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Jumbo delivers resilient 1H25 performance against a backdrop of subdued large jackpots; Reaffirms FY25 Outlook

Jumbo Interactive Limited (ASX:JIN) (**Jumbo**) today announced its results for the half year ended 31 December 2024.

Jumbo Managing Director, CEO and Founder Mike Veverka said *"The large jackpot environment in the first six months of FY25 was relatively subdued prompting changes to marketing techniques and cost base management. The successful launch of Jumbo's proprietary "Daily Winners" Premium loyalty program has had a positive effect on our core Powerball and OzLotto games and helped with player engagement in a low jackpot period. Progress in Canada and the UK remains on track under new leadership and the balance sheet remains strong with available cash of over \$50 million."*

1H25 performance summary

Growth across key performance metrics:

- TTV down 6.4% to \$453.4 million.
- Revenue down 10.5% to \$66.1 million.
- Underlying EBITDA¹ down 12.9% to \$30.6 million.
- Underlying NPATA^{1,2} down 10.8% to \$18.6 million.
- Underlying EPSA^{1,2} down 10.6% to 29.6 cents per share.
- Fully franked interim dividend down 11.1% to 24.0 cents per share.

Lottery Retailing

The large jackpot environment in 1H25 was relatively subdued with 24 Powerball/OzLotto large jackpots³ (1H24: 28) and an aggregate division 1 prize value of \$810 million (1H24: \$1.0 billion). There were 5 large jackpots greater than or equal to \$50 million (1H24:6) with the comparative period including a record \$90 million Oz Lotto jackpot.

The less favourable run of large jackpots led to Lottery Retailing TTV being down 15.3% on the pcg at \$208.3 million. Revenue decreased 12.7% with the reduction in TTV partially offset by a 0.7ppt increase in the revenue margin due to portfolio mix including the launch of the Daily Winners Premium loyalty program. EBITDA decreased 12.8% to \$17.9 million, reflecting an EBITDA/revenue margin of 36.6% (1H24: 36.7%).

Software-as-a-Service (SaaS)

Jumbo licenses its digital lottery platform to government and charity lottery operators with the advantage of operating in a dual role as both developer and client of its proprietary lottery software.

¹ Adjusted for one-off items of \$0.573 million (pre-tax) and \$0.073 million (pre-tax) in 1H25 and 1H24 respectively.

² Net Profit After Tax/Earnings Per Share before amortisation of acquired intangible assets.

³ Greater than or equal to \$15 million.

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The SaaS segment continues to grow with TTV up 10.4%. Excluding the impact of St Helena Hospice, which was transitioned to the UK Managed Services segment in May 2024, TTV and revenue were up 15.0% and 5.8% respectively. The lower reported revenue margin of 4.10% (1H24: 4.4%) reflects the revised license fee structures under the extended Mater and Lotterywest agreements and the skew towards charity relative to government lotteries. Similar to Lottery Retailing, the latter was also impacted by the relatively subdued jackpot environment. EBITDA decreased 5.3% to \$13.4 million, reflecting an EBITDA/revenue margin of 65.3% (1H24:60.5%).

Managed Services

Jumbo provides its lottery platforms as well as lottery management and fulfillment services to charities and good causes, enabling them to establish a new lottery program or enhance an existing program.

Managed Services includes Jumbo's subsidiaries in the UK and Canada. In aggregate, Managed Services generated \$120.7 million (1H24: \$126.0 million) in TTV, \$12.3 million (1H24: \$13.1 million) in revenue and \$2.7 million (1H24: 3.2 million) in EBITDA, reflecting an EBITDA/revenue margin of 21.6% (1H24: 24.2%). The lower EBITDA reflects subdued revenue growth, particularly in Canada as a number of customer contracts across the lottery value chain were re-evaluated, and the investment Jumbo has made in setting the foundations for future growth.

Key Group Financials

Group metric		1H25	1H24	Variance %
TTV	\$M	453.4	484.5	(6.4%)
Revenue	\$M	66.1	73.9	(10.5%)
Revenue margin	%	14.6%	15.3%	(0.7ppts)
Underlying EBITDA ¹	\$M	30.6	35.1	(12.9%)
Underlying EBITDA margin ¹	%	46.3%	47.6%	(1.3ppts)
Underlying NPATA ¹	\$M	18.6	20.8	(10.8%)
Underlying EPSA ¹	cps	29.6 cps	33.1cps	(10.6%)

Dividend and Capital management

The ongoing positive cash generation and strength of the balance sheet resulted in the Board determining to pay an interim, fully franked dividend of 24.0 cents per share. This translates to a dividend payout ratio of 84.2%, at the top end of our targeted 65% to 85% dividend payout ratio range.

As part of a proactive approach to capital management, in September 2022 Jumbo commenced an on-market share buy-back of up to \$25 million. In 1H25 \$4.65 million worth of shares had been purchased. The Group intends to continue the on-market share buy-back program but will maintain a disciplined approach to execution, with the timing and number of shares to be purchased dependent on the prevailing share price and alternative capital deployment opportunities.

¹ Adjusted for one-off items of \$0.573 million (pre-tax) and \$0.073 million (pre-tax) in 1H25 and 1H24 respectively.

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FY25 Outlook reaffirmed

Jumbo remains on track to deliver its FY25 Outlook as announced at the FY24 Results briefing on 23 August 2024. The underlying EBITDA margin expectations and the underpinning assumptions are summarised below. Please refer to the separate ASX announcement released today which provides a trading update for the first six weeks of 2H25.

Australia (Lottery Retailing + SaaS + Corporate)

51% – 53%

Underlying EBITDA Margin
(FY24: 52.2%)

✓ **51.9%**
On track 1H25

Assumptions

- A return to the historical number of large jackpots
- Flat TLC service fee¹ at 4.65%
- Flat/slightly higher Lottery Retailing revenue margin
- Lottery Retailing marketing costs 1.5% to 2.0% of TTV, dependent on jackpots and product initiatives
- Low-teens underlying SaaS TTV growth
- Flat/slightly lower SaaS external revenue margin
- Modest increase in product development and innovation to drive future growth
- Operating cost base will be managed according to revenue growth

Managed Services (UK² | Canada)

21% – 23%

Underlying EBITDA Margin
(FY24: 26.4%)

✓ **21.7%**
On track 1H25

Assumptions⁴

- Flat-to-low single digit revenue growth reflecting:
 - Mid-to-high single digit growth in UK
 - Revenue decline in Canada as customer contracts across the lottery value chain are re-evaluated
- Modest investment to drive future growth
- Focus on building scale/capabilities through bolt-on acquisitions

Group

46% – 48%

Underlying EBITDA Margin
(FY24: 48.1%)

✓ **46.3%**
On track 1H25

Capital Management

- Target dividend payout ratio of 65% to 85% of statutory NPAT
- Acceleration of the on-market share buy-back³

Notes:

1. Pursuant to the Reseller Agreements with TLC, the service fee increased from 1.5% of the subscription price in FY21 to 2.5% in FY22, 3.5% in FY23 and 4.65% in FY24 and thereafter.
2. UK includes Gatherwell and StarVale.
3. 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 continues to depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the program at any time. As at 31 December 2024, \$7.9m of shares had been purchased at an average price of \$13.17.

1H25 investor/analyst briefing

A briefing for investors and analysts will be held today at 10.00am (Brisbane/AEST).

To register to access the webcast please click on the following link:

[Jumbo Interactive Limited 1H25 Results Briefing](#)

To register to access the conference call please click on the following link:

<https://s1.c-conf.com/diamondpass/10044281-jpw1y0.html>

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Authorised for release by the Board of Directors.

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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 FY24, Jumbo helped raise over \$260m for good causes for our charity partners. Jumbo was listed on the ASX in 1999.

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