

7.00am 21 January 2021

**Entain plc**  
("Entain" or the "Group")

**Strong delivery across the year with continued momentum into 2021**  
**Q4 marks the Group's 20<sup>th</sup> consecutive quarter of double-digit online NGR growth**

Entain plc (LSE: ENT), the global sports-betting and gaming entertainment group, today reports trading for the financial year to 31 December 2020 ("FY20") as well as the period from 1 October to 31 December 2020 ("Q4").

**Trading performance**

	Q4 Period 1 October to 31 December 2020				Full Year 1 January to 31 December 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	59%	58%	25%	+2.4pp	24%	26%	5%	+1.6pp
Gaming	28%	27%			29%	30%		
<b>Total Online</b>	<b>41%</b>	<b>41%</b>			<b>27%</b>	<b>28%</b>		
<b>Retail</b>								
UK (LFL <sup>5</sup> )	(38%)	(38%)	(44%)	+2.7pp	(36%)	(36%)	(39%)	+1.5pp
Europe	(57%)	(59%)	(66%)	+5.0pp	(38%)	(39%)	(44%)	+1.7pp
<b>Total Group</b>	<b>7%</b>	<b>7%</b>			<b>In line</b>	<b>1%</b>		

**Highlights**

- Strong performance across the year, with ongoing momentum into 2021
- Online
  - Full year online net gaming revenue ("NGR") +27% (+28% cc<sup>1</sup>) and Q4 +41% (+41% cc<sup>1</sup>), our 20<sup>th</sup> consecutive quarter of double digit online NGR growth
  - Geographic and product diversification demonstrates the strength of the Group's operating model
  - Sports NGR benefitted from strong margins, with full year margins up 1.6pp and Q4 margins up 2.4pp
- Retail impacted by restrictions and shop closures required throughout the year in response to COVID-19
- BetMGM, our US joint venture with MGM Resorts, continues to go from strength to strength, and is now live in 11 states:
  - Market share of approximately 18% across all live markets
  - Online revenues<sup>2</sup> up over 130% in the year
  - Highly successful launches in West Virginia, Colorado, Indiana, Tennessee and Pennsylvania demonstrating the strength of the customer offer and potential leadership in the US market
    - BetMGM sports book and iGaming to launch in Michigan on 22 January

- M life Rewards (MGM Resorts' loyalty programme) and the partnership with Yahoo Sports both driving strong customer acquisition growth
- BetMGM app is the fastest growing download in the industry in the US
- Full year US net revenues now expected to be in the range of \$175m - \$180m, ahead of our Q3 guidance
- Acquisition of Bet.pt in Portugal and offer for Enlabs AB in the Baltics are both in line with our strategy of expansion across new regulated international markets
- Full year 2020 Group EBITDA<sup>3,4</sup> expected to be in the range of £825m - £845m, as announced on 7 January 2020 despite the impact to profitability from enforced retail closures
  - FY2020 year-end net debt to EBITDA expected to be approximately 2.1x
- As announced separately today, Jette Nygaard-Andersen is appointed CEO with immediate effect, together with other Board changes

**Shay Segev, Entain's outgoing CEO, commented:**

"In an exceptionally challenging year, our strong performance has been driven by a business model that is highly diversified across a wide range of products, brands, territories and channels. Q4 has been another successful period for us, and we are particularly pleased with the momentum that we are seeing in the US. BetMGM continues to go from strength to strength and is now live in 11 states, plus Michigan will be launching online tomorrow.

As ever, we remain deeply aware of our responsibility to provide our customers with the safest possible experience while using our products, and to that end our new technology-based Advanced Responsibility and Care programme is heralding a new era in player protection.

While the short-term outlook remains uncertain as a result of the ongoing impacts of COVID-19, we have entered 2021 with good momentum and remain as confident as ever in Entain's longer term prospects."

**Business Review**

On 12 November we set out a clear strategy to deliver significant value for stakeholders through the two key priorities of growth and sustainability, underpinned by our powerful proprietary technology. We have made clear progress on these priorities:

**Growth**

**Leadership in the US**

BetMGM, our joint venture with MGM Resorts, has gone from strength to strength. It is now live in 11 states following the launch in Iowa earlier this year with Michigan launching online on 22 January. The business has made significant progress in every part of its operations, leading to a highly successful launch programme in Tennessee in November, which set the standard for future day one launches.

In October, a single nationwide app was launched making it easier for customers to access our sportsbook and gaming products. Including new state launches, downloads of BetMGM apps have increased by some 70% compared to September 2020.

During the summer, integration with the Yahoo Sports platform provided Yahoo Sports customers with a seamless experience of betting with BetMGM.

The integration with M life Rewards (MGM Resorts' loyalty programme) provides a valuable customer advantage, from customer acquisition to ongoing engagement to retention, as BetMGM

customers can earn M life Rewards Tier Credits to unlock exclusive benefits and also earn points to convert to bonuses within the BetMGM app, vouchers to use at MGM's retail destinations, and cash.

Over the three months to November 2020, BetMGM reached a market share of 18% in sports-betting and iGaming in the states in which it is live. It also has a market share of 21% in online sports in states which launched January to November 2020. Across all US states, market share reached 12.5% in November.

During the year BetMGM grew its online NGR by over 130% and is expected to deliver total NGR of between \$175m - \$180m for 2020, ahead of our Q3 guidance of \$150m - \$160m.

In summary, BetMGM is firmly on track to realising its ambition of being a leader in the US sports betting and iGaming market, which is estimated to be worth approximately \$20bn by 2025.

### **Grow core markets**

With Q4 online NGR growth of 41% (41%cc) Entain has now delivered 20 consecutive quarters of double digit online NGR growth. Excluding Germany, all our major markets have delivered double digit growth with particularly strong performances in Australia, Italy, Brazil, the UK and Georgia. The business responded well to the disruptions caused by sports cancellations, with customers benefitting from the wider range of sports our brands offer as well as our leading gaming products. Online also saw significant uplifts as a result of retail closures. Whilst we expect online volumes to ease back when shops in our core online territories re-open, the lasting effect of the pandemic is expected to be positive for the global online gaming market, and particularly for Entain's brands, which we anticipate will more than cover any permanent channel loss from our retail estates in the UK and Europe.

In the fourth quarter we were pleased to receive four sports-betting licences in Germany, and the 16 Lander (German federal states) also confirmed that they had agreed to a transitional tolerance policy for the period ahead of the implementation of the Interstate Treaty 2021. These two actions are bringing much needed clarity and certainty to online sports-betting and gaming in Germany. The issuance of sports licences and implementation of the tolerance policy were accompanied by certain restrictions that are coming into effect from mid-October and during the first quarter. These restrictions are expected to impact revenue and the dynamics of the market and, so far, the impacts have been in line with our expectations.

Retail operations in the UK, Italy, Belgium and Republic of Ireland were inevitably impacted by enforced closures due to COVID-19 restrictions. As a result, UK retail NGR<sup>5</sup> was down 36% and European retail was down 38% (-39%cc) across the year. However, when shops were allowed to open, we saw trade rapidly return to within single digits of pre-pandemic levels, clearly demonstrating that customers continue to enjoy the in-store betting and gaming experience. We look forward to welcoming customers back to our shops again soon.

### **Enter new markets**

On 8 October 2020 we restarted our M&A programme with the announcement of the acquisition of Bet.pt which is expected to complete during the first quarter. This takes the Group into the recently regulated, and rapidly growing, Portuguese market which is expected to more than double to around €450m in value 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 market position and profitability.

On 7 January 2021 we announced an offer for Enlabs AB. Enlabs predominantly operates online sports-betting and gaming brands across the fast-growing Baltic region, with a small retail presence. It is the market leader in Latvia, the second largest in Estonia and a top-five operator in

Lithuania. In November 2020 Enlabs completed the acquisition of Global Gaming, which enables Enlabs to extend its operations into the Nordics through successful and proven gaming brands, including Optibet, Laimz and Ninja. Enlabs' regional market and brand strength combined with Entain's scale, proprietary technology, product, marketing and regulatory expertise can further accelerate growth and expansion into new territories - both through Enlabs' brands as well as by leveraging Entain's existing brands.

These two transactions are entirely aligned with our strategy of expanding into new markets that are either regulated or regulating, in order to support our international growth ambitions.

In 2020, we were one of the first global operators to be granted a licence to operate in Colombia and launched under the bwin brand on 9th December. Together with our existing strategy for the region, this gives us a strong foothold in the Latin America market as that opens.

## **Sustainability**

Sustainability is at the heart of everything we do, and we firmly believe that the most sustainable business will be the most successful business in our industry. In November we announced our Sustainability Charter to underpin this element of our strategy.

At the end of 2020, 99% of our NGR was from nationally regulated or regulating markets and by 2023 we expect 100% to come from regulated markets.

We also announced our Advanced Responsibility and Care ("ARC") programme, which is a technology-based preventative approach to player protection that identifies, addresses and averts potential problem play in real time. We truly believe that this initiative opens a new era in player protection.

As part of this programme, we appointed Professor Mark Griffiths, Distinguished Professor of Behavioural Addiction and Psychology at Nottingham Trent University. He is working with the business to apply findings from the behaviours of over 160 million players in our global database to help develop stronger rules, measures and interventions for implementation under ARC.

November also saw us launch the Entain Foundation, which will manage the donation from Entain of £100 million to be made over the next five years. The Foundation is focused on supporting good causes in four key areas; research, education and treatment in relation to safer gambling; the promotion of grass roots, women's and disabilities sports; men's health and; community projects. As part of our focus on grass roots sport, the Foundation runs our flagship Pitching In investment fund, which has launched a non-branded partnership with English non-league football as well as SportsAid, investing in aspiring UK athletes.

## **Outlook**

The performance delivered in 2020 has demonstrated the resilience of the Group's diversified product and geographic portfolio as well as the outstanding quality, resilience and adaptability of our people. We have entered 2021 with good momentum, particularly in our growth areas of the US and core markets. While the short-term outlook remains uncertain as a result of the ongoing impacts of COVID-19, the underlying strength of our business means that we remain as confident as ever in Entain's longer term prospects.

## **Conference call**

An analyst call will be held at 9:00am (GMT) 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) 33 0606 1122

US +1 646 813 7960  
Room number: 133775  
Participant PIN: 6876

There will be a live audio webcast available via the following link:  
<https://brrmedia.news/p3ps3>

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

**Enquiries:**

**Investor Relations**

**Entain plc**

David Lloyd-Seed, Director of Investor Relations & External Communications [investors@entaingroup.com](mailto:investors@entaingroup.com)  
[david.lloyd-seed@entaingroup.com](mailto:david.lloyd-seed@entaingroup.com)

Jennifer Spencer, Investor Relations Manager [jennifer.spencer@entaingroup.com](mailto:jennifer.spencer@entaingroup.com)

**Media**

**Entain plc**

Tessa Curtis, Head of Media Relations [Tessa.curtis@entaingroup.com](mailto:Tessa.curtis@entaingroup.com)

Jay Dossetter, Head of ESG and Press Office [jay.dossetter@entaingroup.com](mailto:jay.dossetter@entaingroup.com)

**Powerscourt**

Rob Greening / Elly Williamson Tel: +44 (0) 20 7250 1446  
[Entain@powerscourt-group.com](mailto:Entain@powerscourt-group.com)

**Notes**

- (1) Growth on a constant currency basis is calculated by translating both 2020 and 2019 performance at the 2020 exchange rates
- (2) BetMGM online revenues comprise online sports betting and iGaming revenues
- (3) Guidance on EBITDA is on a post IFRS 16 basis
- (4) On 7 January 2021 Entain provided EBITDA guidance for the 2020 financial year of £825m - £845m on a post-IFRS 16 basis, which was c.7% ahead of Q3 guidance of £770m - £790m
- (5) UK Retail numbers are quoted on a LFL basis. During Q4, there were an average of 2,935 shops in the estate, compared to an average of 3,233 in the same period last year. In the full year, there were an average of 3,024 shops in the estate, compared to an average of 3,341 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 Entain plc**

Entain plc (LSE: ENT) 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.entaingroup.com](http://www.entaingroup.com)