



betsson ab

Q3 2022

Presentation of results

# OUTLINE

- Highlights
- Business update
- Financials
- Trading update
- Regulatory update
- Summary
- Q&A



Pontus Lindwall  
President & CEO,  
Betsson AB



Martin Öhman  
CFO, Betsson AB

# Q3 2022 KEY FIGURES



# EXISTING MARKETS - SOME ACTIVITIES

EXISTING MARKETS	NEW MARKETS	B2B	M&A
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ITALY: signed new sponsorships with Palermo and Salernitana

Total of six club sponsorships



Launched new sportsbook under local brand StarCasinò Bet



NORDICS:



Launched new concept and new brand identity for NordicBet



Extended name sponsorship of Denmark's first division football league: NordicBet LIGA



LITHUANIA:

Extended Betsafe-LKL sponsorship for 3 years



# NEW MARKETS - SOME ACTIVITIES



GREECE:

Launch of Betsson Foundation



Sponsoring of Acropolis Rally



LATAM:

Mexico: Technical go-live in August



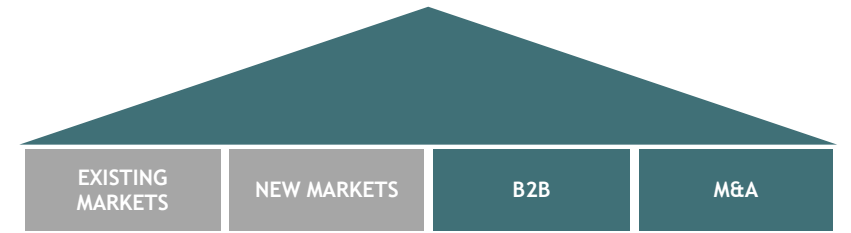
New sponsorship with Athletico Paranaense in the Brazilian state of Paraná



New Betsson brand ambassadors: Zé Roberto and Mario Yepes



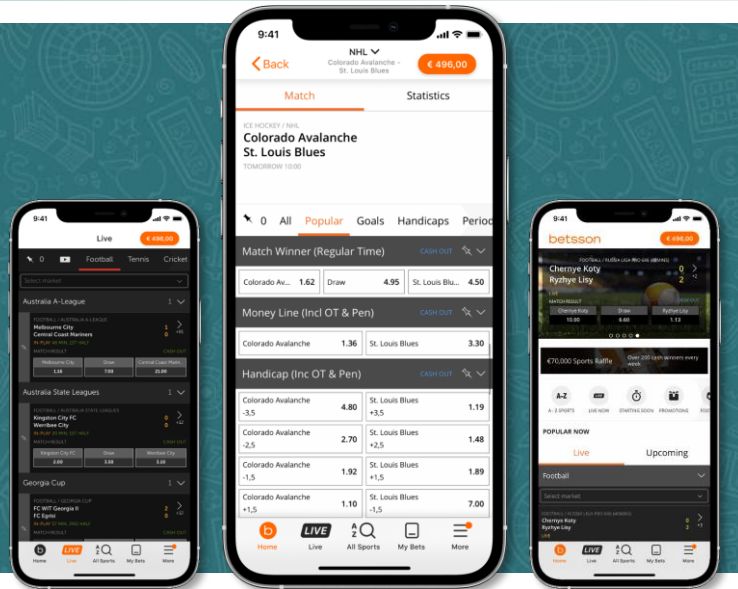
# B2B & M&A - ACQUISITION OF B2B SPORTSBOOK



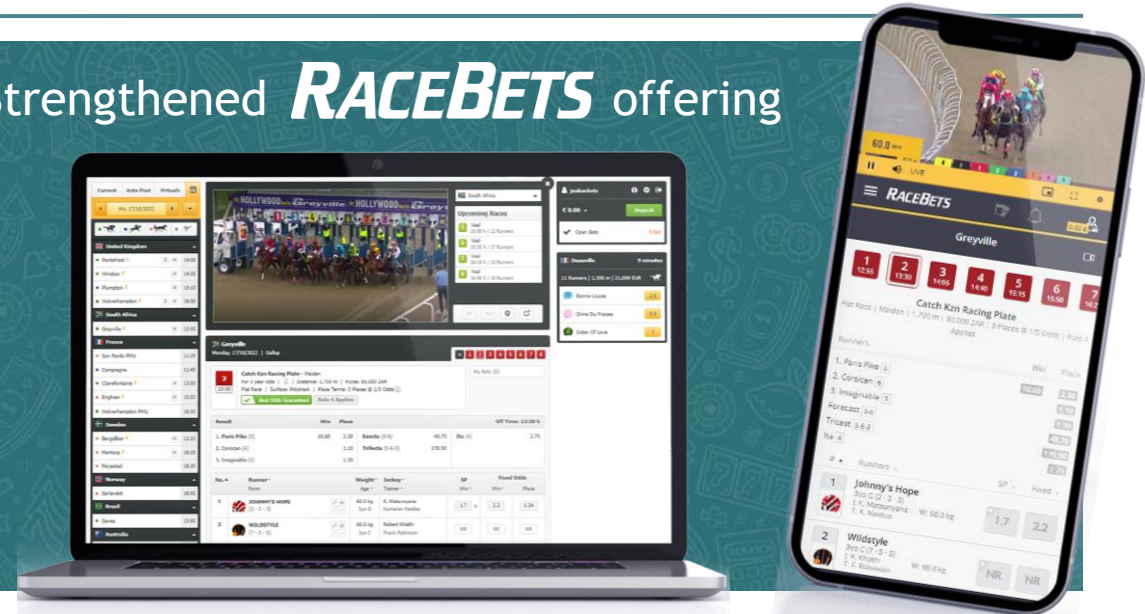
- Acquisition of 80% of shares in B2B sportsbook business from TG Holdings Limited named KickerTech
- Team of 50 professionals developing advanced odds models, trading technology and sportsbook features. Based in Vilnius, Lithuania
- L12M per 30/9, 2022, the acquired business generated revenue of EUR 2.6 million and EBIT of EUR 1.3 million
- Deal consideration of EUR 14 million, to be paid in three instalments
- Acquisition contributes sportsbook functionality, tech development capabilities and new B2B clients
- Strengthens both B2C and B2B sportsbook businesses for Betsson

# PRODUCT & TECHNOLOGY DEVELOPMENT

Launched new  
**Betsson**  
sportsbook  
app in several  
key markets



Strengthened **RACEBETS** offering



Cloud migration and  
native app development  
continued



ISO 27001  
INFORMATION SECURITY  
MANAGEMENT

Re-accredited with ISO  
27001:2013 certification

*the international standard for  
implementing an Information Security  
Management System (ISMS)*

# INDUSTRY AWARDS IN THE THIRD QUARTER



Casino Operator of the Year (gold)  
Best Affiliate Program (gold)  
Western European Sportsbook of the Year (gold)  
Best Marketing Campaign (silver)



Company of the Year  
Best Diverse Place to Work  
Innovation in Employee Engagement

# SPREADING AWARENESS

## RESPONSIBLE GAMING



RG campaign in Greece to encourage customers to set boundaries and reminds them that the game is only fun when played responsibly

As part of the European Safer Gambling Week (17-23 Oct) Betsson hosted a webinar and participated in other conferences



Join the *online*  
**Safer Gaming  
Webinar**

Eduards Jakubovs  
betsson.group

Felte Hofman  
former gambler

**When Safer Gambling Becomes Personal**  
*an unfiltered account by a former compulsive gambler*

## DIVERSITY AND INCLUSION

We want to be the pioneers in helping ignite discussion about diversity and inclusion in the industry and therefore Betsson hosted two more Diversity and Inclusion Conferences - one in London and one in Valletta.

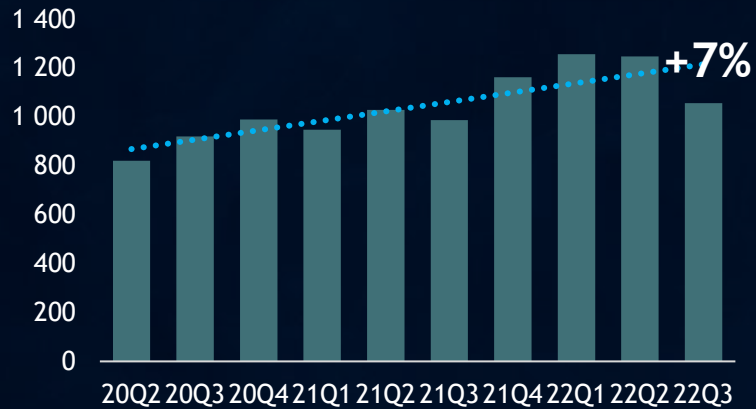


**DIVERSITY &  
INCLUSION**  
CONFERENCE

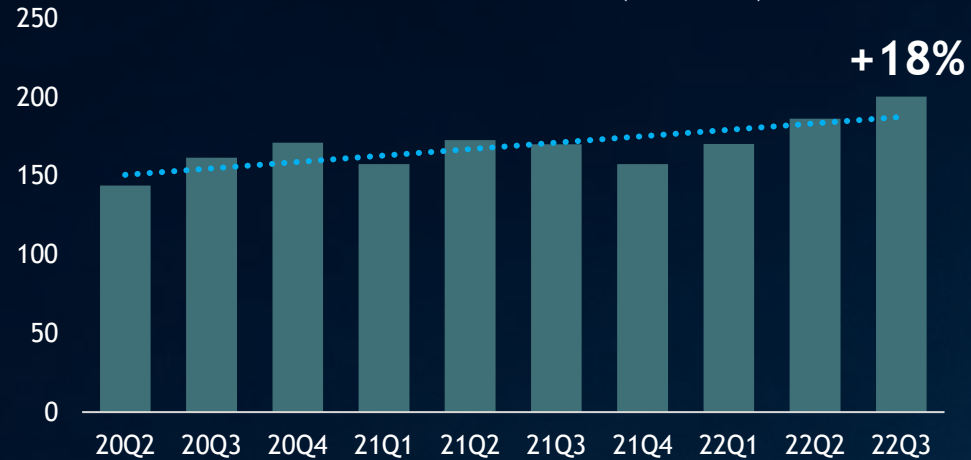


# DEVELOPMENT AND KPIs

## Active customers (000s)

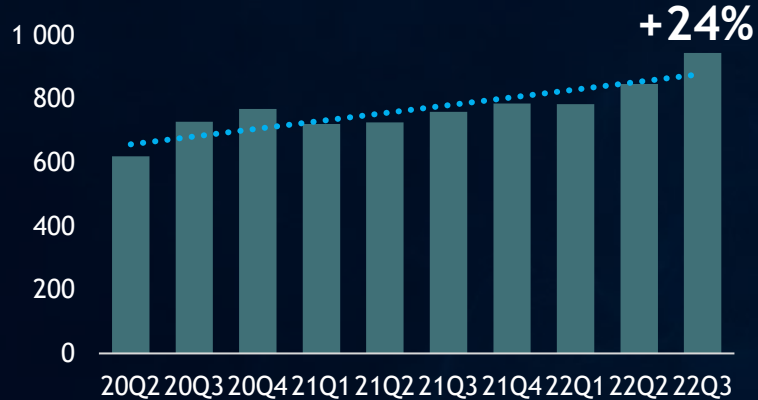


## Revenue (MEUR)

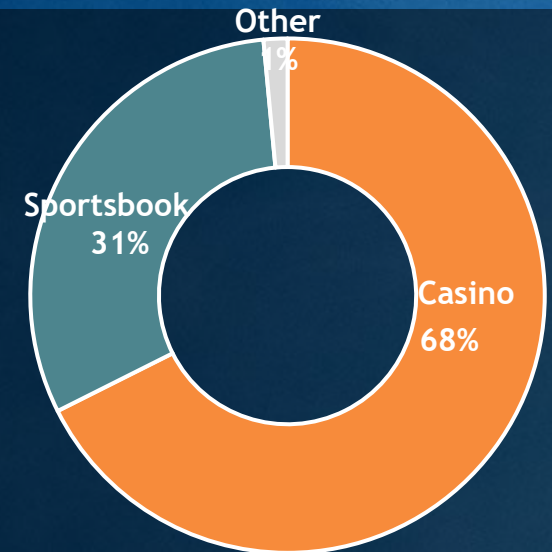


**ATH revenue of  
MEUR 200.3  
+35% organic  
YoY**

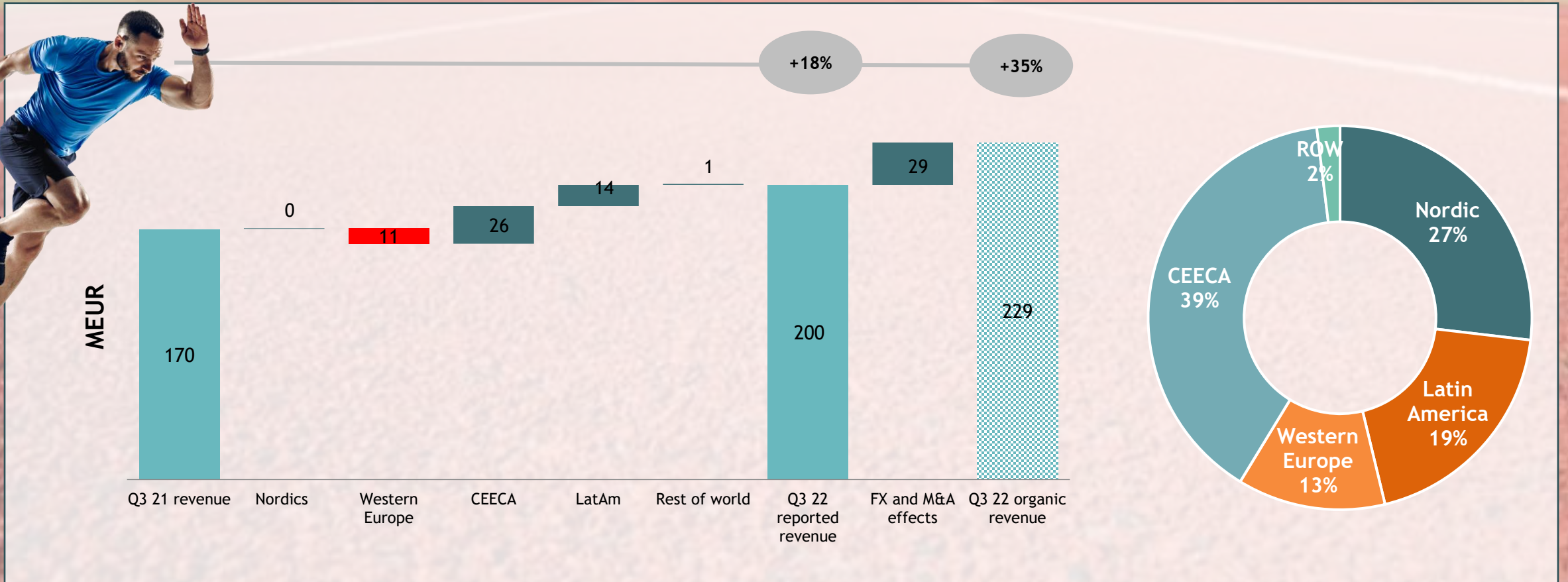
## Customer deposits (MEUR)



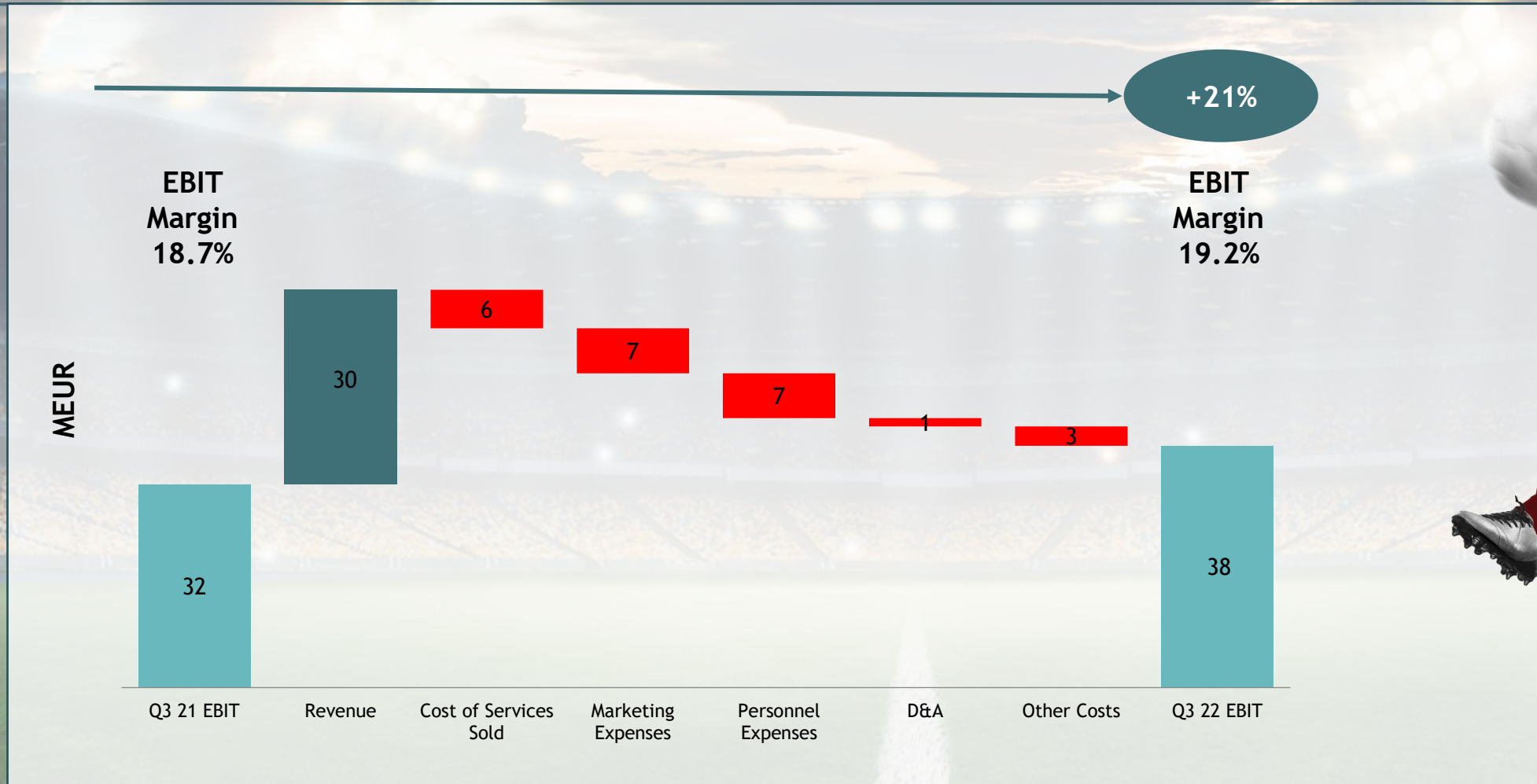
<b>Sportsbook turnover</b>	<b>+29%</b>
<b>Sportsbook margin</b>	<b>8.3% (7.8%)</b>
<b>Sportsbook revenue</b>	<b>+45%</b>
<b>Casino turnover</b>	<b>+14%</b>
<b>Casino revenue</b>	<b>+8%</b>



# REVENUE DEVELOPMENT BY REGION YOY



# EBIT DEVELOPMENT YOY



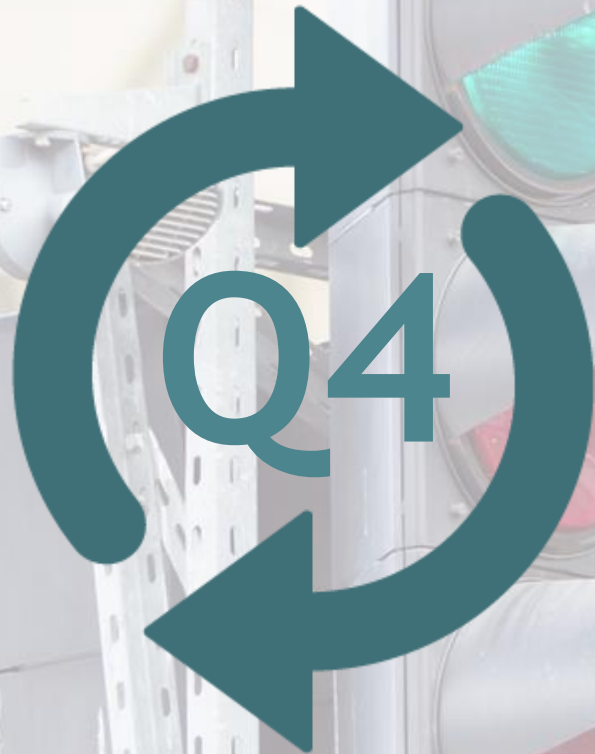
# CASH FLOW & FINANCIAL POSITION

- Operating cash flow
  - Negative impact from working capital due to increase in payment service providers balances
- Investments
  - Investments in own development (capitalisation) and acquisition of shares in subsidiaries
- Financing activities
  - Early redemption of MSEK 300 in the 2019-2022 bond series and a tap issue of MEUR 10 in the 2022-2025 series
- Net debt MEUR -55 (-6)
  - Net debt/EBITDA -0.4 (-0.1)
- Equity/assets ratio 66% (62%)



MEUR	Q3 2022	Q3 2021
Operating cash flow	38.5	41.4
Cash flow from investing activities	-9.1	-14.8
Cash flow from financing activities	-17.7	11.2
<b>Cash flow for the period</b>	<b>11.7</b>	<b>37.8</b>
Cash and cash equivalents, end of period	142.9	127.0

# Q4 2022 TRADING UPDATE\*



Average daily revenue until 24 October was **38%** higher than the average daily revenue of the full Q4 2021

The average organic daily revenue was **44%** higher than the average daily revenue of the full Q4 2021

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

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

# REGULATORY UPDATE

## NORWAY



Complaint against cease-and-desist order and deferred implementation granted. Awaiting decision by Ministry of Culture on complaint end of October.

## PERU



New gaming law passed in parliament in July. President signed new law in August. Gaming tax at 12% of GGR.

## ARGENTINA



Betsson submitted license application in province of Cordoba with local partner Casino de Victoria.

## NETHERLANDS



Regulator (KSA) still reviewing applications from Betsson's operational subsidiaries. Additional requests made in August, which have been complied with.

## ONTARIO (CAN)



October 31, 2022 has been set as deadline for local license requirement. Betsson (Betsafe) expected to obtain license towards end of October.

# SUMMARY Q3

- ATH revenue and EBIT for the Group
- 35% organic revenue growth Y/Y
- Record turnover and revenue in casino and sportsbook
- Latin America and CEECA growth drivers
- Good profitability despite no NL revenue
- Strong balance sheet and cash flow generation
- Acquisition of B2B sportsbook business
- Positive outlook for the rest of 2022
  - Strong start to Q4, +38% YoY
  - FIFA World Cup in November and December



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**THANK YOU**

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**TIME FOR Q&A**