

The building blocks of success

Playtech's strategy of organic development, new business, targeted acquisitions, strategic agreements and joint ventures has enabled it to maximise opportunities created by the significant changes afoot in the online gambling industry.

The industry is moving towards locally regulated markets as governments see the implementation of gambling taxes and the sale of regulatory licences as significant revenue streams. Land-based and digital channels are converging as regulatory authorities issue gambling licences to land-based operators for both traditional and online offerings. Through being able to offer a full turnkey solution, Playtech is able to partner with established operators and new entrants to take advantage of these opportunities.

Mobile gambling is one of the most significant growth drivers of the global online gambling industry. Playtech's Mobile Hub has combined the established Mobenga mobile sports betting solution with other gambling products. This combination uniquely positions Playtech to capitalise on further developments in this sector. Mobile gambling is essential to Playtech's future success and we have invested heavily to develop the next generation of products, maximising new functionality on tablets and smartphones, while continuing to roll out products across all mobile platforms, including Android, Apple iOS and HTML5.



1

Support organic growth

In 2015, Playtech's licensees achieved organic growth of 16%, exceeding the growth of the underlying global market. The breadth and depth of Playtech's offering enables Playtech's licensees to run some of the most successful online gambling businesses.

16%

Organic growth

2

Cross-sell products and services

On average, Playtech's licensees take a limited number of products. There is a trend for larger licensees e.g. GalaCoral, Ladbrokes and Paddy Power to leverage Playtech's IMS and take more products from Playtech's product suite, enhancing their cross-sell ability. Playtech also supports its licensees as they enter new markets e.g. Ladbrokes moving to Spain, Denmark and Mexico.

3

Attract new licensees

Playtech has enjoyed a successful track record of agreeing contracts with approximately five to ten new licensees every year, attracted by our market-leading product and service offering, the unique capabilities of the IMS and support for both established and new operators in regulating markets.

5

Improve quality of earnings through greater regulated market penetration

Playtech is focused on growing its presence in regulated markets, increasing the proportion of regulated revenue to 41% in 2015 (2014: 36%). Future regulation will provide an opportunity to increase this proportion further and the Group continues to work on progressing in regulated markets.

6

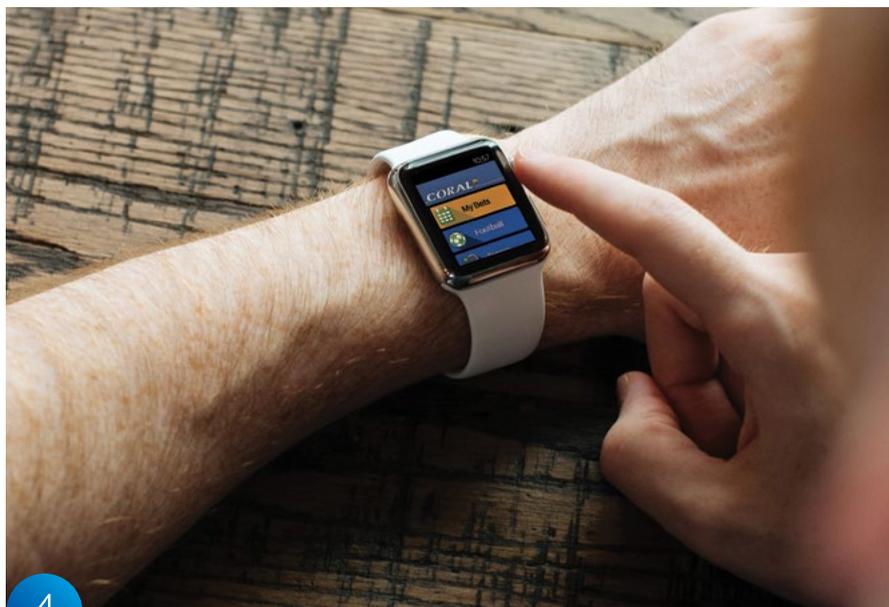
Acquisitions remain key

Playtech has an outstanding acquisition track record, investing in new technology, exciting content, and new products. Companies have mostly been acquired on an earn-out basis, enabling Playtech to leverage its existing business and licensee base to create strong synergies. Playtech is focused on making further, similar bolt-on and larger acquisitions. Given the Group's ability to generate cash and strength of its balance sheet, the Board is seeking strategic M&A opportunities to take the business to the next level.

4

Extend our lead by increasing product, service and distribution capability

Playtech's strategy as the leading technology provider in the online gambling industry, is to offer all product verticals across all distribution channels. Playtech invests to expand its offering to support its licensees with new technologies, avenues to market and products e.g. the Mobile Hub, virtual racing and casual gaming.



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