



Q1 2018

Interim Report

April 24, 2018

NETENT
BETTER GAMING™

AGENDA

1. Q1 Highlights
2. Financial Update
3. Product Update
4. Outlook
5. Q&A



REPORT HIGHLIGHTS

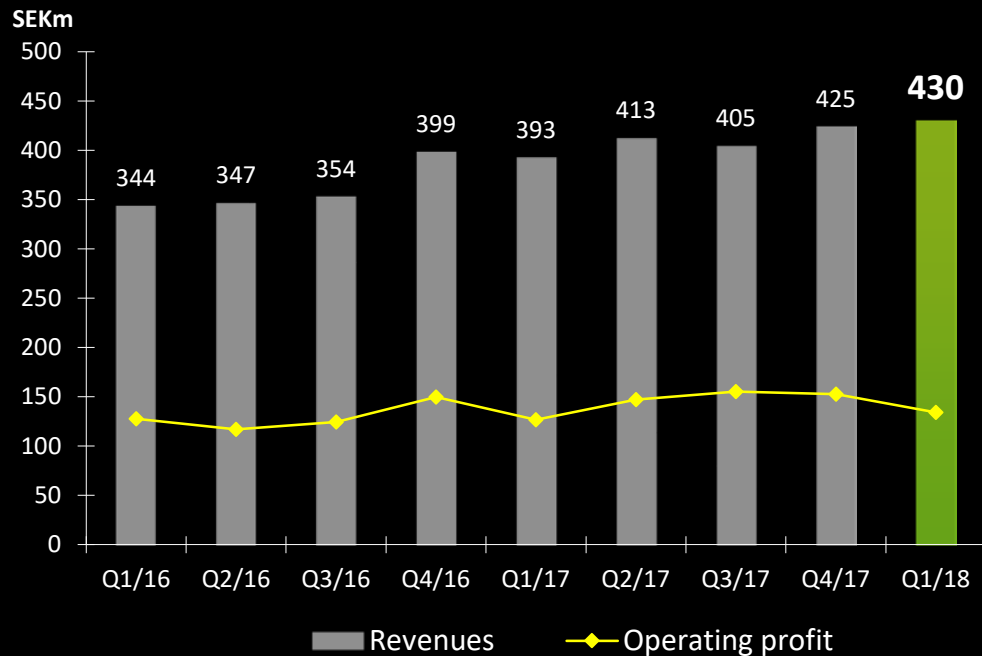
Q1 2018

- Reported figures according to IFRS 15 for the first time
- Revenues of 430 (393) SEKm, up 9.3% YoY
- EBIT margin of 32.5 (32.2)% excluding severance pay
- 34 (31)% of revenues from locally regulated markets
- New customers: 6 (15) signed and 8 (6) launched
- Launched with Caliente in Mexico
- Live Beyond Live product launched with Mr Green
- CEO departure



REVENUE AND OPERATING PROFIT BY QUARTER

- Revenues +9.3% y-o-y in SEK
- Revenues +4.3% y-o-y in EUR
- IFRS 15 effects on set-up fees
- Operating margin of 31.2 (32.2)%
- Excluding severance pay for earlier CEO, the margin was 32.5%



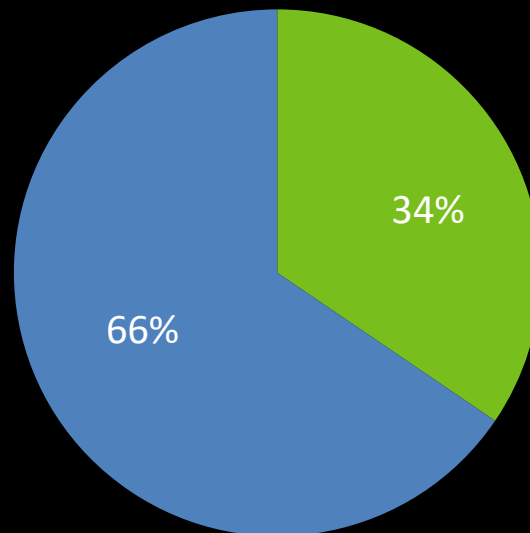
REVENUES

LOCALLY REGULATED MARKETS

- 34 (31)% of revenue from locally regulated markets
- UK, Italy and Spain key markets in Europe
- Swedish regulation on track for 2019
- North America
 - Applying for license in Pennsylvania
 - Target go-live in British Columbia in Q3



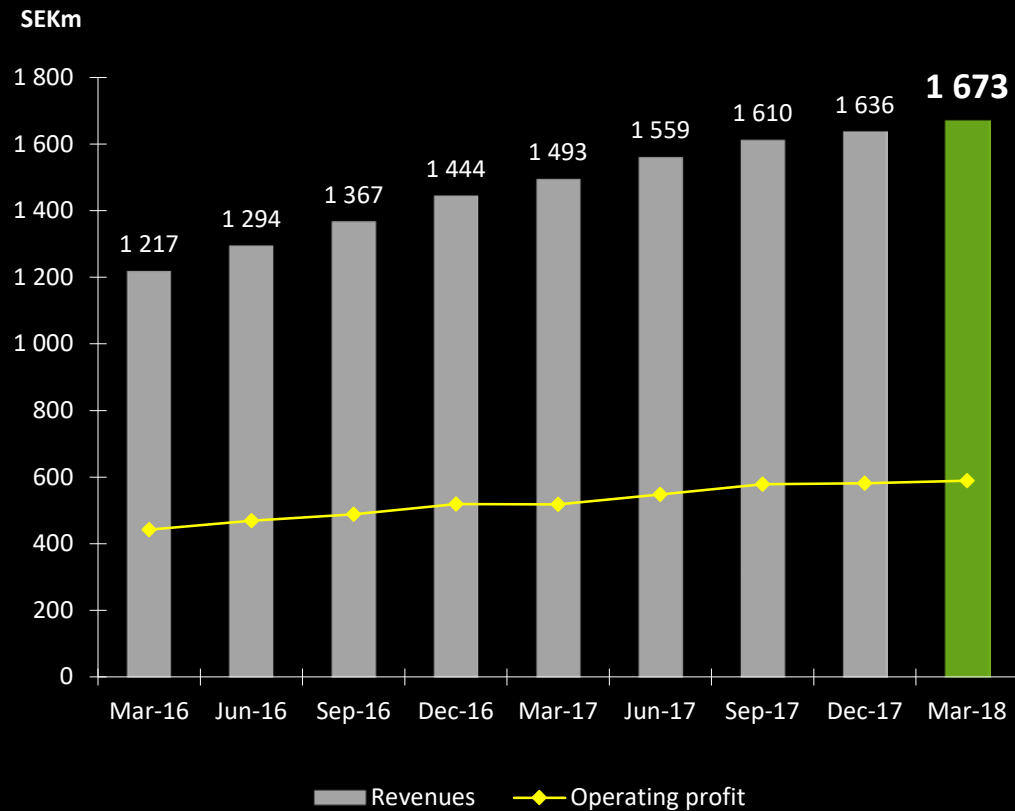
Q1 gamewin in NetEnt's games



■ Locally regulated ■ Non-locally regulated

REVENUES & OPERATING PROFIT LAST 12 MONTH ROLLING

- L12M revenues of 1,673 SEKm
- L12M EBIT of 589 SEKm
- L12M EBIT margin of 35.2%



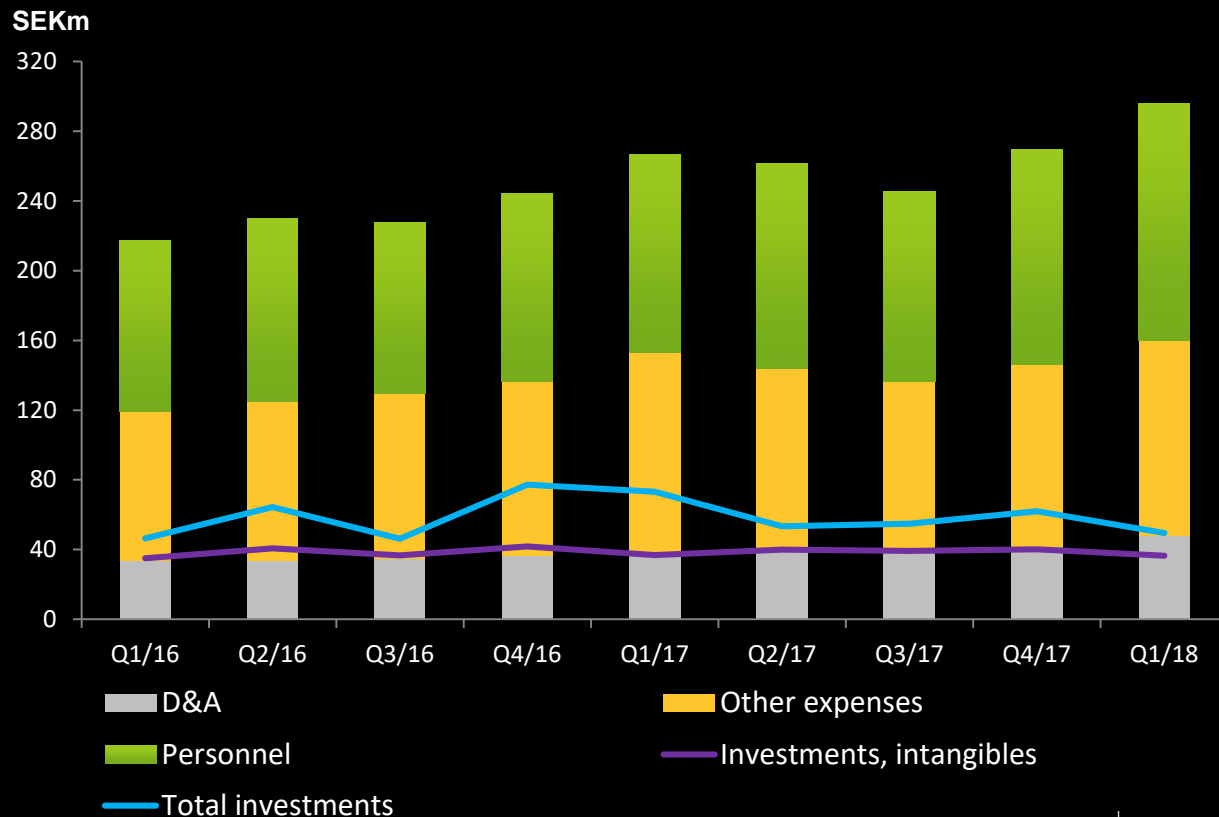
FREE CASH FLOW LAST 12 MONTH ROLLING

- Free cash flow of 501 SEKm
- Net cash position of 561 SEKm at 31/03/2018

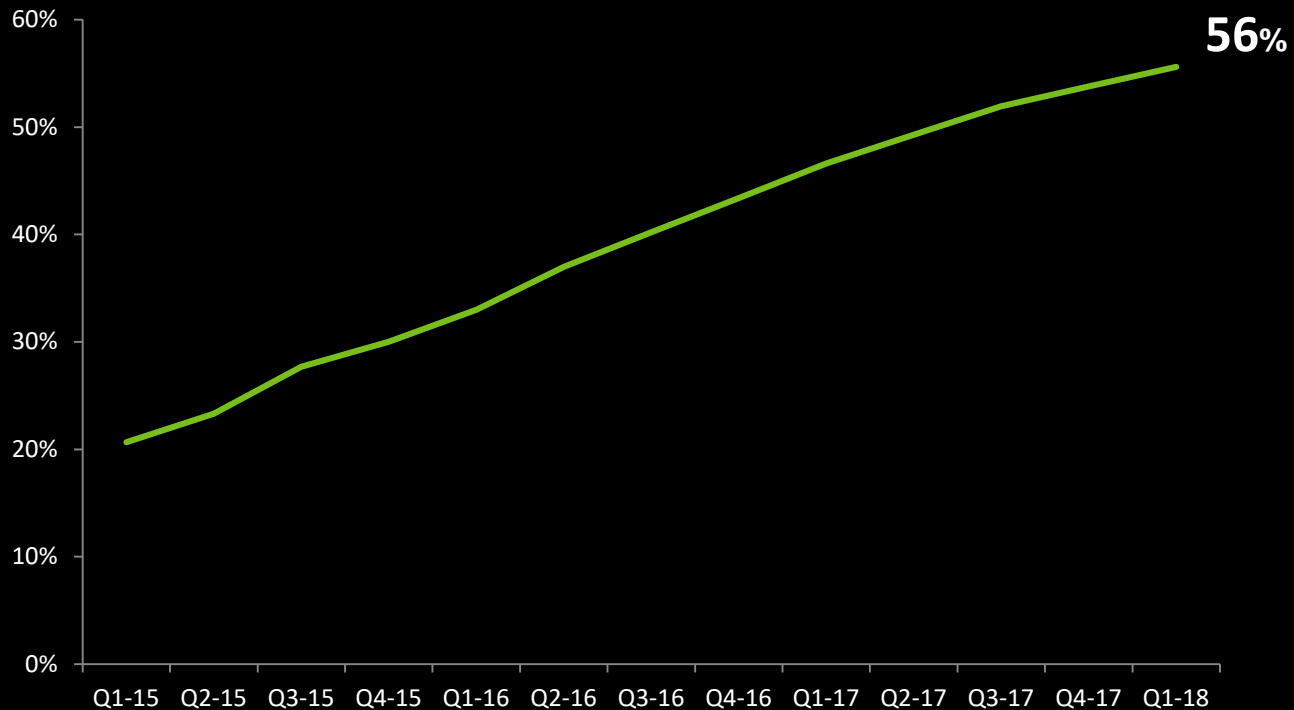


COSTS & INVESTMENTS BY QUARTER

- Total costs +11.0%, +8.8% excl. severance pay
- Personnel costs +20.2%, +15.0% excl. severance pay
- D&A +29.7%
- Other costs -3.8%
- Total investments -32.2%



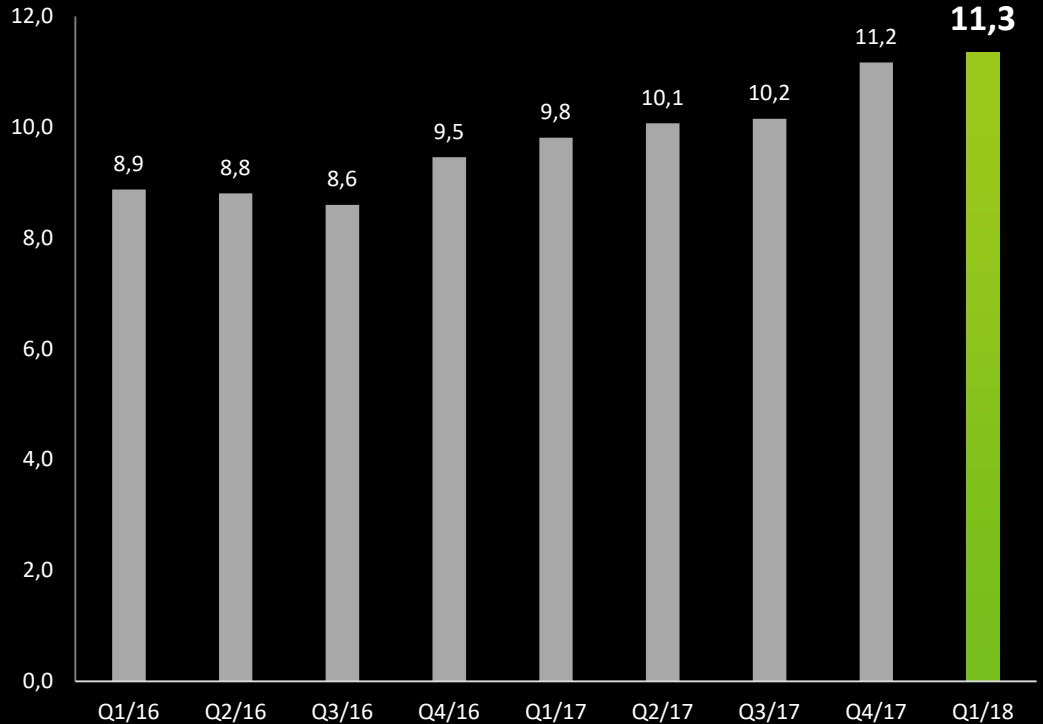
MOBILE SHARE OF GAMEWIN



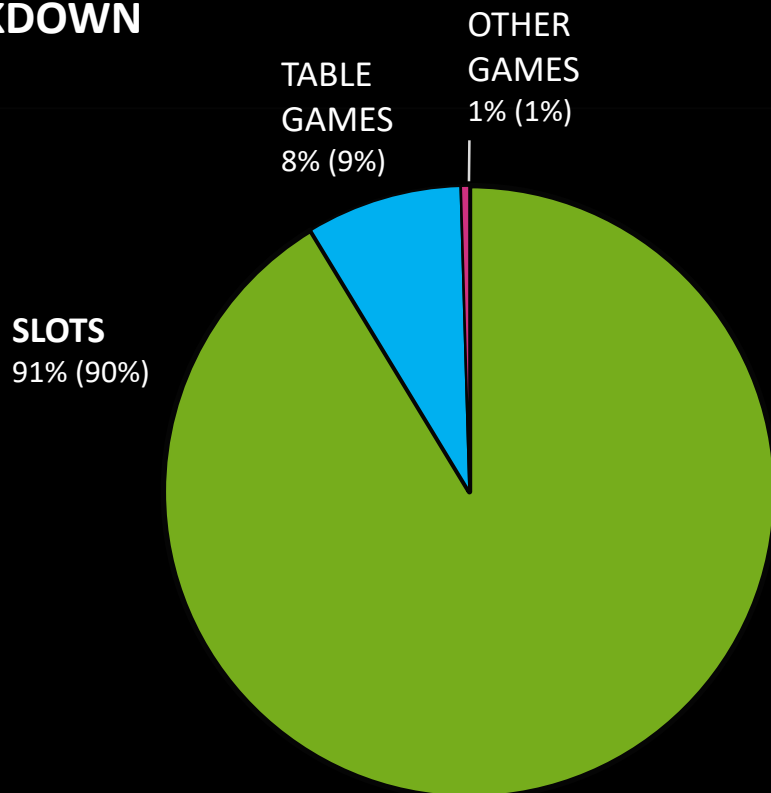
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GAME TRANSACTIONS

- Transactions +15.7% YoY in Q1
- Higher transactions growth than revenue growth
 - More casual players
 - Changed player behavior
 - Geographic mix changing



GAMEWIN BREAKDOWN BY GAME TYPE



NEW SLOT GAMES

Q1 2018



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OTHER PRODUCT NEWS

Q1 2018

Live Casino

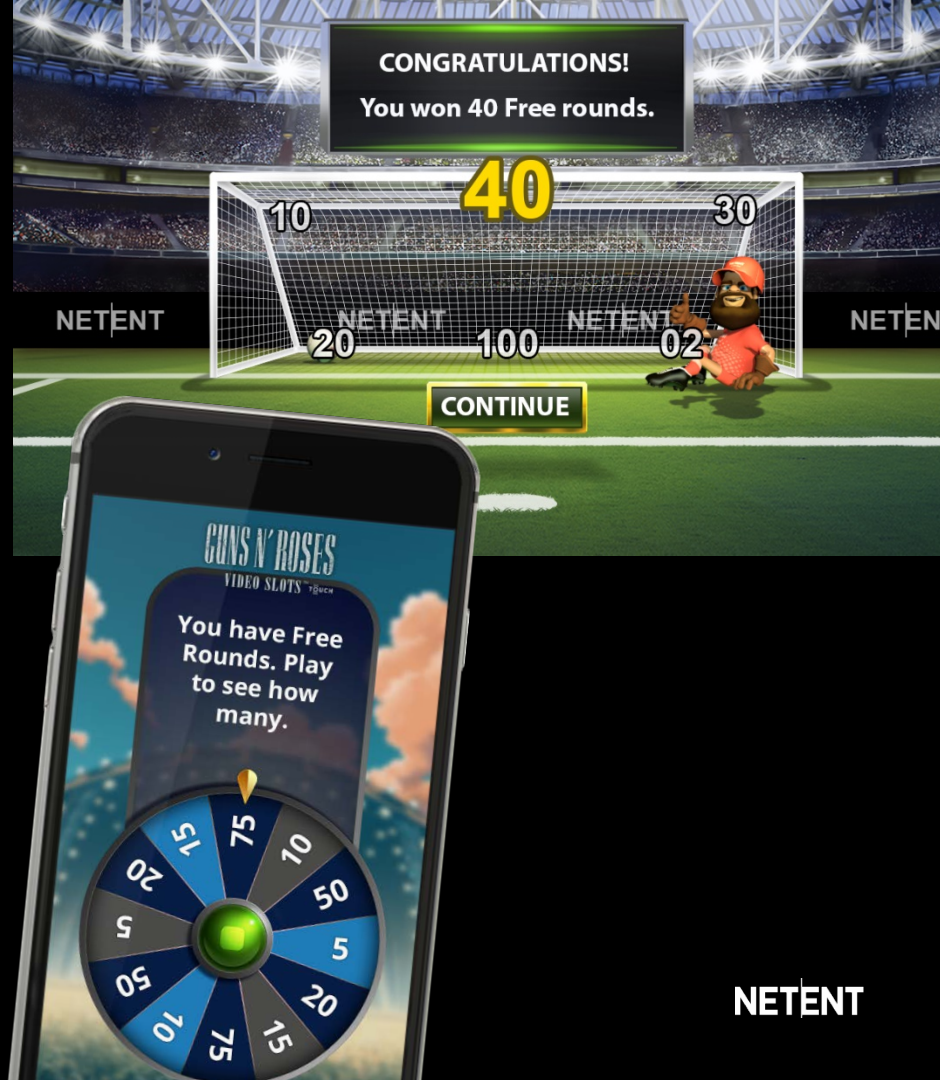
- Launched “Live Beyond Live” with Mr Green

NetEnt Engage™

- Free Round Widgets rolled out to customers

Regulated Markets

- Doubled game portfolio for Czech Republic
- Preparing for new market entries in Lithuania, British Columbia (Canada) and go-live with Norsk Tipping (Norway)



FUTURE OUTLOOK

- ✓ **2018:** 21 new games, regulated markets, 27 new customers to be launched
- ✓ **Long term:** Americas, Asia, Live Casino, Omni-channel offering, digital media buying service



CAPITAL MARKETS DAY 2018

- Stockholm: May 22, 2018
- At NetEnt's Stockholm office
- Invitations to follow



Q&A



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