

## Very good performance in 2021 Upward revision of 2025 targets Reinforcement of societal commitments

- **2021 revenue of €2.3 billion, up 10% compared with 2019<sup>1</sup>, based on an 11%<sup>1</sup> increase in stakes to €19 billion**
  - Growth in offline stakes (+5% vs 2019) and strong momentum in online stakes (+42% vs 2020)
- **EBITDA of €522 million, or a margin of 23.1%, up from 22.2% in 2020, and net profit of €294 million**
  - Dividend of €1.24 per share, or 80% of consolidated net profit, to be proposed to the General Meeting of 26 April 2022
- **Strengthening of societal commitments and significant economic and social contribution**
  - 10% of the Group's television advertising purchases devoted to responsible gaming;
  - €25 million endowment to the FDJ Corporate Foundation for its programme over the 2023-2027 period, a 28% increase vs 2018-2022
  - Implementation of the "Rebond" fund to support local businesses, with a €15 million contribution from FDJ
  - €6.2 billion contribution to French GDP by the Group in 2021; 54,800 jobs maintained or created in France<sup>2</sup>
- **2022 targets: revenue growth of nearly 5% and EBITDA margin above 23.5%**
- **Upward revision of the 2025 targets set at the time of the IPO<sup>3</sup>**
  - Average annual revenue growth of between 4% and 5% from 2021 to 2025
  - A doubling of the share of online stakes compared with 2020 to over 20% of total stakes
  - EBITDA margin above 25%
  - Payout ratio between 80% and 90% of net profit from 2022

**Boulogne-Billancourt (France), 16 February 2022 (7:00 a.m.)** – La Française des Jeux (FDJ), France's leading gaming operator, announces its 2021 results, its outlook for 2022 and its 2025 targets.

**Stéphane Pallez**, Chairwoman and CEO of FDJ, said: "The year 2021 marks FDJ's return to its pre-crisis growth trajectory for all its activities. The Group's 2021 results are significantly higher than those recorded in 2019, thanks to the acceleration online and the growth within our network of points of sale. This performance demonstrates the relevance of our strategy and leads us to revise upwards the 2025 objectives communicated at the time of the Group's IPO, both in terms of growth and EBITDA margin. At the same time, we are continuing our societal commitments, which have already been significantly strengthened since the start of the health crisis. FDJ will carry on combining financial performance with extra-financial commitments for the benefit of all of its stakeholders."

<sup>1</sup> Data adjusted for the new fiscal and regulatory framework, exceptional long lottery cycles and expenses relating to the Group's IPO, and consolidating Sporting Group on a full-year basis.

<sup>2</sup> BDO-Bipe study. The methodology of this study integrates the international economic impact assessment standards used by the major authorities (UN, European Commission, etc.). It assesses direct, indirect, induced and catalytic effects in order to calculate FDJ's contribution to wealth (GDP) and employment in France.

<sup>3</sup> Registration Document under registration number I.19-035 approved by the AMF as of 17 October 2019.

## Key figures (in € million)

	2021	2020	Change	2019 adjusted	Change
Stakes	18,976	15,959	+18.9%	17,131	+10.8%
Revenue*	2,256	1,920	+17.5%	2,048	+10.1%
Recurring operating profit	393	325	+21.1%	326	+20.6%
Net profit	294	214	+37.6%	202	+45.7%
Dividend per share (€)	1.24	0.90	+37.8%	0.45	X2.8
<b>EBITDA**</b>	<b>522</b>	<b>427</b>	<b>+22.3%</b>	<b>422</b>	<b>+23.6%</b>
<b>EBITDA/revenue</b>	<b>23.1%</b>	<b>22.2%</b>	<b>-</b>	<b>20.6%</b>	<b>-</b>

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

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

***In view of the highly contrasted impact of the health crisis and measures to combat Covid-19 on FDJ's business in 2020 and 2021, changes in activity (stakes and revenue) are mainly given in relation to 2019, unless otherwise stated, and those relating to expenses and results in relation to 2020. The 2019 data have been adjusted, net of tax, for the new tax and regulatory framework effective from the beginning of 2020, the impact of exceptional long lottery cycles<sup>4</sup>, expenses relating to the Group's IPO, and consolidating Sporting Group on a full-year basis.***

### 2021 highlights

- **Return of the environment to normal**
  - The entire network of more than 30,000 FDJ points of sale open from the start of June;
  - A standard calendar, for both sporting competitions and lottery marketing and promotional events.
- **Business growth across all product ranges**
  - Strong growth for Loto and Euromillions, driven notably by record jackpots and numerous long cycles;
  - Success for new instant games available at points of sale, such as "La grosse roue" and "A prendre ou à laisser", the third phygital game;
  - Growth in Parions Sport Point de Vente stakes thanks to the continued enrichment of the offer and digitalisation, which now accounts for nearly 85% of stakes. Parions Sport En Ligne continues to record strong growth, reflecting the attractiveness of its offer, amid a fast-developing market.
- **Business growth across all sales channels**
  - Stakes in the sales network were up 5%. Strong momentum continued in the digital channel, with stakes up 42% vs 2020. Online stakes accordingly represent more than 11% of total stakes, a very substantial increase from 6% in 2019.
  - In lotteries alone, online stakes were up 37% vs 2020, after growth of 55% vs 2019 in 2020. This performance is still attributable mainly to the increase in the number of players, which exceeded 4 million at the year-end. More than two years ahead of pre-health crisis expectations, online lottery stakes now amount to nearly €1.6 billion and account for nearly 11% of total lottery betting, double the 2019 level.

<sup>4</sup> Unwon jackpots accumulate – starting at €8 million for Loto and €75 million for Euromillions – thereby offering increasingly high jackpots

## ○ Acceleration of adjacent activities

- Internationally, a B2B offer was successfully launched in North America. It involves the rollout of a comprehensive service to manage a point-of-sale and online sports betting offering in two Canadian provinces, Proline+ in Ontario and PlayAlberta in Alberta;
- The rollout of the point-of-sale payment service for public treasury bills (tax collection, fine collection, utility bills, etc.) continued. This service is now available in more than 12,000 points of sale, up from 9,000 at the end of 2020, and has recorded 2 million transactions since its launch. Moreover, the French Prudential Control and Resolution Authority (ACPR), which is attached to the Banque de France, has given FDJ's Payment and Services activity accreditation as a payment institution, enabling it to develop a collection activity on behalf of third parties in addition to the French Public Treasury (DGFIP).

## ○ CSR commitments assessed and strengthened

In 2021, FDJ strengthened its social commitments and maintained a very high level of non-financial performance, with:

- A strengthened commitment to responsible gaming and the fight against underage and excessive gambling, with:
  - 10% of the Group's total advertising purchases to be devoted to this commitment from 2022, compared with 10% of the television advertising budget previously;
  - Intensification of the action plan during UEFA Euro 2020, with TV campaigns to prevent underage gambling and digital video to raise awareness about excessive gambling;
- A €25 million endowment to the FDJ Corporate Foundation for its 2023-2027 programme, a 28% increase vs the previous (2018-2022) endowment;
- The implementation of the "Rebond" fund, a fund to support local businesses in vulnerable areas, to which FDJ has contributed nearly €15 million;
- A €2 million donation from the FDJ Corporate Foundation to support 15,000 young people in difficulty. This brings FDJ Group's total exceptional donations to various associations supporting vulnerable people to nearly €5 million since the beginning of the health crisis;
- Moody's ESG A1+ rating maintained and a 100/100 rating obtained on the "Pénicaud" gender equality index.

## **Activity and results in 2021**

In 2021, the Group's environment normalised, with the entire network of 30,000 FDJ points of sale open from the beginning of June and a standard calendar, for both sporting competitions, and lottery marketing and promotional events. The good business momentum recorded in the first half of the year was largely confirmed in the second half.

- **Revenue of €2,256 million, up 10.1%, based on stakes of €18,976 million, up 10.8% vs 2019**

Stakes were up across all sales channels:

- In the point-of-sale network, with an increase of 5%;
- Online, with a further strong increase of 42% in stakes vs 2020, after an increase of 40% in 2020 vs 2019. Online stakes accordingly represent more than 11% of total stakes, a very substantial increase from 6% in 2019.

Prizes amounted to €12,971 million (+11.1%), representing a player payout ratio (PPO) of 68.4%, compared with 68.0% in 2020 and 68.1% in 2019. As such, gross gaming revenue (GGR, i.e. stakes less prizes won) amounted to €6,004 million (+10.0%).

Net gaming revenue (NGR, i.e. GGR less public levies on games) constitutes the FDJ Group's remuneration from gaming. After €3,816 million in public levies (+10.1%), NGR amounted to €2,202 million (+9.6%).

After taking into account income from other activities, the Group's revenue totalled €2,256 million, up 10.1% vs 2019 and 17.5% vs 2020.

- **Recurring operating profit of €393 million and EBITDA of €522 million, representing an EBITDA margin of 23.1%, an improvement on the margin of 22.2% in 2020**

Cost of sales amounted to €1,233 million (+14.3%). This includes €901 million (+16.7%) of PoS commissions, which are correlated with stakes recorded in the network.

Marketing and communication costs include advertising and product development costs, as well as IT development and operating costs for games and services. They amounted to €415 million (+25.8%), driven by the increase in the game offering amidst very strong growth in digital channels, as well as by communication campaigns on lottery games, sports betting and the Group's image.

Administrative and general expenses mainly include personnel and operating expenses for central functions, as well as building and IT infrastructure costs. They amounted to €199 million (+15.5%).

As a reminder, certain operating expenses, in particular advertising and promotional expenses and running expenses, were reduced in 2020 as part of the savings plan of more than €80 million implemented at the outset of the health crisis.

The Group's recurring operating profit accordingly amounted to €393 million, an increase of 21.1%. The €27 million increase in net depreciation and amortisation expense to €129 million is attributable chiefly to the shortening of depreciation periods for certain development costs capitalised in an environment of ongoing technological innovation and the start of the amortisation of the partnership contract for the Paris 2024 Olympic and Paralympic Games in January 2021.

EBITDA, recurring operating profit adjusted for depreciation and amortisation, amounted to €522 million, an increase of 22.3%.

- **Net profit up 37.7% at €294 million**

Non-recurring expenses eased to €1.5 million, compared with expenses of €32.0 million in 2020, mainly reflecting:

- A reversal of the unused provision following the final ruling of the Court of Cassation in favour of FDJ in the proceedings brought by broker-agents;
- Impairments related to Sporting Group.

In 2020, they mainly included asset impairments and restructuring expenses related to the discontinuation of Sporting Group's proprietary trading business.

Operating profit amounted to €392 million (+33.8%).

The increase in financial income (€21 million, vs €5 million in 2020) is attributable chiefly to favourable trends in the financial markets and the performance of the innovation funds in which FDJ has invested to support the development of start-ups working on subjects of interest and activities close to FDJ's core business.

Tax expense amounted to €122 million, representing an effective tax rate of 29.7%.

Consolidated net profit accordingly amounted to €294 million.

- **By activity**

The Group's organisation is based on three operating segments: two Business Units (BUs), Lottery and Sports Betting, and the adjacent activities which include International, Payment and Services, and Entertainment, with cross-functional support functions (notably customer, distribution and information systems), and the holding company, which mainly includes 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**

The Lottery performed well, with revenue of €1,728 million, an increase of 8.8% vs 2019 and 15.6% vs 2020. The 8.7% increase in stakes to €14,726 million is attributable to both instant games and draw games:

- Instant games recorded stakes of €8,982 million, up 9.5%. This momentum can be attributed notably to the successful management of the game offer, including the success of launches in points of sale, namely "La grosse roue", a game priced at 3 euros, or "A prendre à laisser", priced at 5 euros and the third phygital game launched since 2019;
- Draw games recorded stakes of €5,744 million, up 7.5%. This growth was driven strongly by Loto and Euromillions, which both saw record jackpots and numerous long cycles in 2021;
- Growth was strong in online lottery stakes (+37% vs 2020 after +55% in 2020 vs 2019), which totalled nearly €1.6 billion, i.e. more than 10% of lottery stakes. This performance is attributable mainly to the increase in the player base, which exceeded 4 million at the year-end.

The Lottery BU's contribution was €621 million, representing a contribution margin of 35.9%, up from 33.6% in 2020.

- Cost of revenue amounted to €949 million (+12%), mainly reflecting PoS commissions, whose growth mirrored that of network stakes over the year.
- Marketing and communication expenses totalled €159 million, an increase of 9.7%, with the group maintaining substantial development of the game offer, particularly digital.

- **Sports Betting**

For Sports Betting, the year benefited from the return to a "normal" events calendar, whereas activity had been significantly affected by the health crisis in the first half of 2020, and from the UEFA Euro 2020 football tournament from 11 June to 11 July 2021.

Revenue amounted to €464 million, an increase of 14.1% vs 2019 and 24.7% vs 2020, based on stakes up 19.2% at €4,216 million. The player payout ratio was 77.1%, up from 75.9% in 2020.

The Sports Betting contribution was €121 million, representing a margin of 26.1%, reflecting the increase in the player payout ratio (PPO) combined with an increase in operating expenses, which had been reduced in 2020 as part of the savings plan.

- Cost of sales amounted to €234 million. It mainly reflects PoS commissions, whose growth mirrored that of network stakes over the year.
- Marketing and communication expenses totalled €109 million, reflecting the development of the offer, as well as marketing and communication expenses related to the year's sporting events, in particular UEFA Euro 2020, combined with responsible gaming campaigns.

- **Adjacent activities**

Adjacent activities (International, Payment & Services and Entertainment) recorded revenue of €63 million. The increase of €11 million vs 2020 is attributable both to the International business and to the development of the point-of-sale payments business launched in 2020. These activities' contribution was -€2 million, a slight improvement of €1 million on that of 2020.

### **Robust financial structure and available cash close to €1 billion**

The Group's investments totalled €76 million, a level very close to the €80 million recorded in 2020, excluding the securing of exclusive operating rights. They mainly relate to the development of information and back-office systems as well as point-of-sale gaming terminals.

Normalised change in working capital surplus from operations (restated for calendar impacts and unclaimed prizes) was €49 million. As such, on the basis of EBITDA of €522 million, free cash flow<sup>5</sup> totalled €495 million, up from €386 million in 2020, with an EBITDA to cash conversion rate of 95%.

At the end of December 2021:

- The Group's equity amounted to €829 million on a balance sheet total of €3,188 million;
- The net cash surplus, one of the indicators of the Group's net cash position, was €916 million, up from €577 million at the end of 2020, and FDJ had available cash<sup>6</sup> of nearly €1 billion.

### **A significant economic and social contribution from the Group**

For the sixth consecutive year, Bureau d'information et de prévision économique (BDO-Bipe) has assessed the FDJ Group's economic and social contribution in France.

In 2021, FDJ's contribution to national wealth was €6.2 billion, or 0.25% of gross domestic product (GDP).

In terms of employment, the FDJ Group's activities created or maintained 54,800 jobs in France.

FDJ's contribution is significant for:

- **The French State**, with a total contribution of more than €4.1 billion to the State budget, including a €3.8 billion public levies on games, a €227 million balance of player funds closed by the Pacte law and 2020 unclaimed prizes and €35.2 million in dividends;
- **Local retail businesses**, with €901 million paid to its retailers. FDJ thus enabled the creation or perpetuation of 21,100 jobs in that network in 2021. FDJ has more than 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 €28 million was donated by the State to the French national heritage foundation for the 2021 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;
- The **FDJ Corporate Foundation**, which is committed to promoting equal opportunity by supporting nearly a hundred projects every year throughout France, with a budget of €19.5 million over five years (2018-2022).

### **2022 targets**

In 2022, based on a stable environment, the Group is aiming for:

- Revenue growth of nearly 5%. Growth in online stakes is expected to exceed 20%;
- An EBITDA margin of over 23.5%. In line with the Group's strategy, investments in the development of the games and services offered to players will continue to grow faster than the business;
- An EBITDA to free cash flow conversion rate always higher than 80%.

<sup>5</sup> Free cash flow: cash flow generated from operations after operating investments.

<sup>6</sup> Available cash: cash & cash equivalents net of Euromillions funds, and deposits available in less than 32 days.

## **Upward revision of the Group's 2025 targets**

The FDJ Group's 2020-2021 performance, in particular the substantial acceleration of the growth of online lottery, confirms the relevance of its strategy and has prompted it to revise up its 2025 targets, initially issued at the time of its IPO in late 2019. These targets notably included:

- Average annual revenue growth of between 3% and 4%;
- A 2025 EBITDA margin of over 20%.

This revision is mainly attributable to the accelerated growth of the digital stakes, which are expected to account for more than 20% of the Group's total stakes in 2025 and double the 2020 level.

Point-of-sale activity is also expected to increase.

At the same time, the Group plans to maintain a high level of investment to:

- Continue to develop the range of games and services;
- Ensure the rollout of its customer identification and knowledge strategy;
- Continue to modernise and develop the attractiveness of its network, notably by offering new payment services, which generate additional footfall and revenue for points of sale, and by adopting a new visual identity. The Group also plans to continue the transformation of its commercial organisation, with full effect expected in 2026.

Overall, by 2025, FDJ is aiming for:

- Average annual revenue growth of between 4% and 5% over the 2021-2025 period, with sports betting growing faster than lottery and the development of adjacent activities;
- An EBITDA margin increasing steadily to over 25% by 2025;
- Cumulative investments maintained at €600 million over the 2020-2025 period;
- An EBITDA to free cash flow conversion rate of over 80% over the 2022-2025 period;
- A payout ratio between 80% and 90% of the FDJ Group's net profit from 2022;
- The Group also aims not to exceed a financial debt ratio (net financial debt to EBITDA) of 2, including external growth, over the 2022-2025 period.

## **Dividend**

FDJ's Board of Directors, at its meeting of Tuesday 15 February, approved the Group's 2021 financial statements. It will propose, to the General Meeting of 26 April 2022, a dividend of 1.24 euro per share to be paid on 4 May 2022.

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 2021 consolidated accounts are available in French and English on the FDJ Group website:

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

## **Next financial release**

The FDJ Group is to release its Q1 2022 revenue on Thursday 21 April after 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.

For further information, [www.groupefdj.com](http://www.groupefdj.com)



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## **APPENDICE**

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.

<b>In € million</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change 12.2021 vs 12.2020</b>	<b>31.12.2019 adjusted</b>	<b>Change 12.2021 vs 12.2019 adjusted</b>
<b>Stakes*</b>	<b>18,975.6</b>	<b>15,959.2</b>	<b>+18.9%</b>	<b>17,131.0</b>	<b>+10.8%</b>
<b>Attributable to lottery</b>	<b>14,726.3</b>	<b>12,733.1</b>	<b>+15.7%</b>	<b>13,548.7</b>	<b>+8.7%</b>
<b>Instant games</b>	<b>8,982.4</b>	<b>7,718.4</b>	<b>+16.4%</b>	<b>8,204.6</b>	<b>+9.5%</b>
<b>Draw games</b>	<b>5,744.0</b>	<b>5,014.7</b>	<b>+14.5%</b>	<b>5,344.1</b>	<b>+7.5%</b>
<b>Attributable to sports betting</b>	<b>4,215.7</b>	<b>3,185.7</b>	<b>+32.3%</b>	<b>3,537.8</b>	<b>+19.2%</b>
<b>Digitalised stakes**</b>	<b>5,245.1</b>	<b>3,815.6</b>	<b>+37.5%</b>	<b>3,398.2</b>	<b>+54.3%</b>
<b>Offline stakes</b>	<b>16,803.1</b>	<b>14,424.4</b>	<b>+16.5%</b>	<b>16,033.3</b>	<b>+4.8%</b>

\* 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