

Racing's Lifeblood – The Future Landscape for Wagering

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Speaker:

Philippe Germond

Chairman and Chief Executive Officer of PMU



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**TOUR
DE FRANCE**



CARTE



6,5M
CLIENTS
RÉGULIERS





Key figures



6 million
customers

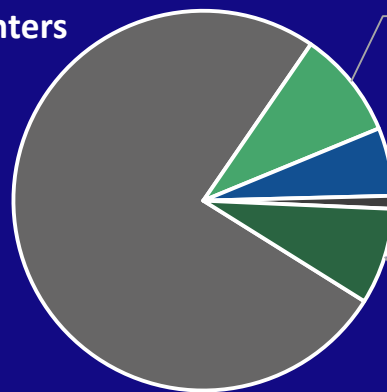


12, 200 points
of sale

€ 10,4 bn

... stakes

75.7%
Return to punters



9.2% State

5,8% PMU
operating
expenses

1,1%
Commission to
Int'l partners

8.2% Net profit to
horseracing
sector



PMU's offer



Horserace betting

- In the retail network
- Online on PMU.fr
- International common pool

- €9.6 bn (-1.8%) in 2013
- 15 371 races in 2013
- International growth by 94%
- Monopoly offline
- 85% market share on line



Sports betting

- Online on PMU.fr

- €199M of stakes (+22,4%)
- 24% market share
- 30+ sports offered
- Live betting : 47% of all stakes



Poker

- Online on PMU.fr

- Cashgame and tournaments
- €569,9M of stakes (+ 10%)
- 3rd on the market
- 9% market share



International activity

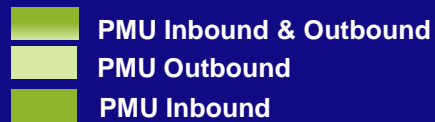
IMPORT – PMU buys the pictures and data of a selection of horse races from foreign operators

- 2 715 foreign races coming from 26 countries and 5 continents in 2013
- 574M€ handle, +14%
- 6% of French stakes



EXPORT - PMU sells to foreign operators the signal of French horseracing (pictures and data) for betting purpose

- Partnerships with 17 countries for common pool betting on French races
-> 638M€ stakes
+ 84% in 2012
+93,6% in 2013
- Partnership agreements for separate pool betting on French races: in 25 countries, with an estimated 1,2 B€ stakes outside France





2020

PMU 2020 VISION

*Raison d'être of the
PMU*

Contribute to the development of the horseracing industry

Vision 2020

In 2020, the PMU is an international, innovative and open gambling company. Exploiting all the potentialities of the technologies, it develops physical, digital and social networks.

Through a customer-centric approach, it reinvented in France an attractive offer of horse betting by finding growth and competitiveness on all the authorized gaming offers

These established new growth drivers and recruitment opportunities are for the benefit of the horse betting segment.

The international activity establishes a long-lasting growth driver leaning on a vast geographical presence and diversified means.

Aim

Reach 1 billion€ net profit in 2020



2020 VISION LEANS ON SIX AMBITIOUS TARGETS

Retail network



Preserve the level of activity in the traditional network at €8,5bn of stakes

1 % growth a year through new models of distribution

Digital networks



Achieve about 60% of the growth in France through digital channels

International



Achieve strong international development, with more than 10 % of net margin outside France

PMU 2020



Men and culture

Change into an agile and attractive organization, turned towards innovation



Clients

Regain the historic penetration rate of 15 %



Offer

Keep or gain competitive positioning on every segment authorized to become a reference actor of the gaming market



PMU's International Operations – Vision

- International is key to PMU's strategic vision with an ambitious target : 10% of the net margin derived from export activity by the year 2020
- To achieve this goal, PMU aims at developing its current BtoB activity :
 - *Common pool*
 - *Enlarged service offering*
 - *Complementary gambling offer (ex : sports betting)*
 - *New geographical territories*
- But also settling in a selection of strategic markets, notably in Europe (BtoC)
 - *2013 : first successful step with the acquisition of Eurotiercé in Belgium*
 - *More operations in the months to come*



EPMA addresses racing



- **Economic downturn** impacts horseracing authorities and betting operators
- **Competition** of other sports and betting activities is increasing

EPMA is concerned about:

- Relationship with horseracing industry
- Quality of Racing
- **Level of investment** in racing and its **approach to new technology**: lack of long term perspective



Keys for future success

☐ Improve the customers' perception of racing

- Keep up the number of starters
- Bring jockeys and drivers into the spotlight
- Modern, more entertaining racetracks (racetracks 2.0)
- Development of new ways to own horses

☐ Customer loyalty and customer knowledge are key

☐ Lobby together on common issues

- Integrity of sport: increase joint communication
- Show the effort towards horses' health and welfare



**It is now time to invent the future of
racing and betting together**

