

GVC Holdings PLC
 (“GVC”, the “Company”)

Trading update and historic pro forma financials

GVC Holdings PLC (LSE: GVC), the multinational sports betting and gaming group, is pleased to announce a trading update for the first 20 weeks of the current year together with the release of pro forma¹ financials for 2016 and 2017. The historic pro forma financial data will be available later this morning on the GVC website (<https://gvc-plc.com/investor-relations/presentations/>).

The Group also announces a change in reporting currency to sterling, effective immediately, having previously reported in euros.

Pro forma¹ trading update for the period 1 January to 20 May 2018

Key highlights:

- Completion of Ladbrokes Coral Group acquisition on 28 March 2018
- Cost synergies upgraded to at least £130m (from £100m) by 2021
- Double-digit Online NGR growth continues, +18% in constant currency (“cc²”);
 - Sports Brands NGR +16% (+18% cc)
 - Games Brands NGR +16% (+18% cc)
 - Legacy GVC and Ladbrokes Coral businesses both double-digit growth
- UK Retail Like-for-like (“LFL”)³ NGR -5% impacted by adverse weather
- European Retail NGR +32% (+28% cc) boosted by a strong performance from Eurobet
- Total Group NGR +7%

The Group has enjoyed a good start to the year, notwithstanding the well-publicised impact on UK retail businesses from the adverse weather.

	Year to date growth (1 Jan 2018 to 20 May 2018) ¹				
	Total NGR	Total NGR CC ²	Sports Wagers	Sports Margin	Change in Margin
Online					
Sports Brands	16%	18%	4%	10.4%	1.2pp
Games Brands	16%	18%			
B2B	46%	48%			
Total Online	17%	18%			
UK Retail (LFL)³	(5%)	n/a	(9%)	18.3%	0.2pp
European Retail	32%	28%	4%	18.1%	3.8pp
Other	(26%)	(26%)			
Total Group	7%	7%			

Trading commentary:

Online:

Pro forma online NGR grew +17% against the same period in 2017. Sports Brands total NGR growth was +16%, with a gross win margin of 10.4% (2017: 9.2%), whilst amounts wagered grew by 4%. Games Brands also enjoyed a strong start to the year with NGR +16%.

GVC legacy brands continued to grow strongly during the period, with NGR +19% (+21% cc). Sports Brands NGR increased by 17% (+19% cc), with sports +23% and gaming +12%. Sports gross win margin was 11.0% (2017: 9.4%). Amounts wagered were up 1% year-on-year, however, adjusting for regulatory changes in some Eastern European markets, wagers grew by 6%. Looking ahead to the FIFA World Cup in Russia, bwin has recently launched another groundbreaking marketing campaign, starring amongst others, the legendary Diego Maradona. Games Brands NGR growth was +20% (+23% cc), with partypoker continuing to be a key driver (+41%), also supported by a good performance from the casino brands. Meanwhile, the acquisition of 51% of Crystalbet was completed on 13 April (consolidated from that date) and we are delighted with the early performance of the business. Since acquisition, amounts wagered are up 45% year on year (year to date +34%) at Crystalbet, with NGR +83% (75% year to date).

Ladbrokes Coral online brands grew 14% (+16% cc) over the 20 week period. Sports Brands NGR growth was 15%, with sports NGR +20% driven partly by an improvement in gross win margin to 10.0% (2017: 9.1%). The higher gross win margin did have an impact on recycling but nevertheless amounts wagered grew by 5%. Gaming revenues from Sports Brands grew 9%. In the UK, Coral continued to perform well with NGR +15% over the period. Ladbrokes.com's performance has begun to improve with NGR +6%, as the brand benefits from corrective measures implemented in 2017. We are excited by the opportunity to reinvigorate one of the UK's leading sports-betting brands. Ladbrokes Australia continues to gain market share, with NGR up 18% (+27% cc). Eurobet also enjoyed a strong performance with NGR +44% (+39% cc), benefiting from a better gross win margin of 11.1%, versus the weak comparative in 2017 (7.8%). Finally, in a competitive UK market Gala NGR grew 8%.

UK Retail (LFL³):

UK Retail NGR was 5% behind last year with OTC net revenue 8% behind, impacted by severe weather. During the 20 week period, 12% of all planned horse racing fixtures were cancelled. Volumes were also adversely impacted by lower levels of recycling at the start of the period due to the exceptionally strong gross win margins at the end of Q4 2017. OTC gross win margin of 18.3% was marginally ahead of last year (2017: 18.1%). Machines NGR was 2% behind last year and given the high profile of the Triennial Review revenues could remain under pressure.

European Retail:

European Retail NGR was 32% ahead of last year with growth in all regions. Eurobet NGR was 53% ahead of last year helped by good wagering growth and the weak gross win margins in the comparative period (constant currency +49%).

Triennial Review:

The Government announcement on 17 May 2018 that maximum stakes on FOBTs will be cut to £2 marks the end of uncertainty on FOBT staking limits. Regulation is expected to be enacted later this year, with DCMS recognising the technical challenges involved and the requirement for a suitable implementation period. The focus in the UK Retail operation over the last two years has been to create a business that is well placed to face these structural and regulatory headwinds. As such we expect to be able to reposition the business within two years following implementation, with an anticipated fully mitigated impact of c£120m on Group EBITDA secured by the end of this period. In the first full year the impact on Group EBITDA is anticipated to be in the region of £160m. Therefore, we expect to retain a profitable and highly cash generative UK Retail estate. Furthermore, our proven leading multi-channel expertise presents additional opportunities to drive online growth.

Integration and Synergies update:

It is only two months since the completion of the acquisition of the Ladbrokes Coral Group and we are at the very early stages of integration. A new senior reporting structure has been established with key operational heads appointed. Work on firming-up synergies and identifying additional opportunities is ongoing and at the time of the interim results in September we will give a further, more detailed update. However, we do now expect synergies to be at least £130m per annum (previously £100m) by 2021.

GVC and Playtech plc ("Playtech") are in discussions to update the existing services agreement between the two companies, in order to secure a long-term mutually beneficial relationship. This would allow Playtech access to new significant brands, revenue streams and secure long term revenues, whilst providing GVC operational flexibility to realise its synergies plan. In the meantime, GVC will continue to honour the existing Playtech contract and maintain the positive working relationship.

US:

The recent United States Supreme Court judgement to repeal PASPA, presents the potential for a significant expansion in the regulated sports betting market. Through Stadium, the Group is already the leading B2B provider of sportsbook technology in Nevada, whilst in New Jersey GVC technology supports MGM online casino and poker offerings. The Group continues to evaluate a number of potential opportunities to expand its presence in the US through a disciplined approach.

Kenneth Alexander (CEO) said:

"It is very early days since the completion of the acquisition of the Ladbrokes Coral Group, but from what I have seen so far I am excited about the opportunities and even more confident of delivering shareholder value. The online operations continue to grow strongly and this is before we have started to implement best in practice across the enlarged group. Regulatory challenges across the industry cannot be ignored but through our scale, diversification, proprietary technology and people, GVC is very well placed to continue to succeed."

Notes

- (1) The Group's pro forma results are presented as if the current Group, post the acquisition of Ladbrokes Coral, had always existed. As such, it excludes the results of the Turkish-facing business which was discontinued during 2017, the 360 shops that the Ladbrokes Coral Group were required to divest on merger and the previously discontinued Ladbrokes Coral High Roller segment*
- (2) Growth on a constant currency basis is calculated by translating both current and prior year performance at the 2018 exchange rates*
- (3) UK Retail numbers are quoted on a LFL basis. During the period there were an average of 3,563 shops in the estate, compared to an average of 3,664 in the same period last year*

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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For further information:

GVC Holdings PLC

Kenneth Alexander, Chief Executive

Paul Bowtell, Chief Financial Officer

Nick Batram, Director of Investor Relations &
External Communications

Paul Tymms, Head of Investor Relations

(investors@gvc-plc.com)

Media enquiries:

Buchanan Communications

David Rydell/Henry Harrison-Topham/Chris Lane

Tel: +44 (0) 20 7466 5066

An analyst call will be held at 9.00 AM today. The corresponding presentation will be made online on the Group's website shortly before the call: <https://gvc-plc.com/investor-relations/presentations/>

Participants may join the call by dialing one of the following numbers, approximately 10 minutes before the start of the call:

UK toll-free dial-in: 0808 237 0040

International dial-in numbers:

http://events.arkadin.com/ev/docs/FEL_Events_International_Access_List.pdf

Participant PIN Code: 92468403#

About GVC

GVC Holdings PLC is one of the world's largest sports betting and gaming groups, operating both online and in the retail sector. The Group owns a comprehensive portfolio of established brands; Sports Brands include bwin, Coral, Crystalbet, Eurobet, Ladbrokes and Sportingbet; Gaming Brands include CasinoClub, Foxy Bingo, Gala, Gioco Digitale, PartyCasino and partypoker. The Group owns proprietary technology across all of its core product verticals and in addition to its B2C operations provides services to a number of third-party customers on a B2B basis. GVC acquired Ladbrokes Coral Group plc on 28 March 2018 and is now the UK's largest high street bookmaker, with over 3,500 betting shops. The Group, incorporated in the Isle of Man, is a constituent of the FTSE 250 index and has licences in more than 20 countries, across five continents.

For more information see the Group's website: www.gvc-plc.com