

# William Hill

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TRANSCRIPTION



**Take1**

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Time-codes	Dialogue
00:00:06:00	<b>Ulrik Bengtsson</b> 2020 was a year like no other, but we finished strong. We had record revenue in our online businesses. In the UK we hit £500 million, for the first time ever, and we had all time highs in our international business and in our US business. We accelerated the rebuilding of our technology. We're now building a modern technology stack, powered by cloud, which will enable us to
00:00:32:12	launch more products, more frequently than we've done before. Our strategy, centred around customer team and execution, is working and we have significantly improved William Hill competitiveness during the year. we have built capabilities, we have improved our product and we have increased our international diversification. Of course, also, we strengthen our balance
00:00:58:00	sheet through the equity placing in the summer and the VAT refund later on in the year. we had record revenues in our online businesses and that's powered by structural improvements in product and in technology, which is reflected in the net promoter's course. We said we're gonna deliver this and we did. What it means is that, for the UK, we have a new architecture for our
00:01:24:17	sports book front end, we have new bet slip and, and this enabled us to launch a range of new features coming into the new football season, most notably our very popular Acca Freedom product. We've added a level of personalisation and we have streamlined our gaming experience and it's now much more intuitive and significantly quicker than it was before. In
00:01:48:11	international we built on the components we put in place last year and we have also launched Mr Green in two new markets; Latvia and Spain. Our teams are very confident and we are now, genuinely, building William Hill to lead. We're gonna continue our international expansion and we're very excited about the acquisition in Colombia and the license we have received
00:02:12:13	in the p-- province of Buenos Aires. We will also continue to stengthen our positions in markets where we're already present. In the UK we still haven't seen the benefit of the merger of UK online and UK retail and we'll see that come through during 2021. We also have a range of exciting product development coming in 2021 for our UK online business uh and particularly

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00:02:38:03 leading into the Euros. One of our strategic pillars are also operational efficiency and we're committed to a project to improve efficiency across the group, through automation and through streamlining of processes, particularly in our customer operations business. Clearly, it was a difficult year for our retail and in person experience and, as a consequence, our UK retail estate

00:03:05:02 decreased revenue by over 50% in the year and was loss making for the full year. the good news is that when the estate allowed to be open it traded well and it traded profitably. What's also clear that over the last 12 months companies with great tech and digital intensity uh is key to resilience and companies like William Hill, that has great digital capabilities, will come out of

00:03:34:03 this stronger than they came into it. So, we had another good year in the US. It was actually our eighth consecutive year with wagering growth and, for the first time ever, we were exceeding \$3 billion in wagering. We absorbed the uh Caesars and Cantor sports book and we not only rolled out our platform, we also solidified it, enabling us to launch in new states very rapidly and during

00:04:01:18 the year we launched in five new states and one more state coming online in the beginning of 2021. Arguably, the biggest win we had was the launch of [I casino]. We spent a lot of time on that during the first wave of the pandemic and managed to launch it in New Jersey and later on also in Michigan. We also built on our partnership strategy and made media deals

00:04:27:08 with CBS and ESPN, growing our brand and enabling us to, to build brand awareness but also, over time, lowering our acquisition cost. We take customer protection very seriously at William Hill and during the year we've done a lot of things to protect our customers. We have increased communication, we have tested various ways to do affordability and we have

00:04:53:06 put guardrails in place. We'll continue to make sure that customers can be safe when they play with William Hill. We'll also continue to work with the regulator and with government in the gambling review. It's important for us that the review is evidence based and that it has a sensible outcome. It's really important for us that the whole ecosystem works and that we protect

00:05:15:18 the customers, protect the tax payers and protect the industry.

00:05:22:07 **Matt Ashley**

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As Ulrik said, 2020 was a year not without its challenges which I think, from a financial perspective, we navigated successfully. Uh we generated revenue of 1.3 billion in the year, adjusted EBIT of 57 million, which turned to cash, re-cash of 58 million and uh on the cash front we were able to resolve the VAT matter, the refund for 208 million net of costs and raise equity through our

00:05:48:01 placing of a further 218 million, which means this strengthened balance sheet has given us a gearing of 0.8 times at the year end, which means we're well positioned to pursue our growth strategy next year. We started the year very strongly, from a revenue perspective, up until lockdown. Then we had to close our shops and find new content for our online customers, which we did,

00:06:10:10 which showed the agility of the team. Uh we then navigated our way through the lockdown and uh invested in our product uh and technology, so it's faster, uh better, and that came through in the numbers, uh particularly in the fourth quarter. Uh I'm really pleased with the online performance; 29% growth overall, 32% in the UK business and 24% internationally. Really good to see our

00:06:36:16 UK business go toe to toe with our competitors. So, for the year we had 9% growth overall in our online business; 5% in the UK and 16% internationally. Our retail business clearly impacted by the closure and uh our American business uh continues to grow apace at 32%. I'm particularly pleased with the cashflow performance this year. we started the year with 535 million of debt

00:07:02:03 and we finished it with 113 million. So, clearly there are some big positive cash flow movements in the year. Uh the thing I really like about this business is how profits turn to cash. So we had free cash flow of generation of 58 million. We then settled uh the VAT for 208. Er the inflow in the year was 221. We've just got one or two suppliers to finish up with, and then uh we

00:07:26:20 had the equity raise of 218 million, which meant we could pay off one of our bonds for 203. So, all in, we've finished the year at 0.8 times gearing. In summary, our online business has made good progress, our retail business has proven that it bounces back, twice, with our loyal customers. Our US business has continued its growth momentum. We've strengthened the

00:07:51:13 balance sheet and we're well positioned for future growth.

00:07:56:10 **Ulrik Bengtsson**

I said, back in 2019, that I wanted a renewed focus on the long term competitiveness of William Hill centred around three focus areas; customer, team and execution. It's the output of that that we are seeing in our results. Obviously, it's unfortunate that we had, had to have retail closed during the year but, other than that, we have made tremendous progress as a group.

00:08:23:00 We are expanding in opportunity and we will continue to invest across product, technology and people and over the next decade online gambling will continue to grow. The convergence from offline into online will accelerate and William Hill is well positioned to take advantage of that opportunity. Today, our internal capabilities matches our external opportunity.

00:08:50:17 **CUT**