

888 Holdings Plc

Corporate Presentation

May 2022



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- ⦿ Certain information contained in this document, including any information as to the Company's strategy, plans or future financial or operating performance constitutes "forward-looking statements". These forward-looking statements can be identified by the use of terminology such as, "aims", "anticipates", "assumes", "believes", "budgets", "could", "contemplates", "continues", "estimates", "expects", "intends", "may", "plans", "predicts", "projects", "schedules", "seeks", "shall", "should", "targets", "would", "will" or, in each case, their negative or other variations or comparable terminology.
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AGENDA

- ① Introduction to 888
- ② Overview of William Hill Transaction
- ③ FY 2021 Results and Q1 2022 Trading Update
- ④ Summary



INTRODUCTION TO 888

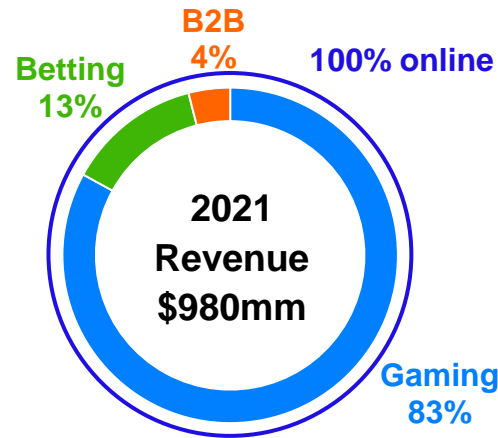


A leading global online betting and gaming company

Business overview

- Scalable, secure and proven proprietary technology platform
- Full end-to-end product suite across Casino, Sports, Poker, Bingo
- Diversified geographic footprint in 100+ countries, with a focus on casino
- Focus on regulated markets: licences in 19 jurisdictions; 74% of 2021 revenue from regulated and taxed markets
- 1,900+ employees across 7 global offices
- In-house games studio producing high quality games
- Clear strategic framework to deliver long-term sustainable growth

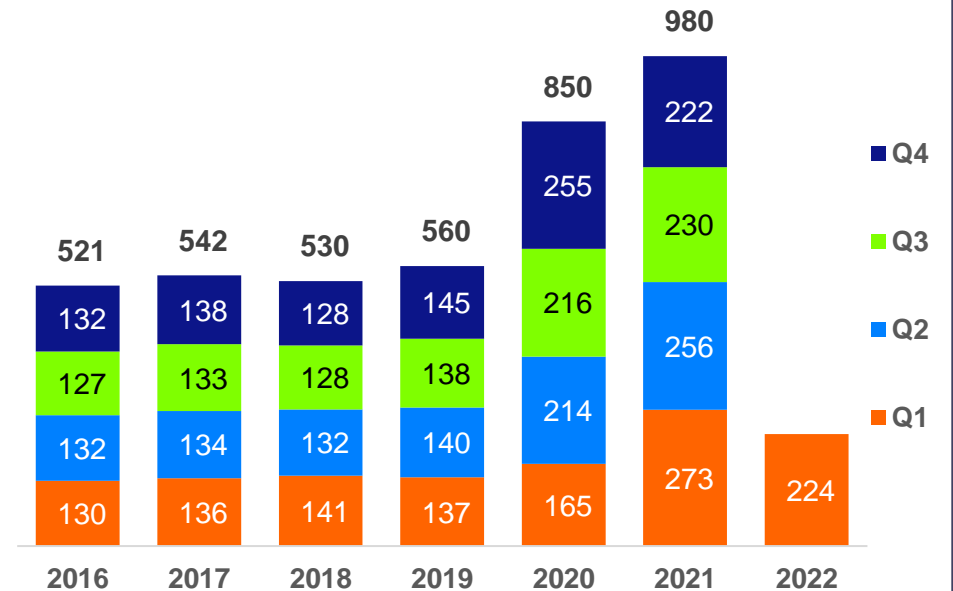
Revenue mix by product – 2021



Main brands

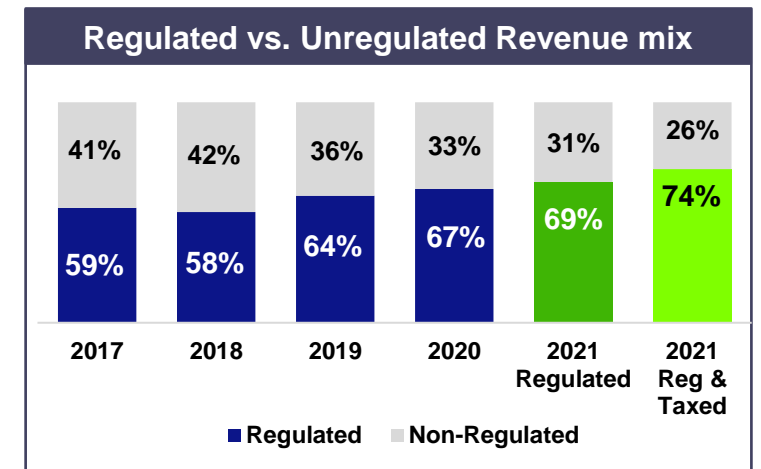
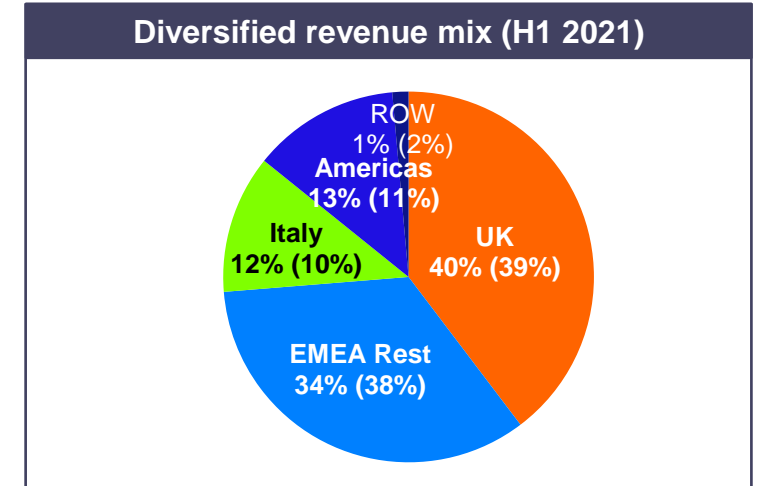
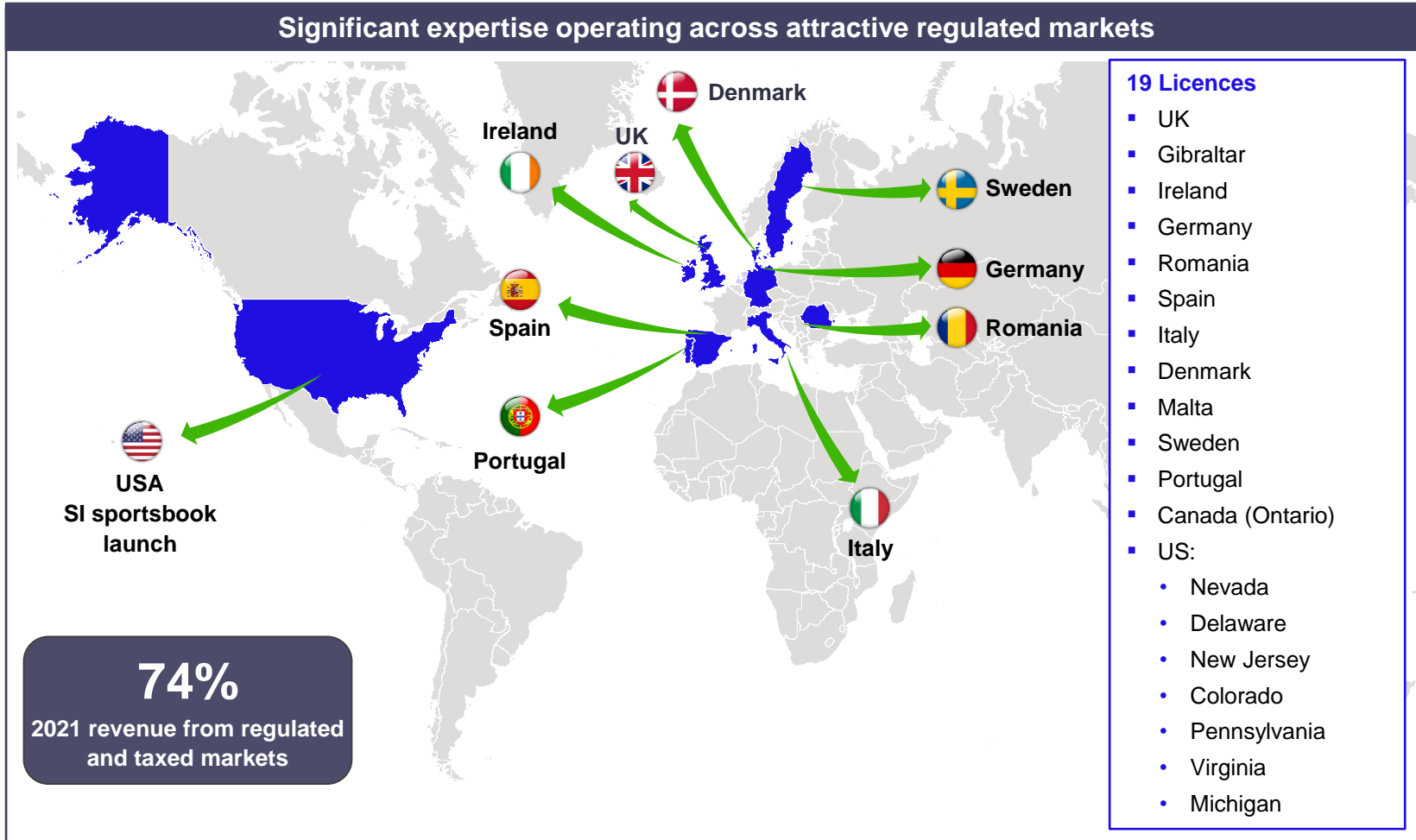


Quarterly revenue evolution (\$ millions)



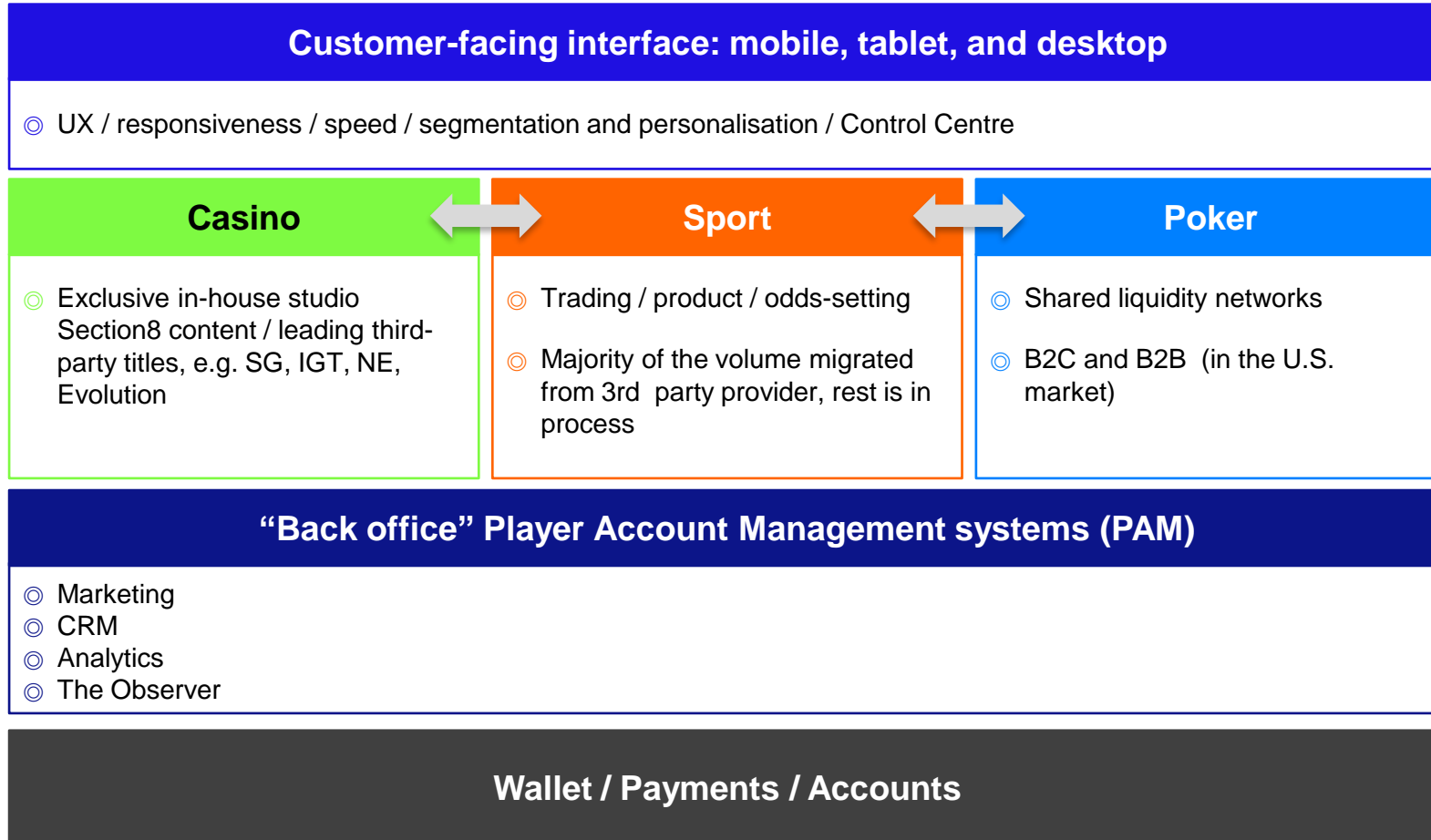
REGULATED MARKET FOOTPRINT

Well diversified geographic mix with a focus on regulated markets



PROPRIETARY TECHNOLOGY

Unique infrastructure with scalable and proven in-house technology



- ⦿ **Highly scalable and secure proprietary platform** underpins competitive advantages
- ⦿ **Full product suite** across the four major online gaming verticals
- ⦿ **Compliant in multiple jurisdictions** – highly flexible and agile
- ⦿ **B2C and B2B capabilities**
- ⦿ **“Mobile first”** approach to product development
- ⦿ **Safer gaming integrated** – from product interface to back office proprietary Observer system that monitors all play in real time

Refined our strategic framework to 3 focus areas to deliver long-term, sustainable growth



Market focus

Clear focus on the addressable growth opportunity by archetype

Core markets

Growth markets

USA

Long-term investment

Optimisation



Sustainable competitive advantages

Invest in core capabilities to reinforce our competitive advantage, enabling long-term sustainable growth

Product and content leadership

World class brands and marketing

Customer excellence

People and team



Value enhancing M&A

A structured and systematic approach to M&A, focussed on delivering long-term value creation in the most attractive end markets

Strategic vision for sustainable growth aligns with and is supported by our *Made for the Future* ESG framework

MARKET FOCUS

Clear focus on attractive long-term growth opportunities, with strong progress in 2021



MARKET FOCUS – THE USA

Long-term growth opportunity where we can leverage iconic brands to grow profitably

Technology

Scalable proprietary platform

Iconic Leading Brand

Integrated content, media and gaming creating differentiation

Operational Expertise

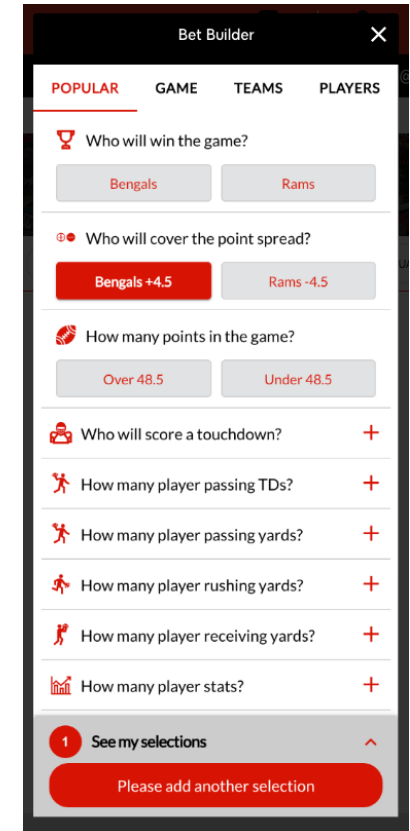
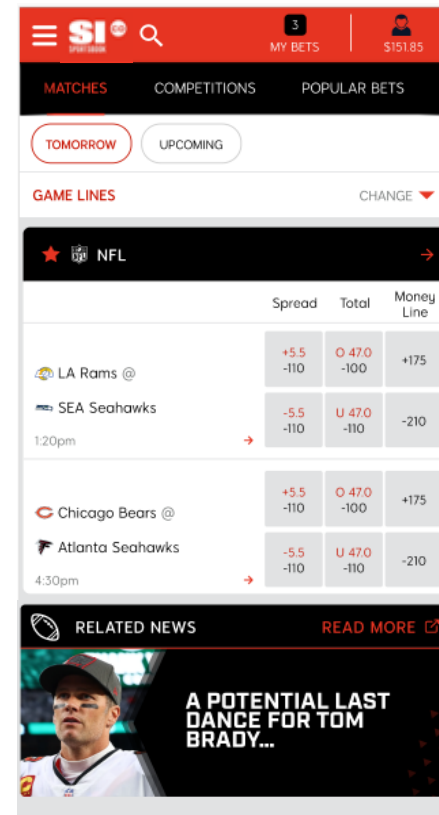
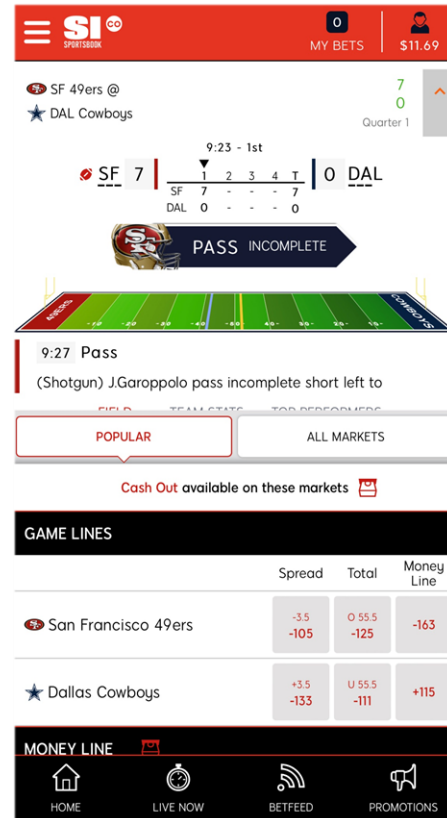
Product leadership; world class marketing; customer excellence

Market Access

Medium term target 12-15 states

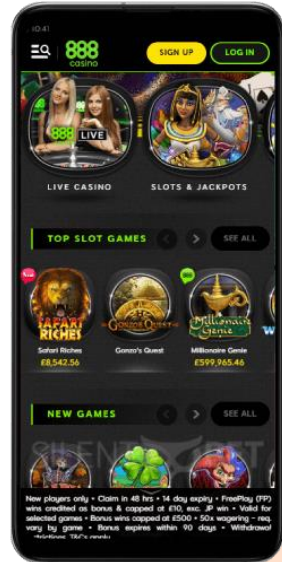


Monthly unique visitors



PRODUCT LEADERSHIP

Best-in-class features; differentiated proprietary content; and AI-driven personalisation



Content-rich

Over **870 games** added to 888casino in 2021, with personalised interface and player recommendations

888's in-house games development studio, **Section 8**, produces high quality gaming content exclusive to 888 casino

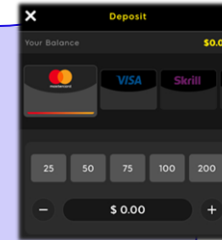


Usability

Industry leading UX, built with a customer-first focus

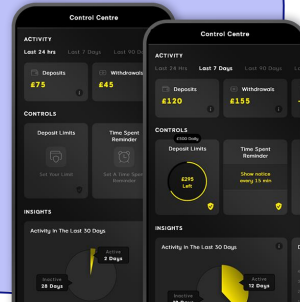
Mobile-first **award-winning** Poker product

Proprietary technology enables **full flexibility over player personalisation and user experience**



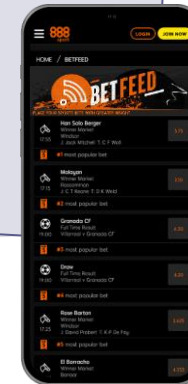
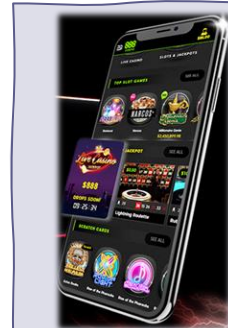
Safety

888's quick and intuitive **Control Center** offers industry leading insight and transparency, giving players **real-time information** on their gambling activity



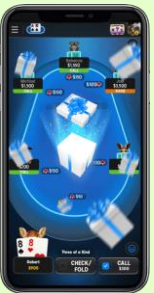
Innovation

Industry innovations like **Betfeed** and **live casino jackpots** provide differentiated features and drive engagement



Entertainment

AI delivers **relevant and tailored content and promotions** to players across 888 products in real-time, driving engagement and building loyalty



Scalability

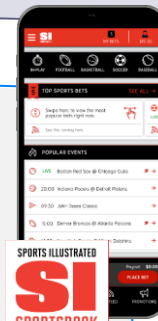
Fully owned proprietary technology across all products (sportsbook, casino, poker and bingo) enables 888 to **build once and deploy globally**

888casino

888bingo

888poker

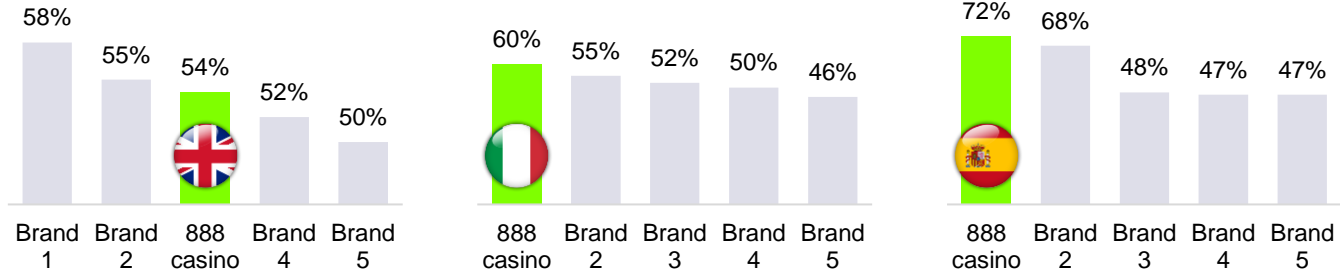
888sport



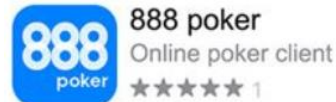
WORLD CLASS BRANDS

Made to Play master brand plan builds on our position as a leading global casino brand

888casino is the only *global* casino brand, with leading brand awareness in our core markets¹



Plans to reinforce our brand in core markets and increase awareness in growth markets



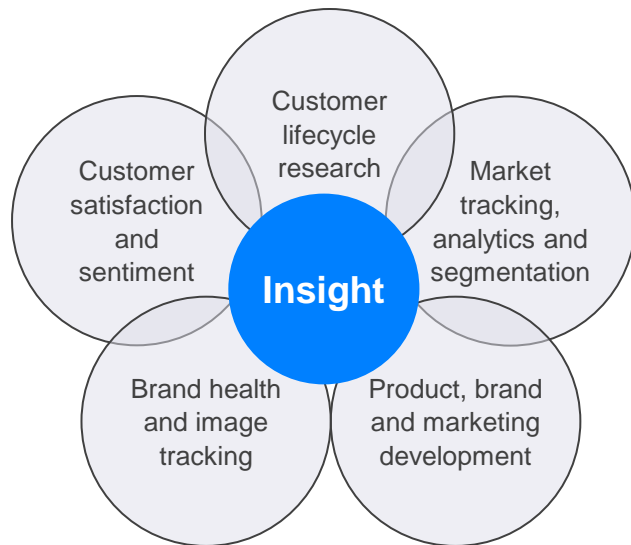
MADE TO PLAY SAFELY

CUSTOMER EXCELLENCE

Understanding customer needs to create the best betting and gaming experiences

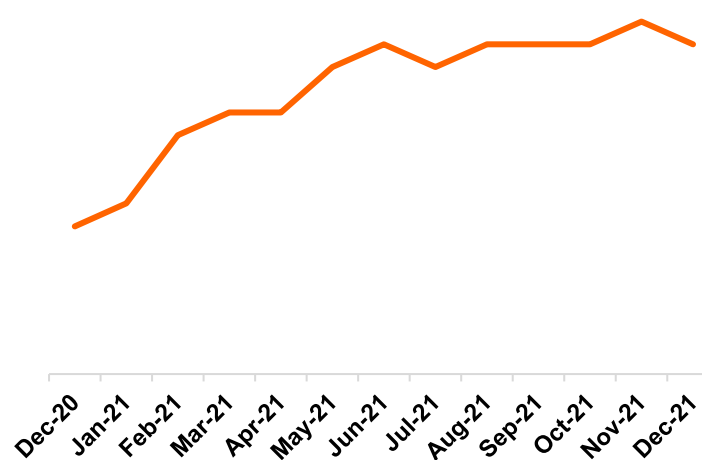
Customer Insight

- Significantly expanded capabilities and team during 2021 to develop a deep understanding of our customers
- Mapping key player segments across focus markets to understand share of wallet opportunity



Customer Service

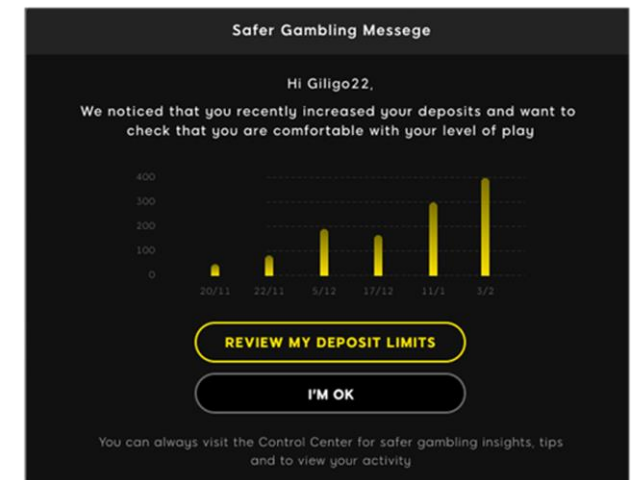
Customer satisfaction (rebased to 100 at Dec-20)



- Improving CSAT scores as we focus on quick, efficient customer service and removing pain points
- Further investment in automation and chatbots to improve service

Customer Safety

- Cutting edge *Control Centre* tool gives players transparent insight into their play and easy access to a range of safer gambling tools. Continue to roll this out across our global markets
- Continual enhancement to *Observer AI* monitoring tool, with around 1.3 million Observer prompted customer interactions in 2021



VALUE ENHANCING M&A

Becoming a global leader through strategically and financially attractive M&A



Creating a global online betting and gaming leader by bringing together two highly complementary businesses and combining two of the industry's leading brands

Significantly accelerates progress against our strategy

Market focus

- Positions the business as a leader in our core and growth markets. Top-3 positions in the UK and Spain, and top-5 positions across a wide range of markets
- Creates a platform for strong growth in the most attractive regulated / regulating markets

Sustainable competitive advantages

- Enhanced exposure to sports betting, through iconic world class William Hill brand
- Leveraging combined skills of employees and best of both sharing across proprietary technology, product, brand, and marketing
- Omni-channel opportunity to leverage UK retail footprint to improve experience and drive FTDs



Platform for long-term growth in the US through strategic partnership with an iconic US brand to launch SI Sportsbook



Proposed sale of our bingo business enables increased focus on core growth opportunities



Good pipeline of global opportunities to access long-term growth potential of emerging markets

Developing clear ESG framework to set a platform for sustainable long-term growth

Pillar 1



**Made to play safely:
Preventing harm
through safer gambling**

GOAL A world where player tools and restrictions for gambling are a normal part of playing


Pillar 2



**Made together:
An inclusive workplace
where people can grow
and develop**

GOAL An authentic, diverse and interpersonal workplace culture, with great people development

Pillar 3



**Made greener:
Protecting our
environment, including
net zero carbon**

GOAL Net zero carbon emissions for our own operations by 2030 and our entire value chain by 2035

All underpinned by a robust corporate governance framework

SAFER GAMBLING

888 is committed to ongoing improvement in making gambling safer

Safer gambling is a key pillar of 888's wider ESG framework

Pillar 1



Made to play safely:
Preventing harm
through safer gambling

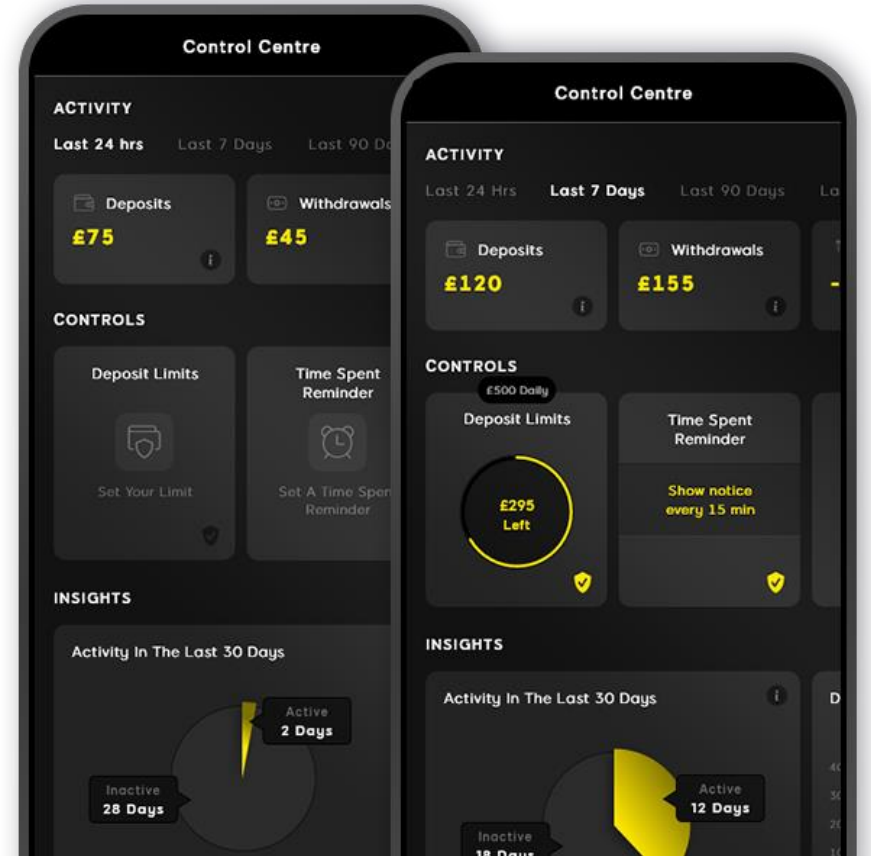
GOAL

A world where player tools and restrictions for gambling are a normal part of playing

We recognise that we must use technology as a force for good

888 has developed two critical technologies that are central to our approach to safer gambling:

- ① **Observer** is 888's player monitoring system that uses sophisticated AI-driven algorithms to flag unusual or potentially concerning customer activity. This enables our highly trained safer gambling team to make the most appropriate interactions with customers to help them make informed decisions about their gambling.
- ② The **Control Centre** is a customer focused interface designed to give players transparent insight into their play through intuitively presented, real-time data, and provide easy access to a range of safer gambling tools



MADE TO PLAY SAFELY

OVERVIEW OF WILLIAM
HILL INTERNATIONAL
TRANSACTION



A POWERFUL COMBINATION

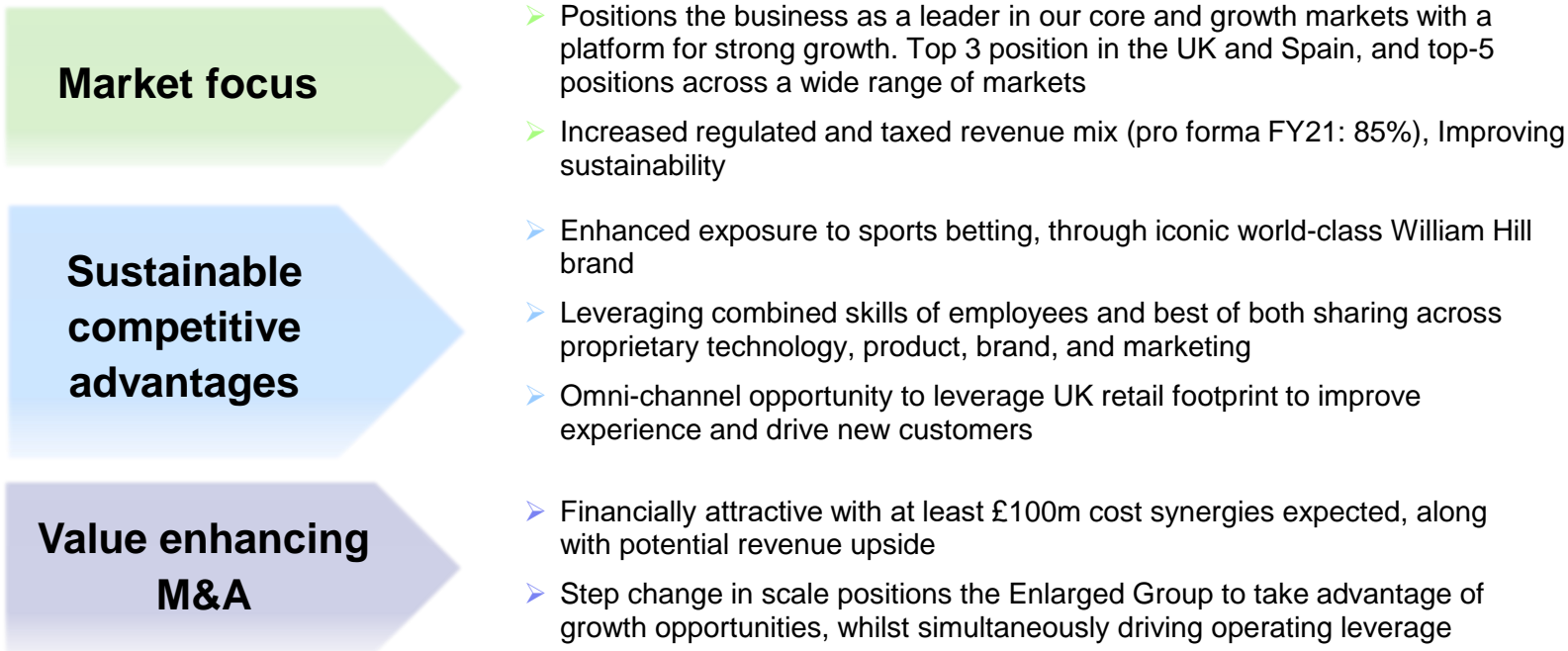
Transformational acquisition creating a high-growth global leader with significant scale



STRATEGIC RATIONALE

Transformational acquisition creating a high-growth global leader with significant scale

The Acquisition brings together two highly complementary businesses, combines two of the industry's leading brands, and **significantly accelerates progress against our strategy**:



£2,116m¹ Pro forma combined FY21 Revenue

£437m¹ Pro forma combined FY21 Adjusted EBITDA

BECOMING A GLOBAL ONLINE BETTING AND GAMING LEADER

>12,000 Combined employees

>5m Combined annual active customers



MULTIPLE STRATEGIC BENEFITS

Combining complementary businesses creates significant growth opportunities

Sports betting is the fastest growing segment

- ◎ Access to a leading brand with strong sports heritage
- ◎ Influx of operating expertise in sports betting

Increasingly regulated, large, growing market

- ◎ ~\$345 billion global market, online penetration only 16%¹
- ◎ Strengthens position across core and growth markets

Scale critical given pace of regulatory change

- ◎ Take advantage of growth opportunities as countries regulate
- ◎ Operating leverage and ability to manage challenges

Customer experience is key

- ◎ Ability to leverage complementary strengths across all key areas, including technology, product, brand, and marketing
- ◎ Leverage the combined skills and talent of >12,000 staff

Scale and capabilities creates a virtuous circle

Scalable proprietary technology drives operating leverage

Increased scale and flexibility to invest



Increasing engagement and share of wallet drives faster revenue growth

Brand, marketing, and product leadership enhances customer proposition

Underpinned by continued focus on safer gambling

SYNERGIES

Significant synergy potential to drive immediate value creation and fuel growth

Summary

- ⊙ Pre-tax cost synergies of c.£100m¹ p.a. including c.£15m capex synergies, to be realised by the end of 2025
- ⊙ Estimated one-time cash costs ~1x synergies, to be incurred in the first three years post completion

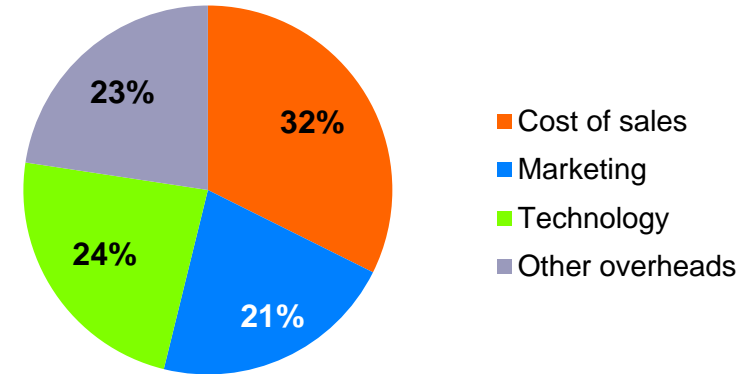
Integration principles

- ⊙ Maintain momentum in existing businesses
- ⊙ Explore the best of both for technology and product

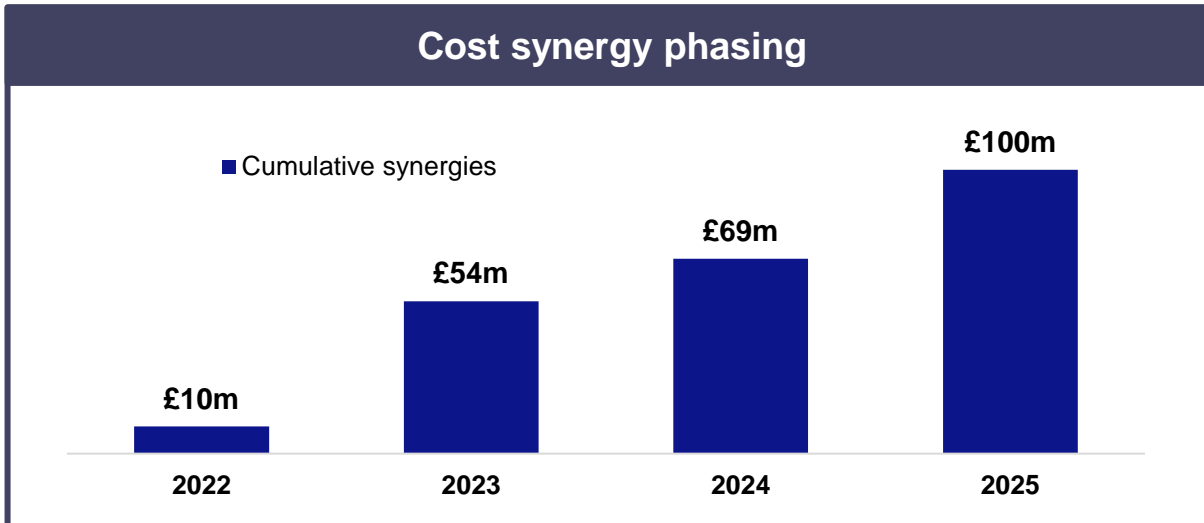
Potential upside

- ⊙ Potential revenue upside from an enhanced customer proposition and product offerings

A broad range of benefits across the whole cost base



Cost synergy phasing



Cost of sales

- ⊙ Economies of scale in payment processing fees
- ⊙ Economies of scale in revenue share for third party content across sports and gaming

Marketing

- ⊙ External marketing economies of scale and optimising spend
- ⊙ Removal of duplicate marketing technology costs
- ⊙ Country specific approach to brands

Technology

- ⊙ Consolidating operations and back office onto common platforms, where possible
- ⊙ Achieving scale efficiencies in third party costs

Other overheads

- ⊙ Consolidation of corporate and support functions and removal of duplicate activities
- ⊙ Reducing other costs e.g. facilities, travel and professional services fees

CAPITAL MANAGEMENT FRAMEWORK

Efficient capital structure for long term management of pro forma business

Capital management framework

Debt financing

- Fully committed debt financing
- Expect to announce credit ratings and syndicate institutional debt during Q2 2022

Equity raise

- Successful completion of accelerated bookbuild of c.19% of issued share capital and raising gross proceeds of £163m
- Target proforma net leverage of 4x¹

Dividend

- In order to accelerate deleveraging, and following feedback from shareholders, the Board intends to suspend the payment of dividends until such time as the Enlarged Group's net leverage ratio is at or below 3x, or such earlier time as the Board considers appropriate

Leverage target

- Strong free cash flow generation expected to support rapid deleveraging – Medium term target at or below 3x

Pro forma net debt post equity raise

Purchase price (£1.9bn)

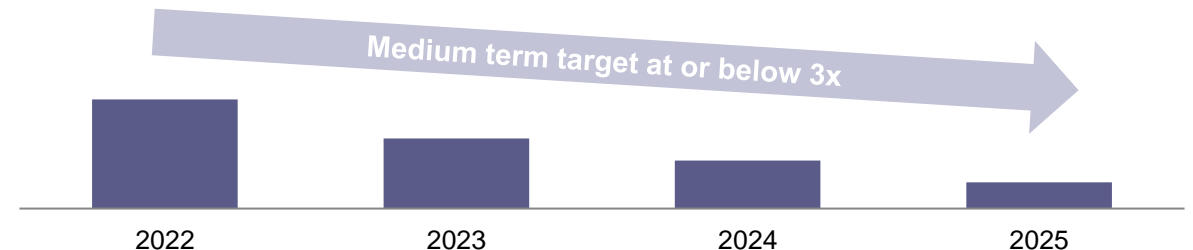
Equity 0.2

WHI and 888 Lease liabilities (0.1)

888 Cash balance 0.2

Total net debt post equity (1.75)

Rapid deleveraging profile



FY 2021 RESULTS AND Q1
2022 TRADING UPDATE



FY2021 FINANCIAL HIGHLIGHTS

Record revenues and Adjusted EBITDA despite regulatory headwinds

US\$ millions		2021	2020	YoY
Revenue	B2C	941.9	814.3	16%
	B2B	38.2	35.4	8%
	Total	980.1	849.7	15%
Profitability	Adjusted EBITDA	165.0	155.6	6%
	Adjusted EBITDA Margin	16.8%	18.3%	-1.5ppts
	Adjusted EPS	27.3c	27.3c	flat
Financial Position	Free Cash Flow ²	102.7	175.4	-41%
	DPS (Dividend) ³	4.5c	14.6c	-69%
	Net Cash ⁴	174.5	148.2	18%

- ⊙ Revenue growth of +15% (+10%cc¹) driven by expansion in regulated markets
- ⊙ Adjusted EBITDA margin slightly down, reflecting additional investment in the US and marketing to support our growth plans
- ⊙ Free cash flow impacted by working capital timing, particularly the significant positive swing in the prior year, together with investment in the US and exceptional costs related to M&A
- ⊙ Strong balance sheet with 18% increase in Net Cash position

ADJUSTED EBITDA

6% growth in Adjusted EBITDA despite increased investment in the US

US\$ millions		2021	2020	YOY
Revenue	Group revenue	980.1	849.7	15%
Gross profit	Cost of sales ¹	333.1	286.9	16%
	Gross profit ¹	647.0	562.8	15%
	Gross margin	66.0%	66.2%	-0.2ppts
Contribution	Marketing expenses	306.5	237.1	29%
	Contribution	340.5	325.7	5%
	Contribution margin	34.7%	38.3%	-3.6ppts
Adjusted EBITDA	Operating expenses ²	175.5	170.1	3%
	Adjusted EBITDA ²	165.0	155.6	6%
	Adjusted EBITDA margin	16.8%	18.3%	-1.5ppts

- ◎ Double digit growth across most major markets, despite challenging comparatives
- ◎ Gross profit margin largely stable, with 3rd party cost savings offset by increased duties as regulated mix increases
- ◎ Continued investment in growth with marketing up 29% as we target leading positions in our key focus markets
- ◎ Strong scale benefits with operating cost leverage, leading to Adjusted EBITDA margin being 1.5ppts down despite increased marketing and US investment

Strong strategic progress setting the platform for future growth

US\$ millions	Q1 2021	Q4 2021	Q1 2022	YoY%	QoQ%
B2C Gaming	221	192	191	-14%	-1%
B2C Betting	42	20	24	-42%	+19%
Total B2C	263	213	215	-18%	+1%
Total B2B	10	9	9	-6%	-2%
Total Revenue	273	222	224	-18%	+1%

- Group revenue of \$224m (Q4 2021: \$222m; Q1 2021: \$273m). Revenue +1% compared to Q4 2021, driven by average monthly actives² growth of 4%, reflecting continued focus on product and content leadership, customer excellence, and the ongoing success of our world-class brands and marketing. Year on year decline -18% (-15% cc³), with average monthly actives lower by 8%, compared to a record result in Q1 2021 and reflecting the temporary exit from the Netherlands, and lower revenue per active driven by the heightened focus on safer gambling
- Key regulated markets delivered a strong performance, particularly the US, Romania and Portugal all of which grew year-over-year, together with strong sequential growth in Italy, offsetting a larger year-over-year decline in the UK, which was impacted by market-wide trends including the impact of increased player restrictions
- Launch of WSOP in Michigan, and licence awarded for 888 in Ontario
- Investment in 888AFRICA, giving the Group a strategic stake in a highly ambitious business with an experienced management team in one of the Group's long-term investment markets
- Further progress towards transformational acquisition of William Hill post Period end, with revised transaction terms and successful completion of an equity placing raising gross proceed of £163m
- Launch of new Made to Play master brand campaign in the UK during the Period, uniting all 888 brands under one proposition

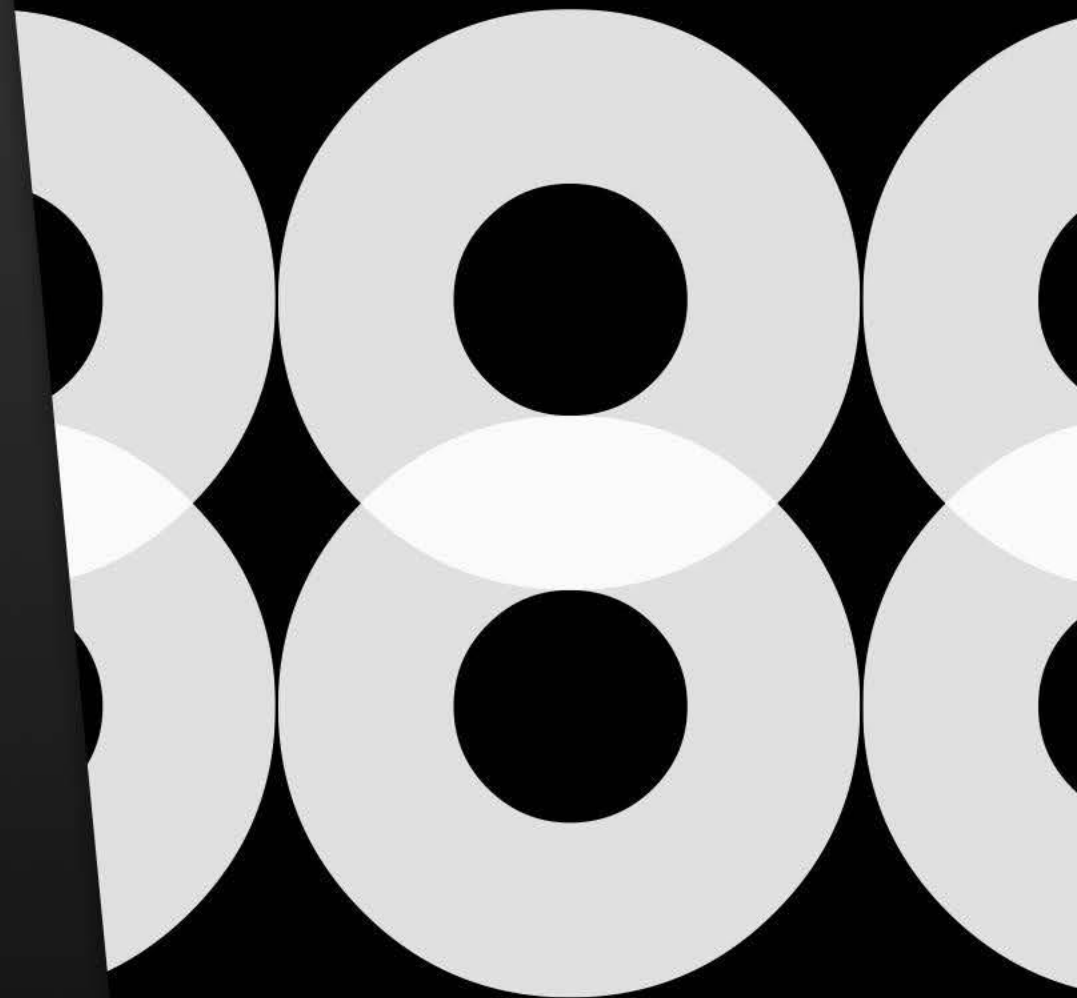
SUMMARY



Well positioned to deliver further strategic progress as we become a global leader

- ◎ Transformational acquisition of William Hill International, creating a high-growth global leader with significant scale
- ◎ Record financial results in 2021 and positive trading performance into 2022 despite significant additional regulatory headwinds
- ◎ Refined and clear strategy to target long-term growth opportunities, including the US
- ◎ Strong platform for future success and confident in long-term prospects
- ◎ Becoming a global online betting and gaming leader

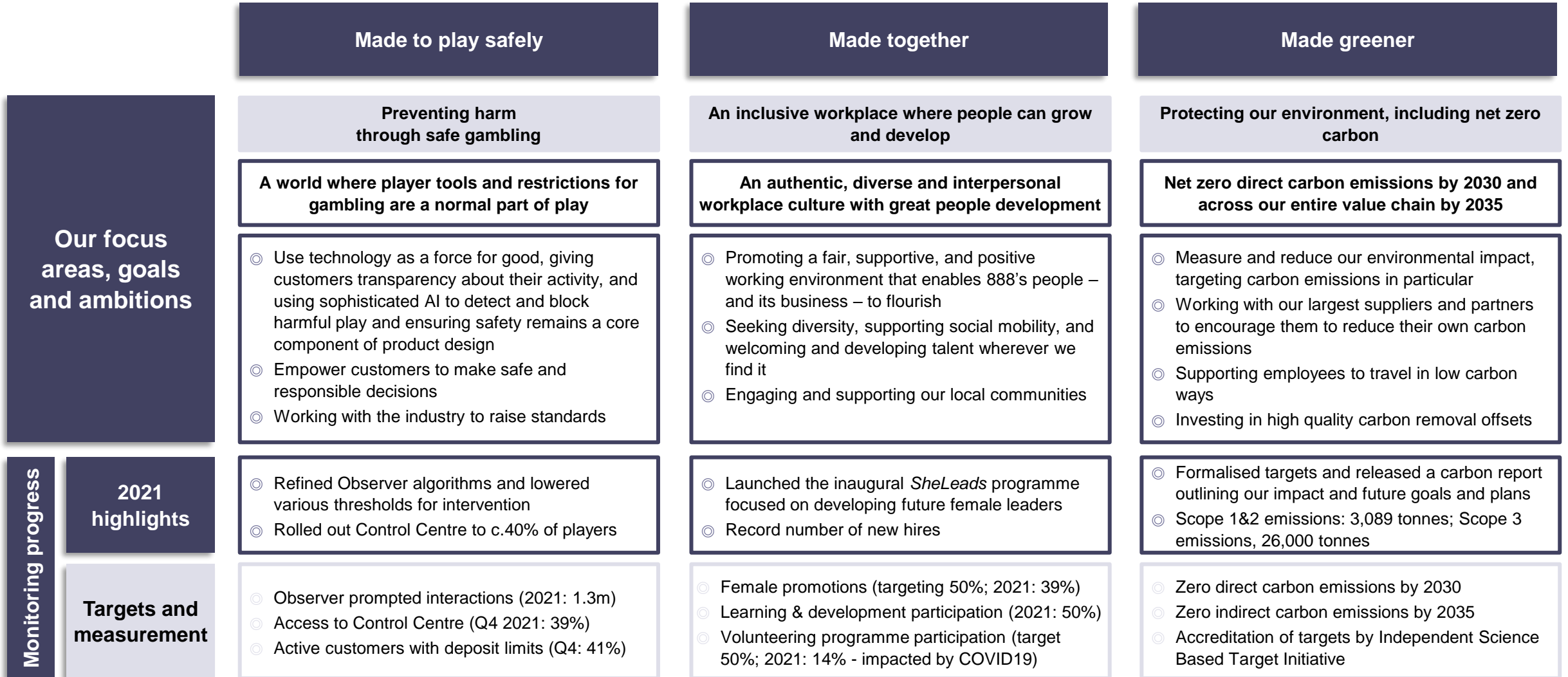
APPENDIX



QUARTERLY GROUP REVENUE – 888

US\$m	2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
B2C Gaming	107	111	109	114	131	186	175	200	221	208	194	192	191
B2C Betting	23	22	22	23	26	19	32	46	42	39	27	20	24
B2C	130	133	131	137	157	204	206	247	263	246	220	213	215
B2B	8	7	7	8	8	10	9	8	10	10	10	9	9
Total	137	140	138	145	165	214	216	255	273	256	230	222	224

Made for the Future ESG framework sets a platform for sustainable long-term growth



ENLARGED GROUP FINANCIALS

Pro forma normalised

£m

	FY19	FY20	FY21
Revenue			
888	438.8	661.7	712.4
UK Online	480.9	503.2	628.6
International Online	257.4	299.6	276.0
Retail ^{1,2}	717.0	506.0	499.0
PF Enlarged Revenue	1,894.1	1,970.5	2,116.0
EBITDA			
888	72.1	121.2	119.9
UK Online	128.3	130.4	154.1
International Online	36.2	44.4	35.8
Retail ^{1,2}	141.0	97.5	96.2
Corporate	(47.5)	(40.5)	(26.1)
Total	330.1	353.0	383.4³
D&A	(138.6)	(136.4)	(132.8)
888 – Capex	(64.9)	(24.1)	(22.2)
WHI – Capex	(66.4)	(55.8)	(72.0)
Total Capex	(131.3)	(79.9)	(94.2)
EBITDA - Capex	198.8	273.1	285.8

£437m including £54m of expected non-capex cost synergies by YE 2023

\$m

	FY19	FY20	FY21
Revenue			
888	560.3	849.7	980.1
UK Online	614.1	646.2	864.8
International Online	328.7	384.7	379.7
Retail ^{1,2}	915.5	649.8	686.5
PF Enlarged Revenue	2,418.6	2,530.3	2,911.0
EBITDA			
888	92.1	155.6	165.0
UK Online	163.8	167.4	212.0
International Online	46.2	57.0	49.3
Retail ^{1,2}	180.0	125.2	132.3
Corporate	(60.7)	(52.0)	(35.9)
Total	421.5	453.3	527.5³
D&A	(177.0)	(175.1)	(182.7)
888 – Capex	(82.9)	(30.9)	(30.5)
WHI – Capex	(84.8)	(71.7)	(99.1)
Total Capex	(167.7)	(102.6)	(129.6)
EBITDA - Capex	253.9	350.7	393.1

ENLARGED GROUP FINANCIALS

Reported statutory figures

888

William HILL

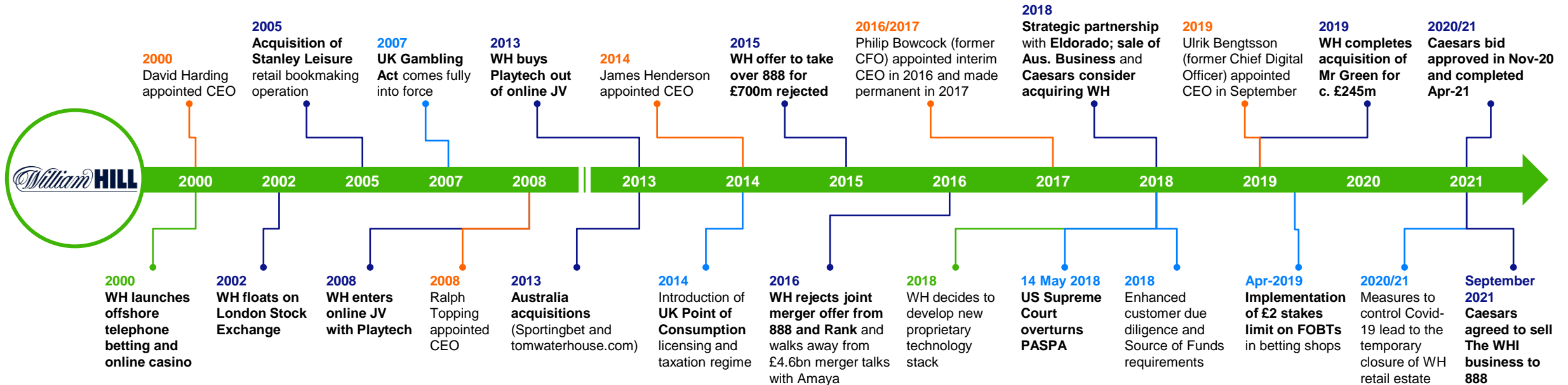
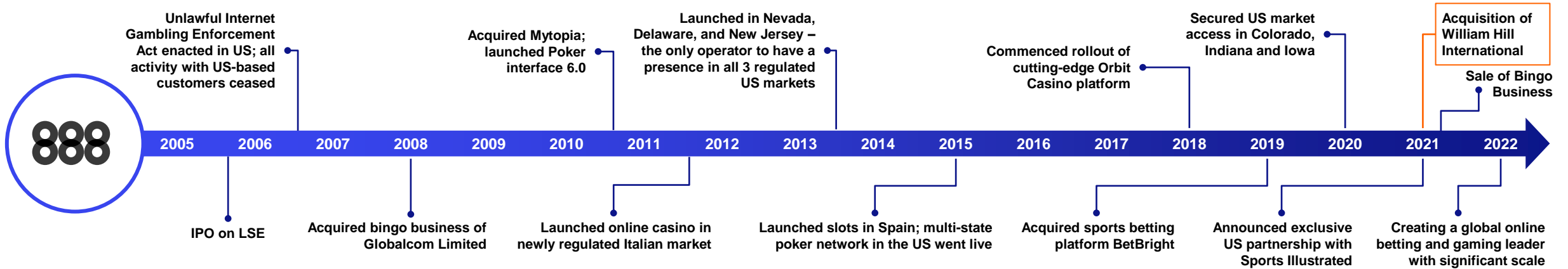
888 + WHI

Figures in £m	FY19	FY20	FY21	FY19	FY20	FY21	FY19	FY20	FY21
Revenue	439	662	712	1,455	1,157	1,241	1,894	1,819	1,954
Cost of sales	(144)	(223)	(249)	(365)	(68)	(363)	(508)	(292)	(612)
Gross profit	295	438	464	1,091	1,089	878	1,386	1,527	1,342
Adjusted EBITDA	72	121	120	258	149	164	330	270	288 ¹
D&A	(25)	(26)	(26)	(113)	(110)	(106)	(139)	(136)	(133)
Capex	(65)	(24)	(22)	(66)	(56)	(72)	(131)	(80)	(94)
EBITDA – Capex	7	97	98	192	93	92	199	190	190
Gross profit margin	67%	66%	65%	75%	94%	71%	73%	84%	69%
EBITDA margin	16.%	18%	17%	18%	13%	13%	17%	15%	15%

Figures in \$m	FY19	FY20	FY21	FY19	FY20	FY21	FY19	FY20	FY21
Revenue	560	850	980	1,858	1,486	1,708	2,419	2,335	2,688
Cost of sales	(184)	(287)	(343)	(465)	(87)	(500)	(649)	(374)	(842)
Gross profit	377	563	638	1,393	1,398	1,208	1,770	1,961	1,846
EBITDA	92	156	165	329	191	226	422	347	396 ¹
D&A	(32)	(34)	(36)	(145)	(142)	(146)	(177)	(175)	(183)
Capex	(83)	(31)	(31)	(85)	(72)	(99)	(168)	(103)	(130)
EBITDA – Capex	9	125	135	245	120	127	254	244	262
Gross margin	67%	66%	65%	75%	94%	71%	73%	84%	69%
EBITDA margin	16.%	18%	17%	18%	13%	13%	17%	15%	15%

888 AND WHI HISTORY

Significant heritage and experience across both businesses



■ Leadership change
 ■ The evolution changes
 ■ Deals activity
 ■ Regulation/other events

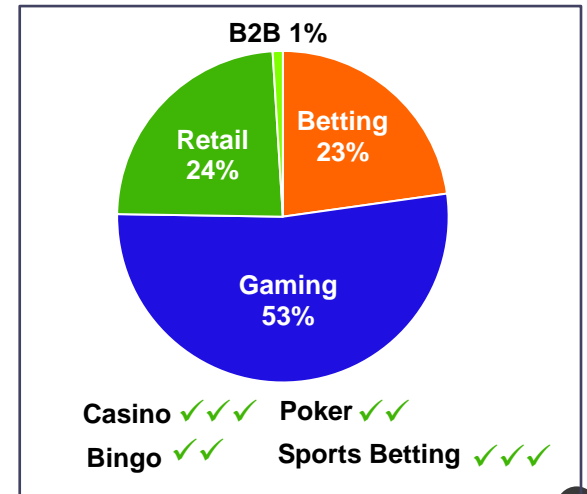
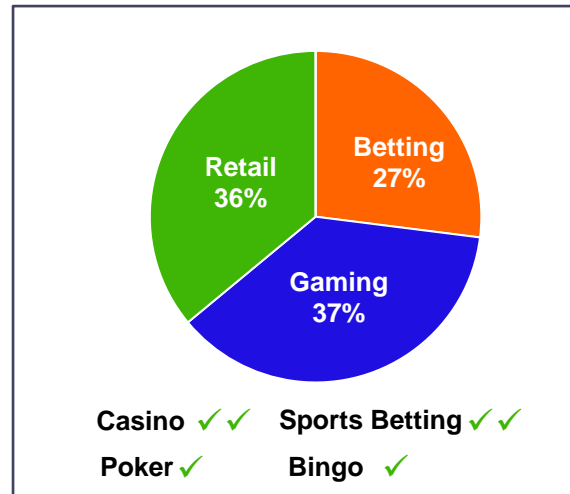
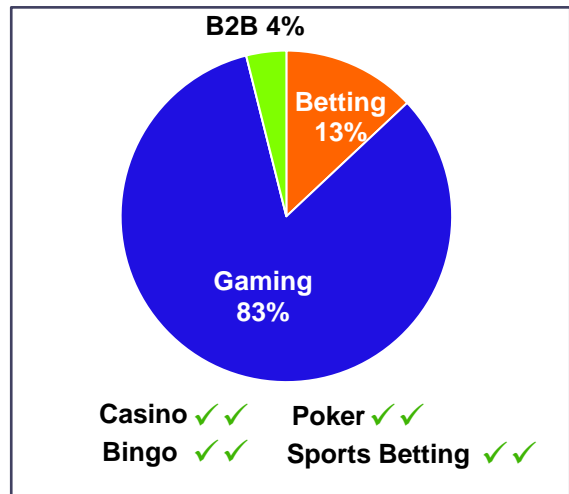
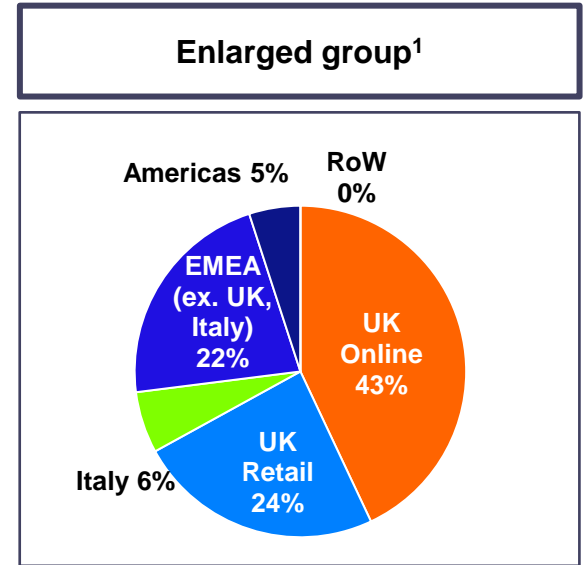
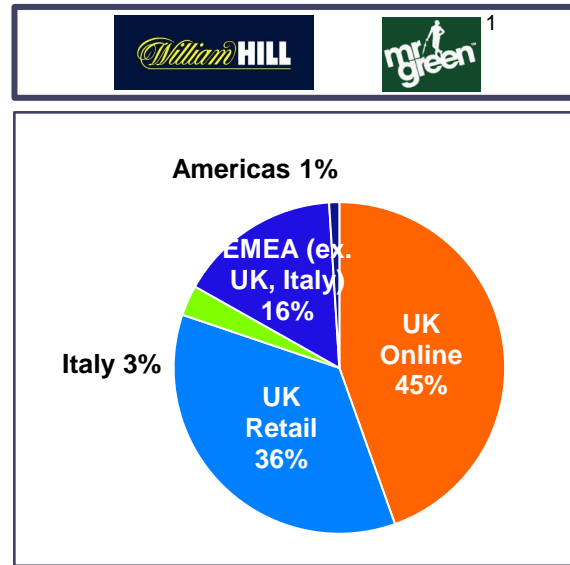
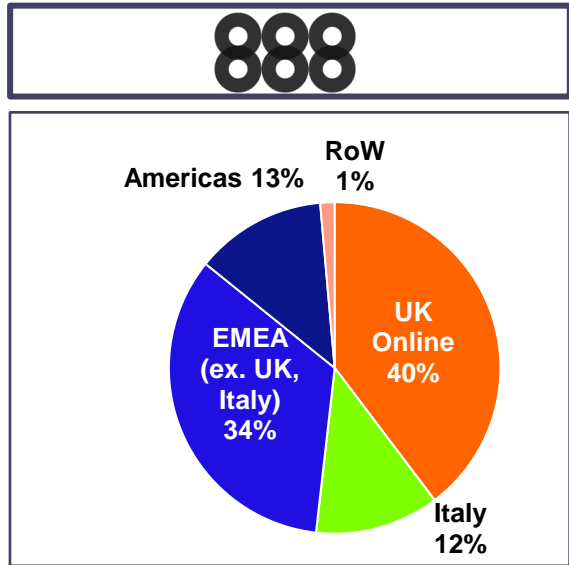


DIVERSIFYING REVENUE MIX

Complementary geographic profiles with diversified and balanced product offering

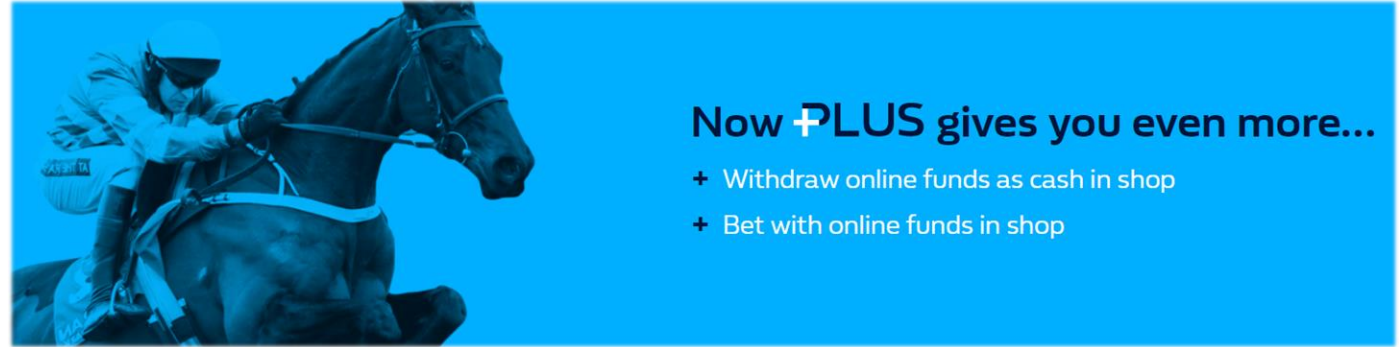
Geographic mix (by revenues)

Product mix (by revenues)



WILLIAM HILL RETAIL

Attractive omni-channel opportunity in the UK, and key enabler of online growth



Profitable estate	Customer focus	Omni-channel	Covid Impact
<ul style="list-style-type: none"> Optimised >1,400 locations, ~30% reduced shops from c.2,300 post 2019 FOBT changes Highest rated retail brand for 'convenient location', a key driver of consumer choice² 	<ul style="list-style-type: none"> Focus on product and user experience extends to retail, with a world-class gaming platform, market leading SSBTs, digital screens and more Most recommended retail brand² 	<ul style="list-style-type: none"> <i>Plus Card</i> seamlessly integrates online and retail experience Unified Online and Retail teams Only 26% of WHI retail customers that bet online do so with WHI online; reflecting potential to capture a greater share of online revenues from WHI retail customers³ 	<ul style="list-style-type: none"> Shops closed during months for the majority of H1 2021 Run-rate 6 months EBITDA 2021 of £96.2mm

