

12 November 2020

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

A clear strategy for sustainability, growth and innovation

Launching today a wide range of targeted initiatives: a fresh corporate identity; a commitment to operating in 100% regulated markets; new technology-driven customer protection

GVC Holdings PLC (LSE: GVC), the global sports-betting and gaming group, is today holding a presentation for investors and analysts to outline its ambitious plans for the future under its two core strategic pillars of sustainability and growth. These plans will be driven by the Group's leading proprietary technology platform and supported by a range of strategic initiatives, a number of which are being launched today.

KEY HIGHLIGHTS

- GVC Holdings to be renamed Entain plc to reflect the Group's ambition to be the world-leader in sports betting and gaming entertainment
- A commitment that, by the end of 2023, 100% of the Group's revenue will come from markets that are nationally regulated. In addition, by the end of 2020, 99% will come from regulated and regulating markets
- Launching the Advanced Responsibility & Care ("ARC") programme, which uses proprietary technology to further enhance player protection through additional checks as well as improved monitoring and interventions
- Responsible gambling metrics to be incorporated into remuneration across the Group
- Launching the Entain Foundation to provide further support to the communities in which we operate
- Opportunities for significant growth in four key areas: the US market; our core markets; entering into new markets; and expanding to new audiences
- A strong current trading performance, reflecting the continued growth within our core business

Shay Segev, GVC's CEO, commented:

"Today marks an exciting new chapter for the Group, and an important step forward in achieving our ambition of being the world leader in sports betting and gaming. Under our new corporate identity, we will continue to use our unique technology platform to build on the exceptionally strong momentum that we have in our existing markets, grow into new markets, reach new audiences, enhance the customer experience, and provide industry-leading levels of player protection.

We are absolutely committed to pursuing the highest standards of corporate governance, to providing outstanding career development opportunities for our colleagues, and to supporting the communities in which we operate. Our clear strategy of prioritising sustainability and growth will allow us to achieve these goals, thereby providing long-term value for all of our stakeholders."

LEADING THE TECHNOLOGICAL REVOLUTION OF OUR INDUSTRY

Over the past decade, GVC has been at the forefront of revolutionising the gambling sector through technology. There are now products, platforms and ways of playing that would have been unimaginable when GVC was first incorporated in 2004. The pace of change shows no sign of abating, and new trends are emerging in betting and gaming entertainment that are continually opening up new audiences, markets and opportunities that we are uniquely positioned to explore. We will continue to revolutionise gambling to create the most exciting and trusted entertainment for every customer.

GVC is, at its heart, a technology-enabled entertainment business. We own 100% of our technology, which has been the key driver behind our success in: entering new markets; expanding our organic opportunities; growing our range of products and services; adapting to regulatory changes; protecting our customers; enhancing the customer experience; integrating acquisitions; and growing ahead of the competition.

A FRESH CORPORATE IDENTITY: Entain plc

To reflect the fundamental changes that have taken place both within our business and in the wider industry, we are today announcing a fresh corporate identity. Subject to shareholder approval, GVC Holdings will become Entain plc (“Entain”). This new identity will represent a new chapter for the Group under a re-energised management team, and reflects our ambition to be the world leader in sports betting and gaming entertainment.

A CLEAR STRATEGIC FOCUS: SUSTAINABILITY AND GROWTH

In order to achieve this ambition and deliver long-term value for all of our key stakeholders, we have a clear strategy across two broad pillars: sustainability and growth.

Sustainability: a new charter to ensure our long-term success

We have long held the view that the most sustainable business in our industry will be the most successful business in our industry, and with that in mind we are today launching a new Sustainability Charter that is based around five cornerstones:

- **An exclusive focus on regulated markets:**

Today, 96% of our revenue comes from markets that are nationally regulated or regulating. By the end of 2023, 100% of our revenues will be from regulated markets, which means that we are exiting markets in which there are currently no viable paths to regulation. By the end of 2020, 99% of our revenue will be from nationally regulated or regulating markets, and we will work closely with regulatory authorities in the remaining 1% towards the highest regulatory standards. If it becomes apparent that regulation in those markets is unlikely, we will exit them.

- **Continuing to take the lead on responsible gambling:**

Ensuring the highest possible levels of player safety and protection is the best way of guaranteeing our long-term success. Our technology enables us to continuously upgrade and personalise our protections for customers. As such we are today launching our Advanced Responsibility & Care (“ARC”) programme. We will proactively implement a number of additional checks on customers at various thresholds in the customer journey.

- **Embedding Responsible Gambling into remuneration:**

From 2021 a responsible gambling metric is being incorporated into our annual group wide bonus conditions.

- **Pursuing the highest standards of corporate governance:**

We recognise that to be a world-leading company we need to adhere to the highest standards of governance in all areas of our operations. Our board has been strengthened and revitalised over the last two years, notably with Barry Gibson becoming Chairman in February 2020. We now have a robust corporate governance structure and policies in place that befit our status as a FTSE 100 company. As the board and nominations committee is focused on bringing greater diversity to the organisation, it is anticipated that further changes will be made to the board’s membership in due course.

- **Investing in our people and local communities:**

We have a long history of recruiting, retaining and nurturing the best people in our industry as well as a commitment to diversity, looking after our people, and creating the best place to work.

We are also proud to be able to contribute to the wider communities in which we operate, and we are today launching the Entain Foundation, which is committed to donating £100 million over the next five years including our new Pitching In programme that supports grass roots sports and sports people.

These new actions and initiatives are unquestionably the right thing to do for the long-term, but in the short-term they will inevitably come at a cost. The actions outlined above will reduce EBITDA in 2021 by some £40 million but this is offset by strong underlying growth in our business, as set out below.

Growth: four key drivers

We have a range of exciting growth opportunities that can significantly increase the scale of the Group over the next three to five years. These opportunities are based on four strategic imperatives:

1. **Leadership in the US:** we have a clear ambition to be the leading operator in the US through BetMGM, our joint venture with MGM Resorts. We have strong momentum already with an estimated market share of 18% across the states in which BetMGM is active.
2. **Grow our core markets:** we have achieved a huge amount in our existing markets, but there is still substantial headroom for further growth.
3. **Enter new markets:** we see significant opportunities for expansion into new regulated markets through organic opportunities as well as M&A.
4. **Expand to new audiences:** new technology-enabled forms of entertainment are constantly emerging, and we intend to be at the forefront of capturing them. For instance, eSports and digital gaming are becoming the hub for a rapidly growing audience out of which are evolving new betting markets, and we see significant potential for us in this area.

CURRENT TRADING

On 8 October we reported our 19th consecutive quarter of double digit online NGR growth. We have continued to see strong trading since then as a result of the continuation of an active sporting calendar and strong gaming performances in all our major territories as well as favourable sporting results benefitting margins.

This will result in an overall benefit to EBITDA this year of approximately £30 to £40 million, which largely offsets the £37 million impact from the current enforced store closures, as announced on 2 November. Our guidance for EBITDA for FY2020 therefore remains in the range of £770 million to £790 million.

This strong performance will add approximately £50 million to the Board's expectations for Online EBITDA for 2021.

SUMMARY OF FINANCIAL IMPACTS

As a result of this announcement and that of 2 November 2020, there are a number of moving elements to EBITDA for 2020 and 2021. For clarity these are set out as follows:

	EBITDA - 2020	EBITDA - 2021
GVC guidance provided with Q3 results on 8 October 2020	£770m - £790m	N/A
Impact of current enforced store closures as disclosed by GVC on 2 November 2020¹	£(37)m	No store closures currently enforced
Impact from implementation of the Sustainability Charter as announced today (market exits and player protection enhancements)	Nil	£(40)m
Current online trading benefit	£30m -£40m	£50m

Notes

1. On 2 November GVC announced that the impact to EBITDA in FY2020 from the currently enforced restrictions across UK and European Retail would be approximately £37million. The impact on EBITDA were all stores to be closed for a whole month would be approximately £43 million.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation EU 596/2016.

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There will be a presentation for analysts and investors on the way forward for GVC from 10.00am to 12.00pm (GMT) today. There will be a live webcast available via the following link:

<https://webcasting.brrmedia.co.uk/broadcast/5f995e5c4351411bdbe63126>

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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