

# Q1 2019 interim report

April 25th, 2019

**Therese Hillman, Group CEO**

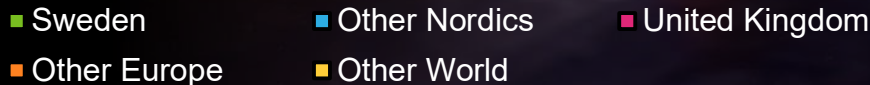
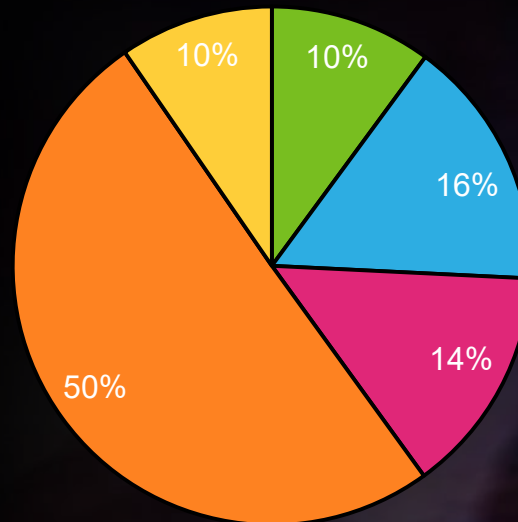


# Report highlights

- Revenue headwinds in Sweden and rest of Nordic countries
- New customers: signed eight and launched nine in Q1-19
  - Signed Parx Casino in Pennsylvania
- Five new slot games released, most successful was *Turn your Fortune*
- Continued focus on productivity improvements and cost control
- Permanent license obtained in New Jersey (USA)
  - Continued strong growth in New Jersey
- Conditional license obtained in Pennsylvania (USA)
  - Go-live set for mid-July

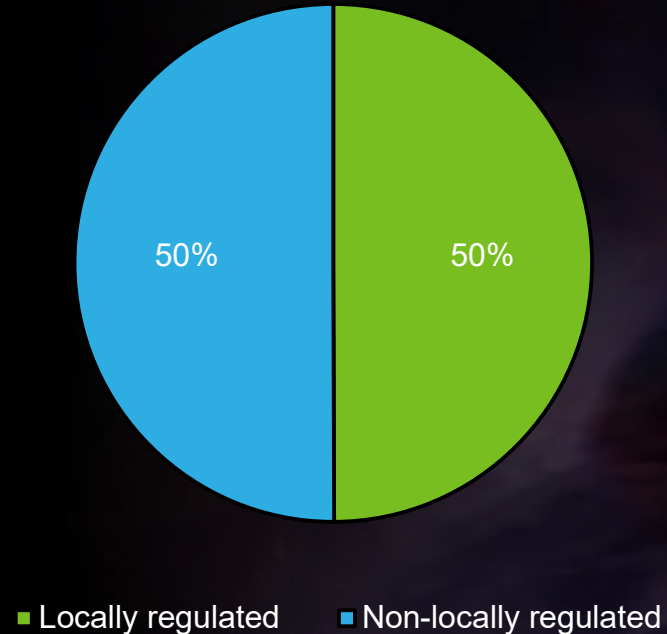
# Gamewin split by Region

- Sweden 10 (14)%
- Other Nordic 16 (18)%
- United Kingdom 14 (14)%
- Other Europe 50 (47)%
- Other World 10 (8)%



# Locally Regulated Markets

- 50 (35)% of gamewin from locally regulated markets
- Europe
  - Gaming tax increases in Italy and UK
  - Switzerland new gaming legislation since January 1, 2019
- US
  - Pennsylvania market opening expected mid-July



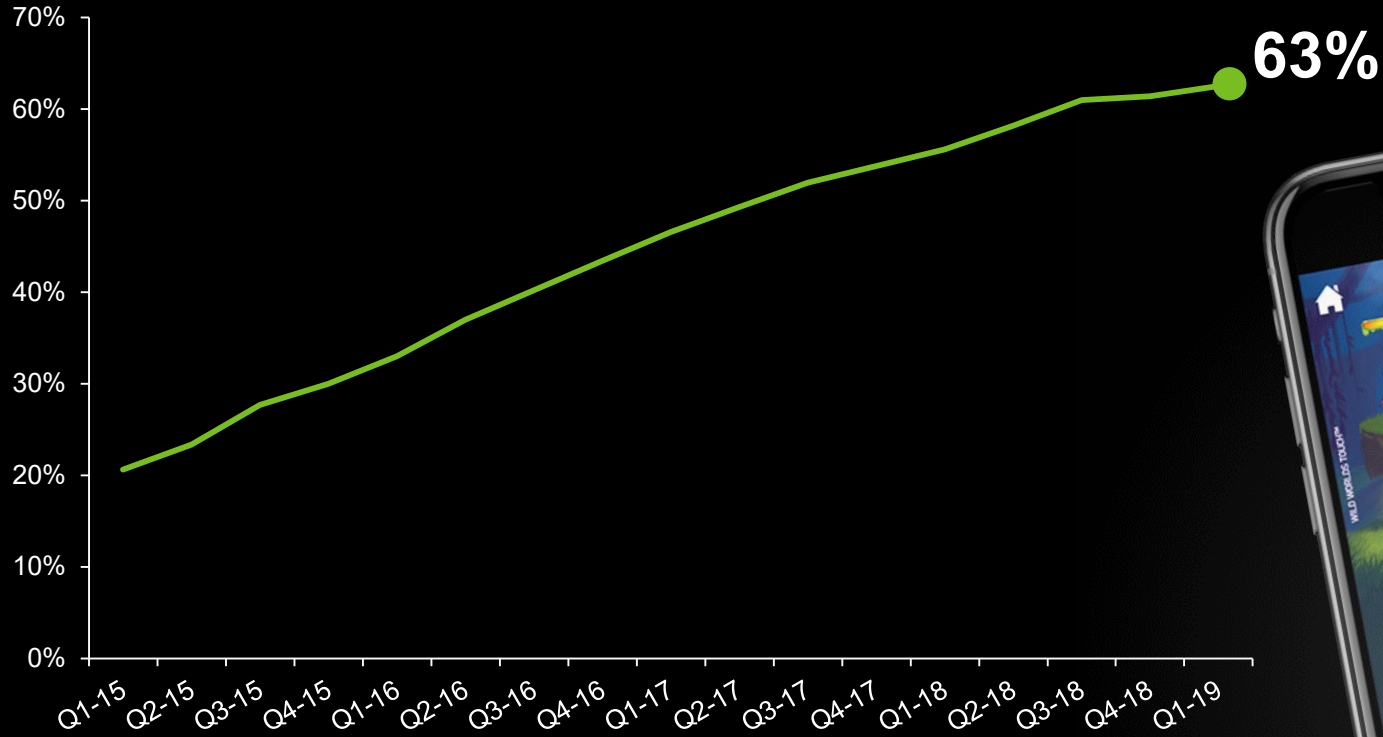
# Swedish Market Re-regulation

- New regulation started 1 January, 2019
- New set of conditions for responsible gambling
- Drop in gamewin due to fewer players and lower ARPU across the player base
- Some negative effect also from operators leaving market and delayed licenses
- As expected, gaming tax affecting total group revenues negatively by around 2%



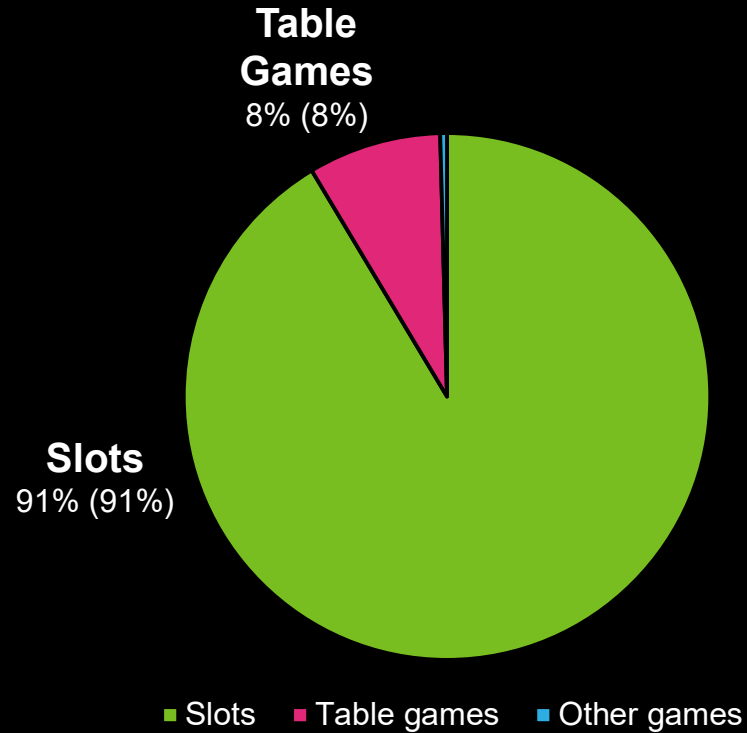
SHARE OF GAMEWIN

# Mobile Games



Q1 2019

# Gamewin By Game Type

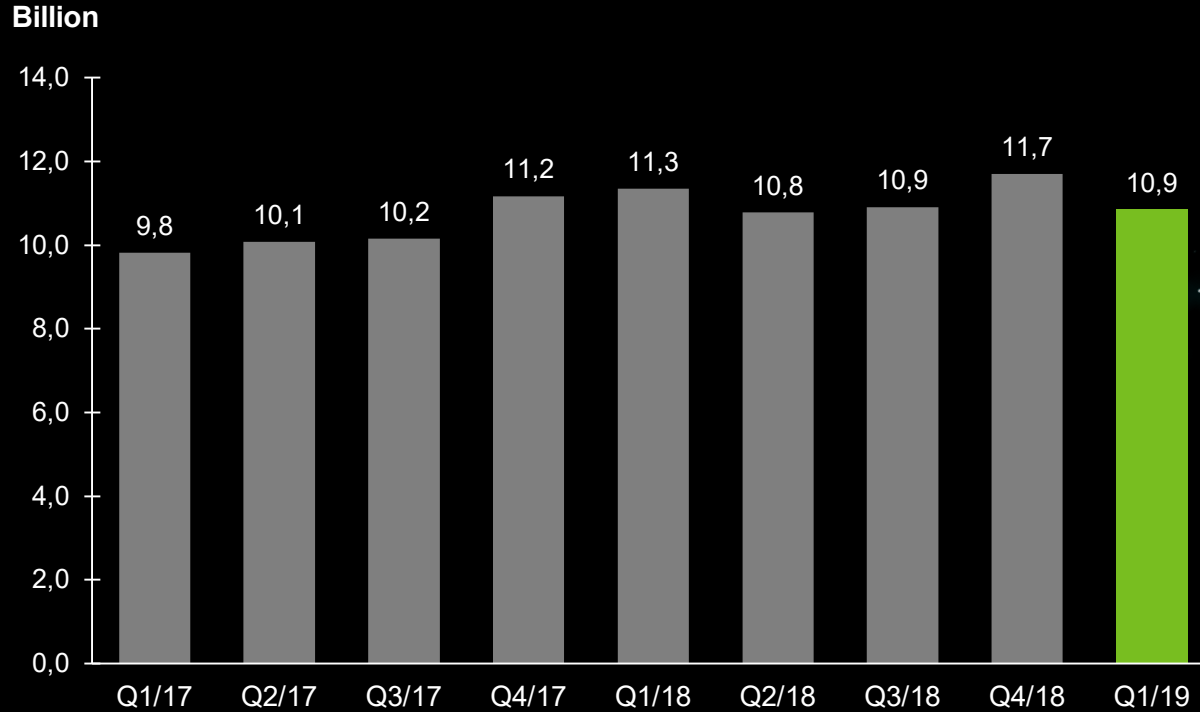


Comparable figures from Q1 2018 in parenthesis



BY QUARTER

# Game Transactions



Q1 2019

# Product News



## STROLLING STAXX

CUBIC FRUITS™



## GOLDEN GRIMOIRE™

## SCUDAMORE'S SUPER STAKES™

## TEMPLE OF NUDGES™

# NETENT

live

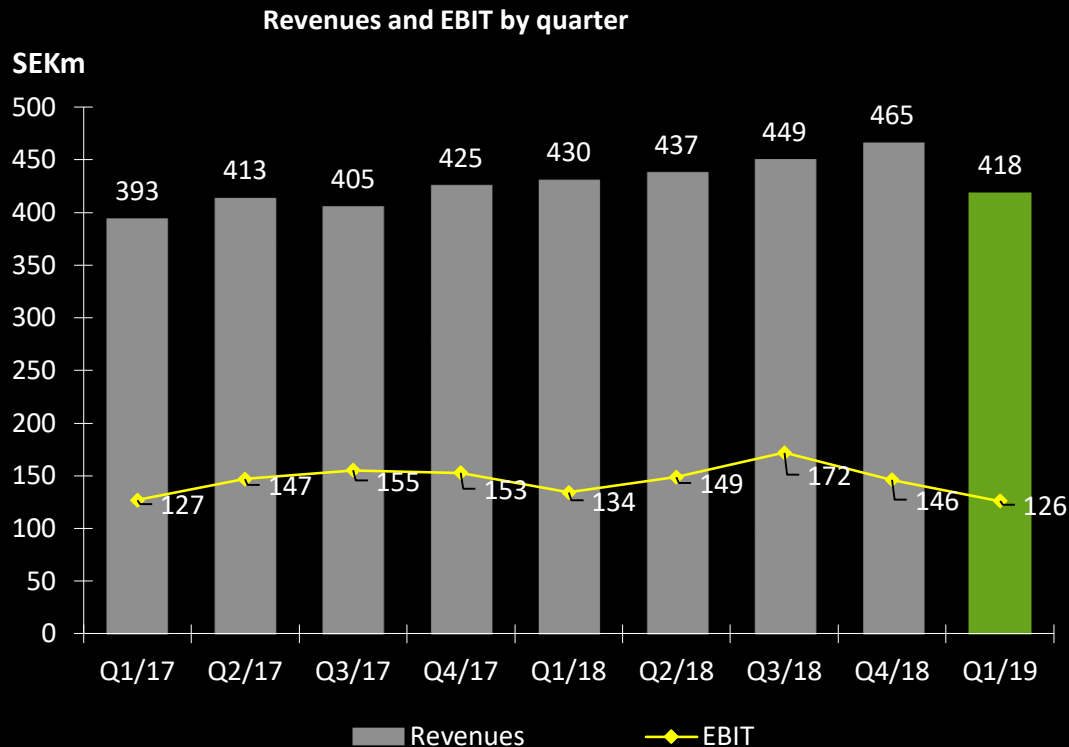


**Lars Johansson, CFO**  
**Financials**

BY QUARTER

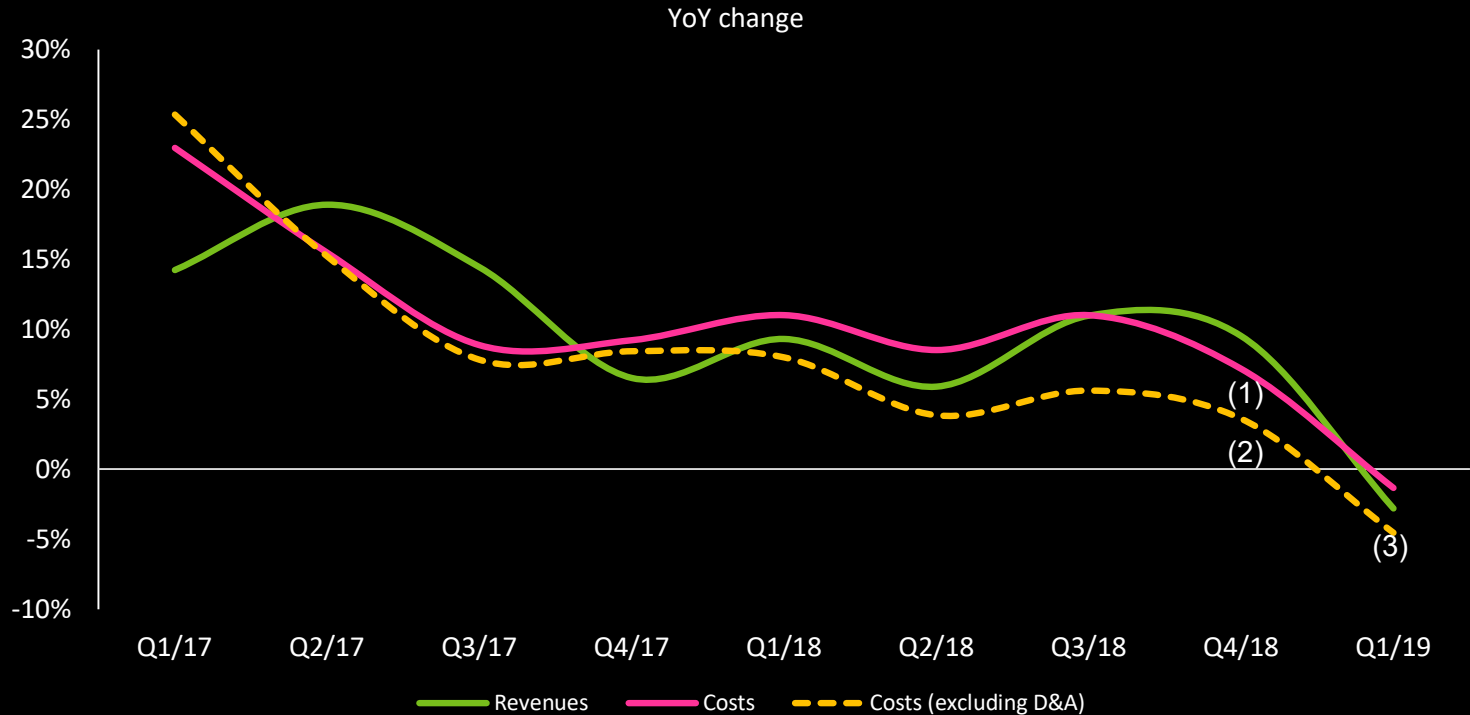
# Revenue and EBIT

- Revenues -2.8% YoY in SEK
- Revenues -7.0% YoY in EUR
- EBITDA margin of 47.0 (42.3)%
- EBIT margin of 30.2 (31.2)%



BY QUARTER

# Cost vs Revenue Growth



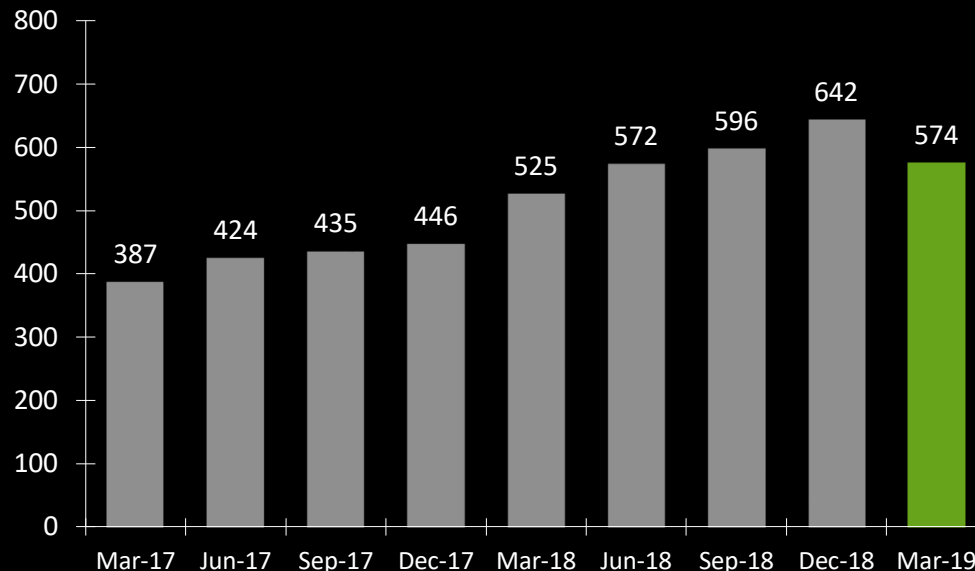
(1) Excluding 27 SEKm in non-recurring costs in Q4-18 (2) Excluding 22 SEKm in non-recurring costs in Q4-18 (3) Adjusting for 15 SEKm of D&A from IFRS 16

LAST 12 MONTHS ROLLING

# Free Cash Flow

- Free cash flow of 90 SEKm in Q1
- Free cash flow of 574 SEKm L12M
- Net cash position of 597 SEKm at end of March 2019
- Proposed cash distribution to shareholders
  - SEK 2.25 (2.25) per share
  - Total of 540 SEKm
  - Automatic redemption program
- Additionally, the board has decided to start share buy backs

Cash flow after investments, last rolling 12 months



# Focus looking ahead

- Gamewin levels so far in April in line with Q1-19
- Difficult growth outlook in several markets for rest of 2019 due to stricter regulations
- Return to long-term revenue growth in core slots business
  - Increasing output, 30-35 new games planned for 2019
  - Six new games scheduled for Q2
  - Geographic expansion in Americas and Asia
- Improving Live Casino offering
- Player-centric initiatives to support core business
  - Social casino and affiliate business
- Cost control and productivity



# Q & A

