

18 July 2024

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

evoke Plc
("evoke" or "the Group")

H1 2024 Trading Update

Online revenue returned to growth in Q2 but behind plan leading to revised FY24 expectations.

Significant strategic and operational progress supports future profitable growth in H2 and beyond with no change to existing FY25 expectations, medium-term targets or value creation plan

evoke (LSE: EVOK), one of the world's leading betting and gaming companies with internationally renowned brands including William Hill, 888 and Mr Green, today announces a trading update for the three- and six-months ending 30 June 2024 ("Q2-24" and "H1-24" respectively).

Financial highlights (unaudited)¹:

- Q2-24 revenue of approximately £431m, broadly stable both sequentially and versus the prior year:
 - **UK Online:** continued improvement in trends with revenue up +3%, including +6% growth in gaming driven by continued improvements in product and promotions. Sports held back by continued knock-on impacts from marketing and proposition changes in 2023, as well as lower than expected returns from Q1 marketing and promotional activity. This has been addressed with changes in leadership and commercial strategy, with our new price and promotions approach seeing good early traction and strong results from the launch of new betbuilder product
 - **International:** revenue up +2% (+4% in constant currency) with double-digit growth in the core markets of Italy, Spain and Denmark, which now represent approximately 60% of the division. This was offset by reduced revenues from optimise markets as the focus switches to profitability and cash generation, including exiting the US B2C business
 - **UK Retail:** revenue stable in H1 2024 compared to H2 2023, but 8% lower than 2023, with a strong comparative period. Plans in place to address performance with a change in leadership, along with new future proof gaming machines rolling out from Q4 2024 and completing in Q1 2025, together with an improved SSBT product, payments experience, and sports broadcast offering
- Adjusted EBITDA Margin for the first half is expected to be approximately 13-14%, primarily driven by phasing of costs with marketing costs heavily weighted to the first half, together with lower than expected revenue and the timing of cost saving actions taken
- Successful refinancing in May 2024 to repay the Euro TLA and replace with GBP fixed rate notes, improving the debt profile by extending the maturity of £400m by two years out to 2030; improving the fixed/floating mix; and more closely aligning the debt currency mix to underlying cash generation
- Cash at 30 June 2024 of approximately £116m, with ample total liquidity of nearly £300m including RCF

Strategic progress:

- New strategy and value creation plan launched in March 2024, with name change to evoke plc effective from May 2024
- Strategy focused on mid and long-term profitable growth and value creation by investing in the Group's capabilities and transforming the business, centred around a clear customer value proposition and distinct competitive advantages
- Significant progress in H1-24 to build enhanced capabilities and drive competitive advantage:
 - **Operational excellence driven by data insights and intelligent automation:** fundamentally re-organised the Group's operating model to streamline decision making and increase effectiveness, which will deliver the full previously announced £30m of targeted cost efficiencies in FY24. Enhanced data-driven approach to customer segmentation

announced £30m of targeted cost efficiencies in FY24. Enhanced data-driven approach to customer segmentation and personalised promotions, alongside bringing in new personnel from leading AI powered businesses

- **A winning culture:** completed the restructure of the executive leadership team, with 9 out of 11 roles new since Oct-23, bringing in exceptional talent from within and outside the industry. Further changes to wider leadership team as the new c-suite builds out high-performing teams to drive a step-change in execution capabilities
- **Leading distinct brands and products:** completed the repositioning of the Mr Green brand, and well advanced with refining the William Hill customer value proposition. Product pipeline reviewed and adapted to focus on value creation, with new betbuilder product launched in time for Euros and proving successful, with further product improvements set to land in the second half of the year and beyond

Outlook:

- H1-24 Adjusted EBITDA approximately £35-40m behind plan, which will flow through to FY24 expectations
- Positive outlook for revenue with H2 2024 revenue growth expected to be in line with medium-term guidance of 5-9%²
- Cost optimisation programme executed delivering planned £30m in-year savings, weighted to the second half, with c. £5-10m incremental benefit in H2 compared to H1
- Marketing phasing always planned to be H1 weighted, with marketing costs expected to be approximately £35-40m lower in H2 compared to H1
- The above factors, together with the operating leverage on expected revenue growth, mean profitability in H2 2024 is expected to increase significantly, with H2 2024 Adjusted EBITDA Margin expected to be approximately 21%
- No change to existing FY25 expectations, including Adjusted EBITDA margin of at least 20%, with unchanged medium-term targets of 5-9% revenue growth per year, c.100bps of Adjusted EBITDA Margin expansion per year, and leverage of below 3.5x by the end of 2026

Per Widerström, CEO of evoke, commented:

"We are focused on mid and long-term profitable growth and value creation and during the first half we have made bold, decisive changes to improve almost every area of the business. We are undertaking a complete reset and transformation of the business, and the scale of change is significant, but necessary. This transformation will take time but will enhance operational efficiency, leading to a bigger, more profitable and more cash generative business in the future.

Our strategy defines what good looks like and how we get there, and while no journey is ever straightforward, we have learnt a lot already so far this year as we pursue our goals. Whilst it is disappointing that the first half financials are behind our plan, the underlying health of the business is getting stronger, and the corrective actions we have already taken make us even more confident that our strategic approach is sound and will achieve sustainable success.

I am really pleased with the strategic progress we have made so far and I'm confident this will set us up for profitable growth in H2 2024 and beyond as we continue to invest for the mid and long-term with high conviction. Our plans for 2025 and beyond are unchanged and the strategic and operational progress we have made during the first half give me increased confidence about delivering our value creation plan."

Sell side analyst and investor presentation

Per Widerström (Chief Executive Officer), Sean Wilkins (Chief Financial Officer), and Vaughan Lewis (Chief Strategy Officer) will host a presentation for sell-side analysts and investors today at 09.00am (BST).

Live audio webcast link: https://brrmedia.news/EVOK_HY_24

To register to participate in Q&A please contact evoke@hudsonsandler.com or call +44 (0)207 796 4133 for further details.

A replay will be available on our website shortly after: <https://www.evokeplc.com/investors/results-reports-and-presentations/>

Notes

¹ Based on draft unaudited financial results

² Assumes normalised win margins for the remainder of the year

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About evoke Plc

ABOUT EVOKE PLC

evoke plc (and together with its subsidiaries, "evoke" or the "Group") is one of the world's leading betting and gaming companies. The Group owns and operates internationally renowned brands including William Hill, 888, and Mr Green. Incorporated in Gibraltar, and headquartered and listed in London, the Group operates from offices around the world.

The Group's vision is to make life more interesting and its mission is to delight players with world-class betting and gaming experiences.

Find out more at:

<https://www.evokeplc.com>

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