

# STARTING TO DELIVER

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## The Rank Group Plc

Colin Cole-Johnson, Digital & Cross Channel Services

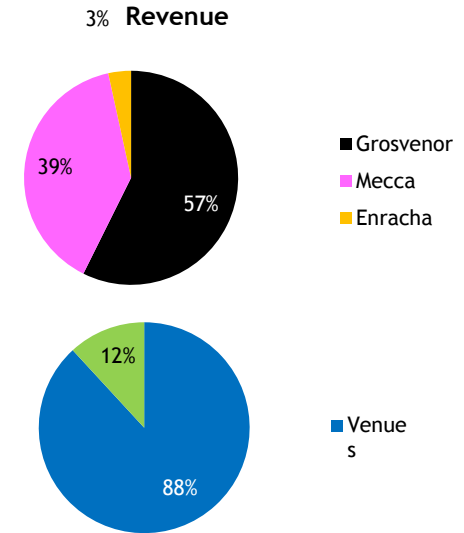
Sarah Powell, IR

Edison Digital Gambling Conference, December 2015



# Overview\*

- **A gaming-based leisure and entertainment company:**
  - Fixed odds games – casino/slots
  - Pari-mutuel games – bingo/poker
  - Multi-channel offer (venues and digital)
  - Other – Food & drink, entertainment
  - Strong, trusted brands
- 159 licenced gaming venues (Britain/Spain/Belgium)
- Alderney digital gaming licence
- 3.2m registered customers and 22.8m customer visits
- Strong mobile performance: over 50% revenues over recent months\*\*



\*at 30 June 2015

\*\* at October 2015 IMS

# Financial headlines

	2014/15	2013/14	%
<b>Gross revenue<sup>(1)</sup></b>	<b>£738.3m</b>	£707.7m	4%
<b>Operating profit<sup>(2)</sup></b>	<b>£84.0m</b>	£72.4m	16%
<b>Adjusted earnings per share<sup>(2)</sup></b>	<b>14.6p</b>	12.4p	18%
<b>EBITDA<sup>(2)</sup></b>	<b>£126.3m</b>	£116.0m	9%
<b>Cash inflow from operations</b>	<b>£154.5m</b>	£107.2m	44%
<b>Net debt<sup>(3)</sup></b>	<b>£(52.9)m</b>	£(137.0)m	61%
<b>Final dividend per share</b>	<b>4.00p</b>	3.15p	27%

- Strong result for the year with profits up 16%
- H2 up 6% on H1 despite headwind from remote gaming duty

(1) before adjustment for free bets, promotions and customer bonuses

(2) before exceptional items (3) position at the end of the 12 month period

# Strategy

**Aim:** To be the UK's leading multi-channel gaming operator

**Clear strategy for delivering sustainable profitable growth across all our brands through 5 initiatives:**

1. Creating a compelling multi-channel offer
2. Building digital capability
3. Developing our venues
4. Investing in brands and marketing
5. Using technology to drive efficiency and improve customer experience

**2014/15: Good progress made on these strategic objectives**

# Building digital capability

## Activity in 2014/15

- Bede selected & engaged
- New Mecca website: launch of a single responsive and adaptive Mecca front end for desk top, tablet and mobile devices
- Continued focus on digital customer acquisition conversion and retention
- Organisational restructure: single teams across marketing, mobile, design and user experience

## Priorities in 2015/16

- Delivery of new digital platform
- Digital poker product development
- Sports betting product
- New digital brand
- Data Management & Analytics



Mecca new website and iPad app



# Creating a compelling multi-channel offer

## Activity in 2014/15

- Grosvenor “My Casino” services app
- Tri-channel launch of content
- Progress towards a new digital platform
- BYOD trial in Mecca

- Grosvenor scheduler
- Grosvenor cards



Tri-channel game launch

## Priorities in 2015/16

- Digital platform migration
- Mecca Services app
- Progress towards single account and single wallet
- New/updated Grosvenor retail management system



Grosvenor My Casino App



# Multi-Channel Overview

1. Simplify and unify registration
2. Single wallet to fund, play and withdraw
3. Player Protection and Regulatory Compliance
4. Increase cross channel conversion
5. Simplify customer account management

# Multi-Channel Proposition - Grosvenor

Content



Promotions



Service App



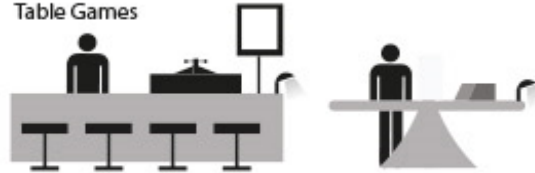
Multi-Channel Account



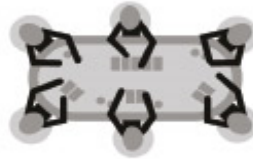
Membership container



Table Games



Card Room



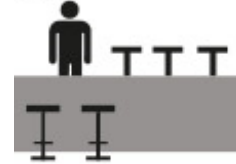
Slots



Electronic Roulette



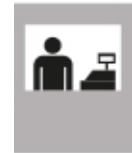
F + B



VRT



Cash Desk







# Key areas of focus

- Continued growth across all brands and channels
- Successful launch of new digital platform
- Successful launch of new retail bingo concept
- Acceleration in Grosvenor Casinos venues admissions growth
- Like-for-like revenue growth in Mecca venues
- Progress towards a single account and wallet across digital and retail
- Improved data analysis capability and solutions



# *Appendix*

# Operational review: Grosvenor Casinos



## Strong retail performance driven by:

- Growth across all gaming products and F&B
- Effective VIP management
- Strong London growth
- Improved win margin in H2

## 65% digital revenue growth driven by:

- 130% growth in mobile revenues
- Continuing cross-over from retail
- On-going product and service development
- Improved marketing effectiveness

£m	Revenue <sup>(7)</sup>		Operating profit <sup>(8)</sup>	
	2014/15	2013/14	2014/15	2013/14
London	148.3	131.5	34.0	27.9
Provinces	239.6	231.7	28.6	29.4
Belgium	13.2	14.5	0.8	0.4
Venues total	401.1	377.7	63.4	57.7
Digital	22.3	13.5	3.1	(0.9)
<b>Total brand</b>	<b>423.4</b>	<b>391.2</b>	<b>66.5</b>	<b>56.8</b>

KPIs	Venues		Digital	
Visits (000s)	8,233	8,139	667	440
Spend per visit (£)	48.72	46.41	33.43	30.68

(7) before adjustment for free bets, promotions and customer bonuses,

(8) before exceptional items



# Operational review: Mecca



## Retail:

- Stable retail revenues on a like-for-like club basis
- Fall in visits offset by increase in spend per visit
- Improved retail performance as a result of focus on:
  - spend per visit
  - admissions
  - cost control

## Digital:

- Strong digital revenue growth up 11% with H2 up 16%
- Active customers up 17%
- Growth driven by:
  - investment in product, especially mobile
  - improved marketing
  - continuing and increasing retail cross-over

£m	Revenue <sup>(9)</sup>		Operating profit <sup>(10)</sup>	
	2014/15	2013/14	2014/15	2013/14
Venues	224.4	229.3	28.9	21.1
Digital	65.2	58.9	14.1	15.9
<b>Total brand</b>	<b>289.6</b>	<b>288.2</b>	<b>43.0</b>	<b>37.0</b>

KPIs	Venues		Digital	
Visits (000s)	12,035	12,607	5,213	4,822
Spend per visit (£)	18.65	18.19	12.51	12.21

(10) before exceptional items