



The multinational sports betting and gaming group

2014 results and trading update

“GVC has delivered excellent results, again increased dividend and is positioned to capitalise further on its unquestionable track record of successful strategic acquisitions.”

Presentation released 23 March 2015, share data measures to COB, Thursday 19 March 2015

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2014 Results highlights

- Revenues up by 32% to €225 million (average of €616k per day)
- Contribution up 20% to €123 million
- Clean EBITDA up 28% to €49.2 million (2013: €38.3 million)
- EBITDA margin -22%
- Net operating cashflow margin - 19%
- Dividends declared up 14% to 55.5c

Q1-2015 trading

- Wagers per day €4.6 million, up 22% on Q1-2014
- Sports margin 8.9% (Q1-2014: 10.0%)
- NGR per day €661k, up 18% on Q1-2014 (€559k)

2015 focus

- Enhance product, continue aggressive marketing into emerging markets
- Look to participate in the industry consolidation

Returns to Shareholders

The table below shows the share price for the same date over the last five years:

	2011	2012	2013	2014	2015
“Pre-prelim” share price	£1.145	£1.445	£2.490	£3.760	**£4.550
Dividends in year to prelims (€)	€c 20.0	€c 21.0	€c 22.0	€c 48.5	€c 55.5
Dividends in constant fx rate*	£p 14.4	£p 15.1	£p 15.9	£p 35.0	£p 40.0

Share price increase = £3.405

Divis announced £1.20

Total gain to shareholders £4.605, 400% over £1.145 on 18 March 2011

Total gain to shareholders since acquisition of Sportingbet:

a.Share price increased from £2.335 to £4.550** = £2.215, 95%

b.Dividends declared €1.04 (75p at current exchange rates)

c.Total gain 127%

* Bloomberg 17.00hrs Thursday 19 March 2015, £1 = €1.3859

**closing price on Thursday 19 March 2015, £4.55

- Continue to drive strong organic growth across all brands, products and markets
- Increase investment in products (GVC owns its sportsbook platform, payments engine and mobile product)
- Geographic diversification
- Accretive acquisitions (if suitable)
- Role to play in sector consolidation given the GVC track record in turnarounds, cost efficiencies and fact that GVC owns its Sportbook, payments engine and mobile technology

Trading summary: last 5 quarters



€000's	Q1-15	Q1-14	%	Q2-14	Q3-14	Q4-14
Wagers/day	4,601	3,765	+22%	3,907	3,995	4,366
Sports margin %	8.9%	10.0%		9.8%	10.5%	9.0%
Sports GGR	410	377	+9%	383	419	394
Sports NGR	306	279	+10%	296	330	302
Gaming NGR	355	280	+27%	306	325	345
Total NGR	661	559	+18%	602	655	647
Total Mobile GGR	186	99	+88%	115	148	171
Mobile*	35%	21%		24%	28%	34%
In-play*	73%	67%		60%	62%	72%

* As a % of Sports GGR

Financial review

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Business model simplified (€000's)



"Formula"	Item	Y/E 31.12.14	FY/day	Q1-15/day	Q1-14/day
a	Wagers	1,463,523	4,010	4,601	3,764
b	Margin %	9.8%	9.8%	8.9%	10.0%
c = a x b	Gross sports margin	143,544			
d	Sports bonus %	23.2%			
e = c x d	Sports bonus	(33,345)			
f = c - e	Sports NGR	110,199			
g	Gaming NGR across all brands	114,602			
h = f + g	TOTAL NGR	224,801	616	661	559
j	Variable cost %	45.2%			
k = h x j	Variable costs	(101,513)			
l = h + k	CONTRIBUTION	123,288			
m	Cash based expenditure	(74,126)			
n = l + m	CLEAN EBITDA	49,162			
p = n / h	Clean Ebitda %	21.9%			

Income Statement, (excluding 2013 exceptionals)

€ million	2014	2013	% change	Comments
NGR	224.8	*182.1	+23.3%	
“below the line” marketing (all brands)	(14.1)	(8.3)		Included significant focus on Latam
Other variable costs	(87.4)	(71.2)		Relatively constant to NGR
CONTRIBUTION	123.3	102.6	+20.0%	55% ratio achieved
Cash expenditure	(74.1)	(64.3)		
CLEAN EBITDA	49.2	38.3	+28.5%	22% ratio achieved
D&A, share option charges	(4.7)	(4.4)		
Net financial expense	(1.6)	(1.1)		Accounting treatment issue
Betit put option charge	(1.6)	-		Accounting treatment issue
PROFIT BEFORE TAX	41.3	32.7	+26.3%	
EPS (BND)	66.4	58.6	+13.3%	
DPS PAID (€cents)	55.0	28.0	+96.4%	11.5+16.0+12.5+15.0
DPS ANNOUNCED (€cents)	55.5	48.5	+14.4%	12.5+15.0+12.5+15.5

For ease of direct comparison, the 2013 “NGR” figure is actually the proforma or underlying figure as if EPC had been consolidated for a full 12 months

Income Statement, unusual accounting items

€000's	2014	2013	Comments
Interest income	16	33	Lower average net cash
Finance lease & expense	(71)	(54)	
Imputed interest income on WH interest-free loan	-	780	Loan is interest free, but IAS 39 requires a interest calculation
Unwinding of discount on WH imputed interest credit	(238)	(186)	Full year charge
Unwinding of discount on Betboo deferred consideration	(710)	(1,677)	
FX revaluation on £ loans, leases	(627)	-	FX rates moved from 1.2031 to 1.2870
NET FINANCIAL EXPENSE	(1,630)	(1,104)	
VALUATION OF BETIT PUT OPTION	(1,593)	-	Betit has an option which could allow it to "put" the business onto GVC in Q4-2017 should GVC not proceed with its call. The likely commercial outcome under this scenario is that GVC returns its 15% and impairs its investment

Cashflow, 2014



In €000's			
Clean EBITDA		49,162	
Capitalised S/W development		(3,343)	
Equipment purchases and finance lease installments paid		(1,951)	
Net cash absorbed through working capital		(742)	
Corporate tax payments net of recoveries		(508)	
Clean Net Operating Cashflows ("CNOC")		42,618	
Dividends paid		(33,607)	Representing 79% of CNOC and 68% of CEBITDA
Betboo earn-out payments	(4,339)		
Betit investment and costs	(3,649)		
Repayment of 1 st installment of WH loan	(2,856)		2 further installments remain
Proceeds from issue of shares following exercise of 369,720 options	854		26,667 @£1.26; 343,053 @£1.89
		(9,990)	
Net cash movement in year		(979)	

Balance sheet bridge



In €000's				
PBT			41,291	
Tax charge			(728)	
Equity settled share option charge			552	
Dividends			(33,607)	
Movement in retained earnings			7,508	
Share options exercised			854	
Opening balance sheet			141,096	
Closing balance sheet			149,458	

Balance sheet extracts



In €000's			
Cash			17,829
Payment processor balances			22,222
			40,051
Customer liabilities	Customer coverage ratio →	300%	(13,036)
Sub-total			27,015
Other Net current assets/liabilities (other than debt)			(23,868)
	<1yr	>1 yr	3,147
Debt (William Hill loan + finance leases)	(4,097)	(3,103)	(7,200)
Net Debt (cash, less customer balances less debt)			(2,407)

Operational review



SPORTSBOOK

- KPIs
- Future developments

GAMING

- KPIs
- Future developments

Sportsbook KPIs



	Q1-15	Q1-14	%	Q2-14	Q3-14	Q4-14
Wagers/day	4,601	3,765	+22%	3,907	3,995	4,366
% hold	8.9%	10.0%		9.8%	10.5%	9.0%
GGR	410	377	+9%	383	419	394
NGR	306	279	+10%	296	330	302
Amount via mobile	144	78	+85%	90	119	134
% via mobile	35%	21%		24%	28%	34%
% via in play	73%	67%		60%	62%	72%
In-play events/day	419	298	+41%	300	346	342
% on football	70%	72%		65%	66%	68%
% on tennis	12%	8%		9%	10%	6%
% on basketball	9%	8%		7%	5%	10%

Sportsbook Developments

- Cash-out
- Sportsbook re-design
- New Sportsbook bonus engine
- New basketball pre-match service
- Improved Native IOS Sportsbook (more streaming/visualisations)
- New Mobile Web Tablet Sportsbook (completely new)
- Improved Mobile Web Sportsbook (re-design/new functionality)
- Full US Sports coverage (every major US Sport event live)
- Increased live trading automation
- Improved native Android Mobile Sportsbook (re-design/new functionality)

Gaming KPIs



	Q1-15	Q1-14	%	Q2-14	Q3-14	Q4-14
NGR from stand-alone casinos	98	87	+13%	80	80	90
Cross sell from Sportsbook	257	193	+33%	226	245	254
Total Gaming NGR	355	280	+27%	306	325	345
Split between:						
Casino	335	253	+33%	285	305	325
Poker/other	20	27	-26%	21	20	20
	355	280	+27%	306	325	345
% of total NGR	53.7%	50.1%		50.8%	49.6%	53.3%

Gaming developments

- New casino bonus engine
- New games providers including NYX OGS, Yggdrasil, Zitro, Betmotion
- New Native IOS Casino (re-design/new functionality)
- New Native iOS Tablet Casino (re-design/new functionality)
- New local language live casinos

CONCLUSION

- GVC is highly profitable and increasingly diversified
- Excellent growth record continues (Q1-15 NGR per day 18% higher than Q1-14)
- GVC has market leading proprietary Sportsbook and mobile product
- Highly experienced and motivated management team
- Aggressive product enhancements planned
- Highest paying dividend company in sector
- GVC very confident of its future prospects