



Jumbo Interactive Ltd

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## ASX RELEASE – Monday, 22 February 2016

### ANALYSTS' BRIEFING



An analysts' briefing of the 31 December 2015 half-year results by the CEO follows:

"A substantial increase in profitability headlines Jumbo's FY2016 first half-year results with a 654% increase in Net Profit After Tax to \$2.0 million. This was a result of a 22% rise in ticket sales (TTV) to \$81 million stemming from successful online marketing campaigns that brought in 108,650 new accounts. Revenue increased 21% to \$17.8 million resulting in a 145% increase in EBITDA to \$5.1 million and a 189% increase in Net Profit before Tax to \$3.5 million.

The level of major jackpots also increased with the number of OzLotto and Powerball jackpots of \$15 million or more reaching 24. These jackpots not only help boost ticket sales from existing customers, but also help bring in new accounts, which helps underpin future sales when the jackpots are lower.

Jumbo's balance sheet strengthened with Net Assets of \$22.9 million and the Company's cash position at \$26.4 million. This cash position is divided into \$20.0 million net cash available to the Company and \$6.4 million of players' funds.

The second half year has started well with the New Year's Eve Saturday Lotto on 3<sup>rd</sup> January, Powerball reaching a peak jackpot of \$70 million on the 7<sup>th</sup> January, and an Oz Lotto jackpot of \$25 million on 26<sup>th</sup> January, which combined with the increasing customer accounts has resulted in strong ticket sales for January 2016.

The strong financial performance has enabled us to raise dividends from 1.5c for the comparable 2015FY 1HY to 2.0c fully franked for the current half-year.

In Germany, with the most difficult year now behind us, the effect of our restructure in June 2015



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has begun to show in our results. The loss for this division was a more manageable \$1.3 million for the half-year, compared to \$3.6 million for the first full year to June 2015. The second half-year continues our efforts to reach break-even.

Back to the Australian business, some additional Marketing KPI's were released to give investors visibility on the effectiveness of our online marketing activities. These KPI's are CPL (Cost per Lead), Number of active customers (12 months) and Average spend per active customer (12 months). The CPL is calculated by dividing the total costs to acquire new accounts by the number of new accounts acquired. These new accounts potentially become active customers, which are defined as a customer that has spent money in the preceding 12 month period. The average spend per active online customer is calculated by dividing the total purchases made by those active customers in the preceding 12 month period by the number of active customers during that time. These KPI's will become useful in the future as investors will be able to compare with previous periods and spot trends.

Mobile activity continues to increase and now 64% of customers interact via a mobile device, up from 50% last year and 39% the year before. This encourages us to continue development of our apps which have just undergone significant upgrades. Just this month we even had our first major Jackpot winner with one lucky Ozlotteries customer using her phone to buy her Powerball ticket and scoop the entire \$25 million 1<sup>st</sup> division prize.

In summary, I am pleased that Jumbo has achieved substantially larger profits and the underlying business in Australia goes from strength to strength. I wish to thank our Board for their continued guidance, the efforts of all of Jumbo's employees who have worked tirelessly to make it happen, and our investors for their continued support and confidence in us."

For further information:

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CEO and Executive Director

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