

Full year results 2015

25 February 2016

AGENDA

Highlights

Financial review

Operational and
strategic review

Q&A



Alan Jackson
Chairman



Ron Hoffman
Chief Financial Officer



Mor Weizer
Chief Executive Officer

CONTINUED MOMENTUM

- Another year of record results
- Gaming division continues to lead the industry and drive growth
- Financials division created with business model improved
- Significant opportunities for further growth, both organically and through M&A
- Management confident in strong growth in 2016 and beyond

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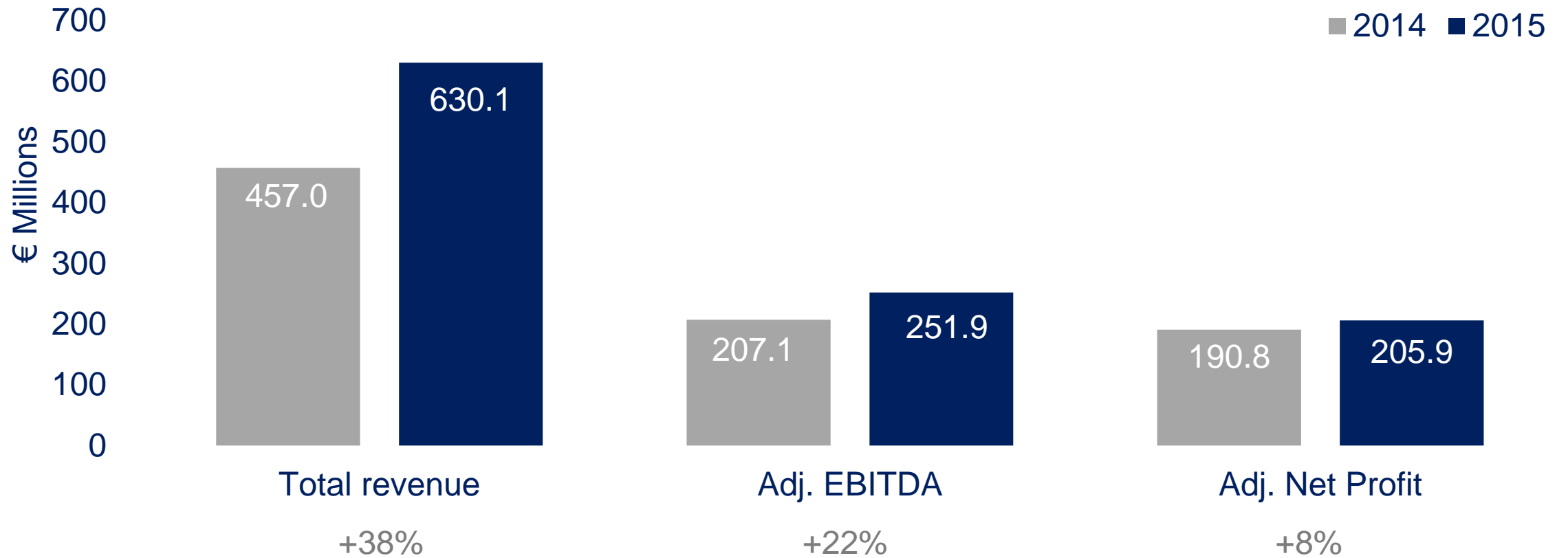


Ron Hoffman
Chief Financial Officer



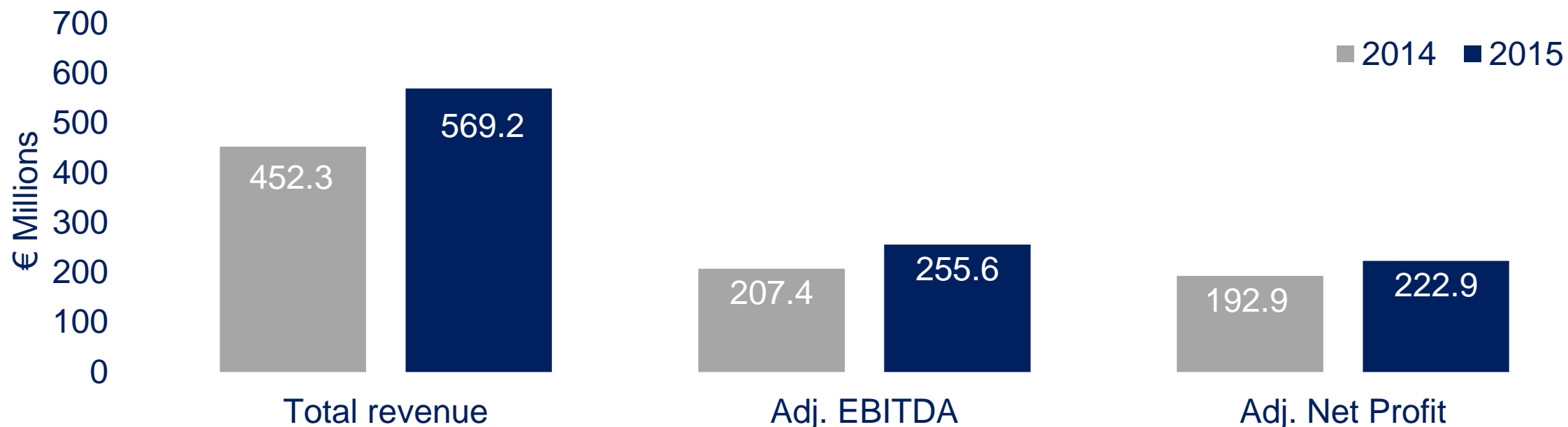
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RESULTS SUMMARY



UNDERLYING RESULTS

STRONG REVENUE GROWTH ON AN UNDERLYING BASIS



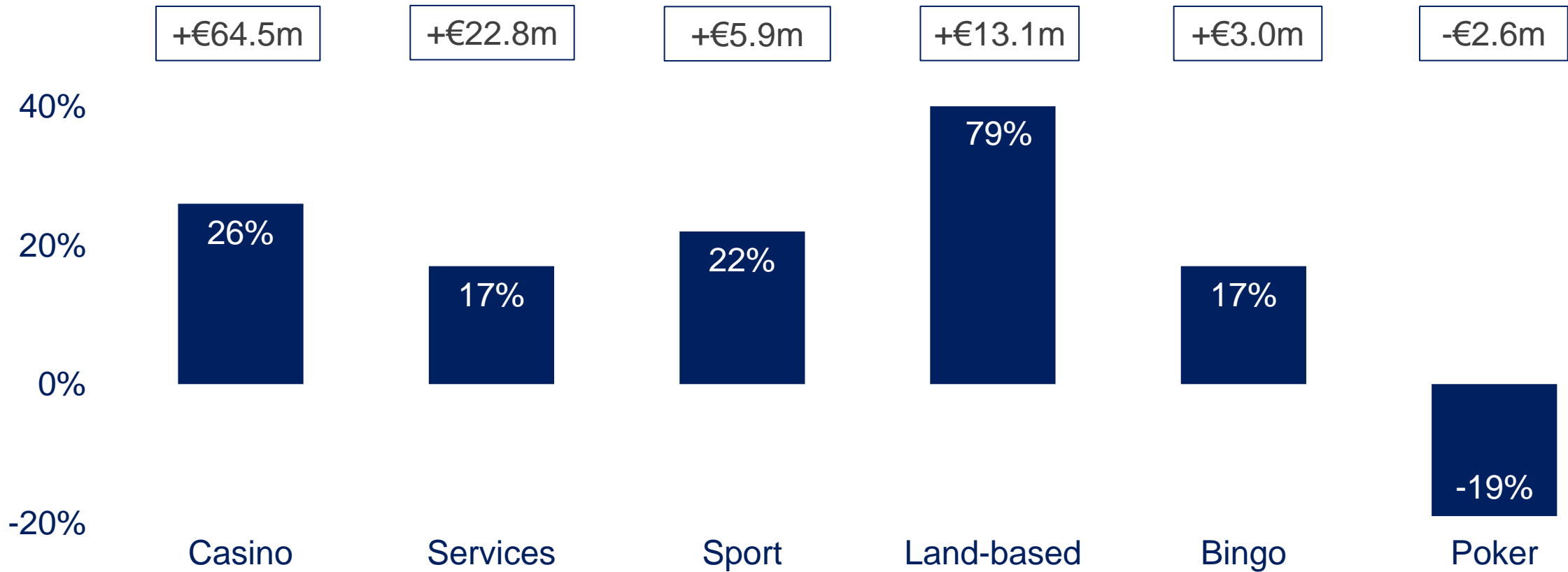
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REVENUE GROWTH BY GAMING VERTICAL

STRONG GROWTH ACROSS ALL KEY VERTICALS



IMPROVEMENTS TO MARKETS LIMITED

INDUSTRY-LEADING STANDARDS

- The regulatory environment has developed with tighter restrictions and controls imposed
- Markets Limited has gone well-beyond what is industry practice for compliance
 - risk-averse approach
 - impacts conversion rates
- Quality improvements made to the business model, with enhanced compliance in tightening regulatory environment
 - introduced stricter on-boarding procedures, controls and processes
 - further developing our media buying technology, with strong focus on marketing our own trading platform as the main channel for growth
 - focussing on the core brand of markets.com
 - the cessation of trading relationships with large business introducers in respect of the core brand
 - establishment of B2B relationships leveraging on servicing our technology and CRM capabilities, with a strong pipeline for 2016

PERFORMANCE OF MARKETS

LOWER VOLATILITY IMPACTS 2015 PERFORMANCE

Pro-forma full year 2015

\$m	2015	2014	Chg
Net revenue	100.2	87.8	14%
Adj. EBITDA	29.1	34.9	-17%
Adj. EBITDA margin	29%	40%	
Direct actives – CFDs (000s)	31.0	24.4	27%
Total Actives – CFDs (000s)	62.1	47.8	30%
Direct FTDs – CFDs (000s)	21.8	17.4	25%
Total FTDs – CFDs (000s)	48.9	39.1	25%

Performance in H2 2015

\$m	2015	2014	Chg
Net revenue	55.6	57.0	-2%
Adj. EBITDA	17.0	31.7	-46%
Adj. EBITDA margin	31%	56%	
Direct actives – CFDs (000s)	20.9	17.8	17%
Total Actives – CFDs (000s)	39.8	35.1	13%
Direct FTDs – CFDs (000s)	10.2	8.8	16%
Total FTDs – CFDs (000s)	21.8	20.5	6%

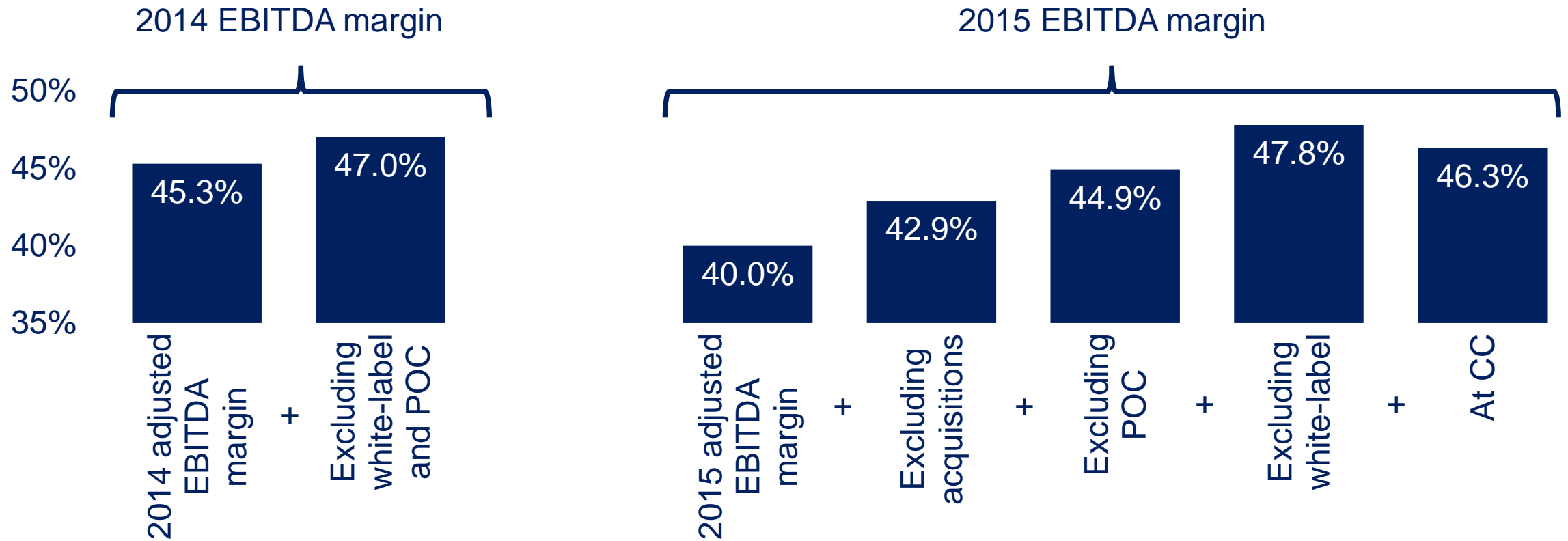
WHAT TO EXPECT FROM MARKETS IN 2016

A PLATFORM FOR GROWTH

- Markets will be better placed to capture new business and also meet the very highest standards of compliance
- Laying the foundations for future growth
 - customer acquisition through automated funnels
 - better technology, with a wider offering of instruments
 - enhanced automation of on-boarding processes
 - focus on CRM activities
 - greater control over brand
 - strong B2B pipeline extending our reach to new geographies
- Measuring performance
 - expected to see strong growth in direct revenues and KPIs in 2016, positioning the business for sustained growth
 - total revenue growth in 2016 will be impacted due to lower revenues from business introducer relationships
 - 2016 adjusted EBITDA margin impacted due to strong focus on investing for future growth in KPIs through increased direct marketing initiatives alongside further investment in media buying technology, compliance systems and marketing

MARGIN ANALYSIS

SIMILAR UNDERLYING MARGIN IN 2014 AND 2015



COST ANALYSIS

ADJUSTED OPERATING COSTS – INCLUDING ACQUISITIONS

€m	2015		2014	
Adj. operating costs	378.2		249.8	
Revenue-driven costs	65.7	10%	37.5	8%
Adj. operational costs excluding revenue-driven costs	312.5		212.3	
Employee-related costs	183.6	59%	133.0	63%
Cost of services	43.2	14%	32.2	15%
Admin and office costs	28.7	9%	22.8	11%
Other costs	26.1	8%	15.2	7%
Marketing – white-label / B2C	19.3	6%	0.6	-
Travel, exhibitions and marketing	11.6	4%	8.5	4%

COST ANALYSIS

ADJUSTED OPERATING COSTS – EXCLUDING ACQUISITIONS

€m	2015		2014	
Adj. operating costs	317.4		245.0	
Revenue-driven costs	63.7	11%	43.0	10%
Adj. operational costs excluding revenue-driven costs	253.7		202.0	
Employee-related costs	151.5	60%	124.6	62%
Cost of services	40.1	16%	32.2	16%
Admin and office costs	24.3	9%	21.7	11%
Other costs	22.9	9%	14.5	7%
Marketing – white-label / B2C	4.4	2%	0.6	-
Travel, exhibitions and marketing	10.5	4%	8.4	4%

NET PROFIT, EPS AND DPS

BELOW THE LINE ITEMS IMPACTED BY FINANCING

- Adjusted net profit up 8% vs 22% growth in adjusted EBITDA
 - lower exchange rate gains on cash balances
 - financing costs of new debt facilities
 - increased loss from share of associates
- Adjusted EPS up 3% impacted by increased number of shares from equity placing
- Full year DPS up 8%
 - in-line with growth of adjusted net profit
 - above 40% minimum payout

CASHFLOWS

HIGH CASH GENERATION AND CASH CONVERSION

- Operating cash inflows of €202m
- Further inflows from financing activities
 - net proceeds of €313m through the equity placing to fund future acquisitions
 - €200m new fully drawn debt facilities (€240m fully drawn in 2015 with €40m paid-down in Q4)
- Net cash outflows from investing activities totaled €482m including
 - €179m of this related to acquisitions made in the period including Markets and YoYo Games
 - €26m related to the investment in structured agreements and other equity-accounted associates
 - €210m related to investment in shares in Ladbrokes and Plus500
- Strong operating cashflows support 8% increase full year total dividend payout

BALANCE SHEET

RETAINING SIGNIFICANT FINANCIAL FLEXIBILITY

- Strong cash position
 - cash and cash equivalents of €858 at year end (including fully drawn down debt)
 - €751m when deducting progressive operators' jackpots, security deposits and players liability
- In addition, €237m of available for sale investments (Ladbrokes, Plus500)
- New debt facilities of €200m which have been fully drawn down

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KEY DRIVERS OF GAMING PERFORMANCE

CONTINUING GROWTH FROM REGULATED MARKETS

- Continued strong operational performance
- Strong growth across regions and product verticals with particularly strong growth in the UK
- Regulated revenues driving growth
 - 41% of 2015 Gaming revenues (2014: 36%)
 - 46% including regulated revenues from Markets
- Improved commercial terms and new customers in Asia

OPERATIONAL HIGHLIGHTS

ANOTHER YEAR OF PROGRESS AND MOMENTUM

- Many new products launched including
 - true omni-channel games, with new features unlocked when played on multiple devices
 - many new games, including a slot game based on the iconic Top Gun film
 - a first sports betting app for wearable devices, coinciding with the launch of Apple Watch
 - live Prestige Roulette, a modern-day variant of the classic casino table game
 - a series of never-before-seen features within an expanded Virtual Sports portfolio, including a fully simulated football game, allowing for realistic betting and gameplay
- Agreement signed with DC Comics after the year end
- Highest ever daily total games played on Playtech platforms - 594 million!

AHEAD OF THE CURVE

2015 SAW PLAYTECH LAY THE FOUNDATIONS FOR THE COMING YEARS

Preparing for the future

- Further development of omni-channel, arming existing customers with the very best tools and proven content
 - benefitting all customers
 - critical to signing customers in newly regulating markets, with Sports a key element
- Signing new customers – a strong performance in 2015
- Very strong pipeline with significant new licensee wins expected in 2016

10 new customers signed



UPDATE ON REGULATION: SPORT

MANY COUNTRIES HAVE REGULATED ONLINE SPORTS BETTING...

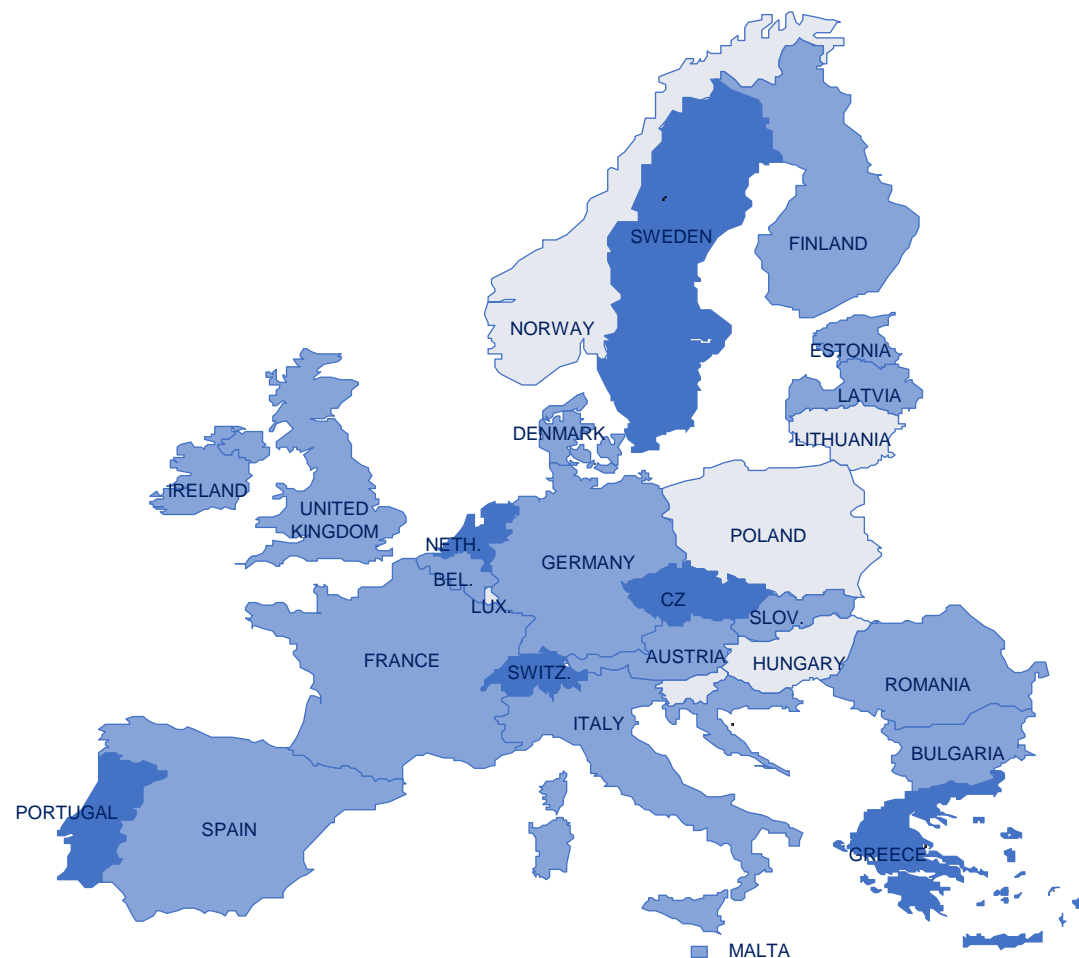
■ Multi-licensing regime



UPDATE ON REGULATION: SPORT

...WITH MORE EXPECTED OVER THE COMING YEARS

- Multi-licensing regime
- Restricted and/or unregulated
- Legislation in process



UPDATE ON REGULATION: CASINO

CASINO IS LESS REGULATED...

■ Multi-licensing regime

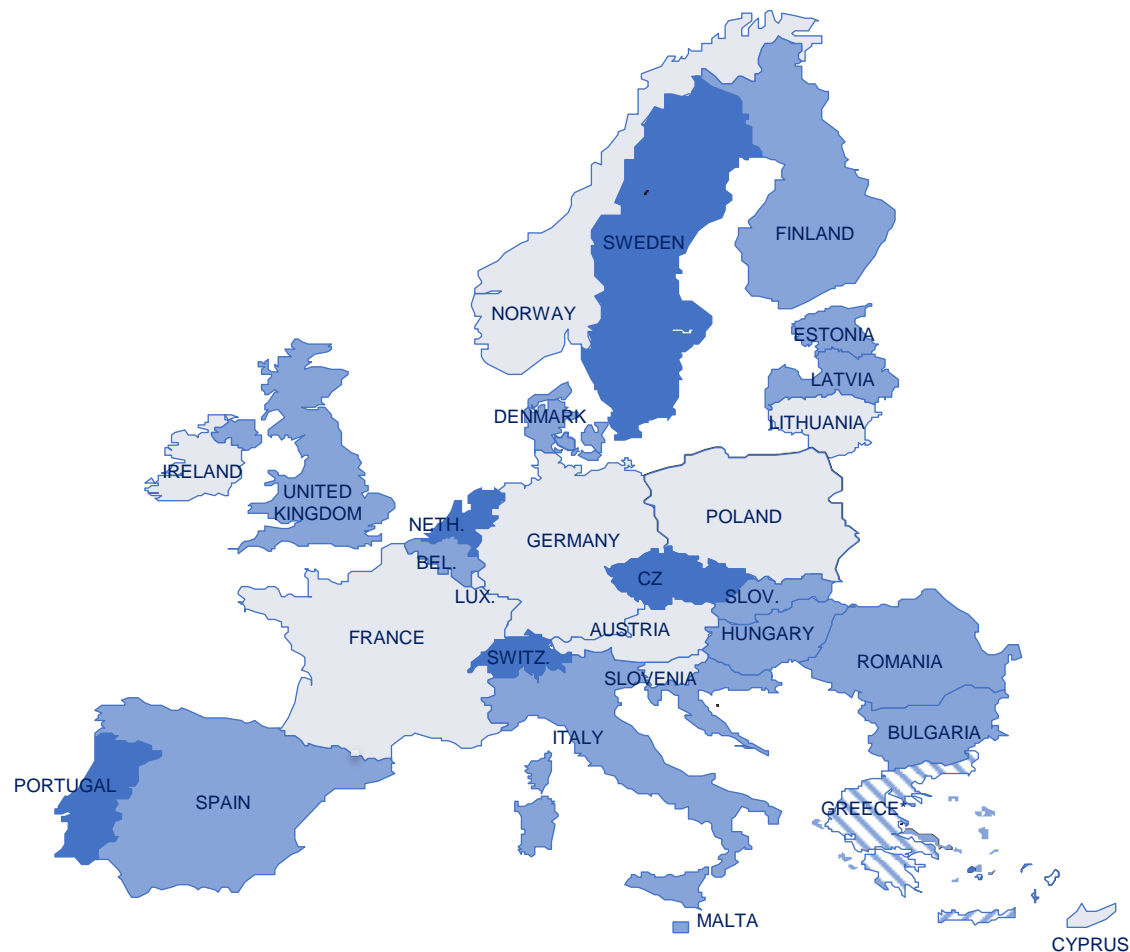


* The current regulations in Greece do not explicitly state that online casino is permitted, however it does not also prohibit online casino. Transitional licences have been issued to operators and is valid until an international bidding competition occurs

UPDATE ON REGULATION: CASINO

...WITH SIGNIFICANT OPPORTUNITIES IN THE COMING YEARS

- Multi-licensing regime
- Restricted and/or unregulated
- Legislation in process



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PLAYTECH: THE NATURAL CHOICE

UNRIVALLED PRODUCT OFFERING WITH A TRACK RECORD OF SUCCESS

- Omni-channel offering provides customer with roadmap for growth which mirrors the regulatory backdrop – Playtech will be there for the whole journey
 - retail capability
 - sport usually the first to be regulated
 - casino then follows
 - services capability is essential
- Playtech has an unrivalled track record of success
 - proven in both established markets (e.g. UK) and newly regulated (e.g. Italy, Mexico)
 - proven content
 - proven delivery
- Win rate in newly regulated markets is testament to the attractiveness of offering

PLAYTECH: TECHNOLOGY FIRST

CONTINUOUSLY EXTENDING OUR LEAD

- Keeping pace with a fast moving backdrop is key to success
 - technology is Playtech's DNA
 - it is our core business
 - c.17% of revenue spent on R&D each year to extend technology lead
 - over 1,500 employees dedicated to R&D
- IMS is Playtech's "secret weapon"
 - the enabler to connecting retail and online – pioneers of Omni-channel
 - The enabler to business intelligence and personalisation across all channels and platforms
 - highly sophisticated player management, CRM and bonus system

WORLD LEADING CONTENT

MOST GAMES AND VARIETY; POPULAR ACROSS COUNTRIES

- Over 500 games, with 120 developed as “mobile-first”
- Producing over 50 new games every year with 70 planned for 2016
- World’s largest accessible progressive on-line jackpots
- Top performing content being delivered in retail and online – web and mobile
- Playtech’s scale and purchasing power gives access to branded content
- Latest content is truly omni-channel - games with features unlocked as players play through different channels and new omni-cashout tool

GAMES ARE NOT COMMODITY PRODUCTS

THE SAME GAMES ARE TOP PERFORMERS ACROSS DIFFERENT CUSTOMERS

		Ranking of game with customer (by GGR)						
	Slot game - ranked by GGR	UK Licensee 1	UK Licensee 2	UK Licensee 3	UK Licensee 4	UK Licensee 5	UK Licensee 6	UK Licensee 7
1	Jackpot 1	6	8	4	1	1	4	2
2	Slot 1	19	3	1	2	3	8	1
3	Jackpot 2	10	1	2	10	8	2	10
4	Slot 2	2	5	15	4	2	6	5
5	Slot 3	1	4	5	12	6	5	9
6	Slot 4	9	9	7	5	10	3	7
7	Jackpot 3	13	2	3	13	5	18	14
8	Slot 5	4	12	9	6	7	12	12
9	Slot 6	3	18	19	14	11	1	11
10	Slot 7	8	7	8	9	9	16	15
11	Slot 8	22	15	18	3	30	21	8
12	Jackpot 4	5	10	23	7	104	9	4
13	Jackpot 5	7	13	120	19	4	14	3
14	Slot 9	28	6	6	20	15	15	16
15	Slot 10	16	19	16	8	16	11	6
	Number of top 15 games in customer top 15	11	13	10	13	12	12	14

CAPITAL ALLOCATION

LIVE M&A DISCUSSIONS; COGNISANT OF NEED FOR EFFICIENT BS

- Continued focus on M&A to augment organic growth
- Both strategic opportunities and bolt-on acquisition
- Cash balances at year end of €858m
 - live discussions for significant strategic acquisitions in Gaming division
 - consideration will be given to returning cash to shareholders in absence of suitable acquisitions

CURRENT TRADING AND OUTLOOK

MOMENTUM IN THE BUSINESS

- Strong current trading
- Strong pipeline in the Gaming division with an improved business model in the Financials division
- Focus on M&A with consideration to be given to returning cash to shareholders in absence of suitable acquisitions
- Confidence in strong growth in 2016

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Appendices



GAMING MOBILE PENETRATION

INCREASE FROM 16% TO 21% OF SOFTWARE REVENUES IN 2015

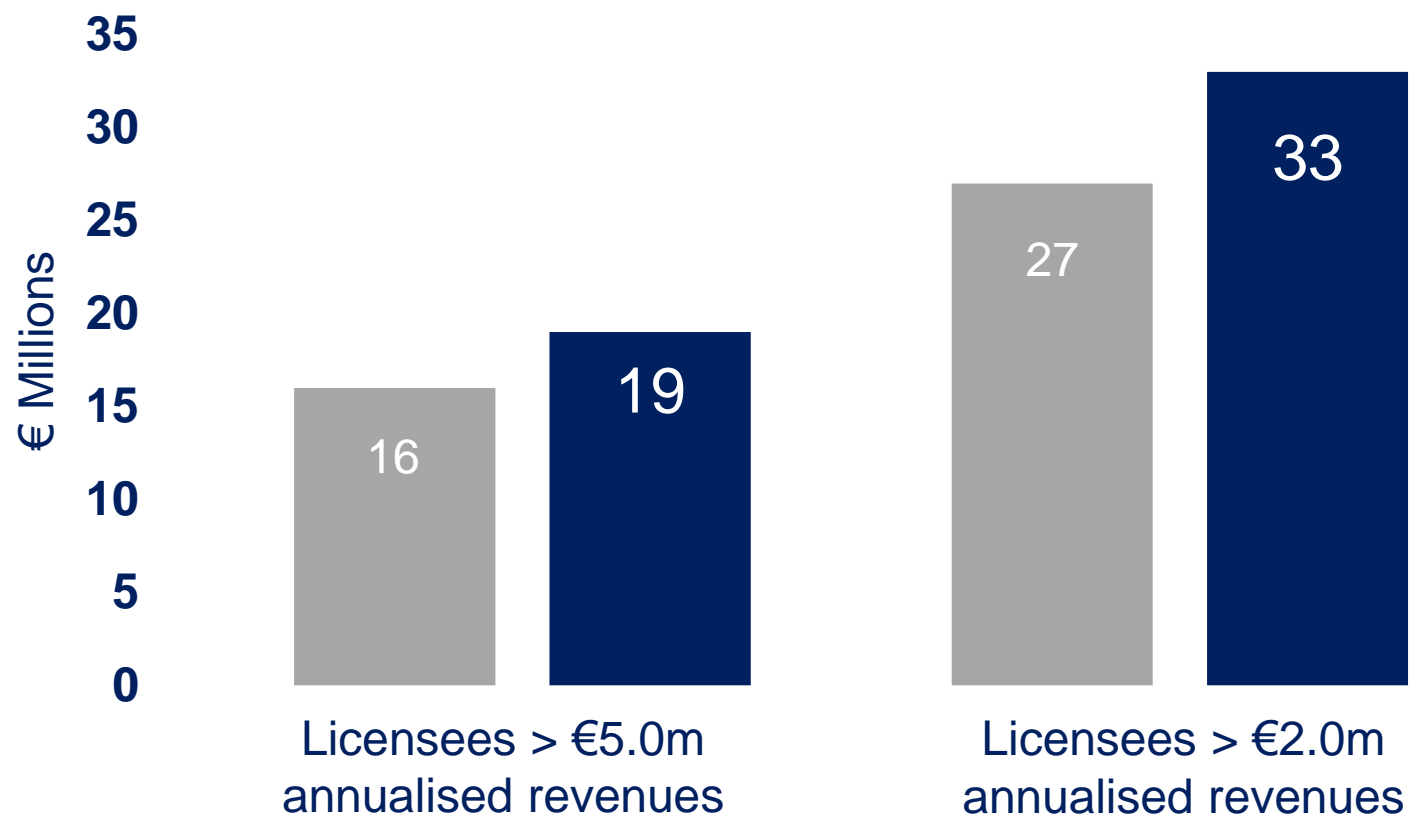
PRODUCT VERTICAL	2014 (€M)	2015 (€M)	GROWTH %
Casino	23.6	48.3	104%
Sports	22.2	26.5	19%
Bingo	2.4	4.1	72%
Poker	0.2	0.4	100%
Total	48.4	79.4	64%

REGULATORY SPLIT OF GAMING GROWTH

REGULATED REVENUES DRIVING GROWTH

Excl' acquisitions	23%		
Regulated	36%	Existing	26%
		New business	10%
.com	16%	Existing	15%
		New business	1%

GAMING CUSTOMER CONCENTRATION



Licensees	2014	2015
Top 5	53%	53%
Top 10	74%	71%
Top 15	81%	81%

Thank You

