



# First Half Results 2021

Ended June 30, 2021

# Agenda

## Agenda

- 1 Gaming Business Update
- 2 Financial Results
- 3 Q&A

## Speakers



**Emilio Petrone**

Sisal Group CEO \ Mooney Group CEO



**Francesco Durante**

Sisal CEO

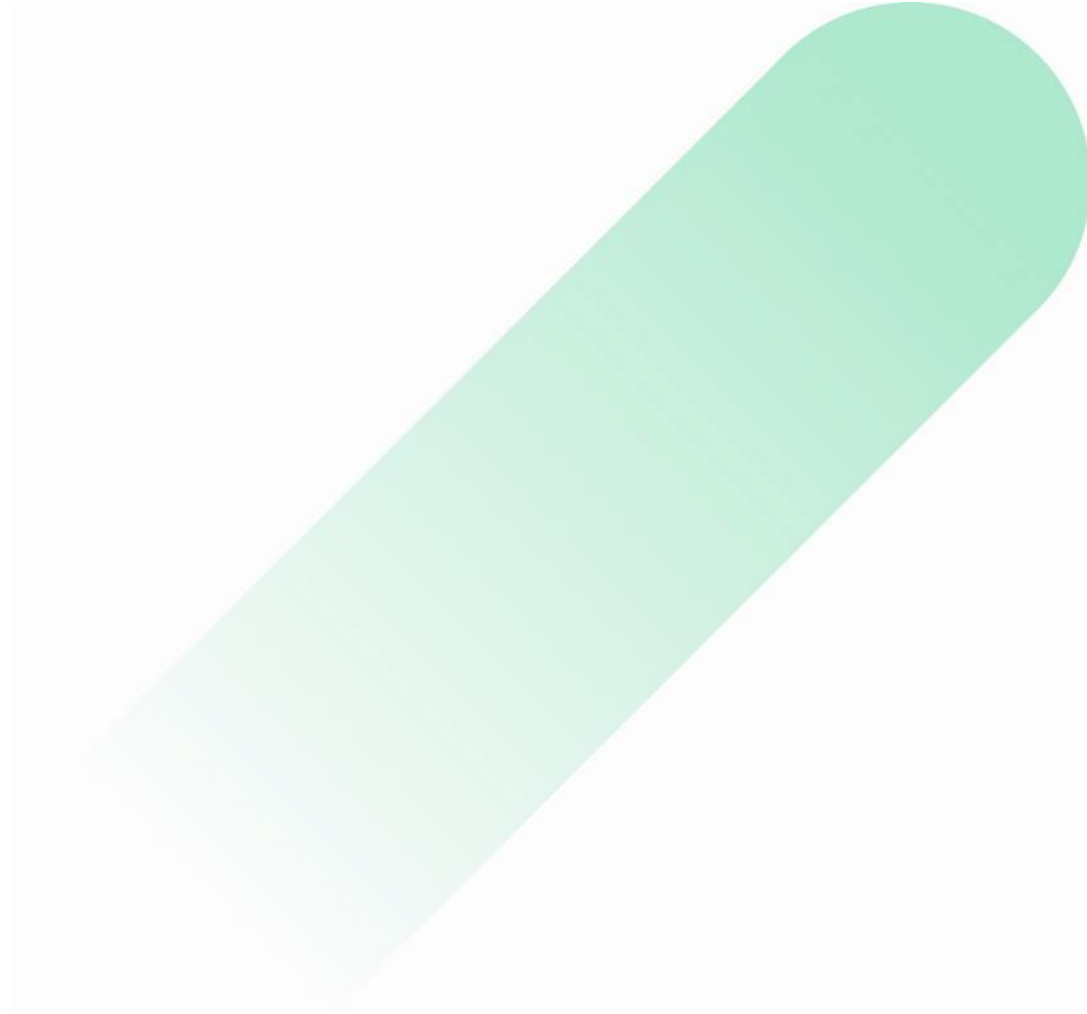


**Roberto di Fonzo**

Sisal CFO

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## Key Highlights

In the First Half 2021 business performance reflected some important events.

1

Lockdown restrictions extended until the end of May

2

Macroeconomic environment slightly improved

3

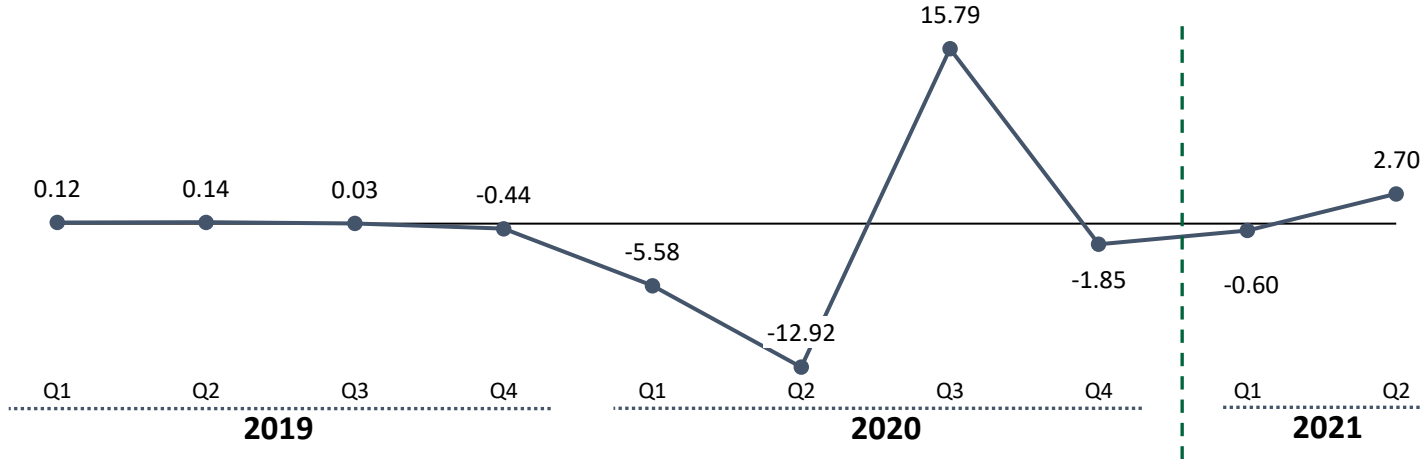
Very positive Online Market performance

## 1 Lockdown restrictions extended until the end of May

- **The lockdown's second wave, introduced in Italy from November 6 2020, was extended until the end of May 2021, and the gradual business restart was allowed during the month of June.**
- **In Morocco the curfew was anticipated at 8pm during Ramadan period. In the month of June the situation went back to normal.**
- **In Turkey there were stricter restrictions imposed by the Government through the full-day closing for the most of retail shops in place from end of April till mid of May.**

## 2 Macroeconomic environment slightly improved

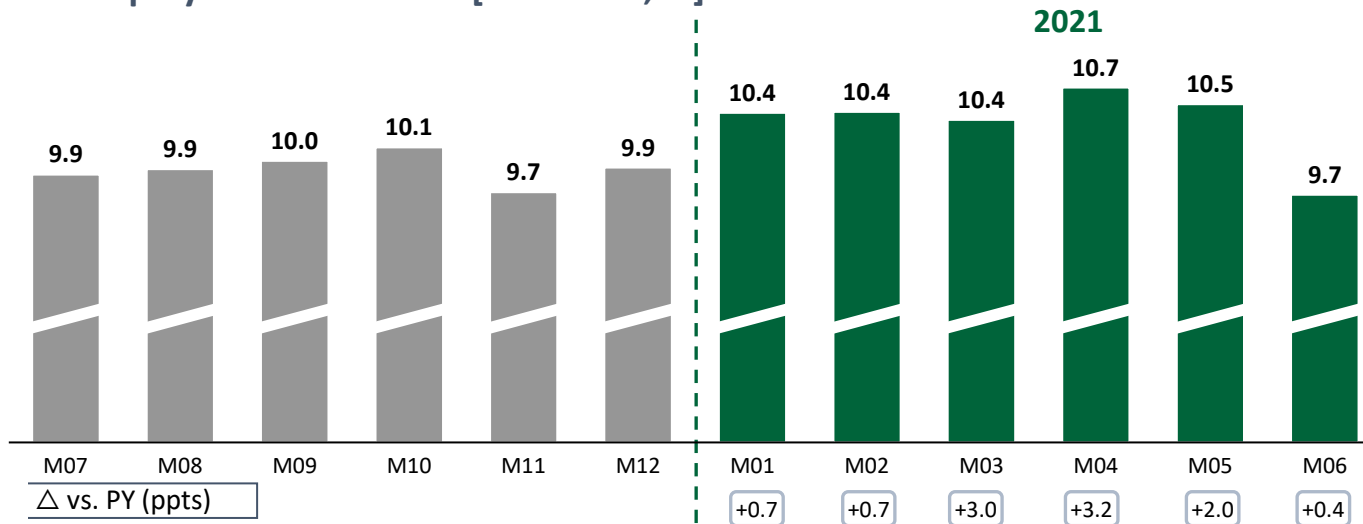
Italian GDP growth – Quarterly variation [2019-2021 Q1; %]



- After a stable GDP in 2019, in 2020 the trend impacted by the material shocks due to Covid-19, particularly relevant in Q1 and Q2, with recovery in Q3 and still negative in Q4, due to the lockdown 2<sup>nd</sup> wave.
- In Q2 2021 there was a significant recovery vs. previous quarter
- Preliminary estimates project GDP in 2021 approx. at 4.6%, 4.7% in 2022 and 2.1% in 2023.

Source: Istat – Quarterly economic accounts

Italian unemployment rate trend [2021 LTM; %]



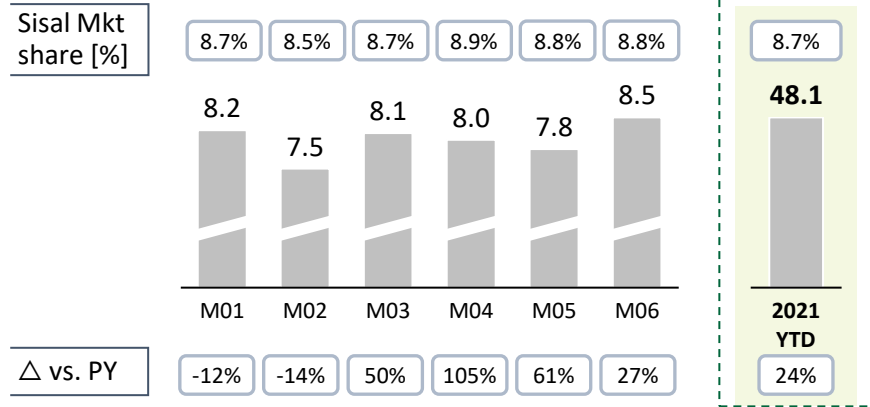
- In June 2021, unemployment rate at 9.7% (+0.4 p.p.vs p.y.)

Source: Istat – Unemployment rates, monthly data

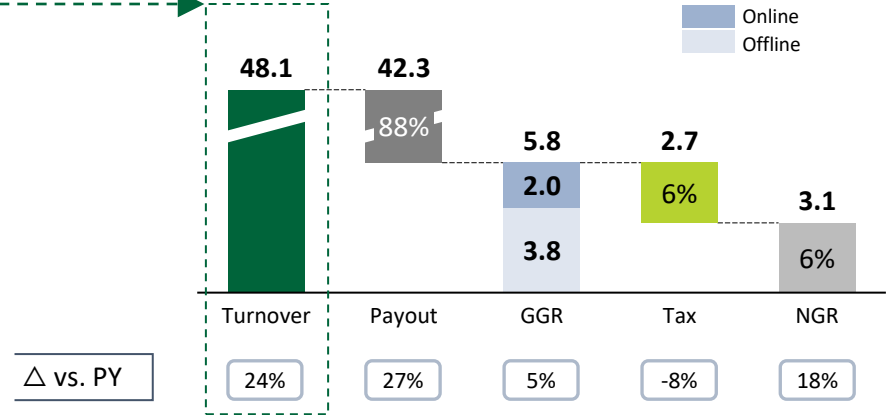
# 3 Very positive Online Market performance

Gaming market turnover above last year, driven by Online segment. Online GGR above €2 bn.

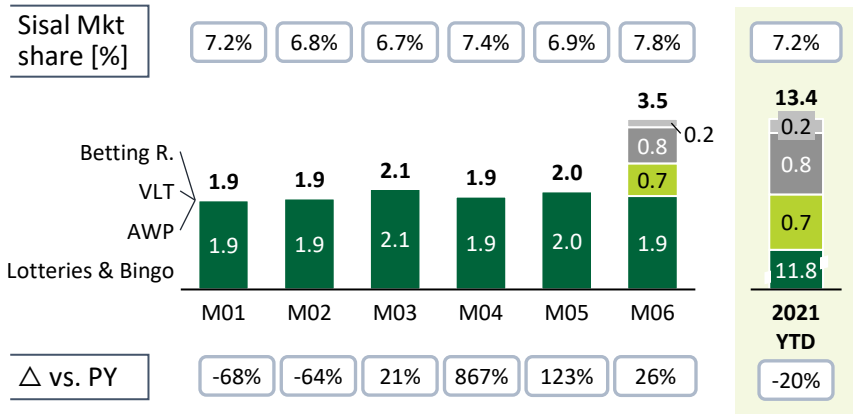
Total market turnover [EUR bn]



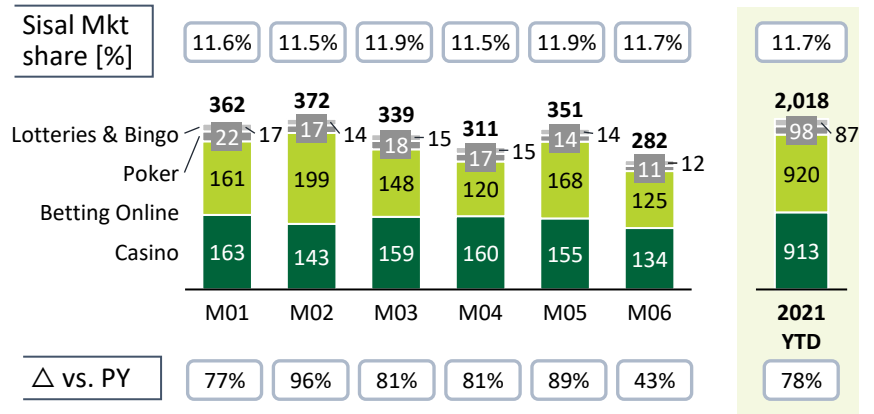
Gaming Value chain [EUR bn]



1 Off-line turnover trend by product [EUR bn]



2 Online GGR trend by product [EUR m]



## Key Achievements

**1** Outstanding performance in the first semester

**2** Business resilient to lockdown restrictions

**3** Online market brand leadership reinforced

**4** International development successfully implemented

**5** Strong commitment on business model sustainability



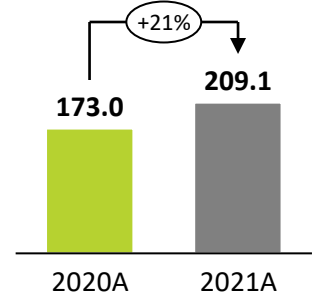
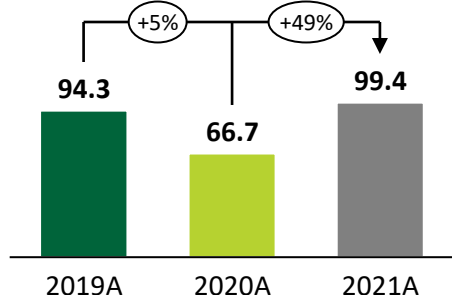
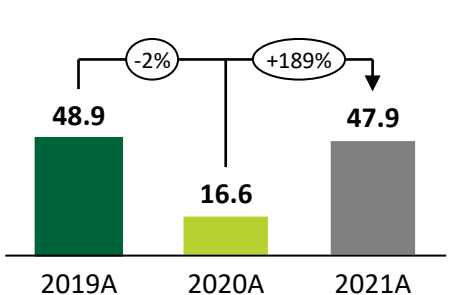
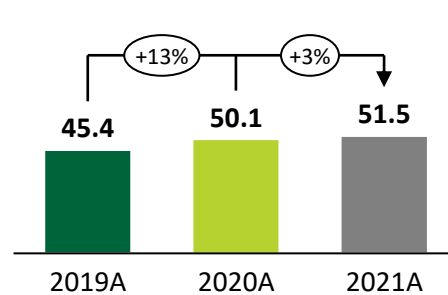
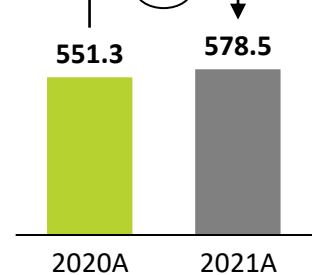
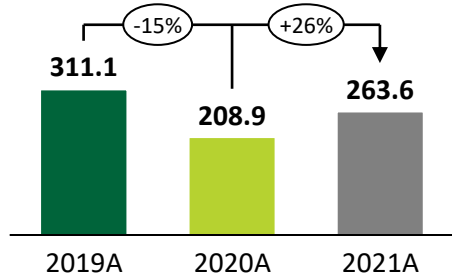
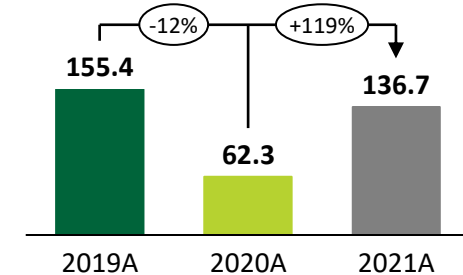
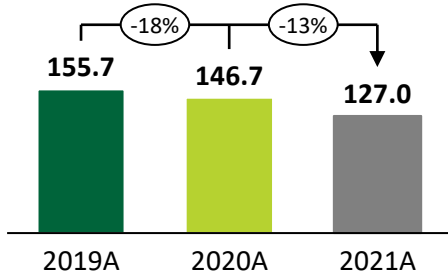
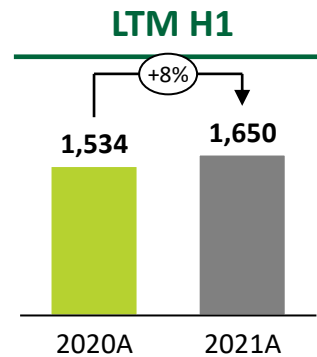
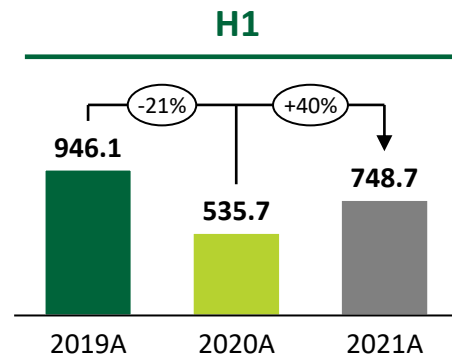
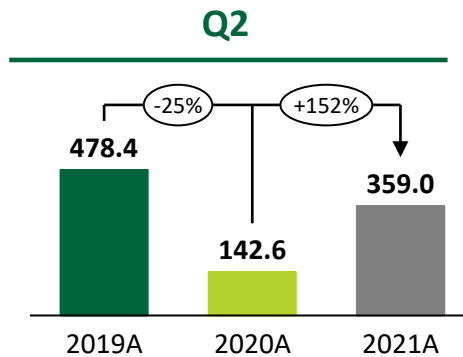
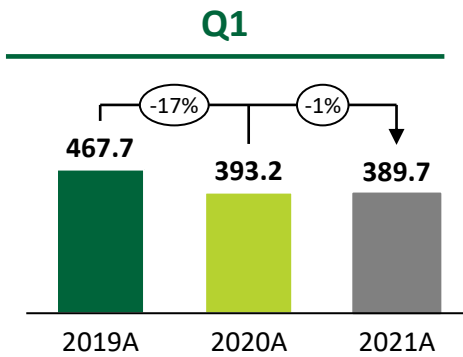
# 1 Outstanding performance in the first semester

[EUR m]

Gross Gaming revenues<sup>1)</sup>

Statutory Revenues

EBITDA



1) Turnover net of payout and online bonus

2

# Business resilient to lockdown restrictions

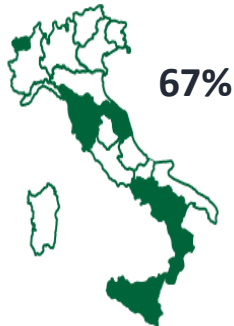
31st May



07th June



14th June



21st June



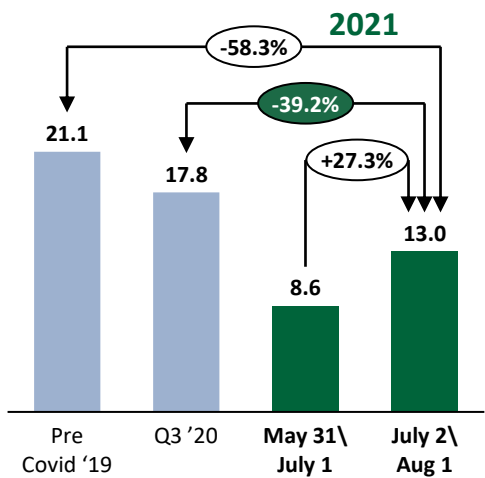
1st July



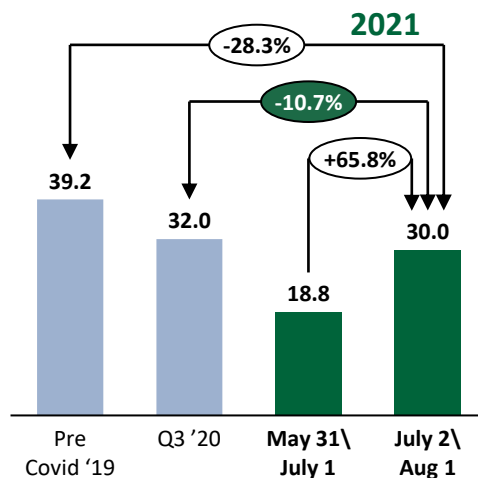
Progressive Retail network reopening, according to Regions moving to “white areas”.

## Gross Gaming Revenues by segment [Avg week – EUR m]

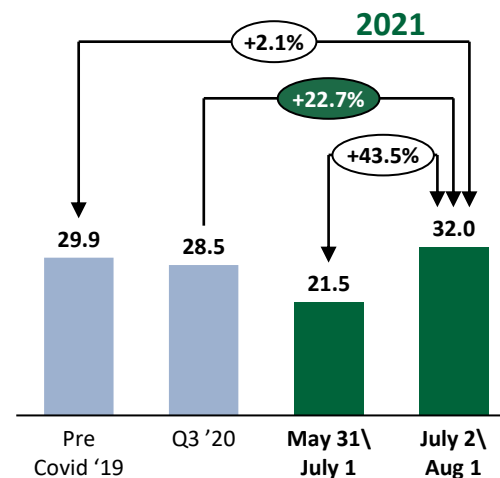
### Betting



### AWP



### VLT

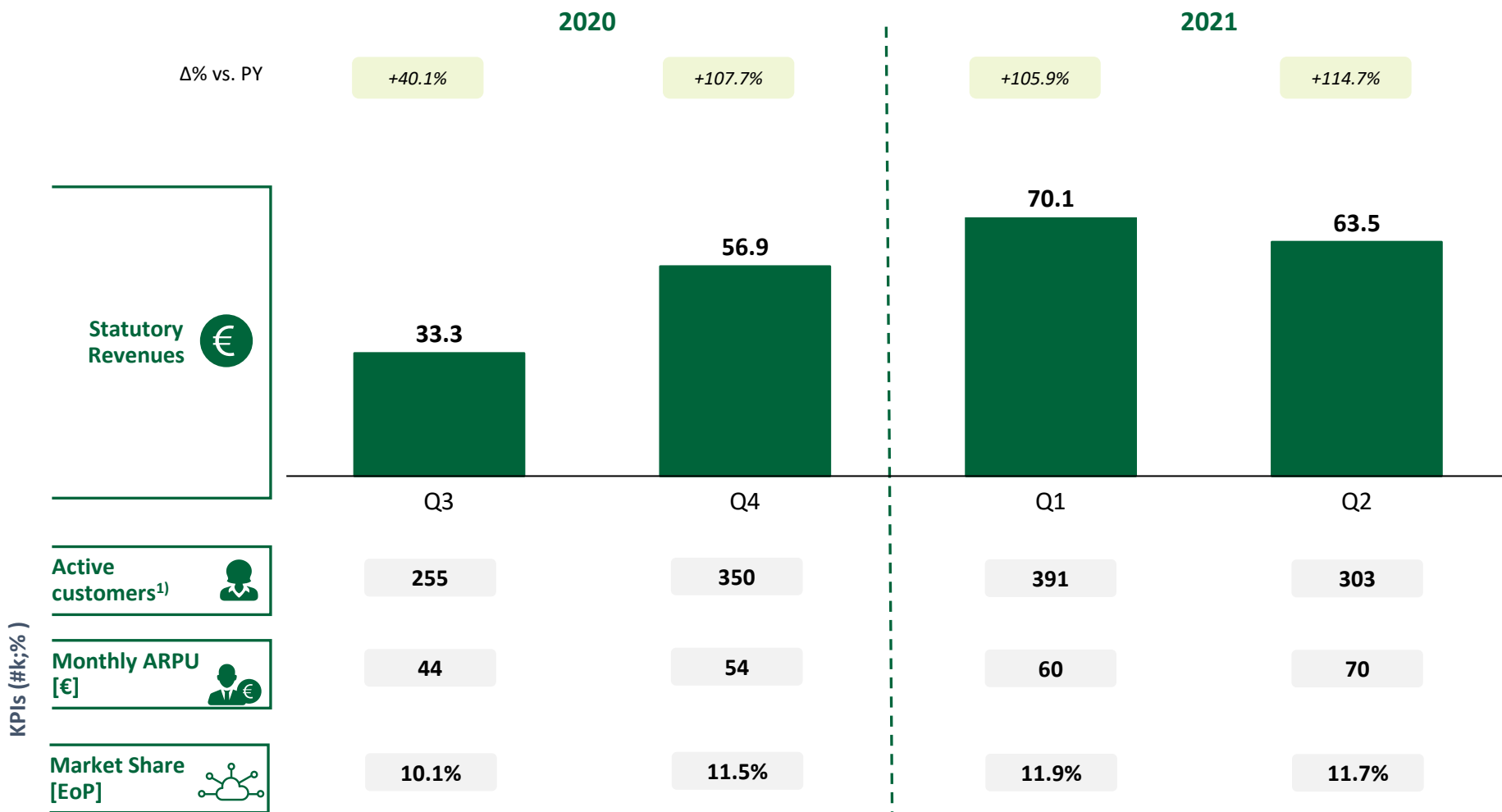


### Highlights vs Q3 '20

- Betting impacted by the seasonality of sport events.
- AWP lower performance partially offset by lower Payout.
- VLT positive restart even if compared to pre-covid '19.

# 3 Online market brand leadership reinforced

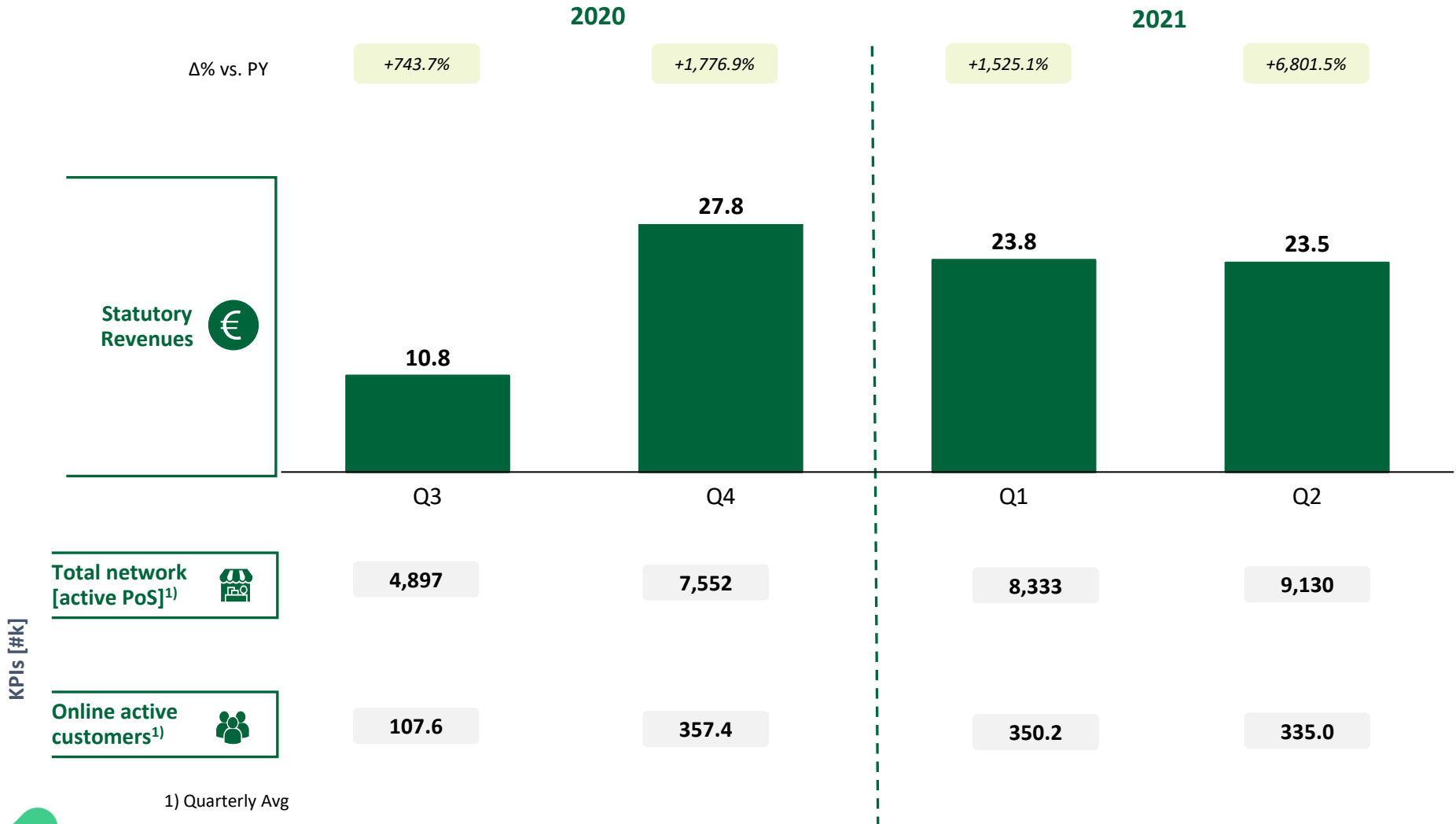
## Online revenues & main KPIs [2021 M06 LTM; EUR m; %]



1) Quarterly Avg

# 4 International development successfully implemented

## International revenues & main KPIs [2021 M06 LTM; EUR m; %]



1) Quarterly Avg

# 5 Strong commitment on business model sustainability

## Vision



The Leader in Responsible Gaming



An Innovative Sustainable Company



An Exemplary Employer of Choice

## Our goals

**ZERO  
PROBLEM GAMBLERS**

**ZERO  
NET CARBON EMISSIONS**

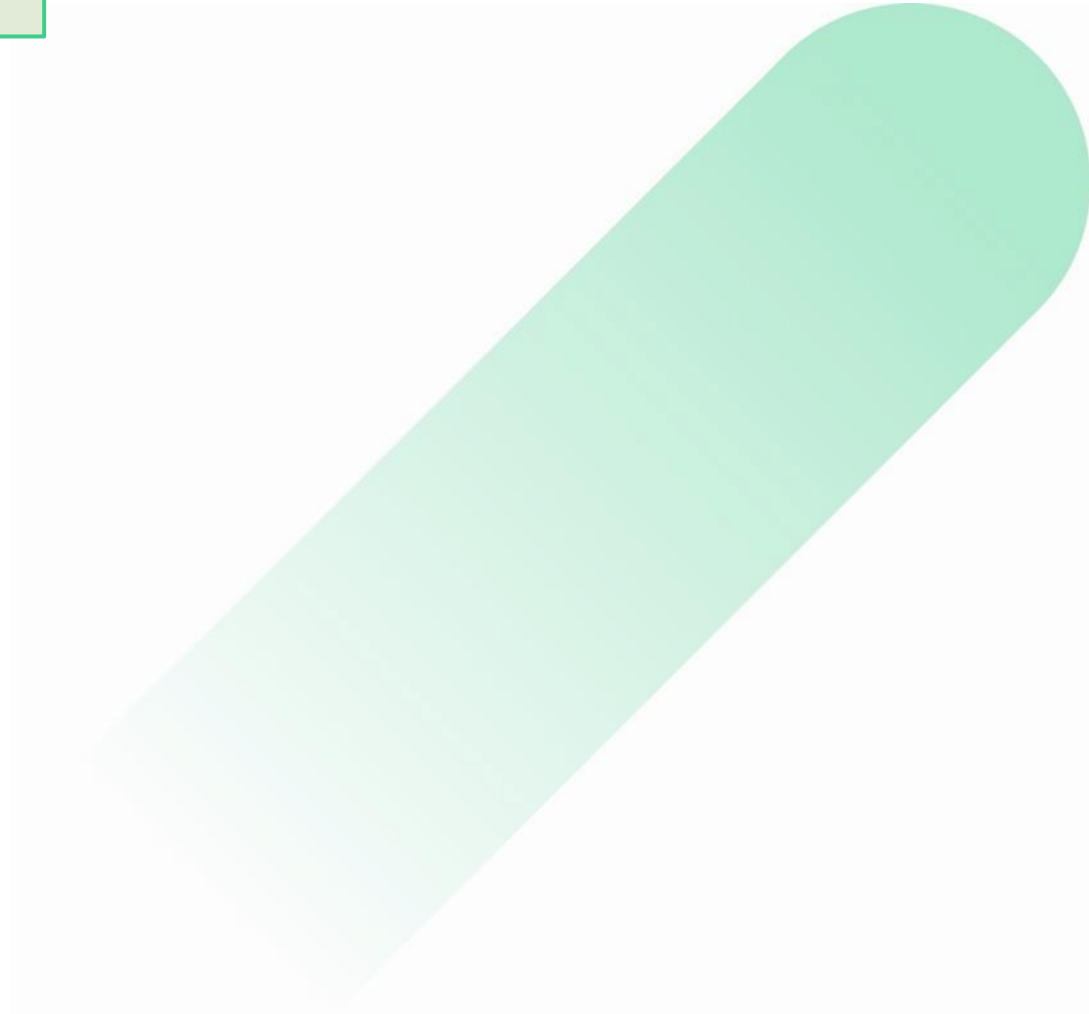
**ZERO  
GENDER PAY GAP**

## Key Initiatives

- Problem Gambling researches on Retail & On Line Customer Base
- Online support for problem gamblers
- Increased focus and resources dedicated to Environmental Sustainability
- Gender Equality certification with Grant Thornton for Winning Women Institute

# Agenda

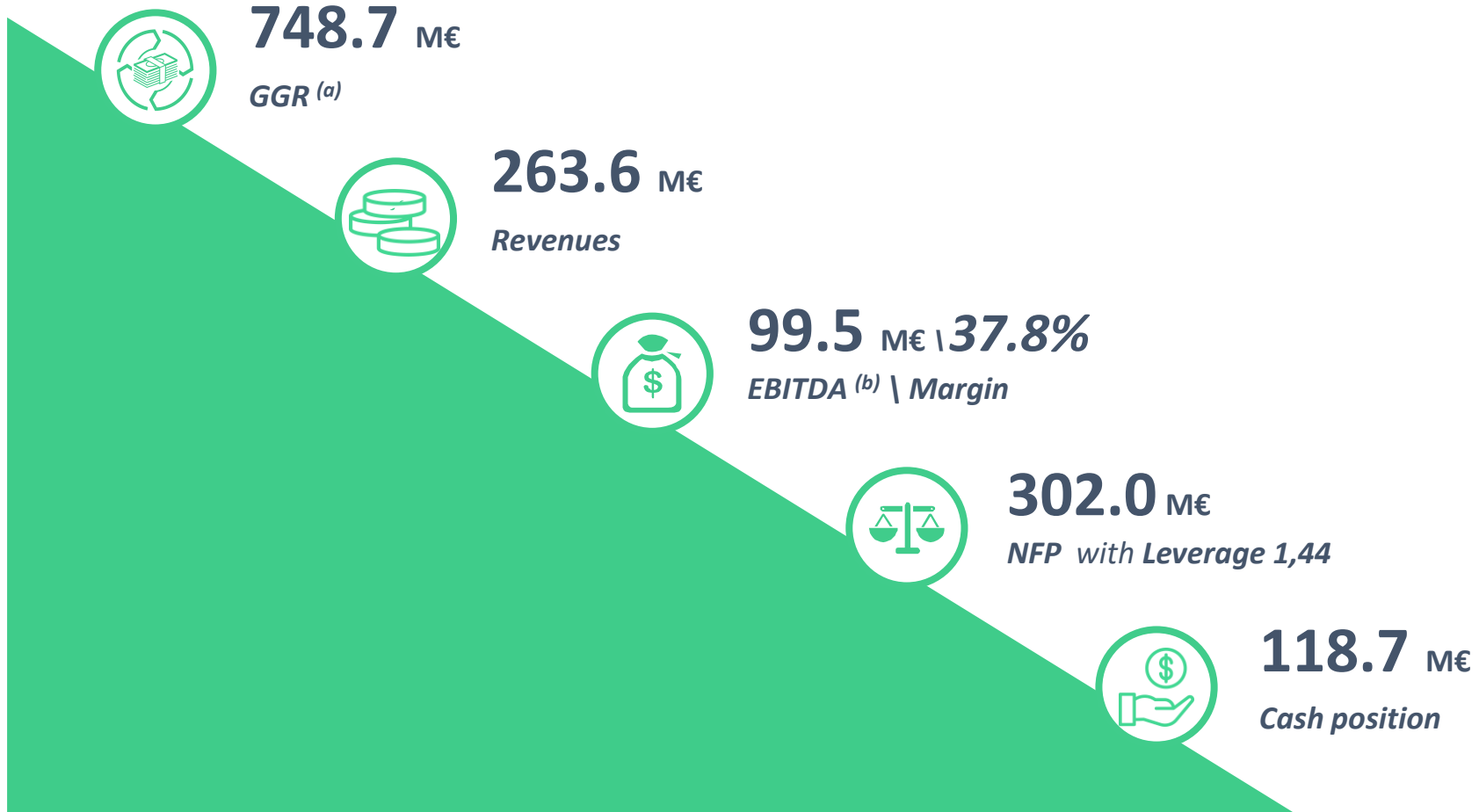
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## Financial Presentation

- Considering that, following the reorganization of the Banking & Payments Business occurred at the end 2019, the outstanding portion of Sisal Group's bond will be repaid with the cash flow generated by the Gaming business, **this presentation focuses only on the Gaming Business performances and results.**
- Moreover, starting from Q1 2020 and with the exception of the annual financial statements, the Sisal Group's consolidated financial statements only reported the results of the Gaming Business, while the investment in Mooney Group has been accounted for at cost. **This approach allows the Sisal Group's bondholders to get a better and easier understanding of the Gaming Business's performances and results.**
- Therefore, in this presentation the **Consolidated Balance Sheet, the Cash Flow and the Consolidated Income Statement** are only referred to the Gaming Business perimeter for both first six months 2021 and 2020.

# Gaming Group Key Results 6M 2021



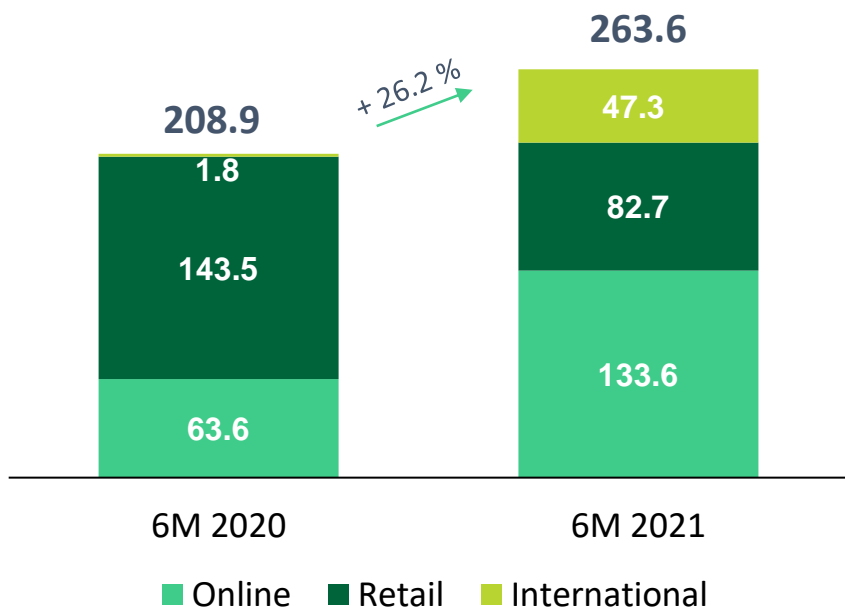
<sup>a)</sup> Gross gaming revenues (GGR) means Turnover net of payout and online bonus

<sup>b)</sup> EBITDA means the profit/(loss) for the year before income taxes, financial expense and income, share of profit/(loss) of equity-accounted companies, amortization, depreciation, impairment and impairment reversal of tangible and intangible. Additionally, EBITDA is calculated before IFRS 15 revenues adjustments, bad debt net allowance and income and expenses not considered as recurring .

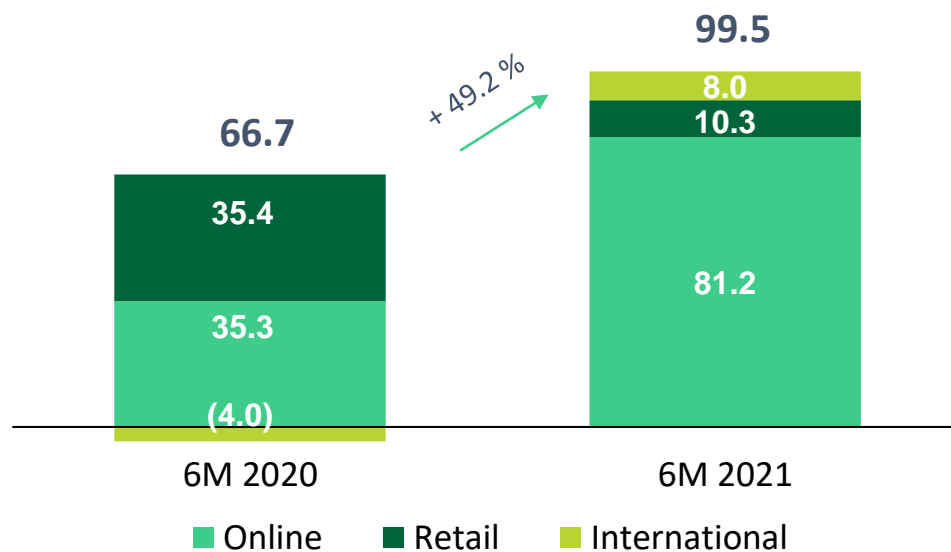


# Operating Segments Results Highlights - 6M 2021

Revenues



Ebitda



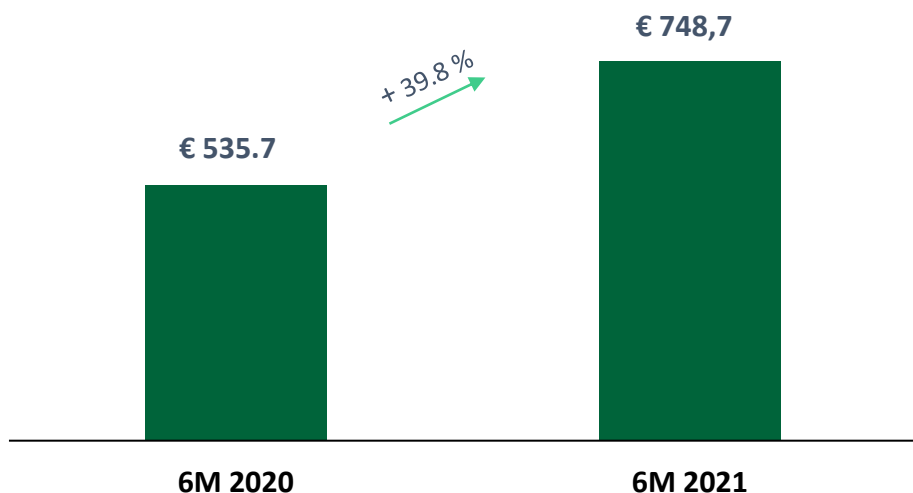
Ebitda Margin %



Total	31.9 %	37.8 %
Retail	24.7 %	12.5 %
Online	55.4 %	60.8 %
International	N.A.	16.9 %

# GGR & Revenues: 6M 2021 vs 6M 2020

GGR (€ bn)



Revenues (€ m)



RETAIL			ONLINE			INTERN.		
	€ M	Primary drivers		€ M	Primary drivers		€ M	Primary drivers
Gaming machines	(43.8)	<ul style="list-style-type: none"> <li>Negatively impacted by the Retail network lockdown due to restriction measures caused by Covid-19 pandemic. Very positive VLT performance recorded in June.</li> </ul>	Digital Games	31.1	<ul style="list-style-type: none"> <li>The growth was driven by the successful customers' acquisition strategy via SEO and by the effective Affiliation activities.</li> </ul>	Turkey	43.9	<ul style="list-style-type: none"> <li>Positive performance in both retail and online channel after the launch of the Lottery business on August 1<sup>st</sup>, 2020.</li> </ul>
Lottery	15.8	<ul style="list-style-type: none"> <li>Positive performance thanks to volume growth and higher affiliation fees, partially mitigated by jackpot fall after May winning.</li> </ul>				Spain	(0.2)	<ul style="list-style-type: none"> <li>the performance was impacted by higher pay-out.</li> </ul>
Sport Betting	(22.5)	<ul style="list-style-type: none"> <li>Decrease due to the Retail network lockdown caused by Covid-19 restriction measures and by the introduction of the new Salvaport tax starting May 2020.</li> </ul>	Betting online & virtual races	38.9	<ul style="list-style-type: none"> <li>Benefitting from the shift of players spending from retail to online.</li> </ul>	Morocco	1.8	<ul style="list-style-type: none"> <li>Positive performance mainly driven by the expansion of retail distribution network and higher Lottery's Super Jackpot.</li> </ul>
Virtual Races and Others	(10.3)							

# Gaming Profitability: 6M 2021 vs 6M 2020

Ebitda (€ M)



RETAIL	ONLINE	INTERNATIONAL
<ul style="list-style-type: none"> <li>Mainly due to the Retail network lockdown due to restriction measures caused by Covid-19 pandemic, partially offset by the positive Lottery performance driven by higher Jackpot level and the positive contribution of affiliation fees.</li> </ul>	<ul style="list-style-type: none"> <li>Mainly driven by the top line growth.</li> </ul>	<ul style="list-style-type: none"> <li>Positive performance in Turkey, in spite of Covid-19 restrictions, fully incremental in comparison with first semester of 2020.</li> <li>Positive performance in Morocco thanks to retail distribution network enlargement and the Lottery's higher Super Jackpot.</li> <li>Spanish business negatively impacted by higher pay-out.</li> </ul>

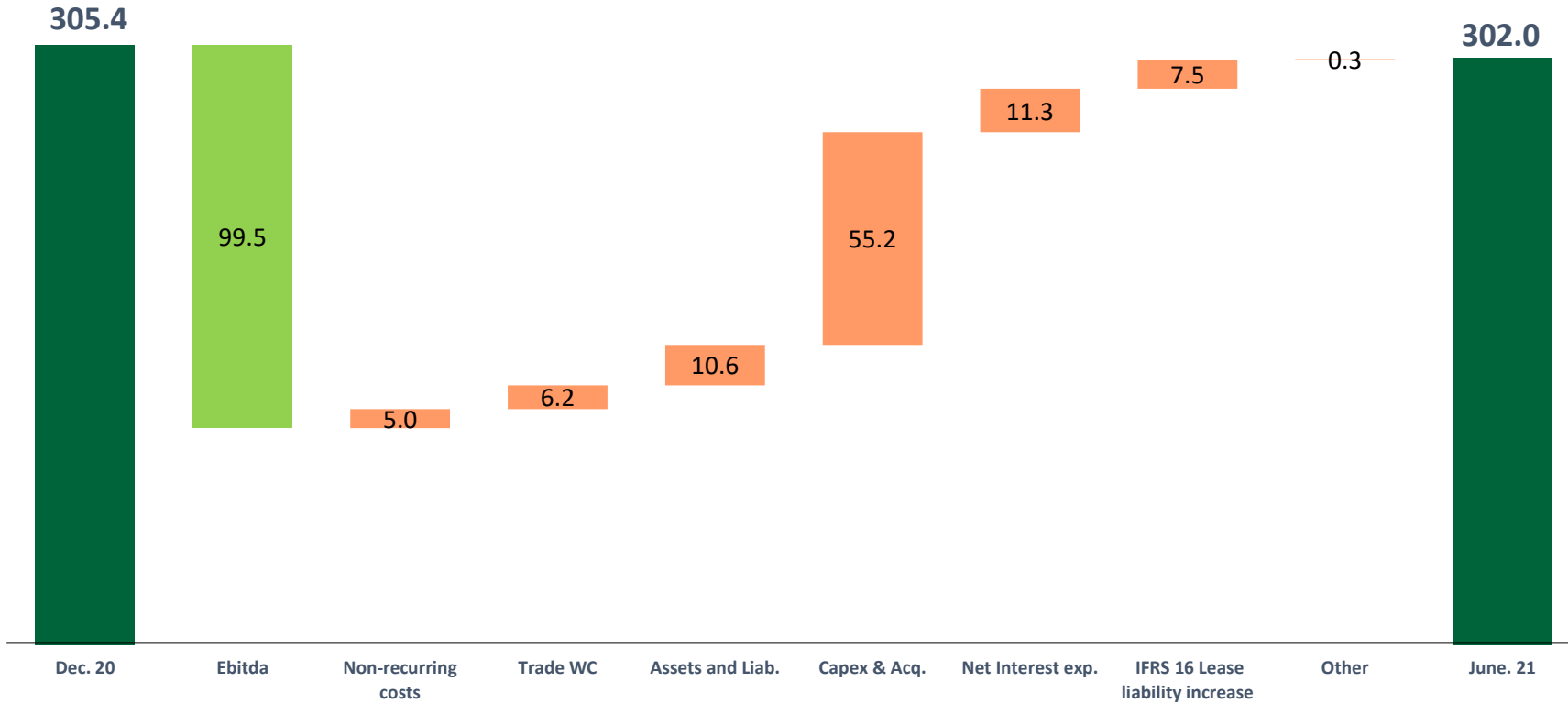
## Gaming Cash Flow – 6M 2021 vs 6M 2020

(€m)	6M 2021	6M 2020
Ebitda	99.5	66.7
Non cash items	0.5	(0.2)
Non-recurring costs	(5.0)	(6.7)
Change in trade W/C	(6.2)	(42.7)
Change in other assets and liabilities	(10.6)	25.5
Capex and acquisition	(55.2)	(69.1)
Net Interests paid	(11.5)	(12.1)
IFRS 16 rental increase/(decrease of the year)	(12.3)	(6.3)
Proceeds/(repayments) of loans	(2.8)	109.4
Financial assets	(24.3)	0.0
Capital Increases attributable to the group	0.0	4.4
<b>Total</b>	<b>(27.9)</b>	<b>68.9</b>
<b>Cash at the beginning of the period</b>	<b>146.6</b>	<b>102.5</b>
<b>Cash at the end of the period</b>	<b>118.7</b>	<b>171.4</b>



- **Non-recurring costs:** Mainly related to UKNL tender, Covid-19 related costs and reorganization;
- **Trade working capital:** mainly related to increase in trade receivables due to Retail Network reopening and lower trade payables.
- **Other assets and liabilities:** payment of gaming machines taxes (PREU) postponed from 2020; decrease of NTGN liabilities related to tax, concession fees and winnings; collection of security deposit towards ADM.
- **Capex:** mainly related to investments in equipment for terminals required by the new NTNG concession, and to intangible assets mostly related to software developments.
- **Net interests paid:** refers to interests paid in the period mainly related to the Senior Secured Notes of € 275m and ssRCF.
- **Leasing reimbursement:** repayment of financial liabilities recognized in application of the IFRS 16 accounting standard.
- **Proceeds/(repayments) of loans:** repayment of the loan granted by the minority Turkish shareholder Şans Digital.
- **Financial assets:** required by the Banks to issue the bank surety asked by ADM in relation to the dispute for NTNG Concession for the pending requirements for “communication and information” commitment.

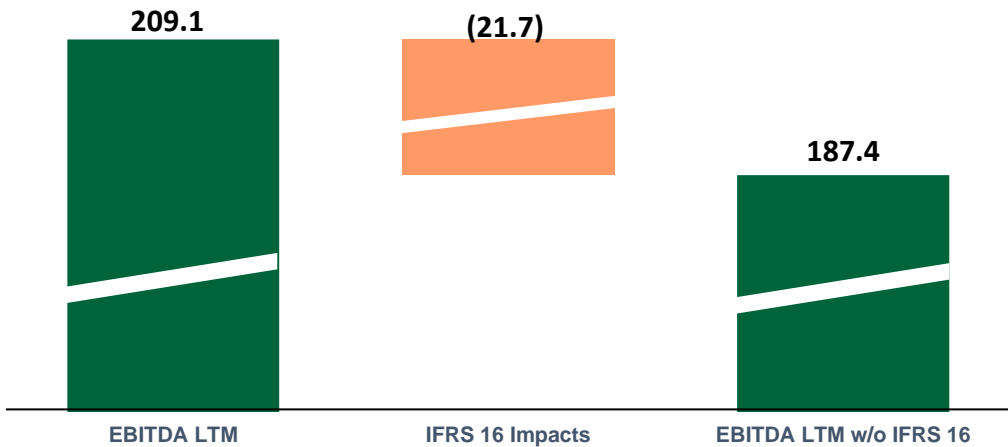
# Net Financial Position Bridge – 6M 2021 (€ M)



# Leverage Ratios

[EUR m]

EBITDA



NFP



Leverage Ratio

1.44



Leverage Ratio w/o IFRS 16

1.29

# Gaming Consolidated Income Statement – 6M 2021

Figures in € M

Income Statement	6M 2021	6M 2020	% Change
Revenues	194.5	158.6	22.6%
Fixed odd betting income	68.1	49.4	37.9%
Other revenues and income	1.0	0.9	11.1%
<b>Total revenues and Income</b>	<b>263.6</b>	<b>208.9</b>	<b>26.2%</b>
<b>Ebitda<sup>(a)</sup></b>	<b>99.5</b>	<b>66.7</b>	<b>49.2%</b>
<i>Margin (%)</i>	<i>37.7%</i>	<i>31.9%</i>	
<b>Ebit Adj<sup>(b)</sup></b>	<b>31.5</b>	<b>(0.5)</b>	<b>&gt; 100%</b>
<i>Margin (%)</i>	<i>11.9%</i>	<i>-0.2%</i>	

a) EBITDA means the profit/(loss) for the year before income taxes, financial expense and income, share of profit/(loss) of equity-accounted companies, amortization, depreciation, impairment and impairment reversal of tangible and intangible. Additionally, EBITDA is calculated before IFRS 15 revenues adjustments, bad debt net allowance and income and expenses not considered as recurring .

b) EBIT Adj. means the profit/(loss) for the year before income taxes, financial expense and income, share of profit/(loss) of equity-accounted companies. Additionally Ebit Adj is calculated before income and expenses not considered as recurring.

# Gaming Consolidated Balance Sheet – 6M 2021

Figures in € M

Balance Sheet	6M 2021	12M 2020
Non-Current Assets	864.6	879.3
Goodwill	261.0	261.0
Net Working Capital/Other	(75.3)	(99.7)
<b>Total assets</b>	<b>1,050.3</b>	<b>1,040.5</b>
Net Financial Position	302.0	305.4
Total Equity	748.3	735.1
<b>Total Liabilities and Equity</b>	<b>1,050.3</b>	<b>1,040.5</b>



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**Thanks**