



RESULTS FOR THE YEAR ENDED
31 DECEMBER 2020

18th March 2021



BRIAN MATTINGLEY, CHAIR

JON MENDELSON, CHAIR DESIGNATE

ITAI PAZNER, CEO

INTRODUCTION



AGENDA

Itai Pazner | Introduction & 2020 Highlights

Yariv Dafna | Financial Review

Itai Pazner | Growth Strategy

Q&A

2020 HIGHLIGHTS

Record Results

- ◎ Record revenues, Adjusted EBITDA and Adjusted EPS
- ◎ Enhanced focus on customer protection & safer gambling
- ◎ Market share gains in key regulated markets
- ◎ Product-leadership strategy accelerated
 - ◎ Rollout of *Control Centre*, an industry-leading safer gambling product set
 - ◎ Maintaining 888casino leadership through content expansion and new AI features
 - ◎ Rollout of the new 888sport, bringing sport in-house for the first time
 - ◎ Rollout of Poker8, a leading recreational poker platform
- ◎ Marketing machine driving record new customer volumes
- ◎ Strong US revenue growth, platform to scale up, proprietary Sport platform launching in 2021
- ◎ Strong balance sheet and cash generation





YARIV DAFNA, CFO | FINANCIAL REVIEW



2020 FINANCIAL HIGHLIGHTS

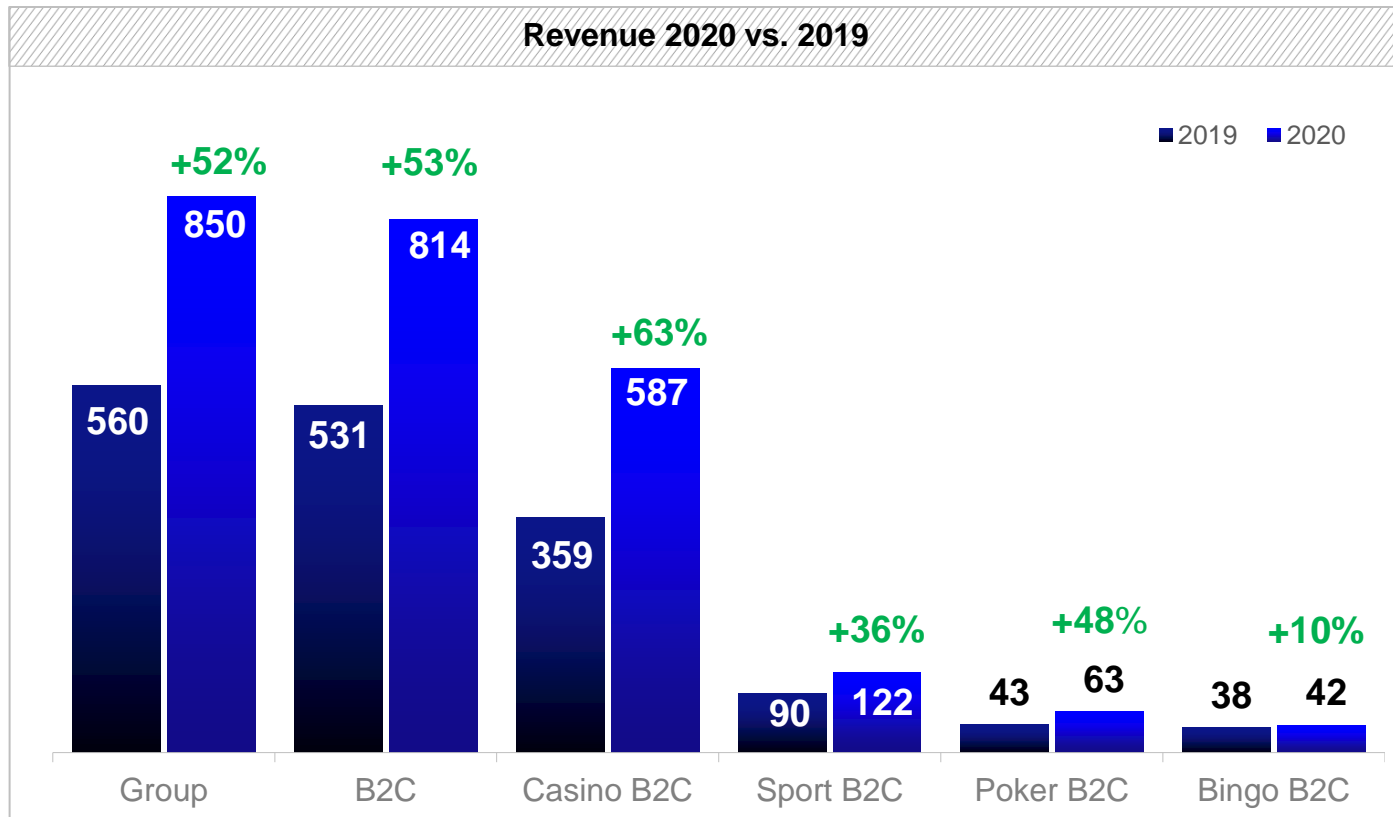
Record revenues, Adjusted EBITDA and Adjusted EPS

Pro forma		2020	2019	YOY
Revenue	B2C	814	531	53%
	B2B	35	30	19%
	Total	850	560	52%
Profitability	Adjusted EBITDA	156	92	69%
	Adjusted EBITDA Margin	18.3%	16.4%	Up 1.9ppc
	Adjusted EPS	27.3c	13.5c	102%
Financial Position	Free Cash Flow*	146	58	153%
	DPS (Dividend)	18.0c	6.0c	200%
	Net cash position**	116	42	175%

- ⦿ 42% growth in FTDs, supporting total revenue growth of 52%
- ⦿ Adjusted EBITDA up 69% to \$156m (2019: \$92m)
- ⦿ Adjusted EBITDA margin at 18.3% (2019: 16.4%)
- ⦿ Adjusted Basic EPS at \$27.3c, up 102% (2019: \$13.5c)
- ⦿ Dividend at \$18.0c (2019: \$6.0c)

RECORD ANNUAL REVENUE

Strong growth in all product verticals, driven by product-leadership strategy

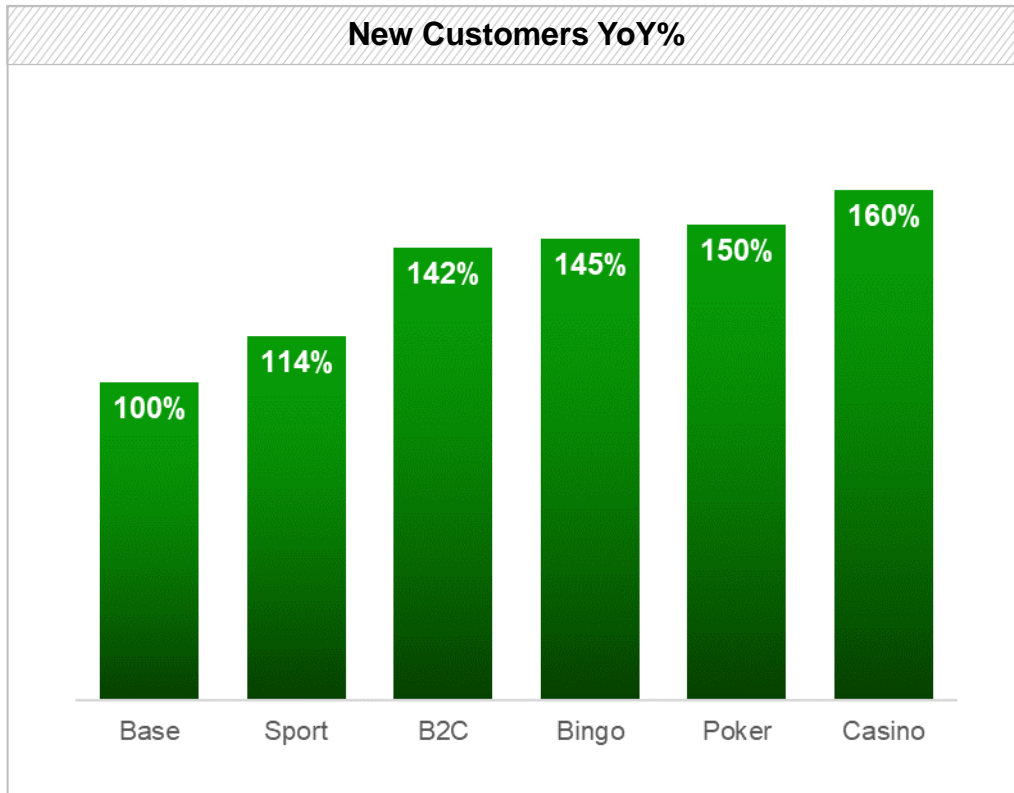


- Casino up **63%** to **\$587m** (2019: \$359m), driven by a strong product suite, content launches, AI and effective marketing
- Sport up **36%** to **\$122m** (2019: \$90m), with 73% growth in H2 2020 driven by the return of major sporting events, and the launch of in-house products
- Poker up **48%** to **\$63m** (2019: \$43m), with a strong reaction to the Poker8 roll-out, supported by marketing investments to drive FTDs
- Bingo up **10%** to **\$42m** (2019: \$38m), with **5%** like-for-like growth boosted by the acquisition of Jet Bingo

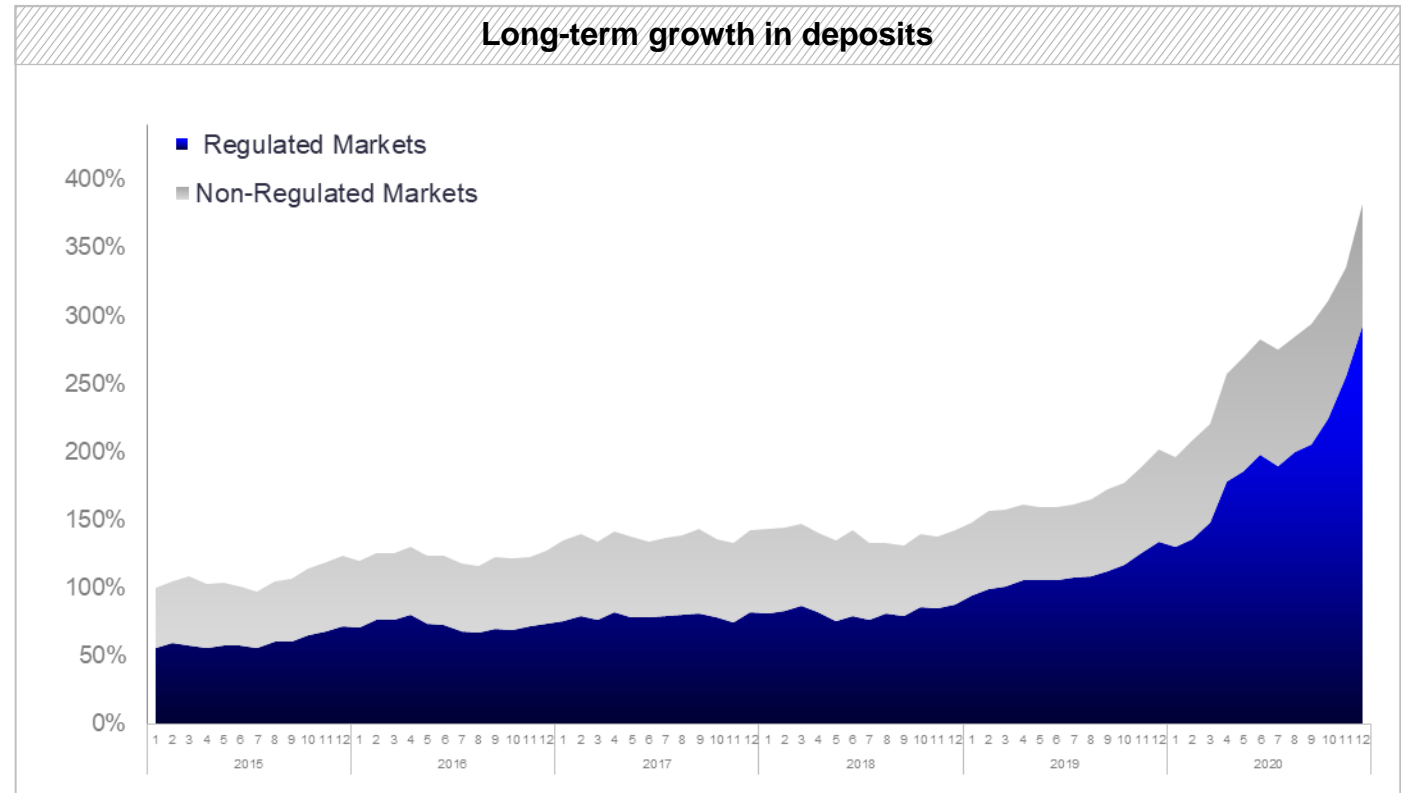
GROUP REVENUE

Long-term double-digit growth profile, with significant acceleration in new customers in 2020

New Customers YoY%

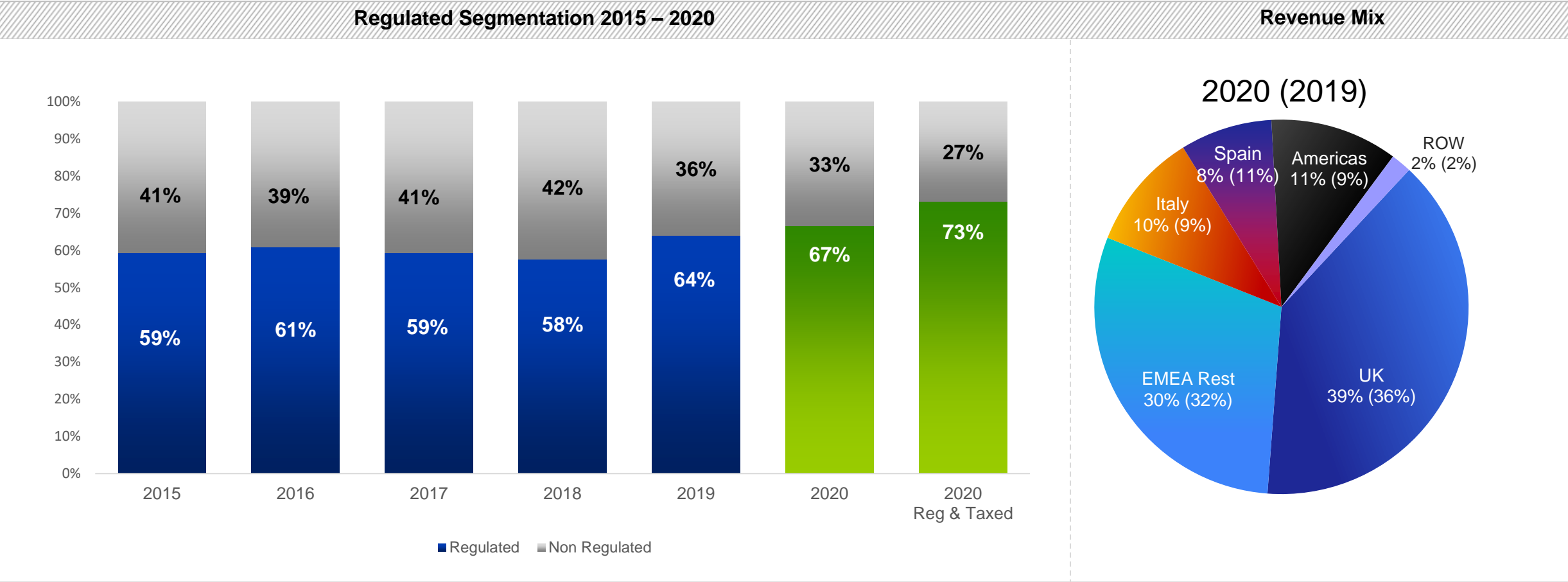


Long-term growth in deposits



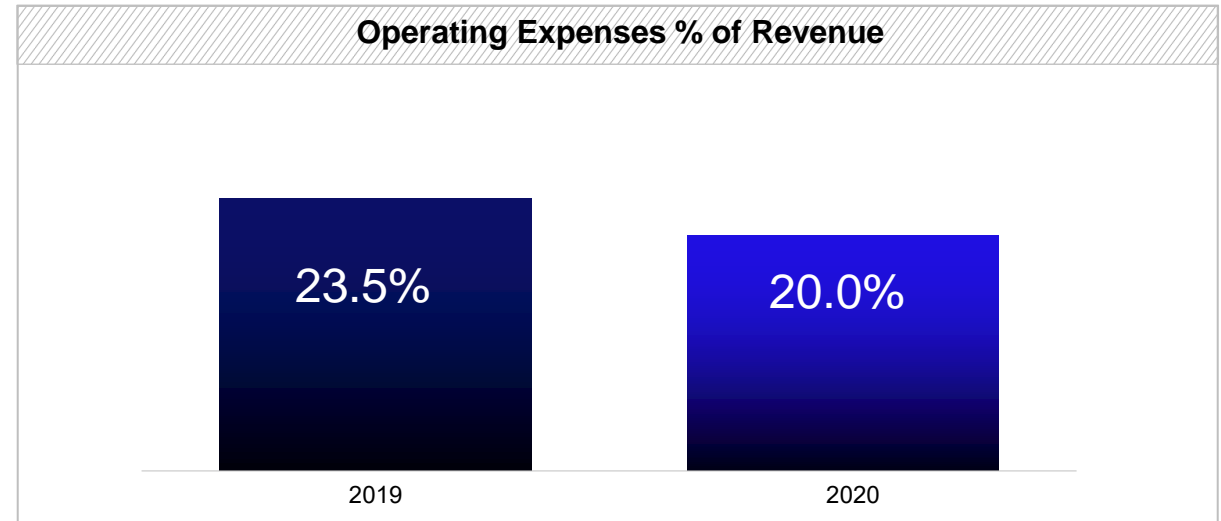
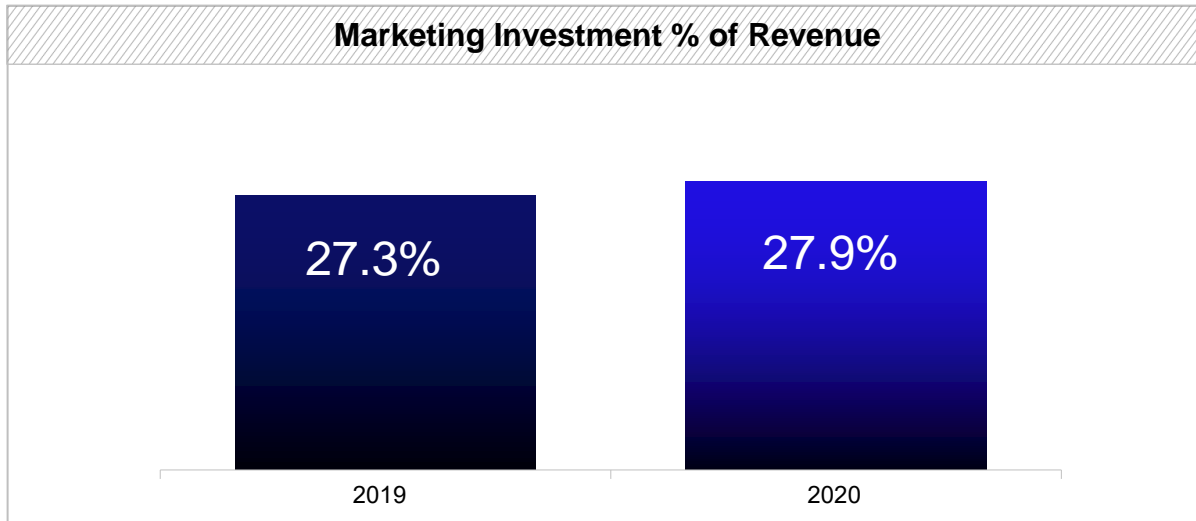
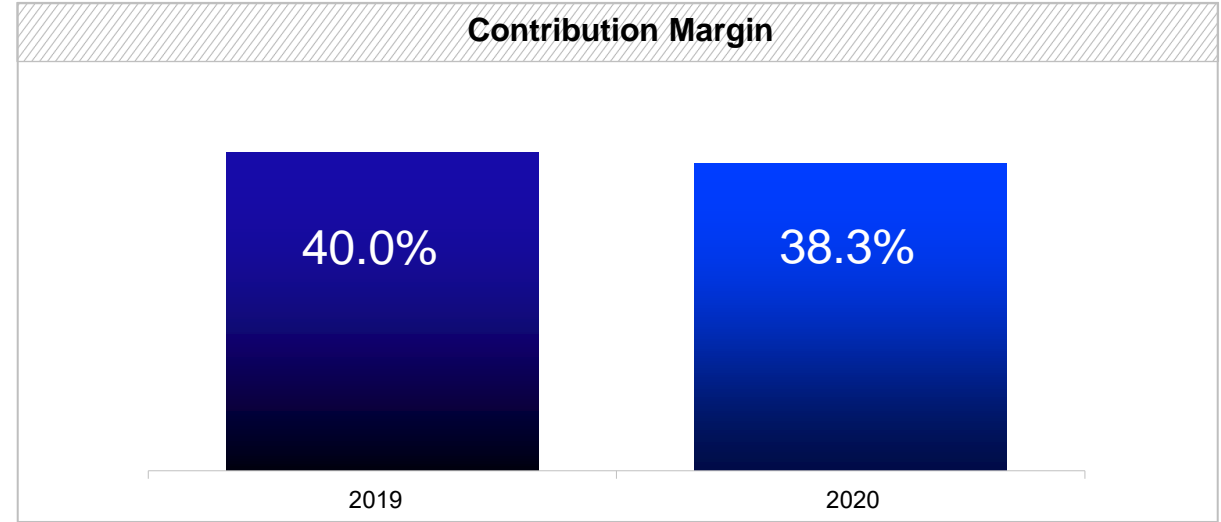
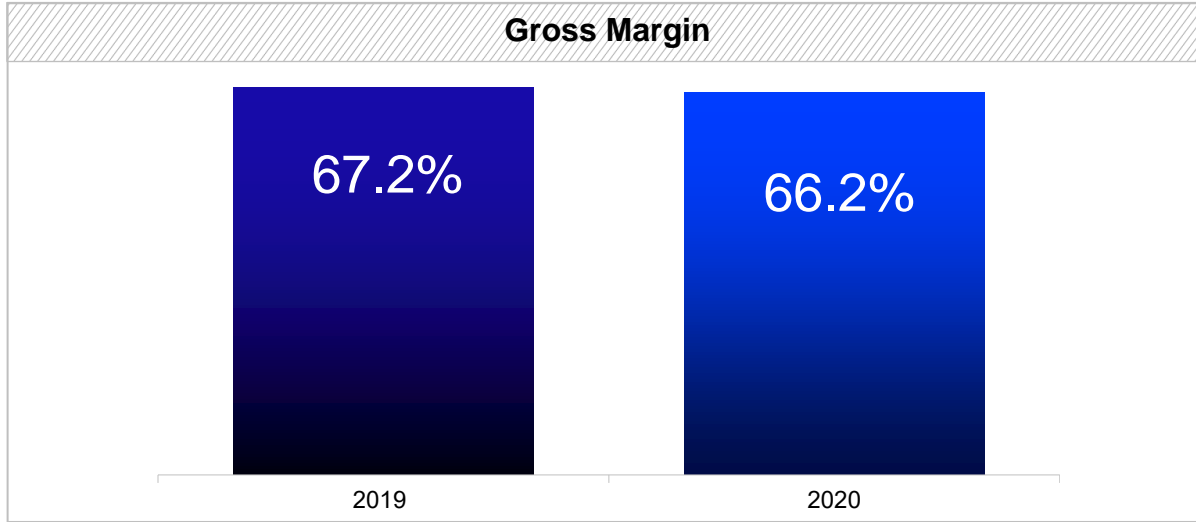
DIVERSIFIED REGULATED MARKET LEADER

Regulated markets revenue up 58%, with strong market share gains in key regulated markets



OPERATIONAL MARGINS

Regulated market growth with scale benefits from operating expenses



ADJUSTED EBITDA

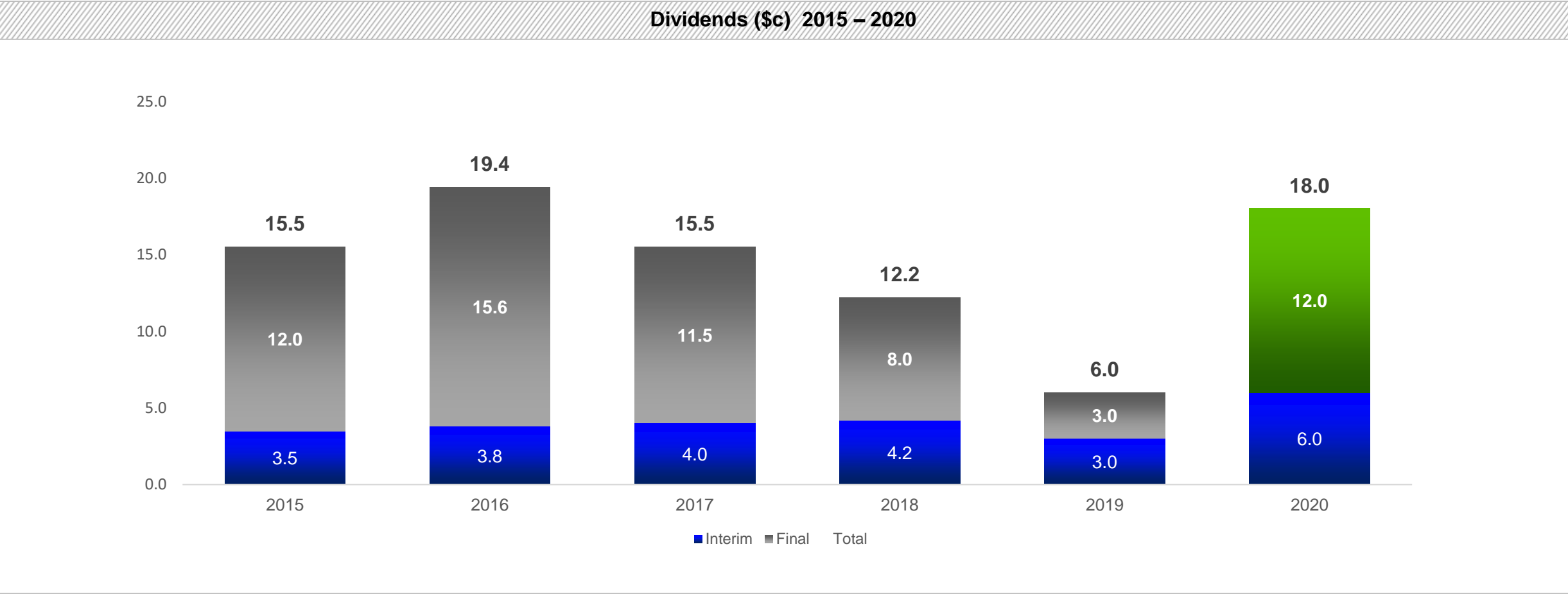
69% increase reflecting high returns on marketing and operational gearing

US\$m		2020	2019	YOY
Revenue	Group revenue	850	560	52%
Direct Costs	Cost of Sales	287	184	56%
	Gross Profit	563	377	49%
	Gross Profit margin	66.2%	67.2%	(1.0)pp
Marketing investment	Marketing Expenses	237	153	55%
	Contribution	326	224	45%
	Contribution margin	38.3%	40.0%	(1.7)pp
Adjusted EBITDA	Operating Expenses	170	132	29%
	Adjusted EBITDA	156	92	69%
	Adjusted EBITDA margin	18.3%	16.4%	1.9pp

- Strong revenue growth across verticals and Line of Businesses
- Gross profit margin slightly lower, driven by regulated markets expansion, with gaming taxes up 59% to \$152m
- Data-driven marketing investment with an increase of 55%, leading to a 1.7 percentage point decrease in contribution margin, supporting a 42% increase in new customer acquisition
- Efficient operating cost growth, leading to a 1.9 percentage point increase in EBITDA margin and an absolute increase of 69% in Adjusted EBITDA

DIVIDEND

Dividend \$18c comprise of \$6c interim and \$12c final



CURRENT TRADING & OUTLOOK

Strong underlying momentum, driven by product and marketing excellence

	2020	2021 Commentary
Revenue	+52%	Strong year-to-date trading, driven by continued high levels of acquisition, successful new product launches, digital consumption trend and current worldwide situation. Low growth expected for 2021, given tough basis of comparison from Q2 onwards and regulatory items
Regulatory	2020 Base	Annualised impact of regulatory changes and safer gambling policies expected to be a headwind to revenue of \$70-100m million before mitigation
Adj. EBITDA Margin	18.3%	Adj. EBITDA margin stable, before increased investment in USA B2C
USA B2C	(\$9m)	Adj. EBITDA loss is expected to increase by approximately \$10 million
Capex	(\$32m)	Similar capex, reflecting ongoing development of US platform and Sport product deployment
Tax*	Circa 14% Effective Tax Rate	Slightly higher tax rate



ITAI PAZNER, CEO | GROWTH STRATEGY



STRATEGIC PRIORITIES

- ◎ Safer gambling
- ◎ Market share gains in high-growth regulated markets
- ◎ Product-led differentiation
- ◎ Data-driven investments
- ◎ Build position to scale up the USA
- ◎ Strategically attractive M&A



SAFER GAMBLING

Safer. Better. Together strategy roll-out, with 8 commitments

1

CULTURE OF RESPONSIBILITY

We are committed to change within our business, creating a culture of responsibility that ensures safer gambling and transparency is a priority for everyone in our business

2

PREVENTING HARM

We are committed to identifying those potentially at risk of harm and restricting and supporting them at the earliest point

3

RAISING STANDARDS

We are committed to collaborating with relevant stakeholders to develop a shared knowledge base and stronger overall standards for safer gambling.

4

RESEARCH, EDUCATION AND TREATMENT

We are committed to continuous investment in programmes of Research, Education and Treatment (RET) to address gambling harm, and ways to help prevent it

5

TRANSPARENCY

We are committed to ensuring customers have transparency about their gambling activity, with quick, simple and intuitive ways to monitor their activity in real time

6

STAYING IN CONTROL

We are committed to providing the most advanced safer gambling tools

7

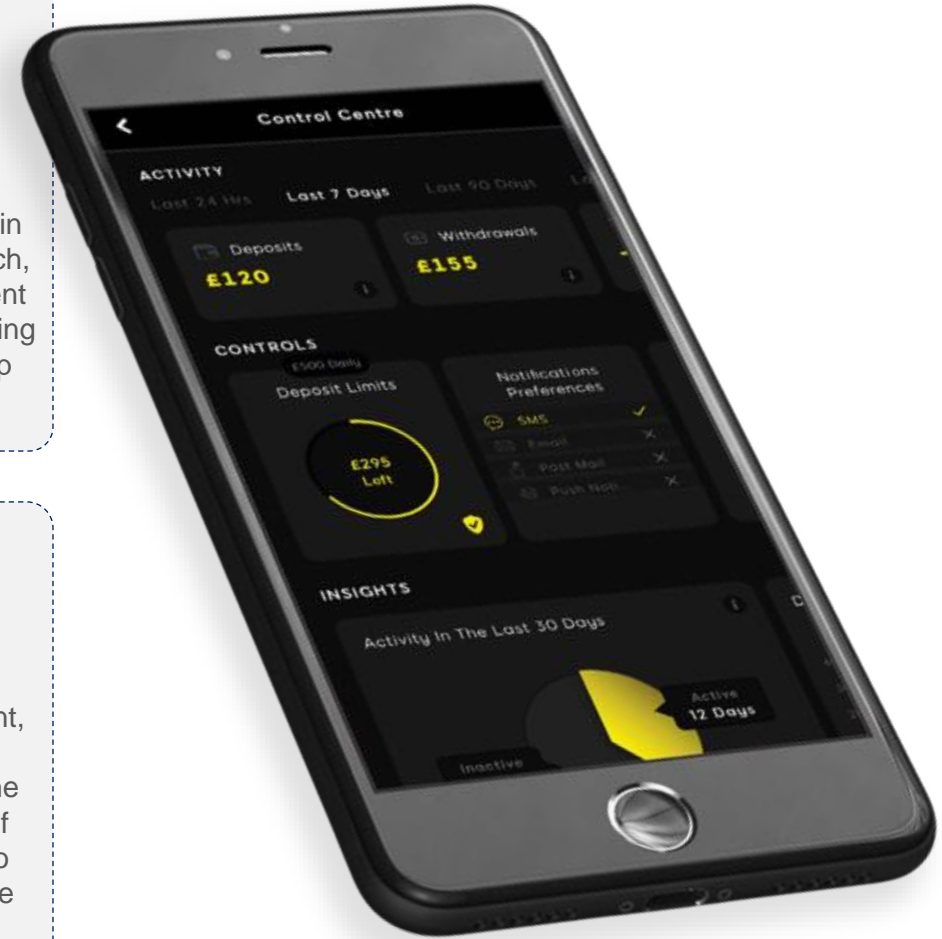
RESPONSIBLE ATTITUDES

We are committed to promoting responsible attitudes, providing information, education and encouragement to our players to gamble safely

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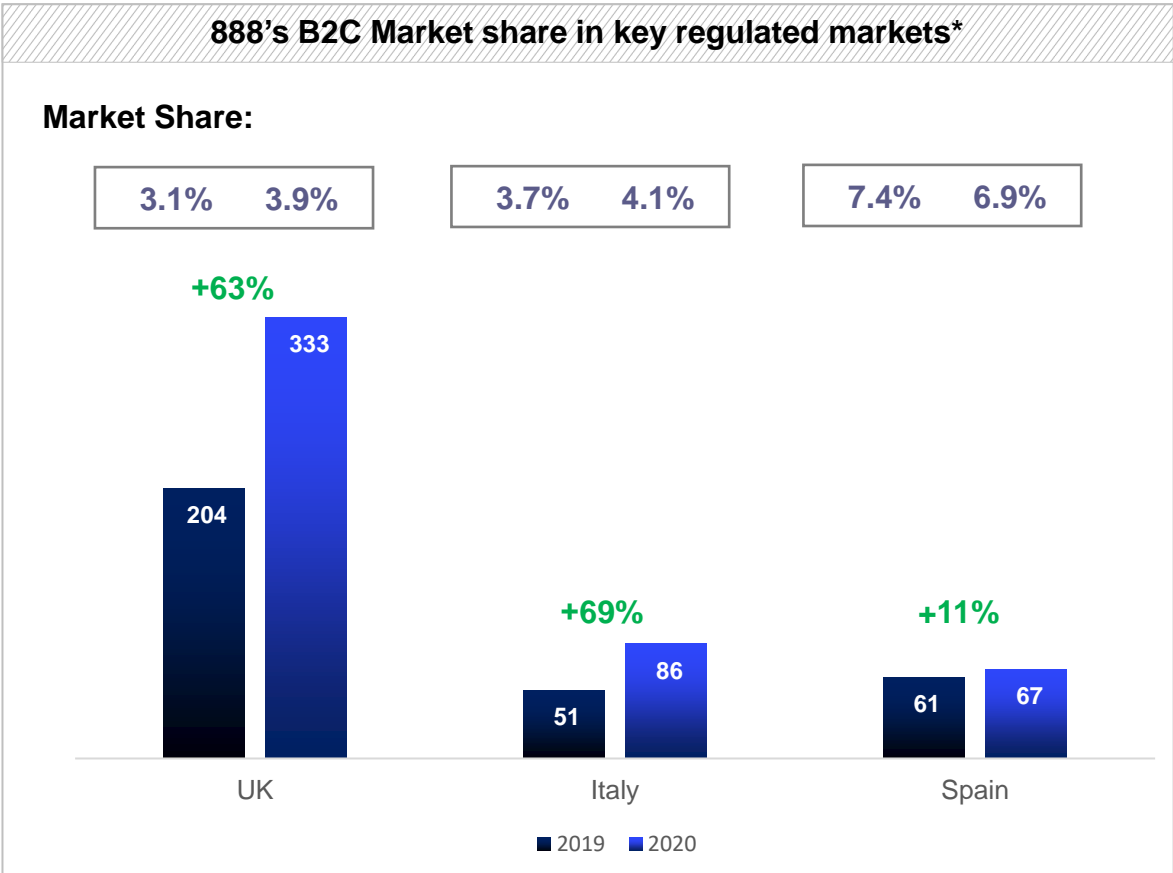
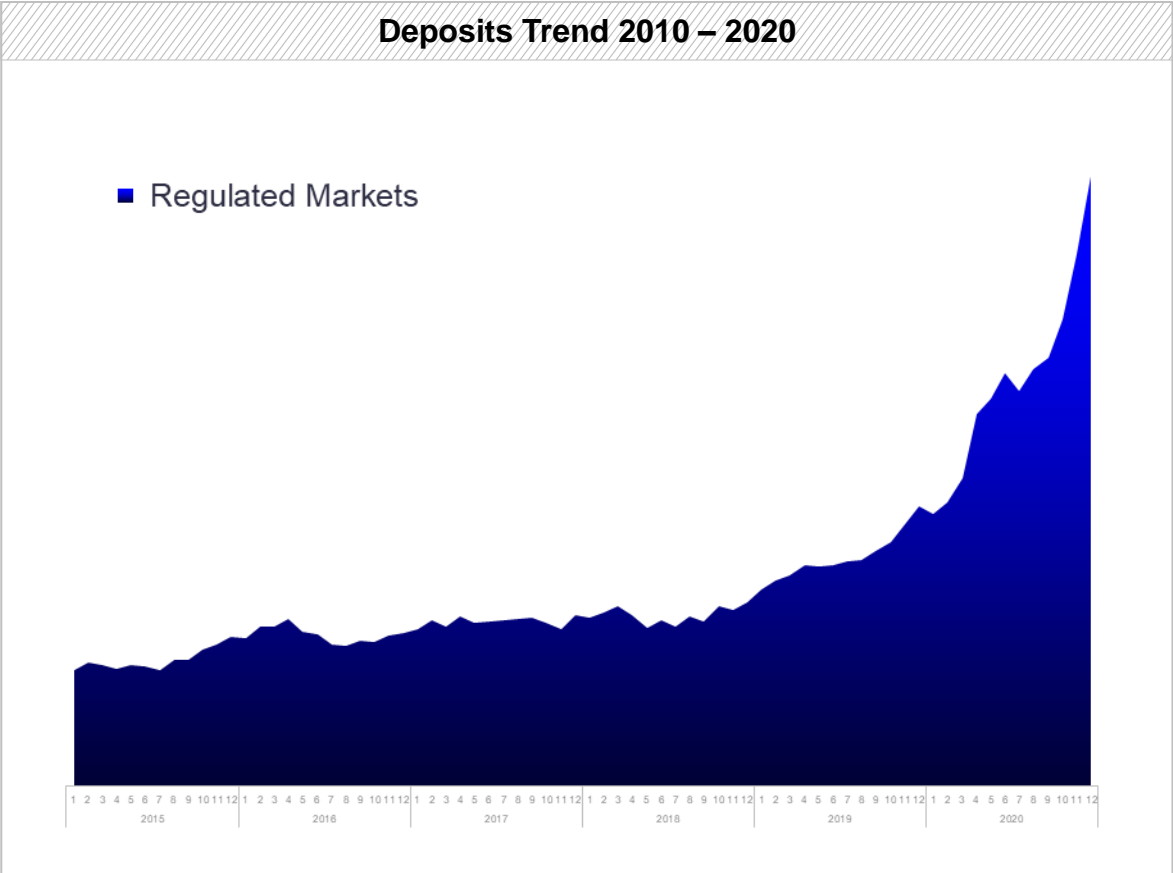
CONTINUOUS PROGRESS

We are committed to continuous improvement, building a deeper understanding about the causes and markers of harm, and using this to drive continued positive change.



MARKET SHARE GAINS IN REGULATED MARKETS

Product-leadership and data-driven investments driving strong returns



*UK B2C MS based on H2GC, Italy – FY based on regulator reporting, Spain – YTD Sep, based on regulator reporting deducting of Horse Racing volume



888'S PRODUCT PRINCIPLES



SAFETY

All products must make gambling safe and fun



USABILITY

Quick, simple and intuitive products



CONTENT-RICH

Enable customers to access the content they want



ENTERTAINMENT

Use AI and gamification to serve the right content to the right players at the right time



SCALABILITY

Build once and deploy broadly to drive superior ROI

PRODUCT LEADERSHIP: 888poker

Redefining the recreational poker experience

◎ SAFETY:

- ◎ Easy access to the Control Centre

◎ USABILITY:

- ◎ Next-gen, portrait-first mobile app
- ◎ Placing the focus on the poker table
- ◎ Poker8 loads at 2x the speed of the previous app

◎ CONTENT-RICH:

- ◎ Easy access to sports and gaming
- ◎ Discoverability

◎ ENTERTAINMENT:

- ◎ Richer gameplay
- ◎ Focus on in-game entertainment, with throwable items, avatars, emojis, player tags, gift drops

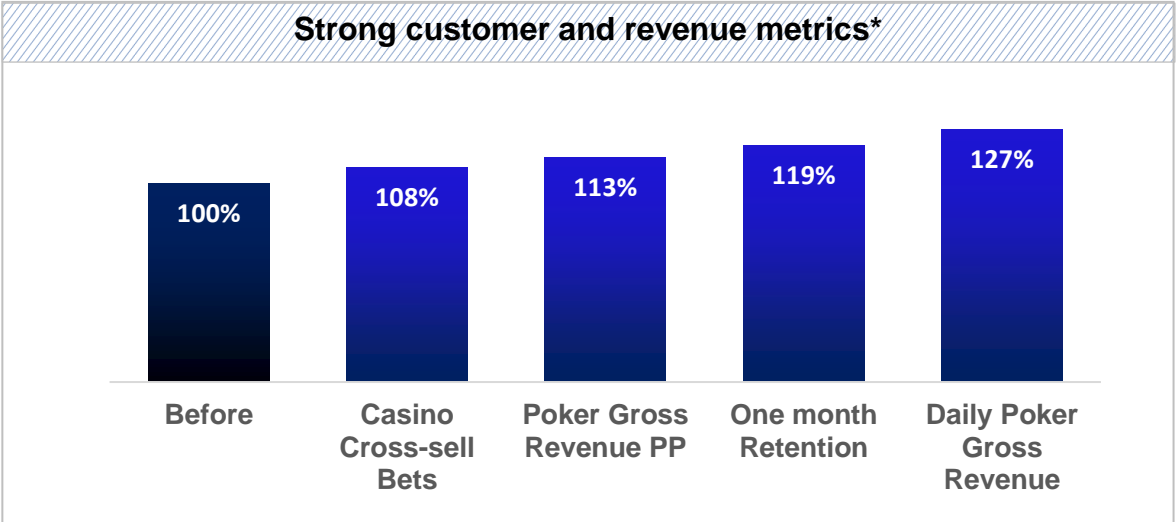
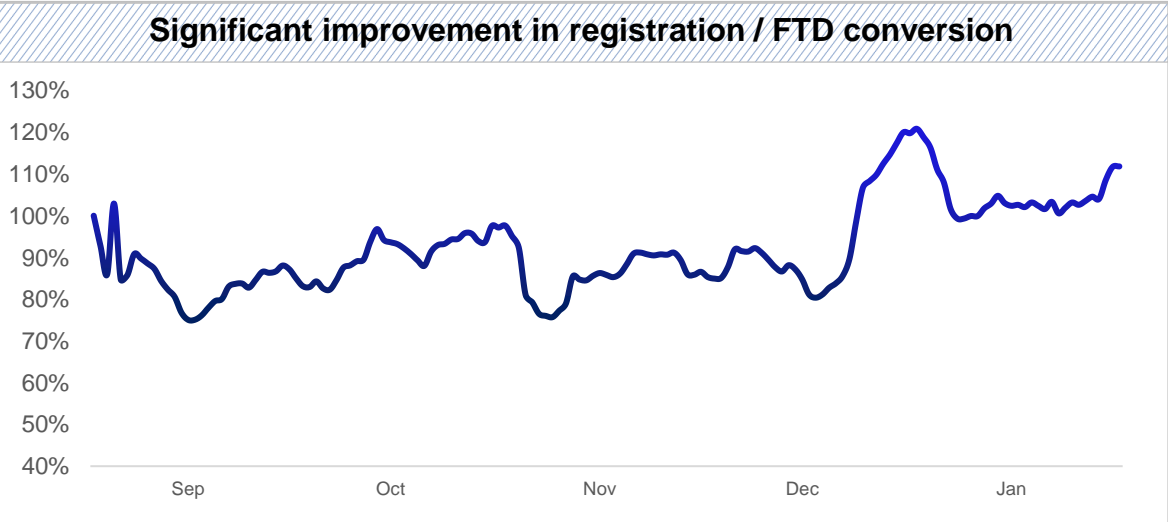
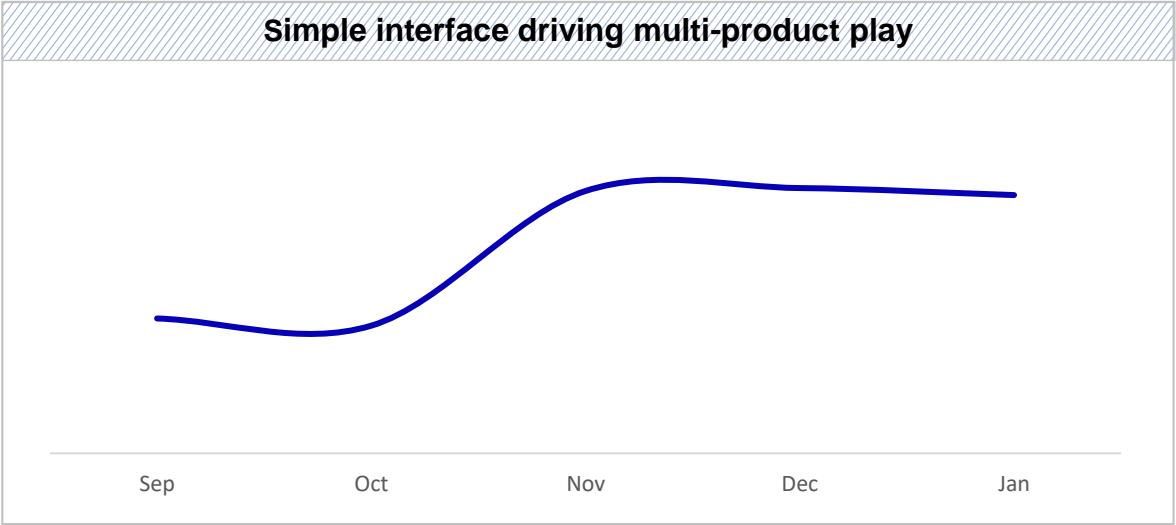
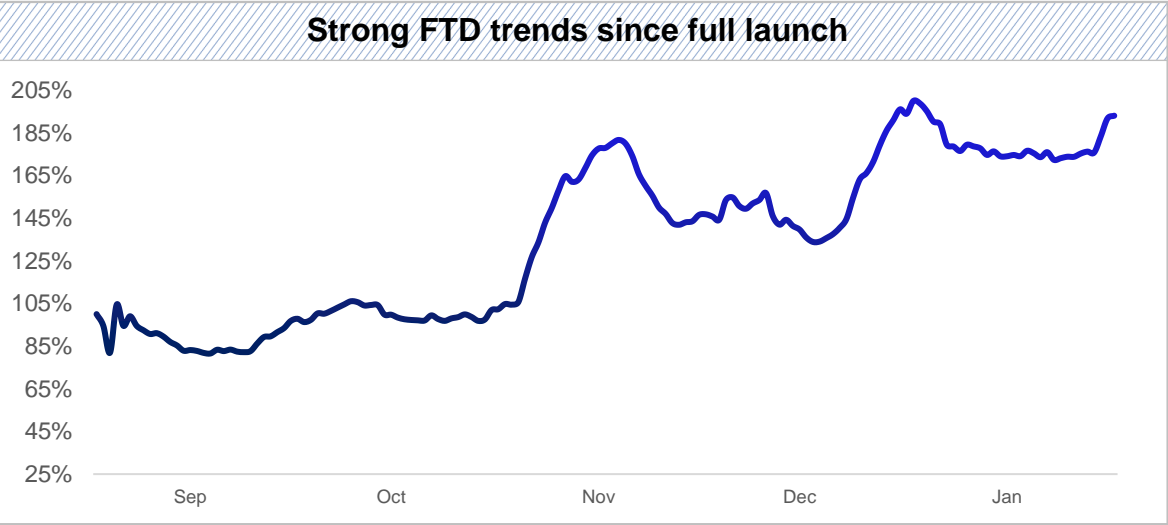
◎ SCALABILITY:

- ◎ Gradually rolled out almost all markets during 2020
- ◎ Set for roll-out in the US in 2021



PRODUCT LEADERSHIP: 888poker

Driving activity and engagement with superior products



PRODUCT LEADERSHIP: 888sport

Differentiated in-house sports platform

◎ SAFETY:

- ◎ Easy access to the Control Centre

◎ USABILITY:

- ◎ Next-gen, responsive app
- ◎ Quick, simple betslip
- ◎ Loads 30% faster than the previous app

◎ CONTENT-RICH:

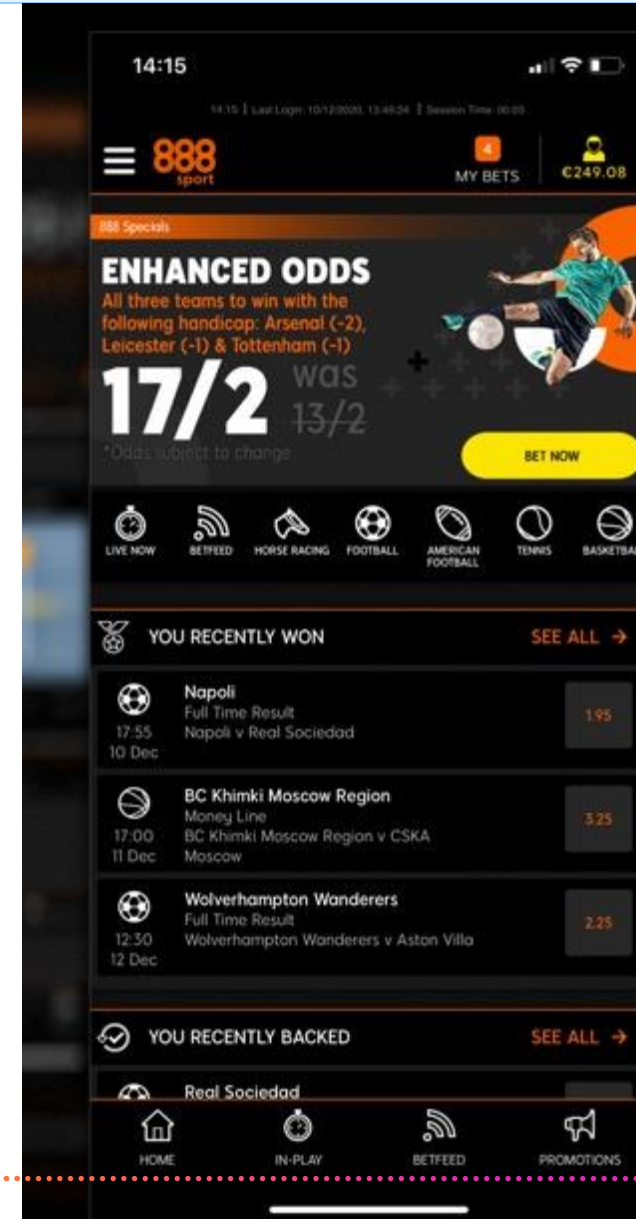
- ◎ Growing depth and breadth of markets
- ◎ Easy access to gaming and poker

◎ ENTERTAINMENT:

- ◎ Enhanced personalisation
- ◎ Betfeed: providing live, relevant, trending bet opportunities
- ◎ Betfinder: making it quick, simple and fun to narrow the field

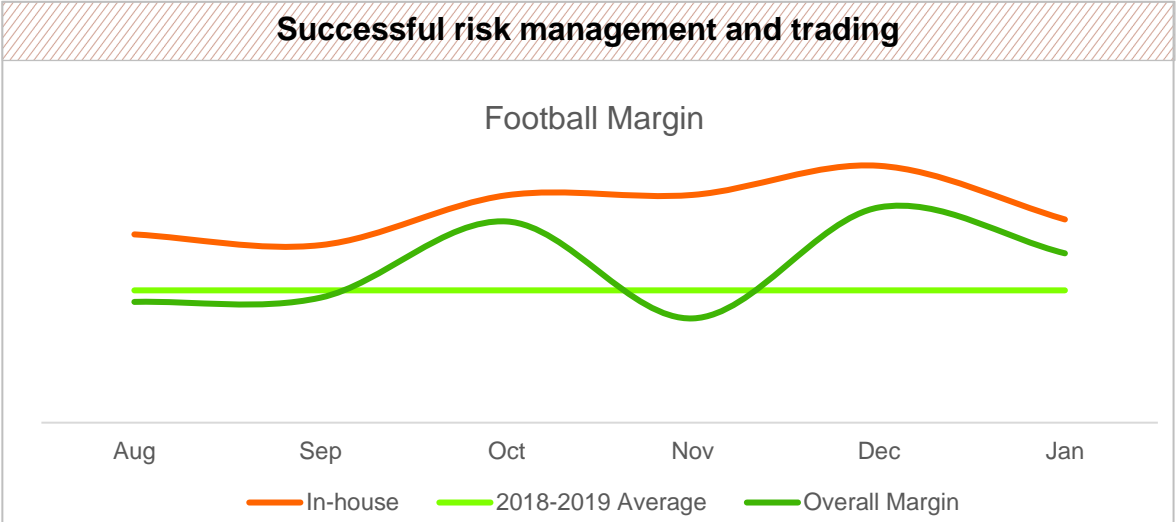
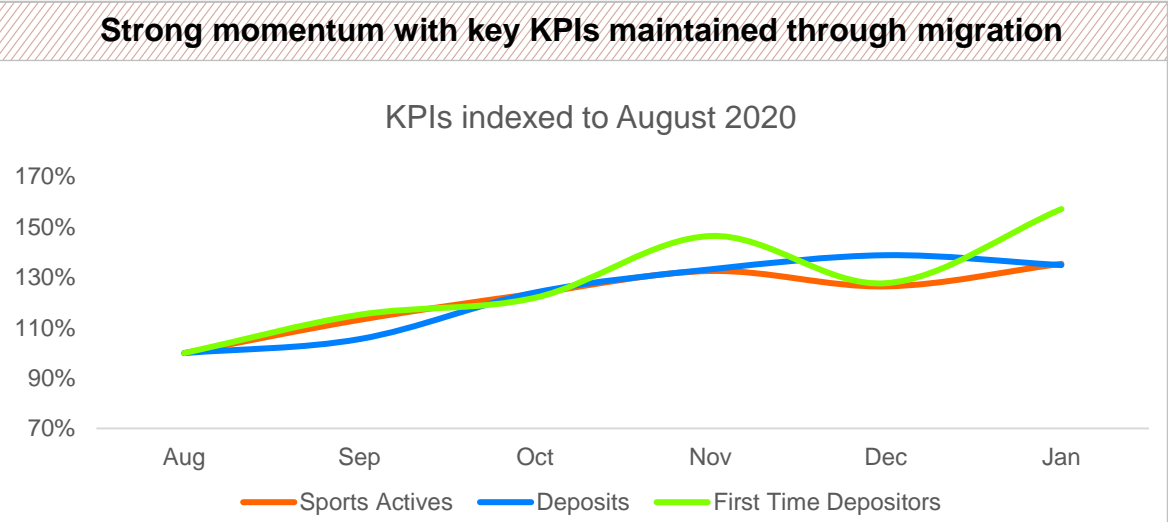
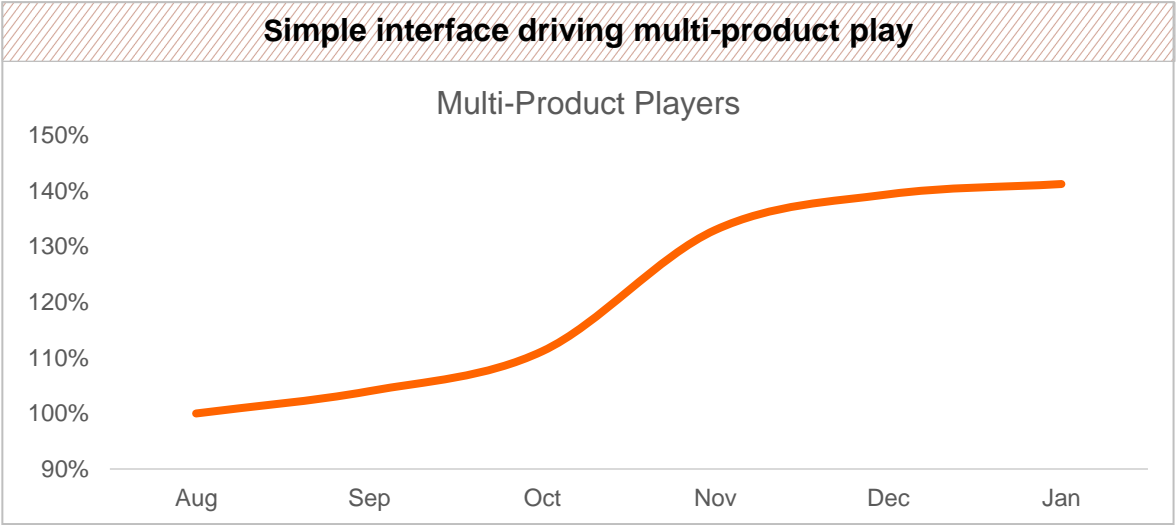
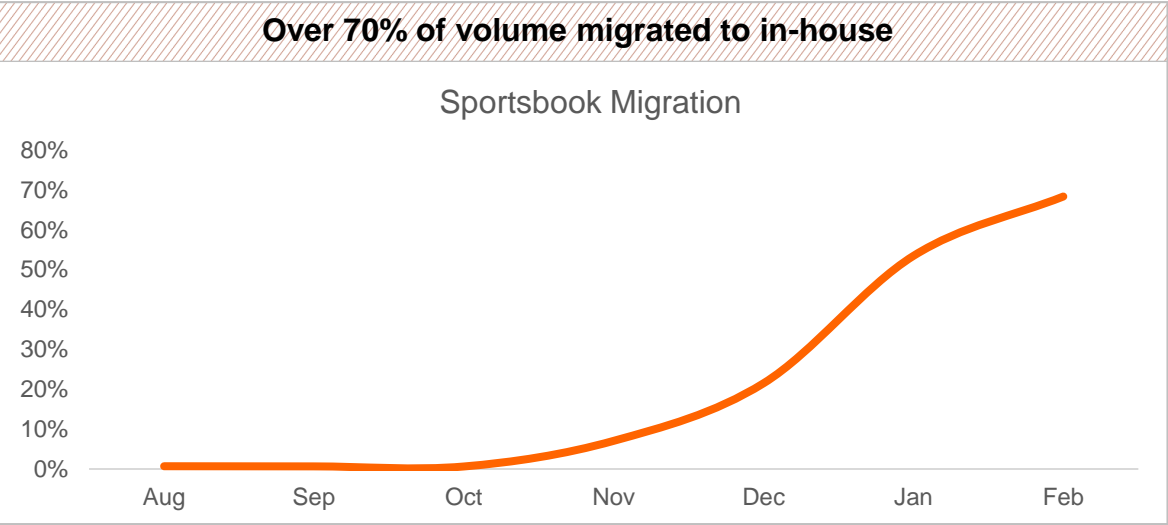
◎ SCALABILITY:

- ◎ >70% of 888sport business now transacting in-house
- ◎ Set for roll-out in the US in 2021



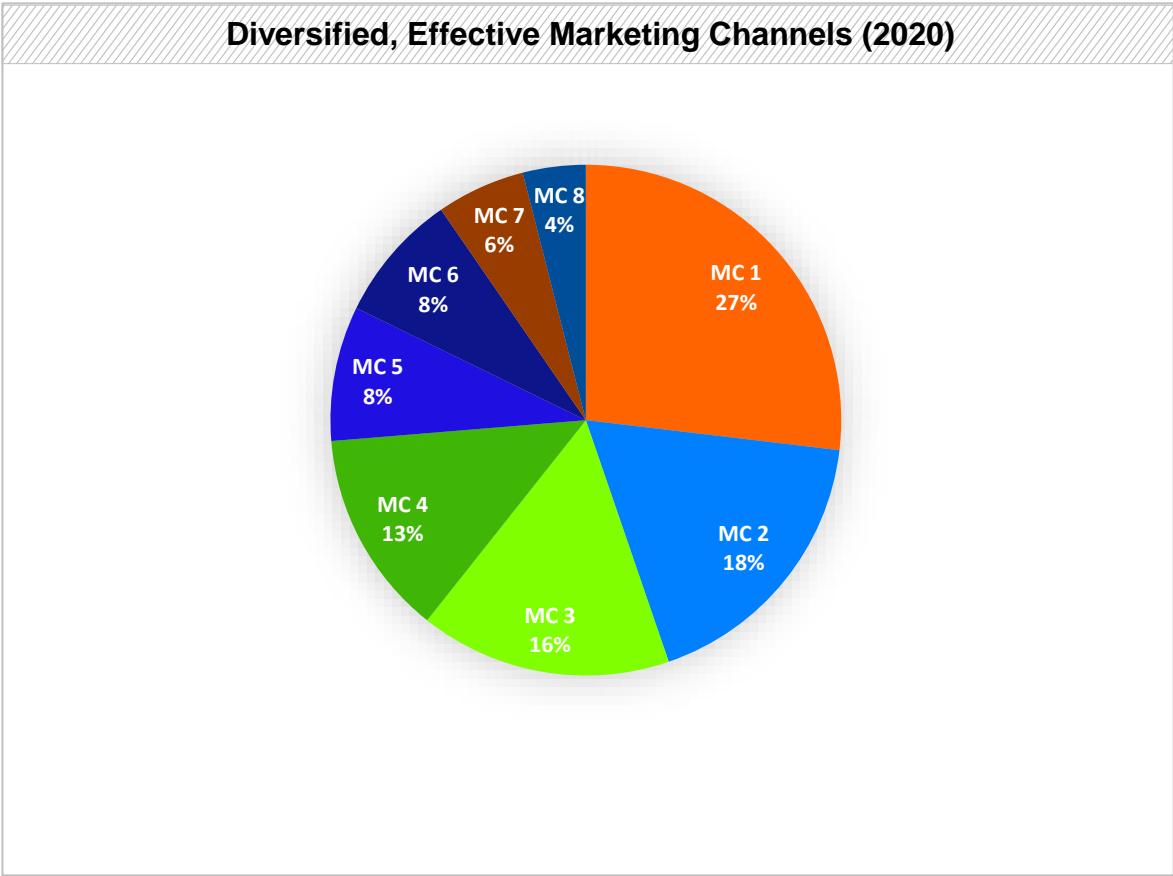
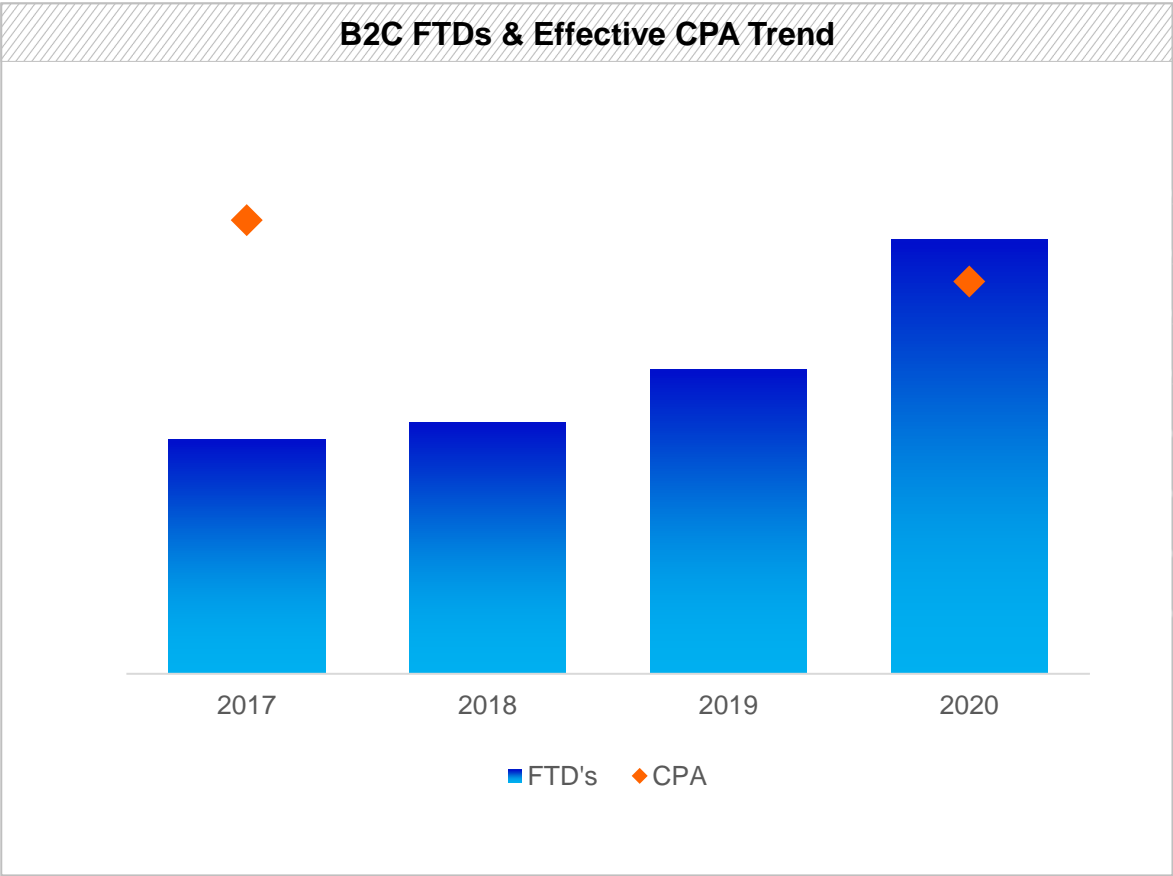
PRODUCT LEADERSHIP: 888sport

Successful in-house migration, driving superior returns



DATA-DRIVEN INVESTMENTS

Superior return on investment through big data and AI



PLATFORM TO SCALE IN US

Foundations laid for rapid scaling up

ACCESS:

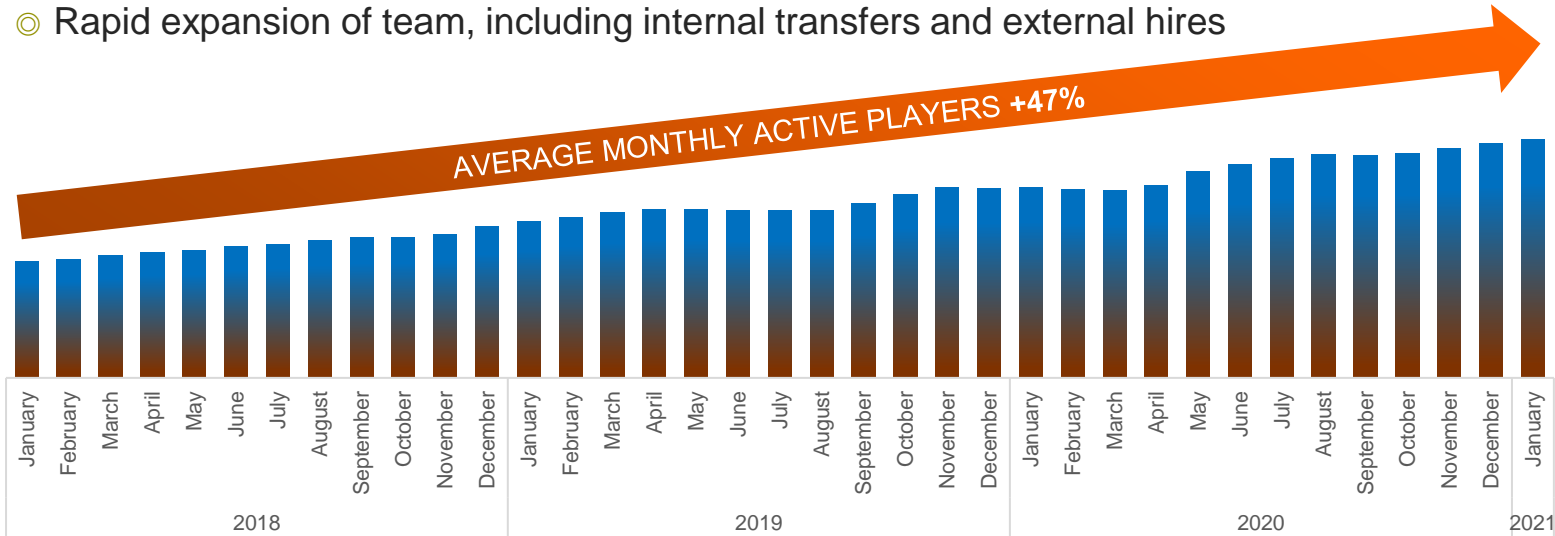
- Secured access in 3 additional states, Colorado, Iowa, Indiana, taking B2C footprint to 4
- B2B licence awarded in Pennsylvania, taking total potential footprint to 7 states
- Pipeline of additional access deals

PRODUCT-LEADERSHIP:

- Next-gen Orbit casino rolled out in Delaware in January 2021
- Poker8 roll-out in Pennsylvania, Michigan set for 2021, following multi-year WSOP extension

DATA-DRIVEN INVESTMENTS:

- Significant tech investment planned from 2021, giving greater localization and speed to market
- Rapid expansion of team, including internal transfers and external hires



SUMMARY

- ◎ Record year for 888
- ◎ Product-leadership strategy delivering strong results
- ◎ Data-driven investments and AI driving ongoing marketing effectiveness
- ◎ Well positioned to scale up in US
- ◎ Opportunity to leverage strong balance sheet to pursue non-organic expansion
- ◎ Momentum has continued into 2021 with strong current trading



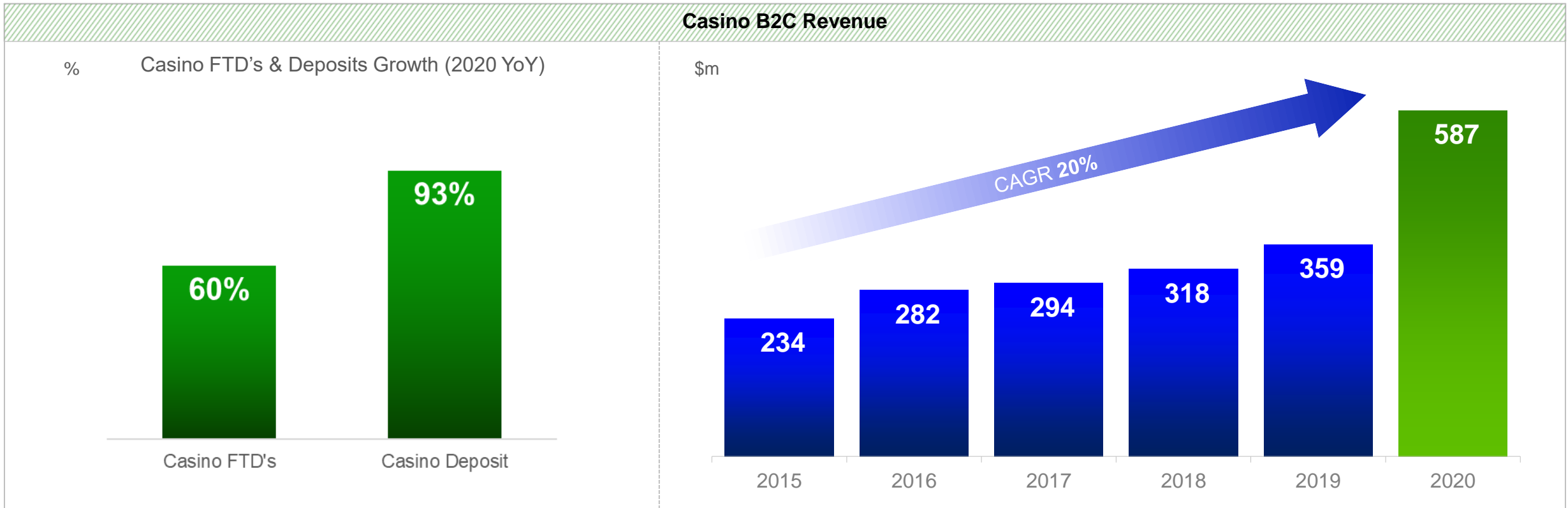


Appendix



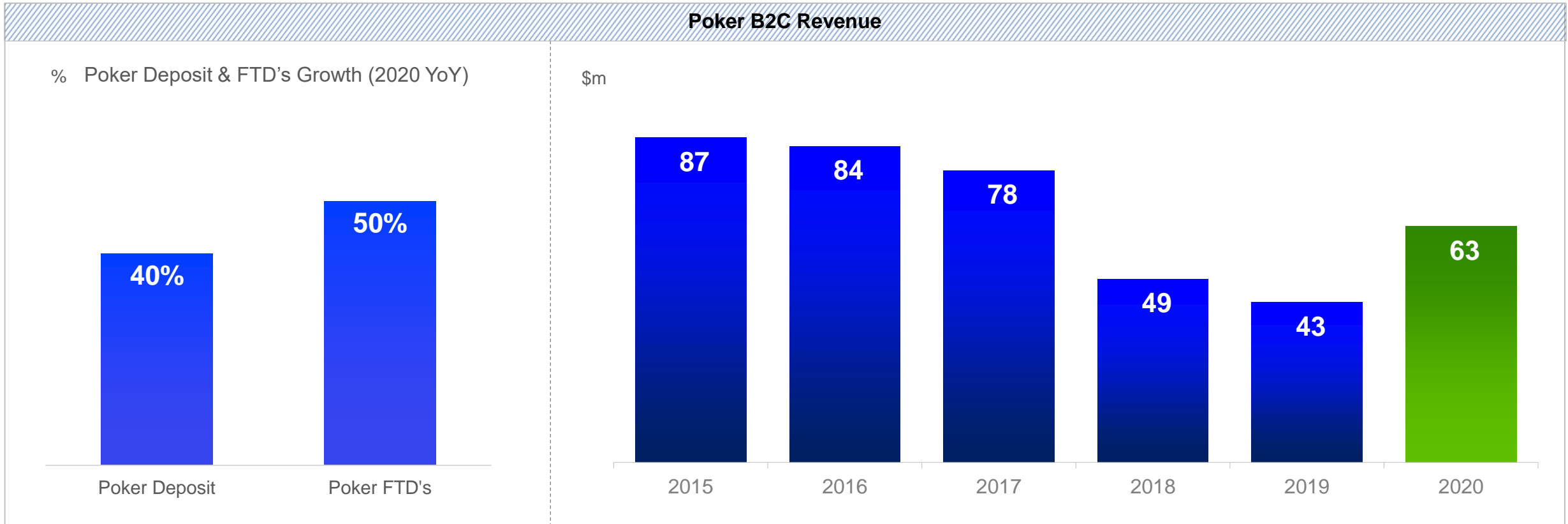
CASINO B2C REVENUE

Leading growth, driven by enhanced product suite, content and AI, supported by strong acquisition



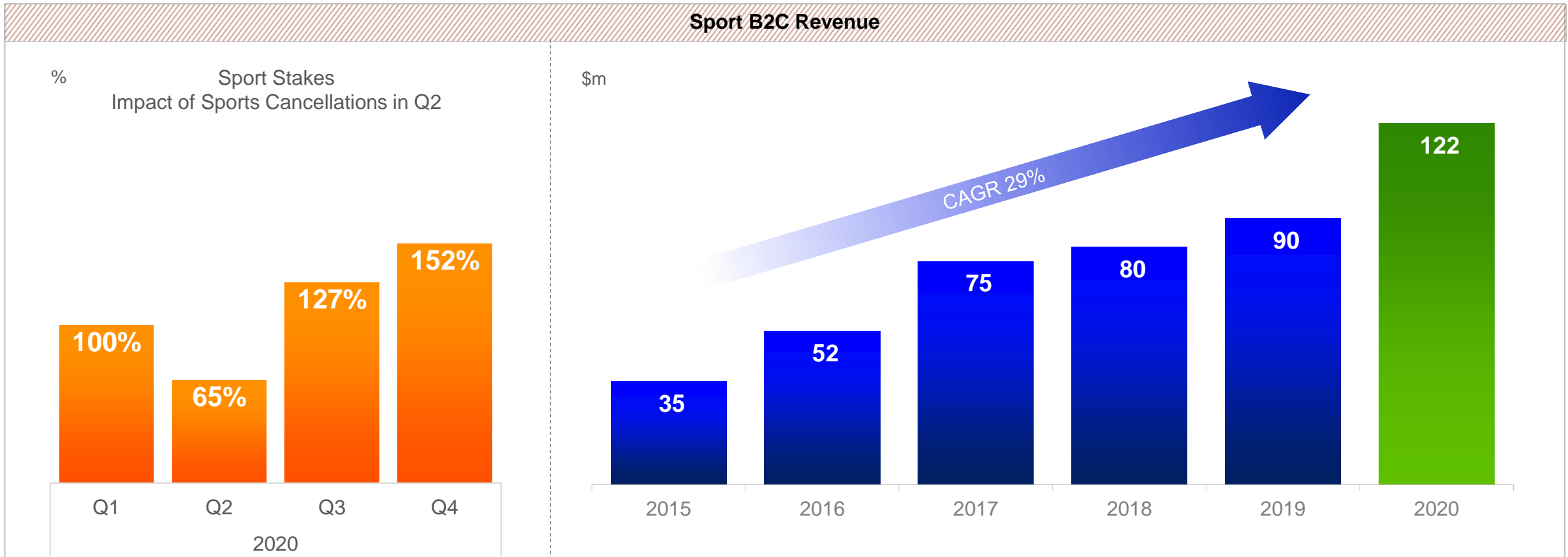
POKER B2C REVENUE

Return to growth powered by a strong reaction to Poker8 launch and effective marketing



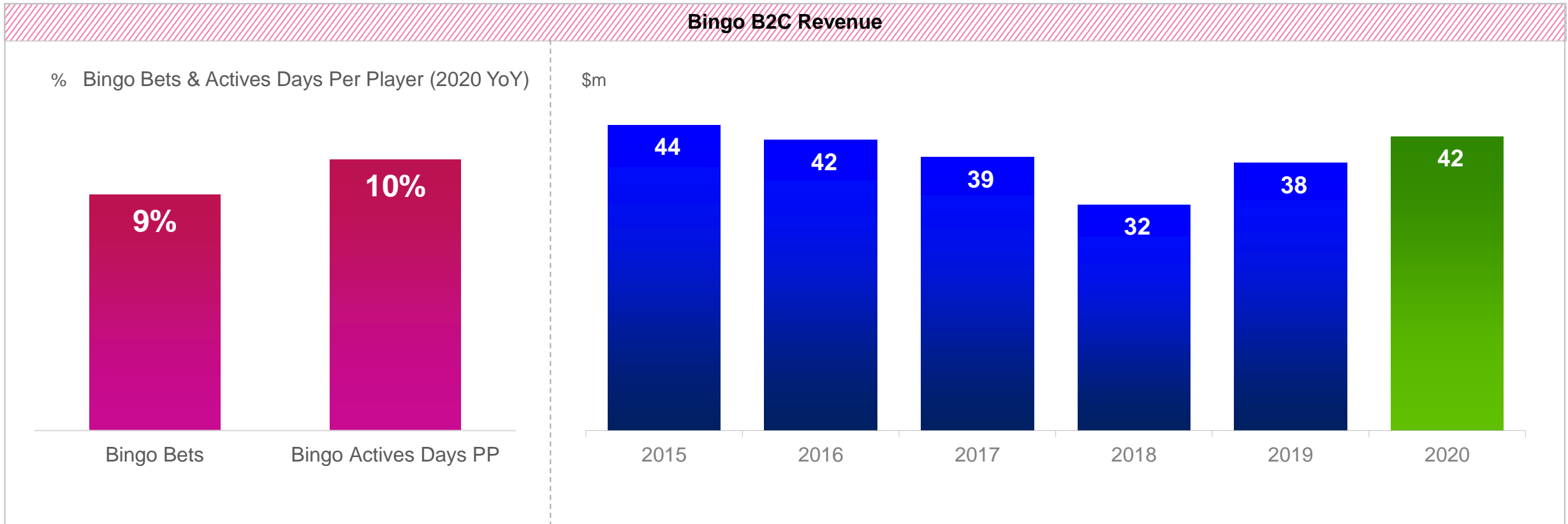
SPORT B2C REVENUE

Strong track record of growth, with in-house platform scaling up



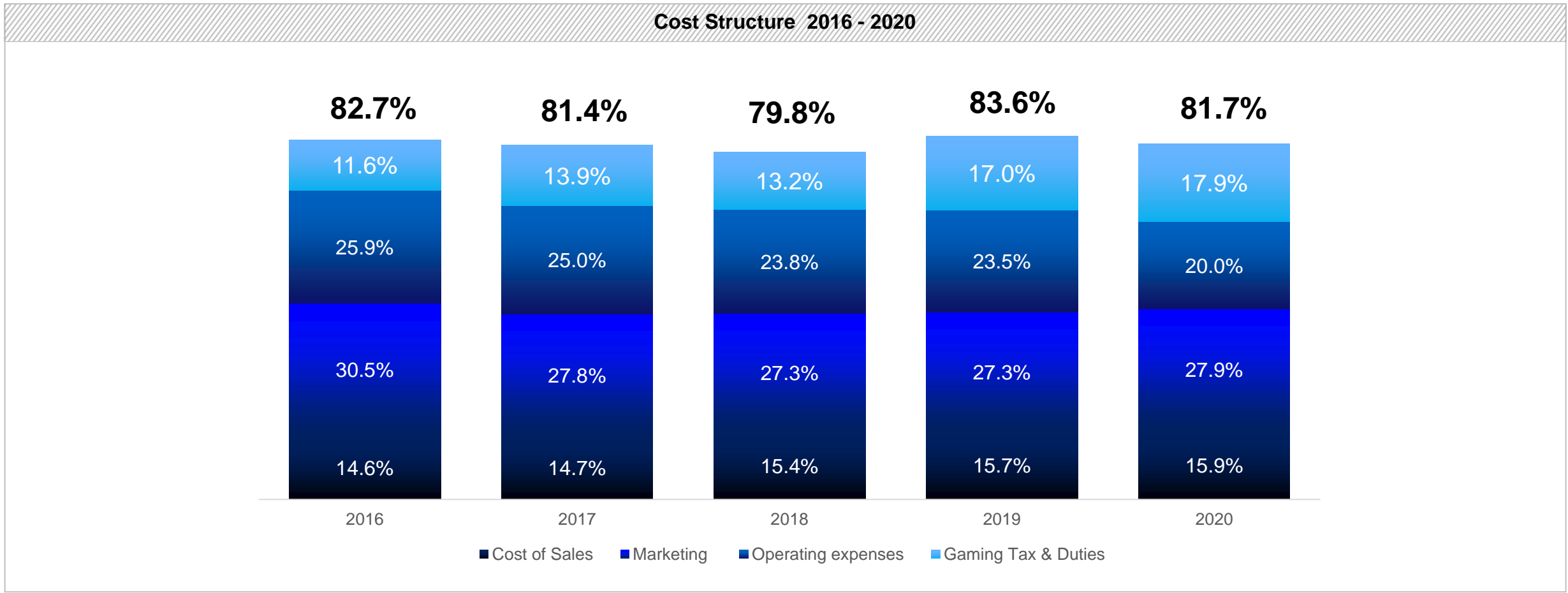
BINGO B2C REVENUE

Increases across KPI's, benefiting from new brands acquired during 2019



COST STRUCTURE

Gearing effect offset partly by Gaming duties alongside Regulated market share increasing



QUARTERLY GROUP REVENUE

Strong quarterly progress, led by Casino and Sport

Revenue Quarterly 2019-2020

US\$M	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Casino	85	90	90	94	109	151	152	174
Poker	13	10	9	10	13	23	12	15
Bingo	9	11	9	10	10	11	10	11
Sport	23	22	22	23	26	19	32	46
B2C	130	133	131	137	157	204	206	247
B2B	8	7	7	8	8	10	9	8
Group	137	140	138	145	165	214	216	255