



betsson ab

# **CEO PRESENTATION AGM 11 JUNE 2020**

Stockholm, Sweden

Pontus Lindwall CEO & President Betsson AB

# BETSSON - HOME OF GAMING

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Market cap ~ SEK10bn (€1bn)



One of the largest online gaming companies in Europe ~ 680,000 active customers



Operates 20+ brands in geographies worldwide



Solid track record in value accretive acquisitions



~1,600 passionate employees, 60 nationalities

# 2019 SUMMARY & HIGHLIGHTS

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- Strong cash flow and a solid balance sheet create a flexible, resilient and sustainable business
- Financing for future growth secured through bond issue in Q4
- Market challenges during the year in some countries such as Sweden, Norway and the Netherlands
- Market developments: technology advancements, increase use of digital devices and an accelerating global trend from offline to online transition support long term growth potential
- Continuous investments in developing our proprietary technology, improving our products and responsible gambling tools underpin the delivery of the most compelling user experiences in the industry in a safe gaming environment
- The development of our proprietary sportsbook continued, including investments in making it optimised to be sold B2B
- The sportsbook was launched in the Italian market
- Investment in 75% of the Brazilian operator Suaposta

- ISO27001 certification obtained – accredited for the implementation of InfoSec Management System



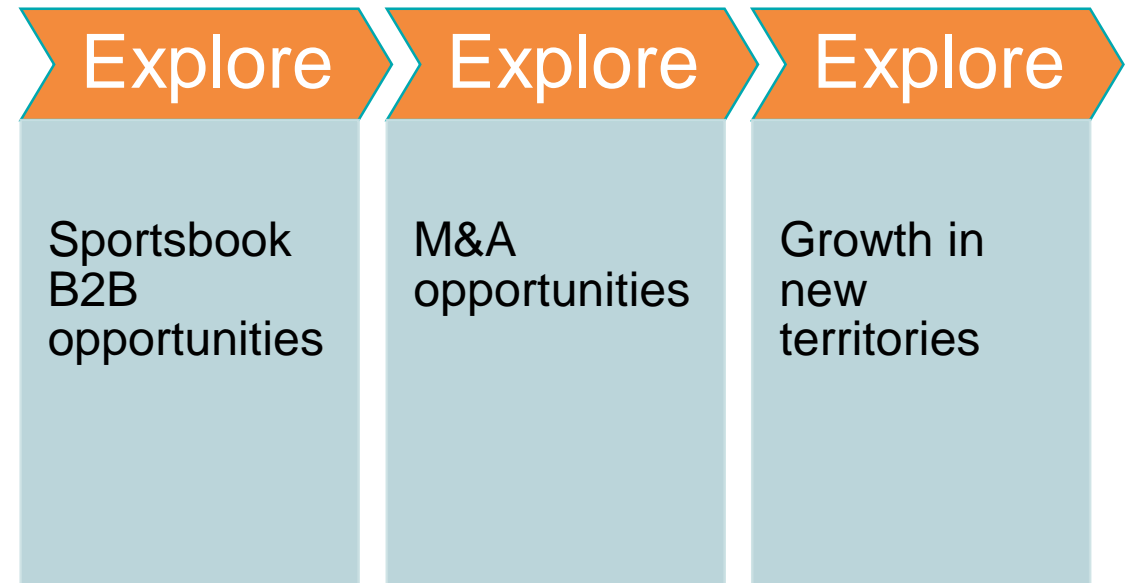
- Betsson was for the consecutive year awarded the AAA MSCI ESG rating



# RECENT ACTIVITIES & WHAT TO EXPECT FROM 2020

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- Reaching a milestone by signing the first pure sportsbook B2B customer, ibet, in January 2020
- Acquisition of GiG's B2C business in April 2020, strengthening our position in key markets and opening new opportunities
- Launch of in-house developed fast and easy Jalla Casino in the Swedish market in March 2020



# COVID-19 UPDATE ON THE BUSINESS

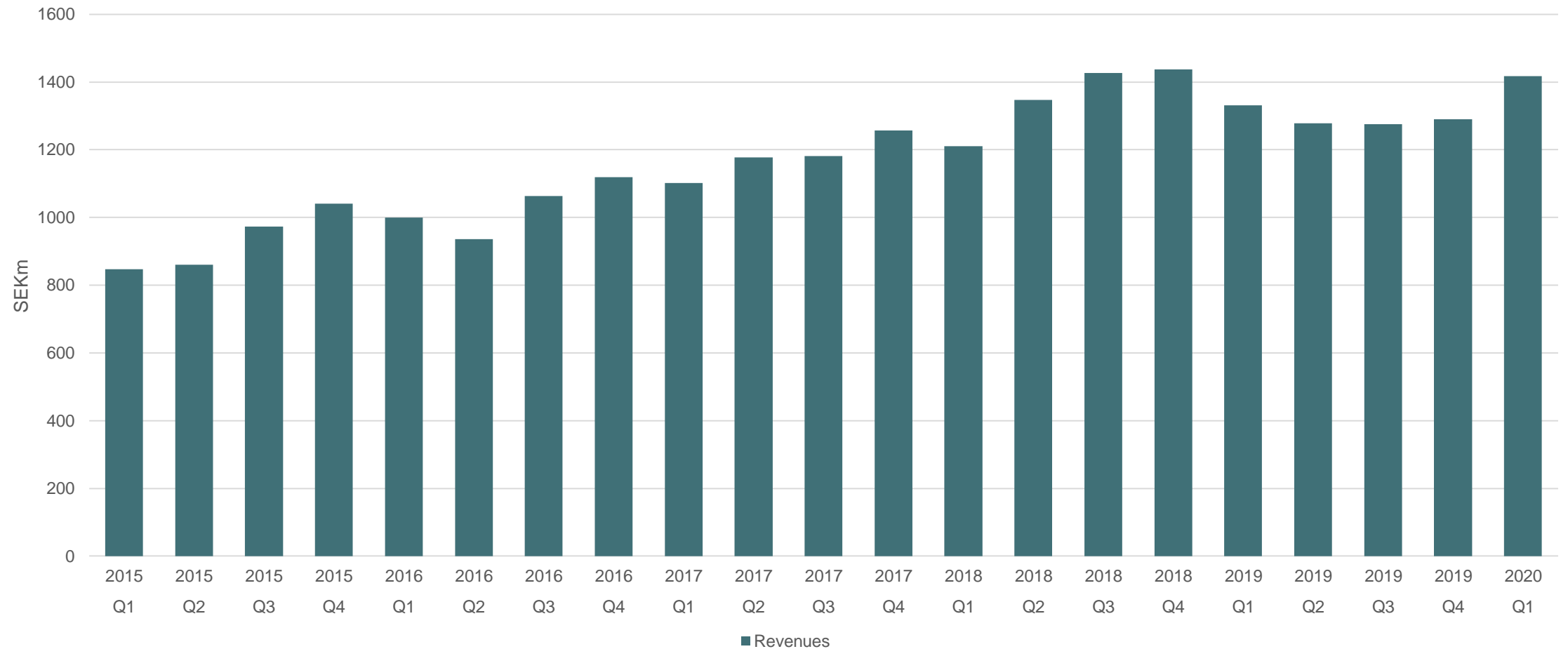
- The whole business is operating well with Q2 starting on the same level as Q2 2019
- Increase in casino activity partly mitigates the impact on sportsbook revenues from absence of sporting events
- Products and services delivered to the same high quality, passion and standards as prior to the crisis
- All major business activities, projects and strategic plans are carried out to plan
- Strong and sustainable financial position, low gearing and high margins enable concurrent handling of market fluctuations and exploring growth opportunities



# FINANCIALS

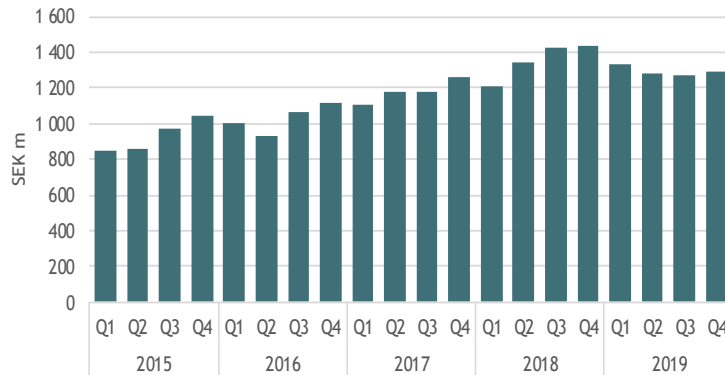
# 5Y REVENUE DEVELOPMENT

Q1 2015 - Q1 2020

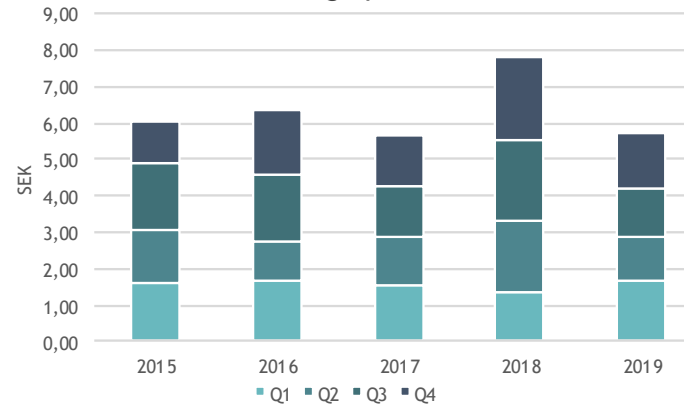


# FULL YEAR 2019 PERFORMANCE

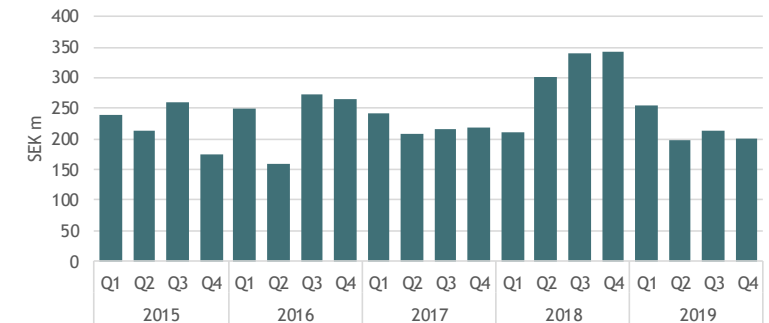
Group revenue



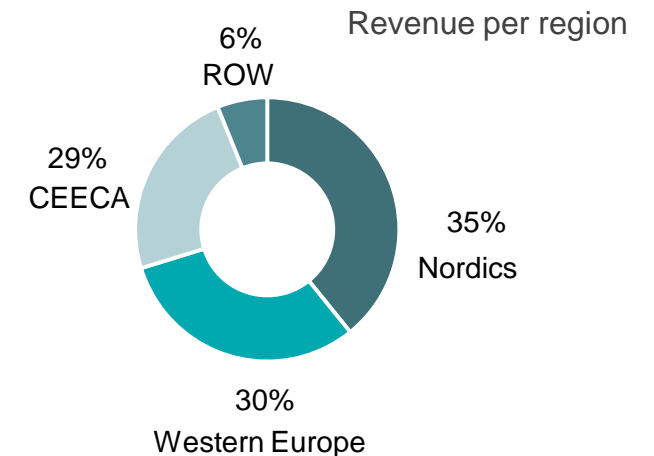
Earnings per share



Operating income (EBIT)



- Strong full year operating profit due to geographical spread and efficient organisation
- Group revenue was SEK 5,173.0 (5,419.8) million reported and organic
- Operating income (EBIT) was SEK 865.0 (1,193.8) million, with an operating margin of 16.7 (22.0) %
- Mobile represented 71 (66) % of total revenue
- Sportsbook revenue from mobile represented 83 (76) % of the sportsbook revenue





# GUIDANCE ON USE OF CASH

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## Organic growth

- Organic growth in key markets and new strategic markets with the focus on creating the best entertainments for our customers

## Acquisitive growth

- Selective M&A opportunities at attractive prices

## Technology development

- Investing in the technology platform, new casino features/products and the sportsbook

## Dividend

- Strong balance sheet supports dividend policy

## Low leverage

- Lean operation and strong cash conversion

**STRATEGY**

# STRATEGIC DIRECTION FOR PROFITABLE GROWTH

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Deliver the best customer  
experience  
in the gaming industry



Be a long-term, leading  
online gaming company



Outgrow the market

# UNIQUE POSITION TO DELIVER LONG-TERM VALUE

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Strong Market Position



Proprietary Technology



Strong Financials



Diversified Business



Market growth



Sustainable business

# AGM PROPOSALS

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## **Incentive scheme**

The motive for the proposed incentive schemes is to create conditions for retaining and recruiting competent personnel to the Company, increase motivation among the employees, promote Company loyalty, and thereby increase shareholder value and long-term growth in the value of the Company.

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## **Dividend**

Through automatic redemption of shares, SEK 2.88 will be paid to each redemption share. The proposed dividend represents 50% of net income, in line with the dividend policy of providing an attractive capital structure.

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## **Repurchase and transfer of B shares**

The authorisations aim at giving the Board of Directors more room to manoeuvre in its work with the Company's capital structure and at creating flexibility in the Company's opportunities to acquire companies or businesses.

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## **Shares / convertibles issue**

The aim of the authorisation is to increase the Company's financial flexibility and to be able to make payments with own shares and/or convertibles in connection with any acquisitions of companies or businesses that the Company may make, and to regulate any supplementary purchase prices in connection with such acquisitions.

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# Q&A