Therese Hillman, Group CEO
Report highlights

• Revenues of 573 (419) SEKm and adjusted EBITDA of 312 (201) SEKm in Q2 2020
• Highest ever revenues, EBITDA and EBIT in a single quarter for NetEnt
• Proforma group revenue growth in euro of 15 percent Y/Y in Q2
• NetEnt (excluding Red Tiger) returned to solid organic growth and Red Tiger continued to grow at a very fast pace
• A record of 19 new slot games released, 9 from NetEnt and 10 from Red Tiger
• NetEnt entered new regulated markets in Switzerland, Croatia and Colombia
• On June 24, 2020, Evolution Gaming announced a public offer to the shareholders of NetEnt. The Board has unanimously recommended to accept the offer
GGR split by Region

- UK 21% (15%)*
- Nordics 16% (30%)*
- Other Europe 41% (46%)*
- USA 10% (2%)*
- Rest of world 12% (7%)*

*Previous year’s figures for the quarter in parenthesis, excluding Red Tiger as the company was consolidated in September, 2019.
Significant growth in the US

- GGR +148% Y/Y and +20% Q/Q in New Jersey
- GGR +100% Q/Q in Pennsylvania
- US now 10% of total group GGR
- Less drop through to revenues due to gaming taxes
- Selective expansion of local staff resources
- Expect to enter Michigan and West Virginia in H2 2020
Q2 2020

Locally Regulated Markets

- 53 (49)% of GGR from locally regulated markets
- USA driving overall increase in share of locally regulated markets for the Group
- NetEnt entered new regulated markets in Switzerland, Croatia and Colombia
- Significant scope for Red Tiger to grow in regulated markets where it has limited presence, e.g. USA, Italy and Spain.
GGR By Game Type

Q2 2020

Slots: 89% (92%)

Table Games: 11% (8%)

Comparable figures in parenthesis for NetEnt in Q2 2019, excluding Red Tiger.
Revenues and earnings

- Revenues in Q2-20 of 573 (419) SEKm
- Transaction costs of 13 SEKm (non-recurring item)
- Reported EBITDA of 299 (201) SEKm, a margin of 52.3 (48.0)%
- Adjusted EBITDA of 312 (201) SEKm, a margin of 54.6 (48.0)%
- Reported EBIT of 194 (130) SEKm, a margin of 33.8 (31.0)%
- Adjusted EBIT of 207 (130) SEKm, a margin of 36.1 (31.0)%
- Highest ever reported revenues, EBITDA and EBIT for NetEnt
Operating Cash Flow

- Operating cash flow after changes in working capital:
  - 318 (226) SEKm in Q2

- Operating cash flow after investments:
  - 258 (172) SEKm in Q2

- Highest ever operating cash flow for NetEnt
Net financial debt

Q2 2020

• Net debt of 2,158 SEKm at 2020-06-30
  • Cash & cash equivalents: 254 SEKm
  • Bank loans: 2,117 SEKm
  • NPV of earn-out liability: 117 SEKm
  • IFRS 16 capitalized lease liabilities: 179 SEKm
Focus looking ahead

• Deliver continued profitable growth and cash flows supported by

  • US expansion
    • Expect to launch NetEnt games in Michigan and West Virginia in H2 2020
    • Aim to launch Red Tiger in H2 2020

  • Live Casino

  • Ongoing online migration in less digitalized markets in Europe and Asia

• Product improvements

  • Renewed focus, building on our strong IP, expansion of our table games portfolio

• Continued focus on integration, cost control and efficiency

  • Significantly lower cost base starting in H2 2020 should provide strong operational leverage