

evoke Plc
("evoke" or "the Group")

Q3 2024 trading update

Double-digit online revenue growth in core markets; no change to full year expectations

evoke (LSE: EVOK), one of the world's leading betting and gaming companies with internationally renowned brands including William Hill, 888 and Mr Green, today announces a trading update for the three months ended 30 September 2024 ("Q3-24" or the "Period"). Further detail on the financial results by division is included as an appendix to this announcement.

Financial highlights (unaudited)

- **Group:** Revenue of £417m, 3% ahead of Q3 2023 (+4% in constant currency ("cc")), the first quarter of year-over-year growth since Q1 2022 supported by market share gains in key international markets. Good underlying trends including 10% growth in gaming, partially offset by particularly customer-friendly sports results during September, which impacted Group revenue by approximately £17m. No change to the expectation for the second half of 2024 to be in line with the mid-term target of 5-9% year-over-year growth.
- **Online:** Revenue growth of 8%, with 11% growth in Core markets, which now represent nearly 85% of the Group's online revenues when including Romania.
- **UK&I Online:** 3% revenue growth, with accelerated trends in gaming (+12%), offset by weaker trends in betting (-13%), where customer-friendly sporting results in September, particularly UK football, impacted revenue by approximately £10m.
- **International:** 14% revenue growth (+17% cc), driven by 26% growth (+29% cc) in core international markets of Italy, Spain, Denmark and Romania, which make up over two thirds of international revenue, including strong trends in Romania which is now a core market.
- **Retail:** Revenues -9%, reflecting weaker than expected betting net win margins due to the customer-friendly results (c.£5m impact), and previously indicated market share losses in gaming. New Retail managing director started in September and identified and actioned a series of measures to improve trading in the short-term. Rollout of over 5,000 new gaming machines from October, and on track to complete the entire estate within Q1 2025.

Strategic highlights

In line with the plans laid out at the H1 2024 Results in August, the Group is executing a turnaround in short-term trading with clear priorities and decisive actions, while simultaneously executing against its growth strategy by enhancing its competitive advantages to drive significant mid and long-term value creation. During the Period the Group made important progress against these plans:

1. Drive profitable and sustainable revenue growth

- Strategic focus on Core markets delivering strong results with market share gains across several core markets. Italy revenue growth was 31% cc with the Group taking a podium position in the online casino market for the first time during Q3 2024, with 888casino now the clear market-leader in the casino-first segment in Italy.
- Positive customer reaction to a series of major product launches including all-new *Bet Builder* and *Impact Sub*, and a new William Hill Vegas app with an extended range of games and promotions. Improved functionality on William Hill app with a relaunched home page and simpler navigation resulting in improved ease of use.
- More effective and efficient approach to player bonuses and promotions, including launch of all-new customer engagement platform at the end of the period, which provides the capability to deliver a step-change in the personalisation of customer communications.
- Enhanced brand strength, for example William Hill offered more top prices on horse racing than any other major bookmaker throughout June, July and August, as verified by Oddschecker, and William Hill launched the *Top Acca* for the new football season in August, giving customers access to the most popular acca in one click.

- All the above driving strong progress in underlying key value drivers, with Average Revenue Per User (ARPU) +8% despite the sports results headwind, driven by focus on core customer cohorts to drive retention, increase share of wallet, and improve player values.
2. Improve profitability and efficiency through operating leverage
 - Marketing costs reducing sequentially in line with plans while still achieving strong online revenue growth. Improved optimisation being supported by a new MMM (marketing mix model) that enables quick decisions to scale up and down marketing channels based on near real-time data
 - Cost savings being delivered in line with plans, with cash cost savings of £23m year-to-date through highly effective new operating model, with a reduction in layers in the business from 10 to six, and a streamlined office footprint including significantly expanding capabilities in Manila to enable further business process outsourcing and automation.
 - Strategic initiatives strengthening overall capabilities at efficient cost, with Operations 2.0 initiative accelerating investments in automation and artificial intelligence across all group functions.
 3. Deleverage through disciplined capital allocation
 - Acquisition of winner.ro completed in early October 2024, building a market-leading position in Romania and the creation of evoke's fifth core market, enhancing earnings and reducing leverage from 2025 onwards. Strong trading trends in Romania across both 888 and Winner brands with customer migration in Q4 2024 to unlock cost and revenue synergies. Targeting a podium position in the market with a dual-brand strategy operating from a single and cost-effective platform.
 - Conclusion of sale of New Jersey and Virginia businesses with full exit from US B2C now expected in Q1 2025 with the sale of Colorado and Michigan.

Outlook

- No change to previously issued guidance for H2 2024 revenue growth of 5-9%, and Adjusted EBITDA margin expected to improve to approximately 21%.
- No change to existing FY25 expectations, including Adjusted EBITDA margin of at least 20%, with unchanged medium-term targets of 5-9% revenue growth per year, c.100bps of Adjusted EBITDA Margin expansion per year, and leverage of below 3.5x by the end of 2026.

Per Widerström, CEO of evoke, commented:

"I have now been in position for a year, and I am pleased that the turnaround of the business is working, with the first quarter of revenue growth since Q1 2022 and positive underlying trends. We are achieving our plans to improve trading in the short-term, while simultaneously radically transforming the Group's capabilities for the long-term.

Our online business is a clear growth engine for the Group and we saw a return to double-digit online revenue growth in our core markets in Q3 2024 underpinned by our focused market strategy and supported by important product investments and the results of our clearer customer value proposition and segmentation.

I am pleased to report a strong quarter of progress as we continue to implement our strategy for success and deliver our value creation plan. We are moving decisively and at pace to position evoke for long-term growth, and I look forward to providing further updates about our progress in the coming months."

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About evoke Plc:

evoke plc (and together with its subsidiaries, "evoke" or the "Group") is one of the world's leading betting and gaming companies. The Group owns and operates internationally renowned brands including William Hill, 888, and Mr Green. Incorporated in Gibraltar, and headquartered and listed in London, the Group operates from offices around the world.

The Group's vision is to make life more interesting and its mission is to delight players with world-class betting and gaming experiences.

Find out more at: <https://www.evokeplc.com>

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This announcement may contain certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of evoke. These statements, which contain the words "anticipate", "believe", "intend", "estimate", "expect", "may", "will", "seek", "continue", "aim", "target", "projected", "plan", "goal", "achieve", words of similar meaning or other forward looking statements, reflect evoke's beliefs and expectations and are based on numerous assumptions regarding evoke's present and future business strategies and the environment evoke will operate in and are subject to risks and uncertainties that may cause actual results to differ materially. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of evoke to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond evoke's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as evoke's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which evoke operates or in economic or technological trends or conditions. Past performance of evoke cannot be relied on as a guide to future performance. As a result, you are cautioned not to place undue reliance on such forward-looking statements. The list above is not exhaustive and there are other factors that may cause evoke's actual results to differ materially from the forward-looking statements contained in this announcement. Forward-looking statements speak only as of their date and evoke, its respective parent and subsidiary undertakings, the subsidiary undertakings of such parent undertakings, and any of such person's respective directors, officers, employees, agents, affiliates or advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law. No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that the financial performance of evoke for the current or future financial years would necessarily match or exceed the historical published for evoke.

Appendix: Divisional Summary

Q3 2024

Unaudited £m	UK&I Online			Retail			International			Group		
	Q3 2024	Q3 2023	% Change	Q3 2024	Q3 2023	% Change	Q3 2024	Q3 2023	% Change	Q3 2024	Q3 2023	% Change
Average monthly actives (000s)	1,135	1,186	-4%				513	461	+11%	1,647	1,648	-0%
Sportsbook stakes	548.9	607.0	-10%	374.4	394.0	-5%	243.1	248.2	-2%	1,166.4	1,249.2	-7%
Sportsbook net revenue margin	8.6%	9.0%	-0.4ppt	16.8%	17.9%	-1.0ppt	7.5%	7.2%	0.3ppt	11.0%	11.4%	-0.4ppt
Betting revenue	47.1	54.4	-13%	63.1	70.4	-10%	18.1	17.9	+2%	128.3	142.6	-10%
Gaming revenue	115.2	102.8	+12%	51.5	55.2	-7%	121.5	104.3	+17%	288.3	262.4	+10%
Total revenue	162.4	157.2	+3%	114.6	125.6	-9%	139.7	122.2	+14%	416.6	405.0	+3%

Year to Date ("YTD") 2024

Unaudited £m	UK&I Online			Retail			International			Group		
	YTD 2024	YTD 2023	% Change	YTD 2024	YTD 2023	% Change	YTD 2024	YTD 2023	% Change	YTD 2024	YTD 2023	% Change
Average monthly actives (000s)	1,230	1,211	+2%				536	511	+5%	1,766	1,722	+3%
Sportsbook stakes	1,755.7	1,991.9	-12%	1,170.4	1,240.0	-6%	855.7	832.7	+3%	3,781.7	4,064.5	-7%
Sportsbook net revenue margin	10.0%	9.6%	0.5ppt	18.3%	18.8%	-0.6ppt	7.0%	8.2%	-1.2ppt	11.9%	12.1%	-0.2ppt
Betting revenue	176.1	190.6	-8%	213.6	233.6	-9%	59.6	68.2	-13%	449.3	492.4	-9%
Gaming revenue	324.8	302.5	+7%	159.3	171.5	-7%	345.1	320.2	+8%	829.2	794.2	+4%
Total revenue	500.9	493.1	+2%	373.0	405.1	-8%	404.7	388.5	+4%	1,278.6	1,286.6	-1%

Note: Subtotals, totals, and percentage changes have been calculated based on the underlying numbers. Any differences due to rounding.