



**HALITECH**

# Investor & Analyst Day

London, 22 September 2022

# Snaitech Presentation Agenda

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**Snaitech overview**

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Fabio Schiavolin  
CEO

Business  
perspectives

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Agostino Romano  
Retail Director  
Alessandro Graziosi  
Online Director

Financials

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Edo Rinaudo  
CFO

Growth strategy

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Fabio Schiavolin  
CEO

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**SNAITECH**

playtech

# Snaitech today

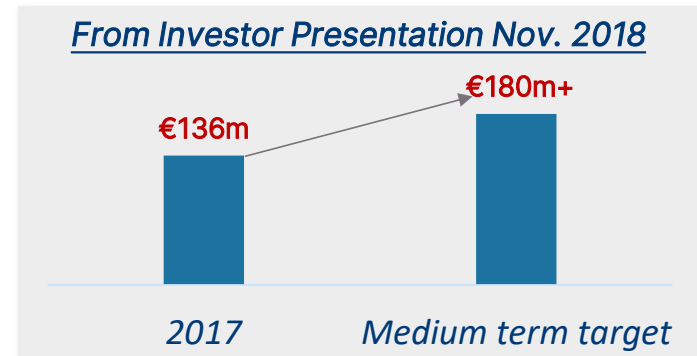
## Kept all promises from 2018 investor meeting

### Promises kept:

✓ H1-22 EBITDA: €132m, LTM EBITDA: €263m  
vs. €180m+ set as medium-term target in Nov. 2018

✓ SNAI brand leader both in online and in sports betting (online + retail)

✓ San-Siro land disposal



€55m + €20m

## Business trend

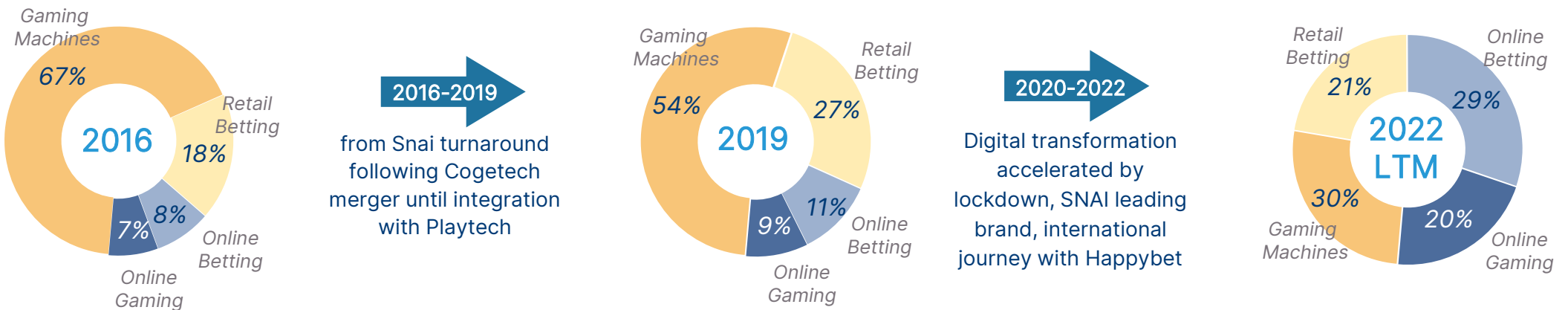
### KPIs and business trend:

- ❑ Full recovery of Retail business performance (c. 50% of total EBITDA in H1 2022)
- ❑ Retail Betting license extended for 2 years (expiry June 2024, €11.5m capex per year)
- ❑ Gaming Machines rights extended for free until June 2023 (to offset lockdown effect)
- ❑ Transfer of **100% Happybet equity** (German and Austrian businesses) under Snaitech from PBS (Playtech B2B), completed in July 2022



## Value creation and business model transformation

- **LTM EBITDA € 263m**, more than doubled vs 2016 (o/w +€ 100m vs 2019 pre-covid result)
- **EBITDA mix change: balanced** breakdown by channel and by product
- **EBITDA mix evolution** along different steps of **Snaitech journey**:

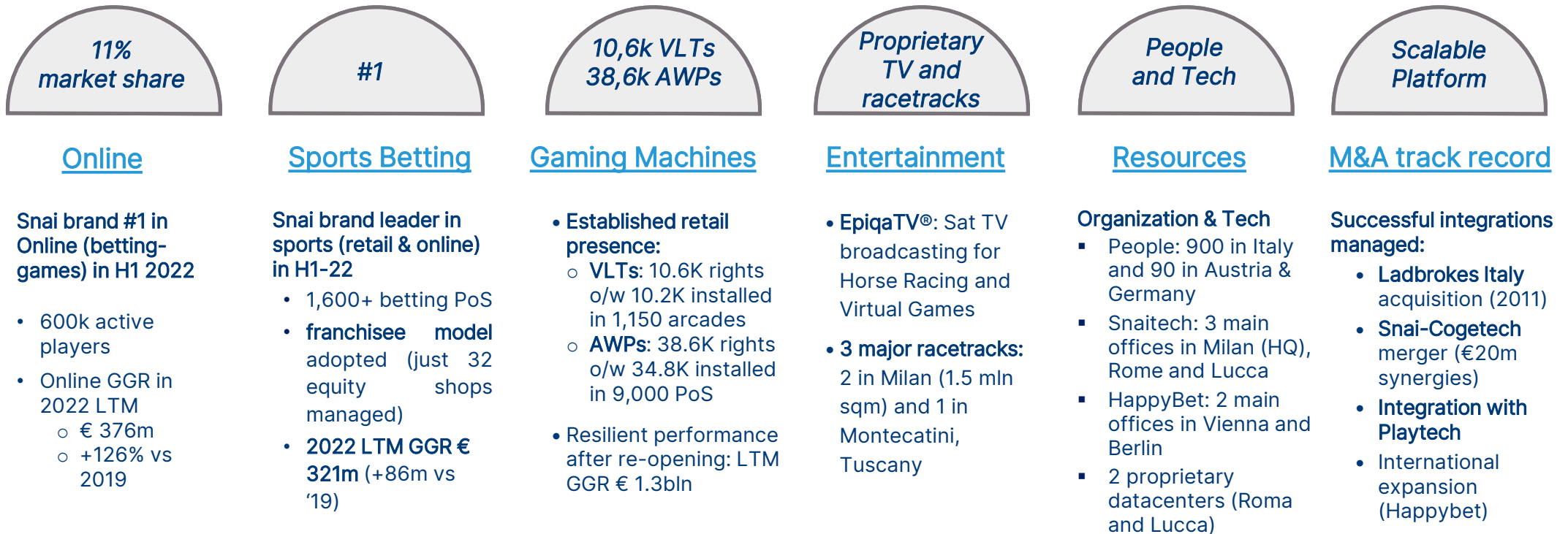


- **EBITDA margin** on net revenues up to **60%** from 39% in 2016
- **c. €700m free cash** generated starting from Dec 2016

# Snaitech assets in nutshell: a gaming and entertainment leader in Italy

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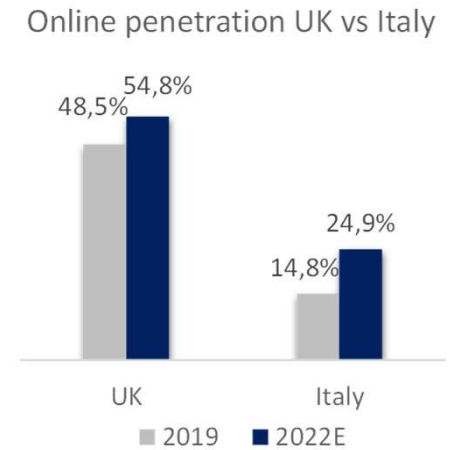
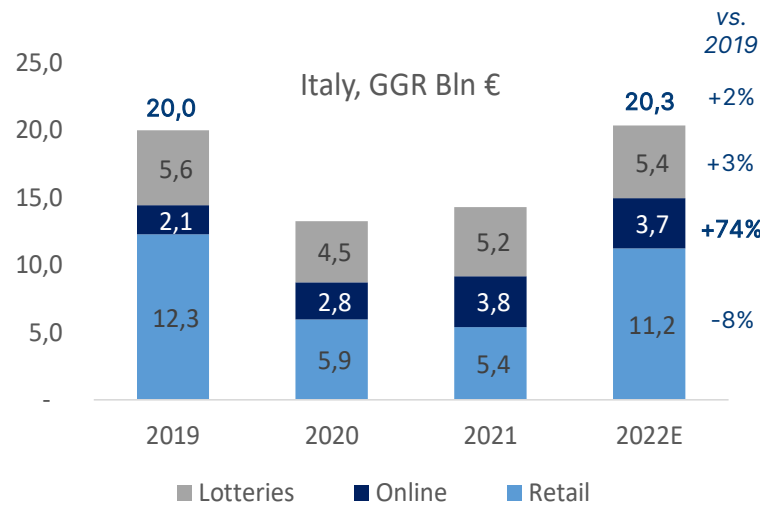
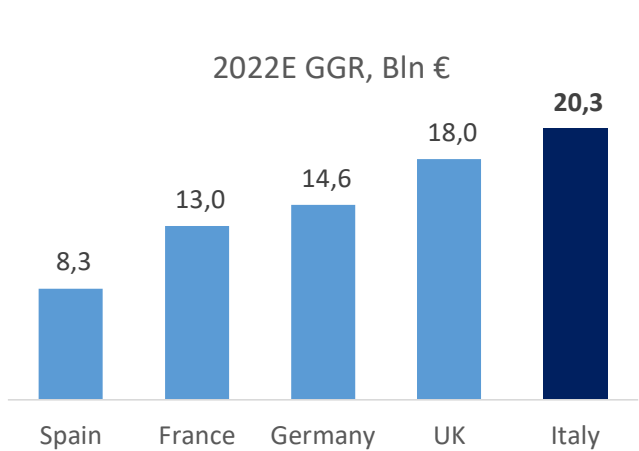
## Creating a sustainable and diversified business



SNAI unique brand equity is the key driver supporting Snaitech growth in the Italian market

# Italian Market: online penetration accelerated by extended lockdown

## Italy confirmed as the largest market in Europe



- Italy is the largest market in Europe in terms of customer expenditure (GGR)
- **Over € 20 billion GGR** (Gross Gaming Revenues) expected in 2022
- Ca. € 10 billion tax contribution to the state budget expected in 2022

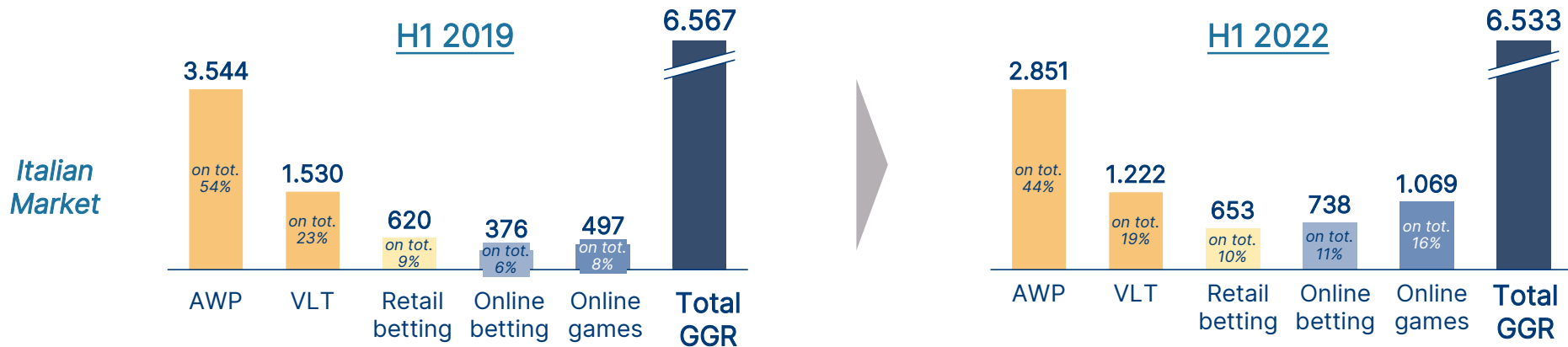
- Italian gaming market will recover in 2022 pre-covid level in terms of total GGR (c. € 20Bln)
- Recovery driven by **Online** segment: € 3.7Bln GGR expected in 2022 (**+74% vs 2019**)
- **Retail GGR -8% vs 2019**

- **Online penetration** in Italy (excluding lotteries) grew from 14.8% in 2019 to **24,9% in 2022**, vs 54.8% in UK
- **Online sector: key vertical market for future growth**

Source: H2 Global Gaming Sept 2022 report and Snaitech internal estimates

# Snaitech pre/post lockdown performance

Solid after COVID and balanced across all profitable segments



Snaitech market share

15,2% 14,0% 19,0% 12,1% 6,4%

15,3% 14,2% 19,2% 14,5% 8,4%

Positioning by brand



- Snaitech over-performed the market in all verticals
- Snai brand leader in betting verticals (both retail and online) and in the online segment (retail + games)

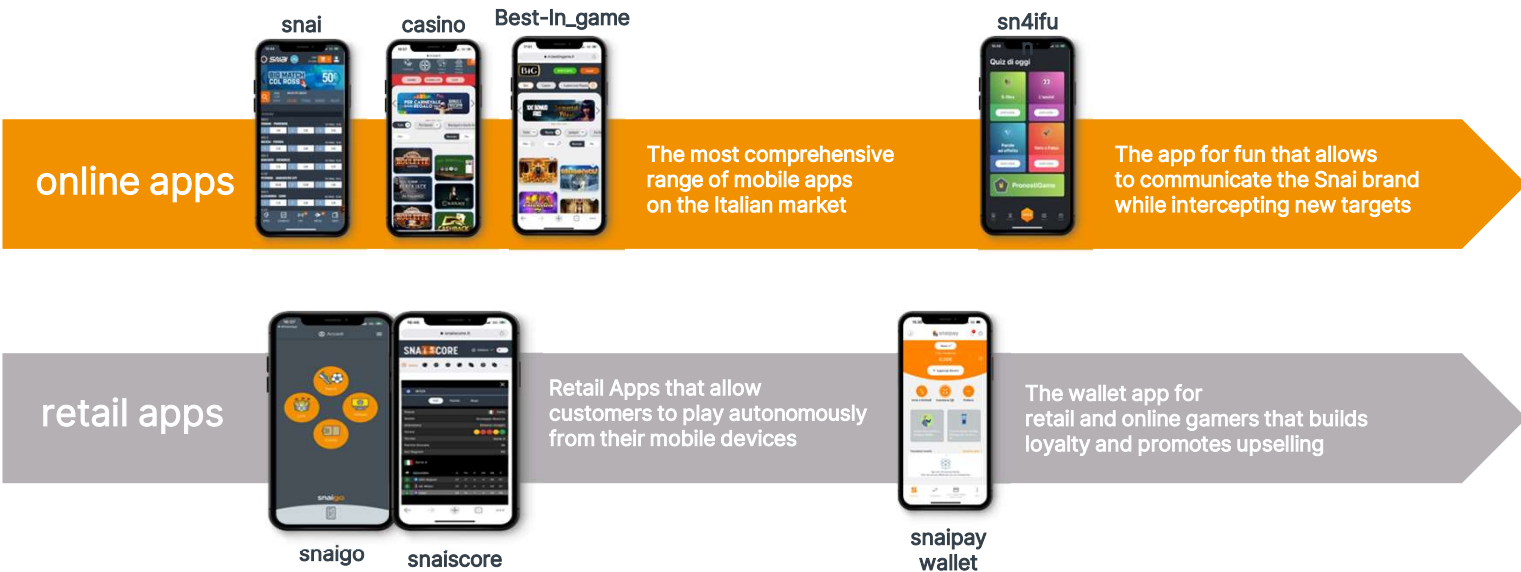
Source: H2 Global Gaming Sept 2022 report and Snaitech internal estimates



# Snaitech differentiating approach for a sustainable growth

## Omni-channel and Cross-selling strategy to leverage retail presence

Omni-channel approach and technology



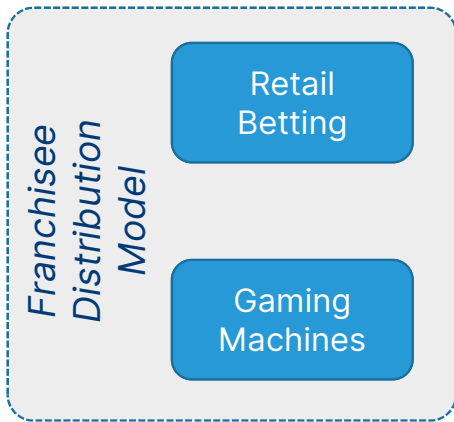
Cross-selling competitive advantage

	2021	ARPU	Churn	GGR
Online customers from retail		€ 1.502	21%	€142m
Pure online customers		€ 469	46%	€235m

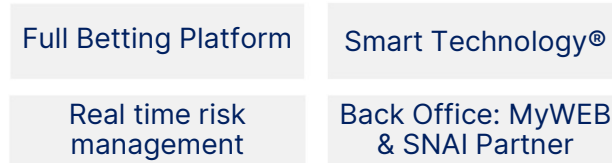
# Technology, Partners and Franchisees in Snaitech strategy for growth

## Balanced mix of make-or-buy strategies

### Distribution Channel



### Snaitech in-house platforms



### Strategic Partnerships



➔ Unique B-B-C model: Snaitech B2C capabilities enhanced by synergic cooperation with Playtech B2B model

# Happybet integration with Snaitech

## International development based on betting proprietary technology

- ❑ Happybet acquisition in **Q3-22** represents the first step of Snaitech international expansion
- ❑ HappyBet owns betting licenses (retail and online) in Germany and Austria and manages **c. 130 betting shops**
- ❑ Germany + Austria represents the **third European gaming market** with regulation still to be completed
- ❑ In 2021 Snaitech became the **sole provider** for all Happybet offer to accelerate the development and empower the service. Limited capex (**<€2m**) to export betting platform to Germany and Austria thanks to scalability of Snaitech proprietary technology
- ❑ **HPYBET market share close to 5% on retail in Germany**, online offer completely underdeveloped
- ❑ Sizeable opportunity for Snaitech to leverage its consolidated know-how in a favorable market:
  - similar regulatory landscape to Italy
  - growing and highly-fragmented market
  - strong online opportunity
  - **M&A opportunities** to consolidate market share and leverage proprietary platform capabilities



## Gaming Tax increases introduced from 2018 on Gaming Machines

### Progressive Taxation (PREU) increase on Gaming Machines:

- Annual increases in Gaming Machine taxation introduced in 2018 - 2020
- Parallel Payout reduction allowed on AWP and VLTs to mitigate tax impact
- **Cumulated net impact on Snaitech EBITDA 2020 vs 2017: c. € 25m**

### Social security card introduction:

- Starting from January 1<sup>st</sup>, 2020, VLT gaming sessions to be activated through the introduction of **social security card**
- The introduction of social security card caused a **drop on GGR by 25%**

### Advertising Ban:

- Advertising ban on Gaming fully effective from 2019

### Local rules limitations and new Tender execution:

- Tighter restrictions **in opening hours and minimum distances** issued by most of the Italian Regions and Municipalities
- Distance constraints mostly applied only to new shop openings (with the exception of Emilia Romagna and Piedmont)

Tough regulatory framework on retail business already included in Snaitech current trading  
**Snaitech lean presence over the territory (franchise model) key driver to face regulatory headwind keeping growing EBITDA**

## Expected framework the next concession renewal

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### €250-300m expected renewal capex

#### Snaitech current concessions:

Concession	Issued rights	Snaitech rights	Expiry	Annual fee
<i>AWPs</i>	265K	38.6K	Jun-23	None
<i>VLTs</i>	57K	10.6K	Jun-23	None
<i>Retail Betting</i>	5.3K shops 4K corners	770 shops 920 corners	Jun-24	€11.5m from July 2022
<i>Online</i>	120	1	Dec-22	None

#### Next tender expected structure:

- New tender likely to be run from 2024 to find an agreement with local Authorities **on a common and homogeneous set of rules on the territory, as recently stated by the Government and the Regulator.**
- All concessions will last 9 years after issuance
- The bidding mechanism for **Retail Betting and Gaming Machines** licenses, will allow Concessionaires to propose different prices for single rights (i.e. no binary risk)
- **Snaitech expected capex €250-300m** (based on current market share on #rights and on the possible increase of the bid price)

# San Siro Asset in Milan

## A valuable real estate asset for Snaitech

### 1,500,000 m2 area with historical assets:

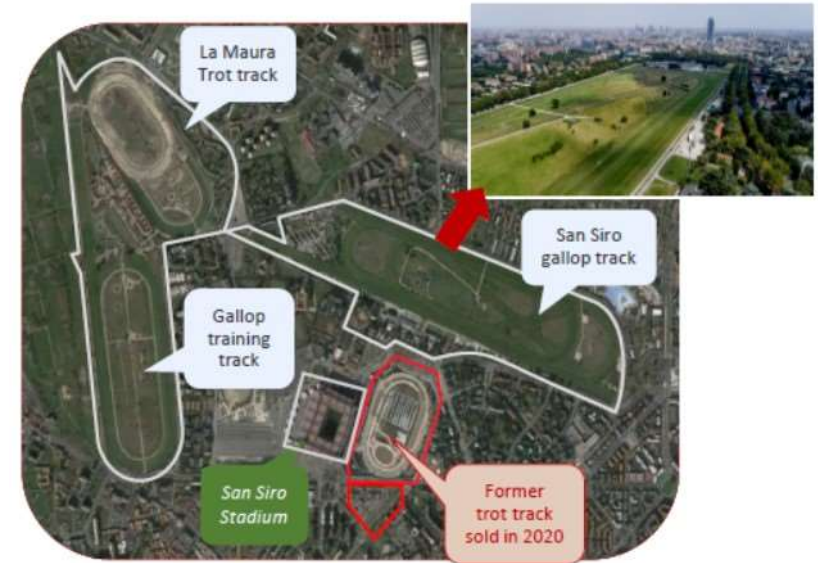
- San Siro gallop horse track, Milano
- Gallop training track, Milano
- Montecatini trot horse track, Tuscany

### The Snaitech racecourses hosting important events:

- Milano Summer Festival
- Leonardo Horse Project
- FAI Spring/Autumn Day
- Milano San Siro Jumping CUP

### Non-core asset disposal:

- Set up of a formal process to dispose non-strategic areas in San Siro
- In April 2020 Snaitech sold the ex-Trot area (red lined) for a cash consideration of €55m
- Binding agreement signed for the sale of La Maura trot area (€20m total consideration, of which €19m to be cashed in 2023)



# Social responsibility

## Snaitech commitment to Social Responsibility & Good Causes

### Institutional Partnerships

Collaboration with institutional bodies for research projects related to the territory, such as: **MIP Politecnico, Municipality of Milan / Municipality of Montecatini Terme, FAI (Italian Environment Fund)**

### CSR: one of the most important driver of the Group

SNAITECH's commitment, through its own foundation (**iZilove Foundation**), is to develop charitable and solidarity-driven initiatives with a view to sustaining a long-term CSR project. Some non-profit organizations with which Snaitech collaborates: **Special Olympics Italia, Fondazione Piatti, Care & Share, Telethon**



### Responsible Gaming

Snaitech in 2015 achieved the **G4 – Global Gambling Guidance Group international certification on responsible online gaming**, the result of participation in the Global Gambling Guidance Group programme.



### UN Global Compact

Snaitech is committed to the UN Global Compact initiative with specific focus on: **GENDER EQUALITY, DIGNIFIED WORK AND ECONOMIC GROWTH, LIFE ON EARTH, PEACE, JUSTICE AND STRONG INSTITUTIONS**



### Initiative for Ukraine

Snaitech is committed with **Fondazione Francesca Rava** to collect goods and medicines for Ukraine



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CEO



# Snaitech retail network

## 10.150 Gaming Machines PoS, 2.070 Betting PoS

### Snaitech retail network consistency

### 2022 June LTM Wagers breakdown and distribution

### NGR share

#### AWPs

- 9,000 PoS (o/w c. 1,300 betting points)
- 34,800 AWP installed

#### VLTs

- 1,150 PoS (o/w 600 betting shops)
- 10,200 VLTs installed

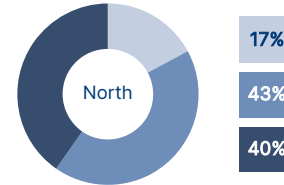
#### Retail Betting

- ~700 betting shops (o/w 30 directly managed)
- ~900 betting corners
- ~ 470 additional betting shops belonging to independent bookmakers
- using Snai brand and services

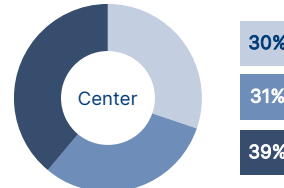


#### % OF TOTAL WAGERS

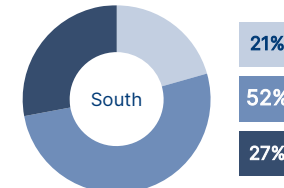
51%



21%



28%



■ Betting ■ AWP ■ VLT

#### AWPs

- 75% 3<sup>rd</sup> party operated
- 25% owned machines
- ~18% NGR

#### VLTs

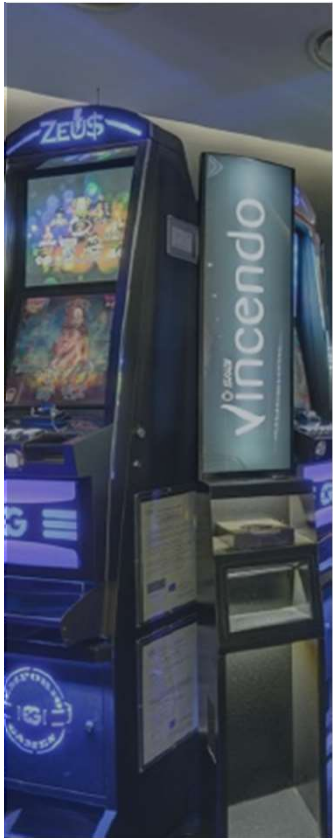
- Franchising model with 47,5% NGR share

#### Retail Betting

- Franchising model with ~ 50% NGR share

# Italian gaming machines market

## Snaitech performance



€/Millions		Lockdown 6 m	Lockdown 6 m		
	2019	2020	2021	H1 2022	LTM
AWP					
WAGERS	3.468	1.613	1.476	1.295	2.669
GGR	1.078	540	513	450	928
NET REVENUES	<b>51,9</b>	<b>27,5</b>	<b>27,4</b>	<b>24,6</b>	<b>50,3</b>
#AWP installed	36.200	32.013	33.754	34.832	34.832

		Lockdown 6 m	Lockdown 6 m		
VLT	2019	2020	2021	H1 2022	LTM
WAGERS	3.354	1.143	1.193	1.109	2.210
GGR	447	169	185	173	344
NET REVENUES	<b>93,3</b>	<b>35,5</b>	<b>40,2</b>	<b>37,7</b>	<b>75,0</b>
#PoS	1.173	1.135	1.149	1.127	1.127



Snaitech performance has been stable and resilient notwithstanding adverse market conditions:

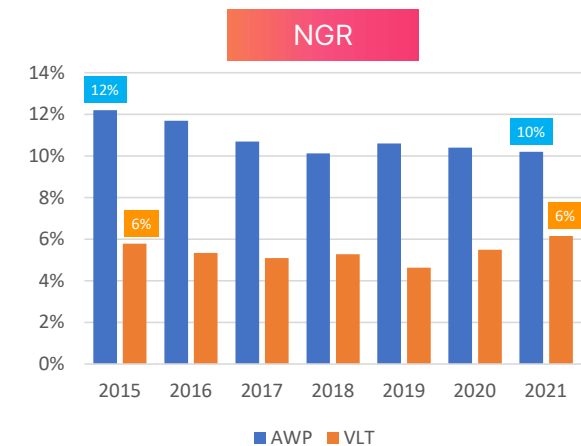
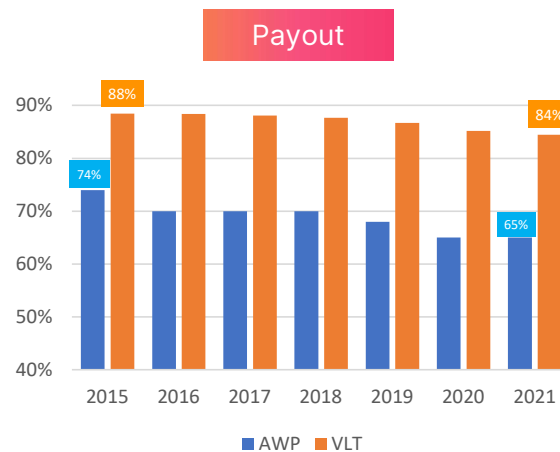
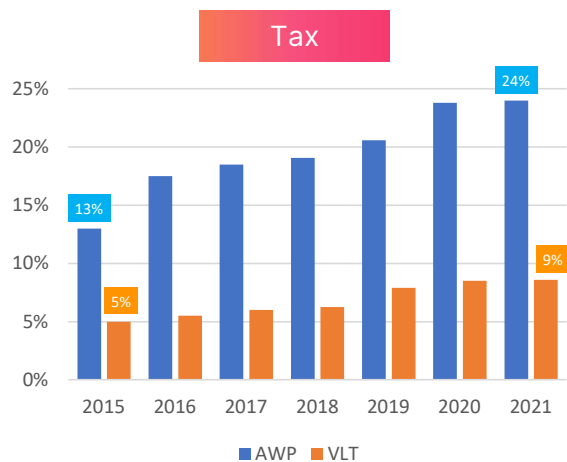
- Local restrictions and rules affecting business in many important areas of the country;
- Several increase of taxation;
- Social security card for VLTs

Snaitech has now factorized all those negative aspects and current trading is reflecting its capabilities to mitigate and continue growing.

# Tax increase and Payout management on gaming machines

## Virtuous payout and content management

- Venue opening time restrictions varying from municipality to municipality
- More regional restrictions close to sensitive places
- Growth of PREU taxation
- Win Tax effect
- Decreasing return to player
- Pandemic Impact: total lockdown Mar20 – Jun 20; Oct20-Jun21
- Sharp rise of gas and energy prices



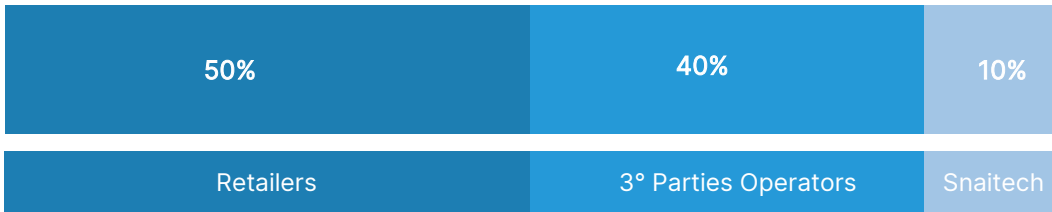
- Snaitech stabilized AWP's performances at NGR level through a constant caring and management of game content while lowering the payout ratio

- At the same extent on VLTs floor management current trading delivering a growth trend

# Vertical integration

## Direct AWP: strategic rationale

AWP with 3<sup>rd</sup> parties (75% of Snaitech network)



- AWP licenses and asset acquisition
- Maintenance and cash services (OPEX) provided by operators
- Share of profit increase from 10% to 30% of NGR

AWP owned machines (25% of Snaitech network)



## Owned AWP

AWP	2018	2019	Lockdown 6 m		LTM 22
			2020	2021	
Net revenues €m	13,0	15,3	8,8	9,9	18,9
#AWP	5.097	6.663	7.774	7.958	8.499

- Number of direct managed AWP's increased by 50% in the last four years
- Vertical integration is accretive on Snaitech value: 3.0x multiple
- With AWP's direct management Snaitech enjoys 30% of NGR so our current blended share of profit is increased at 18%.

# Retail betting market

## Snaitech performance

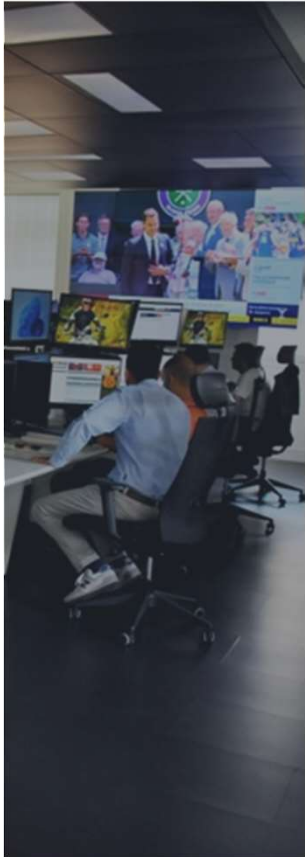


		Lockdown 6 m	Lockdown 6 m		
BETTING	2019	2020	2021	H1 2022	LTM
WAGERS	1.266.362	700.129	627.618	633.234	1.225.077
GGR	235.904	150.219	115.245	125.108	232.167
Net Revenues	95,6	64,8	47,2	52,7	96,7
#PoS	1.584	1.574	1.560	1.555	1.555

- After lockdown less than 3% PoS where not able to reopen
- During lockdown periods Snaitech offered credit support to its network and delivered various tools to support cross selling to online granting franchisee dedicated incentive campaigns.

# Sports trading management

## Snaitech delivering better payout performance than market



RETAIL	2019	2020	2021	H1 2022
<b>SNAITECH</b>	82,26%	77,53%	81,23%	79,06%
MARKET	81,87%	77,95%	81,20%	79,38%
ONLINE	2019	2020	2021	H1 2022
<b>SNAITECH</b>	87,54%	85,55%	85,39%	85,33%
MARKET	90,60%	88,00%	87,89%	87,92%
TOTAL	2019	2020	2021	H1 2022
<b>SNAITECH</b>	84,71%	82,89%	84,45%	82,94%
MARKET	87,26%	85,58%	86,91%	85,54%



- Snaitech manages a €2,5Bln book (Retail, Online, B2B and Happy Bet)
- State of the art proprietary platform integrated with top feed providers managed by >80 traders
- Trading management offered to +50 B2B Clients

- Snaitech book and risk management delivered in the last three years a better performance between 200 and 300 basis point compared to the market
- This difference corresponds to +50mln € of additional GGR

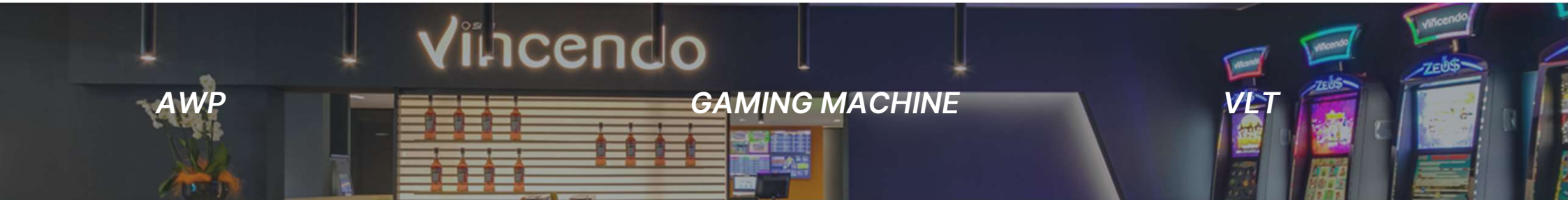
# Product offering and positioning

## Retail gaming machines

	Lottomatica		GlobalStarnet	Sisal	NOVOMATIC	Others
	BETTER	gamenet				
<b>H1 '19</b>	14,8%	18,4%	12,1%	8,5%	8,0%	26,3%
<b>H1 '22</b>	15,0%	18,3%	12,0%	8,7%	8,0%	26,0%

GGR

Source: Snaitech internal estimates





# Product offering and positioning

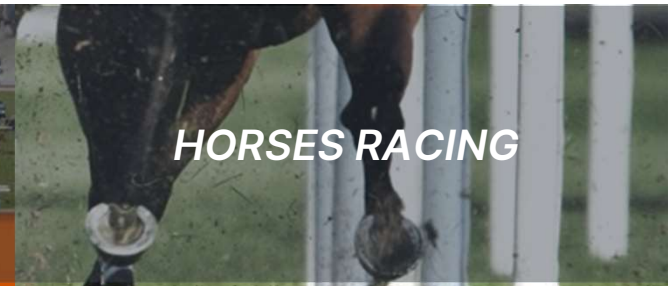
## Retail betting

Sport		Lottomatica						GGR
SNAI	Lottomatica			Sisal	EUROBET	PLANETWINI	Others	
	BETTER	intralot	Gold					
H1 '19	16,7%	13,4%	8,8%	12,1%	12,8%	15,0%	9,5%	11,7%
H1 '22	18,1%	11,2%	9,2%	14,2%	12,8%	14,6%	9,1%	10,8%

Virtual Events		Lottomatica			Sisal	EUROBET	PLANETWINI	GGR
SNAI	Lottomatica			Others				
	BETTER	intralot	Gold					
H1 '19	18,0%	6,5%	4,8%	28,3%	13,4%	15,3%	1,8%	12,0%
H1 '22	17,0%	6,1%	8,8%	22,8%	15,1%	14,9%	6,3%	8,9%

Horses Racing		Lottomatica			Sisal	EUROBET	PLANETWINI	GGR
SNAI	Lottomatica			Others				
	BETTER	intralot	Gold					
H1 '19	38,8%	5,8%	3,1%	3,0%	18,9%	13,4%	0,1%	16,9%
H1 '22	40,0%	3,4%	2,5%	5,0%	17,7%	14,1%	2,1%	15,2%

Source: ADM official report





## Proprietary Technology and Market Know-How

### Innovation Project



Smartshow

Betsmart



#### Smart Technology®

- **Betsmart:** 3,300 self service betting terminals currently installed in Snaitech network: bet acceptance, info, ads and stats
- **SmartDesk:** user friendly cashier system including all the “SNAI world services”
- **Smartshow:** is the snai-owned digital signage system which displays the largest available information about what customers want to bet on, offering to the client the best experience and information.

#### Snaigo

The new way to bet on the retail network. Snaigo is the new way to bet in shop via smartphone. Many advantages in only one device.

- Less operating costs for the PoS
- Customers can play on their own device
- Notifications and messaging
- Help to manage peak time in the PoS
- Live events available and new user experience



# Retail network management

An ongoing critical activity to maximize network performances

## Point of sales

RENOVATED

OPENING

211 287



in the last 3 Years

Snaitech aims to constantly improve its network performances through:

- Asset management: via new selected openings and bidding on competitor best PoS both for VLTS and Betting Shop
- Instore management focusing on technology INNOVATION and layout ReDESIGN to improve shop revenues.



# Retail strategy for growth

## A sustainable revenue stream

### AWP & VLT



#### GAMING MACHINE

- Asset management of Snaitech low performing VLTs and AWP
- Get prepared to introduction of Mini VLT
- Synergic development of new performing content with Playtech studios

### SPORT, VIRTUAL & HORSE



#### BETTING

- Continuous innovation as a key driver for network development
- Leverage on brand equity and loyal customer base to attract best business
- Asset management for low performing betting rights



### AQUISITIONS



#### M&A

- Focused vertical integration is a strategic driver in value creation 2023 plan acquisition of new 1.500 new AWP located in bars and tobacconists
- Exploiting Betting Shop acquisition opportunity in Snaitech B2B customer network

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# Snaitech digital (LTM 2022)

~600.000 active accounts

## Snaitech players

### Betting

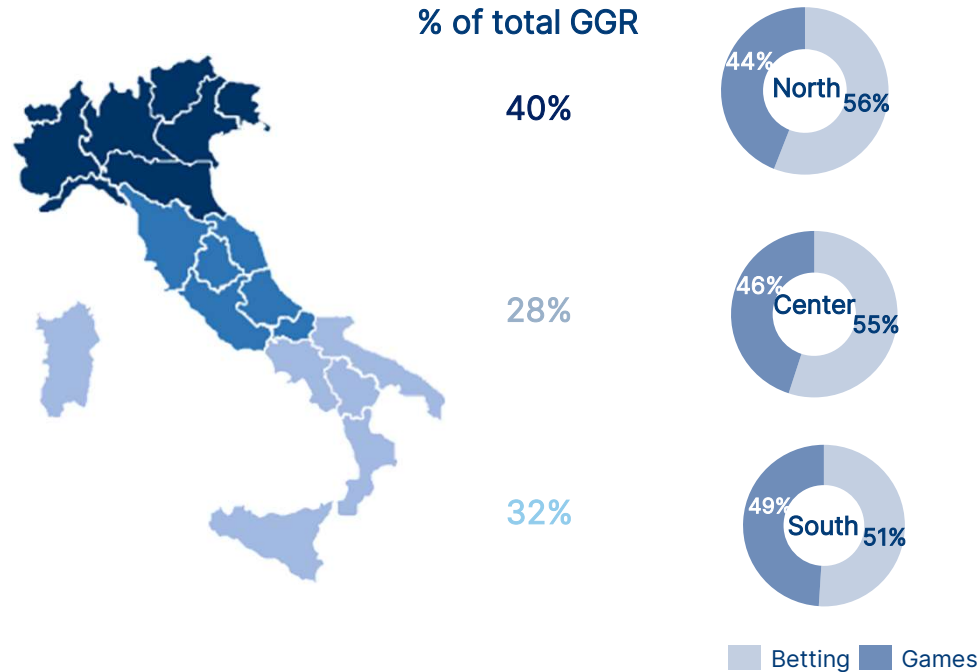
- Active accounts 522K
- LTM GGR €209m
- Mobile: 84,7%
- Gender: Female 14%

### Games


- Active accounts 335K
- LTM GGR €168m
- Mobile: 68,9%
- Gender: Female 20%

Market Share 10,9%

## 2022 June LTM GGR breakdown and distribution

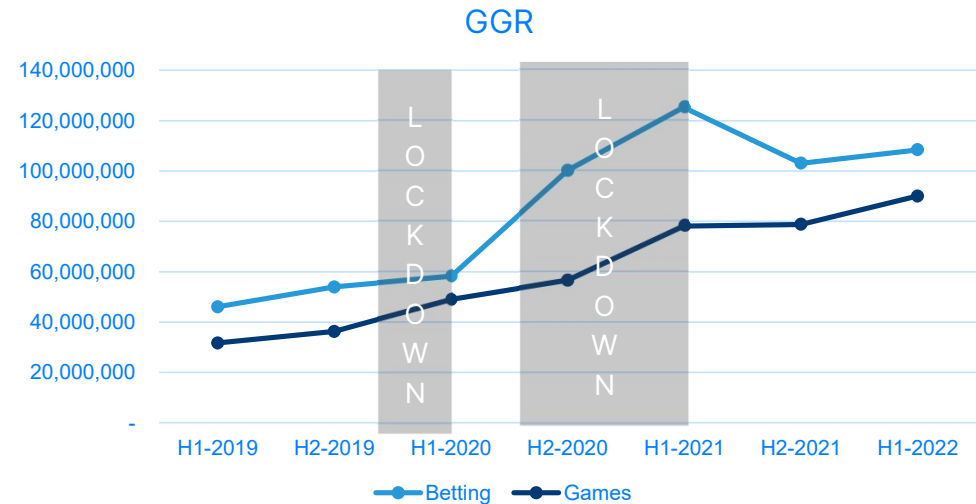
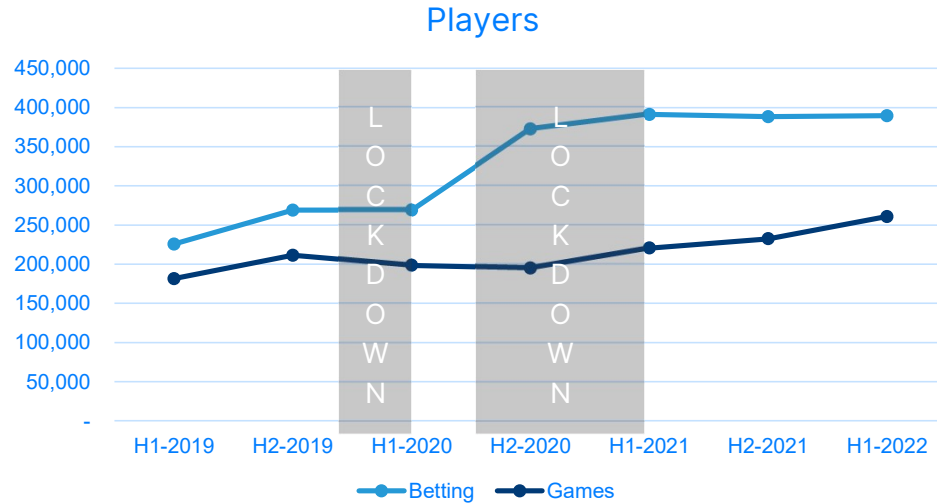


## # Products

- Sport
- Virtual
- Horse Racing 
- Slots 35%
- Casino 52%
- Live Casino 100%
- Poker 100%
- Bingo 100%
- Skill Games
- Lotteries

# Snaitech digital progress

## Delivering leading online player



KPI	H1 2019	H1 2022	Δ%	Δ% RoM
GGR Betting	€ 45,5m	€ 106,7m	135%	91%
GGR Games	€ 31,7m	€ 89,5m	182%	111%
Monthly active accounts	138.967	245.652	77%	52%
ARPU	249€	432 €	73%	33%
FTDs	59.760	96.327	61%	22%

- ✓ Market trends overperformed on every KPI
- ✓ Massive migration from retail to digital on second wave of lockdown

Internal estimate

# Online acquisition through retail

In addition to online acquisition, Snaitech is able to leverage retail

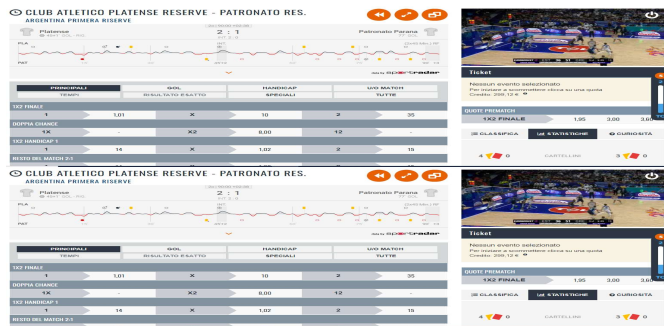
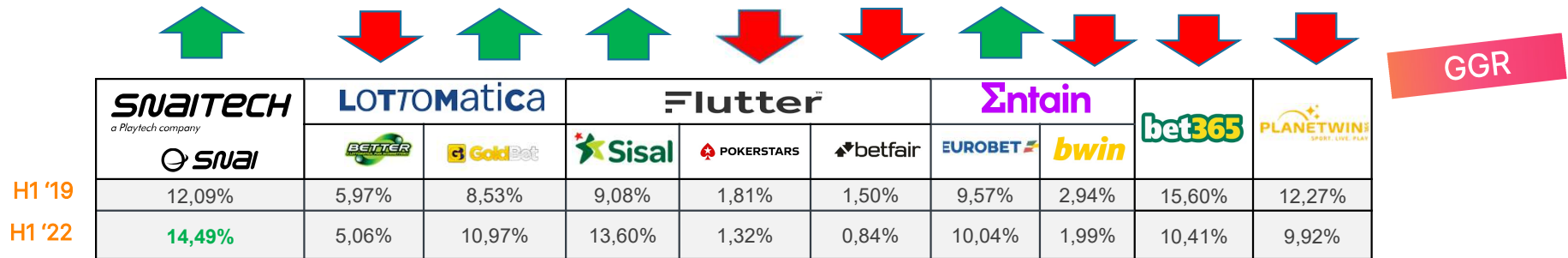
		Acquisition	Uniques	Churn	ARPU	Total GGR
2022 LTM	CUSTOMERS from RETAIL	16,773	94,203	21%	€ 1,502	€ 142 M
	PURE ONLINE CUSTOMERS	189,116	502,787	46%	€ 469	€ 235 M

**Cross-selling highlights**

- Competitive advantage vs pure Online players because of loyal and valuable customer base
- Dedicated promo during lockdown period to migrate customers
- Activation of new PVR Channel

# Product offering and positioning

## Online Betting



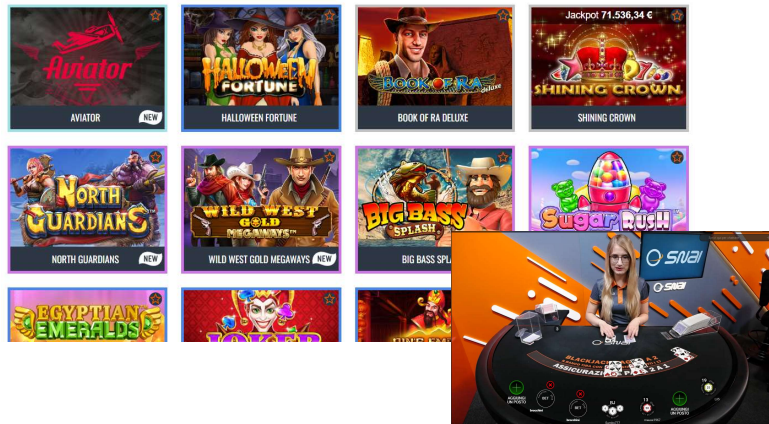
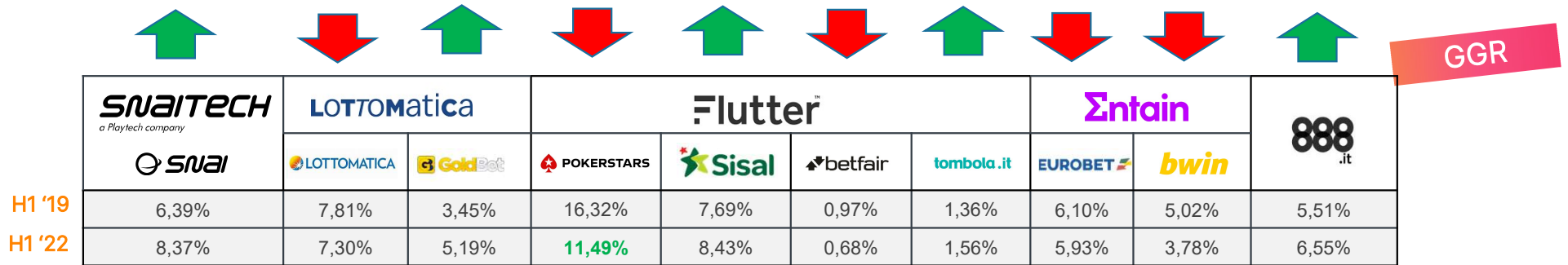
- ✓ Market share increased in every vertical:
  - ❑ Sports + 2,1%
  - ❑ Virtual + 7,9%
  - ❑ Horse racing + 0%
- ✓ 80k streaming events
- ✓ Best acceptance policy

Source: ADM official report (betting exchange not included)



# Product offering and positioning

## Online Games

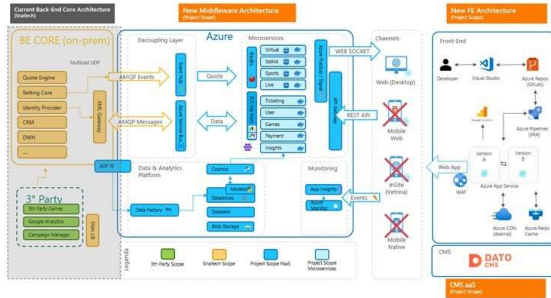


- ✓ Market share Increased of c. 2 points
- ✓ 2° on Casino vertical (90% of Games' GGR)
- ✓ New tailor-made marketing strategy

Source: ADM official report

# The next stage of growth

## Organic growth

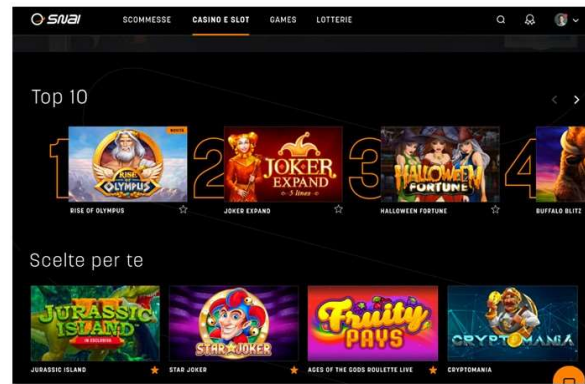


- ✓ Renewal of the digital technological infrastructure with a “data lake” approach to improve customization of offering and warranty scalability for every front end/geography



- ✓ AI based tool to prevent compulsive behavior

- ✓ Brand new AI driven website



- ✓ Gamification as a base for a new loyalty program approach



# Italian Online: a fragmented market

## Inorganic growth opportunity

- 79 active concessions
- Snaitech 1° brand with 10,87% market share
- 15 operators concentrating ~80% of the market
- 60+ operators with a market share lower than 1% each, offering a potential M&A opportunity for Snaitech growth

### Snaitech case history following Best In Game (“BIG”) acquisition:



- Acquired in summer 2020 for a cash consideration of **€4.9m (3.8x on €1,3m EBITDA)**
- **2022 expected EBITDA €3.3m (+2m)**
- Merged into SNAI platform in march 2021 creating dedicated skin and customized promotion plan
- Single account to facilitate moving between the 2 sites
- Increase of active players: **+110% (27k vs 13k)**
- GGR of customers playing on BIG: **+67%**

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# Keywords and takeaways from business performance

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## From business KPI to financial KPI

### Takeaway from business review

- Online migration
- Cross selling
- Strong brand equity
- Franchising model
- Proprietary and scalable platform
- Virtuous pay-out management
- Bolt-on acquisitions

### Financial drivers

- **Online: stable growth** sustained by digital acquisition and cross-selling
- **Retail:** revenue and margin protection
- **Effective risk management** based on balanced sources of marginality and effective payout control
- **Cost control flexibility and effectiveness on:**
  - ✓ retail costs (maintenance and logistics)
  - ✓ marketing costs
  - ✓ IT capex

### Financial KPIs:



- Stable growth on EBITDA: from €127.1m to LTM €262.7m in 5.5 years
- EBITDA-Margin improvement (from 39% to 60%)
- Financial **resilience** (positive cash generation even during retail lockdown)

# Snaitech: €132m EBITDA in H1-22 vs €52m in H1-21

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<u>Snaitech</u>	<u>H1 2022</u>	<u>H1 2021</u>	<u>Diff.</u>	<u>%</u>
<b>GGR</b>	<b>945</b>	<b>261</b>	<b>684</b>	<b>&gt;100%</b>
Gaming machines	624	50	574	>100%
Retail betting	125	8	117	>100%
Online games	90	79	11	14%
Online betting	107	125	(18)	-14%
<b>Revenue</b>	<b>446</b>	<b>158</b>	<b>288</b>	<b>&gt;100%</b>
Gaming machines	218	17	201	>100%
Retail betting	94	6	88	>100%
Online games	52	50	2	4%
Online betting	66	74	(8)	-11%
Other	16	11	5	41%
<b>Net revenue</b>	<b>226</b>	<b>116</b>	<b>110</b>	<b>95%</b>
Gaming machines	62	5	58	>100%
Retail betting	53	3	49	>100%
Online games	43	41	2	5%
Online betting	53	57	(4)	-7%
Other	15	10	5	48%
<b>EBITDA</b>	<b>132</b>	<b>52</b>	<b>80</b>	<b>&gt;100%</b>
<i>% on net revenues</i>	<b>58%</b>	<b>44%</b>	<b>14%</b>	
Gaming machines	34	(7)	41	>100%
Retail betting	29	(11)	40	>100%
Online games	28	28	0	0%
Online betting	39	45	(6)	-12%
Other	2	(3)	4	>100%

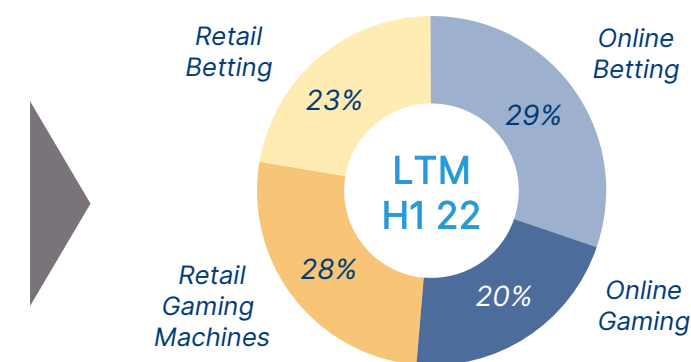
- **€132m EBITDA** vs. €52m in H1 2021 (impacted by 5.5-month lockdown)
- EBITDA margin recovering at 58%
- Strong recovery across all **retail verticals**
- Retail EBITDA close to 50% of total EBITDA
- **Total GGR at €945m** vs €261m in H1-2021
- **Online GGR: limited cannibalization on Betting** due to Retail reopening, while **Games still growing at 14% YoY**
- **Other business** includes hippodrome and equity shops management, EpiqaTV, B2B betting provider
- **Current trading trend not easy** to be identified: a **like-for-like** analysis must be run over a more extended and homogeneous time horizon

# LTM performance: quarterly EBITDA trend

## Balance between Retail-Online and Betting-Gaming

€m

Snaitech LTM	Q3 21	Q4 21	Q1 22	Q2 22	LTM
<b>Quarterly EBITDA</b>	<b>51,2</b>	<b>79,8</b>	<b>69,5</b>	<b>62,2</b>	<b>262,7</b>
Gaming machines	15,6	23,9	16,2	18,0	73,6
Retail betting	8,3	20,5	16,6	13,9	59,3
Online betting	15,0	22,5	22,4	17,0	77,0
Online games	12,2	13,0	14,3	13,3	52,8

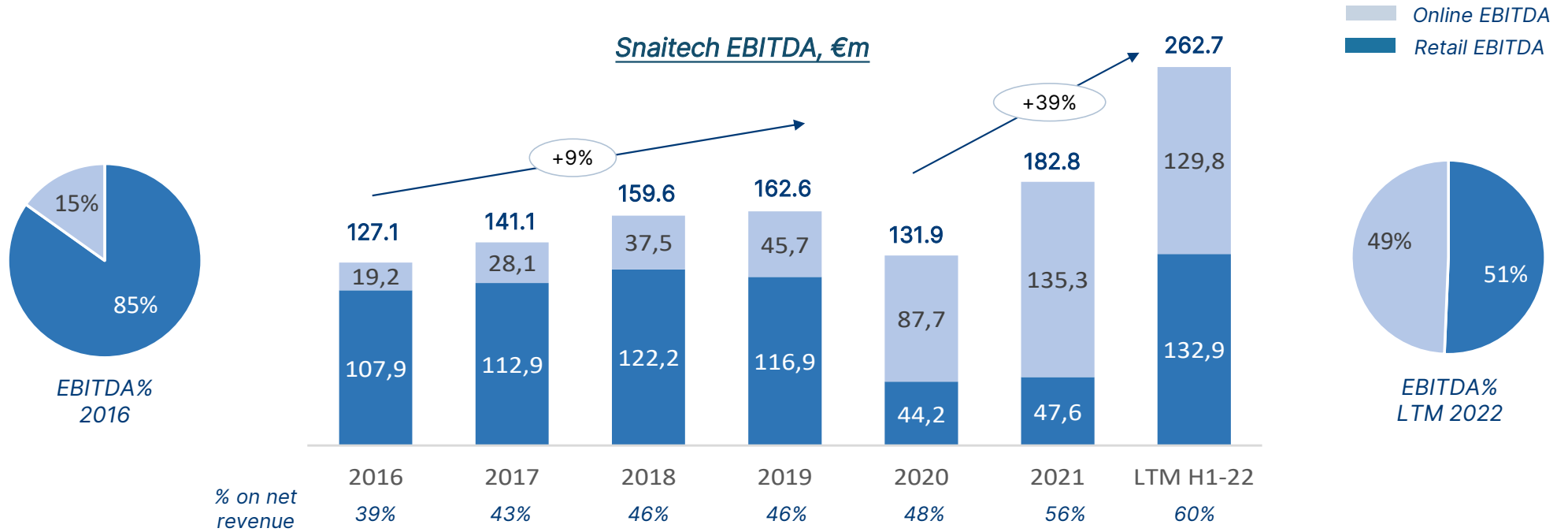


- 51% Retail vs 49% Online
- 52% Betting vs 48% Gaming

- Solid and steady performance: **monthly EBITDA stably over €20m since September '21**
- Fully balanced EBITDA (c. 50%/50% on retail/online and betting/gaming), mitigating seasonality on retail verticals

# 2016 – 2022 LTM EBITDA: impressive growth and change on mix

EBITDA more than doubled since 2016, Online EBITDA c.7x



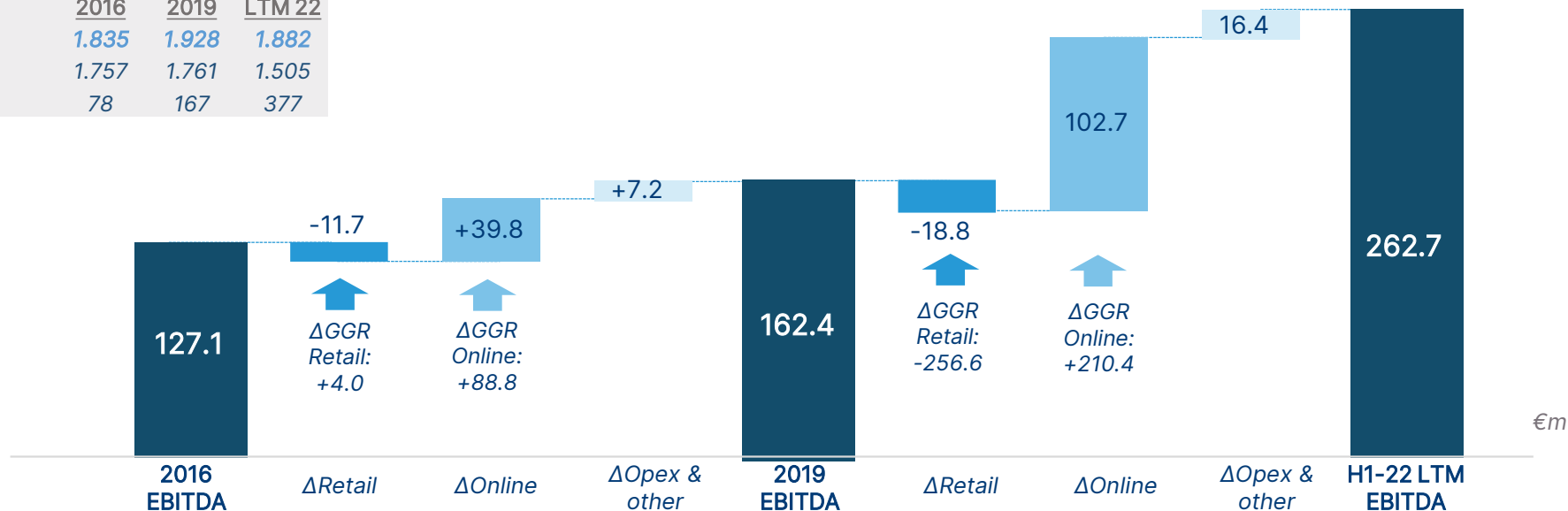
- Online growth accelerated by lockdown
- 2022 LTM EBITDA fully exploiting retail reopening, retail/online EBITDA% balanced
- Constant improvement in EBITDA marginality



# EBITDA bridge 2016 - 2019 – 2022 LTM

## Drivers of marginality

€m	2016	2019	LTM 22
<b>Snaitech GGR</b>	<b>1.835</b>	<b>1.928</b>	<b>1.882</b>
Retail	1.757	1.761	1.505
Online	78	167	377

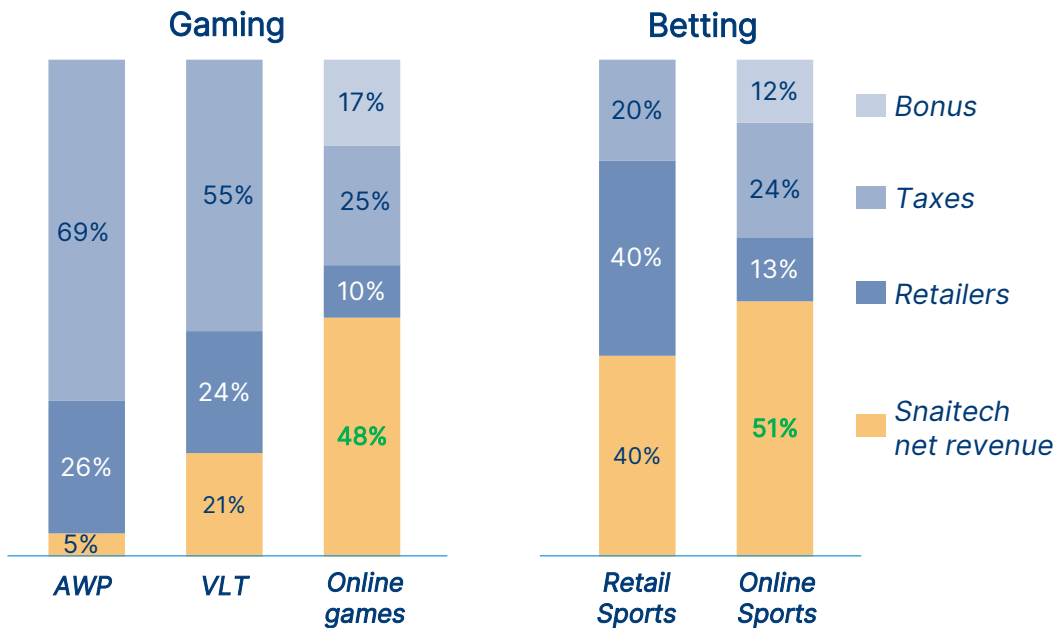


- 2016-19 EBITDA: **+€35.3m**, leveraging growth of market and acceleration in online verticals, PREU increase impact on retail result
- 2019-22 EBITDA: **+€100.3m**, fully exploiting online switch, protecting retail thanks to asset management and bolt-on acquisitions
- Opex reduction**: cost control program, synergy with Playtech and lower advertising costs (from 2019)

# Online segment largely more profitable for Snaitech

GGR switch from retail to online betting will raise marginality by 30%

GGR %split per vertical



Net Revenue increase

- Lockdowns and following covid restrictions on retail, accelerated **Retail to Online switch**

€m	2019	LTM 22	Δ
<b>Snaitech GGR</b>	<b>1.928</b>	<b>1.882</b>	<b>-46,1</b>
Retail	1.761	1.505	-256,6
Online	167	377	+210,4

- As a result, Snaitech benefitted of a **higher marginality** captured by online verticals:
  - c. +30% on betting (40% vs 51%)
  - 2x-10x on gaming

# From EBITDA to cash generation

## Snaitech additional drivers supporting outstanding cash generation

### *Reduced CAPEX*

Drivers:

- Proprietary technology
- Franchise model in retail
- Targeted M&A strategy



Annual average capex since 2017:

- Ordinary / maintenance: € 18,1m
- M&A / Bolt on acquisitions: € 7.2m
- Concession Capex: € 6.7m (€11.5m from H2-22)

**€32.0m**

### *Real estate deals*

- Repositioning of horse-tracks in the wide area of San Siro
- Sale of former trot track area in 2019-2020: **€54m**
- Next sale of la Maura area: **€19m** expected within 2023

### *Favourable Working Capital*

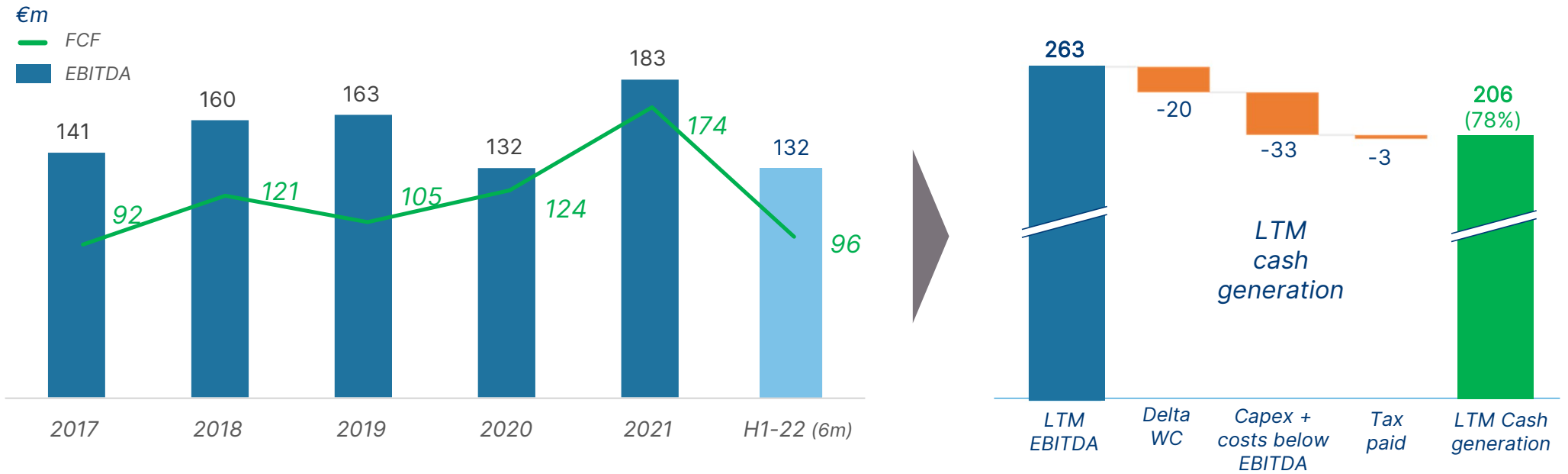
- Limited impact from working capital needs, due to structural dynamics in gaming cash flows: cash **collection from distributors in advance** versus tax payments
- **Online totally prepaid**
- **Lowered credit risk vs retailers**

### *Available Tax Shield*

- Thanks to previous losses (until 2016), Snaitech accrued a huge tax shield
- **€80m cash savings used from 2017**
- **Additional €60m cash savings still to be deployed (expected within 2024)**

# Outstanding Cash Generation

Snaitech showing strong cash generation also under covid restrictions



- Cash generation doubled since 2017
- CF generation since Playtech acquisition > €530m
- Last-12-month cash generation > €200m

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# Snaitech pillars to support organic growth

## Organic EBITDA target €300-350m in the medium term

- ❑ Covid “lesson”: lockdown showed the resilience of Snaitech profitability: balance between different business components, online constant growth, lean cost structure
- ❑ Online traction: lockdown accelerated switch to online offering a valuable opportunity to increase Snaitech marginality
- ❑ Successful B-B-C model: Snaitech development model turned to be fully successful. Snaitech currently representing c. €12m revenue for Playtech B2B business
- ❑ Structural cash generation: thanks to unique assets (franchise model, proprietary platform and deferred tax losses)
- ❑ Scalable Betting Platform: Snaitech proprietary betting platform scalable and valuable asset to support further consolidation in Italy and international development
- ❑ Concession renewal and Regulation uncertainty not a scaring scenario: new concession process presenting limited risks for right renewals. Capex likely to be postponed to 2024 thus offering 2 years of full cash generation for Snaitech
- ❑ Bolt-on M&A showed an impressive value creation: “BIG” acquisition potential creation c. €20m

Snaitech organic EBITDA seen in the range €300-350m in the medium term

# Potential headwinds on Snaitech path

## Market Consolidation: a threat and an opportunity

- Recent M&A activity in Italy built up new leaders in Online (Flutter) and Retail (Apollo)
- All main European players already present in the attractive Italian market
- Increasing competition level may influence pricing thus reducing margins

### Increasing competition



### Tough regulation

- Concession renewal not scary for Snaitech
- High barriers for new entrants both in retail (local rules) and in online (adv. ban)
- Italian regulation now stable and mostly adopted by other jurisdictions

### Macro-economic scenario

- New macro-economic scenario may impact in the short-medium term on customer spending and gaming player cost structure
- Retail business more exposed
- Snaitech may leverage its online component

# What strategy for Snaitech to create additional value?

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## Strategy drivers for Snaitech:

- 1 Fully exploit «ordinary» and growing path
- 2 Happybet turnaround completion and accelerate growth through M&A in Germany and Austria
- 3 Actively look to participate in the Italian and Pan-European M&A momentum?
- 4 Snaitech to become a market consolidator

## Rationale:

- *Strong pillars to support further “inertial” growth*
- *Bolt-on acquisitions in Italy*
- *Medium term Target EBITDA: > €300m (o/w 60% Online)*
  
- *Happybet break even to be reached in 2024*
- *Bolt on acquisition in Germany and Austria to support growth and create scale*
  
- *Clear momentum for consolidation in Italy and Europe*
- *Snaitech business model and management capacity is the perfect platform to exploit momentum*
- *Synergic opportunities in Italy*
- *Strategic opportunities for further footprint expansion in Balkans, Greece and Spain*



London, 22 September 2022

***Thank You !***