

2023 Full Year Results

7 March 2024



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Stella David
Interim CEO



Agenda

➤ Overview

Stella David, Interim CEO

➤ Financial review

Rob Wood, CFO & Deputy CEO

➤ Strategic performance

Sameer Deen, CCO

Satty Bhens, CPTO

➤ Summary

Stella David, Interim CEO

➤ Q&A

Reflections

- Interim CEO focused on execution
- Strong underlying business in attractive growth industry
- Leading player in global betting & gaming
- Complexity limiting agility
- Focus on BetMGM product overshadowed delivery elsewhere
- Prioritise execution in must-win markets
- Delivering brilliant basics at local level

2023 overview

- Mixed performance in a challenging year
- Significant regulatory headwinds
- Operational achievements as well as issues
- BetMGM at top end of guidance; well-positioned for 2024
- DPA resolution of legacy HMRC issue
- Delivering & executing against strategy to drive future growth

Focused strategic plan

A leading player in the global sports betting & gaming sector

To deliver the most entertaining customer experience supported by market-leading player protection



People & Culture

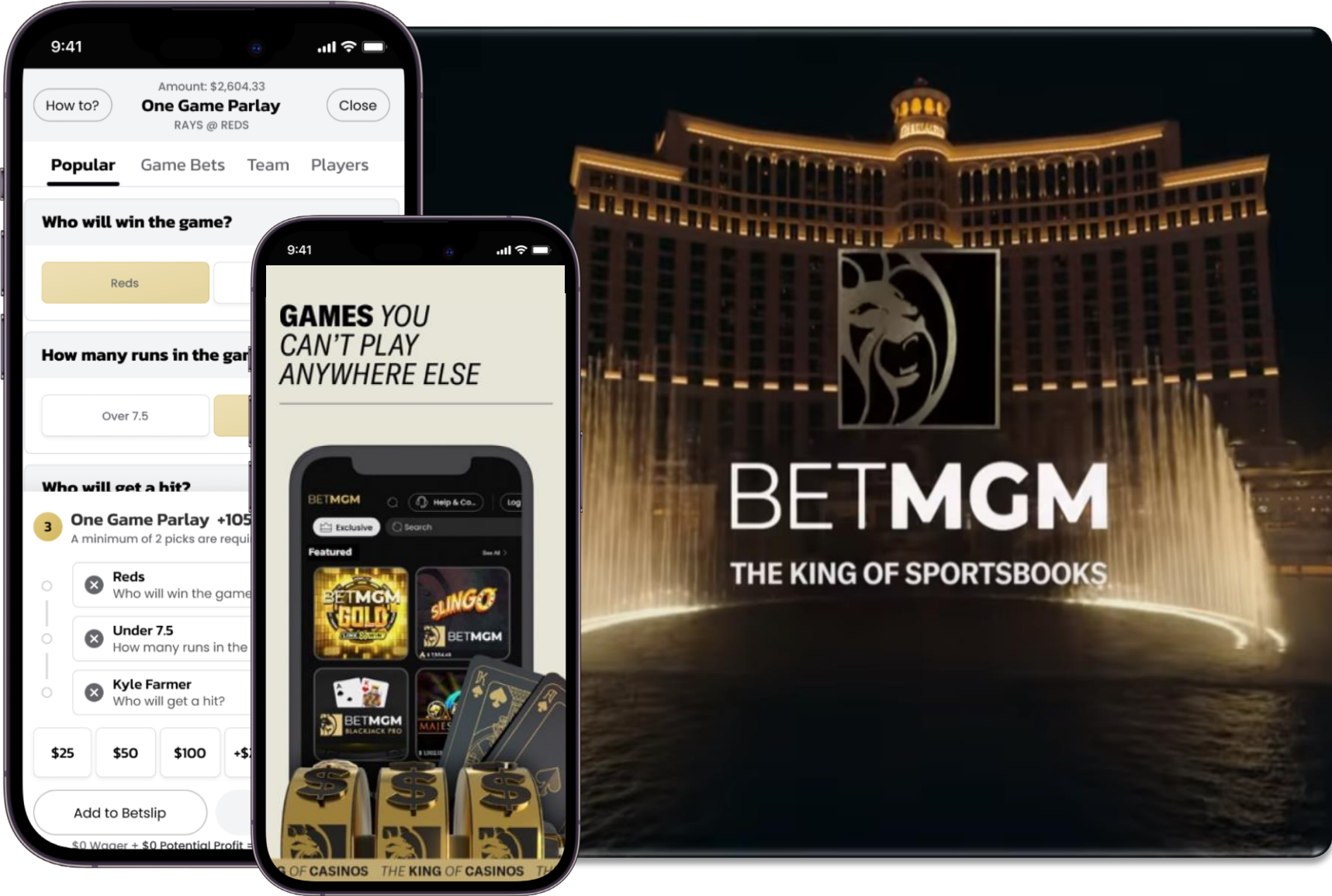
Product & Tech

Governance

Deliver significant shareholder value

BetMGM delivering on our goals

- 2023 NGR¹ \$1.96bn, top of guidance
- EBITDA positive in H2 2023
- JV partners aligned & committed to invest for growth
- Well positioned for 2024 & beyond
- Product improvements set stage for growth



1. As reported in unaudited 2023 results on 8 February 2024

Clear execution plan to deliver our targets

- Win in key markets – **UK, US & Brazil**
 - Drive **commercial excellence**
 - Simplify & enhance **customer journey**
 - Deliver **product agenda**
- **Improve business agility** – Project Romer
- Accelerate performance through our **people & culture**



Rob Wood
CFO & Deputy CEO

Key financial highlights

Net Gaming Revenue

(inc. 50% BetMGM)

£5.6bn

+14% (proforma +2%cc)

Net Gaming Revenue

(exc. 50% BetMGM)

£4.8bn

+11% (proforma -2%cc)

EBITDA

£1.0bn

£974m pre-NZ accounting¹

EPS² adj. diluted

44.2p

42.3p pre-NZ accounting¹

Leverage

3.3x

3.1x proforma

Available Cash³

>£1bn

Dividend

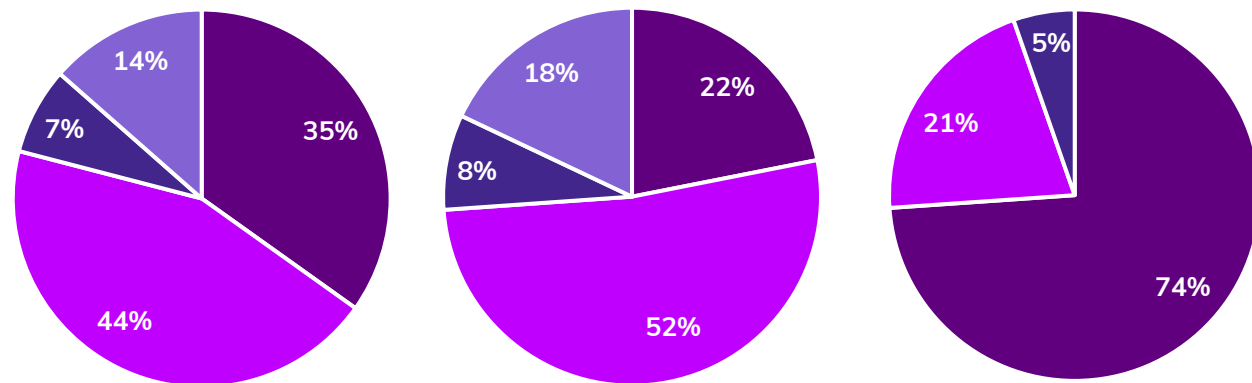
£113m

17.8p/s for 2023 (8.9p/s H2)

1. Presented as if revenue share payments of c£34m, which form part of the partnership arrangement with Tab NZ, were treated as a cost of sale, rather than forming part of acquisition consideration. EPS also includes the associated reduction in depreciation
 2. The calculation of underlying earnings per share has been adjusted for separately disclosed items, and for the removal of foreign exchange volatility arising on financial instruments
 3. Available cash reflects cash plus PSP balances less cash held on behalf of customers and includes amounts available under the RCF. Within the >£1bn quoted is the benefit of the RCF extension and £300m debt raise which were completed in Q1 2024 and were therefore not in existence at 31 December 2023

2023 NGR insights

Divisional



	Group ¹		Online ¹		Retail	
	% of NGR	YoY	% of NGR	YoY	% of NGR	YoY
UK&I	35%	(3%)	22%	(6%)	74%	(1%)
Intl	44%	(2%)	52%	(4%)	21%	10%
CEE	7%	11%	8%	13%	5%	4%
USA	14%	36%	18%	36%	-	-
Total		2%		2%		2%
Total (exc USA)		(2%)		(3%)		2%

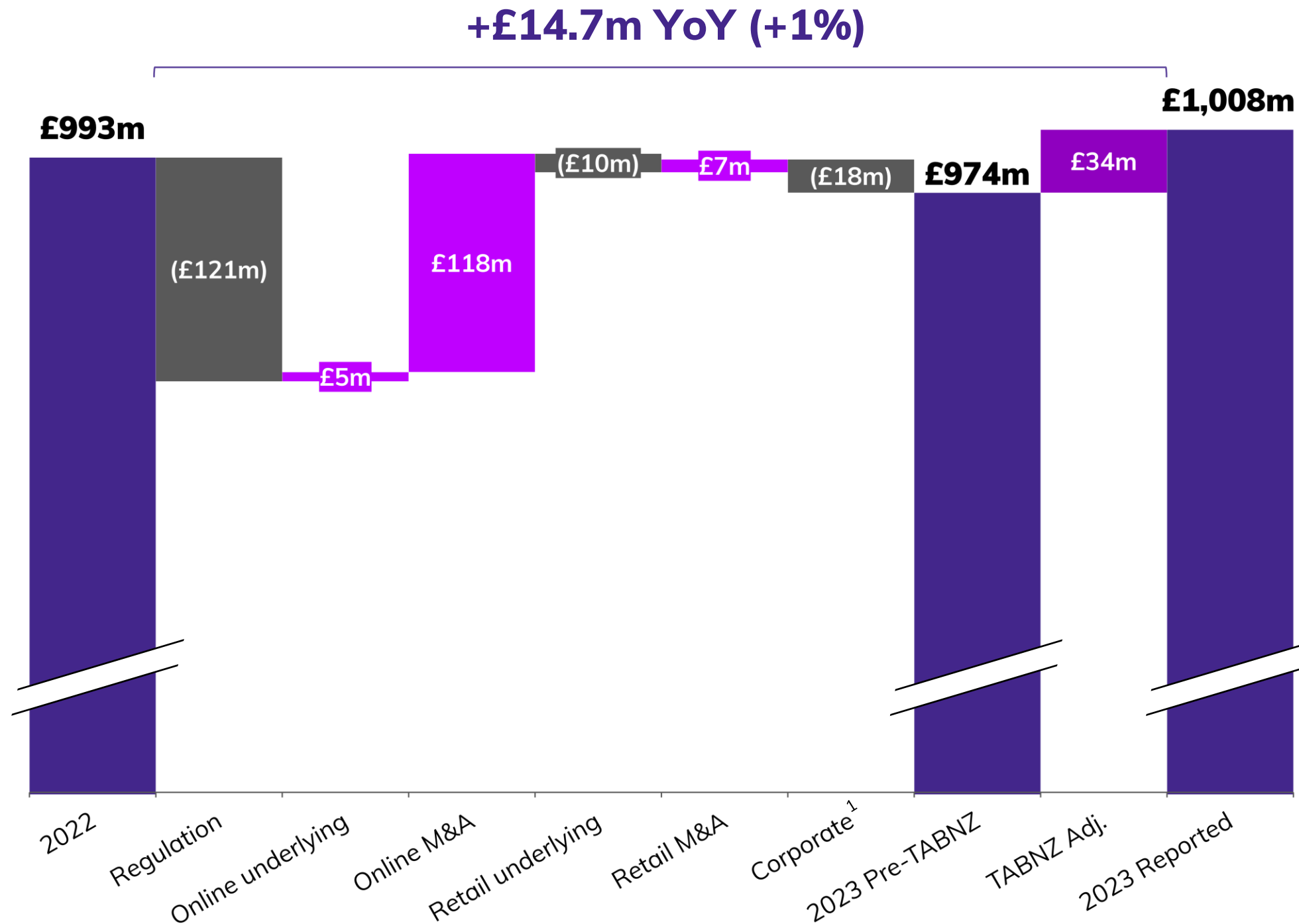
Regional

Online ¹		% of NGR	YoY Growth
UK&I	UK & Ireland	22%	(6%)
	Australia	10%	(6%)
	Italy	7%	3%
	Brazil	4%	(14%)
Intl	Netherlands	4%	(12%)
	New Zealand	3%	(1%)
	Georgia	3%	7%
	Germany	3%	(26%)
	Other	17%	3%
CEE	Croatia	4%	29%
	Poland	4%	0%
USA	USA	18%	36%

Retail		% of NGR	YoY Growth
UK&I		74%	(1%)
Intl		21%	10%
CEE		5%	4%

Note: All numbers presented on proforma, constant currency basis
 1. Including Entain's 50% share of BetMGM's total NGR (Online & Retail)
 2. Like for like growth performance excludes the impact of store closures

2023 EBITDA bridge



- › Mixed Group performance with 2023 EBITDA of £1,008m +1% YoY
 - › EBITDA² of £974m, -2% YoY, pre-NZ accounting
- › Online EBITDA included £118m from acquisitions, offset by regulatory headwinds and softer performance
 - › Excluding regulatory impact Online EBITDA was broadly flat YoY
- › Retail performed well, despite inflationary headwinds from energy and wages
- › Corporate -£18m reflects investment in Responsible Gambling (notably UK RET³) and Governance

Note: Stated before separately disclosed items and reflecting results of continuing operations

1. Includes immaterial movement in Other & New Opportunities segments

2. Presented as if revenue share payments of c£34m, which form part of the partnership arrangement with Tab NZ, were treated as a cost of sale, rather than forming part of acquisition consideration

3. Voluntary contribution of 1% UK NGR to UK Research Education and Treatment

2023 Cashflow and net debt

Key metrics	As at 31 December	
	2023	2022
EBITDA ¹	£1,008m	£993m
EBITDA pre-NZ accounting ²	£974m	£993m
Underlying free cashflow ³ (before investment in BetMGM/acquisitions)	£524m	£483m
Net investment in acquisitions/BetMGM	£1,228m	£916m
Net debt	£3,291m	£2,750m
Leverage ⁴	3.3x (3.1x proforma)	2.8x (2.6x proforma)
Available cash ⁵	>£1bn	>£1.1bn

- › Underlying free cashflow generation of £524m
- › Leverage of 3.3x (3.1x) proforma
 - › DPA settlement over next 4 years limits rate of de-leveraging
- › Available cash of >£1bn including new facilities raised in Q1 2024

1. Reflects results from continuing operations

2. Presented as if revenue share payments of c£34m, which form part of the partnership arrangement with Tab NZ, were treated as a cost of sale, rather than forming part of acquisition consideration

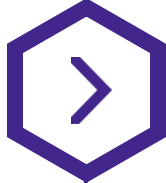
3. Underlying free cashflow is EBITDA less working capital, capital expenditure, finance leases and corporate taxes

4. Leverage is stated on an accounting net debt basis and therefore excludes the impact of the DPA settlement with the CPS. Leverage also excludes any benefit from future BetMGM EBITDA or any payments to acquire minority interests in Entain CEE

5. Available cash reflects cash plus PSP balances less cash held on behalf of customers and includes amounts available under the RCF. Within the >£1bn quoted is the benefit of the RCF extension and £300m debt raise which were completed in Q1 2024 and were therefore not in existence at 31 December 2023

Project Romer progress update

£m	2023	2024	2025
Gross savings	10	50	100
Reinvestment	-	(15)	(30)
Net savings	10	35	70



- > **Simplifying organisation design** to increase agility & effectiveness
- > **Global procurement program efficiencies**
- > **Initial phase complete** and on track for net £70m annual savings

Key considerations for 2024 outlook

- Year to date trading in line with expectations
- c£40m potential Online EBITDA impact
 - Netherlands
 - KSA, new deposit limits proposal
 - United Kingdom
 - Uncertain regulatory implementation
 - Potential opportunity to invest in marketing



Sameer Deen
Chief Commercial Officer

Reflections & priorities

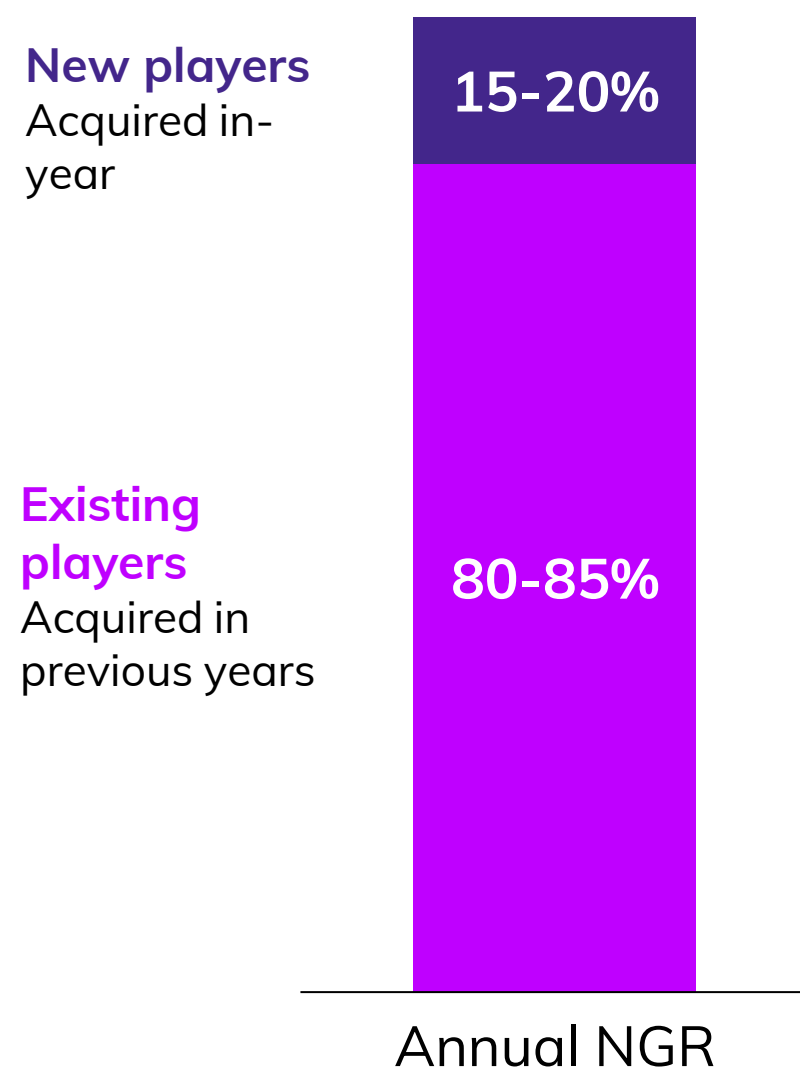
- › Diversified global regulated portfolio with strong underlying market growth
- › Challenging 2023 with organic growth stalled in certain markets
- › Revenue retention is key to organic growth but below Group levels in select markets
- › Focus on must-win markets to maximise value creation
 - › UK: Largest market
 - › Brazil: Fastest growing market



Focused on creating value by improving retention in key markets

Value retention is key to long term success & growth

Entain approximate annual NGR by cohort



Acquisition of new players

- > We continue to acquire customers successfully through our strong & trusted brands
- > However, room to improve our marketing allocation & go to market strategy

Retention of existing player revenues

- > Key driver of returning to organic growth
- > We are focused on improving the customer experience through better products and simplified customer journeys

UK - Focused on improving the customer experience

Current state

Go forward strategy

<div style="background-color: #4a4a8a; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;">Acquisition</div>	<p>UK Online Actives</p> <p>2021 2022 2023</p> <p>Successfully grew customer base at attractive payback period</p> <p>Strong reach (inc. Retail) and trusted brands</p>	<p>Strong actives base to build from but opportunities to improve marketing</p>	<p>» Omni: leverage c2.3K retail stores</p>
	<p>Net revenue retention %</p> <p>UK UK Rest of Entain</p> <p>2021 2023</p> <p>UK historically had higher NRR</p> <p>Now lower than the rest of Entain</p>		<p>» Revamp UX; faster apps</p> <p>» Close critical sports gaps</p> <p>» Streamlined customer journey</p>
<div style="background-color: #8a4a8a; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;">Retention</div>		<p>Focus on brilliant basics</p> <p>Underperforming sports product</p> <p>Complex SG processes</p>	

Brazil - Early signs of success

Delivering on our commitments from Nov 2nd

Green-shoot indicators

Acquisition

Commitment

Actions taken

Increase marketing investment

» Increase in digital marketing

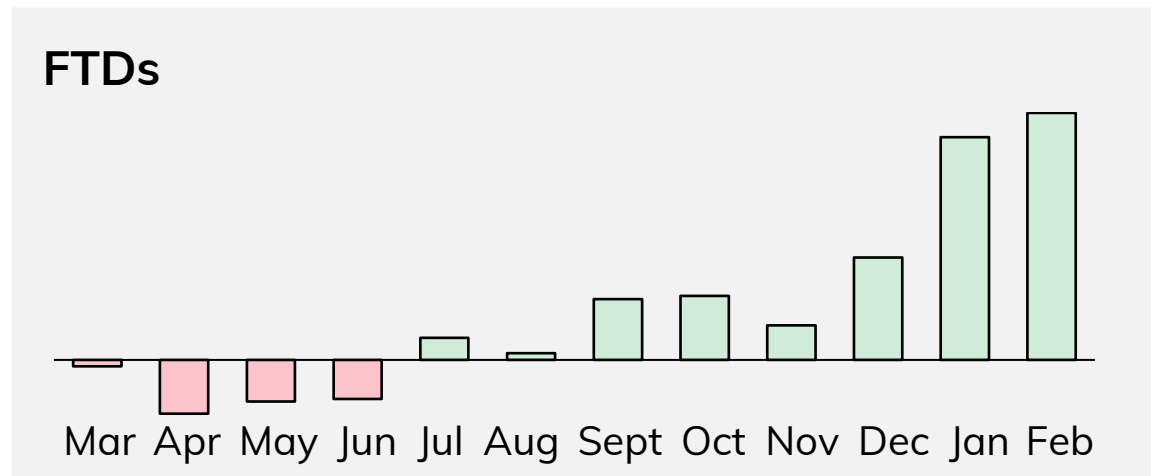
Rejuvenate brand

» Revamped brand & creative

Improve marketing mix

» More Open TV & digital

Monthly, % change vs prior year, Mar 23 – Feb 24



Retention

Optimise local payments

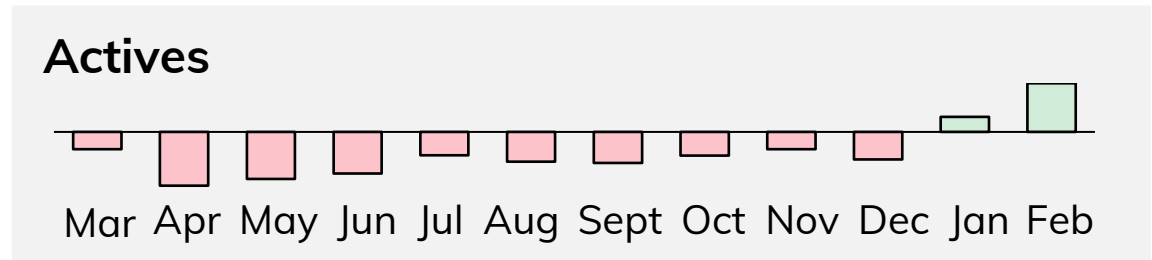
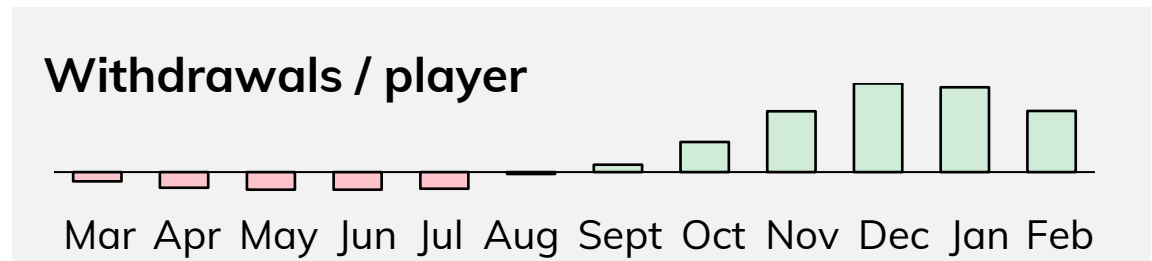
» Instant withdrawals & deposits

Localise our product

» Greater focus on Brazil football

Improve site / app speed

» Improving but further to go

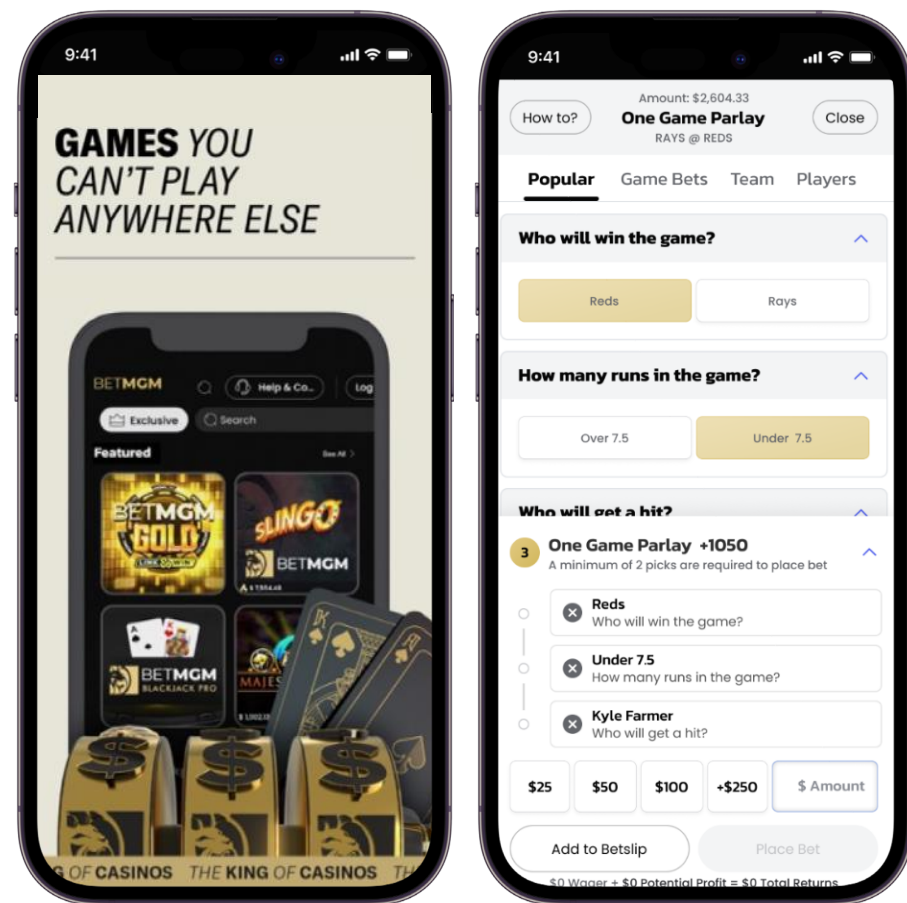




Satty Bhens
Chief Product &
Technology Officer

Entain tech powering success in US

Product and feature enhancements



21 markets

single account single wallet available ahead of 2023 NFL season

10 pp improvement

increase in uptime for US Football markets

91%

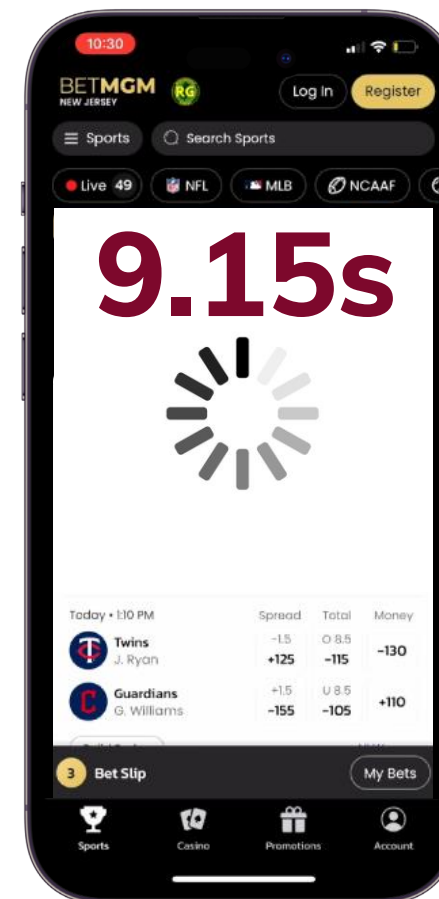
increase in SGP bets

3,600 games

unparalleled iGaming content library

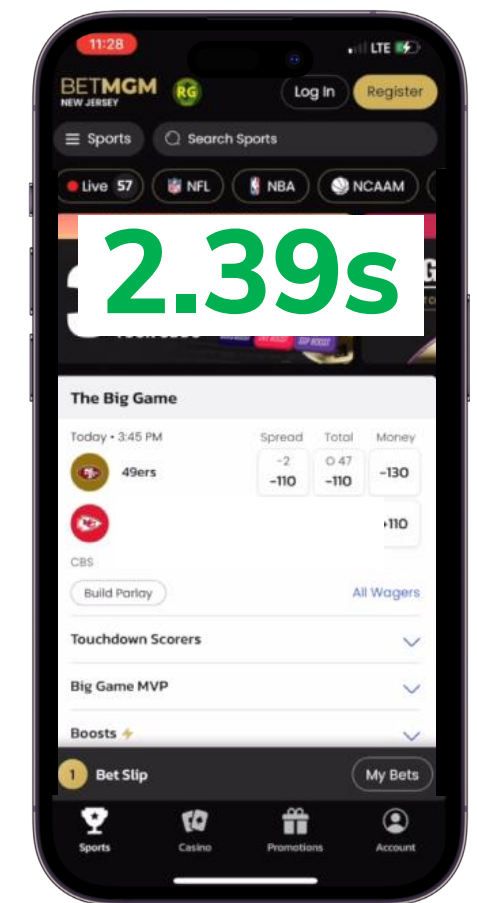
Our app is getting faster

BetMGM now one of the fastest sports betting apps¹



February 2023

74% improvement in app load time



February 2024

1. Google Core Web Vitals validate that BetMGM is now one of the fastest online sports betting apps in the U.S.

Customer focused with faster execution



Note: all metrics represent expectation for 2024 versus actual 2023

Product momentum going into 2024

	Highlights from <u>H2'23</u>	Key <u>2024</u> milestones
Platform	<ul style="list-style-type: none"> Launched SASW¹ 	<ul style="list-style-type: none"> Launched new BetMGM app in Nevada Live
Sports	<ul style="list-style-type: none"> New Angstrom-powered markets BetMGM competitive uptime² 	<ul style="list-style-type: none"> Differentiated SGP for MLB season Mar Optimise pre-packaged Betbuilders for Euros July Upgraded Betbuilder for EPL season Aug New, differentiated SGP markets for US Football Aug Improved quick bet and betslip experience Q4
Gaming	<ul style="list-style-type: none"> Launched local favourites in Brazil 	<ul style="list-style-type: none"> Coin Economy for Ladbrokes Q2 Omni Jackpots across BetMGM / MGM³ 2024
Player Experience	<ul style="list-style-type: none"> BetMGM now top tier for app speed Instant withdrawals in Brazil 	<ul style="list-style-type: none"> Ladbrokes front-end iterative redesign Q1-3 Continuous site speed upgrades globally Q1-4 Product design refresh Jun Simplified SG for improved Customer Support Q2-4

1. Single Account Single Wallet

2. Source: Bettometrics. % of match time when market is active and available for betting; BetMGM had 10 ppt improvement in uptime for “NFL money line in-play” markets between 2022 and 2023; BetMGM 81% in 2023, vs 83% for market leader

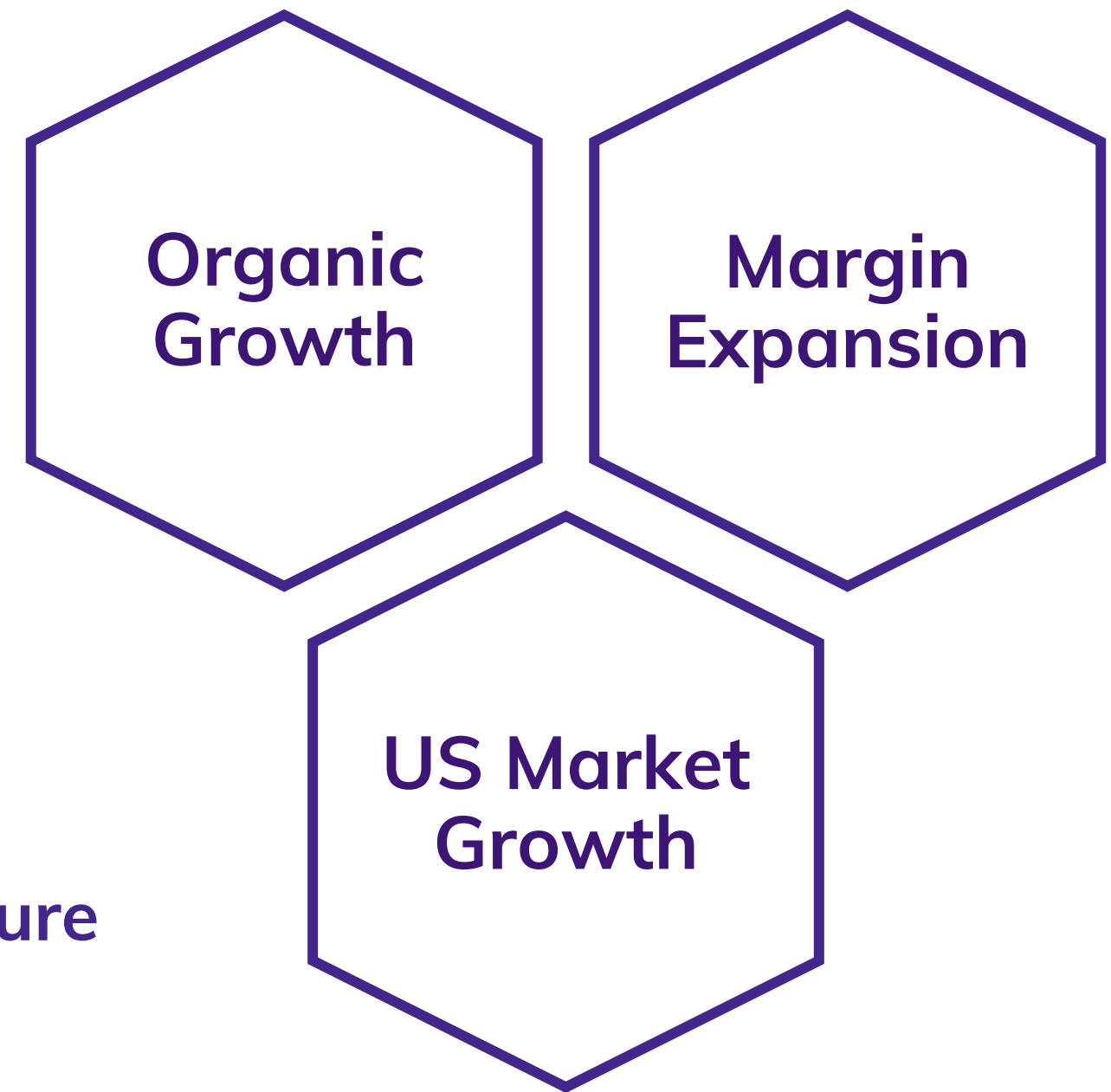
3. Subject to regulatory approval



Stella David
Interim CEO

Clear execution plan to deliver our targets

- › Win in key markets – **UK, US & Brazil**
 - › Drive **commercial excellence**
 - › Simplify & enhance **customer journey**
 - › Deliver **product agenda**
- › **Improve business agility** – Project Romer
- › Accelerate performance through our **people & culture**



Appendix

2023 Q4 trading

NGR (cc)	Q4-23	FY-23
Group inc. 50% of BetMGM	+14%	+14%
Group exc. US	+11%	+11%
Retail	+7% (-2% PF)	+8% (+2% PF)
Online	+14% (-6% PF)	+12% (-3% PF)
Pro forma exc. regulatory	flat	3%
Regulatory impact	-6%	-6%
Inorganic	20%	15%

- › Q4 Group NGR growth (+14%) ahead of Q3 (+10%)
- › Online NGR 10% higher than previous quarterly record, but proforma growth still weaker than expected
- › Online NGR 10% higher than previous quarterly record, but proforma growth still weaker than expected
 - › H2 SG measures in UK impacted more than expected
 - › Q4 sports margins impacted by adverse football results
- › Robust Retail performance
- › Recent acquisitions performing well

2024 Guidance

Online

- **c£40m potential EBITDA impact could equate to:**
 - NGR impact of 2-3ppts,
 - LSD% negative Proforma NGR growth
- **New Opportunities division absorbed in Online**
 - -0.7pp impact on EBITDA margin
- **Consequently, EBITDA margin of:**
 - 24-25% (post-NZ accounting impact)
 - c23% (pre-NZ accounting impact)
- **c£55m additional EBITDA expected post-NZ accounting**

Retail

- **EBITDA flat YoY** (pre-NZ accounting)
- **c£10m additional EBITDA expected post-NZ accounting**

Other

- **2024 ETR 25%** (pre-FX and BetMGM losses)

Cashflow

- Working capital neutral
- Underlying capex **c£255m** plus an additional **c£25m** license costs
- Cash interest **c£255m**, plus **c£15m** IFRS 16
- DPA settlement payments **c£160m**
- TAB NZ Revenue share payments **c£65m** (see appendix slide 32)
- One-offs:
 - Project Romer **c£55m**
 - CEE preferred and minority dividends **c£70m**
 - Potential legal settlements of up to **£40m¹**
 - BetMGM **\$25m²**
 - Other one-offs **c£25m**

1. Including intertrader provision

2. Timing of previously announced investment delayed until 2024, (**does not** represent incremental investment versus previously communicated commitment)

Impact of TAB NZ accounting

	Online	Retail	Total
NGR	-	-	-
CoS	27	7	34
GP	27	7	34
Marketing	-	-	-
Contribution	27	7	34
Operating expenses	-	-	-
EBITDA	27	7	34
SBP	-	-	-
Depreciation	(13)	(5)	(19)
JV	-	-	-
Op profit	14	2	16
Interest excl. FX	-	-	-
PBT	14	2	16
Tax*	(4)	(1)	(4)
PAT	10	1	11

Impact on EPS	1.9p
Impact on leverage	(0.1x)
Annualised impact on leverage	(0.2x)

Impacts represent the 7 months from 1 June 2023

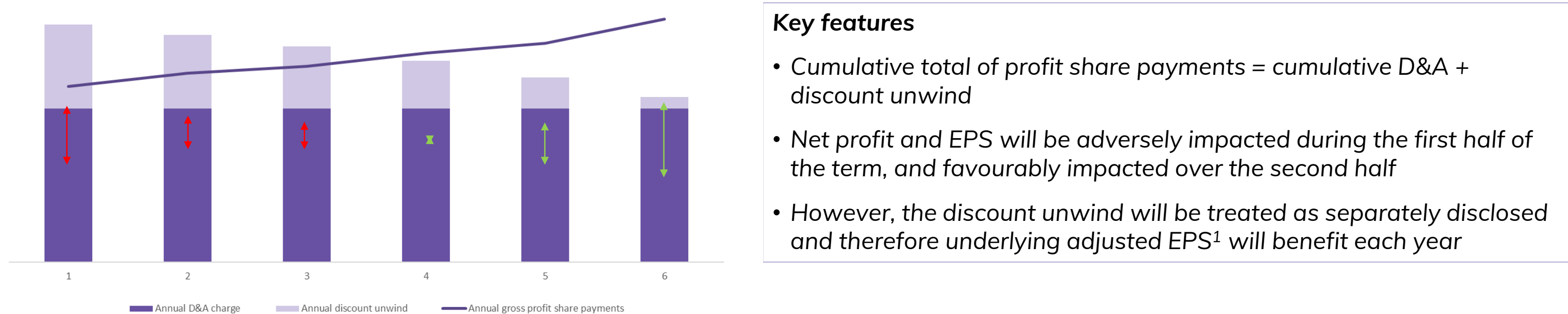
- ▶ £34m increase in EBITDA due to revenue share payments which are not deducted against profits
- ▶ Incremental depreciation on associated capitalised license of £19m
- ▶ Within separately disclosed items is a £52m charge for the unwind of discount on future expected revenue share payments

The impact of all of these items is expected to annualise in 2024

TAB NZ accounting treatment

- **Gross profit share payments to be treated as contingent consideration, not future deductions on EBITDA**
- **As such, a liability for the discounted value of future payments is recorded on acquisition** with equivalent intangible assets recognised
- **Assets recognised on acquisition are amortised** over the life of the agreement, along with discount unwind on the discounted liability
- Due to the nature of the accounting, **costs are front end loaded** rather than accounted for in line with the timing of cash payments
- Whilst the accounting treatment impacts the nature and timing of costs, it **does not affect the cashflows of the acquisition or commercial analysis**

Example profile of Income Statement charges under an arrangement of this nature (example shows a 6 year agreement for illustration purposes):



Key features

- Cumulative total of profit share payments = cumulative D&A + discount unwind
- Net profit and EPS will be adversely impacted during the first half of the term, and favourably impacted over the second half
- However, the discount unwind will be treated as separately disclosed and therefore underlying adjusted EPS¹ will benefit each year

Financials: Group Income Statement

Group NGR +11% cc¹ with proforma growth in Retail and the benefit of acquisitions more than offsetting continued regulatory headwinds and weaker trading in Australia and Brazil

Year ended 31 December	2023 (pre NZ) ⁴ £m	2023 ⁵ £m	2022 ⁵ £m	Change %	CC ¹ %
Net gaming revenue	4,833.1	4,833.1	4,348.9	11%	11%
Revenue	4,769.6	4,769.6	4,296.9	11%	
Gross profit	2,872.6	2,907.0	2,714.7	7%	
Contribution	2,245.0	2,279.4	2,128.9	7%	
Underlying EBITDA²	973.5	1,007.9	993.2	1%	
Operating Profit²	626.0	641.8	541.8	18%	

Memo	2023	2022
Underlying ETR ⁶	23.0%	15.4%
Av. no of shares (m)	616.0	588.2
Basic EPS ⁵	(141.4)	6.4
Adj. diluted EPS ^{3,5}	44.2	60.5
Adj. diluted EPS excl. US ^{3,5}	51.0	93.2
Dividend/share (p)	17.8	17.0
Net debt (£m)	(3,290.9)	(2,749.8)
Net debt/EBITDA	3.3x	2.8x

Group NGR 11% (+11% cc¹)

- Online NGR +12%cc¹ with proforma NGR -3%cc¹ and the benefit of acquisitions +15%cc¹
- Retail NGR +8%cc¹ (+2%cc¹ proforma)

Group underlying EBITDA £1,008m +1% YoY with EBITDA pre NZ accounting⁴ £974m -2%

- Online EBITDA +4% YoY, in line pre NZ accounting
- Retail EBITDA +1% ahead of 2022, -1% pre NZ accounting

ETR of 23.0% (pre-FX and BetMGM losses)

- In line with guidance reflecting UK Corporation Tax rate increase, Gibraltar super-deduction removal and geographic mix

Net debt as at 31 December 2023

- £3,291m, 3.3x EBITDA or 3.1x on a proforma basis
- Net debt £541m higher than in 2022 as a result of acquisitions offset by the equity issue

Adjusted diluted EPS 44.2p, -27% YoY

- Benefit of acquisitions (post funding) offset by higher interest rates and a decline in organic EBITDA

1. Growth on a constant currency basis is calculated by translating both 2023 and 2022 at the 2023 exchange rates

2. Stated pre separately disclosed items

3. Continuing diluted EPS adjusted for the impact of separately disclosed items, FX movements on financial indebtedness and gains/losses on derivative financial instruments

4. Presented as if revenue share payments of c£34m, which form part of the partnership arrangement with Tab NZ, were treated as a cost of sale, rather than forming part of acquisition consideration

5. Reflecting results of continuing operations

6. Tax as a proportion of profit before tax pre BetMGM losses and FX gains and losses

Online (exc. US)

Proforma Online NGR down -3%cc¹ but with the benefit of acquisitions total Online NGR was +12%cc¹ ahead

Year ended 31 December	2023 (pre NZ) ⁴ £m	2023 ³ £m	2022 ³ £m	Change %	CC ¹ %
Sports wagers	13,724.5	13,724.5	14,090.5	(3%)	(2%)
Sports margin	13.7%	13.7%	12.9%	0.8pp	
Sports NGR	1,531.0	1,531.0	1,443.7	6%	7%
Gaming NGR	1,837.6	1,837.6	1,576.9	17%	15%
B2B NGR	57.9	57.9	29.9	94%	90%
NGR	3,426.5	3,426.5	3,050.5	12%	12%
VAT/GST	(59.9)	(59.9)	(52.0)	(15%)	
Revenue	3,366.6	3,366.6	2,998.5	12%	
Gross profit	1,953.0	1,980.1	1,829.6	8%	
Contribution	1,342.7	1,369.8	1,254.2	9%	
Contribution margin	39.2%	40.0%	41.1%	(1.1pp)	
Operating costs	(512.4)	(512.4)	(426.0)	(20%)	
Underlying EBITDA²	830.3	857.4	828.2	4%	
Share based payments	(7.3)	(7.3)	(7.8)	6%	
Underlying depreciation & amortisation	(147.1)	(160.2)	(118.3)	(35%)	
Share of JV income	(1.4)	(1.4)	(0.2)	(600%)	
Operating profit²	674.5	688.5	701.9	(2%)	

NGR +12% (+12% cc¹) with proforma NGR **-3%cc¹** and the benefit of acquisitions +15%cc¹:

- **Underlying momentum** offset by:
 - Regulatory headwinds in the UK/Germany
 - Weaker trading in Australia and Brazil
- **Proforma sports NGR -9%cc** and **gaming NGR +2%cc**
- **Actives +23% YoY** (+10% on a proforma basis)

Sports margin 13.7%, 0.8pp ahead of 2022

- Proforma sport margin in H2 -0.9pp lower than in H1

Contribution margin 40.0%, -1.1pp vs 2022 (-1.9pp pre NZ⁴)

- Impact of increased taxation in Australia, territory mix and market closures

Operating costs 20% higher

- Acquired businesses (16pp) and FX (1pp)
- 3pp due to inflation offset by initial benefits from Project Romer

Underlying EBITDA +4% (in line pre NZ⁴)

- Reflecting the benefit from acquired businesses offsetting organic decline

1. Growth on a constant currency basis is calculated by translating both 2023 and 2022 at the 2023 exchange rates

2. Stated pre separately disclosed items

3. Reflecting results of continuing operations

4. Presented as if revenue share payments of c£34m, which form part of the partnership arrangement with Tab NZ, were treated as a cost of sale, rather than forming part of acquisition consideration

Retail (exc. US)

NGR up +8%cc¹ (+2%cc¹ proforma) as our businesses continue to show the strength of their offer and customer appeal

Year ended 31 December	2023 (pre NZ) ⁴ £m	2023 ³ £m	2022 ³ £m	Change %	CC ¹ %
Sports wagers	4,341.7	4,341.7	3,893.5	12%	11%
Sports margin	18.9%	18.9%	18.3%	0.6pp	
Sports NGR	813.0	813.0	705.2	15%	14%
Gaming NGR	573.7	573.7	572.6	0%	0%
NGR	1,386.7	1,386.7	1,277.8	9%	8%
Gross profit	893.0	900.2	860.0	5%	
Contribution	883.1	890.3	852.1	4%	
Contribution margin	63.7%	64.2%	66.7%	(2.5pp)	
Operating costs	(606.1)	(606.1)	(571.9)	(6%)	
Underlying EBITDA²	277.0	284.2	280.2	1%	
Share based payments	(2.4)	(2.4)	(2.3)	(4%)	
Underlying depreciation and amortisation	(126.7)	(132.1)	(112.4)	(18%)	
Share of JV income	-	-	-	-	
Operating profit²	147.9	149.7	165.5	(10%)	

Retail performed strongly with NGR +8%cc¹ (+2%cc¹ proforma)

- Gaming NGR in line YoY (-1%cc¹ proforma)
- Sports NGR +14%cc¹ (+4%cc¹ proforma)

Contribution margin -2.5pp due to a reclassification of costs from opex (1.2pp) and territory mix

Operating costs -6% with acquisitions driving 5pp of the increase

- Underlying inflation offset by the benefit of the cost reclassification to CoS

Underlying EBITDA £284m, £+4m ahead of 2022, £-3m pre NZ

1. Growth on a constant currency basis is calculated by translating both 2023 and 2022 at the 2023 exchange rates

2. Stated pre separately disclosed items

3. Reflecting results of continuing operations

4. Presented as if revenue share payments of c£34m, which form part of the partnership arrangement with Tab NZ, were treated as a cost of sale, rather than forming part of acquisition consideration

Financials: Statutory Income Statement

Operating profit +18% ahead of 2022 driven by reduced losses in BetMGM as the JV continues on the path to profitability

Year ended 31 December	2023 ¹ £m	2022 ¹ £m	Change %
Underlying EBITDA	1,007.9	993.2	1%
Share based payments	(21.7)	(19.2)	(13%)
Underlying depreciation and amortisation	(301.5)	(238.1)	(27%)
Share of JV (loss)/income	(42.9)	(194.1)	(78%)
Operating profit	641.8	541.8	18%
Finance costs	(229.4)	(84.7)	(13%)
Foreign exchange	32.5	(135.3)	(214%)
Profit before tax pre separately disclosed items	444.9	321.8	(39%)
Separately disclosed items:			
Amortisation of acquired intangibles	(254.6)	(116.9)	19%
Impairment loss	(289.0)	(7.0)	(112%)
Other	(743.9)	(95.0)	(809%)
(Loss)/profit before tax	(842.6)	102.9	(74%)
Tax	(36.1)	(70.0)	(40%)
Profit after tax	(878.7)	32.9	(88%)

Depreciation and amortisation

- 14pp increase due to acquisitions and NZ accounting, with the remainder the impact of recent investment in the business

Share of JV loss £43m

- Includes an operating loss of £42m relating to BetMGM, which was in line with expectations

Finance costs £229m

- Net cash interest costs on debt of £206m (incl higher interest rates and new debt)
- £13m of interest on IFRS16 leases and £11m of fee amortisation

Foreign exchange gains of £33m on retranslation of non-GBP debt

- Offset by a loss on retranslation of overseas assets recognised in Equity as part of the Group's commercial hedge strategy

Separately disclosed items

- Amortisation of acquired intangibles **£255m**, primarily on recent acquisitions
- Impairment of **£289m** including £190m on Australia as well as impairments on the closed B2C Africa and Unikrn businesses
- Other **£744m** including DPA settlement (see following slide)

Tax £36m charge

- Includes £70m tax credit on separately disclosed items
- 2023 underlying ETR of 23.0% pre-FX and BetMGM losses

Financials: Other Separately Disclosed Items

£119m cash outflow largely associated with the Group's restructuring program, deal fees for acquisitions, legal fees in relation to the HMRC investigation and the Group's £17m UK Gambling Commission settlement from previous years

Year ended 31 December	Profit & Loss		Cashflow
	2023 £m	2022 £m	2023 £m
Legal settlement	(585.0)	-	-
Restructuring costs	(49.7)	(11.8)	(59.4)
Legal and onerous contract costs	(17.6)	(8.1)	(39.0)
Movement in fair value of contingent consideration	(71.8)	1.0	-
Corporate transaction costs	(17.8)	(23.9)	(19.2)
Asset disposals	(1.0)	(1.0)	0.7
Financing	(1.0)	(5.7)	(2.0)
Furlough	-	(45.5)	-
Total	(743.9)	(95.0)	(118.9)

Legal settlement

- Liability recognised for the DPA settlement, payments against which began in January 2024

Restructuring costs (£50m)

- Restructuring costs associated with Project Romer and the final costs of Project Evolve

Legal and onerous contracts (£18m)

- Primarily relates to the Group's legal costs in complying with the HMRC investigation with the cash payment also including the GC settlement from previous years

Contingent consideration (£72m)

- Primarily discount unwind on Tab NZ contingent consideration. Cash costs for contingent consideration included within the acquisitions line in the cashflow

Corporate transaction costs (£18m)

- Transaction fees associated with M&A pipeline incl. the acquisitions of STS, NZ Tab, 365Scores and Angstrom

Financials: Cashflow

£524m of free cashflow generation with closing net debt of £3.3bn and leverage 3.1x on a proforma basis

Year ended 31 December	2023 £m	2022 £m
EBITDA	1,007.9	993.2
Adjusted net working capital ¹	(17.4)	(108.8)
Capital expenditure	(260.6)	(212.0)
Finance lease principal (incl. IFRS 16 leases)	(68.5)	(83.0)
Corporate taxes	(137.3)	(106.1)
Underlying free cashflow	524.1	483.3
Investment in BetMGM	(40.7)	(175.1)
Acquisition related cashflows ²	(1,187.4)	(741.4)
Interest paid (incl. IFRS 16 leases)	(224.6)	(100.6)
Separately disclosed items	(118.9)	21.6
Equity issue	589.8	-
Movement on Entain debt and related items ³	318.2	723.2
Dividends received	9.6	3.6
Equity and minority dividends paid	(114.3)	(50.0)
Net movement in cash	(244.2)	164.6
Opening cash	658.5	487.1
FX	(13.7)	6.8
Closing cash	400.6	658.5
Adjusted net debt	(3,290.9)	(2,749.8)
Leverage ratio	3.3x	2.8x

Capital expenditure £261m outflow including licenses, innovation and capex from acquired businesses

Investment in BetMGM £41m (\$50m) outflow which is \$25m lower than expectations due to timing

Acquisitions £1,187m outflow

- In year acquisitions of BetCity, STS, 365Scores, Tab NZ and Angstrom, net of minority contributions on STS
- Earn-outs on previous acquisitions, primarily SuperSport
- Contingent payments payable based on Tab NZ profits of £34m which have been accounted for as consideration

Separately Disclosed Items in the prior year include the receipt of £165m in relation to the group's Greek tax litigation

Interest paid £225m outflow

- Impact of increased interest rate and interest on new debt raised during late 2022

Net movement on debt items £318m inflow

- Largely relates to amount drawn down on the Group's RCF

Dividends paid £114m outflow

- Includes £7m paid to minority holders in Entain CEE

1. Net of FX on working capital balances and cash acquired with businesses to cover working capital cycle (excludes STS as a locked box acquisition)

2. Inclusive of M&A cashflows classified as working capital or debt repayments for statutory purposes

3. Includes cash movements on regulator deposits and payments service providers which are classified as part of net debt

Financials: Net debt

Closing leverage of 3.3x (3.1x proforma) with sufficient liquidity available to support the Group's strategy

Year ended 31 December	Par Value £m	Issue costs/ Premium £m	Total £m
Term loans / RCF	(3,420.5)	64.1	(3,356.4)
Interest accrual	(1.6)	-	(1.6)
Gross cash debt	(3,422.1)	64.1	(3,358.0)
Cash			400.6
Subtotal			(2,957.4)
Cash held on behalf of customers			(196.8)
Fair values of swaps held on debt instruments			(85.6)
Other debt related items			224.8
Finance lease debt			(275.9)
Adjusted net debt			(3,290.9)
Underlying LTM EBITDA			1,007.9
Leverage ratio			3.3x

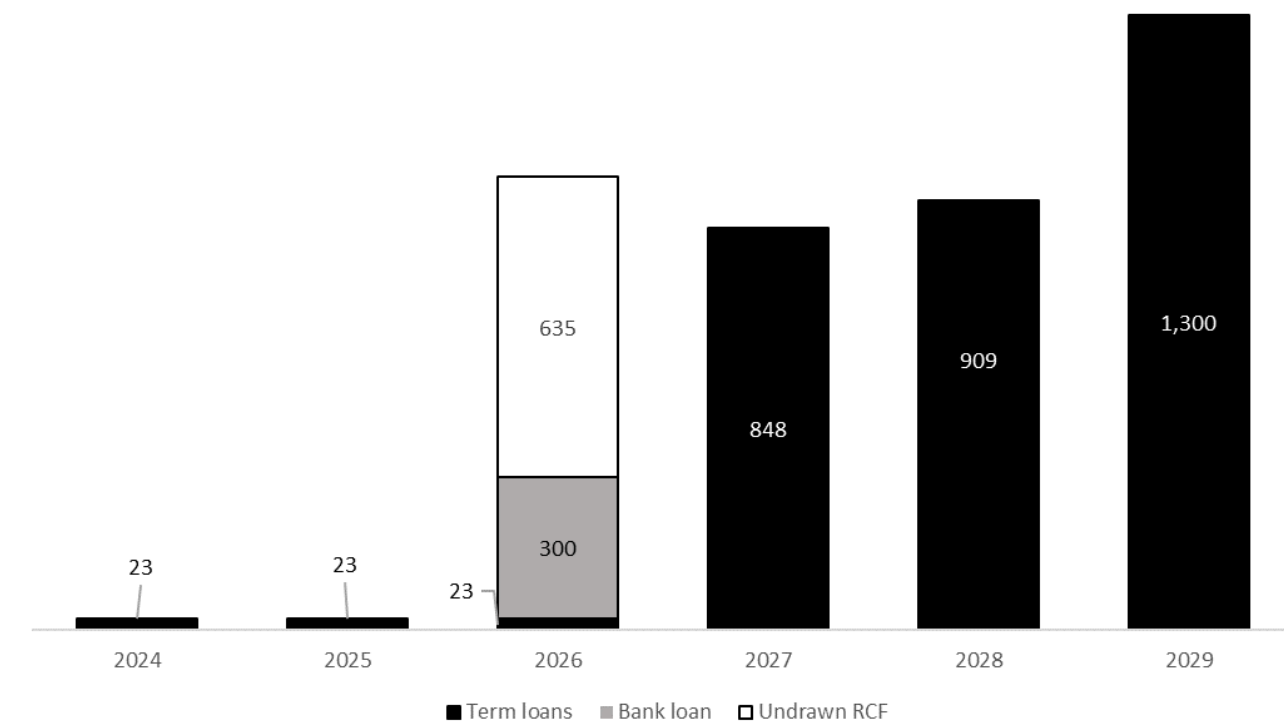
Net debt £3,290.9m or 3.3x (3.1x proforma)

Total available cash of over £1bn¹ including the benefit of the RCF extension and £300m debt raise which were completed in Q1 2024

- As at 31 December 2023 £295m was drawn on the Group's RCF
- Post the Q1 refinancing, the total amounts available under the RCF, excluding amounts utilised for letters of credit, was £630m

No material debt maturities until H2 2026

Proforma debt maturity (£m) post Q1 2023 refinancing



1. Available cash reflects cash plus PSP balances less cash held on behalf of customers and includes amounts available under the RCF. Within the >£1bn quoted is the benefit of the RCF extension and £300m debt raise which were completed in Q1 2024 and were therefore not in existence at 31 December 2023

Refreshed Sustainability Charter

Only operate in regulated markets or in markets that are on a clear path to regulating

Committed to a constructive and progressive relationship with the regulators

Always comply with in-market regulations

Take a market leading approach to player protection in each market we operate, developing and using tools to identify & limit customer harm