

Capital Markets Day

6 November 2018



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Overview

Philip Bowcock, CEO

In the future our business will look very different from today

Ambition	<ul style="list-style-type: none"> • To build a digitally led and internationally diversified gaming and gambling business • To double our profits by 2023
Strategy	<ul style="list-style-type: none"> • Drive digital growth in the UK and internationally • Remodel Retail • Grow a business of scale in the US
Goals	<ul style="list-style-type: none"> • Online – double-digit revenue growth and double the profits • Retail – maximise cash flows, gain 2 pts of market share • US – market leader, present in every regulated state
Enablers	<ul style="list-style-type: none"> • People • Product • Technology
Sustainability	<ul style="list-style-type: none"> • Lead the sustainability debate in UK and advocate for change • Apply key learnings to other markets as they mature

William Hill US

Crispin Nieboer, Corporate Development Director

Joe Asher, CEO, William Hill US

Sharon Otterman, Chief Marketing Officer, William Hill US

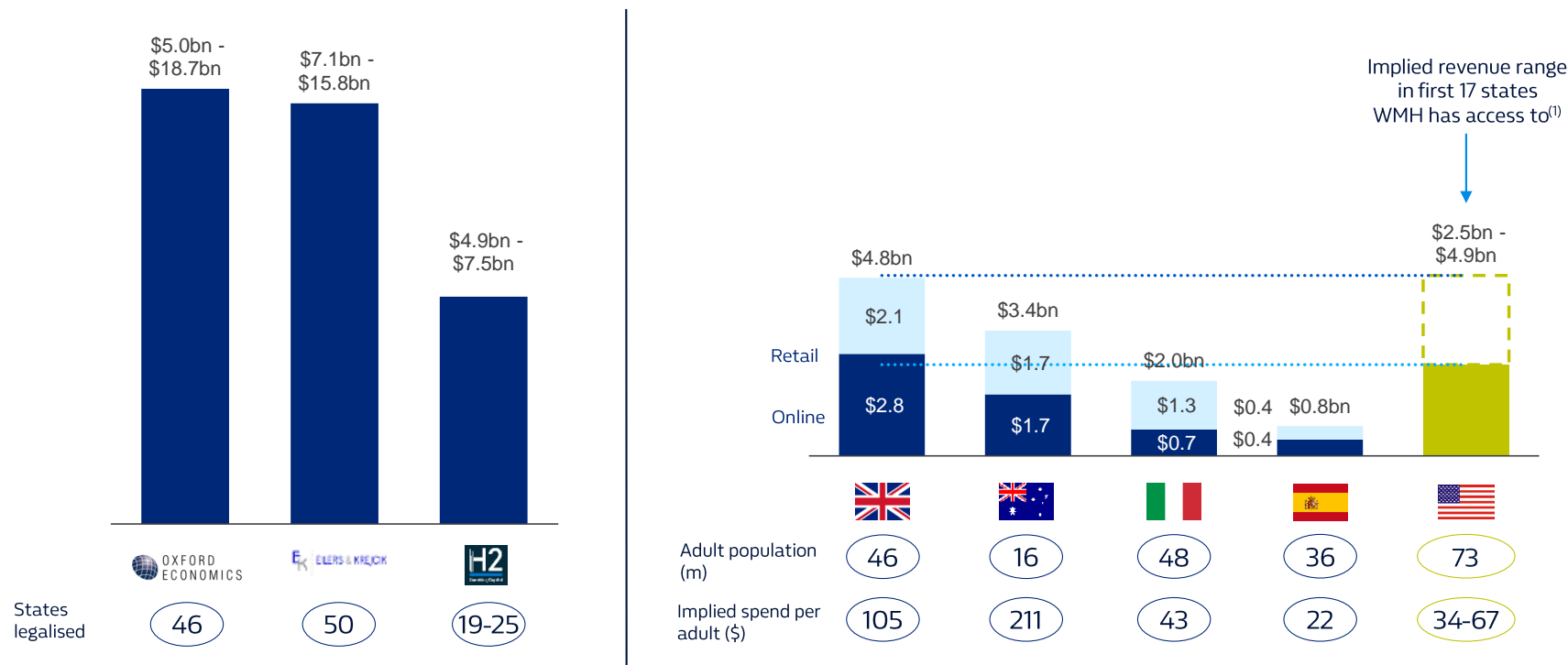
Growing a business of scale in the US

Ambition	<ul style="list-style-type: none"> • Remain the leading US sports betting business
Strategy	<ul style="list-style-type: none"> • Be in every state that legislates with the best retail and mobile experience • Build the William Hill brand
Goals	<ul style="list-style-type: none"> • To be the US market leader
Enablers	<ul style="list-style-type: none"> • US-focused product • Flexible, proprietary technology • Marketing and brand • Talent • Partnerships
Sustainability	<ul style="list-style-type: none"> • Trusted advisor

US market overview

Crispin Nieboer, Corporate Development Director

Market estimates range from \$5bn to \$16-19bn by 2023, depending on the speed and nature of regulation by states



Source: Broker research, CIA country profiles, U.S. Census Bureau, H2 Gambling Capital.

Note: EUR converted to USD at spot rate of 1.14 as of 05/11/2018. Includes horse racing and other sports.

Note: United Kingdom, Australia, Italy and Spain sports betting market sizes include horse racing.

For reference, U.S. adult population (21+) estimated to be ~232 million per most recent census study. All other adult population figures are 18+, per latest available OECD estimates.

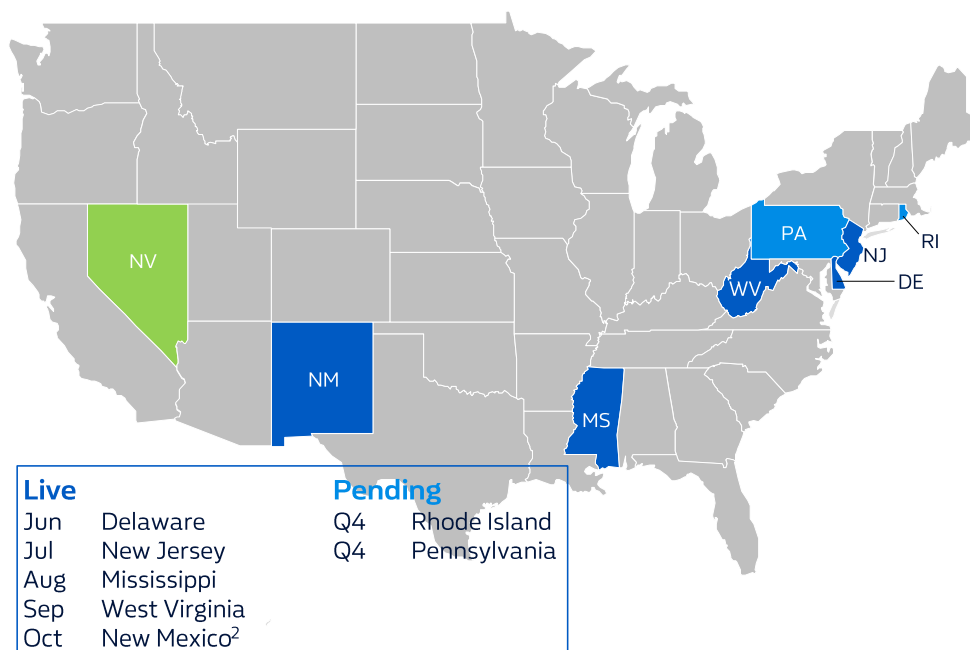
1. Based on Eilers & Krejcik; includes retail only in DE, RI and MS. Range based on retail only vs including online in other states. Excludes Nevada.

Market access is the critical starting point in the US

- Access is predominantly controlled by land-based casinos as primary licence holders
- Regulations often allow retail before mobile
- The number of mobile licences / skins per casino will vary state by state
- Partnership criteria for licence holders:
 - US track record
 - Sports book + trading expertise
 - Omni-channel technology
 - Solid regulatory credentials
 - Brand / marketing
 - Time to market
 - Price

The early mover states could be generating \$1.4bn⁽¹⁾ in GGR in 3 years

Seven states are expected to “go live” in 2018

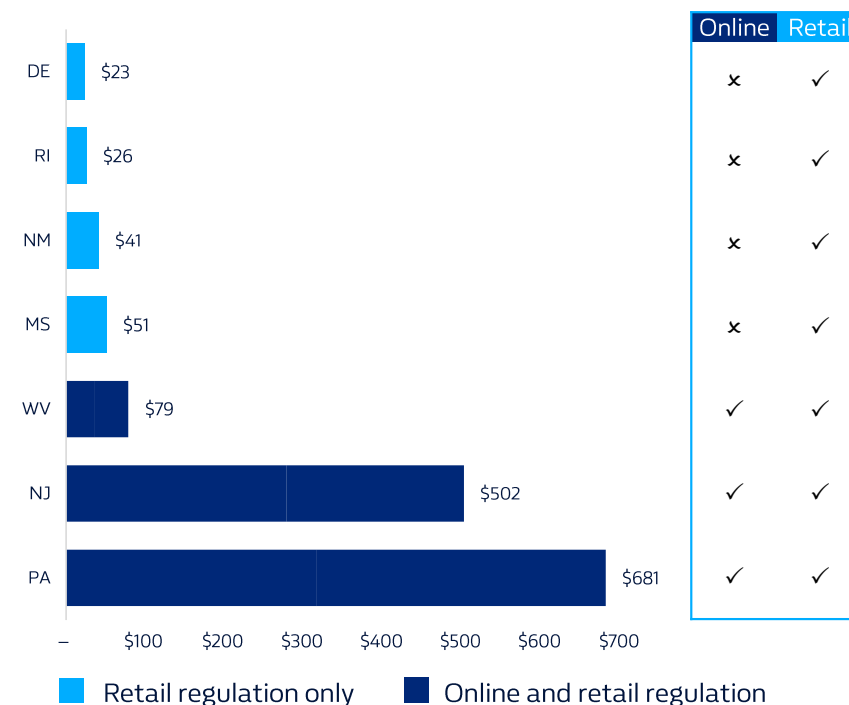


Source: Eilers & Krejci Gaming research reports (26 September, 2017 & 3 October, 2018).

Note: GGR assumptions as per Eilers & Krejci Gaming methodology.

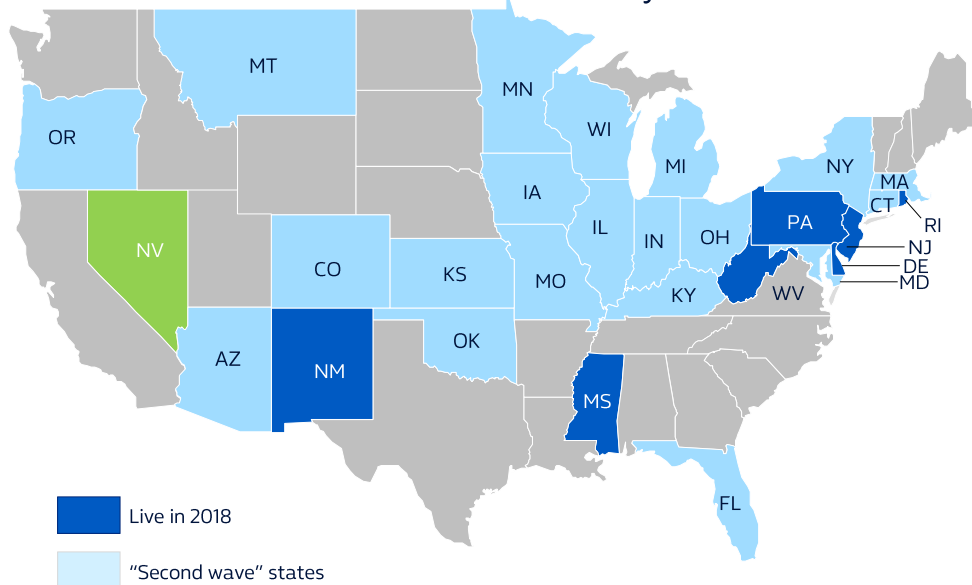
- Excludes Nevada. Includes retail regulation only in DE, RI, NM and MS. Includes online and retail regulation in WV, NJ and PA. Retail regulation only represents estimated GGR in the scenario where sports betting is only available in land-based environments, however, licenses are made available to a broad range of land-based gambling outlets (e.g. OTBs, small casinos, etc.) and are reasonably affordable. Online and retail regulation represents estimated GGR in the scenario where land-based and online play are both authorised. The online product has few, if any, undue regulatory restrictions, and offers a suite of markets and features on par with major international sportsbooks.
- New Mexico - sports betting has not been authorized under state law but one tribe determined it could offer sports under its compact with the state as Class III gaming.

Run-rate GGR estimates (\$m)⁽¹⁾



The 'second wave' of states could add another \$7.5bn⁽¹⁾ of GGR in 3 years

Up to another 20 states expected to go live over the next three years

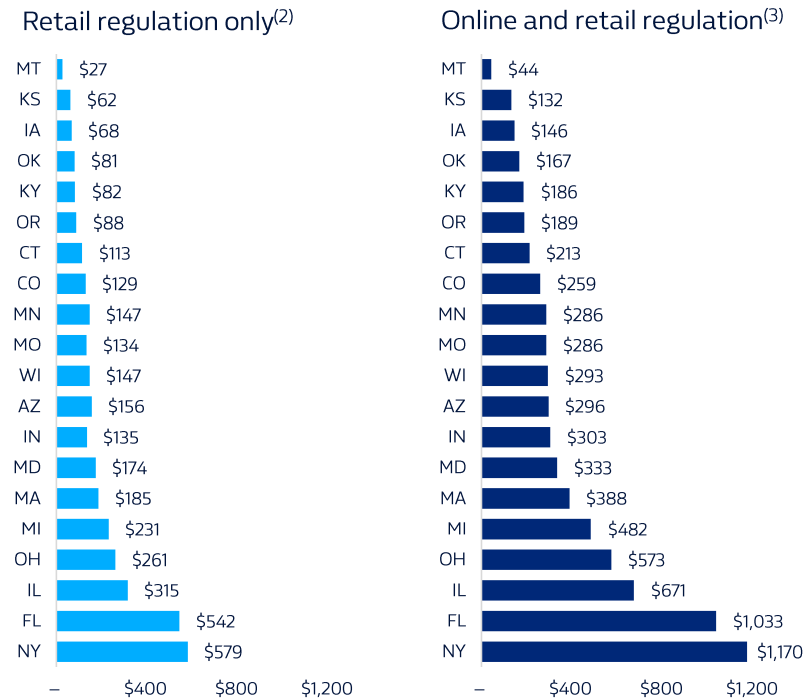


Source: Eilers & Krejci Gaming research reports (26 September 2017 and 3 October 2018).

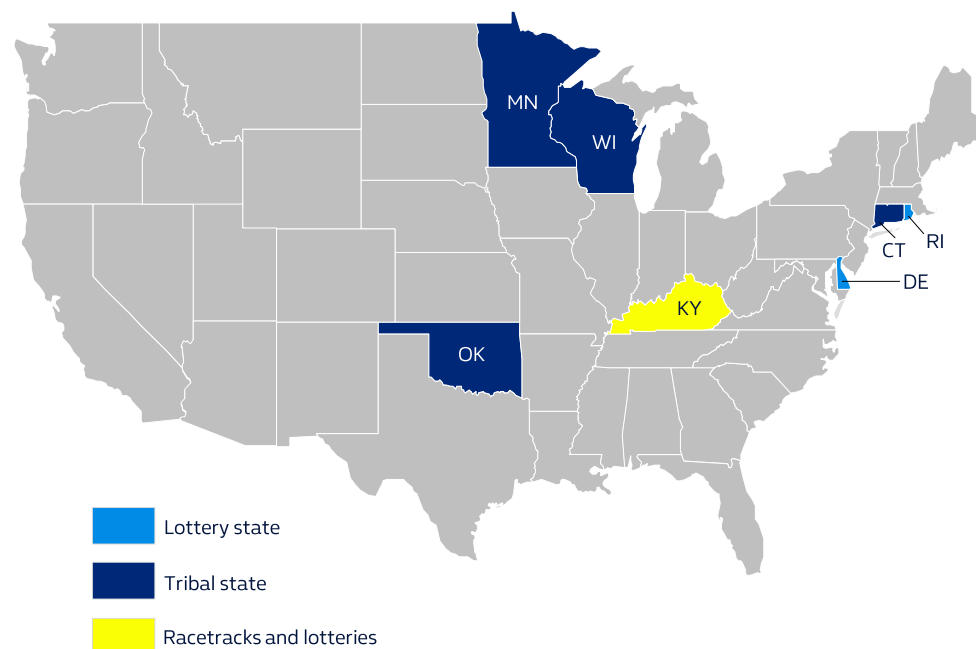
Note: Excludes Nevada. GGR assumptions as per Eilers & Krejci Gaming methodology.

1. Illustratively includes retail and online regulation for all states.
2. Estimated GGR in the scenario where sports betting is only available in land-based environments. However, licenses are made available to a broad range of land-based gambling outlets (e.g. OTBs, small casinos, etc.) and are reasonably affordable.
3. Estimated GGR in the scenario where land-based and online play are both authorised. The online product has few, if any, undue regulatory restrictions, and offers a suite of markets and features on par with major international sportsbooks.

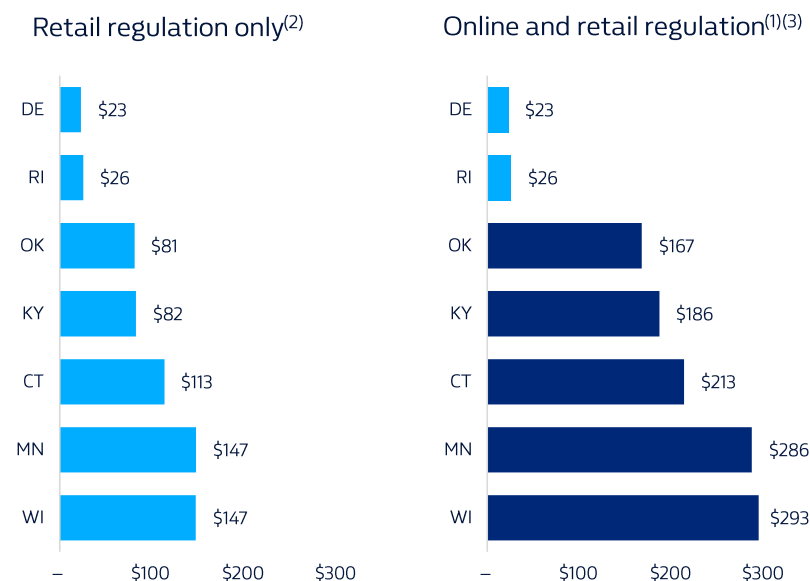
Run-rate GGR estimates (\$m)



Of the first 27 states, access to seven is likely to flow from tribal operators, state lotteries and racetracks



Run-rate GGR estimates (\$m)



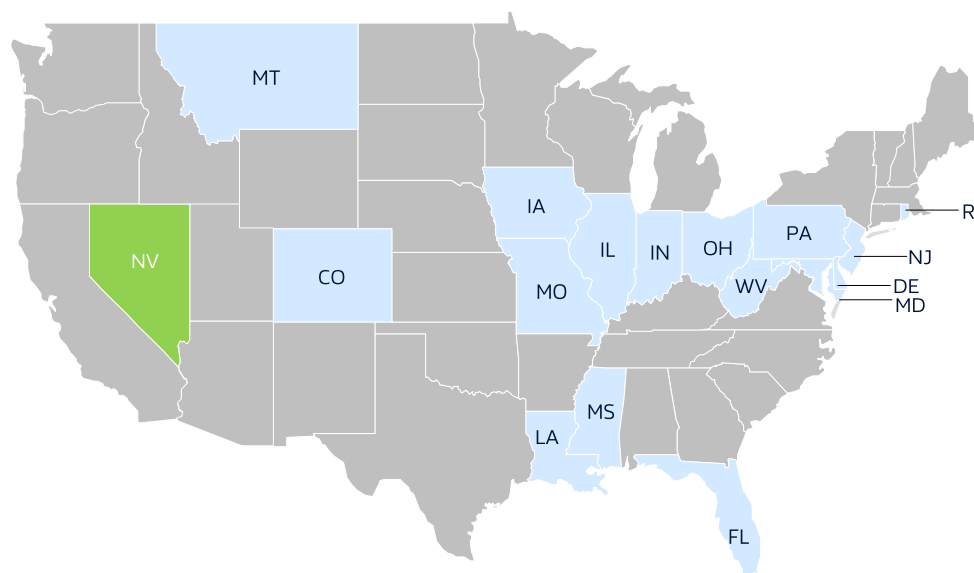
**Total value opportunity:
\$1.2bn⁽¹⁾ GGR**

Source: Eilers & Krejci Gaming research reports (26 September 2017 and 3 October 2018).

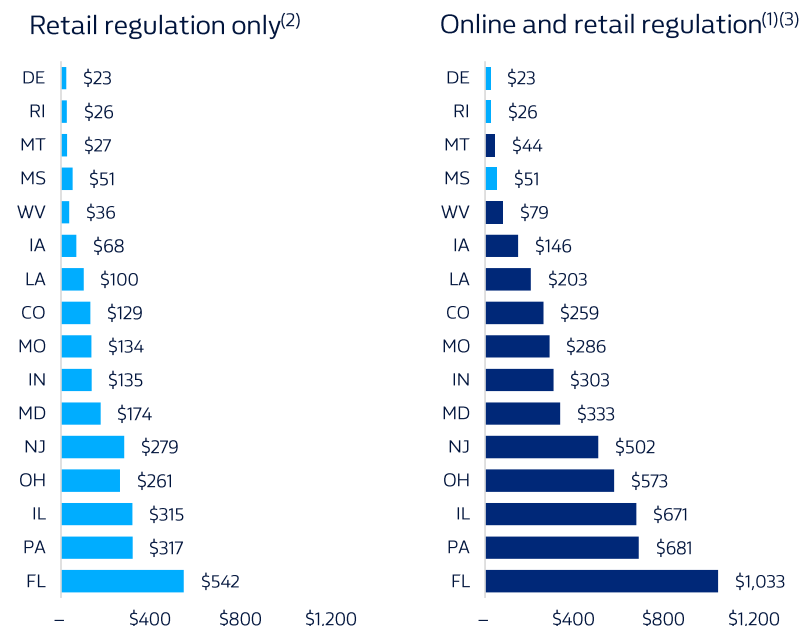
Note: Excludes Nevada. GGR assumptions as per Eilers & Krejci Gaming methodology.

1. Includes retail regulation only in DE and RI. Illustratively includes retail and online regulation for OK, KY, CT, MN and WI.
2. Estimated GGR in the scenario where sports betting is only available in land-based environments. However, licenses are made available to a broad range of land-based gambling outlets (e.g. OTBs, small casinos, etc.) and are reasonably affordable.
3. Estimated GGR in the scenario where land-based and online play are both authorised. The online product has few, if any, undue regulatory restrictions, and offers a suite of markets and features on par with major international sportsbooks.

We have access to 17 states, including six of the eight that have already passed legislation



Run-rate GGR estimates (\$m)



Total value opportunity:
\$5.2bn⁽¹⁾ GGR

Source: Eilers & Krejcik Gaming research reports (26 September, 2017 & 3 October, 2018).

Note: GGR assumptions as per Eilers & Krejcik Gaming methodology.

1. Excludes Nevada. Includes retail regulation only in DE, RI and MS. Illustratively includes retail and online regulation in MT, WV, IA, LA, CO, MO, IN, MD, NJ, OH, IL, PA and FL.
2. Excludes Nevada. Estimated GGR in the scenario where sports betting is only available in land-based environments. However, licenses are made available to a broad range of land-based gambling outlets (e.g. OTBs, small casinos, etc.) and are reasonably affordable.
3. Estimated GGR in the scenario where land-based and online play are both authorised. The online product has few, if any, undue regulatory restrictions, and offers a suite of markets and features on par with major international sportsbooks.

We are a proven partner for licence holders



Proven US retail
and mobile track
record



Sports book and
trading product



Proprietary
technology



Brand
and marketing
expertise



Regulatory
experience and
licences



Time to market
(retail, mobile)

William HILL



European sports
books



Multi-state casino
groups



Independent
casinos ⁽¹⁾



Daily fantasy
sports



1. Regional Casinos, Tribal Casinos, Racetracks, Lotteries

Market access: Eldorado's exclusive partner for digital and retail sports betting

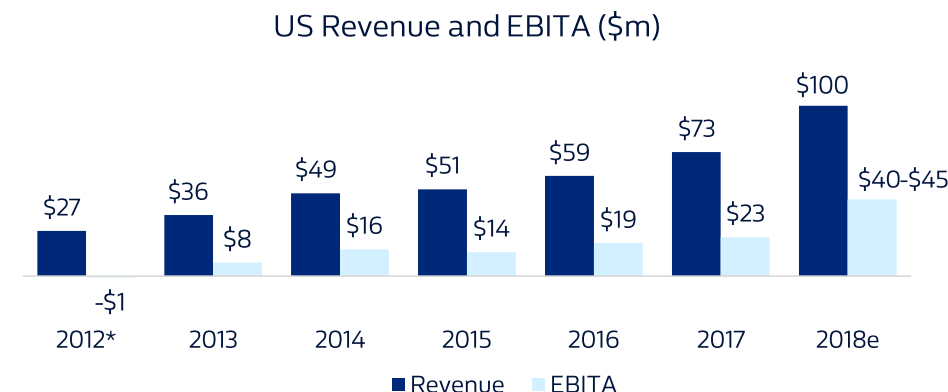
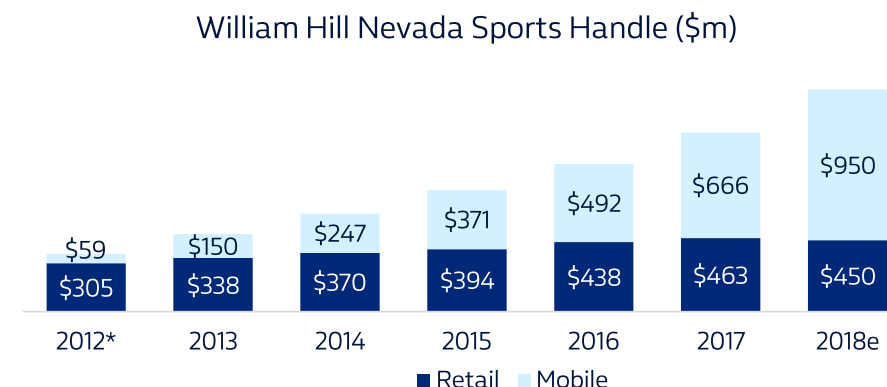
- Agreement gives us broad market access while retaining **control and flexibility** of further partnerships
 - Access to 23 million customers, 26 properties and 13 states and any new properties
 - Rights to first sports book licence in every state - not dependent on skins being made available
 - Share of economics on any sports-betting skin deals
 - Right to first skin in online casino
 - Right to partner with other casinos in states where Eldorado is present
- Close alignment between the partners incentivised to drive the success of William Hill US
 - 20% stake in William Hill US
 - \$50m shareholding in William Hill PLC (3-5 year lock-up)
 - Share of profits attributable to Eldorado's licences
- Initial 25-year term, 50:50 split of capex

US strategy

Joe Asher, CEO
William Hill US

Six years of strong growth ahead of PASPA being overturned

- William Hill US created from consolidation of three small Nevada-based bookmakers, acquired for \$49m in 2012
- Now the clear Nevada market leader with 33% of the state's sports betting revenue
- Consistently outperform the state trading margin by approximately 25%
- Handle growth >3x since acquisition from \$364m in 2012 to guidance of \$1.4bn¹ in 2018
- Profit has increased steadily since 2012
- Mobile betting has driven growth, accounting for c70% of sports handle in 2018 YTD
- In-play now 37% of handle and growing



1. Pre PASPA expansion activity

* Proforma for 2012 (acquisitions closed June 2012)

Goal is to be the US market leader

MARKET ACCESS

- Eldorado: anchor partner with access to 13 states
- IGT: exclusive partner on lottery opportunities
- Golden Entertainment: enhancing Nevada and adding two more states
- 'Switzerland' strategy with other operators to extend reach

OPERATIONAL EXCELLENCE

Digital

- Creation of a digital hub in New Jersey
- Introduce a new proprietary tech platform in 2019

Retail

- Leverage expertise and trust
- Proven ability to become operational quickly as states regulate

BRAND AND MARKETING

- William Hill brand where possible
- Use 'powered by' strategy when not possible
- Seek media partnership(s) to access sports betting audience
- Partner brands and database leveraged where possible

We have made rapid progress since PASPA was overturned in May



June

- Delaware: expanded from NFL parlays to full sports betting on June 5
- Took the first sports bet in New Jersey on June 14 at Monmouth Park
- Opened second location at Ocean Resort Casino, Atlantic City on June 28

July

- Opened three new offices – two in New Jersey, one additional in Nevada

August

- West Virginia: took the state's first sports bet on August 30
- Mississippi: launched 10 retail sports books in Mississippi as a B2B technology and risk management provider; two more opened in September

September

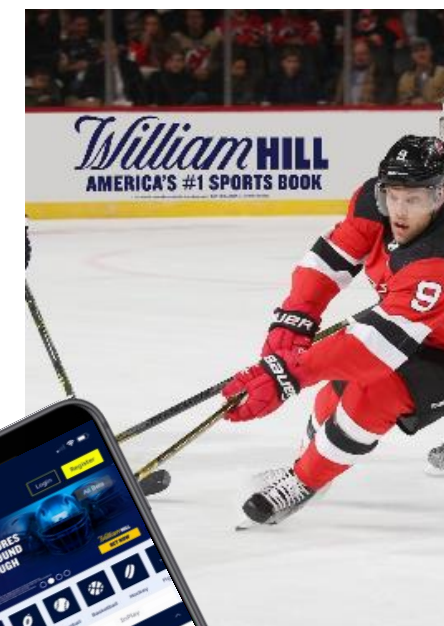
- Market access deals with Eldorado and IGT
- iOS and Android apps launched in New Jersey
- Advertising launch in NJ. Sponsorship of NHL teams: Vegas Golden Knights, followed by New Jersey Devils

October

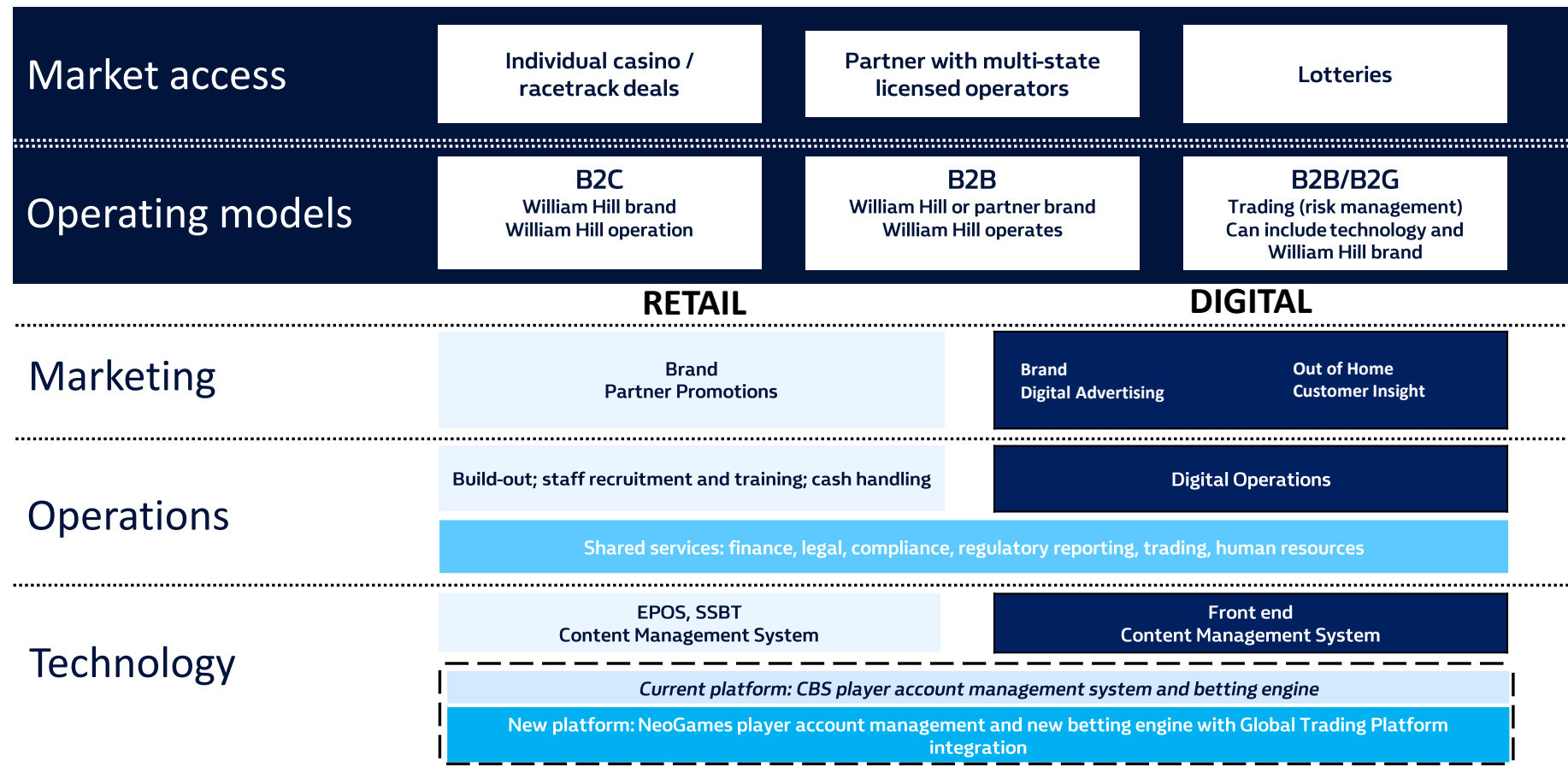
- Market access deal with Golden Entertainment
- NeoGames agreement for bespoke Player Account Management system
- Opened third retail location at Tropicana Casino, Atlantic City

By year-end

- Hire >200 people
- Launch in Pennsylvania and Rhode Island



Operational excellence: This market requires a flexible operating model. We have the major components in place



Operational excellence: Retail is an important experience for customers and valued by the casino license holders



William Hill sports book at
Ocean Resort Casino, Atlantic City

- Retail-first in early states – likely to continue
- Outside Nevada, we are now taking sports wagers from 19 casinos and racetracks with eight more by year end
- Since PASPA was overturned, we have taken c\$200m of sports wagers from outside Nevada
- Builds trust – with benefit to digital
- Strong community orientation
- In many states, there will be a small number of large retail locations
- Significantly lower marketing requirements
- Typically profitable in year one

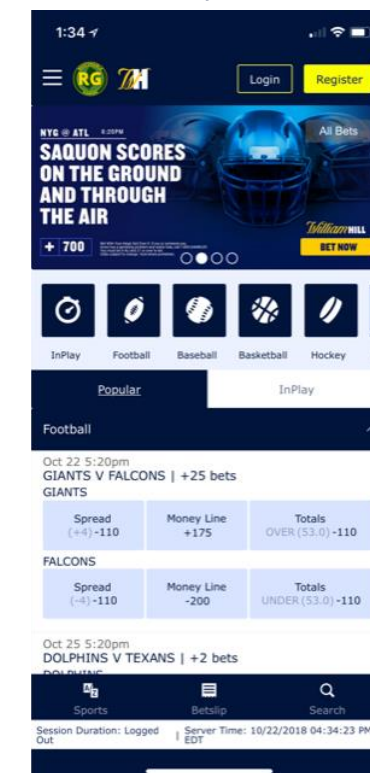
Operational excellence: William Hill Apps

Nevada App



- CBS, our US proprietary system, continues to deliver growth in Nevada and New Jersey
- 67% of Nevada sports handle is on mobile
- Native iOS and Android apps, as well as desktop in New Jersey
- Deposit methods include cash options, Sightline, as well as cards and ACH in New Jersey
- Extensive pre-game and in-play wagering menu
- However, CBS will not scale to support our goals in the US

New Jersey App



The new William Hill US technology platform

Modern, modular, easily configured and rapidly deployed for new markets, partners and all digital endpoints

US SPORTSBOOK EXPERIENCE
Experience tailored to US customers
Fast configuration for B2B, B2C and white-label

PLAYER ACCOUNT MANAGEMENT
Fast and feature-rich
William Hill version of NeoGames

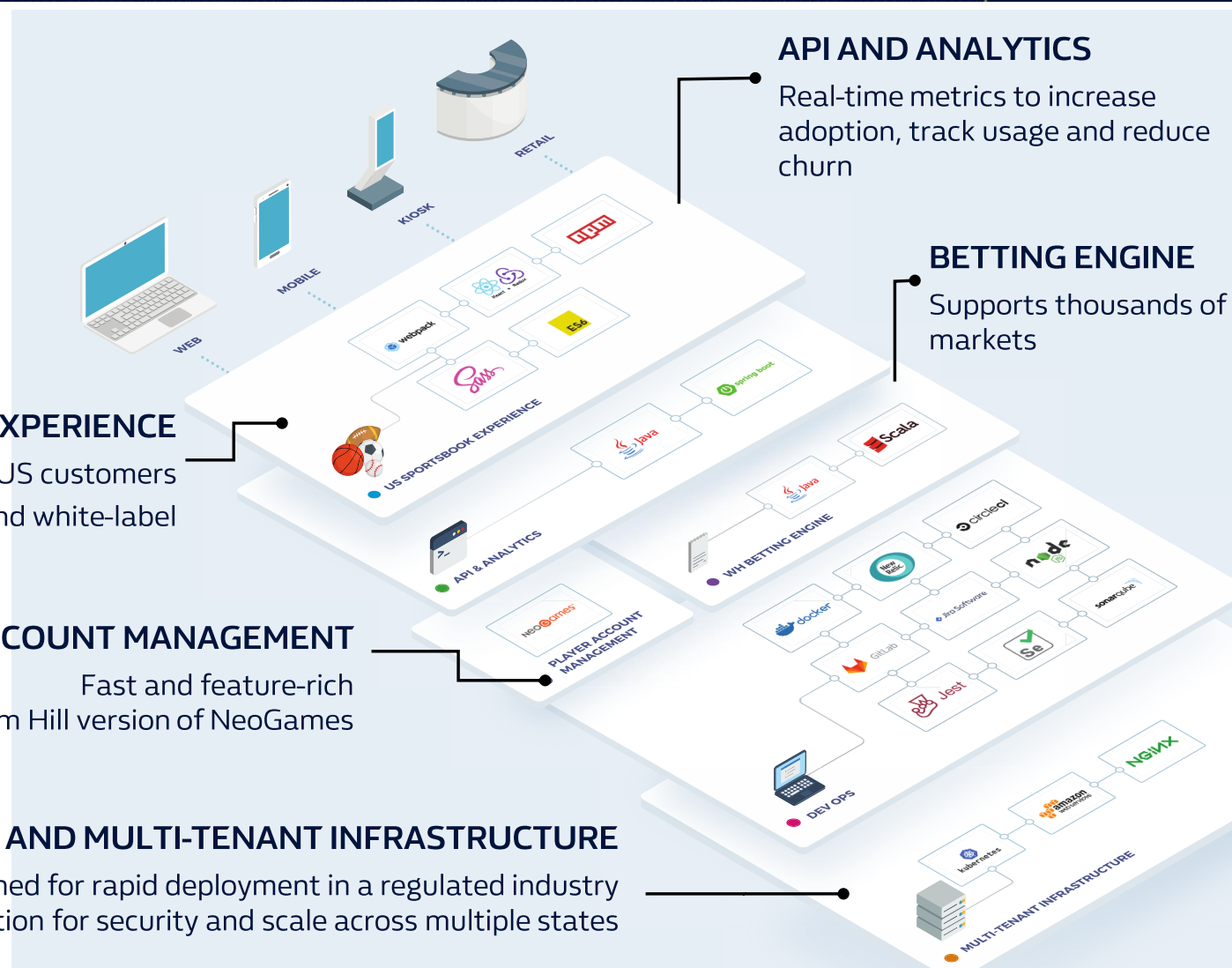
DEV OPS AND MULTI-TENANT INFRASTRUCTURE
Purposefully designed for rapid deployment in a regulated industry
End-to-end automation for security and scale across multiple states

API AND ANALYTICS

Real-time metrics to increase adoption, track usage and reduce churn

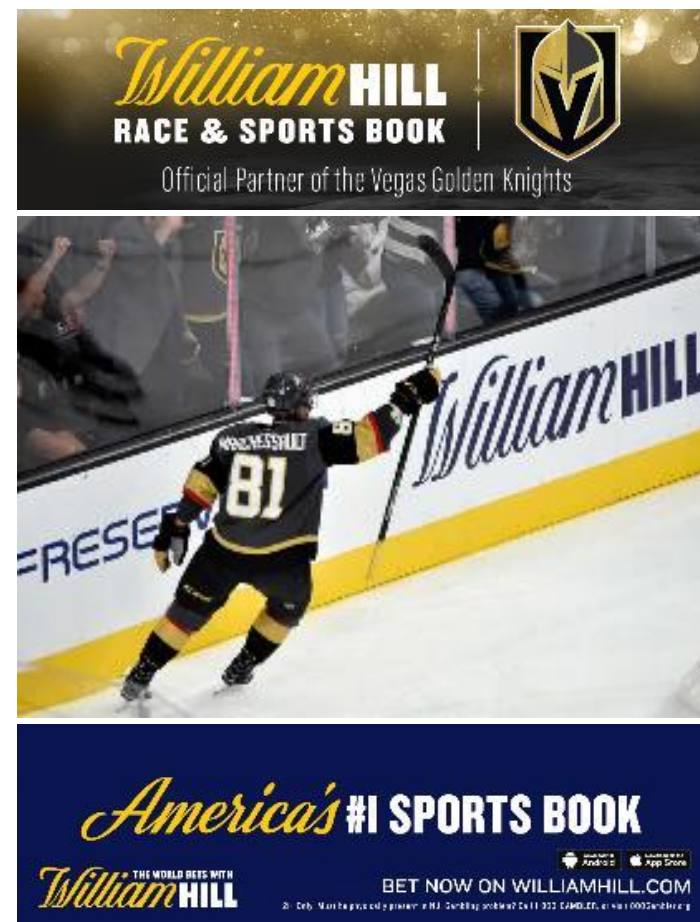
BETTING ENGINE

Supports thousands of markets



We have already established William Hill's brand in Nevada and will do so in other states

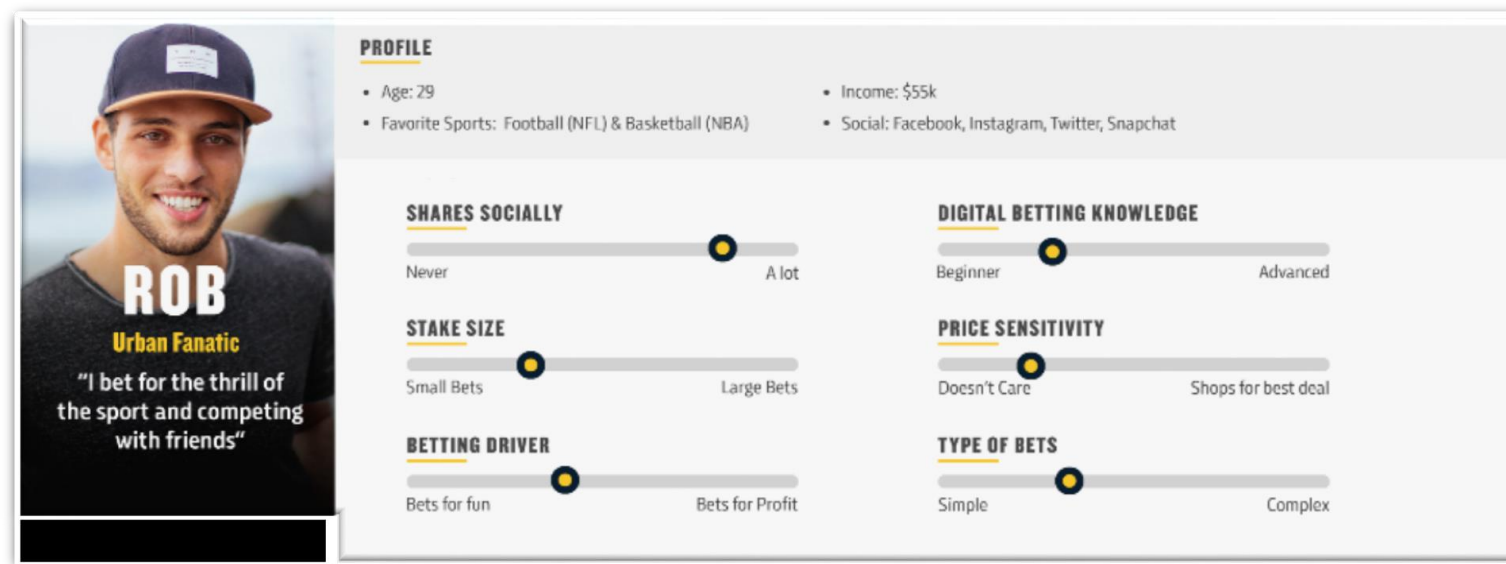
- We have built a brand in the US before
- Marketing strategy will be set state-by-state; a flexible approach is required to accommodate different partners and regulations
- Where possible, we will continue to lead with the William Hill brand
- A "powered by" strategy will complement where we don't lead to leverage awareness and maximize efficiency across multiple states



William Hill US

Sharon Otterman, Chief Marketing Officer
William Hill US

We know the consumer...



AMERICANS STILL LEARNING THE BETTING TERMINOLOGY

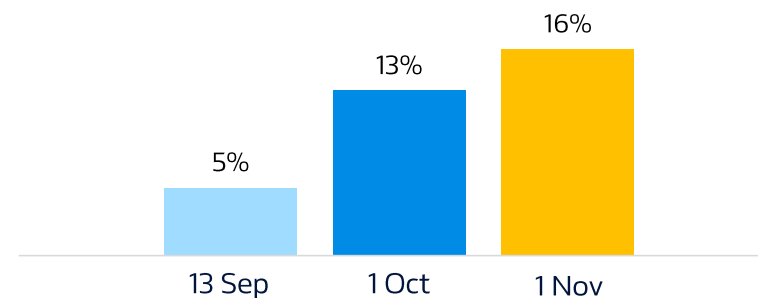
*William***HILL**

We have a huge asset in the William Hill brand

Our heritage and scale is resonating in the US with seasoned sports bettors



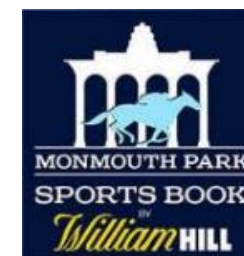
William Hill awareness among mass market has tripled over first two months



We are helping sports fans turn their knowledge into educated bets



William Hill as the main brand, 'powered by...' as a great alternative option

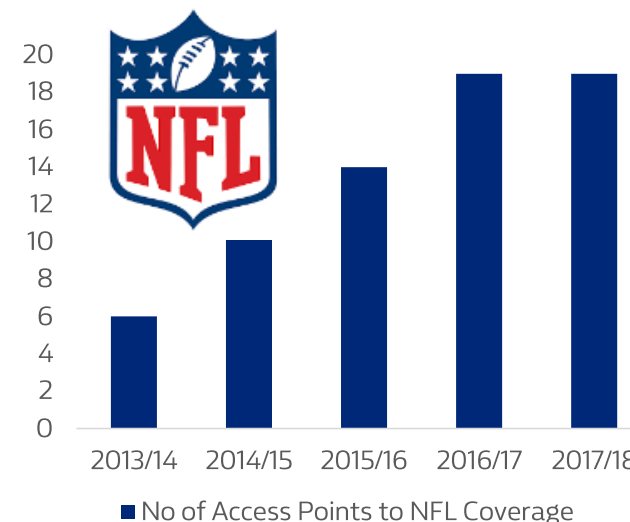


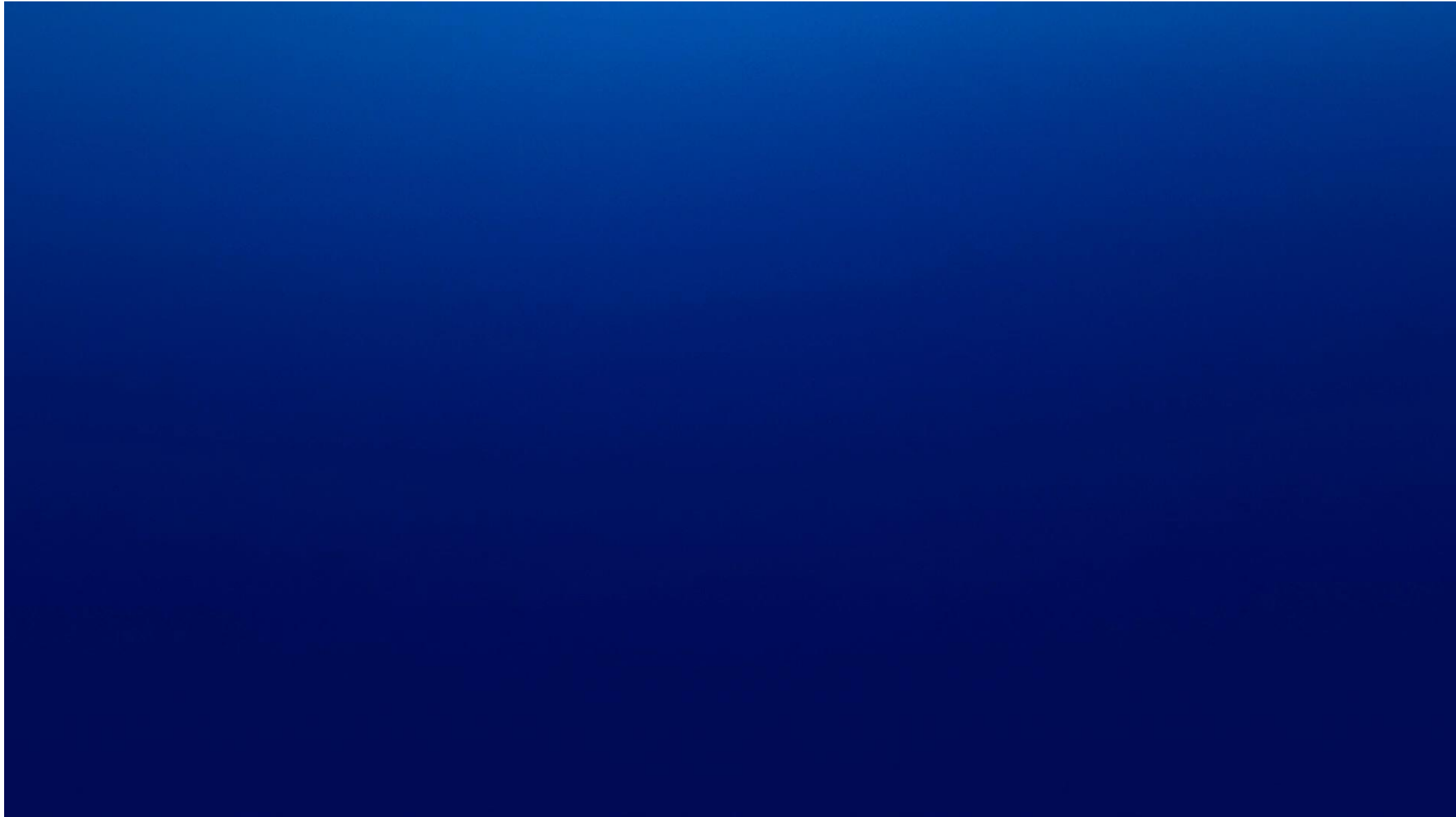
The US sports television landscape

Sports viewing in the US

- 37 networks aired 11,000 live sports events
- 11% of national TV viewing is in live sports
- Americans watch 2.2 trillion minutes of sports
- Sports accounted for 92 of the top 100 telecasts
- Sports were a part of 51% of all TV conversations on Twitter

Embracing new distribution opportunities





Time for a break...

Restarting in 20 minutes

Digital

Gaining share in the UK and diversifying internationally

Ambition	<ul style="list-style-type: none"> • Build a leading digital business with greater scale, more geographic diversity and higher profit margins
Strategy	<ul style="list-style-type: none"> • Deliver a strong customer proposition and brand to grow UK market share • Expand into faster growing international markets, organically and through bolt-on M&A • Increase efficiencies to drive operating leverage
Goals	<ul style="list-style-type: none"> • Grow UK net revenue 1-2 ppts ahead of market rates • Grow the proportion of international revenues to drive double-digit revenue growth • Double operating profits by 2023
Enablers	<ul style="list-style-type: none"> • Data • Product • Customer experience • Brand and marketing
Sustainability	<ul style="list-style-type: none"> • Deliver our Nobody Harmed ambition through delivering a new responsible gambling customer journey • Increasing control in the hands of all customers. Identification and interactions, interventions

Digital

Ulrik Bengtsson, Chief Digital Officer

12%

SOURCE: H2G, 11.5% in 2018e

A hand holding a lightbulb against a bokeh background. The image is monochromatic with a blue tint. The background is filled with out-of-focus light circles (bokeh). The hand is positioned at the bottom, holding the base of the lightbulb. The lightbulb is in the center, and its internal filament is visible. The text "The customer and our reality....." is overlaid in the center of the image.

The customer and our reality.....

Product remains key to growth

— William Hill
betting online market share (avg. week)



Q3'15-Q2'16 Q4'15-Q3'16 Q1'16-Q4'16 Q2'16-Q1'17 Q3'16-Q2'17 Q4'16-Q3'17 Q1'17-Q4'17 Q2'17-Q1'18 Q3'17-Q2'18

Source: Betscope – market sizing: Q3'17-Q2'18. Base: online sportsbook bettors average week (1,090)



Best score

↓ WHO score didn't
improve in h1

↑ WHO score improved
in h1

Customers' expectations are not set by us

What we think our customers compare us against....



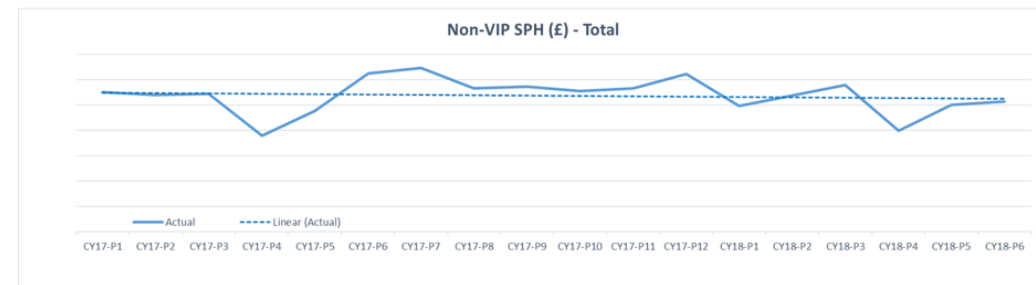
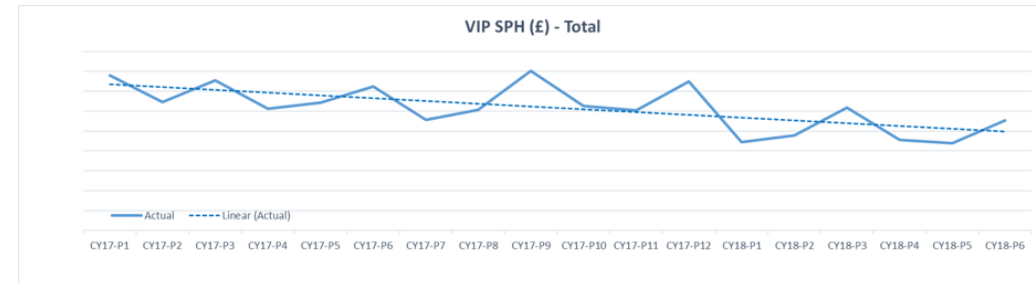
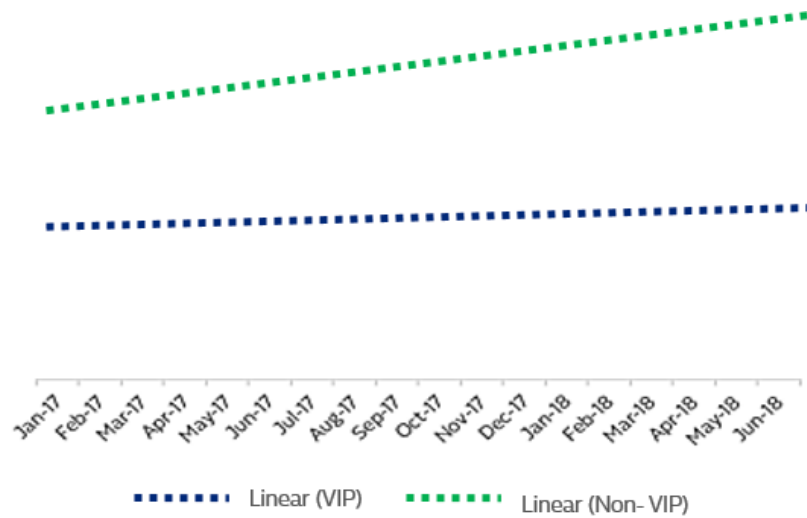
What our customers *really* compare us against ...



UK landscape is changing

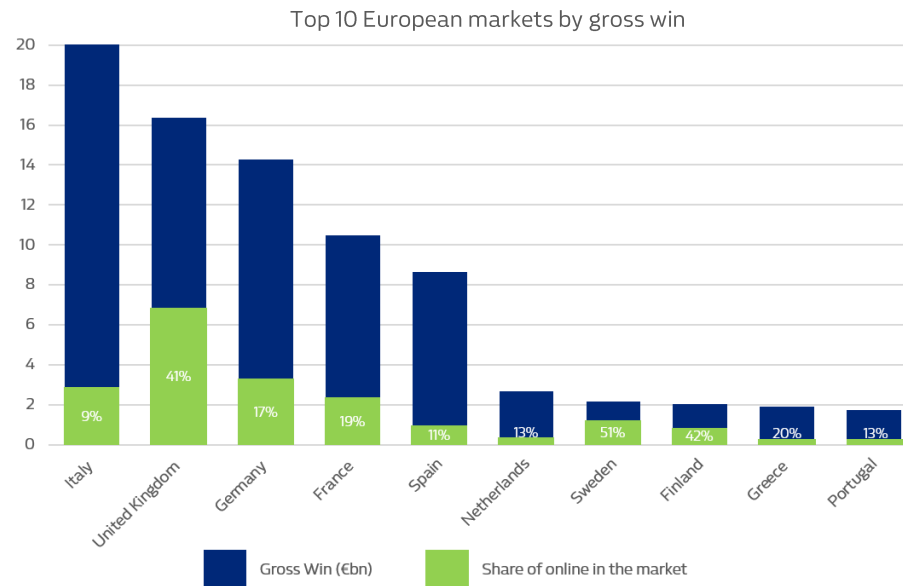
NOT TO SCALE

Unique Actives William Hill Online



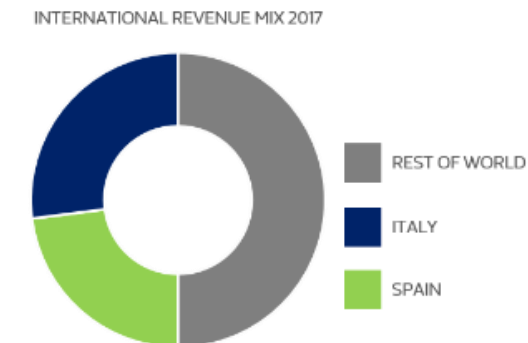
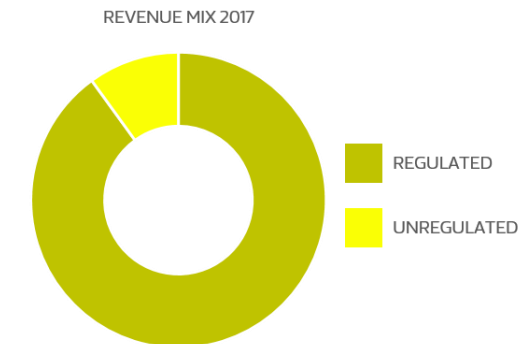
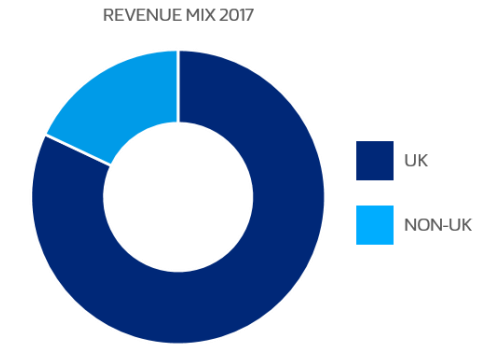
- Increasing tax pressures
- UK business is facing completely new regulatory realities, leading to a reshaping of the customer base towards an increasingly recreational one
- Due to compliance and regulatory headwinds, there is a need to right size cost base

International markets present an opportunity



- We are present in the world's most important gambling markets
- Top 5 positions in Europe's largest online markets – UK, Italy and Spain
- Over 85% revenue from regulated / locally taxed markets
- A lot of the biggest markets are in early stages of the shift to online

SOURCE: H2 Gambling Capital and William Hill Data for 2017



A blurred background image of a chessboard with chess pieces, overlaid with a semi-transparent dark blue rectangle containing the title text.

The strategy

Vision and strategic goals



How we'll do it – the opportunities

Objective	Details
 Drive revenue through...	<ul style="list-style-type: none"> □a market-leading mobile Sportsbook □clear William Hill brand position and strong value perception □advanced customer lifetime management capabilities □international expansion
 Drive customer engagement through...	<ul style="list-style-type: none"> □creating a personalised customer relationship with William Hill □fair and robust compliance and customer protection □ significantly improved customer experience in all touch points □investment in talent and organisational capabilities
 Drive operational efficiency through...	<ul style="list-style-type: none"> □improved marketing effectiveness □evolving operating models, simplified ways of working and focus on automation □right-sized cost base □Improved risk, fraud and payment management

The proposed acquisition of MRG accelerates our international expansion



Provides **ready-to-go hub** for international online growth – accelerates plans for William Hill international online



Improvement in revenue mix: digital from 42% to 47%, international from 14% to 21%



Geographic diversification: 13 markets, 6 licences (Denmark, Italy, Latvia, Malta, UK, Ireland)



Brand: complementary brands for a multi-brand strategy in appropriate territories



High growth potential: revenue +23% CAGR 2015-2017, +44% in 2018 YTD



Cost synergy potential: synergy benefits of at least £6m p.a., full delivery by third year after completion



Remodelling Retail

Remodelling Retail following the Triennial Review decision

Ambition	<ul style="list-style-type: none"> • Grow our industry-leading position for both market share and profitability in 2020 and beyond by providing an unequalled customer and employee experience in a responsible operating environment
Strategy	<ul style="list-style-type: none"> • Innovate product / experience to grab market share • Run Retail for cash until we have a better view of the 'hockey stick'
Goals	<ul style="list-style-type: none"> • Increase market share as the market contracts • Diversify our revenues • Manage our cost base and invest selectively and sustainably for the future
Enablers	<ul style="list-style-type: none"> • Retain our talent • Exploit our proprietary SSBTs
Sustainability	<ul style="list-style-type: none"> • Continue to deliver the Retail responsible gambling roadmap • Share this expertise to improve responsible gambling elsewhere

Remodelling Retail

Nicola Frampton, Managing Director, UK Retail

The Triennial Review outcome will see stakes on B2 games cut to £2 from October 2019

- Roulette is the main game impacted
- Customer behaviour hard to predict
- Estimating unmitigated impact as the gross win on stakes above £2
- Assume initial hit to profit before being offset by mitigation
- c£70-100m reduction in operating profit on an annualised basis
- Up to 900 shops could become at risk of closure
- Exceptional costs c£40-60m over 2-3 years
- Steady state operating profit of c£50-70m



Gross impact (unmitigated)

c50%

Migration to other products

10% to 20%

Capture of gross win from closed shops

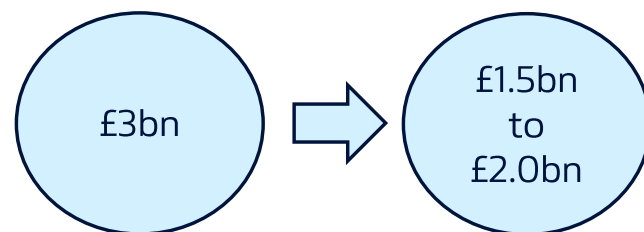
20% to 30%

Net impact

£70-100m

We are well placed to deal with it

UK Retail is still a sizeable market beyond £2



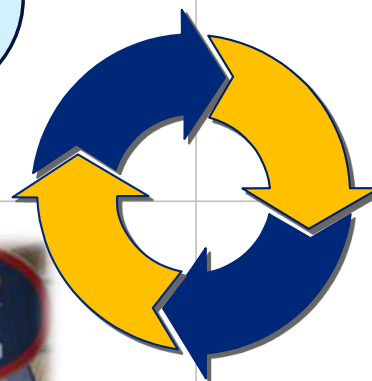
We are increasing market share



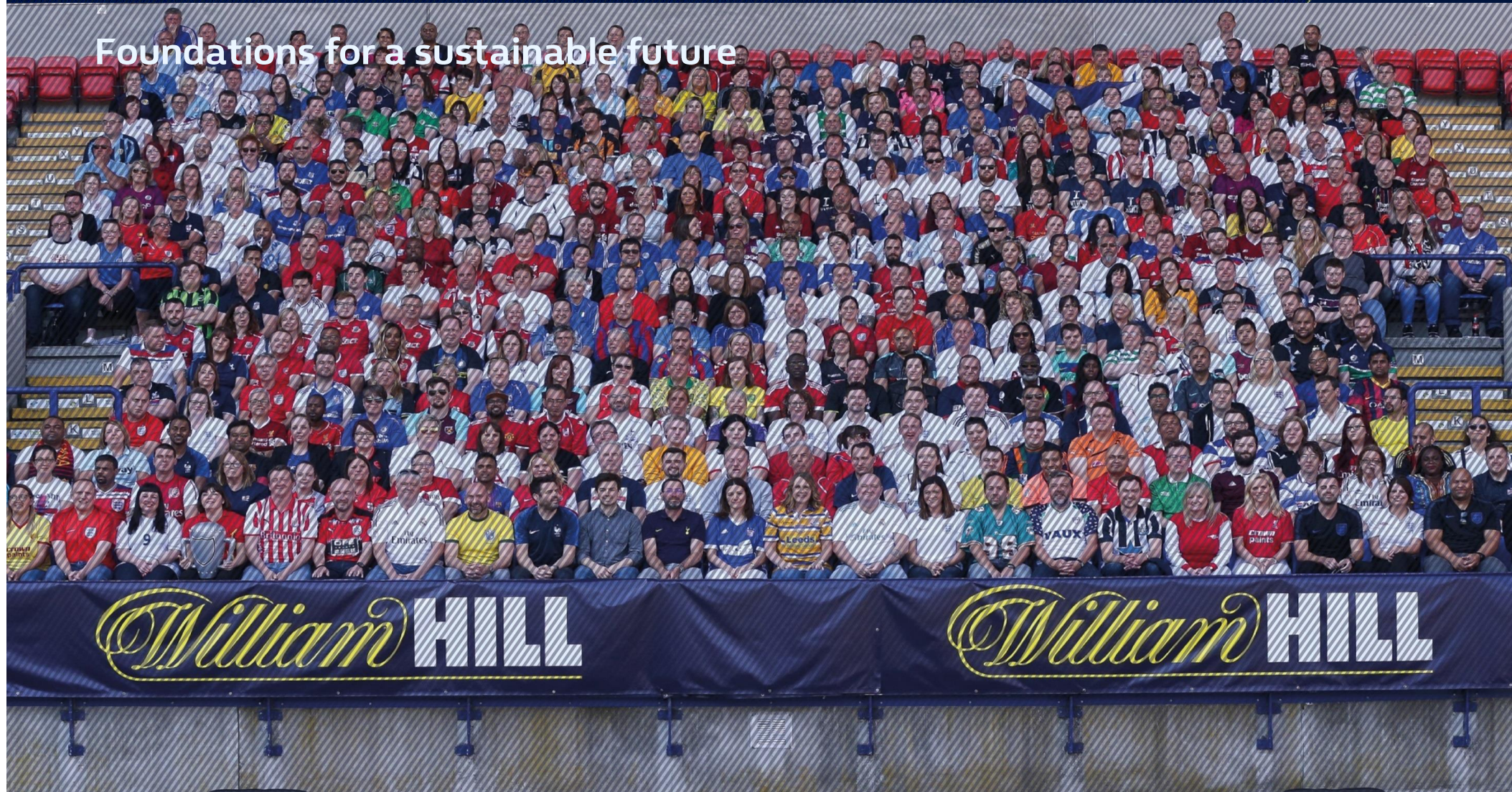
We outperform the competition



We still generate sizeable cash flows



Foundations for a sustainable future



Foundations for a sustainable future

All the right shops in all the right places

- Catchment view
- Lease optimisation
- Cost optimisation
- Operating Model

Retaining existing customers and attracting new ones

- SSBTs
- PLUS
- New cabinets
- New products

With an extensive and flexible estate, we have scope to manage change while gaining market share

- A significant proportion of the estate is in our control giving us flexibility in terms of its future size and shape
- Over 60% of the estate is holding over, has a lease break/expiry by end 2021, or is freehold
- The average lease length to break is c3 years
- A third of the estate are monopoly shops
- 35% have two or more competitors



SSBTs are a key part of the Retail strategy and customer adoption is strong

Exploited our front-end technology through our proprietary SSBTs

Helping us deliver an attractive and competitive customer betting experience



Competitive experience

- Built on William Hill front-end technology, enabling consistency and control
- Fully integrated with our Digital Experience platform
- Highly customisable for customers possessing a PLUS account

Multi channel capability

- Ability for customers to deposit, withdraw and use Online funds in shops
- Track Retail bets online
- Build Retail bets at home
- Cross-channel analytics for customers possessing a PLUS account

We continue to innovate with new and exciting content for customers

- Timing now confirmed as October 2019
- New cabinets are on trial
- Continuation of strategy to shift customers to B3
 - New content is out there with more in the roadmap
 - New approach to displaying content being rolled out



Sustainability

Lyndsay Wright

Director of Strategy and Sustainability

Gambling remains a popular activity in the UK. And a well-regulated industry remains the best solution

57%

of UK adults
aged 16+ gambled in
the last 12 months

42%

of UK adults
gambled in
the last 12 months,
excluding National
Lottery draws

23%

of UK adults
gambled in the last
four weeks

7%

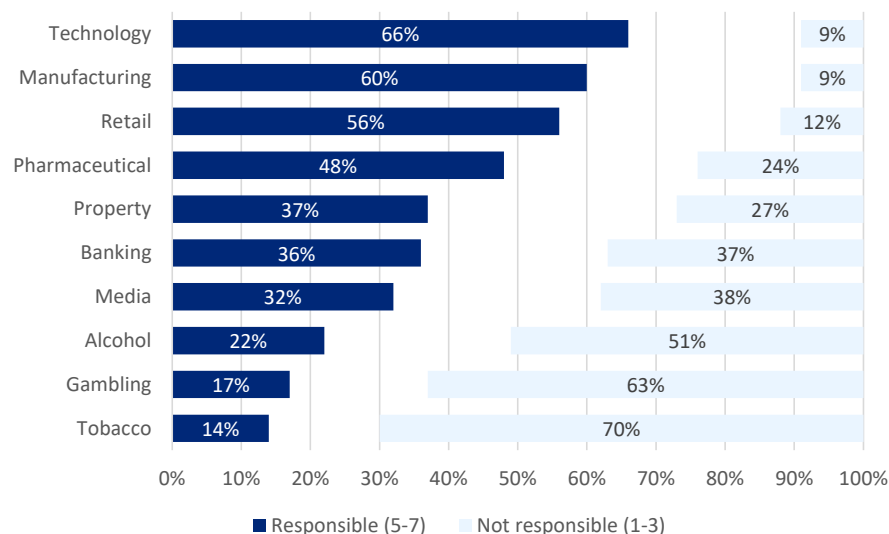
of UK adults
gambled more than
once in the
last seven days

Source: Gambling Behaviour in Great Britain in 2016, NatCen, September 2018. Prepared for the Gambling Commission

57

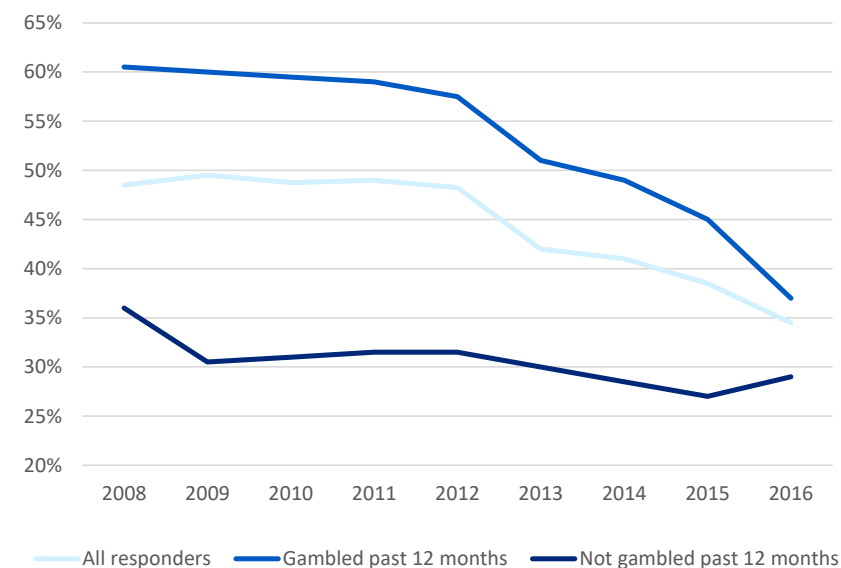
Trust in gambling has meaningfully declined over the last five years

63% of people believe the sector is not responsible⁽²⁾



Q. Overall, how responsible do you think each of these industries is in the way it behaves towards society generally?

Trust in gambling has declined since 2012¹



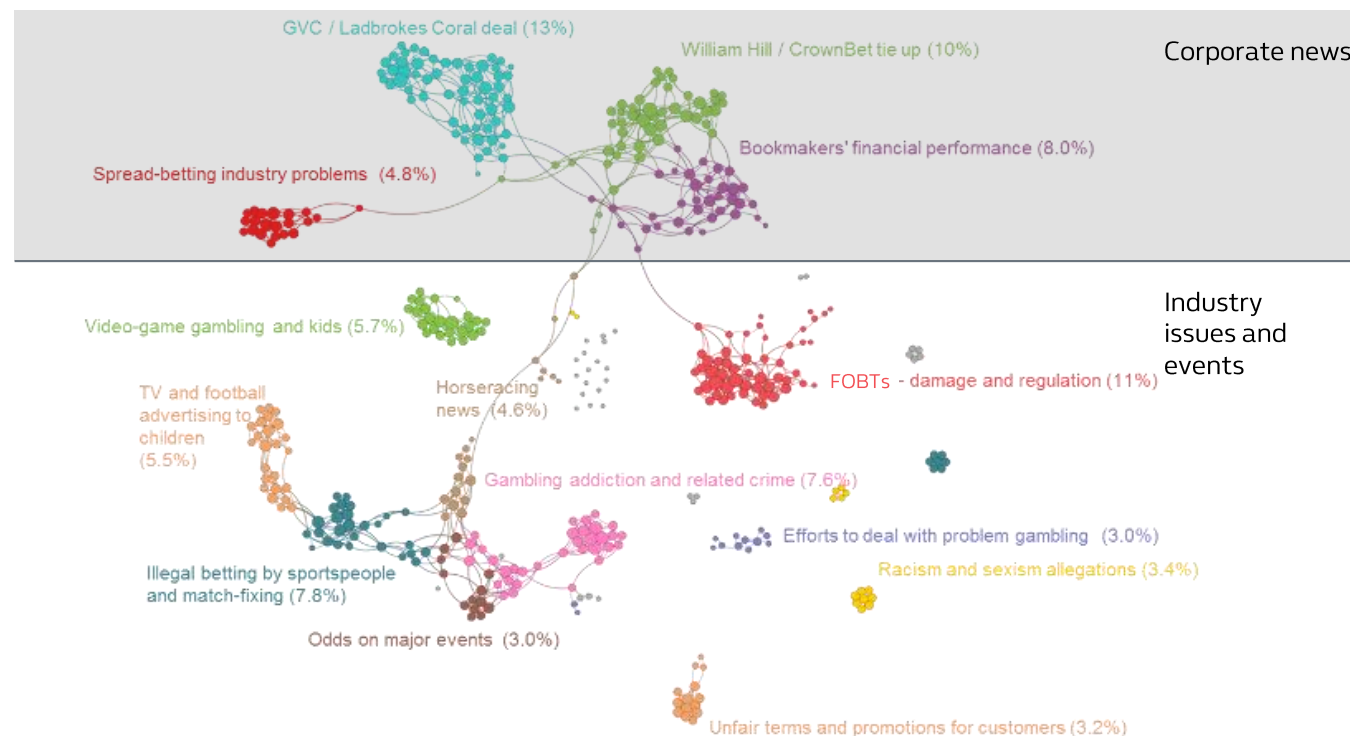
Agree that gambling is conducted fairly and can be trusted (n=4,001)

1. Source: Brunswick Insight public research, base population 3,080

2. Source: Gambling Commission: Gambling participation in 2016: behaviour, awareness and attitudes: Annual Report, February 2017

The specific areas of challenge – and causes of public distrust – are a diverse set of discrete issues

- This map shows the different themes in the public debate represented in media, and the links between them – defined by commonalities of language and words
- When corporate news is stripped out, 74% of coverage is negative
- This map visualises a textual analysis of media coverage – showing that challenges to the industry are disconnected from one another in the media
- Therefore, there are multiple fronts in the debate – rather than one single or ‘root’ area to address



Based on an analysis of 437 news articles about the gambling sector published by top-tier UK media outlets between 9 November 2017 and 9 February 2018. Analysis conducted by Brunswick Insight



OUR AMBITION IS
**NOBODY
HARMED**
BY GAMBLING

Our approach focuses on four areas related to our customers and our colleagues, and we have prioritised nine initial commitments



We can have an impact at scale

>34,000

Responsible gambling
interactions in Retail in 2017

9,600

Self-exclusions in
Retail in 2017

c94,000

Manual and automated
responsible gambling interactions
in Online in 2017

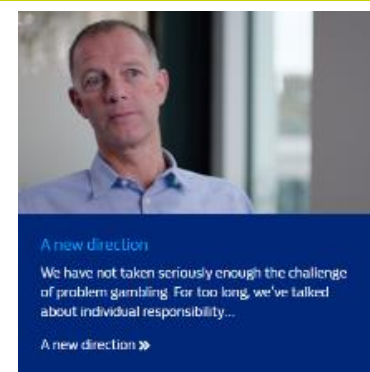
29,000

Self-exclusions in
Online in 2017

We will advocate for change on advertising

- We recognise public concerns about the volume of advertising, glamorisation of gambling and the degree to which <18s are being exposed to gambling advertising too early
- We are advocating for changes to pre-watershed advertising
- Ahead of that, we are changing the content of our TV advertising, with greater emphasis on brand and responsible gambling messages

www.williamhillplc.com/nobodyharmed



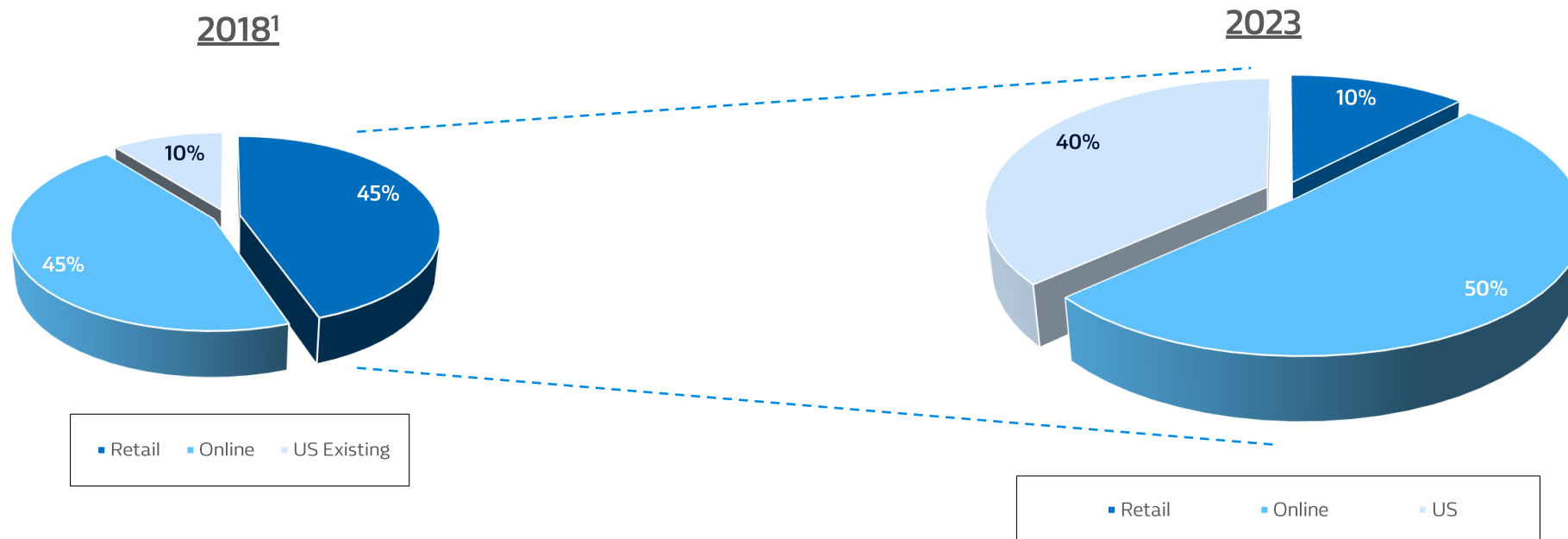


Financial guidance

Ruth Prior

Chief Financial Officer

Our ambition is to double profits by 2023



- **UK land-based betting market:** £3.1bn in 2018e² to 2023e of £2.1bn
- **UK online gambling market:** £5.3bn in 2018e³ to 2023e of £5.9bn
- **US gambling market:** \$5bn to \$16-19bn by 2023⁴

1. For illustrative purposes. Excludes losses from US Expansion business
 2. H2GC 26 October – Total LBO and Gaming machines in LBO
 3. H2GC 26 October – Total GGR betting and total gaming ex Lottery
 4. Combined US market estimate – see slide 8

Build a digitally led, internationally diverse business of scale

Our strategy is focused on three key business areas,
underpinned by our new approach to sustainability



Driving digital growth in
the UK and internationally



Growing a business of scale in the US



Remodelling Retail



Delivering on our ambition that
nobody is harmed by gambling

Sustainability matters: Group profits will be c£250m lower as a result of tax or regulatory changes implemented in the last five years and upcoming

	Annual profit impact
Implemented changes (2013-2018)	
• Extension of POCT to gaming free bets (October 2017)	£8m
• Extension of the Horseracing Levy to Online (April 2017)	£7m
• POCT introduced at 15% (2014)	£70m ¹
• Move from AMLD + VAT to MGD (2013)	£15m
• Increase in MGD from 20% to 25% (2015)	£23m
Changes to be implemented (2019)	
• Triennial Review reduction of B2 staking limit to £2 (October 2019)	c£70-100m
• Increase in Remote Gaming Duty to 21% (October 2019)	c£20m ²

1. Remote Gaming Duty and General Betting Duty paid by William Hill Online in 2017
2. Expected annual impact
3. POCT - Point of Consumption Tax; AMLD – Amusement Machine Licensing Duty; MGD – Machine Games Duty

2019 and 2020 guidance

- **Online**
 - EBIT flat in 2019 as a result of annualised impact from increased regulatory requirements and RGD with good underlying net revenue growth
 - Back to double-digit EBIT growth in 2020 after absorbing annualised impact from RGD
 - MRG adds c£25m EBITDA with additional synergies of at least £6m p.a. by 2021
- **US**
 - Loss-making in 2019 by \$0-\$20m as investments in people, technology and marketing are made to drive growth, breakeven in 2020
- **Retail**
 - Full-year EBIT impacted by triennial by £70-£100m post mitigation, fully mitigated by 2021
 - £40m impact to 2019 as mitigating actions primarily benefit 2020 onwards

Online guidance¹ - headwinds covered in 2019, double digit growth 2020

H2GC market growth rates ²	2018	2019	2020
UK Sports	6%	3%	5%
UK Gaming	3%	2%	2%
Italy	20%	8%	13%
Spain	26%	10%	12%
RoW	9%	7%	7%

Guidance	2018	2019	2020
Marketing to net revenue %	22-24%	22-23%	22-23%
Capex £m	40-50	40-50	40-50
Cost savings £m	n/a	10	

- Grow revenue ahead of market in 2019 and 2020
- Annualised impact of regulatory measures of £20m in 2019
- RGD increased from 15% to 21% on Oct 2019, annual impact of c£20m
- Online benefit from Triennial implicit in guidance

1. Guidance is presented excluding MRG

2. H2GC 26 October – Total GGR betting and gaming machines, i.e. excluding Casinos and Bingo

MRG guidance – strong growth and synergies

Market consensus forecasts on MRG¹

£m ¹	2018e	2019e	2020e
Revenue	145	175	196
Growth	42%	20%	12%
Adj. EBITDA	21	25	28

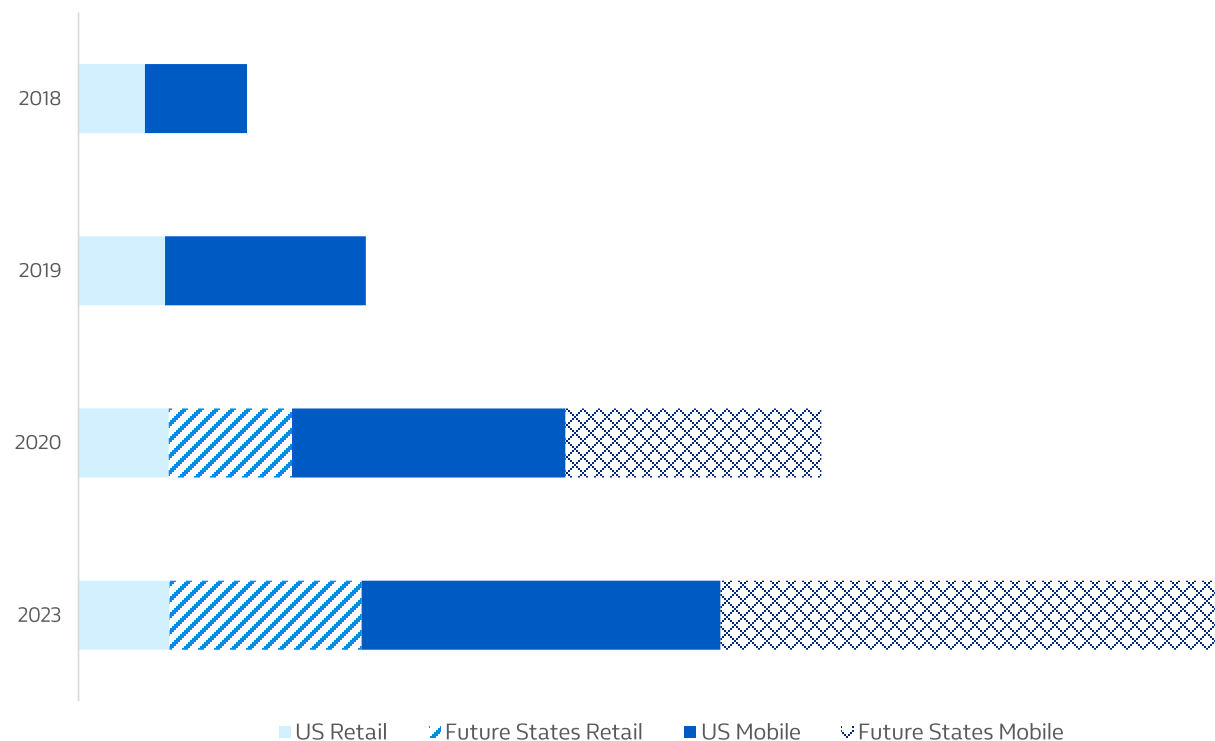
- High growth, geographically diversified European iGaming acquisition
- Operations in 13 markets
- Acquisition cost of c£240m, completion expected January 2019
- Estimated cost synergies of at least £6m p.a. by 2021
- Benefits to William Hill revenue mix (HY18 basis):
 - International revenues to 21% from 14%
 - Online revenues to 47% from 42%



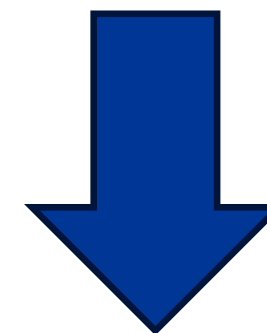
¹Source: Bloomberg

US guidance – build a business of scale, drive revenue

US wagering build \$m



Wagering grows from c\$1.5bn in 2018 to c\$11bn in 2023



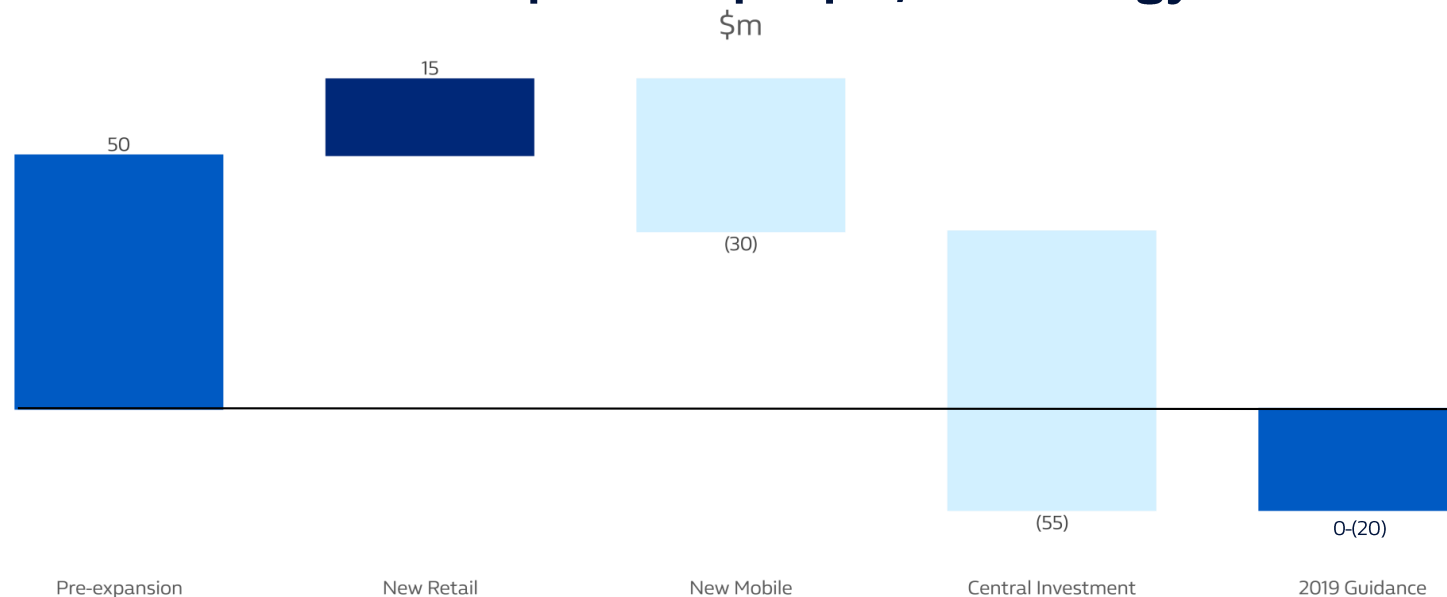
EBITDA grows from c\$50m in 2018 (ex expansion costs) to c\$300m in 2023¹

1. William Hill US share

US guidance – strong growth in all states, retail states profitable in year 1

State	NV	MS	WV	DE	RI	PA	NJ
Retail	✓	✓	✓	✓	✓	✓	✓
Online	✓	On property	✓	n/a	n/a	✓	✓
William Hill market share %	33%	30%	25%	100%	100%	15%	20%
Tax rate - blended % of gross win	10%	15%	15%	n/a	n/a	41%	17%
Wagering growth	10%	20-40%	10-20%	10-20%	20-30%	20-30%	20-30%
Wagering split							
- Retail %	35%	100%	35%	100%	100%	35%	25%
- Online %	65%	0%	65%	0%	0%	65%	75%
Margin							
- Retail %	7-9%						
- Online %	5-6%						

US guidance: investment required in people, technology and marketing



Expansion guidance	2019	2020
Retail capex	\$10m	\$5m
Technology capex		
New platform	\$40m	\$30m
New retail	\$10m	\$10m
New heads	200-250	50-100
Increased people costs	\$20m	\$10m

Retail guidance: run for cash and grow market share post Triennial Review

- Underlying sportsbook staking down c3%
- Impact of Triennial decision being felt early with H2 2018e gaming down c£10m on H1
- £70-100m reduction from 2018F operating profit once fully mitigated in 2021, minimal mitigation in 2019
- Mitigation through product substitution, cost savings and capture of gross win from closed competitor shops
- Estimated £40m to £60m of exceptional costs dependent on number of closed shops
- Capex of £10-£20m per annum
- EBITDA margin drops by c5 ppts due to fixed nature of cost base
- £15m of cost savings by end 2020

£m ¹	2019e (Oct 19 impact)	2020e	2021e
EBIT	70-90	50 – 70	50 – 70
D&A	25	15	15
EBITDA	95-115	65 – 85	65 – 85
Capex	(10 – 20)	(10 – 20)	(10 – 20)
Cash post capex	75-105	45 - 75	45 - 75
Exceptionals	→	(40 – 60)	←
Cash	→	105-215	←

1. All numbers are excluding the impact of IFRS. Based on the current shop portfolio IFRS 16 will increase EBIT by £5-£10m and EBITDA by £45-£60m (as depreciation and interest are excluded alongside the rent)

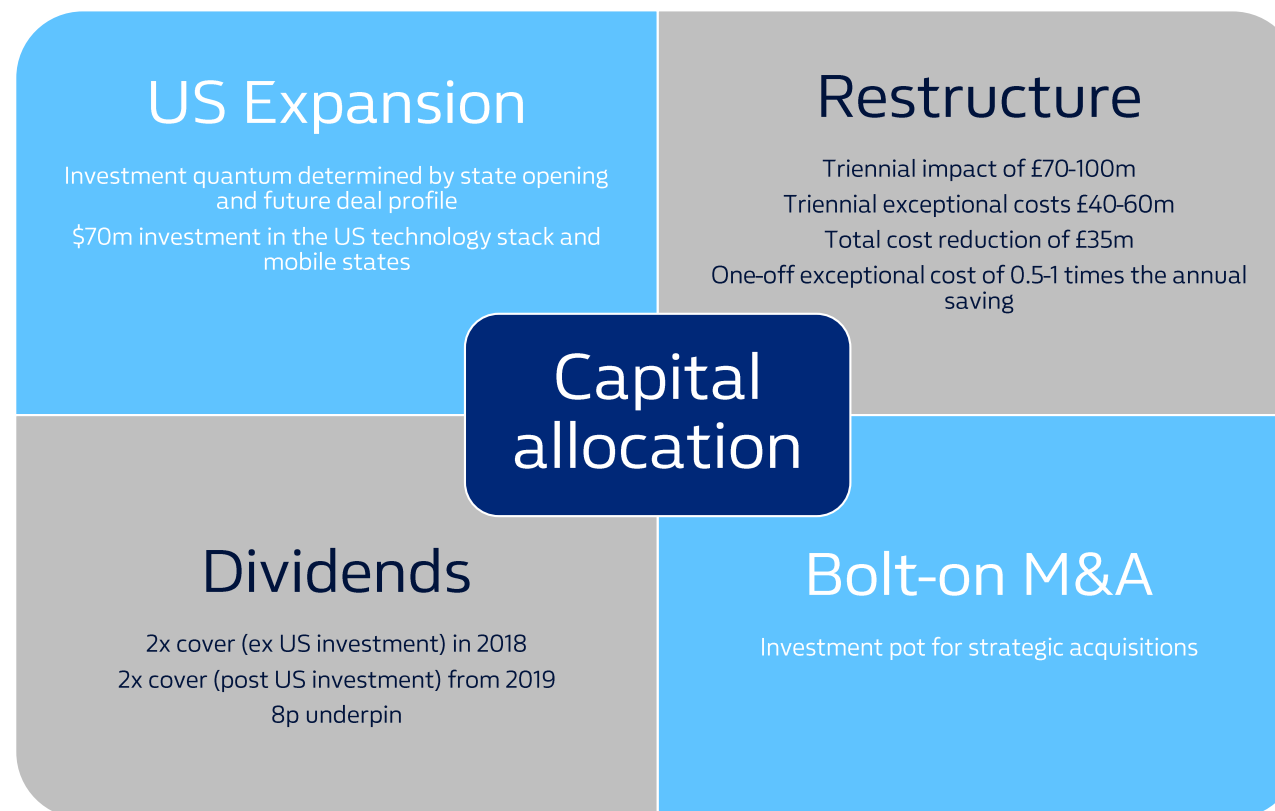
Strong and flexible balance sheet

- Net debt to EBITDA of c1.3x post MRG acquisition
- Current facilities
 - £375m 4.250% guaranteed notes due 5 June 2020
 - £350m 4.875% guaranteed notes due 7 Sept 2023
 - £390m RCF maturing 1 October 2023
- The Group's financial covenants are as below
 - Net debt/EBITDA of not more than 3.5 times
 - EBITDA/net cash interest to be not less than 3.0 times

Underpin added to consistent dividend policy

- Continue dividend policy of paying out 50% of adjusted earnings
 - In 2018 calculated pre US Expansion costs
 - From 2019 onwards calculated post US Expansion costs
- As we invest for growth an underpin of 8p added to the policy, resulting in a dividend of not less than 8p
- Dividend payment timings will remain unchanged
 - Interim dividend of one third payable in November
 - Final dividend of two thirds payable in June

Capital allocation: our robust and flexible balance sheet allows us to fund expansion and provide returns to shareholders simultaneously



Summary

Philip Bowcock, CEO

Q&A

Appendix

Group guidance summary

Net Revenue Growth	2018	2019	2020
UK Online	1%	4-6%	6-8%
Non UK Online	8-10%	6-8%	10-12%
UK Retail	(2)%	(4)-(6)%	(2)%
US Existing	c50%	10% wagering growth	10% wagering growth
US Expansion (post annualisation)		20-30%	
Financials	2018	2019	2020
Interest	£30-£40m	£30-£40m	£30-£40m
Depreciation and Amortisation	c£80m	c£80-£90m	c£80-£90m
Online marketing spend % NGR	22-24%	22-23%	22-23%
Cash flow from operations	£175-£225m	£150-£175m	£200-£250m
Dividend	Covered 2x by underlying earnings (excluding US expansion)	Covered 2x by underlying earnings (including US expansion) with a 8p underpin	Covered 2x by underlying earnings (including US expansion) with a 8p underpin
Net Debt to EBITDA	1x	Flexibility to increase to debt covenant levels	1-2x
Capital expenditure:			
Retail	£20-£30m	£10-£20m	£10-£20m
Online	£50-£60m	£40-£50m	£40-£50m
US	\$10m on Technology stack	\$40m Technology stack, \$25m expansion and existing retail	\$30m Technology stack, \$20m expansion and existing retail
Total Group capital expenditure	£80-£110m	£120-£130m	£90-£110m
Effective Tax Rate	c15%	c15%	c15%
One off	2018	2019	2020
Impact of enhanced customer due diligence	c£20m	c£20m	Nil
Triennial 2020 EBIT impact			£70-£100m
Triennial exceptional costs			£40-£60m
Shop closures			Up to 900
US expansion costs	Dependent on state openings and tie-ups	Dependent on state openings and tie-ups	Dependent on state openings and tie-ups
IFRS 16 impact	Nil	EBIT will increase by £5-£10m and EBITDA by £45-£60m as depreciation and interests are excluded alongside the rent. N.B. This is based on the current shop portfolio	
Transformation costs	c£5m	c£10m	
Restructuring cost savings		£20m excluding £15m of retail savings included within Triennial mitigation	
Restructuring exceptionals			0.5-1x savings

US consolidation methodology

- Accounting standards dictate that a number of the joint arrangements in the US are presented net within other income
- To aide understanding of the underlying business we will also present the US business on a 'gross' basis
- The accounting treatment will evolve and vary on a deal by deal basis as opposed to state by state
- A summary of the current accounting treatment is presented below

State	Channel	Deal Type	Impact to financials
NV	Retail	Full B2C	Consolidated line by line, recognised within gross profit, partner share recognised as an expense
	Online	Full B2C	
NJ	Retail	Full B2C	Consolidated line by line, recognised within gross profit, partner share recognised as an expense
	Online	Full B2C	
MS	Retail	Risk Mgt only and tech	Existing contractual arrangement results in the share of profit being recognised via other income
WV	Retail	Risk Mgt and tech; B2C	Recorded both net and gross dependent on the terms of the commercial arrangement
	Online	Risk Mgt and digital operations; B2C	Recorded both net and gross dependent on the terms of the commercial arrangement
DE	Retail	Risk Mgt only	Contractual arrangement results in the share of profit being recognised via other income
	Online	n/a	
RI	Retail	Risk Mgt	Contractual arrangement results in the share of profit being recognised via other income
	Online	n/a	
PA	Retail	Risk Mgt and tech	Contractual arrangement results in the share of profit being recognised via other income
	Online	Risk Mgt and digital operations	

IFRS 16 Leases new accounting standard

- New standard will be implemented from 2019
- It will lead to the majority of leases being recognised on the Statement of Financial Position as lease liabilities and right-of-use assets with the charge to the Income Statement split between depreciation of the right-of-use asset and interest charges on the lease liability as opposed to straight-line rental charges

Impacts on Group financials in 2019

- Adjusted operating profit will increase by c£5-£10m given the interest charges on the lease liability will not be included
- Adjusted profit after tax used for the calculation of Adjusted EPS is expected to stay broadly consistent although it may change by c£3m given lease charges will not be recognised straight line
- EBITDA will increase by c£45-£60m given neither the interest charges or depreciation will be included
- The Statement of Financial Position will include a right-of-use asset and corresponding lease liability on implementation which is expected to be c£160-£270m

Notes:

The approximate impacts are based on the current portfolio of leases. The impact of these shop closures would be dependent on the specific shops closed

The impact was also based on our current estimates of discount rates and remaining lease term. These estimates are expected to change over time