

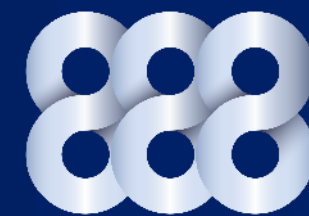
888

FY2022

**RESULTS**

PRESENTATION

14 APRIL 2023



HOLDINGS

# AGENDA

## Purpose of today

- Update on key changes since our capital markets day
- Outline the financial results for FY2022
- Update on progress against our strategic plans
- Provide a trading update and guidance for FY23 performance

Topic	Presenter
<b>Overview</b>	Lord Mendelsohn (Executive Chair)
<b>Financial review</b>	Yariv Dafna (CFO)
<b>Strategic review</b>	Vaughan Lewis (Chief Strategy Officer)
<b>Summary</b>	Lord Mendelsohn (Executive Chair)
<b>Q&amp;A</b>	

# OVERVIEW

LORD MENDELSON, EXECUTIVE CHAIR

# BOARD PRIORITIES

We have clear priorities and plans to strengthen the business and enable it to deliver on its potential



## TEAM

Appointment of strong executive directors while supporting wider management team in delivering plans in place



## ESG

Our ambition is to be one of the most trusted operators in the industry – sustainability and safer gambling are critical to this



## EXECUTION

Delivery of the plan requires strong execution, with the immediate focus on delivering synergies and deleveraging

# COMPLIANCE UPDATE

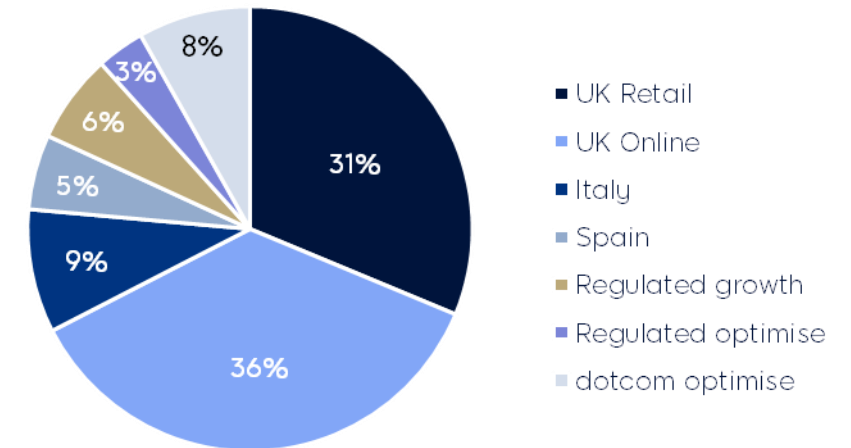
Investigation complete into Middle East VIP suspensions; remedied failings, with robust policies and procedures in place; no further impacts expected

## Enhancing sustainability through compliance action

- Compliance and safer gambling is a critical Board priority
- Significant investments in compliance team led by new Chief Risk Officer Harinder Gill
- Compliance team identified instances where safer gambling policies were not being effectively applied to an isolated cohort of players in the Middle East
- The Board took swift, decisive and prudent actions to suspend accounts
- We have now begun successfully reactivating and reopening accounts in accordance with our safer gambling policies and processes and as a result revenues in the region are beginning to recover
- Middle East impact included in full year guidance, currently expect to recover around 40-50% of suspended revenue, meaning a c.£25-30m revenue headwind for FY23

## Diversified and highly regulated revenue mix

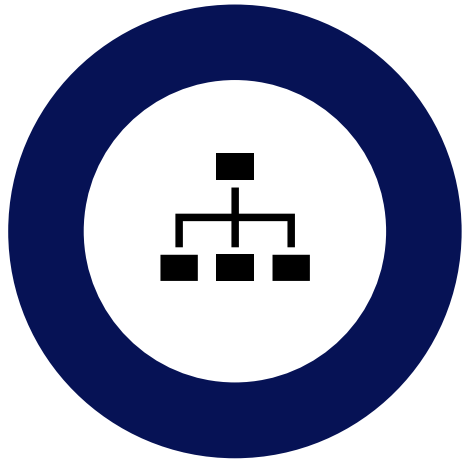
Q1 2023 revenue by market



- 92% locally regulated revenues in Q1 2023
- No individual dotcom market >2%

# INTEGRATION PROGRESS

Strong progress on integration with synergy delivery well advanced and clear plans in place



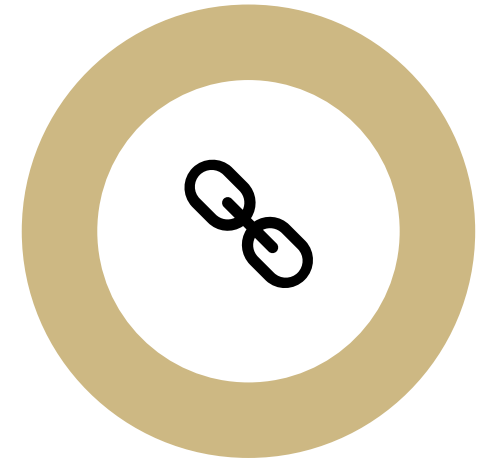
## Organisational design

- New operating model in place, removing duplicate functions and accelerating synergies
- Streamlined operations including centralised customer support



## Localised execution

- Country focused model and combined brand and marketing plans driving improved ROI
- Best of both sharing, including customer insight and content



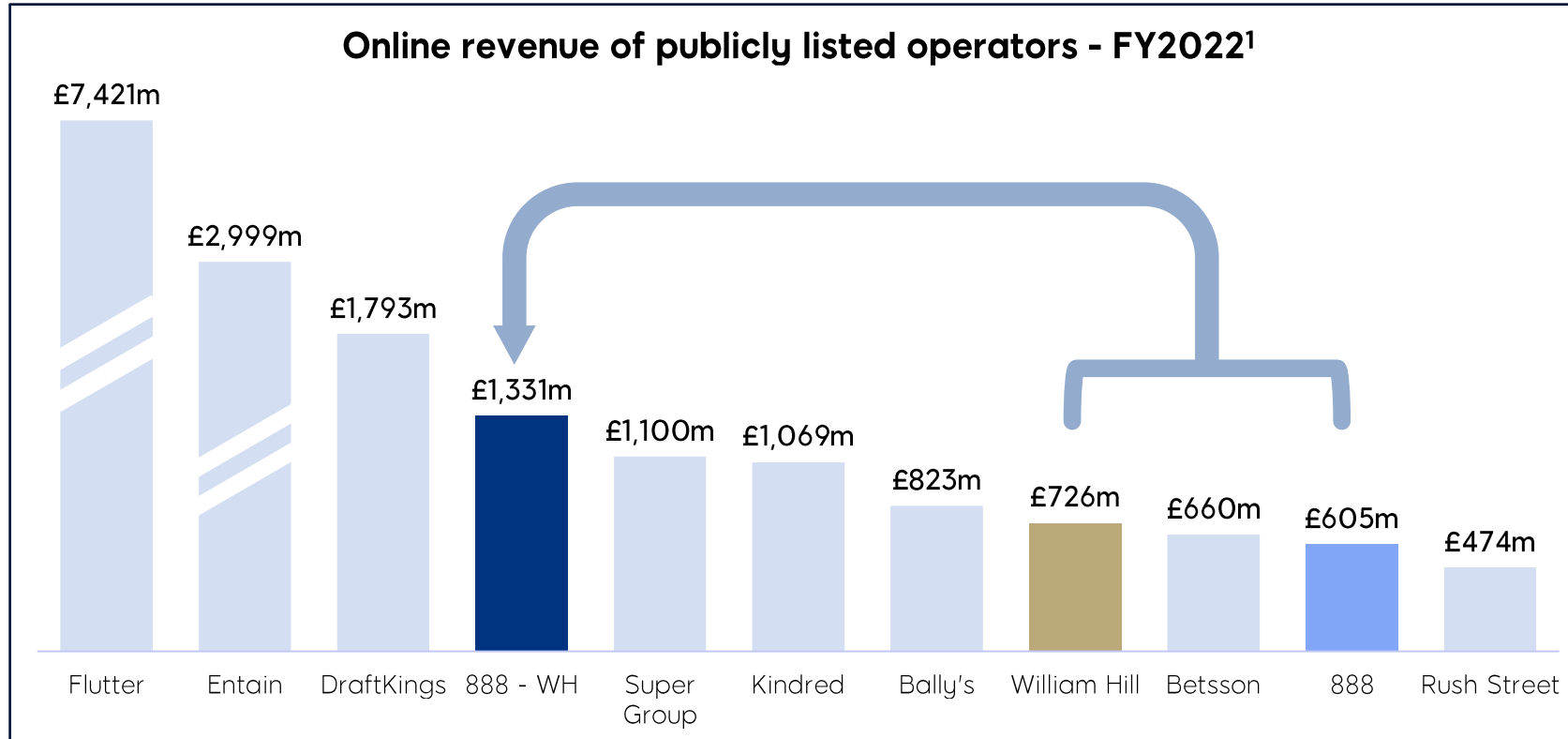
## Technology integration

- Early decision on platform of the future
- Mr Green launched in Germany and Sweden migration well advanced

# SCALE AND POTENTIAL



We have created a diversified global leader with strong growth potential



## Superior scale

- Combined we are a top 4 publicly listed global online operator
- Leading proprietary technology and product capabilities
- A portfolio of iconic brands
- Combination of strong teams and capabilities to enhance customer experiences

<sup>1</sup> As reported from public company documents. Converted to GBP at the average rate for 2022, being USD 1.2494; EUR 1.1779; and AUD 1.7863. 888 excludes Bingo results prior to its sale.

# FINANCIAL REVIEW

YARIV DAFNA, CFO



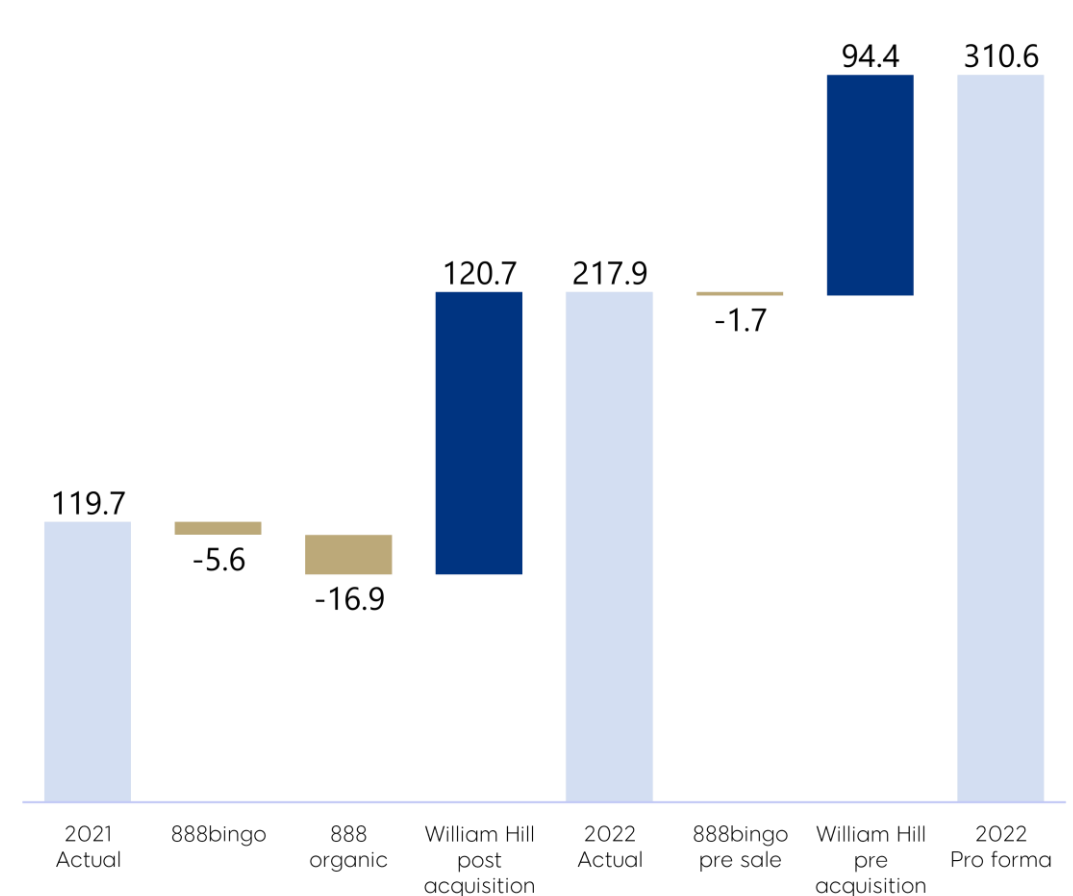
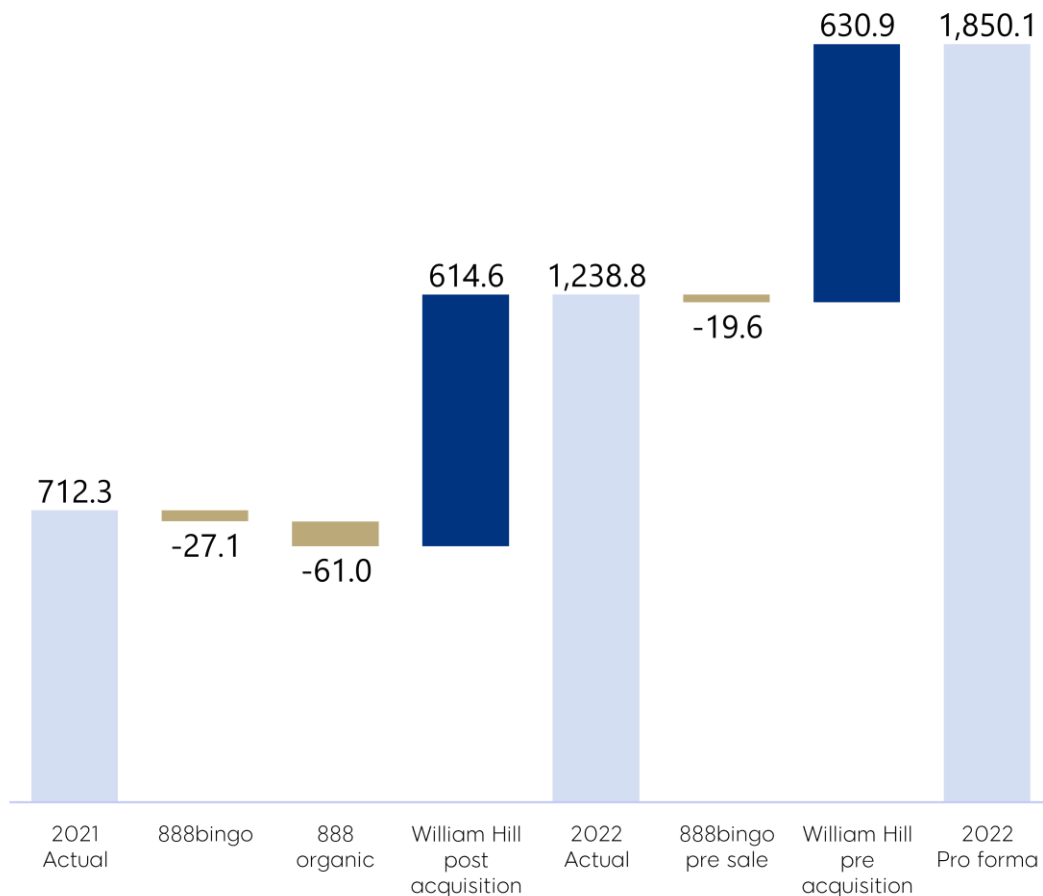
# REPORTED TO PRO FORMA RESULTS BRIDGE



To improve clarity around the underlying trends, pro forma numbers include the results of William Hill pre acquisition, and exclude bingo

Reported to pro forma<sup>1</sup> Revenue bridge (£m)

Reported to pro forma<sup>1</sup> Adjusted EBITDA bridge (£m)



<sup>1</sup> Pro forma information, which is unaudited, presented here and throughout the rest of this presentation reflects the results as if the Group had owned William Hill for all periods, and excludes the Bingo business in all periods.

# FY2022 FINANCIAL RESULTS – PRO FORMA



We saw strong growth in the retail business as it lapped prior year closures, offset by online headwinds, notably UK safer gambling measures

£ millions <sup>1</sup>		2022	2021	YoY
<b>Revenue</b>	UK&I	1,236.3	1,235.6	0%
	- Online	717.4	898.9	-20%
	- Retail	519.0	336.8	54%
	International	613.7	671.4	-9%
	<b>Total</b>	<b>1,850.1</b>	<b>1,907.0</b>	<b>-3%</b>
<b>Adjusted EBITDA</b>	UK&I	202.6	165.4	22%
	- Online	111.9	165.2	-32%
	- Retail	90.7	0.3	nmf
	International	136.0	147.5	-8%
	Central costs	(28.1)	(43.0)	-35%
	<b>Total</b>	<b>310.6</b>	<b>269.9</b>	<b>15%</b>

- Lapping tough comparators with lockdown driven online migration across major markets
- Significant proactive safer gambling measures in the UK
- Refined market focus alongside market closures e.g. Netherlands (international revenue -4% excluding Netherlands)
- Retail bouncing back strongly to higher than pre-covid levels on a like for like basis and driving overall group EBITDA growth
- Central costs benefitting from early synergies as well as timing impact of certain costs in the prior year

# FINANCIAL FOCUS AREAS

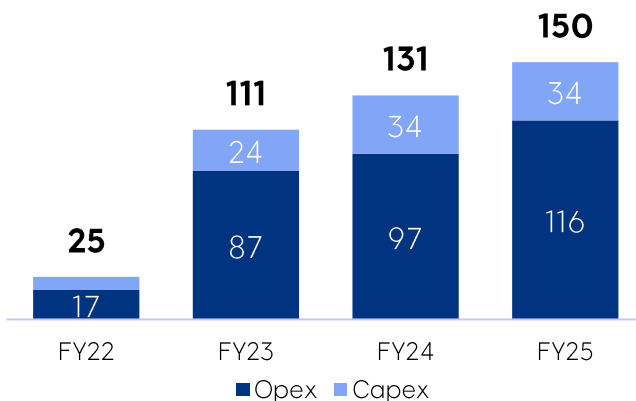
We have clear plans to improve financial performance through realising synergies, improving EBITDA margin and prioritising deleveraging



## SYNERGIES

- Accelerated synergy delivery and upgraded target of £150m by 2025, with £111m expected in 2023
- Synergies of £25m delivered in H2-2022, with quick wins across all areas of the cost base

Cumulative synergies (£m)



## EBITDA MARGIN

- Improved margin, and expect >20% in FY23 with a focus on profitability through:

### Cost of sales

- Synergies from third party content providers and payment providers
- Optimising content mix including in-house content sharing

### Marketing

- Brand optimisation by market
- Focus on better ROI

### Other operating costs

- Synergies from optimising global shared functions



## DELEVERAGING

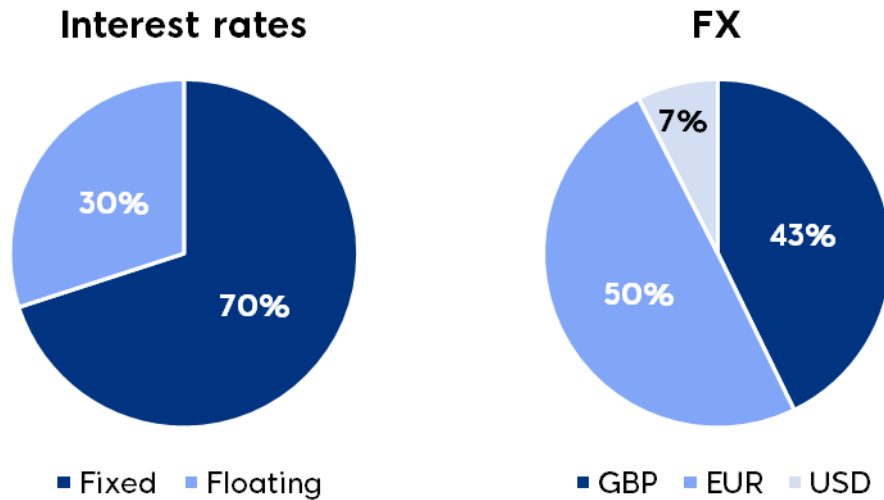
£m	Dec-22
Gross debt at par value	1,815
IFRS16 liabilities	89
Cash (excl. customer balances)	(176)
<b>Net Debt</b>	<b>1,728</b>
Pro forma Adjusted EBITDA	311
<b>Leverage</b>	<b>5.6x</b>

- FY23 deleveraging principally through synergy delivery and EBITDA growth
- Future years should benefit from both EBITDA growth and cash generative business with focus on debt paydown

# DEBT STRUCTURE

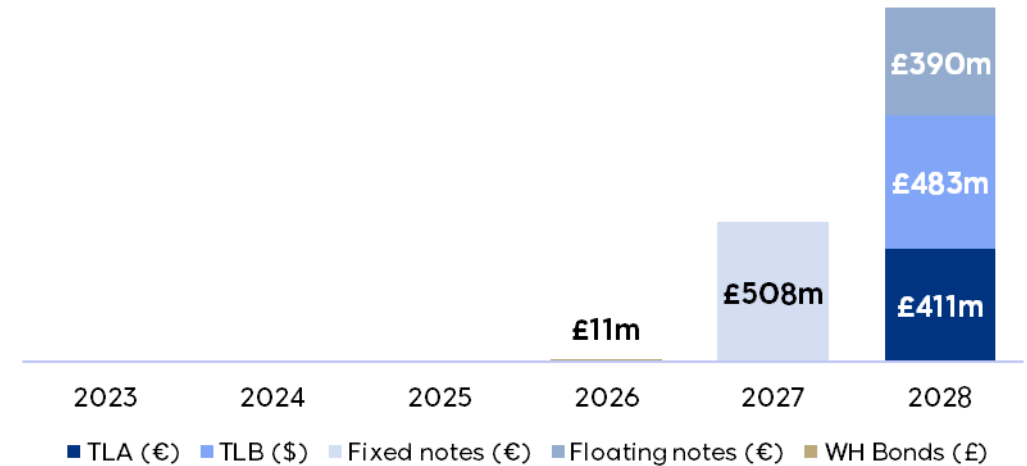
Long-term debt structure that is hedged against FX and interest rate risk

## Effective exposure



- Effective currency profile more closely aligned to underlying cash generation of the business
- 100bps change in interest rate would impact annualised cash interest costs by £5-6m
- Cash interest costs of ~£165-170m expected in FY23

## Maturity profile<sup>1</sup>



- Long-term maturity with ongoing principal amortisation only applicable to the \$TLB at 1% p.a. / ~£5m p.a.
- Strong liquidity of over £320m, with £176m net cash at 31 Dec 2022 (approximately £170m at 31 Mar 2023) and £150m undrawn RCF that matures in 2028

<sup>1</sup> For floating instruments the £ equivalent is based on FX rates as at 31 March 2023, being 1.237 USD and 1.137 EUR. TLB maturity in 2025 would be reduced slightly by annual amortisation, which isn't reflected on the chart

# Q1 2023 TRADING UPDATE

Q1 revenue of £446m with good underlying volumes offset by UK safer gambling impacts and suspension of Middle East VIPs

## Q1 2023 Trading Update

£ millions	Q1-23	Q1-22 <sup>1</sup>	YoY	Q4-22	QoQ
UK&I	306	312	-2%	304	1%
- Online	167	183	-9%	172	-3%
- Retail	140	129	8%	131	6%
International	140	157	-11%	154	-9%
<b>Total revenue</b>	<b>446</b>	<b>469</b>	<b>-5%</b>	<b>457</b>	<b>-2%</b>

- UK&I Online -9% with strong growth in active players and recreational cohorts, offset by safer gambling restrictions
- International revenue down -11% due to refined market focus and impact of compliance changes, partially offset by solid underlying performance elsewhere
- Retail performing very strongly, with revenue up +8% with both sports and gaming growing
- Customer activity remains strong with actives +6% YoY in Q1
- Strong Cheltenham engagement with online actives +15% YoY, record bets per minute and stakes & revenue ahead of plans
- Cash (excluding customer balances) at 31 March 2022 of approximately £170m

## FY23 Guidance

- Low to mid single digit decline in revenue YoY, driven by focus on core and growth markets, expansion of recreational base in the UK and selected compliance and market events
- £25-30m full year revenue headwind from Middle East following conclusion of internal investigation
- Adjusted EBITDA Margin of >20%



<sup>1</sup> Based on unaudited pro forma results

# FY2025 FINANCIAL TARGETS



Reaffirmed FY2025 financial targets, delivering strong shareholder returns while building the platform for future growth

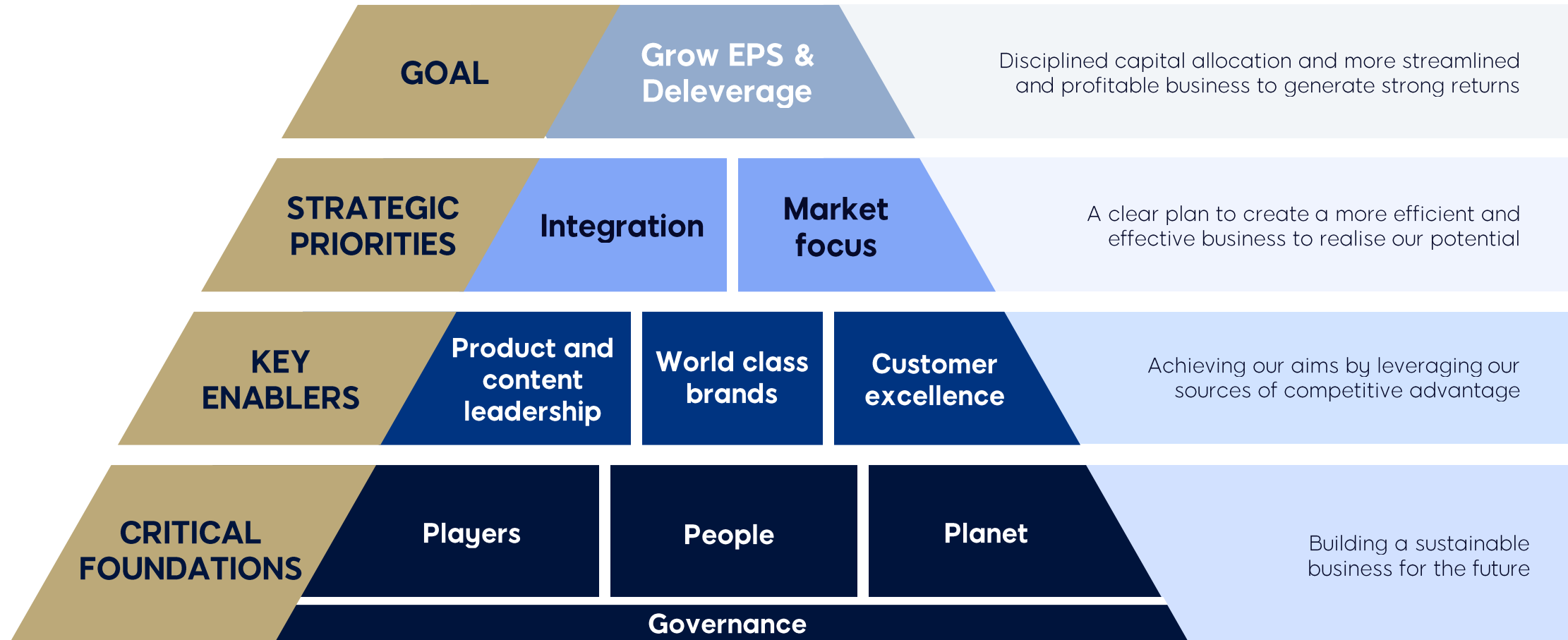
<b>Revenue</b>	<b>&gt;£2bn</b>	Refined strategic focus on a smaller number of key markets, with clear targets to drive greater market share and build sustainable long-term market leadership positions
<b>Adjusted EBITDA Margin</b>	<b>&gt;23%</b>	Focus on building scalability into the enlarged Group's operating model, using the benefits of unified proprietary technology and operations to drive higher profit margins
<b>Leverage</b>	<b>&lt;3.5x</b>	Extremely disciplined approach to capital allocation, with a clear focus on deleveraging
<b>Adjusted EPS</b>	<b>&gt;35p</b>	Strong focus on core equity growth drivers to deliver the benefits of the enlarged Group

# STRATEGIC REVIEW

VAUGHAN LEWIS, CHIEF STRATEGY OFFICER

# STRATEGIC FRAMEWORK

Clear strategic focus areas as we build the platform for future success





# MARKET FOCUS – CORE



Strong performance in Italy and Spain offset by challenges in the UK, primarily related to significant impact of player safety measures

## UK ONLINE

- Maintained strong player activity and growing market share based on actives, particularly in gaming<sup>1</sup>
- Revenue trend impacted by covid unwind in H1, albeit the significant majority of the FY decline was due to safer gambling changes across all periods

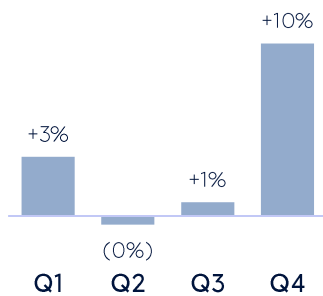
## ITALY

- Initial covid unwind impact on revenue and market share as retail reopened and omni-channel operators benefitted
- Strong momentum through 2022 with 888casino increasing its market share by 1ppt from H2-21 and being the only online-only brand taking share<sup>2</sup>

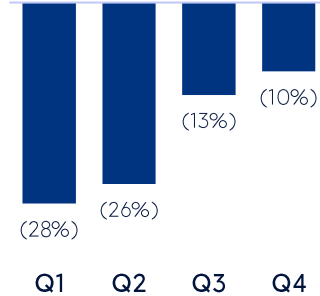
## SPAIN

- H1 2022 impacted by covid unwind, with strong momentum through H2 2022
- First full year of the advertising restrictions with strong brand awareness and product driving performance

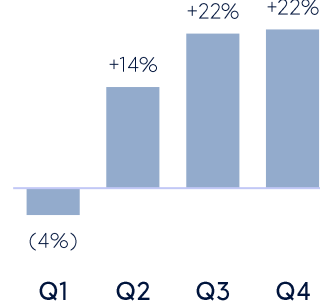
YoY Actives<sup>3</sup>



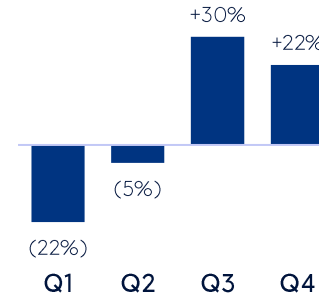
YoY Revenue



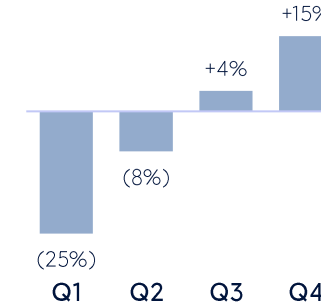
YoY Actives<sup>3</sup>



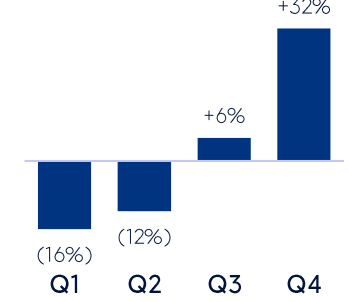
YoY Revenue



YoY Actives<sup>3</sup>



YoY Revenue



Note: all charts for actives and revenue and based on unaudited pro forma numbers

<sup>1</sup> Based on Betscope market research Q1 to Q4 2022

<sup>2</sup> Based on regulator reports. 1ppt increase in share from H2-21 to Q3-22 as detailed data for Q4-22 has not yet been released

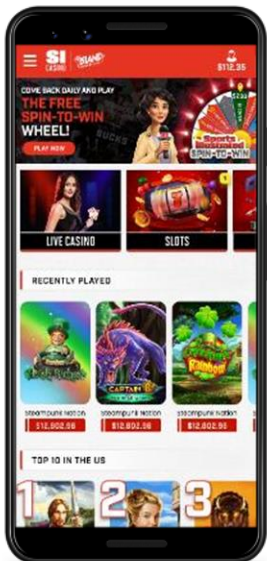
<sup>3</sup> Actives represent average monthly players who wagered a stake in each period

# MARKET FOCUS – OTHER

Regulated market launches support our growth market strategy, with profitability focus supported by optimise markets

## GROWTH

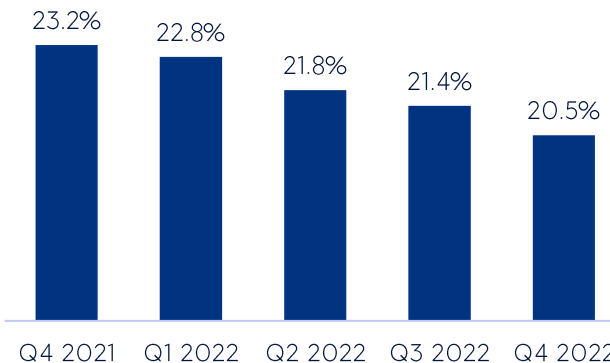
- Launched 888 on a locally regulated basis in Ontario in Apr-22
- SI Sportsbook launched in Virginia and Michigan, with SI Casino launched in Michigan in Feb 2023
- Mr Green now ranked #1 for brand awareness in Denmark<sup>1</sup>, ahead of the former monopoly brand



## OPTIMISE

- Optimised brand strategy by market rolled out through H2 following completion
- 888sport successfully migrated onto in-house platform in Denmark and Romania, supporting scale benefits
- 3ppts increase in contribution margin from H1 to H2 2022

Optimise markets as % total revenue

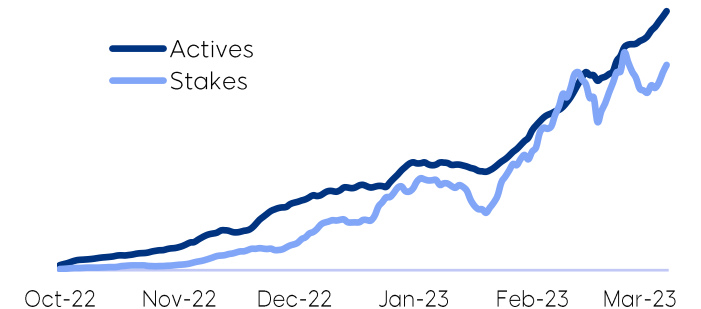


Note: based on unaudited pro forma numbers

## PIPELINE

- 888AFRICA JV signed in March, first 4 markets launched in October, and already over 500,000 customers

L7D Average daily actives and stakes since launch



<sup>1</sup> Mindshare brand tracking

# KEY ENABLERS – PRODUCT AND CONTENT

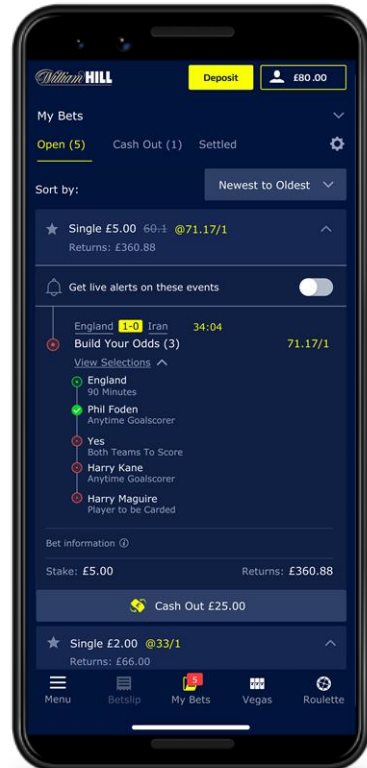
The combination of 888 and William Hill will enable us to offer best-of-breed betting and gaming products across all our brands

## Consistent product delivery alongside integration work

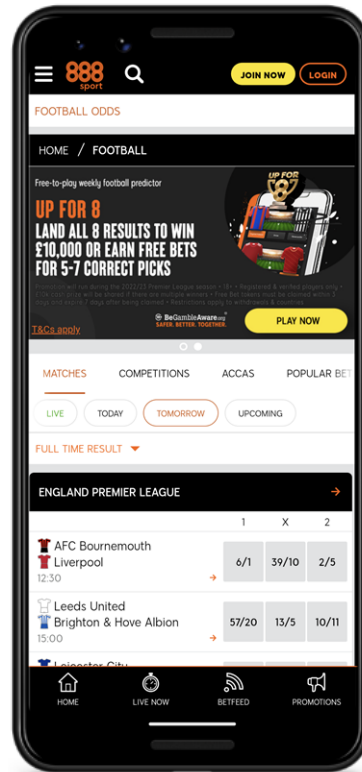
## Revenue upside potential from combination



Improved #BuildYourOdds bet builder with leg tracking, real time bet status and cash out



New daily wish free to play game on casino supporting engagement and retention



Customisable look and feel with light or dark mode  
Also launched improved football page layout

Section8 in-house studio continues to develop top quality games that we plan to rollout to William Hill, including simultaneous launch of SIX games as part of Captain8 themed franchise



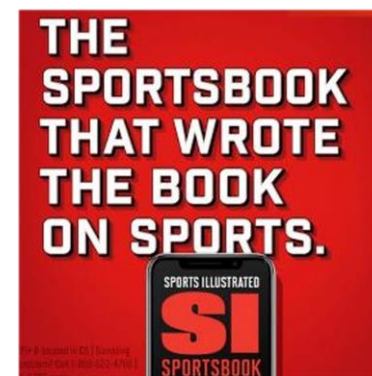
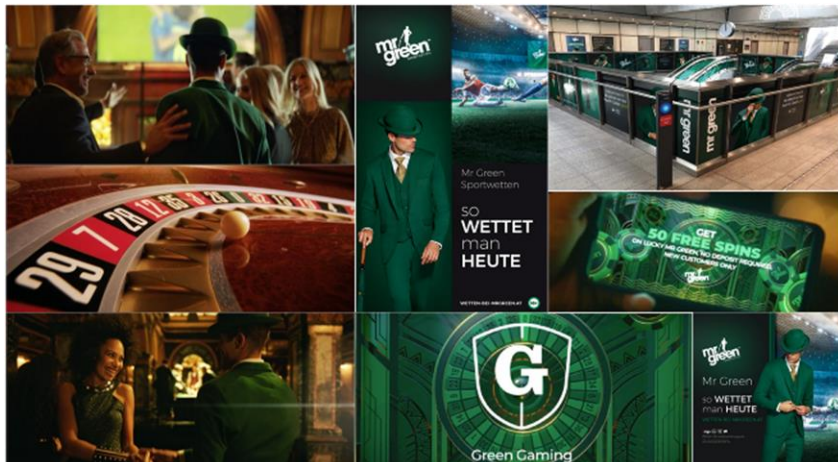
888casino - # of games on platform



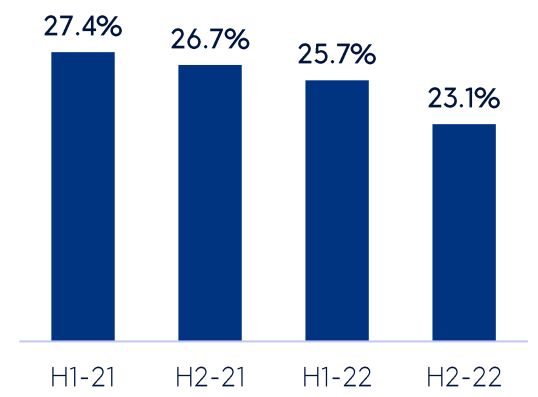
Extensive range of almost 3,000 top quality games on the 888 platform, with >600 new games launched this year and one of the largest live casino offerings in the world

# KEY ENABLERS – WORLD CLASS BRANDS

Brand strength and marketing expertise driving more efficient spend



Pro forma online marketing ratio



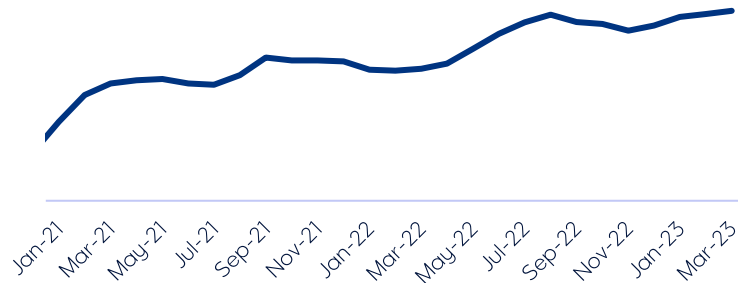
# KEY ENABLERS – CUSTOMER EXCELLENCE

Customer focus driving efficiency, as well as continuous improvement in player activity and satisfaction

## Delivering top quality customer experience...

Focus on brilliant basics and improving customer journeys is driving improved NPS

Rolling 12m Customer NPS



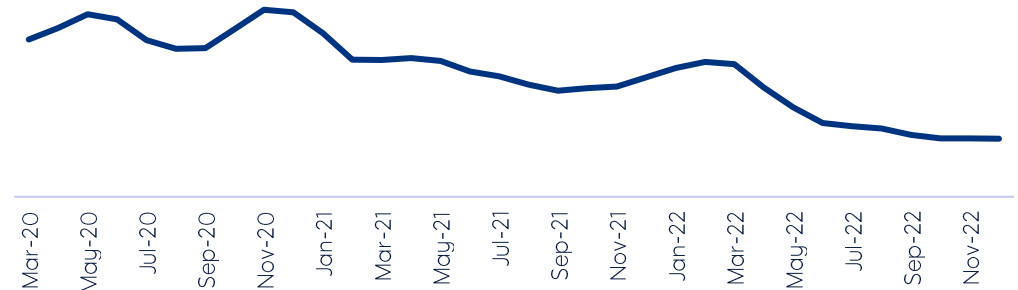
Average player days per month



Focus on customer is driving improved engagement and player activity

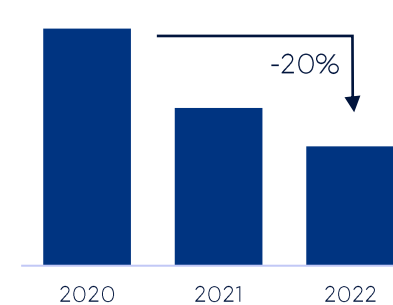
## ...with efficient and effective customer service

Rolling quarterly average contacts per active

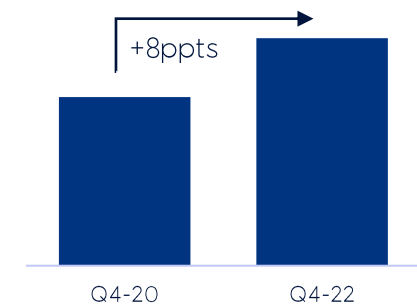


Increased automation and centres of excellence reducing costs to serve by over 20% in parallel with improved customer satisfaction and reduced contacts per active

Cost to serve



CSAT



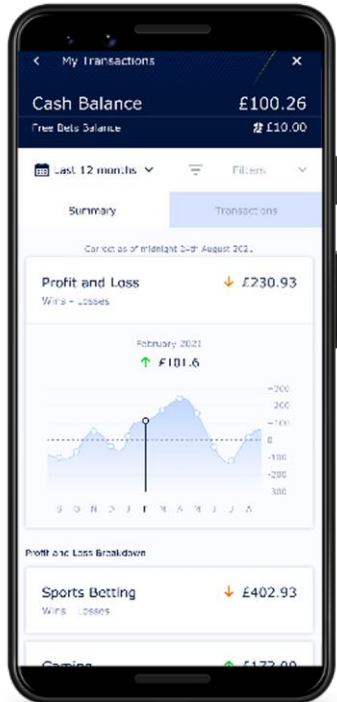
Note: all charts on this slide reflect William Hill only

# SUSTAINABILITY

Our approach to ESG and sustainability is fundamental to our long-term growth ambitions, as we continue to build the business into a global leader

## PLAYERS

- >500,000 third-party financial vulnerability checks carried out in the UK
- >2.7 million customer interactions undertaken, +19% on 2021
- 45% of global customers have deposit limits, up from 37% in 2021
- 72% of 888 players have access to the *Control Centre*



Over 88,000 safer gambling interactions carried out in retail



Launched and promoted engaging player safety campaigns and messaging

## PEOPLE

**+8**

Employee net promoter score across the Group

**32%**

% of women in senior management positions



Partnership with Girls Who Code



Employee volunteering opportunities supported via Neighbourly

## PLANET

**-44%**

Reduction in 888 global emissions vs 2019 baseline



**B-**  
CDP rating



**FTSE4Good**  
98<sup>th</sup> percentile in travel and leisure



William Hill achieved carbon neutral status despite an extensive retail footprint

# SUMMARY

LORD MENDELSON, EXECUTIVE CHAIR

# SUMMARY

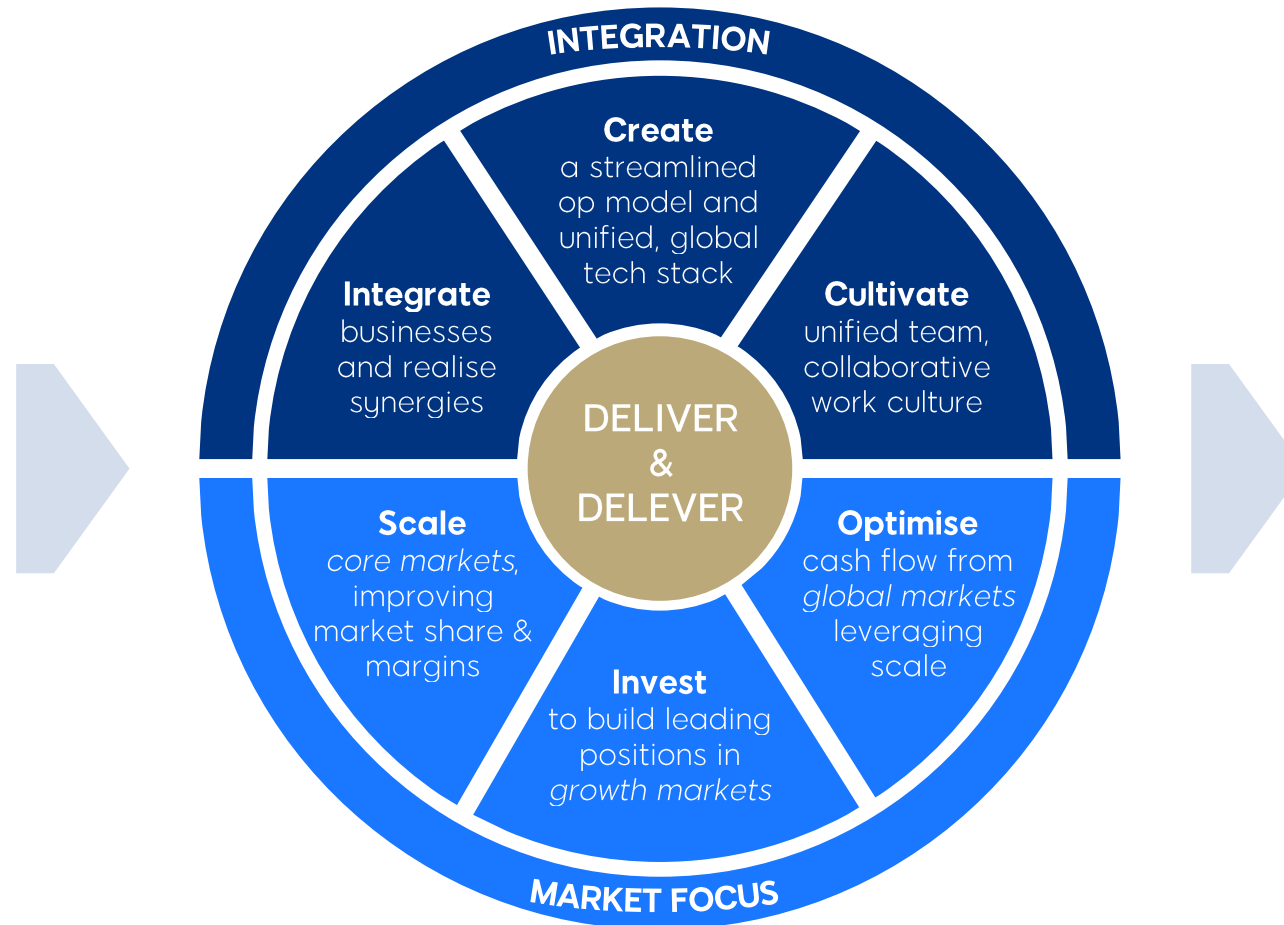
Executing on clear plans to realise our potential

## H2 2022 delivering on our **PLAN**

### H1 2022 **POSITION**

Transformation of business to create a large scale business, with leading positions in key regulated markets

Strong potential constrained by high leverage and below average EBITDA margins



### In order to realise our **POTENTIAL**

a world-class customer-led organisation, with high growth potential enabled by proprietary technology, world-class brands and a strong growth culture

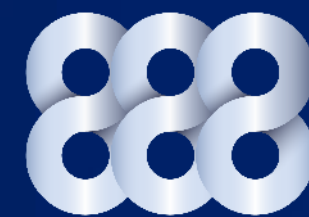




HOLDINGS

# Q&A

PRESENTERS



HOLDINGS

# APPENDIX

# 2023 TECHNICAL GUIDANCE



## Delivering our plan of integration and market focus

<b>Group</b> <ul style="list-style-type: none"><li>● Low to mid single digit revenue decline</li><li>● Adjusted EBITDA margin at least 20%</li></ul>	<b>Cashflow</b> <ul style="list-style-type: none"><li>● Capex of ~£85m, benefitting from early synergies</li><li>● One-offs:<ul style="list-style-type: none"><li>● Cost to achieve synergies ~£60m</li><li>● Other exceptional items ~£35m</li></ul></li><li>● Interest costs of ~£165-170m, c.9% of gross debt</li><li>● IFRS16 lease payments ~£33m</li></ul>
<b>Online</b> <ul style="list-style-type: none"><li>● Overall high single digit revenue decline with continued safer gambling impact in the UK and £25-30m headwind from Middle East changes</li><li>● Marketing ratio ~20-21%</li><li>● EBITDA margin at least 21%</li></ul>	
<b>Retail</b> <ul style="list-style-type: none"><li>● Continuation of recent trends with mid single digit revenue growth</li><li>● Incremental £15m of costs from wage increases and utilities inflation mostly offset by improved operating efficiency and top line growth</li><li>● EBITDA margin broadly similar to 2022</li></ul>	<b>Other P&amp;L items</b> <ul style="list-style-type: none"><li>● Approximately £125m of adjusted depreciation and amortisation</li><li>● Approximately £120m of PPA amortisation</li><li>● Approximately £15m of P&amp;L non-cash interest charges relating to OID amortisation that will impact reported results, but will not be included in adjusted earnings metrics</li><li>● Effective tax rate approximately 15% of Adjusted PBT</li></ul>

# DEBT FACILITIES



## Long-term debt structure with sufficient flexibility to support plans

Facility	Principal at 31 Mar-23	Hedged currency	Post hedging GBP principal <sup>1</sup>	Interest Rate (post hedging)	Avg. H2-22 interest rates	Forecast 2023 interest rate	Maturity
William Hill bonds	£11m		£11m	Fixed coupon 4.75%	4.75%	4.75%	2026
TLB (USD)	\$407m	GBP	£349m	10.36%	10.36%	10.36%	2028
Fixed notes (EUR)	€582m	EUR & GBP	£508m	8.38%	8.37%	8.38%	2027
Floating notes (EUR)	€450m	EUR & GBP	£390m	9.80%	10.03%	9.80%	2028
TLB Jul-22 (USD)	\$166m		£134m	SOFR +525bps	8.38%	10.05%	2028
TLA Jul-22 (EUR)	€467m		£411m	EURIBOR +550bps	6.03%	8.62%	2028
RCF (undrawn)	£150m	Multi-currency		SONIA +375bps		1.13%	2028
<b>Total post hedging gross debt</b>			<b>£1,803m</b>				

**Fixed:  
70%  
£1.3bn**

**Floating:  
30%  
£0.5bn**

<sup>1</sup> For floating instruments the £ equivalent is based on FX rates as at 31 March 2023, being 1.237 USD and 1.137 EUR

# FY2022 FINANCIAL RESULTS – REPORTED



On a reported basis we saw significant changes across most metrics, due to the inclusion of William Hill results from completion on 1 July 2022

£ millions	2022	2021
Revenue	1,238.8	712.3
Gross profit	798.3	459.1
<b>Adjusted EBITDA</b>	<b>217.9</b>	<b>119.7</b>
Share benefit charges	(5.2)	(6.1)
Exceptional items	(93.2)	(17.3)
Foreign exchange losses	(4.0)	(6.7)
Depreciation and amortisation	(120.3)	(26.4)
<b>Operating profit</b>	<b>(4.8)</b>	<b>63.2</b>
Finance income and expenses	(110.9)	(4.2)
<b>Profit before tax</b>	<b>(115.7)</b>	<b>59.0</b>
<i>Adjusted profit before tax</i>	<i>80.5</i>	<i>89.1</i>
Tax	(4.9)	(9.0)
<b>Profit after tax</b>	<b>(120.6)</b>	<b>50.0</b>
<i>Adjusted profit after tax</i>	<i>64.2</i>	<i>82.6</i>

- Reported revenue +74% and Adjusted EBITDA +82% with the addition of William Hill, a higher margin business, from 1 July 2022
- Exceptional items and adjustments are discussed further overleaf
- Depreciation and amortisation includes £57m of amortisation on acquired intangibles, which is excluded from Adjusted PBT
- Finance expenses of £111m reflects the interest due on debt financing post completion, and includes £36m of adjusted items excluded from Adjusted PBT, principally related to foreign exchange differences, one-off fees related to the early settlement of William Hill bonds, and non-cash amortisation on issue fees

# EXCEPTIONAL ITEMS AND ADJUSTMENTS

£ millions	2022	2021
Retroactive duties and associated charges	(3.9)	4.2
Acquisition related costs	24.5	10.9
Transformation costs	14.4	2.2
Disposal of 888 Bingo	11.7	-
Impairment of US Goodwill and other assets	55.7	-
Revaluation of deferred consideration	(9.2)	-
Foreign exchange losses	4.0	6.7
Share based payments	5.2	6.1
<b>EBITDA impact of exceptional / adjusted items</b>	<b>102.4</b>	<b>30.1</b>
Amortisation of acquired intangibles	56.7	-
<b>EBIT impact of exceptional / adjusted items</b>	<b>159.1</b>	<b>30.1</b>
Foreign exchange losses	22.7	-
Bond early redemption fees	14.1	-
Gain on settlement of bonds	(7.1)	-
Amortisation of finance fees	7.4	-
<b>PBT impact of exceptional / adjusted items</b>	<b>196.2</b>	<b>30.1</b>
Tax on exceptional items and adjustments	(11.4)	2.5
<b>PAT impact of exceptional / adjusted items</b>	<b>184.8</b>	<b>32.6</b>

- £25m of transaction related fees for William Hill, mainly professional advisors
- £14m of integration and transformation costs, mainly professional advisors and staff redundancy payments
- £12m accounting loss on disposal of bingo
- £26m impairment of US business driven by change in strategy in the US coupled with higher discount rate. Also £30m impairment of technology acquired with William Hill following the decision to use the existing 888 platform
- Deferred consideration to Caesars revalued downwards reflecting latest expectations, with 2023 Adjusted EBITDA of £400m required for any payment to become due
- Early redemption of William Hill 2023 and majority of 2026 bonds, with fees primarily being professional fees, partially offset by an accounting gain on early settlement
- Non-cash amortisation of original issue discount fees of £7m. This will be a recurring charge adjusted out each year as it's non-cash

Online revenue -20% primarily driven by safer gambling changes, offset by strong retail growth with a full year of the estate being open

UK&I <i>Unaudited pro forma</i> £m	Online			Retail		
	FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change
<i>Average monthly actives (000s)</i>	<b>1,087</b>	1,053	+3%			
Sportsbook stakes	<b>3,050.2</b>	4,157.0	-27%	<b>1,646.7</b>	1,079.2	+53%
<i>Sportsbook net revenue margin</i>	<b>8.7%</b>	8.5%	0.2ppt	<b>17.7%</b>	17.6%	0.1ppt
Betting revenue	<b>265.3</b>	353.3	-25%	<b>291.4</b>	190.3	+53%
Gaming revenue	<b>452.0</b>	545.5	-17%	<b>227.6</b>	146.5	+55%
<b>Total revenue</b>	<b>717.4</b>	898.9	-20%	<b>519.0</b>	336.8	+54%
Cost of sales	<b>(262.7)</b>	(327.3)	-20%	<b>(110.6)</b>	(72.8)	+52%
<b>Gross profit</b>	<b>454.6</b>	571.6	-20%	<b>408.4</b>	263.9	+55%
<i>Gross profit margin</i>	<b>63.4%</b>	63.6%	-0.2ppt	<b>78.7%</b>	78.4%	0.3ppt
Marketing expenses	<b>(202.8)</b>	(262.7)	-23%	<b>(6.5)</b>	(7.6)	-15%
<b>Contribution</b>	<b>251.8</b>	308.9	-18%	<b>401.9</b>	256.3	+57%
<i>Contribution margin</i>	<b>35.1%</b>	34.4%	0.7ppt	<b>77.4%</b>	76.1%	1.3ppt
Other operating expenses	<b>(139.9)</b>	(143.7)	-3%	<b>(311.2)</b>	(256.0)	+22%
<b>Adjusted EBITDA</b>	<b>111.9</b>	165.2	-32%	<b>90.7</b>	0.3	>1000%
<i>Adjusted EBITDA margin</i>	<b>15.6%</b>	18.4%	-2.8ppt	<b>17.5%</b>	0.1%	17.4ppt

Online

- Continued strong player engagement with actives +3% despite lapping covid lockdown impact of prior year
- Revenue -20% driven by covid unwind and significant impact of proactive safer gambling measures. Good recreational customer growth offset by higher spenders choosing not to play with us when asked for extensive financial documentation
- 23% reduction in marketing to align to the new operating environment but only 3% reduction in other opex, which cannot flex down as quickly
- Adjusted EBITDA down -32% with the negative operating leverage but this is being addressed through the integration and synergy program

Retail

- Significant growth driven by full year of estate being open, with H1-21 severely impacted by covid closures

# INTERNATIONAL

Covid unwind and certain market exits leading to revenue decline of 9%, partially mitigated through more efficient marketing spend

<b>International</b>			
<i>Unaudited pro forma</i>	<b>FY</b>	<b>FY</b>	<b>%</b>
<b>£m</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
<i>Average monthly actives (000s)</i>	<b>530</b>	546	-3%
Sportsbook stakes	<b>1,363.5</b>	1,782.8	-24%
<i>Sportsbook net revenue margin</i>	<b>7.2%</b>	7.0%	0.2ppt
Betting revenue	<b>97.8</b>	124.6	-22%
Gaming revenue	<b>516.0</b>	546.8	-6%
<b>Total revenue</b>	<b>613.7</b>	671.4	-9%
Cost of sales	<b>(225.9)</b>	(239.5)	-6%
<b>Gross profit</b>	<b>387.9</b>	432.0	-10%
<i>Gross profit margin</i>	<b>63.2%</b>	64.3%	-1.1ppt
Marketing expenses	<b>(122.5)</b>	(162.6)	-25%
<b>Contribution</b>	<b>265.3</b>	269.3	-1%
<i>Contribution margin</i>	<b>43.2%</b>	40.1%	3.1ppt
Other operating expenses	<b>(129.3)</b>	(121.8)	+6%
<b>Adjusted EBITDA</b>	<b>136.0</b>	147.5	-8%
<i>Adjusted EBITDA margin</i>	<b>22.2%</b>	22.0%	0.2ppt

- Continued strong player engagement with actives -3% despite lapping covid lockdown impact of prior year and closure of the Netherlands
- Revenue -9% driven by covid unwind and market closures, particularly Netherlands from Q4-21. Revenue excluding Netherlands was -4%
- Reduction in gross profit margin driven by product and country mix changes
- Marketing expenses -25% reflecting the full year impact of Spanish advertising restrictions together with the refined market focus to core and growth markets
- Adjusted EBITDA down -8% with margin broadly stable



# WILLIAM HILL SETTLEMENT – SAFER GAMBLING CHANGES

Significant remedial actions have put the Group in a far stronger position from a compliance perspective

The Gambling Commission assessment of William Hill took place in 2020/21

It identified failings across 3 thematic areas

Since then WH has undergone wholesale change – in ownership, in executive management, in risk appetite and risk management, in player safety strategy, in player safety policy and in technical and operational capability.

**The scale of change is such that the failings could not recur today.**

Additionally, on a more granular level the following changes were made in response to the thematic areas of the findings:



## PROTECTION FROM RAPID LOSSES

- Reduced 30 day net deposit limits for all customers; implemented additional lower limits for both new and younger customers
- Implemented third-party financial vulnerability checks at low levels of spend leading to tailored limits
- Introduced hard stops pending assessment of SG/AML risk



## PROTECTING CUSTOMERS IN RETAIL

- Reduced spend triggers for single and cumulative transactions
- Enhanced specialised training for retail colleagues
- A more coordinated holistic approach to safer gambling monitoring

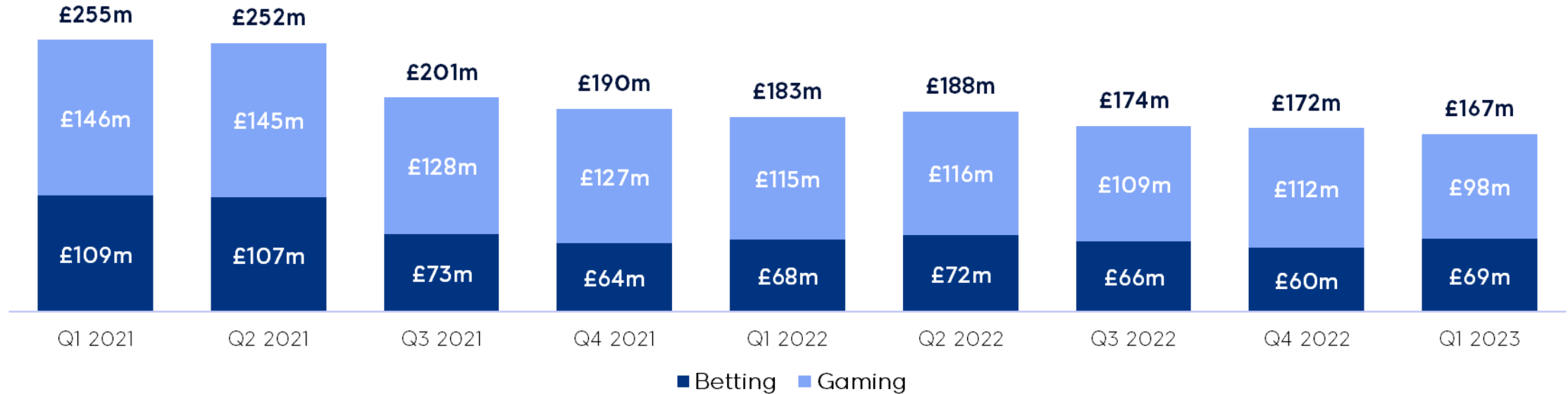


## ENHANCED AML PROCESSES

- Expansion of the Customer Due Diligence team headcount
- Hard stops introduced to prevent further deposits pending review
- Strengthened AML training and policies
- Improvements in governance and regulatory assurance functions

# UK&I ONLINE REVENUE EVOLUTION

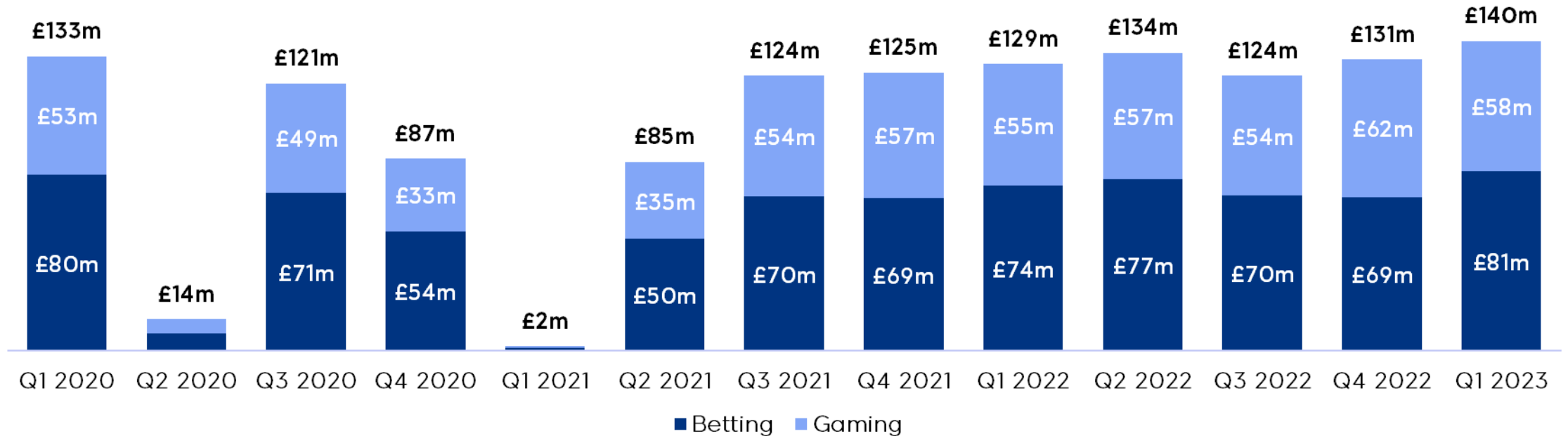
Significant step down post lockdown in H2-21, coinciding with introduction of proactive safer gambling measures, with further measures during 2022



YoY%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Betting	+62%	+114%	+4%	-39%	-38%	-33%	-10%	-6%	+1%
Gaming	+70%	+21%	+16%	-2%	-21%	-20%	-15%	-11%	-15%
Total	+67%	+48%	+11%	-18%	-28%	-25%	-13%	-10%	-9%

# UK RETAIL REVENUE EVOLUTION

Rapid recovery from lockdowns each time, with growing revenue and strong performance across an optimised estate portfolio

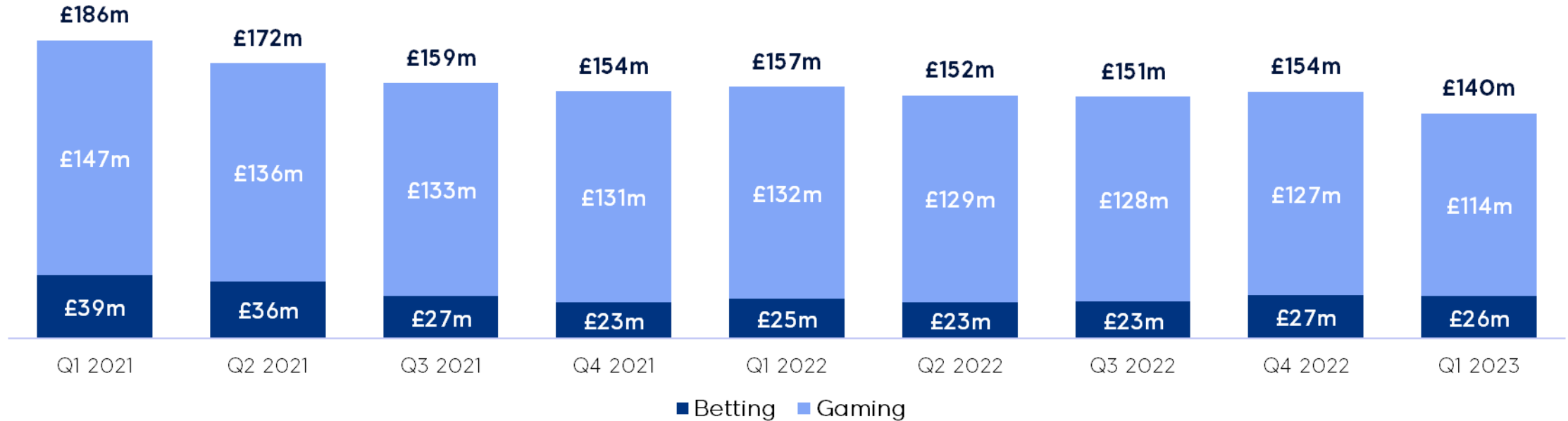


<sup>1</sup> Based on shop numbers as at period end

Note: all data is based on unaudited pro forma numbers

# INTERNATIONAL ONLINE REVENUE EVOLUTION

Step down post lockdown in H2-21, alongside refined market focus and closure of Netherlands from Q4-21. Q1-23 reduction driven by Middle East



YoY%	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Betting	+22%	+106%	-11%	-47%	-37%	-37%	-13%	+19%	+6%
Gaming	+25%	-12%	-3%	-9%	-10%	-5%	-4%	-3%	-14%
<b>Total</b>	<b>+24%</b>	<b>-0%</b>	<b>-5%</b>	<b>-18%</b>	<b>-16%</b>	<b>-12%</b>	<b>-5%</b>	<b>-0%</b>	<b>-11%</b>

Note: all data is based on unaudited pro forma numbers

# PRO FORMA HISTORICAL RESULTS – GROUP



<i>Unaudited pro forma - Group</i>	2021							2022						
	Q1	Q2	Q3	Q4	H1	H2	FY	Q1	Q2	Q3	Q4	H1	H2	FY
<i>Average monthly actives (000s)</i>	1,664	1,687	1,509	1,540	1,675	1,525	1,600	1,639	1,654	1,517	1,657	1,647	1,587	1,617
Sportsbook stakes	1,750.3	1,854.2	1,697.2	1,717.3	3,604.5	3,414.5	7,019.0	1,623.4	1,557.6	1,360.0	1,519.4	3,181.0	2,879.4	6,060.4
<i>Sportsbook net revenue margin</i>	8.6%	10.4%	10.0%	9.1%	9.5%	9.5%	9.5%	10.3%	11.0%	11.7%	10.3%	10.7%	10.9%	10.8%
Betting revenue	149.9	193.5	169.1	155.6	343.5	324.7	668.2	167.1	172.1	159.0	156.3	339.2	315.3	654.5
Gaming revenue	293.4	315.6	315.3	314.5	609.1	629.8	1,238.8	302.1	302.0	290.4	301.1	604.1	591.5	1,195.6
<b>Total revenue</b>	<b>443.4</b>	<b>509.1</b>	<b>484.4</b>	<b>470.1</b>	<b>952.5</b>	<b>954.5</b>	<b>1,907.0</b>	<b>469.2</b>	<b>474.0</b>	<b>449.4</b>	<b>457.4</b>	<b>943.3</b>	<b>906.8</b>	<b>1,850.1</b>
Cost of sales					(323.9)	(315.7)	(639.6)					(301.5)	(297.7)	(599.2)
<b>Gross profit</b>					<b>628.6</b>	<b>638.9</b>	<b>1,267.4</b>					<b>641.8</b>	<b>609.1</b>	<b>1,250.9</b>
<i>Gross profit margin</i>					66.0%	66.9%	66.5%					68.0%	67.2%	67.6%
Marketing expenses					(240.5)	(192.4)	(432.9)					(178.0)	(153.9)	(331.8)
<b>Contribution</b>					<b>388.1</b>	<b>446.5</b>	<b>834.5</b>					<b>463.9</b>	<b>455.2</b>	<b>919.0</b>
<i>Contribution margin</i>					40.7%	46.8%	43.8%					49.2%	50.2%	49.7%
Other operating expenses					(244.8)	(276.8)	(521.6)					(295.3)	(285.0)	(580.4)
Central costs					(30.3)	(12.7)	(43.0)					(26.1)	(2.0)	(28.1)
<b>Adjusted EBITDA</b>					<b>112.9</b>	<b>157.0</b>	<b>269.9</b>					<b>142.5</b>	<b>168.1</b>	<b>310.6</b>
<i>Adjusted EBITDA margin</i>					11.9%	16.5%	14.2%					15.1%	18.5%	16.8%

# PRO FORMA HISTORICAL RESULTS – UK&I ONLINE



Unaudited pro forma - UK&I Online £m	2021							2022						
	Q1	Q2	Q3	Q4	H1	H2	FY	Q1	Q2	Q3	Q4	H1	H2	FY
Average monthly actives (000s)	1,057	1,146	1,004	1,007	1,101	1,005	1,053	1,090	1,137	1,014	1,106	1,114	1,060	1,087
Sportsbook stakes	1,201.8	1,131.3	916.5	907.4	2,333.0	1,823.9	4,157.0	837.3	795.1	674.5	743.3	1,632.4	1,417.8	3,050.2
Sportsbook net revenue margin	9.1%	9.5%	8.0%	7.1%	9.3%	7.5%	8.5%	8.1%	9.0%	9.8%	8.1%	8.6%	8.9%	8.7%
Betting revenue	109.1	107.3	73.0	64.0	216.4	137.0	353.3	67.8	71.8	65.8	59.9	139.7	125.6	265.3
Gaming revenue	146.1	144.8	128.1	126.5	291.0	254.6	545.5	115.0	116.1	108.6	112.2	231.2	220.9	452.0
<b>Total revenue</b>	<b>255.2</b>	<b>252.1</b>	<b>201.0</b>	<b>190.5</b>	<b>507.3</b>	<b>391.5</b>	<b>898.9</b>	<b>182.9</b>	<b>187.9</b>	<b>174.4</b>	<b>172.1</b>	<b>370.8</b>	<b>346.5</b>	<b>717.4</b>
Cost of sales					(183.3)	(144.0)	(327.3)					(135.3)	(127.4)	(262.7)
<b>Gross profit</b>					<b>324.0</b>	<b>247.5</b>	<b>571.6</b>					<b>235.6</b>	<b>219.1</b>	<b>454.6</b>
Gross profit margin					63.9%	63.2%	63.6%					63.5%	63.2%	63.4%
Marketing expenses					(140.8)	(121.8)	(262.7)					(111.7)	(91.2)	(202.8)
<b>Contribution</b>					<b>183.2</b>	<b>125.7</b>	<b>308.9</b>					<b>123.9</b>	<b>127.9</b>	<b>251.8</b>
Contribution margin					36.1%	32.1%	34.4%					33.4%	36.9%	35.1%
Other operating expenses					(72.6)	(71.1)	(143.7)					(75.4)	(64.4)	(139.9)
<b>Adjusted EBITDA</b>					<b>110.6</b>	<b>54.6</b>	<b>165.2</b>					<b>48.5</b>	<b>63.5</b>	<b>111.9</b>
Adjusted EBITDA margin					21.8%	13.9%	18.4%					13.1%	18.3%	15.6%

# PRO FORMA HISTORICAL RESULTS – UK RETAIL



<i>Unaudited pro forma - UK Retail</i>	2021							2022						
	Q1	Q2	Q3	Q4	H1	H2	FY	Q1	Q2	Q3	Q4	H1	H2	FY
£m														
Sportsbook stakes	6.6	267.4	400.1	405.1	274.0	805.2	1,079.2	405.5	436.2	379.6	425.5	841.7	805.1	1,646.7
<i>Sportsbook net revenue margin</i>	22.4%	18.8%	17.4%	17.0%	18.9%	17.2%	17.6%	18.3%	17.8%	18.5%	16.3%	18.0%	17.3%	17.7%
Betting revenue	1.5	50.4	69.5	68.9	51.8	138.4	190.3	74.4	77.5	70.1	69.4	151.9	139.5	291.4
Gaming revenue	0.7	34.8	54.5	56.5	35.5	111.0	146.5	54.9	56.8	54.0	62.0	111.7	116.0	227.6
<b>Total revenue</b>	<b>2.2</b>	<b>85.2</b>	<b>124.0</b>	<b>125.4</b>	<b>87.3</b>	<b>249.4</b>	<b>336.8</b>	<b>129.2</b>	<b>134.3</b>	<b>124.1</b>	<b>131.4</b>	<b>263.5</b>	<b>255.5</b>	<b>519.0</b>
Cost of sales					(18.6)	(54.2)	(72.8)					(55.6)	(55.0)	(110.6)
<b>Gross profit</b>					<b>68.7</b>	<b>195.2</b>	<b>263.9</b>					<b>208.0</b>	<b>200.4</b>	<b>408.4</b>
<i>Gross profit margin</i>					78.7%	78.3%	78.4%					78.9%	78.5%	78.7%
Marketing expenses					(3.2)	(4.5)	(7.6)					(3.0)	(3.5)	(6.5)
<b>Contribution</b>					<b>65.5</b>	<b>190.7</b>	<b>256.3</b>					<b>204.9</b>	<b>197.0</b>	<b>401.9</b>
<i>Contribution margin</i>					75.1%	76.5%	76.1%					77.8%	77.1%	77.4%
Other operating expenses					(113.1)	(143.0)	(256.0)					(155.3)	(155.9)	(311.2)
<b>Adjusted EBITDA</b>					<b>(47.5)</b>	<b>47.8</b>	<b>0.3</b>					<b>49.6</b>	<b>41.1</b>	<b>90.7</b>
<i>Adjusted EBITDA margin</i>					-54.4%	19.2%	0.1%					18.8%	16.1%	17.5%

# PRO FORMA HISTORICAL RESULTS – INTERNATIONAL



<i>Unaudited pro forma - International</i>	2021							2022						
	Q1	Q2	Q3	Q4	H1	H2	FY	Q1	Q2	Q3	Q4	H1	H2	FY
<b>£m</b>														
<i>Average monthly actives (000s)</i>	607	541	505	533	574	519	546	549	517	503	551	533	527	530
Sportsbook stakes	541.9	455.6	380.6	404.8	997.5	785.3	1,782.8	380.6	326.3	305.9	350.7	706.9	656.6	1,363.5
<i>Sportsbook net revenue margin</i>	7.3%	7.9%	7.0%	5.6%	7.5%	6.3%	7.0%	6.5%	7.0%	7.6%	7.7%	6.7%	7.6%	7.2%
Betting revenue	39.4	35.8	26.6	22.7	75.3	49.3	124.6	24.9	22.8	23.2	27.0	47.6	50.1	97.8
Gaming revenue	146.6	136.0	132.8	131.5	282.6	264.2	546.8	132.2	129.1	127.7	126.9	261.3	254.7	516.0
<b>Total revenue</b>	<b>186.1</b>	<b>171.8</b>	<b>159.3</b>	<b>154.2</b>	<b>357.9</b>	<b>313.5</b>	<b>671.4</b>	<b>157.1</b>	<b>151.8</b>	<b>150.9</b>	<b>153.9</b>	<b>308.9</b>	<b>304.8</b>	<b>613.7</b>
Cost of sales					(122.0)	(117.4)	(239.5)					(110.6)	(115.3)	(225.9)
<b>Gross profit</b>					<b>235.9</b>	<b>196.1</b>	<b>432.0</b>					<b>198.3</b>	<b>189.5</b>	<b>387.9</b>
<i>Gross profit margin</i>					65.9%	62.5%	64.3%					64.2%	62.2%	63.2%
Marketing expenses					(96.5)	(66.1)	(162.6)					(63.3)	(59.2)	(122.5)
<b>Contribution</b>					<b>139.3</b>	<b>130.0</b>	<b>269.3</b>					<b>135.0</b>	<b>130.3</b>	<b>265.3</b>
<i>Contribution margin</i>					38.9%	41.5%	40.1%					43.7%	42.8%	43.2%
Other operating expenses					(59.1)	(62.7)	(121.8)					(64.6)	(64.7)	(129.3)
<b>Adjusted EBITDA</b>					<b>80.2</b>	<b>67.3</b>	<b>147.5</b>					<b>70.5</b>	<b>65.6</b>	<b>136.0</b>
<i>Adjusted EBITDA margin</i>					22.4%	21.5%	22.0%					22.8%	21.5%	22.2%



## Forward looking statements

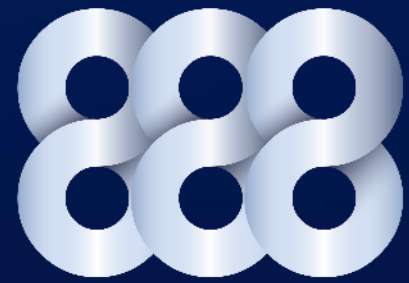
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- Forward-looking statements speak only as of their date and the Company, its respective parent and subsidiary undertakings, the subsidiary undertakings of such parent undertakings, and any of such person's respective directors, officers, employees, 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 presentation is intended as a profit forecast or a profit estimate and no statement in this presentation should be interpreted to mean that the financial performance of the Company for the current or future financial years would necessarily match or exceed the historical published for the Company.

## Pro forma and historical financial information

- Pro forma information, which is unaudited, reflects the results as if the Group had owned William Hill for all periods, and excludes the Bingo business in all periods.
- William Hill financials were previously reported on a 52 week basis opposed to calendar year. For the year ended 31 December 2022 and to align to calendar year reporting an adjustment has been made to include the additional four days from 28 to 31 December 2022. This increases Q4 and FY 2022 revenue by approximately £9m and Adjusted EBITDA by £nil. No adjustment has been made in respect of the prior periods.
- Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation, and excluding share based payment charges, foreign exchange losses and exceptional items and other defined adjustments. Adjusted measures, including Adjusted EBITDA, are alternative performance measures ('APMs'). These APMs should be considered in addition to, and are not intended to be a substitute for, IFRS measurements. As they are not defined by International Financial Reporting Standards, they may not be directly comparable with other companies' APMs. The Directors believe these APMs provide additional useful information for understanding performance of the Group. They are used to enhance the comparability of information between reporting periods and are used by management for performance analysis and planning. An explanation of our adjusted results, including a reconciliation to the statutory results is provided in note 3 to the financial statements.

## Rounding

- 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.



HOLDINGS