



LOTTOMATICA GROUP ACQUIRES SKS365

2 November 2023

LOTTOMatica
lottomaticagroup.com

SKS365: a leading Online and Sports omnichannel player

Key metrics



600k+

Registered
customers



360k+

Annual Unique
Active Online
Players

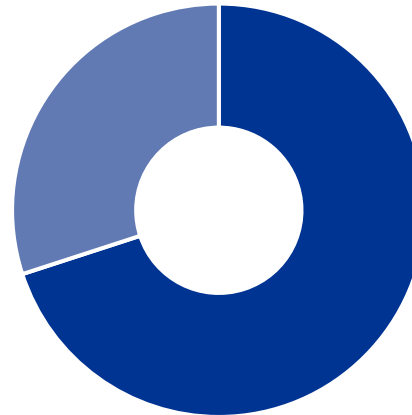


1,000

Betting Shop
Licenses

Business mix (EBITDA 2023E)

Sports
Franchise
30%



Online
70%

Key financial data



+15%

Revenues CAGR
2019A-2023E



€300m

Revenues 2023E



€74m

EBITDA 2023E

Strong transaction rationale

Lottomatica's stated growth pillars

Organic growth

- Omnichannel model
- Product and Tech edge
- CRM capabilities



Bolt-ons

- Proven model
- Strong pipeline
- Delivery (€15-20m additional EBITDA in 2024 from deals closed in 2023)



M&A

- Strong strategic rationale
- Track record (value accretive deals, balance sheet discipline, proven playbook for integration and synergies extraction)



SKS365 is a perfect M&A fit

LOTTOMatica +



1

Strengthens Lottomatica's market leadership in Italy

2

Further accelerates growth with increasing exposure to Online and Sports Franchise

3

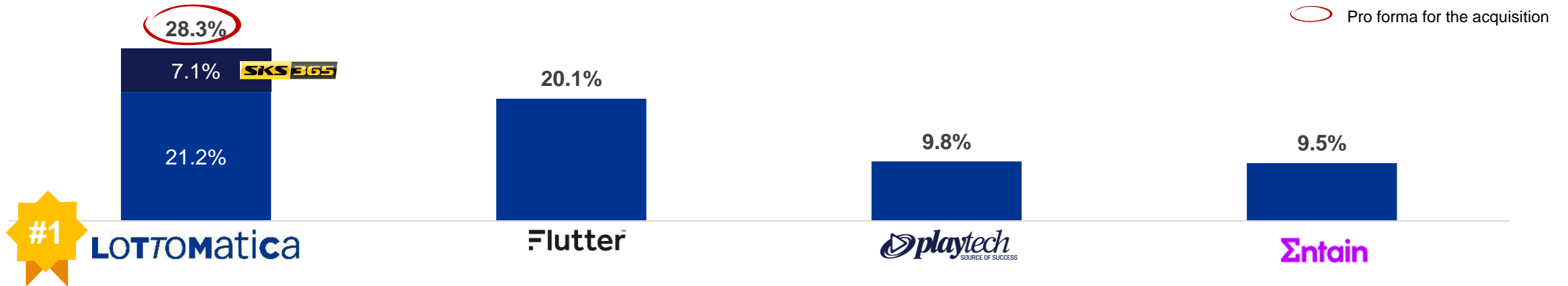
Adds a strong omnichannel brand to Lottomatica's portfolio

4

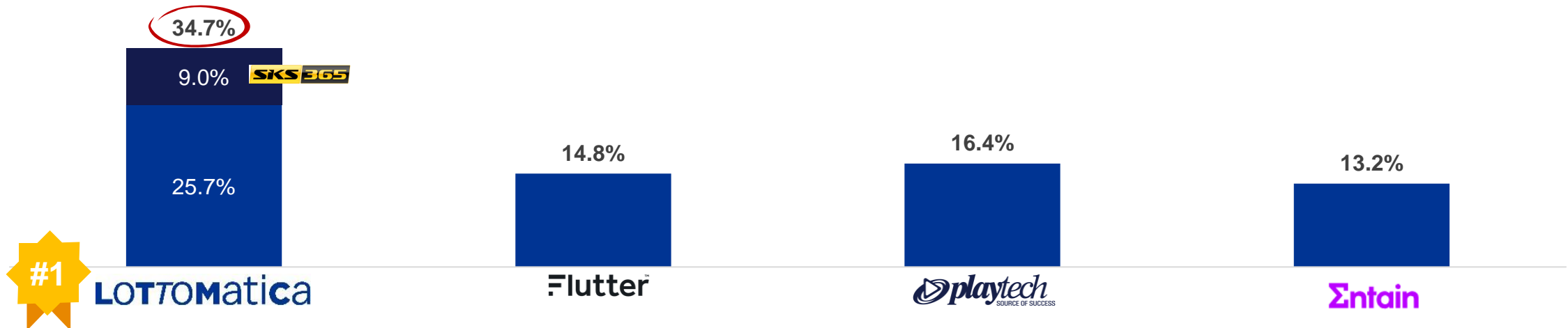
Highly synergistic in-country transaction unlocking significant value

1 - Strengthens Lottomatica's market leadership in Italy

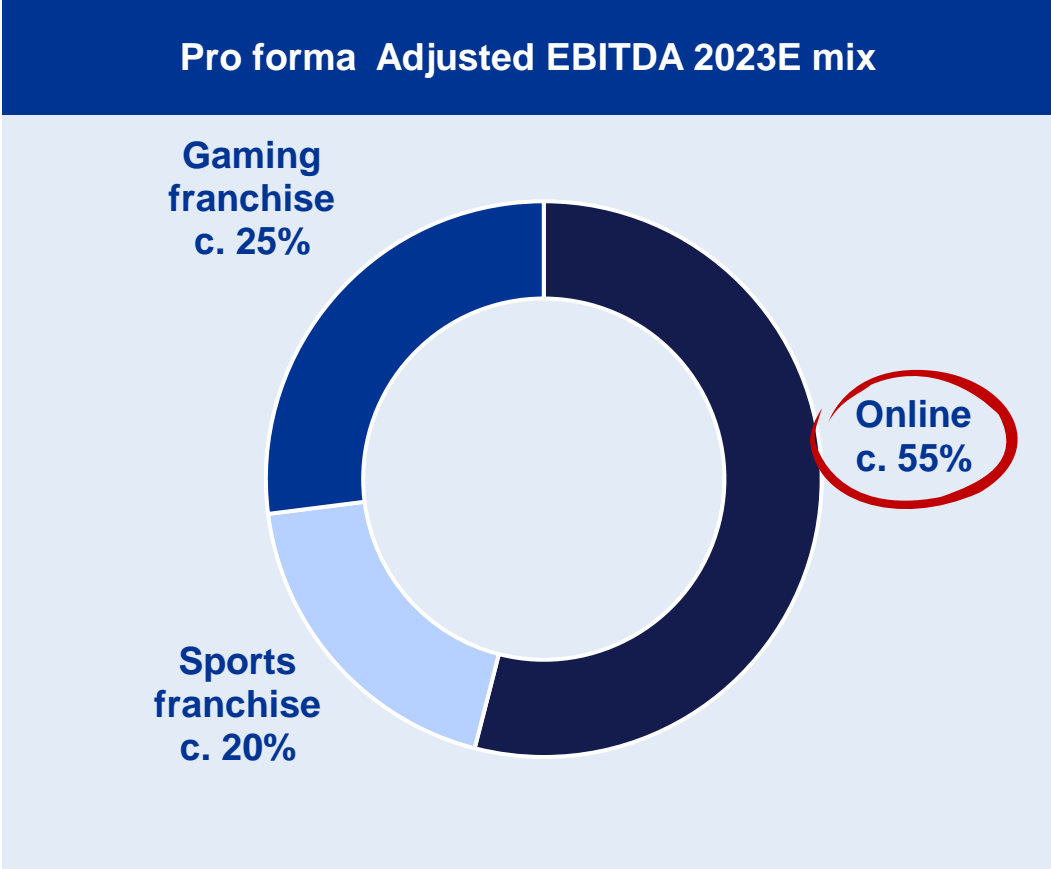
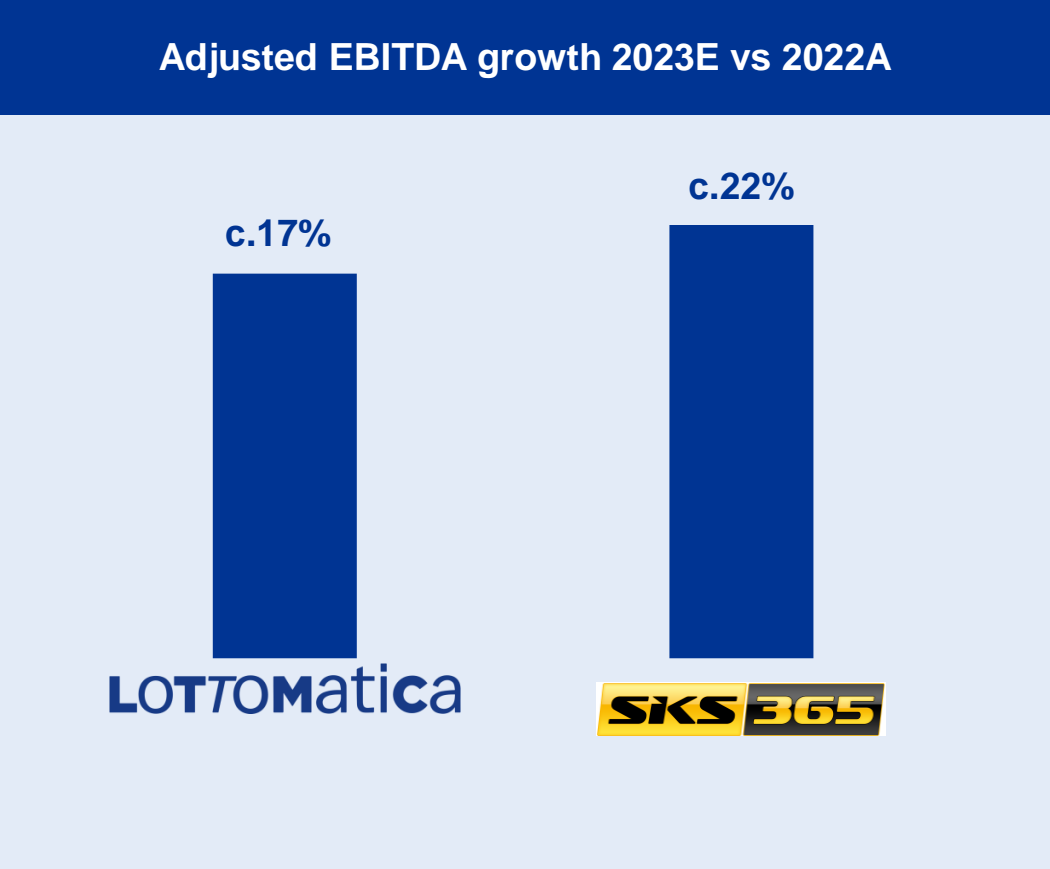
Online (all products) market share in Q3 2023



Total Sports (online and retail) market share in Q3 2023

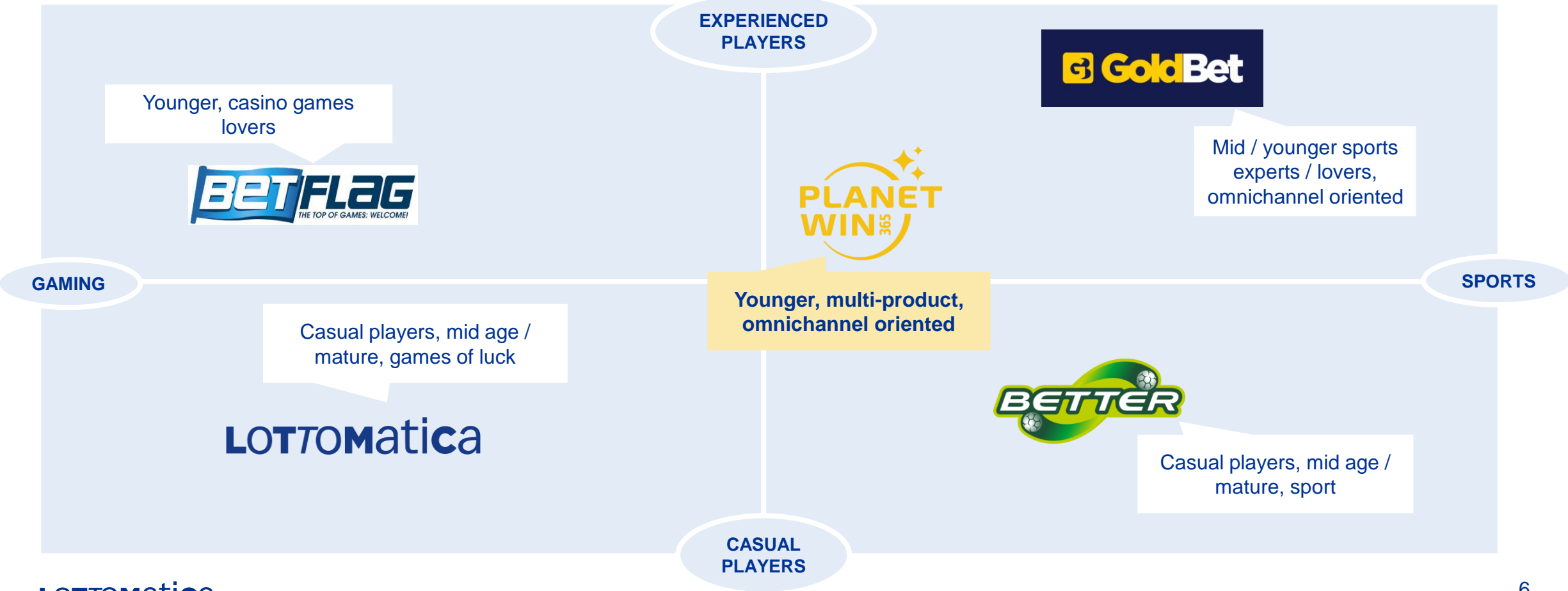


2 - Further accelerates growth with increasing exposure to Online and Sports Franchise

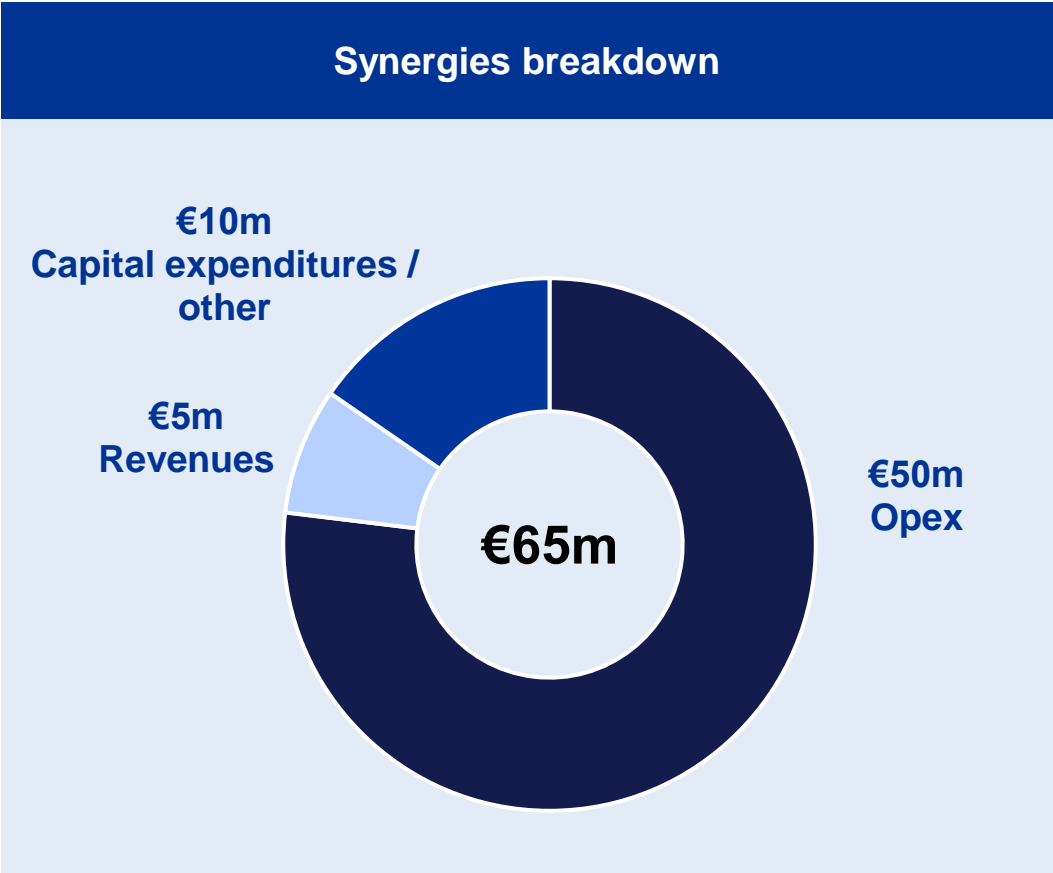


3 - Adds a strong and omnichannel brand to Lottomatica's portfolio

Brand positioning matrix



4 - Highly synergistic in-country transaction unlocking significant value



- ### Phasing and one-off costs
- Total synergies of €65m to be entirely deployed by 2026
 - Expected synergies phasing in 2024, 2025, 2026 of c.10%, 50% and 100% respectively
 - One-off costs and capex to achieve synergies of €79m

Key terms of the transaction

Key terms

- Lottomatica to **acquire 100% of SKS365**
- **Enterprise Value** of SKS365 of **€639m**, equivalent to a 2023 EV / EBITDA of 8.7x pre-synergies or 5.2x post-synergies¹
- Purchase price at closing equal to €625m²

Synergies & Accretion

- **Total synergies of €65m**, fully deployed by 2026
- **One-off costs and capex** to achieve synergies equal to c.**€79m**
- Transaction expected to be **EPS accretive** already in 2024 (double-digit in 2025)

Timing

- Transaction **closing expected in H1 2024**, subject to competition and regulatory approvals

Financing

- Transaction funded by a **combination of new debt and available cash**
 - **€500m bridge debt facility in place**
- Resulting **pro-forma net leverage** at closing³ of **2.8x pre-synergies and 2.6x post-synergies**, with a view to return to target steady state leverage of 2-2.5x already in 2025