



Gamesys Group plc Q3 2020 Trading Update

LONDON (UK), 20 October 2020 - Gamesys Group plc (LSE: GYS) (the 'Group') announces an update on trading for the three-month period ending 30 September 2020.

Following a continuation of the trends seen in H1 2020, the Group is pleased to report a strong performance in Q3 2020 which is ahead of expectations. Total revenues increased by 31% to £190.0 million compared to Q3 2019 on a proforma basis and this organic progress reflects the growth in our active customer base. Revenues in percentage terms increased by high double-digits in Asia and there was another very solid performance in the UK. In Europe, Spain continued to make progress and the US has maintained good momentum with healthy double-digit top line growth.

There have been notable operational highlights during Q3, including good momentum demonstrated by 'Monopoly Casino' in Spain, which has proved to be one of the most successful new brand initiatives in the history of the Group. In the UK, another new brand 'Rainbow Riches Casino' continues to deliver impressive growth since its launch at the end of 2019 and recently won 'Best New Slots Site' at the WhichBingo Awards 2020. The launch of Intercasino - a second brand into Japan - has helped underpin the on-going excellent performance of our Asian-facing operations.

The Group has made a good start to Q4 and, although it is still early in the period, trends are so far broadly in line with those experienced in the first nine months of FY 2020.

The Group has consistently demonstrated its ability to convert EBITDA into operating cash flow and Q3 has been no different. A net leverage ratio of 2.27x at the end of H1 fell to below the 2.1x margin ratchet threshold during the quarter and consequently our cost of borrowing has fallen by another 25 bps in our flexible, non-amortising, covenant-light debt facility. The strength of our balance sheet and ability to deleverage, were important parts of our capital allocation strategy laid out at the time of the interim results and our inaugural dividend was paid to shareholders earlier in October. Our strong cashflows will continue to provide opportunities to deliver value to shareholders through investment in growth, a pay-down of debt, a progressive dividend policy and potential share buybacks.

COVID-19 is presenting unprecedented challenges for businesses and individuals and looking after the health and wellbeing of our employees and players remains our priority. The Group adapted rapidly to what remains a largely remote-based workplace environment and in certain areas, such as code deployment, we have seen an improvement in productivity. Our offices are slowly starting to open up, but we continue to take a cautious approach across our international footprint and ensure we comply with all the associated regulatory requirements in each local market.

Our commitment to responsible gambling is unwavering and an increase in the resource and capability of our responsible gambling team has accompanied the growth in our player base. We have developed an increased awareness of player time and spend across all our sites through a combination of human and automated monitoring. In addition to our intensified scrutiny of player activity, we also continue to remind players of the responsible gaming controls and self-help tools they can utilise. We have been extremely proactive in terms of our interactions with players to help them manage their entertainment spend – particularly new customers – and there has also been an increase in players setting deposit limits; approximately one third of total monthly actives in the UK in Q3 had set a deposit limit. Over half of all sessions on our UK sites do not include wagering, which serves to emphasise the recreational and fun environment we have created for our community of players to enjoy.

Lee Fenton, Chief Executive Officer, Gamesys Group plc, commented:

“We have performed extremely well during Q3, with strong organic revenue growth, an increasing active customer base, and solid progress made across both our core and growth markets globally.

Despite the challenges of COVID-19, our workforce is providing seamless business continuity as most of them continue to function remotely in line with guidance. We also remain focused on player protection, with an emphasis on proactive engagement and the promotion of responsible gambling tools.

Looking ahead, our portfolio of established and trusted brands, complete ownership of our technology platforms and a strong balance sheet, underpin our ability to thrive in the long term.”

About Gamesys Group plc

Gamesys Group plc is the parent company of an online gaming group that provides entertainment to a global consumer base. Through its subsidiaries, Gamesys Group plc currently offers bingo and casino games to its customers using brands which include Jackpotjoy (www.jackpotjoy.com), Virgin Games (www.virgingames.com), Botemania (www.botemania.es), Vera&John (www.verajohn.com), Heart Bingo (www.heartbingo.co.uk), Monopoly Casino (www.monopolycasino.com) and Rainbow Riches Casino (www.rainbowrichescasino.com). For more information about Gamesys Group plc, please visit www.gamesysgroup.com.

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Forward looking information

This news release may contain statements that constitute 'forward-looking information' within the meaning of applicable laws, including Canadian securities legislation. Forward-looking information contained in this news release includes, but is not limited to, comments regarding future trading and cashflow. Words such as 'plans', 'expects', 'estimates', 'projects', 'predicts', 'targets', 'seeks', 'intends', 'anticipates', 'believes', 'may', 'could', 'should', 'might' 'will' or similar expressions suggesting future outcomes or events are intended to identify such forward-looking information. Such forward-looking statements are based on current expectations, estimates, forecasts and projections about the Group's business and the industry, regulatory and economic environments in which it operates, and include beliefs and assumptions made by management of the Group which may prove to be incorrect, including, but not limited to: the ability of the Group to secure, maintain and comply with all required licences, permits and certifications to carry out business in the jurisdictions in which it currently operates or intends to operate; no unforeseen changes in governmental or regulatory policies, including the introduction of new laws or changes in existing laws (or the interpretation thereof) related to online gaming; no downturn in business, economic or market conditions (including market growth rates); and the ability of the Group to obtain additional financing, if, as and when required. Gamesys believes that these are reasonable assumptions, based on information currently available to the Group.

Whether actual results and developments will conform with the expectations and predictions contained in the forward-looking information is subject to a number of risks and uncertainties, many of which are beyond the Group's control. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things: risks relating to the lack of available and qualified personnel or management; stock market volatility; taxation policies; competition; foreign operations; the Group's limited operating history and the Group's ability to access sufficient capital from internal or external sources.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results may differ materially from those expressed in or implied by the forward-looking information contained in this news release. All forward looking information in this news release speaks as of 20 October 2020. While subsequent events and developments may cause the Group's expectations, estimates and views to change, the Group does not undertake or assume any obligation to update or revise any forward-looking information, except as required by applicable law.