Full Year 2014 Results

26 February 2015

playtech
SOURCE OF SUCCESS

Highlights :

Alan Jackson
Chairman

Financial Review :

Ron Hoffman
CFO

Strategic Review :

Mor Weizer
CEO

Q & A

Agenda

playtech
SOURCE OF SUCCESS

- Outstanding financial performance for the year
  - Total revenue up 24%
  - Adj. EBITDA up 30%
  - Adj. net profit up 29%
  - Adj. EPS up 28%
- Strong underlying growth
- Significant cash balance to deploy for M&A and further investment in the business
- Total 2014 dividend of 26.4 euro cents per share
- Growth momentum continues into 2015

Highlights

playtech SOURCE OF SUCCESS

Highlights :

Alan Jackson
Chairman

Financial Review :

Ron Hoffman
CFO

Strategic Review :

Mor Weizer
CEO

Q & A

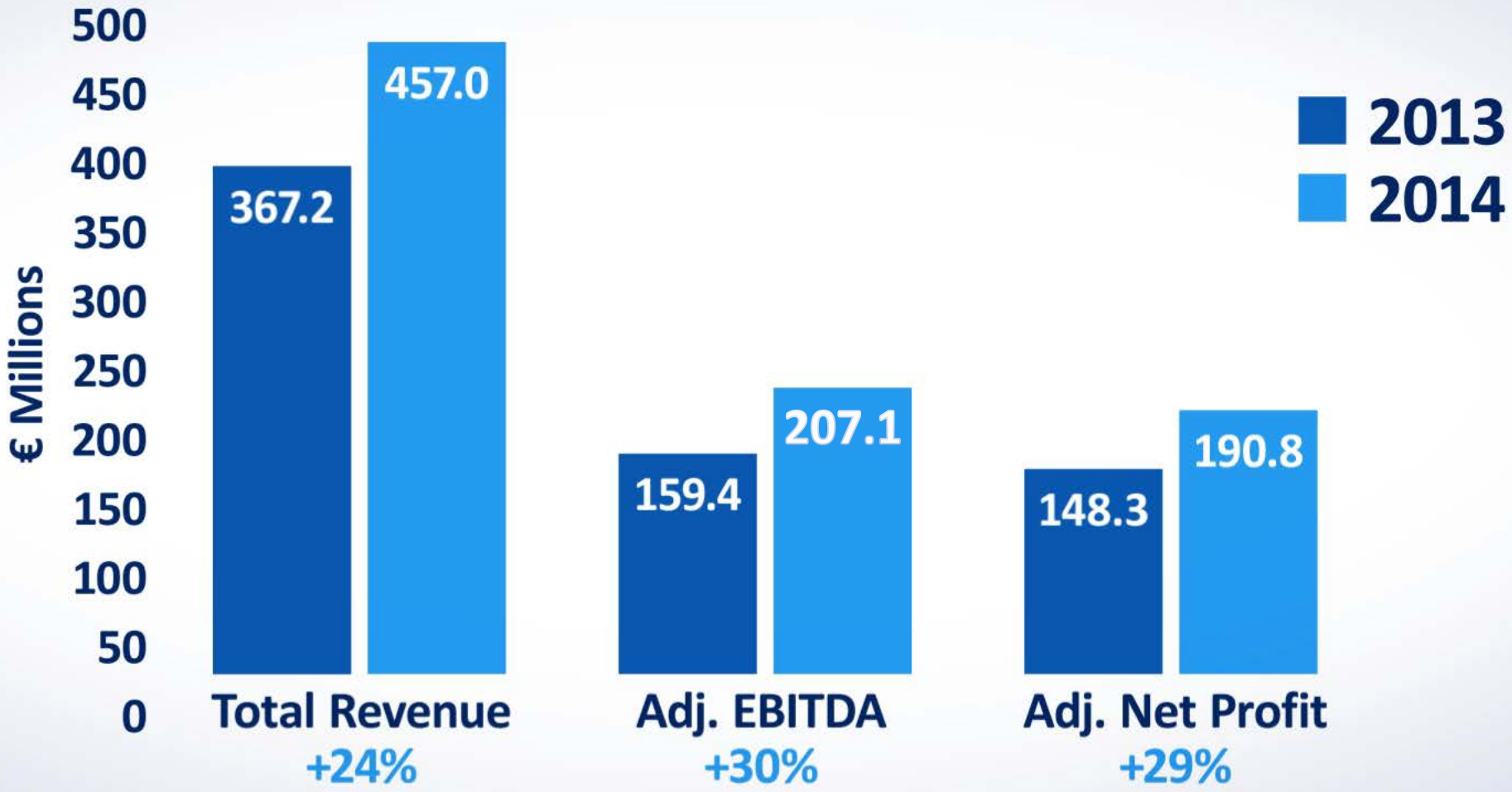
Agenda

playtech
SOURCE OF SUCCESS

- Key drivers in 2014:
  - The continued organic growth of the business
  - Acceleration of growth with new business being focused on regulated revenue streams
  - The continued growth trajectory in mobile
  - Significant growth in sports
  - Focus on structured agreements
  - Faster growth in regulated jurisdictions
  - Further bolt-on acquisitions
- Positioned well for future growth

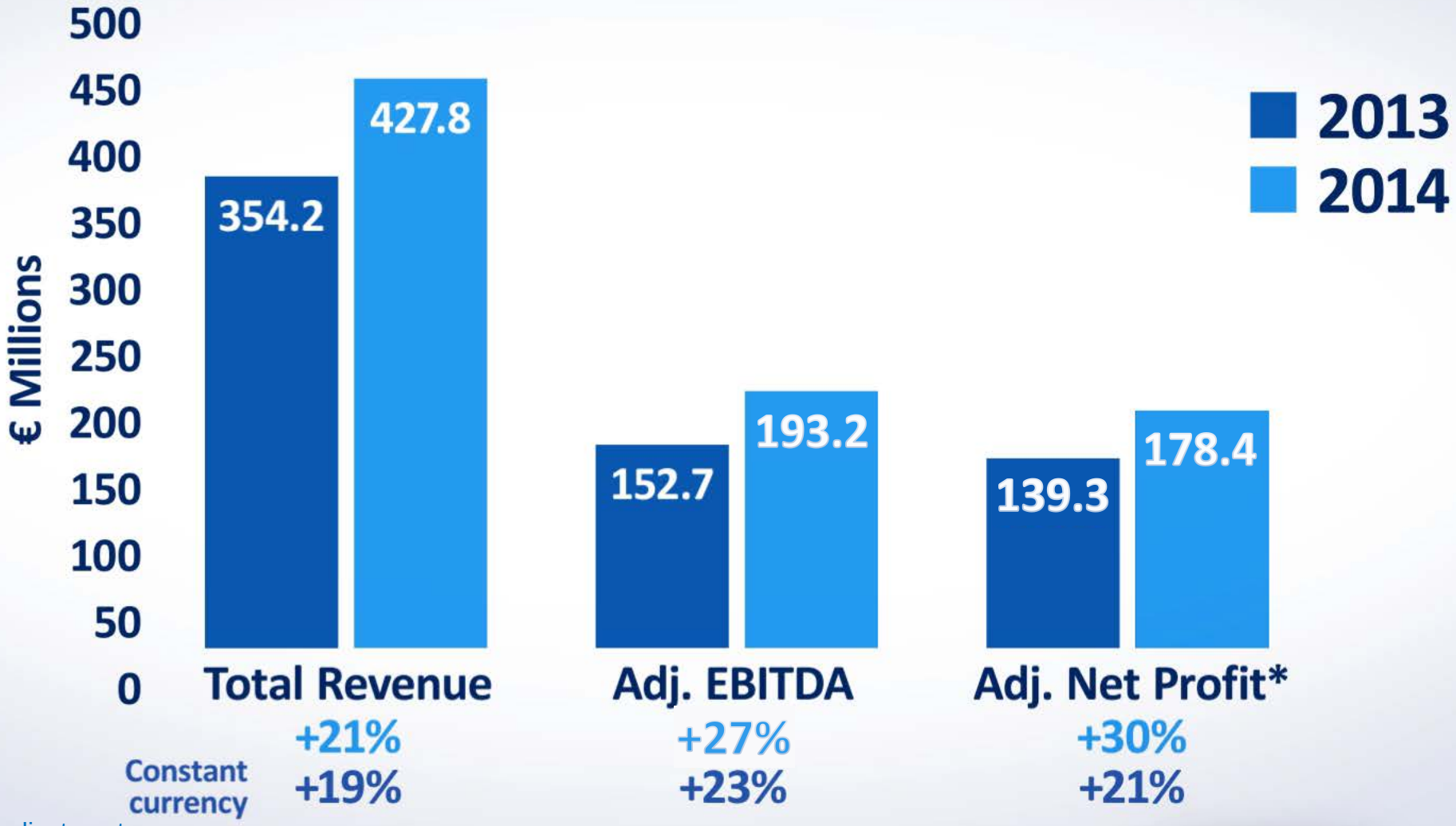
Results Summary

playtech SOURCE OF SUCCESS



Results Summary

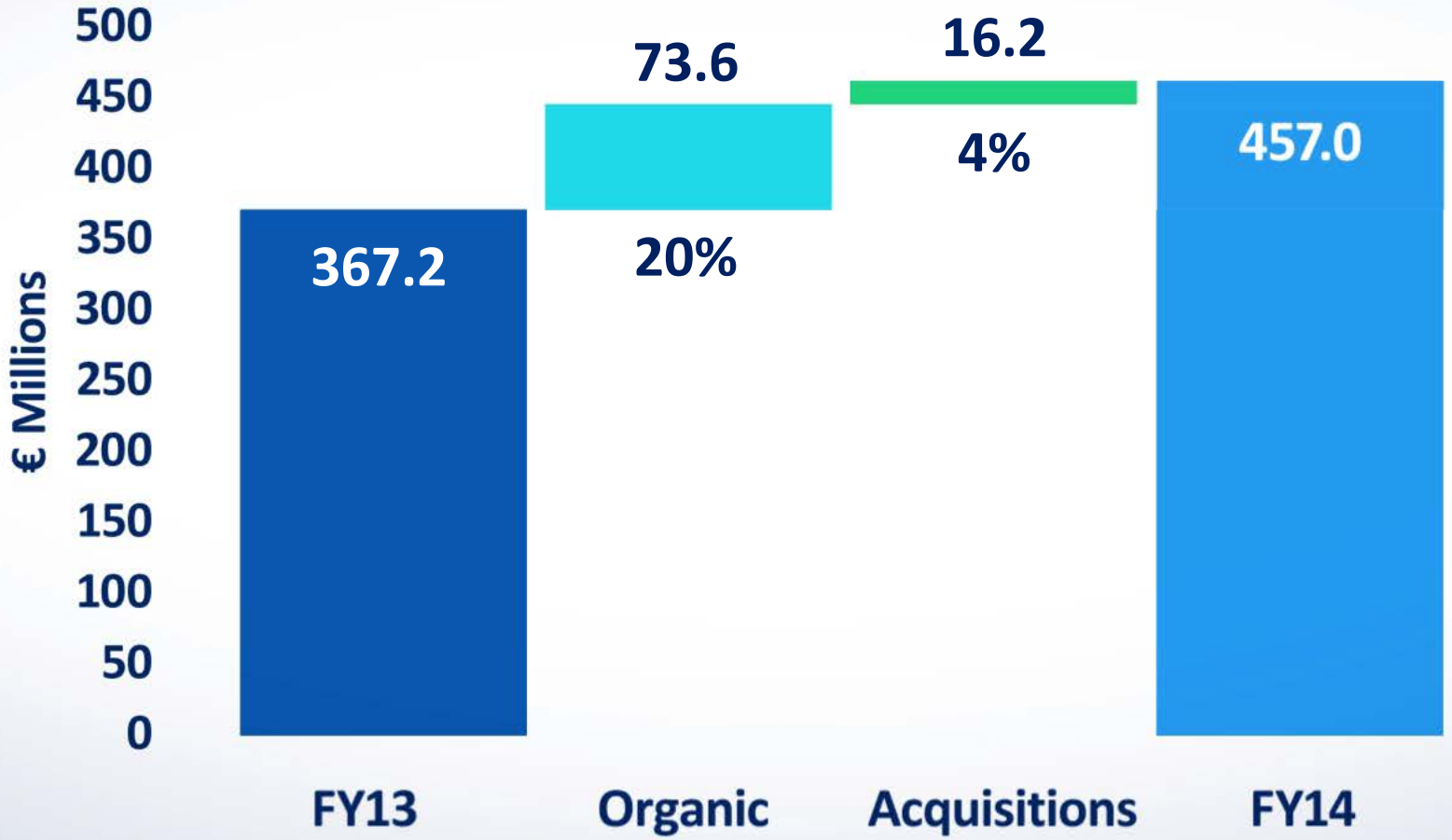
playtech
SOURCE OF SUCCESS



* Excluding prior year adjustments

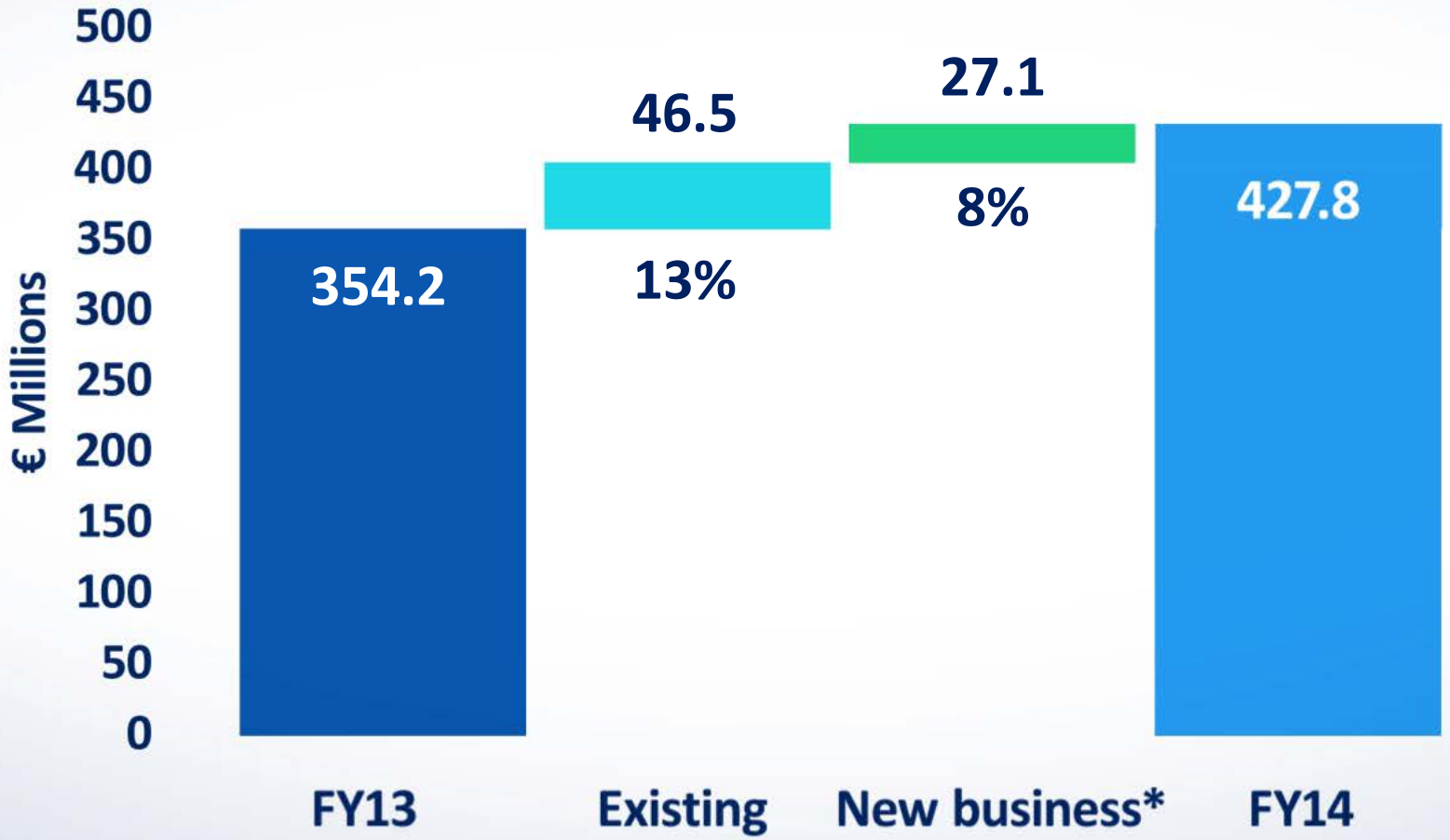
Underlying Results – excluding acquisitions

playtech SOURCE OF SUCCESS



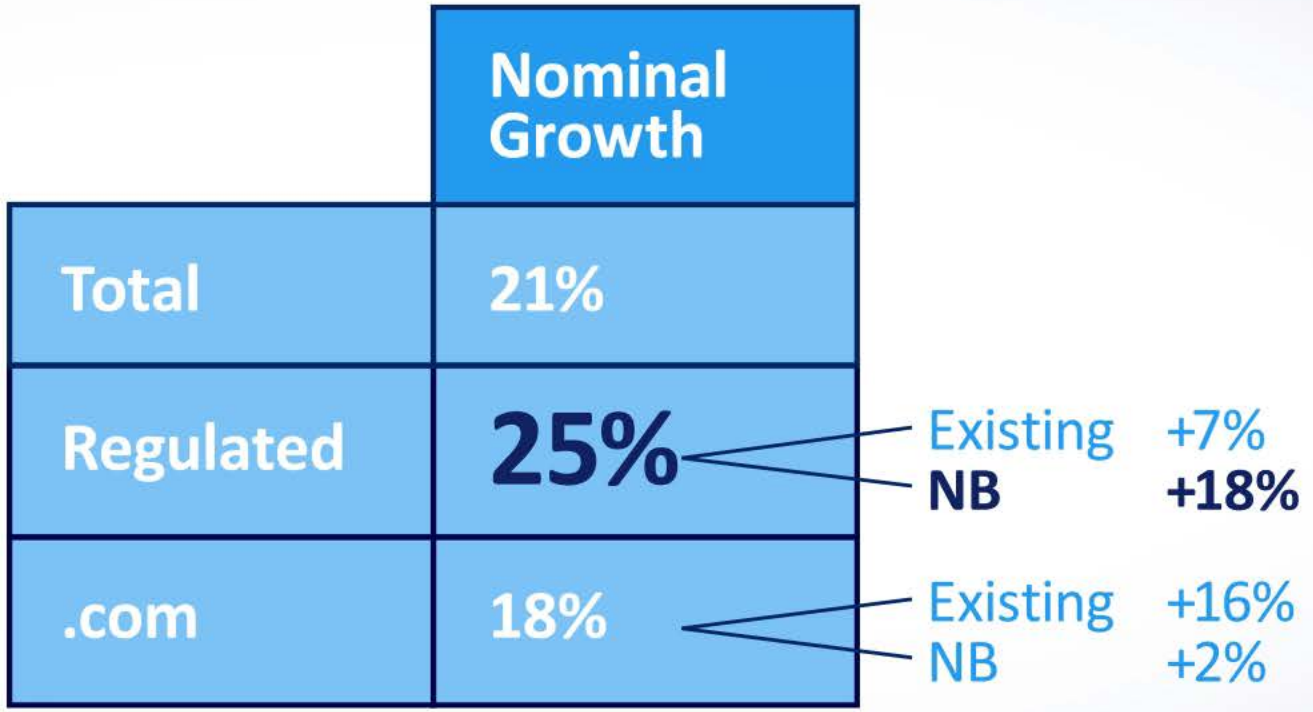
Revenue Bridge

playtech
SOURCE OF SUCCESS



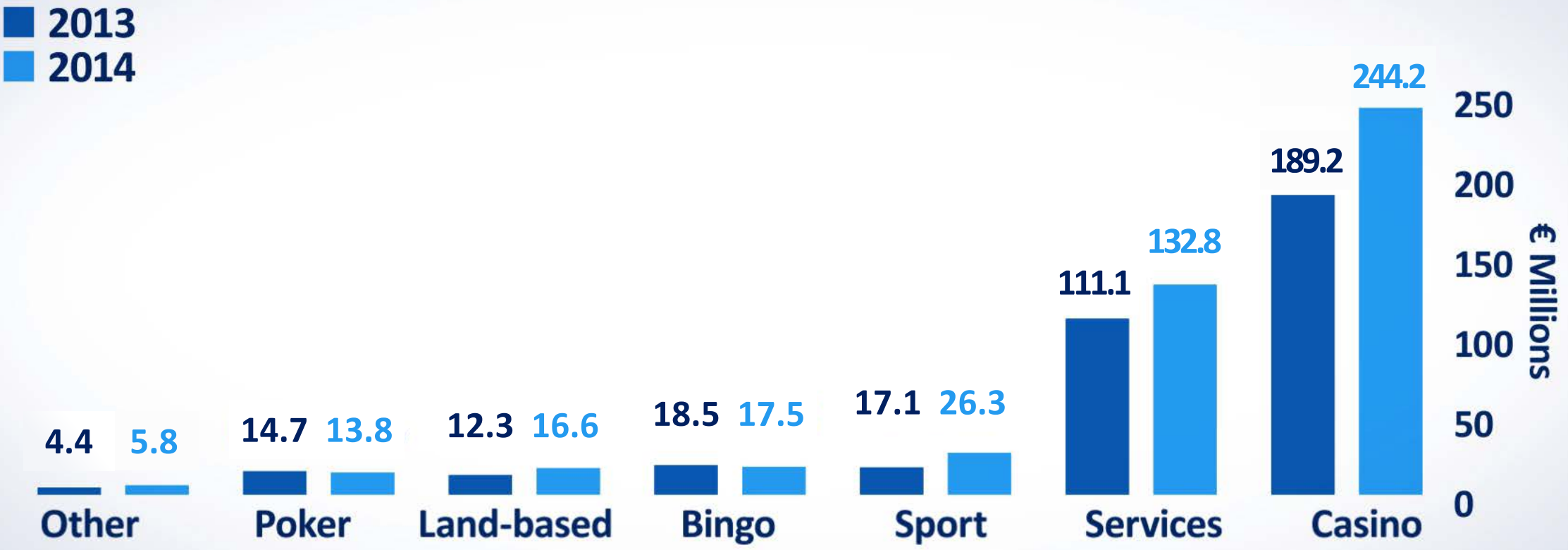
Underlying Revenue Bridge

playtech
SOURCE OF SUCCESS



Revenue Organic Growth - Regulatory Split

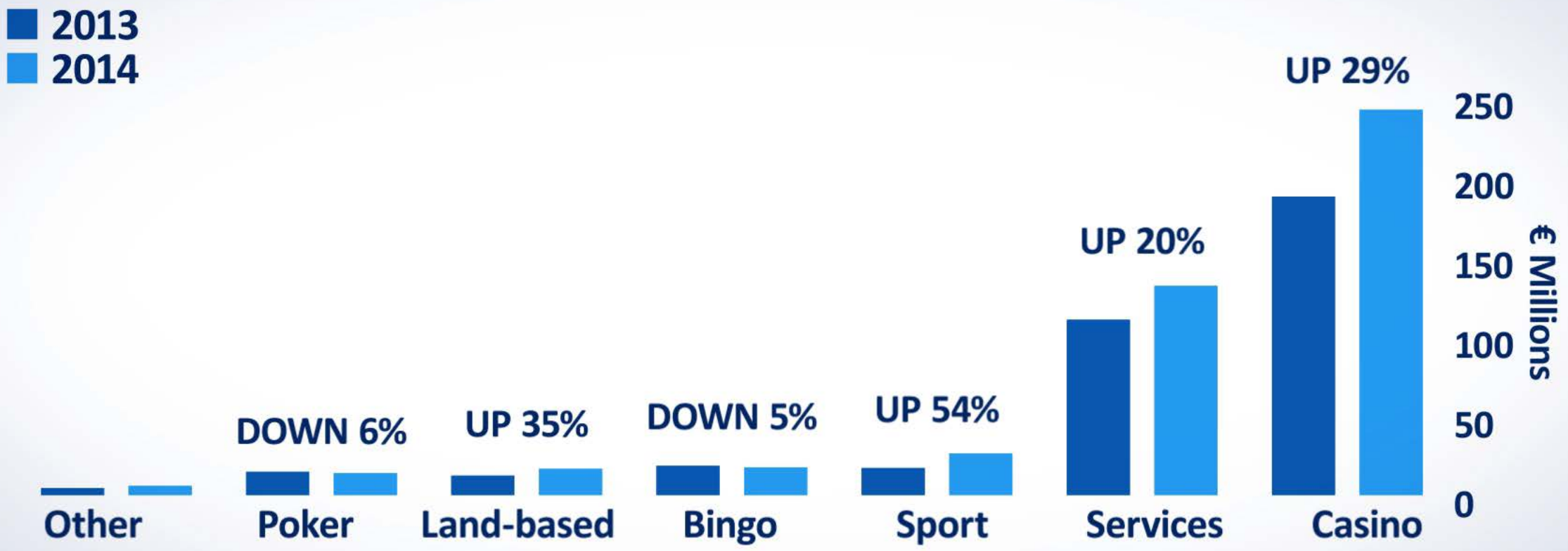
playtech SOURCE OF SUCCESS



Poker, bingo & sport line items exclude casino side games contribution which are reported under the casino line item

Revenue Breakdown

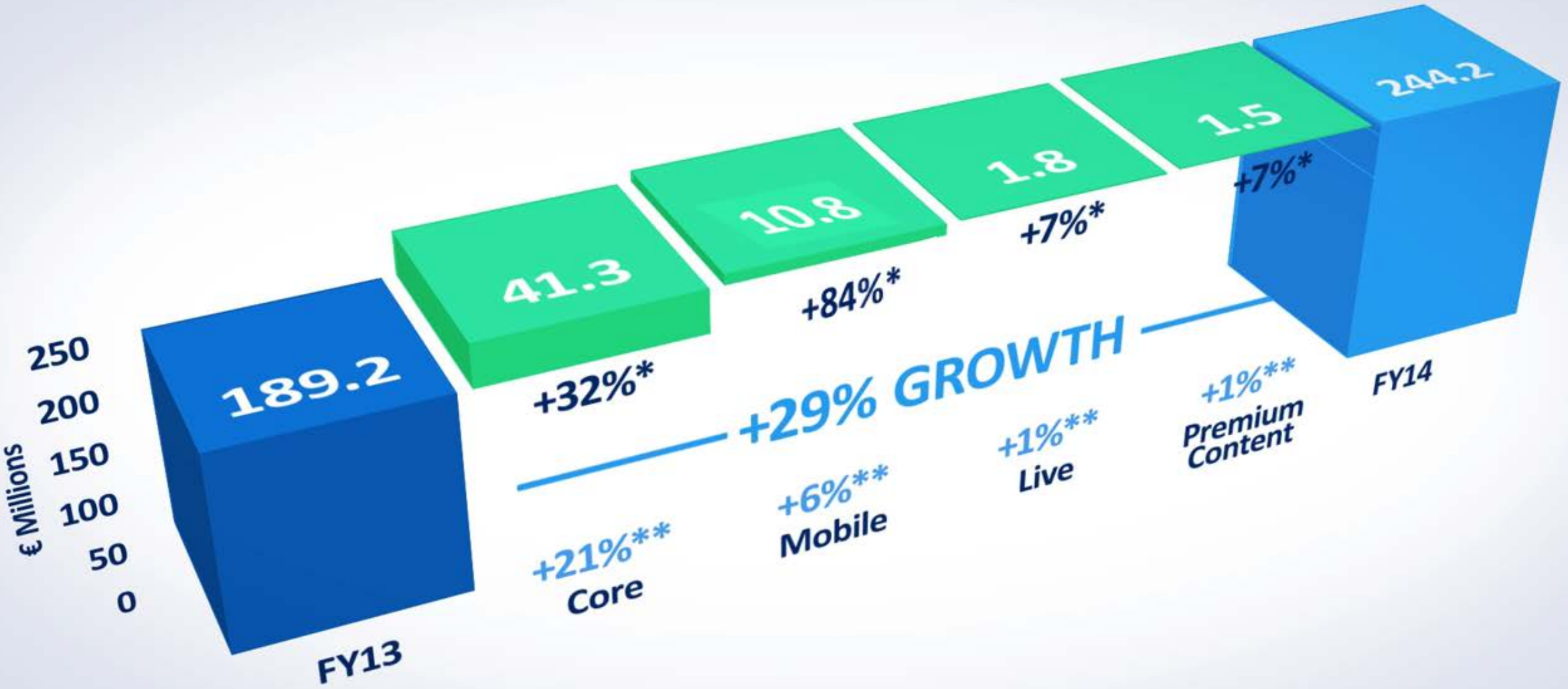
playtech
SOURCE OF SUCCESS



Poker, bingo & sport line items exclude casino side games contribution which are reported under the casino line item

Revenue Breakdown

playtech
SOURCE OF SUCCESS



Casino Bridge

playtech
SOURCE OF SUCCESS

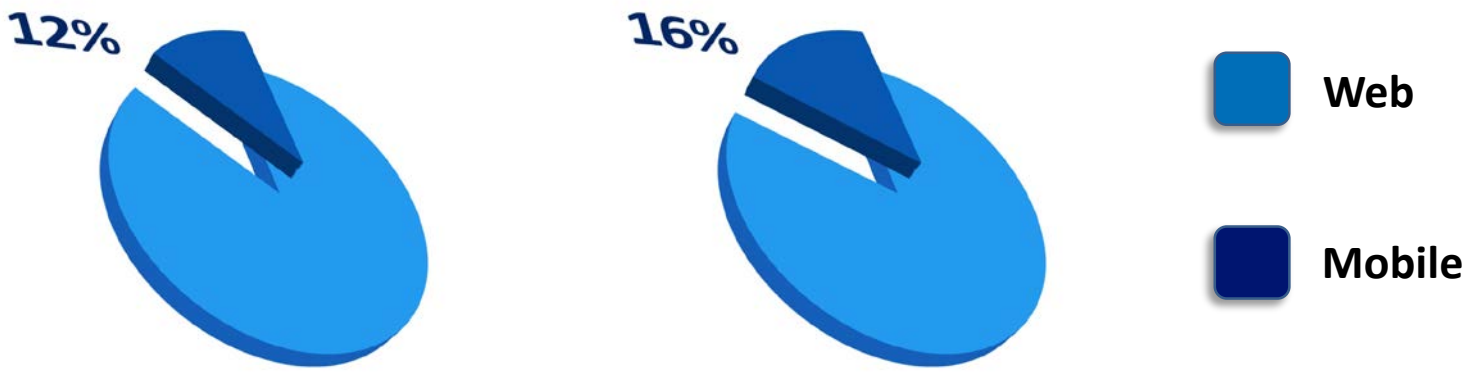
Product Vertical	2013 (in €m)	2014 (in €m)	% Growth
Casino	12.7	**23.7**	**84%**
Sports	14.7	**22.2**	**51%**
Bingo	2.0	**2.4***	**21%**
Poker	-	**0.2**	**-**
Total	**29.4**	**48.5**	**64%**

*Affected negatively by certain commercial changes

Mobile Penetration

playtech SOURCE OF SUCCESS

Product Vertical	2013 (in €m)	2014 (in €m)	% Growth
Casino			
Sports			
Bingo			
Poker			
Total			



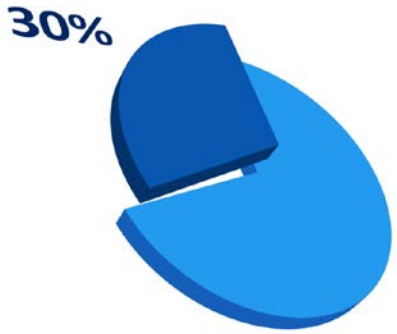
Mobile Penetration

playtech
SOURCE OF SUCCESS

Case study on mobile casino in the UK Market

Web Mobile

UK Market



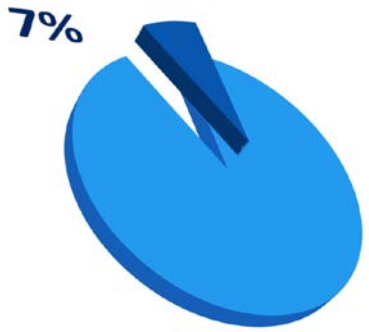
Organic activity in the UK market:

Web growth (2014 vs. 2013) : **Flat**

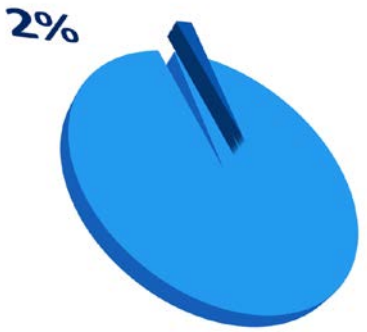
Mobile growth (2014 vs. 2013) : **+74%**

Significant incremental growth from mobile

European Market (w/o UK)



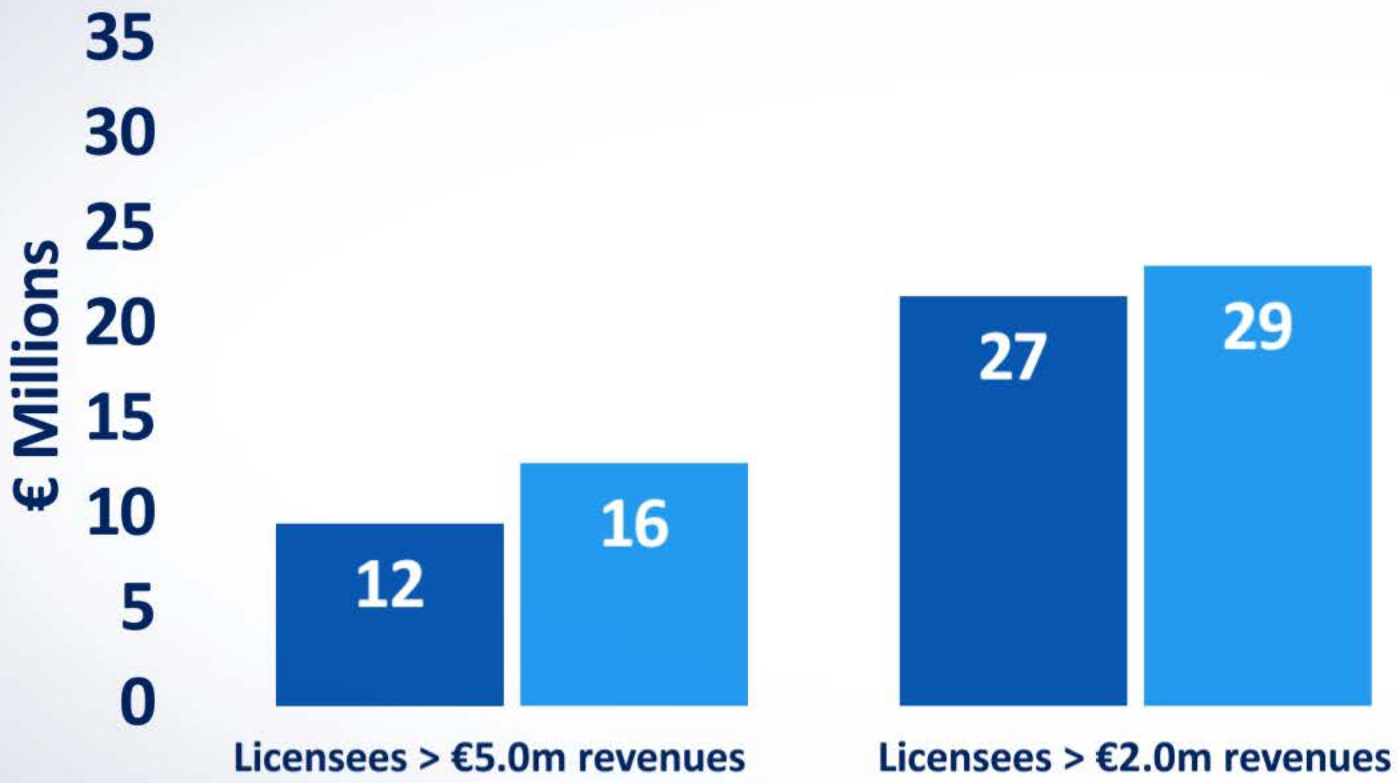
Rest of World



Presenting a significant growth potential on top of continued penetration in the UK market

The Mobile Effect & Growth Potential

playtech SOURCE OF SUCCESS



	FY13	FY14
Top 2 licensees	35%	**28%**
Top 5 licensees	54%	**53%**
Top 10 licensees	69%	**74%**
Top 15 licensees	77%	**81%**

Customer Concentration

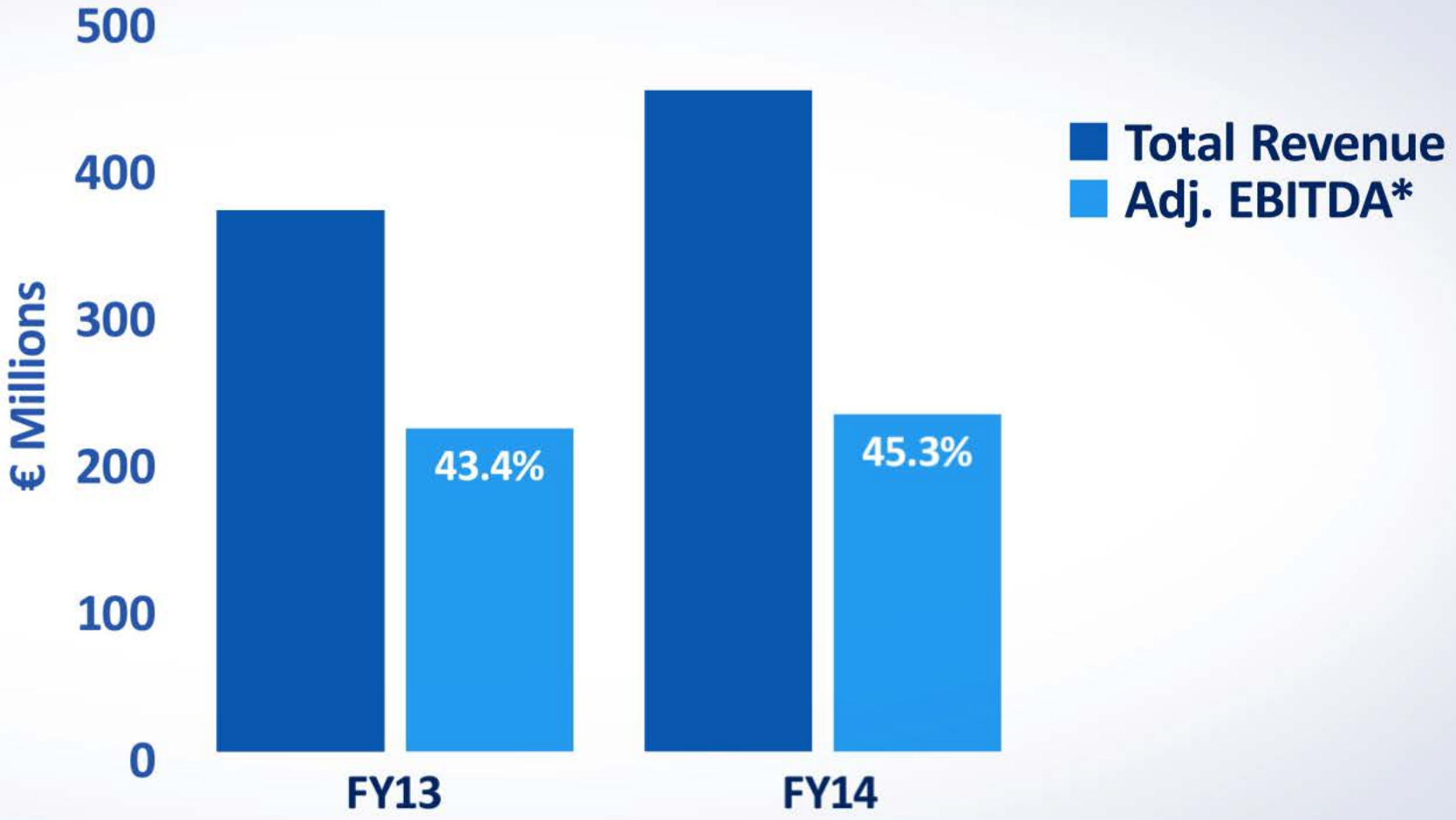
playtech SOURCE OF SUCCESS

€m	2013		2014	
Adj. operational costs	207.8		**249.8**	
Revenue-driven costs	37.9	10.3%	**37.5**	**8.2%**
Adj. operating expenses exc. revenue-driven costs	169.9		**212.3**	
Employee-related costs	105.1	61.9%	**133.0**	**62.7%**
Cost of services	23.3	13.7%	**32.8**	**15.4%**
Administration and office costs	17.7	10.4%	**22.8**	**10.7%**
Travel, exhibitions & marketing	8.9	5.2%	**8.5**	**4.0%**
Other	14.9	8.8%	**15.2**	**7.2%**
Total		**100%**		**100%**

Analysis of Costs and Expenses

playtech SOURCE OF SUCCESS

- **Adj. EBITDA margin up 190bps**
- **Increase due to:**
- Reduced revenue driven costs
- Tight control on administrative costs
- The appreciation of sterling versus euro
- Acquisitions
- Other



*Adj. EBITDA excluding WHO SOP 2013

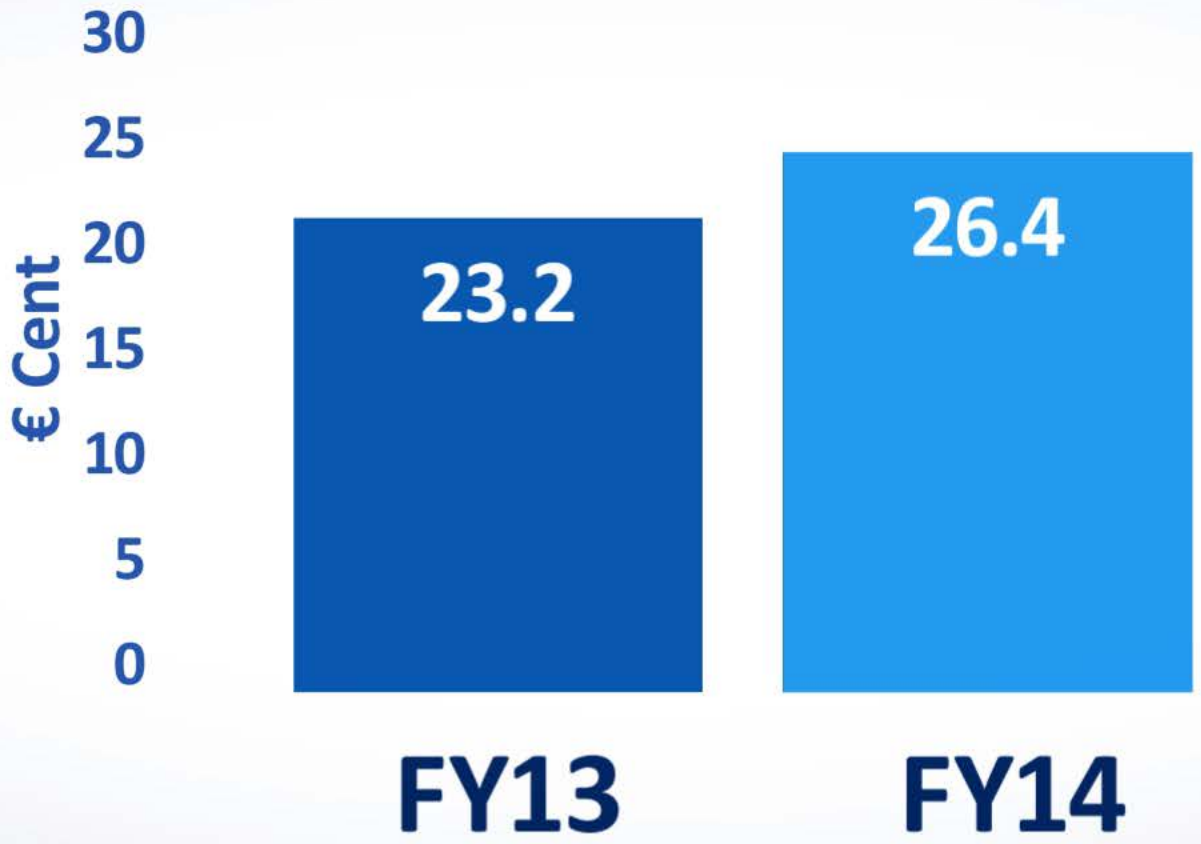
Adjusted EBITDA Margin

playtech
SOURCE OF SUCCESS

€m	2013	2014
Cash from operating activities	193.2	**220.8**
Net proceeds from sale of WHO stake WHO and dividends received from WHO	514.7	-
Cash outflow from investing activities*	(171.7)	**(129.2)**
Acquisition of subsidiaries (net of cash acquired)	(128.9)	**(43.4)**
Investment in equity-accounted associates	-	**(26.5)**
Other	(42.8)	**(59.3)**
Cash (outflow)/inflow from financing activities	(136.5)	**57.3**
Dividends	(67.9)	**(192.3)**
Convertible bond issue, net proceeds	-	**291.1**
Set-up of EBT	-	**(48.5)**
Repayment of bank borrowings	(69.2)	-
Other	0.5	**7.0**
Exchange gains on cash and cash equivalents	6.9	**16.0**
Closing cash	527.4	**692.3**

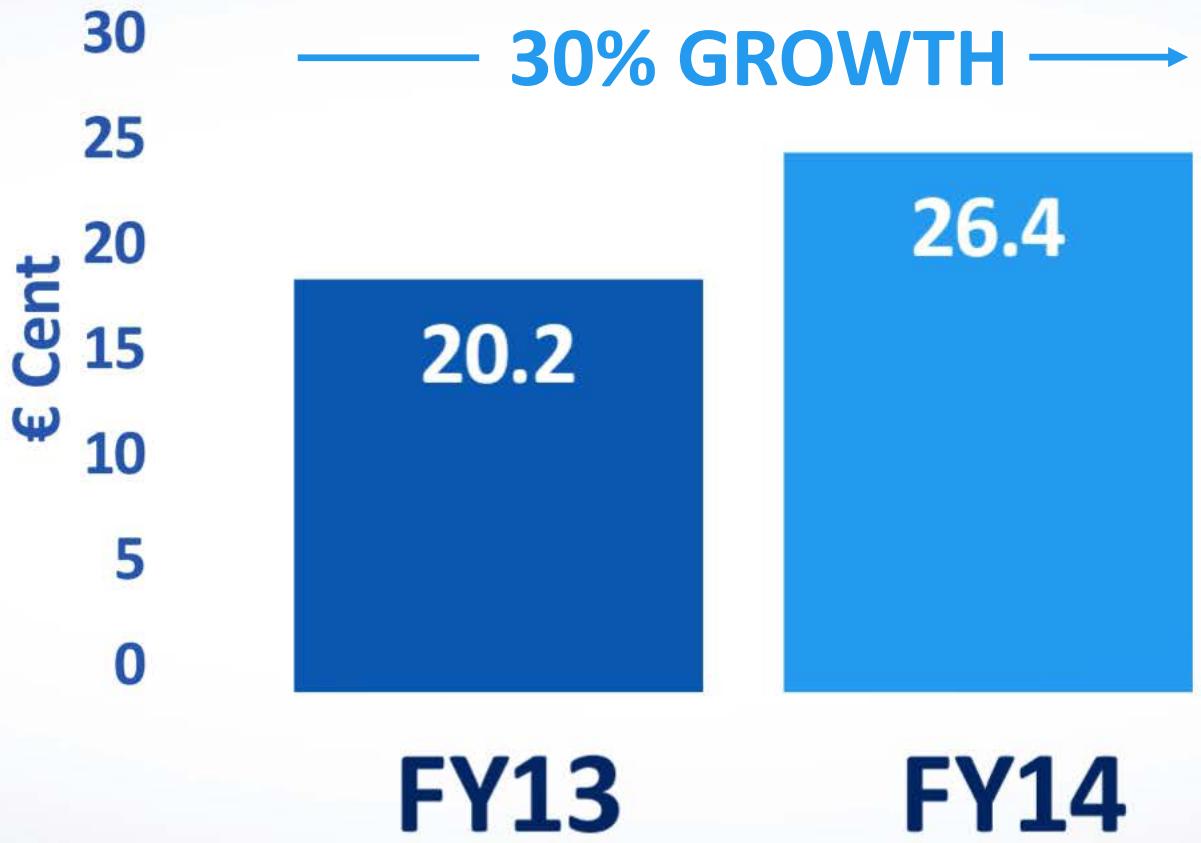
Summary Cash Flow

playtech SOURCE OF SUCCESS



Total Dividend Per Share

playtech
SOURCE OF SUCCESS



*Performa 2013 total dividend based on the dividend policy excluding William Hill

Total Dividend Per Share

playtech
SOURCE OF SUCCESS

Cash balances	**€692.3** million
	(31 December 2013: €527.4m)
Total assets	**€1.254** billion
	(31 December 2013: €1.066bn)
Total equity	**€873.2** million
	(31 December 2013: €921.0m)

- Strengthened by convertible bond issue
- Immaterial level of deferred consideration

Balance Sheet Highlights

playtech SOURCE OF SUCCESS

Highlights :

Alan Jackson
Chairman

Financial Review :

Ron Hoffman
CFO

Strategic Review :

Mor Weizer
CEO

Q & A

Agenda

playtech
SOURCE OF SUCCESS

- Execution of strategy H1
  - securing delivery of H2 growth and beyond
  - strong organic and new business growth
  - strong momentum of new licensees
- Improvement of regulated income
- Full migration of Ladbrokes onto the Playtech platform
- Roll-out of Omni-Channel solution for Gala Coral
- Roll-out of industry-leading BIT toolset

Strategic Highlights - 2014

playtech SOURCE OF SUCCESS

“Simplicity is the ultimate sophistication”

Leonardo da Vinci

Holistic Approach

playtech
SOURCE OF SUCCESS

- Moving from product silos, to a more integrated approach, focused on the offering to customers and their journey
  - improved player environment and experience – seamless and intuitive
  - agnostic to channels/platforms/products
  - taking licensees to market faster

Player Experience

playtech SOURCE OF SUCCESS

- No jargon or hype
- Significant sales potential
- Simultaneous game release
- Ocean-wide gap between Playtech and other players

IMS

Playtech ONE - Omni-Channel Strategy

playtech
SOURCE OF SUCCESS

- Full A-Z sports offering
  - Investment into a leading, multi-national, sports betting supplier for retail/online
- Retail specific games development studio
- Entered two new VLT markets, becoming the #1 supplier
- All fully integrated with online/mobile

Retail Channel

playtech
SOURCE OF SUCCESS

- Industry-leading mobile-first offer
- Best performing titles; increased games development pipeline
- Innovation at the heart of performance
- State-of-the-art, multi-channel, flexible Live dealer offering

2014 EGR B2B Awards WINNER

Platform of the Year 2015 (eGaming Review)
Software Supplier of the Year (International Gaming Awards)

Casino

playtech SOURCE OF SUCCESS

- Continued strong double digit growth
- Next generation Omni-Channel sportsbook solutions
- Replaces obsolete technology and systems
- Game-changing player segmentation and personalisation tools
- Significant opportunity to use sport to break into new markets

Sports

playtech
SOURCE OF SUCCESS

- World’s largest bingo network
- Widest selection of multi-channel, mobile-first games and side games
- Complete end-to-end operational management, inc. white label
- Industry-leading, award-winning mobile products

Bingo Supplier of the Year 2015 (Gaming Intelligence)
Best Bingo Product and Best Bingo Supplier (Which Bingo)

Bingo

playtech
SOURCE OF SUCCESS

- Large independent network
- Continued innovation, including mobile
  - significant increase in operator player acquisition
  - positive initial feedback from new rake distribution
- Seamless user experience across all devices and platforms

Poker Supplier of the Year 2015 (Gaming Intelligence)

Poker

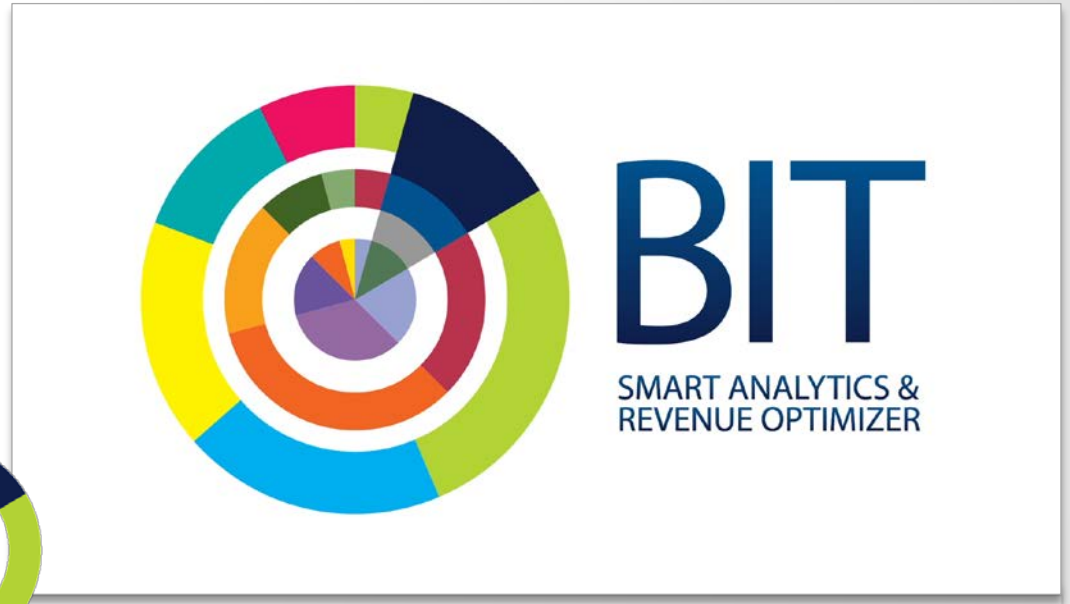
playtech
SOURCE OF SUCCESS

- New turnkey licensees in Mexico, Italy and UK
- Strong momentum in other jurisdictions
- Delivers player acquisition and retention to maximise revenue
- Levels playing field for new operators
- Ladbrokes continuing to make progress with more growth to come

Services

playtech SOURCE OF SUCCESS

- Transforms the way operators do business
- Drives player engagement with fully personalised offering
- Significantly increases revenue
- Work smarter with analysis and optimisation
- Delivers the ultimate customer experience



Playtech BIT - BI Technology

playtech
SOURCE OF SUCCESS

- Fast growing $25bn segment of the gaming market with no presence
- Best of breed in-house/acquisition approach
- Leverage core development and distribution skills
- Unique three-pronged, well-defined strategy:
  - internal games development
  - platforms and technology
  - publishing/marketing capabilities
- Increases diversity, complementary

Social / Casual

playtech
SOURCE OF SUCCESS

- An integral part of our holistic approach, becoming the natural channel of choice
- Significant growth opportunity
  - largest mobile development team in the industry
  - highly innovative
  - extensive product portfolio
  - all verticals
  - all devices & operating systems

Mobile Philosophy

playtech
SOURCE OF SUCCESS

- PTEC regulated share grew faster than unregulated in 2014
- Contracts like Holland Casino and extended relationships into Portugal and Bulgaria already signed securing future growth
- 25 markets are regulated sports land based/online
- Started to deliver combination strategy
- Soon to announce further contracts with some already executed
- Strong pipeline brings significant opportunity
- Co-operation with regulators ahead of regulation – support and lead

Regulation

playtech SOURCE OF SUCCESS

A lot more growth to come…

- Customers already signed
- Strong pipeline of new customers and extensions of contracts underway
- The unique “Playtech ONE” strategy is expected to become a major theme in the coming years and the standard for operators
- Sports will play a key role in more regulated markets
- M&A

Highlights :

Alan Jackson
Chairman

Financial Review :

Ron Hoffman
CFO

Strategic Review :

Mor Weizer
CEO

Q & A

Agenda

playtech
SOURCE OF SUCCESS