



# Nine months Results 2021

Ended September 30, 2021

# Agenda

## Agenda

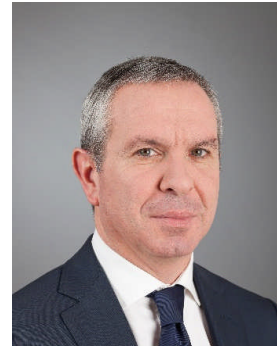
- 1 Gaming Business Update
- 2 Financial Results
- 3 Q&A

## Speakers



**Francesco Durante**




Sisal S.p.A. CEO



**Roberto di Fonzo**

Sisal S.p.A. CFO

# Agenda

-  Gaming Business Update
-  Financial Results
-  Q&A

## Listing Process

On October 12th 2021 and on November 5th **Sisal S.p.A. submitted to Borsa Italiana** its two-phases **application for the listing of its ordinary shares on the Euronext Milan** thus requesting Consob greenlight to the publication of the Prospectus for the admission of the related shares to listing.

The placement will be carried out in a manner compatible with market conditions and contingent on admission to listing by Borsa Italiana S.p.A. and Consob's authorization to publish the Prospectus.

## Demerger

In December 2019, Sisal began a **corporate reorganization** project with the objective of **separating Banking & Payments business from Gaming**, that has been approved in July 2021 with the announcement of the demerger of the parent company Sisal S.p.A.

The demerger is part of a wider process of corporate reorganization aimed at rationalizing the activities of the group headed by Sisal, making the activities related to the payment services headed by Mooney Group independent from the activities related to the gaming sector headed by Sisal.

As a result of the demerger of Sisal, the 70% shareholding held in Mooney Group has been transferred to the company SG2, a company established as result of the demerger, which is 100% owned by the direct parent of Sisal. As a result, Mooney Group will no longer be a subsidiary of Sisal.

**The deed of the demerger was signed on November 5 2021.**

## Q3 Performance: Key Highlights

In the first nine months of 2021 the business performance reflected some important events.

1

Retail business in Italy gradually restarted in June

2

Macroeconomic environment improved

3

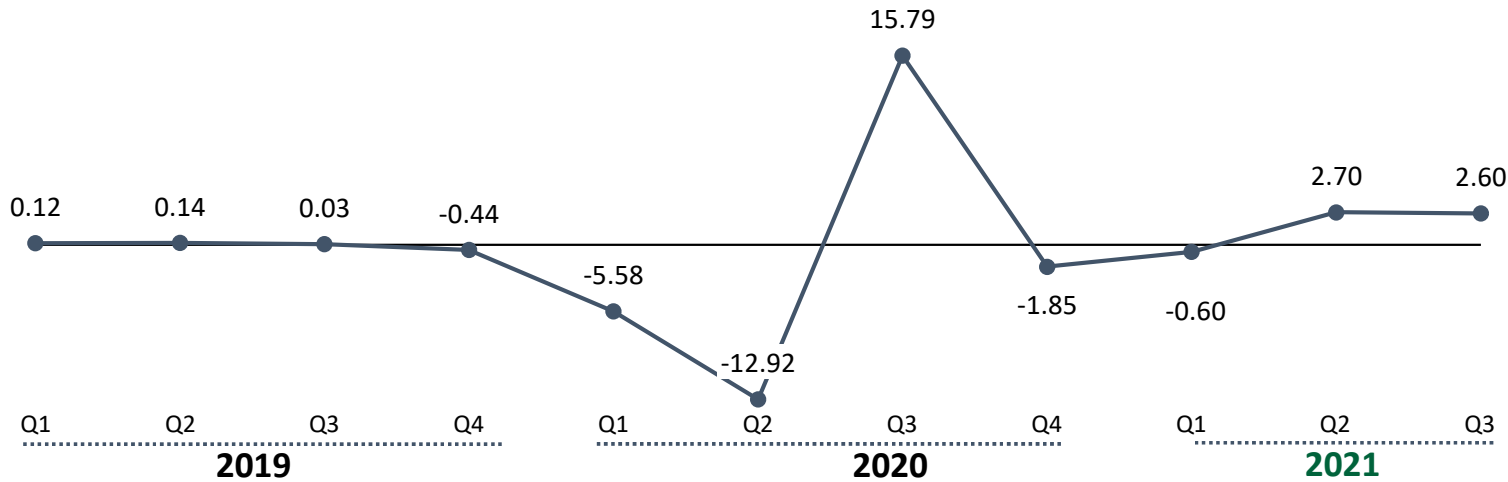
Gaming Market in Italy recovering from the pandemic

## 1 Retail business in Italy gradually restarted

- **After the lockdown's second wave**, introduced **in Italy** from November 6 2020, and **extended until the end of May 2021**, the progressive re-start of the Retail business was allowed during the month of June
- **In Morocco**, the restrictions have mainly impacted the business **during the month of Ramadan** (mid-April to mid-May), when lockdown was set at 8 pm, whereas in June the situation went back to normal
- **In Turkey** there were stricter restrictions imposed by the Government through the **full-day closing** for most of retail shops **in place from end of April and until mid of May**.

## 2 Macroeconomic environment slightly improved

### Italian GDP growth – Quarterly variation [2019-2021 Q3; %]

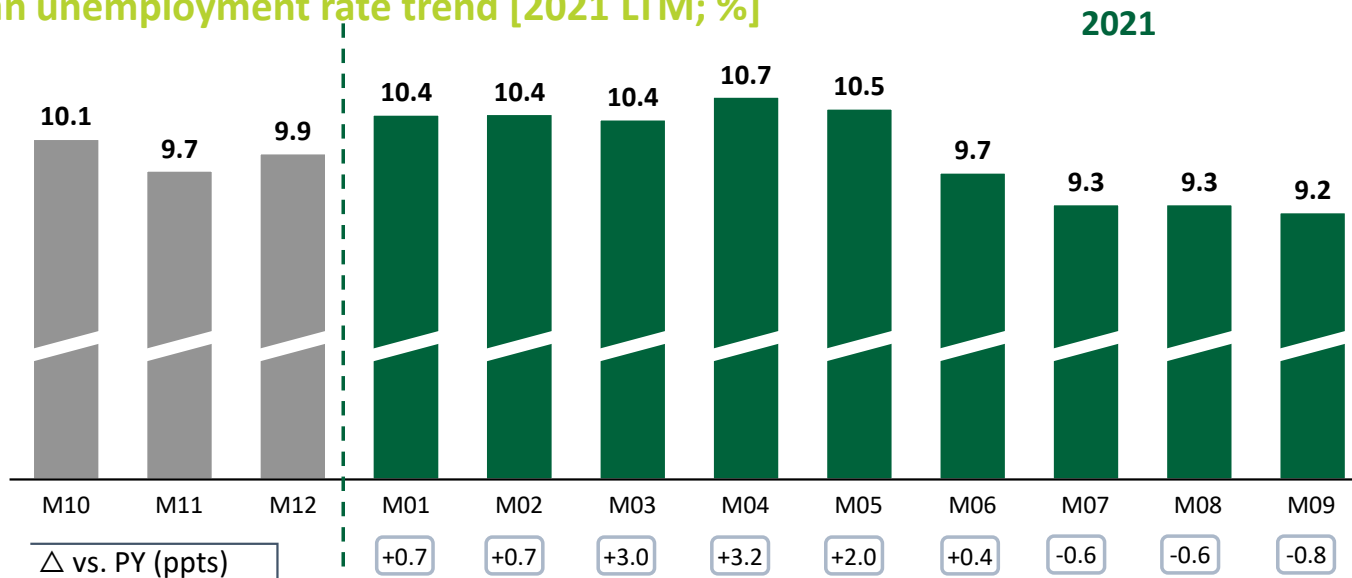


Source: Istat – Quarterly economic accounts

After a stable GDP in 2019, in 2020 the trend was impacted by the pandemic, particularly relevant in Q1 and Q2, with material recovery in Q3 and still negative in Q4 due to the new lockdown (2<sup>nd</sup> wave)

In Q2 and Q3 2021, GDP is expected to show a gradual recovery compared to 2020 year-end, following the vaccination campaign ongoing and the re-opening of retail activities

### Italian unemployment rate trend [2021 LTM; %]



Source: Istat – Unemployment rates, monthly data

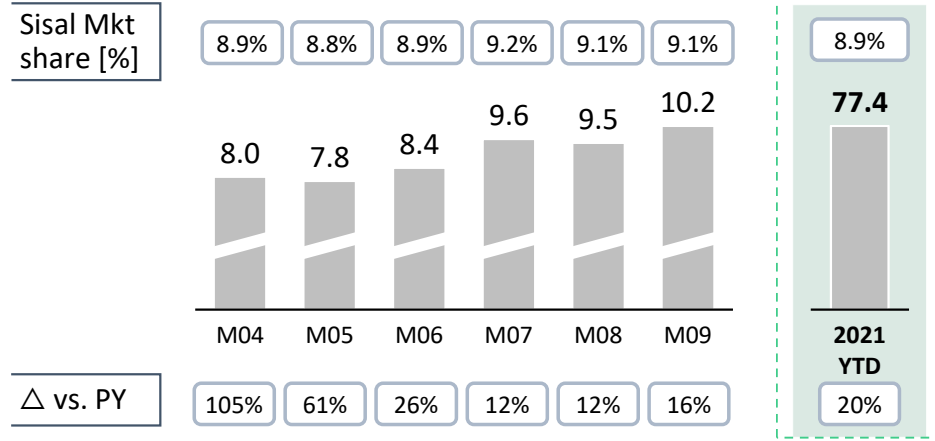
In September 2021 unemployment rate at 9.2%.



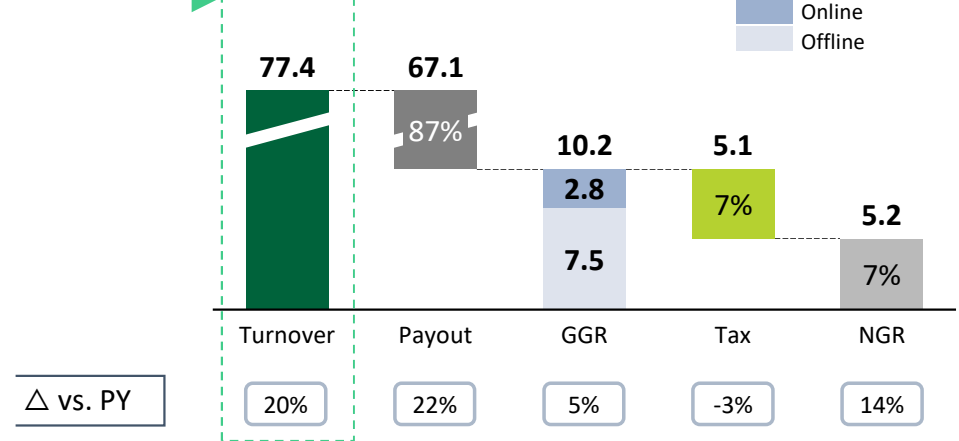
# 3 Italian Gaming Market Turnover over 77 €bn. Sisal brand leadership in the Online segment confirmed

## Italian gaming market trends [Last 6 months; 2021 YTD; EUR bn; EUR m; %]

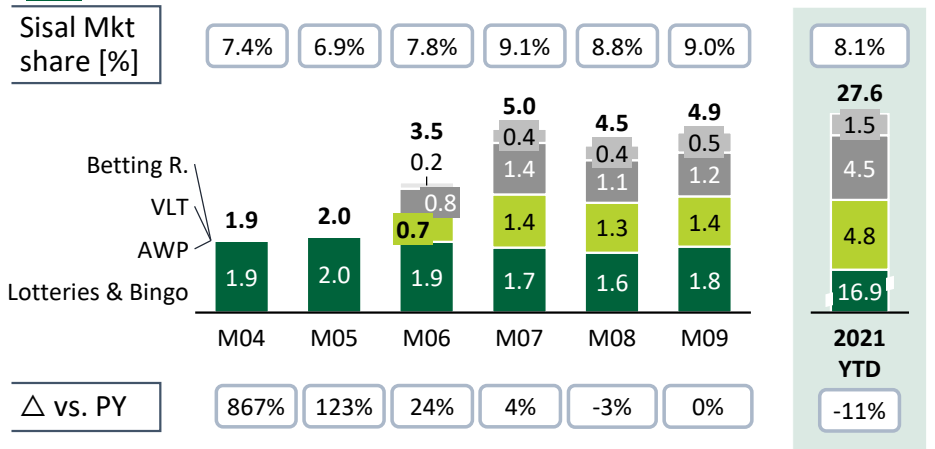
Total market turnover [EUR bn]



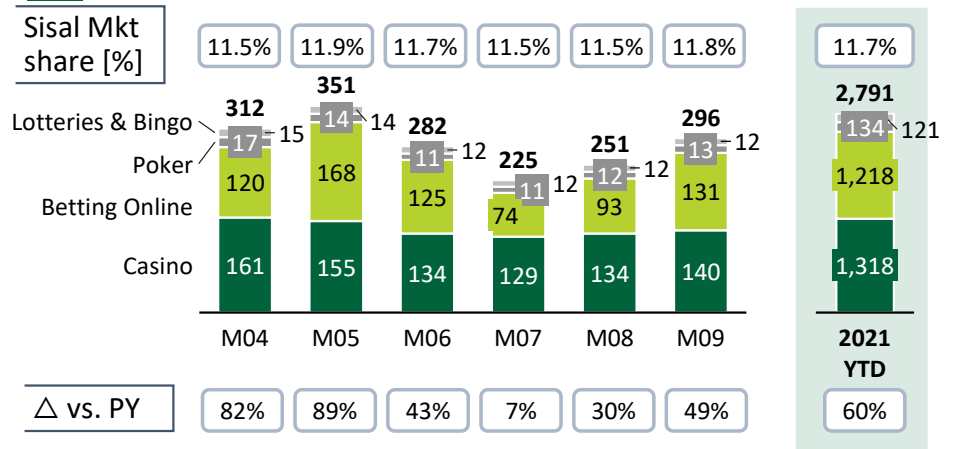
Gaming Value chain [EUR bn]



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



### 2 Online GGR trend by product [EUR m]



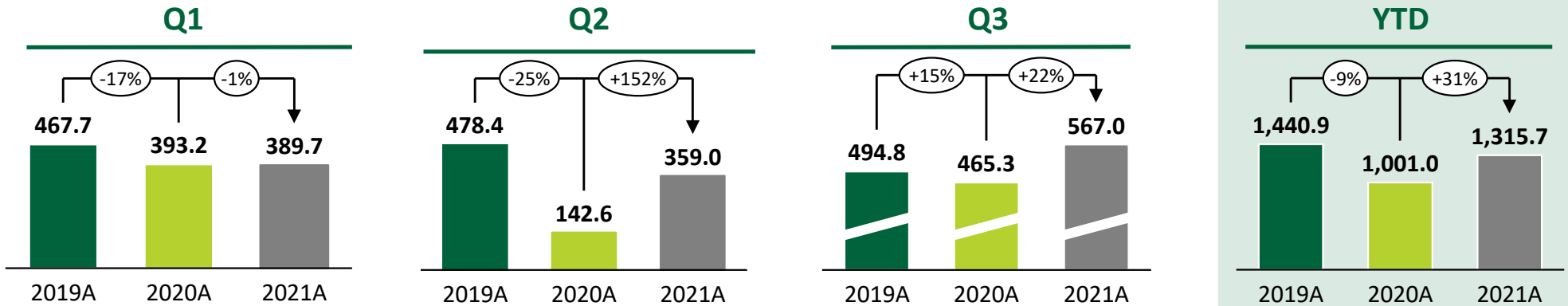
## Key Achievements

- 1 Outstanding financial performance
- 2 Online market brand leadership reinforced
- 3 Retail business in Italy positively restarted in June
- 4 International development successfully implemented
- 5 Strong commitment on business model sustainability

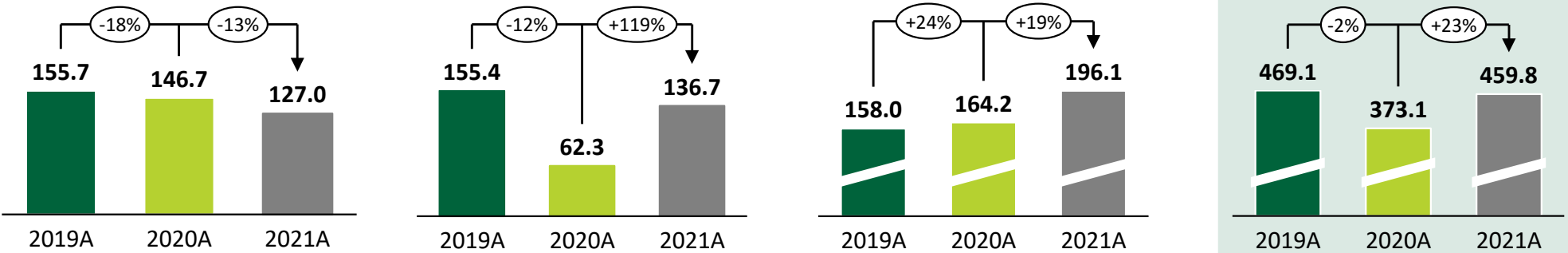
# 1 Outstanding performance delivering €70m Ebitda in Q3

[EUR m]

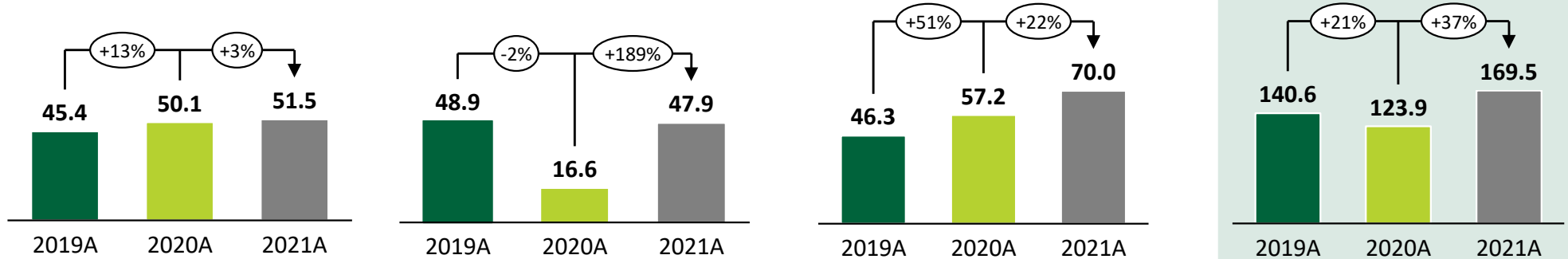
Gross Gaming revenue<sup>1)</sup>



Revenue



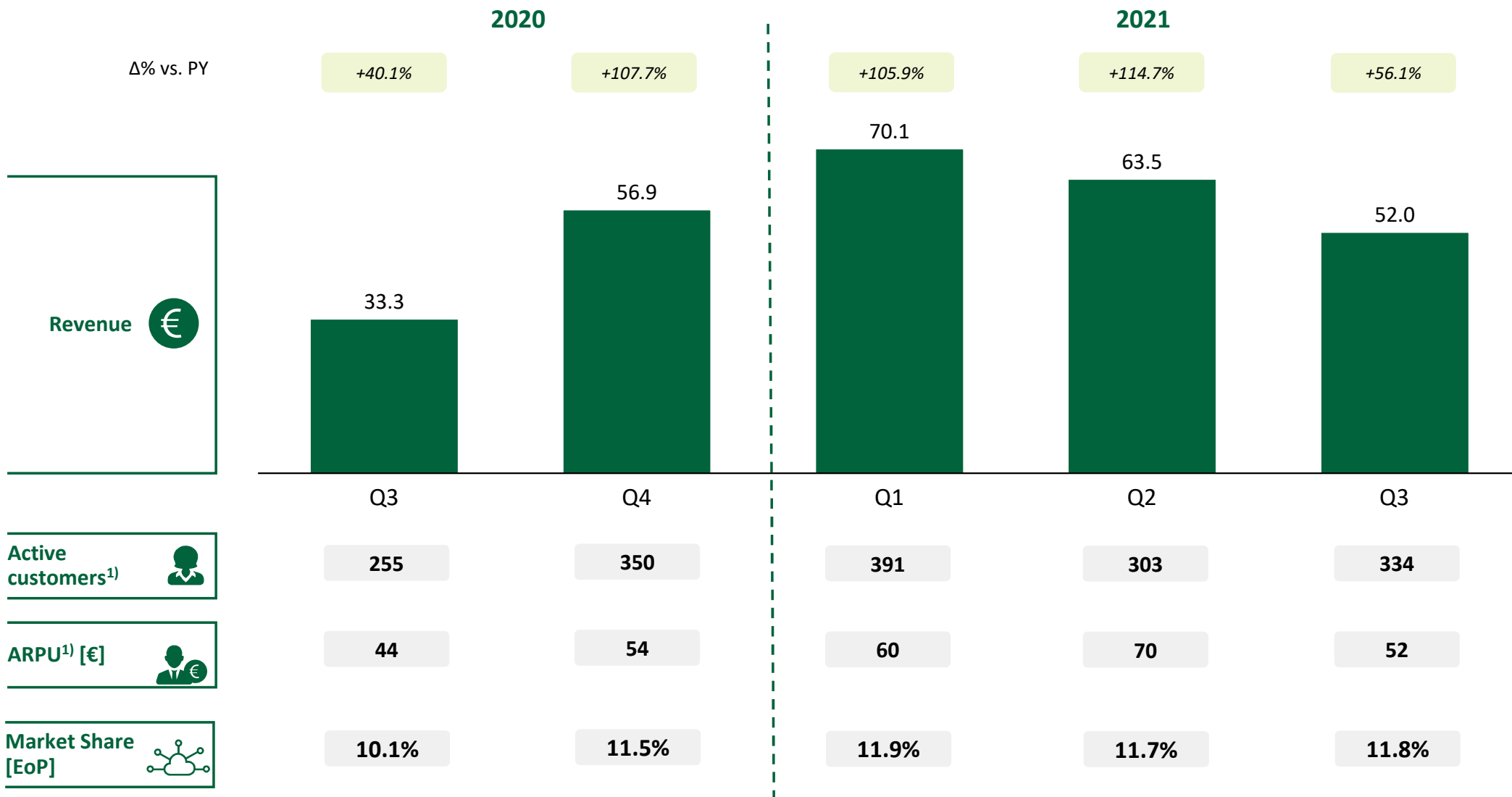
EBITDA



1) Turnover net of payout and online bonus

## 2 Online market brand leadership reinforced

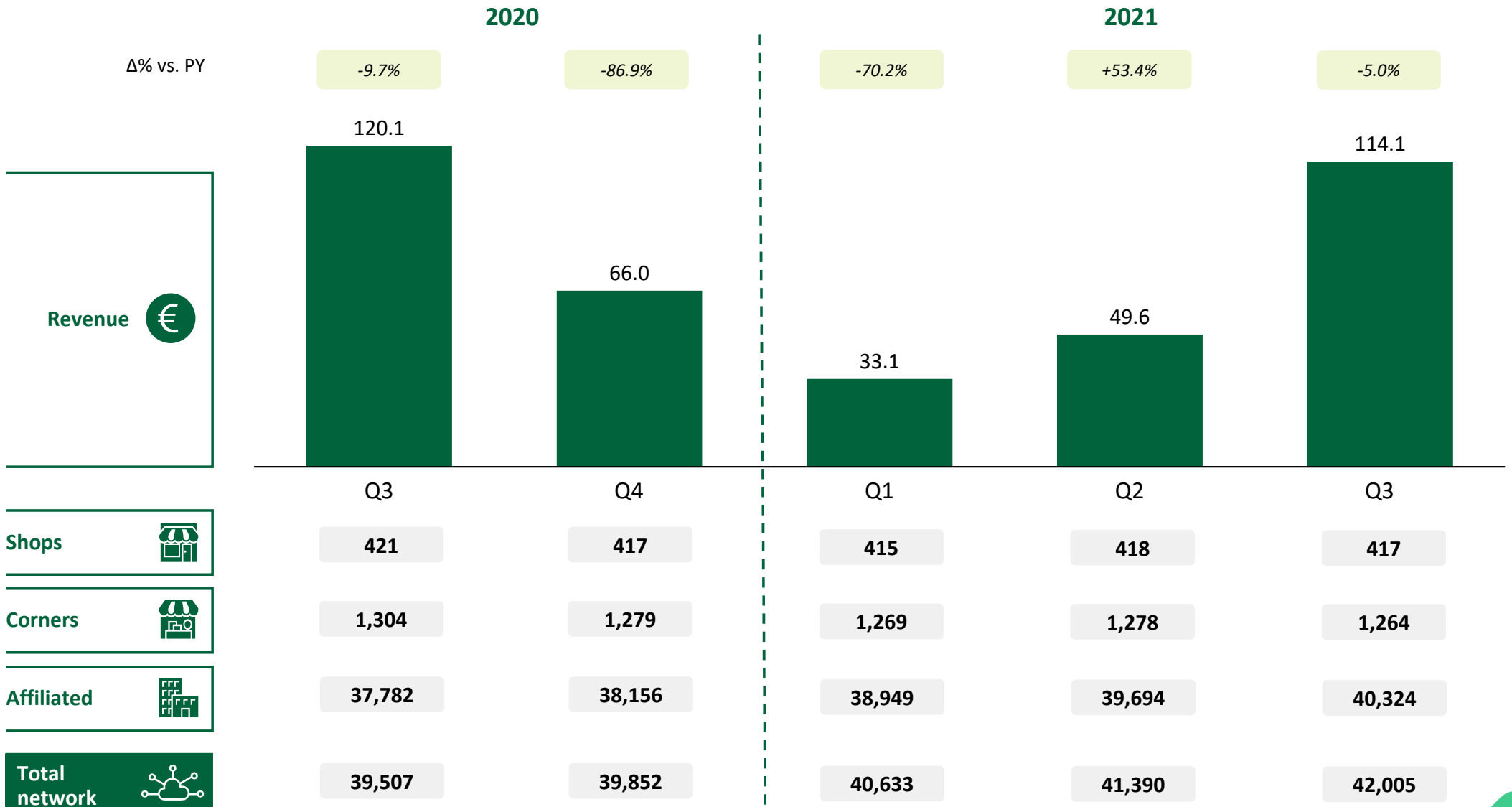
### Online revenue & main KPIs [2021 M09 LTM; EUR m; %]



1) Average monthly data

# 3 Retail in Italy positively restarted in June with strong Q3 performance

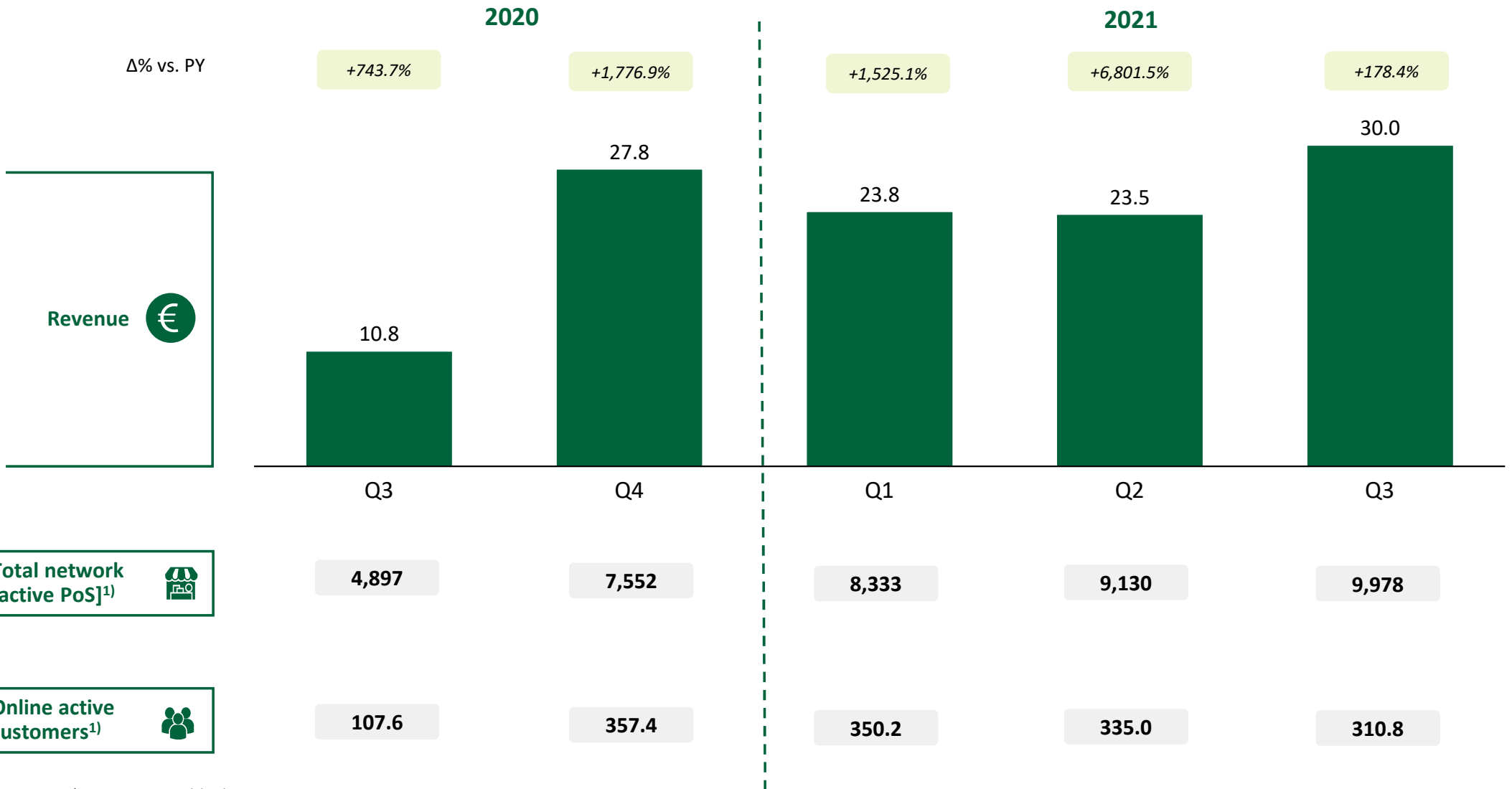
Retail revenue & main KPIs [2021 M09 LTM; EUR m; %]



4

# International development successfully implemented

## International revenue & main KPIs [2021 M09 LTM; EUR m; %]



1) Average monthly data

# 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 research on our customer base
- More effective player protection tool
- E-learning training platform
- New Headquarter in Milan with Leed Gold certification
- Gender equality certification awarded by Winning Women Institute

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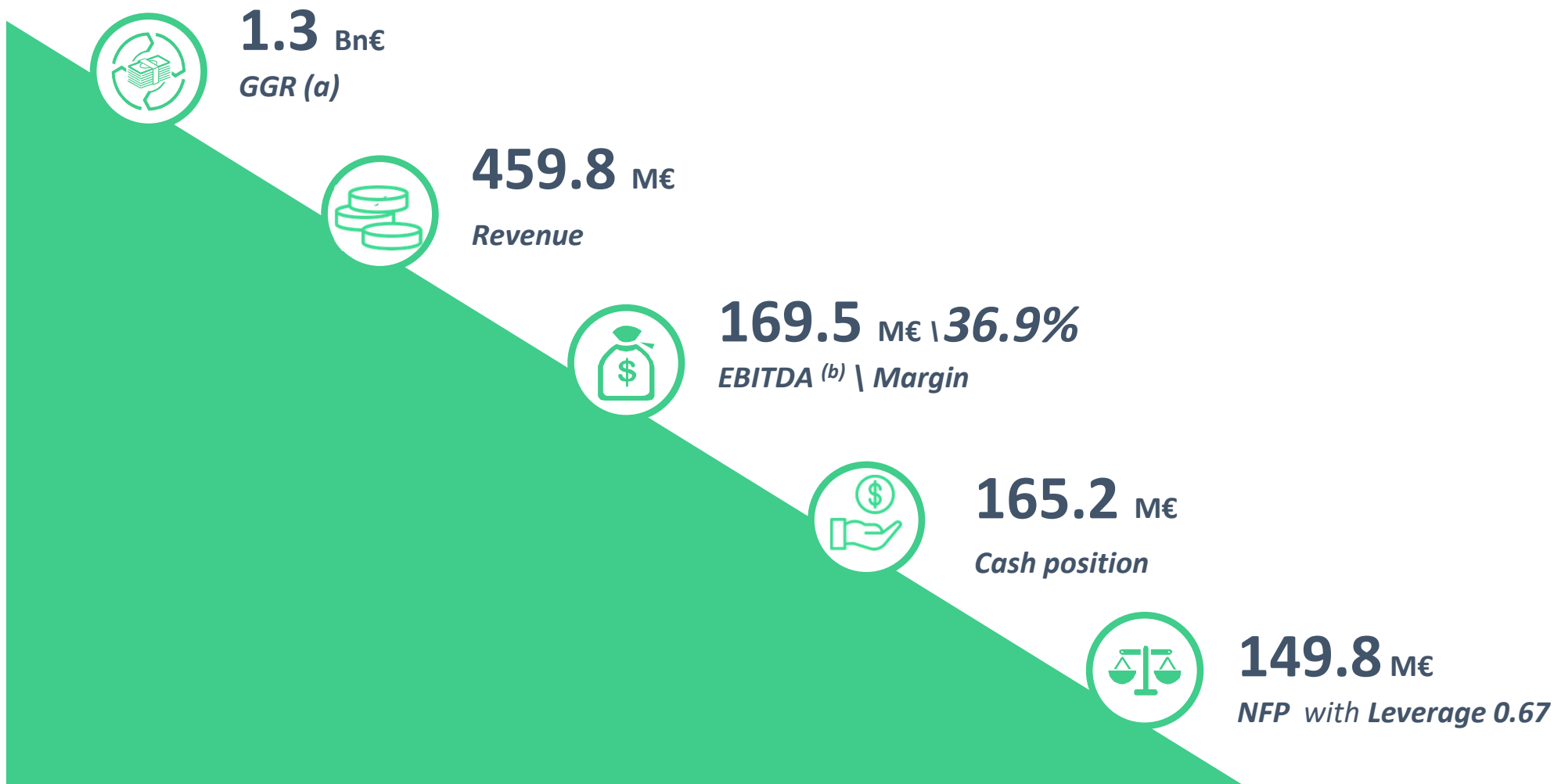
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## Financial Presentation

- 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 '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 nine months 2021 and 2020.

# Gaming Group Key Results 9M 2021

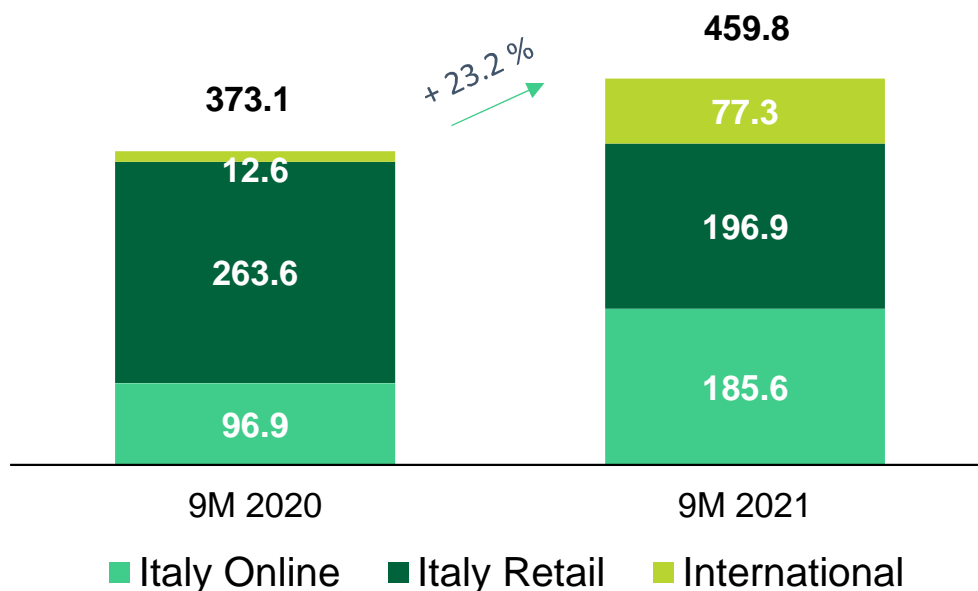


<sup>a)</sup> Gross gaming revenue (GGR) means Turnover net of payout and online bonus

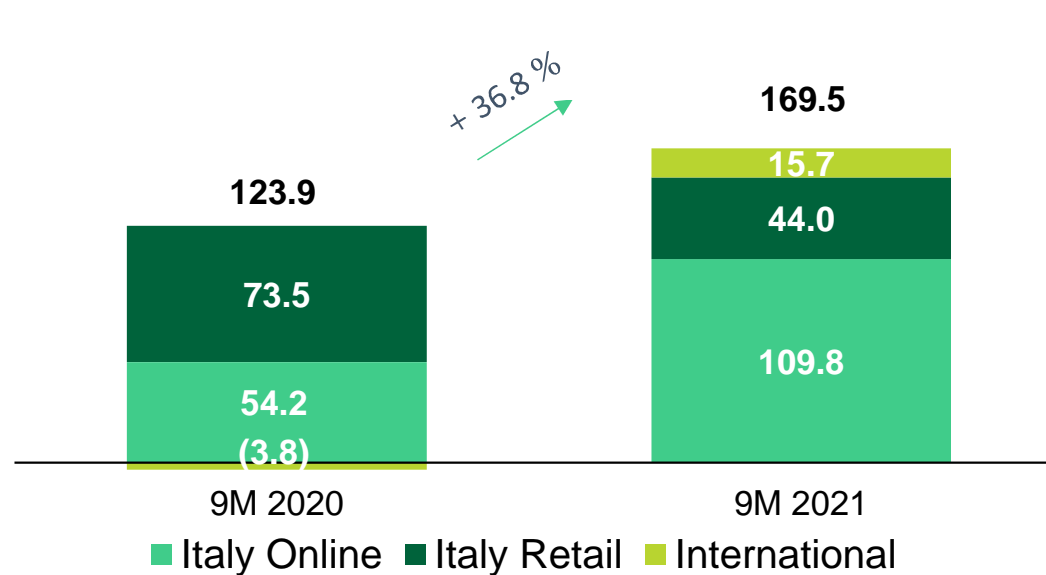
<sup>b)</sup> EBITDA means the profit/(loss) for the year adjusted for the following items: i) income taxes; ii) share of profit/(loss) of equity-accounted companies; iii) financial expense iv) financial income; v) amortization, depreciation, impairment and impairment reversal of tangible and intangible; vi) net impairment of financial assets; vii) ancillary costs for equity investments acquisitions and for new businesses start-up; viii) non-cash items; ix) income and expenses not considered as recurring, because not expected to have an impact in the future.

# Operating Segments Results Highlights - 9M 2021

## Revenue



## Ebitda



Ebitda Margin %

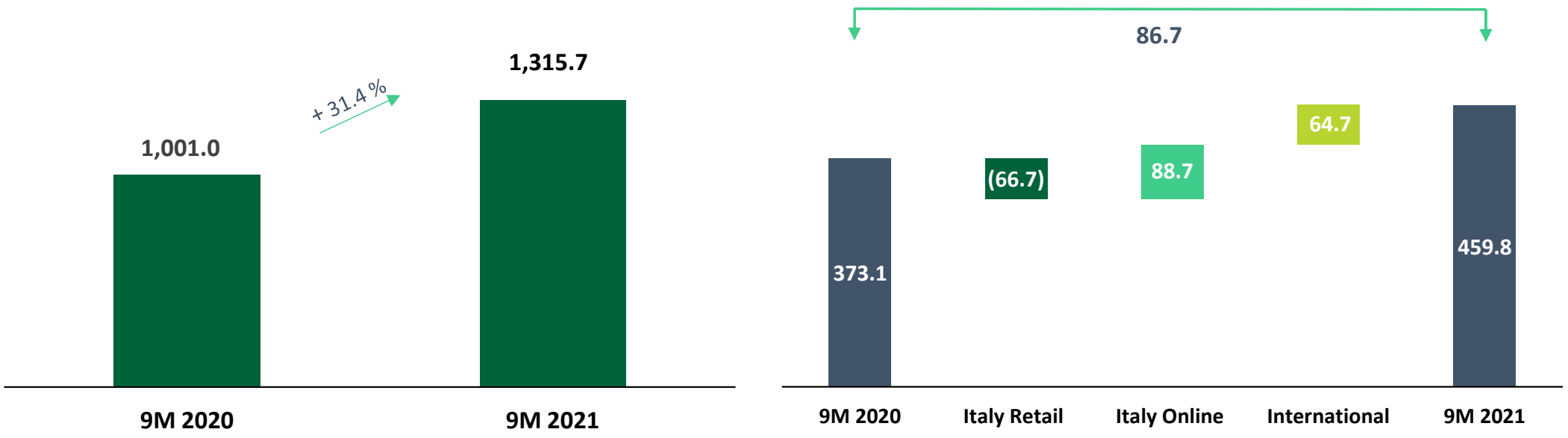


Total	33.2 %	36.9 %
Italy Online	55.9 %	59.1 %
Italy Retail	27.9 %	22.3 %
International	N.A.	20.3 %

# GGR & Revenue Bridge: 9M 2021 vs 9M 2020

GGR (€ m)

Revenue (€ m)



ITALY RETAIL	(66.7)	Primary drivers	ITALY ONLINE	88.7	Primary drivers	INTERN.	64.7	Primary drivers
Retail Betting	(42.4)	<ul style="list-style-type: none"> <li>Negatively impacted by the Retail network lockdown due pandemic and the new Salva Sport Tax introduced in May 2020.</li> </ul>	Online Betting	49.4	<ul style="list-style-type: none"> <li>Benefitting from the shift of consumers spending from retail to online</li> </ul>	Turkey	62.5	<ul style="list-style-type: none"> <li>Distribution network expansion and positive Online performance.</li> </ul>
Lottery	19.9	<ul style="list-style-type: none"> <li>Positive performance driven by volume growth, higher affiliation fees and high Superenalotto Jackpot.</li> </ul>	Casino & Skill games	37.3	<ul style="list-style-type: none"> <li>Gamification strategy and customers digitalization. Rollout of new Casino &amp; Slot app.</li> </ul>	Spain	(0.2)	<ul style="list-style-type: none"> <li>Pandemic impact and advertising ban.</li> </ul>
AWP and VLT	(44.2)	<ul style="list-style-type: none"> <li>Decrease due to the Retail network lockdown. Positive VLT performance after business restart in June.</li> </ul>	Lotteries	2.0	<ul style="list-style-type: none"> <li>Larger customer base</li> </ul>	Morocco	2.4	<ul style="list-style-type: none"> <li>Distribution network expansion and VLT's introduction</li> </ul>

# Gaming Profitability: 9M 2021 vs 9M 2020

Ebitda (€ M)



ITALY RETAIL	ITALY ONLINE	INTERNATIONAL
<ul style="list-style-type: none"> <li>Mainly due to the Retail network lockdown due to restriction measures caused by Covid (5.5 months in 9M2021 vs 3 months 9M2020). This effect was partially offset by the positive Lottery performance driven by higher Jackpot level and the higher 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 restrictions.</li> <li>Positive performance in Morocco thanks to retail distribution network enlargement.</li> <li>Spanish business negatively impacted by pandemic.</li> </ul>

## Gaming Cash Flow – 9M 2021 vs 9M 2020

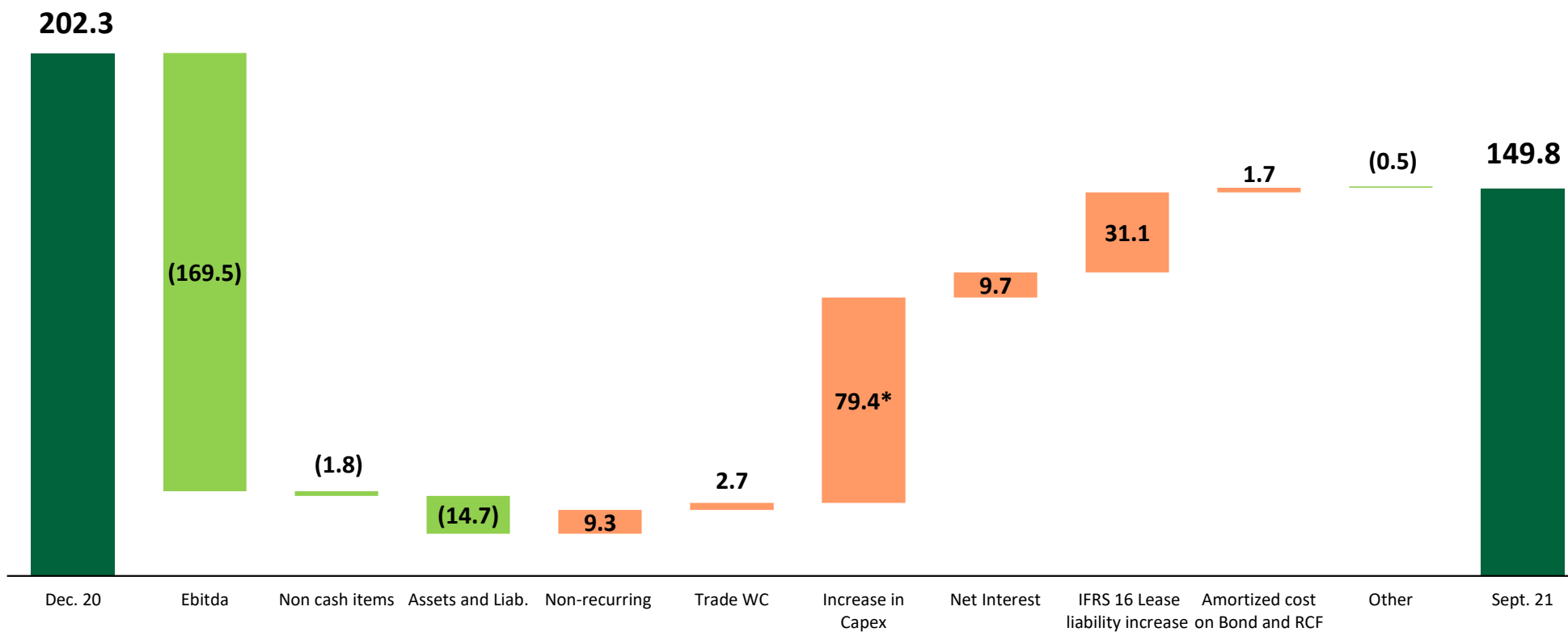
(€m)	9M 2021	9M 2020
Ebitda	169.5	123.9
Non cash items	1.8	(0.1)
Non-recurring costs	(9.3)	(10.7)
Change in trade W/C	(2.7)	(24.6)
Change in other assets and liabilities	14.7	(24.1)
Capex and acquisition <sup>(1)</sup>	(80.9)	(96.1)
Net Interest expenses	(23.4)	(14.2)
IFRS 16 rental payments	(18.6)	(16.2)
Proceeds/(repayments) of loans	(7.4)	99.0
Financial Assets	(24.3)	0.0
Capital Increases attributable to the group	0.0	3.7
Exchange rate effect on	(0.8)	0.0
<b>Total</b>	<b>18.6</b>	<b>40.6</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>165.2</b>	<b>143.1</b>



- **Non-recurring costs:** UK 4NL tender, Covid costs and reorganization.
- **Trade working capital:** increase in trade receivables due to Retail Network reopening.
- **Other assets and liabilities:** increase of liabilities related to gaming machines taxes; increase liabilities related to security deposits towards point of sales; increase liabilities for NTNG and Betting prizes.
- **Capex:** investments in equipment for terminals required by the new NTNG concession and to intangible assets mostly related to software developments.
- **Net interests exp.:** interests paid in the period related to the Senior Secured Notes, the RCF and Shareholder loan.
- **IFRS 16 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.

<sup>(1)</sup> The amount includes payment for M&A transactions equal to 1.5M Eur

# Net Financial Position Bridge – 9M 2021 (€ M)

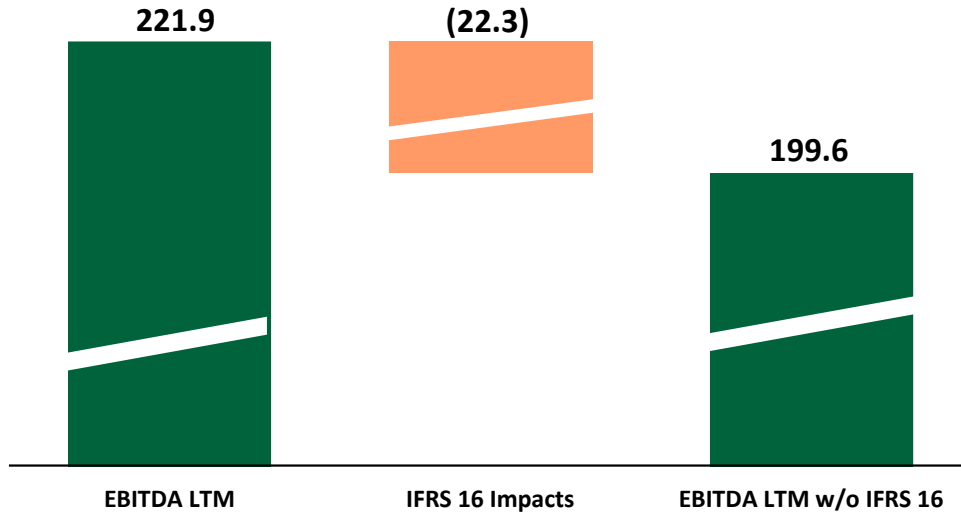


\* The amount includes additions of tangible and intangible assets

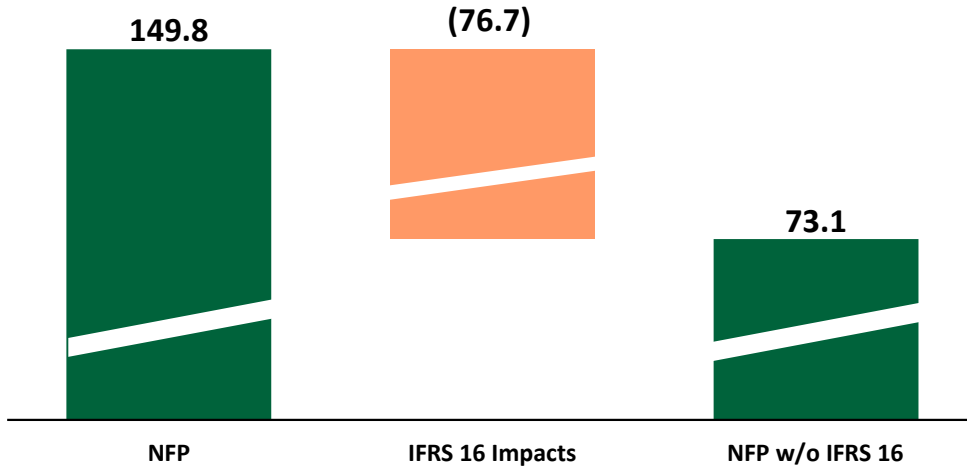
# Leverage Ratios

[EUR m]

EBITDA  
LTM



NFP



Leverage Ratio

0.67

Leverage Ratio w/o IFRS 16

0.37



# Gaming Consolidated Financial Statements – 9M 2021

Figures in € M

Income Statement	9M 2021	9M 2020	% Change
Revenue	355.8	285.9	24.4%
Fixed odd betting income	102.8	85.9	19.7%
Other revenue and income	1.2	1.3	(7.7)%
<b>Total revenue and Income</b>	<b>459.8</b>	<b>373.1</b>	<b>23.2%</b>
<b>Ebitda<sup>(a)</sup></b>	<b>169.5</b>	<b>123.9</b>	<b>36.8%</b>
<i>Margin (%)</i>	<i>36.9%</i>	<i>33.2%</i>	
<b>Ebit Adj<sup>(b)</sup></b>	<b>86.6</b>	<b>49.4</b>	<b>75.3%</b>
<i>Margin (%)</i>	<i>18.8%</i>	<i>13.2%</i>	
<b>Net Income (loss) Adj<sup>(c)</sup></b>	<b>51.9</b>	<b>12.6</b>	<b>&gt;100%</b>
<i>Margin (%)</i>	<i>11.3%</i>	<i>3.4%</i>	

a) EBITDA is defined as Net profit (loss) for the period adjusted for: (i) Taxes; (ii) Share of (profit)/loss of equity accounted investments; (iii) Finance expenses; (iv) Finance income; (v) Net impairment of financial assets; (vi) Depreciation, amortization and impairments; (vii) non-monetary costs; (viii) acquisition related transaction costs and start up of new business; and (ix) income and expenses that, in view of their nature, are not reasonably expected to recur in future periods

b) EBIT adj. is defined as Net profit (loss) for the period adjusted for: (i) Taxes; (ii) Share of (profit)/loss of equity accounted investments; (iii) Finance expenses; (iv) Finance income; (v) Net impairment of financial assets; (vi) Depreciation, amortization and impairments; (vii) non-monetary costs; (viii) acquisition related transaction costs and start up of new business; and (ix) income and expenses that, in view of their nature, are not reasonably expected to recur in future periods

c) Net Income Adj. of the period is defined as the Net Income of the period, adjusted for: (i) amortization of purchase price allocation from business combinations; (ii) ancillary costs for the purchase of equity investments and start-up of new businesses; (iii) non-monetary costs and income; (iv) income and expenses which, by their nature; are not reasonably expected to be repeated in future; (v) tax effect of previous items and (vi) tax effect arising from the alignment between balance sheet and fiscal values of intangible assets and goodwill

# Gaming Consolidated Financial Statements – 9M 2021

Figures in € M

Balance Sheet	At September 30, 2021	At December 31, 2020
Net fixed capital	910.5	870.2
Goodwill	261.0	261.0
Net Working Capital/Other	(184.9)	(193.8)
<b>Total assets</b>	<b>986.6</b>	<b>937.4</b>
Net Financial Position	149.8	202.3
Total Equity	836.8	735.1
<b>Total Liabilities and Equity</b>	<b>986.6</b>	<b>937.4</b>

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**Thanks**