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Jumbo's early IR effort pays off

The lottery business's strong share price performance has warranted significant focus on its IR efforts.



Continuous disclosure requirements and investor expectations means there is a great need for effective investor relations, especially at the big end of town.

Many listed businesses only put in place a dedicated investor relations strategy as they are poised to enter a major index such as the ASX 200. But there are plenty of reasons to pay attention to investor relations before this time. This was our position at Jumbo. Our IR strategy was developed prior to it becoming imperative.

Effective management is essential to a company's success. But the IR demands on CEOs from investors wanting access and information can be arduous. As such the business chose to appoint a dedicated investor relations resource.

We engaged external IR services during previous growth phases. But nothing can replicate the cohesion of an internal IR team. It delivers an inherent understanding of the business and ensures Jumbo is able to communicate the company's strategic direction and its commitment to ESG issues. This is important because there is a strong social responsibility aspect to lotteries, particularly in the charity lottery space, which is aligned with Jumbo's sense of community.

Initially employed as in-house legal counsel, I have worked for Jumbo for four years. I find fulfillment in a role that enables me to wear my business hat and my legal wig, which is what prompted my move in-house. I wanted a role that would allow me to grow with the business, not just advise when problems were imminent.

The strategy was for my role to evolve into the expanded legal counsel and investor relations position I now hold.

Although the IR arena was not on my radar, it was a progression I keenly embraced, once presented to me.

It has been an incredibly exciting ride, with the Jumbo share price increasing by more than 700 per cent in the past two years. We have a commitment to operating in a sustainable and responsible manner, focusing on our ability to contribute not only to the well-being of Jumbo staff, but also to the community.

This is demonstrated in a number of ways, including through our support of the charity lottery industry, which directly benefits specific charities, and through financial support of initiatives such as the Women in Lottery Leadership program.

My legal background instilled in me an innate understanding of the importance of prudence and professionalism when dealing with stakeholders and the investment community. My involvement within various sectors of the business ensures an intimate knowledge of it and the industry in which it operates.

The Jumbo IR team actively conducts roadshows, meetings and conference calls to foster relationships with investors, and to continually keep open communication with the market. Jumbo's commitment to effective IR has been rewarded not only by a phenomenal performance in the market, but also within the industry. We have been nominated for and awarded the ASX Award for Best Investor Relations by a Company in the S&P/ASX Emerging Companies Index at the Australasian Investor Relations Association Best Practice Awards in 2018.

While the share register largely comprises the founder and CEO and industry partner Tabcorp, there has been substantial interest from institutional investors. However at times, analysts have misunderstood our business risks, subsequently impacting the market's reception of us.

An additional challenge has been in explaining the new software-as-a-service business model. This has seen Jumbo return to its roots as a tech company and minimise risk through an additional income stream independent of the ticket-selling retail business.

Future challenges for the IR team will be retaining the current perceived value of the company, demonstrating inherent value in light of our high P/E ratio, and managing market expectations in relation to Jumbo's \$1 billion vision.

Our future IR program will be to expand our reach to more overseas investors, with an immediate focus on Hong Kong and Singapore.