

William Hill PLC

Corporate Presentation
March 2018

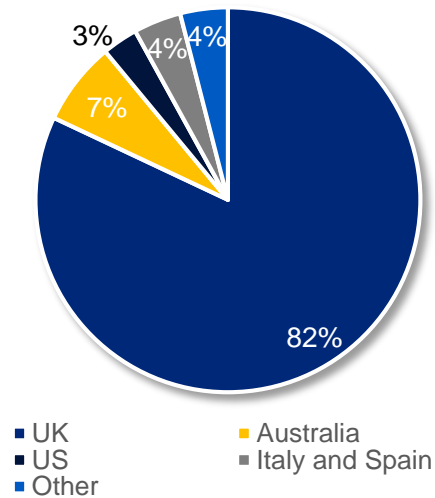


William **HILL**

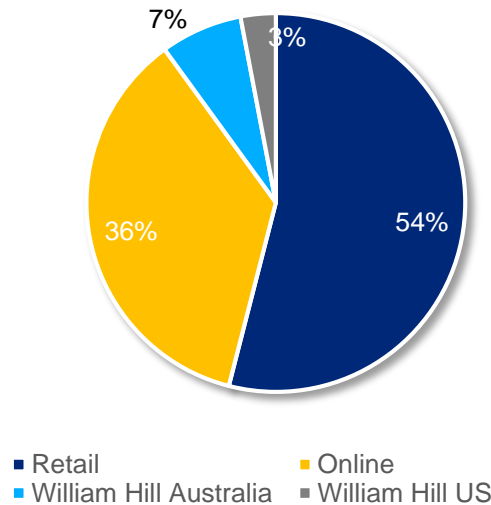
William Hill at a glance

- One of the world's leading multi-channel betting and gaming companies
- Scale operation with highly cash-generative Retail business funding digital and international investment
- c16,000 employees in ten countries
- Successful multi-channel model: 57% land-based and 43% digital
- UK-focused with increasing international reach: 82% UK and 18% international
- Commitment to creating a sustainable environment for long-term growth

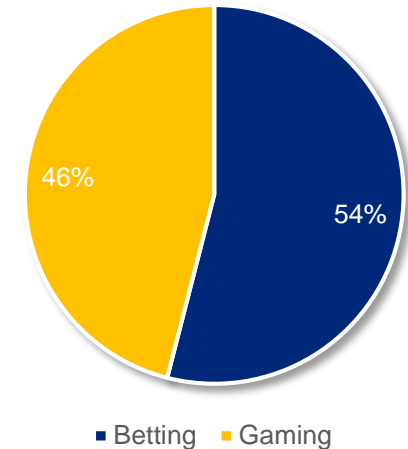
Revenue by geography



Revenue by business segment



Revenue by product type



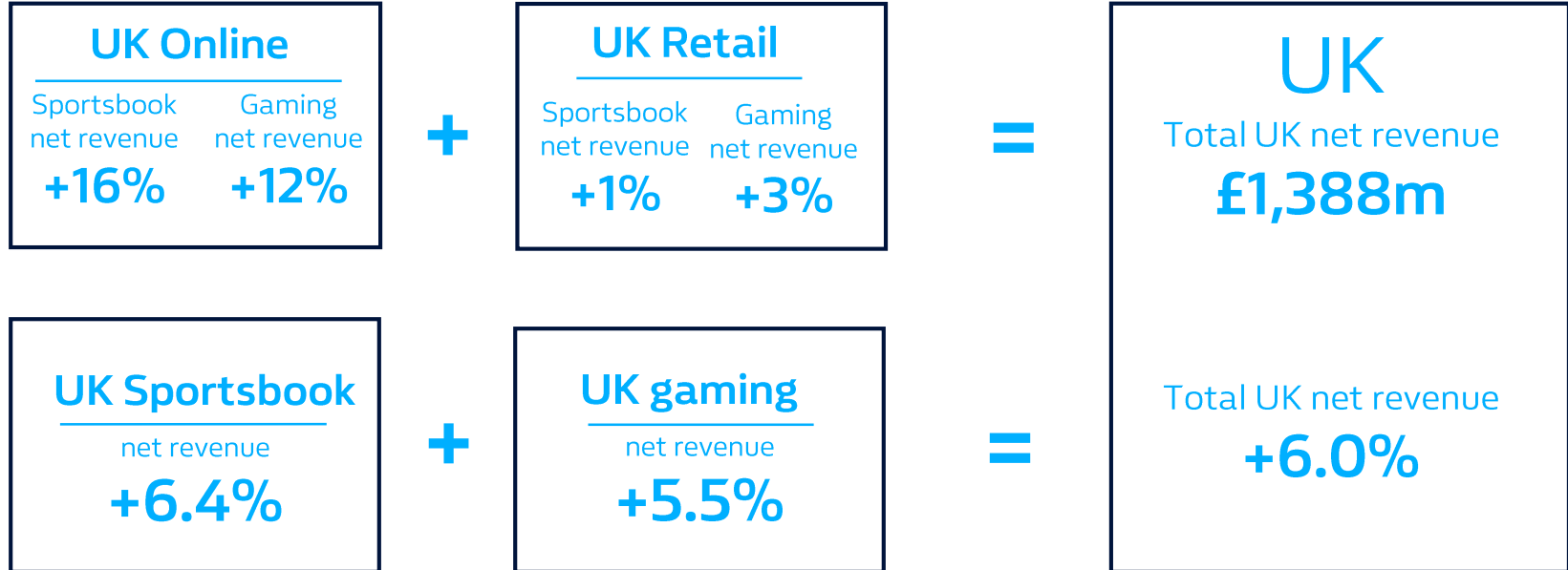
Note: Pie charts show 2017 full-year position

Financial highlights – strong underlying performance

- Group net revenue up 7% to £1.7bn
- Adjusted operating profit up 11% to £291.3m
- Adjusted EPS up 24% to 27.6p
- Full-year dividend up 6% to 13.2p per share, c50% of adjusted EPS
- Balance sheet strong with net debt for covenant purposes of £515.2m, 1.4x EBITDA of £379.0m
 - c£100m received in January 2018 for NYX disposal
 - Australian business being sold for A\$313.7m



Growing in the UK (2017 figures)



- Growing at or above market rates in both Online and Retail
- UK retail market overall slightly shrinking, online maturing but still growing c10%
- “Omni” offer leverages benefits across Retail and Online customers
- Continuing marketing, brand, product and technology synergies



Growing international revenues

William Hill US

- Positioned for regulatory change
- Nevada business delivering mobile and land-based success

Italy and Spain

- Focus on profitable growth
- Following improvements in UK Online, focus being applied to these other core markets

Rest of World

- Decision take to sell Australia business, sub-scale in a challenging market
- Proprietary and bespoke platforms to enable improved entry into new markets
- New Chief Digital Officer and Director of Corporate Development to lead strategy



Uniquely placed in the US



William Hill-sponsored jockey Florent Geroux winning the Pegasus World Cup – the world's richest horse race – on Gun Runner (27 January 2018)

- Nevada market share up to 29% (2016: 26%)¹
- 57% market share by number of sports books
- Continued strong mobile performance
 - 17% increase in new mobile sign-ups
 - Further app improvements
 - Benefit from account top-up options
- Expansion into additional territories
 - Iowa race book for Caesars Entertainment
 - Sports book for new Baha Mar casino in Bahamas
- Investing ahead of PASPA decision to prepare for rapid entry into new states

¹ Market share by sports betting gross win, derived from Nevada Gaming Control Board data, Jan-Dec 2017



US opportunity



Oakland Raiders Quarterback Derek Carr. The Raiders are due to start playing in Las Vegas from the 2020 or potentially 2019 season.

William Hill capability:

- Sports betting expertise – including risk management, trading and digital marketing
- Currently largest land-based sports betting operator in Las Vegas
- Scalable technology
- Blue-chip business with 84-year track record
- US management and expertise

Market potential:

- Land-based, mobile or both
- Multiple “start-ups” across different states
- 13 states with draft legislation pending PASPA ruling
- Untapped demand for legal sports betting

Key regulatory outcomes awaited in UK and US

Market	Regulatory area	Current status
UK	Triennial Review	<ul style="list-style-type: none"> • Submissions under further consultation made by 23 Jan 2018 • Timing on a decision remains unclear
	CMA and Gambling Commission reviews	<ul style="list-style-type: none"> • Implementing CMA changes to promotions, Ts and Cs • £6.2m regulatory settlement with Gambling Commission
US	Legalisation of sports betting	<ul style="list-style-type: none"> • Supreme Court heard oral argument on 4 Dec 2017 • Process from here: <ul style="list-style-type: none"> - Opinions are typically released on Tuesday and Wednesday mornings and on the third Monday of each sitting - The Court maintains its schedule until all cases ready for submission have been heard and decided - In May and June the Court sits only to announce orders and opinions - The Court recesses at the end of June



Transformation programme driving fundamental change

Revenue growth priorities

1. Delivery of the Omni-channel strategy
2. Delivery of accelerated revenue growth
3. Enhanced digital marketing

Cost efficiency priorities

1. Optimising third-party spend
2. Rationalising IT/back-office functions
3. Driving efficiencies in customer-facing functions

- Delivering both revenue growth and cost efficiencies
- 250 initiatives
- Improved core capabilities to build a sustainable business for the long term
- £25m of in-year efficiencies, £40m annualised run-rate
- Reinvesting savings in marketing, product development and technology

2017 achievements

- | | |
|---|---|
| SSBT roll-out, Plus launch, Omni wallet launch | ✓ |
| Programmatic marketing capability established | ✓ |
| Gaming and cross-sell improvements | ✓ |
| Accelerated product feature developments | ✓ |
| Customer journey enhancements | ✓ |
| Optimisation of external spend | ✓ |
| Agile transformation in product development | ✓ |
| Rationalisation of footprint, support functions | ✓ |
| Optimisation of marketing spend | ✓ |



Building a sustainable business

- Strong framework established through UK licensing objectives
 - Fair and open treatment of customers
 - Keeping crime out of gambling
 - Protecting the vulnerable
- Significant new responsible gambling measures implemented
 - 'Set Your Limits' tools to restrict time and spend
 - Short- and long-term self-exclusion mechanisms
 - Awareness campaigns
 - Algorithm-based detection of at-risk behaviours
 - Problem gambling referral systems
- Improved marketing measures
 - Improvements to Ts and Cs agreed with Competition & Markets Authority, being rolled out to rest of UK industry
 - Revised standards for above-the-line advertising
- Sustainability strategy being further developed

Strong position after a period of significant change

- Online momentum building in the UK
 - Double-digit Sportsbook and gaming growth
 - At or above UK market growth rates
- Resilient Retail business, strong omni-channel platform established
- Strong US growth, driven by mobile betting
- Transformation programme increasing efficiency and flexibility
- Getting ready for further international expansion
- Creating a sustainable environment for long-term growth

Appendices

Adjusted results	Adjusted results means results before exceptional items and adjustments, as described in note 3 to the financial statements
Amortisation	Where operating expenses, operating profit or EPS are adjusted for amortisation, this pertains to amortisation of intangibles recognised on acquisition
Amounts wagered	This is an industry term that represents the gross takings on sports betting
ARPU	Average net revenue per user
Adjusted earnings per share (EPS)	Adjusted EPS is based upon adjusted profits after tax. Further detail on adjusted measures is provided in note 3 to the financial statements
Basic EPS	Basic EPS is based on an average of 856.9 million shares for 2017 and an average of 871.8 million shares for 2016
Cost per acquisition (CPA)	Marketing costs (including affiliates but excluding FVAs) divided by the number of new accounts recorded in the period
EBITDA	Earnings before interest, tax, depreciation and amortisation. EBITDA for covenant purposes is adjusted earnings before depreciation and amortisation, and share remuneration charges
FVAs	Fair value adjustments. These are principally free bets, which are recorded as a cost between gross win and net revenue
Gross win	Gross win is an industry measure calculated as total customer stakes less customer winnings. It differs from net revenue in that it is stated prior to deductions for free bets and customer bonuses
Gross win margin / net revenue margin	This is a measure, inter alia, of the effect of sporting results on the business. The margin is defined as gross win/net revenue as a percentage of amounts wagered. The margin is also affected by the mix of products with different margins and the amount of concessions or free bets offered to customers
Adjusted operating profit	Adjusted operating profit is defined as profit before interest and tax, excluding exceptional items and other defined adjustments. Further detail on adjusted measures is provided in note 3 to the financial statements
OTC	Retail over-the-counter largely constitutes bets placed on sporting events, virtual events and lottery-style numbers games
Net debt for covenant purposes	Borrowings plus counter-indemnity obligations under bank guarantees less cash adjusted for customer funds and other restricted balances. Further detail is provided in note 23 to the financial statements
Net revenue	This is an industry term equivalent to 'Revenue' as described in the notes to the financial statements. It is equivalent to gross win less fair value adjustments, which are principally free bets
New accounts	Customers who registered and deposited within the reporting period
PBIT	Profit before interest and tax
Sportsbook	Bets placed and accepted by Online on sporting and other events, or via OTC and SSBTs in Retail
SSBT	Self-service betting terminal
Unique active players	Customers who placed a bet within the reporting period

Disclaimer

This presentation has been prepared by William Hill PLC ("William Hill"). 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. They appear in a number of places throughout this presentation and the information incorporated by reference into this presentation, and include statements regarding the intentions, beliefs or current expectations of the directors, William Hill or the Group concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of William Hill and the industry in which it operates.

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 William Hill's ability to control or predict. Forward-looking statements are not guarantees of future performance and hence may prove to be erroneous. The Group's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this presentation and/or the information incorporated by reference into this presentation. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Group and the development of the industry in which it operates are consistent with the forward-looking statements contained in this presentation and/or the information incorporated by reference into this presentation, those results or developments may not be indicative of results or developments in subsequent periods.

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules), William Hill 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.