



# Investor presentation

September 2021

# 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>**

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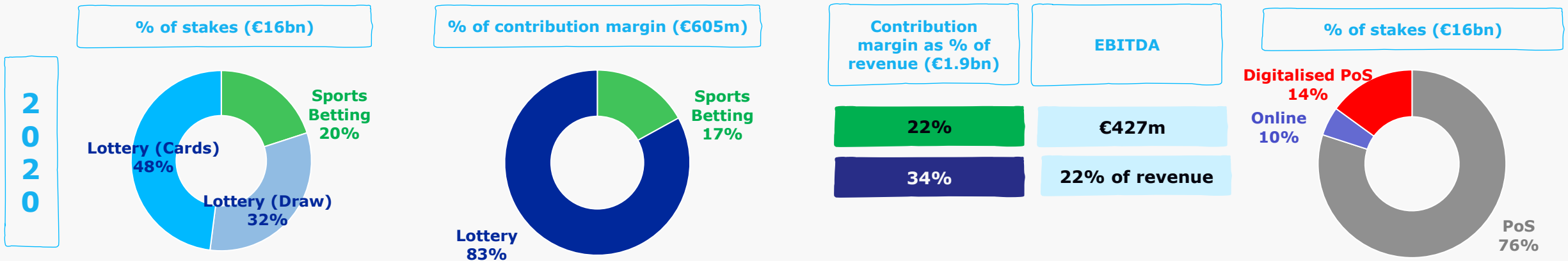
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**In this presentation, 2019 figures have been adjusted for the new regulatory/fiscal regime in force as of 01 January 2020 and the acquisition of Sporting Group on a full-year basis but they are not adjusted from exceptionally long lottery cycles**

# In brief

France's leading gaming operator – 2<sup>nd</sup> largest lottery in Europe

- ◆ ~50% GGR market share in France
- ◆ Lottery and offline Sports Betting under exclusive rights (2044)
- ◆ Online Sports Betting under licence (open to competition)



- ◆ A large portfolio (~90 games) for various gaming experiences
- ◆ ~ 30 000 independent PoS; ~23m players

# Value creation strategy combining economic and extra-financial performance

Relevance of our 2025 strategic priorities confirmed in 2020

## 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**

# Value creation strategy combining economic and extra-financial performance

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:



### ◆ A high-level and diverse stakeholders committee to assess these commitments deployment

# Value creation strategy combining economic and extra-financial performances

CSR commitment reaffirmed and assessed

**A1+**  
Vigeo Eiris rating maintained

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

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

**20%**  
carbon emissions reduction  
between 2018 and 2025

- ◆ **2020-2021: operational and financial support of FDJ's retail network**
- ◆ **Q3 2021: €15m contribution to a solidarity fund supporting c.500 local retailers in fragile communities to facilitate their financial restructuring and help sustain or develop their businesses**

# First half 2021: key highlights

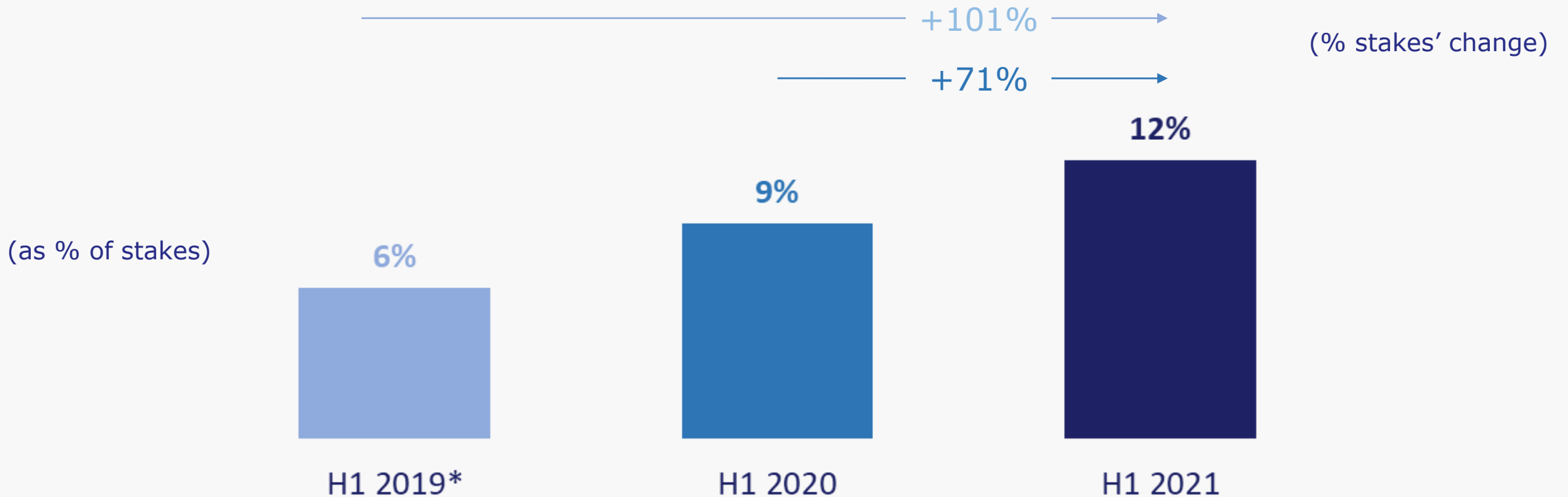
Good momentum - normalized environment since mid-May

- ◆ **Good momentum despite restrictions related to the health crisis**
- ◆ **Quick normalisation of market conditions from mid-May**
  - ◆ 30,000-POS network fully opened from early June
  - ◆ Gradual Q2 activity acceleration driven by POS lottery with the reopening of bars and the Euro 2020 championship
- ◆ **Revenue of €1.1bn, up +9% vs H1 2019\***
  - ◆ Stakes of €9.2bn, up +8% vs H1 2019\*
    - ◆ Growth in all activities excluding Amigo
    - ◆ **Growth in all distribution channels: at POS (+2% vs H1 2019\*) and online (+71% vs H1 2020)**
- ◆ **EBITDA of €261m**
  - ◆ EBITDA margin of 24.1%, amplified by elements specific to H1 2021:
    - ◆ Costs initially budgeted for H1 2021 postponed to H2 2021 because of the health context (POS marketing ...)
    - ◆ Mix effect from online representing c.12% of total stakes

\* 2019 adjusted to account for the integration of Sporting Group over the whole year. Not adjusted for the impact of exceptionally long Loto / Euromillions cycles.

# FDJ: online stakes representing 12% of total stakes in H1 2021

Online stakes up +71% vs H1 2020

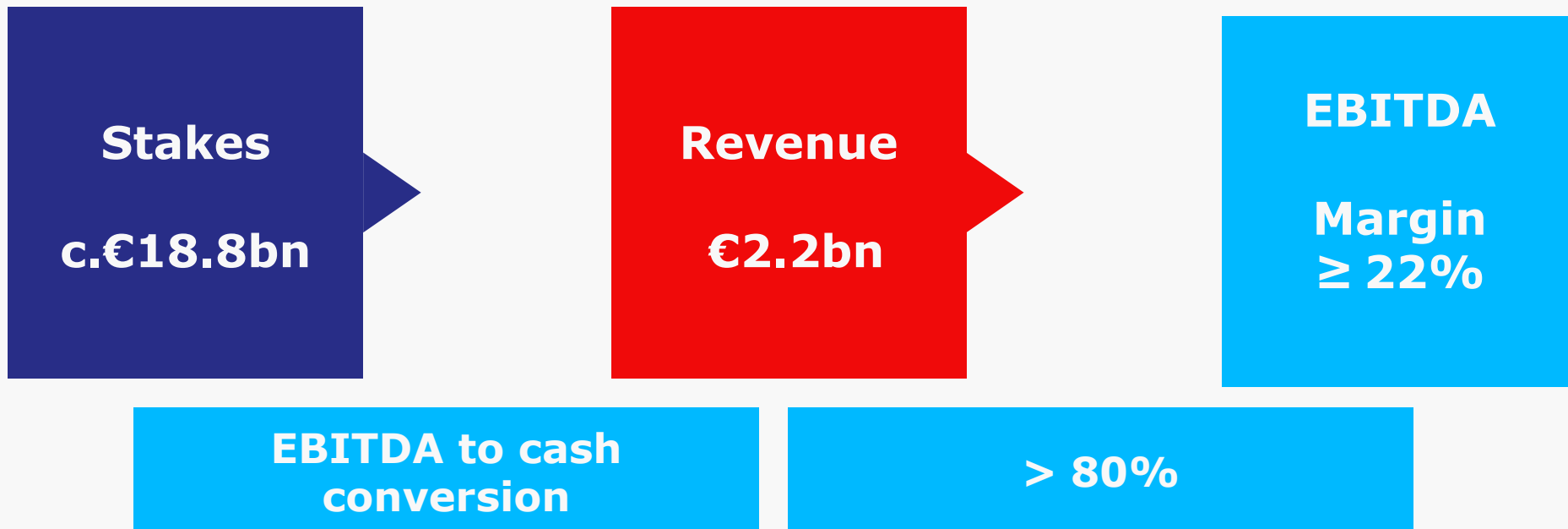


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# Outlook 2021

H2 2021: good momentum maintained and acceleration in investments



# Takeaways

- ◆ **Value creation strategy combining economic and extra-financial performance to deliver medium-term growth with a good profitability**
  - ◆ Strong business model having showed its resilience
  - ◆ CSR commitment reaffirmed and assessed with Corporate purpose enshrined in our bylaws
- ◆ **Quick normalisation of market conditions from mid-May**
  - ◆ Good momentum despite restrictions related to the health crisis
- ◆ **Marked acceleration in online stakes and POS activity growing**
- ◆ **Solid balance sheet and significant cash flow generation**

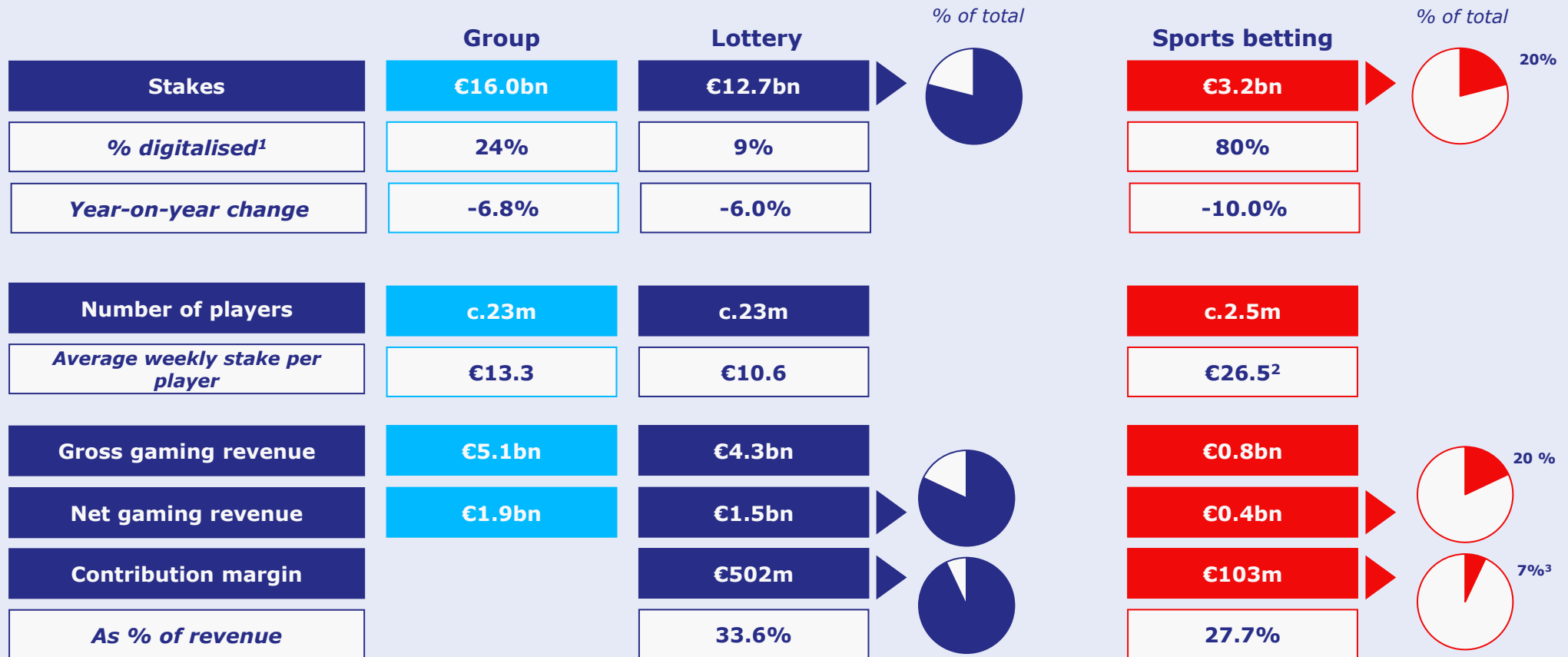


# Q&A



# Appendix

# 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

# 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	Other draw games: 59-72%	55.5% of GGR	44.5% of GGR
	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

# European Commission opens an investigation

## ◆ **European Commission announcement – 26 July 2021**

- ◆ Following FDJ's privatisation, two complaints filed with the European Commission for alleged granting of State aid
- ◆ Launch of an in-depth investigation of France on the appropriateness of the sum of €380 million paid by FDJ to the French State as "remuneration for exclusive rights granted" in respect of sports betting at points of sale and the lottery

## ◆ **PACTE Law and FDJ's privatisation: exclusive rights that the Group previously held for an unlimited period, secured, for 25 years**

- ◆ In exchange for securing these rights, FDJ paid €380 million to the French State, following compliance approval by the French Holdings and Transfers Commission (*Commission des participations et des transferts*)

## ◆ **Registration Document dated 17 October 2019, prior to initial public offering:** risks of appeals against the legal texts enabling FDJ's privatisation, in particular those arising from the PACTE Law. Risks reiterated in the 2020 Universal Registration Document (URD)

## ◆ **Next step:** publication of a notice in the Official Journal of the European Union (OJEU), and continuation of the procedure with input submitted by the parties concerned (French State and stakeholders)