



RESULTS FOR THE YEAR ENDED

31 DECEMBER 2016

AGENDA

ITAI FRIEBERGER | 2016 A YEAR OF OUTSTANDING PROGRESS

AVIAD KOBRINE | FINANCIAL REVIEW

ITAI FRIEBERGER | OPERATIONAL REVIEW & SUMMARY

Q&A

2016 A YEAR OF OUTSTANDING PROGRESS

- Another year of strong revenue growth, up 18% at constant currency
- Adjusted EBITDA at constant currency up 24% to \$100m
- Casino and Sport increases of 26% and 58% YoY at constant currency, respectively
- Regulated markets increased by 24% at constant currency, more than double the growth rate of .com
- **888 is one of the most diversified and regulated online gaming operators**



AVIAD KOBRINE, CFO | FINANCIAL REVIEW

2016 HIGHLIGHTS¹

- Revenue up **18%** at constant currency to **\$546m**
- B2C Revenue up **20%** at constant currency to **\$480m**
- Casino and Sport lead growth with **26%** and **58%** revenue increases at constant currency respectively
- Seven consecutive quarters of like for like revenue growth with a record Q4
- Revenue from regulated markets up **24%** at constant currency
- Regulated Continental European markets revenue increased more than **60%**
- Regulated markets now represent **63%** of group revenue at constant currency (2015: 59%)
- Adjusted EBITDA² up **12%** to **\$90m** (2015: \$81m), up **24%** to **\$100m** at constant currency
- Profit before tax up **82%** to **\$59m** (2015: \$33m) and up **14%** when adjusting for exceptional items
- Basic EPS at **14.4c** (2015: 8.3c), up **74%**
- Final Dividend of **5.1c** per share (2015: 4.0c), **8.9c** for the year (2015: 7.5c) plus a one-off **10.5c** (2015: 8.0c), a total of **19.4c** (2015: 15.5c) for the year

¹ Constant currency as detailed in the financial review section of the 2016 Annual Report

² As defined in 2016 financial review section of the 2016 Annual Report

PROFIT AND LOSS ACCOUNT¹

\$m	2016	2015	% Change at Constant Currency	% Change Reported
Revenue	520.8	462.1	18%	13%
Operating expenses ²	136.1	127.4		
Gaming duties ³	60.5	50.0		
Research and development expenses	34.3	36.8		
Selling and marketing expenses	170.2	138.9		
<i>% of Revenues</i>	32.7%	30.1%		
Administrative expenses ⁴	29.5	28.4		
Adjusted EBITDA^{3,4}	90.2	80.6	24%	12%
<i>% of Revenues</i>	17.3%	17.4%		
Depreciation and Amortisation	19.0	18.6		
Share benefit charges, finance and other	8.1	6.5		
Exceptional acquisition costs & retroactive gaming duty	3.9	23.0		
Profit Before Tax	59.2	32.5		82%
Taxation	7.7	3.0		
Profit After Tax	51.5	29.5		75%
Basic EPS⁵	14.4 ¢	8.3 ¢		74%

¹ Totals in this presentation may not sum due to rounding.

² Excluding depreciation of \$8.4m (2015: \$8.9m) and amortisation of \$10.6m (2015: \$9.7m).

³ Excluding exceptional retroactive duties and associated charges of \$3.0m (2015: \$8.4m)

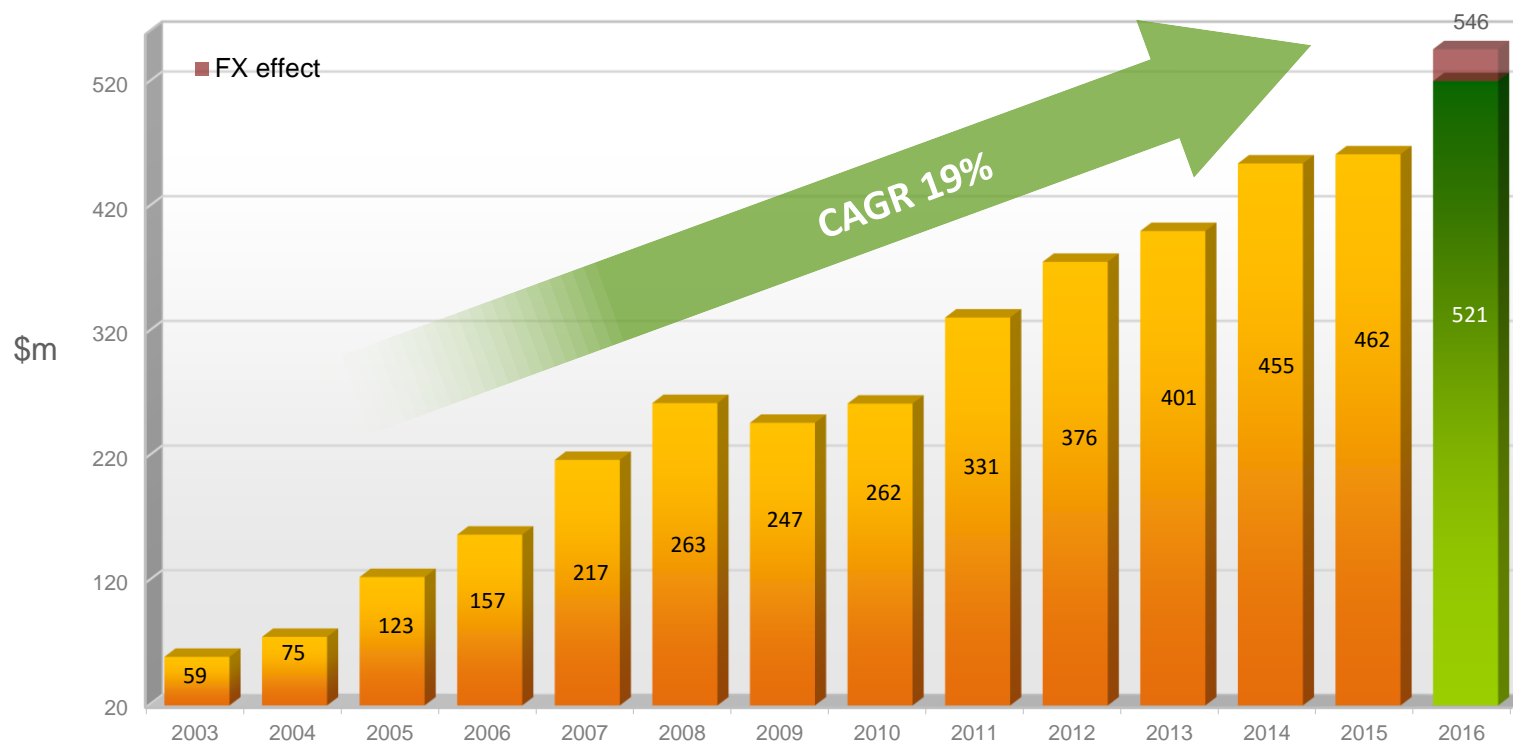
⁴ Excluding share benefit charges of \$6.7m (2015: \$4.1 m)

⁵ As defined in 2016 Annual Report

GROUP REVENUE

- Revenue up **18%** at constant currency to **\$546m** (2015: \$462m)
- Reported Revenue **\$521m** (2015: \$462m)
- Growth drivers continue to be Casino, Sport and regulated markets expansion
- Consistent growth: **19%** long term CAGR at constant currency

Revenue 2003 - 2016 (\$m)



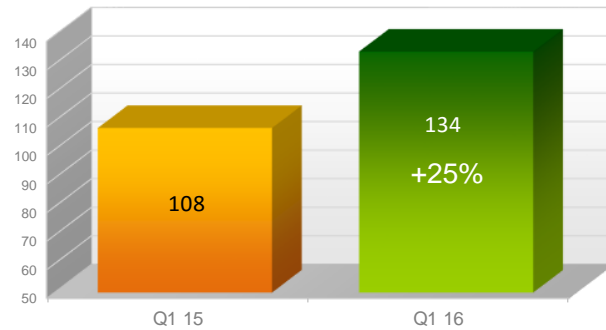
* Excluding discontinued operations until 2006

GROUP REVENUE

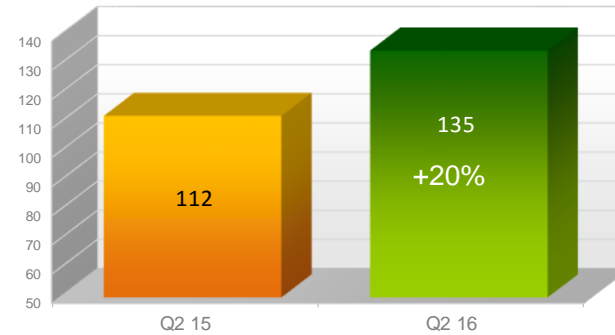
- Each quarter's revenue is higher than the previous year at constant currency
- Q4 at an all time record

Quarterly Revenue at Constant Currency (\$m)

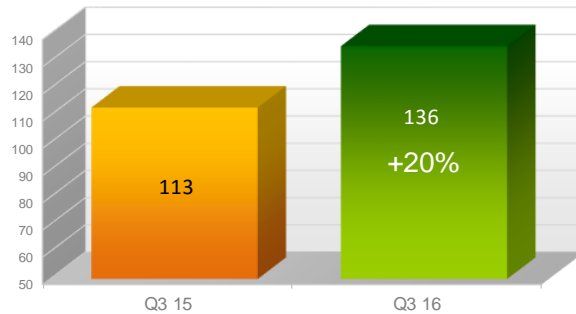
Q1 (\$m)



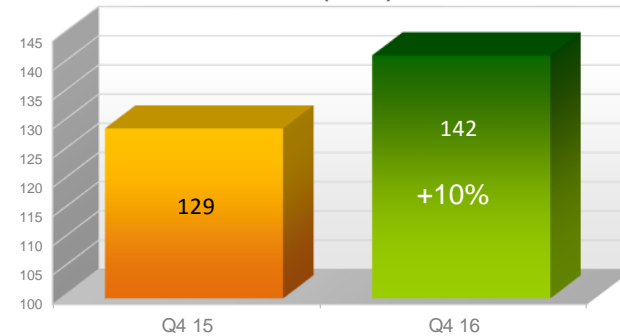
Q2 (\$m)



Q3 (\$m)



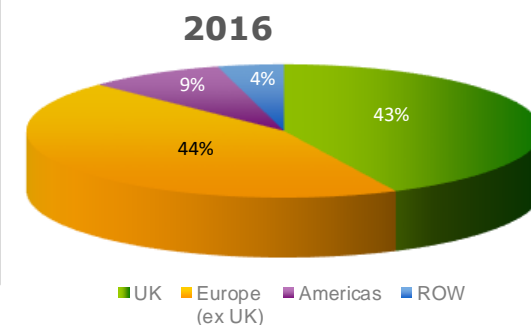
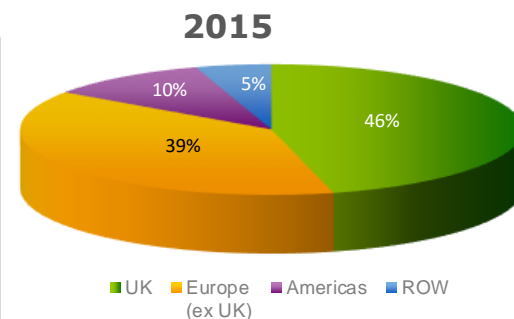
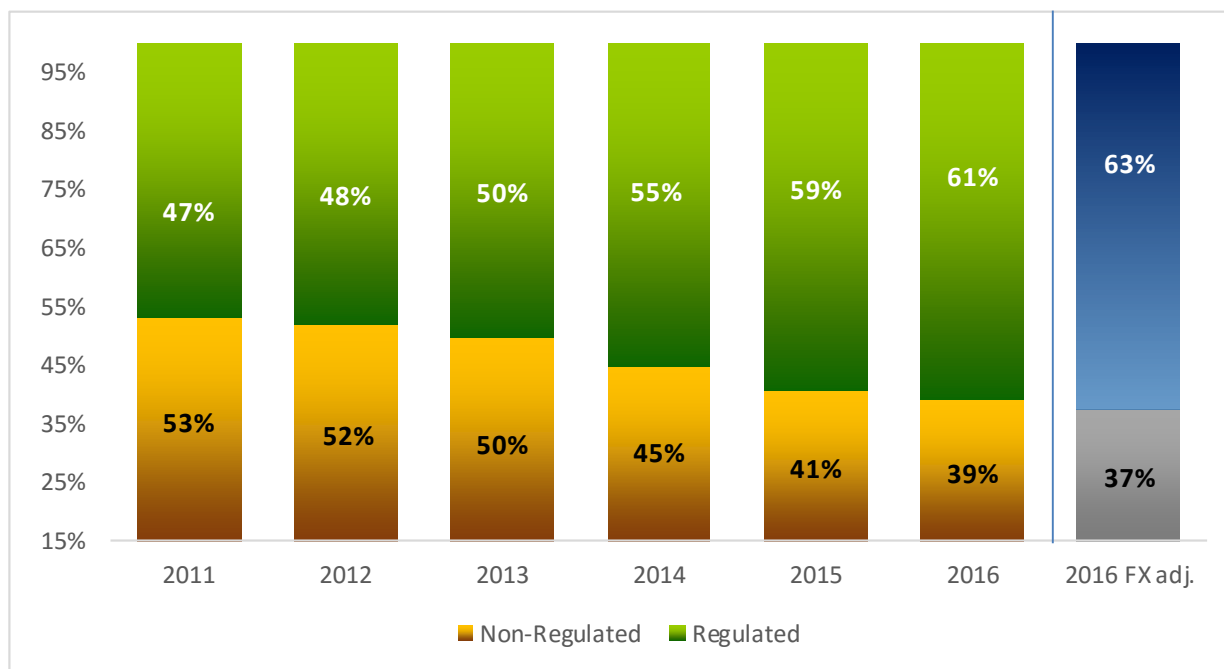
Q4 (\$m)



GEOGRAPHICAL SEGMENTATION

- Regulated markets* represent **63%** of revenue at constant currency, increasing **24%**
- Regulated and taxed territories already **72%** of revenue at constant currency
- Europe (excl. UK) up **29%**, now the largest geographical segment at **44%**
- UK up **16%** at constant currency

Geographic Segmentation 2015 vs. 2016



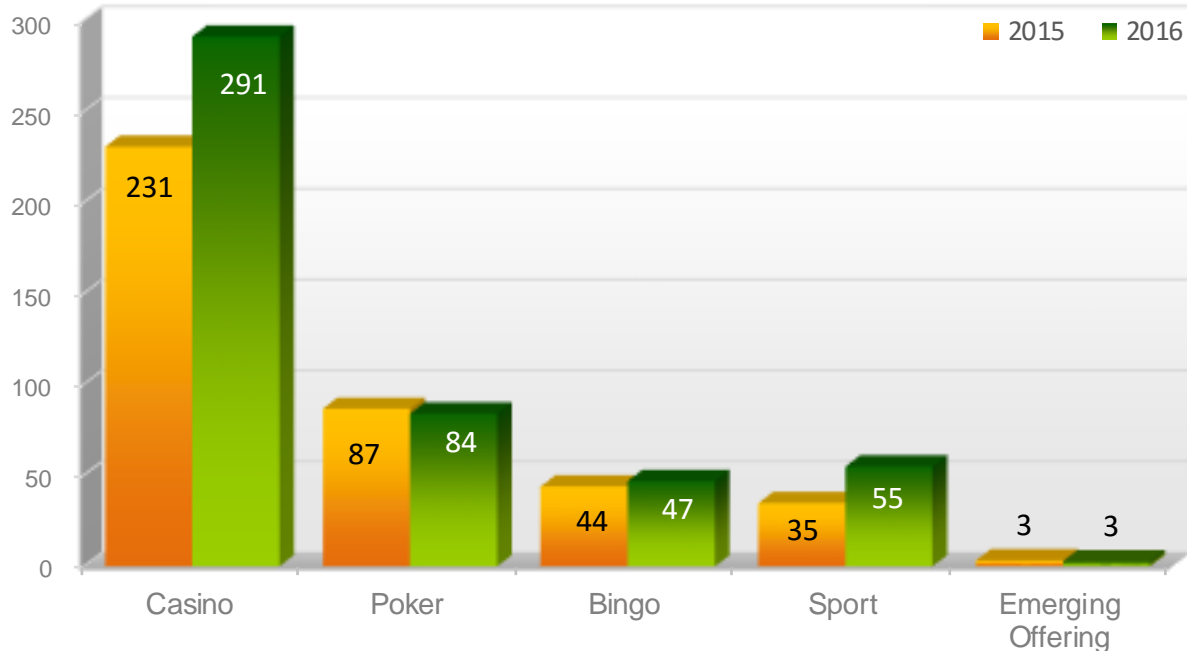
*UK, Spain, Italy, USA (non Social), Denmark, Romania and Ireland Sport

REVENUE B2C BY PRODUCT

- All product lines impacted by adverse currency movements, primarily Sterling
- Casino is up **26%**, Sport is up **58%** and Bingo is up **7%** at constant currency
- Lower relative impact of currency on Casino due to increased geographical diversity
- Poker down 2.7%, despite challenging market and adverse currency – stable once cross sell is reflected

Revenue B2C* 2016 vs. 2015 (\$m)

\$m

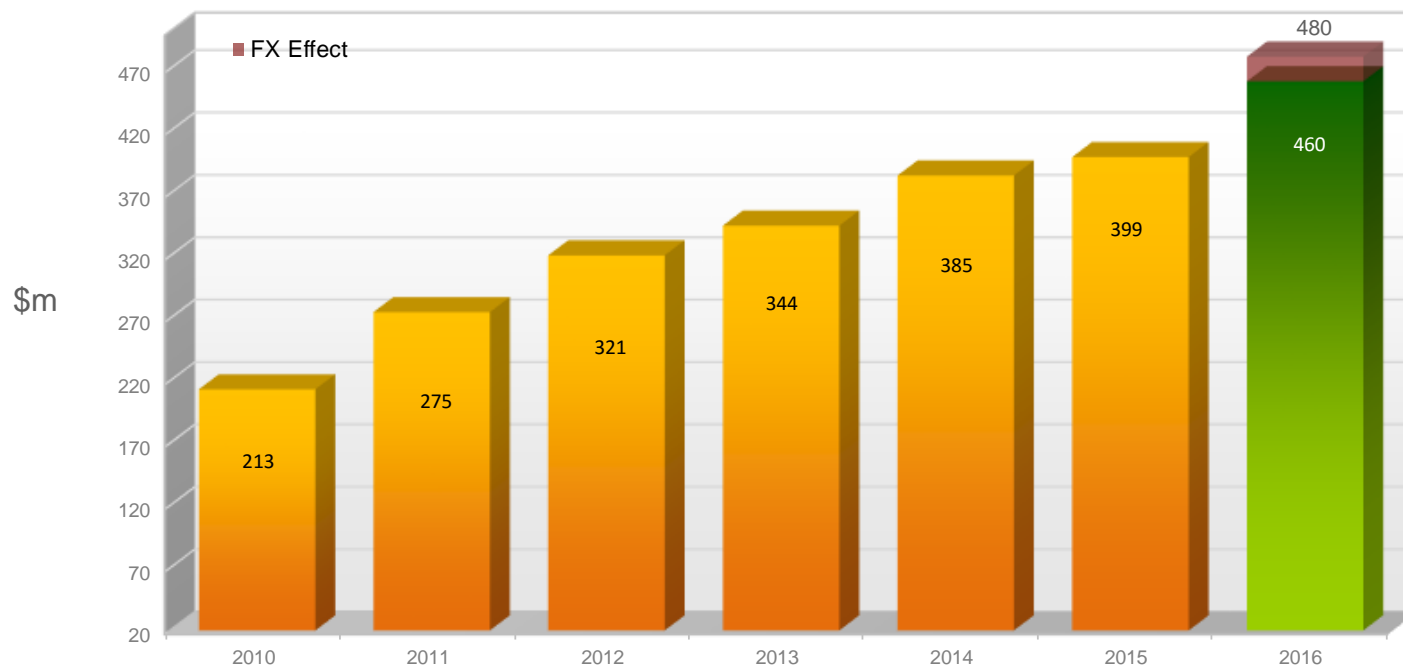


* At constant currency

REVENUE B2C

- Consistent increases
- Revenue up **20%** at constant currency to **\$480m** (2015: \$399m)
- Reported Revenue **\$460m** (2015: \$399m)

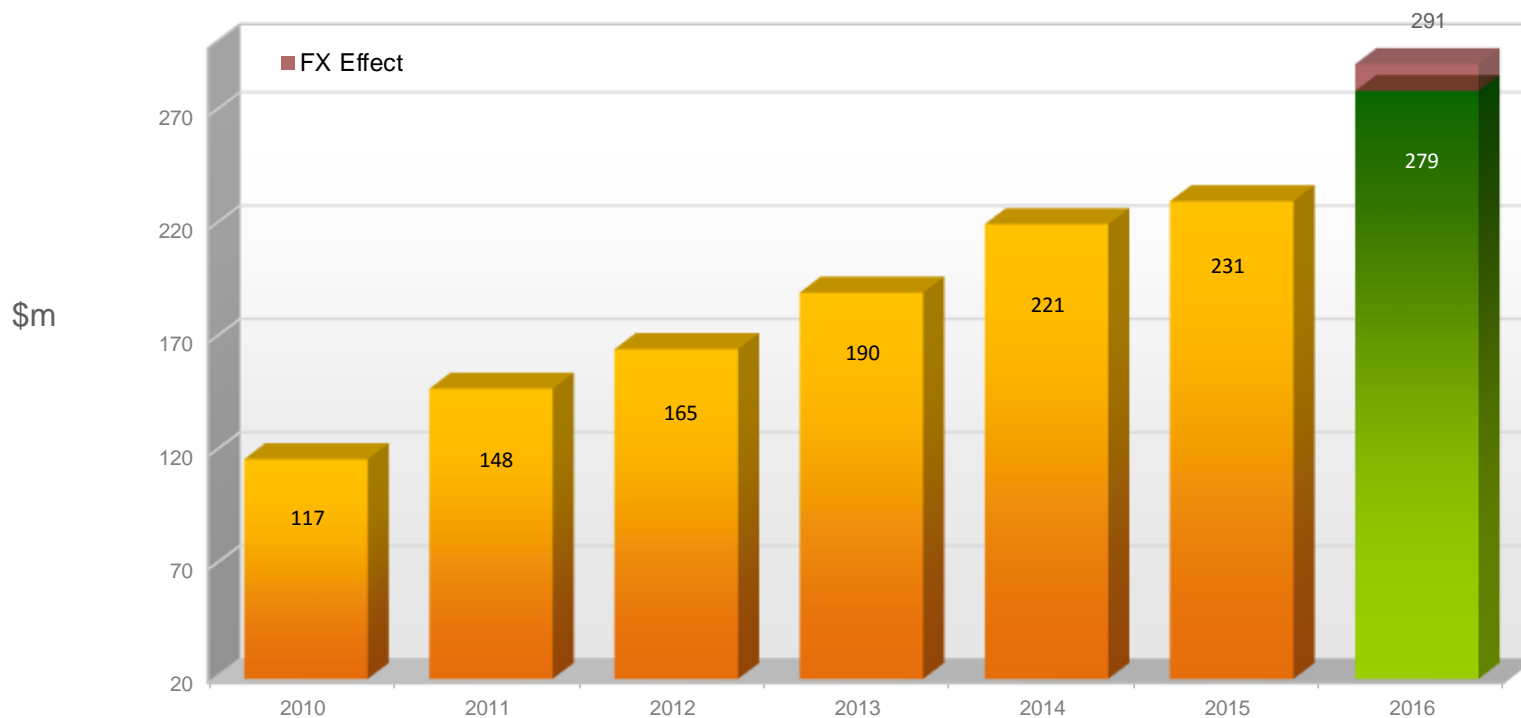
Revenue B2C 2010 – 2016 (\$m)



REVENUE CASINO B2C

- Revenue up **26%** to **\$291m** at constant currency, Reported Revenue up **21%** to **\$279m**
- Driven by strong CRM capabilities – key for success
- Healthy player acquisition (up **23%**)
- Expanded presence and content in regulated territories – a growth driver

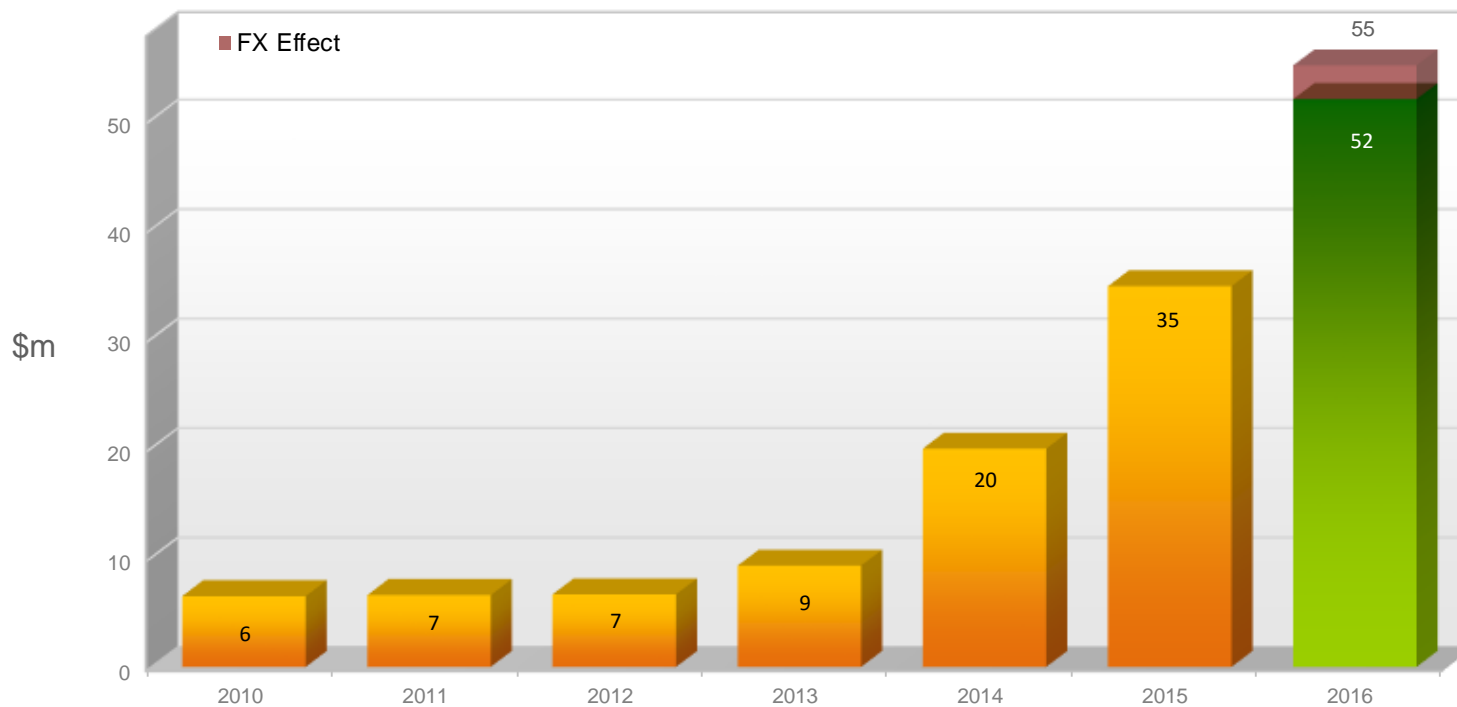
Revenue Casino B2C 2010 – 2016 (\$m)



REVENUE SPORT B2C

- Consistent growth, up **49%** to **\$52m** (2015: \$35m) – **58%** increase at constant currency
- Capitalising on successful Euro 2016 and substantial step-up in marketing investment
- New customer recruitment up **52%**

Revenue Sport B2C 2010 – 2016 (\$m)

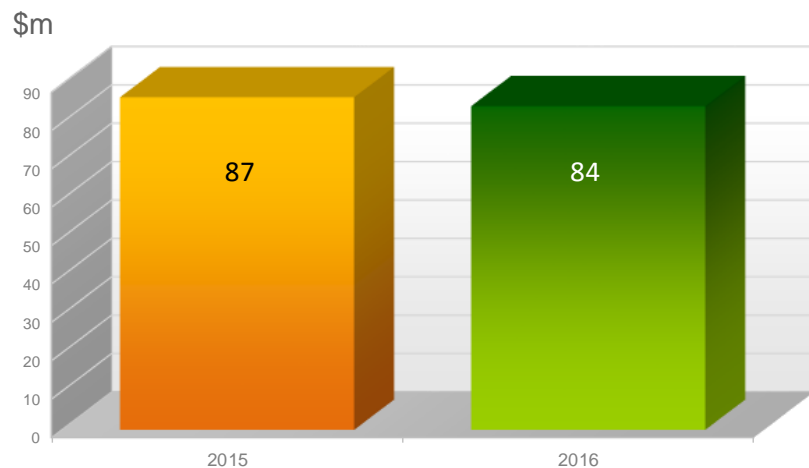


REVENUE POKER & BINGO B2C

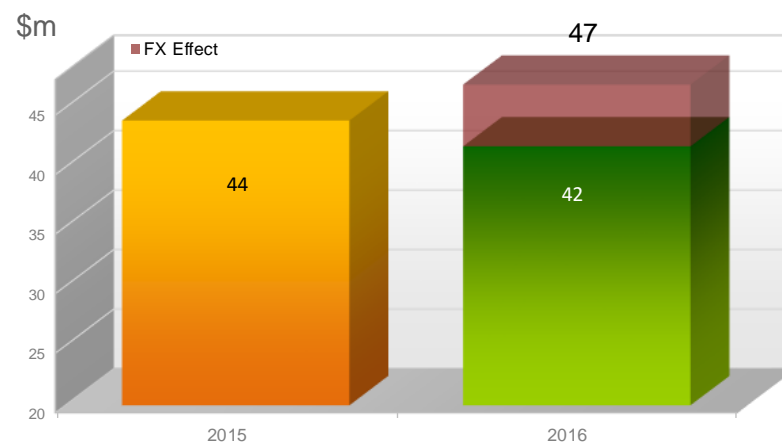
- Poker Revenue down 2.7% to **\$84m** (2015: \$87m) despite challenging market and adverse currency
- Stable Poker business performance, strong relative liquidity
- Bingo Revenue up **7%** at constant currency to **\$47m** (2015: \$44m)
- Bingo actives up **8%**

Revenue Poker & Bingo B2C 2016 vs. 2015 (\$m)

Poker



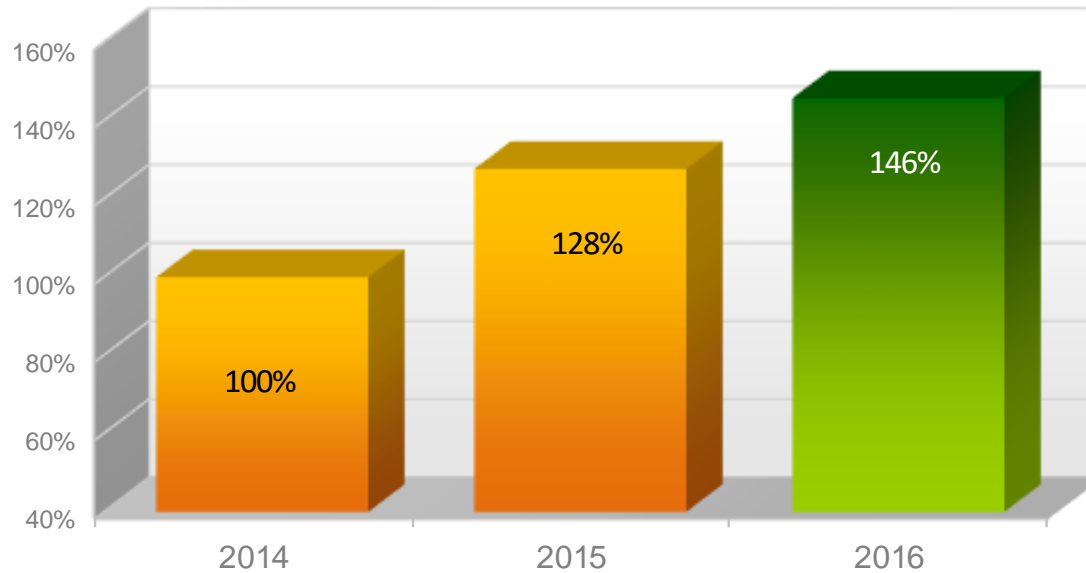
Bingo



ACQUISITION

- Continued traffic optimisation, only profitable acquisition channels pursued
- Increases lead by Sport and Casino

B2C First Time Depositors 2014 – 2016



* FY 2014 as base

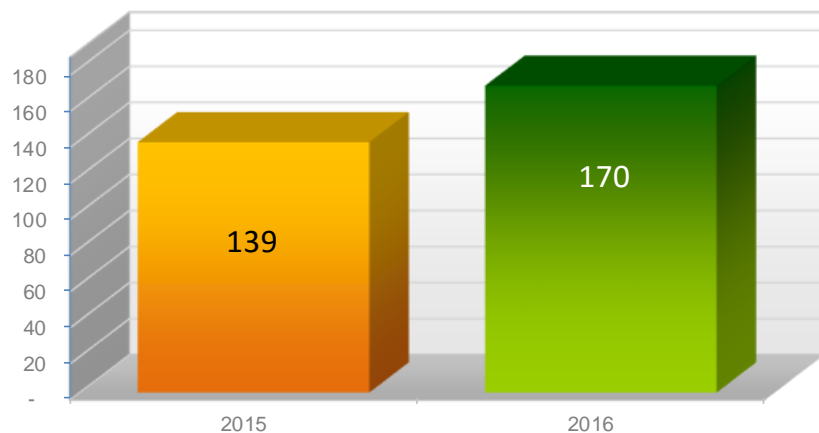
MARKETING COST

- Supporting strategic investment in Sport, Casino growth and regulated expansion
- Sport acquisition up **52%** with actives increase **49%**
- Casino acquisition up **23%** with actives increase **27%**
- Lower marketing cost ratio than H1 2016

Marketing Cost 2016 vs. 2015

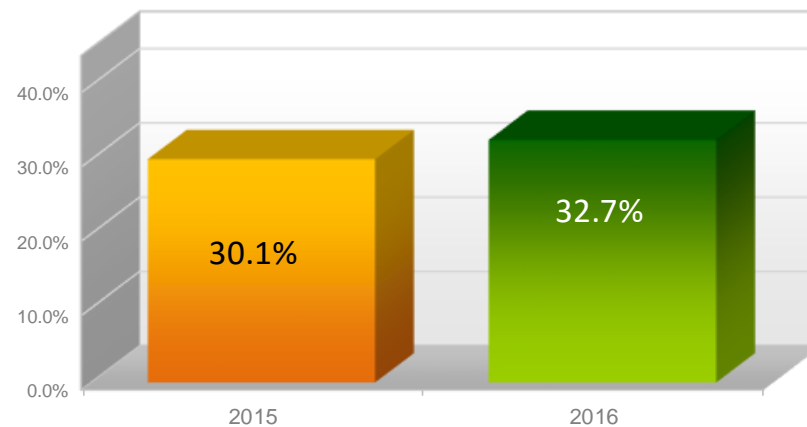
Marketing Costs

\$m



Marketing Costs % of Revenue

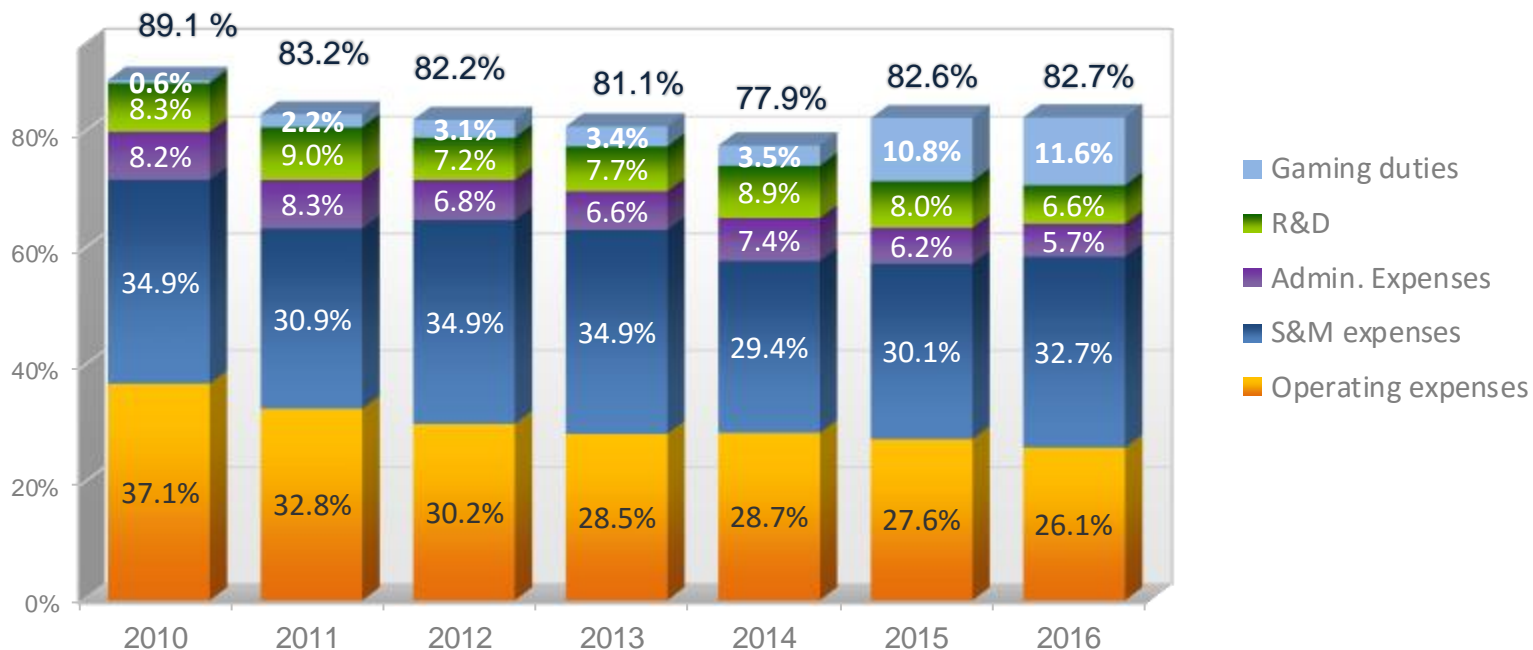
%



COST STRUCTURE

- Cost Revenue ratio at **83%** (2015: 83%)
- Increased cost ratio **only** in growth related components (Marketing and Gaming duties)
- Continued trend of lower operational and admin costs

Cost as a % of Total Revenue 2016 vs. 2015 *



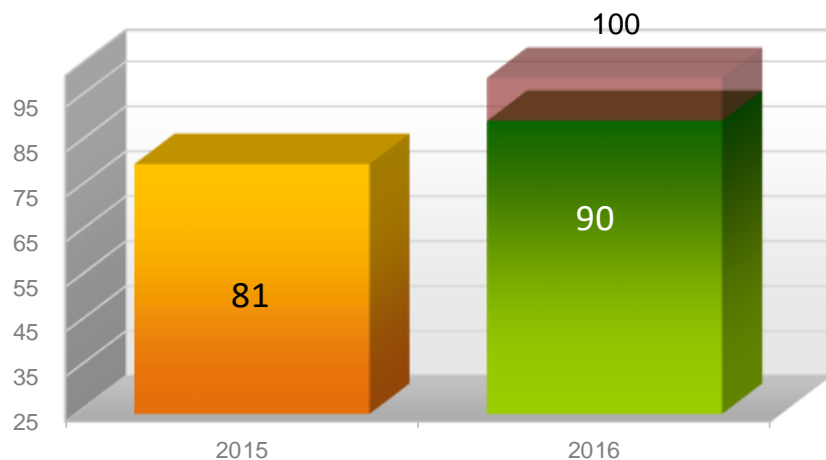
* Excluding share benefit charges, depreciation and amortisation, exceptional retroactive gaming duties and exceptional M&A costs

ADJUSTED EBITDA AND MARGIN

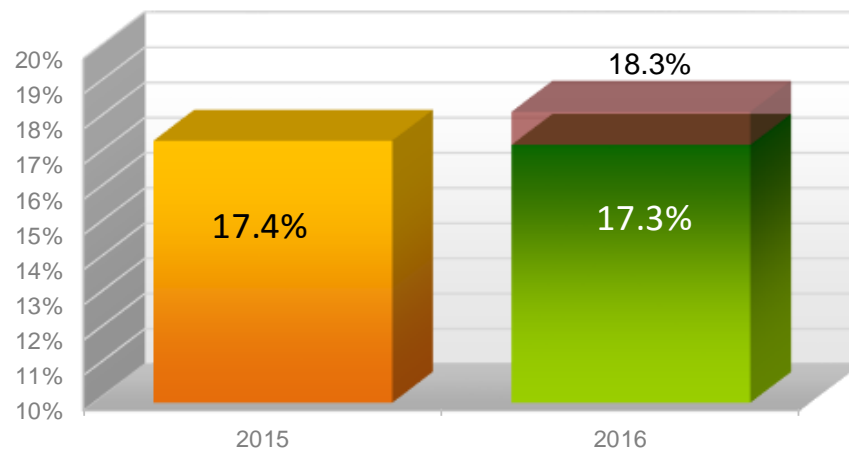
- Adjusted EBITDA¹ up **12%** to **\$90m** (2015: \$81m), up **24%** to **\$100m** at constant currency
- Newly introduced gaming duties and Sterling adverse impact
- Adjusted EBITDA¹ margin at constant currency **18.3%** (2015: 17.4%)

Adjusted EBITDA 2016 vs. 2015

\$m Adjusted EBITDA



% Adjusted EBITDA margin

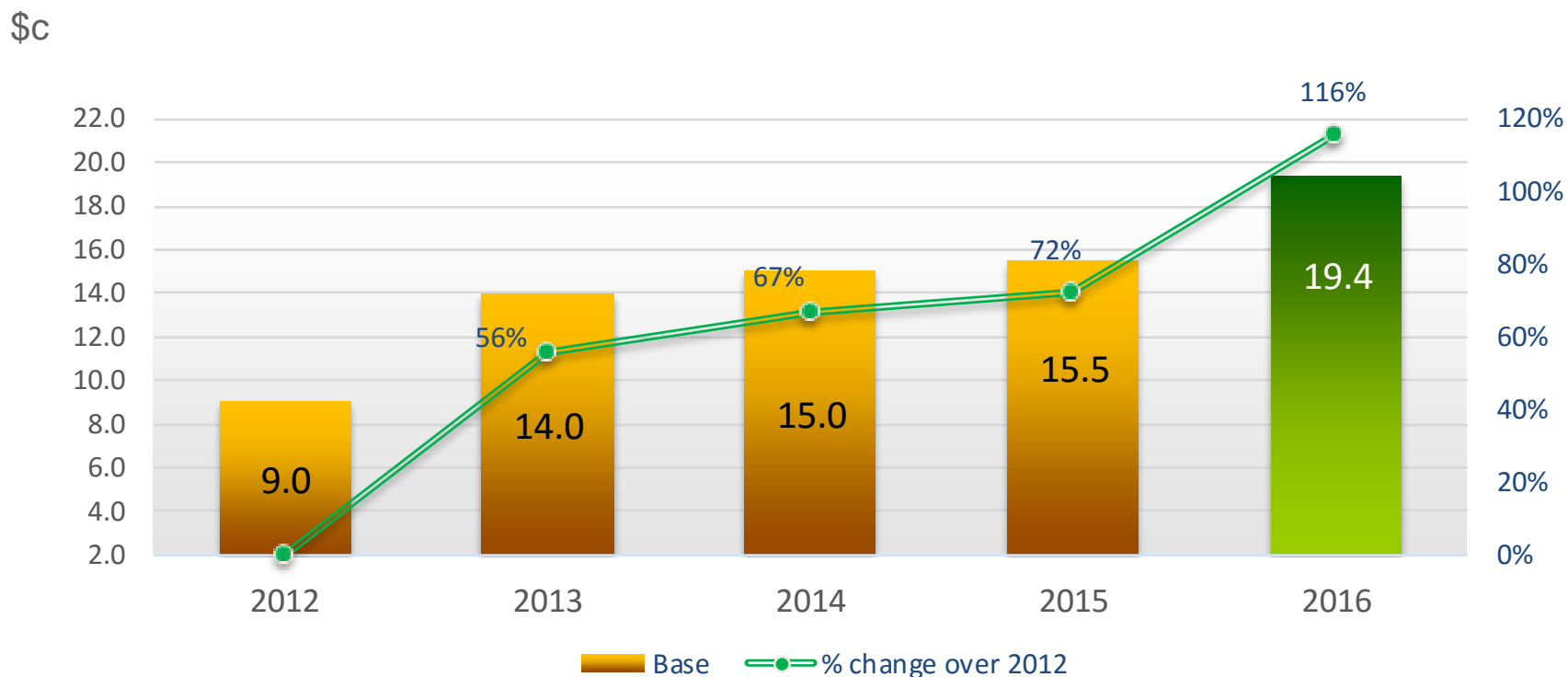


¹ As defined in 2016 Annual Report

DIVIDEND

- Total dividend for the year **19.4c** (2015: 15.5c)
- **8.9c** per share final dividend for the year (2015: 7.5c)
- **10.5c** per share special dividend for the year (2015: 8.0c)
- More than double 2012 dividend

Dividend Per Share (\$c) 2012 – 2016



BALANCE SHEET

\$m	31-Dec-16	31-Dec-15
Non-current assets		
Goodwill and other Intangible assets	158.6	157.3
Property, plant and equipment	9.1	11.2
Other non-current assets	1.8	2.0
Investments	1.5	1.6
	171.0	172.1
Current assets		
Cash and cash equivalents	172.6	178.6
Trade and other receivables	37.0	35.6
	380.6	386.3
Total Assets		
	380.6	386.3
Equity		
Share capital and share premium	6.5	5.5
Retained earnings and reserves	157.1	156.8
Total equity attributable to equity holders	163.6	162.2
Liabilities		
Current liabilities		
Trade and other payables	139.4	140.0
Customer deposits	75.7	82.4
Non-current liabilities		
Deffered tax liabilities	1.9	1.7
	380.6	386.3
Total equity and liabilities	380.6	386.3

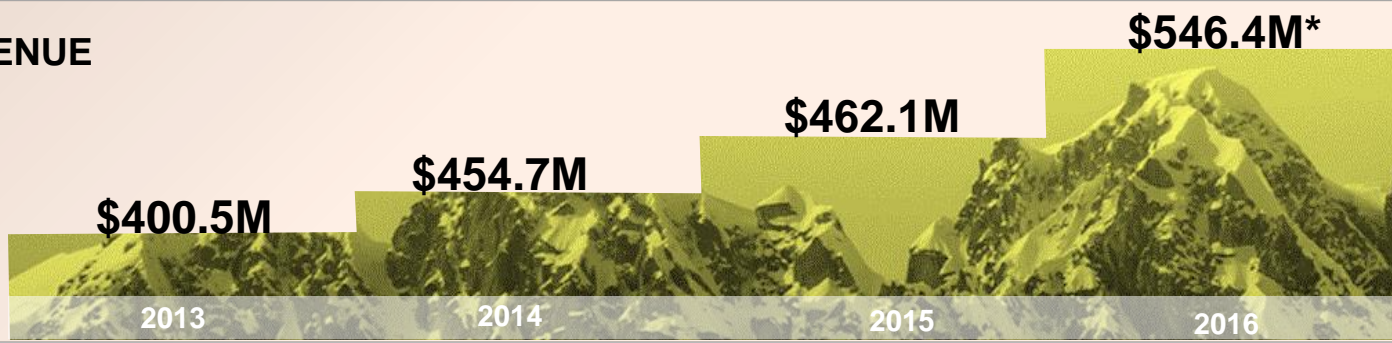
CASH FLOW STATEMENT

\$m Year Ended 31 December	2016	2015
Cash flows from operating activities		
Profit before income tax	59.2	32.5
Share benefit charges	6.7	4.1
Depreciation and amortisation	19.0	18.6
Change in current assets and liabilities	(7.3)	38.4
Other adjustments	(0.3)	(2.6)
Cash generated from operations	77.3	91.0
Income tax paid	(9.2)	(6.0)
Net cash generated from operating activities	68.1	85.0
Acquisition of property, plant and equipment	(6.3)	(4.6)
Internally generated intangible assets	(10.6)	(6.8)
Acquisition of intangible assets	(1.2)	(3.0)
Investment	0.0	(1.5)
Other investment activity	0.4	0.3
Net cash used in Investing Activities	(17.7)	(15.6)
Issue of shares	1.1	0.9
Dividends paid	(56.6)	(53.5)
Net increase/decrease in cash and cash equivalents	(5.2)	16.8
Cash and cash equivalents - beginning of the year	178.6	163.1
Effects of currency translation	(0.8)	(1.3)
Cash and cash equivalents - end of the year	172.6	178.6

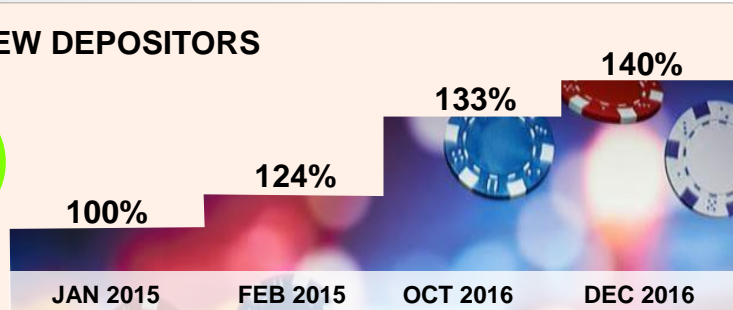


ITAI FRIEBERGER, CEO | OPERATIONAL REVIEW

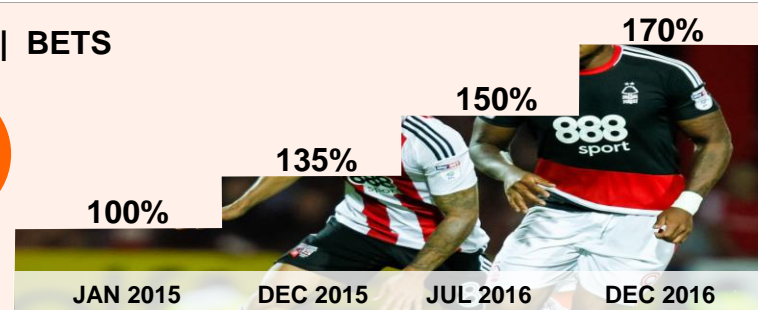
TOTAL | GROUP REVENUE



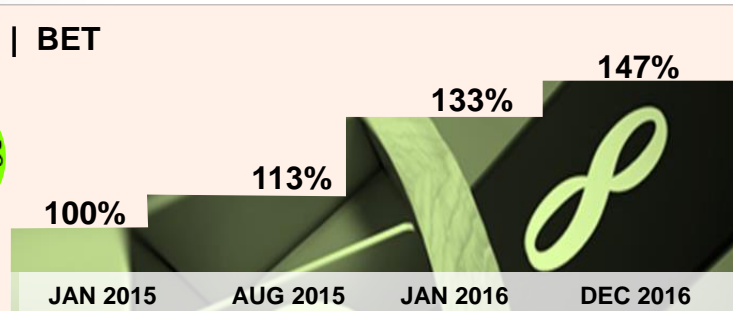
B2C | NEW DEPOSITORS



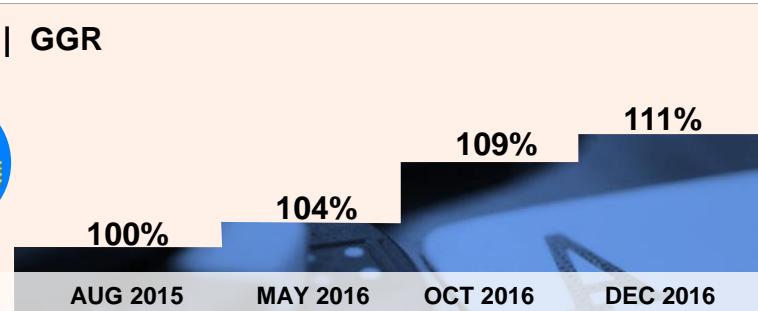
SPORT | BETS



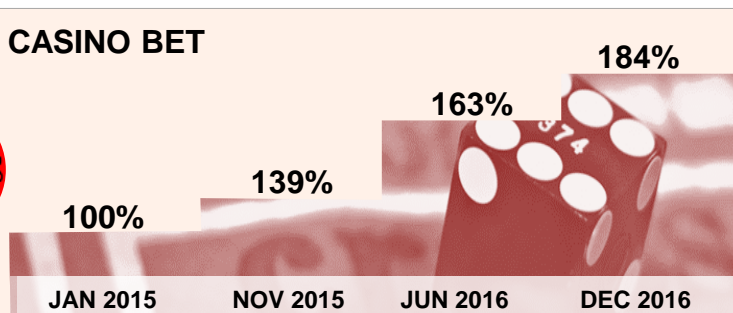
CASINO | BET



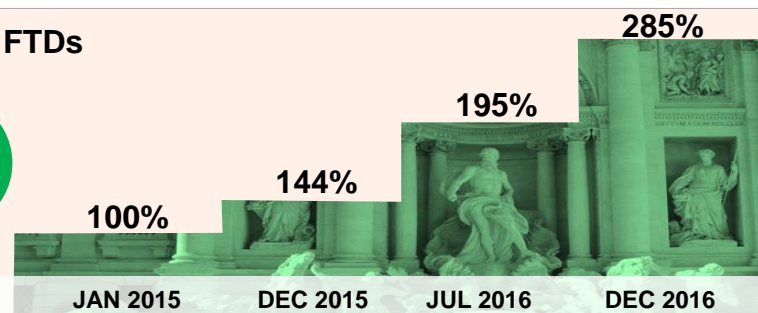
POKER | GGR



SPAIN | CASINO BET



ITALY | FTDs



* Revenue at constant currency

INDUSTRY IN TRANSITION



DELIVERING ON OUR FIVE YEAR PLAN

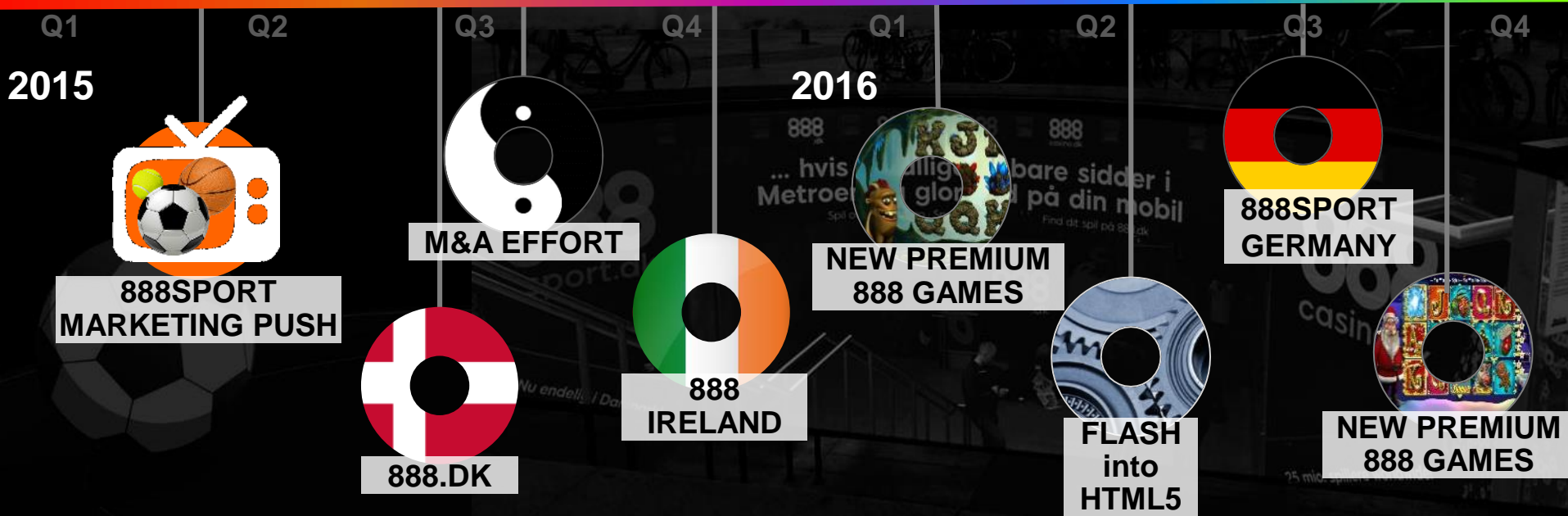
- **Establish 888 as a multi-market and multi-product operator**
- Create and grow a Sport vertical
- Drive regulated growth
- Invest in our back office/CRM capabilities
- Develop a leading mobile proposition

MULTI FACET OPERATOR

- Multi marketing channel (acquisition and CRM)
- Multi line of business (B2C/B)
- Multi platform
- Multi product
- Multi market



24 MONTH DELIVERY



OUR MODE OF OPERATION

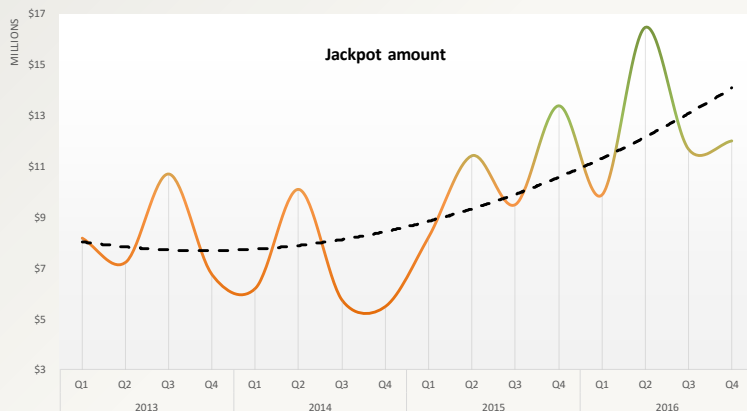
- Getting to critical mass
- Grabbing market share
- Then driving ROI/RTC



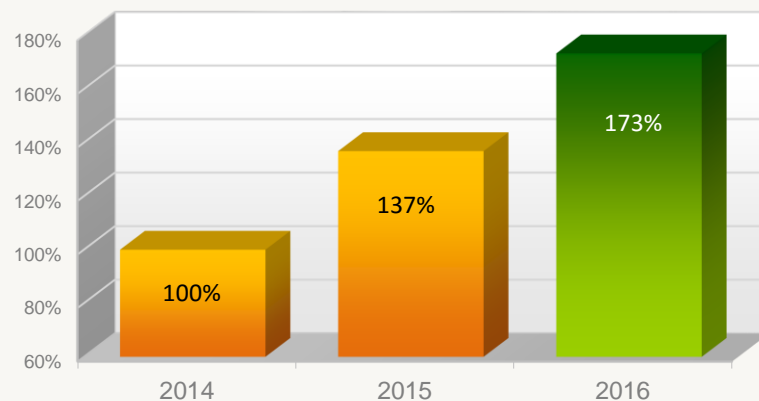
CASINO ENGINE

- Unique internally developed content is offered alongside other well known content
- More than **\$50m** of Jackpots awarded in 2016
- Constantly increasing actives and deposits, utilising our CRM advantage

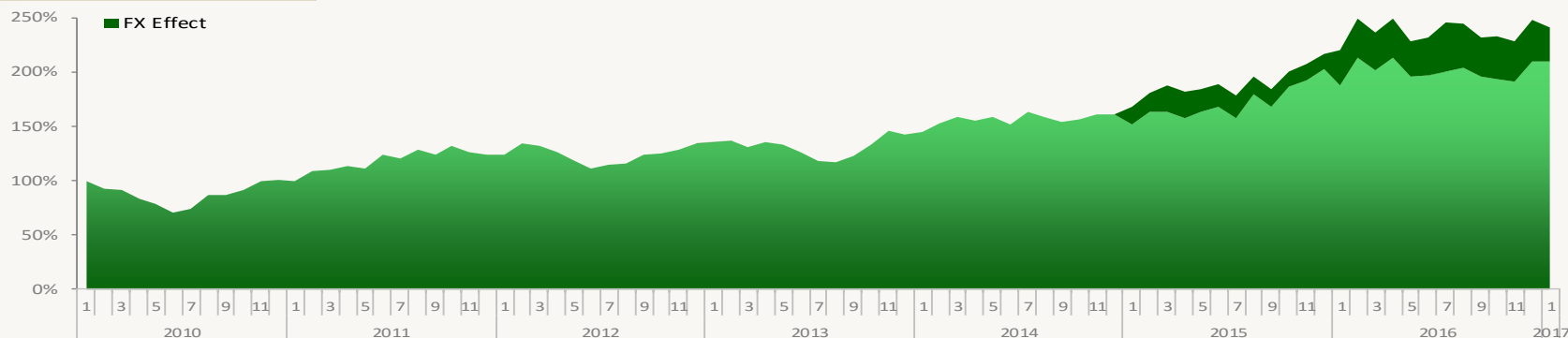
MORE BIG PRIZES



CASINO ACTIVES GROWTH

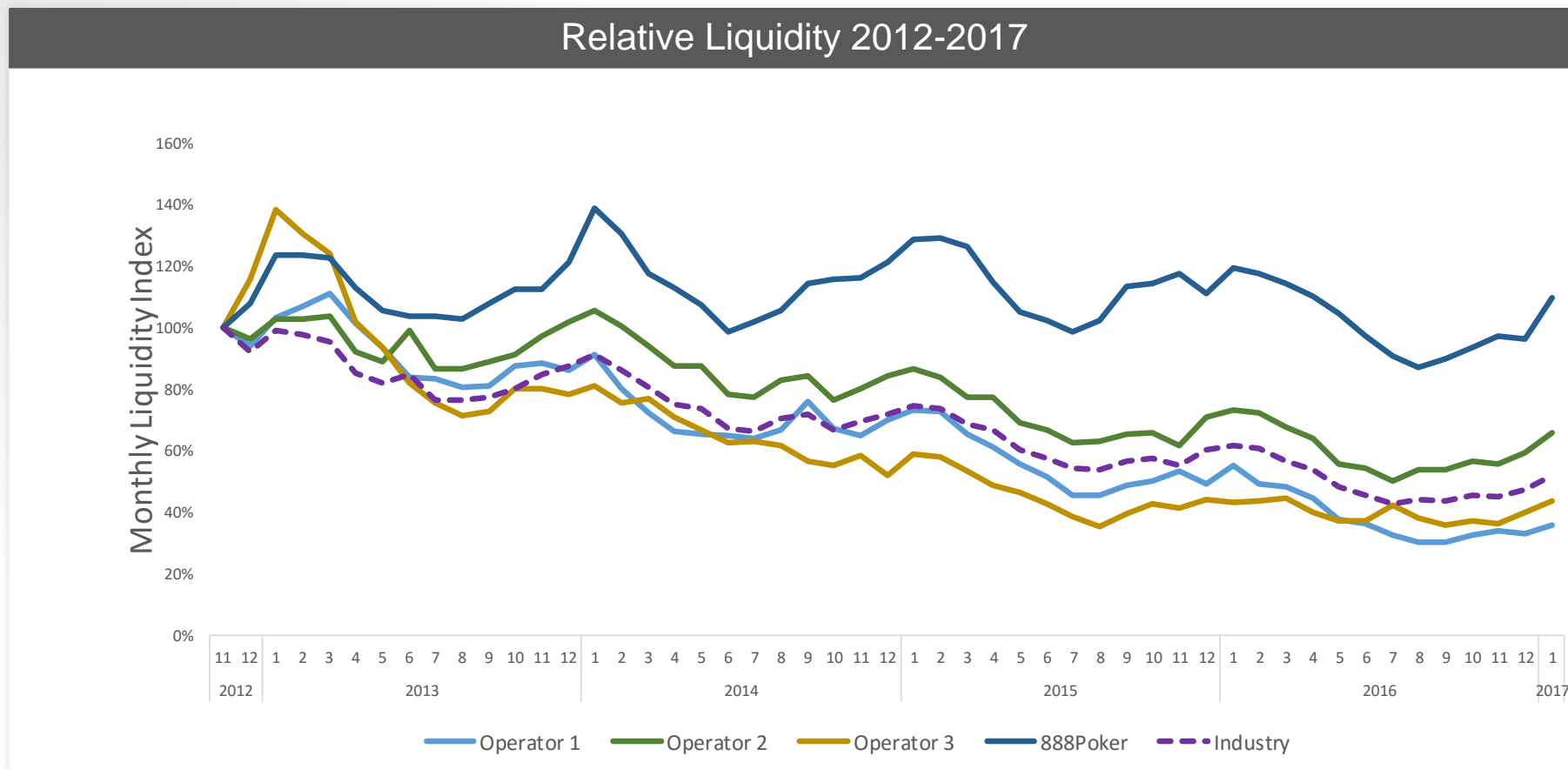


INCREASING DEPOSITS



POKER LIQUIDITY

- Significant and long term industry outperformance

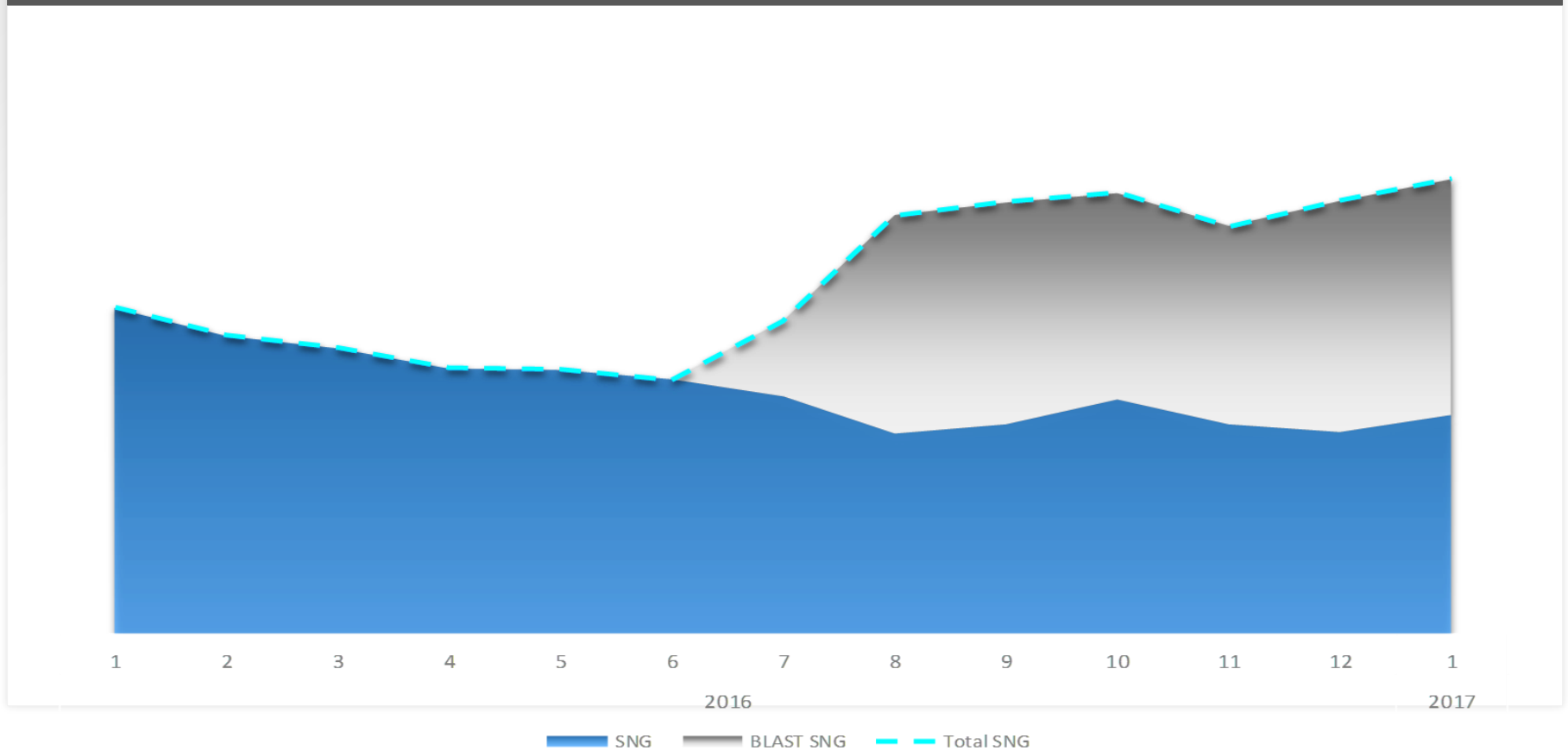


* Source Pokerscout.com Jan 2017

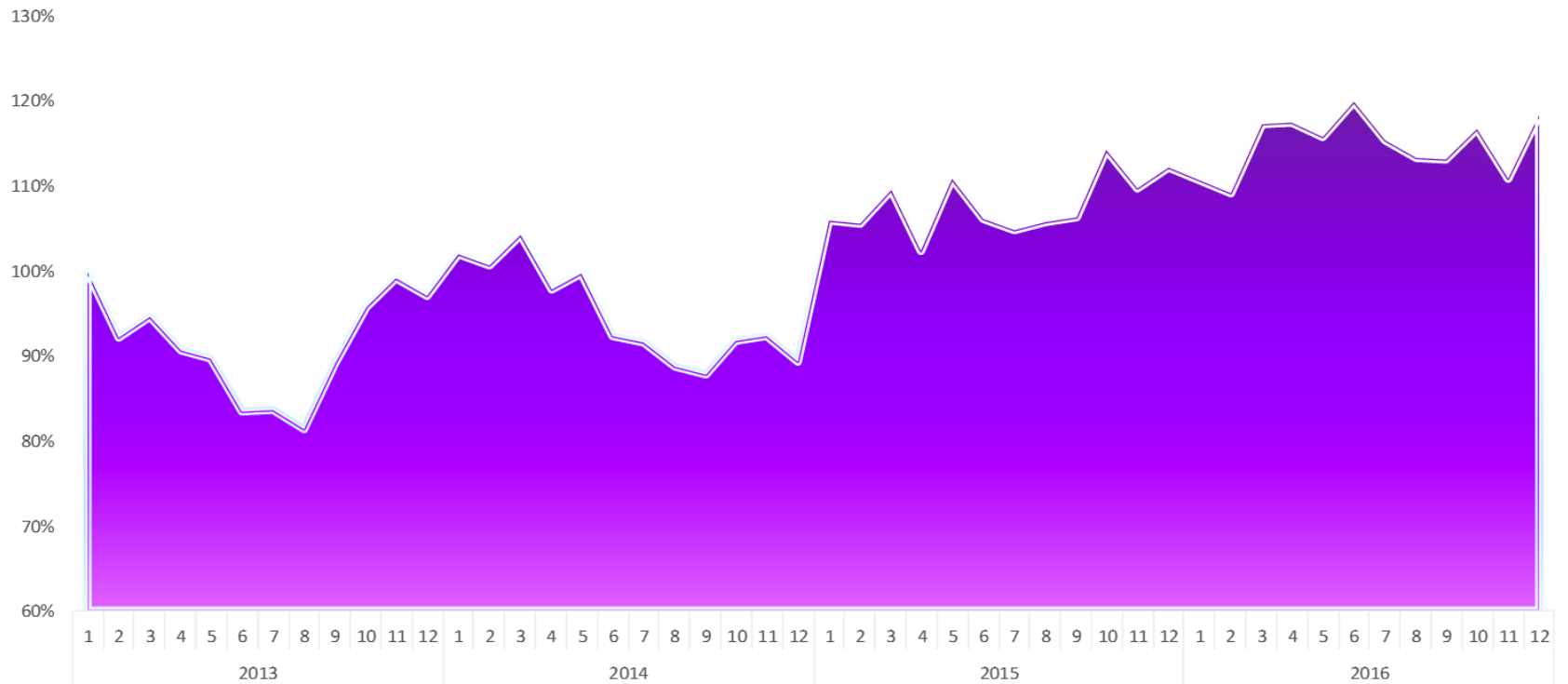
BLAST – NEXT GENERATION POKER

- Successful introduction of Blast Sit & Go game during H2 2016
- Immediate uptake by players, increasing Sit & Go volume with minimal cannibalisation
- Recently launched in Spain, additional markets to follow

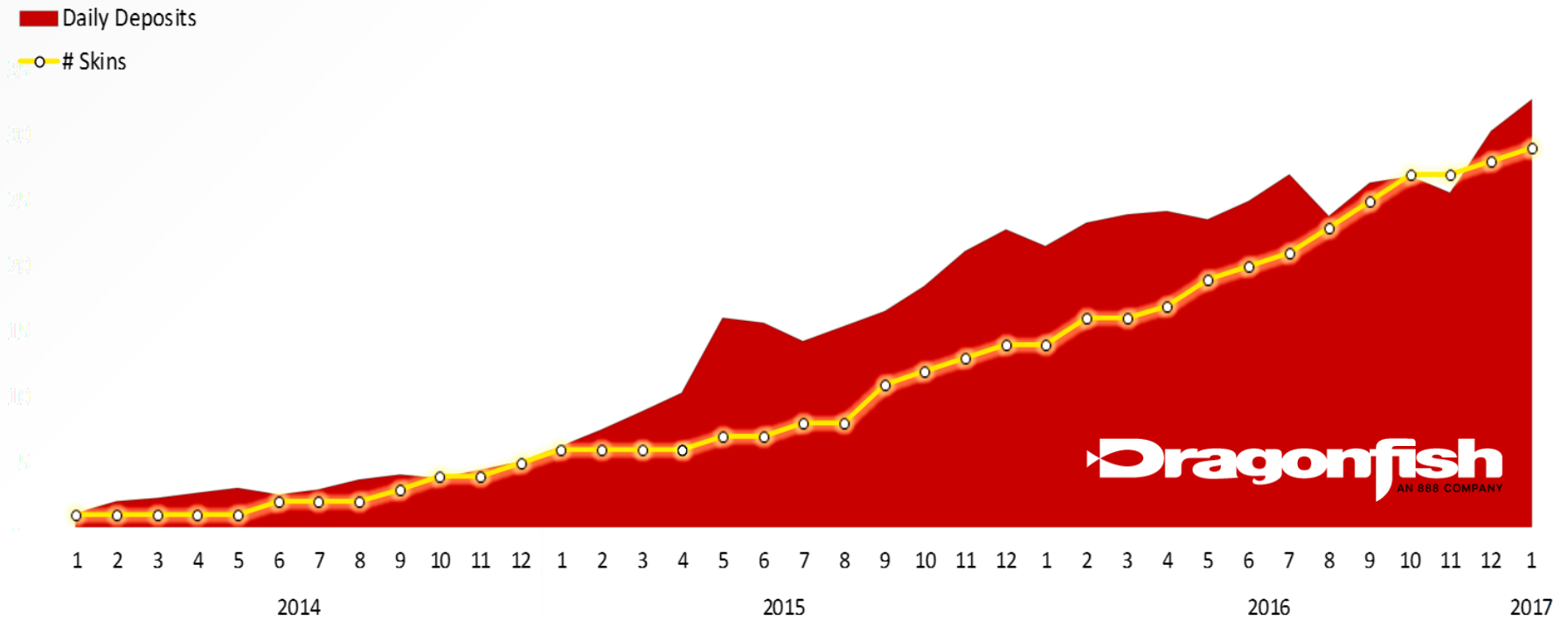
Introduction of BLAST – Sit & Go Fee Split (\$)



Bingo Actives Trend 2013 – 2016



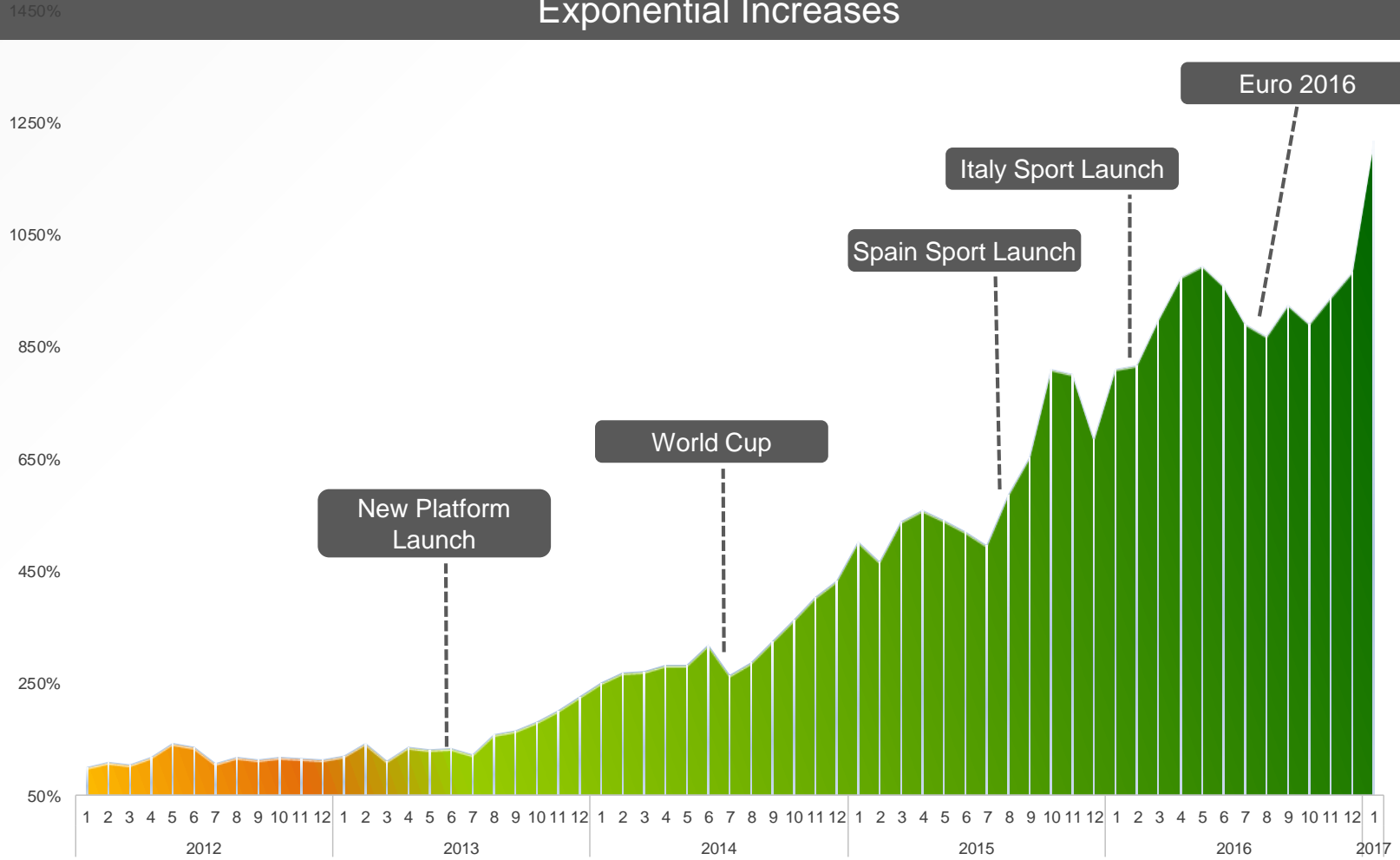
Gaining Traction



DELIVERING ON OUR FIVE YEAR PLAN

- ✔ Establish 888 as a multi-market and multi-product operator
- **Create and grow a Sport vertical**
- Drive regulated growth
- Invest in our back office/CRM capabilities
- Develop a leading mobile proposition

Exponential Increases



Based on average daily Bets

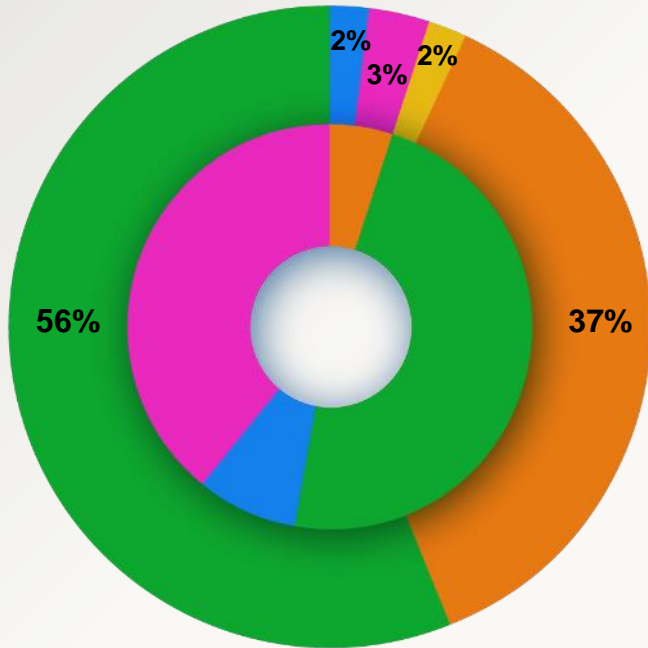
DELIVERING ON OUR FIVE YEAR PLAN

- ✓ Establish 888 as a multi-market and multi-product operator
- ✓ Create and grow a sport vertical
- **Drive regulated growth**
- Invest in our back office/CRM capabilities
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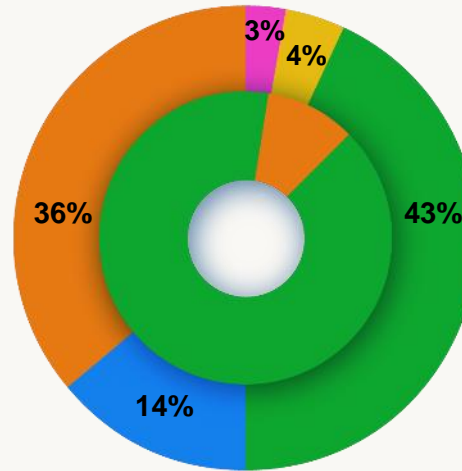
REGULATED MARKETS PENETRATION *

CASINO POKER SPORT BINGO OTHER

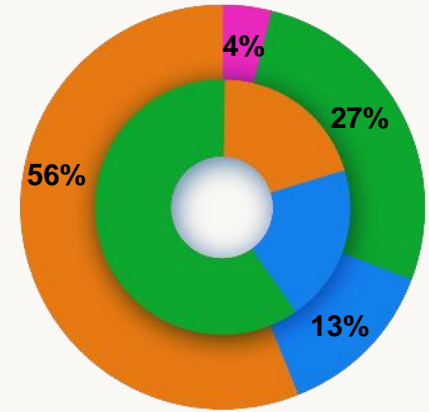
UK 5B GBP



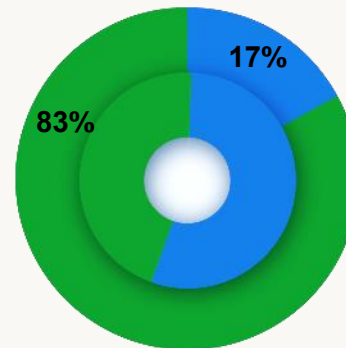
ITALY 1B EUR



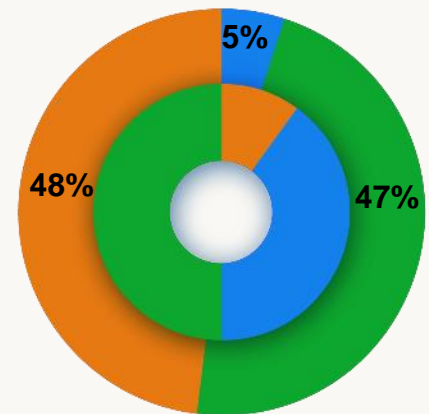
SPAIN 430M EUR



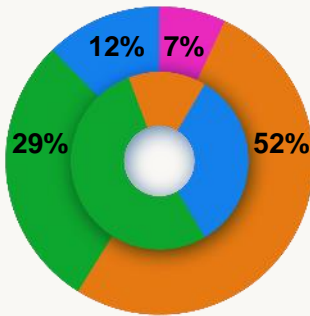
US 210M USD



DENMARK 3B DKK



ROMANIA ~85M EUR



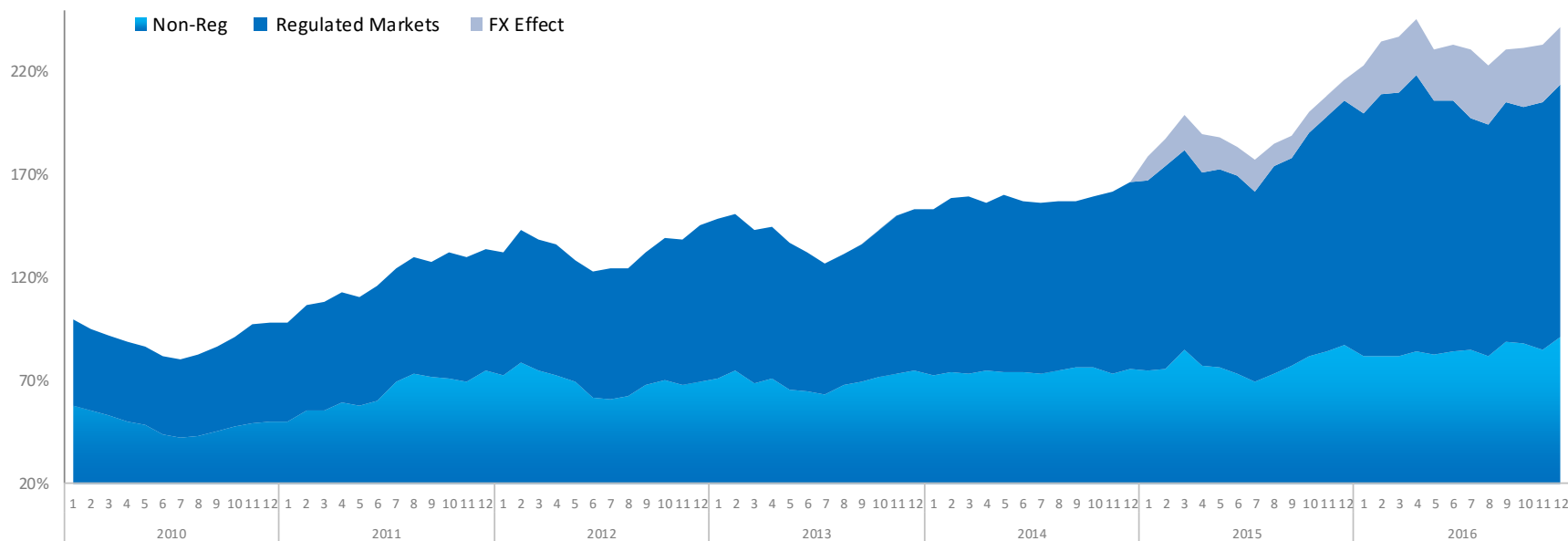
* Outer circle represent the market, inner circle represent 888

* Data per latest known publication, in Romania according to H2 Gambling Compliance and ONJN Sep 2016 publication normalised for FY

* In UK we use reported GGY for Apr15-Mar16

REGULATED VS. .COM DEPOSIT TRENDS

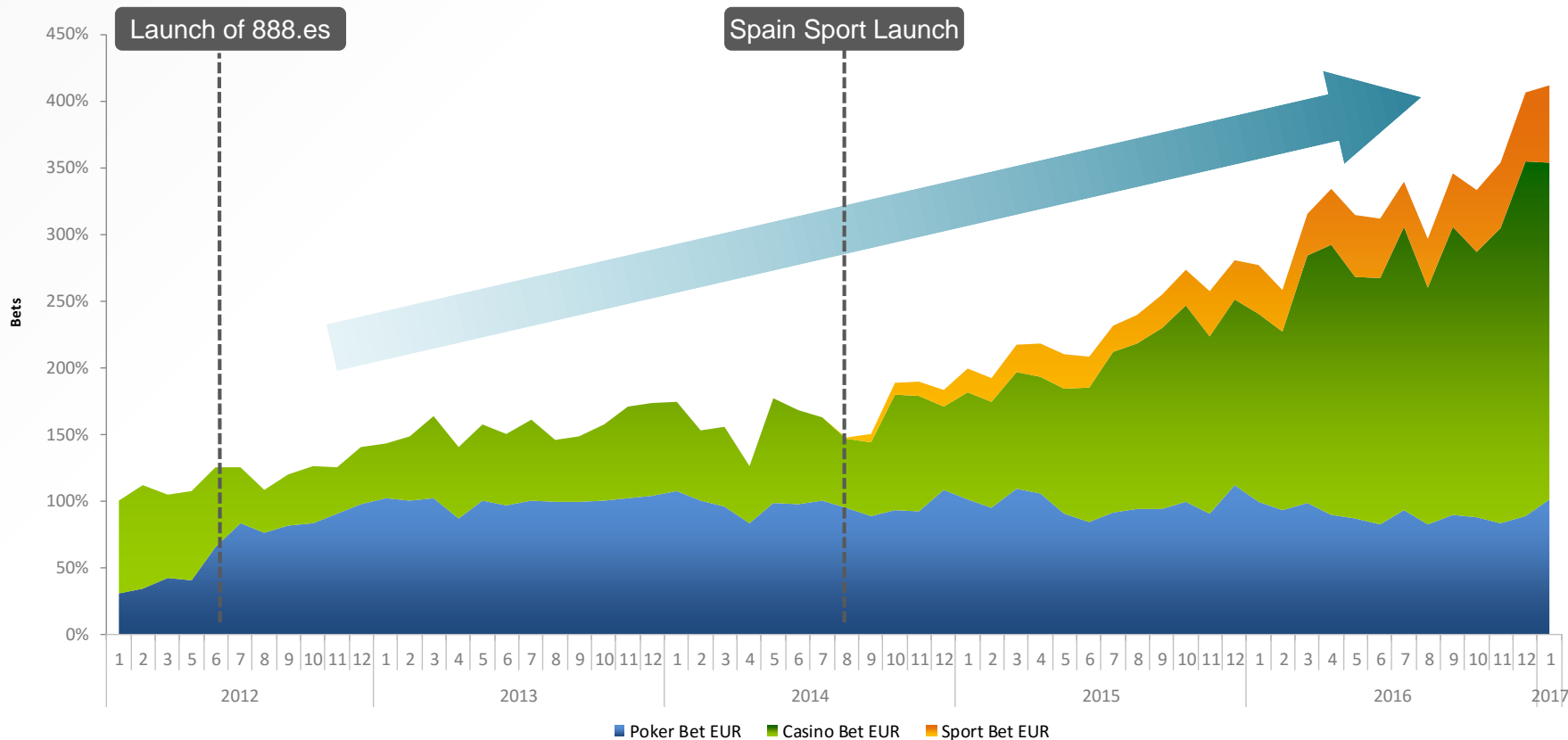
B2C Deposit Trend



* FX translate Jan 2015 – Jan 2017 Deposits at average 2014 rates

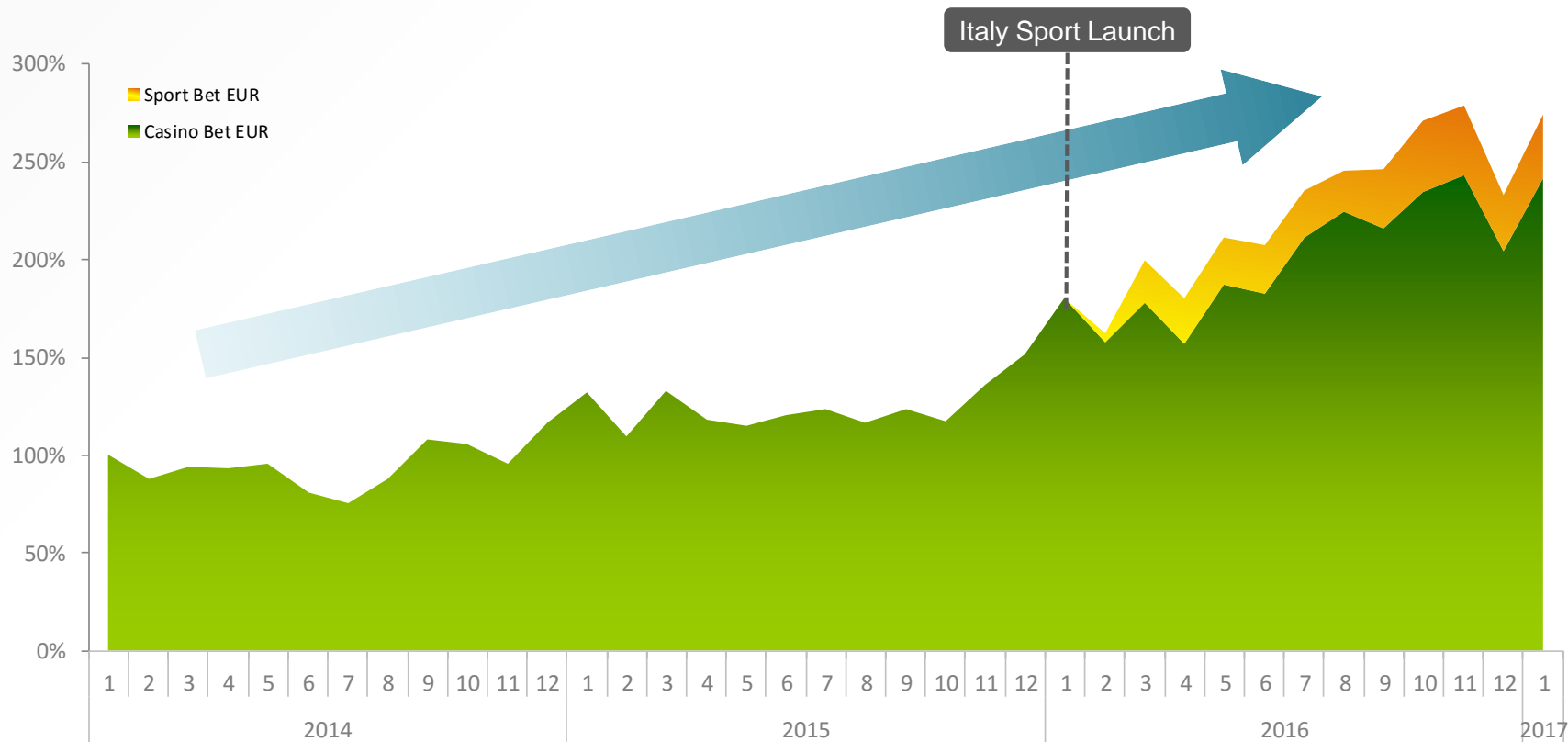
888.ES BET TREND (Euro Based)

Revenue Growth Fueled by Enhanced Offerings and Content



888.It BET TREND (Euro Based)

Revenue Growth Fueled by Enhanced Offerings and Content



DELIVERING ON OUR FIVE YEAR PLAN

- ✔ Establish 888 as a multi-market and multi-product operator
- ✔ Create and grow a Sport vertical
- ✔ Drive regulated growth
- ✔ Invest in our back office/CRM capabilities
- ✔ Develop a leading mobile proposition

BUILDING ON OUR 2016

- 888 is now a leading multi-market and multi-product operator
- Maintain our unique technology edge to support continued strong organic growth – our #1 priority
- Build on our proven regulated markets success
- Sport remains our blue ocean

SUMMARY & OUTLOOK

- Positive trends across a healthy, diversified business
- Outstanding operational momentum
- Continued investment in platform and content is paying off (again)
- Increased dividend payments
- Adapt to existing regulation together with new regulated markets
- Confident of continued growth
- US – maintaining our pole position
- Potential scope for M&A
- Robust current trading