

Interim results 2017

24 August 2017

AGENDA

Highlights

Financial review

TradeTech Group

Gaming division,
strategy and outlook



Alan Jackson
Chairman



Andrew Smith
Chief Financial Officer



Ron Hoffman
TradeTech Group CEO



Mor Weizer
Group CEO

PROVEN PLATFORM FOR GROWTH

STRONG H1 PERFORMANCE DRIVEN BY UNDERLYING GROWTH & RECENT M&A

- Double-digit underlying growth in the Gaming division
- Recent acquisitions integrated and performing in line with expectations
- Execution of omni-channel strategy continues with broadening of Sports & Live offering
- Continued momentum in TradeTech (Financials Division) with good growth & acquisition of Alpha deepening B2B offering
- Strong cash generation enables interim dividend up 10%
- Management remain confident of further progress in H2 2017

AGENDA

Highlights

Financial review

TradeTech Group

Gaming division,
strategy and outlook



Alan Jackson
Chairman



Andrew Smith
Chief Financial Officer



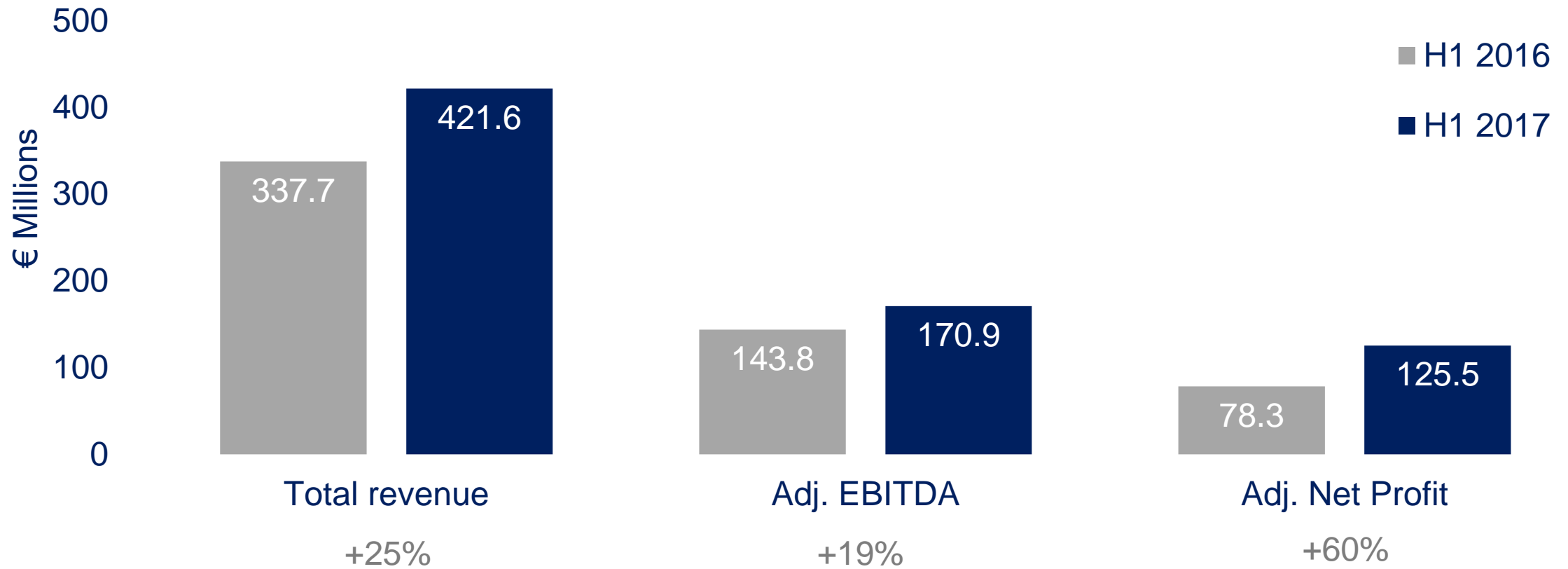
Ron Hoffman
TradeTech Group CEO



Mor Weizer
Group CEO

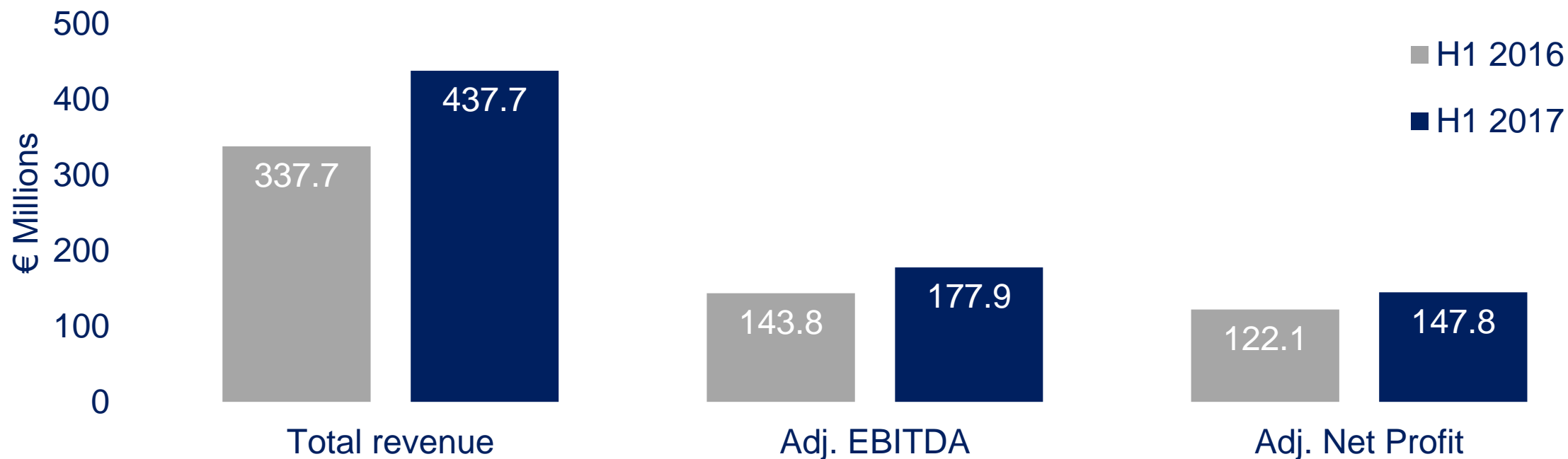
RESULTS SUMMARY

STRONG REVENUE AND EBITDA GROWTH



RESULTS SUMMARY AT CONSTANT CURRENCY

DOUBLE-DIGIT UNDERLYING GROWTH



Incl. acquisitions
Excl. acquisitions

+30%
+10%

+24%
+11%

+20%
+11%

PERFORMANCE BY VERTICAL

UNDERLYING GROWTH AT CONSTANT CURRENCY DRIVEN BY CASINO

	Including Acquisitions			Excluding Acquisitions		
	H1 2016	H1 2017	Change %	H1 2016	H1 2017	Change %
Casino	186.7	235.5	26%	185.9	227.1	22%
Services	76.5	72.2	-6%	76.2	71.5	-6%
Sport	19.0	39.5	108%	19.0	13.6	-28%
Bingo	9.0	15.3	70%	9.0	9.2	3%
Poker	5.0	4.8	-5%	5.0	4.8	-5%
Other	10.3	25.6	148%	10.2	12.2	19%
Total Gaming	306.5	392.9	28%	305.3	338.4	11%

MARGIN ANALYSIS

IN LINE WITH GUIDANCE GIVEN AT FY 2016

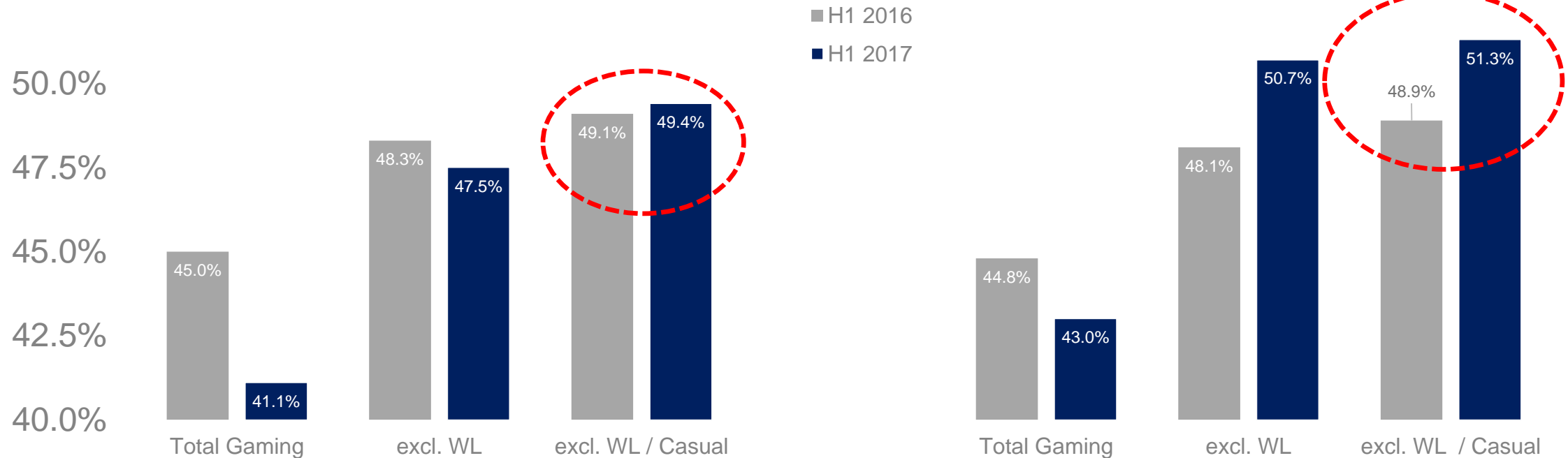
		H1 2016			H1 2017		
		Revenue	Adj. EBITDA	Margin	Revenue	Adj. EBITDA	Margin
Reported	Gaming	306.5	137.9	45%	376.5	154.8	41%
	Financials	31.3	5.9	19%	45.1	16.1	36%
	Group	337.7	143.8	43%	421.6	170.9	41%
CC	Group	337.7	143.8	43%	437.7	177.9	41%

GAMING MARGIN ANALYSIS

“CORE” GAMING MARGIN CONTINUES TO INCREASE

INCLUDING ACQUISITIONS

EXCL. ACQUISITIONS



COST ANALYSIS

EXCLUDING ACQUISITIONS

€m	H1 2016		H1 2017		Change
Adj. operating costs	192.8		203.9		+6%
Revenue-driven costs	17.9	5%	37.4	10%	
Adj. operational costs excl. revenue-driven costs	174.9		166.6		
Employee-related costs	95.4	55%	89.9	54%	-6%
Cost of services	23.0	13%	24.1	15%	+5%
Operational marketing costs	20.5	12%	16.4	10%	-20%
Admin and office costs	16.8	9%	15.9	9%	-5%
Other costs	12.1	7%	11.9	7%	-1%
Travel, exhibitions and marketing	7.1	4%	8.4	5%	+19%

NET PROFIT AND EPS

NET PROFIT AND EPS GROWTH BROADLY IN LINE WITH EBITDA GROWTH

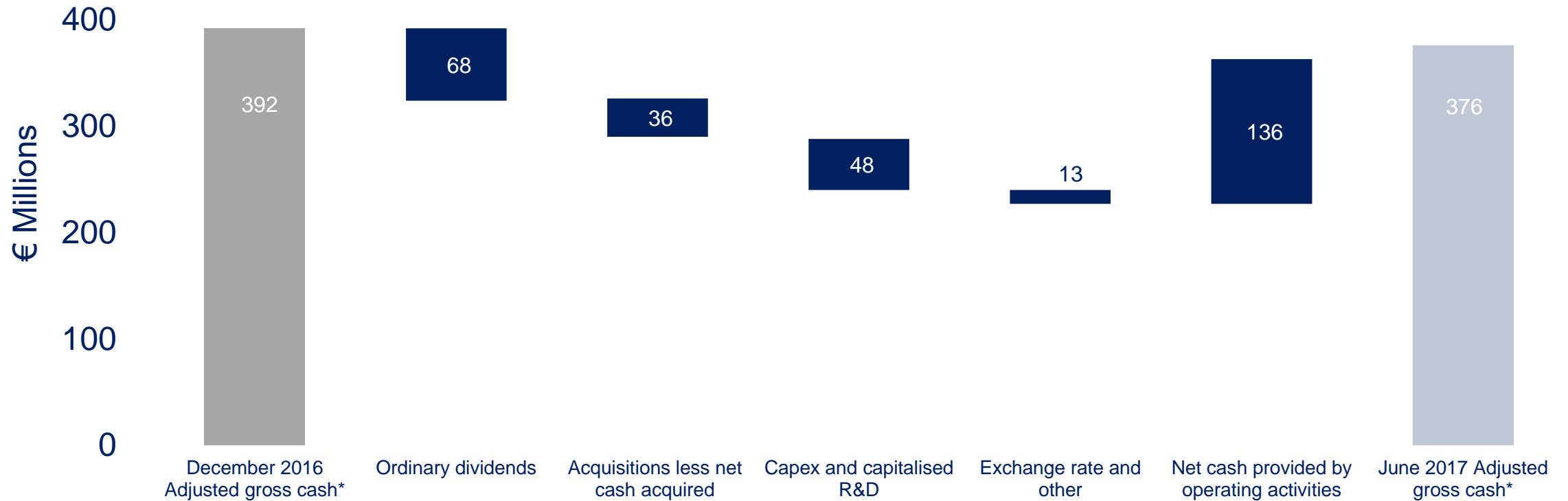
- Adjusted net profit up 60% on reported basis and 20% at constant currency
 - reported net profit impacted by exchange rate differences
- Growth in adjusted net profit lower than growth in adjusted EBITDA at constant currency
 - increase in depreciation (mainly from BGT)
 - lower dividend from Plus500 (distributed after period end in July 2017)
- Adjusted diluted EPS growth in line with growth in adjusted net profit

CASHFLOWS

STRONG, GROWING AND SUSTAINABLE CASHFLOWS

- Net cash from operations up 48% at €147.3m (H1 2016: €99.5m)
- Cash conversion in H1 2017 of 79% (H1 2016: 78%) from adjusted EBITDA (when adjusted for jackpots, security deposits and client equity)
- Established and sustainable cashflow enables 10% increase in interim dividend

CASH FLOW BRIDGE



*Adjusted gross cash is net of cash held on behalf of clients, progressive jackpots and security deposits

BALANCE SHEET

SIGNIFICANT FLEXIBILITY

- €376m of gross cash at June 2017 (Dec 2016: €392m)
 - €6.4 million from Plus500 dividend, received at the beginning of July 2017
- €241.8m of available for sale investments (Ladbrokes, Plus500) as at June 2017
 - vs €230.3m at December 2016
 - significant increase in share price of both Ladbrokes and Plus500 post period end

OUTLOOK

POINTS TO NOTE

- 2017 driven by both underlying growth and from acquisitions made in 2016
- Adverse currency movements since 2016 preliminary results
- Lower contribution expected from Asia in H2 following very strong H1
- Material loss expected from Sun Bingo contract in 2017
- Confidence in a strong 2017 performance

AGENDA

Highlights

Financial review

TradeTech Group

Gaming division,
strategy and outlook



Alan Jackson
Chairman



Andrew Smith
Chief Financial Officer



Ron Hoffman
TradeTech Group CEO



Mor Weizer
Group CEO

TRADETECH GROUP RESULTS

SIGNIFICANT IMPROVEMENT IN H1 2017

€m	H1 2016	Including CFH		Excluding CFH	
		H1 2017	Change	H1 2017	Change
Revenue	31.3	45.1	44%	32.6	4%
Adj. EBITDA	5.9	16.1	173%	13.2	124%
<i>Margin</i>	18.8%	35.6%		40.5%	

TRADETECH GROUP RESULTS

KPI MOMENTUM CONTINUED

B2C Markets.com	H1 16	H1 17	Change
Revenue (\$m)	22.0	20.9	-5%
Active customers (000s)	15.7	19.4	24%
First time depositors (000s)	5.4	10.5	94%

	Actual			Pro forma H1 16 including CFH	
B2B KPIs	H1 16	H1 17	Change	H1 16	H1 17 Change
Revenue (\$m)	10.7	28.0	162%	19.1	46%
Volume (\$m)	98,394	481,031	389%	353,707	36%
Revenue per \$m of volume (\$)	\$109	\$58	-47%	\$54	8%

REGULATORY UPDATE

STAYING AHEAD

- Fully compliant in current regulatory environment and well positioned for future regulatory changes
- Enlarged staff in compliance, verification & support across B2C & B2B
- CySEC enhancements already in place
 - Leverage ratio compliant
 - Balance protection
 - Bonusing rules adhered to
- Implementation of FCA consultation paper delayed subject to wider ESMA guidance

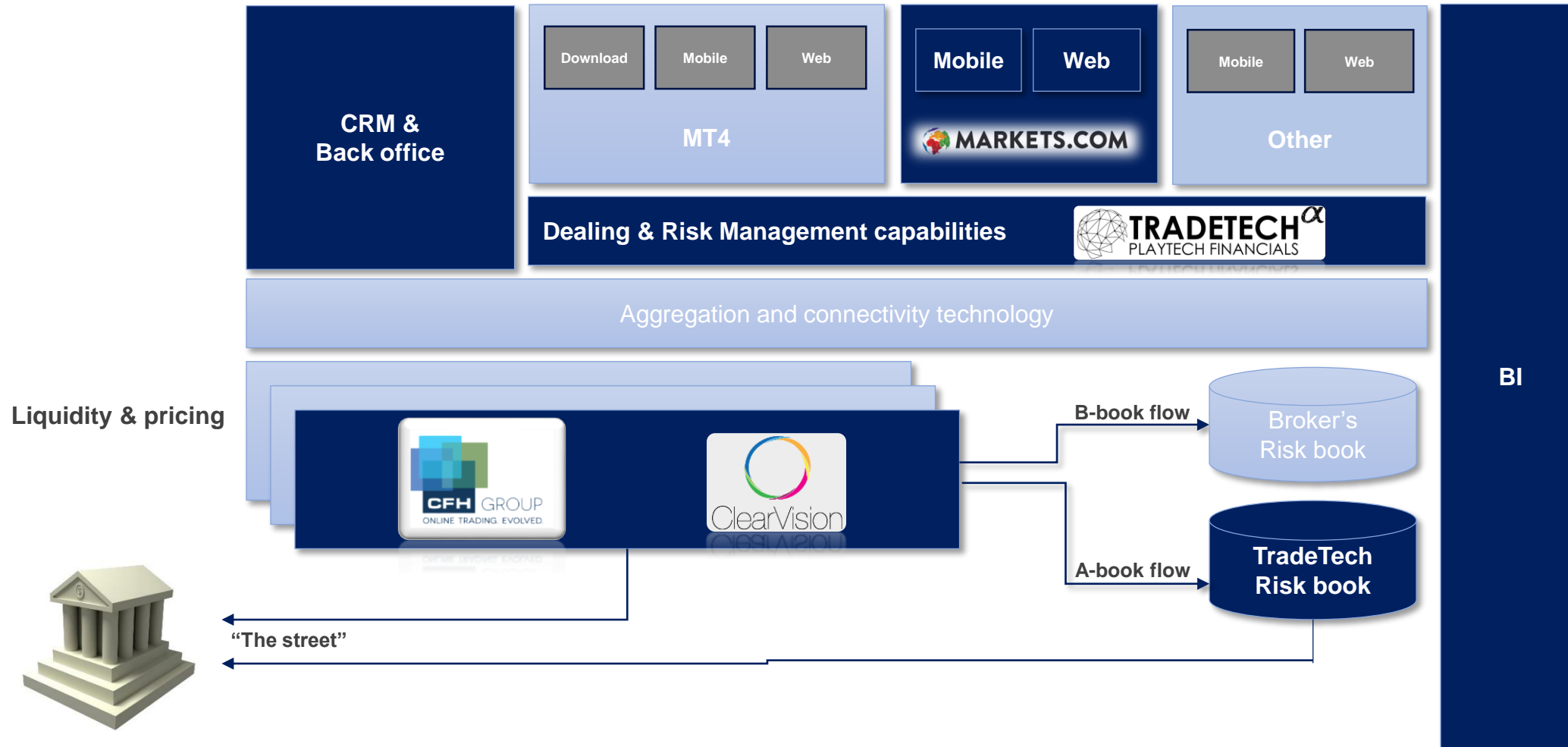
ACQUISITION OF ALPHA

ASSETS ENHANCE TRADETECH B2B OFFERING

- Risk & Trading management, technology & IP
- Assets include:
 - Proprietary trading and risk management technology
 - AlphaPro Trading Platform
 - Portfolio of international B2B clients
 - Trading, risk, dealing and business development teams
- Formation of TradeTech Alpha
- A key B2B building block for full financial turnkey solution
- Initial consideration of \$5 million, with earnout over 2019 results at x5.2 capped at \$150m



THE VALUE CHAIN





TRADETECH GROUP

PLAYTECH FINANCIALS

- Reflect the full breadth of services across B2C & B2B value chain
- Brand recognition across the industry
- TradeTech Group:
 - Markets.com – B2C and B2B trading platforms
 - MarketsPro – high net worth B2C brand
 - TradeTech Alpha – bespoke B2B trade and risk services
 - CFH – tier 1 liquidity services



OUTLOOK FOR TRADETECH GROUP

BUILDING BLOCKS FOR FULL FINANCIAL TURNKEY SOLUTION

- Positioning our B2C business as a **home for traders**
 - providing insight, tools and capabilities to traders
 - product innovation
- Significant B2B upside to our model
- Maintaining sustainable organic growth across the business, while further accelerating growth with new business
- Complementary M&A opportunities
- Expansion into further markets in B2C and B2B

AGENDA

Highlights

Financial review

TradeTech Group

Gaming division,
strategy and outlook



Alan Jackson
Chairman



Andrew Smith
Chief Financial Officer



Ron Hoffman
TradeTech Group



Mor Weizer
Group CEO

KEY DRIVERS OF GAMING PERFORMANCE

28% GROWTH AT CONSTANT CURRENCY

- Underlying growth of 11% driven by Casino
- Recent M&A integrated on plan and contributing to growth
 - Eyecon completed during the period
- “Locking-in” future growth
 - Key licensee renewals in H1 including PaddyPower Betfair, Betfred and Sky Bet
 - Landmark PBS OPAP agreement signed
- Continued investment into our future building blocks for further growth including Casino, Sports, Live Casino and Omni-Channel
- Regulated Gaming revenues of 44% in H1 2017 (H1 2016: 39%)
 - Total group regulated revenues of 50% in H1 2017



INNOVATION NEVER STOPS

SIGNIFICANT INVESTMENT INTO FUTURE BUILDING BLOCKS

- All Tier 1 operators are now secured for a significant period of time
- Integration of recent acquisitions to deepen the omni-channel offering
- Significant investment into existing relationships in light of increased competition
- Continued deployment of Playtech Live Casino 2.0
- Migration to our new Live Casino facility – world's largest
- Launch of DC and Age of the Gods games suite to replace Marvel



PROGRESS IN A CHANGING LANDSCAPE

STRATEGIC MILESTONES WITH TIER 1 LICENSEES



- Launched Casino & Poker in Spain
- Launched Casino & Poker in Bulgaria



- Strategic partner in PPB integration
- Extension of SSBTs with PBS



- Renew with PBS
- New SSBTs & Bet-tracker



- Sky Italy Casino & Live Casino
- Long term renewal Live



- Merge program is advanced
- New IMS site launched



- Migration to single wallet
- IMS upgrade project

PROGRESS IN A CHANGING LANDSCAPE

STRATEGIC MILESTONES WITH TIER 1 LICENSEES

- **eFortuna**
 - First Casino games in Czech Republic
 - Launch of Live Casino & Virtual Sports
- **Italy – Sisal & Snai**
 - DC & Age of the Gods games suites launched
- **Codere**
 - Launch Casino in Spain
- **Ray – Finland**
 - Re-branding with Ray complete
 - Launch new Ray Casino in Finland



EXTENDING THE OMNI-CHANNEL OFFERING

INTEGRATION OF ACQUISITIONS DEEPENS OMNI-CHANNEL OFFERING

- Not just games offered on mobile and web but a true Eco-System led by brands
- One experience, one journey, one single view across all channels and brands
- Strategy to deepen offering in verticals, enlarge eco-system & maintain industry leading content
 - Integration of BGT & ECM entrenches retail channel
 - Extension of Eyecon content to retail under development
 - Playtech BGT Sports
 - Playtech's new Live Casino



EXTENDING THE OMNI-CHANNEL OFFERING

PBS DRIVING PRODUCT INNOVATION IN SPORTS

- Industry first Retail Mobile App - Bet Tracker
- Entrenching existing UK network
 - Paddy Power & Betfred renewals
 - Independent renewals
- Expansion into LATAM & Europe
 - OPAP in Greece
 - Romania, Germany, Spain & Czech Republic
 - First SSBTs in Columbia
- H2 will see launch of PBS web & mobile sportsbook solution



EXTENDING THE OMNI-CHANNEL OFFERING

NEW STATE-OF-THE-ART FACILITY IN RIGA

- Worlds largest Live Casino studio
 - migration from old facility completed in H1
 - offering powered by IMS
 - best-in-class Live offering central to omni-channel offering
- Long term renewals & new launches
 - Sky long term contract
 - Romanian site launched for eFortuna & Maxbet
- Dedicated Licensee tables & best in class VIP Offering
 - launch of Grand Royale
- Augmented reality
 - next generation experience
 - delivers new branding & cross-sell opportunities



WHY WHITE-LABEL

LEVERAGING EXISTING SCALE AND RESOURCES TO GENERATE CASH

- White-label contracts tend to be driven by the brand holder rather than by Playtech
- Leverages Playtech scale and resource in addition to providing incremental software revenues
- Generates incremental operating cash inflows which can be redeployed within the business, including for R&D and M&A
- Playtech's white-label revenues are fully regulated

SUN BINGO

GREEN-SHOOTS OF IMPROVEMENT BUT NO SILVER BULLET

- Migration successful from technological perspective but challenges in migrating all VIPs
- Changes made in Q2 to management and offering improved KPIs and performance
- However, full benefit of changes made mitigated by good weather and summer holidays
- Significant operating leverage within the Sun Bingo contract due to minimum guarantees payable to News International
- Further improving performance expected throughout remainder of 2017 post summer

CURRENT TRADING AND OUTLOOK

A PROVEN PLATFORM FOR GROWTH

- Current trading in line with our expectations
- Licensee pipeline focussed on large, high-quality omni-channel opportunities
- M&A pipeline remains healthy with active ongoing discussions
- Confidence in a strong performance in 2017

INVESTOR AND ANALYST DAY 2017

INVITATION TO RIGA

- November 2017
- Full tour of new facility
- Meet the team driving Live forward
- Opportunity to spend time with Group management
- Invitations to follow



Appendices



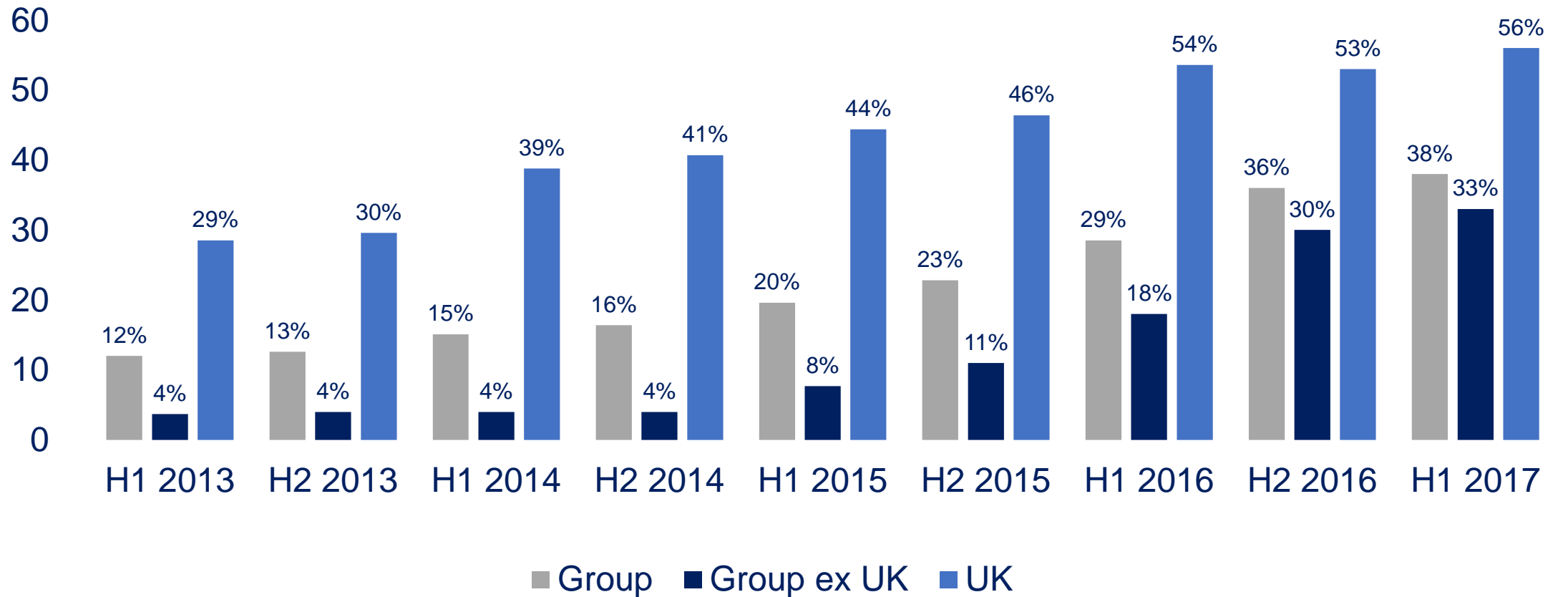
COST ANALYSIS

INCLUDING ACQUISITIONS

€m	H1 2016		H1 2017		Change
Adj. operating costs	193.9		250.6		+29%
Revenue-driven costs	18.1	5%	53.2	13%	
Adj. operational costs excl. revenue-driven costs	175.8		197.4		
Employee-related costs	96.0	54%	105.9	54%	+10%
Cost of services	23.1	13%	27.5	14%	+19%
Operational marketing costs	20.5	12%	21.2	11%	+3%
Admin and office costs	16.9	10%	18.3	9%	+9%
Other costs	12.2	7%	14.8	7%	+21%
Travel, exhibitions and marketing	7.1	4%	9.7	5%	+37%

GAMING MOBILE PENETRATION

SIGNIFICANT GAP BETWEEN UK MOBILE PENETRATION AND ELSEWHERE



GAMING MOBILE PENETRATION

INCREASE FROM 27% in H1 2016 TO 32% OF SOFTWARE REVENUES IN H1 2017

PRODUCT VERTICAL	H1 2016 (€M)	H1 2017 (€M)	GROWTH %
Casino	42.8	78.9	84%
Sports	14.2	9	-37%
Bingo	2.3	2.8	20%
Poker	0.3	0.6	88%
Total	59.5	91.2	53%

GAMING CUSTOMER CONCENTRATION

NEW PRESENTATION BETTER REPRESENTS CUSTOMER DIVERSIFICATION

Licensees	2015	2016	H1 2017
Top 5	45%	36%	39%
Top 10	68%	54%	57%
Top 15	77%	66%	70%

Thank You

