

GVC Holdings plc

GVC Holdings plc - The Way Forward

12 November 2020

Transcript



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Shay Segev:

Good morning. Thank you for joining us today to mark this new chapter in our history. I am joined by Rob Hoskin, our Chief Governance Officer who will take you through our sustainability pillar and, and Rob Wood, our CFO who will join us for questions at the end.

Over the last decade, the gambling sector has transformed with new technologies, products, platforms and ways playing. In this time, GVC too has changed beyond all recognition. Today, we are the world leader technology-enabling entertainment business with innovation, ambition and player protection at our core. We have the best people right across the business, who have driven the group to grow at tremendous rate. Last month, we announced our 19th consecutive quarter of double-digit online growth. And I can only see this pace accelerating as we grow our core business, leading the US, enter new markets and capture opportunities with new audiences and other areas of digital entertainment.

In fact, I believe we can double or even triple the size of our business in the next five years, and in a moment, I will tell you why. But it is important that you know I do not want growth at any cost; we must do this in a responsible way. Under my leadership we will evolve as a business. We will grow in a way that is underpinned by sustainability, responsibility and player protection. In recognition of this and to mark a new chapter we are today announcing a fresh vision and corporate identity. We plan to change our name to Entain plc. It is a name we believe captures the journey we've been on and, more importantly, it encapsulates our future direction and purpose.

[VIDEO]

As Entain, we will be bold, ambitious and disruptive. Our vision is to be the world leader in sports betting and gaming entertainment. And our purpose is clear: To revolutionise gambling to create the most exciting and trusted entertainment for every customer. This means providing a richer and safer experience for all. Our strategy is divided into two pillars - sustainability and growth. I am certain that this approach will guarantee long-term success, certainty and value for our customers, our people and our shareholders. We can deliver on this ambition because of our greatest unique asset – our technology

Technology is, and will remain, the beating heart of our business. It is what powers us and distinguishes us from our competitors. You will have heard me say this before, but it is important. Unlike our peers, we own 100% of our technology. This is critical. We have strong and growing digital teams across the world with 3000 world class developers, specialist, software engineers, and data scientists who deliver one of the most advanced platforms inside and outside our industry.

Owning our technology means that we can operate at scale. We manage 2 million sports bets and 21 million poker hands dealt each day. It means that we have inbuilt flexibility, which guarantees a consistent and resilient service across multitude of mobile & desktop formats. We operate in so many markets, that ability to provide customers with content that is relevant not just locally, but personally, means that the operator who can provide the best choice will be the leader.

We aggregate over 6,000 games from more than 130 game content providers and we offer over 250,000 events across 90 sports. This is promoted by our advanced recommendation engine so that we can ensure customers get what is right for them. Underpinning all of this are the protection mechanisms built into our system, throughout the customer journey, at every touch point of their experience.

Shay Segev:

The most powerful thing about our technology is that it gives us the flexibility to support our growth whether that is in existing or new market, new categories, and new audiences. Our technology is built so that we can do all of this all at the same time. We are not constrained by the ambitions of capital allocation or third parties' multiple clients. We are entirely in control of our own destiny and we deliver at speed because we don't have to coordinate with third parties to get stuff done.

Let me give you some examples, integrating new businesses – our proven integration process enables us to onboard new business quickly and rapidly deliver cost and revenue synergies. We've demonstrated this the integrations of Bwin, the Party brands, Ladbrokes & coral, Foxy Bingo, Crystalbet and Neds, and are about to do it with our most recent acquisition in Portugal, Bet.pt. During Covid we completed the Ladbrokes platform migration, we launched in 3 states in the US and now launching in Colombia. Others would have struggled to do all of this simultaneously as we have done.

But most importantly, our technology enables us to properly understand problem gambling so that we can take a tailored approach to each player. And we do all of this while ensuring that our platform is secure as well as ready for new and emerging technologies such as Virtual Reality and 5G. The agility, flexibility, scale and speed is why we see our technology as our competitive advantage.

Our technology empowers greater efficiencies. In terms of the absolute cost of our technology we continue to drive this down on a like for like basis. So, as we grow, our technology becomes more cost efficient relative to our revenues. We are also undertaking a rigorous review of our operational cost and will update you on progress as we go. Before I talk to you about our growth opportunities, let me pass you to Rob to talk about Sustainability.

Rob Hoskin:

Thank you, Shay. As Shay said at the outset, becoming Entain isn't just about changing our name. It is about starting a new chapter, repositioning the company and revolutionising the industry as we commit to sustainability, to responsibility and to player protection. We know that a successful business is a sustainable business. To that end, today we are launching our new sustainability charter. The four cornerstones of which are: Regulation, Responsibility, Corporate Governance and Our People & Communities.

As part of this charter, we are committing today to only operating in nationally regulated markets by the end of 2023. Currently 96% of our revenues come from regulated or regulating markets. But we have decided to exit a number of markets where we see no viable route to regulation in the near term. And we are starting that process today so that by the end of this year 99% of our NGR will be from regulated or regulating markets. We will keep an eye on the regulatory timetable for the remaining 1% and, where possible, work closely with the relevant in-country authorities and trade bodies to help develop a robust framework that protects players and maintains the highest regulatory standards. Operating in regulated markets provides greater clarity and certainty for our business.

Rob Hoskin:

We are also becoming much more proactive in our engagement with regulators. As you will know, the UK's 2005 Gambling Act will be going through a much-needed review that will set out the regulatory framework for years to come. It will address all forms of gambling in the UK and is an opportunity to address the fringes of the industry as well as dealing with the mainstream. We fully intend on contributing to this process in a meaningful way and will argue for a balance between protecting the minority at risk while supporting a healthy entertainment experience that appeals to the majority and is commercially viable for operators.

As we've seen the effective changes made by gambling operators over the last couple of years have resulted in a meaningful reduction in problem gambling. It is critical now that any revised legislation is not too draconian as this will have the unintended consequences of pushing customers, particularly those at risk of problem gambling towards using non-UK licensed operators. This will simply exacerbate the problem and result in reduced tax revenue for the chancellor, as we've seen in other jurisdictions.

We expect it to explore the applicability of stake limits based on sound analysis and evidence to address the issues that affect the small minority of players who may run into problems. This is a much more practical, pragmatic and viable solution than the calls from some anti-gambling campaigners. We will work with our peers and the Betting & Gaming Council to ensure that the review is appropriately informed, and as you can see on the right of this slide, we have started some of our own insight work to support this. The process should take around 18-24 months and will bring the much-needed clarity and stability that we all want to see.

We are now taking a more scientific approach to safer gambling so that our interventions can be more targeted and personalised. To add rigour, discipline, objectivity and accountability to this process, we have recruited Professor Mark Griffiths, a leading safer gambling academic and data scientist, who will review our existing policies and systems and propose improvements based on evidence, with measurable metrics and performance indicators. Mark's work will draw on our existing multi-million-dollar partnership with Harvard Medical School, which will provide open source research to support a greater understanding of problem gambling issues. This research will be fed into the next evolution of our player protection, ARC. This new and innovative Advanced Responsibility & Care programme puts our exceptional technological know-how to good.

A more scientific approach will enable us to use technology to more effectively protect the small minority of customers who are at risk of gambling harm. We are increasingly providing more personalised proactive protection measures for our customers. Using advanced BI, our specialists and data scientists have built the first stage of this to track player behaviour, in real-time and identify problem play before it escalates. Each player will have a dynamic risk rating that automatically updates in line with their play patterns and other measures. An alert system interacts with customers when prompted and triggers an appropriate intervention.

We are committed to raising the bar further and, from next year, responsible gambling metrics will be added to our Group wide KPIs and incorporated into our remuneration policy. This commitment, combined with the market exits will likely reduce EBITDA by around 40 million pounds in 2021, but it is the right thing for us to do as a responsible operator and the right thing to do for customers, our people and shareholders.

Rob Hoskin:

Turning to 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 group chairman in February. We now have a robust corporate governance structure and policies in place that befit our status as a FTSE 100 company. Furthermore, last month, we announced two board appointments with David Satz and me joining the Board to reinforce the commitment to regulation, governance and responsibility. As the board and nominations committee is focused on introducing greater diversity to its membership, it is anticipated that further changes will be made in due course.

The final cornerstone of our sustainability charter is our People & Communities. Our culture gives us the clear edge over our competitors and we're proud to have the best people in our industry. You've heard the speed at which we can make changes in our technology. It's our people that make this possible, delivering day in day out. Making GVC the best place to work is more than a label. We want to continue to attract and retain the best talent and embrace diversity of thought and experience. Because our people will ensure we remain bold, diverse and ambitious and produce world-leading products.

To ensure that, we trust and empower our people to do great work for our customers and build brilliant global careers here. We're imaginative, we set the pace and we push boundaries, using technology to do more exciting and innovative work than ever before and do the right thing. We're proud of our inclusive culture where we attract more diverse candidates from a wider range of sectors than ever before. Over 36% of our senior leaders are women, an increase of 8% compared to last year. And we look after our people. Over 98% of our workforce was paid 100% of their salary through lockdown and we offered all colleagues a range of mental health care initiatives and virtual learning programmes. We invest in leading development and progression for long term careers here and we promote internally as a priority, the most notable examples being Shay and Rob Woods' promotions.

As I've said, we have a strong philanthropic track record. The next step is to formalise these activities and I am pleased that we will be launching the Entain Foundation, which is committed to donating £100 million over the next five years. We're also proud that we retain our membership of the FTSE4Good index for the third year and were recognised by the Carbon trust for our carbon reduction initiatives. One of the things that I think we are all most proud of is our new Pitching In programme. This provides support to grassroots initiatives. In summary, we are committed to doing the right thing for our customers, our people and our communities. Before I hand back to Shay let me just play a short video on Pitching In.

[Video]

Shay Segev:

We've talked about a sustainable business for the future and driving long term value. Now let's talk about growth. We see growth opportunities in four key areas. One, the U.S, two, our core markets, three, new markets and four, new audiences.

Shay Segev:

BetMGM is positioned to become the leading operator in a sports betting and gaming market we estimate will be worth at least \$20bn within the next five years. Let me pick out some key stats. In the nine states where we currently operate, we estimate our overall share of sports betting and gaming to be 18 percent. We benefit from MGMs significant retail presence, and if we strip that out and just look at our online share, it is still an impressive 17 percent. However, you look at the numbers, we are on target for our 15 to 20 percent market share and leading position. This is set to increase as our investments in marketing and partnerships – such as with Yahoo! Sports, and integration with MLife start to materialise and drive customer acquisition.

In New Jersey, we are performing fantastically, with around 23 percent of the gaming market share. We launched in Tennessee on 1 November and have had a really strong start, taking a significant market share in the first days. All our teams came together and created a clear blueprint for launching on day 1 and we are really excited about upcoming launches in Michigan, Pennsylvania and Iowa. The chart on the right shows how the momentum is building as we get ready to be in over 20 states by the end of next year. And remember, because of our technology, BetMGM benefits from a significant cost advantage.

One of the more exciting opportunities to engage with new customers is through our partnership with Yahoo. With around 50m customers and 9m fantasy sports players, we have been working hard to offer them a seamless experience using the BetMGM platform. I am delighted that we have now delivered on that and customers can place a bet on a game they are watching or play games while staying within their Yahoo! Sports account. Don't forget the Yahoo! Sports platform is one of the only places that customers can watch every NFL game live. We've seen significant growth in FTDs from Yahoo! Sports such that it is currently our leading affiliate.

One of the many advantages of our joint venture with MGM is our access to the 34 million MLife customers. The power of this relationship is already delivering 25 percent of recently acquired BetMGM customers are active MLife customers. Our technology has now integrated BetMGM with MLife, so that MLife customers are able to seamlessly bet and game online. And we know these customers can be twice as valuable.

Yet another advantage of our joint venture with MGM is the omni-channel opportunity. BetMGM enjoys prominent advertising, in and on MGM properties, as well as benefitting from integration into websites and apps, marketing to both MLife and non-MLife customers. It is a truly omni-channel experience for BetMGM customers. This is important because we know that customers who play through retail as well as online typically spend more.

The single BetMGM app went live during October and is already driving value, we have launched a range of new products, such as easy parlay and parlay generator that enable customers to place aggregator bets across multiple games with these great new features, we're seeing CPAs in line with our expectations. And we've been building advertising around the new brand ambassador Jamie Foxx. Here's the advert he did for BetMGM, which differentiates us from all the other brands and really resonates with sports fans.

[Video]

Shay Segev:

We have delivered continuous and steady growth, nineteen quarters of double-digit online growth to be specific. At our last quarterly update in October we saw a two-year compound annual growth rate of 17 percent. And I am pleased to say that this performance continues. The sporting calendar has remained active, margins have been favourable, and gaming remain above pre-COVID levels. This drives full year EBITDA up this year by approximately 30 to 40 million pounds. And this offsets the cost from the current enforced store closures as a result of Covid lockdowns that we announced on the second of November.

As a result, the guidance we gave with our third quarter of 770 to 790 million pounds for EBITDA this year remain deliverable. The trading performance through to next year adds approximately 50 million pounds to EBITDA expectations for 2021. We see growth opportunities for several reasons. We have inbuilt growth in our core markets. 93 percent of revenue is from markets that are growing more than 10 percent a year and outside the UK, 81 percent of our markets have less than 20 percent online penetration.

As I've already told you, we have world-class systems developed by world-class people. And those systems generate vast amounts of data. Owning the entire system means that we are able to pool that into a single data lake across markets and brands and develop models that are much more comprehensive than our peers, improving both customer experience and digital marketing. Many of our competitors have fragmented technology, meaning need to reconcile data from multiple sources making them less agile and less accurate. We can apply these data analytics across our markets, including the US. Within 24 hours of onboarding a new customer, we know very quickly what their lifetime value will be, and what products they will prefer. Our technology integrates with marketing channels like Google and Facebook, allowing us to benefit from their enhanced capabilities such as dynamic and granular audience segmentation. This enable us to optimise our marketing spend and drive better ROI. As an example of real time marketing, your horse doesn't run, we let you know really quickly and give you some alternative betting options.

We have a clear long-term strategy for retail. We must remember that today the retail market in the UK is worth around £2.5bn and our European Retail business remains in growth. And Covid has shown us that customers want to enjoy that retail experience. Volumes in our retail estate came back to within 10% of our pre-covid levels. In the long-term customers will of course migrate online, but in the meantime, we have a clear strategy to maximise our share of that 2.5 billion pounds. Our technology is key, we have developed our own point of sale system that integrates with our platform so that we have a single view of the customer, streamlining that online transition. We are building our own software for the self-service betting terminals that reduces costs, but also adds to that database of customer experience. We actively use retail to encourage customers to use our apps and our loyalty cards. And let's not forget the retail operation in the UK generates around £100m of cash each year. With around 3,000 shops, we get significant advertising benefit as well.

There are significant opportunities across the globe with over 50 billion dollars gross gaming revenues from regulated markets in Africa, Latin America and Central & Eastern Europe. Twice as much as the size of our business today. We have the product, the technology, the people and global brands. Some of these markets are different from the way we operate elsewhere. For example, many countries in Africa are more reliant on mobile with many still operating on 2G or 3G. That means we have to adjust our content. They are also very low stake markets with customers placing low stake accumulator bets across a large number of games. So, we are looking at what sort of technology and expertise we would need to enter a market like that.

Shay Segev:

As you know, we announced the acquisition of Bet.pt last month. Portugal is a recently regulated and rapidly growing market that we expected to be worth around 450 million euros by 2023 and we can grow Bet.pt within that. It is these sorts of opportunities that we are focusing on.

We are proud of our track record of value creation through M&A. We are able to deliver that because of our technology and product portfolio. We can take a business, provide our products, data analytics, digital marketing skills, and our technology platform to drive cost and revenue synergies. We have integrated 20 businesses in the last five years. But just looking at the last three major acquisitions here, we can see that in each case we increased value for shareholders. Just picking out CrystalBet in Georgia. It was a small private business that was reaching its limits. We leveraged our technology, gave it our expertise and access to our leading products and sportsbook, and increased the value to our shareholders by over two times. Crystalbet is now the number one operator in Georgia.

We are seeing some exciting opportunities emerging in consumer trends. There are vast untapped markets out there. The gaming market is huge and growing every day. Currently, there are around 2.7bn gamers in the world. 100m people watched the League of Legends world championship, this is a huge and growing audiences. Gaming is fast becoming the hub for other digital activities, creating a whole new ecosystem where customers interact with the online market including betting. The E-sports betting market is expected to be worth 1 billion dollars by 2024, and we anticipate exponential growth from there. Furthermore, new technologies, such as 5G and virtual reality, will make all forms of betting more engaging. These emerging trends create new audiences. We have invested in understanding who they are and how our offering can be tailored for them. These audiences tend to prefer mobile, are keen on technology and like new betting concepts. It's an exciting and growing market of which we will be at the forefront and this short video should give you some context.

[Video]

In summary, our investment in technology has enabled us to deliver strong growth over the last decade and outperform the competition. Or continued investment in technology will see us grow further in existing as well as new and innovative markets. We see tremendous scope to grow our business through partnerships in gaming, in E-sports and interactive entertainment. The strategy that I have outlined today under Sustainability and Growth will achieve greater certainty by being in regulated markets, greater geographical diversification and higher quality revenue streams, delivering for all our stakeholders, our customers, our people, our communities, and our shareholders. Thank you for listening, I'd now like to turn over to questions.

Operator:

And the first question we have is from Michael Mitchell, from Davy. Please go ahead, your line is open.

Michael Mitchell:

Good morning, gentlemen. Thank you for taking my questions. Just two, if I could. Both on the growth side of the presentation. First one, new markets, and maybe we could use Africa as an example. Could you just kind of set out your thoughts in terms of market entry? Are there some of these kinds of geographies and continents you go into organically, or is it all by inorganic means?

Michael Mitchell:

And specifically, to Africa, maybe you could just set out the operating landscape today, how advanced it is, and whether some of those operators actually operate across multiple geographies. That's question number one.

Then question number two, somewhat related, in terms of investments. Clearly, you're setting out a pretty significant growth opportunity across multiple verticals. And how should we think, or how do you think about investments across the group going forward? And are you willing to kind of invest significantly at the expense of near-term EBITDA to secure a future at medium-term growth? Thank you.

Shay Segev:

Thanks, Michael. Good morning. So, I'll take the first question. Maybe I'll give Rob to answer the investment allocation question. In terms of Africa, it's a market we've been studying probably for some time now. For the last 12 months or so. There are quite exciting. I would say there are more than 20 regulated markets in Africa, which allow online sport betting with a license. Clearly, as we put in our strategy, our focus is only on regulated markets.

What we did learn in Africa is regarding the technology is that in order to penetrate Africa, operate in the African market, it will require some localisation both in terms of content and in terms of reach for the customers. For example, mobile payments is very popular in Africa. So, there's quite a lot of integration. So, I guess it will be a combination of some of our existing expertise, our brands like Bwin for example, our marketing expertise and our existing technology. And probably with some other expertise, we will look externally to combine it together and to go to the African market, which I hope we can do something in Africa sometime next year. As I mentioned, there's quite a lot of regulated markets. The focus clearly will be on digital. In countries like Tanzania, Uganda, Kenya, they're all interesting markets, which we'll look into it. Rob, do you want to take the second answer?

Rob Wood:

Sure, happy to. Morning, Michael. Good morning, everyone. So, I think the first thing to say is that because we have such a strong cash generation profile over the next few years, we do have the flexibility to invest in M&A, invest in the US, pay dividends, and deliver all at the same time.

If you look at our track record, some of our investments, particularly M&A, have a near term return, very strong EBITDA creation. The US though, is the opposite. That's an example of investment where EBITDA is clearly much slower to come through. So, we're willing to do both, but clearly if we're buying businesses, they're already in our space. Bet.pt as an example in Portugal. That we are looking for near-term EBITDA generations with that type of deal.

Operator:

Thank you. And our next question is from Ed Young from Morgan Stanley. Please go ahead, the line is open.

Ed Young:

Thank you. I've got three, if that's okay. The first is on the emerging trends and expansion to new audiences. I appreciate that's somewhat of a vision you've laid out, that you have named and focused on e-sports a number of times in the presentation. What's your current mix of e-sports in the portfolio? And should we expect acquisitions in adjacent spaces? And I guess wider than e-sports, how wide could it go? Could it involve social casino or broader than that? Where do you set the limits of your horizon?

The second is on current trading. It's obviously very strong to get an upgrade this late in the year. So, can you talk about what you're seeing that's giving you the confidence that this volume is going to stick, and should we expect that in sports and gaming? Should we expect to see growth in those next year?

Then third is, it was a bit of a throwaway line, but just checking. You said that you're reviewing the cost base, is that just business as usual in terms of cost discipline, or is there potentially some margin opportunity there? Thanks.

Shay Segev:

Morning, Ed. So, I can take the first question on e-sports and other emerging trends. And Rob, if you can take trading and the cost base.

One of the things that we try to deliver through this presentation is that our strong position as a tech-driven business. Again, one of the big things, the big asset that we have is our technology. We are very tech-driven business, which enables us also to expand and using this advantage for other emerging categories. As we know, the world's moving fast, consumer behaviour's changing, new technologies are emerging, so we are looking into beyond just e-sports. Things like virtual reality, 5G, and other forms of gaming.

How does this affect our existing core business and how can we expand to new forms of technologies and new forms of consumer trends as well? I wouldn't also put a limit for anything. I mean, pretty much anything that I think we can create value from, again, leveraging our brands, our technology, our marketing expertise, our licenses. Everything that we can leverage from that and create a value, I think we should definitely look into it. E-sport is probably trivial one. Again, it's a growing trend. We see probably e-sport today as a small percentage of our revenues. It's probably a single low digit of our sports revenues, but we do see it growing. I mean, specifically during pandemic, as sport events were cancelled, you seen more bet types on e-sport events. But if you park that, e-sport communities are growing, gaming, general gaming have become more and more popular. It became a more popular form of general entertainment, and there are full ecosystems around gaming, and betting is one of them. So, we see a great opportunity for this, for the future.

I believe that this is the right time for us to start making the first investment and the baby step into position also, as a future leader also in the e-sport. And we will not limit ourselves there. I think other areas like skill games, social casinos, other forms of gaming and entertainment or interactive entertainment, we should look into it as well. Rob, you want to take the two other questions?

Rob Wood:

Sure. So firstly, the one on current trading. So yes, the strength has continued into Q4. The first thing I'd say is that the 30 to 40 million upgrade to online, that's roughly half margin and therefore non-recurring, and half volume. And really what we're seeing is strength in volumes that we've seen over the summer. Yes, there has been some tapering off, but not as far as we thought would happen. Therefore, we got increased confidence that these volumes will not just carry on through Q4, but also into next year as well. That's really the heart of the 50 million upgrade to expectations next year. And specifically, it's both sports and gaming in fairly equal mix.

On the last question around costs that were referenced in the presentation, we do constantly look at opportunities to make ourselves more efficient. I think the answer to your question, it is more in the camp of efficiency program rather than BAU and you'll hear a little bit more about that next year. So yes, should lead to margin accretion as a result.

Operator:

Thank you. And our next question is from Simon Davies from Deutsche Bank. Please go ahead, your line is open.

Simon Davies:

Yeah, morning guys. Three from me, please. Firstly, can you talk a bit about ESG? It's obviously an increasing focus for investors. As a data-led business, is there more that you think you can be doing both in terms of disclosure, but also in terms of target setting?

And secondly, you talked about 3000 tech developers employed within the business. What do you estimate your annual technology costs are CAPEX and OPEX combined? And do you think that that needs to rise given your increased focus on technology?

And lastly, it was a slight throwaway line, you mentioned the push to move to your own SSBT platform. When do you think that might happen?

Shay Segev:

Morning, Simon. I'll take the SSBT question and maybe a bit about the 3000 tech. I think Rob Wood, if you can take the cost of that. And maybe Rob Hoskin can take the ESG.

So, I'll start with the SSBT. Yeah, I mean, again, we'd be as a tech driven business, we have all of the capability in house to develop our technology. We already own 100%, our full technology on the digital space. I mean, something which becomes very clear today on the presentation. We see it as, not only just as advantage, it's like a core DNA for us to own the technology and to be able to be flexible, control our destiny, give customer choice and aggregate all of the customer interaction into a single database, which allow us to better understand our customer's DNA and provide them a better service as a result of it.

Shay Segev:

We've been running some big technology investment into retail. In the last two, three years, we just deployed the full point of sale system, an electronic point of system into the Coral shops and about to conclude it next year into the Ladbrokes shop, which again, connect, the betting shops into our overall gaming apps. And our plan is to extend it also to the other technologies of the betting shops as well, including the self-service betting terminals.

This project is currently ongoing, and I assume it will be another, again, it's very hard to estimate. We're not going to rush into it. We're going to do it properly. I would assume it's another 12 to 24 months before it will be fully operational and we're not going to rush into it. We're going to build it properly.

Just maybe to touch on one more thing before I will hand over to Rob, is that again technology is very key for us. We have more than 3000 IT people in our organization, including developers, software engineers, data scientists, and we're making every investment into technology. I mean, the SSBT is just one example of many. We will continue invest further into technology as well. In terms of figures, Rob.

Rob Wood:

Sure, I'll take that. Good morning, Simon. So, if we just look at technology and product cost, you'll get to around 7% to 8% of our online NGR. And we think that compares favourably, of course, to competitors who are typically paying double digits for those services. And then, as Shay's referenced, we can clearly scale beyond that and get that percentage further down over time. As you saw from the chart in the presentation.

Rob Hoskin:

Morning, everyone. Just on ESG issues, I think this is very much a focus of Entain. We continue to be a member of the FTSE4Good Index which assesses practices and public documents against a set of, series of criteria on governance, social practices, environmental commitments. And also, in relation to the environmental piece, we've obviously been working with the Carbon Trust to play our part in reducing our environmental footprint. I think where we would look now, is to show greater transparency around our practices. And I'd anticipate you will see that early next year in the annual report.

Operator:

Thank you. And our next question is from Christine Zhou from RBC. Please go ahead, your line is now open.

Christine Zhou:

Hi, good morning. Thank you. A couple of questions on the US please. Firstly, in terms of the actual customer experience on your BetMGM app, how do you think you differentiate that compared to peers? I suppose, linked to that, how sticky do you find your customers and what is it that brings them back to BetMGM over other apps?

Christine Zhou:

And secondly, just in terms of your responsible gambling strategy, how are you doing this in the context of the US specifically? And I guess that's in light of the amount of marketing spend that's coming through, both for you and the industry, more generally as a whole? And are you worried that there's not enough focus on this industry-wide in the US, in particular?

Shay Segev:

Good morning Christine. I will take both of them and Rob, will help me fill in on RG.

In terms of customer experience, I mean, again, clearly us owning our own technology gives us a great advantage versus other peers who operate in the US market, wanting part of the technology and not the full. And this give us the ability to be more innovative. I mean, today, one of the things that I mentioned is that our ability to integrate, for example, the M life program, and the Yahoo Sport into a seamless journey with BetMGM. We also launched some innovative accumulator advancement, which are quite unique in our offering in the US. We're first to market. Our strategy now, as we did in Tennessee, we did in Colorado, and we hope to do it in Michigan and other states as well, is to be first to market in other US states, as they open up.

We continue running ongoing customers' feedback, voice of customers and improving our user experience. Which I think we're getting really good momentum. I would say that on gaming, I believe that we have the best products in the US market. You can see it also from our market share in New Jersey, which is probably the most competitive market in the US. And also, our market share in West Virginia, in demographic iGaming, and I think through again, through our technology, this investment is continuing with our thousands of developers will be able to continue and develop this product further. I really think actually, the long-term winner in the US is the business which will have the best product and the best service, and I believe it will be us, because of this capability to offer our full technology and localise it.

And maybe the last piece on this, which is important. Again, because we own the full tech, it means that every customer interaction with this product is actually logged in our database. And as a result of it, we have better ability to understand these customers and then localize the experience for them better. Again, this is a journey, and I think as we will progress, we will continue to show results based on that, as you already seen that we're making good progress. Now, in terms of RG in the US, maybe I'll just say a few words and then Rob can elaborate further as well, because we're doing some great stuff there as well.

I mean, clearly one of the key advantages of us as a group is that we're operating in many other regulated markets. Therefore, we have quite a lot of flexibility in terms of responsible gaming with the right controls and the best practices in the group. And when we launched in the US, clearly, we use many of these best practices already for day one. Our technology that we have in other markets, like in the UK, or in other markets that we operate, are also available for the US market and for the US customers as well. And actually, I see GVC as a great potential to bring our responsible gaming knowledge and deploy it in the US, which is relatively a young market.

Shay Segev:

Today we launch a big program, which is to be honest, it's an evolution of something which we're doing for some time, which we call it ARC. Our Advanced Responsibility and Care program. Which the core of it, is us being even more pro-active protecting customers, again, using the data and the technology that we have to try to predict harmful behaviour before it happens and create pro-active and active interaction with customer, and put some controls. Rob? Anything you want to add on this?

Rob Hoskin:

Yeah. There were various initiatives that GVC is working on with various partners in relation to the US, and responsible gaming. So, as you are all aware, we have a five-year research partnership with the division on addiction with the Harvard Medical School. And that's focused on customer behavioural patterns, as well as problem gambling related issues. That's really focused on the UK and the US and the research coming out of that will be shared and available publicly. So that as an industry we can learn, develop and evolve around better practice on responsible gambling matters.

We've also got an exclusive partnership with EPIC Risk Management to provide live experiences, with responsible gaming classes across 14 US States. And we are working with various sporting associations in universities so that we can teach people about risk, responsible gaming matters. We also have various partnerships with the University of Las Vegas, around educating on remote gambling, matters related to that.

And with Seton Hall Law School, where again, we're trying to get across, to the point Shay made, our learnings from other markets on best practice and responsible gaming matters. We're also a member of the National Council on Problem Gambling in the US. We've partnered up with RG, 24-seven, in relation to the US, to provide gambling industry regulation, RG training. So, there are a number of initiatives there, which we're very proud to partner with various third parties. I think we're very much doing our bit in relation to developing responsible gaming know how in relation to the US market.

Operator:

Thank you. And our next question is from Kiranjot Grewal from Bank of America. Please go ahead, your line is open.

Kiranjot Grewal:

Hey guys, I just have a couple of questions. Just as you were talking about governance and regulations. The scientific approach and technology that you'll be rolling out for customer protection, to your knowledge, will you be one of the first ones to do this? Or does this potentially already exist?

Then secondly, outside of the US what are the markets you're most excited about? I know previously you've spoken a lot about Brazil. Could you perhaps update us on your Brazilian performance and how you see that market develop?

And then just last question. In the longer run in the US, do you think the business will end up being more heavily skewed to iGaming than the rest of your business? Just because that's where a lot of the strong performance we've seen so far has been. Thank you.

Shay Segev:

Morning, Kiranjot. So, let me start with probably the second question, and Rob will help with numbers around Brazil. Then we can talk about igaming, and then about governance in the first question as well.

So, as I mentioned, I mean, there's probably, again, from a small research we run, there are more than 60 regulated markets where you can get a license and operate online sports betting and gaming. Outside that market, we can't really operate. Our focus that we laid out today, is to focus only on regulated markets or markets that are regulating in the next short-term, that we can engage with authorities and work with them. The focus is that we know that these markets outside the US or other markets in Europe, there's quite a lot of countries, such as Portugal, which we just entered Portugal, a few weeks ago. In Central and Eastern Europe. Countries in Latin America. I mean, you mentioned Brazil, but there are other countries, like Columbia. We're about to launch any day now to Columbia, as well. Mexico will be quite interesting as well. And Africa as well, which we did mention. If you put into it, all of these regulated markets, which we can operate in, our brands are relevant, our technology is relevant, then it's quite exciting opportunity for us. In terms of Brazil, I mean, Rob, you want to mention numbers about Brazil?

Rob Wood:

Sure. I'll only mention that year to date, Brazil continues to grow extremely well, second only to Australia of our major markets.

Shay Segev:

That's great. Now, in terms of US, I believe that, again, Sportsbook is currently more widely regulated in the US, but we do see iGaming as a lucrative market as well. It's hard to say, I mean, clearly, player values in iGaming are higher than sports betting. You see it in New Jersey and probably you would see it in other states, as well. So yeah, I do think that iGaming can be a very interesting, attractive market in the US.

I mean, clearly with the partnership with MGM, with MGM brands, with our best products on iGaming, I would believe that we will clearly lead that. I think it will be an attractive market. I think probably many states currently regulate only sports betting, but probably will regulate poker and casino as well. So, I think on the long-term it will be very lucrative. On the first question on the governance, can you just repeat it to make sure I answer exactly what you're asking?

Kiranjot Grewal:

Well, you mentioned you're going to be taking a scientific approach when it comes to customer protection. Are you one of the first people to take that approach, where you have a very logical and clear way of pulling customers out and picking up bad gambling habits, I suppose?

Shay Segev:

I mean, I would imagine that we're not the first one. There are a number of smaller businesses, start-ups, which we'll be looking at and try to partner with who are doing similar things, but we're probably very unique on this. Because, again, we sit on quite a lot of data. We own our own technology as well, which again, put us in a very unique position to actually do it.

Shay Segev:

So maybe there might be some initiative in the past to do something like this. I think we are in a very unique position to do it properly, because, again, we own our food technology, which means we also own the full interaction with the customer, and every customer interaction going to our database. Meaning we can analyse it better, and use our data scientists' teams, which now has been also expanded by Professor Mark Griffin, with his knowledge to develop these predictive algorithms. And based on that, to adjust the customer experience, to make sure that we're doing whatever we can do. The maximum to protect customers.

Operator:

Thank you. And our next question is from James Rowland-Clark from Barclays. Please go ahead, your line is open.

James Rowland-Clark:

Hi. Good morning, everyone. Three questions, please. Just following on from what you were just answering about the US, in terms of the long-term opportunity. I mean, clearly, you're showing that you have excellent products in New Jersey for gaming, and you're gaining a lot of market share there. How do think about your ability to be the leading player in the US? When considering also sports betting and some of your peers having the opportunity to effectively cross-sell DFS players and other sports platform players into sports betting that might put them ahead of you? So, do you think you therefore might need to do some sort of acquisition in the US, to kind of leverage a new sports betting platform or brand? So that's the first question.

And then on e-sports and digital gaming. Is this a standalone expansion into new audiences, or do you see that as potentially a way of you can effectively cross-sell those new customers into traditional online sports betting and grow that part of your business?

And then finally, on an interview this morning, you said that you might be interested in William Hill's non-US assets. How would that sit in the sort of priority list versus other sort of new markets and M&A, and essentially other growth opportunities? Thank you.

Shay Segev:

Great. Okay. So, let me take them one by one. In term of the US, I think we are quite confident that we will be a leader in this market. Again, it's very early on the journey of this market, the states are just getting regulated. I mean, Tennessee just launched pretty much a few weeks ago, so it's still ongoing. And again, if you look into few things, which I want to emphasize related to your question. Is one, is that we really just started 12 months ago, right?

I mean, while both DraftKings and Fan Duel, you mentioned, been going for longer, and you already see the impressive progress they've been doing with 17% or 18% aggregated market share for the state, that we are operating, again show the capability that we have demo for, again, our product, our marketing, our brand, our market access, et cetera.

Shay Segev:

And we see this momentum continue. I wouldn't expect us now for the market share to grow drastically, immediately, but I do expect us to every month to show a small progress. And if you measure it over the next 12, 18 months, I would expect us to continue grab further market share and start taking to a further leading position.

We do have access to DFS, as well. I mean, we have the partnership with Yahoo, which has Yahoo Sport, which now has been more integrated, or properly integrated to our BetMGM. So now, if you're on Yahoo Sport DFS platform, and you want to place a bet with BetMGM, you don't need to leave the app. You can do it while in the Yahoo e-sport app, which I think is very good progress, and we have already see quite good engagement.

But I think the key advantage we have besides Yahoo, is actually the M life program. And I mentioned it earlier today as well. I mean, M life has more than 30, three zero, million customers on this database. And even more importantly, it's an active database, meaning post-pandemic, when people back to travel and will visit Las Vegas and will go to and stay in the MGM properties, they will become M life customers.

We are integrating, already integrated, and will continue to integrate the BetMGM experience to the M life experience. Meaning, it will feel almost a natural journey, if you like sport, if you like iGaming, to stay at MGM property and continue to bet with BetMGM. We did mention today that we are already seeing quite encouraging numbers. 25% of our recent acquisition players are actually M life customers. And we also know that this customer is very valuable. So, if you're putting the M life, the Yahoo, and the fact that we have a very strong product and technology capabilities, and the fact that we continue grabbing more and more market share gradually, I'm very, very positive about our US future.

Now e-sports. I mean, you rightly noted two options in terms of e-sports or two crowd, two audiences. I mean, the strategy is actually to look into both of these. One is, naturally, sports betting, current sport betting fans, people who like sport, who also like e-sports. They can go currently to the existing business that we have. To the Bwin brands, the Ladbrokes brands, and put also bet into e-sports events as well. But I think even the more interesting future opportunity is for us to come with a new product. And this is what we'd be looking to do, which would be more attractive to the gaming communities as well. This is more network like Twitch and to do some partnership with other game providers from that and be the trusted leading wagering business that can go to that ecosystem. I think this is probably where we see it quite attractive. It'll probably be done by extracting our own capabilities, again, our technology, our product, our know-how, which probably might be even some acquisition in this area as well, to enhance our capability as well.

And the last point on the William Hill. The non-US assets of William Hill, I did mention this morning on an interview, the reporter asked if we'd be interested to look into it. Yes. I mean, as I said, never say never. Clearly, we have a strong track record of integrating acquired businesses and create synergies from that and accelerating them. I think we have all of the platforms for that. I mean, we will do it clearly if it will be accelerating for our shareholders. There is the price for that. We'll not be interested in the retail business. I mean, retail, we are quite pleased with the current rate of business that we have. We might look into the digital business, but I would not put it as a high priority on our list.

James Rowland-Clark:

Thank you. Can I just ask one follow-up? What portion of customers in the US came from the Yahoo Sports platform? You said 25% for Mlife. How much from Yahoo?

Shay Segev:

I don't think we are quantifying this number yet, but the only thing I can say is that it's grown drastically in the last few weeks, because the integration has just launched. Again, if you look a few months ago, it was pretty much, if you are on Yahoo sports, you get a link and you go to the BetMGM. What we have now is that if you are on the Yahoo Sport app, you can stay on the app and you go to the BetMGM and place a bet. So, this clearly is drastically better, but it's just launched a few weeks. So, I think it will be quite irresponsible from my end just to throw you numbers. I think it will require more time, but it looks really good.

Operator:

Thank you. And before we take our next question, I'd just like to remind you, if you would like to ask a question, please press star two on your telephone key pad. That is star two on your telephone keypad. So, our next question is now from Alan Smith-Johnson from Redburn. Please go ahead. Your line is open.

Alan Smith-Johnson:

Morning, guys. Thanks for taking the questions. Just one from me, please. Which is, I think I'm right in saying that your predecessor, back in February said that in the UK, you rely on 1.4% of your online customers for 38% of your revenues. So, my question is, basically, as a result of the increased investment in responsible gambling, should we expect that ratio to change? And therefore, are you less impacted by a UK regulation regime that involves staking or loss limits? Thank you.

Shay Segev:

So again, I cannot comment about the numbers. Maybe Rob can comment about the numbers. But I can definitely say that our business has become more and more recreational. I mean, this is by definition. I mean, again, clearly putting all of the right controls and block in place, our business has become more and more recreational and I see it just continuing to this direction. And this is following the strategy we put in place. Rob Wood do you have anything? Or Rob Hoskin anything to add?

Rob Wood:

No. I'd just echo what you've said there Shay, that the trend of course is in the right direction, as we entirely prioritise and focus on the recreational audience.

Operator:

Thank you. And our final question from the telephone is from Richard Stuber from Numis. Please go ahead, your line is open.

Richard Stuber:

Yeah, hi, good morning. Three questions, please. The first one is on e-sports. Talking about the greater emphasis into e-sports, how is that consistent with your strategy to increase regulation and responsible gambling? Because I would presume that the e-sports market is slightly less regulated, play integrity may be slightly lower, and also greater exposure to underage gambling in that product. So, it'd be interesting to hear your thoughts on that.

The second question is on the US, you've spoken a lot about how differentiated your product is. Can you also talk about pricing as well? One of your competitors said yesterday that they are pricing pretty aggressively in terms of margins, are you also still competing on the price side there? And do you expect those margins to remain low.

And that the final question is just talking about exiting markets, which there's no viable route to regulation or I guess about a hundred million. Could you just confirm which markets you will be exiting? And just finally, when you consider a viable path, what does that actually mean? Does that mean that there's legislation already happening in parliament or what is your definition of a viable path? So, thank you.

Shay Segev:

Okay. Good morning Richard. I'll take the first two and I'll take Rob Hoskin to answer the markets. So, in terms of sports, as I mentioned, again, this is a long-term journey. Again, this is our intention to expand our business through our capabilities to other audiences, other categories, and e-sports seems probably the most trivial one. I do accept and agree with everything you said about challenges around e-sport, about integrity, about the regulation is less mature. But again, the idea here is not to rush, it is to start making the baby step to invest. We do know that it's going to be a large market, large industry. There is a need, there is a large audience which is growing quite fast, an exciting area. I don't think that the exact experience that we provide today to our customers on sport betting and gaming is the similar experience you need to provide to that audience. It's a little bit different audience with different demographics. So, I think for us is to make these baby steps to start investing in this technology to better understand, again, clearly work with regulators, work with the different leagues, the integrity leagues, and start building our name into this business. So, I wouldn't expect it to get mature quickly, but I think it's something which will be very lucrative in the long term. So, we are starting this journey. This is pretty much on e-sport.

In terms of US pricing competition, clearly, we want to be competitive, it's a mix. Again, from our experience outside the US with customers, it's a mix of everything. It's the service you give them, it's the price of course, it's the customer experience, it's the brand, it's everything together. I think it's unlikely that a customer would just stay with a brand just because of the price. Really the price needs to be attractive, of course, as well. And we do ensure that our pricing are competitive and attractive clearly because it's a more competitive market, I think again, and it's more also the US average bet currently, it's more tends to be single bets rather than a combo bet. And I think by definition, this market on sport betting has lower margins than the other markets we're used to, which have more combo, et cetera. But I do expect it to change over time. I do expect the customers in the US as the products are involved in the customer better understand the depth of the products, to do more and more combo betting, which is driving usually more higher margins. Rob Hoskin, do you want to take the exiting market?

Rob Hoskins:

Yeah, sure. So, in relation to regulating markets, what the process we've got, we've got a sort of governance monitoring process, which is very much run and frequently reviewed by the regulatory affairs team. But we are looking at markets that are genuinely showing signs, on a political level, of introducing licensing regimes, which we would then look to take up those licenses and enter into those markets on a regulated basis. There will be some markets through this review process, which we don't regard as regulating any time soon or regulating in a way, which would allow us to get a license. So, if we take one example, for instance, Norway, they run a state monopoly license regime, and the government there is looking to actually increase its enforcement powers against offshore operators. So that will be a market where we don't see the opportunity for private operators to really get in on a licensed basis. So that is a market we'll withdraw from.

We are, as I say, frequently monitoring these markets and updating our analysis. And so, it's very much an evolving process and countries may and will move. Some of the regulation may take longer than originally anticipated to come through. But generally, I think everyone has seen that particularly over the last 10 years countries have caught up with the online gambling phenomenon and are interested in regulating it and also collecting taxes, which is becoming ever more important as treasuries are under strain from episodes such as the COVID-19 pandemic.

Rob Wood:

If I could just add to the end of that, Richard, just to help you with the numbers. As you say, moving from 96 to 99, so that's 3%. A decent chunk of that is, as Rob's outlined going through that assessment of the regulatory regimes and various territories, we formed a view that Canada is now a regulating territory, given developments in Ontario, and hence that's a reclassification. So, in terms of market exits and lost NGR, it's a much smaller percentage. It's more like 1% rather than three. So, 1% on, call it two and a half billion of online NGR gets you 25 million or so of NGR and therefore at EBITDA level it's around half of the 40 million of regulatory impacts that we have guided to today.

Operator:

Thank you, there are no further questions from the phones. So, I will now hand over to questions from the webcast.

David Lloyd-Seed:

Hi, thanks for that. We've had quite a few questions, so I'll ask them one by one. So just rounding out what looks like the last questions on the market exits is, how will we be exiting those markets? Is it just a straight wind down or are there opportunities for disposals?

Shay Segev:

There is an exit plan, and I think there will be a communication, you want to take it Rob?

Rob Hoskin:

Yeah so, on the whole, it will be a general wind down, organized wind down rather than disposals. So that's the overall plan.

David Lloyd-Seed:

Okay. And you touched on it a bit in the presentation, but really a question about what happens to UK retail eventually as operations wind down as of when customers shift online. And when does breakeven point be reached?

Shay Segev:

Again, UK retail is a piece of core our business today. It's performing very well, as I mentioned in the presentation today. We do see it for the years to come still contributing a hundred million pounds of free cash for our business, which is quite strong cash generative. It also creates the long-term advantage for us with, again, marketing of both the Coral and Ladbrokes brand and the investment we just done on electronic point of sale on the EPOS and SSBT that we're doing, into the betting shops is also integrating these betting shops into the Omni channel and into the digital experience of Coral. So, I do see a long prospect for retail business.

We did run also last year and earlier this year, a pilot for more social environment shops as well, which we call them shops of the future, which was quite an interesting as well, which I believe that actually the future of retail will evolve in this direction. So, do we see a long-term? I do see a long-term sustainability for the retail as well, and there might be probably some adjustment, but again, the future will tell us.

David Lloyd-Seed:

Thank you. And how will the company measure and report the responsible gambling KPIs that are going to be part of the bonus scheme?

Rob Wood:

So, we will report on them in the remuneration report each year explaining obviously what the metrics were, what the process was for implementing and then using third-party to verify what has actually been achieved and what the resulting situation is. So, it will be publicly disclosed in the annual report's remuneration report.

David Lloyd-Seed:

Thank you. And on costs, where's the opportunity on things like OpEx costs versus CapEx? What sort of areas are we looking at?

Rob Wood:

Sure. So what sort of areas? The way I would characterize it over the last couple of years, we've had an integration program looking to deliver all the identified synergies after GVC acquired Ladbrokes Coral. And going through an exercise like that, we've uncovered a long list of other opportunities as well. And really what we're talking about today is a new program to capture those opportunities. It spans both retail and online. It's both operating costs and CapEx and cost of sales. So, sort of an all-encompassing review of the cost basis. We try to make sure that we're efficient and lean and scale in the most economical way.

David Lloyd-Seed:

Thank you, Rob. A couple of questions on the US, whether we can give any greater split on sports betting and gaming market share in the US and where do you think we're placed versus the competition? And any update on guidance for a GGR for BetMGM as a whole this year?

Shay Segev:

In terms of a split, I think the New Jersey numbers are public. We are 23% market share on igaming, and I think we're shy of 10% on sports. And New Jersey is probably the largest market currently in the US. Whereas Virginia on igaming is I think more than 30, 35% market share on igaming West Virginia. And then if you know basically where's West Virginia and New Jersey, you can run the maths on sports as well. And in term of guidance, just few weeks ago, we gave guidance of \$160 million net revenues with BetMGM, and we're still behind that.

David Lloyd-Seed:

Thank you. And a couple of questions on Germany. Do you expect some legal challenges to what's coming in Germany from others? And then, obviously we have a bit of a step down in revenue and profits next year, but when does the market get back to growth and how long does this a recovery take?

Rob Hoskin:

Yes, I think it's been quite a journey, Germany regulation over the last 15 plus years. But I think we're landing in the right spot. It's a challenge for operators generally. I think that some operators, there is the risk that they will challenge some of the license processes, but that is obviously up to them. I think from our perspective, we've received four sports betting licenses. We are complying with the gaming toleration regime. And we'll seek gaming licenses when the application process opens up the July 2021. And so, we are looking forward to what will be a sustainable market going forward, Bwin is a huge brand in Germany. And whilst the short term commercially may be a bit bumpy, I think long-term, we are confident in the prospects for the group in offering licensed gambling in the German market.

David Lloyd-Seed:

And e-sports, what's the way into that, is that organic, or do you think there are acquisitions?

Shay Segev:

I would assume that the fastest route for us to go, it would be through an acquisition. And then combining it with our organic capabilities. It will be a mix of the know how within the business or just in technology that clearly can be leveraged to many other categories as e-sport. Our know how brands, our regulatory licenses and expertise as well. I will say for gaming technology as well, and probably to acquire some talent around e-sport to make sure that we can really understand and work very well with these audiences and communities.

David Lloyd-Seed:

And a couple of people asking, have we got any updates on the HMRC investigation yet?

Rob Hoskin:

No, we don't. So, there's nothing materially to updates since the announcement on the 21st of July. The group continues to fully cooperate with HMRC and their production order. And we've provided them now with all the documentation they've currently requested. We do expect this process to take some time to reach a resolution. And as in when there's a material development, then we will obviously update the market.

David Lloyd-Seed:

Thank you. Reading directly, your predecessor previously said he had no interest in further M&A in the UK. Are you of the same opinion?

Shay Segev:

Yeah. We already have a very successful and growing business in the UK. I wouldn't put it as a priority for us. I tend to agree but on the other end, I would say never say never. I did mention it before as well. Again, if we can create value for our shareholders and there is an opportunity for us to acquire regulated, clearly, it's only our focus, revenues and we already have all the products for the UK with the technology. We have the proven records to integrate businesses in the UK, which we successfully just concluded earlier this year, the Ladbrokes migration has been extremely successful for us. And we accelerated further through our technologies and streamlined synergies. Can we do it again? Of course, yes. And probably wouldn't be very strategic because we would want to expand to other markets, but we will at least give it a look.

David Lloyd-Seed:

And a couple of last questions looking forward to some of the numbers. Have we got any guidance for 2021 as yet in terms of EBITDA? And then finally also, what are we thinking about dividends going forward?

Rob Wood:

Can I take both of those? Yes, too early to guide clearly for 2021 EBITDA. Although of course, you'll have seen today that we are increasingly confident in our ability to hold on to the Q2 volume uplift that we saw in online and hence the upgrade to the tune of 50 million offsetting the regulatory impact. So, net fairly neutral, but of course, a better quality of earnings, which is important. And 99% of them being either regulated or regulating as we've talked about. And that also talks to the Germany question as well. So, we've got a long track record of growing through regulatory impacts and coming out of it with a higher quality of earnings.

Just on dividends, so that remains under review is the answer. So, you'll remember back in August at the interims, we said that we would keep it under review and come back to the market with a recommendation in March of next year. And that position is unchanged.

David Lloyd-Seed:

Thanks Rob. That's all the questions we've got, so I'll just hand it back to Shay.

Shay Segev:

Thanks, David. So, thank you all very much for your question and for joining us today. I really hope that you saw today that Entain has a very, very exciting future ahead, as we will deliver on our two core strategies we presented today with the objective of sustainability and growth. Thank you.