19 August 2926

ASX Market Announcements Office
ASX Limited
20 Bridge Street
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**ASX RELEASE – FULL-YEAR RESULTS FOR THE YEAR ENDED 30 JUNE 2026**

Attached is a release relating to the 2026 full-year financial results.

This announcement was authorised for release by the Board of The Lottery Corporation.

**For more information**

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# Platform for accelerated growth established; dividend maintained

The Lottery Corporation Limited (ASX: TLC) announces its results for the full year ended 30 June 2026 (FY26).

## FY26 Results Overview

- Resilient underlying performance in an especially unfavourable period for jackpots (a 1 in c.45 year outcome)[1]
- Victorian licence extension materially strengthens portfolio duration and certainty
- Continued growth in Keno
- Disciplined cost management and reduced operating expenses
- Full year dividend maintained at 16.5 cps, fully franked: reflects confidence in health of the business and growth outlook
- New, leaner and more accountable operating model supports the next stage of the Company’s strategy and acceleration of growth
- Strong cash generation, de-risked licence portfolio and reaffirmed strong investment-grade credit rating[2]

## The Lottery Corporation Managing Director & CEO, Wayne Pickup, said:

"The Lottery Corporation's infrastructure-like qualities were again evident in FY26, underpinned by our long-dated licences, trusted brands, scaled distribution and reliable cash generation. The recent 40-year extension of the Victorian lottery licence has structurally lowered the risk of our business, extended the duration of our licence base and reinforced our strong investment-grade credit rating.

"In an especially unfavourable period for Powerball and Oz Lotto jackpots - a 1 in c.45 year outcome - the Board's confidence in the health of the business and growth outlook enabled us to look through these fluctuations and maintain the dividend for shareholders in line with the prior year.

"Where we control the levers, we performed well, with healthy retention of price increases in our two largest games - Powerball and Saturday lotto - and continued growth in base games and Keno. Our expense discipline was structural, not a one-off. It gives us room to reinvest in digital, AI, product and customer capability.

"Jackpot outcomes are inherently variable and even out over time, so the underlying momentum in pricing, base-game participation and digital share matters more to long-term sustainable growth and returns for shareholders than any single year's run of draws.

"Most importantly, FY26 is the year we have reset the business with a new operating model, refreshed strategy and clear growth levers. This plan, centred around the proposition 'Where Australia Comes to Play' is now live, giving us an executable path to unlock the full growth potential and value of the business as a digitally-led entertainment platform."

[1] Reflects the probability of combined turnover for the  jackpot games being equal to or less than the actual FY26 outcome of $3,254m. Based on internal modelling involving a wide range of probability based scenarios for each jackpot game..

[2] S&P Global reaffirmed a BBB+ credit rating on 4 May 2026.

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## FY26 Group Results

| $m | FY26 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| **Revenue[3,4]** | **3,582.5** | **3,682.7** | **(100.2)** | **(2.7%)** |
| Variable contribution | 1,032.0 | 1,056.4 | (24.4) | (2.3%) |
| Operating expenses[4] | (295.9) | (307.1) | 11.2 | 3.6% |
| **EBITDA (before significant items)[4,5]** | **736.1** | **749.3** | **(13.2)** | **(1.8%)** |
| D&A | (114.1) | (105.1) | (9.0) | (8.6%) |
| Impairment reversal[6] | 0.3 | 5.2 | (4.9) | n.m. |
| **EBIT (before significant items)[4,5]** | **622.3** | **649.4** | **(27.1)** | **(4.2%)** |
| Interest | (123.3) | (118.4) | (4.9) | (4.1%) |
| Tax expense | (156.5) | (165.5) | 9.0 | 5.4% |
| **NPAT (before significant items)[4,5]** | **342.5** | **365.5** | **(23.0)** | **(6.3%)** |
| Significant items (after tax)[4,5] | (57.9) | – | (57.9) | n.m. |
| **NPAT (including significant items)** | **284.6** | **365.5** | **(80.9)** | **(22.1%)** |
| EPS (before significant items)[4,5] | 15.4 cps | 16.4 cps | (1.0) cps | (6.1%) |
| EPS (including significant items) | 12.8 cps | 16.4 cps | (3.6) cps | (22.0%) |
| DPS (fully franked) - ordinary | 16.5 cps | 16.5 cps | – | – |

## Business Unit Commentary

### Lotteries – Historically low jackpot offers (1 in c.45 year outcome) partly offset by impact of price retention from game changes and operational discipline

- Revenue $3,218.2m, down 3.3% on the pcp; EBITDA $626.6m, down 3.0% on the pcp

The Lotteries division delivered a resilient underlying performance in an especially unfavourable period for jackpot outcomes. There was no $100m Powerball jackpot for the first time since FY21 and no Oz Lotto jackpot of $50m for the first time since FY17. These jackpot outcomes negatively impacted revenue by c.$350m (c.$50m in the pcp) and variable contribution by c.$90m (c.$10m in the pcp).

This was partly offset by the positive impact of changes to the two largest games - Powerball, which had a price change in November 2025; and the full year impact of the Saturday lotto change in May 2025. The Company's proven and repeatable price retention strategy continues to deliver gains, with price retention of 63% and 100%, respectively.

Growth in base games was resilient and partially offset the reduction in jackpot game turnover, which was consistent with the reduction in Division 1 offers.

Customer numbers were similarly impacted by low jackpot offers. Our refreshed strategy includes a heightened focus on driving growth in registered active customer numbers by bringing the more than 4 million existing unregistered customers and completely new customers into the retail and digital membership ecosystem.

[3] The presentation of lottery franchise fee and Keno venue fee charges has been revised. This change has no impact on EBITDA. The effect of this change is a decrease in Revenue, with a corresponding decrease in Variable costs of $65.1m in FY26. The FY25 comparatives have been presented on a consistent basis ($66.2m decrease in both Revenue and Variable costs).

[4] Before significant items. For details of significant items, refer Appendix 1 of the Results Presentation.

[5] "Non-IFRS" information and unaudited.

[6] Comprises a partial reversal of previously recognised write downs of assets in respect of surplus corporate lease space.

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The EBITDA/Revenue margin was 19.5% (19.4% in the pcp). Digital share of turnover (excluding products not sold digitally) rose to 46.6% (45.7% in the pcp). This was despite lower turnover from jackpot games which have above-average digital mix. Operating expenses were flat as a share of revenue, reflecting continued disciplined cost management, and a reduction in variable components (advertising and promotions, and short-term incentives).

Set for Life will be the next game to benefit from a refresh with an increase in subscription price from 60 cents to 70 cents and the introduction of additional upfront prizes from September 2026, subject to regulatory approvals.

An Oz Lotto game refresh is intended to follow late in calendar year 2027, subject to regulatory approvals, with a price change possibly accompanied by a matrix change.

## Keno – Continued retail growth

- Revenue $364.3m, up 3.0% on the pcp; EBITDA $109.5m, up 6.2% on the pcp

Keno retail turnover continued to grow, while cycling a well above average Keno Classic run in the pcp. Retail play benefited from enhanced configuration of in-venue Keno collateral to maximise visibility and engagement.

The strength of the licensed venue network was evident in resilient footfall levels, and Keno also saw early benefits from the rollout of new terminals.

The EBITDA/Revenue margin was 30.1% (29.2% in the pcp), impacted by lower growth in digital turnover relative to retail. This was more than offset by a reduction in operating expenses which, like Lotteries, reflected continued disciplined cost management, and a reduction in variable components (advertising and promotions, and short-term incentives).

## Capital and Other Metrics

The Lottery Corporation maintains capital and cost discipline alongside a robust balance sheet (underpinned by its strong investment-grade credit rating) as part of its capital management framework.

A key component of the framework is consistent and reliable dividends. The Board is pleased to determine a final ordinary dividend of 8.5 cents per share, in line with the pcp. This brings the total ordinary dividend in FY26 to 16.5 cents per share (fully franked), also in line with the pcp, representing a payout ratio of 107% of FY26 NPAT before significant items. Maintaining the dividend reflects the Board's confidence in the strength of the business and outlook in a year of unfavourable jackpot outcomes.

The final dividend will be fully franked and payable on 24 September 2026 to shareholders registered at 27 August 2026. The ex-dividend date is 26 August 2026.

At the end of FY26, the Company's leverage ratio (Net Debt /EBITDA) was 3.1x[7]. Leverage will increase materially in 1H27 post the payment of $1,145m in relation to the 40-year extension of the Victorian lotteries licence, likely to beyond the Company's long-term target range of 3.0x to 4.0x. The Board remains committed to maintaining the Company's strong investment-grade credit rating.

### Change in Dividend Policy

As announced at the time of the Victorian lottery licence extension, from FY27 the Company will amend its dividend policy to 80-100% of NPATA[8] before significant items from 80-100% of NPAT before significant items. This move to a more cash-based measure is in alignment with the cash generative nature of the business. The Company also expects this will help deliver consistent and reliable dividends, and support total shareholder returns.

[7] EBITDA (before significant items) for the 12 months to 30 June 2026.

[8] NPATA is Net Profit After Tax (NPAT) before significant items adding back total licence amortisation after tax which is forecast to be c.$43 million in FY27.

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**FY27 Guidance**

- Operating expenses $305m-$315m[9] (FY26: $296m)
- Depreciation & amortisation $125m-$130m (FY26: $114m)
- Capital expenditure c.$100m (FY26: $99m)

## Interactive Gambling Act (Cth) amendments

Proposed amendments to the Interactive Gambling Act (Cth) are before Federal Parliament. If enacted, the reforms would, among other things, prohibit foreign matched lotteries and keno from being offered online and provide greater clarity regarding the online regulation of certain trade promotion gambling services. If the Bill is passed without amendment, the reforms would commence from 1 January 2027.

The Lottery Corporation supports policy settings that promote strong consumer protections, appropriate regulatory oversight and community benefit outcomes across gambling products.

Should the legislation be enacted in its current form, online Keno, which represented c.2% of Group turnover and contributed c.$25 million of EBITDA in FY26, would be impacted.

## FY27 Priorities

The Lottery Corporation is focused on executing its strategic priorities to help grow participation and engagement, and improve the customer experience across its three business units.

In Lotteries, this involves strengthening the core business by continuing our successful price retention strategy, deploying AI to optimise jackpots and extending major draw times. Another priority is enhancing the appeal of Instant Scratch-Its tickets and building a more entertaining daily/instant wins proposition. The Company also expects to substantially complete the roll out of new retail terminals in Victoria (having already completed Queensland, NSW and ACT) and review its retailer commission structure.

Digital is the Group's primary growth engine and innovation platform. Digital priorities include enhancing the customer experience through more engaging number selection and draw reveals, upgrading social play and digital gifting , and introducing new auto-play options to encourage subscription sign-up. This will be complemented by the creation of a more engaging and entertaining new greenfield app, which is targeted for launch in the first half of FY28.

In Keno, we plan to further modernise our venue-led, social game by digitising the experience in pubs and clubs through BYOD (Bring Your Own Device) capability, and rolling out new terminals and cashless payment options.

At the Group level, we will continue to manage costs and capital with discipline, and embed the Company's leaner and more accountable operating model.

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[9] Subject to jackpot outcomes.