888
H1 2023 **RESULTS** PRESENTATION

15 AUGUST 2023

888 HOLDINGS

AGENDA

Topic	Presenter
Overview	Lord Mendelsohn (Executive Chair)
Financial review	Yariv Dafna (CFO)
Strategic update	Vaughan Lewis (Chief Strategy Officer)
Summary	Lord Mendelsohn (Executive Chair)
Q&A	

BOARD PRIORITIES

Our priorities are unchanged from earlier in the year, and we have delivered strong progress against all of them

TEAM

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

- Highly experienced CEO appointed to maximise our potential
- CFO process well advanced
- Enhancing operating capability through senior appointments

ESG

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

- 95% of Q2-23 revenue from regulated or taxed markets
- Enhanced global compliance processes and policies with robust framework in place

EXECUTION

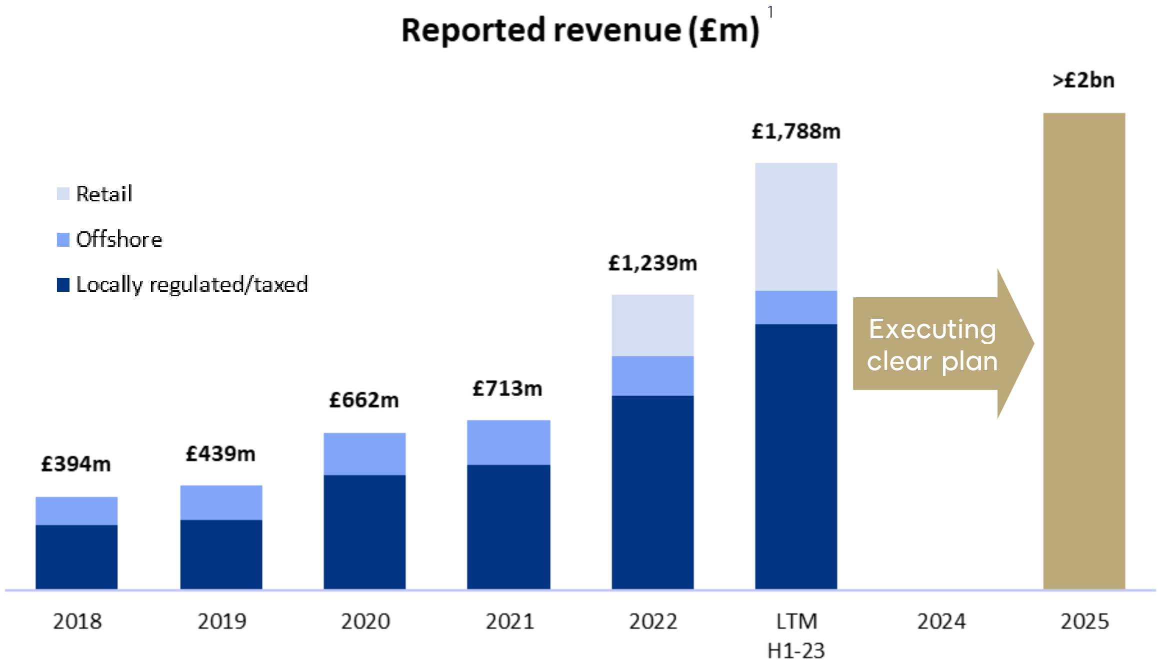
Delivery of the plan requires strong execution, with the immediate focus on delivering synergies and deleveraging

- Quickly adapting the business to changing position
- Rapid delivery and acceleration of synergies
- Profitability improved and leverage reduced

EXECUTING THE PLAN

Creating a platform for sustainable value creation, with focus turning to further operational efficiency to drive growth

Evolving our position through bold M&A plan



Subscale business adapting to increased regulation	Covid acceleration, enabling bold M&A	Refined strategy with integration and market focus setting the platform for future success	Position, Plan, Potential roadmap. Executing on our plans to deliver on our potential

Driving sustainable value creation through execution

Revenue

- Robust actions and changes to provide a higher quality, more profitable and more sustainable revenue mix
- Provides us with a strong platform for growth and gives confidence about our mid-term growth plans and value creation

Marketing

- Country focused model and combined brand and marketing plans driving improved ROI
- Reflects our plan to create a platform for future sustainable value creation: higher customer volumes, lower average spend levels, lower marketing ratio, and higher profits

Operating costs

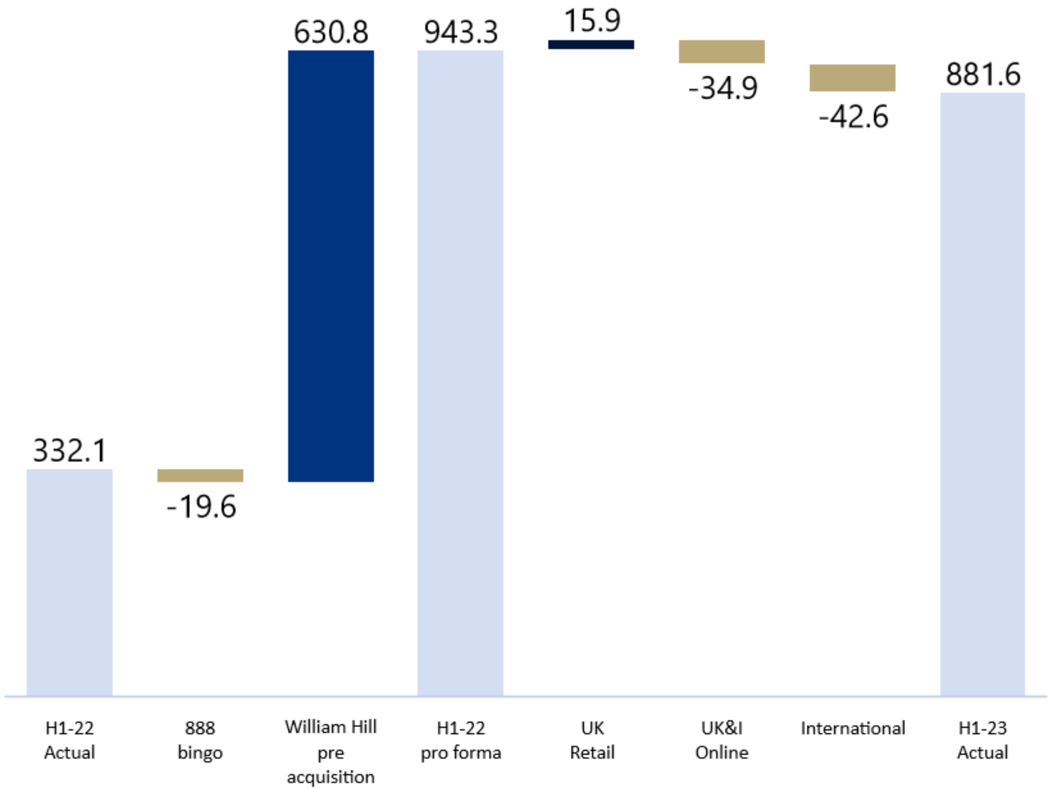
- Principle is to achieve scale benefits by removing duplication, delivering best in class and scalable shared functions to support our global ambitions and growth plans
- Driving efficiency to reinvest in growth

[1] Reported results for 888, with prior years retranslated from $ reported at the average annual exchange rate. As reported so bingo is included in all periods up to its sale in July 2022 and William Hill included from 1 July 2022

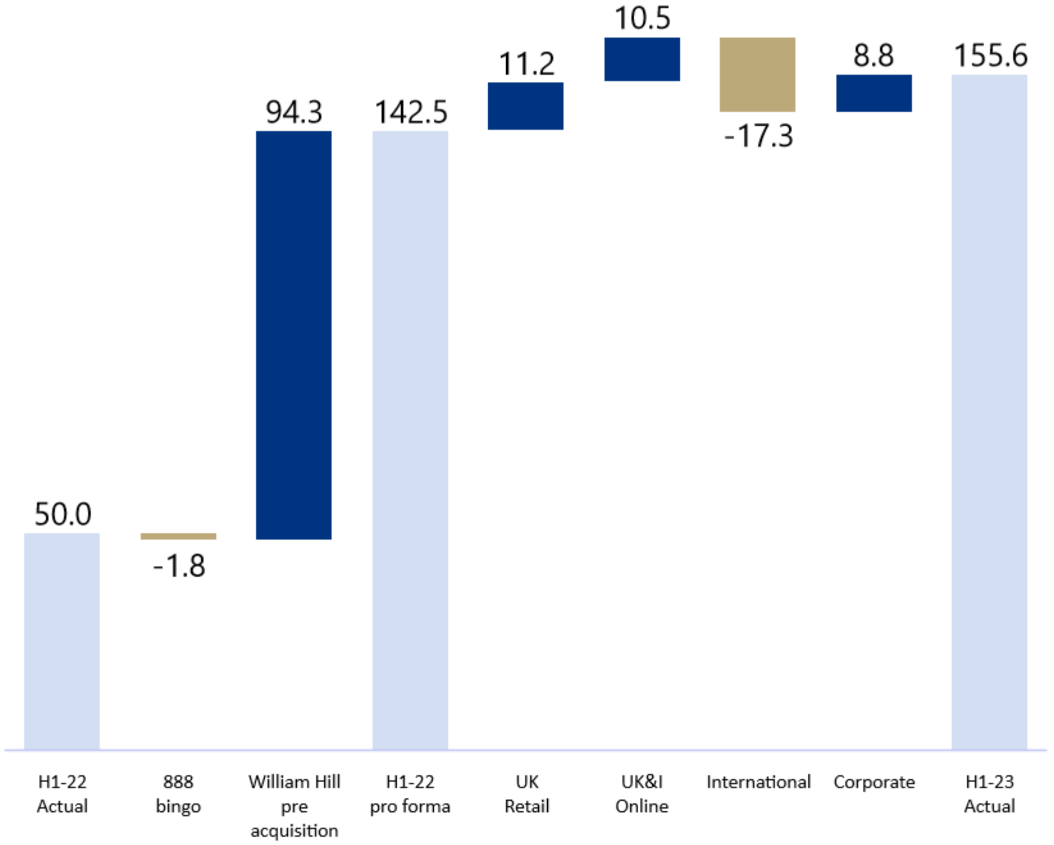
REPORTED TO PRO FORMA RESULTS BRIDGE

Reported results reflect William Hill acquisition. Pro forma results highlight improving profitability and mix shift of revenue to more sustainable base

Reported to pro forma[1] Revenue bridge (£m)



Reported to pro forma[1] Adjusted EBITDA bridge (£m)



[1] 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.

H1 2023 FINANCIAL RESULTS – PRO FORMA

Regulatory changes, market focus, and marketing approach resulting in revenue -7%, but strong synergy delivery drives Adjusted EBITDA +9%

£ millions		H1-23	H1-22	YoY
Revenue	UK&I	**615.3**	**634.4**	***-3%***
	- Online	*335.9*	*370.8*	*-9%*
	- Retail	*279.4*	*263.5*	*6%*
	International	**266.3**	**308.9**	***-14%***
	Total	**881.6**	**943.3**	***-7%***
Adjusted EBITDA	UK&I	**119.8**	**98.1**	***22%***
	- Online	*59.0*	*48.5*	*22%*
	- Retail	*60.8*	*49.6*	*23%*
	International	**53.2**	**70.5**	***-25%***
	Corporate	**(17.3)**	**(26.1)**	***-34%***
	Total	**155.6**	**142.5**	***9%***

- **UK Online:** changing mix of the business towards lower-spending customers, and the short-term revenue impact from the removal of unprofitable marketing. Alongside synergy delivery, this is driving improved Adjusted EBITDA
- **UK Retail:** revenue benefitting from prior year investments and continued strong customer engagement across both betting and gaming. Effective cost management leading to Adjusted EBITDA increases, albeit H1 slightly flattered by timing
- **International:** strong performance in core markets, but offset by significant impact on both revenue and Adjusted EBITDA from dotcom compliance changes, alongside refined market focus
- **Corporate:** benefitting from some synergies but predominantly reflecting reallocation to the divisions following operating model changes

FINANCIAL FOCUS AREAS

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

SYNERGIES

- H1 2023 synergies of £66m (£54m opex, £12m capex), predominantly across operations and marketing
- New operating model implemented with more efficient operations – benefit weighted to H2
- Accelerated synergy delivery with full £150m benefit in 2024, a year earlier than planned
- Work continues to find further efficiency and savings, but this will be reinvested into growth projects

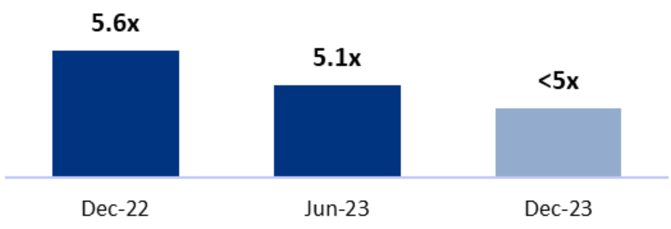
EBITDA MARGIN

- On track for >20% Adjusted EBITDA Margin for the full year, with synergies weighted towards H2 along with marketing timing and further efficiencies
- 17.7% Adjusted EBITDA margin in H1-23, up 2.6ppt from H1-22, with strong synergy delivery and market focus approach more than offsetting reduced contribution from dotcom markets

DELEVERAGING

£m	Jun-23
Gross debt at par value	1,755
IFRS16 liabilities	93
Cash (excl. customer balances)	(188)
Net Debt	**1,660**
LTM pro forma Adjusted EBITDA	324
Leverage	**5.1x**

Deleveraging profile and potential



OUTLOOK

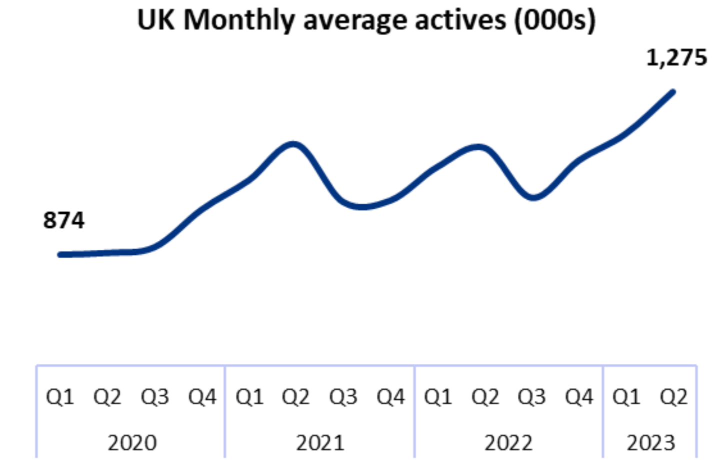
Unchanged revenue and Adjusted EBITDA outlook, with strong synergy delivery and marketing timing benefitting H2

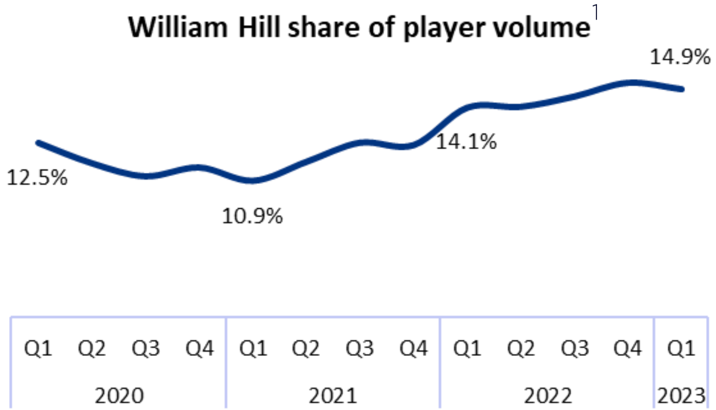
	Key guidance item from FY results	H1 performance	Updated outlook for H2 / FY23
GROUP	• Low to mid single digit revenue decline	-7%	• Unchanged but more likely to be mid-single digit given slower than anticipated Middle East recovery
GROUP	• Adjusted EBITDA Margin at least 20%	17.7%	• In line with expected phasing of synergies and marketing; remain confident in >20% for full year
GROUP	• Cashflow items including one-offs, capex, leases, and interest costs	N/A	• Capex expectations reduced to ~£70m • Lease costs slightly increased to ~£35-40m • Others unchanged
SEGMENTAL	• Online high single digit revenue decline • Online marketing ratio of 20-21%	-11% 22.4%	• Unchanged but at the high end of single digit due to slower Middle East recovery • Unchanged with H2 benefitting from timing and continued efficiency under new operating model
SEGMENTAL	• Retail mid single digit revenue growth • Retail EBITDA Margin broadly similar to FY22 (17.5%)	+6% 21.8%	• Unchanged revenue guidance • H1 EBITDA margin slightly flattered by timing but strong cost control and efficient new staffing model, mean we now expect FY margin of c.20%

UK ONLINE

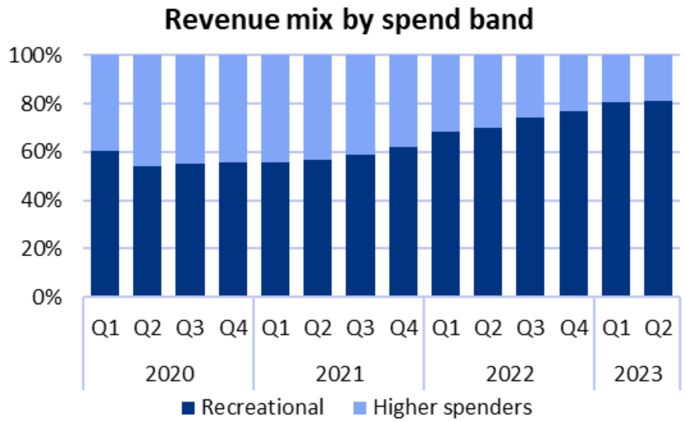
Reshaping and improving the business mix provides sustainable, and more profitable, base to drive growth and market share over time in the UK

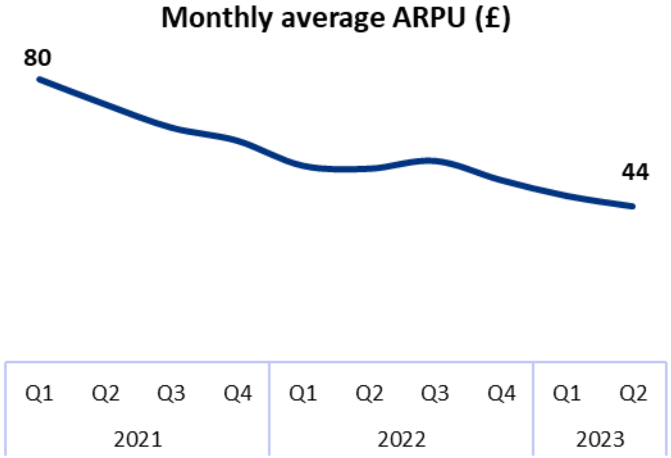
Higher player volumes



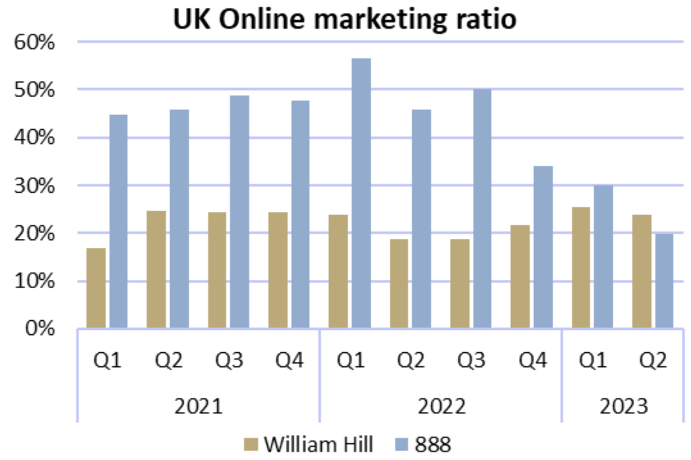


Lower spending customers





Higher profitability



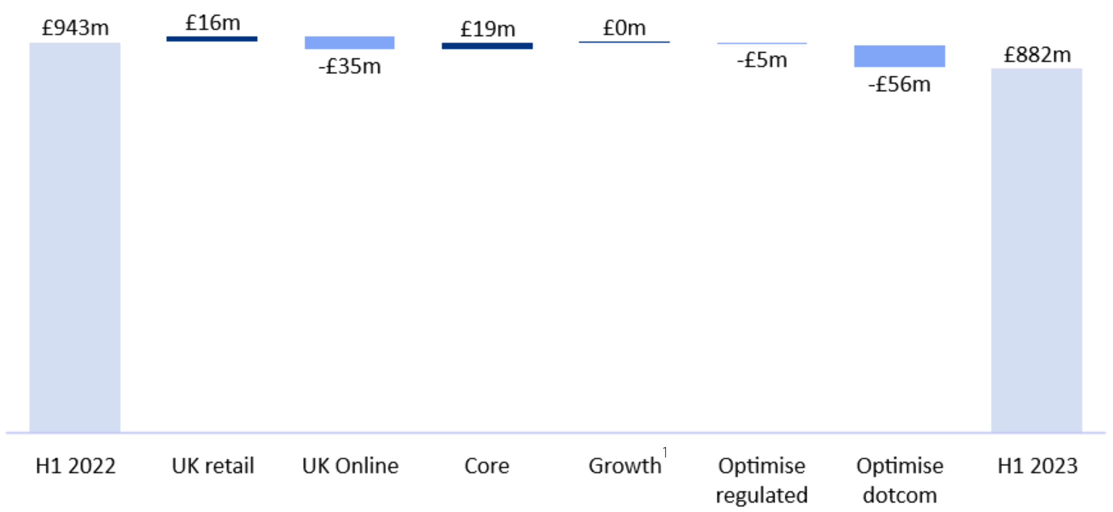
[1] Based on Betscope market research for all UK online gamblers

Note: All charts on this page reflect the pro forma combined position unless otherwise stated

MARKET FOCUS

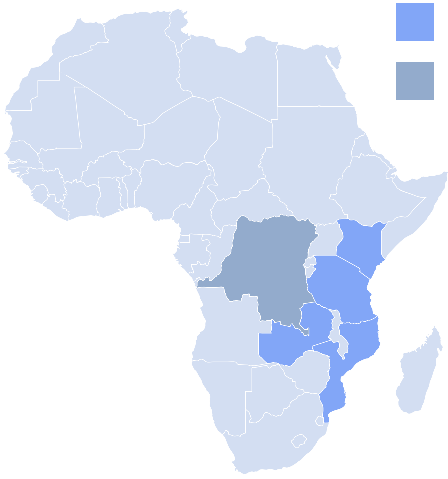
Strong performance in Italy and Spain offset by challenges in dotcom markets driven by compliance changes

H1 2022 to H1 2023 revenue bridge



- Core markets of Italy and Spain both growing double digits
- Growth markets held back by declines in Germany due to regulatory change and lack of offshore enforcement. Growth markets ex Germany were +11% YoY
- Optimise regulated mainly driven by refined market focus approach to marketing and focus on profitability
- Optimise dotcom primarily reflects the significant impact of compliance changes, principally in the Middle East

888AFRICA



- First 4 markets launched in Oct-22 and in less than a year:
  - Over 1 million customers
  - Strong month on month revenue growth (+25% CAGR between January and July) and would be a top 10 market if part of the Group
  - Profitable and cash generative on a run-rate basis
- Recently completed BetLion acquisition to further enhance localised product and support expansion, with further launches planned for 2023 and 2024

[1] Growth markets are Ireland, Denmark, Germany, Ontario (post regulation) and the US.

DELIVERING ON OUR POTENTIAL

In H1 2023 we have already delivered clear progress against our 2023 focus areas of integration, execution and deleveraging

Integration	Execution	Deleveraging
£66m	**+9%**	**-£68m**
Synergy benefit in H1-23[1]	Adjusted EBITDA growth	Net Debt reduction
£150m	**+2.6ppts**	**-0.5x**
Full target benefit in 2024, a year earlier than planned	Adjusted EBITDA Margin	Leverage reduction

[1] £66m is the in-period benefit and includes £54m of opex synergies and £12m of capex synergies

Q&A

PRESENTERS