



1st half-year 2019

Continued growth and innovation

- **Player stakes up +7% to €8.420 billion**
- **Growth in revenue of +5% to €944 million**

New Investments to further enhance the sustainability of FDJ's business model

- **A 5% increase in revenue to €944 million with growth in player stakes across all segments**
 - Rise in player stakes across all segments: up +7% to €8.420 billion
 - Lottery up +5% to €6.610 billion, of which scratch games up +8% to €4.056 billion, draw games up +2% at €2.553 billion, and Sports Betting up +15% at €1.810 billion
 - Continued strong growth in digitalized player stakes¹: up +40% at €1.652 billion, an amount equivalent to the whole financial year 2017
 - A buoyant point-of-sale network: a +6% increase in player stakes to €7.916 billion
- **International and Services expansion; investments in innovation**
 - Acquisition of **Sporting Group**, the world leader in technology and trading for Sports Betting, reinforcing our international B2B offering
 - FDJ and the Confédération des buuralistes (tobacconists) win the French General Directorate of Public Finance (DGFiP) tender for the externalisation of public treasury cash and credit card payments
 - Creation of **V13 Invest**, a corporate investment fund of €30 million dedicated to customer experience at the point of sale as well as entertainment
- **FDJ's commitment to CSR recognised and reaffirmed**
 - Vigeo Eiris rating: A1+, hence FDJ in the top 5% of over 4,900 companies globally
- **Strategy 2025 approved by the Board of Directors**

For **Stéphane Pallez**, Chairwoman and CEO of the FDJ Group: *"Our performance and accomplishments during the first half of 2019 illustrate the success of our Strategy 2020 aiming at pursuing growth through FDJ's digital transformation. Growth continues with an increase in digitalized player stakes and a resolute commitment to responsible gaming. At the same time, we are laying the groundwork for the Group's future expansion and the strengthening of the resilience of its business model. This will be achieved by, notably, developing our international B2B activities and our payment services, two pillars of our Strategy 2025 recently approved by the Group's Board of Directors."*

- **Growth in revenue: up +5% to €944 million (see tables in appendix)**

Based on half-year player stakes of €8.420 billion, a year-on-year increase of +7%, player winnings totalled €5.758 billion, up +8%, hence a return to player rate (RTP) of 68.4% compared to 67.9% in the 1st half of 2018. The RTP increase is driven by the product mix and is the direct result of our strong performance in Sports Betting and scratch card games.

FDJ recorded gross gaming revenue (GGR = player stakes - player winnings) of €2.663 billion, up +5%. The contribution of FDJ to public finances increased by 5% to €1.732 billion, of which €1.692 billion public levies.

Net gaming revenue (NGR = GGR - contributions to public finances) was €933 million, representing 11.1% of player stakes, compared to 11.2% in the 1st half of 2018.

- **Rise in player stakes across all segments: up +7% to €8.420 billion**

¹ Digitalized player stakes combine online player stakes and dematerialized player stakes at the point of sale, i.e. using a digital service/app for preparation before recording in point of sale



- **Increase in Lottery player stakes of +5%**

Lottery stakes amounted to €6.610 billion; €4.056 billion for scratch games, up 7%, and €2.553 billion for draw games, up 2%.

- Regarding scratch games, a key highlight over the period was the great success of our €3 game "Quitte ou Double" (Double or Quits), launched in March. It is the first scratch game sold at point of sale whereby the gaming experience can be prolonged online. To date, nearly 50% of scratch card prize winners have chosen to follow up with the digital experience.
- Regarding draw games, growth was driven by a broader dissemination of all games across our point of sale network as well as increased activity online.

Online Lottery activity continues to be extremely dynamic, boosted primarily by an increase in the player base (up by 20%) and mobile usage thanks to the continued success of the FDJ app.

The second half of the year will be notably marked by the 2nd edition of "Mission Patrimoine" games (promoting the preservation of French Heritage sites) and a revamp of Loto towards the end of the year.

- **Growth in Sports Betting: up 15%**

Sports Betting recorded player stakes of €1.810 billion. Our performance was boosted by the African Nations' Cup as well as the FIFA Women's World Cup and was more generally supported by both points of sale and online activity. ParionsSport En Ligne grew twice as fast as the French online sports betting market.

Besides a very buoyant market, ParionsSport is benefiting from an enhanced product offering as well as our partnerships with four major French football clubs and the NBA.

In the second half of the year, ParionsSport will further expand its offering, particularly around the Rugby World Cup.

- **Strong increase in digital player stakes: up 40%**

Having already recorded growth of 45% in 2018, digitalized player stakes continued to grow strongly in the first half of 2019 to reach €1.652 billion, an amount equivalent to the whole of the 2017 financial year.

Digital player stakes are driven by the growth of online games and dematerialisation at points of sale.

- **A buoyant point of sale network: growth in player stakes, up 6%**

Player stakes recorded within the point of sale network reached €7.916 billion, an increase of 6% year-on-year. This dynamic also reflects the stabilisation of our network over 30,000 outlets thanks to FDJ's involvement to add new points of sale.

- **Highlights of the 1st half of 2019**

- **FDJ has acquired Sporting Group, a global leader in technology and trading for Sports Betting, thereby strengthening its B2B offering internationally.**

- FDJ, through its subsidiary FDJ Gaming Solutions, has acquired **Sporting Group**. Primarily operating in the UK, Canada and Sweden under its Sporting Solutions and Sporting Index trading names, Sporting Group is a global leader in technology and trading for sports betting operators. In 2018, Sporting Group posted revenue of £39 million with nearly 300 employees.
- This acquisition strengthens our B2B offering and accelerates our international growth ambitions. Sporting Solutions brings a multi-channel betting platform, already offered to several international operators, as well as new pricing and risk management services.



- **FDJ and the Confédération des bujalistes (tobacconists) win the French General Directorate of Public Finance (DGFIP) tender for the externalisation of public treasury cash and credit card payments**
 - Capitalising on its IT infrastructure and transactional know-how, FDJ, in partnership with the Confédération des bujalistes (tobacconists), has recently won the tender by French Public Finances Directorate General (DGFIP) for outsourcing public treasury cash and credit card payments (taxes, recovery of fines, invoices for public services: pre-school, school lunches, hospitals, etc...) to start in 2020.
- **FDJ has launched V13 Invest, a €30 million corporate start-up investment fund dedicated to customer experience at point of sale and entertainment**
 - Funded by FDJ with €30 million, managed and facilitated by Serena, the **V13 Invest** investment fund enables the Group to take participations in innovative European start-ups focused on customer experience at point of sale and entertainment.
 - The launch of **V13 Invest** is part of the Group's ongoing strategy of open innovation, launched in 2016, with over €70 million allocated to various investment funds over the long term (Partech Partners, Raise Investissement, Level Up, Trust-Esport). FDJ is also adding OneRagtime, a new-generation venture platform, to its start-up investment initiatives dedicated to customer experience and entertainment portfolio.
- **FDJ's commitment to CSR recognised and reaffirm**
 - Mindful of assessing the impact of its strong commitment to Corporate Social Responsibility (CSR), FDJ called in international rating agency Vigeo Eiris, resulting in an A1+ rating for FDJ, hence in the top 5% of over 4,900 companies globally.
 - Furthermore, FDJ continues to implement its commitment to allocate 10% of its annual TV advertising budget to responsible gaming and, in particular, to the prevention of under-age gaming². As a result, seven films have been broadcast on television since the start of the year, as part of two campaigns under the FDJ and ParionsSport brands respectively.

About FDJ Group:

FDJ, the national lottery and the French leader in gambling and entertainment, the #2 Lottery in Europe and #4 worldwide, offers more than 90 games, lottery – draw-based games (Loto, EuroMillions) and scratch-card games (Millionnaire, Astro, Végas, Cash) - and sports betting (ParionsSport), at points of sale and on line.

FDJ's performance is driven by a portfolio of iconic, historic, and recent brands, the #1 local sales network in France, a growth market, recurring investment, and an innovation strategy to make its offering and its distribution more attractive with an enhanced gaming experience.

In 2018, for 25 million players, with more than 30,000 points of sale and 2,200 employees, FDJ collected €15.8 bn in player stakes, 15% of which were digital. It distributed €10.7 bn to its players, contributed €3.5 bn to public finance, and paid its retailer network €0.8 bn.

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² This commitment is taken in addition to strict respect for the legal obligation of gaming operators, and according to which any commercial communication on their behalf must be accompanied by a warning against excessive or pathological gambling, as well as mention of a telephone number for help and assistance made available to addicted gamblers (Article 7 of Act N° 2010-476 of 12 May 2010)



Notes

Breakdown of player stakes**

In M€	Stakes, H1 2019	Stakes, H1 2018	Change
FDJ Total	8,420	7,855	+7.2%
Lottery	6,610	6,281	+5.2%
Instant lottery games***	4,056	3,768	+7.6%
Draw games	2,553	2,512	+1.6%
Sports bets	1,810	1,574	+15.0%
Digitalized player stakes*	1,652	1,181	+39.9%
Player stakes in bricks-and-mortar network	7,916	7,490	+5.7%

*Digitalized player stakes combine online player stakes and dematerialised player stakes at point of sale, i.e. using a digital service/app for preparation before recording in point of sale

**Player stakes are stakes by players and do not constitute FDJ Group revenue

***Scratch games (at point of sale and online)

Transition of player stakes to revenue

In M€	H1 2019	H1 2018	Change
Player stakes	8,420	7,855	+7.2%
Player winnings	5,757	5,330	+8.0%
Return to player rate (RTP)	68.4%	67.9%	
Gross gaming revenue*	2,663	2,525	+5.5%
GGR as % of player stakes	31.6%	32.1%	
Net gaming revenue**	933	881	+5.9%
NGR as % of player stakes	11.1%	11.2%	
Revenue	944	897	+5.2%

*Gross gaming revenue: player stakes less player winnings

** Net gaming income: gross gaming revenue less contributions to public finances

***Revenue: net gaming income and income from other activities