

Presentation to Macquarie Australia Conference

Jumbo Interactive Limited (**ASX: JIN or Jumbo**) CEO and Founder, Mike Veverka, is giving the attached presentation at the 2024 Macquarie Australia Conference today.

The presentation includes a trading update for Jumbo's Lottery Retailing segment.

- Ends -

Authorised for release by the Board of Directors.

For further information contact:

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

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

About Jumbo Interactive

Jumbo is a digital lottery specialist, providing our proprietary lottery software platforms and lottery management expertise to the charity and government lottery sectors in Australia and globally. Our mission is to *create positive social impact through making lotteries easier* and our vision is to become the *number one choice in digital lottery and services* around the world.

Jumbo was founded by CEO Mike Veverka in 1995 with a single computer. Since then, it has matured into a leading digital lottery retailer and lottery software provider with over 250 employees across Australasia, the United Kingdom (UK) and Canada. In FY23, Jumbo helped raise over \$230m for good causes for our charity partners. Jumbo was listed on the ASX in 1999.

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Jumbo Interactive Limited

Macquarie Australia Conference

8 May 2024



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Disclaimer

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

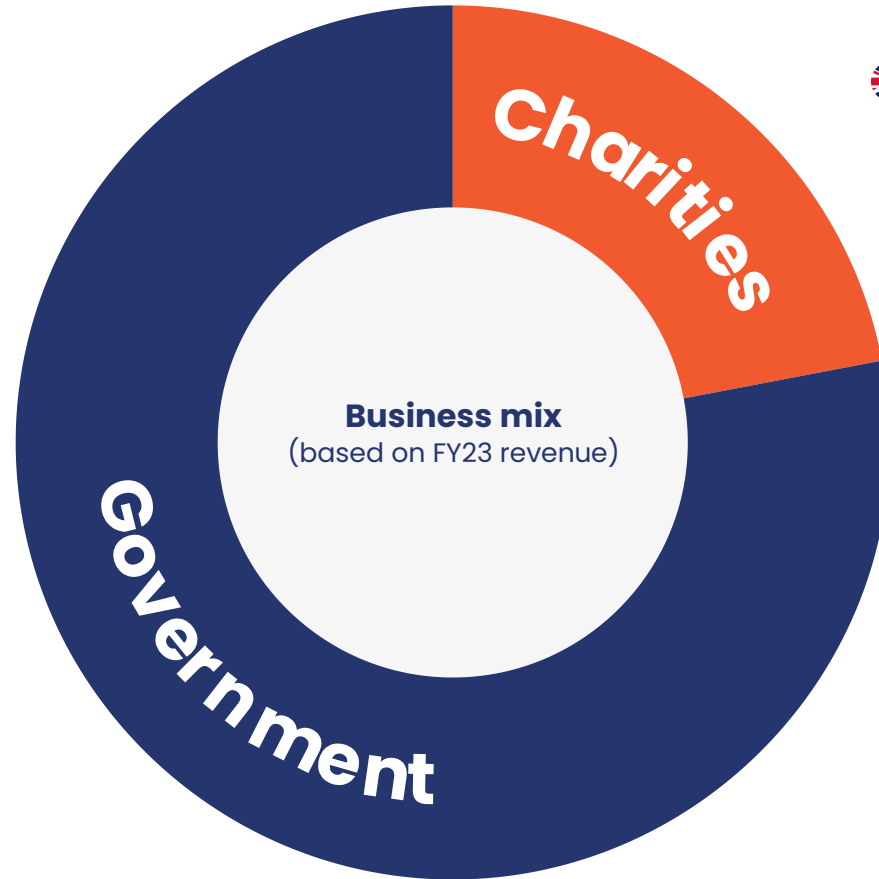


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Jumbo is a digital lottery specialist

We provide our **proprietary lottery software platform** and **lottery management expertise** to the charity and government lottery sectors in Australia and globally.

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Our **three** operating segments

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1

Lottery Retailing



Jumbo is an **authorised reseller**¹ of Australian digital lottery tickets through Oz Lotteries.



\$3.1B
Serviceable Available Market²

2

Software-as-a-Service



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



\$3.1B
Serviceable Available Market²

3

Managed Services

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



\$5.2B
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 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 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 FY23 Results Investor Presentation for further detail. Note, Lottery Retailing Serviceable Available Market has been updated to reflect 1H24 Australian lottery digital penetration.

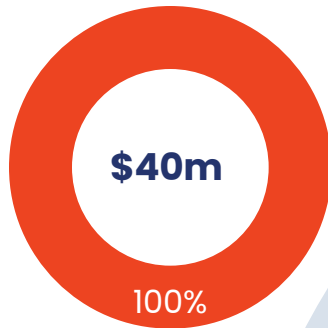
Growth and diversification over time

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Business mix

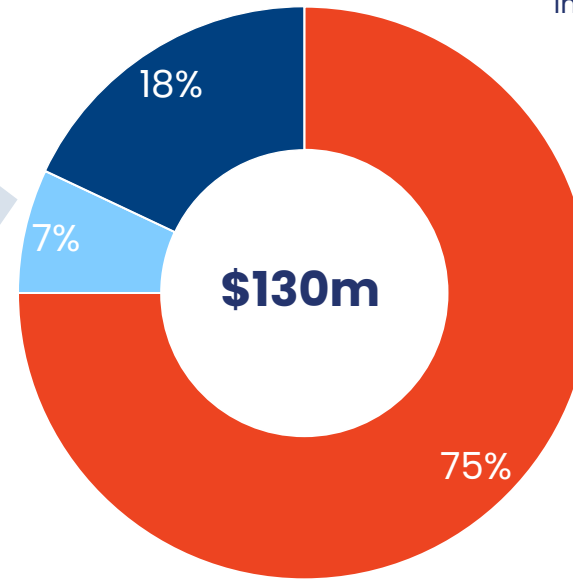
Revenue %

FY18



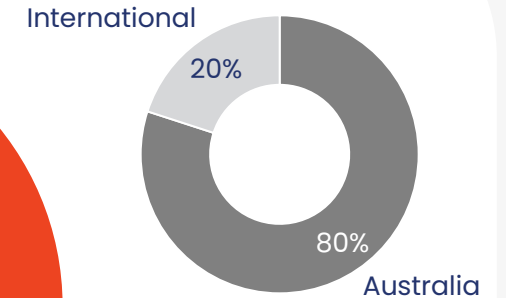
- Australian centric
- Focus on Government lotteries
- 100% dependent on TLC² (Reseller Agreements)

CY23¹

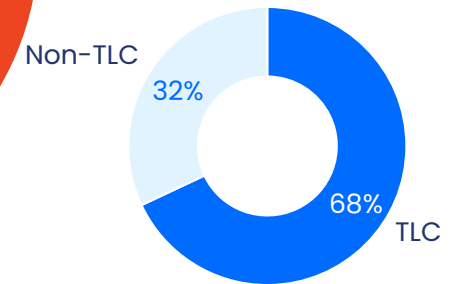


- Australia and International focus
- Focus on Government + Charity lotteries
- Emerging SaaS & Managed Services segments

Geographical mix



Product mix



■ Lottery Retailing
 ■ SaaS³
■ Managed Services

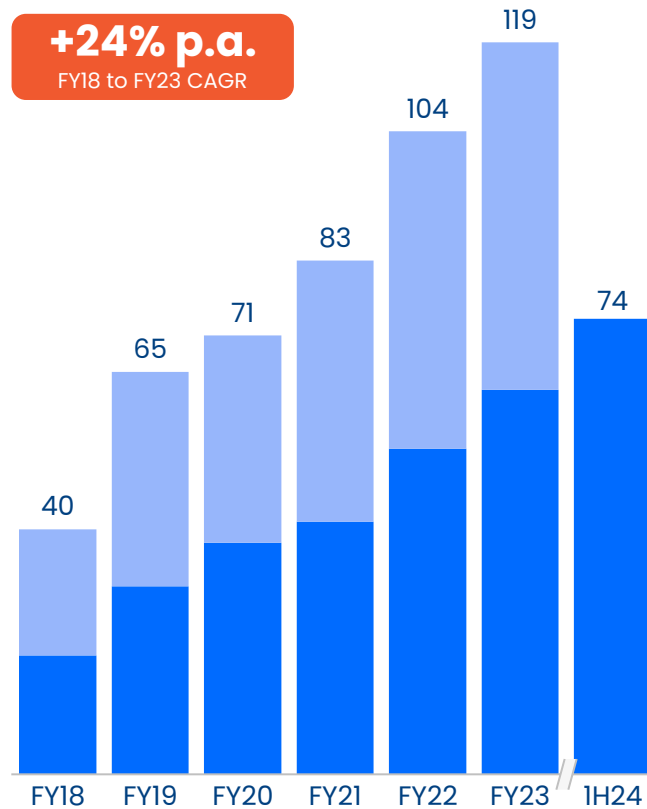
1. Calendar year 2023 (2H23 + 1H24).
 2. The Lottery Corporation.
 3. External revenue (excluding intersegment fee from Lottery Retailing).

Successfully growing earnings and cash generation

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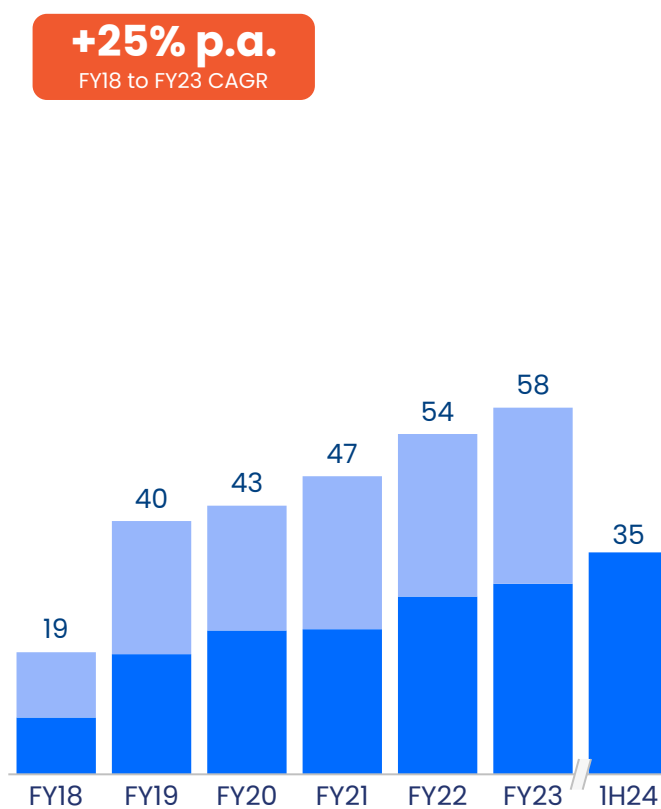
Revenue (\$M)

+24% p.a.
FY18 to FY23 CAGR



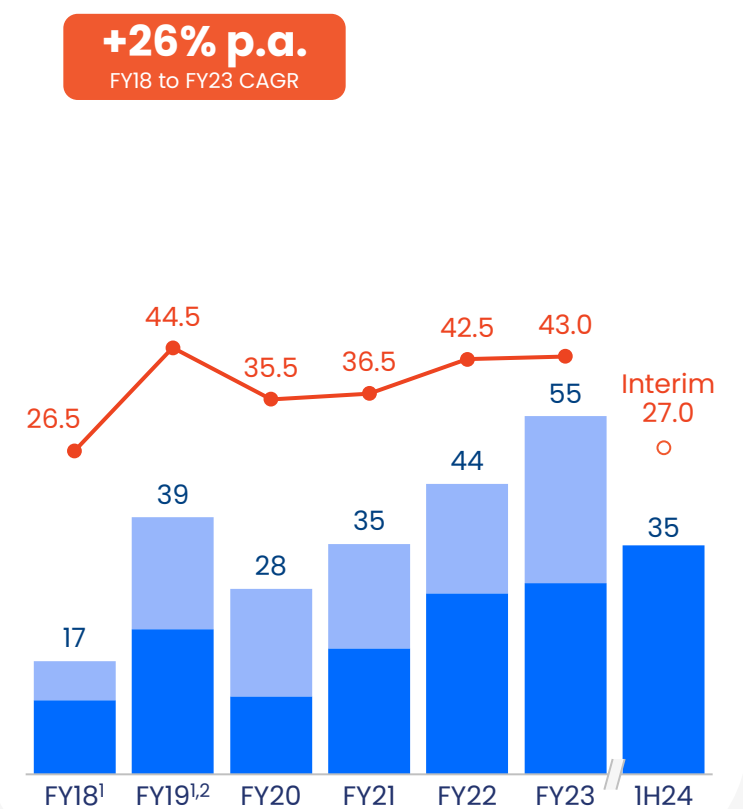
EBITDA (\$M)

+25% p.a.
FY18 to FY23 CAGR



Operating Cash Flow (\$M)

+26% p.a.
FY18 to FY23 CAGR



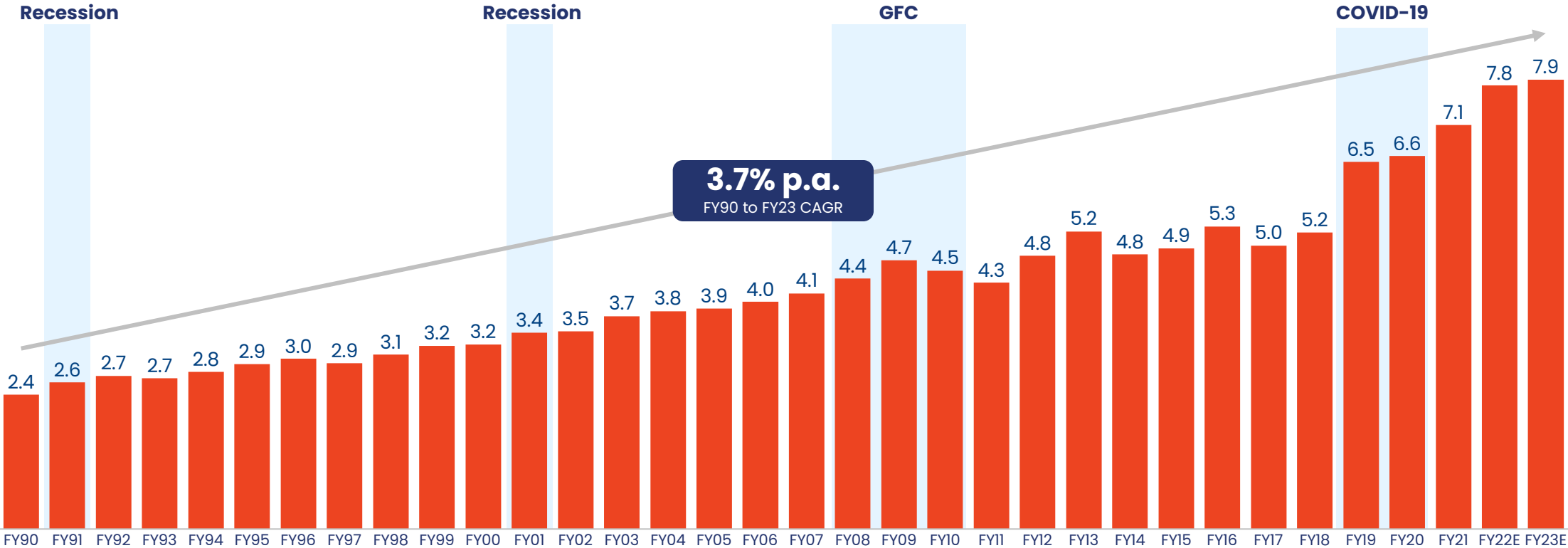
1. FY18 and FY19 include special dividends.
2. Reflects timing impact where trade and other payables were \$22m (FY18:\$14m), as payments to The Lottery Corporation are a week in arrears.

■ 1H ■ 2H ● Dividend declared (cps)¹

Consistent and resilient growth over the long term

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Australian lotteries sales over time (\$bn)

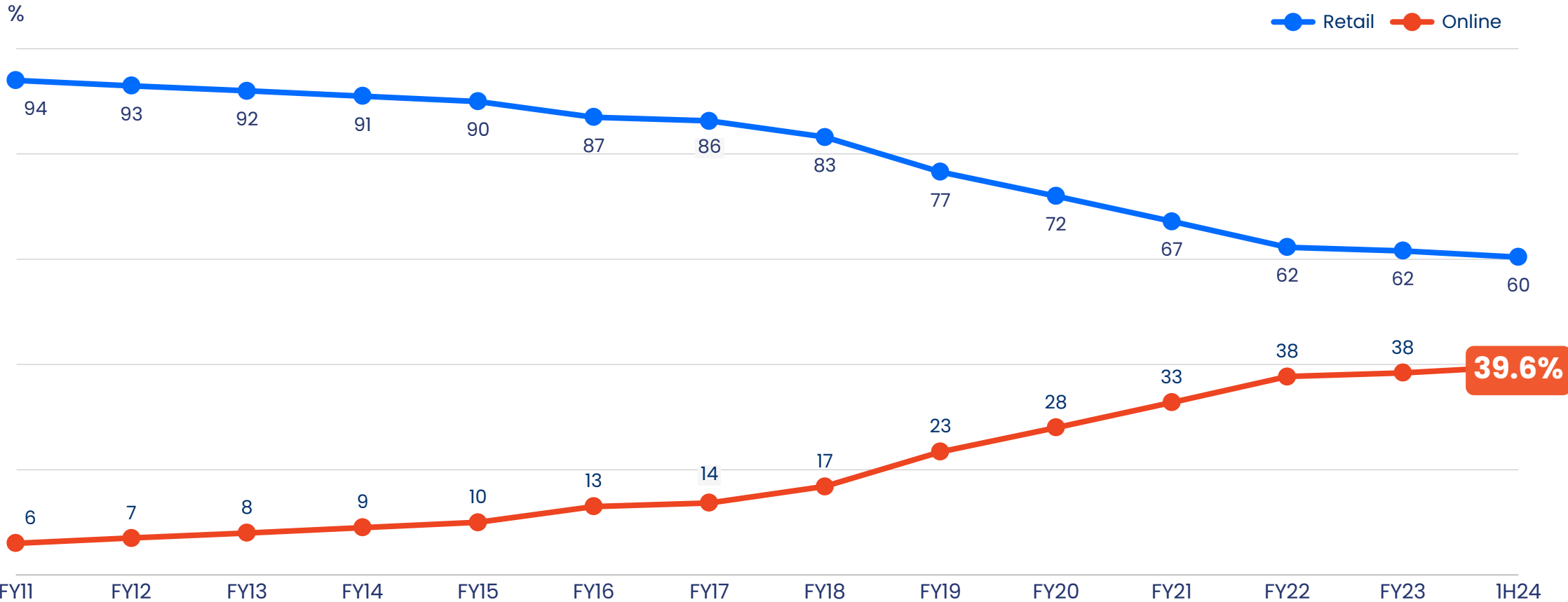


Source: Australian Gambling Statistics, Tabcorp, TLC, Lotterywest financial reports. FY22 and FY23 figures estimated.

Growth in online penetration

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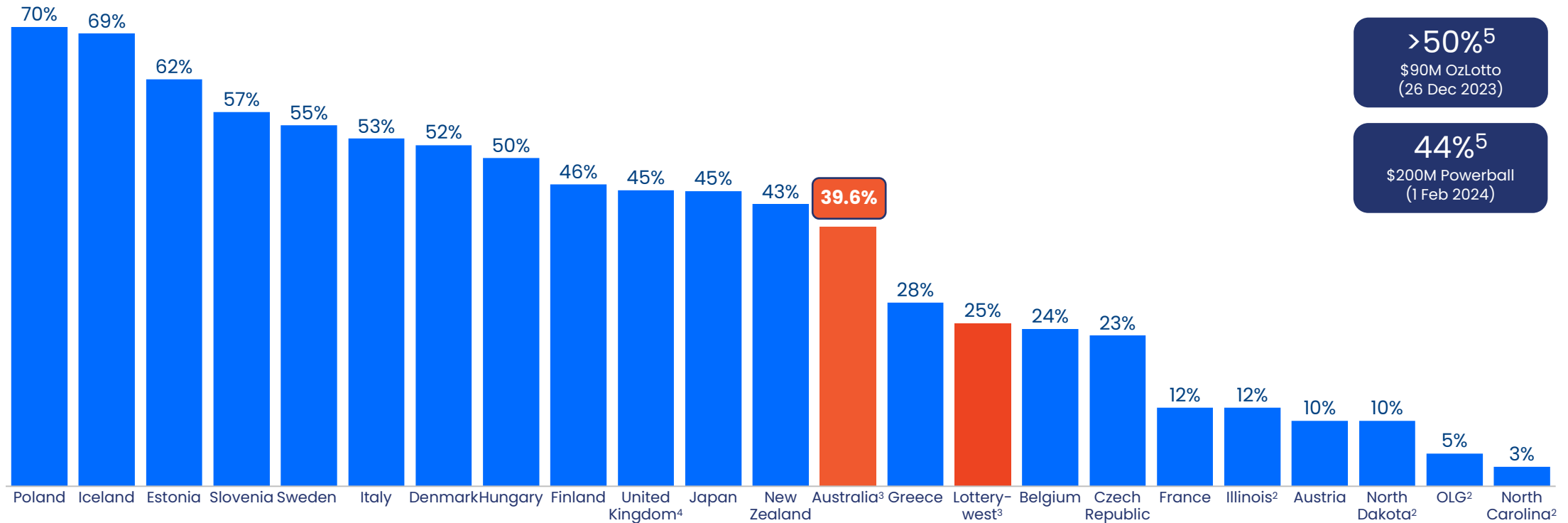
Australian lottery sales through the online channel (%)



Source: Tabcorp | TLC company reports; Management estimates.

Significant growth potential from online penetration

2022¹ total internet revenues as a % of total lottery sales



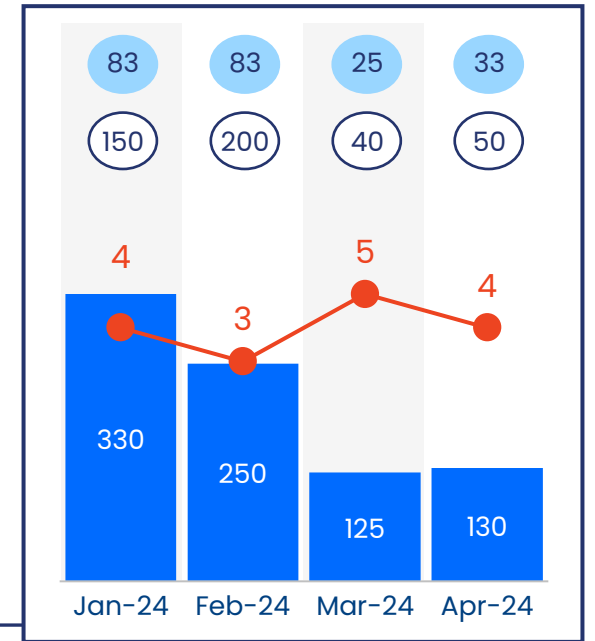
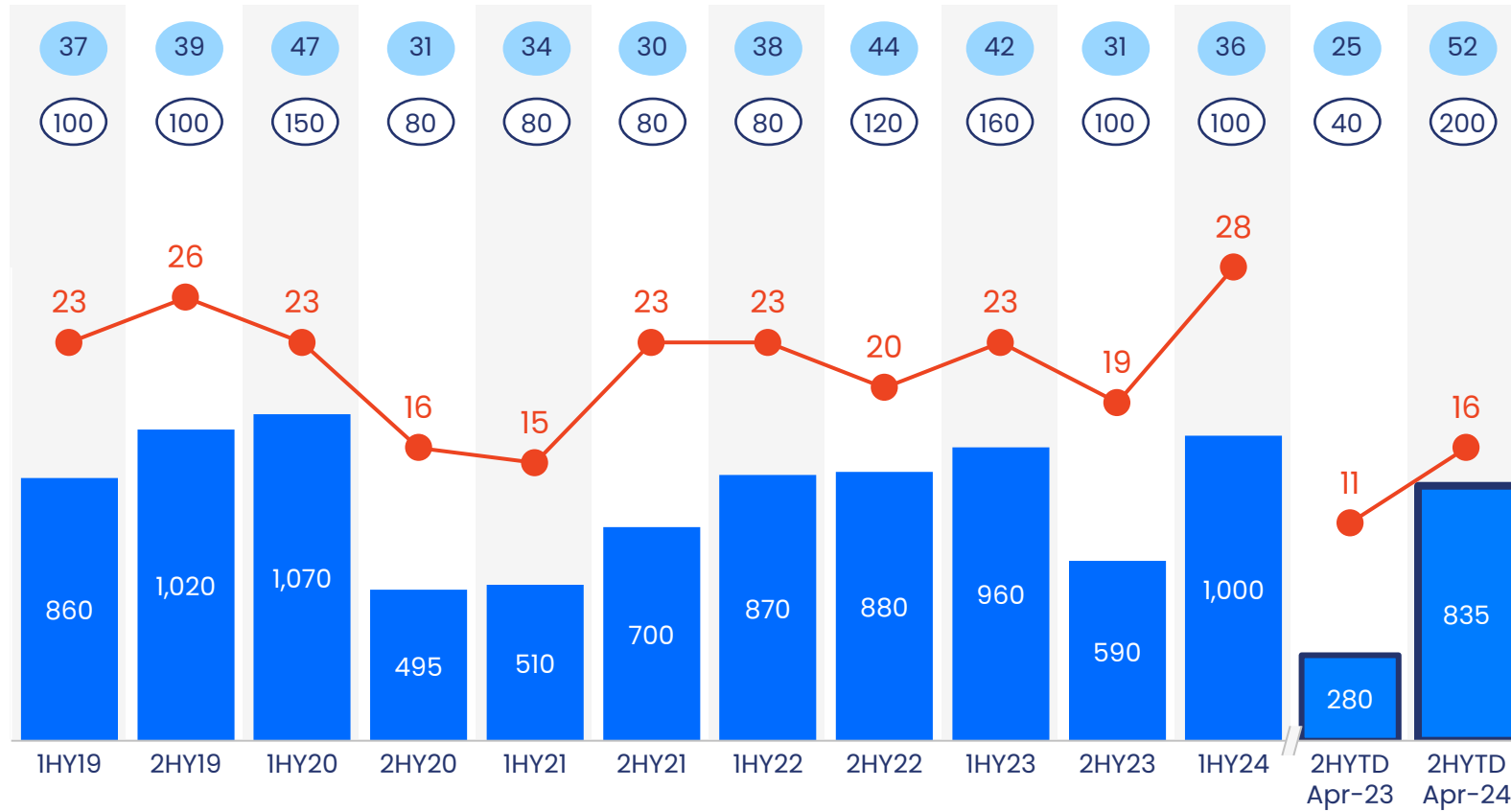
>50%⁵
\$90M OzLotto
(26 Dec 2023)

44%⁵
\$200M Powerball
(1 Feb 2024)

1. Based on calendar year 2022 performance.
 2. Solely sells draw games via the internet.
 3. Australia online penetration based on The Lottery Corporation's 1H24 Results Presentation; Lotterywest (WA) online penetration based on FY23 figures from Lotterywest's 2023 Annual Report.
 4. For the 12 months 1 April 2022 to 31 March 2023.
 5. Digital penetration for individual draws based on The Lottery Corporation's 1H24 Results Investor Presentation transcript.
 Source: La Fleur's 2023 Internet Report; Company annual reports/websites.

Strong start to 2H24 with record \$200M Powerball

Powerball and Oz Lotto aggregate Division 1 jackpots ≥\$15m



- Average Division 1 jackpot per draw (\$m)
- Peak Division 1 jackpot (\$m)
- No. of large jackpots (≥ \$15 million)
- Aggregate Division 1 jackpots (\$m)

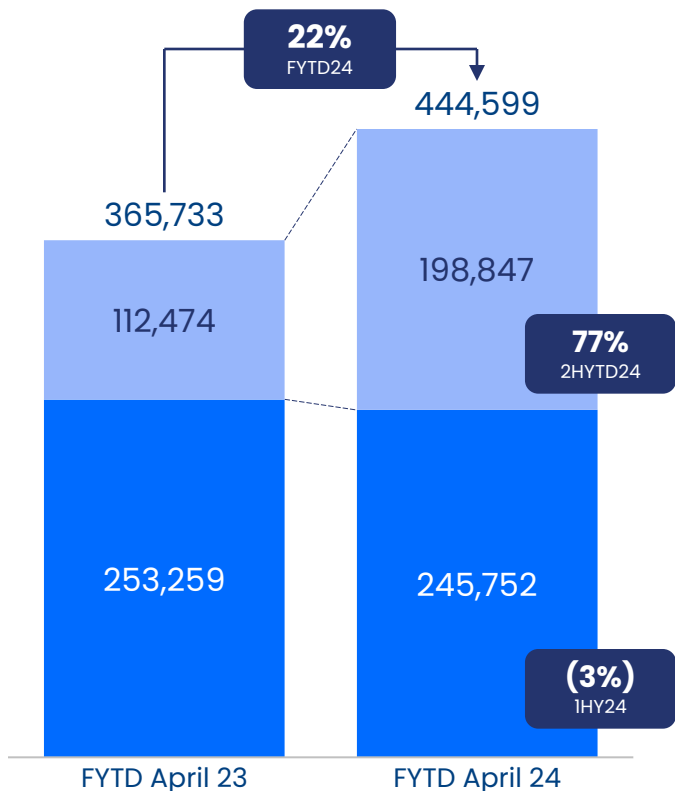
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Lottery Retailing Trading Update 10 months to April 2024

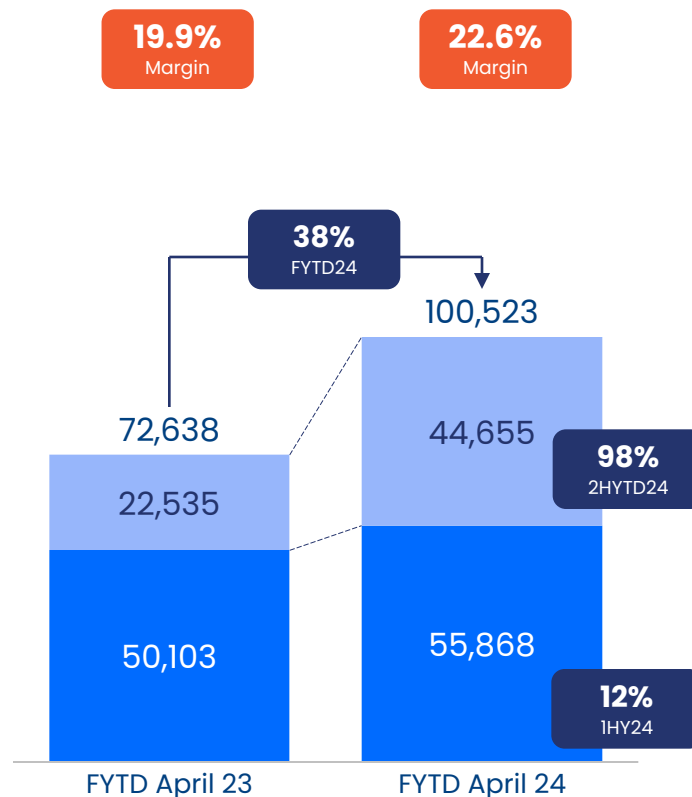
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TTV (\$M)

■ 1H ■ 2HYTD



Revenue (\$M)



Key Highlights

- **Robust** underlying player **performance metrics**
- FYTD April 24 Charity TTV **growth of +60%** | **Record TTV** from **non-TLC** products
- **1.1 million active players¹** as at Apr-24
- Revenue margin uplift reflects impact of **pricing and product portfolio changes** from May-23
- Monday & Wednesday Lotto² refresh into **Weekday Windfall** (including extension to Friday)
 - TLC advised subscription price **increase of 5 cents** per game
 - Jumbo will increase price a further **5 cents per game, over and above** the subscription price increase

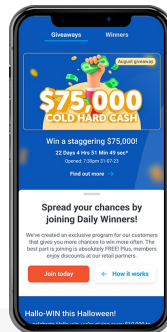
1. A player who made a purchase in the 12-month period (1 May 2023 to 30 April 2024).

2. Represents ~3% of Lottery Retailing TTV in FY23.

Exclusive content that creates **winning moments**



- Launched September 2023
- 150,000+ members
- Discounts from our retail partners
- \$425k in prizes in 1H24
- Free to join, exclusive to Oz Lotteries
 - \$500 prize daily
 - \$2,500 prize on Fridays
 - \$75k - \$100k major draws
 - Special event draws



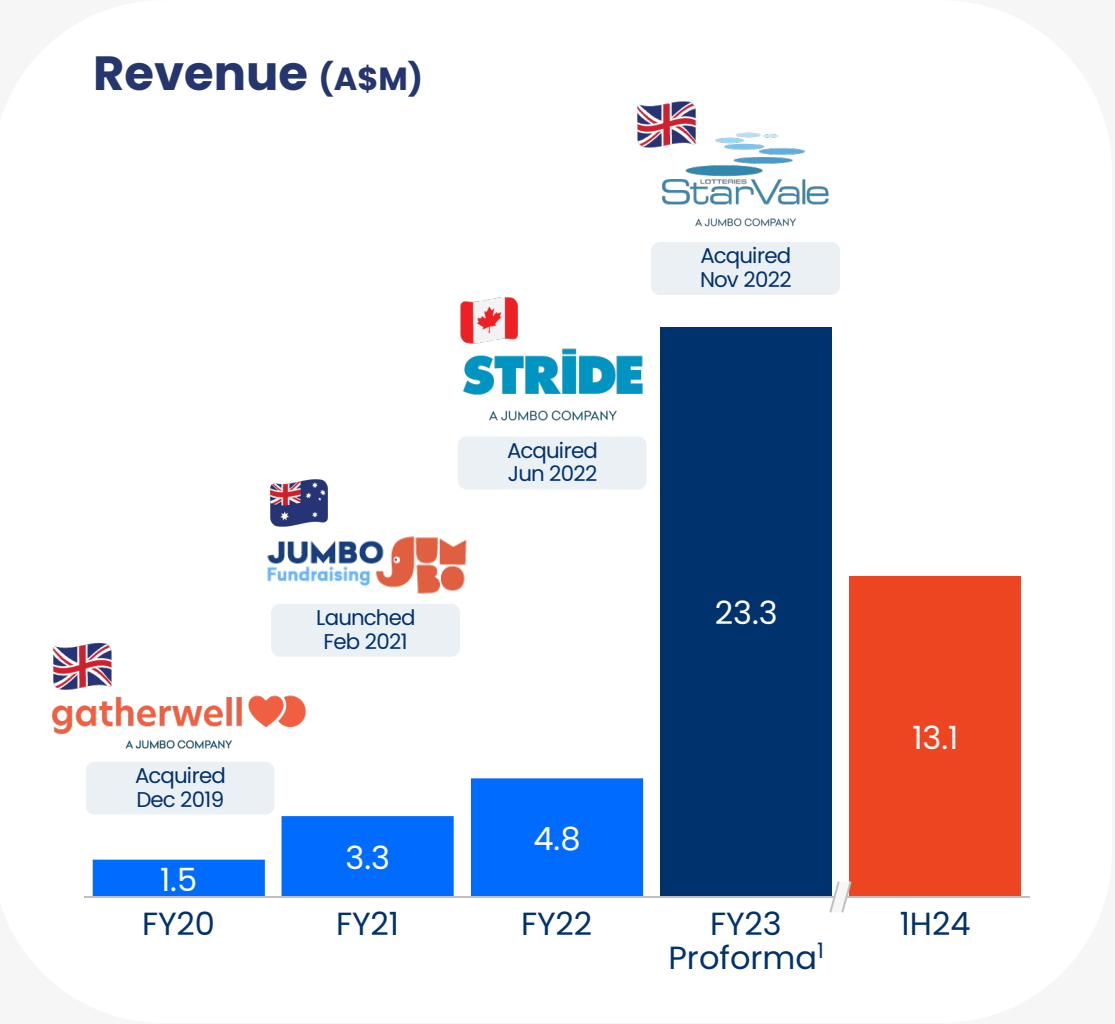
- Launched in October 2023
- Automated rolling draws (First of its kind)
- ~\$250k for Destiny Rescue (Pilot Partner) in 1H24
- Great odds, at a low cost for players



"Splash for Good has rescued 298 children from sexual exploitation and trafficking. Every child is valuable, loved and deserves to have a life of freedom. To know that 298 children have been set free is incredible and words are not enough to say thank you."

Emerging Managed Services segment

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1. Assumes 12-month contribution from StarVale which completed on 1 Nov 2022.

Our blueprint for acquisitions

Our M&A strategy seeks to enhance the existing portfolio by acquiring new businesses that enable access to new markets, complementary capabilities and propositions, and to build operating scale.

Strategic rationale

- 1 Access to new regions, sectors and verticals
- 2 Develop complementary capabilities and revenue generating propositions
- 3 Consolidate position in market and build for operating scale

Business criteria



Established business with proven track record of performance



Significant growth runway by leveraging Jumbo core IP (technology and lottery expertise)



High calibre team and expertise (typically founder-led)



Strong compliance, risk management and governance (incl. player welfare)

Financial criteria



Operating at scale, generates EBITDA ≥A\$3m per annum



Typically 5 – 7x EBITDA multiple¹



EPS accretion (typically in first year)



Attractive financial profile (EBITDA margin, ROIC²)

1. EBITDA multiple higher than 5 – 7x EBITDA may be considered should the acquisition deliver key strategic or transformational capabilities.
2. Return on invested capital.

FY24 Outlook **Reaffirmed**

Lottery Retailing¹

- Marketing costs expected to be in the range of **1.5% to 2.0% of TTV** (FY23: 1.3%), dependent on jackpots
- Final step up in TLC **service fee² to 4.65%** of subscription price of tickets (FY23: 3.5%)
- **Improved revenue margin** following portfolio pricing changes announced in May 2023 (FY23: 20.3%)

Acquisitions (Gatherwell + Stride + StarVale³)

- **Mid-to-high single digit** revenue growth
- **Modest investment** to optimise governance, seed Jumbo culture and drive future growth

Group (excluding impact of incentives⁵)

- Underlying **operating cost growth to grow at a slower pace** than revenue on a like-for-like basis⁴
- Underlying EBITDA margin expected to be in **a range of 48% to 50%²** (FY23: 50.1%)

Capital

- Strong free cash flow generation with **~100% cash conversion** expected
- Targeted **dividend payout ratio of 65% to 85%** of statutory NPAT
- **Strong M&A pipeline** supported by balance sheet strength and debt headroom
- On-market share buy-back⁶ of **up to \$25m** expected to continue into FY24; provides capital flexibility

1. 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.

2. Pursuant to the Reseller Agreements with TLC dated 25 August 2020, a 'stepped-up' service fee is payable in the subscription cost of the tickets purchased at 1.5% FY21, 2.5% FY22, 3.5% FY23, and 4.65% FY24 and thereafter. If the subscriptions exceed \$400m in any applicable financial year, then a service of 4.65% applies to the excess amount.

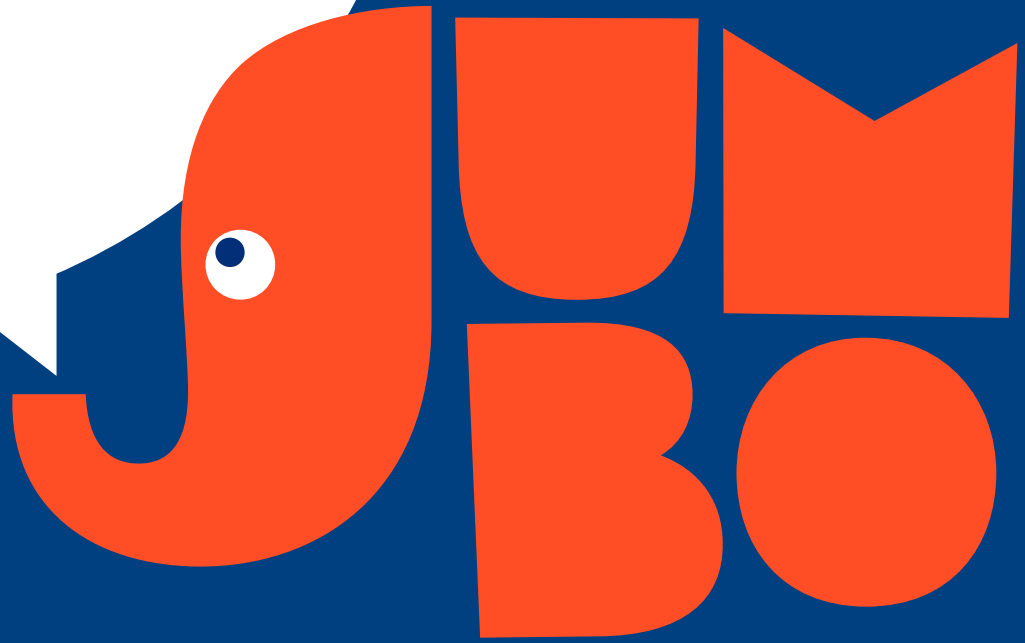
3. StarVale completed on 1 November 2022.

4. Weighted average revenue growth of Gatherwell, Stride and StarVale in local currency.

5. Excludes the impact of short-term incentives and Share-based Payments (SBP). FY23 benefitted from significantly lower short-term incentive payments due to underlying NPAT growth being below the required hurdle rate.

6. 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 31 December 2023, \$3.2m shares have been purchased at an average price of \$12.74.

Questions



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