



October 24, 2024

**Q3 2024**

**Maria Redin, CEO**



# Transitional Q3 sets us up to deliver organic growth in Q4



**Net sales**

**1,438 SEKm**

Net sales down -4% YoY and down -2% in constant currencies

Net sales up by 1% for the first nine months

**Adjusted EBITDA**

**390 SEKm**

Adj. EBITDA down -13% YoY  
9% increase YoY for the first nine months

**Adjusted EBITDA margin**

**27% in Q3**

28% adj. EBITDA margin for first nine months



**Free cash flow**

**334 SEKm**

Cash conversion LTM 70% above target range



## We remain confident in our reiterated full year outlook

**Reported sales  
growth**  
(currency adjusted)

**1 – 5%**

**Adjusted  
EBITDA margin**

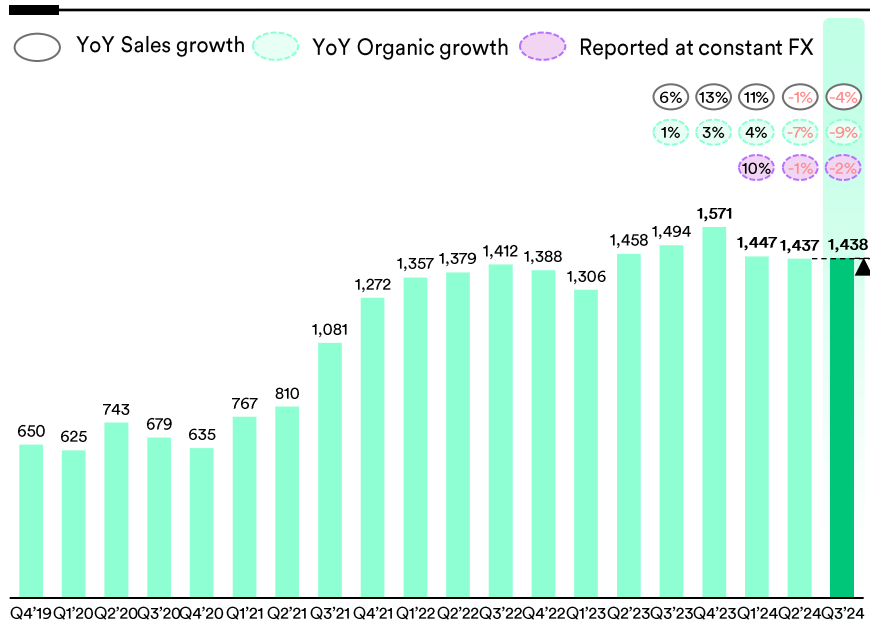
**26 - 29%**

### Comments

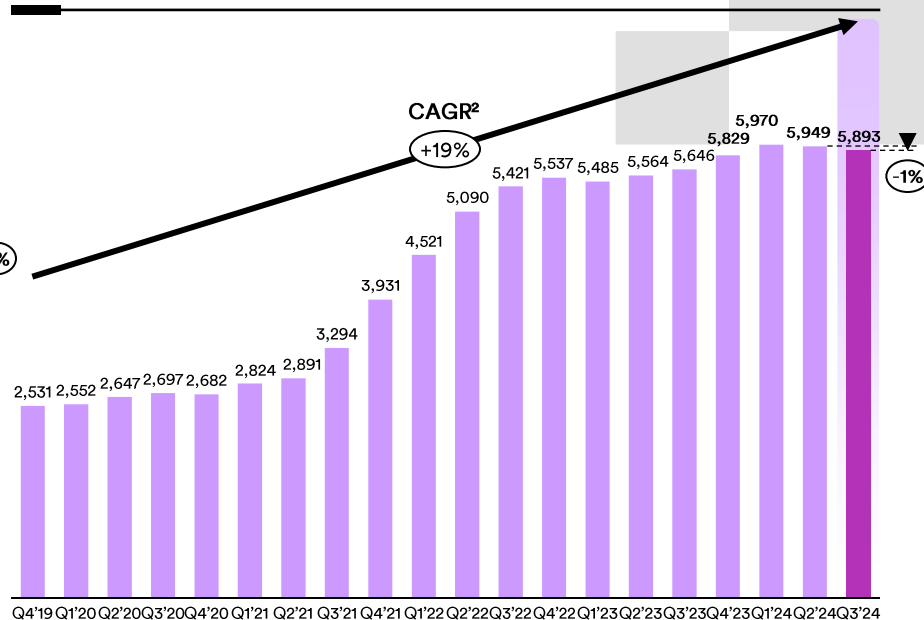
- Increased investments in UA in Q3 paves way for future growth
- Solid momentum in localized word games
- Positive early indicators from Heroes of History and Bloons Card Storm launching shortly
- Snowprint part of organic growth from Q4

# Revenues down by -2% in constant currencies YoY but up 1% sequentially from Q2 in constant FX

Reported revenue<sup>1</sup>, SEKm



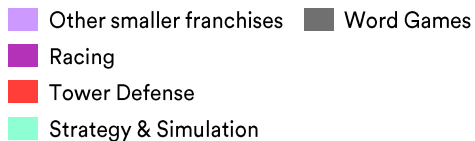
Reported revenue<sup>1</sup>, SEKm LTM



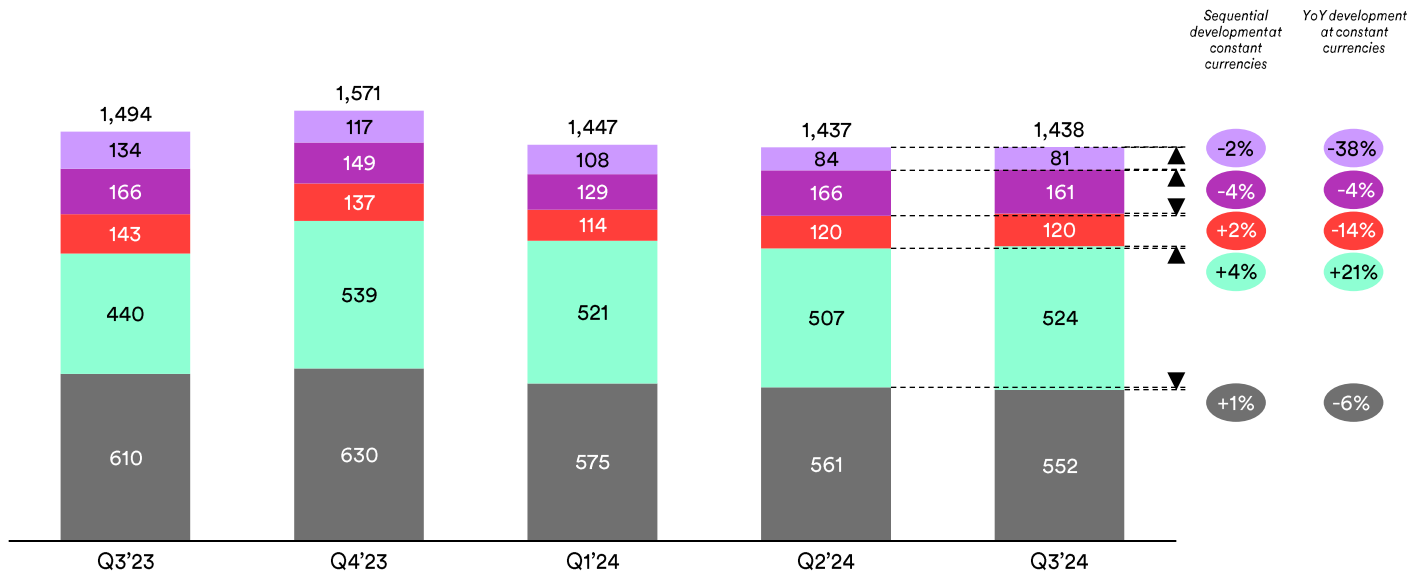
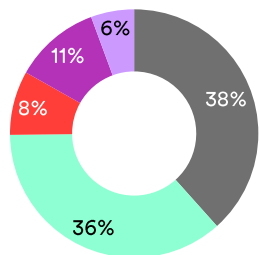
1) Gaming only 2) Annualized CAGR, time period: 4.75 years

# We are set for organic growth in Q4 thanks to improving momentum in our portfolio

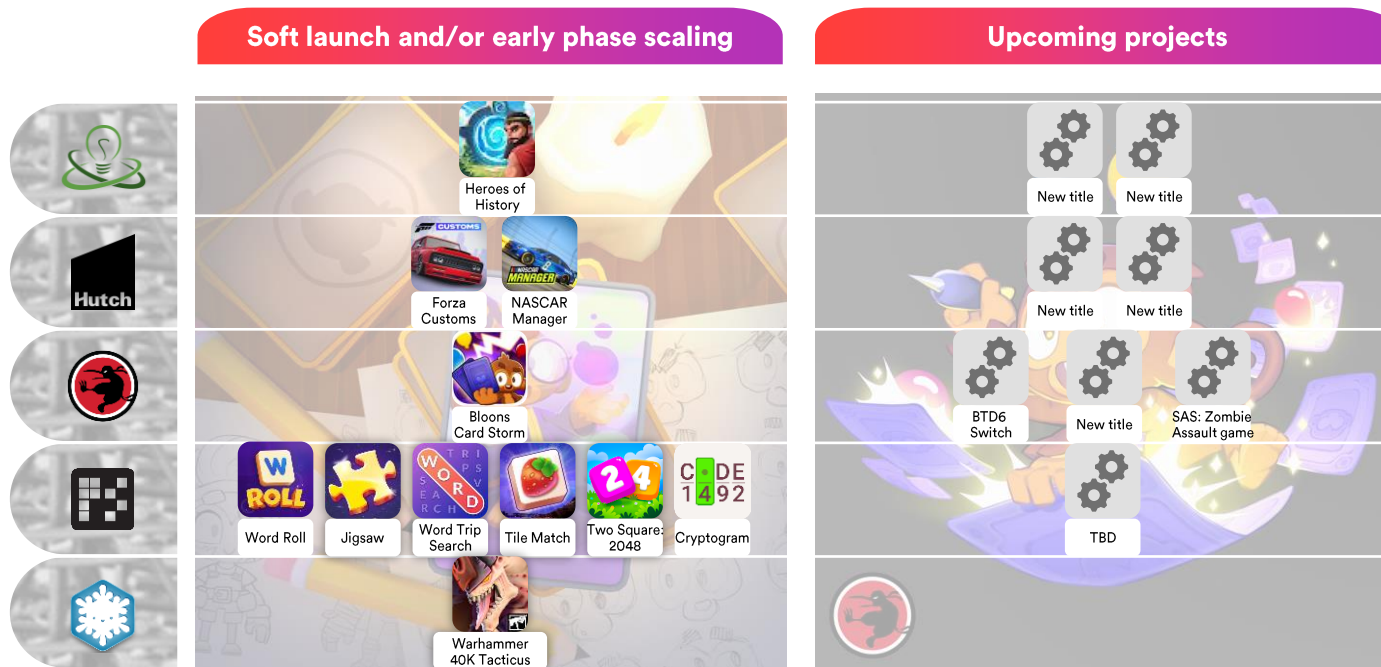
## Revenue by franchise, SEKm



## Revenue Q3, SEKm

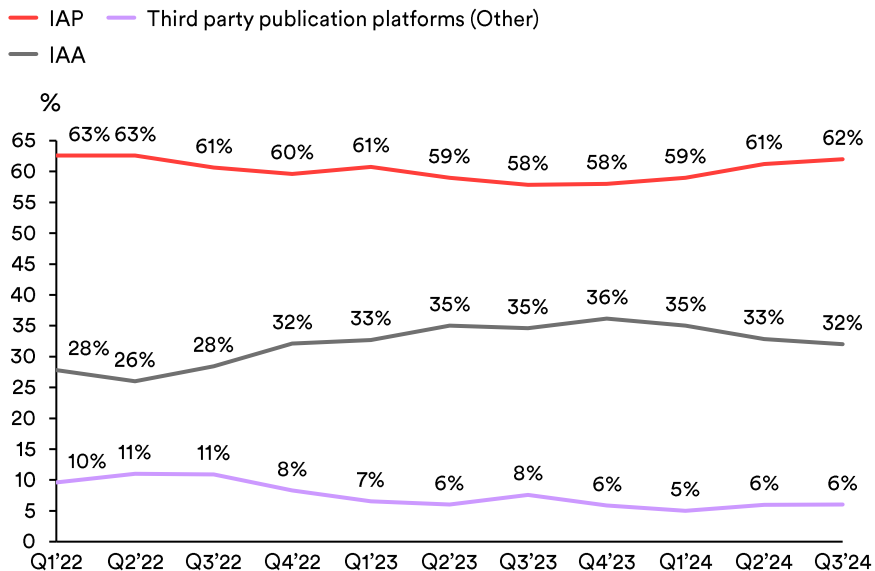


# New games now represent 16% of group revenues

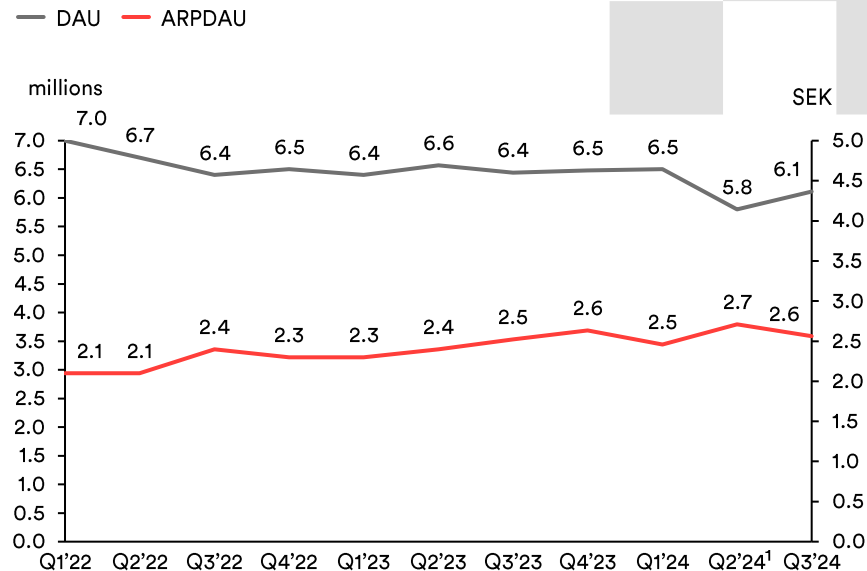


# Localization of successful word games drive DAU growth

## Revenue streams



## User development

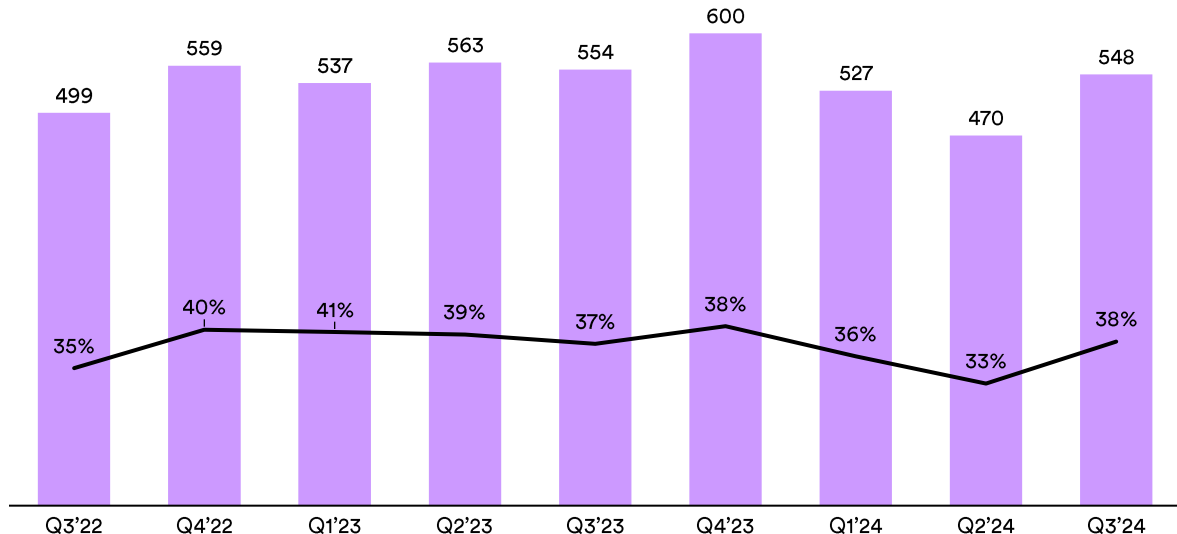


1) Q2'24 DAU levels affected by the divestment of Kongregate

# UA up 17% in constant FX from Q2 as we see improving momentum

## UA spend development

UA spend, SEKm



## Comments

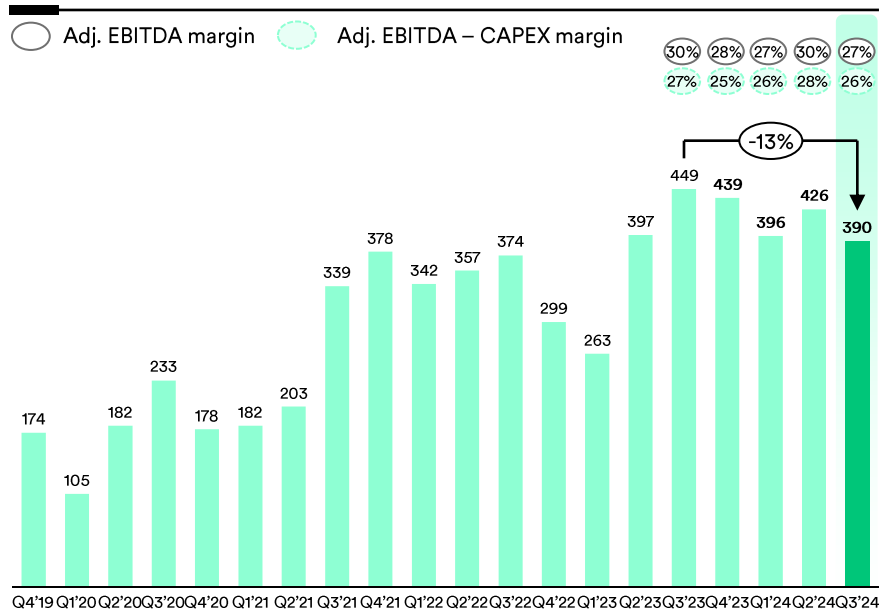
- 38% of revenues spent on user acquisition, LTM 36%
- UA spend up significantly from Q2
- *We maintain ROAS discipline as we begin scaling up UA*



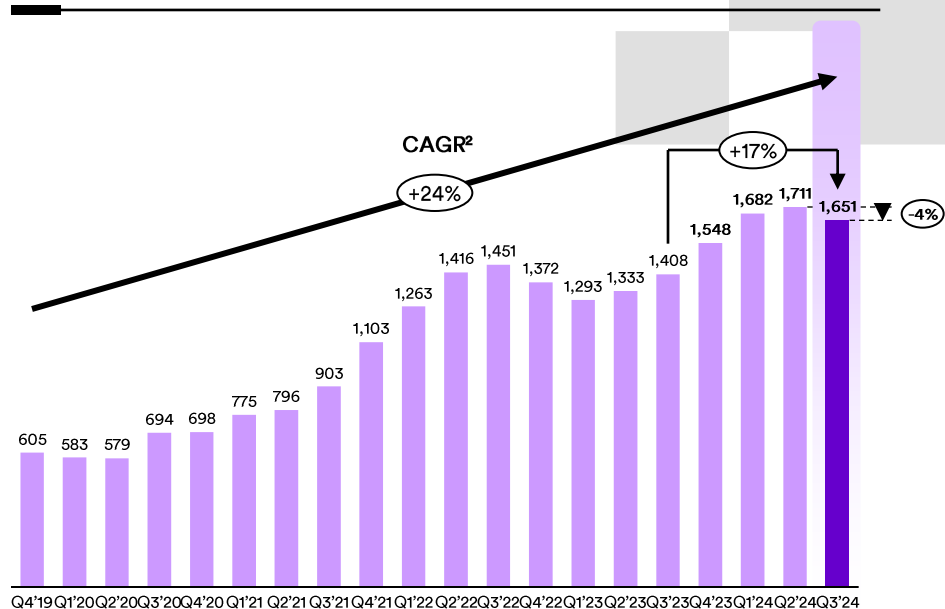


# Strong margin of 27% despite accelerated UA and new game launches

## Reported adj. EBITDA<sup>1</sup>, SEKm



## Reported adj. EBITDA<sup>1</sup>, SEKm LTM



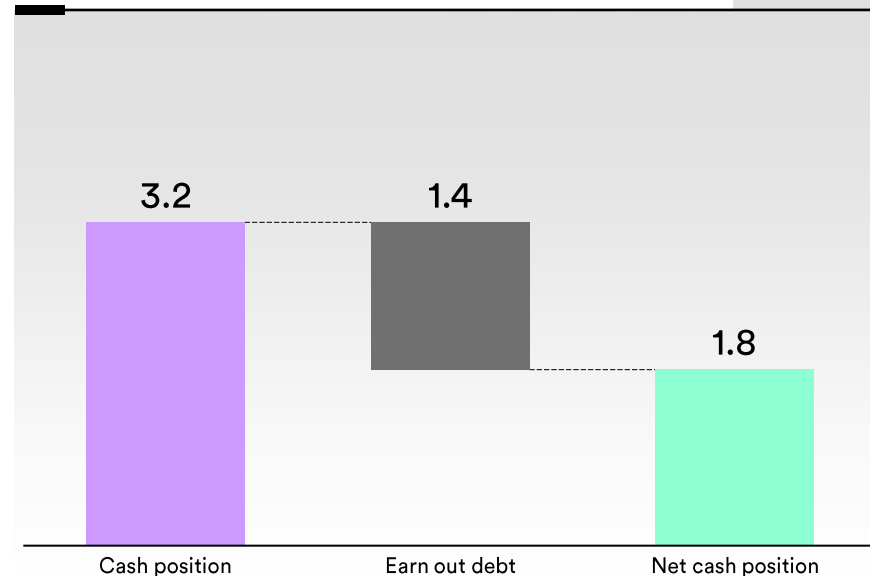
1) Gaming only, 2) Annualized CAGR, time period: 4.75 years

# Healthy cash flows, cash conversion of 70% and strong balance sheet

## Group cash flow statement, SEKm

	Q3'24	LTM Q3'24
Cash flow from operations <sup>1</sup>	420	1,635
Taxes paid	-158	-491
Changes in working capital <sup>2</sup>	84	113
CAPEX	-12	-101
<b>Free cash flow</b>	<b>334</b>	<b>1,156</b>
<b>Adj. EBITDA</b>	<b>390</b>	<b>1,651</b>
<b>LTM Cash conversion rate</b>	<b>N/A</b>	<b>70%</b>
Earnout payment	-	-1,003
<b>Free cash flow after earnout payment</b>	<b>334</b>	<b>153</b>

## Balance sheet, SEKbn



1) Excluding realized FX effects 1 SEKm in Q3'24 and 48 SEKm LTM Q3'24  
 2) Including adj of -32 SEKm for interests Q4'23 between rows in LTM Q3'24

# We continue building for the future and remain confident in our outlook

## Conclusion and outlook

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- Sales up 1% sequentially in constant FX and 27% adjusted EBITDA margin with strong cash conversion
- UA up 17% in constant FX from Q2 as we see improved ability to invest in profitable UA to drive future growth
- Healthy and exciting new games pipeline creates future growth optionality
- **Remain confident in unchanged outlook**
  - 1-5% sales growth on a constant currency basis for the full year
  - Adj. EBITDA margin of 26-29% for the full year
- SEK 400m share buyback program running until April 2025





Q&A

*Heroes of History*