

# Lottomatica Q1 2024 Results Presentation

30 April 2024

LOTTOMatica



# Highlights and Business Update

Guglielmo Angelozzi, CEO



# Acquisition of SKS365 completed in early Q2, ahead of plan

## 2023 Key metrics



**774k+**

Registered customers



**395k+**

Annual Unique Active  
Online Players



**1,000**

Betting Shop Licenses

## 2023 Key financial data



**€298m**

Revenues normalised<sup>1</sup>  
(€292m actual)



**€72m**

Adj. EBITDA normalised<sup>1</sup>  
(€68m actual)

## Q1 2024 Key financial data



**€88m**

Revenues normalised<sup>1</sup>  
(€81m actual)

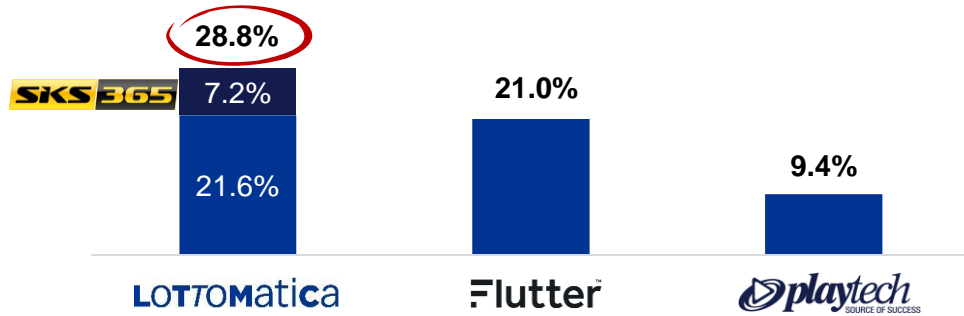


**€23m**

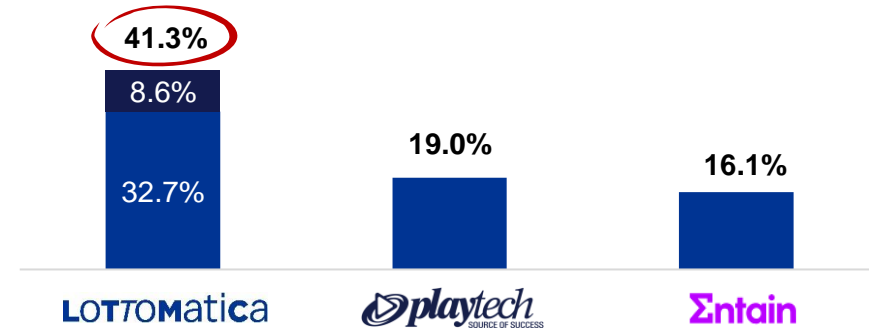
Adj. EBITDA normalised<sup>1</sup>  
(€18m actual)

# Lottomatica confirmed undisputed leader in the Italian market

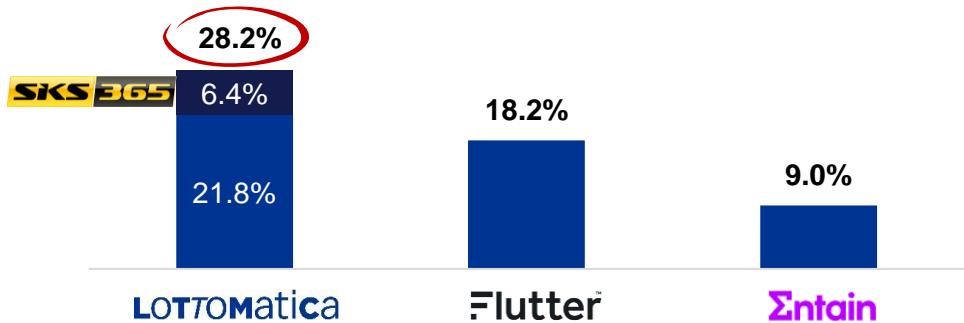
Q1 2024 Total Online market share



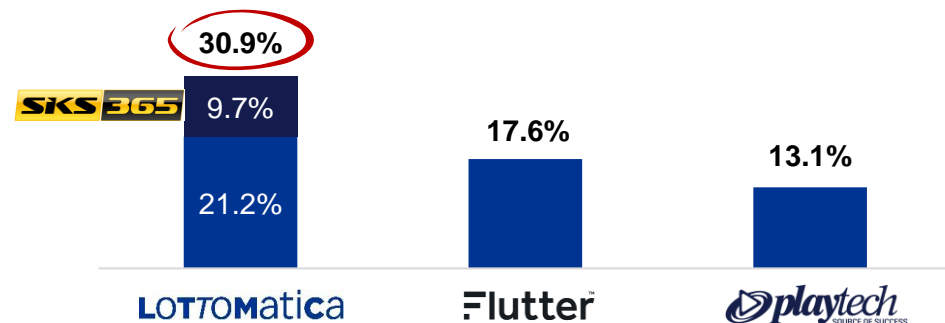
Q1 2024 Sports Franchise market share



Q1 2024 iGaming market share



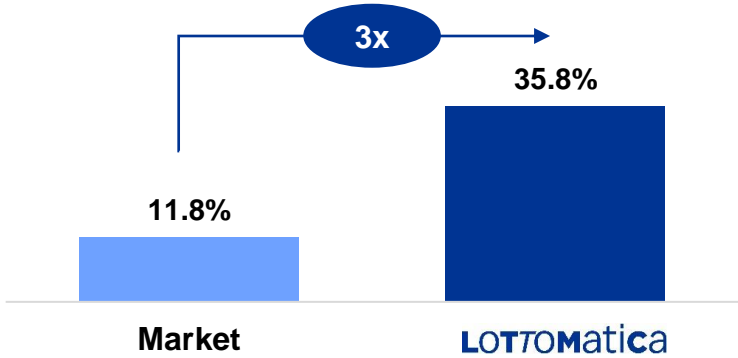
Q1 2024 iSports market share



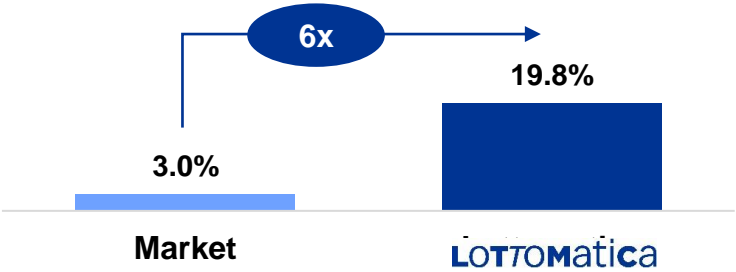
# Online - Strong market growth, with Lottomatica continuing to outperform the market

- ✓ Strong market growth
- ✓ Lottomatica has grown at a multiple of >3x Bets and >6x GGR

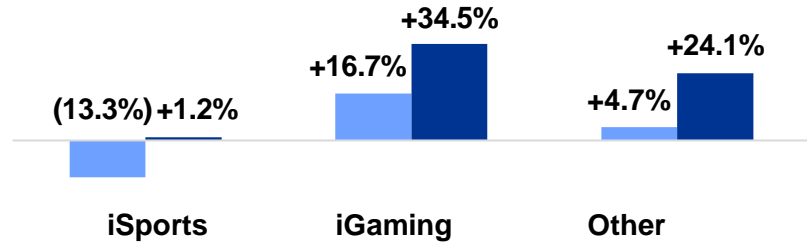
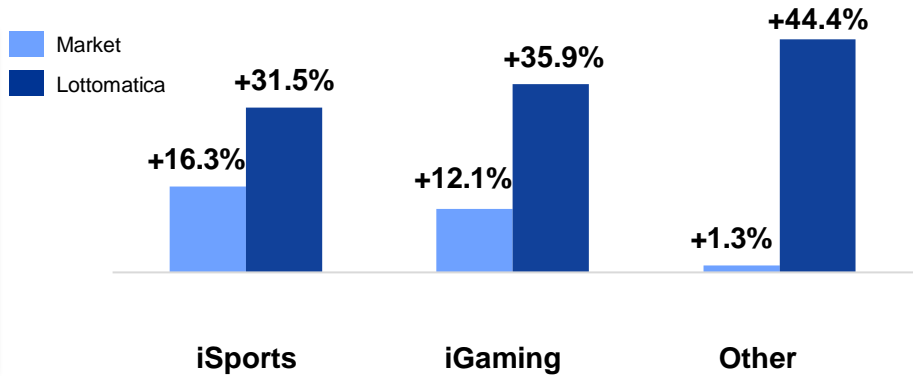
Online - Bets growth Q1 24 vs Q1 23



Online - GGR growth Q1 24 vs Q1 23

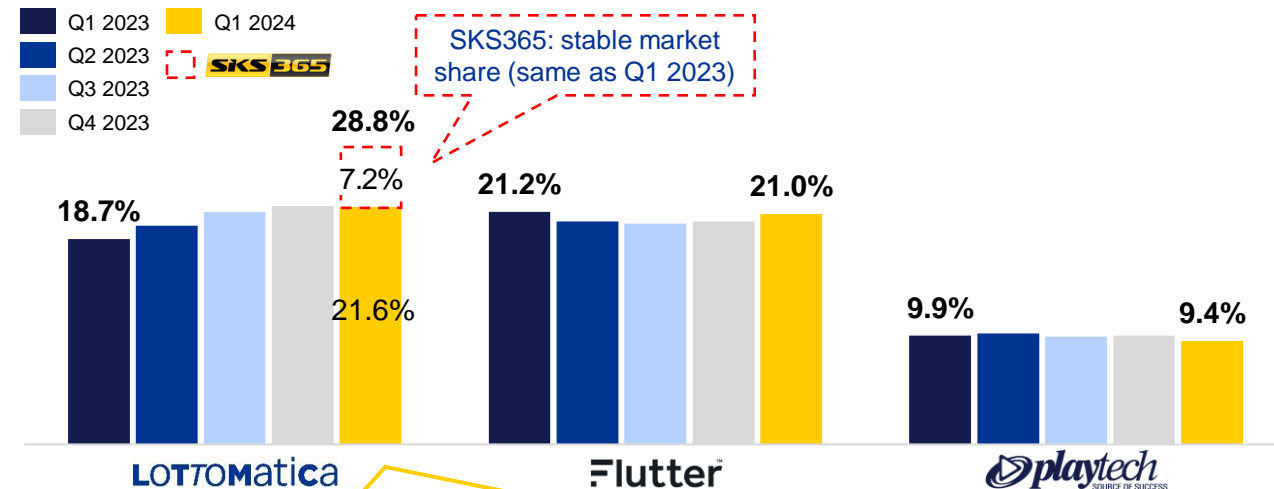


- ✓ Outperformed the market across all segments

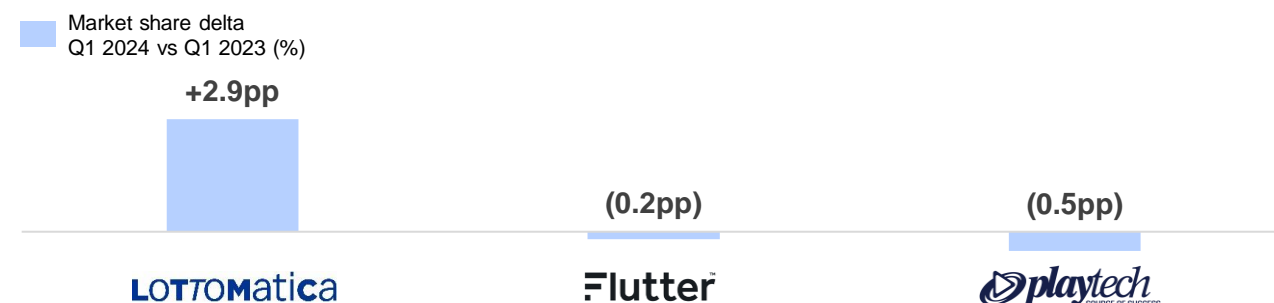


# Online - Lottomatica confirmed best performing operator (with best performing brands) over the last 12 months

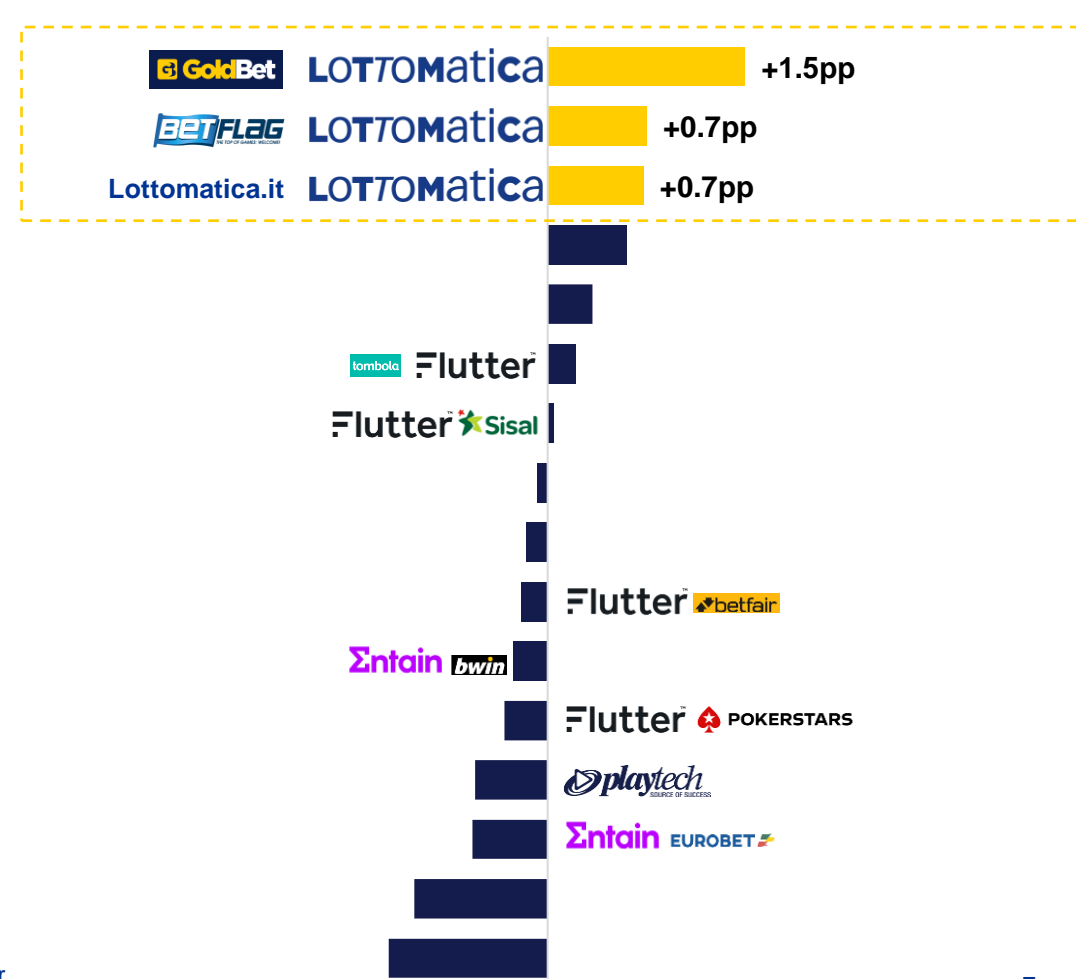
GGR market share – Total Online<sup>(1)</sup>



Lottomatica: March is the highest month ever for iGaming and for total Online (except October 2023 where iSports benefitted from a very high payout of small players)



Delta in Total Online market share by brand (Q1 2024 vs Q1 2023)<sup>(1)</sup>

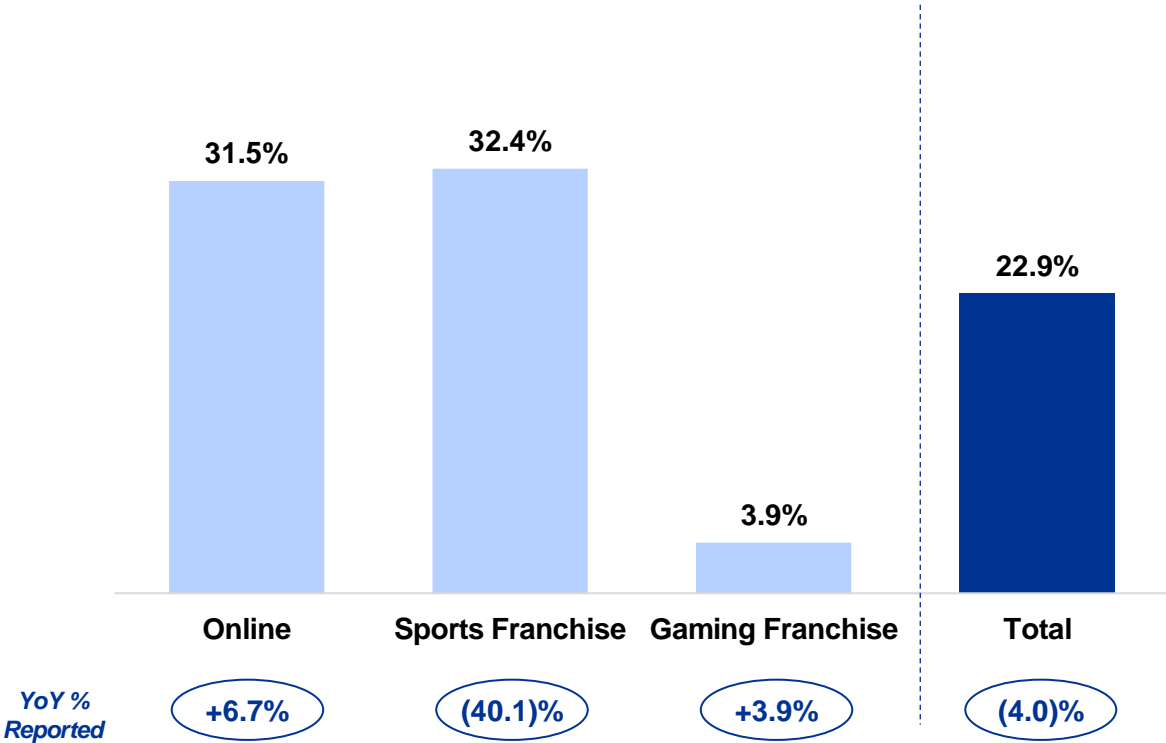
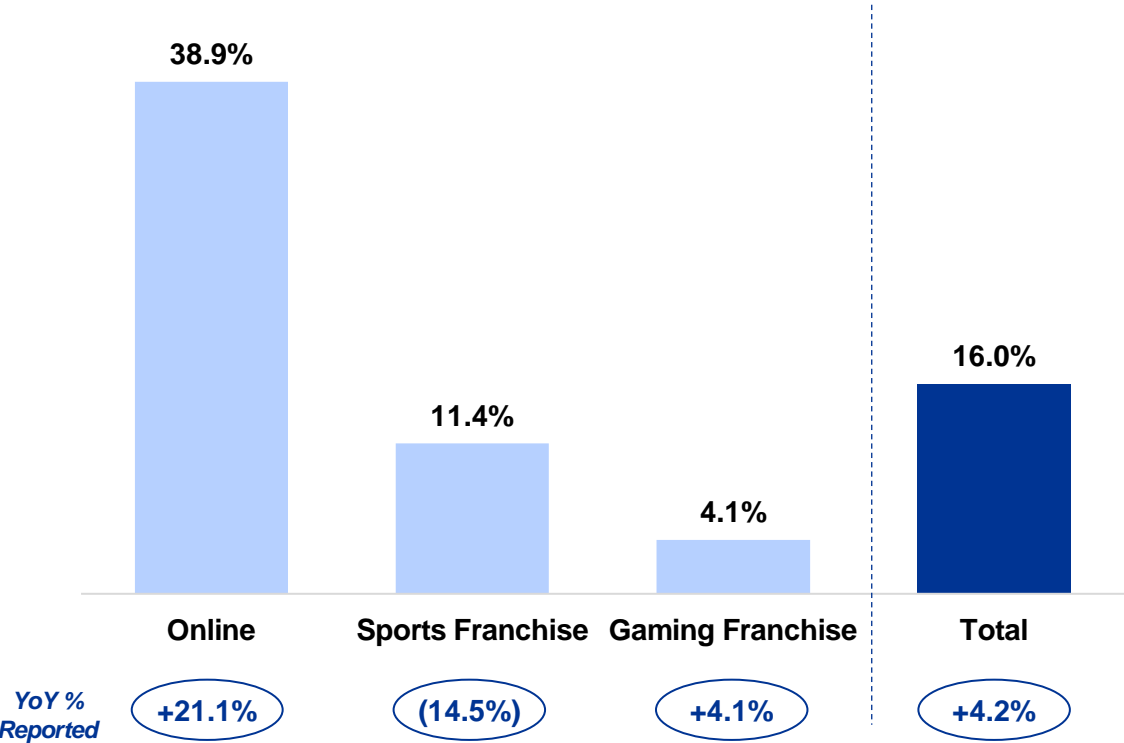


Source: ADM market data, based on GGR. Including all brands for each competitor.  
 Note: (1) Italian online market share includes iSports, iGaming, other online and lotteries.

# Revenues and Adj. EBITDA in Q1 have continued to grow double digit YoY at normalised sports payout, with unfavourable volatility in line...

Revenue growth Q1 YoY at normalised<sup>1</sup> sports payout

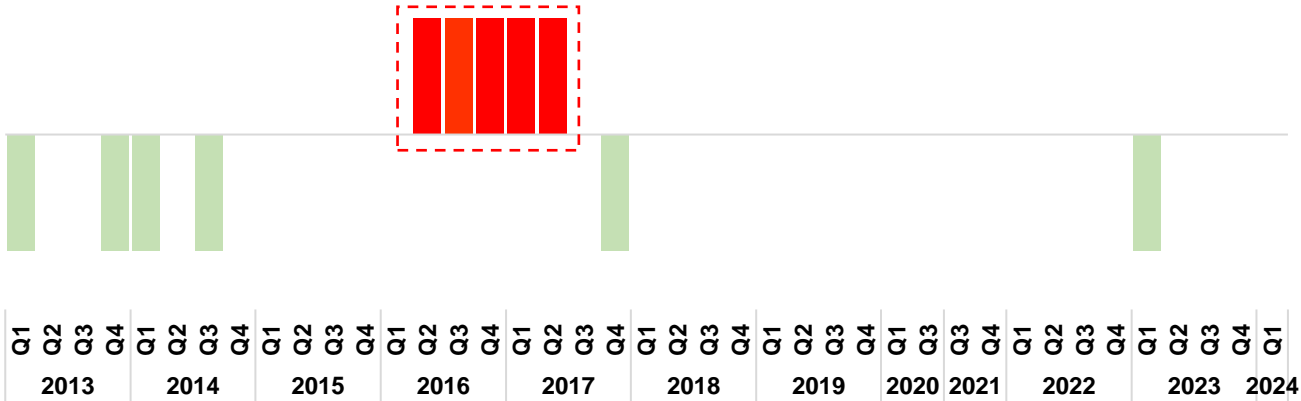
Adjusted EBITDA growth Q1 YoY at normalised<sup>1</sup> sports payout



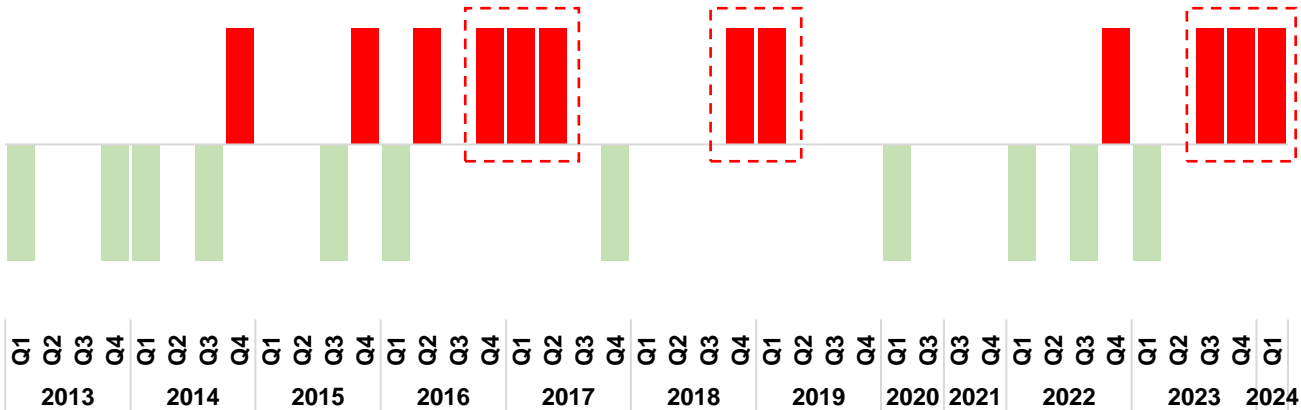
Note: (1) Calculated applying a sports betting payout of 79.7% for retail and 86.4% for online, in accordance with 2023 guidance. This applies to the entire document.

# ... with market data of the last 10 years

## ONLINE



## RETAIL



## Key takeaways

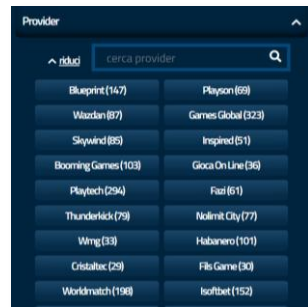
- Over the last 10 years, the number of quarters with high negative deviations (red) is broadly equal to the quarters with high positive deviations (green)
- The number of high deviation quarters in retail is higher than in online, given the different mix of accumulators / live
- There have been 3 negative sequences in the last 10 years in retail vs 1 in Online
- No structural changes in demand for Sports betting<sup>1</sup>:
  - Average legs per ticket stable in the last three years around 3.8
  - Incidence of single bets stable in the last three years at around 40%
  - Live incidence stable in the last two years around 30%



# Continued product and technology innovation

## Expansion of product offering

850+ new casino games  
& 3 new providers



8 new exclusive player  
props betting markets



## New channels

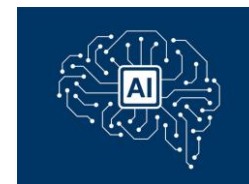
3.500+ vending  
machines as new  
channel for  
deposits



## New tools and features

AI models for BOT  
and dropping odds  
interception  
(through internal  
platform)

2.000+ BOT blocked  
700+ alerts on  
problematic odds



## Digital UX/UI improvements

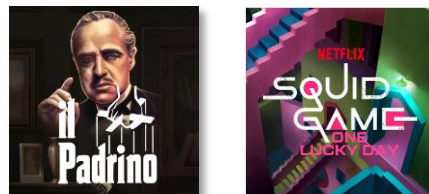
Digital properties upgrade  
building a new UX/UI journey,  
optimizing key episodes:  
*refresh of our front-end proposition  
for registration and gaming account  
private area.*  
*Registration success rate +15 p.p.*



Cross-sell upgrade in  
Sports Betting app:  
*Casino GGY from App Sport x4  
vs pre-activity*



17 time-based  
exclusive slots



Platforms: Betflag sports betting / Group's Pegasos

# Strong view on 2024 further reinforced by SKS365 and bolt-ons (underpinned by consistent track record of value creation)

## Guidance<sup>(1)</sup> (including SKS365)

- **Revenues of €2,020 – 2,065m and Adj. EBITDA of €680 – 700m**
  - Includes 8 months of contribution from SKS365; implied FY 2024 Adj. EBITDA of c.€80m, which compares to FY 2023 Adj. EBITDA of €72m (c.11% YoY Revenues and Adj. EBITDA growth)

## Bolt-ons

- **Strong bolt-on pipeline** in the works

## Last M&A value creation update (Betflag)

- Maximum earn-out of €50m paid in April 2024, with **total acquisition EV equal to €360m**
- **Significant value creation:**
  - **10x EV/LTM Adj. EBITDA (€36m) in September 2022**
  - **5x in March 2024** (LTM EBITDA of €73m)
- **Synergies secured +83% above initial estimate** (c.€11m vs €6m)
- **Development of sports betting integrations within group's platform** broadly completed in Q1 and migration planned in Q2



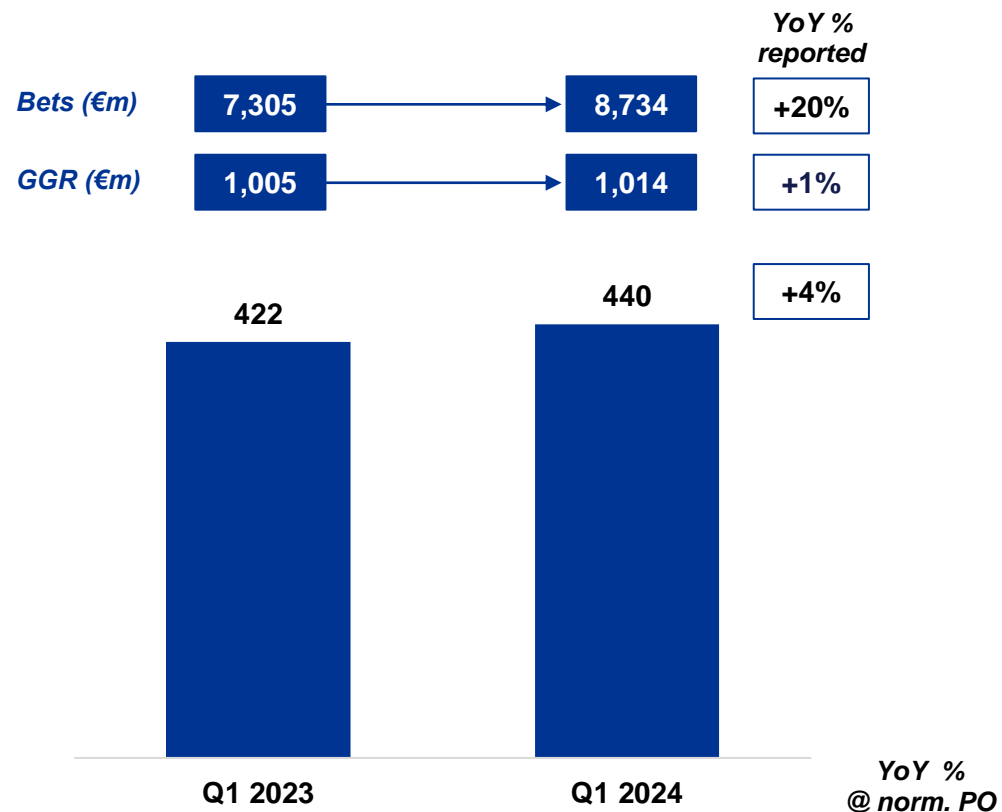
# Q1 2024 Financial Highlights

Laurence Van Lancker, CFO

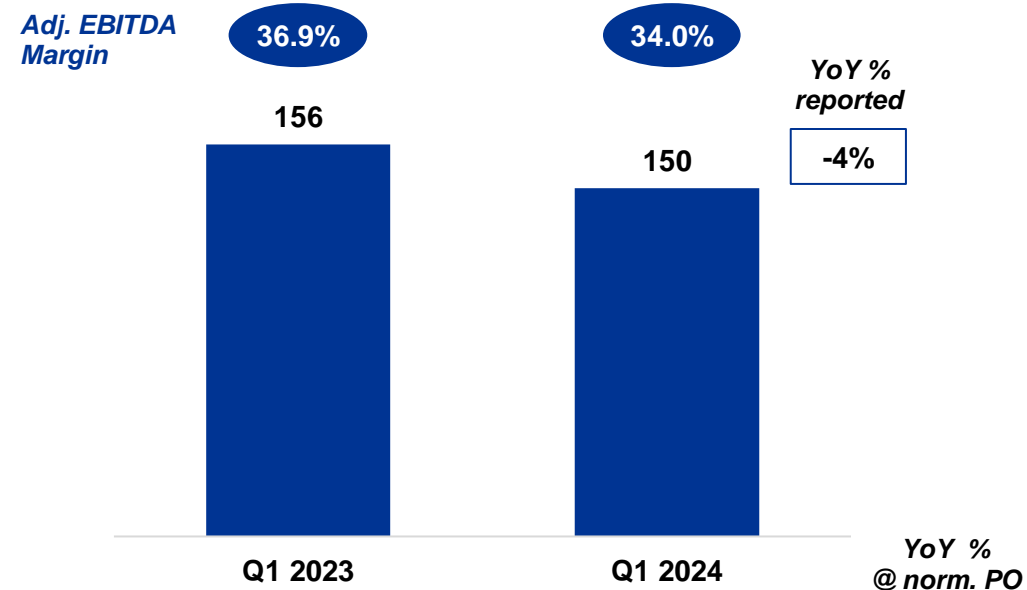


# Group financial highlights

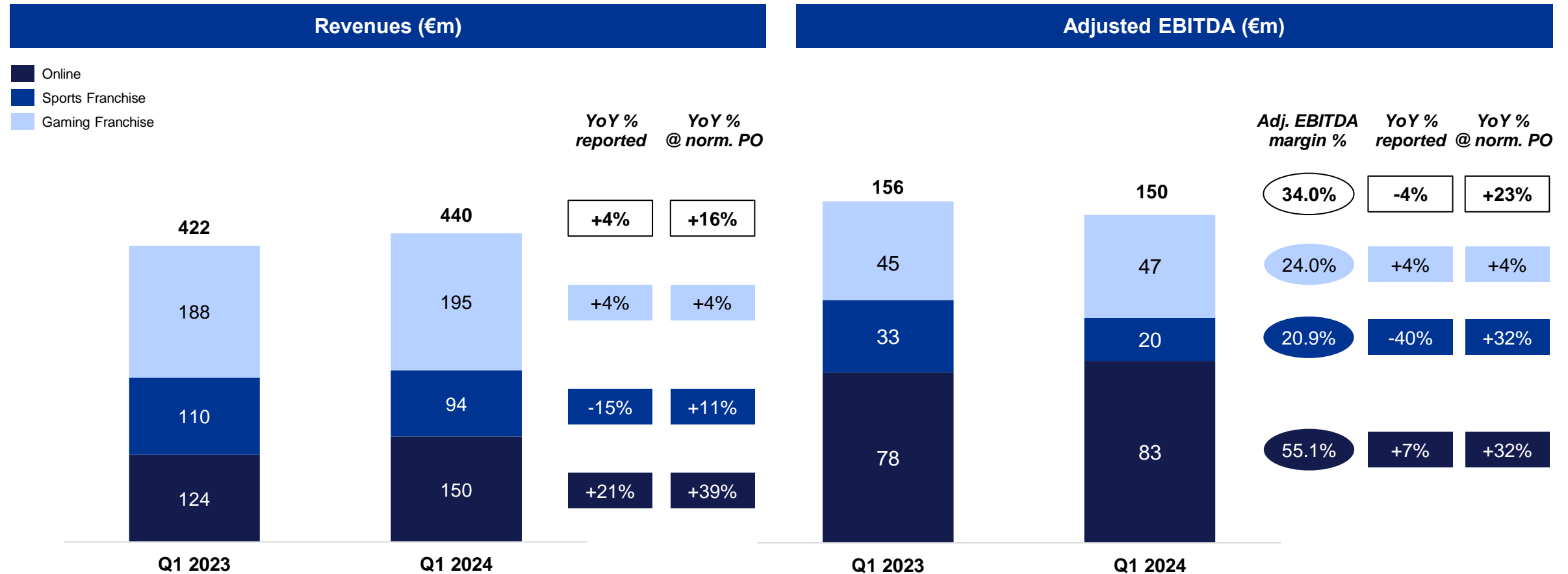
## Revenues (€m)



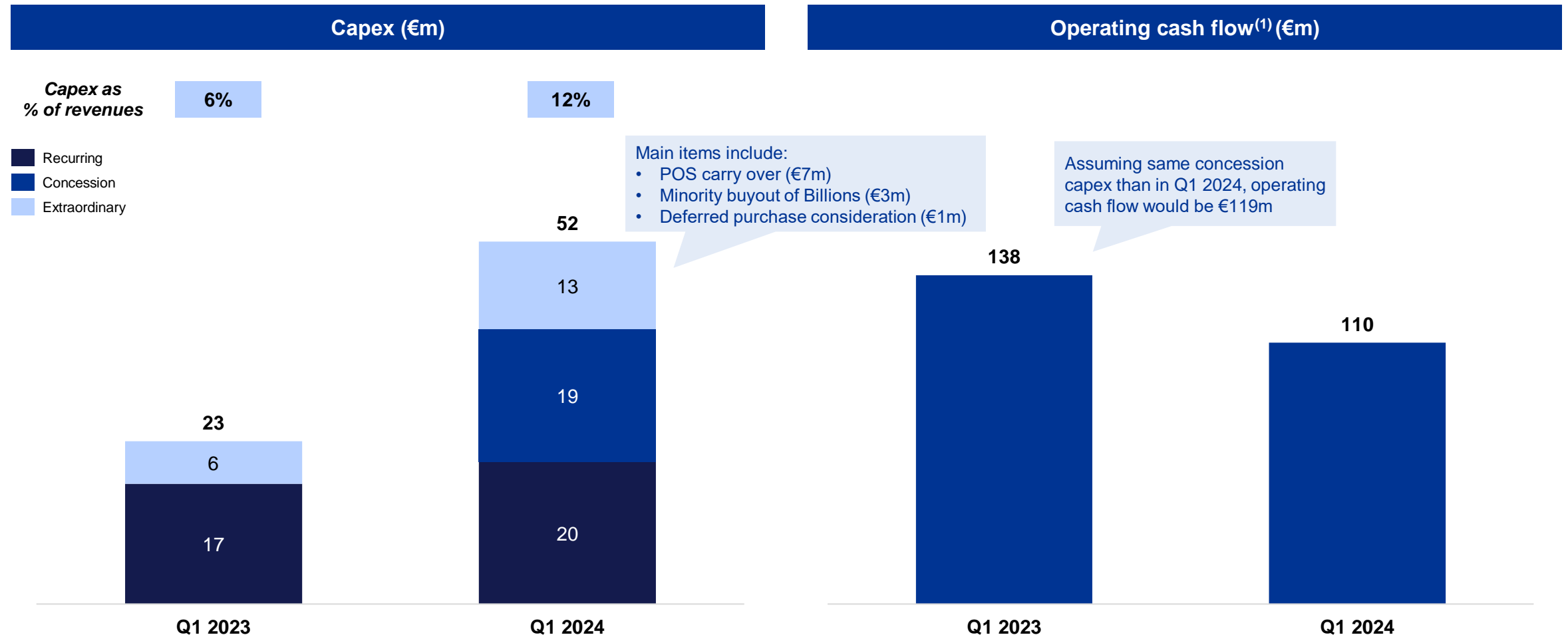
## Adjusted EBITDA (€m)



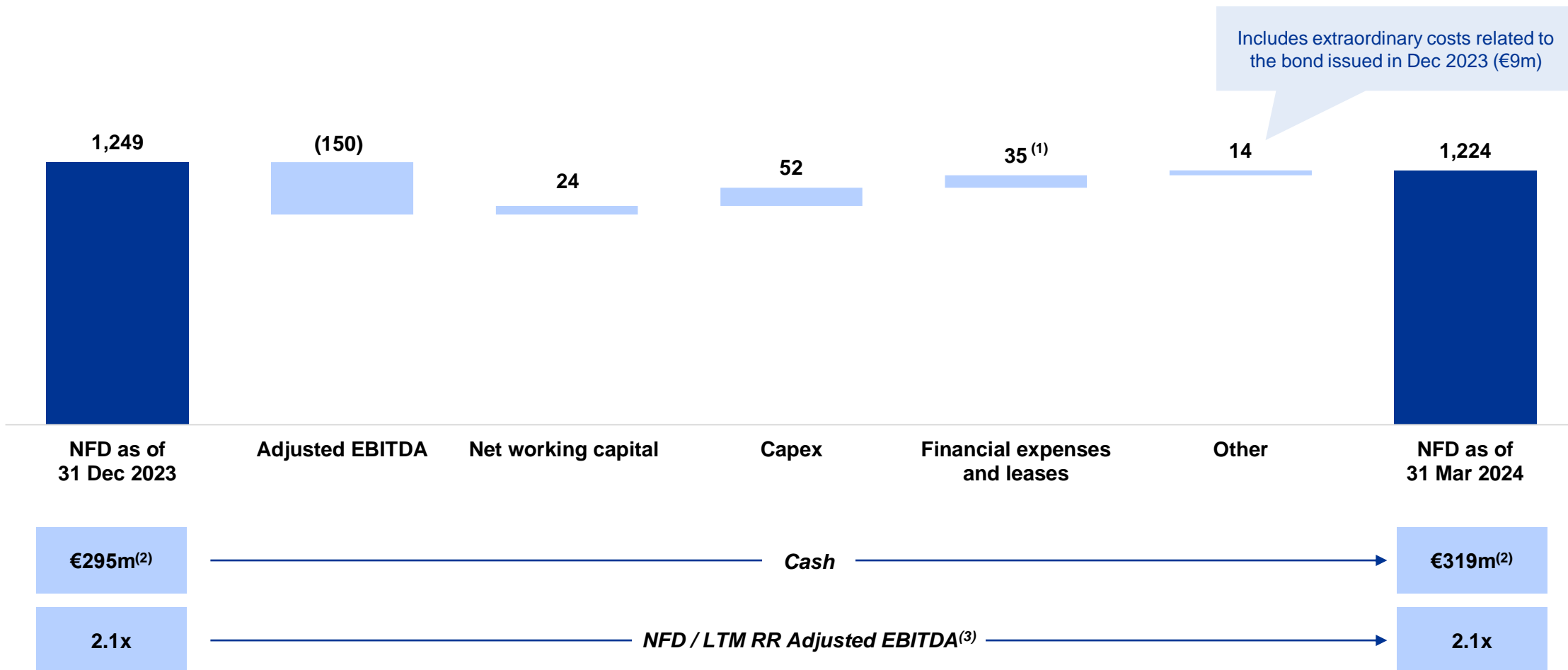
# Financial highlights by segment



# Operating cash flow



# Net financial debt and leverage evolution



# Appendix





# Bets, GGR, Revenues, Adjusted EBITDA and Margin details

(€m)	Q1 2024	Q1 2023	YoY
<b>Bets</b>			
Online	5,055	3,723	+36%
Sports Franchise	822	749	+10%
Gaming Franchise	2,857	2,832	+1%
<b>Total</b>	<b>8,734</b>	<b>7,305</b>	<b>+20%</b>
<b>GGR</b>			
Online	256	214	+20%
Sports Franchise	119	139	(14%)
Gaming Franchise	639	652	(2%)
<b>Total</b>	<b>1,014</b>	<b>1,005</b>	<b>+1%</b>
<b>Revenues</b>			
Online	150	124	+21%
Sports Franchise	94	110	(15%)
Gaming Franchise	195	188	+4%
<b>Total</b>	<b>440</b>	<b>422</b>	<b>+4%</b>
<b>Adjusted EBITDA</b>			
Online	83	78	+7%
Sports Franchise	20	33	(40%)
Gaming Franchise	47	45	+4%
<b>Total</b>	<b>150</b>	<b>156</b>	<b>(4%)</b>
<b>Adj. EBITDA Margin (%)</b>			
Online	55.1%	62.6%	
Sports Franchise	20.9%	29.8%	
Gaming Franchise	24.0%	24.1%	
<b>Total</b>	<b>34.0%</b>	<b>36.9%</b>	

# Income statement (Reclassified)

P&L (€m)	Q1 2024	Q1 2023	FY 2023
<b>Revenues</b>	<b>440</b>	<b>422</b>	<b>1,632</b>
<b>Adjusted EBITDA</b>	<b>150</b>	<b>156</b>	<b>580</b>
D&A (exc. PPA)	(38)	(24)	(123)
<b>Adjusted EBIT</b>	<b>112</b>	<b>132</b>	<b>457</b>
Financial Charges, Net (excl. Extraordinary costs and other non monetary items)	(32)	(35)	(130)
Income tax expense (excl. PPA, extraordinary costs and other non-monetary items included in financial expenses)	(30)	(31)	(111)
<b>Adjusted Net Profit for the period</b>	<b>50</b>	<b>65</b>	<b>216</b>
Other costs not included in Adjusted EBITDA	(6)	(10)	(56)
IPO, Refinancing and SKS365 Acquisition adjustments and other non-monetary items including in financial expenses	(7)	(3)	(62)
D&A related to PPA	(14)	(18)	(71)
Taxes related to above adjustments	8	9	48
<b>Net Profit for the period</b>	<b>30</b>	<b>44</b>	<b>74</b>

Excluding D&A impact, Adjusted Net Profit would have been broadly flat

# Cash flow statement (Reclassified)

Cash Flow (€m)	Q1 2024	Q1 2023	FY 2023
<b>Adjusted EBITDA</b>	<b>150</b>	<b>156</b>	<b>580</b>
Extraordinary monetary costs not included in Adjusted EBITDA	(6)	(9)	(35)
Non monetary costs included in Adjusted EBITDA	1	2	2
Corporate taxes	-	-	(114)
Delta NWC and other assets / liabilities	(24)	(20)	(26)
<b>Cash flow from operating activities (a)</b>	<b>121</b>	<b>128</b>	<b>408</b>
Recurring capex	(20)	(17)	(66)
Concession capex	(19)	-	(45)
One-off / Growth capex	(13)	(6)	(34)
Other	-	-	1
<b>Cash flow from investing activities (b)</b>	<b>(52)</b>	<b>(23)</b>	<b>(143)</b>
Financial income / expenses	(36)	(42)	(131)
Lease payments	(6)	(5)	(20)
Change in financial assets / liabilities	(0)	(0)	(46)
Other <sup>(1)</sup>	(2)	-	(1)
<b>Cash flow from financing (c)</b>	<b>(44)</b>	<b>(46)</b>	<b>(198)</b>
<b>FCFE to Lottomatica Group (a+b+c)</b>	<b>25</b>	<b>58</b>	<b>66</b>
Dividends, treasury shares and shareholders contribution <sup>(2)</sup>	-	-	(6)
<b>Net Cash flow</b>	<b>25</b>	<b>58</b>	<b>60</b>

Includes extraordinary expenses related to the bond issued in Dec 2023 (€7m)

# Net financial debt

Net financial debt (€m)	31.03.2024	31.12.2023
<b>Gross Financial Debt</b>	<b>2,041</b>	<b>2,041</b>
EUR 500m FRNs due 2030	500	500
EUR 550m FRNs due 2028	550	550
EUR 565m SSNs due 2028	565	565
EUR 350m SSNs due 2027	350	350
IFRS 16 (leases)	76	76
<b>Escrow account<sup>(1)</sup></b>	<b>(498)</b>	<b>(498)</b>
<b>Cash</b>	<b>(319)</b>	<b>(295)</b>
<b>Net Financial Debt</b>	<b>1,224</b>	<b>1,249</b>

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