



# Snai Group FY 2013

March 20<sup>th</sup>, 2014



# Disclaimer

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements as a prediction of actual results. The Company's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

# Today's Speakers



## **Giorgio Sandi, *CEO and President***

- 2012 – Present: President and CEO (2013) of SNAI
- 2010 - Present: CEO and President of Headbangers Motor Company
- 1991 – 2008: CEO of Sisal



## **Marco Codella, *CFO***

- 2011 – Present: CFO of SNAI
- 1999 – 2011: CFO of Sigma Tau , a leading research & pharmaceutical company operating in Europe and US
- 1994 – 1999: Finance, Operations and IT Director in Crown, Cork & Seal Closures Italia

# Today's Agenda

2013 Main achievements

FY 2013 Results

SNAI: Strategic Update

Q&A

✓ 2013 Main achievements

✓ FY2013 Results

✓ SNAI: Strategic Update

✓ Q&A

# 2013 Main Achievements

Full completion of 5,052 VLTs rights roll-out



Solid sports betting performance



Successful launch of virtual games



Effective debt refinancing



Legal proceedings with Corte dei Conti on AWP settled



# Today's Agenda

✓ 2013 Main Achievements

✓ **FY2013 Results**

✓ SNAI: Strategic Update

✓ Q&A

# Key Results 2013

- **Wagers:** total wagers amounted to 5,4 billion vs 5,5 in 2012 mainly due to reduction in AWP's partially offset by increase in VLTs collection
- **Revenues :** total revenues were 478,8 mio vs 514,4 in 2012 mainly due to reduction in AWP's (tax increase and number of machines) partially offset by increase in VLTs and Sports Betting. Switch to higher payout games.
- **Contribution Margin :** from 152,8 mio in 2012 to 176,6 in 2013 (+ 16%)
- **Adj EBITDA :** increased by 41,6% compared to 2012 , from 68,9 to 97,6
- **Adj pre tax loss :** equal to 2,4 mio excluding impacts of non recurring items (mainly settlement of Corte dei Conti legal proceedings and costs associated to repayment of old financing) vs. 44,9 mio in 2012
- **NFP :** NFP amounted -443,4 mio in 2013 vs. 369,6 mio in 2012 , significantly affected by settlement of Corte dei Conti legal proceedings.



# FY2013 KPI

## FY 2012-2013 KPI

(€ mn)	FY 2012	FY 2013
Total Revenues	514,4	478,8
<b>Contribution Margin</b>	<b>152,8</b>	<b>176,6</b>
<b>EBITDA</b>	<b>64,5</b>	<b>92,6</b>
<b>ADJ EBITDA</b>	<b>68,9</b>	<b>97,6</b>
EBIT	-13,9	-41,8
Pre-tax Profit	-56,5	-100,9
ADJ Pre-tax Profit	-44,9	-2,4
<b>Reported net Income (loss)</b>	<b>-42,6</b>	<b>-94,5</b>
Capex	21,8	39,8
Cash flow	-15,3	-73,8
<b>NFP</b>	<b>-369,6</b>	<b>-443,4</b>

+16% YoY

+44% YoY

### Strong Increase in EBITDA driven by:

- 1 Sports betting pay-out back to historical levels
- 2 Progressive deployment of VLT concessions
- 3 Double-digit growth at the online channel

(€ mn)	FY12	FY13
D&A	59,7	54,9
Provisions & Write-Offs	11,5	2,0
Non-operating items :	7,1	77,5
o/w AMMS fines	0,0	66,4
o/w other non-recurring	7,1	11,1

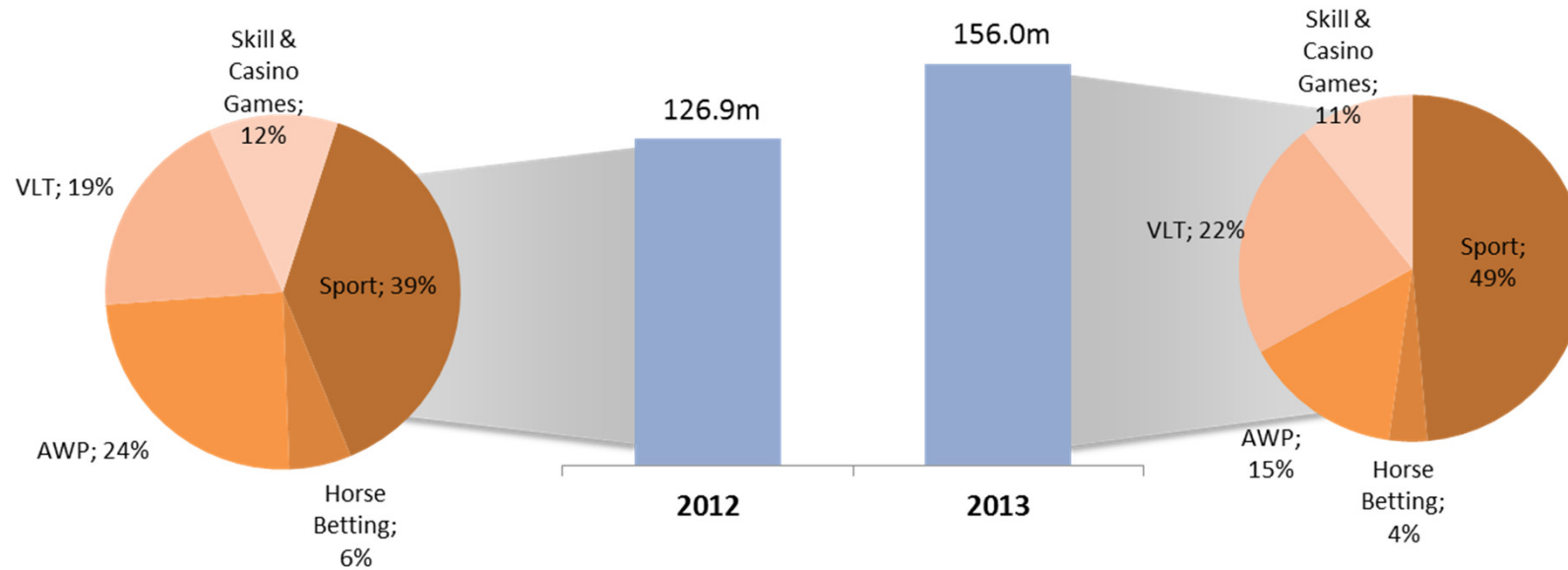
(€ mn)	FY12	FY13
Financial charges, net	42,6	59,1
Financial Interests, net	44,2	59,1
Extraordinary loss (income)	1,6	0,0

Including 17,6 mio of concession related capex

Including settlement payments for 68,6 mio, 17,6 concession related capex and payments associated to HY bonds

# FY2013 Results

## 2012-2013 Contribution Margin Concessions Division

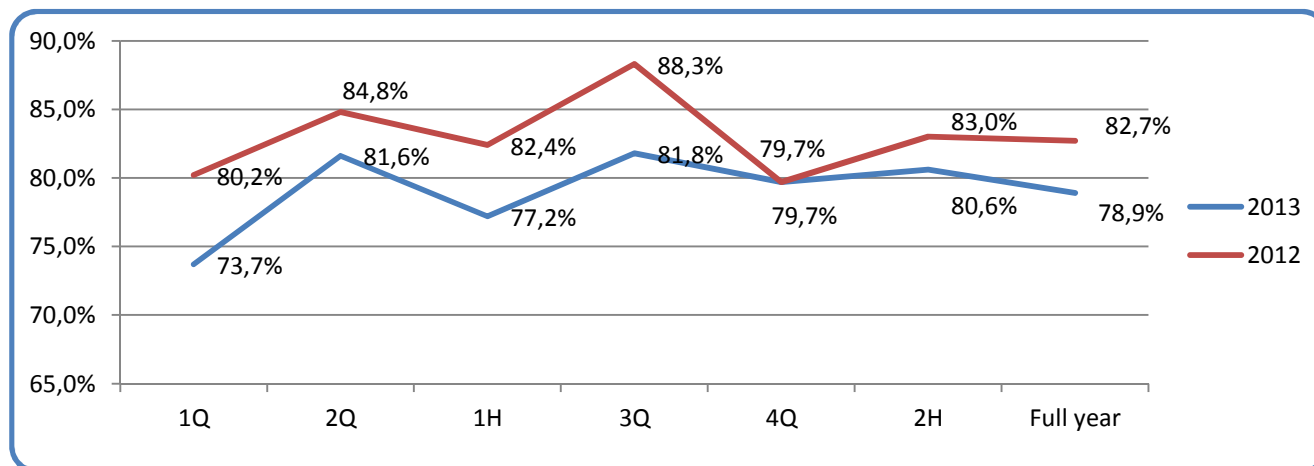


(euro/million)	2012	2013	var.
Sport	49,2	75,9	54,3%
Horse Betting	7,2	5,6	-22,6%
AWP	31,0	23,0	-25,8%
VLT	24,5	34,8	42,0%
Skill & Casino Games	15,0	16,8	12,0%
<b>Total</b>	<b>126,9</b>	<b>156,0</b>	<b>23,0%</b>

# FY2013 Results

## Payout Trend

		March	June	Sept	Dec			
<b>LTM</b>	<b>2013</b>	81,0%	80,2%	78,9%	78,9%			
		1Q	2Q	1H	3Q	4Q	2H	Full year
<b>ACT</b>	<b>2013</b>	73,7%	81,6%	77,2%	81,8%	79,7%	80,6%	78,9%
	<b>2012</b>	80,2%	84,8%	82,4%	88,3%	79,7%	83,0%	82,7%



# Today's Agenda

✓ SNAI: Key Results





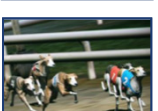


✓ FY2013 Results

✓ SNAI: Strategic Update

✓ Q&A

# Italian Gaming Market Trends

## Market Assumptions by Gaming Activity

Gaming Activity		2013 Market Size (Wagers € bn)	2014-16 Expected Trend	Product Innovation	Regulatory Framework	Competition	Overall Ranking
Videolotteries	 VLTs	25.5	=	+	-	=	+
	 AWP	22.3	=	=	-	=	=
Sports Betting & Horse Betting	 Sport Betting	2.5	-	=	=	+	=
	 Horse Betting	0.7	--	=	-	-	-
	 Betting on Virtual Events	Just launched	+++	+++	=	=	+++
	 Sports and Horse Online Betting	1.4	+	+	+	=	++
Online	 Online Skill Games, Mobile Apps	13.3	-	++	=	-	=

# SNAI: Strategic update

## SNAI's Key Actions to strengthen Company's Competitive Positioning



# Today's Agenda

✓ SNAI: Key Results

✓ FY2013 Results

✓ SNAI: Strategic update

✓ Q&A