



19 October 2021

888 Holdings Plc
 (“888” or “the Group”)

Q3 2021 Trading Update

Quarter of significant strategic progress for 888. Q3 performance underpins the Board’s full year expectations

888 (LSE: 888), one of the world’s leading online betting and gaming companies, announces a trading update for the three months ended 30 September 2021 (“Q3 2021” or the “Period”). Comparative figures in this trading update are provided in US\$ on a year-on-year basis against the three months ended 30 September 2020 (“Q3 2020”), unless otherwise stated.

\$ millions ¹	Q3: 1 July to 30 September			YTD: 1 January to 30 September		
	2021	2020	YoY %	2021	2020	YoY %
B2C Gaming	193.5	174.6	+11%	622.3	491.9	+27%
B2C Betting	26.8	31.7	-15%	107.1	75.8	+41%
Total B2C revenue	220.3	206.3	+7%	729.4	567.6	+28%
B2B revenue	9.6	9.3	+4%	28.9	27.1	+7%
Total revenue	229.9	215.6	+7%	758.3	594.7	+28%

Highlights

- Group revenue +7% (+3% cc²) driven by continued expansion in regulated markets, despite a tough comparator period due to the very strong growth in the prior year
- Strong performance in B2C Gaming was led by casino; B2C Betting declined against a very strong outcome in Q3 2020 when the Group benefitted from the condensed calendar of sporting events following Covid-related disruption. Compared to Q3 2019, B2C Betting revenue increased by 21%
- Average daily actives³ +6% year-over-year reflecting the continued success of the Group’s product-leadership strategy and effective data-driven investments
- Key regulated markets delivered a strong performance, particularly Italy and Romania
- Announced the transformational acquisition of William Hill International, creating a global leader in online betting and gaming, with significantly enhanced scale and leading positions in key regulated markets
- Successful launch of SI Sportsbook in Colorado, utilising 888’s in-house sports betting platform for the first time in the US
- Successful launch in the regulated German market under a newly issued sport licence, in line with the Group’s strategy to achieve sustainable growth in attractive regulated markets
- Continued strong cash generation and robust balance sheet

Current trading & outlook

The Group’s Q3 2021 performance was in line with the Board’s expectations.

At the end of the Period and following policy changes published by the Dutch Gambling Authority (the KSA), the Group took the decision to cease provision of services in the Netherlands from 1 October 2021. The Group continues to believe the Netherlands represents an attractive medium-term opportunity and intends to apply for a local licence in the coming months. Notwithstanding this unforeseen development within the Netherlands, the Board remains confident that the performance of the Group during the current year will be in line with its expectations.

Looking ahead, the timing of any licence award within the Netherlands remains unclear, but the Group aims to be operational within the country during the second half of 2022. This temporary closure is expected to negatively impact 2022 EBITDA, post certain mitigations at Group level, by approximately \$10 million, with no change in the Group’s expectations for 2023 and beyond.

Itai Pazner, CEO of 888, commented:

"Q3 2021 was a period of outstanding strategic progress for 888. During the period we announced the transformational acquisition of William Hill International, successfully launched SI Sportsbook in the US, and began operating 888sport under a new licence in Germany as we continued to execute our plan to build a global online betting and gaming leader.

Alongside these important strategic milestones, I am pleased with the Group's continued positive trading, particularly as we lap very tough comparative periods. This performance reflects the continued success of our data-driven investments and execution against our product-leadership plan that delivers ongoing improvements in the usability, quality and safety of our sports betting and gaming products.

Underpinned by our advanced technology, leading products, and strong brands, as well as the increased scale, talent and diversification that the Group will benefit from as a result of its combination with William Hill International, we have a very exciting platform for long-term growth."

Business review

Q3 2021 was a period of significant progress for 888. During the Period, the Group announced the transformational acquisition of William Hill International, which will significantly enhance the enlarged Group's scale and create leading positions in several key regulated markets. In addition, the Group continued to deliver on its long-term growth strategy in the US market with the successful launch of SI Sportsbook in Colorado, utilising 888's in-house sports betting platform for the first time in the US.

B2C

Gaming revenue growth of 11% was led by casino, reflecting the continuing success of the Group's investment in enhancing the user experience through product and content leadership as well as AI-driven personalisation.

During the period the Group launched more than 150 new casino games including several in-house developed games, which continue to resonate well with customers and provide a differentiated experience. Alongside expanding the range of content, the Group continues to improve the experience for customers using AI-driven recommendation engines and personalised offers, which it believes is leading to increased share of wallet, and therefore market share gains in several key regulated markets such as the UK, Italy, Spain and Romania.

Betting revenue declined 15% against Q3 2020 when the Group delivered a very strong performance that benefited from a condensed calendar of sporting events following Covid-related disruption, particularly within football across the Group's UK and key European markets. Compared to Q3 2019, Betting revenue increased 21%.

B2B

Revenue from 888's B2B division increased 4% to \$9.6 million, with both the bingo and US operational segments delivering moderate growth.

In July 2021, the Group launched the World Series of Poker ("WSOP") brand in Pennsylvania under its partnership with Caesars Interactive Limited, bringing the Group's latest poker platform to the US. WSOP is also expected to launch in Michigan in the coming weeks.

Notes

¹ Totals may not sum due to rounding. Growth rates are calculated on unrounded numbers

² Constant currency ("cc") growth is calculated by retranslating the non-dollar denominated component of revenues at prior year period exchange rates

³ Actives represent players who wagered real money during the Period and have deposited real money on at least one occasion

Sell side analyst and investor call

Itai Pazner, Chief Executive Officer, and Yariv Dafna, Chief Financial Officer, will host a call for sell-side analysts and investors today at 9:30AM (BST).

Live audio webcast link: <https://webcasting.brrmedia.co.uk/broadcast/61659c2f4e29f55a941930db>

To participate in Q&A please contact 888@hudsonsandler.com or call +44 (0)207 796 4133 for further details.

A replay will be available on our website shortly after: <https://corporate.888.com/investor-centre/>

Enquiries and further information:

888 Holdings Plc +350 200 49 800
Itai Pazner, Chief Executive Officer
Yariv Dafna, Chief Financial Officer
Vaughan Lewis, Chief Strategy Officer

Investor Relations

James Finney ir@888holdings.com

Media

Hudson Sandler 888@hudsonsandler.com
+44(0) 207 796 4133
Alex Brennan
Bertie Berger
Andy Richards

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About 888 Holdings Plc:

888 Holdings plc (and together with its subsidiaries, "888" or the "Group") is one of the world's leading online betting and gaming companies. 888's mission is to develop state-of-the-art technology and products that provide fun, fair and safe digital gambling products to players globally. Safer gambling is a core focus for the Group and, at the beginning of 2020, 888 launched its 'Safer. Better. Together' safer gambling strategy and commitments.

888 has been at the forefront of the online gaming industry since its foundation in 1997, leveraging its proprietary technology to provide players and B2B partners an innovative and world-class online gaming experience.

In 2020, the company was proud to be recognised at the 2020 Gaming Intelligence awards as the winner in the *Casino Operator of the Year* category. In 2020, 888 also won two prestigious awards for its poker platform at the 2020 Poker Listings Operator Awards in the *Most Improved Software* and *Best Beginner Software* categories.

The Group is structured into two lines of business: B2C, under the 888 brands, and B2B, conducted through Dragonfish, which provides partners a leading platform through which to establish an online gaming presence and monetise their own brands in a safe and responsible manner.

888's consumer facing websites offer more than just online betting and gaming. They are entertainment destinations: places where people can enjoy a truly interactive experience and be part of an online community that shares common interests. 888's strong and trusted brands are all accessible through www.888.com.

Find out more about 888 at <https://corporate.888.com/>