



Investor presentation

February, 2017

NETENT
BETTER GAMING™

Agenda



NetEnt in brief
Product overview
Market overview
Growth strategy
Q4/FY 2016 highlights
Financial update
Outlook
Q&A

About NetEnt



**GLOBAL
B2B**

DIGITAL ENTERTAINMENT COMPANY



ONLINE CASINO
**GAMING
SOLUTIONS**



**INNOVATION
& TECHNOLOGY**



**GREAT
GROWTH
POTENTIAL**



WORKFORCE

900



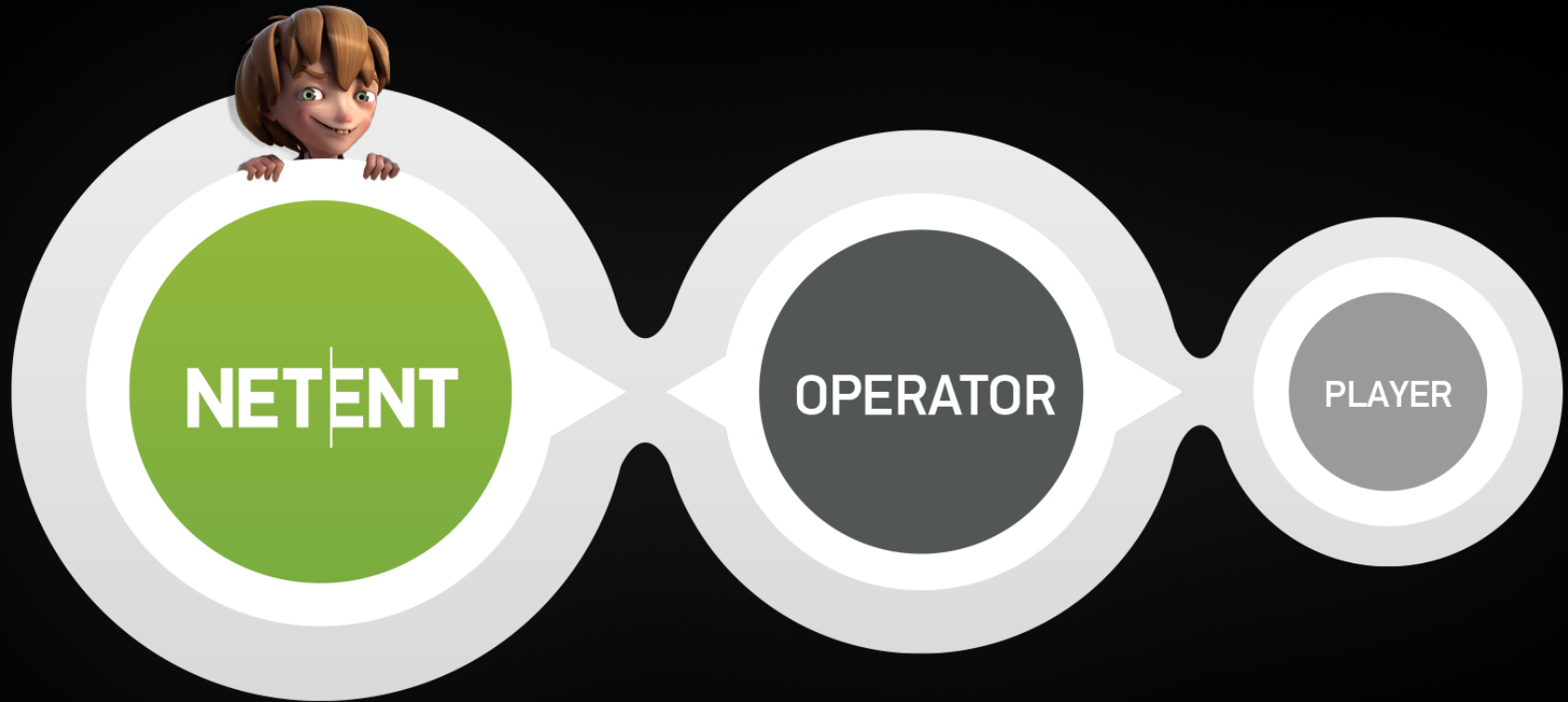
€1.9 bn

MARKET CAP
NASDAQ STHLM

Our Offering



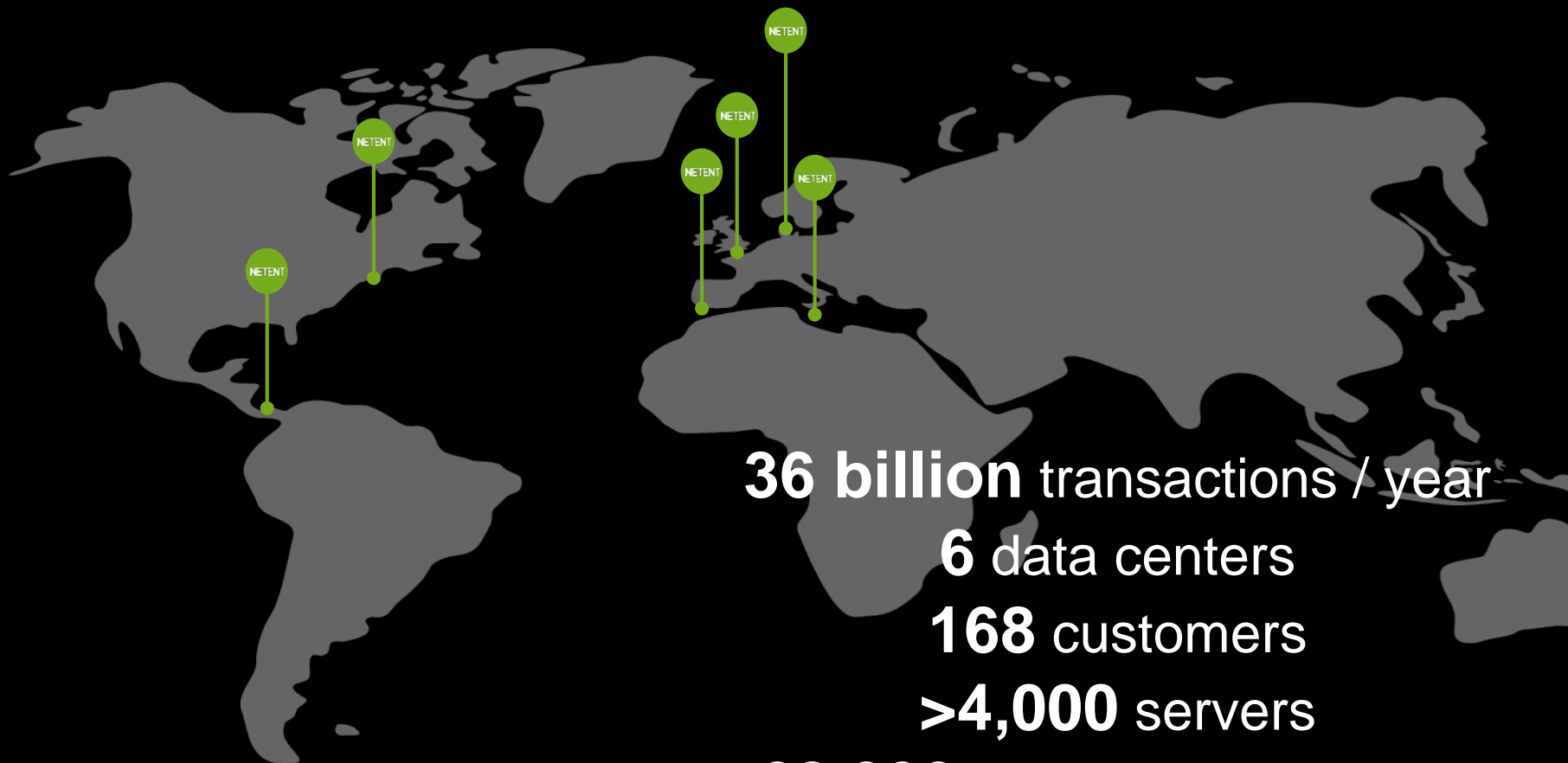
Business Model – Partnership & Revenue Share



Omnichannel offering



Strategic IT infrastructure



36 billion transactions / year

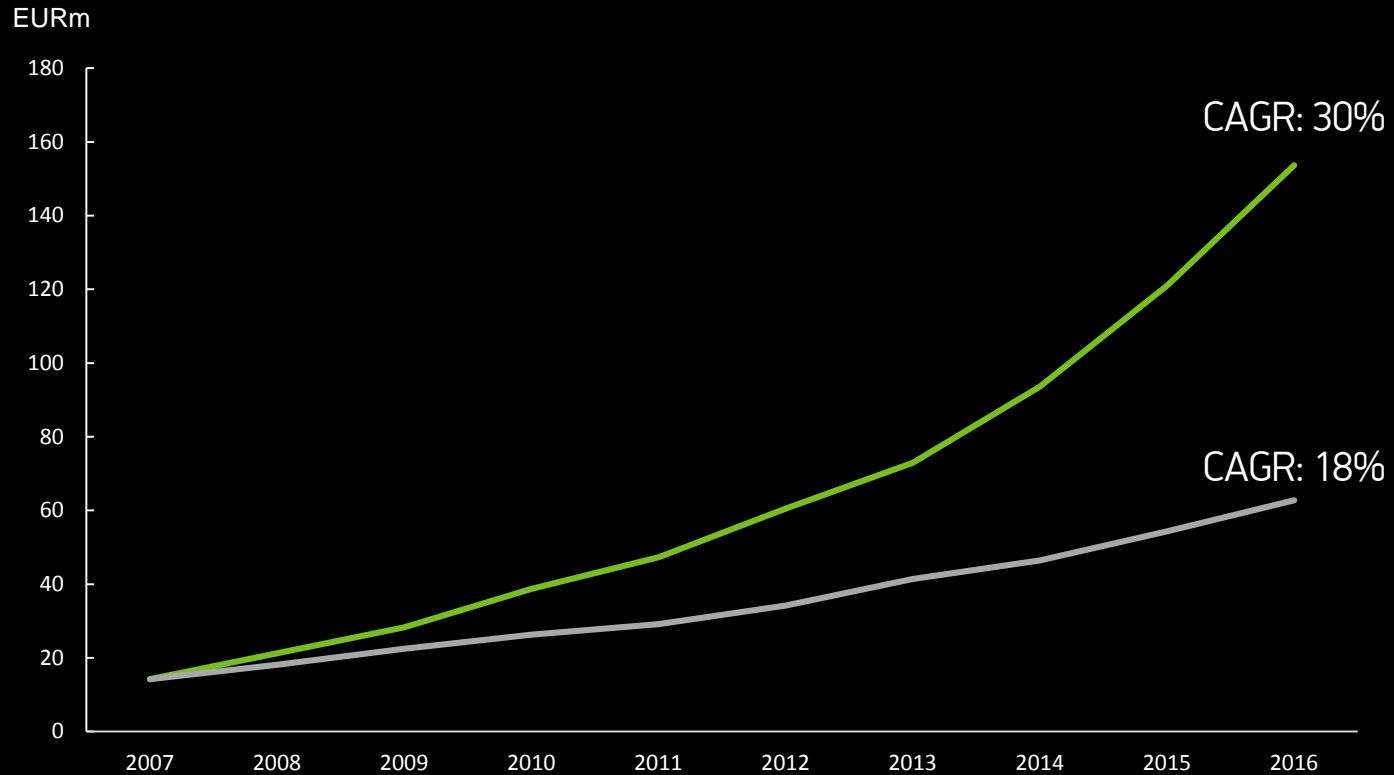
6 data centers

168 customers

>4,000 servers

68,000 game rounds/minute

NetEnt Growth vs The Market



Growth Strategy

NEW CUSTOMERS

NEW MARKETS

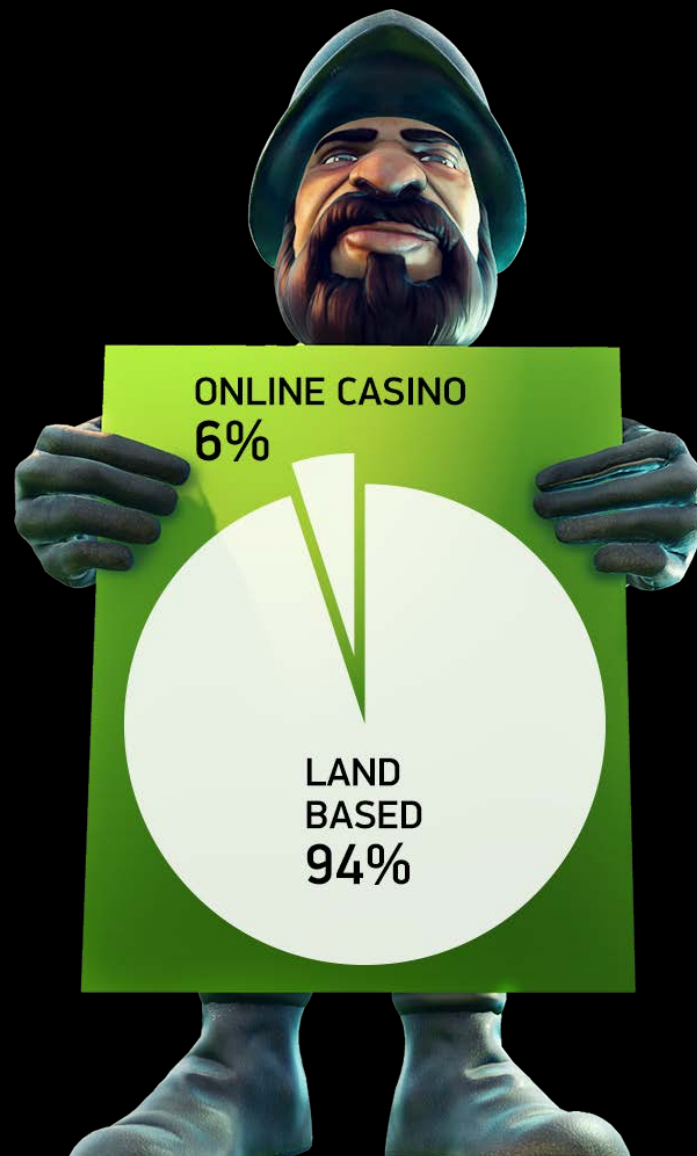
NEW PRODUCTS AND SERVICES

EXISTING CUSTOMERS



Global Casino Market

- Total casino market
€119 Bln

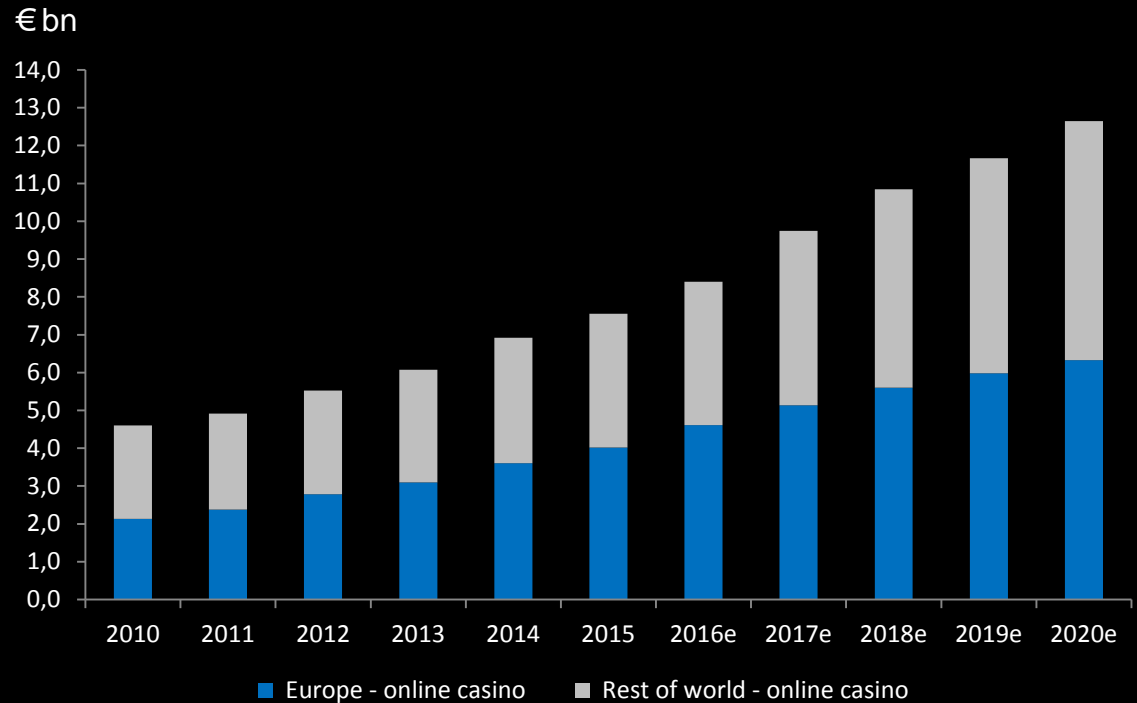


Source: H2 Gambling Capital, June 2016

Online Casino Market Europe & Rest of World

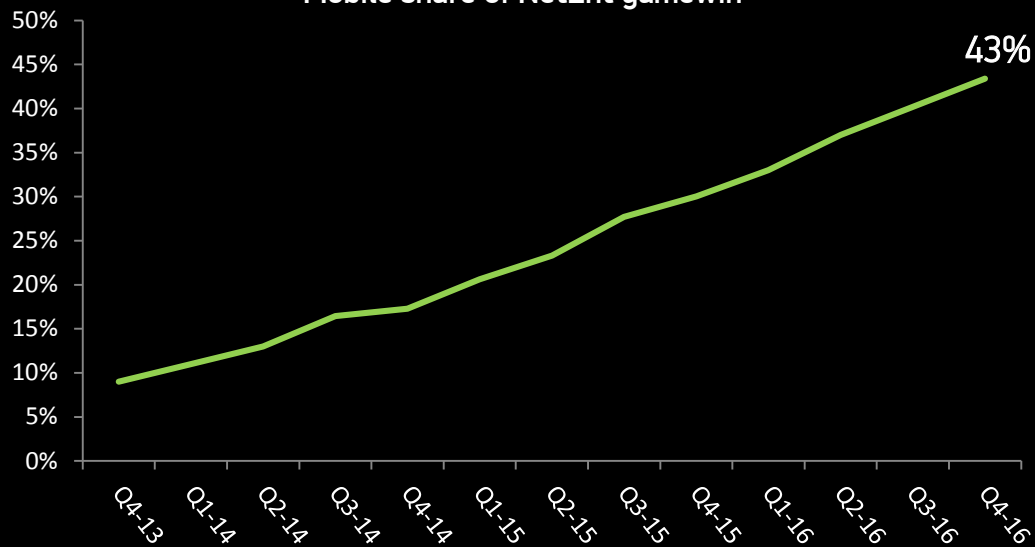
CAGR 2015–2020e

- Global: **11%**
 - ✓ Europe: **10%**
 - ✓ Rest of World: **12%**



Mobile Growth

Mobile share of NetEnt gamewin



Geographical Focus



A NEW LIVE
EXPERIENCE
ON MOBILE
HAS ARRIVED



Roulette

NETENT **live**

Strategic Focus

Niche focus on digital
casino solutions

Geographic expansion:

1. Europe, 2. North America, 3. Asia

Grow existing & new customers

Regulated markets

Become a leading Live Casino supplier

Expand services offering

Retail channel

Premium offering and premium pricing

Report Highlights

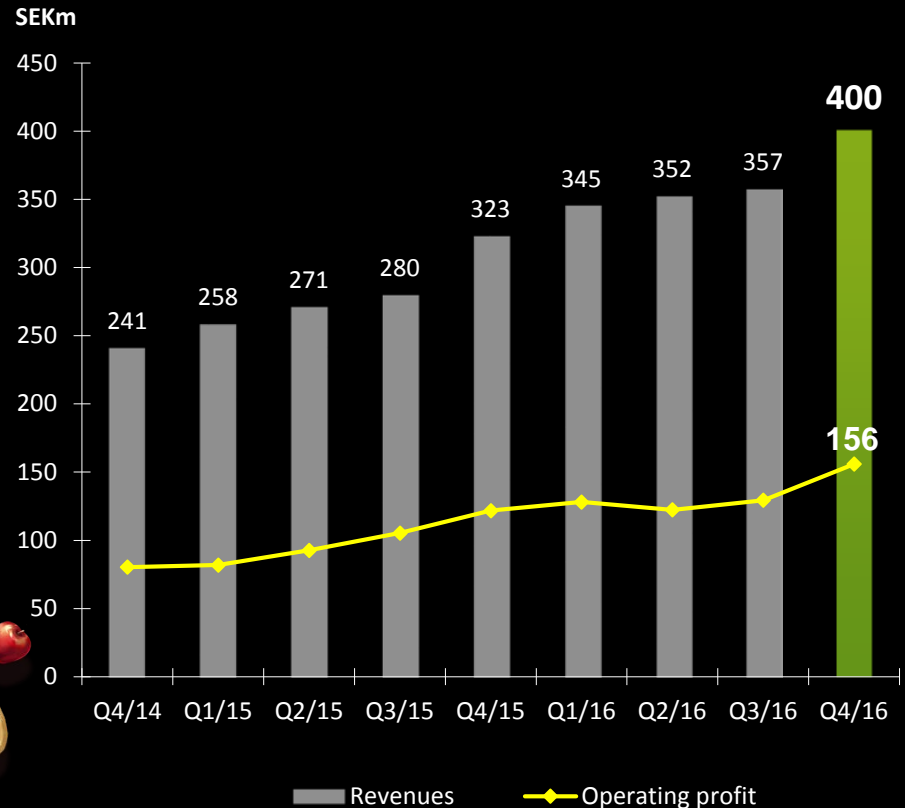
Q4 2016

- 13 new customers signed
- 12 new customers launched
- Retail deals for gaming machines in Italy and UK with Gauselmann and Paddy Power
- Launched games in new regulated markets Portugal and Bulgaria
- Signed agreement to enter Mexico with one of the leading operators, Codere
- Applied for license in British Columbia, Canada



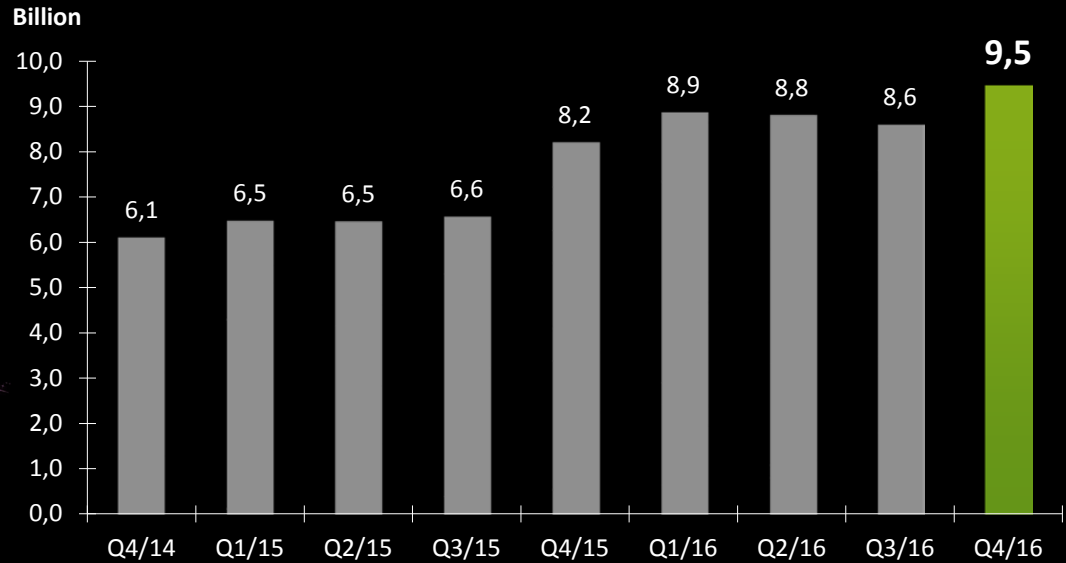
Revenues & Operating Profit by Quarter

- Revenues +23.9% y-o-y in SEK
- Revenues +18.5% y-o-y in EUR
- EBIT +28.1% y-o-y
- EBIT margin of 39.0% (37.7%)



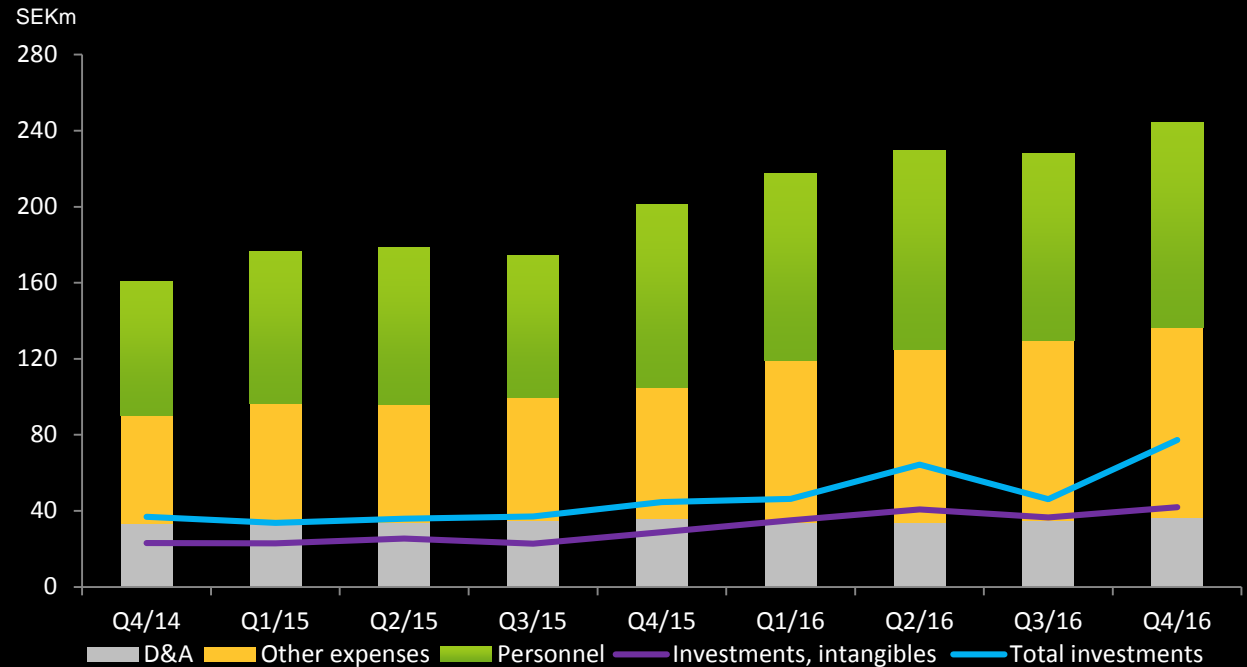
Game Transactions by Quarter

- 9.5 billion transactions, highest ever
- +15.2% y-o-y

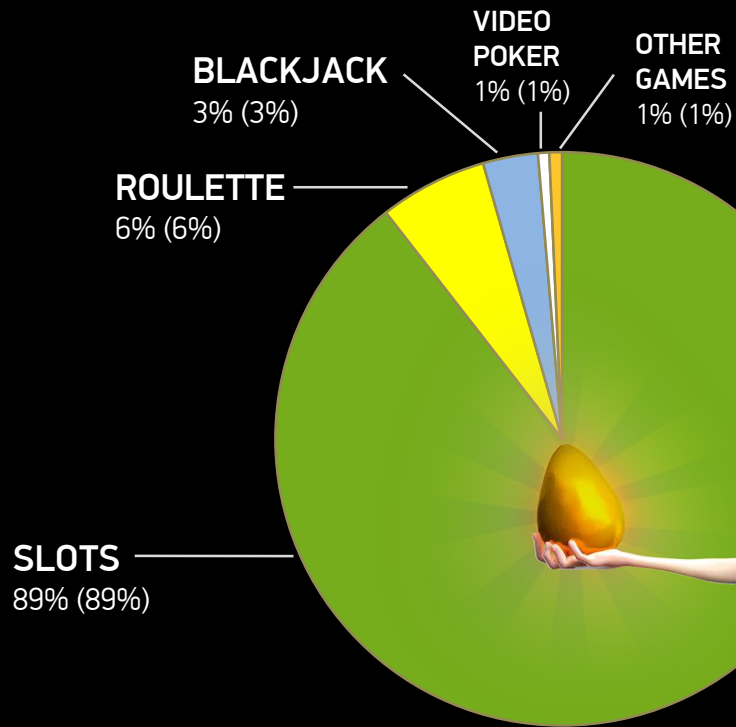


Costs & Investments by Quarter

- Total costs
+7.2% q-o-q
- Personnel
costs +9.4%
- Other costs
+5.5%
- Investments
+67.5%



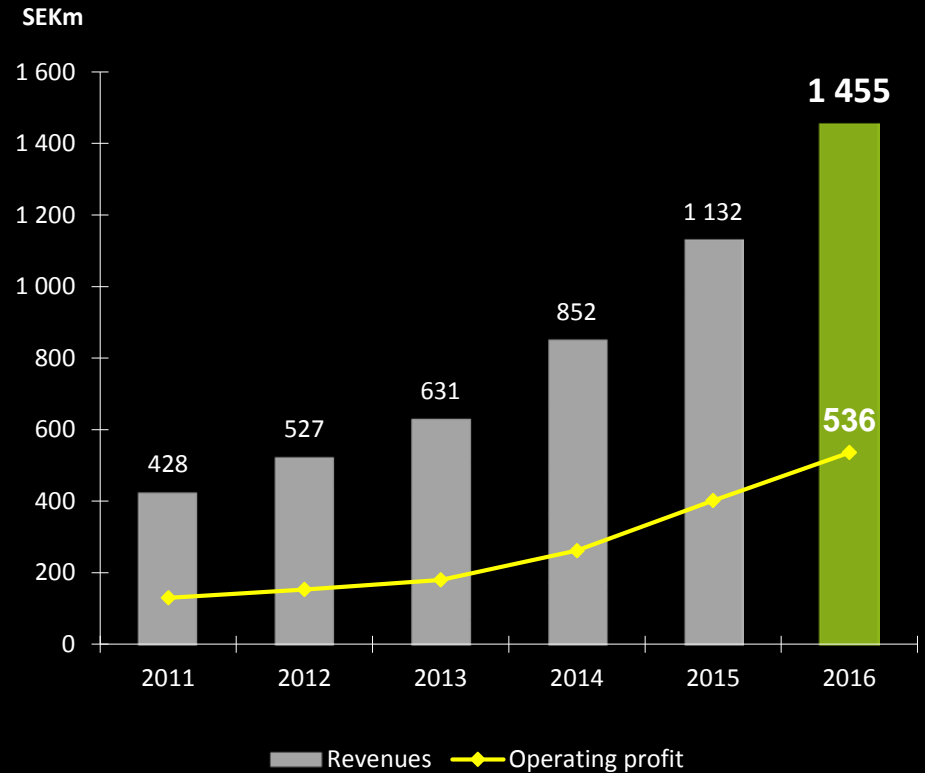
Gamewin Breakdown by Product



*Note: Gamewin split as per Q4, 2016.
Previous quarter in parenthesis.*

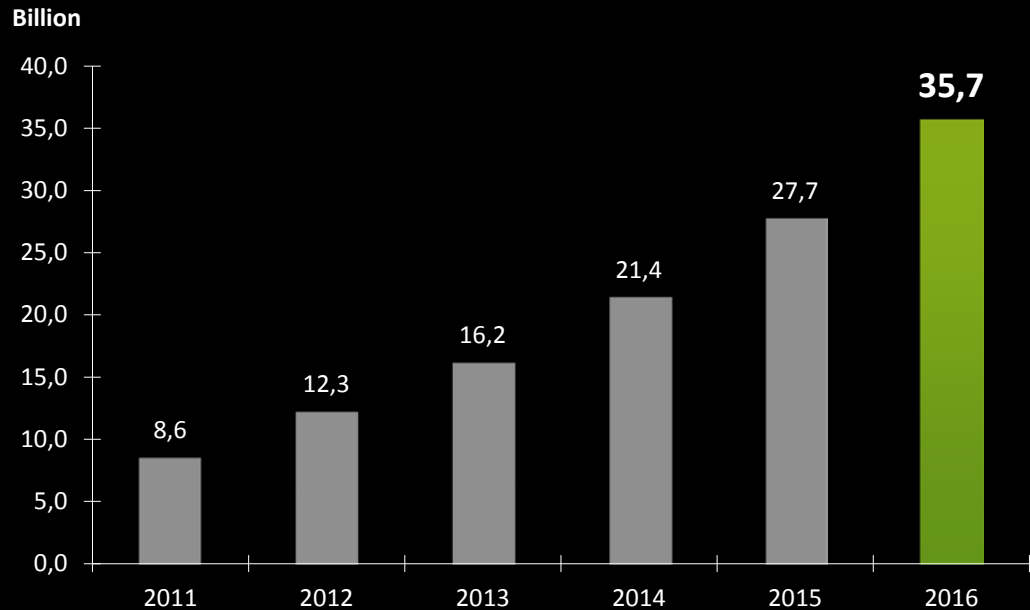
Revenues & Operating Profit Last 6 Years

- Revenues +28.5% y-o-y
- EBIT +33.4% y-o-y
- EBIT margin of 36.8% (35.5%)



Game Transactions Last 6 Years

- Nearly 36 billion transactions in 2016
- 68,000 transactions/minute
- +28.9% y-o-y



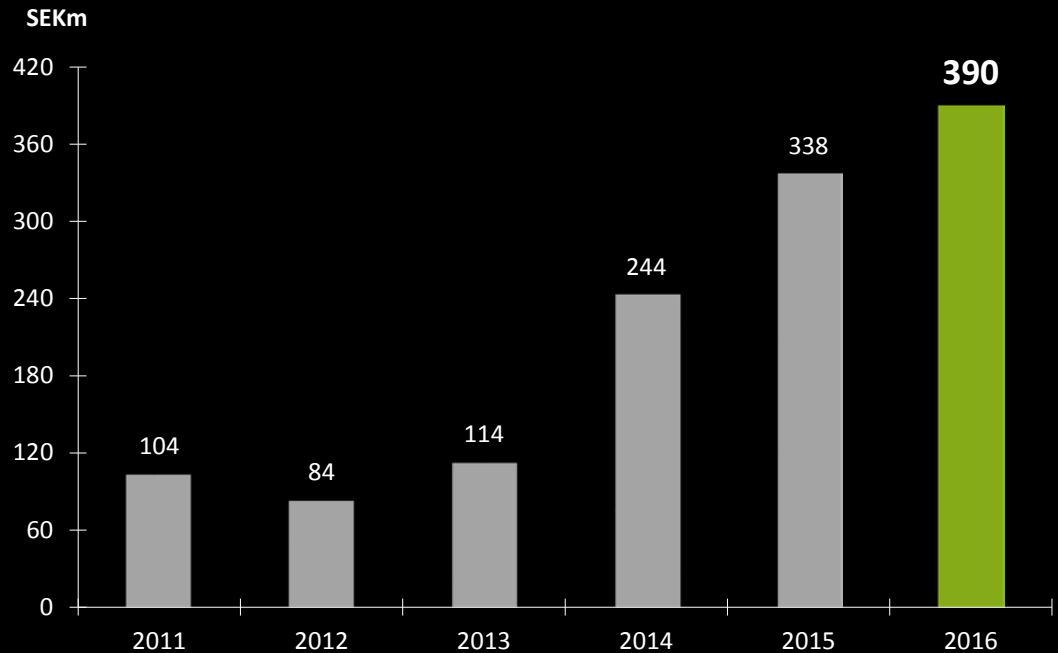
Free Cash Flow

Last 6 Years

- Free cash flow of 390 SEKm in 2016
- Net cash position of 494 SEKm at 31/12/2016

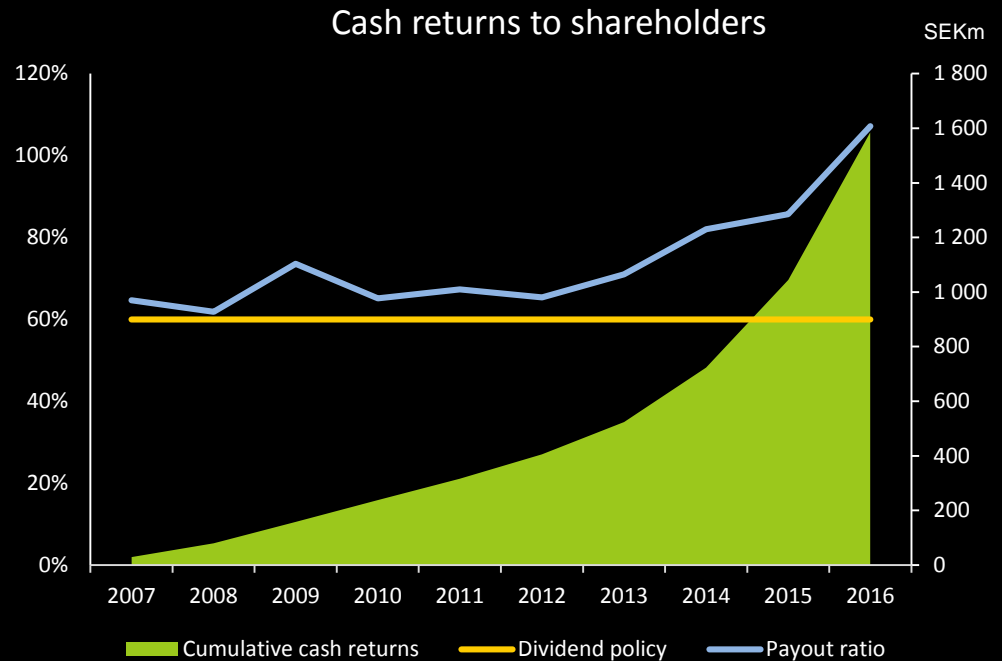


Cash flow after investments, last 6 years



Cash returns to Shareholders

- Proposed cash return for 2016:
 - SEK 2.25 / share
 - SEK 540 million



Game Releases Q4 2016

Synced releases on
desktop and mobile

Available on iOS,
Android and
Windows Phone



Events After the Quarter

- Announced new VR game at ICE
- Announced two new branded games at ICE: Planet of the Apes and Emojis
- Launched games in Mexico with Codere
- Won the “Great place to work” category at the International Gaming Awards in London



Future Outlook

- Expect Q1 2017 revenues in line with Q4 2016, see good conditions for solid growth for rest of 2017
- 31 new customers yet to launch as per end of 2016
- Strong pipeline of new games for 2017
- Growth drivers
 - ✓ UK, mobile, North America
 - ✓ Long term: Asia, Live Casino, Retail, Latin America





Q&A

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