

Our investment case

Structural growth drivers with margin expansion

With an increasingly diversified global offering, Playtech is primed to accelerate organic sales growth across both the B2B and B2C divisions.

Global regulated gambling markets, led by the Americas and Europe, are expected to grow materially. Playtech is well positioned to participate given its broad, high-quality product offering, while structured agreements and SaaS allow Playtech to serve almost any operator across the globe. In our B2B business, high operating leverage within the attractive Live and SaaS segments should provide a further tailwind to margins.

Snaitech, our B2C business in Italy, has become a fundamentally higher quality business post pandemic due to the structural shift towards the underpenetrated, higher margin online business and this is expected to continue to deliver strong growth.

Playtech has the potential to deliver a powerful combination of top-line growth and margin expansion, which is expected to drive earnings momentum and high cash flow generation for the Group. As a result, further investments can be made to position ourselves advantageously in other newly regulating markets as well as delivering shareholder returns.

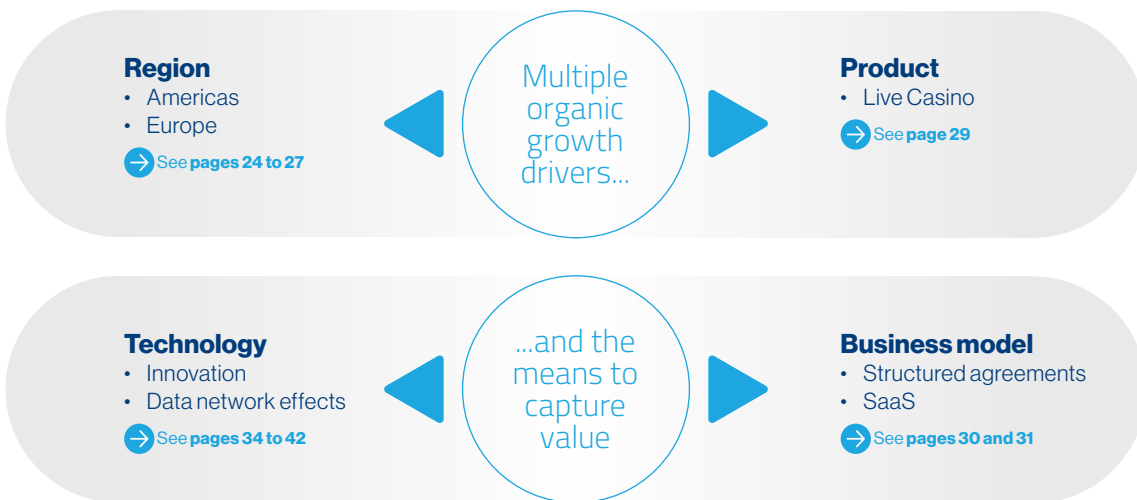
1

Attractive structural growth drivers in B2B Gambling

The gambling market is in the midst of a super-cycle (see page 24), driven by the expansion of regulated and regulating markets, with the Americas and Europe leading the way.

At the same time, rapidly shifting consumer and technology trends have grown the appeal of the Live segment.

Playtech is well placed to capture this considerable opportunity. Through its investments in innovation, Playtech possesses a strong technology offering and its sheer scale means it has access to vast amounts of data, allowing it to generate data network effects (see page 28), while the variety of its business model offering from structured agreements to SaaS allows it to serve almost any operator.



2

Underpenetrated online segment set to drive B2C growth

Underpenetrated Italian online market

Italy is one of the top two gambling markets in Europe, along with the UK. Unlike the UK, the online market is still underpenetrated at 26% versus 58% in the UK and thus we see scope for the addressable market to grow in Italy. With average revenue per online customer acquired from retail sites more than three times higher than those acquired directly through online channels. Snaitech's strong brand, retail presence and cross-selling approach means it is ideally positioned to benefit from this growth opportunity.

26%

Italy online penetration¹

58%

UK online penetration¹



¹ Source: H2GC (includes betting and gaming and excludes lotteries).

Further upside from European expansion

Outside of Italy, there is the potential to acquire retail-focused assets in neighbouring European countries with low online penetration at attractive multiples, with a view to growing the online business given the track record of existing Snaitech management.

3

Potential for margin expansion is significant

High operating leverage in Live and SaaS...

Within the Live Casino business, Playtech has already made significant investments in studio infrastructure. Within SaaS, Playtech has also invested heavily in data centres to be able to serve its customer base, while it has already signed up over 350 customers with scope to increase wallet share. Investment to date lays the groundwork for higher operating leverage going forward.



...coupled with the shift to the B2C online channel...

The Snaitech online business has a significantly higher margin than retail. As Snaitech looks to continue to migrate retail customers to online in addition to acquiring native online customers, we should continue to see the share of the online segment increase.

...to drive margin expansion across the Group

With both the B2B and B2C segments exposed to margin accretive factors, we expect Playtech to be able to deliver margin expansion in the years ahead. This, combined with accelerating top-line growth, will deliver earnings growth for Playtech's shareholders.