

1 October 2024

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

ANNUAL GENERAL MEETING ADDRESSES AND PRESENTATION

Attached are the addresses and an accompanying presentation to be delivered by Doug McTaggart, Chairman, and Sue van der Merwe, Managing Director and Chief Executive Officer, at The Lottery Corporation Limited Annual General Meeting (**AGM**).

The AGM will be webcast live at www.thelotterycorporation.com/investors/annual-general-meeting from 10:00am (Melbourne time) today and will be archived on The Lottery Corporation website for viewing later today.

This announcement was authorised for release by Daniel Csillag, Company Secretary.

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The Lottery Corporation Limited
ABN 21 081 925 706

Annual General Meeting (AGM)
1 October 2024

CHAIRMAN AND CEO AGM ADDRESSES

CHAIRMAN'S ADDRESS

Introduction

It's my pleasure to address shareholders today.

Six months ago, I was privileged to be elected Chairman of The Lottery Corporation.

The Lottery Corporation is a world-class lottery business.

In fact, we are globally unique as the only large-scale listed pure-play lottery company.

The licences and approvals we hold are long dated and/or exclusive and are in attractive markets.

Our lotteries business model is low spend, low frequency and mass participation.

This underpins wide community acceptance of our products and grants us a valuable social licence to operate.

We have a diversified and balanced portfolio of high-profile brands.

And it's the combination of these and other attributes that gives the Group its highly defensive and resilient nature, with a proven history of delivering long-term market growth.

2023/24 in review

The 2023/24 financial year was a very successful one for The Lottery Corporation.

The company delivered record revenue, EBITDA and NPAT.

And we did so despite a very challenging inflationary and consumer spending environment.

Proactive game management and strategic investments in product, brand, and customer experience continued to deliver ongoing commercial benefits, including a big step-up in registered customer numbers.

Significant milestones were also achieved in responsible gambling, data security, and safeguarding customers' privacy.

These initiatives help set the Company up for future success and support our vision to be the world's best lottery operator.

I'm also pleased to confirm that we have materially completed our separation from Tabcorp.

This was a complex project that was well executed by the management team.

Shareholder returns

The Board is very focused on returns to shareholders.

As part of our capital management framework, we have set a long-term value creation target of total shareholder return in the top quartile of the companies in the S&P/ASX100 other than those in the Metals & Mining and Oil & Gas sectors.

We were pleased to determine total ordinary dividends for the year – comprising interim and final dividends - of 16 cents per share.

This represents a dividend payout ratio of 86% of FY24 NPAT before significant items.

A special dividend of 2.5 cents per share brought the total dividend for the year – comprising the ordinary and special dividends - to 18.5 cents per share, fully franked.

This total dividend represents a dividend payout ratio of 100% of FY24 NPAT before significant items.

The special dividend reflected a highly favourable year for jackpots relative to model outcomes and our strong balance sheet position.

Our dividend payout ratio is targeted to be between 80 per cent and 100 per cent of full year NPAT before significant items, with a long-term leverage target range of three to four times EBITDA.

This reflects the underlying quality of the business and our licences.

Board structure and composition

Turning now to matters relating to the Board.

The Lottery Corporation operates in a complex environment, with a licence framework underpinned by state-based regulations.

The Board thus requires a balance of director skills and experience to be effective in overseeing the Company's strategic direction and responsiveness to risks and opportunities.

We regularly assess the Board's performance and seek to maintain a highly effective Board with a mix of relevant skills, expertise and experience drawn from diverse backgrounds.

In December 2023, Stephen Morro commenced as a non-executive director.

He had been an observer to the Board since June 2023.

Stephen brings more than 30 years of experience in the gaming industry in supplier, operational and regulatory roles.

He is standing for election at today's meeting.

Megan Quinn and I offer ourselves for re-election today.

Stephen, Megan and I will address the meeting later today in respect of our election or re-elections.

As a result of my stepping into the Chairman's role, in March we changed the composition of our Board committees to ensure they continue to effectively help the Board carry out its responsibilities.

As part of these changes, John O'Sullivan was appointed Chairman of the Risk and Compliance Committee.

Anne Brennan has continued as Chair of the Audit Committee and Harry Boon continues as Chairman of the People and Remuneration Committee.

Areas of governance focus

Throughout FY24 the Board continued to oversee the identification and evaluation of risks and opportunities that may impact the Company's ability to achieve its objectives.

We know that culture matters in an organisation and that a healthy culture is linked with commercial success.

To that end, the Board continues to oversee the development of a high-performing corporate culture and a safe, respectful and supportive work environment where our people feel included and appropriately rewarded.

Our aim is to have fair and competitive remuneration arrangements that encourage strong business performance and shareholder value creation, while aligning with our approach to risk management and compliance.

The Board considered feedback from shareholders last year on our remuneration arrangements and has made adjustments, which we'll cover when we get to item 4.

The Board also remains focused on managing risks, including cyber security risks, and continues to oversee investments and projects to help protect our data and systems.

This involves promoting a culture where managing cyber security risk is prioritised.

Licence value enhancement

The Board is very engaged on ensuring that the integrity of the lotteries regulatory framework is upheld, so it continues to protect consumers and our social licence to operate.

The Lottery Corporation holds 13 licences and approvals, some extending to as far out as 2072.

The Board has been active in overseeing a program of work to preserve and enhance the value of these licences.

As part of this, we've been active in considering current and future market scenarios.

At The Lottery Corporation, 60 per cent of a typical lottery entry, excluding commission to retailers, is returned to winners and over 30 per cent is paid in taxes to the states and territories, and the federal government.

This means that more than 90 per cent of an entry into Australia's official lotteries is returned to players or the community.

This is not the case with other lottery products operating in Australia.

In FY24 our operations delivered \$1.9 billion in lottery and Keno tax revenues to state and territory governments and \$725 million in commissions to retail business partners.

This illustrates the benefits of a healthy lotteries and Keno ecosystem.

We are dedicated to ensuring our licences continue to deliver value widely.

In closing

In closing my address, I'd like to thank management and all our people for driving a very successful FY24.

Similarly, on behalf of the Board I'd like to thank the many organisations we work alongside to deliver our games.

This includes our retail business partners, community partners, suppliers, regulators and governments.

We have a proven strategy and a record of delivery over an extended period.

We will continue to execute it, while adapting to changes in the marketplace and consumer preferences.

We have a strong balance sheet and a clear capital management framework that guides how we allocate your capital.

And we operate in an industry that's shown resilience through the economic cycle, and where we continue to see favourable industry dynamics driving growth.

Thank you for your support and I look forward to addressing you again later in the meeting.

-ENDS-

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S ADDRESS

Thank you, Doug.

Good morning shareholders.

It is my pleasure to provide my address for the 2023/24 financial year.

Introduction

A year of continuing to add excitement to Australians' lives and delivering life-changing wins.

A total of \$4.4 billion was returned to lottery players in prizes overall and more than 320 players became overnight millionaires or multi-millionaires.

The record \$200 million Powerball event was a history-making moment in Australian lotteries – a one-in-seven-year statistical event in which two winning entries shared the Division 1 prize!

Shareholders, retail businesses and governments received record returns.

All in all, a record year highlighting once again how lotteries and Keno deliver winning moments across our stakeholders.

2023/24 performance in review

We achieved strong top-line growth and increased margins.

Group revenues were up 13.8% on the prior year to just under \$4 billion.

EBITDA was up 16% to \$827 million and Group NPAT was \$414 million.

We're actively managing the business and saw the results of this in FY24.

Lotteries

Looking now at the lotteries performance in more detail.

Revenue was up 14.7% on the prior year.

This was driven by our active game and sequence management, highly favourable jackpot outcomes and positive impacts from the Powerball price increase and commission increase successfully introduced in May last year.

The result is a great example of our portfolio strategy delivering.

With \$771 million of extra value in jackpot offers versus the prior period, we delivered a 27% increase in jackpot game turnover, with most base, or non-jackpot games, down only 2% to 4% on a like-for-like basis.

This shows the business's strength and resilience.

Active registered customer numbers increased to 4.75 million.

That's an uplift of almost half a million customers. This was driven by a customer acquisition and retention strategy that's delivering, as well as big Australian events including the \$200 million Powerball draw and the \$90 million Oz Lotto draw on Boxing Day.

These draws captivated the public and the technology platform that powered them was robust and resilient.

At peak times, our systems processed more than 70,000 transactions a minute.

We delivered growth across both our retail and digital channels.

Retail remains an important part of our offering, and it was pleasing to see turnover grow 6.6%.

Our retail presence in formats such as newsagents, lottery agencies and convenience stores gives The Lott extensive brand exposure.

It provides connection and convenience for our customers and supports thousands of small businesses.

Whilst our game portfolio drove increased foot traffic into retail outlets, our Store Syndicates Online product continued to be very popular, with customers and retailers.

This customer-led initiative is providing a fantastic fusion between our retailers and the convenience and scale of our digital capabilities.

Continued investments in our registered player programs, game management delivering major event draws and customer-led initiatives like Store Syndicates Online have further digitised the player experience.

Digital is an important growth channel with almost 41% of lottery sales generated through this channel in FY24.

We continued to demonstrate our strong capability in game innovation and have been delighted with the launch of the Weekday Windfall lottery game.

This refresh of Monday & Wednesday lotto, with the addition of the Friday draw, has been a great success, delivering an estimated \$135 million in additional annualised turnover.

In addition, we continued to strengthen our all-important brands with a revitalised campaign for Oz Lotto and a new campaign for Instant Scratch-Its tickets to support everyday purchasing and gifting occasions.

Keno

Turning to Keno – a well-established and popular product.

The game is centred around licensed venues and also offered online, where that's permitted, through our Victorian and ACT licences.

Revenues grew 2.7 per cent, with strong in-venue performance, particularly in Queensland, underpinning the result.

Earnings, however, were impacted by:

- changes to commercial arrangements with retail partners;
- an increasingly competitive online Keno market; and
- a shift of some digital turnover from our higher margin ACT licence to Victoria, as required by our Victorian licence.

In May we launched our new 'Together We Play' campaign which differentiates our Keno game from others in the market, showcasing it as a social experience that brings people together.

We are seeing positive results from our marketing activity with strong brand health metrics and growth in customer participation.

Responsible play and sustainability

Responsible play is an important focus at The Lottery Corporation and embedded in our culture.

We have a comprehensive responsible play program. It recognises that whilst for most Australians, playing our games is fun; for a very small number of people playing can become a problem.

Our program complies with our licence and regulatory commitments, and is informed by research and stakeholder engagement.

It is made up of policies, processes, systems and tools that encourage responsible play across game design, employee and retailer training, customer education and support, and responsible advertising.

In FY24 we enhanced the use of data analytics in our early intervention models to more effectively identify customers showing potential signs of gambling harm.

We are also proud to hold the highest level of accreditation in the World Lottery Association Responsible Gaming Framework.

This Level 4 accreditation has been held since 2017 and re-certified in June 2024.

On the topic of the broader gambling market, there is growing sentiment in the Australian community that some forms of online gambling are too readily available and that the associated advertising is excessive.

Governments have responded to this with various reforms and inquiries.

In this context, it's important to reinforce that lotteries are quite different.

Lotteries are generally a low spend purchase, with the average weekly spend by our customers in FY24 being around \$13.

They are a low harm product, largely because of the game structure where there's typically one draw each day or per week.

We await the federal government's response to a parliamentary committee inquiry into online gambling and its impact on those experiencing gambling harm.

We also acknowledge the federal government's recently announced review into the impact of online keno and foreign-matched lotteries.

As you would expect, we're participating in the process.

Culture

Moving now to our people and the workplace.

Our people are central to delivery of our business strategy and strong business performance.

To that end, we are proud to have a highly engaged team who are passionate about what they do and the success of The Lottery Corporation.

This is evidenced in our most recent employee engagement score of 71%, slightly above our target and an increase of five percentage points on the previous survey.

We continue to make good progress towards better outcomes in diversity, equity and belonging.

FY25 initiatives

Looking now to this financial year.

We're pleased with the start to FY25.

We've seen a stabilisation and signs of improvement in lottery sales for similar offers across the base games.

Keno has continued its good momentum and sales for the \$100 million Powerball draw in August were above the equivalent draw in May.

We will continue to actively manage the portfolio to maximise game performance, including our prize offers, based on market conditions.

We remain focused on taking a customer-centric approach to everything we do ensuring we maximise customer lifetime value in a responsible and sustainable way.

We continue to invest in initiatives that further grow our registered customer numbers.

Among the many initiatives we're executing this year is an easier way for players to join our retail membership program using their digital device instore.

This will modernise the sign-up experience for customers and our retailers.

We're also implementing a new customer data platform that will enable us to have better personalised communications with our customers at scale.

We know in this era of personalisation that customers are more loyal, engaged and satisfied if they have more personalised experiences.

Subject to the necessary approvals, we're intending to introduce two new initiatives.

First, our next game change is planned to be to Saturday Lotto, the second most popular game in our portfolio.

This is part of our normal evolution of our games, and would include a change to the price and the Division 1 offer.

We're also planning to introduce Charitable Games products into The Lott's digital ecosystem.

This will mean customers can buy a Play For Purpose ticket to support their charity of choice, for example, through The Lott app.

As always, we continue to prioritise rigorous cost management and disciplined capital allocation.

We have a highly variable cost base and moving forward, we'll seek to contain opex growth to below normalised revenue growth.

A focus on optimisation activities will facilitate cost management and support funding of initiatives to reinvest back into the business to help drive top line growth.

Our strong balance sheet provides flexibility for us to be able to grow and to continue to deliver value to our shareholders.

Conclusion

In closing, I'd like to thank each member of The Lottery Corporation team for their part in delivering winning moments to our customers and our communities in FY24.

I would also like to thank the Board for their support and leadership.

All in all, we'll continue to do what lotteries have been doing for decades – make positive impacts for customers, shareholders, governments, small businesses and the community.

Thank you for your support, and I'll now hand you back to Doug.

-ENDS-

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2024 Annual General Meeting





Acknowledgement of Country

The Lottery Corporation would like to acknowledge the First Nations Peoples of Australia. We acknowledge that they are the Traditional Custodians of the lands on which our offices, retail outlets and venues operate. As our nation and organisation continues our journey towards reconciliation, it is with great respect we acknowledge all Elders past and present. We acknowledge the inextricable link First Peoples of Australia, past, present and future, have with the land.

Artist Acknowledgement

Johanna Gregory, Stars Foundation past student.

"The River is what is generous for us as people. We are fortunate to be blessed with fresh and saltwater ecosystems. People tending to the land must give back what we take."



Chairman's Address

Annual General Meeting 2024



The Australian market leader and one of the highest performing lotteries businesses globally



Exclusive and/or long dated licences (and approvals)



Low-spend, mass participation model underpins wide community acceptance



Diversified and balanced portfolio of high-profile brands



Significant and diverse retail distribution; further upside potential from digital growth



Highly defensive characteristics, including strong cashflow generation and low capital intensity



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A record-breaking year, delivering value to our shareholders through execution of the strategic plan.



Record Group revenue
\$3,996.6m



Record Group EBITDA ⁽ⁱ⁾	Record Group EBITDA (before significant items) ⁽ⁱ⁾
\$770.6m	\$827.1m



Record Group NPAT	Record Group NPAT (before significant items) ⁽ⁱ⁾
\$414.0m	\$411.8m

(i) "Non-IFRS" information and unaudited.

Delivering value to our shareholders in FY24 through execution of the strategic plan



Total ordinary dividends ⁽ⁱ⁾

16.0 cents per share
fully franked

Special dividend

2.5 cents per share
fully franked



Earnings per share

18.6 cents per share

Earnings per share
(before significant items) ⁽ⁱⁱ⁾

18.5 cents per share

(i) Total ordinary dividends comprised of an interim dividend of 8.0 cps and a final dividend of 8.0 cps for FY24.
(ii) “Non-IFRS” information and unaudited.

The Lottery Corporation's Board of Directors



Doug McTaggart
Independent Non-Executive
Chairman



Sue van der Merwe
Managing Director & CEO



John O'Sullivan
Independent Non-Executive
Director



Anne Brennan
Independent Non-Executive
Director



Harry Boon
Independent Non-Executive
Director



Megan Quinn
Independent Non-Executive
Director



Stephen Morro
Independent Non-Executive
Director



Areas of governance focus



Our licences make a meaningful difference in our communities



Supported Australian businesses with more than **\$720m** in commissions

Contributed **\$1.9b** in state Lotteries and Keno taxes which helps governments support communities

Conclusion: A resilient, world-class lotteries business

- Strong result in FY24
- Proactive management initiatives delivering results
- Ongoing strategic execution
- Delivering value for stakeholders responsibly
- A track record of sustainable growth and resilience





MD & CEO's Address

Annual General Meeting 2024



A record year for overall performance, jackpot offers and customer growth, underpinned by exceptional experiences



Made a record

320+

Lotteries &
Keno millionaires

who collectively took home more than \$1.6b⁽ⁱ⁾



Record

\$200m Powerball[®]
jackpot

our largest lottery offer and estimated
one-in-seven-year occurrence



**Record contributions
to stakeholders**



⁽ⁱ⁾ Prizes paid in the Saturday lotto, Weekday Windfall lottery, Oz Lotto[®], Powerball[®], Set for Life[®], Super 66[®], Lotto Strike[®], Instant Scratch-Its[®] tickets, and Keno games in FY24 Australia-wide (ex. WA).

FY24 performance in review



Record Group revenue

\$3,996.6m



Record Group EBITDA⁽ⁱ⁾

\$770.6m

Record Group EBITDA
(before significant items)⁽ⁱ⁾

\$827.1m



Record Group NPAT

\$414.0m

Record Group NPAT
(before significant items)⁽ⁱ⁾

\$411.8m



(i) "Non-IFRS" information and unaudited.

Lotteries: Strong result reflects management actions and highly favourable jackpot outcomes

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Revenues
\$3,708.5m
up 14.7%
on FY23

EBITDA⁽ⁱ⁾
\$724.5m
up 19.3%
on FY23

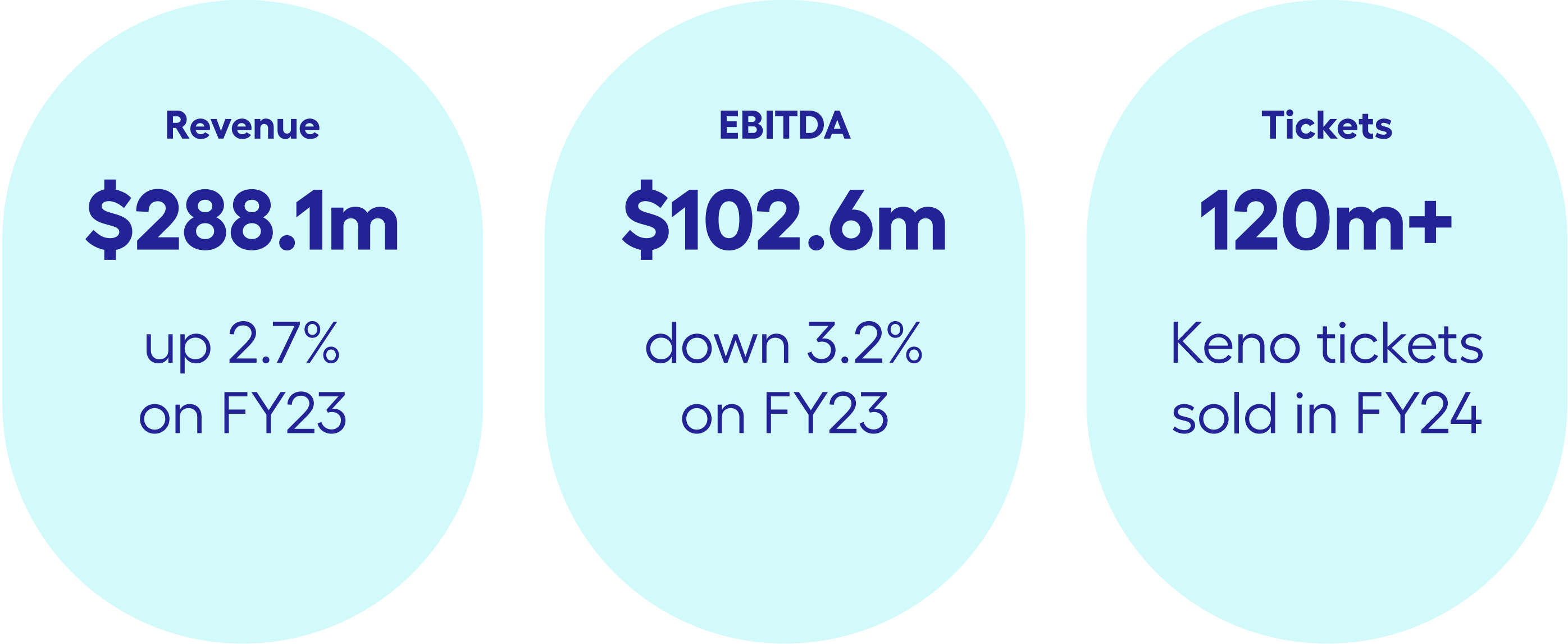
4.75m
active registered
Lotteries customers
up 12.2%
on FY23

The equivalent of
52.8%
of the Australian
adult population
purchased a Lottery
product in the last
12 months⁽ⁱⁱ⁾



(i) "Non-IFRS" information and unaudited.
(ii) Roy Morgan Gambling Monitor, April 2023 – March 2024. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at March 2024, based on Australian Bureau of Statistics monthly estimates.

Keno: Strong in-venue performance, with Queensland continuing to lead the way; cycling record profitability in FY23



together we play

WHEN YOU PLAY TOGETHER IT ALWAYS FEELS LIKE A WIN!

KENO

Gamble Responsibly. Think! About your choices. Help is close at hand. Call Gambler's Help, ACT Gambling Counselling and Support Service or GambleAware 1800 858 858 gambleaware.nsw.gov.au or www.gamblinghelponline.org.au

We believe in helping our customers have fun, responsibly

World Lottery
Association
LEVEL 4
Responsible Gaming
Accreditation
Retained



“The Lottery Corporation provides guidance and education to our staff on what to do to promote responsible play, the requirements on things like signage and how to identify signs of potential problem gambling. It is crucial to provide our customers with a safe, secure and friendly environment to play our games in.”

Michael Li, Nextra Post Office, Brisbane

**The Lottery Corporation
prioritises delivering and
advertising our games
responsibly and with
integrity**



At The Lottery Corporation, we want our people to
“share joy, spark possibilities”

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Our strategy to continue to deliver long-term growth and value

Our Vision

To be the world's best lottery operator

Our Purpose

To create positive impacts

Company principles

Create
joyful moments

Dare to find
a better way

Be accountable and
transparent

Nurture the uniqueness
of our people

Strategic pillars

Drive

Customer
centred initiatives
to support BAU
growth

Develop

Multi-year
programs to
future-proof TLC

Discover

Complementary
new earnings
pathways

Conclusion: Delivering winning moments to our people, our customers and our communities



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