

888 Holdings Plc
("888" or "the Group")

Q3 2022 Trading Update

Strong progress on integration and robust customer activity gives confidence in outlook

888 (LSE: 888), one of the world's leading betting and gaming companies with internationally renowned brands including 888, William Hill, Mr Green and SI Sportsbook, today announces a trading update for the three months ended 30 September 2022¹ ("Q3 2022" or the "Period").

The acquisition of the international (non-US) business of William Hill completed on 1 July 2022, and as such, in order to aid comparability, the financial results and associated commentary presented in this statement, unless otherwise stated, reflect the pro forma¹ results as if 888 had owned William Hill for each of the periods below, and exclude the reported results of the 888 Bingo business, the sale of which completed on 7 July 2022.

£m	Three months ended September ^{1,2}			Nine months ended September ^{1,2}		
	Q3 2022	Q3 2021	YoY%	YTD 2022	YTD 2021	YoY%
888	148	156	-5%	460	511	-10%
WH – UK Online	125	145	-14%	387	508	-24%
WH – International Online	52	59	-12%	158	207	-24%
WH – Retail	124	124	flat	388	211	+83%
Total Revenue	449	484	-7%	1,393	1,437	-3%

Pro forma Q3 financial highlights

- Group revenue of £449m, a decline of -7% year over year, primarily driven by enhanced UK online player safety measures and the closure of the Netherlands
- Retail revenue of £124m, stable year over year despite c.£4m impact from three days of temporary closures together with sporting fixture cancellations / postponements during the period of national mourning
- Total online revenue of £325m, down 10% year over year, principally reflecting the impact of UK player safety measures and the closure of the Netherlands. Online revenue excluding UK and Netherlands flat year over year
 - UK Online player safety measures: Total UK online revenue of £171m, down 13% year over year driven by a reduction in average spend per player, which was down 14% year over year following the introduction of more stringent measures through Q3 and Q4 of the prior year
 - Netherlands closure: Year over year impact only, with the Netherlands representing 4% and 6% of Q3 2021 revenue for 888 and William Hill International respectively
 - Sporting calendar: Sportsbook staking impacted on a year over year basis as a result of the Euro 2020 tournament taking place in the prior year period, together with racing cancellations because of the UK heatwave in Q3 2022. Sequential reduction in online revenues driven by normal seasonality, particularly July with no major football leagues playing, together with the aforementioned impacts of racing cancellations and sporting fixture cancellations / postponements during the period of national mourning
- The Group has made strong early progress with realising synergies, creating a more efficient operating cost base during the Period and helping to deliver an improved Adjusted EBITDA margin in Q3 2022 versus H1 2022, with further improvement expected in Q4, with the primary focus of the business on integration, execution and deleverage

Integration update

The Group has continued to make strong progress with its integration in line with its plans, with synergies and associated cost savings already being delivered from initial actions taken.

The Group is cognisant of the increased cost of debt, together with the impact on industry trading conditions in the UK and is taking steps to ensure the operating model of the enlarged business is appropriate to address these near-term headwinds whilst also being able to deliver on the strong potential of the enlarged business.

The future operating model of the Group will leverage a unified global technology stack, delivering product and content leadership at scale, and enabling efficient market share and profitability growth in some of the most attractive markets in the world.

The Group will provide further detail on integration, its operating model, and the evolved strategy at its Capital Markets Day in November.

Financing update

The Group has a long-term debt structure across a number of instruments with maturities ranging from 5-6 years. The Group has entered a series of hedging arrangements which mean that approximately 35% of interest costs are fixed, with approximately 36% of effective debt in GBP, 8% in USD and approximately 56% in Euros. While the Group also benefits from partial natural hedging on the Euro exposure through its Euro based cash generation, it continues to explore additional hedging arrangements in order to provide further certainty, including with regard to interest rates.

Given the hedging in place, and based on current market conditions and spot rates, cash interest costs are currently expected to be approximately £75 million in H2 2022 and would be approximately £150 million for the full year 2023.

After reflecting the current forward curve, which incorporates expected rate rises next year, cash interest costs would be approximately £170 million for the full year 2023.

After reflecting the current foreign exchange rates on the non-GBP denominated debt, current gross debt is £1,810 million, with cash (net of customer balances) of £186 million as at 30 September 2022 and undrawn committed facilities of £150 million, giving total liquidity of £336 million.

Instrument	Maturity	Principal	£ equivalent	Interest Rate
TLB (USD - hedged)	2028	\$332m	£287m	10.4%
TLB (USD)	2028	\$168m	£150m	SOFR +525bps
TLA (GBP)	2028	£347m	£347m	SONIA +550bps
TLA (EUR)	2028	€467m	£406m	EURIBOR +550bps
Fixed notes (EUR)	2027	€400m	£348m	7.56%
Floating notes (EUR)	2028	€300m	£261m	EURIBOR +550bps
William Hill bonds	2026	£11m	£11m	4.75%

Outlook

- Despite the changing macroeconomic environment and ongoing pressure on UK revenues from long-term focused enhanced safer gambling measures, the Board expects revenues in Q4 2022 to grow over Q3 2022 and be similar to Q4 2021 levels
- The Group has taken actions to accelerate synergies and drive a more efficient operating cost base, and expects an improved Adjusted EBITDA margin in H2 2022 to meet the current market expectations for full year 2022 Adjusted EBITDA

Capital Markets Day in November

- The Group will host a Capital Markets Day on 29 November 2022, which will provide attendees with further details on the strategy and operating model of the enlarged group, together with an update on integration progress

Itai Pazner, CEO of 888, commented:

"Having completed our transformational combination with William Hill, I am pleased to report that during Q3 our teams continued to make rapid progress in integrating these two market-leading and highly complementary businesses. This has enabled us to progress towards our new target operating model, while delivering a series of 'quick win' synergies, that will benefit our adjusted EBITDA margin for the second half of this year.

Revenues during the third quarter continued the trends we have seen in recent quarters, with relatively resilient trading across our main international markets and in our retail estate, but continued pressure on our UK online revenues in light of the ongoing impact of the enhanced player safety measures. We are changing the mix of our business to a lower spending, more recreational player base that gives us confidence in the long-term potential for our UK business.

As we look forward, we remain focused primarily on successful integration, execution and de-leveraging in order to unlock the huge potential from our enlarged business.

We are building a stronger group that will leverage our leading technologies and portfolio of world-class brands to create a leading global betting and gaming company, with clear plans to grow market share and profitability in some of the most attractive markets in the world."

Notes

¹ William Hill financials are reported on a 52 week basis opposed to calendar year. No adjustment has been made in respect of the different periods. William Hill quarterly results as presented for Q3-22 and Q3-21 reflect the 13 weeks ended 27 September 2022 and 28 September 2021 respectively. The YTD results reflect the 39 weeks ending on the same relevant date

² Subtotals, totals, and percentage changes shown throughout this document have been calculated based on the underlying numbers and therefore may not sum directly when using the rounded numbers presented.

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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 betting and gaming companies. In 2022, the Group acquired the international (non-US) business of William Hill to create a global industry leader. Headquartered in Gibraltar, and listed in London, the Group operates from 15 offices around the world and employs over 12,000 people globally.

The Group's mission is to lead the gambling world in creating the best betting and gaming experiences, bringing unrivalled moments of excitement to people's day-to-day lives. It achieves this by developing state-of-the-art technology and content-rich products that provide fun, fair, and safe betting and gaming entertainment to customers around the world.

The Group owns and operates internationally renowned brands including 888casino, 888sport, 888poker, William Hill and Mr Green. In addition, the Group operates the SI Sportsbook brand in the US in partnership with Authentic Brands Group.

Find out more at:

<http://corporate.888.com/>

<http://williamhillgroup.com/>

Important Notices

This announcement may contain certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of 888. These statements, which contain the words "anticipate", "believe", "intend", "estimate", "expect", "may", "will", "seek", "continue", "aim", "target", "projected", "plan", "goal", "achieve" and words of similar meaning, reflect 888's beliefs and expectations and are based on numerous assumptions regarding 888's present and future business strategies and the environment 888 will operate in and are subject to risks and uncertainties that may cause actual results to differ materially. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of 888 to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond 888's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as 888's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which 888 operates or in economic or technological trends or conditions. Past performance of 888 cannot be relied on as a guide to future performance. As a result, you are cautioned not to place undue reliance on such forward-looking statements. The list above is not exhaustive and there are other factors that may cause 888's actual results to differ materially from the forward-looking statements contained in this announcement. Forward-looking statements speak only as of their date and 888, its respective parent and subsidiary undertakings, the subsidiary undertakings of such parent undertakings, and any of such person's respective directors, officers, employees, agents, affiliates or advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-

looking statements made herein, except where it would be required to do so under applicable law. No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that the financial performance of 888 for the current or future financial years would necessarily match or exceed the historical published for 888.

APPENDIX – QUARTERLY PRO FORMA RESULTS BY SEGMENT – Q3 2022

<i>Unaudited pro forma</i> £m	888			WH - UK Online			WH - International Online			WH - Retail			Group		
	Q3 2022	Q3 2021	% Change	Q3 2022	Q3 2021	% Change	Q3 2022	Q3 2021	% Change	Q3 2022	Q3 2021	% Change	Q3 2022	Q3 2021	% Change
<i>Average monthly actives (000s)</i>	545	524	+4%	782	779	+0%	191	206	-8%				1,517	1,509	+1%
Sportsbook stakes	211.7	270.4	-22%	577.3	806.3	-28%	195.6	220.4	-11%	379.6	400.1	-5%	1,364.3	1,697.2	-20%
<i>Sportsbook net revenue margin</i>	7.3%	7.2%	0.1ppt	10.2%	8.0%	2.2ppt	7.6%	7.0%	0.6ppt	18.5%	17.4%	1.1ppt	11.7%	10.0%	1.7ppt
Betting revenue	15.4	19.5	-21%	58.7	64.6	-9%	14.8	15.4	-4%	70.1	69.5	+1%	159.0	169.0	-6%
Gaming revenue	132.5	136.2	-3%	66.7	80.8	-18%	37.2	43.9	-15%	54.0	54.5	-1%	290.4	315.3	-8%
Total revenue	147.9	155.6	-5%	125.4	145.4	-14%	52.1	59.3	-12%	124.1	124.0	+0%	449.4	484.4	-7%