



H1 2020 results

Investor presentation 29 July 2020

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Key highlights

- **H1 2020 rhythmmed by Covid crisis, with a decline in stakes limited to -18%**
 - Good momentum up until mid-March
 - Lockdown (from 16 March to 11 May)
 - Gradual recovery; 2019 levels reached mid-June
- **EBITDA margin safeguarded**
 - €80m cost reduction plan; 2/3 achieved in H1
 - Low sports betting player payout ratios
- **Confidence in the strength of FDJ's business model in an environment still uncertain**
 - The crisis validates Group's strategic initiatives, particularly online
 - A solid financial structure
 - Growth-generating investments maintained
- **Inscription of our "raison d'être" (purpose) in the introduction to the FDJ's bylaws**

FDJ Group: responsive, strong and supportive

H1 2020 key figures

Stakes
€6.9bn
-18.4%

-13% for lottery
-39% for sports betting
-21% at points of sale

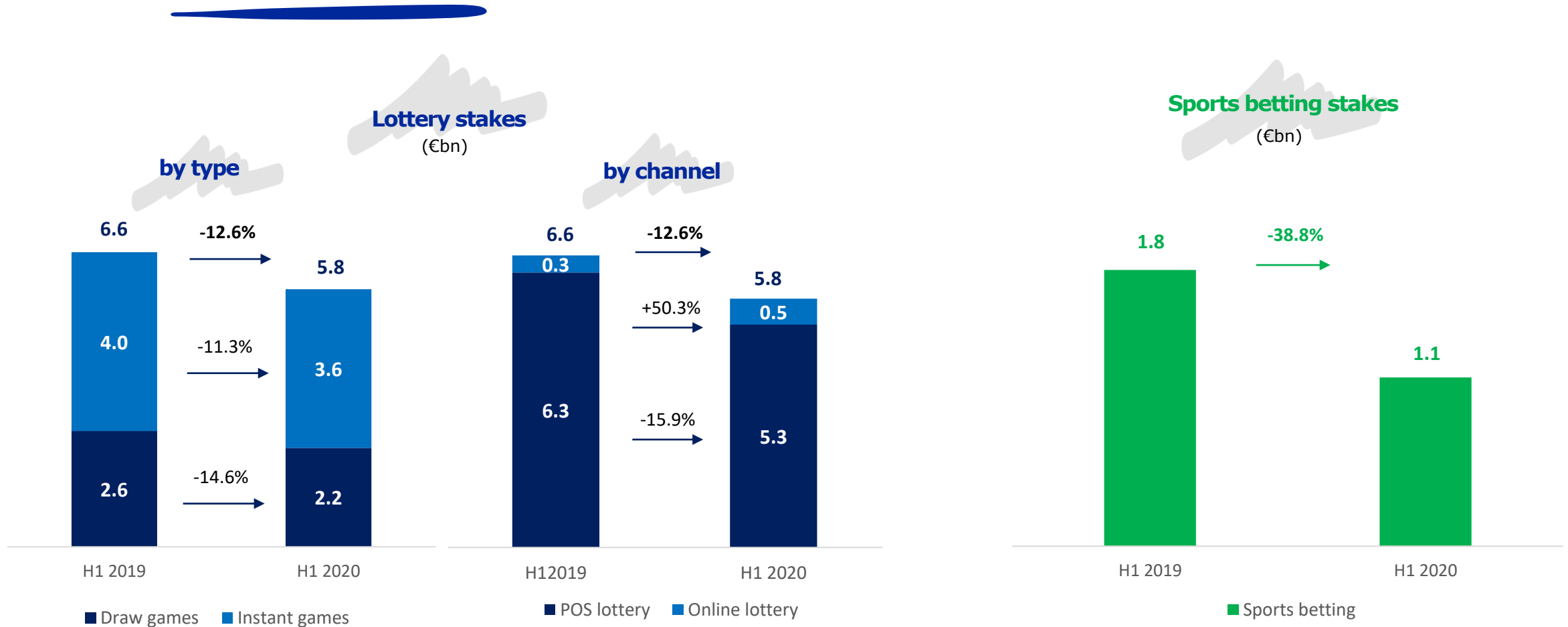
Revenue
€849m
-14.7%

-12% for lottery
- 26% for sports betting

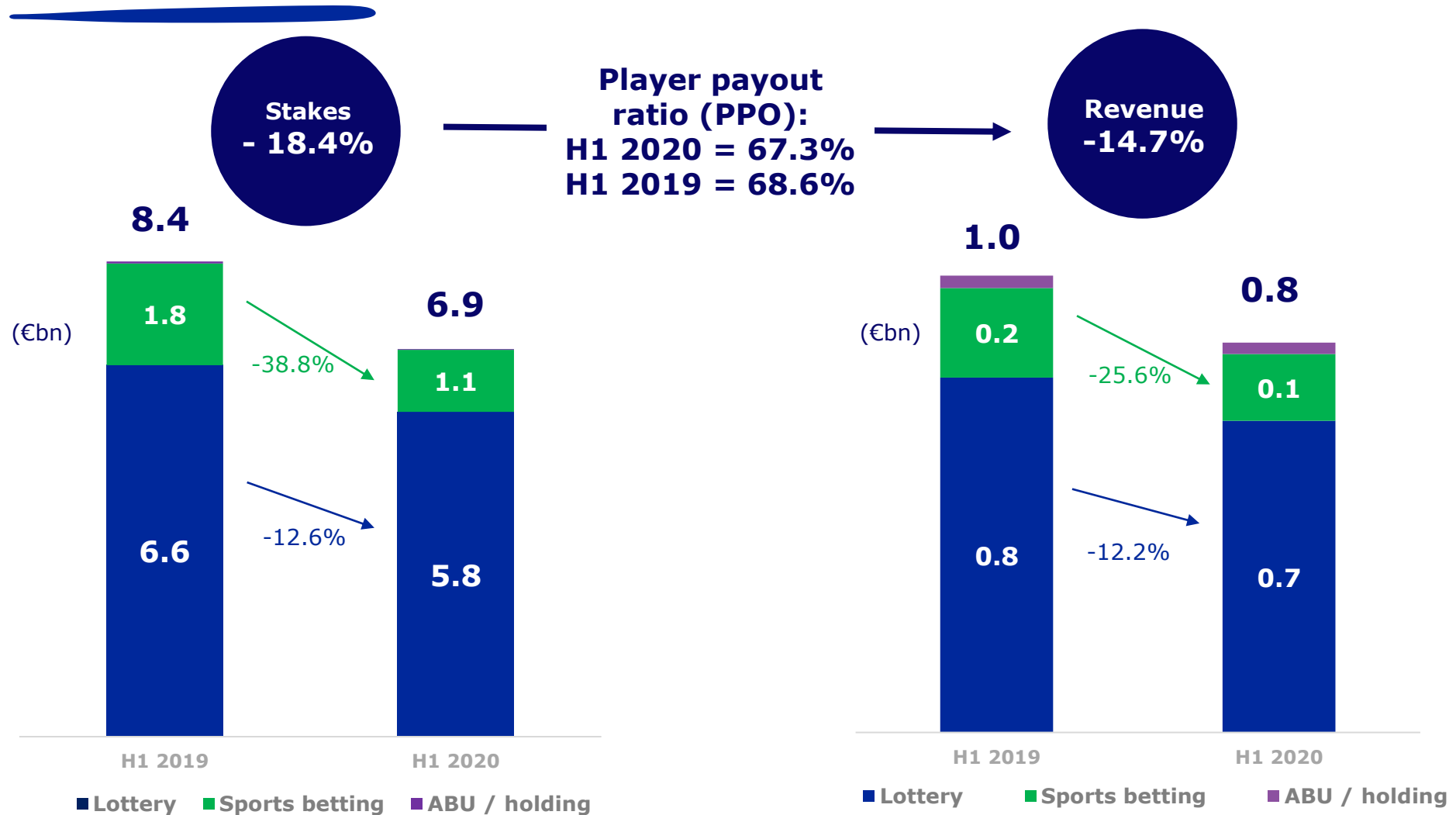
EBITDA
€174m
-16.4%
Margin 20.5%

-15% for lottery
-4% for sports betting

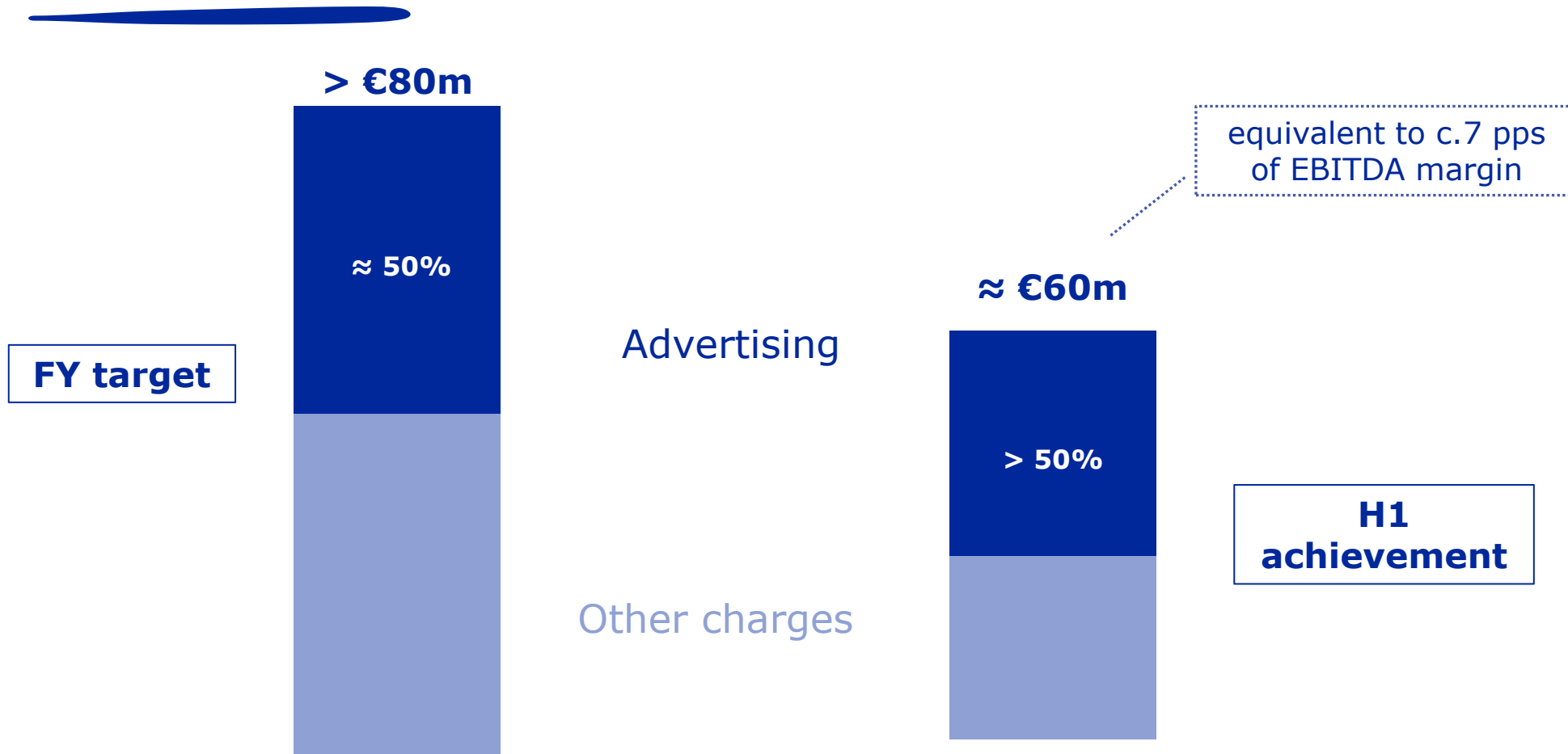
€6.9bn stakes reflecting sporting events shortage and lockdown; online lottery up sharply



Revenue down less than stakes due to low player payout



Cost reduction plan* – targeted: >10% of FY fixed costs**; achieved: >15% of H1 fixed costs**

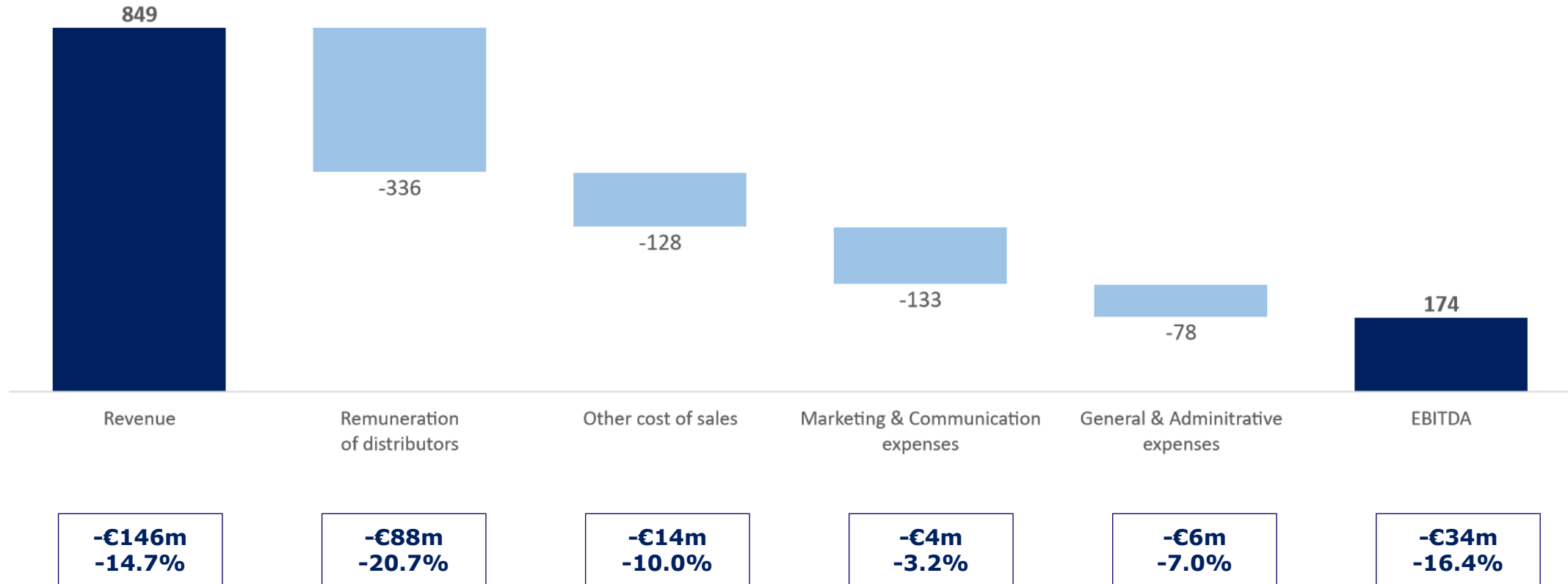


* Compared with costs initially budgeted for 2020

** Variable costs defined as fluctuating in line with activity levels; fixed costs defined as requiring management intervention to be adjusted

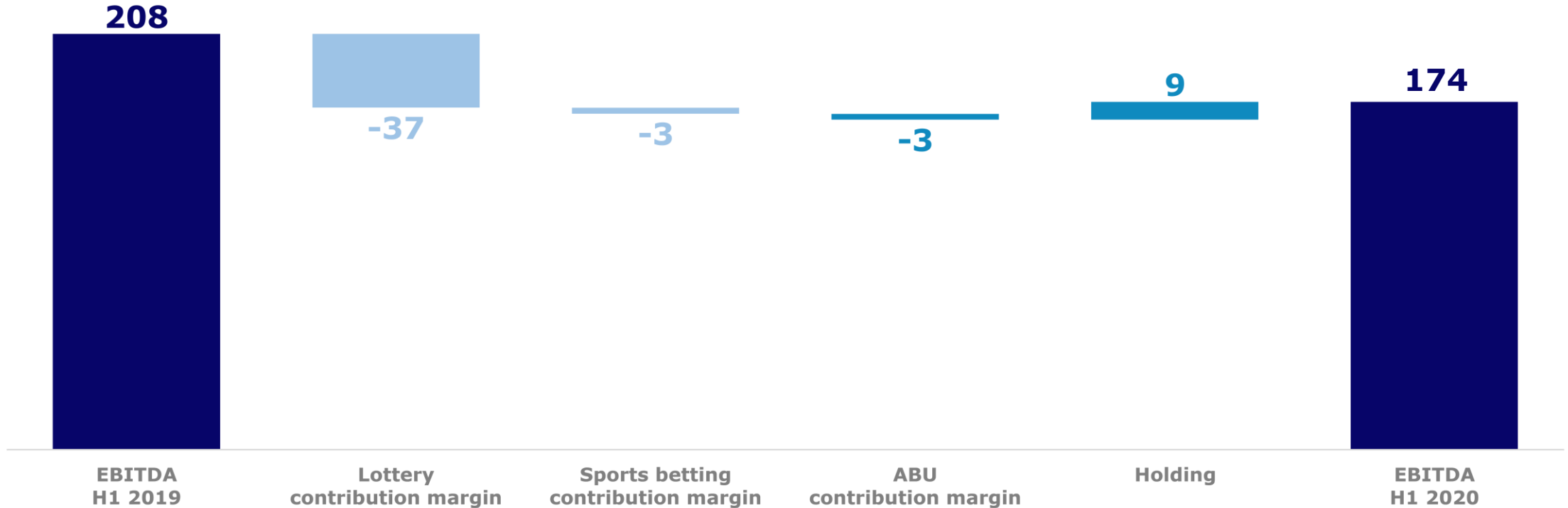
From revenue to EBITDA

(€m)



EBITDA: recurring operating profit before depreciation and amortisation

Maintaining an EBITDA margin >20% thanks to cost reduction plan

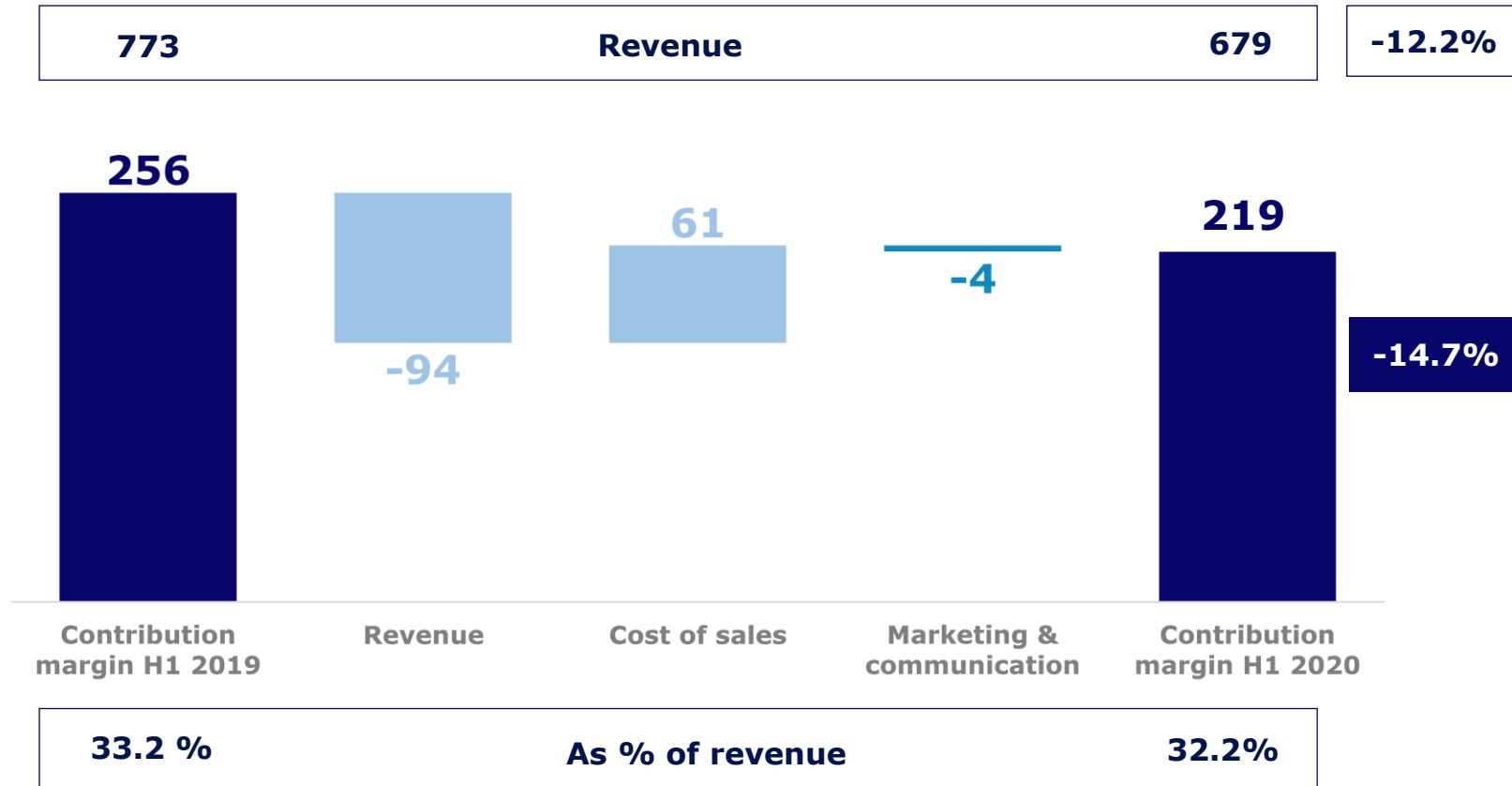
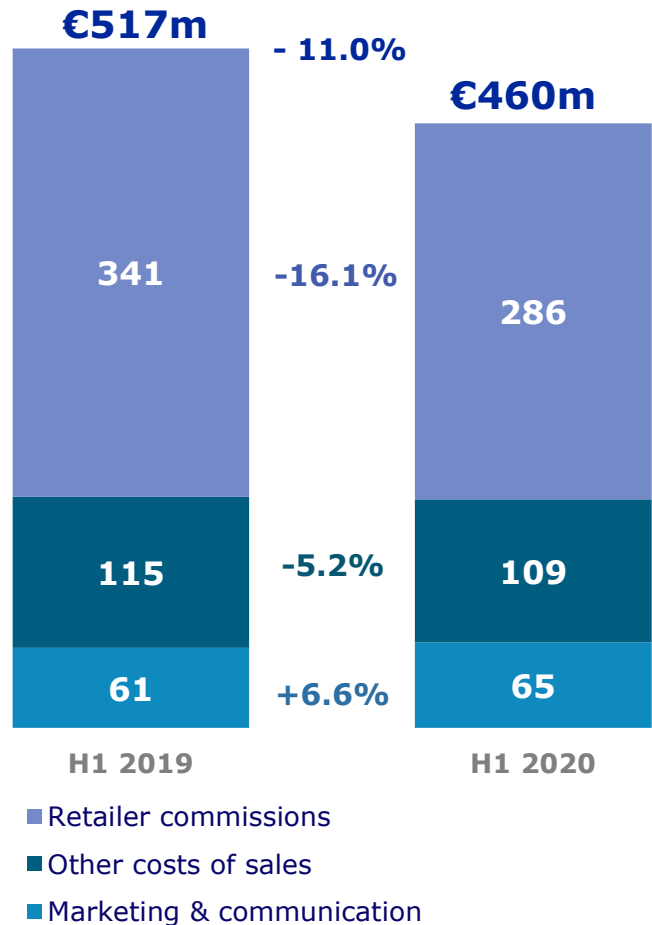


Margin **20.9%**

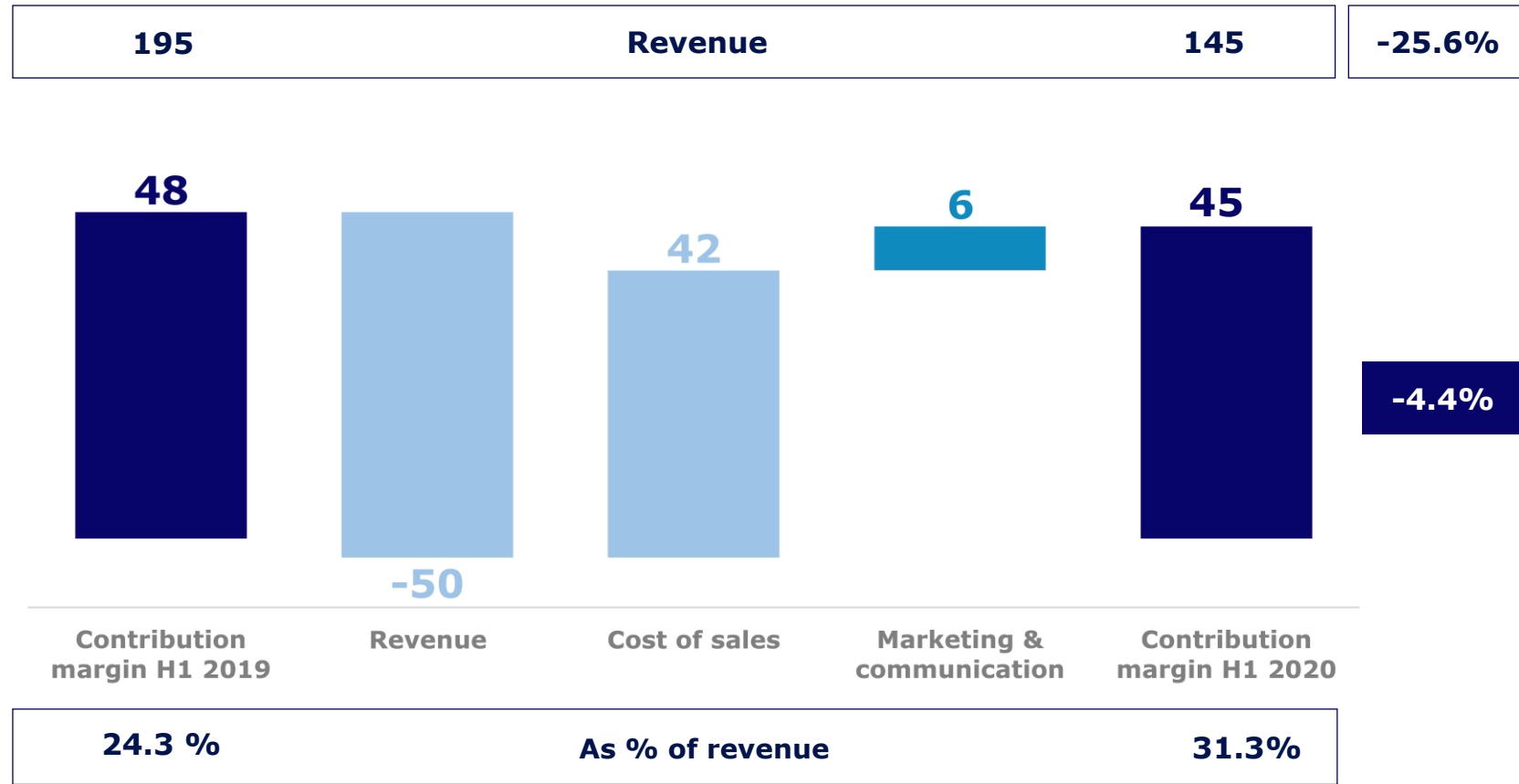
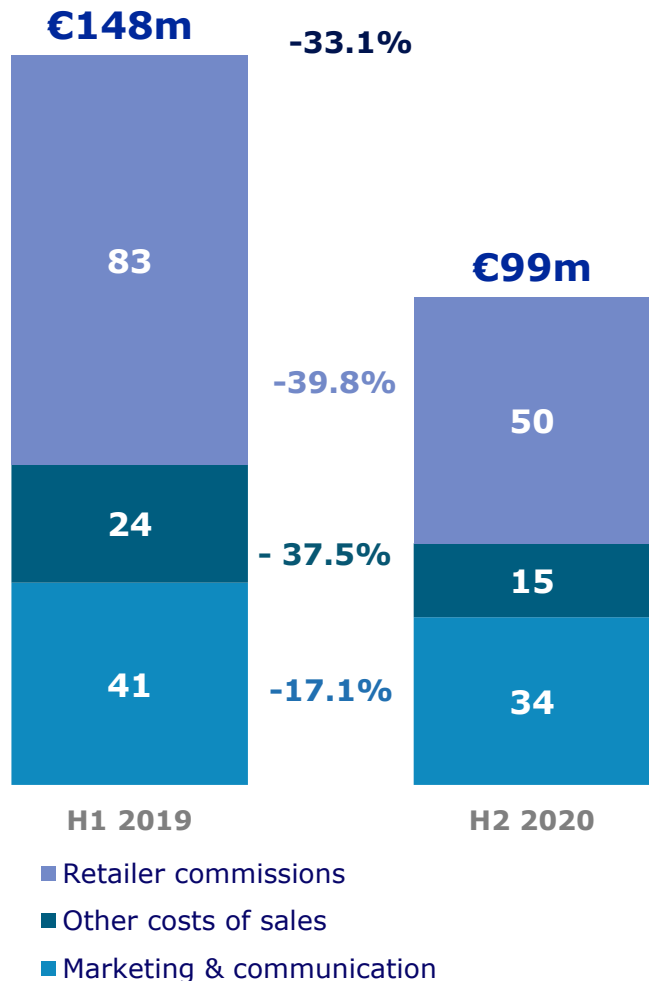
20.5%

EBITDA: recurring operating profit before depreciation and amortisation

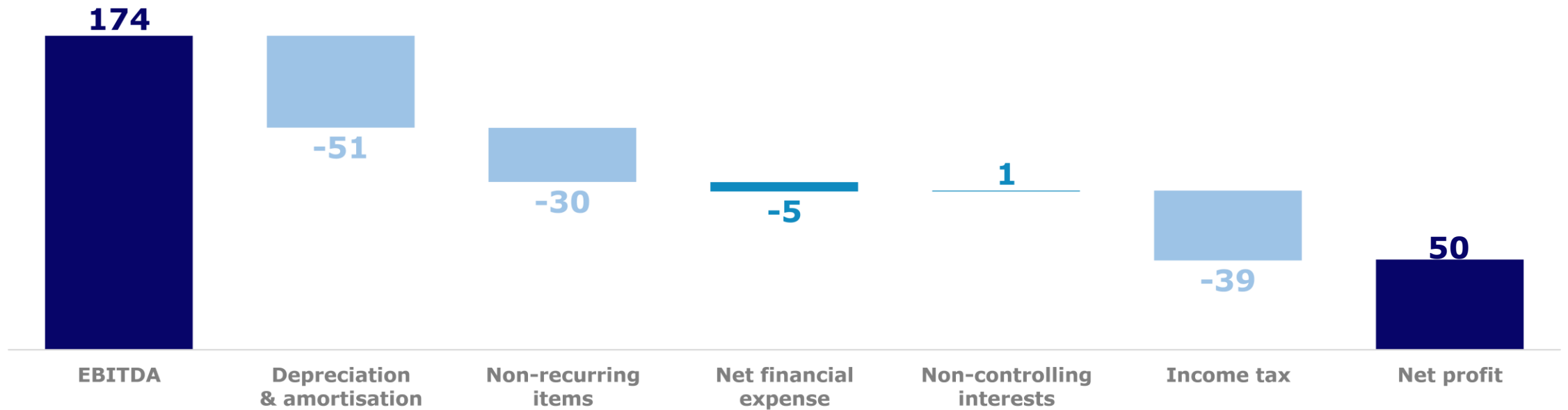
Lottery : contribution margin rate safeguarded at 32%



Sports betting: contribution margin rate up +7pps to 31.3% due to low player payout



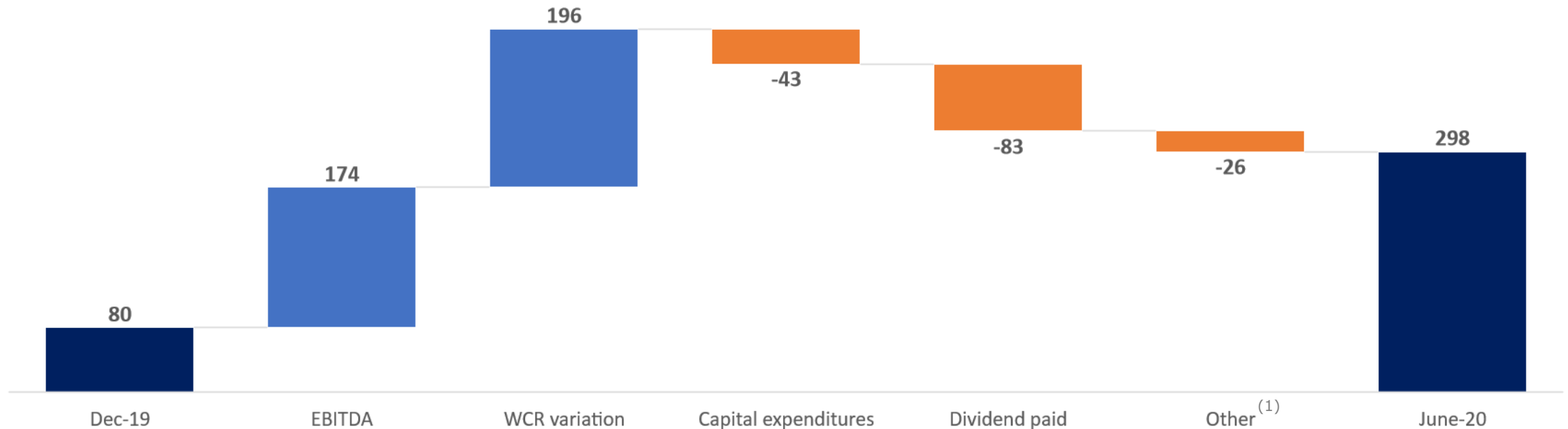
Net profit impacted by non-recurring items



EBITDA: recurring operating profit before depreciation and amortisation

Net cash surplus up +€218m at end-June 2020, driven by working capital movements

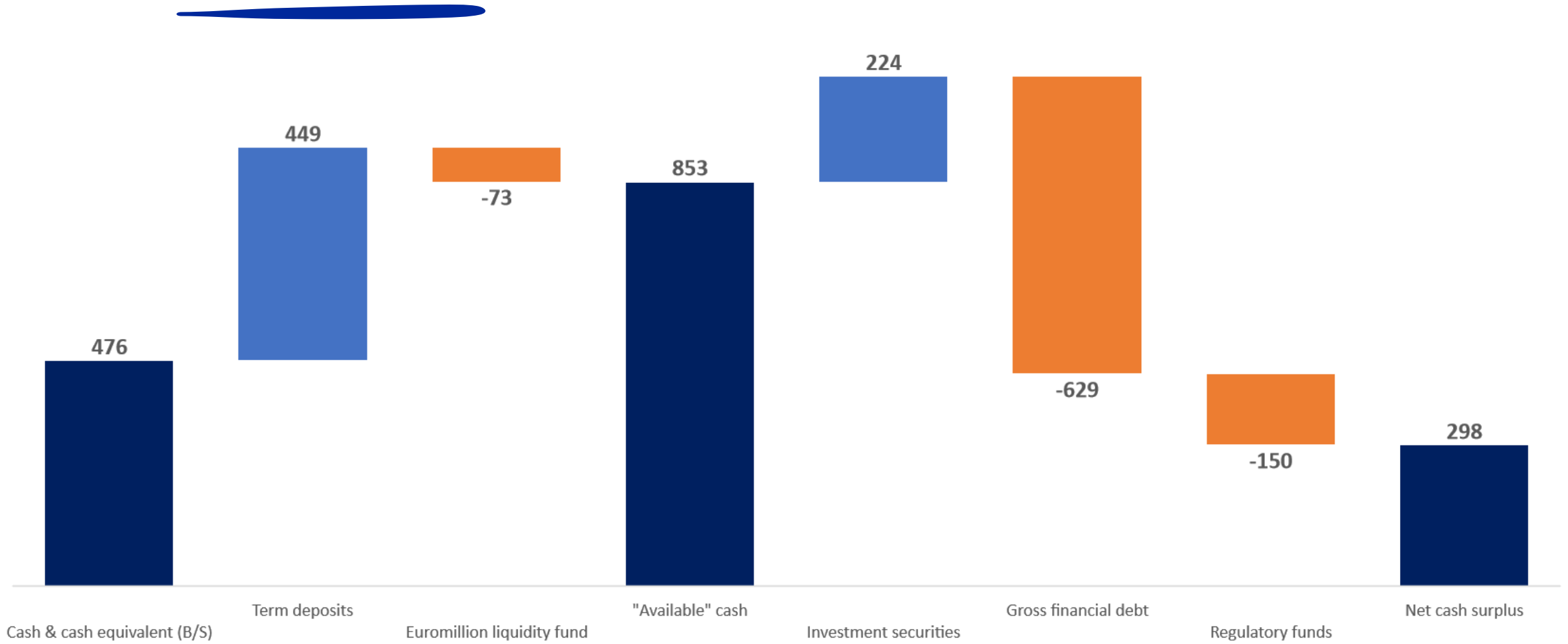
including timing differences in the payment of public levies



⁽¹⁾ Including tax paid of €25m

EBITDA: recurring operating profit before depreciation and amortisation

Available cash of more than €800m at end-June 2020





Appendix

Income statement H1 2020

In € millions

	H1 2020	H1 2019 (adjusted)	%	H1 2019 (published)	%
Stakes	6,898	8,454	(1,555) (18.4%)	8,420	(1,522) (18.1%)
Gross gaming revenue (GGR)	2,253	2,654	(401) (15.1%)	2,663	(410) (15.4%)
Net gaming revenue (NGR)	829	976	(147) (15.0%)	933	(104) (11.2%)
Revenue from other activities	20	19	+0 1.8%	11	+9 86.3%
Revenue	849	995	(146) (14.7%)	944	(95) (10.1%)
Remuneration of distributors	(336)	(424)	+88.0 (20.7%)	(424)	+88 (20.7%)
Other cost of sales	(128)	(142)	+14 (10.0%)	(140)	+12 (8.7%)
Marketing & Communication expenses	(133)	(138)	+4 (3.2%)	(127)	(6) 4.9%
General & administrative expenses	(78)	(83)	+6 (7.0%)	(76)	(2) 2.3%
EBITDA	174	208	(34) (16.4%)	177	(3) (1.8%)
EBITDA margin (% CA)	20.5%	20.9%	-0.4 bp	18.8%	+1.7 bp
Depreciation and amortisation	(50)	(43)	(7) 16.2%	(41)	(9) 21.6%
Recurring operating profit	124	165	(41) (24.9%)	136	(12) (8.9%)
Non recurring items	(30)			(7)	(23) -
Net financial expense	(5)			11	(16) -
Income tax	(39)			(44)	+6 -
Net result	50			96	(46) (47.6%)

EBITDA: recurring operating profit before depreciation and amortisation

Divisional information

30 June 2020							
<i>In € millions</i>	Lottery BU	Sport Betting BU	Other segments	Holding company	Total before depreciation and amortisation	Depreciation and amortisation	Total Group
Stakes	5,777	1,108	14	-	6,898		6,898
Gross gaming revenue	1,954	298	1	-	2,253		2,253
Net gaming revenue	677	145	6	-	829		829
Revenue	679	145	24	1	849		849
Cost of sales	(395)	(65)	(3)	-	(464)	(18)	(482)
Marketing and communication expenses	(65)	(34)	(21)	(12)	(133)	(14)	(147)
Contribution margin	219	45	(1)	(12)	251	(32)	219
General and administration expenses				(78)	(78)	(18)	(95)
EBITDA					174		
Depreciation and amortisation						(50)	
Recurring operating profit							124

30 June 2019 adjusted							
<i>In € millions</i>	Lottery BU	Sport Betting BU	Other segments	Holding company	Total before depreciation and amortisation	Depreciation and amortisation	Total Group
Stakes	6,610	1,810	34	-	8,454		8,454
Gross gaming revenue	2,251	403	-	-	2,654		2,654
Net gaming revenue	771	195	9	-	976		976
Revenue	773	195	27	-	995		995
Cost of sales	(456)	(107)	(3)	-	(566)	(19)	(585)
Marketing and communication expenses	(61)	(41)	(22)	(14)	(138)	(12)	(150)
Contribution margin	256	48	2	(14)	291	(31)	260
General and administration expenses				(83)	(83)	(12)	(95)
EBITDA					208		
Depreciation and amortisation						(43)	
Recurring operating profit							165

EBITDA: recurring operating profit before depreciation and amortisation

Balance sheet

<i>In € millions</i>	30 June 2020	31 December 2019 published	<i>In € millions</i>	30 June 2020	31 December 2019 published
Goodwill ⁽¹⁾	28	56	Equity	535	569
Exclusive operating rights	363	371	Non-current provisions	104	106
Intangible assets	162	148	Non-current financial liabilities ⁽²⁾	569	230
Property, plant and equipment	386	394	Deferred tax liabilities	26	25
Intangible and tangible assets	939	969	Non-current liabilities	699	361
Non-current financial assets	378	584	Current provisions	16	17
Investments in associates	15	15	Suppliers and other creditors	83	134
Non-current assets	1,332	1,568	Distribution network liabilities	231	278
Inventories	16	11	Public levies	541	415
Distribution network receivables	360	438	Winnings payable and distributable	244	189
Other receivables	328	347	Current player funds	176	157
Tax payable assets	6	19	Other current liabilities	182	170
Current financial assets	355	272	Current financial liabilities ⁽³⁾	165	567
Current assets	1,065	1,086	Current liabilities	1,638	1,926
Cash and cash equivalents	476	202	Total Equity and liabilities	2,873	2,856
Total Assets	2,873	2,856			

Working capital surplus (€m):

Jun 2020 : **747**
Dec 2019 : **529**

⁽¹⁾ 2020 : goodwill related to the acquisition of Sporting Group after impairment recorded at end-June 2020

⁽²⁾ 2020 : including €380m syndicated loan for the payment of exclusive rights to the French State

⁽³⁾ 2020 : including €103m of funds to be retroceded to the French State