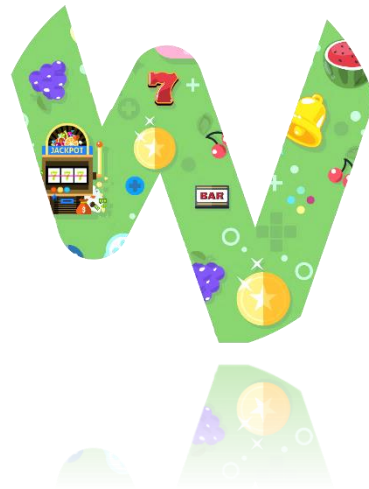




# Q3.19 Results Presentation

DOUBLEU GAMES IR | 2019.10.23



## Disclaimer

Some contents may reflect forward-looking statements and have been prepared based on the expectations according to the dates on which these statements were made. There can be no assurance that the forward-looking statements used by DoubleU Games are correct as results can differ from expectations. Therefore DoubleU Games will not be responsible for individual investment decisions based solely on this material. DoubleU Games disclaims any duty to update the information in this material to reflect future events or circumstances

## Contents

1. Earnings Summary

2. Revenue Analysis

3. Costs Analysis

4. 4Q 19 Plan

Appendix

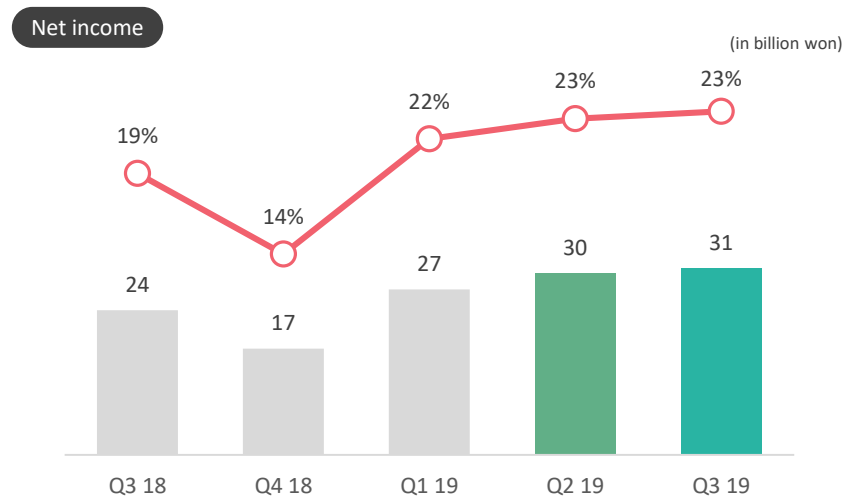
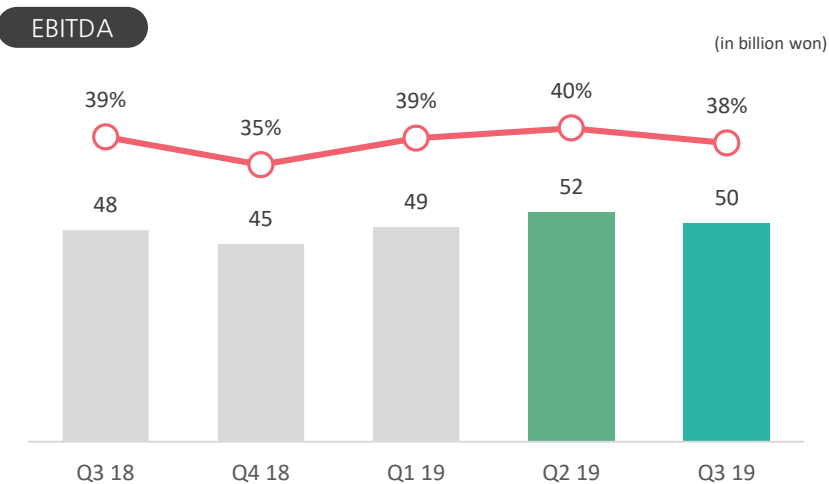
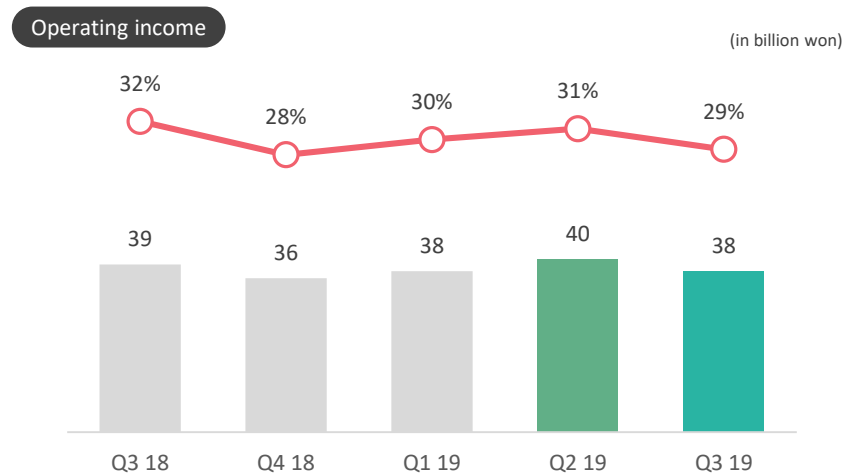
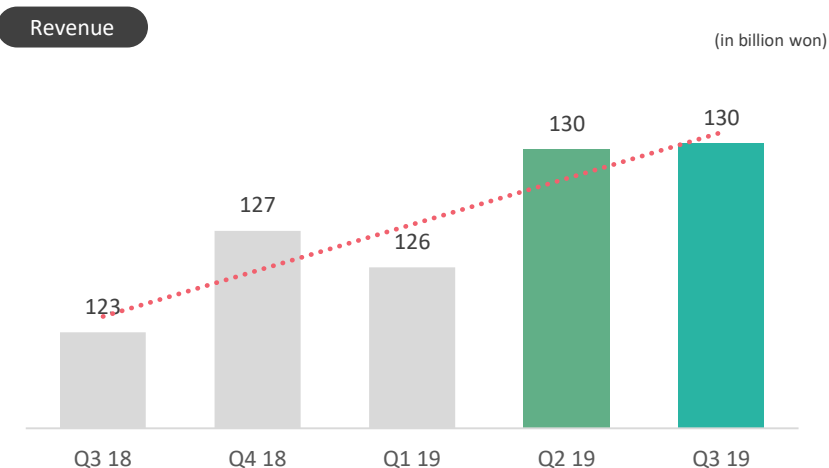
A. DUG Income statement (Consolidated)

B. T8G Income statement (Consolidated)

C. Revenue by Games

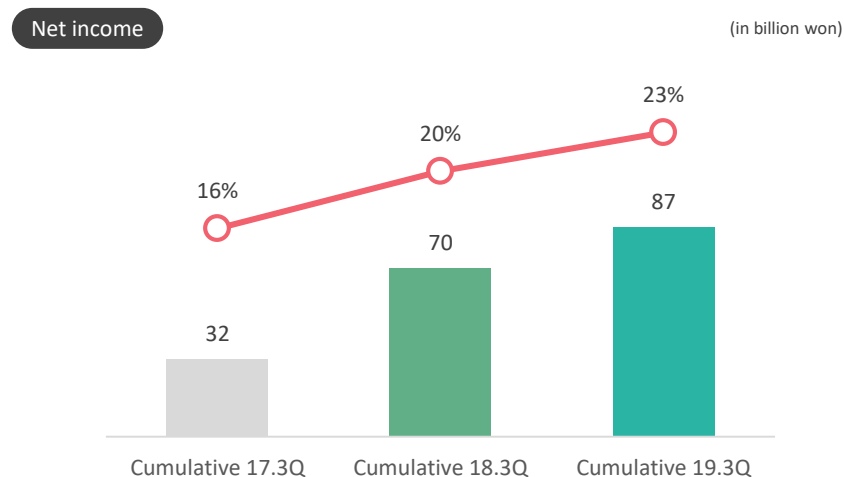
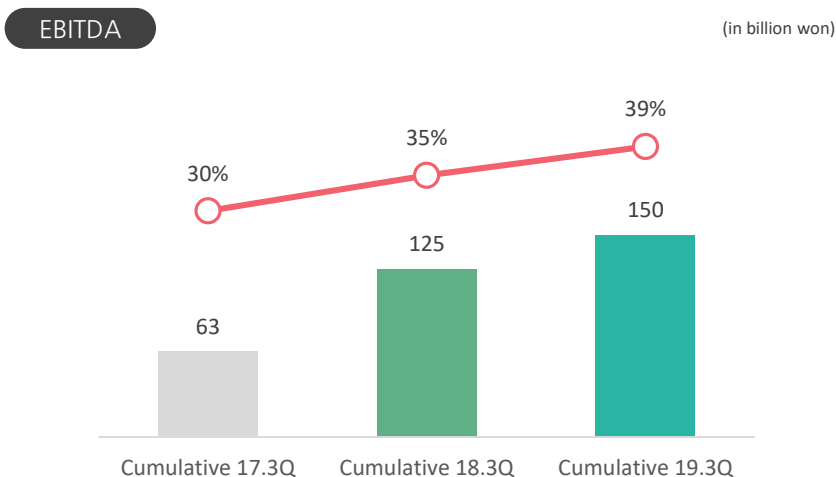
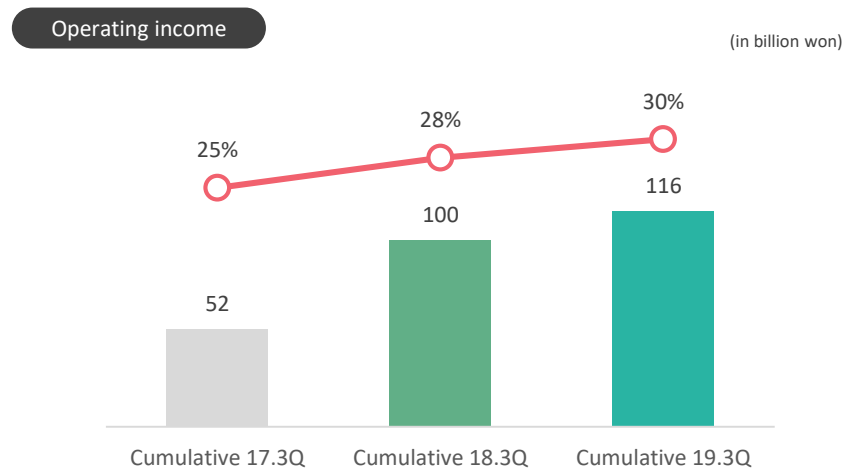
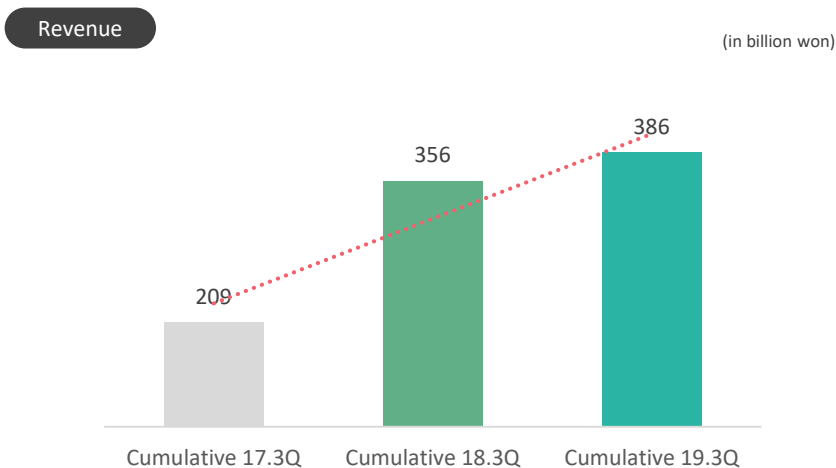
# 1 Earnings Summary (Consolidated)

- Revenue KRW 130.1 bn, Operating income KRW 37.6 bn (29%), EBITDA KRW 49.5 bn (38%)
- Growth: Revenue Y/Y 5.4%, Operating income Y/Y -4.1%, EBITDA Y/Y 3.3%



# 1 Cumulative Earnings Summary (Consolidated)

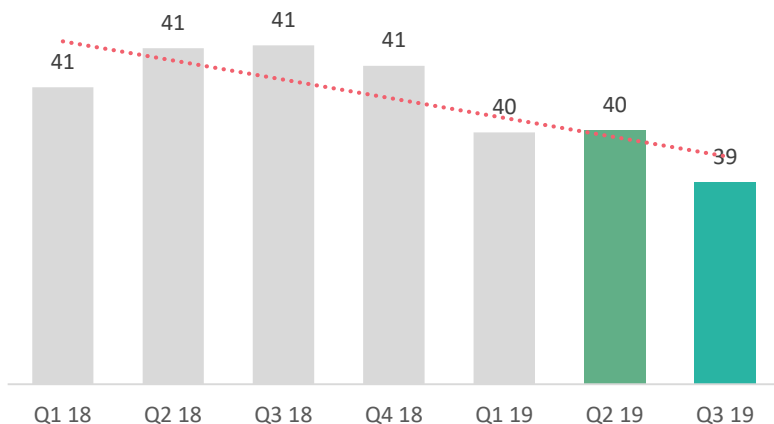
- Cumulative revenue KRW 386 bn, Cumulative operating income KRW 116 bn (30%), Cumulative EBITDA KRW 150 bn (39%)
- Growth: Cumulative revenue Y/Y 8.4%, Cumulative operating income Y/Y 15.9%, Cumulative EBITDA Y/Y 20.3%



## 2 Revenue Analysis

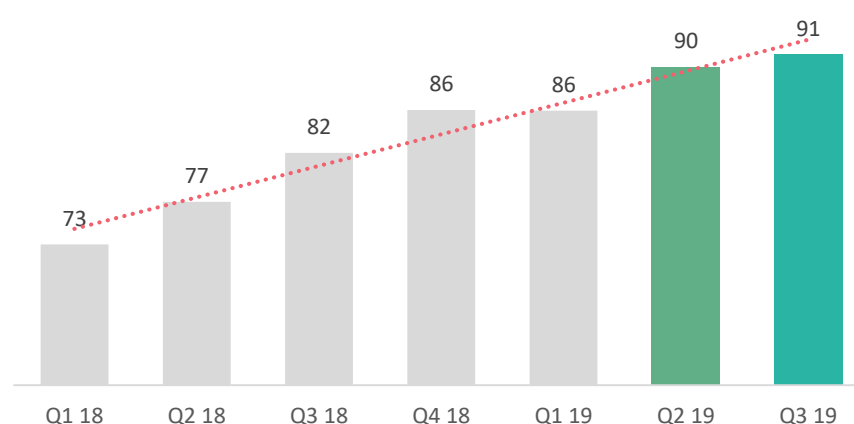
PC Y/Y -6.3%, Q/Q -2.5%, Revenue ratio: 29.8%

(in billion won)



Mobile Y/Y 11.4%, Q/Q 1.3%, Revenue ratio: 70.2%

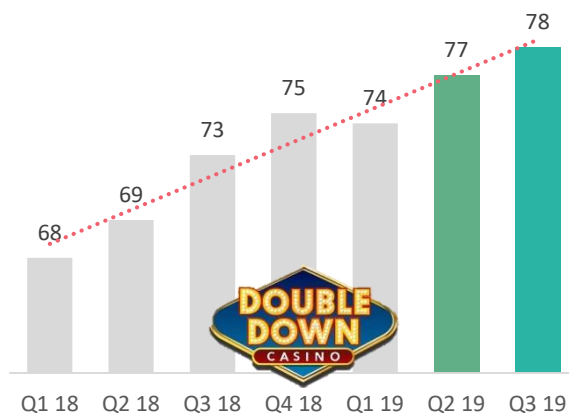
(in billion won)



DDC

Y/Y 7.2%, Q/Q 1.8%, Revenue ratio : 60%

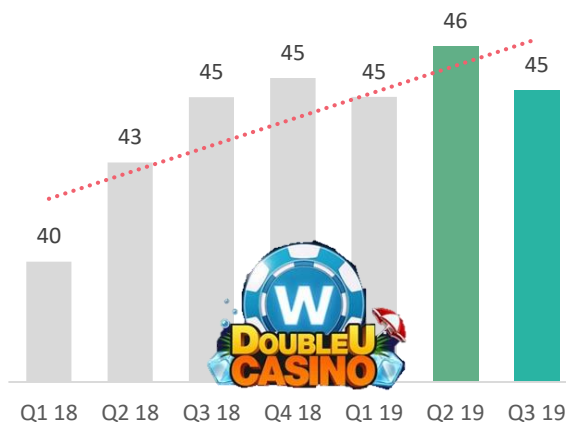
(in billion won)



DUC

Y/Y 0.4%, Q/Q -2.6%, Revenue ratio : 35%

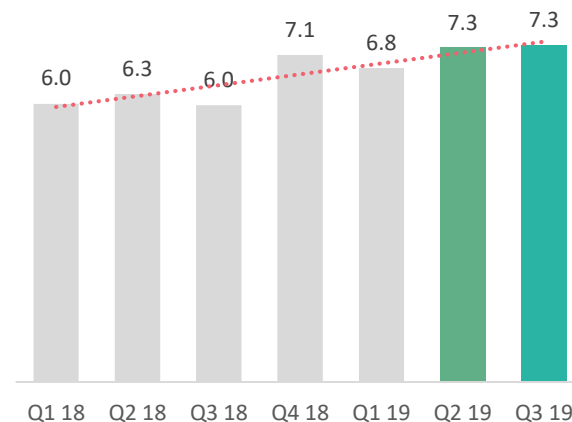
(in billion won)



Other Apps

Y/Y 22%, Q/Q 0.8%, Revenue ratio : 5%

(in billion won)



### 3 Costs Analysis (Consolidated)

(in billion won)

Type	19.3Q	19.2Q	18.3Q	Y/Y	Q/Q	Note
Revenue	130	130	123	5.4%	0.2%	
DDC	78	77	73	7.2%	1.8%	DoubleDown Casino
DUC	45	46	45	0.4%	-2.6%	DoubleU Casino
Others	7	7	5	19.7%	0.8%	Take5,FortKnox, etc.
Operating cost	92	90	84	10.0%	3.2%	
Platform fee	39	38	37	5.4%	2.4%	30% of Revenue (variable cost)
Marketing cost	19	16	13	42.9%	17.3%	
Labor costs	15	16	15	-2.6%	-3.8%	
Royalty	3	4	5	-24.4%	-10.5%	Royalty rate changed by GDDA amendment
Other expense	4	4	5	-18.5%	-2.2%	IFRS 16 [Rent fee]
D&A	12	12	9	36.8%	2.6%	Other expense → Depreciation
Operating income	38	40	39	-4.1%	-6.7%	
EBITDA	50	52	48	3.3%	-4.6%	Operating income + D&A
Operating income %	28.9%	31.0%	31.8%			
EBITDA %	38.0%	40.0%	38.8%			
MKT/Revenue	14.6%	12.5%	10.8%			

# 4 4Q 19 Plan

- Social Casino expects growth in 4Q due to strong seasonality
- DoubleDown FortKnox's 3Q sales grew 44 percent Q/Q to KRW 1.5bn.

## Seasonal Events

Oct		
Nov		
Dec		

## DoubleDown FortKnox





# Appendix A. DUG Income statement (Consolidated)

(in billion won)

Type	'17 cumulative	18.1Q	18.2Q	18.3Q	18.4Q	'18 cumulative	19.1Q	19.2Q	19.3Q
Revenue	319	114	119	123	127	483	126	130	130
Operating cost	238	88	84	84	91	347	88	90	92
Platform fee	95	34	36	37	38	144	38	38	39
Marketing cost	41	20	15	13	18	66	14	16	19
Royalty	13	5	5	5	5	19	4	4	3
Labor cost	39	14	13	15	14	57	16	16	15
D&A	20	8	8	9	9	34	10	12	12
Other expense	30	7	7	5	7	27	6	4	4
Operating income	81	26	35	39	36	136	38	40	38
EBITDA	101	34	43	48	45	170	48	52	50
Non-operating income	5	2	13	(1)	2	15	4	5	8
Interest income	3	1	1	0	0	2	0	0	1
Foreign currency effect	2	1	12	(1)	2	13	4	5	7
Non-operating Cost	(48)	(10)	(7)	(9)	(8)	(34)	(7)	(8)	(7)
Interest cost	(27)	(8)	(8)	(8)	(8)	(32)	(7)	(7)	(7)
Foreign currency effect	(21)	(2)	1	(0)	(0)	(1)	(0)	(1)	0
Other expenses	(0)	(0)	(0)	(1)	(0)	(1)	0	0	0
Equity-method loss & others	(0)	(0)	(0)	(0)	0	(0)	(0)	0	0
Profit before tax	38	18	41	29	30	117	34	38	39
Taxes	2	4	8	5	13	29	7	8	8
Net income	36	14	33	24	17	88	27	30	31

## Appendix B. T8G Income statement (Consolidated)

(in billion won)

Type	18.1Q	18.2Q	18.3Q	18.4Q	19.1Q	19.2Q	19.3Q
Revenue	70	72	75	78	77	79	81
DDC	68	69	73	75	74	77	78
DD FK	0	0	0	0	1	1	2
Classic	0	0	1	1	1	0	0
Ellen	2	3	1	2	1	1	1
Operating Costs	58	57	58	62	59	59	62
Platform fee	21	21	22	23	23	24	24
Marketing cost	10	9	7	9	6	7	10
Royalty	5	6	6	6	5	5	5
Labor cost	9	8	10	9	10	10	9
D&A	8	8	8	9	10	10	11
Other expense	4	4	4	5	4	3	2
AWS	1	1	1	1	1	0	1
Operating Income	12	15	17	16	18	20	19
EBITDA	20	23	26	25	28	30	30

## Appendix C. Revenue by Games

(in billion won)

Company	Games	Symbol	18.1Q	18.2Q	18.3Q	18.4Q	'18 cumulative	19.1Q	19.2Q	19.3Q
DDI Total		-	70	72	75	78	295	77	80	81
DoubleDown Interactive (DDI)	DoubleDown Casino	DDC	68	70	73	75	286	74	77	78
	DoubleDown Casino Classic	DDCS	0	0	1	1	2	1	1	0
	Ellen Slots	Ellen	2	2	1	2	6	1	1	1
	DoubleDown Fort Knox	DD FK	0	0	0	0	1	1	1	2
DUG Total		-	44	47	48	49	188	49	50	49
DoubleU Games (DUG)	DoubleU Casino	DUC	40	43	44	45	172	45	46	45
	Take5	T5	3	3	3	3	13	3	4	3
	DoubleU Bingo	DUB	1	1	1	1	3	1	0	0
	Others	Other	0	0	0	0	0	0	0	1
Total		-	114	119	123	127	483	126	130	130