



Annual results 2019

- **Strong operating performance: Revenue up 8%, EBITDA up 9%**
 - **Upward adjustment to our 2020 guidance**
 - **Confirmation of the Group's medium-term strategic ambitions**
- **Strong increase in stakes and revenue**
 - Stakes up 9% at €17.2 billion, and 8% excluding the impact of the exceptional long cycles for Loto and Euromillions
 - Growth driven by all activities: draw games, instant games and sports betting
 - Point-of-sale stakes up 7% at €16.1 billion, and digitalised¹ stakes up 39% at €3.4 billion, representing nearly 20% of total stakes
 - Revenue up 8% at €1,956 million
 - **EBITDA up 9%² at €346 million**
 - Stable EBITDA margin at 17.7%. Full implementation of the 2018 retailer remuneration agreement and full-year effect of direct distribution roll-out
 - **Upward adjustment to our 2020 guidance**
 - Positive momentum is set to continue in 2020, notably thanks to an event-packed year (new format for Euromillions, launch of new instant games, UEFA Euro 2020)
 - On a comparable 2019 adjusted basis³, FDJ is now targeting an increase of more than 5% in stakes, revenue growth of 5% and EBITDA margin maintained above 20%
 - Confirmation of strong cash flow generation and a dividend payout ratio of 80%
 - **Group's strong economic and social contribution maintained**
 - €5.7 billion contribution to French GDP in 2019; 53,700 jobs secured or created, including 21,900 in the network of 30,000 FDJ points of sale.

Key figures – In millions of euros	2019	2018	Chg.
Stakes	17,239	15,817	+9.0%
Revenue*	1,956	1,803	+8.5%
Recurring operating income	252	251	+0.3%
Net income	133**	170	-21.9%
Dividend	122	122	-
EBITDA ***	346	319****	+8.6%

* Revenue: net gaming revenue and revenue from other activities

** After taking into account non-current items, in particular IPO costs

*** EBITDA: recurring operating income adjusted for depreciation and amortisation (excluding IPO costs in 2018)

**** Excl. IPO costs accounted in current operating income in 2018

¹ Digitalised stakes include online stakes and digitalised stakes at the point of sale, i.e. using a digital service/application for their preparation, prior to registration by the retailer.

² On a 2018 basis excluding IPO costs, i.e. €319 million.

³ With the application on a full-year basis of the new taxation applicable from 1 January 2020, consolidating Sporting Group over 12 months and excluding the impact of exceptional long lottery cycles, leading to 2019 adjusted revenue and Ebitda of 2,048 million and 422 million euros respectively.



Press release

Boulogne, 13 February 2020 – 7:00 a.m.

Stéphane Pallez, Chairwoman and CEO of FDJ, said:

“2019 will be remembered as a landmark year for La Française des Jeux with the great success of its initial public offering to numerous institutional investors, individual shareholders and Group employees. 2019 was also characterised by very strong growth in all our businesses, across all sales channels, both physical and digital, and the Group’s excellent operating and financial performances. These results allow us to adjust our 2020 outlook upwards and to look forward with renewed confidence to the deployment of our sustainable growth strategy, in line with our commitments to CSR and responsible gaming.”

2019 highlights

- **Growth and development of the games portfolio in all activities**
 - Loto successfully relaunched at the end of the year, with an increase of more than +10% in stakes at points of sale in the following two months;
 - Exceptional long cycles⁴ for Loto and Euromillions;
 - More than 10 instant PoS games launched or relaunched, including the successful “Quitte ou Double”, the Group’s first phygital⁵ game, and the “Mots Croisés” family, which has become the sixth FDJ game to generate stakes in excess of €1 billion;
 - In sports betting, *Parions Sport En Ligne* recorded growth well above that of its market, confirming the success of the repositioning of its offer. *Parions Sport Point de Vente* stakes are still growing at more than 10%, thanks notably to a further increase in digitalisation, which now accounts for more than 70% of stakes.
- **Target of 20% digitalised stakes by 2020 almost reached**
 - Driven by the development of online gaming and the digitalisation of point-of-sale stakes, digitalised stakes once again recorded very strong growth, +39%, accounting for nearly 20% of the Group’s total stakes.
- **Strengthening of the distribution network**
 - The PoS network has stabilised at more than 30,000 outlets, thanks in particular to 1,100 new openings, the highest number since 2010;
 - The implementation of the 2018 remuneration agreement with retailers was finalised, with new and differentiated rates per game reflecting the Group’s priorities. This represents nearly a third of the €80 million increase in their remuneration in 2019.
- **Investments to develop adjacent activities**
 - FDJ has strengthened its international B2B offering, particularly with the acquisition of Sporting Group, the world leader in technology and trading for sports betting;
 - The Group has also developed its “Payment and Services” offer. In partnership with the French Tobacconists’ Confederation, it won the Directorate General of Public Finances (DGFIP) tender for the outsourcing of collection for public treasuries (collection of taxes and fines, as well as public service and administration bills, etc.), which will start being rolled out in the first quarter of 2020. FDJ has also signed a contract for the acquisition of Bimedia⁶, a software publisher specialising in point-of-sale collection and payment solutions.

⁴ Unwon jackpots are cumulative – starting at €8 million for Loto and €75 million for Euromillions, thus offering increasingly larger jackpots.

⁵ Physical scratch game, sold in points of sale, on which players can multiply their winnings by entering a second digital round.

⁶ The completion of this deal is subject to conditions precedent customary for this type of transaction, including antitrust approval.



Press release

Boulogne, 13 February 2020 – 7:00 a.m.

o **Enhanced and assessed CSR commitments**

- Vigeo Eiris, an international non-financial rating agency subsidiary of Moody's, rated⁷ FDJ as A1+, thus among the top 5% of companies covered worldwide;
FDJ is the first company in the gaming sector in France to have subjected its CSR commitments and governance system to an independent rating process, to be reviewed on a yearly basis;
- To further strengthen the general public's awareness about underage gambling, FDJ has committed to allocate 10% of its television advertising budget to responsible gaming and, in particular, to prevent under 18s from gambling. Thus, two ad campaigns were aired in 2019, of which one dedicated to the excessive gambling prevention tools deployed by FDJ;
- FDJ obtained a 99/100 ranking for the gender equality index set by the "Avenir Professionnel" law in 2018 and was amongst the first signatories of the "Manifest for the inclusion of people with disabilities in society".

• **Activity and results in 2019**

As indicated in the 6 November 2019 note d'opération, in Q4, the Group continued to benefit from items generating a positive impact, notably another exceptional long lottery cycle and a new set of surprise sporting results, which tended to reduce the player payout ratio in sports betting.

o **Stakes up 9.0% at €17.2 billion**

Growth in stakes accelerated to 12.0% in the fourth quarter, after increases of 9.0% in the third quarter and 7.2% in the first half. This acceleration is partly attributable to Loto and EuroMillions, where stakes were up 16.9% in the fourth quarter in the wake of 10.0% growth in the third quarter, driven by exceptional long cycles generating €136 million in additional stakes over the year, and the Loto relaunch in early November.

Overall, FDJ's 2019 stakes totalled €17.2 billion, an increase of 9.0% compared with 2018. Driven by all games, lottery and sports betting, thanks to a wealth of activity and numerous events, this is the highest annual growth rate since 2004. Excluding the exceptional long cycles for Loto and Euromillions, growth in the Group's stakes would have been 8.1%.

Over the year, winnings totalled €11.7 billion, an increase of 9.4%, representing a player payout (PPO) ratio up slightly at 67.9%.

The FDJ Group recorded gross gaming revenue (GGR: stakes less winnings) up 8.2% at €5.5 billion and gaming levies increased by 7.2% to €3.5 billion.

o **Revenue up 8.5% at €1,956 million**

Net gaming revenue (NGR: GGR less gaming levies) amounted to €1,925 million, a stable rate of 11.2% of the stakes. After taking into account €31 million in revenue from other activities, the FDJ Group's 2019 revenue was €1,956 million, an increase of 8.5% compared with the €1,803 million posted in 2018.

⁷ Note from Vigeo-Eiris: "We have assessed La Française des Jeux at its request in accordance with our unsolicited rating methodology. As La Française des Jeux is not part of our universe of listed issuers, this assessment does not lead to a ranking in relation to other listed companies. Therefore, all industry comparisons mentioned here are for illustrative purposes only and should not be relied upon for legal representation or legal valuation purposes. »



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Boulogne, 13 February 2020 – 7:00 a.m.

○ **By activity:**

The Group has three operating segments: two business units (Lottery and Sports Betting) and the Acceleration Business Units (ABU), encompassing three developing activities (International, Payment and Services, and Entertainment), with support functions (notably clients, distribution and technology), and the holding company, which mainly represents overheads. The contribution margin is one of the main performance indicators of these segments. It is the difference between segment revenue and cost of sales (including PoS commissions) and marketing and communication costs (excluding depreciation and amortisation) allocated to the segments.

▪ **Lottery: revenue up +6.5%**

In 2019, the lottery business recorded stakes of €13,684 million, or more than 79% of the Group's stakes, up 7.2% – the best growth rate in five years. This performance was boosted by all draw games (+6.4% to €5,480 million) and instant games (+7.7% to 8,205 million).

Particularly noteworthy elements were:

- For draw games :
 - Exceptional long cycles in number and size of jackpots on Loto and EuroMillions, which generated €136 million in stakes and €18 million of additional revenue compared with a “normative” year;
 - Successful relaunch of Loto at the end of the year, with an increase of more than 10% in stakes at points of sale in the two months following the introduction of the new format.
- For instant games :
 - Sustained marketing activity, with eleven launches and two relaunches for point-of-sale games;
 - The Mots Croisés family of games, which became the sixth FDJ game to post stakes in excess of €1 billion (alongside Loto, Euromillions, Amigo and Cash in the lottery segment and *Parions Sport Point de Vente*);
 - And the success of *Quitte ou Double*, the first phygital game, boasting a transformation rate of nearly 50% and 40% of players registering online.
- Accelerated growth in digitalised stakes (+30%), which now account for nearly 6% of lottery stakes.

Winnings increased by 7.0%, with a virtually stable player payout ratio of 65.7%, while revenue grew by 6.5% to €1,578 million. Operating expenses, excluding depreciation and amortisation, increased by 8.0% to €1,086 million, driven notably by PoS commissions, which increased by 10.6% taking into account the introduction of a new remuneration scheme at the beginning of the year. Overall, cost of sales was up 7.5%, in line with the increase in stakes. Marketing and communication expenses increased by €15 million to €147 million. As such, the contribution margin of the lottery business came to €492 million, or 31.2% of revenue.

▪ **Sports betting: +14.5% increase in revenue**

In 2019, the sports betting business (*Parions Sport Point de Vente* and *Parions Sport En Ligne*) delivered another year of strong growth, with a 16.1% increase in stakes to €3,538 million, representing nearly 21% of FDJ's total stakes. Revenue reached €341 million, up +14.5%.



Press release

Boulogne, 13 February 2020 – 7:00 a.m.

The highlights were:

- Strong growth in stakes despite a less buoyant year in sporting events (the Football World Cup, the Handball Euro, the Pyeong Chang Olympics, etc. having taken place in 2018). This growth was backed by the increased appeal of annual events (Champions' League, Europa League, Ligue 1, Premier League, French Open, Wimbledon, La Liga and the US Open); and the success of events such as the Africa Cup of Nations, the Women's World Cup and the Rugby World Cup in Japan;
- The growth of *Parions Sport En Ligne*, at a much higher rate than the French online sports betting market, confirming the successful repositioning of its offer;
- A renewed increase of more than 10% in *ParionsSport Point de Vente* stakes, thanks in large part to a further increase in digitalisation;
- And more broadly, growth of more than 40% in digitalised stakes (digitalised stakes at point of sale and online stakes), which now account for nearly 75% of sports betting.

The player payout ratio (PPO) increased by 60 basis points to 76.1%, thanks notably to a mix effect with the faster growth of online bets. Revenue increased by 14.5% to €341 million. Operating expenses, excluding depreciation and amortisation, increased by just 11.2% to €304 million, despite a 15.5% increase in marketing and communication expenses to €95 million. The contribution margin for sports betting was 36 million, or 10.7% of revenue, up from 8% in 2018.

▪ **Adjacent activities and holding**

The adjacent activities (International, Payment and Services, and Entertainment) recorded revenue of €36 million, with a contribution margin almost stable at breakeven. Overhead expenses were stable at €182 million.

- **Stable EBITDA margin at 17.7% reflecting the retailers' new remuneration scheme implementation**

The Group's operating expenses increased by 9.8% to €1,704 million. They include cost of sales of €1,191 million, an increase of 8.2%, including PoS commissions of €865 million, up €80 million (+10%) and including €24 million related to the introduction of a new remuneration scheme from 1 January 2019. Marketing and communication expenses rose by a significant 19.3% to €330 million, due in large part to the development of the offer across all activities. As a reminder, marketing and communication expenses include advertising as well as the cost of designing and operating games and services. General and administrative expenses edged down by 1.1% to €173 million.

Depreciation and amortisation expense increased to €94 million, compared with €64 million in 2018, reflecting major IT developments, the fitting out of the new head office and the first application of IFRS 16 (Leases) representing €7.1 million. They also include, as of 23 May 2019, the amortisation over 25 years of the exclusive rights granted to FDJ for €380 million (i.e. €9.3 million in 2019).

On this basis, the FDJ Group posted stable recurring operating income of €252 million and an 8.6% increase in EBITDA to €346.1 million, representing a stable margin of 17.7% of revenue.

- **€133 million in net income after non-recurring items**

In 2019, FDJ recorded other net operating expenses of €63.3 million, compared with other net operating income of €5.6 million in 2018. Other operating expenses relate chiefly to the IPO, in the amount of more than €31 million, to the Sporting Group acquisition for €15 million and the impairment of point-of-sale equipment and operating software for nearly €7 million. As the Group indicated in its note d'opération, Sporting Group's portfolio was under review. This led to the refocusing of Sporting Group on the activities most aligned with FDJ's strategy, namely the B2B service offering for lottery and sports betting operators and the B2C offering in the United Kingdom, with the discontinuation of proprietary trading activities and its underlying algorithmic IT programs.



Press release

Boulogne, 13 February 2020 – 7:00 a.m.

The financial result was income of €20.6 million, compared with an expense of €1.5 million in 2018. The increase in interest income and gains on disposal of investments and the net change in financial income and expense on securities measured at fair value (+€17 million compared with 2018) mainly reflected favourable trends in the markets in 2019.

After taking into account a net tax expense of €78.3 million, down €7.3 million, the Group's net profit for the year was €133 million.

- o **€80 million net cash position - €297 million free cash-flow**

In 2019, the change in surplus working capital, restated for the change in regulatory funds (counterparty funds to be returned to the French State under the Pacte law), came to €18 million, with an adverse calendar impact compared with 2018.

The Group's investments reached €179 million, compared with €93 million in 2018, including €112 million related to the acquisition of Sporting Group, and €67 million in other investments, mainly IT and point of sale equipment. Thus, free cash-flow amounted to €297 million, an increase compared to €252 million in 2018. Based on a €346 million EBITDA, the conversion rate of EBITDA into cash was 86%.

One of the key indicators of the level of net cash generated by the Group is the net cash surplus. It corresponds to current financial assets and net cash less items including player funds closed from 1 January 2020 and yet to be paid to the French State, and a debt of €380 million to the French State in consideration for the exclusive rights granted for a period of 25 years. As of December 31, 2019, net cash totalled €80 million.

- **New fiscal and regulatory framework from 1 January 2020**

On a 2020 comparable basis, i.e. by applying the new fiscal and regulatory framework as of 1 January 2020 (notably resulting from the Pacte law), excluding the impact of the exceptional long Loto and Euromillions cycles in 2019, and taking into account the acquisition of Sporting Group over a full year, FDJ Group's 2019 revenue and EBITDA would amount to €2,048 million and €422 million respectively (compared with €1,956 million and €346 million respectively) representing a comparable EBITDA margin of over 20%.

- **Positive momentum set to continue in 2020 across all activities**

In 2020, the FDJ Group will continue its strategy of enriching its games portfolio and its services, coupled with a number of events such as the relaunch of EuroMillions in early February; the launch of new instant games, including a game for the Tokyo 2020 Olympics and Paralympics, the third edition of the Mission Patrimoine games, and a second phygital game; and for sports betting, UEFA Euro 2020.

The Group is adjusting its 2020 guidance upward, on a comparable 2019⁸, and is accordingly:

- Aiming for growth in stakes of more than 5% (vs between +4% and +5% if targeting the upper end of the range);
- Confirming the outlook of revenue growth of 5%, with increases of approximately 5% for the lottery business and 6% for sports betting;
- Aiming for EBITDA margin above 20%;
- Confirming its outlook in terms of investments (cumulative total of approximately €600 million over 2020-2025), conversion of EBITDA into cash (more than 80%), and dividend payout (80% of consolidated net income).

⁸ On an adjusted 2019 base, with the application on a full-year basis of the new tax framework applicable from 1 January 2020, consolidating Sporting Group over 12 months and excluding the impact of exceptional long lottery cycles.



Press release

Boulogne, 13 February 2020 – 7:00 a.m.

• **The Group's strong economic and social footprint**

For the fourth consecutive year, France's Economic Information and Forecasting Office (BIPE) has assessed the FDJ Group's economic and social contribution in France.⁹

In 2019, FDJ's contribution to national wealth was €5.7 billion, an increase of 8.3% vs 2018, i.e. 0.2% of gross domestic product (GDP).

In terms of jobs, the FDJ Group contributed to securing or creating 53,700 jobs in France (+2.9% vs 2018).

FDJ's contribution is in particular significant for:

- The **French State**, with an overall contribution of more than €3.9 billion to the State budget, including a €3.8 billion¹⁰, contribution to the public finances and €0.1 billion in dividends;
- **Local retail businesses**, with €865 million paid to its retailers. FDJ secured or created 21,900 jobs in this network in 2019. With a point of sale accessible in less than 10 minutes, on foot in an urban area or by car in a rural area, FDJ has approximately 30,000 points of sale in more than 11,000 municipalities, giving it France's leading local network;
- **French sport**, both professional and amateur, through the action of the National Sports Agency (ANS) and the sporting partnerships established by FDJ, including the official partnership of the Paris 2024 Olympic and Paralympic Games announced in December 2019;
- **France national heritage**. The Mission Patrimoine lottery games resulted in the payment of more than €21 million¹¹ to the French national heritage foundation related to the 2019 edition, after a Super Loto instant game in July and the sale of scratch games since the beginning of September;
- **Social action and the remembrance contribution of its founding veterans shareholders**: the Union des Blessés de la Face et de la Tête (UBFT) and the Fédération Nationale André Maginot, thanks to the €16.4 million in dividends received in 2019, which account for more than 90% of their respective budgets;
- The action of the **FDJ Corporate Foundation**, which is committed to promoting equal opportunities by supporting nearly a hundred non-profits throughout France, with a budget of €18 million over five years (2017-2021).

• **Dividend**

FDJ's Board of Directors, meeting on Wednesday 12 February, approved the Group's 2019 financial statements. It plans to propose a dividend of €0.64 euro per share at the Annual General Meeting on 22 April 2020, to be paid on 6 May 2020.

The audit procedures on the consolidated financial statements have been completed. The audit report will be released after the review of the management report is finalized

Next financial information

The FDJ Group will publish its stakes and revenues for the first quarter of 2020 on Tuesday 21 April after the close of trading.

⁹ The BIPE study methodology calls on international standards for assessing economic impacts used by major bodies (UN, European Commission, etc.). It assesses direct, indirect, induced and catalytic effects so as to calculate FDJ's contribution to wealth (GDP) and employment in France.

¹⁰ €3.5bn levies on stakes + €0.3bn excess of permanent fund (capped at 0.005% of stakes).

¹¹ Paid by the French State to the French national heritage foundation.



Press release

Boulogne, 13 February 2020 – 7:00 a.m.

About La Française des Jeux (FDJ)

FDJ is the historical and unique lottery operator in France, the #2 in Europe and #4 worldwide. FDJ offers a range of enjoyable, responsible games to the general public, both at points of sale and online: lottery games – draw games and instant games – and sports betting (Parions Sport). FDJ's performances are driven by its portfolio of iconic brands, the largest proximity network in France, a growing market, investments, and a strategic innovation drive enhancing the appeal of its offer and distribution network. FDJ is listed on the regulated market of Euronext in Paris (Compartment A - FDJ.PA)

For further information, www.groupefdj.com

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Forward-looking statements

This document may contain certain forward-looking statements which are based on estimations and forecasts. By their nature, these forward looking statements are subject to important risks and uncertainties and factors beyond our control or ability to predict, in particular those described in FDJ Registration Document which is available on the website (www.groupefdj.com/en/investors).

These forward-looking statements should not be considered as a guarantee of future performance, the actual results could differ materially from those expressed or implied by them. The forward-looking statements only reflect FDJ's views as of the date of this document, and FDJ does not undertake to revise or update these forward-looking statements.

The forward-looking statements should be used with caution and circumspection and in no event can FDJ and its Management be held responsible for any investment or other decision based upon such statements. The information in this document does not constitute an offer to sell or an invitation to buy shares in FDJ or an invitation or inducement to engage in any other investment activities.



Annexes

Breakdown of stakes*

In millions of euros	2019	2018	Var.
Total FDJ	17,239.5	15,817.0	+9.0 %
Of which lotteries	13,684.4	12,769.7	+7.2%
Draw games	5,479.8	5,149.7	+6.4%
Instant games	8,204.6	7,620.0	+7.7 %
Of which Sports betting	3,537.8	3,047.3	+16.1%
Digitalised stakes**	3,371.2	2,430.0	+38.7 %
Offline stakes	16,137.1	15,020.0	+7.4 %

* Stakes reflect wagers by players, and do not constitute the revenue of the FDJ Group.

** Digitalised stakes include online and digitalised stakes at the point of sale, i.e. using a digital service/application for their preparation, prior to registration by the retailer.

Consolidated income statement

In millions of euros	2019	2018	Var.
Current operating profit	252.0	255.2****	-1.3 %
Depreciation and amortisation	94.1	63.6	48.0 %
EBITDA ***	346.1	318.8****	+8.6 %

*** EBITDA: current operating profit before depreciation and amortisation.

**** Restated from IPO costs accounted for in current operating result in 2018

Quarterly breakdown of stakes in 2019

In millions of euros	March end	June end	Sept. end	2019
Total FDJ	4,322.4	8,422.0	12,547.8	17,239.5
Ow. lotteries	3,386.2	6,609.5	9,980.3	13,684.4
Draw games	2,052.7	4,011.6	6,015.3	8,204.6
Instant games	1,333.6	2,598.0	3,965.0	5,479.8
Ow. Sports betting	936.2	1,810.4	2,559.5	3,537.8
Ow. digitalised stakes	833.3	1,650.6	2,407.2	3,371.2
Ow. offline stakes	4,066.6	7,916.7	11,765.8	16,137.1



Consolidated income statement

<i>In € millions</i>	2019	2018
Stakes	17 239,5	15 817,0
Player payout	(11 698,6)	(10 697,5)
Gross gaming revenue	5 540,9	5 119,6
Public levies	(3 498,0)	(3 261,8)
Structural allocations to counterparty funds	(127,8)	(83,4)
Other revenue from sports betting	9,7	0,0
Net gaming revenue	1 924,8	1 774,3
Revenue from other activities	30,8	28,3
Revenue	1 955,6	1 802,6
Cost of sales	(1 191,0)	(1 100,5)
Marketing and communication expenses	(330,4)	(277,1)
General and administrative expenses	(173,1)	(175,1)
Other recurring operating income	0,6	2,1
Other recurring operating expenses	(9,7)	(0,8)
Recurring operating profit	252,0	251,1
Other operating income	4,0	10,3
Other operating expenses	(67,3)	(4,7)
Operating profit	188,7	256,7
Cost of debt	(2,3)	(0,9)
Other financial income	23,8	6,3
Other financial expenses	(0,9)	(6,8)
Net financial income/(expense)	20,6	(1,5)
Share of net income for joint ventures	2,0	0,8
Profit before tax	211,3	256,0
Income tax expense	(78,3)	(85,6)
Net profit for the period	133,0	170,4
Attributable to :		
Owners of the parent	133,0	170,4
Non -controlling interests	0,0	0,0
Basic earnings per share (in €)	0,70	0,89
Diluted earnings per share (in €)	0,70	0,89

EBITDA

<i>In € millions</i>	2019	2018
Recurring operating profit	252	251
Depreciation and amortisation	(94)	(64)
EBITDA	346	315

Consolidated statement of comprehensive income

<i>In € millions</i>	2019	2018
Net profit for the period	133,0	170,4
Cash flow hedging	(2,6)	0,3
Tax related to cash flow hedging	0,9	(0,2)
Change in currency translation differences	1,2	(0,1)
Items that may subsequently be recycled to profit	(0,5)	0,0
Actuarial gains and losses	(3,1)	4,6
Tax related to actuarial gains and losses through other comprehensive income	0,5	(1,2)
Items that may not subsequently be recycled to profit	(2,7)	3,3
Other comprehensive income/(expense)	(3,1)	3,3
Total comprehensive income for the period	129,9	173,7
Attributable to :		
Owners of the parent	129,9	173,7
Non-controlling interests	0,0	0,0



Consolidated statement of financial position

<i>In € millions</i>		
ASSETS	31 December 2019	31 December 2018
Goodwill	56,4	1,1
Intangible assets	370,7	0,0
Exclusive operating rights	148,3	103,7
Property, plant and equipment	394,0	378,8
Non-current financial assets	584,3	780,6
Other non-current financial assets	14,5	12,8
Non-current assets	1 568,2	1 277,0
Inventories	10,5	8,7
Trade and distribution network receivables	469,8	411,5
Other current assets	314,8	268,3
Tax payable assets	18,9	18,6
Current financial assets	272,2	55,8
Cash and cash equivalents	201,5	167,2
Current assets	1 287,8	930,2
TOTAL ASSETS	2 856,0	2 207,2
<i>In € millions</i>		
EQUITY AND LIABILITIES	31 December 2019	31 December 2018
Share capital	76,4	76,4
Reserves and retained earnings	358,0	314,8
Other reserves	(1,5)	0,2
Currency translation differences	3,3	2,1
Net profit attributable to owners of the parent	133,0	170,4
Equity attributable to owners of the parent	569,2	563,9
Non-controlling interests	(0,0)	0,0
Equity	569,2	563,9
Provisions for pensions and other employee benefits	56,9	45,6
Non-current provisions	49,3	37,6
Deferred tax liabilities	24,9	19,2
Non-current player funds	0,0	108,7
Non-current financial liabilities	229,7	96,1
Non-current liabilities	360,9	307,2
Current provisions	16,7	24,9
trade and distribution network payables	411,6	369,3
Tax payable liabilities	0,7	1,3
Current player funds	156,6	213,8
Public levies	414,8	357,2
Winnings payable and distributable	189,3	171,7
Other current liabilities	169,6	155,9
Payable to the French State with respect to the exclusive operating rights	380,0	0,0
Current financial liabilities	186,5	41,8
Current liabilities	1 925,9	1 336,0
TOTAL EQUITY AND LIABILITIES	2 856,0	2 207,2



Consolidated statement of cash flows

<i>In € millions</i>	2019	2018
OPERATING ACTIVITIES		
Net consolidated profit for the period	133,0	170,4
Change in depreciation, amortisation and impairment of non-current assets	121,2	64,5
Change in provisions	13,9	6,3
Disposal gains or losses	0,1	(9,5)
Income tax expense	78,3	85,6
Other non-cash items from P&L	0,3	0,0
Net financial (income)/expense	(20,6)	1,5
Interest received	9,1	2,9
Share of net income from joint ventures	(2,0)	(0,8)
Non-cash items	200,3	150,5
Use of provisions - payments	(7,3)	(8,7)
Income taxes paid	(76,5)	(92,9)
Change in trade receivables and other current assets	(118,3)	(120,1)
Change in inventories	(1,8)	1,4
Change in trade receivables and other current liabilities	76,9	145,9
Change in other components of working capital	(1,7)	(1,4)
Change in operating working capital	(44,8)	25,8
Net cash flow from/(used in) operating activities	204,7	245,1
INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment and intangible assets (a)	(67,1)	(92,9)
Acquisitions of investments (b)	(111,8)	0,0
Disposals of property, plant and equipment and intangible assets	0,1	14,7
Change in current and non-current financial assets	(2,7)	(18,1)
Disposals of other financial assets	0,0	0,1
Change in loan and advances granted	1,8	(3,6)
Dividends received from joint ventures and non-consolidated share	0,7	0,7
Other	1,0	(0,2)
Net cash flow from/(used in) investing activities	(178,0)	(99,4)
FINANCING ACTIVITIES		
Issue of long-term debt (c)	113,3	0,0
Repayment of the current portion of long-term debt	(8,0)	(8,0)
Repayment of lease liabilities (d)	(7,1)	0,0
Dividends paid to ordinary shareholder of the parent company	(118,3)	(126,1)
Interest paid	(1,8)	(0,4)
Other	(3,8)	(0,0)
Net cash flow from/(used in) financing activities	(25,7)	(134,5)
Impact of exchange rates change	0,2	0,5
Net increase/(decrease) in net cash (e)	1,3	11,7
Cash and cash equivalent as at 1 January	167,2	165,8
Cash and cash equivalent as at 31 December	201,5	167,2
Current bank overdrafts as at 1 January	(7,2)	(17,5)
Current bank overdrafts as at 31 December	(40,2)	(7,2)
Increase/(decrease) in net cash	1,3	11,7

(a) acquisitions of tangible and intangible assets relate to development work on live and back office information systems and points of sale terminals, as well as the fitting out of the headquarters and items of point of sale furniture

(b) outflows relating to the acquisition of Sporting Group amounted to €111.8 million

(c) a loan of £100 million was taken out to finance the acquisition of Sporting Group

(d) repayment of lease liabilities (IFRS 16) corresponds to the rents paid

(e) net cash includes bank overdrafts



Consolidated statement of changes in equity

<i>In € millions</i>	Share capital	Reserves and retained earnings	Other reserves (transferable equity)	Currency translation differences	Net profit/(loss) attributable to owners of the parent	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity as at 31 December 2017	76.4	254.8	5.6	2.2	180.7	519.8	0.4	520.2
Net profit for the period					170.4	170.4	0.0	170.4
Change in currency translation differences				(0.1)		(0.1)		(0.1)
Other comprehensive income/(expense)		3.3	0.1			3.5		3.5
Total comprehensive income/(expense) for the period	0.0	3.3	0.1	(0.1)	170.4	173.7	(0.0)	173.7
Appropriation of 2017 profit/(loss)		180.7			(180.7)	0.0		0.0
2017 dividends paid (1)		(130.0)				(130.0)		(130.0)
Other (1)		6.1	(5.6)			0.4	(0.4)	0.0
Equity as at 31 December 2018	76.4	314.8	0.2	2.1	170.4	563.9	0.0	563.9
Net profit for the period					133.0	133.0	(0.0)	133.0
Change in currency translation differences				1.2		1.2		1.2
Other comprehensive income/(expense)		(2.7)	(1.7)			(4.3)		(4.3)
Total comprehensive income/(expense) for the period	0.0	(2.7)	(1.7)	1.2	133.0	129.9	(0.0)	129.9
Appropriation of 2018 profit/(loss)		170.4			(170.4)	0.0		0.0
2018 dividends paid		(122.0)				(122.0)		(122.0)
Other (2)		(2.6)				(2.6)	0.0	(2.6)
Equity as at 31 December 2019	76.4	358.0	(1.5)	3.3	133.0	569.2	(0.0)	569.2

(1) In 2018, other comprehensive income relating to the fair value of available-for-sale financial assets, net of tax, was reclassified from "other reserves" to "reserves and retained earnings" following the first-time application of IFRS 9 as of 1 January 2018.

(2) The amount of €2.6 million includes the counterpart of IFRS 2 expense for the Employee Share Offering for €5.5 million, the loss on treasury share transactions for €9.1 million and the related tax effect for €1.2 million



Net cash surplus

<i>In € millions</i>	31 December 2019	31 December 2018
Non-current financial assets at amortised cost	440,0	628,0
Non-current assets fair value through profit or loss	90,4	111,2
Other non-current financial assets excluding deposits	29,3	16,6
<i>Total non-current investments (a)</i>	<i>559,8</i>	<i>755,7</i>
Current financial assets at amortised cost	253,0	55,0
Current financial assets at fair value through profit or loss	16,1	0,0
Current derivatives	0,9	0,6
<i>Total current investments (b)</i>	<i>270,0</i>	<i>55,6</i>
Total current and non-current investments	829,8	811,3
Investments, cash equivalents	121,2	128,4
Cash at bank and in hand	80,3	38,8
Total cash and cash equivalents	201,5	167,2
Total gross investments and cash	1 031,3	978,5
Long-term financial debt	205,0	96,1
Non-current lease liabilities	24,4	
<i>Total non-current financial debt (c)</i>	<i>229,4</i>	<i>96,1</i>
Short-term financial debt	8,2	8,0
Current lease liabilities	7,0	0,0
Current derivatives	0,7	0,1
Bank overdrafts	40,2	7,2
Other financial debt (excluding deposits)	130,3	26,1
Other	170,5	33,3
<i>Total current financial debt excluding deposits (d)</i>	<i>186,4</i>	<i>41,4</i>
Total financial debt	415,8	137,5
INVESTMENTS AND NET CASH	615,5	841,0
Payable to the French State with respect to the exclusive operating rights	(380,0)	0,0
Reclassification of online players wallets not yet covered by trust	(26,9)	0,0
Player funds closed with effect from 1 January 2020 and to be repaid to the French State	0,0	(204,7)
Restricted cash	(5,3)	(1,1)
Sums allocated exclusively to Euromillions winners	(77,2)	(53,4)
Net liability associated with the permanent fund surplus	(46,1)	(8,1)
NET CASH SURPLUS	79,9	573,8

(a) Non-current investments correspond to non-current financial assets

(b) Current investments correspond to current financial assets, excluding deposits and guarantees

(c) Long-term financial debt corresponds to non-current financial liabilities

(d) Short-term financial debt corresponds to current financial liabilities



Segment reporting

In € millions	2019				Total before depreciation and amortisation	Depreciation and amortisation	Total Group
	Lottery BU	Sport Betting BU	Other segments	Holding company			
Stakes	13 684	3 538	17		17 239		17 239
Gross gaming revenue	4 695	845	1		5 541		5 541
Net gaming revenue	1 574	340	10		1 925		1 925
Revenue	1 578	341	36	1	1 956		1 956
Cost of sales	(939)	(209)	(4)	0.0	(1 152)	(39)	(1 191)
Marketing and communication expenses	(147)	(95)	(33)	(31)	(305)	(25)	(330)
Contribution margin	492	36	(0)	(30)	498	(64)	434
General and administration expenses				(152)	(152)	(30)	(182)
EBITDA					346		
Depreciation and amortisation						(94)	
Recurring operating profit							252

In € millions	2018				Total before depreciation and amortisation	Depreciation and amortisation	Total Group
	Lottery BU	Sport Betting BU	Other segments	Holding company			
Stakes	12 770	3 047			15 817		15 817
Gross gaming revenue	4 372	748			5 120		5 120
Net gaming revenue	1 477	297			1 774		1 774
Revenue	1 482	297	14	9	1 803		1 803
Cost of sales	(874)	(192)	(2)	0.0	(1 067)	(33)	(1 100)
Marketing and communication expenses	(132)	(82)	(11)	(37)	(262)	(15)	(277)
Contribution margin	476	24	1	(28)	474	(49)	425
General and administration expenses				(159)	(159)	(15)	(174)
EBITDA					315		
Depreciation and amortisation						(64)	
Recurring operating profit							251

EBITDA 2019 restated

In € millions	
EBITDA 2019 published	346
Change in tax frame (including Pacte law)	90
Long cycles Loto and Euromillions	(12)
Sporting Group (full year)	(3)
EBITDA 2019 restated	422

Free cash-flow

In € millions	
EBITDA	346
Change in working capital*	18
Acquisitions of property, plant and equipment and intangible assets	(67)
Free cash-flow	297

*Change in working capital restated from funds to be repaid to the French State