



Jumbo Interactive Ltd

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## ASX RELEASE – Friday, 17 February 2017

# HALF YEAR REPORT - DECEMBER 2016



- Strong December trading pushes results ahead of guidance
- NPAT \$2.6 million AN INCREASE OF 30%
- HY DIVIDEND 3.5c
- TTV \$71 million A DECREASE OF 12%
- REVENUE \$16.1 million A DECREASE OF 9%
- NUMBER OF JACKPOTS \$15 million or more - DOWN 37%

The following summary is provided for the six months to 31 December 2016.

	HY Dec 16 Actual	HY Dec 15 Actual	% Change
Total Transaction Value ("TTV")	\$71 mil	\$81 mil	12% down
Revenue	\$16.1 mil	\$17.8 mil	9% down
NPBT	\$4.2 mil	\$3.5 mil	20% up
Income tax	(\$1.6) mil	(\$1.5) mil	
NPAT	\$2.6 mil	\$2.0 mil	30% up
Number of jackpots <sup>1</sup>	15	24	37% down

<sup>1</sup> OZ Lotto/ Powerball Division 1 jackpots of \$15 million or more.

"Despite a very low run of large jackpots, Net Profit After Tax is up 30% to \$2.6 million after strong December trading", said Mr Mike Veverka, CEO and Founder of Jumbo Interactive.

"On a like-for-like jackpot basis, sales continue to climb over time demonstrating that the business fundamentals are sound despite occasional periods of low jackpot activity", he said.



“Charity Lottery sales have tripled and Jumbo is well placed for an improved second half should jackpots reach higher levels”, he said.

Charity lottery sales reached \$1.6 million (2015: \$497,000) indicating good growth since launching in June 2015.

The balance sheet remains healthy with Net Assets of \$25.1 million and the Company’s cash position at \$25.9 million (\$19.2 million net cash plus \$6.7 million players’ funds) as at 31 December 2016.

The continued focus on cost management in both Australia and Germany has resulted in the increased Profit, notwithstanding the decreased Revenue.

During the 2016 half year, the business in Germany was scaled down with customers being referred/converted to Lotto24 under an agreement with them, and tickets ceased being sold early December 2016.

Excluding Germany, the financial result is summarised as follows:

	<b>Half Year</b>			
	<b>2016</b>	<b>2015</b>	<b>Change</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
TTV	71,100	81,261	(10,161)	(12.5)
TTV Germany	(1,388)	(923)	(465)	
<b>TTV Underlying</b>	<b>69,712</b>	<b>80,338</b>	<b>(10,626)</b>	<b>(13.2)</b>
Revenue Reported	16,149	17,801	(1,652)	(9.3)
Revenue Germany	(138)	(98)	(40)	
<b>Revenue Underlying</b>	<b>16,011</b>	<b>17,703</b>	<b>(1,692)</b>	<b>(9.6)</b>
NPAT Reported	2,603	2,025	578	28.5
NLAT Germany	870	1,334	(464)	
<b>NPAT Underlying</b>	<b>3,473</b>	<b>3,359</b>	<b>114</b>	<b>3.4</b>
EBITDA Reported	5,769	5,074	695	13.7
LBITDA Germany	850	1,321	(471)	
<b>EBITDA Underlying</b>	<b>6,619</b>	<b>6,395</b>	<b>224</b>	<b>3.5</b>



### 3.5c Dividend

Based on the profitable half year period, a fully franked interim dividend of 3.5 cents per ordinary share has been declared for the half year (2015: 2.0 cents). The current dividend policy of a stable dividend payment remains unchanged.

Record date: 10 March 2017

Payment date: 24 March 2017

The Dividend Reinvestment Plan will be suspended for the interim fully franked dividend.

### Australia

The Australian Internet lottery business was the main contributor to the result with ticket sales (TTV) of \$69 million, down 13% on the corresponding previous period, largely as a result of a 37% decrease in the number (and 53% decrease in aggregate value) of large jackpots of \$15 million or more. This has also had an impact on the Marketing KPI's summarised below.

	Dec 2016	Dec 2015
Number of new accounts for the half year	77,800	108,600
CPL (Cost per Lead) for the half year <i>Total marketing cost divided by the number of new accounts in a given period. New accounts potentially become active customers after the account has been established.</i>	\$16	\$19
Number of active customers (12 months) <i>Customers who have spent money on tickets in the preceding 12-month period.</i>	361,700	350,300
Average spend per active customer (12 months) <i>Total spent by active customers divided by the number of active customers over the preceding 12 month period</i>	\$322	\$340

Although the number of new accounts and average spend per active customer were down, the number of active customers increased due to improved customer engagement activities.



### Like-for-like Jackpot Analysis

Removing the impact of the very low large jackpots on KPI's, a like-for-like jackpot analysis comparing July-December HY periods was undertaken, supporting continued growth in ticket sales over time (see below graphs). This is a strong indicator that despite the jackpot fluctuations, the underlying business is performing well.

### TTV from Jackpots less than \$15m





### Powerball TTV per \$15m Draw



### OZ Lotto TTV per \$15m Draw





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## About Jumbo Interactive

Jumbo Interactive Limited is listed in Australia (ASX: JIN) as well as the German Frankfurt, Berlin and Stuttgart exchanges (Symbol: WKN A1C82X).

In 2000, Jumbo sold its first lottery ticket on the internet and witnessed a dramatic rise in popularity due to the convenience of buying tickets online. At first customers were attracted to the security of never losing a ticket and the convenience of automatic number checking, prize payments and auto-play. In 2012, Jumbo released a lottery app for the iPhone and a new transition began driven by the convenience of mobile lotteries. A new app for the Apple watch takes the customer experience a step further with prize alerts, winning numbers and ticket management now available on the wrist.

The Company operates the popular website [www.ozlotteries.com](http://www.ozlotteries.com) in Australia under agreement with the Tatts Group (ASX: TTS).

Jumbo has proven its ability to open up new lottery markets with its innovative technology and internet marketing initiatives that have brought lotteries to new demographics via the internet. Jumbo has succeeded in targeting a younger and more mobile demographic with mobile now accounting for 75% of all customer interactions.

### For further information:

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