

2020 Full Year Results

4 March 2021





Disclaimer

NOT FOR PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION. This presentation has been prepared by Entain PLC (“Entain”) and comprises the written materials/slides for a presentation concerning Entain. By attending this presentation and/or reviewing the slides you agree to be bound by the following conditions. The release, presentation, publication or distribution of this document, in whole or in part, in certain jurisdictions may be restricted by law or regulation and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

No representation or warranty (express or implied) of any nature is given nor is any responsibility or liability of any kind accepted by Entain or any of its directors, officers, employees, advisers, representatives or other agents, with respect to the truthfulness, completeness or accuracy of any information, projection, representation or warranty (express or implied), omissions, errors or misstatements in this presentation, or any other written or oral statement provided. None of Entain or each of their affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this material or otherwise in connection with this material. Nothing contained in this presentation is intended to constitute an invitation or inducement to engage in investment activity for the purposes of the prohibition on financial promotions in section 21 of the UK Financial Services and Markets Act 2000. In making this presentation available, Entain makes no recommendation to buy, sell or otherwise deal in shares of Entain or in any other securities or investments whatsoever and you should neither rely nor act upon, directly or indirectly, any of the information contained in this presentation in respect of any such investment activity. Further, it should not be treated as giving investment, legal, accounting, regulatory, taxation or other advice. Any recipients of this presentation outside the UK should inform themselves of and observe any applicable legal or regulatory requirements in their jurisdiction, and are treated as having represented that they are able to receive this presentation without contravention of any law or regulation in the jurisdiction in which they reside or conduct business.

This presentation includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond Entain’s ability to control or predict, and future events and circumstances can cause results and developments to differ materially from those anticipated. Nothing in this presentation should be construed as a profit forecast. Forward-looking statements are not guarantees of future performance and hence may prove to be erroneous. Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation (596/2014), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules), Entain does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

This presentation has been prepared without reference to your particular investment objectives, financial situation, taxation position and particular needs. It is important that you view this presentation in its entirety. If you are in any doubt in relation to these matters, you should consult your stockbroker, bank manager, solicitor, accountant, taxation adviser or other independent financial adviser (where applicable, as authorised under the Financial Services and Markets Act 2000).

Agenda



INTRODUCTION

Jette Nygaard-Andersen

FINANCIAL REVIEW

Rob Wood

STRATEGIC OVERVIEW

Jette Nygaard-Andersen

Q&A

Introduction

Jette Nygaard-Andersen
Chief Executive Officer

Σntain





Overview

-  A winning strategy to deliver Sustainability and Growth
-  Proprietary technology as a competitive advantage
-  Customer focus to revolutionise our industry
-  Leading the industry in responsibility
-  Industry leading talent pool
-  Strong track record of delivery
-  Opportunities to deliver significant stakeholder value

Financial Review

Rob Wood

Chief Financial Officer and Deputy CEO

Σntain





Key financial highlights

Strong delivery in a challenging year

Online Net
Gaming Revenue

£2.7bn
+28%cc¹

Group Underlying
EBITDA

£843m^{2,5}
+11%

BetMGM
Net Gaming Revenue

\$178m +59%
Online +140%

Operating
Profit

£530m^{2,5}
+2%

Adj. diluted EPS
(excl. US)

73.1p³
+10%

Underlying Free
Cashflow

£513m⁴
+10%

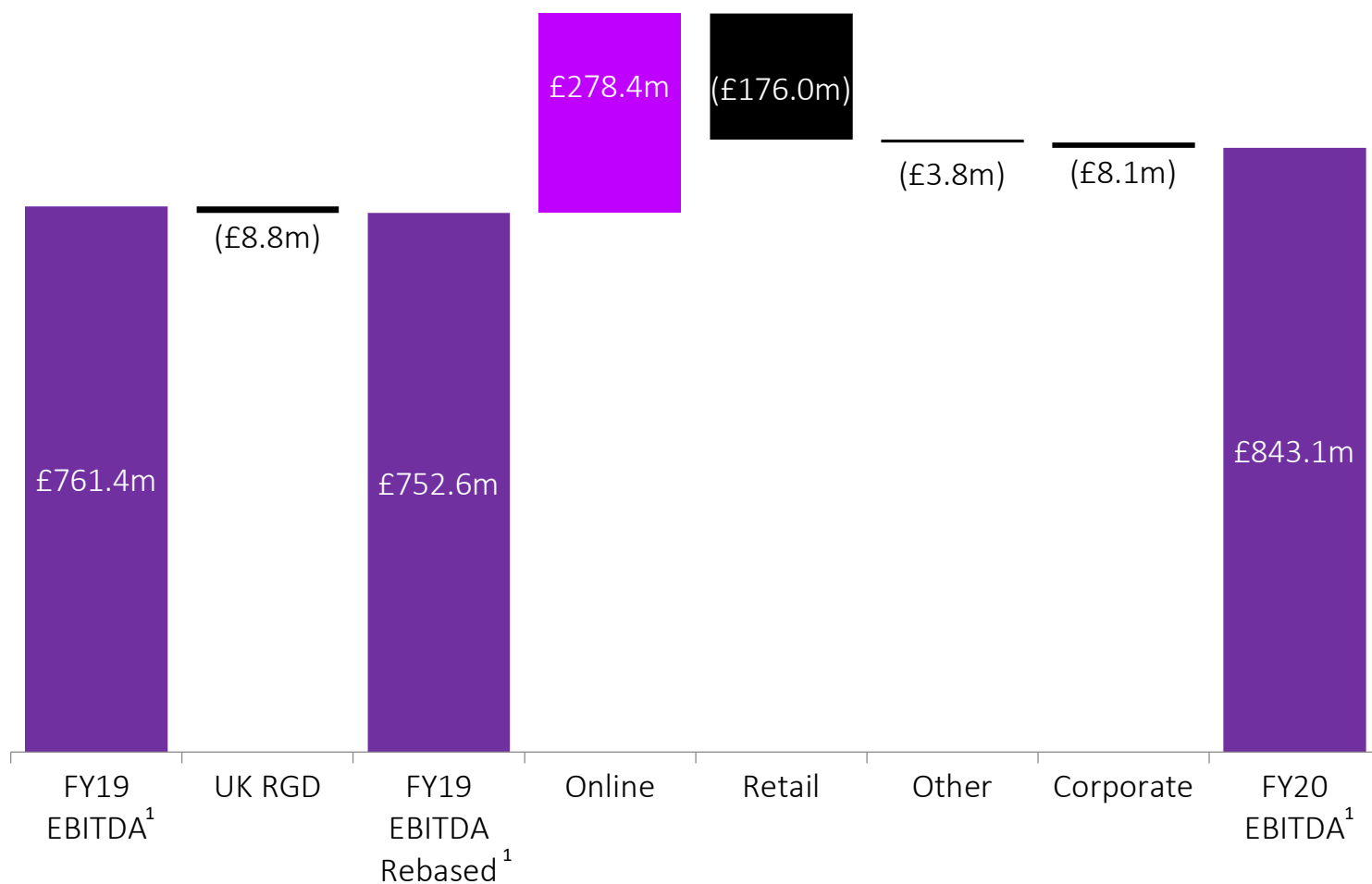
Leverage

2.1x
vs PY 2.8x

Basis: Post IFRS 16

(1) Growth on a constant currency basis is calculated by translating both 2020 and 2019 at the 2020 exchange rates (2) Stated pre separately disclosed items (3) Continuing EPS adjusted for the impact of separately disclosed items, FX movements on financial indebtedness and gains/loss on derivative financial instruments (4) Underlying free cashflow is EBITDA less working capital, capital expenditure, finance lease and corporate taxes (5) Reflecting the results of continuing operations

EBITDA bridge



- Strong financial performance with Group EBITDA **+11%** (+12% excluding regulatory adjustments)
- Online EBITDA **+50% (+£270m)** at **£804m** reflecting the shift to online during the pandemic as well as good sports margins
- Retail EBITDA significantly impacted by Covid-19 with EBITDA for the year **(-£176m)** lower at **£98m**



Online key metrics

Metric	2020		2021
	Results	Comments	Expectations
NGR growth	+28% ¹	<ul style="list-style-type: none"> • 20 consecutive quarters of double digit growth • Double digit growth in all key markets excluding Germany with recent regulatory changes impacting Q4 • Sports margin +1.6pp driven by favourable results and mix impacts 	Low single digit growth including the negative impact of German regulation
Marketing rate	20.4%	<ul style="list-style-type: none"> • 1.7pp lower than prior year due to strong NGR performance • Total marketing cost of £561m in line with expectations 	c21%
Contribution margin	41.8%	<ul style="list-style-type: none"> • Contribution margin +0.9pp yoy as the favourable marketing rate is offset by adverse movement on GP margin • GP margin -0.8pp yoy due to geographic mix, regulated earnings mix and annualisation of UK duty changes, partially offset by synergy delivery • Contribution margin ahead of 2020 guidance primarily due to favourable marketing rate 	40%-41%
Operating costs	3% deflation	<ul style="list-style-type: none"> • Synergies more than offsetting underlying inflation 	Low to mid single digit inflation
EBITDA margin	29%	<ul style="list-style-type: none"> • 4.6pp higher driven by strong NGR growth and lower marketing rate • Operational leverage 47% 	c28%



Cashflow and net debt

Underlying free cashflow provides balance sheet flexibility to support our growth strategy

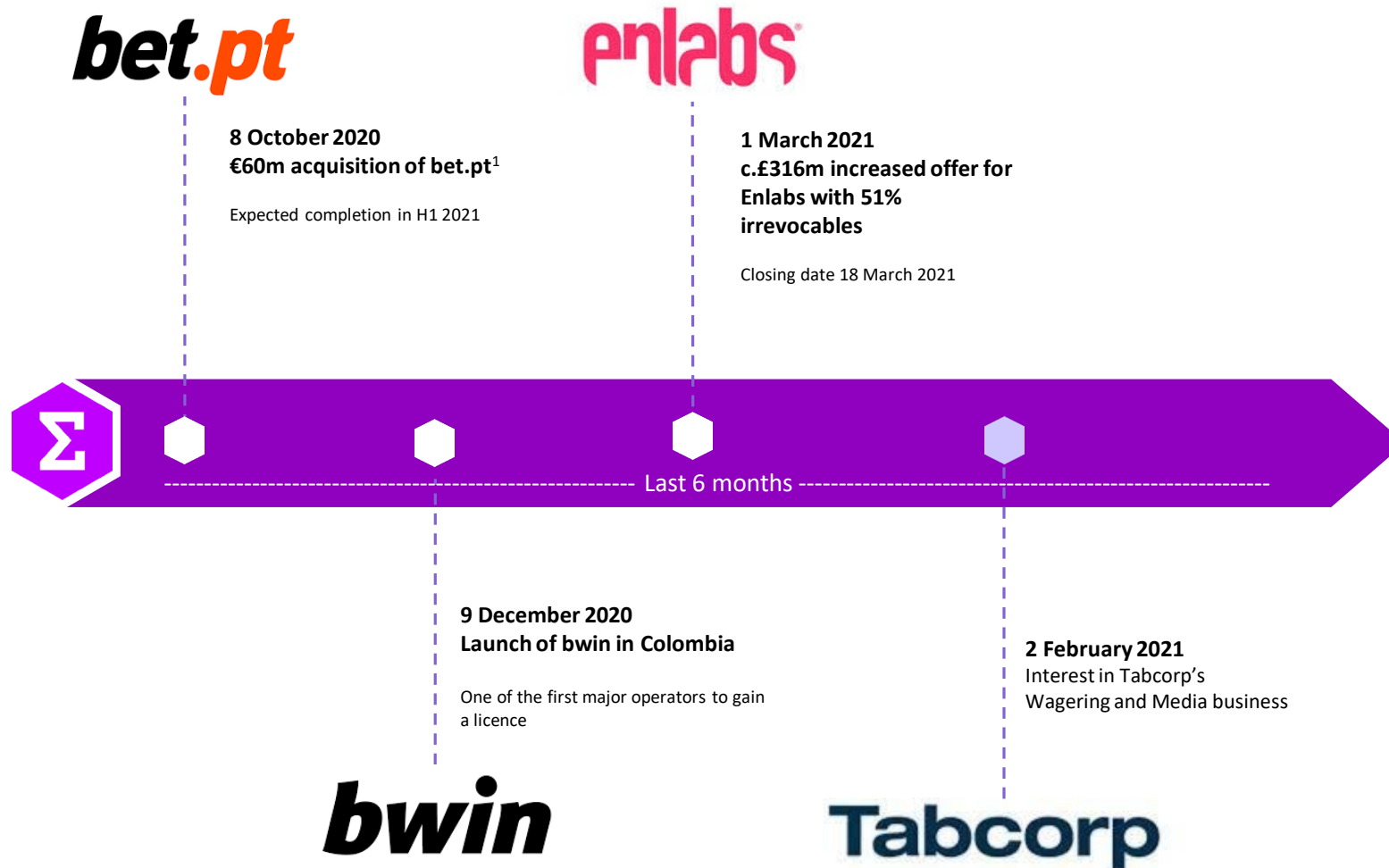
Key metrics	For the year ended 31 December	
	2020	2019
EBITDA ¹	£843m	£761m
Underlying free cashflow ² (before investment in BetMGM)	£513m	£468m
Net cash generated / (outflow)	£360m	£(32)m
Net debt	£1,767m	£2,170m
Leverage	2.1x	2.8x
Accessible cash ³	£697m	£260m

(1) Reflecting results of continuing operations

(2) Underlying free cashflow is EBITDA less working capital, capital expenditure, finance lease and corporate taxes

(3) Accessible cash reflects cash plus deposits held plus PSP balances less cash held on behalf of customers

Further opportunities in regulated markets



Standout M&A Capabilities:

- Unrivalled sector experience of M&A
- Proven ability to accelerate growth and grow market share
- Proprietary technology
- Global brand recognition
- Best-in-class digital marketing capabilities

Further opportunities:

- c.\$50bn GGR in over 50 regulated markets where we do not operate including: Africa, Latin America and Europe
- New audiences including e-sports
- 8 further US state launches in 2021

(1) €50m upon acquisition and €10m deferred consideration



2021 Guidance

Online

- Online NGR **low single digit** growth including the negative impact of German regulation
- Online contribution margin **40%-41%**
- Marketing rate **c21%**
- Operating costs **low to mid single digit** inflation
- EBITDA margin **c28%**

Retail

- Retail closure monthly EBITDA impact as a result of Covid-19 continues to be **£43m per month** including furlough benefit
- NGR expected to return to within single digits of pre-Covid-19 levels

Cashflow (outflows)

- Capex **c£150-160m** plus an additional **c£10m** license costs
- IFRS 16 lease payments **c£70m** in line with EBITDA add back (+**c£5m** on non operational shops)
- One-offs:
 - Integration **c£40m (LC + Bet.pt)**
 - Austrian duty **c£45m**
 - Crystalbet earnout **c£137m**
 - Bet.pt acquisition **£45m**
 - Other one-offs **c£20m**
- Interest costs **c3.5%** of gross debt (excluding IFRS 16 interest)
- Tax rate **c16%** (excluding US JV), cash tax **c£90m**

No **Dividend** declared for the 2020 financial year, the Board will update on dividend resumption with subsequent results announcements

Strategic Overview

Jette Nygaard-Andersen
Chief Executive Officer

Σntain

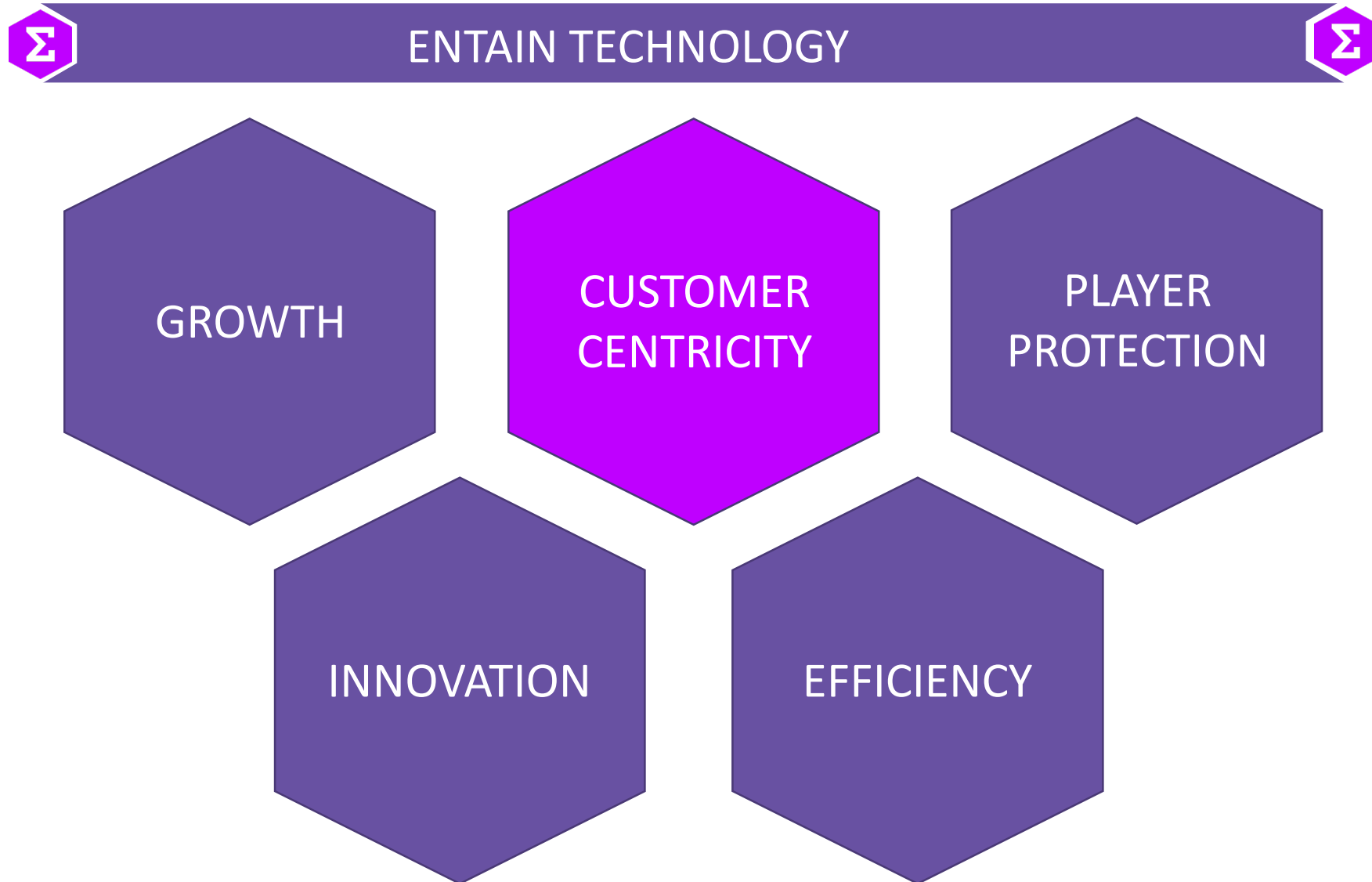




Purpose & strategy for success



Technology enables our ambitions





Strong track record of growth, with more to come

Strong track record of growth

20

Consecutive quarters
of double digit online
growth

28%

online NGR growth¹
in 2020

11%

Group EBITDA
growth in 2020

Further high quality growth built in

97%

of online NGR from
markets² where we are
growing >10%

87%

Of online NGR from
markets³ where online
penetration <35%

99%

of NGR from domestically
regulated or regulating
markets

Track record of value accretion through M&A

1.4x

Value accretion from
Ladbrokes Coral
acquisition

2.4x

Value accretion from
Crystalbet acquisition

2.3x

Value accretion from
Neds acquisition

Further significant opportunities

\$20bn

US market TAM
where BetMGM
expects to have 15%-
20% share

\$50bn

Regulated market
opportunity where
Entain is not present

\$\$\$

New markets and
audiences

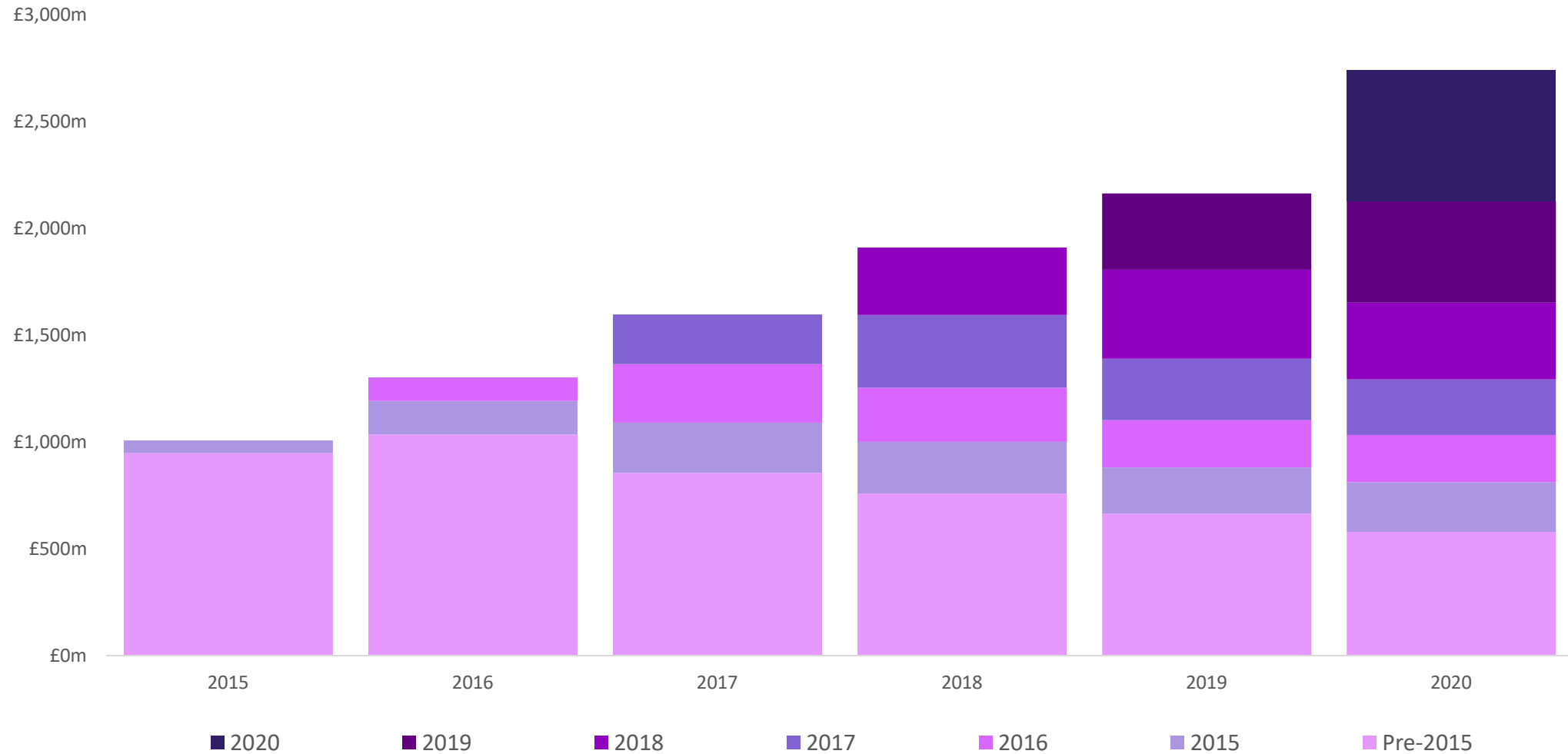
(1) Constant currency basis

(2) Excluding Germany

(3) Excluding UK



Customer loyalty underpins continued growth



Note: Represents NGR grouped by year of customer registration



New audiences to create runway for further growth

Existing brands

- Broaden appeal of product range to a wider customer base
- Grow market share
- Diversify regulatory risk
- Greater sustainability of earnings

Adjacent products

- Potential in growing adjacent gaming markets
- Free to play, team play, pay to play
- Customer acquisition opportunity
- Broader revenue base

New audiences

- New ecosystems emerging
- Substantial market opportunity
- Very embryonic with complexities around RG and route to market
- Step by step approach

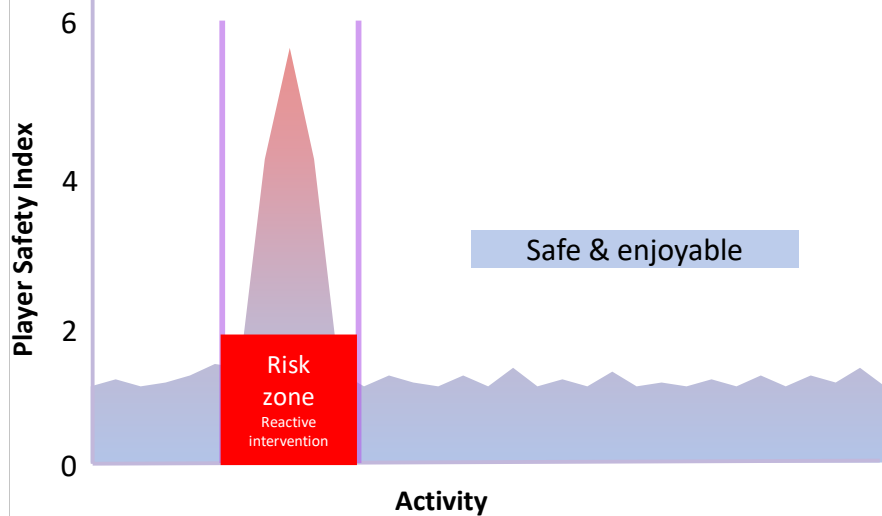
The e-sports potential



Technology enables proactive player protection

Current industry approach

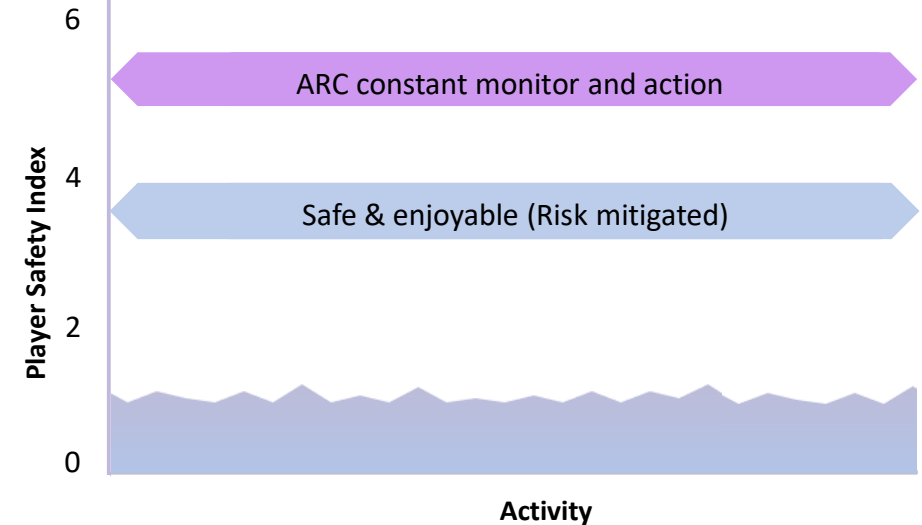
- Reactive
- Monitors for spikes in Markers of Protection
- Applied just in time
- Negative player experience



A
R
C

Advanced Responsibility & Care (ARC)

- Proactive
- Constant monitoring
- Pre-empts behaviour and intervenes discreetly
- Better experience and customer centric



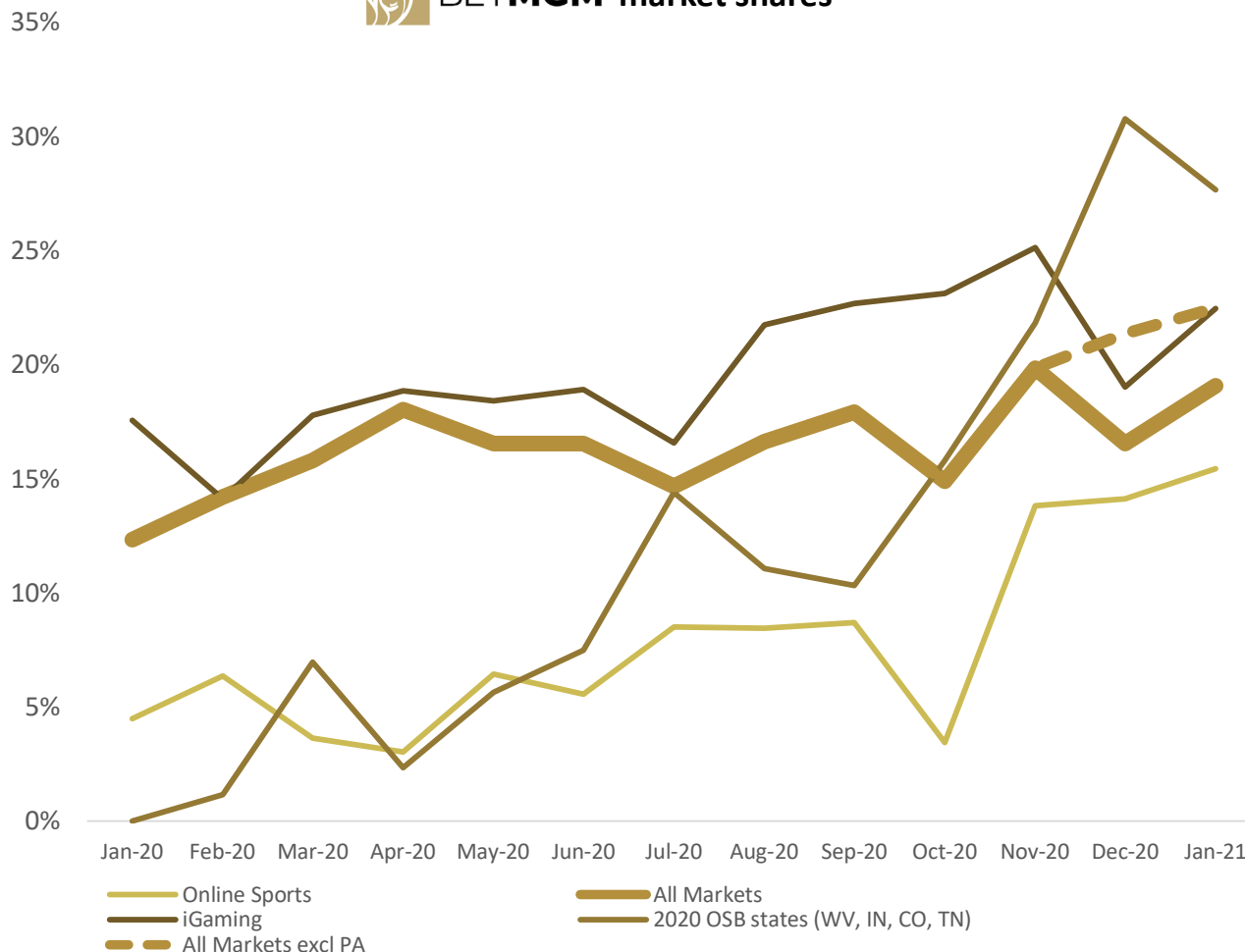
ARC video



Strong momentum at BetMGM



BETMGM market shares¹



\$20bn

Estimated market size by 2025

18%

Market share² in states where BetMGM operates

21%

Market share² in states where BetMGM operates excluding Pennsylvania

#1

Nationwide iGaming share³

27%

Market share⁴ for online sports-betting in states launched in 2020 excluding Pennsylvania

(1) In markets that BetMGM is active

(2) 3 month rolling market share November 2020 to January 2021, based on BetMGM revenues as a percentage of state reported revenues in markets where BetMGM is active

(3) Source: Eilers & Krejcie US Online Casino Tracker for the period November 2020 to January 2021

(4) 3 month rolling market share November 2020 to January 2021 for West Virginia, Colorado, Tennessee and Indiana



Leading positions in iGaming and online sports-betting



NEW JERSEY

Expanding iGaming lead and growing share in OSB

26%

iGaming market share in 3 months to Jan-21

#3

Online sports-betting market share in NJ for 3 months to Jan-21

223%

Growth in online sports-betting GGR for rolling 3 months to Jan-21 vs 3 months to Jan-20

DAY 1 OSB STATES

BetMGM has exceeded market share targets in states with a day 1 launch

#1

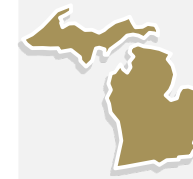
BetMGM is the market share leader in Tennessee for the first 3 months of operation¹

35%

Online sports-betting market share in Tennessee in 3 months to Jan-21

34%

Online sports-betting market share in Colorado in 3 months to Jan-21



MICHIGAN

BetMGM was #1 in MI in OSB and iGaming in Jan-21

38%

Market share in both iGaming and online sports-betting in Jan-21

\$1.3M

GGR per day in January. Higher GGR per day than NJ, where BetMGM is also #1 in iGaming

<\$200

CPA since the state launched²

OSB = Online sports-betting

(1) Based on Company estimates and live 1 November 2020

(2) Cost per acquisition across all products live in the state based on January 2021 data



Summary

-  A strong performance in a challenging year
-  Clear purpose, new identity and winning strategy
-  Significant growth ahead through four clear priorities
-  Strong momentum in BetMGM on a path to market leadership
-  Industry leading approach to sustainability including player safety
-  Delivering significant value for stakeholders

An aerial night photograph of Chicago, Illinois, featuring the city skyline, Lake Michigan, and the city's parks. A large, glowing green hexagon is superimposed over the center of the image, highlighting the area around the Soldier Field stadium. The stadium is a large, circular, open-air structure with a green field and a blue roof. To the left of the stadium, there is a smaller, brightly lit stadium with a blue and white patterned roof. The city lights are visible in the background, and the sky is dark with some clouds.

Q&A

Σntain

Appendix

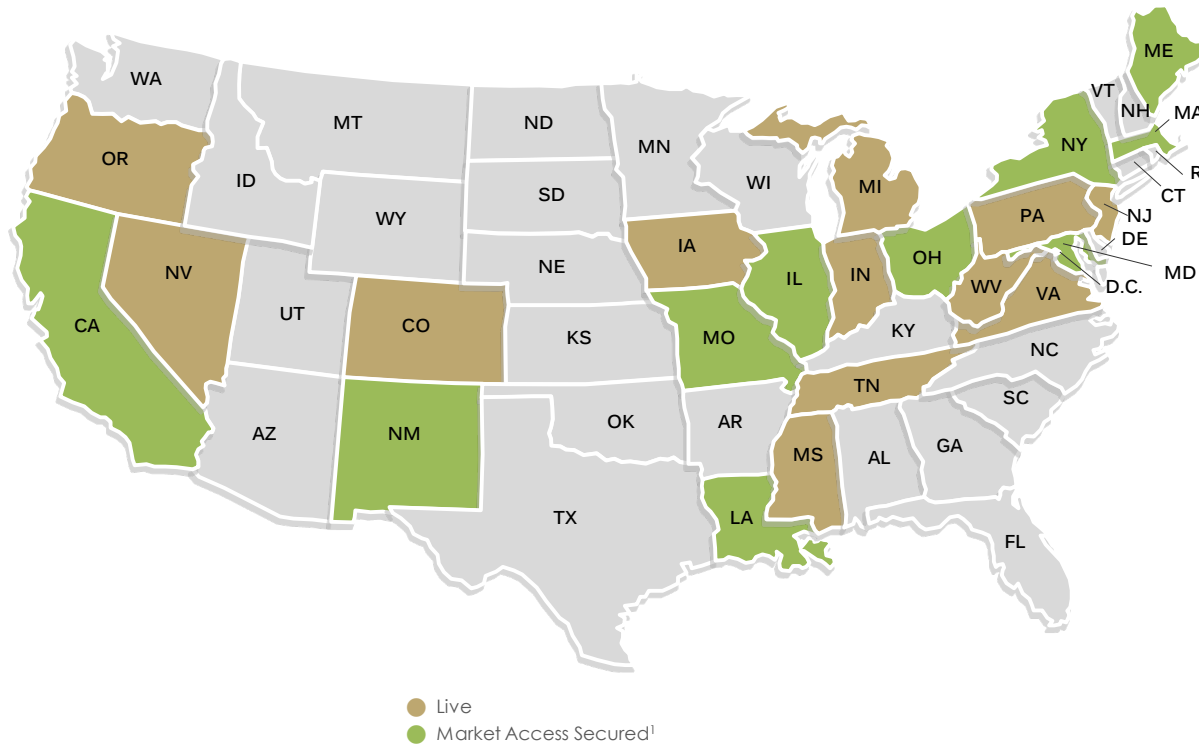
Σntain





Strategic market access enables day 1 launch

TO DATE, BETMGM HAS SECURED MARKET ACCESS IN **23** MARKETS¹ AND IS LIVE IN **12** STATES, WITH THE EXPECTATION OF BEING LIVE IN APPROXIMATELY **20** MARKETS BY YEAR END 2021 WITH ACCESS TO **~40%** OF THE U.S. ADULT POPULATION



● Live States	Retail Sports	Online Sports	Online Casino	Online Poker
Oregon	✓			
Nevada	✓	✓		
Colorado	On hold	✓		
Iowa		✓		
Mississippi	✓			
Tennessee		✓		
Indiana		✓		
Michigan	✓	✓	✓	Early 2021
Virginia		✓		
West Virginia		✓	✓	✓
Pennsylvania		✓	✓	Early 2021
New Jersey	✓	✓	✓	✓

(1) Market access includes states where certain legislative modifications are required and states in which the Company is seeking direct licensure



BetMGM has established itself as a top #3 leader

		Full Year 2020 Market Share Position ¹
IGAMING MARKET SHARE ¹	NJ	#1
	WV	#2
	PA	Dec 2020 Launch
ONLINE SPORTS MARKET SHARE ¹	TN	#1**
	CO	#2*
	NJ	#3
	WV	#3
	IN	#3
	PA	Dec 2020 Launch
	NV	Unknown
RETAIL SPORTS MARKET SHARE ¹	MI	#1
	MS	#1**
	NJ	#3
	NV	Unknown

Leadership in iGaming

#1 in **U.S. iGaming** GGR for 3 months to January 2021***

Strong momentum in online sports-betting:

#1 in OSB GGR in Tennessee for 3 months to January 2021**

#1 in OSB GGR in Michigan January

Strong **retail sports-betting** driven by premier MGM Resorts destinations

**CONFIDENT IN REPLICATING SUCCESS AS BETMGM LAUNCHES IN
ADDITIONAL STATES**

(1) In markets that BetMGM is active and are publicly reported

Note: Market share is estimated based on BetMGM revenues as a percentage of state reported sports-betting and iGaming revenues

* Based on company estimates. Market does not report by operator

** Based on BetMGM assumptions

*** Source: Eilers & Krejciek



The M Life advantage

35M	Large and engaged customer base ¹
MLIFE & BETMGM	Membership & Tier points
25%	BetMGM acquired customers active on M life ²
17%	New BetMGM sign-ups attributed to M life ³
2X	Higher spend ⁴
\$	Lower acquisition cost

The advertisement features a promotional image of Will Smith in a suit holding a smartphone, with the text "EVERY WAGER COUNTS" and "TURN YOUR POINTS INTO PERKS". Below this is a screenshot of the "YOUR iREWARDS POINTS UPDATE" interface, showing a statement as of November 30th with fields for "iRPs EARNED", "iRPs REDEEMED", and "CURRENT iRPs BALANCE". The interface also displays a table of required points for different tiers and recent activity.

iRewards Tier	Tier Credits Required Per Year	Loyalty Points:
Sapphire	0	0.00 Points
Pearl	20,000	
Gold	60,000	Your loyalty level
Platinum	160,000	Sapphire
Noir	By invitation only	

Recent Activity

Points earned today: 0.00
Points earned this month: 0.00

(1) Data as of 31 December 2020

(2) BetMGM customers acquired over last 6 months having an active relationship with M life

(3) In Q4 2020 – Percentage of unique BetMGM signups that came from an MGM relationship; MGM attribution based on customer trips to an MGM property within the past 12 months

(4) Higher spend amongst the customers referenced in Note 2

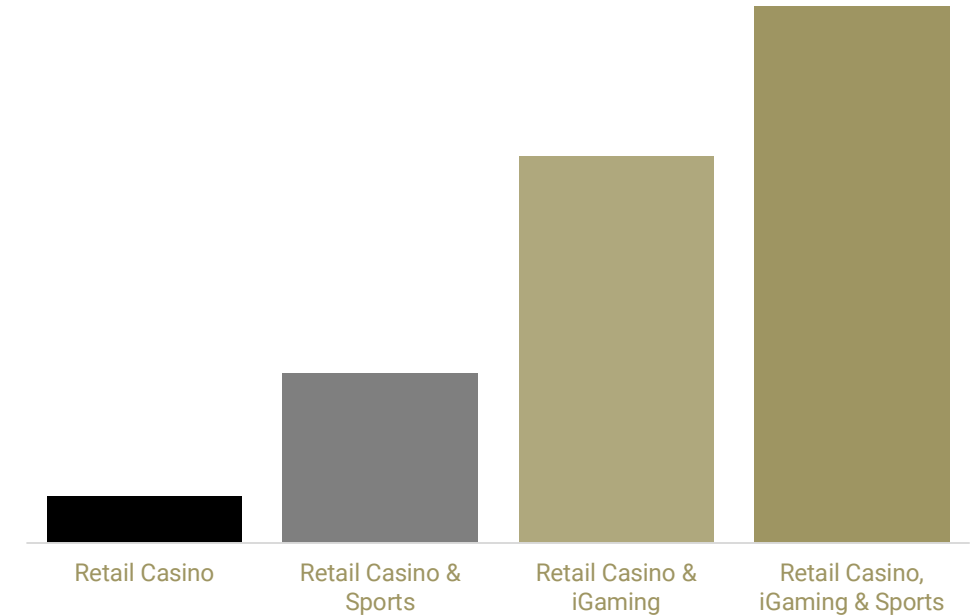


Leveraging the omni-channel opportunity



DRIVING VALUE

OMNI-CHANNEL CUSTOMERS VALUE IS SIGNIFICANTLY HIGHER THAN SOLE RETAIL CUSTOMERS



Sustainability Charter



REGULATION	RESPONSIBILITY	CORPORATE GOVERNANCE	PEOPLE & COMMUNITIES
Only operate in regulated markets by end of 2023	Scientific approach to safer gambling	Best in class corporate governance	Best place to work
99% regulated and regulating markets at end of 2020	ARC - Leveraging technology for player safety	Strengthened Board	Reduce environmental impact
Pro-active regulator engagement	New responsibility algorithms	Strengthened Processes	£100m to Entain Foundation over 5 years
	Remuneration tied to responsibility		

LONG TERM SUSTAINABILITY = LONG TERM SUCCESS



Financials: Group Income Statement

Strong operational and financial performance in an exceptionally challenging year

Year ended 31 December	2020 ⁵ £m	Pre IFRS 16 2020 ⁶ £m	2019 ⁶ £m	Change ¹ %	Constant Currency ² %
Net gaming revenue	3,628.5	3,628.5	3,632.7	flat	1%
Revenue	3,561.6	3,561.6	3,578.1	flat	
Gross profit	2,308.6	2,308.6	2,368.8	(3%)	
Contribution	1,740.2	1,740.2	1,874.9	(7%)	
Underlying EBITDAR ³	862.1	862.1	782.9	10%	
Underlying EBITDA³	843.1	764.7	761.4	11%	
Operating Profit³	529.5	507.2	520.6	2%	

Memo	2020	2019
No of shares (m)	583.7	582.0
Diluted EPS ⁶	15.6	(24.8)
Adj. diluted EPS ^{4,6}	62.8	64.3
Adj. diluted EPS excl. US ^{4,6}	73.1	66.4
Dividend/share (p)	-	17.6
Post IFRS 16		
Net debt (£m)	(1,766.6)	(2,169.8)
Net debt/EBITDA	2.1x	2.8x

- **Group NGR In-line (+1% cc)**
 - Online NGR **+27% (+28% cc)**
 - UK Retail NGR **-40% (-36% LFL⁵)**
 - European Retail NGR **-38% (-39% cc)**
- **Group underlying EBITDA £843m, +11% YoY**
 - Online EBITDA **£804m, +50% YoY**
 - Covid-19 enforced closures significantly impacting Retail
- **Net debt at 31 December 2020 £1,767m (2.1x)** £403m lower than 2019 despite £105m of FX headwinds on Euro denominated debt
- **Adjusted diluted EPS excluding BetMGM 73.1p, +10% YoY**
 - Adjusted diluted EPS **62.8p, -2% YoY**

(1) Percentage change between 2020 and 2019 post IFRS 16 (2) Growth on a constant currency basis is calculated by translating both 2020 and 2019 at the 2020 exchange rates (3) Stated pre separately disclosed items (4) Continuing EPS adjusted for the impact of separately disclosed items, FX movements on financial indebtedness and gains/loss on derivative financial instruments (5) UK Retail numbers are quoted on a LFL basis. During 2020 there was an average of 3,024 shops in the estate, compared to an average of 3,341 in the same period last year (6) Reflecting results of continuing operations

Strong, diverse business model driving 27% (28%cc) NGR growth and market share gains in all major territories







Year ended 31 December	2020 ⁴ £m	Pre IFRS 16 2020 ⁴ £m	2019 ⁴ £m	Change ¹ %	CC ² %
Sports wagers	11,780.9	11,780.9	11,216.7	5%	7%
Sports margin	12.7%	12.7%	11.1%	1.6pp	1.6pp
Sports NGR	1,196.8	1,196.8	966.5	24%	26%
Gaming NGR	1,534.8	1,534.8	1,189.1	29%	30%
B2B NGR	15.9	15.9	15.1	5%	5%
NGR	2,747.5	2,747.5	2,170.7	27%	28%
VAT/GST	(66.9)	(66.9)	(54.6)	(23%)	
Revenue	2,680.6	2,680.6	2,116.1	27%	
Gross profit	1,708.7	1,708.7	1,367.8	25%	
Contribution	1,147.4	1,147.4	887.2	29%	
Contribution margin	41.8%	41.8%	40.9%	0.9pp	
Operating costs	(342.5)	(342.5)	(352.2)	3%	
Underlying EBITDAR³	804.9	804.9	535.0	50%	
Rent and associated costs	(1.4)	(16.2)	(1.1)	(27%)	
Underlying EBITDA³	803.5	788.7	533.9	50%	
Share based payments	(4.3)	(4.3)	(5.5)	22%	
Underlying depreciation and amortisation	(120.1)	(105.8)	(116.0)	(4%)	
Share of JV income	0.1	0.1	0.8	(88%)	
Operating profit³	679.2	678.7	413.2	64%	

- **NGR +27% (+28% cc)**
 - Double digit NGR growth in all key markets excluding Germany
 - UK +27%, Australia +55% cc, Italy +52% cc, Georgia +40% cc, Brazil +56% cc, partypoker +50% cc
 - Germany NGR +3% cc with the tolerance regime significantly impacting Q4. Q3 YTD NGR +12% cc
- **Sports margin +1.6pp** driven by favourable results and mix impacts
- **Contribution margin 41.8%, +0.9pp vs 2019**
 - GP margin -0.8pp with synergy delivery more than offset by geographic and regulated mix and the annualisation of UK duty changes
 - Marketing rate 20.4%, 1.7pp lower than 2019 due to strong NGR performance
 - Total marketing costs £81m higher than 2019, in line with expectations
- **Operating costs 3% lower**
 - Synergies more than offsetting underlying inflation
- **Underlying EBITDA +50% post IFRS 16**
 - Operating leverage of 47%, inflated due to sports margin and lower marketing rate



Online operational update

Consistent market share gains in all major territories

Key Online Territories	FY20 Online NGR Growth in cc ¹	Estimated Market Position ²	FY20 Online NGR Share	Operational Highlights
 UK	+27%	2	35%	<ul style="list-style-type: none"> Completed migration of UK brands on to the Entain platform - benefits include improved site and core wallet transactional stability and improved gaming product depth and promotional capability Launched Free to Play Games in Q2 driving a significant increase in recreational actives
 Australia	+55%	3	14%	<ul style="list-style-type: none"> Market share gains due to the strength of our portfolio of brands, market-leading product innovation and racing focussed business mix Reactivation of existing customers and stronger customer acquisition
 Germany	+3%	2	13%	<ul style="list-style-type: none"> Introduction of the tolerance regime in October: switching off casino table games, €1,000 deposit limit for poker and slots and further enhanced KYC obligations Launched bwin.de mobile sports app and roll-out of "watch all live sports with bwin"
 Italy	+52%	1	9%	<ul style="list-style-type: none"> Strength in omni-channel offering recapturing displaced retail revenue during lockdown Record number of actives and FTD volumes in Q4
 Georgia	+40%	1	3%	<ul style="list-style-type: none"> Continued to strengthen the Crystalbet brand presence during 2020 with strategic positioning on TV and radio covering roughly 80% of local ratings
 Brazil	+56%	1	3%	<ul style="list-style-type: none"> Customer acquisition and reactivation has been particularly strong with tailored and locally focused marketing campaigns driving website traffic
partypoker	+50%	2	n/a	<ul style="list-style-type: none"> Driven by an increased focus on the recreational customer base and targeted marketing First time depositors almost doubled over the prior year and active customers +47%

(1) Growth on a constant currency basis is calculated by translating both current and prior year performance at the 2020 exchange rates

(2) Estimated market shares for FY20 net gaming revenue based on available data and company estimates

Total Retail

Performance heavily affected by Covid-19 but positive trading whilst open

Year ended 31 December	2020 ³ £m	Pre IFRS 16 2020 ³ £m	2019 ³ £m	Change ¹ %
NGR/Revenue	857.1	857.1	1,417.6	(40%)
Gross profit	577.5	577.5	961.3	(40%)
Contribution	571.7	571.7	950.6	(40%)
Operating costs	(456.1)	(456.1)	(655.9)	30%
Underlying EBITDAR²	115.6	115.6	294.7	(61%)
Rent and associated costs	(17.3)	(80.9)	(20.4)	15%
Underlying EBITDA²	98.3	34.7	274.3	(64%)
Share based payments	(1.5)	(1.5)	(1.3)	(15%)
Underlying depreciation and amortisation	(115.8)	(74.0)	(101.7)	(14%)
Share of JV income	-	-	1.0	(100%)
Operating profit²	(19.0)	(40.8)	172.3	(111%)

- **Retail performance heavily impacted by Covid-19**
 - UK Retail NGR **-40%**
 - European Retail NGR **-38% (-39% cc)**
- Stringent cost control and furlough receipts reduced operating costs by 30%
- **EBITDA -63%** in UK Retail and **-68%** in European Retail
- Further details on the following slides

UK Retail



Performance heavily affected by Covid-19 but positive trading whilst open

Year ended 31 December	2020 ⁵ £m	Pre IFRS 16 2020 ⁵ £m	2019 ⁵ £m	Change ¹ %
OTC wagers	1,835.2	1,835.2	3,182.7	(42%)
OTC margin	19.4%	19.4%	17.9%	1.5pp
OTC NGR / Revenue	355.0	355.0	565.9	(37%)
Machines NGR / Revenue	323.6	323.6	561.9	(42%)
Total NGR / Revenue	678.6	678.6	1,127.8	(40%)
Gross profit	497.3	497.3	817.7	(39%)
Contribution	495.1	495.1	812.6	(39%)
Contribution margin	73.0%	73.0%	72.1%	0.9pp
Operating costs	(401.3)	(401.3)	(585.1)	31%
Underlying EBITDAR²	93.8	93.8	227.5	(59%)
Rent and associated costs	(16.6)	(71.4)	(19.6)	15%
Underlying EBITDA²	77.2	22.4	207.9	(63%)
Share based payments	(1.2)	(1.2)	(1.0)	(205%)
Underlying depreciation and amortisation	(86.2)	(52.0)	(72.7)	(19%)
Share of JV income	-	-	-	-
Operating profit²	(10.2)	(30.8)	134.2	(108%)

No of shops at 31 December 2020: 2,845 (2019: 3,233)

- **OTC wagers -42% (LFL³ -39%)**
 - Results heavily impact by temporary shop closures
 - Strong performance prior to the first lockdown +9% LFL^{3,4} benefiting from displaced B2 revenue and competitor closures
 - Volumes returned to within single digit of pre-Covid-19 levels post reopening in June/July with SSBT's particularly resilient
- **OTC margin 19.4% (+1.5pp)**
 - Strong horse racing and football results
- **Machines NGR -42% (LFL³ -39%)**
 - Returned to underlying pre-Covid-19 NGR post reopening
 - Triennial impact now fully annualised
- **Total Retail NGR -40%**
 - Volumes back within single digit of pre-Covid-19 levels following first lockdown
- **Operating costs 31% lower**
 - Mitigating actions and tight cost control in response to Covid-19 lockdowns plus furlough receipts
- **Underlying EBITDA -63% post IFRS 16**

(1) Percentage change between 2020 vs 2019 on a post IFRS 16 basis (2) Stated pre separately disclosed items (3) UK Retail numbers are quoted on a LFL basis. During 2020 there was an average of 3,024 shops in the estate, compared to an average of 3,341 in 2019. (4) Pre-Covid-19 period from 1 January to 15 March (5) Reflecting results of continuing operations

European Retail



Performance heavily affected by Covid-19 but positive trading whilst open

Year ended 31 December	2020 ⁴ £m	Pre IFRS 16 2020 ⁴ £m	2019 ⁴ £m	Change ¹ %	CC ² %
OTC wagers	925.5	925.5	1,659.9	(44%)	(45%)
OTC margin	19.1%	19.1%	17.4%	1.7pp	1.7pp
Sports NGR / Revenue	138.8	138.8	218.2	(36%)	(37%)
Other OTC NGR / Revenue	37.6	37.6	69.3	(46%)	(46%)
Machines NGR / Revenue	2.1	2.1	2.3	(9%)	(6%)
Total NGR / Revenue	178.5	178.5	289.8	(38%)	(39%)
Gross profit	80.2	80.2	143.6	(44%)	
Contribution	76.6	76.6	138.0	(44%)	
Contribution margin	42.9%	42.9%	47.6%	(4.7pp)	
Operating costs	(54.8)	(54.8)	(70.8)	23%	
Underlying EBITDAR³	21.8	21.8	67.2	(68%)	
Rent and associated costs	(0.7)	(9.5)	(0.8)	13%	
Underlying EBITDA³	21.1	12.3	66.4	(68%)	
Share based payments	(0.3)	(0.3)	(0.3)	-	
Underlying depreciation and amortisation	(29.6)	(22.0)	(29.0)	(2%)	
Share of JV income	-	-	1.0	(100%)	
Operating profit³	(8.8)	(10.0)	38.1	(123%)	

- **NGR -38% (-39% cc)**
 - Results heavily impact by temporary shop closures
 - NGR back to pre-Covid-19 levels following first lockdown
- **OTC margin 19.1% (+1.7pp)**
- **Contribution margin -4.7pp**
 - Decreased due to territory mix, increased Italian tax and franchisee support through the pandemic
- **Operating costs 23% lower**
 - Cost mitigation actions in response to Covid-19
- **Underlying EBITDA -68% post IFRS 16**

Estate at 31 December 2020: Eurobet Italy **905** (2019: **883**); Ladbrokes Belgium **304** shops, **402** outlets (2019: **311** shops, **397** outlets); Ladbrokes ROI **133** (2019: **139**)

Financials: Statutory Income Statement

Reported profit after tax from continuing activities of £114m

Year ended 31 December	Post IFRS 16			Pre IFRS 16		
	2020 ¹ £m	2019 ¹ £m	Change %	2020 ¹ £m	2019 ¹ £	Change %
Underlying EBITDAR	862.1	782.9	10%	862.1	782.9	10%
Rent and associated costs	(19.0)	(21.5)	12%	(97.4)	(104.0)	6%
Underlying EBITDA	843.1	761.4	11%	764.7	678.9	13%
Share based payments	(14.8)	(12.7)	(17%)	(14.8)	(12.7)	(17%)
Underlying depreciation and amortisation	(238.6)	(218.9)	(9%)	(182.5)	(166.2)	(10%)
Share of JV (loss)/income	(60.2)	(9.2)	(554%)	(60.2)	(9.2)	(554%)
Operating profit	529.5	520.6	2%	507.2	490.8	3%
Finance costs	(74.2)	(86.1)	14%			
Foreign exchange	(104.7)	101.9	(203%)			
Profit before tax pre separately disclosed items	350.6	536.4	(35%)			
Separately disclosed items:						
Amortisation of acquired intangibles	(307.0)	(374.0)	18%			
Impairment loss	(5.0)	(245.0)	98%			
Other	136.1	(81.8)	266%			
Profit/(loss) before tax	174.7	(164.4)	206%			
Tax	(60.9)	33.2	(283%)			
Profit after tax	113.8	(131.2)	187%			

- **Underlying depreciation and amortisation £239m**
 - Increase (9%) due to the annualisation of 2019 investment and accelerated amortisation on the remaining legacy LCL platform assets following current year migrations
- **Share of JV loss £60m**
 - Driven by share of BetMGM loss (£61m)
- **Finance costs £74m**
 - Cash interest costs of £62m with year on year savings following 2019 and 2020 refinancing
 - £16m of interest on leases including £15m on leases captured by IFRS16
 - £4m credit on issue cost amortisation
- **Foreign exchange loss £105m**
 - Group operates a commercial hedge on trading/interest cashflows and the retranslation of assets/liabilities
 - £105m loss on retranslation of debt recognised in the P&L offset by £138m gain on retranslation of overseas assets recognised in Equity
- **Separately disclosed items**
 - Amortisation of acquired intangibles £307m, primarily on Ladbrokes Coral acquisition
 - Other £136m (see following slide)
- **Tax £61m charge**
 - Includes £2.1m tax credit on separately disclosed items
 - 2020 ETR of 12.2% pre FX and BetMGM losses (reported ETR 18.0%)



Financials: Other separately disclosed items

One-off cash income £25m with the UK VAT receipt more than offsetting historic tax claims and integration

Year ended 31 December	Profit & Loss		Cashflow
	2020 £m	2019 £m	2020 £m
Tax litigation/one-off legislative impacts	223.5	11.6	102.6
Integration costs	(25.1)	(44.9)	(30.1)
Triennial restructuring costs	(8.3)	(8.7)	(6.0)
Legal and onerous contract costs	(8.9)	(3.4)	(22.1)
Movement in fair value of contingent consideration	(42.4)	(37.7)	(24.8)
Other including issue cost write-off	(9.6)	(17.7)	(1.9)
Profit on sale of assets	6.9	19.0	6.9
Subtotal	(87.4)	(93.4)	(78.0)
Total	136.1	(81.8)	24.6

- **Tax litigation £224m income**
 - P&L represents UK VAT receivable of £224m, **£217m** of which received by the year end
 - **£45m** cash outflow on Greek tax
 - **£69m** payment against historic Austrian duty (fully provided)
- **Integration costs (-£25m)**
 - Cashflow includes capex of £5m
- **Triennial costs (-£8m)**
 - Costs associated with shop closure program, principally redundancy
- **Movement in fair value of contingent consideration (-£42m)**
 - Increase follows significant outperformance from Crystalbet and £25m settlement of Dusk Till Dawn earn-out paid in 2020
- **Other items (-£10m)**
 - Write-off of issue costs on refinancing
 - Final costs associated with the buy-in of the Ladbrokes pension scheme



Financials: Cashflow

Strong underlying free cashflow generation of £513m and leverage ratio of 2.1x

Year ended 31 December	2020 £m	2019 £m
Underlying EBITDA	843.1	761.4
Discontinued EBITDA (Intertrader)	(14.1)	(0.3)
Underlying working capital	(12.6)	(13.9)
Capital expenditure	(158.3)	(164.1)
Finance lease (incl IFRS 16)	(85.9)	(77.7)
Corporate taxes	(59.2)	(37.5)
Underlying Free cashflow	513.0	467.9
Investment in BetMGM	(61.8)	(3.8)
Free cashflow	451.2	464.1
Interest paid (incl IFRS 16)	(95.3)	(68.9)
Separately disclosed items	24.6	(162.0)
Net movement on debt & cost of debt issuance	(30.0)	(53.6)
Equity issue	8.6	1.5
Dividends paid	(12.4)	(202.4)
Net cashflow / (outflow)	346.7	(21.3)
Foreign exchange	13.0	(10.5)
Net cash generated / (outflow)	359.7	(31.8)
Adjusted net debt post IFRS 16	(1,766.6)	(2,169.8)
Leverage ratio post IFRS 16	2.1x	2.8x

Note: Dividends relate to minority interests only, with no equity dividends paid in the year

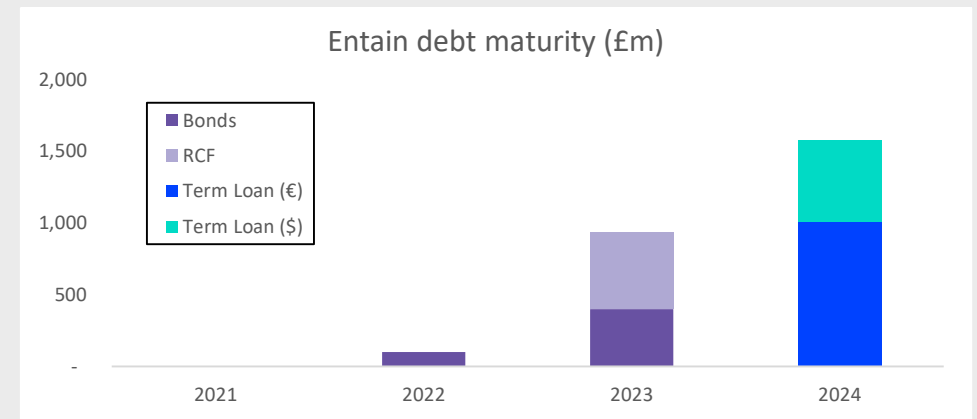
- **Capital expenditure £158m outflow** (lower than guidance), including license costs, with certain projects delayed due to Covid-19
- **Finance lease £86m outflow**
 - Lease costs on operational (£70m) and non-operational (£5m) leases following the adoption of IFRS 16 and payments against SSBTs in UK Retail (£11m)
- **Corporate tax payments £59m outflow in line with ETR**
- **Investments in US £62m (\$80m) outflow**, in line with interim guidance
- **Interest paid £95m outflow**
 - P&L cash interest charge £62m (c£8m saving vs 2019 following refinancing)
 - Interest on IFRS 16 leases of £15m
 - Working capital unwind of £18m (unwinds 2019 benefit)
- **Net movement on debt & cost of debt issuance £30m outflow**
 - Principally the repayment of £35m drawn down on the RCF at the end of 2019 (2020: £nil drawdown)

Financials: Net debt

Leverage reduced to 2.1x with sufficient liquidity available to support the Group's strategy

Year ended 31 December	Par Value £m	Issue costs/ Premium £m	Total £m
Bonds	(500.0)	(17.9)	(517.9)
Term loans / RCF	(1,582.4)	8.1	(1,574.3)
Interest accrual	(7.6)	-	(7.6)
Gross cash debt	(2,090.0)	(9.8)	(2,099.8)
Cash			749.8
Subtotal			(1,350.0)
Cash held on behalf of customers			(396.1)
Fair value of swaps held against debt instruments			(26.1)
Short term investments / deposits held			171.2
Balance held with PSP			172.4
Finance lease debt			(30.9)
Adjusted net debt pre IFRS 16			(1,459.5)
Finance lease liabilities IFRS 16			(307.1)
Adjusted net debt post IFRS 16			(1,766.6)
Underlying EBITDA post IFRS 16			843.1
Leverage ratio post IFRS 16			2.1x

- **Net debt post IFRS £1,767m or 2.1x**
 - Excluding £105m FX loss, leverage ratio of **2.0x** despite Covid-19
- **Total accessible cash¹ £697m**, up from £260m at 31 December 2019
- Next material refinancing not until 2023
- **Interest cost c3.5%** of gross debt excluding IFRS 16 leases



(1) Accessible cash reflects cash plus deposits held plus PSP balances less cash held on behalf of customers

