



Flutter Entertainment Plc Interim Results 2022

12 August 2022



Introduction

Peter Jackson, Group CEO

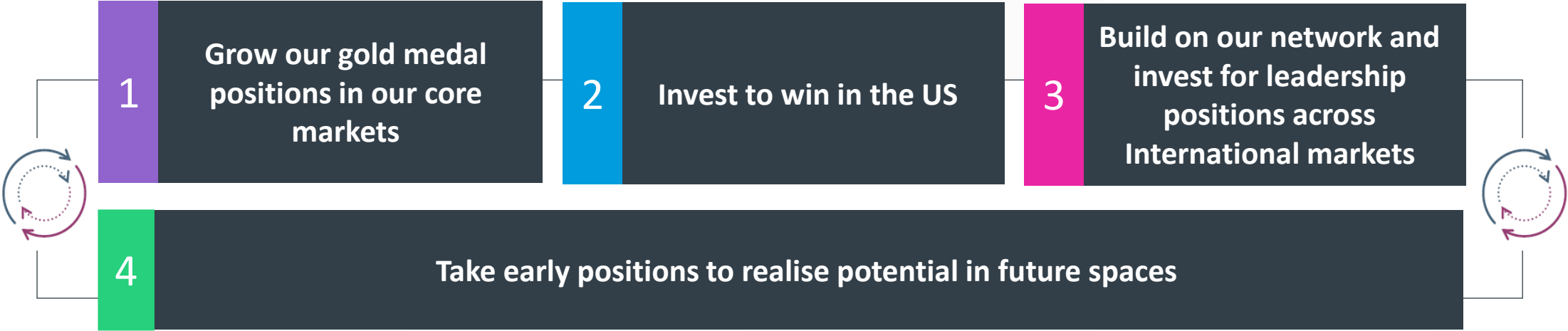
Agenda

- Overview
- Financial Review
- Business Update
- Conclusion

Overview: H1

- Positive revenue momentum of 9% from recreational player growth +14%
- **US:** continues to accelerate with
 - EBITDA profit in Q2
 - Sports betting market share of 51% in Q2
 - Confidence in 2023 profitability¹
- **Group ex-US:** revenue of over £2.3bn and EBITDA of £608m in-line with expectations
 - Acquisition of Sisal adds another gold medal with strong H1 performance
- **Full year Group EBITDA** guidance in-line with expectations

Overview: continued delivery against strategy



Powered by key enablers

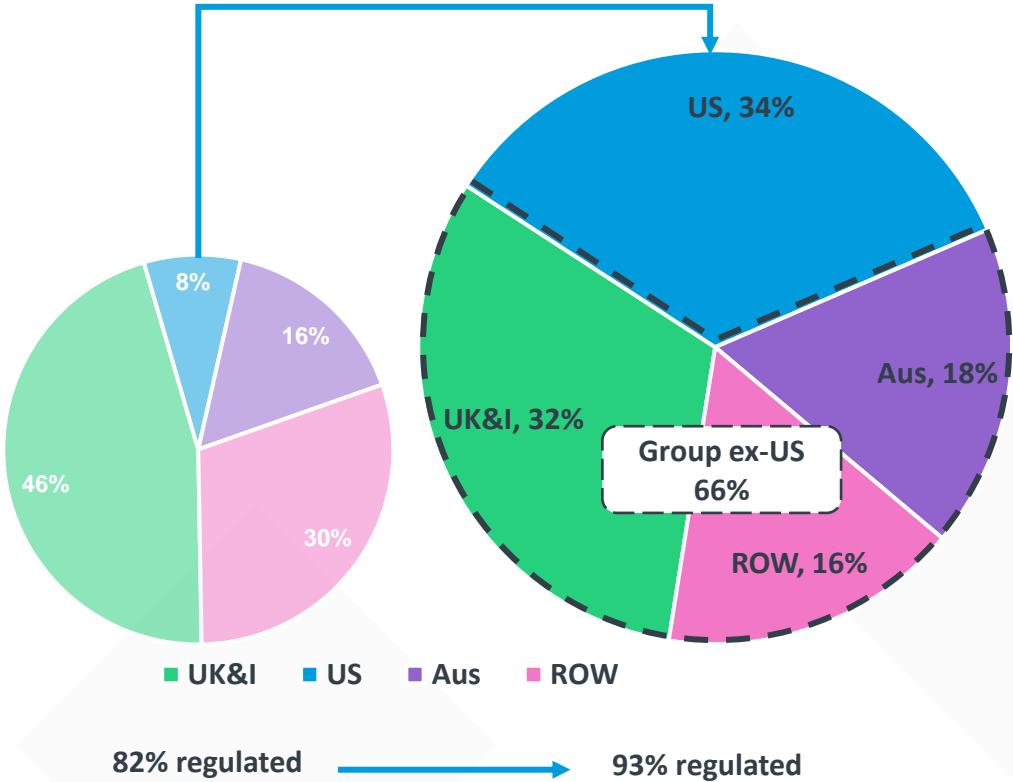


Overview: US success transforming Group

Increasing scale and diversification driving growth....

...with further growth and transformation to come

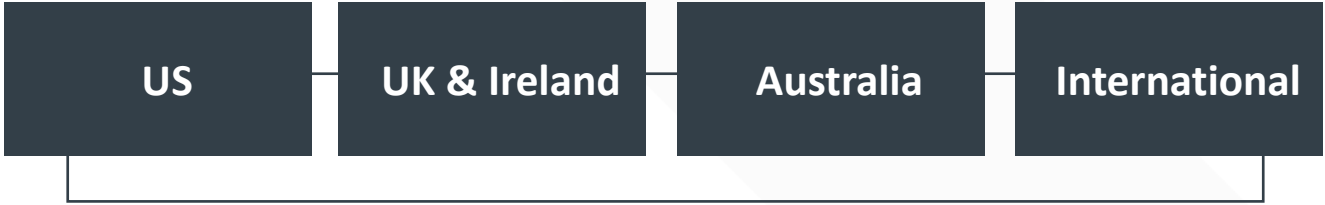
Evolution of geographic mix, H1 2019 – Q2 2022



- 1 Revenue mix will further evolve with US revenue now over one third of Group revenue
- 2 Earnings profile will transform with swing to positive full year US EBITDA in 2023¹
- 3 Regulated markets will increase with additional 3% currently regulating
- 4 Flywheel benefit drives top-line growth through scale with diversification providing resilience

¹ 2023 profit projection as set out in the footnote on slide 4.

Overview: Flutter Group benefits complementing local scale



Local scale underpinned by access to key global advantages:

People and talent	Unparalleled expertise >20,000 employees ¹ ; >400 working for FanDuel today from elsewhere in Flutter
Product	Market leading pricing and risk management capabilities create #1 products e.g. <i>Same Game Parlay™</i>
Technology	Scalable, reliable platforms for growth e.g. global betting platform
Insight and data	Access to global insight creates opportunity for shared successes

Optimisation of resources driving growth across our businesses

¹ Including Sisal employees.

Overview: good H1 progress against Positive Impact Plan



Customers

Helping customers to **Play Well**



Colleagues

Empowering colleagues to **Work Better**



Communities

Working with communities to **Do More**

2030 targets

We will reach >75% of customers using a safer gambling tool

Our teams will be representative of where we live and work

We will have improved the lives of 10 million people

H1 update

- 34.8% tool usage in June 2022 (+2.3ppt vs December 2021)¹
- Adjarabet, Jungle and Tombola now included
- Over £33m invested in safer gambling YTD

- Global minimum standard on Parental leave adopted
- Global Advocacy Programme launched
- Pride Committee established

- Over £1.1m contributed YTD including to Ukraine humanitarian aid
- Employee volunteering across divisions: nearly 2,200 hours YTD

¹Play Well tool usage metric has been strengthened to reflect rolling 12 month average of the proportion of Average Monthly Players using a safer gambling tool.

Financial Review

Jonathan Hill, Group CFO

Financial highlights

		H1 2022	H1 2021	YOY CC
AMPs	US	2,188m	1,470m	+49%
	Group ex-US	6,528m	6,155m	+6%
	Group	8,716m	7,625m	+14%
Revenue	US	£1,051m	£652m	+50%
	Group ex-US	£2,337m	£2,400m	-3%
	Group	£3,388m	£3,053m	+9%
Adjusted EBITDA	US	(£132m)	(£87m)	+53%
	Group ex-US	£608m	£684m	-10%
	Group	£476m	£597m	-19%
Adjusted cash flow	Free cash flow	£127m	£358m	
	Cash conversion ¹	77%	95%	
	Net debt	£3,004m	£2,682m	
	Net debt / LTM EBITDA	3.4x	2.3x	

- US expansion and Group ex-US recreational customer growth driving revenue performance
- YoY Group profitability in-line with expectations, reflecting:
 - New York launch in Q1
 - Safer gambling initiatives in UK & Ireland
 - Market switch-offs in International
- Free cash flow includes the above, US capex investment and increased corporate tax payments
- Cash conversion lower due to working capital unwind in Q1
- Net debt includes Tombola acquisition

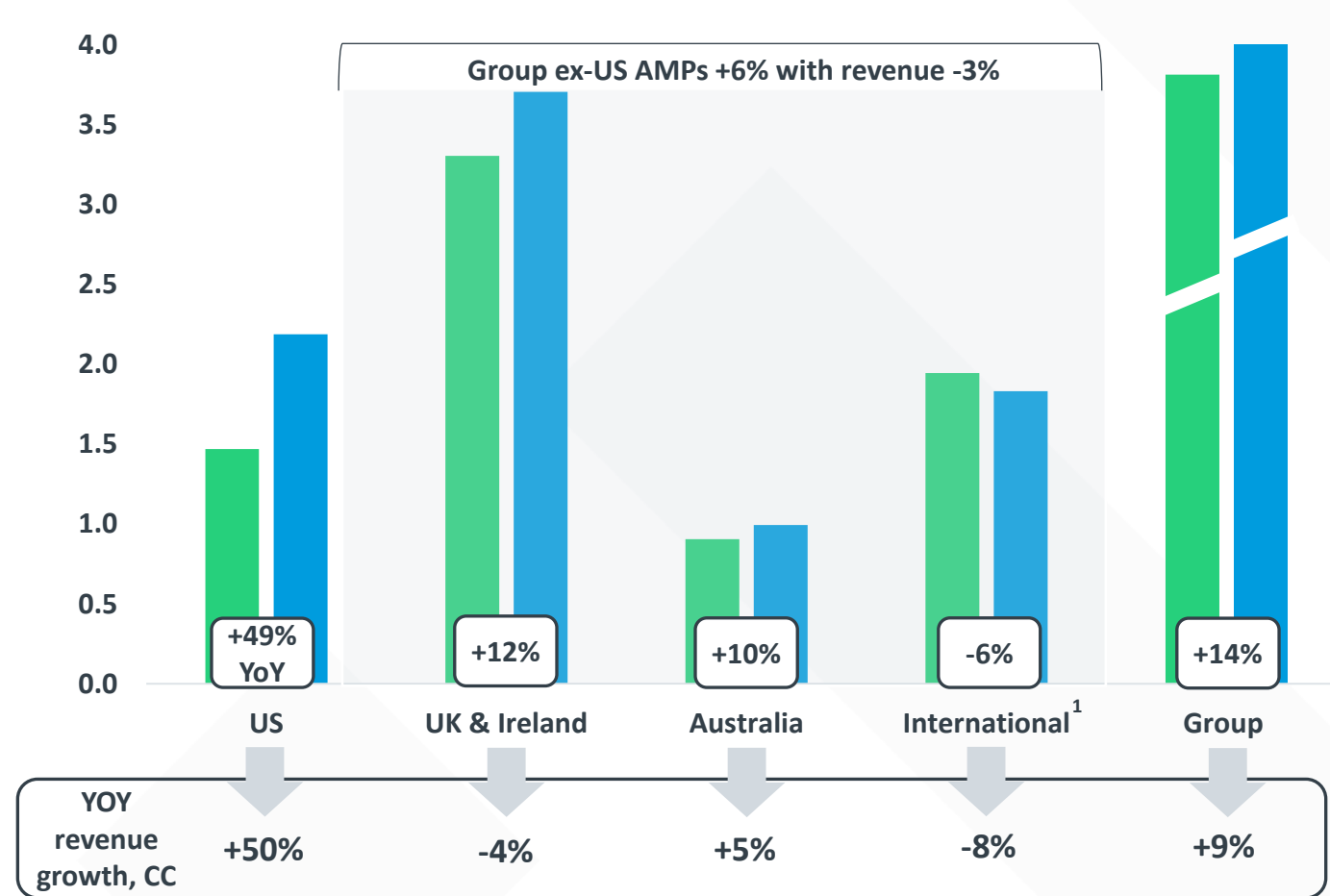
Statutory Group P&L and financial position

£m	H1 2022	H1 2021	YOY
Revenue	3,388	3,053	+11%
Gross profit	2,036	1,931	+5%
EBITDA	434	562	-23%
Depreciation & amortisation	(145)	(125)	+16%
Amortisation of acquisition intangibles	(286)	(276)	+4%
Gain on disposal	2	-	+100%
Operating profit	5	162	-97%
Net interest expense	(57)	(85)	-33%
(Loss)/profit before tax	(51)	77	
Tax	(61)	(163)	-63%
Loss after tax	(112)	(86)	

- EBITDA of £434m includes SDIs¹ of £42m, primarily due to restructuring and integration costs
- Loss before tax of £51m includes £286m of SDIs relating to amortisation of acquired intangibles
- Interest lower due to July 2021 refinancing
- Reduction in tax charge reflects one off deferred tax charge of £105m in H1 2021 relating to announced future increase in UK corporation tax rate

Recreational customer volumes driving revenue growth

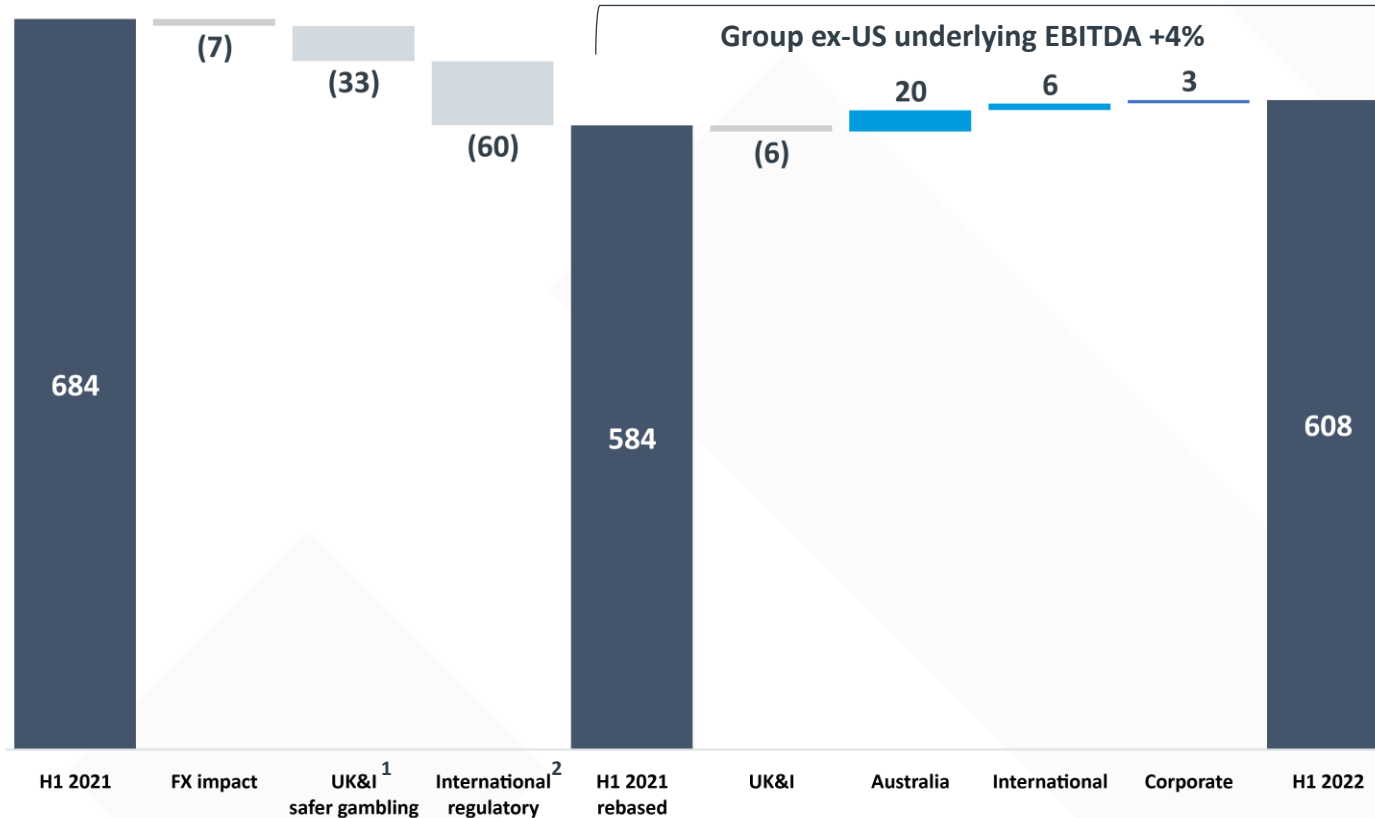
Average Monthly Players ('AMPs'), H1'21 – H1'22



- **Group** AMPs +14% with revenue +9%
- **US** strong customer acquisition driving AMPs and top-line growth across new and existing states
- **Group ex-US** AMPs +6% with revenue decline of 3% driven by:
 - **Australia** AMP and revenue growth with strong retention from enlarged H2 2021 base
 - **UK&I** addition of Tombola benefitting AMP growth; YOY safer gambling impact of £48m and unwind of heightened Covid engagement leading to revenue 4% lower
 - **International** AMP and revenue declines driven by Russia switch off, regulatory changes and Covid comparatives

Group ex-US EBITDA in line with expectations

EBITDA £m, H1'21 – H1'22, constant currency



- **Ex-US underlying EBITDA +4% YOY excl:**
 - Safer gambling impacts in UK&I
 - Regulatory changes in International
- **UK&I underlying performance:**
 - Reduction from raised Covid activity levels as well as Euros in PY
 - Addition of Tombola in January
 - Benefit from fully open retail estate
- **Australia** driven by strong top-line growth and continued operating leverage
- **International** demonstrating good underlying momentum in “consolidate and invest” markets offsetting Covid unwind in PY

US delivering operating efficiency despite early stage

£m	H1 2022	H1 2021	YOY	YOY CC
Total revenue	1,051	652	+61%	+50%
Cost of sales	(544)	(293)	+86%	+73%
<i>Cost of sales as a % of net revenue</i>	<i>51.8%</i>	<i>44.9%</i>	<i>+680bps</i>	<i>+700bps</i>
Gross profit	507	359	+41%	+31%
Sales & marketing costs	(399)	(292)	+37%	+29%
Contribution	108	67	+60%	+38%
Other operating costs	(240)	(154)	+56%	+46%
Adjusted EBITDA	(132)	(87)	+52%	+53%
<i>Adjusted EBITDA margin</i>	<i>(12.5%)</i>	<i>(13.3%)</i>	<i>+70bps</i>	<i>-30bps</i>

- Revenue +50%
 - Sports +58%, gaming +31%
 - Revenue +71% excluding sports results
- COS % increase due to New York higher tax rates
- Marketing as % of revenue reduced > six percentage points driven by
 - Maturing business as existing states grow as proportion of overall division
 - Disciplined investment
- Other operating cost growth of 46%, less than 71% normalised revenue growth demonstrating operating leverage

Q2 profit of £16m (\$22m); on track to deliver full year profitability in 2023¹

Cash flow

£m	H1 2022	H1 2021
Adjusted EBITDA	476	597
Capex	(156)	(138)
Working capital	(41)	18
Corporation tax	(132)	(92)
Lease liabilities paid	(21)	(27)
Adjusted free cash flow	127	358
Cash flow from separately disclosed items	(39)	(24)
Free cash flow	87	333
Interest and other borrowing costs	(48)	(75)
Acquisitions and disposal	(395)	(34)
Other ¹	(3)	(164)
Net (decrease)/increase in cash	(360)	61
Net debt at start of year²	(2,647)	(2,814)
Foreign currency exchange translation	(241)	26
Change in fair value of hedging derivatives	244	45
Net debt at 30 June	(3,004)	(2,682)

- Adjusted free cash flow lower due to:
 - Lower Adjusted EBITDA
 - Higher capex driven by ongoing US expansion
 - Working capital outflow
 - Increased corporation tax payment due to profit mix
- Interest and other borrowing costs £27m lower following debt refinancing in 2021
- Tombola acquisition cost of £410m net of cash acquired of £15m
- Adjusted pre-tax free cash flow of £258m compares to Adjusted operating profit of £334m, converting at 77%

Group outlook provides clear path to medium term target

£'m, leverage ratio ¹	30 June 2022	Sisal (Acquired August 2022)	Pro forma for Sisal
Gross debt	3,785	1,620	5,405
Cash (excl. customer balances)	(781)	-	(781)
Net debt	3,004	1,620	4,624
LTM Adjusted EBITDA	880	246	1,126
Leverage ratio	3.4x		4.1x
<i>LTM <u>Group ex-US</u> Adjusted EBITDA</i>	<i>1,168</i>	<i>246</i>	<i>1,414</i>
Leverage ratio (ex US losses)	2.6x		3.3x

Borrowing	Principal	Interest rate	Maturity
Long term debt structure at 30 June 2022			
TLA (GBP)	£1,018m	GBP SONIA +175bps, 0% Floor ²	2025
TLB (USD) ³	\$2,916m	USD LIBOR +225bps, 0% Floor	2026
TLB (EUR)	€507m	EURIBOR +250bps, 0% Floor	2026

- **Leverage at 30 June 2022 of 3.4x** reflects acquisition of Tombola in Q1 for cash
- Pro forma for Sisal 4.1x reducing to 3.3x excluding US losses
- Acquisition completed using underwritten facilities
- Expected weighted average H2 cost of debt 3.4%
- US profitability will have significant impact on leverage profile
- Group remains committed to medium term leverage target of 1-2 times

2022 guidance¹

Current trading	<ul style="list-style-type: none">H2 trading to date in line with expectations
Group Ex-US	<ul style="list-style-type: none">EBITDA range £1,290m and £1,390m including Sisal (completed on 4 August)² and Australian POCT (2022: £22m)
US ³	<ul style="list-style-type: none">Net revenue range £2.3bn - £2.5bn (\$2.85bn and \$3.1bn)EBITDA loss range £225m - £275m (\$300m-\$360m) assuming FanDuel online sportsbook launches in Kansas in Q4 2022
Tax	<ul style="list-style-type: none">Effective FY22 Group ex-US corporate tax rate 22%-24% including Sisal
Capex	<ul style="list-style-type: none">£360m-£390m including Sisal
Interest	<ul style="list-style-type: none">3.4% for H2



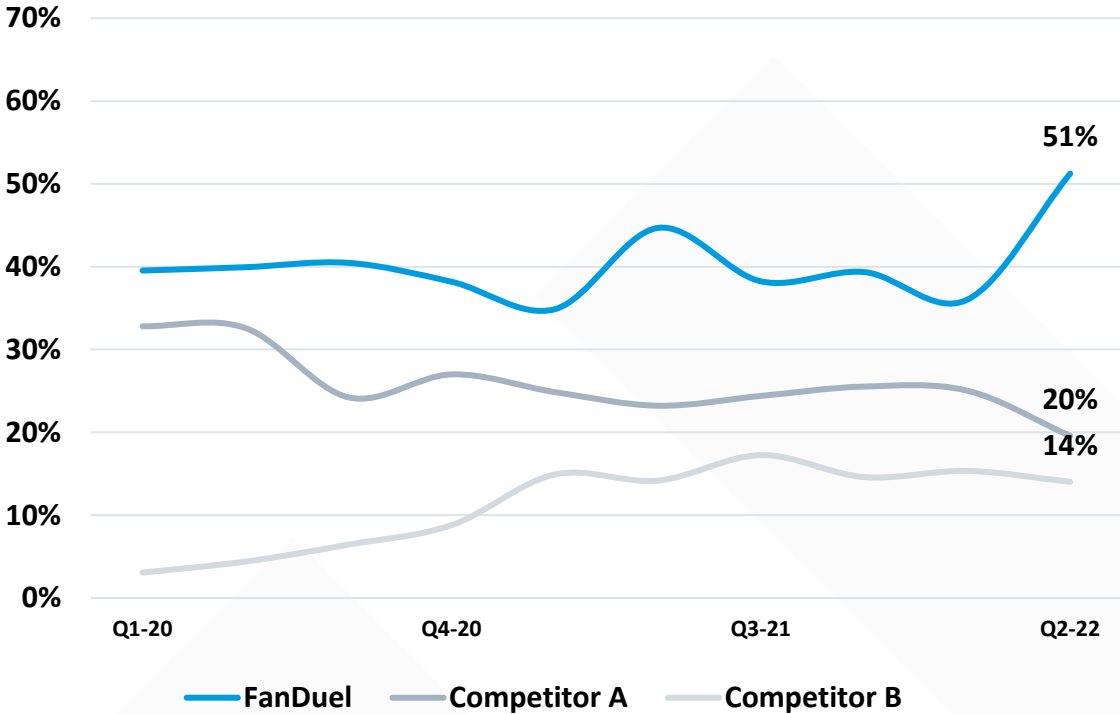
Business update

Peter Jackson, Group CEO

US: FanDuel is clear number one operator in US

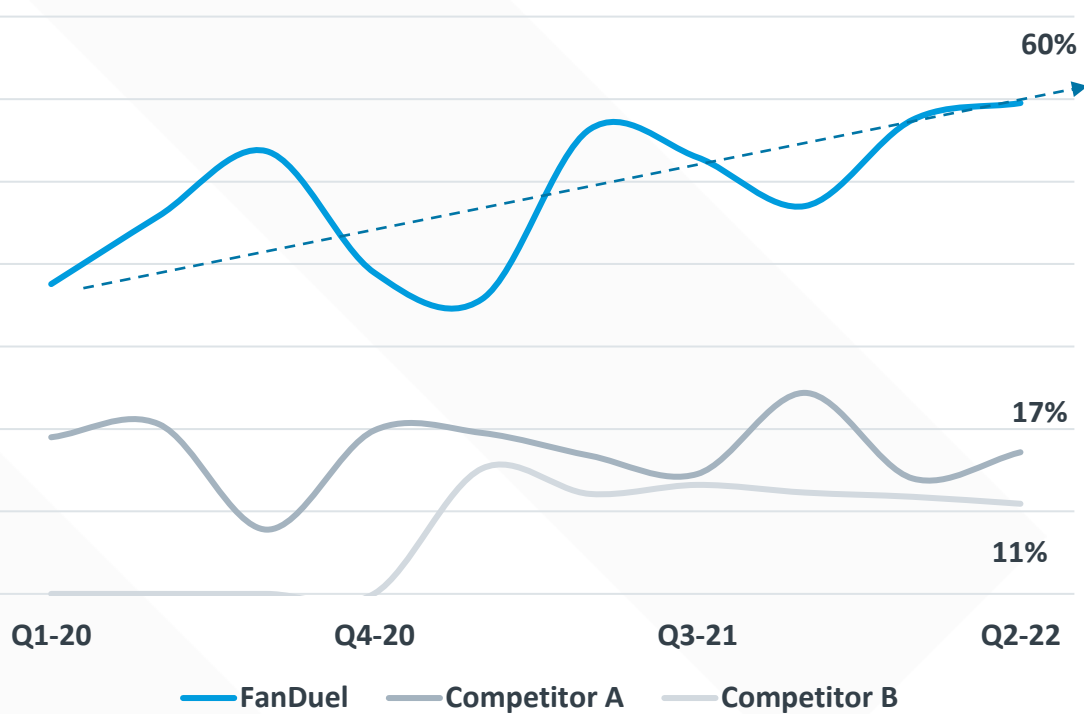
Consistent #1 sportsbook share

Online sportsbook GGR share for states in which FanDuel is live¹



NGR where reported >3x nearest competitor

Online sportsbook NGR share for states where NGR is available¹



Consistent #1 sports betting and iGaming operator overall with combined share of 36% in Q2

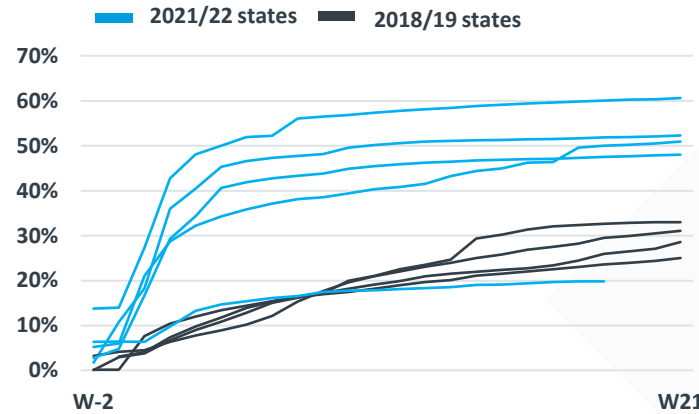


¹ GGR market share of FanDuel and FOXBet in the states in which FanDuel was live based on published gaming regulator reports in those states. Competitor estimates based on third party regulator reporting and Eilers and Krejcik reports. NGR market share includes AZ, PA and MI only.

US: acquiring customers efficiently and at scale

Improving DFS conversion ...

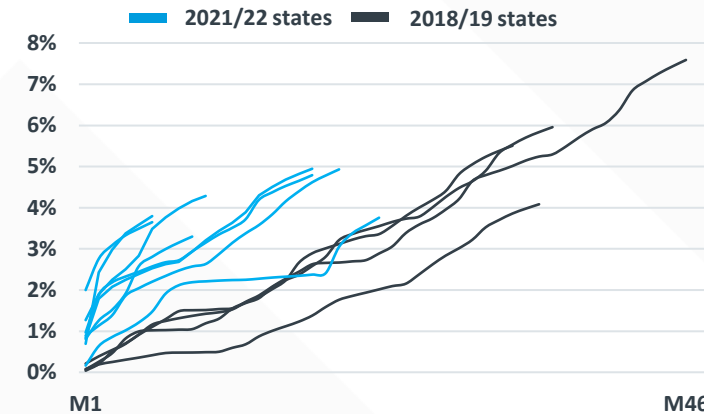
DFS actives cross-sold in weeks post launch



- Continually enhancing launch playbook
- States launched in 2018/2019 now at >60% cross-sell penetration
- NY reached similar levels within 6 months of launch

...faster adoption curves...

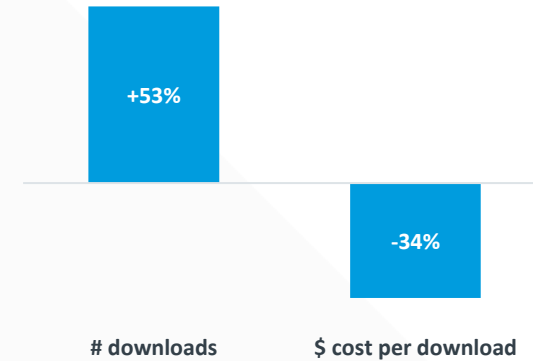
FanDuel penetration of adult pop. months post launch



- Faster adoption curves aided by strategic media partnerships which harness FanDuel brand strength
- Runway for further growth with penetration c. 50% mature markets

...spending less than competitors

FanDuel vs competitor H1 marketing efficiency¹



- Superior marketing technology drives increasingly personalised approach
- Same amount of H1 marketing spend
- 53% more downloads per \$ of spend

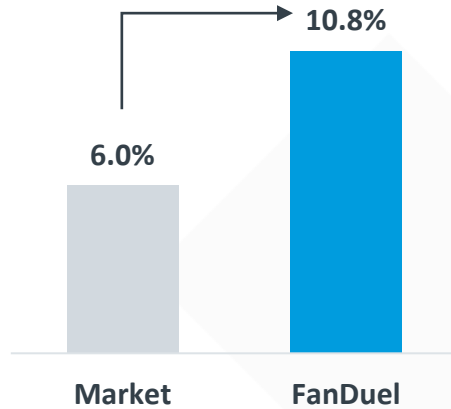
Investment remains disciplined with cumulative CPAs under \$300

US: product delivering excellent return on investment

Market leading GGR generation...

Q2 GGR margin in states in which FanDuel was live

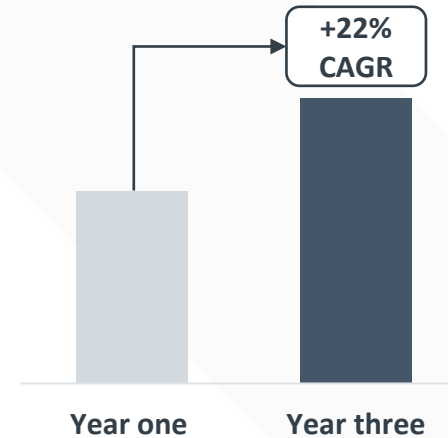
~80% more GGR than competitors for each dollar of handle in Q2



- Parlay penetration 80% of customers
- Combined with superior pricing capabilities driving higher GGR

...producing attractive cohort dynamics

NGR, Q3 2018 – Q2 2019 acquisition cohorts¹

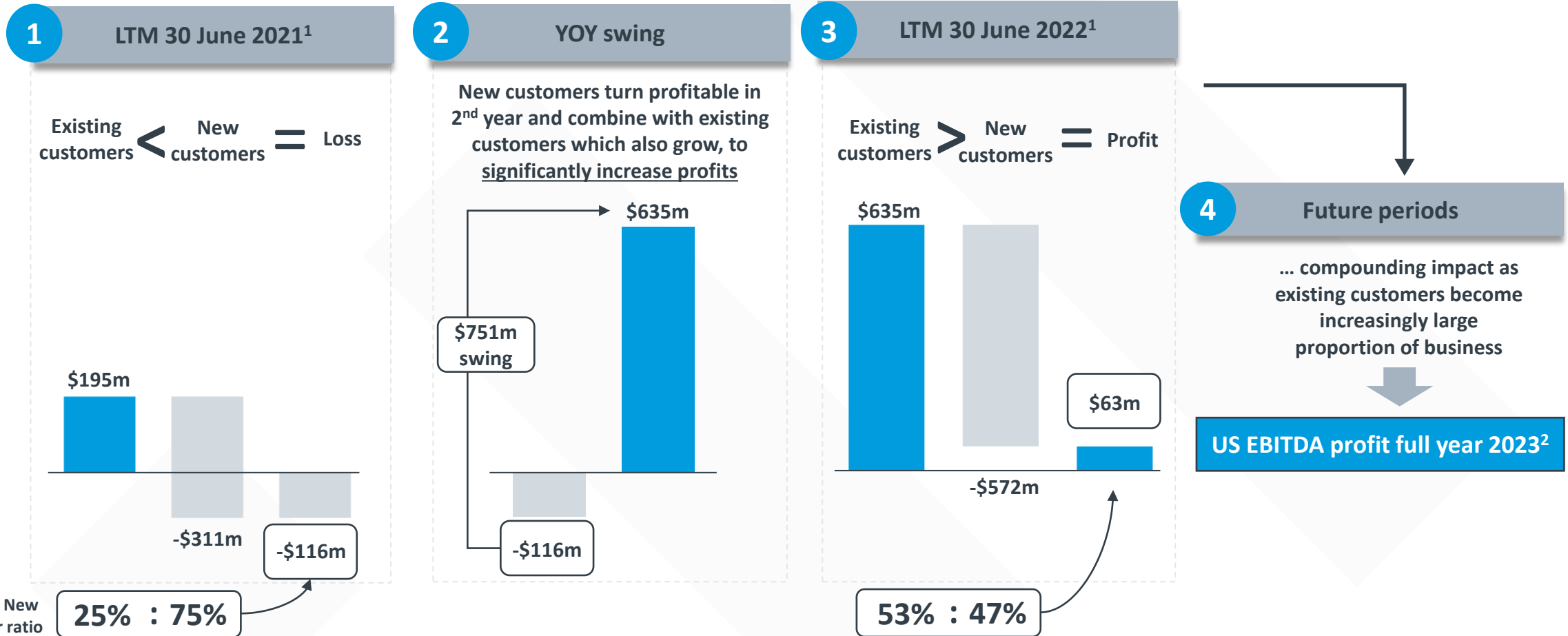


- Superior product delivering high retention and reduced bonusing leading to YOY cohort growth
- Two year revenue CAGR of 22% for earliest cohorts minimises Covid effect
- Demonstrates strength of FanDuel proposition

Building embedded value for long term growth

US: customer cohorts create virtuous cycle of value creation

Evolution of sportsbook and iGaming contribution profit, \$'m

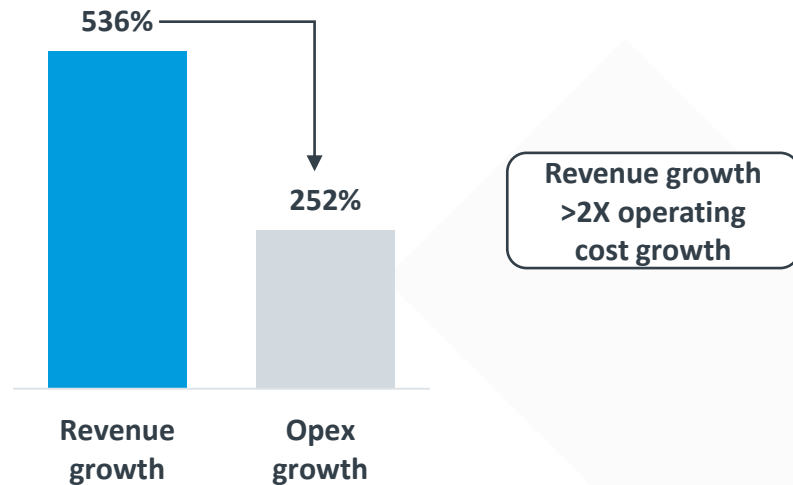


Existing: New customer ratio

US: margin expansion as business scales

Cost base already demonstrating operating leverage...

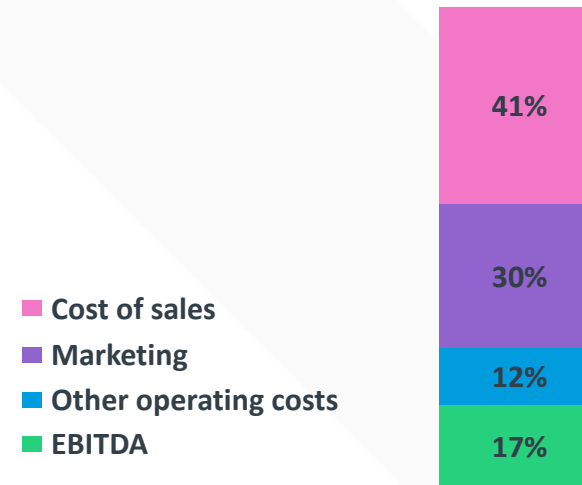
FanDuel operating leverage since H1'19



- Significant scope for future efficiency with large portion of cost base capable of delivering leverage

...with P&L developing like existing businesses

New Jersey online sportsbook and casino P&L with indicative EBITDA (LTM – year four of operation)



- LTM indicative EBITDA margin in New Jersey of 17%¹
- Marketing 30% of revenue due to ongoing investment; expect to reduce as market matures further

Over one third of states were profitable in Q2 when costs allocated by population

US: clear pathway to profitability in 2023

Delivered by excellent execution across key areas:

- 1 Efficient customer acquisition:** through improving DFS cross sell and adoption curves with each new state
- 2 Superior product:** with #1 rated app and best UX, generating best returns
- 3 Operating efficiently** with a disciplined cost base and significant operating leverage

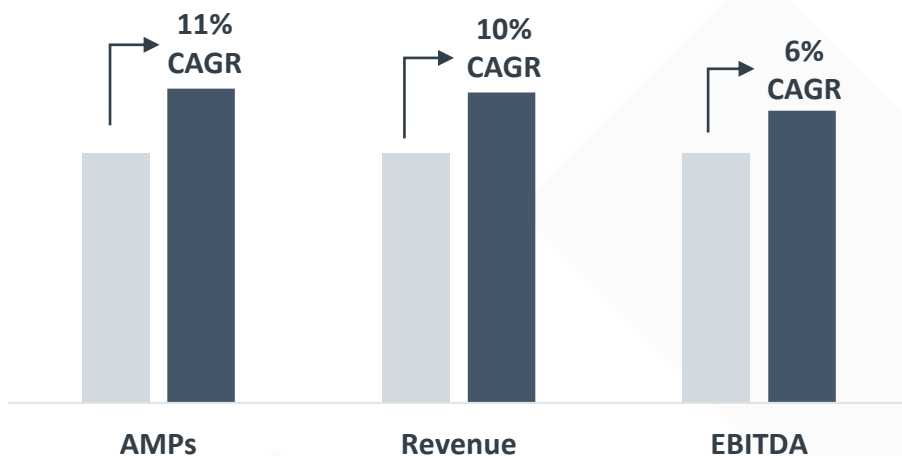
US EBITDA
profit in Q2

Positive EBITDA
profit for
full year 2023¹

Ex-US business well positioned for growth

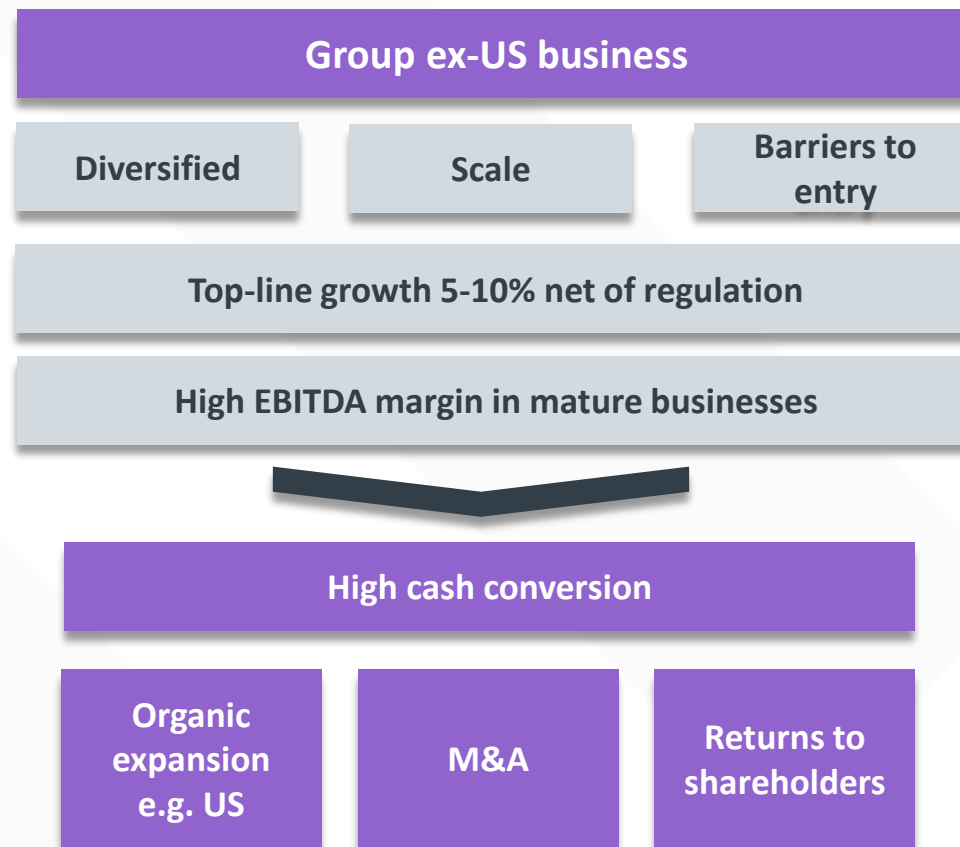
Good growth and cash generation over longer term

Group ex-US AMP, revenue and EBITDA 3 year CAGRs H119-H122



- Good growth despite regulatory impacts
- H1 2022 EBITDA margin: 26% (mature markets >30%)
- High cash conversion of 84%¹

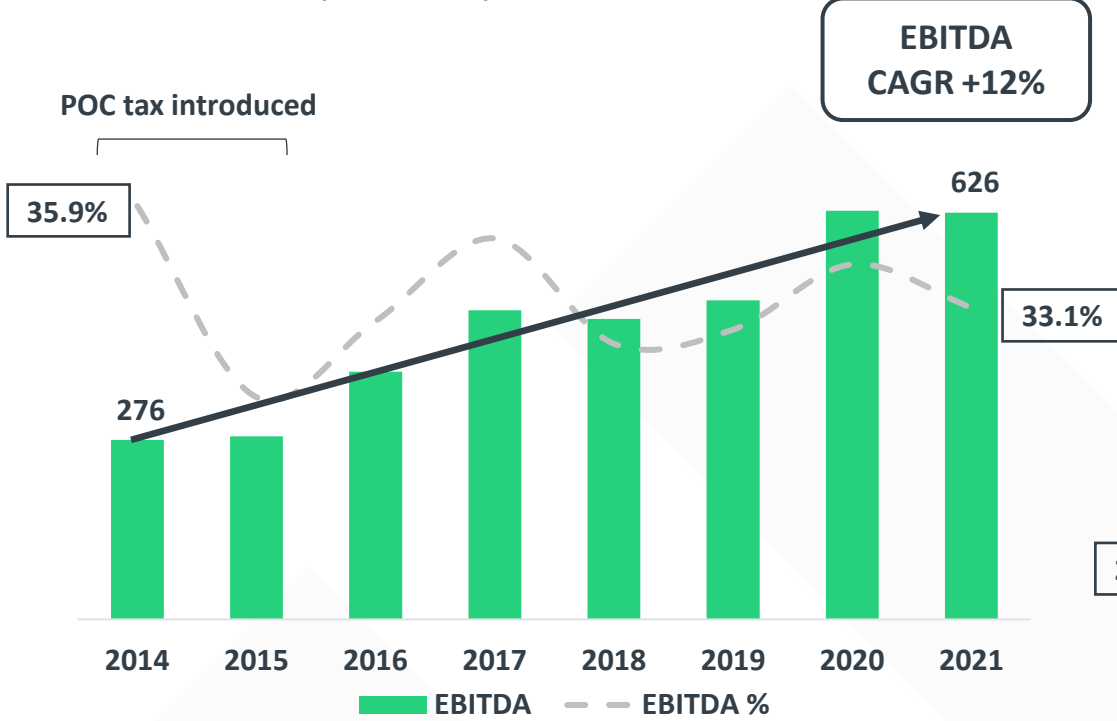
Historic model supporting growth and cash generation



Out growing regulatory pressures as markets mature

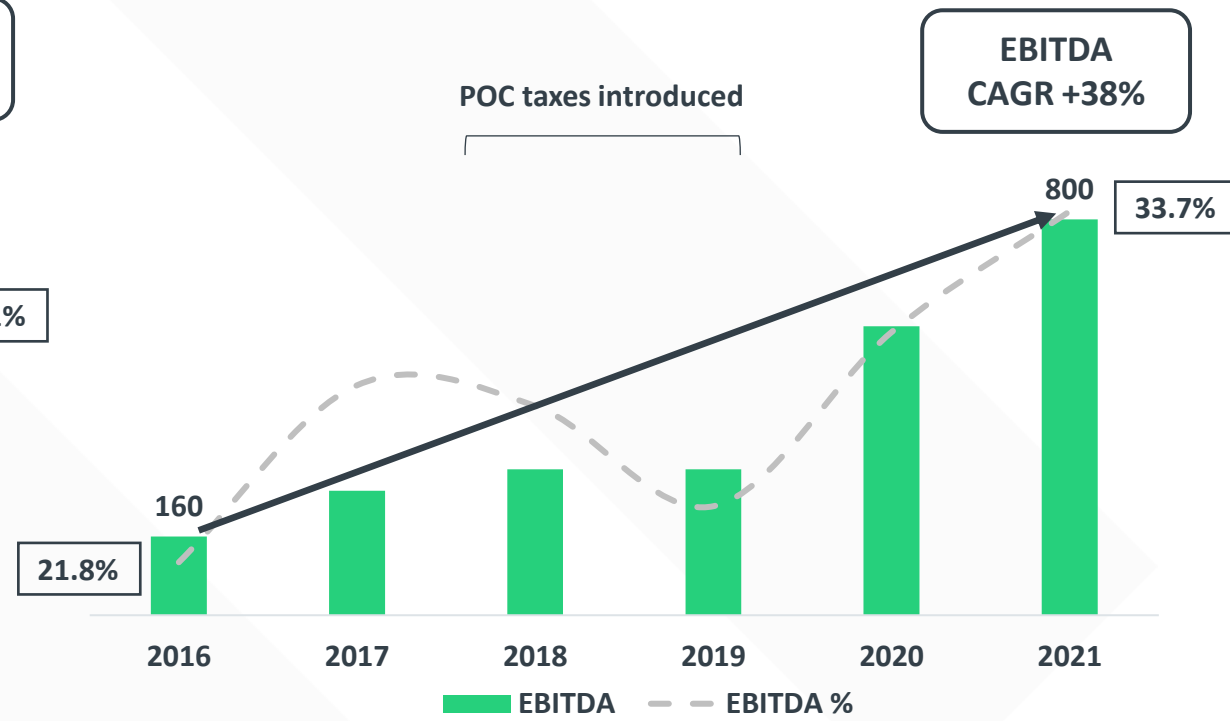
UK&I

Pro forma UK&I online (ex-Tombola) EBITDA, £'m



Australia

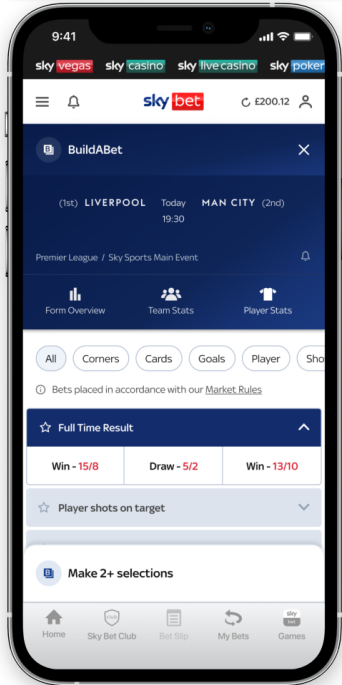
Pro forma Australia EBITDA, AUD\$'m



Scale operators are best placed to capitalise on regulatory change through superior operating leverage and ability to take market share

UK&I: reshaped business well placed for growth in H2

Product improvements delivered across H1



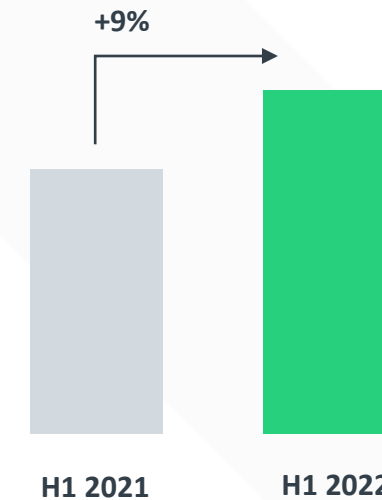
- Nearly one-third of football customers have used BuildABet
- More enhancements to come in H2

- Record retention levels powered by Wonder Wheel
- New Paddy Power branded slots engaging solus gaming players



Well placed for H2 growth with June gaming performance

UK&I (pro forma including Tombola) gaming AMP growth, YoY %



- Gaming returned to growth in June
- Product initiatives powering momentum
- Continued recreation player growth across all four brands in H1

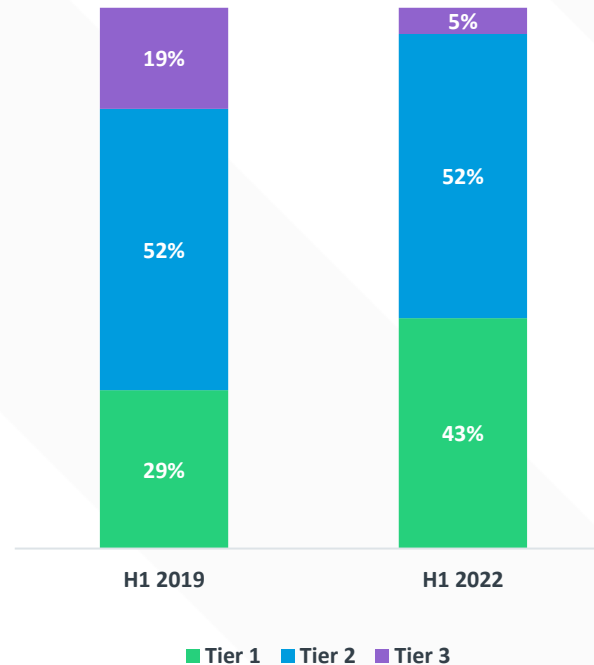
UK&I: Building sustainability for post White Paper market

Our proactive actions...

- Recreational customer compound growth of 13% over last 3 years
- Significant investment in safer gambling initiatives:
 - Roll-out of affordability triple step
 - Expanded operational capabilities with specialist teams
- SG initiatives had annualized revenue impact of £48m in H1

...reshaped our customer base...

% of UK&I online¹ revenue by customer value tier, tier 1 being lowest level of spend



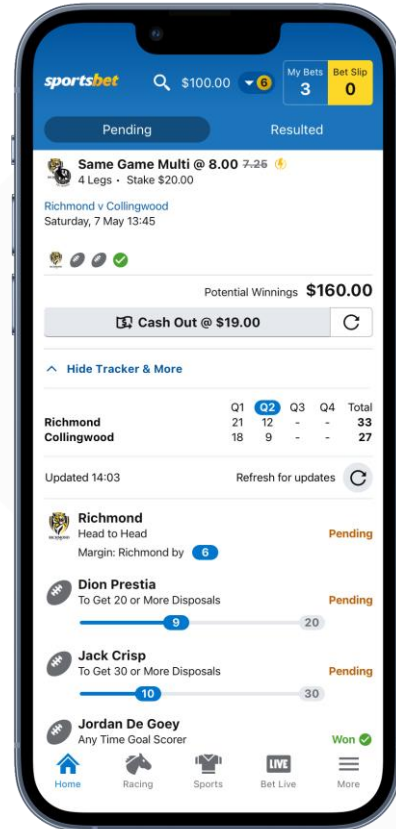
... with efficiency initiatives identified

- Marketing optimisation:
 - More efficient promotional and generosity investment (>£300m in 2021)
 - Increase resource allocation to recreational brands
- Integrate SBG onto proprietary technology stacks
- Remove team structure complexity

Australia: strong customer momentum driving growth

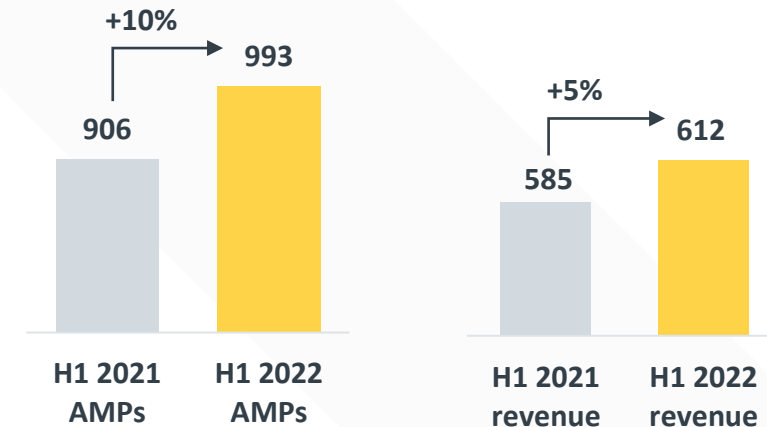
Continued innovation to core proposition

- Focus on delivering new features to further enhance customer proposition
- Two key product features launched for AFL with Same Game Multi cash out and bet tracker
- Combined uptake has seen 22% engage with the products since launch



Personalised generosity driving growth...

H1 AMP and revenue growth, £m

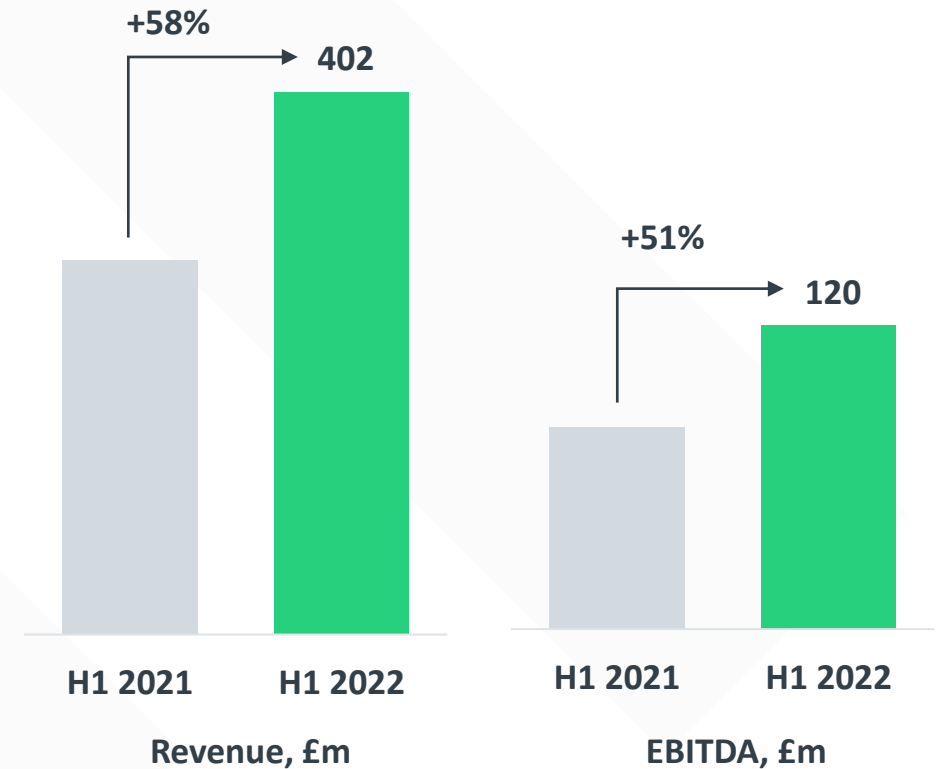


- Delivering personalised value to customers
- 80% of structural net win margin increase between 2019 – 2021 returned to customers in generosity
- Retention of customers from H2 when Covid restrictions were in place driving growth despite results headwind




International: Sisal's H1 reinforces strategic rationale



- Secures #1 position in fast-growing Italian, regulated online market
 - Online TAM of £3.6bn by 2024, five-year CAGR of 18%¹
- Omni-channel offering delivering competitive advantages:
 - Visible brand presence given significant online advertising restrictions
 - Online deposit/withdrawals via retail network
- Addition of 431,000 monthly players to recreational base
- Further diversifies our product and geographical footprint
- Proven management team, with commitment to safer gambling
- Strong H1 performance, aided by Covid-related retail restrictions in prior year
 - Split of revenue: Italy retail 53%, Italy online 36%, International 11%



International: Broad portfolio provides growth opportunities

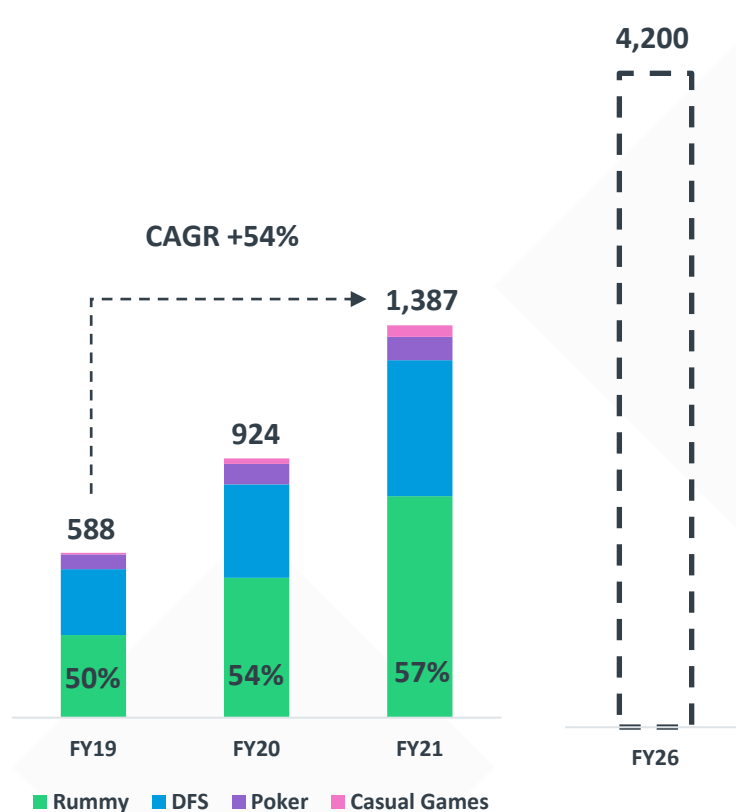
	Main markets per category	% of H1 2022 revenue ¹	2021 est. market size (GGR)	Likely future marketing investment
Consolidate #1 position Drive profitable growth		56%	£15bn	Low - Medium
Invest for leadership In high potential markets		16%	£6bn	High
Optimise returns Support existing regulated positions		14%	£17bn	Medium
Maintain existing position Minimise cost to serve	Range of geographies	14%	-	None

- Investment geographies with addressable market of £6bn:
 - Strong existing position with local hero brands
 - High growth markets with attractive returns profile
 - Significant player acquisition investment
- Increasing regulated mix¹:
 - 86% revenue from regulated/regulating markets
 - Largest unregulated/not-regulating market 0.3% of Group revenue
- Poker now 19% of International revenue post-Sisal acquisition
- Opportunity for operational efficiency

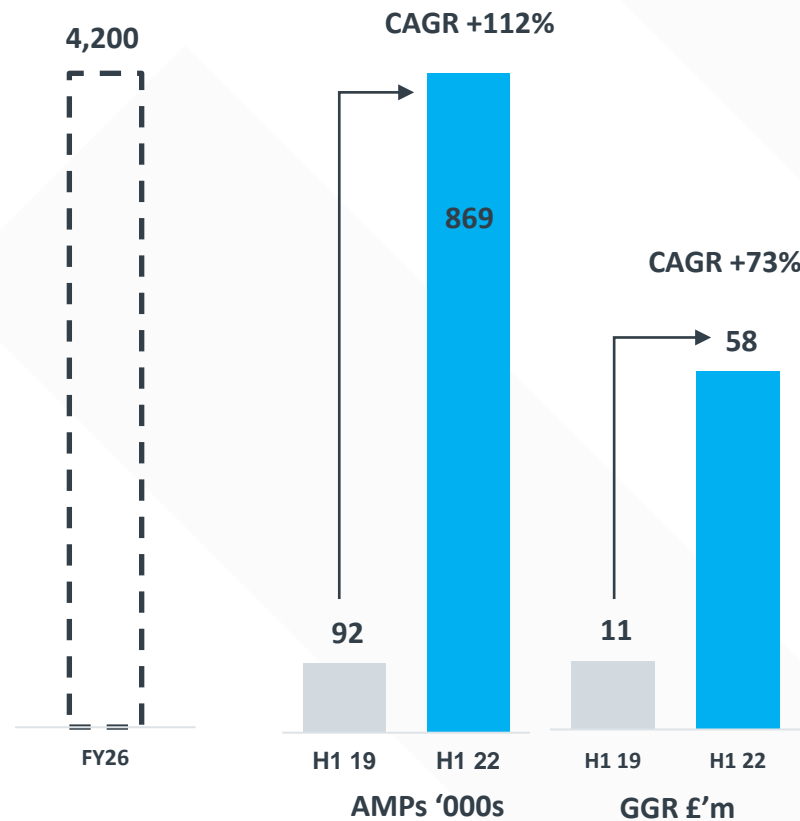
International: Junglee – Performing strongly post acquisition

Indian rummy market growing rapidly...

Indian online real money gaming market, £'m¹






...Junglee taking share



- Junglee, India's #2 rummy operator, acquired in 2021 (50.1% stake for £48m)
- Indian market:
 - One of fastest growing gaming markets globally
 - Disposable income +45% since 2016
 - Positive regulatory momentum
- Junglee fastest growing rummy brand; leading product and significant player acquisition investment
- Flutter providing Junglee with:
 - Knowledge share e.g. 'Spin 'n Go' product, DFS expertise
 - Marketing capabilities

Group ex-US well positioned

	UK & Ireland	Australia	International	Supporting growth and cash generation
2021 Market position				<ul style="list-style-type: none"> • Good growth despite regulatory impacts • H1 2022 EBITDA margin: 26% (mature markets >30%) • High cash conversion of 84%²
2021 online market share ¹	29%	50%	n/a	
H1 AMPs	3.7m	1.0m	1.8m	

Scale and diversification provide resilient and robust model for growth

¹ Total NGR online market share in the UK and Ireland based on internal estimates. Total NGR online market share of Sportsbet based on competitor reporting and internal estimates.

² Cash conversion reflects conversion of adjusted operating profit to pre-tax adjusted free cash flow in H1 2022.



Conclusion

Peter Jackson, Group CEO

Conclusion

- Positive H1 performance
- **US:** continues to accelerate with
 - EBITDA profit in Q2
 - Sports betting market share of 51% in Q2
 - Confidence in 2023 profitability¹
- **Group ex-US:** well positioned for growth with scale and diversification
 - Acquisition of Sisal adds another gold medal with strong H1 performance
- **Full year Group EBITDA outlook** in-line with expectations

Appendix

KPI: Average monthly players

Average Monthly Players ("AMPs") ^{1,2}			
2022	Q1	Q2	H1
Group	8,855	8,577	8,716
US	2,359	2,016	2,188
UK & Ireland	3,627	3,781	3,704
Australia	915	1,072	993
International	1,954	1,707	1,831
2021	Q1	Q2	H1
Group	7,672	7,578	7,625
US	1,648	1,292	1,470
UK & Ireland	3,167	3,440	3,303
Australia	831	982	906
International	2,027	1,863	1,945
YoY %	Q1	Q2	H1
Group	+15%	+13%	+14%
US	+43%	+56%	+49%
UK & Ireland	+15%	+10%	+12%
Australia	+10%	+9%	+10%
International	-4%	-8%	-6%

£m	H1 2022	H1 2021	YOY	YOY CC
Average monthly players ('000s)	2,188	1,470	+49%	
Sportsbook stakes	10,911	5,072	+115%	+102%
<i>Sportsbook net revenue margin</i>	<i>6.0%</i>	<i>6.2%</i>	<i>-20bps</i>	<i>-20bps</i>
Sports revenue	770	452	+70%	+58%
Gaming revenue	281	200	+41%	+31%
Total revenue	1,051	652	+61%	+50%
Cost of sales	(544)	(293)	+86%	+73%
<i>Cost of sales as a % of net revenue</i>	<i>51.8%</i>	<i>44.9%</i>	<i>+680bps</i>	<i>+700bps</i>
Gross profit	507	359	+41%	+31%
Sales & marketing costs	(399)	(292)	+37%	+29%
Contribution	108	67	+60%	+38%
Other operating costs	(240)	(154)	+56%	+46%
Adjusted EBITDA	(132)	(87)	+52%	+53%
<i>Adjusted EBITDA margin</i>	<i>(12.5%)</i>	<i>(13.3%)</i>	<i>+70bps</i>	<i>-30bps</i>
Depreciation and amortisation	(31)	(22)	+39%	+29%
Adjusted operating profit	(162)	(108)	+50%	+48%

- Sports revenue +58% reflecting:
 - Sportsbook revenue +91%
 - Strong growth in existing states
 - Five new US states, Ontario in Canada and a full contribution from two launched during Q1 2021
 - Adverse sports results YOY of £104m
- Gaming growth reflects full contribution from three new states (MI, WV and CT)
- COS % increase due to New York higher tax rates
- Marketing as % of revenue reduced by over six percentage points as existing states grow as proportion of overall business
- Good operating leverage when sports results excluded

UK & Ireland

£m	ONLINE			RETAIL		
	H1 2022	H1 2021	YOY	H1 2022	H1 2021	YOY
Average monthly players ('000s)	3,704	3,303	+12%			
Sportsbook stakes	4,494	5,885	-24%	691	207	+234%
<i>Sportsbook net revenue margin</i>	10.6%	10.6%	flat	13.2%	12.5%	+70bps
Sports revenue	538	712	-24%	92	26	+253%
Gaming revenue	418	382	+10%	44	16	+183%
Total revenue	956	1,094	-13%	136	41	+227%
Cost of sales	(304)	(332)	-8%	(31)	(10)	+218%
<i>Cost of sales as a % of net revenue</i>	31.8%	30.4%	+140bps	22.8%	23.4%	-70bps
Gross profit	652	762	-14%	105	32	+230%
Sales & marketing costs	(194)	(204)	-5%	(3)	(3)	+13%
Contribution	458	558	-18%	101	29	+251%
Other operating costs	(155)	(160)	-3%	(83)	(68)	+23%
Adjusted EBITDA	303	398	-24%	18	(39)	
<i>Adjusted EBITDA margin</i>	31.6%	36.4%	-470bps	13.5%	(93.6%)	+10,710bps
Depreciation and amortisation	(44)	(42)	+5%	(19)	(21)	-7%
Adjusted operating profit	259	356	-27%	(1)	(59)	

Online

- AMPs +12% with recreational growth
- Revenue -13% reflecting:
 - Addition of Tombola in January 2022
 - Safer gambling impacts
 - Unwind of Covid frequency
 - Benefit of Euros in prior year
- COS % higher due to streaming costs
- Marketing reduced due to Euros investment in the prior year
- Operating cost efficiencies and synergies offsetting pay inflation and increased safer gambling investment

Retail

- Full estate open in H1
- Revenue in UK estate back to 2019 levels, Irish estate lower

Australia

£m	H1 2022	H1 2021	YOY	YOY CC
Average monthly players ('000s)	993	906	+10%	
Sportsbook stakes	5,209	5,000	+4%	+4%
<i>Sportsbook net revenue margin</i>	<i>11.8%</i>	<i>11.7%</i>	<i>+10bps</i>	<i>+10bps</i>
Revenue	612	585	+5%	+5%
Cost of sales	(290)	(275)	+5%	+5%
<i>Cost of sales as a % of net revenue</i>	<i>47.3%</i>	<i>47.0%</i>	<i>+30bps</i>	<i>+30bps</i>
Gross profit	322	310	+4%	+4%
Sales & marketing costs	(54)	(59)	-9%	-10%
Contribution	269	252	+7%	+7%
Other operating costs	(50)	(51)	-2%	-3%
Adjusted EBITDA	219	201	+9%	+10%
<i>Adjusted EBITDA margin</i>	<i>35.8%</i>	<i>34.3%</i>	<i>+150bps</i>	<i>+180bps</i>
Depreciation and amortisation	(14)	(13)	+4%	+5%
Adjusted operating profit	206	188	+9%	+11%

- Revenue +5% driven by 10% increase in AMPs
- Customer growth benefitting from strong player retention from H2 2021
- COS % increase due to higher spend on promotional generosity driving effective tax rate up
- Marketing as % of revenue reduced as spend moved to targeted generosity
- Other operating costs broadly flat

International

£m	H1 2022	H1 2021	YOY	YOY CC
Average monthly players ('000s)	1,831	1,945	-6%	
Sportsbook stakes	710	871	-18%	-18%
<i>Sportsbook net revenue margin</i>	<i>9.0%</i>	<i>9.1%</i>	<i>-10bps</i>	<i>-10bps</i>
Sports revenue	106	118	-10%	-10%
Gaming revenue	527	562	-6%	-7%
Total revenue	633	680	-7%	-8%
Cost of sales	(184)	(199)	-8%	-8%
<i>Cost of sales as a % of net revenue</i>	<i>29.1%</i>	<i>29.3%</i>	<i>-20bps</i>	<i>-20bps</i>
Gross profit	449	481	-7%	-7%
Sales & marketing costs	(169)	(171)	-1%	-3%
Contribution	280	310	-10%	-10%
Other operating costs	(158)	(131)	+20%	+18%
Adjusted EBITDA	122	179	-32%	-31%
<i>Adjusted EBITDA margin</i>	<i>19.3%</i>	<i>26.3%</i>	<i>-700bps</i>	<i>-630bps</i>
Depreciation and amortisation	(33)	(25)	+31%	+22%
Adjusted operating profit	89	154	-42%	-40%

- AMPs -6% with revenue of £633m reflecting:
 - Strong growth in “consolidate and invest markets”
 - Offset by guided regulatory changes and Covid comparatives
- COS % broadly flat
- Marketing as % of revenue increased, driven by investment in “consolidate and invest” markets
- Other operating costs growth reflecting step up in investment to improve capabilities across product, technology and customer operations
 - Opportunity for operational efficiency

Separately disclosed items

£m	H1 2022	H1 2021
Amortisation of acquisition related intangible assets	(286)	(276)
Transaction fees and associated costs	(10)	-
Restructuring and integration costs	(32)	(22)
Greece tax expense	-	(13)
Operating profit impact of separately disclosed items	(328)	(310)
Financial expense	-	(11)
Profit before tax impact of separately disclosed items	(328)	(321)
Tax on separately disclosed items	39	(72)
Total separately disclosed items	(289)	(392)

- Amortisation of intangibles increase due to acquisition of Tombola
- Transaction fees relate to Tombola and Sisal acquisitions
- Restructuring costs associated with TSG merger
- Deferred tax credit of £39m relates to amortisation of acquired intangibles with prior period reflecting one off charge due to increase in UK corporate tax rate in 2023



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