

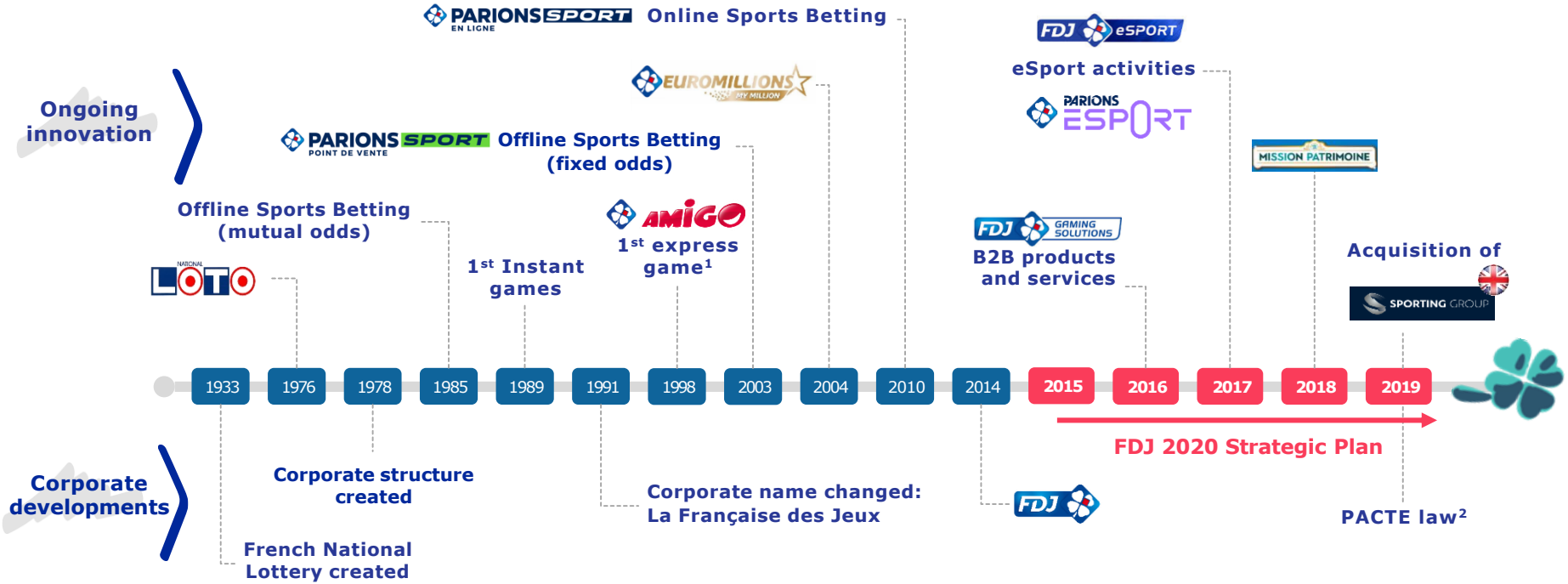
Roadshow Presentation

November 2019



FDJ - Strictly confidential.

FDJ: a national champion since 1933



Accelerated business transformation in last 5 years



FDJ - Strictly confidential.

¹ Rapido before 2010.
² Includes Privatisation law.

FDJ is N°1 in the attractive French gaming market

Leadership



Leading gaming operator
in France



Second largest lottery
in Europe

Scale



25m
players



~85 games
5 billionaires¹



30,000+ points of sale
in **c.11,000** municipalities



2,500+
employees²

Financial
Strength



€15.8bn stakes
68% player payout



€2.4bn
digitalised stakes



€1.8bn revenue
€319m EBITDA³



€3.5bn
public levies⁴



FDJ - Strictly confidential.

Note: 2018 figures.

¹ Annual stakes per game over €1bn.

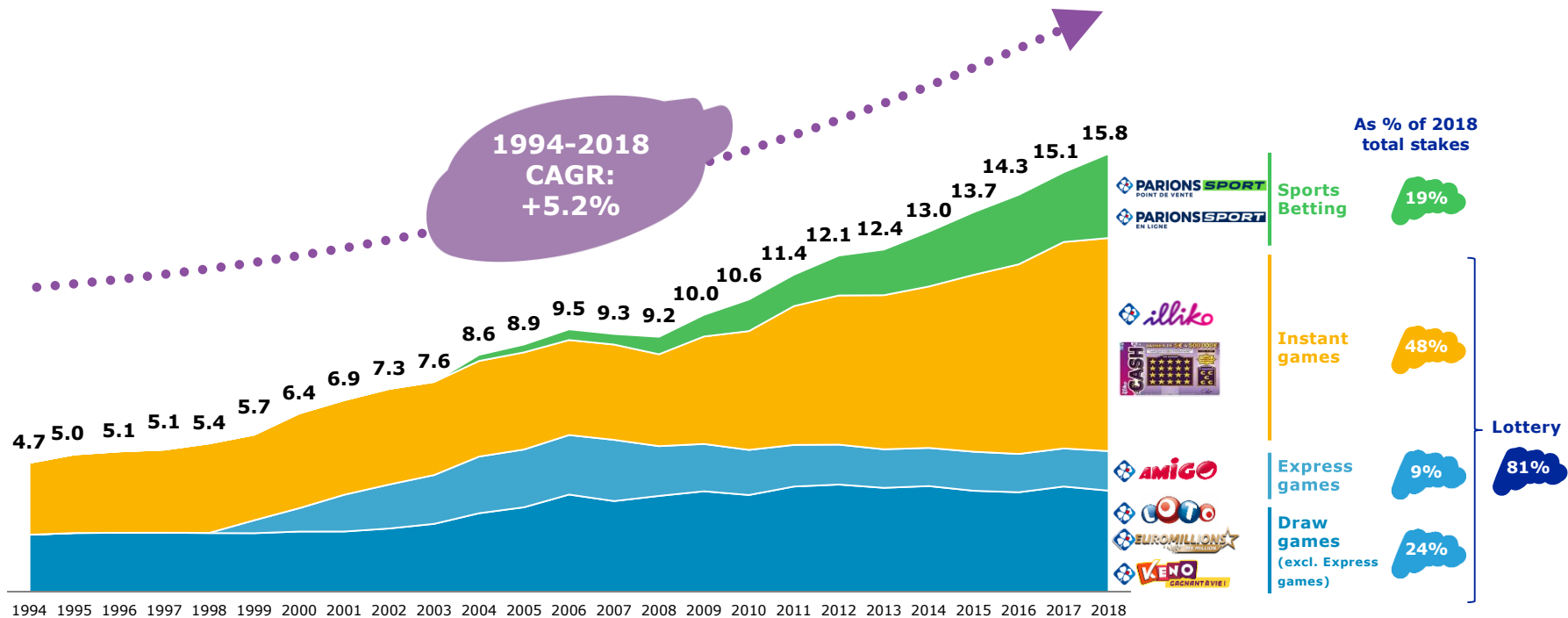
² As of 30/06/2019, including Sporting Group.

³ Excluding C4m one-off privatisation and IPO costs.

⁴ €3.3bn gaming tax + €0.2bn excess of permanent fund (capped at 0.5% of stakes).

Delivering strong and resilient growth by expanding into new business lines

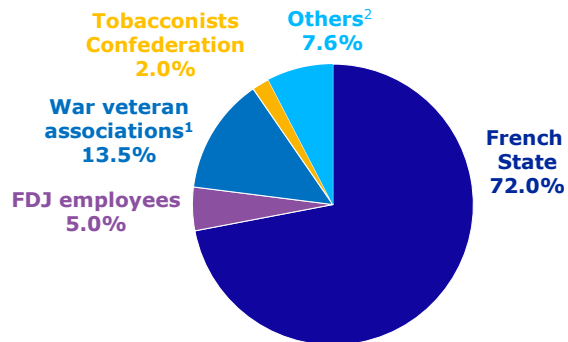
Stakes evolution by business line (€bn)



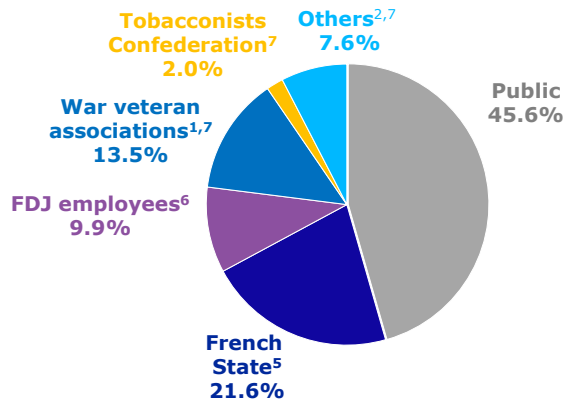
FDJ - Strictly confidential.

FDJ ownership structure and governance to evolve as part of the privatisation

Current



Post IPO^{3,4}



- Lock-up for the French State and other main existing shareholders⁸
- Double voting rights granted to pre-IPO shareholders⁹
- Board of directors will comprise 14 members, of which 5 independent members
 - Potential to appoint 1 or 2 additional independent members

Source: FDJ.

¹ Union des Blessés de la Face et de la Tête (9.2%) and Fédération Maginot (4.2%).

² Includes notably IDSUD (2.6%).

³ Assuming full exercise of the greenshoe.

⁴ The retail offer price will benefit from a 2% discount to the IPO price; 1 free share for every 10 shares acquired and held at least 18 months, financed by the French State.

⁵ French State stake could decrease to 20% in the event 100% shares sold in the Retail Offer are held 18 months.

⁶ Theoretical maximum for FDJ employees assuming employees do not sell shares at IPO and Employee Reserved Offering subscribed in full.

⁷ Assuming no change in shareholding level. Some of the existing shareholders have indicated their intention to participate in the secondary offering.

⁸ 18-month lock-up period for the French State, the War Veteran associations, Tobacconists Confederation and MASFIP.

⁹ New shareholders entitled to double voting rights after 2 years holding period.



FDJ - Strictly confidential.

FDJ: a unique investment opportunity

1

Scale under exclusive rights: leader of attractive French gaming market with 25-year exclusive rights cemented by best-in-class Responsible Gaming

2

Differentiating assets and proven expertise: iconic product offering and brands, omnichannel distribution and state-of-the-art proprietary technology supporting international development

3

Solid financial profile: demonstrated ability to grow profitably over the long run coupled with margin expansion and high cash conversion

4

Strong growth potential: ambitious and well-balanced growth strategy led by highly experienced and multi-talented management team

Well positioned in fastest growing segments of attractive French gaming market



N°1 in the French gaming market

>50% share of GGR¹

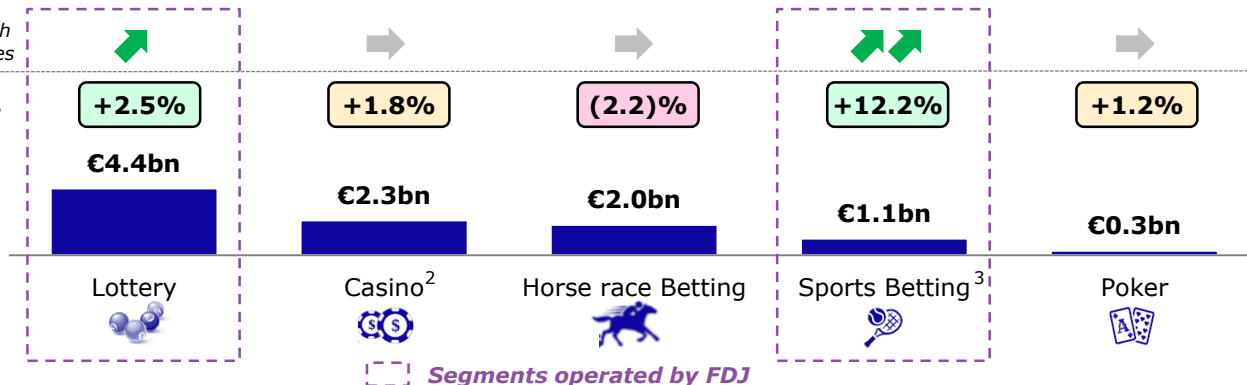
Large market: €10bn
(2018 GGR)

Growing market: c.2%
(GGR 2014-2018 CAGR)

Moderate gaming spend

GGR growth perspectives

GGR 2014-2018 CAGR



FDJ - Strictly confidential.

Source: Company Public Disclosure, H2GC estimates as of July 2019.

¹ Gross Gaming Revenue = Stakes - Player payout.

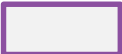
² Land-based casinos only; online casino games banned in France.

³ Includes online horse-race betting offered by operators other than PMU.

Clear legal and regulatory framework owing to PACTE law

- **25-year exclusivity** granted to FDJ by PACTE law
- Creation of the **Autorité Nationale des Jeux**¹
- **"Close control"** framework by French State
- **Equalisation payment**² to be paid by FDJ to the French State

	Offline	Online
Lottery	Exclusive Rights	Exclusive Rights
Sports Betting	Exclusive Rights	Licenses

 >95% of stakes under exclusive rights

ANJ¹ key missions

Regulation of game offering

Definition of technical IT requirements

Assessment of Responsible Gaming policy

Control and sanctions

Monitoring of PoS

Assessment of anti-money laundering policy

"Close control" on FDJ corporate governance


Approval of articles of association


Approval of Chairman and CEO appointment


Appointment of a "Commissaire" of the Government at the Board


Specific threshold crossing of the company's capital or voting rights


Control by "Cour des comptes"


Rights and obligations of FDJ defined respectively by "convention" and "cahier des charges"

Strong commitment to Responsible Gaming and best-in-class CSR

Responsible Gaming above and beyond regulatory requirements cementing sustainability of our business model

Strong CSR ratings



Prevent excessive gambling




Prevent underage gambling



Fight against fraud and money laundering



Responsible innovation



10% of TV advertising airtime budget spent on Responsible Gaming



100% distributors trained between 2017 and 2019

Strong commitment to CSR




A1+ rating
Top 5%¹ worldwide

66/100

- FDJ N°1 within the gambling sub-sector
- Runner-up following at 37/100
- Sub-sector average at 32/100



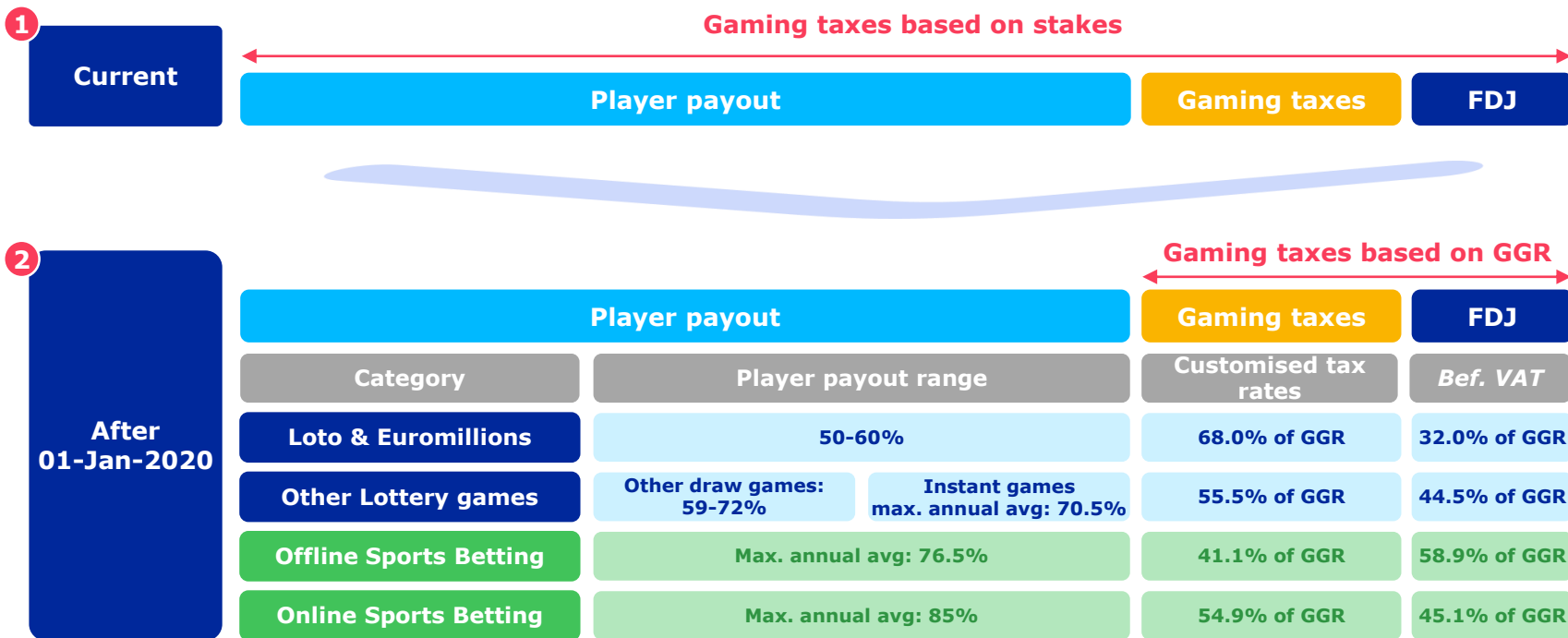
100% certified as per Responsible Gaming Standards



¹ Top 5% of 4900+ companies rated by Vigeco worldwide.

Note from Vigeco-Eiris: We assessed FDJ at its request in line with our methodology of unsolicited rating. Since FDJ is not part of our listed issuers universe, this assessment does not result in a ranking against other listed companies. Therefore, all sector-comparisons mentioned here serve an indicative purpose only and should not be invoked for legal reporting or legal valuation purposes.

New gaming tax regime enshrined in law and aligning interests between French State and FDJ



Iconic product portfolio with unrivalled brand awareness of 97%¹



~85 games offered, of which 5 with annual stakes over €1bn

Draw Games

Life changing with super jackpots

Entertainment with significant winnings

Instant Games

Entertainment and fun

Sports Betting

Expertise and challenge

PARIONS SPORT POINT DE VENTE

PARIONS SPORT EN LIGNE

★ Games with annual stakes over €1bn

Brand attributes

Optimism

Closeness

Innovative

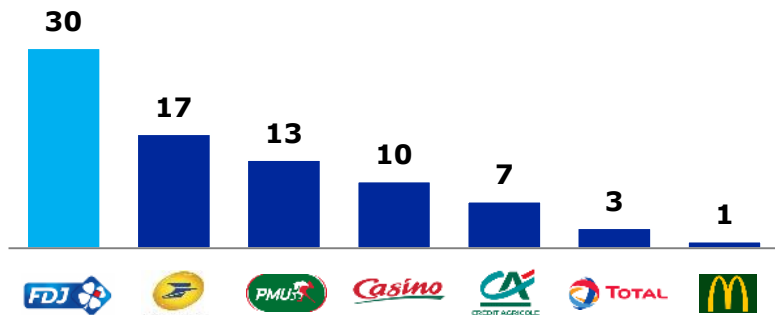


FDJ - Strictly confidential.

Source: Kantar.
¹ Aided brand awareness.

Asset-light distribution model with extensive territorial coverage

In thousands of PoS¹



- **Asset-light network** of independent PoS¹
- **30,000+ PoS** of which 1,500 outside traditional BTN² network
- **Strong proximity**; 90%+ of French population live less than 10 minutes from a PoS

Strong partnerships with independent distributors

- **Commission aligned** with FDJ's strategy
- **Long-standing relationships**: 70%+ of PoS in network for over 20 years

Key assets strengthening network ties

- **Modernised and 100% digitalised network** with €180m investments over 2015-2020
- **Proprietary and well invested technology platform** supporting the network

Digital revolution successfully embraced

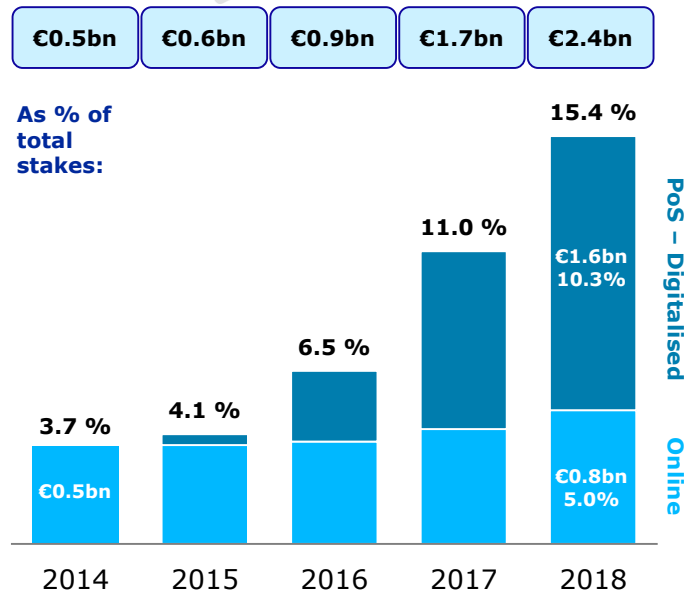
Fully digitalised ecosystem both online and offline



7m+¹
Average monthly online
unique visitors

€2.4bn¹
digitalised stakes²

Digitalised stakes²



Proprietary technology assets underpin strategy

Provide strategic control

Efficient cost structure with selective internalisation of core capabilities

24/7 operations and end-to-end security

IT spend¹ as % of GGR: **3.0%**²
(vs. 4.8% for peer group avg.^{2,3})

99.95%+ availability
(on average over the last 3 years)

High security certifications
(ISO 27001, WLA-SCS, ARJEL)

Fuel growth

Agility to develop innovative games

Ready to support B2B solutions on international scale

Hybrid games

Multiplayer games

Multi-steps games



€250m investments over 2015-2020



FDJ - Strictly confidential.

Source: FDJ.
¹ Opex + Capex.
² Source: Gartner.
³ Five comparable lotteries globally.

B2B international development backed by superior technology



Commercial achievements

Lottery services



LEIA Joint Venture¹



Sports Betting services



Recent acquisition in Sports Betting services



Ability to offer a full range of services



FDJ - Strictly confidential.

¹ Lotteries Entertainment Innovation Alliance: FDJ is part of this JV and provides B2B services as well.

Highly experienced and multi-talented management team with strong operational track record

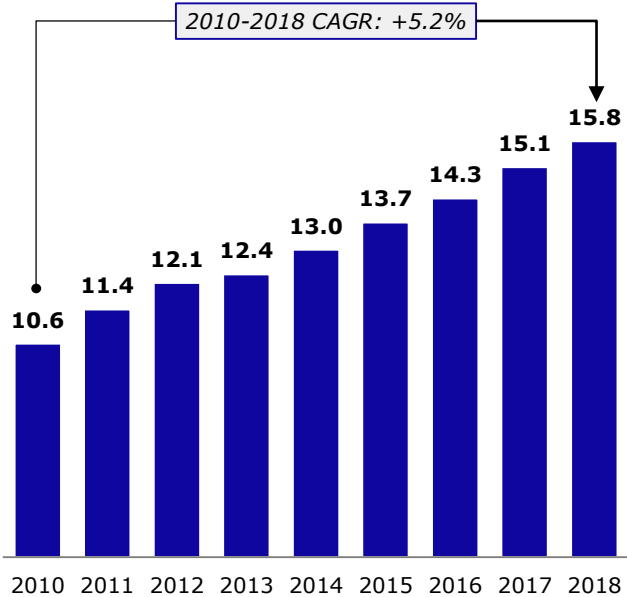
13 years average tenure

Multi-talented

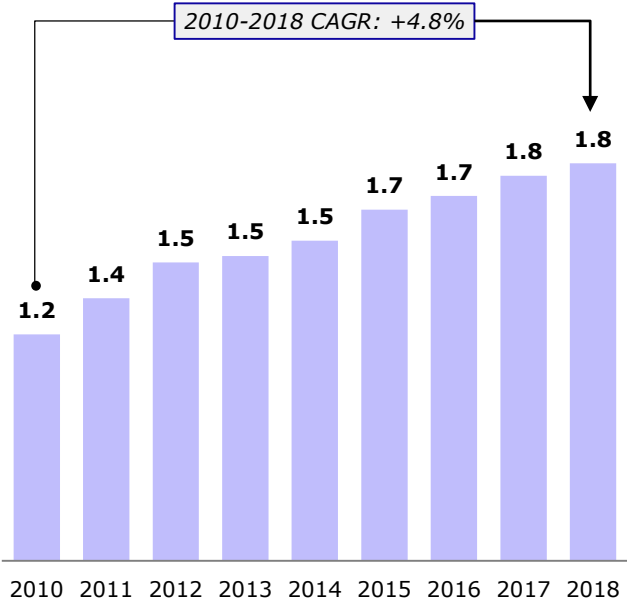


Proven ability to grow over the long term

Stakes (€bn)

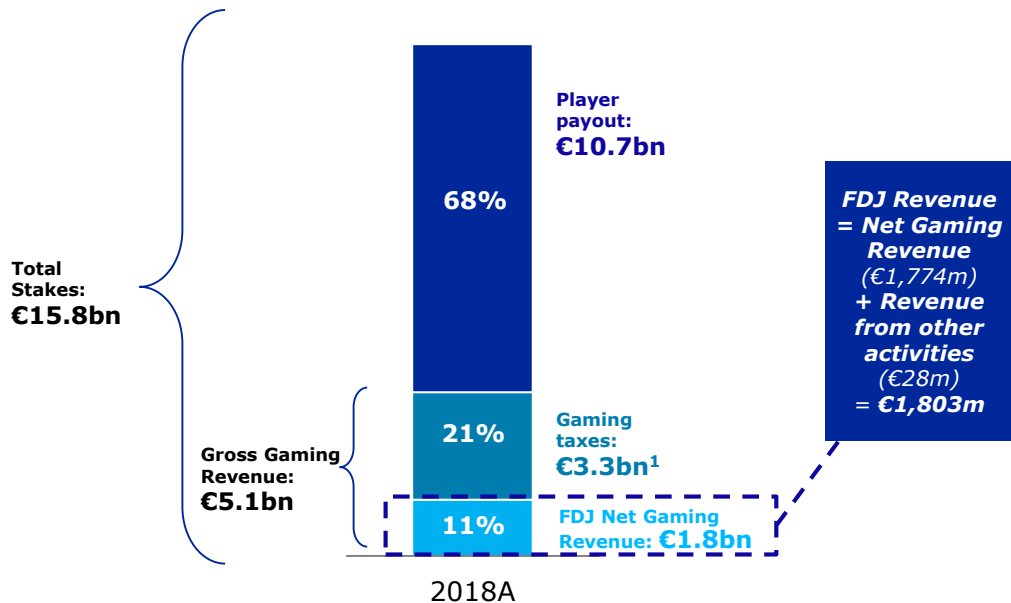


Revenue (€bn)

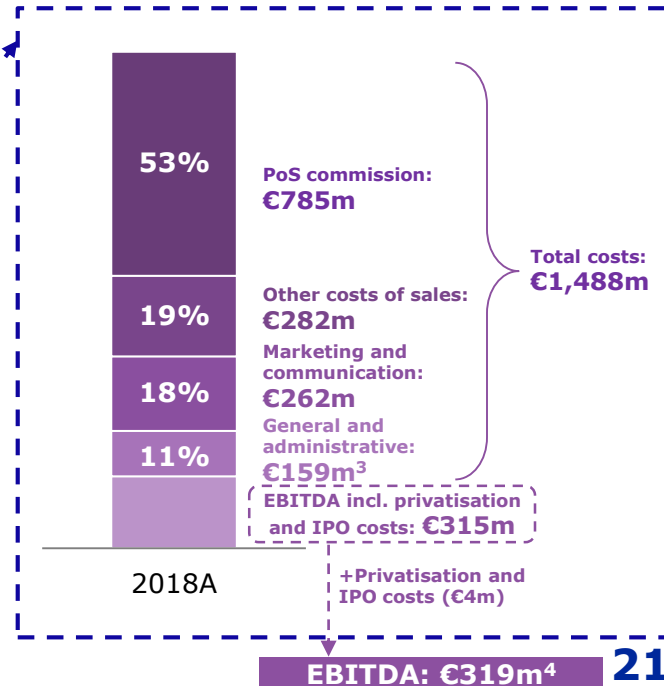


Financial model overview: from Stakes to adjusted EBITDA

From Stakes to Net Gaming Revenue (as % of total stakes)

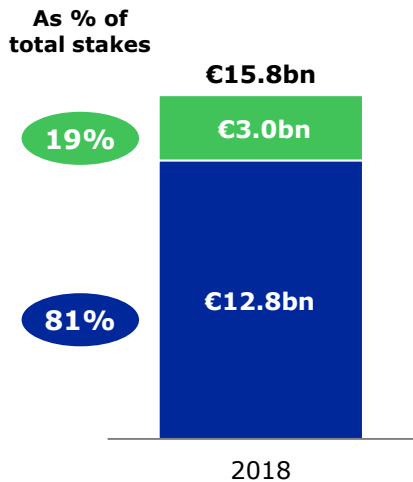


From Revenue to EBITDA (as % of total costs²)



Lottery is the main contributor to topline and profitability, with Sports Betting in "investment-mode"

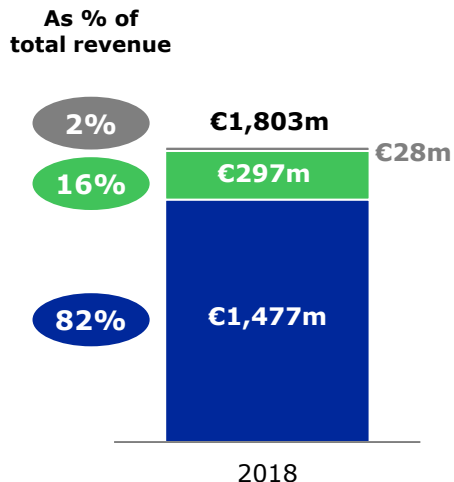
Stakes



■ Lottery

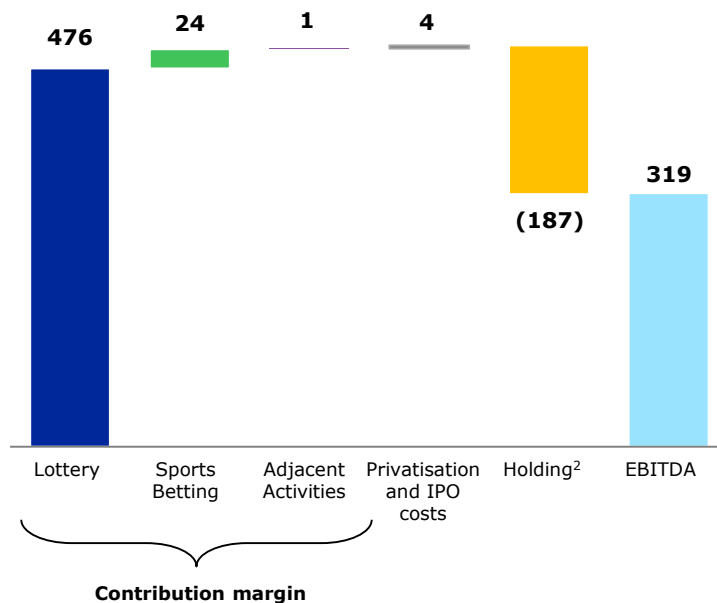
■ Sports Betting

Revenue

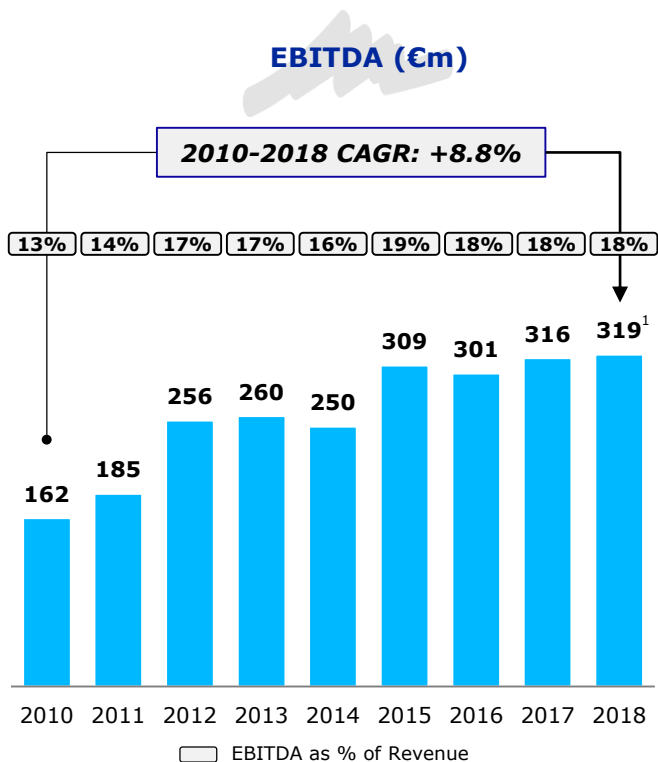


■ Other¹

2018 EBITDA breakdown (€m)



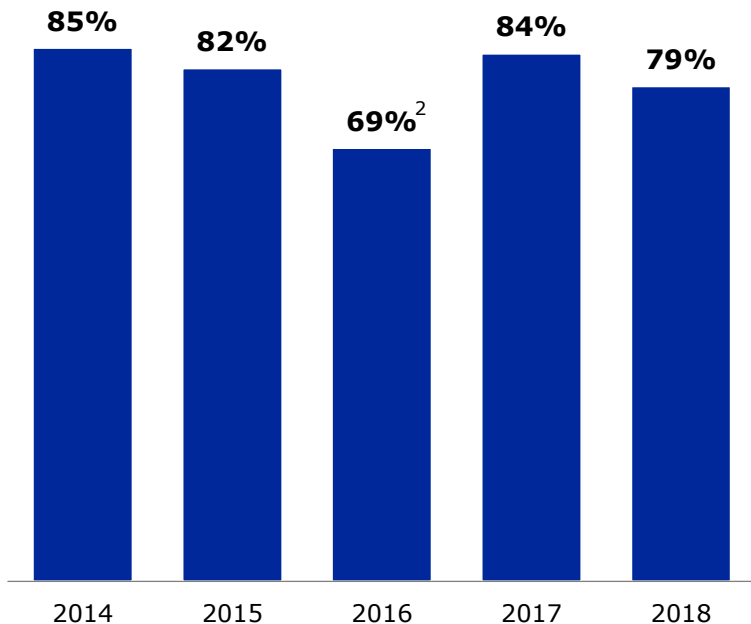
Solid track record of EBITDA growth and margin expansion



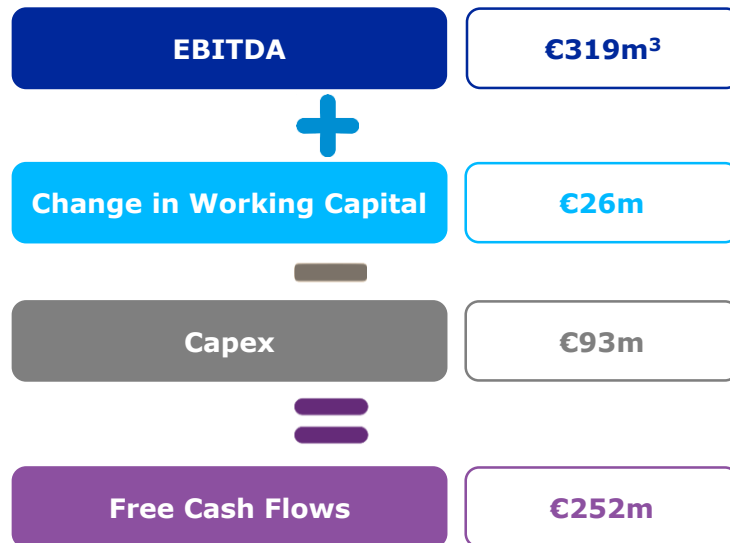
- EBITDA growth of approximately **9%** per year over 2010-2018
- Discretionary reduction** of FDJ Net Gaming Revenue (NGR) over 2016-2018 by ministerial decrees
- New gaming tax regime enshrined in law** and based on GGR, **aligning interests** between FDJ and French State
- Discretionary adjustments to NGR **no longer possible** and **EBITDA margin** should evolve in a more **linear way** going forward

Cash-generative business model

2014-2018 cash conversion¹ (in %)

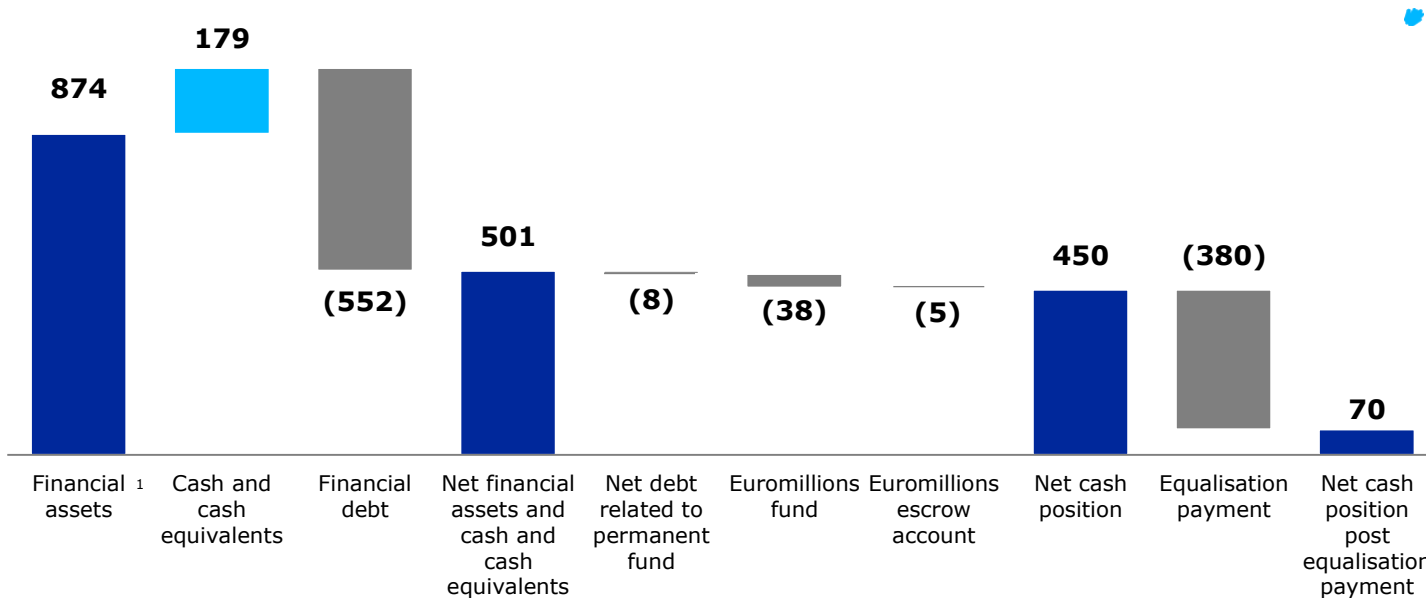


Key Features (based on 2018 figures)



Net cash position of €70m as of 30-Jun-2019 post equalisation payment

In €m



• **€380m equalisation payment to be paid by FDJ to the French State**

- To be recognized as intangible asset and amortised over 25 years²
- To be paid before Jun-2020

Sound capital structure combined to solid cash conversion provides flexibility to fuel growth and to offer attractive dividend

FDJ 2025 ambition

“Strengthen our leadership in the French Gaming market

&

“Become a key international player in Games and Services”

Well-balanced growth strategy across business lines

Consolidate growth

Lottery

Strengthen player retention and accelerate digitalisation

Player retention

- Relationship programme
- Core business growth
- Innovation

Digitalisation

- Enriched experience
- New business lines
- Omnichannel

Accelerate growth

Sports Betting

Gain online market share and consolidate offline momentum

- Offering
- High value players
- Platform
- Innovation
- Retention

Develop additional growth

Adjacent Activities

International Payment and services Entertainment

- Leverage existing assets
- Tangible initial successes

3 common high level priorities to boost business lines strategy

Lottery

Sports Betting

Adjacent Activities

High level priorities

Develop and enrich customer relationships

- Improve **customer journey** online and offline
- **Personalise** via identification
- Enhance **customer knowledge** tools

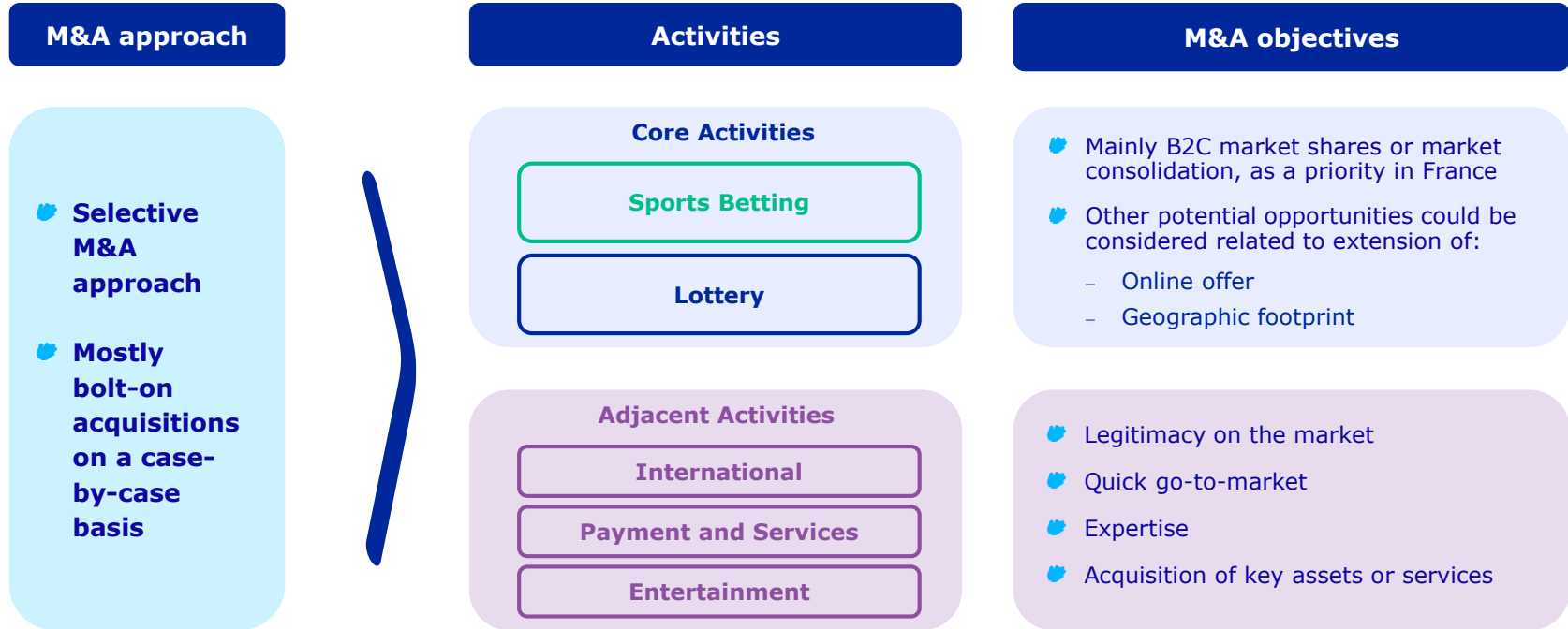
Further modernise and diversify offline distribution model

- Continue **modernising** traditional offline distribution network
- **Selectively diversify** in complementary channels
- Continue to improve **commercial efficiency**

Fine-tune Responsible Gaming deployment

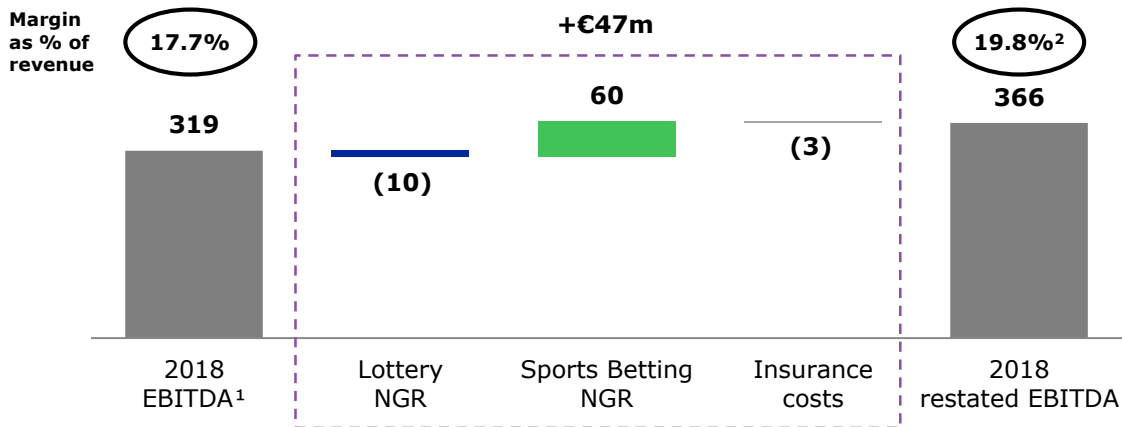
- **Tailor** Responsible Gaming policy to different segments
- Use data to **personalise** Responsible Gaming policy

Selective M&A strategy mostly consisting in bolt-on acquisitions on a case-by-case basis

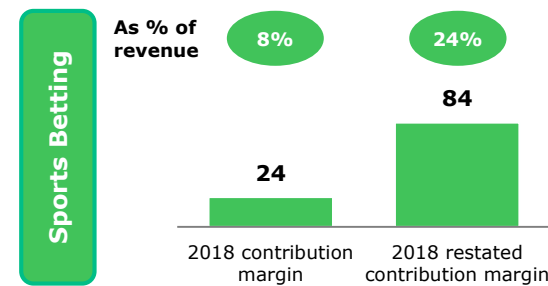
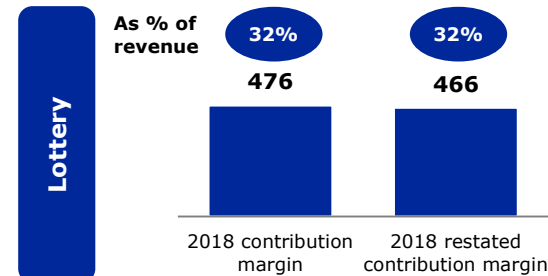


Restating 2018 EBITDA on a comparable basis vs. guidance

2018 restated EBITDA for 2020 new gaming tax framework



2018 restated contribution margin



• Increase of PoS commission in 2019 would have resulted in an additional negative impact of €(20)m in 2018

– Implied margin of 18.7% when taking this impact into account

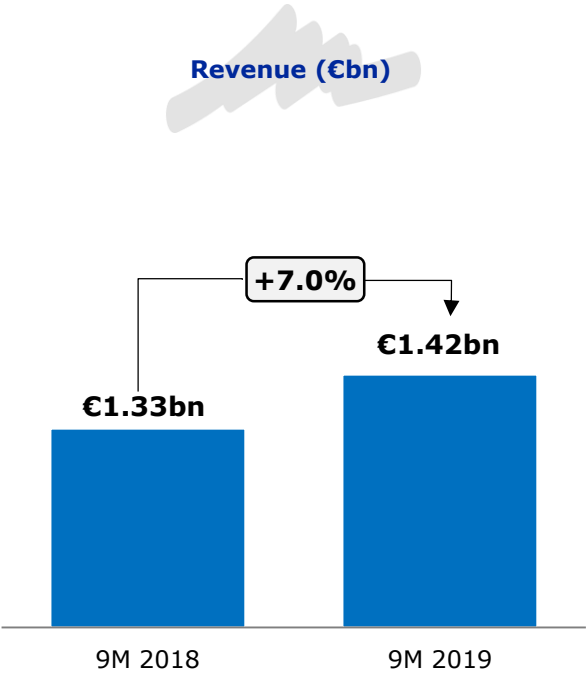
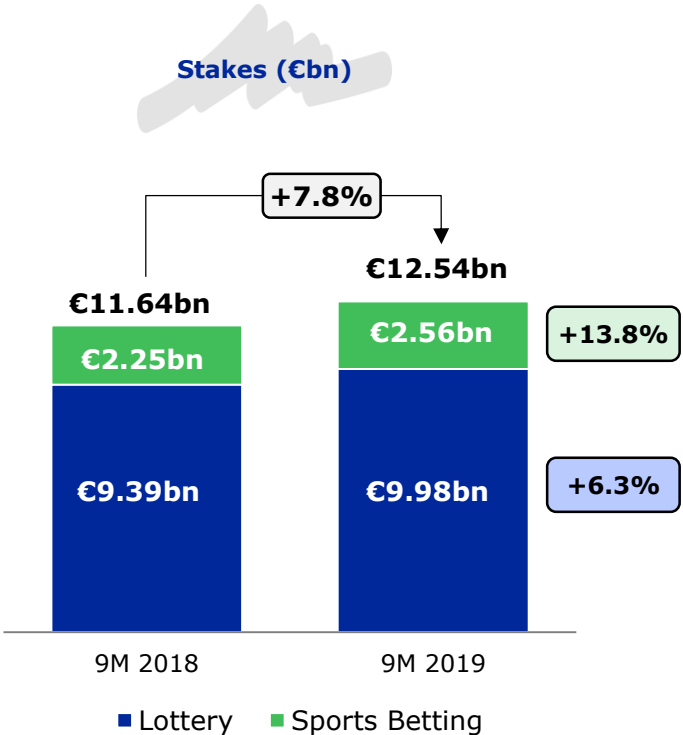
• Not restated for pro-forma impact of Sporting Group acquisition in 2019



2019 guidance

		2019 guidance
Stakes		Approximately €16.9bn
Revenue	Consolidated	Approximately €2.0bn, based on new gaming tax framework and assuming accounting for 2019 acquisitions for the full year
	Lottery	Above €1.55bn, based on new gaming tax framework
	Sports Betting	Approximately €370m, based on new gaming tax framework
	Adjacent Activities	Approximately €35m Approximately €50m when accounting for 2019 acquisitions for the full year
EBITDA	Projected	Approximately €325m (IPO and employee offering costs of approximately €30m reported below EBITDA)
	Restated	Restated EBITDA of approximately €375m, assuming new gaming tax framework and accounting for 2019 acquisitions for the full year
Capex		Approximately €90m
Dividend		Dividend of €122m in line with 2018

Strong 9M 2019 results with sustained growth across business lines



2020-2025 organic targets

	2020 targets	2025 targets
Stakes	Growth of between 4% and 5% vs. 2019, targeting the higher end of the range	CAGR of between 3% and 4% over 2020-2025, targeting the higher end of the range
Revenue	Consolidated Growth of approximately 5% vs. 2019 on comparable basis	CAGR of between 3% and 4% over 2020-2025, targeting the higher end of the range
	Lottery Growth of approximately 5% vs. 2019 on comparable basis	Sports Betting revenue CAGR over 2020-2025 above Lottery revenue CAGR over the same period. Further contribution to growth from Adjacent Activities
	Sports Betting Growth of approximately 6% vs. 2019 on comparable basis	
EBITDA	Margin in line with 2019 restated EBITDA margin	Margin above 20%
Capex	Total cumulated capex of approximately €600m over 2020-2025	
Cash conversion	Approximately 80% Cash conversion defined as (EBITDA + Change in WC – Capex) / EBITDA	
Balance sheet	Company expects to retain the flexibility to increase Net debt / EBITDA ratio to up to 2x, allowing to pursue growth strategy (including potential M&A) while ensuring shareholder return	
Dividend	Dividend policy targeting 80% payout ratio calculated on FDJ consolidated net result	

Lottery and Sports Betting in a nutshell – based on 2018 figures

	Group	Lottery	% of total	Sports Betting	% of total
Stakes	€15.8bn	€12.8bn		€3.0bn	
% digitalised ¹	15%	5%		60%	
Stakes CAGR 2014-18	+5.0%	+3.8%		+11.4%	
Number of players	~25m	~24m		~3.5m	
Average weekly stake per player	€12.3	€10.2		€17.3	
GGR	€5.1bn	€4.4bn		€0.7bn	
Average annual GGR per player	€207	€180		€222	
NGR	€1.8bn	€1.5bn		€0.3bn	
Contribution margin		€476m		€24m	
As % of revenue		32%		8%	
Restated contribution margin ²		€466m		€84m	
As % of revenue		32%		24%	



FDJ - Strictly confidential.

Source: FDJ.

¹ Digitalised stakes = online + "PoS - Digitalised".

² Restated for 2020 new gaming tax framework.

³ % of FDJ total contribution margin excluding Holding costs.

⁴ % of FDJ total restated contribution margin excluding Holding costs.