



3 May 2023

Presentation to Macquarie Australia Conference

Jumbo Interactive Limited (**Jumbo**) CEO and Founder, Mike Veverka, is giving the attached presentation at the Macquarie Australia Conference 2023 today.

- Ends -

Authorised for release by the Board of Directors.

For further information contact:

Investor Relations – Jatin Khosla
+61 428 346 792
jatink@jumbointeractive.com

Media – Mike Veverka (CEO & Founder)
+61 7 3831 3705
media@jumbointeractive.com

About Jumbo Interactive

Jumbo is Australia's leading dedicated digital lottery company, making lotteries easier by offering its proprietary lottery software platform and lottery management expertise to the government and charity lottery sectors in Australia and globally, and by retailing lottery tickets in Australia and the South Pacific via ozlotteries.com.

Jumbo was founded in Brisbane in 1995, listed on the ASX in 1999, and has ~255 employees creating engaging and entertaining lottery experiences for its global player base.

Jumbo Interactive Limited

Macquarie Australia
Conference



3 May 2023

Disclaimer

This presentation contains summary information about the activities of Jumbo Interactive Limited ABN 66 009 189 128 (**Jumbo**) and its controlled subsidiaries (**Group**) current as at the date of this presentation. It should be read in conjunction with Jumbo's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), including the Appendix 4D, Interim Financial Report – 31 December 2022 and 1H23 Results Media Release released 24 February 2023, available at www.asx.com.au.

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice, recommendation or any other form of disclosure or offer or solicitation to buy or sell Jumbo shares under Australian law or in any other jurisdiction. This presentation has been prepared without taking into account any individual recipient's (**Prospective Investor**) investment objectives, financial circumstances or particular needs. Prospective Investors should seek legal and taxation advice prior to making an investment decision.

No representation or warranty, express or implied, is made as to the accuracy, completeness or thoroughness of the information contained in this presentation, nor as to the future performance of Jumbo shares.

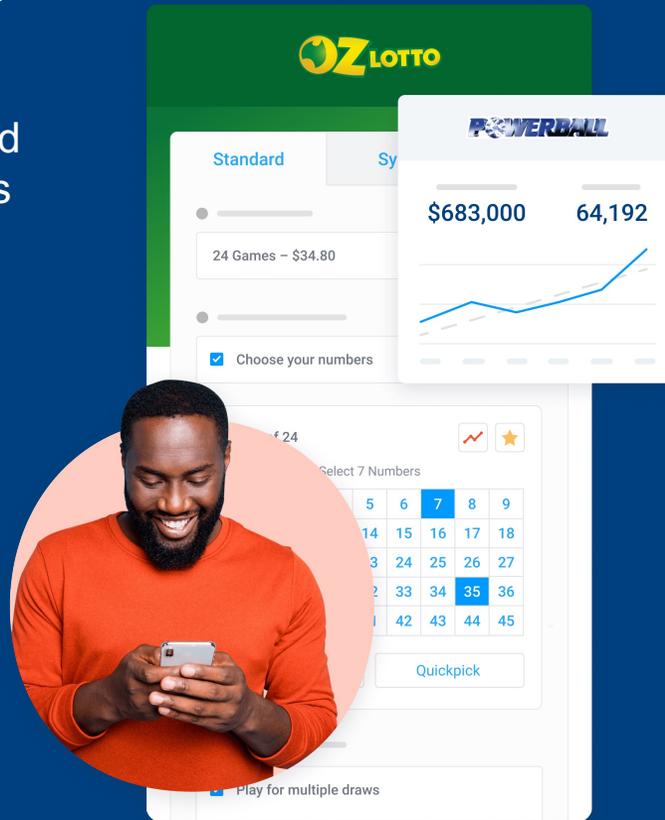
All dollar values are in Australian dollars (**A\$**) unless otherwise stated.

This presentation may contain certain forward-looking statements including statements regarding Jumbo's current anticipated belief, expectation or intent with respect to the Group's future performance. Such forward-looking statements are based upon information presently known, assumptions regarding numerous factors and subjective judgement, and are subject to various risks, contingencies and uncertainties which are beyond the control of Jumbo. Accordingly, the actual results or performance of the Group could differ materially from those expressed or implied in such forward-looking statements. Prospective Investors are cautioned not to place undue reliance on forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules), Jumbo undertakes no obligation to update these forward-looking statements.

Past performance information given in this presentation is provided for illustrative purposes only and is not, nor should it be relied upon as, an indication or guarantee of future performance.

We are a digital lottery specialist

Providing our best in class lottery software platform and lottery management expertise to the charity and government lottery sectors in Australia and globally.



We exist to create positive social impact through making lotteries easier by being the number one choice in digital lottery and services



Founded in 1995,
listed on the ASX in 1999



4 million active players



250 employees worldwide



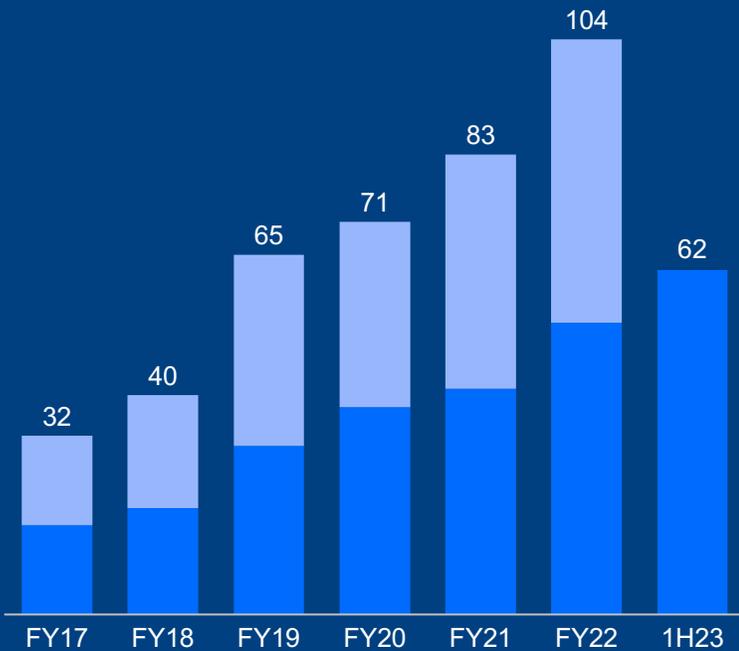
\$215m raised each year for
good causes¹

1. Return to cause funds raised by our charity partners, excluding state based lottery taxes from Lotterywest and The Lottery Corporation.

Successfully growing earnings and cash generation

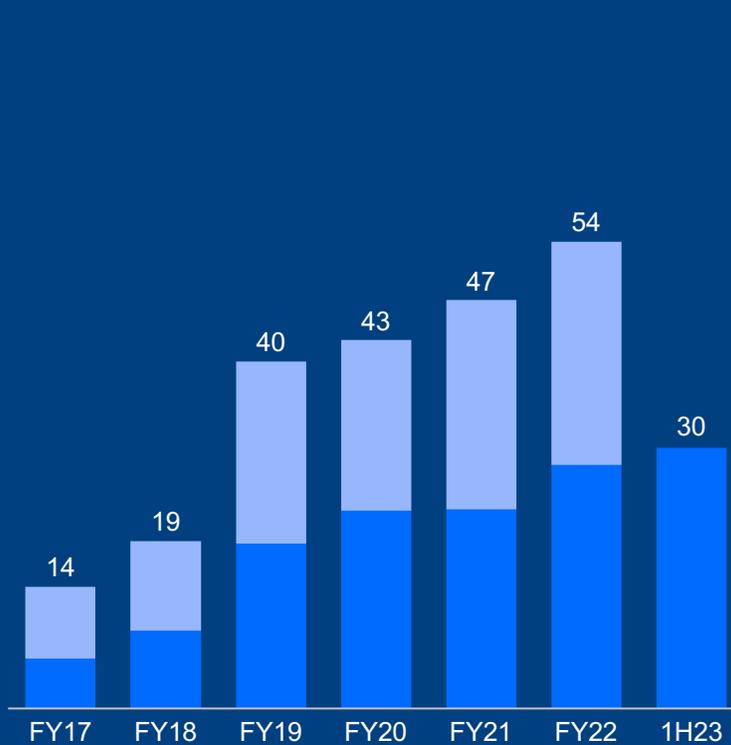
Revenue (\$m)

▲ +26% FY17 – FY22 CAGR



EBITDA (\$m)

▲ +31% FY17 – FY22 CAGR



Operating cashflow (\$m)

▲ +32% FY17 – FY22 CAGR

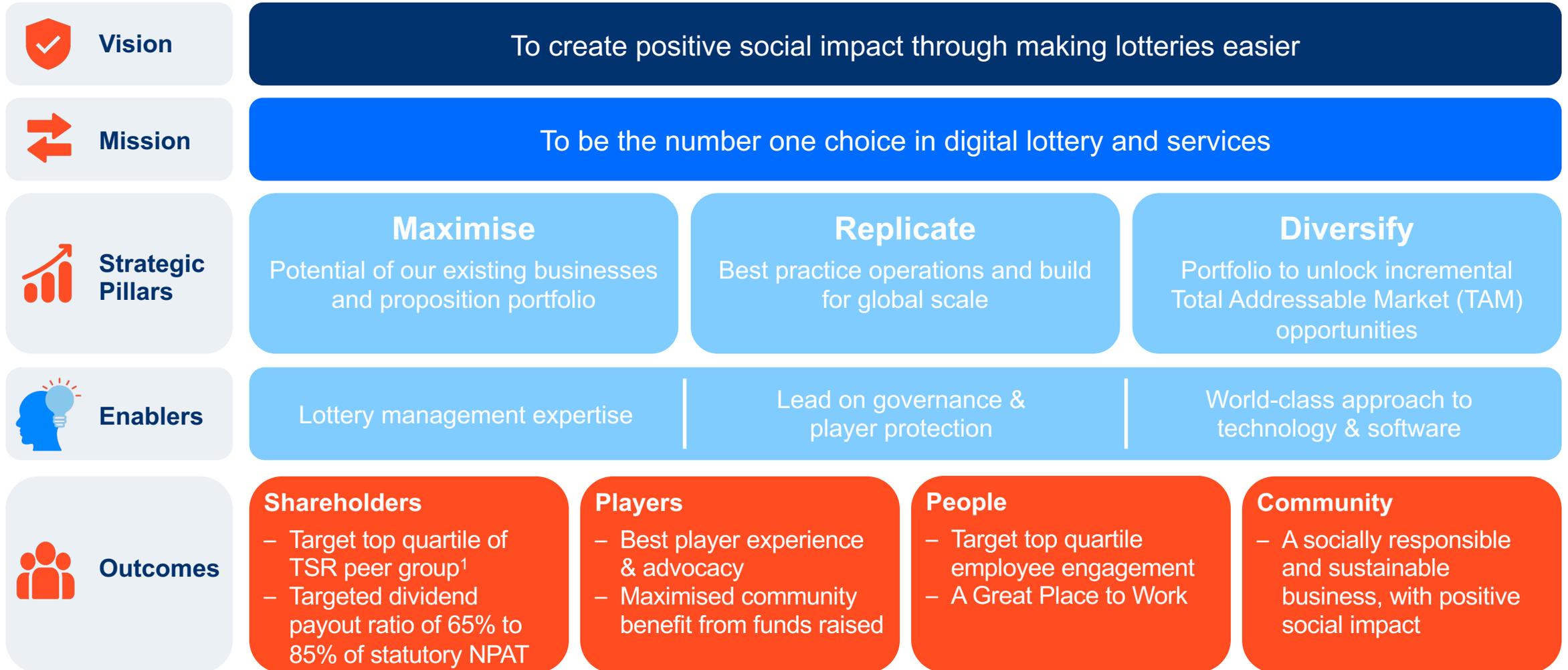


■ 2H ■ 1H ● Dividend declared (cps)¹

1. FY17, FY18 and FY19 include special dividends.

2. Reflects timing impact where trade and other payables was \$22m (FY18:\$14m), as payments to The Lottery Corporation are a week in arrears.

A clear strategy to deliver value for all our key stakeholders



1. Total Shareholder Return vs S&P/ASX300 Accumulated.

Our **three** operating segments

Reseller¹

Lottery Retailing

Jumbo is an authorised reseller of Australian digital lottery tickets through Oz Lotteries.



\$2.1bn

Serviceable Available Market²

Software only

Software-as-a-Service (SaaS)

We license our 'Powered by Jumbo' (PBJ) digital lottery platform as a solution to government and charity lottery operators in Australia and globally.



\$3.1bn

Serviceable Available Market²

Software + Services

Managed Services

We provide our lottery platform and lottery management services to charities and worthwhile causes that are looking to establish a lottery program or enhance an existing program.



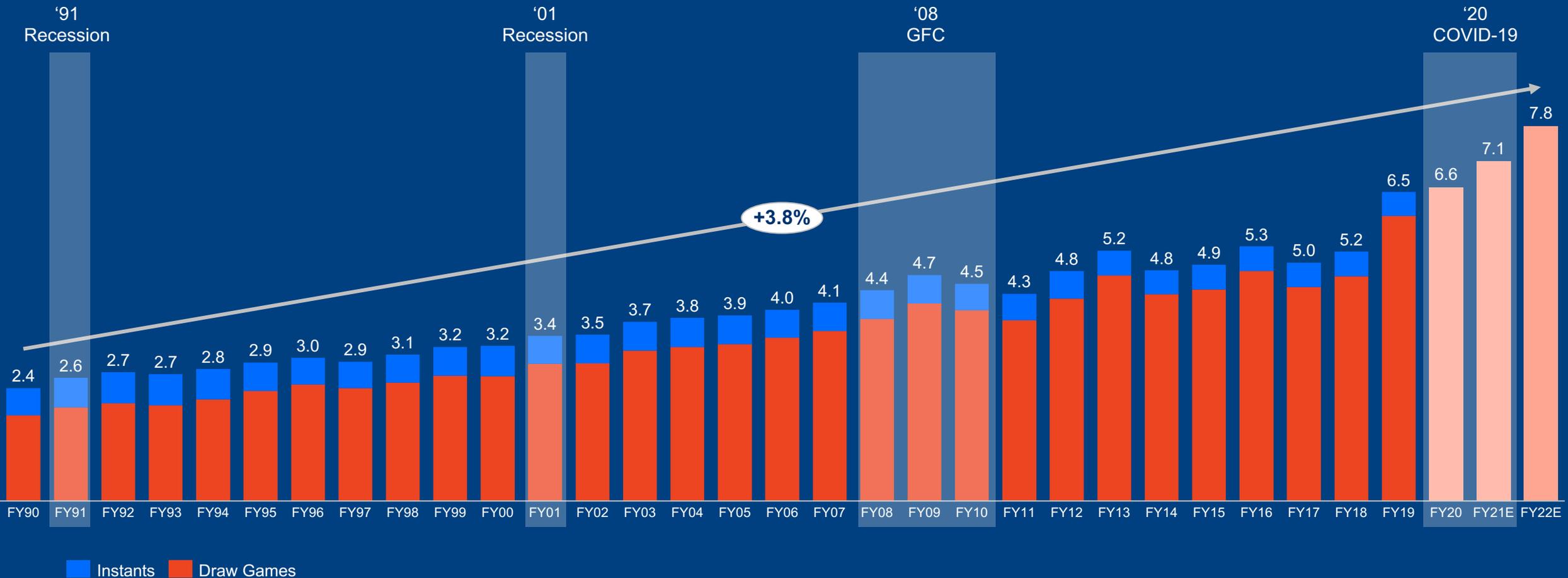
\$5.2bn

Serviceable Available Market²

1. Jumbo is an authorised reseller of lottery tickets via Reseller Agreements with The Lottery Corporation (TLC). In August 2020, Jumbo extended its long running Reseller Agreements with TLC for a further 10 years to August 2030. The Reseller Agreements do not cover the states of Queensland (due to small business restrictions limiting lottery agencies to businesses that employ less than 50 FTE) and Western Australia (where Jumbo has entered into a SaaS agreement to provide our proprietary lottery software platform and services for up to 10 years). The trademarks are licensed to applicable members of the Jumbo Group under the Reseller Agreements with TLC.
2. Reflects the current portion of the market that can be acquired based on our existing business model, including existing product set and capabilities – please refer to Jumbo's 1H23 Results Investor Presentation for further detail.

Lotteries have proven to be highly resilient to recessions

Australian lotteries (total market) sales over time (\$bn)^{1,2}



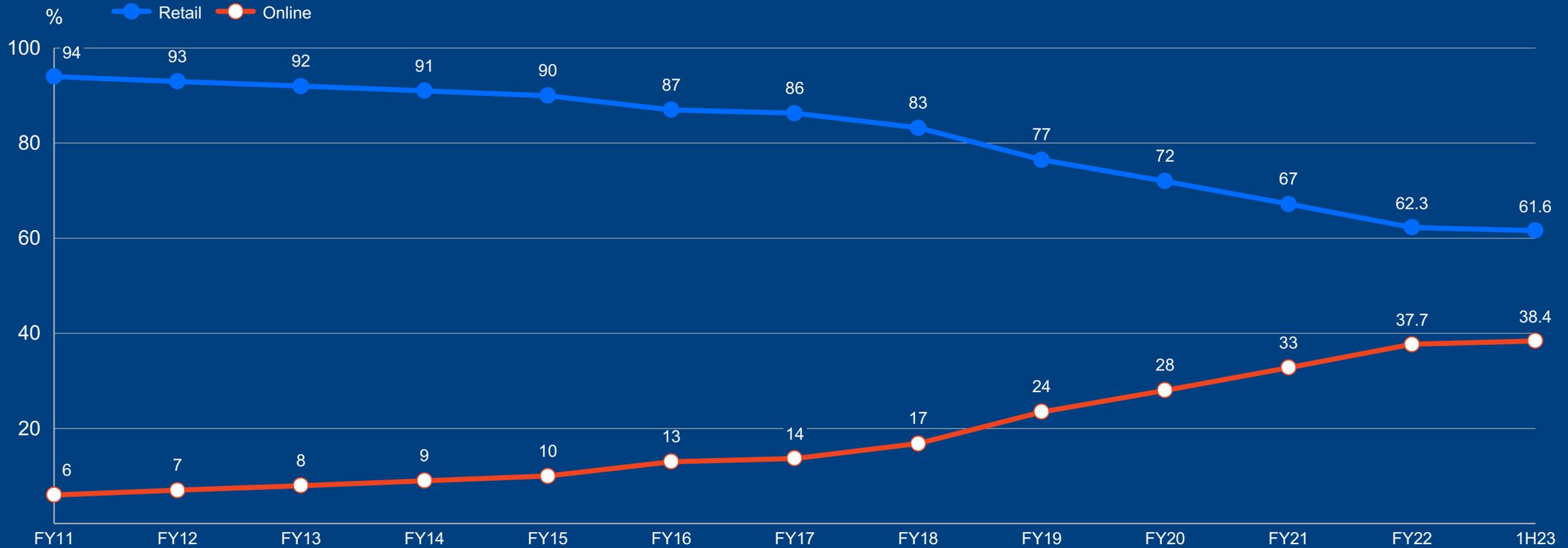
Source: Australian Gambling Statistics, Tabcorp/TLC financial reports.

1. FY90 – FY19; excludes commission, June year end.

2. FY21E & FY22E: estimated based on Tabcorp/TLC revenue growth.

Growth in online penetration

% of Australian lottery sales through the online channel¹



Source: Tabcorp/TLC company reports; management estimates.

3QFY23 performance following a record 2QFY23 run of jackpots

Powerball and Oz Lotto aggregate division 1 jackpots (\$m)



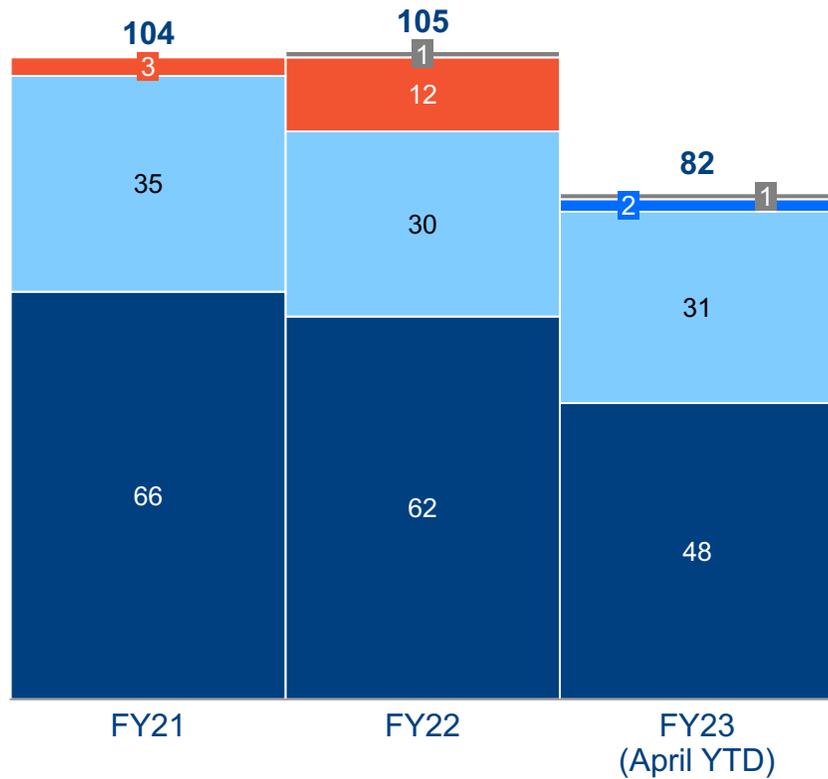
- Average value per jackpot
- Peak Division 1 jackpot
- # of large jackpots (≥ \$15 million)
- Aggregate Division 1 jackpots



Robust player health metrics, despite unfavourable jackpots

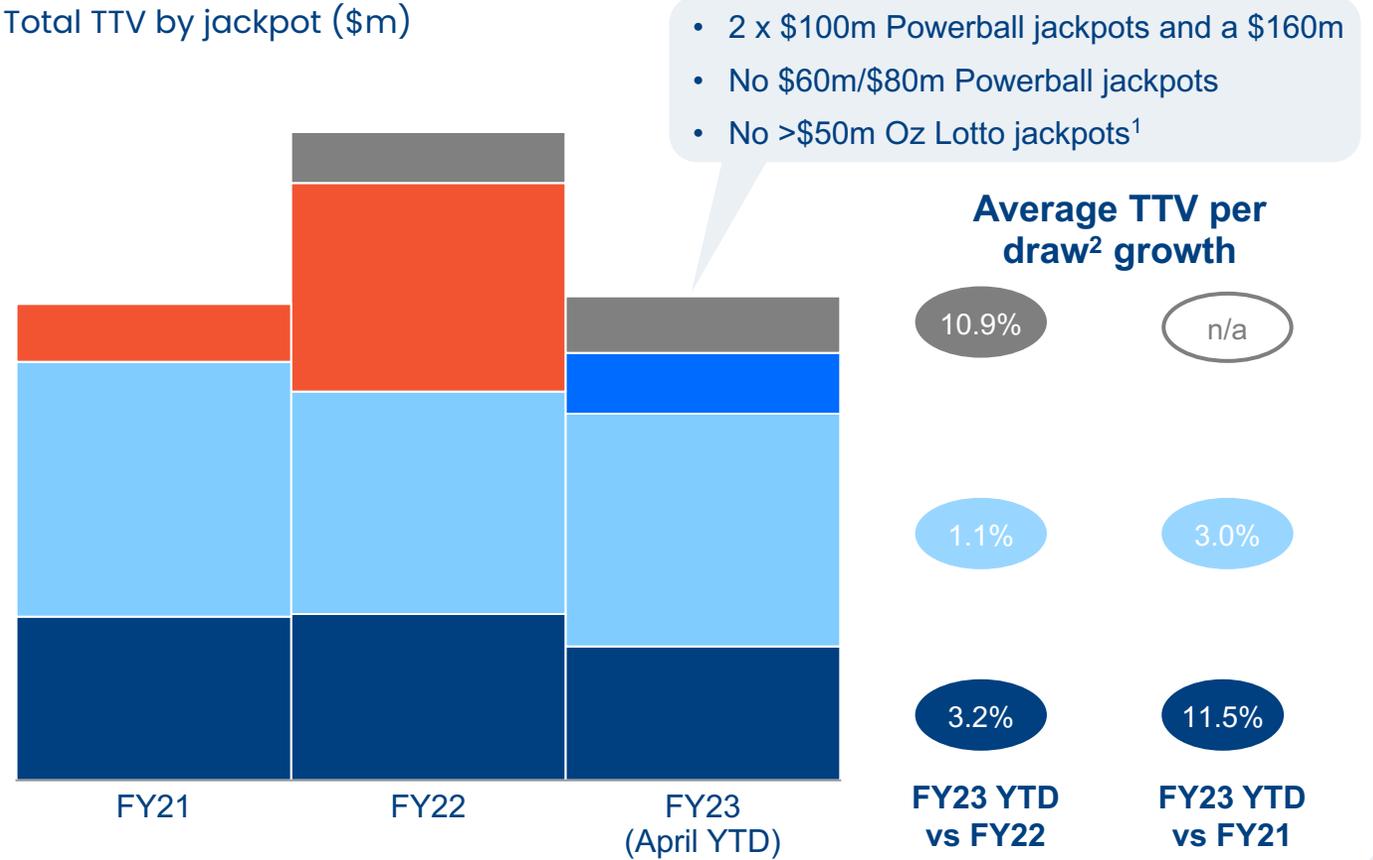
Powerball and Oz Lotto distribution of jackpots

of jackpots



Powerball and Oz Lotto sales performance

Total TTV by jackpot (\$m)



■ <\$15m
 ■ \$15m - \$50m
 ■ \$51m - \$99m
 ■ \$100m - \$119m
 ■ ≥\$120m

1. Oz Lotto game matrix change (45 to 47 numbers) in May 2022 expected to make Division 1 more likely to jackpot (c.40% more combinations).
 2. Average TTV per draw reflects a combination of average transaction value and average # of active players per draw.

Updated FY23 outlook

	FY23 outlook ³ (Feb 2023)	Updated FY23 Outlook	Key Assumptions / Commentary
Lottery Retailing*	<ul style="list-style-type: none"> Marketing costs expected to be in the range of 1.5% to 2.0% of Lottery Retailing TTV (FY22: 1.7%) 	1.3% – 1.5%	<ul style="list-style-type: none"> EBTDA margin range based on the following assumptions: Lottery Retailing: <ul style="list-style-type: none"> 9 Powerball/Oz Lotto jackpots ≥ \$15m with an aggregate value \$310m and a peak of \$60m for May and June Group: <ul style="list-style-type: none"> Disciplined cost management including lower than anticipated Lottery Retailing marketing spend (due to jackpots), delayed onboarding of new staff and a lower Short-term incentive (STI) accrual Board will maintain a disciplined approach to execution of the buy-back⁴
Group (excluding impact of acquisitions ²)	<ul style="list-style-type: none"> Underlying operating cost growth excluding Lottery Retailing marketing costs to increase 16% to 18%³ (FY22: 33.2%) Underlying EBITDA margin expected to be at the upper end of the original range of 48% to 50%¹ (FY22: 52.9%) 	6% – 8% ~48%	
Capital Management	<ul style="list-style-type: none"> Targeted dividend payout ratio of 65% to 85% of statutory NPAT On-market share buy-back⁴ of up to \$25m 	Unchanged Unchanged	

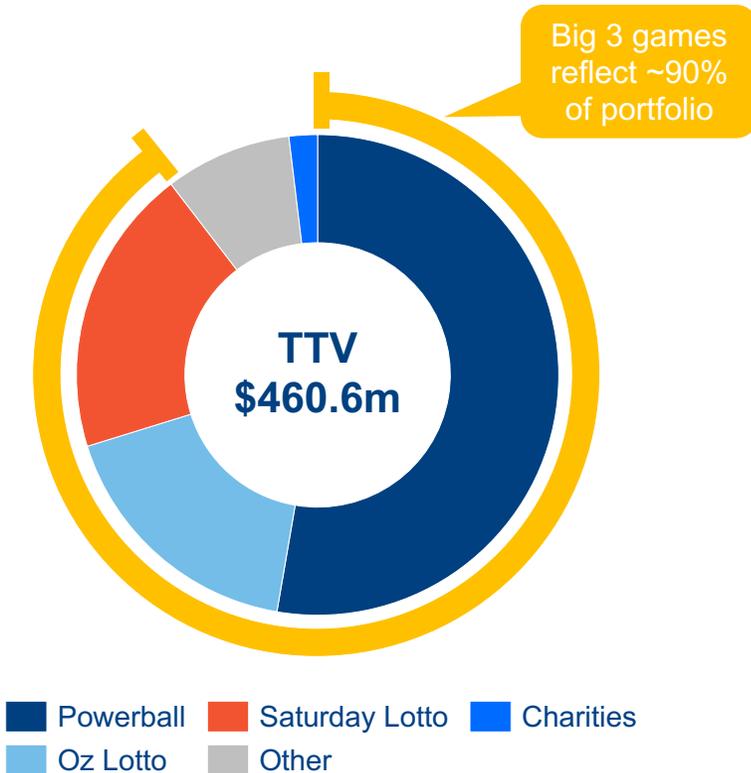
* Jackpots remain a significant driver of Lottery Retailing ticket sales (and revenue) and in any given year there is uncertainty as to the exact number and aggregate value of large jackpots.

1. Pursuant to the Reseller Agreements with TLC signed on 29 August 2020, a 'stepped-up' service fee is payable in the subscription cost of the tickets purchased at 1.5% FY2021, 2.5% FY2022, 3.5% FY2023, and 4.65% FY2024 and thereafter. If the subscriptions exceed \$400,000,000 in any applicable financial year, then a service of 4.65% applies to the excess amount.
 2. Excludes impact of Stride and StarVale.
 3. For further detail on the FY23 Outlook please refer to the 1H23 Results Investor Presentation on 24 February 2023.
 4. On-market share buy-back of up to \$25m conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased has and continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the share buy-back program at any time. As at 30 April \$2.6m shares had been purchased at an average price of \$12.58.

Proposed product portfolio changes

FY22 Product portfolio mix

% of TTV



Proposed changes (effective late May 2023)

Powerball price increase

- The Lottery Corporation (TLC) advised base price (excluding agents commission) increase of 10 cents¹.
- Price increase (first in five years) expected to deliver more frequent large jackpots¹ as a result of increased prize reserves.
- Jumbo will increase price a further 10 cents, over and above the base price increase.

Retail commission changes – Jumbo response

- TLC advised a 200bps increase in retailer commissions under omni-channel program¹ (excludes Jumbo).
- Jumbo will increase price by 5 cents per game on all other games.

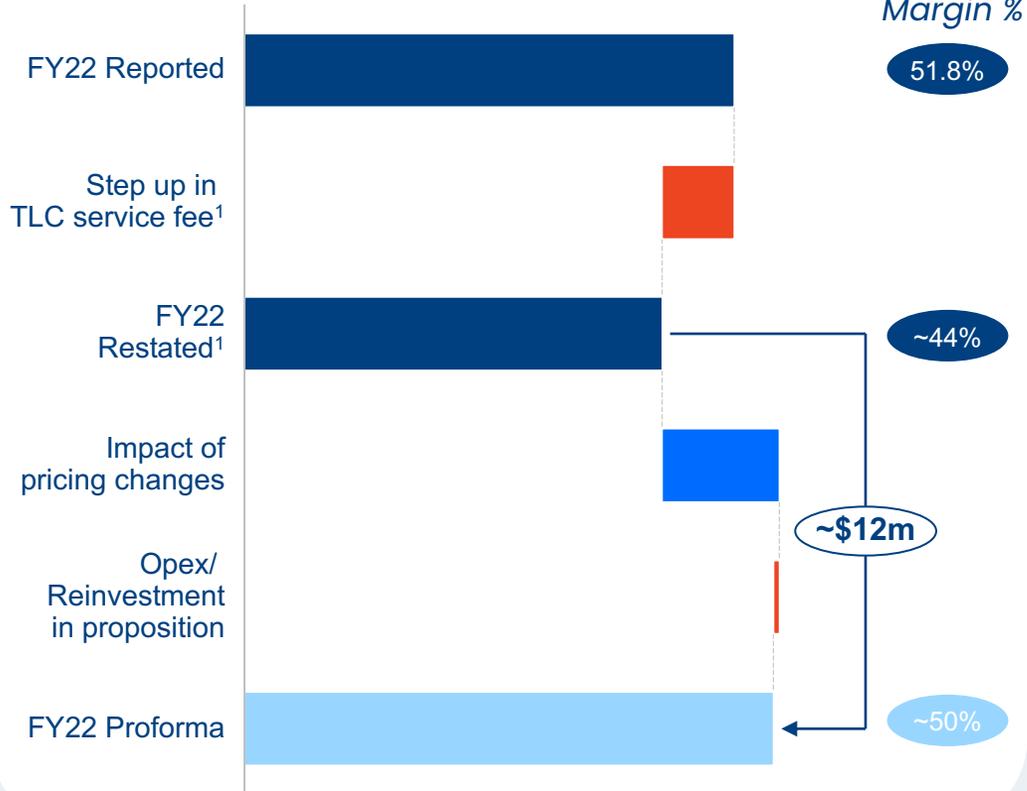
1. Please refer to TLC 1H23 Investor Presentation.

Proposed product portfolio changes

Estimated proforma FY22 Group EBITDA (\$m)

Illustrative only

Margin %



Summary of estimated Group financial impacts

Estimated impact²

	vs FY22 Reported	vs FY22 Restated ¹
Revenue margin (%)	~200bps increase (FY22 Reported: 15.8%)	~200bps increase (FY22 Reported: 15.8%)
EBITDA margin (%)	~160bps decrease (FY22 Reported: 51.8%)	~600bps increase (FY22 Restated: ~44%)
EBITDA (\$m)	~\$4m increase (FY22 Reported: \$54.0m)	~\$12m increase (FY22 Restated: ~\$46m)

1. Reflects the impact of the final step up in the TLC service fee in FY24 to 4.65% of the subscription cost of the tickets purchased (from 2.5% in FY22).

2. Estimated P&L and margin impact from internal scenario modelling based on proposed price increases and reinvestment in customer value proposition/player experience. The estimated improvement from the proposed price increases is primarily due to a ~300bps increase in the Lottery Retailing revenue margin (FY22: 19.8%). Group estimated impacts reflect the consolidation effect of all business segments including intersegment eliminations. Estimated financial impacts assume FY22 jackpot profile and hence may vary in the future depending on jackpots.

Best in class **lottery software** and **player experience**



Best in class lottery software

- >\$50m invested over the last 10 years
- Secure, stable and efficient – ability to handle tidal demands of lottery jackpot cycles
- ISO 27001 certified with highest standard of security and player protection
- >90% of engineering effort on product roadmap, R&D



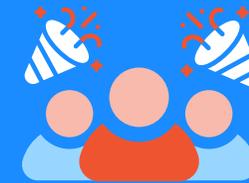
Best in class user experience

- Time and energy in researching player needs, enhancing convenience
- A relentless focus on continuously improving the player experience and minimising friction
- Significant investment in modern technology tools (AI, machine learning) to drive personalisation



More ways to win

- Unique product portfolio with:
 - Commercial lottery games
 - 9 charity-based lottery games supporting great causes



Innovative features and ways to play

- Unique features such as Lotto Party
- First digital retailer to offer Autoplay
- Personalised number pages
- 0-touch subscription mechanism



Leading player support and protection

- > 90% customer satisfaction
- >90% of calls answered within 60 seconds
- Access to a real person
- Real-time monitoring of ticket sales for problem gambling

Sustainability – Four key areas of focus in 2023



Nurturing our vibrant workplace culture and communicating our unique employee value proposition to the talent market.



Globally recognised as a Great Place to Work.



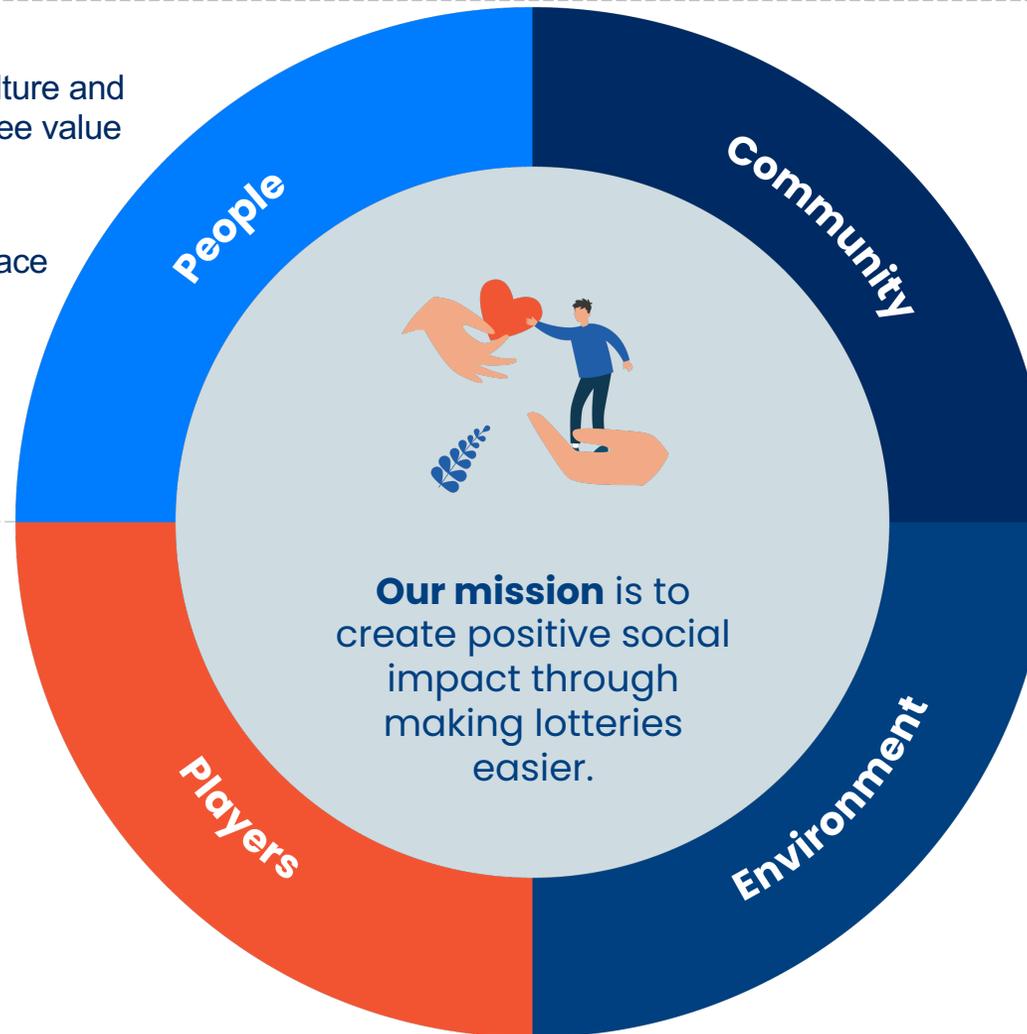
Diversity, Equity, Inclusion and Belonging



Ensuring our player experience is fun and safe



Focusing on player protection measures including responsible gaming, data protection and cyber resilience



Provide a service, via our software platform and service that:

- minimises the effort involved in managing lotteries; and
- maximises efforts to raise funds to support the charity's mission.



Develop community engagement framework including sponsorships and reconciliation action



Measure and offset carbon emissions*



Pursue Climate Active Australia Accreditation



Review environmental targets



* Australian operations in FY23 expanding to international subsidiaries in subsequent years.

Questions

