

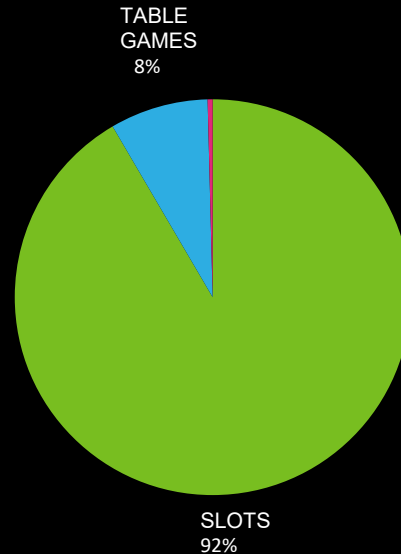
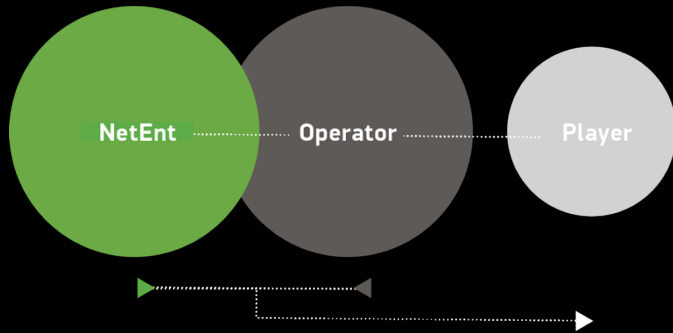
Investor presentation

November, 2018



This is NetEnt

- Develops games and solutions for the online casino market
- Listed on Stockholm Stock Exchange



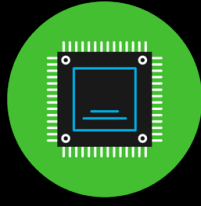
200
active
customers



20
regulated
markets

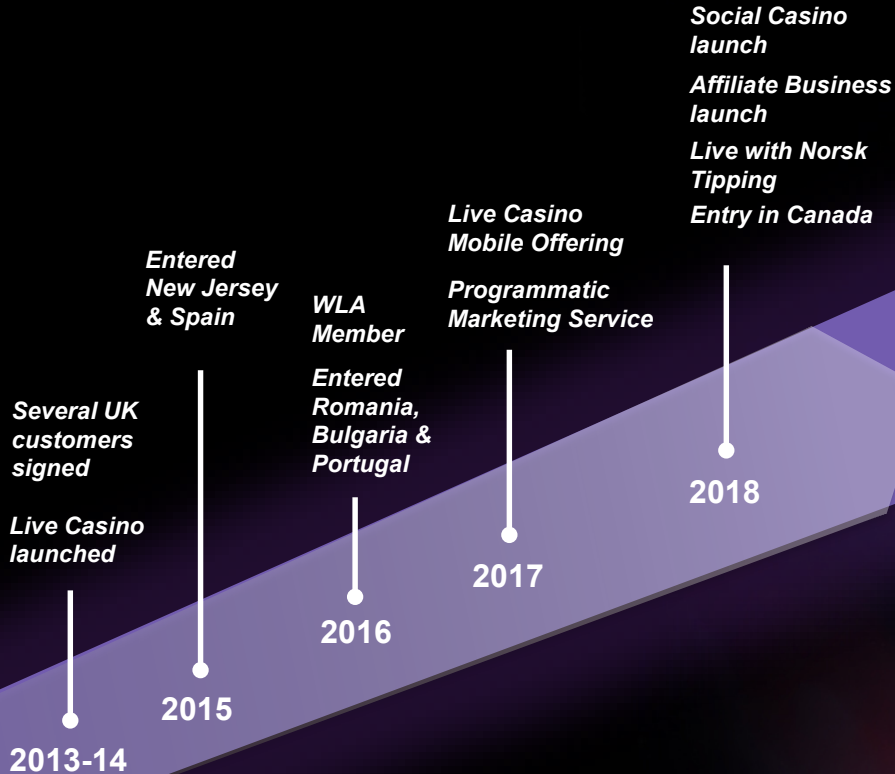


1,000
employees



6
data centers

NetEnt selected achievements

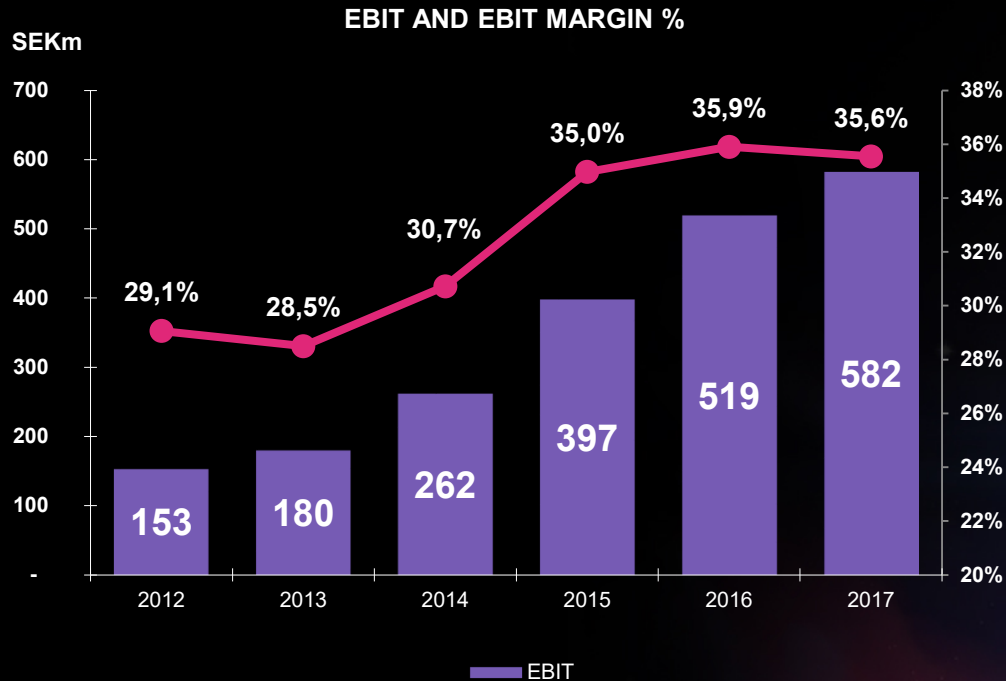


LONG-TERM STRATEGY

VISION

“Driving the digital casino market through better gaming solutions”

Many years of solid performance

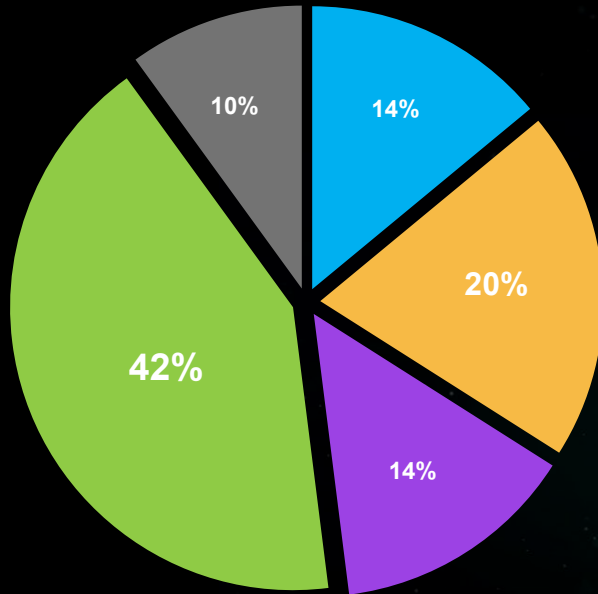


CAGR 2012-17:

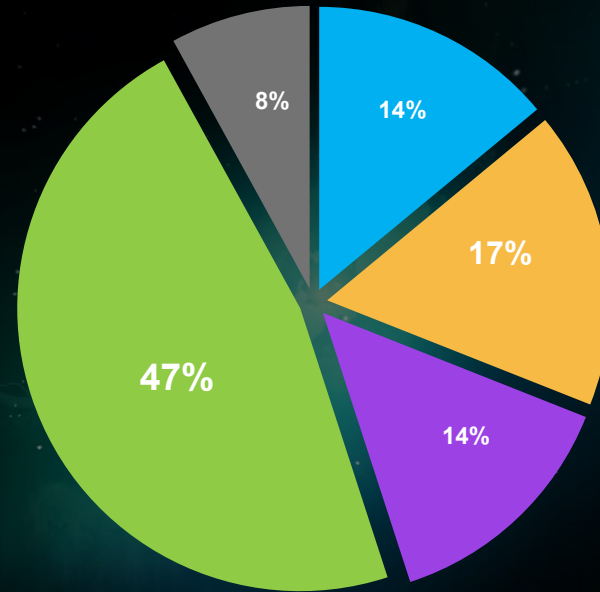
31%

Geographic diversification

GAMEWIN, Q3 2017



GAMEWIN, Q3 2018

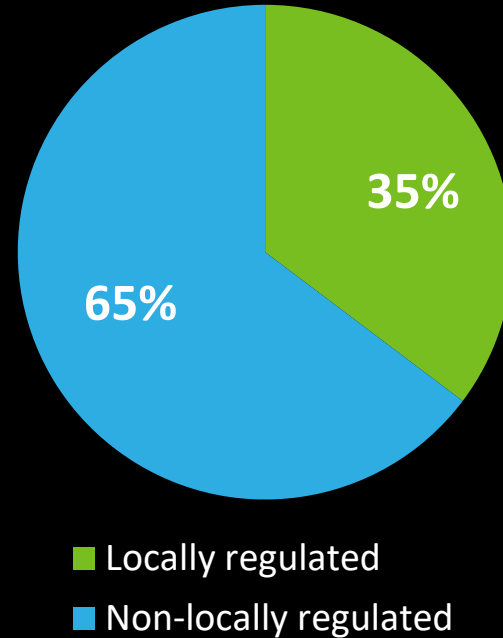


■ Sweden ■ Other Nordic ■ UK ■ Other European ■ Rest of world

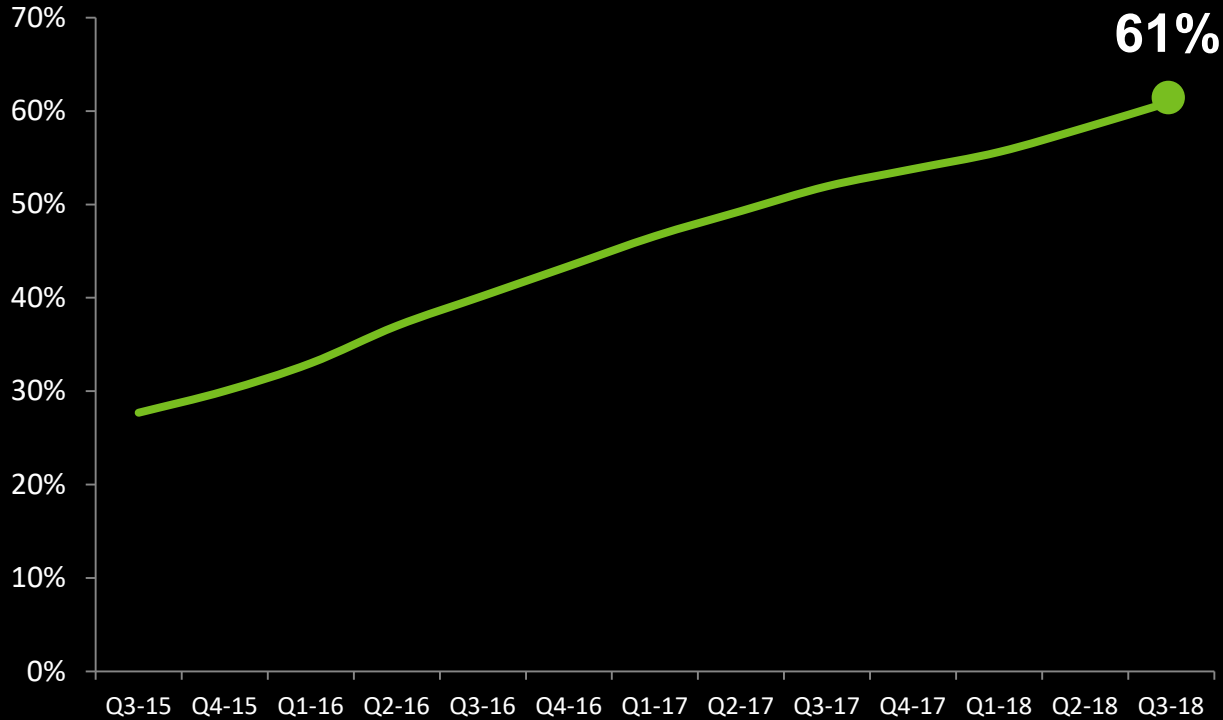
■ Sweden ■ Other Nordic ■ UK ■ Other European ■ Rest of world

Locally Regulated Markets

- 35 (32)% of gamewin from locally regulated markets
- Pennsylvania market to open in Q1 2019
- New Swedish regulation to start 1 January, 2019
 - Game certification preparations
 - Close collaboration with customers to achieve high channelization
 - 18% gaming tax to have negative effect on revenues in 2019



Mobile Growth





Q3 2018

Q3 2018

Key figures of the quarter

Revenues
SEKm 449
(+11.0%)

EBITDA
SEKm 227
(+16.7%)

EBIT
SEKm 172
(+10.9%)

Free Cash Flow
SEKm 167

Transactions
10.9 billion
(+7.2%)

Key events in the quarter

- 9 new customers signed and 14 new customers' casinos launched
- Games launched with British Columbia Lottery Corporation in Canada and Norsk Tipping in Norway
- Beta launch of NetEnt's affiliate business
- Launched first customer on regulated market in Lithuania
- Games launched with Hard Rock in New Jersey
- ESG-rating by MSCI up to AA from A
- Lars Johansson appointed CFO (acting)



Q3 2018

Product News

NETENT

live



Double
Stacks

7



Swipe & Roll



BerryBURST
×
BerryBURST
MAX

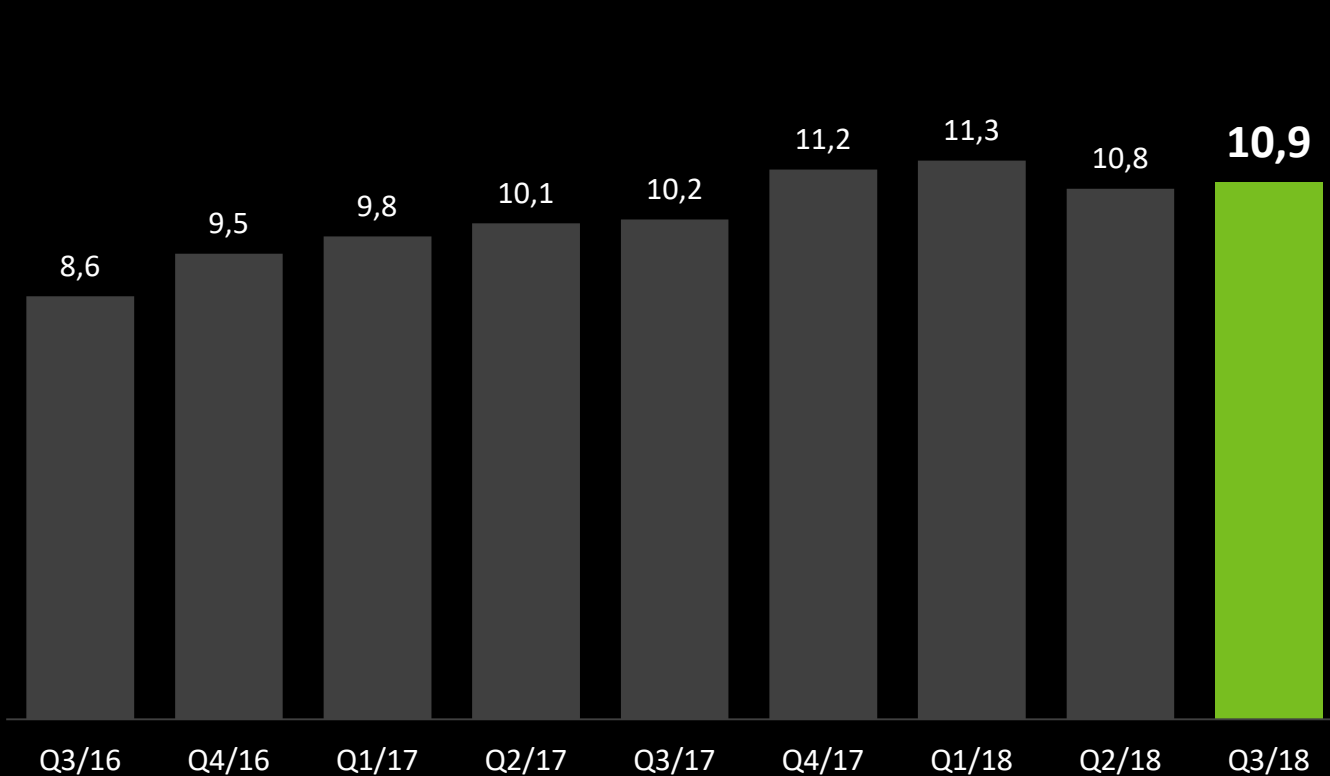


Mirror Mirror™



BY QUARTER

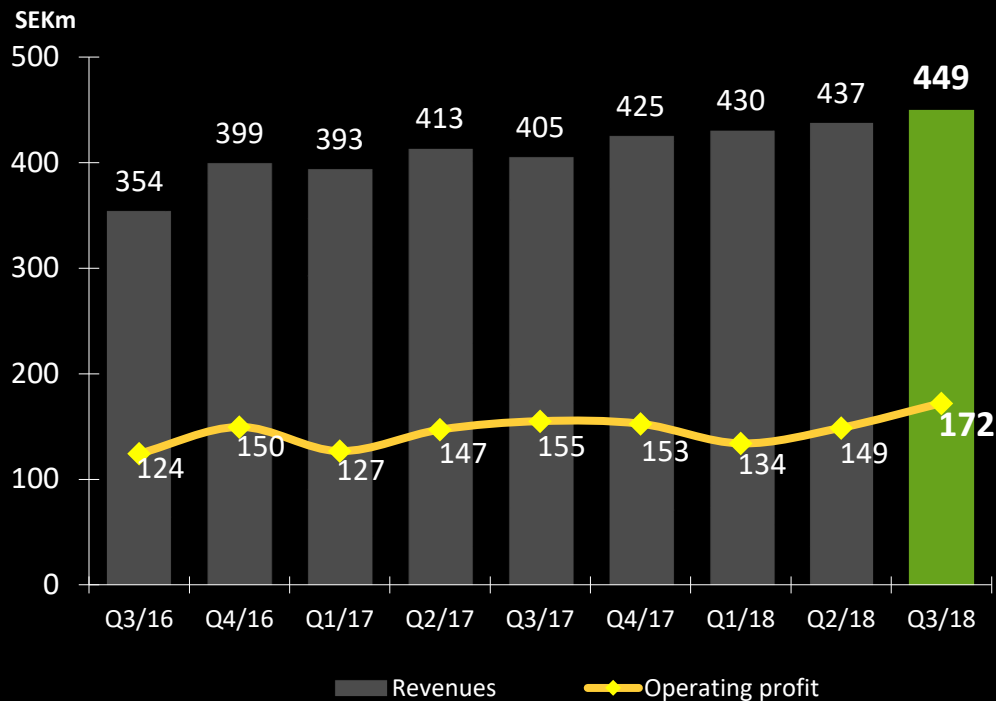
Game Transactions



BY QUARTER

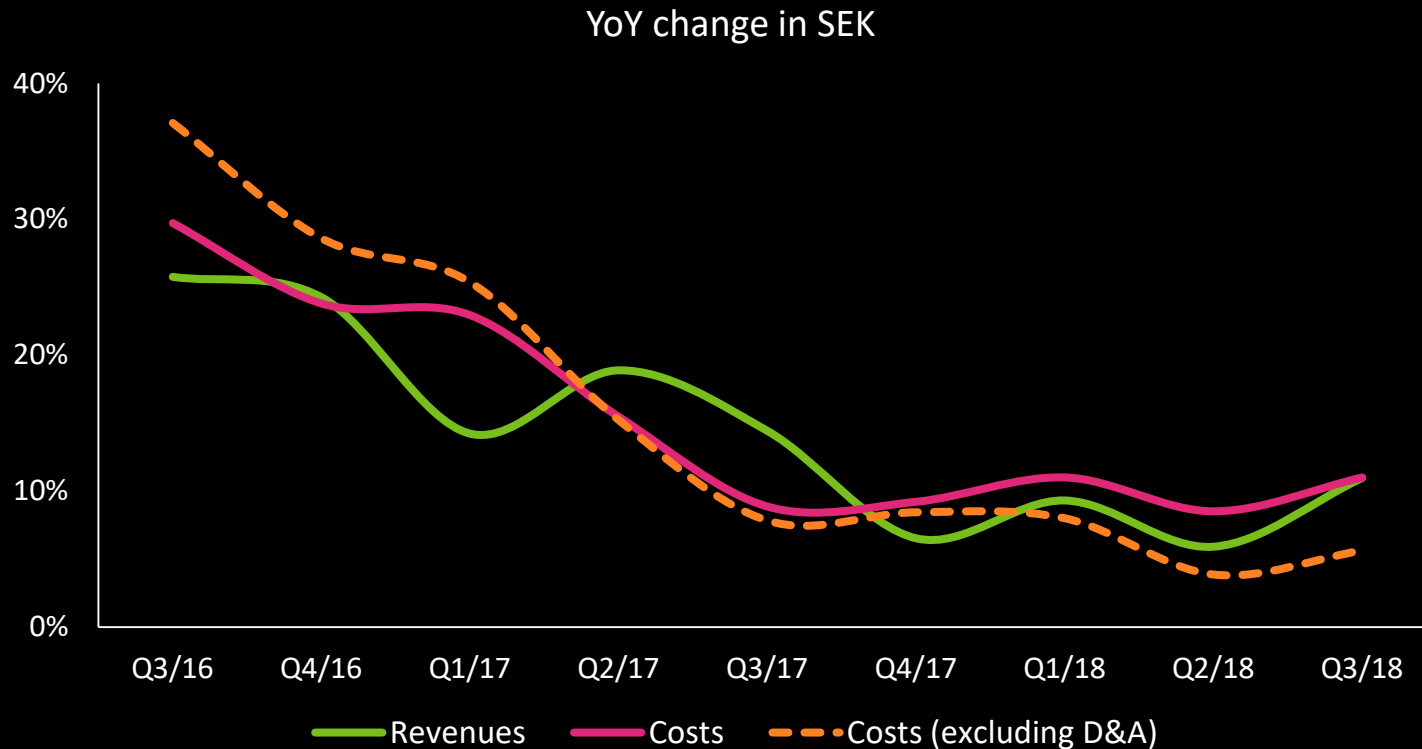
Revenue and Operating Profit

- Revenues +11.0% YoY in SEK
- Revenues +1.8% YoY in EUR
- EBITDA margin of 50.6 (48.1)%
- EBIT margin of 38.3 (38.3)%



BY QUARTER

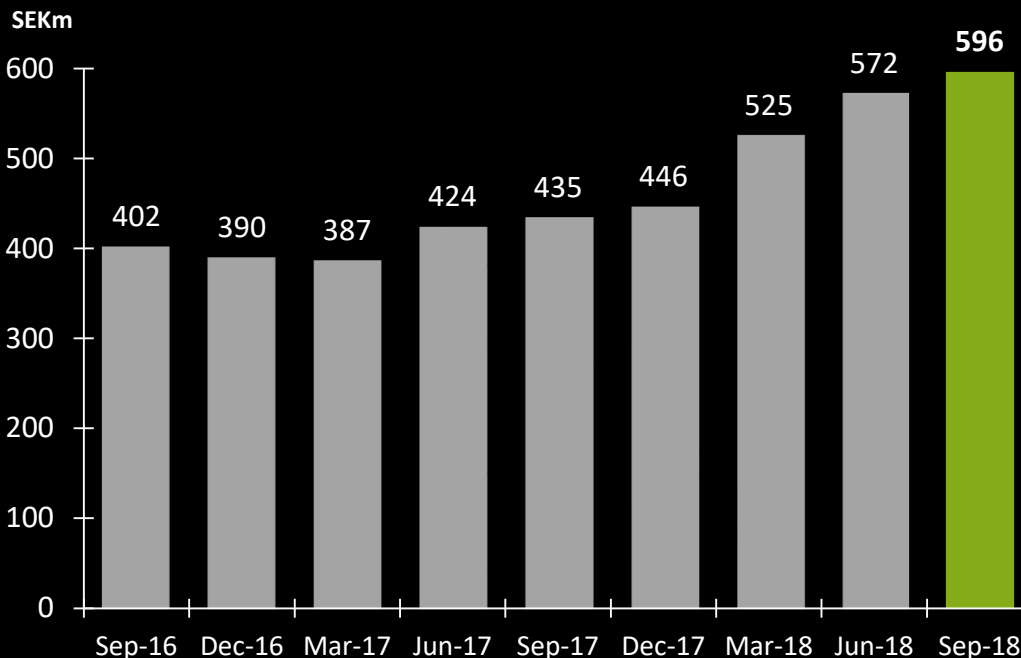
Cost vs Revenue Growth



Free Cash Flow

- Free cash flow of 167 SEKm in Q3
- Free cash flow of 596 SEKm last twelve months
- Net cash position of 362 SEKm at 30/09/2018
- Cash distribution to shareholders of 540 SEKm occurred in June

Cash flow after investments, last rolling 12 months ⁽¹⁾



(1) Adjusted for two items related to taxes in Malta which normally occur within Q4. In Q3-17, 166 MSEK was paid as tax in Malta, of which 142 MSEK was returned in Q4-17.

Events after the quarter

- Signed several major customers contracts in October
 - ATG, Sweden
 - Svenska Spel, Sweden
 - Veikkaus, Finland
 - Churchill Downs, New Jersey (USA)
 - Penn National Gaming (USA)



SVENSKA SPEL



VEIKKAUS



CHURCHILL DOWNS



**PENN NATIONAL
GAMING, INC.**

Strategy





REVENUE GROWTH

STRATEGIC FOCUS AREAS

OPERATOR
SHARE

TIME TO
MARKET

PREMIUM
QUALITY &
INNOVATION

OPERATIONAL EXCELLENCE

REVENUE GROWTH DRIVERS

REGULATED
MARKETS

NEW
CUSTOMERS

PRODUCT
DEVELOPMENT

LIVE
CASINO

AMERICAS

ASIA

iGAMING
MEDIA BUYING
SERVICES

SOCIAL
CASINO



-DIVINE FORTUNE- -CASINO-

BALANCE

\$0.00

BUY

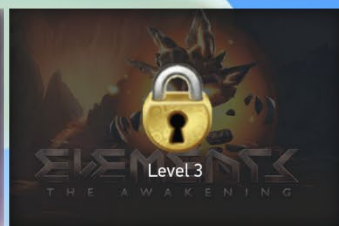
LEVEL: 2



Click to play Warlords



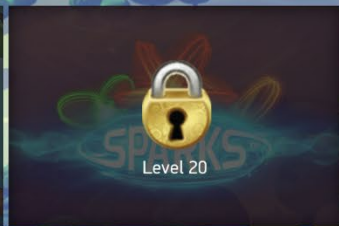
Click to play Starburst



This game is locked



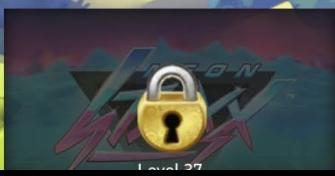
This game is locked



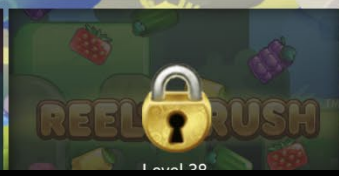
This game is locked



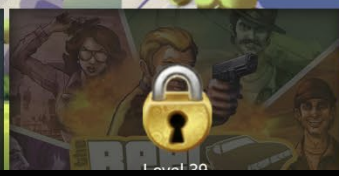
This game is locked



Level 19



Level 20



Level 21

INSTANT GAMES More



GAMES YOUR FRIENDS PLAY More



TRENDING GAMES More



YOUR GAMES More



RECOMMENDED GAMES More

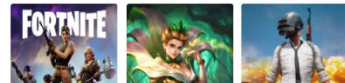


LIVE CHAT

FEATURED GAME

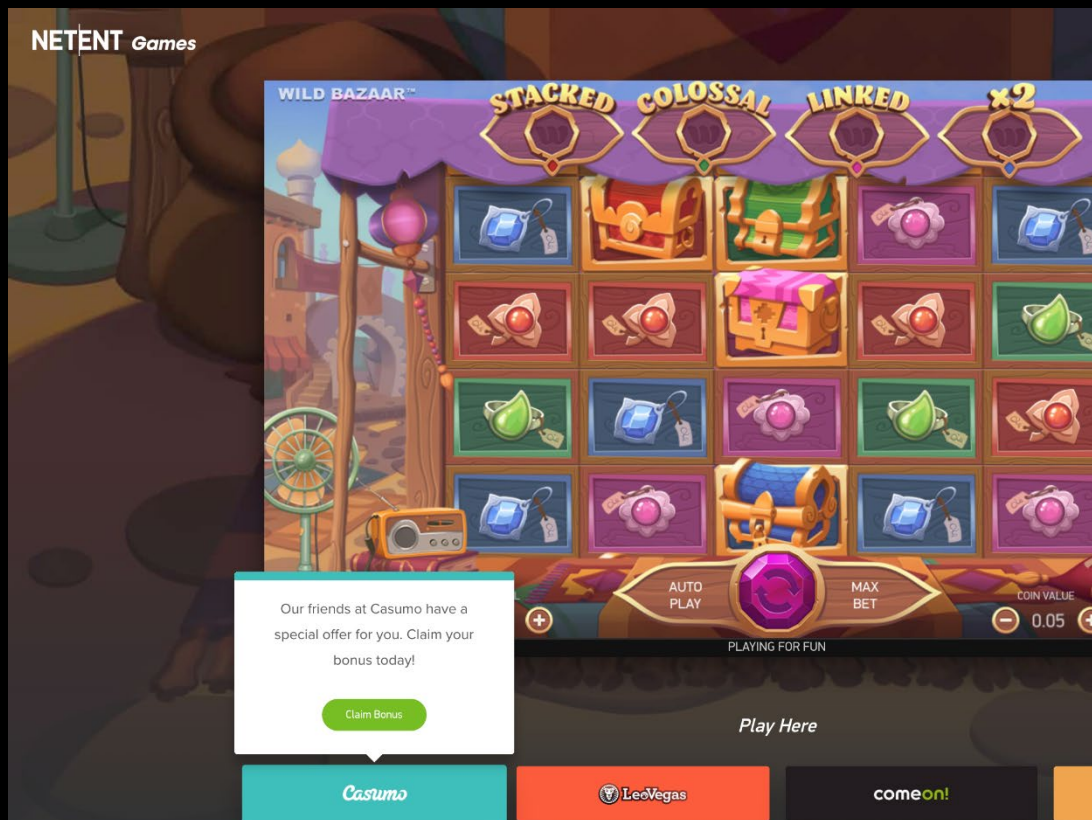


GAMING VIDEO



Affiliate business

- Beta-launched NetEnt's own affiliate business in September
 - <https://games.netent.com/>
 - Slot fans can try all NetEnt games and receive offers from operators
 - Proven method for operators to reach new customers



The Future

The image features a dark blue, futuristic digital landscape. The foreground is a grid of glowing blue lines that recede into the distance. In the middle ground, there is a range of low-poly, blue mountains. The background is a dark blue sky with a grid of glowing blue lines, suggesting a virtual or digital environment. The overall aesthetic is clean, modern, and high-tech.

Market Overview

**OFFLINE
TO ONLINE**

5% Online
casino

**GLOBAL
MARKET**

€10.5bn
Gamewin

**ONLINE
CASINO**

+7.3% CAGR to
€15bn 2022

MOBILE

+13.3% CAGR
2017-2022



Source: H2 Gambling Capital

SUSTAINABILITY AT NETENT

A sustainable business

**Responsible
Gaming**

**Sustainable
Regulation**

**Anti Corruption
& AML**

**Corporate
Citizenship**

Environment

**Diversity and
Inclusion**

Q3 2018

Focus looking ahead

- Higher ambitions for organic earnings growth
- Increasing output of new games
- Geographic expansion in Americas and Asia
- Strengthening Live Casino offering
- New initiatives supporting core business
 - digital media buying service, affiliate service and social casino
- Optimizing organization and lowering overhead costs



Q&A

