



THE HOME OF BETTING

William Hill PLC corporate presentation
November 2016

William Hill, the official betting partner of the Australian Open, is the first bookmaker to sponsor a Grand Slam tennis tournament. The image shows Andy Murray in the final against the tournament's ultimate winner, Novak Djokovic.

William **HILL**
THE HOME OF BETTING

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Latest trading update highlights¹

- Improved mobile Sportsbook returns Online to growth
 - UK Sportsbook amounts wagered +6%² following mobile Sportsbook enhancements in Q2
 - Mobile Sportsbook amounts wagered +19%
 - H2 year to date focused on improvements to gaming, UX and marketing
- Roll-out of 2,000 proprietary self-service betting terminals completed in Retail
- Positive performance continuing in international markets with double-digit wagering and net revenue growth in Australia, the US and Italy and Spain
- Continue to expect full-year operating profit³ to be at the top end of previous £260-280m guidance, subject to normalised gross win margins in the rest of the year
- Opportunities for material Group operating efficiencies identified for delivery in 2017 and beyond
 - c£15m of digital marketing spend already identified to be used to drive faster digital net revenue growth

1. Numbers are based on the Group's latest trading update (14 November 2016) for the unaudited 17 weeks from 29 June to 25 October 2016 (H2 year to date) and the 43 weeks to 25 October 2016 (year to date or YTD). Comparatives relate to the equivalent weeks in 2015

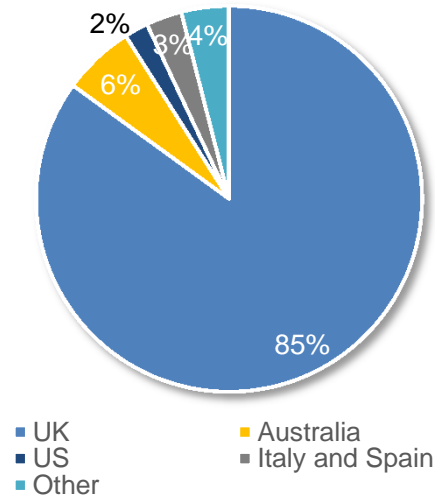
3 2. Excluding Telephone

3. Operating profit is defined as adjusted profit before interest and tax. Further detail on adjusted measures is provided in note 3 to the half-year report

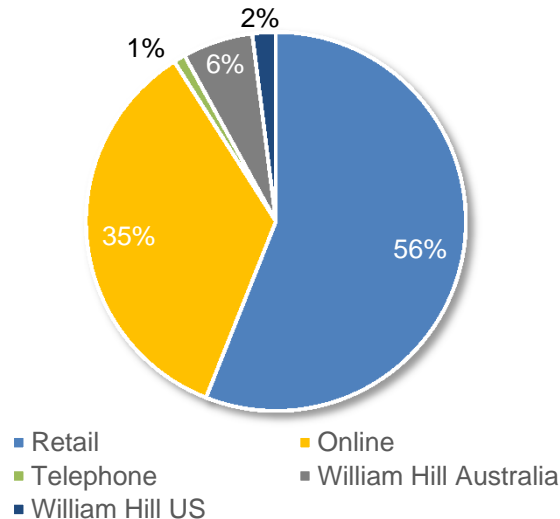
William Hill at a glance

- One of the world's leading multi-channel betting and gaming companies
- Scale operation with highly cash generative Retail business funding growth investment
- c16,000 employees in nine countries
- A balanced business: 53% betting and 47% gaming
- Successful multi-channel model: 59% land-based and 41% digital
- UK-focused with increasing international reach: 85% UK and 15% international

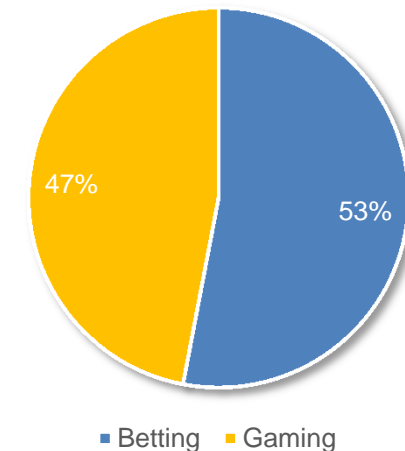
Revenue by geography



Revenue by business segment



Revenue by product type



Strategy and current priorities

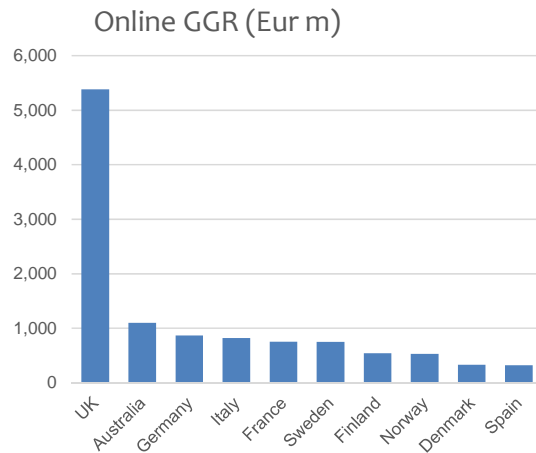
Increase the Group's diversification by growing digital and international revenues

1. Maintain the pace of Online's turnaround
2. Deliver our technology roadmap
3. Drive increased efficiencies across the Group
4. Refocus the international growth and expansion

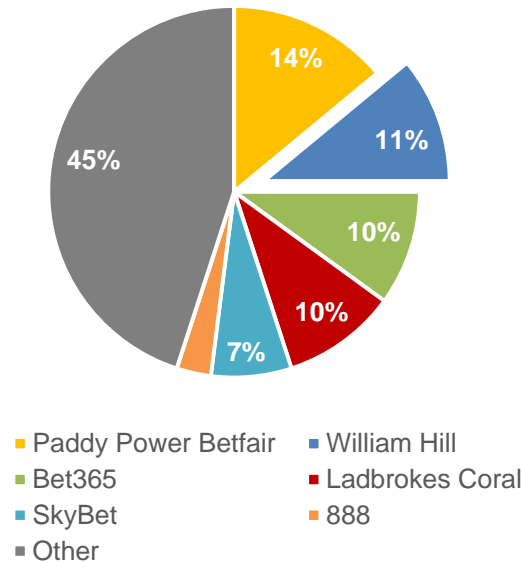
Online

- Competitive position in rapidly growing online gambling markets
- Top 3 positions in core regulated markets – UK, Italy, Spain
- Track record of differentiation supported by proprietary technologies
- Large-scale investment in marketing and high-brand awareness and consideration
- £550.7m net revenue and £126.5m operating profit in 2015

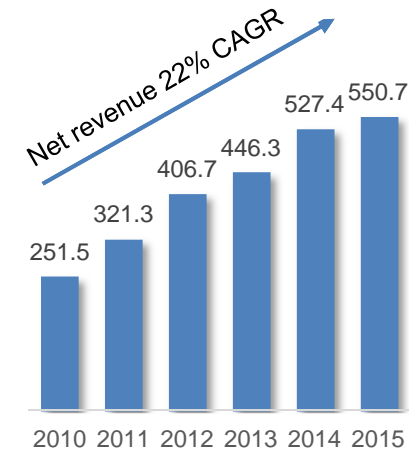
UK is the largest online market¹



UK online market share²



Net revenue growth



1. H2GC
 2. Gambling Compliance Research Services, 2015 UK market share (October 2016). Pro forma combination of Paddy Power + Betfair share and Ladbrokes + Coral share

Online: returning to growth



Q2 Sportsbook enhancements

- UX across the mobile site
- Bet Suggestions
- In-app messaging
- Live score pushes
- Cross-sell
- Betting shop TV
- Cash In
- Search
- Enhanced prices
- Languages

Other improvements so far...

- Fast-loading gaming lobby in Sportsbook
- Casino, Live Casino and Games redesigns
- Customer funnel optimisation
- Removed loss-leading campaigns
- Reduced bonus abuse
- More investment in programmatic marketing
- Offer Club launched

The key priorities

- Upgrading Sportsbook (H1 2016) ✓
- Upgrading gaming (H2 2016) Q1
- Improving key customer journeys (H2 2016) H2
- Initial improvements to acquisition ✓
- Marketing efficiencies H1 2017

Encouraging early signs in H2¹

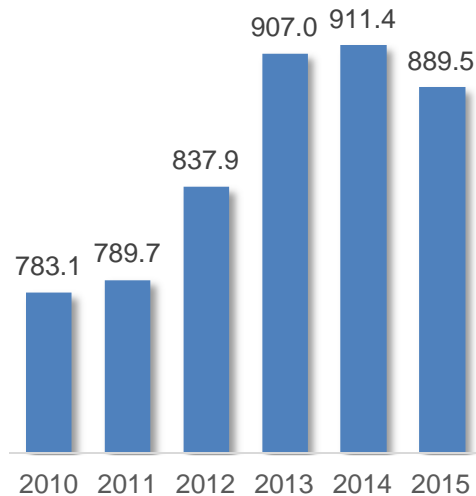
- Average revenue per user +16%
- Average amounts wagered per Sportsbook active +17%
- More revenue and higher retention rates from new accounts

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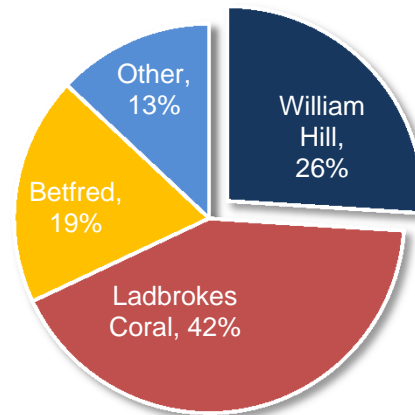
UK Retail

- Largest business segment, representing 56% of revenue
- Second largest operator with 2,371 LBOs¹, equivalent to 26% market share²
- 48% betting (OTC) and 52% gaming (machine)
- £889.5m net revenue and £171.4m operating profit in 2015
- Resilient, cash-generative business

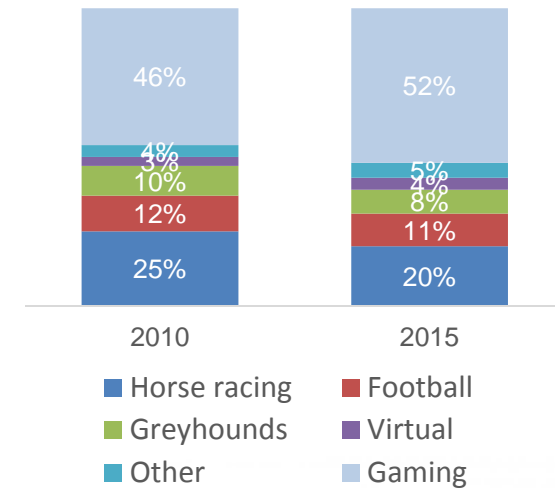
Delivering revenue growth against challenging economic backdrop



UK Retail market share by shops³



Evolving product mix (gross win)

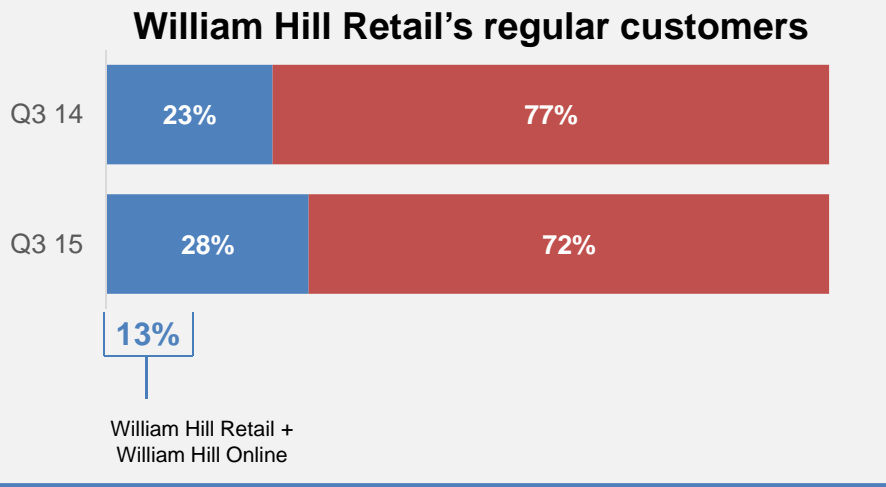


1. Licensed betting offices
 2. Gambling Commission Industry Statistics April 2010-March 2015 (June 2016)
 3. Based on pro forma position from the Gambling Commission Industry Statistics, taking into account the merger of Ladbrokes Coral and the disposal of 322 shops to BetFred and 38 shops to other operators

Retail: omni-channel strategy

- Expansion of total betting population
 - 6.49 million in 2010¹
 - 8.46 million in Q3 2016²
- Omni-channel opportunity
 - 70% of spend is by Retail customers with online operators
 - Omni-channel customers spend, on average, 1.8 times what a single channel customer spends

- ### Modernising Retail's operating model
- First major organisational change in a decade
 - Increasing focus on the customers
 - Bringing management support closer to shop teams
 - Implementation planned for 1 Jan 17
 - Offsets cost of National Living Wage



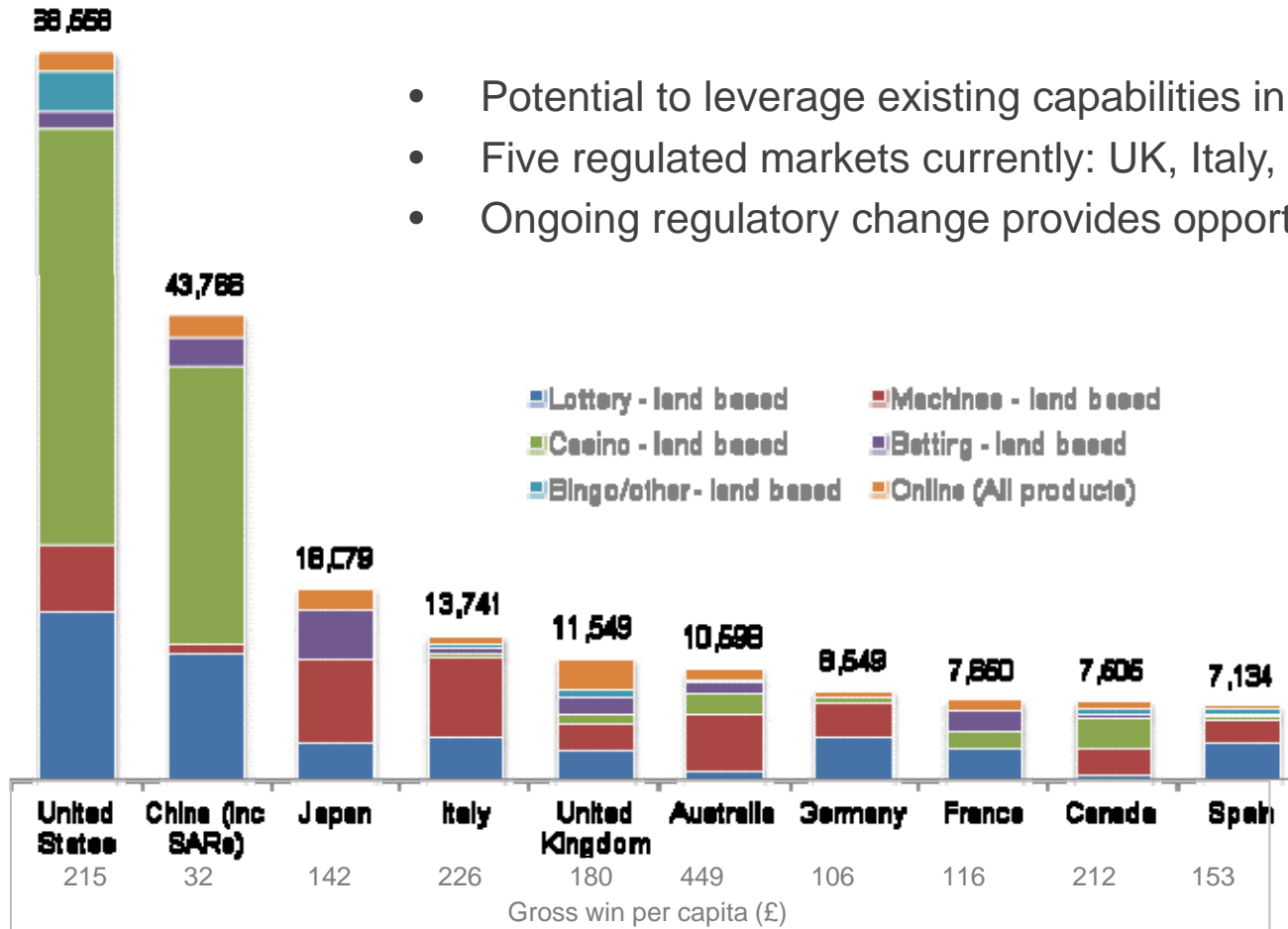
- ### Omni-channel priorities
- Proprietary self-service betting terminal developed
 - Expanding the betting range with Online feeds
 - Cross-channel experience with access to popular products such as Cash In
 - Easy use of Online account with omni-wallet



Sources:
 1. TGI 2009 (April 2009 – March 2010), TGI 2010 (January 2010 – December 2010)
 2. Kantar Betscope survey, Q4'15 – Q3'16 Report

International growth opportunity

Top ten gambling markets by gross win (£bn)¹

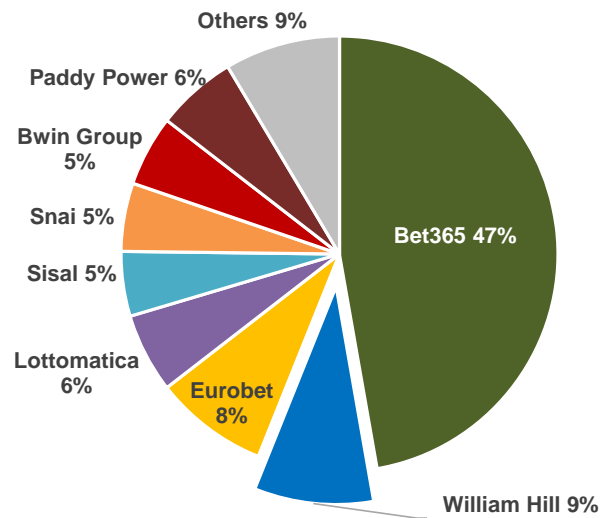


- Potential to leverage existing capabilities in other markets
- Five regulated markets currently: UK, Italy, Spain, Australia, US
- Ongoing regulatory change provides opportunities

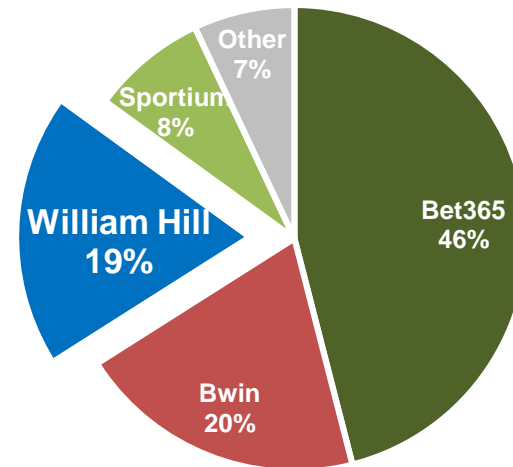
Italy and Spain

- Organic market entry using existing Online capabilities
- Strong brand awareness in both markets
- Strong market share gains
- Italy profitable at end 2015, Spain to follow in 2016

Italy online sports market share by turnover²



Spain online sports market share by turnover³

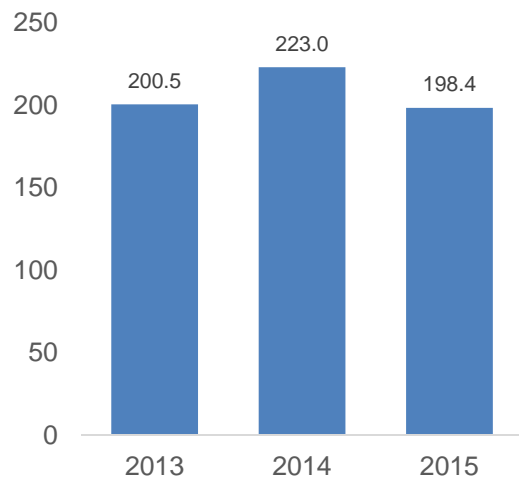


1. Agimeg and AAMS, July 2015
2. DGOJ, company estimates

William Hill Australia

- High per capita spend on gambling
- Attractive growth market with online betting growing at 14% CAGR over next few years¹ but narrow regulatory regime with only pre-match betting allowed online, no in-play, no gaming
- Structural growth drivers in core areas of expertise – fixed odds, sports betting, mobile
- Established through acquisition of Sportingbet, Centrebet, tomwaterhouse.com
- A\$198.4m net revenue and A\$26.6m operating profit in 2015

Net revenue since acquisition (A\$)



Key changes over the last 18 months

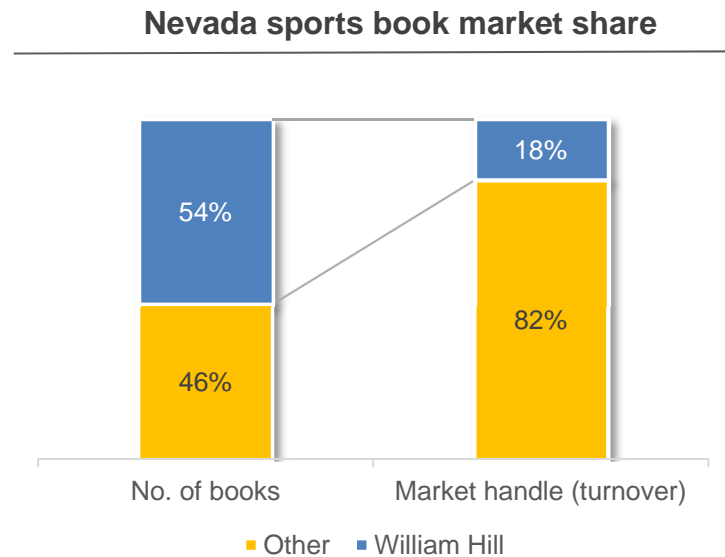
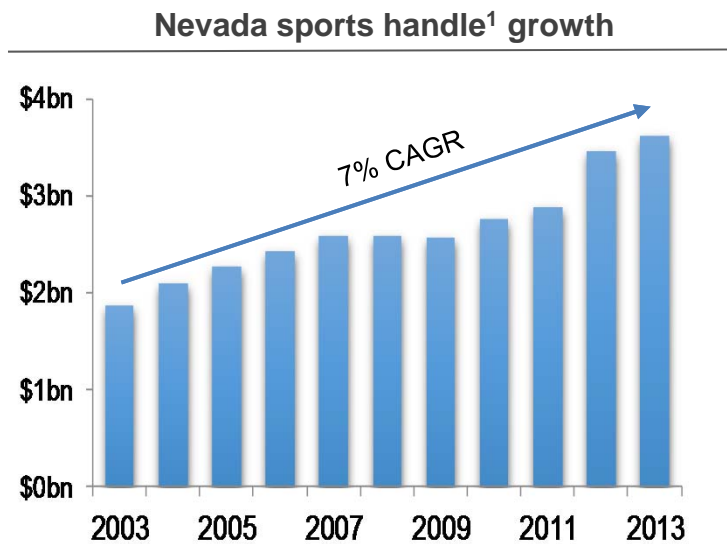
- Moved to **William Hill brand**
- Launched **in-play**
- **Client management** changes
- Changed **skill mix** in business
- Up-weighted spend significantly in **IT / Product**

Our strengths today

- ✓ Proprietary technology
- ✓ Rapid product delivery
- ✓ Cost-effective locations
- ✓ Flexible marketing budget
- ✓ One global brand

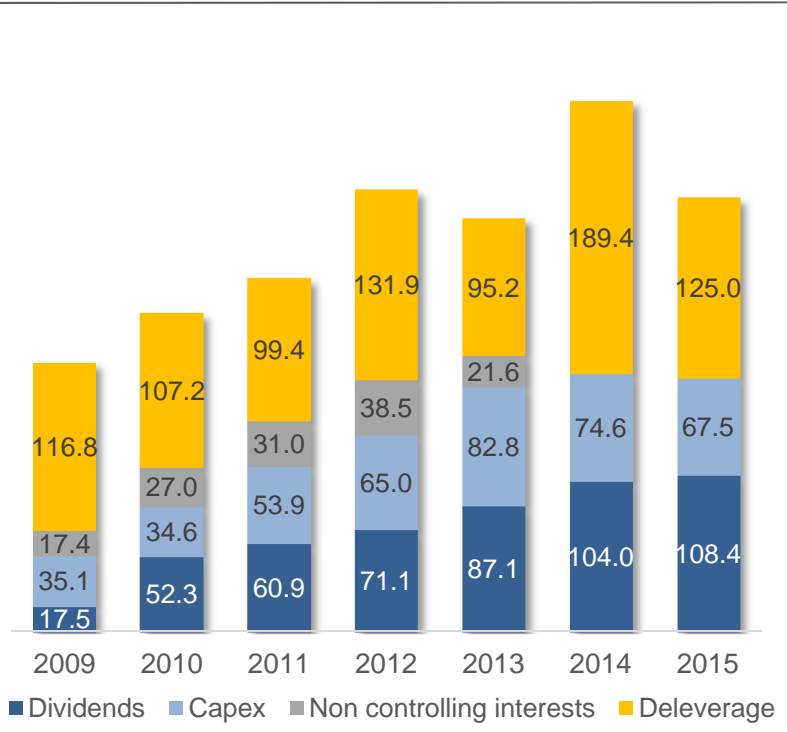
William Hill US

- Land-based sports betting permitted in four states, two are active: Nevada, Delaware
- Nevada: 190 casinos with sportsbook, 109 outsourced to William Hill
 - 50% of handle from mobile
- Also exclusive risk manager for Delaware state lottery
- \$50.9m net revenue and \$14.0m operating profit in 2015



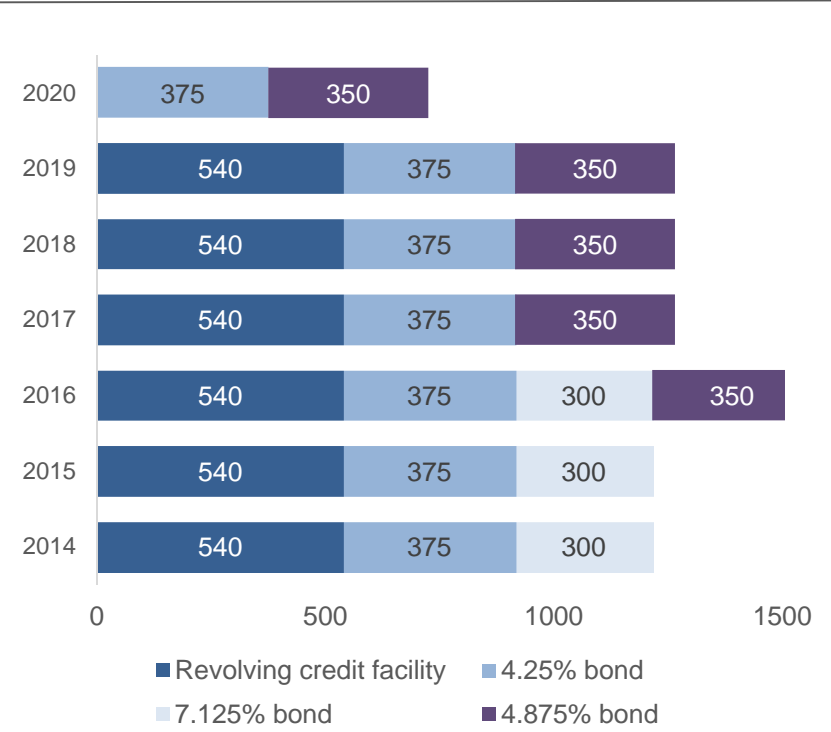
Strong free cash flow and solid balance sheet

Strong cash generation (£m)



Around 2.5x dividend cover

Diversified sources of debt funding (£m)



Net debt/EBITDA 1.3x vs covenant of 3.5x

Regulatory update

UK: gaming machines	<ul style="list-style-type: none">• Triennial Review process commenced Oct 2016. Call for Evidence closes 4 Dec 2016
UK: funding for horseracing	<ul style="list-style-type: none">• Government proposal to introduce apply 10% Levy to both betting shops and online betting. Government seeking EU approval – aim to introduce by April 2017
UK: 4th EU Money Laundering Directive	<ul style="list-style-type: none">• Passed by European Parliament in June, may bring LBOs under its auspices for the first time• Consultation regarding UK implementation completes in Jan 2017. Implementation due June 2017
Australia	<ul style="list-style-type: none">• Interactive Gambling Amendment bill being progressed
US	<ul style="list-style-type: none">• Ongoing efforts to challenge PASPA federal ban on land-based sports betting

Summary

Market leading UK multi-channel betting and gaming business

Exposed to fast-growing digital markets

Further diversification through international expansion

Strong free cash flow and balance sheet