

# 2020 Results

12 February 2021

Investor presentation

# Disclaimer

**This document may contain certain forward-looking statements which are based on estimations and forecasts. By their nature, these forward-looking statements are subject to important risks and uncertainties and factors beyond our control or ability to predict, in particular those described in FDJ Registration Document which is available on the website (<https://www.groupefdj.com/en/investors/financial-publications.html>).**

**These forward-looking statements should not be considered as a guarantee of future performance, the actual results could differ materially from those expressed or implied by them. The forward-looking statements only reflect FDJ's views as of the date of this document, and FDJ does not undertake to revise or update these forward-looking statements.**

**The forward-looking statements should be used with caution and circumspection and in no event can FDJ and its Management be held responsible for any investment or other decision based upon such statements. The information in this document does not constitute an offer to sell or an invitation to buy shares in FDJ or an invitation or inducement to engage in any other investment activities.**

**In this presentation, 2019 figures have been adjusted for the new regulatory/fiscal regime in force as of 01 January 2020, exceptionally long lottery cycles, the acquisition of Sporting Group on a full-year basis and IPO costs.**

**Quarterly and half-yearly variations have not been been adjusted for exceptionally long lottery cycles in 2019.**

# 2020: resilience and commitment

## ◆ **Responsive & solid**

- ◆ 2020 results safeguarded despite health crisis impact
- ◆ Relevance of strategic priorities

## ◆ **Committed & supportive**

- ◆ The corporate purpose included in bylaws at June 18th 2020 AGM
- ◆ Strong mobilisation from the onset of the health crisis

# Contents

- ◆ **1. Committed & supportive**
- ◆ **2. Activity impacted by the health crisis**
- ◆ **3. Results preserved**
- ◆ **4. Relevance of strategic priorities**

# ◆ 1. Committed & supportive

# Corporate purpose / «raison d'être»

Enshrined in our bylaws

## ◆ Approved by shareholders at the AGM on 18 June 2020

*Gaming is our business, giving back to society is what drives us,  
and responsibility is our constant focus*

### ◆ Six embodiment commitments :



# Stakeholders committee

First meeting in December 2020



**Rose-Marie  
VAN LERBERGHE**  
Former Managing  
Director of AP-HP  
& former CEO of Korian  
**Committee Chair**



**Elisabeth  
BELMAS**  
Historian,  
specialist in gaming  
in society  
**#gaming #player**



**Joëlle  
BOTTALICO**  
Vice-president  
of the Haut Conseil  
de la vie associative  
**#solidarity #vulnerability**



**Christian  
BUCHER**  
Psychiatrist,  
expert in addictology  
**#gaming #addiction**



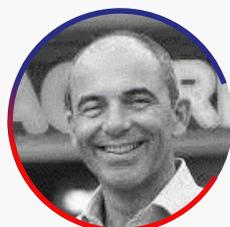
**Jean-Baptiste  
CARPENTIER**  
Veolia Chief  
Compliance Officer  
**#fraud #moneylaundering  
#compliance**



**Marion  
CASPERS-MERK**  
Former Managing  
director of the  
Bade-Wurtemberg Lottery  
**#lottery #network**



**Caroline  
CAYEUX**  
Mayor of Beauvais,  
President of the Agence  
nationale de la cohésion  
des territoires  
**#territories #commerce**



**Philippe  
COY**  
President  
of the Confédération  
des ruralistes  
**#convenienceretail  
#network**



**Laurence  
DEVILLERS**  
AI Professor  
at CNRS  
**#ethics #data #AI**



**Benoit  
HALGAND**  
Polytechnique student,  
founding member  
of the Manifeste pour  
un sursaut écologique  
**#environment  
#corporatecommitment**



**Philippe  
MOATI**  
Co-president  
of Obsoco, specialist  
in consumer & client trends  
**#consumer #trends  
#commerce**



**Louise  
NADEAU**  
Emeritus Professor  
at the university  
of Montreal,  
expert in addictology  
**#gaming #addiction**



**Daniel  
PANETTO**  
President of Culture  
Presse  
**#convenienceretail  
#network**

# CSR commitments

reaffirmed and assessed

**Vigeo Eiris rating  
maintained  
A1+**

**10%**  
of TV advertising budget  
allocated to  
**Responsible Gaming**

**Gender parity**  
**100/100 «Pénicaud» index**  
**#2 Grand Prix**  
**Humpact Emploi France 2020**

**100% of slips/cards**  
printed on paper from  
**sustainably managed forests**

# Strong contribution

to the economy and society

**€5.2 billion**  
(0.2%)  
**contribution**  
**to French GDP**

**50,800**  
**jobs created**  
**or safeguarded**

**20,400**  
**jobs created**  
**or safeguarded**  
**Within convenience**  
**retail**

Sources: Bureau d'information et de prévision économique (Bipe), FDJ

# Strong mobilisation since the beginning of the health crisis

to contribute to national solidarity

- ◆ **Supporting healthcare professionals, medical research and vulnerable people**
  - ◆ Over €2.7 million donated to the welfare alliance «Tous unis contre le virus», the Secours populaire français, etc.
- ◆ **Supporting the FDJ retail network**
  - ◆ Gift of 3 million protective masks, operational and financial support
- ◆ **2<sup>nd</sup> quarter 2021: a partnership support fund dedicated to local businesses with ~€15 million from FDJ**



## 2. Activity impacted by the health crisis

# Performance preserved despite health crisis impact

- ◆ **2020 stakes €16bn (-7%)**
  - ◆ H2 recovery (+3%)
  - ◆ Strong online growth (+40%) to €1.5bn, representing 10 % of total stakes
- ◆ **Revenue €1.9bn (-6%)**
- ◆ **EBITDA €427m (+1%); 22.2% margin**
  - ◆ Costs reduction in excess of €80m, safeguarding our growth-generating investments
- ◆ **Net income €214m**
  - ◆ 80% dividend payout ratio
- ◆ **Available cash in excess of €1bn**

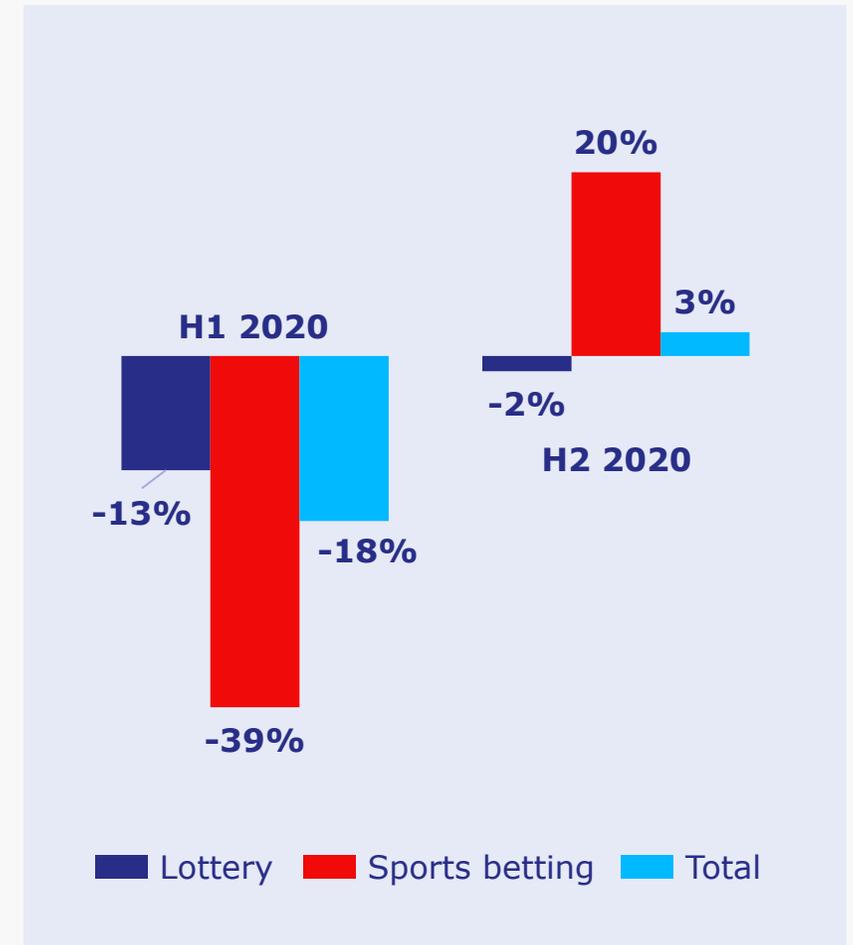
**Relevance of our strategic priorities confirmed**

# Health crisis impact on stakes

Back to growth in H2

## ◆ €16bn stakes (-7%)

- ◆ H1: -18%
  - ◆ Lockdowns – bars/POS closures
  - ◆ Temporary halt to sporting events
  - ◆ Adapted games portfolio and marketing strategy
- ◆ H2: +3%
  - ◆ Resumption of dynamic growth in sports betting
  - ◆ Lottery almost back to normal



# Lottery

## Resistance of draw games – Strong online momentum

- ◆ **Draw games: €5bn stakes**  
-6% in 2020
  - ◆ Loto et Euromillions: +6%
  - ◆ Amigo: stakes down more than 30%
- ◆ **Instant games: €7.7bn stakes**  
-6% in 2020: -11% in H1; -1% in H2
- ◆ **Online lottery: growth in excess of 60% to €1.1bn**

Online lottery stakes  
In €m



# Sports betting

Momentum confirmed

- ◆ **Sports betting: €3.2bn stakes**
  - 10% in 2020: -39% in H1; +20% in H2 S2
- ◆ Stakes down in H1
  - ◆ -90% from mid-March to mid-May due to sporting events halted
  - ◆ Lockdown impact and bars closure
- ◆ Quick recovery as sporting events started to resume gradually mid-May
  - ◆ Record-breaking weekly bets
  - ◆ Online sports betting growth throughout the year

Year-on-year change in stakes on a monthly basis

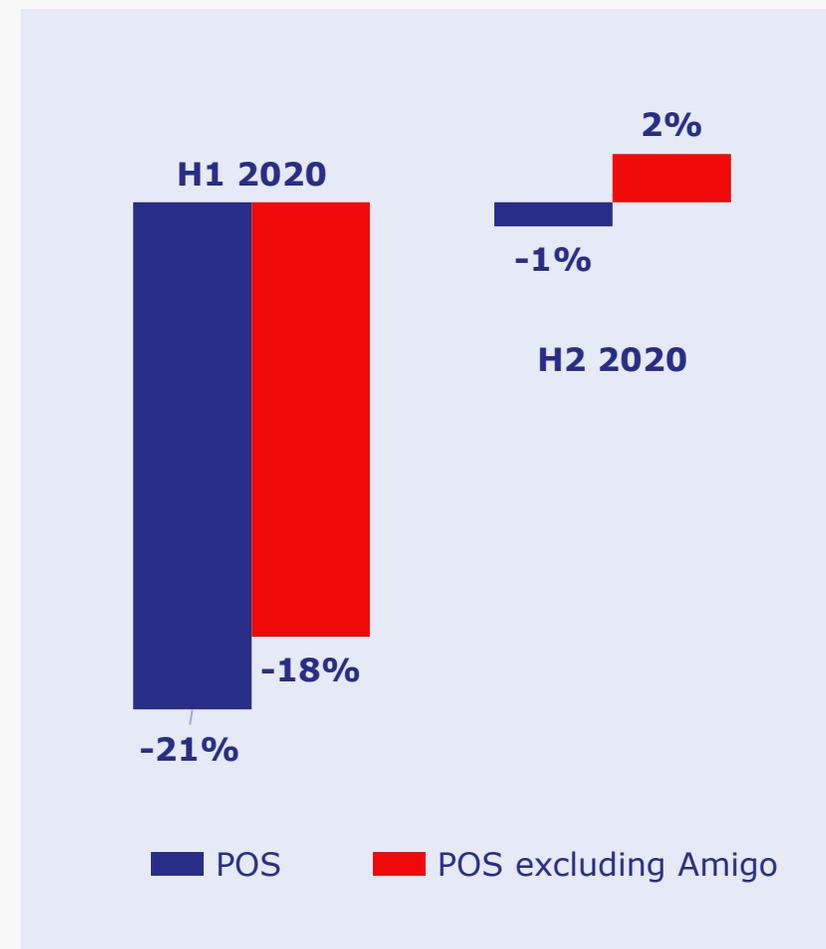


# Good resistance of retail POS network

## Strong online momentum

- ◆ **POS stakes: €14.4bn**
  - 10% in 2020 : -21% in H1; limited -1% decline in H2
    - ◆ Excluding Amigo : -7% in 2020; +2% in H2
    - ◆ Stable network size at c. 30,000 POS
- ◆ **Online stakes: up in excess of 40% to €1.5bn hence c.10% of total stakes**
  - ◆ Lottery: growth in excess of 60% to over €1.1bn
    - ◆ Equivalent to c.9% of total lottery stakes
    - ◆ New players growth in excess of 60%
- ◆ **Strong share of omnichannel players**
  - ◆ Over half of online Lottery players are also POS players
- ◆ **Digitalised stakes\*: 24% of total stakes**
  - ◆ 20% target by 2020 exceeded

\* Digitalised stakes = online stakes + stakes prepared online and recorded at POS



# Strategic developments

in adjacent activities

## ◆ International

- ◆ Several contracts en Europe, including the first-ever contract to provide online games, for Czech lottery operator Sazka
- ◆ First-ever contract in North America, providing Ontario Lottery and Gaming (OLG) a complete sports betting management solution

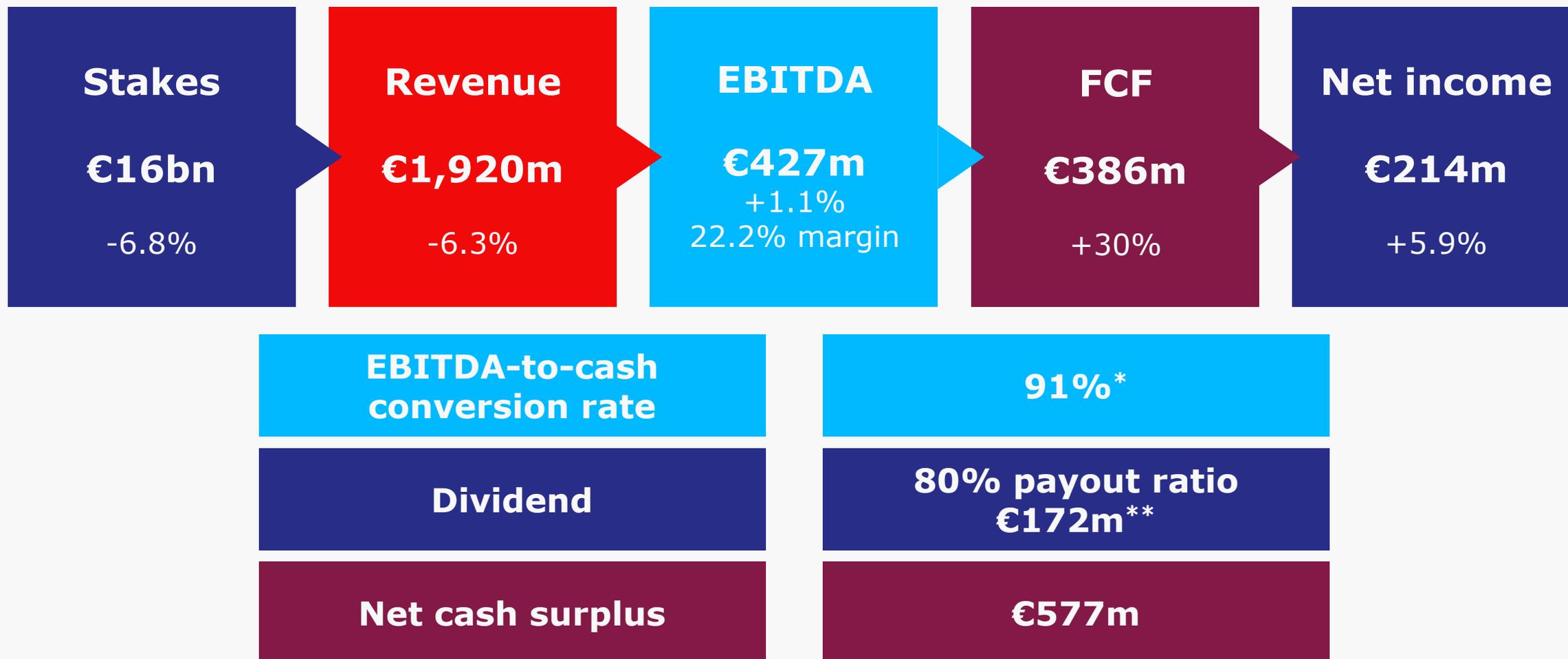
## ◆ Payment & Services

- ◆ Deployment of public service bills and taxes payment facilities at 9,000 POS
  - ◆ 360,000 transactions totalling €36m collected on behalf of the French Treasury



# 3. Results preserved

# 2020 key figures

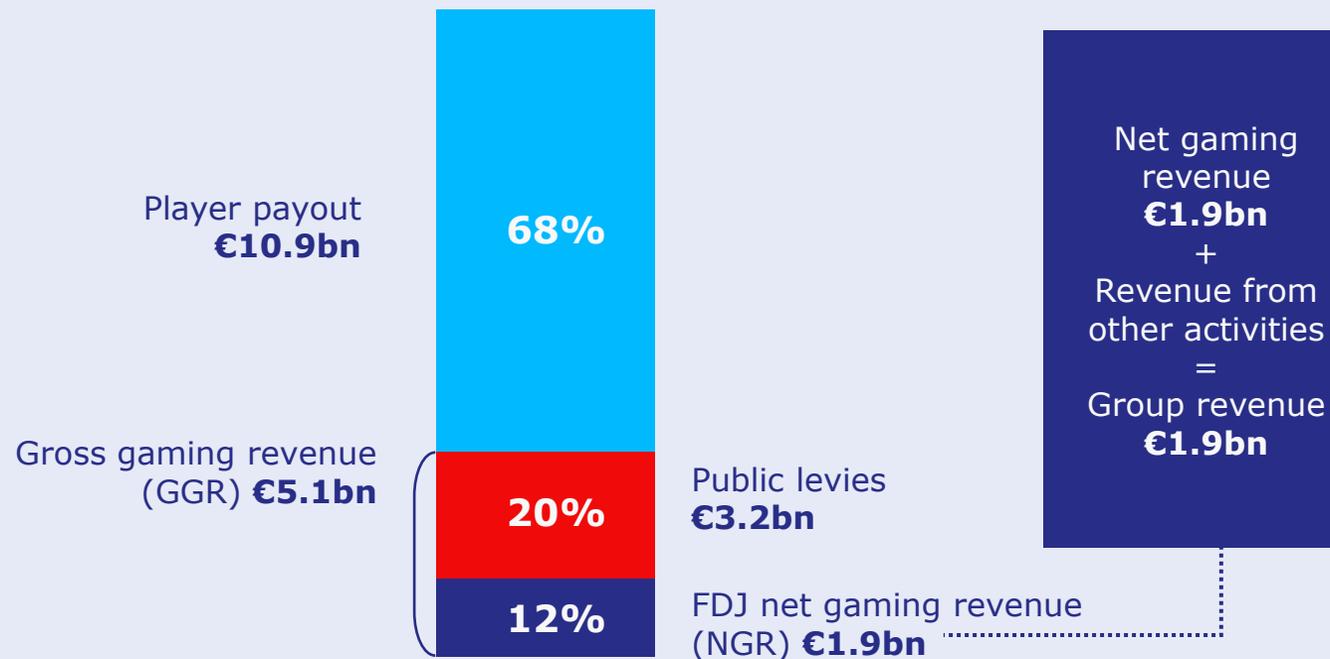


EBITDA: recurring operating income before depreciation & amortisation  
FCF = Free cash flow: EBITDA + net change in working capital – capital expenditure  
\* Adjusted for calendar impacts on gaming working capital and unclaimed prizes  
\*\* Proposed at June 16th AGM

# Stakes to EBITDA

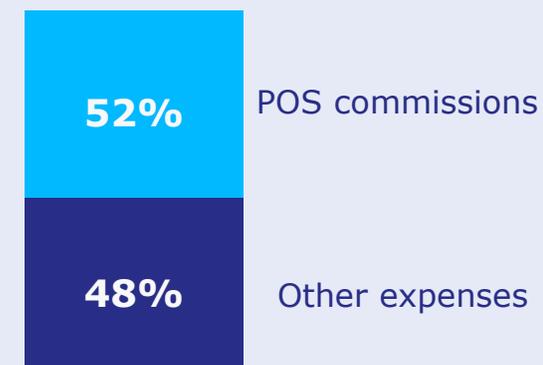
## Stakes to net gaming revenue (as % of total stakes)

2020 total stakes  
€16bn



## Revenue to EBITDA (as % of total operating expenses\*)

2020 total opex  
€1.5bn



2020 EBITDA

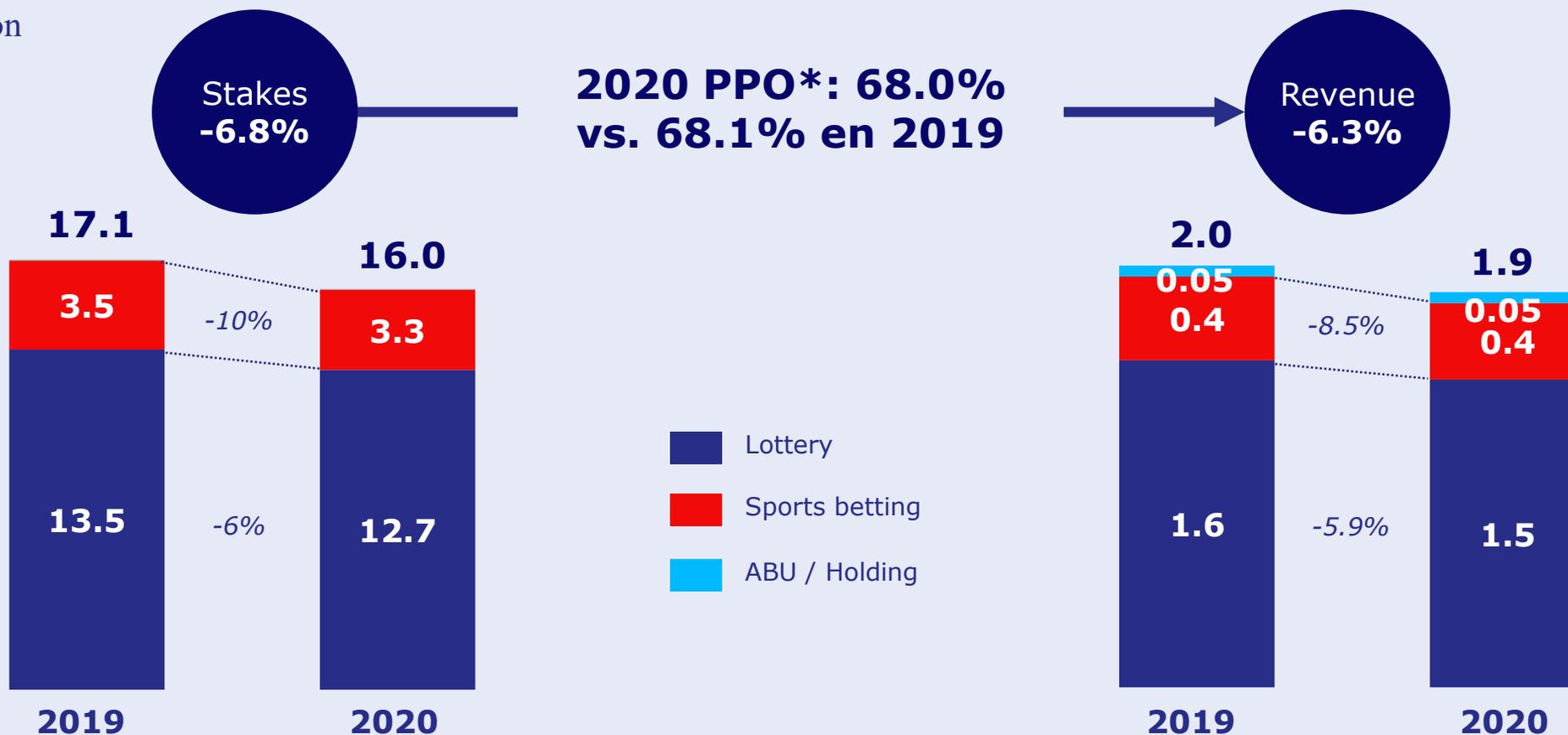
€427m

\* Excluding D & A

# Revenue decline

in line with stakes

In € billion

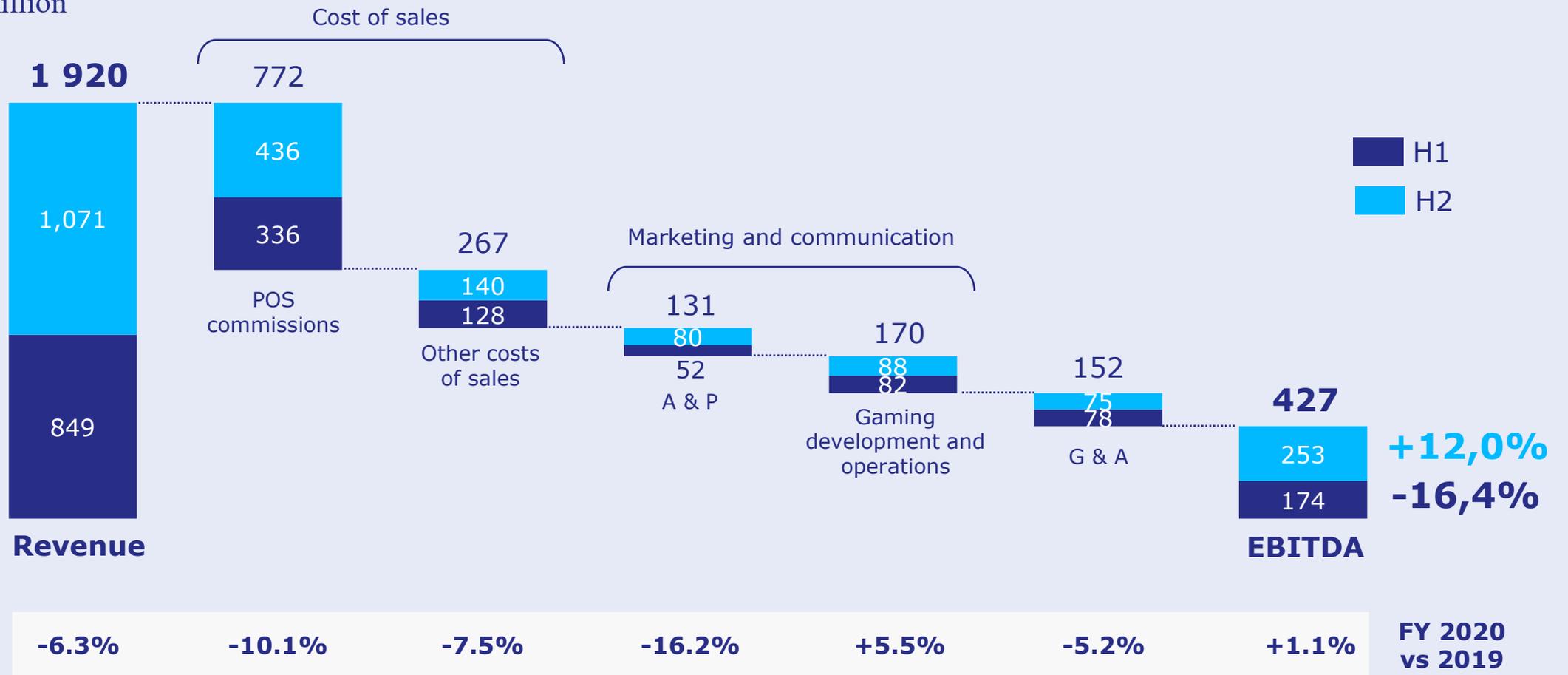


\* PPO: Player payout ratio

# EBITDA rebound in H2

+12% vs. -16% in H1

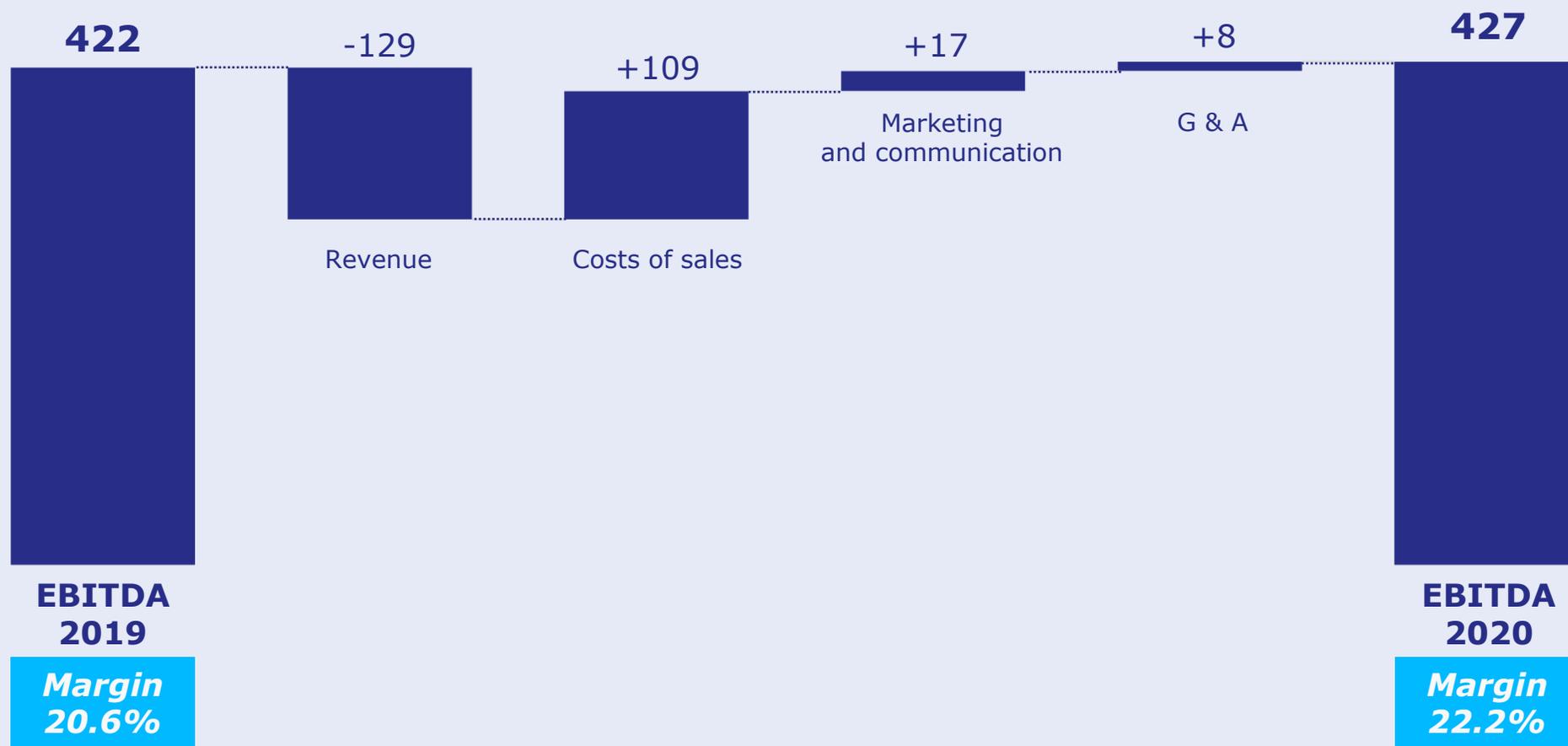
In € million



# EBITDA margin progression

from 20.6% to 22.2%

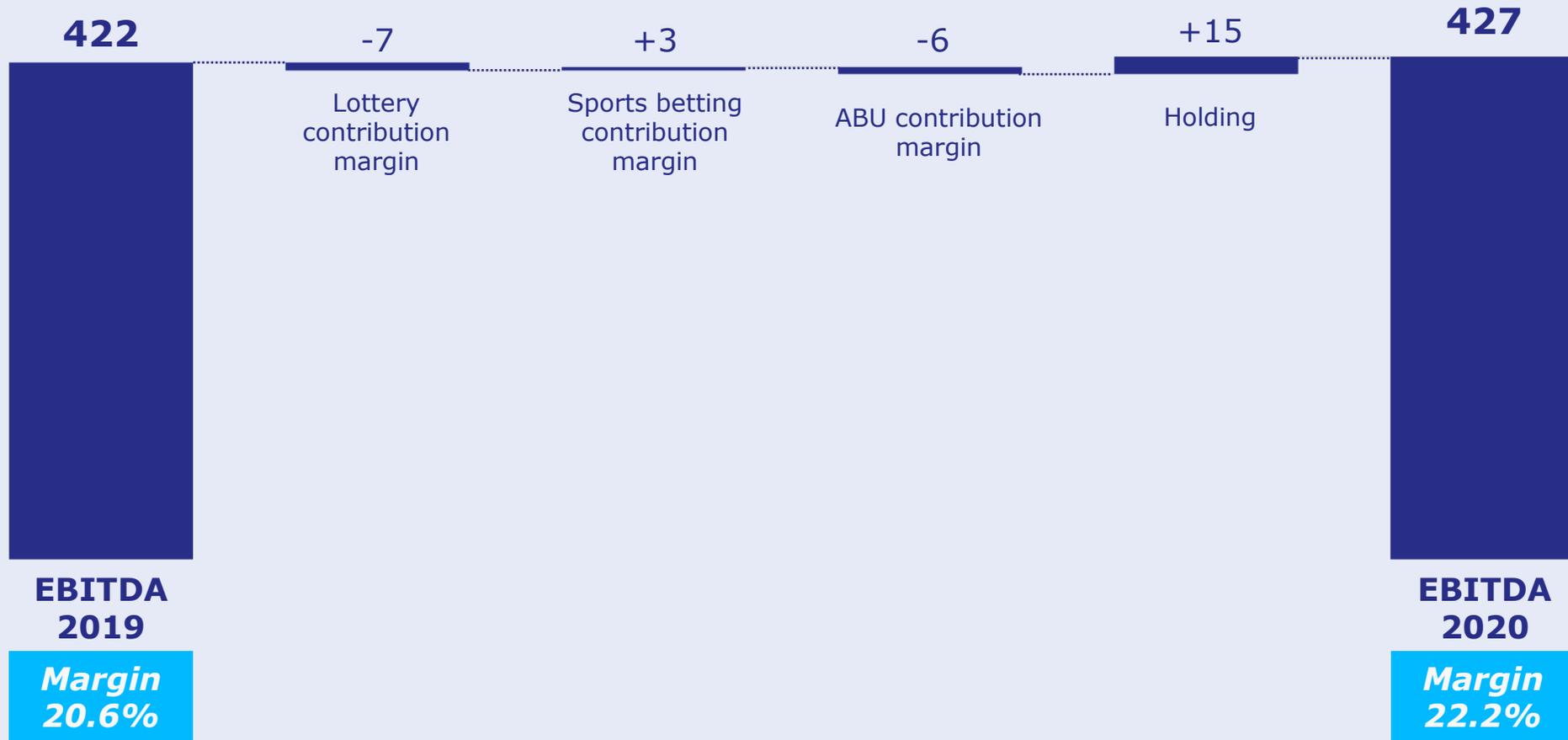
In € million



# EBITDA growth

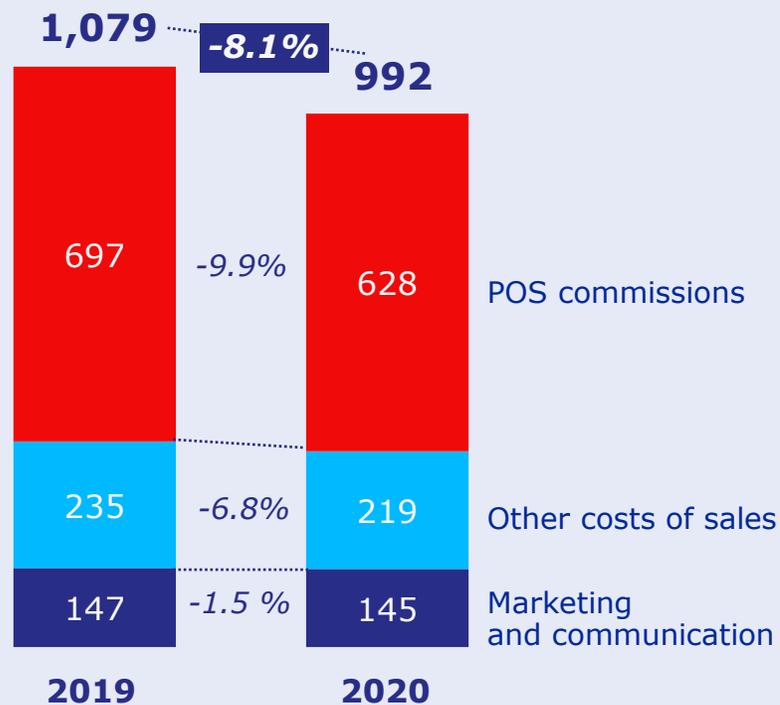
driven by sports betting and holding costs reduction

In € million

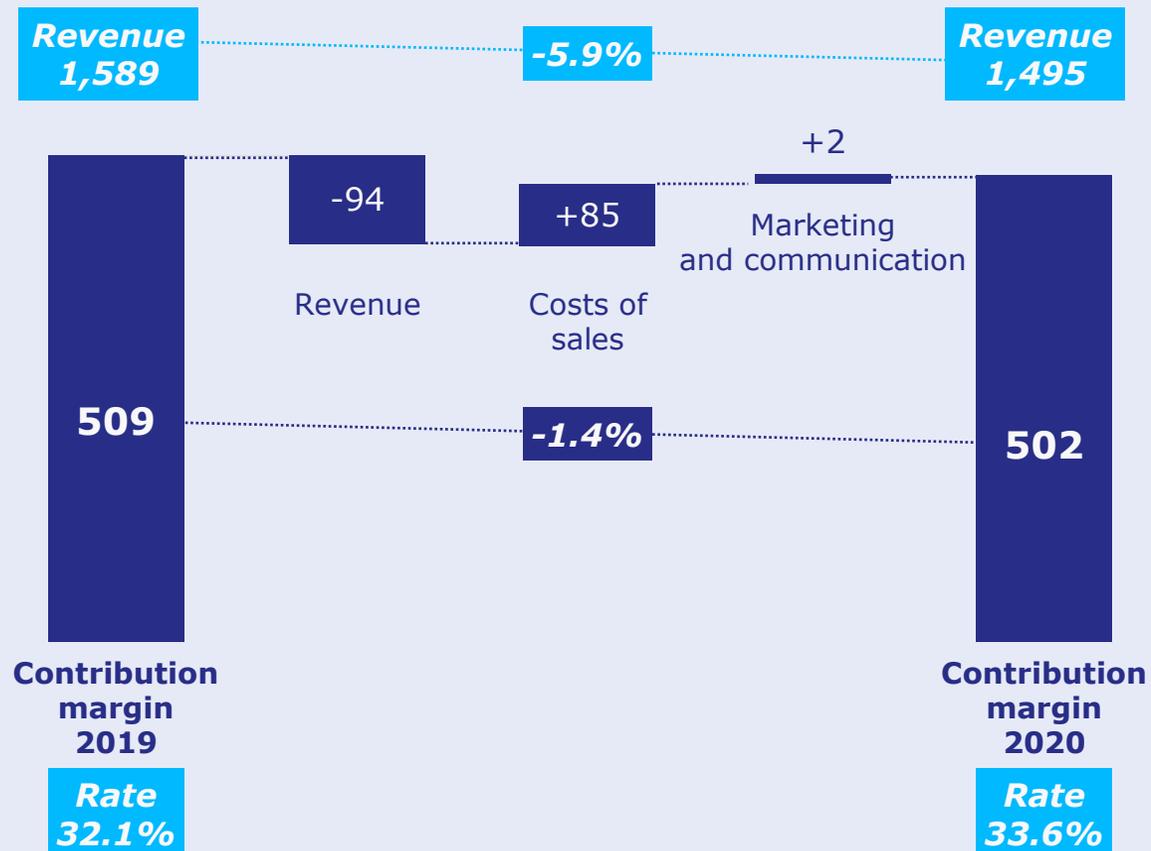


# Lottery: stable contribution margin

In € million

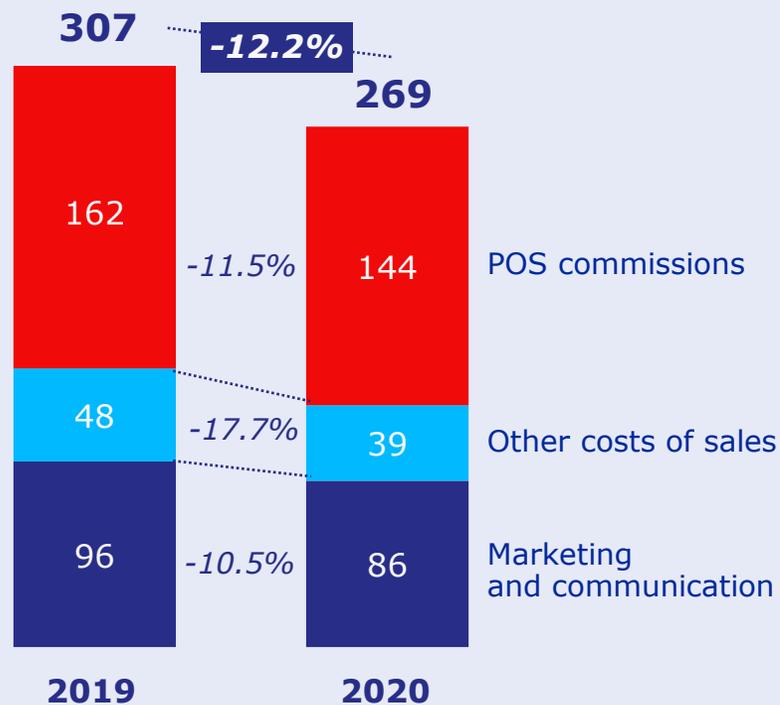


In € million

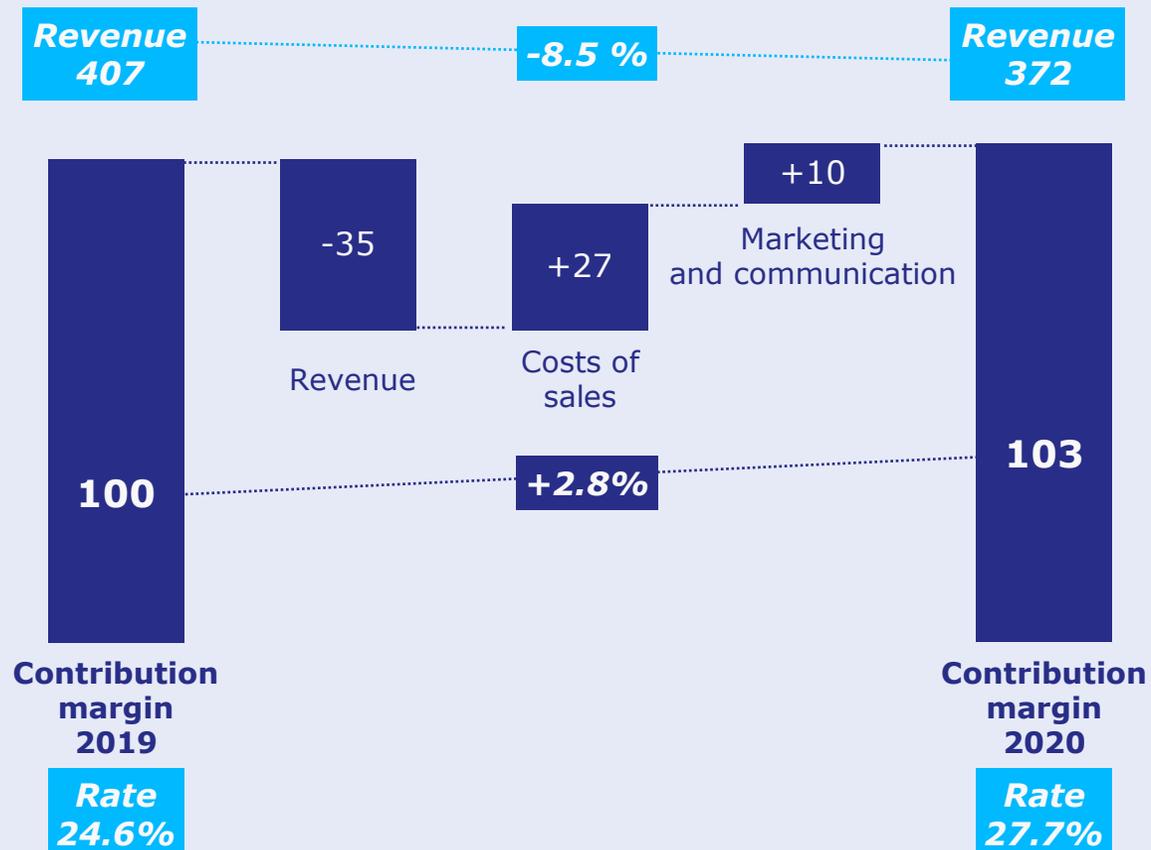


# Sports betting: stable contribution margin

In € million

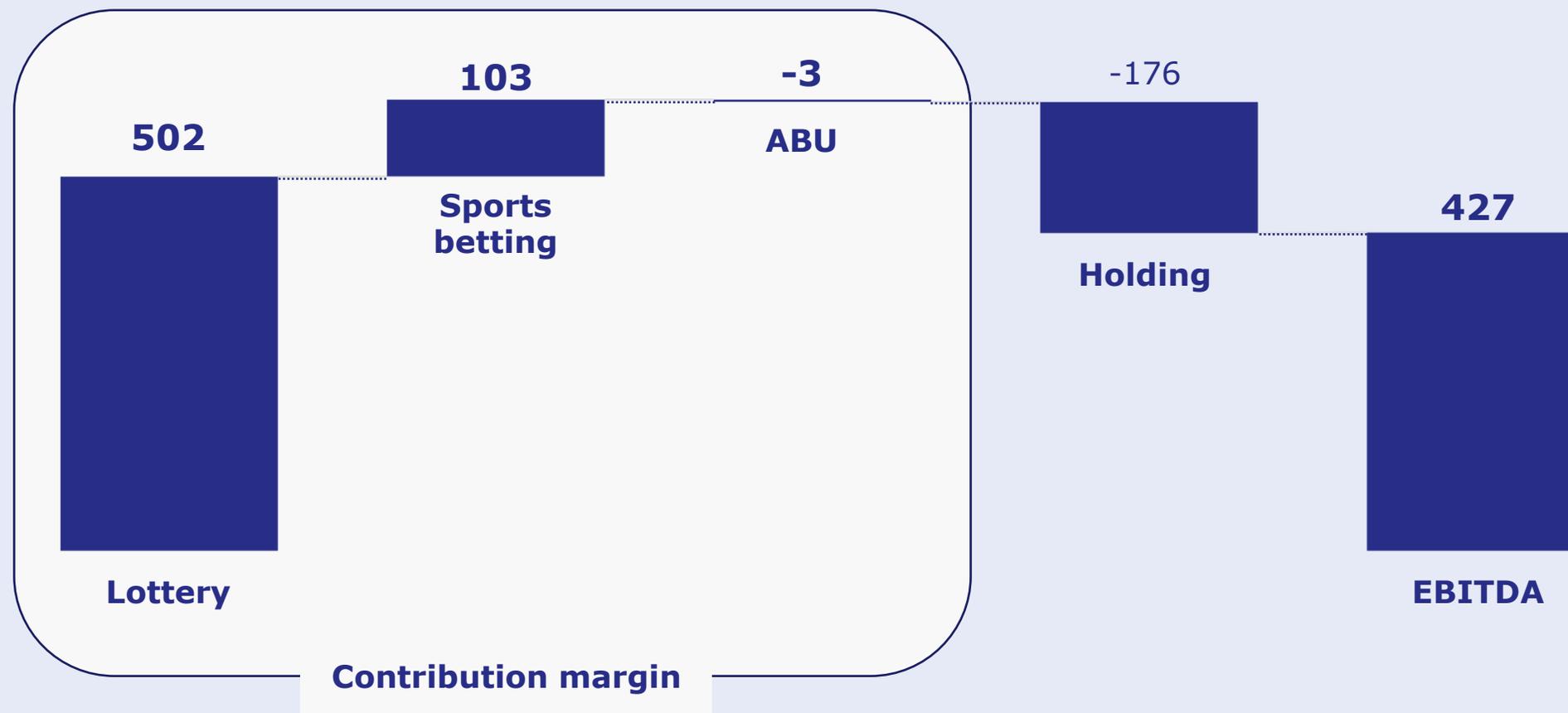


In € million



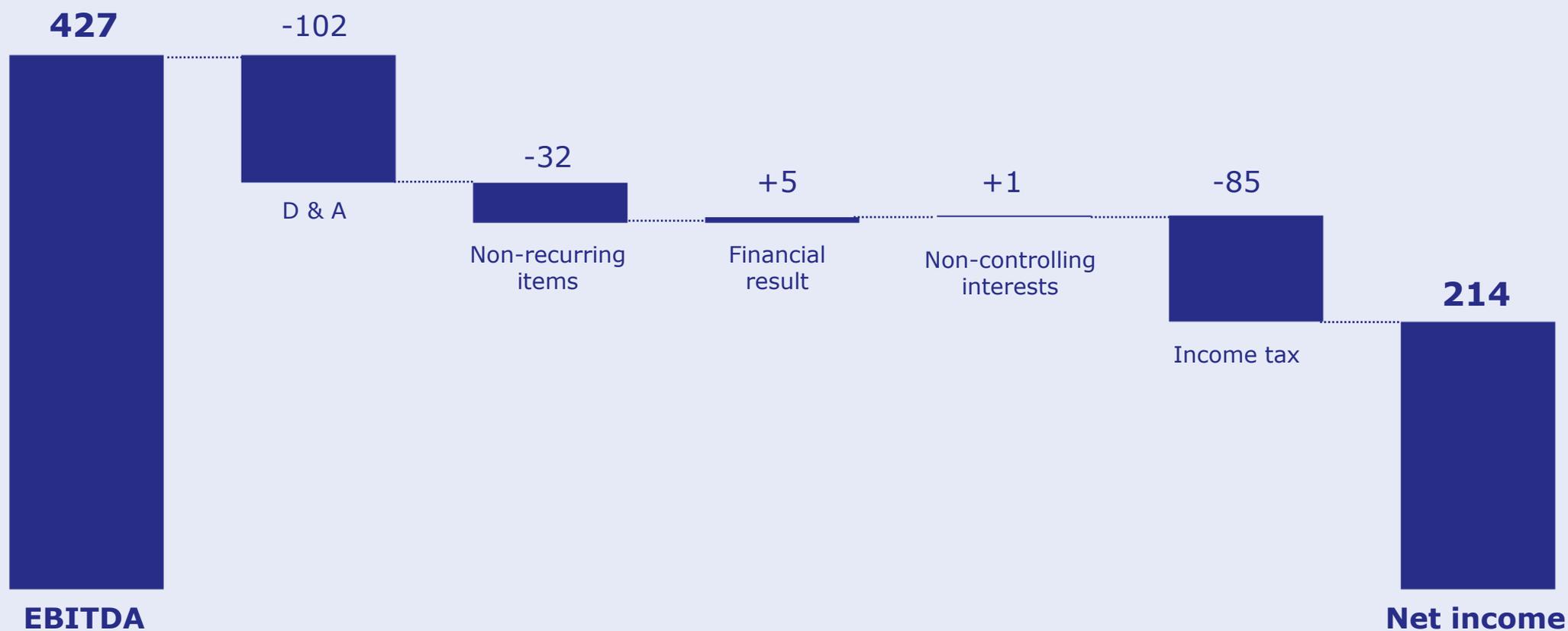
# 2020 EBITDA breakdown

In € million



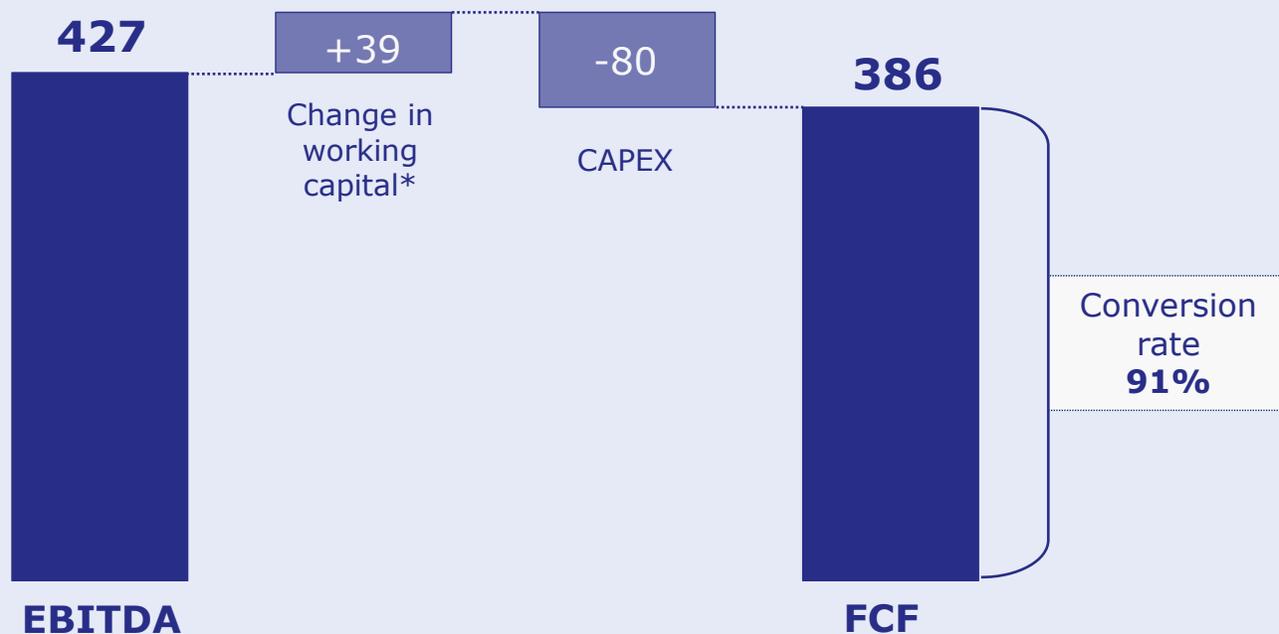
# EBITDA to net income

In € million

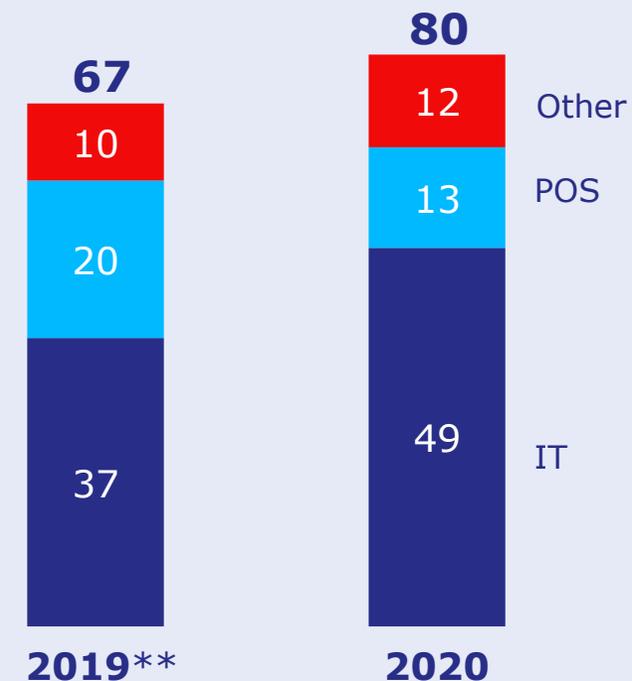


# 91% EBITDA conversion to cash

## EBITDA to FCF in € million



## CAPEX in € million



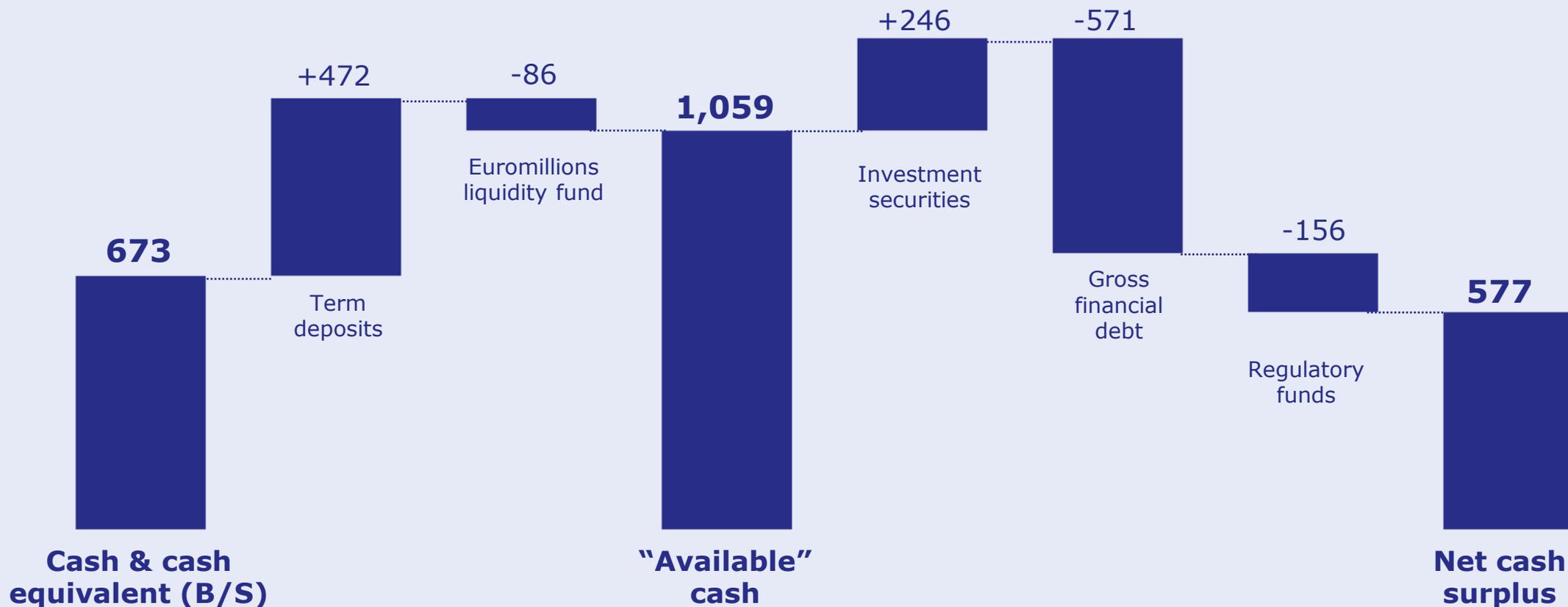
\* Adjusted for calendar impact on public levies, POS network, winnings due and unclaimed prizes

\*\* Excluding Sporting Group acquisition (€112 million)

# Net cash surplus

of €577m at year-end 2020

In € million





# 4. Relevance of strategic priorities

# 2025 strategy

## Lottery

Strengthen growth levers

Developing omnicanality for a renewed gaming experience and customer loyalty

## Sports betting

Accelerate growth

Gain market share online and maintain POS momentum

## Adjacent activities

Increase the resilience of our business model

International

Payment & Services

Entertainment

## Customer relations

Identify and customise

Building value-creating customer relations while strengthening our Responsible Gaming policy

**Fostering an omnichannel gaming experience through a high number of contact points and by developing customer knowledge**

# 2021 highlights

## ◆ Lottery

### Back to a normalised schedule of marketing events

- ◆ >10 Loto & Euromillions special events
- ◆ Instant games: one launch/relaunch per month



## ◆ Sports betting

- ◆ EURO UEFA 2021 – Tokyo Olympic & Paralympic Games
- ◆ Continued enrichment and reinforcement of our offer attractiveness



## ◆ Payment & Services: develop collection services on behalf of third parties

- ◆ Continued deployment of the French Treasury collection service
- ◆ Extension to service providers (energy bills, rents, etc.)

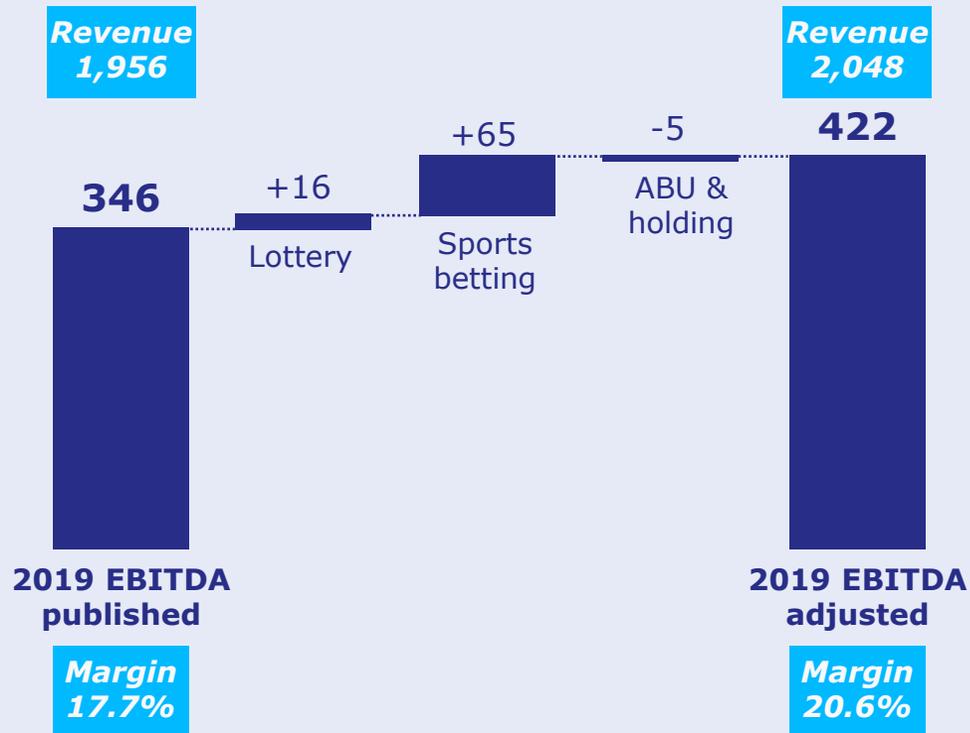




# Appendix

# 2019 adjusted EBITDA

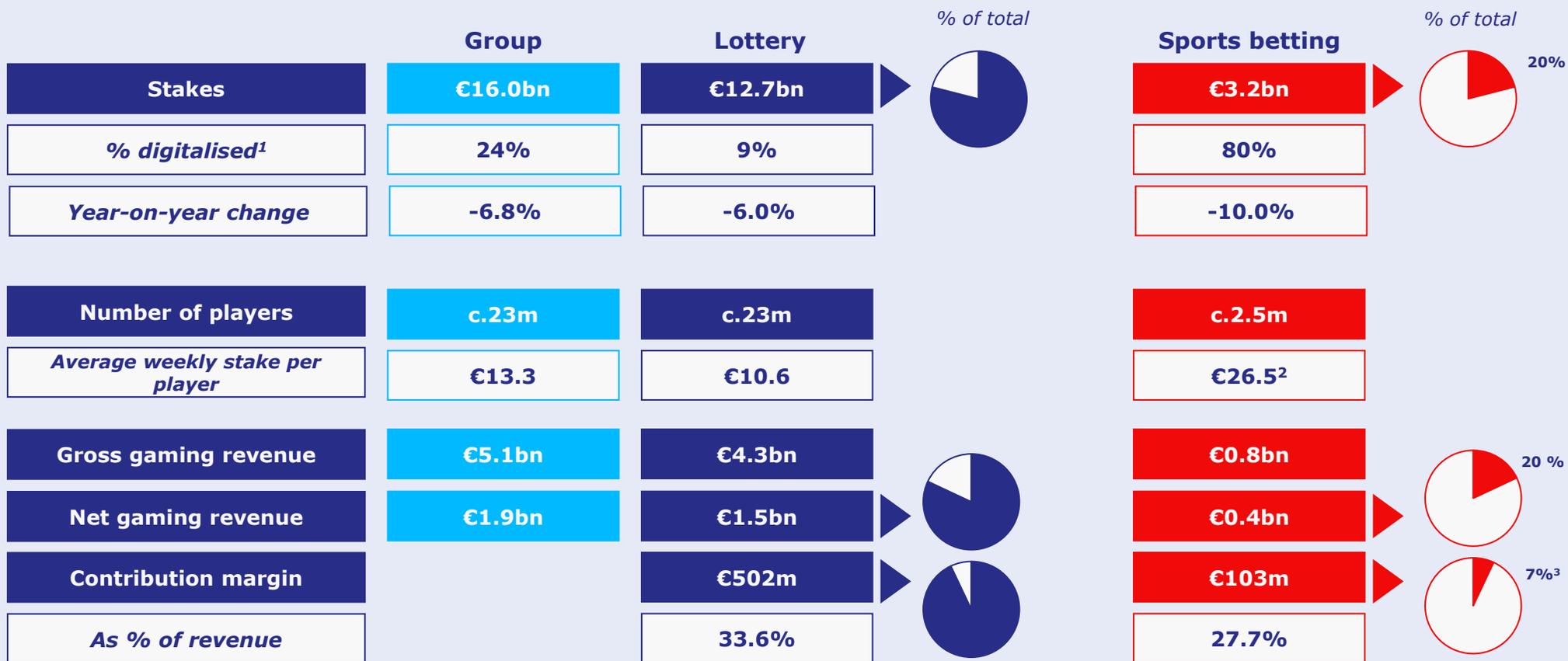
In € million



- ◆ New regulatory/fiscal regime in force as at 01/01/2020
- ◆ Sporting Group on a full-year basis (vs. consolidated over 7 months on a published basis)
- ◆ Exceptionally long lottery cycles



# 2020 KPIs



1 / Digitalised stakes = online stakes + stakes prepared online and recorded at POS - 2 / Calculated over 48 weeks - 3 / Share of the contribution margin excluding holding costs

# Player payout ratio (PPO)



# New regulatory/fiscal regime

as at 01 January 2020

1

Gaming taxes based on stakes

2019



2

Gaming taxes based on GGR\*

01 January  
2020  
onwards

Player payout		Taxes	FDJ		
Categories	Player payout ratio range	Tax rate	Before VAT		
Loto & Euromillions	50-60%	68.0% of GGR	32.0% of GGR		
Other lottery games	<table border="1"> <tr> <td>Other draw games: 59-72%</td> <td>Instant games average annual max: 70.5%</td> </tr> </table>	Other draw games: 59-72%	Instant games average annual max: 70.5%	55.5% of GGR	44.5% of GGR
Other draw games: 59-72%	Instant games average annual max: 70.5%				
POS sports betting	Average annual max. : 76.5%	41.1% of GGR	58.9% of GGR		
Online sports betting	Average annual max. : 85%	54.9% of GGR	45.1% of GGR		

\* GGR = Gross gaming revenue

