



Capital Markets Seminar 2017

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**Hendrik Klindworth, Founder & CEO**

# COMPANY SNAPSHOT



**Founded 2007**  
In Germany



**420** employees in  
two offices



Located in  
**Hamburg & Düsseldorf**



**200m** registered users  
**>30** language versions



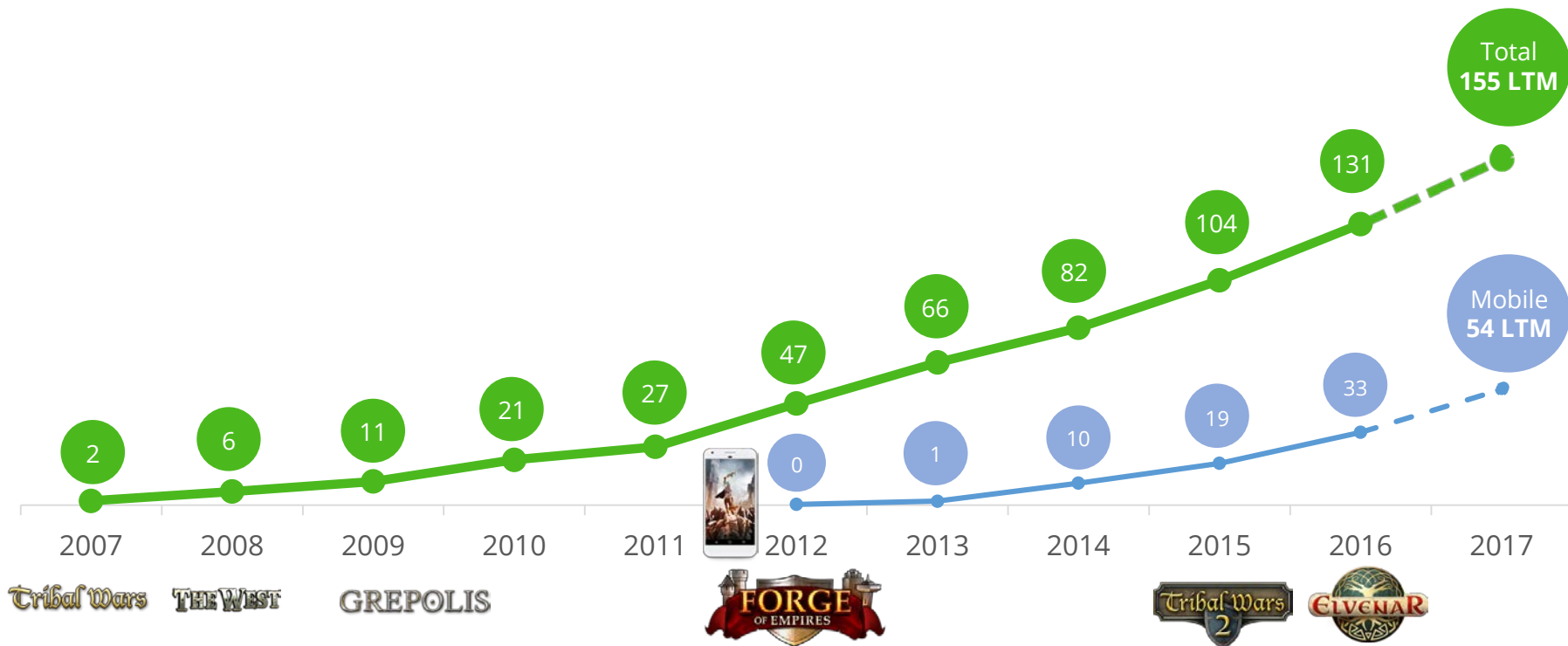
**6 live**  
games



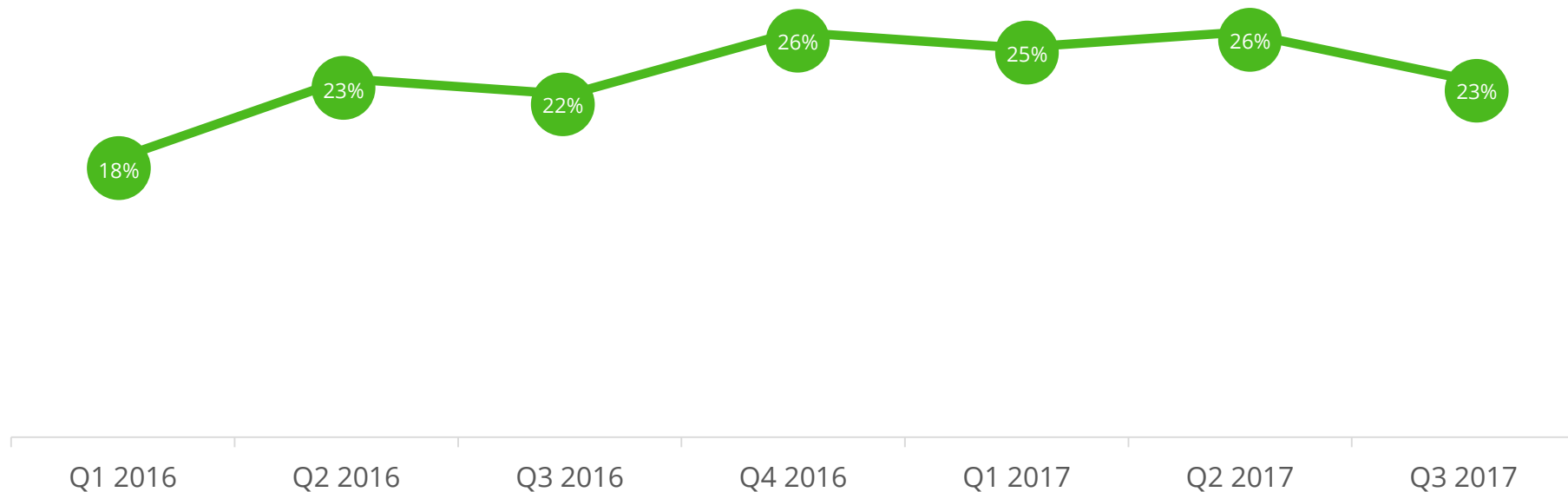
**€155m** sales  
**25%** EBITDA margin  
(Q4/16-Q3/17)

VIDEO

# REVENUE GROWTH (EURm)

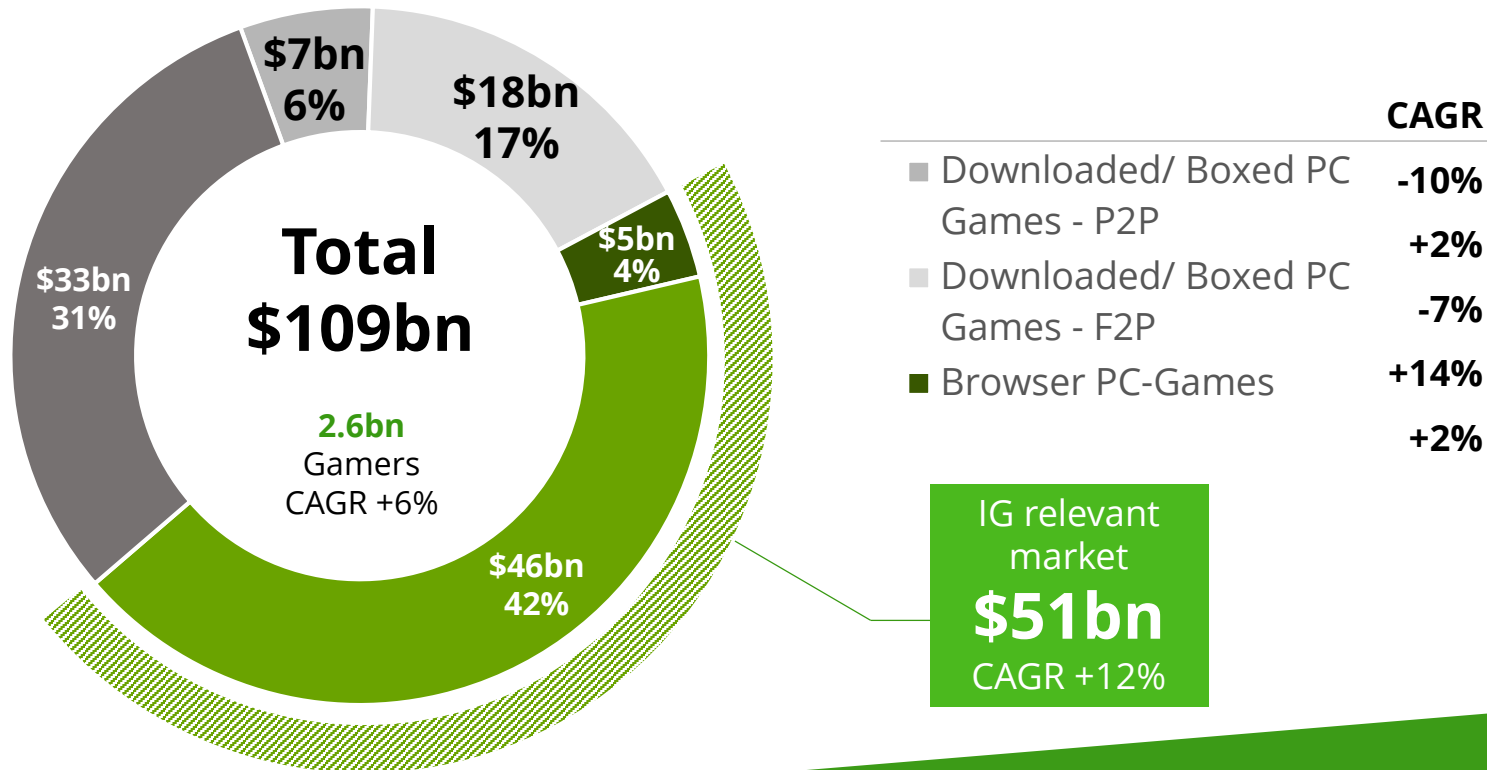


# EBITDA MARGINS

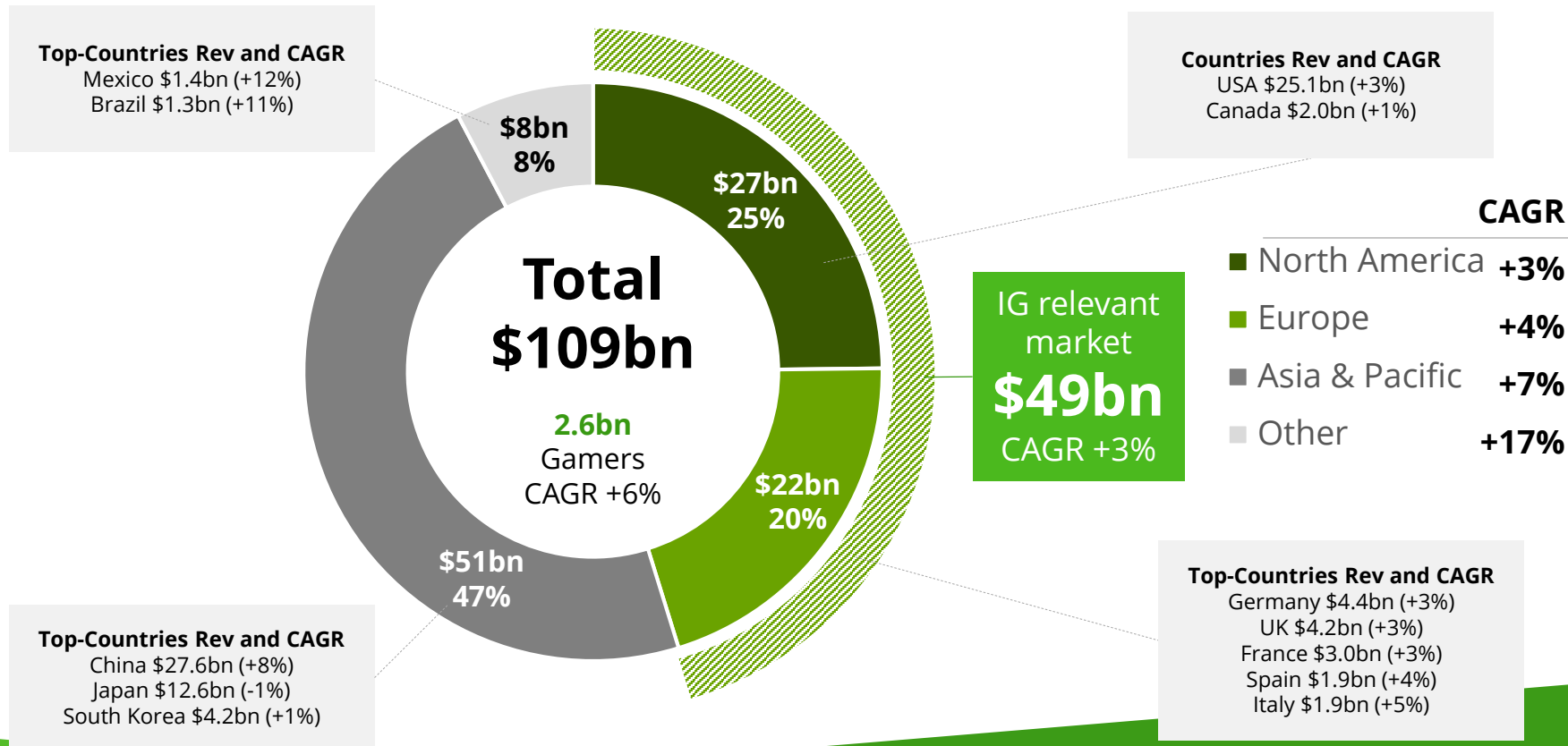


Q416 & Q117 adjusted for costs related to MTG's acquisition

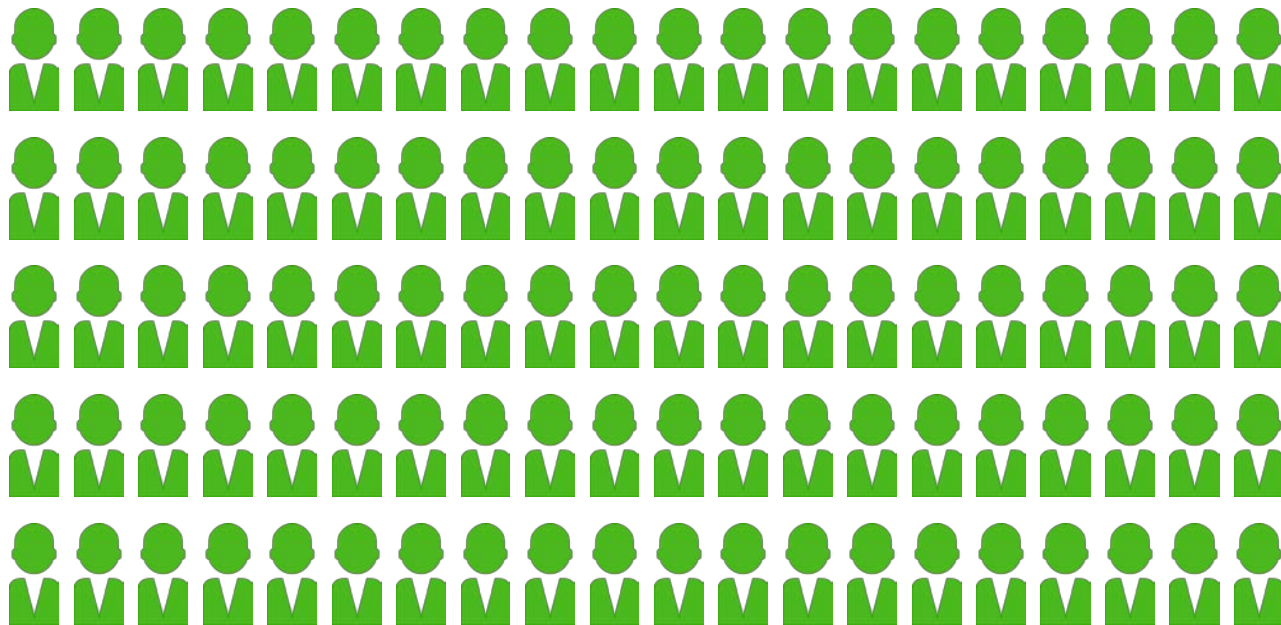
# 2017 GAMING MARKET SIZE PER SEGMENT



# 2017 GAMING MARKET SIZE WORLD



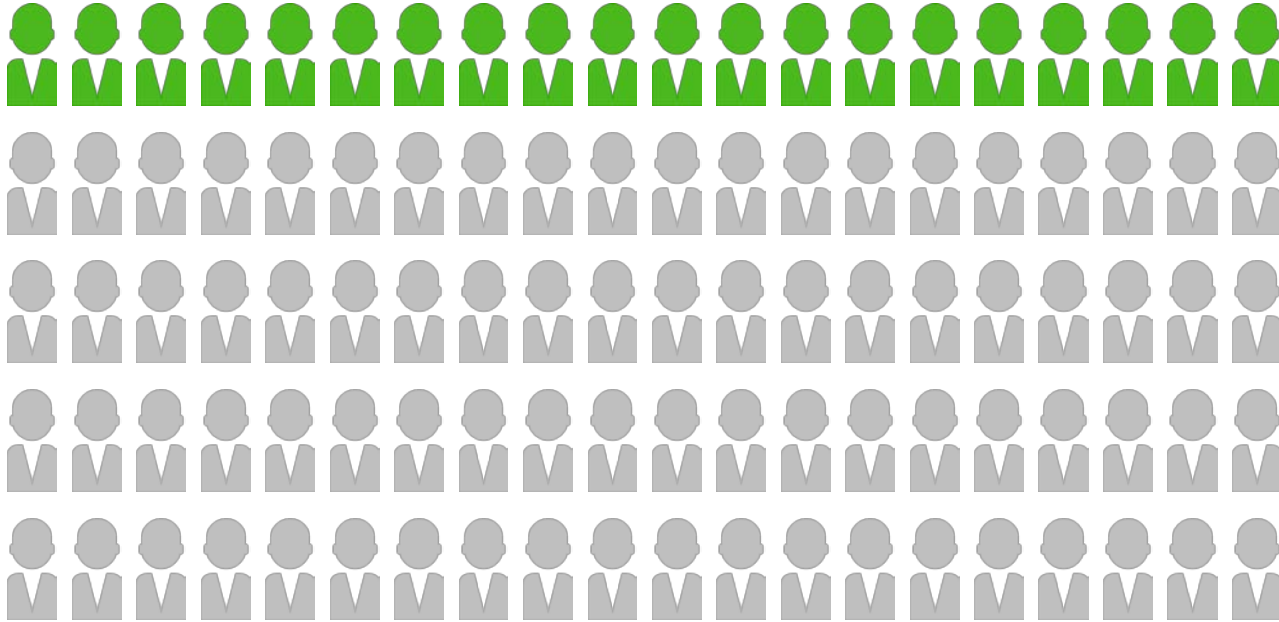
# FREE TO PLAY BUSINESS MODEL



100 Registrations

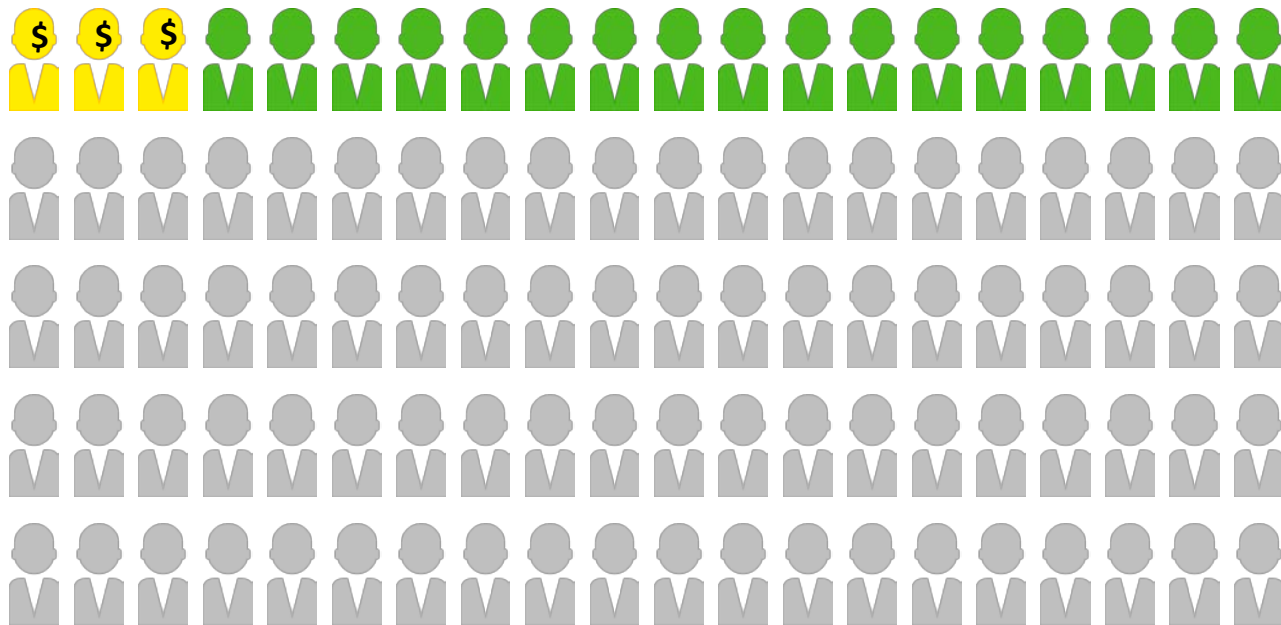


# FREE TO PLAY BUSINESS MODEL



100 Registrations  
**20 Active Users**

# FREE TO PLAY BUSINESS MODEL



100 Registrations  
20 Active Users  
**3 Paying Users**

**50-100 \$**  
per  
month

# OUR HITS

Multiple €100m+ lifetime revenue hits in strategy and simulation genres for both browser and mobile



## Strategy MMO

Launched 2003

Lifetime revenues – €100M+  
61m registered players to date



## Strategy MMO

Launched 2010

Lifetime revenues – €100M+  
38m registered players to date



## City Building Strategy

Launched 2012

Lifetime revenues – €200M+  
66m registered players to date



## Fantasy City Builder

Launched 2015

Lifetime revenues – €39M+  
8m registered players to date

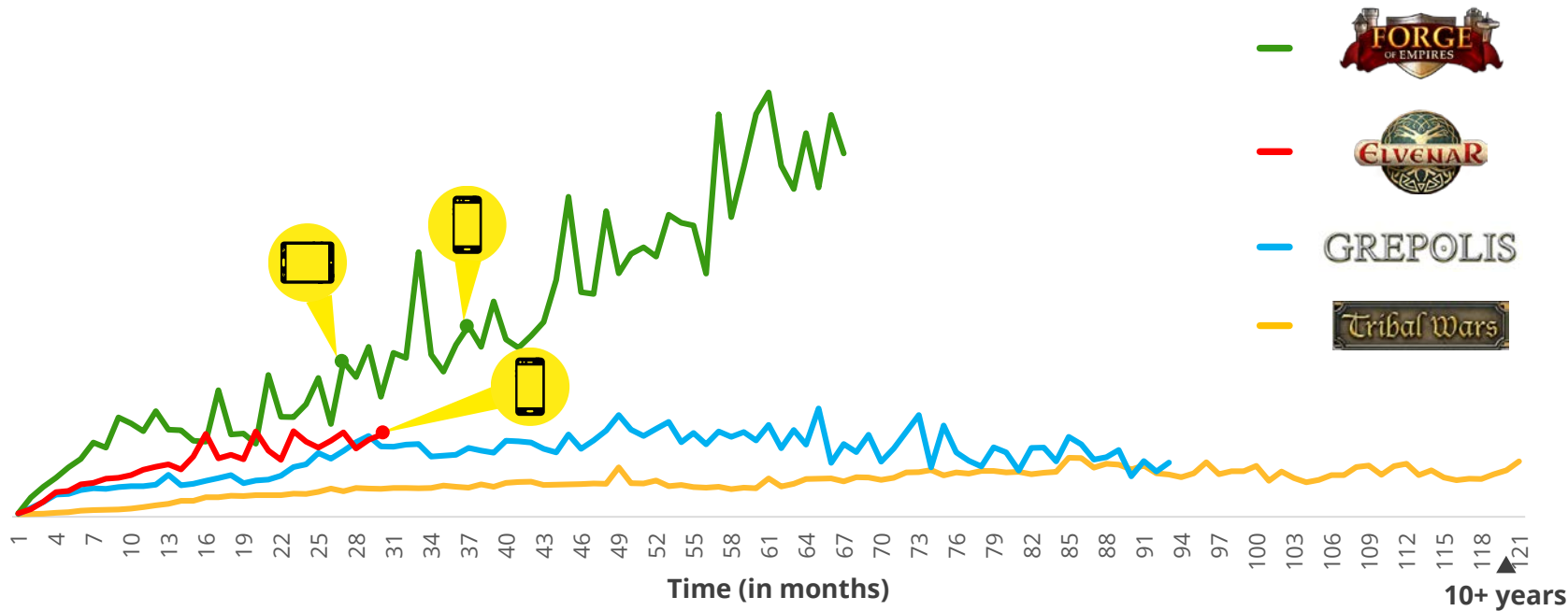
# WORLD CLASS CROSS-PLATFORM EXPERTISE

INNOGAMES HAS PROVEN SUCCESS OFFERING GAMES ON BOTH BROWSER AND MOBILE SIMULTANEOUSLY



- Cross-platform strategy allows for one user log-in across devices
- Switch back and forth between devices without ever losing progress
- Graphics and gameplay optimized for PC, touchscreen and multi-touch gestures



# PROVEN IP, LONGEVITY & FINANCIAL PERFORMANCE



# HIGH PLAYER ENGAGEMENT

				Total
<b>Paying Player</b> avg. monthly in k	<b>137</b> (+27%)	<b>31</b> (+10%)	<b>58</b> (-9%)	<b>226</b> (+13%)
<b>ARPPU</b> avg. monthly in EUR	<b>63</b> (+3%)	<b>56</b> (+1%)	<b>45</b> (+2%)	<b>58</b> (+4%)

Q3 2017 compared with Q3 2016

# OPERATIONAL KPI FORGE OF EMPIRES

Total game sessions \*



7.9 bn

Worldwide playtime \*



149.227 years

Q316 vs Q317



+25% in DAU

Average player age



40 years

Paying players of  
active players



9.2%

Players per platform



42%



23%



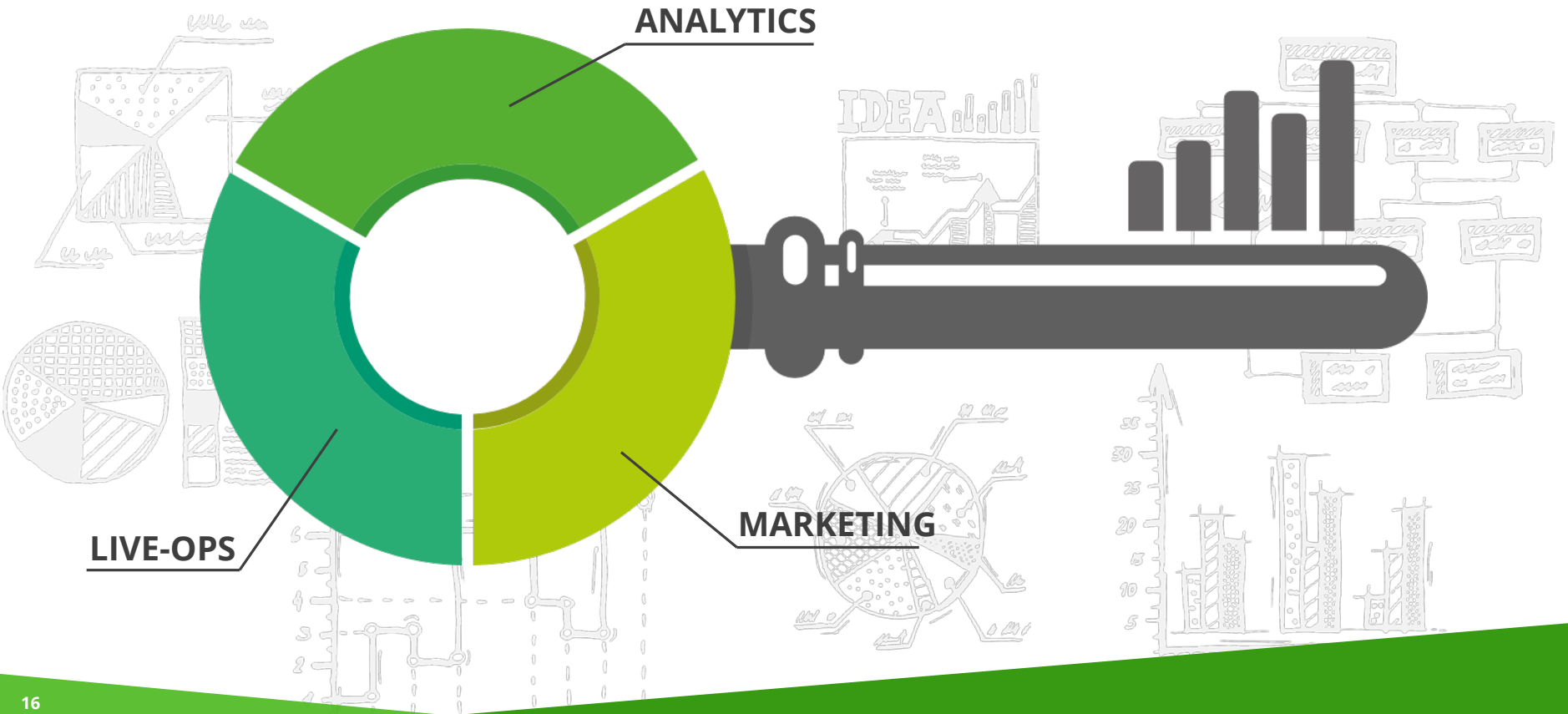
35%

Gender split



♂ 76% ♀ 24%

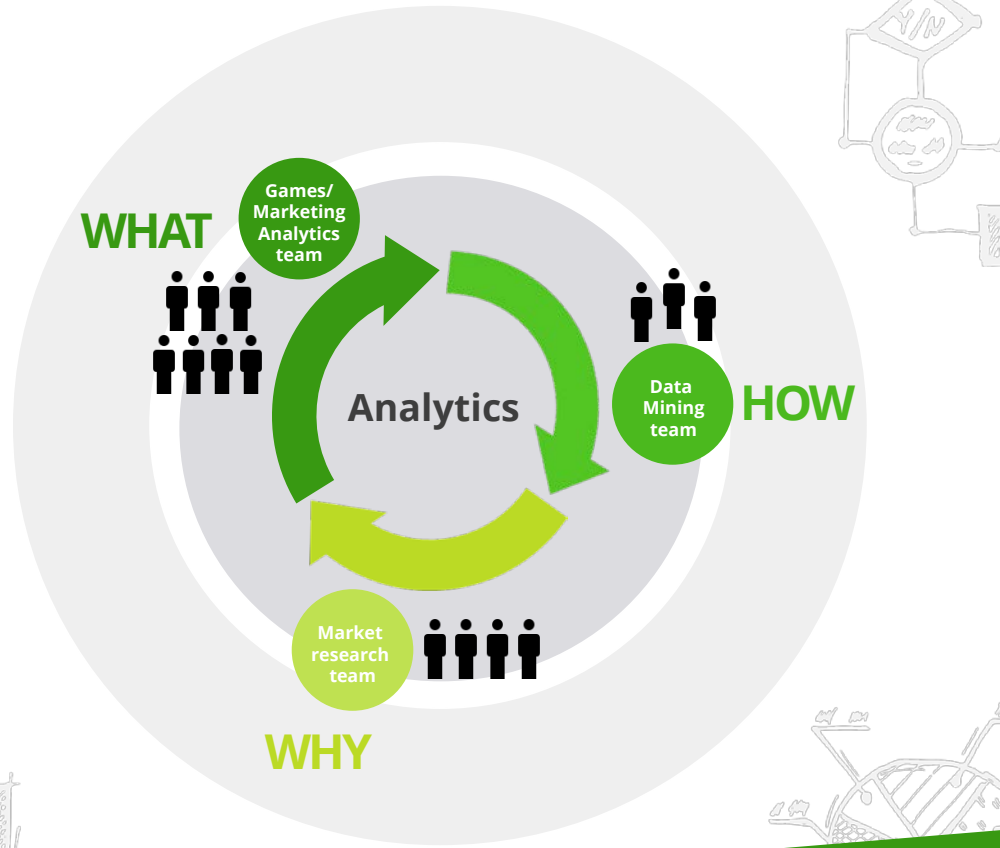
# KEY TO LONGEVITY





# ANALYTICS

- Predictive Analytics: Deep experience in user behavior analysis and predictions.
- A/B Testing for optimized performance marketing and event trackings
- Intelligent in-game monetization focused on delivering best options to players.
- Ability to predict potential churning players allows company to take counter-measures.



# EXAMPLE: PREDICTION MODELLING

Predict churn of mid-game players at a time where they are still active

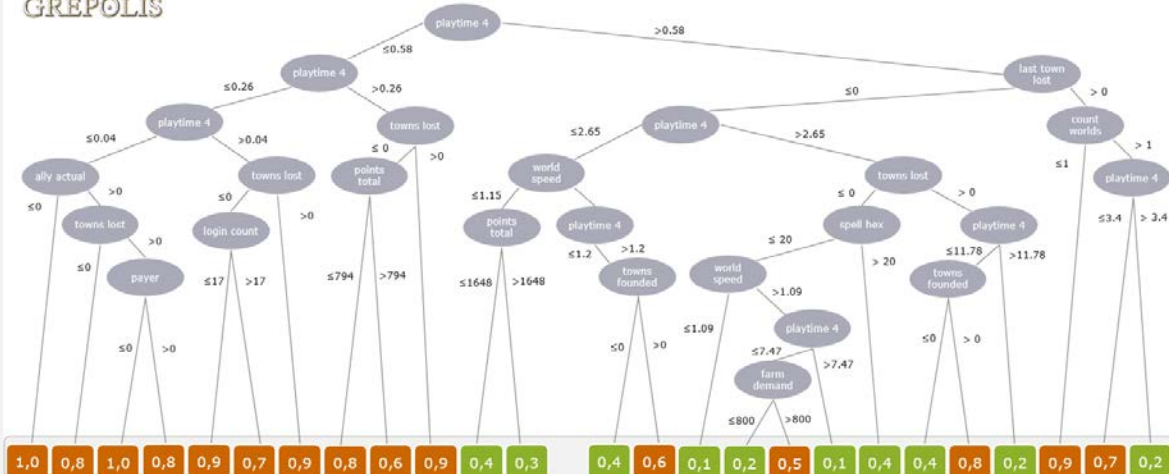
REGISTRATION

ACTIVITY

PREDICTION



GREPOLIS



A/B test:  
daily retention in week 2

19,5%

21,2%

+9%

Control group

Test group

# MARKETING: DRIVEN BY PERFORMANCE

## Brand Marketing

- Brand awareness (aided and unaided)
- Relevant set / first choice
- Net Promoter Score
- Rating in comparison to competitors

## Performance Marketing

- Registrations / Traffic Attribution
- Paying Players
- Customer Lifetime Value
- Campaign profitability / ROI

We know which campaign  
the players came from

We know the single  
campaign's costs

We know the  
lifetime value of the  
acquired players

We know the ROI of  
the campaign

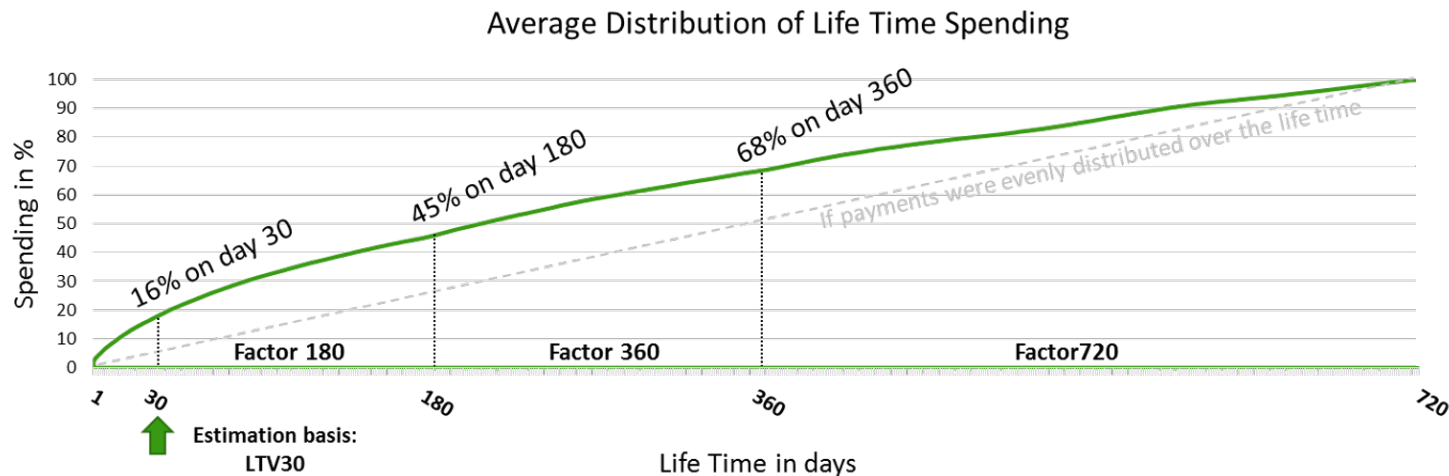
**CAMPAIGN PROFIT = TOTAL LIFETIME VALUE - TOTAL COSTS**

+ The systems are centralized and automated which reduces the workload and eliminates errors

+ Every category uses the same performance data which makes them comparable

# LTV – LIFETIME VALUE PREDICTION

Based on the payments within 30/180/360 days after registration, the **720 day lifetime value** of a user can be predicted with great accuracy



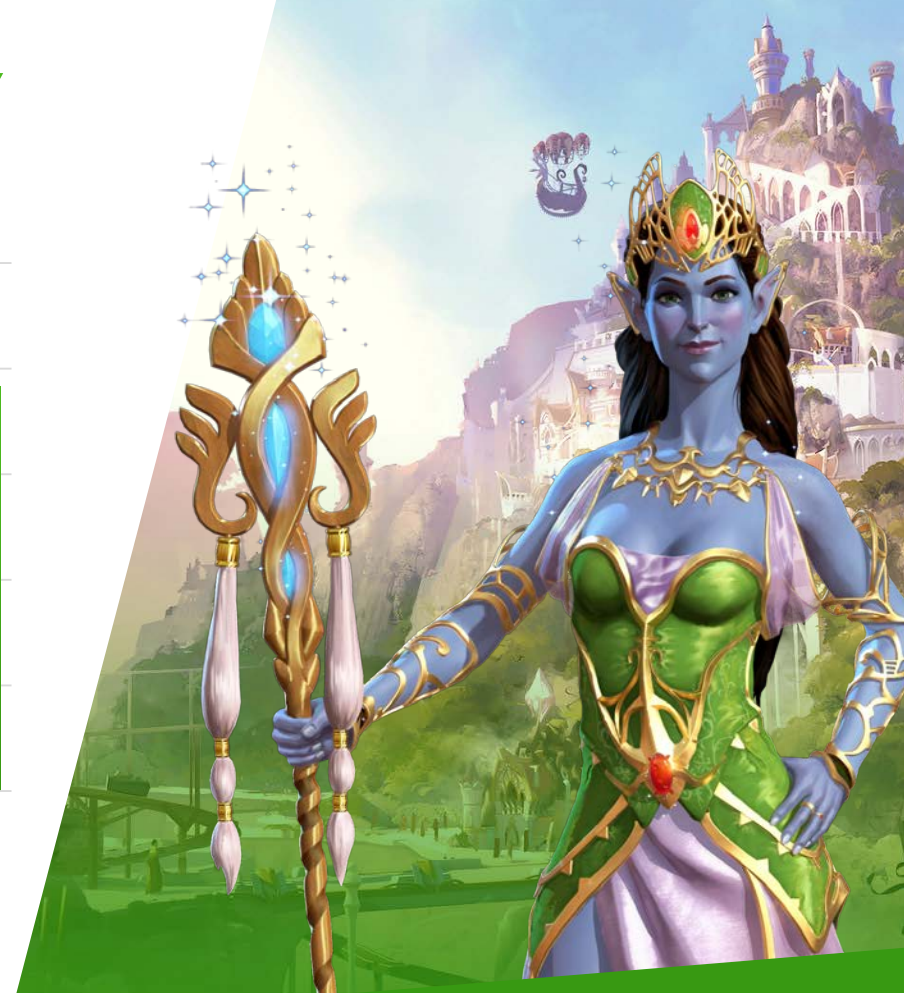
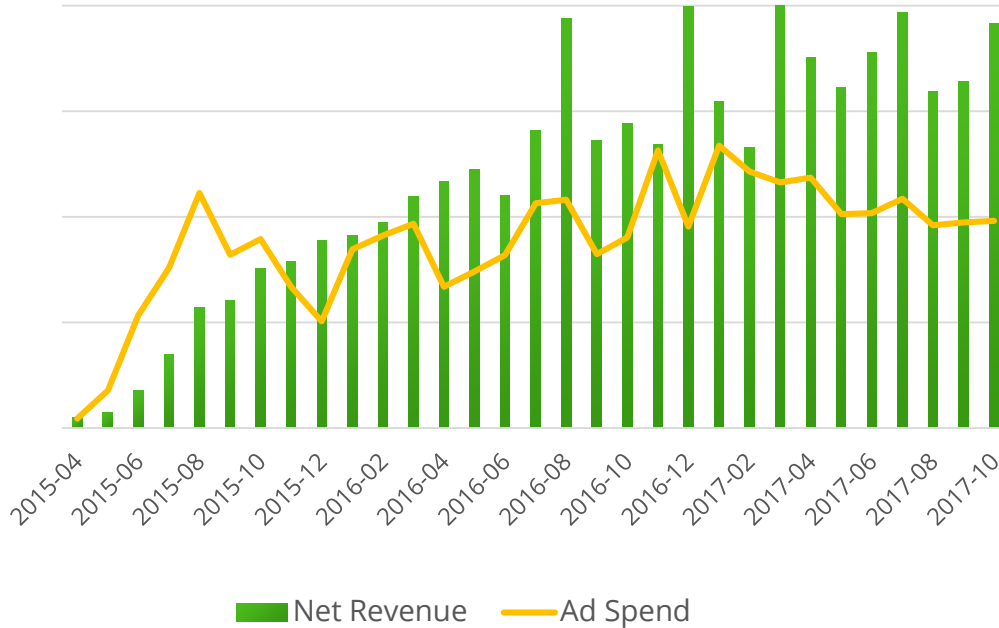
**95%**

Ø overall accuracy

**THIS IS FUNDAMENTAL TO MAKING MARKETING PREDICTABLE**

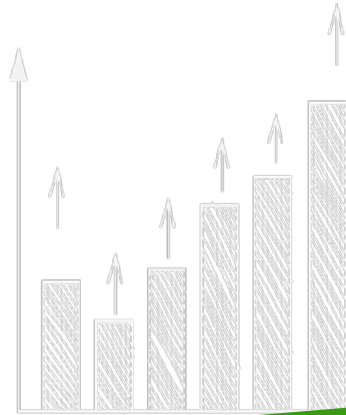
# MARKETING CASE STUDY

## Elvenar Ramp Up



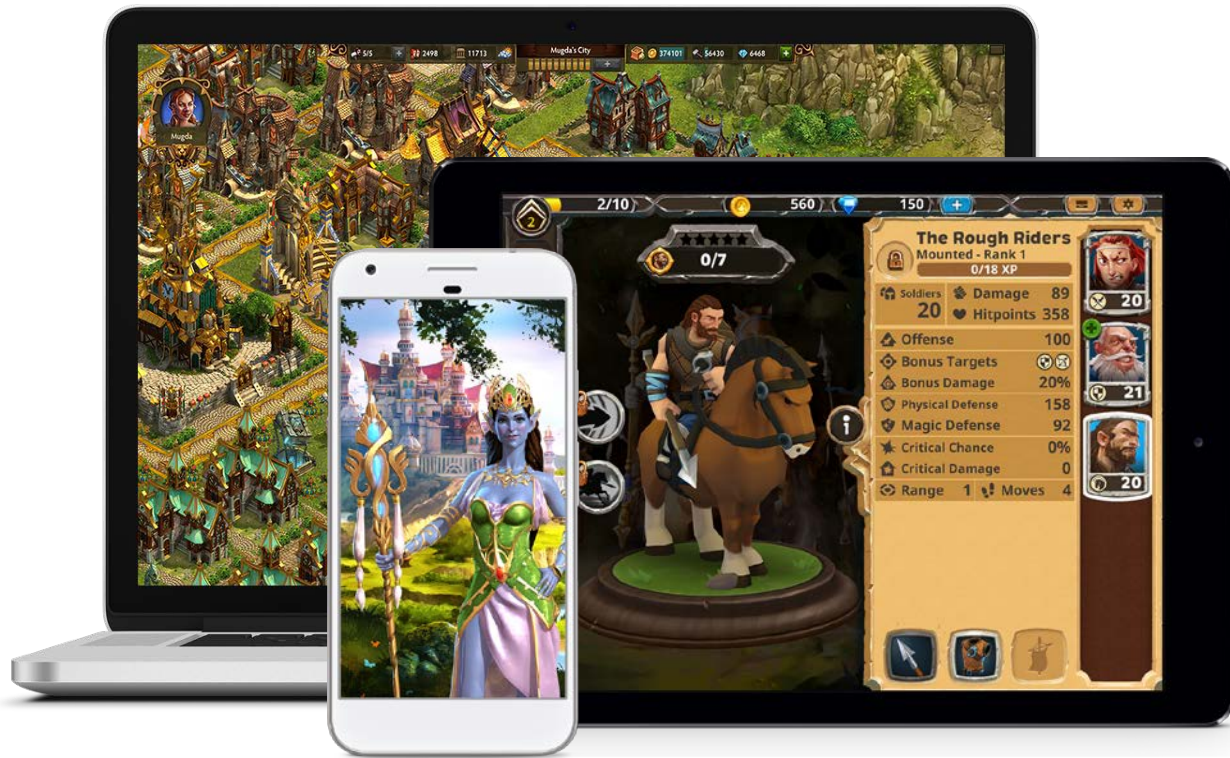
# LIVE-OPS

- Clear, predictable and sustainable process with constant improvements
- Leads to extreme long-term motivation and fun for our players
- Always fresh and new content
- Events every second week for a longer stay and joining the Games
- CRM: Individual offers to gamer and reactivate churning players
- Sales-driven and A/B Testing



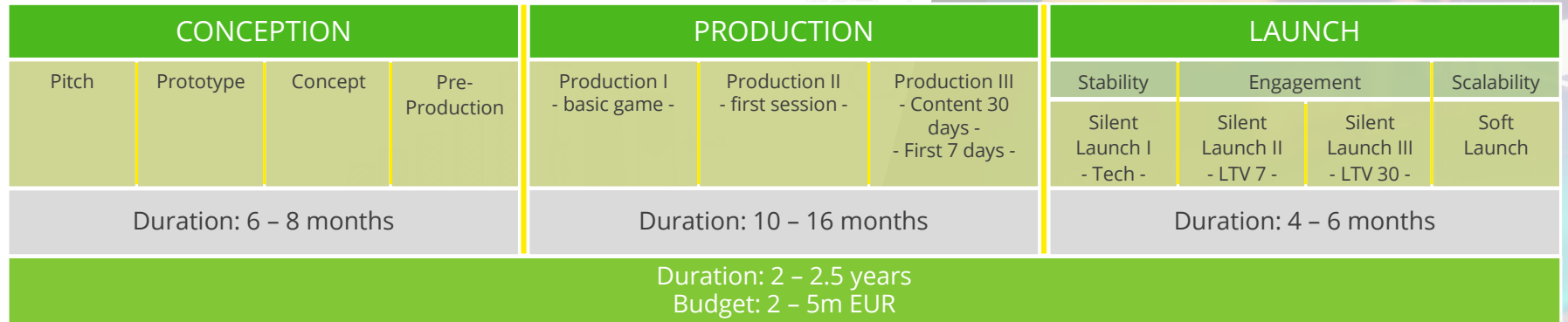


# FUTURE GROWTH



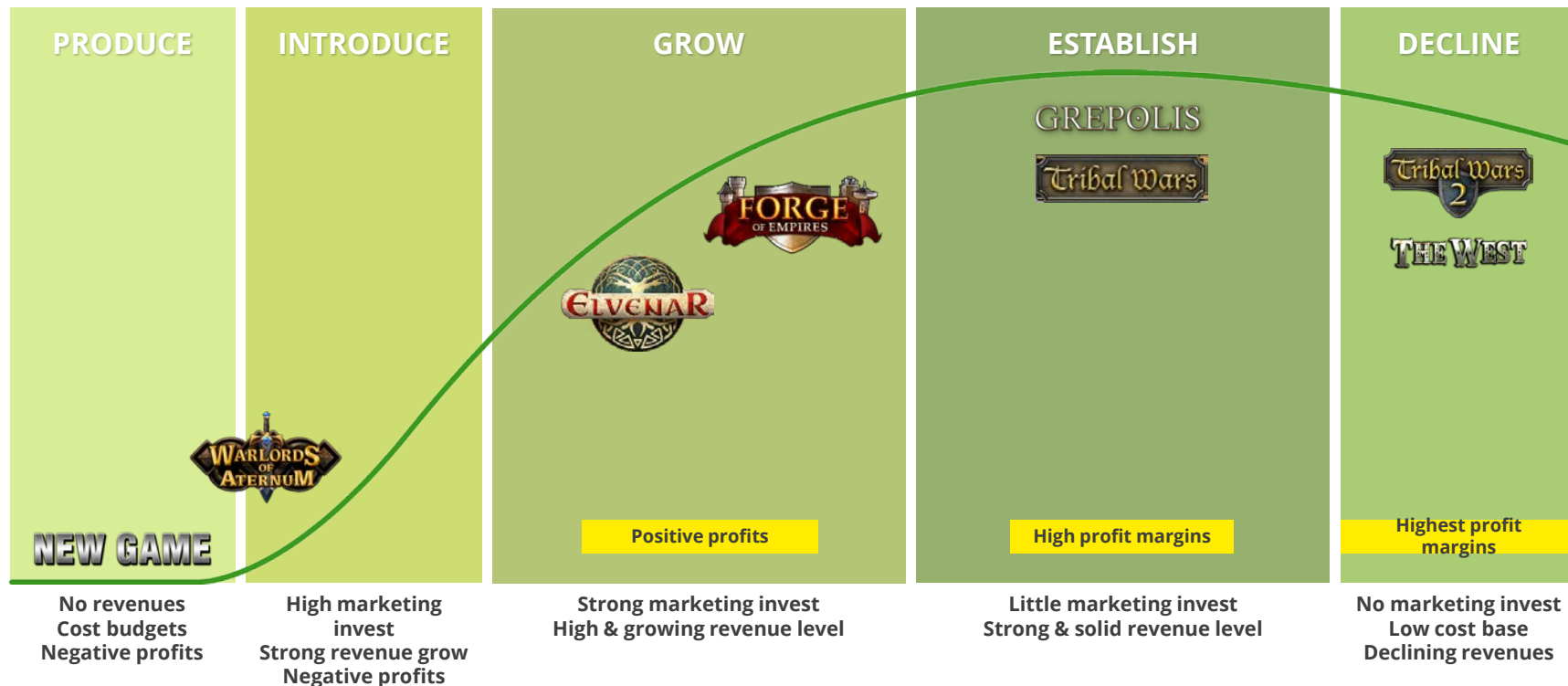
# STAGE GATE PROCESS

- Central Stage Gate process and agile teams
- Milestone-based Game creation process in <2.5 years
- Core elements shared across studios
- Only top games are launched





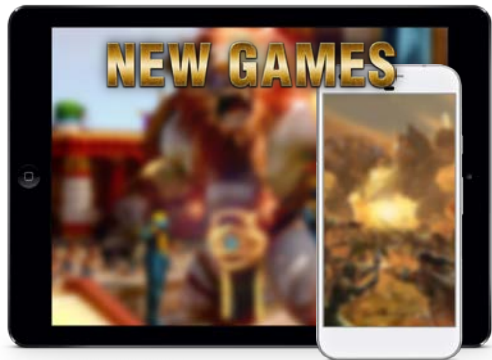
# PRODUCT LIFECYCLE MODEL



# THREE PILLARS OF SUCCESS

## CREATE

new mobile-only  
games



## LEVERAGE

our successfull browser games  
& bring them to mobile



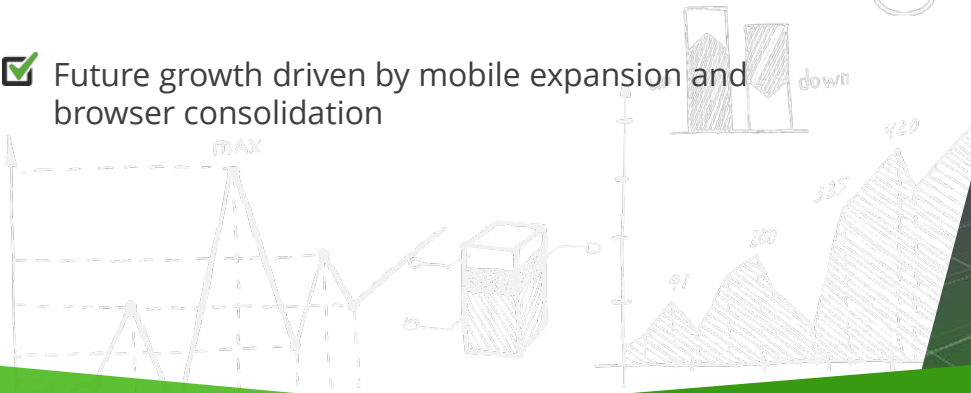
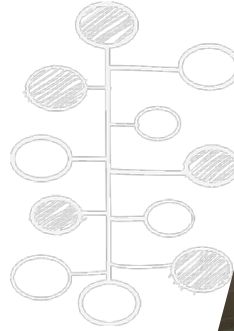
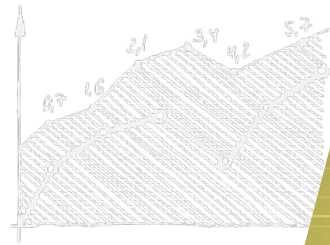
## BUY

existing games which  
fits to our portfolio



# SUMMARY

- ✓ Focus on a strong team and best talents
- ✓ Proven monetization ability – bottom down line
- ✓ Focused strategy with clear USPs, Analytics and Marketing numbers
- ✓ Proven track record to create cross-platform games – not a one-hit wonder
- ✓ Future growth driven by mobile expansion and browser consolidation







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