



Henrik Tjärnström
CEO

Q2 2019
24 July 2019



Outline

- Highlights
- Financial results
- Business overview
- Summary

kindred



Q2 2019

Key Report Highlights



Gross
winnings
revenue

GBP 226.2m
(+3%)

GWR from
mobile

GBP 173.5m
(+11%)

EBITDA

GBP 30.4m
(-27%)

Earnings
per share

GBP 0.055
(-51%)

Active
customers

1,478,437
(-5%)

Financial results





Q2 2019

”

Locally licensed revenue growth of 41 per cent year on year but tough EBITDA comparatives due to 2018 World Cup and Swedish re-regulation”



World Cup 2018



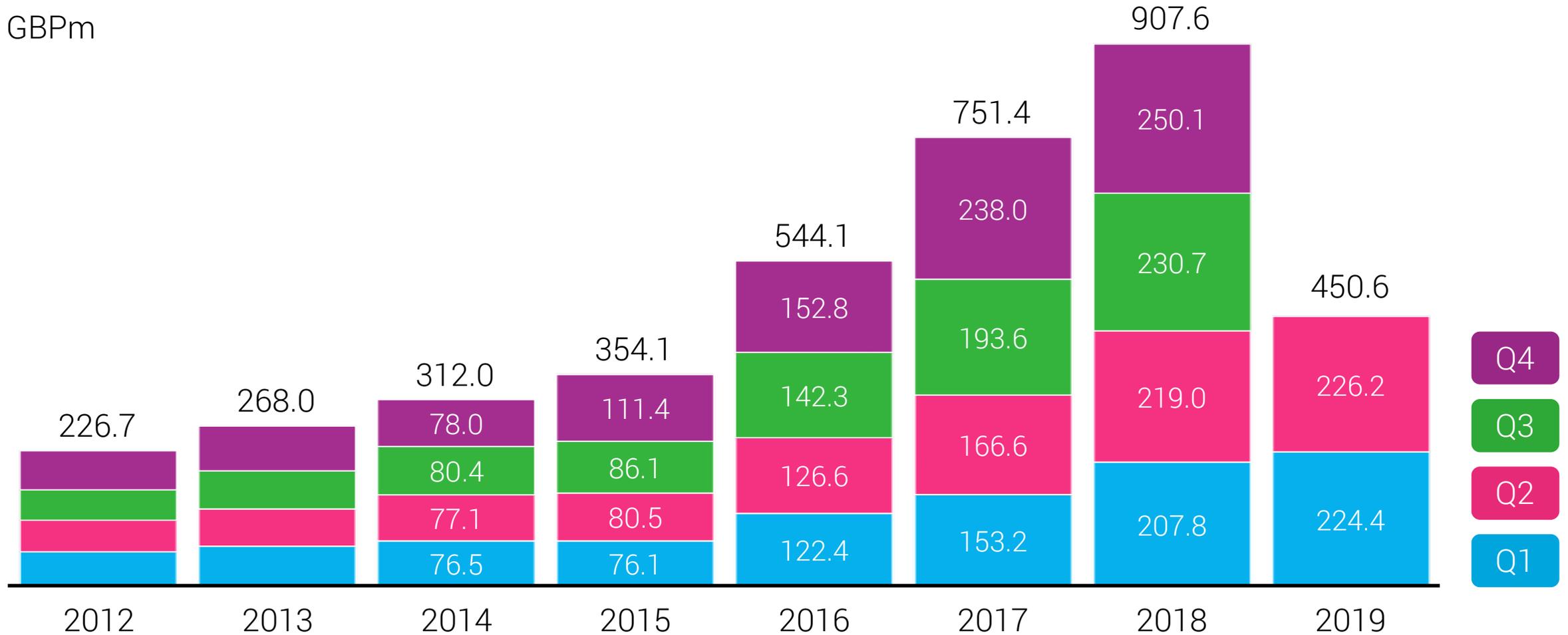
LB T/O	95m
Total T/O	295m
Pre-game margin	13.1%
LB margin	9.4%
Combined margin	11.9%
June GWR (14.1% margin)	27m
July GWR (7.8% margin)	8m
Total GWR*	35m

* Excl. bonus



Gross winnings revenue

GBPm



Geographic growth

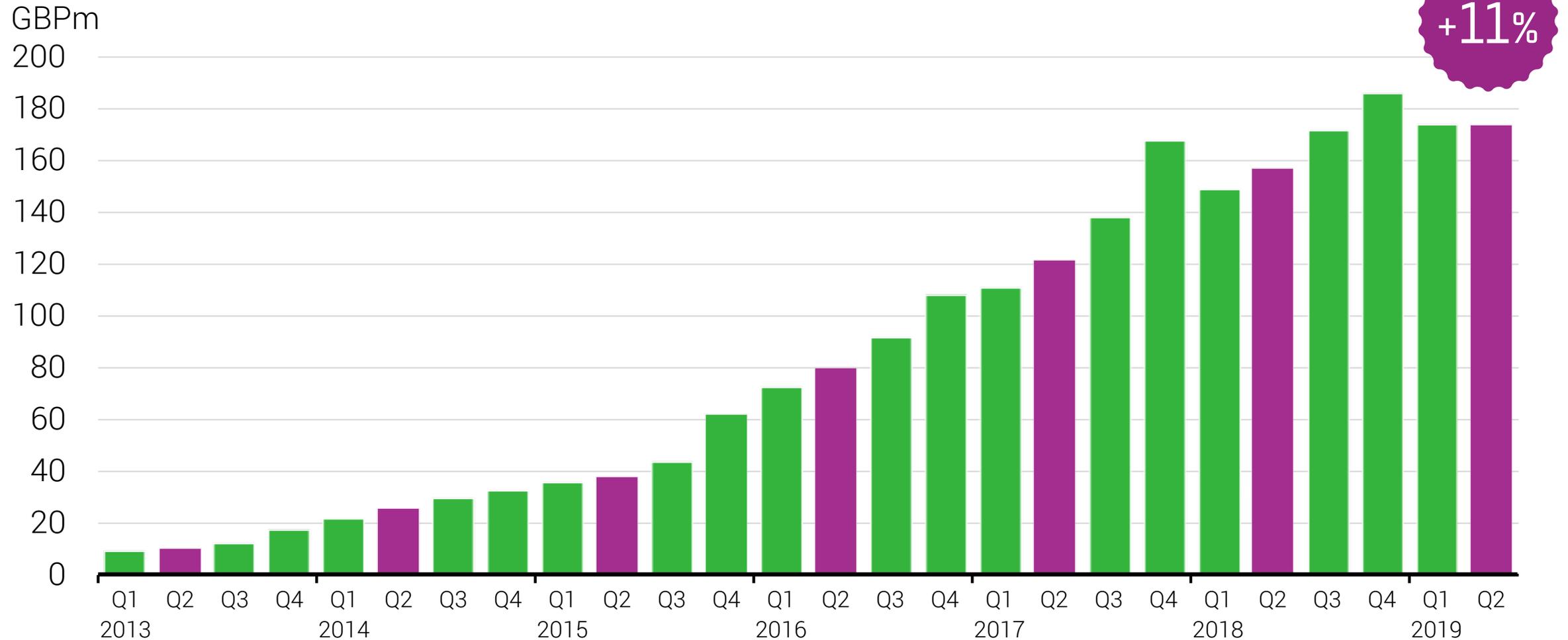
– Key Report Highlights Q2 2019 vs Q2 2018



	GWR as reported in GBP	Organic GWR in constant currency
Nordics	-9%	-7%
Western Europe	+10%	+10%
CES	+20%	+32%



Gross winnings revenue from mobile

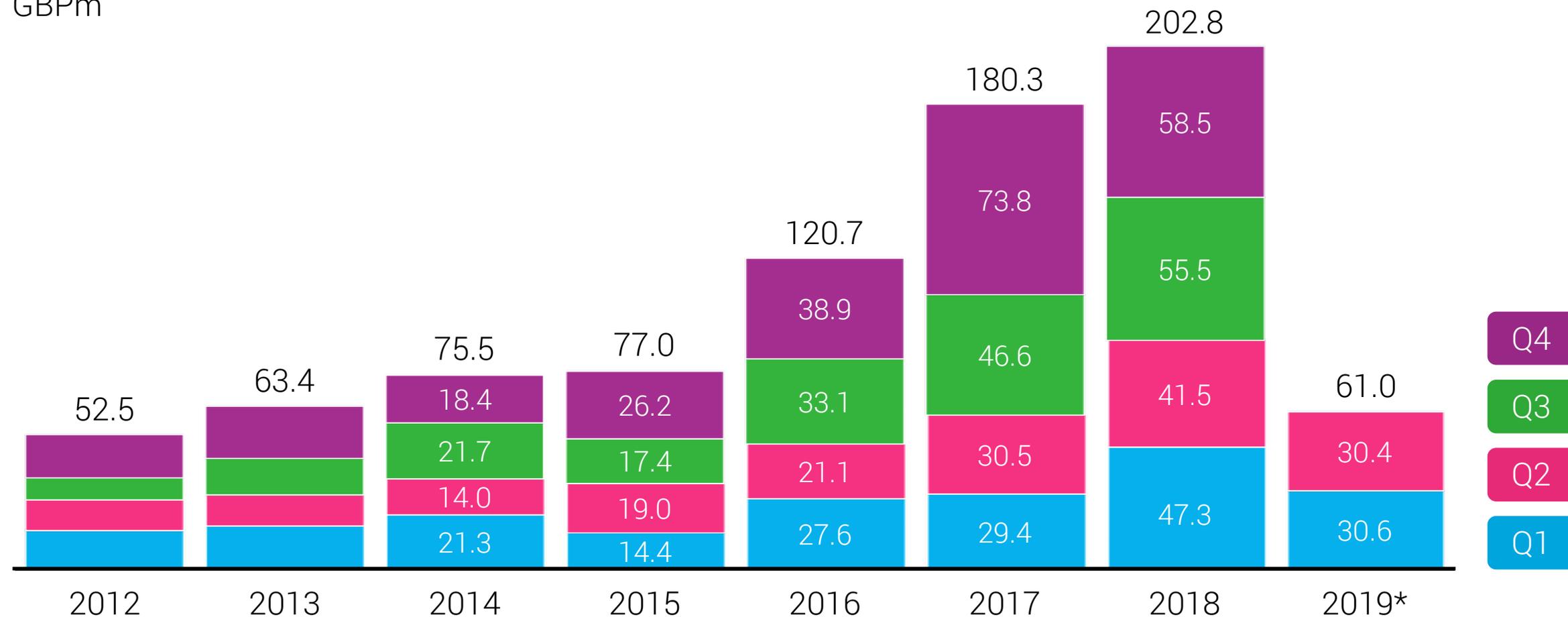


EBITDA

- Excl 2014 Kambi one-off item



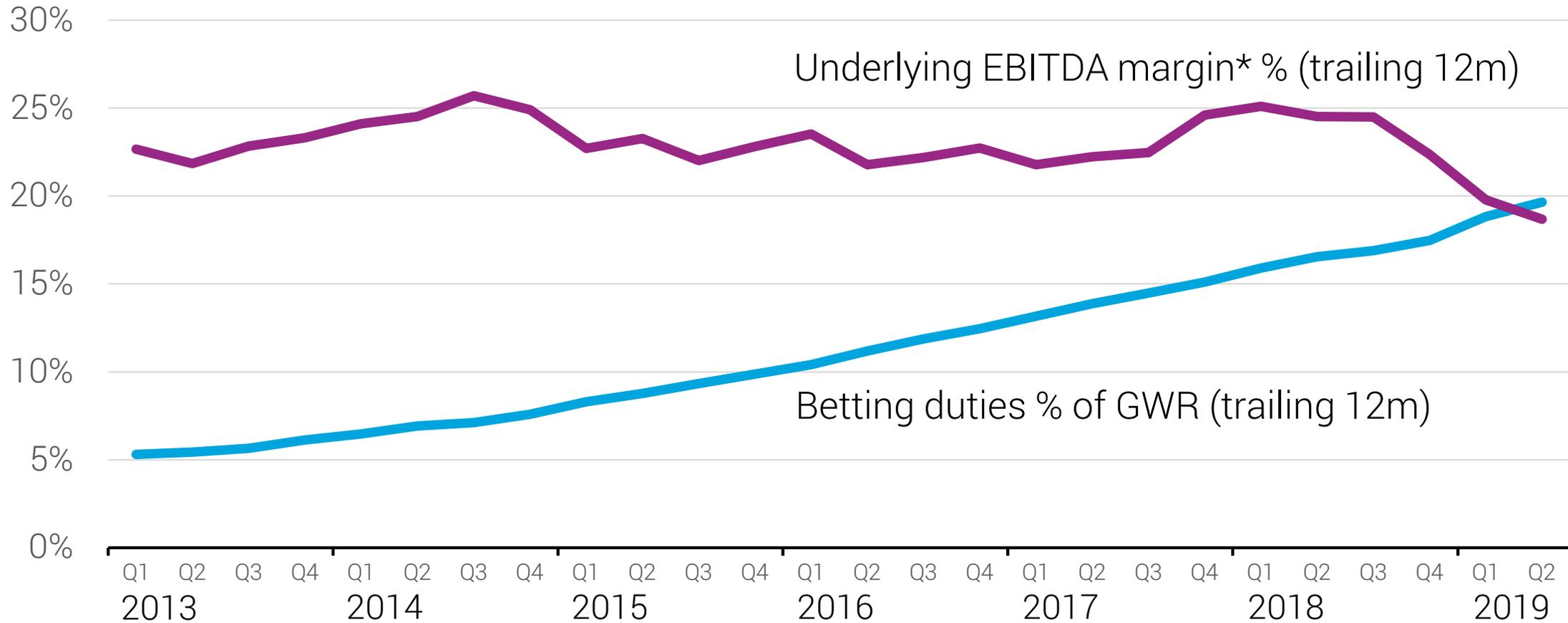
GBPm



* 2019 figures have been impacted by the adoption of IFRS 16 "Leases" and are therefore not directly comparable to comparative years.



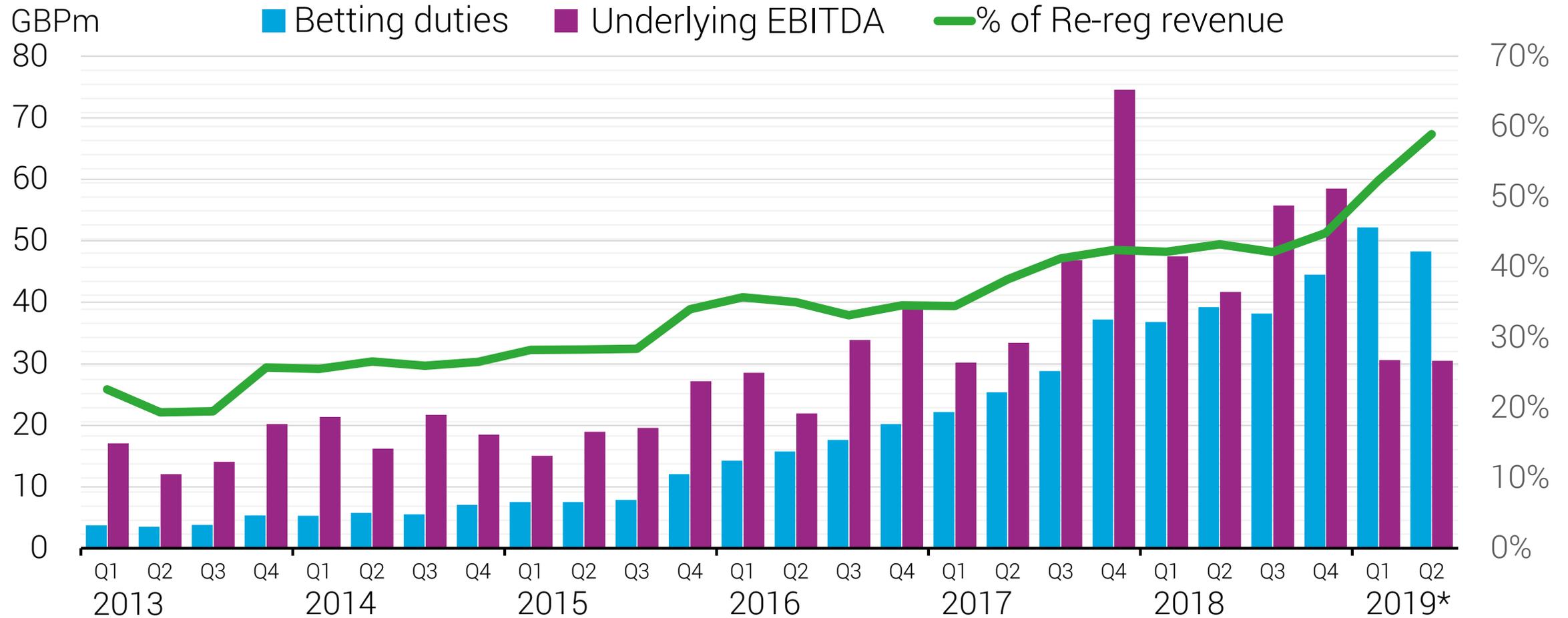
A scalable business model...



* Underlying EBITDA excl. FX loss on operating items



...showing our ability to absorb betting duties



* 2019 figures have been impacted by the adoption of IFRS 16 "Leases" and are therefore not directly comparable to prior years.

Other Costs analysis

Excl. Non-recurring items



GBPm	2016	2017	2018	Excl. IFRS16	Reported	Excl. IFRS16	Reported
	FY	FY	FY	2019 Q2	2019 Q2	2019 H1	2019 H1
Reported Other Costs	69.4	109.1	122.4	35.3	35.2	60.4	60.2
Depreciation & Amortisation	-23.8	-42.6	-46.8	-11.2	-13.9	-21.6	-26.1
FX loss/gain on Opex	-0.6	-1.5	-1.2	-2.4	-2.4	0.8	0.8
Other Costs post D&A and FX	45.0	65.0	74.4	21.7	18.9	39.6	34.9

Share of GWR (as reported)

8%

9%

8%

10%

8%

9%

8%



Q2 2019 P&L FX impact v Q2 2018

Avg rate	Q2 2018	Q2 2019	Movement
SEK	11.792	12.144	-3.0%
NOK	10.906	11.113	-1.9%
EUR	1.141	1.144	-0.3%
DKK	8.501	8.542	-0.5%
AUD	1.798	1.836	-2.1%

Weighted average movement
in FX rates: approx. -1%

	GBPm
Gross winnings revenue	-1.8
Cost of sales / Opex	1.3
FX loss on operating items	-2.4
EBITDA FX impact Q2 2019	-2.9
FX loss on dividend payment	-0.4
Other items below EBITDA	-
Profit before tax impact Q2 2019	-3.3

IFRS 16, “Leases” – new standard from 1 January 2019 replaces IAS 17



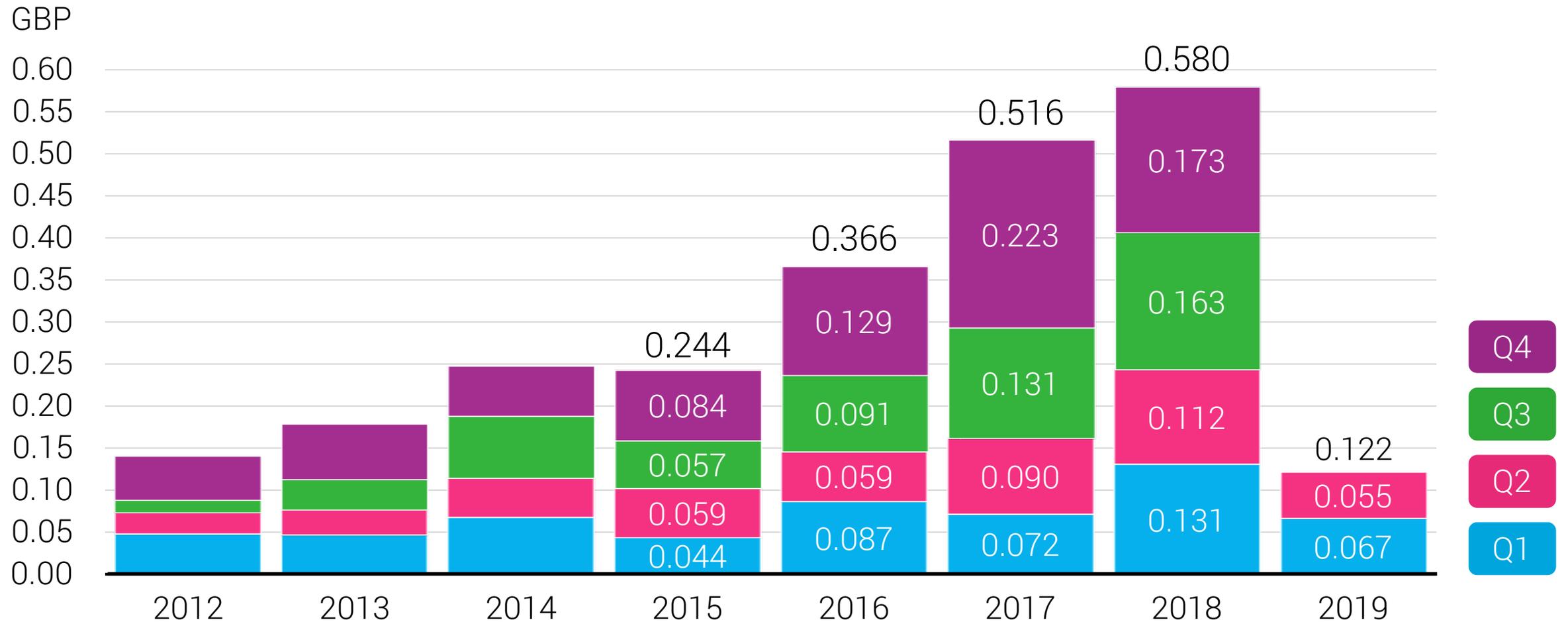
- Operating leases are impacted
- A lease asset and a lease liability are recognised. Depreciation and interest are recognised instead of a rent cost
- Minimal PBT impact in Q2 2019, in line with Q1 2019. Higher EBITDA impact from Q2 2019 (new lease in Stockholm)
- Neutral on cash flow

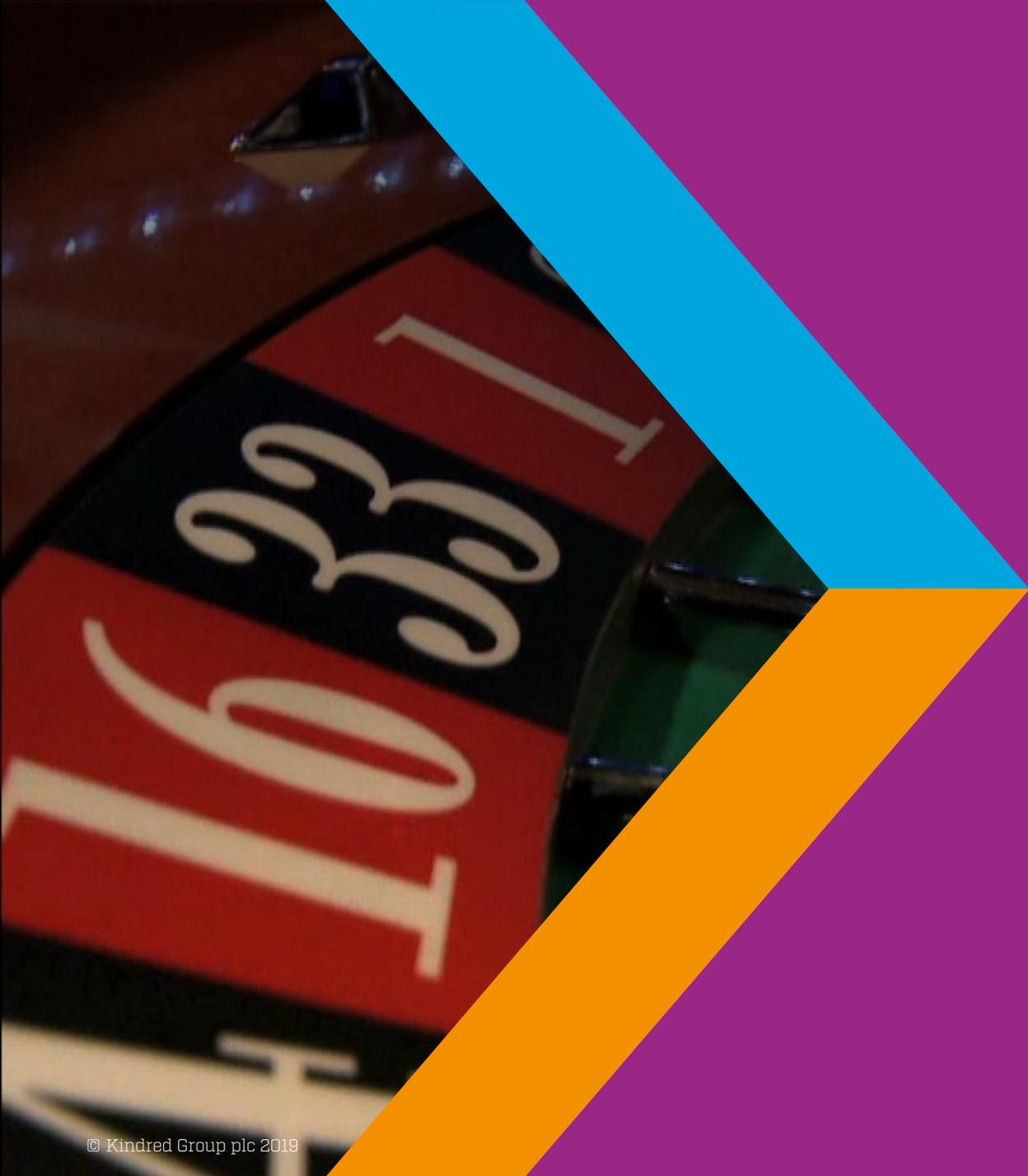
Q2 2019 effects
for Kindred

Income Statement	GBPm
Adjusted EBITDA	+2.8
Depreciation and amortisation	-2.7
Finance costs	-0.4
Profit before tax	-0.3
Cash Flow Statement	GBPm
Operating cash flow	+2.3
Investing cash flow	-0.4
Financing cash flow	-1.9
Net cash impact	0.0

EPS development

- Excl 2014 one-off items

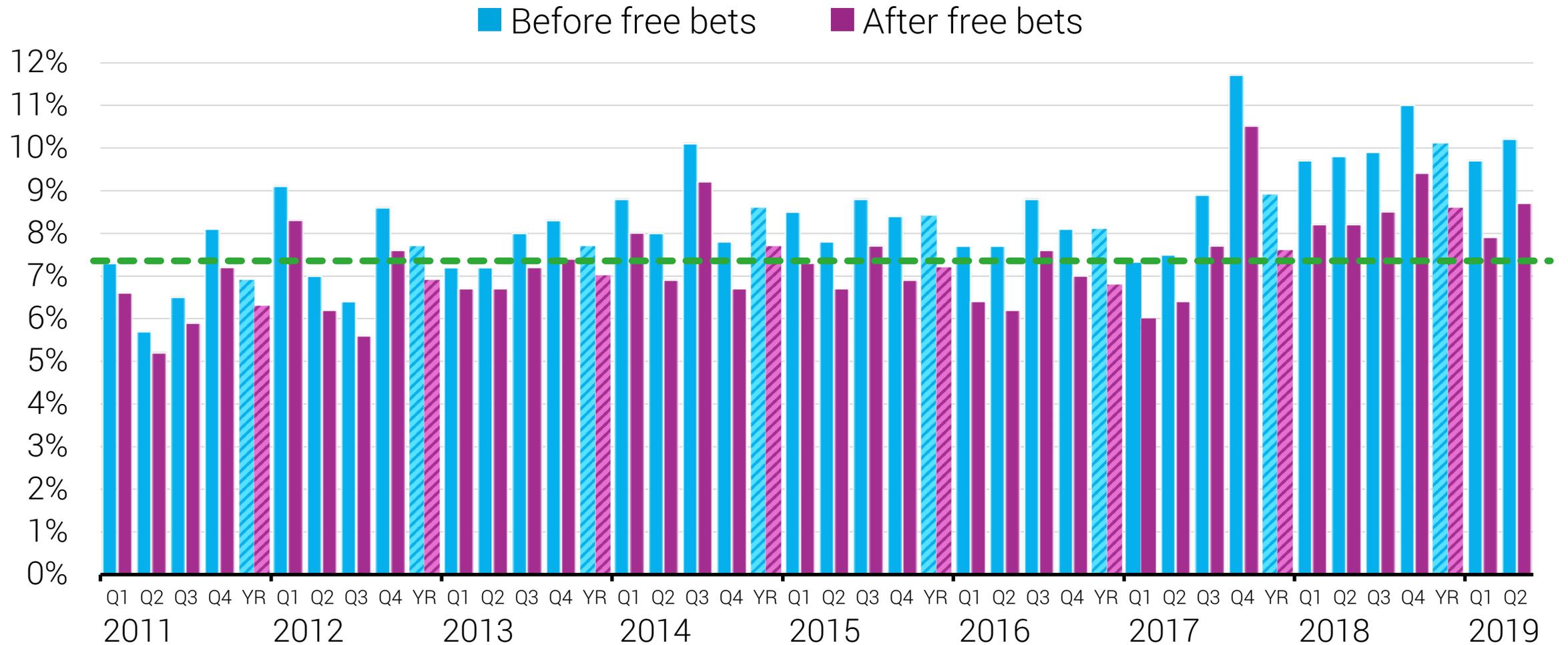




Business overview

Sports betting gross margin

Combined

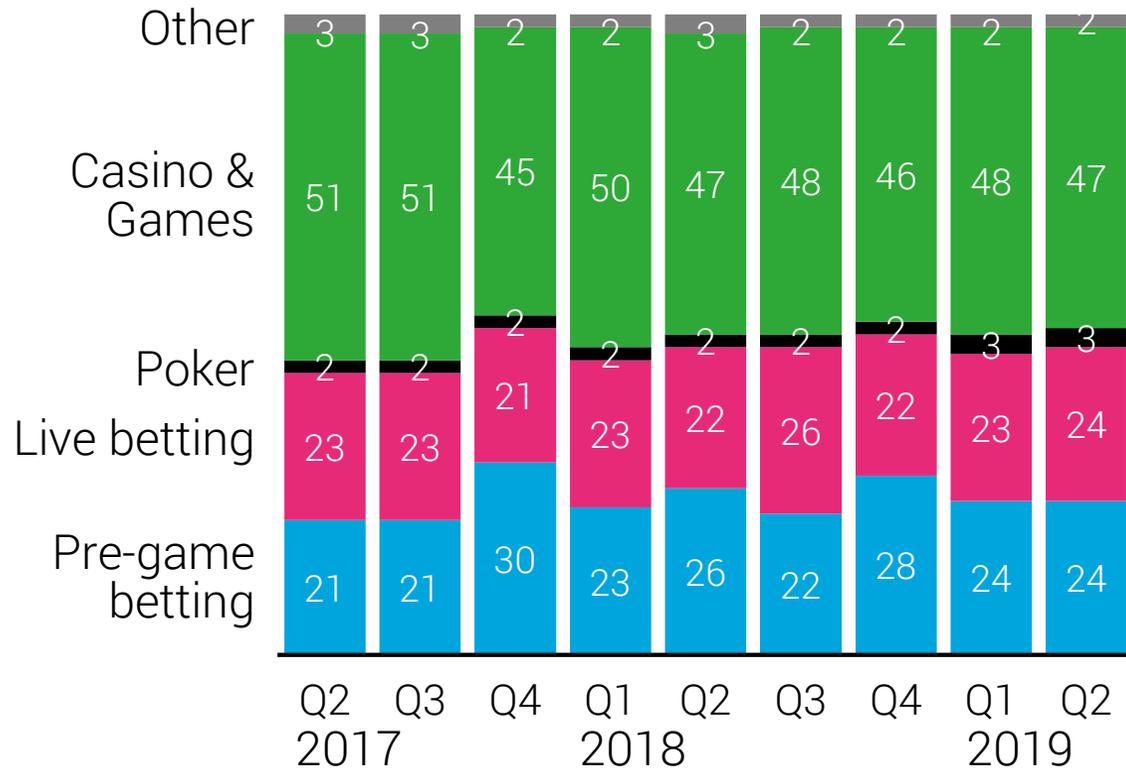


Product & geographic balance

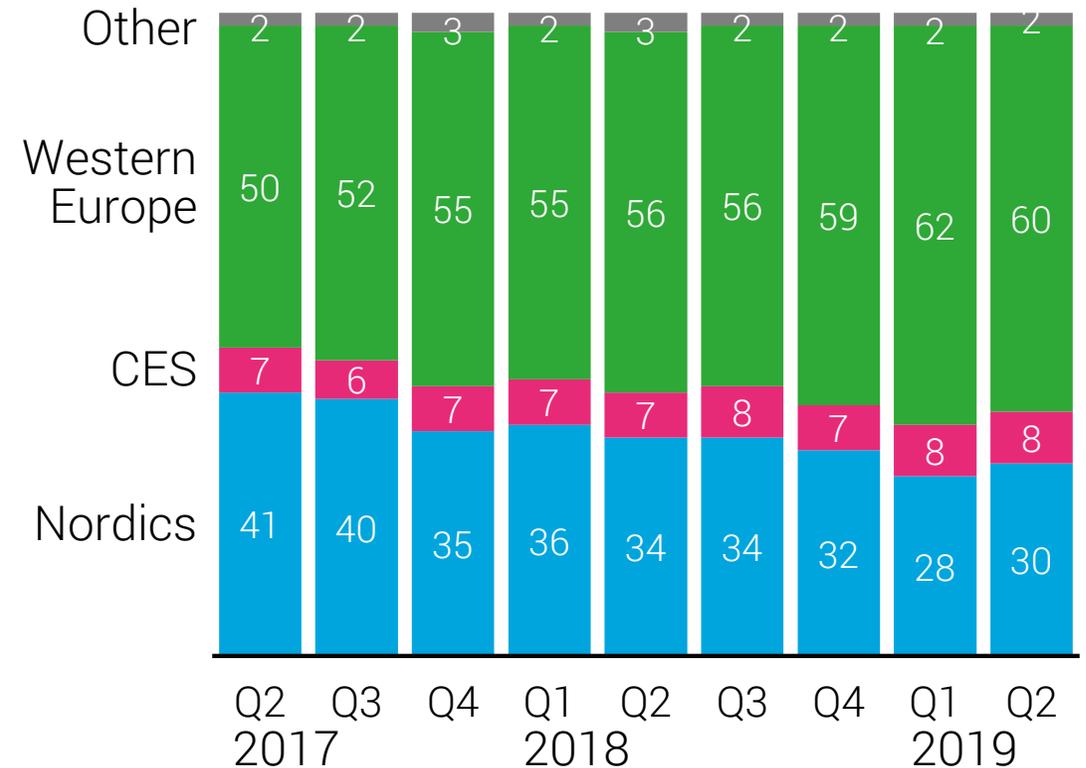
Gross winnings revenue over time



By product, %



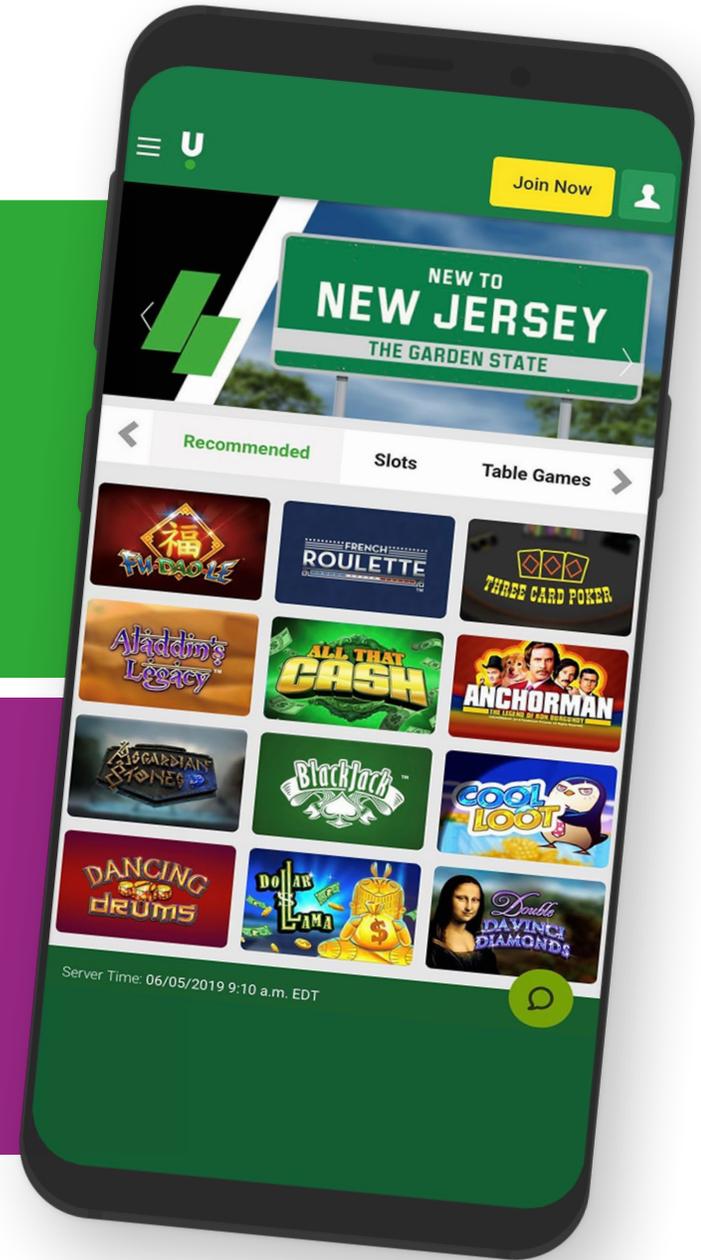
By geography, %





Unibet live in
New Jersey
as from 3 June

Pennsylvania
conditional online casino and
sportsbook license awarded 10 July





UNIBET



SVENSK HOCKEY

- Unibet main sponsor from **1** July
- SEK **25**m over 2 years of which **3**m for RG & projects against match fixing
- Part of Unibet's long term strategy to give back to sports and society



Kindred UK office recognised as a Great Place to Work in UK

Offering employees a great employee experience helps attract and retain the best talent in very competitive markets

Having the best people ensures Kindred is better able to deliver a great experience for customers & achieve sustainable growth.

**Great
Place
To
Work[®]**

Best Workplaces[™]

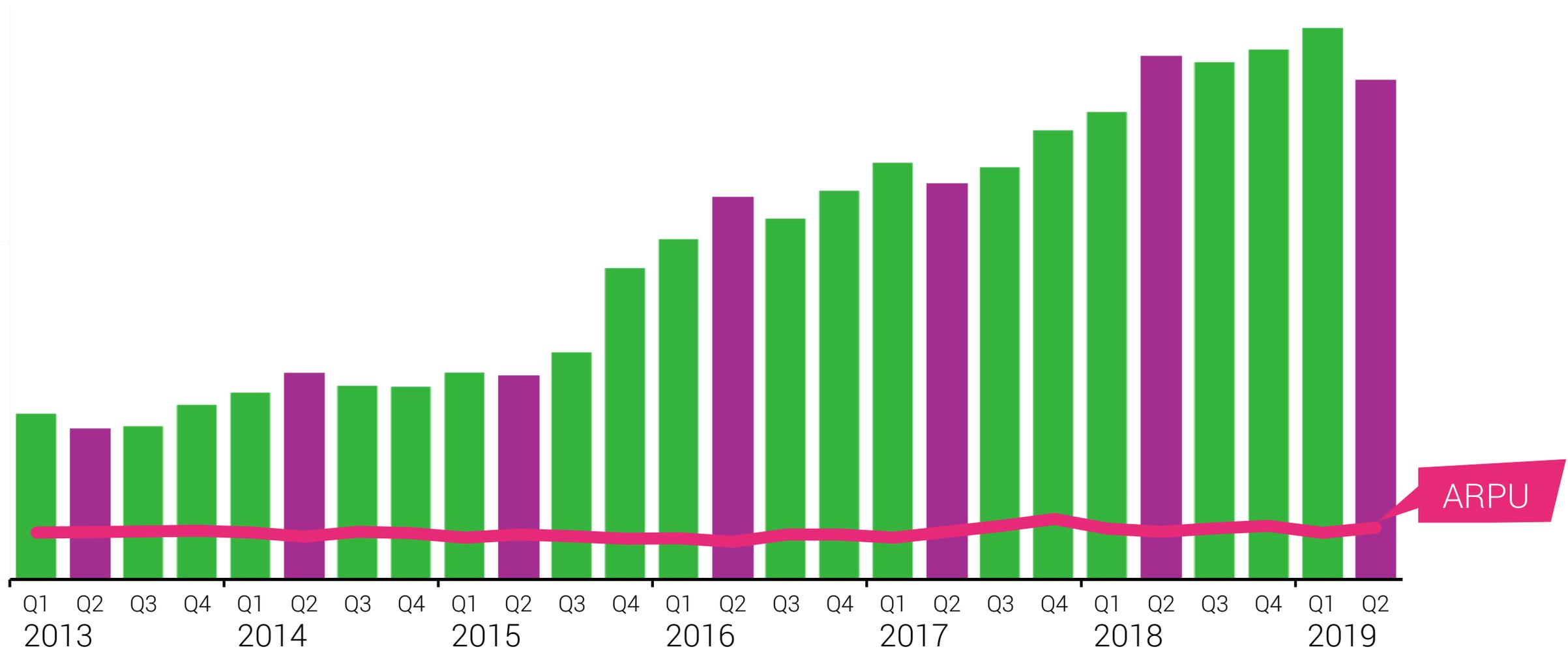
Large Category

UK

2019

Sustainable growth

Active customers and Group ARPU



Sustainability in our business



Gaming campaign in Denmark
Spil med omtanke (Play with care)

Unibet ambassador
Brian Laudrup

Sustainability in our business

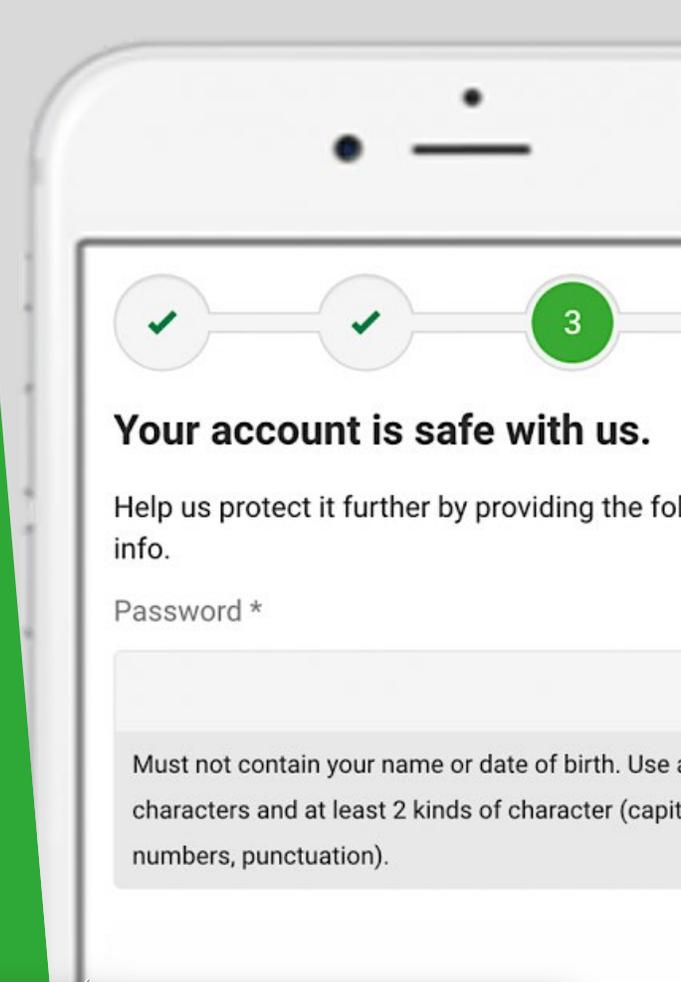


Gaming campaign in Norway
Spill Ansvarlig (Play responsibly)

Unibet ambassador
Morten Langli

Now ISO 27001 certified

- Kindred Group obtains ISO/IEC 27001:2013 certification by testing agency, eCogra
- Most recognized information security standard worldwide
- Highly regarded by our regulators and licensing bodies
- Shows our commitment to the protection and security of our customers' data
- Will facilitate the process of applying to licenses in new territories





SUSTAINABLE
GAMBLING
CONFERENCE

SAVE THE DATE

Sustainable Gambling Conference 2019,
8 October in Copenhagen



Summary Q2 2019

GWR
+3%

SB margin
after FB
8.7%

EBITDA
-27%

GWR from locally-
regulated markets
+41%

Active
customers
-5%

GWR from locally-
regulated markets
59%



The background of the slide is a dark green, semi-transparent image of a poker table. Numerous poker chips of various colors (red, blue, green, black) and denominations (5, 25, 50, 100) are scattered across the surface, some in sharp focus and others blurred. The lighting is dramatic, highlighting the texture of the chips and the green felt.

Q&A

Contact



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Calendar



25 October 2019

Q3 will be published at 7.30 CEST



12 February 2020

Q4 will be published at 7.30 CET



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