



# 2021 Results

16 February 2022

Investor Presentation

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# 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>).**

**These forward-looking statements should not be considered as a guarantee of future performance, the actual results could differ materially from those expressed or implied by them. The forward-looking statements only reflect FDJ's views as of the date of this document, and FDJ does not undertake to revise or update these forward-looking statements.**

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**The information in this document does not constitute an offer to sell or an invitation to buy shares in FDJ or an invitation or inducement to engage in any other investment activities.**

## **In this presentation:**

- Given the wide heterogeneity of the impact on FDJ's business of the health crisis and the measures to contain Covid-19 in 2020 and 2021, changes relating to activity (stakes and revenue) will be commented mainly in relation to 2019, unless otherwise stated, and those relating to expenses and results in relation to 2020.**
- The 2019 figures are restated, net of tax, for the new tax and regulatory framework effective from the beginning of 2020, the impact of the exceptional long lottery cycles, the expenses related to the privatisation of the Group, and include Sporting Group on a full-year basis.**

# ◆ 1. A performing & supportive Group

# Two years post IPO, a performance exceeding objectives

## 2025 outlook revised upwards

- ◆ **FDJ resumes its growth trajectory**
- ◆ **Performance combining financial and extra-financial results**
  - ◆ Increase in stakes across all distribution channels and across the whole range of games in a normalized operating environment
  - ◆ Significant societal contribution - CSR commitments assessed and reinforced
- ◆ **Acceleration of the deployment of the 2020-2025 strategy**
  - ◆ Acceleration of the Group's digitalization
  - ◆ Modernization of the point-of-sale network
  - ◆ Development of adjacent activities in France and internationally
- ◆ **Upward revision of the 2025 objectives set at the IPO, driven by 2020-2021 performance**



## 2. 2021 Highlights

# Very good 2021 performance

**Revenue**  
**€2,256m**  
*+10% vs 2019\**  
*+18% vs 2020*

**EBITDA\*\***  
**€522m**  
*+22% vs 2020*  
**Margin: 23.1%**

**Net profit**  
**€294m**  
*+38% vs 2020*

**Dividend\*\*\***  
**1,24 € / share**  
*+38 % vs 2020*  
**payout ratio**  
**of 80%**

**Share of online stakes > 11%**

**Responsible gaming**  
**> 10% of the**  
**TV advertising budget**

**Societal commitments**  
**reinforced**  
**€25m FDJ Foundation**  
**€15m Rebound Fund**

**Extra-financial rating**  
**A1+ by Moody's ESG**

\* 2019 adjusted

\*\* EBITDA : recurring operating profit adjusted for depreciation and amortisation

\*\*\* Dividend proposed to the General Meeting on 26 April 2022

# Growth driven by two complementary channels

## ◆ Return to growth in point-of-sale stakes: €16.8bn (+5% vs 2019; +16% vs 2020)

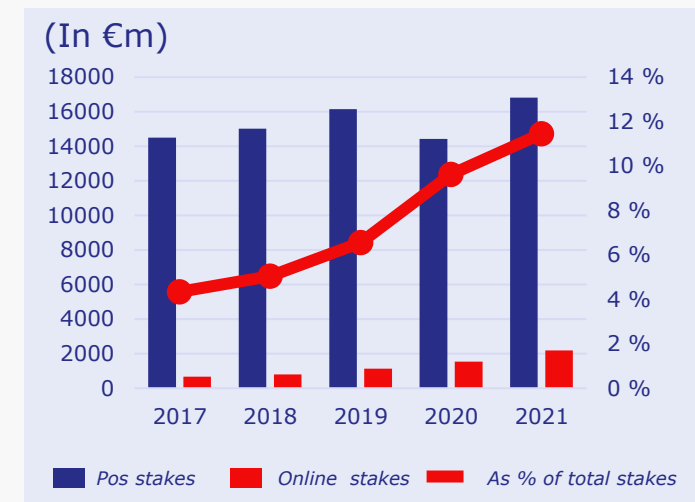
- ◆ Rebound in PoS footfall
- ◆ More than 30,000 outlets
- ◆ Continued investments: 2<sup>nd</sup> logistics centre

## ◆ Good momentum in online stakes: €2.2bn (+98% vs 2019; +42% vs 2020)

- ◆ ~+70% in the number of players between 2019 and 2021
- ◆ Over 11% of total stakes

## ◆ Omnichannel lottery development

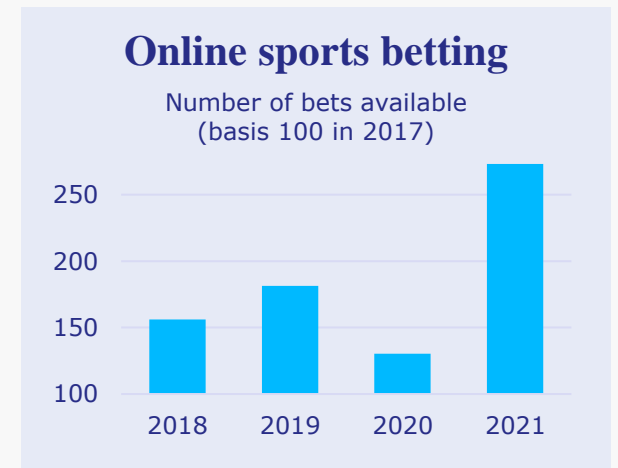
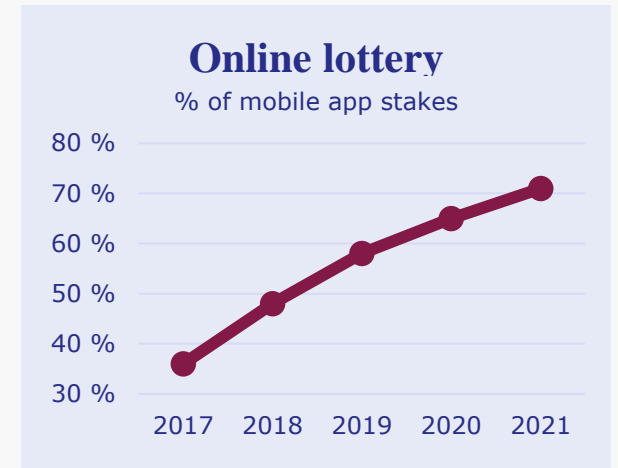
- ◆ x1.8\* number of omnichannel players between 2019 and 2021
- ◆ ~60%\* of online players also play at PoS





# An online momentum that relies on multiple levers

- ◆ **Increase in the number of online players**
  - ◆ Lottery: x2.7 between 2017 and 2021
  - ◆ Sports betting: x2.4 between 2017 and 2021
- ◆ **Gaming offering & experience enrichment**
  - ◆ Omnichannel lottery strategy
- ◆ **Customer relationship development**
  - ◆ Personalization & loyalty
  - ◆ Responsible gaming
- ◆ **Recurring investments**
  - ◆ IT
  - ◆ Communication
  - ◆ Digital capabilities



# Lottery: sustained growth

Revenue: +9% at €1.7bn - Stakes: +9% at €14.7bn

## ◆ Sustained growth in all games

- ◆ Draw games: stakes of €5.7bn (+7%), with historic Loto and Euromillions jackpots
- ◆ Instant games: stakes of €9bn (+9%)



## ◆ Strong online increase for the second consecutive year

- ◆ Stakes of €1.6bn: +37% (vs 2020), after +62% in 2020 vs 2019; players +25% (vs 2020)
- ◆ More than 2 years ahead of the expected pre-crisis level

Online lottery stakes (€m)



# Sports betting: return to a strong momentum

Revenue: +14% at €0.5bn - Stakes: +19% at €4.2bn

## ◆ Strong growth on both channels

- ◆ Record rate of dematerialization at point-of-sale: ~85%
- ◆ Online performance ahead of peers\*

## ◆ Continued gaming offering & experience enrichment

- ◆ x2 simultaneous bets (vs 2019 – point-of-sale)
- ◆ ~+60% of bets proposed (vs 2019)

## ◆ Reinforced responsible gaming action plan

- ◆ UEFA Euro 2020

\* As at the end of September 2021



# Acceleration in adjacent activities

Revenue: +22% at €63m

## ◆ International – B2B

- ◆ Successful launch of an offering in North America: deployment of a complete PoS & online sports betting management service in two Canadian provinces
- ◆ New contracts in Germany, Estonia, Senegal...

## ◆ Payment & Services

- ◆ Continued deployment of a PoS payment service for bills from the French Treasury (DGFIP)
  - ◆ Available in more than 12,000 outlets (9,000 by the end of 2020)
  - ◆ More than 2 million transactions since launch



# A committed and supportive Group

## Strengthened actions in a health crisis context

- ◆ **Support for the people made vulnerable by the health crisis**
  - ◆ Over €5m donated by the Group since the beginning of the crisis, of which €2m in 2021 to support 15,000 distressed youths
- ◆ **Deployment of the “Rebond” fund to support local retail trade in fragile territories**
  - ◆ ~ €15m contribution from FDJ
- ◆ **Renewal and significant increase in the FDJ Foundation budget**
  - ◆ €19.5m over 2018-2022: 400 associations supported and 250,000 beneficiaries
  - ◆ €25m grant for the 2023-2027 period

# A committed and supportive Group

## Strengthened prevention of underage and excessive gambling

- ◆ **Dedicated responsible gaming action plan during UEFA Euro 2020 (in 2021):**
  - ◆ General public awareness campaigns (TV, online, PoS)
  - ◆ Enhanced training for sports betting retailers
- ◆ **Strengthening of prevention actions :**
  - ◆ Underage gambling: PoS training, control and sanction
  - ◆ Excessive gambling: calls to online players at risk
- ◆ **Over €10m dedicated to responsible gaming in 2021, of which:**
  - ◆ 10% of the Group's TV advertising budget
  - ◆ €1.2m to support third parties involved in research and prevention



*Underage gambling prevention  
TV advertising campaign  
(June-July 2021)*



*PoS advertising in every  
outlet during the UEFA Euro  
2020 football tournament*

# A committed and supportive Group

Important economic and social contribution

**€6.2bn**

**Contribution to the  
French GDP (0.25%)**

**54,800**

**jobs created  
or maintained**

**of which 21,100  
in local retail trade**

Sources: BDO-BIPE, FDJ

# A committed and supportive Group or FDJ

Extra-financial performance acknowledgement

## Rating

**A1+ maintained**  
**MOODY'S ESG** (ex Vigeo-Eiris)  
for the 3<sup>rd</sup> time

## Responsible gaming

**100% certification**  
**renewed**  
for the 5<sup>th</sup> time



## Equality

**100/100 « Pénicaud » index**  
**4<sup>th</sup> place in the SBF 120**  
**feminisation ranking**

## Responsible purchasing

**"Suppliers Relations &**  
**Responsible Purchasing"**  
**certification granted**





# 3. Rising results

## Solid financial structure

# 2021 results up strongly

## Revenue

**€2,256m**  
+10% vs 2019\*  
+18% vs 2020

## Stakes

**€18,976m**  
+11% vs 2019\*  
+19% vs 2020

## EBITDA\*\*

**€522m**  
+22% vs 2020  
**Margin: 23.1%**  
+90bp vs 2020

## Free cash flow\*\*\*

**€495m**  
+28% vs 2020

## Net profit

**€294m**  
+38% vs 2020

## EBITDA to free cash flow conversion

**95%**

## Net cash surplus

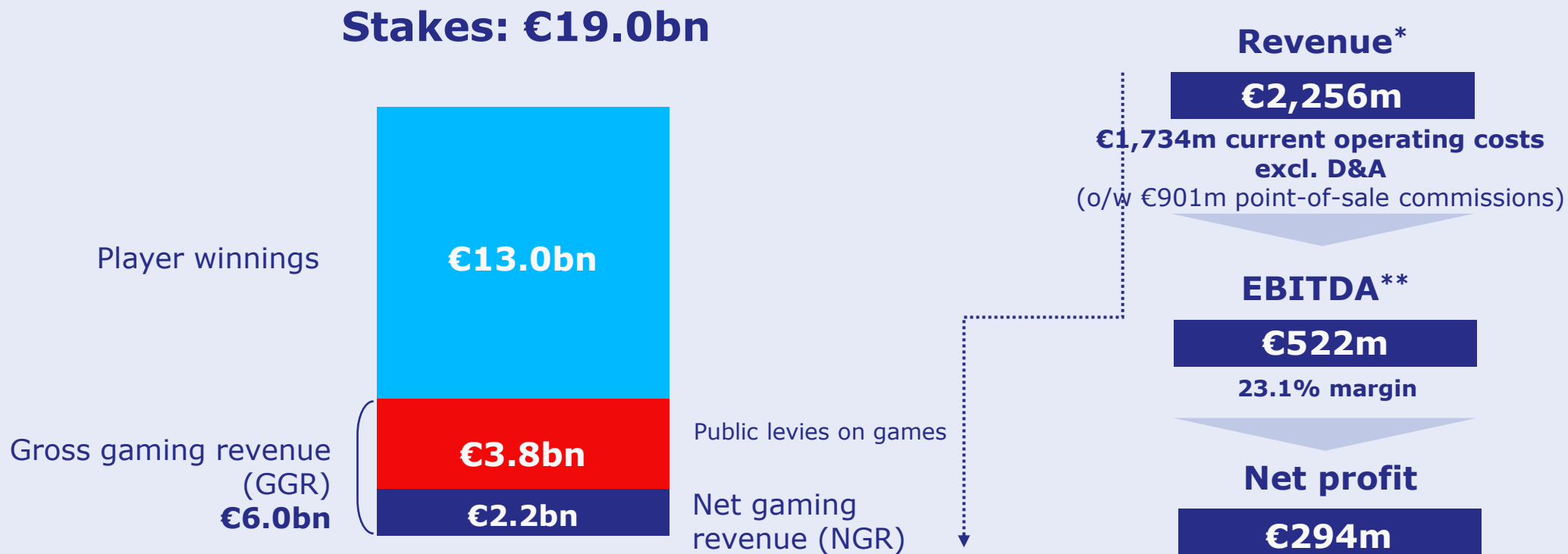
**€916m**

\* 2019 adjusted

\*\* EBITDA: recurring operating profit adjusted for depreciation and amortisation

\*\*\* Free cash flow = EBITDA + net change in working capital – capital expenditure ; adjusted for calendar impact on working capital and unclaimed prizes

# Stakes to net profit bridge



\* Revenue = net gaming revenue + revenue from other activities

\*\* EBITDA: recurring operating profit adjusted for depreciation and amortisation

# Revenue up +10% vs 2019

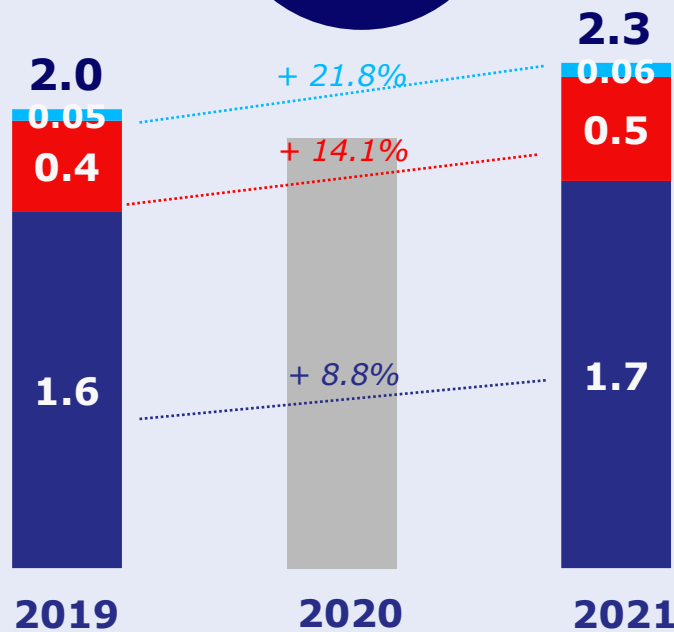
FDJ resumes its growth trajectory

In €bn

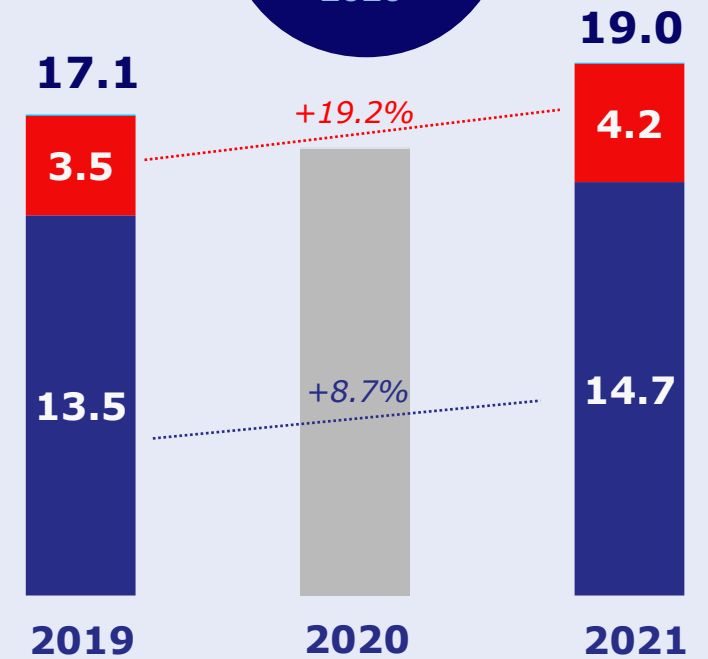
Revenue  
**+10.1%**  
+17.5% vs  
2020

**PPO\*: 68.4% in 2021**

Stakes  
**+10.8%**  
+18.9% vs  
2020



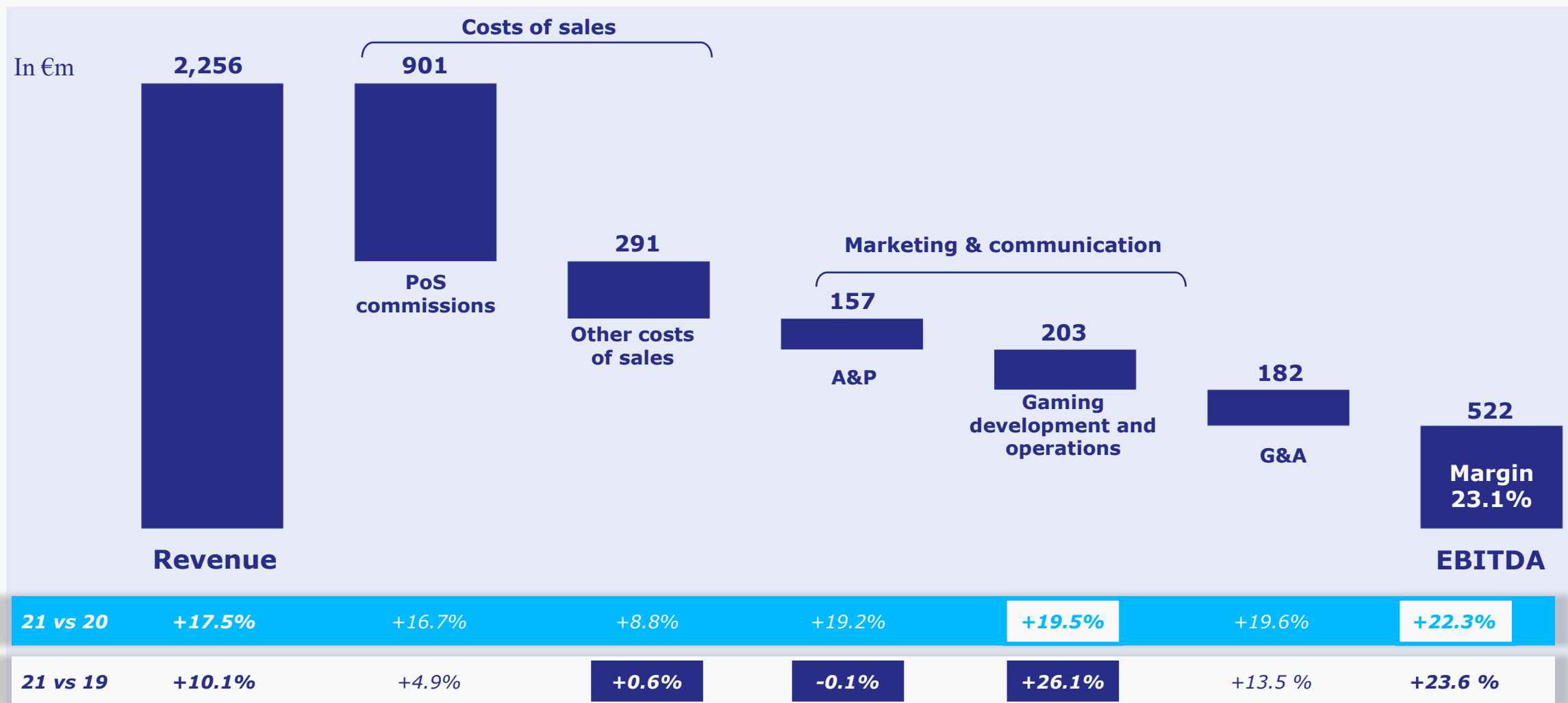
- Lottery
- Sports betting
- Adjacent activities / Holding



\* PPO: player payout ratio

# EBITDA up +22%

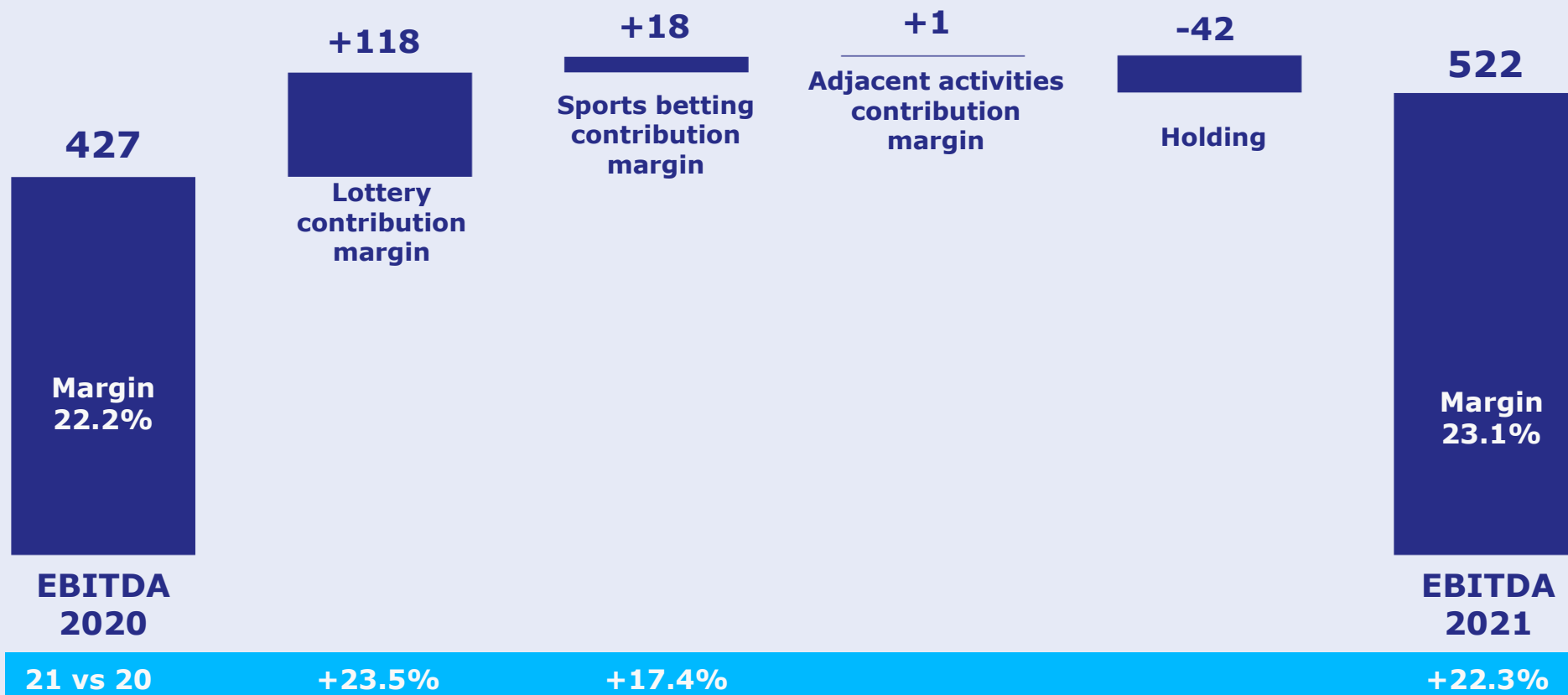
While continuing to develop gaming & services offering



# EBITDA margin up +90bp

Significant contribution from Lottery

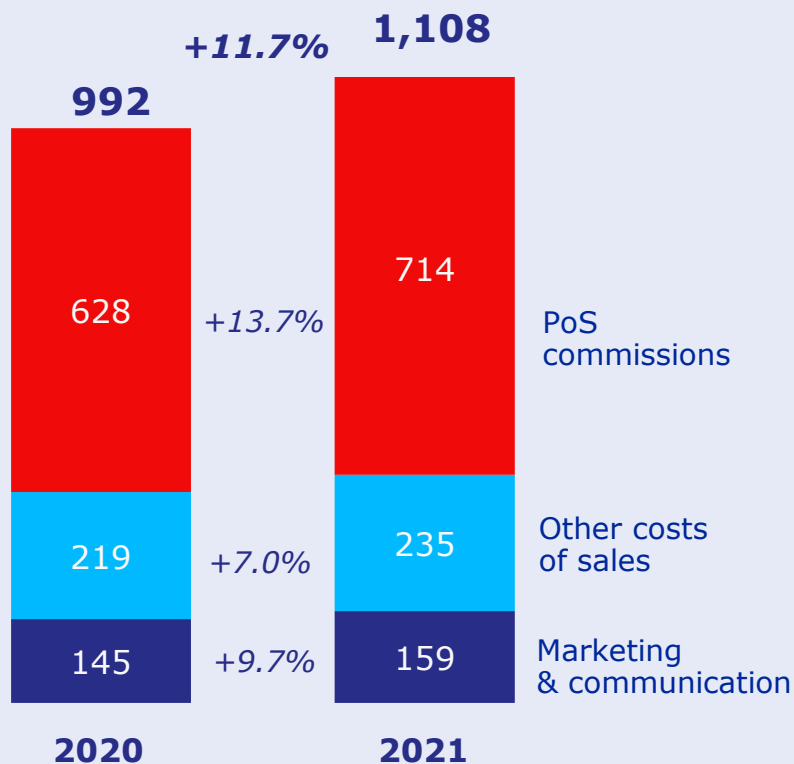
In €m



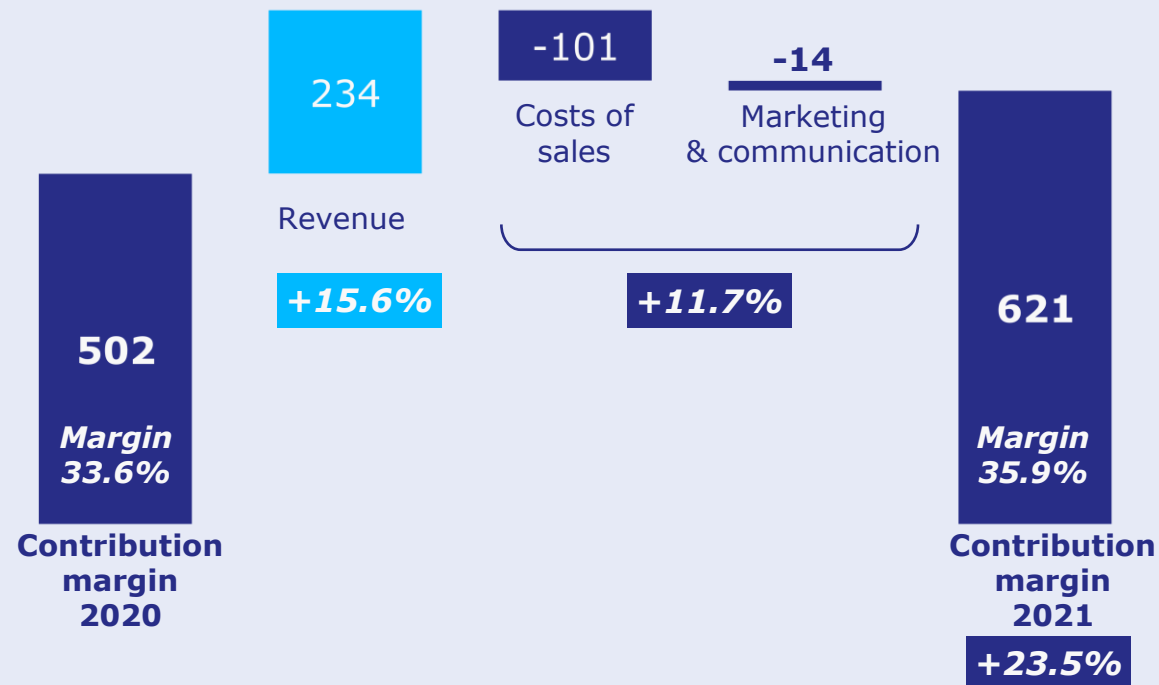
# Lottery: contribution margin rising to 35.9%

Driven by the growth of the business, notably online, and costs control

Costs structure (in €m)



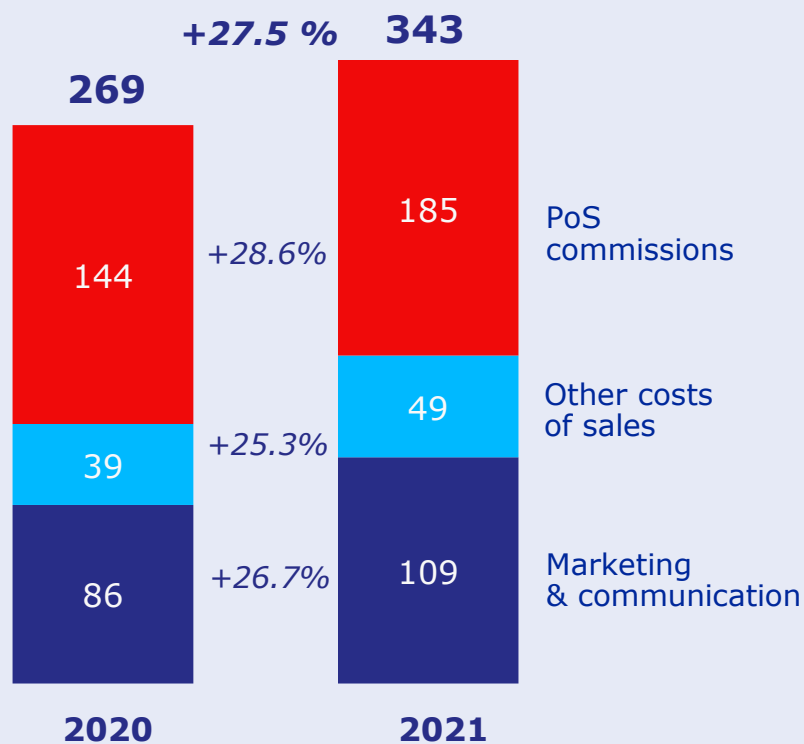
In €m



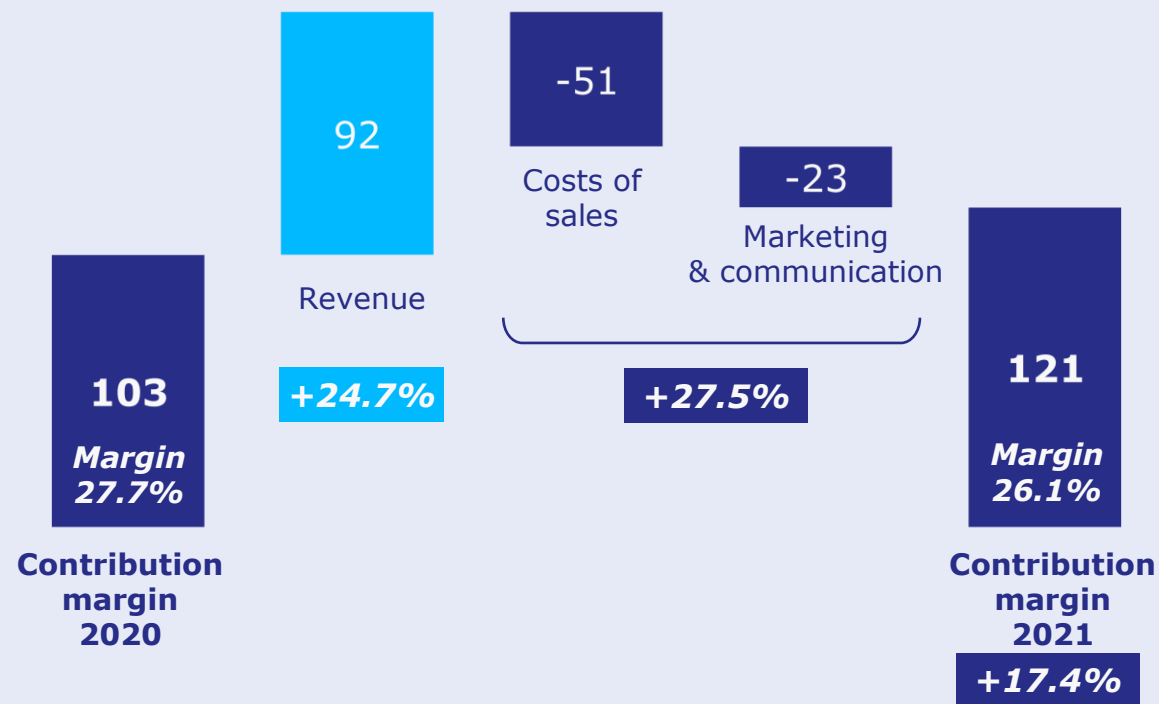
# Sports betting: contribution margin up +17%

2021 contribution margin rate reflecting the PPO increase

Costs structure (in €m)



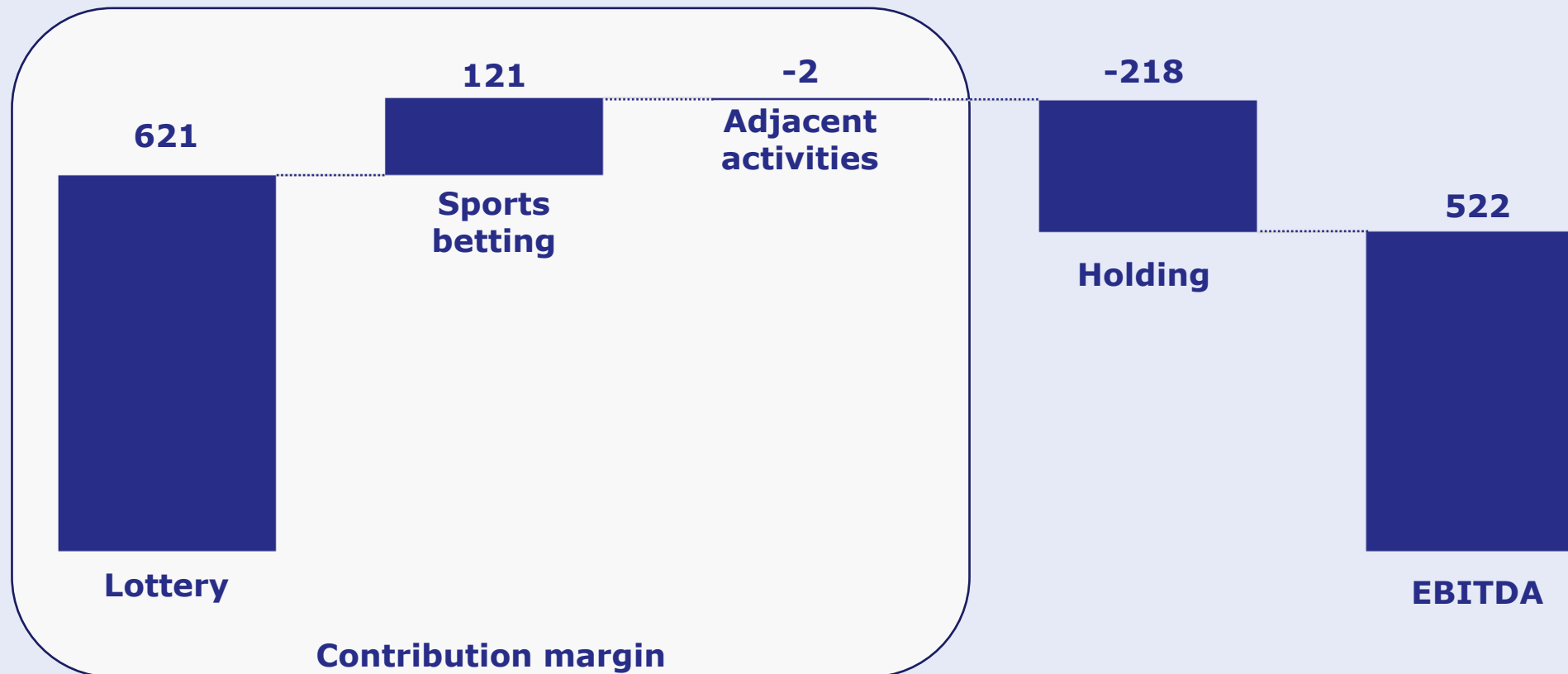
In €m





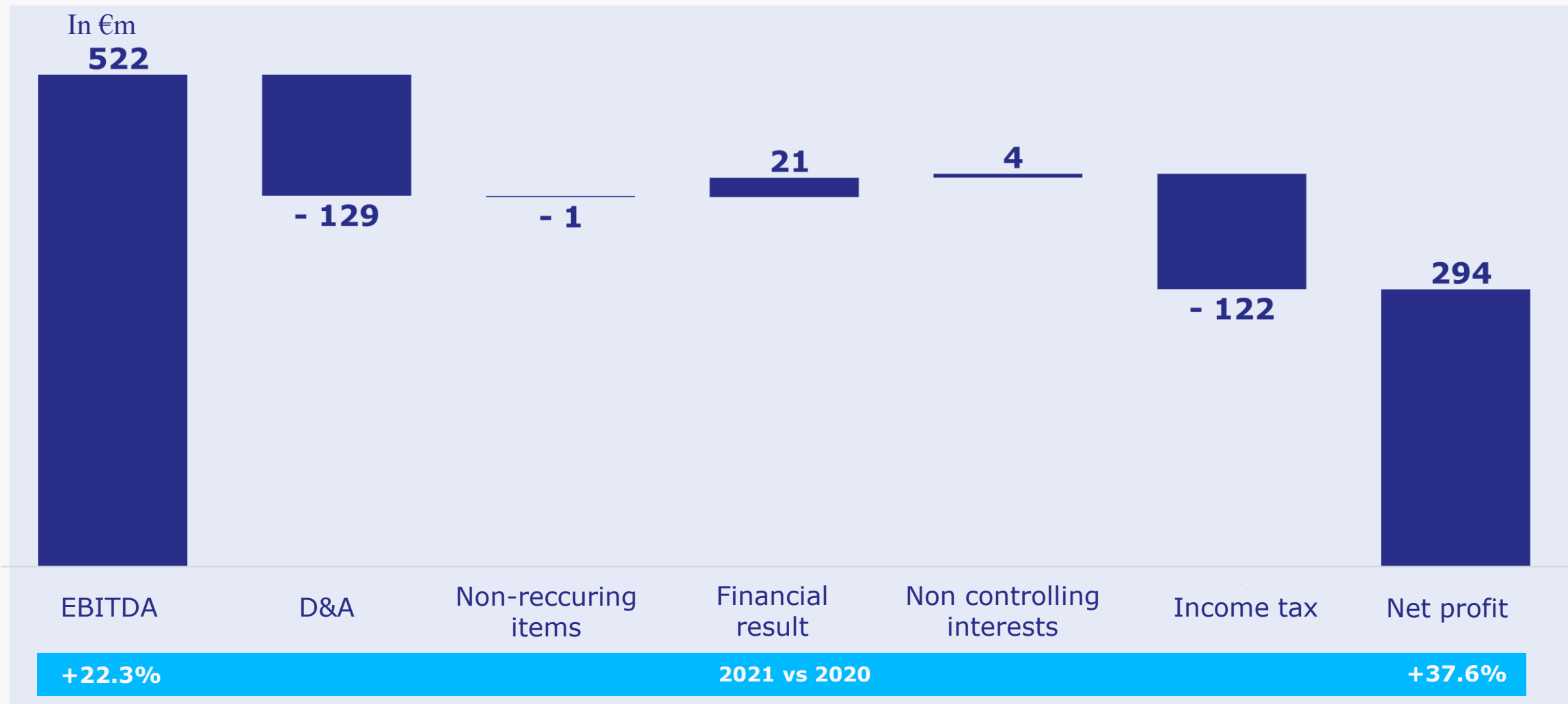
# 2021 EBITDA split

In €m

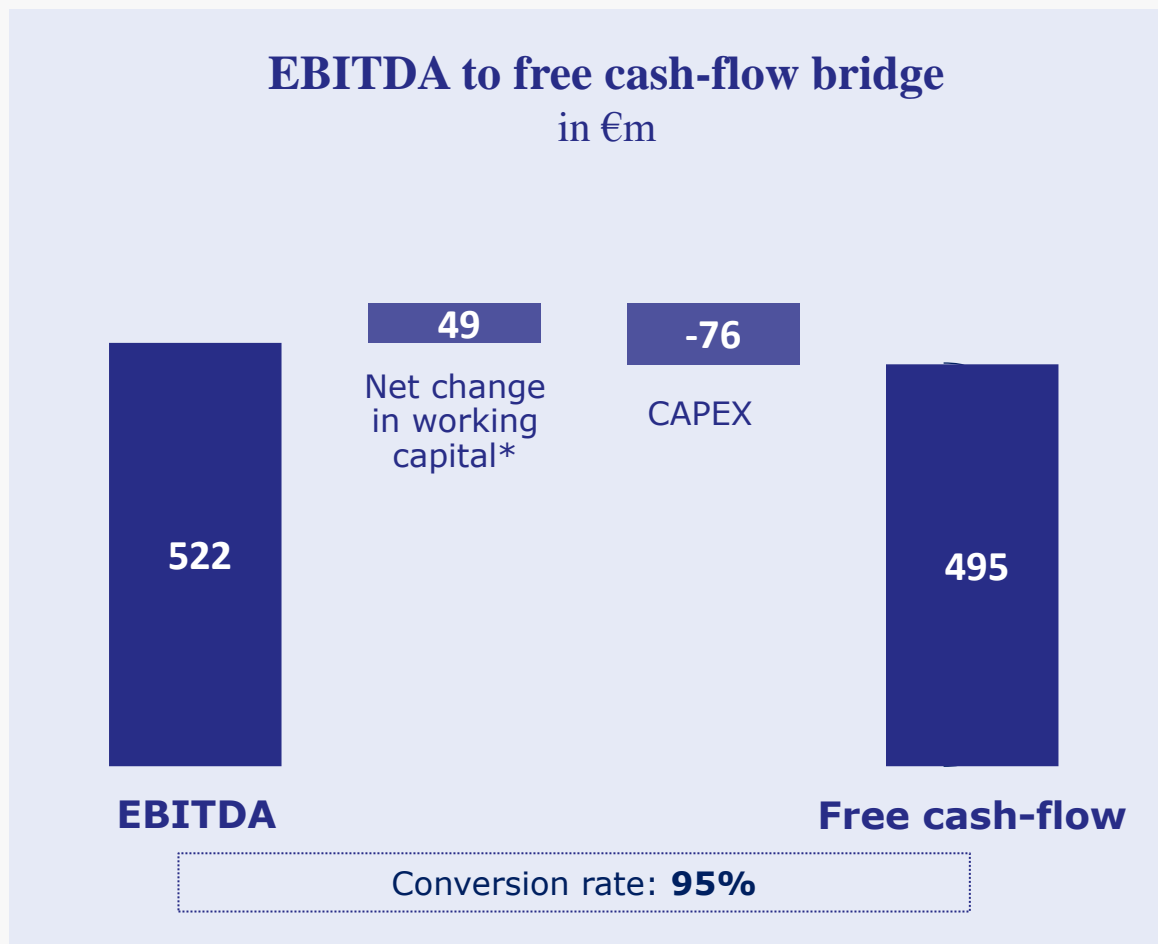


# EBITDA to net profit bridge

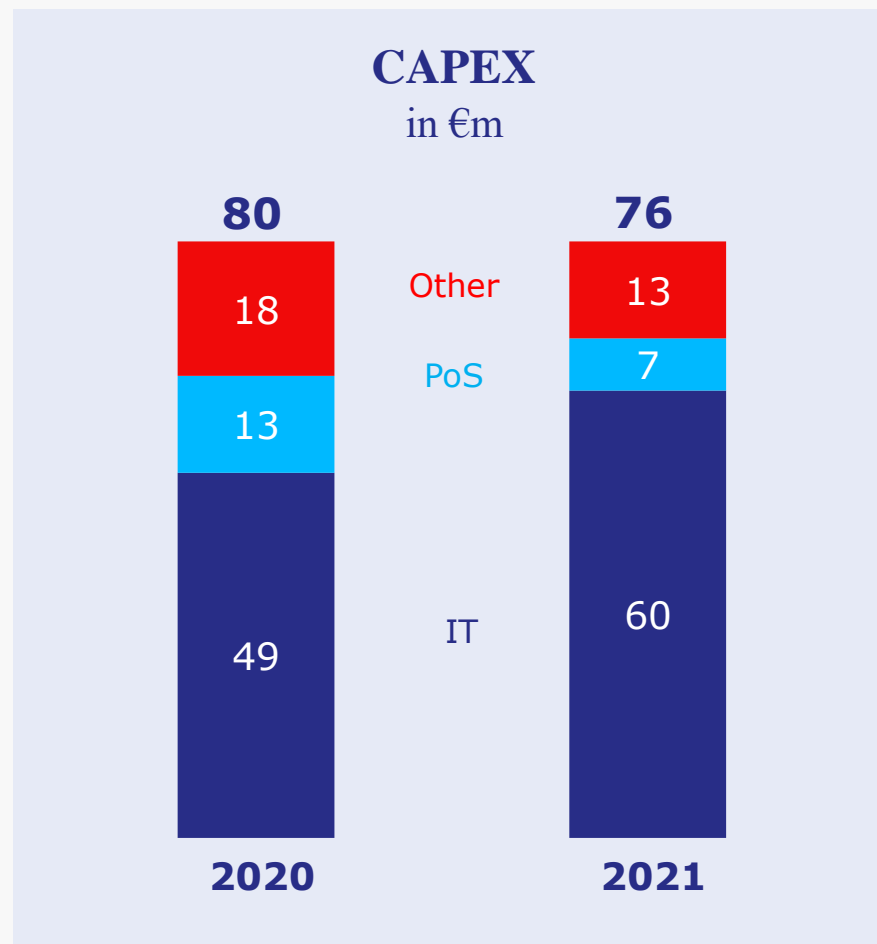
Net profit up +38% vs 2020



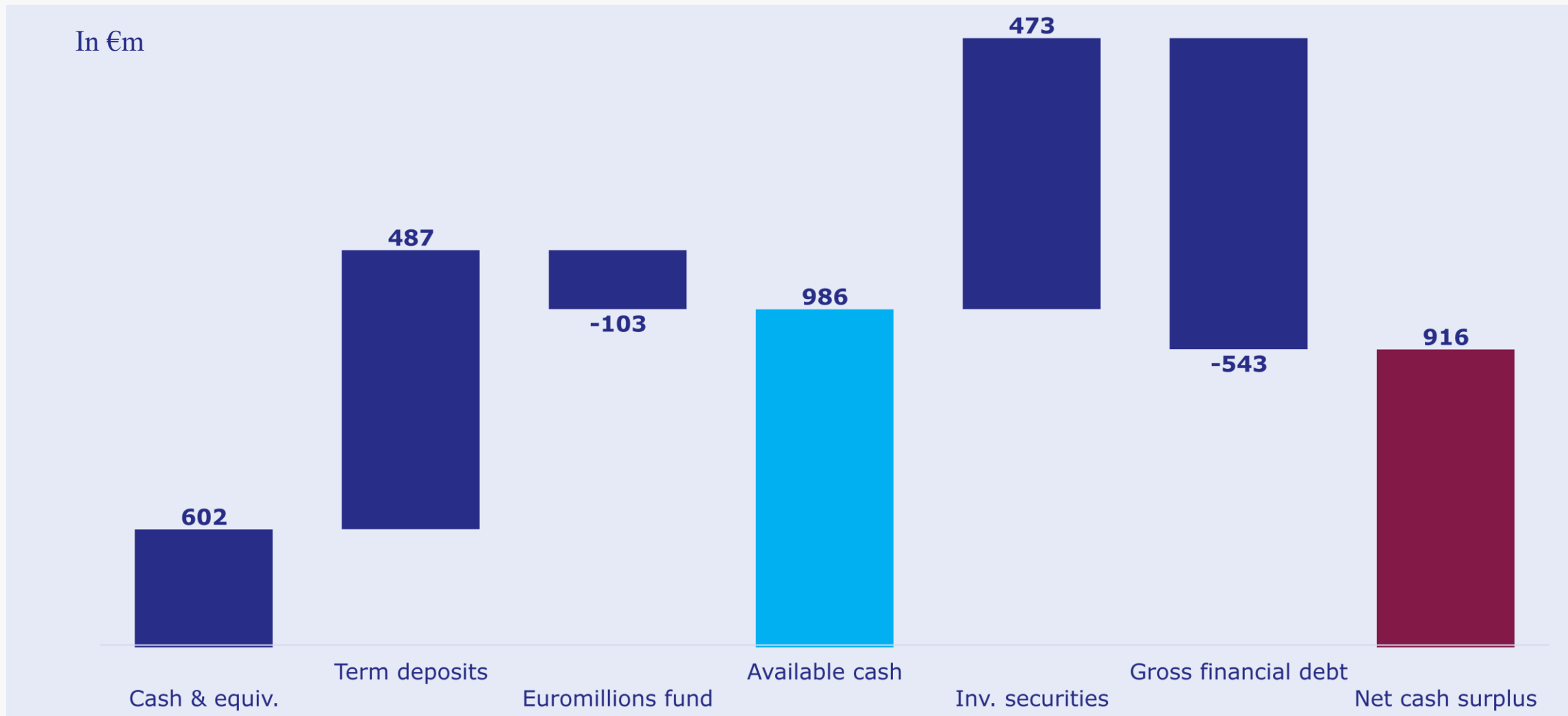
# 95% EBITDA to free cash-flow conversion



\* Adjusted for calendar impact on working capital and unclaimed prizes



# Available cash of €1bn



# Strong balance sheet

In €m

ASSETS	31.12.2021
Non-current assets <i>of which non-current financial assets</i>	1,847 965
Current assets <i>of which current financial assets</i>	1,341 695
<b>TOTAL ASSETS</b>	<b>3,188</b>

<b>Term deposits</b>	<b>€487m</b>
<b>Investment securities</b>	<b>€473m</b>
<b>Cash &amp; cash equivalent</b> o.w. Euromillions fund	<b>€602m</b> €103m

EQUITY & LIABILITIES	31.12.2021
Equity	829
Non-current liabilities <i>of which non-current financial liabilities</i>	567 486
Current liabilities <i>of which current financial liabilities</i>	1,792 61
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,188</b>

<b>FDJ SA</b>	
<b>Legal reserve</b>	<b>€8m</b>
<b>Statutory reserve</b>	<b>€92m</b>
⇒ <b>Non-distributable reserves</b>	
<b>Optional reserve</b>	<b>€268m</b>
⇒ <b>Distributable reserve</b>	<b>€168m</b>
net of the net book value of capitalised development costs (€100m)	
<b>Gross financial debt</b>	<b>€543m</b>



# 4. Outlook

# Our strategy for sustainable and profitable growth

## Lottery

### Reinforce growth levers

Omnichannel development for a renewed gaming experience and loyal customers

## Sports betting

### Accelerate growth

Gain market share online and maintain momentum at point-of-sale

## Customer Service

### Identify & support

Build a value-creating customer relationship while strengthening our responsible gaming policy

## Adjacent activities

### Increase the resilience of our business model

International

Payment & Services

Entertainment

# In 2022 ...

- ◆ **Enrichment of the lottery and sports betting offering**
  - ◆ Lottery: ~30 new games at point-of-sale and online
  - ◆ Sports betting: FIFA World Cup
- ◆ **New generation of lottery central system**
- ◆ **Development of PoS payment services**
  - ◆ Payment solutions for major service providers (social housing, energy providers, etc.)
  - ◆ Goal of ~5,000 certified outlets
- ◆ **Strengthening of the commitment to responsible gaming**
  - ◆ 10% of the Group's total advertising budget starting in 2022





# 2022 Guidance

Another year of growth and margin improvement

**Revenue  
growth  
c. +5%**

**EBITDA  
margin  
> 23.5%**

**Growth of online stakes**

**> +20%**

**EBITDA to free cash flow conversion**

**> 80%**

# Upward revision of our 2025 objectives set at the IPO

**Revenue  
CAGR\*  
2021-2025  
+4% to +5%**

**Faster growth in  
sports betting than  
lottery and  
development of  
adjacent activities**

**2025  
EBITDA margin  
> 25%**

**Share of online stakes within total 2025 stakes**

**> 20%**

**Cumulated investments 2020-2025**

**c.€600m**

**EBITDA to free cash flow conversion**

**> 80%**

*\* Compound annual growth rate*

# Upward revision of our 2025 objectives set at the IPO

**Dividend payout  
ratio**

**Between 80%  
and 90% from  
2022 onwards**

**Financial  
leverage  
(net debt /  
EBITDA)**

**~x2**

# Ambition asserted

**Strengthen our leadership in the French gaming market**

**Become a key international player in games and services**

**Continue to grow sustainably and profitably for the benefit of all our stakeholders**



# Q&A

