

William Hill PLC Trading Statement



Strong fourth quarter closes an extraordinary year

13 January 2021

William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading statement for the unaudited 52 weeks ended 29 December 2020.

The Group's total net revenue¹ for the fourth quarter grew 9% year-on-year. Sportsbook staking increased 16%, driven by enhanced products and geographical expansion, whilst gross win margins benefitted from favourable sporting results, driving Group sportsbook net revenue up 20% year-on-year.

2020 has been an extraordinary year with the impact of the Covid-19 pandemic on live sport, national and regional lockdowns in our Retail business and the effect of trading a smaller retail estate, meaning that total Group net revenue for the year decreased by 16% to £1,324m. Customer protection remains one of our highest priorities and throughout the year we implemented extensive player safety measures to safeguard our customers.

Operational highlights:

- Online International net revenue increased 12% on a pro-forma² basis in 2020, benefitting from the successful integration of Mr Green, which launched in two new regions. Delivery of product improvements and effective implementation of a multi-brand strategy offset regulatory headwinds and the absence of live sport during part of the year, with gaming growing 18% pro-forma.
- Online UK net revenue grew 5% in 2020. The steady stream of platform and product upgrades improved our competitive position and the year concluded strongly, driven by a full calendar of live sport in the last quarter and with gaming net revenue growing 20% in that quarter.
- US full year net revenue increased 32%, driven by strong growth online. Casinos remained closed or operated with restricted access for long periods and the major US sports leagues rescheduled their seasons in response to the pandemic. As part of our existing joint venture agreement, we absorbed the Caesars In-Person sportsbooks onto the William Hill platform. William Hill US went live in five new states and launched mobile in five states, leading to 121% net revenue growth in the fourth quarter. William Hill's sports betting apps and sports book odds are now featured on both ESPN and CBS Sports, two of America's leading sports media brands, as a result of agreements entered into during the year.
- Retail responded to the disrupted trading environment with great agility. Net revenue decreased 30% on a like-for-like basis, driven by a series of national and regional lockdowns, implemented in response to the pandemic at the end of the first quarter and affecting the remainder of the year.
- When open, with no restrictions, Retail traded well and profitably. At the end of the third quarter Retail was on course for a breakeven outcome for the full year. However, the Covid-19 related restrictions experienced during the fourth quarter impacted all our 1,414 shops at some point, resulting in a full year loss of c.£30m. We received £24.5m of furlough funds in the first half which have since been repaid and, under the current circumstances, we do not expect to claim any further job retention related support. Throughout the year, even when furloughed, our UK retail colleagues received 100% of their full pay.

On 30 September 2020, the boards of William Hill, Caesars UK Bidco Limited ("Caesars UK Bidco") and Caesars Entertainment, Inc. ("Caesars") announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which Caesars UK Bidco shall acquire the entire issued and to be issued share capital of William Hill not already owned by or on behalf of the Caesars Group for a cash price of 272p per share (the "Acquisition"). We are pleased that, at the Court Meeting and General Meeting held on 19 November 2020, the requisite majority of shareholders approved the scheme of arrangement in relation to the Acquisition. Caesars' current expectation is that the remaining approvals required to be obtained from the relevant US gaming authorities will be obtained in time to allow completion of the Acquisition to occur early in the second quarter of 2021, but possibly as early as March 2021.

Ulrik Bengtsson, CEO, commented: "2020 was a year like no other. It tested our agility and flexibility and we delivered, keeping our customers and team safe, whilst materially improving our competitive position through product enhancements and geographical expansion. The offer received for the Group recognises the substantial progress we have made as well as the opportunities and challenges ahead of us. I remain immensely proud of the William Hill team which has been relentless in its focus on delivering a great product and service to our customers, with player safety at its heart. Customer, Team, Execution have been our guiding lights through this unusual year, and they will remain so as we look forward through 2021."

The Group's 2020 final results will be announced on Wednesday, 24 February 2021.

Notes

1. Growth rates are based on statutory results unless stated otherwise.
2. Where pro-forma results are stated, this assumes Mr. Green was consolidated into the Group at the beginning of January 2019, in order to provide a more meaningful comparator period.

OAM: Additional Regulated Information

William Hill LEI: 213800MDW41W5UZQIX82

Enquiries

William Hill	Louise Turner-Smith, Director of Investor Relations Alison Cole, Director of Corporate Communications	Tel: +44 (0) 20 7612 3251 Tel: +44 (0) 20 7612 3233
Brunswick	Andrew Porter / Ruan Tremayne	Tel: +44 (0) 20 7404 5959

About William Hill

William Hill PLC is one of the world's leading betting and gaming companies, employing c.12,000 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 10 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 14 states: Colorado, Delaware, Illinois, Indiana, Iowa, Michigan, Mississippi, Nevada, New Mexico, New Jersey, Pennsylvania, Rhode Island, Washington D.C. and West Virginia. Caesars Entertainment, 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.