



# Investor presentation

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May, 2017

**NETENT**  
BETTER GAMING™

# Agenda



NetEnt in brief  
Product overview  
Market overview  
Growth strategy  
Q1 highlights  
Financial update  
Outlook  
Q&A

# About NetEnt



**GLOBAL  
B2B**

DIGITAL ENTERTAINMENT COMPANY



ONLINE CASINO  
**GAMING  
SOLUTIONS**



**INNOVATION  
& TECHNOLOGY**



**GREAT  
GROWTH  
POTENTIAL**



WORKFORCE

**900**



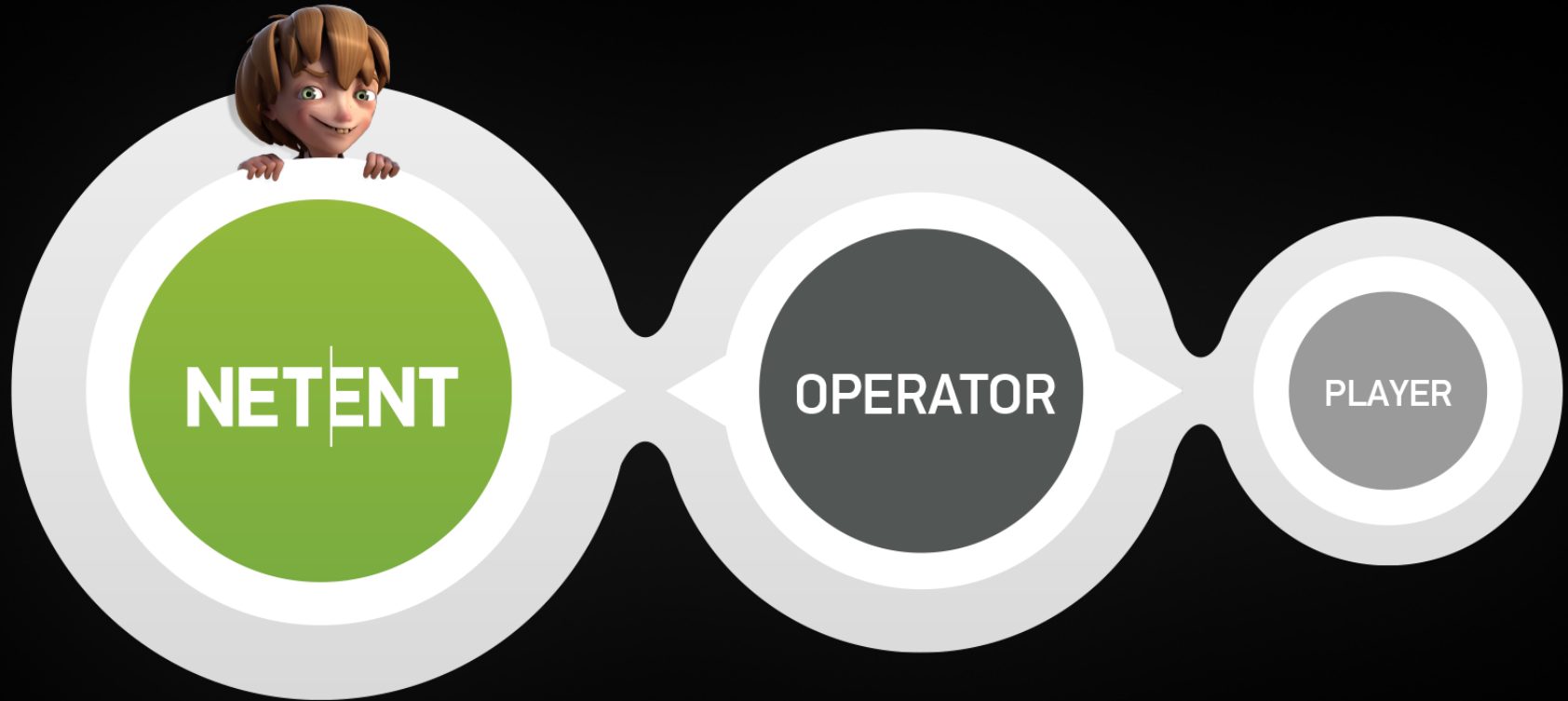
**€1.7 bn**

MARKET CAP  
NASDAQ STHLM

# Our Offering



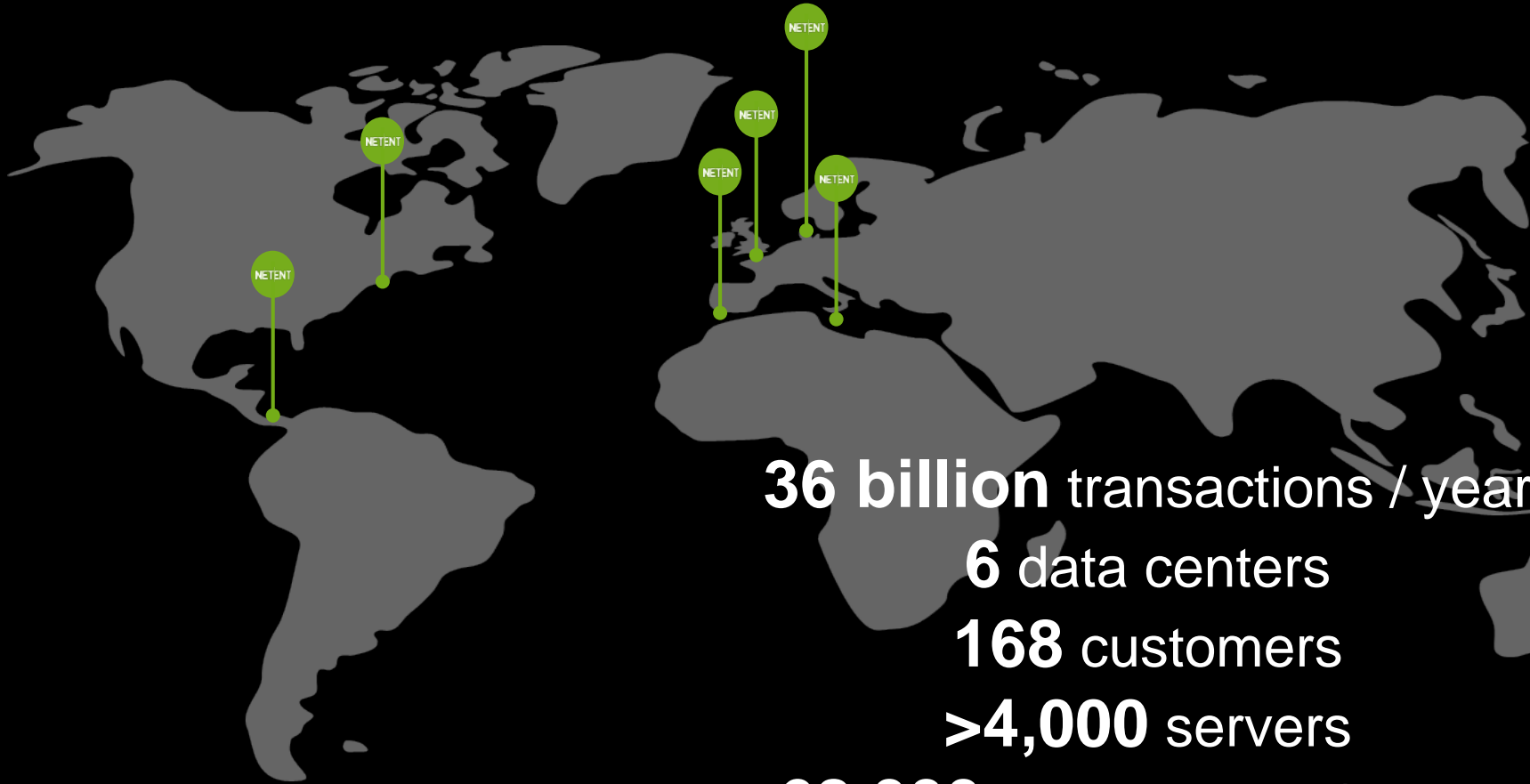
# Business Model – Partnership & Revenue Share



# Omnichannel offering



# Strategic IT infrastructure



**36 billion** transactions / year

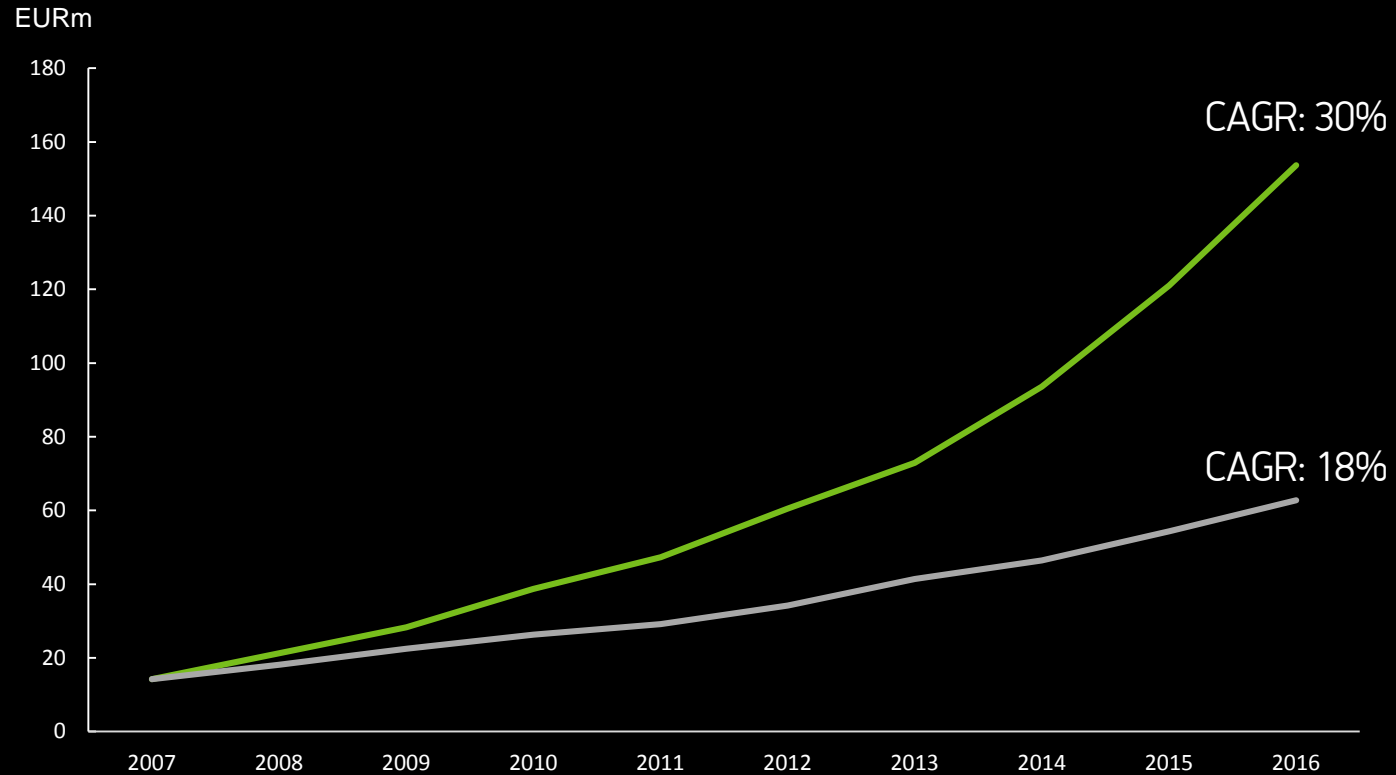
**6** data centers

**168** customers

**>4,000** servers

**68,000** game rounds/minute

# NetEnt Growth vs The Market





# Growth Strategy

NEW CUSTOMERS

NEW MARKETS

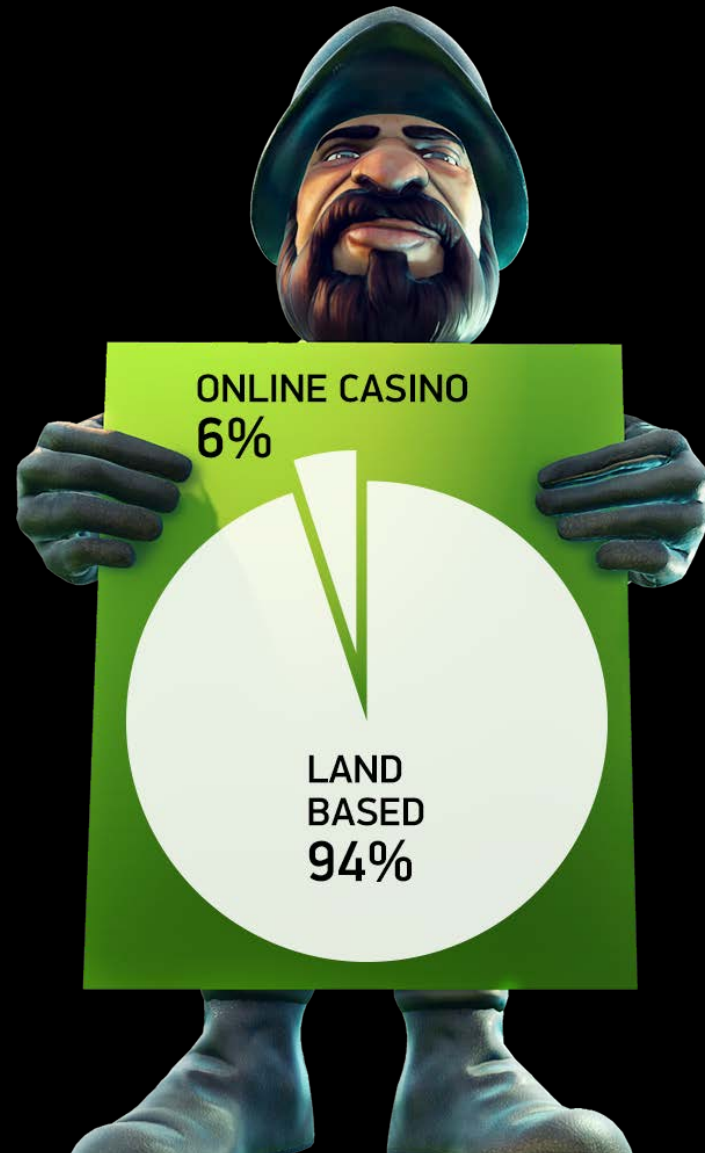
NEW PRODUCTS AND SERVICES

EXISTING CUSTOMERS



# Global Casino Market

- Total casino and gaming machines market €194 Bln

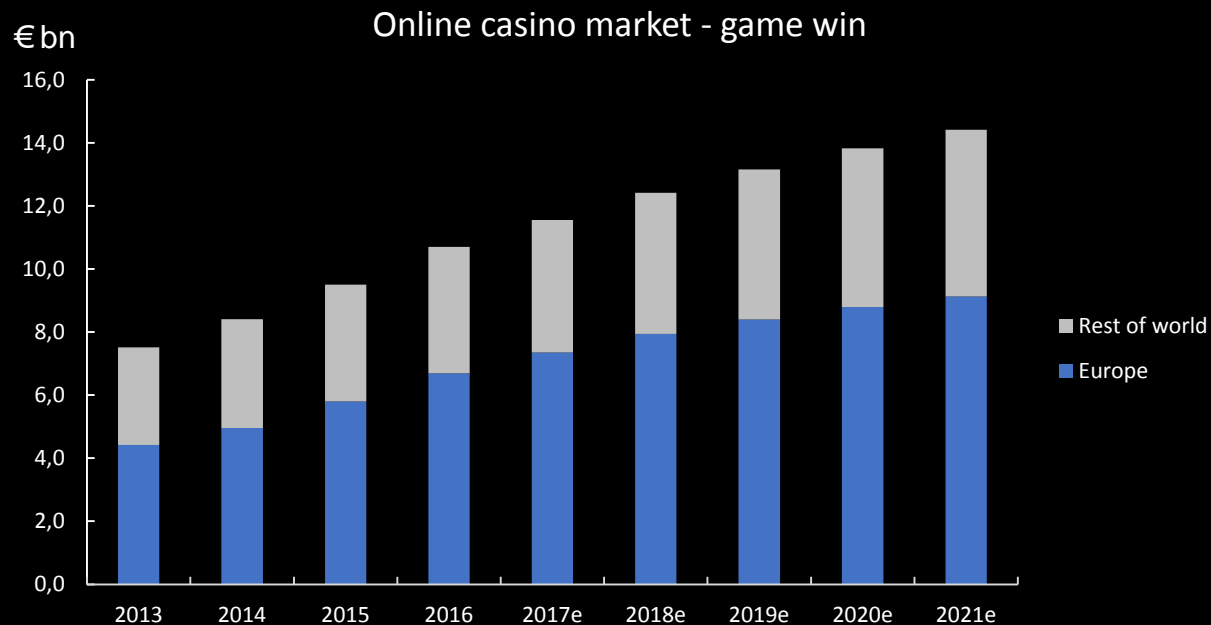


Source: H2 Gambling Capital, February 2017

# Online Casino Market Europe & Rest of World

## CAGR 2016–2021e

- Global: 6.1%
- ✓ Europe: 6.4%
- ✓ Rest of World: 5.7%

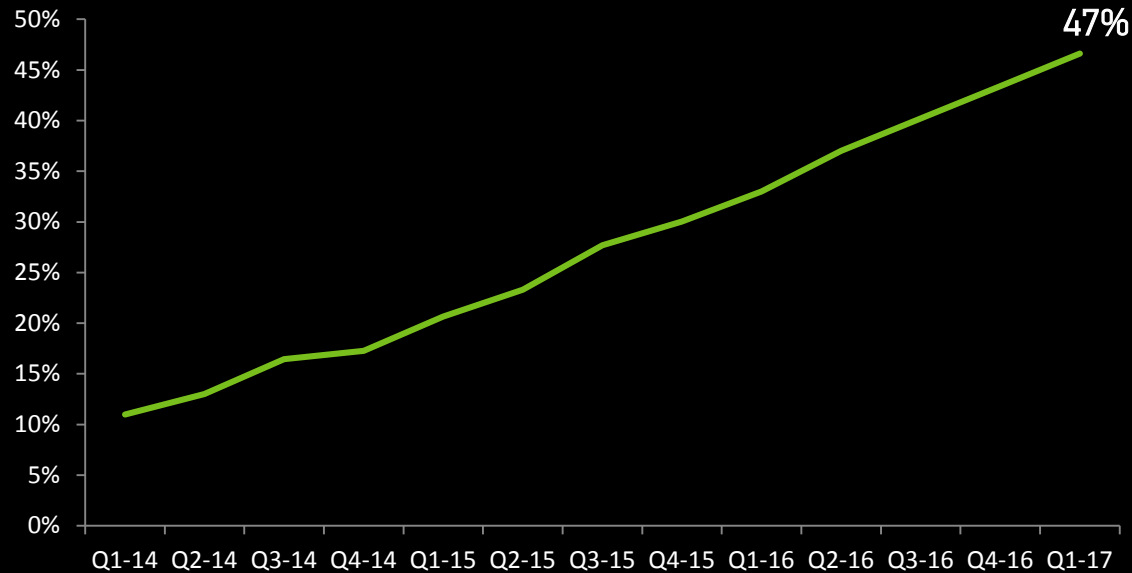


# Geographical Focus

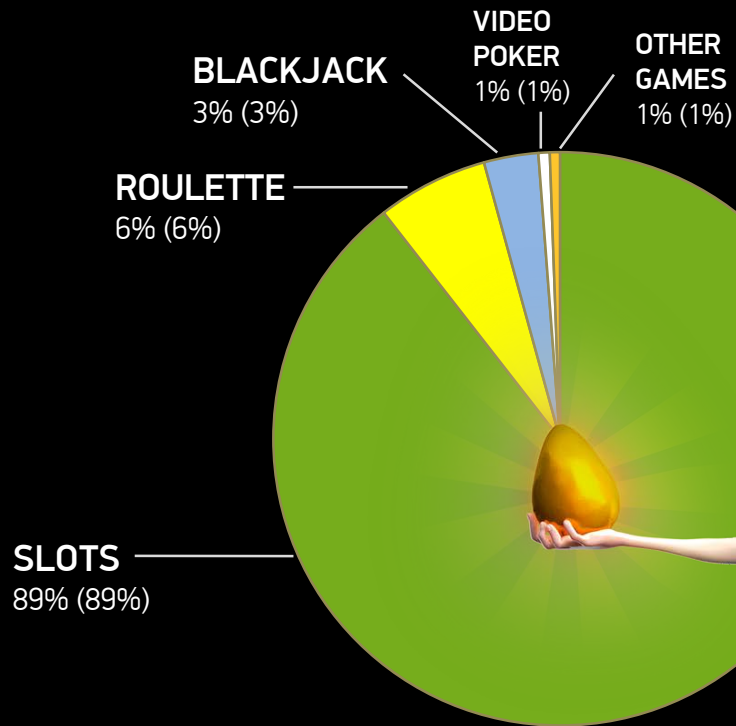


# Mobile Growth

Mobile share of NetEnt gamewin



# Gamewin Breakdown by Product



*Note: Gamewin split as per Q1, 2017.  
Previous quarter in parenthesis.*

**A NEW LIVE  
EXPERIENCE  
ON MOBILE  
HAS ARRIVED**



# 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

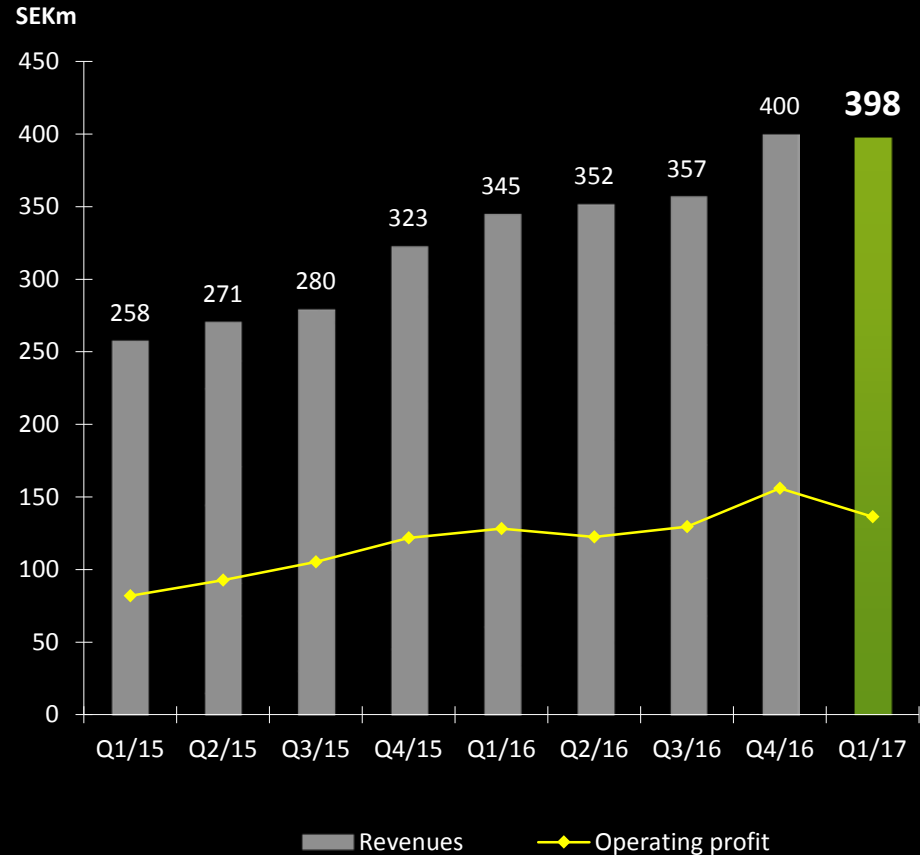
## Q1 2017

- 15 new customers signed – a new record
- 6 new customers launched
- Games launched with Codere in Mexico
- Exciting product news
  - NetEnt to develop its first VR game
  - Live Casino Common Draw Black Jack for mobile
  - Live Rewards
  - Branded games: Planet of the Apes, emojis



# Revenues & Operating Profit by Quarter

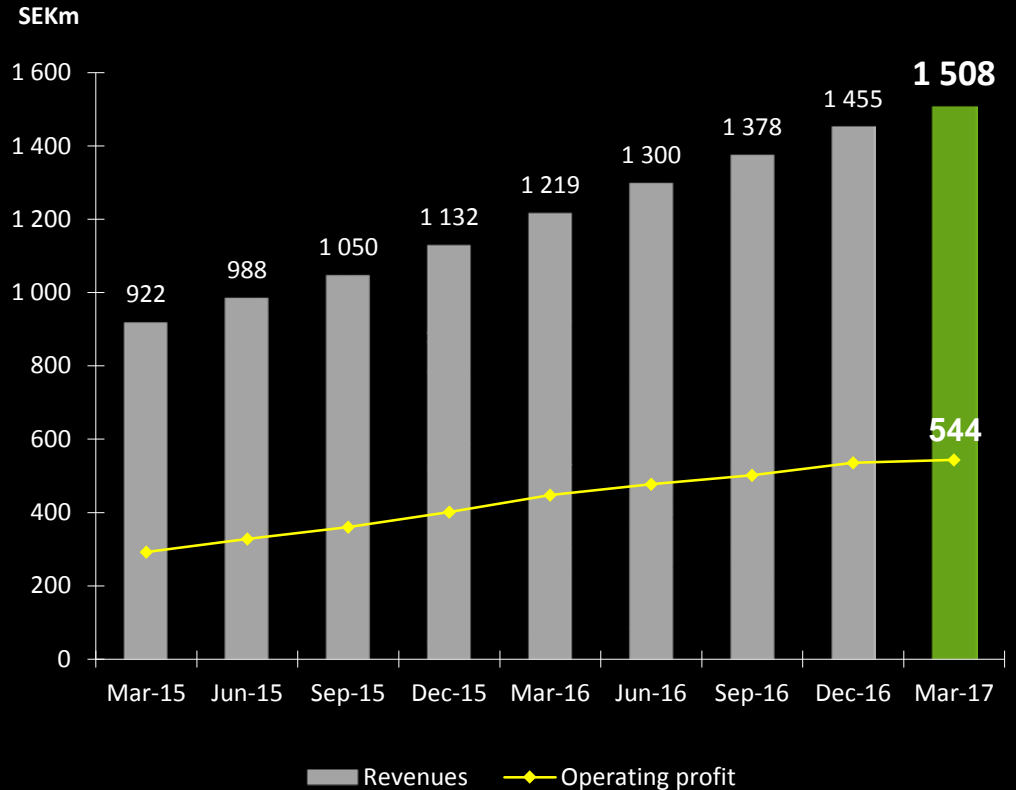
- Revenues +15.2% y-o-y in SEK
- Revenues +13.0% y-o-y in EUR
- EBIT +6.3% y-o-y
- EBIT margin of 34.2% (37.1%)



# Revenues & Operating Profit

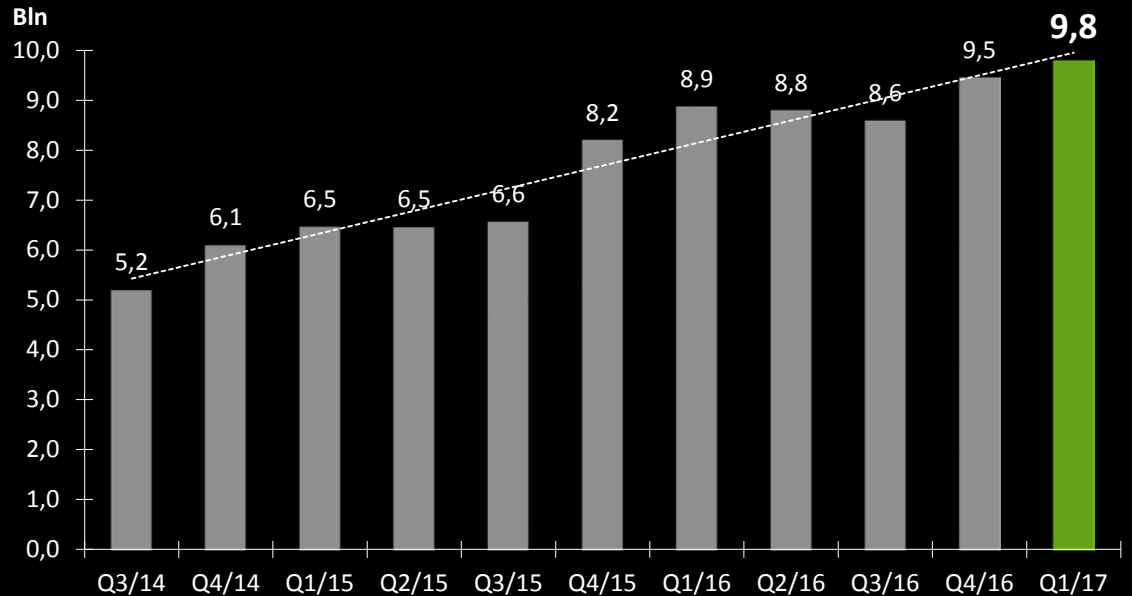
## Last 12 Months Rolling

- Revenues +23.6% y-o-y
- EBIT +21.5% y-o-y
- EBIT margin of 36.1% (36.7%)



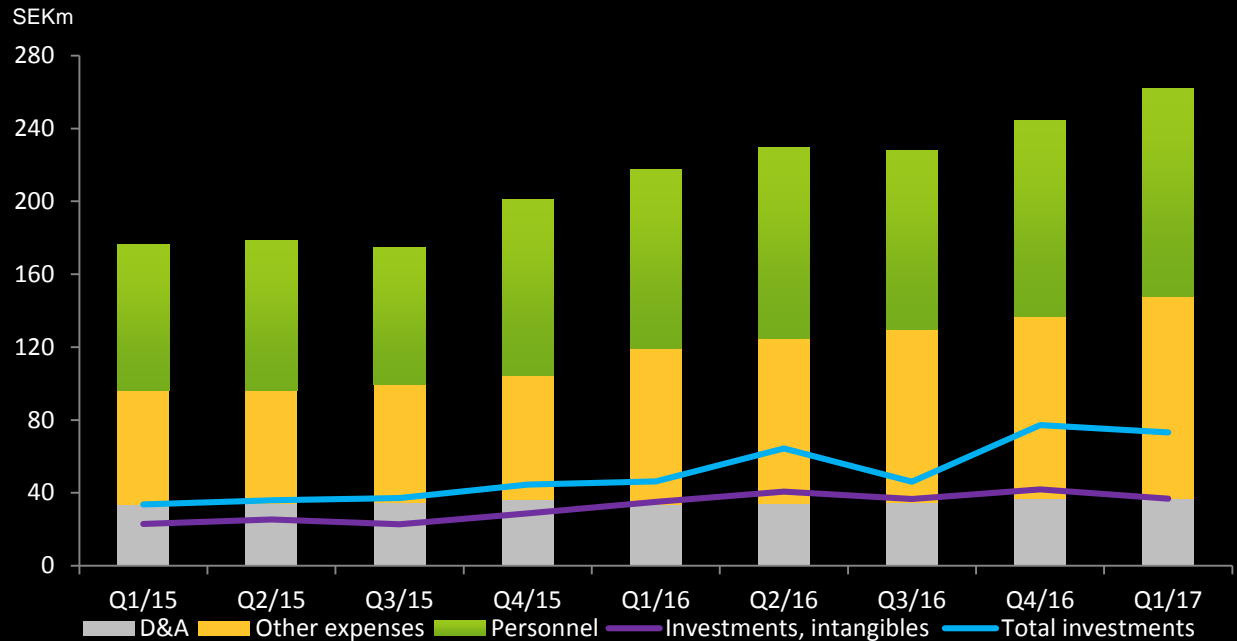
# Game Transactions by Quarter

- 9.8 billion transactions, highest ever
- +10.5% y-o-y



# Costs & Investments by Quarter

- Total costs  
+7.1% q-o-q
- Personnel costs  
+5.7% q-o-q
- Other costs  
+10.9% q-o-q
- Investments  
5.3% q-o-q



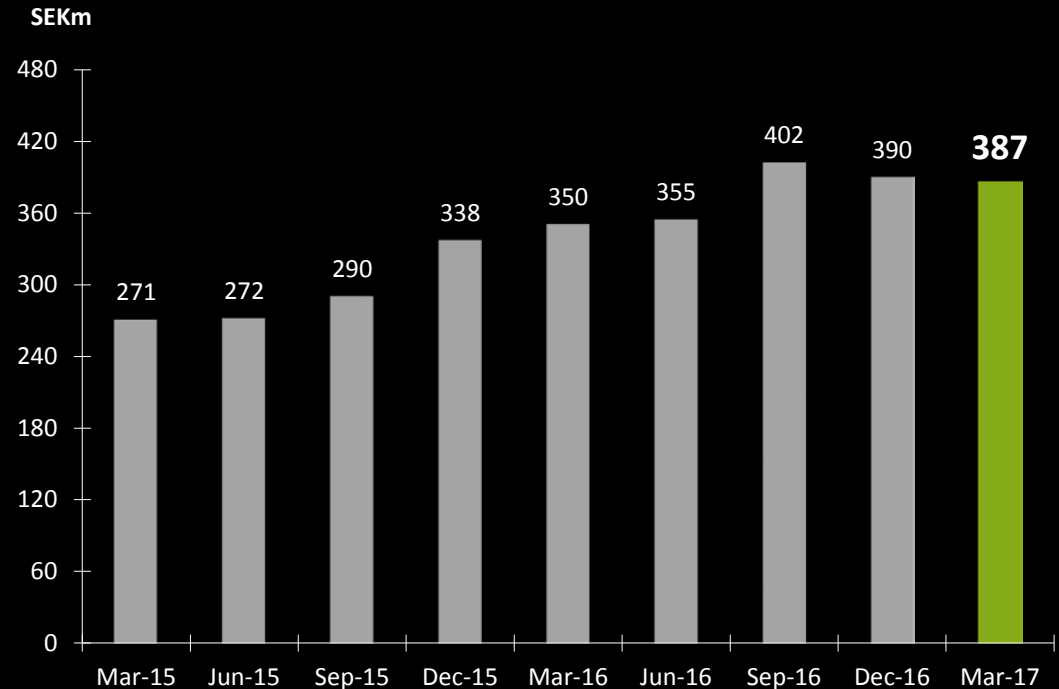
# Free Cash Flow

## Last 12 Months Rolling

- Free cash flow of 387 SEKm
- Net cash position of 573 SEKm at 31/03/2017



Cash flow after investments, last rolling 12 months



# Game Releases Q1 2017



# Future Outlook

- Growth drivers
  - ✓ UK, mobile, North America
  - ✓ Long term: Asia, Live Casino, Retail, Latin America
- 39 new customers yet to launch at end of Q1 2017 – all-time high
- Increased pace of new releases for rest of 2017
- Branded games in H2 2017







Q&A

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