



RESULTS FOR THE YEAR ENDED

31 DECEMBER 2017

AGENDA

Itai Frieberger | Strategic Review

Aviad Kobrine | Financial Review

Itai Pazner | Operational Review

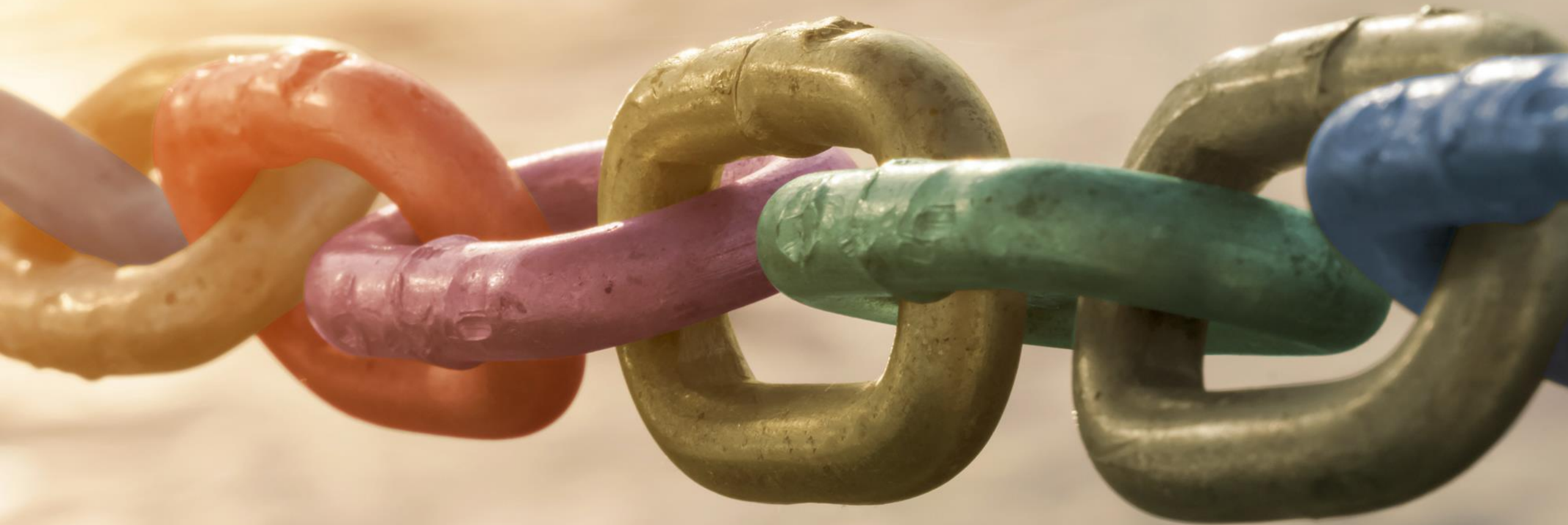
Itai Frieberger | Summary

Q&A



ITAI FRIEBERGER, CEO | STRATEGIC REVIEW

2017 – RESILIENCE THROUGH DIVERSIFICATION





AVIAD KOBRINE, CFO | FINANCIAL REVIEW

2017 HIGHLIGHTS

- Results represent eight consecutive years of revenue increases and a long term CAGR of **17%** since 2003
- Revenue up **4%** to **\$542m**, up **26%** in regulated markets (ex. UK)
- Casino and Sport continue to drive growth
- Sport revenue increase **45%** - the fifth consecutive year of more than 40% growth rate
- Spain and Italy revenues increase **34%** each - a reflection of enhanced product offering and effective marketing campaigns
- Diversification strategy continues as Europe (ex. UK) represents **51%** of Group revenue
- Marketing efficiencies progression with marketing ratio down **300bp** to **30%**
- Adjusted EBITDA¹ up **12%** to **\$101m**, up **19%** at constant currency²
- Adjusted EBITDA margin at **18.6%** and **19.5%** at constant currency
- Adjusted Profit before tax up **12%** to **\$78m**
- Adjusted Basic EPS at **20.1c** up **15%**
- Net cash from operating activities up **40%** representing **95%** of Adjusted EBITDA
- Final Dividend of **5.9c** per share (2016: 5.1c), **9.9c** for the year (2016: 8.9c) plus a one-off **5.6c** (2016: 10.5c), a total of **15.5c** (2016: 19.4c) for the year

¹ As defined in 2017 yearly financial review

² Constant currency as detailed in the 2017 yearly financial review

PROFIT AND LOSS ACCOUNT¹

\$m	2017	2016	% Change at Constant Currency	% Change Reported
Revenue	541.8	520.8	5%	4%
Operating expenses ²	138.8	136.1		
Gaming duties	75.2	60.5		
Research and development expenses	35.4	34.3		
Selling and marketing expenses	162.5	170.2		
<i>% of Revenues</i>	30.0%	32.7%		
Administrative expenses ³	29.2	29.5		
Adjusted EBITDA³	100.7	90.2	19%	12%
<i>% of Revenues</i>	18.6%	17.3%		
Depreciation and Amortisation	19.3	19.0		
Finance and other	3.1	1.3		
Adjusted Profit Before Tax	78.3	69.9		12%
Share benefit charges and other	8.7	6.8		
Exceptional charges ⁴	50.8	3.9		
Profit Before Tax	18.8	59.2		
Taxation	6.2	7.7		
Profit After Tax	12.6	51.5		
Adjusted Basic EPS⁴	20.1 ¢	17.4 ¢		15%

¹ Totals in this presentation may not sum due to rounding

² Excluding depreciation of \$5.7m (2016: \$8.4m) and amortisation of \$13.6m (2016: \$10.6m)

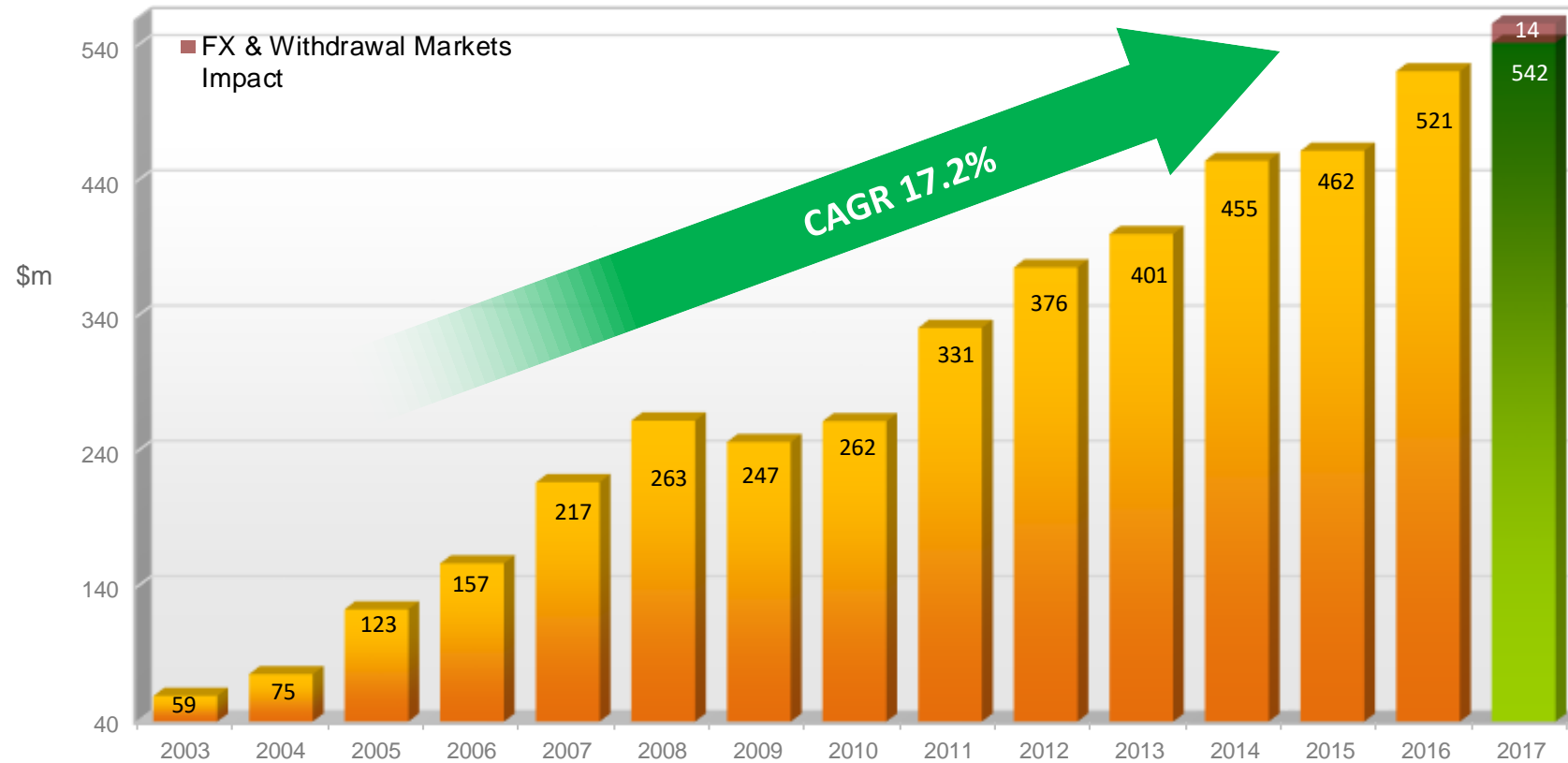
³ Excluding share benefit charges of \$8.5m (2016: \$6.7m)

⁴ As defined in 2017 yearly financial review

GROUP REVENUE

- Group revenue up **7%** at constant currency and adjusted for market withdrawals: up **4%** reported to **\$542m** (2016: \$521m)
- **17%** yearly CAGR since 2003
- Growth drivers remain Sport, Casino and regulated markets

Revenue 2003 – 2017

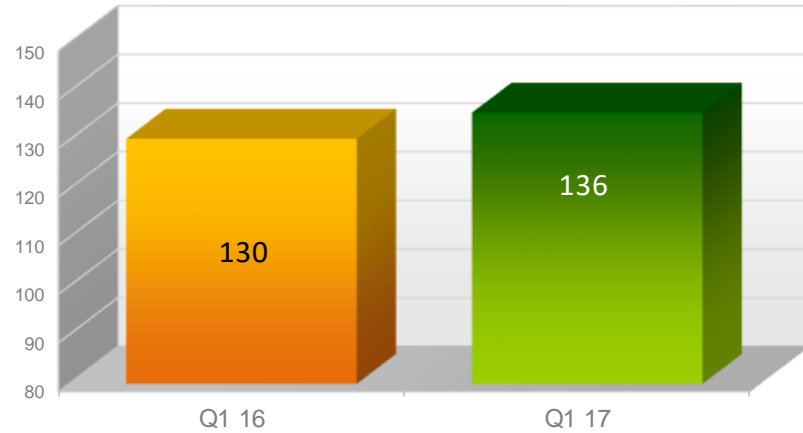


GROUP REVENUE

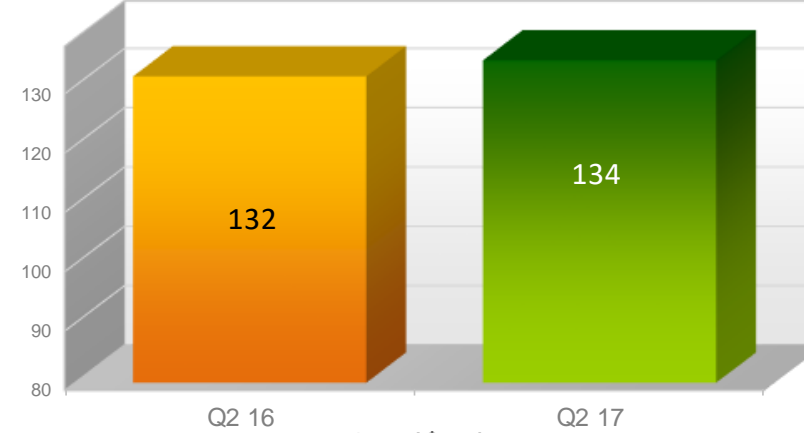
- Revenue increased in each quarter of 2017 compared to 2016

Quarterly Revenues (\$m)

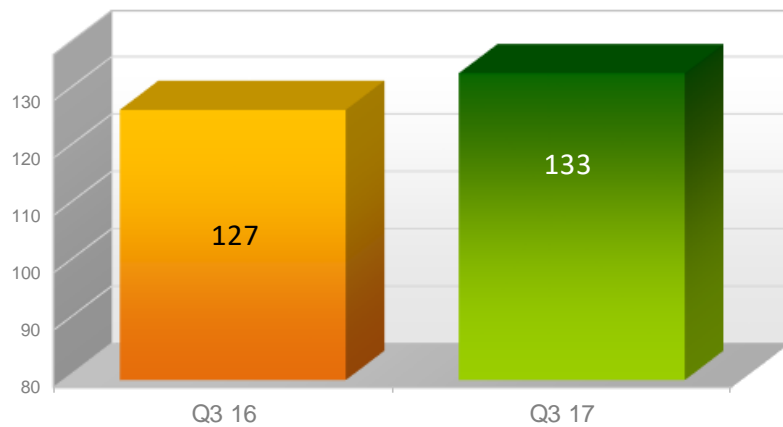
Q1 (\$m)



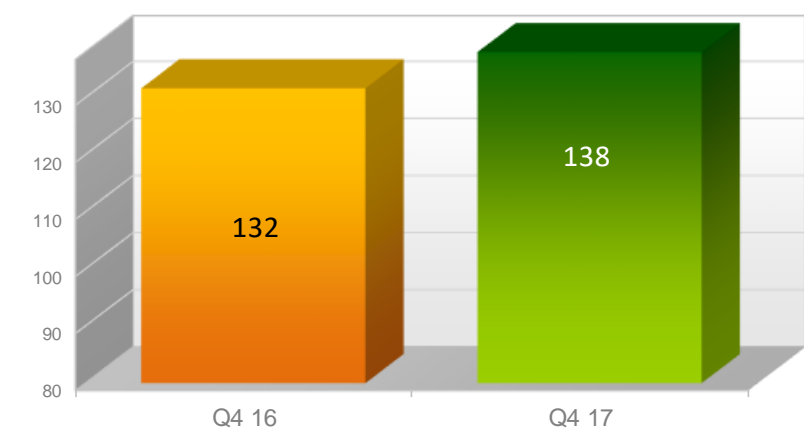
Q2 (\$m)



Q3 (\$m)



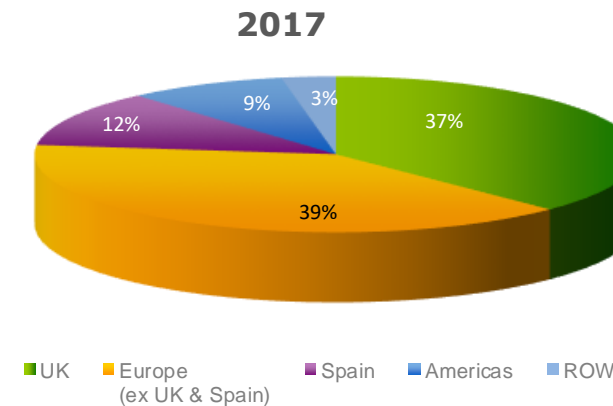
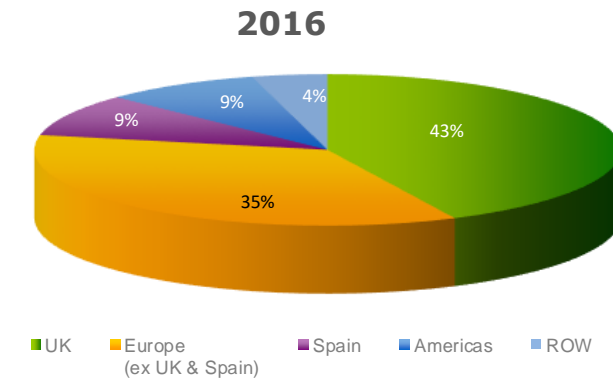
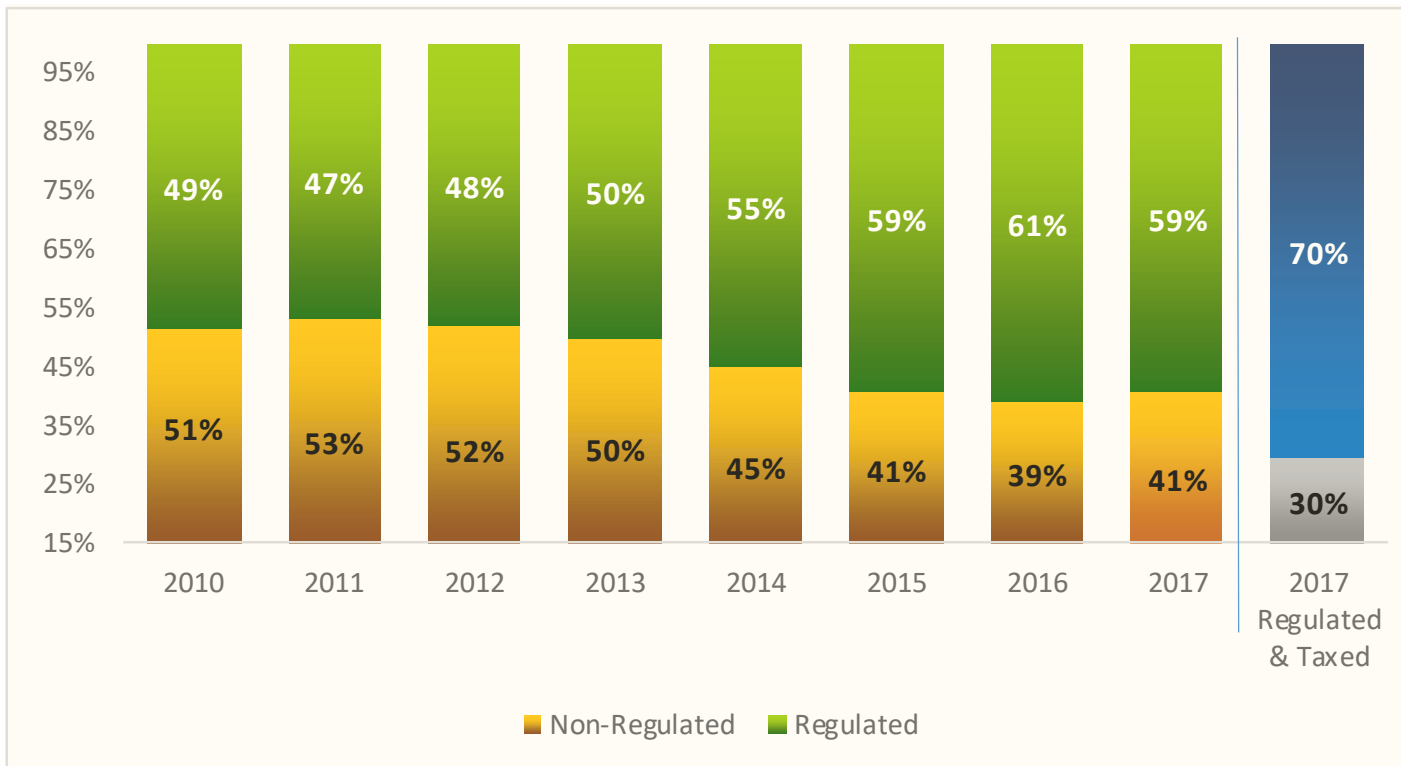
Q4 (\$m)



GEOGRAPHICAL SEGMENTATION

- Europe (ex. UK) at **51%** of revenues driven by Spain – already **12%** of revenue
- Regulated and taxed markets comprise **70%** of revenues
- UK share is a combination of diversification strategy, currency and tighter regulatory constraints
- Regulated (ex. UK) up **26%** and up **370bp** in share of revenues

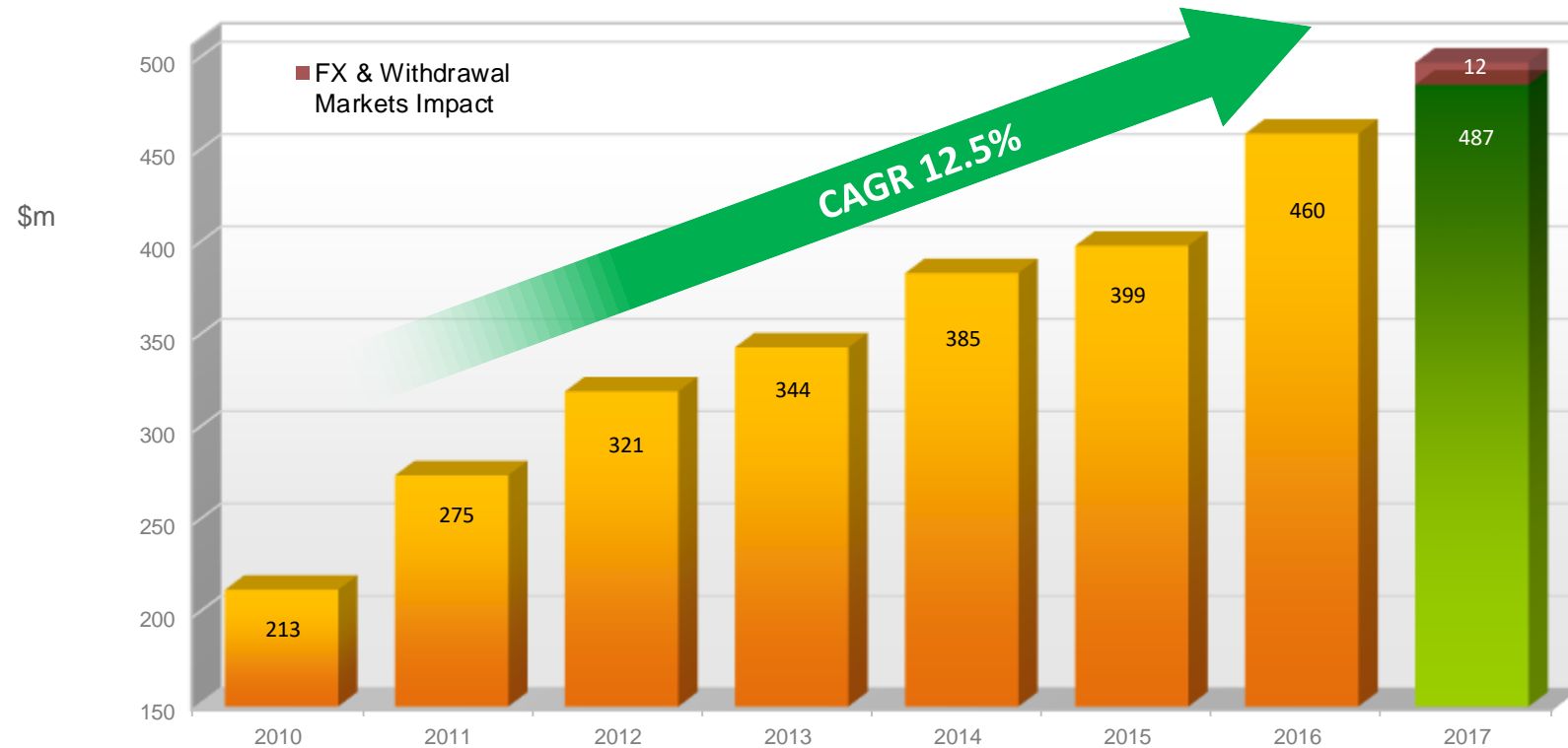
Geographic Segmentation 2010 - 2017



REVENUE B2C

- Revenue up **6%** to **\$487m** (2016: \$460m), reflecting **8%** increase adjusted for constant currency and market withdrawals
- CAGR of **12.5%** since 2010
- Increased active days per player across products drive revenue growth and retention efficiencies

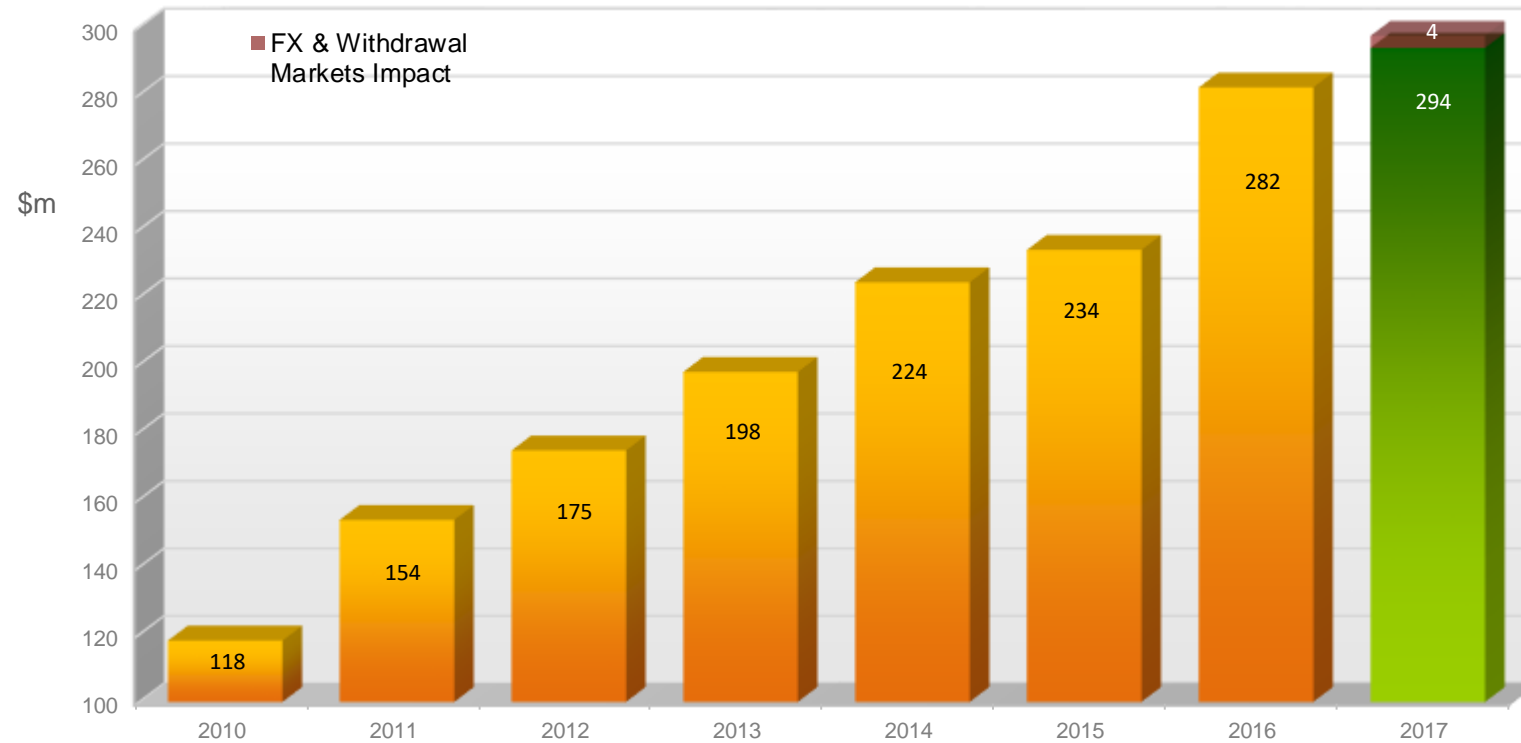
Revenue B2C 2010 –2017



REVENUE CASINO B2C

- Revenue up **4%** to **\$294m** (2016: \$282m)
- B2C Casino revenue up **17%** ex. UK
- Casino is the most dominant product across our territories with both direct acquisition and cross-sell appeal

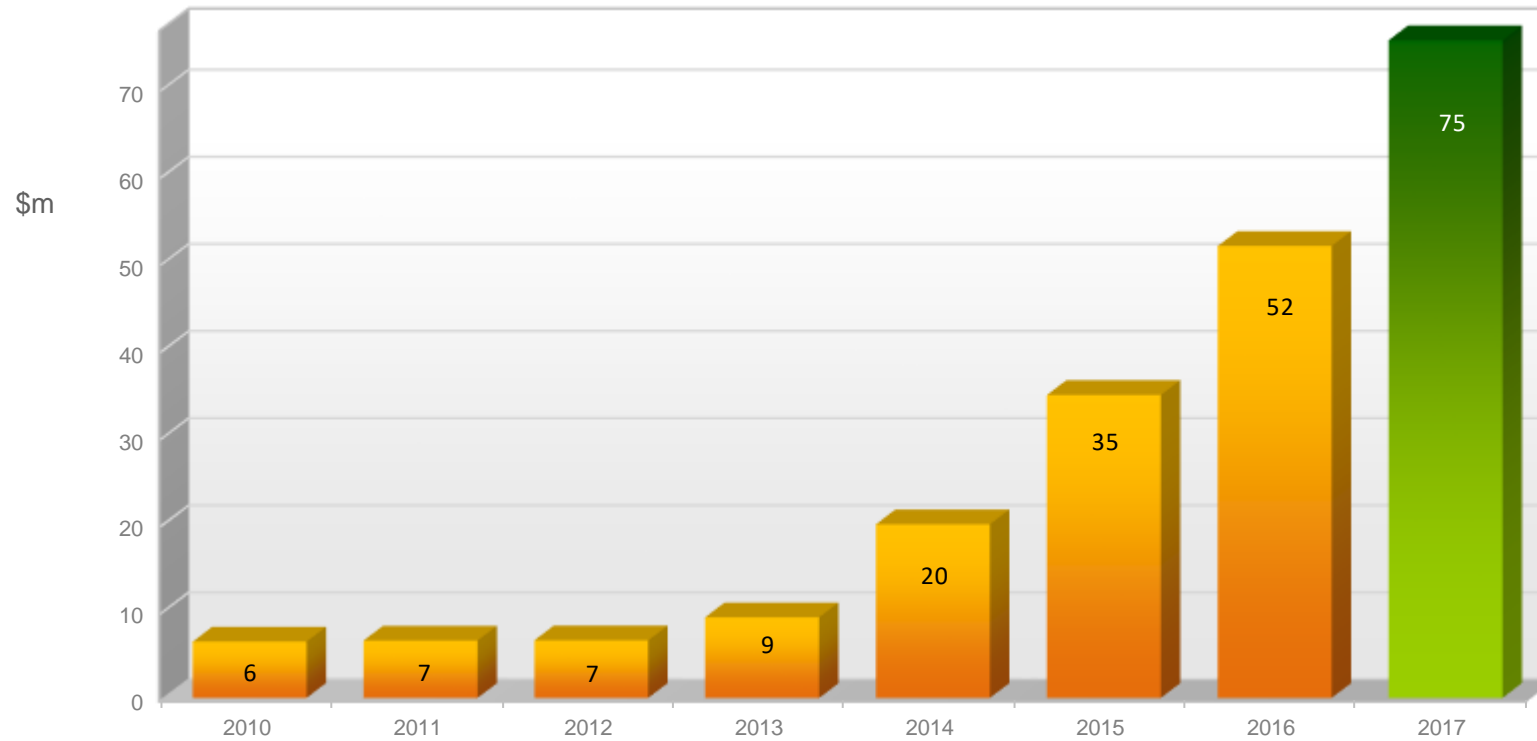
Revenue Casino B2C 2010 –2017



REVENUE SPORT B2C

- Revenue up **45%** to **\$75m** (2016: \$52m)
- Success is fueled by increased penetration across regulated markets and expanded offering
- Players respond well to the ever expanding offering and marketing suite

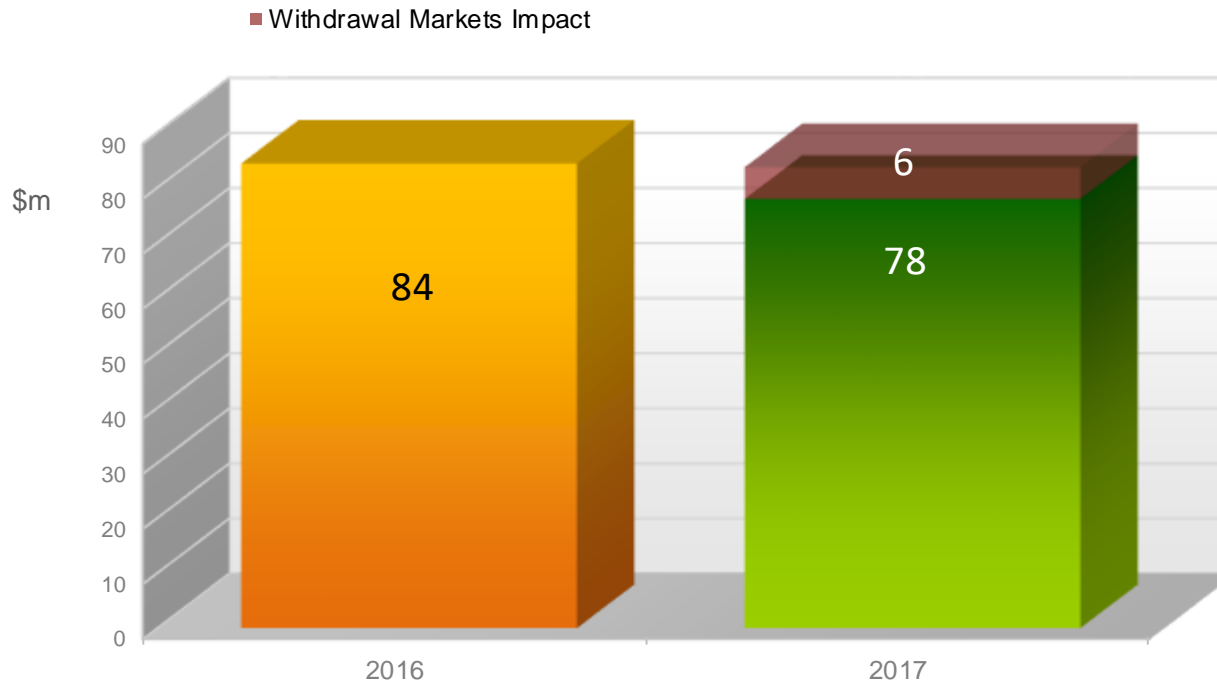
Revenue Sport B2C 2010 – 2017



REVENUE POKER B2C

- Stable Poker revenue performance adjusted for market withdrawals
- Poker resilience is maintained through 'casual' product focus and regulated territories, the latest one in Italy in early 2018
- Poker players yield and active days over the platform increased more than **20%**

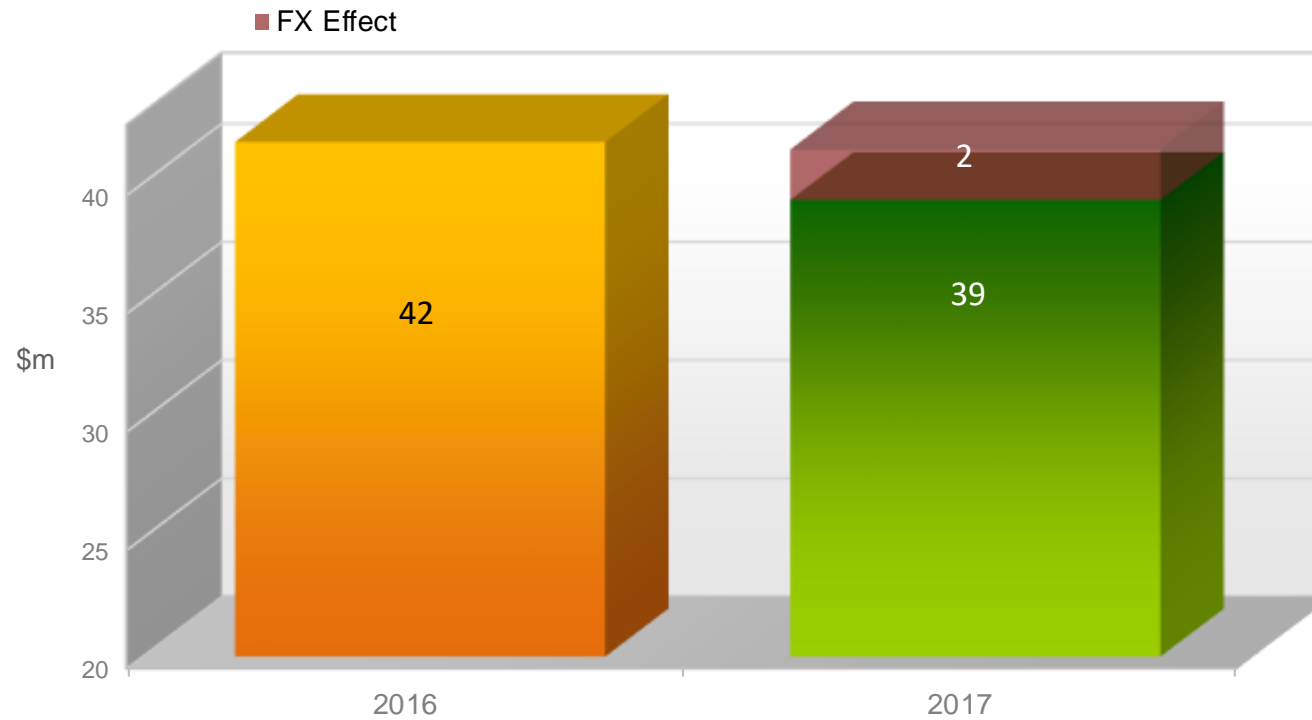
Revenue Poker B2C 2017 vs. 2016



REVENUE BINGO B2C

- Reported revenue down 6% to \$39m (2016: \$42m), highly impacted by currency, down 0.7% at constant currency
- Depositing player yield increased **16%** at constant currency
- Continued bonus optimisation and bingo room management support player yield

Revenue Bingo B2C 2017 vs. 2016



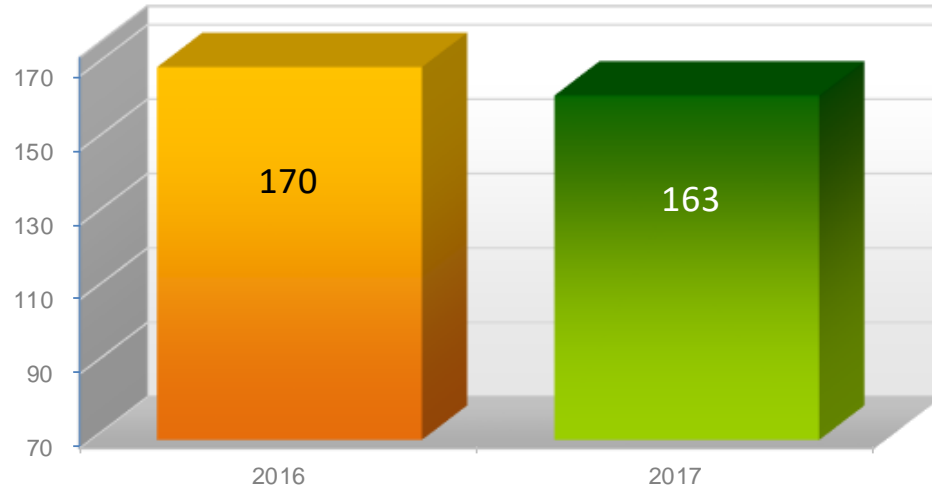
MARKETING COST

- Marketing efficiencies and cost control drive marketing ratio down to **30.0%** (2016: 32.7%)
- **10%** increased marketing in continental European regulated markets

Marketing Cost 2017 vs. 2016

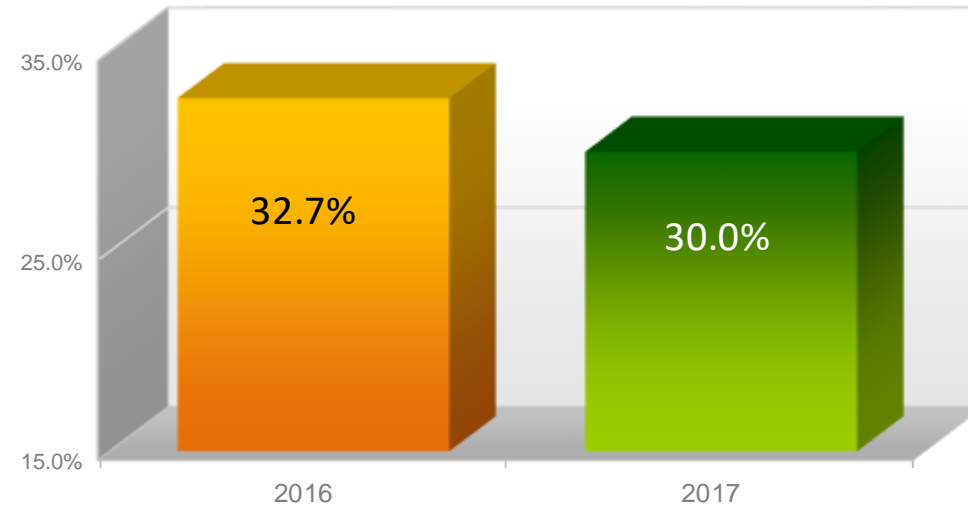
\$m

Marketing Costs



%

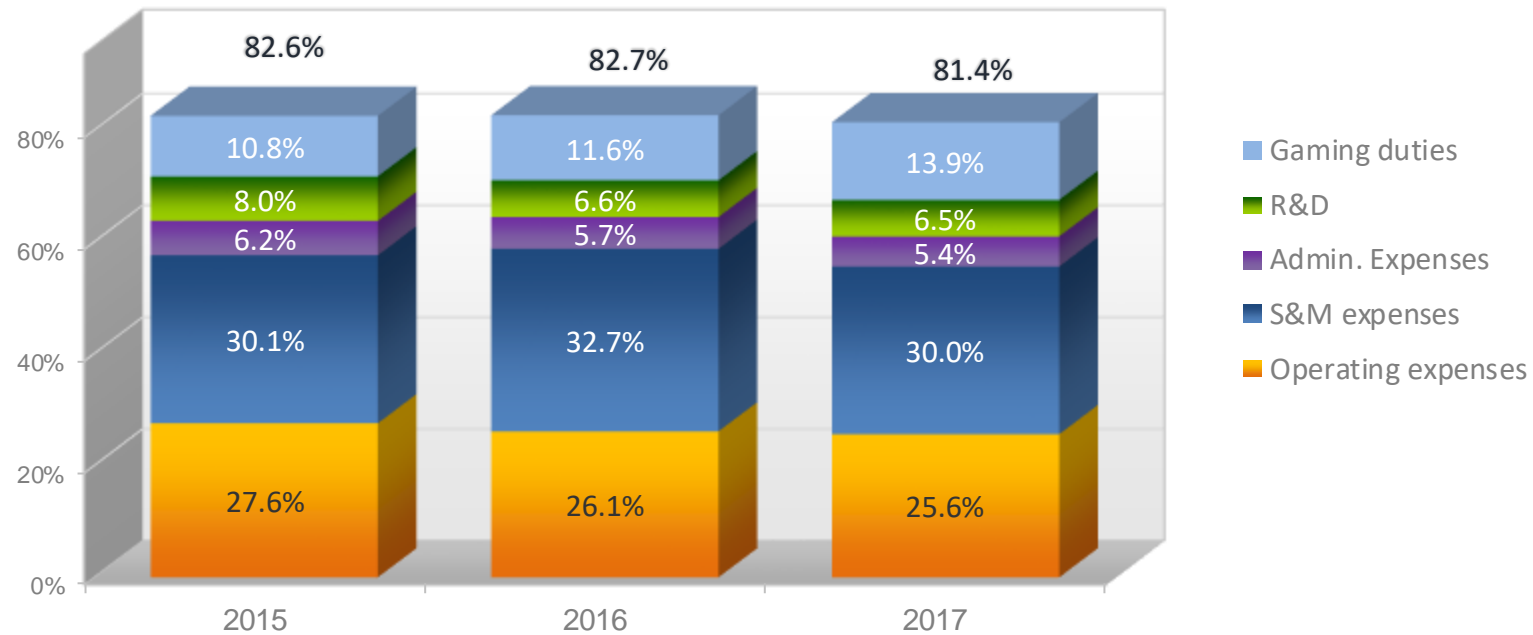
Marketing Costs % of Revenue



COST STRUCTURE

- Continued operational gearing
- Return to lower marketing levels – a result of more regulated markets in the post investment stage
- Balancing increased gaming duties with cost control

Cost as a % of Total Revenue

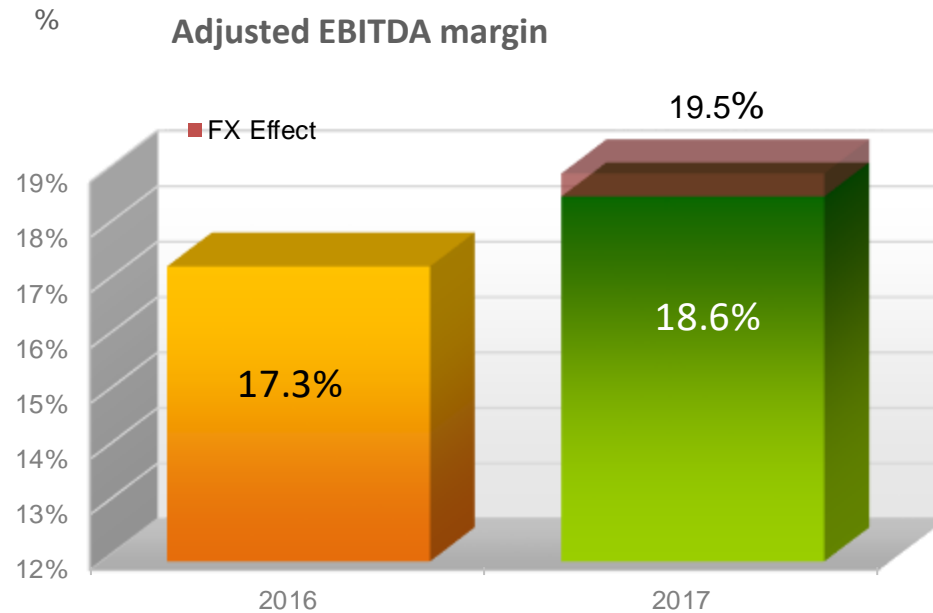
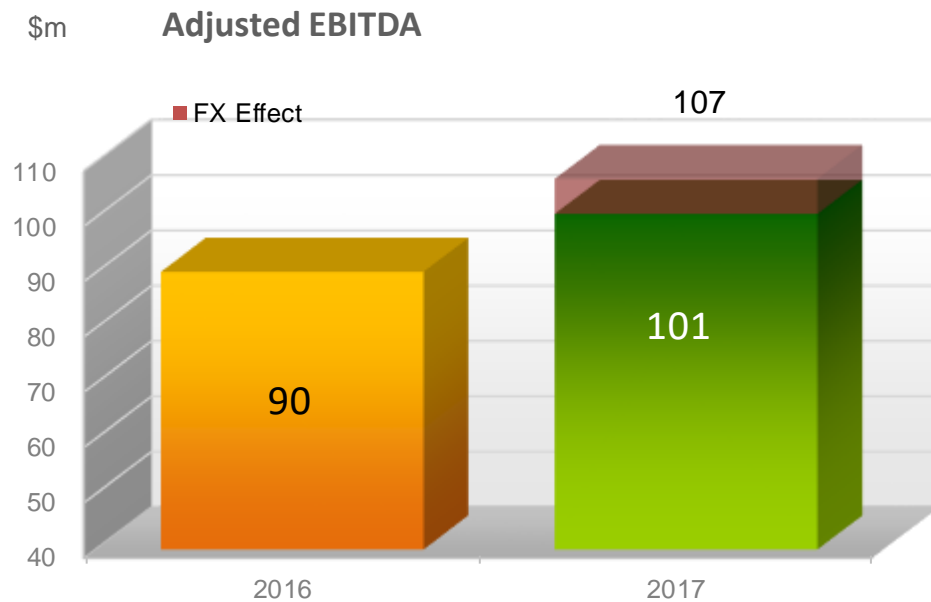


* Operational margins are per adjusted EBITDA as defined in 2015 - 2017 financial review

ADJUSTED EBITDA AND MARGIN

- Improved Adjusted EBITDA and margins
- Adjusted EBITDA up **12%** to **\$101m** (2016: \$90m), up **19%** at constant currency to **\$107m** despite US\$15 million additional duties
- Adjusted EBITDA margin at **18.6%** (2016: 17.3%) an increase of **127bp.** representing **19.5%** at constant currency

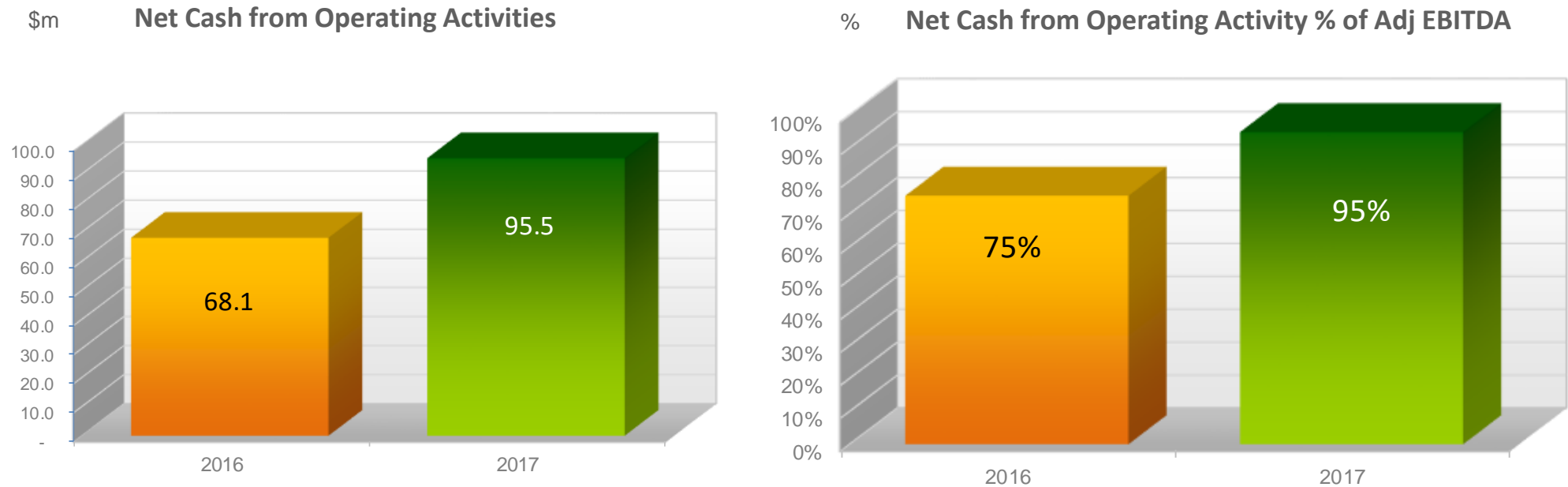
Adjusted EBITDA 2017 vs. 2016



CASH

- Healthy cash generation from operating activities
- Cash generated from operating activities up **40%**, representing **95%** of Adjusted EBITDA
- Cash net of customer liabilities up **11%**

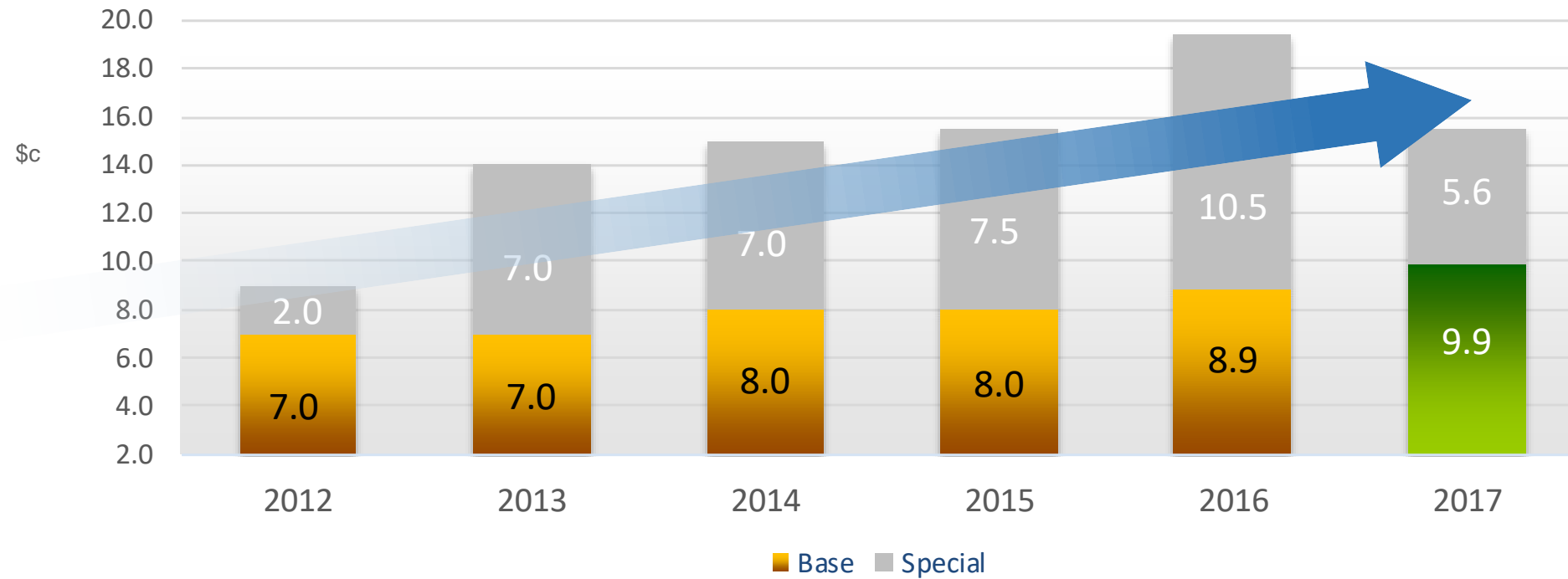
Cash Position 2017 vs. 2016



DIVIDEND

- Dividend up **11%** to 9.9c, plus a special dividend of 5.6c, total for the year at 15.5c
- High dividend return continues
- Six consecutive years with special dividend

Dividend Per Share (\$c) 2012 –2017



BALANCE SHEET

\$m	31-Dec-17	31-Dec-16
Non-current assets		
Goodwill and other Intangible assets	159.8	158.6
Property, plant and equipment	9.0	9.1
Other non-current assets	2.3	1.8
Investments	1.3	1.5
	172.4	171.0
Current assets		
Cash and cash equivalents	179.6	172.6
Trade and other receivables	44.2	37.0
Total Assets	396.2	380.6
Equity		
Share capital and share premium	6.8	6.5
Retained earnings, reserves and treasury shares	106.4	157.1
Total equity attributable to equity holders	113.2	163.6
Liabilities		
Current liabilities		
Trade and other payables	160.2	139.3
Provisions	47.0	0.0
Income tax payable	4.1	0.1
Customer deposits	71.7	75.7
Non-current liabilities		
Deffered tax liabilities	0.0	1.9
Total equity and liabilities	396.2	380.6

CASH FLOW

\$m Period Ended 31 December	2017	2016
Cash flows from operating activities		
Profit before income tax	18.8	59.2
Share benefit charges	8.5	6.7
Depreciation and amortisation	19.3	19.0
Change in current assets and liabilities	53.5	(7.3)
Share of associates loss	0.2	0.1
Interest Income	(0.6)	(0.4)
Cash generated from operations	99.7	77.3
Income tax paid	(4.2)	(9.2)
Net cash generated from operating activities	95.5	68.1
Acquisition of property, plant and equipment	(5.6)	(6.3)
Internally generated intangible assets	(11.2)	(10.6)
Acquisition of intangible assets	(3.6)	(1.3)
Interest received	0.6	0.4
Net cash used in Investing Activities	(19.8)	(17.8)
Issue of shares net of purchase	(0.4)	1.1
Dividends paid	(70.5)	(56.6)
Net increase/decrease in cash and cash equivalents	4.8	(5.2)
Cash and cash equivalents - beginning of the period	172.6	178.6
Effects of currency translation	2.2	(0.8)
Cash and cash equivalents - end of the period	179.6	172.6

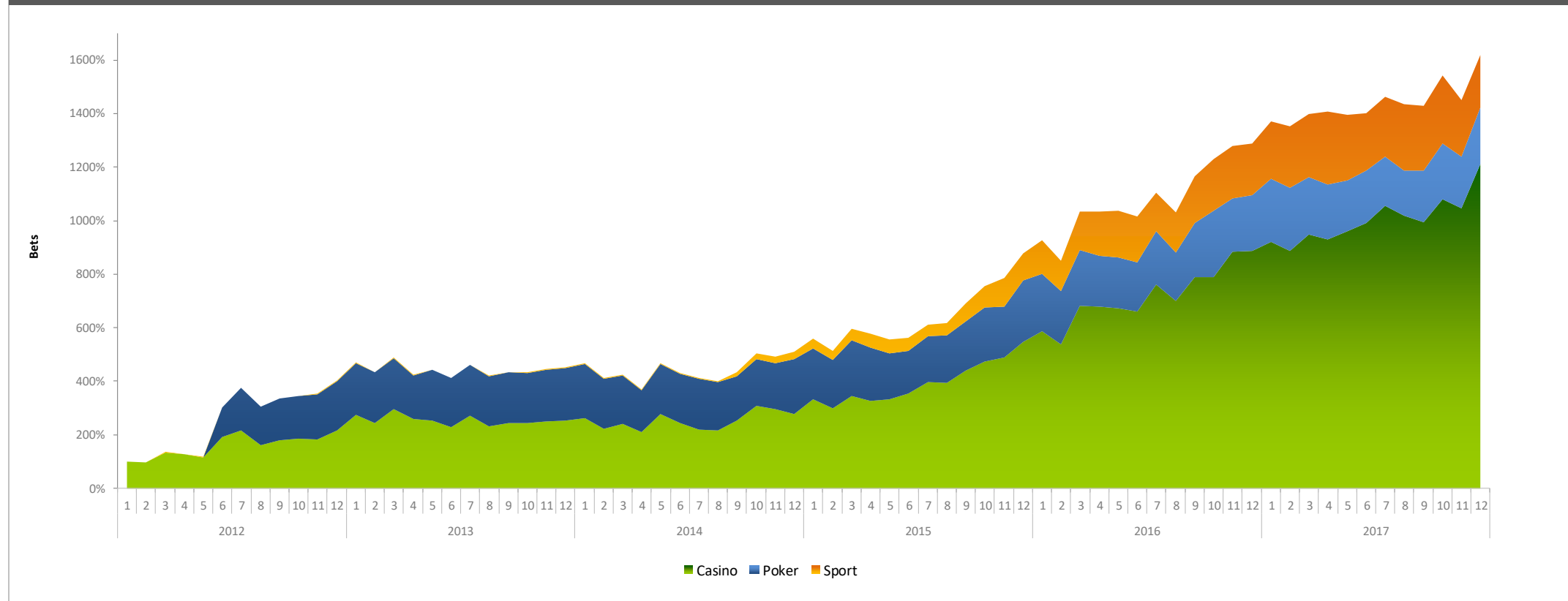


ITAI PAZNER, COO | OPERATIONAL REVIEW

EUROPEAN REGULATED MARKETS (ex. UK)

- Bet volume accelerated up **33%**
- Italy and Spain leading growth

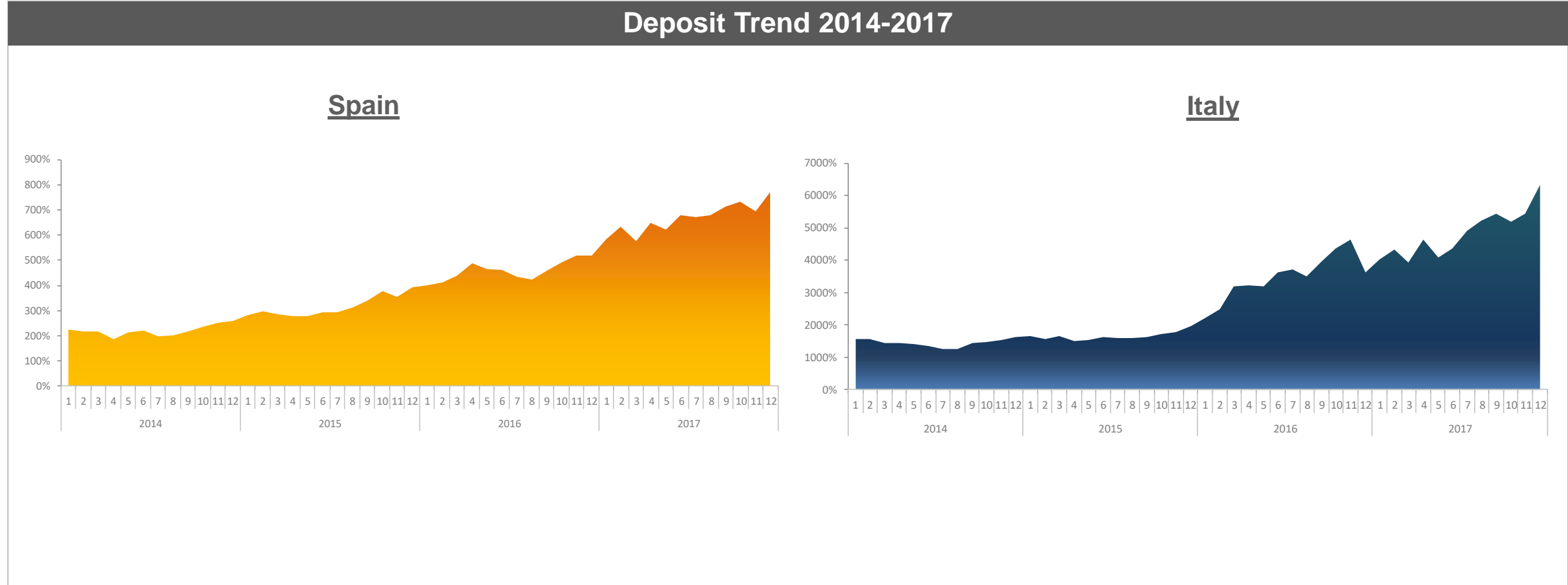
Bet Trend per Product (EUR)



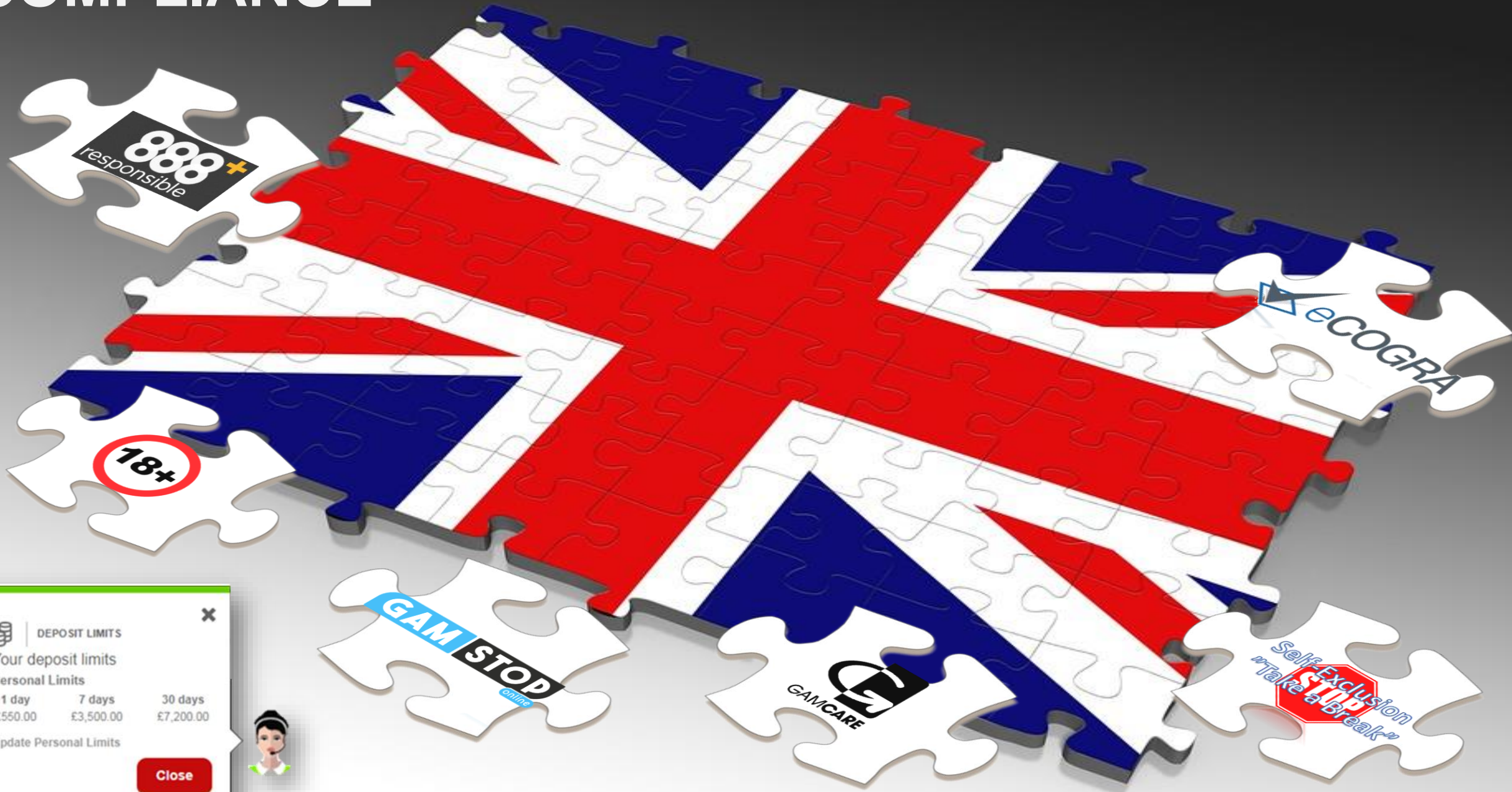
* Markets included – Spain, Italy, Denmark, Romania, Ireland Sport – each as of Regulation regime start date

DEPOSIT TREND SPAIN & ITALY

- Spain and Italy lead regulated growth with expanded product offering, efficient campaigns and increasing brand awareness



COMPLIANCE



 DEPOSIT LIMITS ✕

Your deposit limits

Personal Limits

1 day	7 days	30 days
£550.00	£3,500.00	£7,200.00

[Update Personal Limits](#)

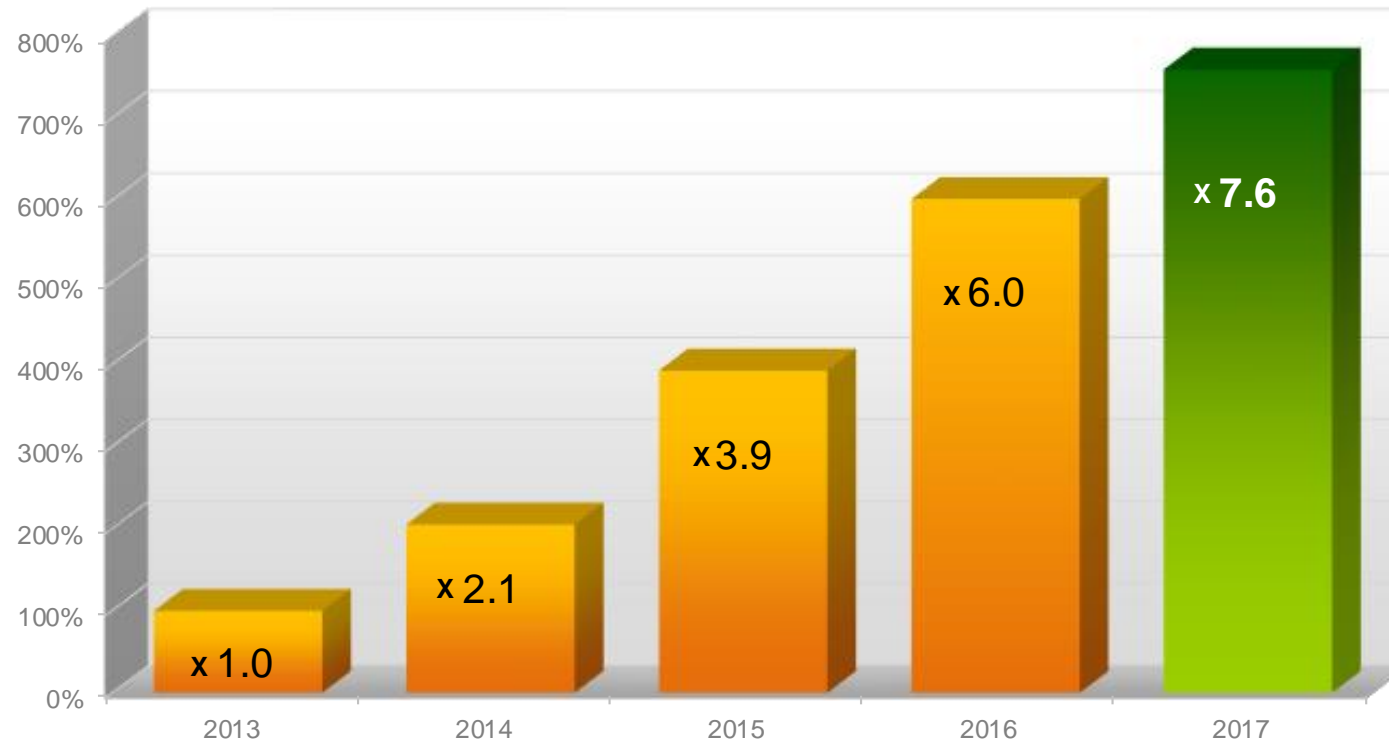
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SPORT BET

- Healthy blend of categories, enhanced by a constantly increasing in-play offering
- Growth from last year's strong comparative which included the Euro 2016 peak
- Well positioned for the World Cup

Sport Bet Trend



DEPOSIT \$25 PLAY WITH \$50

100% UP TO \$200 BONUS
ON YOUR 1ST DEPOSIT

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TOP SLOT GAMES

SEE ALL



Guns N Roses



A Nightmare on Elm Street



Jack's Pot



Guns N Roses



Spartacus



Mystic Mask

Today's Winners



MARWAN A

\$25,570

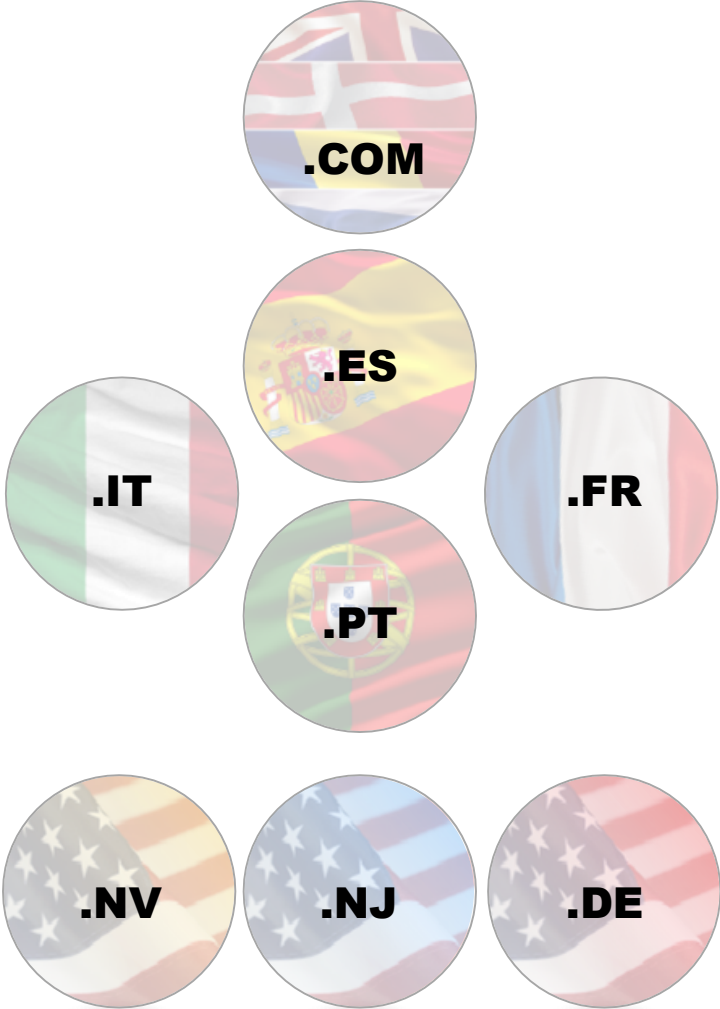
Live Three Car...

888 POKER

2006

2017

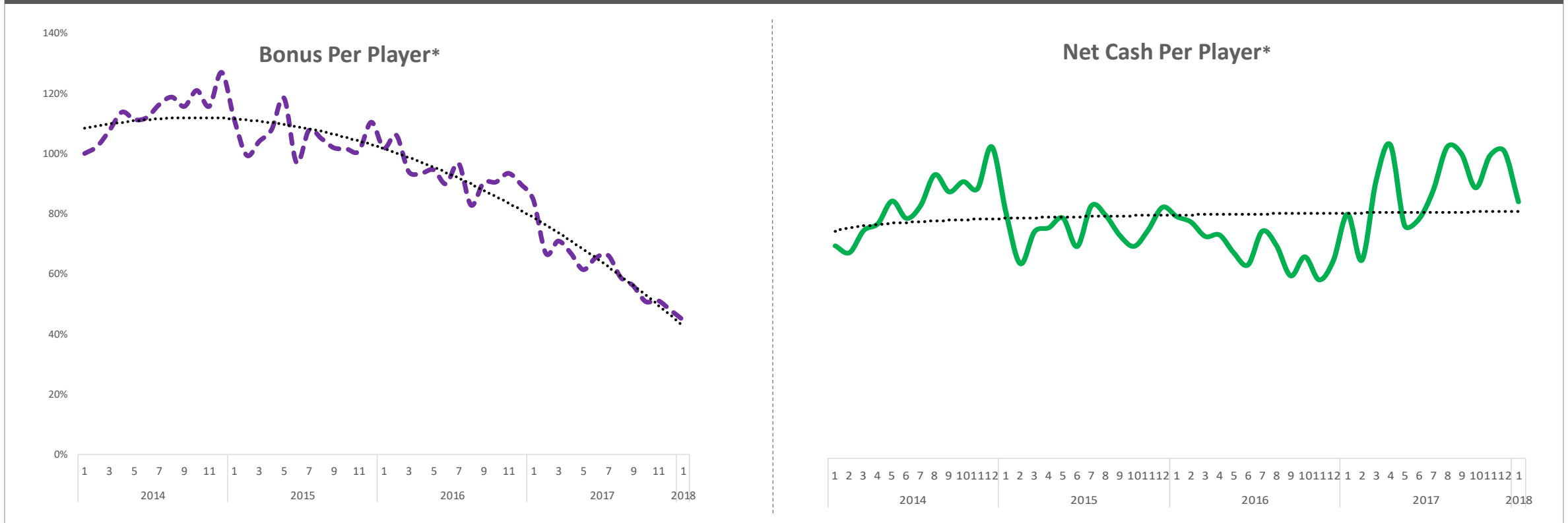
2020+



BINGO PLATFORM

- Bonus per player continues to decrease as new UK tax on bonuses became effective as of October 2017
- Stable revenue per player

Bingo Platform Optimisations (GBP)



* Jan 2014 as base = 100

* Funded players



**YOU'VE
EARNED IT!**



LOOKING AHEAD



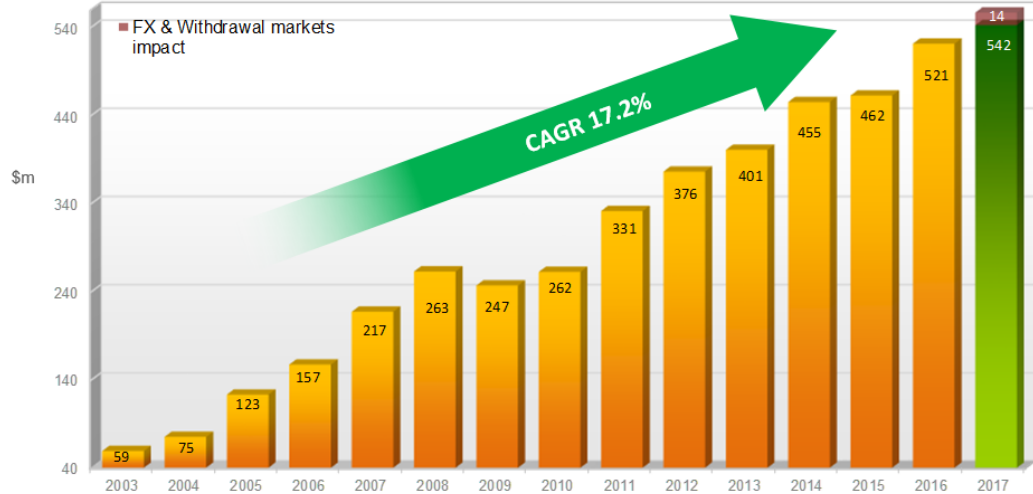


ITAI FRIEBERGER, CEO | SUMMARY

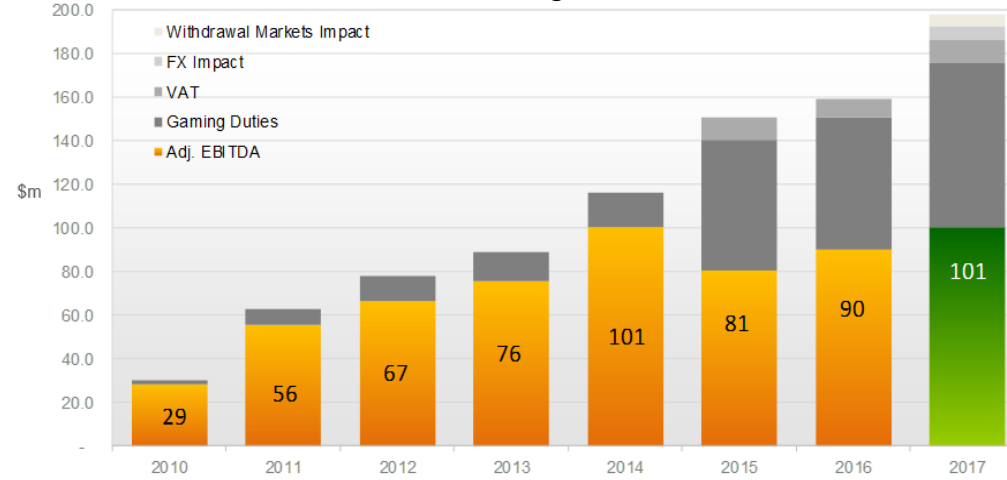
CONSISTENT PROGRESS

Harnessing Challenges into Sustainable Growth

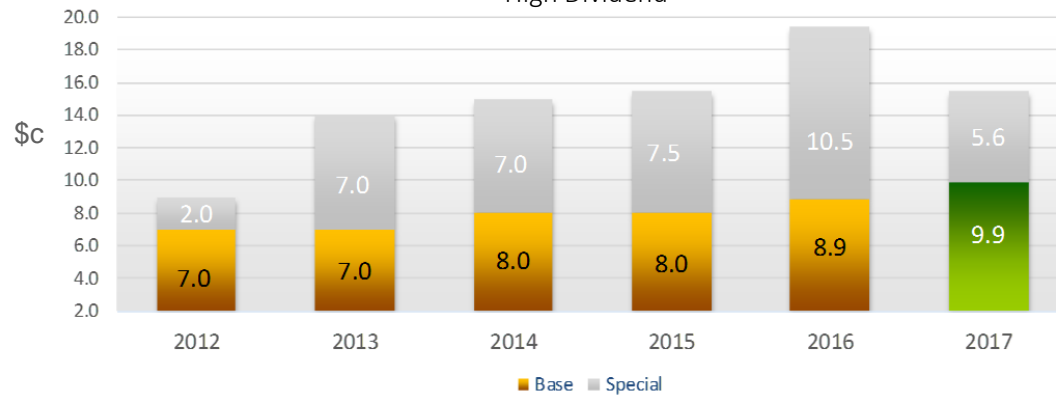
Revenue Records



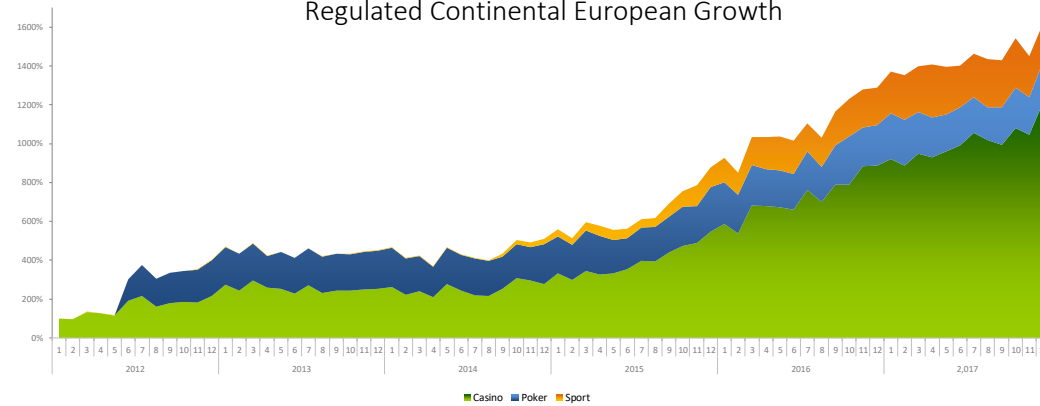
EBITDA Strength



High Dividend



Regulated Continental European Growth



SUMMARY

- Resilient and healthy underlying performance in the face of challenges including withdrawal from several markets and regulatory headwinds
- Strong progress in Casino
- Strong growth in Sport
- Regulated Continental Europe driving growth
- Technological advantage
- Continue organic growth plus bolt-on M&A
- Well placed to participate in strategic M&A
- Cost control and optimisation continue
- US presents an opportunity
- Confident of future outlook



Q&A