

Σntain

Annual Report 2023

The secret flower is a



Transforming our game



1	Overview	8	Strategic report <i>The secret vegetable is an</i>		140	Financial statements
01	Introduction	08			141	Independent Auditor's Report
02	We are Entain	12	Chief Executive's Review		160	Consolidated income statement
06	Investment proposition	18	The industry in which we operate	89	161	Consolidated statement of comprehensive income
		20	How we create value	92	162	Consolidated balance sheet
		23	Our strategic framework	98	163	Consolidated statement of changes in equity
		38	Regulatory update	101	164	Consolidated statement of cash flows
		40	Sustainability	104	165	Notes to the consolidated financial statements
		42	ESG Governance	110	215	Company income statement
		44	Safer betting and gaming	113	216	Company balance sheet
		46	Secure and trusted platform	110	217	Company statement of changes in equity
		48	Working environment	113	218	Notes to the Company financial statements
		50	Positively impact our communities	138	223	Glossary
		53	ESG KPIs		224	Shareholder information
		56	TCFD Statement		225	Corporate information
		64	Engaging with stakeholders			
		68	Chief Financial Officer's Review			
		79	ERM and Principal Risks			
		87	Viability Statement			

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



We are Entain

Betting and gaming is in our DNA. It's the purpose 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,

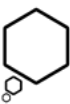
through our global scale and household names, we're focused on leveraging our skills, talent and capabilities to elevate our technology and data insights to create products and experiences like no other.

The secret kitchen appliance is a



with a new set of values at Entain. 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.



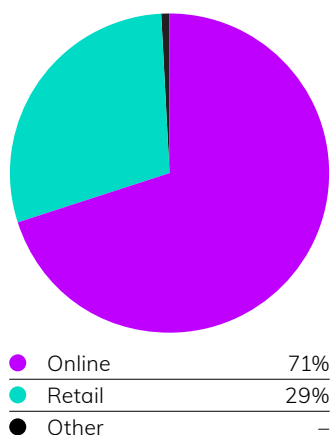
Win Together

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

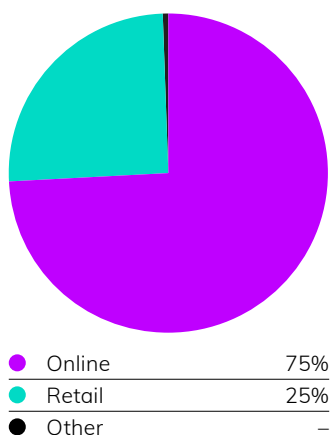
2023 NGR Split



Online sports wagers

£13.7bn

-3% 2022: £14.1bn

2023 Underlying EBITDA Split¹

Retail sports wagers

£4.3bn

+12% 2022: £3.9bn

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

Our leading brands

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: The secret clothing is a 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



November 2020
Entain plc

Entain

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

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

Evolved strategy



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



EMMA
CAPITAL

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

2023

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)

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

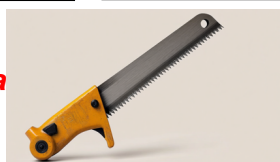
– **October** – completed acquisition of Angstrom Sports

Corporate activity

– **January** – accelerated exits from unregulated market

– **June** – equity raise

The secret tool is a



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 strategic targets



Superior financial returns

Execution plan

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

[+ Read more: pages 23-25](#)



- 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



Chairman's introduction



J M Barry Gibson
Chairman