



# **ZEAL Network SE**

Investor Call  
H1 Report as of 30 June 2017

London, 11 August 2017

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# ZEAL at a Glance

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Expansion of B2C product portfolio with “Danke Million” & “Cash4Life”

B2B/B2G Business Unit – Norway is launched!

Second strategic acquisition - Omaze

Continued investment in our internationalisation strategy



Billings

€136.4m



Total Operating  
Performance

€65.0m



EBIT

€7.9m

## Tipp24.com

### Highlights



Billings up 3%

Launch of new products

**DANKE MILLION**

**Cash4Life**



Growth in MAU

### KPIs

Billings (in €m)	H1	Q2
2017	128.1	64.1
2016	124.1	62.6

ABPU (in €)	H1	Q2
2017	55.24	56.27
2016	57.26	57.65

MAU (in k)	H1	Q2
2017	386.5	380.3
2016	361.0	361.3

### What's to come

Further marketing investment – strengthening our market position



Continue our successful Internationalisation strategy

Further expansion of product portfolio



## Highlights



Closed BETA Launch of UNICEF Norway Lottery

Developed an innovative launch ready social lottery product for Netherlands



Signed new Lotto Network deal with LCR Honda, a MotoGP first

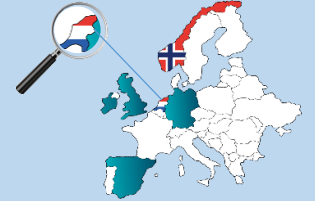
**LOTTOVATE**



**Ventura24**es

## What's to come

Continue to scale in Netherlands and Norway



Czech licence application

Deals and partnerships with more charities and social enterprises



# New Ventures Update

## Highlights

Secured investment in LA based start-up, Omaze



FPL investment continues to show positive development – 70% increase in DAU to 288k



## What's to come

Continued exploration into disruptive business models



Develop existing partnerships with investment portfolio companies

By strategically placing ourselves at the forefront of industry developments, we will be best placed to take advantage of the next evolution of this emerging industry



Case filed with the court. No significant news.

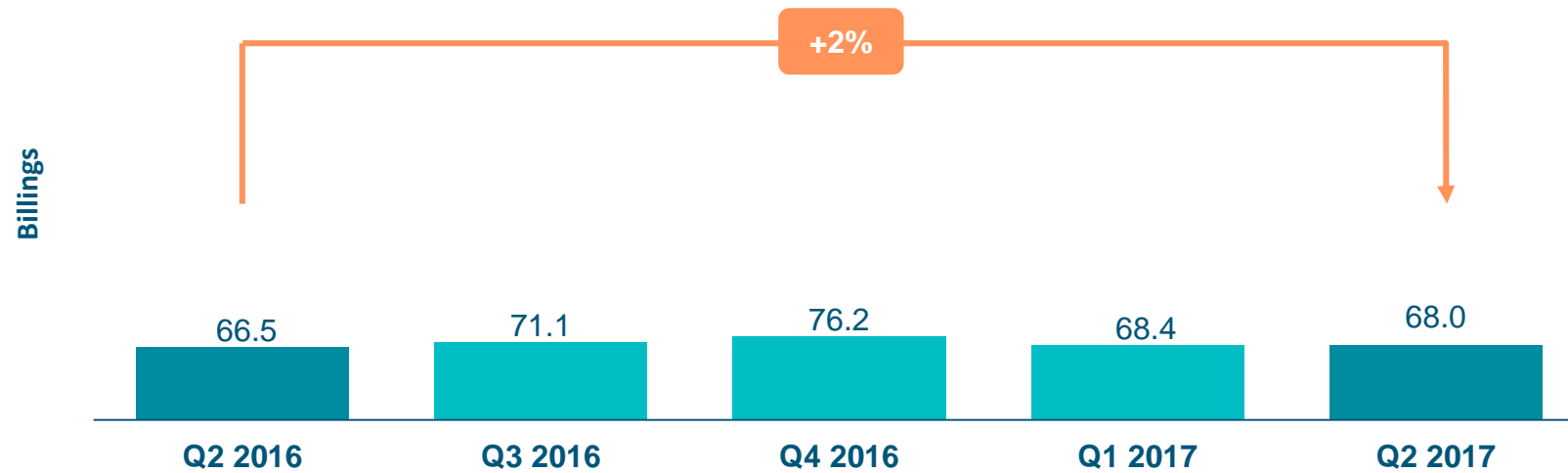
We remain confident that the outcome will be favourable for the Group – even though it will take several years to be ultimately resolved

Following the invocation of Article 50, the Company is making the necessary preparations to ensure that the impact will be minimal



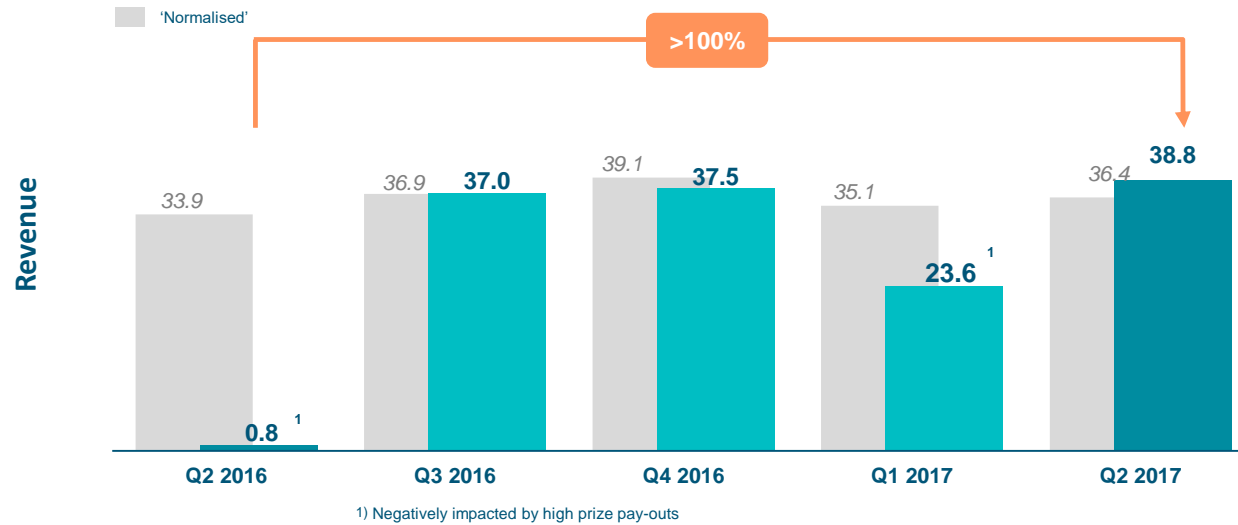


# Development of Billings in million €

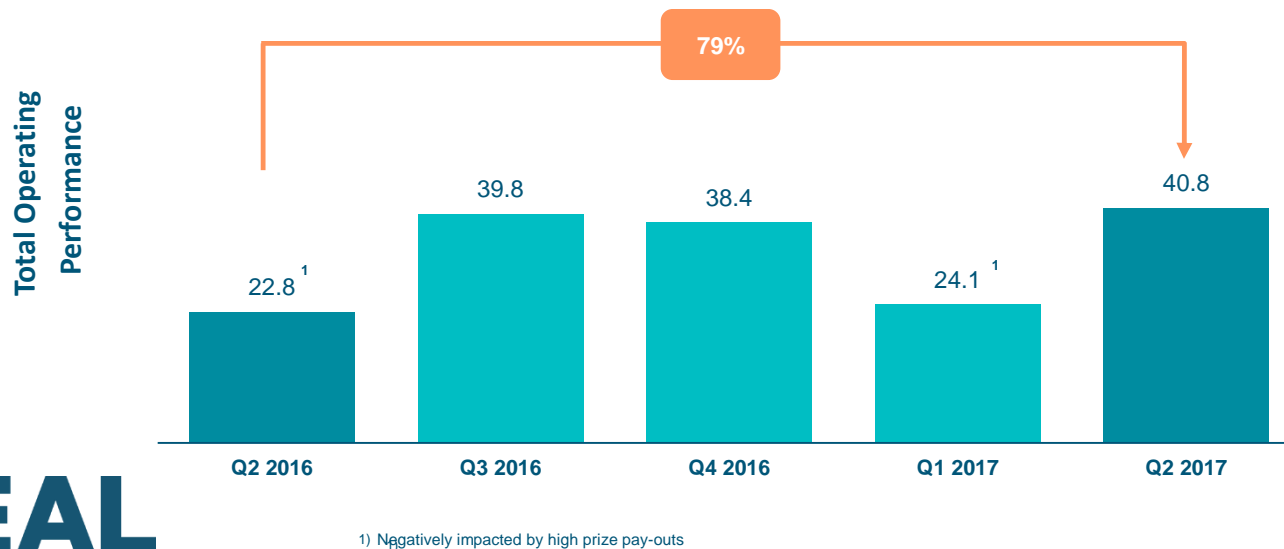


- Continued underlying growth
  - Continued marketing investment into 2017 is reaping rewards
  - More customers are playing with us

# Development of Revenue and TOP in million €

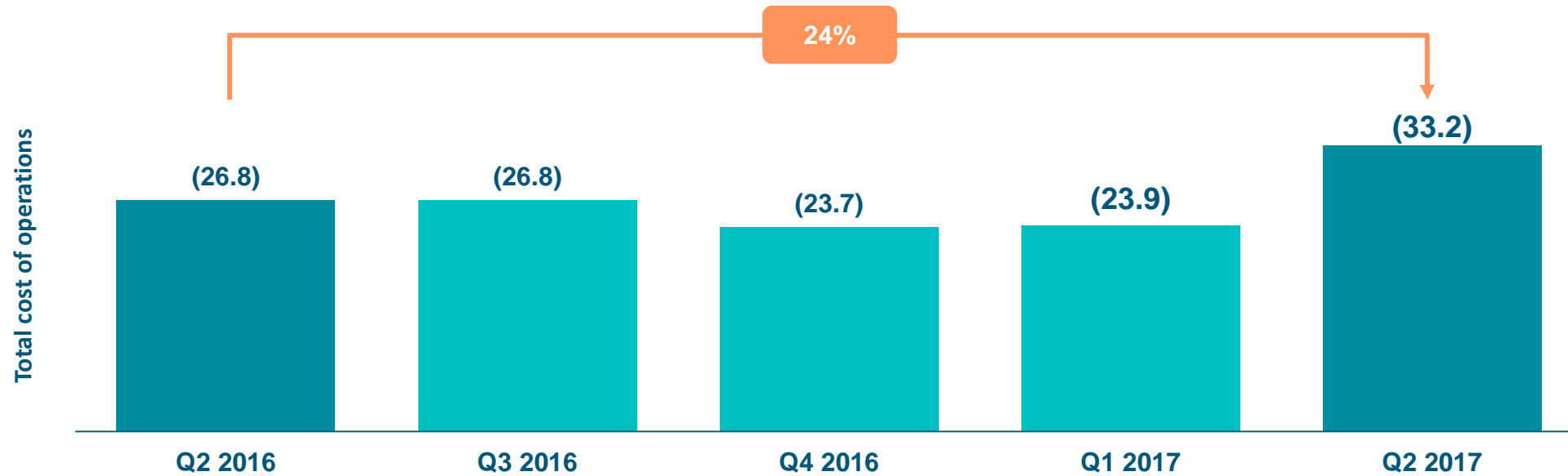


- Statutory Revenue increased by more than 100% for Q2 due to high prize pay-outs in Q2 2016
- 'Normalised' Revenue increased by 7% for Q2



- Total Operating Performance increased 79% compared to previous period driven by increased customer activity, as well as high prize pay-outs in Q2 2016

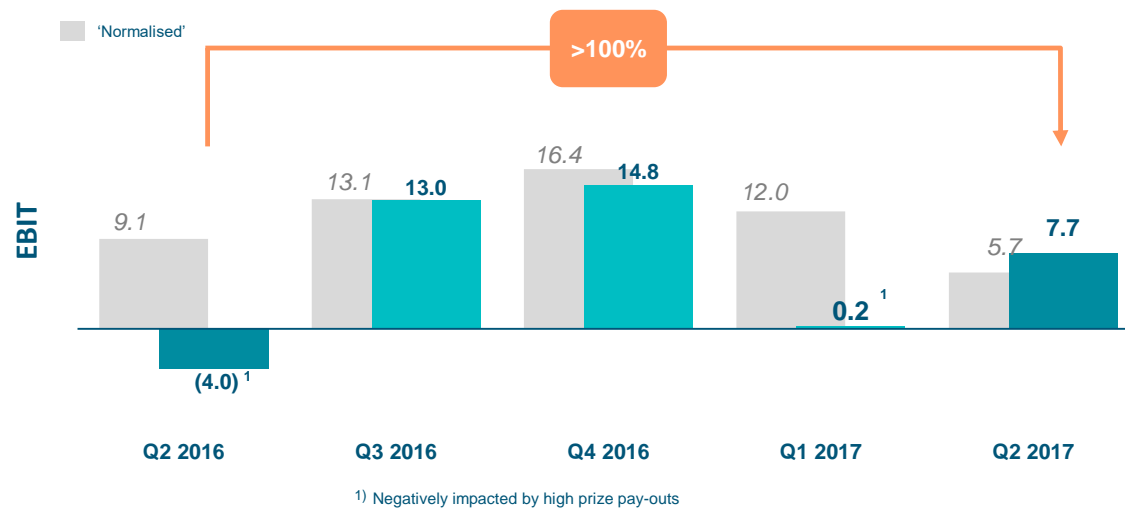
# Development of Expenses in million €



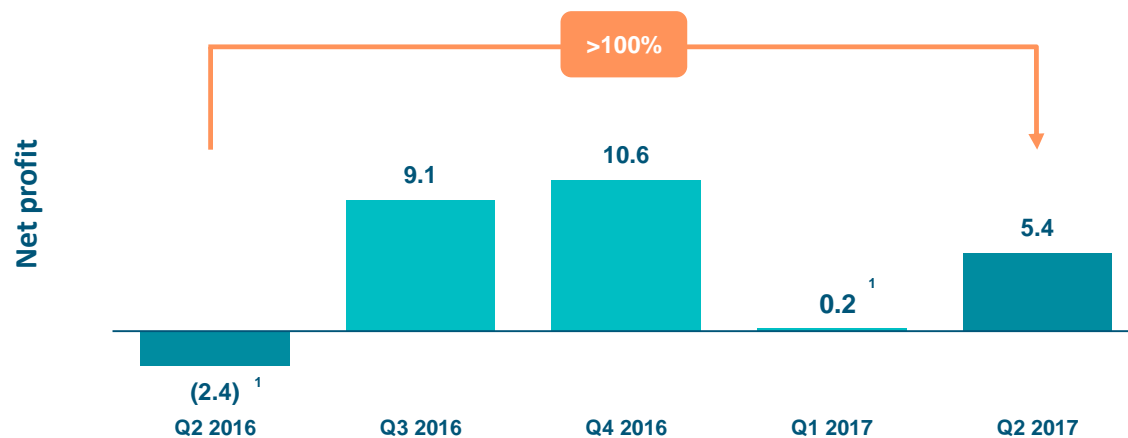
Expenses increased by €6.4m in Q2 relative to the prior year comparative period— primarily made up of:

- Increased marketing investment of €0.7m. Further marketing investments are expected in the forthcoming quarters
- Increase in direct (mainly hedging) costs of €5.7m
- Positive forex movements on GBP of €0.5m
- Reduction in other costs of operation of €0.9m
- Increase in personnel expenses of €1.4m

# Development of EBIT and Net Profit in million €

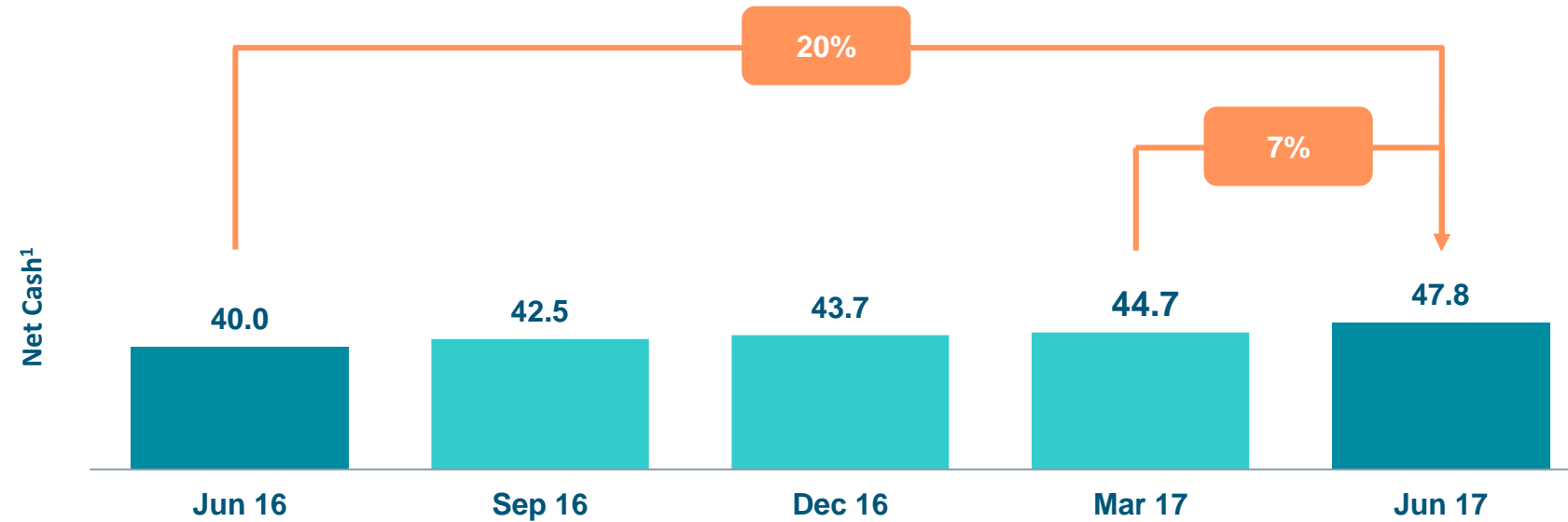


- Statutory EBIT increased to €7.7m for Q2
- 'Normalised' EBIT of €5.7m in Q2



- Net profit increase of €7.8m for Q2 compared to previous comparative period
- Earnings per share (EPS) of €0.65 for Q2 (2016: (€0.28))

# Development of Net Cash in million €



Net Cash was impacted since Q1 2017 by €3.1m net cash inflow, including the following significant cash events:

- €1.5m receipt (inflow) from Lotto24
- €1.8m investment (outflow) in Omaze

<sup>1</sup> Definition of Net Cash: Cash (less pledged cash) + Short-term financial assets + Other current assets and prepaid expenses, less Trade payables, Other liabilities, Income tax liabilities and a €50m hedging reserve

Guidance 2017	Guidance
Total Operating Performance	€ 130 - 140m
EBIT	€ 15 - 25m
Dividend	€ 1.00 per share



**ZEAL**

**Appendix**

# Consolidated Income Statement and Balance Sheet as at 30 June 2017

in €k

Income Statement		H1 2017	H1 2016	Change in %
	Revenue	62,351	38,330	+62.7
	Total operating performance	64,976	61,444	+5.7
	Other operating expenses	(40,340)	(33,613)	+20.0
	EBITDA	8,554	11,640	(26.5)
	EBIT	7,899	10,264	(23.0)
	Profit before income tax	8,000	9,041	(11.5)
	<b>Profit</b>	<b>5,600</b>	<b>6,329</b>	<b>(11.5)</b>

Balance Sheet		30 June 2017	31 December 2016	Change in %
	Current assets	130,408	131,339	(0.7)
	Non-current assets	6,747	4,677	+44.3
	<b>ASSETS</b>	<b>137,155</b>	<b>136,016</b>	<b>+0.8</b>
	Current liabilities	30,932	36,259	(14.7)
	Non-current liabilities	3,055	2,199	+38.9
	Equity	103,168	97,558	+5.8
	<b>EQUITY &amp; LIABILITIES</b>	<b>137,155</b>	<b>136,016</b>	<b>+0.8</b>



# Business Unit Segment Reporting for H1 2017 in €k

	B2C [A]	B2B/B2G [B]	Business unit total [A]+[B]=[C]	Normalisation and other adjustments [D]+[E]=[F]	Normalisation adjustments [D]	Other Adjustments [E]	Statutory [C]+[F]
Revenue	67,817	3,572	71,389	(9,038)	(9,150)	112	62,351
Other operating income	3,049	167	3,216	(591)	(609)	18	2,625
Total operating performance (TOP)	<b>70,866</b>	<b>3,739</b>	<b>74,605</b>	<b>(9,629)</b>	<b>(9,759)</b>	<b>130</b>	<b>64,976</b>
EBITDA	<b>23,466</b>	<b>(5,114)</b>	<b>18,352</b>	<b>(9,798)</b>	<b>(9,759)</b>	<b>(39)</b>	<b>8,554</b>
Depreciation and amortisation	(501)	(154)	(655)	-	-	-	(655)
EBIT	<b>22,965</b>	<b>(5,268)</b>	<b>17,697</b>	<b>(9,798)</b>	<b>(9,759)</b>	<b>(39)</b>	<b>7,899</b>
Financing and investment result	-	-	-	101	-	101	101
EBT	-	-	<b>17,697</b>	<b>(9,697)</b>	<b>(9,759)</b>	<b>62</b>	<b>8,000</b>
Income tax	-	-	-	(2,400)	-	(2,400)	(2,400)
<b>Profit (Loss) for the period</b>	<b>-</b>	<b>-</b>	<b>17,697</b>	<b>(12,097)</b>	<b>(9,759)</b>	<b>(2,338)</b>	<b>5,600</b>

# Statutory / Normalised Revenue & EBIT for H1 2017 in €k

Revenue		H1 2017	H1 2016	Change
	Statutory	62,351	38,330	24,021
	Normalised	71,501	69,473	2,028
	Normalisation Effect	(9,150)	(31,143)	

EBIT		H1 2017	H1 2016	Change
	Statutory	7,899	10,264	(2,365)
	Normalised	17,658	21,377	(3,719)
	Normalisation Effect	(9,759)	(11,113)	

# Financial Calendar 2017

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Publication of Annual Report 2016	24 March 2017
Publication of Q1 Report	12 May 2017
Annual General Meeting	30 June 2017
Publication of Q2 Report	11 August 2017
Publication of Q3 Report	10 November 2017



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