

H1 2024 Trading Update

18 July 2024

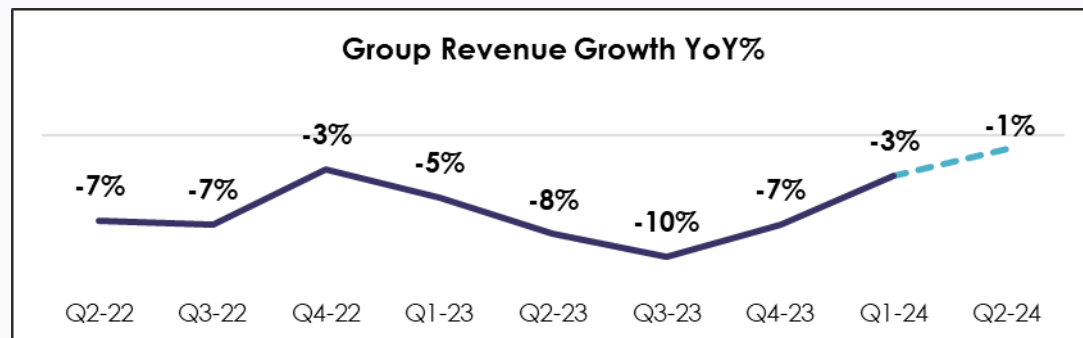
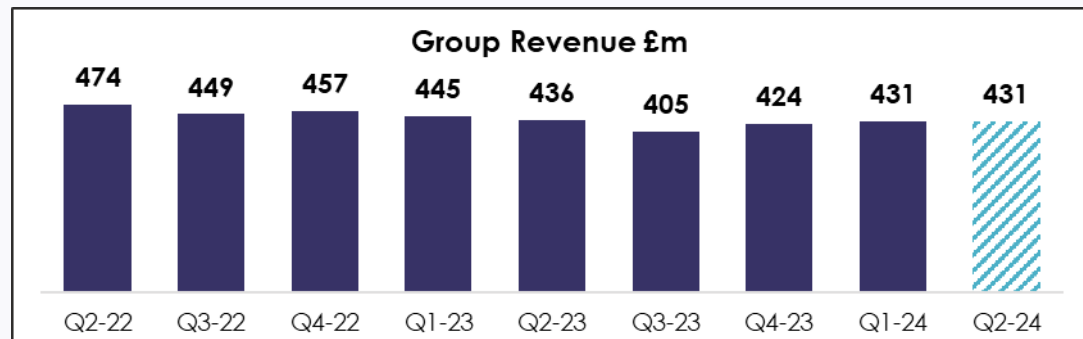
evoke

888 *William*HILL 

H1 2024 FINANCIAL SUMMARY

Online back to growth with strong strategic progress, but revenues behind original plans
Adjusted EBITDA expected to be approximately £35-40m behind our original plans

£ millions	Q2-24	Q2-23	YoY%	H1-24	H1-23	YoY%
UK&I Online	174	170	+3%	339	336	+1%
UK Retail	128	140	-8%	258	279	-8%
International	129	126	+2%	265	266	-0%
Total revenue	431	436	-1%	862	882	-2%



Revenue

- Q2 revenue broadly stable sequentially and YoY; positive trajectory and encouraging lead indicators, but behind initial plans
- UK&I online:** returned to growth in H1 driven by improved product and promotions, with gaming +6% in Q2. Approximately £20m behind EBITDA plans due to lower than expected returns from planned marketing overspend, particularly Cheltenham, and revenue improvement slightly lagging plans
- UK Retail:** -8% with challenging conditions on the high street and tough comparatives, as well as our customer offering falling behind competition. EBITDA approximately £10m behind plan given fixed cost base and negative operating leverage
- International:** Q2 +4% in constant currency with double digit growth in core markets offset by reduced revenues from optimise markets as we focus on cash flow generation, including exiting US B2C

Adjusted EBITDA

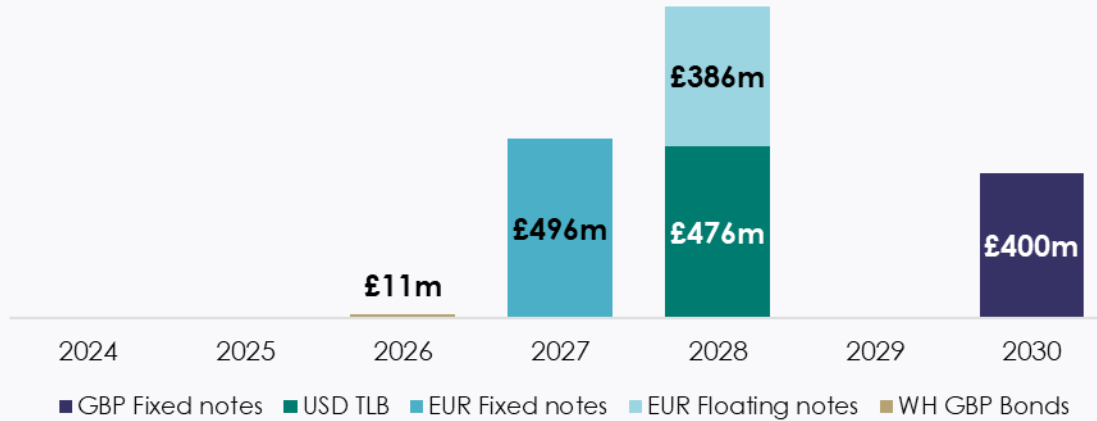
- Adjusted EBITDA Margin for H1 expected to be c.13-14%
- This is c.£35-40m behind our original plan, driven by the revenue miss vs expectations, and the timing of cost saves
- Expectations for H2 2024 and 2025 onwards unchanged, with business momentum supporting significantly increased profitability

DEBT AND LIQUIDITY

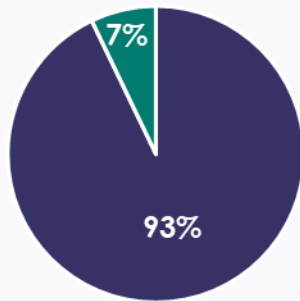
Stable long-term debt profile with strong liquidity headroom

While leverage is temporarily elevated, we see a clear path to rapid leverage reduction to <3.5x in 2026

Debt maturity profile

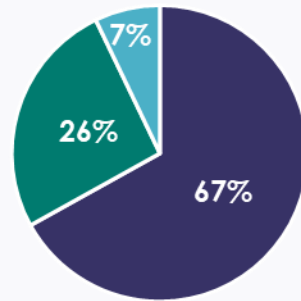


Interest rates



■ Fixed ■ Floating

FX



■ GBP ■ EUR ■ USD

- May 2024 refinancing to repay Euro TLA and replace with GBP fixed rate notes has improved the debt profile:
 - Extended maturity of £400m by two years out to 2030
 - Improved the fixed/floating mix including underlying fixed element for when hedges roll off in 2025
 - More closely aligned the debt currency mix to underlying cash generation
 - Cash neutral over the life of the original TLA, with compensation received to cover marginally higher ongoing cash interest
- Agreed additional £50m RCF through to Dec-25
- Long-term maturity with ongoing principal amortisation only applicable to the \$TLB at 1% p.a. / ~£4-5m p.a.
- Strong liquidity of nearly £300m, with approximately £116m net cash and £175m undrawn RCF at 30 June 2024
- Leverage temporarily elevated >6x at H1-24 given investment in transformation, with clear path to rapid deleverage over the coming years with unchanged target to be <3.5x by the end of 2026

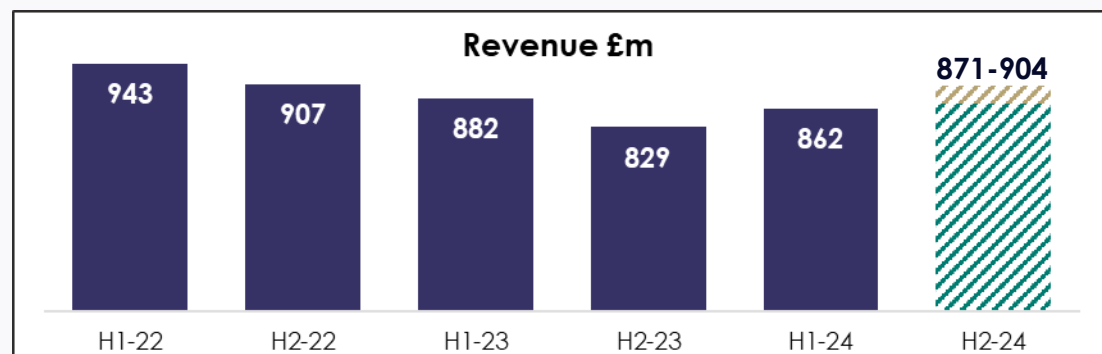
OUTLOOK AND GUIDANCE: ON TRACK FOR VALUE CREATION PLAN

Encouraging signs of progress and clear plans to support higher profits in the second half

Sticking to strategy and value creation plan, with H2-24 on track and 2025/2026 targets unchanged

Driver of H1 revenue/EBITDA miss	Actions taken to address issues
UK&I Online marketing planned overspend, and returns lower than expected	<ul style="list-style-type: none"> Change in commercial leadership at both executive and management layers Implemented more robust ROI tracking, with regular effectiveness reviews and scaling up and down quickly. Product enhancements will further support improved returns
Sub-optimal approach to customer segmentation and targeting	<ul style="list-style-type: none"> Robust player cohort tracking and targeting of more valuable cohorts, moving away from previous volume chasing promotional activity such as the Cheltenham offer, which has not delivered the expected returns
Impact from changes made in H2-23 to drive short-term benefit in response to regulatory/compliance headwinds	<ul style="list-style-type: none"> The impact was expected to be limited but regularly making tactical changes to the customer proposition in terms of pricing and promotions has impacted brand consideration and taken longer to recover than expected – now have much more consistent approach, which will be further enhanced by refined William Hill Customer Value Proposition
Retail – uncompetitive product and challenging high street, dropping to bottom line given high fixed cost base	<ul style="list-style-type: none"> Change in commercial leadership at both executive and management layers Pivoted away from plan to build proprietary retail gaming software, and signed a deal with Inspired for 5,000 new best-in-class cabinets that will roll out across Q4 2024 and Q1 2025 Further investment in SSBT and sports product, as well as enhancing broadcast offering in shops

H2 2024 revenue growth expected to be 5-9%

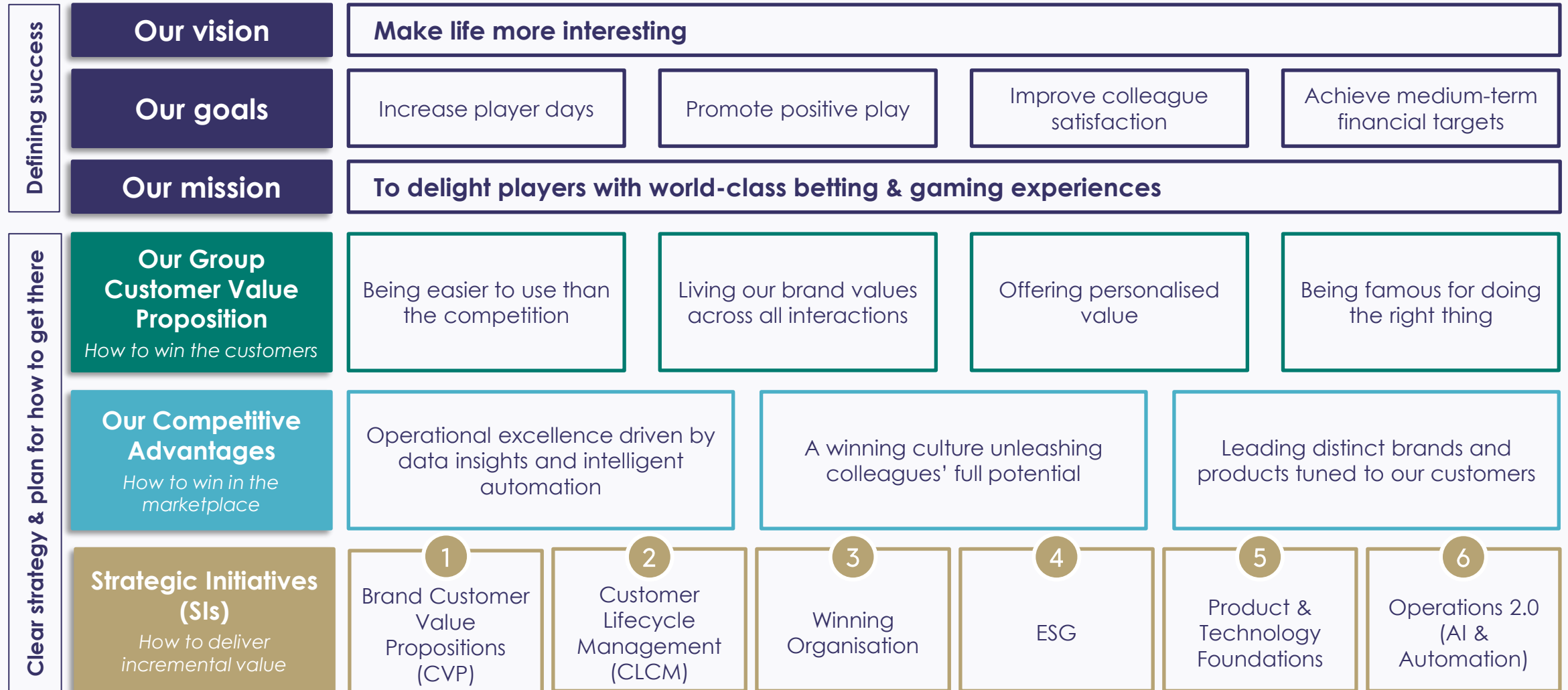


Adjusted EBITDA Margin approximately 21% for H2 2024

- Marketing phasing planned to be H1 weighted, with planned overspend in Q1 aimed at driving growth. Expect c.£35-40m half-on-half lower marketing in H2 as compared to H1, with improved efficiency
- £30m cost optimisation programme has been executed but not fully reflected in H1 given timing, with an incremental c.£5-10m H2 benefit compared to H1, and further annualisation uplift into FY25
- Strong pipeline of product and commercial initiatives behind the 5-9% revenue growth, which will drive operating leverage

STRATEGIC FRAMEWORK OVERVIEW

Our strategic framework provides a clear vision of what success looks like and the strategy to get there



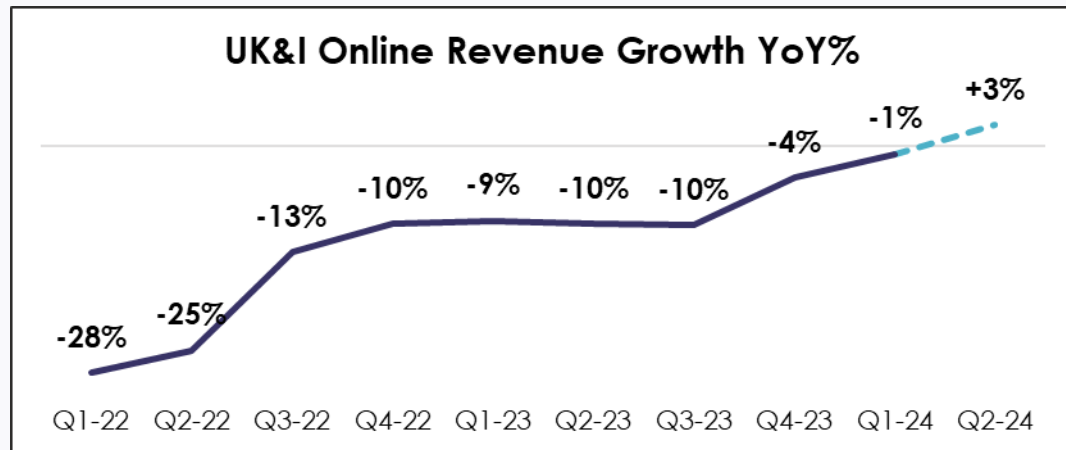
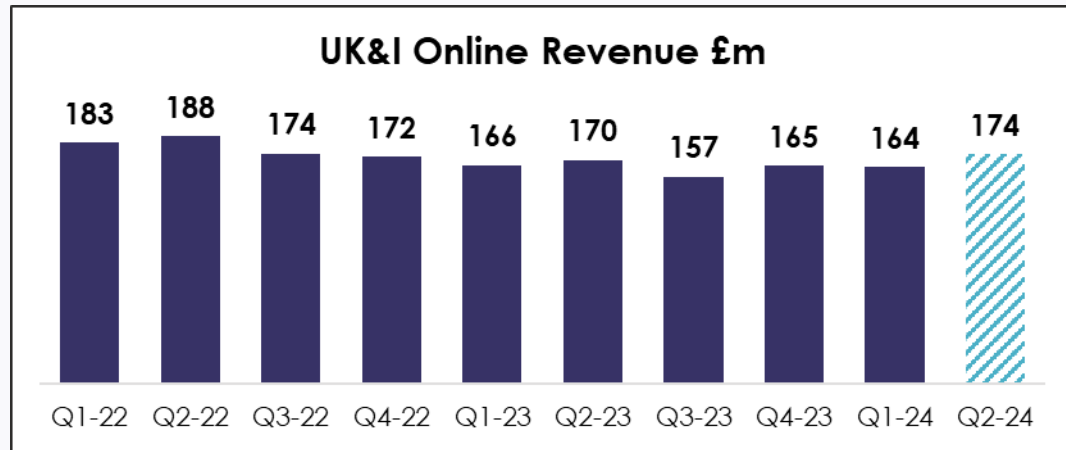
H1 2024 STRATEGIC HIGHLIGHTS

We are embarking on a total reset of the business, building evoke as a new business to create value
Decisive, bold and pacy actions in H1 are showing strong early signs of success

Strategy for success	Decisive actions already taken in Q1...	...with continued bold transformation in Q2
Operational excellence driven by data insights and intelligent automation	<ul style="list-style-type: none"> ▪ New operating model implemented: delivering £30m of cost savings, enhanced speed to market, and improved effectiveness and efficiency ▪ Focus on core markets, exit US B2C 	<ul style="list-style-type: none"> ▪ Hired world-class talent: AI lead to transform business; BI & Analytics lead to drive step-change in capabilities ▪ Data-driven customer segmentation enhanced, more personalised promos – online revenue back to growth
A winning culture unleashing colleagues' full potential	<ul style="list-style-type: none"> ▪ New executive team with 9 out of 11 members new since October 2023, bringing proven execution capabilities 	<ul style="list-style-type: none"> ▪ Successfully rebranded Group to evoke plc and internal rollout of refreshed values and new identity ▪ Significant expansion of capabilities across broader leadership team and embedding new operating model
Leading distinct brands and products tuned to our customers	<ul style="list-style-type: none"> ▪ Group customer value proposition decided ▪ Complete overhaul of product development pipeline and prioritisation, to focus on value and deliver quicker ongoing improvements to customers 	<ul style="list-style-type: none"> ▪ Mr Green brand refresh and new campaigns launched ▪ William Hill proposition changes more aligned to new CVP, with brand refresh advanced, set to launch in Q3 ▪ Product delivery with impact e.g. Betbuilder, B2B poker
Strategic initiatives	<ul style="list-style-type: none"> ▪ Launch of new strategy, translated into value creation plan ▪ Destination product and tech platform plans agreed 	<ul style="list-style-type: none"> ▪ Dedicated CX squads rolled out delivering key customer journey improvements ▪ Customer engagement platform plans finalised to accelerate customer lifecycle management

Q2 2024 TRADING – UK&I ONLINE

Improving trends with a return to growth in Q2 and product pipeline and customer lifecycle management improvements into the second half providing support for further acceleration of growth

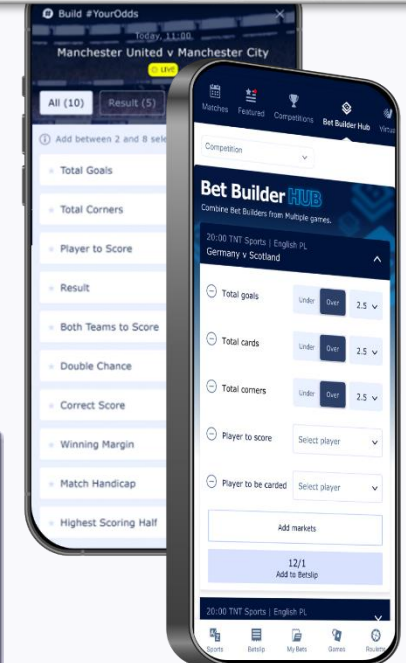
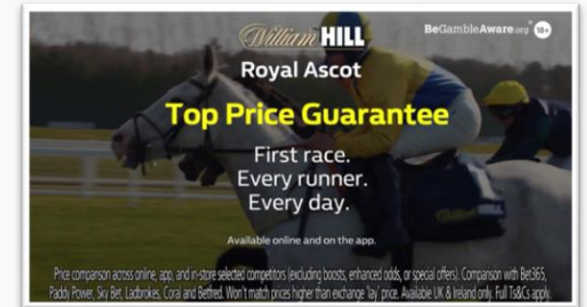


Q2 2024 highlights

- Back to growth, and gaming +6%
- Enhanced product capabilities and changes in WH customer proposition more aligned to the new CVP

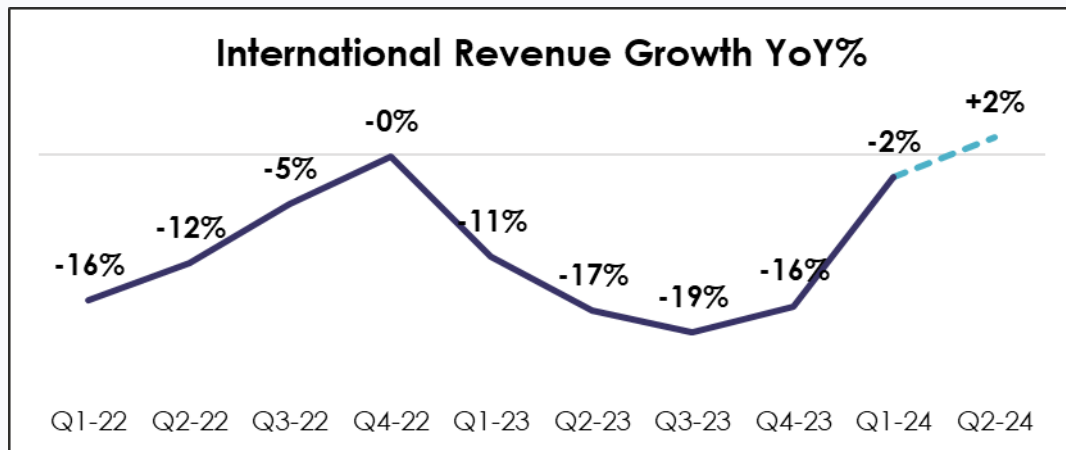
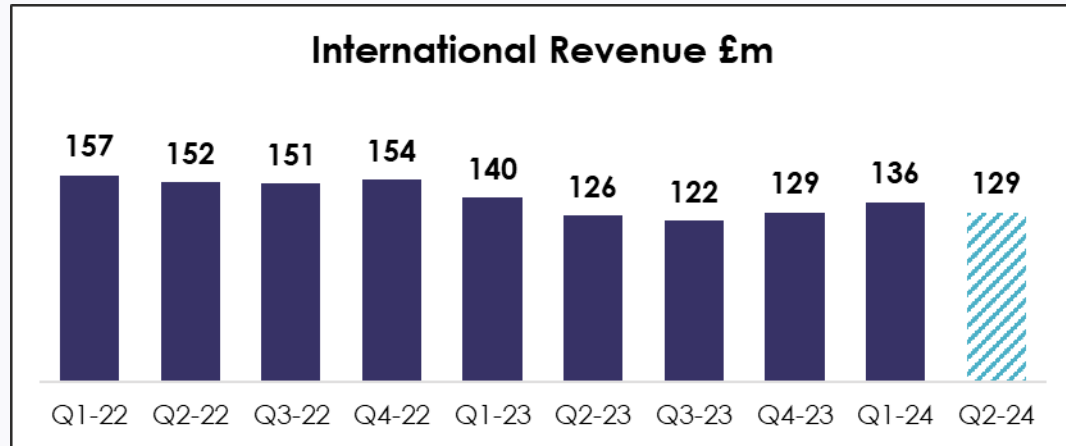
H2 2024 performance drivers

- New leadership team
- Further product and customer journey/experience improvements
- CVP and CLCM focused on increasing ARPU and share of wallet
 - Clear price position
 - Personalised promotions
 - Data-driven customer segmentation



Q2 2024 TRADING – INTERNATIONAL

Strong double-digit growth in core markets continued in Q2, offset by reduced revenues from optimise markets as we continue to focus on cash generation from those markets

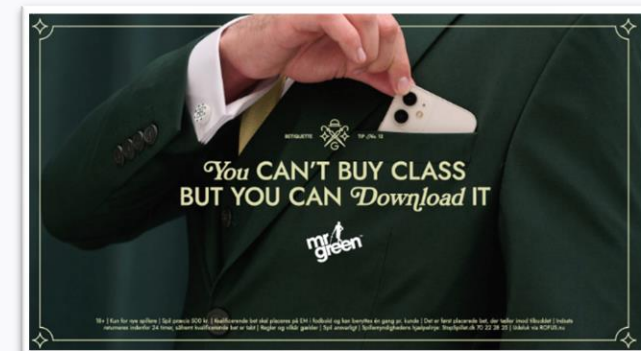


Q2 2024 highlights

- +4% growth in constant currency, improving from +1% constant currency in Q1, with sequential decline due to normal seasonality
- Refined market focus with double digit growth and taking market share in Core markets
- Reduction in revenues from optimise markets, including exit from US B2C

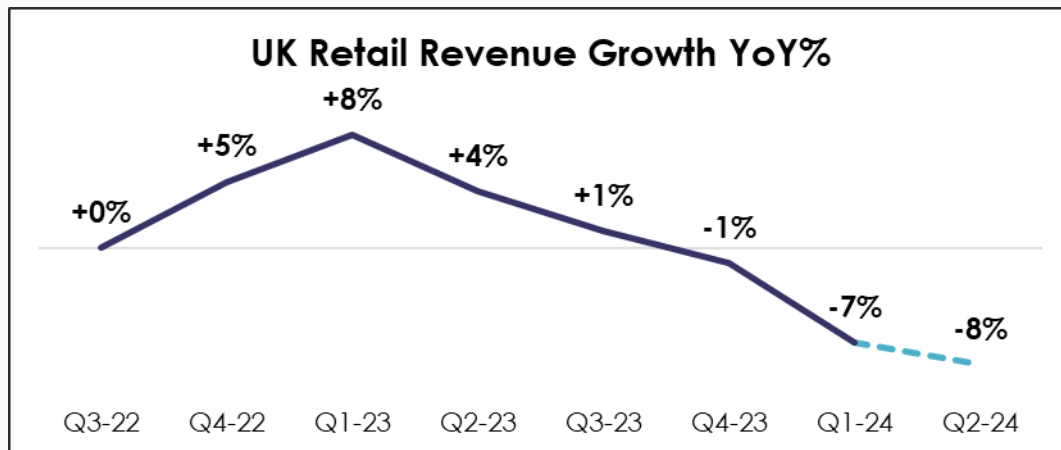
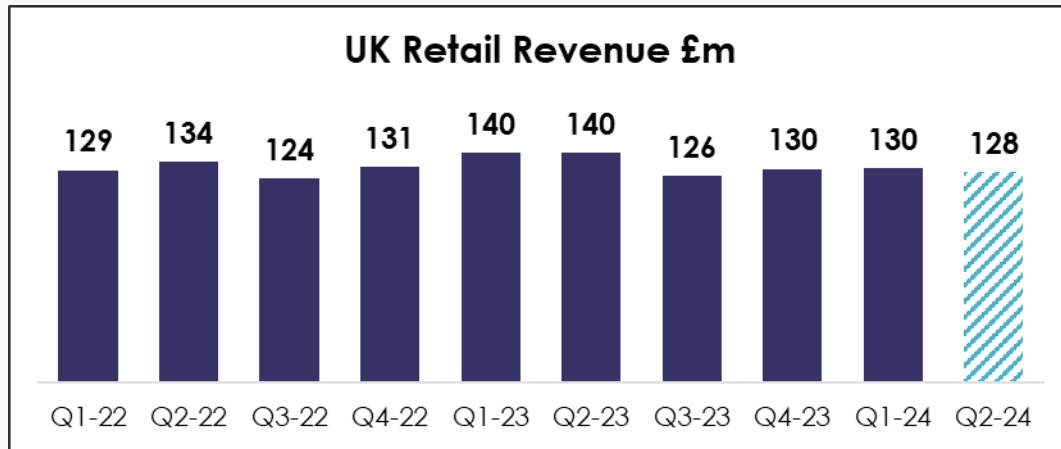
H2 2024 performance drivers

- Repositioned Mr Green as the leading differentiated casino brand
- Improved payments across several markets
- Adding more sports offerings, powered by global trading platform
- CLCM improvements and data-driven customer segmentation driving more personalised promotions, improving bonus efficiency



Q2 2024 TRADING – UK RETAIL

Challenging competitive dynamics mean revenue is behind our plan, but remains broadly stable sequentially, with clear plans in place to drive growth in the second half and beyond



Q2 2024 highlights

- Continued stable revenue sequentially, with a challenging comparative period
- Launched new Betbuilder product experience on SSBTs

H2 2024 performance drivers

- New leadership team
- Rollout of 5,000 best-in-class gaming machines from Q4 2024 to Q1 2025
- Improved SSBT functionality (simpler CX) and propositions (both aligned to William Hill CVP)
- Debit card functionality improvements
- Enhancing broadcast offering
- Ongoing optimization of shop costs, including selected closures of loss-making tail



H1 2024 SUMMARY

Sticking to the strategy and investing for mid and long-term profitable growth as we reset the business
High conviction in achieving medium-term targets and strong value creation

- ❑ Revenues improved, but behind plan, with EBITDA c.£35-40m behind plan in H1 2024
- ❑ Significant scale of transformation and reset of the business gathering pace, with improved revenue momentum and lower operating costs
- ❑ Unchanged outlook for H2 2024 and 2025 and beyond: decisive actions give increased confidence in strategy execution
- ❑ Well placed to deliver the value creation plan and meet 2026 targets