

Strategy in action

Ulrik Bengtsson, CEO

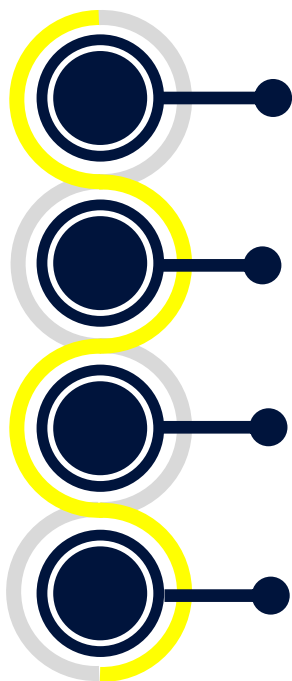
Strategic focus on Customer, Team, Execution delivered results

- Record Online net revenue and growing Net Promoter Scores
- Retail traded well and profitably when open
- US transformed through partnerships, platform and product
- Scale benefits and technology generating efficiency and cost savings
- Strong balance sheet, positioned for the future
- Evidence-led gambling review welcomed to protect customers, the tax base and the industry



Building William Hill to lead

Structural product improvement, international expansion

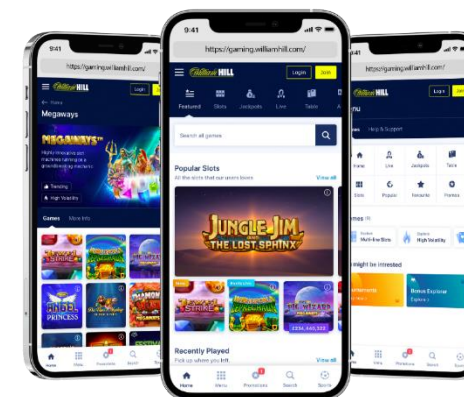
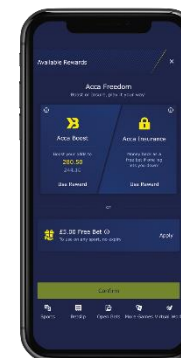


Steady stream of product improvements: complete betslip redesign, gaming experience overhaul, real-time personalised experience

Migration to AWS cloud platform architecture and roll-out of the Smart Data Platform enabling faster app speeds


Building on our extensive international expertise; launching Mr Green in Spain and Latvia and William Hill in Colombia and Buenos Aires

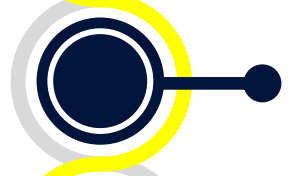
Merging UK Retail and Online: a single UK customer served by one team with one goal





Generating record net revenue

Retail response to Covid-19: agile and customer-focused

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Material impact of Covid-19 on the operation and profitability of Retail
- 

Focus on operating the estate safely, protecting customers and colleagues, and responding swiftly to Government guidelines
- 

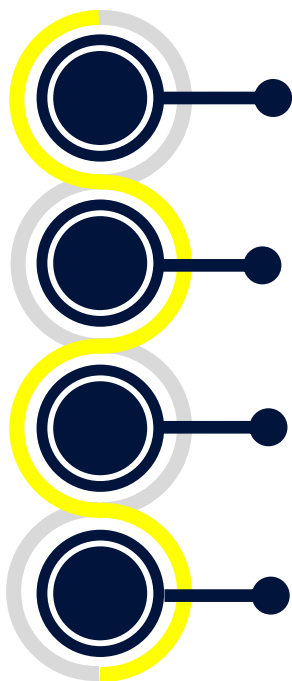
Shops traded well and profitably when open and retail format remains resilient
- 

Supporting colleagues, topping up pay to 100% for furloughed employees



Early actions ensuring a sustainable future

A market-leading nationwide US business



Expanded nationwide presence through market-leading partnerships and technology developments

Launched in new states and expanded mobile presence: market access to 26 states, live in 15

Accelerated development and roll-out of proprietary technology platform, Liberty, and launched iCasino

Added media presence and efficient customer acquisition through agreements with CBS Sports and ESPN



Building blocks in place to grow

Protecting customers and colleagues

- 

Rigorous player safety measures enhanced; implemented guardrails and increased online interactions
- 

Working with all stakeholders to promote fair and balanced, evidence-led regulatory ecosystems
- 

Building a high-trust culture with new programmes to promote colleague welfare and a growth mindset
- 

William Hill rose 132 places to rank 150 in the Financial Times Diversity Leaders Index, the highest placed gambling operator









Protecting our customers, our colleagues and the industry

Financial review

Matt Ashley, CFO

Financial Overview

2020 thoughtfully navigated

- 
 Revenue: £1.3bn (2019: £1.6bn)
- 
 Adjusted EBIT: £57m (2019: £147m)
- 
 Statutory retained profit: £51m (2019: Loss £27m)
- 
 Positive free cash flow: £58m (2019: £90m)
- 
 Strong balance sheet: >£590m cash¹ following equity placing and VAT refund
- 
 Net debt/EBITDA²: 0.8x (2019: 2.4x) with first bond repayment not due until 2023

Positioned for growth

1. The balance sheet shows cash and cash equivalents of £722.6m which includes restricted cash and client funds of £132.0m.
 2. For covenant purposes.

Revenue progression - strong trading pre and post lockdown

Operating performance: 52 weeks to 29 December 2020					
Total net revenue growth (YoY)	Weeks 1-10 Pre-Covid	Weeks 1-26	Weeks 27-39	Weeks 40-52	Full Year
Online	+16%	+1%	+4%	+29%	+9%
Online UK	+7%	-8%	+4%	+32%	+5%
Online International	+35%	+17%	+6%	+24%	+16%
Retail like-for-like	-3%	-49%	-2%	-10%	-30%
US	+30%	-28%	+10%	+121%	+32%
Group	-5%	-32%	-9%	+9%	-16%

1. Where like-for-like (LFL) results are stated, this compares the trading performance of the shops that were open and trading in 2020 (subject to Covid-19 restrictions) to their 2019 performance. During 2020 when the full estate was closed due to Covid-19 the 2019 comparator was included. As shops re-opened on a phased basis from week 24 the comparator was only included from the first full week of trade (daily for weeks 24 to 26).

Online performance offset Retail lockdowns

Group income statement – delivered a profit in year

	52 weeks ended 29-Dec-20			52 weeks ended 31-Dec-19		
	Adjusted £m	Exceptional items & adjustments £m	Statutory £m	Adjusted £m	Exceptional items & adjustments £m	Statutory £m
Net revenue	1,324.3	-	1,324.3	1,581.7	-	1,581.7
Cost of sales	(325.5)	238.3	(87.2)	(377.9)	-	(377.9)
Gross profit	998.8	238.3	1,237.1	1,203.8	-	1,203.8
Net operating expenses	(941.5)	(215.3)	(1,156.8)	(1,056.8)	(134.1)	(1,190.9)
Operating profit / (loss)	57.3	23.0	80.3	147.0	(134.1)	12.9
Net finance costs	(48.2)	18.9	(29.3)	(50.5)	-	(50.5)
Profit / (loss) before tax	9.1	41.9	51.0	96.5	(134.1)	(37.6)
Tax	13.4	(13.4)	-	(2.7)	13.3	10.6
Profit / (loss) for the period¹	22.5	28.5	51.0	93.8	(120.8)	(27.0)
EBITDA ex. IFRS 16	147.4	42.2	189.6	227.5	(115.9)	111.6
Earnings / (loss) per share (p)	2.3		6.2	10.7		(3.1)

1. These results are the 100% consolidated results of the Group

Exceptional and adjusted items – only large one-off items in year

	FY 2020	FY 2019
	£m	£m
VAT refund	257.2	-
Retail impairment	(125.7)	-
Caesars transaction related costs	(70.4)	-
Portfolio shop closures	-	(93.9)
Amortisation of acquired intangibles	(19.2)	(18.2)
Other	-	(22.0)
Exceptional and adjusted items before tax	41.9	(134.1)
Tax	(13.4)	13.3
Exceptional and adjusted items after tax	28.5	(120.8)

- VAT refund £208.3m net of costs and tax
- Impairment of non-cash intangible asset in Retail following impact from Covid-19
- Recognition of costs associated with Caesars transaction

Segmental income statement – Strong online performance

	52 weeks ended 29-Dec-20					52 weeks ended 31-Dec-19				
	Online £m	Retail £m	US £m	Corporate & Other £m	Group £m	Online £m	Retail £m	US £m	Corporate & Other £m	Group £m
Net revenue	802.8	354.2	167.3	-	1,324.3	738.3	717.0	126.4	-	1,581.7
Cost of sales	(230.4)	(76.0)	(19.1)	-	(325.5)	(202.4)	(162.2)	(13.3)	-	(377.9)
Gross profit	572.4	278.2	148.2	-	998.8	535.9	554.8	113.1	-	1,203.8
Net operating expenses	(450.5)	(307.7)	(135.8)	(47.5)	(941.5)	(417.1)	(471.6)	(112.1)	(56.0)	(1,056.8)
Adjusted Operating profit / (loss)	121.9	(29.5)	12.4	(47.5)	57.3	118.8	83.2	1.0	(56.0)	147.0
EBITDA ex. IFRS 16	172.0	(7.5)	22.8	(39.9)	147.4	161.1	108.7	6.7	(49.0)	227.5

Trading divisions generated cash to fund investment

Group cash flow – Cash conversion¹ 100%

	FY 2020	FY 2019
	£m	£m
Adjusted operating profit	57.3	147.0
Non IFRS 16 depreciation and amortisation	90.1	80.5
EBITDA exc. IFRS 16	147.4	227.5
IFRS 16 depreciation (i.e. rent)	37.4	43.5
EBITDA inc. IFRS 16	184.8	271.0
Working capital movement	28.7	(40.8)
Cash from Operations	213.5	230.2
Net capital expenditure	(93.0)	(94.6)
Net interest paid	(43.0)	(42.6)
Tax paid	(19.9)	(3.1)
Free Cash Flow	57.6	89.9
Cash conversion¹	100%	61%

- EBITDA positive at all levels
- Government furlough support paid back in year
- Colleagues paid 100% of wages when furloughed
- HMRC tax deferrals due to Covid-19 settled in year
- Capital investment continued
- Cash conversion improved to 100%

¹Cash conversion is free cash flow divided by adjusted operating profit

Group cash flow – Net debt reduced by over £420m leading to leverage of 0.8x

	FY 2020 £m	FY 2019 £m
Free Cash Flow	57.6	89.9
Acquisitions and disposals	14.1	(165.5)
VAT refund	221.3	-
Dividends	-	(90.9)
Other exceptional items	(45.0)	(53.4)
Net funds flow before financing	248.0	(219.9)
Equity placing	218.6	-
Debt financing	(203.4)	168.8
Net funds flow	263.2	(51.1)
Net debt¹	(113.1)	(535.7)
EBITDA for covenant purposes ¹	144.0	226.2
Net debt / EBITDA ratio¹	0.8x	2.4x

- Free cash flow from operations supplemented by VAT refund
- Dividend cancelled
- June 2020 bond repaid from cash
- Equity placing and VAT refund contribute to net debt reducing by over £420m
- Net debt to EBITDA reduced to 0.8x

1. Net debt for covenant purposes and EBITDA for covenant purposes are non-statutory measures. The basis of the calculation is as described in note 25 to the financial statements within our 2020 Annual Report

Financial Summary

- Online growth offsets Retail lockdowns
- Furlough repaid in year and employee wages maintained at 100%
- Retail bounce back proven twice
- US momentum continues
- Strengthened balance sheet; no near term maturities
- Resources for continued investment in product and technology

Financially positioned for growth

In conclusion

Ulrik Bengtsson, CEO

Summary



Internal capability matched to external opportunity

William HILL®