

# AMAYA



**POKER  
STARS**



**BET  
STARS**



**Q2 2016 Earnings Presentation**

**August 12, 2016**

# Cautionary Note Regarding Forward Looking Statements



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable securities laws, including, without limitation, certain financial and operational expectations and projections. Forward-looking statements can, but may not always, be identified by the use of words such as “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing” and similar references to future periods or the negatives of these words and expressions. These statements, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect us, our customers and our industries. Although Amaya and management believe the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Specific risks and uncertainties include, but are not limited to: the heavily regulated industry in which Amaya carries on business; interactive entertainment and online and mobile gaming generally; current and future laws or regulations and new interpretations of existing laws or regulations with respect to online and mobile gaming; potential changes to the gaming regulatory scheme; legal and regulatory requirements; ability to obtain, maintain and comply with all applicable and required licenses, permits and certifications to distribute and market its products and services, including difficulties or delays in the same; significant barriers to entry; competition and the competitive environment within Amaya’s addressable markets and industries; impact of inability to complete future acquisitions or to integrate businesses successfully; ability to develop and enhance existing products and services and new commercially viable products and services; ability to mitigate foreign exchange and currency risks; ability to mitigate tax risks and adverse tax consequences, including, without limitation, the imposition of new or additional taxes, such as value-added and point of consumption taxes, and gaming duties; risks of foreign operations generally; protection of proprietary technology and intellectual property rights; ability to recruit and retain management and other qualified personnel, including key technical, sales and marketing personnel; defects in Amaya’s products or services; losses due to fraudulent activities; management of growth; contract awards; potential financial opportunities in addressable markets and with respect to individual contracts; ability of technology infrastructure to meet applicable demand; systems, networks, telecommunications or service disruptions or failures or cyber-attacks; regulations and laws that may be adopted with respect to the Internet and electronic commerce and that may otherwise impact Amaya in the jurisdictions where it is currently doing business or intends to do business; ability to obtain additional financing on reasonable terms or at all; refinancing risks; customer and operator preferences and changes in the economy; dependency on customers’ acceptance of its products and services; consolidation within the gaming industry; litigation costs and outcomes; expansion within existing and into new markets; relationships with vendors and distributors; and natural events. Other applicable risks and uncertainties include those identified under the heading “Risk Factors and Uncertainties” in Amaya’s Annual Information Form for the year ended December 31, 2015 and “Risk Factors and Uncertainties” and “Limitations of Key Metrics and Other Data” in its Management’s Discussion and Analysis for the periods ended June 30, 2016 (the “Q2 2016 MD&A”), each available on SEDAR at [www.sedar.com](http://www.sedar.com), EDGAR at [www.sec.gov](http://www.sec.gov) and Amaya’s website at [www.amaya.com](http://www.amaya.com), and in other filings that Amaya has made and may make with applicable securities authorities in the future. Investors are cautioned not to put undue reliance on forward-looking statements. Any forward-looking statement speaks only as of the date hereof, and Amaya undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

# Non-IFRS and Non-U.S. GAAP Measures



This presentation references non-IFRS and non-U.S. GAAP financial measures, including Adjusted EBITDA, Adjusted Net Earnings, Adjusted Net Earnings per Diluted Share, Unlevered Free Cash Flow and the foreign exchange impact on revenues (i.e., constant currency). Amaya believes these non-IFRS and non-U.S. GAAP financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes these financial measures are important in evaluating Amaya, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS or U.S. GAAP. They are not recognized measures under IFRS or U.S. GAAP and do not have standardized meanings prescribed by IFRS or U.S. GAAP. These measures may be different from non-IFRS and non-U.S. GAAP financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on Amaya's operating results. Amaya uses the following non-IFRS and non-U.S. GAAP measures in this presentation:

Adjusted EBITDA as net earnings (loss) from continuing operations before interest and financing costs (net of interest income), income taxes, depreciation and amortization, stock-based compensation, restructuring and certain other items

Adjusted Net Earnings as net earnings (loss) from continuing operations before interest accretion, amortization of intangible assets resulting from purchase price allocation following acquisitions, deferred income taxes, stock-based compensation, restructuring, foreign exchange, and certain other items

Adjusted Net Earnings per Diluted Share as defined by the Corporation means Adjusted Net Earnings divided by Diluted Shares.

Diluted Shares means weighted average number of Common Shares on a fully diluted basis, including options, warrants and the Corporation's convertible preferred shares ("Preferred Shares"). The effects of anti-dilutive potential Common Shares are ignored in calculating Diluted Shares. See note 8 to Amaya's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2016.

Reconciliations of Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share to the nearest IFRS measures are provided in the Appendix.

Unlevered Free Cash Flow means operating cash flow from continuing operations net of customer deposit liability movements less capital expenditures from continuing operations and is presented and reconciled to the nearest IFRS measure in the Appendix.

To calculate revenue on a constant currency basis, Amaya translated revenue for the three and six months ended June 30, 2016 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which Amaya believes is a useful metric that facilitates comparison to its historical performance.

## Key Metrics

Amaya defines Quarterly Active Uniques (QAUs) as active unique customers (online, mobile and desktop client) who generated rake, placed a bet or otherwise wagered (not including free play, bonuses or other promotions) on or through an Amaya poker, casino or sportsbook offering during the applicable quarterly period. Amaya defines unique as a customer who played at least once on one of Amaya's real-money offerings during the period, and excludes duplicate counting, even if that customer is active across multiple verticals (e.g., both poker and casino).

Amaya defines Quarterly Net Yield (QNY) as combined real-money online gaming and related revenue (excluding certain other revenues, such as revenues from play-money offerings, live events and branded poker rooms) for its two operating segments (i.e., real-money online poker and real-money online casino and sportsbook) as reported during the applicable quarterly period (or as adjusted to the extent any accounting reallocations are made in later periods) divided by the total QAUs during the same period. Amaya provides QNY on a U.S. dollar and constant currency basis. QNY is a non-IRS measure and a reconciliation of the numerator of QNY to the nearest IFRS measure is provided in the Appendix.

Amaya defines Customer Registrations as the cumulative number of real-money and play-money customer registrations on PokerStars and Full Tilt.

For additional information on Amaya's key metrics and other data, see the Q2 2016 MD&A under the headings "Limitations on Key Metrics and Other Data" and "Key Metrics" and today's earnings press release.

## Currency

Unless otherwise noted, all references to "\$", "US\$" and "USD" are to the U.S. dollar and "C\$" and "CAD" are to the Canadian dollar.

The comparative and historical figures disclosed herein and in Amaya's financial statements and management's discussion and analysis for the three and six months ended June 30, 2016 have been retrospectively adjusted to reflect the previously announced change in presentation currency to the U.S. dollar as if the U.S. dollar had been used as the presentation currency for all prior periods presented.

The USD to CAD exchange rates used in certain slides herein are as follows: H1 2015 – 1.2352; FY2015 – 1.2785

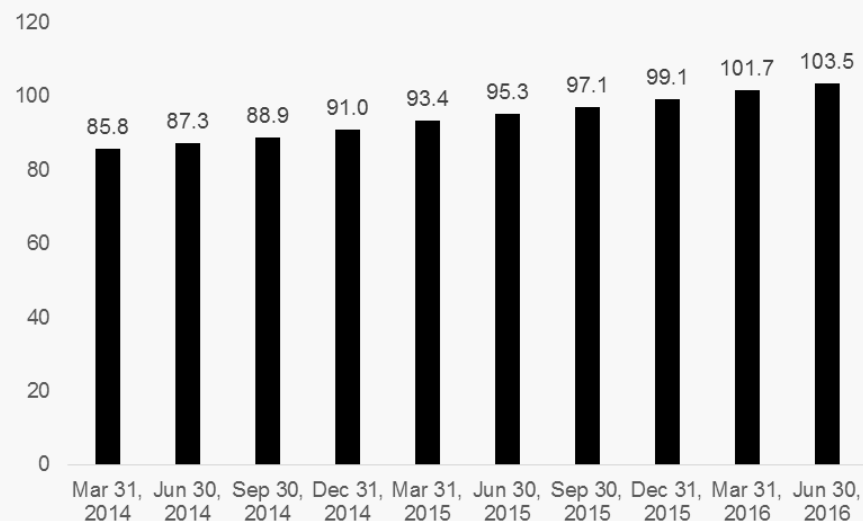
# Overview of H1 2016 Highlights

- Continued to effectively execute on our 2016 strategy by providing strong second quarter performance in each of our three core verticals, poker, casino and sportsbook
- Maintained leadership position in poker with an estimated 71% market share
- Continued to implement changes to the poker ecosystem to support the recreational player
- Record-breaking Spring Championship of Online Poker (SCOOP) prize pool of approximately \$91 million
- Migrated Full Tilt players and brand to PokerStars platform
- Developed PokerStars Vegas casino tab and added Playtech slots, both launched in July
- Expanded sportsbook offering through product improvements and new jurisdictions, including France and Italy
- Strong performance in first full quarter of operations in New Jersey with 44% real-money online poker market share

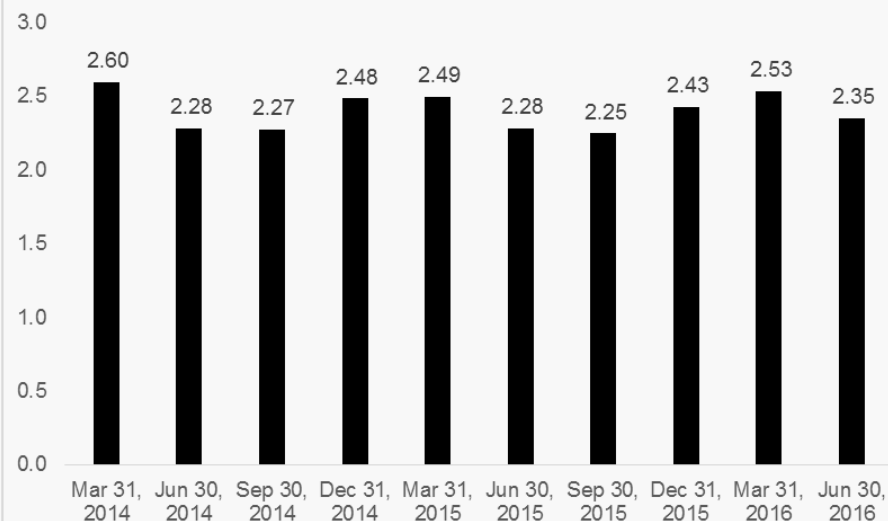


# Key Metrics

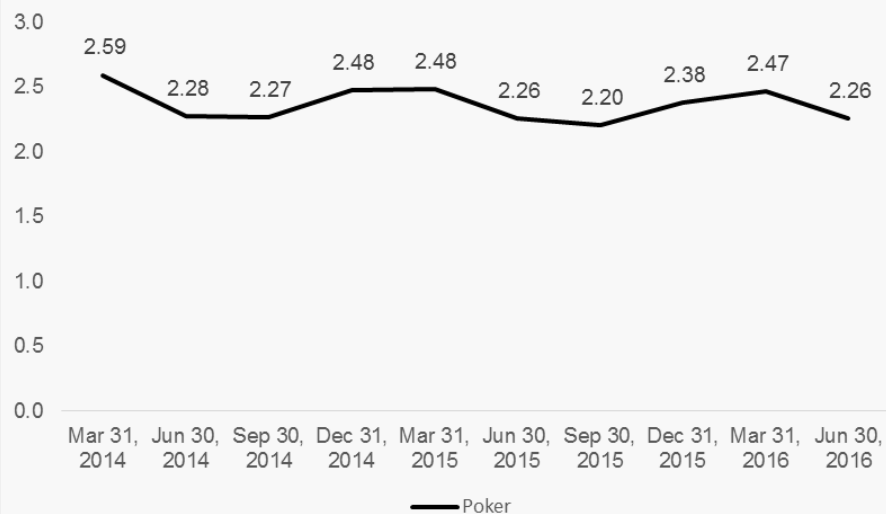
Customer Registrations  
(in millions)



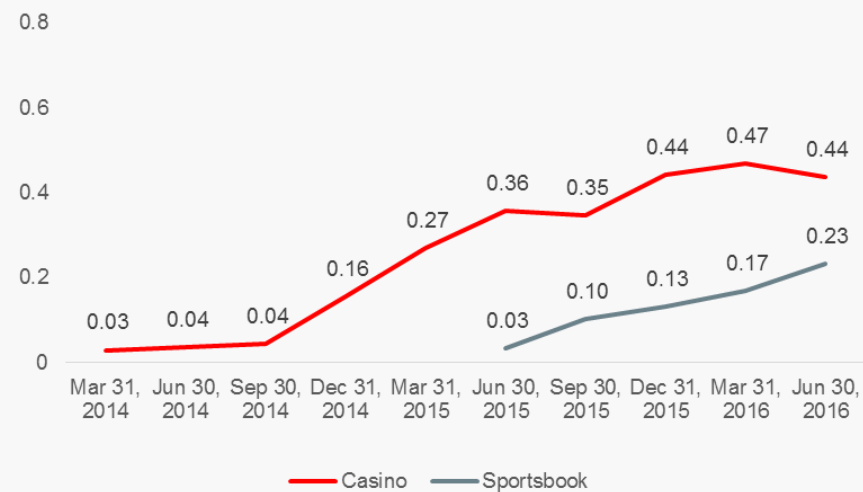
Quarterly Active Uniques  
(in millions)



Quarterly Active Uniques  
(in millions)

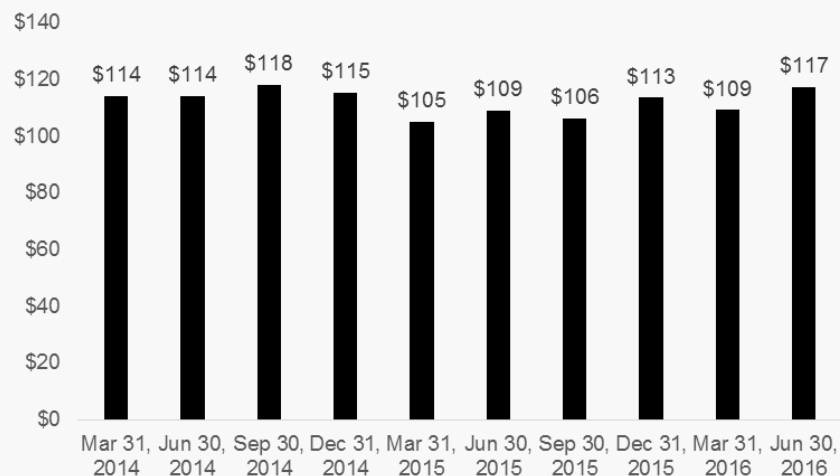


Quarterly Active Uniques by Segment  
(in millions)

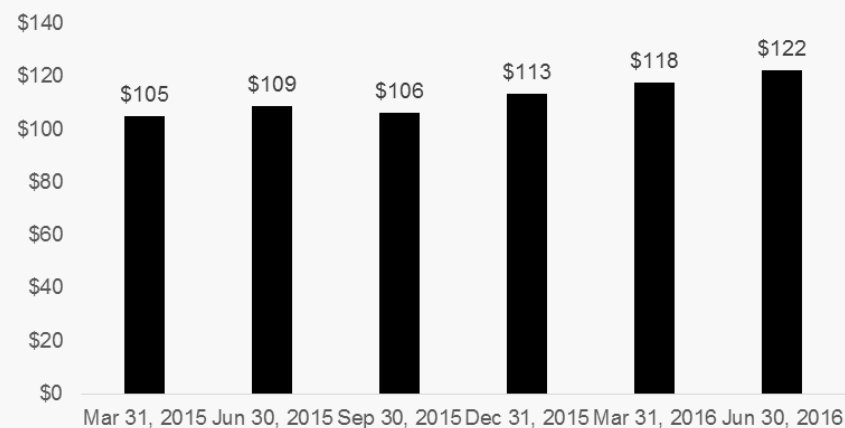


# Key Metrics (continued)

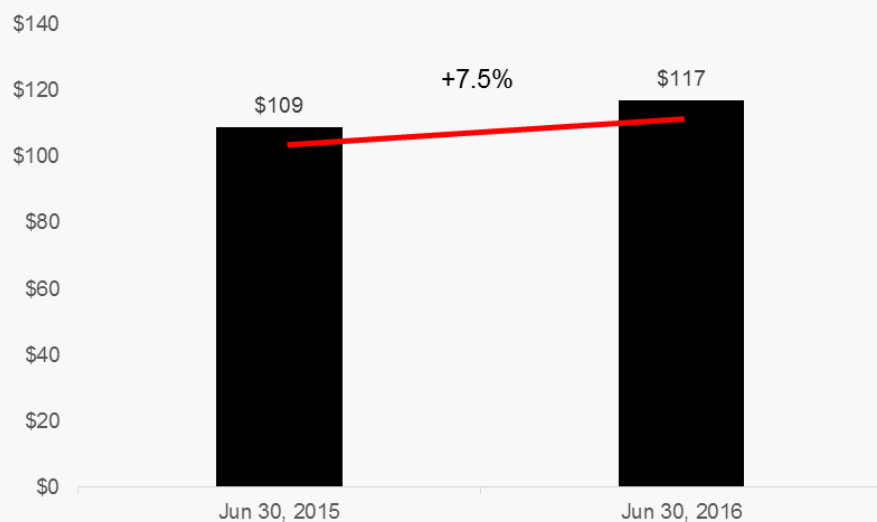
Quarterly Net Yield  
(USD)



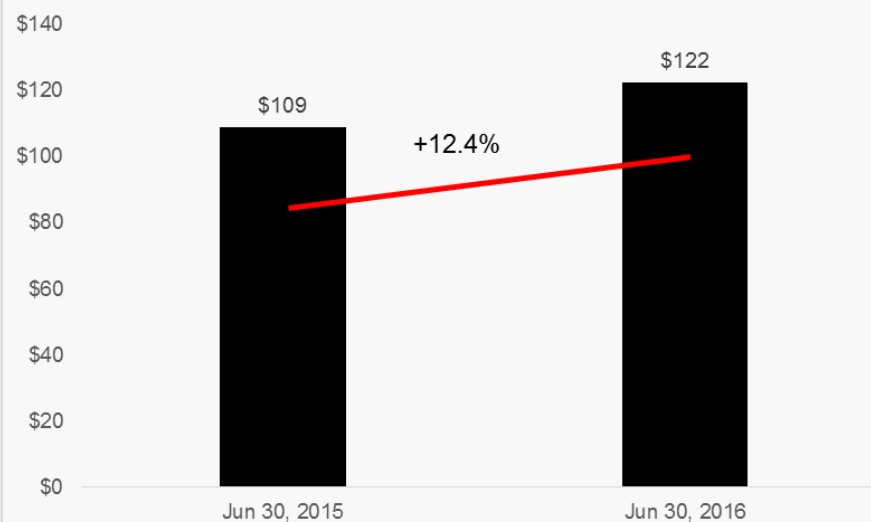
Quarterly Net Yield - Constant Currency  
(USD)



Quarterly Net Yield  
(USD)



Quarterly Net Yield - Constant Currency  
(USD)



Note: To calculate revenue on a constant currency basis, Amaya translated revenue for each period in 2016 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which Amaya believes is a useful metric that facilitates comparison to its historical performance.

# Financial Highlights – Revenue



(USD in millions)

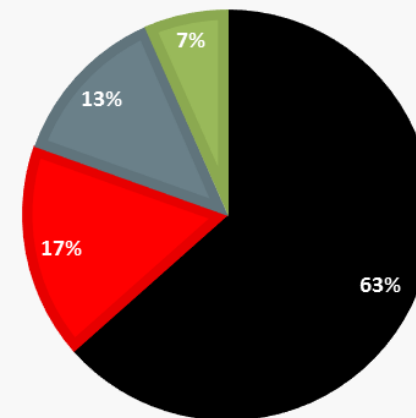
	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>% change</u>	<u>H1 2016</u>	<u>H1 2015</u>	<u>% change</u>
Total Revenue	\$285.9	\$259.5	10%	\$574.6	\$531.8	8%
Poker Revenue	\$215.6	\$216.1	--	\$432.0	\$458.9	(6%)
% of total	75.4%	83.3%		75.2%	86.3%	
Casino & Sportsbook Revenue	\$59.6	\$31.5	89%	\$119.7	\$47.9	150%
% of total	20.8%	12.1%		20.8%	9.0%	
Other Revenue	\$10.7	\$11.9	(10%)	\$22.9	\$25.0	(8%)
% of total	3.7%	4.6%		4.0%	4.7%	

## Amaya saw revenue growth in the second quarter of 2016

- Driven by growth in online casino offerings and stabilization of poker offering
- Poker revenue benefitting from changes in loyalty program, rake increase and successful SCOOP
- Casino revenue growth driven by the expansion of the product on the PokerStars site, including slot games from third-party suppliers
- Sportsbook revenue benefitted from the 2016 Euros

## H1 2016 GEOGRAPHIC REVENUE BREAKDOWN

■ European Union ■ Other Europe ■ Americas ■ Rest of World



# Financial Results – Constant Currency



Constant Currency								
(USD in millions)	Q2 2016	Q2 2015 as filed	Q2 2015 adjusted	% change	1H 2016	H1 2015 as filed	H1 2015 adjusted <sup>1</sup>	% change
Total Revenue	\$298.7	\$259.5	\$261.6	14%	\$609.2	\$531.8	\$534.3	15%
Poker Revenue	\$227.7	\$216.1	\$217.4	5%	\$463.4	\$458.9	\$461.8	1%
Casino & Sportsbook Revenue	\$60.1	\$31.5	\$30.9	94%	\$122.4	\$47.9	\$47.9	155%
Other Revenue	\$10.9	\$11.9	\$13.3	(18%)	\$23.4	\$25.0	\$24.6	(5%)

Note: To calculate revenue on a constant currency basis, Amaya translated revenue for the three and six months ended June 30, 2016 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which Amaya believes is a useful metric that facilitates comparison to its historical performance.

<sup>1</sup> Q2 and H1 2015 figures are as adjusted to the extent any accounting reallocations have been made. Changes are primarily due to reclassifications of expenses previously netted against revenues now classified as selling expenses.

# Financial Highlights – Adjusted EBITDA



(USD in millions except per share data)

	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>% change</u>	<u>H1 2016</u>	<u>H1 2015</u>	<u>% change</u>
Adjusted EBITDA	\$129.9	\$112.4	16%	\$253.3	\$225.9	12%
% margin	45.4%	43.3%		44.1%	42.5%	
Adjusted Net Earnings	\$89.7	\$72.1	25%	\$174.7	\$139.5	25%
Adj. Net Earnings per Diluted Share	\$0.46	\$0.36	27%	\$0.92	\$0.70	31%
Diluted Shares (m)	195.4	199.9		190.9	199.8	

- June 30, 2016 LTM Adjusted EBITDA was \$486.5 million and Adjusted Net Earnings per Diluted Share was \$1.71

Note: LTM figures have been provided for ease of calculation as a result of Amaya's change in presentation currency from Canadian dollars to U.S. dollars in Q1 2016.

# July 2016 Performance Update



	July 2016	July 2015	% change	Constant Currency <sup>1</sup>		
				July 2016	July 2015	% change
(USD in millions)						
Total Revenue	\$84.6	\$82.8	2%	\$88.2	\$82.8	6%
Poker Revenue	\$61.4	\$66.6	(8%)	\$64.4	\$66.6	(3%)
% of total	72.6%	80.4%				
Casino & Sportsbook Revenue	\$20.6	\$13.0	58%	\$21.2	\$13.0	62%
% of total	24.3%	15.7%				
Other Revenue	\$2.6	\$3.2	(20%)	\$2.6	\$3.2	(18%)
% of total	3.1%	3.9%				

## ■ Performance and year over year comparison was impacted by a number of factors

- Euros soccer tournament which ended July 10<sup>th</sup>
  - Carries a hangover effect that is felt for several weeks after completion
  - Requires adjustments to the promotional calendar pushing certain promotions into August
- Currency fluctuations
- Cessation of operations in a couple of small markets

## ■ Poker revenue was in line with expectations

<sup>1</sup> To calculate revenue on a constant currency basis, Amaya translated revenue for month ended July 31, 2016 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which Amaya believes is a useful metric that facilitates comparison to its historical performance.

# Company Outlook

- Anticipate re-launching in Portugal second half of 2016 subject to final licensing approval
- **Poker** - Continue to innovate and reinvigorate the game with an emphasis on the recreational player
  - Permanent product feature to be added in Q3 as a follow-up to successful Card Hunt promotion
- **Casino** - Continue to improve the product offering
  - Expected bolstering of third-party game portfolio with additional tier one integrations and adding to our Playtech offerings
  - Mobile app to be launched in the second half of 2016
  - Limited launch of targeted external marketing campaigns
- **Sports** - Expand and market BetStars brand
  - Continued product enhancements
  - Measured and focused marketing through the BetStars brand



# Appendix

# Income Statement



(\$000's)	Q2 2016	Q2 2015	H1 2016	H1 2015
Revenues	\$ 285,939	\$ 259,500	\$ 574,612	\$ 531,792
Expenses				
Selling	\$ 40,292	\$ 43,323	\$ 85,801	\$ 90,168
General and administrative	152,686	136,991	293,415	264,011
Financial	27,303	38,914	52,187	91,717
Gaming duty	27,498	22,988	56,853	49,157
Acquisition-related costs	15	129	199	129
<b>Total expenses</b>	<b>\$ 247,794</b>	<b>\$ 242,345</b>	<b>\$ 488,455</b>	<b>\$ 495,182</b>
Income (loss) from investments	(\$13,863)	(\$443)	(\$4,382)	\$3,191
Earnings (loss) from associates	731	(82)	691	(\$210)
<b>Net earnings from continuing ops. before income taxes</b>	<b>\$ 25,013</b>	<b>\$ 16,630</b>	<b>\$ 82,466</b>	<b>\$ 39,591</b>
Income taxes	\$ 2,516	\$ 10,248	\$ 4,478	\$ 9,946
<b>Net earnings from continuing operations</b>	<b>\$ 22,497</b>	<b>\$ 6,382</b>	<b>\$ 77,988</b>	<b>\$ 29,645</b>
Net loss from discontinued operations (net of tax)	\$ -	\$ 181,085	\$ -	\$ 168,589
<b>Net earnings</b>	<b>\$ 22,497</b>	<b>\$ 187,467</b>	<b>\$ 77,988</b>	<b>\$ 198,234</b>

# Non-IFRS Reconciliations



(\$000's except per share figures)

	Q2 2016	Q2 2015	H1 2016	H1 2015
Net earnings from continuing operations	\$22,497	\$6,382	\$77,988	\$29,645
Financial expenses	27,303	38,914	52,187	91,717
Income taxes	2,516	10,248	4,478	9,946
Depreciation of property and equipment	2,033	2,004	3,990	3,580
Amortization of intangible and deferred assets	32,267	29,597	63,593	59,263
<b>EBITDA</b>	<b>\$86,616</b>	<b>\$87,145</b>	<b>\$202,236</b>	<b>\$194,151</b>
Stock-based compensation	3,352	5,010	6,418	7,780
Termination of employment agreements	7,210	1,004	8,318	1,039
Termination of affiliate agreements	1,196	5,290	2,333	5,290
Loss on disposal of assets	94	142	316	181
Loss (gain) from investments	13,132	525	3,691	(2,981)
Acquisition-related costs	15	129	199	129
Impairment	6,758	1,285	6,758	1,285
Other costs	11,518	11,857	23,056	19,059
<b>Adjusted EBITDA</b>	<b>\$129,891</b>	<b>\$112,387</b>	<b>\$253,325</b>	<b>\$225,933</b>
Current income tax expense	(3,599)	(1,813)	(5,472)	(3,377)
Depreciation and amortization (excluding amortization of purchase price allocation intangibles)	(4,077)	(2,231)	(7,990)	(4,102)
Interest (excluding interest accretion)	(32,475)	(36,276)	(65,156)	(78,959)
<b>Adjusted Net Earnings</b>	<b>\$89,740</b>	<b>\$72,067</b>	<b>\$174,707</b>	<b>\$139,495</b>
Diluted Shares	195,404,703	199,928,640	190,878,095	199,790,819
<b>Adjusted Net Earnings per Diluted Share</b>	<b>\$0.46</b>	<b>\$0.36</b>	<b>\$0.92</b>	<b>\$0.70</b>

Note: See breakdown of "Other costs" on following slide.

## Other Costs Reconciliation



(\$000's)	Q2 2016	Q2 2015	H1 2016	H1 2015
Non-U.S. lobbying expenses	\$1,016	\$1,880	\$1,825	\$3,547
U.S. lobbying and legal expenses	3,473	1,173	6,827	3,595
Strategic review professional fees	1,414	0	5,136	0
Retention bonuses	1,110	5,290	2,220	5,290
Non recurring professional fees	2,979	1,396	4,420	1,396
AMF investigation professional fees	904	1,854	1,904	1,854
Office restructuring and legacy busines	622	264	724	3,377
<b>Other costs</b>	<b>\$11,518</b>	<b>\$11,857</b>	<b>\$23,056</b>	<b>\$19,059</b>

# Cash Flows



## Operating Cash Flow from Continuing Operations

(\$000's)	Q2 2016	Q2 2015	H1 2016	H1 2015
Operating Cash Flow per FS	\$69,728	\$76,920	\$114,948	\$190,645
Customer Deposit Liability Movement	(\$37,645)	(\$26,398)	(\$78,198)	(\$48,220)
Operating Cash Flow before Customer Deposit Liability Movements	\$107,373	\$103,318	\$193,146	\$238,865
Less: Discontinued Operations	0	3,448	0	(5,421)
Operating Cash Flow from Continuing Operations before Customer Deposit Liability Movements	\$107,373	\$106,766	\$193,146	\$233,444

## Unlevered Free Cash Flow

(\$000's)	Q2 2016	Q2 2015	H1 2016	H1 2015
Operating Cash Flow before Customer Deposit Liability Movements	\$107,373	\$103,318	\$193,146	\$238,865
Less : Discontinued Operations	0	3,448	0	(5,421)
Operating Cash Flow from Continuing Operations before Customer Deposit Liability Movements	\$107,373	\$106,766	\$193,146	\$233,444
Capex				
Deferred development costs	(\$5,961)	(\$4,944)	(\$10,370)	(\$10,541)
Additions to property and equipment	(1,591)	(3,369)	(2,798)	(10,175)
Acquired intangible assets	(2,777)	(1,033)	(6,049)	(1,969)
Total capex	(\$10,329)	(\$9,346)	(\$19,217)	(\$22,685)
Less: Discontinued operation capex				
Deferred development costs	\$0	\$862	\$0	\$2,078
Additions to property and equipment	0	1,490	0	4,915
Acquired intangible assets	0	322	0	881
Total Discontinued operation capex	\$0	\$2,674	\$0	\$7,874
Net Capex from Continuing operations	(\$10,329)	(\$6,672)	(\$19,217)	(\$14,811)
<b>Unlevered Free Cash Flow</b>	<b>\$97,044</b>	<b>\$100,094</b>	<b>\$173,929</b>	<b>\$218,633</b>

# QNY Numerator Reconciliation



(\$ in thousands)

	Q2 2016	Q2 2015
Total revenue	\$285,939	\$259,500
Corporate revenue	(\$223)	(\$392)
Other business-to-consumer revenue	(\$10,479)	(\$11,562)
Real-money online poker revenue and real-money online casino and sportsbook combined revenue	<b>\$275,237</b>	<b>\$247,546</b>

# Diluted Shares Outstanding



	Common Shares/ Common Shares Equivalent
Basic Common Shares Outstanding	144,875,427
<u>Securities Convertible into Common Shares</u>	
Common Share Purchase Warrants - weighted average exercise price of CDN \$19.17	4,000,000
Convertible Preferred shares*	53,426,450
Stock Options** – weighted average exercise price of CDN \$20.68	11,465,525
<b>Fully Diluted Shares Outstanding</b>	<b>213,767,402</b>

\* There were 1,139,249 convertible preferred shares outstanding, each with an initial principal price per preferred share of C\$1,000 and convertible, at the holder's option, initially into approximately 41.67 common shares of the Corporation based on the conversion price of C\$24 per common share, in each case, subject to dilution adjustments and including a 6% annual accretion to the conversion ratio, compounded semi-annually, over a 3 year period up to August 1, 2017. Calculation included herein is based on a conversion ratio of 46.90 as of August 10, 2016.

\*\* 4,195,262 options are exercisable with weighted average exercise price of CDN \$13.08