

Q4 2019
Year-end report 2019



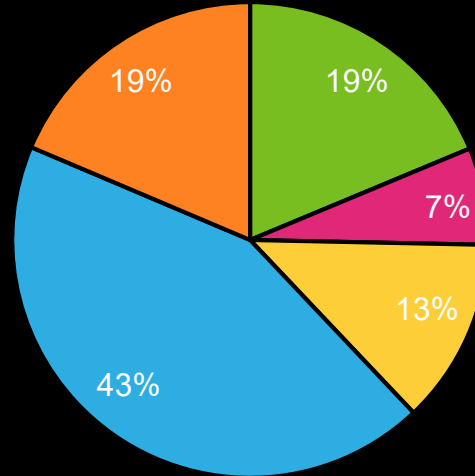
Therese Hillman, Group CEO
Lars Johansson, Group CFO

Report highlights

- Growth through Red Tiger acquisition
 - Reported Y/Y increase in revenues, EBITDA and EBIT in Q4-19
 - Pro forma in euro, total revenues including Red Tiger -4.8% Y/Y in Q4-19
 - Pro forma in euro, total gamewin including Red Tiger +4.9% Y/Y during January 1 – February 10, 2020
- Growth in Q4 held back by continued weakness in primarily Sweden and Norway
- Continued solid growth in the US
- Focus on integration with Red Tiger in Q4
- All-time high in player numbers for Live Casino
- Proposed ordinary cash return to shareholders of SEK 1.00 (2.25) per share

Gamewin split by Region

- Great Britain 19% (13%)
- Sweden 7% (14%)
- Other Nordic 13% (16%)
- Other Europe 43% (49%)
- Other World 19% (9%)



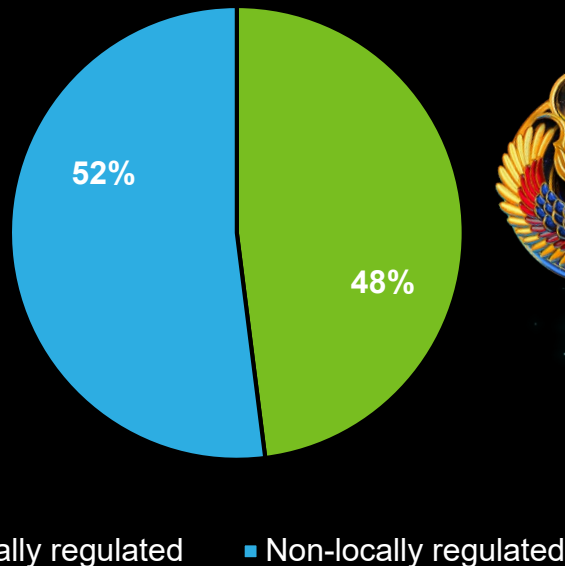
■ Great Britain ■ Sweden ■ Other Nordic
■ Other Europe ■ Rest of world

Including Red Tiger



Locally Regulated Markets

- 48 (37)% of gamewin from locally regulated markets
- Europe:
 - Challenging market in Sweden
 - NetEnt expects to enter Switzerland, Croatia and Colombia in 2020
 - Red Tiger to increase its regulated markets presence in 2020
- US
 - Solid growth in New Jersey and Pennsylvania.
 - Michigan approved online casino legislation. Market expected to open in 2021



Including Red Tiger.

Q4 2019 – NEW GAMES AND PRODUCTS

NETENT
BETTER GAMING™

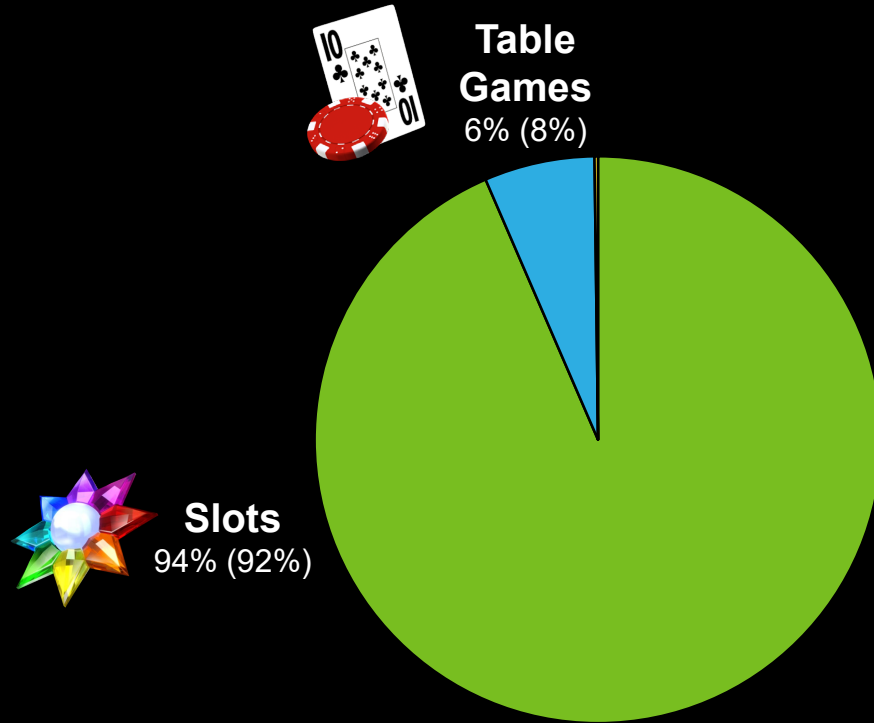


NETENT **live**



Q4 2019

Gamewin By Game Type

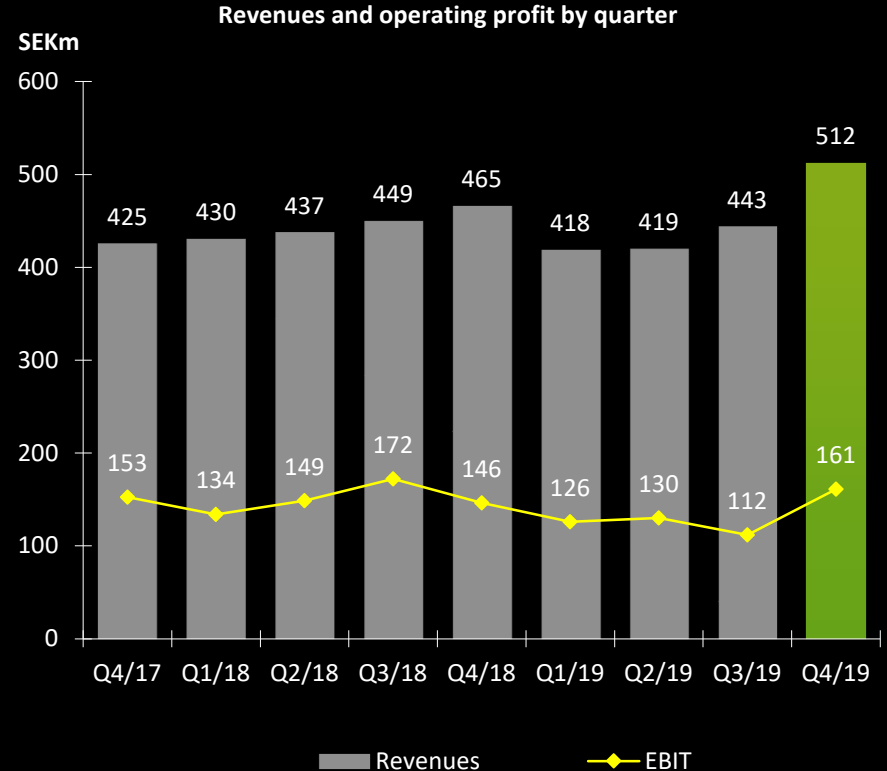


*Including Red Tiger for Q4-19.
Comparable figures in parenthesis for NetEnt in Q4 2018.*

BY QUARTER

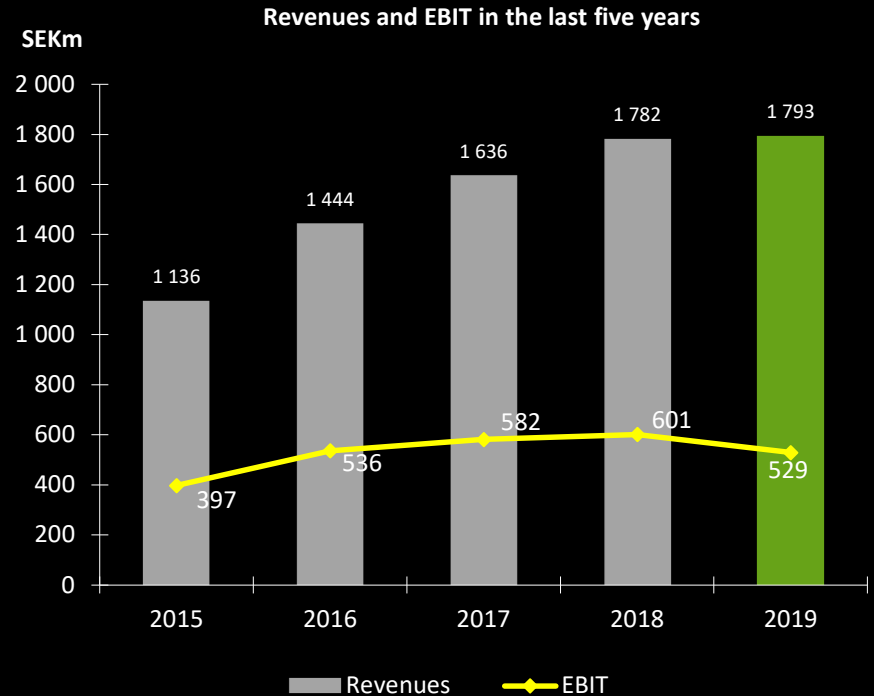
Revenues and earnings

- Revenues in Q4-19 of 512 (465) SEKm
- Positive currency effects Y/Y in Q4
- EBITDA of 261 (204) SEKm, a margin of 51.0 (43.9)%
- EBIT of 161 (146) SEKm, a margin of 31.4 (31.4)%
- Red Tiger contribution in Q4 was
 - 96 SEKm to revenues
 - 70 SEKm to EBITDA



Revenues and earnings

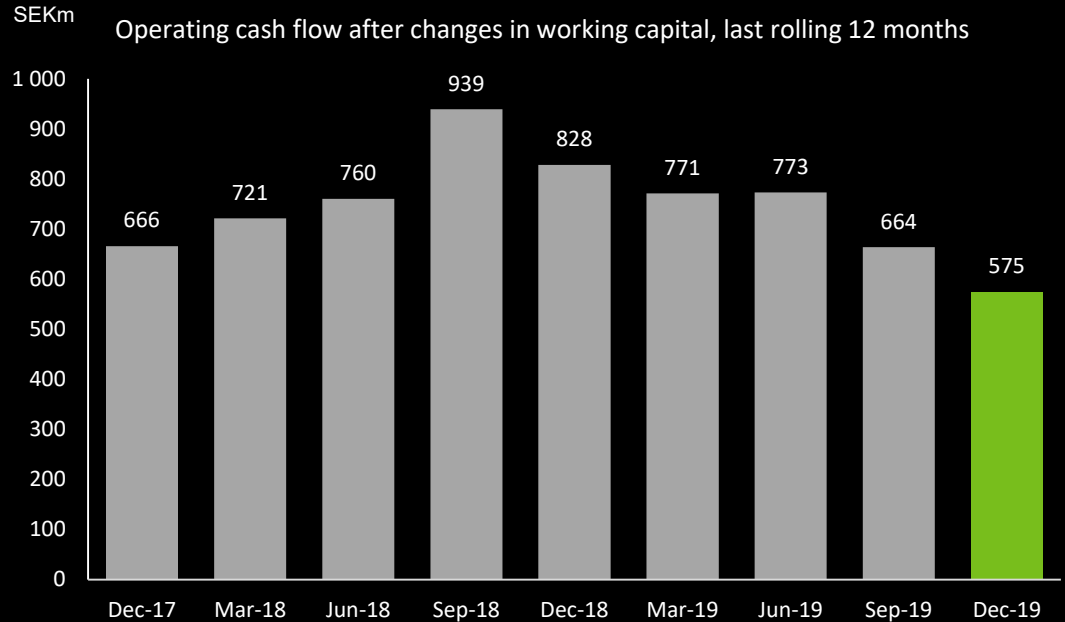
- Revenues of 1,793 (1,782) SEKm for the full year 2019
- EBITDA of 855 (816) SEKm, a margin of 47.7 (45.8)%
- EBIT of 529 (601) SEKm, a margin of 29.5 (33.7)%
- Results include SEK 59 million of acquisition-related transaction costs and amortization, and SEK 29 million of acquisition-related financing costs
- EPS of SEK 1.79 (2.40) before and after dilution
- Red Tiger 2019 contribution (Sep-Dec)
 - 126 SEKm to revenues
 - 93 SEKm to EBITDA



LAST 12 MONTHS ROLLING

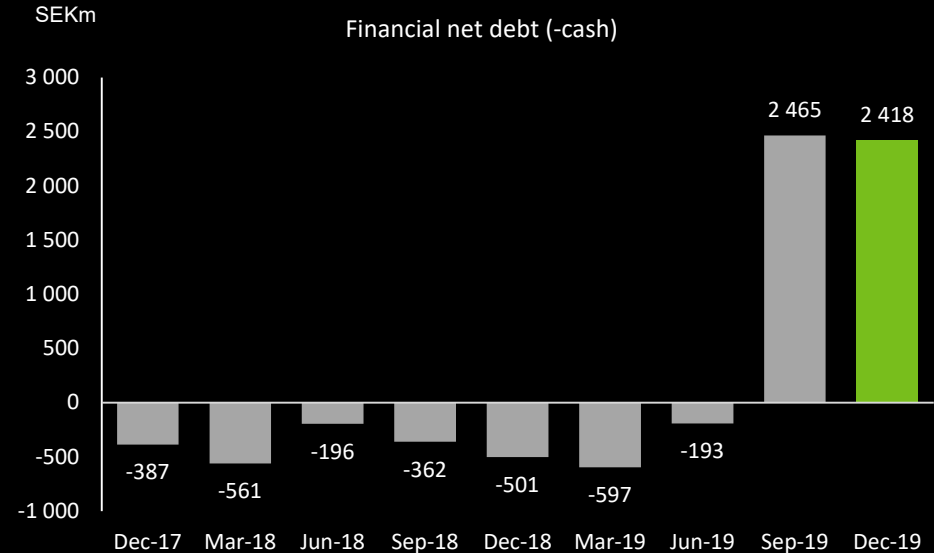
Operating Cash Flow

- Cash flow from operations before changes in working capital was
 - 245 SEKm in Q4-19
 - 804 SEKm for L12M in Q4-19
- Cash flow from operations after changes in working capital was
 - 97 SEKm in Q4-19
 - 575 SEKm for L12M in Q4-19
- Large working capital movements in the quarter



Balance sheet and cash flow

- Net debt of 2,418 MSEK at 31/12, 2019
 - Cash & cash equivalents: 266 MSEK
 - Bank loans: 2,238 MSEK
 - NPV of earn-out liability: 230 MSEK (discounted @ WACC 10%)
 - IFRS 16 capitalized lease liabilities: 216 MSEK
- Aim to reduce net debt during 2020
- Board proposes ordinary cash return to shareholders of SEK 1.00 (2.25)
 - In line with dividend policy
 - Corresponds to dividend yield of 3.6% based on closing price on February 11th 2020



PRODUCT NEWS FOR 2020

Update from ICE



Focus looking ahead

- Return to organic revenue growth in 2020 supported by
 - NetEnt and Red Tiger game portfolios
 - Revenue synergies
 - Live Casino contribution
- Continued focus on cost control and efficiency
 - Red Tiger integration catalyst for further improvements



Q&A

The text "Q&A" is rendered in a bold, white, sans-serif font. It is centered on a solid black background. Behind the text, there is a decorative effect consisting of numerous small, glowing teal and light blue particles, some of which are slightly blurred, creating a sense of depth and movement around the characters.