

# WILLIAM HILL PLC TRADING STATEMENT

8 May 2018

## Online and US continue to drive growth in 2018

William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the unaudited 17 weeks to 24 April 2018 (the period). Comparatives relate to the equivalent weeks in 2017.

- 3% growth in Group net revenue with strong Online and US performances partially offset by Retail<sup>1</sup>
- UK:
  - Online net revenue up 12% with Sportsbook +17% and gaming +8%
  - Retail net revenue down 4% with Sportsbook -9% and gaming flat
  - Significant year-on-year gross win margin increases driving unusual short-term trends
- Strong US performance driven by 31% wagering growth<sup>2</sup> and positive sports results
- Disposal of Australian business for A\$313.7m completed on 23 April 2018
- Group performance in line with market expectations for 2018 assuming normalised gross win margins

In GBP	17 weeks to 24 April 2018			
	Total net revenue	Sportsbook amounts wagered	Sportsbook gross win margin	Change in gross win margin
Online	+12%	-8%	8.8%	1.3 ppts
Retail	-4%	-13%	18.8%	+0.8 ppts
US	+45%	+17%	7.7%	+1.5 ppts
<b>Group – excluding discontinued operations</b>	<b>+3%</b>			
Discontinued operations – Australia <sup>3</sup>	-22%	-39%	10.5%	+2.3 ppts
<b>Group – including discontinued operations</b>	<b>+1%</b>			

### Philip Bowcock, CEO, commented:

“William Hill has had a positive start to 2018, making further progress against our strategic priorities to grow UK market share, drive international revenues and deliver key transformation projects.

“Continued momentum in Online and strong growth in the US have driven a good performance during the period. In the UK, an unprecedented run of bookmaker-friendly sporting results led to unusual wagering and gaming trends, which we expect to normalise over time. The sale of our Australia business has further strengthened our balance sheet.

“While we await the outcome of the UK Triennial Review and the Supreme Court’s decision on US sports betting legislation, we remain focused on continuing to deliver a great customer experience, particularly ahead of this summer’s World Cup.”

### Online

Online net revenue was up 12% in the period. We saw very strong football and horseracing results in the early part of 2018, an average result from Cheltenham against a record festival in 2017, and a similar year-on-year result in the Grand National. This led to Sportsbook net revenue being up 17% with gross win margins 1.3 percentage points higher at 8.8%. The higher margin led to lower recycling which, along with some client management actions we have taken in international markets, resulted in amounts wagered being down 8%. Gaming net revenue was up 8%, supported by a strong increase in active customers and improved cross-sell rates. Total Online actives were up 10%.

With the World Cup approaching, we have further enhanced the Sportsbook app loading speeds and navigation, and the gaming navigation, promotions and cross sell. We have enriched our media offering with improvements to William Hill Radio and TV, including a betting TV archive, and invested in gaming campaigns during the period for Vegas and Casino. In April, we completed the transition of teams from Tel

Aviv to our other operations in Gibraltar, Krakow, Leeds and London, which is increasing efficiency and access to critical talent pools for digital marketing and technology.

## **Retail**

Retail net revenue was down 4%, with the number of shops c1% lower. Sportsbook net revenue was down 9%, with amounts wagered down 13% driven by horseracing, but the gross win margin unusually high at 18.8%, 0.8 percentage points higher than in the comparator period. Wagering was impacted by reduced recycling and also 15% of UK and Irish horseracing fixtures being abandoned. Volumes on our proprietary self-service betting terminals (SSBTs) grew strongly, accounting for c14% of total Retail Sportsbook amounts wagered in the period. Gaming net revenue was flat and the share of B3 content increased to 37% from 35% a year before.

During the period, we continued to expand the product range on our SSBTs with the addition of boxing, golf and rugby league. We started to roll out a 'second channel' across the estate, enriching the viewing experience for customers, and launched Lucky 6, a new gaming product.

## **William Hill US**

Our US business delivered a strong performance in the period, with strong underlying growth compounded by unusually good sports results. Amounts wagered was up 17% (local currency +31%) and net revenue was up 45% (local currency +62%) with gross win margin 1.5 percentage points higher at 7.7%. Amounts wagered was driven particularly by strong basketball wagering coming from the March Madness competition, increased wagering on ice hockey resulting from the successful inaugural season of the Vegas Golden Knights and from the introduction of in-play tennis. Mobile amounts wagered rose 39% and increased to 64% of the total wagering in the period. We are continuing to invest ahead of the Supreme Court's decision to prepare for potential early regulation by certain states.

## **Sale of William Hill Australia**

The disposal of William Hill Australia for an equity value of A\$313.7m to CrownBet Holdings Pty Ltd completed on 23 April.

OAM: Inside Information  
William Hill LEI: 213800 MDW41W5UZQ1X82

## **Notes**

1. Continuing operations
2. In local currency
3. For the period up to 23 April 2018 when the disposal of the Australian business completed

## **Enquiries**

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## **Analyst conference call**

Philip Bowcock, CEO, and Ruth Prior, CFO, will host a conference call for analysts and investors at 8.15 a.m. BST today. Dial-in details for the call are:

Telephone: +44 (0) 20 3936 2999  
Access code: 450966

An archive of the call will be available until 15 May 2018. Dial-in details for the archive call are:

Telephone: +44 (0) 20 3936 3001  
Passcode: 582647

An audio webcast of the call will be available at [www.williamhillplc.com](http://www.williamhillplc.com)

## **About William Hill PLC**

William Hill, The Home of Betting, is one of the world's leading betting and gaming companies, employing around 16,000 people. Founded in 1934, it is one of the UK's largest bookmakers with around 2,340 licensed betting offices that provide betting opportunities on a wide range of sporting and non-sporting events, gaming on machines and numbers-based products including lotteries. The Group's Online business ([www.williamhill.com](http://www.williamhill.com)) is an online betting and gaming business, providing customers with the opportunity to access William Hill's products online, via mobile devices and by telephone. William Hill US was established in June 2012 and provides land-based and mobile sports betting services in Nevada, and is the exclusive risk manager for the State of Delaware's sports lottery. William Hill PLC is listed on the London Stock Exchange. The Group generates revenues of c£1.7bn a year.

## **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 may appear in a number of places throughout this announcement and the information incorporated by reference into this announcement 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 this announcement and/or the information incorporated by reference into this announcement. 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 this announcement and/or the information incorporated by reference into this announcement, 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.