over 100 different 26-week periods using average 1H23 turnover for each jackpot level and resulting jackpot win probabilities as a constant
- May 2022 matrix change for Oz Lotto® (from 45 to 47 numbers) made Division 1 more likely to jackpot (c.40% more combinations)

Lotteries: Jackpot Games – Sequences and Game Changes

Active jackpot sequence management drove significant turnover growth; Oz Lotto® yet to be tested at higher jackpot levels



Accelerated Powerball® jackpot sequences implemented from September to December 2022

Temporary sequence change:

- Week 1 base of \$8m (vs \$4m)
- Record \$160m draw in just 6 weeks



Oz Lotto® game change yet to deliver larger jackpots but benefits expected to be delivered over time based on theoretical model outcomes

Majority of planned lift in turnover designed to come from additional larger jackpots¹

Draws to date frequently impacted by clashing with larger Powerball® jackpots

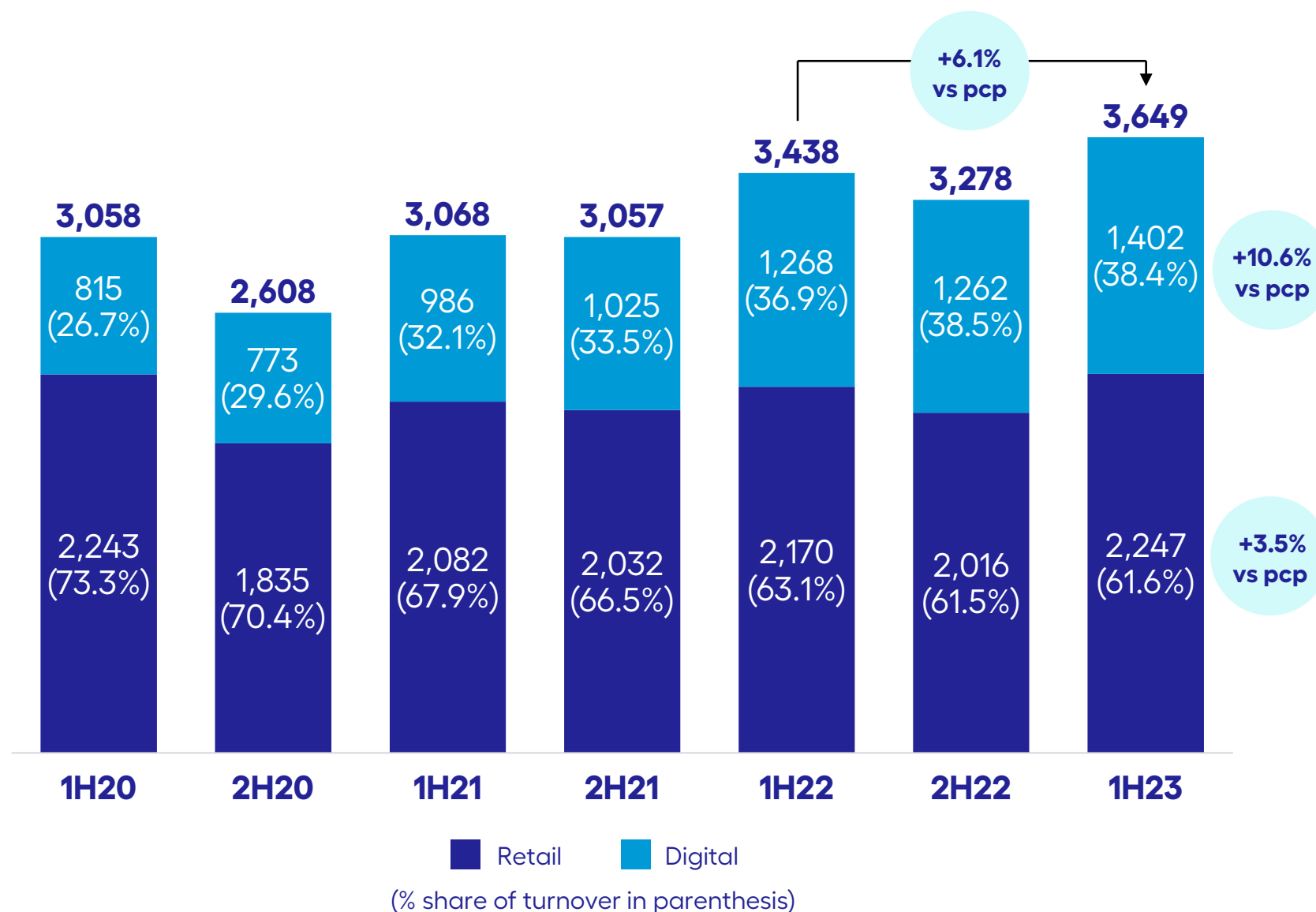
Notes:

1. Matrix change (from 45 to 47 numbers) made Division 1 more likely to jackpot (c.40% more combinations). Based on the matrix change, and current sales levels and sequences, the theoretical model implies a likelihood of approximately three \$50m jackpots p.a., and two jackpots of more than \$50m p.a.

Lotteries: KPIs – Channel & Customers

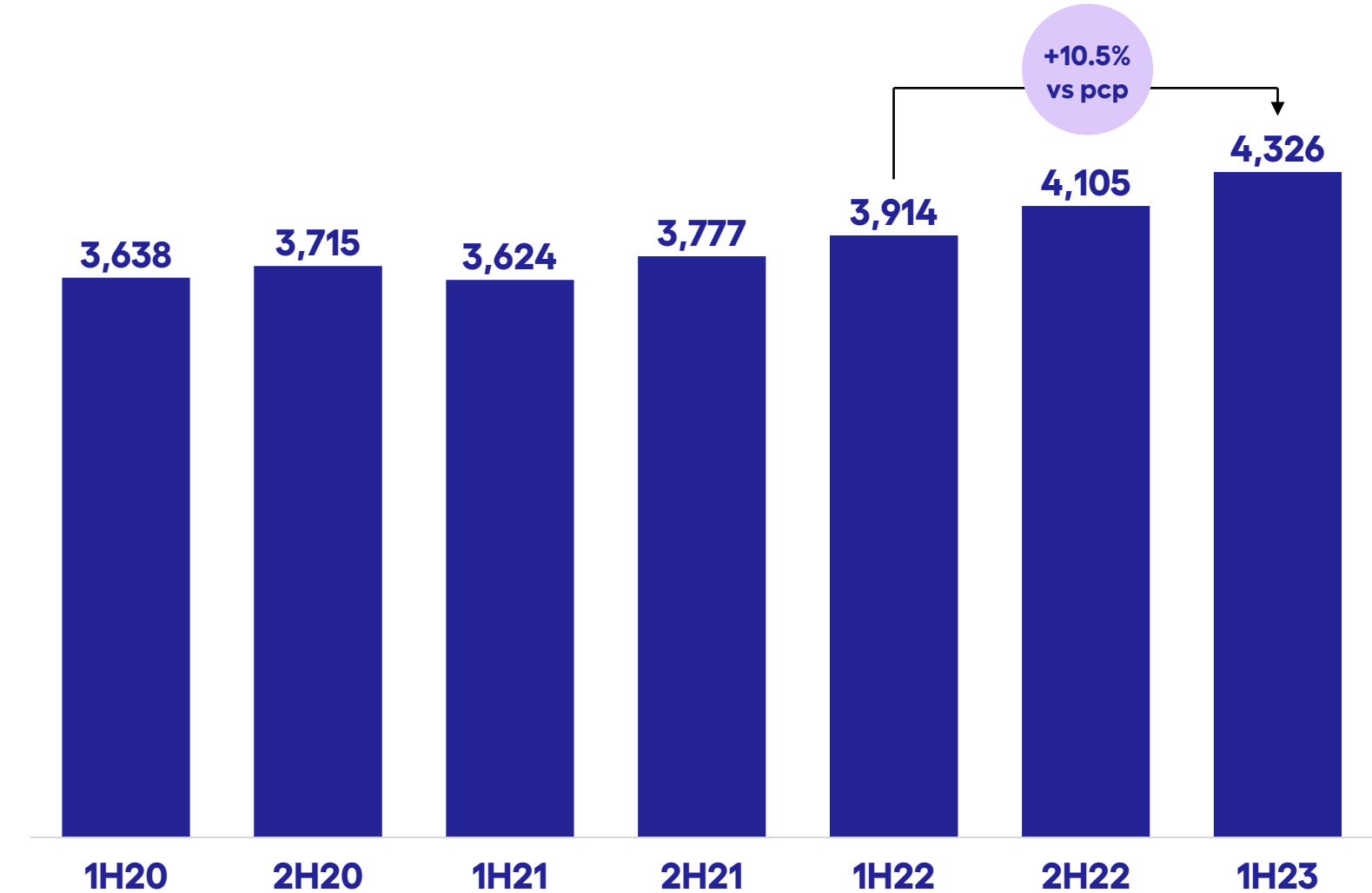
Turnover by Channel (\$m)

An omni-channel approach focused on optimising customer value across all channels



Number of Active¹ Registered Customers (000's)

Significant increase in active registered customers – 221,000 in the last 6 months
Estimated total customers² of 8.5m indicates opportunity for continued growth



Notes:

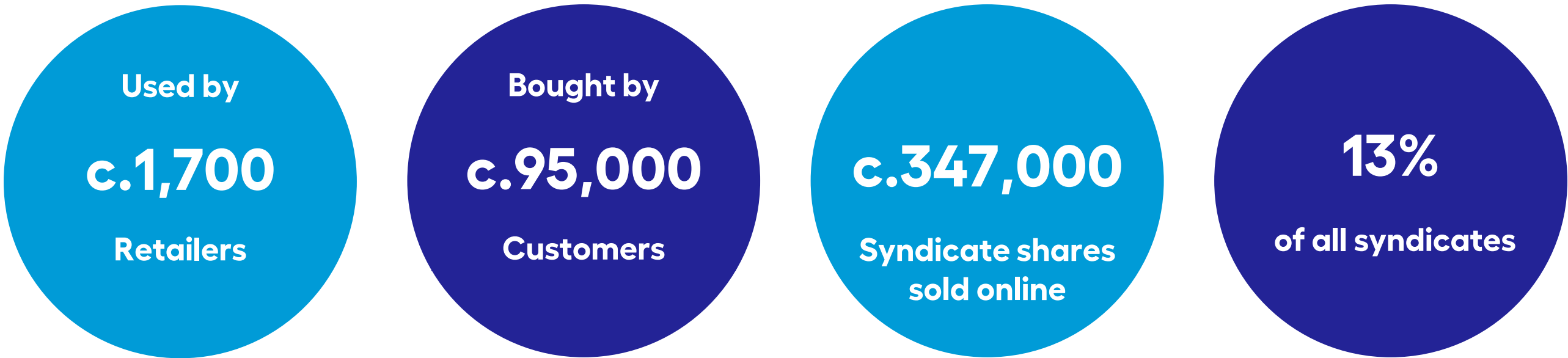
1. Played in the previous 52 weeks
2. Active total customers based on Roy Morgan Gambling Monitor, October 2021 – September 2022

Store Syndicates Online: Driving seamless customer experiences across all channels



A leading innovation, now allowing customers to also buy store syndicate shares online from local lotteries outlets

In the month following launch in late November 2022:

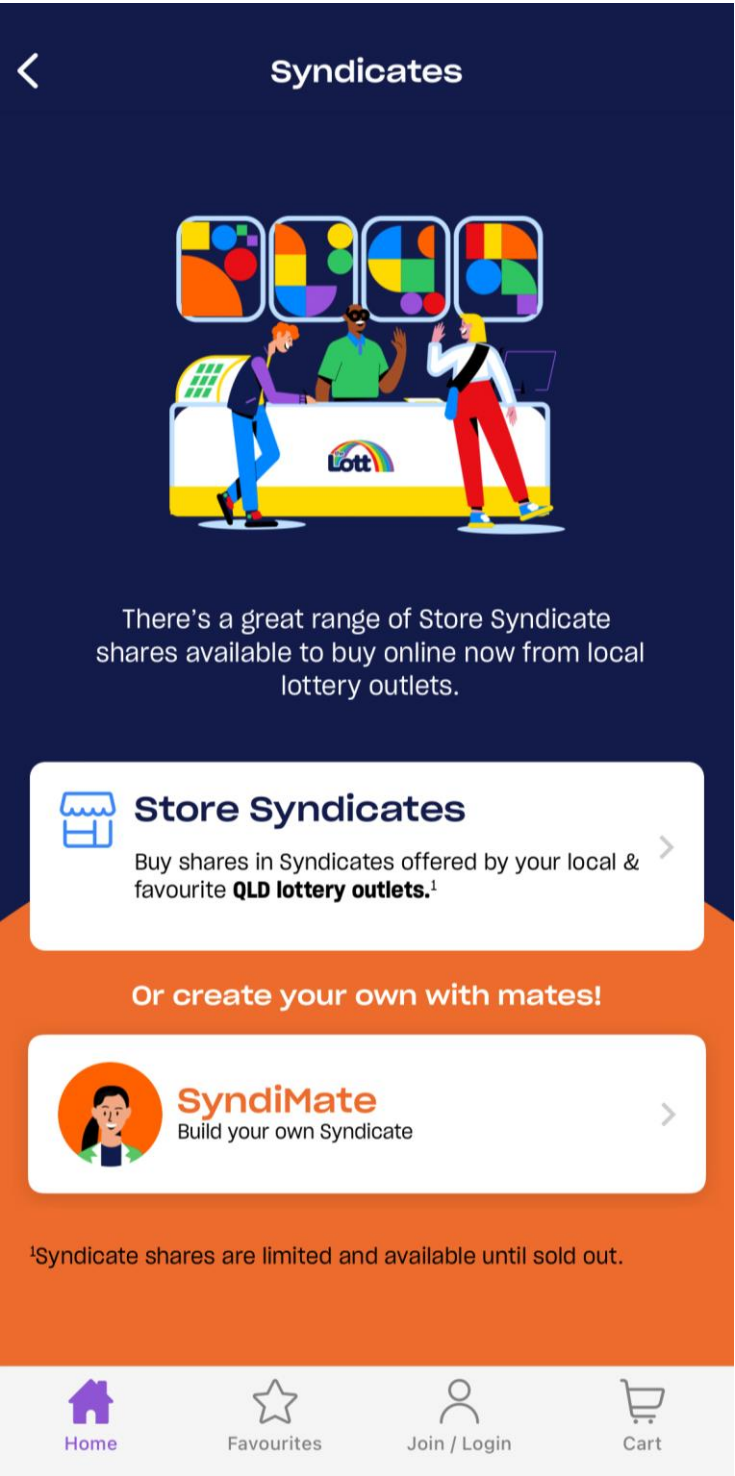


“Getting a great commission and noticing a lot of younger adults are now playing syndicates online.”

Seaview Downs Deli – December 2022

“Plenty of new syndicated options now and I don’t have to keep a paper copy in my purse. Wow, great new options. Easy to access and operate. Foolproof.”

Customer – November 2022



Keno: Result Highlights (Comparable)¹

Return to unrestricted trade in NSW, Victoria, ACT (vs COVID related closures in the pcp)

Successful return to venue campaign encouraging return to pre-COVID customer purchasing behaviours

Digital share of turnover has more than doubled from pre-COVID

| \$m | 1H23 | 1H22 | Change |
|-----------------------|--------------|--------------|--------------|
| Revenues | 147.4 | 119.0 | 23.9% |
| Variable contribution | 80.0 | 59.1 | 35.4% |
| Operating expenses | (20.2) | (18.1) | 11.6% |
| EBITDA | 59.8 | 41.0 | 45.9% |
| D&A | (14.9) | (16.1) | (7.5%) |
| EBIT | 44.9 | 24.9 | 80.3% |
| VC / Revenue % | 54.3% | 49.7% | 4.6% |
| Opex / Revenue % | 13.7% | 15.2% | (1.5%) |
| EBITDA / Revenue % | 40.6% | 34.5% | 6.1% |

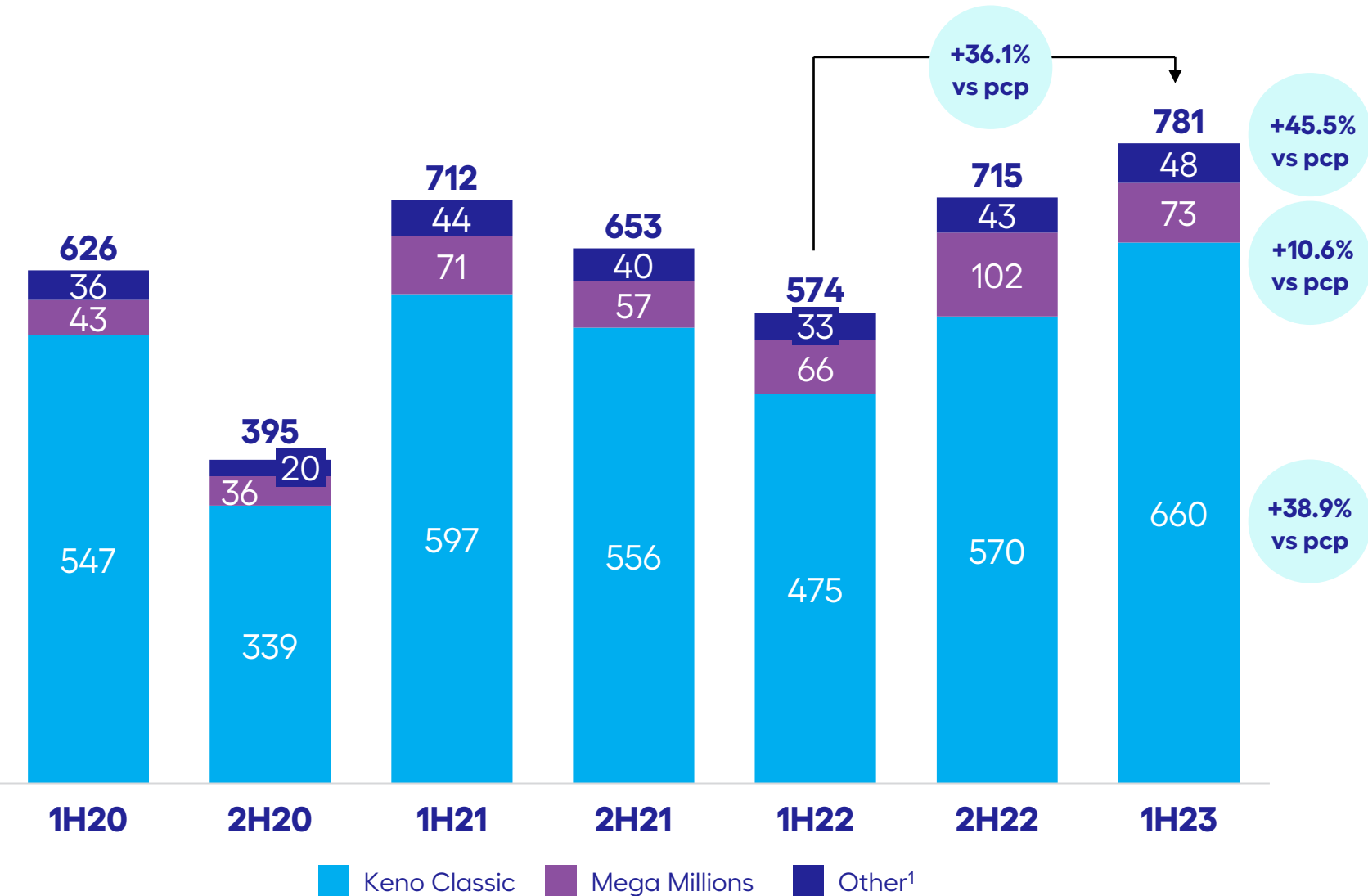


Notes:

1. "Comparable" information includes Keno for each reporting period. 1H22 results have been pro forma adjusted to include \$0.6m for estimated net additional standalone operating costs associated with the demerger. "Comparable" information is defined as per slide 6. This is "Non-IFRS" information and has not been subject to audit or review assurance procedures

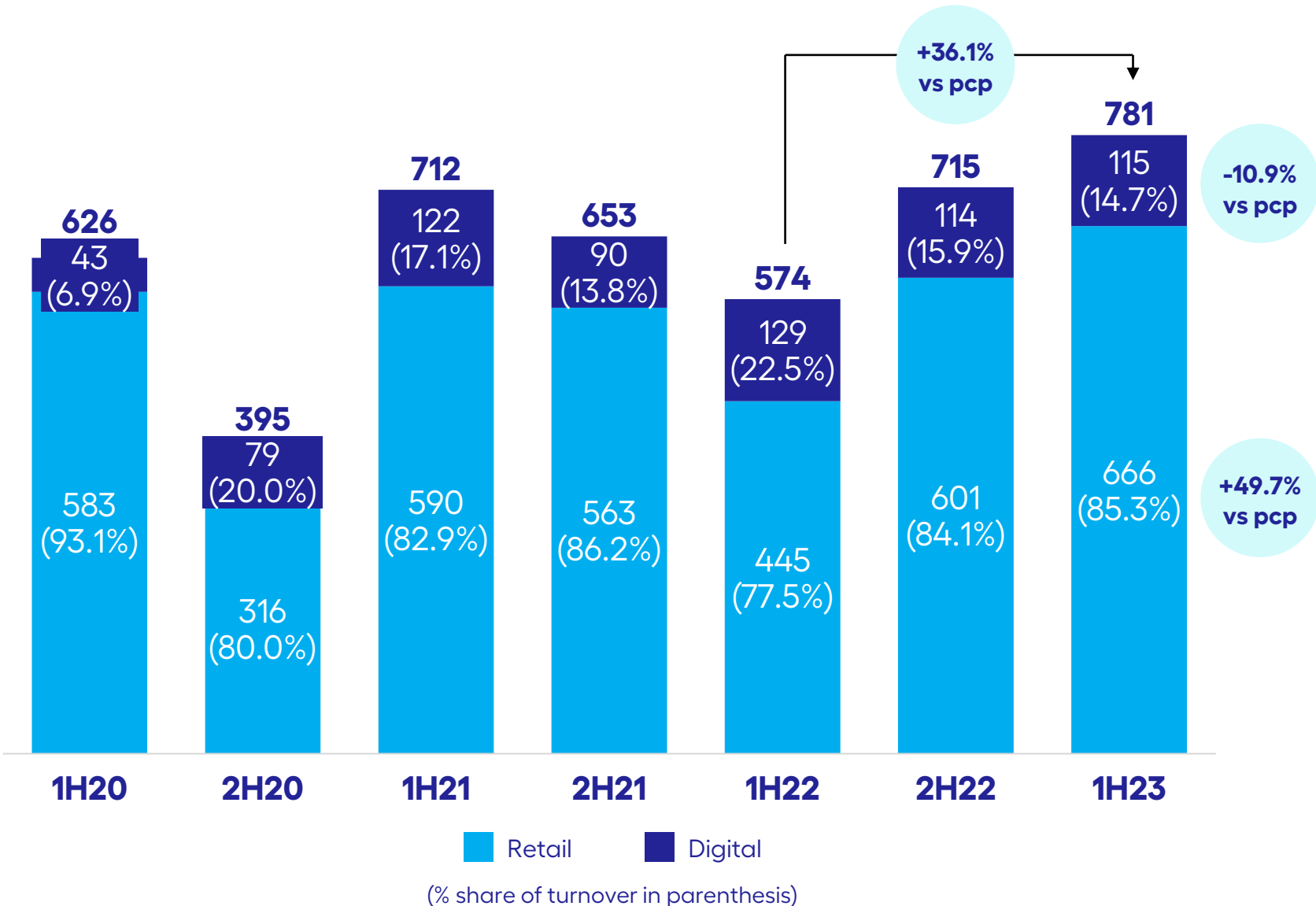
Keno Turnover by Product (\$m)

Strong growth across all product categories



Keno Turnover by Channel (\$m)

Digital share of turnover has more than doubled from pre-COVID
Retail growth rate in 1H23 reflects COVID-related closures and restrictions in 1H22



Notes:

1. "Other" comprises of Heads or Tails, Keno Racing, and Roulette

Keno: Australian-owned and trusted; real winners

Integrated retail and digital offer launching in Victorian market in February 2023

Latest marketing campaigns have been focused on differentiating Keno's reputation and trust in market

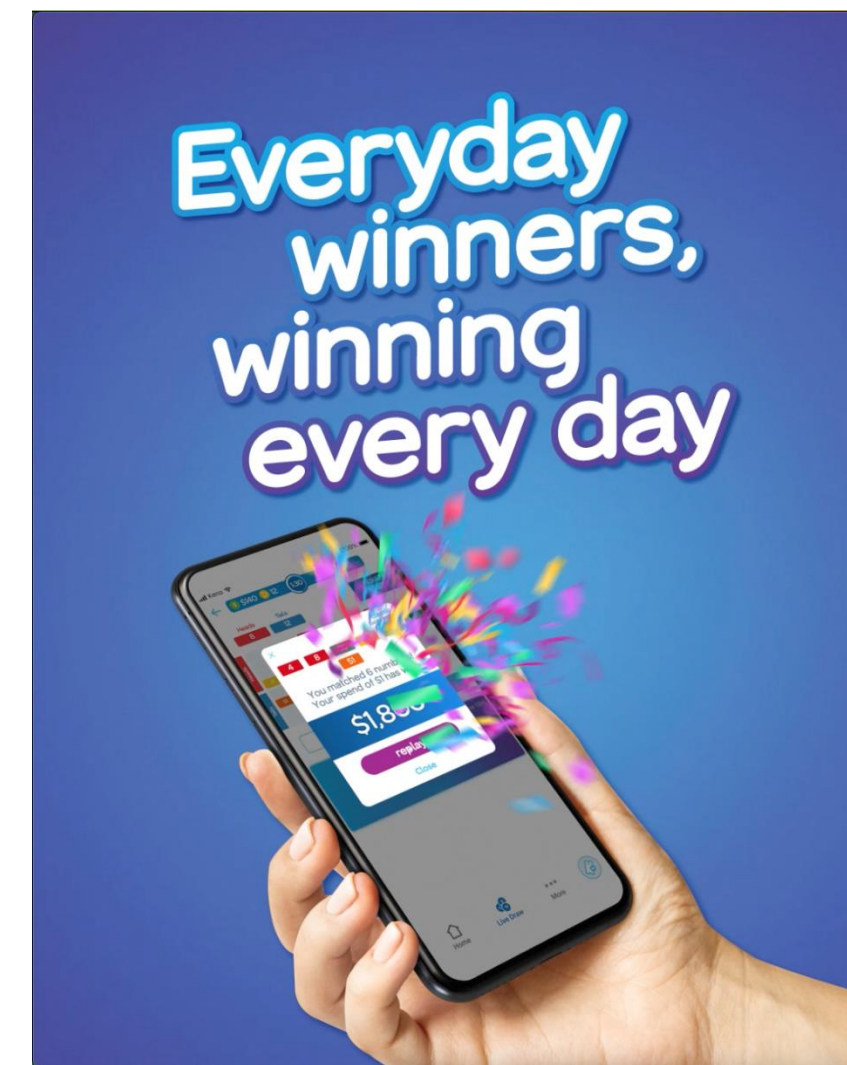
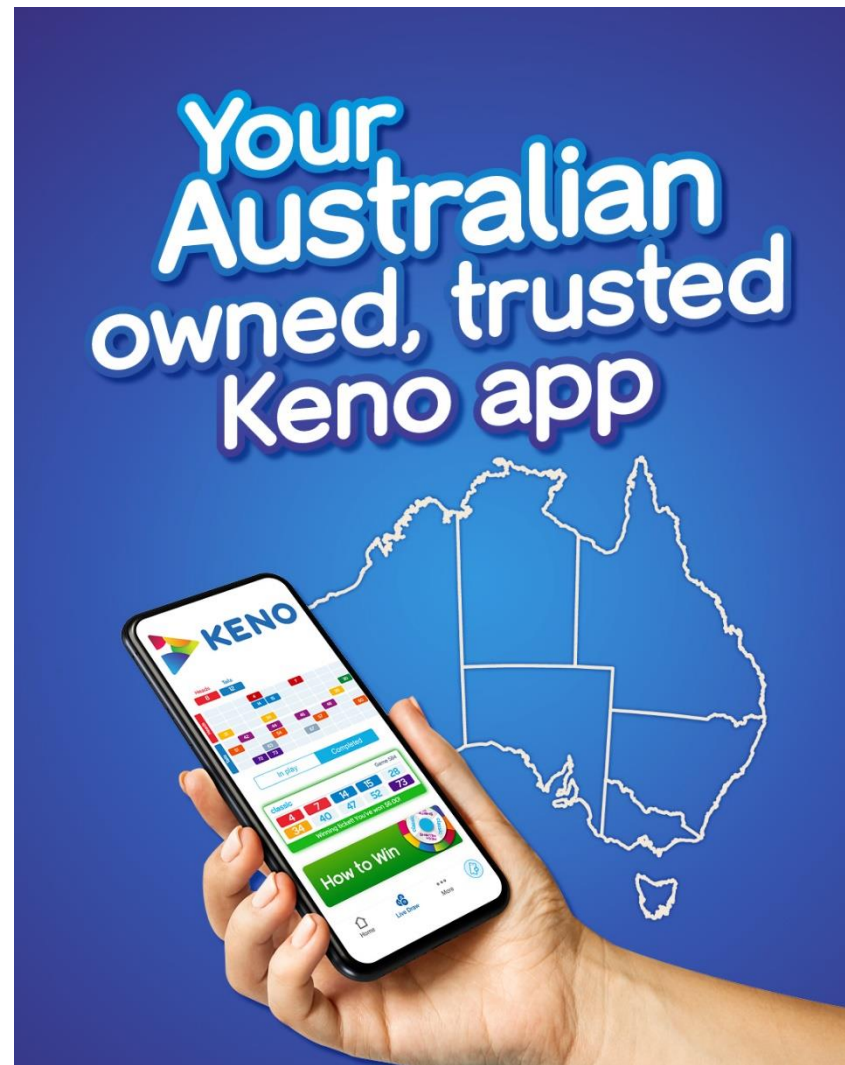


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Capital Allocation Framework

A long-term framework to underpin a disciplined approach to the allocation of shareholders' capital

Driving Operating Cash Flow

Operating Efficiency

Capital Productivity

Game Portfolio Management

BAU Capital Management

Robust and Flexible Balance Sheet

BAU Capex

Consistent and Reliable Dividends

3.0-4.0x Net Debt/EBITDA
Strong investment-grade credit rating

80-100% of full year NPAT
before significant items

Spectrum of risk-adjusted return targets

Options to Deploy Remaining Capital

Return of Capital

Organic Growth

Domestic Licences

International Licences

Other Strategic M&A

Long-term Value Creation Target

Total Shareholder Return in the top quartile of the S&P/ASX100

A disciplined approach to capital allocation

- Commitment to a strong investment-grade credit rating
- Predictable cash flows underpin core operations, recognising some short-term jackpot-related volatility
- Disciplined approach to capital expenditure and deploying excess capital – only at appropriate risk-adjusted returns
- Options to deploy any remaining capital to be assessed on a case-by-case basis with a view to maximising long-term shareholder value

Capital Metrics

Strong balance sheet provides the capacity to support organic growth and flexibility, including for potential capital management

Dividends¹ (fully franked)

8.0 cps Interim

1.0 cps Special



Target: 80-100% of full year
NPAT before significant items

BAU Capex

1H23 **\$19.3m**



FY23 BAU capex: \$65-75m

Leverage

2.6X

Net Debt/EBITDA²



Target: 3.0-4.0x

D&A

1H23 **\$48.6m**



FY23 D&A: \$100-110m³
FY24 impact of capex re one-off
implementation costs⁴: c.\$6m

Credit Rating

BBB+/Stable



Maintain strong investment grade

Debt Profile

Avg Maturity⁵: 7.1 Years

Avg Interest Rate⁶: 5.7%



Minimise cost of borrowings

Notes:

1. Interim dividend represents a dividend payout ratio of 86% of 1H23 NPAT before significant items. Special dividend paid in relation to June 2022 NPAT before significant items
2. As at 31 December 2022. Based on CY22 Comparable EBITDA
3. Includes the impact of derecognition of Lotteries' intangible assets and fair value uplift of the Keno business, both as part of accounting for the demerger
4. Total one-off implementation costs estimated to be \$149m as per the Demerger Booklet. Comprises both Opex and Capex. Refer also Appendix 1
5. Based on drawn facilities as at 31 December 2022. (Based on available facilities: 6.2 years)
6. Incorporates lease liabilities and non-interest finance costs. Based on average drawn facilities for the six-month period to 31 December 2022. (If all available facilities were fully drawn, the average interest rate would have been 5.3% p.a.)

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The Lottery Corporation is the leader in Australia's lotteries and Keno market and one of the highest performing lotteries businesses globally¹



Exclusive
and/or long
dated licences
and approvals



Diversified and
balanced
portfolio of
high-profile and
recognised
brands



Significant and
diverse retail
distribution;
further upside
potential from
digital growth



Highly
defensive
characteristics,
including
strong
cashflow
generation



Low capital
intensity

Notes:

1. The Lottery Corporation has the third-highest draw lottery game sales per capita worldwide. Source: La Fleur's almanac 2021 (Lotto and spiel)

Vision, Purpose & Principles

Our Vision

What is our aspiration?

To be the world's best lottery operator

Our Purpose

Why do we exist?

To create positive impacts

Strategic Priorities

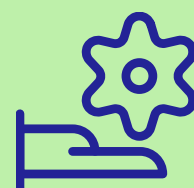
What we need to do to realise our Vision?

Be the first choice partner



Drive

Growth through **game** portfolio innovation and seamless **customer** experiences across all **channels**



Develop

Excellence and capability across our operations, technology that is fit for the future and alliances with trusted partners.



Discover

Complementary new markets and earnings possibilities

Our Principles

How do we want to operate?



Create joyful moments



Dare to find a better way



Be accountable and transparent



Nurture the uniqueness of our people

FY23 Key Focus Areas and Priorities¹

Customer-led focus on product innovation, deepened engagement across all channels and digital expansion
Significant ongoing implementation activity post-demerger including continued people, systems and vendor separation



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Driving game portfolio performance

- Powerball® price increase (from \$1.10 to \$1.20 – the first price increase in five years) expected to deliver more frequent large jackpots – planned implementation May 2023¹
- Continued innovation of Instant Scratch-Its®, following record Christmas sales in 2022
- Monday & Wednesday Lotto game enhancement – FY24¹



Enhancing the customer experience

- Store Syndicates online product implemented November 2022 - driving omni-channel adoption and supporting retailers
- Web and mobile feature enhancements to improve personalised experiences for Lotteries and Keno customers



Strengthening the unique omni-channel model

- 200 bps increase in retailer commissions under omni-channel program – planned implementation May 2023²
- Retail technology uplift to enable more integrated digital solutions
- Launch of integrated digital Keno offer under new Victorian licence – February 2023



Pursuing new licence and other opportunities

- Explore opportunities for enhancements to existing licences

Notes:

1. Subject to all necessary regulatory and other approvals
2. Under the model launched in 2018, TLC shares digital commissions and sign up bonuses with retailers, and funds DigiPOS equipment in retail outlets. Based on FY22, the estimated EBITDA improvement from the proposed commission rate increases for TLC is c.\$25-30m p.a. due primarily to retention of the base commission increase in relation to TLC's own digital sales

Conclusion: A winning first six months



- ✓ A winning start as a standalone ASX listed company
- ✓ Highly engaged team mobilised around new Vision, Purpose and Principles and ongoing customer-led focus
- ✓ Continued momentum: double digit growth in earnings¹ and active registered customer numbers shows the strength of the business and the balanced game portfolio
- ✓ Focused on maximising returns to shareholders – increased dividend payout ratio
- ✓ Creating positive impacts – a business model supporting an extensive retail network and with a record of contributing to Australian communities
- ✓ A company with highly defensive asset qualities, low capital intensity, significant and diverse retail distribution and upside potential from digital growth

Notes:

1. Based on Comparable EBIT and EBITDA growth

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Appendix 1: Significant Items¹

1H23 Significant items

Separation Costs

Relates to costs associated with the replication and separation of technology infrastructure and systems post demerger, particularly in relation to:

- IT separation
- Consultants
- People
- Property separation

Total one-off separation costs estimated to be \$149m as per the Demerger Booklet. Comprises both Opex and Capex

Other

- Primarily impairment in respect of surplus lease space at Ann Street office

| Significant Items (\$m) | 1H23 | 1H22 |
|--|---------------|----------|
| Separation Costs | (30.6) | - |
| Other | (3.8) | - |
| Total Significant Items (after tax) | (34.4) | - |

| Separation Costs (\$m) | 1H23 | |
|-------------------------------|---------------|----------|
| | Pre-tax | Post-tax |
| Opex | (43.7) | (30.6) |
| Capex | (11.4) | |
| Total Separation Costs | (55.1) | |

Notes:

1. This is "Non-IFRS" information and has not been subject to audit or review assurance procedures

Appendix 2A: Group results (Comparable)¹

| \$m | 1H23 | 1H22 | Change | 2H22 |
|-----------------------|----------------|----------------|--------------|----------------|
| Revenues | 1,920.2 | 1,783.6 | 7.7% | 1,723.6 |
| Variable contribution | 535.9 | 474.7 | 12.9% | 475.5 |
| Operating expenses | (126.5) | (121.2) | 4.4% | (144.3) |
| EBITDA | 409.4 | 353.5 | 15.8% | 331.2 |
| D&A | (48.6) | (45.1) | 7.8% | (45.5) |
| EBIT | 360.8 | 308.4 | 17.0% | 285.7 |
| VC / Revenue % | 27.9% | 26.6% | 1.3% | 27.6% |
| Opex / Revenue % | 6.6% | 6.8% | (0.2%) | 8.4% |
| EBITDA / Revenue % | 21.3% | 19.8% | 1.5% | 19.2% |
| EBIT / Revenue % | 18.8% | 17.3% | 1.5% | 16.6% |

Notes:

1. “Comparable” information is defined as per slide 6. This is “Non-IFRS” information and has not been subject to audit or review assurance procedures

Appendix 2B: Lotteries results (Comparable)¹

| \$m | 1H23 | 1H22 | Change | 2H22 |
|-----------------------|----------------|----------------|--------------|----------------|
| Revenues | 1,772.8 | 1,664.6 | 6.5% | 1,590.2 |
| Variable contribution | 455.9 | 415.5 | 9.7% | 401.8 |
| Operating expenses | (106.3) | (103.0) | 3.2% | (121.6) |
| EBITDA | 349.6 | 312.5 | 11.9% | 280.2 |
| D&A | (33.7) | (29.0) | 16.2% | (30.0) |
| EBIT | 315.9 | 283.5 | 11.4% | 250.2 |
| VC / Revenue % | 25.7% | 25.0% | 0.7% | 25.3% |
| Opex / Revenue % | 6.0% | 6.2% | (0.2%) | 7.6% |
| EBITDA / Revenue % | 19.7% | 18.8% | 0.9% | 17.6% |
| EBIT / Revenue % | 17.8% | 17.0% | 0.8% | 15.7% |

Notes:

1. “Comparable” information is defined as per slide 6. This is “Non-IFRS” information and has not been subject to audit or review assurance procedures

Appendix 2C: Keno results (Comparable)¹

| \$m | 1H23 | 1H22 | Change | 2H22 |
|-----------------------|--------------|--------------|--------------|--------------|
| Revenues | 147.4 | 119.0 | 23.9% | 133.4 |
| Variable contribution | 80.0 | 59.1 | 35.4% | 73.8 |
| Operating expenses | (20.2) | (18.1) | 11.6% | (22.9) |
| EBITDA | 59.8 | 41.0 | 45.9% | 50.9 |
| D&A | (14.9) | (16.1) | (7.5%) | (15.2) |
| EBIT | 44.9 | 24.9 | 80.3% | 35.7 |
| VC / Revenue % | 54.3% | 49.7% | 4.6% | 55.3% |
| Opex / Revenue % | 13.7% | 15.2% | (1.5%) | 17.2% |
| EBITDA / Revenue % | 40.6% | 34.5% | 6.1% | 38.2% |
| EBIT / Revenue % | 30.5% | 20.9% | 9.6% | 26.8% |

Notes:

1. “Comparable” information is defined as per slide 6. This is “Non-IFRS” information and has not been subject to audit or review assurance procedures

Appendix 3: Balance Sheet, Capex and Cash Flow

Balance Sheet

| \$m | Dec-22 |
|-------------------------------|----------------|
| Total current assets | 948.9 |
| Licences | 733.3 |
| Other intangible assets | 2,241.3 |
| Property, plant and equipment | 63.6 |
| Other non current assets | 377.7 |
| Total assets | 4,364.8 |
| Total liabilities | 3,993.3 |
| Shareholders' funds | 371.5 |
| Net debt | 1,944.6 |
| Shares on issue (m) | 2,225.8 |

Comparable¹ Capital Expenditure

| \$m | Dec-22 | Dec-21 |
|---------------|-------------|-------------|
| BAU Lotteries | 11.8 | 14.3 |
| BAU Keno | 7.5 | 4.0 |
| Non-BAU | 11.4 | - |
| Total | 30.7 | 18.3 |

Cash Flow

| \$m | Dec-22 |
|--|--------------|
| Net operating cash flows | 527.2 |
| Net interest paid | (59.1) |
| Income tax paid | (67.3) |
| Payments for PP&E and intangibles | (21.4) |
| Sub-total | 379.4 |
| Transfers to term deposits relating to certain lottery games | (26.9) |
| Payment for on-market share purchase | (6.3) |
| Net cash flow | 346.2 |

Notes:

1. "Comparable" information is defined as per slide 6. This is "Non-IFRS" information and has not been subject to audit or review assurance procedures

Appendix 4: Debt

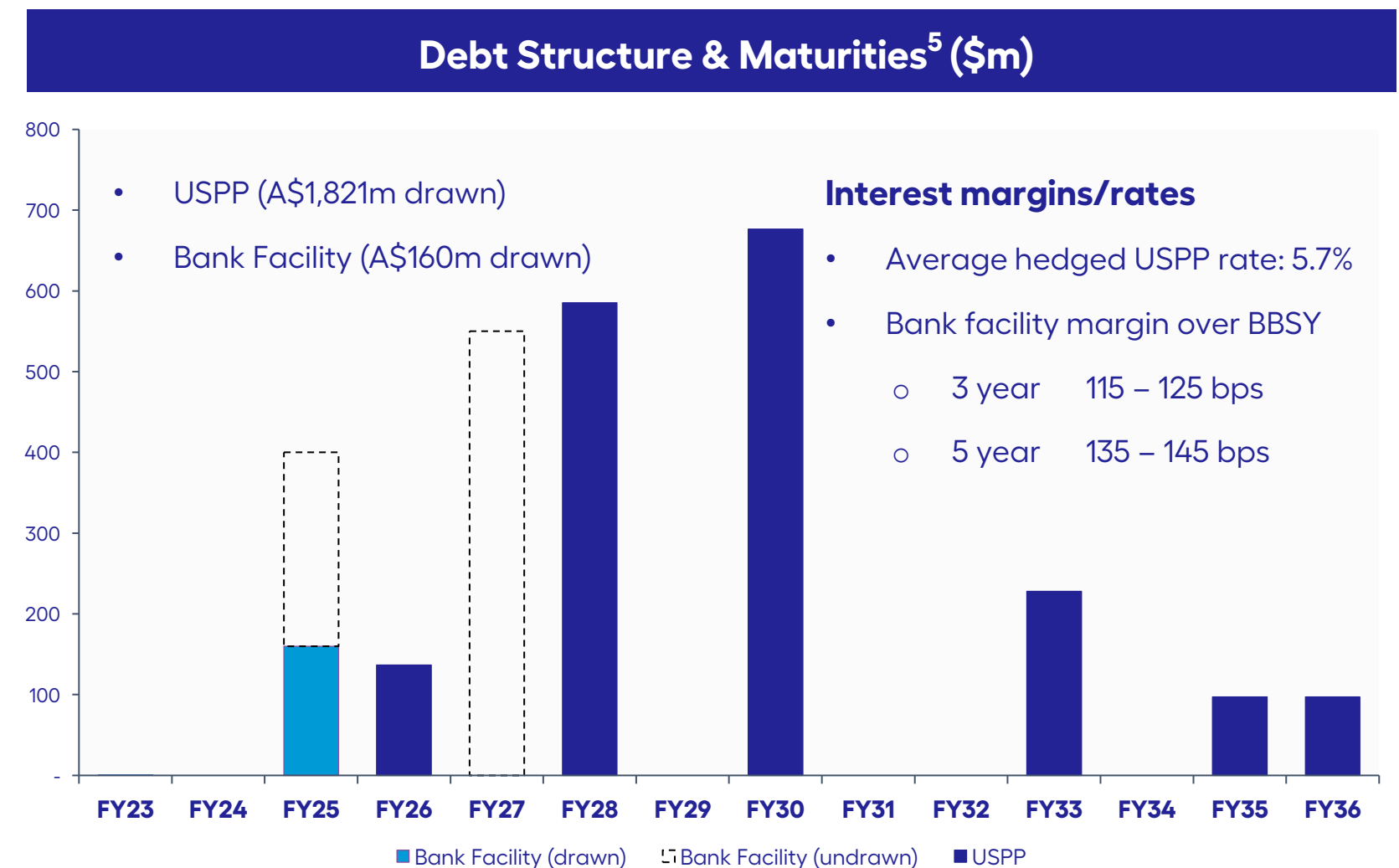
| \$m | |
|---|----------------|
| Gross debt – excluding lease liabilities (at spot) | 2,199.6 |
| Less: Benefit of FX hedges on USPP principal ¹ | (218.5) |
| Gross debt – excluding lease liabilities (at hedged rates) | 1,981.1 |
| Add: Lease Liabilities | 92.8 |
| Gross debt | 2,073.9 |
| Less: Unrestricted cash ² | (129.3) |
| Net Debt | 1,944.6 |

Facilities

- Long-dated USPP debt provides core long-term funding
- Bank debt provides short-to-medium term flexibility
- Average maturity³: 7.1 years
- Average Interest Rate⁴: 5.7% p.a.
- Interest rates fixed on 92%⁵ of gross debt
- \$790m of undrawn bank facilities at year end⁶

Notes:

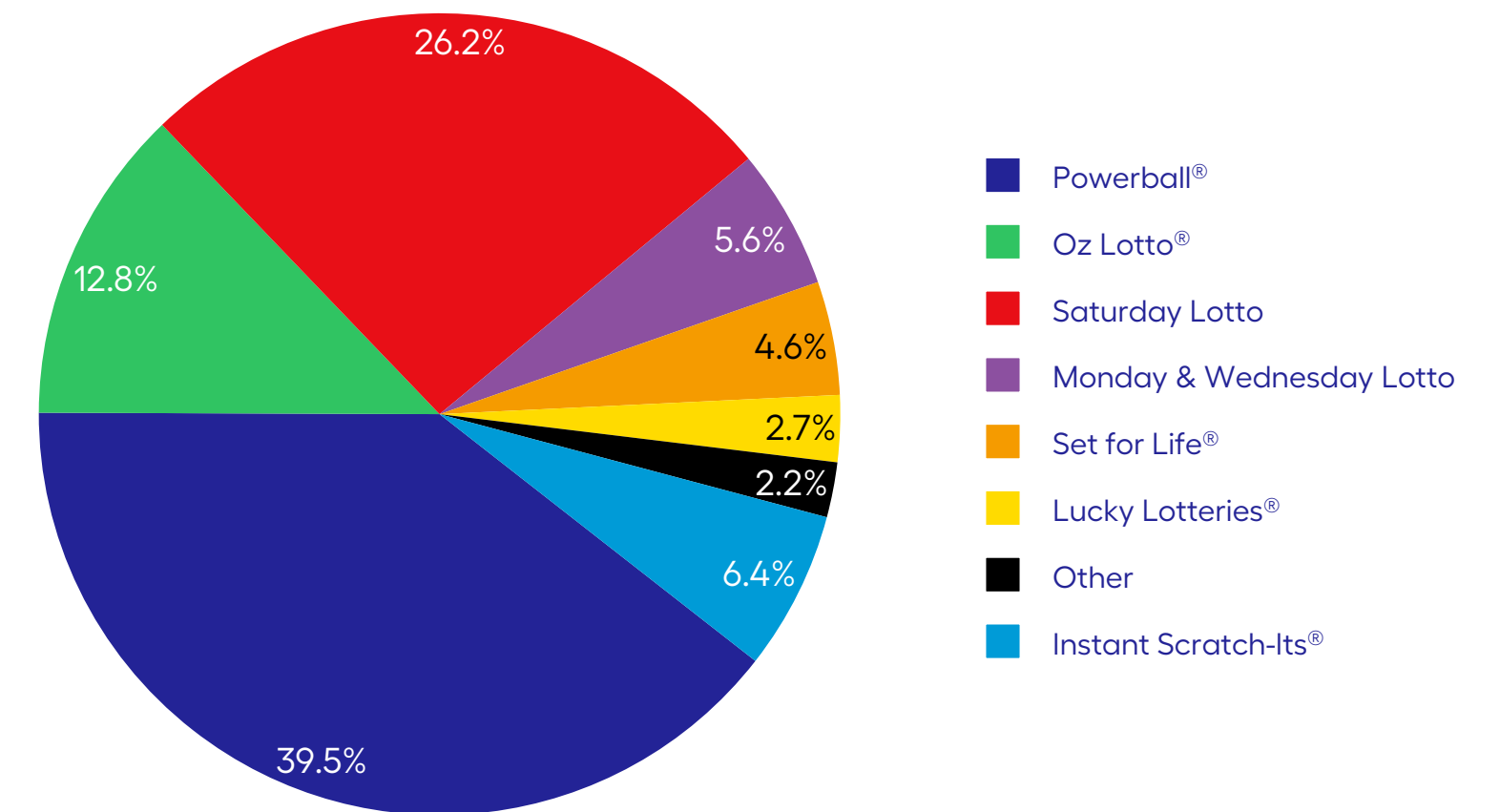
1. USPP principal at the spot exchange rate (US\$1,250m @ 0.6775 = A\$1,845.0m) less Principal amount payable at maturity under cross currency interest rate swaps (A\$1,626.5m)
2. Cash and cash equivalents (\$437.7m) less restricted cash (\$308.4m)
3. Based on drawn facilities as at 31 December 2022. (Based on available facilities: 6.2 years)
4. Incorporates lease liabilities and non-interest finance costs. Based on average drawn facilities for the six-month period to 31 December 2022. (If all available facilities were fully drawn, the average interest rate would have been 5.3% p.a.)
5. Hedged against interest rate and foreign exchange movements. Based on drawn facilities as at 31 December 2022
6. Excludes overdraft facility (\$100.0m) maturing on 29 April 2023 and lease liabilities (\$92.8m)



Appendix 5: Lotteries – Turnover by product

| Turnover by Game (\$m) | | | | |
|--------------------------|--------------|--------------|------------|--------------|
| Game | 1H23 | 1H22 | Change | |
| | | | \$ | % |
| Powerball® | 1,441 | 1,223 | 218 | 17.8% |
| Oz Lotto® | 466 | 493 | (27) | (5.5%) |
| Jackpot Games | 1,907 | 1,716 | 191 | 11.1% |
| Saturday Lotto | 955 | 960 | (5) | (0.5%) |
| Monday & Wednesday Lotto | 206 | 223 | (17) | (7.6%) |
| Set for Life® | 167 | 174 | (7) | (4.0%) |
| Lucky Lotteries® | 98 | 41 | 57 | 139.0% |
| Instant Scratch-Its® | 234 | 245 | (11) | (4.5%) |
| Other | 82 | 79 | 3 | 3.8% |
| Base Games | 1,742 | 1,722 | 20 | 1.2% |
| Total | 3,649 | 3,438 | 211 | 6.1% |

1H23 Turnover by Game



Appendix 6: Lotteries – Comparable turnover growth

| Actual Growth | 1H21 v 1H20 | 1H22 v 1H21 | 1H23 v 1H22 | 1H23 v 1H20 CAGR ¹ |
|----------------------------------|-------------|-------------|-------------|-------------------------------|
| Powerball [®] | (17.4%) | 26.7% | 17.8% | 7.3% |
| Oz Lotto ^{®2} | (5.3%) | 10.8% | (5.5%) | (0.3%) |
| Saturday Lotto ² | 15.3% | 15.5% | (0.5%) | 9.8% |
| Mon & Wed Lotto | 24.4% | (10.8%) | (7.6%) | 0.8% |
| Set for Life ^{®2} | 58.6% | (1.1%) | (4.0%) | 14.6% |
| Instant Scratch-Its [®] | 39.6% | (10.9%) | (4.5%) | 5.9% |
| Like-for-like ³ | | | | |
| Powerball [®] | 28.3% | 0.1% | (1.0%) | 8.3% |
| Oz Lotto ^{®2} | 22.4% | (5.1%) | (7.0%) | 2.6% |

Notes:

1. Comparison to 1H20 (pre-COVID) provided for comparative purposes. Lucky Lotteries[®] not included as key periods significantly impacted by outlier events leading to unusually large jackpots (1H20: Mega Jackpot \$96m; 1H23: Super Jackpot \$33m)
2. Includes impact of game/price changes
3. Adjusts turnover in a prior period to reflect a sequence of jackpots comparable to the reference period as an indicative measure of underlying performance

Appendix 7: Glossary

| Term | Definition |
|------------------------------------|---|
| 1H/2H | Six months ended 31 December/30 June of the relevant financial year |
| AAS | Australian Accounting Standards |
| Active registered customers | Registered customers who have purchased in the previous 52 weeks in either, or both of, the retail and digital channels |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Securities Exchange |
| Base (non-jackpot) games | Saturday Lotto, Monday & Wednesday Lotto, Set for Life®, Lucky Lotteries®, Instant Scratch-Its® and other smaller lotteries games |
| BAU | Business as Usual. Excludes any impact from one-off implementation costs |
| BBSY | Bank Bill Swap Bid Rate |
| bps | Basis points |
| CAGR | Compound Annual Growth Rate |
| Capex | Capital expenditure |
| Comparable | Defined as per slide 6 |
| cps | Cents per share |
| CY | Calendar Year |
| D&A | Depreciation, Amortisation and impairment |
| Demerger Booklet | The booklet dated 30 March 2022 in relation to the demerger of The Lottery Corporation Limited from Tabcorp Holdings Limited |
| DPS | Dividends Per Share |
| EBIT | Earnings Before Interest and Tax |
| EBITDA | Earnings Before Interest, Tax, Depreciation, Amortisation and impairment |
| EPS | Earnings Per Share |
| Financial year/FY | The Group's financial year is 1 July to 30 June |

| Term | Definition |
|------------------------|---|
| FX | Foreign exchange |
| GAAP | Generally Accepted Accounting Principles |
| Group | The Lottery Corporation group of companies |
| IFRS | International Financial Reporting Standards |
| Jackpot games | Powerball® and Oz Lotto® |
| Keno | A game of chance that is played approximately every three minutes and represents one of the Group's two businesses |
| KPI | Key Performance Indicators |
| Lotteries | The Group's business that operates lotteries, which are games of chance |
| n.a. | Not applicable |
| Net Debt | Defined as per Appendix 4 |
| n.m. | Not meaningful |
| NPAT | Net Profit After Tax |
| Opex | Net operating expenses |
| p.a | Per annum |
| pcp | Prior corresponding period |
| Restricted cash | Certain cash balances that are held by the Group that are restricted under various regulatory requirements pursuant to state-based licences |
| The Lott | Umbrella brand for the entire Lotteries business |
| Turnover | Game sales, excluding commissions paid |
| USPP | US Private Placement |
| VC | Variable Contribution |

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