

William Hill PLC

COVID-19 update; dividend suspended



16 March 2020

William Hill PLC (LSE: WMH) (William Hill or the Group), one of the world's leading betting and gaming companies, provides the following update on the impact of the Coronavirus (COVID-19).

In light of the ongoing uncertainty created by COVID-19 and following recent developments to postpone or cancel sporting events and close US casinos, we anticipate a material impact to the Group's revenue and earnings in 2020. 53% of our 2019 revenue was generated through our sports book business.

While it is too soon to accurately determine the effect of COVID-19 we have considered a number of possible outcomes including, but not limited to; UK and International football resuming in August, the cancellation or postponement until 2021 of the UEFA European Football Championship, UK retail shop closures for one month, the cancellation of the Grand National and Royal Ascot and US sports resuming in time for the new NFL season in September.

If the outcomes outlined above transpire, EBITDA for the Group is expected to reduce by £100m to £110m. Currently horse racing and our retail shops remain open. An additional month of closure impacts EBITDA by £25m to £30m.

Under the present circumstances the Board has determined that it is appropriate to focus on retaining resources within the Group and is suspending the dividend until further notice. The 2019 final dividend will therefore not be proposed at the AGM scheduled to be held on 15 May 2020. The Group has a robust financial position and has appropriate liquidity to absorb the impacts of the scenario outlined above. We have an undrawn committed revolving credit facility of £425m and we are working closely with our banking partners to enhance our liquidity position.

There are a number of mitigating activities available to us to reduce our variable cost base and manage our cash flows efficiently and those actions are underway. We have implemented a number of measures to ensure normal operations, invoking our business continuity plans where appropriate. In addition, large parts of the Group continue to operate on a 'business as usual' basis, albeit while working from home.

Prior to the recent cessation of sporting events, trading in the quarter was ahead of our expectations, driven by favourable sporting results and a strong retail performance. We remain focused on maintaining a ready state to ensure that William Hill can resume full operations as soon as the sporting calendar recovers.

Ulrik Bengtsson, CEO, commented:

"These are truly unprecedented times but William Hill has been around for 86 years and over that time we have gained huge experience and understanding of our customers. People want to place sports bets and they will continue to do so where possible. In recent days we have seen betting on horses, greyhounds, international football and our well-established virtual sports.

"We are taking action to maintain our operational capability, to secure and enhance our liquidity and to ensure we are in a strong position to resume full operations when the sporting calendar returns to normal.

"We have been quick to initiate our business continuity plans, which have been in place for some weeks, with our colleague's and customer's welfare highest on the agenda. Large parts of the business continue to operate on a 'business as usual' basis."

OAM: Inside information

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation EU 596/2016. The person responsible for arranging the release of this announcement on behalf of William Hill PLC is Balbir Kelly-Bisla, Company Secretary.

About William Hill

William Hill PLC is one of the world's leading betting and gaming companies, employing c12,000 people. Its origins are in the UK where it was founded in 1934, and where it is listed on the London Stock Exchange. The majority of its £1.6bn annual revenues are still derived from the UK, where it has a national presence of licensed betting offices and one of the leading online betting and gaming services. William Hill's European Online business is headquartered in Gibraltar and Malta, and is licensed online in 12 countries following the acquisition of Mr Green & Co AB in January 2019. In 2012, it established William Hill US with a focus on retail and mobile operations in Nevada and became the largest sports betting business in the US. Following the ruling in May 2018 by the Supreme Court that the federal ban on state sponsored sports betting was unconstitutional, William Hill US has expanded and continues to expand as new states regulate sports betting. It is now operating in nine states: Delaware, Indiana, Iowa, Mississippi, Nevada, New Mexico, New Jersey, Rhode Island and West Virginia. Eldorado Resorts, Inc. currently owns shares representing 20% of the share capital of William Hill US Holdco, Inc., the holding company of William Hill US.

Cautionary note regarding forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these results and the information incorporated by reference into these results and include statements regarding the intentions, beliefs or current expectations of the directors, William Hill or the Group concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of William Hill and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond William Hill's ability to control or predict. Forward-looking statements are not guarantees of future performance. The Group's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in these results and/or the information incorporated by reference into these results. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Group and the development of the industry in which it operates, are consistent with the forward-looking statements contained in these results and/or the information incorporated by reference into these results, those results or developments may not be indicative of results or developments in subsequent periods. Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation (596/2014), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules), William Hill does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.