



# Three months results 2022

Ended March 31, 2022

# Agenda

## Agenda

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

## Speakers



**Francesco Durante**  
Sisal CEO



**Roberto di Fonzo**  
Sisal CFO



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## Flutter Acquisition follow up

During the first quarter 2022 the **relevant procedures to obtain the necessary regulatory authorizations** in Italy, Turkey and Morocco begun, as well as with regards **to antitrust regulations**; so far, all these authorizations were achieved with the only exception of the Antitrust whose approval is currently still pending.

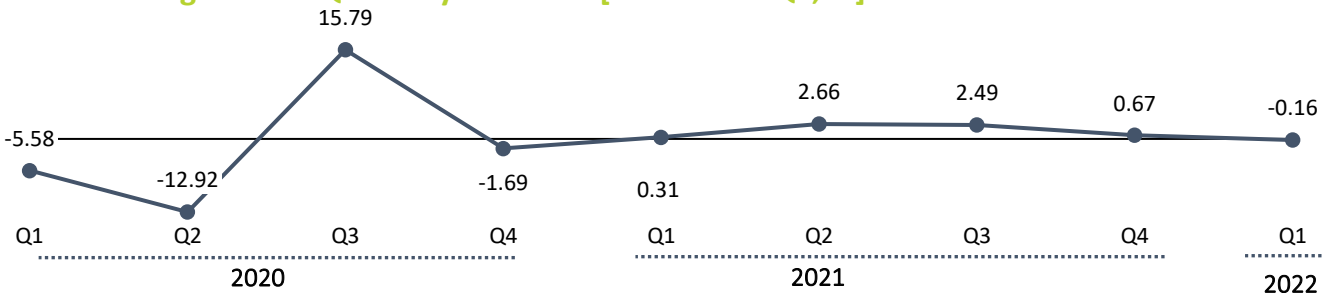
## Key Facts affecting Sisal's performance

- 1 Macroeconomic environment improved
- 2 Gaming Market recovering from the pandemic
- 3 Retail business fully operational

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# Macroeconomic environment improved

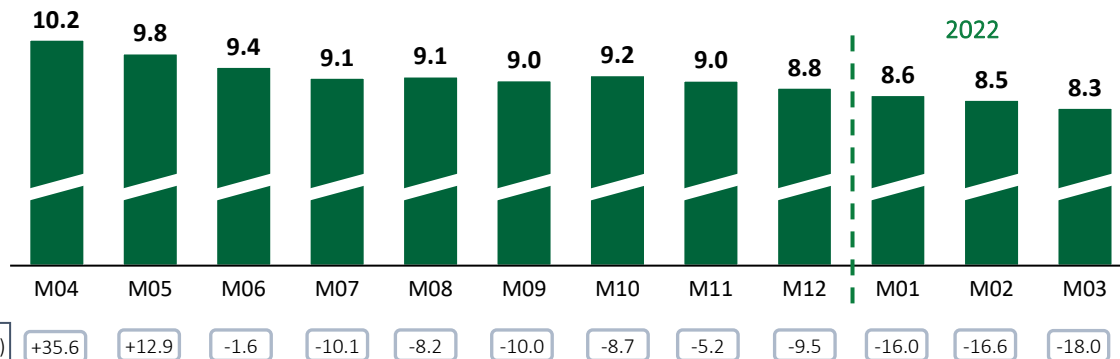
## Italian GDP growth – Quarterly variation [2020-2022 Q1; %]



Source: Istat – Quarterly economic accounts

- In **2021**, GDP showed a gradual recovery after the Covid situation (relevant in Q2 and Q3) following the vaccination campaign and the re-opening of retail activities.
- In **Q1 2022** GDP slightly worsened because of the current international context, affected by the Ukrainian conflict.

## Italian unemployment rate trend [2022 M03 LTM; %]



- **Employment** progressively improved in 2021 – unemployment rate set at 8.8% at year-end and is further improving in early 2022.

Δ vs. PY (ppts)

+35.6

+12.9

-1.6

-10.1

-8.2

-10.0

-8.7

-5.2

-9.5

-16.0

-16.6

-18.0

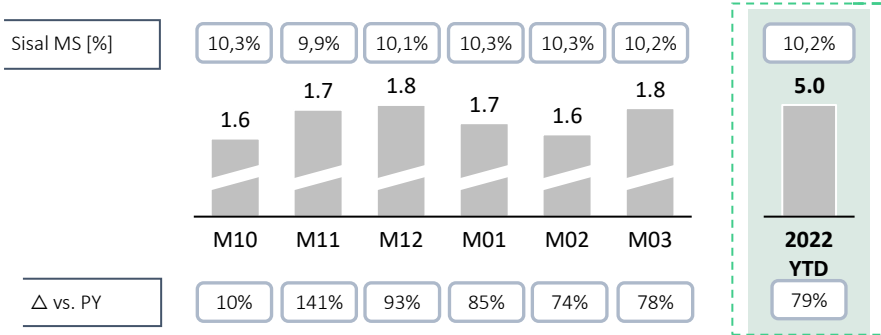
Source: Istat – Unemployment rates, monthly data

2

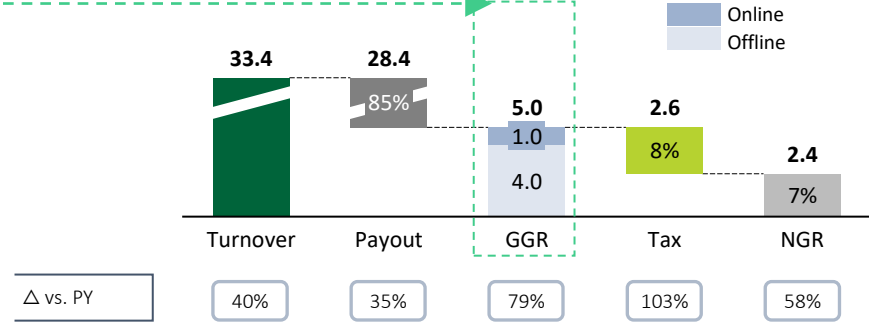
# Gaming market recovering from the pandemic

## Gaming market trends [Last 6 months; 2022 YTD; EUR m; %]

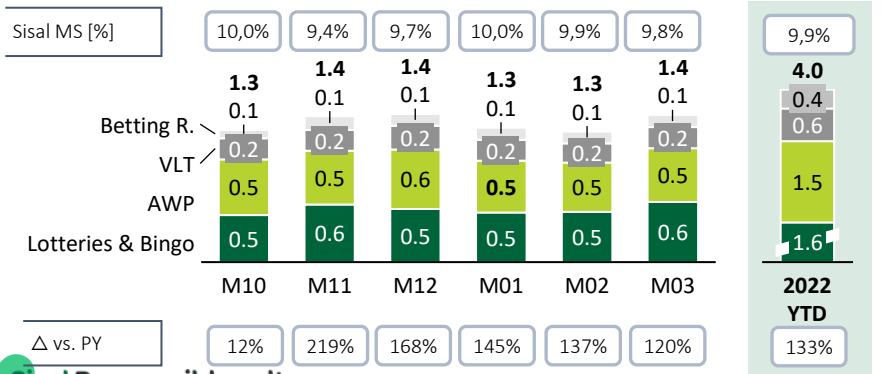
### Total market GGR [EUR m]



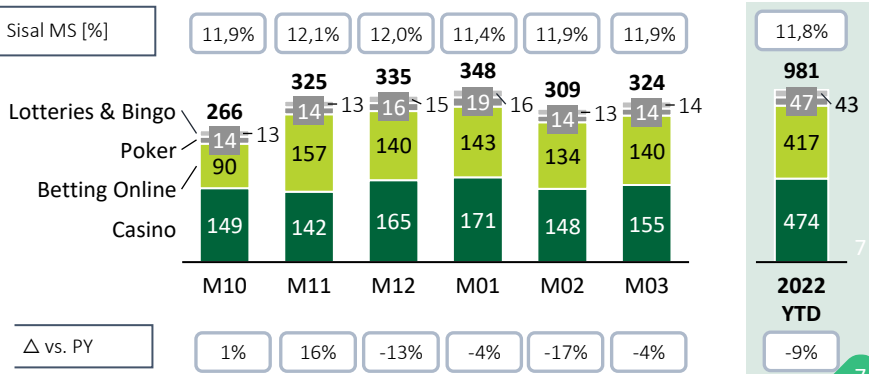
### Gaming Value chain [EUR m]



### Retail GGR trend by product [EUR m]



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



## 3 Retail business fully operational



After the gradual re-start during the month of June 2021, the **Retail business was fully operational in Q1 2022**. From January operators were subject to regulations on the Super Green Pass.



**No significant restrictions** have been imposed by the government.



No more restrictions imposed by the authorities compared to last year. Restrictive measures have been taken at individual level. Indeed, **no lockdown has been imposed during the first three months of 2022**.



## Key Achievements

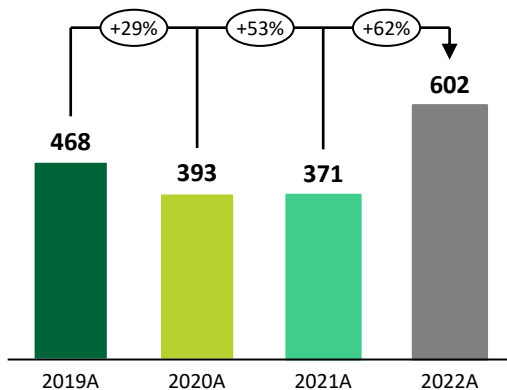
- 1 Outstanding financial performance
- 2 Online market brand leadership in Italy confirmed
- 3 Retail business in Italy constantly improving
- 4 International delivering positive results
- 5 Strong ESG commitment

1

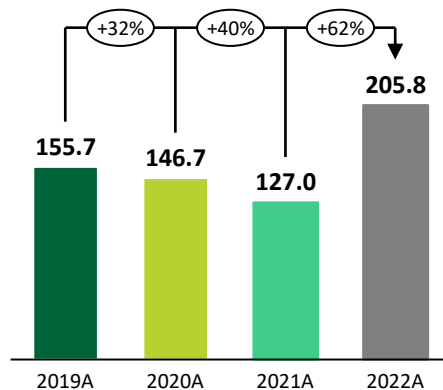
# Outstanding financial performance generating 76 €m EBITDA in Q1 2022

[EUR m]

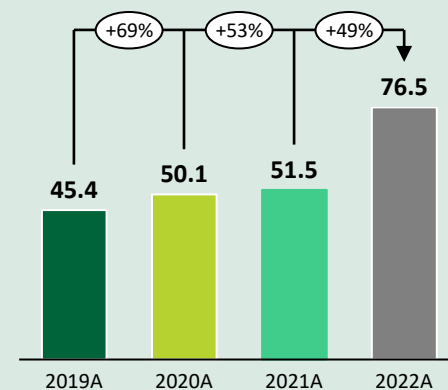
Q1

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

Revenue



EBITDA

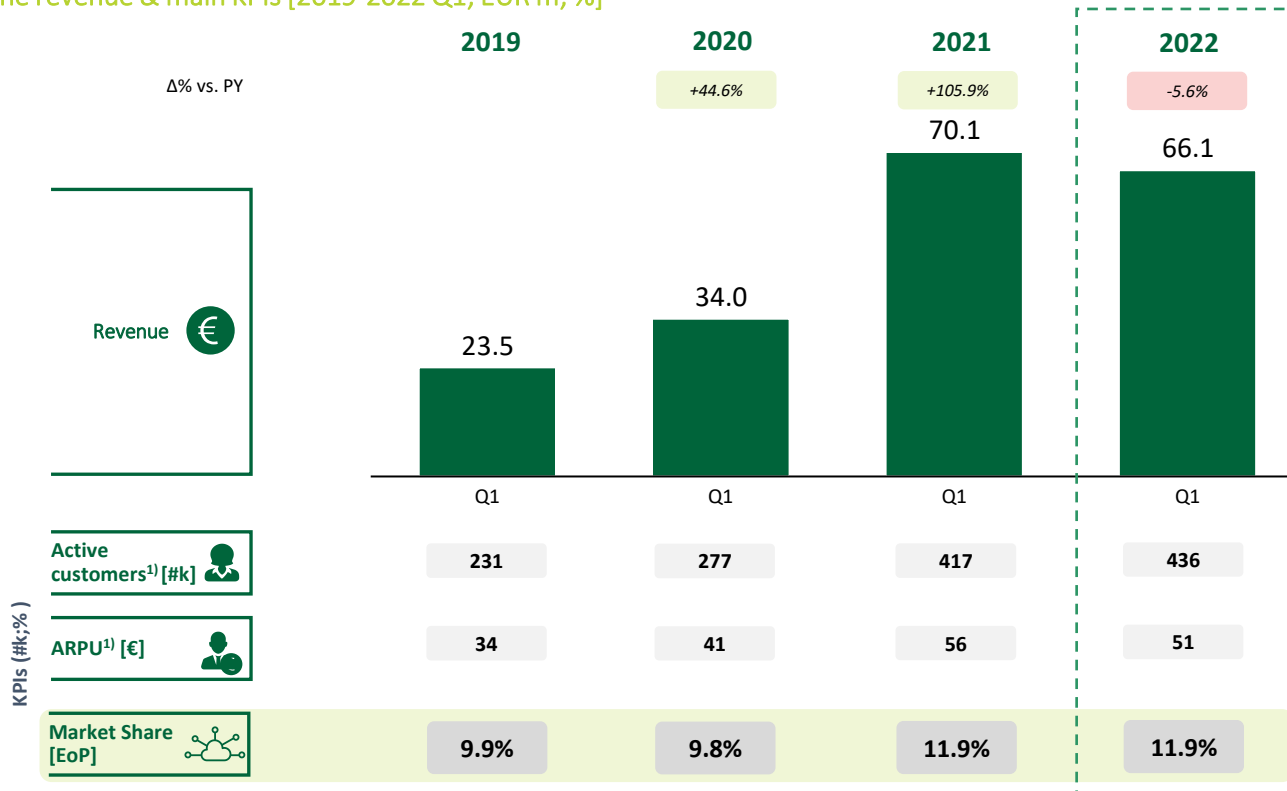


1) Turnover net of payout and online bonus

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## Online market brand leadership in Italy confirmed

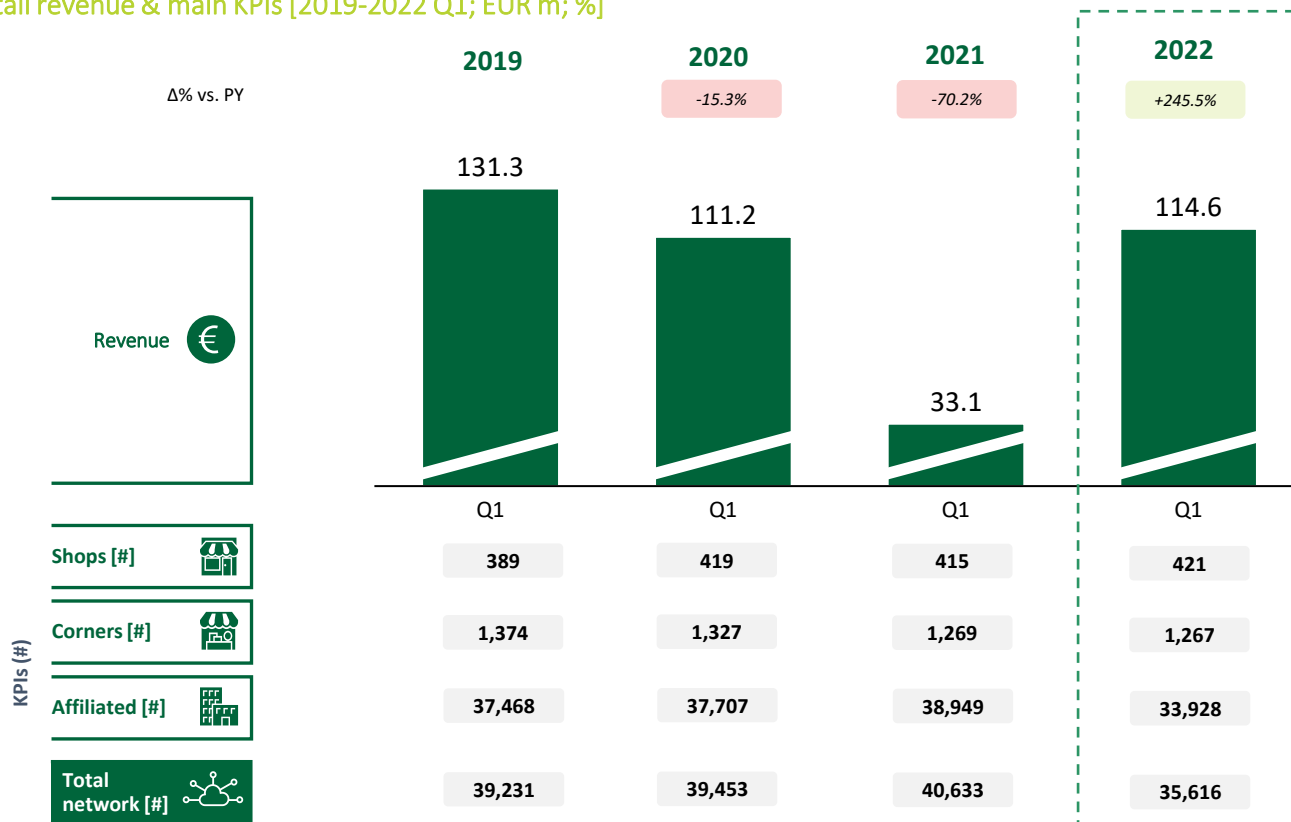
Online revenue & main KPIs [2019-2022 Q1; EUR m; %]



3

## Retail business in Italy constantly improving

Retail revenue & main KPIs [2019-2022 Q1; EUR m; %]

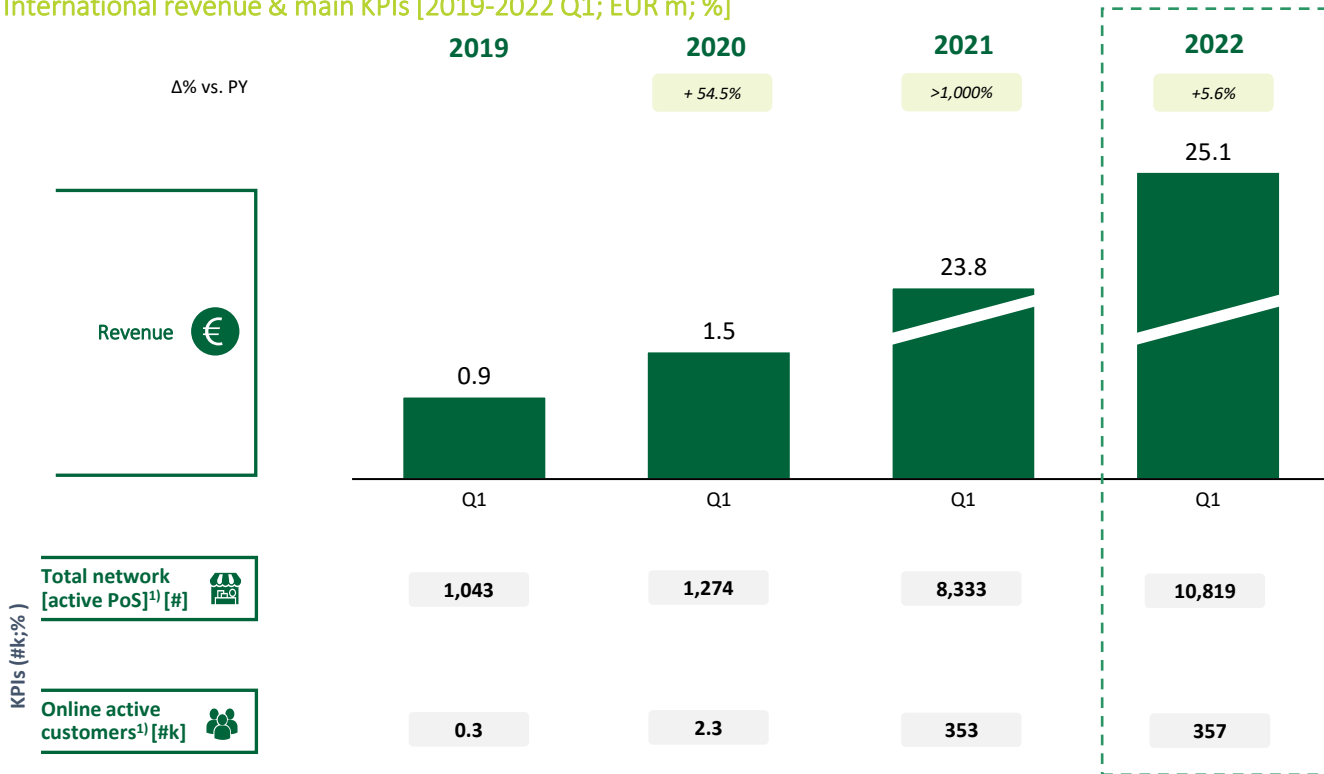




4

# International delivering positive results

International revenue & main KPIs [2019-2022 Q1; EUR m; %]



1) Average monthly data

5

## Continuing strong ESG Commitment

### Consumers



#### Safer Gambling Programme Implementation:

- **KPIs** to track programme effectiveness
- **AI algorithm** in place
- **Working group activation** across business units

### People



- **Gender Pay Gap** Reduction (-2 p.p. in 2021)
- **DE&I** policy in place

### Community



#### Relaunching «Will» Volunteering project

- New IT platform
- Engaging employees
- NGOs recruiting

### Environment



- **New Headquarters** in Milano
- **GHG Emission Inventory** completed
- Setting **science-based targets**
- **Car Policy** review

Sustainalytics **ESG Rating : LOW RISK**  
**2021 Sustainability Report** approved



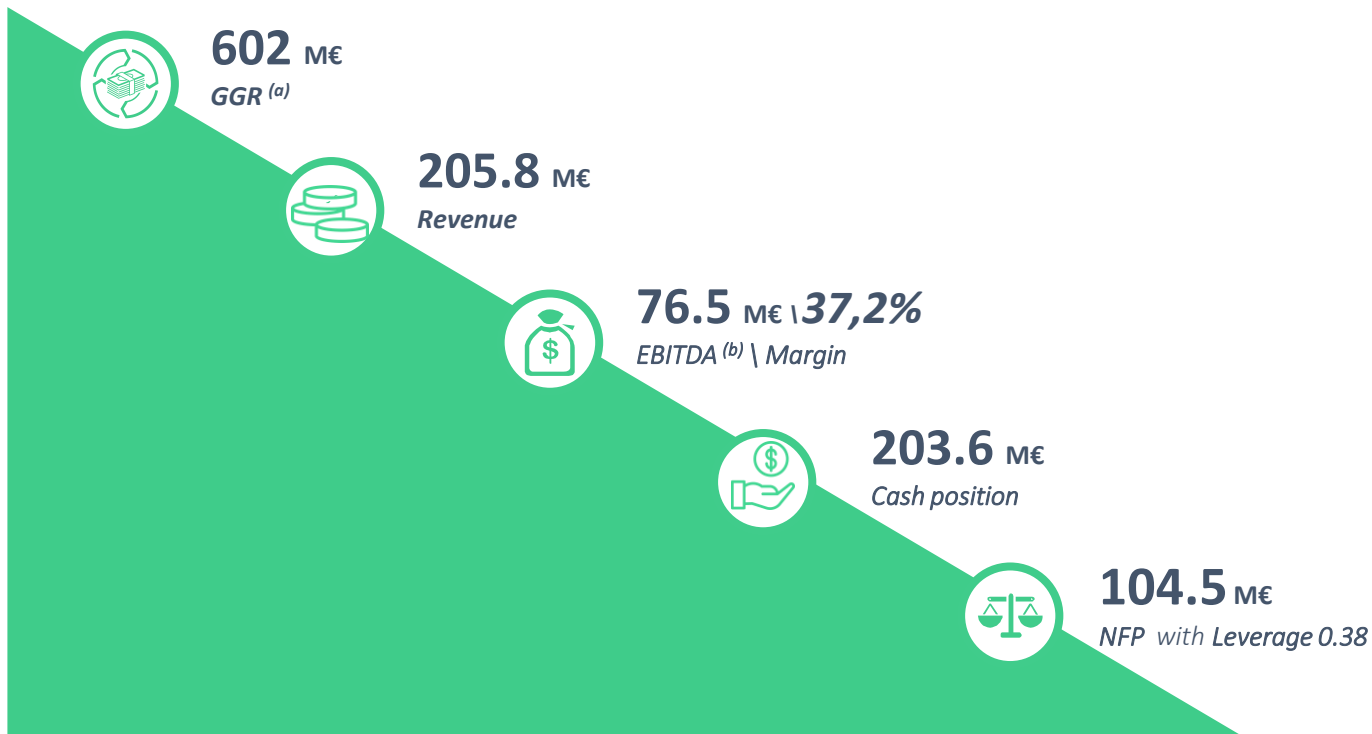
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# Key Results



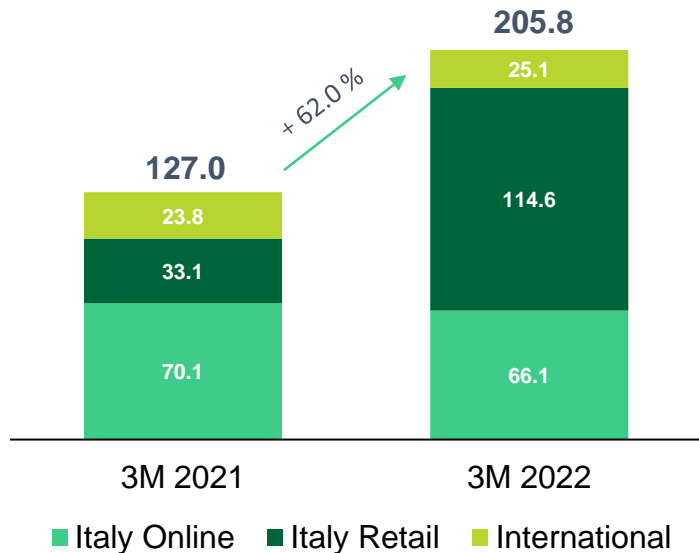
<sup>a)</sup> Gross gaming revenue (GGR) means Turnover net of payout and online bonus

<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.

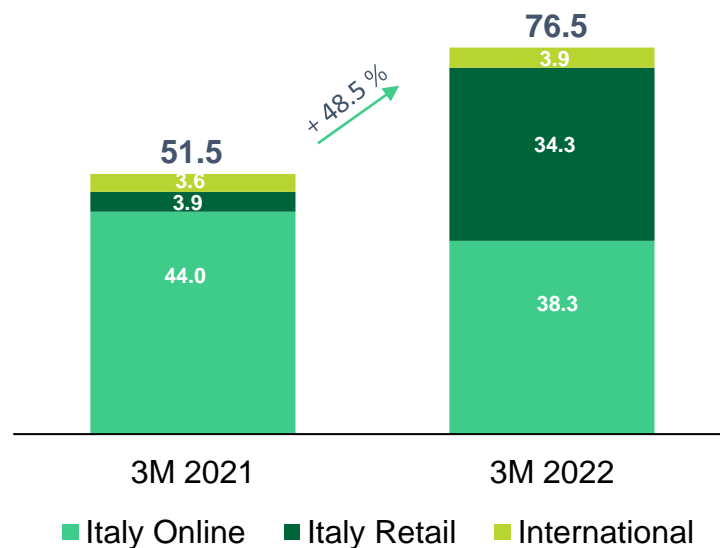


# Operating Segments Results Highlights – 3M 2022

Revenue



Ebitda

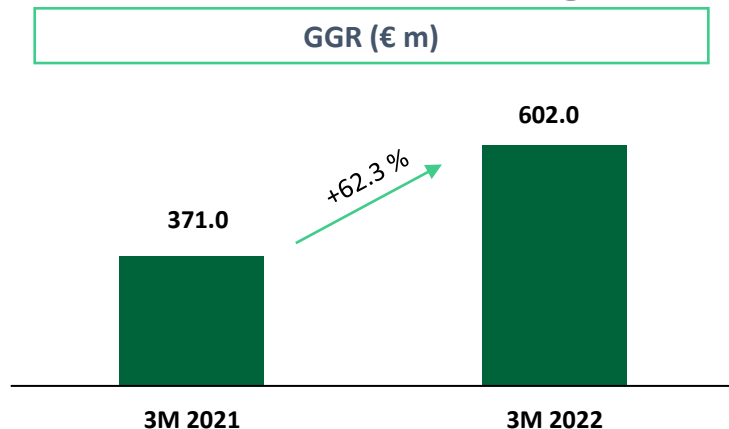


Ebitda Margin %



Total	40.6 %	37.2 %
Italy Online	62.8 %	57.9 %
Italy Retail	11.8 %	30.0 %
International	15.1 %	15.5 %

# GGR & Revenue Bridge: 3M 2022 vs 3M 2021



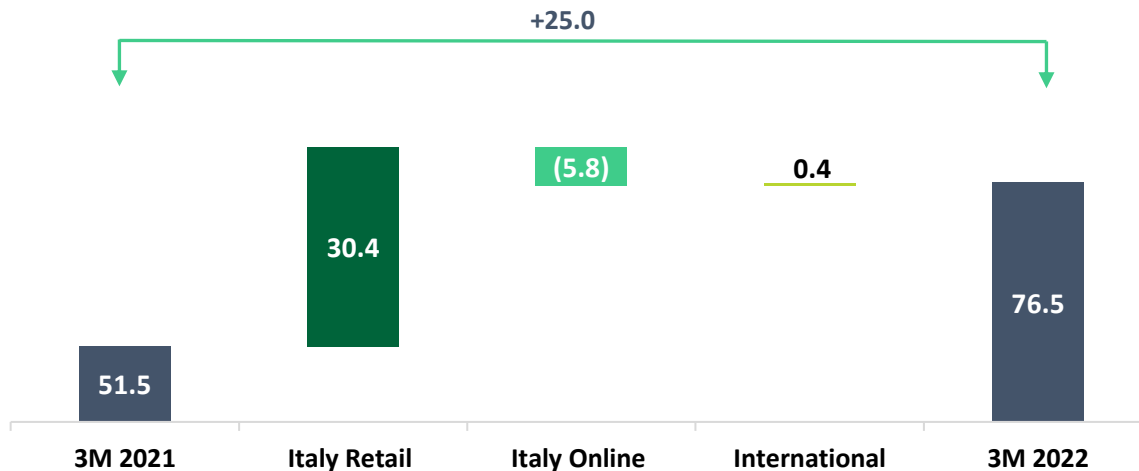
ITALY RETAIL	81.4	Primary drivers
Retail Betting	35.9	<ul style="list-style-type: none"> <li>In 2021 the business was severely impacted by the pandemic. In Q1 2022 achieved positive results thanks to volume increase and favorable payout.</li> </ul>
Lottery	(18.8)	<ul style="list-style-type: none"> <li>Decrease in revenues is mostly attributable to the new NTNG concession terms starting December 2021 (lower commissions on turnover)</li> </ul>
Gaming Machines	64.3	<ul style="list-style-type: none"> <li>In Q1 2021 the business was impacted by the retail lockdown, while in 2022 was fully operational.</li> </ul>

ITALY ONLINE	(3.9)	Primary drivers
Online Betting	(0.8)	<ul style="list-style-type: none"> <li>Almost flattish in comparison to previous year due to consumer spending back to retail, partially offset by lower Sports payout</li> </ul>
Casino & Skill games	(3.8)	<ul style="list-style-type: none"> <li>Last year benefitted from the shift of consumers spending from retail to online.</li> </ul>
Lotteries	0.7	<ul style="list-style-type: none"> <li>Positive impact of the successful Winbox launch.</li> </ul>

INTERN.	1.3	Primary drivers
Turkey	0.7	<ul style="list-style-type: none"> <li>Results reflect the distribution network enlargement and the increased online players, severely penalized by the unfavorable FX rate impacting the Turkish Lira.</li> </ul>
Morocco	0.2	<ul style="list-style-type: none"> <li>Positive results driven by distribution network expansion and the increased customer base</li> </ul>
Spain	0.4	<ul style="list-style-type: none"> <li>Positive results driven by online customer base enlargement</li> </ul>

## Profitability: 3M 2022 vs 3M 2021

Ebitda (€ M)



### ITALY RETAIL

- Positive results mainly driven by the top line growth after suffering Covid restrictions of last year, although Lottery was benefitting of the NTNG Old concession terms.

### ITALY ONLINE

- Results slightly decreased compared to last year, when the business benefitted from the retail lockdown, partially mitigated by a lower Sports betting payout.

### INTERNATIONAL

- Performance slightly above last year, despite volume growth, mainly because of Turkish lira unfavorable FX rate.

## Cash Flow – 3M 2022 vs 3M 2021

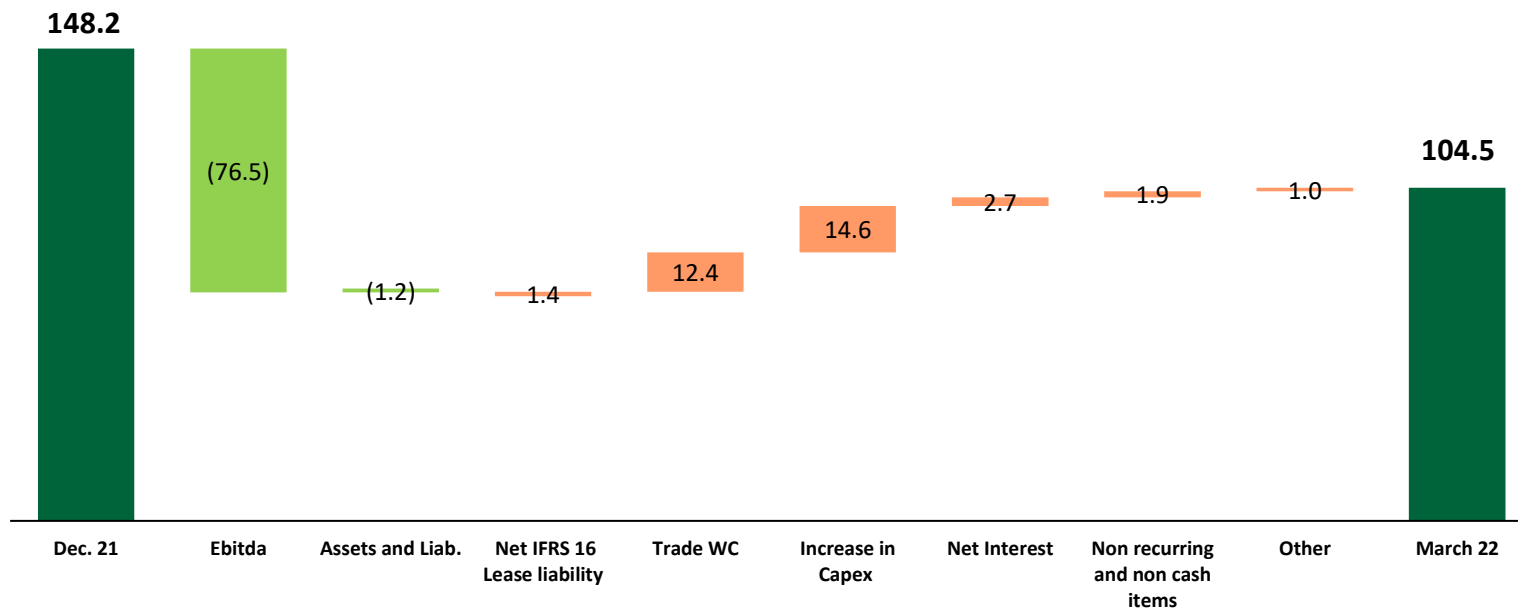
(€m)	3M 2021	3M 2022
Ebitda	51.5	76.5
Non-recurring and non cash items	(2.7)	(1.9)
Change in trade W/C	(0.3)	(12.4)
Change in other assets and liabilities	(33.3)	(0.7)
Capex and acquisition	(23.9)	(14.6)
Net Interest exp.	(11.5)	(10.9)
Current financial assets	-	1.4
Leasing reimbursement	(6.1)	(6.8)
Proceeds/ (repayments) of loans	(2.8)	-
Exchange rate effect on cash and cash equivalent	-	(0.7)
<b>Total</b>	<b>(29.1)</b>	<b>29.9</b>
<b>Cash at the beginning of the period</b>	<b>146.6</b>	<b>173.8</b>
<b>Cash at the end of the period</b>	<b>117.5</b>	<b>203.6</b>



### 3M 2022:

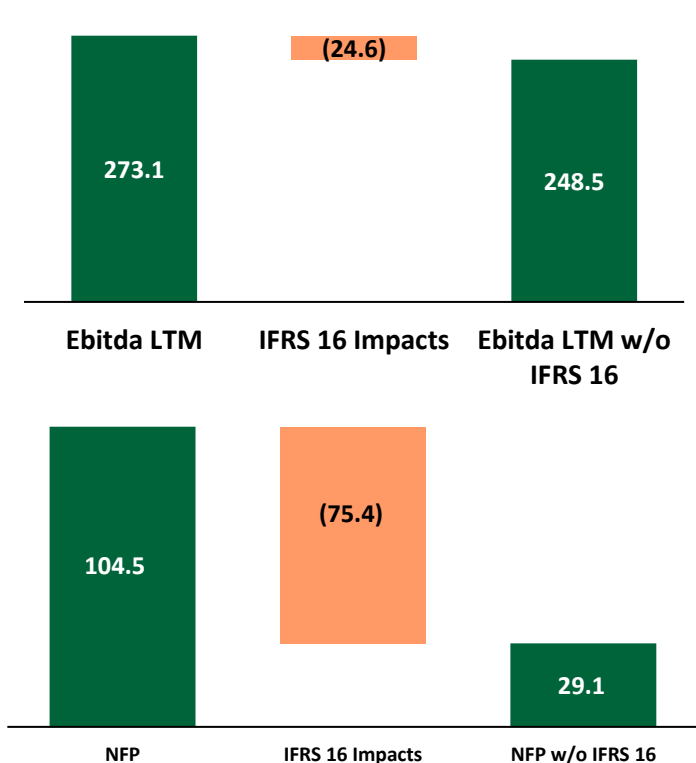
- **Non recurring and non cash items:** mainly related to reorganization costs and start-up developments costs.
- **Change in Trade working capital:** trade payables decrease, mainly related to the payments of NTNG terminals in Q1 2022, partially offset by lower trade receivables.
- **Change in Other current assets and liabilities:** mainly due to the increase in liabilities related to salary and bonus, partially offset by the prepayments for betting concession and insurance and the deferred purchase price for acquisition of minorities and other M&A.
- **Capex and acquisition:** related to investments in equipment for terminals required by the new GNTN concession and to intangible assets mostly related to software developments.
- **Net interests exp.:** mainly related to interests paid in the period related to the Senior Secured Note and the RCF.
- **Current financial assets:** collection of deposit previously paid for the new Italian HQ office.
- **Leasing reimbursement:** repayment of financial liabilities recognized in application of the IFRS 16 accounting standard.

## Net Financial Position Bridge – 3M 2022 (€ M)



# Leverage Ratios

[EUR m]



Leverage Ratio



Leverage Ratio w/o IFRS 16



# Consolidated Financial Statements – 3M 2022 - 3M 2021

Figures in € M

Income Statement	3M 2021	3M 2022	% Change
Revenues	89.2	133.2	49.3%
Fixed odd betting income	37.7	72.3	92.0%
Other revenues and income	0.1	0.3	78.0%
<b>Total revenues and Income</b>	<b>127.0</b>	<b>205.8</b>	<b>62.0%</b>
<b>Ebitda<sup>(a)</sup></b>	<b>51.5</b>	<b>76.5</b>	<b>48.6%</b>
<i>Margin (%)</i>	<i>40.6%</i>	<i>37.2%</i>	
<b>Ebit Adj<sup>(b)</sup></b>	<b>25.7</b>	<b>50.5</b>	<b>96.5%</b>
<i>Margin (%)</i>	<i>20.2%</i>	<i>24.5%</i>	
<b>Profit (loss) for the year</b>	<b>7.4</b>	<b>20.3</b>	<b>175.5%</b>
<i>Margin (%)</i>	<i>5.8%</i>	<i>9.8%</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

## Consolidated Financial Statements – 3M 2022

*Figures in € M*

Balance Sheet	At December 31, 2021	At March 31, 2022
Net fixed capital	748.6	726.8
Goodwill	261.0	261.0
Net Working Capital/Other	(161.0)	(163.2)
<b>Total assets</b>	<b>848.5</b>	<b>824.6</b>
Net Financial Position	148.2	104.5
Total Equity	700.3	720.1
<b>Total Liabilities and Equity</b>	<b>848.5</b>	<b>824.6</b>





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