



RESULTS FOR THE HALF YEAR ENDED
30 JUNE 2020



AGENDA

Itai Pazner | Introduction & H1 2020 Highlights

Aviad Kobrine | Financial Review

Itai Pazner | Operational Review

Q&A



ITAI PAZNER, CEO | H1 2020 HIGHLIGHTS



H1 2020 HIGHLIGHTS

- Record revenues, EBITDA and new customers
- Enhanced focus on customer protection & safer gambling
- Improved marketing efficiencies and disciplined cost control
- Continued operation and delivery during remote working
- Benefitted from a macro trend of consumer transition to online
- Product-centric strategy accelerated
 - Maintaining our 888casino leadership through new AI features, proprietary content
 - Rollout of the new 888 sport product “*Spectate*” - on track
 - Poker8 soft launch
- Strong US revenue growth
- Robust balance sheet, cash generation and net cash – no leverage
- Strong current trading





AVIAD KOBRINE, CFO | FINANCIAL REVIEW

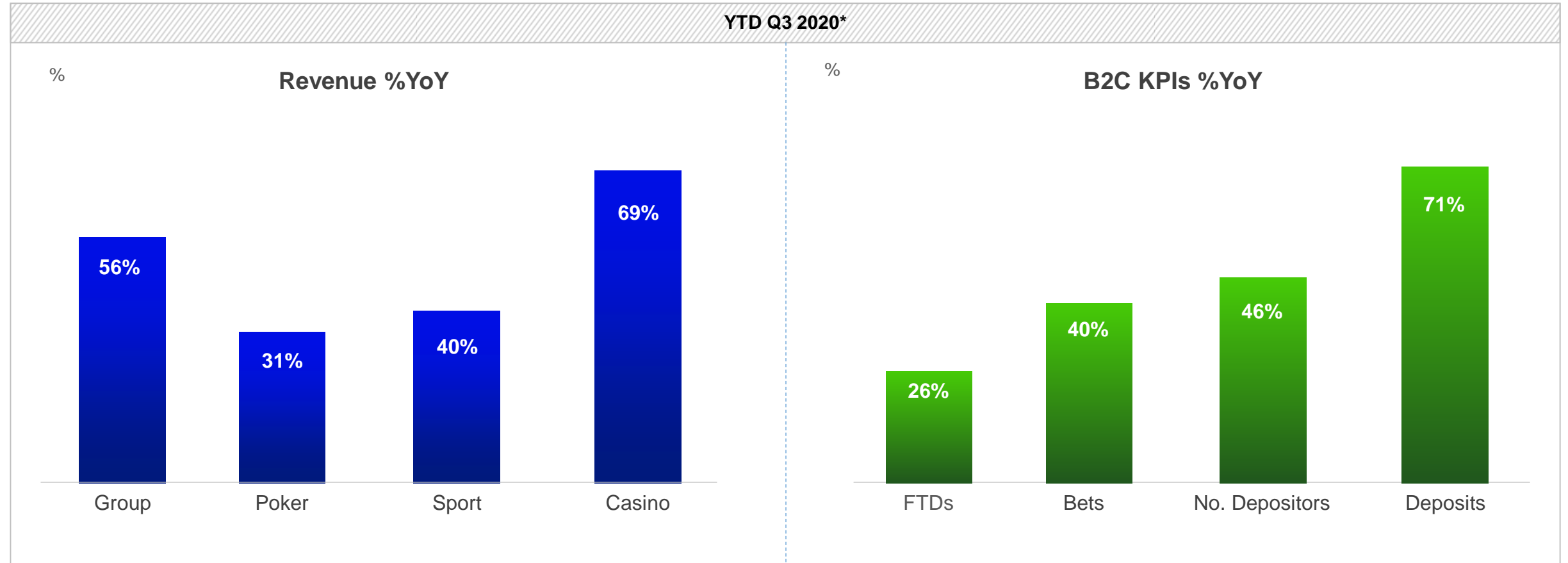


H1 2020 FINANCIAL HIGHLIGHTS

- Record results, revenue up **37%** despite disruption of Sport events, driven by core products and COVID-19 lockdowns
- Revenue increase led by Casino and Poker up **48%** and **56%** respectively
- Further progress in regulated markets, up **41%**
- Regulated and taxed markets comprise **73%** of Group's revenue
- Sport revenue up **2%** at constant currency despite the disruptions, driven by strong growth during the beginning of the year, improved margins and strong recovery post lockdowns
- Marketing ratio decreased to **28%** while new customers increased **49%**, led by Casino (up **72%**) and Poker (up **103%**)
- Adjusted EBITDA* up **56%** to \$70m; \$74m at constant currency
- Adjusted EBITDA margin at **18.5%** (H1 2019: 16.2%), up **230bp** reflecting costs efficiency and operation gearing
- Adjusted Basic EPS at \$12.2c, up **82%**
- Strong balance sheet with cash and cash equivalents of US\$141m, US\$77m net of customers' deposits, no debt
- Dividend at **\$3.2c** (H1 2019: \$3.0c) plus an additional one-off Dividend of **\$2.8c** (H1 2019: nil) totaling **\$6.0c** (H1 2019: \$3.0c)
- Strong trading momentum has continued into Q3

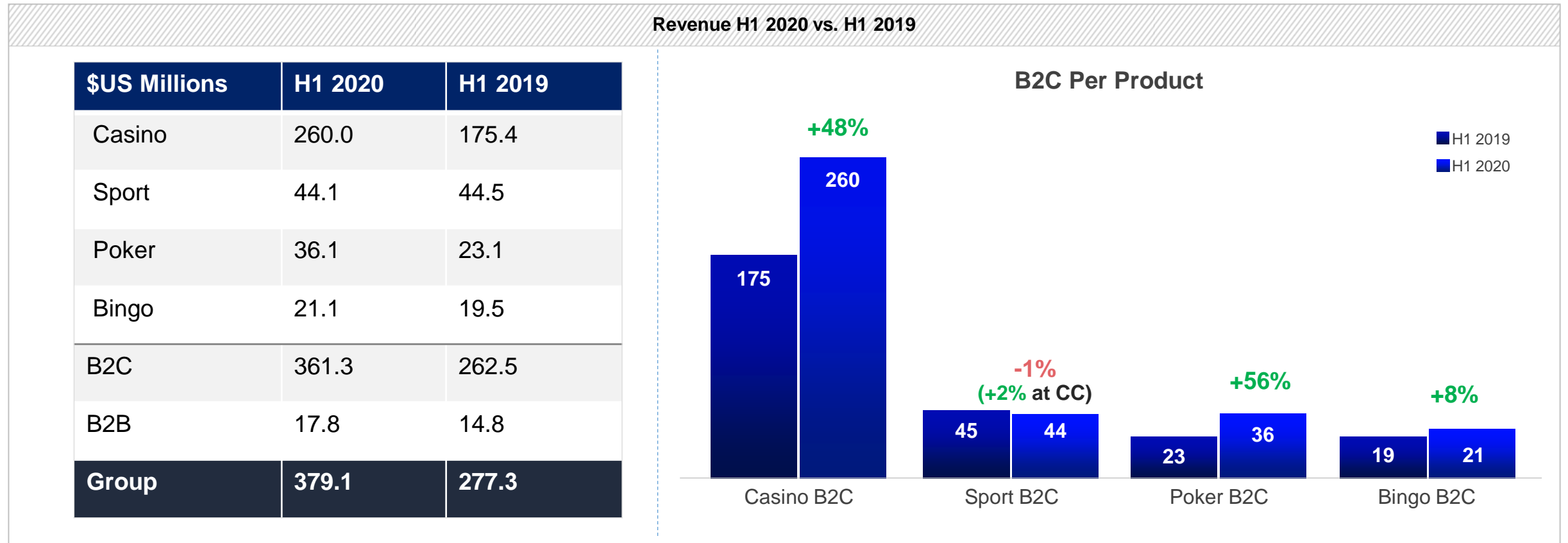
CURRENT TRADING

- Strong trading continues into the third quarter of the year with revenue increases across verticals
- Strong momentum underpin positive outlook



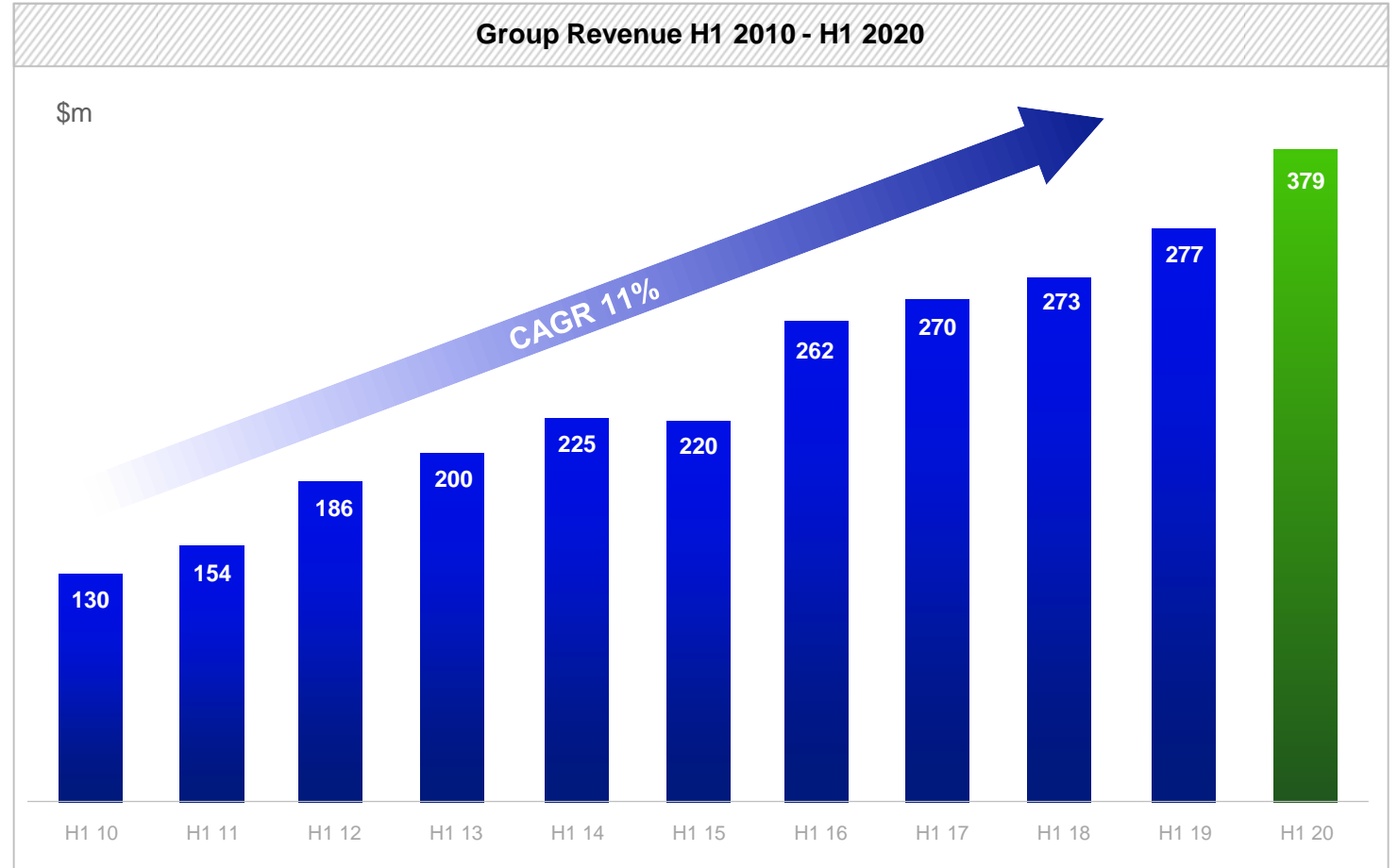
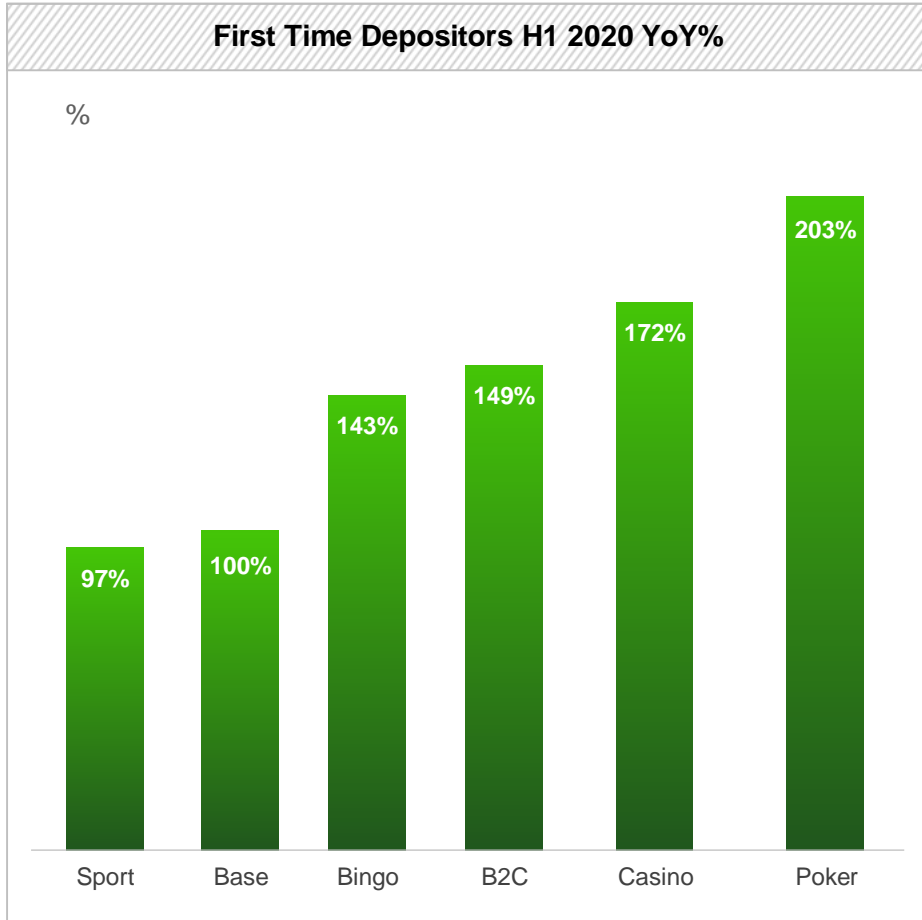
GROUP REVENUE

- Group revenue up **37%** to **\$379m** (H1 2019: \$277m); up **40%** at constant currency
- Sport up **2%** at constant currency despite restricted events
- B2B up **21%** driven by Bingo and strong performances by US partners



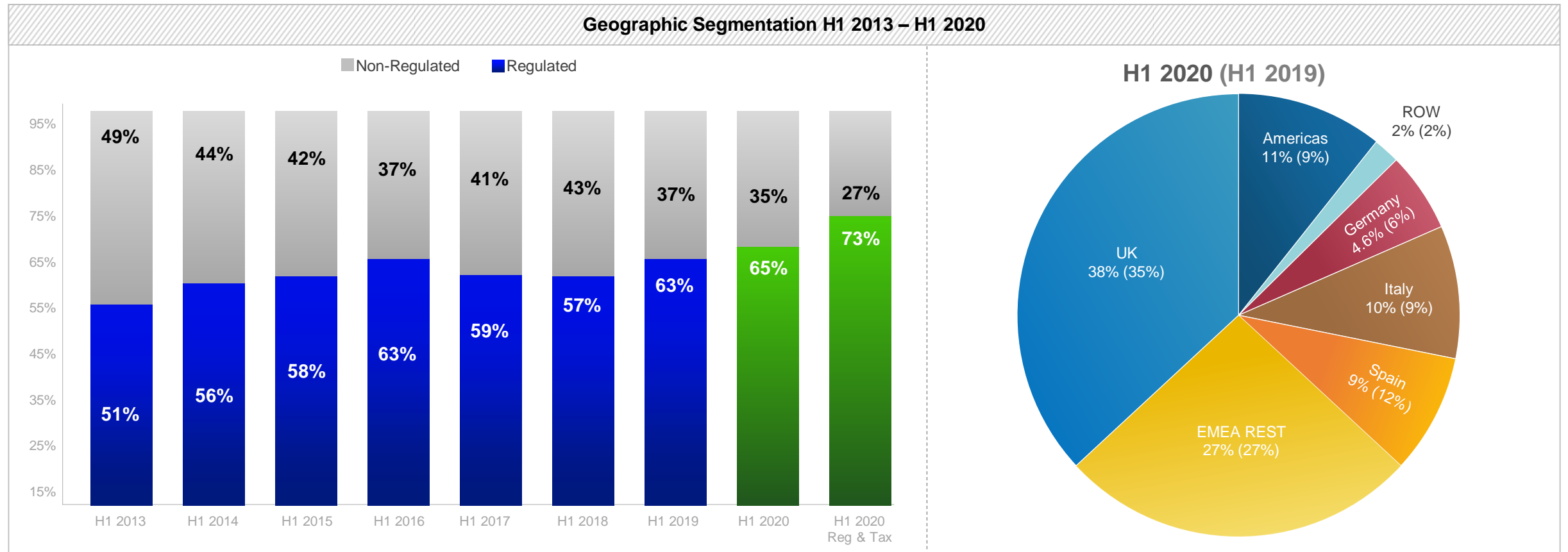
GROUP REVENUE

- Half yearly long-term CAGR of 11%
- Exceptional H1, up 37% reflecting wider consumer trend towards online consumption and strong customer acquisition in 2019
- 41% increase in regulated markets revenue



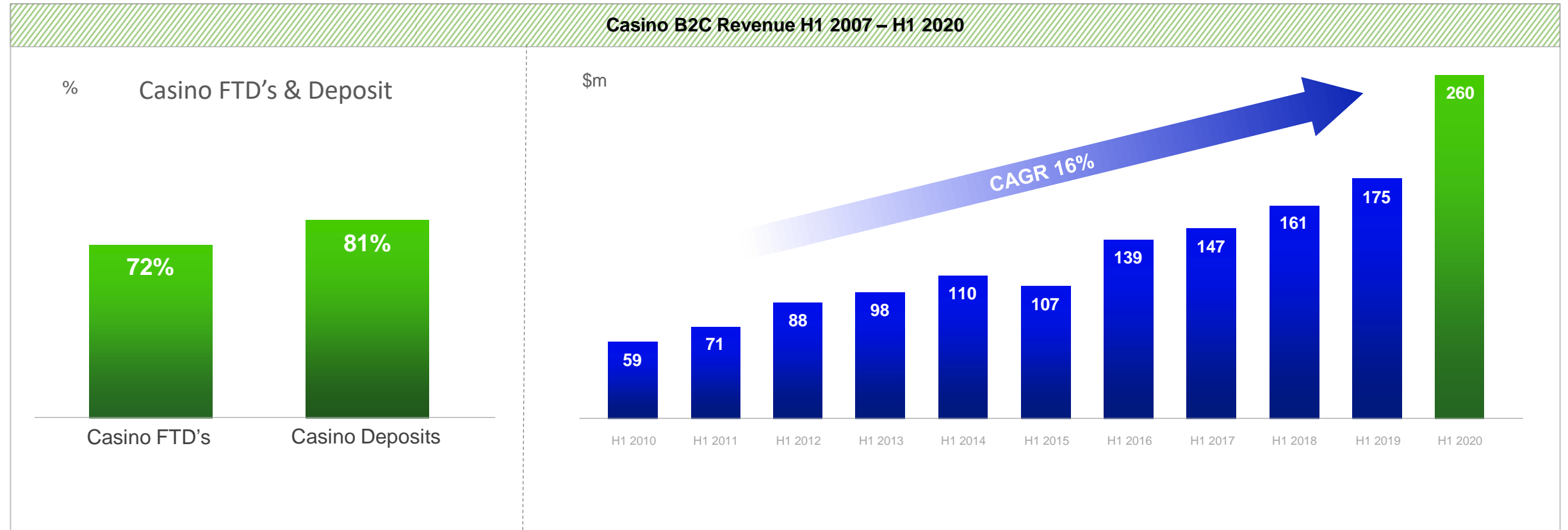
GEOGRAPHICAL SEGMENTATION

- Long-term trend towards regulated markets continues - regulated and taxed markets comprise **73%** of Group revenue
- Revenue from regulated markets up **41%**, with FTDs **55%** higher
- Low exposure to Germany. In Spain, Casino & Poker up **16%**



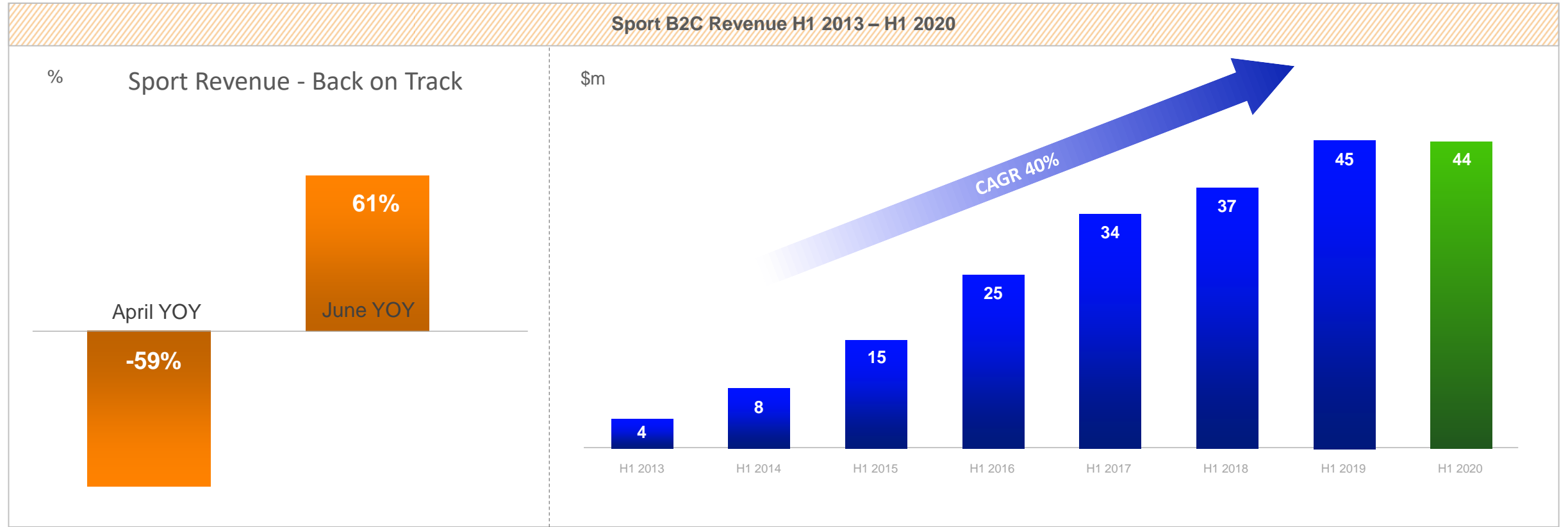
CASINO B2C REVENUE

- Casino revenue up 48% to \$260m (H1 2019: \$175m), 51% increase at constant currency with a 72% increase in FTDs
- 16% half yearly long-term CAGR



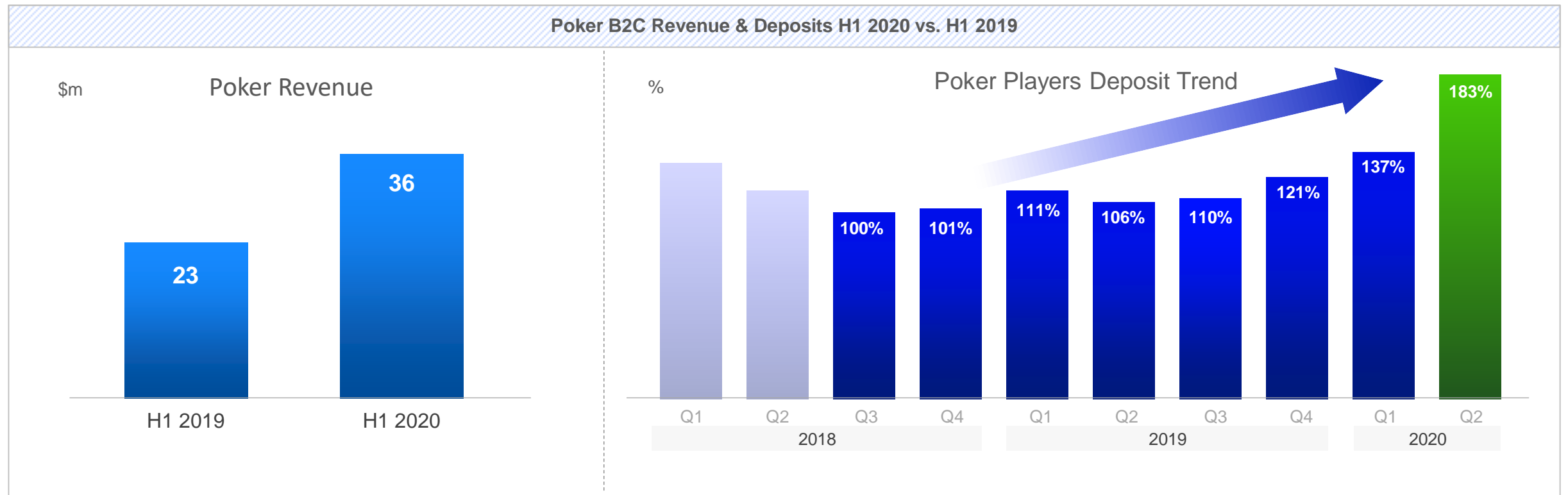
SPORT B2C REVENUE

- Revenue down 1% to \$44m (H1 2019: \$45m), up 2% at constant currency despite cancellation of Sport events
- Sport players overall revenue up 6% as a result of cross-sell to other offerings such as Casino, Poker and Virtual Sports
- Positive trajectory with encouraging June and strong current trading



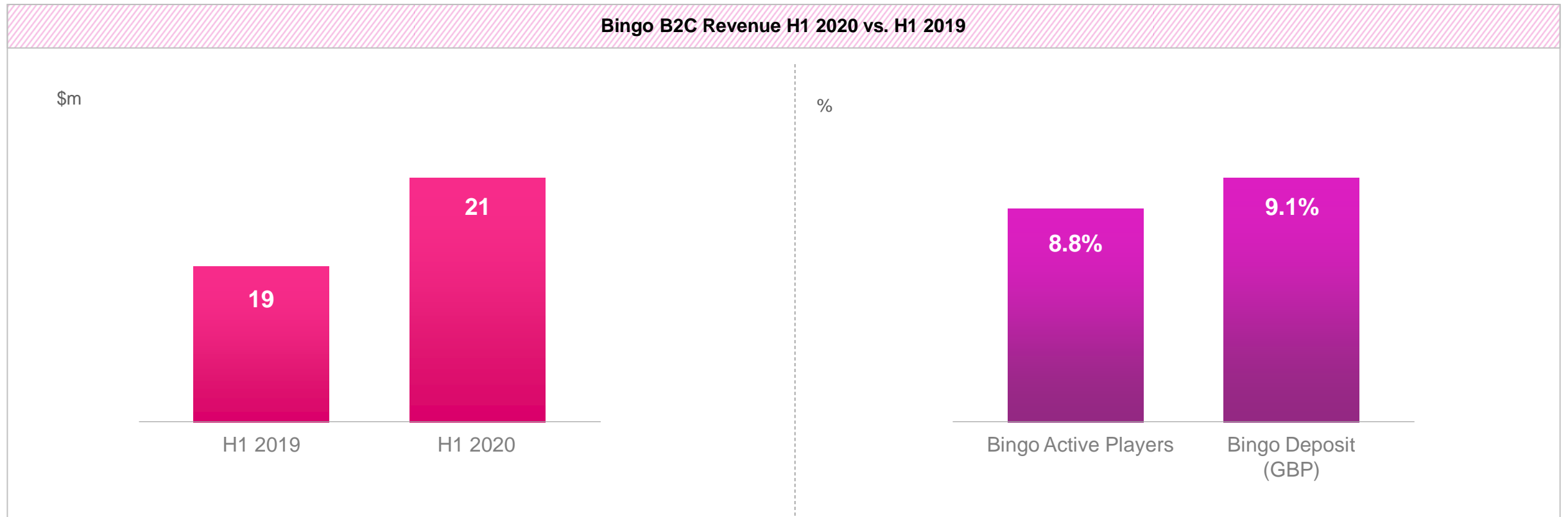
POKER B2C REVENUE

- Revenue up **56%** to **\$36m** (H1 2019: \$23m) led by high activity during lockdowns and large player base achieved in 2019
- Poker players deposits (including cross-sells) up **49%** and Poker FTDs up **103%**



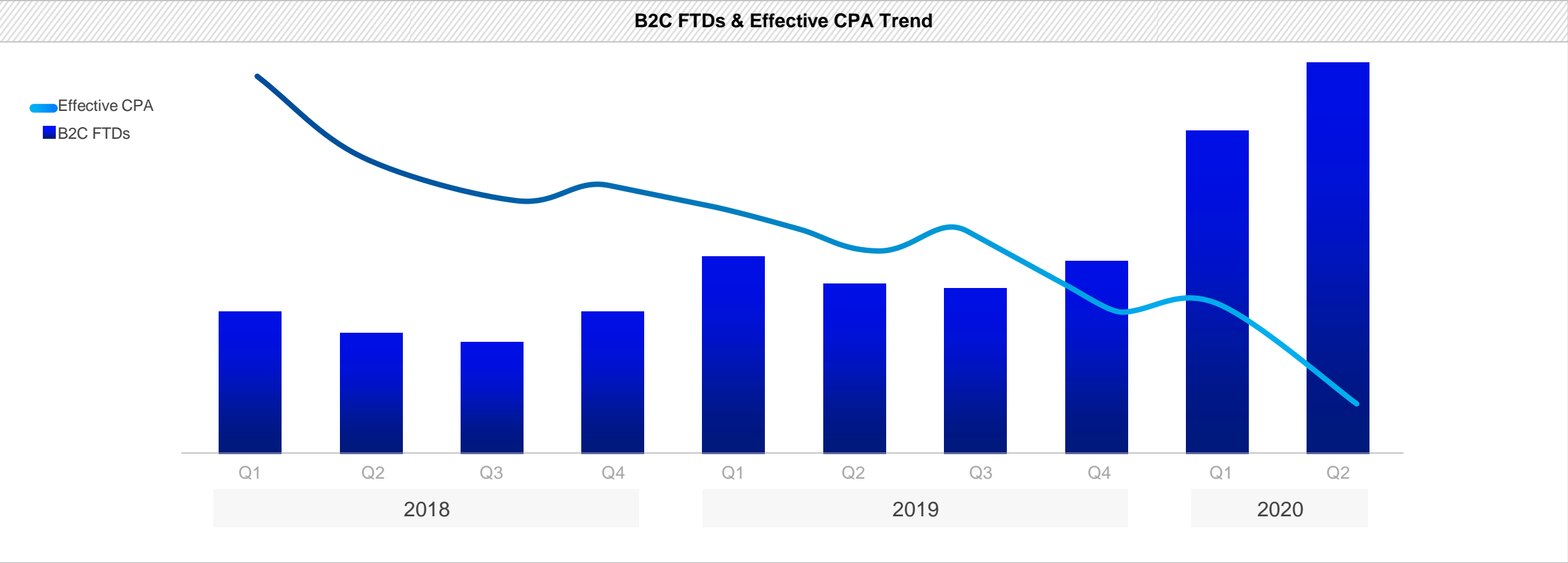
BINGO B2C REVENUE

- Revenue up 8% to \$21m (H1 2019: \$19m); up 12% at constant currency; flat pro-forma
- New customer acquisition up 43% (up 26% pro-forma)



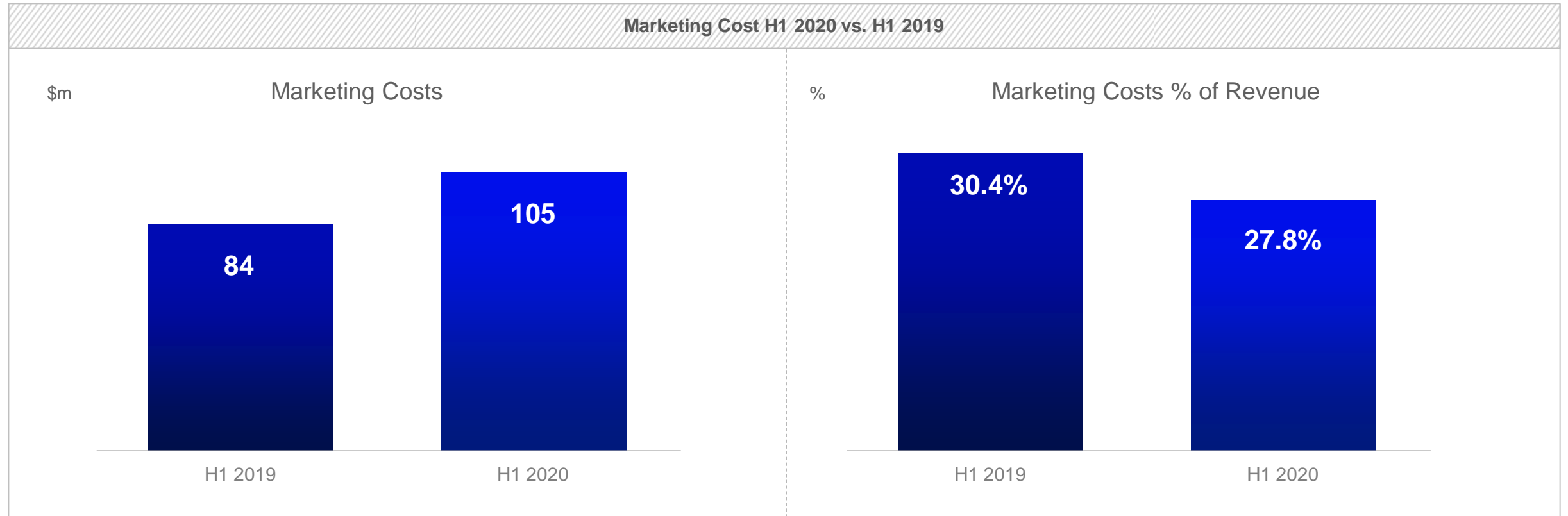
EFFECTIVE MARKETING

- An unprecedented increase in customer recruitment at decreasing cost per acquisition reflecting improved efficiencies
- Record-breaking FTDs – surpassing 750K threshold for the half year, driven by regulated markets
- Constant improvements in CPA, by focusing on channel blend by product and market



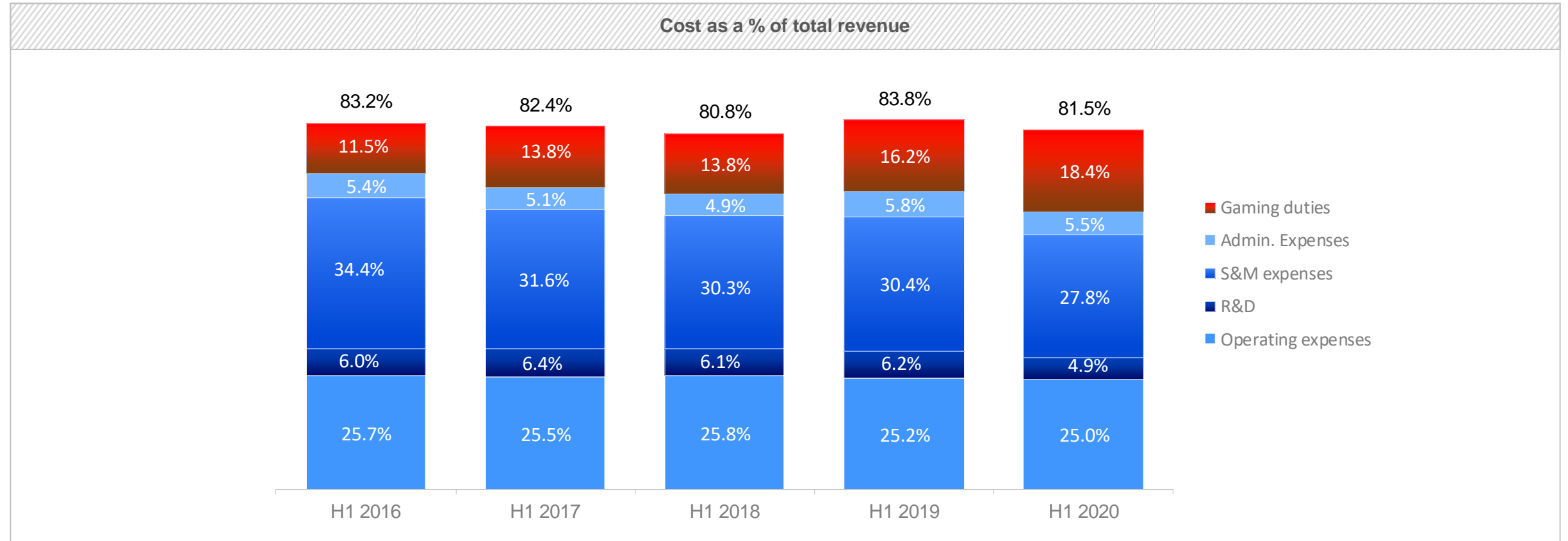
MARKETING INVESTMENT

- Marketing ratio improved to **28%** (H1 2019: 30%) despite considerably higher marketing investment
- Strong **49%** increase in new customer acquisition
- Effective overall CPA decrease year over year, reflecting efficiencies



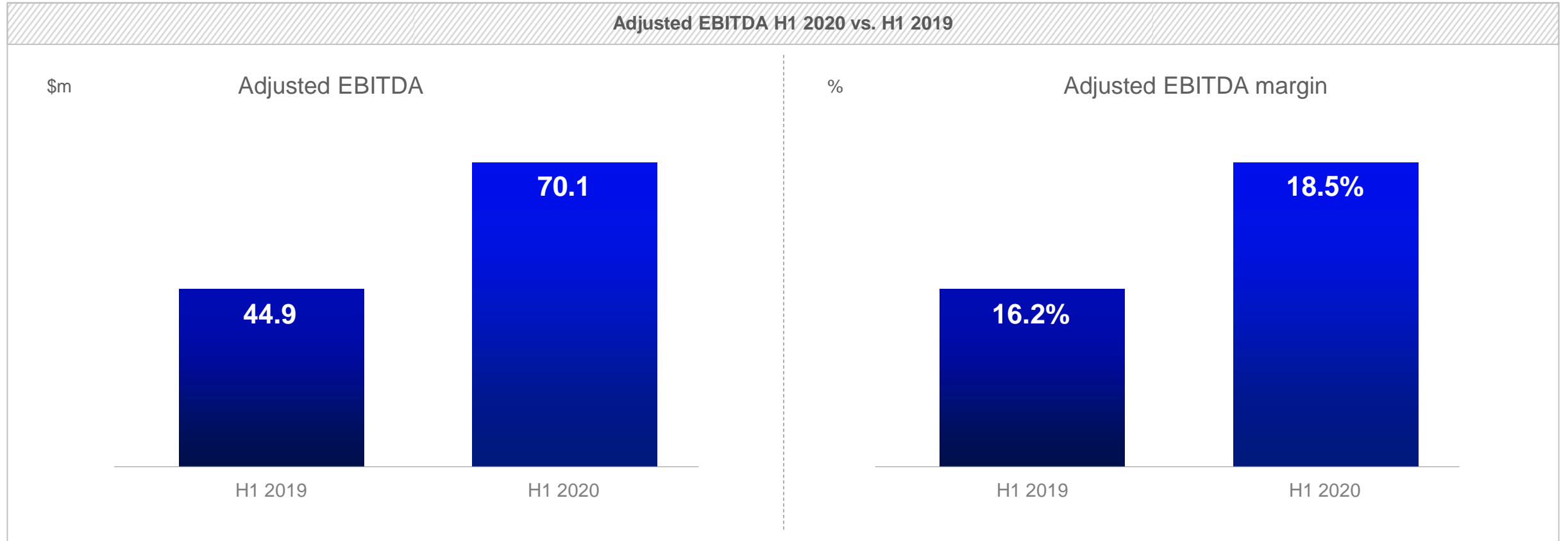
COST STRUCTURE – OPERATIONAL GEARING

- Margin expansion with total costs decrease to 81.5% of revenue (H1 2019: 83.8%)
- Higher gaming duties share is a result of strong growth in regulated markets
- Clear operational gearing across cost items, a result of volume increases and cost control



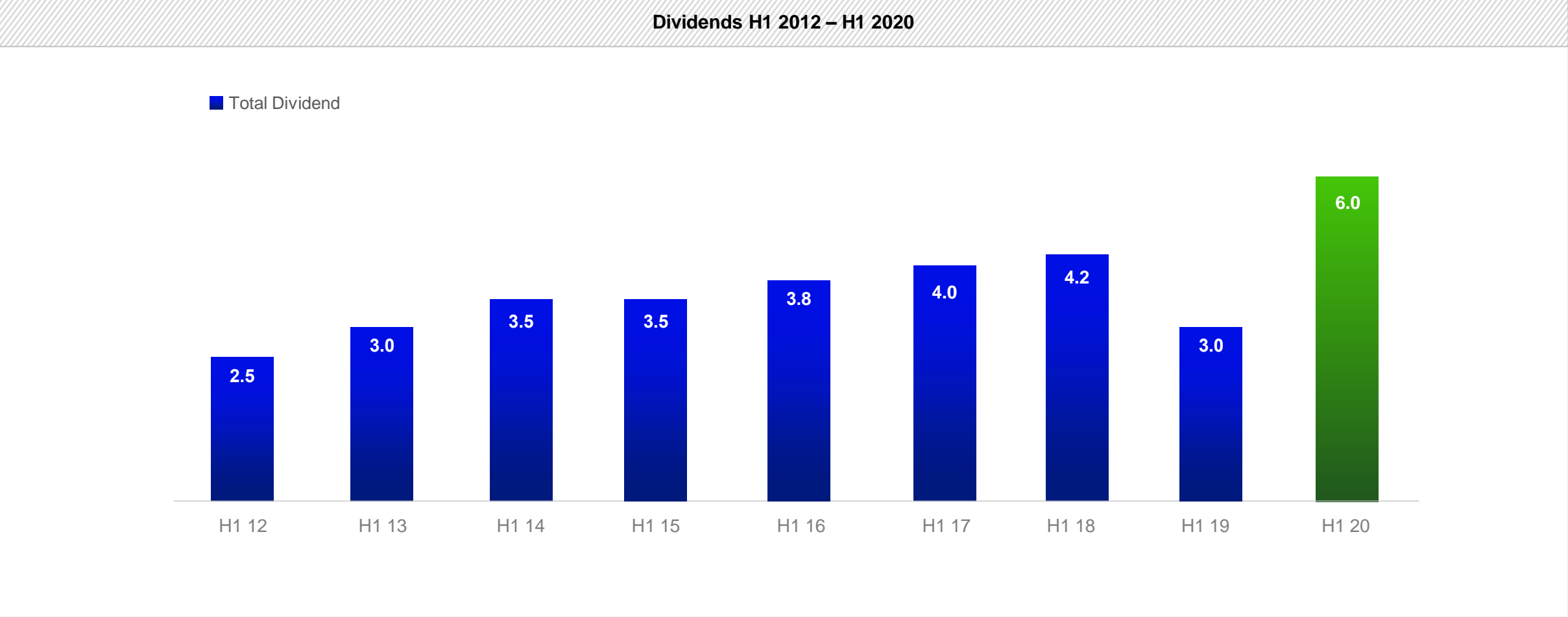
ADJUSTED EBITDA & MARGIN

- Significant Adjusted EBITDA increase
- Adjusted EBITDA at **\$70m** (H1 2019: \$45m) and \$74m at constant currency
- Adjusted EBITDA margin at **18%** (H1 2019: 16%)



DIVIDEND

○ Dividend at **\$3.2c** (H1 2019: \$3.0c) plus an additional one-off Dividend of **\$2.8c** (H1 2019: nil) totaling at **\$6.0c** (H1 2019: \$3.0c)



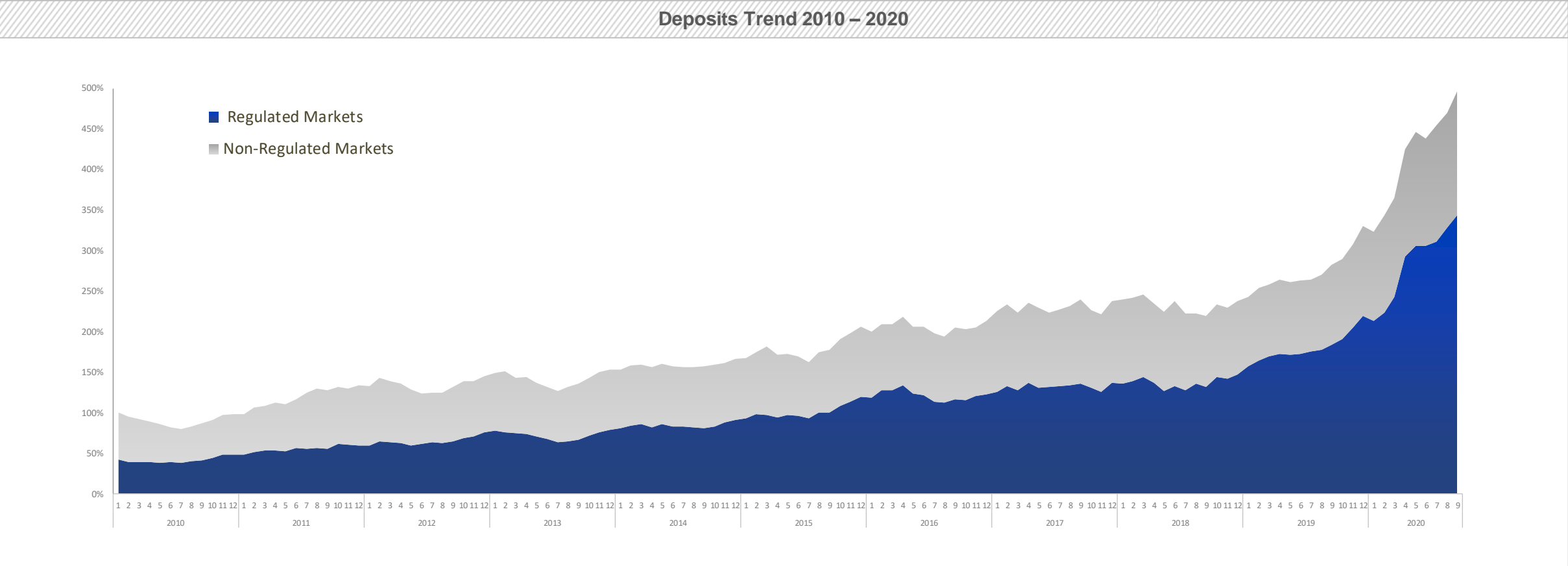


ITAI PAZNER, CEO | OPERATIONAL REVIEW



BUSINESS MOMENTUM

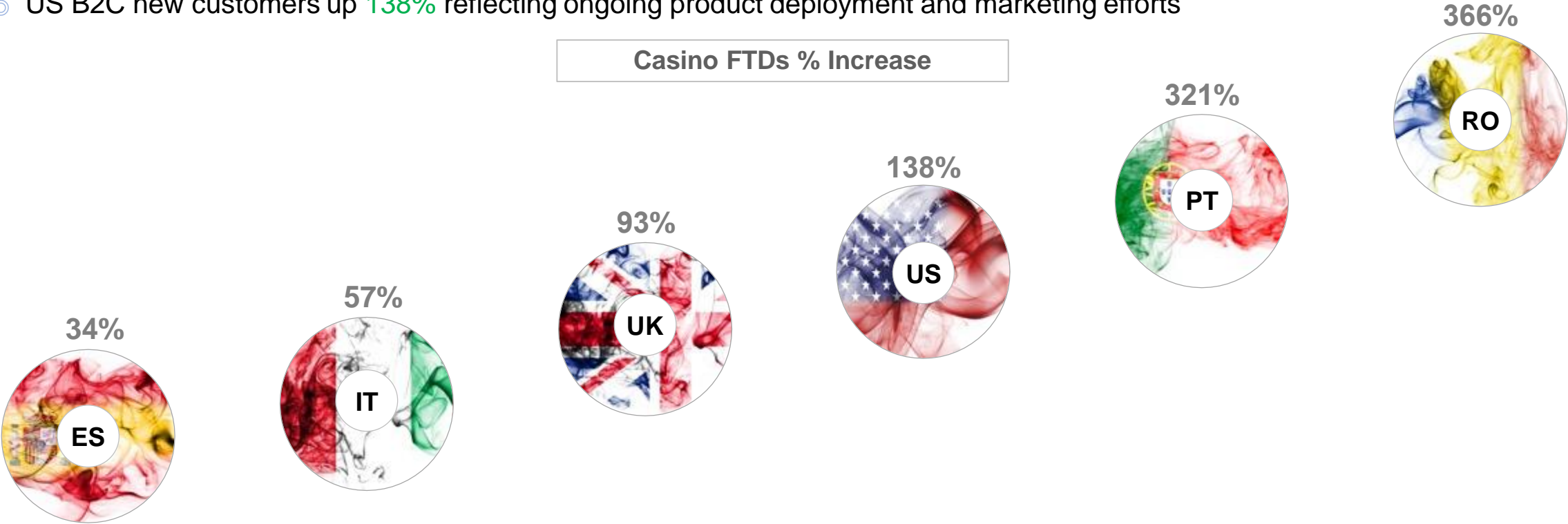
- Strong momentum has continued well into the second half of the year
- Growth is well diversified, with regulated markets at the lead



REGULATED CASINO GROWTH ENGINE

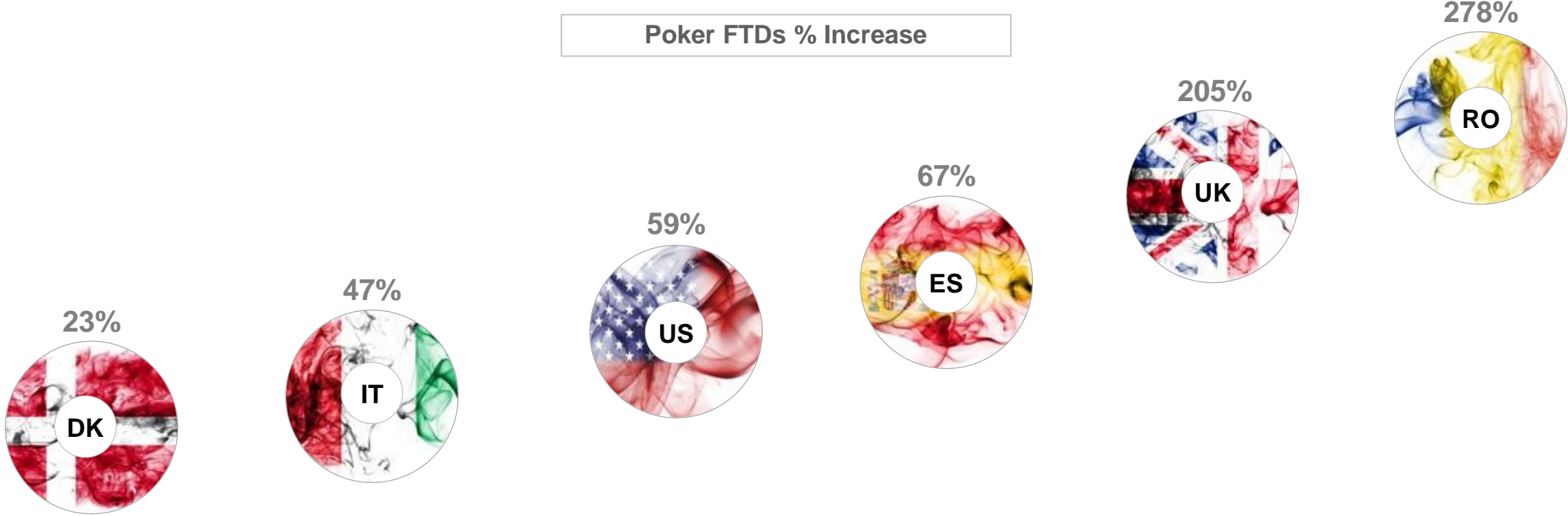
- High growth in new player acquisition across regulated markets
- Growth across brands supported by the 'Orbit' product and 888's marketing proficiency
- Italy & Spain new customers up 57% and 34% respectively despite marketing restrictions
- Strong progress in Romania with 366% increase in Casino new customer acquisition
- US B2C new customers up 138% reflecting ongoing product deployment and marketing efforts

Casino FTDs % Increase



REGULATED POKER GROWTH ENGINE

- UK new customers up **205%** reflecting the Group's successful recreational player acquisition strategy
- Spain new customers up **67%** reflecting successful shared liquidity network across Spain and Portugal
- Hyper growth in Romania with a **278%** increase in Poker new customer acquisition



SAFER GAMBLING

- 888 safe gaming strategy: *Safer, Better, Together*
- Implemented voluntary COVID-19 policies across multiple regulations
- Raising awareness to customers and public in order to help prevent gambling-related harm



Safe Gambling Tools usage more than doubled

20% increase in Safe Gambling team

Safe Gambling Customer Interactions almost tripled

NEW 888 Control Centre in pipeline

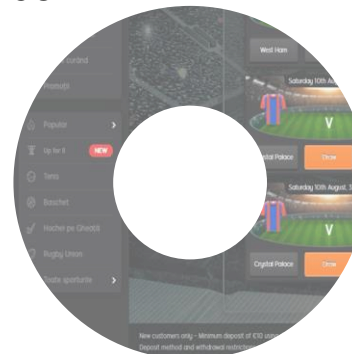
COVID-19 Observer alerts

Connecting Safe Gambling and CRM Systems

“Too Much is Too Much” campaign

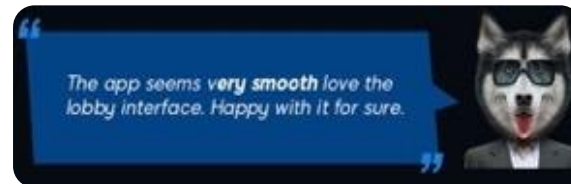
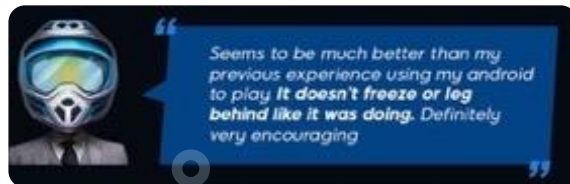
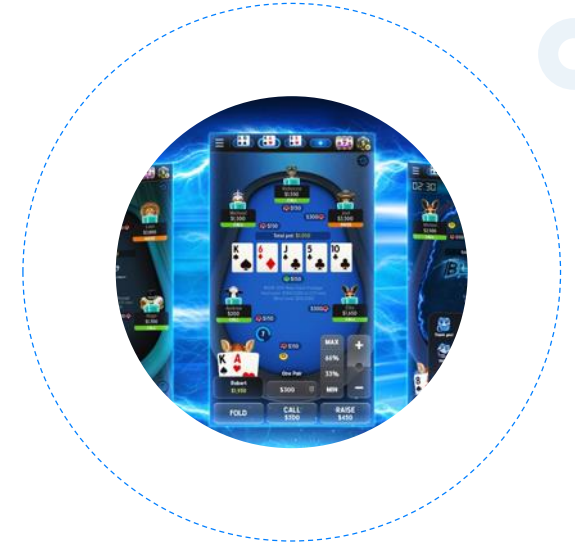
PRODUCT DRIVING GROWTH

- Our long-term goal: to create a seamless, personalised and safe cross-product customer experience
- Creating a coherent vision and “language” across all 888 products and markets
- A friction-free customer acquisition and communication experience
- Repeat the Orbit casino success story with Poker8 and Spectate sport platform
- Developing an AI backbone into the 888 proprietary back office, supercharging our data analytics proficiency with different AI implementations
- Producing premium proprietary games through the Section8 studio – a key differentiator
- An innovative User Experience and Interface, coupled with the 888 industry-leading platform
- Driving cross-sell and engagement while never compromising on a high Safe Gaming standards – all part of a consistent product experience



POKER 8 – MADE TO PLAY

- Soft-launched earlier this year
- Recreational-focused game play with advanced marketing mechanisms
- Portrait app: new portrait table, dynamic table layouts, multi-tabling swiping experience
- Content rich - avatars, emojis
- Seamless navigation between games, arenas and tables
- Seamless casino and poker cross-sell experience

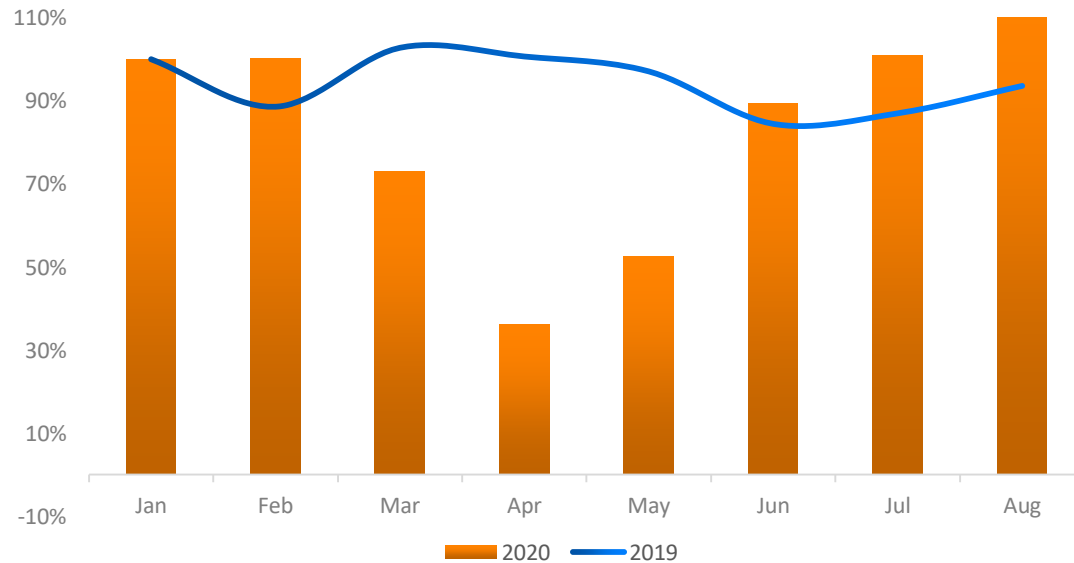


INTRODUCING THE NEW 888SPORT

- Strong recovery post COVID-19 shut down
- Following 888sport.se launch in April, 'Spectate' platform rollout is progressing well
- Dublin site established as the new 888sport hub
- The new 888Sport product will be localised for each 888 market
- Continued development of proprietary products and features, e.g. 'Up for8' and the Personal Bet Recommender



Sport Bets

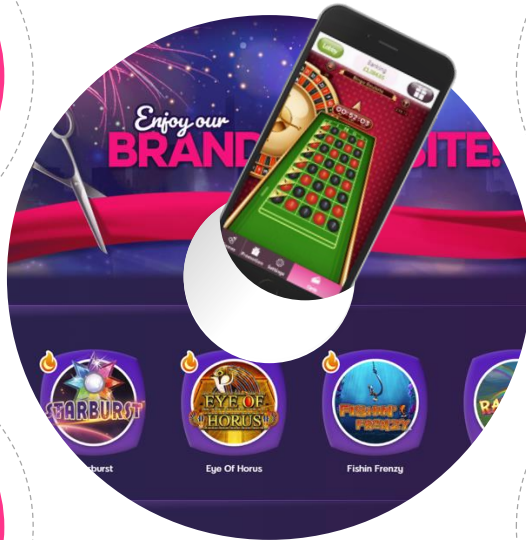


BINGO

- Dragonfish platform continues to push bingo and instant games innovation
- A healthy pipeline of new B2B opportunities both in UK and other global markets

Key Milestones

123
NEW GAMES

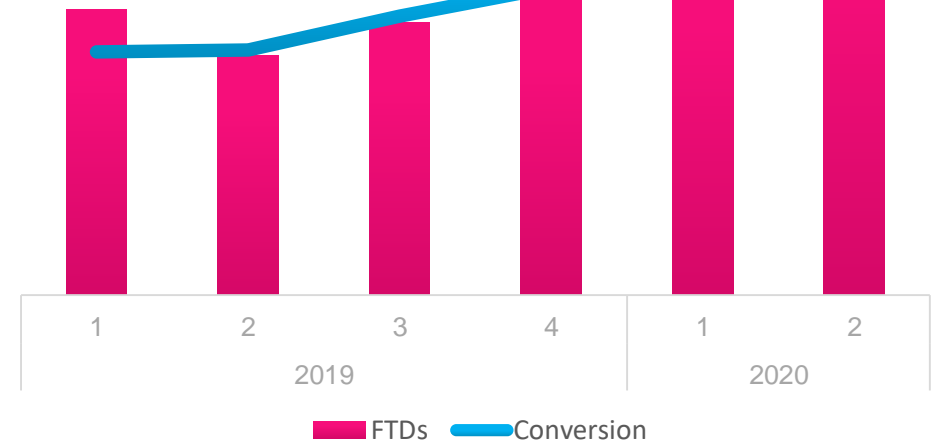


**Full
Deployment
of new
Client**

17
NEW PREMIUM
IN-HOUSE
GAMES

**UK
Regulation
Features**

FTD & Conversion Rate



THE 888CASINO ECOSYSTEM

391
NEW
GAMES

25
NEW
PREMIUM
IN-HOUSE
GAMES

DATA-DRIVEN AI & PERSONALISATION

19
NEW
PROVIDERS

BIGGER
PROPIETARY
DAILY JP
GAMES

NEW
LIVE
LOBBY

WHAT WOULD YOU LIKE TO PLAY TODAY?

- Improving first day interactions with customised preferences
- Multiple AI models running concurrently
- New live casino lobby with four different 3rd party providers
- 8 out of the top 20 performing games were developed by *Section8*



Customize your casino experience
Choose up to three of your favorite game categories



SLOTS



BLACK JACK



LIVE CASINO



VIDEO POKER



SCRATCH CARDS



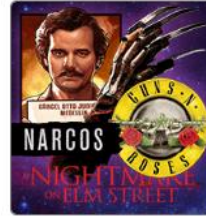
ROULETTE



Customize your casino experience
Choose up to three of your favorite game themes



DIAMONDS



AS SEEN ON TV



CLASSIC



FANTASY



LUXURY



ANIMALS



ANIMATED



ON VACATION



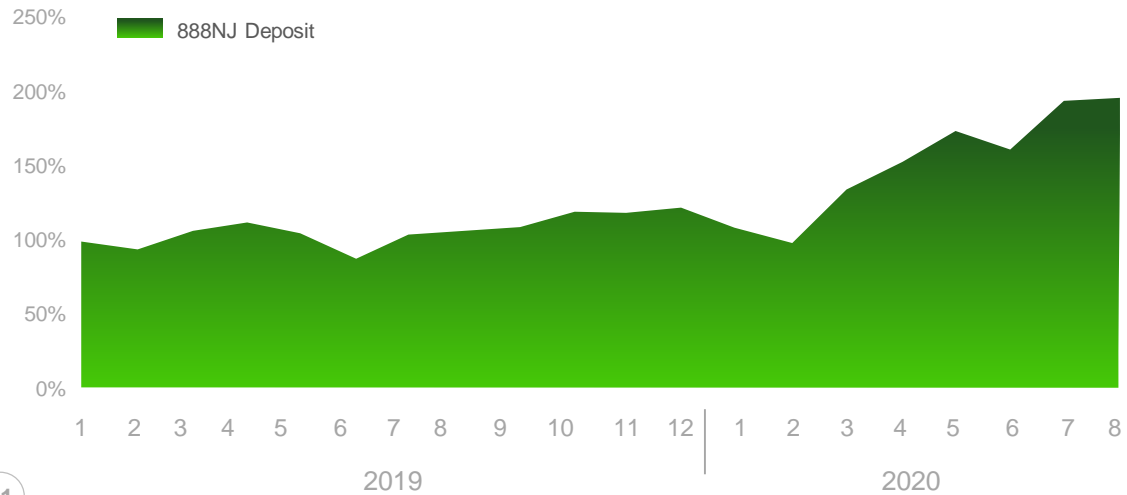
MYTHOLOGICAL



ORIENTAL

THE US

- Growing in our existing markets – NJ, NV and DE
- Delaware Lottery contract extended
- First-ever pure online WSOP multi-state tournament, powered by the 888-poker platform
- Healthy pipeline of additional states
- Major platform and product upgrades into 2021
- Introducing the new 888sport product (“Spectate”) in the US
- Enhancing local workforce and US DNA
- Brand strategy development includes several US facing consumer brands/assets



SUMMARY & OUTLOOK

- Record growth across key regulated markets and products in H1
- Product-centric strategy and operational discipline delivering results across all four verticals
- Safe gaming and compliance embedded across company technology, practices and global sites
- COVID-19 environment set to remain – we have demonstrated our resilience
- Well positioned to capture US opportunities and appraise new states
- Record customer recruitment levels to fuel future growth
- Opportunity to leverage strong balance sheet to pursue non-organic expansion
- Momentum has continued into the second half with strong current trading





Q&A





Appendix



PROFIT AND LOSS ACCOUNT¹

\$US Millions	H1 2020	H1 2019
Revenue	379.1	277.3
Operating expenses ³	94.9	69.8
Gaming duties	69.6	44.9
Research and development expenses	18.5	17.3
Selling and marketing expenses	105.2	84.3
% of Revenues	28%	30%
Administrative expenses ⁴	20.8	16.1
Adjusted EBITDA^{2,4}	70.1	44.9
% of Revenues ⁵	18%	16%
Depreciation and Amortisation	16.7	15.3
Finance	3.0	2.5
Adjusted Profit Before Tax	50.4	27.1
Taxation	5.4	2.5
Adjusted Profit After Tax	45.0	24.6
Adjusted Basic EPS⁵	12.2	6.7

BALANCE SHEET

\$US Millions	H1 2020	H1 2019
Non-current assets		
Goodwill and other Intangible assets	241.5	240.4
Right-of-use assets	31.6	33.3
Property, plant and equipment	15.5	13.0
Other non-current assets	3.6	3.4
Investments	0.2	0.9
Current assets		
Cash and cash equivalents	141.3	96.9
Trade and other receivables	61.9	45.2
Total Assets	495.6	433.1
Equity		
Share capital and share premium	7.0	7.0
Retained earnings, reserves and treasury shares	194.2	157.7
Total equity attributable to equity holders	201.2	164.7
Liabilities		
Current liabilities		
Trade and other payables	159.9	130.9
Provisions	14.4	10.2
Tax liability	13.2	10.1
Customer deposits	63.9	54.7
Interest-bearing loans and borrowings	6.3	23.7
Severance pay liability	5.9	6.0
Non-current liabilities		
Interest-bearing loans and borrowings	27.2	28.8
Deferred tax liability	3.6	4.0
Total equity and liabilities	495.6	433.1

- Strong balance sheet with low leverage
- Ample liquid resources

CASH FLOW

\$US Millions Period Ended 30 June	H1 2020	H1 2019
Cash flows from operating activities		
Profit before income tax	50.9	22.2
Exceptional items	(1.3)	1.6
Share benefit charges	2.3	3.3
Depreciation and amortisation	16.7	15.3
Change in current assets and liabilities	28.9	4.2
Share of associates loss	(1.5)	0.0
Interest Income (expense)	1.5	1.0
Cash generated from operations	97.5	47.6
Income tax paid	(3.3)	(4.9)
Net cash generated from operating activities	94.2	42.7
Acquisition of property, plant and equipment	(6.6)	(5.3)
Internally generated intangible assets	(8.9)	(4.5)
Acquisition of intangible assets	(1.5)	(1.8)
Consideration paid on acquisition	0.0	(53.4)
Interest received	0.1	0.4
Net cash used in Investing Activities	(16.9)	(64.6)
Interest paid	(0.8)	(0.5)
Payment of lease liabilities	(3.0)	(4.0)
Proceeds from loans	32.0	33.0
Repayment of loans	(50.0)	0.0
Acquisition of treasury shares	(0.2)	0.0
Dividends paid	(11.1)	(29.4)
Net cash used in financing activities	(33.1)	(0.9)
Net decrease in cash and cash equivalents	44.2	(22.8)
Cash and cash equivalents - beginning of the period	96.9	131.4
Effects of currency translation	0.2	(0.2)
Cash and cash equivalents - end of the period	141.3	108.4

- Net cash generated from operating activities 135% of Adjusted EBITDA

OPERATIONAL AGILITY

Methodology
for maximising
WFH/WFO

Home office
IT equipment

Training
managers
and employees

Collaboration
platform
(MS Teams)

Productivity
measures

Legal
aspects

'Distribute Hiring'
model

End of 2020
Check point &
finetune

