



RESULTS FOR THE SIX MONTHS ENDED

30 JUNE 2019

AGENDA

Itai Pazner | H1 2019 Highlights

Aviad Kobrine | Financial Review

Itai Pazner | Operational Review

Q&A



ITAI PAZNER, CEO | H1 2019 HIGHLIGHTS

H1 2019 HIGHLIGHTS

- Executing on the Group's strategy
- UK demonstrating consistent turnaround
- Expanding the 888 product suite into new markets
- Post Merger Integration progressing well
- Product-focused organisation





AVIAD KOBRINE, CFO | FINANCIAL REVIEW

H1 2019 FINANCIAL HIGHLIGHTS

- Revenue up 7% on a like for like basis¹ driven by UK turnaround and further progress in regulated markets
- Revenue increase led by Casino and Sport up 14% and 28% respectively at constant currency
- Fourth consecutive quarter on quarter revenue growth in the UK, H1 2019 UK Casino and Sport revenue each up 40% year on year (up 50% at constant currency)
- Regulated and taxed markets comprised a record 74% of Group revenue
- Marketing ratio stable at 30% with new customer acquisition up 20%, led by Casino (up 49% overall and up 74% in the UK) reflecting CPA efficiencies
- Adjusted EBITDA margin of 15% mainly as a result of higher gaming duties in regulated markets
- Adjusted EBITDA² down 20% to \$42m; \$45m at constant currency
- Interim Dividend of \$3.0c per share
- Adjusted Basic EPS² at \$6.7c

1. At constant currency, adjusted for the migration of Cashcade bingo and the Jet Management bingo and AAPN acquisitions

2. As defined in the 2019 half yearly financial review (H1 2018 comparative before one-off VAT accrual release)

PROFIT AND LOSS ACCOUNT ¹

\$US Millions	H1 2019	H1 2018
Revenue	277.3	283.9
VAT accrual release ²	-	10.7
Revenue (excluding VAT accrual release)	277.3	273.2
Operating expenses ³	71.5	70.4
Gaming duties	44.9	37.8
Research and development expenses	18.3	16.6
Selling and marketing expenses	84.3	82.7
% of Revenues	30%	30%
Administrative expenses ⁴	16.5	13.3
Adjusted EBITDA^{2,4}	41.8	52.4
% of Revenues ⁵	15%	19%
Depreciation and Amortisation	12.4	10.1
Finance	2.0	(0.2)
Adjusted Profit Before Tax	27.4	42.5
Taxation	2.5	4.7
Adjusted Profit After Tax	24.9	37.8
Adjusted Basic EPS⁵	6.7 ¢	10.5 ¢

- Figures shown before the impact of IFRS 16
- Higher gaming duties at \$45m impact adjusted EBITDA margin
- Stable marketing ratio despite 20% increase in new customer acquisition
- Adjusted EBITDA after IFRS 16 \$45m
- Higher amortisation at \$12.5m due to acquired Costa customer list

¹ Totals in this presentation may not sum due to rounding and are excluding the impact of IFRS16 ² US\$10.7 million in respect of one-off VAT accrual release in H1 2018. ³ Excluding depreciation of \$3.1m (H1 2018: \$2.5m) and amortisation of \$9.3m (H1 2018: \$7.6m) ⁴ Excluding share benefit charges of \$3.3m (H1 2018: \$5.0m) ⁵ As defined in 2019 Half yearly financial review

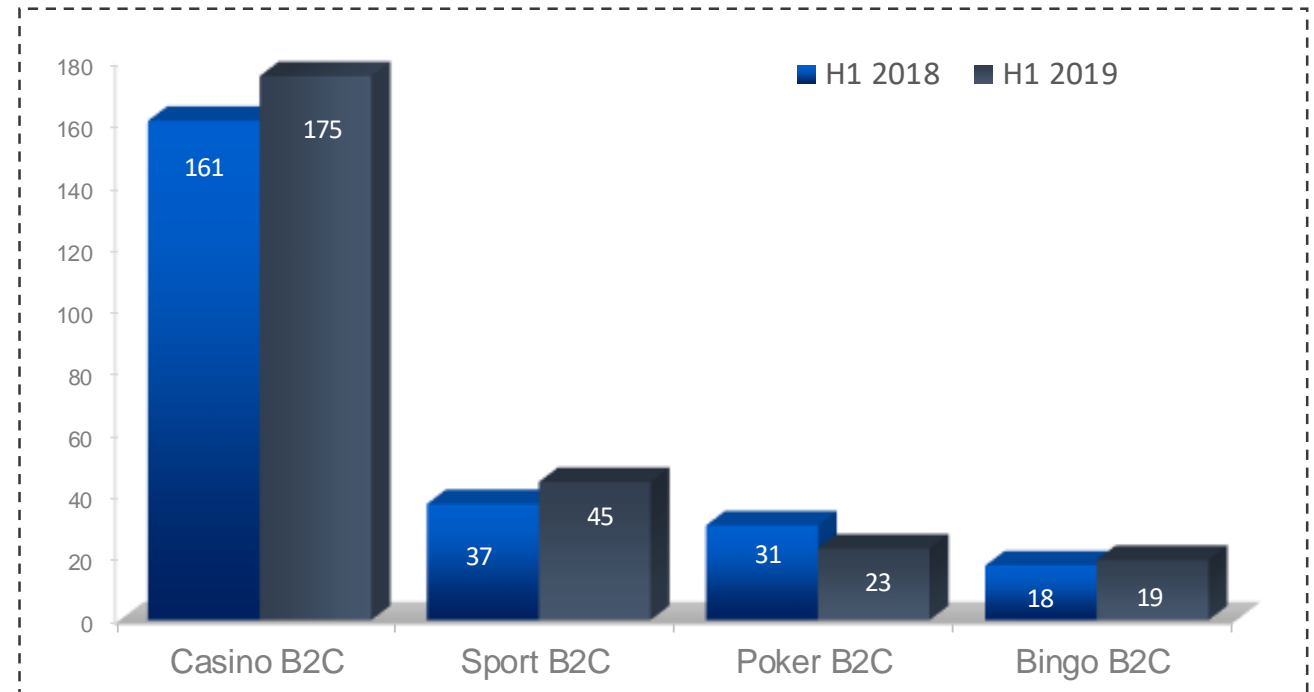


GROUP REVENUE

- Group revenue up **2%** to \$277m (H1 2018: \$273m); up **7%** on a like for like basis*
- Casino, Sport, new markets, healthy acquisition and UK recovery driving growth
- B2B is impacted by transfer of business from B2B to B2C, soft trading in Globalcom bingo network and migration of Cashcade

Revenue H1 2019 vs. H1 2018

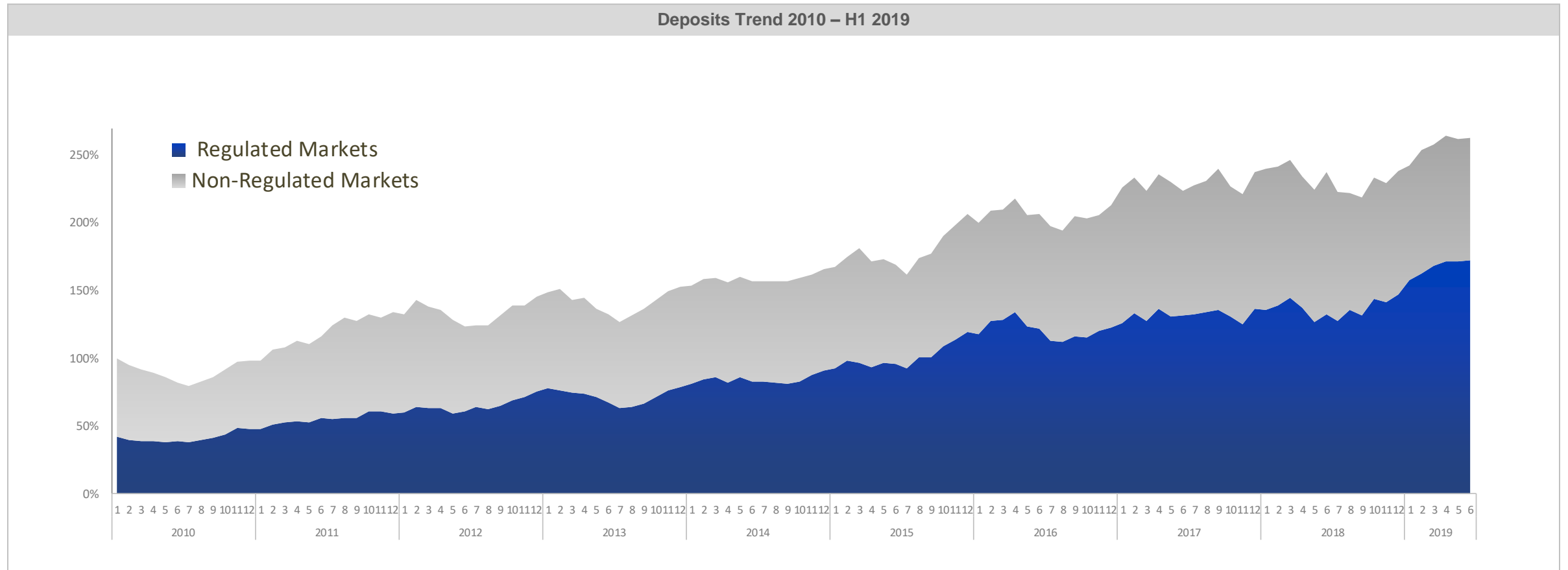
\$US millions	H1 2019	H1 2018
Casino	175.4	161.0
Sport	44.5	37.5
Poker	23.1	30.6
Bingo	19.5	17.6
B2C	262.5	246.7
B2B	14.8	26.5
Group	277.3	273.2



* At constant currency, adjusted for the migration of Cashcade bingo and the Jet Management bingo and AAPN acquisitions.

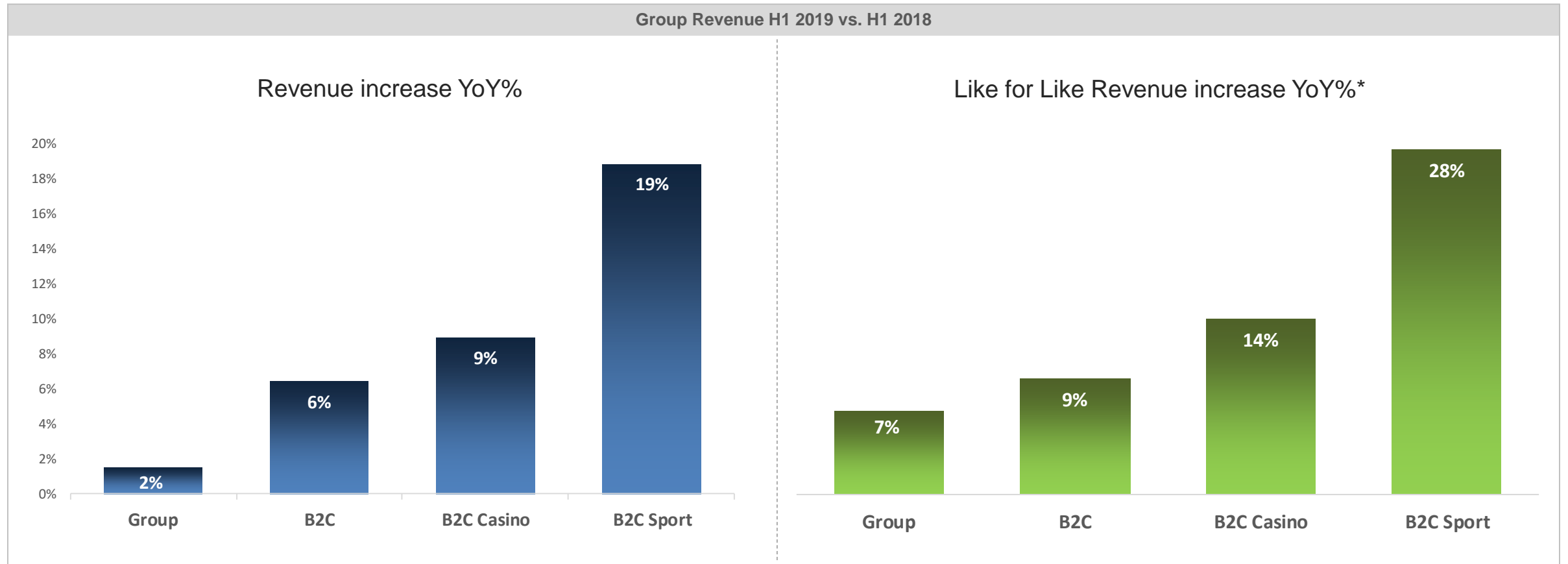
B2C DEPOSIT TREND

- Continued positive deposit trend supporting revenue growth
- UK recovery, Italy and additional regulated markets driving increased share of deposits from regulated markets
- Positive trend has continued into the second half of 2019 with double digit growth year on year



OUR ENGINE – LIKE FOR LIKE COMPARISON

- Strong progress in 888's key growth engines: Casino and Sport
- Overall B2C new customer acquisition up **20%**
- Casino new customer acquisition up **49%** with active customers up **30%**

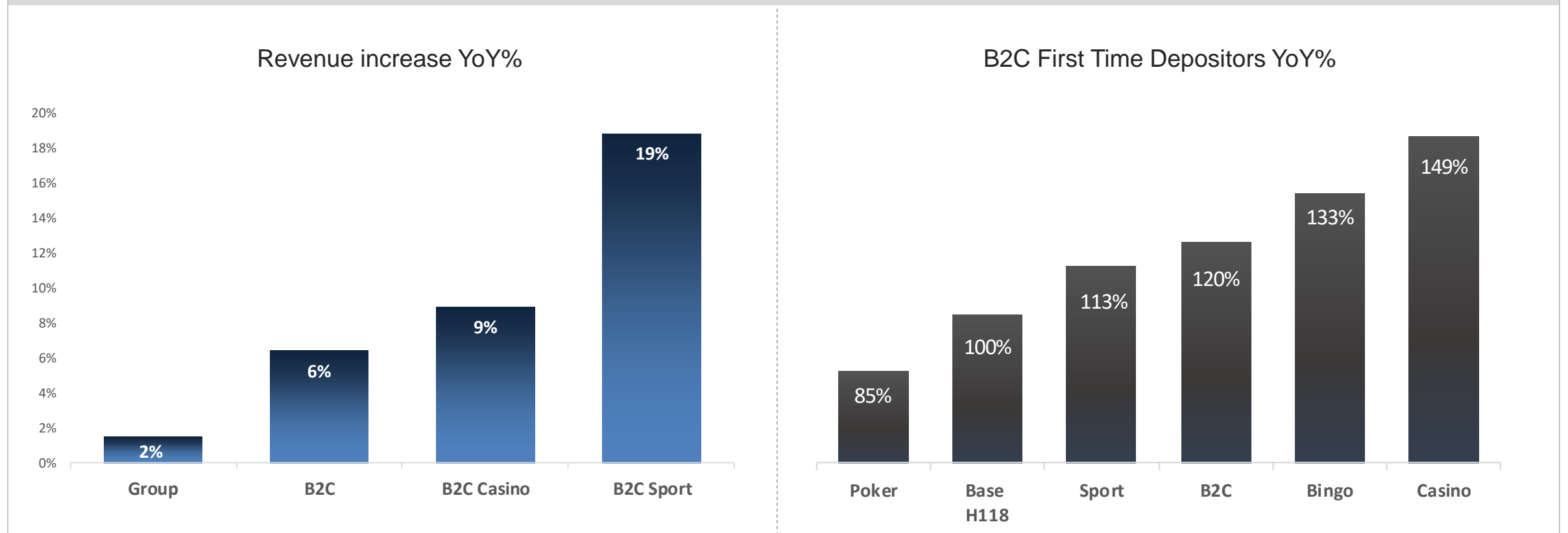


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OUR ENGINE – LIKE FOR LIKE COMPARISON

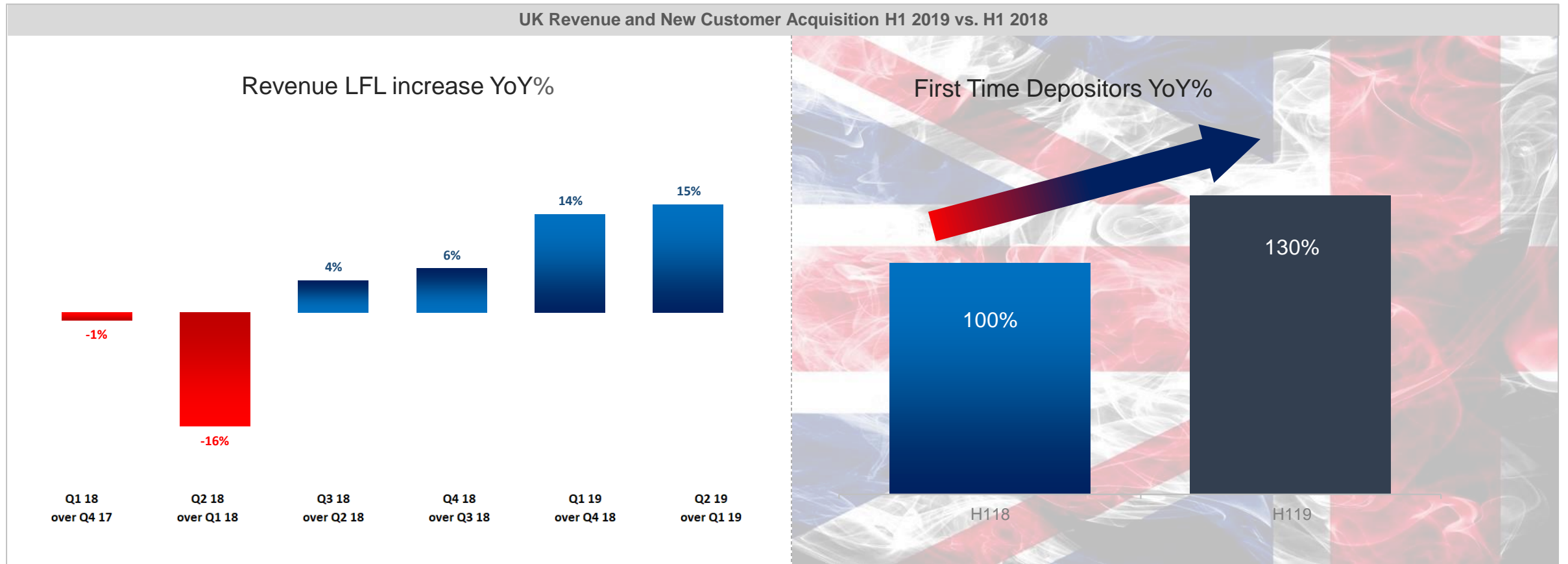
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Group Revenue and New Acquisition H1 2019 vs. H1 2018



UK TURNAROUND

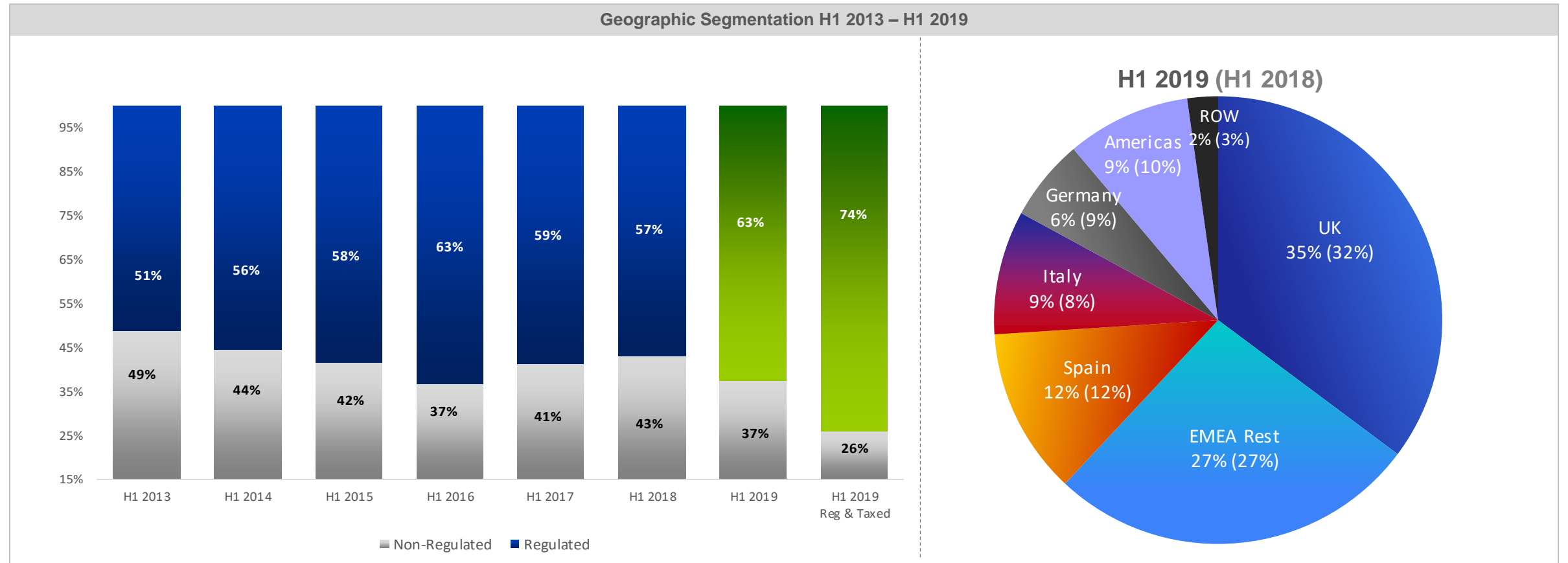
- UK recovery built on recreational player base
- UK Casino first time depositors up 74%, driven by Orbit launch in May 2018
- B2C UK customer acquisition up 30% with all product verticals showing increases



* like for like - at constant currency, adjusted for the migration of Cashcade bingo and the Jet Management bingo acquisitions

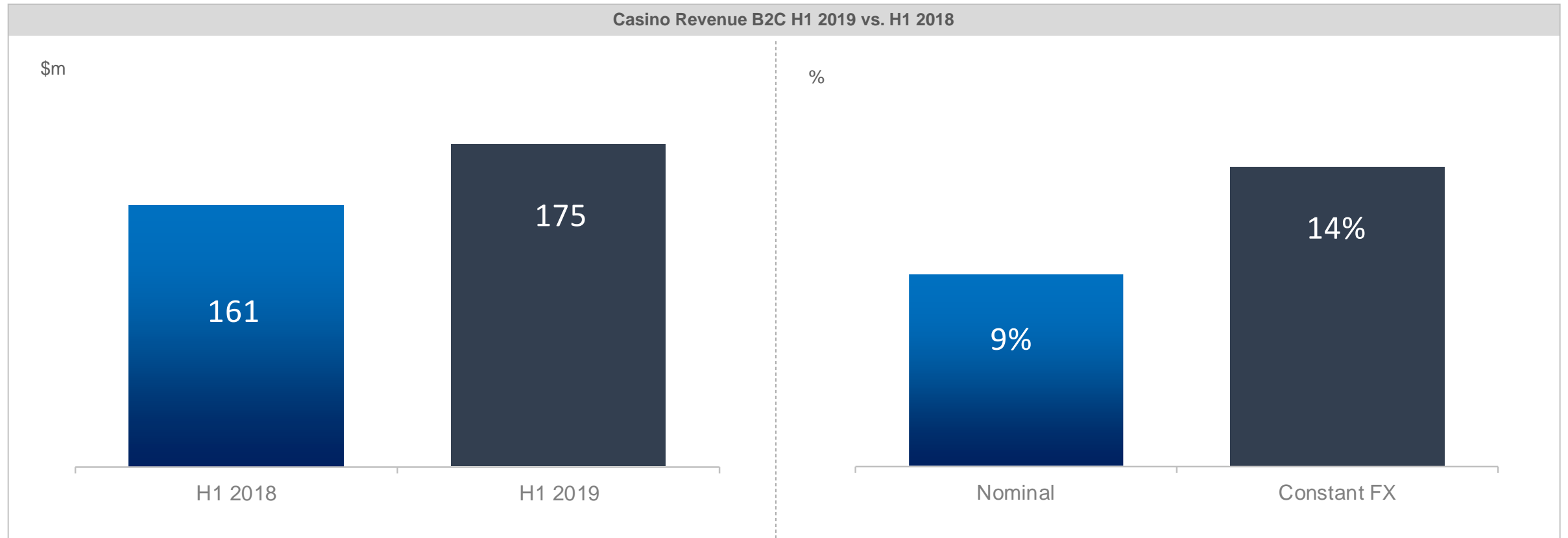
GEOGRAPHICAL SEGMENTATION

- UK and Italy increasing as a share of Group revenue at the expense of ROW and Germany
- Healthy geographical diversification continues
- Regulated and taxed markets represent a record **74%** of revenue



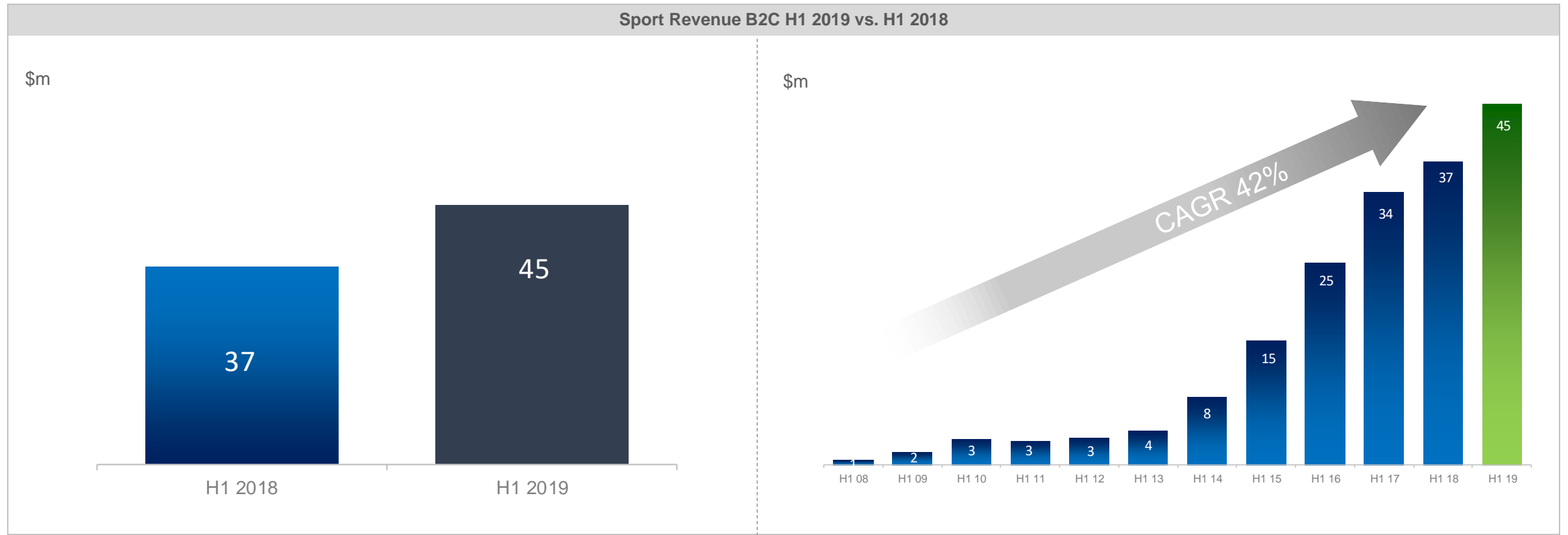
REVENUE CASINO B2C

- Revenue up 9% to \$175m (H1 2018: \$161m) reflecting a 14% increase at constant currency
- Launch of Orbit, 888's cutting edge web-based Casino front end (May 2018), has accelerated Casino progress
- Casino FTD's up 49% and active customers up 30%



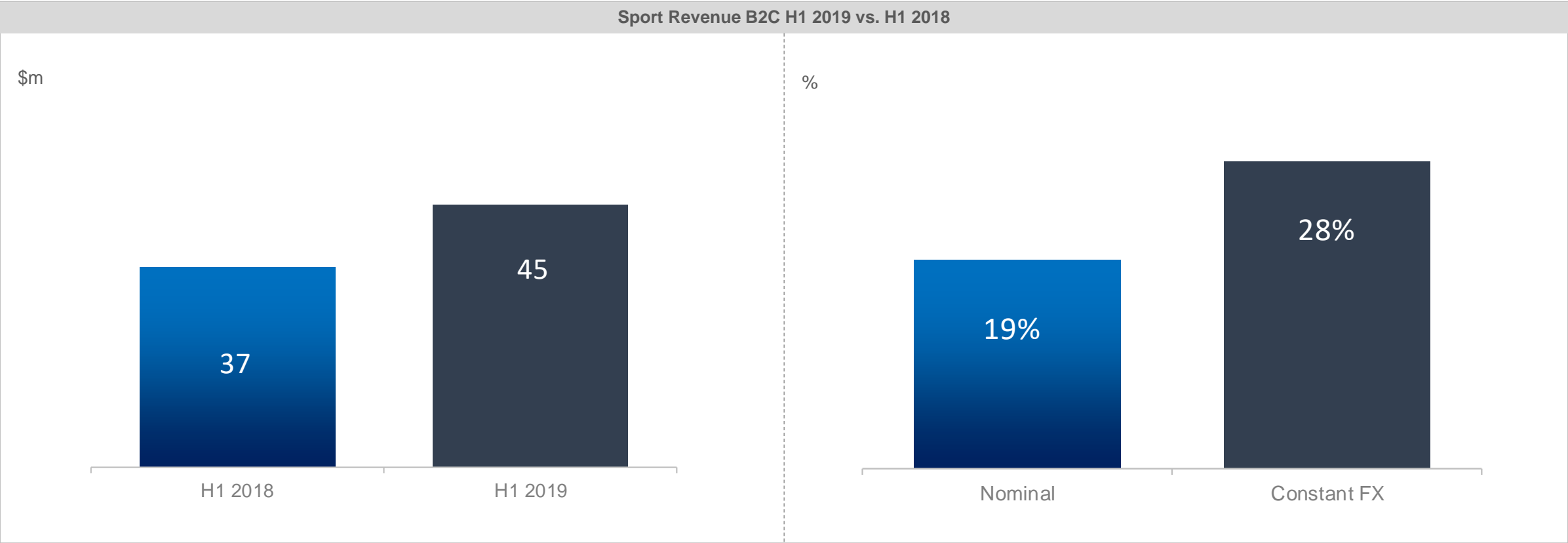
REVENUE SPORT B2C

- Revenue up **19%** to \$45m (H1 2018: \$37m), up **28%** at constant currency
- Consistent growth continued to be led by regulated markets
- Higher new customer acquisition and active days despite prior year World Cup comparative, ARPU up **19%**
- New front-end deployed post period end



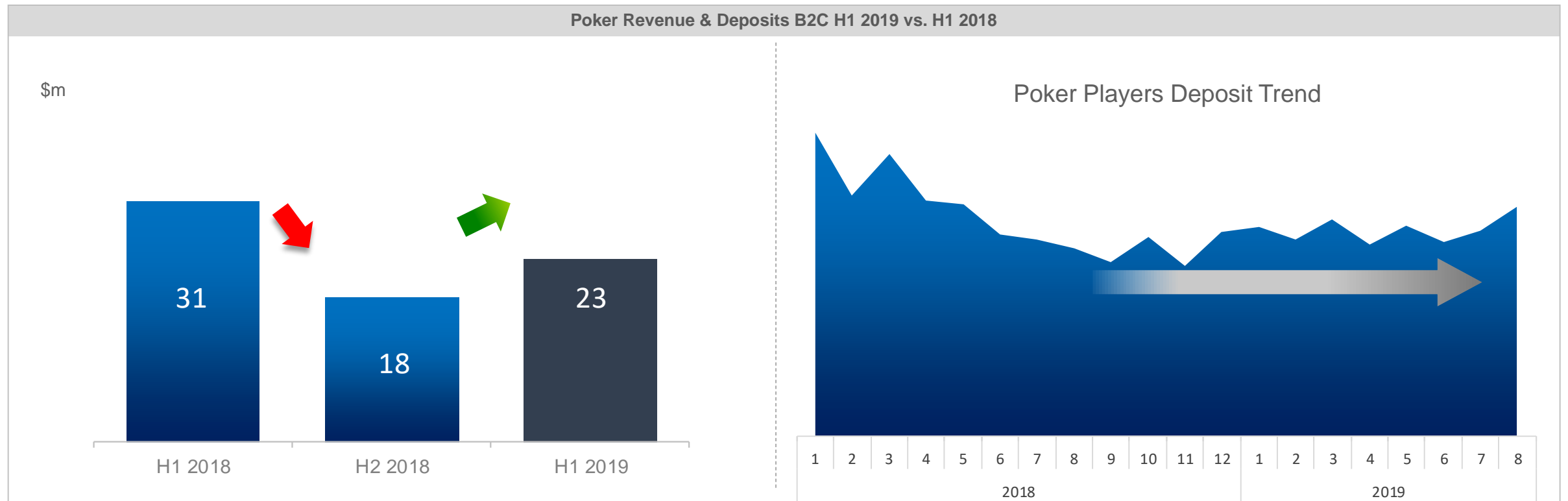
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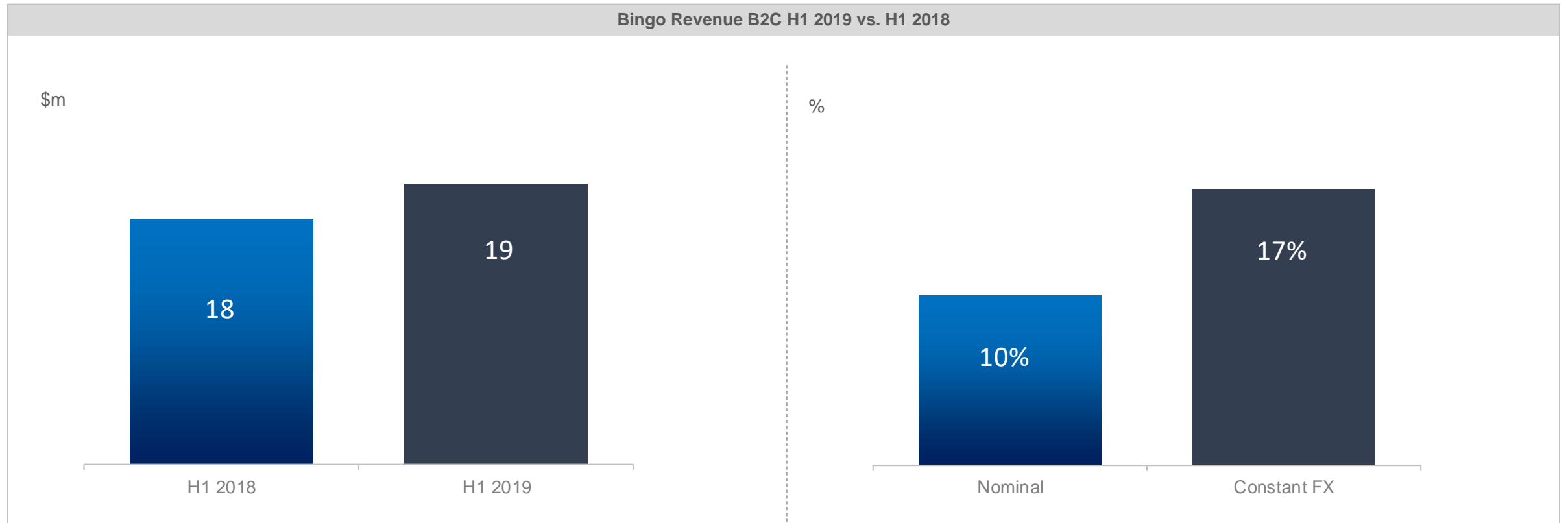
REVENUE POKER B2C

- Revenue down 24% to \$23m (H1 2018: \$31m); up 26% compared to H2 2018 reflecting stabilisation since the middle of 2018
- Cross-sell to Casino and Sport offset some of the decline with overall revenue from Poker players declining by only 4%
- Revenue is impacted by payments restrictions in certain markets and the impact of pooled liquidity between Spain and France (888 currently does not operate in France)
- Poker revenue in Italy up 38%, recent launch of 888's first shared liquidity network between Spain and Portugal showing encouraging signs



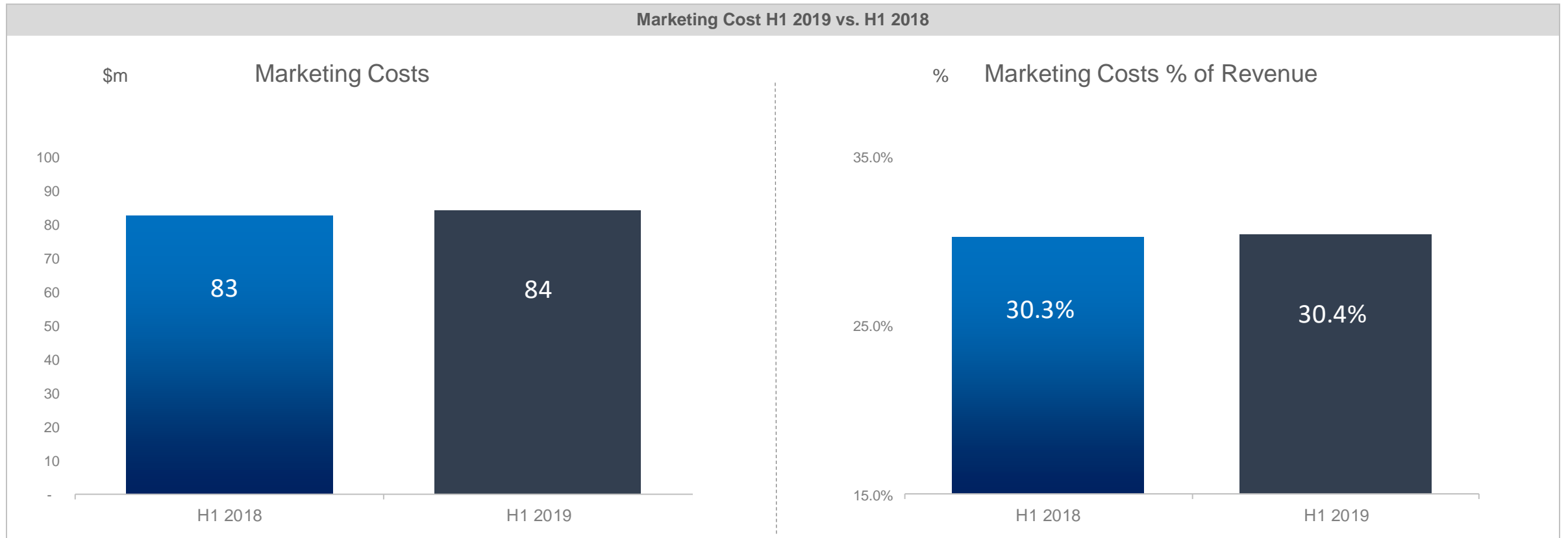
REVENUE BINGO B2C

- Revenue up **10%** to \$19m (H1 2018: \$18m); up **17%** at constant currency, down 3% pro forma (adjusting for Costa acquisition at constant currency)
- Revenue up **9%** (excl. the acquired brands) compared to H2 2018
- New customer acquisition up **33%** (up **20%** excl. the acquired brands)



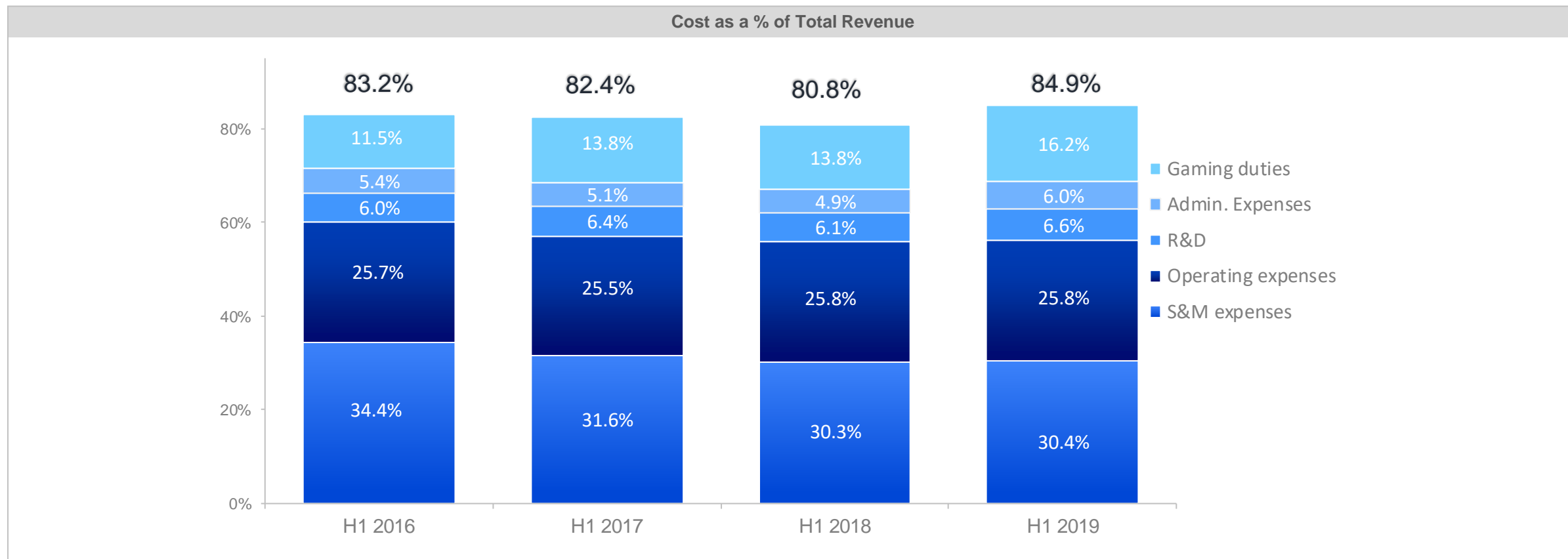
MARKETING COST

- Encouraging 20% increase in new customer acquisition despite stable marketing investment year on year reflecting efficiency of spend
- Marketing in regulated markets up 4%
- Stable marketing ratio at 30% (H1 2018: 30%)



COST STRUCTURE

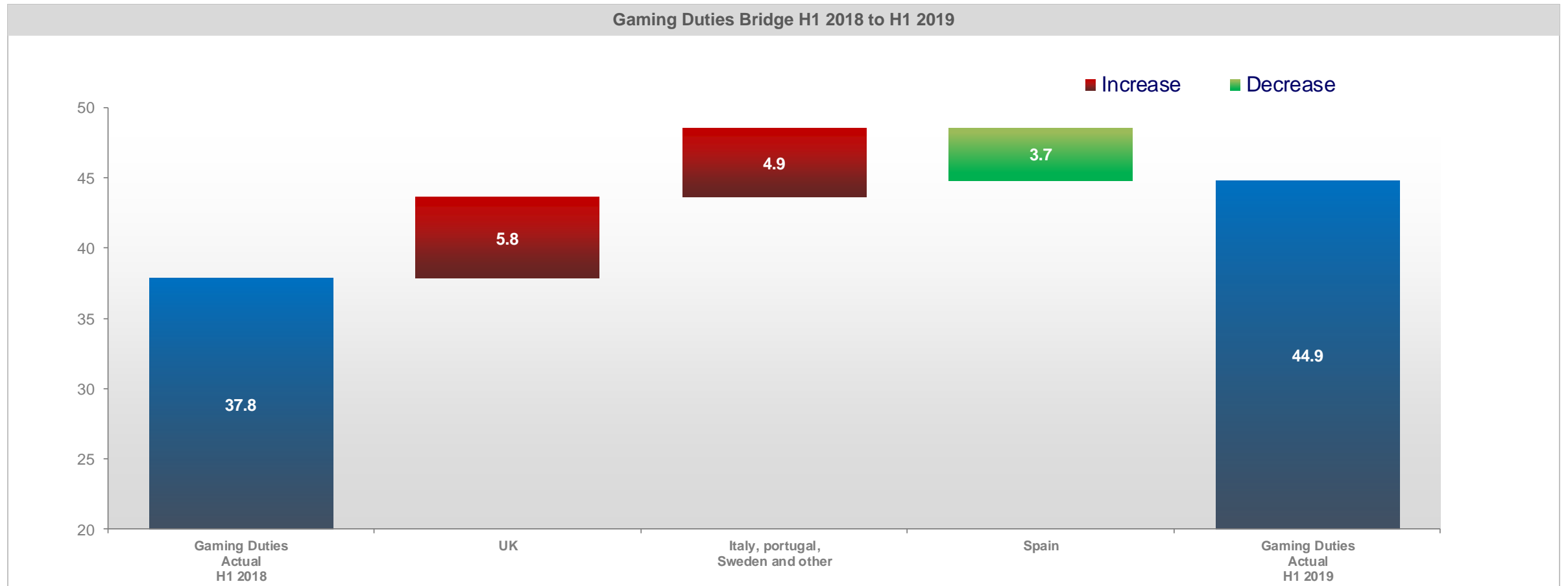
- Total costs at 84.9% of revenue* (H1 2018: 80.8%) driven primarily by higher gaming duties
- Higher gaming duties result from the Group's regulated markets focus coupled with higher gaming duties rates in the UK, Italy and Romania
- Admin cost increases are the result of legal costs related to recent acquisitions and Brexit mitigation plan



* Operational margins are based on adjusted EBITDA as defined in 2019 half yearly financial review. H1 2018 Ratios applied before VAT accrual release.

GROWTH IN REGULATED MARKETS

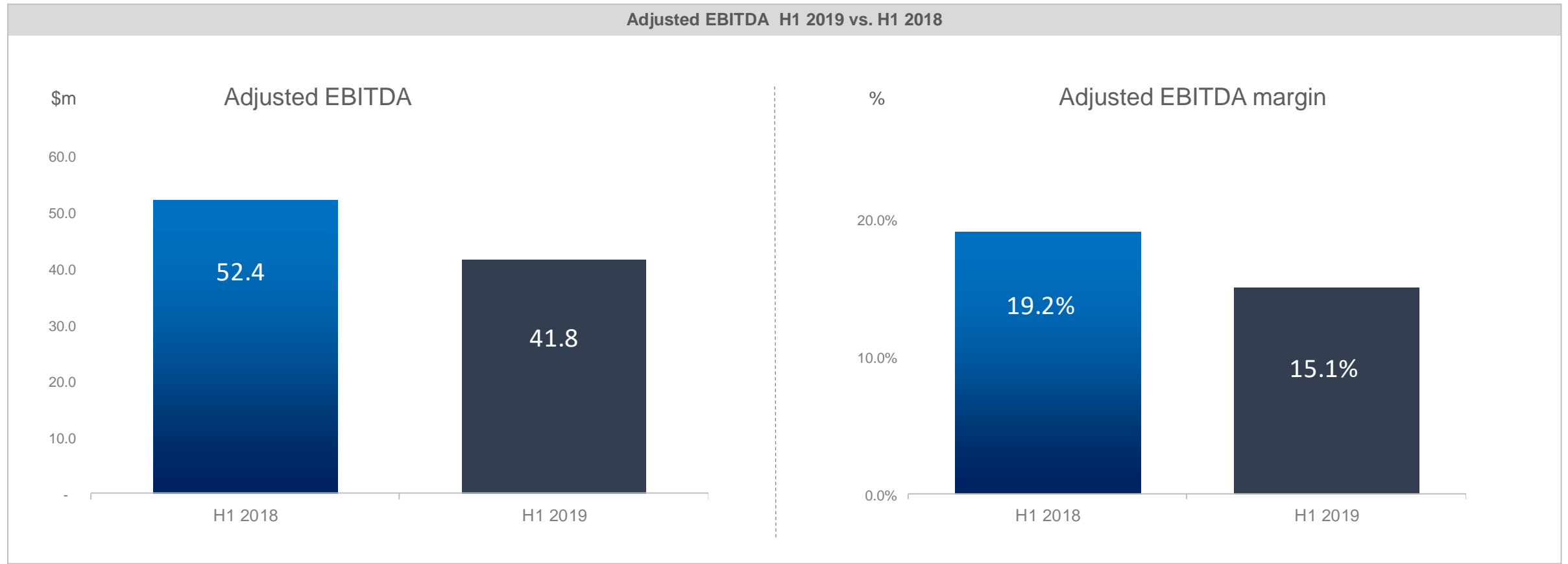
- Increase in gaming duties – both in volume and in rate
- Gaming duty ratio was reduced in Spain from H2 2018



* Totals may not sum due to rounding

ADJUSTED EBITDA AND MARGIN

- Higher UK POC and other gaming duties impact margin
- Adjusted EBITDA at \$42m (H1 2018: \$52m) and \$45m at constant currency
- Adjusted EBITDA margin at 15% (H1 2018: 19%)



BALANCE SHEET

\$US Millions Period Ended 30 June	H1 2019	H1 2018
Non-current assets		
Goodwill and other Intangible assets	242.0	160.2
Right-of-use assets	26.1	-
Property, plant and equipment	13.4	8.4
Other non-current assets	2.6	2.3
Investments	1.1	1.2
Current assets		
Cash and cash equivalents	111.0	143.6
Trade and other receivables	43.8	44.5
Short term investments	0.0	0.0
Total Assets	440.0	360.2
Equity		
Share capital and share premium	6.9	6.9
Retained earnings, reserves and treasury shares	145.6	124.9
Total equity attributable to equity holders	152.5	131.8
Liabilities		
Current liabilities		
Trade and other payables	140.5	125.6
Provisions	10.9	28.3
Tax liability	15.5	6.0
Customer deposits	57.4	65.6
Interest-bearing loans and borrowings	37.6	-
Severance pay liability	4.0	2.9
Non-current liabilities		
Interest-bearing loans and borrowings	21.6	-
Total equity and liabilities	440.0	360.2

- Unlevered balance sheet
- \$26.1m right of use assets – a result of IFRS 16
- Increase in fixed assets partly relate to new Dublin data centre ahead of Brexit
- \$21.6m interest-bearing loans relate to IFRS 16 future periods lease commitments
- \$37.6m loans and borrowings include \$5m IFRS 16 current period lease liability and RCF drawn \$33m

CASH FLOW

\$US Millions Period Ended 30 June	H1 2019	H1 2018
Profit before income tax	22.2	60.1
Adjustments	14.7	12.9
Changes in working capital	5.2	(34.2)
Exceptional items	1.6	(12.0)
VAT accrual release	-	(10.7)
Net cash from operating activities	43.7	16.1
M&A	(53.4)	0.0
Internally generated intangible assets	(4.5)	(6.5)
Other investing activities	(6.7)	(3.1)
Net cash used in investing activities	(64.6)	(9.6)
Dividends paid	(29.4)	(41.4)
RCF	33.0	-
Other financing activities	(4.5)	(0.7)
Net cash used in financing activities	(0.9)	(42.1)
Net decrease in cash and cash equivalents	(21.8)	(35.6)
Cash and cash equivalents - beginning of period	133.0	179.6
Effect of currency translation	(0.2)	(0.4)
Cash and cash equivalents - end of period	111.0	143.6

- M&A totaling \$53m partially funded by \$33m RCF
- Final 2018 Dividend of \$29m paid

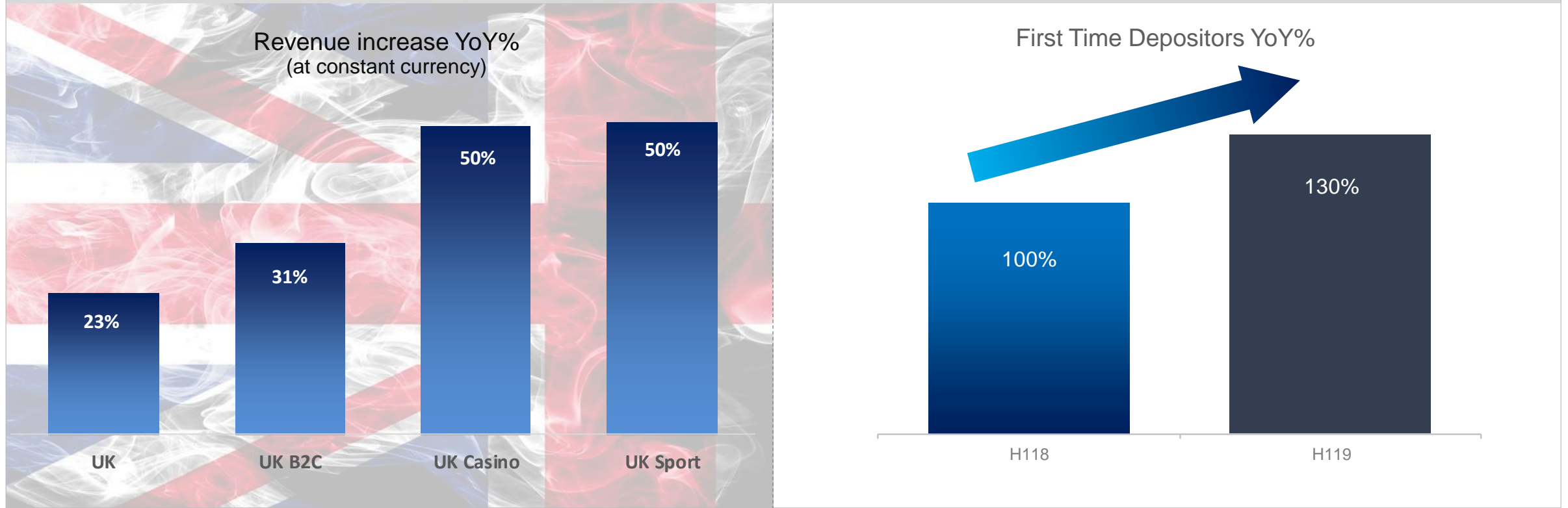


ITAI PAZNER, CEO | OPERATIONAL REVIEW

UK TURNAROUND

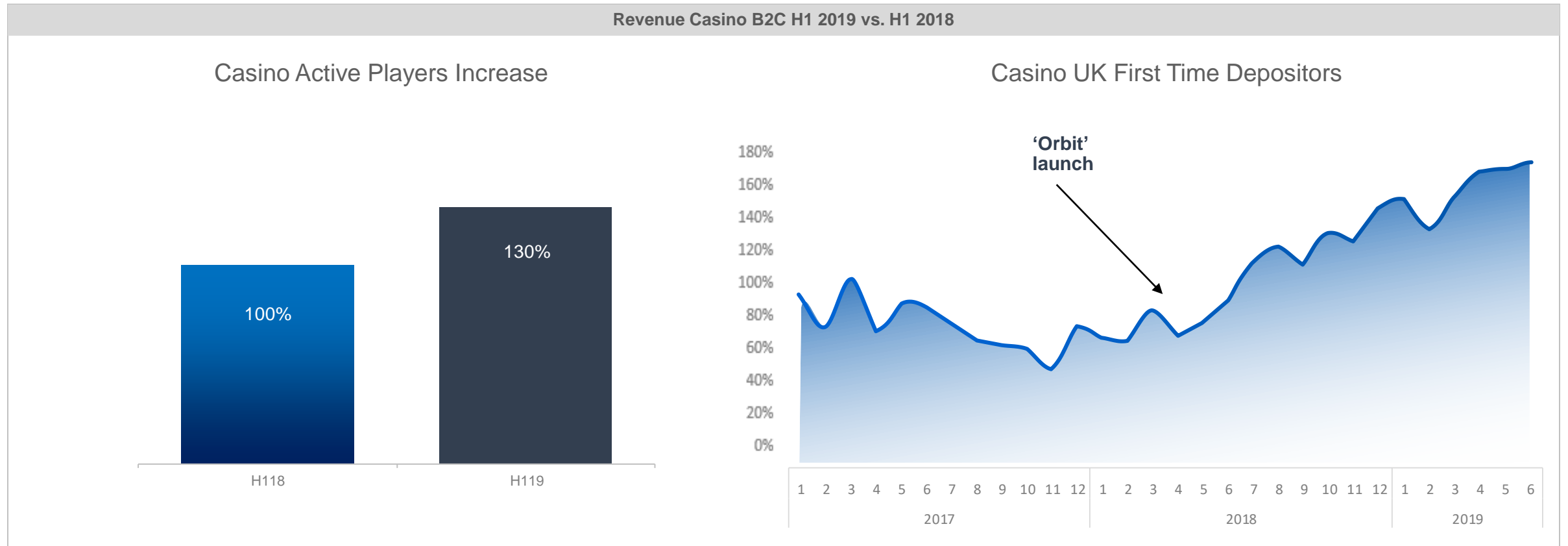
- 360 degree approach – combining R&D, Product, Marketing, enhanced responsible gaming and compliance
- Infused by Orbit Casino and evolving 888sport product
- Continued growth focus in the biggest online gaming market globally
- Rolling out this methodology to further markets

UK Revenue and New Acquisition H1 2019 vs. H1 2018



CASINO LEADERSHIP

- Orbit global rollout completed
- KPIs showing clear positive trends: FTDs, Activity, user engagement that are complemented by lower CPA
- Continued investment in content and personalisation, utilising AI and new marketing tools



CASINO LEADERSHIP

- Unique content constantly delivered by section8 complemented by games from leading worldwide providers

Section8 Originals



3rd Party

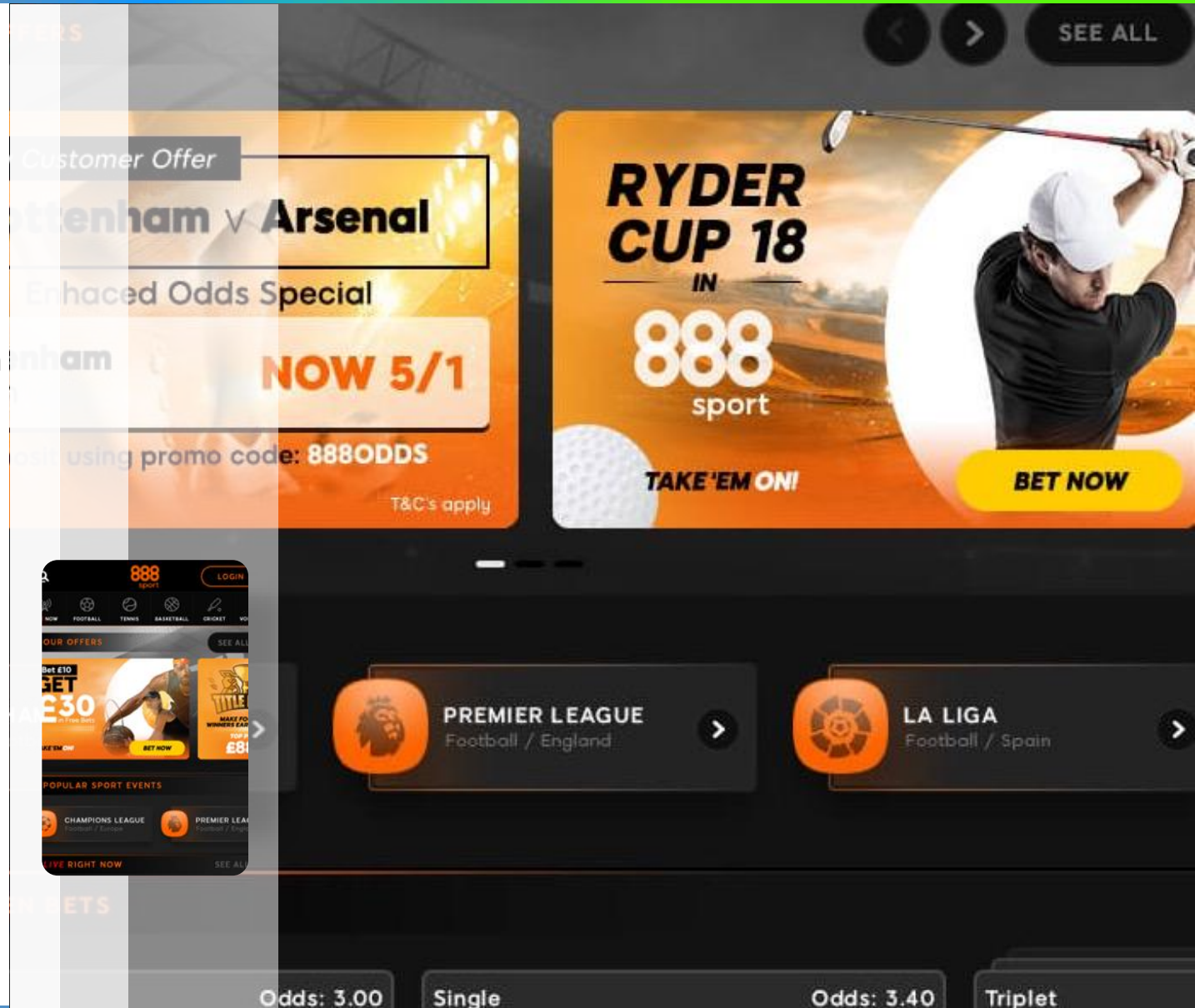
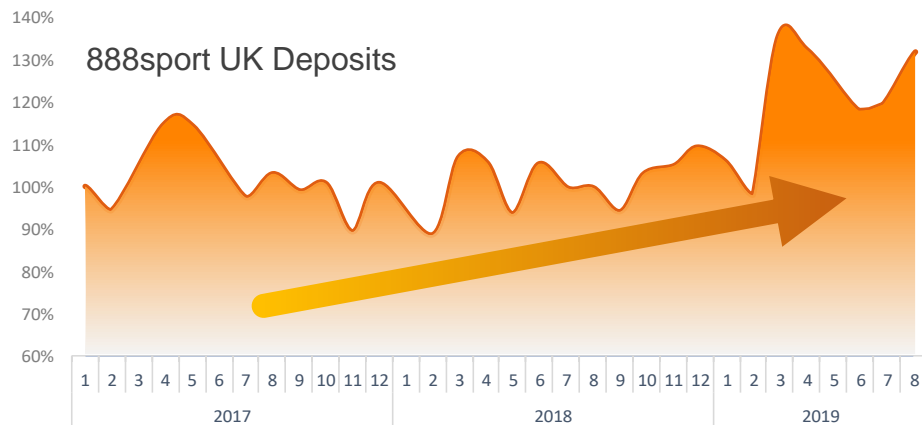


New Providers



OUR GROWTH STORY - SPORT

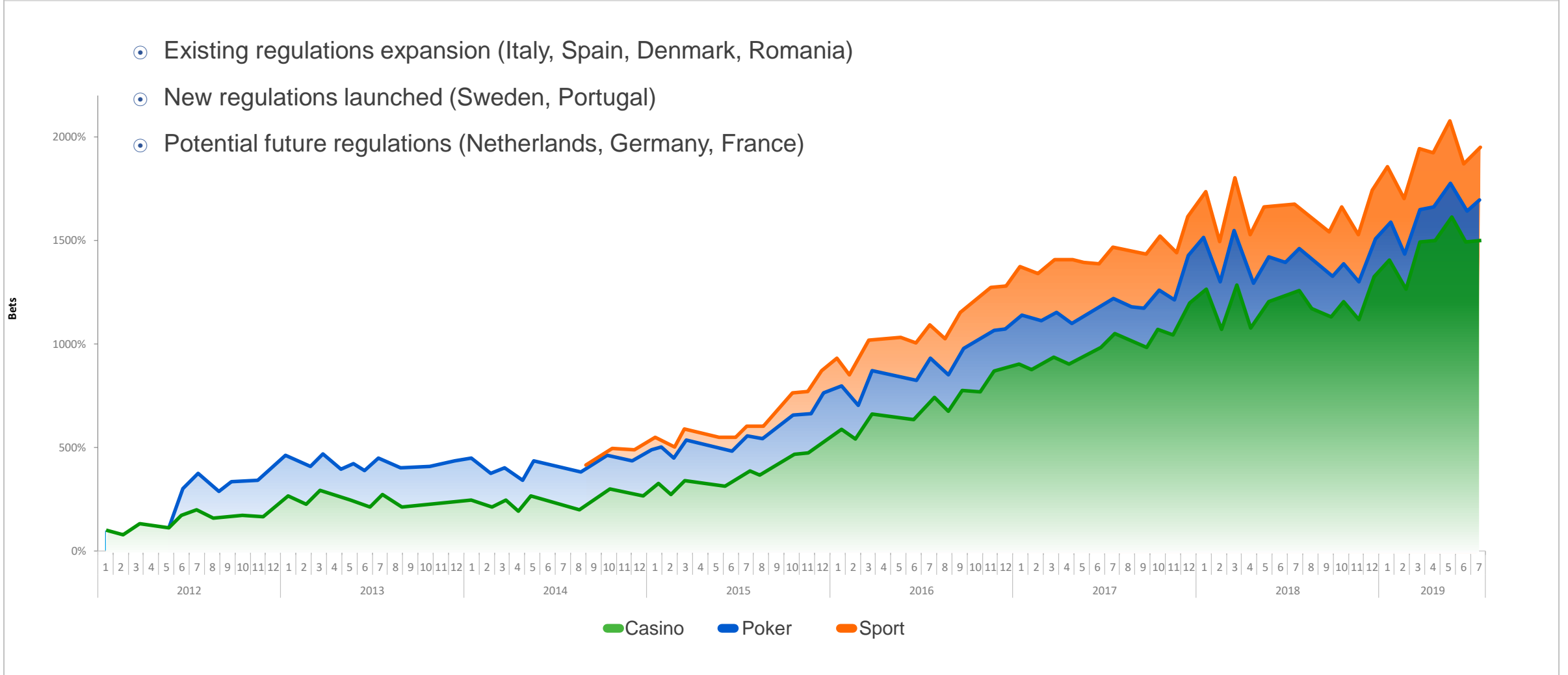
- New proprietary 888sport front-end deployed
- Progressing as planned to first market re-launch (888sport.se)
- Dublin (ex-Betbright) is the new 888sport global hub
- PMI progressing very well
- Sport continues to be a cross-market / cross product growth engine
- Looking forward to Euro 2020



REGULATED CONTINENTAL EUROPE

Continental Regulated Progress (Bets EUR)

- Existing regulations expansion (Italy, Spain, Denmark, Romania)
- New regulations launched (Sweden, Portugal)
- Potential future regulations (Netherlands, Germany, France)



TURNING THINGS AROUND - POKER

- Stabilising 888poker post a challenging 2018
- Liquidity is king
- 888poker.pt launch marked first EU shared liquidity
- Aiming to launch 888poker.fr during 2020
- Poker8 development and rollout continues, a constant improvement
- Results are following investment



TURNING THINGS AROUND – DRAGONFISH / BINGO

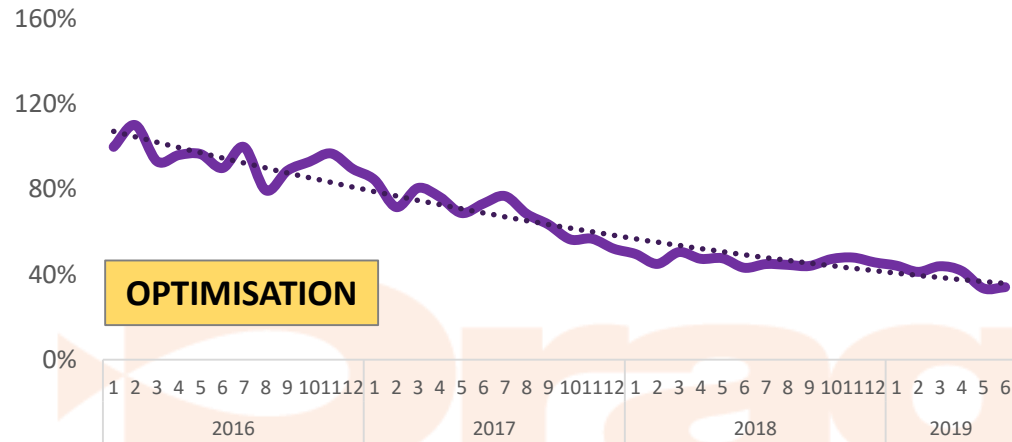
- Full-stack bingo and casino offering with over 600 games from 30+ different game providers
- Roll-out of new technology-based client infrastructure underway
- Costa PMI on track
- Maintaining a healthier and more balanced player ecosystem following additional regulation
- POC2 Impact
 - B2C stabilised revenue despite introduction of additional tax
 - B2B shift to focus on larger partners
- Assessing new market expansion



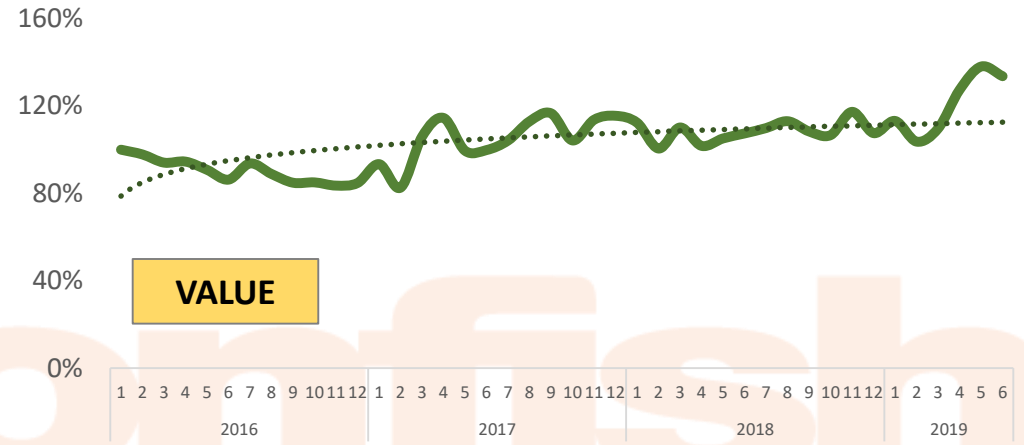
DRAGONFISH PLATFORM KPI's

Bingo Platform (GBP)

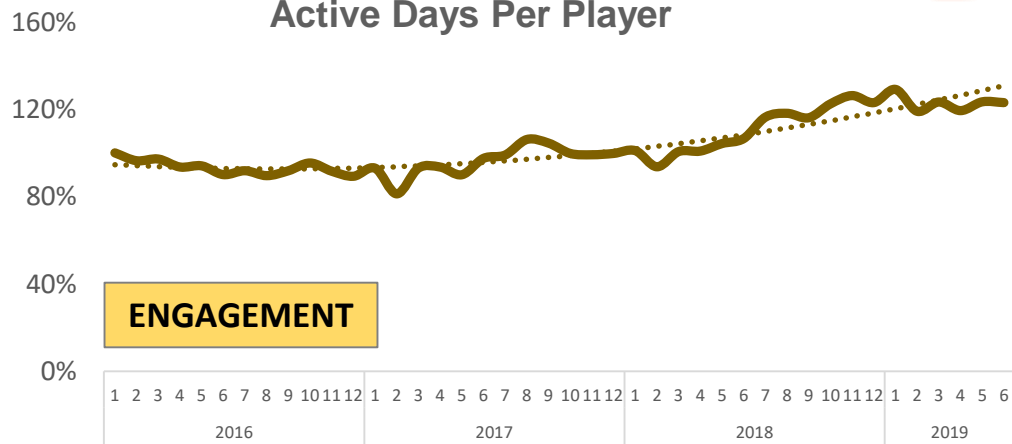
Bonus Per Player



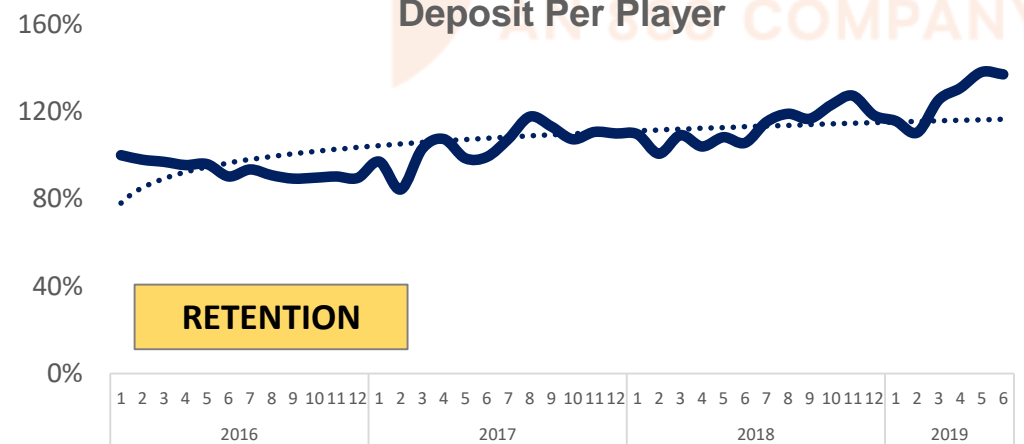
ARPU



Active Days Per Player



Deposit Per Player

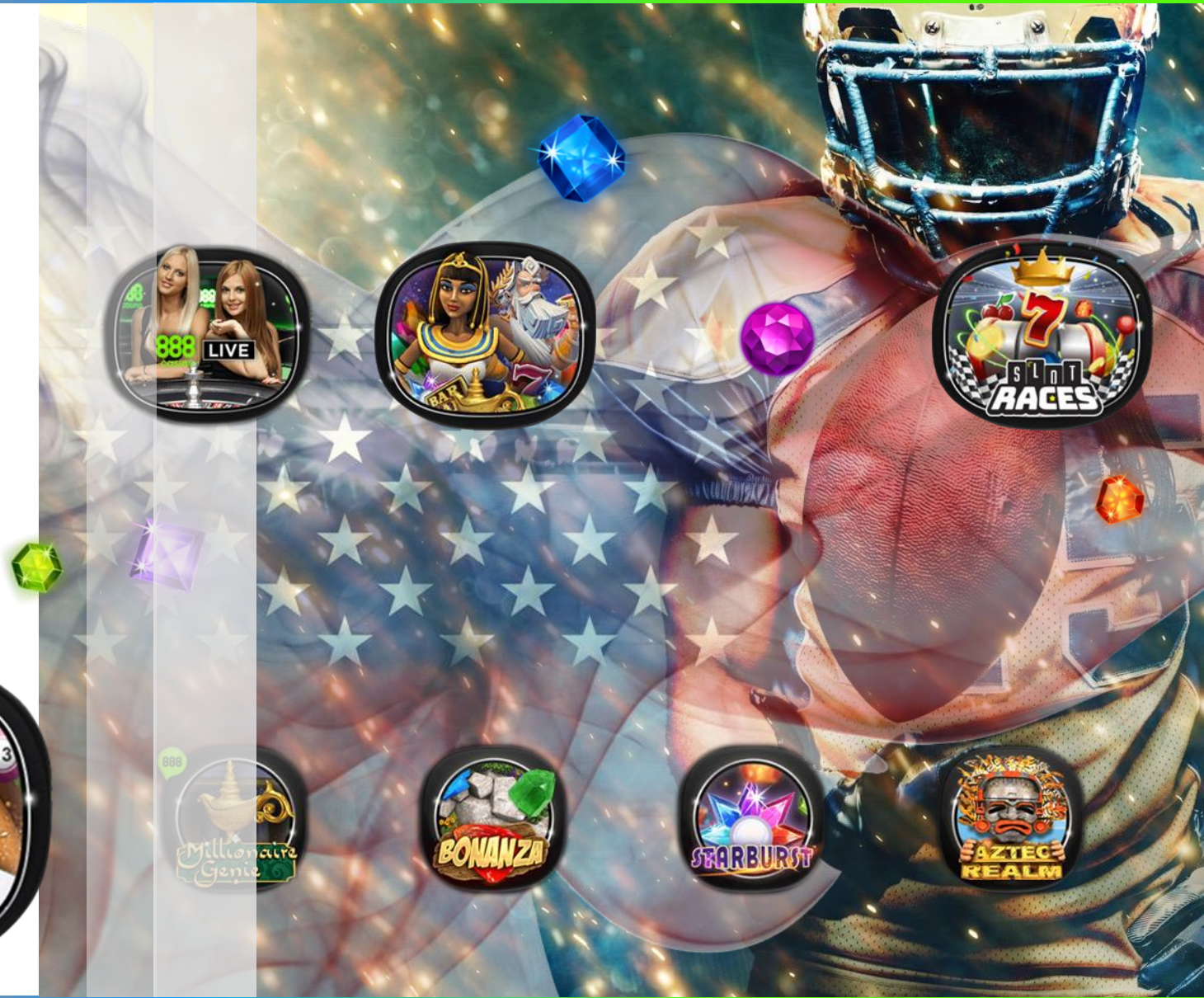


* Jan 2016 as base = 100. Funded players



US

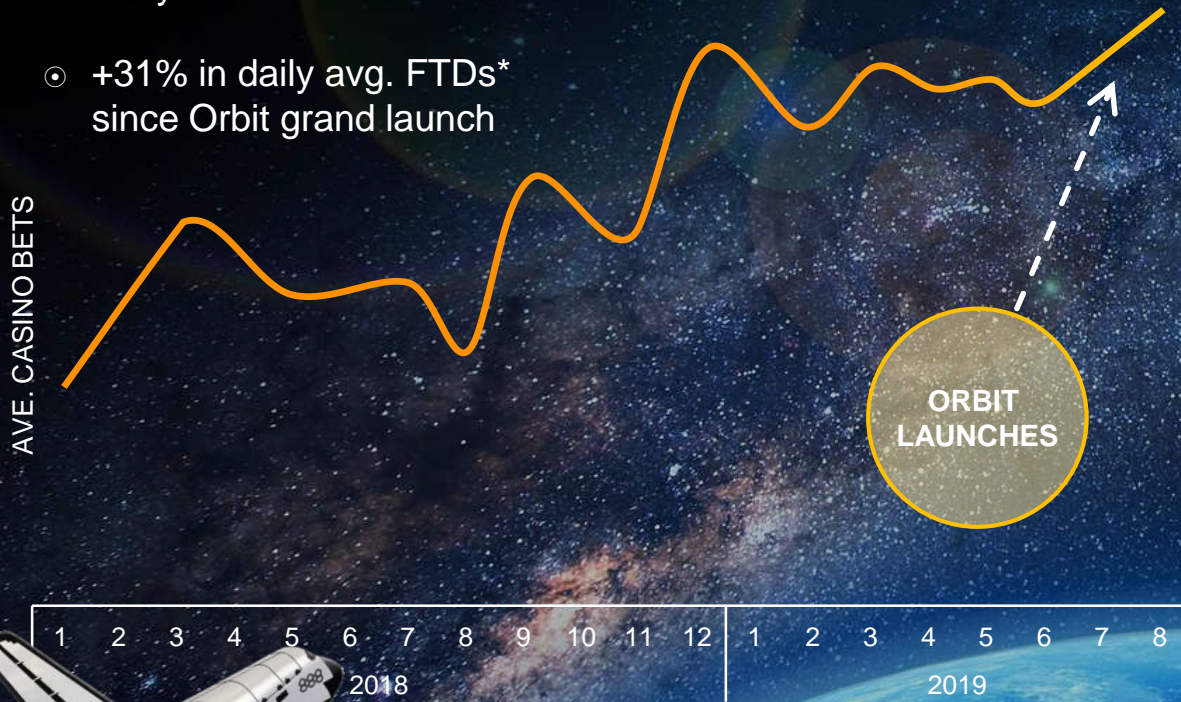
- 888casino re-launched through Orbit in NJ
- 888sport going into 2nd NFL season with campaigns and cross-sell efforts
- Aiming to grow market share and leverage into additional states
- “Smart and Selective” approach to new states
- Recent record-breaking WSOP event across NJ and NV with Caesars



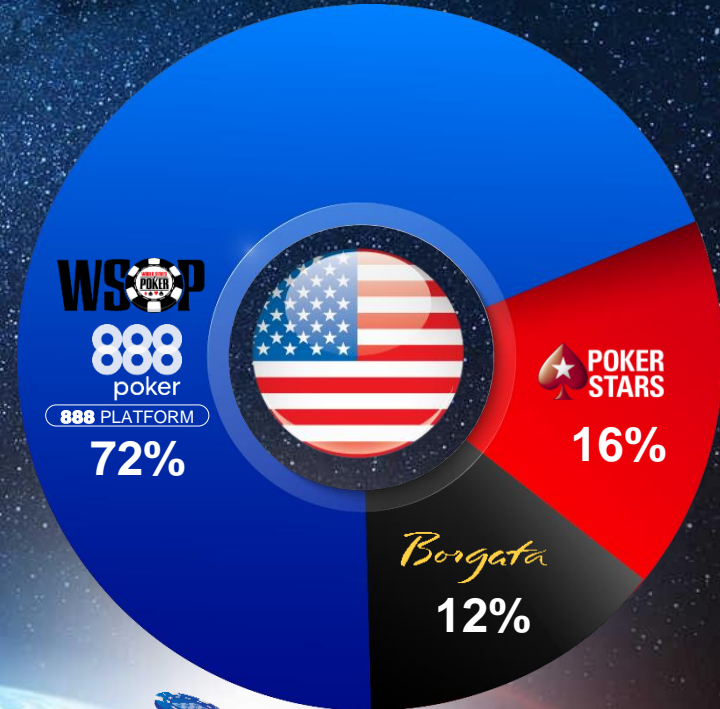


GOOD EARLY SIGNS FOR ORBIT NJ

- Daily casino bets Increase
- +31% in daily avg. FTDs* since Orbit grand launch



#1 Poker Network in the US**



*In 888Casino NJ, 1-23/7 compared to 24/7-31/8

**Source: NJ Regulator reporting and Group internal Data for NV and Delaware

SUMMARY

- ◉ UK turnaround and back to growth pattern
- ◉ Numerous growth opportunities in other EU markets
- ◉ On track to reach 1 million FTDs this year – a significant milestone
- ◉ Focused on Poker and Bingo turnaround efforts
- ◉ Growing US footprint through “Smart and Selective” approach
- ◉ Recent acquisitions - PMI on track
- ◉ Proactive M&A approach, additional opportunities are constantly evaluated
- ◉ Positive current trading continues; Casino and Sport leading the momentum

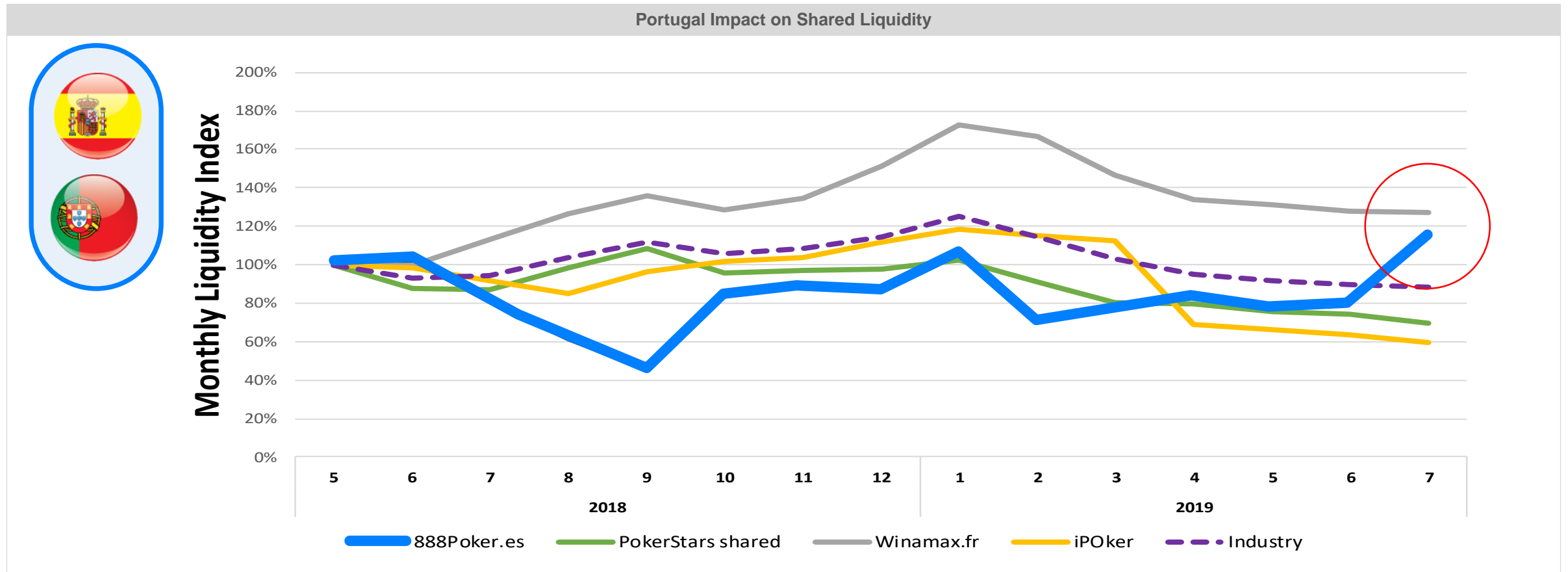




APPENDIX

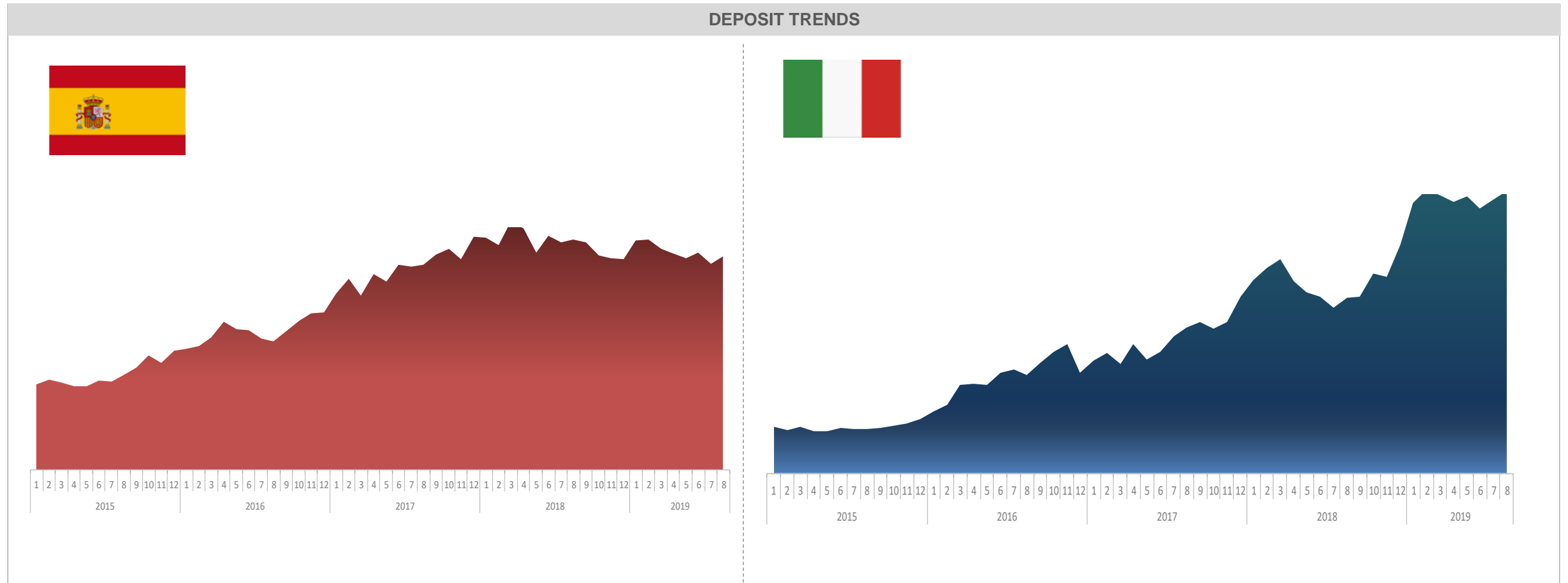
EU SHARED LIQUIDITY

- ◉ Immediate positive effect of Portugal players on the overall joint network with Spain
- ◉ 888poker.fr planned for 2020
- ◉ Awaiting regulatory advancement in Italy



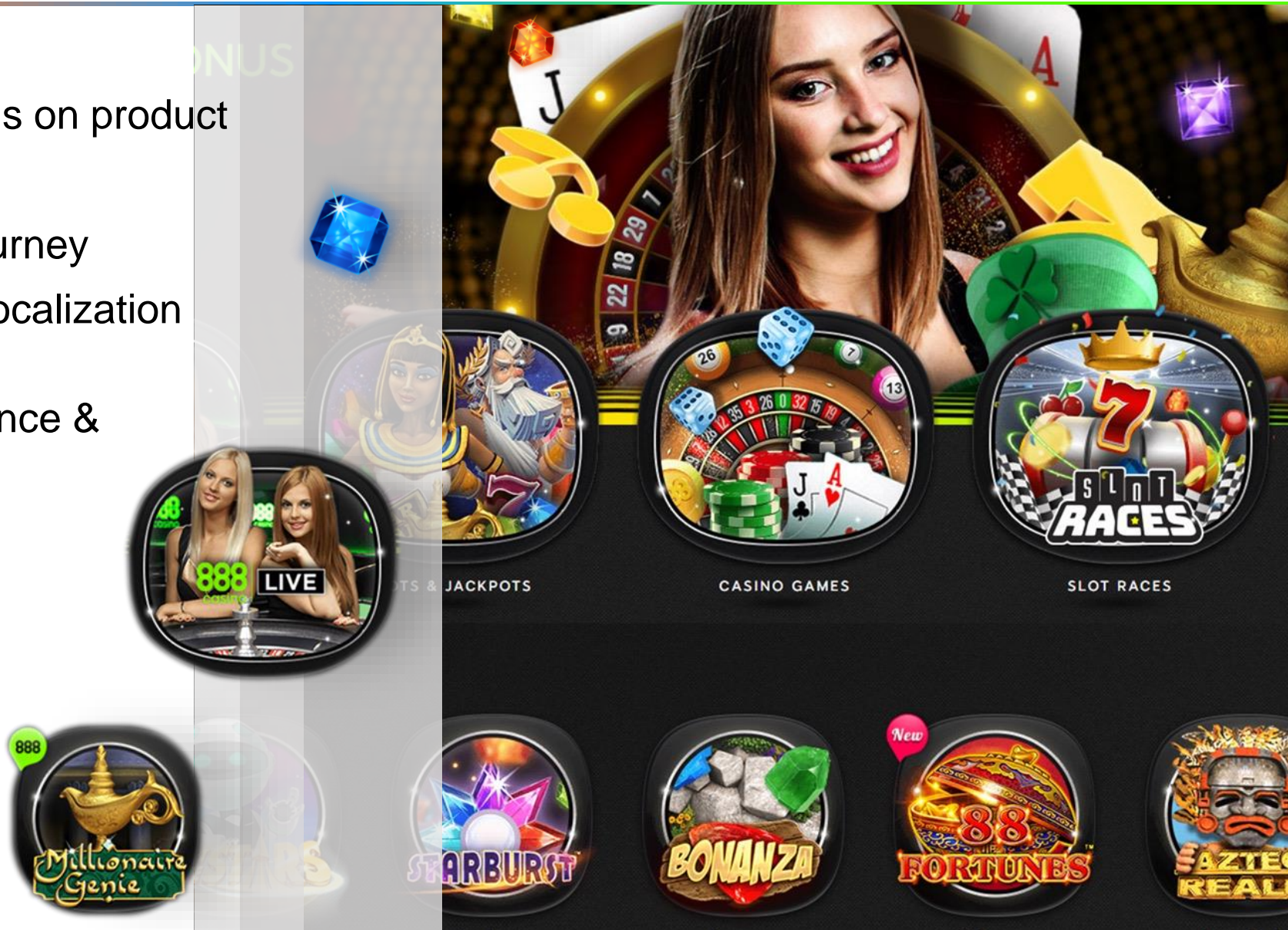
CONTINENTAL EUROPEAN REGULATED

- Spain robust performance, offset in part by Poker and FX
- Italy stellar growth



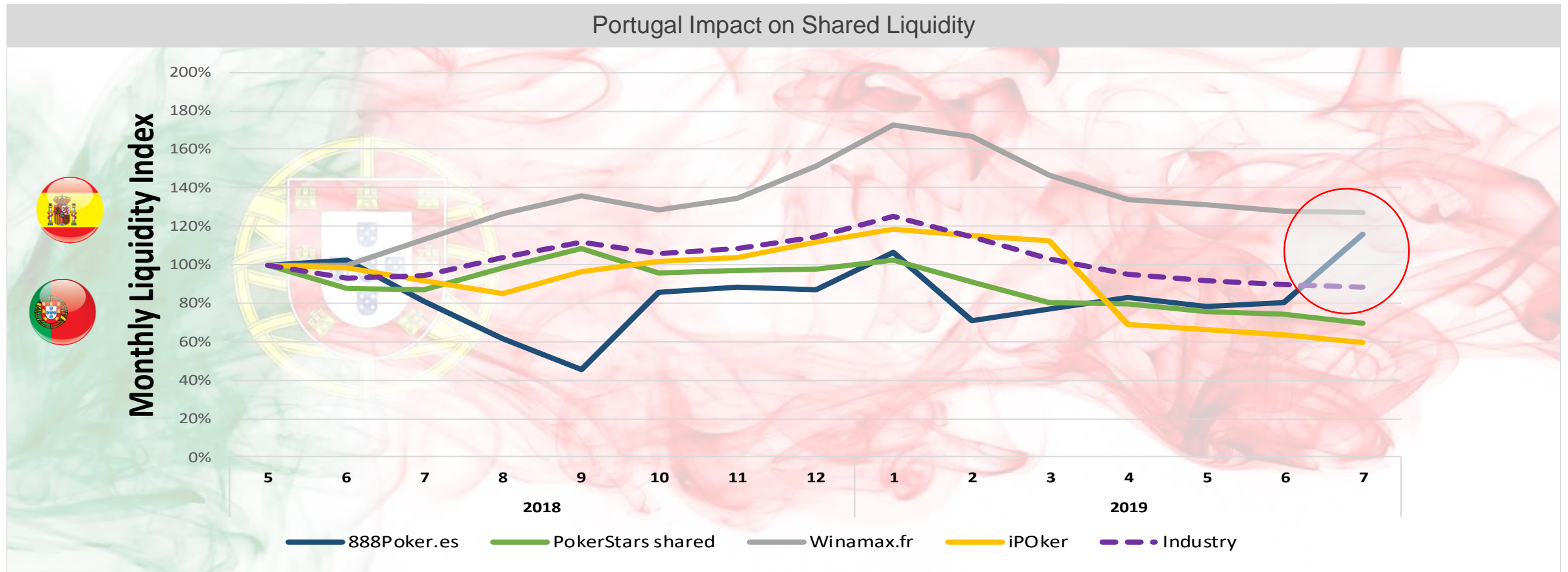
PRODUCT LEADS THE WAY

- An organisational strategic focus on product
- Both quality and innovation
- Enhanced UX and customer journey
- AI, content customisation and localization as major product facets
- Embedded customer due diligence & responsible gaming tools
- A seamless cross-product customer experience



EU SHARED LIQUIDITY

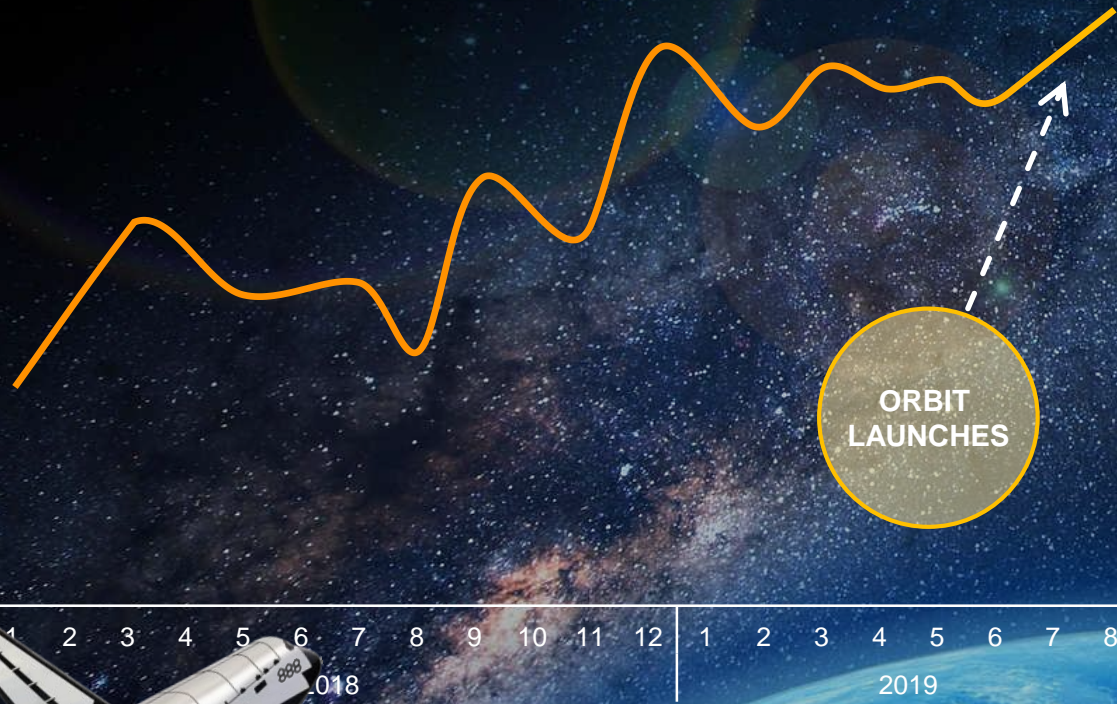
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ORBIT NJ FIRST SIGNS

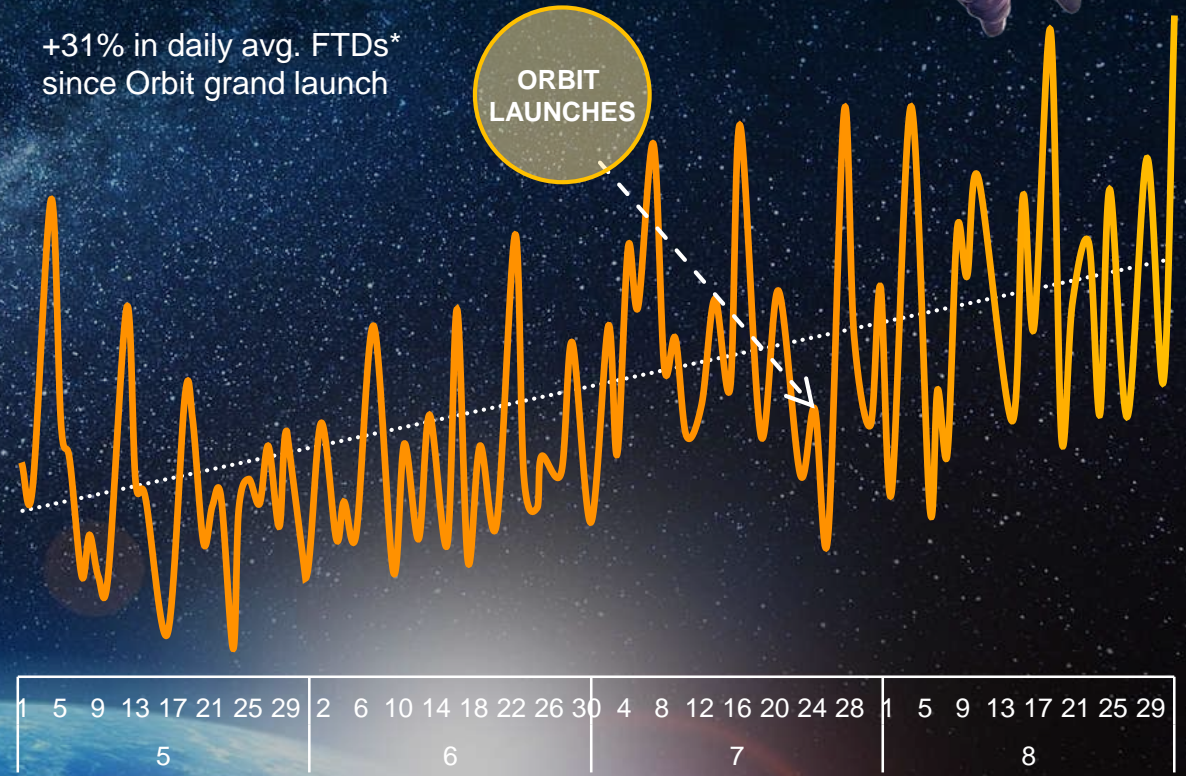


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