

Henrik Tjärnström  
CEO

Q4 2016  
14 February 2017

# Outline

- European market
- Financial results Q4
- Business overview
- Kindred Futures

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UNIBET

MARIACASINO

StanJames.com

BINGÖ.com

iGame™

HERTAT

kolikkopelit

VEIKKAUSHUONE

CASINOHUONE

BINGOHUONE

STORSPILLER

POKERIHUONE

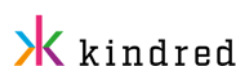
24h Bet

BOHEMIA CASINO

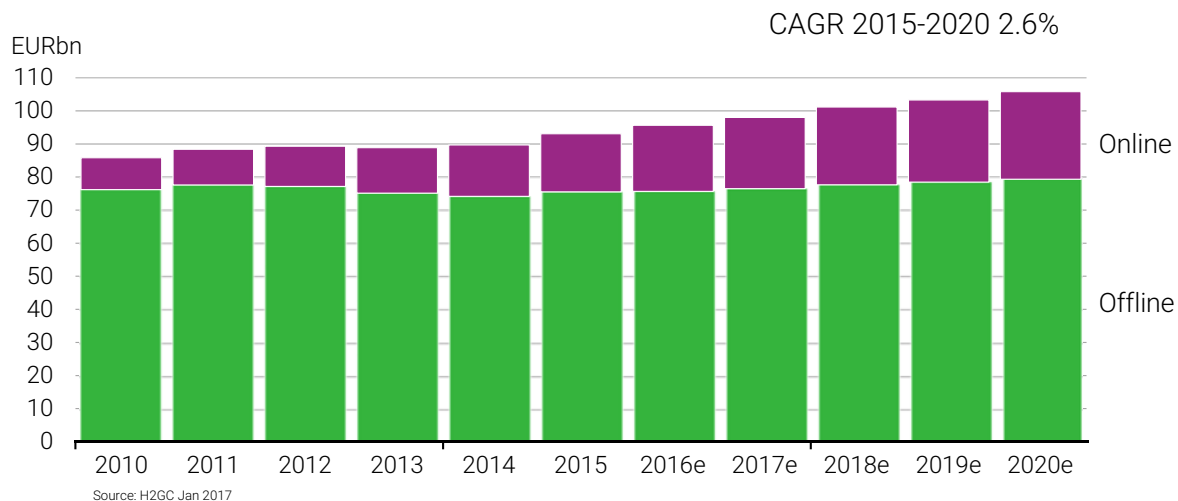
STORSPELARE

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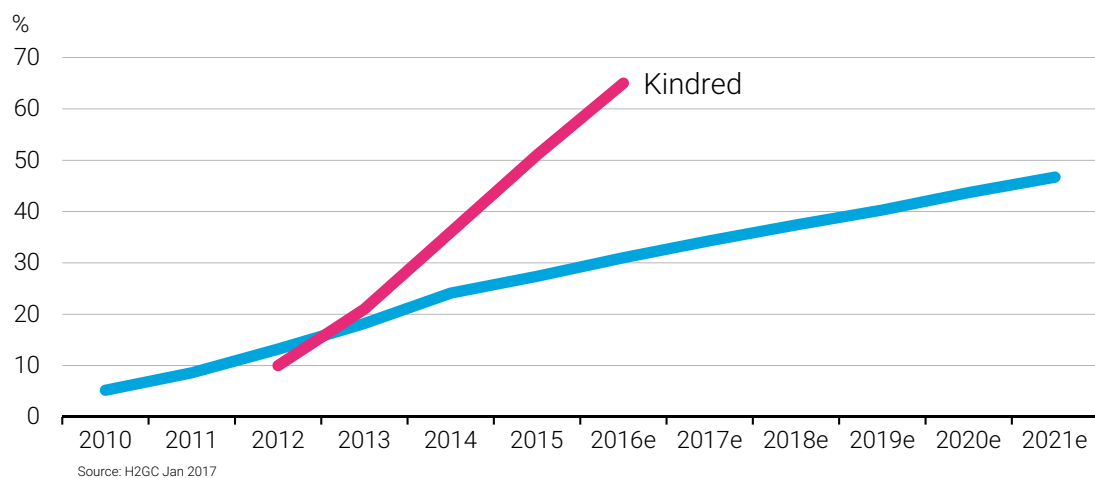
## European gambling market



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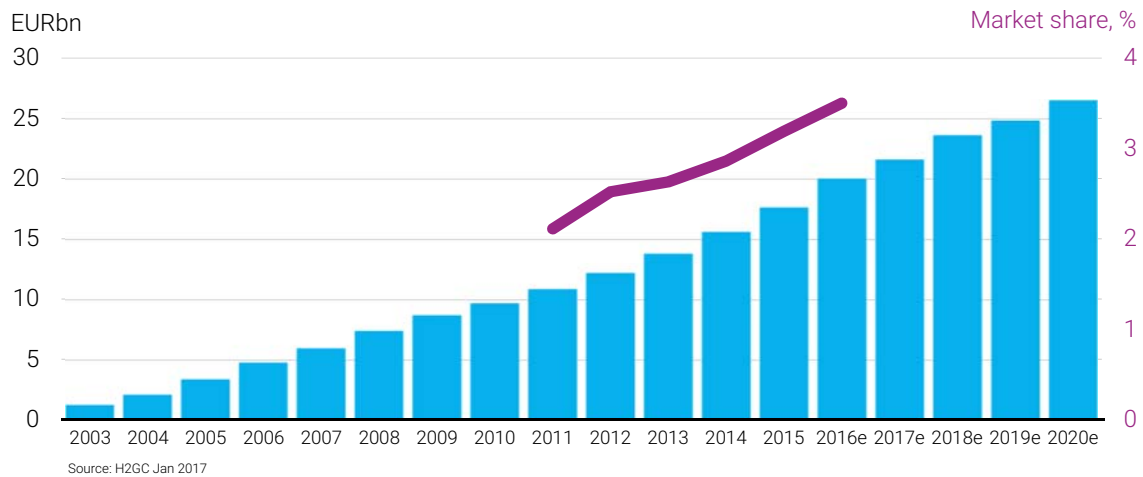
## European gambling market Mobile interactive



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## Kindred's share of the European online market



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## Financial results



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Q4 2016



“Another very strong quarter with EBITDA up 48% and EPS up 54% despite betting duties increasing by 67%.”

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Q4 2016

Key Report Highlights



Gross  
winnings  
revenue

GBP 152.8 m  
(+37%)

Underlying  
EBITDA

GBP 39.9 m  
(+45%)

Profit before  
tax

GBP 30.1 m  
(+41%)

Earnings per  
share

GBP 0.129  
(+54%)

Active  
customers

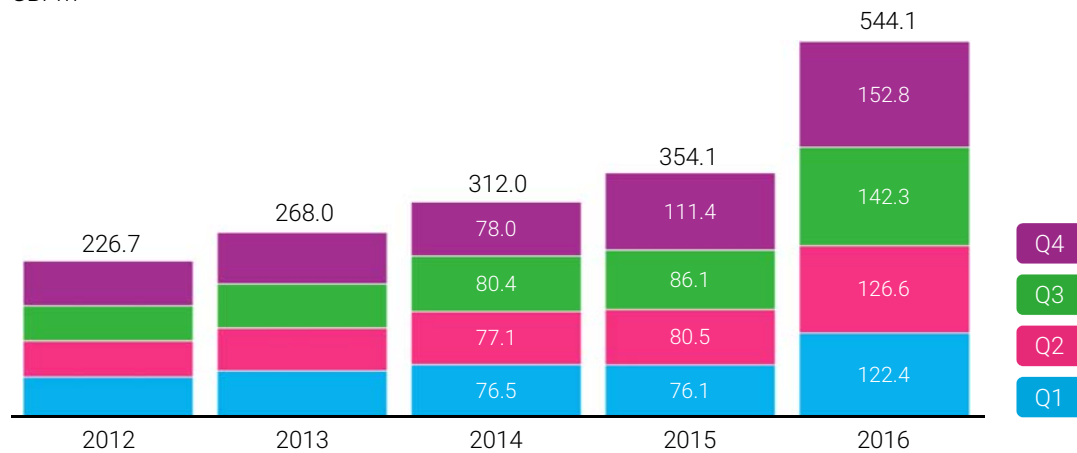
1,150,027  
(+25%)

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## Gross winnings revenue

GBPm

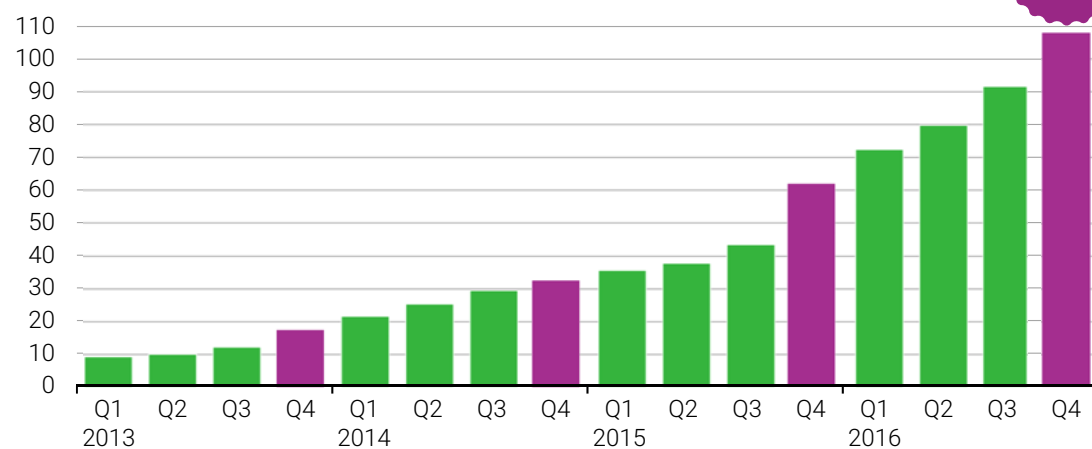


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## Gross winnings revenue from mobile

GBPm



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## Q4 2016 P&L FX impact v Q4 2015



Avg rate	Q4 2015	Q4 2016	Movement
SEK	12.882	11.236	-12.8%
NOK	12.936	10.409	-19.5%
EUR	1.385	1.152	-16.8%
DKK	10.334	8.568	-17.1%
AUD	2.105	1.657	-21.3%

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Weighted average movement  
in FX rates: 16%

	GBPm
GWR increase	24.2
CoS / Opex increase	-15.2
FX gain on operating items	1.1
<b>EBITDA FX impact Q4 2016</b>	<b>10.1</b>
FX loss on loan repayment	-1.4
FX loss on other items below EBITDA	-0.2
<b>Profit before tax impact</b>	<b>8.5</b>

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## Geographic balance

- Key Report Highlights Q4 2016



	GWR as reported in GBP	GWR in constant currency
Nordics	+40%	+17%
Western Europe	+40%	+19%
CES Europe	+17%	-2%

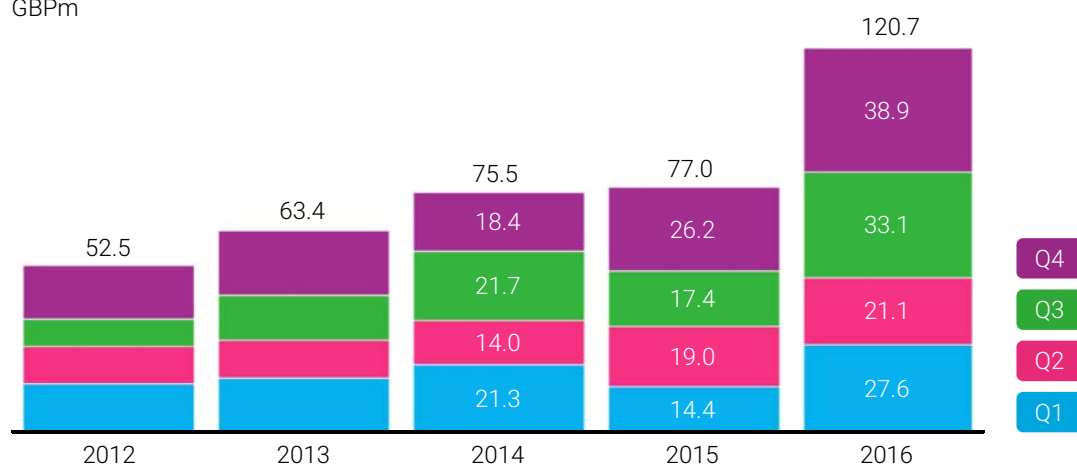
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## EBITDA

- Excl 2014 Kambi one-off item

GBPm



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## Other Costs analysis

Excl. Non-recurring items

GBPm	2013 FY	2014 FY	2015 FY	2016 FY	2016 Q4
Reported Other Costs	52.3	47.9	43.1	69.4	19.4
Depreciation & Amortisation	-18.9	-16.8	-13.0	-23.8	-7.3
FX loss/gain on Opex	-0.6	-1.8	-0.7	-0.6	1.1
Other Costs post D&A and FX	32.8	29.3	29.4	45.0	13.2

Share of GWR (as reported)

12%

9%

8%

8%

9%

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## Relocation in 2017

- People in London, Gibraltar and Malta to move to new offices with latest office design and technology
- Will improve efficiency, effectiveness, collaboration and scalability within the business
- Superior employee experience to support recruitment & retention of staff
- Reduction of impact on the environment



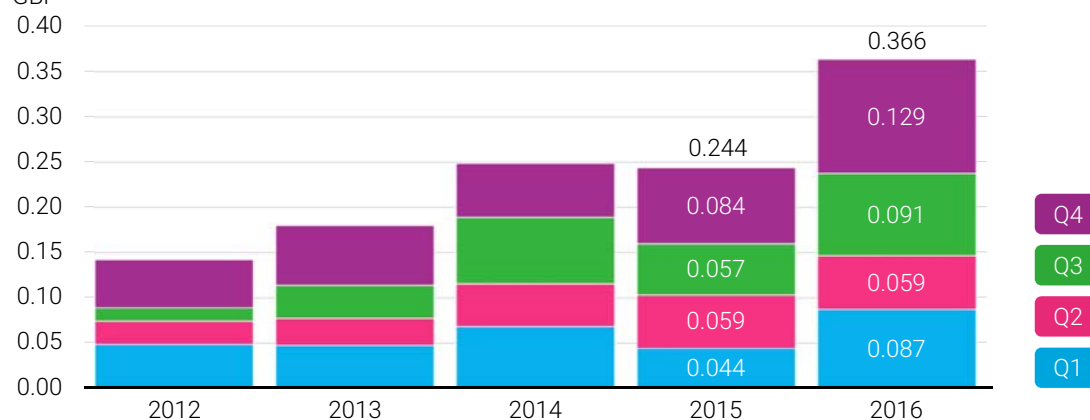
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## EPS development

– Excl 2014 one-off items

After 8:1 split  
GBP



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## Proposed cash dividend

- The Board has reviewed the projected cash requirements for 2017
- Proposing for this year to increase the dividend above 50 per cent of free cash
- This is in line with the dividend policy to distribute surplus cash

GBP 0.310 (0.235) per share/SDR  
equivalent to SEK 3.46

+32%

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## Business overview

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## Regulatory update

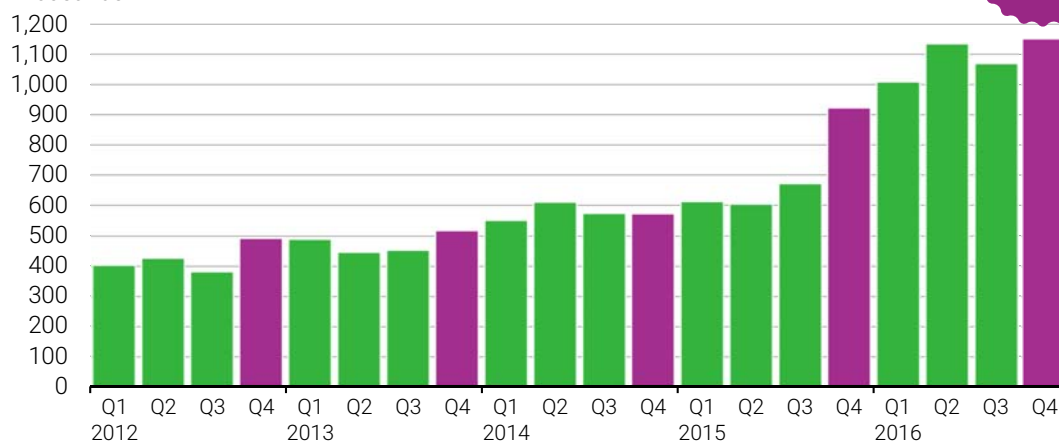
- Netherlands: Voting in the Senate planned for Q1-2017, subject to Senate approval, go-live date not before Q3-2018
- Sweden: Inquiry report end Q1 2017
- Belgium: VAT paid from 1 August 2016 – Vallon region & operators are challenging before constitutional court
- France: Cour des Comptes (Public Court of Auditors) in Oct 2016 issued a critical report of French gambling regulation

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## Active customers

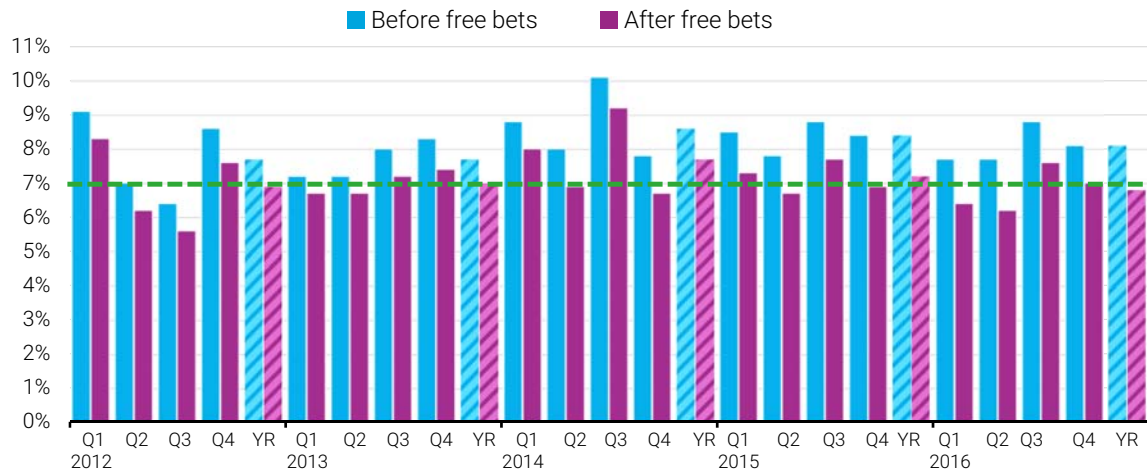
Thousands



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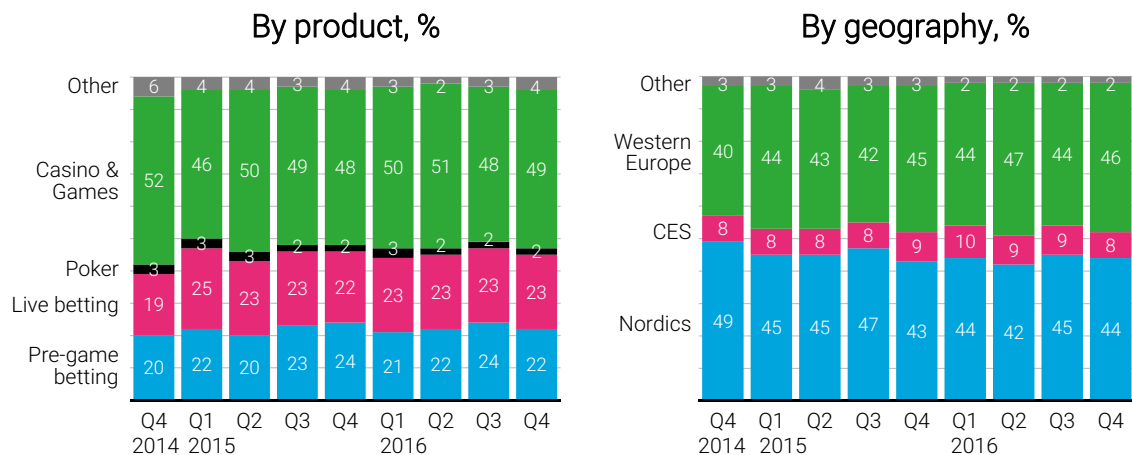
## Sports betting gross margin Combined



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## Product & geographic balance Gross winnings revenue over time



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## Casino & games

- Choice of 700+ games from more than 40 software providers
- Release of exclusive Orient Express
- Expanded mobile offering
- Accessible on desktop, mobile web and native apps
- Relevance is key

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## Poker & bingo

- Unibet Poker – the fastest growing licensed poker site in the industry - New version of the Unibet Poker client released in Q4 – supports future growth
- Unibet Open 10 years – Next event London in February
- Bingo – growing network thanks to great software and innovative campaigns

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## International Gaming Awards



Online Bingo Operator  
of the year



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## 2016 EGR Operator Awards



Operator of the Year



Socially Responsible  
Operator



Best Marketing  
Campaign



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## Summary Q4 2016

- ATH in GWR, EBITDA & EPS
- Group continues to gain market share
- GWR growth Q4 = +37% (+16% in constant FX)
- Mobile share 71% of GWR
- Average revenue growth reported by operators for Q4 = 7.3%\*

*\*Clarion Market Insight*

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## Summary FY 2016

- GWR +54% (+38% in constant FX)
- Underlying EBITDA +53% (+30% in constant FX)
- Absorbed GBP 67.7m in Betting duties, +93%
- Marketing investment GBP 144.5m, +47%
- EPS +53%
- Proposed cash dividend +32% = 75% of free cash flow

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# Kindred Futures

our partnership programme to ensure we can work with the most cutting edge companies

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