

We craft joy.

# Rovio Entertainment Investor Presentation

August 2023



# Agenda.

1. Rovio overview
2. Mobile gaming market
3. Strategy
4. Games
5. Angry Birds
6. Beacon – Our Growth Platform
7. Financials
8. Investment highlights



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# Rovio overview.

# Our mission.

“  
**We craft joy with player-focused gaming experiences that last for decades.**  
”





# Rovio is a mobile-first games company.

## Games since 2003

Founded in  
**2003**

Publicly listed since  
**2017**

Creator of  
**ANGRY BIRDS™**  
**2009**

## Strong game portfolio

**+50**  
Games published  
since 2009

**8**  
Games in  
live operations

**5**  
Games  
published >  
€100M revenue



Angry Birds 2



Angry Birds  
Dream Blast



Angry Birds  
Friends



Angry Birds  
Pop!



Angry Birds  
Classic

## Large reach

**5.8M**  
Daily active users

**+5B**  
Downloads

**Top 3**  
Publisher in all-time  
downloads

# Strong foundation to build on and become even stronger.



ANGRY BIRDS



RELIABLE GAME  
PORTFOLIO &  
STRONG  
PIPELINE



TALENTED  
TEAMS



BEACON  
GROWTH  
PLATFORM



STRONG  
FINANCIAL  
POSITION



# Strong line-up of studios.

We have grown  
the number of  
studios to 8

Organic and  
inorganic  
expansion

Genre mastery  
with casual focus



## HISTORIC FOOTHOLD



ESPOO  
PUZZLE



STOCKHOLM  
ADVANCED  
CASUAL

## NEW ORGANIC STUDIOS



MONTREAL TORONTO  
X-PLATFORM CASUAL  
GAMING



CASUAL



MONTREAL  
HYBRID-  
CASUAL



BARCELONA  
PUZZLE

## STUDIOS FROM ACQUISITION



COPENHAGEN  
CASUAL RPG



IZMIR  
RUBY GAMES

# Focus on sustainability in three areas.

## Focus areas



Safe & responsible gaming



People & society



Climate & environment

## Way of working

Continuous improvement  
Long-term perspective  
Shared value creation

## Foundation

Rovio strategy

Mission and values

Materiality analysis





We support various good causes through donations, programs and in-game activities.

unicef  | for every child



staff for 



ONE SPECIAL DAY 



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# Mobile gaming market.



# Gaming is mainstream entertainment.

Gaming is larger than video streaming (e.g., Netflix), box office and recorded music combined

GLOBAL REVENUE BY ENTERTAINMENT MARKET IN 2021 (USD)

**\$193B**



Gaming

**\$127B**

59

Video  
streaming

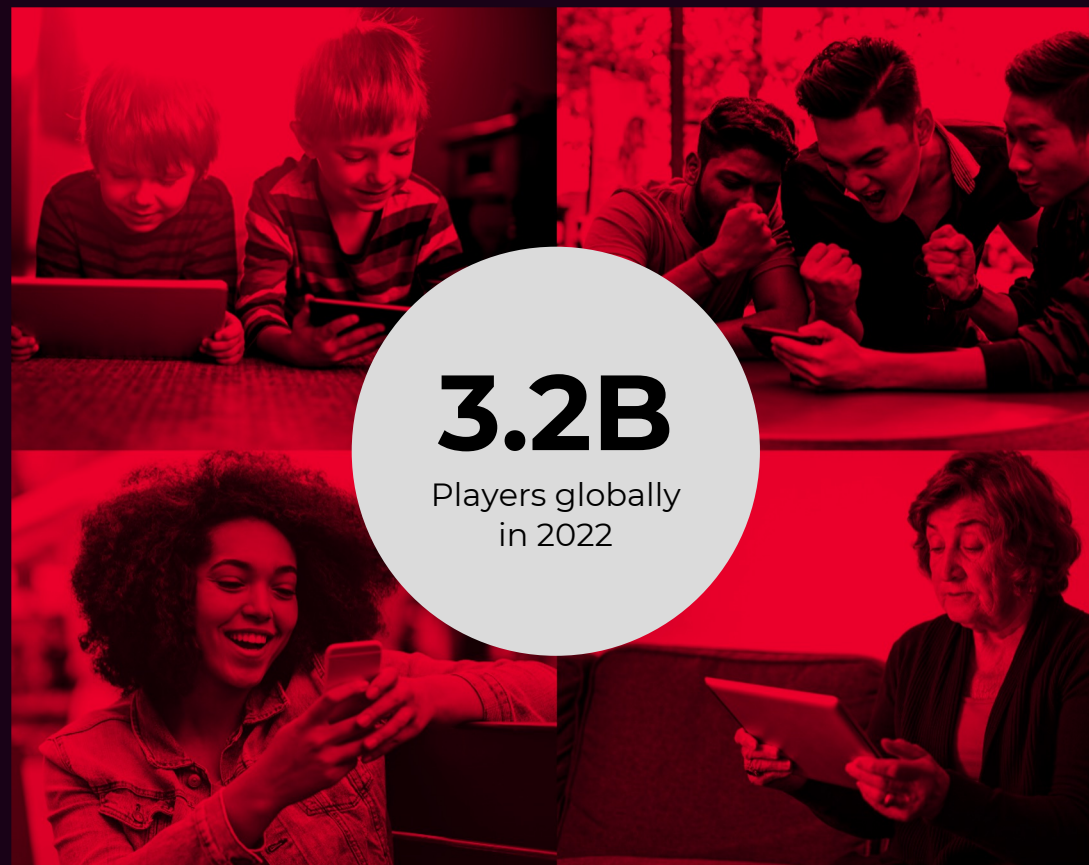
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Film box  
office<sup>1</sup>

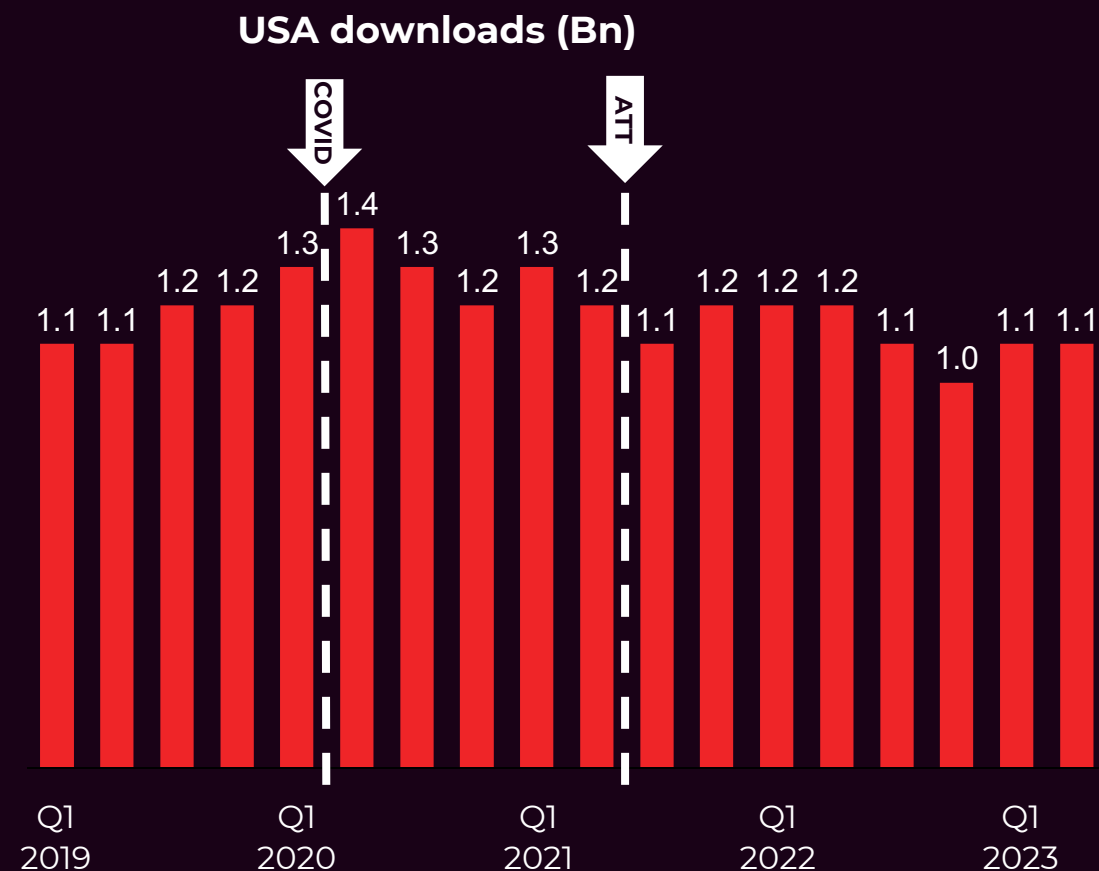
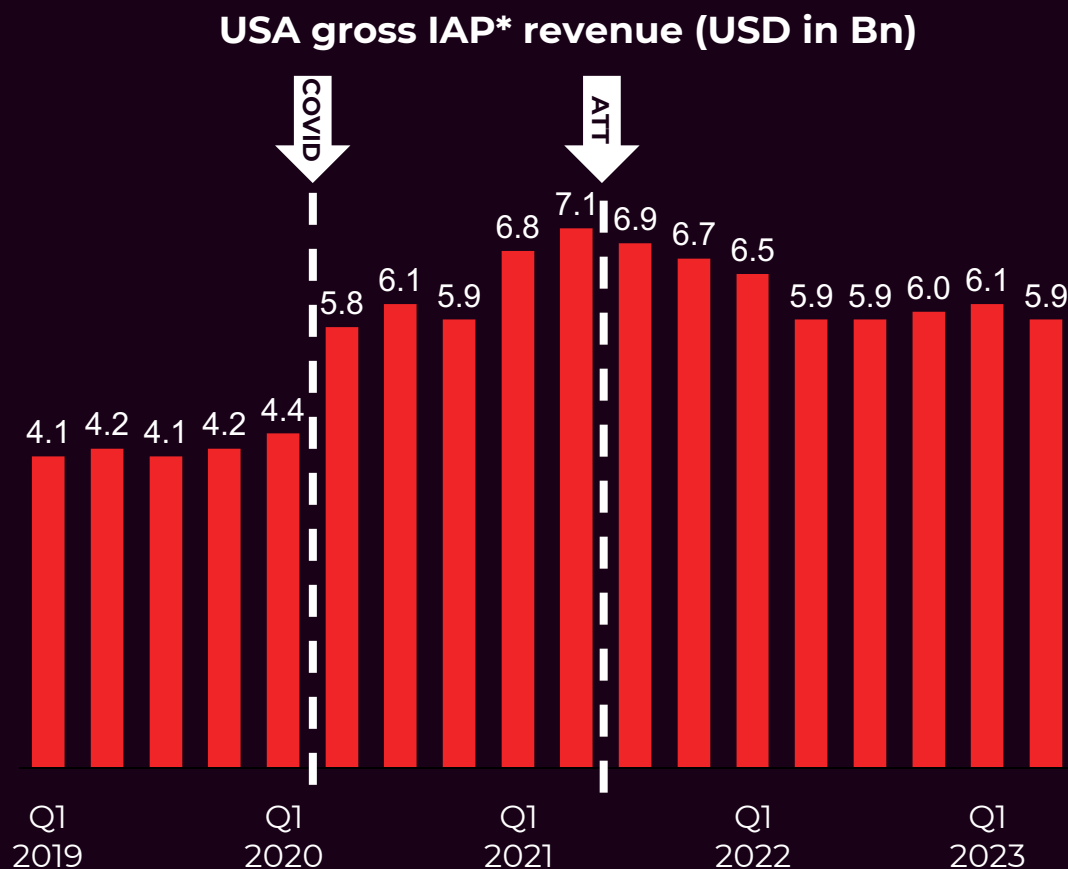
26

Recorded  
music

Today almost everyone plays



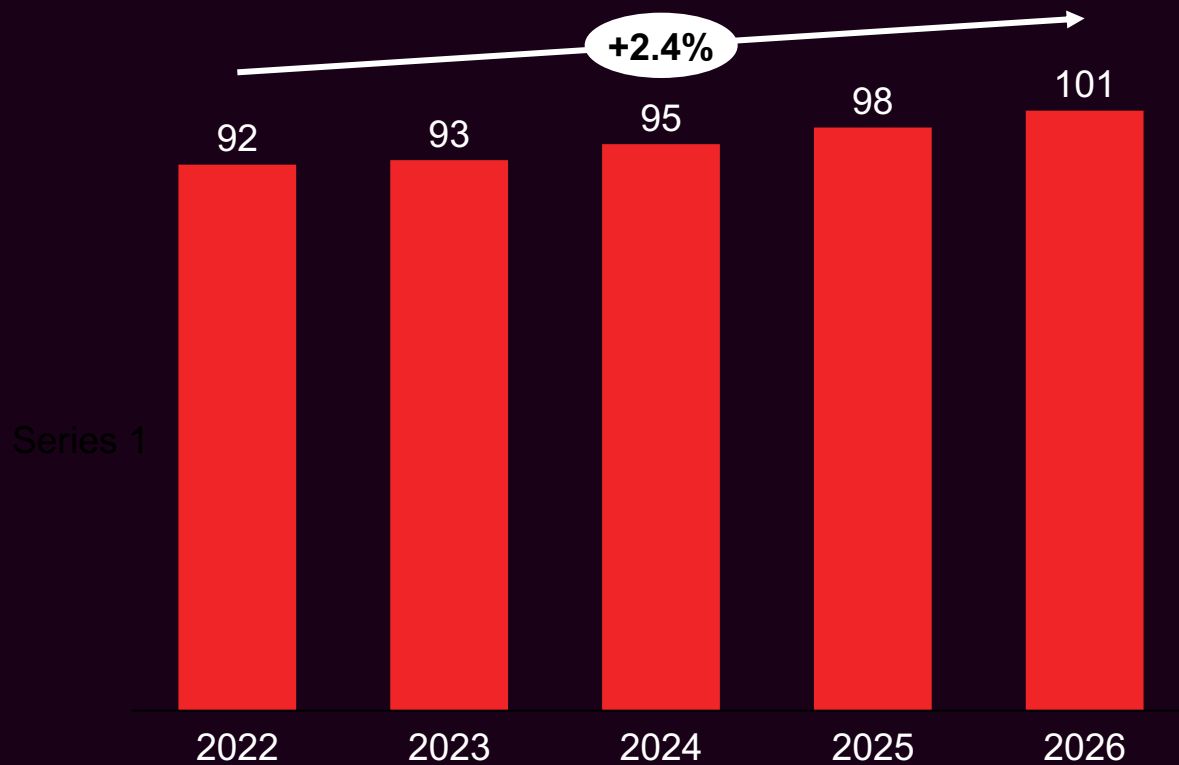
# Short-term market forces are causing some headwinds to mobile gaming...





...but in long-term, mobile gaming market is highly attractive for a world-class content developer – Rovio.

Global mobile gaming market growth estimate (USD in Bn)



Newzoo Global Mobile Market Report (July 2023)



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# Strategy.

# We have a clear strategic focus...

## BRANDS

- Strengthen the use of Angry Birds
- Develop new IP with potential to become a gaming brand

## AMBITIOUS & INNOVATIVE GAMES

- Only launch games with great potential
- X-platform gaming and exploration of market trends

## CASUAL GAMING

- Leverage core capabilities & expertise
- Maximize the value of network of users

## BEACON GROWTH PLATFORM

- Technology, data and people to successfully develop, analyze, launch and scale games
- Value for all game teams – organic and acquired



# ...with several growth areas to deliver long-term value.

## Free-to-play mobile

- Double down on top live games
- Launch new successful games
- Leverage stronger network of players
  - Club Red release (loyalty program & online hub)

## M&A

- Focus on free-to-play mobile gaming studios and IPs/brands in line with our strategy
- Real synergetic value created through Beacon

## Cross-platform gaming

- Expand Angry Birds beyond mobile (cross-platform gaming)
- Revenue 2024+

**Long-term  
value creation  
and growth**



# M&A: what we are looking for.

## Three types of targets

1	New IP / brand
2	Established F2P mobile gaming studios
3	Scalable game(s) we could help to grow further

## A good fit with our philosophy of making great games



Genre mastery



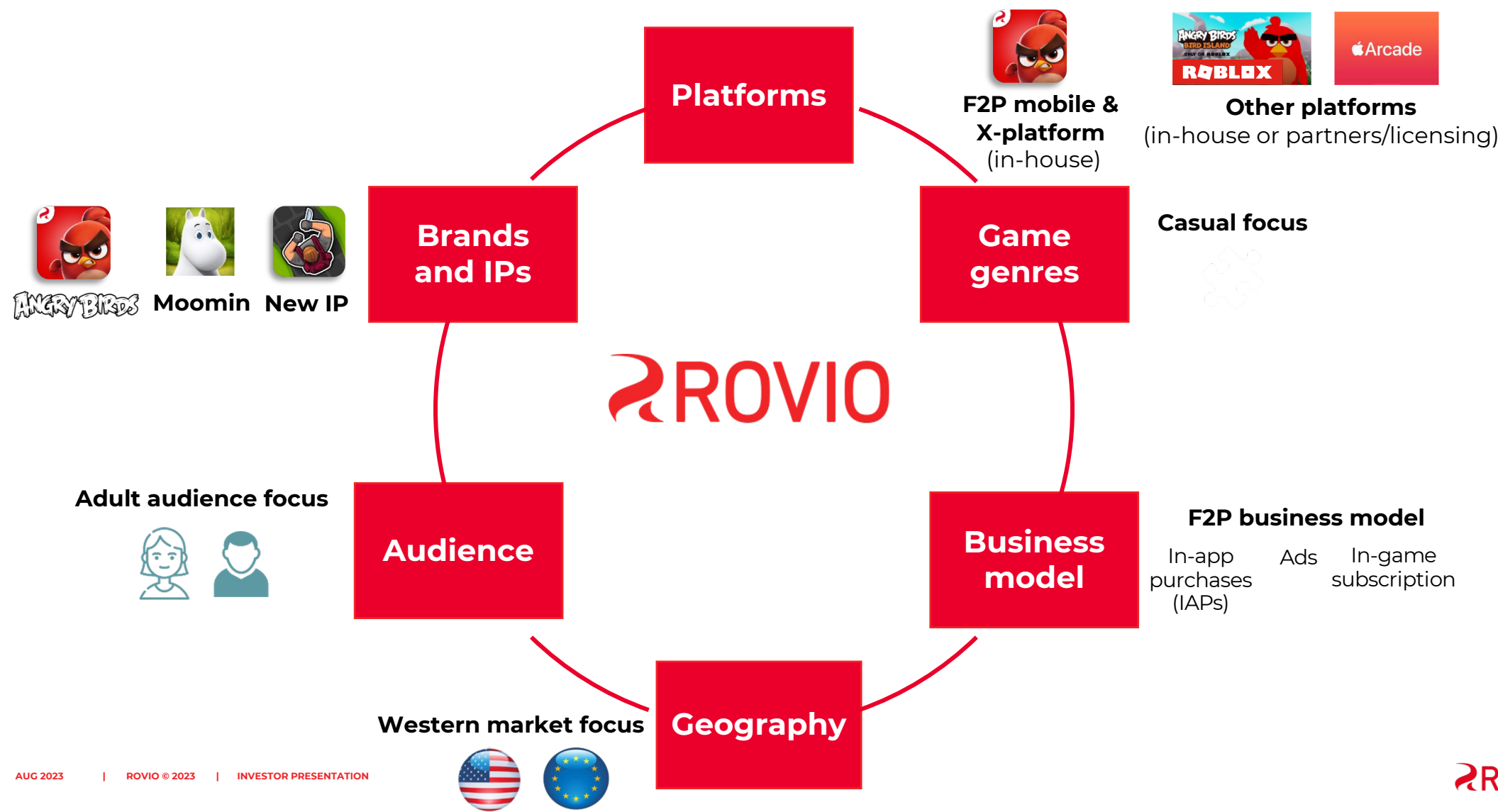
Innovation



Team & cultural fit

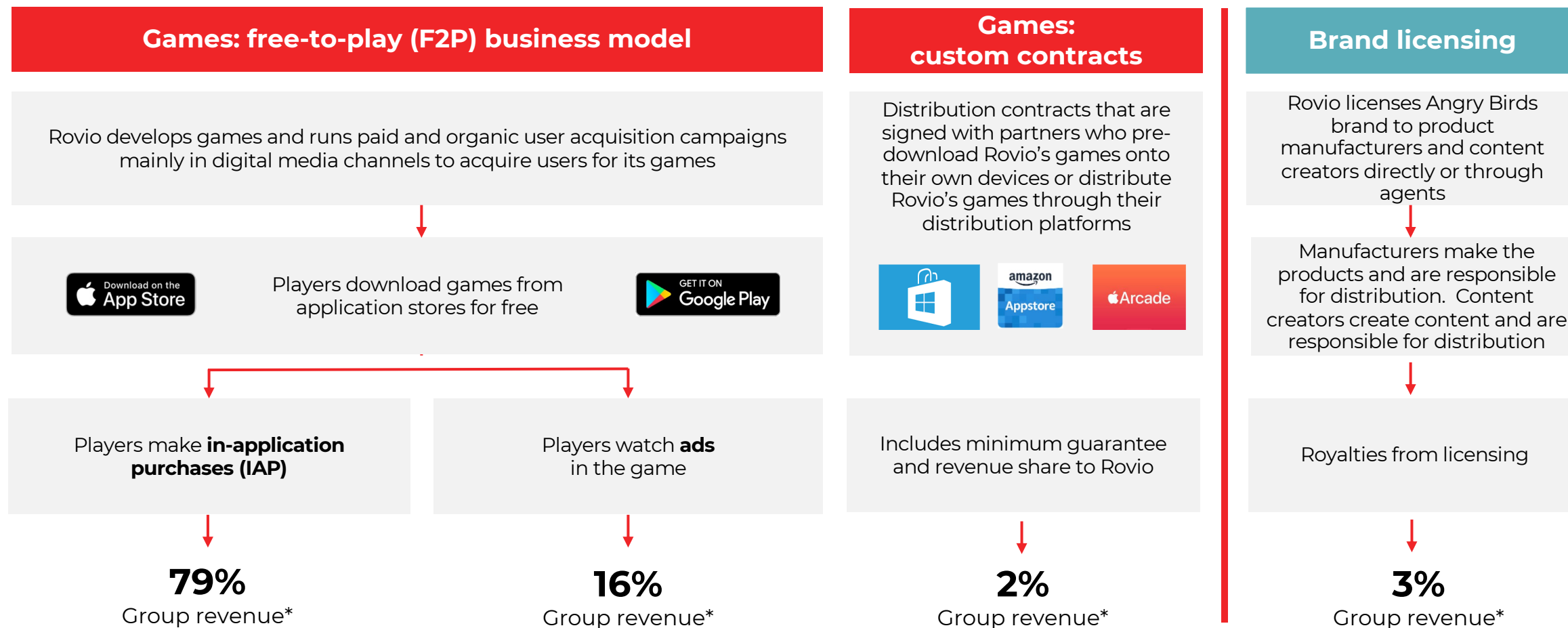


# Our current business position.





# Our business model is mainly based on free-to-play games.



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# Games.

# Game portfolio.

Games with different IPs, genres and phases of life cycle

GROW



Angry Birds Journey



Angry Birds Dream Blast

+ games in soft launch

EARN



Angry Birds 2



Angry Birds Friends



Angry Birds Match



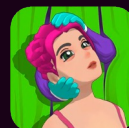
Small Town Murders

CATALOGUE



+ others

HYPERCASUAL

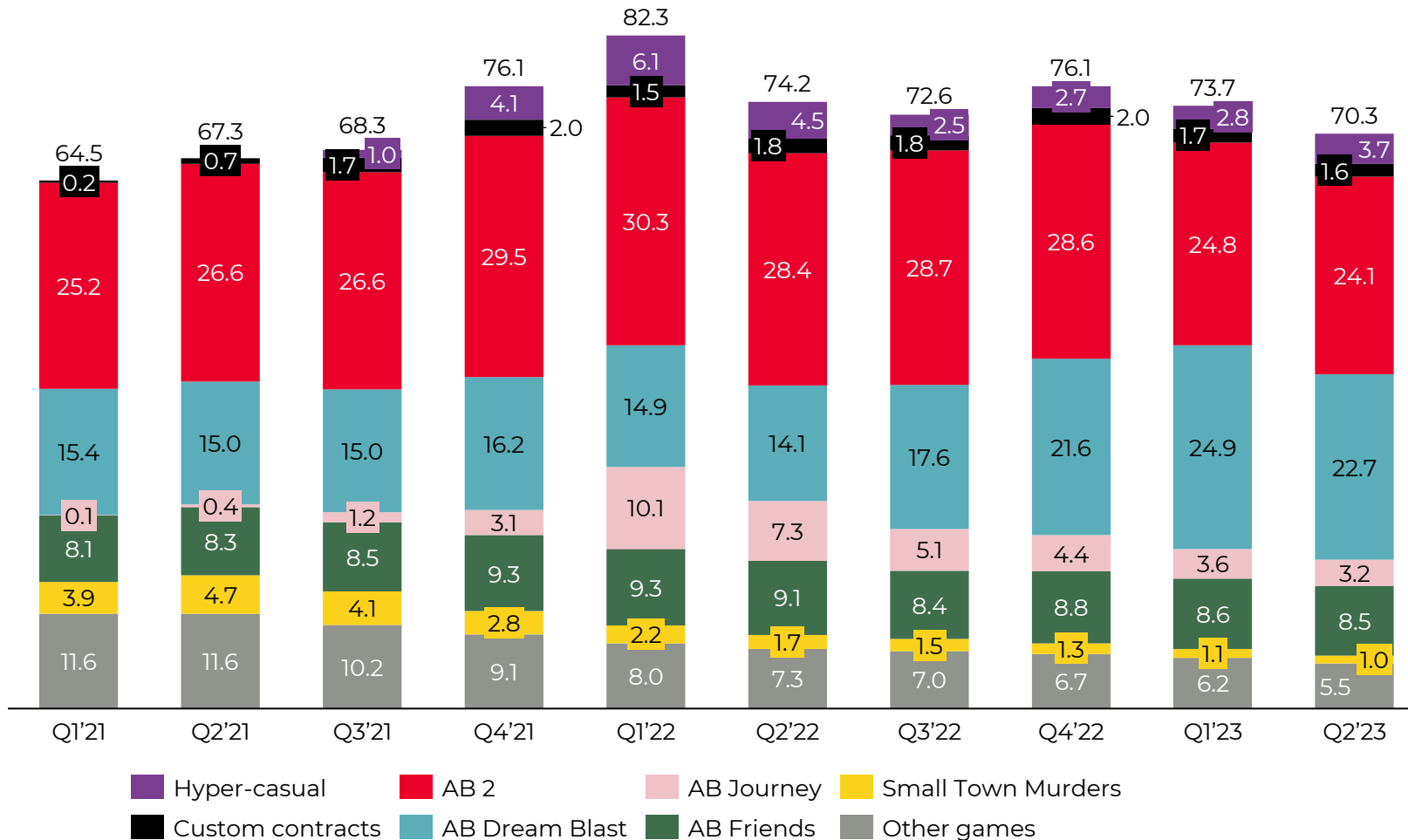


Ruby Games



# Q2'23: Soft quarter on a declining market.

## Games' gross bookings and custom contracts (€M)



- Compared to Q2'22, games' gross bookings declined by 5.1%, driven by Angry Birds 2 and Angry Birds Journey
- Comparable gross bookings declined by 3.5% compared to Q1'23
- Revenue increased in all regions except for North America
- The best quarter for Ruby Games since Q2'22



# New games progressing well: Moomin and Wizard Hero approaching global launch.



**Wizard Hero**

- Good progress has continued after a successful soft launch test with promising results was concluded at the end of April
  - The game is scheduled to be released in Japan later in Q3
  - Global launch is targeted to happen later this year
- Magical hybrid-casual survival game from Ruby Games
  - Promising test results in soft launch
  - The team is adding new content and features and aiming for global launch later this year

# New Angry Birds game coming to Apple Arcade.

# Arcade



- Contract signed with Apple to bring a new Angry Birds game to Apple Arcade
- Game to be developed in Rovio's Toronto Studio
- The second Apple Arcade game for Rovio, the first one being the hit game Angry Birds Reloaded
- Strengthens our position in the Apple Arcade platform and provides additional visibility for the brand

# The Angry Birds universe is expanding.

New animated series coming soon for Prime Video



*Exclusive series with 24 episodes in Season 1*

First ever Angry Birds Café opened in New York in July



*iSwii by Angry Birds Café, Tangram Shopping Mall, New York*



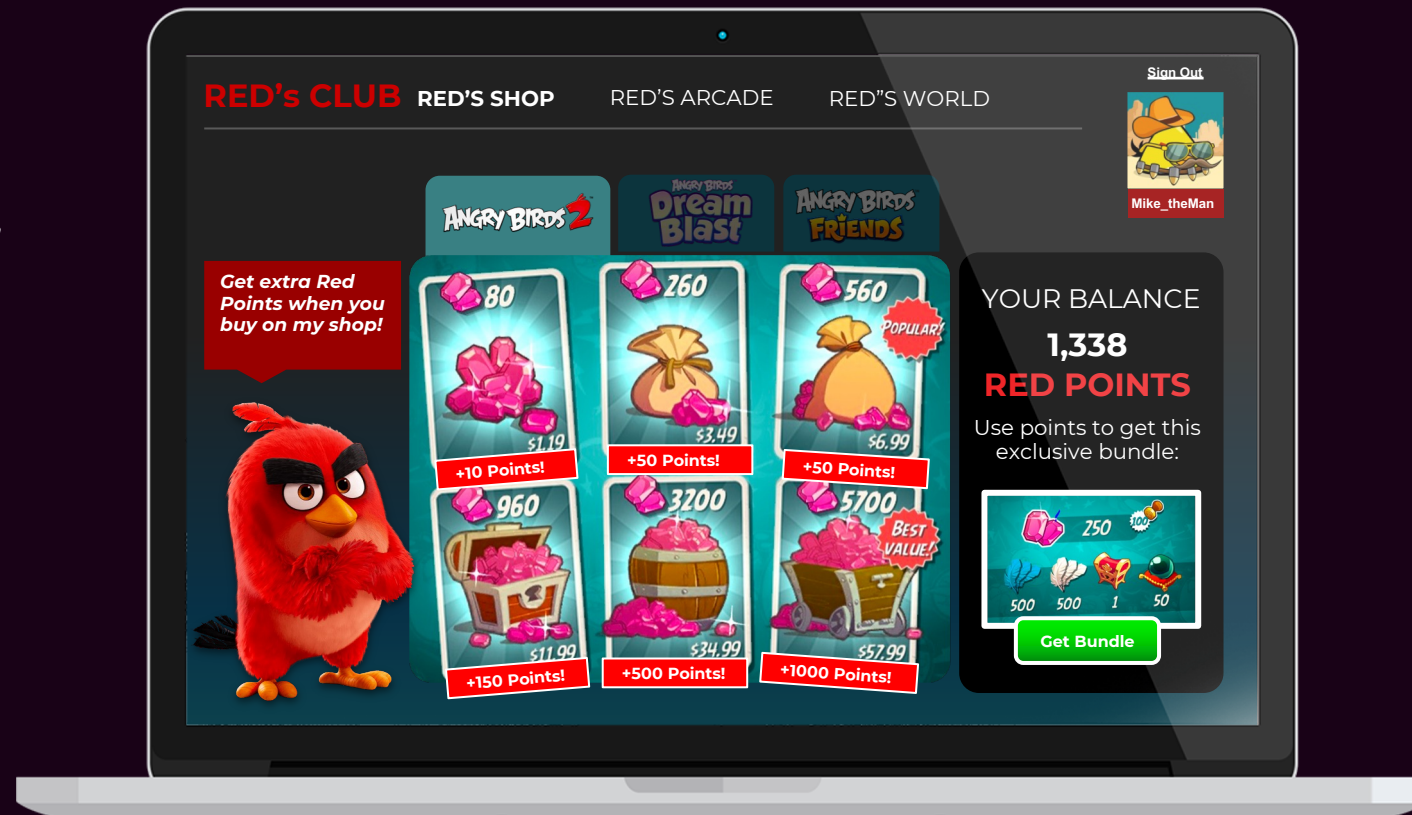
# Red's Club: building a loyalty program and an online hub.

Reward players for loyalty, engagement and spending

Built around a Rovio account: “Red ID”

- Save progress across devices & platforms
- Participate in a loyalty program for rewards
- Web shop
- Play on web

Expected to roll out in 2023



Concept art

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# Angry Birds.

# Angry Birds franchise.

**5B+**

GAME  
DOWNLOADS

**2B+**

CONSUMER  
PRODUCTS  
SOLD

**500M**

MOVIE  
FRANCHISE  
IN USD

**6M**

ANGRY BIRDS  
YOUTUBE  
SUBSCRIBERS

**ANGRY BIRDS**

Angry Birds  
animations

**ANGRY BIRDS 2**



**ANGRY BIRDS**  
RELOADED

09

10

11

12

13

14

15

16

17

18

19

20

21

22

1<sup>st</sup> licensed  
merchandise

1 billion game  
downloads

**THE  
ANGRY BIRDS  
MOVIE**

**THE  
ANGRY BIRDS  
2 MOVIE**

**ANGRY BIRDS  
JOURNEY**  
ROVIO



# Four main touchpoints.



WATCH



LICENSE



ANGRY BIRDS  
RELOADED

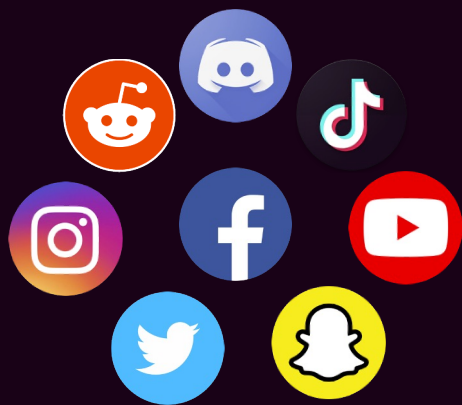
ANGRY BIRDS  
JOURNEY

ANGRY BIRDS 2

ANGRY BIRDS  
Dream  
Blast

ROVIO CLASSICS  
ANGRY BIRDS

PLAY

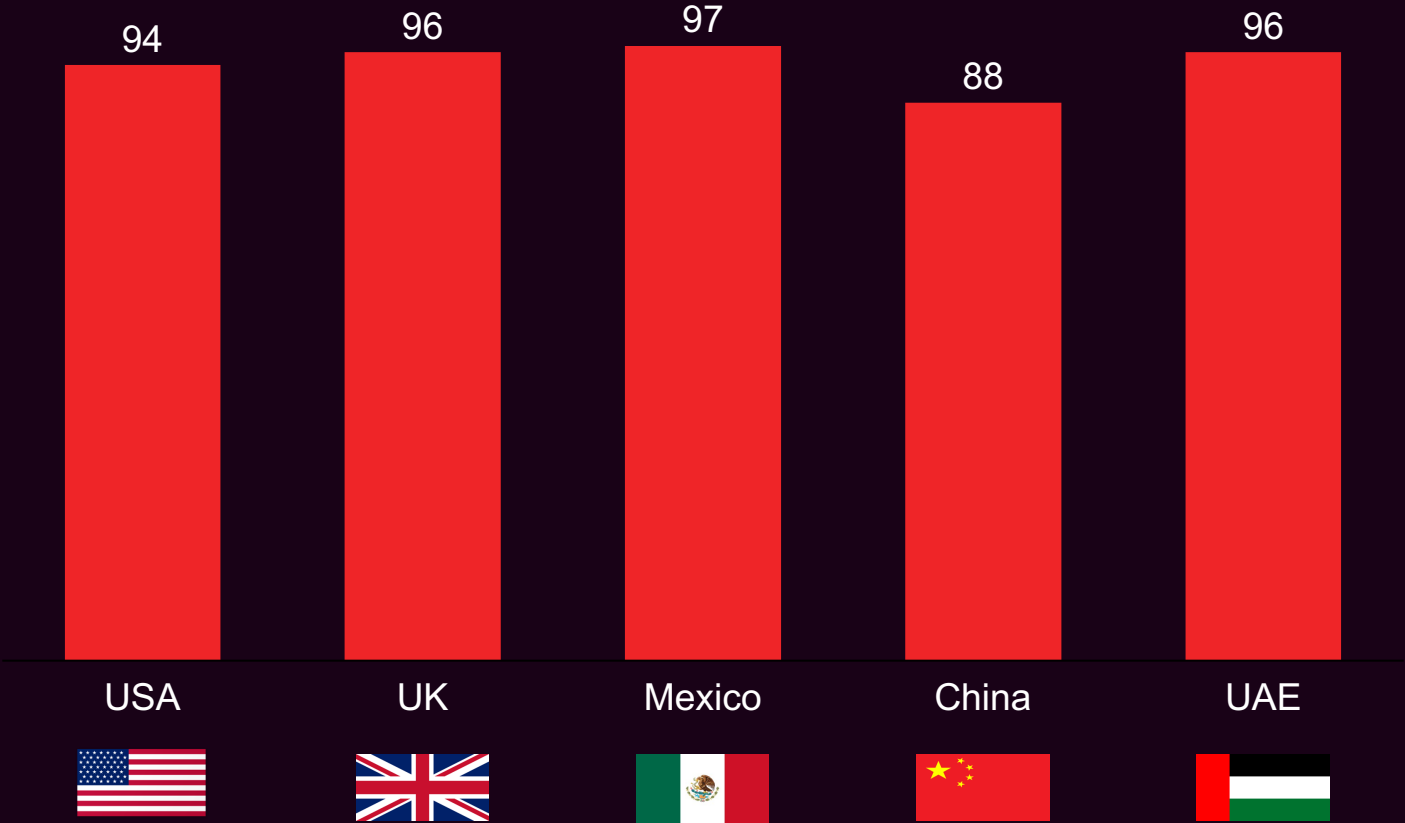


ENGAGE

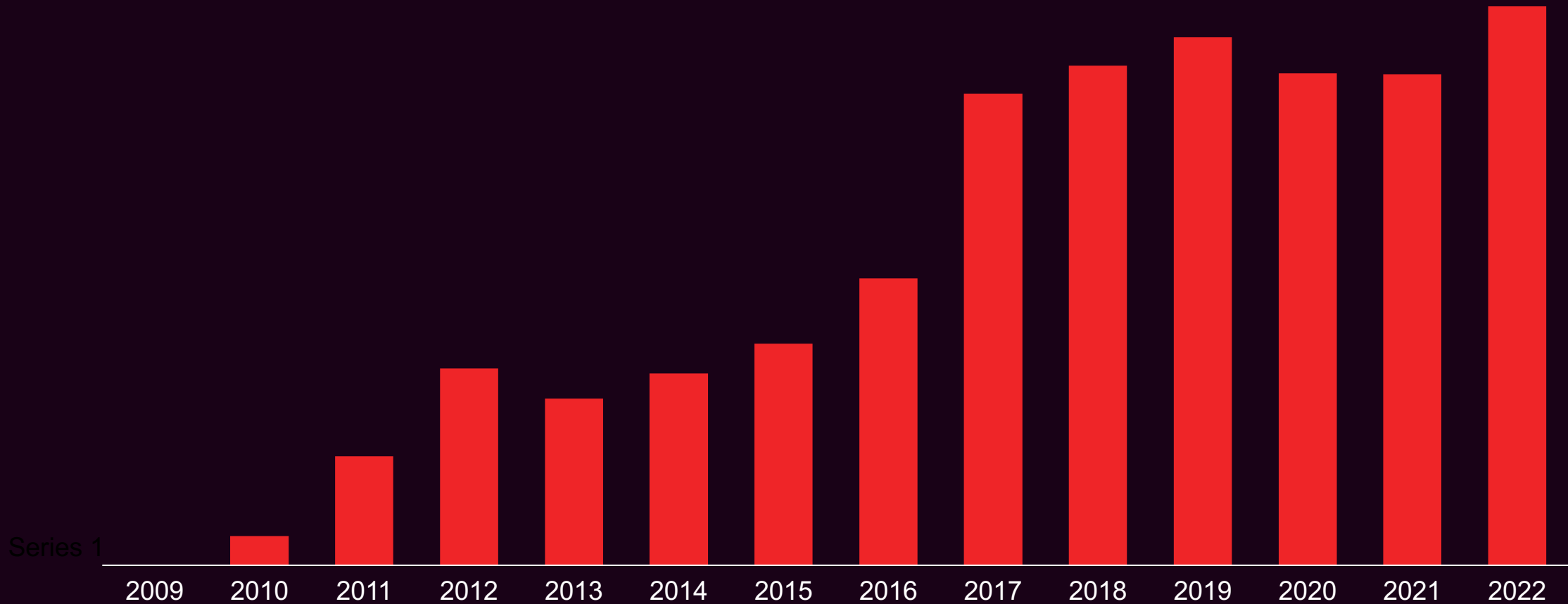


# High brand awareness globally.

% of respondents that recognize Angry Birds



# Never been stronger – growing Angry Birds games' revenues.



# Growth plans across target audiences.

## For Kids

- Continued investment in animated content with top-tier partners
- Focus on quality partnerships like Microsoft/Minecraft to create opportunities for Play

## For Teens

- Strategic focus - create compelling, social and streamable game(s) with a focus on organic and community
- Continue to invest in growing Angry Birds presence on leading social platforms by using Red as “the face of mobile gaming”



## For Adults

- Continue to invest in and grow our successful live games
- Continue to create mass-market friendly quality Angry Birds experiences
- Continue to form mass-market brand partnerships

+ *Red's Club*  
for players and fans  
across audiences

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# Beacon.



# Beacon growth platform.



**HELPING ALL OF OUR  
GAME TEAMS**

**TALENT & KNOW-HOW  
+  
LIVE GAME TECHNOLOGY**

**CLEAR RESULTS POST ATT\***

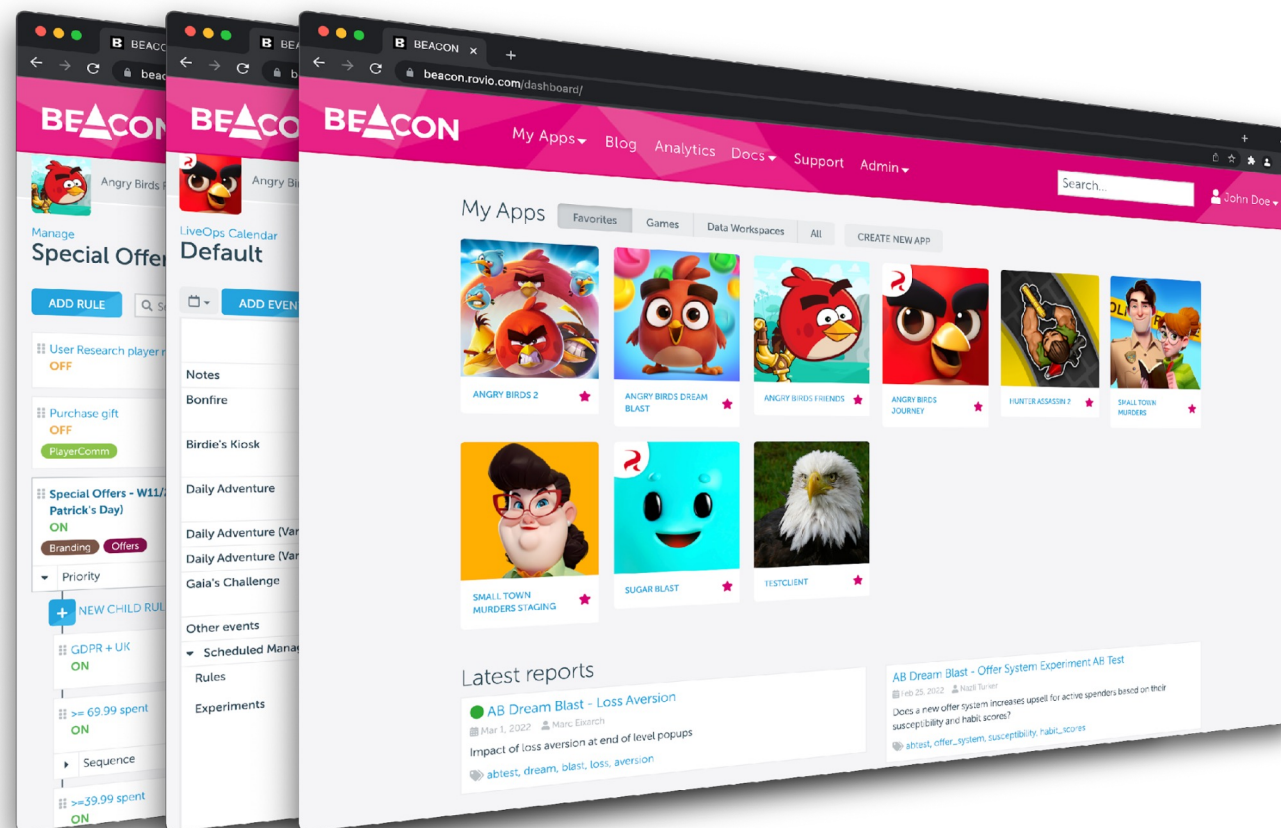
**Over 11 years of work & investments**

# Plug into a full suite of market leading tech to operate, optimize and scale your game.

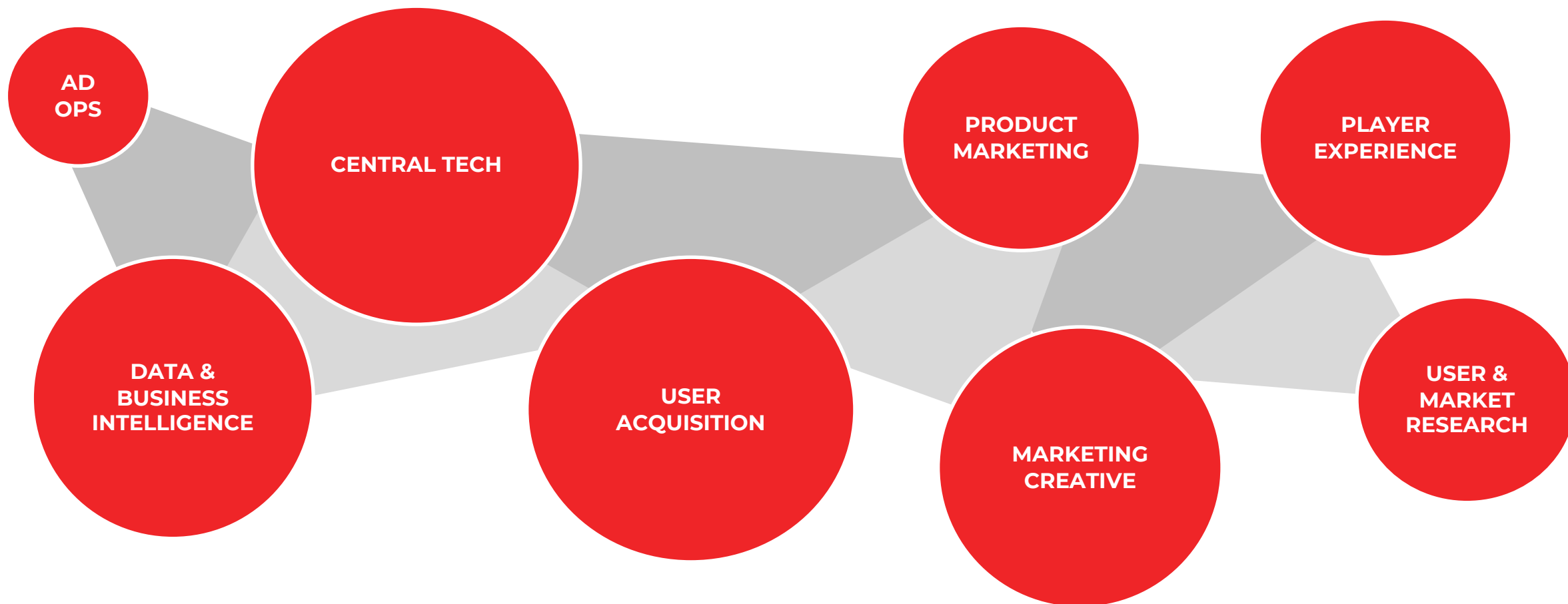
**DATA LAKE**  
**Single Source of Truth**



Player Identity  
Analytics  
Attribution  
AB Testing  
Live Operations  
Payments  
Personalization  
Audience Segmentation  
Ads Mediation  
Cross Promotion  
Push Messaging  
Surveys  
Privacy Framework  
Game Server Infrastructure  
Machine Learning / AI



Rely on close to 100 experienced pros with deep know-how to support your growth.



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# Financials.



# Long-term targets (set in May 2022).

Faster than market revenue growth

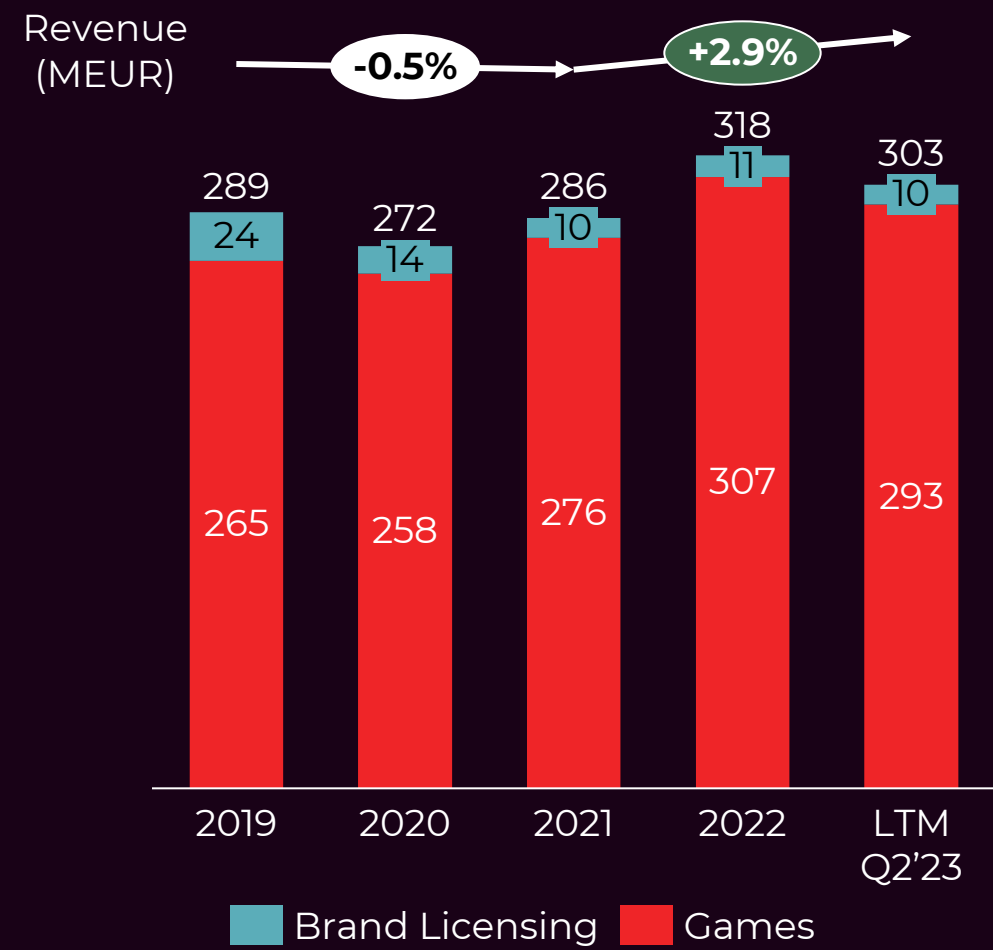
Adjusted EBITDA growth in line with long-term revenue growth

Dividend payout: approximately 30% of adjusted net profit (unchanged)

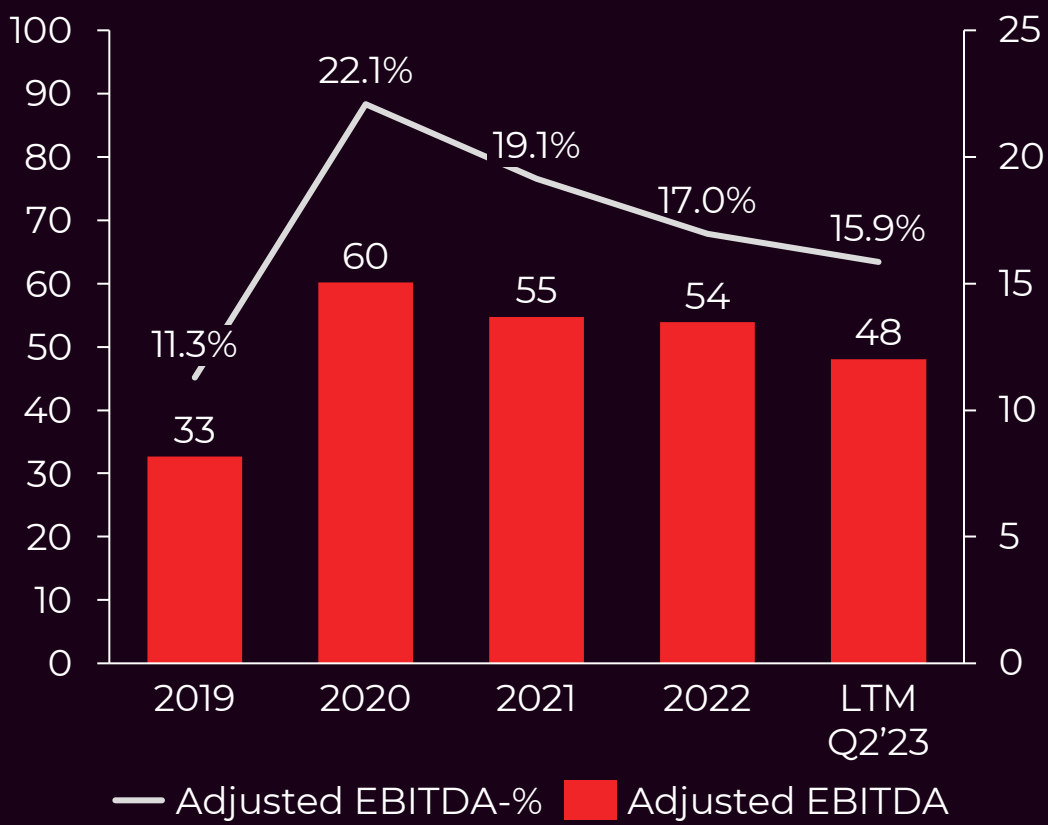


Note: Relevant market for target setting is defined as the Western mobile gaming market.

# Good revenue development in a tough market, solid EBITDA.

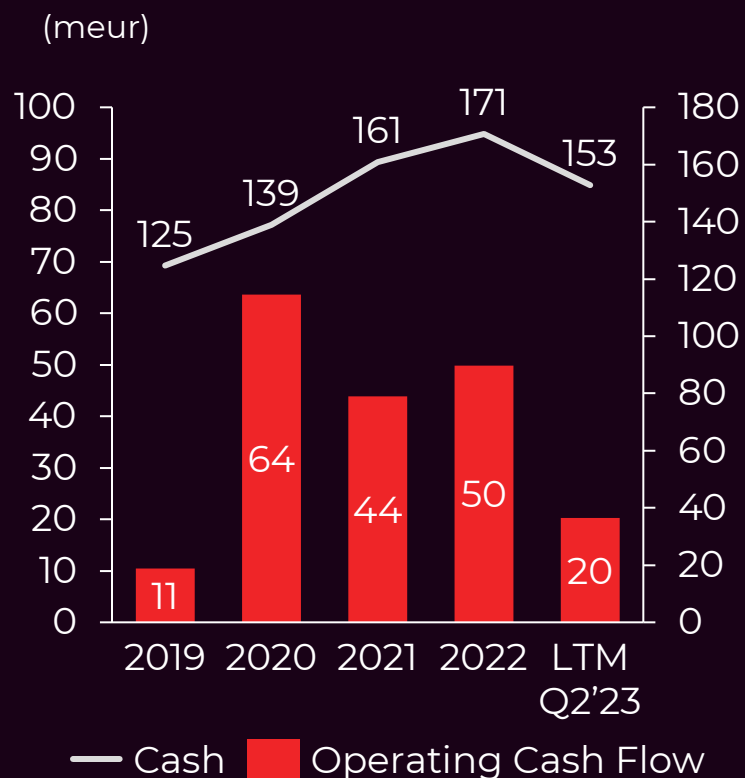


Adjusted EBITDA (MEUR)

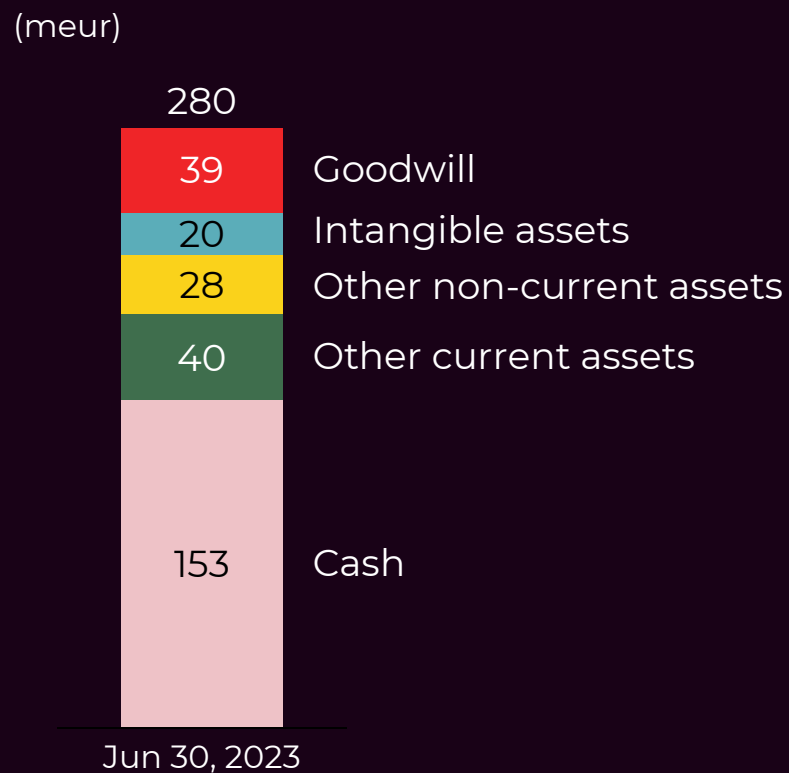


# Strong financial position.

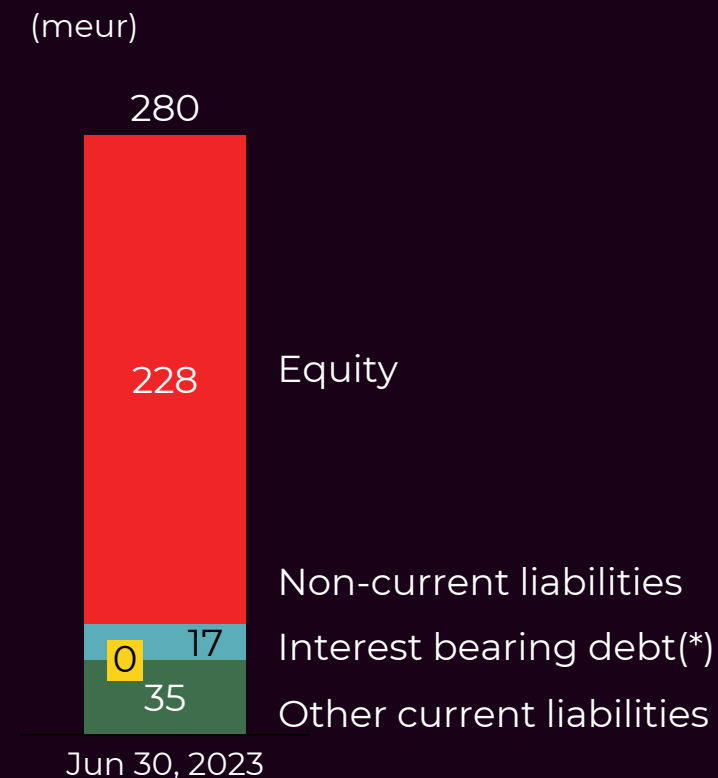
## Strong cash position



## Asset light balance sheet



## Virtually debt free

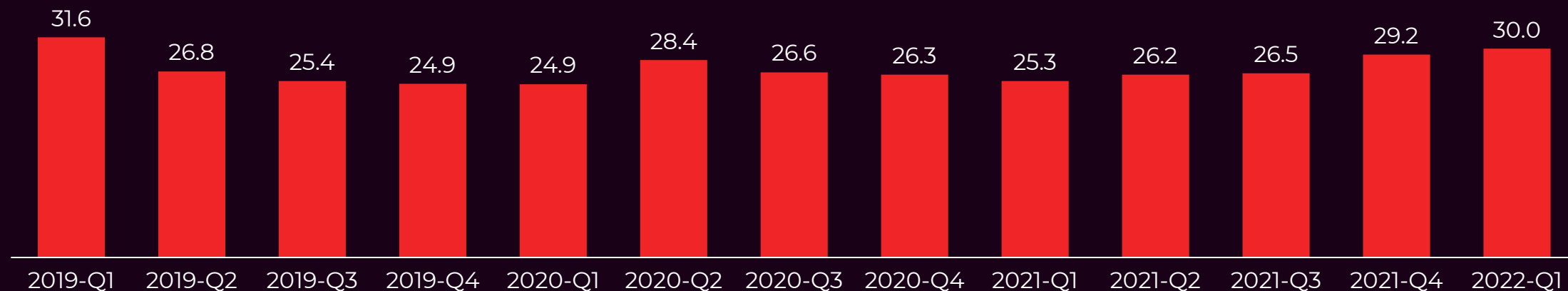


(\*) Total interest-bearing debt EUR 0.1 million

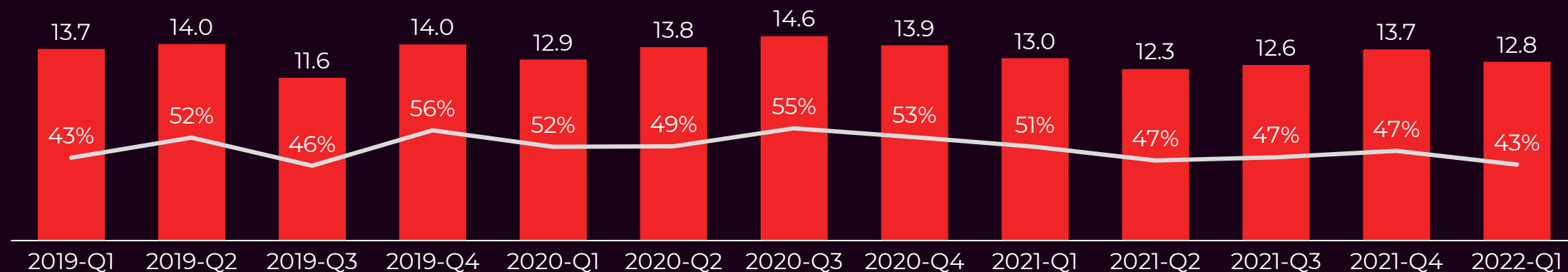
# Our flagship game Angry Birds 2.

Q1-19 to Q1-22: 49% profit margin, 13.3meur profit per quarter. UA cost 21% x revenue.

Revenue (MEUR)



Direct contribution (MEUR) and margin (%)

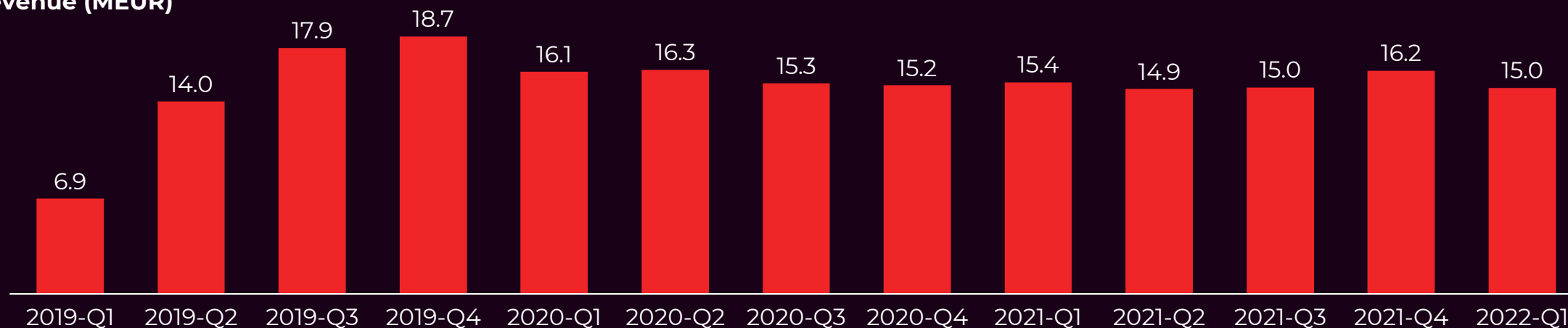




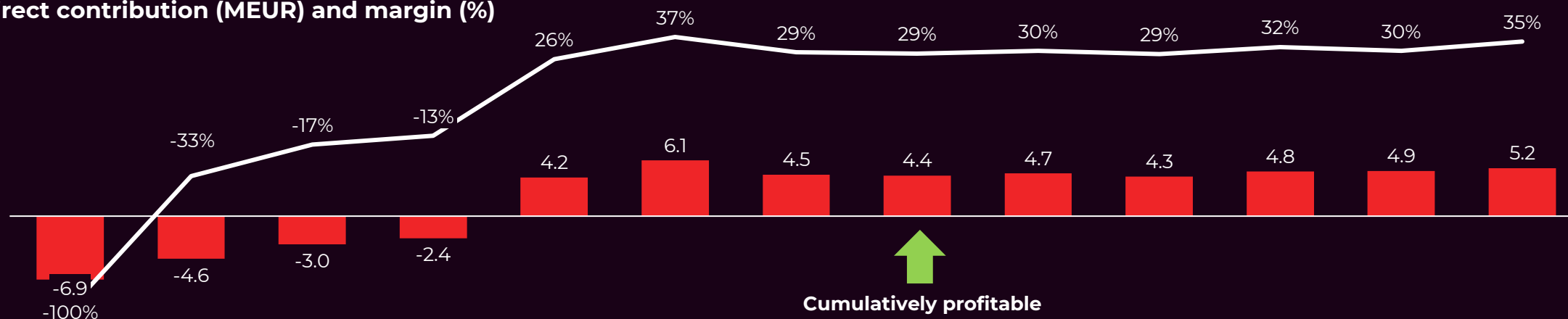
# Another strong title Angry Birds Dream Blast.

Q1-19 to Q1-22: 32% profit margin, 4.9meur profit per quarter. UA cost 36% x revenue.

Revenue (MEUR)



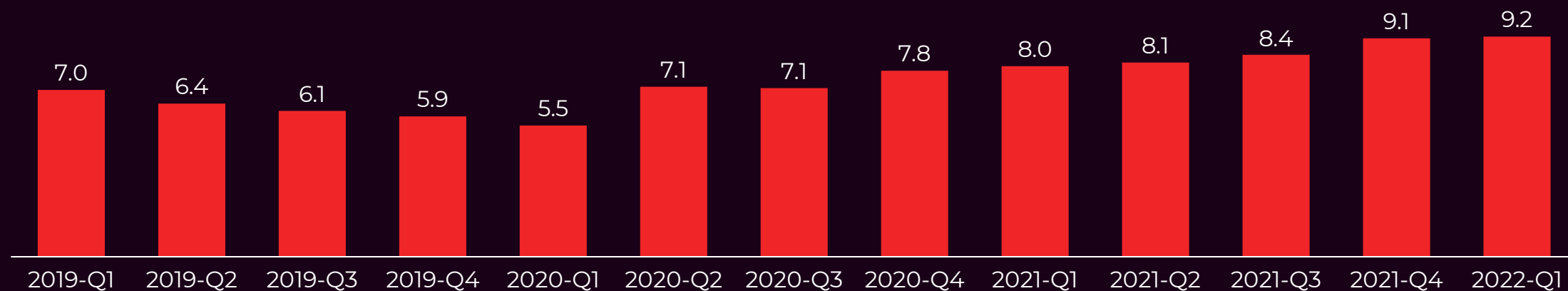
Direct contribution (MEUR) and margin (%)



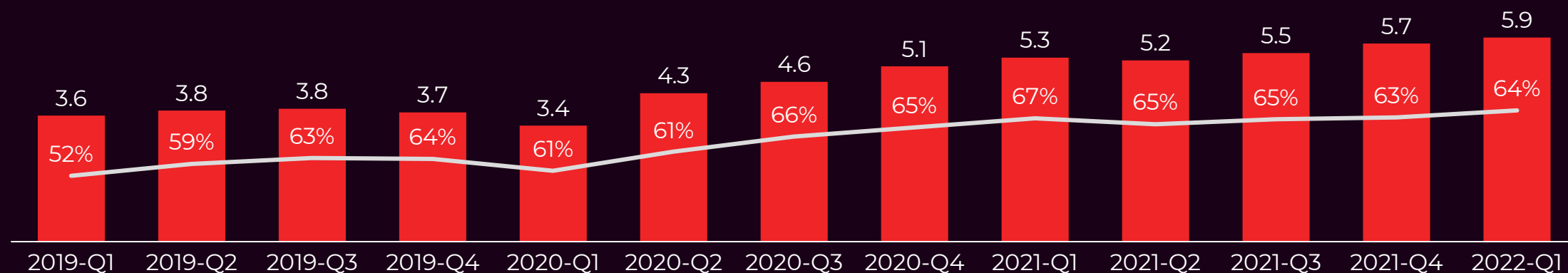
# Our oldest active live game Angry Birds Friends.

Q2-20 to Q1-22: 64% profit margin, 5.2meur profit per quarter, no UA cost.

## Revenue (MEUR)



## Direct contribution (MEUR) and margin (%)



# Outlook for 2023.

We expect our comparable revenue and adjusted operating profit to be at last year's level.

## **Additional information on user acquisition investments in Q3 2023:**

User acquisition investments in Q3 2023 are expected to be 25–30% of games' revenues.

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# Investment highlights.



# Investment highlights.

1. Angry Birds' world class brand awareness since 2009. Our cradle-to-grave strategy with highly targeted products brings in new players of all ages.
2. Our game portfolio is strong and reliable, with various games creating engagement for years to come.
3. Rovians are passionate game creators with a consistent track record for creating top grossing games.
4. We have invested for over a decade in Beacon, a powerful growth platform enabling synergies across our studios – organic or acquired.
5. Our strong balance sheet and operating cash flow allow investments for future growth.



# IR contacts.

## Please contact our Investor Relations:

Timo Rahkonen  
VP, IR & Corporate Strategy  
[timo.rahkonen@rovio.com](mailto:timo.rahkonen@rovio.com)  
+358 40 730 3442

Emilia Rantala  
Senior Investor Relations Manager  
[emilia.rantala@rovio.com](mailto:emilia.rantala@rovio.com)  
+358 40 731 4607

[RovioIR@rovio.com](mailto:RovioIR@rovio.com), <https://investors.rovio.com/>



