



23 August 2023

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

FINANCIAL RESULTS PRESENTATION SLIDES

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

The briefing commences at 10.00am (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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FY23 Full Year Results Presentation

Full Year ended 30 June 2023

23rd August 2023





A world-class lotteries business



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A successful first year: highlights



Continued earnings growth

- 4.2% increase in Group Comparable¹ EBITDA (before significant items)
- 9.7 million total active Lotteries customers² (including 4.2 million registered)
- Continuing to deliver to a plan that's successfully driven long-term growth



Delivering value for stakeholders, always

- First dividends paid to shareholders
- Increase in retail commissions
- Significant taxes to governments (more than \$1.7 billion) and commissions to retailers and venue partners (\$604 million)



Successfully established The Lottery Corporation as a top ASX50 entity

- Established and articulated new vision, purpose and principles; highly engaged and motivated team
- Strong risk and governance processes established; further strengthening of customer care practices
- Established framework to underpin a disciplined approach to capital allocation

Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited
2. Active total customers based on Roy Morgan Gambling Monitor, April 2022 – March 2023. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at March 2023, based on Australian Bureau of Statistics monthly estimates



A successful first year: the key numbers in FY23



↑ 132k

Active registered Lotteries customers; now **4.2 million** in total (total active customers 9.7 million)



↑ 1.3%

Group Turnover



↑ 4.2%

Group EBITDA (before significant items) - on a comparable basis^{1,2}



14.0 cps

Ordinary dividend, fully franked³

↓ 1.5%

Lotteries Turnover (Div 1 jackpot game offers down 7.9%)

↑ 16.3%

Keno Turnover

92%

Payout Ratio of NPAT (before significant items)

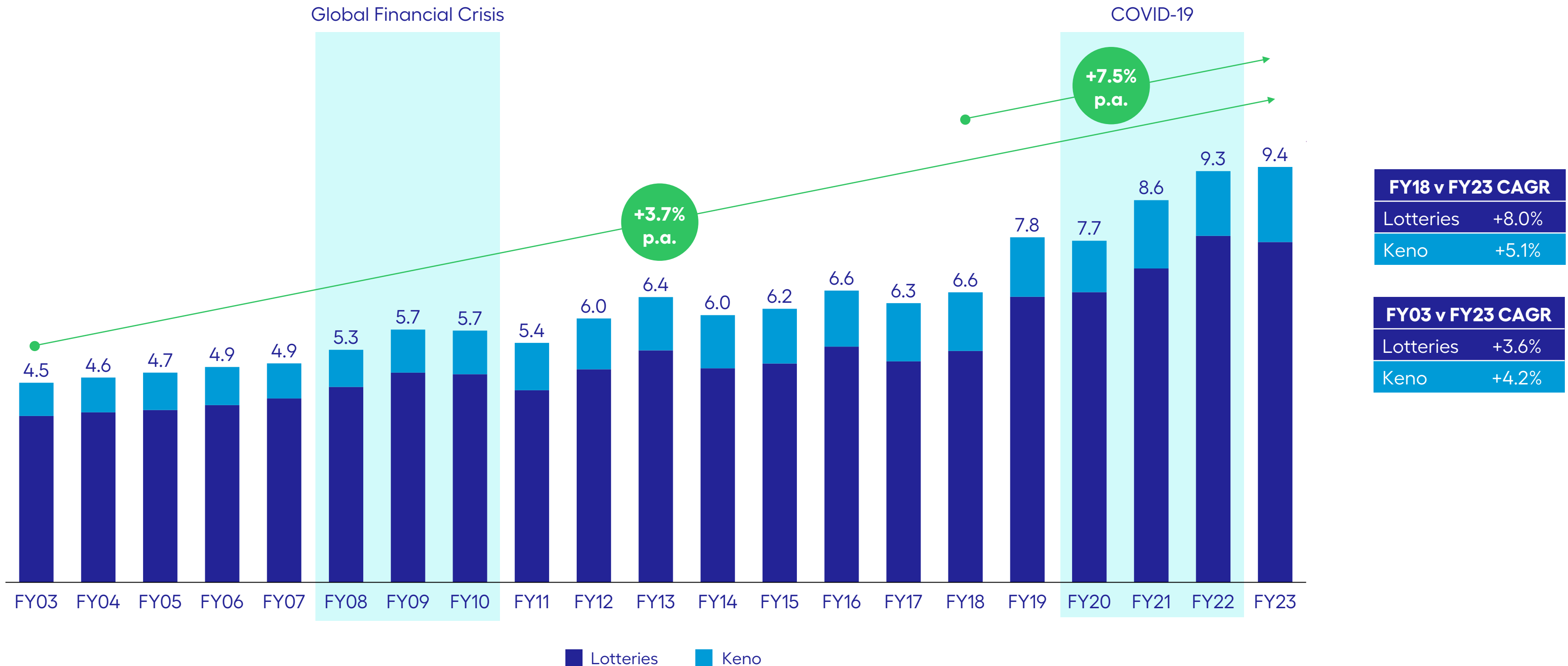


Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited
2. Reported Group EBITDA (before significant items) of \$713.2m vs. Comparable Group EBITDA (before significant items) of \$684.6m in FY22
3. Ordinary dividend comprises an interim dividend of 8.0 cps and a final dividend of 6.0 cps, and represents a dividend payout ratio of 92% of FY23 NPAT (before significant items). Excludes special dividend of 1.0 cps paid in relation to June 2022 NPAT

A track record of sustainable growth and resilience

Australian Turnover – Lotteries and Keno Industry (A\$bn)^{1,2}



Notes:

1. Source: Australian Gambling Statistics (AGS), 37th edition, for period FY03 to FY20
2. Estimates by The Lottery Corporation of the Australian industry for the period from FY21 to FY23

Drivers of the FY23 performance



- Powerball® – active management of jackpot sequences; record \$160m jackpot
- Oz Lotto® – a 1 in 20-year unfavourable jackpot run
- Base games turnover up, evidencing the resilience of the portfolio
- 132k new active registered customers – now 4.2 million (total active customers: 9.7 million)
- Short-term moderation of digital share growth following acceleration during COVID and below average jackpot outcomes in FY23
- Continued delivery of customer-centred initiatives, including Store Syndicates Online
- Turnover growth vs pre-COVID levels for all games illustrates strength of underlying business



- Return to unrestricted trade and pre-COVID customer purchasing behaviours drove revenue growth
- Successfully transitioned players back to pre-COVID rituals with strong marketing campaign support
- Increased footfall in Queensland
- Margins in the pcp impacted by NSW retail closures
- Digital share has doubled from pre-COVID, including significant retention of COVID uplift



FY23 Group Results



\$m	Reported				Comparable ^{1,2}			
	FY23	FY22	Change		FY23	FY22	Change	
			\$	%			\$	%
Revenues	3,513.1	3,278.6	234.5	7.2%	3,513.1	3,507.2	5.9	0.2%
Variable contribution	983.6	830.6	153.0	18.4%	983.6	950.2	33.4	3.5%
Operating expenses	(270.4)	(220.9)	(49.5)	22.4%	(270.4)	(265.6)	(4.8)	1.8%
EBITDA (before significant items)¹	713.2	609.7	103.5	17.0%	713.2	684.6	28.6	4.2%
D&A	(98.2)	(61.9)	(36.3)	58.6%	(98.2)	(90.6)	(7.6)	8.4%
EBIT (before significant items)¹	615.0	547.8	67.2	12.3%	615.0	594.0	21.0	3.5%
Interest	(121.9)	(12.1)	(109.8)	n.m.				
Tax expense	(153.7)	(162.5)	8.8	(5.4%)				
NPAT (before significant items)¹	339.4	373.2	(33.8)	(9.1%)				
Significant items (after tax) ^{1,3}	(74.6)	(26.6)	(48.0)	n.m.				
NPAT (including significant items)	264.8	346.6	(81.8)	(23.6%)				
EPS (before significant items) ^{1,4}	15.2 cps	16.8 cps	(1.6)	(9.5%)				
EPS (including significant items) ⁴	11.9 cps	15.6 cps	(3.7)	(23.7%)				
DPS (fully franked) – ordinary	14.0 cps	-	14.0	n.m.				
DPS (fully franked) – special	1.0 cps	-	1.0	n.m.				

Reported results:

- 12 months of Lotteries in both periods
- Keno for 12 months in FY23
- Keno for one month in FY22 as a result of the demerger
- Transfer of debt to The Lottery Corporation as part of the demerger
- Line items prior to NPAT are shown before significant items

Comparable results^{1,2}:

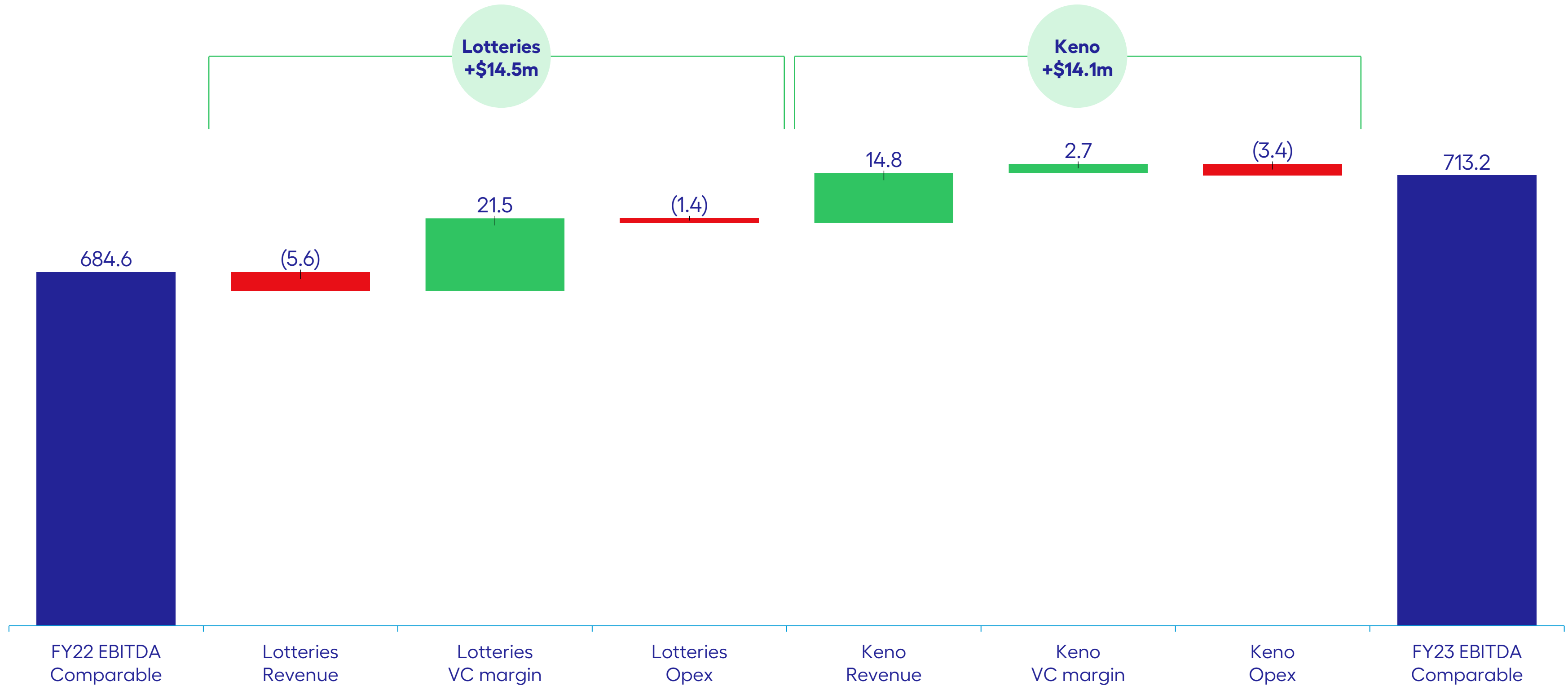
- Comparable results adjust the FY22 reported results to include Keno fully in relation to:
 - Keno operating results
 - Amortisation of Keno fair value uplift (\$8.7m)
- Comparable results for FY22 have been updated to include the estimated impact of net additional standalone operating costs (\$9.0m)⁵ associated with the demerger from Tabcorp which took effect in June 2022 (Day 1 dis-synergies)
- Comparable results exclude significant items

Notes:

1. This is "Non-IFRS" information and is unaudited
2. Due to the impact of the demerger on Reported results, The Lottery Corporation believes Comparable results provide useful information to investors in measuring the financial performance and condition of its business
3. FY23 amounts relate primarily to separation costs (refer Appendix 1)
4. 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
5. As per the pro forma historical results in Section 3.13.4 of the Demerger Booklet

Group Comparable¹ EBITDA Growth (up \$28.6m or 4.2%)

Increased EBITDA contribution from both Lotteries and Keno



Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited

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Comparable Group & Business Results^{1,2}

\$m	Lotteries			Keno			Group		
	FY23 Comparable	FY22 Comparable	%	FY23 Comparable	FY22 Comparable	%	FY23 Comparable	FY22 Comparable	%
Revenues	3,232.6	3,254.9	(0.7%)	280.5	252.4	11.1%	3,513.1	3,507.2	0.2%
Variable contribution	833.2	817.3	1.9%	150.4	132.9	13.2%	983.6	950.2	3.5%
Operating expenses	(226.0)	(224.6)	0.6%	(44.4)	(41.0)	8.3%	(270.4)	(265.6)	1.8%
EBITDA (before significant items)	607.2	592.7	2.4%	106.0	91.9	15.3%	713.2	684.6	4.2%
D&A	(68.2)	(59.0)	15.6%	(30.0)	(31.3)	(4.2%)	(98.2)	(90.6)	8.4%
EBIT (before significant items)	539.0	533.7	1.0%	76.0	60.6	25.4%	615.0	594.0	3.5%
VC / Revenue %	25.8%	25.1%	0.7%	53.6%	52.7%	0.9%	28.0%	27.1%	0.9%
Opex / Revenue %	7.0%	6.9%	0.1%	15.8%	16.2%	(0.4%)	7.7%	7.6%	0.1%
EBITDA / Revenue %	18.8%	18.2%	0.6%	37.8%	36.4%	1.4%	20.3%	19.5%	0.8%
EBIT / Revenue %	16.7%	16.4%	0.3%	27.1%	24.0%	3.1%	17.5%	16.9%	0.6%

Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited
2. Business results may not aggregate to Group total due to unallocated items

Lotteries: Result Highlights (Comparable)¹

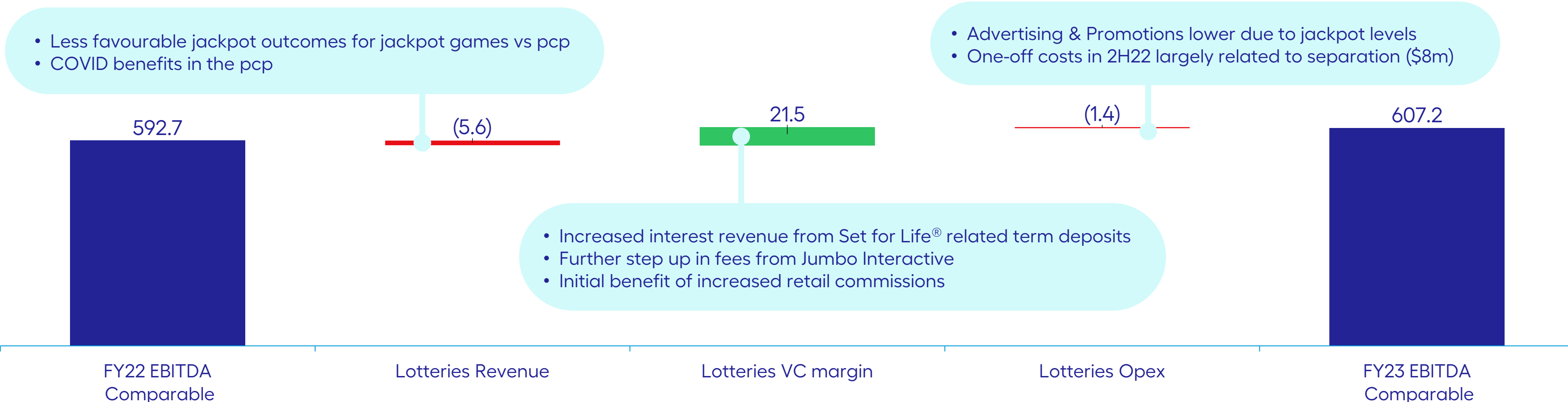
Increase in active registered customers through digital and marketing innovation

Active portfolio and jackpot sequence management helped maintain revenue in a period of lower Division 1 offers

Additional base game promotional draws and offers to stimulate customer interest

Resilience of demand evident in sales levels of base games and base weeks (jackpot games)

\$m	FY23	FY22	Change
Revenues	3,232.6	3,254.9	(0.7%)
Variable contribution	833.2	817.3	1.9%
Operating expenses	(226.0)	(224.6)	0.6%
EBITDA (before significant items)	607.2	592.7	2.4%
D&A	(68.2)	(59.0)	15.6%
EBIT (before significant items)	539.0	533.7	1.0%
VC / Revenue %	25.8%	25.1%	0.7%
Opex / Revenue %	7.0%	6.9%	0.1%
EBITDA / Revenue %	18.8%	18.2%	0.6%



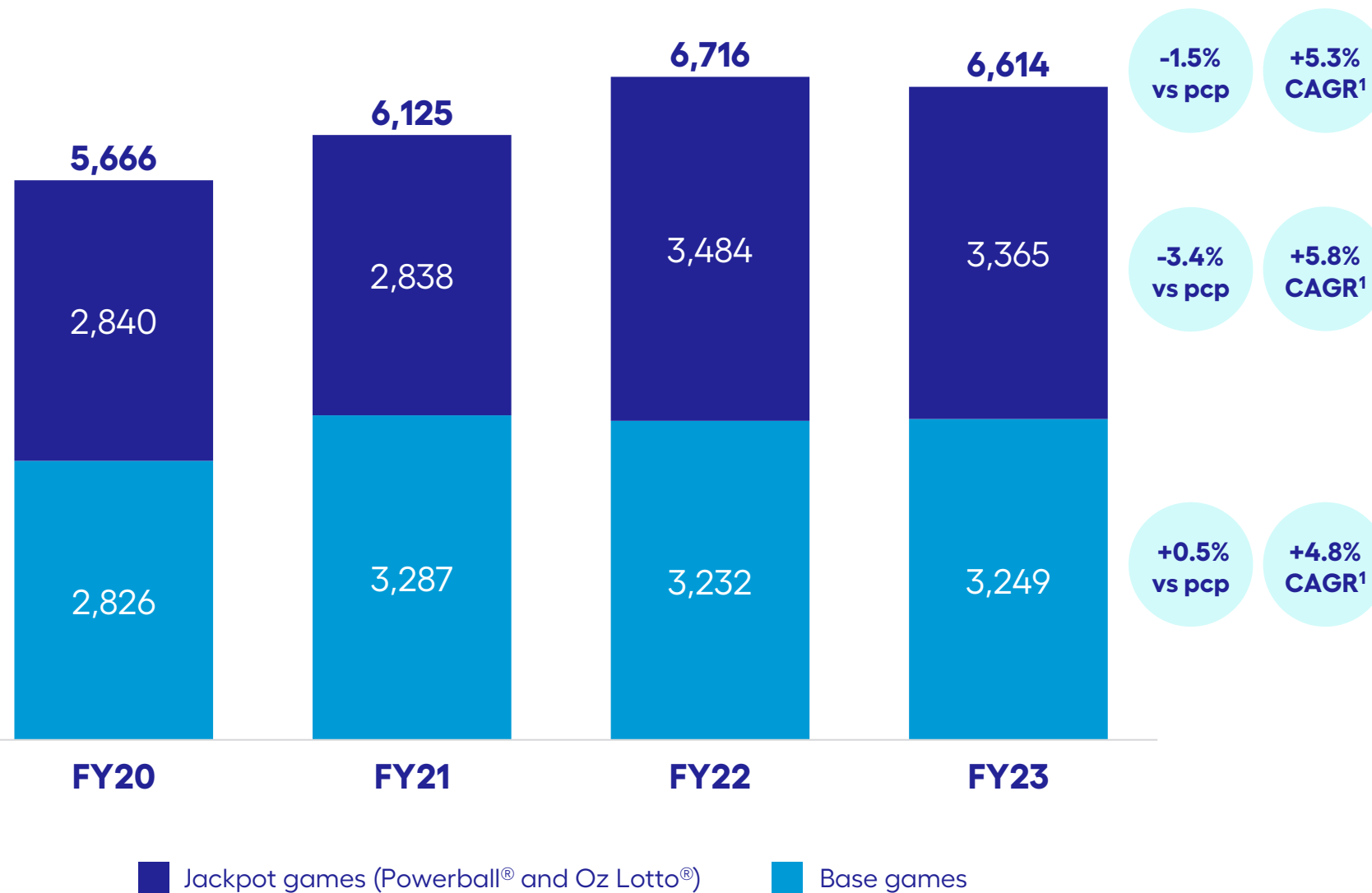
Notes:

1. For Lotteries, "Comparable" results are the same as reported results except that FY22 results have been pro forma adjusted to include \$7.8m for estimated net additional standalone operating costs associated with the demerger. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited

Lotteries: KPIs – Product

Turnover by Product Type (\$m)

Active management of well-balanced product portfolio has delivered healthy growth from pre-COVID levels¹ of c.5% p.a.



Turnover Growth

Three year CAGR vs pre-COVID levels¹ illustrates strength of underlying business performance

Actual Growth ²	FY23 v FY22	FY23 v FY20 CAGR ¹
Powerball [®]	(4.0%)	7.5%
Oz Lotto [®]	(1.7%)	1.5%
Saturday Lotto	1.5%	7.2%
Mon & Wed Lotto	(3.9%)	(0.6%)
Set for Life [®]	(3.2%)	9.6%
Instant Scratch-Its [®]	(2.7%)	1.4%
Lucky Lotteries [®]	19.8%	n.m. ³
Like-for-like ^{2,4}		
Powerball [®]	2.2%	7.5%
Oz Lotto [®]	(4.9%)	1.4%

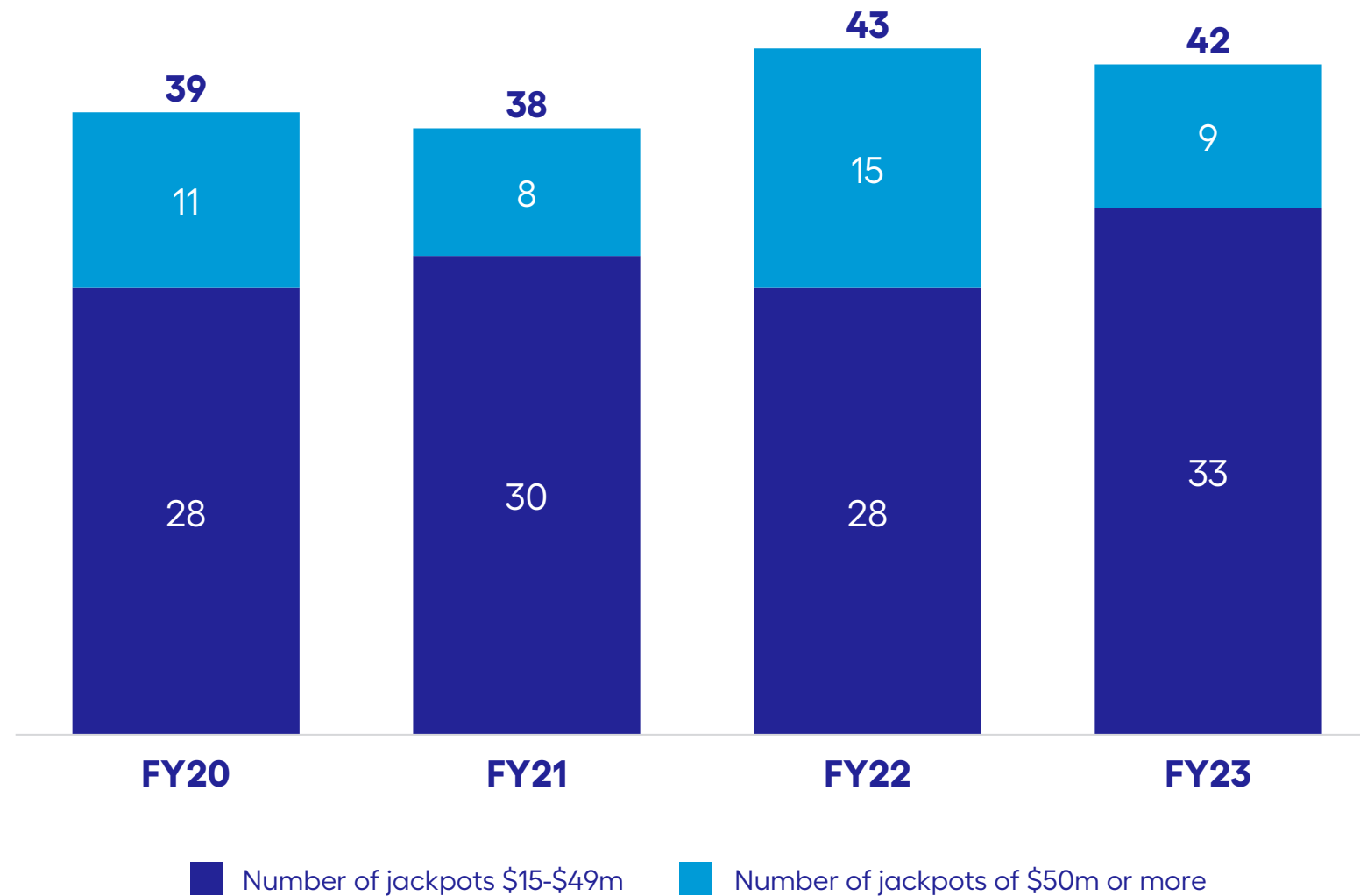
Notes:

1. Comparison to FY20 (predominantly pre-COVID; some COVID impacts from Feb 2020) provided for comparative purposes. Refer Appendix 5 for further details
2. Includes impact of game/price changes
3. Both periods significantly impacted by outlier events leading to unusually large jackpots (FY20: Mega Jackpot \$96m; FY23: Super Jackpot \$33m)
4. 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

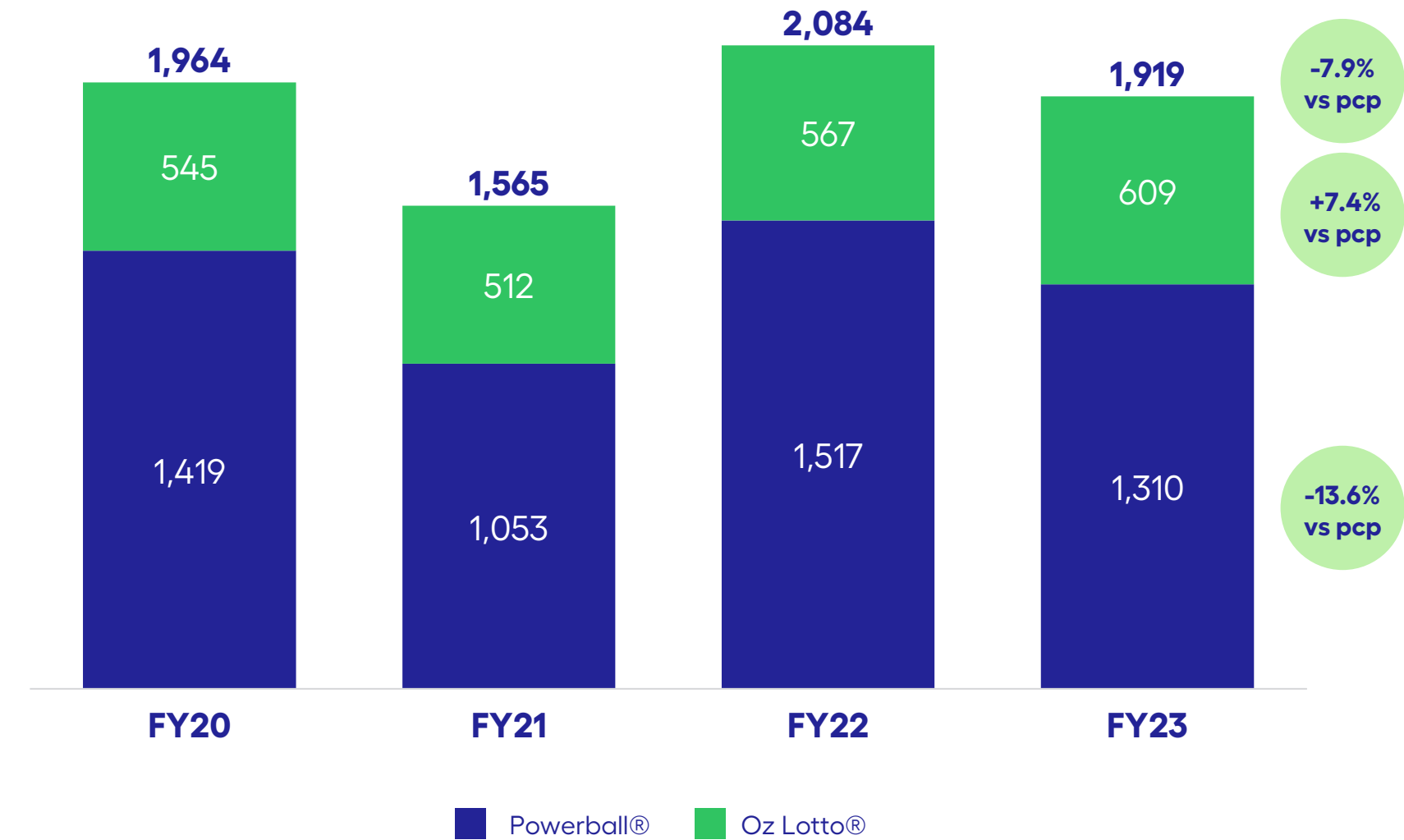
Powerball® and Oz Lotto® Major Jackpots

Powerball® had fewer \$50m+ jackpots (13 in FY22 vs 8 in FY23); accelerated sequences contributed to more \$100m+ jackpots (1 in FY22 vs 4 in FY23)



Cumulative Jackpot Value Offered (\$m)

Estimated impact on turnover of c. \$250m from below model jackpot outcomes^{1,2,3}



- Notes:
- Simulation of jackpot outcomes over 100 different 52-week periods using average FY23 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)
 - Approximately two-thirds related to Oz Lotto®, with the balance attributable to Powerball®

Lotteries: Jackpot Games – Sequences and Game Changes

Impact of below average jackpot outcomes partially mitigated by active sequence management;
 Strong Powerball® momentum; larger jackpots from recent Oz Lotto® game change yet to play through



- Jackpot outcomes were overall marginally below model probabilities, particularly in the mid-tier (\$40m-\$60m) levels
- Impact mitigated by active sequence management which helped to deliver 3 x \$100m draws and a record \$160m draw
- Price rise successfully implemented May 2023



September 2019
 (Reached in 9 weeks)

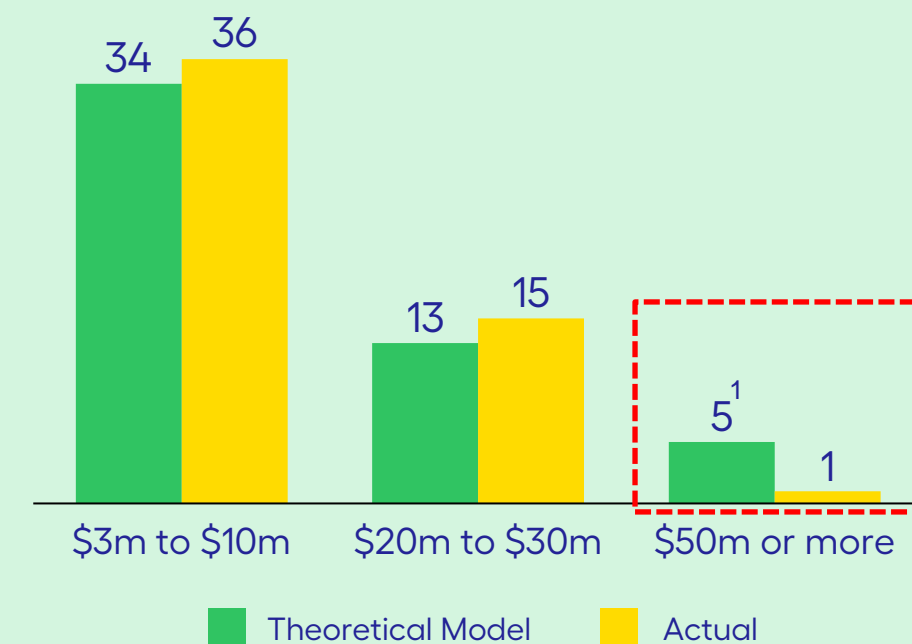


October 2022
 (Reached in 6 weeks)



- Modelled outcomes from game change yet to play through - matrix change designed to deliver majority of benefit through larger jackpots¹
 - 1 in 20-year unfavourable jackpot run in FY23 and resultant impact on initial momentum
 - Some short-term transfer of spending to the higher jackpotting Powerball®

Division 1 Offers (Weeks)



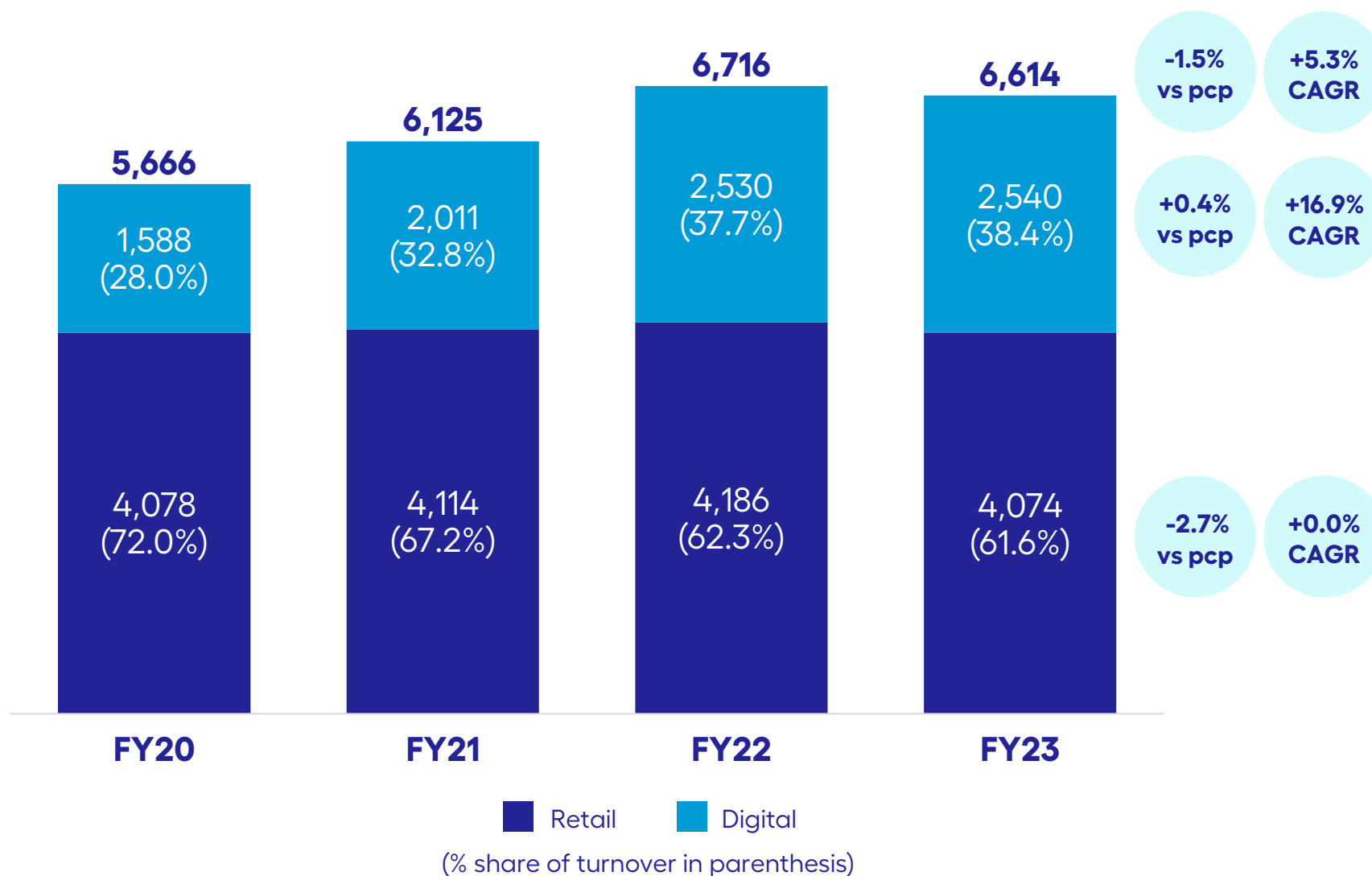
Notes:

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

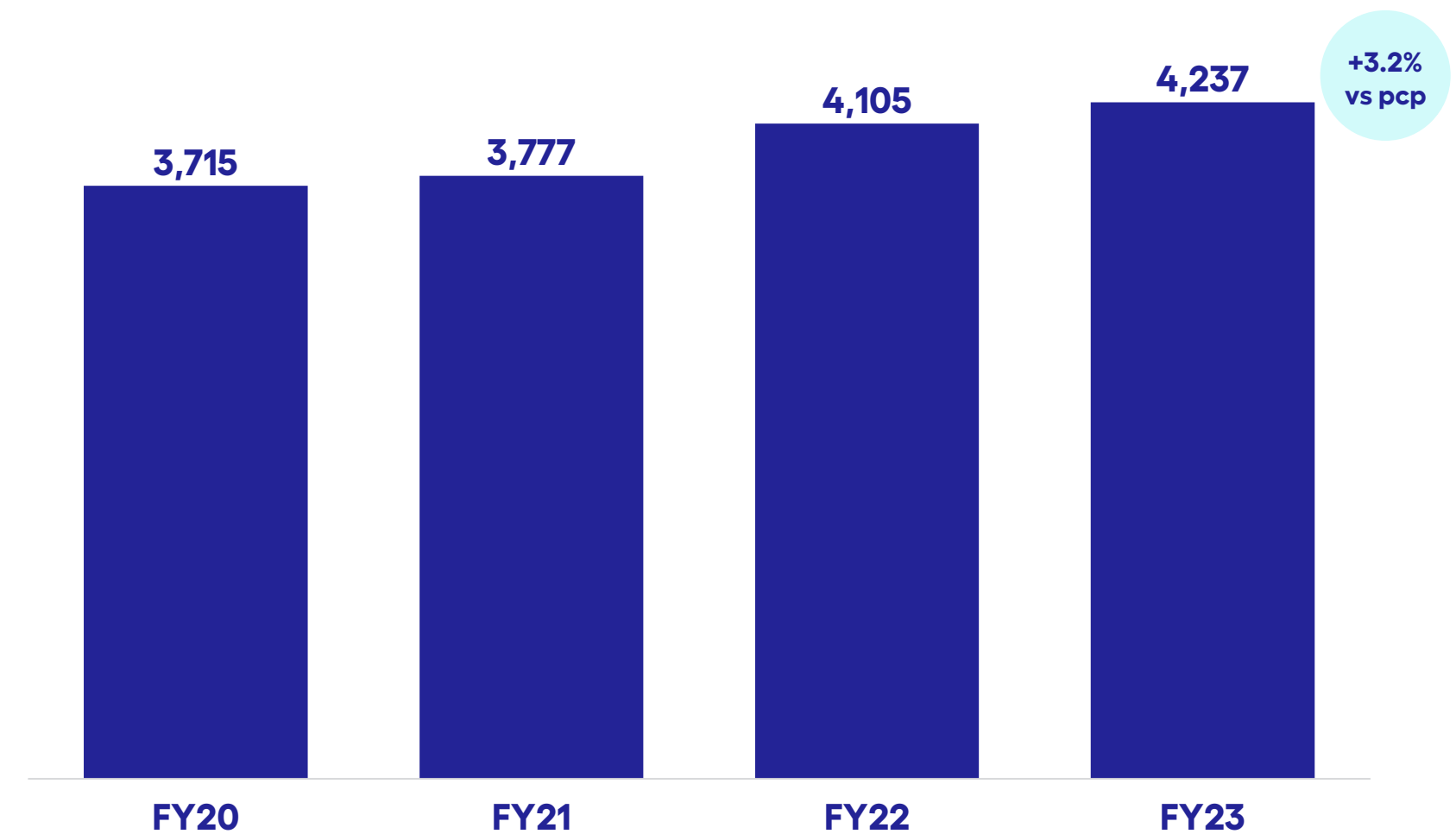
Turnover by Channel (\$m)

Short-term moderation of digital share growth following acceleration during COVID and below average jackpot outcomes in FY23



Number of Active¹ Registered Customers (000's)

Further increase in active registered customers reflects strong post-COVID retention; estimated total active customers² of 9.7m indicates opportunity for continued growth in registered customers



Notes:

1. Played in the previous 52 weeks
2. Active total customers based on Roy Morgan Gambling Monitor, April 2022 – March 2023. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at March 2023, based on Australian Bureau of Statistics monthly estimates

Store Syndicates Online: delivering a world-class, customer-centred experience

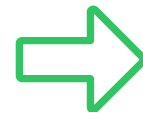
Industry-leading innovation embraced by customers and retailers



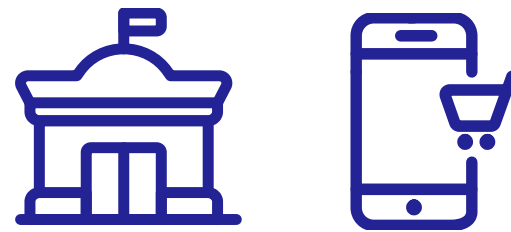
It starts with the customer and convenience



Customers searching for convenience and community connection post-COVID



Store syndicates online introduced November 2022



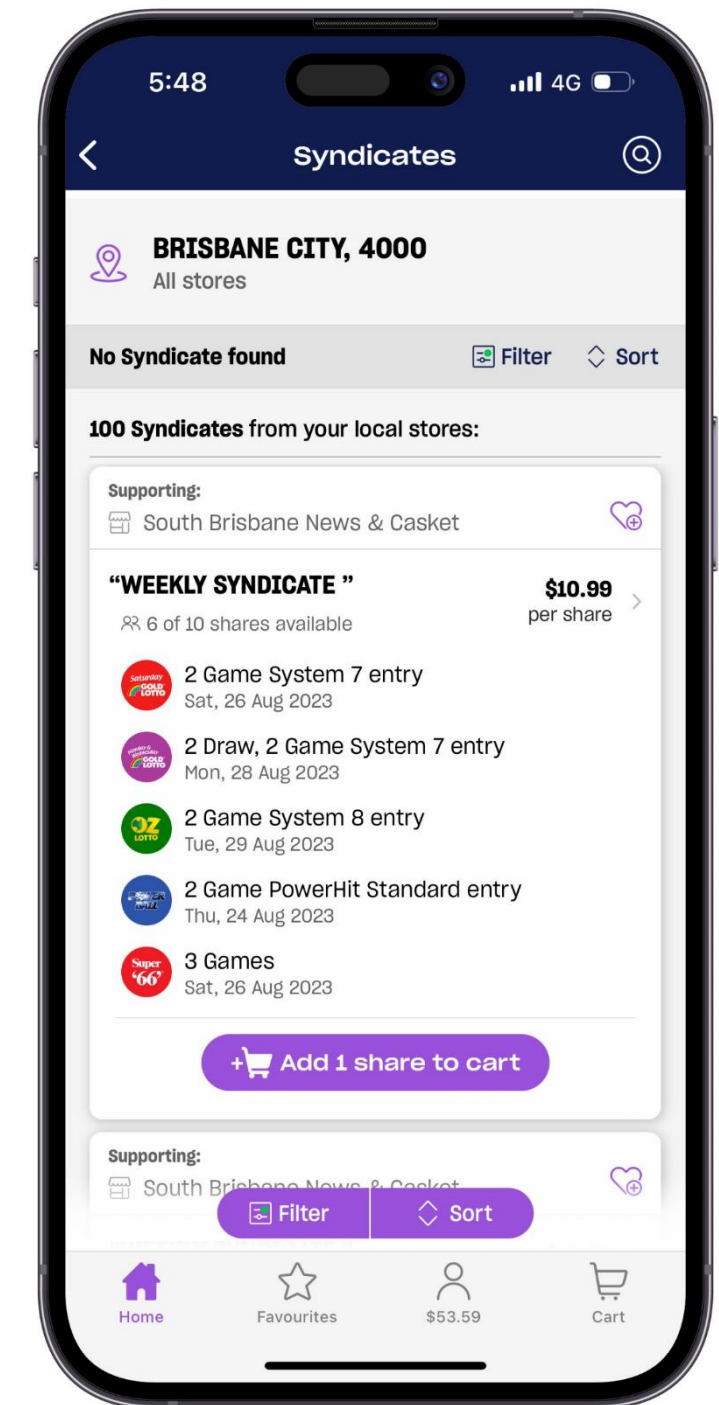
Allows retailers to sell entries in their store-created syndicates online via The Lott



A winner with retailers and customers



Convenience and functionality have driven high early adoption rates



Bought by
230k
Customers
(skewed to 35-45 yo)

2,580
Retailers have benefited

\$40M+
Turnover in first seven months

+12%
Growth in total syndicate sales

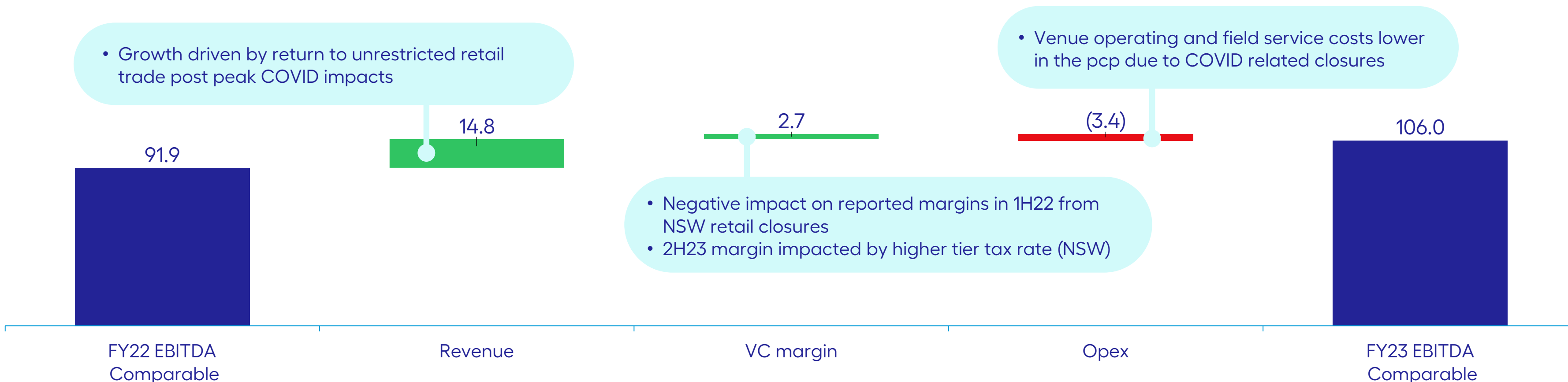
Keno: Result Highlights (Comparable)¹

Return to unrestricted trade in NSW, Victoria, ACT and strong growth in Queensland due to increased footfall in venues

Successful return to venue campaign

Launch of omni-channel offering in Victoria providing additional convenience for customers and commission on digital turnover for retailers

\$m	FY23	FY22	Change
Revenues	280.5	252.4	11.1%
Variable contribution	150.4	132.9	13.2%
Operating expenses	(44.4)	(41.0)	8.3%
EBITDA (before significant items)	106.0	91.9	15.3%
D&A	(30.0)	(31.3)	(4.2%)
EBIT (before significant items)	76.0	60.6	25.4%
VC / Revenue %	53.6%	52.7%	0.9%
Opex / Revenue %	15.8%	16.2%	(0.4%)
EBITDA / Revenue %	37.8%	36.4%	1.4%

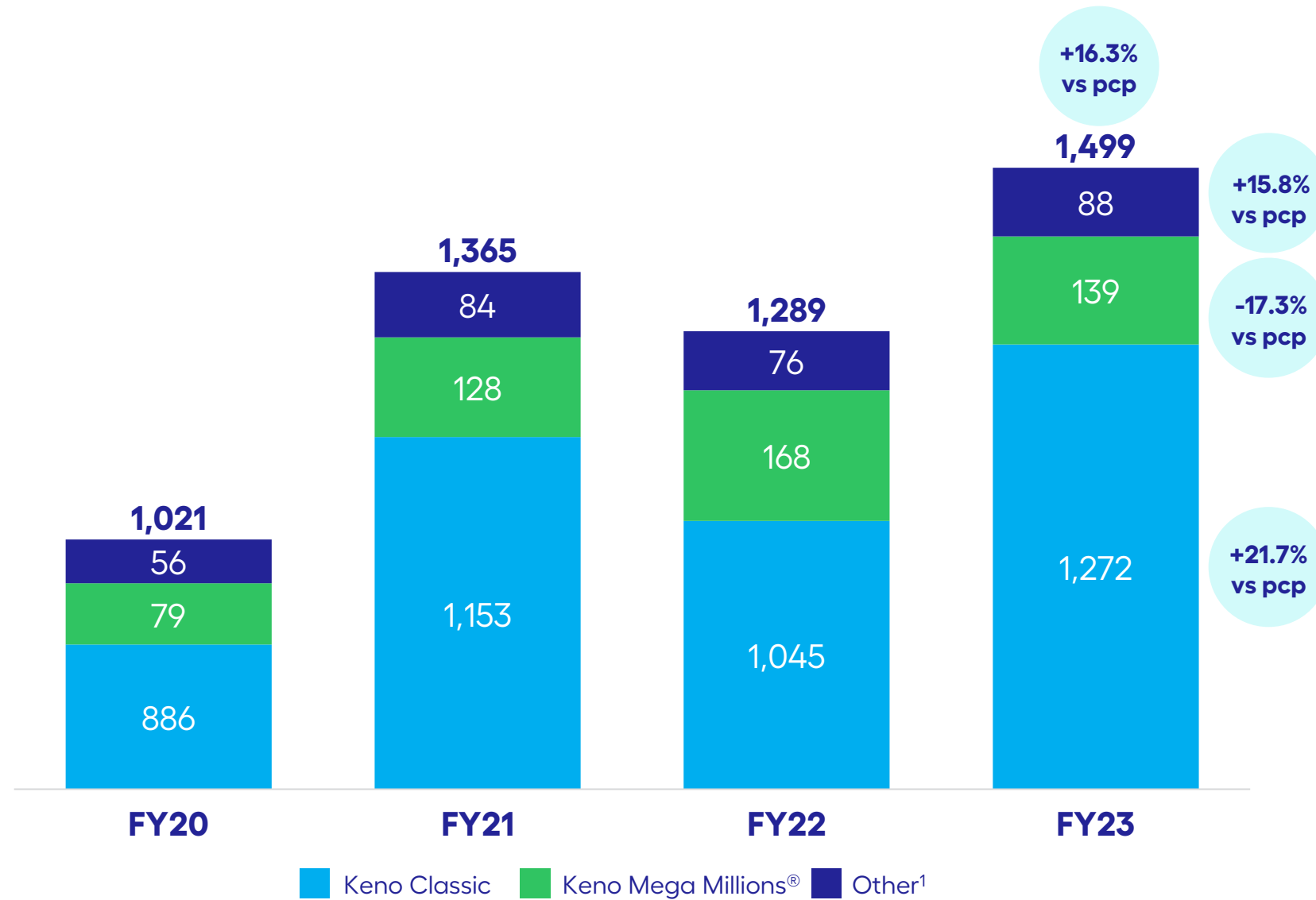


Notes:

1. "Comparable" information includes Keno for each reporting period. FY22 results have been pro forma adjusted to include \$1.2m for estimated net additional standalone operating costs associated with the demerger. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited

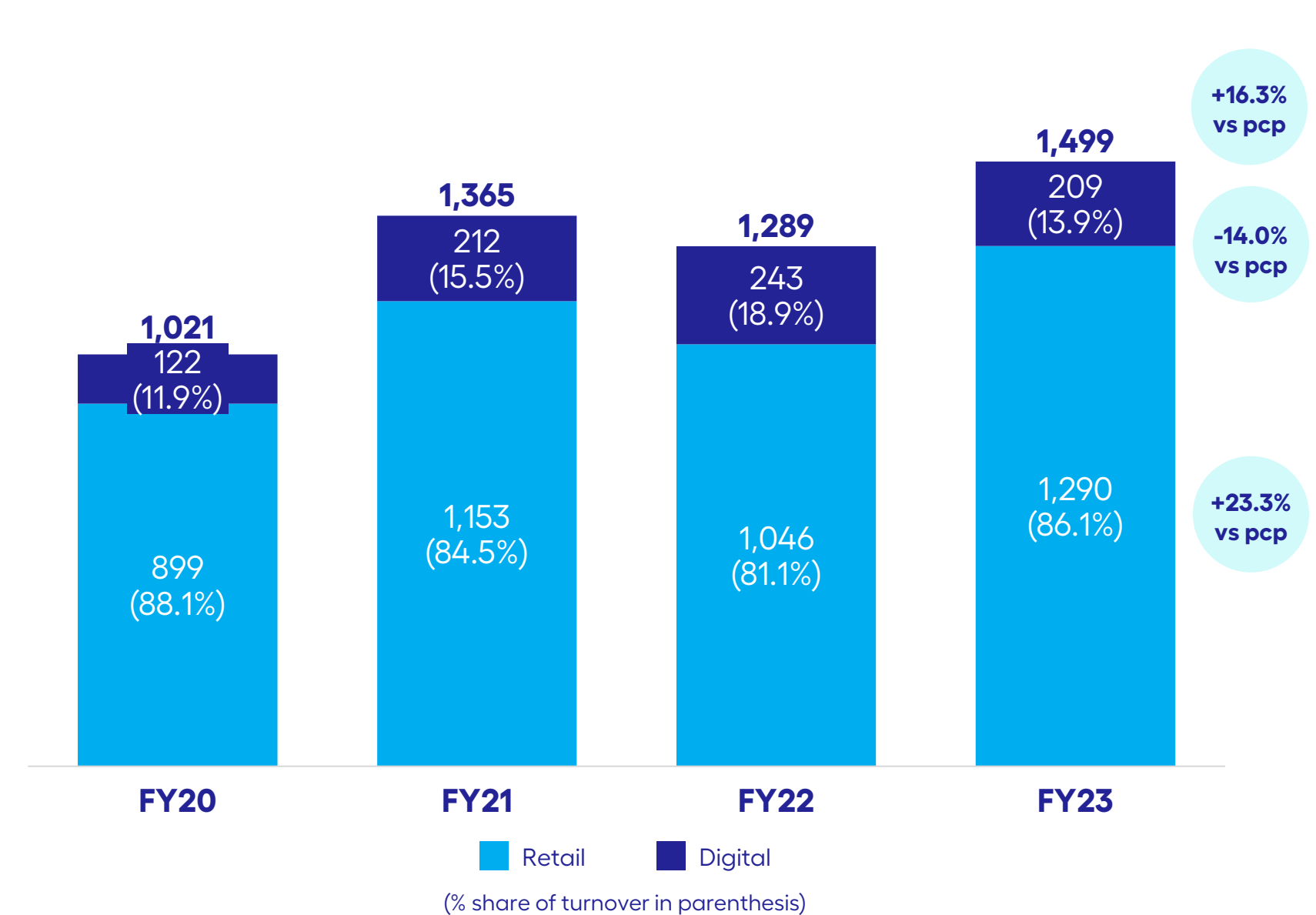
Keno Turnover by Product (\$m)

Strong growth across most product categories;
Unusually large jackpot offers for Keno Mega Millions® in 2H22



Keno Turnover by Channel (\$m)

Retail CAGR growth rate from 1H20 to 1H23 was 4.5% p.a.²;
Digital share has doubled from pre-COVID (1H20: 6.9%)



Notes:

1. "Other" comprises of Keno Heads or Tails, Keno Racing®, and Roulette games
2. 1H20: \$583m vs 1H23: \$666m. 2H20 heavily impacted by COVID-related closures and restrictions. 2H23 not comparable to 1H20 due to seasonal impacts

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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)

Options to Deploy Remaining Capital

Return of Capital

Organic Growth

Domestic Licences

International Licences

Other Strategic M&A

Spectrum of risk-adjusted return targets

Long-term Value Creation Target

Total Shareholder Return in the top quartile of the S&P/ASX100¹

A disciplined approach to capital allocation

- Commitment to a strong investment-grade credit rating
- Strong and 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

Notes:

1. Excludes organisations operating in the Metals & Mining and Oil & Gas sectors

Capital Metrics

Strong balance sheet provides the capacity to support organic growth, and operational and strategic flexibility



Dividends¹ (fully franked)

Ordinary **14.0 cps**

Payout Ratio **92%**

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



Leverage

3.1x Net Debt/EBITDA²

 Target: 3.0-4.0x



Credit Rating

BBB+ / Stable

 Maintain strong investment grade



Capex

FY23 **\$65.2m BAU**

FY23 **\$16.7m Separation**

 FY24 BAU Capex: \$60-70m



D&A

FY23 **\$98.2m**

 FY24 D&A: \$110-115m

Notes:

1. Ordinary dividend comprises an interim dividend of 8.0 cps and a final dividend of 6.0 cps, and represents a dividend payout ratio of 92% of FY23 NPAT (before significant items). Excludes special dividend of 1.0 cps paid in relation to June 2022 NPAT
2. As at 30 June 2023. Based on FY23 EBITDA (before significant items)

Cash Flow, Capex and Debt

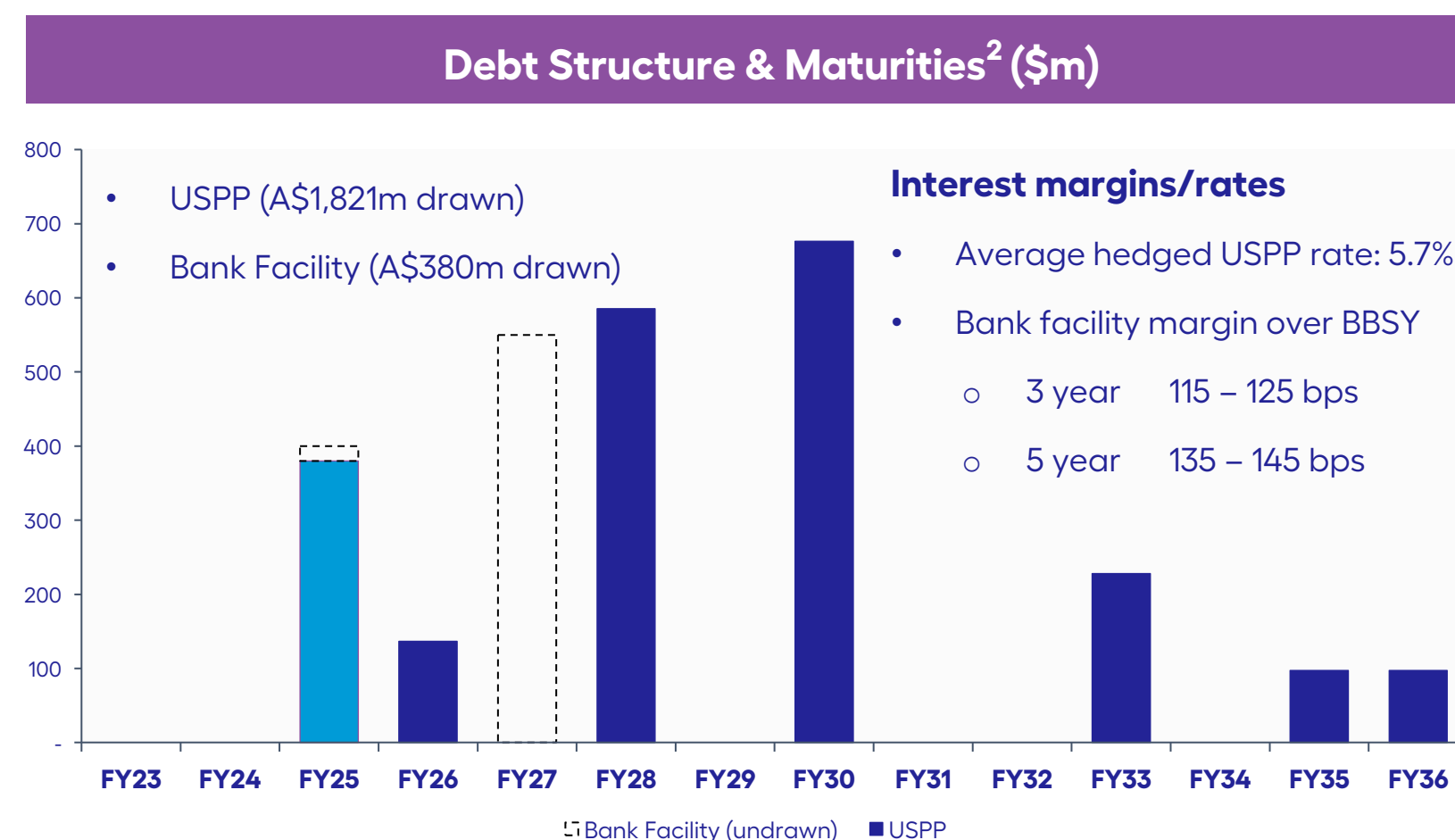
Average debt maturity of six years with the vast majority at fixed interest rates

Cash Flow	
\$m	Jun-23
Net operating cash flows	704.6
Net interest paid	(117.2)
Income tax paid	(130.9)
Payments for property, plant & equipment and intangibles	(79.6)
Sub-total	376.9
Transfers to term deposits relating to certain lottery games	(41.6)
Payment for on-market share purchase	(7.0)
Dividends paid	(200.4)
Net cash flow	127.9

Comparable ¹ Capital Expenditure		
\$m	Jun-23	Jun-22
BAU Lotteries	40.9	36.3
BAU Keno	24.3	13.5
Total BAU	65.2	49.8
Non-BAU	16.7	-
Total	81.9	49.8

Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited
2. Excludes overdraft facility (\$100.0m) maturing on 29 April 2024 and lease liabilities (\$89.4m)
3. Based on drawn facilities as at 30 June 2023. (Based on available facilities: 6.2 years)
4. Incorporates lease liabilities and non-interest finance costs. Based on average drawn facilities for the year to 30 June 2023. (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 30 June 2023



Facilities

- Long-dated USPP debt provides core long-term funding
- Bank debt provides short-to-medium term flexibility
- Average maturity³: 6.1 years
- Average Interest Rate⁴: 5.7% p.a.
- Interest rates fixed on 86%⁵ of gross debt
- \$570m of undrawn bank facilities at year end²

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The Lottery Corporation

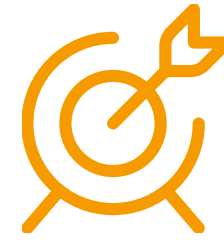
The leader in Australia's lotteries and Keno market and one of the highest performing lotteries businesses globally¹



Exclusive and/or long dated licences and approvals



Diversified and balanced portfolio of high-profile and recognised brands



Low capital intensity



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



Highly defensive characteristics, including strong cashflow generation



Notes:

1. The Lottery Corporation has the third-highest draw lottery game sales per capita worldwide. Source: La Fleur's almanac 2023 (Lotto and spiel)

A bright future: FY24 key focus areas and priorities



Supercharging the customer experience

- Digitally-enabled, customer experience-led
- Major refresh of Mon & Wed Lotto, including possible extension to Friday¹
 - Customer Data Platform – enabling increased personalisation



Delivering our games safely and with integrity

- Continued commitment to high standards of customer care, including maintaining Level 4 World Lottery Association accreditation
- Empowering trust through a significant uplift in data, privacy and cybersecurity investments



Channel investments – it starts with convenience

- Accelerated retail/digital convergence
- Investments in world-class retail terminals to deliver a better retailer and customer experience
 - BYO device – enabling Keno expansion in licensed venues



Delivering value to stakeholders, always

- Actively enhance value of existing licences; explore opportunities for extensions
 - Reinforce customer value proposition
 - Increased regulatory and state government engagement
 - Retail partner engagement
- Efficiency agenda that delivers simplified technology infrastructure and ways of doing business



Notes:

1. Subject to all necessary regulatory and other approvals

Conclusion: A successful first year; a bright future

A successful first year

- Continued earnings growth¹
- Successfully established The Lottery Corporation as a top ASX50 entity
- Creating value for all stakeholders

Delivering world-class customer-centred initiatives

- Continued performance momentum
- Maximising the value of a unique set of assets
- Dynamic approach to investments in the customer experience

A bright future

- Supercharging the customer experience
- Channel investments – it starts with convenience
- Delivering our games safely and with integrity
- Delivering value for stakeholders, always

Notes:

1. 4.2% increase in Group Comparable EBITDA (before significant items). "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited



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Appendix 1: Significant Items¹

FY23 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

Other

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

FY22 Significant items

Other

- Primarily income tax expense relating to resetting tax values for The Lottery Corporation upon establishment of the tax consolidated group
- Impairment in respect of surplus lease space at Ann Street office

Significant Items (\$m)	FY23	FY22
Separation costs	(70.8)	-
Other	(3.8)	(26.6)
Total Significant Items (after tax)	(74.6)	(26.6)

Notes:

1. This is "Non-IFRS" information and is unaudited

Appendix 2A: Group results (Comparable)¹

\$m	1H23	1H22	Change	2H23	2H22	Change	FY23	FY22	Change
Revenues	1,920.2	1,783.6	7.7%	1,592.9	1,723.6	(7.6%)	3,513.1	3,507.2	0.2%
Variable contribution	535.9	474.7	12.9%	447.7	475.5	(5.8%)	983.6	950.2	3.5%
Operating expenses	(126.5)	(121.2)	4.4%	(143.9)	(144.4)	(0.3%)	(270.4)	(265.6)	1.8%
EBITDA (before significant items)	409.4	353.5	15.8%	303.8	331.1	(8.2%)	713.2	684.6	4.2%
D&A	(48.6)	(45.1)	7.8%	(49.6)	(45.5)	9.0%	(98.2)	(90.6)	8.4%
EBIT (before significant items)	360.8	308.4	17.0%	254.2	285.6	(11.0%)	615.0	594.0	3.5%
VC / Revenue %	27.9%	26.6%	1.3%	28.1%	27.6%	0.5%	28.0%	27.1%	0.9%
Opex / Revenue %	6.6%	6.8%	(0.2%)	9.0%	8.4%	0.6%	7.7%	7.6%	0.1%
EBITDA / Revenue %	21.3%	19.8%	1.5%	19.1%	19.2%	(0.1%)	20.3%	19.5%	0.8%
EBIT / Revenue %	18.8%	17.3%	1.5%	16.0%	16.6%	(0.6%)	17.5%	16.9%	0.6%

Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited

Appendix 2B: Lotteries results (Comparable)¹

\$m	1H23	1H22	Change	2H23	2H22	Change	FY23	FY22	Change
Revenues	1,772.8	1,664.6	6.5%	1,459.8	1,590.3	(8.2%)	3,232.6	3,254.9	(0.7%)
Variable contribution	455.9	415.5	9.7%	377.3	401.8	(6.1%)	833.2	817.3	1.9%
Operating expenses	(106.3)	(103.0)	3.2%	(119.7)	(121.6)	(1.6%)	(226.0)	(224.6)	0.6%
EBITDA (before significant items)	349.6	312.5	11.9%	257.6	280.2	(8.1%)	607.2	592.7	2.4%
D&A	(33.7)	(29.0)	16.2%	(34.5)	(30.0)	15.0%	(68.2)	(59.0)	15.6%
EBIT (before significant items)	315.9	283.5	11.4%	223.1	250.2	(10.8%)	539.0	533.7	1.0%
VC / Revenue %	25.7%	25.0%	0.7%	25.8%	25.3%	0.5%	25.8%	25.1%	0.7%
Opex / Revenue %	6.0%	6.2%	(0.2%)	8.2%	7.6%	0.6%	7.0%	6.9%	0.1%
EBITDA / Revenue %	19.7%	18.8%	0.9%	17.6%	17.6%	0.0%	18.8%	18.2%	0.6%
EBIT / Revenue %	17.8%	17.0%	0.8%	15.3%	15.7%	(0.4%)	16.7%	16.4%	0.3%

Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited

Appendix 2C: Keno results (Comparable)¹

\$m	1H23	1H22	Change	2H23	2H22	Change	FY23	FY22	Change
Revenues	147.4	119.0	23.9%	133.1	133.4	(0.2%)	280.5	252.4	11.1%
Variable contribution	80.0	59.1	35.4%	70.4	73.8	(4.6%)	150.4	132.9	13.2%
Operating expenses	(20.2)	(18.1)	11.6%	(24.2)	(22.9)	5.7%	(44.4)	(41.0)	8.3%
EBITDA (before significant items)	59.8	41.0	45.9%	46.2	50.9	(9.2%)	106.0	91.9	15.3%
D&A	(14.9)	(16.1)	(7.5%)	(15.1)	(15.2)	(0.7%)	(30.0)	(31.3)	(4.2%)
EBIT (before significant items)	44.9	24.9	80.3%	31.1	35.7	(12.9%)	76.0	60.6	25.4%
VC / Revenue %	54.3%	49.7%	4.6%	52.9%	55.3%	(2.4%)	53.6%	52.7%	0.9%
Opex / Revenue %	13.7%	15.2%	(1.5%)	18.2%	17.2%	1.0%	15.8%	16.2%	(0.4%)
EBITDA / Revenue %	40.6%	34.5%	6.1%	34.7%	38.2%	(3.5%)	37.8%	36.4%	1.4%
EBIT / Revenue %	30.5%	20.9%	9.6%	23.4%	26.8%	(3.4%)	27.1%	24.0%	3.1%

Notes:

1. "Comparable" information is defined as per slide 8. This is "Non-IFRS" information and is unaudited

Appendix 3: Balance Sheet and Debt

Balance Sheet	
\$m	Jun-23
Total current assets	926.4
Licences	716.0
Other intangible assets	2,255.4
Property, plant and equipment	72.7
Other non current assets	400.4
Total assets	4,370.9
Total liabilities	4,106.1
Shareholders' funds	264.8
Net debt	2,210.0
Shares on issue (m)	2,225.8

Debt	
\$m	Jun-23
Gross debt – excluding lease liabilities (at spot)	2,460.0
Less: Benefit of FX hedges on USPP principal ¹	(258.9)
Gross debt – excluding lease liabilities (at hedged rates)	2,201.1
Add: Lease liabilities	89.4
Gross debt	2,290.5
Less: Unrestricted cash ²	(80.5)
Net debt	2,210.0

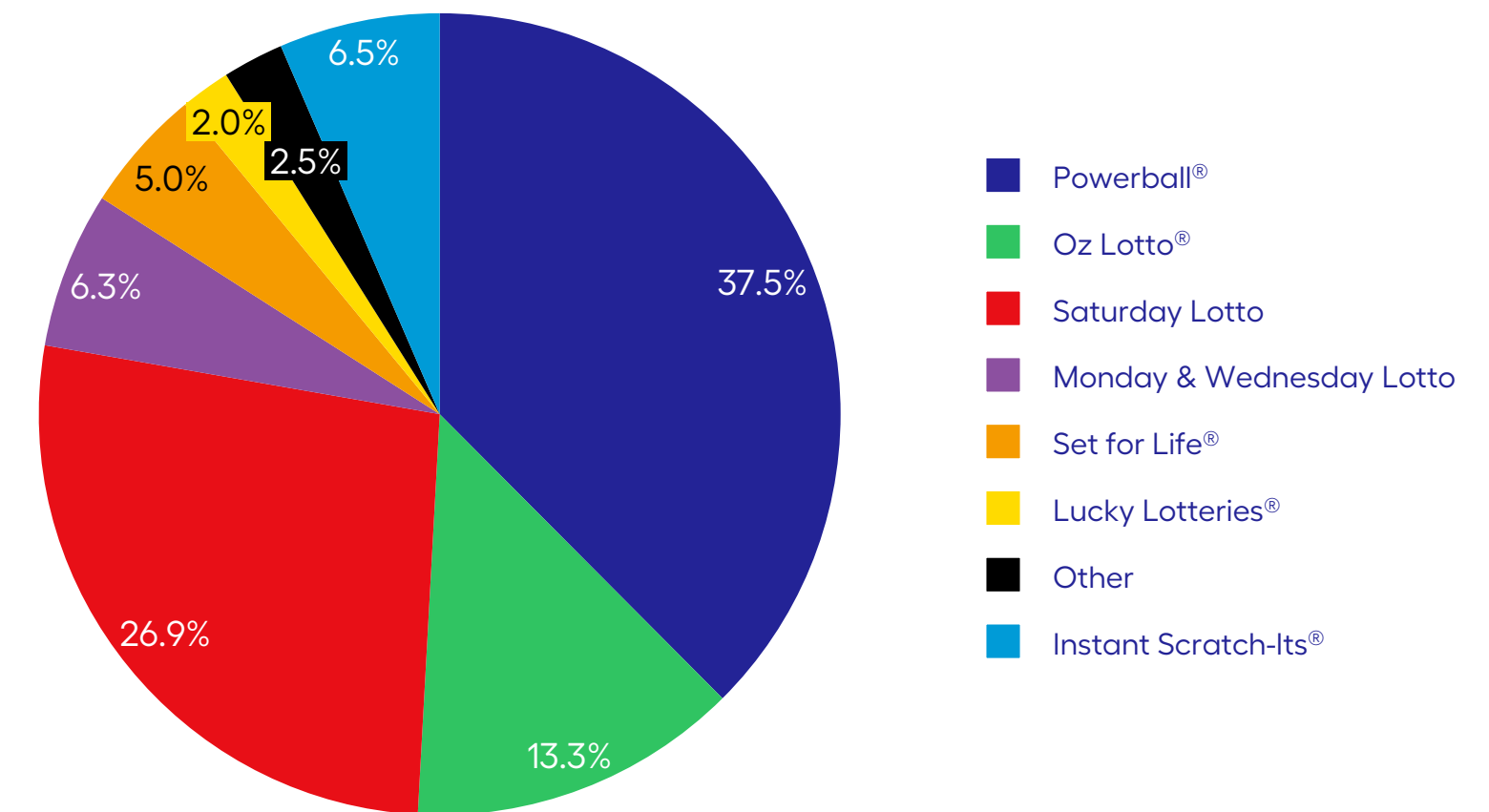
Notes:

1. USPP principal at the spot exchange rate (US\$1,250m @ 0.663 = A\$1,885.4m) less Principal amount payable at maturity under cross currency interest rate swaps (A\$1,626.5m)
2. Cash and cash equivalents (\$434.5m) less restricted cash (\$354.0m)

Appendix 4: Lotteries – Turnover¹ by product

Game	Turnover by Game (\$m)			
	FY23	FY22	Change	
			\$	%
Powerball [®]	2,483	2,587	(104)	(4.0%)
Oz Lotto [®]	882	897	(15)	(1.7%)
Jackpot Games	3,365	3,484	(119)	(3.4%)
Saturday Lotto	1,778	1,752	26	1.5%
Monday & Wednesday Lotto	417	434	(17)	(3.9%)
Set for Life [®]	330	341	(11)	(3.2%)
Lucky Lotteries [®]	133	111	22	19.8%
Instant Scratch-Its [®]	429	441	(12)	(2.7%)
Other	162	153	9	5.9%
Base Games	3,249	3,232	17	0.5%
Total	6,614	6,716	(102)	(1.5%)

FY23 Turnover by Game



Notes:

1. Game sales, excluding commissions paid

Appendix 5: Lotteries – Comparable turnover growth

Actual Growth ¹	FY21 v FY20	FY22 v FY21	FY23 v FY22	FY23 v FY20 CAGR ²
Powerball [®]	(2.2%)	32.5%	(4.0%) ³	7.5%
Oz Lotto [®]	5.0%	1.2%	(1.7%) ³	1.5%
Saturday Lotto	22.1%	(0.6%)	1.5%	7.2%
Mon & Wed Lotto	11.1%	(8.2%)	(3.9%)	(0.6%)
Set for Life [®]	32.7%	2.4%	(3.2%)	9.6%
Instant Scratch-Its [®]	14.8%	(6.6%)	(2.7%)	1.4%
Like-for-like ^{1,4}				
Powerball [®]	21.1%	0.4%	2.2%	7.5%
Oz Lotto [®]	16.5%	(5.8%)	(4.9%)	1.4%

Notes:

1. Includes impact of game/price changes
2. Comparison to FY20 (predominantly pre-COVID) provided for comparative purposes. Lucky Lotteries[®] not included as key periods significantly impacted by outlier events leading to unusually large jackpots (FY20: Mega Jackpot \$96m; FY23: Super Jackpot \$33m)
3. Cumulative jackpot value offered for Powerball[®] was down 13.6% vs. the pcp and Oz Lotto[®] was up 7.4 % vs. the pcp
4. 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 6: 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 8
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
Dis-synergies	Net additional standalone operating costs associated with the demerger from Tabcorp which took effect in June 2022 – Day 1: initial dis-synergies (as per section 3.13.4 of the Demerger Booklet) – Day 2: other dis-synergies
DPS	Dividends Per Share
EBIT	Earnings Before Interest and Tax ¹
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortisation and impairment ¹
EPS	Earnings Per Share

Term	Definition
Financial year/FY	The Group's financial year is 1 July to 30 June
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 Indicator
Lotteries	The Group's business that operates lotteries, which are games of chance
n.a.	Not applicable
Net debt	Defined as per Appendix 3
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

Notes:

1. Includes interest revenue from Set for Life® related term deposits earned in the ordinary course of operations

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