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## **OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

Please refer to the attached announcement on the next page.

*As at the date of this announcement, the board of directors of Guoco Group Limited comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. CHEW Seong Aun as Executive Director; Mr. KWEK Leng San as Non-executive Director; Mr. David Michael NORMAN, Mr. Lester G. HUANG, SBS, JP and Mr. Paul Jeremy BROUGH as Independent Non-executive Directors.*

# Trading statement



**The Rank Group Plc**

**LEI: 213800TXKD6XZWOFTE12**

16 December 2022

**The Rank Group Plc (LSE: RNK) (Rank or the Group) provides an overview of trading performance for the five months to 30 November 2022 and an update on its profit expectations for the year ending 30 June 2023.**

Group LFL NGR for the five months to 30 November 2022 was up 1% compared to the same period in the prior year, with LFL NGR growth in Mecca venues, Enracha venues and Digital offset by a decline in Grosvenor venues.

Whilst there has been some improvement in Grosvenor's trading over the last few weeks, trading in Q2 has been weaker than expected, with weekly average NGR of £5.8m being only marginally ahead of the levels seen in Q1. We had expected Grosvenor venues to have continued to improve throughout Q2 and then into the second half of the year, but this improvement has not yet materialised, driven by lower customer spend per visit.

In the first five months of the year, Mecca customer visits numbers were up 4% on the prior year, with Q2 weekly average NGR in line with Q1. There has been a recent weakening in weekly average NGR due to lower visit numbers, impacted by the World Cup and colder weather, as well as the ongoing cost of living pressure on consumers.

Enracha venues continued to perform strongly with NGR up 27% as investments into electronic product continue to deliver strong returns.

Rank's Digital business continued to deliver good growth. NGR was up 11%, with UK up 10%, following the successful migration of Grosvenor onto our proprietary technology platform, and International up 13% driven by continued growth in YoBingo and the launch of YoSports in October 2022.

## **Outlook**

Grosvenor venues have shown signs of improvement in recent weeks and there are robust plans in place to drive revenues, however the return to growth will take longer than previously expected due to the current challenging macro-economic backdrop.

Year-to-date performance in our Mecca venues also creates a level of downside risk to the full year outturn for FY23.

We expect our Enracha venues to continue to perform strongly for the remainder of FY23, with our Spanish customers being less impacted by cost of living pressures.

Our Digital business continues to focus on delivering its roadmap of enhancements centred around providing a richer live casino gaming experience and a more personalised and engaging online bingo offer.

Total known cost increases for the year remain broadly in line with our expectations at approximately £50m driven by wage inflation, energy inflation, other price increases and COVID-19 related Government support received in FY22.

We now expect Group LFL underlying operating profit for the year ending 30 June 2023 to be in the range of £10m to £20m, with the main variable being the performance of Grosvenor venues. Due to the high operating leverage within Grosvenor, and its relative importance to the Group as a whole, movements in its NGR will have a significant impact on the Group's operating profit for the year.

John O'Reilly, Chief Executive, said:

"Weak consumer confidence and pressure on disposable income is resulting in a tougher than expected trading environment for our UK venues businesses, particularly in Grosvenor where we are seeing customers spending less per visit.

"Whilst we expect these challenges to continue to impact our recovery into the second half of the financial year, we have implemented a series of measures to deliver incremental cost savings and to drive revenues.

"We remain committed to our roadmap of investing in initiatives that will ensure the long-term recovery and prosperity of the Group. These include delivering new products in our UK venues, enhancements to the design and facilities of some of our casinos and upgrades to the table gaming and electronic offering. Our digital team is now fully focused on delivering the improvements available to our UK and Spanish business following the successful migration of all our brands onto our proprietary platforms."

#### **Forthcoming announcements**

Rank will announce its 2022/23 interim results on 26 January 2023.

During H1 2022/23, the Group undertook a review of the Group's Central Costs and has concluded it is appropriate that a proportion of Central Costs should be allocated to each of its operating business units. As a consequence, the upcoming 2022/23 interim statement will outline the Central Costs allocated to each business unit and the operating profit per business unit before and after Central Cost allocations. To aid comparisons, H1 2021/22 operating profit for each business unit will be restated accordingly and disclosed in the 2022/23 interim statement.

**Ends**

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*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.*

#### **Notes to editors:**

1. Net Gaming Revenue ('NGR') represents Gross Gaming Revenue after customer incentives.

2. Like-for-like excludes the effects of club closures, club reopenings and FX.
3. All comparisons are with the same period in 2021/22.