

Company Name: William Hill
Company Ticker: WMH LN
Date: 2019-11-21
Event Description: Q3 2019 Sales and Revenue Call

Market Cap: 1589.19753649
Current PX: 181.800003052
YTD Change(\$): 26.8000030518
YTD Change(%): 17.29

Bloomberg Estimates - EPS
Current Quarter:
Current Year: 0.094
Bloomberg Estimates - Sales
Current Quarter:
Current Year: 1629.733

Q3 2019 Sales and Revenue Call

Company Participants

- Ulrik Bengtsson, Chief Executive Officer
- Ruth Prior, Chief Financial Officer

Other Participants

- Edward Young, Analyst
- Ted Nyhan, Analyst
- Monique Pollard, Analyst
- Gavin Kelleher, Analyst
- Richard Stuber, Analyst
- Julian Easthope, Analyst
- Bridie Barrett, Analyst
- Virendra Chauhan, Analyst
- Michael Mitchell, Analyst
- James Rowland Clark, Analyst
- Simon Davies, Analyst

Presentation

Operator

Ladies and gentlemen, welcome to the William Hill Trading Call. My name is Karen, and I'll be coordinating your call today. (Operator Instructions). I will now hand over to your host Ulrik Bengtsson to begin. Ulrik, please go ahead.

Ulrik Bengtsson, Chief Executive Officer

Good morning everyone and thank you for joining us on the call today. I'm joined by our CFO, Ruth Prior. I will make a few comments about the 17 week trading period. And then I will take your questions. So, I am pleased to confirm the Group is trading in line with our full year expectations. Group net revenue grew 1% during the period, supported by growth in our online business in the US as we diversify our regional exposure and develop our digital offering.

Since becoming CEO, my focus has been on ensuring we deliver on our strategic ambitions. We have great people and a shared vision here at William Hill. However, we need to accelerate the delivery of the digital strategy. We have taken immediate action to strengthen the Executive Committee with two new roles. We will appoint a new Chief Operating Officer, and we have appointed Satty Bhens, as our new Chief Technology and Product Officer. Satty joins us from McKinsey where he was the Co-founder and the leader of McKinsey Digital Labs. He has worked with us in the UK and US as part of the team that helped deliver the US digital platform. So Satty knows our technology really well.

Turning to the operations, the Online business grew net revenues 26%. Online UK grew pro forma net revenue 4%, a second consecutive quarter of growth, which is consistent with the market growth implied by the HMRC reported tax data. Online International saw pro forma net revenue fall by 4% as it was impacted in the period by regulatory headwinds. We closed Switzerland and a number of other countries experienced disruption to payment methods.

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Nonetheless, we see good underlying growth in most countries and Sweden has turned the corner since the first half of the year. Throughout the year, the UK Online business has benefited from a series of customer-facing product improvements. In the coming months, the International online business will also release new products to enhance competitiveness of that business.

The launch of a new sportsbook front end in Italy and Spain will replace the current third party Mobenga solution and a single wallet will be enabled for Spain. We also increasingly deploy a modular architecture. The Smart Data Platform, which is a component already in use in the US will be released in the international and UK business in the new year, enabling us to start to do real-time customer interactions.

In the retail business, like-for-like net revenue fell 16%, as we continued to experience the effects of the GBP2 stake limit. And this is in line with our expectations. As part of our strategy to mitigate the effect of the Triennial Review, we took decisive action closing 700 shops in September. It is still too early to clearly identify a trend, but early signs suggest customers continue to substitute gaming for sports. The US has gone from strength to strength. Net revenue grew by 60% and we saw strong growth across the business.

Nevada remains a solid foundation for our US business. We saw strong growth for the sixth year in a row and around 70% of our revenues there are now delivered through mobile. We successfully launched a new purpose-built technology platform, which went live -- which went live ahead of the NFL season enabling us to control customer experience in the US.

We have market-leading access in the US, we went live in Indiana and Iowa and we have now taken wagers in ten states. We've also established an exclusive partnership with Monumental Sports & Entertainment, owner of the Capital One arena, which grants us access to Washington DC, when that goes live, when that state goes live.

We have a valuable partnership with Eldorado. As a reminder, we had exclusive nationwide access to operate their retail Sportsbook and rights to the First Skin. And as the Eldorado Caesars deal moves towards completion, we are preparing to take over operations of the Caesars Sportsbook pending regulatory approval.

We are committed to delivering competitive products that provides a more personalised customer experience, while maintaining our focus on player safety. We have a strong team at William Hill and our job is now to do even better in terms of customer focus and execution. With that, I thank you for your attention, and operator, please open the line for questions.

Questions And Answers

Operator

(Operator Instructions) Our first question comes from Edward Young of Morgan Stanley. Edward, your line is now open. Please go ahead.

Edward Young, Analyst

Hi. Good morning. Thank you for taking my questions. I've got three. Two, on the Online division and one on the US, if that's okay. The first one on Online UK growth, it was 4% in what we might sort of call a period of clean air [ph] having lapped the various responsible gambling measures at the half year, the statement mentions stabilizing market share over the last few quarters, but you've also flagged in the statement and in your comments Ulrik about a need for better execution and customer focus. So my first question really is how should we expect the UK business to grow next year in a normalized steady state, what's your ambition for that UK Online business.

Ulrik Bengtsson, Chief Executive Officer

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Well our ambition is relatively unchanged. We continue to support that business with improved product. We think the UK market is growing mid-single digits, and I think that has been our guidance for our UK business and that remains.

Edward Young, Analyst

Okay. Also in Online, the data we've seen for H2 so far shows quite a widespread of operating results. A couple of your peers doing sort of teens growth even up to sort of 30% level. One of your peers is, one of your major peers was negative in the Q3 period. Is there anything you are seeing particularly in terms of the competition in the market, anything that you think might be driving that? And when you talk about accelerating progress in digital, what is it you need to focus on those? What do you need to improve, do you think?

Ulrik Bengtsson, Chief Executive Officer

Well, I think -- I'm a big believer in product and we are doing, we're having a lot of focus on product and the customer experience, and we will deploy a lot of new features, both in our international business and our UK business throughout the next few quarters. That will continue to support our business. As for the market, H2 is of course forward-looking. But if you look at the HMRC data, I think you will find that the market are broadly in line with what we have said.

Edward Young, Analyst

Okay, and a final one on the US, first of all, can you give us any numbers on the CG Technology acquisition in terms of the consideration or the kind of uplift you'd expect. And I guess more broadly on the next piece of the US and the optionality you've got there, should we expect to wait until a potential completion of Eldorado Caesars before you speak more about it and the potential benefits of database or brand or partnerships, et cetera. And is that also true for a potential media deal that you talked about in H1, which I know just wasn't in today's statement. Thanks.

Ulrik Bengtsson, Chief Executive Officer

Yeah, yeah, I think that's right. We will get back to all of you once we have anything more to say with regards to the Eldorado deal. Obviously it still needs to close, pending regulatory approvals and the same goes for the media deal, when we have something to update you on, we will do so. As for Cantor, I think it's consolidation in our home market and it brings us a few more key properties in Nevada, continue to strengthen the Nevada business.

Edward Young, Analyst

And just a follow-up, on the CG technology, are there any numbers you can give in terms of what kind of size or uplift that is or -- if the consideration you paid was material?

Ulrik Bengtsson, Chief Executive Officer

It's not material at this point.

Edward Young, Analyst

Thank you.

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Operator

Thank you. Our next question comes from Ted Nyhan from JP Morgan. Ted, please go ahead, your line is now open.

Ted Nyhan, Analyst

Thanks guys. I just had a couple of questions. Are all your guidance points still in play? Specifically you're referring to the pro forma mid-single digits for Online. And could you give us any indication of what Mr Green's growth was in Q3 versus Q2, how that's trending? And finally and what kind of substitution are you seeing from closed shops in the Retail estate to the remaining estate?

Thank you.

Ulrik Bengtsson, Chief Executive Officer

So our guidance points are intact and stays the same. As for Mr Green, we -- it's an integral part of our international business, and we haven't broken that out. But I can tell you that it's performing in line with our expectations and I think with regards to the point I made around Sweden, I think that's the official data from the Swedish regulator.

So it should be easily available. As for the retail business, what we do see is some continuous substitution from gaming into sports with regards to any other sort of movements. It's too early to say, it's really early days still.

Ted Nyhan, Analyst

Okay, thank you.

Operator

Our next question comes from Monique Pollard from Citi. Monique, Your line is now open. Please go ahead.

Monique Pollard, Analyst

Hi, good morning Ulrik. Good morning, Ruth. Three questions from me if I could. The first one is, could you give us an update on the UK Online and international Online performance in the quarter if you were to ex out the World Cup impact.

Second question, on the online International business, could you maybe explain in a bit more detail Ulrik, how the new sportsbook front end for Italy and Spain could lead to improved trading momentum in the segment. And then finally on retail, as you said, you're seeing some decent substitution from the gaming machines to over-the-counter betting, if you could just explain what you think is driving that and in particular, around the SSBTs has there been an increased densification of SSBTs post the 700 shop closures and is that part of the drive for that better retail over the counter betting performance?

Ulrik Bengtsson, Chief Executive Officer

Okay. With regards to the first question. UK Online, if we were to neutralize for the effect of the World Cup, the growth in the quarter was just around 10% underlying. With regards to the question on international, the new sports book front and its -- it's really rebuild of what we did not control. We used Mobenga as a third-party solution for that. So it gives us various levers and full control of the experience for our Italian and Spanish Sports book, and a lot of

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work has been done on the bet slip, which you of course know is the center of the whole betting experience. But also we mentioned the single wallet in Spain, which we have a lot of hope for, that will increase the improved experience for our Spanish customers.

And as for retail, I think fundamentally the move from gaming to sports is based on the fact that players wanted to keep playing and the options they have chosen is sports and we've seen a lot of substitution into greyhounds and racing which arguably would resembles the gaming experience the most.

Monique Pollard, Analyst

Great. And has there been a change in the densification of the SSBTs and is that driving some of that performance?

Ulrik Bengtsson, Chief Executive Officer

SSBTs are growing. I wouldn't say that, that has been the driver. But SSBT is continuously growing, SSBT growth is mostly around football.

Monique Pollard, Analyst

Okay, understood. Thank you.

Operator

Our next question comes from Gavin Kelleher from Goodbody Capital Markets. Gavin, your line is now open. Please go ahead.

Gavin Kelleher, Analyst

Good morning. Just a follow-on question from me on the US from Ed's question. Assuming that the Caesars Eldorado deal completes, you've obviously acquired the counter gaming assets, I think you have about 33% share, before those two deals in the Nevada market. Can you give us a sense on what the market share of Nevada would be, the William Hill US market share of Nevada would be assuming the Eldorado Caesars deal goes through. So what is the 33% increase to and just assuming, sorry, just on the Eldorado Caesars deal, how quickly -- if that deal completes in Q1, how quickly would you be up and running in the Caesars properties. That's my first question.

Ulrik Bengtsson, Chief Executive Officer

Well, we don't disclose any sort of future market share at this point, if we decide to, we will make sure everyone gets to know. With regards to the question on --

Ruth Prior, Chief Financial Officer

Timing.

Ulrik Bengtsson, Chief Executive Officer

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Timing. Yeah, sorry. Thank you, Ruth. The deal closes in Q1 and we are already preparing to take over the Sportsbook, if the regular approval [ph] goes ahead. So I think it should be reasonably swift after that, but probably a couple of quarters to get them all up and running, something like that.

Ruth Prior, Chief Financial Officer

Yeah, there is 12 books to get up and running, we are in planning mode already. So as soon as we are able.

Gavin Kelleher, Analyst

Perfect. And just on the online business, just the international, how much was Switzerland of the international business, what percentage? And then has Holland completely gone or is it, -- is it severely disrupted, how should we think about that and what percentage was that of international if you can give any disclosure on that.

Ulrik Bengtsson, Chief Executive Officer

Well, we haven't given any market by market disclosure. What we have said is that UK is two-thirds of our business. But no other countries representing more than 5%. And so that gives you a little bit of guidance. And you're right, I mean, the payment disruptions in the Netherlands is well documented across the industry and we are part of that as much as anyone else.

Gavin Kelleher, Analyst

Okay, perfect. Just the product changes, you're talking about over the next number of quarters. And do you think, do we get an immediate kind of revenue benefit from those or how should we think about that?

Ulrik Bengtsson, Chief Executive Officer

Well, the Sportsbook front end is being rolled out as we speak, but it's not really completed until beginning of next year. As for the single wallet in Spain, I think it is going live this week. I think it will always take a bit of time before all these have traction. So I wouldn't -- I wouldn't think we have immediate impact, but we should see impact during next year.

Gavin Kelleher, Analyst

Okay, perfect. And just one final question from me, and I probably have been a bit lazy. But just on the kind of growth for online next year. It's almost all pro forma just another months to come through from Mr Green, is it, am I correct in thinking that Online grows next year and it's broadly similar to the mid-single digits type pro forma growth you've talked about before for 2020.

Ulrik Bengtsson, Chief Executive Officer

For UK Online, Yes.

Gavin Kelleher, Analyst

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What about international? When we take into account the kind of timings of these kind of disruptions and everything?

Ulrik Bengtsson, Chief Executive Officer

Well, I think we continue to have the effect of those disruptions throughout this year. Coming into next year, we should be able to grow that business at a slightly higher pace than our UK business from that base.

Gavin Kelleher, Analyst

Okay, perfect.

Operator

Our next question comes from Richard Stuber -- sorry -- Our next question comes from Richard Stuber of Numis. Richard, your line is now open. Please go ahead.

Richard Stuber, Analyst

Hi, good morning. I've just got two questions from me, please. First of all is on the UK Online. You've obviously annualized now the major enhanced due diligence, but are there any other ones which -- any other actions which will have a sort of drag on the growth over the next sort of six to 12 months? And the second question is just going back to the Capital Markets Day last November. Ulrik, obviously you -- just in terms of the Online business, but you felt [ph] very happy sort of sticking to your targets for the rest of the group, in particular for the \$300 million EBITDA guidance for the US by 2023? Thank you.

Ulrik Bengtsson, Chief Executive Officer

I will start with the UK Online question, and -- you're right, we are lapping the -- we have lapped the enhanced customer due diligence measurements. No other drugs that we know about now, but we are in a regulated industry and we welcome all regulations that can improve the way we operate. As for the Capital Markets guidance, we have no updates to that and we still have that as our long-term ambition.

Richard Stuber, Analyst

Great, thank you.

Operator

Our next question comes from Julian Easthope from RBC. Julian, your line is now open.

Julian Easthope, Analyst

Yes, good morning, everyone. Just a couple of questions. The first one really has to do with the Stars-Flutter potential tie-up. How big a concern is it to you about having much bigger competitors? Is that major impediment moving forward? And secondly, your share price took a obviously a fairly steep nose dive on the APPG announcement of a potential GBP2 stake. I know it's a bit sort of -- it seems unlikely that's going to happen. I just wonder what your

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thoughts were on that as to the exposure, and how big a concern that is. Thank you.

Ulrik Bengtsson, Chief Executive Officer

Well, I think on your first question on Stars-Flutter we are very focused on running our own business and increasingly competitive as a William Hill, that's what we have in front of us. As for the APPG, I think the industry has done a tremendous amount of work ranging from enhanced customer due diligence as we talked about, improved age verification the advertising ban, which is well documented as well and things like deposit limits and session timeouts. And so the APPG reported an interim report. We followed it very closely, but it does suggest Retail Solutions for online product and if that's implemented, it could drive a volume of players to unlicensed operators.

Richard Stuber, Analyst

Okay, thank you.

Operator

Our next question comes from Bridie Barrett from Stifel. Bridie your line is now open. Please go ahead.

Bridie Barrett, Analyst

Hi, thank you. And just one question, and a clarification if I may. (Technical Difficulty).

Ulrik Bengtsson, Chief Executive Officer

So you keep dropping off. Can you repeat that please?

Bridie Barrett, Analyst

Sorry, is that better?

Ulrik Bengtsson, Chief Executive Officer

That's much better.

Richard Stuber, Analyst

I just wanted your thoughts on substitution effects in the Retail business. You've talked about from gaming to sport, and I'm just wondering whether you think that actually some of the strengths in the UK Online is also benefiting from substitution from retail into the online environment.

Ulrik Bengtsson, Chief Executive Officer

Well, I think, -- I think that's a fair assumption. I don't think it's massive, but there might be some of that. Yes.

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Bridie Barrett, Analyst

Okay, thank you. And then just on the clarification point, I understand that you don't really want to give specific numbers around the impact of the closure of Switzerland. And -- but given that your international pro forma revenues were down 4%. Is it -- would it be a fair assumption to say about half of that is Switzerland and half of that is the payments disruption.

Ulrik Bengtsson, Chief Executive Officer

I won't comment on that assumption.

Bridie Barrett, Analyst

Okay, thank you.

Ulrik Bengtsson, Chief Executive Officer

Thank you.

Operator

Our next question comes from Virendra Chauhan from AlphaValue. Virendra, your line is now open. Please go ahead.

Virendra Chauhan, Analyst

Hello Ulrik, Ruth. Good morning. A few questions from me. First of all, could you please give me the pro forma top line growth excluding the impact of Mr Green.

Ulrik Bengtsson, Chief Executive Officer

Can you repeat that question please?

Virendra Chauhan, Analyst

Yeah. So I wanted adjusted top-line growth like pro forma top line growth, at the overall level.

Ruth Prior, Chief Financial Officer

We haven't disclosed that number and Mr Green isn't disclosed separately.

Virendra Chauhan, Analyst

Okay. Great. So second question, on Online revenues specifically. So in the Q3, I see that it's tracking behind, your Online revenue growth is tracking behind some of the competitors, so -- who have also reported at like double-digit kind of growth in online. So any particular reasons for tracking behind the peers?

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Ulrik Bengtsson, Chief Executive Officer

I think if you look at the HMRC data which is the actual tax reported data from the UK HMRC, you would see that over 12 month rolling the UK market is broadly flat. Our performance in the last two quarters is plus 7 and plus 4. I think we're pacing well in line with the market.

Virendra Chauhan, Analyst

Okay. And just one bit on the guidance. So do you still reiterate the mid-single-digit Online growth as well as the Retail adjusted operating profit of GBP60 million -- or GBP50 million to GBP70 million? So is that still intact?

Ulrik Bengtsson, Chief Executive Officer

Yeah.

Virendra Chauhan, Analyst

Okay. And just one final one, on the modular platform architecture. So could you just give me like some understanding of what it means for the business, like vis-a-vis what you are doing today in the UK, and what it would mean by implementing this new modular platform architecture that you talk about? Is it something very similar to what your peers GVC and Flutter are also already doing in their proprietary (inaudible)

Ulrik Bengtsson, Chief Executive Officer

Well, I won't comment on their technology, but what it means for us is really two things, one is to improve control of customer experience in as many places as possible as many touch points as possible, but the other one is also what I refer to as internal scale. So we talk a lot about scale in our business and to make sure we leverage component globally where it makes sense, will allow us for -- to extract that and improve operational efficiency over time.

Virendra Chauhan, Analyst

Okay. So would it be a fair assumption that, in the future, it also improves your time to market in terms of new launches?

Ulrik Bengtsson, Chief Executive Officer

Yes, that's also part of that for sure.

Virendra Chauhan, Analyst

Okay, thank you. Thank you very much. That's all from my side.

Ulrik Bengtsson, Chief Executive Officer

Thank you.

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Our next question comes from Michael Mitchell from Davy. Michael, your line is now open.

Michael Mitchell, Analyst

Yes, good morning guys, thanks for taking my questions. Three if I could. Firstly on the UK Online, I wonder, could you help us understand what the roadmap re-product introduction and you previously mentioned things like marketing and data initiatives. It looks like over the kind of the coming periods to give us a sense of when that business effectively is exactly where you want it to be, that's the first question.

Second question, anything you could do to help us understand what the underlying pace of growth in the international Online business was excluding the sum total of the market disruptions. And then thirdly, just a comment, if you could, in terms of how if at all the competitive dynamic has changed in the Online New Jersey market since the beginning of the NFL season. Thank you.

Ulrik Bengtsson, Chief Executive Officer

For UK Online roadmap, I won't give you all the details of that. But what we've talked a lot about is the Smart data platform that will allow us to sort of more efficiently interact with our customers both from a sort of player safety perspective, but also from a sort of marketing efficiency and yield perspective. We also do roll out the enhanced sportsbook front and that is now being launched in international back into the UK in the beginning of next year.

So those are two big components that lease in near time, and then of course there are plenty of others. As for the underlying growth of international business, if you neutralize for some of those disruptions we've had, most as I said in the statement, most countries are displaying very good underlying growth. And for New Jersey, we know it's a very competitive market. Although, I just want to flag the fact that it's nowhere near as competitive as the UK. So -- but we are well prepared. We had a good offering, the control of our products, good market access, good Sportsbook locations. We are quite that -- we feel quite good about our position.

Michael Mitchell, Analyst

Great. If I could, a very quick follow-up on the first question, just the new brand proposition and maybe you could just give a quick update in terms of how that's landing in the UK.

Ulrik Bengtsson, Chief Executive Officer

While it's landed well, it hasn't driven our -- the preference of our brand, which was the intention. And so we will continue to work on this brand, brand positioning is of course a long-term play.

Michael Mitchell, Analyst

Super. Thank you.

Operator

Our next question comes from James Rowland Clark from Barclays. James, your line is now open. Please go ahead.

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James Rowland Clark, Analyst

Hi, good morning. Three ones -- three questions, please. Now that you've closed 700 shops in retail, medium to sort of longer term, how do you think about the investment needed in the retail estates and how do you think about the sort of customer shift to online from retail? And what does that make you think about the investment strategy required for the retail estate in the longer term.

The second one on International, it's good [ph] for you next year looks like higher revenue growth, than you will see in the UK, which is mid-single digits. How does that compare to the market, and have you got more to go to hit what the market is growing at potentially in future years?

And then once you've done these international improvements within online that you're currently implementing, where do you see the gaps within your online business again looking a little bit further out beyond the next six months? Thank you.

Ulrik Bengtsson, Chief Executive Officer

All right. So the 700 shops in retail, I think the question was, how we feel about that number and I think we -- and the investment required to sort of run that going forward. We said we're going to run Retail for cash, which means, we won't see any big changes in the investment level and CapEx level that we have had in the last years. And then there was a question on the mid-single digit growth in online and I think like I said to my previous answer on the international or the UK, the market growth still stands. I think we are well in line with that. And if you look at H2 for extrapolate out of the market growth for the coming years, it's pretty much in line with mid single growth with some exceptions for bigger tournament years.

And in international, we do feel that we can grow that business slightly ahead of that number, as I said before as well. And more long term, on technology, so lot of things is coming in place but there is always a lot of things to work on when it comes to our product and I think we mentioned the modular architecture that's sort of a long-term play for us to have a technical architecture that is future proof and then maximize control of customer experience.

James Rowland Clark, Analyst

Great, thank you.

Operator

Our next question comes from Simon Davies from Deutsche Bank. Simon, your line is now open.

Simon Davies, Analyst

Good morning. Just three quick ones from me please. Firstly when you talk about disruption to payment processing in your international markets, you're just talking about the issues we know of in the Netherlands and Germany. Or are there any other markets that's been affected?

Ulrik Bengtsson, Chief Executive Officer

And -- I think the markets are well documented in the industry and you're right, we have been affected in Holland by the ideal withdrawal as anyone else.

Company Name: William Hill
Company Ticker: WMH LN
Date: 2019-11-21
Event Description: Q3 2019 Sales and Revenue Call

Market Cap: 1589.19753649
Current PX: 181.800003052
YTD Change(\$): 26.8000030518
YTD Change(%): 17.29

Bloomberg Estimates - EPS
Current Quarter:
Current Year: 0.094
Bloomberg Estimates - Sales
Current Quarter:
Current Year: 1629.733

Simon Davies, Analyst

But there are no other markets both (Technical Difficulty) reality.

Ulrik Bengtsson, Chief Executive Officer

No. The ones that has been documented in the industry are the ones we are broadly referring to, yes.

Simon Davies, Analyst

Yeah, okay. And secondly, just in terms of the 700 store closures. Have you seen a pickup in revenues per store in the remaining states, as you close those stores, are you seeing migration of spend?

Ruth Prior, Chief Financial Officer

We have it slightly ahead of our expectations.

Simon Davies, Analyst

And lastly in the US, very strong performance in online. Can you talk a bit about marketing spend? Are you increasing your marketing spend, because you're seeing decent returns on that spend? What kind of percentage of revenues are you spending?

Ulrik Bengtsson, Chief Executive Officer

Well, we have a 60% growth, 26% market share. We have a technology platform that is purpose-built for the US giving us control of the product and the experience. We have good market access. We believe we have a very strong position with the mix that we have in place.

Simon Davies, Analyst

So is that enabling you to increase your marketing spend because you're getting a decent return on that?

Ulrik Bengtsson, Chief Executive Officer

Well, the return on marketing spend is monitored on a daily basis and of course we dial up and down as we see we get traction in various regions.

Ruth Prior, Chief Financial Officer

Can I just remind you as well that marketing depends on whether you're in a -- if there's sort of regulation in the state. So if it's at a state like Nevada, the marketing levels are lower and obviously higher in a remote registration [ph] state like New Jersey and therefore we've got a nice portfolio of that going on. So our marketing isn't our lead driver.

Simon Davies, Analyst

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Okay, thanks.

Operator

(Operator Instructions) We currently have no further questions at the moment.

Ulrik Bengtsson, Chief Executive Officer

All right, thank you for all those questions. I just want to round off with saying, we remain committed to deliver on our strategy. We are strengthening our team and developing our products. Our actions in the coming months will be focused on enhancing products and platform capabilities, as we continue to build a customer-focused digitally led, internationally diverse business of scale.

Thank you very much for joining the call today.

Operator

If you have missed any part of this call, or would like to hear it again, a recording will be ready shortly. Thank you for joining today's call. Have a lovely day.

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