

Very strong 2022 results Confirmation of the 2023 outlook, in line with the Group's responsible growth trajectory

- **2022 revenue of €2.5 billion, up 9%, based on a 9% increase in stakes to €20.6 billion**
 - After a first half of the year that benefited from the post-Covid recovery, the second half of the year was in line with the Group's growth trajectory, with revenue up 6%¹, including the effect of the Football World Cup at the end of the year
 - In this exceptional environment, growth in all business activities and across all channels:
 - Significant growth in point-of-sale stakes (+8%) and sustained momentum in online stakes (+16%), which represent more than 12% of total stakes
 - Revenue up 11% for the lottery business and up 1% for sports betting and online gaming open to competition²
 - Strengthened awareness-raising and control measures to prevent excessive and underage gambling, with more than 10% of the overall advertising budget dedicated to responsible gambling
- **Recurring EBITDA³ of €590 million, up 13%, representing a margin of 24.0%, and net profit of €308 million**
- **Growth benefiting all stakeholders**
 - Significant economic and social contribution of €6.5 billion to GDP
 - 55,300 jobs sustained or created in France
 - €965 million paid to distributors
 - €684 million of purchases made in France
 - Profit-sharing and incentive bonuses representing 24% of total payroll
 - Dividend of €1.37 per share, i.e. 85% of consolidated net profit, up 10% from 2021, proposed to the shareholders at the general meeting to be held on 27 April 2023
- **2023 targets: revenue growth of between 4% and 5%⁴ and recurring EBITDA margin remaining around 24%**

Boulogne-Billancourt (France), 15 February 2023 (7:30 a.m.) – La Française des Jeux (FDJ), France's leading gaming operator, announces its results for 2022 and confirms its outlook for 2023 as a whole.

Stéphane Pallez, Chairwoman and CEO of FDJ Group, said: "FDJ recorded very strong results for the year as a whole, marked by an increase in all of our business activities, supported by significant growth in our 30,000 points of sale and sustained momentum online. This good performance benefits all our stakeholders, in particular our employees, our retailers and our shareholders. The Group also continued to strengthen its social commitments, in particular its actions to prevent excessive and underage gambling. Backed by his financial and non-financial performance, the Group is confident in its strategy and its prospects to create balanced value in the medium term."

¹ Excluding Aleda and L'Addition

² Online gaming excluding lottery business. In France, authorised online gaming open to competition are sports betting, horse racing betting and poker

³ Recurring EBITDA: recurring operating profit adjusted for depreciation and amortisation expense - definition unchanged from that of EBITDA

⁴ Based on a 2022 financial year including the acquisitions of Aleda and L'Addition on a full-year basis, i.e. €2,514 million

Key figures (in millions of euros)

	2022	2021	Change
Stakes	20,618	18,976	+8.7%
Revenue*	2,461	2,256	+9.1%
Recurring operating profit	459	393	+16.8%
Net profit	308	294	+4.7%
Dividend per share (€)	1.37	1.24	+10.5%
Recurring EBITDA**	590	522	+13.1%
Recurring EBITDA/revenue margin	24.0%	23.1%	

* Revenue: net gaming revenue and revenue from other activities

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

2022 highlights

Very strong results - recurring EBITDA margin of 24%

In 2022, FDJ Group performed strongly, with revenue up 9% to €2,461 million, in line with the growth in stakes. After a first half of the year that continued to benefit from the post-Covid recovery, revenue grew 6% in the second half of the year, a level close to the Group's historical growth trajectory.

Recurring EBITDA was €590 million, up 13%, thanks to strong growth in the point-of-sale business and dynamic digital growth. The recurring EBITDA to revenue margin was 24%, up 90 basis points.

Growth in all business activities

In the lottery business, the 11% growth in revenue, to €1,916 million, reflects the strong intrinsic momentum of games and a return to normality in the points of sale network. The performance of draw games was mainly due to the attractiveness of Loto and Euromillions, with a significant number of high jackpots. The performance of instant games was driven by portfolio animation, in particular the success of game launches and relaunches, including Cash, x10 and x20, and As de Cœur.

Sports betting and online gaming open to competition revenue was €467 million, up 1%. After a first half of the year that suffered from an unfavourable 2021 comparison base due to UEFA Euro 2020 being held in the first half of 2021, the rebound in activity recorded in August and September, with the resumption of European championships, intensified at the end of the year with the FIFA Football World Cup. The French team's strong performance resulted in a very high player payout ratio, with this competition contributing 6% of the business's annual revenue.

Significant growth in point-of-sale stakes and continued momentum of online stakes

Across the network, which remained stable at approximately 30,000 points of sale, stakes increased by 8% to €18.1 billion.

This momentum is driven by high traffic, reflecting both the attachment of consumers to this local network, which the Group is helping to transform and diversify, and the attractiveness of FDJ's gaming offering, which is a major driver of traffic.

After two years of very strong growth, with digital stakes doubling between 2019 and 2021, accelerated by changes in behaviour caused by the health crisis, the growth in digital stakes is normalising. In 2022, they exceeded €2.5 billion, up 16% from 2021, representing more than 12% of total stakes. In the fourth quarter alone, the Group's digital business set a new record, with stakes of more than €700 million, up 14% from the same period in 2021. In addition, FDJ's share of the online sports betting market, cumulatively at the end of September and during the FIFA Football World Cup, increased.

The increase in digital stakes continues to be essentially attributable to increases in the number of players. In terms of the lottery business, there are now close to 5 million players, double the number in 2019, two-thirds of whom also play at points of sale. The share of gross revenue from online lottery games derived from high-risk players was 2.3%, with the objective of this figure falling below 2% by 2025.

Strengthening of the sports betting and online gaming open to competition

The FDJ Group is continuing to implement its strategy of strengthening its position in the French online gaming market. To that end, in November it:

- Launched a poker offering on the *ParionsSport en ligne* app;
- Entered into an agreement to acquire the ZEturf Group, the second largest online horse racing betting operator in France, which also offers online sports betting under the ZEbet brand. This Group generated revenue of almost €50 million in 2021. This transaction is expected to complete in the second half of 2023, once the conditions precedent are satisfied, in particular approval from the French competition authorities.

Development of the Payment & Services business

With the aim of becoming one of the leading local payment and collection networks in France, in 2022 the Group:

- Recorded a 46% increase in the number of payments collected on behalf of DGFIP (the French treasury department), a service now available at more than 14,000 points of sale;
- Launched the Nirio brand for routine bill payment services (landlords, energy companies, etc.) in the FDJ network;
- Acquired two companies with a view to expanding into the field of point-of-sale management and payment solutions: Aleda, a specialist in point-of-sale payment solutions for local shops, and L'Addition, a specialist in payment equipment and services for cafés, bars, hotels and restaurants.

International strategic partnership

At the end of 2022, FDJ and Scientific Games, a leading provider of products, technology and services to lotteries, announced a partnership to market a range of phygital instant games. FDJ is a pioneer of these innovative games, which gives point-of-sale scratch card players the option to continue their play experience and potentially expand their winnings in a digital game. FDJ has already launched three phygital games since 2019 and a fourth game is to be marketed in 2023.

Consolidated societal commitments

In 2022, Moody's ESG Solutions gave the FDJ Group an A1+ rating for the fourth consecutive year, with a score of 72/100, up 2 points from 2021.

The Group also maintained, for the third time, its 100/100 rating on the "Pénicaud" gender equality index. It is also one of the top 5% companies rated by Ecovadis, with its score rising to 71/100, and retaining its Gold medal.

The Group continues to:

- **constantly strengthen its work on preventing underage and excessive gambling**, on which it spent nearly €15 million in 2022, with:
 - More than 10% of the overall advertising budget dedicated to responsible gambling, with new preventive information campaigns and a strengthened action plan before and during the World Cup. In January 2023, the Group also launched a new campaign alongside Paris Saint-Germain (PSG) to increase the reach of its prevention messaging and to promote recreational sports betting;
 - Checks at the points of sale, in particular through mystery visits linked to a sanction system in the event of non-compliance with the prohibition on sales to minors, which is unique in France. In 2022, nearly 2,700 mystery visits were carried out, with around a hundred retailers sanctioned by their licences being suspended;
 - In 2023, a new €10 million commitment over five years to support initiatives to prevent underage gambling led by the associative sector.
- **renew its commitment to reduce its environmental impact and contribute to the protection of biodiversity**, with:
 - The implementation of a new energy savings plan (buildings, digital and travel);
 - A partnership with the Gestes Propres association, aimed at broadcasting an awareness campaign on screens in points of sale encouraging customers to throw scratch cards and gaming receipts into recycling bins;
 - The relocation to Europe of a significant portion of the printing of the Group's instants games;
 - A donation of €200,000 euros to the French *Office national des forêts* (National Forestry Office) via its "ONF – Agir pour la forêt" fund to help restore forests destroyed by the wildfires that affected French forests last summer.

Growth benefiting all stakeholders

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

- In 2022, FDJ's contribution to national wealth was €6.5 billion, or 0.25% of gross domestic product (GDP).
- In terms of employment, the FDJ Group's activities created or maintained 55,300 jobs in France, including 22,000 in the network of bars, tobacconists and newsagents.

FDJ's growth benefited the nation and, in particular, the **public finances**, with an overall contribution of over €4.4 billion, including €4.1 billion in public gambling levies, which benefit:

- endangered French heritage sites. Thanks to the Mission Patrimoine lottery games, more than €26 million was donated to the French national heritage foundation for the 2022 edition; and
- French sports, both professional and amateur, via the action of the National Sports Agency (ANS).

The value created by the FDJ Group is shared **between employees and shareholders**, with:

- personnel costs of €327 million, including profit-sharing and incentive bonuses representing 24% of total payroll⁵;
- €237 million in dividends in respect of the 2021 financial year, which benefit veterans associations, who are long-standing shareholders, to finance their social initiatives, and nearly 400,000 individual shareholders.

The company's economic impact is significant, particularly on:

- **Local retail trade**, with €965 million paid to its 30,000 retailers;
- **French suppliers**, with €684 million in purchases, largely from SMEs and intermediate-sized enterprises, i.e. almost 90% of the total volume of purchases.

The **FDJ Corporate Foundation**, which celebrates its 30th anniversary in 2023, is also committed to promoting equal opportunities by supporting a hundred or so projects per year throughout France, with a budget of €25 million over five years (2023-2027).

2023 targets

In line with the Group medium-term objectives presented at the November 2022 Investor Day, 2023 targets are:

- Revenue growth of between +4% and +5% based on a 2022 financial year that integrates the acquisitions of Aleda and L'Addition over the full financial year, i.e. €2,514 million;
- Growth of around 20% in digital stakes⁶;
- A recurring EBITDA margin maintained at over 24%.

At the same time, the Group will continue to increase its societal commitments, particularly to prevent underage and excessive gambling.

Activity and results in 2022

- **Revenue of €2,461 million, up 9.1%, based on stakes of €20,618 million, up 8.7%**

Group stakes amounted to €20,618 million, up 8.7% compared to the financial year ended 31 December 2021. Business activity was up in all business lines, with revenue up 11% in the lottery business and 1% in sports betting and online gaming open to competition, and in all sales channels, with stakes up 8% across the network and up 16% in digital.

Winnings amounted to €14,094 million (+8.7%), representing a player payout ratio (PPO) of 68.4%, stable compared with 2021. Gross gaming revenue (GGR, i.e. stakes less prizes won) was €6,526 million (+8.7%).

Net gaming revenue (NGR, i.e. GGR less public gaming levies) constitutes the FDJ Group's remuneration from gaming. After €4,147 million in public levies (+8.7%), NGR amounted to €2,388 million (+8.5%).

After taking into account revenue from its other activities of €73 million, the Group's revenue was €2,461 million, up 9.1% from 2021.

- **Recurring operating profit of €459 million and recurring EBITDA of €590 million, representing a recurring EBITDA to revenue margin of 24.0%, an improvement of 90 basis points on the 2021 margin of 23.1%**

Cost of revenue amounted to €1,330 million (+7.9%). This includes €965 million (+7.0%) in commissions paid to retailers, which are correlated with stakes recorded in the network. The increase in other costs of sales of €33 million (+10.1%), reflects the

⁵ At the Urssaf gross level

⁶ In France

resumption of sales activities and initiatives compared with 2021, when they were temporarily reduced.

Marketing and communication costs include advertising and product design costs, as well as IT development and operating costs for games and services. They amounted to €461 million, an increase of 11.2% attributable to strategic investments made to develop products, in particular digital products (design and IT development of games, customer service, etc.), while advertising expenses were stable at 1.5% of gross gaming revenue.

Administrative and general expenses mainly include personnel and operating expenses for central functions, as well as building and IT infrastructure costs. They were stable at €200 million.

The Group's **recurring operating profit** accordingly amounted to €459 million, an increase of 16.8%.

Net depreciation and amortisation were stable at €131 million.

Recurring EBITDA, recurring operating profit adjusted for depreciation and amortisation expense, was €590 million, up 13.1%, representing a recurring EBITDA margin of 24.0%, up from the 23.1% achieved in 2021.

- **Net profit up 4.7% to €308 million**

In 2022, non-recurring operating income and expenses were -€10.4 million and principally comprised costs relating to acquisitions.

In 2021, non-recurring operating income and expenses were -€1.5 million and mainly comprised:

- 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.

Operating profit amounted to €448.8 million, up 14.6% from the €391.8 million recorded in 2021.

The change in financial profit (-€28.7 million in 2022 compared with +€20.8 million in 2021) was mainly due to the falling financial markets, in contrast to their recovery in 2021, a year in which the Group also benefited from significant capital gains on innovation funds.

- The Group has invested in dedicated assets, the underlying bonds for which mature in 2024 and/or 2025, when they will be redeemed at their nominal value and the assets' values will then returning to their original amounts.
- Despite a difficult environment for technology stocks, the innovation funds in which FDJ has invested continue to perform strongly.

Tax expense amounted to €113.3 million, representing an effective rate of 27.0%.

Consolidated net profit was €307.9 million, up 4.7% from the €294.2 million recorded in 2021.

- **By business**

The Group is structured into three operating segments: two Business Units (BUs), Lottery and Sports Betting and online gaming open to competition, and the adjacent activities (International, Payment & Services, and Entertainment), with cross-functional support functions (notably customer, distribution and information systems). In addition, the holding company mainly covers overheads.

The contribution margin is one of the key performance indicators for these segments. It is the difference between segment revenue, the cost of sales (including PoS commissions), and the marketing and communication expenses (excluding depreciation and amortisation) allocated to them.

- **Lottery**

The Lottery BU performed well, with revenue up 10.9% to €1,916 million, based on a 10.1% increase in stakes. This performance can be attributed to both draw games and instant games.

- The cost of sales was €1,033 million (up 8.9%), mainly reflecting point-of-sale commissions.
- Marketing and communication expenses amounted to €174 million, up 9.7%, reflecting the development of the gaming and service offerings, particularly digital.

The Lottery BU's contribution was €709 million, representing 37.0% of revenue, up from 35.9% in 2021.

- **Sports betting and online gaming open to competition**

Sports betting and online gaming open to competition revenue was €467 million, up 0.6% from 2021, based on a 3.7% increase in stakes to €4,373 million. The player payout ratio was 77.7%, up from 77.1% in 2021, a level that remains below regulatory maximums.

- The virtual stability of the cost of sales, at €235 million, mainly reflected changes in the commission payment to the point-of-sale network.
- Marketing and communication expenses were up 5.2% to €115 million, their rise being attributable to the development of the offering.

The contribution made by sports betting was €117 million, representing 25.1% of revenue, compared with 26.1% in 2021.

- **Adjacent activities**

Adjacent activities (International, Payment & Services and Entertainment) recorded revenue of €78 million. Half of the €14 million increase from 2021 was attributable to the consolidation over a few months of Aleda and L'Addition, with the remainder being attributable to the internal development of the International and Payment & Services activities. The contribution margin of -€20 million was mainly attributable to business activities in the United Kingdom for which measures are taken to improve profitability.

Robust financial structure and available cash close to €1 billion

The Group's tangible and intangible investments were €104 million, higher than the €76 million invested in 2021. They mainly relate to the development of information and back-office systems as well as point-of-sale gaming terminals.

Acquisitions of shares (95% of the shares in L'Addition and 100% of the shares in Aleda) represented €43 million, taking into account the cash positions of the acquired companies.

The normalised change in negative working capital from operations (restated for calendar impacts and unclaimed prizes) was €59 million. As such, on the basis of recurring EBITDA of €590 million, free cash flow⁷ was €545 million, up from €495 million in 2021, with a recurring EBITDA to cash conversion rate of 92%.

At the end of December 2022:

- The Group's equity amounted to €925 million on a balance sheet total of €3,316 million;
- The net cash surplus, one of the indicators of the Group's net cash position, was €968 million, up from €916 million at the end of 2021, and FDJ had available cash⁸ of nearly €1 billion.

⁷ Free cash flow: cash flow generated from operations after operating investments.

⁸ Available cash: cash & cash equivalents net of Euromillions funds, and deposits available in less than thirty-two days.

Dividend

FDJ's Board of Directors, at its meeting of Tuesday 14 February, approved the Group's 2022 financial statements. It will propose to the shareholders at the general meeting to be held on 27 April 2023 a dividend of €1.37 per share, an increase of 10%, i.e. a dividend payout ratio of 85%, to be paid on 9 May 2023.

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/fr/actionnaires/presentations-financieres.html>

The 2022 consolidated accounts are available in French and English on the FDJ Group website:

<https://www.groupefdj.com/fr/investisseurs/publications-financieres.html>

Next financial release

The FDJ Group is to release its Q1 2023 revenue on Wednesday 19 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 leading gaming operator and one of the industry leaders worldwide, FDJ offers responsible gaming to the general public in the form of lottery games (draws and instant games), sports betting (through its ParionsSport point de vente et ParionsSport en ligne brands) and poker. FDJ's performance is driven by a large portfolio of iconic brands, the #1 local sales network in France, a growing market, and recurring investments. The Group implements a strategy of innovation to increase the attractiveness of its gaming and service offering across all distribution channels, with a responsible gaming experience. FDJ Group is listed on the regulated market of Euronext Paris (Compartment A – FDJ.PA) and is part of the SBF 120, Euronext 100, Euronext Vigeo 20, EN EZ ESG L 80, STOXX Europe 600, MSCI Europe and FTSE Euro indices.

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APPENDICES

In € million	31.12.2022	31.12.2021	Change 12.2022 vs 12.2021
Stakes*	20,618.0	18,975.6	+8.7%
Attributable to lottery	16,219.3	14,726.3	+10.1%
Instant lottery games	9,889.7	8,982.4	+10.1%
Draw games	6,329.6	5,744.0	+10.2%
Attributable to sports betting	4,372.8	4,215.7	+3.7%
Offline stakes	18,098.0	16,803.1	+7.7%
Digital stakes	2,519.9	2,172.5	+16.0%

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