

15 October 2019

The Rank Group Plc

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The Rank Group Plc (LSE: RNK) ('Rank' or 'Group') announces the following trading update for the quarter to 30 September 2019

Rank today announces Group like-for-like net gaming revenue ('NGR') was up 10% for the quarter ended 30 September 2019 ('Q1'), with total NGR up 9%. On a channel basis, digital NGR grew by 16% and venues like-for-like NGR grew by 9%.

LFL revenue	Q1 2019/20 GGR	Q1 2019/20 NGR
Digital	15%	16%
Grosvenor venues	10%	15%
Mecca venues	0%	0%
International venues	4%	4%
Group	8%	10%

The Digital segment continued to grow strongly. Grosvenor grew NGR 27% in the quarter supported by strong growth in customer numbers. We successfully migrated onto our new content management system in September. Higher average revenue per user helped drive Mecca digital's NGR by 14% in the quarter. YoBingo's performance was in line with last year.

The standout performance in the quarter came from Grosvenor venues. Q1 is seasonally the strongest quarter for Grosvenor and was lapping weak comparatives. With strong win margins across all products, Grosvenor delivered 15% NGR growth. All gaming product areas delivered revenue growth with electronic roulette continuing to benefit from the investments we have made to the machine estate together with the regulatory changes on B2 staking limits in April, strong volumes being seen in table handle at good margins and continued growth in gaming machine revenues. We are delighted with the early flow through of revenue from our Transformation initiatives launched in December 2018.

Mecca venues' like-for-like NGR was flat in the quarter, with lower customer visits offset by a higher spend per visit.

International venues performed in line with expectations. The rollout of gaming machine upgrades is nearing completion.

Stride Gaming plc ('Stride')

On 4 October, Rank completed the acquisition of Stride Gaming plc and has commenced its integration with Rank Digital. The strategic rationale for the transaction is:

- Rank and Stride are highly complementary businesses creating a leading multi-channel operator with genuine digital scale;
- Migration to Stride's proprietary technology platform increasing operational control and technology capability;
- Strengthens existing digital leadership team; and
- Attractive financial profile with strong operational and revenue synergy opportunities.

Stride's NGR in Q1 was £16.3m, down 15% on last year driven by lower customer acquisition volumes and reduced margins in the period. We remain confident that we will deliver all the benefits outlined

when the deal was announced. Cash in the business at completion was approximately £25m, an increase of £3m since the announcement of our offer to acquire Stride.

Unaudited proforma headline Stride financials are as follows:

£m	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	FY
NGR	19.2	19.1	17.7	17.6	73.6
Adjusted EBIT					11.3

John O'Reilly, CEO of Rank, said:

"We are pleased with the growth achieved across our businesses in this key part of our financial year, as well as with the ongoing progress we are making with our transformation programme. The acquisition of Stride marks a pivotal moment in the development of our digital offering and having completed on 4 October 2019, we are now starting the execution of all our plans for integration and delivery of synergy benefits."

Forthcoming announcements

Rank will announce its interim results on 30 January 2020.

Ends

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for arranging the release of this announcement on behalf of Rank is Luisa Wright, Company Secretary.

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Notes to editors:

1. Gross Gaming Revenue ('GGR') is revenue before adjustments for customer incentives.
2. Net gaming revenue ('NGR') is GGR less customer incentives.
3. Like-for-like excludes the impacts of venue openings, closures, relocations, acquired businesses and foreign exchange movements.
4. All comparisons are with the same period in 2018/19.
5. Q1 is for the period 1 July to 30 September.
6. Digital comprises the Grosvenor, Mecca, YoBingo and Enracha brands.
7. EBIT is earnings before exceptional items, interest and tax.
8. Adjusted EBIT is EBIT adjusted for the impact of IFRS 3 amortisation.
9. The unaudited proforma Stride financials have been provided for the quarters on which Rank reported during 2018/19.