

Rovio Entertainment
Interim report for January–March 2018



Kati Levoranta, CEO
René Lindell, CFO

May 17, 2018

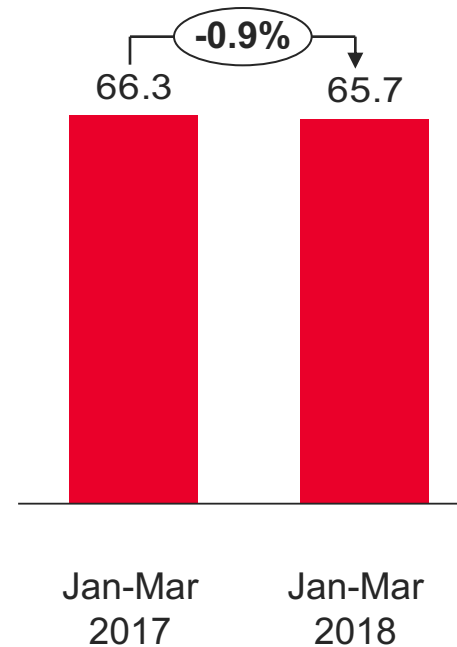
First Quarter in an Eggshell

- Games-as-a-Service (GAAS) strategy works
- Angry Birds 2 –best quarter ever
- Angry Birds Friends –still going strong
- Solid revenues regardless currency rate headwind
- Improved profitability

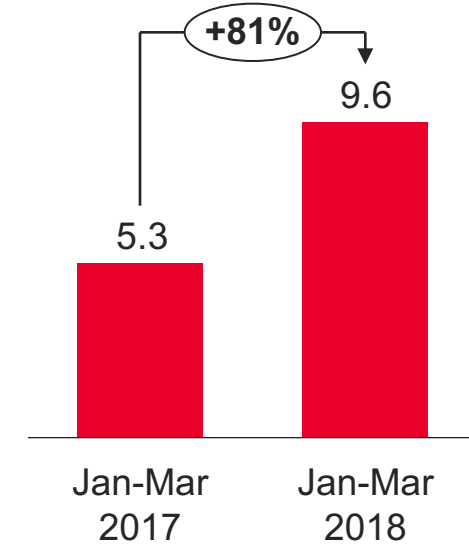
Q1 2018 Financial Highlights

- Revenue declined 0.9 % year-on-year
- Revenue growth in comparable currencies 12-14%
- Adjusted operating profit improved to EUR 9.6 million and adjusted operating margin to 14.6 %
- Earnings per share increase to EUR 0.09 (0.05)

Revenue
EUR, million



Adjusted Operating profit (*)



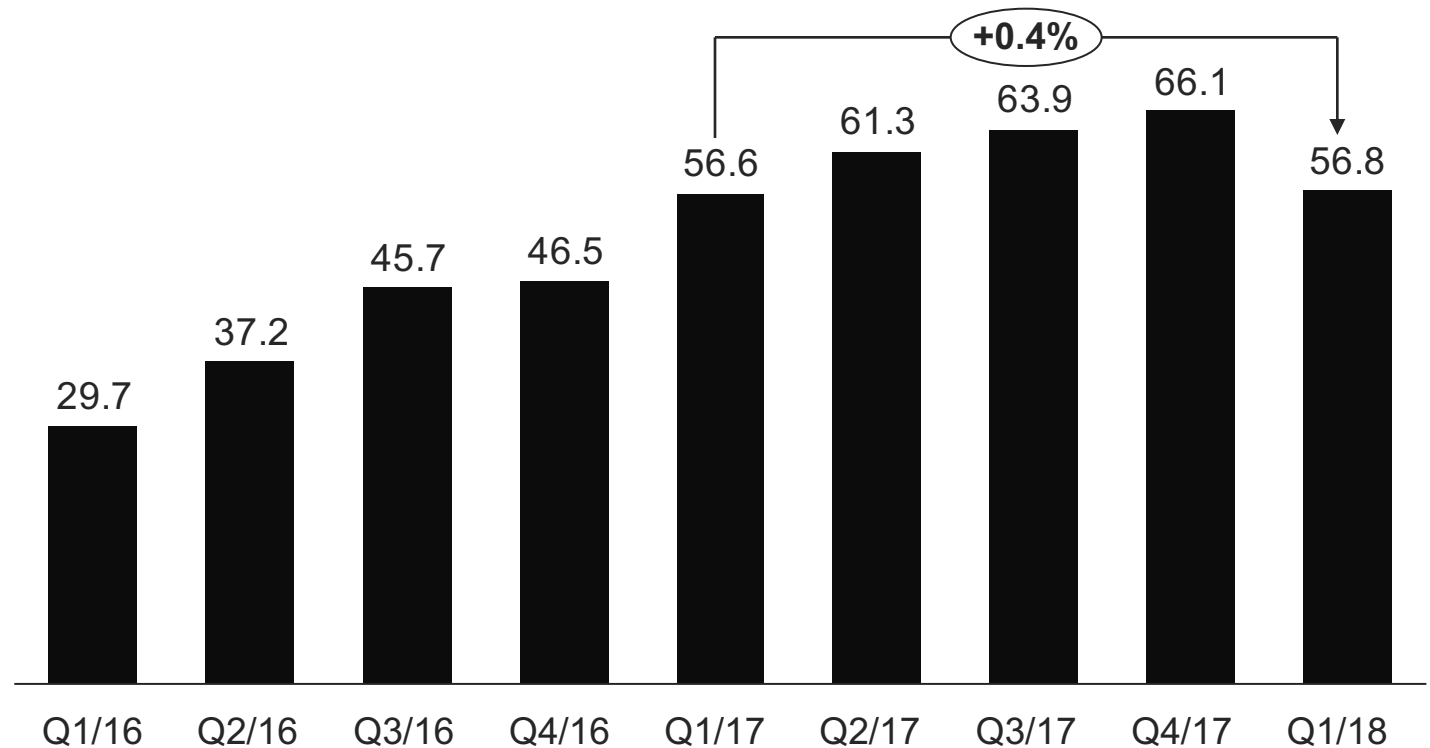
(*) Adjustments in Jan-March 2018 were EUR 0.3 million related to closure of London games studio.

Games Highlights

Revenue (EUR million)

1Q18 Highlights:

- Revenue increased by 0.4 % y-o-y, and 11-14% in comparable currencies
- Adjusted EBITDA improved 18,5% to EUR 10.6 million (9.0)

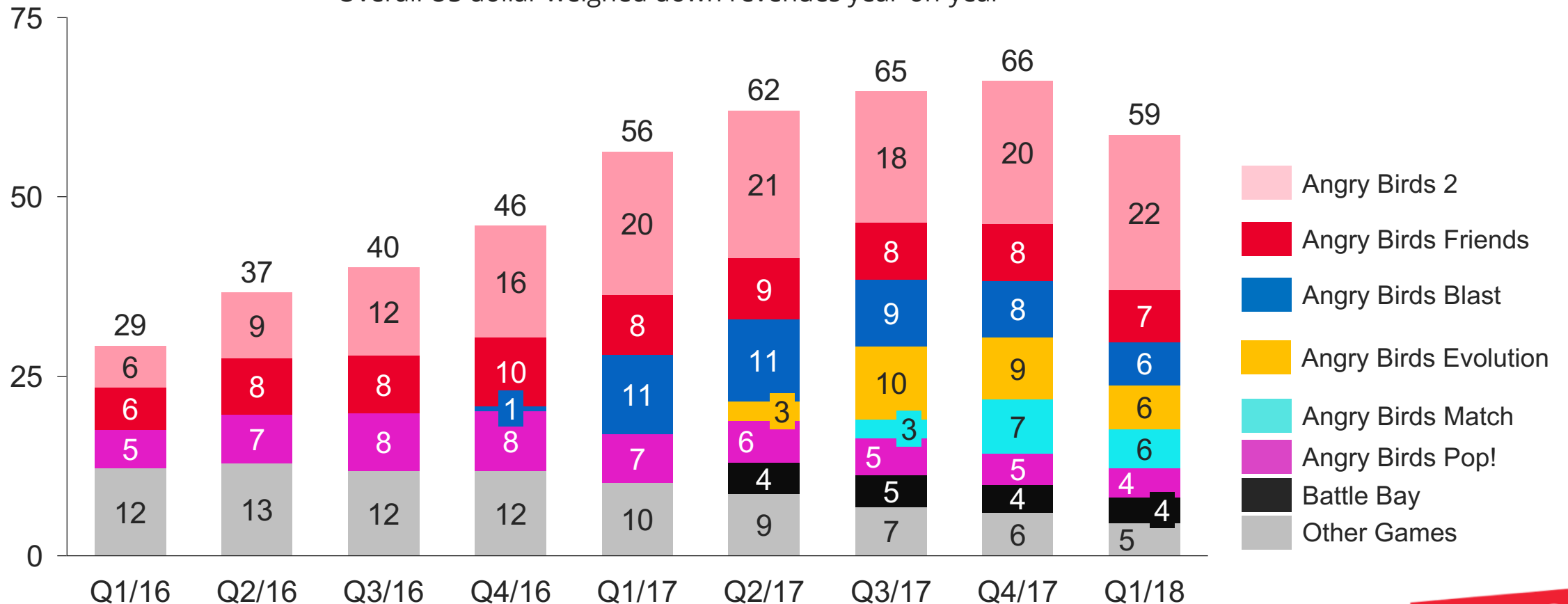


Gross Bookings per Game

Gross bookings
(EUR million)

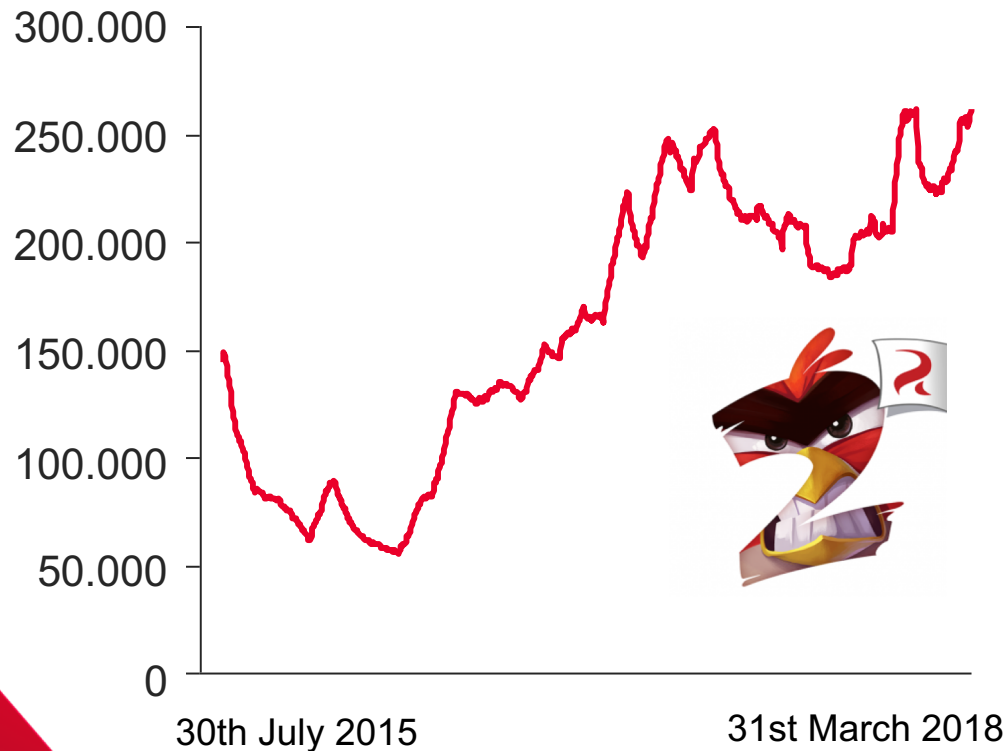
1Q18 Highlights:

- Angry Birds 2 growth continued, 8.5% growth year-on-year and with comparable currencies 18-26%
- Overall US dollar weighed down revenues year-on-year

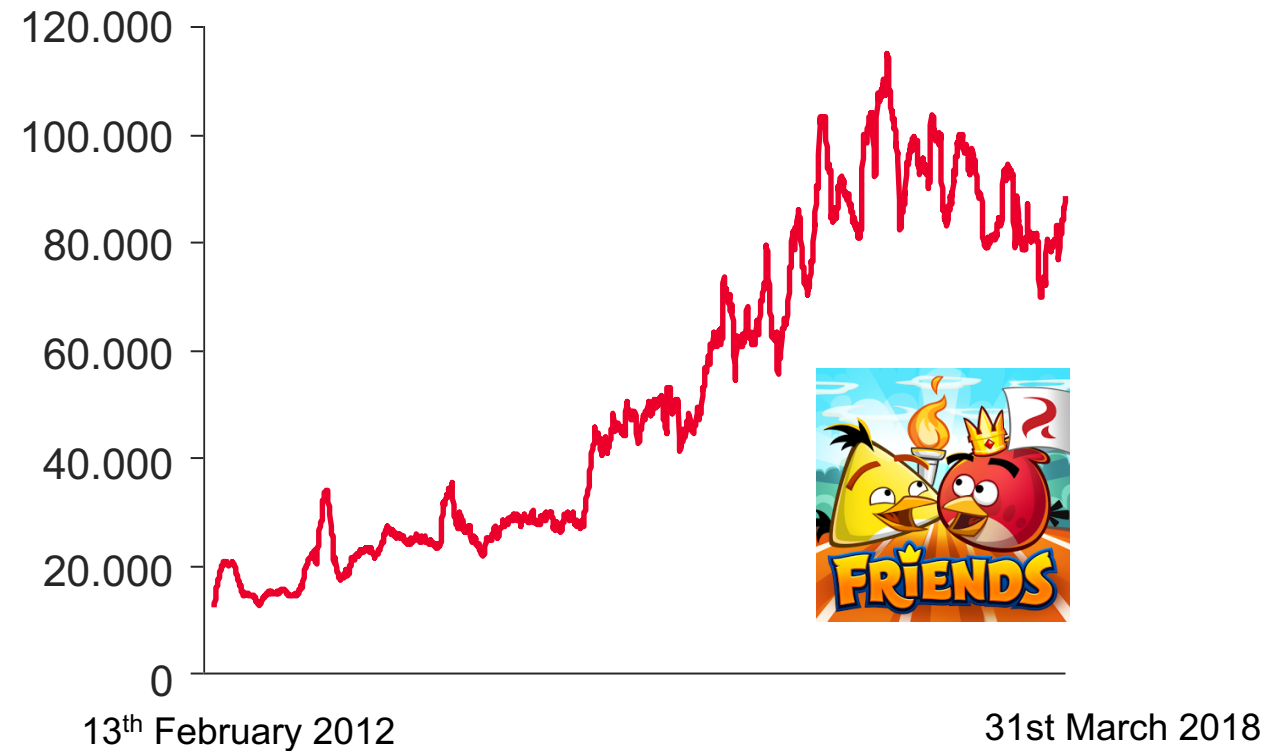


Games as a Service

Angry Birds 2 daily gross bookings (EUR) (*)



Angry Birds Friends daily gross bookings (EUR) (*)



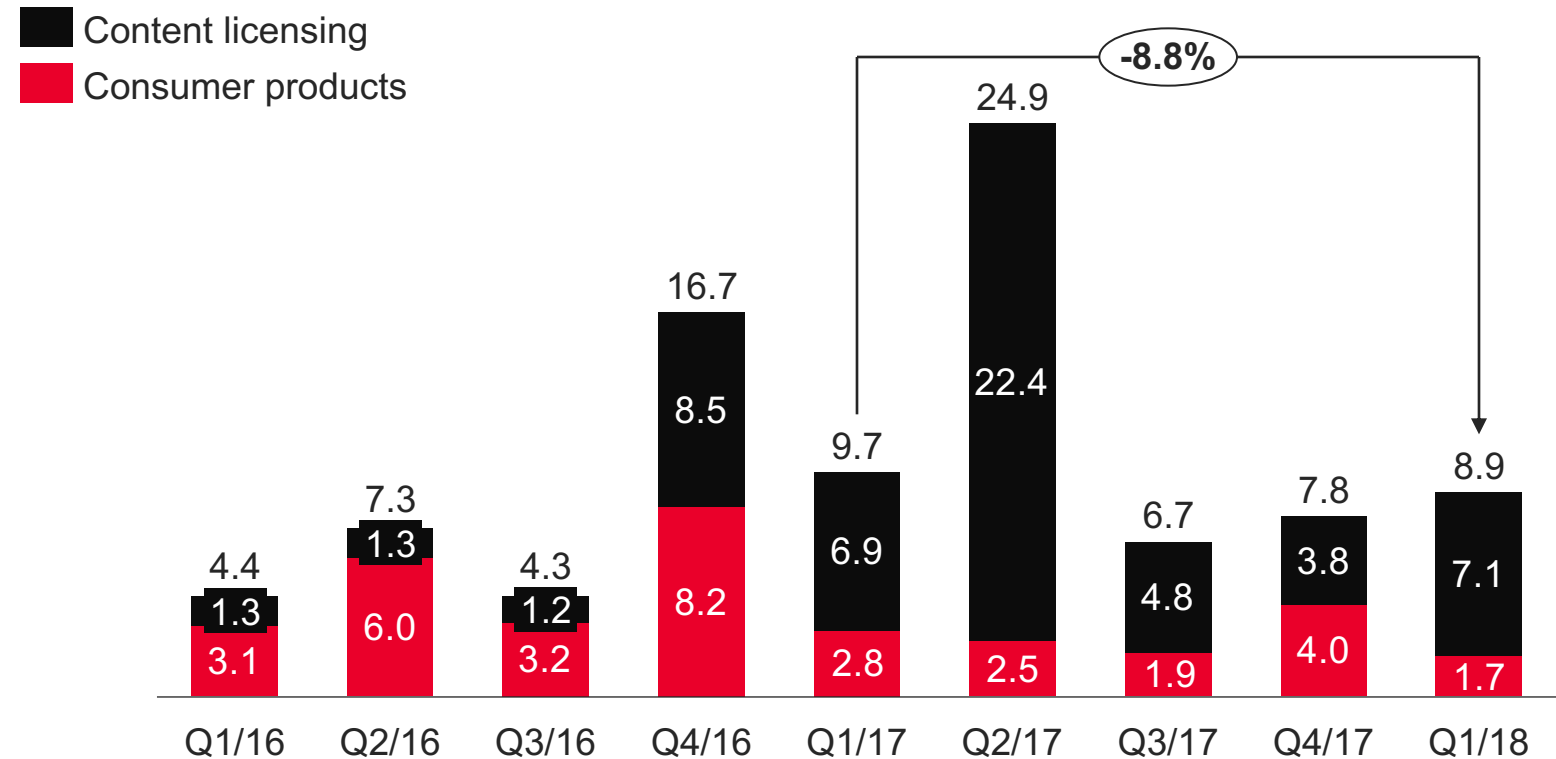
*) 30-day rolling average

Brand Licensing Highlights

1Q18 Highlights:

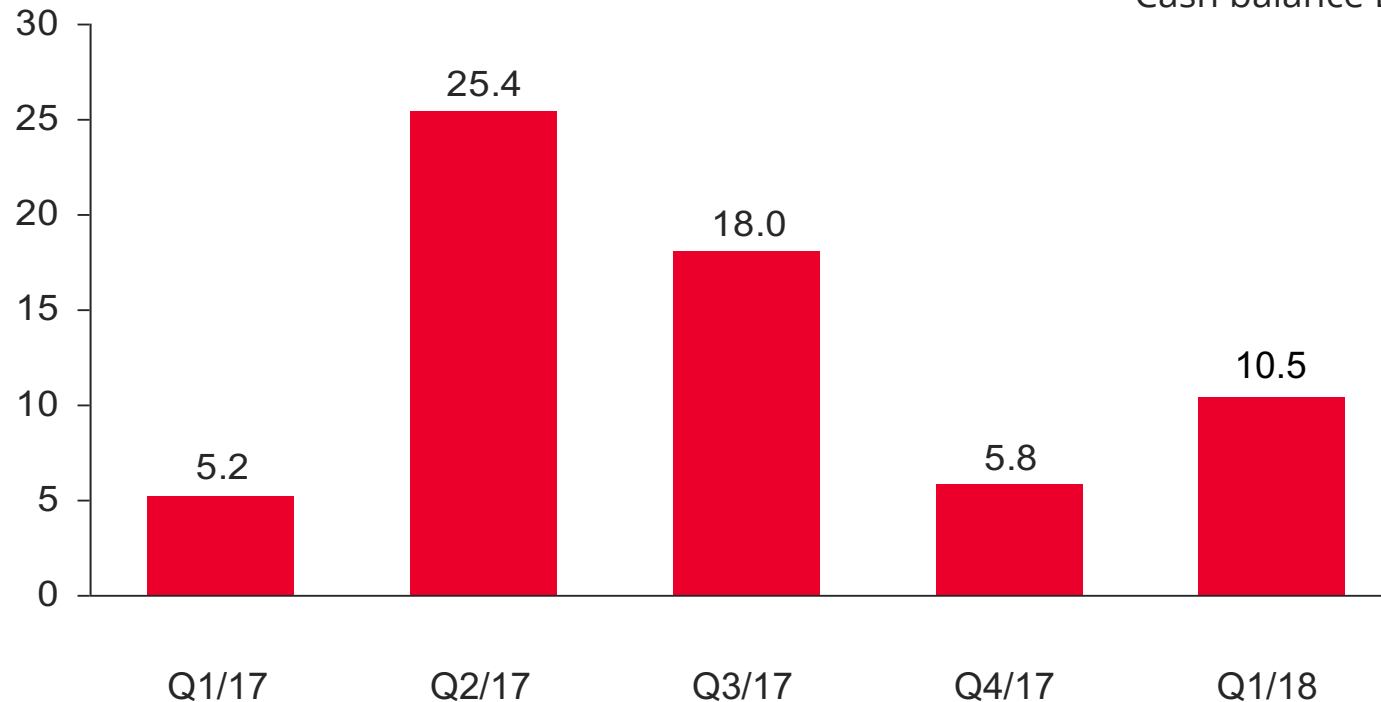
- Unit revenue declined 8.8 % YoY
- In comparable currencies, approx. 7% growth
- Adjusted EBITDA improved to EUR 6.6 million (3.6)
- Lower operating expenses YoY
- Revenue for Angry Birds movie a bit higher than expected
- Consumer products in line with expectations for a non-movie year

Revenue (EUR million)



Healthy Cash Flow from Operating Activities

Cash flow from
operating activities
(EUR million)



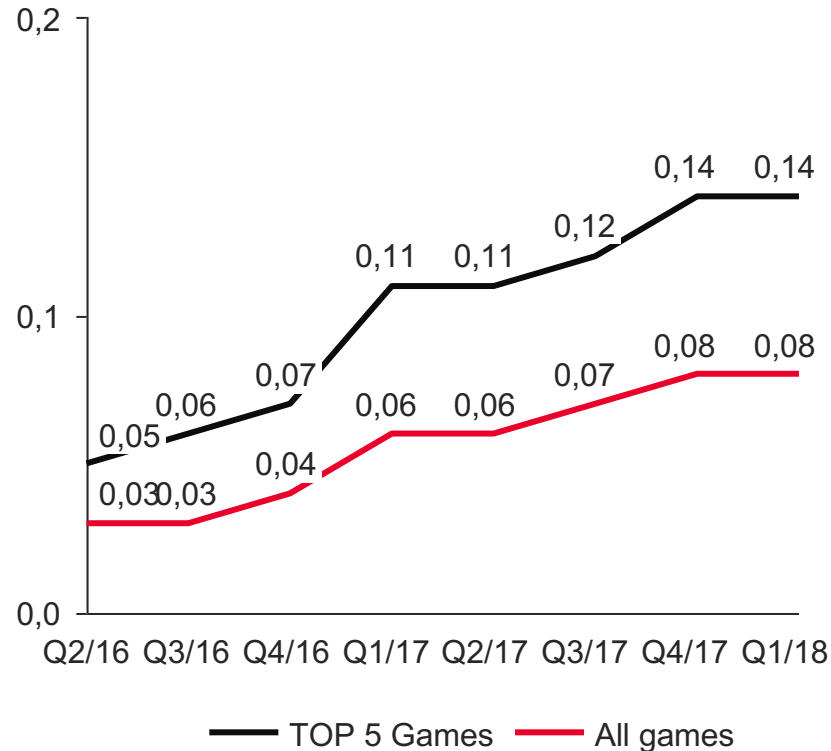
1Q18 Highlights:

- Operating cash flow EUR 10.5 million
- Tax payments of EUR 7.4 million, most related to 2017 taxes
- Cash balance EUR 101.5 million

Game Monetization continued at the Same Level

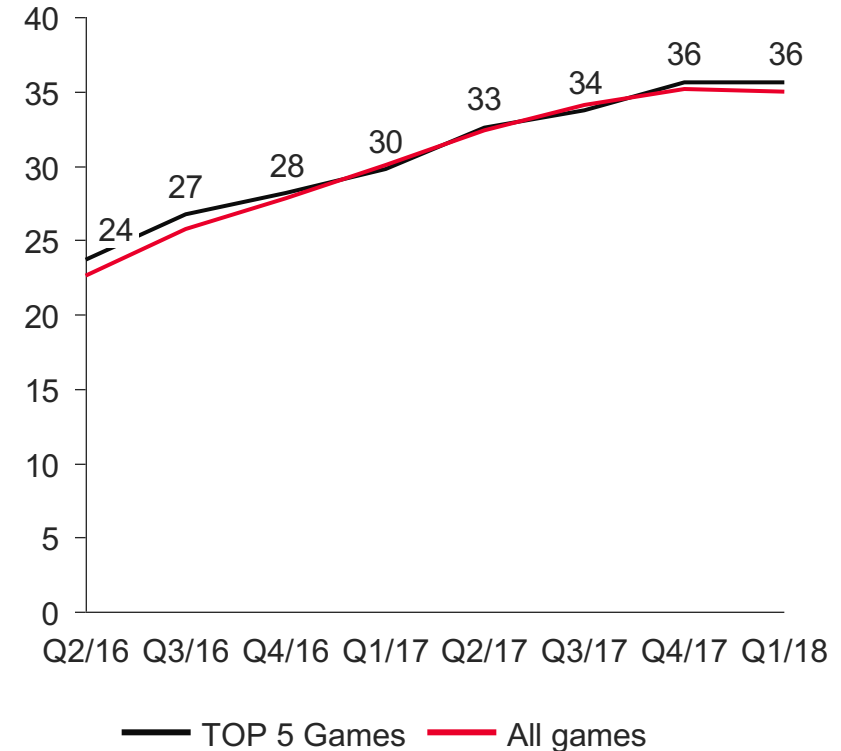
ARPD AU

(Average Revenue Per Daily Active User),
EUR



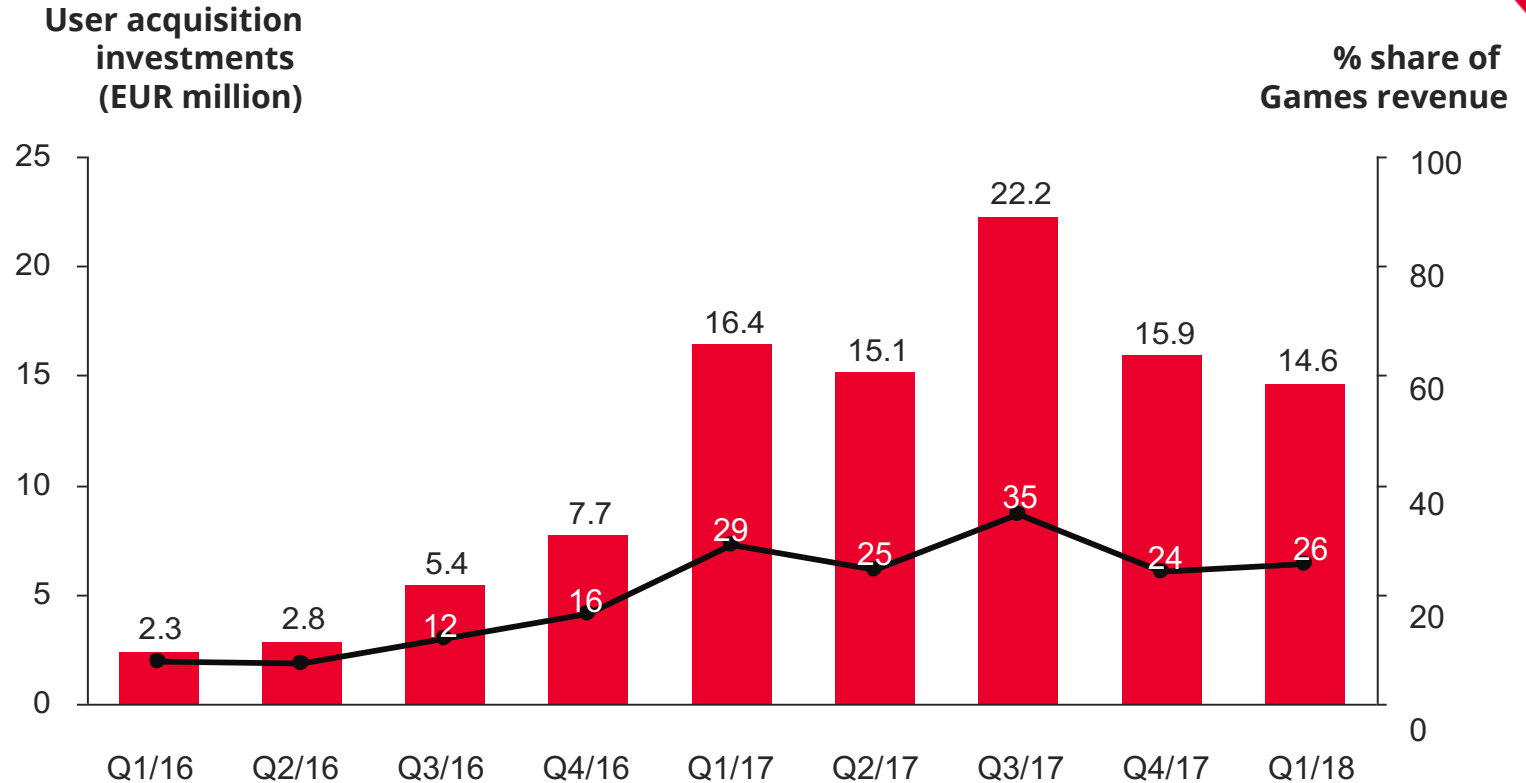
MARPPU

(Monthly Average Revenue per Unique Payer),
EUR



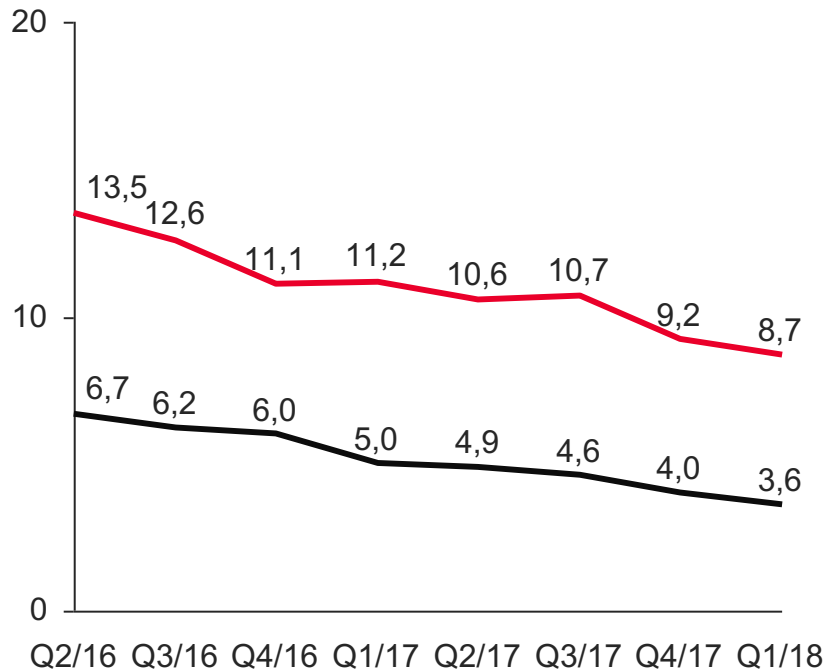
User Acquisition Update

- User acquisition in 1Q18 lower vs. 1Q17, however with comparable currencies it was on similar level
- Competition in the user acquisition space continued on a high level
- UA for 2Q18 expected to grow due to lengthening of UA payback to 8-12 months and improved performance of key games (previous 8-10 months)
- Short-term profitability may decline if we increase UA investments significantly in 2Q18



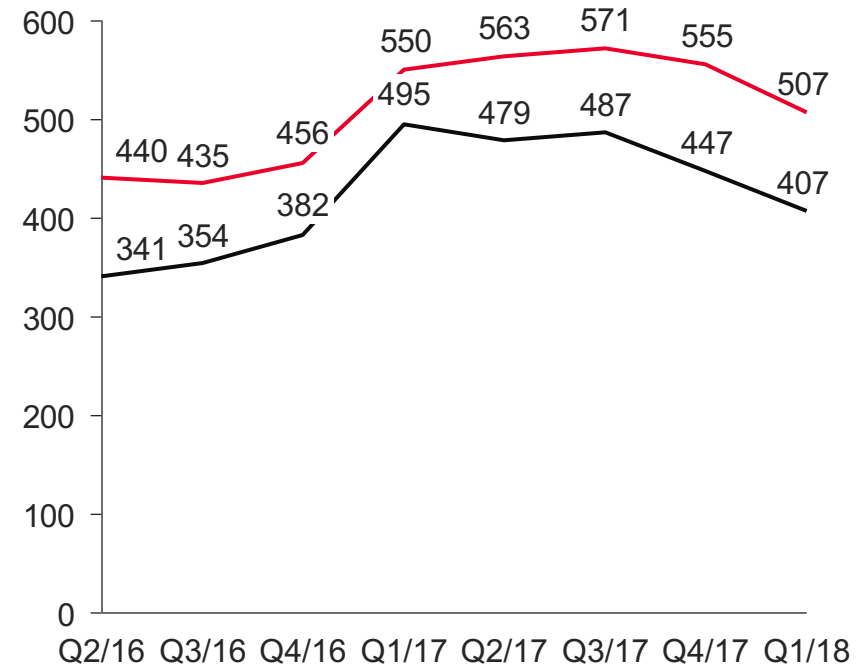
Lower UA spend affected User Base

DAU
(Daily Active User),
millions



— TOP5 games — All games

MUP
(Monthly Unique Payers),
1000's



— TOP5 games — All games

Outlook for 2018 unchanged

2018 Outlook

Rovio Group revenue is expected to be 260-300 million euros in 2018 (297 million euros in 2017).

Rovio's profitability as measured by earnings before interest and tax excluding items affecting comparability is expected to be 9 to 11 percent (Adjusted operating profit margin 12.1 percent in 2017¹).

1. In the Q4/2017 financial statement bulletin released on 2nd March, 2018, Rovio reported as the comparison figure the unadjusted earnings before interest and tax, which was 10.6 % of revenues in 2017.

We continue to execute Our Strategy

Grow Games business

Improve existing key games

Develop new games

Explore the future of gaming

Investigate and invest in opportunities in new technologies and platforms

Leverage strong consolidation platform

Continue screening and evaluation

Prime focus on free-to-play mobile games

Grow the Angry Birds brand and Licensing business

Build licensing program, e.g. for Angry Birds Movie sequel in 2019