

Full year results 2018

21 February 2019

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

OVERVIEW

AN IMPROVED FINANCIAL PROFILE

- Significant strategic progress with **regulated revenue increasing to 80%** of Group
- **Core business model remains strong** with 11% growth in regulated B2B Gaming revenue
- **New licensee wins in regulated markets** provide platform for further growth in strategic geographies
- Snaitech acquisition gives leading position in Europe's largest gambling market
- More **efficient balance sheet** & continued **cost control**
 - Successful €530m bond raise & sale of GVC & Plus500 stakes
 - €17m cost reduction in B2B Gaming in 2018 with further cost optimisation programme driving margin
- Progressive shareholder distribution policy enables initial **€40m share buyback** & dividend payment
- Management remain confident of **further progress** in 2019

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FINANCIAL HIGHLIGHTS

AN IMPROVED FINANCIAL PROFILE

Evolving financial profile

- B2B regulated Gaming revenue growth of 12% at CC
 - UK growth of 2% at CC
 - Non-UK regulated growth of 28% at CC
- Proportion of Group regulated revenue increased to 80% in FY 2018; (54% in FY 2017)

Cost base

- B2B Gaming costs reduced by €17m in 2018
- Further cost optimisation combined with revenue growth to drive B2B Gaming margin expansion

Continued progress on balance sheet efficiency

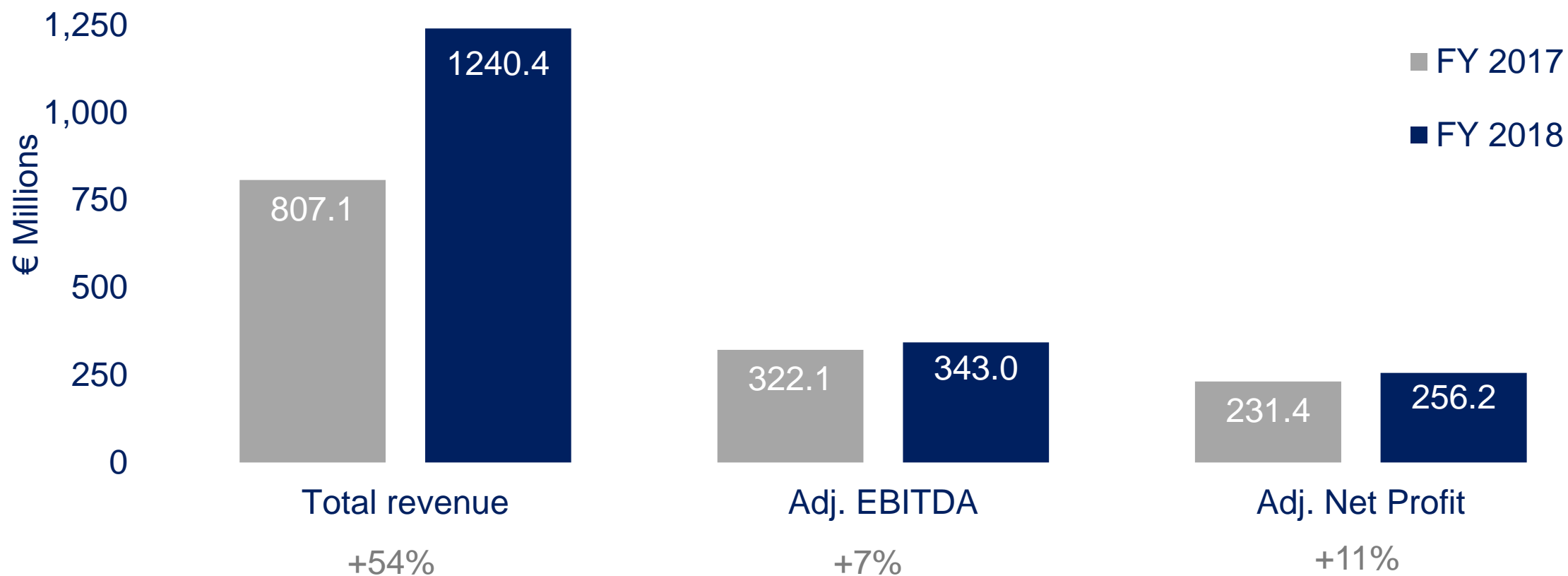
- Sale of holdings in GVC & Plus500
- €530m bond raised, first public rating
- €200m RCF repaid, new undrawn €272m facility
- Net debt / EBITDA of 1.5x at 31 December 2018

Focus on creating shareholder value

- New shareholder distribution policy
- Share buyback launched

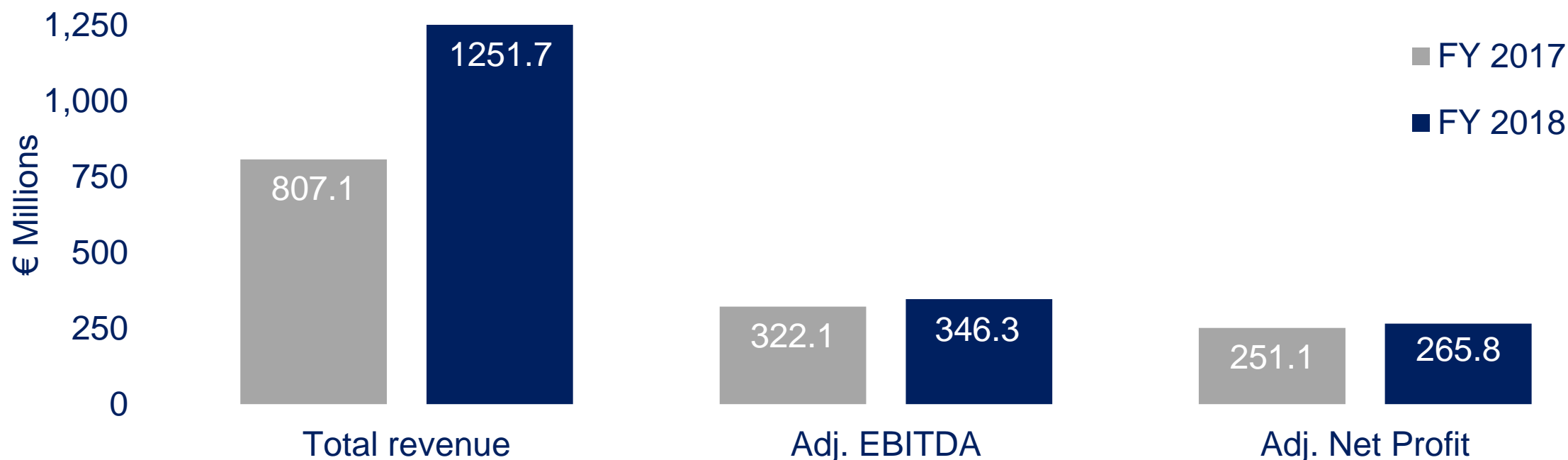
RESULTS SUMMARY

RESULTS IN LINE WITH 2018 GUIDANCE



RESULTS SUMMARY

AT CONSTANT CURRENCY



Incl. acquisitions
Excl. acquisitions

+55%
-12%

Adj. EBITDA

+7%
-20%

Adj. Net Profit

+6%
-7%

GROUP MARGIN ANALYSIS

B2B GAMING MARGIN IMPACTED BY ASIA; SNAITECH CONTRIBUTION IN B2C

		FY 2017 (€m)			FY 2018 (€m)		
		Revenue	Adj. EBITDA	Margin	Revenue	Adj. EBITDA	Margin
Reported	B2B Gaming	656.7	326.5	49%	566.0	252.6	45%
	B2C Gaming	70.3	-31.4	-41%	593.2	60.9	10%
	(Intercompany)	(4.8)	n/a	n/a	(11.7)	n/a	n/a
	Total Gaming	722.2	295.1	41%	1,147.5	313.5	27%
	TradeTech	84.9	27.0	32%	92.9	29.5	32%
	Group	807.1	322.1	39.9%	1,240.4	343.0	27.7%
CC	Group	807.1	322.1	39.9%	1,251.7	346.3	27.7%

B2B GAMING REVENUE

STRONG PERFORMANCE OF CORE B2B BUSINESS

	FY 2017 (€m)	FY 2018 (€m)	%	CC%
UK	173.5	174.7	1%	2%
Other regulated	113.2	143.8	27%	28%
Total Core B2B	286.7	318.5	11%	12%
Asia	291.9	180.9	-38%	-36%
Other unregulated*	78.1	66.6	-15%	-14%
Total unregulated B2B Gaming	370.0	247.5	-33%	-32%

B2B GAMING PERFORMANCE

SOLID PERFORMANCE IN REGULATED MARKETS

	FY 2017 (€m)	FY 2018 (€m)	%	CC %	Reg Rev CC %
Casino	412.8	320.1	-22%	-21%	13%
Services	94.4	84.6	-10%	-9%	15%
Sport	87.5	98.0	12%	13%	14%
Bingo	26.2	26.4	1%	2%	3%
Poker	9.5	9.6	1%	2%	9%
Other	26.4	27.4	4%	5%	10%
Total B2B Gaming	656.7	566.0	-14%	-13%	12%
Total B2B Gaming exc. acquisitions	650.9	555.5	-15%	-14%	12%

B2B GAMING COSTS

EFFICIENT COST MANAGEMENT

	Including Acquisitions (€m)			Excluding Acquisitions (€m)		
	FY 2017*	FY 2018	%	FY 2017	FY 2018	%
R&D	87.4	80.5	-8%	85.8	78.5	-8%
Operations	157.2	150.8	-4%	156.4	149.9	-4%
G&A	68.0	62.1	-9%	67.4	61.5	-9%
S&M	17.6	20.0	14%	17.6	20.0	14%
Total B2B Gaming	330.2	313.4	-5%	327.2	309.9	-5%
B2B Gaming R&D incl. cap'	129.8	127.5	-2%	127.2	123.9	-3%

NON-ASIA B2B GAMING MARGIN

30%+ MARGIN IN MEDIUM TERM FROM 16% IN 2017

	FY 17 (€m)	FY 18 (€m)
Total B2B Gaming EBITDA margin	49%	45%
B2B Gaming Asian revenue	292	183
B2B Gaming Asian direct costs	25	25
B2B Gaming Asian contribution margin	91%	86%
B2B Gaming non-Asian revenue	365	383
B2B Gaming non-Asian costs	305	288
B2B Gaming non-Asia EBITDA	60	95
B2B Gaming non-Asia EBITDA margin	16%	25%

- Excluding acquisitions, B2B Gaming cost from operations reduced by €17 million in 2018
- 2018 saw significant margin expansion in B2B non-Asia Gaming
- Further cost reductions in 2019 combined with targeted investment – full benefits in 2020 and beyond
- **B2B non-Asia Gaming margin to increase from 16% in 2017 and 25% in 2018 to over 30% in medium term**

B2C GAMING PERFORMANCE

CONSOLIDATION OF SNAITECH; SUN BINGO CONTINUES TO IMPROVE

	Revenue (€m)				Adjusted EBITDA (€m)		
	FY 2017	FY 2018	%	CC%	FY 2017	FY 2018	%
Snaitech	-	511.9	-	-	-	93.0	-
Sun Bingo	23.6	33.7	43%	44%	-28.8	-20.1	30%
Casual Gaming & other B2C	46.7	47.6	2%	3%	-2.6	-12.0	-364%
Total B2C Gaming	70.3	593.2	744%	745%	-31.4	60.9	293%
Total B2C Gaming ex. Snai	70.3	81.3	16%	17%	-31.4	-32.1	-3%

SNAITECH PERFORMANCE

A VERY STRONG PERFORMANCE; SYNERGIES ON-TRACK

Revenue	Revenue (€m)			Consolidated
	FY 2017	FY 2018	%	From 5 June
Retail betting	166.9	170.9	2%	96.4
Gaming machines	625.9	610.4	-3%	347.4
Online	65.0	82.9	27%	49.8
Other	28.0	30.4	9%	18.3
Total	885.9	894.6	1%	511.9
Adjusted EBITDA	136.2	155.6	14%	93.0
Margin	15.4%	17.4%	-	18.2%

SUN BINGO

MULTI YEAR EXTENSION AGREED

- Revenue increased 43% in 2018
 - strong revenue growth was driven by the continued focus on targeted and data driven marketing
 - material decrease in the loss from the contract compared to 2017
- Amendment to contract has been agreed
 - extended for a period of up to 15 years
 - minimum guarantee cash payments to remain until mid-2021 under terms of original contract although spread over life of extended contract from a P&L perspective
 - joint commercial collaboration with no further minimum guarantees from mid-2021
- Amended agreement will include other product verticals
- From 2019 onwards, Sun Bingo contract should no longer be loss making from a P&L perspective

CASHFLOWS

STRONG CASH GENERATION

- Net cash from operations up 26% at €387m (FY 2017: €307m)
- Combined inflows of €481m from GVC / Plus500 investments
 - €447m from sale of GVC (proceeds of €254 million) and Plus500 (proceeds of €193 million)
 - €34 million in dividends from the two stakes in 2018 prior to divesting
- Israel Government tax settlement of €28m paid in January 2019

CASH ON BALANCE SHEET

REDUCED CASH ON BALANCE SHEET

	December 2018 (€m)					June 2018 (€m)
	Gaming	TradeTech	Playtech excl. Snai	Snai	Total	
Gross Cash	171	349	520	102	622	837
Client funds / progressives *	66	204	270	39	309	273
Adjusted gross cash	105	145	250	63	313	563
Cash needed for operations	55	53	108	30	138	148
RCF	-	-	-	-	-	-
Capital adequacy	-	70	70	-	70	69
Available cash	50	22	72	33	105	346

BALANCE SHEET

SIGNIFICANT PROGRESS

- More efficient balance sheet achieved - net debt/EBITDA of 1.5x at 31 December 2018
- Sale of holdings in GVC and Plus500
- €530m 3.75% bond raised in October 2018; Playtech's first public debt and rating
- €200m RCF fully repaid; new €272m facility available – currently undrawn
- Refinancing process underway to replace €297m convertible bond (maturing Nov 19)

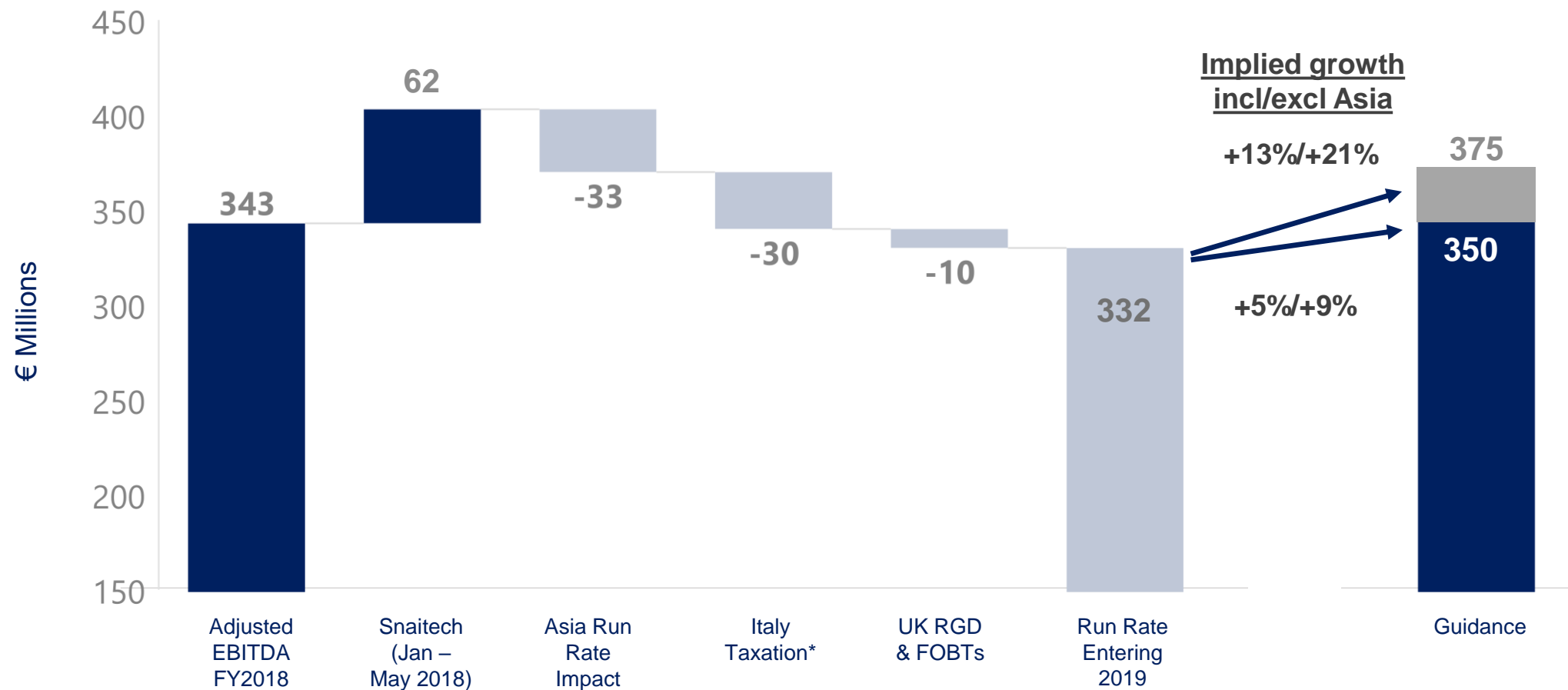
SHAREHOLDER DISTRIBUTIONS

A BALANCED APPROACH

- No reduction in overall cash distributed to shareholders
- Future shareholder distributions will be balanced between dividends and share buybacks following extensive discussions with shareholders and share register analysis
- Annual dividend rebased and launch of €40 million share buyback programme
- Final dividend declared of €0.12 per share (2017 final dividend: €0.24 per share) with progressive dividend policy from rebased level

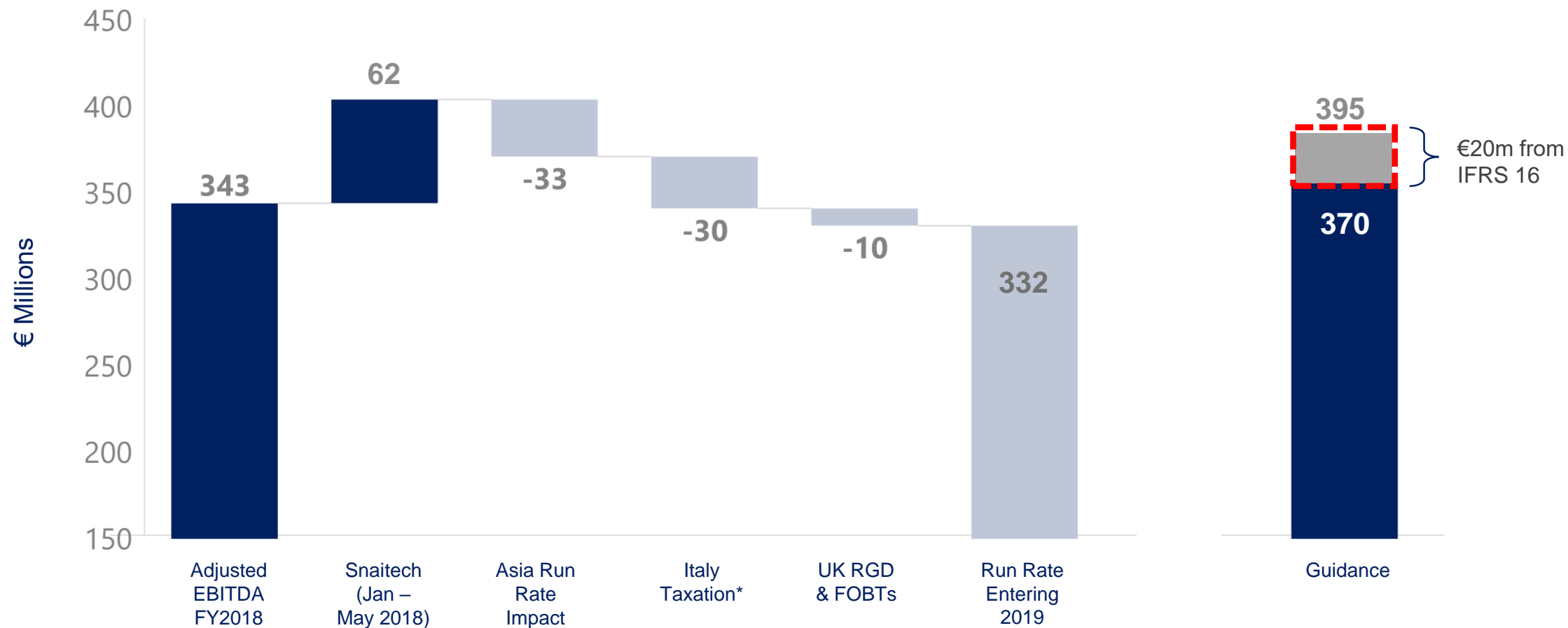
2019 ADJUSTED EBITDA GUIDANCE BRIDGE

GROUP FACING MULTIPLE HEADWINDS IN 2019



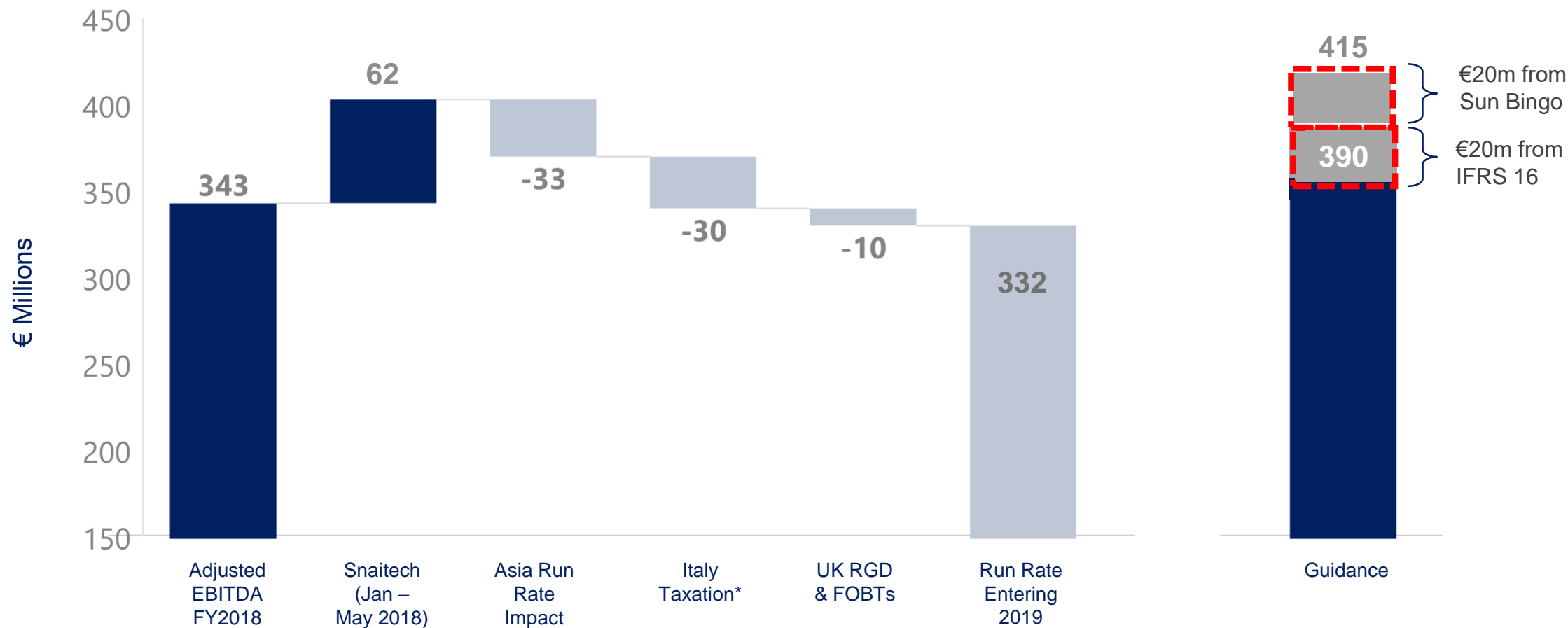
2019 ADJUSTED EBITDA GUIDANCE BRIDGE

IFRS 16 TO ADD C.€20M TO ADJUSTED EBITDA



2019 ADJUSTED EBITDA GUIDANCE BRIDGE

IFRS 16 TO ADD C.€20M & SUN BINGO TO ADD C.€20M TO ADJUSTED EBITDA



OUTLOOK

2019 ADJUSTED EBITDA EXPECTED IN RANGE OF €390 TO €415 MILLION

- Strong growth in B2B Regulated Gaming revenue
- Decline in B2B Unregulated Gaming revenue, assuming Asia remains stable at c.€150 million annual revenue run rate
- Snaitech adjusted EBITDA to return to 2017 levels despite taxation headwinds
- Sun Bingo to have positive EBITDA contribution in 2019
- TradeTech expected to continue to grow adjusted EBITDA
- Outlook includes positive impact of approximately €20m from adoption of IFRS16 in 2019

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TRADETECH GROUP RESULTS

	Actual (\$m)			Proforma (\$m)		
	FY 2017	FY 2018	%	FY 2017	FY 2018	%
Net Revenue	\$96.0	\$110.0	14%	\$106.3	\$110.1	4%
Adjusted EBITDA	\$30.4	\$36.7	21%	\$32.7	\$36.7	12%
Margin	32%	33%		31%	33%	
Clean EBITDA (excl. one-off events)	\$30.4	\$38.9	28%	\$32.7	\$38.9	19%
Margin	32%	35%		31%	35%	

BREAKDOWN OF NET REVENUE

	Actual (\$m)			Proforma (\$m)		
	FY 2017	FY 2018	%	FY 2017	FY 2018	%
B2C	\$40.5	\$45.2	12%	\$40.5	\$45.2	12%
Liquidity offering	\$23.3	\$27.9	20%	\$23.3	\$27.9	20%
Execution & Risk Management	\$11.4	\$24.8	118%	\$21.7	\$24.8	14%
Full Turnkey offering	\$20.8	\$12.2	-41%	\$20.8	\$12.2	-41%
Net Revenue	\$96.0	\$110.1	15%	\$106.3	\$110.1	4%

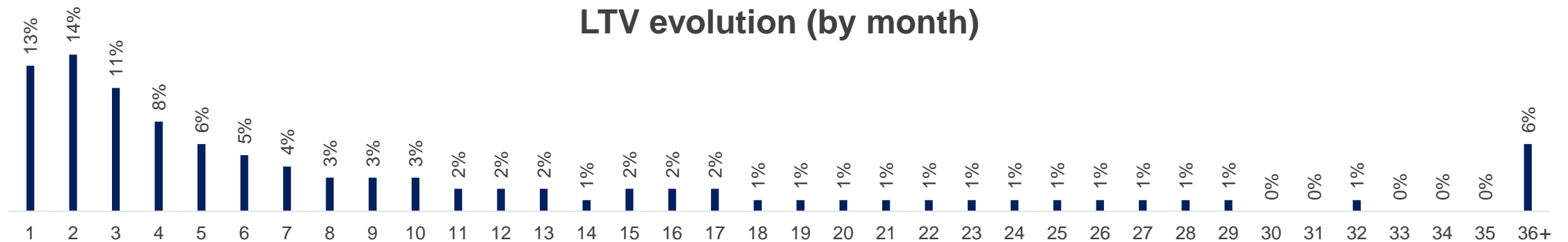
BREAKDOWN OF VOLUMES & NRPM

Volumes (\$Bn)	Actual			Proforma		
	FY 2017	FY 2018	%	FY 2017	FY 2018	%
B2C	\$184	\$181	-2%	\$184	\$181	-2%
Liquidity, Execution & Risk Mgmt.	\$847	\$1,711	102%	\$1,332	\$1,711	29%
Turnkey offering	\$235	\$153	-35%	\$235	\$153	-35%
Total	\$1,267	\$2,045	61%	\$1,751	\$2,045	17%

Net Revenue Per Million (NRPM)						
B2C	\$220	\$250	14%	\$220	\$250	14%
Liquidity, Execution & Risk Mgmt.	\$41	\$31	-25%	\$34	\$31	-9%
Turnkey offering	\$88	\$80	-10%	\$88	\$80	-10%

B2C KPIs

	FY 2017	FY 2018	% growth	Comments
Revenue (\$m)	\$40.5	\$45.2	12%	
Volume (\$Bn)	\$184	\$181	-2%	<i>The main KPI impacted by ESMA's leverage limitation</i>
Net Revenue Per Million	\$220	\$250	14%	<i>Mainly due to Crypto impact in Q4-17</i>
Active customers ('000)	34.8	27.5	-21%	
- Existing	7.8	12.5	60%	
- FTDs	27.0	15.1	-44%	



TRADETECH 360 SOLUTION

THE INDUSTRY'S MOST SOPHISTICATED AND ROBUST TECHNOLOGY

- Next generation technology product suite
- Enables brokers to efficiently operate a **multi-brand, multi-license, multi-jurisdiction, multi-channel** and **multi-risk model business** across the globe
- Gives brokers access to the industry's most **powerful management system (CRMBO)** and its data driven BI tools and our unique front-end trading technology
- All the tools and capabilities needed to efficiently manage every aspect of the broker's business
- **Systems tailored** for each part of business. **Managed centrally** by CRMBO
- **Simple customisation** and solid foundations for future growth



STRATEGIC POSITIONING

WELL POSITIONED IN KEY B2B MARKETS

- Liquidity business at **inflection point** in industry
- CFH's technology & offering is **best in market**
- Liquidity business expanding to **full suite of products** including equities, cryptos & options
- Unique expertise & knowledge at TTA: **best monetisation capabilities** in the industry
- **Best in class front-end & back-office** technologies: TradeTech360 equivalent to the Playtech IMS

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PLAYTECH TODAY
FOUNDATIONS FOR GROWTH

REVIEW OF 2018

A CHALLENGING PERIOD WITH CLEAR OPERATIONAL PROGRESS

Strong momentum in Core B2B Gaming

- Regulated B2B Gaming: 11% growth
- Casino grew 8% excluding Asia
- Sport is key: 12% increase

Asia

- Stability in Asia, but lower visibility
- High margin and cash generative business

Completion of Snaitech acquisition

- Opportunity in Italy considerable
- Very strong 2018 performance
- 2nd largest online gaming operator in Italy
- Taxation headwinds in 2019

Improved quality of earnings in period

- Gaming regulated revenue up to 78% (49% in 2017)
- FY 2018 Group regulated revenue of 80% (54% in 2017)

New business wins / successful go-lives

- Buzz Bingo and Totalizator go-lives in H2 2018
- Fortuna relationship significantly expanded
- Launch in Sweden and Switzerland in 2019

Short term deliverables

- Sun Bingo
- US progress

REGULATION

SHAPING EXISTING MARKETS & DELIVERING NEW BUSINESS

Europe

- Italy taxation increases and advertising ban in 2019
- Slovakia likely in 2019, Netherlands likely in 2020



UK

- RGD increase effective April 2019
- Voluntary advertising ban – ‘whistle to whistle’



Latin America

- Positioned for Brazil and Peru



US

- Application submitted in New Jersey (Q4 2018)
- Process underway in other states

ASIA

ACTIONS TAKEN TO STABILISE OUR POSITION IN CHINA

Actions taken

- MD of Asia appointed
- Commercial and operational process now in place with operators and distributors
- New brands & content
- Increased Playtech content offered
- Improved response time for critical issues
- Completed major technical enhancements to better support distributor

China - review of 2018

- Significant increase to competition
- Price sensitive in nature
- Lower barriers to entry
- No change to regulatory backdrop

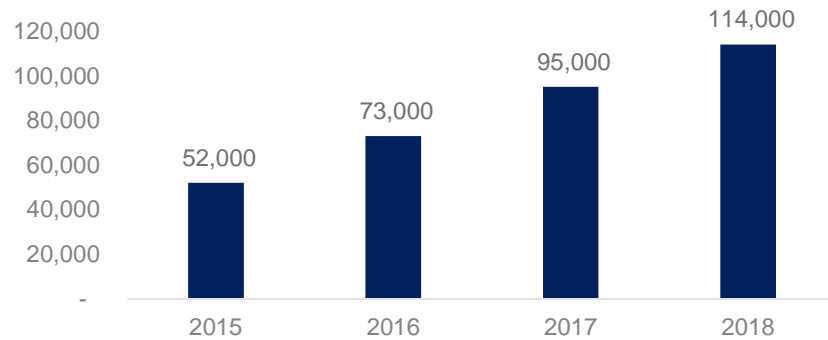
Outlook

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

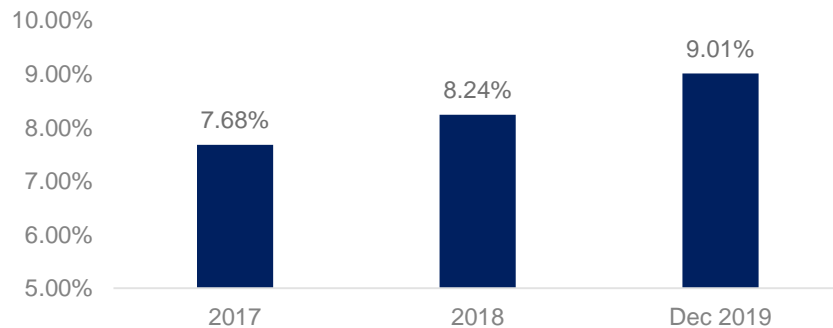
ITALIAN OPPORTUNITY

GROWTH IN ONLINE MARKET SHARE DRIVEN BY BRAND & RETAIL PRESENCE

First Time Depositors



Snaitech Online Market Share (on GGR)



Snai: one of the most powerful online & retail brands

- Online customers +114k in 2018 despite Dignity Decree
- 20% acquired through retail channel
- Online customers acquired through retail worth 17% more
- Snaitech brand very well known (+56% growth in search results)
- Playtech technology proven track record of growing cross-sell

SCALE CONTINUED TO GROW IN 2018

SIGNIFICANT GROWTH IN UNDERLYING METRICS



27%

Growth in Live Casino NGR *

23%

Growth in slots NGR *

SNAITECH

27%

Growth in online revenue

53%

Increase in number of active online players



33%

Growth in digital stakes

60%

Growth in retail stakes

PLAYTECH TOMORROW

A STRATEGY FOR GROWTH

PLAYTECH LIFE CYCLE

FOCUS ON REGULATED MARKETS AND HIGH MARGIN OPPORTUNITIES



A FOUR PART BUSINESS

ALIGNING THE COMPANY FOR THE FUTURE

Core B2B

- Largest and leading supplier
- Focus on regulated markets
- Leading presence in key markets
- 140 licensees
- UK, Italy, Spain, Portugal, Greece, Sweden, Mexico, Colombia, Czech Republic, Poland, Belgium, etc.

Asia

- Different business model
- Isolated from rest of B2B
- High margin, cash business
- Reinvest cash to cement position in regulated markets or return to shareholders

Core B2C

- Snaitech
- Sun Bingo
- Casual
- HPYBET in Austria and Germany
- Other selected B2C opportunities

TradeTech

- Contributes to EBITDA
- Non-gaming business; different drivers
- Different to other CFD firms - B2B & B2C
- Growth business
- Highly attractive asset

DETAILED REVIEW OF BUSINESS

FOCUS ON REGULATED MARKETS AND HIGH MARGIN OPPORTUNITIES

- Detailed review of all aspects of Playtech including business model, pricing, costs
- Findings:
 - Significant growth in recent years extending our reach
 - Unparalleled set of assets
 - Playtech is leader with biggest jackpots, largest poker network, largest bingo network, largest portfolio of branded and most popular games
- While achieving great scale and unparalleled presence we also identified gaps
 - Significant portion of market untapped
 - New business model and pricing structure

GAMING STRATEGY

FOCUS ON HIGHER MARGIN B2B OPPORTUNITIES

Supporting structural growth

- Organic growth of existing licensees
- Provide new technology
- Commercial & RG focused services

Increase cross-sell

- Significant opportunity
- Still gaps to fill
- Drive incremental margin

'Local heroes'

- Focus on structured agreements
- Higher margin opportunities
- Continue to deliver large scale integrations

'Untapped' opportunities

- Significant investment in R&D
- Flexible content & services solutions
- Faster integrations

GAMING STRATEGY

SELECTED B2C OPPORTUNITIES; OPPORTUNISTIC M&A

- Focus on selected B2C opportunities including strong focus on SNAI
- Snaitech ideally positioned to capture significant opportunity in Italy
- Sun Bingo & HPYBet
- M&A – we remain opportunistic but with a conservative and responsible approach

TODAY'S KEY TAKEAWAYS

- 2018 a year of delivery
- Foundations set for long-term growth
- Margin optimisation underway
- New technology & more flexible content delivers new opportunities
- A clear strategy for future growth

Q&A



Appendix



B2B GAMING CUSTOMER CONCENTRATION

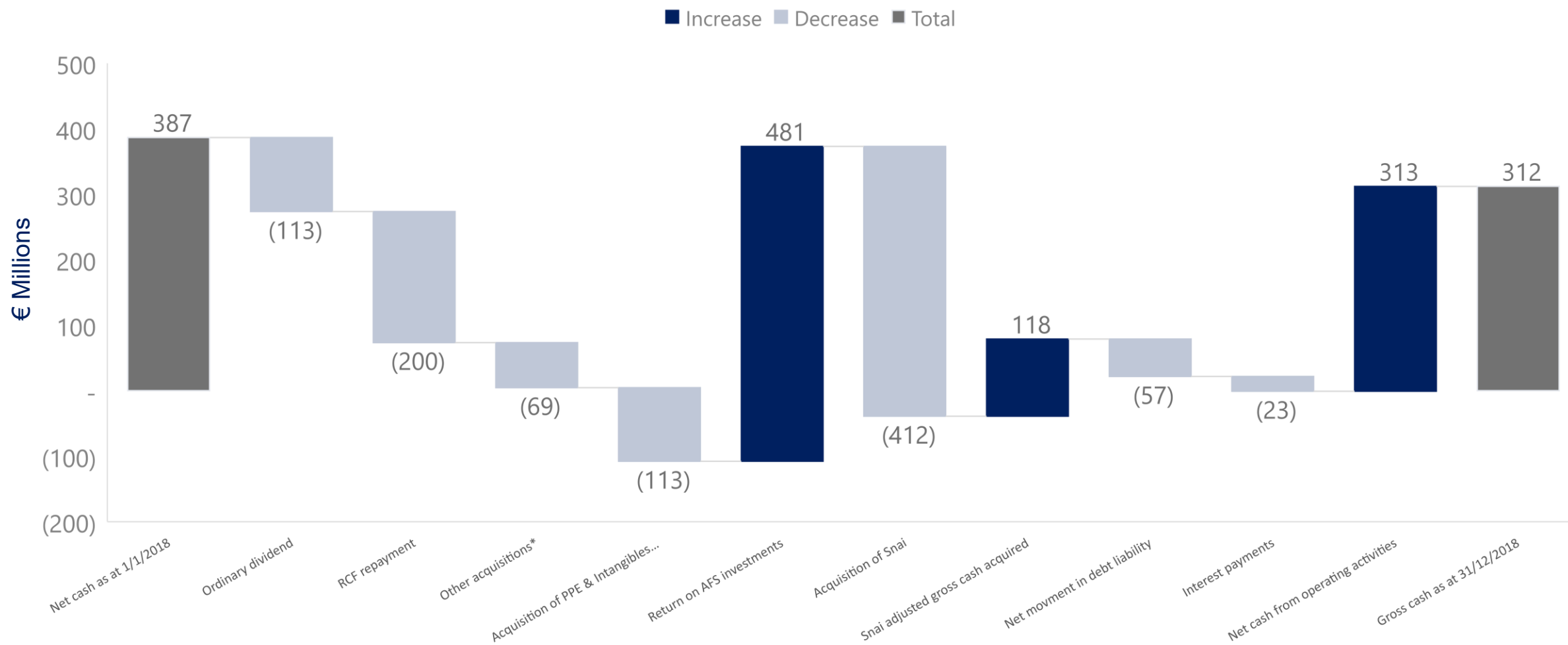
Licensees	H1 2018	H2 2018	FY 2018
Top 5	38%	35%	37%
Top 10	57%	53%	54%
Top 15	68%	64%	65%

NET PROFIT AND EPS

SIGNIFICANT ITEMS BELOW EBITDA

	Adjusted			Excl. Acquisitions		
	FY 2017	FY 2018	%	FY 2017	FY 2018	%
Adjusted EBITDA	322.1	343.0	7%	320.0	253.0	-21%
- Depreciation & Amortisation	-62.6	-104.9	68%	-61.8	-73.7	19%
- Finance Income	18.9	36.4	92%	18.9	35.2	86%
- Finance Cost	-24.0	-40.3	69%	-23.9	-19.6	-18%
- Tax	-21.9	-35.1	61%	-21.6	-26.7	23%
- Other Gains*	-0.2	63.1	n/a	-0.2	63.1	n/a
Non-controlling interest	-1.0	-6.0	n/a	-1.0	-6.0	n/a
Net Profit attrib. to owners of parent	231.4	256.2	11%	230.6	225.3	-2%
Shares Outstanding (millions)	314.5	315.1	0.2%	314.5	315.1	0.2%
Basic EPS (cents)	73.6	81.3	10%	73.3	71.2	-3%

CASH FLOW BRIDGE



ITALIAN OPPORTUNITY

REGULATORY HEADWINDS; OPPORTUNITY TO LEVERAGE RETAIL STRENGTH

Regulation

2019 budget law

- Taxation increased on all forms of gambling
- PREU increases on AWP & VLTs
- Effective 1 January 2019
- Minimum payout ratios reduced on machines

Advertising ban

- Effective July 2019
- ID Cards from 2020

Impact

- €20-25m EBITDA impact in 2019 pre-mitigation
- Lowered payouts to partially mitigate in 2019 and 2020
- Consolidate fragmented online market
- Snai largest retail betting market share at 20%
- Omni-channel opportunity for Playtech

Taxation increases (from 1 Jan 2019)

- | | |
|--------------------------------------|--------|
| ▪ VLTs: | +1.25% |
| ▪ AWP: | +2.00% |
| ▪ Retail & online betting & virtuals | +2.00% |
| ▪ Skill Games & online bingo | +5.00% |

Mitigants allowed

- | | |
|-------------------------|--------|
| ▪ VLT Payout reduction: | -1.00% |
| ▪ AWP Payout reduction: | -2.00% |

CONTINGENT CONSIDERATION

Acquisition	Contingent Consideration and redemption liability as at 31.12.18	Max earnout	Payment date
ACM Group	€73.7 million	€126.7 million	€2.4 million Q1 2019 €71.3 million Q1 2020
Playtech BGT Sports Ltd	€25.7 million	€100.0 million	€25.7 million Q2 2020
Consolidated Financial Holdings	€21.8 million	€63.9 million	Q2 2019
Destres	€10.1 million	€15.0 million	Q2 2021
Quickspin AB	€14.6 million	€14.6 million	Q1 2019
ECM Systems Holdings Ltd	€0.8 million	€0.8 million	Q1 2020
Bet Buddy	€2.2 million	€2.2 million	€0.8 million Q4 2019 €1.4 million Q4 2020
GenWeb	€2.3 million	€2.3 million	Q4 2019
Eyecon Limited	€1.3 million	€27.8 million	€1.3 million Q2 2021
Other	€6.3 million	€9.6 million	
Total	€158.8 million	€362.9 million	

Thank You

