



1

The slide features a background image of a racing car's front wheel on the left. The right side of the slide is a solid purple color with a white list of topics. A large white arrow shape points from the left towards the list. The word 'Outline' is written in white on the left side of the slide. At the bottom left, there is a small copyright notice: '© Kindred Group plc 2019'.

- Highlights
- Financial results
- Business overview
- Summary

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## SWEDEN



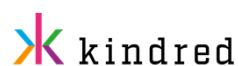
UPDATE

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- Live from 1<sup>st</sup> January 2019 with our local licence
- Strong growth in new depositing and active customers
- Launched a well-received responsible gaming campaign together with Henrik Lundqvist + 30/30 foundation
- Short term margin pressure due to betting duties but also bonus and marketing investments
- Bonus costs stabilised now and full year costs expected to be lower than for 2018
- Total effect on Q1 2019 Group EBITDA: GBP -18.9m

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# Q1 2019 Key Report Highlights



Gross winnings revenue	GWR from mobile	EBITDA	Earnings per share	Active customers
GBP 224.4m (+8%)	GBP 173.8m (+17%)	GBP 30.6m (-35%)	GBP 0.067 (-49%)	1,631,636 (+18%)

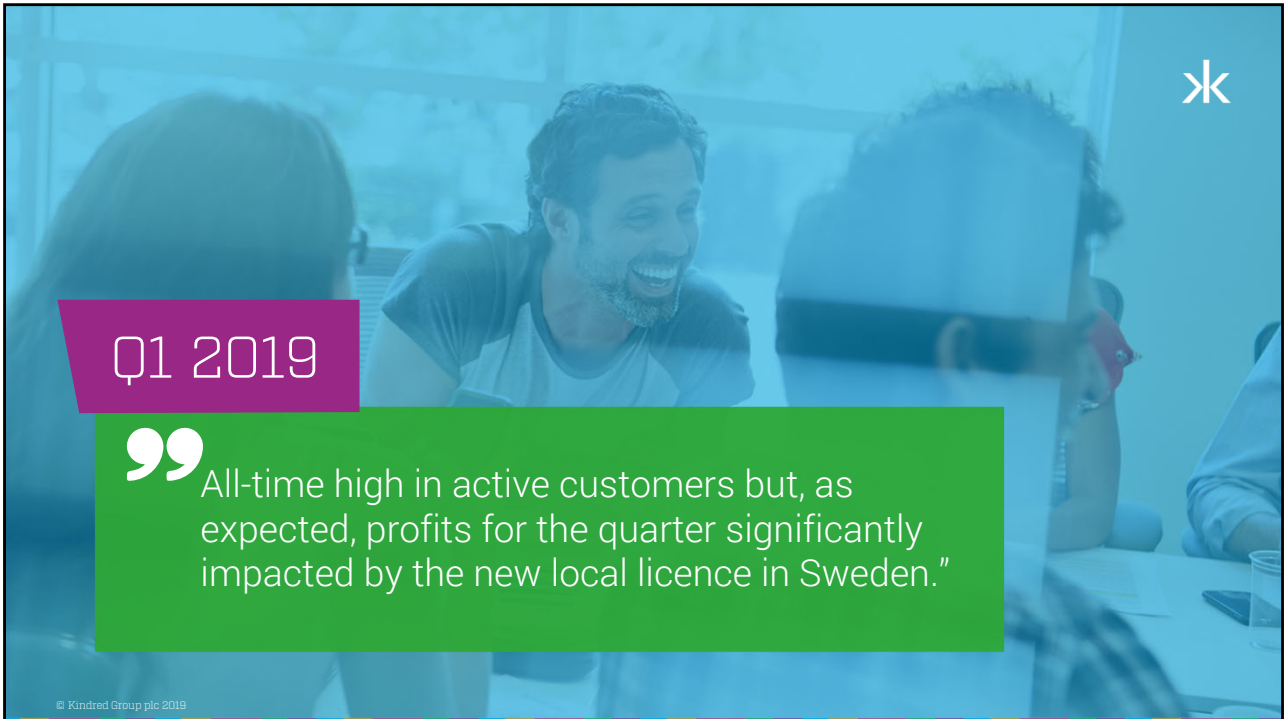
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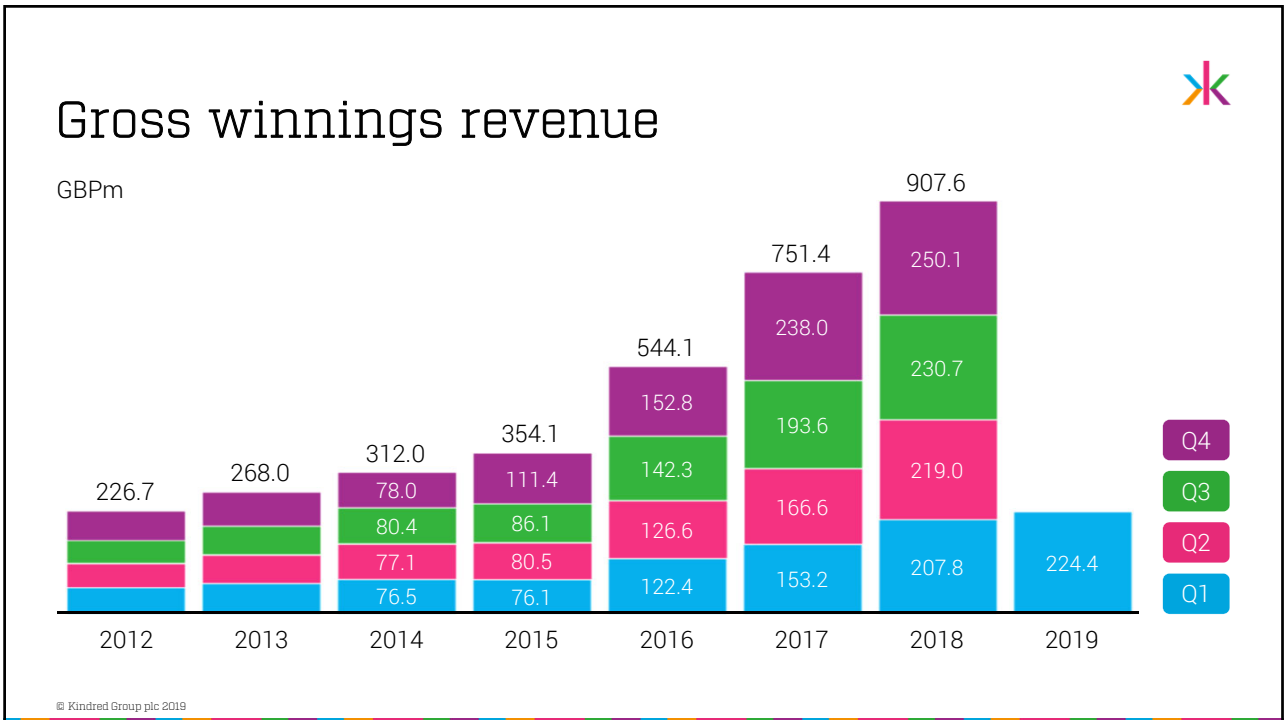
# Financial results

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# Geographic growth

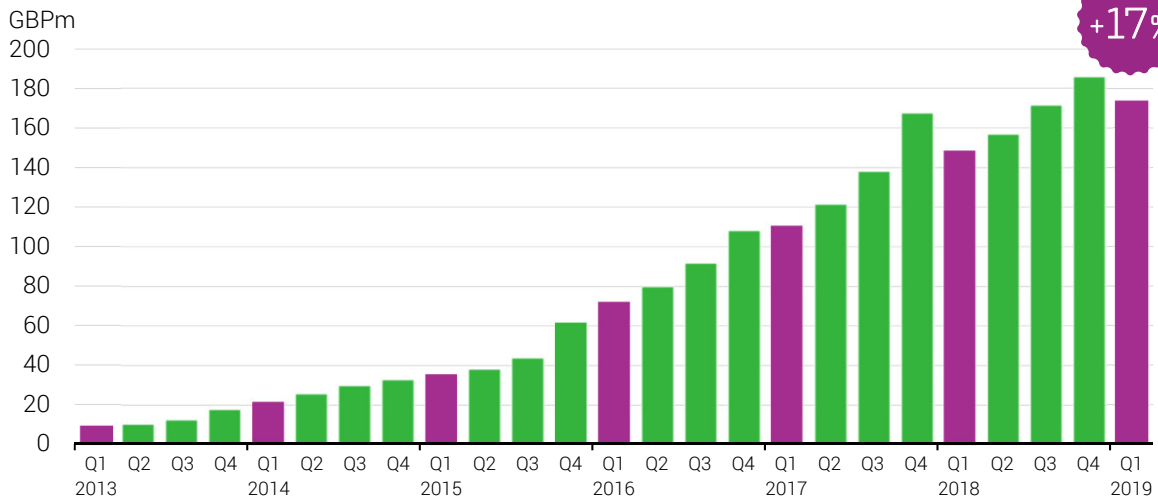
- Key Report Highlights Q1 2019 vs Q1 2018



	GWR as reported in GBP	Organic GWR in constant currency
Nordics	-16%	-14%
Western Europe	+21%	+23%

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# Gross winnings revenue from mobile



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## Q1 2019 P&L FX impact v Q1 2018

Avg rate	Q1 2018	Q1 2019	Movement
SEK	11.292	11.939	-5.7%
NOK	10.911	11.167	-2.3%
EUR	1.132	1.146	-1.2%
DKK	8.431	8.553	-1.4%
AUD	1.770	1.828	-3.3%

SEK	11.292	11.939	-5.7%
NOK	10.911	11.167	-2.3%
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DKK	8.431	8.553	-1.4%
AUD	1.770	1.828	-3.3%

Weighted average movement  
in FX rates: approx. -2%

	GBPm
Gross winnings revenue	-3.8
Cost of sales / Opex	3.5
FX gain on operating items	3.2
<b>EBITDA FX impact Q1 2019</b>	<b>2.9</b>
FX gain on loan repayment	0.5
Other items below EBITDA	0.1
<b>Profit before tax impact Q1 2019</b>	<b>3.5</b>

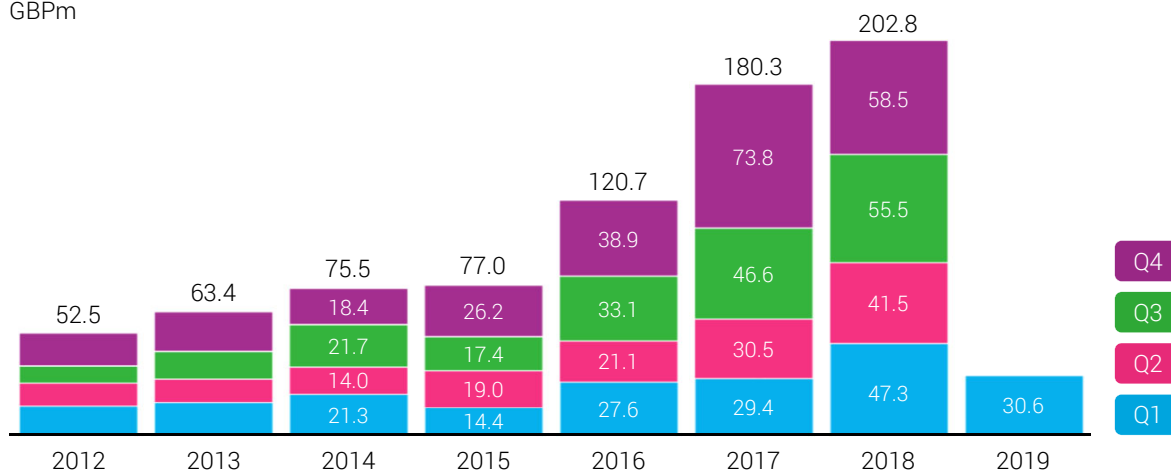
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## EBITDA

- Excl 2014 Kambi one-off item

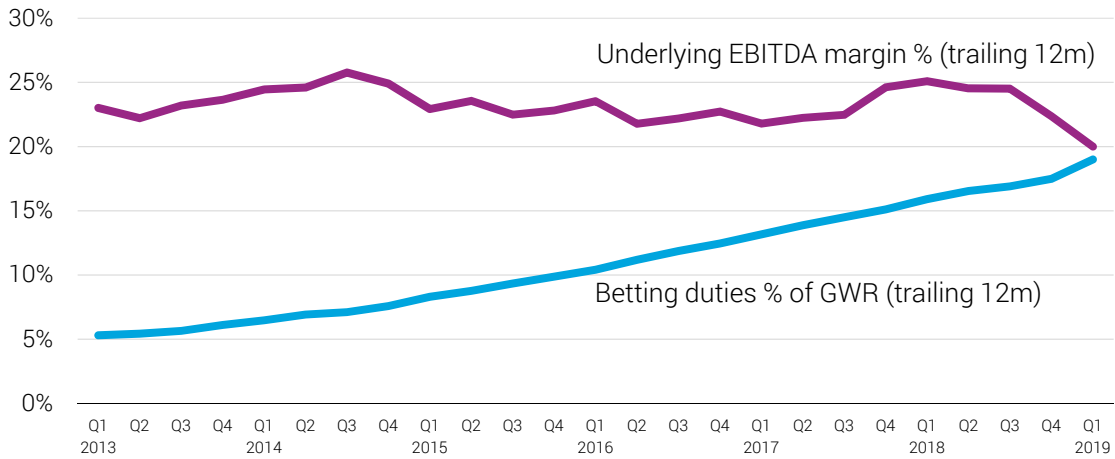
GBPm



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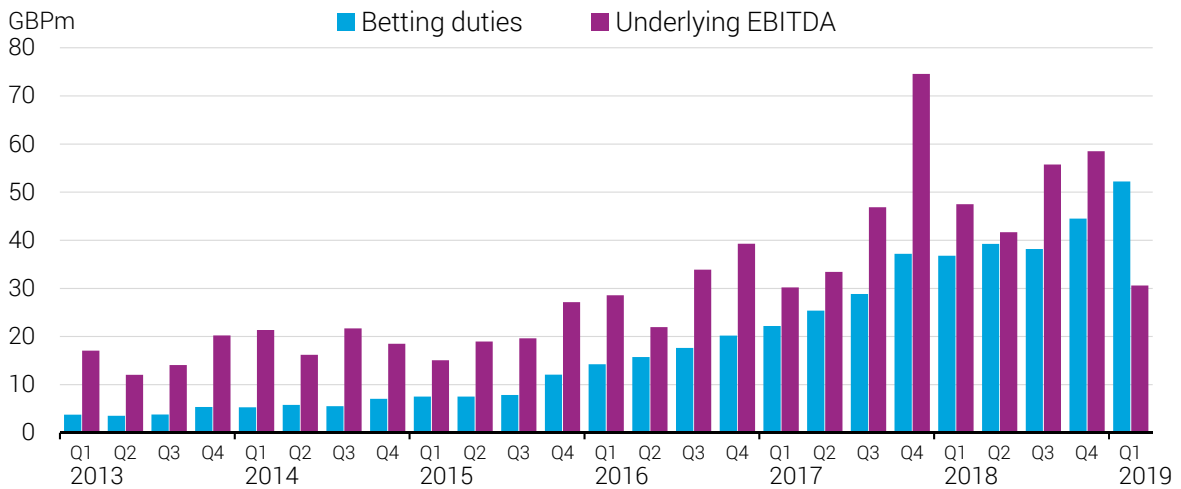
## A scalable business model...



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## ...showing our ability to absorb betting duties



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## Other Costs analysis

Excl. Non-recurring items



GBPm	2015	2016	2017	2018	2019	2019
	FY	FY	FY	FY	Q1	Q1
Reported Other Costs	43.1	69.4	109.1	122.4	25.1	25.0
Depreciation & Amortisation	-13.0	-23.8	-42.6	-46.8	-10.4	-12.2
FX loss/gain on Opex	-0.7	-0.6	-1.5	-1.2	3.2	3.2
Other Costs post D&A and FX	29.4	45.0	65.0	74.4	17.9	16.0

Share of GWR (as reported)	2015	2016	2017	2018	2019	2019
	8%	8%	9%	8%	8%	7%

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## 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 P&L impact in Q1 2019, neutral on cash flow
- Higher P&L impact anticipated from Q2 2019 (new lease in Stockholm)

Q1 2019 effects  
for Kindred

Income Statement	GBPm
Adjusted EBITDA	+1.7
Depreciation and amortisation	-1.8
Finance costs	-0.2
Profit before tax	-0.3

Cash Flow Statement	GBPm
Operating cash flow	+2.8
Investing cash flow	-0.2
Financing cash flow	-2.6
Net cash impact	0.0

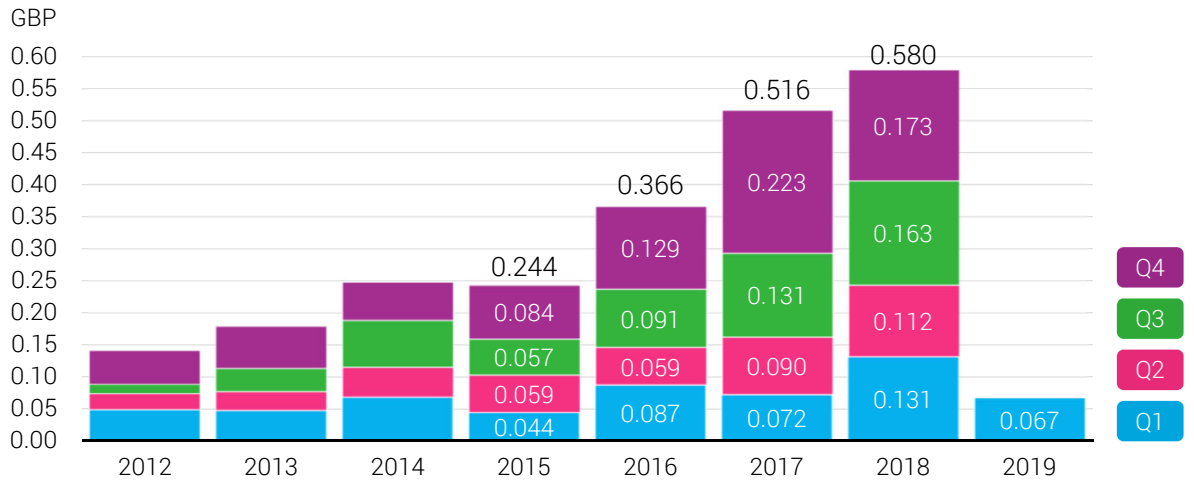
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# EPS development

- Excl 2014 one-off items

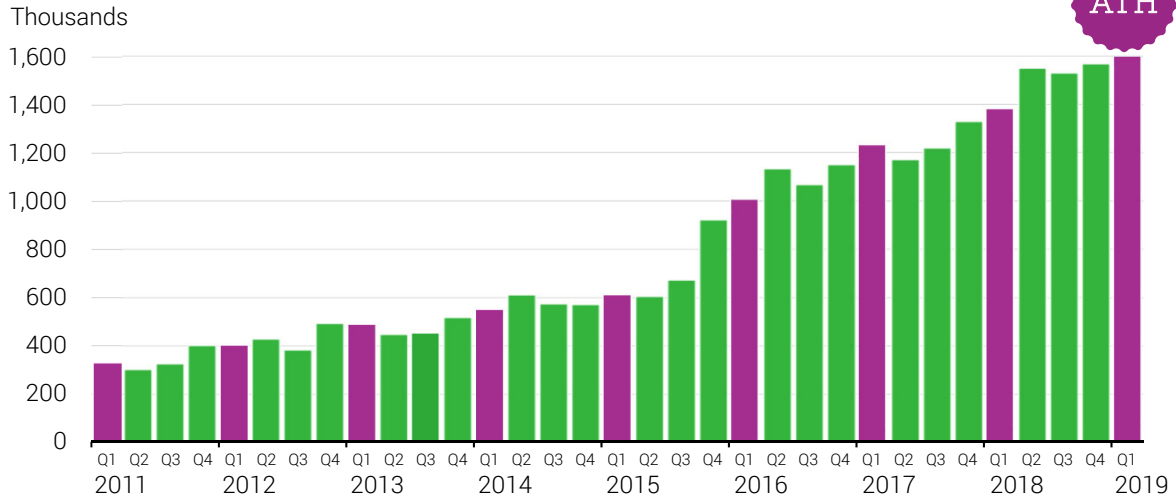


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# Business overview

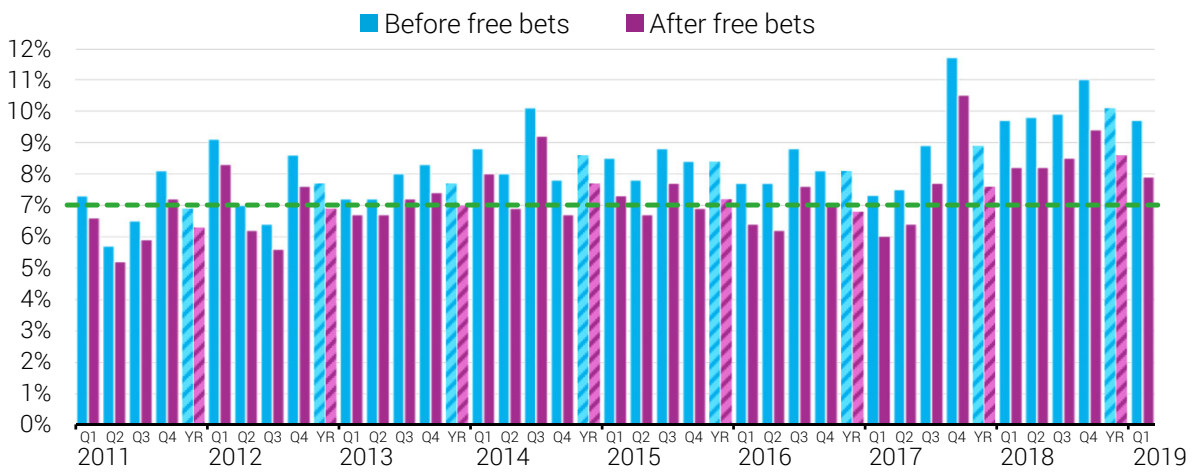
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# Active customers



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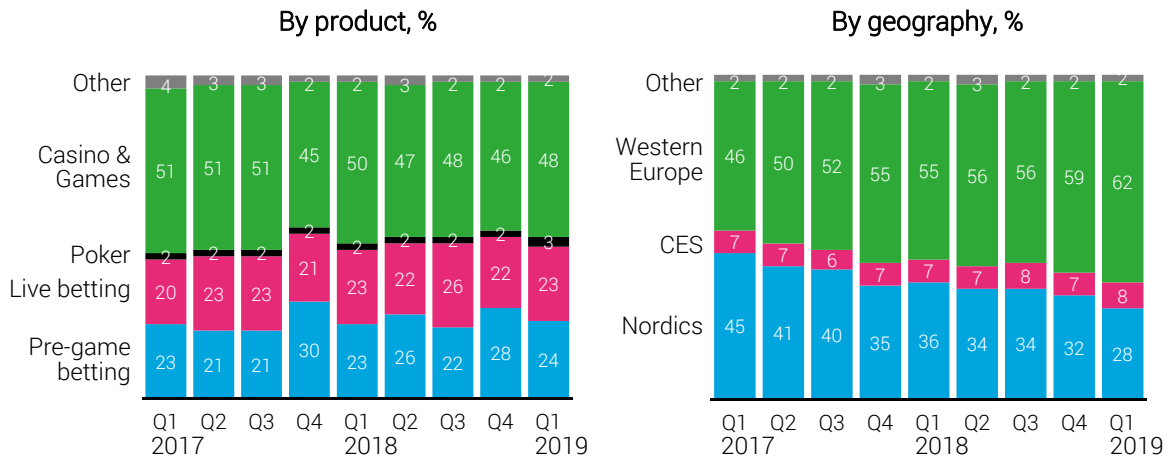
# Sports betting gross margin Combined



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# Product & geographic balance

Gross winnings revenue over time



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## US



### UPDATE

#### New Jersey

- Corporate licence application process completed
- Go live in New Jersey postponed due to a delay in the delivery of KYC functionalities from a supplier

#### Pennsylvania

- Finalising our licence application
- Strategic partnership with Mohegan Sun Pocono
- Live by the end of 2019



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# Summary Q1 2019



GWR  
+8%

SB margin  
after FB  
7.9%

EBITDA  
-35%

EPS  
-49%

Active  
customers  
+18%

GWR from locally-  
regulated markets  
57%



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# Q&A

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## Contact



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## Calendar



24 July 2019

Q2 will be published at 7.30 CEST



25 October 2019

Q3 will be published at 7.30 CEST



12 February 2020

Q4 will be published at 7.30 CEST

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