

# Q2 2015

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SECOND QUARTER REVENUES GREW 14%



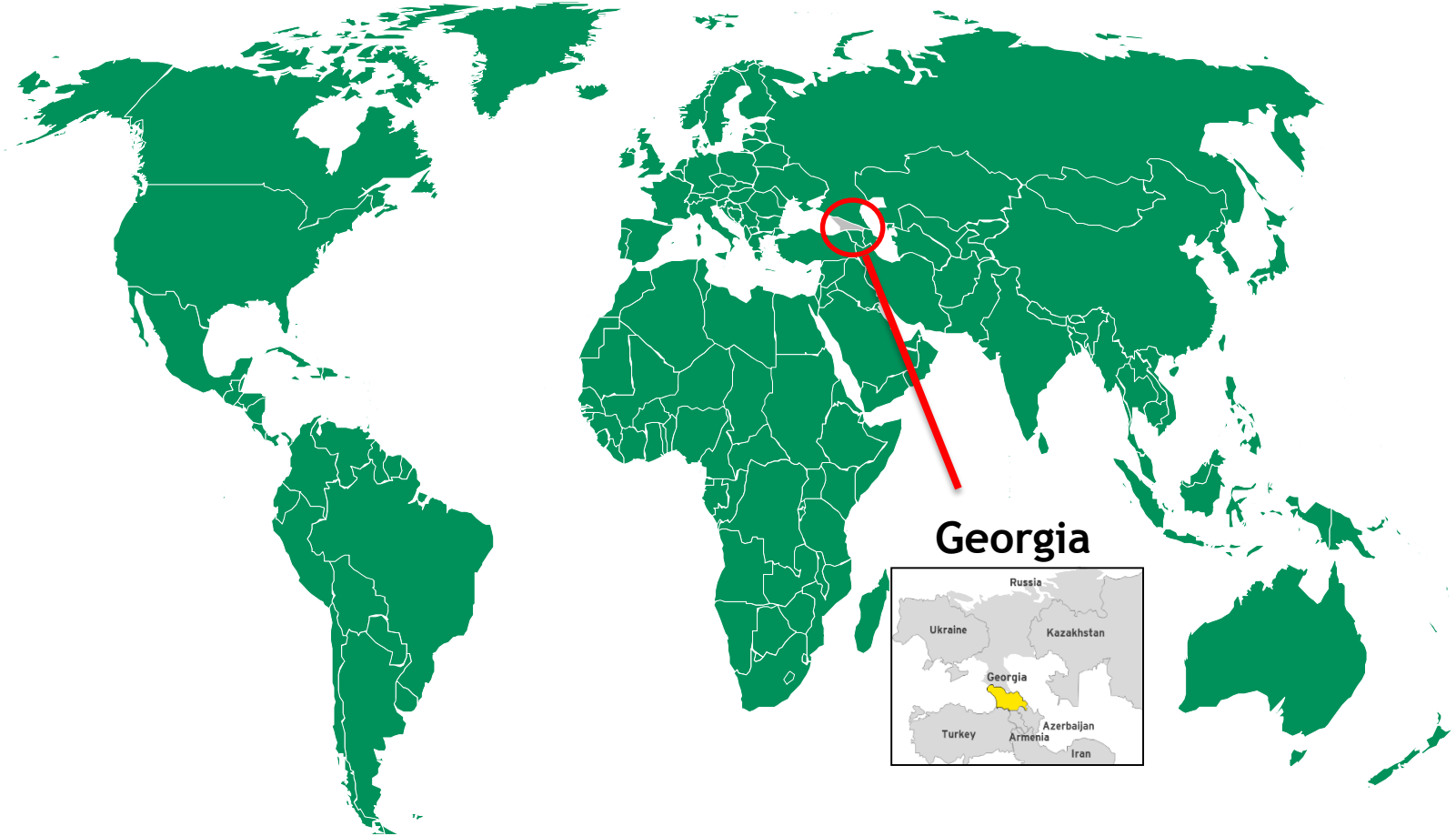
- Revenues of SEK 860.6 million
- Organic growth +14%
- Operating income +12%
- Gross turnover, Sportsbook +30%
- Deposits +19%
- Acquisition of Europe-Bet



## Acquisition of Europe-Bet



# ACQUISITION OF EUROPE-BET - LOCATION





## Overall facts

Capital	Tbilisi
Official language	Georgian
GDP growth rate (CAGR)	12.2%*
Population	4.6 million
Independence from Soviet Union	1991

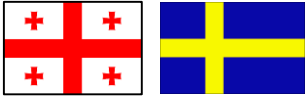
\* Referring to years 2005-2013

## Gambling development (2014)

Total online gambling (USDm)	136
Average online gambling/adult (USD)	40*
Total online gambling as percentage of GDP (%)	0.8**

\* Equivalent number in Sweden is USD 114, Netherlands USD 22

\*\* Represents among the highest number/nation in the world. Equivalent number in Sweden is 0.2%



- ✓ Locally licensed market
  - Physical gambling center and a sustainable history are requirements to get online license
  - Deposits mainly through ATM machines
  - Withdrawals mainly through physical outlets

## Georgian tax system on gambling

<i>Gambling type</i>	<i>Corporate income tax</i>	<i>Taxable base</i>
Online Sportsbook	5%	Turnover
Online Casino, Slots, Poker, Other	15%	Gross income*
Offline Casino	15%	Gross income*
Offline Slots	No	License/permit
Offline Sportsbook	No	License/permit

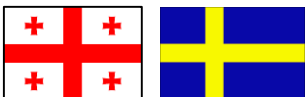
\* Definition of Gross income is similar to EBT (Earning Before Tax)



- ✓ Acquired from a group of entrepreneurs
- ✓ Operate Europe-bet.com and a number of offline venues
- ✓ Around 150 employees in the online operations, and an offline organisation
- ✓ Locally licensed in the regulated Georgian market
- ✓ Second largest local online gaming operator - close to 30% market share

## *Standalone figures for Europe-Bet*

<b><u>P&amp;L</u></b> <i>(USD million)</i>	<b>2013</b>	<b>2014</b>
Accounting revenue	30.5	52.4
EBIT	12.5	20.0
EBIT margin	41%	38%

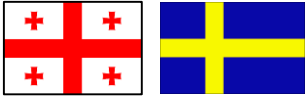


## Standalone figures for Europe-Bet

- ✓ The online operation is Sportsbook driven (44% of total revenue in 2014)
- ✓ Multi-product offering (Casino, Sportsbook, Poker and Other games)

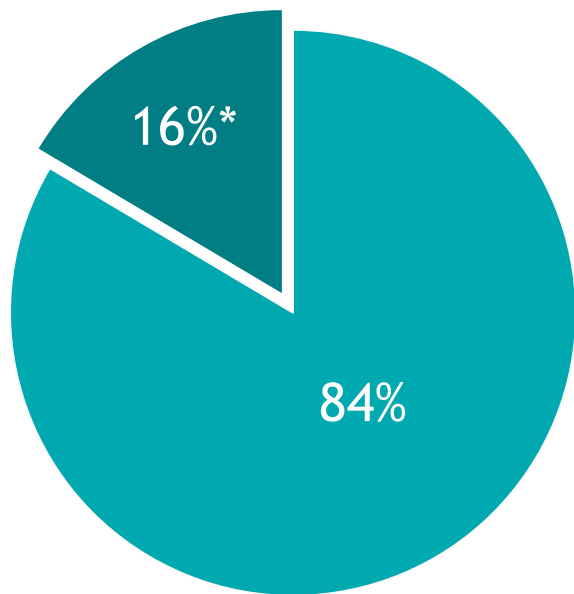
<b><u>P&amp;L</u></b> (USD million, 2014)	<b>Online</b>	<b>Offline</b>
Accounting revenue	40.9	11.5
EBIT	17.9	2.1
EBIT margin	44%	18%
<b><u>KPI:s</u></b> (USD million, 2014)	<b>Total</b>	
Deposits	121	
Active customers	74.6 thousand	
Registered customers	450 thousand	

# STRATEGIC REASONS FOR THE ACQUISITION



- ✓ Strengthening Betsson's position in the market
- ✓ Betsson moving towards larger proportion of locally regulated revenues
- ✓ Strong and well established brand in Georgia
- ✓ Fits into Betsson's multibrand strategy. Revenue upside when migrating to Techsson





- Revenue from Malta license
- Revenue from locally regulated markets

*\*Revenue from Betsson and Europe-Bet pro forma Q2*





- ✓ Price: USD 50-85 million
  - USD 50 million upfront
  - Additional purchase price of USD 35 million if regulation is unchanged
  - Acquisition costs of SEK 4.8 million
- ✓ Financing
  - Renewal of credit facility of EUR 35 million
  - New credit facility of SEK 700 million

## *Standalone figures for Europe-Bet*

<i>Purchase price (MUSD)</i>	<i>EBIT multiple (FY 2014)</i>
50	2.5
85	4.3

# Q2 BETSSON

SECOND QUARTER REVENUES GREW 14%

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# FINANCIAL HIGHLIGHTS



- Revenues of **SEK 860.6** (752.3) million (ATH)
- Total growth (organic) of **14 percent**
- Positive FX of **SEK 7 million**

Figures in brackets refer to the same period last year



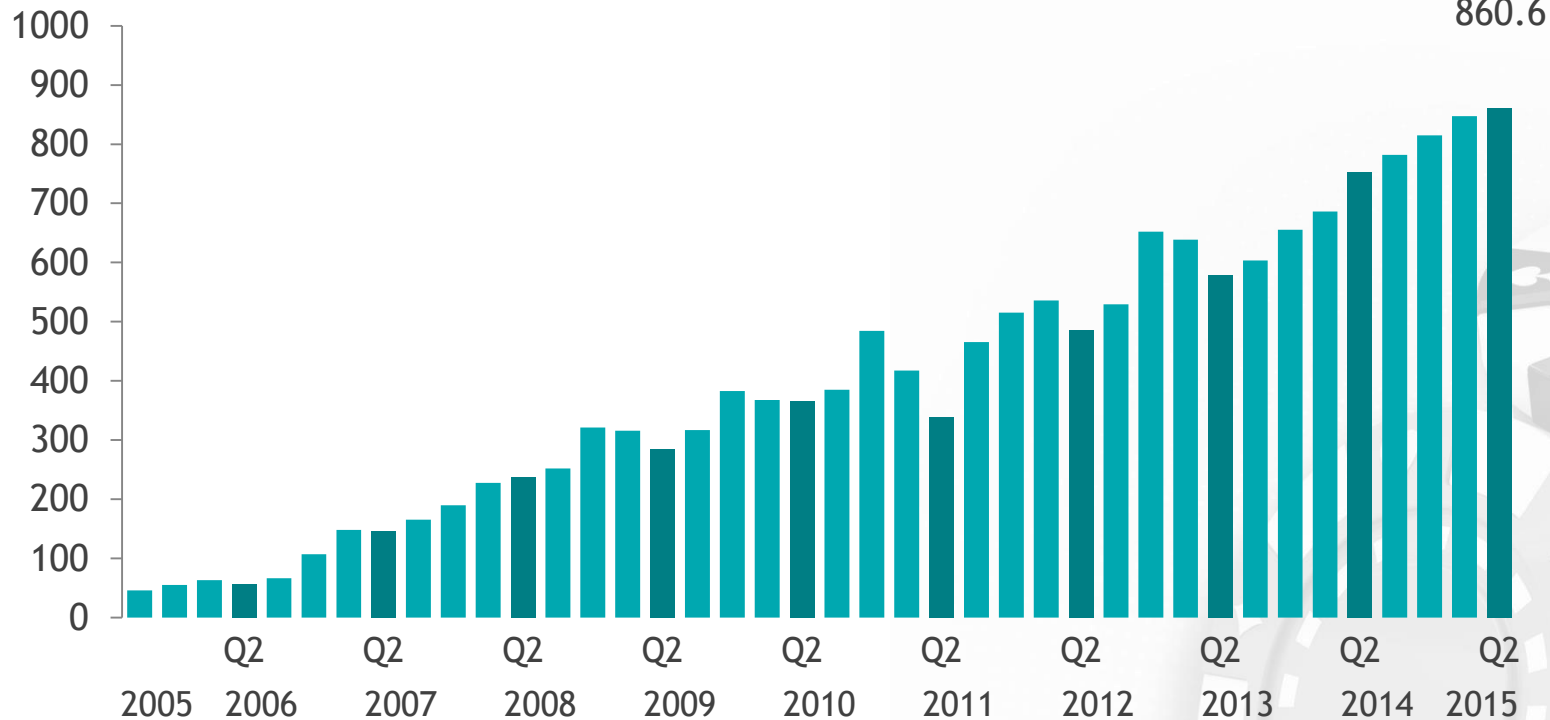
- EBIT of **SEK 213.8** (190.4) million, a growth of **12 percent**
- Negative FX of SEK 6 million
- EBIT margin of **24.8 percent** (25.3)
- Cash by end of period **SEK 355.7** million (433.2)
- **Earnings per Share SEK 1.46** (1.28)

Figures in brackets refer to the same period last year

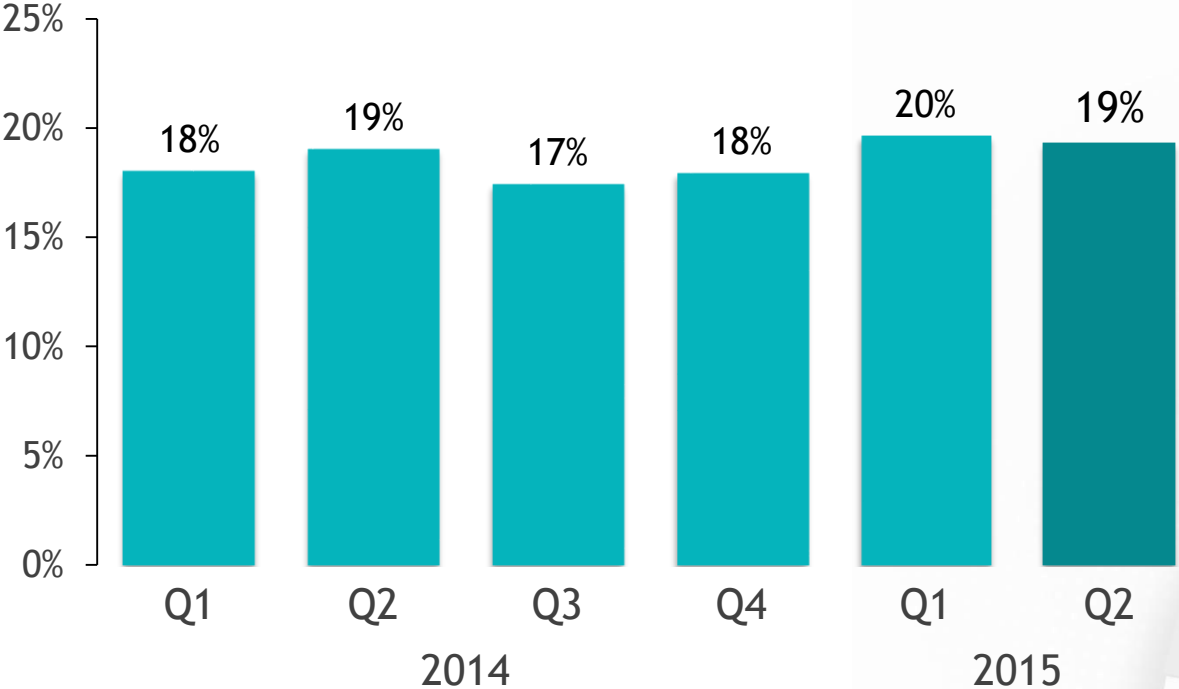


# REVENUES, 14% GROWTH

SEK m

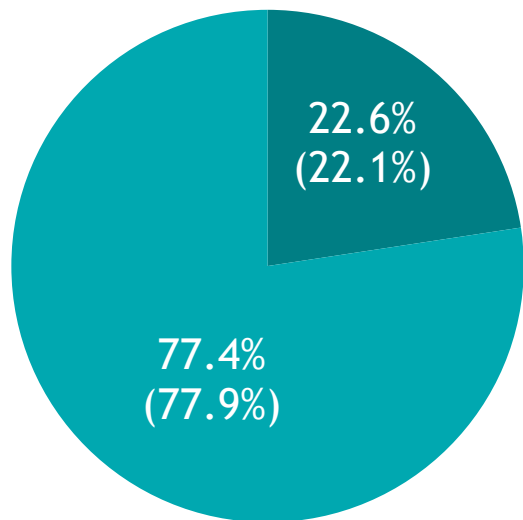


# MARKETING OF TOTAL REVENUE (%)



# PRODUCT AND GEOGRAPHICAL SPLIT



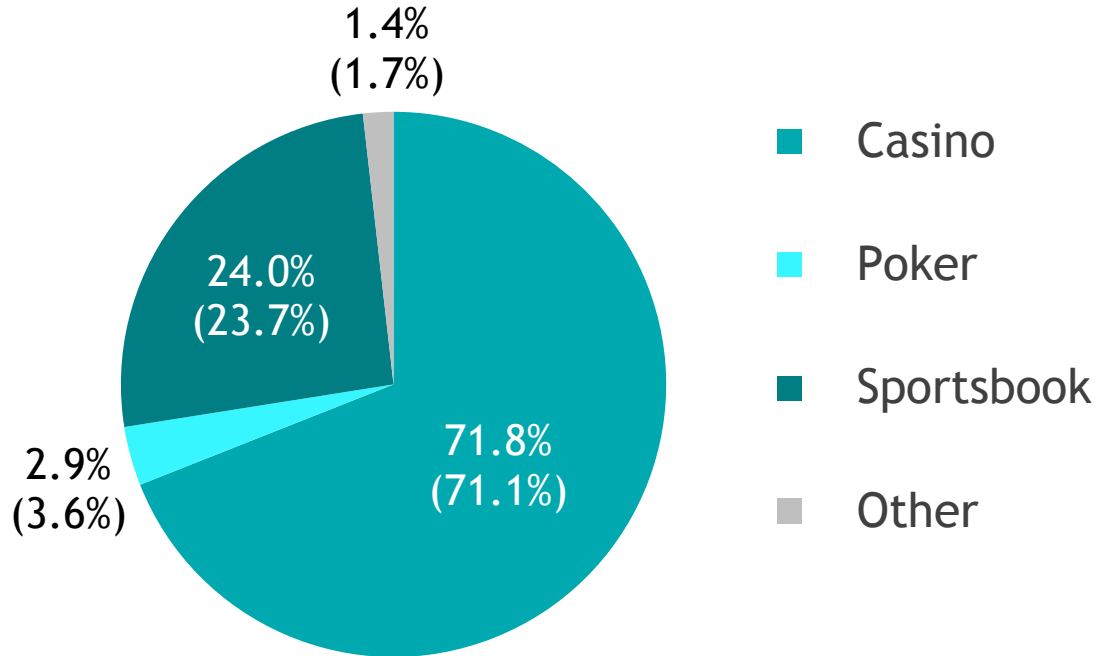


- B2B, Business to business
- B2C, Business to consumers



	Actual (SEK m)	Total Growth (%)
B2C	666.0	14%
B2B	194.6	17%

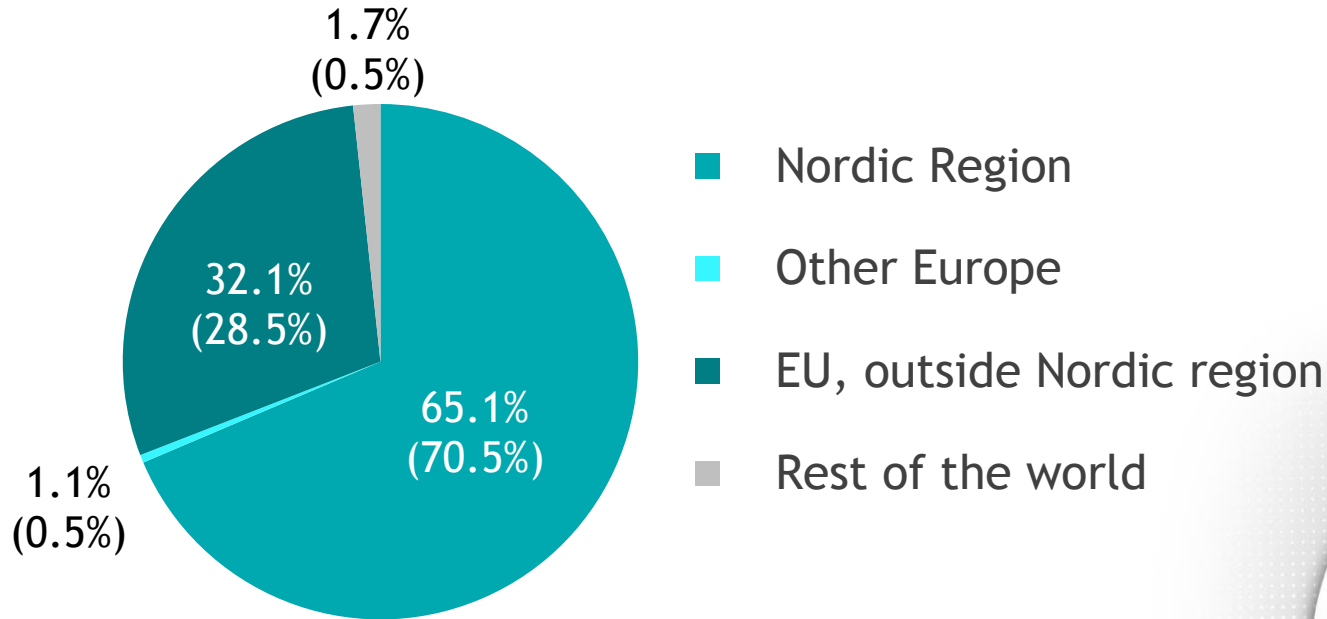




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# REVENUE PER GEOGRAPHY (B2C)

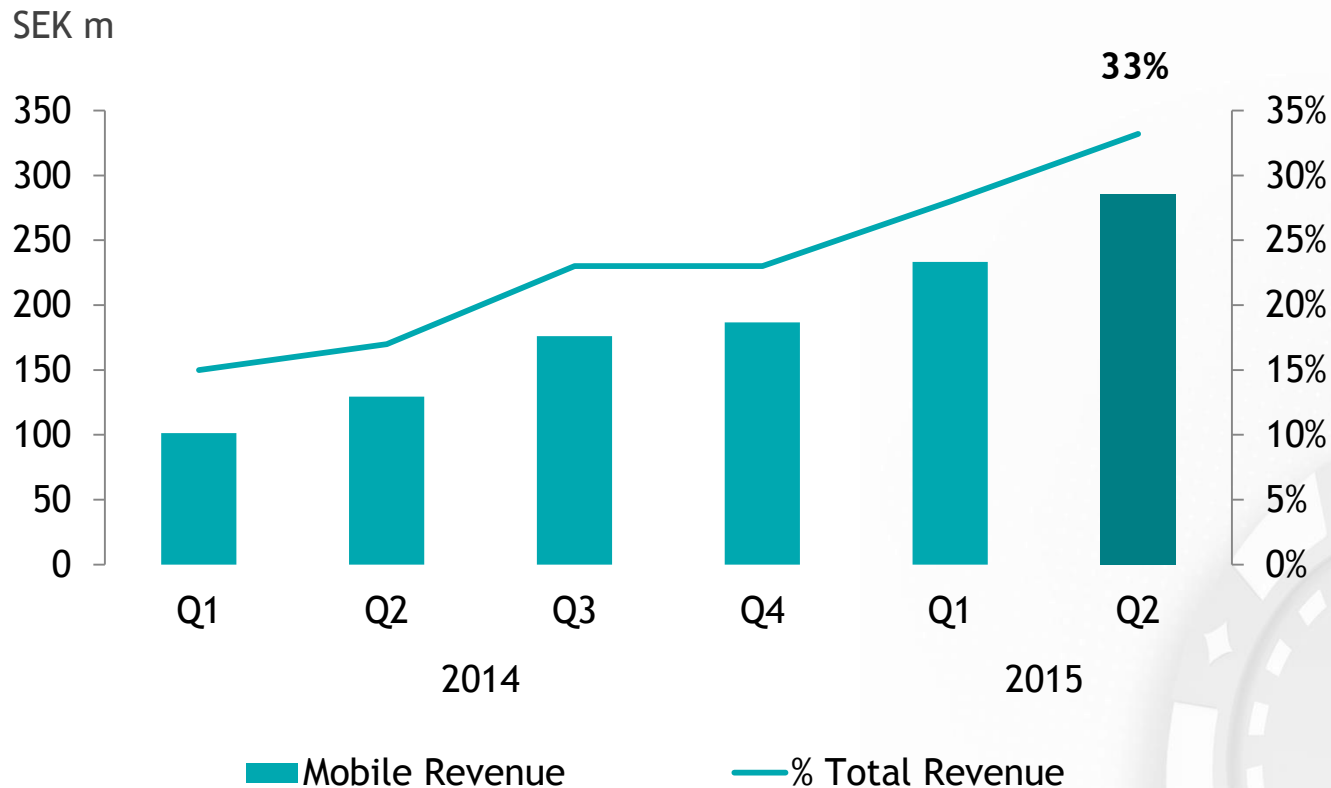


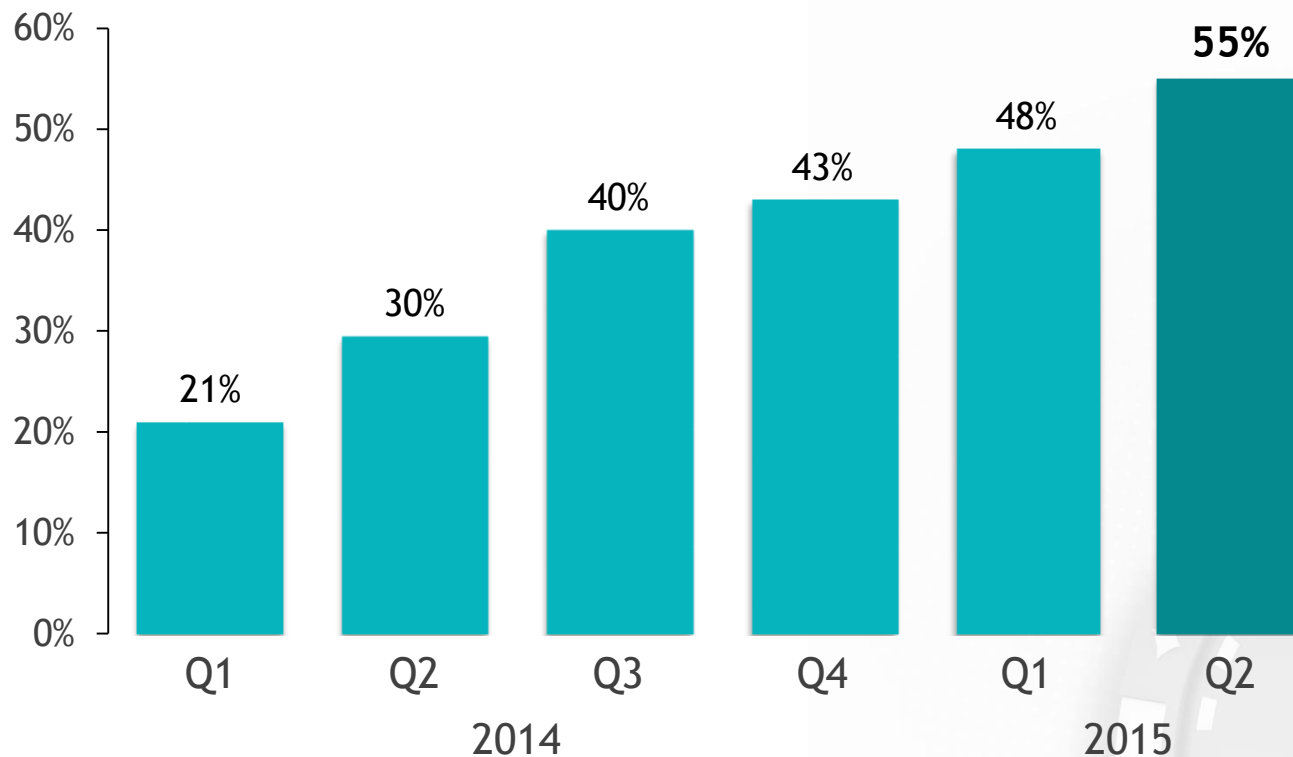
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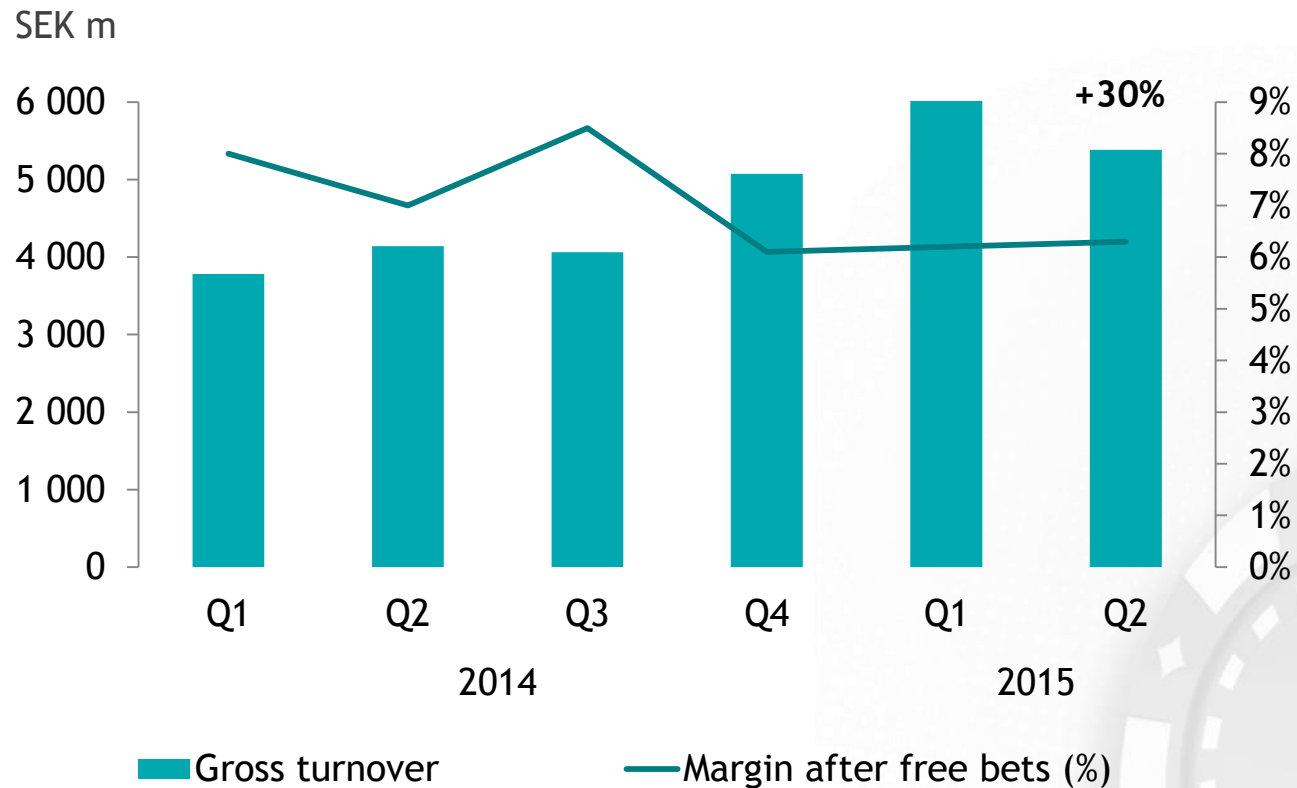


# KEY PERFORMANCE INDICATORS

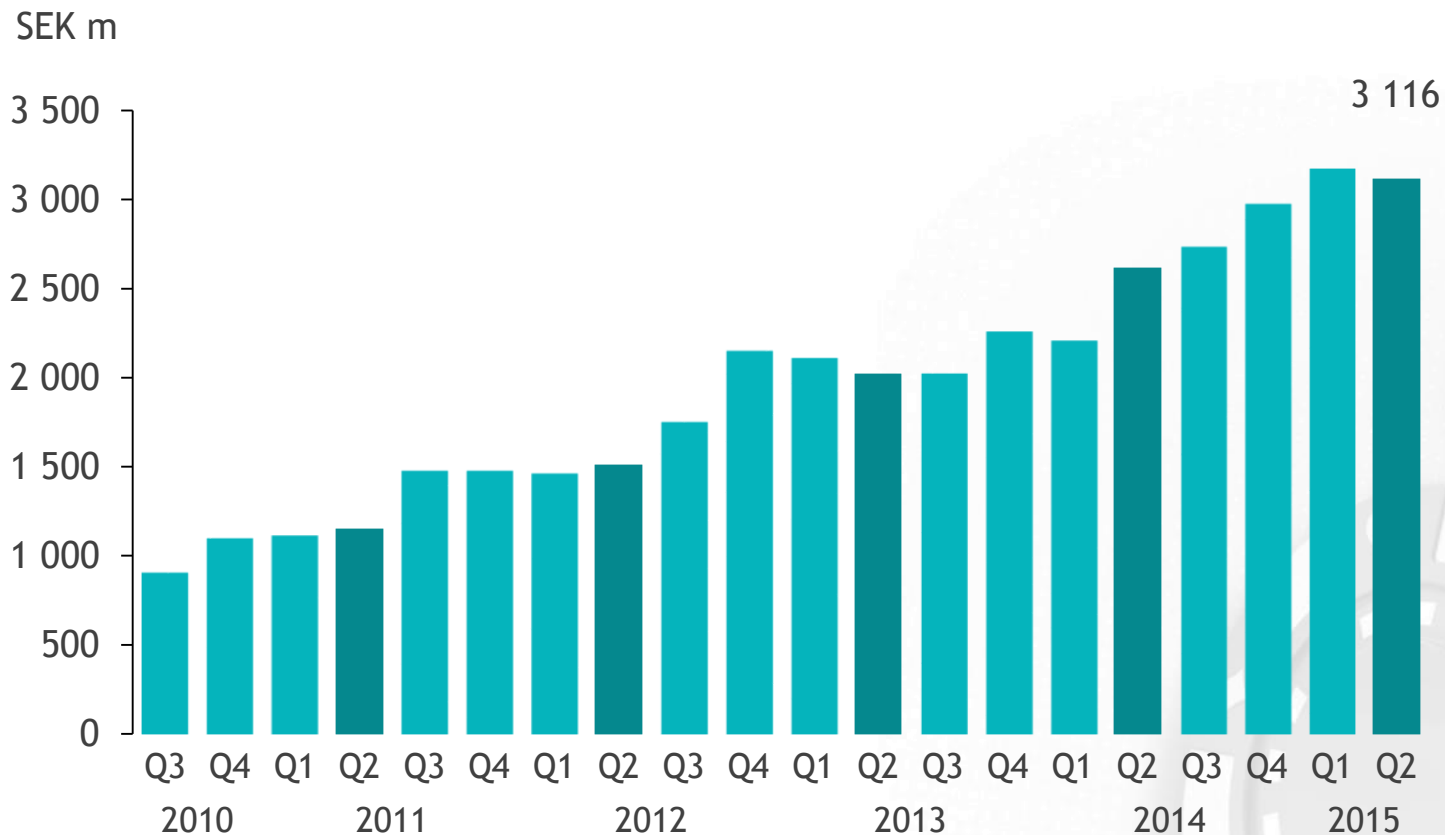






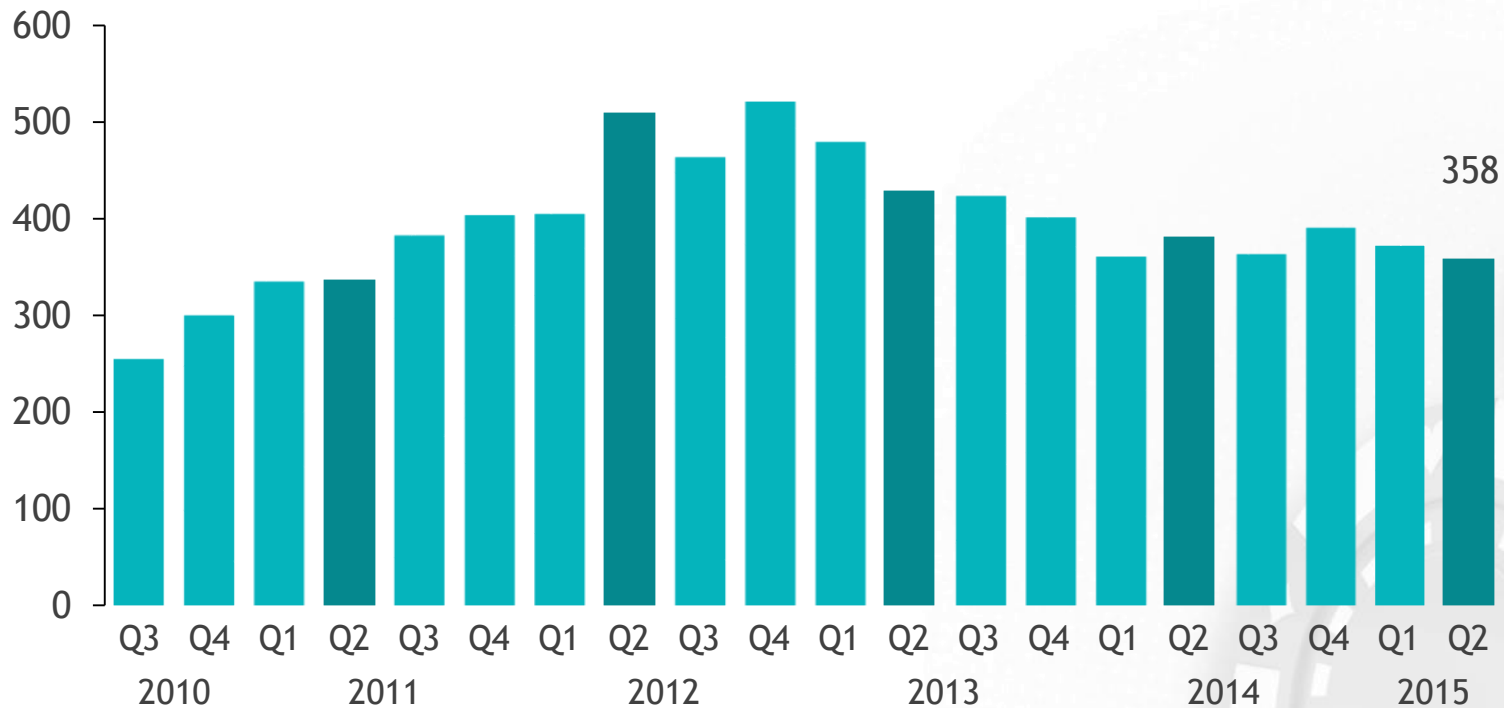


# DEPOSITS - 19% GROWTH



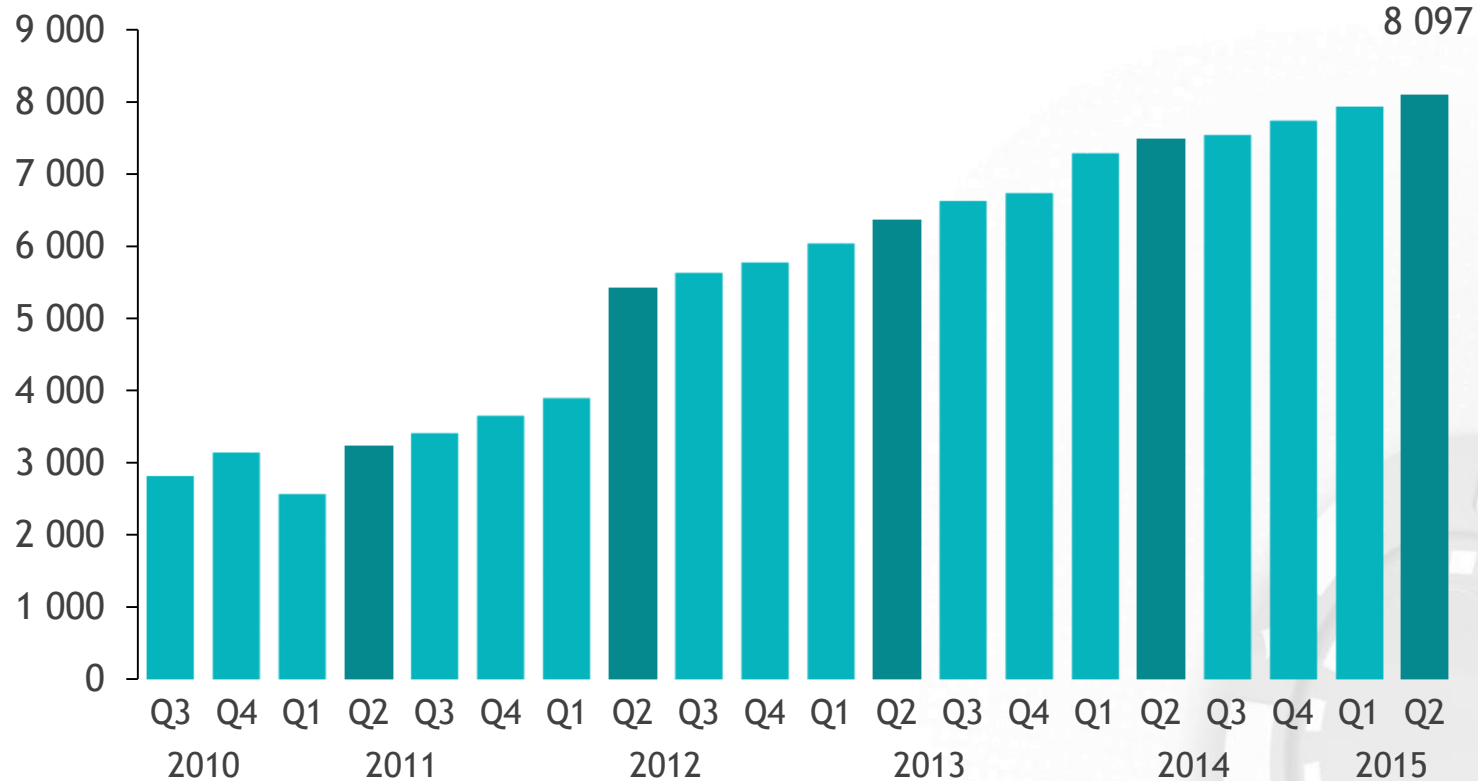
# ACTIVE CUSTOMERS

Thousand



# REGISTERED CUSTOMERS

Thousand



# LEGAL UPDATE



## The Netherlands

- The proposed new Dutch legislation is still in the second chamber in the parliament waiting to be processed
- The political development has been halted due to the summer recess and progress not expected until late Q3 2015
- Implementation is further delayed, now expected towards Q1 2017/Q2 2017



## Sweden - Timetable for new regulation

- Instructions to the investigative committee is expected to be submitted during the summer
- Start of investigation (Autumn 2015)
- Conclusion from the investigation (Early 2017)
- Council on Legislation and EU notification (Autumn 2017)
- Proposition (Dec 2017)
- Start of new legislation (1 July 2018)



# EVENTS AFTER Q2



- The third quarter of 2015 has started with revenues *somewhat below* average level of the previous quarter
- The acquisition of Europe-Bet will be closed before end of July
- There have been no other significant events after the end of the period



# Q&A

