

Interim results 2018

23 August 2018

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

STRATEGIC POSITION IN KEY MARKETS

PROGRESS IN REGULATED MARKETS DELIVERS CONFIDENCE FOR FUTURE

- **Snaitech** acquisition delivers principal position in **largest regulated gambling market in Europe**
- Organic progress, headwinds in Asia and acquisition of Snaitech raise **regulated revenue to 69%** of Group
- **Core business model remains strong** with 16% growth in regulated B2B Gaming revenue
- **New licensee wins in regulated markets** provide platform for further growth in strategic geographies
- **Continued momentum in TradeTech** with strong performance in B2B and B2C
- Continued **progress on balance sheet efficiency** including sale of holding in GVC
- **Strong cash generation** enables dividend sustained at 2017 levels
- Management remain confident of **further progress in key markets** in H2 2018 & 2019

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FINANCIAL HIGHLIGHTS

IMPROVED FINANCIAL PROFILE & GROWTH IN REGULATED BUSINESS

Strong growth in B2B Gaming outside of Asia

- UK B2B Gaming revenue growth of 6%
- B2B regulated Gaming revenue growth of 16%

Evolving financial profile

- Regulated revenue increased to 69% in H1
- FY 2018: regulated revenue expected to be approximately 80%

Continued progress on balance sheet efficiency

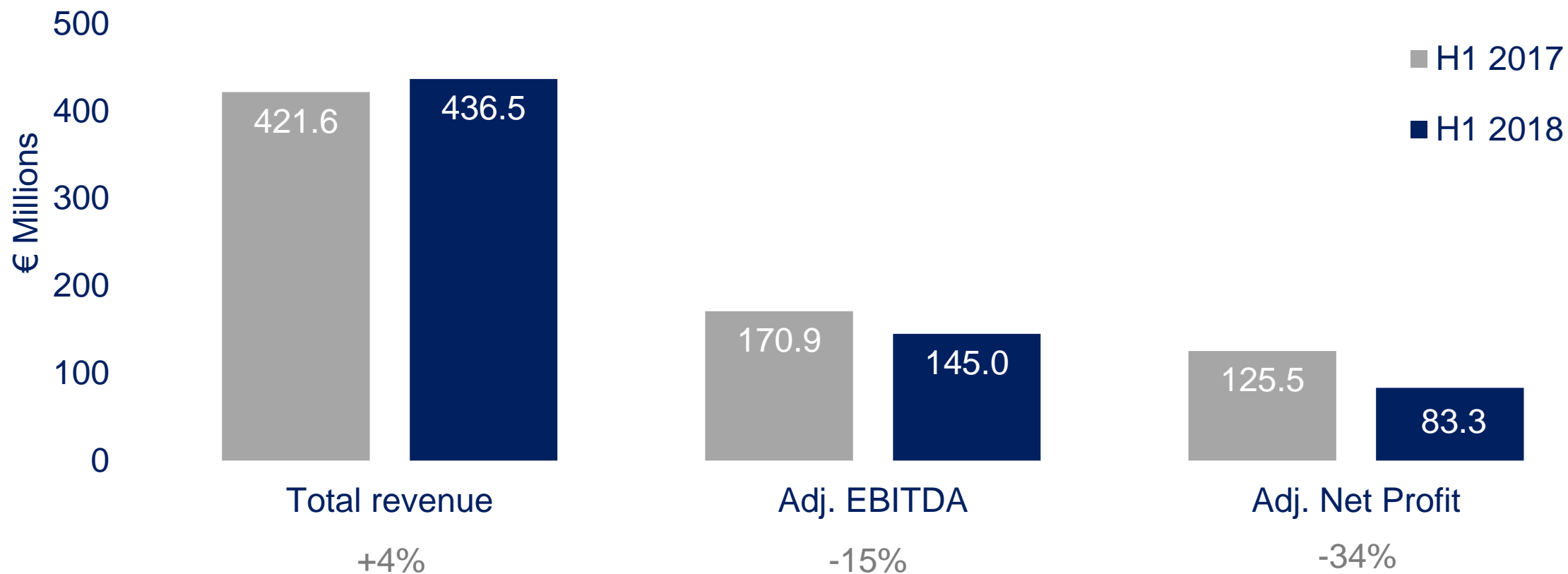
- Sale of holdings in GVC
- RCF now fully repaid
- Refinancing of Snaitech debt in progress

Retain focus on strong cash generation

- Adjusted cash conversion 101% excluding Snaitech
- Dividend sustained at 2017 levels despite headwinds in Asia

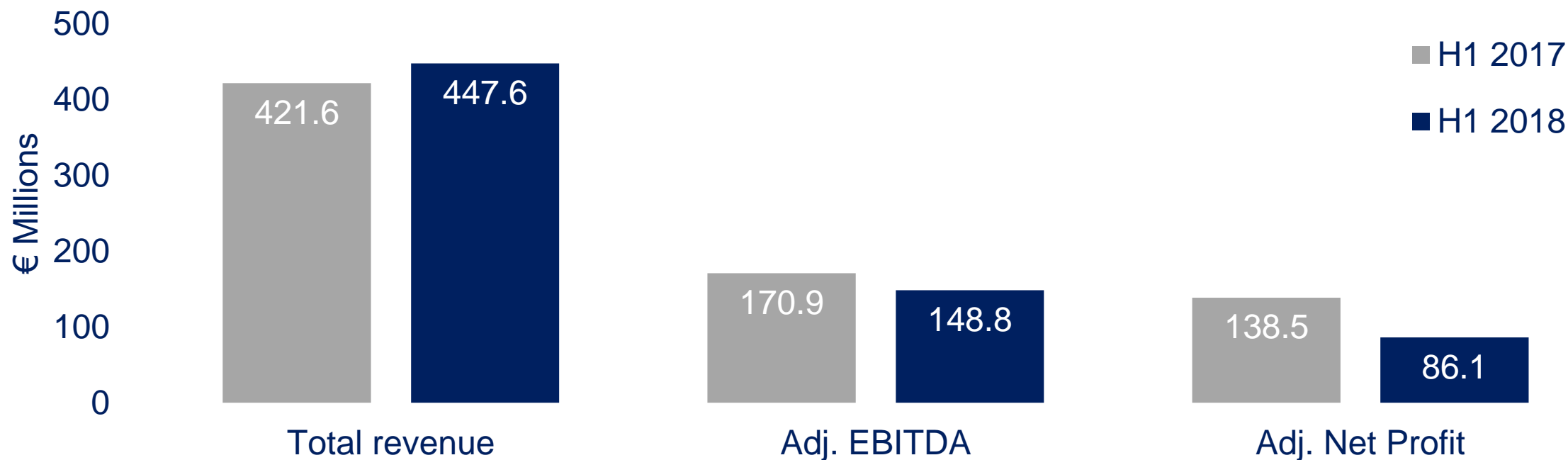
RESULTS SUMMARY

GROUP RESULTS IMPACTED BY ASIAN DOWNTURN



RESULTS SUMMARY

AT CONSTANT CURRENCY



Incl. acquisitions
Excl. acquisitions

+6%
-12%

Adj. EBITDA

-13%
-20%

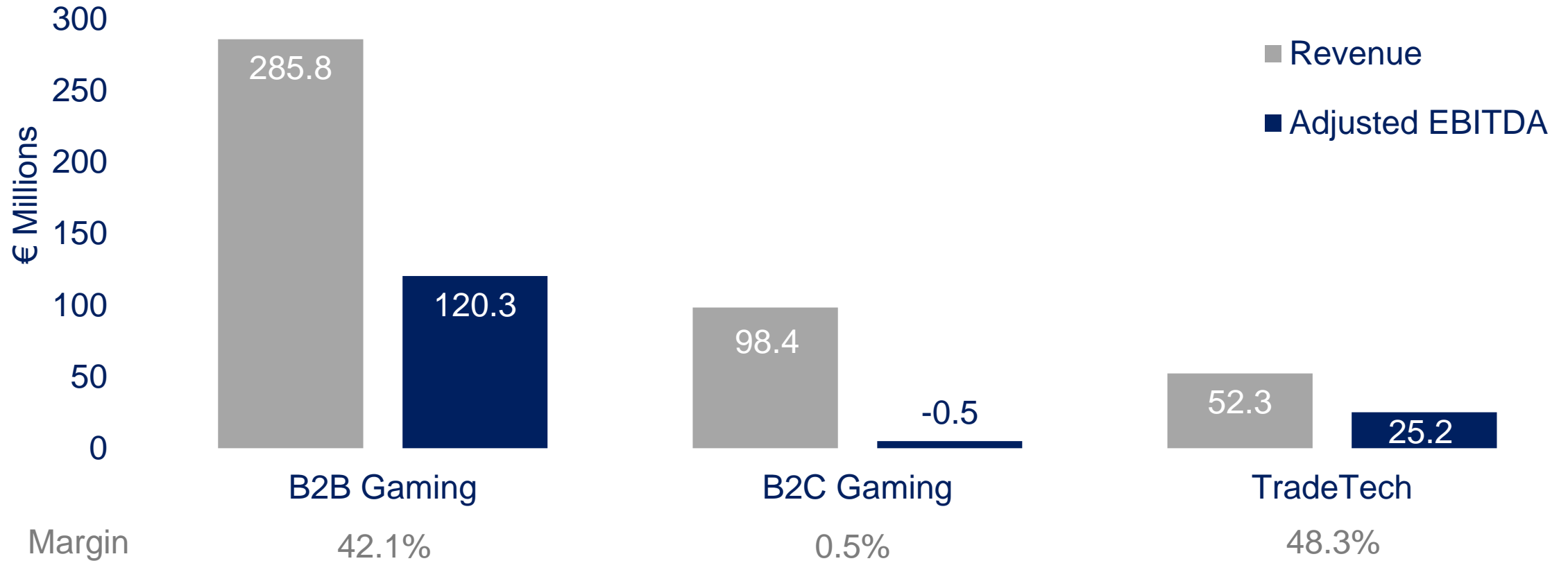
Adj. Net Profit

-38%
-43%

SUMMARY BY DIVISION H1 2018

Group

INCLUDES 1 MONTH CONTRIBUTION FROM SNAITECH



GROUP MARGIN ANALYSIS

B2B GAMING MARGIN IMPACTED BY ASIA; STRONG TRADETECH RESULTS

		H1 2017			H1 2018		
		Revenue	Adj. EBITDA	Margin	Revenue	Adj. EBITDA	Margin
Reported	B2B Gaming	338.5	166.6	49%	285.8	120.3	42%
	B2C Gaming	38.0	(11.7)	-31%	98.4	(0.5)	0.5%
	TradeTech	45.1	16.0	35%	52.3	25.2	48%
	Group	421.6	170.9	41%	436.5	145.0	33%
CC	Group	421.6	170.9	41%	447.6	148.8	33%

B2B GAMING REVENUE

“A BUSINESS OF TWO HALVES”

	H1 2017	H1 2018	%	CC%
UK	83.7	86.6	3%	6%
Asia	166.2	101.7	-39%	-37%
Other	88.5	97.5	10%	12%
Total	338.5	285.8	-16%	-14%
Regulated	129.4	150.7	16%	19%
Unregulated	209.1	135.1	-35%	-34%
Total	338.5	285.8	-16%	-14%

B2B GAMING PERFORMANCE

**B2B
Gaming**

A STRONG PERFORMANCE EX. ASIA

	H1 2017	H1 2018	%	CC %	ex. Asia CC %
Casino	224.8	169.3	-25%	-23%	8%
Services	48.6	39.8	-18%	-16%	-13%
Sport	36.9	46.7	27%	29%	29%
Bingo	13.0	12.7	-2%	0%	0%
Poker	4.7	4.7	2%	3%	4%
Other	10.5	12.6	19%	21%	20%
Total B2B Gaming	338.5	285.8	-16%	-14%	9%
Total B2B Gaming exc. acquisitions	336.4	280.7	-17%	-15%	7%

B2B GAMING COSTS

GOOD COST CONTROL

	Including Acquisitions			Excluding Acquisitions		
	H1 2017	H1 2018	Diff %	H1 2017	H1 2018	Diff %
R&D	43.7	38.0	-13%	42.6	36.5	-14%
Operations	81.3	82.4	1%	81.5	80.0	-2%
G&A	36.9	33.8	-8%	36.7	33.3	-9%
S&M	9.9	11.3	14%	9.8	10.9	12%
Total B2B Gaming	171.8	165.5	-4%	170.6	160.8	-6%
Gaming B2B R&D incl. cap'	58.3	58.8	1%	57.2	56.6	-1%

B2C GAMING PERFORMANCE

FIRST TIME CONSOLIDATION OF SNAITECH; IMPROVEMENT IN SUN BINGO

	Revenue				Adjusted EBITDA		
	H1 2017	H1 2018	%	CC%	H1 2017	H1 2018	%
Snaitech	-	61.3	-	-	-	11.8	-
Sun Bingo	11.7	14.6	25%	28%	-14.3	-10.3	28%
Casual Gaming & other B2C	26.4	22.5	-15%	-12%	2.7	-2.0	-174%
Total B2C Gaming	38.1	98.4	-	-	-11.6	-0.5	96%
Total B2C Gaming ex. Snai	38.1	37.1	-3%	-4%	-11.6	-12.3	-6%

SNAITECH PERFORMANCE

CONSOLIDATED FROM JUNE 2018

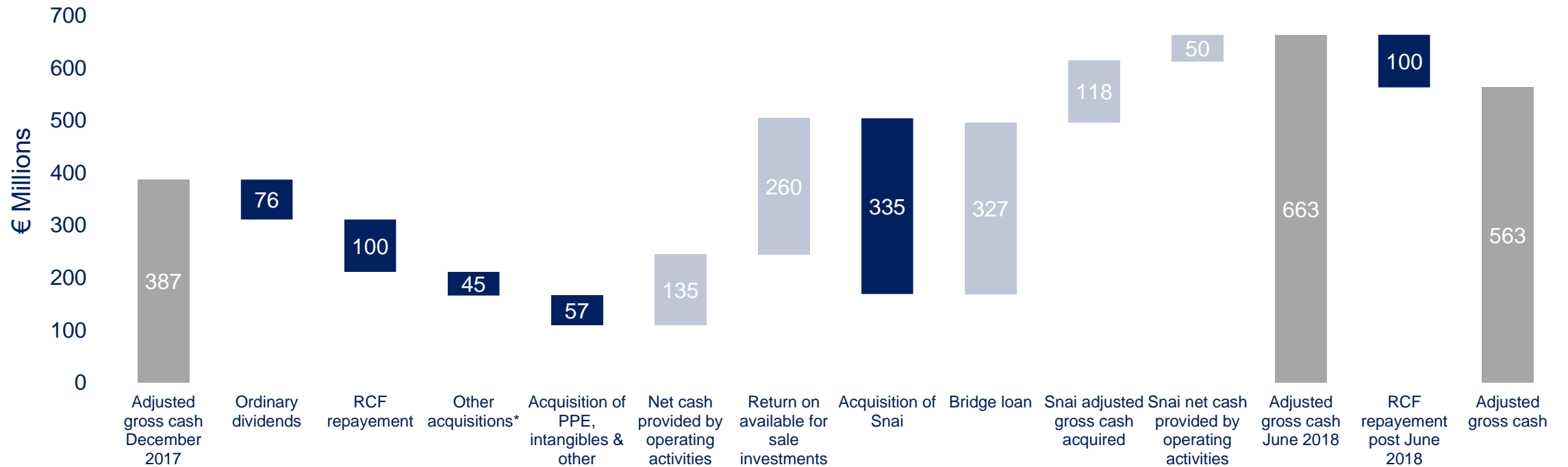
Revenue	Revenue			Consolidated From 5 June
	H1 2017	H1 2018	%	
Retail betting	79.5	88.0	11%	11.6
Gaming machines	320.4	305.4	-5%	41.9
Online	29.0	38.1	32%	5.0
Other	8.8	12.6	43%	2.8
Total	437.7	444.1	1.5%	61.3
Adjusted EBITDA	55.5	74.0	33%	11.8
Margin	12.6%	16.6%	-	-

CASHFLOWS

STRONG CASH CONVERSION

- Net cash from operations up 51% at €222.5 (H1 2017: €147.3m)
 - up 15% excluding Snaitech
- Excluding Snaitech, cash conversion in H1 2018 of 101% (H1 2017: 79%) from adjusted EBITDA (when adjusted for jackpots, security deposits and client equity)
- DSOs of 49 days as at June 2018 (Dec 2017: 54 days; June 2017: 48 days)
- Inflows of €260m from GVC / LadbrokesCoral
 - cash received pursuant to the takeover of €32m in March 2018
 - net proceeds of €222m from sale of entire holding in GVC in June 2018
 - dividend of €5.8m received in March 2018
- Strength of cashflows enables interim dividend to be sustained at 2017 level

CASH FLOW BRIDGE



BALANCE SHEET

SIGNIFICANT PROGRESS

- Playtech remains committed to an efficient balance sheet
- €200m RCF now fully repaid; €250m available as and when needed
- Sale of holding in GVC / Ladbrokes Coral
- Plus500 holding of €208m as at 30 June 2018
 - vs €116m at December 2017
 - significant increase in share price (and interim dividend declared)

CASH ON BALANCE SHEET

CASH AVAILABLE TO REDUCE QUANTUM OF REFINANCING

	June 18					Dec 17	June 17
	Gaming	TradeTech	Playtech exc Snai	Snai	Total **		
Gross Cash	322.8	306.2	629.0	207.6	836.6	584.0	536.4
Client funds / progressives *	74.2	158.8	233.0	40.2	273.2	197.1	160.8
Adjusted gross cash	248.6	147.4	396.0	167.4	563.4	386.9	375.6
Cash needed for operations	60.0	58.0	118.0	30.0	148.0		
RCF	-	-	-	-	-		
Capital adequacy	-	69.0	69.0	-	69.0		
Available cash	188.6	20.4	209.0	137.4	346.4		

REFINANCING

EXPECTED OVER THE COMING MONTHS

- Longer term financing to be put in place to take-out bridge from Snaitech acquisition
- Total amount to be refinanced of c. €1bn
- Finalising ratings process
- Update in due course

OUTLOOK

GUIDANCE PROVIDED IN JULY TRADING UPDATE REAFFIRMED

- Asia has broadly stabilised
 - Annual run rate of c. €150m revenue
 - c. €25m of direct costs plus share of centralised costs
- Sun Bingo performance continues to improve with FY result expected to be inline with expectations
- Group margin expected to be lower than 2017 mainly due to mix effect
 - Greater contribution from TradeTech and Snaitech
 - Lower contribution from Asia
- Improving business mix drives quality of earnings

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TRADETECH GROUP RESULTS

STRONG H1 GROWTH

	Actual (\$m)			Proforma (\$m)		
	H1 2017	H1 2018	%	H1 2017*	H1 2018	%
Total revenue	48.9	67.1	37%	55.0	67.1	22%
Adjusted EBITDA	17.6	30.3	72%	19.5	30.3	56%
Margin	36%	45%	-	35%	45%	-

- Significant growth across reported & proforma results
- Continued margin improvement following efficiencies, economies of scale and cost reduction

*includes ACM / TTA results from 1 January 2017 to 30 June 2017

MARKETS.COM RESULTS

B2C KPI MOMENTUM CONTINUED

B2C Markets.com	H1 2017	H1 2018	%
Revenue (\$)	20.9	28.1	34%
Volume (\$bn)	87.0	132.3	52%
Active customers (000s)	19.4	18.4	-5%
- Existing	8.9	11.7	32%
- First time depositors	10.5	6.7	-37%

- Increased longevity of active customers, with 32% increase in existing active customers
- Strong growth trajectory of trading volumes
- Increased revenue not influenced by Crypto currency trading

TRADETECH GROUP B2B RESULTS

STRONG GROWTH MOMENTUM

	Actual (\$)			Proforma (\$)		
	H1 2017	H1 2018	%	H1 2017	H1 2018	%
B2B revenue (\$m)	28.0	39.0	39%	34.0	39.0	15%
Volume (\$bn)	458.2	956.4	109%	615.4	956.4	55%
Revenue per \$m volume	61.1	40.8		55.3	40.8	

- Significant growth in B2B revenue and volume, including on a proforma basis
- Organic growth complimented by TradeTech Alpha acquisition
- Revenue per \$m of volume reduced with changing sales mix

REGULATORY LANDSCAPE

FULLY COMPLIANT AND WELL POSITIONED

- Fully licensed in UK, Cyprus, South Africa & Australia
- Fully compliant with ESMA's measures to restrict the marketing, distribution and sale of CFDs to retail clients
 - Fully supportive of regulatory improvements which enhance the industry's reputation and provide a platform for sustainable and responsible growth
 - Too early to assess the short term impact on EU retail business
 - Diversification of B2B & B2C verticals minimise impact on TradeTech Group

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PLAYTECH PRINCIPLES

OUR CONTINUED MISSION

***We are the leading technology company
in the gambling and financial trading industries***

We focus on regulated markets and cash generation

We utilise our distribution, scale and commitment to innovation

OVERVIEW

A CHALLENGING PERIOD WITH CLEAR OPERATIONAL PROGRESS

Improved quality of earnings in period

- Gaming regulated revenue up to 65%
- FY 2018 Group run rate regulated revenue 80-90%

Momentum in 'core' business is strong

- B2B gaming non-Asia 7% increase
- Casino grew 8% excluding Asia
- Sport key: 29% growth in H1

Completion of Snaitech acquisition

- Opportunity in Italy considerable
- Growth in Snai business with synergy benefits to follow

Progress in key strategic markets

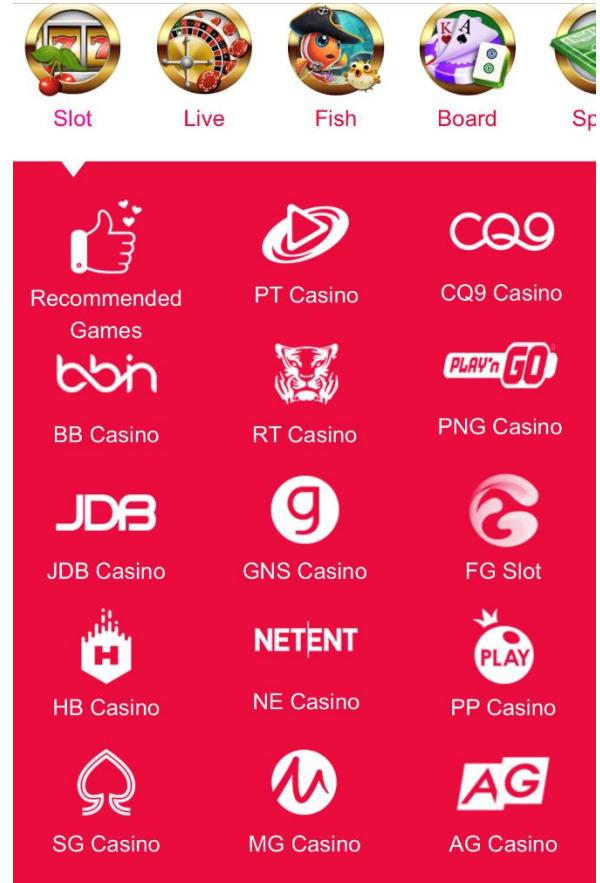
- Latin America, Eastern & Southern Europe
- New licensees in UK, Portugal, Poland, Columbia



ASIA UPDATE

A DIFFERENT BUSINESS MODEL TO THE REST OF THE WORLD

- Content only market – no IMS
- Highly competitive & fragmented market
- Playtech recognised as a premium brand
- Led by Asian bookmakers – betting driven
- Price sensitive in nature
- Lower barriers to entry
- Non-exclusive market with dedicated areas on websites



ASIA: PLAYTECH'S POSITION

NO READ-ACROSS TO THE OUTSIDE OF ASIA

Significant and sudden change in China

- Increased competition - “Price war”
- No change to regulatory backdrop

Majority of Asia through distributor Moorgate

- Playtech is licensed in the Philippines B2B
- Long term agreement
- Moorgate and non-exclusive

Direct relationships in Asia less impacted

- Asian Logic, Bet365, Bet Victor
- ‘Core model’ more sticky

Playtech S

- Use of Playtech IP without our knowledge or consent
- Matter now closed

Malaysia

- No link to China headwinds
- Remains significantly lower

Outlook

- Focus on cash generation
- Continue to monitor closely
- Stabilise market position

STRATEGY

THE LEADING TECHNOLOGY COMPANY IN REGULATED MARKETS

Strategy

Scale & Distribution

- Playtech ONE
- Extension of Playtech platform
- Invest in leading B2C brands in key markets

Data

- Data driven IMS capabilities
- Responsible gambling

Innovation

- Innovative engaging content for regulated markets
- Pioneer of omni-channel

Delivery



- 15 licensees signed up to GPAS in H1
- New licensees in key strategic markets
- Gala Leisure, SAS, Totalizator, Sportium in H1




- New engagement platform
- Betbuddy integration
- New data driven 'smart limits'





- Industry disruptor in sports with PBS
- Integrated World Cup casino content

PROGRESS IN KEY MARKETS

STRATEGIC Foothold IN FAST GROWING REGULATED MARKETS

LATAM	Online penetration	Online CAGR 17-20	Progress
Mexico	21%	8%	
Columbia	25%	14%	
Brazil	10%	13%	-
Peru	7%	11%	-

Europe	Online penetration	Online CAGR 17-20	Progress
UK	40%	9%	
Poland	20%	19%	
Czech Rep.	18%	15%	FORTUNA
Finland	40%	9%	
Sweden	46%	12%	-
Switzerland	12%	33%	-

S. Europe	Online penetration	Online CAGR 17-20	Progress
Italy	7%	14%	
Spain	10%	12%	
Portugal	12%	10%	
Greece	18%	12%	

KEY MARKETS: US STRATEGY

STRATEGIC OPTIONALITY

Ready now

- New Jersey license in progress
- US ready retail sportsbook
- Scalable PBS technology

Retail led strategy

- Industry leading SSBT & OTC capabilities
- Omni-channel essential to long-term opportunity
- Multi regulatory regime with state by state online / retail approach

Strategic optionality in model

- Currently in active discussions
- JVs, partnerships, B2B deals
- Land based casinos, existing international clients, media groups



PLAYTECH BGT SPORTS

GEOGRAPHICAL EXPANSION & INNOVATION

Sport central to Playtech strategy

- Strategically important in key markets
- Entry point to online for end customers

Progress in key markets

- OPAP: PBS sportsbook rolled out across 4,500 estate
- SAS: landmark online sportsbook client in Portugal
- Latin America: Caliente in Mexico, Sportium Columbia

Product innovation secures lead in regulated markets

- 48% growth in retail terminals to c. 40,000
- Secure UK position & spearhead new regulated markets
- Omni-channel: 'Track my bet' & Bet Tracker'
- Match Acca launched for World Cup



ITALY: SNAITECH

SNAITECH



PLAYTECH HAS PROVEN TRACK RECORD IN HIGHLY REGULATED MARKETS

Regulation

Gaming machine reductions

- AWP's number to less than 265k
- 'Conferenza Unificata' – sensitive areas

'Decreto Dignita'

- Final parliament approval 10 August
- Advertising ban deadline July 2019
- PREU increases on AWP's & VLTs
- ID Cards from 2020

New online bingo laws now active

- Previous laws based on land-based bingo
- Only 'Bingo 90' allowed
- Controlled by regulator's servers

Impact

- Snai 15% market share gaming machines
- 38,534 AWP rights end of June 2018
- 0.9% decrease in gaming machine wagers

- Consolidate fragmented online market
- Snai largest retail betting market share at 20%
- €6-8m 2019 EBITDA impact
- Omni-channel opportunity for Playtech

- Greater selection of online bingo games
- Bingo a Playtech strength
- Game now run by operators

ITALY: SNAITECH

SNAITECH



LEVERAGING RETAIL CHANNEL TO DRIVE ONLINE GROWTH

No. of new players	FY 2017	%
Retail cross sell	19,474	20%
Direct brand driven	47,227	49%
Online acquisition	28,774	30%
Total	95,475	100%

NGR €m	FY 2016	FY 2017
Retail Cross sell	€34m	€42m
Online acquisition	€25m	€36m
Total NGR	€59m	€78m

Snai: one of the most powerful online and retail brands

- 49% of new online customers came directly to Snai online
- Online customers acquired through retail worth 17% more
- Playtech technology proven track record of growing cross-sell

Snai well positioned to take online share

- Top 5 online operators market share is 56% (87% in UK)
- Leverage Snai market leading 20% market share retail betting
- Advertising ban to impact online only brands

FIFA World Cup delivered further momentum for Snai

- c.€80m in retail & online wagers (2014 World Cup: €42m)
- Grew online betting market share to 11%
- Full benefit to be reported in H2 numbers

SUN BINGO UPDATE

GOOD MOMENTUM IN PERFORMANCE

Sun Bingo performance much improved

- 27% growth in revenue at constant currency
- Good performance despite traditionally slow summer period

Negotiations continue to progress

- Potential for agreement to benefit both parties
- Incentivise Playtech to deliver positive ROI
- News UK strategic review of all options with Sun Bets business

CURRENT TRADING

AND FURTHER STRATEGIC PROGRESS IN H2

Momentum in regulated business continues into H2

- Continued momentum in regulated revenue
- Snaitech strong performance start of H2 2018
- Sun Bingo continuing to see revenue momentum
- GVC negotiations



INVESTOR DAY 2018

*SNAI*TECH

- Milan: November 2018
- Presentations on Snai business
- Meet the highly rated Snai management team
- Opportunity to spend time with Group management
- Invitations to follow



Q&A



Appendix



B2B GAMING CUSTOMER CONCENTRATION

CONSISTENT FROM H2 2017 to H1 2018

Licensees	H1 2017	H2 2017	H1 2018
Top 5	43%	38%	38%
Top 10	63%	57%	57%
Top 15	74%	68%	68%

ACQUISITION TIMETABLE

Acquisition	Contingent cons.	Max earnout	Payment date
ACM Group	€73.0m	€124.1 m	€5.0 m Q4 2018 €5.6 m Q1 2019 €64.8 m Q1 2020
Playtech BGT Sports Ltd	€31.2m	€60.0 m	Q2 2020
Consolidated Financial Holdings	€23.4 m	€62.6 m	Q3 2019
Destres	€16.0 m	€17.5 m	€2.5 m Q3 2018 €15.0 m Q2 2021
Quickspin AB	€14.0 m	€14.3 m	Q1 2019
ECM Systems Holdings Ltd	€1.2 m	€1.2 m	Q1 2020
BetBuddy	€2.6 m	€2.7 m	€0.5 m Q1 2018 €0.8 m Q4 2019 €1.4 m Q4 2020
GenWeb	€2.4 m	€2.4 m	Q4 2019
Eyecon Ltd	€1.3 m	£25.0 m	Q4 2020
Other	€15.3 m	€21.0 m	

Thank You

