



# Earnings report Q4 and FY 2016

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February 16, 2017



# Agenda



Q4 highlights  
2016 summary  
Product update  
Events after Q4  
Outlook  
Q&A

# Report Highlights

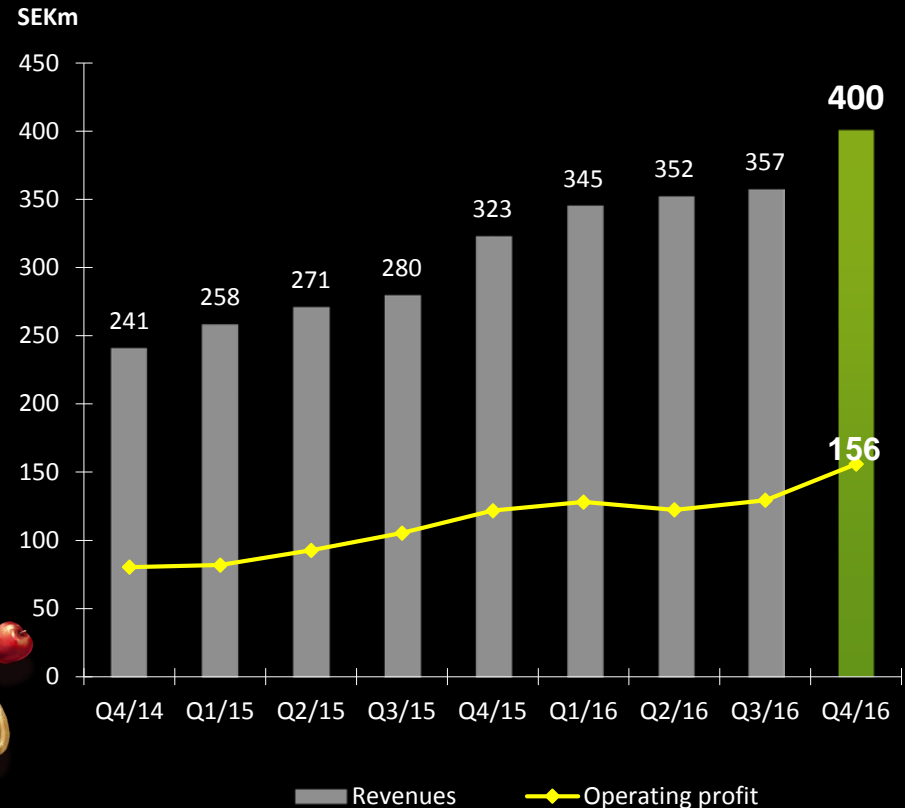
## Q4 2016

- 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



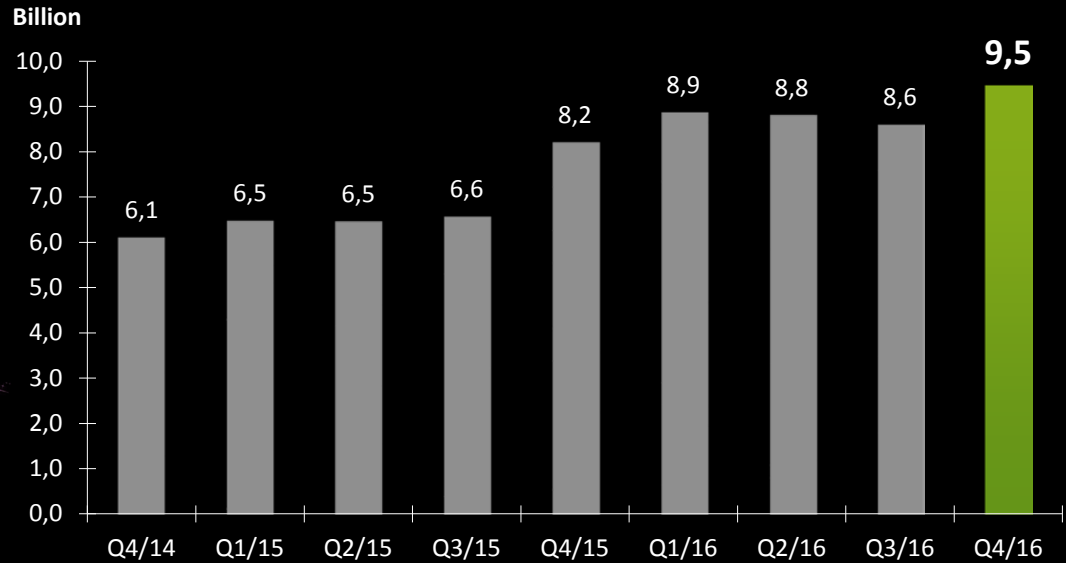
# Revenues & Operating Profit by Quarter

- 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%)



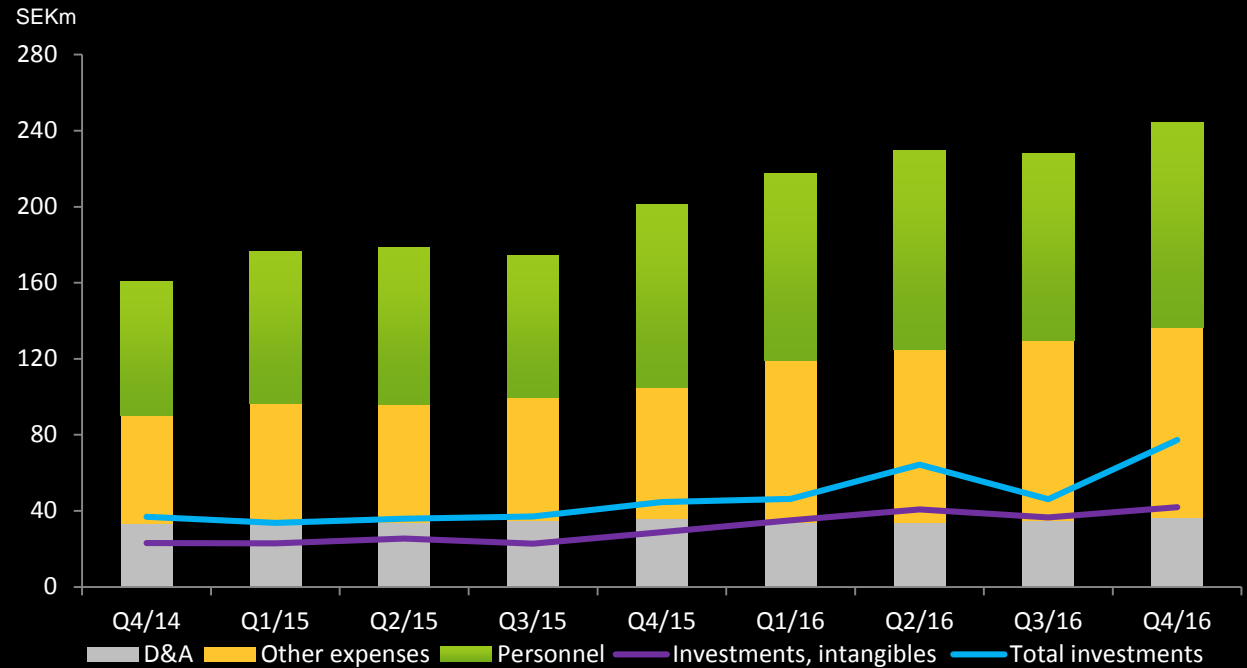
# Game Transactions by Quarter

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



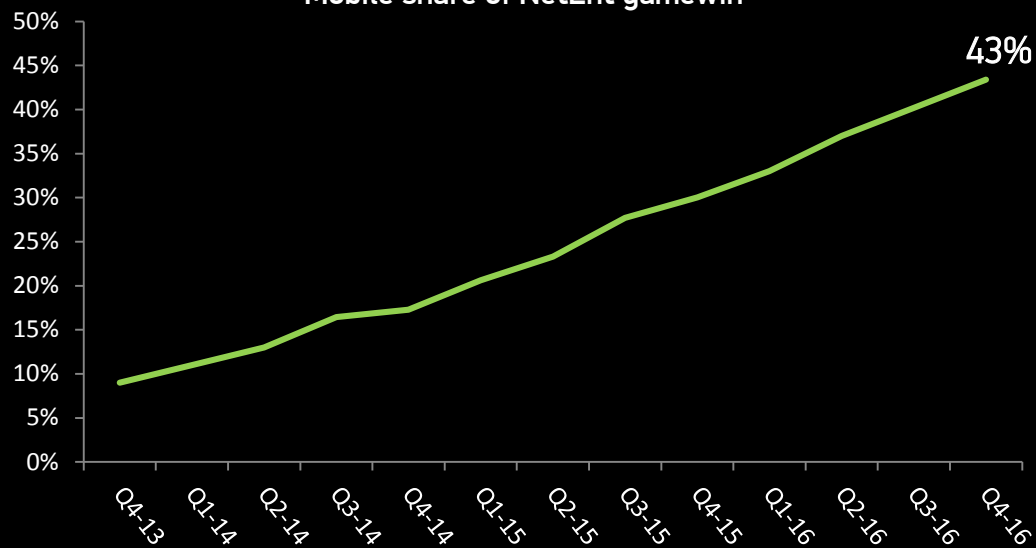
# Costs & Investments by Quarter

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

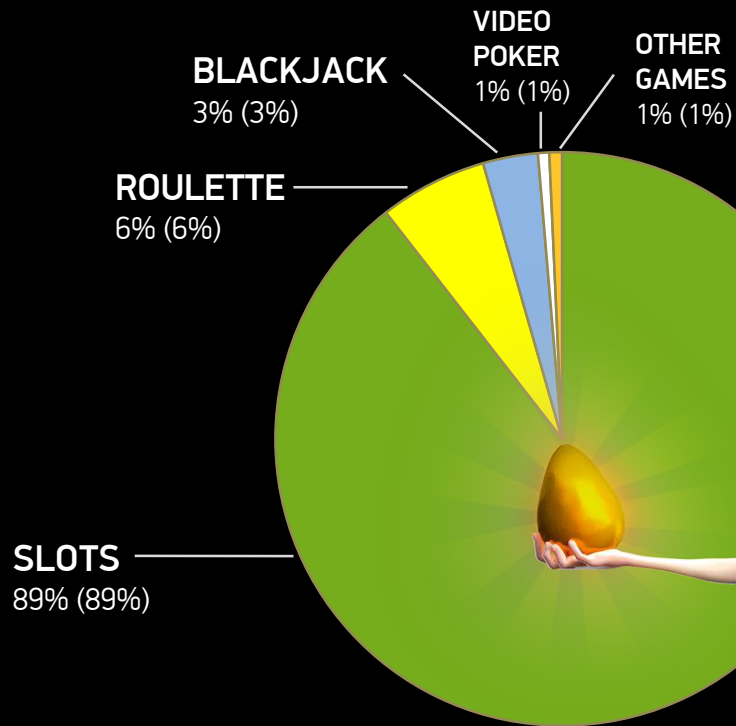


# Mobile Growth

Mobile share of NetEnt gamewin



# Gamewin Breakdown by Product



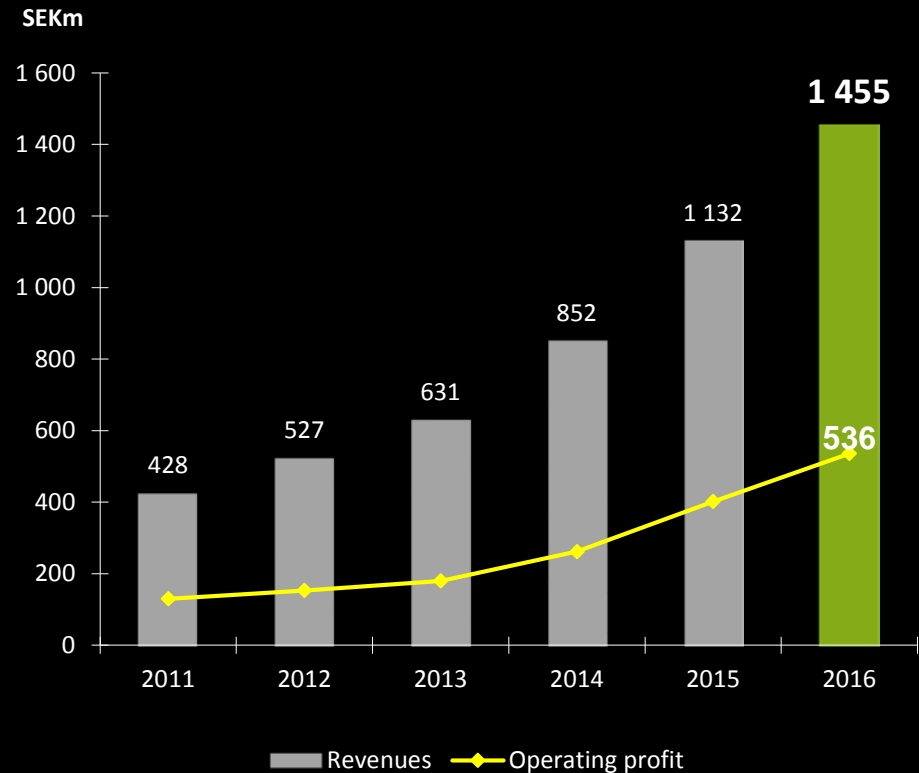
*Note: Gamewin split as per Q4, 2016.  
Previous quarter in parenthesis.*



# Revenues & Operating Profit

## Last 6 Years

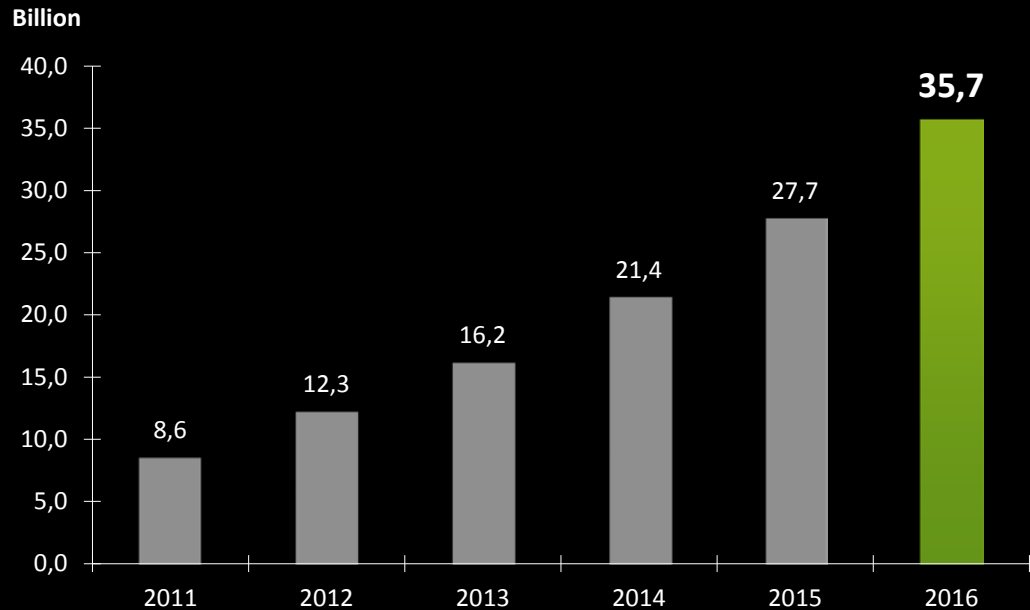
- Revenues +28.5% y-o-y
- EBIT +33.4% y-o-y
- EBIT margin of 36.8% (35.5%)



# Game Transactions

## Last 6 Years

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



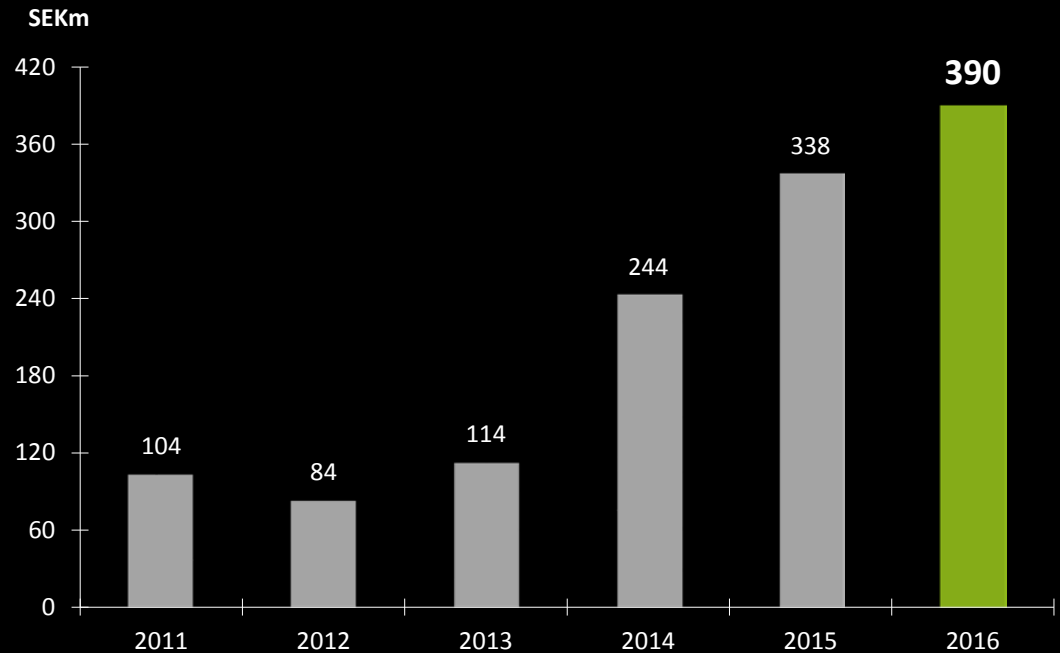
# Free Cash Flow

## Last 6 Years

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

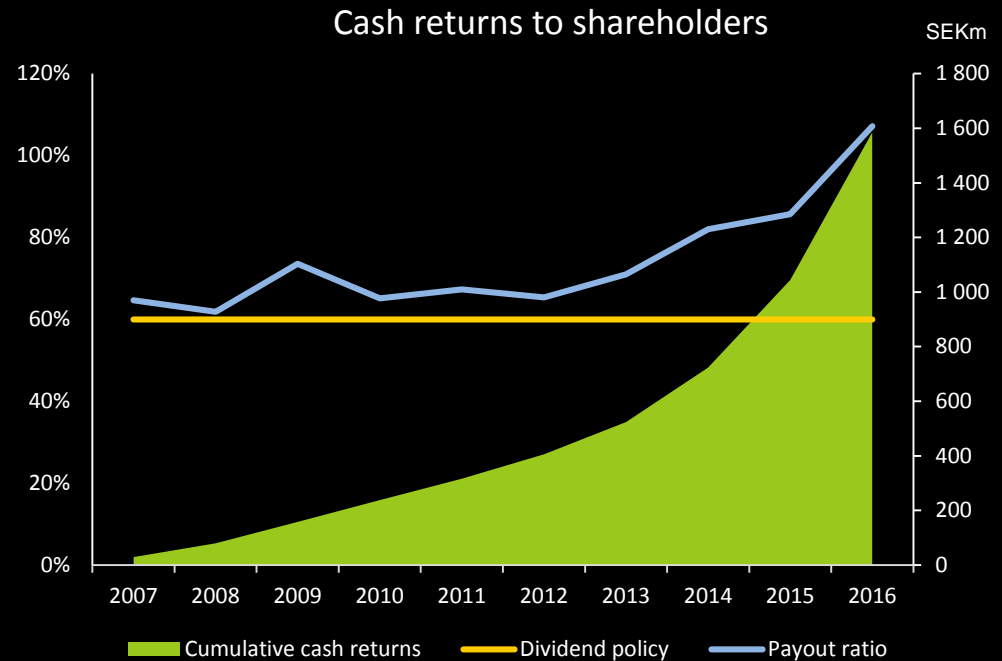


Cash flow after investments, last 6 years



# 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



A lush, teal-colored jungle scene. A wooden bridge made of planks and ropes spans across the frame, leading towards a small, thatched-roof hut nestled among the dense foliage. The scene is illuminated with a soft, teal light, creating a mysterious and serene atmosphere. The text "Q&A" is centered in the middle of the image in a large, white, serif font.

Q&A



