



Earnings report Q4 and FY 2016

February 16, 2017

NETENT
BETTER GAMING™

Agenda



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

Report Highlights

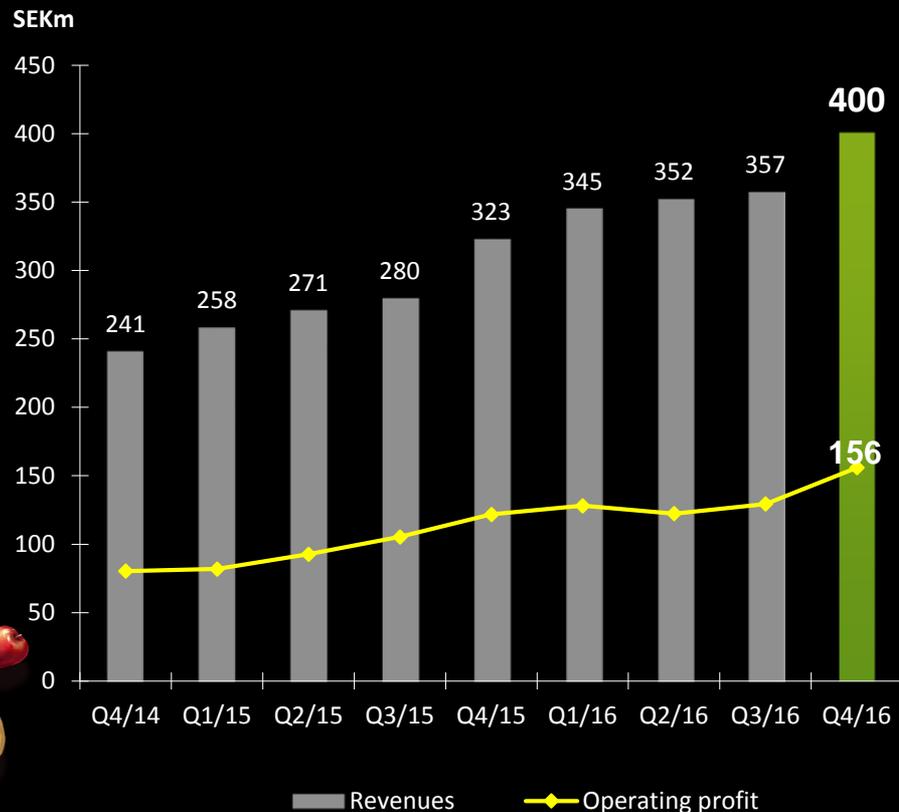
Q4 2016

- 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



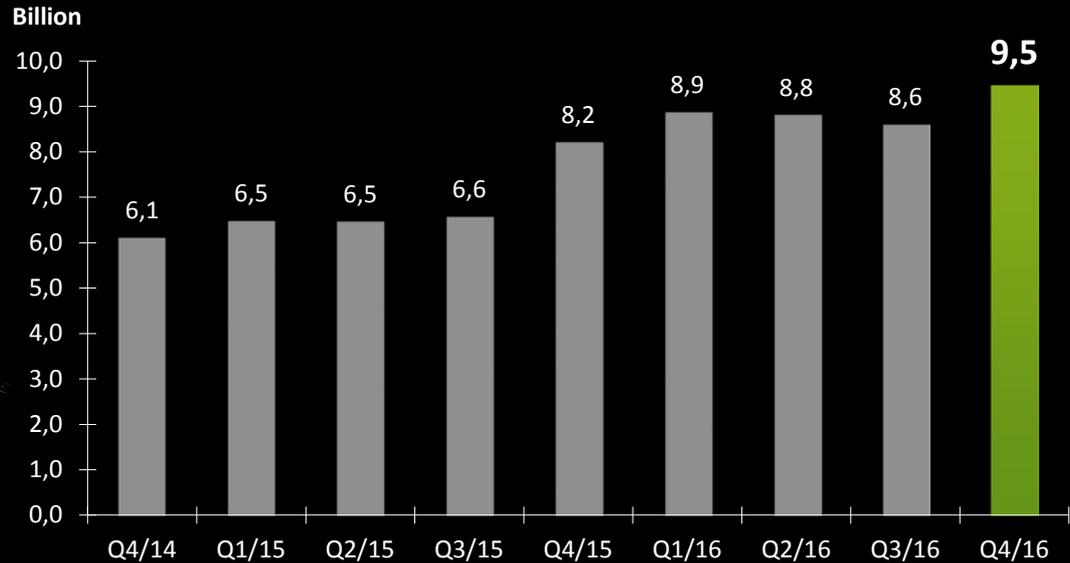
Revenues & Operating Profit by Quarter

- 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%)



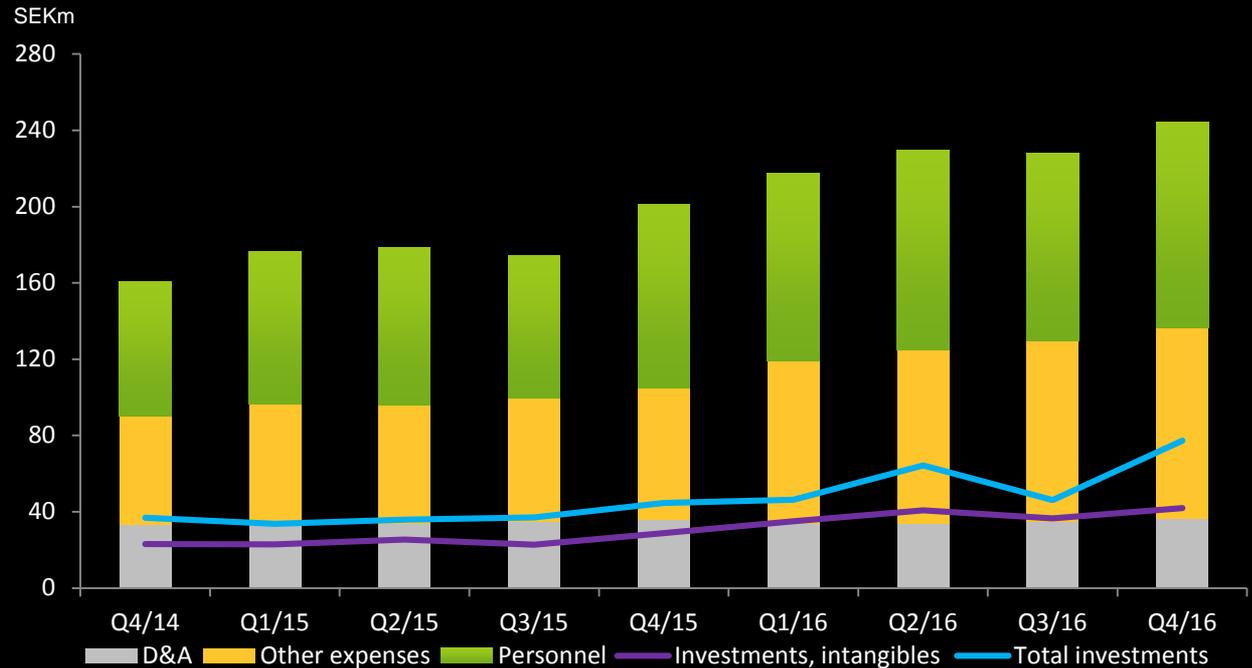
Game Transactions by Quarter

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



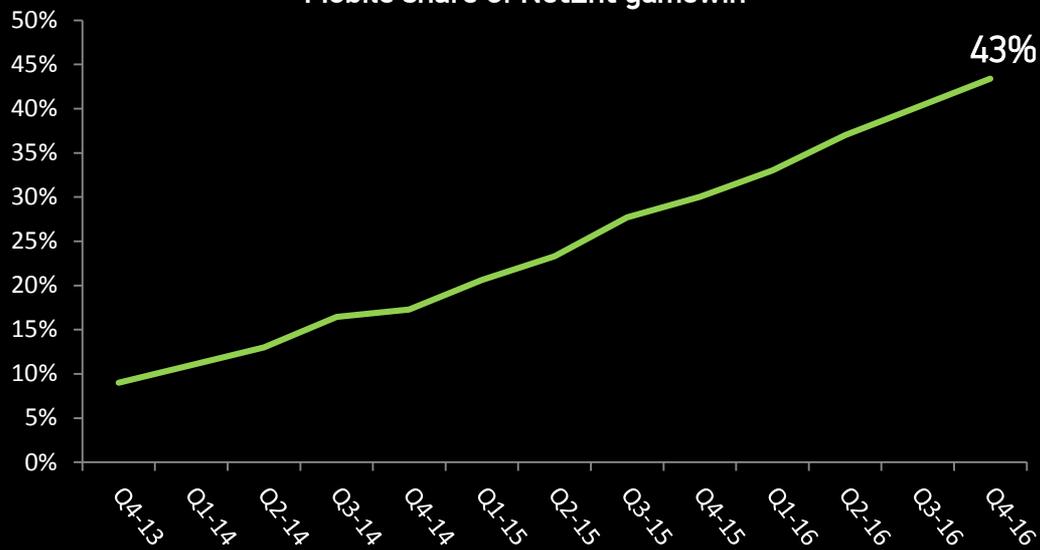
Costs & Investments by Quarter

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

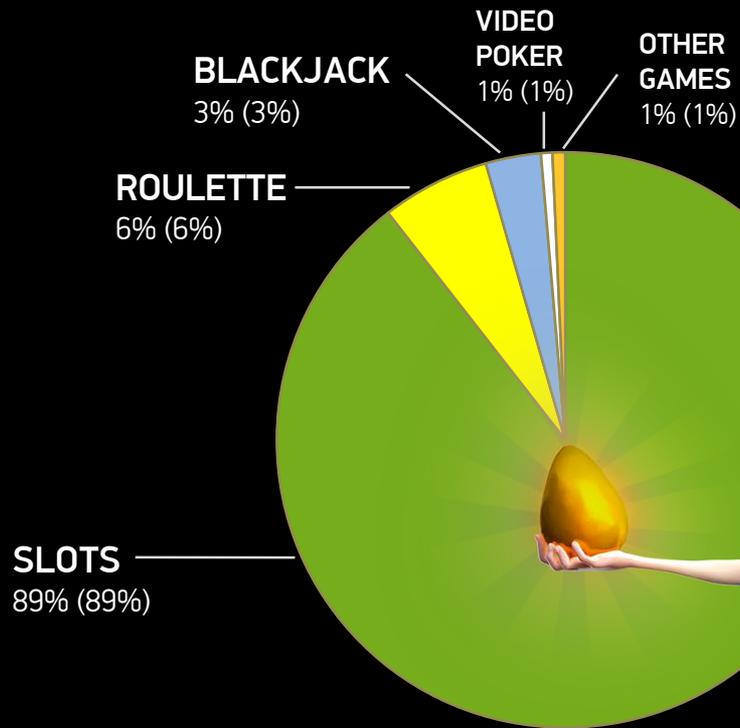


Mobile Growth

Mobile share of NetEnt gamewin



Gamewin Breakdown by Product

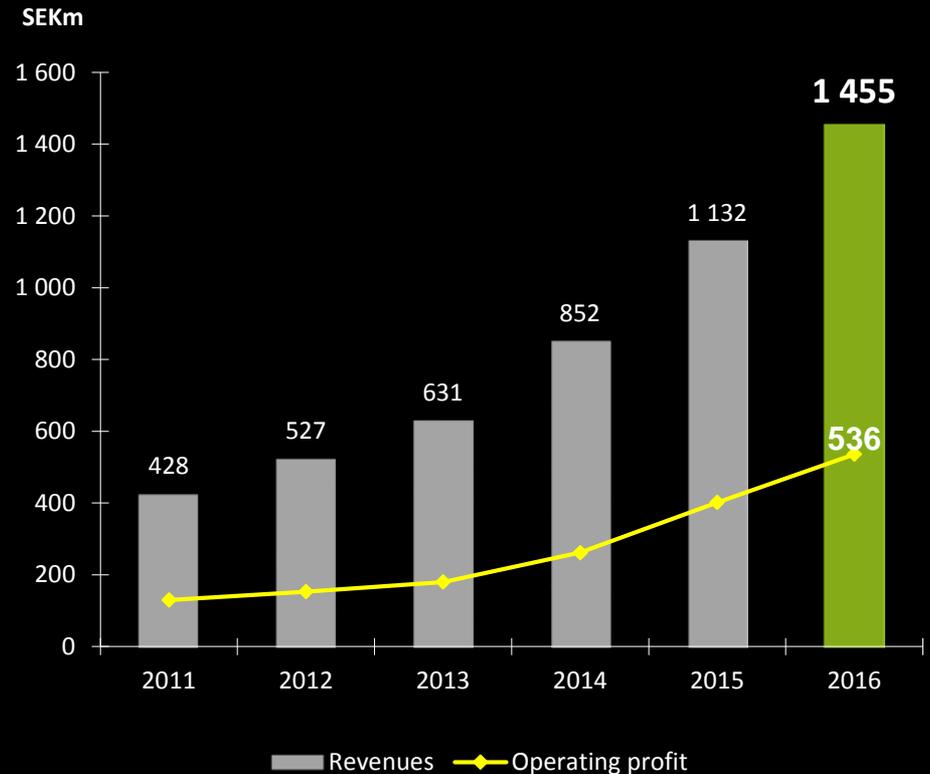


*Note: Gamewin split as per Q4, 2016.
Previous quarter in parenthesis.*

Revenues & Operating Profit

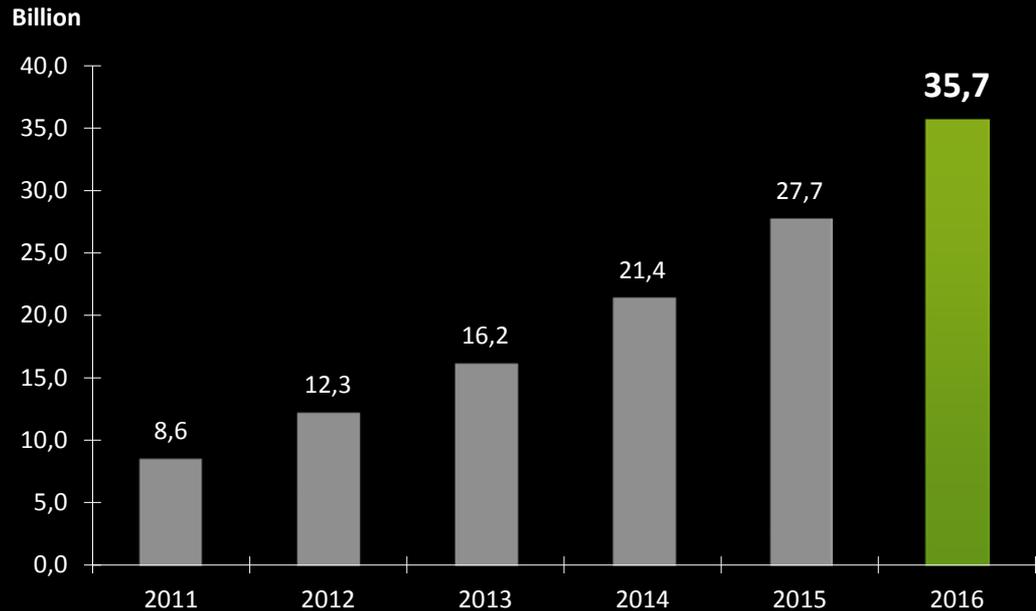
Last 6 Years

- 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

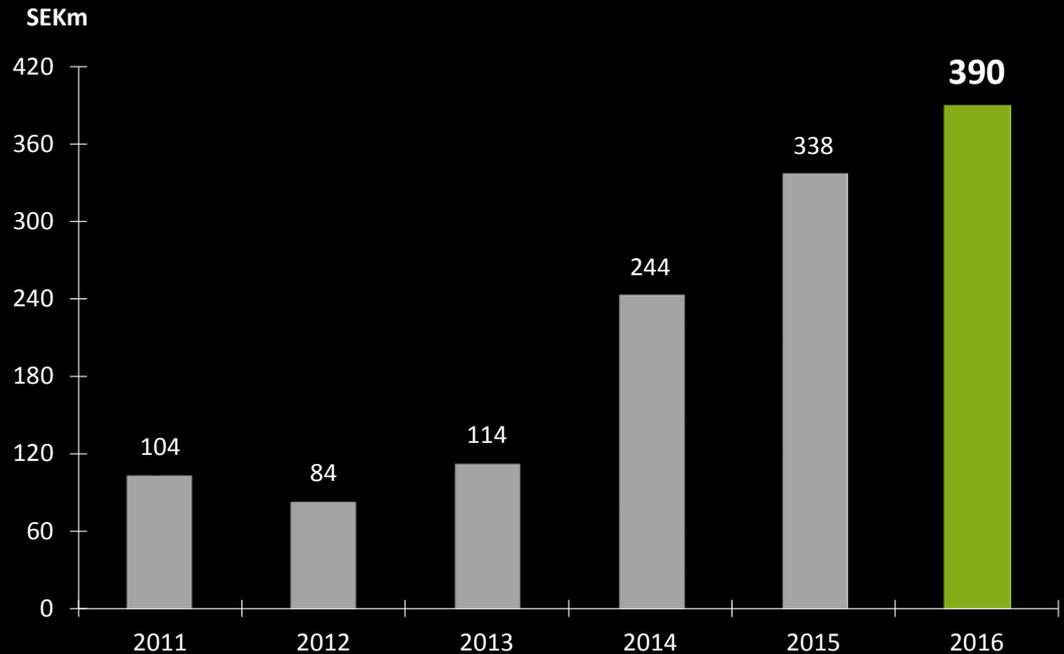


Free Cash Flow Last 6 Years

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

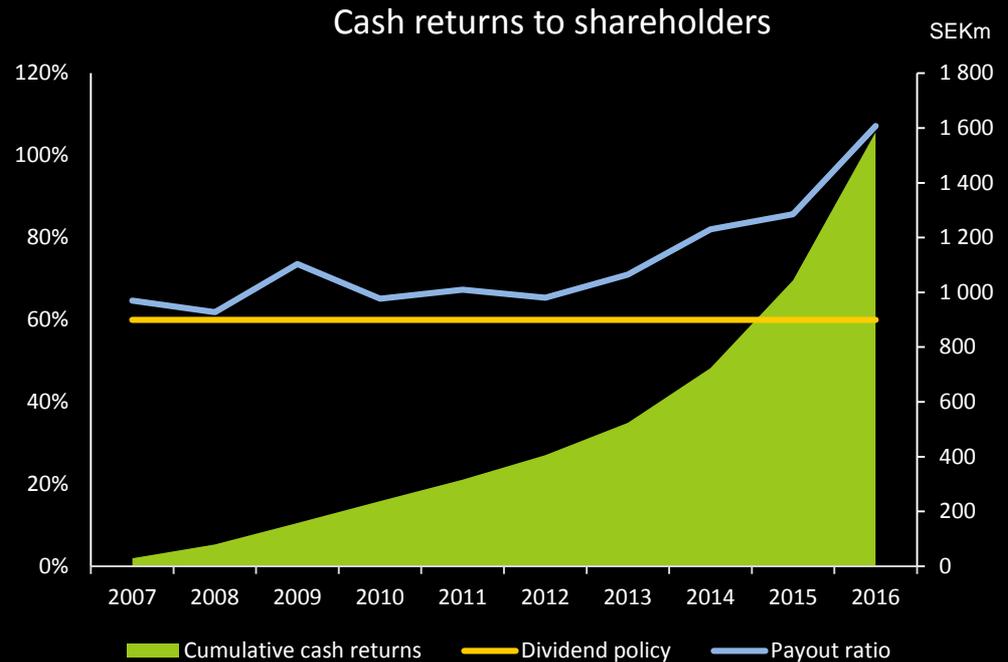


Cash flow after investments, last 6 years



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 vibrant, teal-toned illustration of a dense jungle. A wooden bridge with a rope railing spans across the scene, leading towards a thatched-roof hut nestled among the trees. The scene is filled with lush foliage and hanging vines, creating a sense of a hidden, magical forest. The lighting is soft and atmospheric, with a warm glow emanating from the hut.

Q&A

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