



Trading Update & Historic Proforma

25 May 2018

Contents

- Trading Update
- Historic Proforma Numbers
- Guidance

Trading Update

Strong start to 2018; synergies upgraded

Year to date growth (1 Jan 2018 to 20 May 2018)¹

	Total NGR	Total NGR CC	Sports Wagers	Sports Margin	Change in Margin
Online					
Sports Brands	16%	18%	4%	10.4%	1.2pp
Games Brands	16%	18%			
B2B	46%	48%			
Total Online	17%	18%			
UK Retail (Like-for-like)	(5%)	n/a	(9%)	18.3%	0.2pp
European Retail	32%	28%	4%	18.1%	3.8pp
Other	(26%)	(26%)			
Total Group	7%	7%			

- Overall good start to 2018
- Online strong with double-digit growth across both GVC legacy and Ladbrokes Coral
- Strong European Retail performance
- UK Retail impacted by weather
- Synergy work ongoing; interim upgrade to minimum of £130m cost synergies
- Well placed for US opportunity

[1] The Group's proforma results are presented as if the current Group, post the acquisition of Ladbrokes Coral, had always existed. As such, it excludes the results of the Turkish business which was discontinued during 2017, the 360 shops that the Ladbrokes Coral Group were required to divest on merger and the previously discontinued Ladbrokes Coral High Roller segment

Historic Proforma: Overview

- Proforma numbers cover the two years ending 31 Dec 2016 and 31 Dec 2017 and are presented as if the current Group had always existed
- The numbers are therefore adjusted for any material acquisitions, disposals and other corporate events that have happened during these two financial years
- Reporting segments and accounting policies have been aligned
- Corporate costs are now separated out for both businesses which they weren't historically in GVC
- The proforma numbers only reflect actual historical results and do not overlay any future synergies
- The P&L format presented in the Appendix will be used for reporting going forwards

Historic Proforma: Basis

Included:

bwin	Included for the period post acquisition (1 Feb 2016) and proforma adjustments made to include pre acquisition trading (January 2016). As such, both 2016 and 2017 include a full 12 months of trading for bwin
Corporate costs	Legacy GVC costs have been split between those relating to the Online business and those which are true "Corporate" costs. The latter of these is now reported under the Corporate costs segment
Kalixa	Included for the period until disposal (31 May 2017)

Excluded:

Turkey	Proforma adjustments to remove the trading of the disposed Turkish business in both 2016 and 2017
360 divested shops	Proforma adjustments to remove the trading of the 360 shops that the Ladbrokes Coral Group were required to divest on the merger of Ladbrokes and Coral
Share based payment charges	Share based payment charges previously reported in Ladbrokes Coral have been removed from underlying EBITDA in line with previously reported GVC "Clean EBITDA"
Amortisation of acquired intangibles	The amortisation of acquired intangibles will now be a separately disclosed item (formerly exceptional) and is therefore excluded from underlying profit and also from the proforma numbers presented
High Rollers	The High Rollers business which the legacy Ladbrokes Coral Group discontinued in 2016 has been excluded from the proforma information
Crystalbet	The 2018 acquisition in Georgia is not included in the historic proforma numbers

Historic Proforma: Segmentation

NEW SEGMENTATION	PREVIOUS SEGMENTATION				
	ONLINE	UK RETAIL	EUROPEAN RETAIL	OTHER	CORPORATE COSTS
ONLINE					
GVC Sports Led Brands	✓				
Ladbrokes.com	✓				
Coral.co.uk	✓				
Ladbrokes.com.au	✓				
Eurobet.it	✓				
Ladbrokes.be	✓				
GVC Gaming Led Brands	✓				
Gala websites	✓				
GVC Studios	✓				
CR Games	✓				
Stadium USA				✓	
Sportium.es	✓				
UK RETAIL					
Ladbrokes Retail (exc NI/Jersey)		✓			
Coral Retail		✓			
Ladbrokes Retail (NI)		✓			
Ladbrokes Retail (Jersey)		✓			
EUROPEAN RETAIL					
Eurobet Italy			✓		
Ladbrokes Belgium			✓		
Ladbrokes ROI			✓		
Sportium Spain			✓		
OTHER					
InterTrader				✓	
Kalixa				✓	
Ladbrokes Stadia				✓	
Coral Stadia				✓	
On Course Betting				✓	
Ladbrokes Telebet				✓	
Coral Telebet				✓	
Exchanges				✓	
Satellite Information Services				✓	
Asia Gaming Technology China				✓	
CORPORATE COSTS					
GVC Corporate Costs ¹					✓
Ladbrokes Coral Corporate Costs					✓

[1] Costs which were previously reported as Corporate Costs in GVC have now been split between the Online segment and those which are true Corporate Costs which remain in Corporate

Synergies: Updated Guidance

- Total cost synergies now expected to be **£130m** (previously £100m) by the end of 2021¹
- Total integration costs expected to be **c1.0x** cost synergies (previously 1.0x)

Originally announced (cumulative)				Updated guidance (cumulative)			Integration Costs (In Year)
Year post acq.	Exit Run Rate	Financial Year	Exit Run Rate	Increase (Run Rate)	New Exit Run Rate	Realised in Year	
Year 1	£7m	2018	£5m	£2m	£7m	£4m-£5m	£17m
Year 2	£33m	2019	£27m	£8m	£35m	£16m-£26m	£39m
Year 3	£56m	2020	£50m	£28m	£78m	£52m-£62m	£43m
Year 4	£100m	2021	£100m	£30m	£130m	£104m-£114m	£31m
Year 5	£100m	2022	£100m	£30m	£130m	£130m	-

- Synergies split: **c£125m** of synergies to be delivered in Online and **c£5m** in Corporate

[1] Exit run rate

FY18 Guidance

Guidance:

- Capex – underlying¹ c£125m post acquisition², c£160m annualised
- Capex - EPOS 2¹ c£27m post acquisition²
- Depreciation and Amortisation Subject to IFRS 3 adjustments
Guidance to be provided at H1
- Integration costs – previous deals³ c£15m P&L charge post acquisition²
£45m cash cost post acquisition²
- Opening gross debt⁴ £2,160m
- Opening net debt⁴ £1,860m
- Opening net debt / EBITDA⁴ 2.7x (LTM proforma EBITDA)
- Share based payments c£10m – £15m
- Interest costs c4% on gross debt
c60m P&L charge⁵ post acquisition², c£85m annualised
c50m cash cost post acquisition², c£85m annualised
- Tax rate (% of adjusted PBT) c13%, annualised cash tax in-line with historic blended rates

Triennial Impact:

- Fully mitigated impact of c£120m on Group EBITDA by end of the second year post implementation, with an expected adverse impact of c£145m in UK Retail and positive impact of c£25m in Online
- In the first full year the impact on Group EBITDA is anticipated to be in the region of £160m

[1] Pre Triennial Review

[2] Period 28 March 2018 to 31 December 2018

[3] GVC Holdings plc acquisition of bwin.party and Ladbrokes PLC merger with the Coral Group

[4] 28 March 2018

[5] P&L cost of interest that will be paid in cash

MARADONA

CAFU

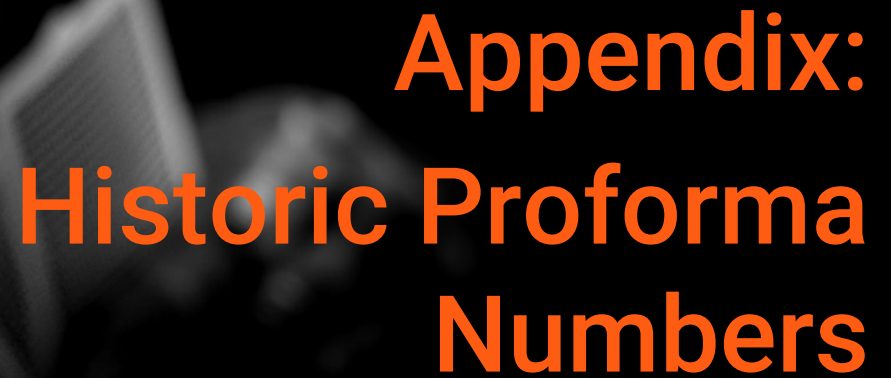
EFFENBERG

DELBOSQUE

WHO STOLE THE CUP?

18+

Play Responsibly
BeGambleAware.org

The title 'Appendix: Historic Proforma Numbers' is displayed in a large, bold, orange, sans-serif font. The background of the slide features a close-up, high-contrast photograph of a person's hand resting on a stack of black and orange checkered poker chips. In the blurred background, another person in a white shirt is visible, and a laptop screen shows some data. A solid orange vertical bar is positioned on the left side of the image.

Appendix: Historic Proforma Numbers

Historic Proforma: Overview

- The following slides provide proforma results for GVC Holdings Plc (“The Group”) for the 24 months ended 31 December 2017
- The Group’s proforma results are presented as if the current Group, post the acquisition of Ladbrokes Coral, had always existed. As such, it excludes the results of the Turkish business which was discontinued during 2017, the 360 shops that the Ladbrokes Coral Group were required to divest on merger and the previously discontinued Ladbrokes Coral High Roller segment
- The Group has changed its reporting currency to GBP and therefore the proforma information is also presented in GBP. As GVC previously reported in Euros, historic information has been translated into GBP using a rate of €1.14:£1 in 2017 and €1.24:£1 in 2016
- The proforma information has separated out “Corporate” costs from the legacy GVC Digital business. These will continue to be reported under Corporate costs going forward
- Reporting segments and accounting policies have been aligned across GVC and Ladbrokes Coral for the proforma period. The way in which these results are presented is consistent with the reporting format which will be adopted by the Group going forward
- The proforma results depict actual historical trading performance and do not reflect any increases in profit anticipated from the delivery of synergies, nor do they account for the impact on the future depreciation and amortisation charge resulting from the IFRS 3 fair value exercise which is being undertaken on the Ladbrokes Coral business
- Operating profit is shown before all items requiring separate disclosure (previously called exceptional items), the impact of changes in the fair value of financial instruments and the amortisation of acquired intangible assets
- Contribution is defined as statutory gross profit less marketing costs and underlying EBITDA is stated as operating profit before the deduction of depreciation, amortisation, changes in fair value of financial instruments and IFRS 2 “share based payments” charges

Total Group

Group £m	2016			2017			YoY		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
NGR	1,502.9	1,495.9	2,998.8	1,591.0	1,700.5	3,291.5	6%	14%	10%
VAT/GST	(12.0)	(14.1)	(26.1)	(18.2)	(22.3)	(40.5)	(52%)	(58%)	(55%)
Revenue	1,490.9	1,481.8	2,972.7	1,572.8	1,678.2	3,251.0	5%	13%	9%
Eliminate internal revenues	-	-	-	-	(3.4)	(3.4)	n/m	n/m	n/m
Reported revenue	1,490.9	1,481.8	2,972.7	1,572.8	1,674.8	3,247.6	5%	13%	9%
Contribution	884.8	880.2	1,765.0	908.9	963.9	1,872.8	3%	10%	6%
<i>Contribution margin</i>	58.9%	58.8%	58.9%	57.1%	56.7%	56.9%	(1.8pp)	(2.1pp)	(2.0pp)
Underlying EBITDA	282.0	241.4	523.4	314.1	352.4	666.5	11%	46%	27%
Share of JV income	2.0	3.9	5.9	1.9	3.4	5.3	(5%)	(13%)	(10%)
Share based payments	(9.2)	(22.6)	(31.8)	(11.5)	(9.2)	(20.7)	(25%)	59%	35%
Depreciation and amortisation	(77.9)	(69.1)	(147.0)	(67.6)	(69.4)	(137.0)	13%	(0%)	7%
Operating profit¹	196.9	153.6	350.5	236.9	277.2	514.1	20%	80%	47%

[1] Operating profit is shown before all items requiring separate disclosure (previously called exceptional items), the impact of changes in the fair value of financial instruments and the amortisation of acquired intangible assets

Online £m	2016			2017			YoY		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Sports wagers									
Sports brands	3,803.4	4,038.3	7,841.7	4,503.1	4,532.4	9,035.5	18%	12%	15%
Games brands	25.0	27.4	52.4	30.7	30.8	61.5	23%	12%	17%
Total sports wagers	3,828.4	4,065.7	7,894.1	4,533.8	4,563.2	9,097.0	18%	12%	15%
Sports margin									
Sports brands	8.8%	9.0%	8.9%	9.2%	11.0%	10.1%	0.4pp	2.0pp	1.2pp
Games brands	8.4%	7.1%	7.7%	6.8%	9.7%	8.3%	(1.6pp)	2.6pp	0.6pp
Sports brands NGR									
Sports NGR	258.6	283.5	542.1	315.5	392.8	708.3	22%	39%	31%
Gaming NGR	<u>229.3</u>	<u>243.5</u>	<u>472.8</u>	<u>283.2</u>	<u>286.9</u>	<u>570.1</u>	<u>24%</u>	<u>18%</u>	<u>21%</u>
	487.9	527.0	1,014.9	598.7	679.7	1,278.4	23%	29%	26%
Games brands NGR									
Sports NGR	1.9	1.6	3.5	1.7	2.5	4.2	(11%)	56%	20%
Gaming NGR	<u>133.2</u>	<u>129.2</u>	<u>262.4</u>	<u>148.9</u>	<u>150.9</u>	<u>299.8</u>	<u>12%</u>	<u>17%</u>	<u>14%</u>
	135.1	130.8	265.9	150.6	153.4	304.0	11%	17%	14%
B2B NGR	7.2	8.3	15.5	9.4	11.0	20.4	31%	33%	32%
Total NGR	630.2	666.1	1,296.3	758.7	844.1	1,602.8	20%	27%	24%
VAT/GST	(12.0)	(14.1)	(26.1)	(18.2)	(22.3)	(40.5)	(52%)	(58%)	(55%)
Revenue	618.2	652.0	1,270.2	740.5	821.8	1,562.3	20%	26%	23%
Contribution									
Sports brands	219.2	246.8	466.0	271.6	311.7	583.3	24%	26%	25%
Games brands	63.5	62.4	125.9	58.2	57.7	115.9	(8%)	(8%)	(8%)
B2B	6.9	8.0	14.9	9.4	9.3	18.7	36%	16%	26%
Total contribution	289.6	317.2	606.8	339.2	378.7	717.9	17%	19%	18%
Contribution margin									
Sports brands	44.9%	46.8%	45.9%	45.4%	45.9%	45.6%	0.5pp	(0.9pp)	(0.3pp)
Games brands	47.0%	47.7%	47.3%	38.6%	37.6%	38.1%	(8.4pp)	(10.1pp)	(9.2pp)
Total	46.0%	47.6%	46.8%	44.7%	44.9%	44.8%	(1.3pp)	(2.7pp)	(2.0pp)
Underlying EBITDA	142.5	143.7	286.2	187.7	219.2	406.9	32%	53%	42%
JV income	(0.7)	(1.7)	(2.4)	(0.4)	0.5	0.1	43%	129%	104%
Share based payments	(1.3)	(16.5)	(17.8)	(4.0)	(2.2)	(6.2)	(208%)	87%	65%
Depreciation and amortisation	(34.5)	(32.8)	(67.3)	(33.7)	(34.2)	(67.9)	2%	(4%)	(1%)
Operating profit¹	106.0	92.7	198.7	149.6	183.3	332.9	41%	98%	68%

[1] Operating profit is shown before all items requiring separate disclosure (previously called exceptional items), the impact of changes in the fair value of financial instruments and the amortisation of acquired intangible assets

UK Retail

UK Retail £m	2016			2017			YoY		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
OTC wagers	1,884.3	1,791.6	3,675.9	1,702.9	1,641.2	3,344.1	(10%)	(8%)	(9%)
OTC margin	18.2%	16.5%	17.3%	17.9%	18.5%	18.2%	(0.3pp)	2.0pp	0.9pp
OTC NGR/Revenue	336.5	292.2	628.7	299.7	302.1	601.8	(11%)	3%	(4%)
Machines NGR/Revenue	402.0	400.4	802.4	397.5	391.8	789.3	(1%)	(2%)	(2%)
Total NGR/Revenue	738.5	692.6	1,431.1	697.2	693.9	1,391.1	(6%)	0%	(3%)
Contribution	524.2	492.1	1,016.3	501.9	495.7	997.6	(4%)	1%	(2%)
<i>Contribution margin</i>	71.0%	71.1%	71.0%	72.0%	71.4%	71.7%	1.0pp	0.3pp	0.7pp
Underlying EBITDA	147.1	106.2	253.3	131.0	125.6	256.6	(11%)	18%	1%
JV income	-	-	-	-	-	-	n/a	n/a	n/a
Share based payments	(0.7)	(0.6)	(1.3)	(0.7)	(0.9)	(1.6)	0%	(50%)	(23%)
Depreciation and amortisation	(32.5)	(29.6)	(62.1)	(27.6)	(27.6)	(55.2)	15%	7%	11%
Operating profit¹	113.9	76.0	189.9	102.7	97.1	199.8	(10%)	28%	5%

[1] Operating profit is shown before all items requiring separate disclosure (previously called exceptional items), the impact of changes in the fair value of financial instruments and the amortisation of acquired intangible assets

European Retail

European Retail £m	2016			2017			YoY		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
OTC wagers	602.9	655.3	1,258.2	703.5	716.2	1,419.7	17%	9%	13%
OTC margin	17.5%	16.5%	17.0%	14.8%	19.3%	17.1%	(2.7pp)	2.8pp	0.1pp
Sports NGR/Revenue	80.4	81.6	162.0	75.1	107.6	182.7	(7%)	32%	13%
Other OTC NGR/Revenue	23.2	24.6	47.8	27.2	28.6	55.8	17%	16%	17%
Machines NGR/Revenue	1.0	1.2	2.2	1.3	1.1	2.4	30%	(8%)	9%
Total NGR/Revenue	104.6	107.4	212.0	103.6	137.3	240.9	(1%)	28%	14%
Contribution	54.8	54.9	109.7	50.1	70.7	120.8	(9%)	29%	10%
<i>Contribution margin</i>	<i>52.4%</i>	<i>51.1%</i>	<i>51.7%</i>	<i>48.4%</i>	<i>51.5%</i>	<i>50.1%</i>	<i>(4.0pp)</i>	<i>0.4pp</i>	<i>(1.6pp)</i>
Underlying EBITDA	21.9	19.6	41.5	15.7	32.9	48.6	(28%)	68%	17%
JV income	1.0	3.1	4.1	1.0	1.1	2.1	n/m	n/m	n/m
Share based payments	-	-	-	(0.1)	-	(0.1)	n/m	n/m	n/m
Depreciation and amortisation	(9.7)	(5.5)	(15.2)	(5.5)	(6.7)	(12.2)	43%	(22%)	20%
Operating profit¹	13.2	17.2	30.4	11.1	27.3	38.4	(16%)	59%	26%

[1] Operating profit is shown before all items requiring separate disclosure (previously called exceptional items), the impact of changes in the fair value of financial instruments and the amortisation of acquired intangible assets

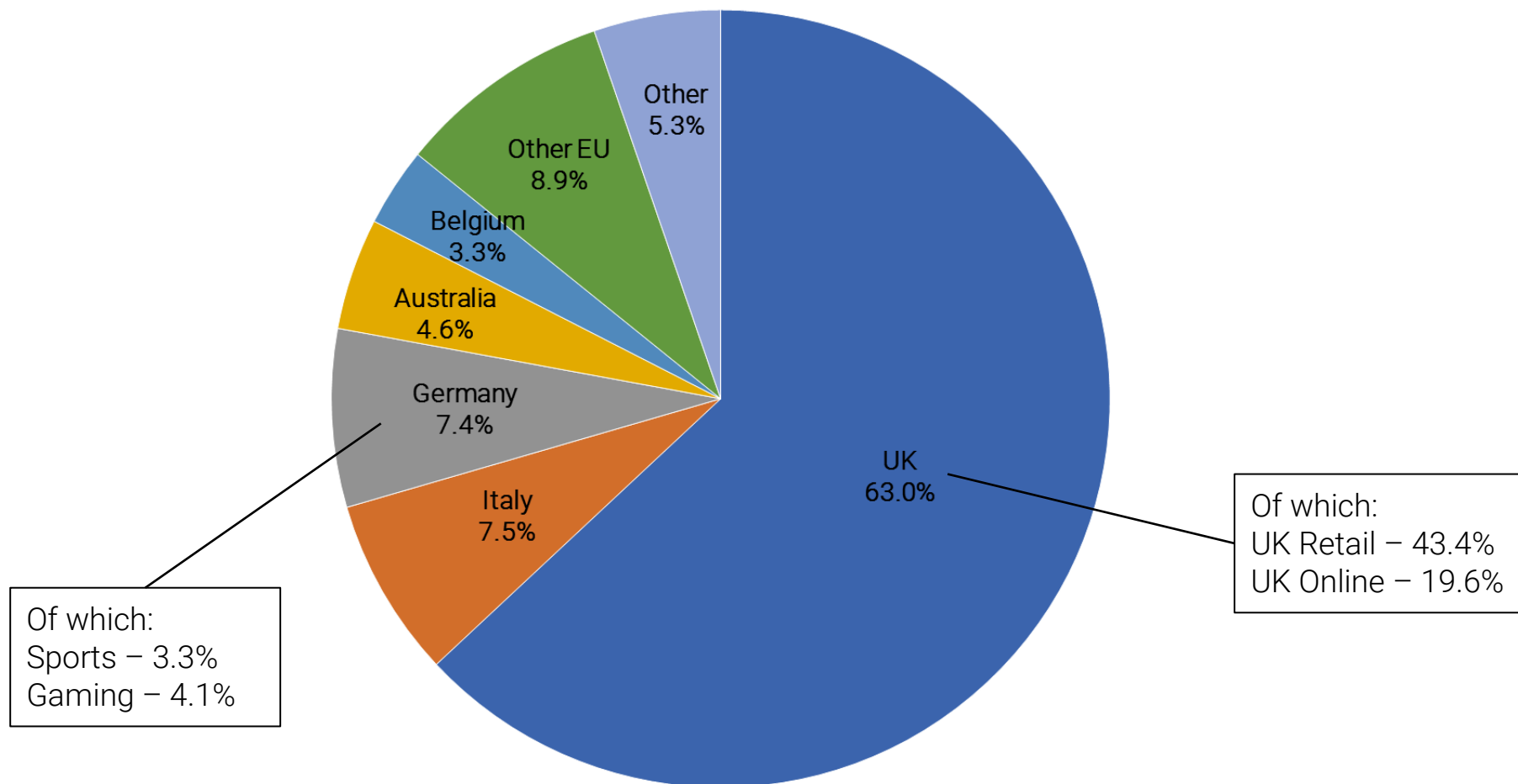
Other and Corporate

Other £m	2016			2017			YoY		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
NGR/Revenue	29.6	29.8	59.4	31.5	25.2	56.7	6%	(15%)	(5%)
Contribution	16.2	16.0	32.2	17.7	18.8	36.5	9%	18%	13%
Underlying EBITDA	(4.3)	(8.3)	(12.6)	(2.8)	2.5	(0.3)	35%	130%	98%
JV income	1.7	2.5	4.2	1.3	1.8	3.1	n/m	n/m	n/m
Share based payments	-	-	-	-	(0.1)	(0.1)	n/m	n/m	n/m
Depreciation and amortisation	(0.8)	(0.8)	(1.6)	(0.4)	(0.1)	(0.5)	50%	88%	69%
Operating profit¹	(3.4)	(6.6)	(10.0)	(1.9)	4.1	2.2	44%	162%	122%

Corporate £m	2016			2017			YoY		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Underlying EBITDA	(25.2)	(19.8)	(45.0)	(17.5)	(27.8)	(45.3)	31%	(40%)	(1%)
JV income	-	-	-	-	-	-	n/a	n/a	n/a
Share based payments	(7.2)	(5.5)	(12.7)	(6.7)	(6.0)	(12.7)	7%	(9%)	0%
Depreciation and amortisation	(0.4)	(0.4)	(0.8)	(0.4)	(0.8)	(1.2)	0%	(100%)	(50%)
Operating profit¹	(32.8)	(25.7)	(58.5)	(24.6)	(34.6)	(59.2)	25%	(35%)	(1%)

[1] Operating profit is shown before all items requiring separate disclosure (previously called exceptional items), the impact of changes in the fair value of financial instruments and the amortisation of acquired intangible assets

Geographic Revenue Split



Of which:
Sports – 3.3%
Gaming – 4.1%

Of which:
UK Retail – 43.4%
UK Online – 19.6%