

16 July 2020

GVC Holdings PLC
("GVC" or the "Group")

H1 Post Close Trading Update

A strong performance in a challenging market, demonstrating the diversification of the Group's geographic, brand, channel and product offering

GVC Holdings PLC (LSE: GVC), the global sports-betting and gaming group, is pleased to announce a first half trading update for the period 1 January to 30 June 2020.

Summary

- Encouraging start to the year, despite the impact of COVID-19, with Group net gaming revenue ("NGR") down 11% (-10%cc¹) and Online NGR up 19% (+21%cc¹) in H1
 - Online NGR grew 22% (+23%cc¹) in Q2, despite overall performance being impacted by sports cancellations, demonstrating the strength and diversification of the Group's geographic, brand, channel and product offering
- Robust and decisive cost management ensured that the Group achieved its target of operating at cash neutral through the lockdown period
- GVC continues to lead the way on safer gambling initiatives, with further enhancements made to its responsible gambling safeguards during lockdown
- Ladbrokes and Coral brands migrated on to GVC technology platform, completing key elements of technical integration of Ladbrokes Coral Group
- Second round of investment committed to BetMGM (the Group's US JV with MGM Resorts), bringing total investment from GVC and MGM Resorts to \$450m in order to accelerate its ambitions to be the market leader in the rapidly expanding US sports betting and gaming market
- H1 EBITDA² expected to be in the range of £340m-£350m
- Relocation of the Group's place of management and control - and consequently its tax residence - to the UK
- As announced separately today, Kenneth Alexander, Chief Executive Officer, is to retire from the Board and from the Company. He will be succeeded by Shay Segev, GVC's Chief Operating Officer. The changes, which follow a long-term succession process, will take place at the close of business tomorrow, 17 July 2020

Kenneth Alexander (CEO) said:

"Given the extraordinary circumstances in which the Group is currently operating, delivering double-digit online net gaming revenue growth in all of our major territories is a very strong performance. It is a clear testament to the strength and diversification of our business model, the quality of our technology, the enduring appeal of our brands, and the talent, commitment and professionalism of our people. We have worked hard to achieve our target of operating at cash neutral throughout the lockdown period, which has enabled the Group to retain the necessary financial strength to be able to take advantage of growth opportunities as and when they are presented to it. Our increased investment in BetMGM in the US is a case in point.

"During this period of lockdown measures around the world, we have been more aware than ever of our responsibility to provide the safest possible environment for our customers. We continue to focus on providing our customers with the tools to empower them to manage their own play, whilst deploying our market-leading technology to monitor for potentially problematic changes in behaviour and intervene as required. We are pleased that there is no evidence of any increase in problem gambling during lockdown. Hopefully this has also been duly noted by those whose preference for punitive and mandatory restrictions runs the risk of driving customers into the hands of unscrupulous black-market operators, as has been the case in other countries in which stringent and misguided regulation has been introduced.

"All in all, our resilient performance through what has been a turbulent first half and the proven strength of our business model means that the Group can look forward to the future with confidence."

	Q2 growth (1 April to 30 June 2020) ¹				H1 growth (1 January to 30 June 2020) ¹			
	Total NGR	Total NGR CC ¹	Sports Wagers	Sports Margin	Total NGR	Total NGR CC ¹	Sports Wagers	Sports Margin
Online								
Sports	-6%	-4%	-18%	+1.5pp	5%	8%	-15%	+2.0pp
Gaming	45%	46%			31%	32%		
Total Online	22%	23%			19%	21%		
UK Retail (LFL)³	-86%	-86%	-89%	+0.1pp	-50%	-50%	-52%	+2.4pp
European Retail	-90%	-90%	-88%	-2.6pp	-48%	-47%	-54%	+2.4pp
Total Group	-22%	-22%			-11%	-10%		

Key trading highlights:

H1:

- Total Group NGR down 11% (-10% cc¹) in H1
- Online NGR up 19% (+21% cc¹) with double digit growth in all major territories supported by strong sports margins as well as:
 - Strong momentum across the business in the period up to 15 March
 - The diversification of product offering and geographic mix as sports were cancelled and retail stores closed
 - A particularly strong performance in Australia, as the reinvigoration of the business continues to drive share gains
- UK Retail like-for-like (“LFL”)³ NGR down 50% driven by store closures for much of Q2
 - As reported on 6 April, UK Retail like-for-like (“LFL”)⁴ NGR was down only 5% up to 15 March, despite the annualisation of the triennial review impacts
- European Retail NGR down 48% (-47% cc¹) driven entirely by enforced shop closures
 - As reported on 6 April, European Retail NGR was up 20% (+24%cc¹) up to 15 March

Q2:

- Total Group NGR down 22% (-22% cc¹)
- Strong growth in Online with NGR up 22% (+23% cc¹)
 - Customers have welcomed the return of sports, with activity close to pre-COVID-19 levels
 - Online gaming continues to trade ahead of expectations as sports return, albeit below peak levels during the quarter
- UK Retail like-for-like (“LFL”)³ NGR down 86%, having been heavily impacted by closures
 - All stores in England re-opened on 15 June with Wales, Northern Ireland and Scotland following later in the month
 - Early response from customers has been encouraging, with Ladbrokes and Coral well placed to continue to gain market share
- European Retail NGR down 90% (-90% cc¹)
 - All shops in Italy, Belgium and the Republic of Ireland re-opened during June

There will be a call for analysts and investors at 9.00am this morning. Dial in details as follows:
Tel UK: +44 (0)330 336 9411 or Tel US: +1 929-477-0448
Participant code: 4509301

GVC will announce results for the first half to 30 June 2020 on 13 August 2020

Notes

- (1) *Growth on a constant currency basis is calculated by translating both 2020 and 2019 performance at the 2020 exchange rates*
- (2) *EBITDA expectations on a post IFRS16 implementation basis*
- (3) *UK Retail numbers are quoted on a LFL basis. During Q2 there were an average of 3,026 shops in the estate, compared to an average of 3,399 in the same period last year. During H1 there were an average of 3,079 shops in the estate, compared to an average of 3,432 in the same period last year*

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Forward-looking statements

This document contains certain statements that are forward-looking statements. They appear in a number of places throughout this document and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, results of our operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. These forward-looking statements include all matters that are not historical facts. By their nature, these statements involve risks and uncertainties since future events and circumstances can cause results and developments to differ materially from those anticipated. Any such forward-looking statements reflect knowledge and information available at the date of preparation of this document. Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation (596/2014), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules), the Company undertakes no obligation to update or revise any such forward-looking statements. Nothing in this document should be construed as a profit forecast. The Company and its directors accept no liability to third parties in respect of this document save as would arise under English law.

About GVC Holdings PLC:

GVC Holdings PLC (LSE:GVC) is a FTSE100 company and 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, Neds and Sportingbet; Gaming Brands include CasinoClub, Foxy Bingo, Gala, Gioco Digitale, partypoker and PartyCasino. 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. The Group has also entered into a joint-venture with MGM Resorts to capitalise on the sports-betting and gaming opportunity in the US. The Group is tax resident in the UK with licenses in more than 20 countries, across five continents.

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