



Full Year 2021 Results

Ended December 31, 2021

Agenda

Agenda

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

Speakers



Francesco Durante
Sisal CEO



Roberto di Fonzo
Sisal CFO



Agenda

1 Business Update

2 Financial Results

3 Q&A

The Demerger of Sisal SpA

In December 2019 Sisal, with the objective of **separating Payments & Telco business from Gaming**, began a **corporate reorganization** project aimed at rationalizing the activities of Sisal S.p.A. which was approved in July 2021 through the announcement of the **Demerger of the parent company Sisal S.p.A.**

As a result of the Demerger of Sisal S.p.A., the **70% equity investment held in Mooney Group has been transferred to the newly established vehicle SG2**, fully owned by the direct shareholder of Sisal S.p.A. (Schumann Investments S.A.). As a result, **Mooney Group is no longer a controlled company of Sisal S.p.A.**

The deed of the demerger was effective on November 11, 2021.

In February 2022, **SG2 and Mooney Group merged.**

Sisal acquired by Flutter Entertainment plc

In October 2021 Sisal S.p.A. submitted to Borsa Italiana its application for the **listing of its ordinary shares on the Euronext Milan.**

The **listing process was formally interrupted** on December 23 2021, following the **agreement reached between the CVC Capital Partner Fund and Flutter Entertainment plc** concerning the sale of the entire Sisal S.p.A. share capital, indirectly held by CVC through Schumann Investments S.A.

The **authorization procedures aimed at obtaining the necessary regulatory authorizations** from ADM in Italy and the corresponding authorities in Turkey (TWF) and Morocco (SGLN), as well as the **antitrust** matters, are in place; it is expected that the **Transaction will be completed during the second quarter of 2022.**

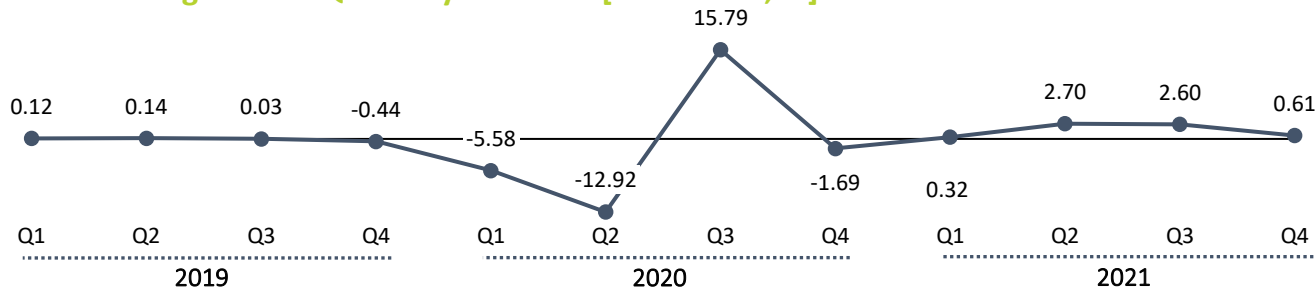
Key Facts affecting Sisal's performance

- 1 Macroeconomic environment improved
- 2 Gaming Market recovering from the pandemic
- 3 Retail business gradually restarted

1

Macroeconomic environment improved

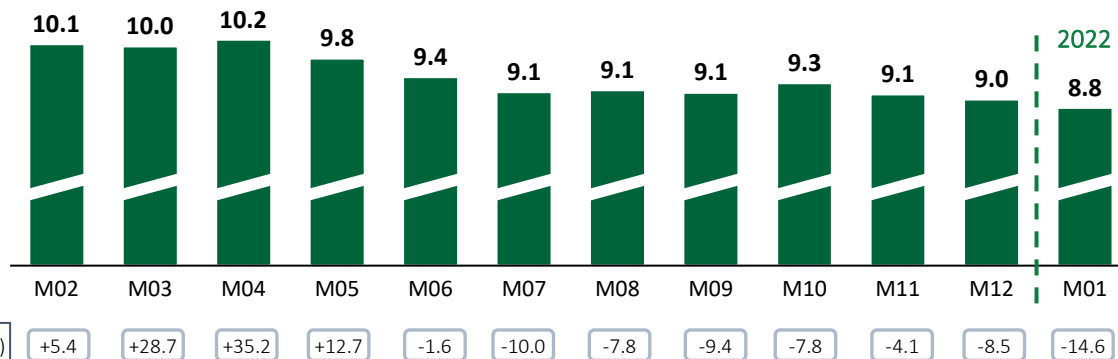
Italian GDP growth – Quarterly variation [2019-2021; %]



Source: Istat – Quarterly economic accounts

- In 2021, **GDP showed a gradual recovery** (relevant in Q2 and Q3) following the vaccination campaign and the reopening of retail activities.

Italian unemployment rate trend [2022 M01 LTM; %]



- Employment progressively improved in 2021 – **unemployment rate set at 9.0% at year-end** and is **further improving in early 2022**.

Δ vs. PY (ppts)

+5.4

+28.7

+35.2

+12.7

-1.6

-10.0

-7.8

-9.4

-7.8

-4.1

-8.5

-14.6

Source: Istat – Unemployment rates, monthly data



Sisal Responsible culture

2

Gaming Market recovering from the pandemic (1\2)







GGR



	2019	2020	2021	Var. % 21-19	Var. % 21-20
 Offline market [€m]	17,371	10,194	11,616	(33.1%)	14.0%
 Online market [€m]	1,847	2,667	3,718	101.3%	39.4%
Total Market [€m]	19,218	12,861	15,334	(20.2%)	19.2%
Online weight on Total [%]	9.6%	20.7%	24.2%	14.6 pp	3.5 pp

2

Gaming Market recovering from the pandemic (2\2)

	GGR			Var. % 21-19	Var. % 21-20
	2019	2020	2021		
 Offline market [€m]	767	528	733	(4,4%)	38,8%
 Online market [€m]	150	279	360	240,0%	29,0%
Total Market [€m]	917	807	1.093	19,2%	35,4%
Online weight on Total [%]	16,4%	34,6%	32,9%	16,5 pp	(1,7) pp

	GGR			Var. % 21-19	Var. % 21-20
	2019	2020	2021		
 Offline market [€m]	388	101	373	(3,9%)	369,3%
 Online market [€m]	20	22	23	15,0%	4,5%
Total Market [€m]	408	123	396	(2,9%)	322,0%
Online weight on Total [%]	4,9%	17,9%	5,8%	0,9 pp	(12,1) pp

	GGR			Var. % 21-19	Var. % 21-20
	2019	2020	2021		
 Offline market [€m]	7.376	4.595	5.425	(26,5%)	18,1%
 Online market [€m]	1.110	1.422	1.596	43,8%	12,2%
Total Market [€m]	8.486	6.017	7.021	(17,3%)	16,7%
Online weight on Total [%]	13,1%	23,6%	22,7%	9,6 pp	(0,9) pp

3 Retail business gradually restarted after lockdowns



After the lockdown's second wave, spread-out from November 6 2020 and extended till the end of May 2021, the **progressive re-start of the Retail business began during the month of June.**



The authorities did not impose a full lockdown. However, **two different periods of early retail closure were implemented** (from Jan till the end of March and from August till the end of September).



The authorities imposed the weekend closures and early closures during the midweek days (from Jan to the end of June). Full lockdown was imposed from the last week of April and until mid of May. **From July 2021 there were no more restrictions.**

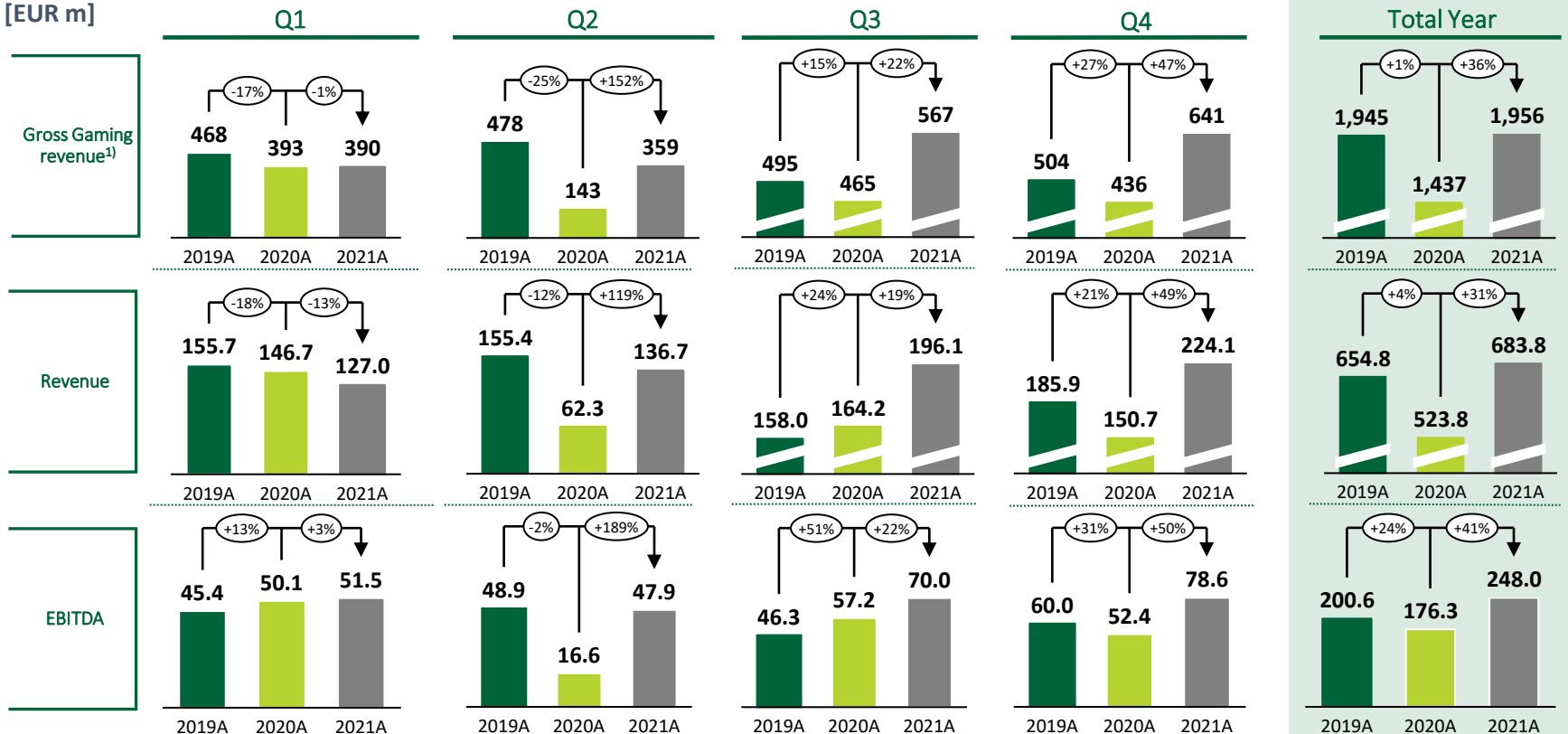
Key Achievements

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

1

Outstanding performance generating 248 €m EBITDA

[EUR m]

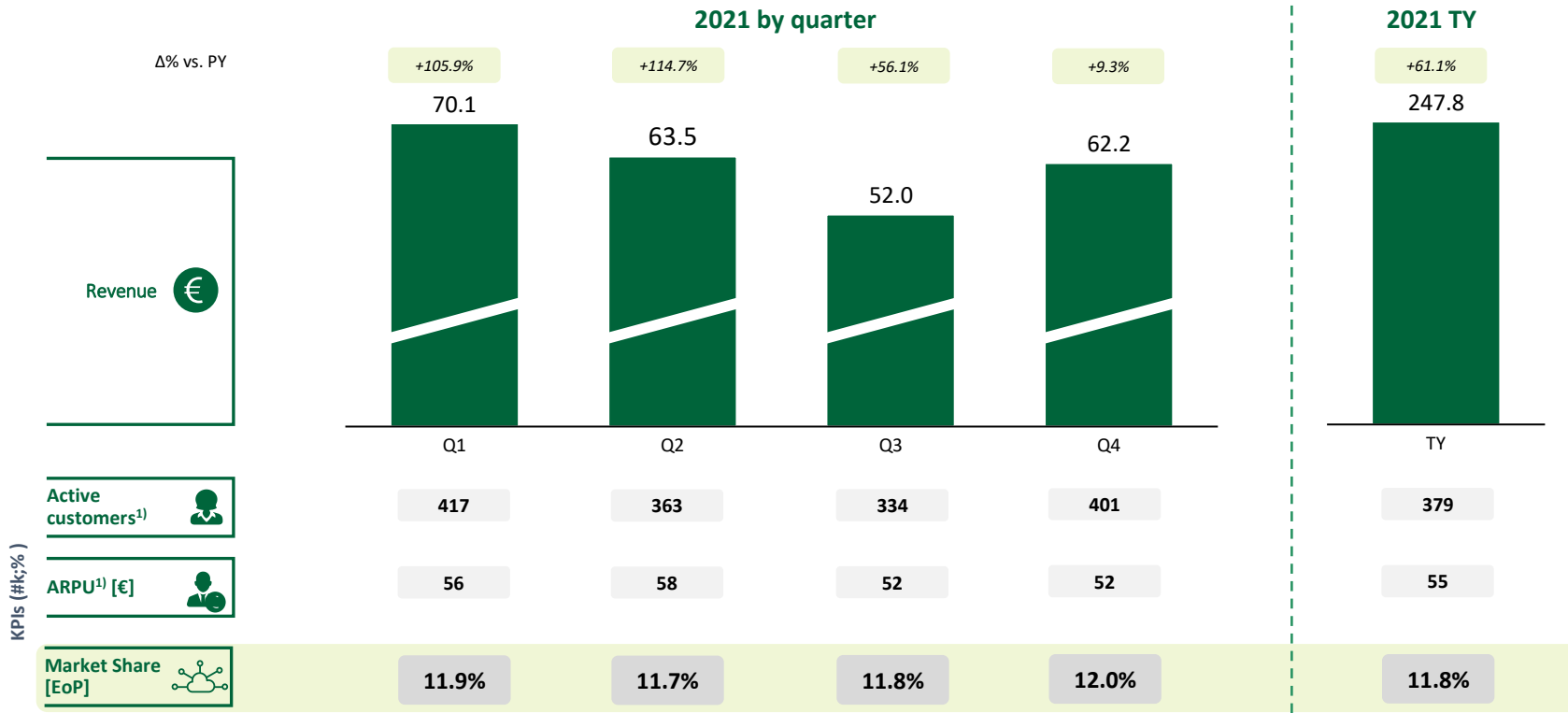


1) Turnover net of payout and online bonus

2

Online market brand leadership in Italy reinforced

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

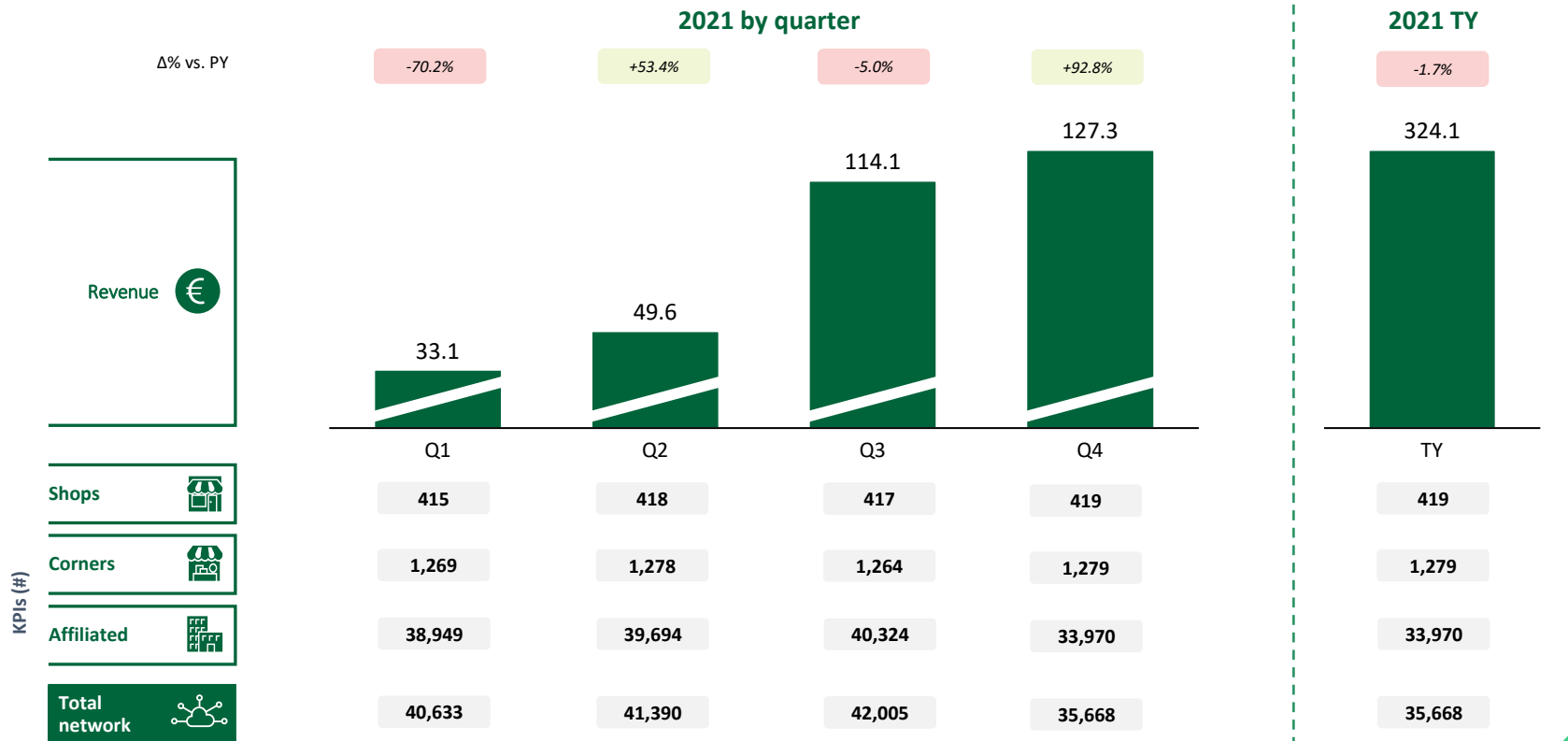


1) Average monthly data

3

Retail business in Italy positively restarted

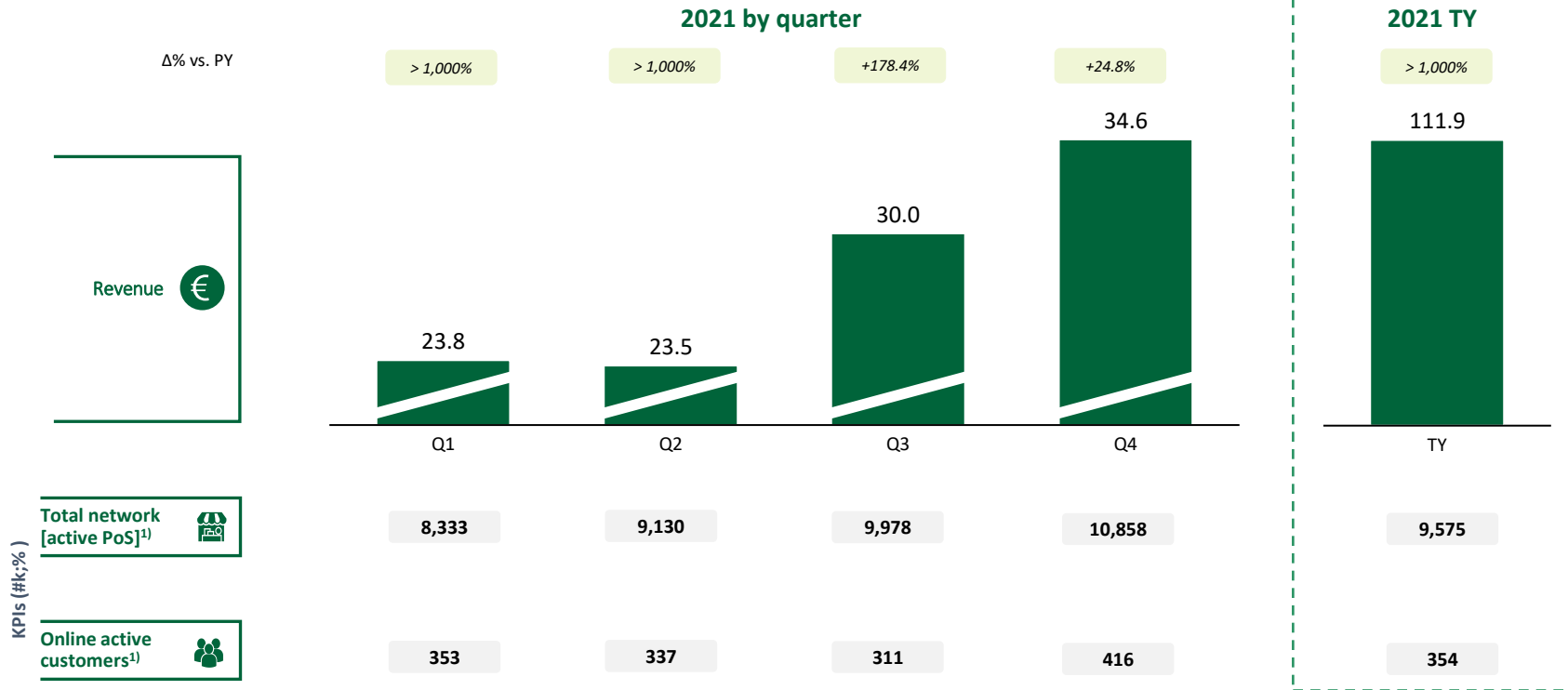
Retail revenue & main KPIs [2021; EUR m; %]



4

International development successfully implemented

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



Consumers



Safer Gambling Programme Implementation:

- New deposit limits
- AI algorithm in place
- PGSI Survey on customer base

People



- **Gender Pay Gap** Reduction (from 12,9% to 10,9%)
- **Gender Equality** certification
- **DE&I** policy

Community



GoBeyond program for startups

- 250 applicants
- GoBeyond Academy launch

Environment



New Headquarters in Milano

- Leed Gold certification
- -45% water consumption
- -40% energy consumption

Sustainalytics **ESG Rating : LOW RISK**



Agenda

1 Business Update

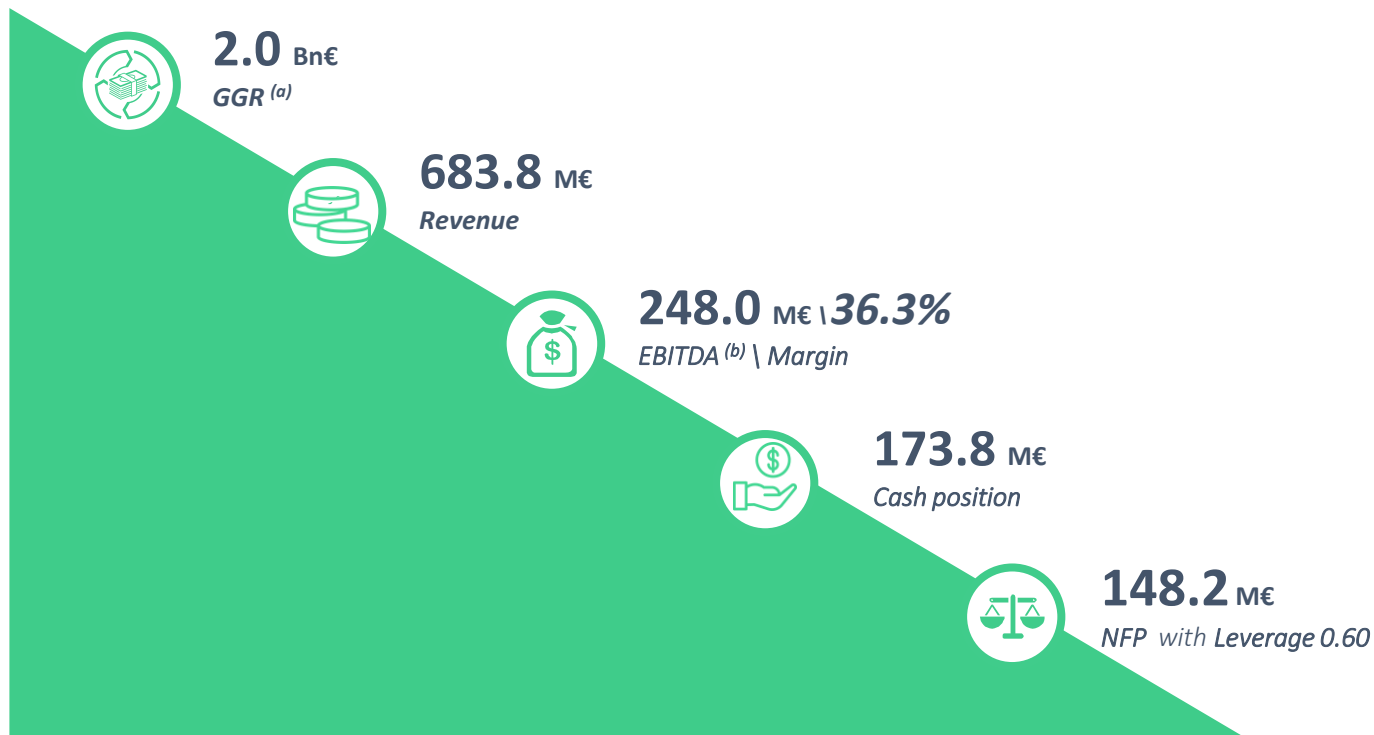
2 Financial Results

3 Q&A

Financial Presentation

- Considering the Demerger of Sisal S.p.A. occurred during the year and the subsequent derecognition of the investment in Mooney Group, the FY 2021 Sisal's Financial Statements represent the activities related to Payments' business as "Discontinued Operations" according to IFRS 5 definition, i.e. as separate lines in the Income Statement and in the Statement of Cash Flows, also for comparative purposes.
- **Notwithstanding the above, this presentation focuses only on the Gaming Business performances and results thus allowing the Sisal's bondholders to get a better and easier understanding of the Gaming Business's performances and results on a stand-alone basis.**
- In this presentation the **Consolidated Balance Sheet, Consolidated Income Statement and the Consolidated Cash Flow** are only referred to the Gaming Business perimeter for both FY 2021 and FY 2020.

Gaming Group Key Results

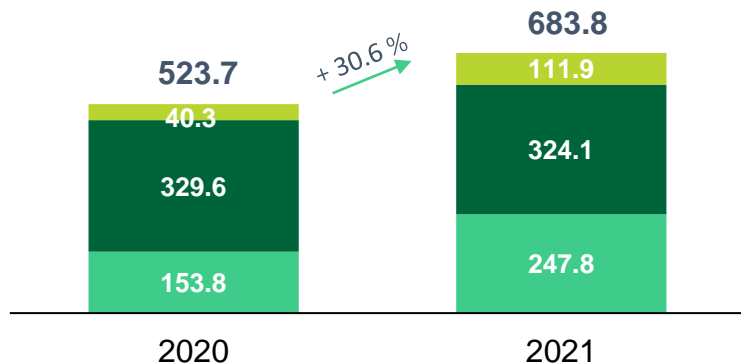


^{a)} Gross gaming revenue (GGR) means Turnover net of payout and online bonus

^{b)} 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.

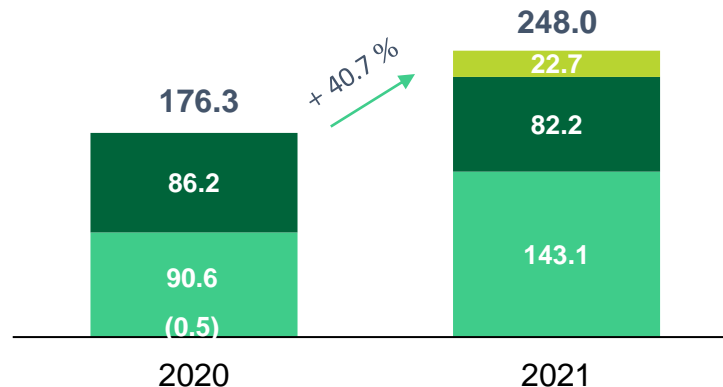
Operating Segments Results Highlights – Key Results – FY 2021

Revenue



■ Italy Online ■ Italy Retail ■ International

Ebitda



■ Italy Online ■ Italy Retail ■ International

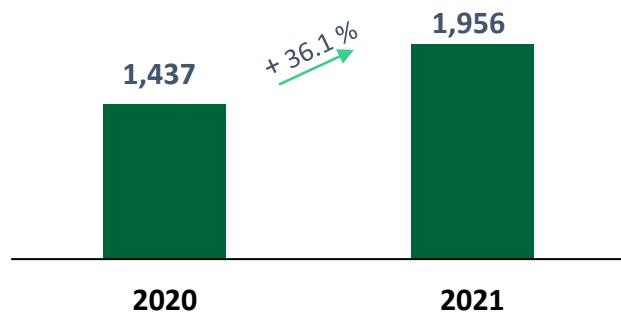
Ebitda Margin %



Total	33.7 %	36.3 %
Italy Online	58.9 %	57.8 %
Italy Retail	26.1 %	25.4 %
International	N.A.	20.3 %

GGR & Revenue Bridge: FY 2021 vs FY 2020

GGR (€ m)



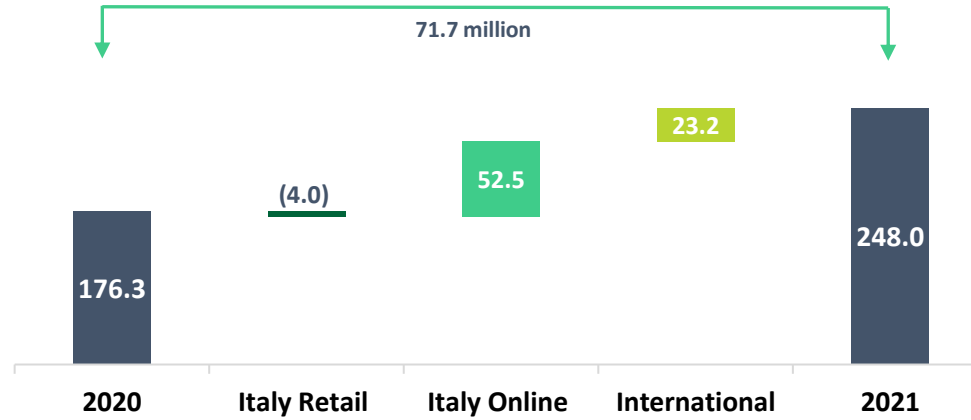
Revenue (€ m)



ITALY RETAIL	(5.5)	Primary drivers	ITALY ONLINE	93.9	Primary drivers	INTERN.	71.7	Primary drivers
Retail Betting	(24.1)	<ul style="list-style-type: none"> Negatively impacted by the shift of consumers spending from retail to online, after Retail network lockdown due to pandemic, and the new Salva Sport Tax introduced in May 2020 and affecting 2021 as well. 	Online Betting	50.4	<ul style="list-style-type: none"> Benefitting from the shift of consumers spending from retail to online. 	Turkey	66.8	<ul style="list-style-type: none"> Distribution network enlargement and positive Online performance. The lottery concession was launched in Aug. 2020.
Lottery	14.3	<ul style="list-style-type: none"> Positive performance driven by volume growth, higher affiliation fees and Superenalotto Jackpot boost. 	Casino & Skill games	41.5	<ul style="list-style-type: none"> Gamification strategy and customers digitalization. Rollout of new Casino & Slot app. 	Morocco	4.9	<ul style="list-style-type: none"> Distribution network enlargement and VLT's introduction.
Gaming Machines	4.3	<ul style="list-style-type: none"> Positive VLT performance after business restart in June 2021 after retail Network lockdown started on November 2020. 	Lotteries	1.9	<ul style="list-style-type: none"> Larger customer base. 	Spain	-	<ul style="list-style-type: none"> In line

Profitability: FY 2021 vs FY 2020

Ebitda (€ M)



ITALY RETAIL

- Mainly due to the first semester lockdown, impacting Gaming Machines and Betting segments, partially mitigated by the gradual restart in the second semester and by the positive Lottery performance driven by higher Jackpot level and the increased affiliation fees.

ITALY ONLINE

- Mainly driven by the top line growth.

INTERNATIONAL

- Positive performance in Turkey, in spite of Covid restrictions.
- Positive performance in Morocco thanks to retail distribution network enlargement.

Cash Flow – FY 2021 vs FY 2020

(€m)	2021	2020
Ebitda	248.0	176.3
Non cash items	2.4	0.0
Non-recurring cash Items	(19.6)	(12.1)
Change in trade W/C	3.2	(30.3)
Change in other assets and liabilities	(6.8)	(39.1)
Capex and acquisitions	(103.2)	(123.1)
Taxes paid	(11.5)	0.0
Net Interest exp.	(23.6)	(20.8)
IFRS 16 rental increase/(decrease of the year)	(24.9)	(22.4)
Proceeds/(repayments) of loans	(8.2)	111.7
Current financial assets	(25.7)	0.0
Capital Increases attributable to the group	0.0	3.9
Exchange rate effect on cash and cash equivalent	(2.9)	0.0
Total	27.2	44.1

Cash at the beginning of the period **146.6** **102.5**

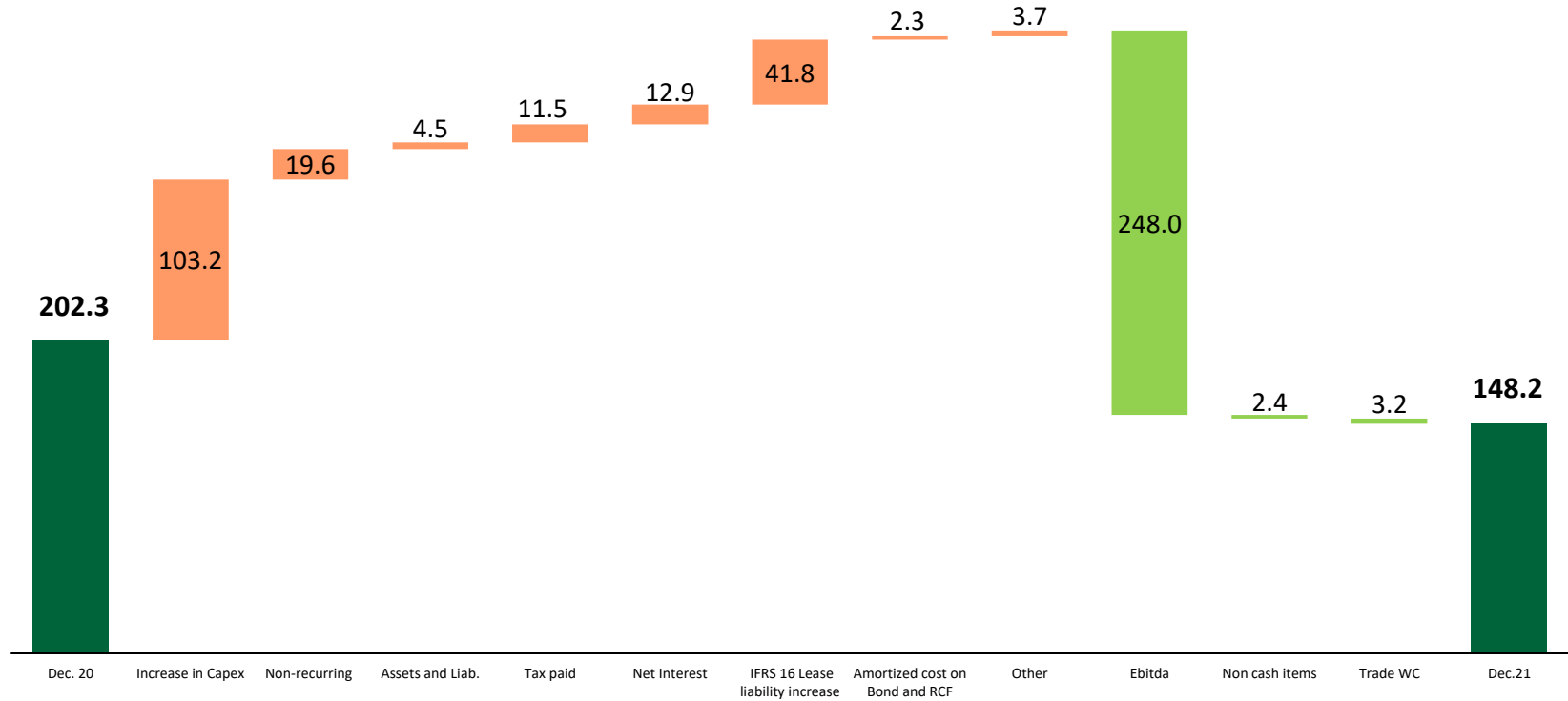
Cash at the end of the period **173.8** **146.6**



- **Non cash items:** non-cash provision accruals included in the EBITDA
- **Non-recurring cash items:** UK 4NL tender, Covid costs, reorganization and IPO expenses.
- **Trade working capital:** increase in trade payables partially offset by higher trade receivables mainly due to Retail Network reopening
- **Other current assets and liabilities:** mainly due to the decreased gaming machines tax liabilities, generated by the payments in 2021 of the 2020 outstanding liabilities postponed to the following year, partially offset by the decrease of VAT receivables and other receivables decrease.
- **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 Note, the RCF and Turkish minority 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 Turkish shareholder Şans Digital
- **Current Financial assets:** mainly due to cash deposit required by the Banks to issue the bank surety requested by ADM.

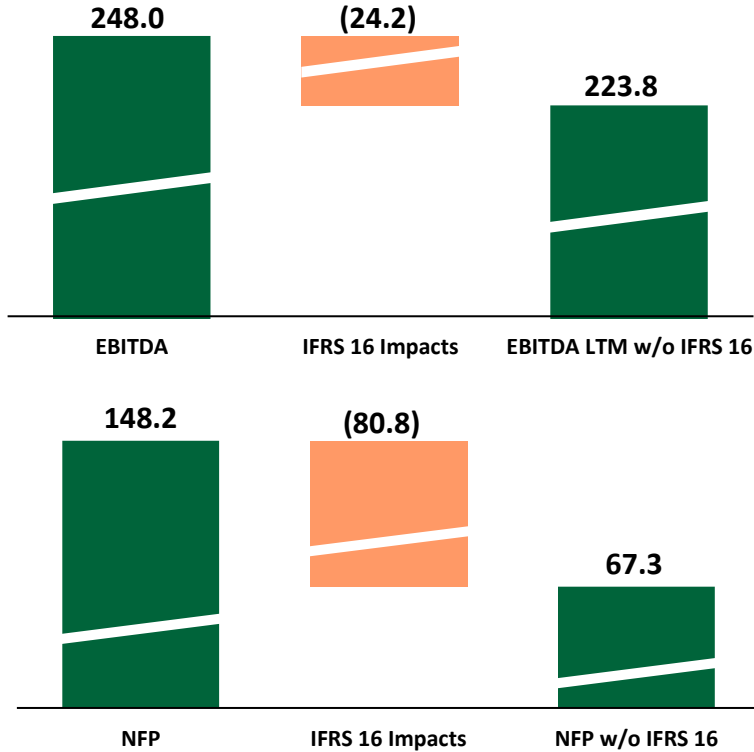


Net Financial Position Bridge – FY 2021 (€ M)



Leverage Ratios

[EUR m]



Leverage Ratio



Leverage Ratio w/o IFRS 16



Consolidated Financial Statements – FY 2021

Figures in € M

Income Statement	2021	2020	% Change
Revenue	526.3	392.5	34.1%
Fixed odd betting income	155.7	128.4	21.2%
Other revenues and income	1.8	2.8	(35.7)%
Total revenue and Income	683.8	523.7	30.6%
Ebitda^(a)	248.0	176.3	40.7%
<i>Margin (%)</i>	<i>36.3%</i>	<i>33.7%</i>	
Ebit Adj^(b)	132.6	77.3	71.5%
<i>Margin (%)</i>	<i>19.4%</i>	<i>14.8%</i>	
Profit (loss) for the year Adj^(c)	104.5	27.1	>100%
<i>Margin (%)</i>	<i>15.3%</i>	<i>5.2%</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

Consolidated Financial Statements – FY 2021

Figures in € M

Balance Sheet	At December 31, 2021	At December 31, 2020
Net fixed capital	748.6	870.2
Goodwill	261.0	261.0
Net Working Capital/Other	(161.1)	(193.8)
Total assets	848.5	937.4
Net Financial Position	148.2	202.3
Total Equity	700.3	735.1
Total Liabilities and Equity	848.5	937.4



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