

24 August 2023

ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

## Tabcorp full year results presentation

Attached is the presentation regarding Tabcorp Holdings Limited's (**Tabcorp's**) results for the financial year ended 30 June 2023 to be presented by Adam Rytenskild, Managing Director and Chief Executive Officer.

This presentation will be webcast on Tabcorp's website at [www.tabcorp.com.au](http://www.tabcorp.com.au) from 10.00am (Melbourne time) today.

The information contained in this announcement should be read in conjunction with today's announcements of Tabcorp's results for the financial year ended 30 June 2023.

This announcement was authorised for release by the Tabcorp Board.

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WE'RE RAISING THE GAME

# FY23 RESULTS

YEAR ENDED 30 JUNE 2023

ABN 66 063 780 709



## THE LINE UP

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This presentation provides the following financial disclosures to help investors understand the FY23 result:

FY22 results from **continuing operations**

FY22 PF (**pro forma**) results (basis for Group and Divisional comparisons)

References to EBITDA, EBIT and pro forma information throughout this presentation are before significant items and non-IFRS financial information which is unaudited.

## TAB25: CREATING A DIFFERENT COMPANY

Reshaping the business to  
deliver market leading customer  
experiences, products and offers



A SIMPLE,  
GROWING, MORE  
VALUABLE  
BUSINESS FOR  
SHAREHOLDERS

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# FY23: YEAR 1 BUILDING FOUNDATIONS

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## HIGHER REVENUE AND PROFIT

Revenue \$2,434m +2%

EBITDA \$391m +8%

EBIT \$150m +103%

## STRUCTURAL REFORM

QLD, ACT, TAS, VIC (post August 2024) level playing fields

QLD best performing state

Leadership on advertising restrictions and nationally consistent regulation

## STRONG COST PERFORMANCE

OPEX \$618m, below FY22 PF and below guidance

Genesis program on-track

## PIVOT TO INTEGRITY SERVICES

Sale of eBet and MPS<sup>1</sup>

Integrity Services EBITDA +36%

New TAS monitoring licence from 1 July 2023

## IMPROVED DIGITAL COMPETITIVENESS

Successful new App launch

Key product gaps closed, 10 product releases since launch

Record digital actives >800k

## NEW CAPABILITY

Injecting new talent and thinking

Significantly expanded data and digital capabilities



1. Completion targeted for prior to December 2023, subject to purchaser receiving regulatory approvals.

# FY23 RESULT SUMMARY<sup>1</sup>

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	FY23	FY22 PF <sup>2</sup>		%	FY22
<b>Revenue</b>	\$2,434m	\$2,377m	↑	+2%	\$2,373m
<b>Opex</b>	\$618m	\$627m		-1%	\$600m
<b>EBITDA</b>	\$391m	\$361m	↑	+8%	\$382m
<b>EBIT</b>	\$150m	\$74m	↑	+103%	\$95m
<b>Statutory NPAT<sup>3</sup></b>	\$67m	N/A		N/A	\$6,776m

STATUTORY EPS

2.9 CPS

DIVIDEND<sup>4</sup>

2.3 CPS

DIVIDEND PAYOUT RATIO<sup>4</sup>

60%

ROIC<sup>5</sup>

5.5%

1. EBITDA and EBIT referred to throughout this presentation are non-IFRS measures and exclude significant items.

2. PF throughout this presentation refers to "pro forma" financial information which is a non-IFRS measure and has not been subject to audit. Pro forma results include additional stand-alone operating costs as if the Demerger of The Lottery Corporation occurred at the commencement of the comparative period.

3. FY22 includes discontinued operations.

4. Calculated using NPAT before significant items and equity accounted loss.

5. EBIT divided by average invested capital.

# TAB25: RESHAPING THE BUSINESS FOR GROWTH

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## OUR STRATEGY

Our FY25 Targets<sup>1</sup>

### WIN THE GAME

Grow core customer metrics with a key metric of 30% digital revenue market share

Deliver \$600-620m opex<sup>2</sup>

### SHAPE THE GAME

Level Playing Field on fees and taxes

Pivot Gaming Services to Integrity Services

Market leader in customer and community care

### CHANGE THE GAME

Targeted investments for accelerated & diversified growth

DOUBLE ROIC<sup>3</sup> TO 10% IN FY25

## BIG BETS

WIN THE AUSTRALIAN MARKET

LEVEL THE PLAYING FIELD

WORLD CLASS BUSINESS PERFORMANCE

## STRATEGIC ENABLERS

ADVANCED DATA AND ANALYTICS

GREAT PEOPLE AND PARTNERSHIPS

A CULTURE OF HIGH PERFORMANCE

## OUR VALUES



**PLAY** Fair



**SPARK** Change



**RAISE THE** Roof

1. These forward-looking statements are not guarantees of future performance and actual results may differ.  
 2. Based on current licence structures and business model.  
 3. 1H23 ROIC 4.7% calculated using pro forma last 12 months (LTM) EBIT divided by average invested capital. At 1H23, for the purpose of calculating average invested capital, balance sheets from 1 July and 31 December 2022 were used.

# THE RIGHT ECO-SYSTEM TO GROW SHARE IN A CHANGING MARKET

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## SCALE

#2 DIGITAL,  
#1 VISION,  
#1 RETAIL & ONCOURSE  
(~4,000 VENUES)

## REACH

MULTIPLE CHANNELS  
TO ENGAGE WITH  
CUSTOMERS

## DIFFERENTIATED

UNIQUE, HARD TO  
REPLICATE PORTFOLIO  
OF ASSETS ALIGNED  
TO MARKET  
EVOLUTION





# WIN THE AUSTRALIAN MARKET: LEADING INDICATORS

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CUSTOMER

TOTAL ACTIVES<sup>1</sup>  
**805K +3%**

SPORTS ACTIVES  
**+6%**

PREFERENCE

DIGITAL FIRST CHOICE FOR  
BETTING: TAB<sup>2</sup>  
**↑ 29%** (28% FY22)

DIGITAL FIRST CHOICE FOR  
BETTING: <35 YRS  
**↑ 24%** (21% FY22)

PRODUCT

MULTIS: ACTIVES  
**+14%**

MULTIS: TURNOVER  
**+10%**



1. Wagering active users measured on a rolling 12-month basis.  
2. Source: Wagering Brand Tracking, FY22 = August 2021 to June 2022.

# WIN THE AUSTRALIAN MARKET: TAB MARKET SHARE<sup>1</sup>

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	FY23	FY22
<b>TAB Total Revenue Share</b>	34.6%	33.6%
<b>Digital Turnover Market Share</b>	20.0%	19.7%
<b>Digital Revenue Market Share</b>	24.5%	24.9%
<b>Digital Turnover Share – Racing</b>	21.4% <span>↑</span>	20.9%
<b>Digital Revenue Share – Racing</b>	26.0% <span>↑</span>	25.9%
<b>Digital Turnover Share – Sport (AFL)</b>	10.0% <span>↑</span>	9.6%
<b>Digital Revenue Share – Sport (AFL)</b>	10.8% <span>↓</span>	12.1%

Growth in TAB Total Revenue Market Share (digital & cash) delivered in first year of transformation strategy

Optimised market share and profitability. 2H23 generosity and A&P spend +4%, well below major competitor<sup>2</sup>

Growth in turnover share across Racing and Sport. Digital revenue share impacted by 4Q AFL yield outcomes

Strategic focus on increasing multi mix following product upgrades. 2H23 SGM turnover +45% in key sports (AFL/NRL/NBA)

<sup>1</sup> Based on data supplied by industry partners which accounts for approximately one-third of the wagering market. All data is before generosity. Digital includes digital and call centre channels in which a customer transacts using their account.  
<sup>2</sup> On 100% basis pre-Victorian Racing interest adjustment. Based on generosity cost and Advertising and Promotion expense (A&P) in 2H23 versus 2H22 pro forma. Comparison based on Flutter 1H23 Interim Results.

# WIN THE AUSTRALIAN MARKET: MOMENTUM BUILDING IN KEY SPORTS

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## GROWTH IN KEY SPORTS<sup>1</sup>

Active digital customers

FY23

2H23

+3%

+8%

Turnover (digital & cash)

+17%

+13%

Net Revenue (digital & cash)

+17%

+48%

SGM Actives

+12%

+19%

SGM Turnover

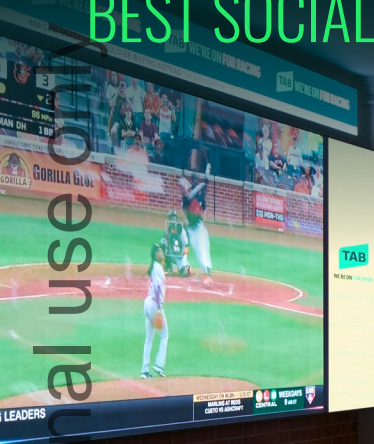
+33%

+45%



<sup>1</sup> Key sports consist of AFL, NRL & NBA. Growth compared to prior corresponding period.

# WIN THE AUSTRALIAN MARKET: BEST SOCIAL ENTERTAINMENT EXPERIENCE



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## NEXT-GEN RETAIL UPGRADES

- ✓ Turn eyeballs to TAB Actives
- ✓ Integrate venue, TAB App and uplifted vision to inform, engage and drive calls to action
- ✓ Increase foot traffic and conversion to TAB digital customers in-venue
- ✓ Phase 1: 50 venues across formats. Performance informs plan for broader network. Capital cost expected to be within current capex envelope

SHAPE THE GAME:  
OLD LEVEL PLAYING FIELD

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QLD TAB GROWTH VS. WAGERING (ex. QLD)  
SINCE LEVELLING THE PLAYING FIELD<sup>1</sup>

+9%

HIGHER ACTIVES  
GROWTH

+5%

HIGHER TURNOVER  
GROWTH

+4%

HIGHER NET  
REVENUE GROWTH

+26%

HIGHER VC  
GROWTH

<sup>1</sup>. For the period 1 December 2022 to 30 June 2023. QLD licence restructured 1 December 2022.

# SHAPE THE GAME: INDUSTRY ADVOCACY

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## CUSTOMER CARE

Deliver customer-centric responsible wagering and gaming initiative, designed to proactively prevent and minimise harm

## RESPONSIBLE ADVERTISING

We advocate for limits on betting advertising, including on free-to-air TV during prime-time viewing to protect young children, teenagers and vulnerable Australians

## NATIONAL REGULATION

Support national regulatory harmonisation, to ensure gambling is delivered responsibly to the community

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# SHAPE THE GAME: PIVOT TO INTEGRITY SERVICES

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Sale of MAX Performance Solutions for \$21.3m<sup>1</sup> follows the sale of eBet, as we pivot to Integrity Services

Integrity Services delivered a strong earnings performance with EBITDA +36% to \$55m

New, exclusive Tasmanian monitoring licence successfully implemented and contributing to earnings from 1 July 2023

Contracted CPI-linked price increase for NSW monitoring from 1 July 2023



1. Completion targeted for prior to December 2023, subject to purchaser receiving regulatory approvals. Subject to the usual working capital and other minor adjustments.

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# FINANCIAL RESULTS

**Tabcorp**





# FY23 GROUP RESULTS<sup>1</sup>

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SM	FY23	FY22 PF	CHANGE (%)	FY22
<b>Revenues</b>	<b>2,434.4</b>	<b>2,377.3</b>	<b>2.4%</b>	<b>2,373.3</b>
Variable contribution	1,008.5	987.2	2.2%	981.2
Operating expenses	(617.5)	(626.6)	(1.5%)	(599.6)
<b>EBITDA from continuing operations before significant items</b>	<b>391.0</b>	<b>360.6</b>	<b>8.4%</b>	<b>381.6</b>
D&A	(240.5)	(286.4)	(16.0%)	(286.4)
<b>EBIT from continuing operations before significant items</b>	<b>150.5</b>	<b>74.2</b>	<b>&gt;100.0%</b>	<b>95.2</b>
Loss from equity accounted investment	(2.7)			-
Net interest	(32.5)			(125.4)
Tax (expense) / benefit	(31.0)			12.1
<b>NPAT from continuing operations before significant items</b>	<b>84.3</b>			<b>(18.1)</b>
NPAT from discontinued operations	-			380.5
<b>NPAT before significant items</b>	<b>84.3</b>			<b>362.4</b>
Significant items (after tax) <sup>2</sup>	(17.8)			6,413.5
<b>Statutory NPAT</b>	<b>66.5</b>			<b>6,775.9</b>
EPS (statutory)	2.9 CPS			
EPS (NPAT before significant items and equity accounted loss)	3.8 CPS			
DPS <sup>3</sup> (fully franked)	2.3 CPS			

1. EBITDA, D&A, EBIT and NPAT before significant items referred to throughout this presentation are non-IFRS measures and exclude significant items.

2. Refer to appendix for breakdown of significant items.

3. Calculated using NPAT before significant items and equity accounted loss.

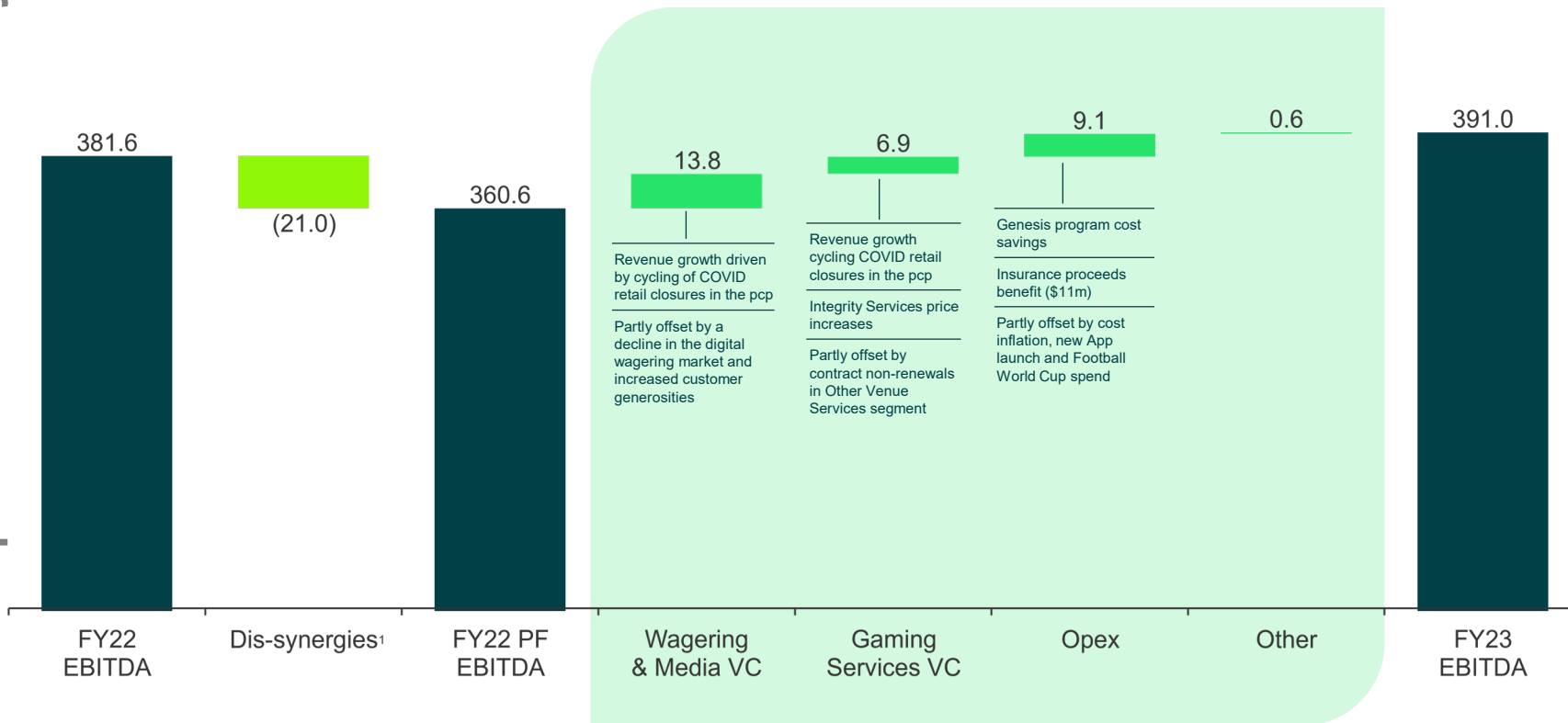
This presentation provides the following financial disclosures to help investors understand the FY23 result:

- FY22 results from **continuing operations**
- FY22 PF (**pro forma**) results (basis for Group and Divisional comparisons)

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# GROUP EBITDA (\$M)

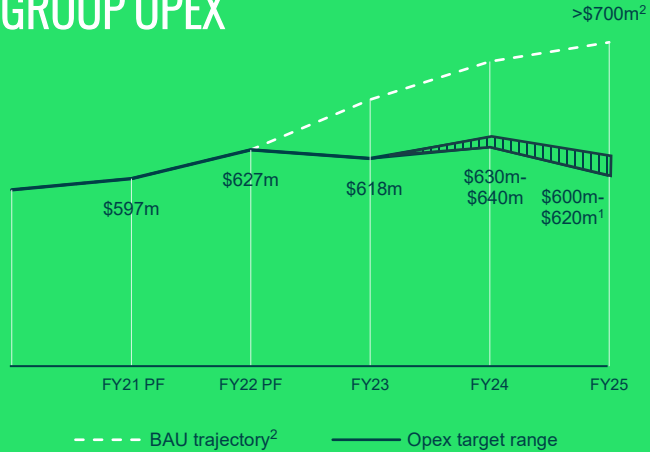
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1. Dis-synergies reflects impact of the Demerger as if the transaction had occurred at the commencement of the pcp.

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## GROUP OPEX



1. Based on current licence structures. Forward-looking statements are not guarantees of future performance and actual results may differ.
2. Assuming 4% per annum cost growth.

**FY23 opex of \$618m, below guidance and down 1.5% on FY22 PF**

Cost performance driven by vigilant cost control in a softer top-line operating environment including;

## IN-YEAR COST REDUCTIONS

- Technology function reorganisation
- A&P through change in mix toward more digital and content marketing and lower Gaming Services A&P spend
- Lower people costs

## GENESIS PROGRAM

- \$9m of cost reductions recognised in FY23
- Exit run-rate of ~\$20m in Genesis benefits to be delivered in FY24

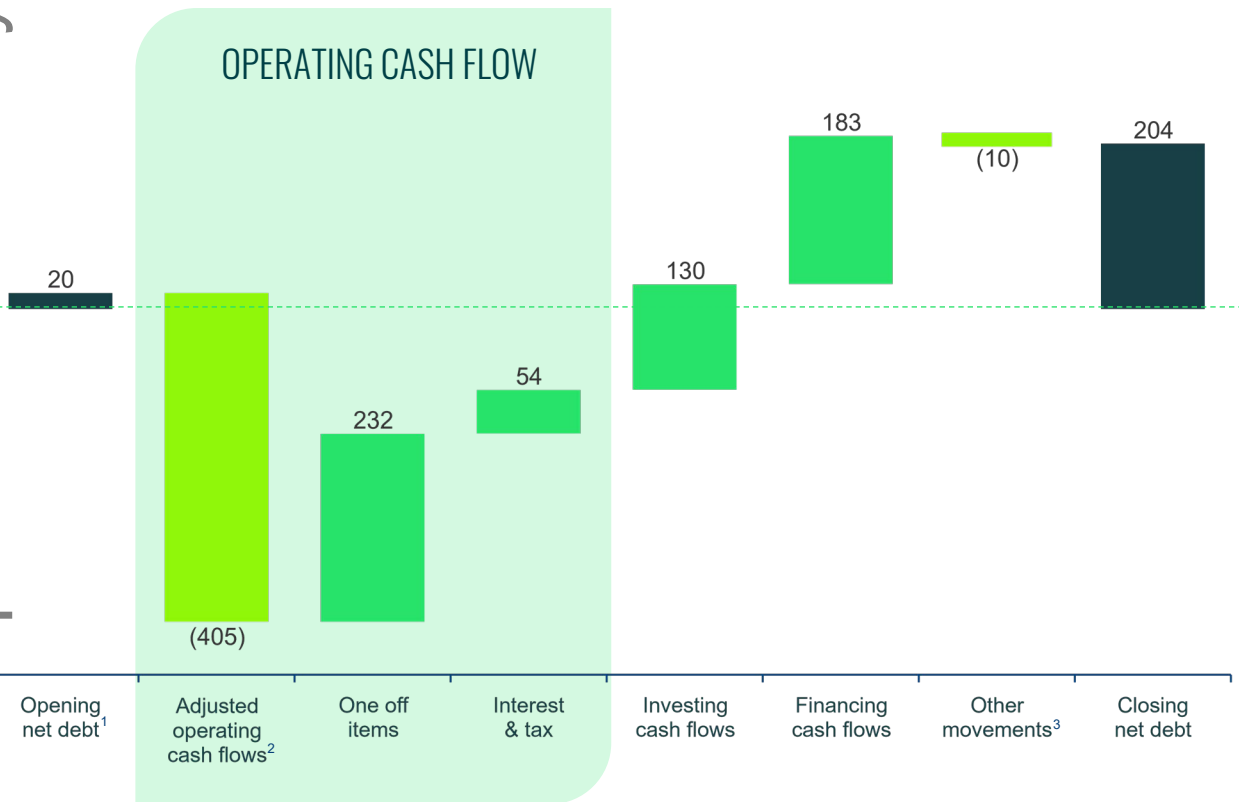
## FY24 OUTLOOK

- FY23 cost performance has created capacity to reinvest in FY24 including repositioning TAB brand in 1H24 and increasing data & analytics capability
- We currently expect FY24 Group opex of \$630-\$640m<sup>3</sup>
- TAB25 opex target retained at \$600-\$620m driven by full realisation of Genesis benefits in FY25<sup>3</sup>

3. Based on current licence structures and business model.

# NET DEBT: STRONG CASH CONVERSION

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## Adjusted cash flow conversion of 104%

### One off items:

- RQ settlement (\$160m)
- Significant items (\$33m)
- TLC receivable (\$39m)

### Key investing cash flows:

- Capex \$157m
- Racing QLD licence exclusivity payment \$38m
- Dabble \$33m
- Exclusive Tasmanian Monitoring Operator Licence \$2m
- Sale of eBet (\$59m)
- EGM sales (\$41m)

## Undrawn debt facilities of \$950m

1. Excludes lease liabilities and restricted cash. Net debt is a non-IFRS measure and has not been subject to audit or review.  
 2. Operating cash flows adjusted for one off items.  
 3. Changes in restricted cash balances and non-cash movements in USPP debt.

# CAPITAL AND DEBT: STRONG BALANCE SHEET PROVIDING FLEXIBILITY

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FY23 ROIC

5.5%<sup>1</sup>  
(1H23 4.7%<sup>2</sup>)

AVG. DEBT MATURITY (YEARS)

4.7

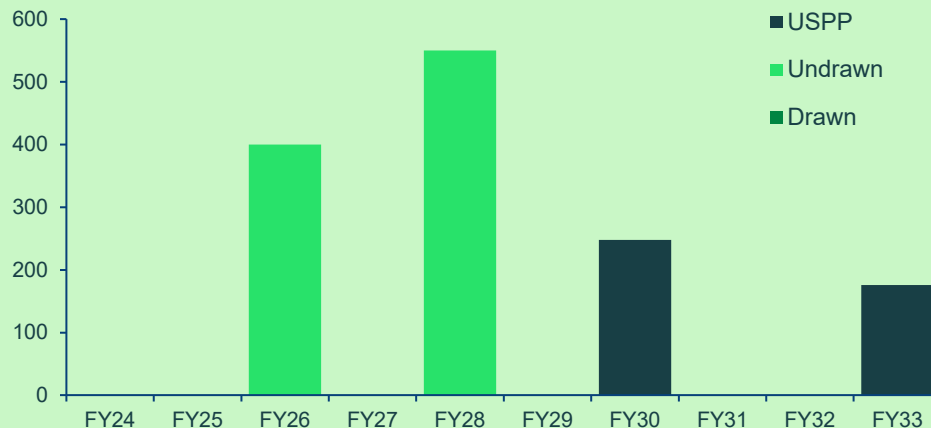
FY23 NET DEBT<sup>3</sup> / EBITDA

0.9x

TARGET NET DEBT<sup>3</sup> / EBITDA

1.0-1.5x

## DEBT PROFILE (\$M)



Average effective interest rate on drawn debt in FY23: 5.8%

1. Calculated using EBIT divided by average invested capital.  
 2. Calculated using pro forma last 12 months (LTM) EBIT divided by average invested capital. For the purpose of calculating average invested capital, balance sheets from 1 July and 31 December 2022 were used.  
 3. Including lease liabilities but excluding restricted cash.

# CAPITAL EXPENDITURE

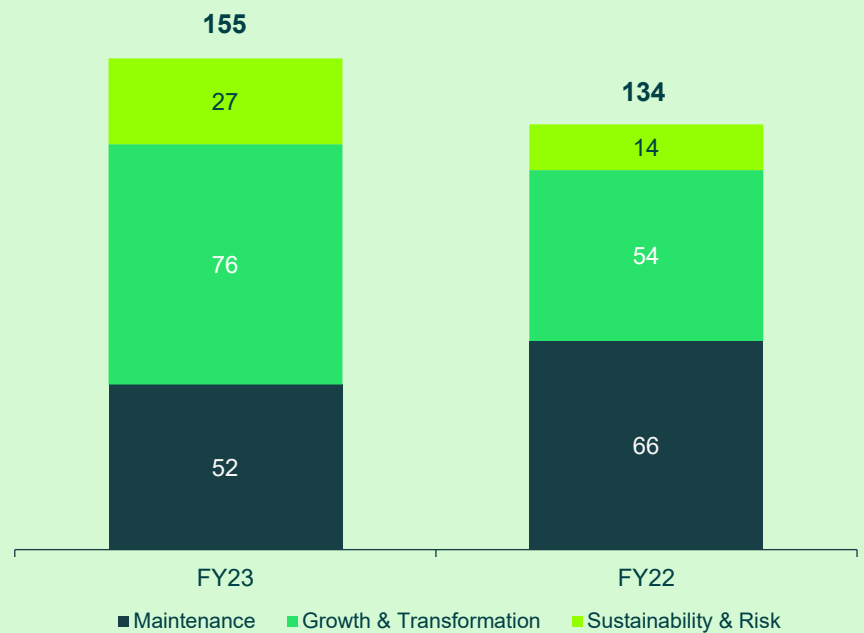
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**FY23 CAPEX<sup>1</sup>**  
**\$155M**

Maintenance	Growth & Transformation	Sustainability & Risk
34% (FY22: 49%)	49% (FY22: 40%)	17% (FY22: 11%)

Forecast FY24 CAPEX	Forecast FY24 D&A
UP TO \$150M	\$240M – \$250M

## CAPITAL ALLOCATION (\$M)



1. Excludes \$8m of Demerger capex.

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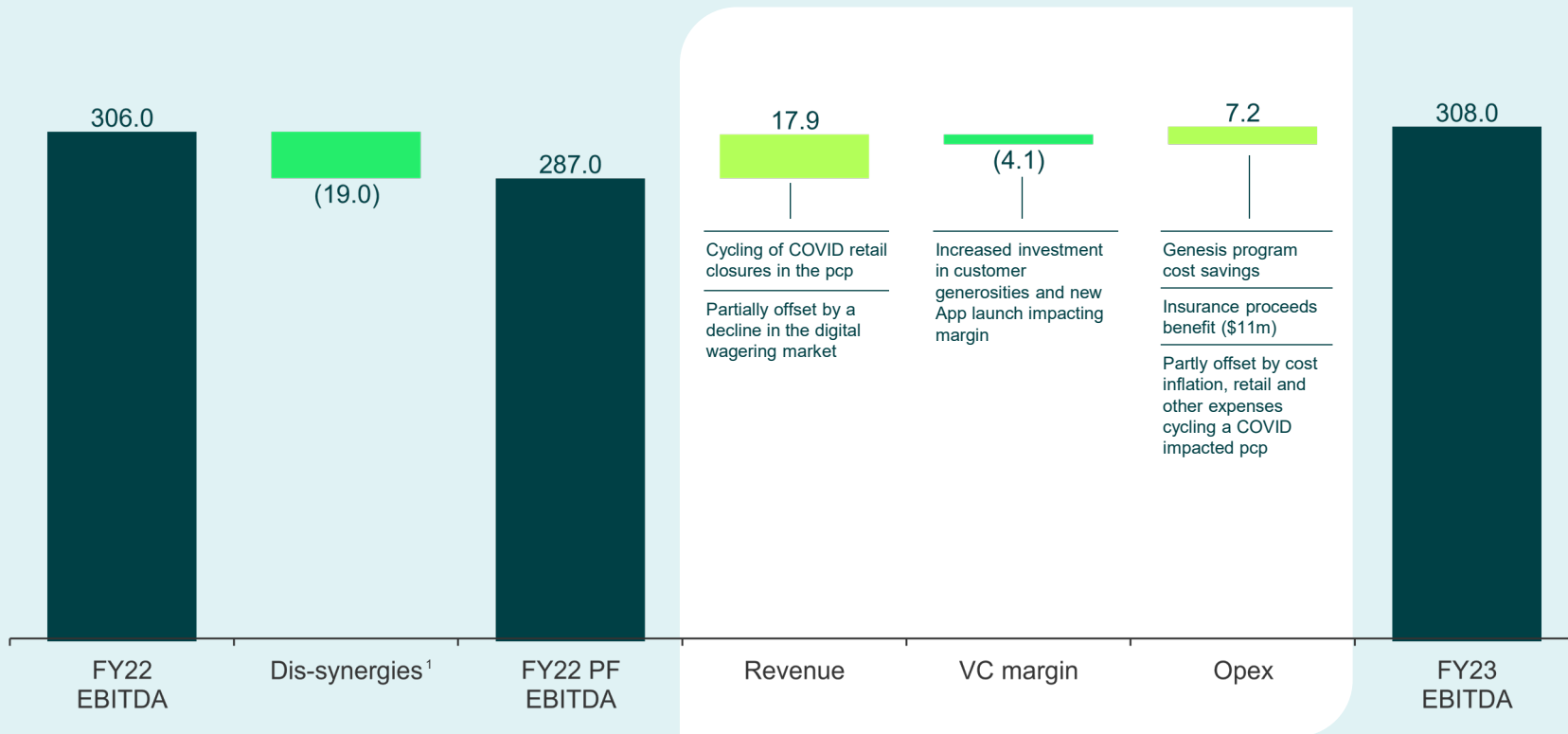
# WAGERING AND MEDIA

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# WAGERING & MEDIA EBITDA (\$M)

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1. Dis-synergies reflects impact of the Demerger as if the transaction had occurred at the commencement of the pcp.



# FY23 RESULTS: WAGERING AND MEDIA

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SM	FY23	FY22 PF	CHANGE (%)
Digital wagering revenue	942.7	1,073.5	(12.2%)
Cash wagering revenue	818.4	654.0	25.1%
<b>Wagering revenue</b>	<b>1,761.1</b>	<b>1,727.5</b>	<b>1.9%</b>
Media & International revenue	469.7	454.4	3.4%
<b>Wagering &amp; Media revenue</b>	<b>2,230.8</b>	<b>2,181.9</b>	<b>2.2%</b>
Wagering VC	533.4	529.5	0.7%
Media & International VC	281.7	271.8	3.6%
<b>Wagering &amp; Media VC</b>	<b>815.1</b>	<b>801.3</b>	<b>1.7%</b>
Operating expenses	(507.1)	(514.3)	(1.4%)
<b>EBITDA</b>	<b>308.0</b>	<b>287.0</b>	<b>7.3%</b>
D&A	(191.8)	(215.0)	(10.8%)
<b>EBIT</b>	<b>116.2</b>	<b>72.0</b>	<b>61.4%</b>
VC / Revenue %	36.5%	36.7%	(0.2%)
Opex / Revenue %	22.7%	23.6%	0.9%
EBITDA / Revenue %	13.8%	13.2%	0.6%

Digital revenue impacted by decline in digital wagering market

Cash revenue cycling COVID related retail impact in FY22

2H23 Wagering VC margin up 150bps versus 1H23 driven by QLD licence reform

### Media & International

Cycling subscription relief provided to venues in the pcg during COVID

Increased vision export revenue and benefit of new digital vision distribution agreements

# FY23 WAGERING REVENUE AND KPI'S

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WAGERING REVENUE (\$M)	FY23	FY22
<b>DIGITAL</b>		
Active users ('000) <sup>1</sup>	805	783
Digital turnover <sup>2</sup>	9,266.7	9,697.0
Gross yield	16.4%	16.9%
Net yield	12.3%	13.4%
Net digital revenue pre VRI share <sup>3</sup>	1,142.1	1,302.1
Other <sup>4</sup>	(199.4)	(228.6)
<b>Digital revenue</b>	<b>942.7</b>	<b>1,073.5</b>
<b>CASH</b>		
Cash turnover <sup>2</sup>	5,284.1	4,196.7
Gross/Net yield	16.7%	16.7%
Net cash revenue pre VRI share <sup>3</sup>	882.0	698.8
Other <sup>4</sup>	(63.6)	(44.8)
<b>Cash revenue</b>	<b>818.4</b>	<b>654.0</b>

## WAGERING TURNOVER<sup>2</sup>

\$M	FY23	FY22
Racing	11,946.5	11,769.7
Sport	2,604.3	2,124.0
<b>Total</b>	<b>14,550.8</b>	<b>13,893.7</b>
<i>Digital in venue<sup>5</sup></i>	<i>744.3</i>	<i>651.0</i>

1. Wagering active users measured on a rolling 12-month basis.
2. Includes Victorian Racing Industry interest.
3. Revenues earned from Victorian operations are subject to a 50/50 Joint Venture with the Victorian Racing Industry.
4. Includes non-betting revenues and Victorian Racing Industry share adjustment.
5. Now includes interstate and generosity linked turnover previously excluded.

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# GAMING SERVICES

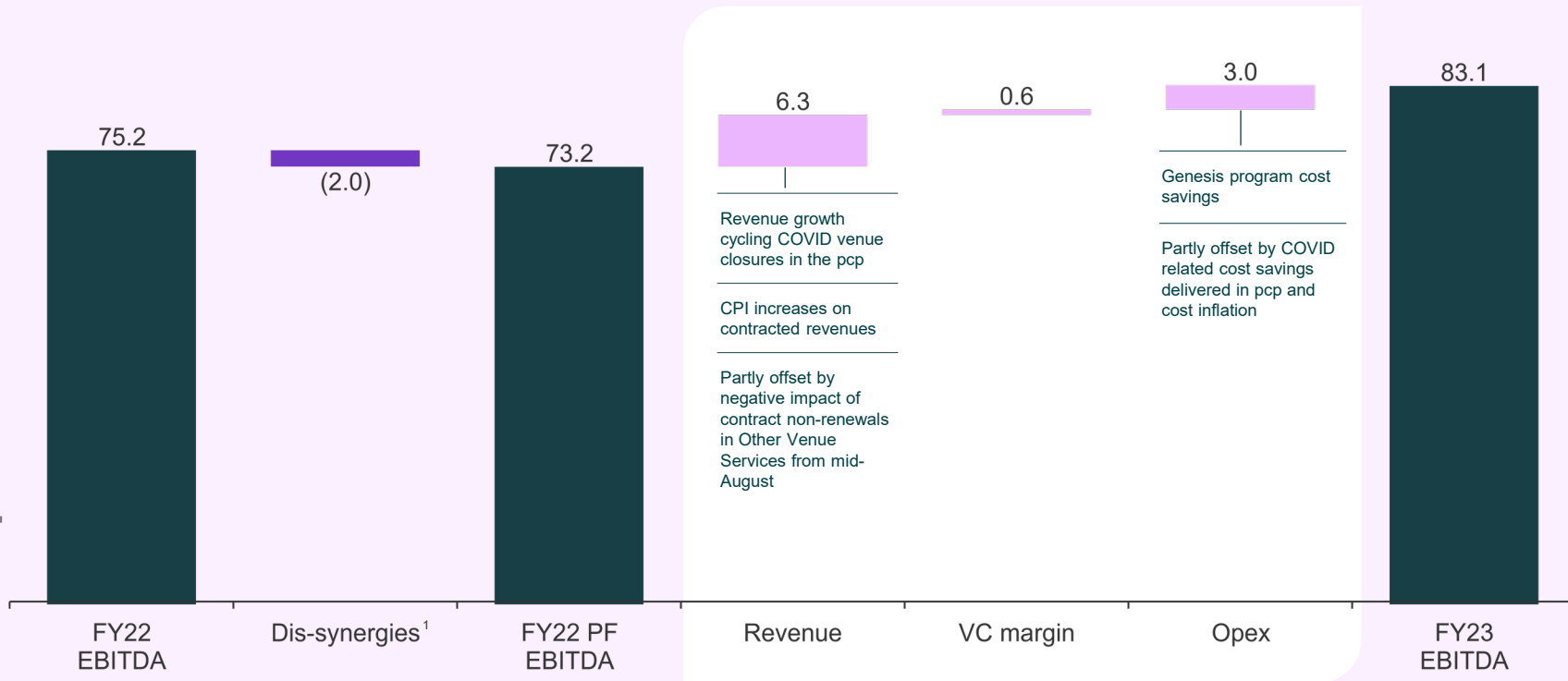
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# GAMING SERVICES

EBITDA (\$M)

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1. Dis-synergies reflects impact of the Demerger as if the transaction had occurred at the commencement of the pcp.

# FY23 RESULTS: GAMING SERVICES

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SM	FY23	FY22 PF	CHANGE (%)
Integrity Services <sup>1</sup>	117.9	99.1	19.0%
Other Venue Services <sup>2</sup>	85.7	97.8	(12.4%)
<b>Gaming Services Revenue</b>	<b>203.6</b>	<b>196.9</b>	<b>3.4%</b>
Integrity Services	116.2	97.8	18.8%
Other Venue Services	77.0	88.5	(13.0%)
<b>Gaming Services VC</b>	<b>193.2</b>	<b>186.3</b>	<b>3.7%</b>
Integrity Services	55.2	40.7	35.6%
Other Venue Services	27.9	32.5	(14.2%)
<b>Gaming Services EBITDA</b>	<b>83.1</b>	<b>73.2</b>	<b>13.5%</b>
Integrity Services	(30.6)	(31.8)	(3.8%)
Other Venue Services	(18.1)	(39.6)	(54.3%)
<b>Gaming Services D&amp;A</b>	<b>(48.7)</b>	<b>(71.4)</b>	<b>(31.8%)</b>
Integrity Services	24.6	8.9	>100.0%
Other Venue Services	9.8	(7.1)	NM
<b>Gaming Services EBIT</b>	<b>34.4</b>	<b>1.8</b>	<b>&gt;100.0%</b>
EBITDA / Revenue %	40.8%	37.2%	3.6%
Integrity Services	46.8%	41.1%	5.7%
Integrity Services Capex	21.0	9.8	>100.0%

## INTEGRITY SERVICES MONITORED EGMs

MONITORED EGMs	JUN-23	JUN-22	CHANGE
NSW	91,970	90,340	1,630
QLD	28,710	28,660	50
NT	1,530	1,370	160
<b>Total</b>	<b>122,210</b>	<b>120,370</b>	<b>1,840</b>

## MAX PERFORMANCE SOLUTIONS (MPS)

SM	FY23
Revenue	42.3
EBITDA	17.6
EBIT	2.6
<b>Capex</b>	<b>11.6</b>

1. Comprises MAX Regulatory Services and non-monitoring revenue linked to monitoring contracts.
2. Comprises MAX Venue Services less non-monitoring revenue linked to monitoring contracts. Includes eBet.

# For personal use only SUMMARY

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# SUMMARY AND INVESTMENT CASE

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## FY24 PRIORITIES

Digital customer offering and product development

VIC licence outcome and JV transition

Level Playing Field in all jurisdictions

Complete 50 NextGen venue upgrades in phase 1

**FOCUSED ON FY25**  
AND THE FULL BENEFITS  
OF THE TAB25 STRATEGY



## DEMONSTRATED ABILITY TO DELIVER ON WHAT WE SAY WE WILL DO

Successful launch of new APP, new product, and 10 substantial app updates in 10 months

Stabilised market share in challenging market conditions

Regulatory reform – levelling the playing field in QLD, TAS, ACT, VIC (post August 2024) and NSW (in progress)

Gaming Services pivoted to Integrity Services

**GENESIS PROGRAM DELIVERING DISCIPLINED COST MANAGEMENT AND OPERATIONAL EFFICIENCY**



**WELL POSITIONED TO DELIVER GROWTH AND ATTRACTIVE SHAREHOLDER RETURNS**



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# APPENDICES

**Tabcorp**





# SIGNIFICANT ITEMS

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## Gain on sale of eBet

Net gain on the sale of eBet to Venue Digital Technology Pty Ltd which completed on 1 February 2023.

## Gain on sale of MPS EGMs

Net gain on the disposal of electronic gaming machines.

## Longitude onerous contract reversal

On 29 January 2016, Tabcorp entered into an agreement for the development and implementation of the Pari-Mutuel Odds Calculation System. In FY20, an onerous contract provision was recognised. During FY23, both parties mutually agreed to end the contract early and as such the onerous contract provision has been reversed.

## MPS write-down

A Share Purchase Agreement has been entered into for the sale of MPS, with completion subject to the purchaser receiving regulatory approvals. The carrying value of the disposal group exceeded its recoverable amount resulting in a write down.

## Transformation costs

Genesis program establishment and implementation costs.

## Demerger costs

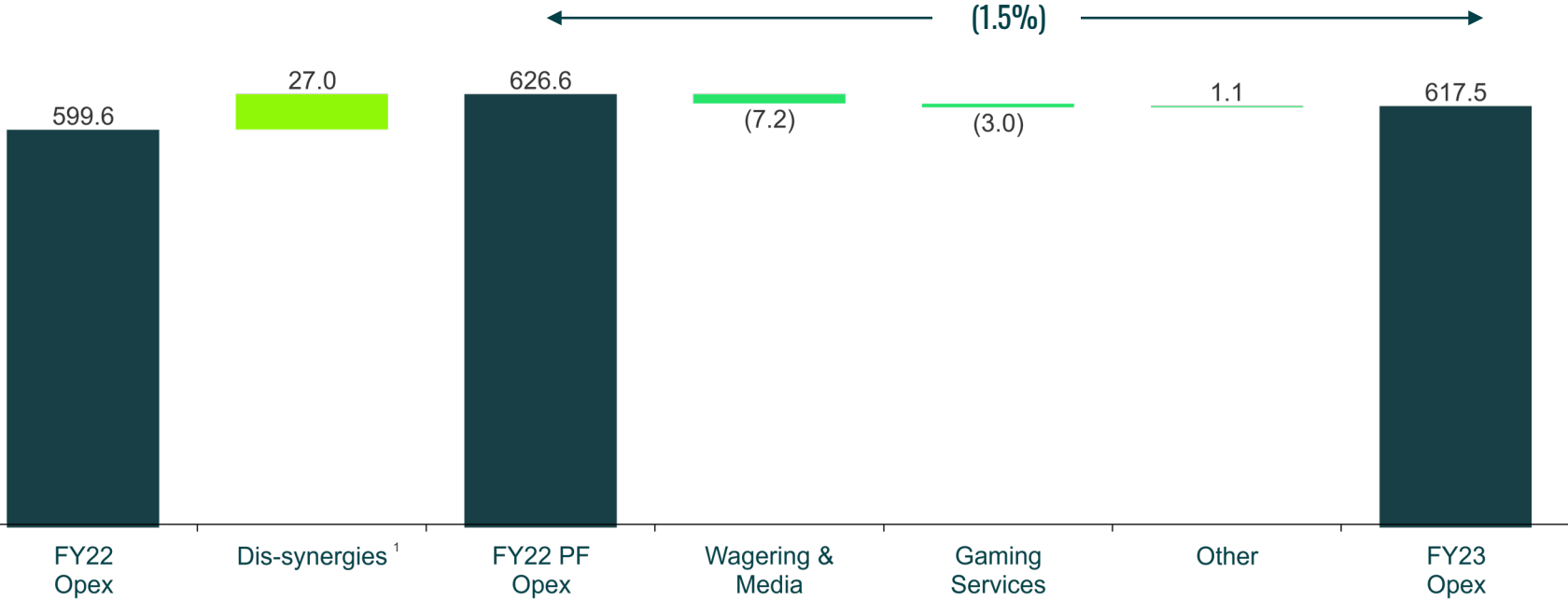
Costs incurred to separate Tabcorp and The Lottery Corporation (TLC) into two standalone companies. These costs exclude Technology related separation costs which are recharged from TLC.



	PRE TAX (\$M)	POST TAX (\$M)
Gain on sale of eBet	34.2	34.2
Gain on sale of MPS EGMs	6.5	4.5
Longitude onerous contract reversal	6.5	4.5
MPS write-down	(50.6)	(41.5)
Transformation costs	(20.3)	(14.2)
Demerger costs	(8.9)	(5.3)
<b>Total significant items</b>	<b>(32.6)</b>	<b>(17.8)</b>

# GROUP OPERATING EXPENSES (\$M)

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<sup>1</sup> Net additional stand-alone costs following the Demerger as if they had been incurred for the full year ended 30 June 2022.

# PRO FORMA GROUP AND BUSINESS RESULTS<sup>1</sup>

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\$M	WAGERING AND MEDIA			GAMING SERVICES			GROUP		
	FY23	FY22 PF	CHANGE	FY23	FY22 PF	CHANGE	FY23	FY22 PF	CHANGE
<b>Revenues</b>	<b>2,230.8</b>	<b>2,181.9</b>	<b>2.2%</b>	<b>203.6</b>	<b>196.9</b>	<b>3.4%</b>	<b>2,434.4</b>	<b>2,377.3</b>	<b>2.4%</b>
Variable contribution	815.1	801.3	1.7%	193.2	186.3	3.7%	1,008.5	987.2	2.2%
Operating expenses	(507.1)	(514.3)	(1.4%)	(110.1)	(113.1)	(2.7%)	(617.5)	(626.6)	(1.5%)
<b>EBITDA</b>	<b>308.0</b>	<b>287.0</b>	<b>7.3%</b>	<b>83.1</b>	<b>73.2</b>	<b>13.5%</b>	<b>391.0</b>	<b>360.6</b>	<b>8.4%</b>
D&A	(191.8)	(215.0)	(10.8%)	(48.7)	(71.4)	(31.8%)	(240.5)	(286.4)	(16.0%)
<b>EBIT</b>	<b>116.2</b>	<b>72.0</b>	<b>61.4%</b>	<b>34.4</b>	<b>1.8</b>	<b>&gt;100.0%</b>	<b>150.5</b>	<b>74.2</b>	<b>&gt;100.0%</b>
VC / Revenue %	36.5%	36.7%	(0.2%)	94.9%	94.6%	0.3%	41.4%	41.5%	(0.1%)
Opex / Revenue %	22.7%	23.6%	0.9%	54.1%	57.4%	3.3%	25.4%	26.4%	1.0%
EBITDA / Revenue %	13.8%	13.2%	0.6%	40.8%	37.2%	3.6%	16.1%	15.2%	0.9%
EBIT / Revenue %	5.2%	3.3%	1.9%	16.9%	0.9%	16.0%	6.2%	3.1%	3.1%
<b>Capex<sup>2</sup></b>	<b>116.5</b>	<b>100.4</b>	<b>16.0%</b>	<b>38.9</b>	<b>33.6</b>	<b>15.8%</b>	<b>155.4</b>	<b>134.0</b>	<b>16.0%</b>

Pro forma Group and Business Results are non-IFRS, not subject to audit or review and exclude significant items. Results are presented in an abbreviated form and do not contain all presentation, disclosures and comparative information required in accordance with the Corporations Act 2001. Pro forma Group and Business results have been prepared as if the corporate restructure occurred at the commencement of the comparative period to enable a more meaningful comparison of results. Pro forma adjustments have only been made for net additional stand-alone operating costs consistent with those identified in the Demerger Booklet for the Demerger of The Lottery Corporation.

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

2. Excludes \$8m of Demerger capex in FY23.

# GLOSSARY

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<b>TH/2H</b>	Six months ended 31 December/30 June of the relevant financial year
<b>1Q/2Q/3Q/4Q</b>	Three months ended 30 September / 31 December / 31 March / 30 June of the relevant financial year
<b>AAS</b>	Australian Accounting Standards
<b>ACT</b>	Australian Capital Territory
<b>AFL</b>	Australian Football League
<b>A&amp;P</b>	Advertising and promotion
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange
<b>Board</b>	The Company's Board of Directors
<b>BPS</b>	Basis points
<b>CAPEX</b>	Capital expenditure
<b>Company or Tabcorp</b>	Tabcorp Holdings Limited (ABN 66 063 780 709)
<b>COVID-19</b>	A disease caused by a new strain of coronavirus. 'CO' stands for corona, 'VI' for virus, and 'D' for disease
<b>CPI</b>	Consumer Price Index
<b>CPS</b>	Cents per share
<b>Demerger</b>	The Demerger of the Group's former Lotteries and Keno business that is now operated by the ASX listed company The Lottery Corporation Limited
<b>D&amp;A</b>	Depreciation, Amortisation and impairment
<b>Dis-synergies</b>	Net additional stand-alone costs following the Demerger as if they had been incurred for the full year ended 30 June 2022
<b>DPS</b>	Dividends Per Share
<b>EBIT</b>	Earnings before interest and tax (before significant items)
<b>EBITDA</b>	Earnings before interest, tax, depreciation, amortisation and impairment (before significant items)
<b>EGM</b>	Electronic Gaming Machine
<b>EPS</b>	Earnings Per Share
<b>Financial year / FY</b>	The Group's financial year is 1 July to 30 June
<b>GAAP</b>	Generally accepted accounting principles
<b>Gaming Services (GS)</b>	The Group's business that provides services to licensed gaming venues and EGM monitoring services
<b>Genesis</b>	Tabcorp's cost optimisation program
<b>Group</b>	The Tabcorp group of companies
<b>Integrity services</b>	Monitoring electronic gaming machines (EGMs) under licence and the provision of other regulated and approved services, which vary by jurisdiction.
<b>IFRS</b>	International Financial Reporting Standards

<b>JV</b>	Joint Venture
<b>KPI</b>	Key Performance Indicator
<b>Lotteries and Keno (L&amp;K)</b>	The Group's former business that is reported as a discontinued operation following the Demerger
<b>LTM</b>	Last twelve months
<b>MAX</b>	The Group's Gaming Services brand
<b>MPS</b>	Max Performance Solutions
<b>NBA</b>	National Basketball Association
<b>NRL</b>	National Rugby League
<b>NM</b>	Not meaningful
<b>NPAT</b>	Net profit after tax
<b>NSW</b>	New South Wales
<b>NT</b>	Northern Territory
<b>OPEX</b>	Operating expenses net of other income
<b>PCP</b>	Prior corresponding period
<b>PGI</b>	Premier Gateway International Limited
<b>Pro forma (PF)</b>	Pro forma financial information has been derived from Tabcorp financial information and adjusted for additional stand-alone operating costs to reflect the Demerger having effect pro forma period presented
<b>POCT</b>	Point of Consumption Tax
<b>QLD</b>	Queensland
<b>ROI</b>	Return on investment
<b>ROIC</b>	Return on invested capital
<b>RQ</b>	Racing Queensland
<b>SA</b>	South Australia
<b>SGM</b>	Same Game Multi
<b>Sky Racing</b>	Part of the Group's Media business, broadcasting racing and sport throughout Australia and internationally
<b>TAB</b>	The Group's wagering brand
<b>TAH</b>	The ASX ticker code used to identify Tabcorp
<b>TAS</b>	Tasmania
<b>The Lottery Corporation (TLC)</b>	Post Demerger is a stand-alone company listed on the ASX, holding the Lotteries and Keno businesses
<b>Turnover</b>	Turnover is gross amount wagered by customers. It is a non-IFRS measure
<b>USPP</b>	US Private Placement
<b>VC</b>	Variable Contribution
<b>VIC</b>	Victoria
<b>VRI</b>	Victorian Racing Industry
<b>Wagering and Media (W&amp;M)</b>	The Group's business that operates fixed odds and pari-mutuel betting products and services on racing, sport and novelty products, and racing and sports broadcasting

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