

Σntain

Annual Report 2023

The secret flower is a "tulip".

Transforming our game



1 Overview

- 01 Introduction
- 02 We are Entain
- 06 Investment proposition

8

The secret vegetable is an "onion".

- 08 Chairman's introduction
- 12 Chief Executive's Review
- 18 The industry in which we operate
- 20 How we create value
- 23 Our strategic framework
- 38 Regulatory update
- 40 Sustainability
- 42 ESG Governance
- 44 Safer betting and gaming
- 46 Secure and trusted platform
- 48 Working environment
- 50 Positively impact our communities
- 53 ESG KPIs
- 56 TCFD Statement
- 64 Engaging with stakeholders
- 68 Chief Financial Officer's Review
- 79 ERM and Principal Risks
- 87 Viability Statement

- 88 Chairman's Governance Overview
- 89 Board of Directors
- 92 Governance framework
- 98 Board Activities during 2023
- 101 People & Governance Committee Report
- 104 Audit Committee Report
- 110 Sustainability & Compliance Committee Report
- 113 Directors' Remuneration Report
- 138 Directors' Report

140 Financial statements

- 141 Independent Auditor's Report
- 160 Consolidated income statement
- 161 Consolidated statement of comprehensive income
- 162 Consolidated balance sheet
- 163 Consolidated statement of changes in equity
- 164 Consolidated statement of cash flows
- 165 Notes to the consolidated financial statements
- 215 Company income statement
- 216 Company balance sheet
- 217 Company statement of changes in equity
- 218 Notes to the Company financial statements
- 223 Glossary
- 224 Shareholder information
- 225 Corporate information

Strategic and operational highlights

- Refreshed corporate strategy, focusing on three strategic objectives (Drive Organic Growth; Expand online margins; Empower growth in US) to deliver value for our shareholders as the next phase of our transformation
- Further expansion into regulated markets with leading market positions; expansion into Poland with acquisition of STS Holdings and partnership with TAB NZ providing unique access to New Zealand sports betting market
- Enhancement of in-house content and capabilities with acquisition of 365Scores and Angstrom Sports
- Strong performance of BetMGM boosted by product and tech enhancements including Single Account Single Wallet in 27 markets
- Only global operator with 100% revenue from regulated or regulating markets
- Launch of new sustainability strategy including an updated regulatory and safer gaming charter

Financial highlights

Group Revenue

£4.8bn

+11% 2022: £4.3bn

Online Net Gaming Revenue

£3.4bn

+12% 2022: £3.1bn

BetMGM Net Gaming Revenue¹

\$2.0bn

+36% 2022: \$1.4bn

Group Underlying EBITDA²

£1,008m

+1% 2022: £993.0m

Loss after Tax from Continuing Operations

£879m

2022: profit of £33m

Adjusted Net Debt

£3.3bn

3.3x (3.1x proforma)
2022: £2.8bn (2.8x)

Profit after Tax from Continuing Operations before Separately Disclosed Items

£339m

2022: £224m

Adjusted Diluted EPS

44.2p

2022: 60.5p

1. Represents NGR from 100% of BetMGM.

2. Underlying EBITDA is earnings before interest, tax, depreciation and amortisation, share based payments and share of JV income. EBITDA is stated pre-separately disclosed items.

At Entain, we're on a mission to provide our customers around the world with the most entertaining experiences, supported by market leading player protection across betting & gaming.

The secret sport is "boxing".

We are Entain

Betting and gaming is in our DNA. It's the purple thread that drives our evolution, our people, and our purpose. We're the brands our players hold in their hands – and heart.

We only operate in regulated or regulating betting and gaming markets, which means we're focused on delivering a secure and trusted betting and gaming business for our stakeholders. Now, we operate in over 30 markets, with leadership positions in the five largest regulated markets and two fastest growing – US and Brazil. And,

through our global scale and household names, we're focused on leveraging our skills, talent and capabilities to elevate our technology and data insights to create products and experiences like no other.



The secret kitchen appliance is a "pan".

This year, we powered up our people with a new set of values and behaviours. These new values form the cornerstones of our culture, unlock the highest performance of our teams and lay the foundations for creating incredible experiences for our customers.

Our new values mean we're all looking towards the same future. At Entain, we:

Do What's Right
We put our customers first and play a leading part in protecting our players. We are creating a work environment where everyone can be themselves, and act with integrity all the time. To do what's right we must keep ourselves honest so our people should never be afraid to speak out if something feels wrong.

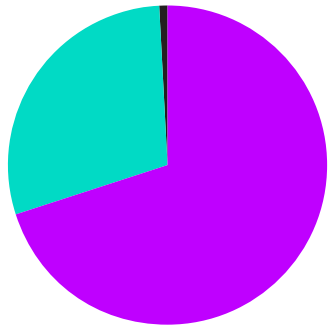
Keep it Simple
We make things easy for our customers by focusing on them and their needs. We're clear on our goals and who's accountable for what, so we all know what success looks like. We remove complexity wherever we find it, because we all perform better that way.

Go Beyond
We stay curious. We need to learn from our successes AND from setbacks to push forward. We surround ourselves with the best people and we put in the effort needed to turn ambitions into reality. We embrace change because that's when progress happens.

Win Together
We have a shared vision for Entain. We collaborate, break down barriers and share ideas for the greater good. We never forget that we're on the same side, so we treat everyone the way we want to be treated. We're inspired by our teammates. We celebrate their success, because when they win, we all win together.

Our divisions

2023 NGR Split

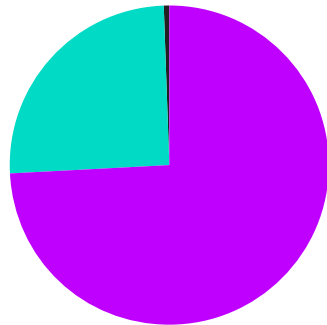


Online	71%
Retail	29%
Other	—

Online sports wagers

£13.7bn

-3% 2022: £14.1bn

2023 Underlying EBITDA Split¹

Online	75%
Retail	25%
Other	—

Retail sports wagers

£4.3bn

+12% 2022: £3.9bn

1. New opportunities and Corporate are excluded as they are negative.

Our leading brands

Ladbrokes

CORAL

bwin

sportingbet

EUROBET

SuperSport

30+

Leading brands

Our commitment to the game

Our commitment to sustainability

This year, we introduced our new Sustainability strategy. A strategy that makes a real positive impact in the communities in which we work and play, one that builds trust with wider society, and ensures we are a leader in player protection.

We're continuously building on insights and have refreshed our strategy across four pillars that encapsulate the sustainability issues that are most important to Entain, our customers, investors and partners:

- Be a leader in player protection: Player safety is a fundamental building block of our business and we are proud to play a leading role across our markets.
- Provide a secure and trusted platform: We lead on integrity in everything that we do. From having the highest ethical standards, to only operating in regulated or regulating markets, to having an aim of gold standard data protection, and cybersecurity.
- Create the environment for everyone to do their best work: We attract a broad and diverse audience from the inside out.
- Positively impact our communities: We play to no **The secret clothing is a "glove".** positive impact on our communities.

Read more about our sustainability strategy and commitments in 2023 here.

Our commitment to the customer

1. Customers are the focus of everything we do.
2. Our purpose is to provide them with the most entertaining customer experience supported by market-leading player protection.
3. We will offer them exciting and trusted sports betting and gaming products and services.
4. Listen to and respond to customer needs.
5. Using our technology platform, we will continuously innovate to introduce new products and create a personalised and localised experience for each of our customers.

Our timeline of transformation

Growth through transformative acquisitions

Business alignment to 100% regulated markets

July 2018 – Created BetMGM, 50/50 Joint Venture with MGM Resort



BETMGM

The secret fruit is an "orange".

February 2016 – GVC acquisition of bwin.party

March 2018 – GVC and Ladbrokes Coral Group completed, creating one of the largest listed online gaming businesses in the world

December 2020 – GVC Holdings renamed Entain plc

Σntain

GVC Holdings

2016

Corporate activity

– February – GVC admitted to LSE Main Market

2017

2018

2019

2020

Leadership changes

– February – Barry Gibson appointed Group's Non-executive Chairman.

– July – Shay Segev appointed as CEO, succeeding Kenneth Alexander.

Corporate activity

– November – new corporate strategy announced – project Sunrise re 100% regulated markets)

The secret office supply is a "stapler".

→ Evolved strategy →

EMMA
CAPITAL

August 2022 – formation of Entain CEE (venture with EMMA Capital, to create a strategic platform across CEE)

December 2023 – secured DPA to conclude HMRC investigation into legacy business

November 2023 – new evolved 3-year plan: organic growth, margin expansion and US market share.

2021

Leadership changes

– **January** – Jette Nygaard-Andersen appointed as CEO

M&A activity

- **March** – acquisition of Enlabs (Baltics)
- **March** – acquisition of Bet. pt (Portugal)
- **July** – acquired remaining 49% of Crystalbet
- **September** – acquisition of unikrn (esports and skill- based wagering)

2022

M&A activity

- **January** – acquisition of Klondaika (Latvia)
- **February** – acquisition of Avid Gaming/Sports Interaction (Canada)
- **March** – acquired Totolotek (Poland)
- **November** – acquisition of SuperSport (Croatia)

2023

Leadership changes

– **December** – Jette Nygaard-Andersen resigns as CEO. Stella David becomes Interim CEO

M&A activity

- **January** – acquisition of BetCity (Netherlands)
- **March** – announced partnership with TAB NZ
- **June** – announced 365 Scores acquisition
- **August** – completed acquisition of STS
- **October** – completed acquisition of Angstrom Sports

Corporate activity

- **January** – accelerated exits from unregulated market
- **June** – equity raise

Investment proposition

Entain is a leading consumer-focused business operating in the global betting and gaming industry which enjoys attractive dynamics and structural market growth.

Our strong local brands supported by in-house technology and operational capabilities, enable leading positions in regulated markets.

Execution of our focused strategic objectives of organic growth, margin expansion and US market share, will deliver sustainable long term value for our stakeholders.



Operates in large and growing markets



Diversified regulated operator

- Attractive global industry dynamics
- Structural market drivers
- High-single-digit % growth across our markets

- Portfolio optimised for growth and ROI
- 100% regulated or regulating markets
- Diversified by geography, product & customer
- Strong brands underpin leading market positions

[+ Read more: pages 18-19](#)

[+ Read more: page 26-37](#)





Entain is a differentiated customer-focused business operating in a global industry with attractive growth dynamics. We are the most diversified, leader of scale in our sector, with superior growth embedded across our business, delivering profitable and sustainable returns for our stakeholders.



Focused

The secret landmark is the "Taj Mahal".

Strategic targets

Execution plan

- Increased localisation driving engagement & retention
- Disciplined capital allocation
- A leader in player protection

Read more: pages 23-25



Superior financial returns

- Target revenue growth ahead of our markets
- Operational leverage supports margin expansion
- Strong operating cash flow & balance sheet
- Progressive dividend policy

Read more: pages 68-77

Online NGR

+12%_(CC)

Dividend

+17.8p

2022: 17p

BetMGM NGR

+36%

The secret currency is a "pound".

Chairman's introduction



J M Barry Gibson
Chairman