



Activity in the first quarter of 2020 Covid-19 update

Boulogne-Billancourt (France), 21 April 2020 (7:00 a.m.) - La Française des Jeux (FDJ), France's leading gaming operator, announces its stakes and revenue for the first quarter of 2020 and issues an update of the impact of the Covid-19 epidemic on its activity.

- **In the first quarter of 2020**,¹ FDJ recorded a **5 % decline** in stakes to €4.1 billion, and **revenue down 1%** at €0.5 billion. The good momentum enjoyed since the start of the year was halted by the first consequences of the Covid-19 epidemic.
- **Since 16 March** and the start of lockdown in France, **stakes have dropped by nearly 60%**, with:
 - A decline of more than 40% in lottery stakes excluding Amigo;
 - The total suspension of the Amigo game since 19 March;
 - A drop of nearly 95% in sports betting following the cancellation of most competitions.
- This trend over **one month of lockdown** has today a **mechanical impact of close to €100 million on revenue and €50 million on EBITDA**. At the end of lockdown, the company assumes a gradual recovery of activity.
- The Group has already started to implement an **action plan** aimed at saving more than **€80 million**, or more than 10% of its annual fixed costs, over the rest of 2020.
- In view of the uncertainties resulting from this unprecedented crisis, the Board of Directors has decided to propose to the Annual General Meeting of 18 June **to maintain the payment of a dividend but to reduce its amount by 30% to €0.45 per share**.
- As of 20 April, FDJ had **available cash in excess of €800 million**. Assuming a gradual recovery from mid-May, the Group's monthly cash burn in May and in June is expected to be limited to approximately €10 million.
- In view of its sound financial position, the Group has not asked to benefit from public financial support or temporary lay-off schemes.
- In addition, thanks to the arrangement of a loan enabling the Group to fully finance the financial consideration for its exclusive rights, FDJ has paid the corresponding amount of €380 million to the French State.
- FDJ, already strongly committed to its retailers, is to provide nearly 3 million masks for free for its network of 30,000 points of sale and is to step up its actions in favour of responsible online gaming. Similarly, the Group is contributing to national solidarity through various initiatives, including a donation of €1 million to the "Tous unis contre le virus" Alliance, €200,000 from its Foundation to Secours Populaire Français, and the participation of its employees.

Stéphane Pallez, Chairwoman and CEO of Group FDJ: "Since the beginning of this unprecedented health crisis, the FDJ Group has strengthened its mobilisation to limit the effects on the company, its employees and its stakeholders in a spirit of responsibility and solidarity. The exceptional situation is already having very significant effects on the company's activity. That is why we have decided to draw up a substantial cost-savings plan to limit the impact on the company's results while preserving its ability to resume all of its activities as soon as

¹ 2019 data on a comparable basis, with the full-year application of the new taxation applicable from 1 January 2020 and consolidating Sporting Group over 12 months.

possible. At the same time, we are continuing to take practical initiatives in support of our stakeholders, and above all our retailers. Against this backdrop, the Board of Directors has decided to propose to the Annual General Meeting of 18 June to maintain the payment of dividends on the 2019 results, but to cut the amount by 30% due to the uncertainties about the duration and scale of the consequences stemming from the current crisis in 2020.”

In the first quarter of 2020,¹ revenue was down 1% at €0.5 billion, with stakes down 5% at €4.1 billion.

FDJ recorded stakes of €4.1 billion in the first quarter of 2020, down 5.4% compared with the same period of 2019, with:

- A 1.5 % drop in lottery stakes to €3.3 billion with, notably,
 - o Draw games stakes down 2 % at €1.3 billion. Loto continues to record good results after its relaunch at the end of 2019, with growth still running at more than 10%, while Amigo has been completely suspended since 19 March;
 - o Instant games stakes down 1% at more than €2 billion;
 - o Strong momentum in online lotteries.
- A more marked decline of 18 % in sports betting activity to €0.8 billion, notably affected by the gradual drying up of the offer due to Covid-19 from the week of 9 March, and by a less abundant calendar of sporting events early in the year.
- PoS stakes were down more than 6 % at €3.8 billion, while online stakes were up 16 % at nearly €0.3 billion.

Until mid-March, activity was in line with annual targets, with stakes up 5%.

In the first quarter, the FDJ Group’s revenue came to €511 million, down a slight 0.9% compared with the figure of €516 million posted for the same period in 2019.¹ The change is attributable chiefly to a player payout (PPO) ratio of 67.5%, vs 68.3% in the first quarter of 2019, the difference stemming from “unexpected” sporting results that reduce the PPO.

- **Significant impact from the decline in activity during lockdown**

Over one month of lockdown this trend has today a mechanical impact of close to €100 million on revenue and €50 million on EBITDA. At the end of lockdown, the company assumes a gradual recovery of activity.

- **A savings plan to preserve the Group’s profitability**

To mitigate the impact of the drop in activity on its profitability, the Group has already started to implement a comprehensive action plan covering all cost items (marketing and communication, administrative costs and costs of sales) aimed at saving more than €80 million, or more than 10% of its annual fixed costs, in 2020.

- **Dividend set at €0.45 per share**

In view of the uncertainties resulting from this unprecedented crisis, the Group’s Board of Directors, at its meeting of 20 April 2020, decided to propose to the Annual General Meeting of 18 June to maintain the payment of a dividend but to reduce its amount by 30% to €0.45 per share.

The payment of the dividend, corresponding to a total amount of €86 million, is scheduled for 30 June.

- **High level of cash maintained**

As of 20 April, FDJ had available cash in excess of €800 million. The Group's monthly cash burn in May and in June, assuming a 60% drop in stakes until mid-May followed by a gradual recovery, is expected to be limited to approximately €10 million.

Given its sound financial position, the Group has not asked to benefit from public financial support or temporary lay-off schemes. In addition, thanks to the arrangement of a loan enabling the Group to fully finance the financial consideration for its exclusive rights, FDJ has paid the corresponding amount of €380 million to the French State.

- **Exceptional provisions for employees, distributors and customers in the context of the Covid-19 health crisis**

The vast majority of the **Group's employees** have been teleworking since mid-March, on their full salary.

The Group has undertaken to its **retailers** to facilitate the work of those points of sale that have remained open and help them enforce health regulations. To that end, in addition to communicating messages on barrier gestures and social distancing measures on all of its information materials, the Group has also purchased over 3 million masks for its employees, its network of retailers and the nursing homes of the Union des Blessés de la Face et de la Tête (the "broken faces" of World War I) and the Fédération Maginot, its main legacy shareholders.

To support its network, the Group has also suspended financial levies on points of sale that have closed and has implemented flexible management of levies for retailers that have remained open and will adapt them to individual circumstances.

FDJ has also communicated with its **customers** to limit the number of times they visit points of sale. To do so the Group has decided to postpone deadlines for the payment of winnings so that winners can claim their prizes after the lockdown period. In addition, to avoid having people gathering in front of screens in points of sale, the Amigo game has been suspended since 19 March.

- **Responsible gaming: a priority**

In this very unusual period of lockdown, FDJ is continuing to roll out a large number of responsible gaming initiatives. On its website, the Group continues to provide players with various services to monitor their gaming habits. FDJ was keen to supplement existing prevention measures by reinforcing the responsible gaming messages relayed to its online players and on its websites, and by extending the monitoring of online gambling behaviour. Its aim is to identify and contact players whose gaming behaviour has changed significantly during lockdown.

- **A commitment to national solidarity for FDJ and its employees**

A socially responsible company, FDJ is naturally committed to making its contribution to the national effort in the fight against Covid-19, with a **donation of €1 million to "Tous unis contre le virus"**. Launched by the Fondation de France in association with Institut Pasteur and Assistance Publique-Hôpitaux de Paris (AP-HP, the French public hospital system), its aim is to provide support for medical workers, researchers and the most disadvantaged in the fight against Covid-19. The Group's employees have also taken action by undertaking to donate more than 1,400 days of leave, the financial equivalent of more than €300,000, to the "Tous unis contre le virus" Alliance and other charities supported by the FDJ Corporate Foundation.

For its part, the FDJ Foundation has already responded to the emergency appeal of the **Secours Populaire Français** with a donation of **€200,000** to help it keep up its aid for the most vulnerable.

The Group's next financial communication

Given the changing nature of the situation, the estimates and forward-looking statement presented by FDJ cannot constitute either a forecast or a target. The Group will provide a further update at its Annual General Meeting on 18 June. It will report its half-yearly results on 29 July after the close of trading and issue its new 2020 outlook as soon as possible.

FDJ's Annual General Meeting will be held on 18 June. Given the social distancing measures in force, it will be held behind closed doors and will be streamed on the Group's website.

About La Française des Jeux (FDJ Group)

France's national lottery and leading gaming operator, the #2 lottery in Europe and #4 worldwide, FDJ offers secure, enjoyable and responsible gaming to the general public in the form of lottery games (draws and instant games) and sports betting (ParionsSport), available from physical outlets and online. FDJ's performance is driven by a portfolio of iconic and recent brands, the #1 local sales network in France, a growing market, recurring investment and a strategy of innovation to make its offering and distribution more attractive with an enhanced gaming experience.

FDJ Group is listed on the Euronext Paris regulated market (Compartment A – FDJ.PA) and is included in the SBF 120 and STOXX Europe 600 indices.

For further information, www.groupefdj.com



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Appendices

2019 data on a comparable basis, with the full-year application of the new taxation applicable from 1 January 2020 and consolidating Sporting Group over 12 months.

Stakes* (in € million)	Q1 2020	Q1 2019	Change
Total FDJ	4,108.1	4,340.7	-5.4%
Of which lotteries	3,334.1	3,386.2	-1.5%
Draw games	1,307.0	1,333.6	-2.0%
Instant games**	2,027.1	2,052.7	-1.2%
Of which Sports betting	766.5	936.2	-18.1%

Digitalised stakes**	823.4	833.6	-1.2%
Offline stakes	3,803.5	4,066.6	-6.5%

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

** Mainly scratch games (point of sale and online)

*** 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 distributor

In € million	Q1 2020	Q1 2019	Change
Stakes	4,108.1	4,340.7	-5.4%
Player payout	-2,773.9	-2,963.3	-6.4%
<i>Average PPO (%)</i>	<i>67.5%</i>	<i>68.3%</i>	
Gross gaming revenue (GGR)	1,334.2	1,377.5	-3.1%
Public levies	-837.6	-875.1	-4.3%
NGR – Other sports betting activities	3.9	3.6	8.6%
Net gaming revenue (NGR)	500.7	506.0	-1.1%
Revenue from other activities	10.6	9.7	9.8%
Revenue	511.2	515.7	-0.9%