

betsson ab

Q3 2018

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HIGHLIGHTS Q3

- All Time High in revenue: SEK 1.427 m
 - Growth across all regions
 - Mobile revenue grew 42%
- All Time High in EBIT: SEK 340 m
 - Efficiencies continue showing effect
- Application for licences in Sweden submitted



FINANCIAL SUMMARY Q3

- Revenue grew 21%
 - 16% organic growth
- Casino revenue grew 22%
- Sportsbook revenue grew 23%
 - Sportsbook margin 7.4%
 - Sportsbook revenue related to FIFA World Cup was 1.8% of Group revenue
- EBIT was SEK 340 m, margin 23.8%

SEK m	Q3 2018	Q3 2017	Change	FY 2017
Revenue	1,427	1,181	21%	4,717
Gross profit	1,010	859	18%	3,419
Gross margin	70.8%	72.8%		72.5%
EBITDA	424	285	49%	1,150
EBITDA margin	29.7%	24.1%		24.4%
EBIT	340	216	58%	882
EBIT margin	23.8%	18.3%		18.7%
EPS, SEK	2.20	1.35	63%	5.68
Casino revenue	1,066	871	22%	3,438
SB revenue	339	275	23%	1,140
SB margin	7.4%	7.1%		6.9%

BACK ON TRACK PLAN STILL ON TRACK

- 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



PRODUCT & TECHNOLOGY

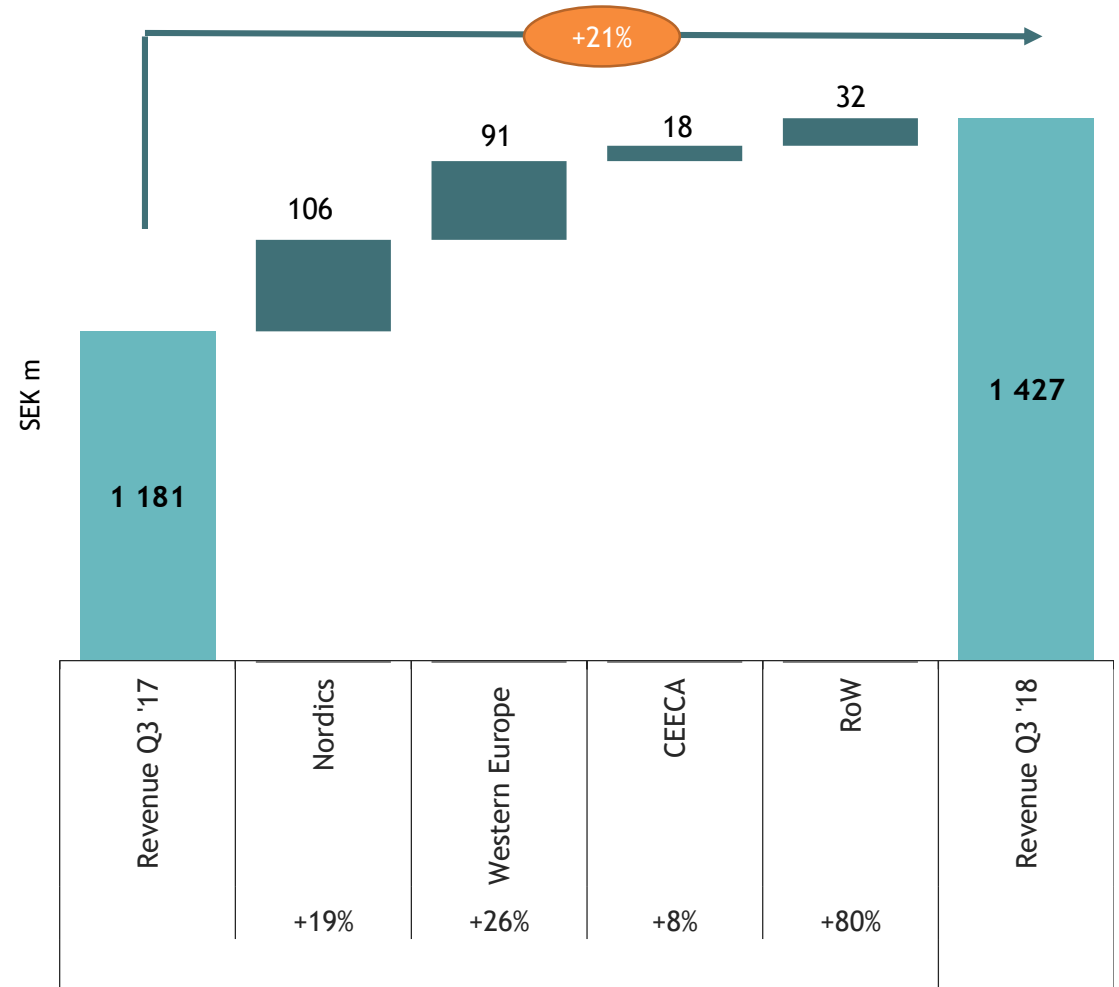
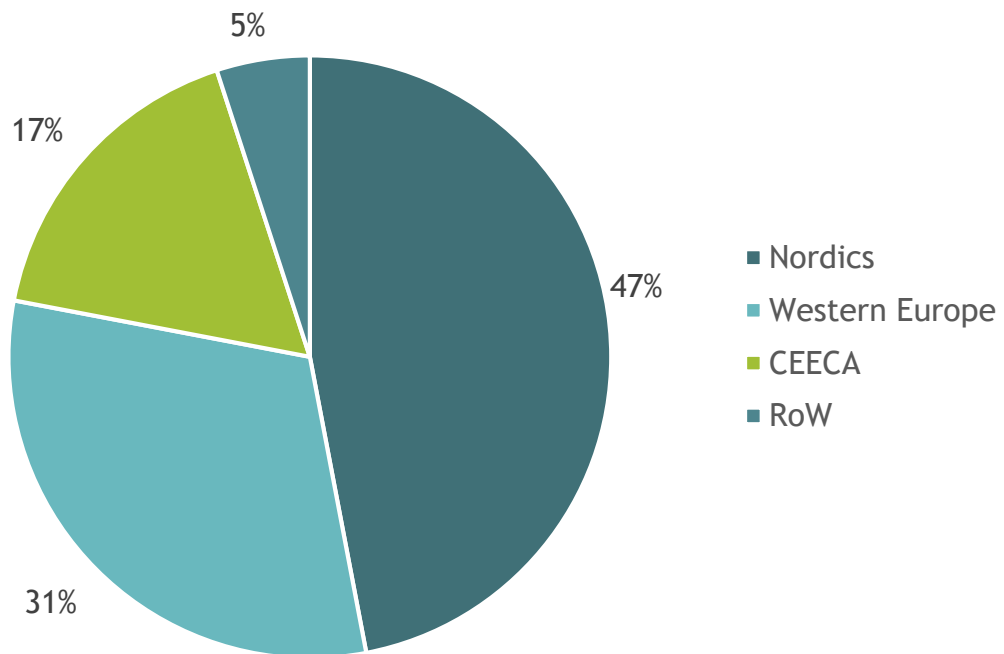
- OBG on mobile on all core brands
- Roll-out of OBG on desktop will start towards end of year
- Top class sports coverage
- Larger football offering
 - 230+ pre-match markets
 - 100+ live markets
- New functionality
 - Betbuilder, Price boost, Premium visualisation
- 2,700 casino games of which 2,000 on mobile
- Nordic Live Casino tables

The screenshot displays a live betting interface for a Premier League match between Leicester City and Liverpool. The top navigation bar includes links for Casino, Live Casino, and Poker, along with utility links like Live Score, How to Bet on Sports, How to Live Stream, and How to Bet Risk Free. The main content area shows the match score (Leicester 1 - 2 Liverpool) at the 67th minute of the 2nd half. A 3D pitch visualization shows a pass by Mané. Below the match details, there are several sections for betting markets:

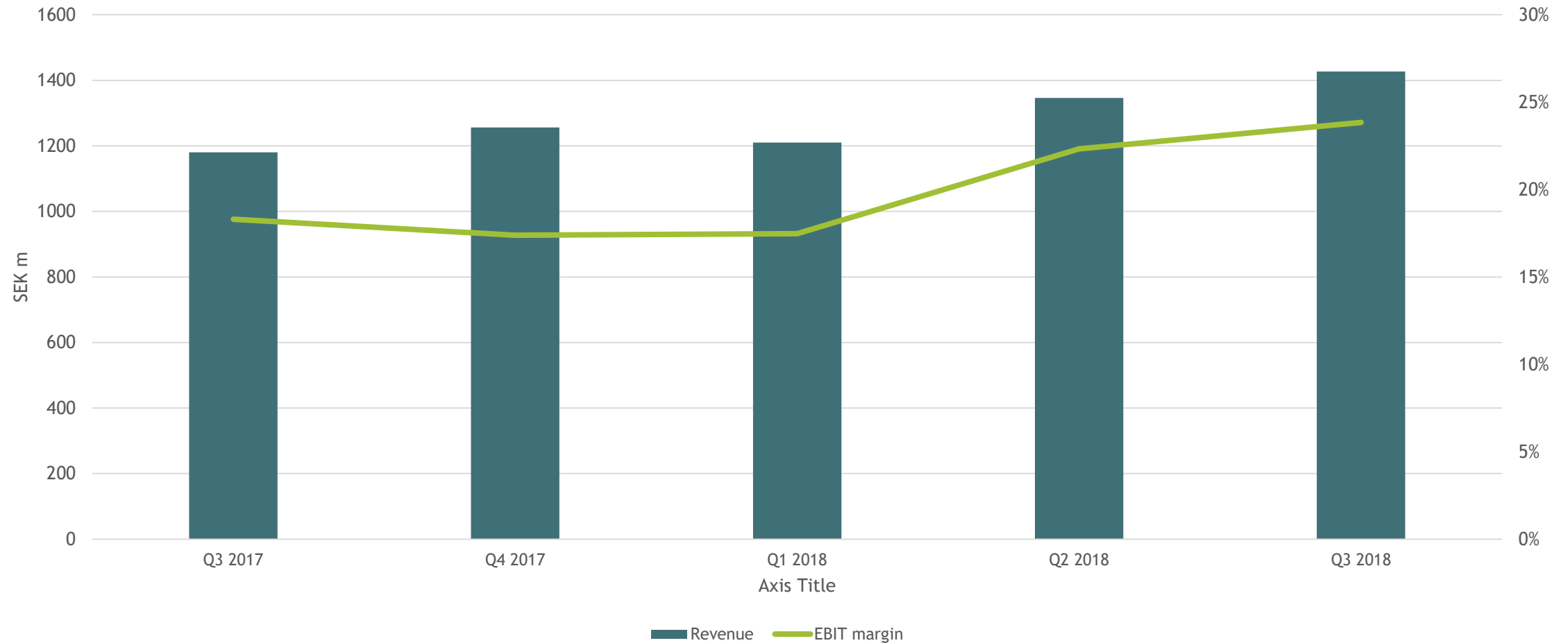
- Popular Markets:**
 - Match Winner **CASHOUT**: Leicester (32.00), Draw (X, 6.40), Liverpool (2, 1.15)
 - Team to score goal 4: Leicester (4.40), Liverpool (2, 2.30), No Goal (2.45)
 - Rest of Match: Leicester (5.70), Draw (X, 2.05), Liverpool (2, 2.50)
 - Draw no bet: Leicester (14.00)
 - Double chance: 1X (5.70), 12 (1.11), X2 (1.01)
 - Match Winner and Over/Under 3.5: Home + Over (32.00), Draw + Over (6.40), Away + Over (2.00); Away + Under (2.40)
 - Match Winner and Over/Under 4.5: Home + Over (32.00), Draw + Over (45.00), Away + Over (4.10)
- Number of Goals:**
 - Match Goals **CASHOUT**: Over (3.5, 1.54), Under (3.5, 2.45)
 - Match Goals **CASHOUT**: Over (5.5, 9.50), Under (5.5, 1.04)
 - Match Goals **CASHOUT**: Over (4.5, 3.60), Under (4.5, 1.27)
 - Match Goals **CASHOUT**: Over (6.5, 28.00)
 - Match Goals **CASHOUT**: Over (7.5, 65.00)
 - Total Goals - Home Team: Over (1.5, 3.15), Under (1.5, 1.32)
 - Total Goals - Home Team: Over (2.5, 12.00), Under (2.5, 1.01)

GROWTH ACROSS ALL REGIONS

Revenue, Q3 2018

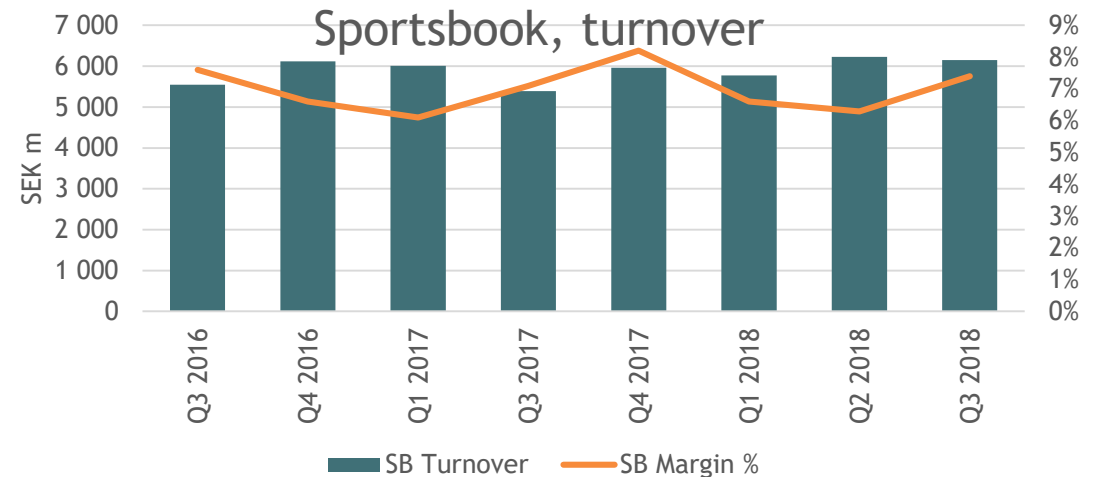


EFFICIENCIES IMPROVE PROFITABILITY



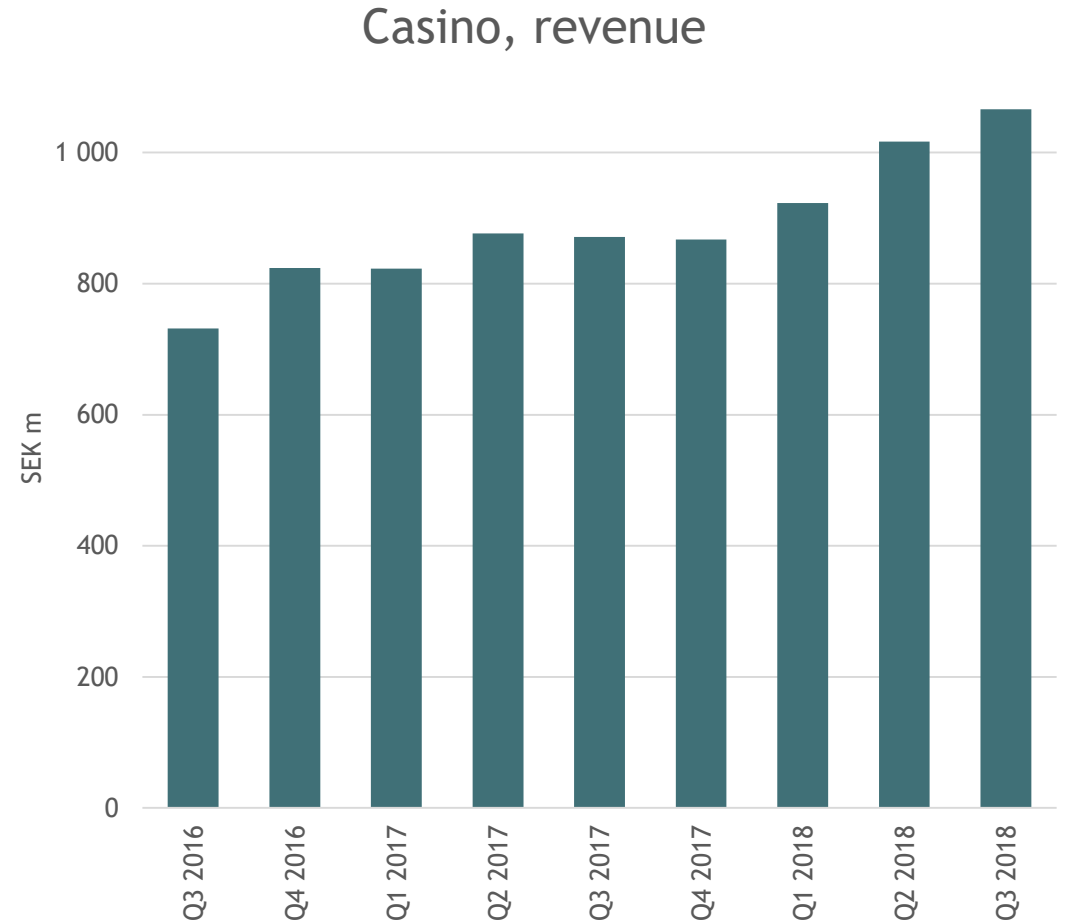
SPORTSBOOK DEVELOPMENT

- Sportsbook revenue grew 23%
 - 1.8% of revenue related to FIFA World Cup
- Sportsbook gross turnover grew 14%
 - Organic gross turnover growth 26%
- Sportsbook margin at 7.4% (7.1%)
- 25% growth in region Nordics



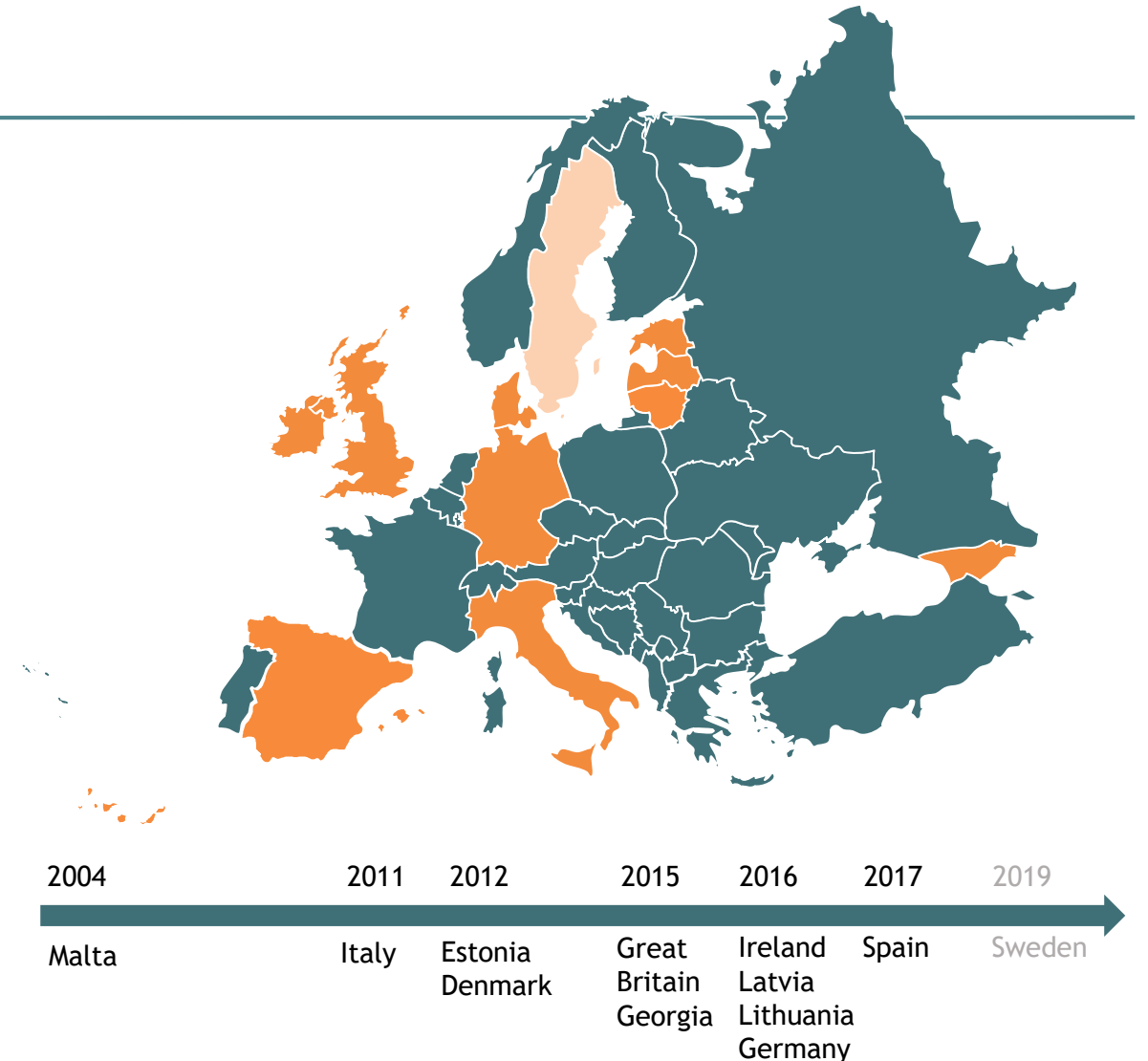
CASINO DEVELOPMENT

- Casino growth 22%
 - Organic growth 16%
- Improved Live Casino offering with dedicated Nordic tables
- Increased revenue from proprietary games



REGULATORY UPDATE

- Licences in 11 jurisdictions
- 23% of revenue is locally taxed
- Applications for licences in Sweden submitted
- Re-regulation of gambling market in the Netherlands possible in 2020
 - Corona Ltd. has appealed fines
- States in the U.S. opening up for online gambling



SUMMARY

- Continued improvements of product and technology
 - Roll-out of OBG for desktop starts towards end of 2018
- Focus on efficiencies in all areas
- Preparing for re-regulation of the Swedish gaming market



Betsson submitted Swedish licence applications on 1 August.

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