



# kindred

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CEO

Q1 2018  
25 April 2018



# Outline

- Financial results
- Business overview
- Summary



# Financial results







Q1 2018



“Gross Winnings Revenue up 23 per cent pure organically and all-time high in active customers”

# Q1 2018

## Key Report Highlights



Gross  
winnings  
revenue

GBP 207.8 m  
(+36%)

EBITDA

GBP 47.3 m  
(+61%)

Earnings  
per share

GBP 0.131  
(+82%)

Free Cash  
Flow

GBP 33.6 m  
(+24%)

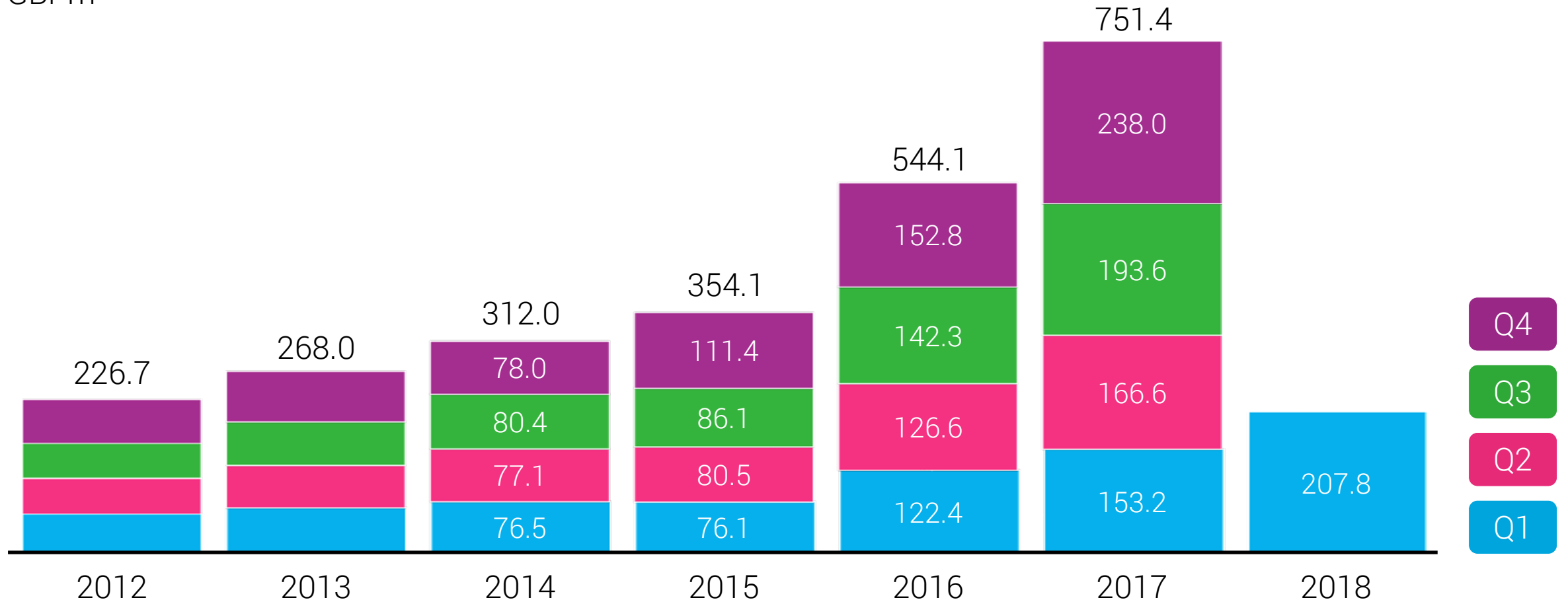
Active  
customers

1,383,201  
(+12%)

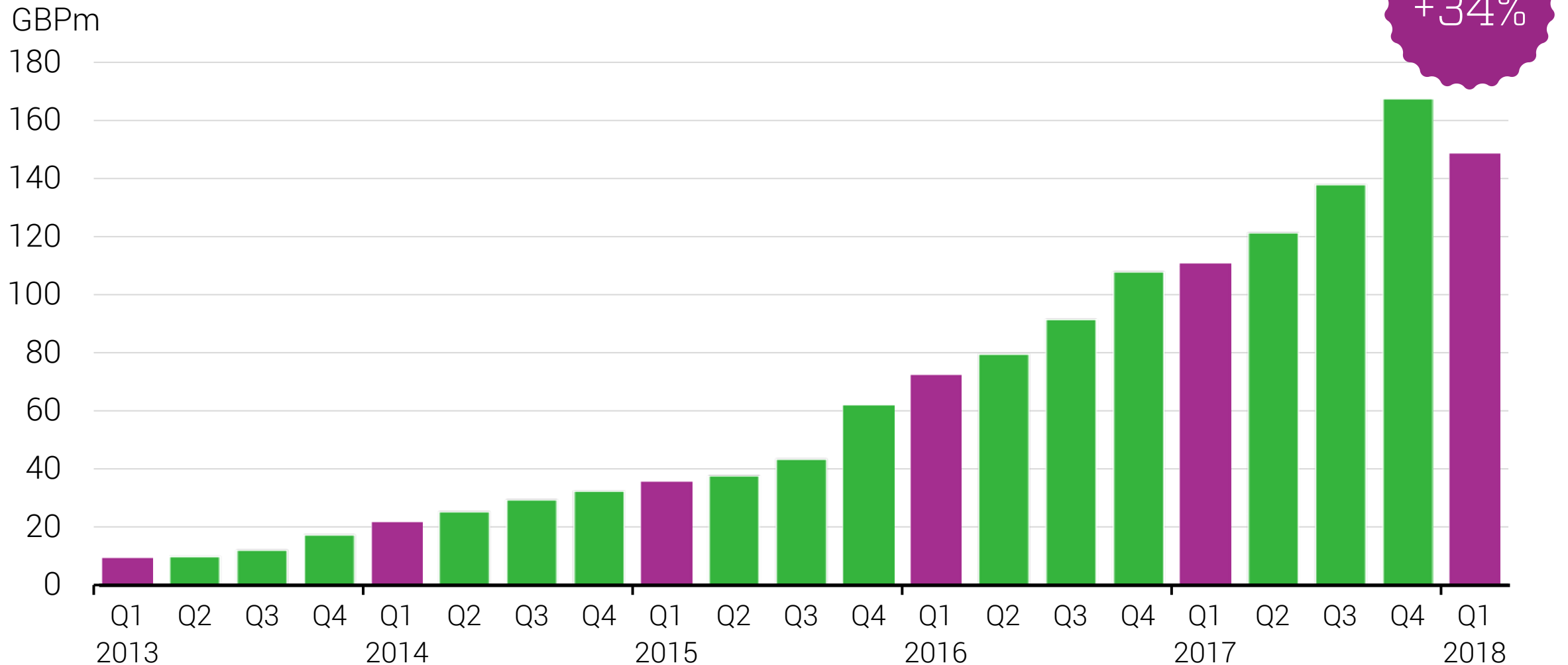


# Gross winnings revenue

GBPm



# Gross winnings revenue from mobile







# Q1 2018 P&L FX impact v Q1 2017

Avg rate	Q1 2017	Q1 2018	Movement
SEK	11.054	11.292	-2.2%
NOK	10.452	10.911	-4.4%
EUR	1.163	1.132	2.7%
DKK	8.646	8.431	2.5%
AUD	1.634	1.770	-8.3%

Weighted average movement  
in FX rates: approx. 1%

	GBPm
GWR increase	1.5
CoS / Opex increase	-0.7
FX loss on operating items	-0.2
<b>EBITDA FX impact Q1 2018</b>	<b>0.6</b>
FX loss on loan repayment	-1.0
<b>Profit before tax impact</b>	<b>-0.4</b>

# Geographic growth

– Key Report Highlights Q1 2018 vs Q1 2017



GWR as reported  
in GBP

GWR in  
constant currency

Organic GWR in  
constant currency

Nordics

+7%

+8%

+8%

Western Europe

+65%

+62%

+38%

# Other Costs analysis

Excl. Non-recurring items



GBPm	2013 FY	2014 FY	2015 FY	2016 FY	2017 FY	2018 Q1
Reported Other Costs	52.3	47.9	43.1	69.4	109.1	27.6
Depreciation & Amortisation	-18.9	-16.8	-13.0	-23.8	-42.6	-11.6
FX loss/gain on Opex	-0.6	-1.8	-0.7	-0.6	-1.5	-0.2
Other Costs post D&A and FX	32.8	29.3	29.4	45.0	65.0	15.8

Share of GWR (as reported)

12%

9%

8%

8%

9%

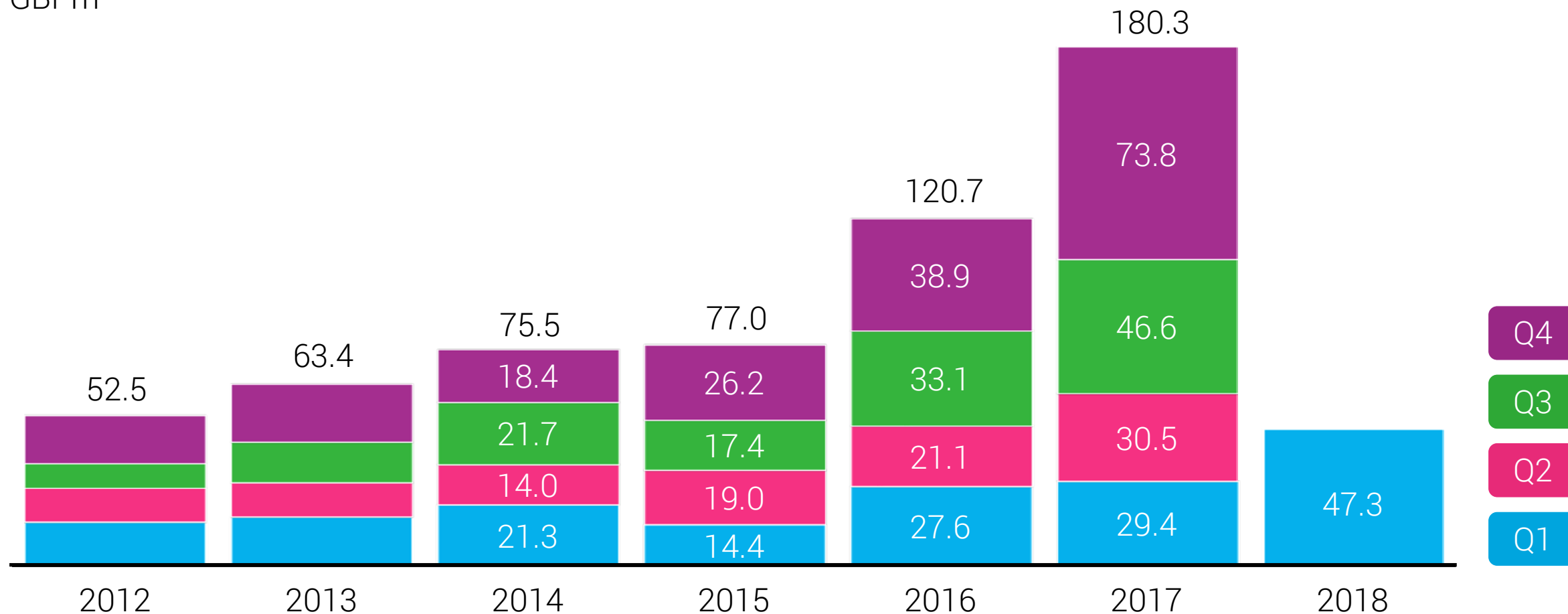
8%

# EBITDA

- Excl 2014 Kambi one-off item



GBPm



# Tournament year investments

– short term pain for long-term gain



## Reported EBITDA Q1 v Q2 (GBPm)

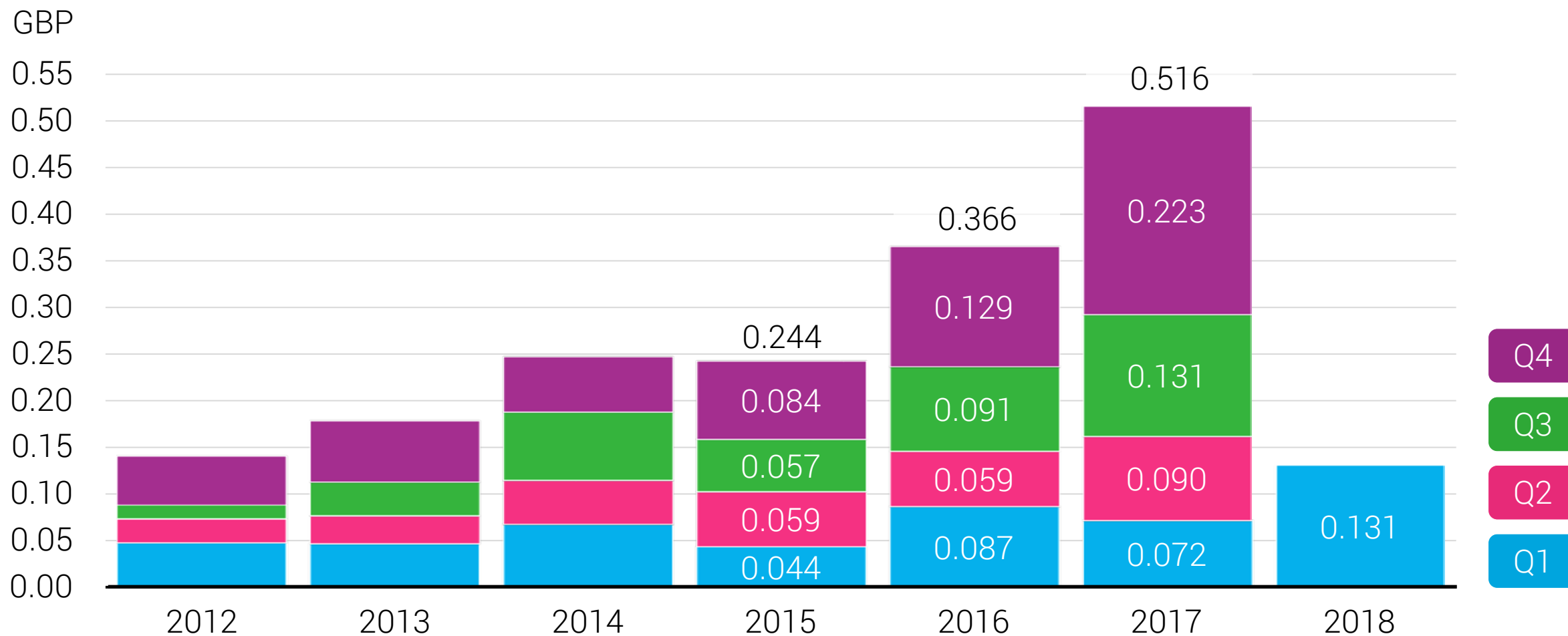
	Q1	Q2	Change
2006	8.3	6.3	-24%
2008	13.0	8.3	-36%
2010	12.9	10.8	-16%
2012	15.3	11.0	-28%
2014	21.3	16.0	-25%
2016	27.6	21.1	-24%

Normal pattern of  
business development  
for a tournament quarter  
– the payback comes in  
the following quarters



# EPS development

– Excl 2014 one-off items

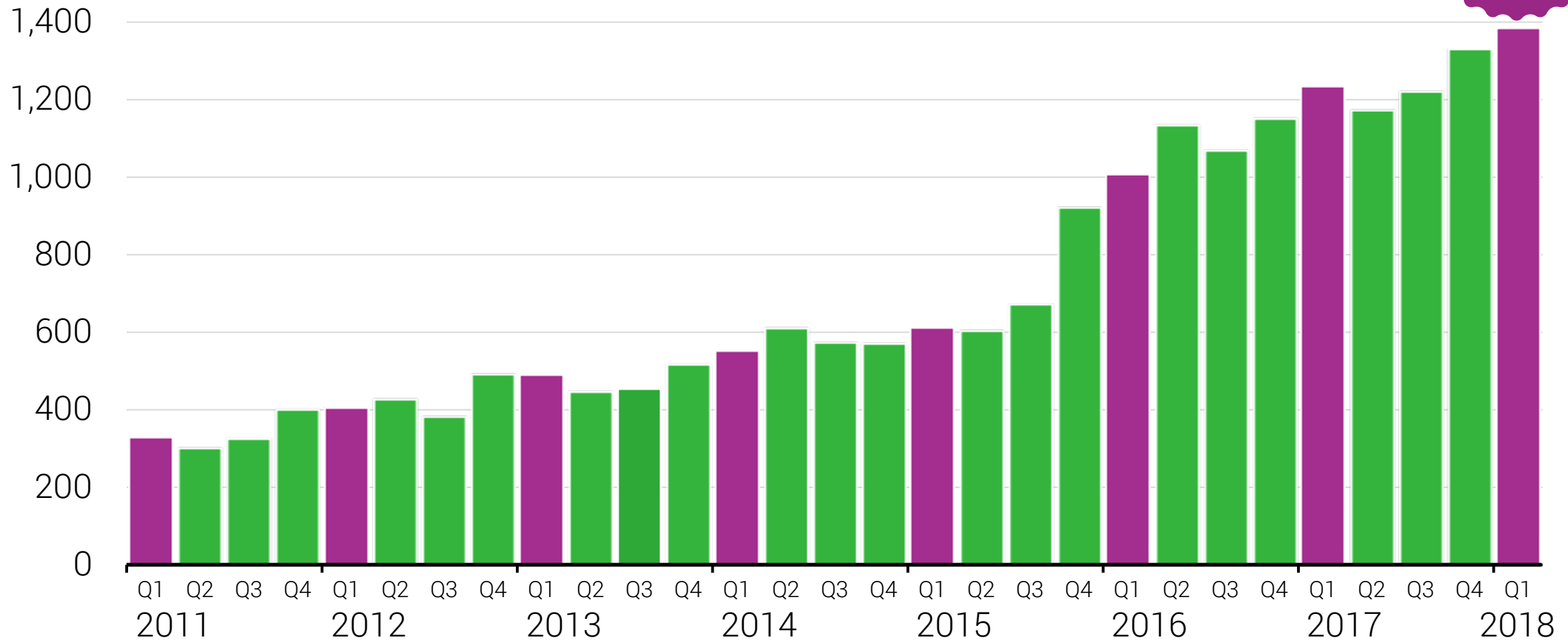




# Business overview

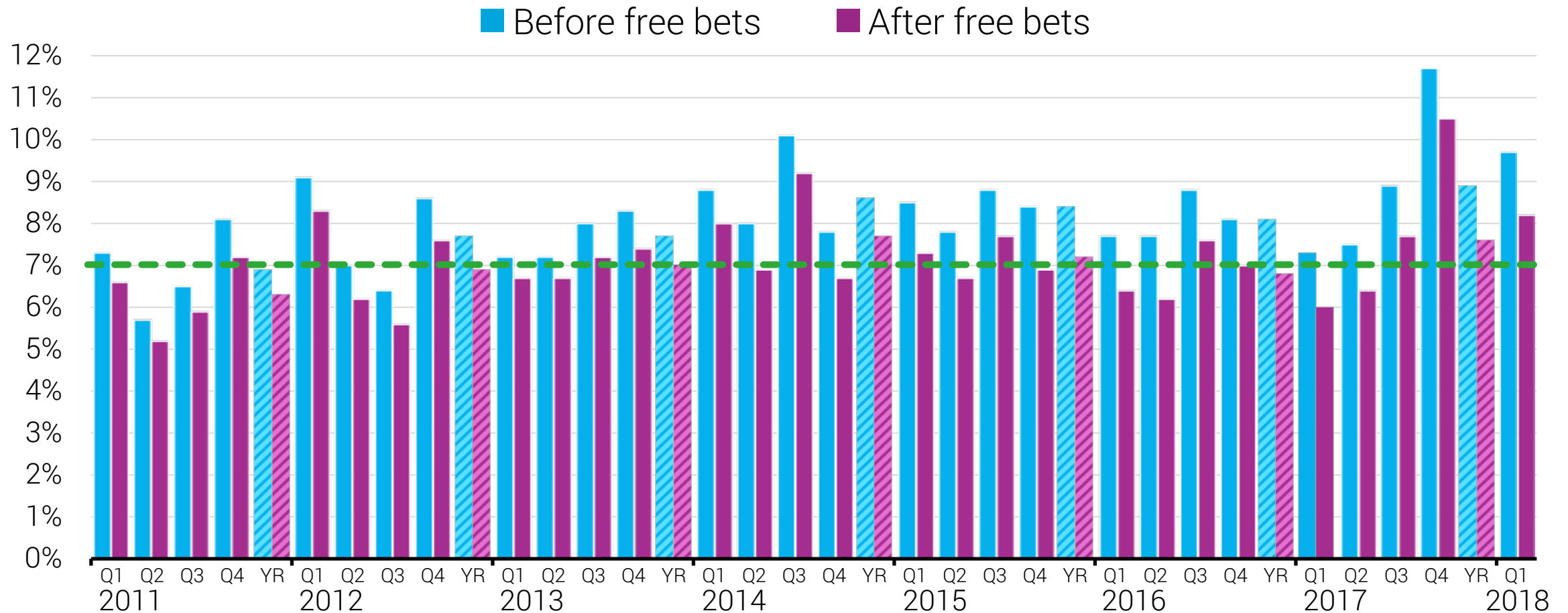
# Active customers

Thousands



# Sports betting gross margin

## Combined

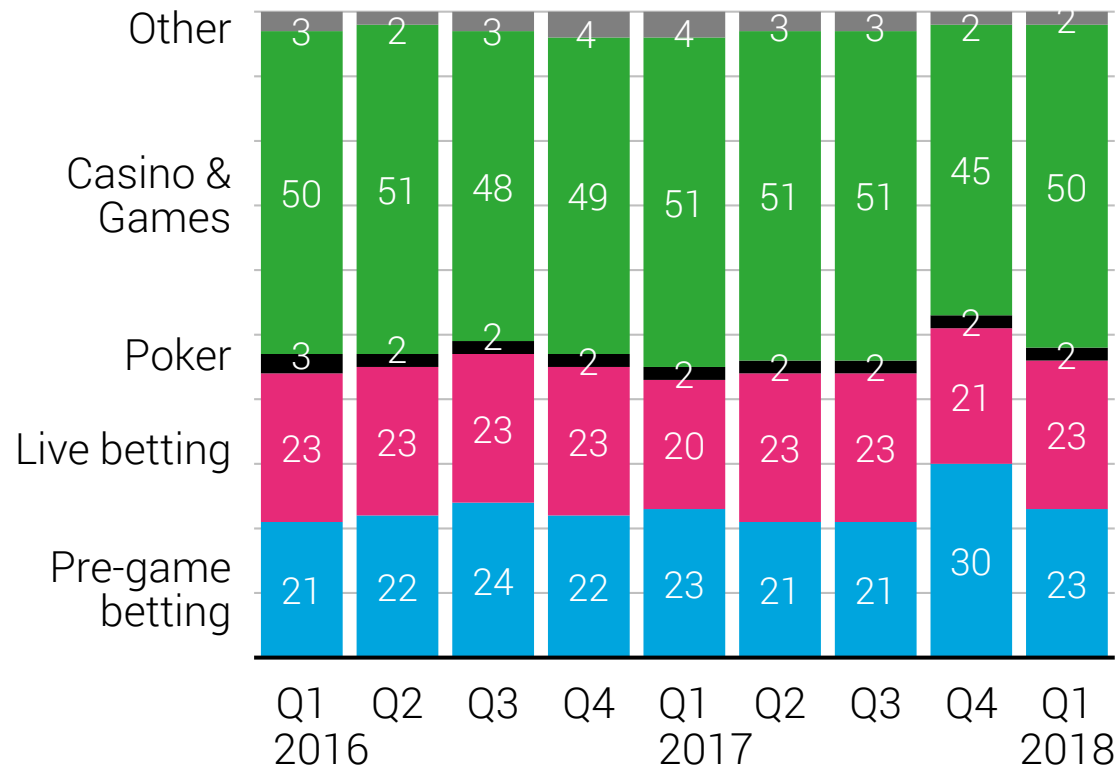


# Product & geographic balance

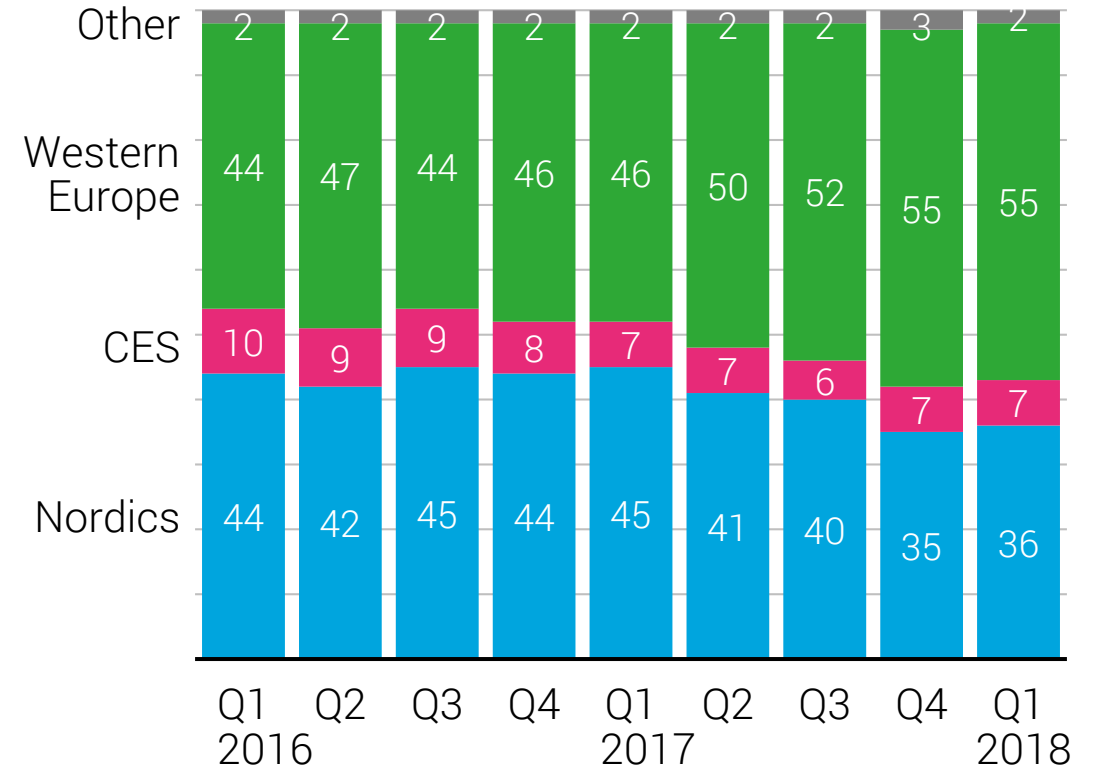
## Gross winnings revenue over time



By product, %



By geography, %







Kindred Group plc  
ESG rating

AAA



GamblingCompliance

# GLOBAL REGULATORY AWARDS 2018



Data Protection Officer of the Year



Head of Risk



Most Significant Contribution to  
Responsible Gambling Research



# Regulatory update Norway



- Two members of the Parliament have sent a “wish list” to the Parliament.
- Family & Cultural Committee has sided with it.
- Norwegian Parliamentary committee standpoint is a request that government returns with analysis and draft laws.
- The standpoint raises concern regarding Data privacy, Freedom of speech/information and Norway’s obligations according to EES-agreement.
- The government surely needs to investigate further the potential consequences before any changes of regulation can be proposed.
- Kindred follows closely developments and engage with key-stakeholders to contribute with experience and expertise.



# Regulatory update Sweden



- Vote in Parliament 7 June
- Application process 1 August
- Entering into force 1 January 2019
- Kindred well prepared
- Proposal leave for state owned operator to assess itself in relation to competition law
- Incumbents allowed entry on competitive market by use of 50 years monopoly







# Swedish Political Week

Kindred Group to participate in Almedalen for the fifth year in constructive engagement with politicians and other stakeholders in June



# Regulatory update Belgium & the Netherlands



## Belgium

- 22 March: Constitutional court annulled VAT levy for online but no retroactive effect
- Important precedent & acknowledgement that high taxation impacts attractiveness of the market
- Royal decrees: going through legislative process – entry into force 8 months after official publication so looking at Q2 2019 earliest



## The Netherlands

- Status quo primary bill - secondary legislation (consultation & notification) unlikely to move forward before senate vote



# Summary Q1 2018



ATH  
in active  
customers

SB margin  
after FB  
**8.2%**

GWR  
**+36%**

EBITDA  
**+61%**

EPS  
**+82%**

FCF  
**+24%**





# World Cup 2018

	Brazil	5.50
	Germany	5.75
	Spain	7.00
	France	7.50
	Belgium	12.00
	Denmark	101.00
	Sweden	101.00





Q&A

## Contact

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## Calendar

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15 May 2018  
AGM



25 July 2018  
Q2 will be published at 7.30 CET



26 Oct 2018  
Q3 will be published at 7.30 CET

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