



## €15.8 bn in player stakes in 2018, a growth of +4.4% driven by digitalisation investments, sports betting in the World Cup context and *Mission Patrimoine* games

- **Digitalisation backed growth in all games: digital player stakes in point-of-sale and online up +46% to €2.4 bn or 15% of total player stakes**
- **ParionsSport crosses the €3 bn bar, +21%**
  - Record World Cup stakes, €333 m, +75% compared to 2014
  - +60% surge in digital player stakes to €1.8 bn
- **Growth in lottery games, +1% to €12.8 bn**
  - Success of *Mission Patrimoine* games, of which availability came to an end, €187 m in player stakes and €21 m to support French heritage sites
  - Increase in online lottery game, +12%
- **Stabilisation of the point of sale retail network, 30 000-strong, with player stakes up by +4%**

FDJ Group, a world leader in lottery games and sports betting, announced €15.8 bn in player stakes in 2018, an increase of +4,4% over 2017.

FDJ distributed €10.7 bn to players, a return rate of nearly 68%, an increase close to 1 point over 2017 owing to the surge in sports betting. French state benefited of €3.3 bn government levies, up vs. 2017.

**For Stéphane Pallez, Chairman and Chief Executive Officer of FDJ Group:** *"The continued growth in player stakes reflects the good execution of our FDJ 2020 strategy around areas such as innovation and digital, enhancing the appeal of our games and distribution channels. 2018 has been characterised by numerous successes, notably Mission Patrimoine games, illustrating FDJ's redistribution model. These results underpin our ambition to anticipate changes in the gaming and entertainment sector to increase the Group's leadership with richer and innovative gaming experiences".*

In €m	2018** players Stakes	2017 players Stakes	2018 vs. 2017	Millionaires
<b>FDJ Total</b>	<b>15,817</b>	<b>15,144</b>	<b>+4.4%</b>	<b>198</b>
<b>Lottery</b>	12,770	12,626	+1.1%	191
• Instant lottery games***	7,694	7,453	+3.2%	30
• Draw-based games	5,076	5,173	-1.9%	161
<b>Sports betting</b>	3,047	2,518	+21.0%	7

<b>Digital player stakes*</b>	2,429	1,669	+45.5%
<b>Player stakes in the physical network</b>	15,020	14,489	+3.7%

Unaudited data

\* Digital player stakes include online player stakes and dematerialised electronic player stakes recorded at points of sale

\*\* Player stakes do not constitute the turnover of the FDJ Group

\*\*\* Scratch games (in point-of-sale and online)



- **Digitalisation investments backed growth in all gaming activities**

The FDJ 2020 strategic plan, bolstered by €500 m in investments over the 2015-2020 period, almost €400 m to date of which €100 m in 2018, aims at accelerating the Group's digital transformation to fuel its development.

2018 benefited from an increase in digitalisation in all games (sport betting as well as lottery). Digital player stakes are up +45.5% to €2,429 m, representing 15% of total stakes vs. 11% in 2017. This success confirms our strategic goal of reaching 20% by 2020.

This digital growth was driven by online gaming as well as electronic player stakes at points of sale and comes:

- for lottery games, from the simplified distribution of the digital offering with all draw-based and scratch-card games now available in a single mobile app, available on all electronic devices, and the "mobile first" functioning of the fdj.fr website with greater benefits in terms of both features and graphic design;
- and for *ParionsSport*, from the success of the "mobile first" strategy with a reworking of the ergonomics of mobile apps and websites, as well as the deployment of more than 1 000 terminals for placing electronic bets.

- **Performance of *ParionsSport*, +21% to €3,047 m, in the World Cup context and the growth of dematerialized player stakes in points of sale**

*ParionsSport* sports betting posted strong gains in player stakes, +21% to €3,047 m, driven by the football World Cup and digital players stakes: +60.4% to €1,840 m, making up 60% of sports betting vs. 46% in 2017.

FDJ is one of the Top 10 sports betting operators worldwide.

Player stakes recorded during the World cup reached €333 m, an increase of +75% over the 2014 event, mostly attributable to the French team's performance. The overall trend remained strong, with +8% growth in non-World Cup player stakes.

Throughout the year, *ParionsSport* continued its marketing momentum with many initiatives to develop its audience both on line and at points of sale, specifically:

- attractive odds;
- continued enhancement of the offering with an enriched bets offering during the World Cup, the launch of betting on six new sports including golf and badminton, and new betting formulas on four major sports (football, basketball, tennis, and rugby);
- and the *ParionsSport* brand awareness was strengthened along with player retention.

In addition, in the wake of the World Cup, *ParionsSport* signed major four-year partnerships with four leading French football clubs (Olympique de Marseille, Olympique Lyonnais, AS Monaco, and FC Nantes), and launched the "Parions Club" challenge with each of them, giving the top punters in each club a VIP treatment in stadiums or at points of sale, in addition to their winnings.

**2019**, although an odd year, will be filled with sporting events such as world championships in women's football, basketball, and rugby. *ParionsSport* will benefit from an even stronger brand visibility thanks to its partnerships with the four French League 1 football clubs and the NBA. Points of sale offering will be strengthened with four new sports and a more attractive *LotoFoot*.



- **Increase in lottery games, +1.1% to €12,770 m, with the success of Mission Patrimoine games and instant lottery games**

Player stakes in lottery, instant lottery and draw-based games, grew 1.1% to €12,770 m.

Player stakes on instant lottery games (scratch-card games in point of sale and digital) continued to grow, +3.2% to €7,694 m. This performance is attributable to:

- the popularity of the event game *Mission Patrimoine*, on an untapped €15 stake segment (of which availability came to an end with over €172 m in stakes) and the success of the X20 game (€5), which were a big part of the success of €5 and up games. Such games make up more than 2/3 of scratch-card game stakes;
- the strengthened "entry-level" game portfolio with the successful return of the iconic *Morpion* brand, in the form of a short-term game on the new €0.50 player stake segment, and the launch or relaunch of several long-term games including *Black Jack* (€2) and *Maxi Goal!* (€3);
- a new visual identity for the umbrella brand *illiko* to give the entire line a facelift.

Player stakes in draw-based games (*Loto*, *EuroMillions-My Million*, *Keno gagnant à vie* and *Amigo*) came to €5,076 m, -1.9% from 2017, with players preferring high-jackpot and event-driven draws (*Super Loto*, *Super Jackpot*) or cumulative draws (following a series of draws with no winner).

- The games, *Loto* and *EuroMillions-My Million*, which make up nearly 60% of player stakes in this category, saw the successful launch of the *Loto Mission Patrimoine* (over €14 m stakes, +30% vs. an average regular *Loto*) and high-prize events such as *Jackpot Boosté*, *Super Loto*, *Semaine des millionnaires*, *Vendredi 13*..
- *Keno gagnant à vie* showed stability in its player stakes and began to profit from its early November 2018 relaunch on its 25<sup>th</sup> anniversary;
- and the express draw-based game *Amigo*, which is growing, benefited from regular promotional campaigns and an expansion of the point-of-sale network.

Digitalisation drives growth in all lottery games, whether instant lottery or draw-based games. Online lottery games were up +12% thanks to the steady increase in new players, with close to 1.9 million players at the end of 2018, and very frequent marketing events in the online gaming portfolio, with a launch, a relaunch, or a modification every week.

For **2019**, our innovation and personalised marketing strategy will continue to be deployed. After the early January launch of *The Wall- face au mur*, a €5 event game based on the highly successful TV game, FDJ will test launch an innovative scratch-to-digital game in March, as well as a new line of *Mission Patrimoine* games and a revamped *Loto* at the end of the year.

- **Our point-of-sale network confirms its strength and its appeal, with €15 bn players stakes, up +3.7% on 2017**

The FDJ retailer network is virtually stable at more than 30,000 points of sale. While the vast majority of these comes from the bar/tobacco/newsstand channel, a little over 5% comes from other local retail networks.

#### A new retailer commission scheme

Thanks to the gradual implementation of the early 2018 agreement signed with tobacco and press retail trade associations, FDJ has further incentivised its retail network in the success of FDJ's marketing and corporate social responsibility priorities. In 2018, FDJ stopped charging rent for point of sale equipment and started paying commission on promotional and free coupons. This year, a new commission structure has been introduced, with different rates across the various product lines and price ranges.



In this context, net commissions earned by FDJ retailers was €785 m in 2018, up 5.7% on 2017.

#### Business transformation

After internalising its sales force and setting up its own logistics, FDJ has completed its business transformation and has direct control of its network.

The Group has continued to make substantial investments in points of sale, specifically in technology and equipment.

#### **About FDJ Group:**

FDJ, the national lottery and the French leader in gambling and entertainment, the #2 Lottery in Europe and #4 worldwide, offers more than 90 games, lottery - draw-based games (Loto, EuroMillions) and scratch-card games (Millionnaire, Astro, Vegas, Cash) - and sports betting (ParionsSport), at points of sale and on line.

FDJ's performance is driven by a portfolio of iconic, historic, and recent brands, the #1 local sales network in France, a growth market, recurring investment, and an innovation strategy to make its offering and its distribution more attractive with an enhanced gaming experience.

In 2018, from 25 million players, with more than 30,000 points of sale and 2,300 employees, FDJ collected €15.8 bn in stakes, 15% of which were digital. It distributed €10.7 bn to its players, contributed €3.6 bn to public finance, and paid its retailer network €0.8 bn.

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