

## Chairman's statement

# Commitment to growth and leadership



Playtech has continued to successfully execute its strategy for strong operational and financial performance, strategic M&A and shareholder returns.

**Alan Jackson**  
Chairman

I am pleased to report that during 2016 Playtech continued to successfully execute its strategy with a strong operational and financial performance, delivering important M&A and significant capital returned to shareholders.

The Gaming division continued to deliver, with exceptional growth in the flagship Casino offering driven by the largest portfolio of games boasting some of the most popular content across the industry. Sports saw a good second half performance following the acquisition of BGT, and later in the year with the newly formed Playtech BGT Sports bringing together all aspects of Playtech's sports offering creating the only true omni-channel, best-in-class sports betting technology. Playtech will always remain a customer focused business and 2016 saw the signing of more than ten new customers with ten new customer go-lives. The trend of securing longer term agreements with key customers continued with nine out of ten now on long-term contracts following the renewals with Paddy Power Betfair, William Hill, Betfred and Rank all renewing in the first two months of 2017 alone.

The Financials division went through a significant transition in the first half of the year with an encouraging performance delivered in the second half.

Towards the end of the year the Group acquired CFH, enhancing Playtech's position as it continues to build a B2B offering within its Financials division.

Playtech spent a total of €240 million on acquisitions during the full year. At the beginning of 2016 Playtech outlined its intention to utilise the capital raised from shareholders to maintain its market leading position by acquiring complementary technologies and premium content. The acquisitions of BGT, Quickspin and ECM will augment organic growth in the Gaming division in 2017, whilst the acquisition of CFH was a landmark transaction for the Financials division. The acquisition of Eyecon in February 2017 demonstrates Playtech's continued focus on value enhancing M&A.

The strength of Playtech's cash flows and the flexibility of its balance sheet enabled the Company to return €296 million to shareholders in 2016 including a €150 million special dividend announced at the time of the half-year results and a €50 million share buyback programme before the year end. Strong cash generation continues to be a key characteristic of the Group and the high levels of shareholder returns had no impact on the Group's acquisition capabilities. In accordance with the new progressive dividend policy adopted in 2016, the 2016 full-year dividend has been increased by 15% taking the total full-year increase to 15%.

Finally, the Board was delighted to announce the appointment of Andrew Smith as Chief Financial Officer following the period end. Andrew replaced Ron Hoffman who became full time CEO of the Financials division. The move has provided a greater depth of management resource and focus on Playtech's Financials division following the acquisitions of Markets Limited and CFH. In addition, the Board was further strengthened in 2016 by the appointment of Claire Milne as a Non-executive Independent Director in July. Claire joined the Board as a recognised industry expert in eGaming and technology law and regulation, with 20 years' experience advising gaming and financial services clients as both an in-house and private practice lawyer. Claire was the Chair of the Isle of Man Gambling Commission, and Playtech is already seeing the benefits of her depth of expertise.

Given the progress outlined above and Playtech's proven ability to achieve its strategic objectives and drive operational performance, the Board remains confident of a strong performance in 2017 and beyond.

**Alan Jackson**  
Chairman

22 February 2017