

WILLIAM HILL PLC TRADING STATEMENT

15 May 2019

Full-year performance remains on track

William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the unaudited 17 weeks to 30 April 2019 (the period). Comparatives relate to the equivalent weeks in the 2018 financial year.

- Group net revenue for the 17-week period up 2% reflecting year of transition in Retail and Online
- Online net revenue¹ up 8% reflecting the contribution from Mr Green since completion of its acquisition at the end of January 2019 offset by the annualised impact of enhanced customer due diligence measures and a strong margin in the comparator period
- Retail Sportsbook net revenue up 2%, with strong sports betting through the period and gaming revenue down 15% including the impact on machine gaming revenues of the £2 staking limit implemented on 1 April
- US total net revenues up 48% from operations in all seven US states that have currently legislated and regulated sports betting²
- Anthony Joshua brand and associated safer gambling campaign launched in UK

Full-year outlook in line with expectations assuming normalised gross win margins for the remainder of the year.

On a statutory basis in GBP	17 weeks to 30 April 2019			
	Total net revenue	Sportsbook amounts wagered	Sportsbook gross win margin	Change in gross win margin
Online ¹	+8%	+1%	8.0%	-0.8 ppts
Retail	-7%	+5%	18.4%	-0.4 ppts
US ²	+48%	+65%	6.7%	-0.9 ppts
Group¹	+2%			

Philip Bowcock, Chief Executive Officer, commented:

“Online continues to show good momentum as we focus on growing our mass market customer base, while Retail has begun to adapt to the new £2 machine gaming stake limit. Just one year on since PASPA was overturned William Hill has doubled the sports wagering it handles in the US, seen record performances at the Super Bowl and March Madness, is live in all seven states to have allowed sports betting and expects to enter further states soon, with Indiana and Iowa the most recent states to pass bills to legalise sports betting.

“As anticipated enhanced customer due diligence measures impacted revenues in our Online business in the period, while gross win margins returned to more normal levels. There were record actives for Cheltenham and the Grand National reflecting positive underlying customer trends, and we expect that the Mr Green performance will drive further progress in Online performance later this year.

“The impact of the introduction of the £2 stake limit has been in line with our expectations. We are confident in our plan to manage this major change, and will update more fully at the half year.

“Our new advertising campaign featuring Anthony Joshua marks a step change for William Hill with the brand-led creative also integrating safer gambling messages. Through our Nobody Harmed ambition we remain focussed on setting the standards for the future and addressing public concerns and we are encouraged by continued industry collaboration in this area.”

Online

In the period, Online net revenue was up 8%, with gaming revenues up 28% and Sportsbook revenues down 11%. On a pro forma basis³, Online net revenue was down 6%, with gaming flat and Sportsbook down 12%. This was principally due to strong prior year comparatives, particularly the exceptionally high UK gross win margin in 2018, and the continued impact of our enhanced customer due diligence measures, which affected results from mid-2018. UK net revenue was down 8% and international net revenue was down 2% on a pro forma basis. Mr Green's performance overall was in line with our expectations.

Retail

Retail net revenue was down 7%, with a 1% reduction in the number of shops. Sportsbook net revenue was up 2%, with a gross win margin that was 0.4 ppts below the comparator period. Sportsbook wagering was up 5%, with strong performance in football, and the broader range of sports on offer through our proprietary self-service betting terminals (SSBTs). The SSBT machine weekly average has increased 23% year-on-year. Gaming net revenue was down 15%, impacted by implementation of the new £2 stake limit on B2 gaming products on 1 April. It is likely to be several months before any meaningful conclusions can be drawn; however, at this very early stage trends are consistent with our previous guidance.

William Hill US

Our US business delivered excellent growth in the period, with amounts wagered directly with William Hill up 65% (local currency +55%) and total net revenue up 48% (local currency +39%). Total wagering handled by William Hill US, including operations where William Hill is a service provider or a direct operator, was 99% higher than the same period in 2018 in local currency. The US Existing business continued to grow strongly, with amounts wagered up 27% (local currency +19%), driving net revenue growth of 6% (local currency flat) despite the gross win margin being down 1.1 ppts on last year. The US Expansion business is progressing well, generating a gross win margin of 7.2% in the states where we are the direct operator. We also announced a strategic partnership with the National Hockey League. Since the period end the Governors of Indiana and Iowa, where we have market access secured through our partnership deal with Eldorado Resorts, have signed into law new sports betting legislation and we expect more states to do so in the remainder of 2019.

Refinancing

The Group successfully refinanced its seven-year bond due to mature in 2020 with a new 4.75% seven-year £375m bond maturing in 2026.

OAM: Additional Regulated Information
William Hill LEI: 213800 MDW41W5UZQ1X82

Notes

1. Online incorporates Mr Green from the end of January 2019
2. This includes the direct revenue contributions from Nevada, New Jersey and part of West Virginia and service provider revenues from operations in Mississippi, Pennsylvania, Delaware, West Virginia and Rhode Island which are net of costs
3. Pro forma numbers are shown incorporating Mr Green from the end of January for both 2019 and 2018

Enquiries

Investors:	Lyndsay Wright, Director of Strategy and Sustainability	Tel: +44 (0) 20 7612 3143
	Tom Randell, Head of Investor Relations	Tel: +44 (0) 20 7612 3246
Media:	Ciaran O'Brien, Corporate Communications Director	Tel: +44 (0) 20 7612 3077
	Brunswick: Andrew Porter	Tel: +44 (0) 20 7404 5959

Analyst conference call

Philip Bowcock, CEO, and Ruth Prior, CFO, will host a conference call for analysts and investors at 8.15 a.m. BST today. Dial-in details for the call are:

Telephone: +44 (0) 20 3936 2999
Access code: 201280

An archive of the call will be available until 22 May 2019. Dial-in details for the archive call are:

Telephone: +44 (0) 20 3936 3001
Passcode: 469663

An audio webcast of the call will be available at www.williamhillplc.com/investors

Notes to editors

William Hill PLC is one of the world's leading betting and gaming companies, employing c15,500 people. Its origins are in the UK where it was founded in 1934, and where it is listed on the London Stock Exchange. The majority of its £1.6 billion annual revenues are still derived from the UK, where it has a national presence of licensed betting offices and one of the leading online betting and gaming services. In 2012, it established William Hill US with a focus on retail and mobile operations in Nevada, the largest sports betting business in the US. Following the ruling in May 2018 by the US Supreme Court that the federal ban on state sponsored sports betting was unconstitutional, William Hill US has expanded into new states as they regulate sports betting. It is now operating in seven states: Nevada, New Jersey, Delaware, Rhode Island, Mississippi, Pennsylvania and West Virginia. William Hill's Online business acquired Mr Green & Co AB in January 2019, growing its international operations. William Hill PLC is listed on the London Stock Exchange and is a member of both the FTSE 250 and FTSE4Good Indices.

Cautionary note regarding forward-looking statements

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