

2020 results preserved despite the impact of the health crisis

- **Strong business in the second half (stakes up 3%) helped limit the decline in annual stakes (down 7% to €16bn) and revenue (down 6% to €1.9bn)**
- **Strategic digital investment has enabled the growth acceleration of online stakes, to almost 10% of total stakes**
- **EBITDA¹ totalled €427m, maintained at the 2019 level thanks notably to a cost savings plan of more than €80m, with net profit of €214m**
- **A solid, responsive and supportive Group**

Boulogne-Billancourt (France), 12 February 2021 (07:00 a.m.) – La Française des Jeux (FDJ), France's leading gaming operator, announces its 2020 results.

Stéphane Pallez, Chairwoman and Chief Executive Officer of FDJ group, said: "2020 was an unprecedented and contrasted year during which FDJ demonstrated resilience and solidarity. The health crisis had a particularly strong impact on our business in the first half. But the recovery in the second half, combined with the Group's responsiveness and relevant digital strategy, enabled us to preserve our performance and annual results. I would like to thank our employees for their commitment, and to renew our support for our network of retailers, some of which have been severely impacted. As 2021 gets started, while uncertainties persist, the Group remains confident in its prospects for sustainable growth, consistent with its raison d'être."

In this document, the 2019 data are adjusted, net of tax, for the new fiscal and regulatory framework effective from the beginning of 2020, the impact of exceptional long lottery cycles, Sporting Group's full-year results, and expenses related to the Group's IPO. Quarterly and half-yearly variations are not adjusted for exceptional long lottery cycles in 2019.

- **In 2020**

- After the significant impact of the health crisis on the first half, which saw stakes fall by 18%, the gradual recovery during the summer was confirmed throughout the second half, with an increase of 3%. Over the year, FDJ recorded **€16 billion in stakes, a decline of 7% compared with 2019.**
 - Loto and Euromillions demonstrated their resistance, with a 6% increase in stakes to €3.2 billion. Amigo was heavily impacted, notably by its suspension during the first lockdown, recording a decline of more than 30%. Stakes on instant games, down 6% at €7.7 billion, were also affected by the impact of the health crisis on point-of-sale footfall. In total, lottery stakes were down 6% at €12.7 billion.
 - The decline in sports betting was limited to 10% to €3.2 billion over the year, thanks to growth of 20% in the second half, compared to the second half of 2019, following a decline of early 40% in the first half.

¹ EBITDA: recurring operating profit adjusted for depreciation and amortisation expense.

- Stakes in the point-of-sale network were stable in the second half, after declining by more than 20% in the first half. FDJ provided support and assistance to its distribution network of nearly 30,000 points of sale.
- Online stakes continued their strong momentum, with a further annual growth of nearly 40%, driven by digital lottery, up more than 60% at over €1.1 billion.
- **Revenue declined by 6% to €1,920 million.**
- **EBITDA totalled €427 million, representing a margin of 22.2% of revenue.**
 - EBITDA was preserved thanks notably to the implementation of a savings plan of more than €80 million.
- **Net profit amounted to €214 million.**
 - This compares with a net adjusted profit of €202 million for 2019, net of tax and adjusted for the new fiscal and regulatory framework effective from the beginning of 2020, the impact of exceptional long lottery cycles, Sporting Group's full-year results, and expenses related to the Group's IPO.
- In 2020, the Group strengthened its financial structure, thanks to an **EBITDA to cash conversion ratio maintained at over 80%, with available cash in excess of €1 billion at year end.**
- FDJ's Board of Directors will propose the payment of a **dividend of 80% of the consolidated net profit** to the Annual General Meeting of 16 June 2021, as the Group committed to do at the time of its IPO. The dividend of €0.90 per share will be paid on 23 June 2021.
- **A committed and supportive Group**
 - FDJ is pursuing its value creation strategy combining economic and extra-financial performance.
 - The raison d'être (purpose), a natural extension of the Group's social and community commitments dating back to its creation in 1933, was included in the preamble to the Group's bylaws at the General Meeting of 18 June 2020.
 - The FDJ raison d'être promotes a sustainable model combining performance, responsibility and service to the community: "*Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus.*"
 - A Stakeholders' Committee has been created to foster dialogue between the Group and stakeholders in its socioeconomic environment, and to oversee the implementation of the six commitments taken alongside the publication of the raison d'être.
 - CSR commitments reaffirmed and assessed.
 - Maintain an A1+ rating by Vigeos Eiris; 100/100 rating on the "Pénicaud index" on gender equality; 5/5 score awarded by Humpact to the Group's social policy.
 - Maintenance of the Group's significant economic and social contribution.
 - In 2020, FDJ's contribution to national wealth is estimated at €5.2 billion by the Economic Information and Forecasting Office (Bipe), or 0.2% of French gross domestic product (GDP). In terms of employment, the FDJ group has created or perpetuated 50,800 jobs in France.

- Strong mobilisation by the Group to contribute to national solidarity since the start of the health crisis.
 - o More than €2.7 million donated for medical workers, researchers and the most disadvantaged thanks to donations of employee leave days and financial donations from the Group and its Corporate Foundation.
 - o Support for FDJ's distribution network (donation of 3 million masks, flexible management of financial levies, psychological support...).
- In the second quarter of 2021, based on a proposal from FDJ, the setting up of a support fund for local retail businesses to help them sustainably overcome the consequences of the health crisis, to which the FDJ group undertakes to contribute around €15 million.
 - o The aim of this fund is to help, notably through participative loans, local shops, including FDJ retailers, in distressed neighborhoods.

• Outlook

- Driven by its omnichannel strategy, FDJ is confident in its ability to combine medium-term growth with a high level of profitability.
- Due to the uncertainties and the changing nature of the situation, FDJ will provide its 2021 outlook as soon as possible.

In € million	2020	2019 adjusted	Change	2019 published
Stakes	15,959	17,131	-6.8%	17,239
Revenue*	1,920	2,048	-6.3%	1,956
Recurring operating profit	325	326	-0.4%	252
Net profit**	214	202	+5.9%	133
EBITDA***	427	422	+1.1%	346

* Revenue: net gaming revenue and revenue from other activities

** Including non-recurring items

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

Activity and results in 2020

• New fiscal and regulatory framework from 1 January 2020

A new fiscal and regulatory framework, stemming notably from France's "Pacte Law", became effective on 1st January 2020. On a basis comparable with that of 2020, i.e. applying this framework from 2019, excluding the impact of exceptional long Loto and Euromillions cycles in 2019, and taking into account the acquisition of Sporting Group over a full year, FDJ Group's adjusted 2019 revenue and EBITDA amount to €2,048 million and €422 million respectively, compared with €1,956 million and €346 million respectively as reported.

• Stakes of €15,959 million, down 6.8%

In 2020, after the significant impact of the health crisis on the first half of the year, which saw stakes fall by 18.4%, the gradual recovery observed during the summer was confirmed throughout the second half, with an increase of 2.8% over the period. As such, FDJ recorded €15,959 million in stakes over the year, a decline of 6.8% compared with 2019.

- **Resilience in the network**

Stakes in points of sale totalled €14,424 million, down 10%. They were stable in the second half, after falling by more than 20% in the first half. Excluding Amigo, the annual decline was only 7%, with a 2% increase in the second half. The distribution network was maintained at nearly 30,000 points of sale (PoS), thanks notably to support initiatives by FDJ and other stakeholders.

- **Strong momentum for online stakes**

Driven by strong growth in digital lottery stakes (up over 60% at more than €1.1 billion) and the increase in online sports betting, the Group's online stakes recorded a further annual increase of nearly 40% to more than €1.5 billion, i.e. almost 10% of total stakes.

- **Digitalised stakes²**

Digitalised stakes increased by 12% to €3.8 billion, thanks to the performance of online lottery stakes, while digitalised PoS sports betting was virtually stable. In the year to end-December 2020, they accounted for nearly 24% of total stakes, a level above the 20% target set for 2020 by the Group.

- **Revenue of €1,920 million, down 6.3%**

Winnings totalled €10,852 million in 2020 (-7% vs 2019), i.e. a player payout ratio (PPO) of 68.0%, virtually stable compared with 2019. Thus, gross gaming revenue (GGR, i.e. stakes less winnings) amounted to €5,107 million in 2020 (-6.4% vs 2019).

Net gaming revenue (NGR, i.e. GGR less public levies on games) constitutes the FDJ group's remuneration from gaming. After €3,243 million in public levies on games (-6.5%), NGR amounted to €1,879 million, down 6.5% compared with 2019.

After taking into account revenue of €41 million from adjacent activities (International, Payment & Services and Entertainment), an increase of 3.6%, Group revenue amounted to €1,920 million, down 6.3% compared with 2019.

- **By activity**

The Group is structured into three operating segments: two Business Units (BU), Lottery and Sports Betting, and the Acceleration Business Units (ABU), encompassing three developing activities (International, Payment & Services, and Entertainment), with cross-cutting support functions (notably customer, distribution and information technology), and the holding company, which mainly covers overheads. The contribution margin is one of the key performance indicators for these segments. It is the difference between segment revenue, cost of sales (including PoS commissions), and marketing and communication expenses (excluding depreciation and amortisation) allocated to them.

- **Lottery: stable contribution margin; margin of 33.6%**

Lottery games recorded stakes of €12,733 million, down 6% compared with 2019. The very substantial growth of over 60% in online stakes only partially offset the decline in point-of-sale activity. The impact of the health crisis was particularly significant in the first half, with stakes down nearly 13%, while business was back to growth in the second half, with stakes down 1.7% overall, but up 1% excluding Amigo. Online lottery stakes exceeded €1.1 billion, i.e. nearly 9% of all lottery stakes, two years ahead of the strategic plan target. As part of the Group's many responsible gaming initiatives, FDJ has strengthened the tools and services available to online gamers to support their gaming practices.

- **Draw games: Loto and Euromillions stakes up 6%**

Draw games recorded stakes of €5,015 million, down 6.2% compared with 2019. Excluding Amigo, draw games stakes increased to nearly €4 billion, thanks to the good performance of Loto and Euromillions (+6%), driven by the success of their respective relaunch operations in November 2019 and February 2020, and by long

² Digitalised stakes include online and digitalised stakes at the point of sale, i.e. using a digital service/application for their preparation, prior to registration by the retailer.

cycles, particularly in the fourth quarter. The decline of more than 30% in Amigo stakes reflects the impact of decisions taken by FDJ to stop people lingering in points of sale during the two periods of lockdown, with the suspension of the game between 19 March and 8 June 2020 and the switch-off of point-of-sale screens during the second one, as well as the closure of bars. The Keno and Amigo games were also relaunched in October and November respectively.

- **Instant games: stakes down 6%**

Instant games stakes amounted to €7,718 million, down 5.9% compared with 2019. This trend is attributable to reduced footfall in points of sale during the two periods of lockdown, which also reduced the level of commercial advice to players in PoS, and the suspension of events and activities from the marketing calendar in the second quarter, leading to the postponement of certain launches scheduled for 2020 until 2021. Thus, the relaunch of the "Mots Croisés" family of games (€3, €5 and €10), initially planned for April, was delayed until October. In addition, at the beginning of November, FDJ launched its second phygital game "Qui veut gagner des millions ?", inspired by TV game show *Who wants to be a millionaire*. It consists of a physical scratch card and an optional additional digital game, allowing players to put any winnings back into play and attempt to multiply them up to 50 times.

Although lottery revenue was down 5.9% at €1,495 million, control of operating expenses (down 8% at €992 million) enabled the contribution margin to stabilise at more than €500 million, or 33.6% of revenue, an increase of 1.5 point compared with 2019.

Change in the cost of sales (down €85 million or 9.1%), mainly PoS commissions, reflects the drop in point-of-sale stakes over the period. The virtual stability of marketing and communication costs over the year (-1.5%) is explained by the increase in customer service costs, mainly digital, and spending on the development of the game offer, while advertising and promotional expenses declined.

- **Sports betting: stability of the contribution margin; margin of 27.7%**

Sports betting amounted to €3,186 million, down 10% compared with 2019, with growth in stakes in the second half (+20%) partially offsetting the decline of 39% recorded in the first half.

This decline is attributable to the shortage of the betting offer between mid-March 2020 and mid-May 2020 following the cancellation of practically all sports competitions. The offer was severely curtailed over the period, and stakes fell by more than 90%. From mid-May, stakes rebounded sharply with the gradual resumption of most major sports competitions, particularly European football. FDJ supported the recovery, notably with the "Signez votre retour" media campaign, the launch of the new Parions Sport En Ligne website and the launch of the new Loto Foot 8 and 12 game offers. The rebound and strong activity in the second half, particularly in the fourth quarter, which saw several new betting records set, confirm the strong attractiveness of sports betting. The Parions Sport Point de Vente performance was also affected by the closure of bars, while digitalisation continues to progress, representing more than 80% of stakes in 2020, compared with over 70% in 2019. Parions Sport En Ligne stakes increased in 2020.

Based on an average annual PPO of 75.9%, down 0.4 point compared with 2019, after unexpected sporting results especially at the end of the year, the decline in the BU's revenue was limited to 8.5% or €372 million. The significant decline in operating expenses (down 12.2% to €269 million) resulted in a virtually stable contribution margin of €103 million, or 27.7% of revenue, an increase of 3.1 points from 24.6% in 2019.

Cost of sales was down 12.8%. This change mainly reflects the reduction in PoS commissions in line with PoS stakes, and PoS promotions costs related to the cancellation of promotional events for the sales force. Marketing and communication expenditure was down 10.4% as a result of the very sharp drop in media spending in the second quarter, partially offset by increased advertising and promotion expenditure in the second half in view of the substantial line-up of sporting events.

- **Adjacent activities and holding company**

Adjacent activities recorded a contribution margin of negative €3 million. Holding company expenses totalled €176 million in 2020, down €15 million or 8.1%. This decline notably reflects advertising and promotional expenditure.

- **EBITDA of €427 million euros, maintained at 2019 level, i.e. a margin of 22.2% of revenue**

Overall, cost of sales totalled €1,079 million, down 9.1%. PoS commissions, which are correlated with stakes recorded in the network, came to €772 million. Other costs of sales were down, mainly due to the reduction in other variable costs linked to changes in activity (purchases of gaming materials, betting rights), as well as the temporary reduction in the sales promotion system during periods of lockdown.

Marketing and communication expenses include advertising as well as the cost of designing and operating games and services. Their slight decline (-4.2% to €330 million) is attributable to the sharp reduction in advertising and promotional expenditure (-16.2%), particularly for the media plan in connection with the suspension of the marketing calendar in the second quarter. Expenses for the development of the games and services offer continued to rise (+5.5%), in keeping with the Group's strategy.

General and administrative expenses were down 5.5% at €172.5 million in the year to end-December 2020, under the effect of the reduction in operating expenses (travel costs, fees, etc.) achieved within the framework of the savings plan.

The Group's recurring operating profit thus totalled €324.7 million in 2020, down €1.3 million or 0.4% compared with 2019.

The increase in net depreciation and amortisation (€6 million to €102 million) is attributable chiefly to the amortisation of exclusive rights to operate games over a full year, as opposed to seven months in 2019.

EBITDA, which is recurring operating profit adjusted for depreciation and amortisation, amounted to €427 million, an increase of €5 million (+1.1%) compared with 2019. The EBITDA margin reached 22.2% in 2020, an increase of 1.6 point.

- **Net profit of €214 million**

FDJ recorded other operating expenses of €32 million, mainly including asset impairment (€25.8 million) and restructuring expenses related to the discontinuation of Sporting Group's proprietary trading activity at the end of 2019 (€4.4 million). In 2019, they amounted to €32 million, of which €22 million in asset impairment.

Operating profit amounted to €292.7 million, compared with €293.7 million in 2019.

The financial result amounted to €4.6 million, compared with €20.6 million in 2019. Its variation is attributable chiefly to change in the financial markets, securities measured at fair value having generated a gain of €3.4 million in 2020, compared with €11.1 million in 2019, and the increase in the cost of financial debt to €5.4 million, compared with €2.3 million in 2019, reflecting the syndicated loan of €380 million to finance the securing of exclusive operating rights.

The Group's tax expense came to €85 million in 2020. The €29.4 million reduction stems from pre-tax profit and takes into account a tax saving arising from the capital loss on equity investments related to the restructuring of Sporting Group. The effective tax rate was accordingly 28.6% in 2020, compared with 36.4% in 2019.

The consolidated net profit for 2020 was therefore €213.7 million. This compares with €201.8 million adjusted for the new fiscal and regulatory framework effective from the beginning of 2020, the impact of the exceptional long lottery cycles, Sporting Group's full-year results and expenses related to the Group's IPO.

- **Enhanced financial strength**

The Group's investments amounted to €80 million, compared with €67 million in 2019, excluding €112 million related to the acquisition of Sporting Group. They mainly cover investments in IT and point-of-sale equipment. The change in normative surplus working capital (adjusted for calendar impacts and unclaimed prizes) was €39 million. Based on EBITDA of €427 million, free cash flow amounted to €386 million, up from €297 million in 2019, with an EBITDA to cash conversion ratio of 91%.

At the end of December 2020, the net cash surplus, one of the indicators representing the Group's net cash position, was €577 million, and FDJ had available cash in excess of €1 billion.

The Group's significant economic and social contribution

For the fifth consecutive year, the Economic Information and Forecasting Office (Bipe) assessed the economic and social contribution of the FDJ group in France.³

In 2020, FDJ's contribution to national wealth amounted to €5.2 billion, or 0.2% of gross domestic product (GDP).

In terms of employment, the FDJ group has created or perpetuated 50,800 jobs in France.

FDJ's contribution is significant for:

- **The French State**, with a total contribution of more than €3.6 billion to the State budget, including a €3.2 billion public levies on games, €380 million in exclusive rights for lottery games and sports betting for 25 years paid in 2020 and €18.8 million in dividends;
- **Local retail businesses**, with €772 million paid to its retailers. FDJ thus enabled the creation or perpetuation of 20,400 jobs in that network in 2020. FDJ has around 30,000 points of sale in more than 11,000 municipalities, making it France's most extensive local network;
- **French sport**, both professional and amateur, via the action of the National Sports Agency (ANS) and the sports partnerships established by FDJ;
- **Endangered French national heritage**. Thanks to the Mission Patrimoine lottery games, nearly €22 million was donated by the State to the French national heritage foundation for the 2020 edition;
- **Social action and the remembrance contribution of its founding veterans shareholders**: the Union des blessés de la face et de la tête (UBFT) and the Fédération nationale André Maginot, thanks to nearly €13 million in dividends received in 2020, accounting for most of their budgets;
- The **FDJ Corporate Foundation**, which is committed to promoting equal opportunity by supporting nearly a hundred associations throughout France, with a budget of €18 million over five years (2017-2021).

Outlook

The FDJ group is pursuing its strategy to offer an increasingly global gaming experience and strengthen its leading position in the French gaming market. With a robust and resilient business model, it is confident in its medium-term outlook combining growth and high level of profitability.

Uncertainties persist for 2021. Nevertheless, for lottery, launches and relaunches are planned for numerous instant games (notably "*Objectif Maison*", a new annuity game launched at the beginning of the year; the fourth edition of *Mission Patrimoine*; and a third phygital game), while more than 10 events promoting special enhanced Loto and Euromillions jackpots will pepper the year for draw games. The expansion of the online

³ The methodology of the Bipe study integrates the international standards of economic impact assessment used by major bodies (UN, European Commission, etc.). It assesses direct, indirect, induced and catalytic effects to calculate the contribution of FDJ to wealth (GDP) and employment in France.

lottery gaming offer will continue, with innovative and richer gaming experiences. In addition to its intrinsic momentum, sports betting will also benefit from the UEFA Euro and the Tokyo Olympic and Paralympic Games, which will enliven the events calendar.

In view of the changing nature of the situation, the Group will issue its 2021 and medium-term outlook as soon as possible.

Dividend

Given the uncertainties related to the health context and in order to ensure high attendance by its shareholders, the FDJ group has decided to postpone its Annual General Meeting from 27 April to 16 June 2021.

At its meeting of Thursday 11 February, FDJ's Board of Directors approved the Group's 2020 financial statements. It will propose a dividend of €0.90 per share to the Annual General Meeting of 16 June 2021, to be paid on 23 June 2021.

Audit procedures have been carried out on the consolidated financial statements. The certification report is in the process of being issued.

A financial presentation is available on the FDJ group website:

<https://www.groupefdj.com/en/shareholders/financial-presentations.html>

The 2020 financial and extra-financial report (French version) is available on the FDJ group's website:

<https://www.groupefdj.com/en/investors/our-publications.html>

Next financial release

The FDJ group will report stakes and revenue for the first quarter of 2021 on Thursday 15 April after the close of the market.

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 (www.groupefdj.com/en/investors). 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. The forward-looking statements should be used with caution and circumspection and in no event can FDJ and its Management be held responsible for any investment or other decision based upon such statements. 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.

About La Française des Jeux (FDJ Group)

France's national lottery and leading gaming operator, the #2 lottery in Europe and #4 worldwide, FDJ offers secure, enjoyable and responsible gaming to the general public in the form of lottery games (draws and instant games) and sports betting (ParionsSport), available from physical outlets and online. FDJ's performance is driven by a portfolio of iconic and recent brands, the #1 local sales network in France, a growing market, recurring investment and a strategy of innovation to make its offering and distribution more attractive with an enhanced gaming experience.

FDJ Group is listed on the Euronext Paris regulated market (Compartment A – FDJ.PA) and is included in indices such as the SBF 120, Euronext Vigeo 20, STOXX Europe 600, MSCI Europe and FTSE Euro.

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Appendices

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Quarterly and half-yearly variations are not adjusted for exceptional long lottery cycles in 2019.

In € million	31.12.2020	31.12.2019 published	Change 12.2020 vs 12.2019	31.12.2019 adjusted	Chg 12.2020 vs 12.2019 adjusted
Stakes*	15,959.2	17,239.5	-7.4%	17,131.0	-6.8%
Attributable to lottery	12,733.1	13,684.4	-7.0%	13,548.7	-6.0%
Instant games	7,718.4	8,204.6	-5.9%	8,204.6	-5.9%
Draw games	5,014.7	5,479.8	-8.5%	5,344.1	-6.2%
Attributable to sports betting	3,185.7	3,537.8	-10.0%	3,537.8	-10.0%
Digitalised stakes**	3,815.6	3,403.0	11.2%	3,398.2	+12.3%
Offline stakes	14,424.4	16,137.1	-10.6%	16,033.3	-10.0%

* Stakes reflect wagers by players, and do not constitute the revenue of the FDJ group

** Digitalised stakes include online and digitalised stakes at the point of sale, i.e. using a digital service/application for their preparation, prior to registration by the distributor