

2023 Results presentation

15 February 2024

100% des gagnants vont tenter leur chance!

18 ANS

LES JEUX D'ARGENT ET DE HASARD PEUVENT ÊTRE DANGEREUX : PERTES D'ARGENT, CONFLITS FAMILIAUX, ADDICTION...
RETROUVEZ NOS CONSEILS SUR JOUEURS-INFO-SERVICE.FR (09 74 75 13 13 - APPEL NON SURTAXÉ)

Disclaimer

- This document may contain certain forward-looking statements which are based on estimations and forecasts available at the time this presentation was prepared. By their nature, these forward-looking statements are subject to important business, economic and competitive 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 (<https://www.groupefdj.com/en/investors/financial-publications.html>).
- These forward-looking statements should not be considered as a guarantee of future performance. Accordingly, there is no representation, warranty or assurance of any kind, express or implied, that the forward-looking statements are reasonable or will be realised and 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 after the date of this presentation. In addition, the provision of information in this presentation should not prevent the recipient carrying out its own enquiries in respect of the Transaction and information is provided on the basis that independent enquiries will be made by the recipient. 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 securities in FDJ or an invitation, solicitation or inducement to engage in any other investment activities. The information set out in this presentation will not form the basis of any contract and should not be relied on in relation to any contract or commitment.

Continued development of FDJ on a solid basis

Stéphane Pallez



Good momentum in 2023

Continuation of the Group's growth trajectory

- Good performance across all activities
- Further improvement in recurring EBITDA margin
- Strong increase in dividend
- Integration of PLI and ZEturf in line with expectations

Responsible growth

- Strengthened extensive and recreational gaming model
- Recognised societal commitments
- Performance benefiting all stakeholders

Revenue

€2,621m (+6.5%)

Recurring EBITDA*: €657m (+11%)

Margin: 25.1%

Dividend: €1.78 per share** (+30%)

Payout ratio: 80%

27m players

Extra-financial Rating

72/100 by Moody's ESG Solutions

Important contribution to public finances: €4.3bn

* Recurring EBITDA: recurring operating profit adjusted for depreciation and amortization

** Proposition to the General Meeting on 25 April 2024

Responsible growth based on recreational games and an extensive model

■ A portfolio of recreational games

- Launch of EuroDreams - New Amigo formula

■ A responsible gaming practice, within a large number of players

- Online Lottery: <2% of GGR generated by high-risk players

■ >10% of Group advertising budget allocated to responsible gaming

■ Supports the underage gambling prevention program implemented by the association ARPEJ

- 6,000 minors already aware of the risks associated with gambling

27m players



€10m gambling risks awareness program for youth (2023-2027)

Responsible growth with extra-financial performance maintained at the highest level

Rating

MOODY'S | ESG Solutions

72/100

#1 in the Hotels, Leisure and Services sector*

S&P Global

55/100

SUSTAINALYTICS

16,8
(low CSR risk)

Responsible gaming

100%

Certification



Equality

100/100

« Pénicaud »
Index

CSR valuation



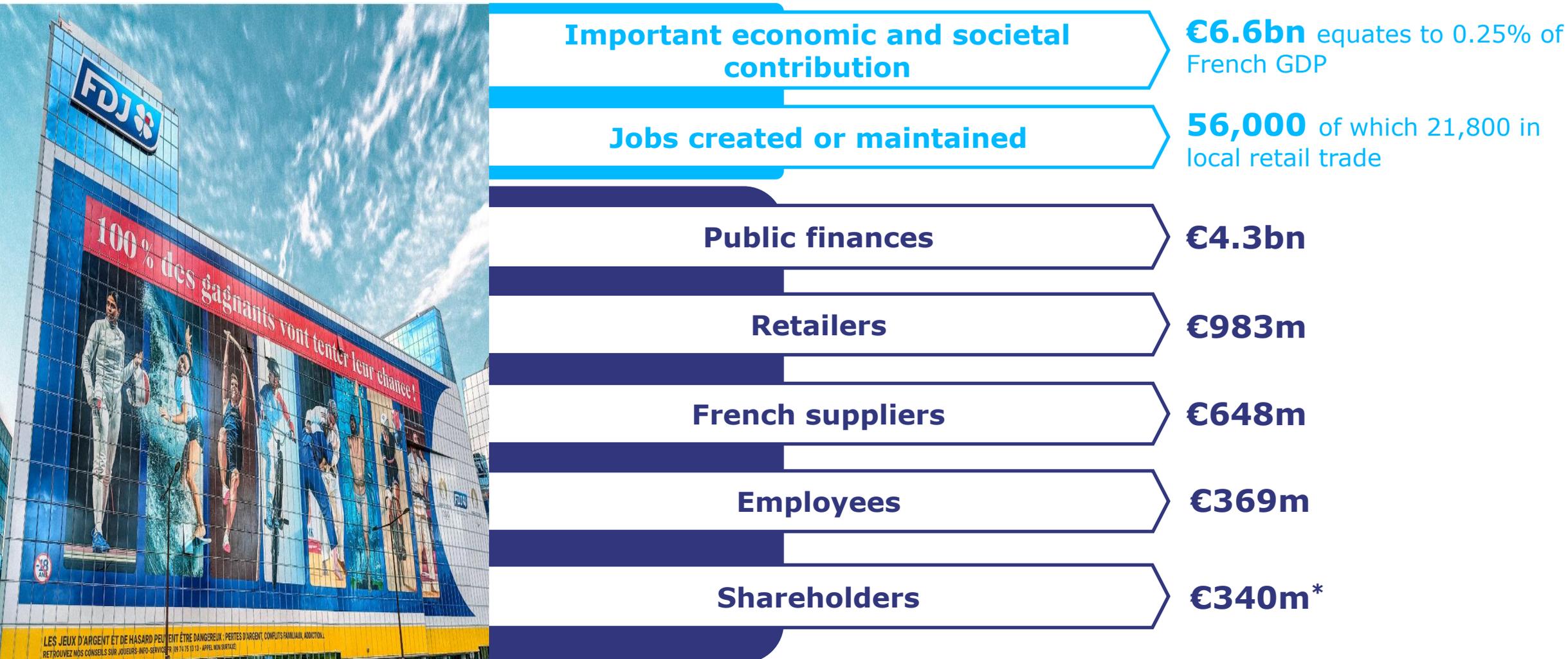
*Gold maintained
at 71/100*



B
(management level)

* over 44 companies

Responsible growth benefiting all stakeholders



* Proposition to the General Meeting on 25 April 2024

Sources: BDO-Bipe, FDJ

Good momentum in 2023: solid lottery fundamentals

Revenue: +1.1% at €1.9bn
+4.9% excluding Euromillions and Amigo

Instant games revenue +5.2%

- Successful games portfolio events

Draw games revenue -4.3%

- Drop (-47%) in the numbers of **EUROMILLIONS MY MILLION** high jackpot draws

- Still strong attractiveness of the game

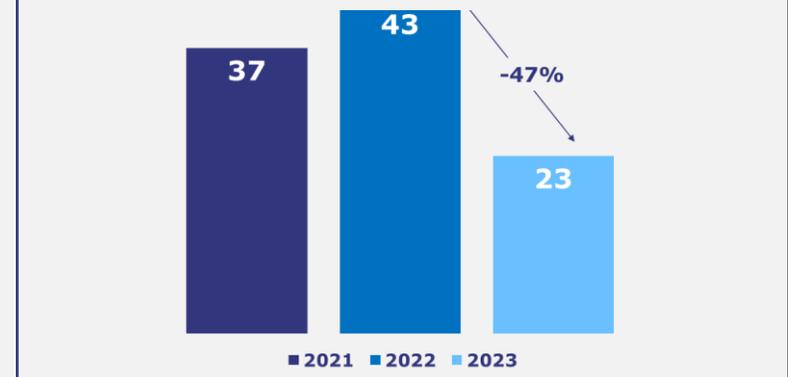
- Stakes' decrease (-25%) of new **amigo** formula

- Successful launch of **EURO DREAMS**

Online net gaming revenue (NGR)* growth +10%

- +17% excluding Euromillions

Number of Euromillions > €75m draws

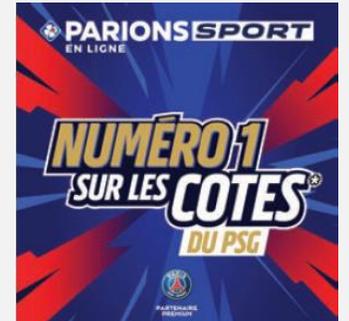


* NGR = Gross gaming revenue (GGR = stakes - players winnings) net of public levies on games

Good momentum in 2023: presence in all segments of sports betting and online gaming open to competition

Revenue: +10,9% at €0.5bn
+8.4% excluding ZEturf

- H1: benefits of Football World Cup and a more favourable football calendar
- Strengthening the offer's attractiveness
- Continued gains in online sports betting market share
- Q4: favourable sporting results for the operator
- Acquisition of ZEturf completed on 29 September
 - A stronger offering with the launch of ZE5ordre
- Success of the poker offering



c.20% of online sports betting players also play poker

Good momentum in 2023: growth on all our distribution channels

Point of Sale: NGR +2%

■ Solid and resilient network

■ >29,000 PoS

Online: NGR +19%

■ c.13% of total NGR

■ Sports betting and online gaming open to competition

■ +65% including ZEturf

■ Continued market share gains for online sports betting

■ Lottery

■ +10%



1 N 2 - 90 Mins		
Maccabi Haifa	Paris SG	
13,00	7,50 1,23	
Buteurs - 90 Mins		
Buteur	1er Buteur	Dernier Buteur
Kyllian Mbappe	1,80 3,80	3,80
Neymar	1,80 4,40	4,40
Lionel Messi	1,85 4,55	4,55
Hugo Ekitti	2,30 5,50	5,50
Pablo Sarabia	2,35 6,20	6,20
Carlos Soler	2,70 7,30	7,30

EuroDreams online stakes **>30%**

>5m online lottery players

o/W **>60%** play at PoS as well

Good momentum in 2023: development of other activities

Payment & Services

- Continued success of the DGFIP's offer

-  **nirio**
Vos services de paiement du groupe FDJ extension of the bill payment solution to private creditors (such as social landlords or motorway tolls)

Premier Lotteries Ireland

- Acquisition completed on November 3rd
- Successful launch of EuroDreams



2.8m of transactions: **+22%**



2024: Continuing the momentum



**Revenue up by c.+5%
in lottery and sports betting and online gaming
open to competition in France**

With the contribution of other activities (International, Payment & Services),
the Group's revenue growth should be c.+8%

**Recurring EBITDA margin
c.24.5%**

2024: Continuing the momentum

Lottery



- **Full-year effect of EuroDreams**
- **Continued impact of the new Amigo formula until early June**
- **Activating the Olympic and Paralympic games partnership**
 - Dedicated online game and instant game, a Paris 2024 Grand Loto and 7 Loto draws (special media campaign)

Sports betting & online gaming open to competition



- **A large number of sporting events**
 - Dedicated responsible gaming action plan for UEFA EURO 2024
- **New organisation in line with commitments made to the French competition authority**
 - Separation of players' accounts
 - Preparation for the spin-off of online activities

Tender offer for Kindred

Stéphane Pallez



A tender offer fully in line with FDJ's strategy, unanimously recommended by Kindred's Board of Directors

FDJ is committed to becoming a leading operator in Lottery and Online Betting & Gaming, with an expanding international footprint

FDJ recently acquired PLI (Irish Lottery) and ZEturf (competitive Online Betting & Gaming player mostly in France)

January 22nd, FDJ announced the launch of an all-cash recommended offer for Kindred, one of the leading European Online Betting & Gaming operators with strong capabilities, iconic brands and best-in-class technology platforms

FDJ's offer for Kindred unanimously recommended by Kindred's Board of Directors

Irrevocable commitments from 5 key shareholders cumulatively representing 27.9% of Kindred's share capital¹

¹ Based on shares outstanding (excluding treasury shares). Corvex Management LP 16.6%; Premier Investissement SAS 4.0%; Eminence Capital 3.5%; Veralda Investment 2.3%; Nordea 1.5%.

FDJ + Kindred = a European champion with a diversified profile and enhanced performance

> **Creation of a European gaming champion with increased scale, technology capabilities and greater diversification**

> **Combined 2023 Gross Gaming Revenues¹: ~€8bn**
% of International GGR: 20%
% of Online GGR: 29%

> **Consistent with best-in-class sustainability and responsible gaming approach**

> **Combined Group to operate exclusively in locally regulated markets**

> **Combined Group to benefit from significantly stronger revenue and earnings growth as well as increased operating leverage**

> **>50bps GGR¹ yearly growth acceleration**
>50bps yearly EBITDA² margin³ accretion
EBITDA to FCF⁴ conversion rate maintained >80%

> **Value creating transaction leading to significant increase in shareholder returns**

> **Optimized capital structure**
More than 10% accretion in DPS driven by continued high pay-out ratio commitment set at 75% of adjusted net income

¹ Across the presentation: "Gross Gaming Revenue (GGR)" refers to Total Revenue as reported by Kindred (= Gross Winning Revenue from B2C + Other revenue from B2B activities) and to Gross Gaming Revenue as reported by FDJ. Gross Winning Revenue (GWR) as reported by Kindred defined as the net gain or loss from bets placed after the cost of promotional bonuses within the financial period, which is consistent with the Gross Gaming Revenue (GGR) as reported by FDJ.

² Across the presentation: "EBITDA" refers to Underlying EBITDA as reported by Kindred and to Recurring EBITDA as reported by FDJ.

³ As% of Revenue as per FDJ definition: Net Gaming Revenue (Gross Gaming Revenue - betting duties) + Revenue from B2B activities.

⁴ FCF defined as (EBITDA - Capex - Change in Working Capital). EBITDA to FCF conversion defined as FCF / EBITDA.

Tender offer key highlights

Transaction

- Unanimous recommendation from Kindred's Board of Directors
- Irrevocable commitment by existing shareholders representing 27.9% of Kindred's share capital¹
- Following strategic review initiated on April 26th, 2023

Offer price

Offer price of SEK 130, representing a premium of 24% vs. latest Kindred's closing price as of January 19th, 2024; a premium of 35% vs. 30-day VWAP and a premium of 36% vs. 90-day VWAP

- Total consideration of €2.5bn Equity Value² and €2.6bn Enterprise Value³, representing a multiple of 10.9x Kindred's 2023 Underlying EBITDA⁴
- Fairness opinion issued by Jefferies to the Board of Directors of Kindred

Financing Package

- Transaction financed via cash-on-hand and acquisition bridge loan
- Aiming for mid-term Net Debt / EBITDA \leq 2.0x
- Targeted Investment Grade rating profile of combined Group

Main Offer Conditions

- Receipt of regulatory approvals
- Minimum acceptance by more than 90% of Kindred's shareholders, corresponding to squeeze-out threshold
- Change of Kindred's articles of association to allow squeeze-out at 90% ownership

¹ Based on shares outstanding (excluding treasury shares). Corvex Management LP 16.6%; Premier Investissement SAS 4.0%; Eminence Capital 3.5%; Veralda Investment 2.3%; Nordea 1.5%.

² Based on Basic NOSH of 215,008,190 (corresponding to shares outstanding of 230,126,136 as of 31-Dec-2023, excluding treasury shares of 15,117,946 as of 31-Dec-2023).

³ On the basis of an Equity Value to Enterprise Value bridge of €154m in line with Kindred's net cash position and liabilities associated with dilutive equity instruments as at 31-Dec-23 and other debt like items including IFRS-16 lease liabilities and other balance sheet liabilities based on latest available financials as at 30-Sep-23. Converted at spot EUR/GBP FX rate of 1.16568 as of 19-Jan-2024.

⁴ Kindred's reported 2023A underlying EBITDA of £205m (corresponding to €238m converted at spot EUR/GBP FX rate of 1.16568 as of 19-Jan-2024).

Key milestones of the tender offer

Execution Timeline

- **January 22nd**: Offer announcement
- **February 16th**: Kindred's AGM (another AGM may be called for March 15th)
 - Kindred's Articles of Association amended to authorize the squeeze-out procedure from 90% of the capital held
- **February 19th**: filing of the offer document with the Swedish Financial Supervisory Authority
- **February 20th – November 19th**: Offer period
 - Completion subject to obtaining regulatory approvals and holding at least 90% of Kindred's share capital

2023 Results presentation

Pascal Chaffard



Very good financial performance in 2023

Revenue

€2,621m

+7%

Recurring EBITDA*

€657m

+11%

Free cash-flow***

€586m

+8%

Net profit

€425m

+38%

Margin
25.1%**

Recurring EBITDA to free cash-flow conversion

89%

Net cash surplus

€671m

* Recurring EBITDA: recurring operating profit adjusted for depreciation and amortization

** 24.3% excluding non-replicable year-end items

** Free cash-flow: recurring EBITDA + net change in working capital - capital expenditure ; adjusted for calendar impact on working capital and unclaimed winnings

Revenue growth of +7%

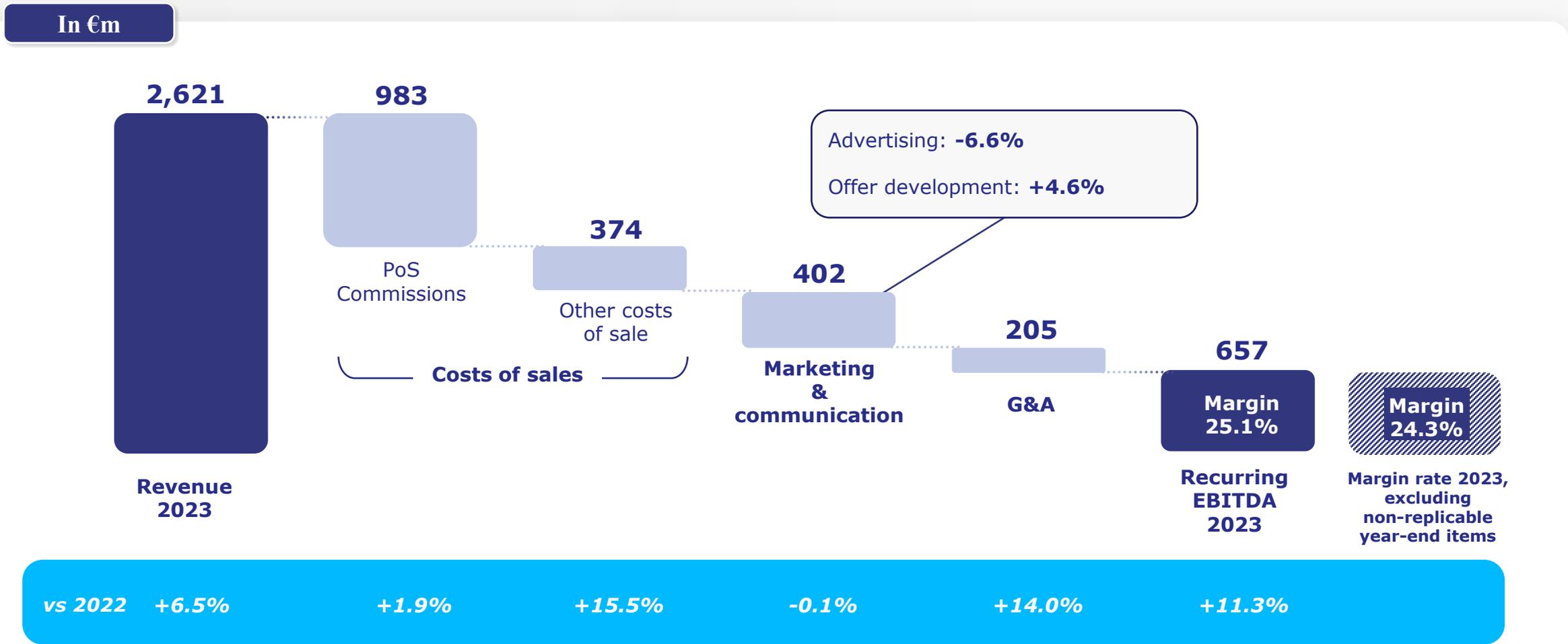
In €m

Revenue by activity

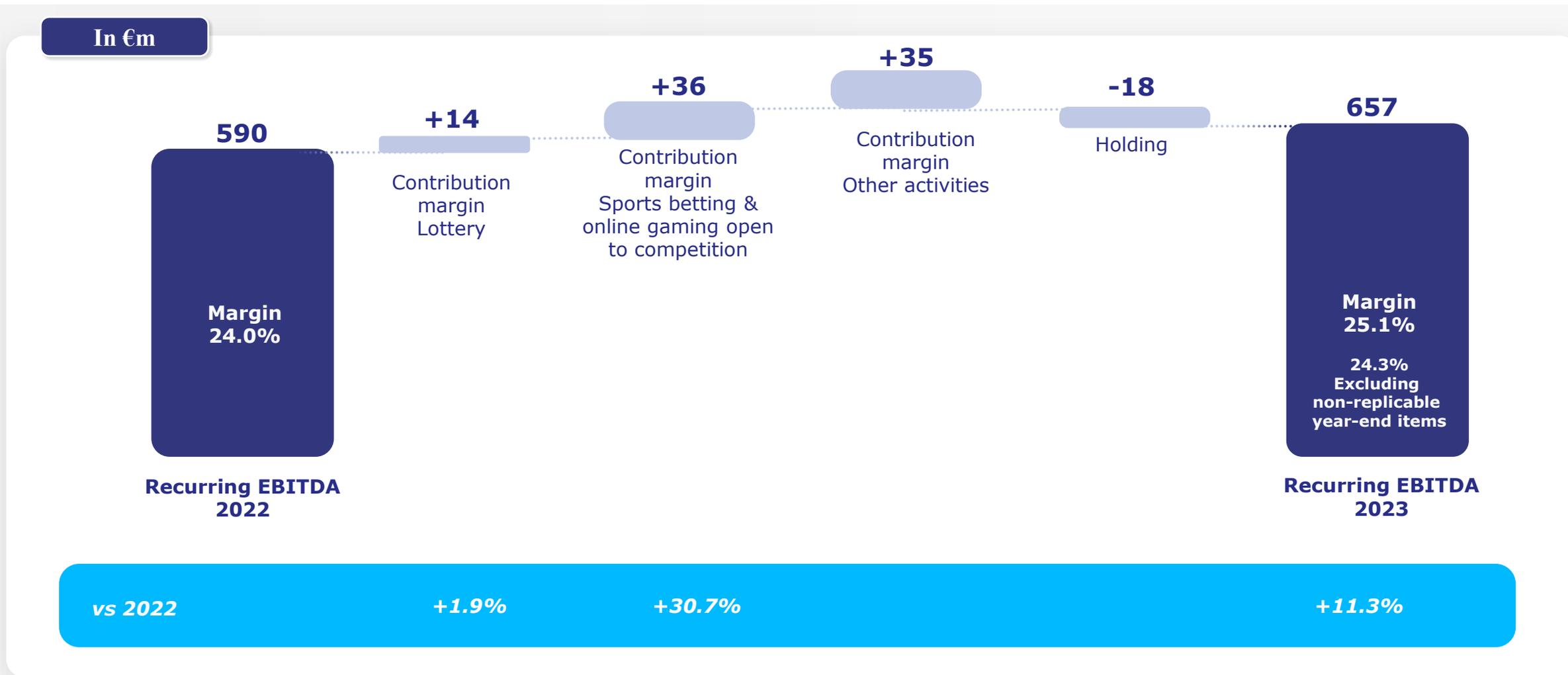


* +26.5% versus 2022 restated to include Aleda and L'Addition on a full-year basis

Recurring EBITDA up + 11%



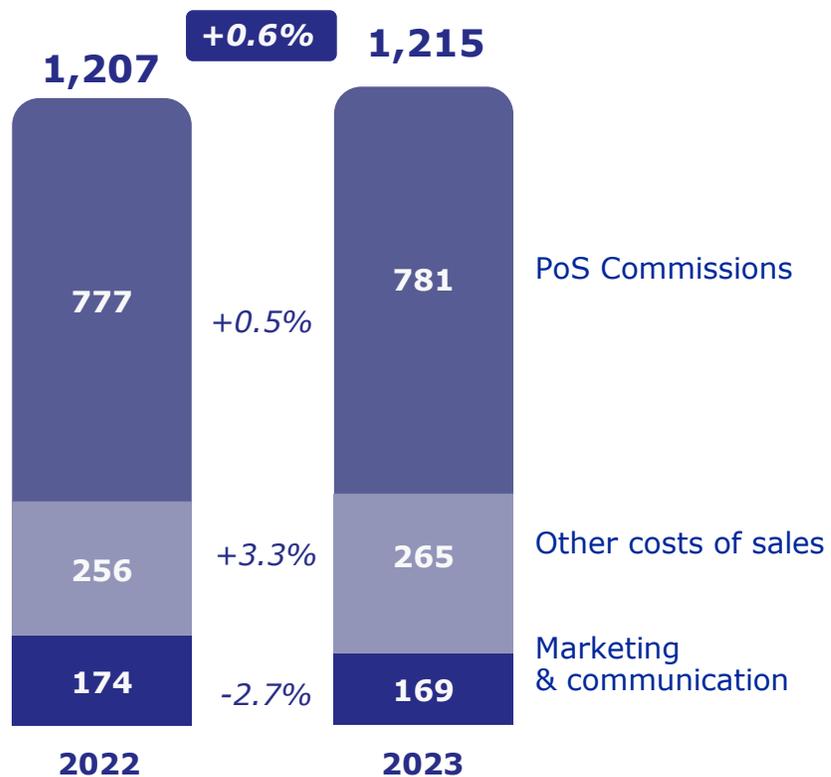
Breakdown of recurring EBITDA margin by activity



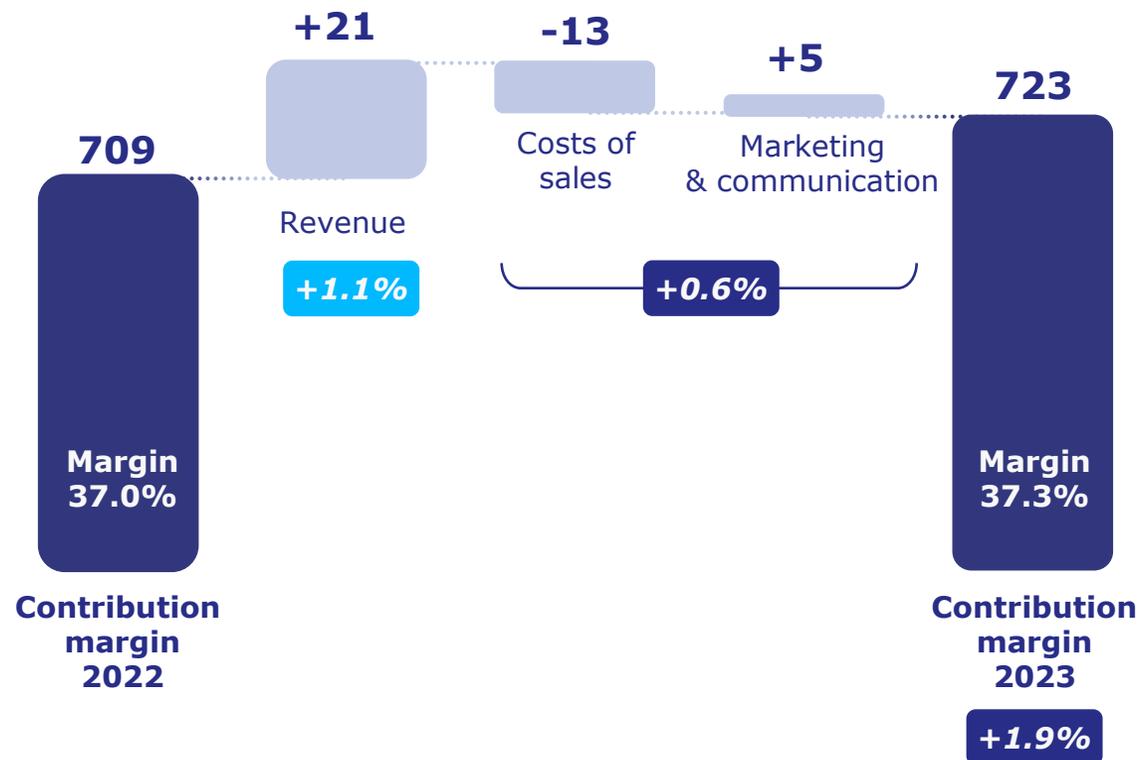
Lottery: contribution margin up to 37.3% (+30 bp)

In €m

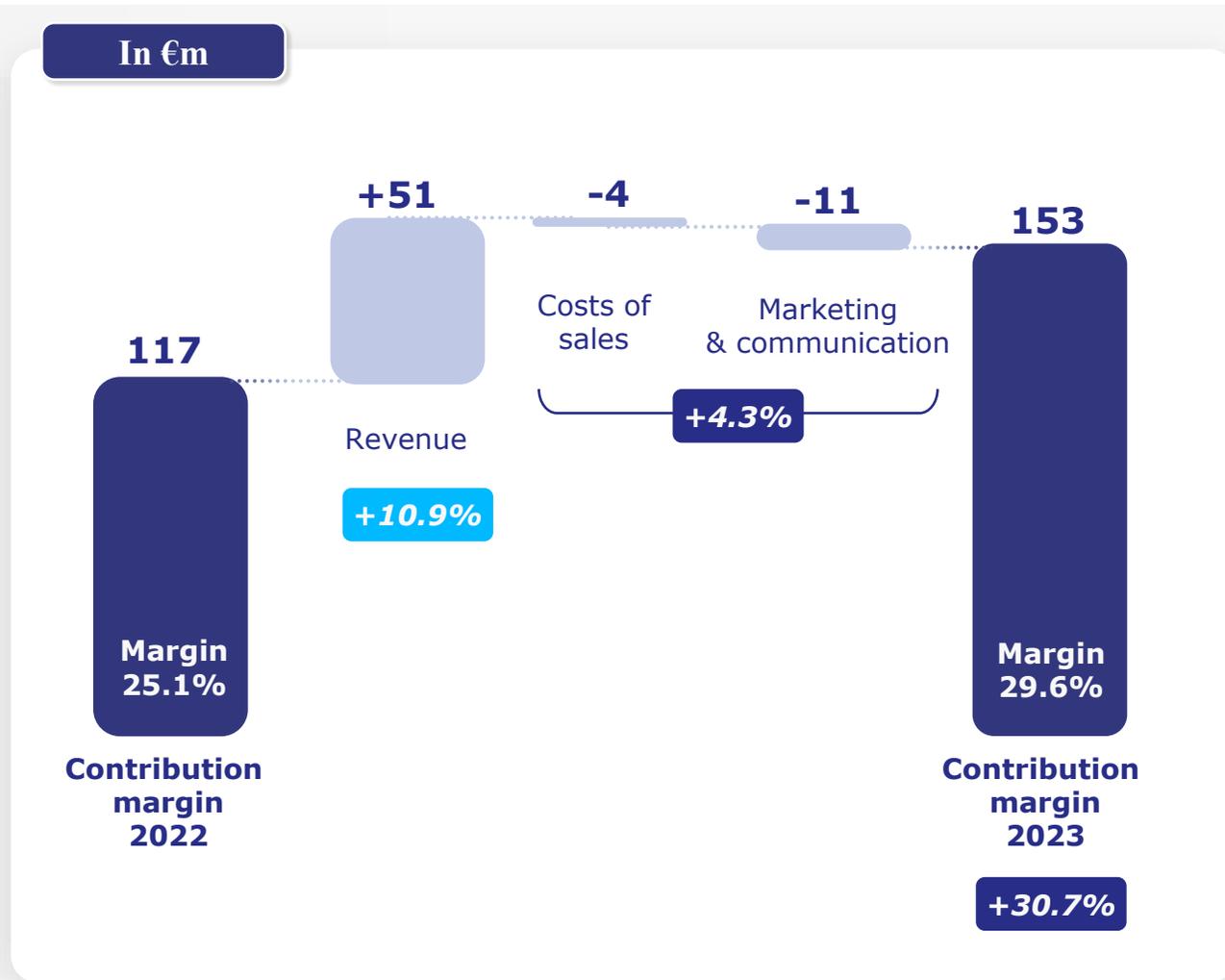
Costs structure



In €m

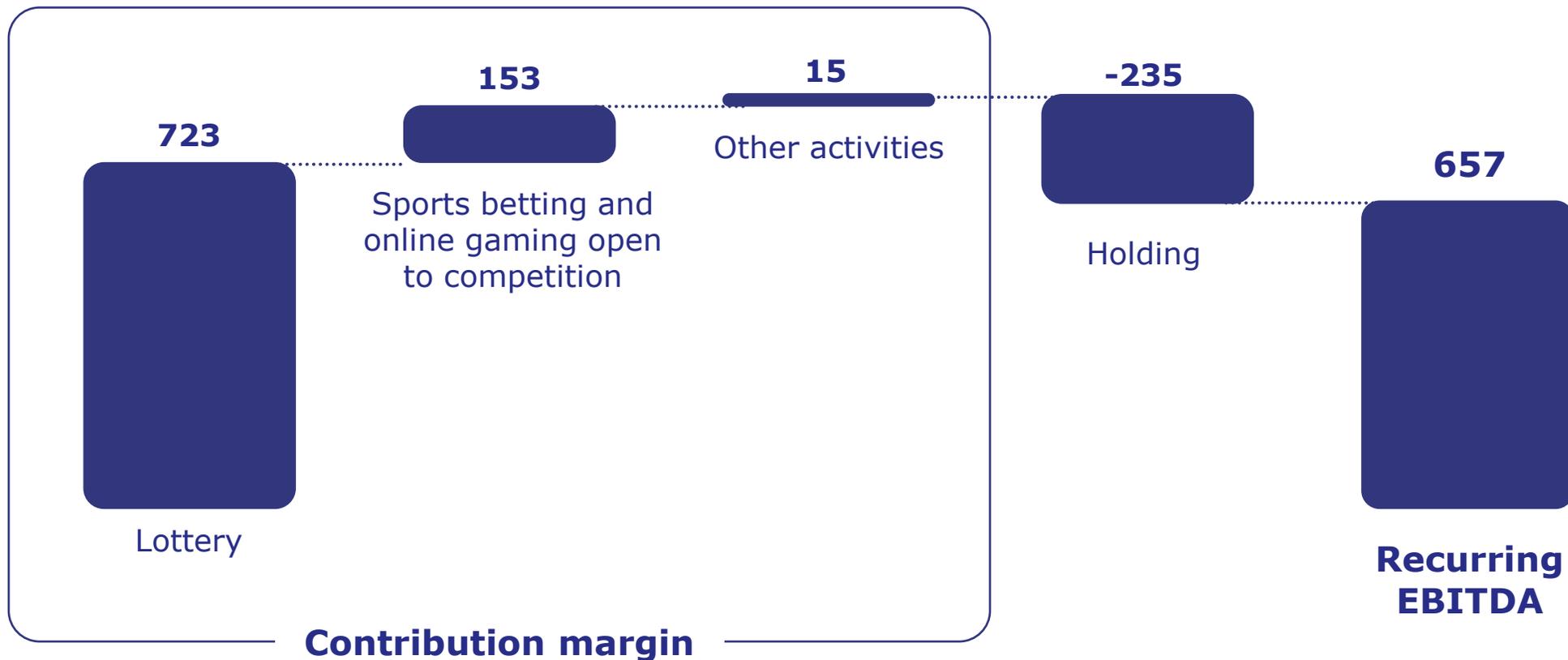


Sports betting and online gaming open to competition: contribution margin of 29.6%



2023 recurring EBITDA split

In €m



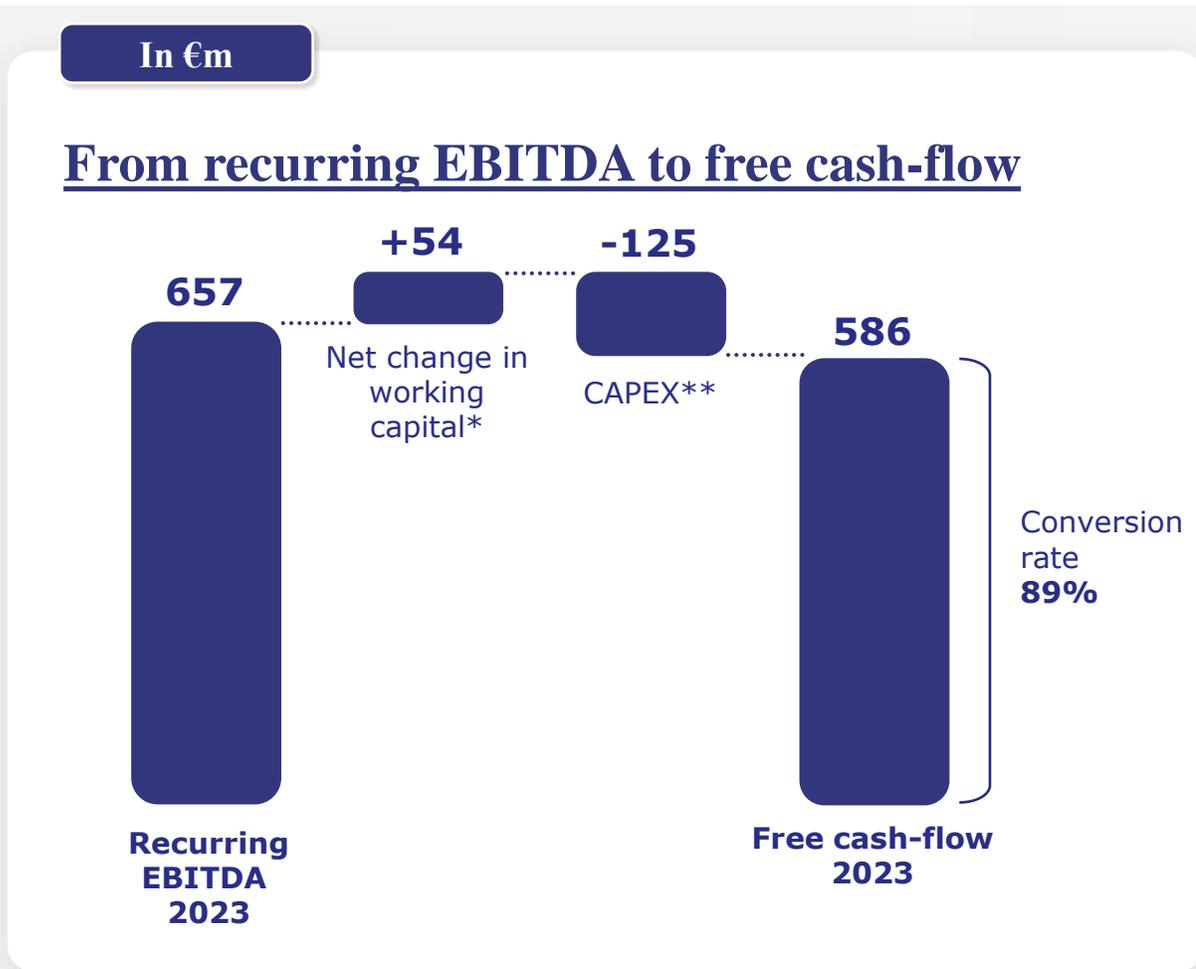
From recurring EBITDA to net profit

In €m

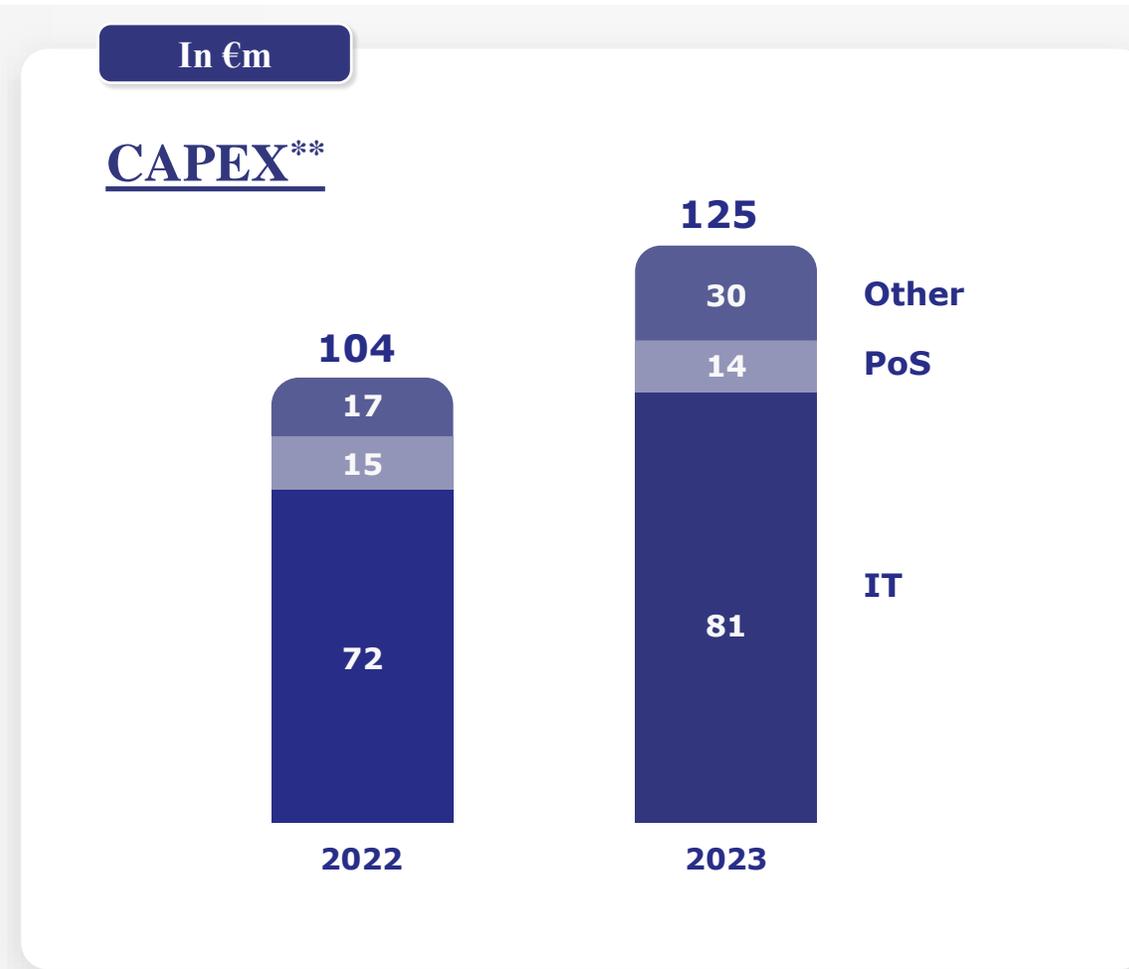


vs 2022 +11.3% +38.1%

89% recurring EBITDA to free cash-flow conversion



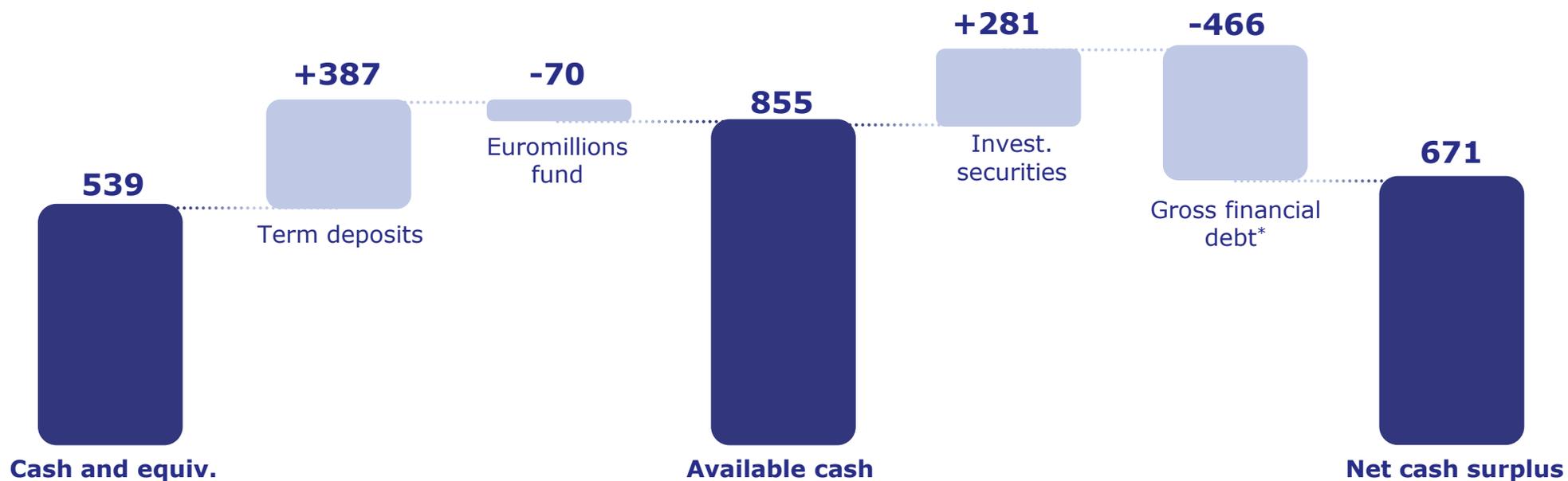
* Adjusted for calendar impact on working capital and unclaimed prizes



** Intangible and tangible assets

Available cash of €855m

In €m



* Including derivatives

2023 Results presentation

15 February 2024

100 % des gagnants vont tenter leur chance!

18 ANS

LES JEUX D'ARGENT ET DE HASARD PEUVENT ÊTRE DANGEREUX : PERTES D'ARGENT, CONFLITS FAMILIAUX, ADDICTION...
RETROUVEZ NOS CONSEILS SUR JOUEURS-INFO-SERVICE.FR (09 74 75 13 13 - APPEL NON SURTAXÉ)