

8 October 2020

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

**Continued momentum through Q3**  
**Full year expectations upgraded**

GVC Holdings PLC (LSE: GVC), the global sports-betting and gaming group, today reports trading for the period from 1 July to 30 September 2020 ("Q3").

**Highlights**

- Strong performance in Q3 with continued momentum across the Group:
  - Group net gaming revenue ("NGR") +12% (+14% cc<sup>1</sup>)
  - Online NGR +26% (+28% cc<sup>1</sup>), with market share gains in all major territories and the nineteenth consecutive quarter of double-digit growth
  - Online gaming volumes remain ahead of pre-COVID-19 levels, reflecting the strength and diversity of our business model as well as the attractiveness of our brands and products
  - Online sports wagers well ahead of prior year driven by a busy sports schedule
  - Continued strong performance in Australia with NGR +64% cc<sup>1</sup>
  - All UK & European Retail stores opened as soon as they were permitted to, with volumes now within 10% of those seen prior to closures
- Continued momentum in the US, with BetMGM now live in eight states:
  - Market share now approximately 17% across all of our live markets
  - Single app now being rolled out
  - Full year net revenues in the US now expected to be ahead of expectations at approximately \$150m to \$160m
- Full year 2020 EBITDA<sup>2</sup> expected to be in the range of £770m to £790m, ahead of previous guidance<sup>3</sup>
- Announcing today the acquisition of Bet.pt, one of the leading online gambling operators in Portugal

**Shay Segev, GVC's CEO, commented:**

"This has been another strong period for GVC. We have delivered our nineteenth consecutive quarter of double-digit online growth, along with market share gains in all our major territories. The momentum that we are seeing across the Group is a clear testament to the resilience of our highly diversified business model, the attractiveness of our brands and products, the power of our proprietary technology platform, and the hard work and dedication of our teams around the world.

"GVC is primed for further growth. In the US, BetMGM continues to go from strength to strength as we roll out into new states, integrate further with our partners' customer propositions and deliver innovative products and features. With a market share of approximately 17% across our live markets, we are making great progress towards being the leading operator in the US.

"The acquisition of Bet.pt that we are announcing today is consistent with our strategy of expanding into new markets that are either regulated or regulating, in order to support our international growth ambitions.

"While the risk of further restrictions as a result of COVID-19 mean that we remain cautious on the short-term outlook, in the longer term we are confident of being able to continue delivering sustainable growth for all our stakeholders."

## Trading performance

	Q3 Period 1 July to 30 September 2020				Year to date Period 1 January to 30 September 2020			
	Total NGR	Total NGR cc <sup>1</sup>	Sport Wagers	Sports Margin	Total NGR	Total NGR cc <sup>1</sup>	Sport Wagers	Sports Margin
<b>Online</b>								
Sports	24%	27%	25%	-0.2pp	12%	14%	(2)%	+1.2pp
Gaming	27%	28%			29%	31%		
<b>Total Online</b>	<b>26%</b>	<b>28%</b>			<b>21%</b>	<b>23%</b>		
<b>Retail</b>								
UK (LFL <sup>4</sup> )	(5)%	(5)%	(9)%	-0.1pp	(36)%	(36)%	(37)%	+1.2pp
Europe	2%	2%	3%	-0.1pp	(32)%	(31)%	(36)%	+1.1pp
<b>Total Group</b>	<b>12%</b>	<b>14%</b>			<b>(3)%</b>	<b>(2)%</b>		

## Business Review

In our interim results on 13 August 2020, we set out our key priorities to drive significant growth for the Group, add value for our stakeholders and further entrench responsibility in everything that we do. We have made good progress on these priorities during Q3:

### **Market leadership in the US**

BetMGM, our joint venture with MGM Resorts, continues to make great progress and is firmly on track to be the leading operator in the US online sports-betting and iGaming markets. It is now live in eight states, with a further three expected to launch before the year end. We estimate that the US sports-betting and iGaming market will be worth approximately \$20.3bn by 2025.

BetMGM is able to launch in new states with a wider range of own brand gaming products than any of its competitors. Earlier in the year BetMGM launched online sports-betting in Indiana, Colorado and West Virginia and, added iGaming in West Virginia during this quarter. Its combined market share in these three markets is tracking in line with our expectations of 15% to 20%.

In New Jersey, BetMGM is steadily making progress and has gained a leading market share of approximately 22% in iGaming in August, having doubled the size of that business since the start of the year. In the same month, BetMGM achieved market shares in New Jersey of 10% in online sports-betting and 24% in retail sports-betting.

During the quarter, BetMGM signed further partnership and marketing deals including with the Denver Broncos, Detroit Red Wings, Detroit Lions, and the Las Vegas Raiders, as well as becoming the first ever sports-betting partner of the Tennessee Titans. BetMGM is also now the official betting partner of both the PGA and NASCAR. It also launched a number of new products and features including Easy Parlay and Parlay Generator. This week BetMGM is rolling out its single app which will help drive further customer engagement. BetMGM's new campaign as "King of Sportsbooks", led by Jamie Foxx, adds further strength and differentiation to the brand.

We estimate that BetMGM's market share in the markets in which it currently operates is approximately 17% across sports-betting and iGaming. With the business tracking ahead of expectations, it is now expected to deliver net revenues of approximately \$150m to \$160m for the current financial year. As a result, GVC expects that its share of the loss for the joint venture to be approximately £60m this financial year.

## **Organic market growth**

### Online

GVC delivered its nineteenth consecutive quarter of double-digit online growth in Q3 with NGR +26% (+28% cc) reflecting the strength and diversity of our business model as well as the attractiveness of our brands and products.

With a healthy sports programme across the summer there has been plenty of action for customers. Volumes in all our major markets were encouraging and are now ahead of pre-COVID-19 levels. Our business in Australia continued to perform strongly as it grows its market share. Online gaming trends remain ahead of pre-COVID-19 levels as our range of brands and products continues to engage customers.

### Retail

Our stores in the UK and Europe opened as soon as they were permitted to do so and continue to follow local Government guidelines in order to provide a safe, welcoming environment for our customers and colleagues.

In the UK we saw customers quickly return to our stores with volumes now within 10% of pre-COVID-19 levels, supported by strong volumes on self-service betting terminals (“SSBTs”).

European retail was 2% ahead, with a good performance in Italy offset by a slower recovery in Belgium and the Republic of Ireland.

## **New market expansion**

We are announcing today that GVC has agreed to acquire Bet.pt in Portugal to extend our business across Iberia. Portugal is a recently regulated market and Bet.pt was one of the earliest entrants, obtaining its sports-betting license in 2016 and a casino license in 2017. The Portuguese sports-betting and gaming market is growing rapidly and is expected to more than double to around €450m by 2023.

Bet.pt is one of the leading online gambling operators in Portugal with a particular strength in sports-betting. By leveraging our technology, extensive portfolio of gaming content, marketing and CRM capabilities, as well as growing the sports offering, we see plenty of opportunities to grow its profitability and market position. This acquisition is consistent with our strategy of expanding into new markets that are either regulated or regulating, in order to support our international growth ambitions.

## **Regulation and responsibility**

Our proprietary technology enables GVC to lead the industry in responsibility and player protection. Our clear strategic objective is to be the most trusted and enjoyable betting operator in the world.

During the year, and in particular during the COVID-19 lockdown, we enhanced our customer safeguarding protections to limit potential risk factors - such as isolation, long periods spent at home and boredom. We are constantly strengthening the safety net that we put around customers to ensure that we identify and restrict problem activity.

## **Outlook**

GVC has delivered an encouraging performance year to date in the face of the significant challenges that COVID-19 has created. As a result, we now expect EBITDA<sup>2</sup> for the current financial year to be in the range of £770m to £790m, approximately £50m ahead of previous expectations but subject to there being no further material disruptions. We are confident in our ability to manage these disruptions but remain cautious on the outlook given the ongoing uncertainty that COVID-19 is causing.

## **Analyst and investor event**

There will be a presentation for analysts and investors on the way forward for GVC on 12 November 2020. Details will be circulated separately.

## **Conference call**

An analyst call will be held at 9:00am (BST) today. Participants may join the call by dialling one of the following numbers approximately 15 minutes before the start of the call:

To participate in the Q&A, please also connect via the conference call dial in details.

UK +44 (0)330 606 1122

US +1 646-585-9192

Room number: 862448

Participant PIN: 4058

There will be a live audio webcast available via the following link:

<https://webcasting.brrmedia.co.uk/broadcast/5f735e15c4d0076f2b9394e2>

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

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### **Notes**

- (1) Growth on a constant currency basis is calculated by translating both 2020 and 2019 performance at the 2020 exchange rates
- (2) Guidance on EBITDA is on a post IFRS 16 basis
- (3) On 13 August 2020 GVC provided EBITDA guidance for the 2020 financial year of £720m - £740m on a post-IFRS 16 basis
- (4) UK Retail numbers are quoted on a LFL basis. During the period, there were an average of 3,005 shops in the estate, compared to an average of 3,267 in the same period last year.

**LEI:** 213800GNI3K45LQR8L28

### **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](http://www.gvc-plc.com)