

We craft joy.

Rovio Entertainment

H1 2022
Earnings Call Presentation

August 11, 2022



Today's speakers



René Lindell
CFO



Alex Pelletier-Normand
CEO



Timo Rahkonen
VP, IR & Corporate Strategy



Dial in information:

PIN: 19635962#

- Finland: +358 981 710 310
- Sweden: +46 856 642 651
- United Kingdom: +44 3333 000 804
- United States: +1 6319 131 422

Q2'22 Highlights.

- **Good performance in a declining market:** Group revenue EUR 78.4 million, +14.0% y-o-y (-1.1% comparable)
 - Market headwinds continued in mobile gaming market in Q2: global market excluding China estimated to have declined by -16.1% y-o-y and the US market by -18.8% y-o-y according to data.ai
- **Good profitability:** Group adjusted operating profit margin 14.3%
- **Games gross bookings:** EUR 72.4 million, +8.8% y-o-y (-6.5% comparable)
- **Good performance of top games:** Angry Birds 2 +6.9% y-o-y, Angry Birds Friends +10.0% y-o-y.
- **Ruby Games:** gross bookings EUR 4.5 million, +23.0% pro forma growth
- **Angry Birds Minecraft DLC** released in May, **Angry Birds Summer Madness Season 2** released in June
- **Updated long-term financial targets, growth strategy and Beacon presented** in [Capital Markets Day](#) in May
- **Rovio is now carbon neutral for 2021 emissions**

ANGRY BIRDS™
**SUMMER
MADNESS**

SEASON 2



NOW
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Andy Muesse appointed Head of Studios in June.

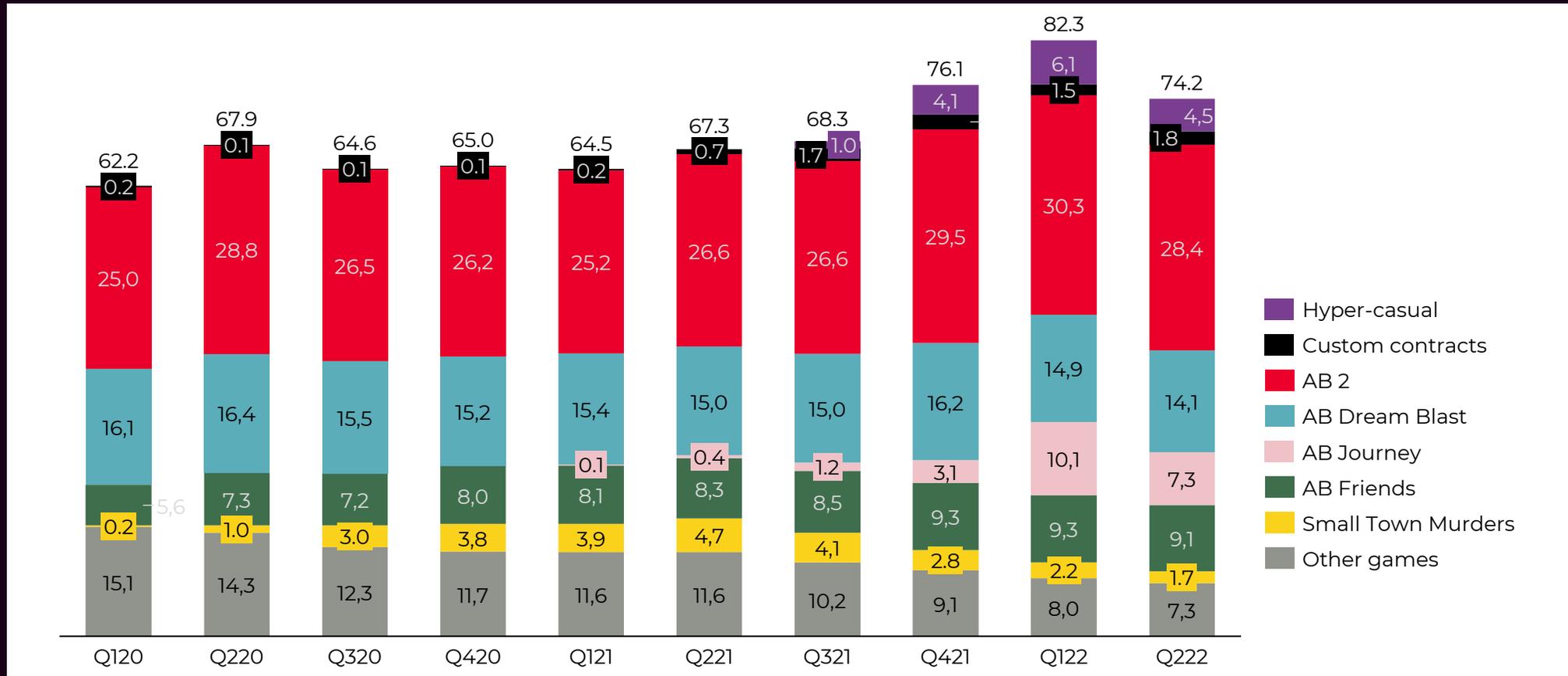
- Andy joined Rovio in 2020
- Previously headed up the Rovio Stockholm studio, leading a 80-person team responsible for Angry Birds 2 and new development projects
- All Rovio game studios in Finland, Sweden, Denmark and Canada report to the Head of Studios
- Andy also became a member of our Leadership team
- Andy's deep understanding of the product, knowledge of the market and strategic thinking will help our studios thrive



Q2'22: Good performance in a declining market

Good performance in AB 2, AB Friends and Ruby (Hyper-casual), AB Journey lower vs. launch months

GAMES GROSS BOOKINGS AND CUSTOM CONTRACTS (EUR MILLION)



Emerging titles: two games in soft launch.



Moomin: Puzzle & Design

Casual Puzzle & Decorate game based on Moomin IP

- Successful marketing test in Japan in June



Hunter Assassin 2

First hybrid-casual game from Ruby

- Testing real-time multiplayer mode

Capital Markets Day organized in May.

Updated long-term financial targets announced and long-term strategy and Beacon presented

Updated long-term financial targets

1. Faster than market revenue growth
2. Adjusted EBITDA growth in line with long-term revenue growth
3. Dividend payout: approximately 30% of adjusted net profit



Strategy



Growth drivers

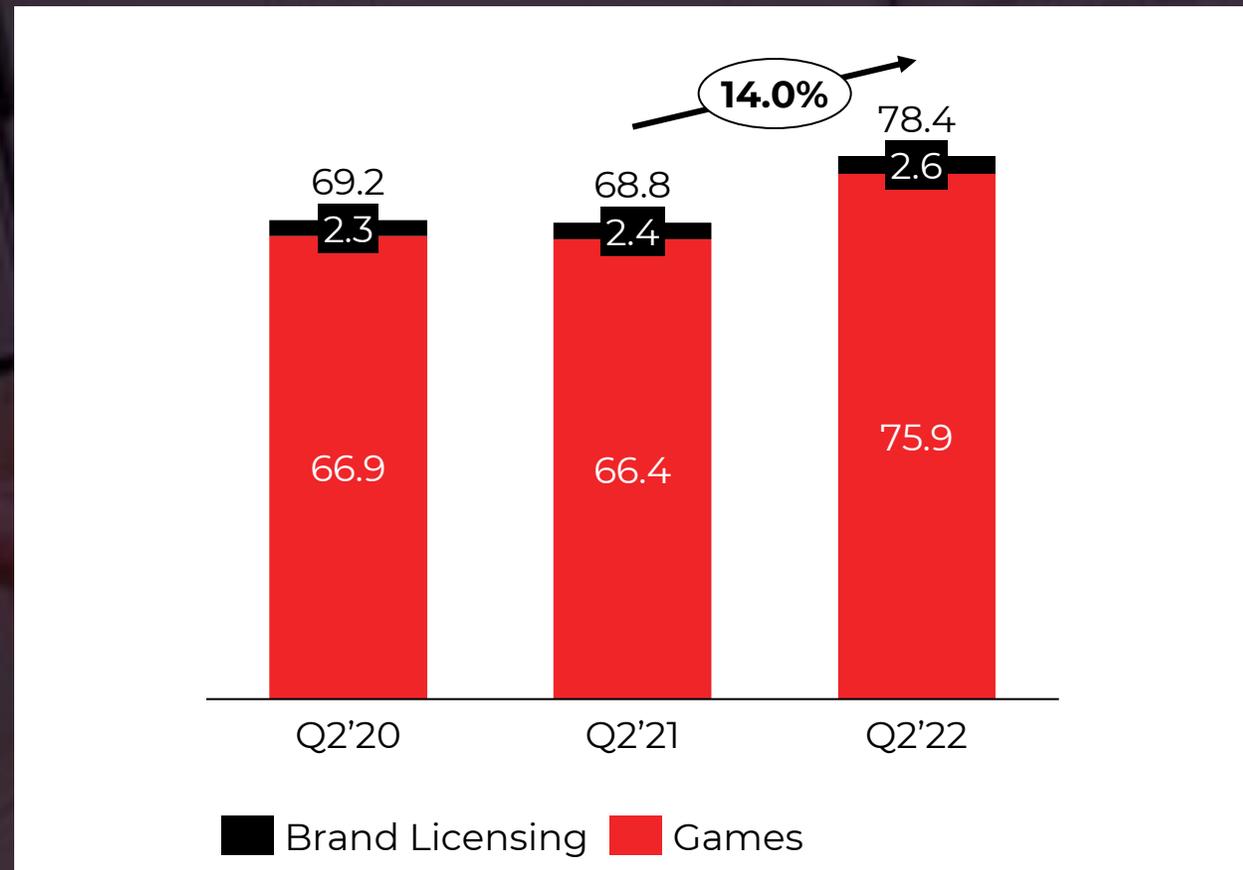


We craft joy.

Q2'22 Financials

Q2'22: Group revenue grew 14.0% and declined -1.1% on a comparable basis

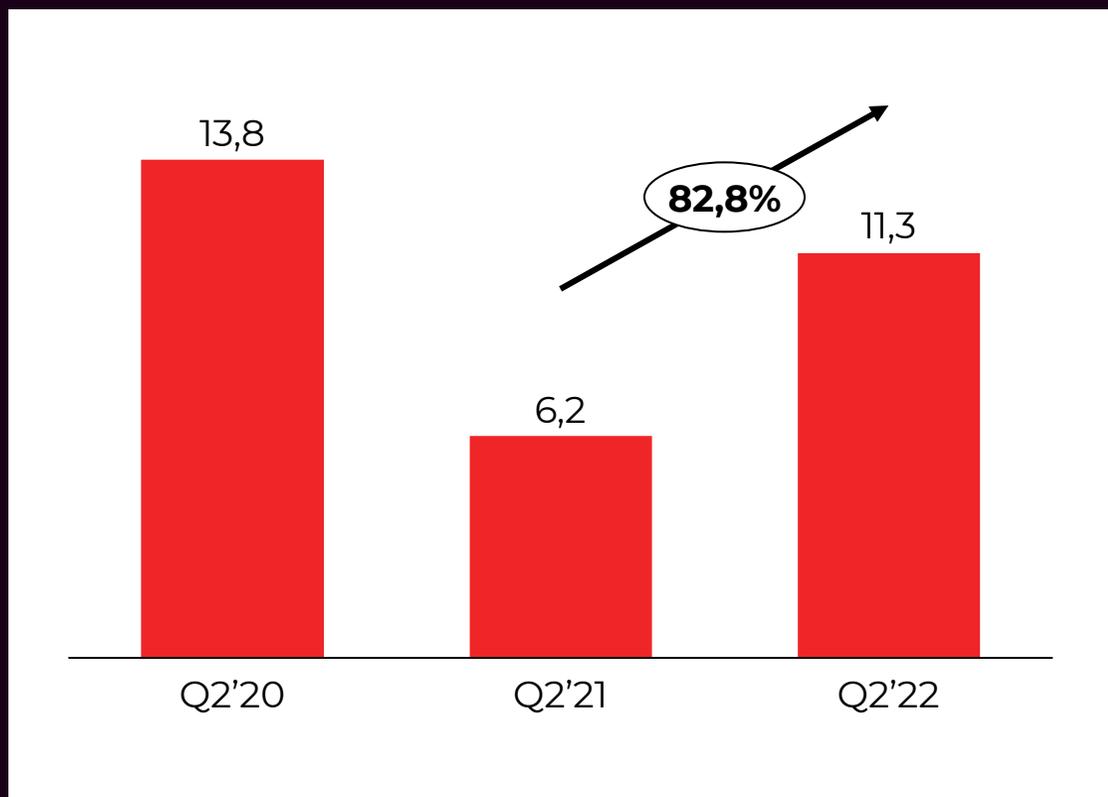
REVENUE (EUR MILLION)



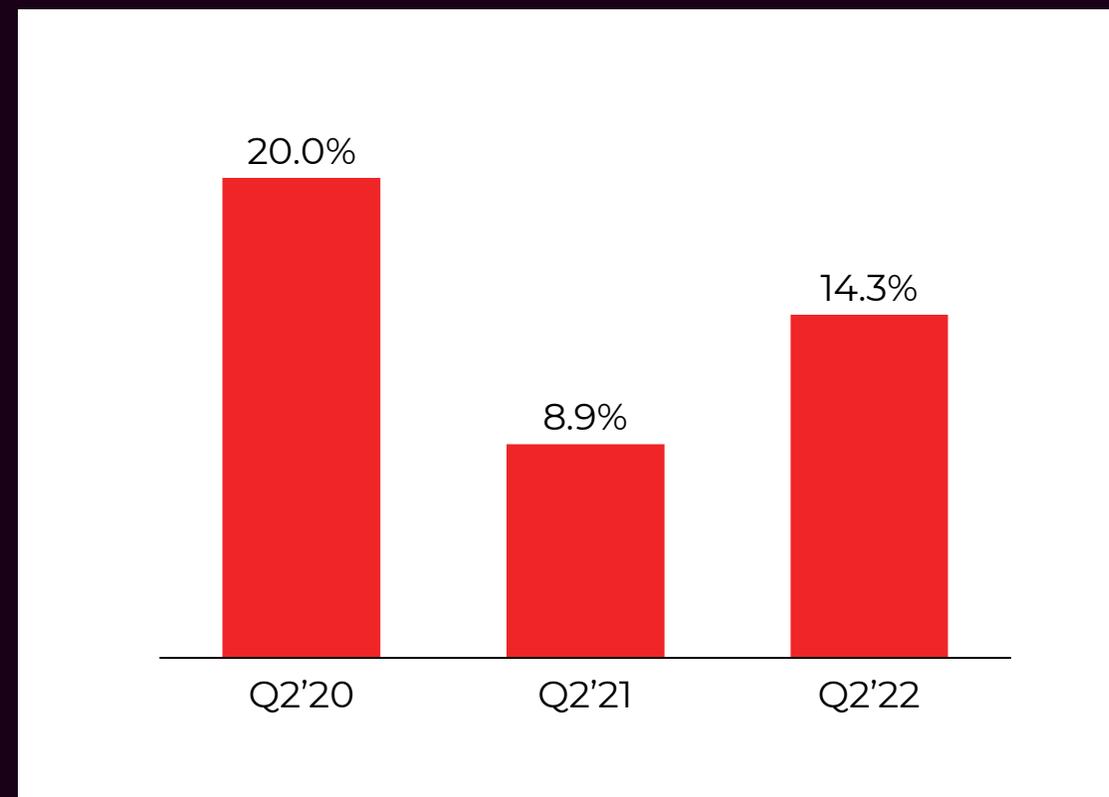
Q2'22: Adjusted operating profit improved.

Higher revenues and lower relative UA spend drove profit margin expansion

ADJUSTED OPERATING PROFIT(EUR MILLION) (*)



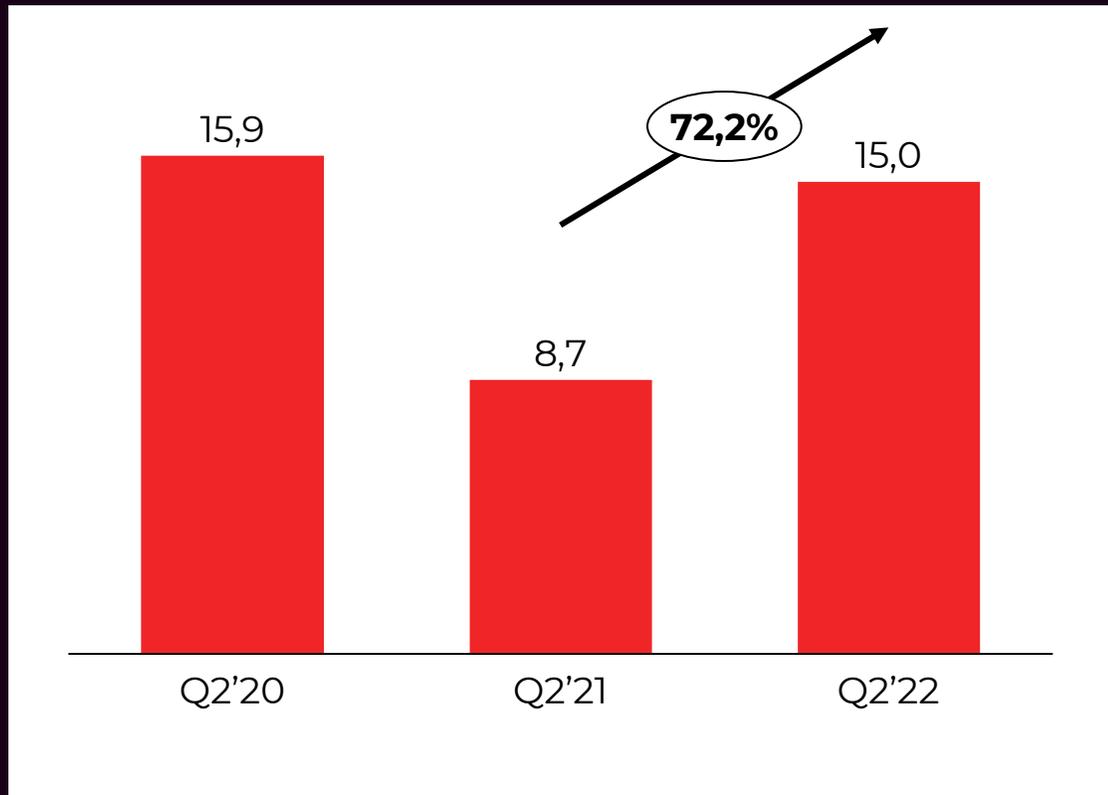
ADJUSTED OPERATING PROFIT MARGIN (%)



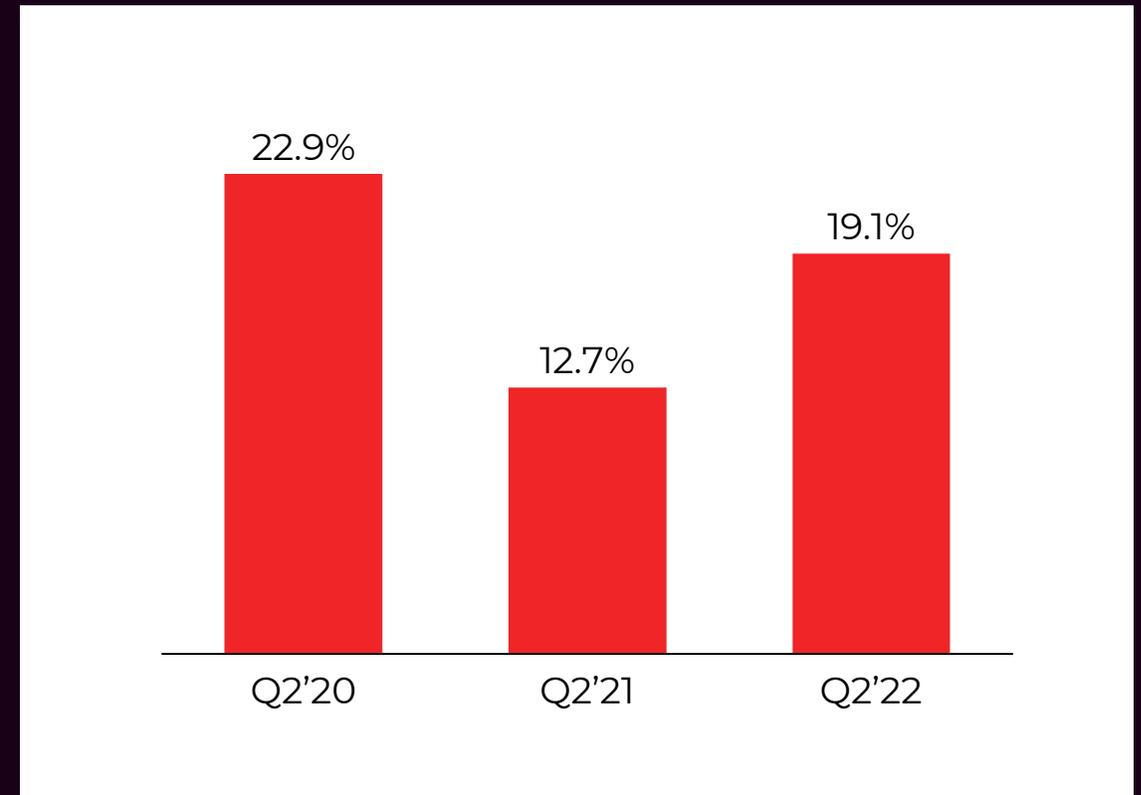
(*) Adjustments in Q2'20 were EUR -0.2m, in Q2'21 EUR 0m and in Q2'22 EUR 0.7m.

Q2'22: Adjusted EBITDA improved.

ADJUSTED EBITDA (EUR MILLION) (*)



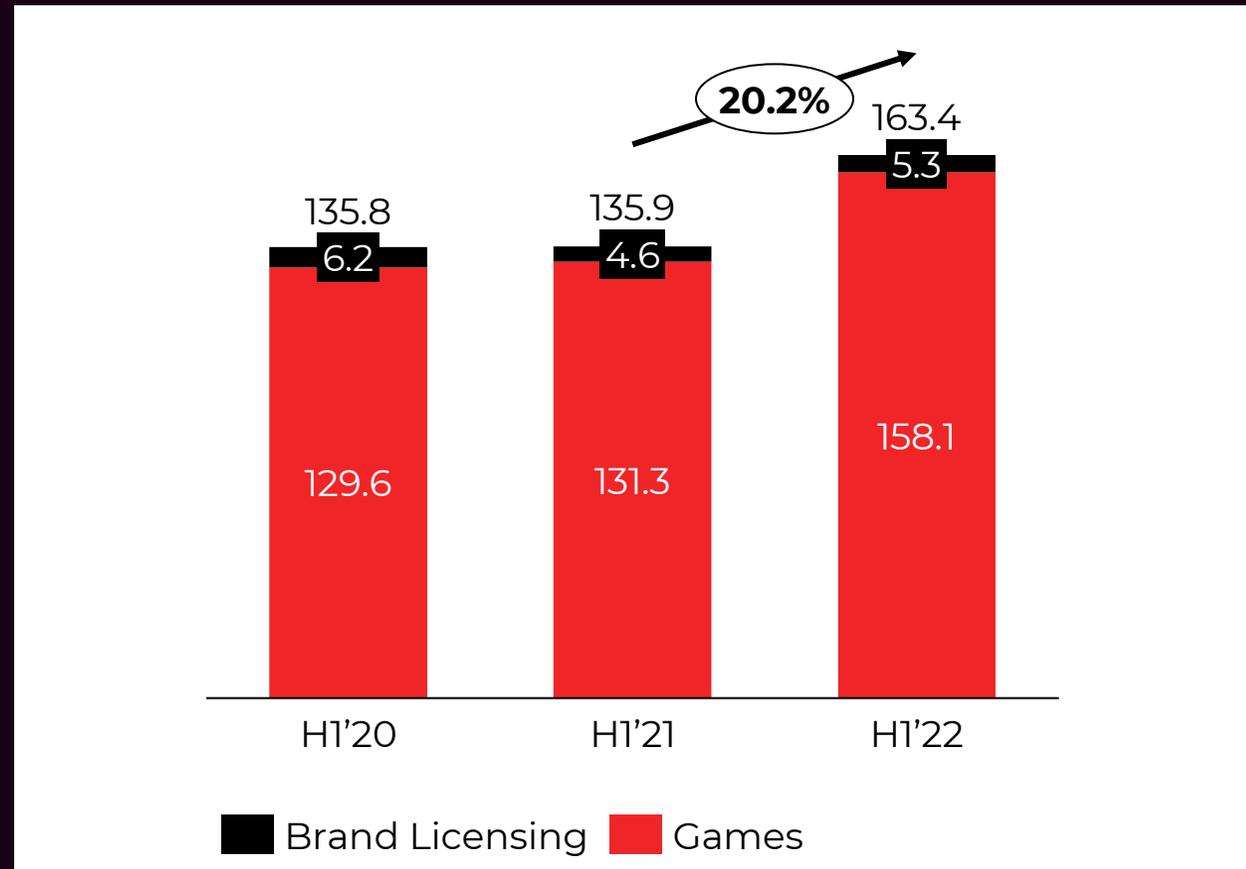
ADJUSTED EBITDA MARGIN (%)



(*) Adjustments in Q2'20 were EUR -0.2m, in Q2'21 EUR 0m and in Q2'22 EUR 0.7m.

H1'22: Group revenue grew 20.2% and 5.3% on a comparable basis

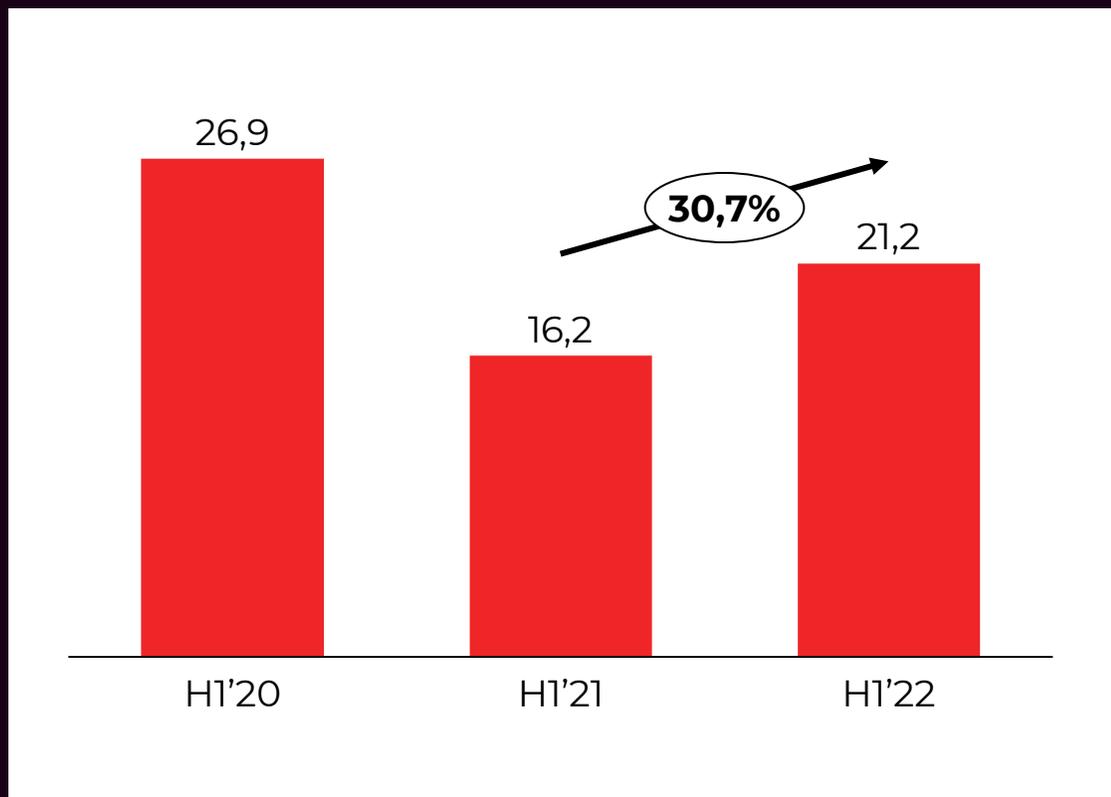
REVENUE (EUR MILLION)



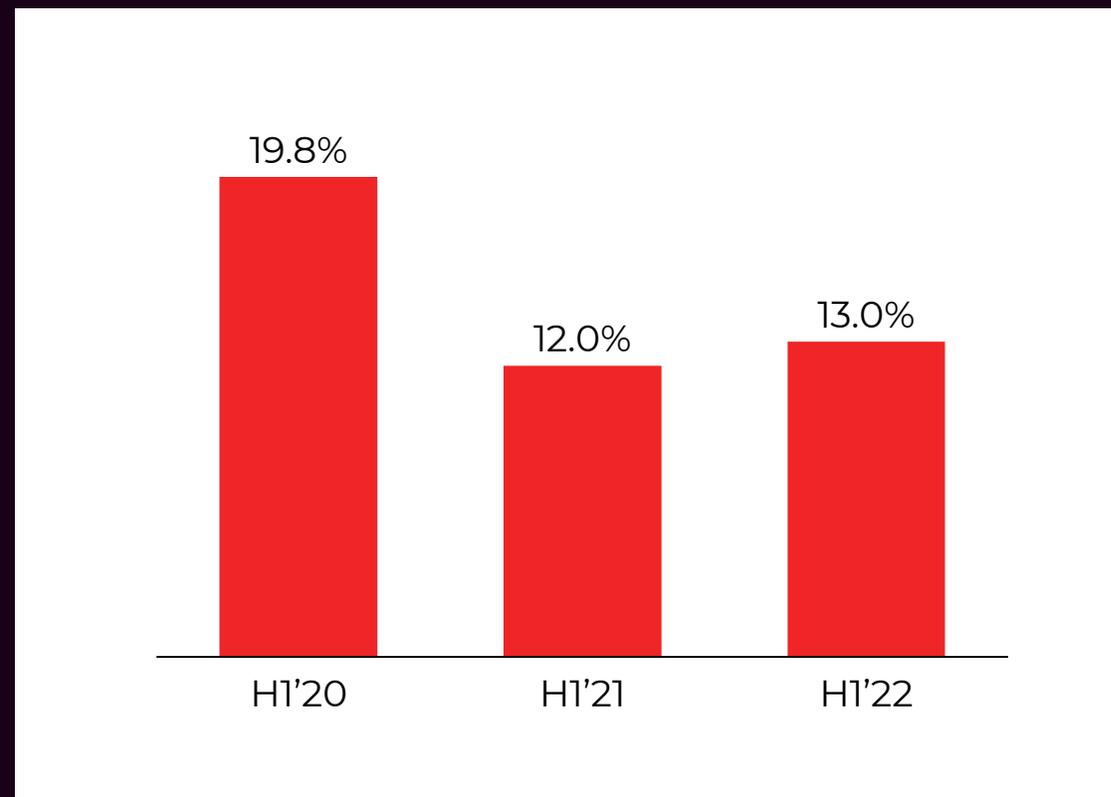
H1'22: Adjusted operating profit improved

Higher revenues drove profit growth

ADJUSTED OPERATING PROFIT(EUR MILLION) (*)



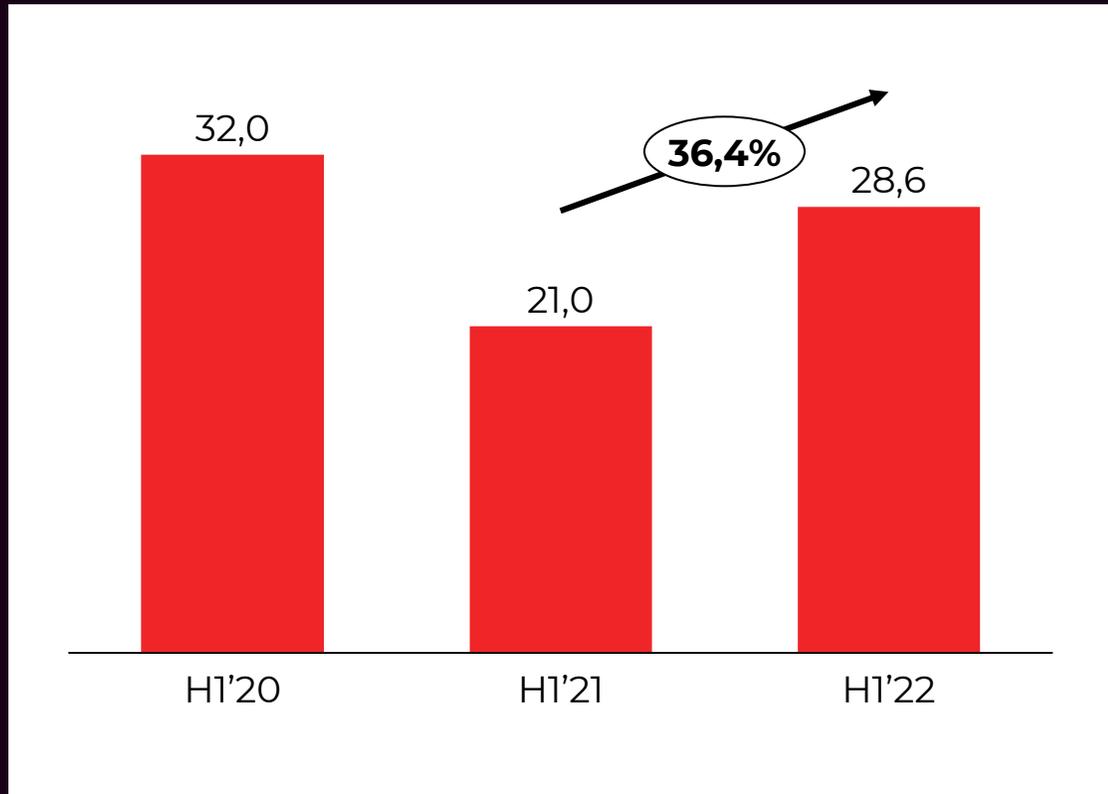
ADJUSTED OPERATING PROFIT MARGIN (%)



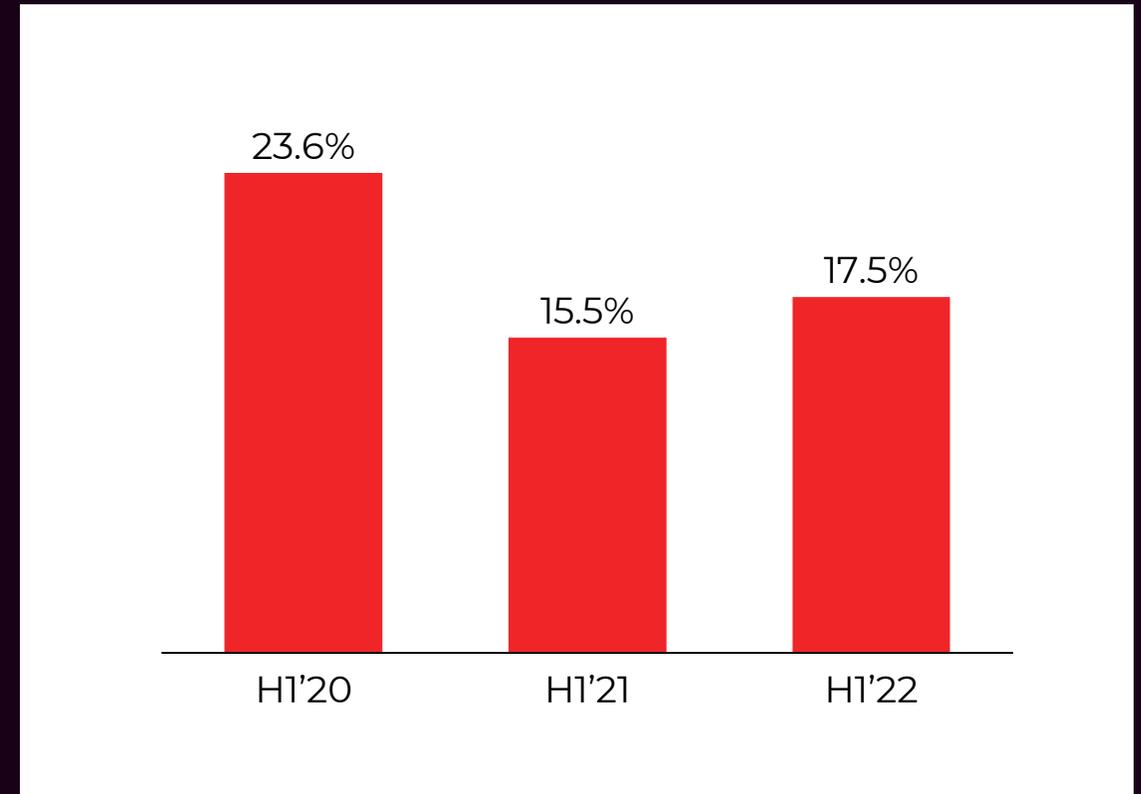
(*) Adjustments in H1'20 were EUR 0.1m, in H1'21 EUR 0.6m and in H1'22 EUR 3.2m.

H1'22: Adjusted EBITDA also improved

ADJUSTED EBITDA (EUR MILLION) (*)



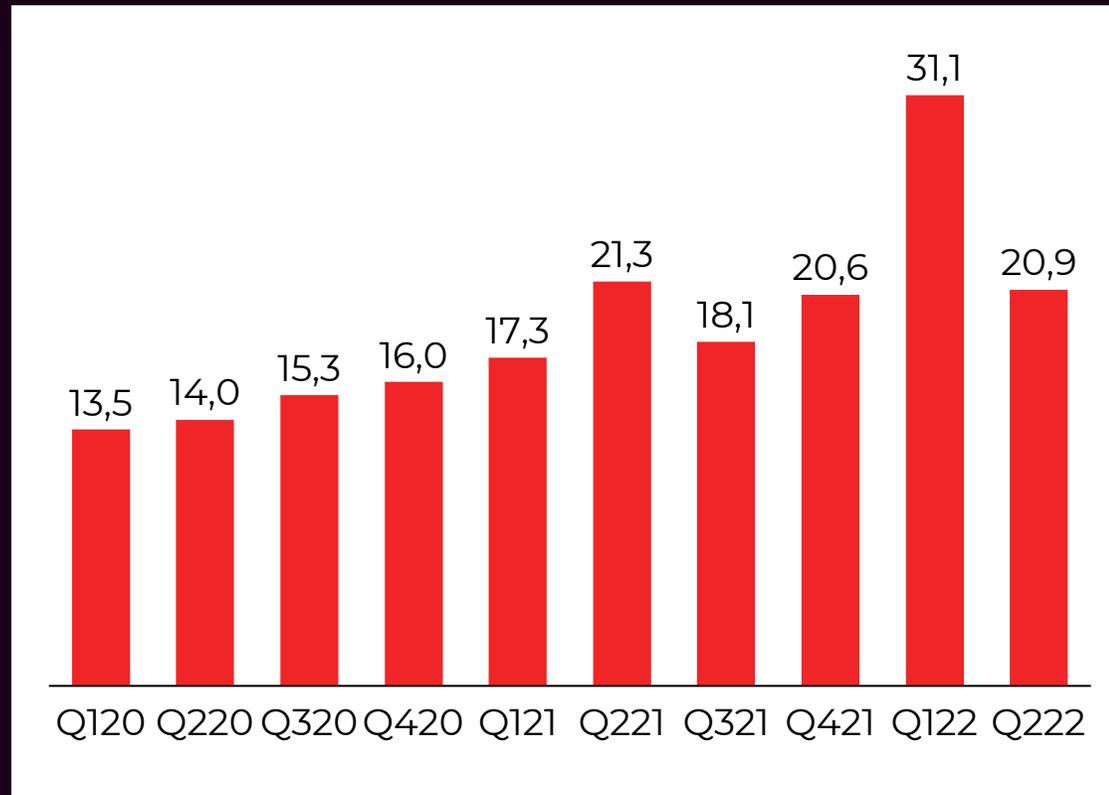
ADJUSTED EBITDA MARGIN (%)



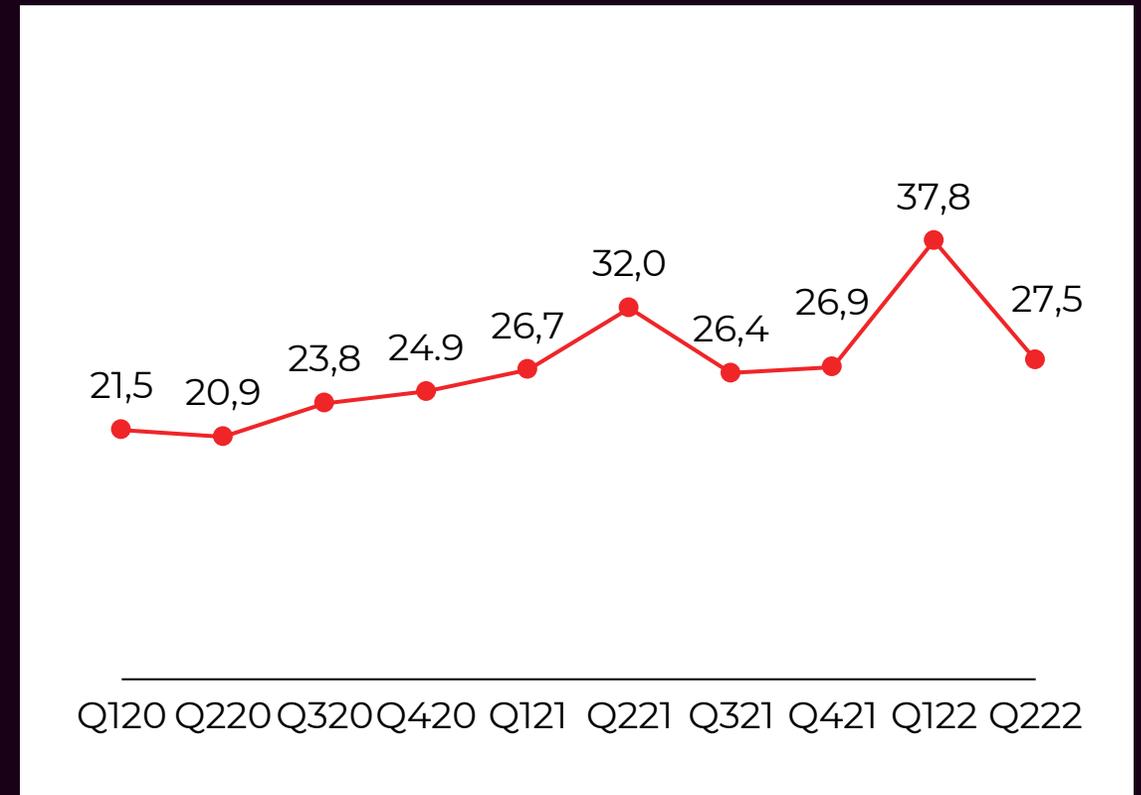
(*) Adjustments in H1'20 were EUR 0.1m, in H1'21 EUR 0.6m and in H1'22 EUR 3.2m.

Q2'22: UA investments decreased post AB Journey launch as expected

USER ACQUISITION INVESTMENTS (EUR MILLION)



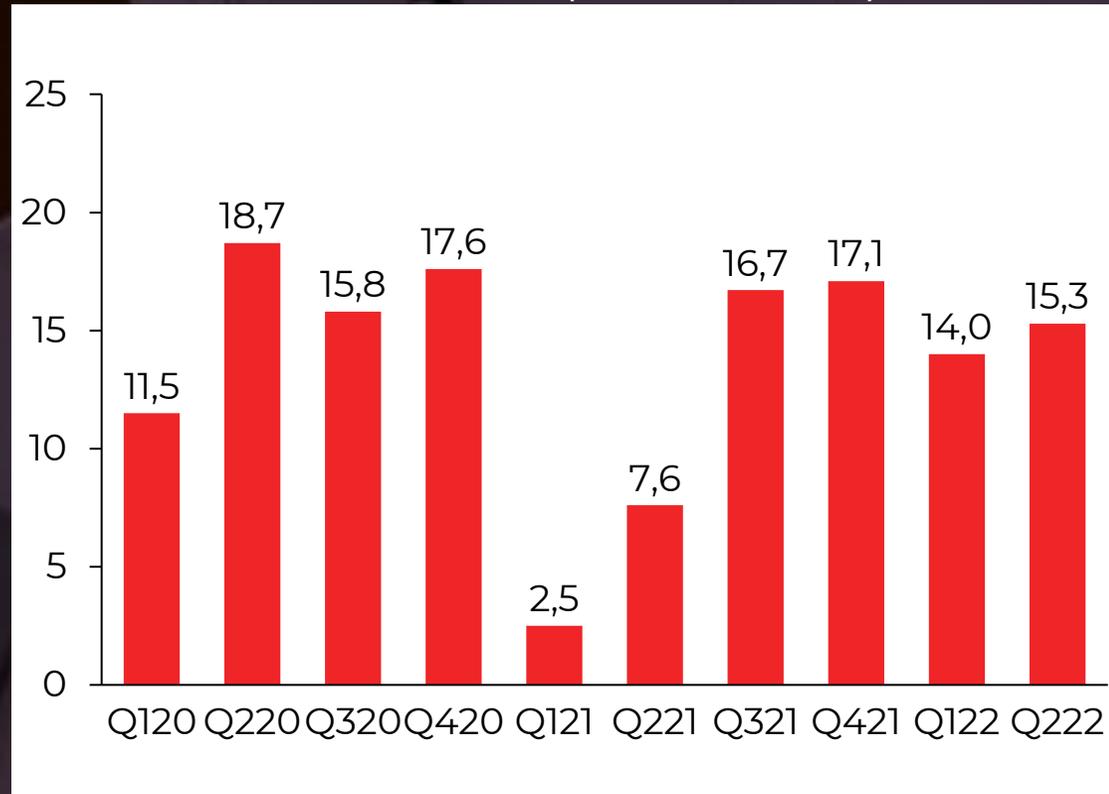
USER ACQUISITION AS % OF GAMES REVENUE



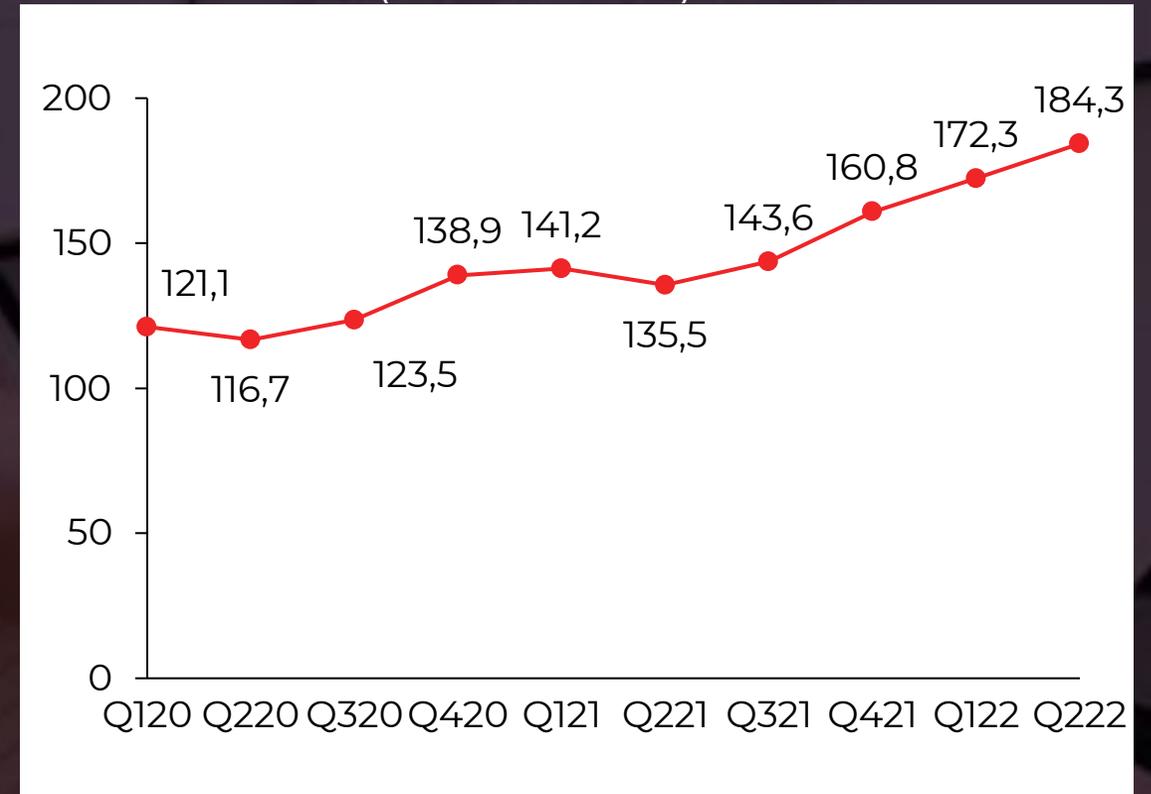
Q2'22: Strong operating cash flow

Cash balance end of Q2 2022 EUR 184.3 million; EUR 8.9 million dividends paid on April 20th

OPERATING CASH FLOW (EUR MILLION)



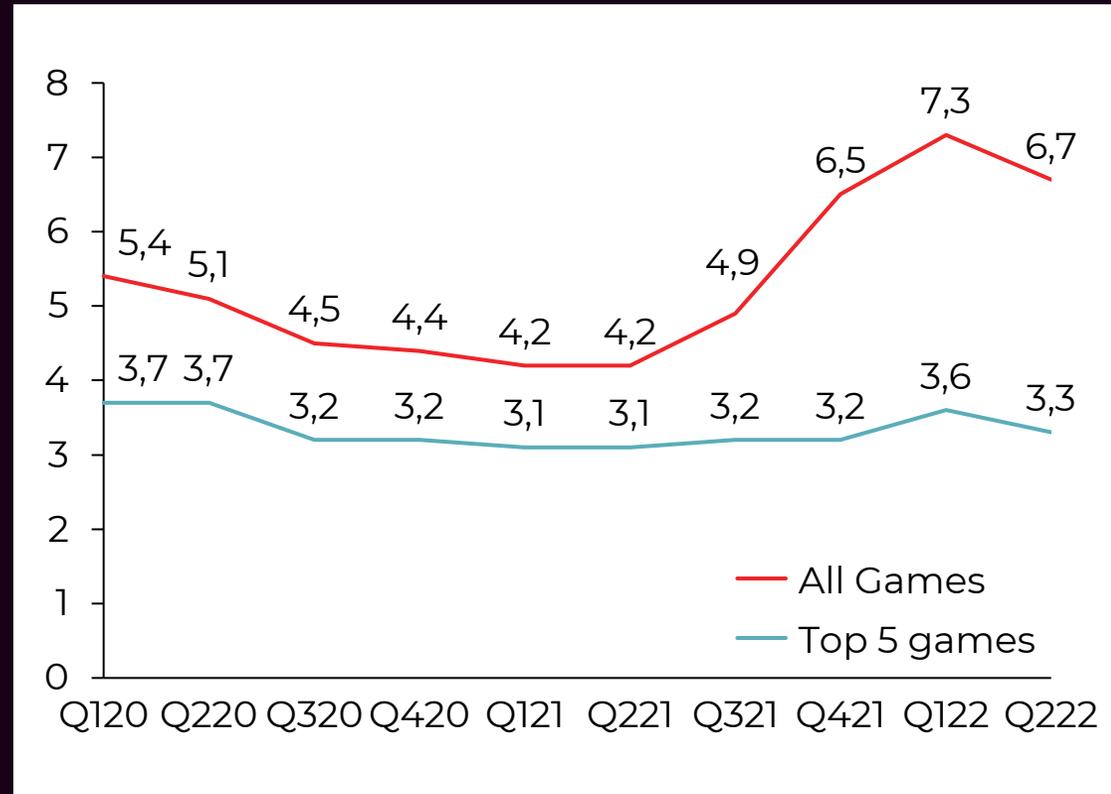
CASH BALANCE (EUR MILLION)



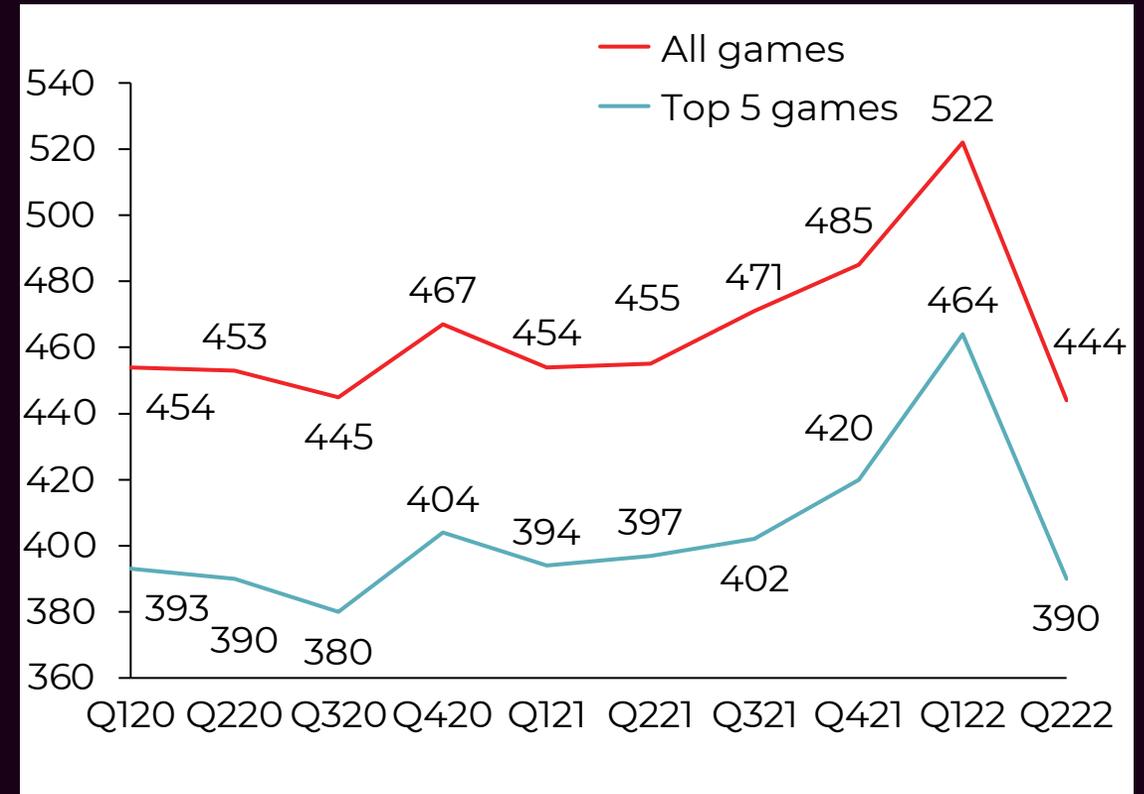
Q2'22: DAU and MUP decreased

Decrease driven by lower UA spend and launch of AB Journey in Q1

DAILY ACTIVE USERS (MILLIONS) (*)



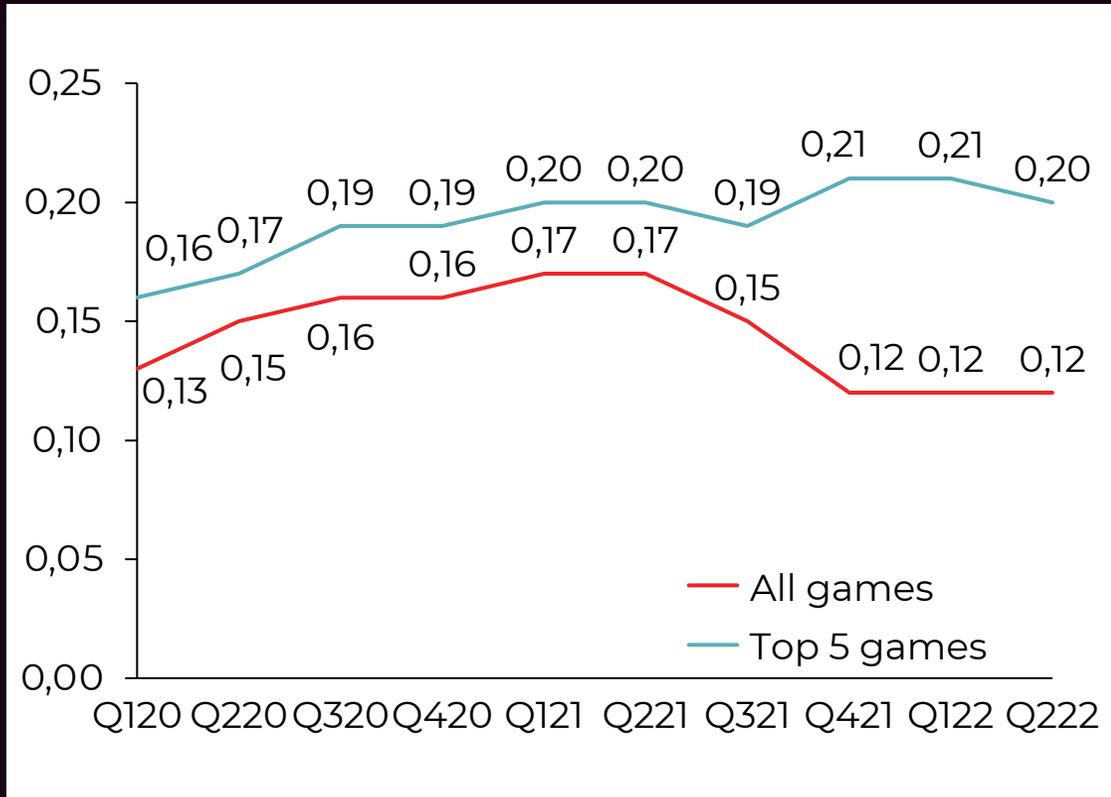
MONTHLY UNIQUE PAYERS (THOUSANDS) (*)



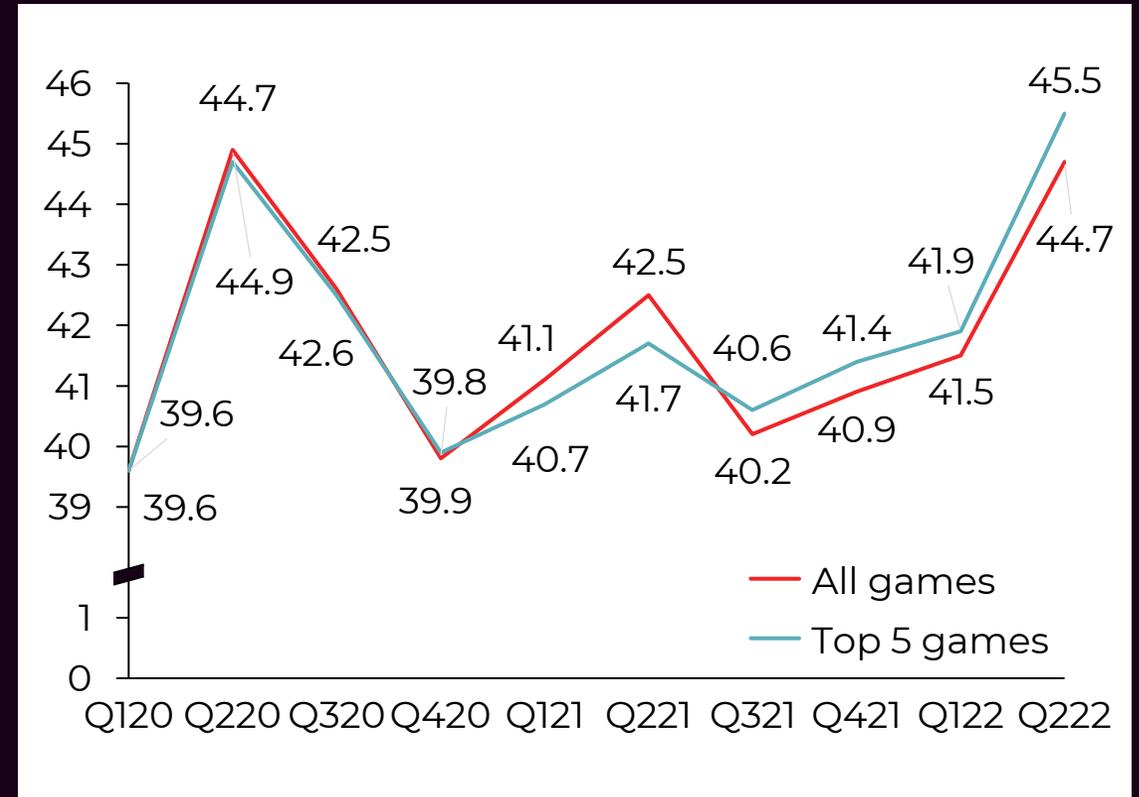
(*) Ruby Games DAU included starting September 2021. Ruby Games excluded from MUP.

Q2'22: ARPPDAU stable, record MARPPU

AVERAGE REVENUE PER DAILY ACTIVE USER (EUR) (*)



MONTHLY AVERAGE REVENUE PER UNIQUE PAYER (EUR) (*)



(*) Ruby Games ARPPDAU included starting in September 2021. Ruby Games excluded from MARPPU.

Outlook 2022 - no changes

Building on the positive momentum in our top live games, the launch of Angry Birds Journey in January 2022 and having the full benefit of the Ruby Games acquisition from the start of the year, we are expecting strong topline growth for the year. Depending on the speed of growth and the investments in user acquisition to fuel that growth, especially in the case of new games, and our larger investments in new games development, the adjusted operating profit is expected to be lower year-on-year.

Additional information on user acquisition investments in Q3-2022:

The user acquisition investments for Q3-2022 is expected to be 25-30% of Games revenues.

Q&A



Dial in information:

PIN: 19635962#

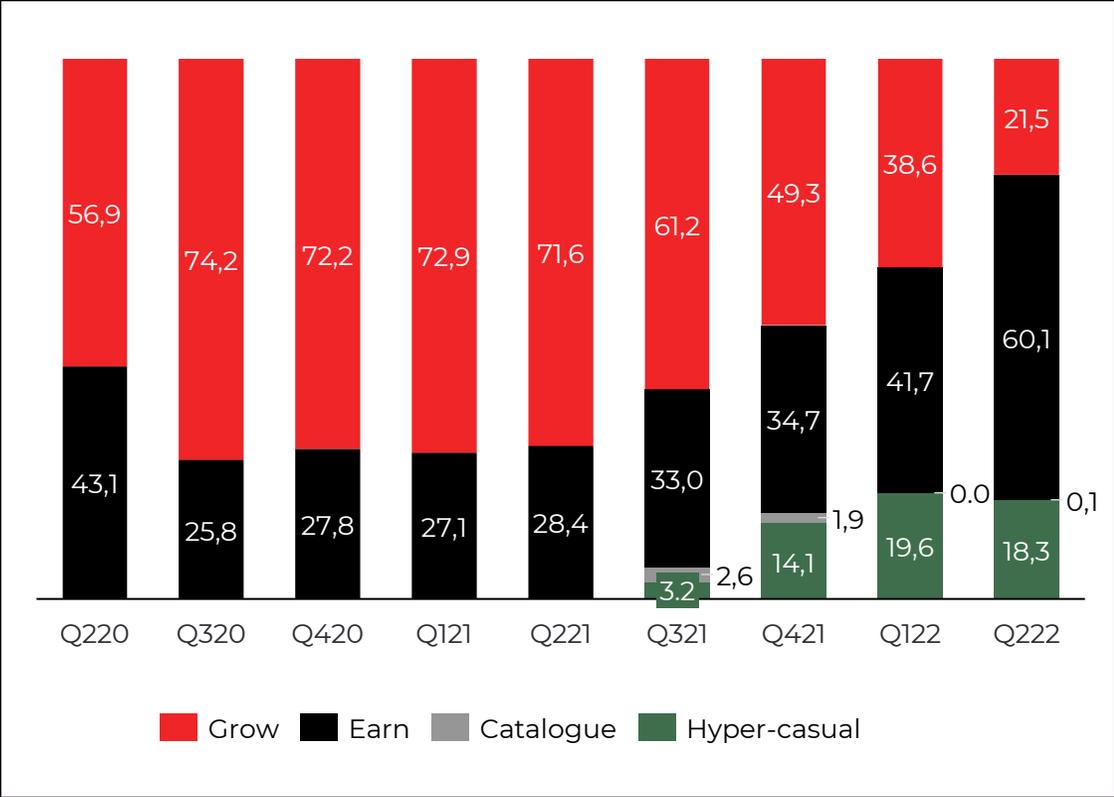
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Appendix

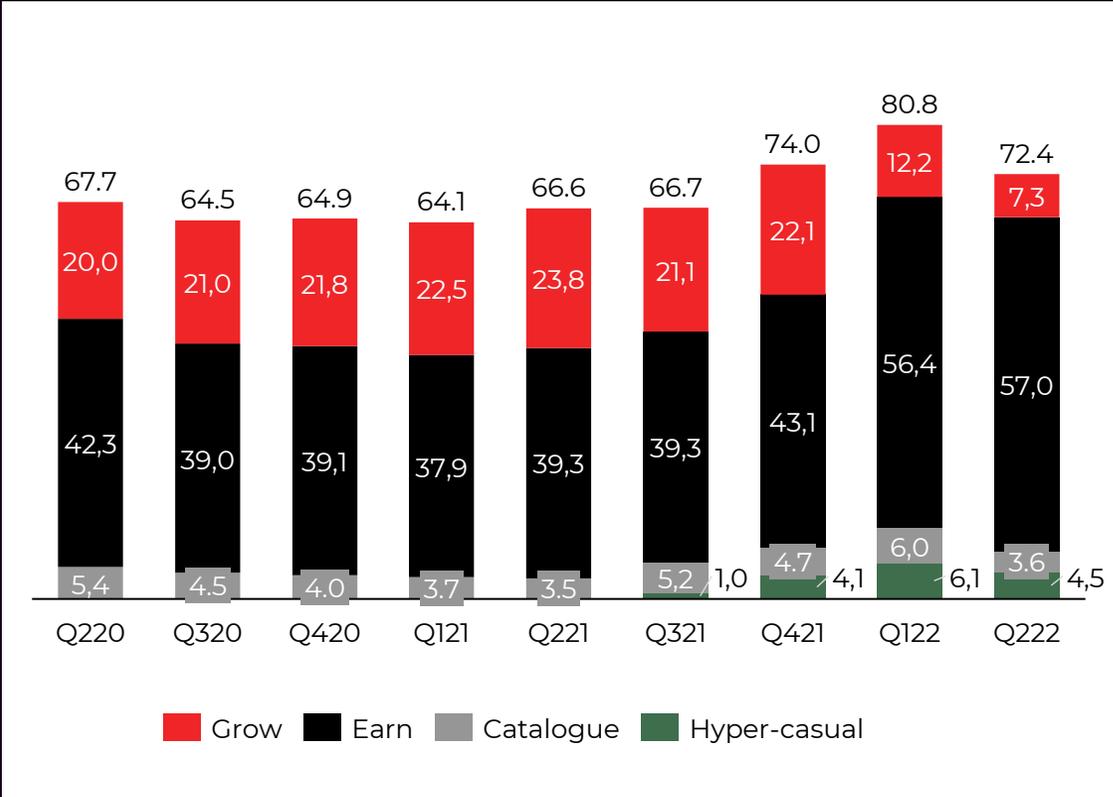


Q2'22: Small Town Murders moved to Earn

SHARE OF TOTAL UA PER GAME CATEGORY (%) (*)



GAMES GROSS BOOKINGS (EUR MILLION)



(*) Games categories per life-cycle. Each quarter presents the categorization during that specific period. Categories in Q2'22:

Grow: Angry Birds Journey + games in soft launch

Earn: Angry Birds 2, Angry Birds Dream Blast, Angry Birds Friends, Small Town Murders, Angry Birds Match

Catalogue: Other games

Hyper-casual: Ruby Games

IR contacts & financial reporting in 2022

Please contact our Investor Relations:

Timo Rahkonen
VP, IR & Corporate Strategy
timo.rahkonen@rovio.com
+358 40 730 3442

RovioIR@rovio.com
<https://investors.rovio.com/>

Financial reporting in 2022:

Interim Report Q3 2022 28 October

A dark, top-down view of a meeting table. Two laptops are open, one on the left and one on the right. A red coffee cup sits between them. Several hands are visible, some resting on the table, others holding pens. The overall scene is dimly lit, with the central text being the brightest element.

 ROVIO