

betsson ab

Q2 2018

Pontus Lindwall  
CEO Betsson AB

# HIGHLIGHTS Q2

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- Solid growth in both Casino and Sportsbook
  - Casino revenues exceeding SEK 1 bn for the first time
  - High customer activity due to World Cup
- Continue to follow back on track-plan
  - Improved efficiencies
  - Improved product offering
- EBIT at an all-time high

Tippa VM - Chans att vinna  
**250**  
**MILJONER KR**



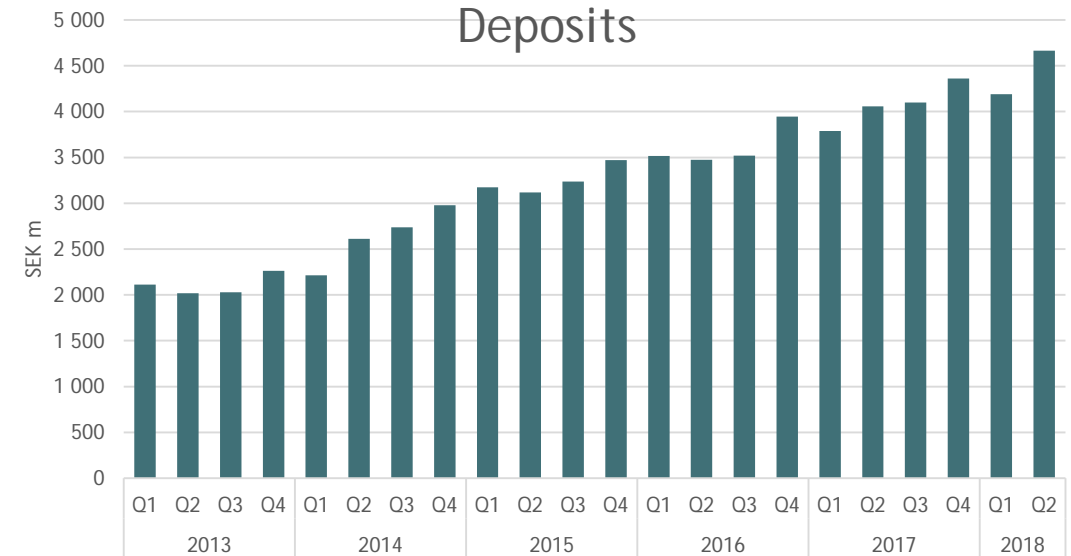
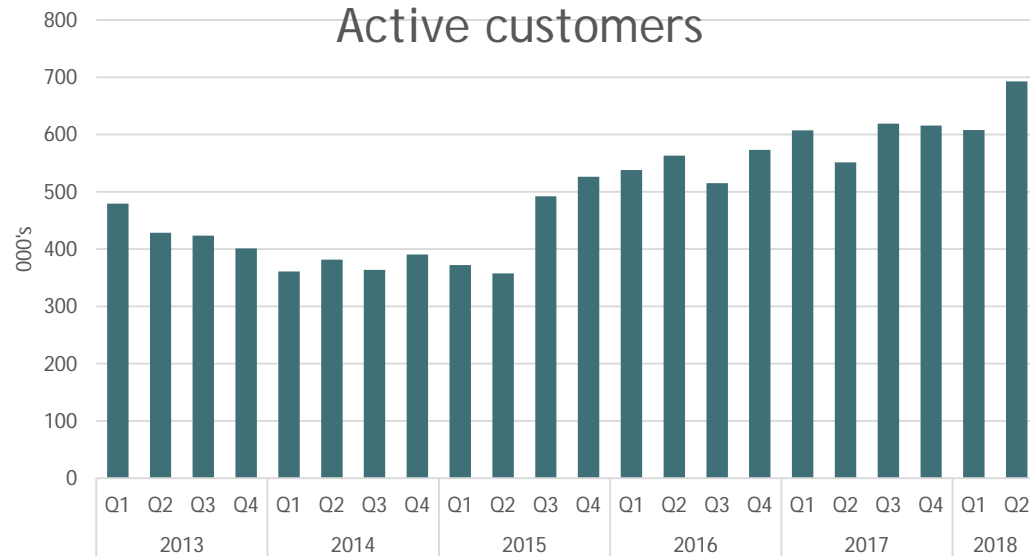
*Betsson ambassadors promoting Betsson's World Cup campaign*

# FINANCIAL SUMMARY Q2

- Revenue grew 14%
  - 11% organic growth
- Casino revenue grew 16%
- Sportsbook revenue grew 17%
  - Sportsbook margin 6.3%
  - Sportsbook revenue related to FIFA World Cup was 3.7% of total revenue
- EBIT was SEK 301 m, margin 22.3%
  - Organic EBIT was SEK 311

SEK m	Q2 2018	Q2 2017	Change	FY 2017
Revenue	1,346	1,177	14%	4,717
Gross profit	968	851	14%	3,419
Gross margin	71.9%	72.3%		72.5%
EBIT	301	207	45%	882
EBIT margin	22.3%	17.6%		18.7%
EPS, SEK	1.96	1.34	46%	5.68
Casino revenue	1,017	877	16%	3,438
SB revenue	300	256	17%	1,140
SB margin	6.3%	6.4%		6.9%

# STRONG GROWTH IN UNDERLYING ACTIVITY

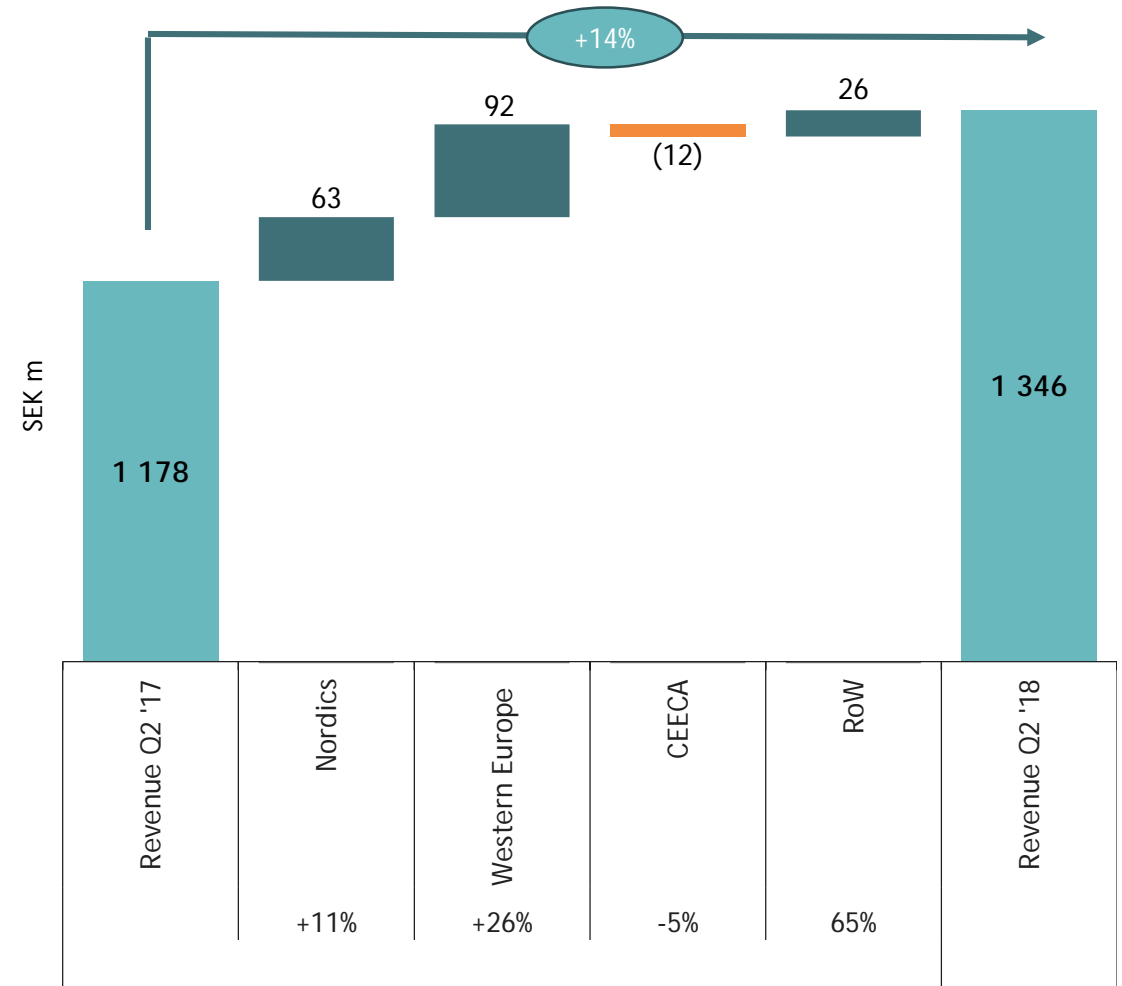
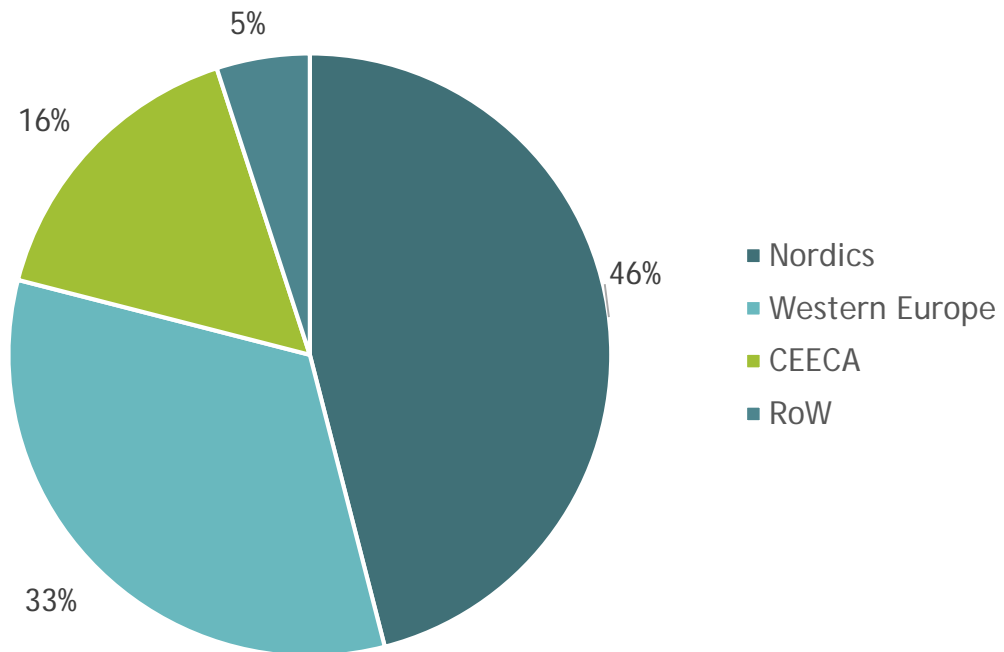


- Active players were 692,431, up 26%
- Strong customer intake during the World Cup

- All-time high in deposits SEK 4,665 bn, up 9%

# REVENUE BY REGION

Revenue, Q2 2018



# SPORTSBOOK DEVELOPMENT

- Sportsbook revenue grew 17%
- Sportsbook gross turnover grew 8%
  - Organic gross turnover growth 16%
- Sportsbook margin at 6.3% (6.4%)
  - Eight quarter rolling average 6.9%
  
- 18% growth in region Nordics
- Growth in RoW mainly from Latin America



# FIFA WORLD CUP 2018

- Sportsbook revenue related to the FIFA World Cup was 3.7% of total revenues in Q2
  - Final rounds will be included in Q3 report
- High customer intake related to the World Cup

## Product improvements

- Launch of BetBuilder on core brands
- 230+ pre-match markets
- Improvements in speed

betsson *Anytime's playtime*

Odds	130
Stake	180,00 kr
<b>Payout</b>	<b>23 400,00 kr</b>

FOOTBALL / BETBUILDER

**WON**

Mexico  
Sweden

YOU BET

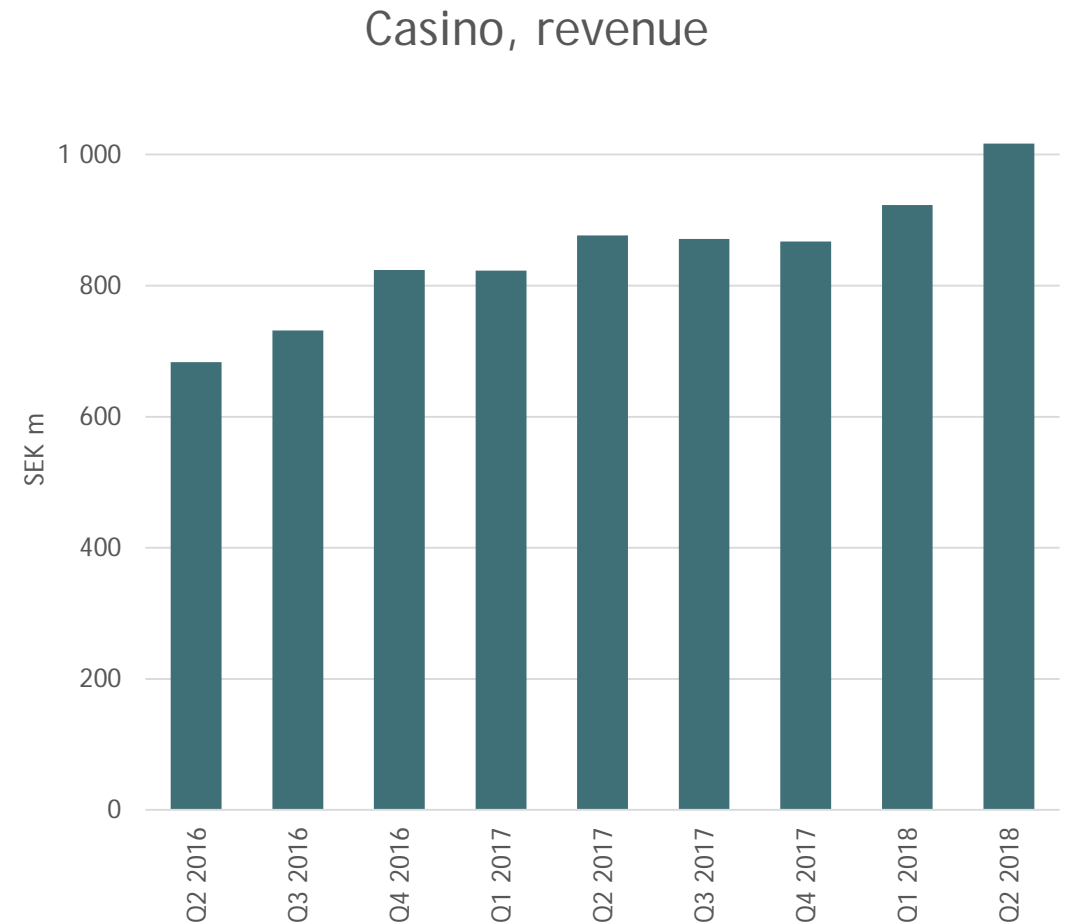
ODDS

Result - Sweden win **130**  
 Match corners - over 8.5  
 Player cards - Sebastian Larsson  
 carded  
 Player goals - Andreas Granqvist  
 penalty

*A customer won 130x on his own multiple in BetBuilder.*

# CASINO DEVELOPMENT

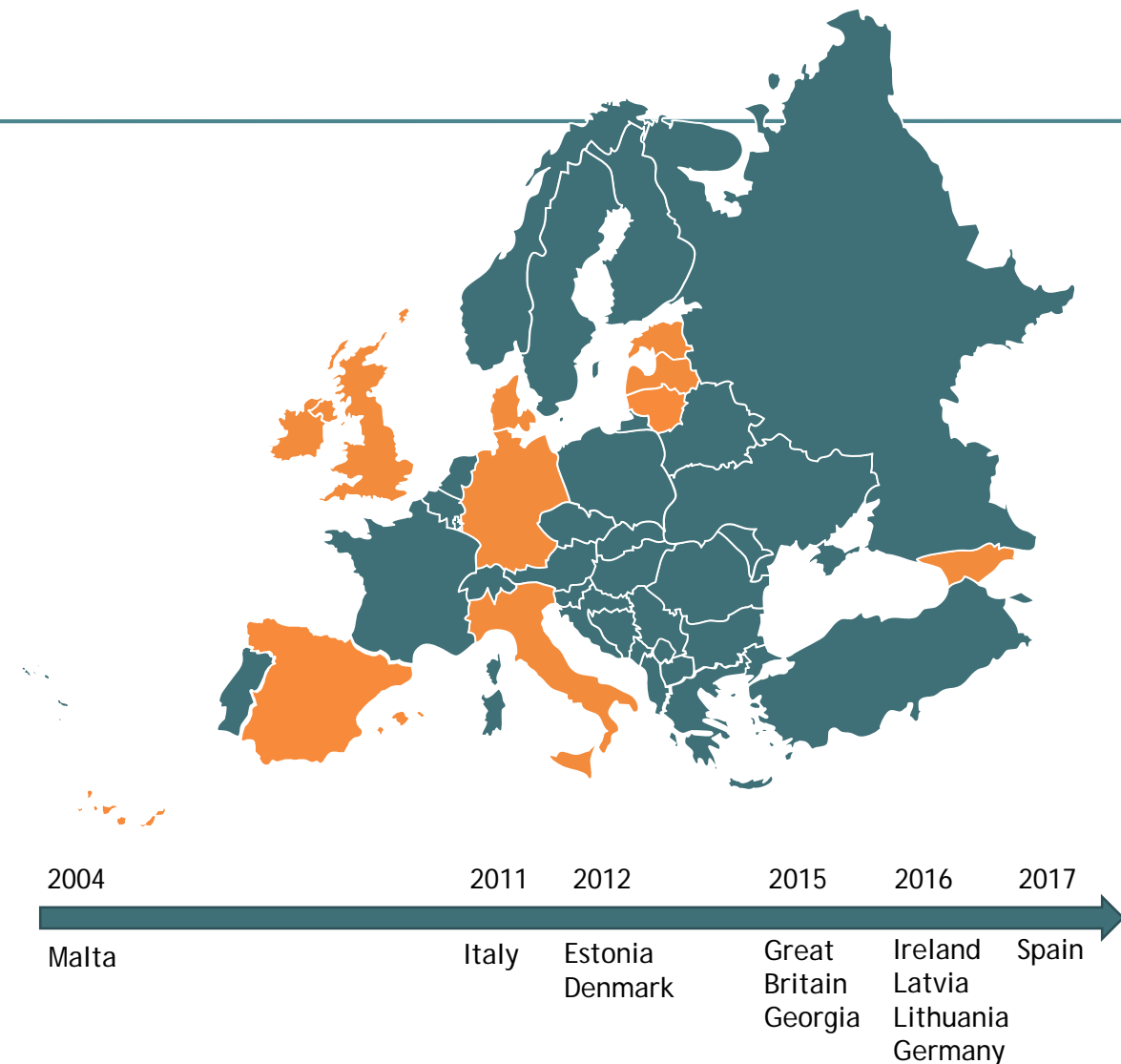
- Casino growth 16%
  - Organic growth 12%
- 11% growth in the Nordics
- 27% growth in Western Europe
- Improved Live Casino offering with dedicated Scandinavian tables





# REGULATORY UPDATE

- Re-regulation of the Swedish gambling market on 1 January 2019
- New Dutch Government taken initiative to revive the process of re-regulating the gambling market
- Italian government proposed a ban on gambling advertising



# BACK ON TRACK PLAN

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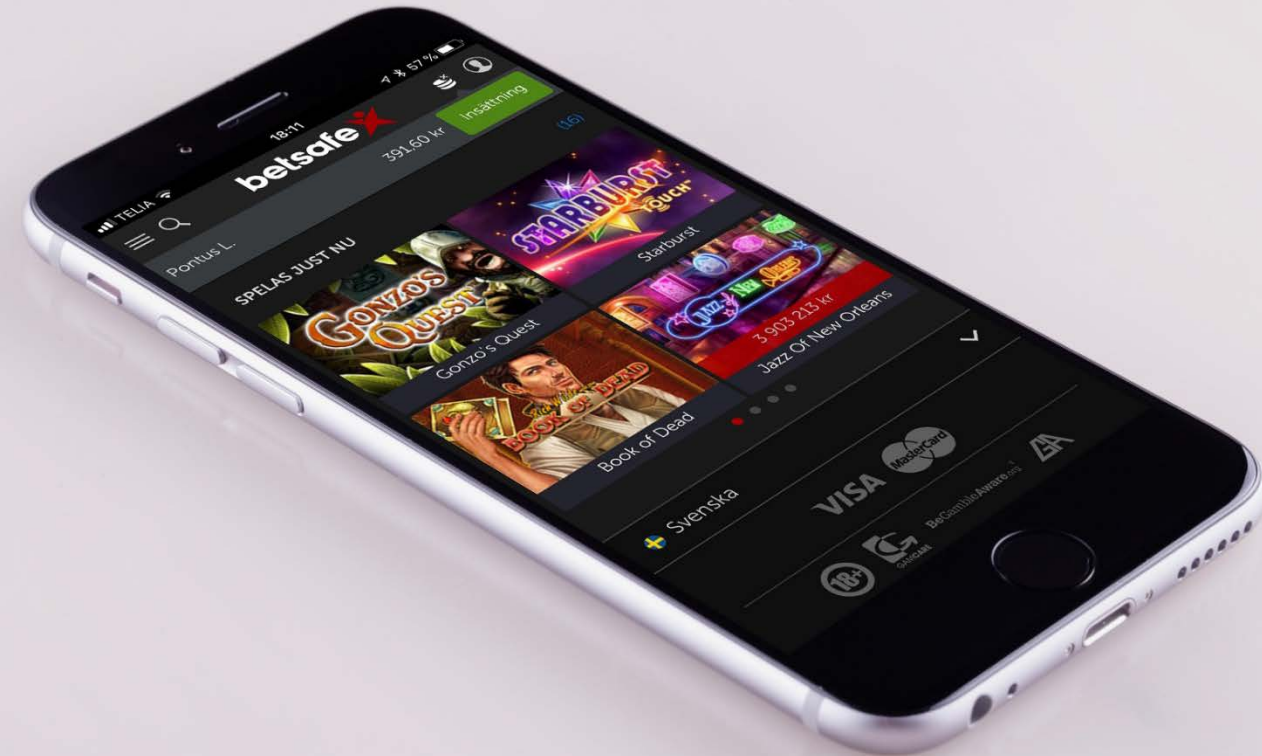
- Back on track plan put in place in Q4 2017
- Built around four areas with culture and organisation at the core
- Pillars of the plan:
  - Improve products and performance
  - Turnaround growth trends in core markets
  - Improve efficiencies



# SUMMARY

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- Continued improvements of product and technology
  - Roll-out of OBG app on core brands continue
- Focus on efficiencies in all areas
- Preparing for re-regulation of the Swedish gaming market



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