

# Portfolio diversification and active management delivered a resilient financial performance



**The Lottery Corporation Limited (ASX: TLC) today announces its results for the full year ended 30 June 2025 (FY25)**

## **FY25 highlights**

- Revenue of \$3.7b and EBITDA<sup>1</sup> of \$749.3m; this follows a record jackpot year in FY24
- Continued growth in Lotteries' digital share supported by enhanced customer experience
- Strong uptake of additional Weekday Windfall draw on Fridays delivered c.\$90m in incremental turnover
- High early retention of Saturday lotto price increase; Powerball entry price increase planned for November 2025<sup>2</sup>
- New terminal rollout commenced (Queensland lotteries complete), setting platform for future digitalisation
- Keno retail growth driven by effective local marketing initiatives and increased venue visitation
- Disciplined cost management largely offset final separation costs
- Strong balance sheet and free cash flow enabled 3.1% increase in total ordinary dividend<sup>3</sup> (interim and final) to 16.5cps, fully franked; payout ratio of 100%<sup>4</sup>
- Strong community contribution with \$2.4b returned to governments, and retail and venue partners

## **The Lottery Corporation Managing Director & CEO, Sue van der Merwe, commented:**

"The Lottery Corporation's portfolio diversification and active management helped to deliver a resilient performance this year, as we continued to build strong foundations for a sustainable future.

The defensive characteristics of lotteries were evident, with customer participation remaining healthy, even as players sought value in a challenging economic environment.

We made targeted investments in the game portfolio, distribution channels and customer experience. We also kept operating expenditure lower than our guided range, even while absorbing the final impacts of separation and inflationary headwinds.

The strong cash flows generated by the business and our strong balance sheet enable us to return funds to shareholders in line with our disciplined capital allocation framework. The Board was pleased to determine to pay a fully franked, total ordinary dividend of 16.5 cents per share, up 3.1% on FY24<sup>3</sup> and at the top end of our target payout range.

In May 2025, we refreshed the much-loved Saturday lotto game, which was well received by the game's loyal customer base. Subject to regulatory approval, we intend to refresh our Powerball game with a price change enabling increased prizes across all divisions. This will enhance Powerball as Australia's most popular premium jackpot game.

Keno continues to build its position as a fun and affordable social occasion game, with record retail turnover in FY25 as customers increasingly favoured pubs and clubs for entertainment.

The Lottery Corporation continues to positively impact the community, returning \$2.4b to stakeholders in FY25, including \$1.7b for state governments and \$655m for our retail and venue partners. We were also pleased to integrate the 50-50 Foundation's charitable Play For Purpose raffle into The Lott app and website, boosting fundraising opportunities for hundreds of grassroots organisations and further deepening our community connection."

<sup>1</sup> Before significant items. This is 'Non-IFRS' information and is unaudited

<sup>2</sup> Subject to all regulatory and other approvals

<sup>3</sup> Excludes 2.5 cents per share special dividend in FY24

<sup>4</sup> Payout ratio based on FY25 NPAT

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## FY25 Group Results

\$m	FY25	FY24	Change	
			\$	%
<b>Revenue</b>	<b>3,748.9</b>	<b>3,996.6</b>	<b>(247.7)</b>	<b>(6.2%)</b>
Variable contribution	1,056.4	1,126.6	(70.2)	(6.2%)
Operating expenses	(307.1)	(299.5)	(7.6)	(2.5%)
<b>EBITDA (before significant items)<sup>5</sup></b>	<b>749.3</b>	<b>827.1</b>	<b>(77.8)</b>	<b>(9.4%)</b>
D&A	(105.1)	(108.3)	3.2	3.0%
Impairment reversal <sup>6</sup>	5.2	–	5.2	n.m.
<b>EBIT (before significant items)<sup>5</sup></b>	<b>649.4</b>	<b>718.8</b>	<b>(69.4)</b>	<b>(9.7%)</b>
Interest	(118.4)	(118.6)	0.2	0.2%
Tax expense	(165.5)	(188.4)	22.9	12.2%
<b>NPAT (before significant items)<sup>5</sup></b>	<b>365.5</b>	<b>411.8</b>	<b>(46.3)</b>	<b>(11.2%)</b>
Significant items (after tax) <sup>5,7</sup>	–	2.2	n.m.	n.m.
<b>NPAT (including significant items)</b>	<b>365.5</b>	<b>414.0</b>	<b>(48.5)</b>	<b>(11.7%)</b>
EPS (before significant items) <sup>5</sup>	16.4 cps	18.5 cps	(2.1) cps	(11.4%)
EPS (including significant items)	16.4 cps	18.6 cps	(2.2) cps	(11.8%)
DPS (fully franked) - ordinary	16.5 cps	16.0 cps	0.5 cps	3.1%
DPS (fully franked) - special	— cps	2.5 cps	n.m.	n.m.

## Business Unit Commentary:

### Lotteries – resilient underlying performance following record jackpot year in FY24

- Revenue \$3,374.9m, down 9.0% on the pc; EBITDA<sup>5</sup> \$646.2m, down 10.8% on the pc

The Lotteries division delivered a resilient underlying performance following a record jackpot year in FY24, with the effective use of accelerated jackpot sequences helping to deliver three \$100m Powerball jackpots and one \$100m Oz Lotto jackpot.

Strong customer uptake of the additional Weekday Windfall draw on Fridays delivered c.\$90m in incremental turnover.

The refresh of Saturday lotto in May 2025, taking the Division 1 prize offer from \$5m to \$6m, with a modest 10 cent per game price rise, has been well accepted with strong early retention of the price increase.

In line with long term customer demand, underlying participation remained healthy across the portfolio as customers sought out value amid economic challenges. This was reflected in relatively stable like-for-like turnover levels across our top three games - with Oz Lotto slightly up, and Powerball and Saturday lotto slightly down.

Digital share of turnover continued to grow, accounting for 41.8% of FY25 turnover (40.9% in the pc). The growth in higher margin digital share helped improve the Variable Contribution/Revenue margin to 26.9% (26.3% in the pc). The long term trend in active registered customer growth remains intact despite the prior year including the record \$200m Powerball jackpot.

Operating expenses increased by 4.3%, primarily due to the increase in technology costs and the full-year run-rate impact of final separation.

Important growth initiatives included the rollout of new terminals in retail outlets, the deployment of a new customer data platform to enable further personalisation, and improved onboarding and player registration systems.

The planned changes to the Powerball game in November 2025 (subject to regulatory approval) are designed to reinforce its position as our premium jackpot game and would see the entry price per game rise from \$1.20 to \$1.40 with consequent increases to prize offers and retailer commissions.

<sup>5</sup> This is 'Non-IFRS' information and is unaudited

<sup>6</sup> Comprises a partial reversal of the write down of assets in respect of surplus corporate lease space

<sup>7</sup> Refer Appendix 1 of the FY25 Results Presentation

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## Keno – strong retail performance drives growth

- Keno revenue \$374.0m, up 3.1% on the pcpc; EBITDA<sup>8</sup> \$103.1m, up 0.5% on the pcpc

Keno turnover was up 4.6% overall, driven by strong growth in retail turnover of 8.1% on the pcpc, continuing the channel's strong performance in recent years. The 'Together We Play' brand campaign and enhanced local area marketing initiatives - including joint promotions with major hotel groups - continue to strengthen Keno's popularity in the pub and club environment and drive turnover.

Digital turnover declined 18.6%, primarily due to our voluntary decision to introduce mandatory spend limits for all online Keno players in September 2024. This decision is part of The Lottery Corporation's long-term sustainability strategy for Keno. It complements other tools to help customers manage their play, including online continuous play alerts, which were introduced in May 2025.

The EBITDA/Revenue margin was 27.6% (28.3% in the pcpc), impacted by lower digital turnover, which is higher margin than retail, and changes to fees paid by venue partners following a move to a variable fee model. This was partly offset by lower operating expenses.

## Capital and Other Metrics

The Lottery Corporation's strong cash generation and robust balance sheet underpin consistent and reliable dividends in line with the Group's disciplined capital management framework. Reflecting its confidence in the business performance and outlook, the Board was pleased to determine a final ordinary dividend of 8.5 cents per share. This brings the total ordinary dividend to 16.5 cents per share (fully franked), up from 16.0 cents per share<sup>9</sup> in the pcpc. The payout ratio of 100% is at the top end of the full year target range of 80-100% of NPAT before significant items.

The final dividend will be fully franked and payable on 25 September 2025 to shareholders registered at 28 August 2025. The ex-dividend date is 27 August 2025.

At the end of FY25, the Company's leverage ratio (Net Debt /EBITDA<sup>10</sup>) was 2.9x. The Board is monitoring the Group's capital position, and remains committed to returning to the target leverage range of 3.0x to 4.0x, while maintaining financial flexibility and the capacity to support growth.

The Company has also announced an expected lift in capex to c. \$100m in FY26 as part of a three-year program to unlock long-term value through digital transformation and ecosystem modernisation. The program will involve modernising our core infrastructure, enabling us to bring products to market faster and fast-tracking a seamless, omni-channel experience, which is increasingly important to customers.

## FY26 Outlook<sup>11</sup>

The Lottery Corporation started FY26 with good momentum in the business. The team is focused on generating revenue growth, customer conversion, transforming the customer experience, maximising operational efficiency and continuing to progress licence value enhancement initiatives.

FY26 will have the full-year benefit of the Saturday lotto price change and, from November, the planned Powerball entry price increase, subject to regulatory approval.

The Company expects continued growth in digital share, enhanced personalisation and further productivity gains to support margin expansion and long-term value creation.

### For more information:

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<sup>8</sup> This is 'Non-IFRS' information and is unaudited

<sup>9</sup> Excludes 2.5 cents per share special dividend in FY24

<sup>10</sup> EBITDA (before significant items) for the 12 months to 30 June 2025

<sup>11</sup> Actual FY26 financial results will be influenced by jackpot outcomes