



17 January 2024

888 Holdings Plc
 (“888” or “the Group”)

2023 Post-close Trading Update

Important strategic and operational progress in FY23 setting the foundations for medium term value creation plan

888 (LSE: 888), one of the world’s leading betting and gaming companies with internationally renowned brands including William Hill, 888 and Mr Green, today announces a post-close trading update for the three and 12 months ending 31 December 2023 (“Q4” and “FY23” respectively).

Unaudited ¹ £ millions	Three months ended December			Year ended December		
	Q4 2023	Q4 2022	YoY%	FY23	FY22 ²	YoY%
UK Online	165	172	-4%	658	717	-8%
Retail	130	131	-1%	535	519	+3%
International	129	154	-16%	517	614	-16%
Total Revenue	424	457	-7%	1,711	1,850	-8%

Highlights

- Q4 revenue of £424m, 5% higher than Q3 2023 and down 7% year-over-year, with actives³ up 5% year-over-year, with ongoing growth in the customer base setting the foundation for sustainable future revenue growth.
- FY23 revenue of £1,711m, down 8% year-over-year driven primarily by a proactive mix shift away from dotcom markets, which impacted revenues by approximately £80m during FY23. Revenue was further impacted by customer mix changes in the UK as a result of additional safer gambling measures, alongside the change in the Group’s marketing approach to focus more on sustainable revenue and profitability. Together, these changes have created a higher quality and more sustainable business mix, including approximately 95% of FY23 revenue being generated from regulated and taxed markets.
- **UK&I Online:** Revenue -8% to £658m, primarily driven by the impact of safer gambling changes and a refined marketing approach, with strong customer engagement (average monthly actives +11%) more than offset by the -18% reduction in average revenue per customer. Synergy delivery and focus on efficient marketing means Adjusted EBITDA for UK&I Online will be significantly higher year over year, despite the reduction in revenue.
- **Retail:** Revenue +3% to £535m with strong underlying performance driven by improved product offering through investment in SSBTs and gaming cabinets, more than offsetting a 3% reduction in the estate size during the year.
- **International:** Revenue -16% to £517m (-17% in constant currency⁴) with significant impact from compliance changes in dotcom markets. Core markets of Italy and Spain both grew by double digits.
- Successful execution of synergies with the full, previously increased and accelerated, £150m synergy target savings to be delivered in 2024, helping to partly mitigate the impact of regulatory and compliance changes.
- The Group now expects Adjusted EBITDA Margin for FY23 to be approximately 18%, consistent with the previously indicated range of 18-19%.
- Cash (excluding customer balances) as at 31 December 2023 of approximately £125m, together with undrawn RCF of £150m, giving total liquidity of approximately £275m.

Strengthened Executive Team

- Over the course of the last 3 months, the group has significantly strengthened its management team, including the following key appointments to the executive management team:
 - As announced on September 13, 2023, Sean Wilkins has been appointed to the role of CFO, and will take up his appointment on February 1, 2024. Vaughan Lewis will continue his role as Chief Strategy Officer, having also been acting as interim CFO since October 2023.

- Rik Barker has been appointed as Chief Information Technology Officer, and will take up his role on February 5, 2024. Rik has nearly 30 years' experience in cutting edge technology, and has previously been CIO for Flutter UK&I and Chief Technology Officer for Sky Betting & Gaming.
- Ian Gallagher was appointed as Chief Product Officer in December 2023. Ian has 15 years' experience in betting and gaming product development, and was previously Product Director for Flutter UK&I.
- Fredrik Ekdahl was appointed as Group General Counsel in October 2023. Fredrik has over 30 years legal experience, with nearly 20 years of betting and gaming industry experience having previously held senior roles at PokerStars and Expekt.
- Jeffrey Haas was appointed as Chief Growth Officer in January 2024. Jeffrey has more than 20 years' experience in gaming and fintech startups and scale-ups, held senior roles for DraftKings, bwin.party and PokerStars, and has served as a strategic innovation advisor, executive and board member to VC-backed companies.

Outlook

- Positive outlook for FY24 revenue with consistent growth in active players driving confidence in strong revenue growth online in both the UK and International segments. Compliance and safer gambling impacts begin to annualise in February 2024, leading to a more positive outlook for average revenue per user.
- Global cost savings programme of approximately £30 million initiated in December 2023, alongside investment in further strengthening the Group's core capabilities in several areas such as intelligent automation and AI-powered data and insights.
- Cost savings to support an increase in marketing spend in 2024, with superior returns supported by a more effective customer and product lifecycle management plan.
- The above initiatives will enhance long-term profitability, but the additional investment means the Group currently expects 2024 Adjusted EBITDA to be at the low end of consensus range⁵.
- Under its new CEO Per Widerström, the Group intends to provide details on its evolved strategic and value creation plans, including new medium-term financial and strategic targets, at its full year results, which are expected to be released on 26 March 2024.

Per Widerström, CEO of 888, commented:

"In FY23 the Group made important strategic and operational progress in the face of some significant regulatory and compliance headwinds. I am pleased to say that the business has enhanced its foundations for sustainable and profitable growth including significantly strengthening compliance, refining its approach to marketing investment, and increasing its focus on recreational customers.

I have joined the business at both an exciting and important time. There are clear opportunities to unlock our significant potential, but as a business we know that going forward we must be more proactive in adapting to changes in regulation and technology. We are now taking rapid actions to position the Group for future success, reducing our overhead costs and freeing up funds to invest in growth based upon our new strategy and value creation plan. The financial performance of the Group must improve, and the actions we are taking will build a leaner, more agile, and more effective organisation structure, as well as establishing a more effective management of the customer and product life cycle. These plans support material value creation and significantly higher profits over the coming years.

I have been working hard with the Board, our strengthened executive team, and the talented people across the business to refine our strategic framework, which is being translated into a value creation plan, and am confident that we are poised to deliver deleveraging and strong shareholder returns in the coming years. I am looking forward to outlining our 2024-2026 plan alongside our full year results in late March."

Notes

¹ Note all numbers in this statement are unaudited. Totals and percentage changes have been calculated based on the underlying numbers. Any differences due to rounding.

² FY22 is pro-forma as if 888 had owned William Hill for the entire period (acquisition completed 1 July 2022) and excludes the 888 bingo business (sold in July 2022).

³ Actives represents average monthly online actives, being any player who has wagered a stake during the relevant period.

⁴ Constant currency growth is calculated by retranslating the non-sterling denominated component of prior year revenues at current year exchange rates

⁵ Analyst consensus is available on the Group's website here <https://corporate.888.com/investors/shareholder-information/analyst-consensus/>. The consensus range for FY24 Adjusted EBITDA as of the date of this release was £340-397m.

This announcement contains inside information.

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About 888 Holdings Plc:

888 Holdings plc (and together with its subsidiaries, "888" or the "Group") is one of the world's leading betting and gaming companies. The Group owns and operates internationally renowned brands including William Hill, 888, and Mr Green. In addition, the Group operates the SI Sportsbook and SI Casino brands in the US in partnership with Authentic Brands Group.

Incorporated in Gibraltar, and headquartered and listed in London, the Group operates from offices around the world and employs over 11,000 people globally.

The Group's mission is to lead the gambling world in creating the best betting and gaming experiences, bringing unrivalled moments of excitement to people's day-to-day lives. It achieves this by developing state-of-the-art technology and content-rich products that provide fun, fair, and safe betting and gaming entertainment to customers worldwide.

Find out more at:

<http://corporate.888.com/>

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