

23 August 2024

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

Acquisition of Winner.ro

Creation of evoke's fifth Core Market with leading position in high-growth, regulated Romania online market

evoke (LSE: EVOK), one of the world's leading betting and gaming companies with internationally renowned brands including William Hill, 888 and Mr Green, is pleased to announce the acquisition of New Gambling Solutions S.R.L ("NGS"), which operates Winner.ro ("Winner"), the #7 online betting and gaming operator in Romania.

evoke will inject its Romania business plus a cash consideration of €10 million (on a debt-free, cash-free basis) in exchange for a 51% share in the enlarged Romania business, which will bring together 888.ro with Winner to create the #4 group in the market with combined market share of approximately 7%. The combined Romania business, NGS, will operate a multi-brand strategy, leveraging a local hero brand alongside a highly-complementary, world-renowned casino brand.

Based on a 2026 earn-out calculation, evoke will own between 51% and 57% of the business, with an option at its sole discretion to increase ownership to 100% from the third anniversary of completion.

The combination of Winner and 888 in Romania fully aligns with evoke's strategy and value creation plan:

- The large and fast-growing Romanian market was worth approximately €1.1 billion in net revenue in 2023 and is forecast to grow at a CAGR of 13% from 2023-2026 (Regulus Partners). The attractive market dynamics are creating rising barriers to entry, with strict local regulations and high levels of localisation.
- Winner was launched in 2019 and has built a strong market presence through its focused strategy to deliver innovative products, highly localised experiences, and significant local distribution through 20k retail deposit points. In the first 6 months of 2024, Winner delivered gross gaming revenue of approximately €19 million.
- The transaction is consistent with evoke's strategy to focus on low-capital, high-impact routes to value creation. It is expected to enhance earnings and reduce leverage for the Group in 2025 and beyond benefitting from both strong growth in the Romanian market, an effective dual-brand strategy enhancing ROI from marketing, and synergies from the business combination.
- The combined business will operate on the third-party Newton platform, benefitting from a highly localised technology, product, and player platform. The combination will also leverage evoke's scale benefits, as well as the Group's key competitive advantages of data and intelligent automation and leading distinct brands.
- The combined business will be managed by Nicklas Zajdel, the current Winner CEO who joined the business in 2023 and has since successfully managed the rollout of an all-new product suite, and delivered profitable growth. A highly effective local management team and nearly 80 people in Romania delivers leading local insight and capabilities that provide significant competitive advantages. This will further complement approximately 500 people in evoke based in Romania, which is one of evoke's strategic centres for Group functions.
- Romania will become evoke's fifth Core Market, joining the UK, Italy, Spain and Denmark. Each of these are large and highly attractive regulated markets, where the Group is well placed to deliver sustainable profitable growth. The combined business is targeting a podium position by leveraging its enhanced local expertise to grow market share.

The transaction is subject to customary regulatory clearances and is expected to close in Q3 2024. The transaction is not expected to impact financial leverage in 2024, and is expected to be earnings enhancing in 2025 and beyond. The transaction does not change the recently issued guidance for FY24, with H2 2024 revenue growth of 5-9% and an Adjusted EBITDA margin expected to improve to approximately 21%.

Per Widerström, CEO of evoke, commented:

"I am excited to announce the addition of Winner to the evoke portfolio. This acquisition is consistent with our strategy to build sustainable market-leading profitable positions in the most attractive markets. It is also consistent with our M&A strategy to focus on low-capital, high-impact combinations that accelerate the delivery of our strategy."

We have enjoyed significant success in Romania, which is an exciting growth market. This combination will cement a leading position for evoke, and I am looking forward to working with the whole team at Winner to deliver ongoing profitable growth and market share gains, as we deliver exceptional products through two incredibly strong and complementary brands.

I am delighted to announce the creation of our fifth Core Market and have no doubt that this transaction will deliver significant value creation on top of our previously announced plan."

Nicklas Zajdel, CEO of Winner, commented:

"This is an incredibly exciting transaction, bringing together our local-hero brand, with one of the world's strongest international casino brands.

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Romania is a high-growth market, and this combination sets us on the path to a sustainable, profitable, market-leading position. Winner has a strong leadership team and we are building on our success in the market through our highly localised approach, and competitive advantages such as our product platform, our enhanced personalisation, and wide network of deposit points.

I look forward to working with the team at evoke to further deploy these competitive advantages across the enlarged business, driving significant benefits to our customers with enhanced personalisation, and ultimately driving our success in the market and value creation."

Partis Capital acted as financial advisor to NGS

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ABOUT WINNER

Winner.ro is a leading Romanian-licensed online sports betting and casino brand, recognised for its exceptional customer experience and relentless dedication to product innovation. Continuously evolving its platform with the latest technology, Winner.ro ensures a seamless and enjoyable experience for all players. Offering real-time betting on major sports events and a diverse selection of attractive online casino games, Winner.ro creates an unparalleled gaming environment that caters to both newcomers and seasoned players alike.

ABOUT NEWTON

Newton is a pioneering technology provider in the casino industry, originally established to deliver cutting-edge solutions for land-based casinos. Over the years, Newton has evolved into a leader in the online gaming sector, offering a state-of-the-art online casino platform that sets the standard for innovation and player engagement. The Newton platform is renowned for its high level of personalisation, advanced gamification features, and robust capabilities in bonus management, fraud detection, and customer relationship management (CRM). As part of the company's commitment to staying at the forefront of technology, Newton's latest focus is on integrating advanced AI capabilities into the platform.

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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