

15 July 2022

Update on Preliminary FY22 Results

Jumbo Interactive Limited (ASX:JIN) (**Jumbo**) today provides an update on its preliminary FY22 results which will be released to the market on 26 August 2022.

The preliminary results, which remain subject to Board and external audit review, reflect strong double digit growth across all key performance metrics.

Jumbo CEO and Founder Mike Veverka said "We are very pleased with the strong growth that we have achieved in FY22 off the back of an improved jackpot cycle. FY22 has been a pivotal year for Jumbo as we build the foundations to successfully execute on our global growth strategy. Lottery Retailing is exceptionally well positioned to benefit from the ongoing shift to digital and the new OzLotto game launched in May 2022 while the integration of Stride and StarVale will help us build scale in our Managed Services and SaaS segments globally."

The domestic jackpot environment remains supportive with 43 Powerball/OzLotto jackpots greater than or equal to \$15 million in FY22, compared to 38 in FY21, with the average value of these jackpots up 28%. 2H22 benefitted from a \$120 million Powerball jackpot in February 2022, the first jackpot greater than \$100 million since September 2019. This however was followed by significantly lower jackpot activity in March and April 2022, with peak monthly Jackpots of \$20 million, before increasing to \$80 million and \$60 million in May and June respectively.

Preliminary FY22 performance highlights

Jumbo expects its preliminary FY22 Group underlying results to reflect the following:

- TTV up 36% to \$660.1 million
- Revenue up 27% to \$103.8 million
- Underlying EBITDA up 14% to \$54.0 million
- Underlying NPAT up 16% to \$31.6 million

Preliminary FY22 financials

Group metrics \$m	Reported FY21	Lottery- west adj. ¹	Underlying FY21	Preliminary FY22 ³	Variance %
TTV	487.0	-	487.0	660.1	35.5%
Revenue	83.3	(1.6)	81.7	103.8	27.1%
Underlying operating costs ²	(26.4)	-	(26.4)	(35.6)	34.8%
Underlying EBITDA ²	48.9	(1.4)	47.5	54.0	13.7%
Underlying EBITDA margin (%) ²	58.7%	(0.6%)	58.1%	52.0%	(6.1ppt)
Underlying NPAT ^{2,4}	28.3	(1.0)	27.3	31.6	15.8%

¹ Western Australia customers originally reported within Lottery Retailing (revenue margin ~20%) were transferred to SaaS (revenue margin 9.5%), effective 21 December 2020. NPAT adjustment assumes 30% tax rate.

² Underlying operating costs, EBITDA and NPAT reflect statutory figures adjusted for one-off costs of \$1.6m in FY21 and \$1.4m in FY22).

³ FY22 numbers are preliminary only and subject to Board and external audit review. FY22 includes one-month contribution from Stride (TTV:\$10.1m, Revenue: \$0.5m, EBITDA \$0.1m) based on exchange rate of C\$0.8800 = A\$1.00.

⁴ Based on an effective 30.9% tax rate

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The Group's dividend policy for FY22 targets a dividend payout ratio of 85% of statutory NPAT. As previously advised, the Board has resolved to adjust the target dividend payout ratio to a range of 65% to 85% of statutory NPAT effective from FY23. The final FY22 ordinary dividend will be determined by the Board following finalisation of the FY22 results.

FY23 Outlook

Jumbo has recently completed its annual planning process and expects the FY23 results will contain the following features:

Lottery Retailing:

- Cost of goods sold to be impacted by the increase in The Lottery Corporation service fee to 3.5% of the subscription price of tickets purchased (2.5% in FY22)
- Marketing costs are expected to be in the range of 1.5% to 2.0% of Lottery Retailing TTV

Group (excluding the impact of the Stride and StarVale¹ acquisitions):

- Underlying operating cost growth excluding Lottery Retailing marketing costs (see above) is anticipated to moderate with Jumbo targeting an increase of 20% to 22% (FY22: 32%)
- The underlying EBITDA margin is anticipated to be within a range of 48%-50% (FY22: 52%)

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.

FY22 results announcement

Jumbo will announce its final FY22 results on 26 August 2022 following completion of Board and external audit review.

- Ends -

Authorised for release by the Board of Directors.

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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 ~190 employees creating engaging and entertaining lottery experiences for its global player base.

¹ Pending regulatory approval, expected by the end of Q1FY23