

betsson ab



Q2 2022

Presentation of results

# OUTLINE

- Highlights
- Progress during the quarter
- Financials
- Trading update
- Regulatory update
- Summary
- Q&A



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Betsson AB



Martin Öhman  
CFO, Betsson AB



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CEO, Betsson Operations

# Q2 2022 KEY FIGURES

  
REVENUE  
**MEUR 186**  
+8% YoY  
+13% organic

EBIT  
**MEUR 29**  
-23% YoY  
+21% organic

EBIT  
MARGIN  
**15.7%**

NET DEBT  
**MEUR -20**

ACTIVE  
CUSTOMERS  
**1 246 719**  
+21% YoY

SPORTSBOOK  
TURNOVER  
**+20%**  
YoY

  
SPORTSBOOK  
REVENUE  
**+22%**  
YoY



  
CASINO  
TURNOVER  
**+11%**  
YoY

CASINO  
REVENUE  
**+1%**  
YoY

# EXISTING MARKETS - SOME ACTIVITIES

EXISTING MARKETS	NEW MARKETS	B2B	M&A
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ITALY: renewed sponsorship with AC Milan



Added 3 new Serie A clubs: Roma, Sassuolo and Torino



SWEDEN: developed native mobile app for Jalla Casino



GEORGIA: adapted product and commercial strategy due to new regulations. Solid performance in the quarter



GERMANY: updated market strategy due to regulatory conditions

# NEW MARKETS - SOME ACTIVITIES

EXISTING MARKETS

NEW MARKETS

B2B

M&A



## CROATIA:

- New TV commercials
- Rizk is top 3 brand



## GREECE:

- Super League 2
- World Rally Championship Akropolis



## LATAM:



Official regional sponsor for AC Milan



Official sponsor of CONMEBOL Copa Femenina 2022



ARGENTINA: Córdoba province tender for online gambling licences. Betsson to apply

# US LAUNCH IN COLORADO



Continued focus on fine-tuning the product post-launch in Colorado



Increased ownership in Strive from 35% to 40% (US-specific PAM supporting Betsson's market entry)



Participating in several RFPs and other processes for the B2B offering



# PRODUCT & TECHNOLOGY DEVELOPMENT

- Cloud migration and native app development
- Broadened sportsbook offering in motorsports, table tennis and esports
- Strengthened live casino offering in Italy
- Expanded casino offering in Greece



# INDUSTRY AWARDS IN THE QUARTER



## International Gaming Awards 2022

- Safer Gambling Operator
- Great Place to Work



the BALTIC and SCANDINAVIAN  
Gaming Awards

## Baltic and Scandinavian Gaming Awards

- Best Sports Betting Operator in the Baltics (Betsafe)
- Best Sports Betting Operator in the Nordics (Betsson)



## EGR Marketing & Innovation Awards

- Best Native App



## Affpapa iGaming Awards

- Affiliate Program of the Year



# RESPONSIBLE GAMING KPIs



**85,943**  
interactions with  
customers



**12.9 %**  
of customers use  
non-mandatory  
RG tools



**1.1%**  
of customer  
service contacts  
raised red flags

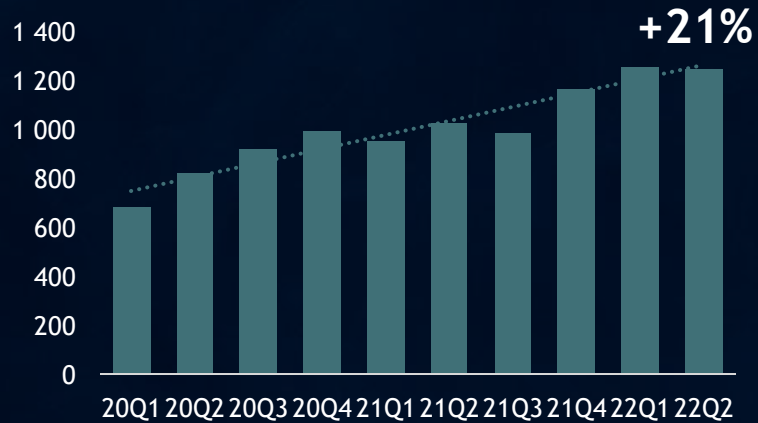


**36.7 %**  
of NDCs set a  
deposit limit

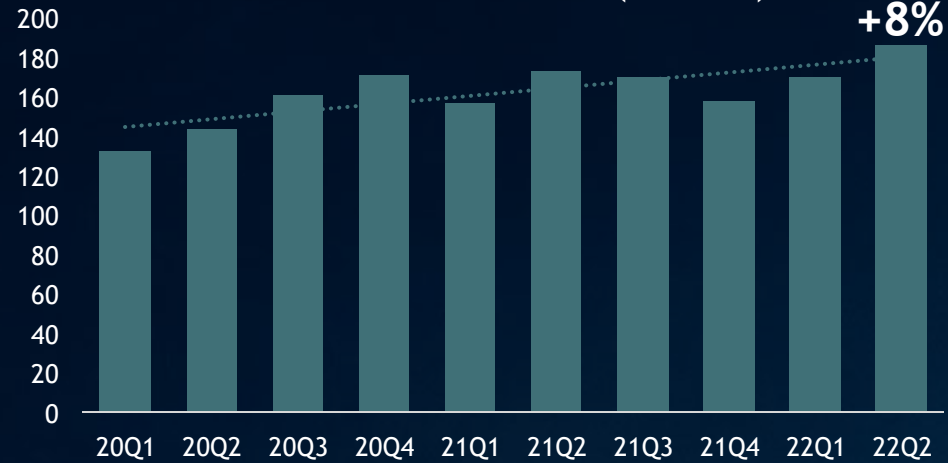


# DEVELOPMENT AND KPIs

## Active customers (000s)

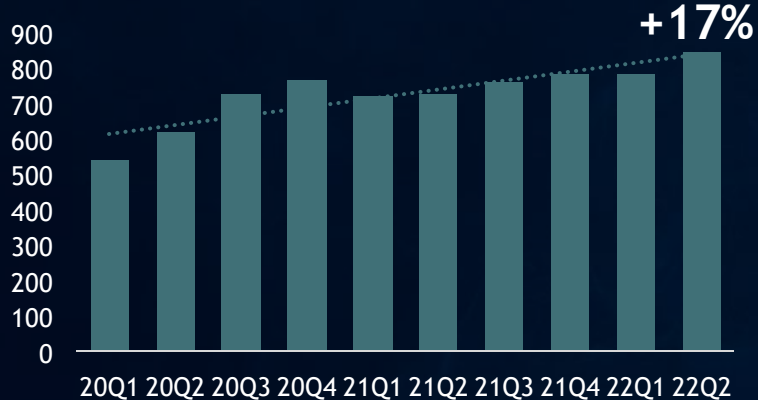


## Revenue (MEUR)



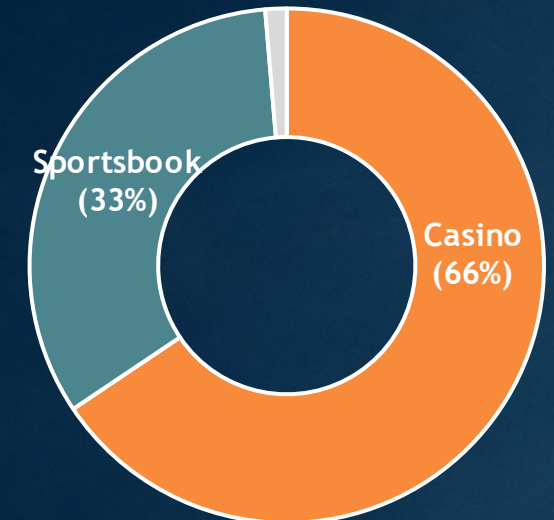
**ATH revenue of  
MEUR 186.3  
+13% organic  
YoY**

## Customer deposits (MEUR)

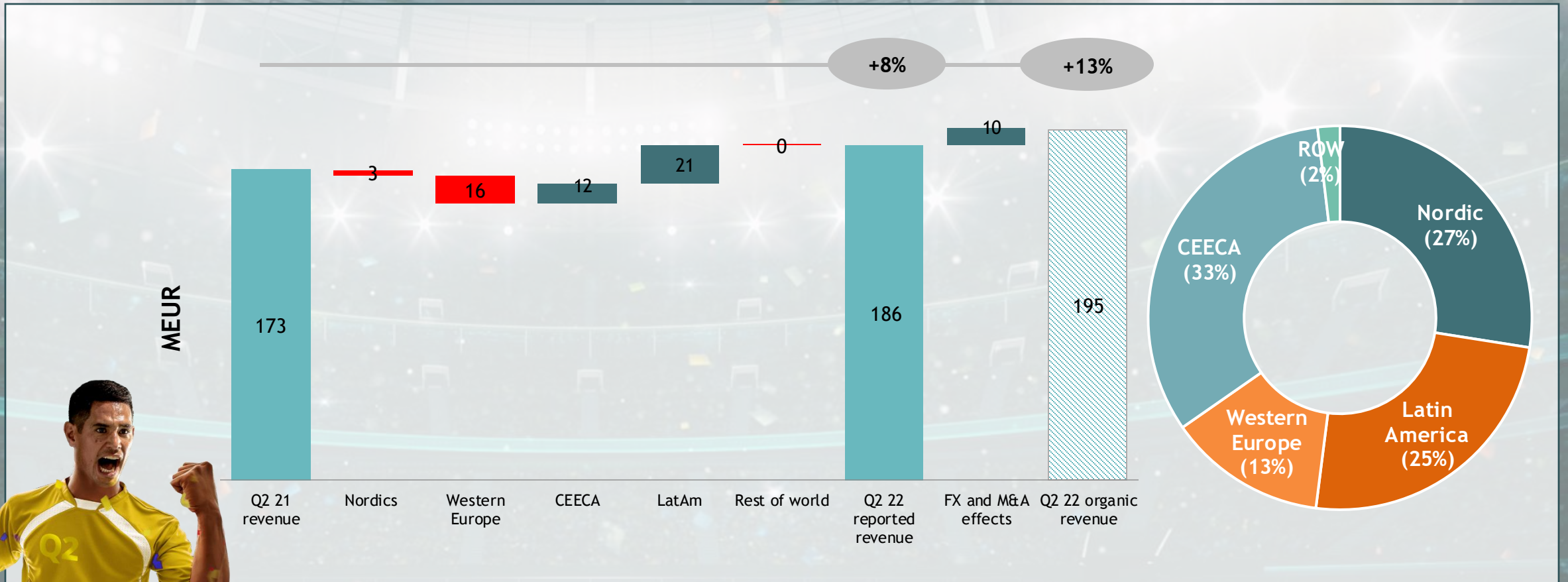


<b>Sportsbook turnover</b>	<b>+20%</b>
<b>Sportsbook margin</b>	<b>8.3% (8.5%)</b>
<b>Sportsbook revenue</b>	<b>+22%</b>

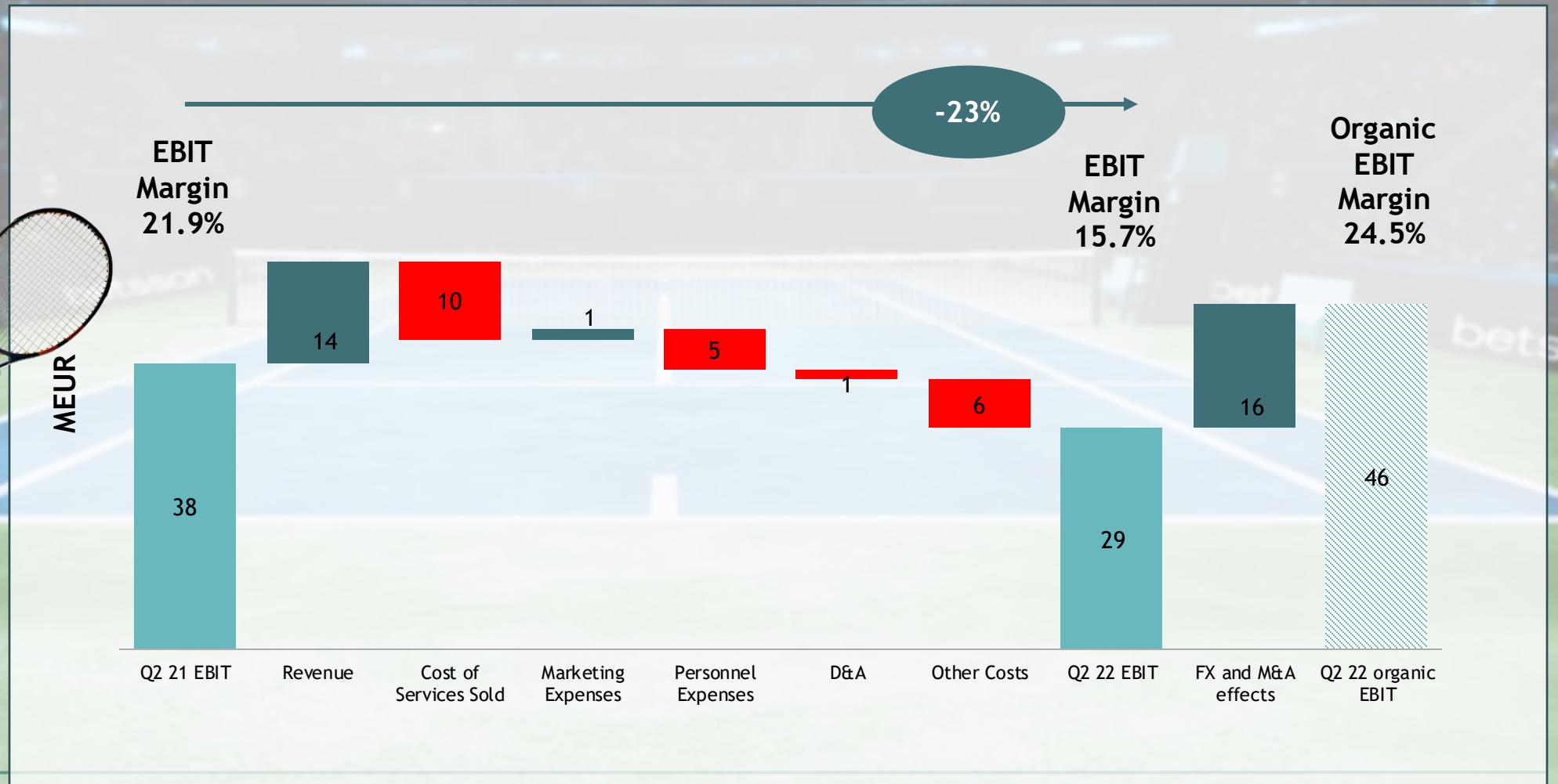
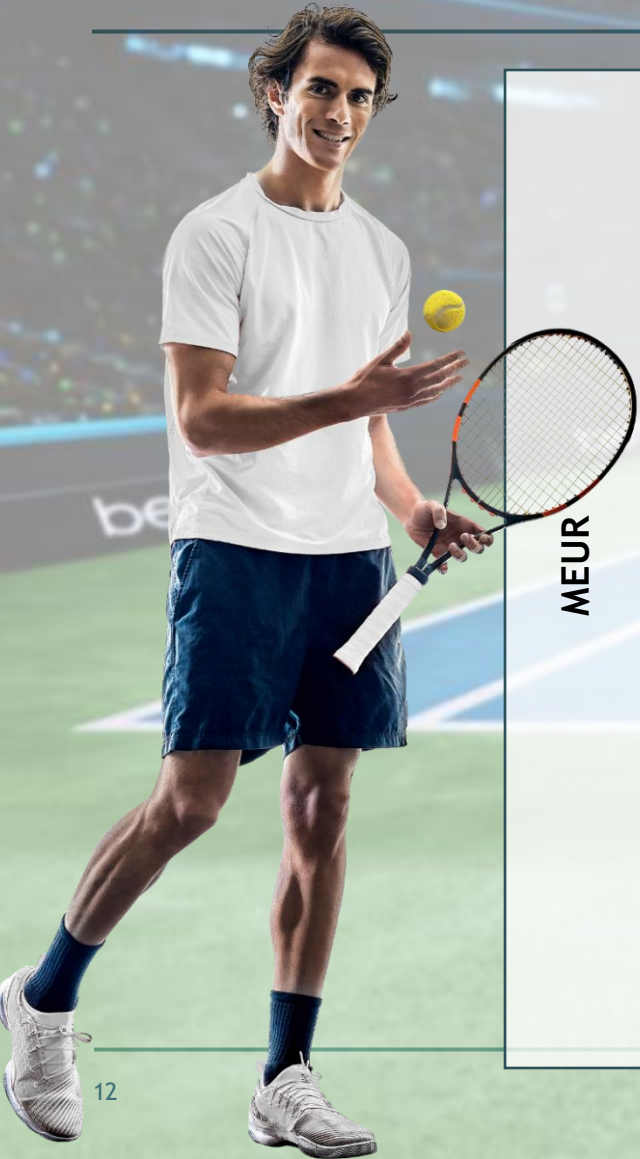
<b>Casino turnover</b>	<b>+11%</b>
<b>Casino revenue</b>	<b>+1%</b>



# REVENUE DEVELOPMENT BY REGION



# EBIT DEVELOPMENT YOY



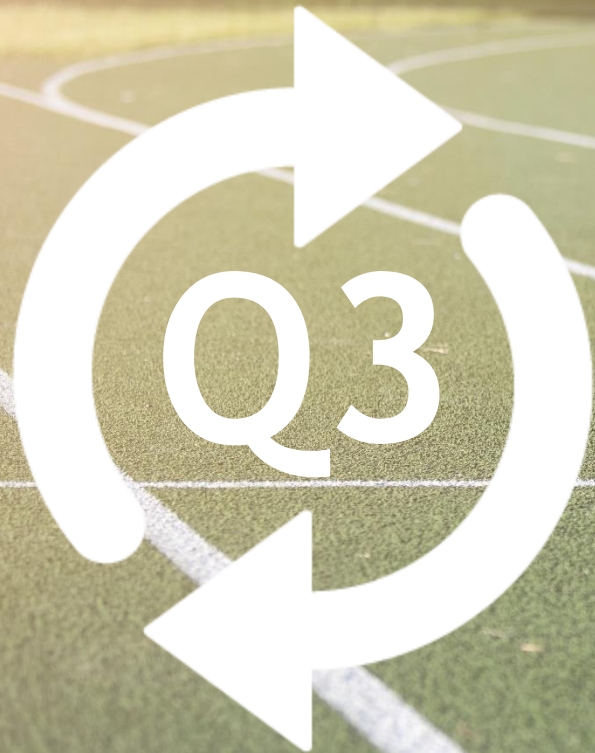
# CASH FLOW & FINANCIAL POSITION

- Operating cash flow
  - Low net working capital impact. Last year's Q2 was boosted by positive NWC change due to collection of a VAT receivable
- Investments
  - Investments in own development and earn-out payment for Inkabet
- Financing activities
  - Bond issue and first of two dividends paid
- Net debt MEUR -20 (15)
  - Net debt/EBITDA -0.1 (0.1)
- Equity/assets ratio 65% (62%)

MEUR	Q2 2022	Q2 2021
Operating cash flow	37.8	56.3
Cash flow from investing activities	-14.8	-19.6
Cash flow from financing activities	-4.4	-57.2
<b>Cash flow for the period</b>	<b>18.6</b>	<b>-20.5</b>
Cash and cash equivalents, end of period	130.7	89.2



# Q3 2022 TRADING UPDATE\*



Average daily revenue until 17 July was **9.4%** higher than the average daily revenue of the full Q3 2021

The average organic daily revenue was **21.0%** higher than the average daily revenue of the full Q3 2021

During this period, the sportsbook margin has been somewhat **higher** than the historical average

\* This trading update is an indication of how the third quarter has started, however it is not a revenue forecast

# REGULATORY UPDATE

## NORWAY



The implementation of the C&D order has been deferred until the complaint is finally decided by administrative bodies.

## PERU



New online gambling legislation recently approved by the parliament. GGR tax of 12%.

## SWEDEN



Government recently proposed measures to improve channelisation, including B2B licenses, prohibition of promotion of illegal gambling and new requirements for moderate marketing.

## ARGENTINA



Province of Cordoba set to open a national and international public license tender. Betsson has decided to participate in the tender process.

## GERMANY



Updated market strategy for Betsson. Only one operational subsidiary to proceed with licence application for online casino.

# SUMMARY Q2

- ATH revenue, driven by strong performance across both casino and sportsbook
- Double-digit organic revenue growth
- Latin America and CEECA key growth drivers
- Healthy profitability despite loss of NL
- Positive outlook for the rest of 2022
  - Satisfactory start of the third quarter
  - Expected launches in Mexico and Canada
  - FIFA World Cup in November and December



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**THANK YOU**

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**TIME FOR Q&A**