

H1 2021

Activity well oriented, in a more favourable environment since mid-May

- **Good momentum despite restrictions linked to the health crisis – Quick return to a more normal environment since mid-May**
 - Entire point-of-sale network open from early June
 - Gradual acceleration of activity in the second quarter driven by point-of-sale lottery, with the reopening of bars, and UEFA Euro 2020
- **Revenue of €1.1 billion, up nearly 9% compared with the first half of 2019¹**
 - Stakes of €9.2 billion, up 8%. Growth in all activities, lottery +4% and sports betting +25%, and across all distribution channels, with online stakes accounting for 12% of total stakes
 - The Group is reaffirming its commitment to responsible gaming and the prevention of underage gambling by systematically accompanying its lottery and sports betting advertisements with dedicated messages
- **EBITDA of €261 million, i.e. a margin of 24.1% exceptionally boosted by a deferral of commercial expenses to the second half due to the health situation in the first half**
- **Outlook for 2021: further good business momentum and acceleration of commercial investments in the second half**

As such, assuming a stabilised health environment, FDJ expects to record stakes of approximately €18.8 billion for revenue of €2.2 billion in 2021, with an EBITDA margin greater than or equal to 22%

Boulogne-Billancourt (France), 29 July 2021 (5:45 p.m.) – La Française des Jeux (FDJ), France's leading gaming operator, announces its results for the first half of 2021 and its outlook for 2021 as a whole.

Stéphane Pallez, Chairwoman and CEO of FDJ, said: "The second quarter confirmed a recovery in our business to levels above those recorded before the crisis. Our stakes are increasing, both online and in our point-of-sale network. Over the half-year, we accordingly recorded an increase of nearly 9% in revenue compared with the same period in 2019. Barring new restrictions in response to developments in the health situation, the Group expects to maintain good momentum in the second half and is confident in its business and results prospects in accordance with its responsible gaming model."

Key figures (in millions of euros)

	H1 2021	H1 2020	Change	H1 2019	Change
Stakes	9,159	6,898	+32.8%	8,454	+8.3%
Revenue*	1,082	849	+27.5%	995	+8.7%
Recurring operating profit	198	124	+59.8%	165	+20.0%
Net profit	146	50	+190.2%	-	-
EBITDA**	261	174	+50.2%	208	+25.6%
EBITDA/revenue	24.1%	20.5%	-	20.9%	

* Revenue: net gaming revenue and revenue from other activities.

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

¹ Data restated for the new fiscal and regulatory framework and including Sporting Group on a full-year basis.

The Group notes that the various restrictions imposed by the French authorities to curb the Covid-19 epidemic were gradually lifted between mid-May and end-June 2021, with:

- The reopening on 19 May of outdoor restaurants and on 9 June of the indoor businesses of certain establishments open to the public, in particular bars, representing nearly 10% of the Group's points of sales;
- The end of the curfew on 30 June. The curfew was initially set at 6:00 p.m. at the start of the year before being pushed back to 7:00 p.m. on 20 March, 9:00 p.m. on 19 May and 11:00 p.m. on 9 June.

In view of the wide variations in the sporting calendar and the impact on FDJ of health measures to combat Covid-19, the comments below on changes in 2021 are presented relative to 2019, unless otherwise stated.

Activity and results for H1 2021

• Stakes of €9.2 billion, up 8.3%

Stakes recorded by FDJ in the first half of 2021 came to €9.2 billion, up 8.3%. The gradual acceleration of activity in the second quarter was driven by UEFA Euro 2020 and by point-of-sale lottery with the reopening of bars.

○ Lottery stakes of €6.9 billion, up 4%

Stakes on lottery games amounted to €6.9 billion, up 4%. Growth was driven by instant games (up 7% at €4.3 billion), while draw game stakes were stable at €2.6 billion.

- Momentum among instant games can be ascribed to the positive reception given to new games and the performance of the best-selling ones.
- The stability of draw games is attributable to the near 50% decline in stakes on Amigo, a game that was heavily affected by the closure of bars over a large part of the semester. At end-June, weekly Amigo bets were back at a level comparable to that of end-June 2019. Excluding Amigo, draw game stakes were up more than 20%, driven by Loto and Euromillions, which benefited from the success of their new formulas and significant long cycles in the first quarter, including a Euromillions jackpot of €210 million, the highest ever.
- Online lottery stakes continued to enjoy good momentum, with an increase of more than 50% compared with the first half of 2020 to €0.7 billion, driven mainly by growth in the number of players. Over the half-year, online stakes accounted for nearly 11% of total lottery stakes.

○ Sports betting stakes of €2.3 billion, up 25%

Sports betting stakes were up across both distribution channels, and overall by 25%, with a "normal" calendar of sporting events and the UEFA Euro 2020 football tournament, which kicked off on 11 June. In particular, ParionsSport En Ligne registered a very solid growth.

UEFA Euro 2020, despite the absence of the French team from the final phase, generated €260 million in stakes for FDJ, with average stakes of €5 million per match, comparable to those recorded during the 2018 World Cup, with UEFA Euro 2020 offering 20% fewer matches than the previous World Cup.

Throughout the half-year, and particularly during UEFA Euro 2020, FDJ reaffirmed its commitment to preventing the risks of addiction and excessive gambling. The Group systematically accompanies its advertisements with highly visible messages and devotes 10% of its overall TV advertising budget to communicating on responsible gaming, and in particular the ban on underage gambling.

- **Digitalised and online stakes**

The Group's online stakes exceed €1.1 billion, an increase of more than 70% compared with the first half of 2020; they represent 12% of the total stakes for the half-year.

Their growth, combined with a very high rate of digitalisation of point-of-sale stakes, above 80% for sports betting, is reflected in a doubling of digitalised stakes compared with the first half of 2020 to more than 29% of total bets (versus 20% in 2020).

- **Revenue up nearly 9% at €1.1 billion**

On half-yearly stakes of €9.2 billion, player winnings totalled €6.3 billion, putting the player payout (PPO) ratio at 68.7%.

FDJ recorded gross gaming revenue (GGR: stakes less winnings) of €2.9 billion. After €1.8 billion in public levies, or 63.4% of GGR, net gaming revenue (NGR: GGR less public levies on games) was €1.1 billion, or 11.6% of stakes.

The Group's revenue, which corresponds to net gaming revenue (NGR) and revenue from adjacent activities (International, Payment & Services and Entertainment), amounted to €1.1 billion, up 9%.

- **EBITDA of €261 million**

- **Contribution margin by business²**

- **Lottery: contribution margin of 36.9%**

Based on revenue of €807 million, the lottery contribution margin was €298 million, representing 36.9% of revenue, compared with 33.2% in H1 2019.

The H1 2021 margin reflects a lower level of commercial investments due to the closure of nearly 10% of points of sale during most of the half-year, as well as the increase in the relative weight of online stakes, which were up more than 50% compared with H1 2020.

Costs of sales amounted to €441 million, and mainly includes point-of-sale (PoS) commissions, evolving in line with PoS stakes. Marketing and communication costs (€69 million) take into account ongoing investment in the development of the gaming offer and the resumption of marketing programmes.

- **Sports betting: contribution margin of 25%**

Based on revenue of €244 million, the sports betting contribution margin was €61 million, representing 25.0% of revenue, compared with 24.3% in H1 2019.

Costs of sales amounted to €126 million, reflecting business trends, betting rights and point-of-sale commercial animation. Marketing and communication costs (€57 million) include UEFA Euro 2020 marketing investments, as well as responsible gaming campaigns.

- **Adjacent activities and holding company**

Based on revenue of €30 million, the contribution margin of the adjacent activities (International, Payment & Services and Entertainment) was zero at end-June 2021. Overheads amounted to €98 million. Stable compared with the first half of 2019, their increase of €8 million compared with the first half of 2020 reflects a higher level for certain expense items (corporate image campaign, travel expenses, fees and internal communication) covered by the 2020 savings plan.

- **EBITDA margin of 24.1%, boosted by factors specific to the first half of 2021**

EBITDA for the first half of 2021 was €261 million, representing 24.1% of revenue. It benefited from the deferral until the second half of certain expenses not fully incurred in the health climate prevailing in the first half – for sales promotion in points of sale for instance – and reflects the significant weight of online stakes in the total.

² The contribution margin is one of the key performance indicators of the Group's operating segments. It is the difference between segment revenue, costs of sales (including PoS commissions) and marketing and communication expenses (excluding depreciation and amortisation) allocated to them.

Depreciation and amortisation expense amounted to €63 million. The €13 million increase compared with the first half of 2020 is attributable chiefly to shorter amortisation periods for the development costs of activities in a context of constant technological innovation and to the amortisation of the partnership contract with the Paris 2024 Olympic and Paralympic Games.

FDJ Group recorded recurring operating income of €198 million.

- **Net income of €146 million**

Operating income for the first half of 2021 was €197 million, including net other non-recurring operating expenses of €1 million.

The improvement in the financial result (positive €4 million compared with negative €5 million at end-June 2020) is attributable chiefly to favourable trends in the financial markets.

The effective tax rate was 28.1% in the six months to end-June 2021.

Consolidated net income accordingly amounted to €146 million.

- **Available cash³ of nearly €1 billion and net cash surplus of €712 million at end-June 2021**

At the end of June 2021, the Group had available cash of nearly €1 billion.

The net cash surplus is one of the indicators representing the Group's net cash position.

At 30 June 2021, the net cash surplus was €712 million. Its change compared with the €577 million at 31 December 2020 is attributable chiefly to:

- EBITDA generated over the half-year, plus surplus working capital;
- Against which are charged dividends in respect of 2020 and investments for the first half of the year.

For information, the net cash surplus at the end of June cannot be extrapolated to the end of December because there are significant calendar effects on the payments of public levies, including an advance on public levies in December.

2021 Outlook

Assuming a stabilised health environment, the Group expects to maintain good business momentum and plans to step up its commercial investments in the second half.

As such, for the full year in 2021, FDJ is anticipating:

- Stakes of approximately €18.8 billion;
- Revenue of €2.2 billion;
- EBITDA margin greater than or equal to 22%; and
- A conversion rate of EBITDA into free cash flow⁴ remaining above 80%.

These forecasts include the impact in the second half, in terms of both business and expenses, of the reopening of points of sale, which benefits Amigo and instant games. At the same time, online lottery stakes are expected to reach €1.5 billion in 2021 after exceeding €1.1 billion in 2020. Lastly, growth in sports betting is set to remain strong.

The main risks and uncertainties that the Group may face are those described in the 2020 Universal Registration Document. The half-yearly financial report sets out the risks related to financial instruments and ongoing litigation and legal proceedings, updated as of 30 June 2021. It also mentions a post-closing event related to the European Commission's announcement of 26 July 2021.

³ Cash available = cash & cash equivalents net of Euromillions liquidity funds and deposits available for drawdown within 32 days.

⁴ Free cash flow: cash flow from operations after operating investments.

FDJ's Board of Directors met on 29 July 2021 and examined the consolidated financial statements for the six months ended 30 June 2021, which were prepared under its responsibility.

The limited review procedures on the half-yearly financial statements have been performed. The auditors' limited review report is in the process of being issued. The consolidated financial statements and a financial presentation are available on the FDJ Group website:

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

The Group's next financial communication

FDJ will release its third-quarter 2021 revenue on Thursday 14 October after the close of trading.

Forward-looking statements

This press release contains information on FDJ Group's objectives, as well as forward-looking statements. These statements do not reflect historical data and must not be interpreted as guarantees that the facts and data mentioned will occur. The information contained herein is based on what the Group considers to be reasonable data, assumptions and estimates. FDJ operates in a competitive and rapidly changing environment. The Group is therefore not in a position to anticipate all of the risks, uncertainties or other factors likely to impact its activity, the potential impact thereof on its activity, or even to what extent the materialisation of a risk or a combination of risks could present significantly different results from those mentioned in any forward-looking statements. The information contained herein is provided solely as at the date of the present press release. The Group makes no commitment to update these forward-looking statements or the assumptions on which they are based, aside from the fulfilment of any legal and regulatory obligations incumbent upon it. FDJ will disclose to the market any updates to information provided that are likely to have a significant impact on its activities, results, financial position or outlook, in accordance with applicable regulations, and will comply with the ongoing disclosure obligations applicable to all companies whose shares are listed for trading on the regulated market of Euronext Paris.

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

2019 data restated, with full-year application of the new tax framework effective from 1 January 2020 and the consolidation of Sporting Group

In € million	30.06.2021	30.06.2020	Change 06.2021 vs. 06.2020	30.06.2019 restated	Change 06.2021 vs. 06.2019 restated
Stakes*	9,159	6,898	32.8%	8,454	8.3%
Of which lotteries	6,877	5,777	19.1%	6,609	4.0%
Instant lottery games**	4,282	3,558	20.4%	4,012	6.8%
Draw games	2,595	2,219	17.0%	2,598	-0.1%
Of which sports betting	2,263	1,108	104.3%	1,810	25.0%
Digitalised stakes***	2,690	1,404	91.5%	1,686	59.5%
Offline stakes	8,082	6,269	28.9%	7,917	2.1%

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

** Mainly scratch games (point of sale and online)

*** 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

In € million	30.06.2021	30.06.2020	Change 06.2021 vs. 06.2020	30.06.2019 restated	Change 06.2021 vs. 06.2019 restated
Stakes	9,159	6,898	32.8%	8,454	8.3%
Prizes won	6,294	4,646	+35.5%	5,799	+8.5%
<i>Player payout ratio</i>	68.7%	67.3%	+1.4 pt	68.6%	+0.1 pt
Gross gaming revenue (GGR)	2,865	2,253	+27.2%	2,654	+7.9%
<i>GGR as % of stakes</i>	31.3%	32.7%	-1.4 pt	31.4%	-0.1 pt
Net gaming revenue (NGR)	1,058	829	+27.6%	976	+8.4%
<i>NGR as % of stakes</i>	11.6%	12.0%	-0.4 pt	11.5%	+0.1 pt
Revenue	1,082	849	+27.5%	995	+8.7%

Consolidated income statement

<i>In € millions</i>	30 June 2021	30 June 2020
<i>Stakes</i>	9,159.1	6,898.4
<i>Player payout</i>	-6,294.0	-4,645.5
Gross gaming revenue	2,865.1	2,252.8
<i>Public levies</i>	-1,815.4	-1,429.8
<i>Other revenue from sports betting</i>	8.1	6.0
Net gaming revenue	1,057.8	829.0
Revenue from other activities	23.9	19.7
Revenue	1,081.8	848.6
Cost of sales	-590.8	-481.9
Marketing and communication expenses	-195.1	-147.5
General and administrative expenses	-89.8	-87.0
Other recurring operating income	0.1	0.5
Other recurring operating expenses	-8.4	-9.0
Recurring operating profit	197.8	123.8
Other non recurring operating income	0.0	0.2
Other non recurring operating expenses	-0.9	-30.3
Operating profit	197.0	93.7
Cost of debt	-2.9	-2.1
Other financial income	6.8	5.7
Other financial expenses	-0.2	-8.9
Net financial income/(expense)	3.8	-5.2
Share of net income for joint ventures	1.9	0.5
Profit before tax	202.6	89.0
Income tax expense	-56.9	-38.8
Net profit for the period	145.7	50.2
Attributable to :		
Owners of the parent	145.7	50.2
Non -controlling interests	0.0	0.0
Basic earnings per share (in €)	0.76	0.26
Diluted earnings per share (in €)	0.76	0.26

Segment reporting

30 June 2021							
<i>In € millions</i>	Lottery BU	Sport Betting BU	Other segments	Holding company	Total before depreciation and amort.	Depreciation and amort.	Total Group
Stakes	6,877	2,263	19	0	9,159		9,159
Gross gaming revenue	2,356	508	1	0	2,865		2,865
Net gaming revenue	805	244	9	0	1,058		1,058
Revenue	807	244	30	0	1,082		1,082
Cost of sales	-441	-126	-4	0	-571	-20	-591
Marketing and communication expenses	-69	-57	-26	-17	-169	-26	-195
Contribution margin	298	61	0	-17	342	-46	296
General and administration expenses				-81	-81	-17	-98
EBITDA					261		
Depreciation and amortisation						-63	
Recurring operating profit							198

30 June 2020							
<i>In € millions</i>	Lottery BU	Sport Betting BU	Other segments	Holding company	Total before depreciation and amort.	Depreciation and amort.	Total Group
Stakes	5,777	1,108	14	0	6,898		6,898
Gross gaming revenue	1,954	298	1	0	2,253		2,253
Net gaming revenue	677	145	6	0	829		829
Revenue	679	145	24	1	849		849
Cost of sales	-395	-65	-3	0	-464	-18	-482
Marketing and communication expenses	-65	-34	-21	-12	-133	-14	-147
Contribution margin	219	45	-1	-12	251	-32	219
General and administration expenses				-78	-78	-18	-95
EBITDA					174		
Depreciation and amortisation						-50	
Recurring operating profit							124

30 June 2019 retraité							
<i>In € millions</i>	Lottery BU	Sport Betting BU	Other segments	Holding company	Total before depreciation and amort.	Depreciation and amort.	Total Group
Stakes	6,610	1,810	34	0	8,454		8,454
Gross gaming revenue	2,251	403	0	0	2,654		2,654
Net gaming revenue	771	195	9	0	976		976
Revenue	773	195	27	0	995		995
Cost of sales	-456	-107	-3	0	-566	-19	-585
Marketing and communication expenses	-61	-41	-22	-14	-138	-12	-150
Contribution margin	256	48	2	-14	291	-31	260
General and administration expenses				-83	-83	-12	-95
EBITDA					208		
Depreciation and amortisation						-43	
Recurring operating profit							165