

Analyst and Investor day

Leeds | 9 November 2017

William **HILL**



Agenda

- 11.00 Welcome and presentations
- 12.00 Tour 1
- 12.45 Tour 2
- 13.30 Buffet lunch
- 14.15 Tour 3
- 15.00 Tour 4
- 15.45 Wrap up over coffee

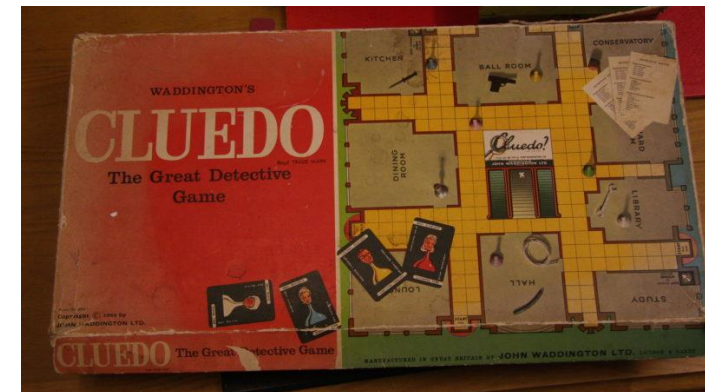
Welcome to Leeds

William **HILL**



Welcome to Leeds

1. We gave the world M&S
2. Leeds is the home of Cluedo
3. We once had Hippos in our midst
4. Now we've got Rhinos
5. We invented Jelly Tots
6. We made the most expensive furniture
7. Leeds is the beating heart of William Hill Retail



The Retail Vision

Nicola Frampton

MD UK Retail and Leeds Rhinos Supporter

9 November 2017

William **HILL**



The UK market is evolving but Retail is still important

The majority of new customers now start their betting online, but their multi-channel use is increasing

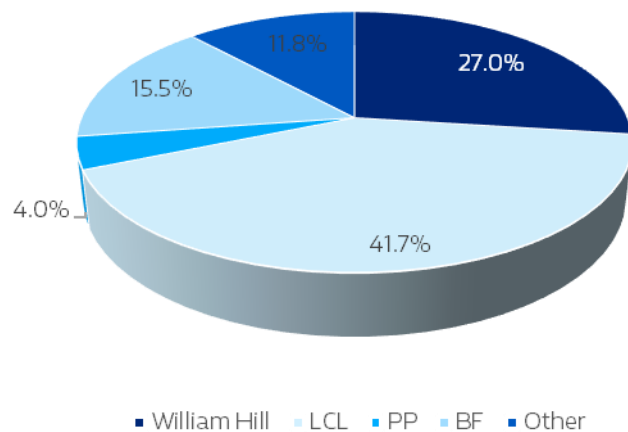
- In the last 12 months, **64%** of customers joined via online vs 35% historically
- However, **43%** of people who started gambling in the last 12 months are using multiple channels vs 21% historically

There is strong brand loyalty among multi-channel players

- Of our regular (weekly) customers who also play online, **43%** choose William Hill as their online brand
- **77%** of our regular (weekly) online customers who also play in shops, use our shops

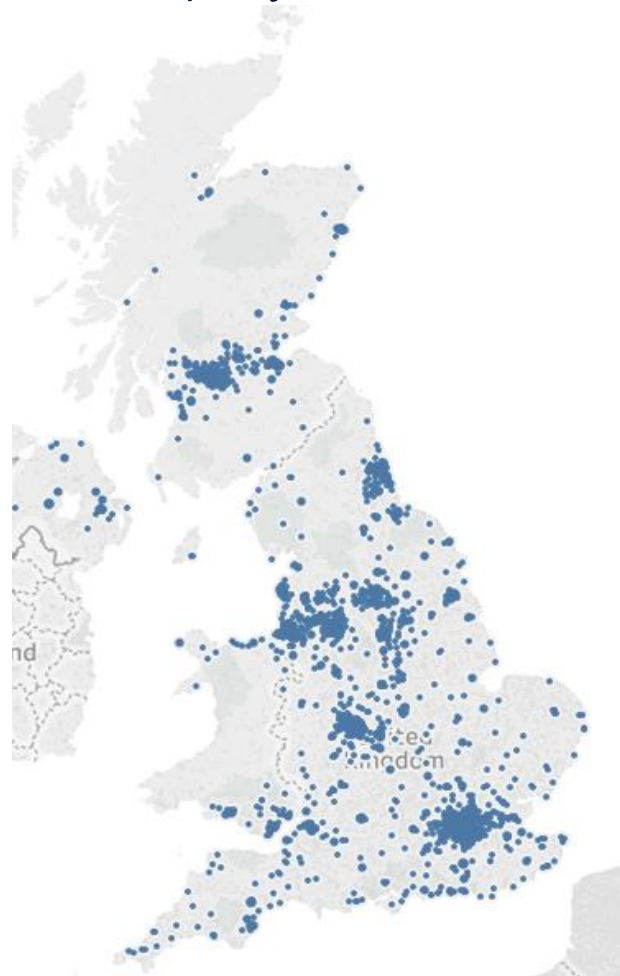
Our Retail footprint a strong asset on which to capitalise

Market share by shop numbers (2016)

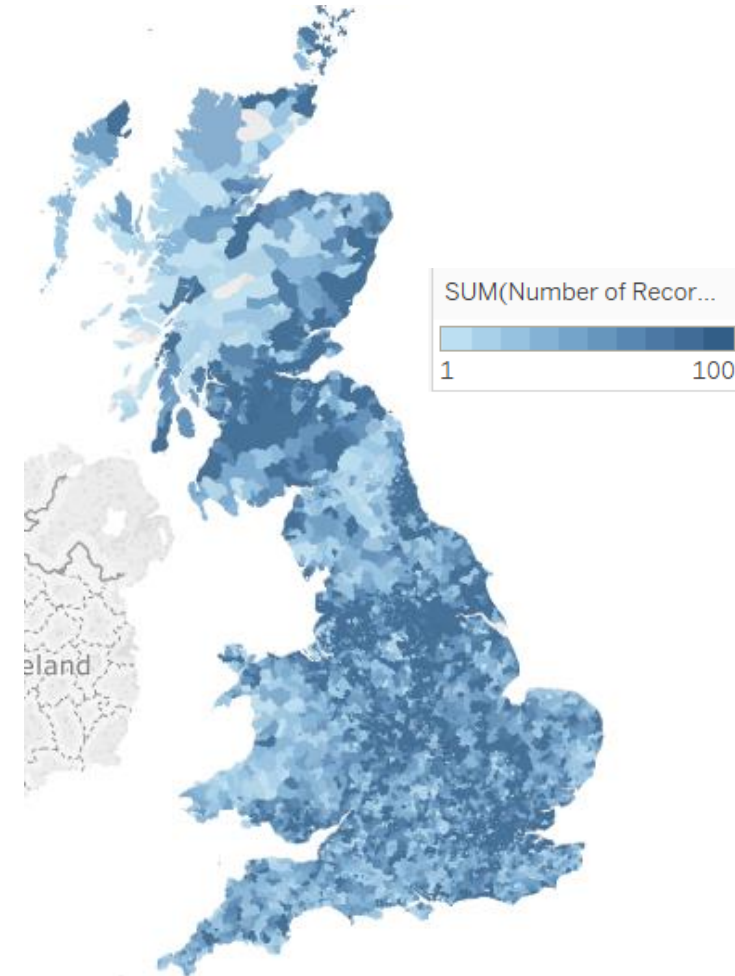


NB// Source is ABB for total and statutory accounts for companies (where available). Other is balancing figure

Shops by location

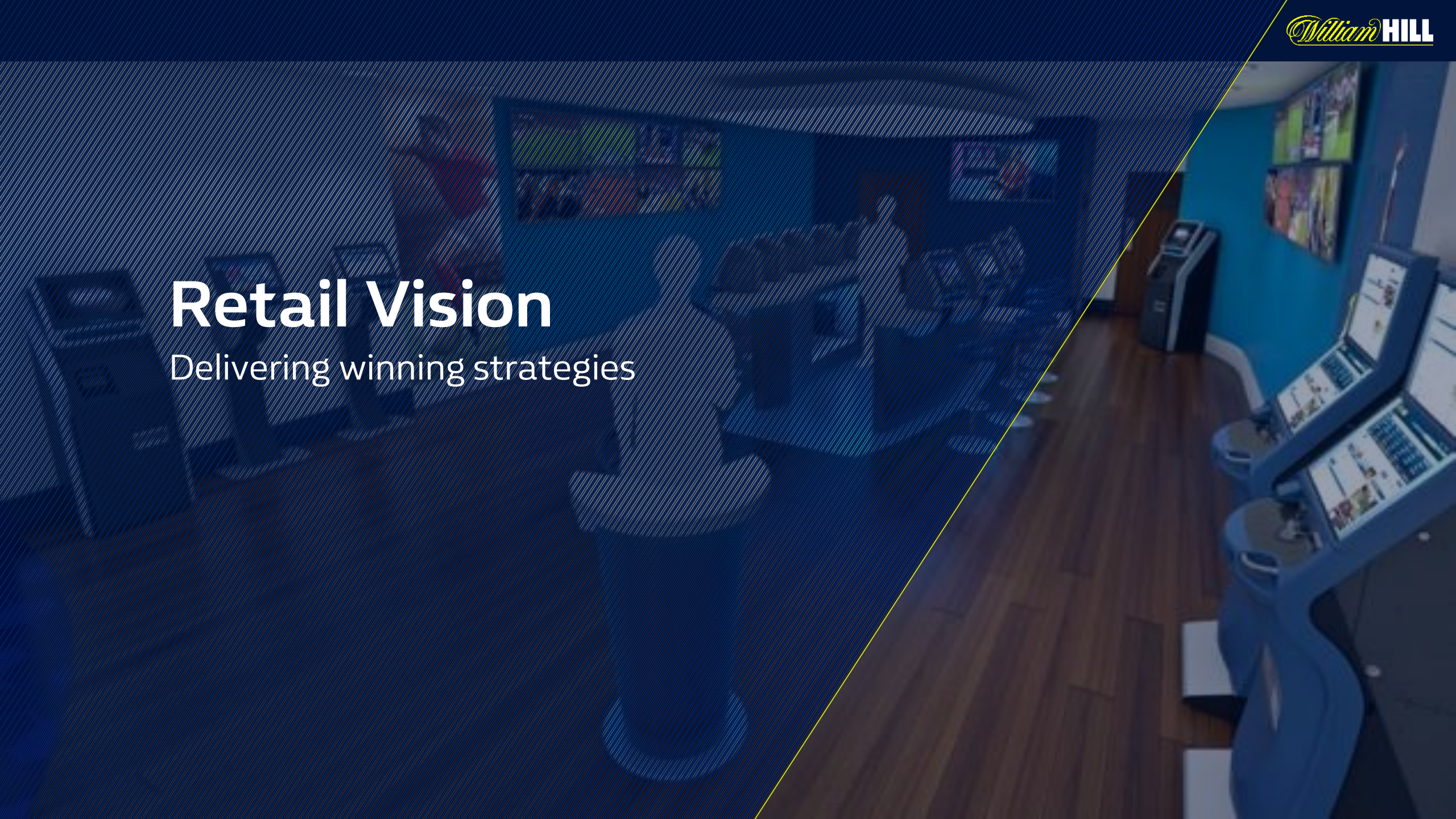


Online customers



Retail Vision

Delivering winning strategies



RETAIL VISION: We got Fit and Earned the Right to Investment

Strategy 

Protect our industry-leading position for both market share and profitability by providing an unequalled customer and employee experience in a compliant environment

Financial performance

- ✓ Reversed the trends of the previous two years
- ✓ Managed the cost base and achieved our profit target

Customer first

- ✓ Raised the bar on customer service and retained retail customers
- ✓ Welcomed on Entry to make age verification a positive experience
- ✓ Launched "Good Neighbour"



RETAIL VISION: We have invested in Game Changers in order to Kick On

Strategy

KICK ON

Grow our market share and own the High Street while getting our people, technology and shops ready for a truly multi channel William Hill

People

- ✓ Modernised the Retail operating model

Infrastructure and technology (ecosystem)

- ✓ Installed customer WIFI
- ✓ Developed and rolled-out c2,800 proprietary SSBTs
- ✓ Launched Bet-Tracker (PLUS card) in April with Omni-Wallet functionality coming in November
- ✓ Colleague tablets across the estate with Retail Apps to support knowledge and skills

Product innovation

- ✓ Strengthened our Gaming content strategy
- ✓ Rolled-out Privacy PODs
- ✓ Significantly enriched our Sportsbook offering and launched margin enhancing products



We built our own SSBTs to protect market share and create a portal to Online



Two years ago there were c15,000 machines across the 9,000 UK LBOs

William Hill had just 800 (6%) primarily due to the proportion of substitution from OTC and the consequent risks to the P&L

By developing our own, these terminals created an opportunity to build the portal to online that was not possible on our current EPoS platform.

The terminals support sign-ups, deposits, transactions and withdrawals at the SSBT or Over the Counter via their back office system.

SSBT growth in UK LBO Market

	2014	2015	2016	2017
William Hill	800	802	2800	2845 3170 YE
Lads	1731	6408	7000	7000
Coral	1300	1700	3000	3000
Betfred	1000	1600	1700	2000
Paddy Power	900	1250	1300	2000
TOTAL	5731	11760	15800	16845

- Work started in mid 2015
- Two and a half years later, we have 2,800 WH SSBTs in 1,528 shops
- The 800 BGT terminals in 539 shops have been swapped out ahead of the 17/18 EPL season and are significantly ahead YoY
- Rollout of 82 Pluspoints (41 shops) starting this month
- The remaining 310 LBOs will have at least one WH SSBT by the end of the year.

Our strategy is based on creating a William Hill customer eco-system for two really good reasons...

1. Migrating Customers from Retail to Online only becomes contribution accretive if they spend more and spend in both channels so an online sportsbook needs to spend at least 1.5x more to generate the same contribution as a retail customer from the group's perspective
2. Customers are more promiscuous online than in retail. We needed to be confident that we could retain them within the William Hill group. Forcing customers online too early or without an attractive and beneficial eco-system to retain and keep them could be value destructive



RETAIL VISION: We've rewritten the rules but not changed our philosophy

Strategy 

William Hill people creating an enjoyable and memorable experience all our customers love and trust.

However, wherever and whenever they choose to bet.

Our philosophy

- It's all about the Customer
- Delivered through our people

Our priorities over the next 18 months

- It's all about the Customer
 - Range
 - Ride
 - Value
 - Atmosphere
 - Personal Connections



WALK THE TALK: The rest of your day



Range



Ride



Value



Atmosphere



Personal Connections

Broadcast

- Watch as we inform, influence and entertain customers on the Range and Value on offer
- See how personalities, information, sound and vision boost the shop Atmosphere

SSBT and Omni Channel

- Understand how BetTracker brought the Ride to Retail
- Demonstrate why SSBTs delivered the Range and Value strength of WH Online into the shops
- See imminent innovations that will turn up the temperature gauge on Atmosphere
- Find out how Customer Value and Personal Connections support Omni-Channel

Gaming

- Reflect on where our Technology and Personal Connections support Responsible Gambling
- Sneak peak at new Ranges we're planning in Retail Gaming

Trading

- I'll let Terry speak for himself!



William Hill Trading

Terry Pattinson

9 November 2017

William **HILL**

Introduction

- Overview of trading
- Leeds - rest of the world
- Trading divisions and high level P&L
- In-play the story, the scale
- Pre-match – how competitive are we?
- Customer behaviours and diversity across the channels
- TGOs and #YourOdds
- Today's tour

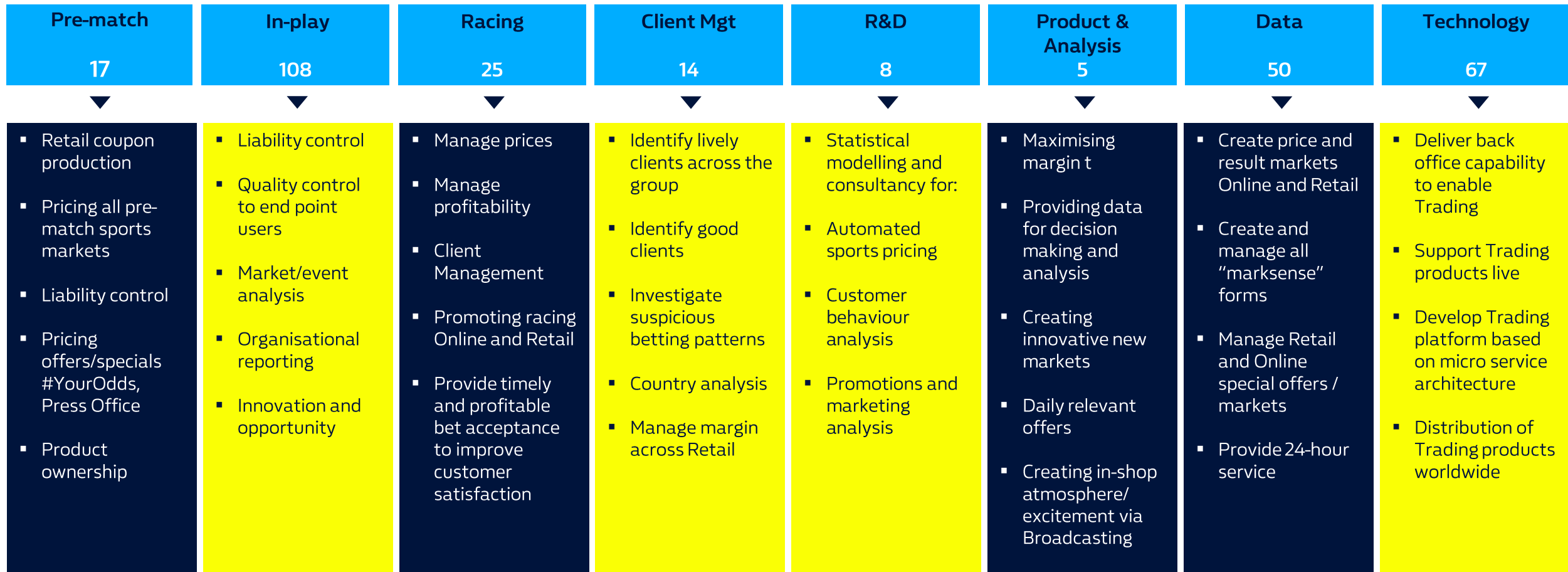
William Hill Trading - Leeds

Office	Headcount
Leeds	291
Gibraltar	15
Las Vegas	12
Sydney and Darwin	18



Trading structure - UK

GROUP TRADING DIRECTOR
Terry Pattinson

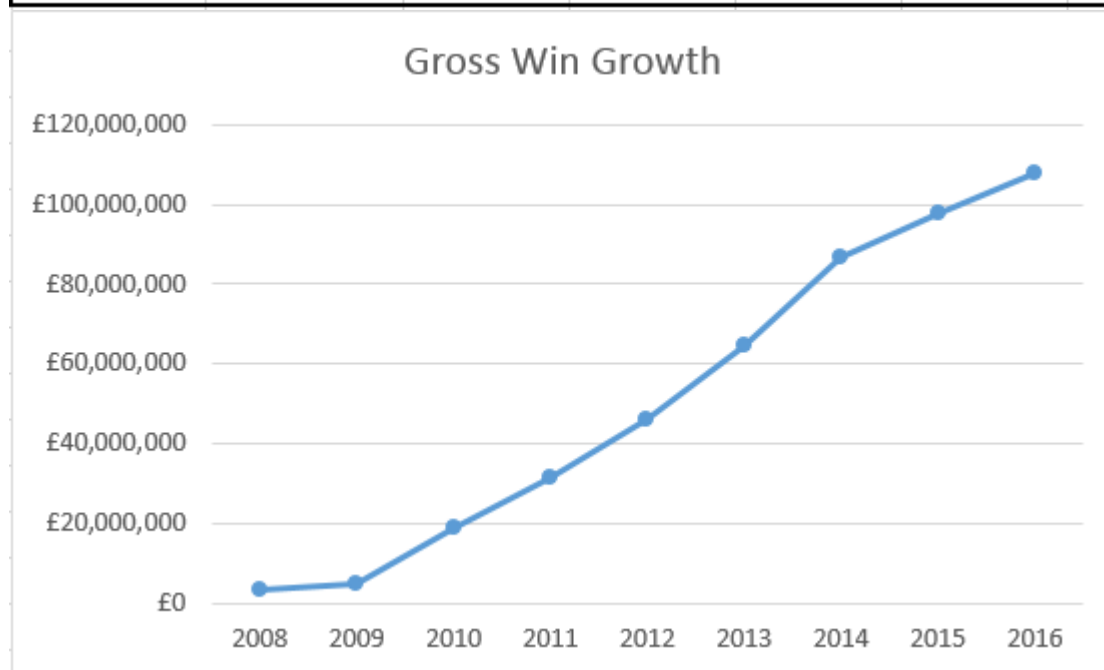


Leeds Trading 'managed funds'

	Online	c. £4.3bn t/o	c. £310m GW	c.7% Pre-match: 56% (Racing 50%, Football 22%) In-play: 44% (Football 50%, Tennis 32%)
	Retail	c. £2.3bn t/o	c. £400m GW	c.18% Racing: 52% Football: 18% (SSBT 33% of this) Greyhounds: 15%
	US in-play	c. \$250m t/o	c. \$10m GW	c. 4% H1 2017 growth 28% All four major American Sports, + Football (Soccer). Tennis launching soon
	Australia in-play	c. \$170m t/o	c. \$6m GW	c. 3.5%

In-play growth

All In Play		2008	2009	2010	2011	2012	2013	2014	2015	2016
Bets		3,200,000	4,632,922	11,993,738	23,593,088	38,905,000	47,009,696	67,133,000	72,500,000	73,000,000
Turnover		£153,374,902	£183,867,075	£392,672,532	£687,678,475	£953,162,000	£1,231,574,468	£1,642,077,000	£1,825,000,000	£1,905,000,000
Gross Win		£3,502,923	£4,955,638	£18,671,809	£31,500,644	£46,032,000	£64,420,100	£86,919,000	£98,000,000	£108,000,000
GW%		2.3%	2.7%	4.8%	4.6%	4.8%	5.2%	5.3%	5.4%	5.7%
Bets %	% of sportsbook	8%	9%	14%	19%	22%	20%	24%	24%	25%
Turnover %		26%	26%	36%	42%	44%	39%	44%	43%	44%
Gross Win %		8%	11%	21%	27%	26%	25%	31%	31%	35%



- 2010 legacy platform (Caerus) launched
 - Our first automated in play platform
 - Grown and grown in to a complex monolithic system
 - Concentrated architecture and complex code base
- Yesterday we soft-launched our new Trading Automated Platform (TAP) – eight-week early life roll-out plan
 - Fully feed-driven pre-match and in-play automated platform
 - Built a micro service architecture in order to progress changes in days rather than weeks
 - Feeds into wider global architectural plan

Scale of product – in-play football

Average number of matches – 3 pm Saturdays

Year	Bet365*	William Hill	Betfair	Coral	SkyBet	Bwin	Paddy Power	Ladbrokes	BetVictor	Sporting Bet
2017	154	139	113	102	99	94	88	88	81	76
2016	152	136	110	108	117	101	91	69	82	75
2015	128	115	100	95	112	96	88	60	75	60

Matches offered in-play

Product	2017	2016	2015
Football	90,000	80,000	70,000
Tennis	65,000	60,000	55,000

*Bet365 has exclusive content we can't obtain

Competitiveness – pre-match football

Saturday 4th Nov	Overround Pre Match				Rank Order of Competiveness				Number of Fav#				Rank Order of Number of Fav#			
	Serie A	La Liga	EPL	Bundesliga	Serie A	La Liga	EPL	Bundesliga	Serie A	La Liga	EPL	Bundesliga	Serie A	La Liga	EPL	Bundesliga
William Hill	105.96%	105.97%	103.91%	105.86%	2	2	2	2	6	5	7	4	1	2	1	2
bet365	105.88%	105.15%	102.84%	105.50%	1	1	1	1	5	3	5	3	2	4	2	4
Skybet	106.03%	106.35%	105.32%	106.10%	4	4	4	4	2	7	3	4	4	1	5	2
PaddyPower	106.37%	106.53%	104.98%	107.02%	5	5	3	5	1	2	4	1	5	5	4	5
Ladbrokes	105.99%	106.17%	106.77%	105.88%	3	3	5	3	4	5	5	5	3	2	2	1

Channel	Total Bets.	Fave Bets.	Dog Bets.	Draw Bets.	Fav Bet%.	Dog Bet%.	Draw Bets %.
WHO	1,759,440	1,386,599	252,544	124,406	78.81%	14.35%	7.07%
Channel	Total Stake.	Fav Stake.	Dog Stake.	Draw Stake.	Fav Stake %.	Dog Stake %.	Draw Stake %.
WHO	£20,473,462	£18,193,332	£1,713,293	£601,374	88.86%	8.37%	2.94%

- Competitive without giving it away
- Blend of overround and favourite best price
- 79% of all bets and 89% of all stakes are on the favourite (Football accumulators)

At William Hill you also get...

- Bet Boost
- 4 means more
- Acca insurance

Customer behaviour – blended across the channels

Online			Retail - OTC			SSBT		
Saturday			Saturday			Saturday		
League	Region	Average	League	Region	Average	League	Region	Average
Premier League	England	3.9	Premier League	England	3.8	Premier League	England	4.3
La Liga	Spain	1.7	Championship	England	3.1	Championship	England	2.2
Championship	England	1.1	League 1	England	1.4	La Liga	Spain	1.3
Bundesliga	Germany	0.8	League 2	England	0.9	Bundesliga	Germany	0.6
Ligue 1	France	0.8	Premiership	Scotland	0.8	Serie A	Italy	0.6
Serie A	Italy	0.8				League 1	England	0.4
Premiership	Scotland	0.3				Premiership	Scotland	0.3
Primeira Liga	Portugal	0.2				Ligue 1	France	0.2
League 1	England	0.2				League 2	England	0.1
Eredivisie	Holland	0.1						
League 2	England	0.1						
	UK	5.6		UK	10.0		UK	7.3
	Europe	4.4		Europe	0.0		Europe	2.7

Customer behaviour – diversity across the channels

Pre-match football	Online	Retail - OTC
Top selection in % of all bets	40%	27%
Average number of selections per bet	5.3	7.1

Pre-match football	Online		Retail - OTC	
Bet type	% of stakes	Avg margin	% of stakes	Avg margin
Singles	40%	8%	22%	13%
Doubles and trebles	20%	11%	21%	21%
Acca 4+	40%	22%	57%	34%
Margin		14%		26%

Adapting quickly to customer demand

2017 YTD	Today's Great Offers	#YourOdds
Bets	1.9m	3m
Stakes	£16.1m	£28m
Gross win	£3.7m	£5.6m
Margin	23%	20.6%

Today's Trading tour

Customer proposition Retail - Today's Great Offers

Demo of our offers being sold to our Retail customer base

Client Management

Utilising client behaviour across channels to increase margin

Research & Development

Algorithms and models

In-play Trading

Football and tennis

Trading Technology

67-strong tech team, co-located

Thank you



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Attendees

Analysts

Individual	Institution
David Holmes	Bank of America Merrill Lynch
Patrick Coffey	Barclays
Roberta Ciaccia	Berenberg
Simon French	Cenkos
James Ainley	Citi
Vanessa Cheung	Credit Suisse
David Jennings	Davy
James Wheatcroft	Deutsche Bank
Daria Fomina	Goldman Sachs
Gavin Kelleher	Goodbody
Joe Thomas	HSBC
Alistair Ross	Investec
Jafaar Mestari	JP Morgan
Ed Young	Morgan Stanley
Richard Stuber	Numis
Ivor Jones	Peel Hunt
Jeffrey Harwood	Stifel
Greg Johnson	Shore Capital
Chris Stevens	UBS

Investors

Individual	Institution
Elliott Miskin	Fidelity
Sharif el Khazen	Metronome
Ryan Skaria	Metronome
Alex Mackenzie	Odey Asset Management
Julien Lobry	Parvus Asset Management
Mads Gensmann	Parvus Asset Management
Michael Docherty	Schroders
Antonio Zanella	T Rowe Price

Advisers

Individual	Institution
Josh Warren	Makinson Cowell
Nicola Tennent	Barclays

William Hill

Individual	Institution
Nicola Frampton	Director, UK Retail
Terry Pattinson	Group Trading Director
Lyndsay Wright	Director of Strategy, Brand and IR
Ciaran O'Brien	Director of Corporate Communications
Sean Moore	Director of Customer Experience
Anastasia Georgadidis	Investor Relations Manager

Tour groups and schedule

Tour groups

Group 1 (red)	Group 2 (blue)	Group 3 (green)	Group 4 (yellow)
Lyndsay Wright	Ciaran O'Brien Nicola Tennent	Sean Moore Josh Warren	Nicola Frampton Anastasia Georgadidis
Vanessa Cheung Patrick Coffey Daria Fomina David Jennings Ivor Jones Jafaar Mestari Chris Stevens	James Ainley Roberta Ciaccia Jeffrey Harwood David Holmes Greg Johnson Richard Stuber Ed Young	Michael Docherty Simon French Gavin Kelleher Alex Mackenzie Alistair Ross Joe Thomas James Wheatcroft	Mads Gensmann Sharif el Khazen Julien Lobry Elliott Miskin Ryan Skaria Antonio Zanella

Tour schedule

	12.00	12.45	14.15	15.00
Gaming tour Presenters: Mandy Kerr, Francis Loy	Group 1	Group 4	Group 3	Group 2
Omni-channel tour Presenters: Ben Bramley, Ian Ruddock	Group 2	Group 1	Group 4	Group 3
Trading tour Presenter: Terry Pattinson	Group 3	Group 2	Group 1	Group 4
Broadcasting tour Presenters: Mark Chesworth, Ian Swales	Group 4	Group 3	Group 2	Group 1

Presenter biographies

Group presentations and trading tour



Nicola Frampton (Director, UK Retail)

Nicola started at William Hill on 12 April 2010 – “two days after the Grand National, and the place was still buzzing from the event”, she says. She joined from Deloitte and spent most of her previous 15 years in the professional services industry. She was appointed Director, UK Retail in June 2014, having previously held Audit and Risk Management roles within the Group.

Nicola is a ‘petrol head’ – her favourite sport is Formula 1 and she’s a massive Lewis Hamilton fan. A Yorkshire lass, her favourite team is the Leeds Rhinos rugby league team.



Terry Pattinson (Group Trading Director)

Terry joined William Hill in March 2009 as Head of In-Play Trading and became Group Trading Director in April 2010. He originally hails from Australia, cutting his teeth in trading in Darwin working in the highly liquid Far East football markets.

As an antipodean turned Brit, his sporting allegiance is still to the southern hemisphere, with Canberra Raiders (Aussie rugby league) his declared favourite team. And his favourite bet? “Backing VJ Singh to win the 2000 Masters. Haven't come close since.” He will, however, support England in whatever sport they compete in “as long as they aren’t up against the green and gold”!

Presenter biographies

Gaming tour



Mandy Kerr (Retail Gaming Director)

Mandy has worked for William Hill for 32 years and has held various roles with the Group. She joined as an office junior, then became a trainee manager moving on to Shop Manager, District Manager, Area Manager and Regional Operations Controller. Her experience also includes seconded roles in Shop Licensing and Development. Mandy joined the Retail Gaming team in May 2015 to help with the recovery from the £50 journey implementation and is now responsible for delivering growth and maximising performance on the Gaming product across Retail.



Francis Loy (Retail Gaming Compliance Manager)

Francis has been with William Hill for 27 years. He spent four years as a Shop Manager, two years as a District Manager and 23 years in Retail Gaming. Francis joined in 1996 when AWP's (Amusement With Prizes) were first introduced into LBOs and has held various roles within Retail Gaming including Machines Manager, Product and Business Development, Project Management, Service and Operations. He is now responsible for all Retail Gaming Compliance matters as well as owning the service delivery relationship with suppliers Inspired.

Presenter biographies

Omni-channel tour



Ben Bramley (SSBT Product Owner)

Ben joined William Hill in 1999 as a trainee. He spent nine years in Retail and progressed to Area Manager, eight years as the Broadcast Operations Manager and the last 13 months as the SSBT Product Owner. He is responsible for creating and delivering the William Hill SSBT Roadmap.

Ben's primary interests are playing cricket, watching football and horseracing and betting - lots of betting. "My passion for product and delivery is driven by a total interest in the betting shop environment and its customers."



Ian Ruddock (Head of Digital Innovation, Retail)

Ian joined William Hill in 2003 as a District Manager, having started his career as a trainee manager at the age of 21 with Ladbrokes. He started in bookmaking from an early age working in his father's betting shop. Ian has held various roles within the Group and Retail functions, including Area Manager and Studio Producer in the broadcasting team. He has worked on many projects including the roll-out of the WH+ Bet Tracker product. Ian supports the Retail Technology team in delivery of all digital product into Retail, acting as product owner for programmes such as Plus and the Single Wallet.

Ian pitched the WH+ Bet Tracker product as an idea at the Omni 'Dragons Den' event in Leeds in 2015, which was chosen as the best idea to progress into a project.

Presenter biographies

Broadcasting tour



Mark Chesworth (Head of Broadcast)

Mark joined William Hill in May 2017 having previously worked at Sky Betting & Gaming. Prior to that he spent seven years at Sky Sports as a Managing Editor responsible for launching Sky Sports News Radio as an online station. At 365 Media he led a 100-strong team responsible for websites including TEAMtalk, Football 365 and Sportal. His broadcast team produced white label betting content for most major bookmakers. A trained journalist, Mark worked for seven years as a news and sports reporter and presenter at the BBC including stints at Midlands Today and the BBC News Channel.

Mark is responsible for all aspects of our broadcast operation including our live TV and radio channels, gantry and video-wall screens, video and audio production and ambassador content.



Ian Swales (Broadcast Development Manager)

Ian has worked for William Hill for over six years. He spent four years as a Senior Project Manager in Trading Development before joining the broadcasting team in 2015. Prior to that, Ian lead technology and customer transformation programmes, held product, project, scrum and programme management roles across a number of sectors for over 15 years including at Telefonica O2 on the iPhone & O2 arena launch and O2 Billing system transformation and at GE Capital.

Ian is a Former professional figurative sculptor once at home creating lifesize bronze statues and natural history exhibits. He is a creative at heart. In his current role, Ian is developing innovative digital solutions to enable William Hill Broadcast's strategic ambitions.