



The multinational sports betting and gaming group



2013  
Year End Presentation

“For 2013 GVC restored the dividend earlier than expected, increased the dividend in January 2014 and today, the Board is declaring a repeat of this quarterly dividend enhanced by a special dividend”

10.5 + 10.5 + 11.5 + 11.5 + 4.5 €cents

= **48.5 €cents** (2012: 22.0 €cents)



GVC's strategy is to increase shareholder returns by:

- Developing existing products to generate high levels of cash
- Acquiring other complimentary businesses which can be turned around
- Investing in early stage companies (e.g. Betboo) at a low initial capital outlay which deliver high levels of returns in the medium term

# 2013 achievements

- Total Proforma Revenues\* increased by 69% to €180.6 million (2012: €107.1 million)
- Clean EBITDA\*\* rose y-o-y by 148% to €38.3 million, ahead of upgraded expectations
- Sportingbet turnaround complete and contributed €4.7 million to 2013 Clean EBITDA
- Normalised EPS rose 83% to 58.6€cents (2012: 32.1 €cents)
- Total dividends declared for 2013 up 120% to 48.5 €cents (2012: 22.0 €cents)
- Current trading at record levels, NGR exceeded €50 million for Q1 2014
- Complex acquisition capabilities proven. GVC looking at further opportunities

\* Assumes revenues from East Pioneer Corporation consolidated from 1 January 2013 to 19 March 2013

\*\*Earnings before interest, taxation, depreciation, amortisation, share option charges and exceptional items

Totals may not sum due to rounding, and percentages have been calculated on the underlying, rather than the summarised figures

# 2013 financial overview

	2013	2012	Change	% change
<b>In €000's</b>				
Sports wagers	1,169.5	518.9	650.6	125%
<i>Sports margin %</i>	9.6%	11.3%	-1.7%	
Proforma revenue	180.6	107.1	73.5	69%
Contribution	102.6	36.5	66.1	181%
Clean EBITDA	38.3	15.5	22.8	148%
<b>In €cents</b>				
EPS (Normalised)	58.6	32.1	26.5	83%
Dividends per share	48.5	22.0	26.5	120%

# Contribution by market: Q4-2013

Turkey	30%
CasinoClub	18%
Eastern Europe	22%
Central Europe	20%
Latam	5%
UK	4%
Other markets	<u>1%</u>
	100%

- Following the Sportingbet acquisition, GVC is a much more diversified group geographically with no single market contribution > 30% of the Group's total contribution
- Sportingbet deal, as well as increasing profitability and dividends, has reduced risk the investment for its shareholders with the diversification achieved
- UK exposure to point of consumption tax not material impact to GVC

# 2013 Operational highlights

NGR per day in €000's	Q1-14	Q1-13	Q2-13	Q3-13	Q4-13
CasinoClub	88	85	85	77	80
Sportsbook	468	309	457	441	443
TOTAL	<u>556</u>	<u>394</u>	<u>542</u>	<u>518</u>	<u>523</u>

- Sportingbet restructured and now profitable
  - Technical migrations completed
  - Regulatory migrations completed
  - Staffing reduced by a third
  - Property reduced by 50%
  - Contracts renegotiated
- Existing product lines performed well, particularly CasinoClub
- Mobile growing off improved platform
- All staff bonus incentive plans linked to dividend targets

# Operational review: Mobile



	Q1-14	Q1-13	Q2-13	Q3-13	Q4-13
<b>€000's per day</b>					
Mobile Sports wagers	<b>743</b>	76	573	512	588
<i>% of total</i>	<b>20%</b>	4%	16%	15%	15%
Mobile GGR	<b>126</b>	10	60	74	82
<i>% of group total</i>	<b>19%</b>	2%	10%	12%	13%

- Mobile product is developed by in-house team
- Since acquisition of Sportingbet increased focus has been given to development of the mobile product and its marketing
- Growth year-on-year has been very impressive from a low base
- Mobile is core to GVC's product and marketing strategy ongoing



# Operational review: CasinoClub

NGR per day in €000's

Q1-14	Q1-13	Q2-13	Q3-13	Q4-13
<u>88</u>	<u>85</u>	<u>85</u>	<u>77</u>	<u>80</u>

- CasinoClub 10% higher than previous quarter and 4% higher than Q1 2013
- Best quarter for CasinoClub since Q2-2008
- Growth despite no mobile product – planned mobile launch Q4 2014
- CasinoClub business remains crucial contributor to the Group's financial performance

# Operational review: Sportsbooks

Per day in €000's	Q1-14	Q1-13	Q2-13	Q3-13	Q4-13
<b>Sports wagers</b>	<b>3,773</b>	1,894	3,637	3,335	3,926
<i>Margin %</i>	<b>10.1%</b>	12.5%	9.2%	9.8%	8.4%
<b>Sports margin</b>	<b>377</b>	237	335	327	330
<b>NGR</b>					
- sports	<b>272</b>	209	275	267	244
- gaming	<b>196</b>	100	182	174	199
- Total	<b>468</b>	309	457	441	443

- Record NGR for sportsbook in Q1-2014 reflects the success of the Sportingbet integration and restructuring
- 51% higher than prior year and 6% higher than Q4-2013
- Sportsbook margin resilient at 10% in Q1-2014
- GVC is now a major player in the online sportsbook market

# Operational review: Turkey

	Q1-14	Q1-13	Q2-13	Q3-13	Q4-13
<b>TRY 000's per day</b>					
Sports wagers	<b>3,319</b>	3,483	3,093	2,738	3,242
Margin %	<b>13.3%</b>	13.2%	11.3%	12.4%	10.3%
Sports margin	<b>441</b>	461	348	339	335
Sports NGR	<b>325</b>	404	300	279	231
Gaming NGR	<b>141</b>	144	133	121	151
Total NGR	<b>466</b>	548	433	400	382
<b>€000's per day</b>					
At a constant rate	<b>197</b>	232	183	169	162
FX impact	<b>(42)</b>	-	(1)	(14)	(22)
Reported	<b>155</b>	232	182	155	140

- Exchange rates had a material effect on the business
- Business recovering well from migration and regulatory changes in Q3-2013
- Q1-2014 sports wagers and gaming NGR comparable to Q1-2013
- Sports NGR affected by aggressive customer bonusing which is now being addressed in Q2-2014
- GVC believes that the Turkish market still has significant growth potential

# Operational review: Latam

	Q1-14	Q1-13	Q2-13	Q3-13	Q4-13
<b>BRL 000's per day</b>					
Sports wagers	<b>1,409</b>	455	1,277	1,348	1,228
Margin %	<b>8.4%</b>	12.0%	9.5%	9.6%	9.4%
Sports margin	<b>119</b>	54	121	129	116
Sports NGR	<b>85</b>	47	103	108	97
Gaming NGR	<b>58</b>	63	76	90	52
Total NGR	<b>143</b>	110	179	198	149
<b>€000's per day</b>					
At a constant rate	<b>54</b>	41	68	75	56
FX impact	<b>(10)</b>	-	(1)	(10)	(8)
Reported	<b>44</b>	41	67	65	48

- Business recovering from migration in Q4-2013 which had an impact on gaming NGR
- TV marketing campaign started and early signs are encouraging
- World Cup in Brazil is a unique opportunity to grow the business in Latam
- Latam business expected to grow significantly in the rest of 2014

# Other sportsbook markets

€000's per day	Q1-14	Q1-13	Q2-13	Q3-13	Q4-13
Sports wagers	<b>2,244</b>	247	1,855	1,833	2,335
<i>Margin %</i>	<b>8.7%</b>	8.5%	7.6%	8.4%	7.2%
Sports margin	<b>195</b>	21	141	154	168
Sports NGR	<b>139</b>	20	110	124	127
Gaming NGR	<b>131</b>	15	98	97	127
Total NGR	<b>270</b>	35	208	221	254

- Markets outside Turkey and Latam performing well
- Record NGR in both sports and gaming recorded in Q1-2014
- Growth expected to continue in 2014
- World Cup is an opportunity for these markets as well

# Financial review

- Income statement summary
- Income statement, EBITDA to PAT
- Exceptional items
- Balance sheet
- Acquisition – accounting impact
- 2013 cashflow
- Longer term liabilities

# Financial review: Income statement - summary

In € millions		2013	2012
Wagers		1,169.5	518.9
Sports Margin		112.1	58.6
	<i>sports margin percentage</i>	9.6%	11.3%
Additional net revenue components		68.5	48.5
Proforma revenues		180.6	107.1
EBITDA		38.3	15.5
	<i>Clean EBITDA percentage</i>	21.2%	14.4%

# Financial review: Income statement - EBITDA to PAT

	2013	2012
<b>In €millions</b>		
<b>EBITDA</b>	<b>38.3</b>	<b>15.5</b>
Exceptional items	(19.7)	0.2
<u>Non-cash items:</u>		
D&A	(3.7)	(2.5)
Net financial income	0.6	-
Unwinding of discount	(1.7)	(2.2)
Share option charges	(0.7)	(0.1)
PBT	13.1	10.8
Tax	(0.7)	(0.5)
Profit after tax	<u>12.3</u>	<u>10.3</u>
<b>In €cents</b>		
EPS		
- Normalised	58.6	32.1
- Basic	22.5	29.3



# Financial review: Exceptional items



	€ millions
Transaction costs	9.2
Restructuring costs	<u>11.9</u>
Gross costs	21.1
Contribution from Sportingbet Spain	<u>(1.4)</u>
	<u><b>19.7</b></u>

# Financial review: Balance sheet movements

€ millions

<b>Net assets at 1 January 2013</b>		<b>58.5</b>
<b>EBITDA</b>	<b>38.3</b>	
Exceptional items	(19.7)	
Net finance charges	(1.1)	
D&A	(3.7)	
Taxation	(0.7)	
		13.1
Movement on translation reserve		0.3
Issue of shares for Sportingbet acquisition*		83.9
Share options exercised		0.3
Dividends paid		(15.0)
<b>Net assets at 31 December 2013</b>		<b>141.1</b>

\*29,018,075 shares @£2.48 @£1 = €1.1661

# Financial review: Acquisition summary



	€ millions	€ millions
Various non-current assets at fair value		6.7
Net current liabilities excluding transaction costs	(36.0)	
Transaction costs	(8.6)	
Termination arrangements for Sportingbet board	(5.0)	
Acquisition balance sheet deficit	<u>(49.6)</u>	
Amount discharged at completion by William Hill	<u>42.6</u>	
		(7.0)
Goodwill arising on acquisition		<u>84.2</u>
Represented by: 29,018,075 ordinary GVC shares at £2.48 at £1= €1.1661		<u>83.9</u>

# Financial review: 2013 cashflow



	€ millions
<b>Clean EBITDA</b>	<b>38.3</b>
Exceptional items	(19.7)
Betboo earnout	(6.4)
Corporate taxes paid (less recovered)	(0.4)
Deficit in Sportingbet Balance sheet	(49.6)
Contribution from William Hill	42.6
Loan from William Hill	8.0
Cash raised from issue of share options	0.3
Other movements in working capital	14.1
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	27.2
Less: restricted cash balances	(7.4)
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<b>Net operating cashflows</b>	<b>19.8</b>
Dividends paid	(15.0)
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<b>Net cash inflows for the year</b>	<b>4.8</b>
Add: restricted cash balances	7.4
Add: Cash at 1 January 2013	6.6
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<b>Cash at 31 December 2013</b>	<b>18.8</b>
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# Long term liabilities (payment profiles)

€000's	2014	2015	> 2015	Total
Finance leases	945	945	350	2,240
William Hill loan	2,752	2,752	2,752	8,256
Betboo earn outs	3,760	2,400	2,197	8,357
Gross amounts due	7,457	6,097	5,299	18,853

# CEO closing statements

- Regulatory update
- Business development
- Trading update and outlook
- Dividend schedule

# Regulatory update

- Turkey
- EU (ex-United Kingdom)
- United Kingdom
- Latam

- GVC is now better placed post Sportingbet to pursue other complimentary opportunities
- Group now has scale/infrastructure/product/management and a track record of delivery to consider deals of a similar size to the Sportingbet one
- New geographic regions being considered
- Potential M+A opportunities will always be reviewed if not dilutive and of suitable scale
- **No deal will be done that will lead to a reduction in the dividend**



# Trading update and outlook

- Current trading at record levels: Total NGR exceeded €50 million for Q1 2014
  - PFR 41.0% higher than Q1 2013
  - PFR 4.0% higher than Q4 2013
- Sportsbook 5.6% higher than previous quarter and 51.0% higher than Q1 2013
- Sportsbook (normalised exchange rates) 10.0% higher than previous quarter and 68.0% higher than Q1 2013
- Mobile penetration doubled year-on-year
- CasinoClub 10% higher than previous quarter and 4% higher than Q1 2013
- Best quarter for CasinoClub since Q2-2008
- Group well positioned to capitalise on World Cup
- Board confident of meeting current market expectations for 2014

# Dividend schedule

- 9 April 2014 - declared 16 €cents (11.5 + 4.5)
- 23 April - ex-dividend
- 25 April - record date
- 14 May - AGM held, includes dividend approval
- 19 May - dividend paid. No withholding tax
- W/c 19 August - quarterly dividend
- W/c 27 October - quarterly dividend
- W/c 9 February 2015 - quarterly dividend