



Q1-2023 results and strategy update

June 2023



This presentation includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends", "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this interim report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

We urge you to read the sections of our **2022 Annual Report** dated April 27th, 2023 entitled "Risk Factors," "Operating and Financial Review and Prospects" and "Business" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this interim report may not occur.

We undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this interim report and the Annual Report.

Cirsa established new segments for its Reporting from 1Q 23 onwards. The Segment Reporting figures for the period 2018 to 2022 included in this presentation have been prepared solely for the purpose of assisting you in the comparison with figures reported under the new segment reporting for 2023 and should be considered as company estimates. They differ from the figures by segment reported under the previous segment reporting for the period 2018 to 2022 and may differ from future information to be provided.

Introduction to presenters



Joaquim Agut
Executive Chairman



Antonio Hostench
Chief Executive Officer



Antoni Grau
Chief Financial Officer



Miquel Vizcaíno
Chief Legal Officer



Juan Antonio Turull
Financial Controller



- Executive summary
- Key highlights & strategy update
- Company financials
- Business unit update



- **Founded in 1978**, Cirsa has become a **global gaming company** with presence in **9 countries** and **leading positions** in the operation of **casinos & gaming halls, slot route operations and online gaming and betting**
 - **Current management team** took over Cirsa in **July 2006** and has **always delivered EBITDA growth (54 consecutive quarters before COVID + 3 quarters after)**, only interrupted by COVID
- **Blackstone acquired Cirsa in July'18 fully supporting Cirsa's strategy:**
 - Profitable **growth**, business **consolidation** & selective **acquisitions**
 - **Solid leadership position** in the different markets, creating a **unique diversification portfolio by geography and business segment**, driven by a wide **base of recurrent proximity customers**
 - **Online expansion** leveraging **omnichannel approach, retail footprint and recognized brands**
 - **ESG** at the forefront of our **strategy**
- **2022 EBITDA** showcased a **strong business recovery from COVID** (EBITDA 2022 +6.4% V' 19PF; NFD/EBITDA 4.1x), proving Cirsa's **resilient business model**

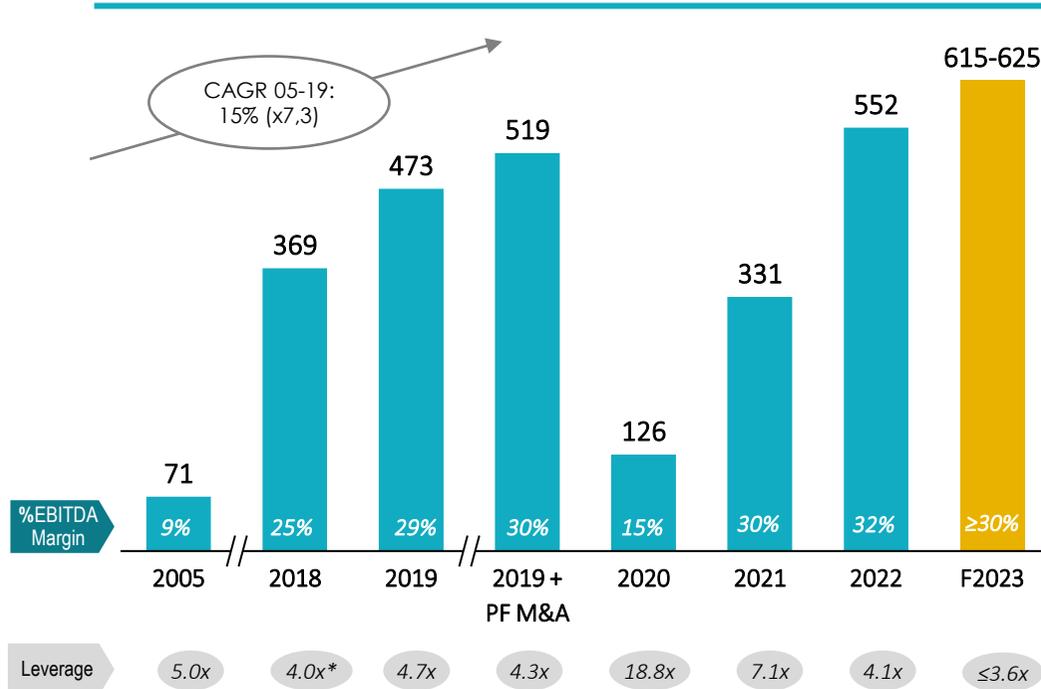
2023 Guidance

- **EBITDA Guidance for 2023 of €615-625m (+11-13% V'22)**, **EBITDA margin \geq 30%**, **Capex at €155-165m** and **leverage target of \leq 3.6x** (already 3.9x in Q1'23)
 - **Online gaming & Betting** represented **7% of revenues and 4% of EBITDA in 2019**, and is already representing **19% of revenues and 10% of EBITDA in Q1'23** (F2023 revenue 17% vs 13% in 2022, F2023 EBITDA 11% vs 7% in 2022)
- **Strong Q1'23 EBITDA of €151m/+28% V'22** and **Guidance Q2'23 €155-157m/+17-19% V'22** on track to deliver 2023 guidance
- High and stable **cash flow generation and debt reduction** resulting in **progressive deleverage**
 - **Operational Cash Flow (excl. M&A) generation** should be at **> 50% of EBITDA**

Strong financial performance since 2006 supported by a unique diversification; market credibility for Cirsa's reliability in delivering consistently all financial commitments

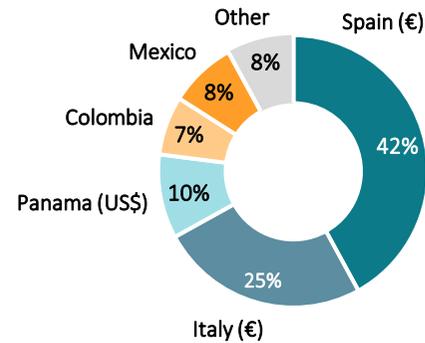


EBITDA (€m) and Leverage ratio

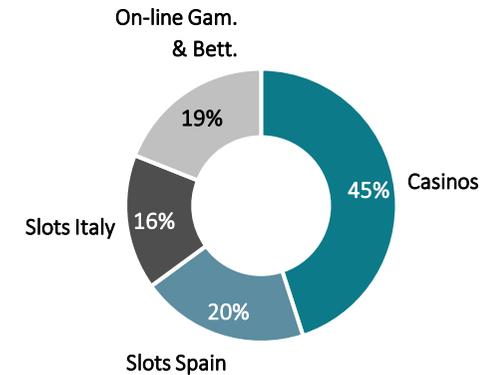


Q1-2023 breakdown

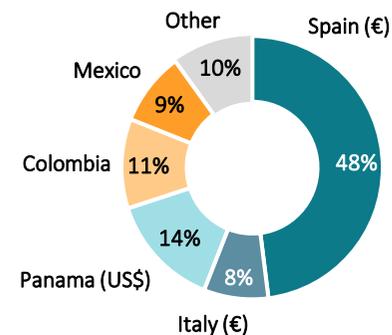
Revenue By geography



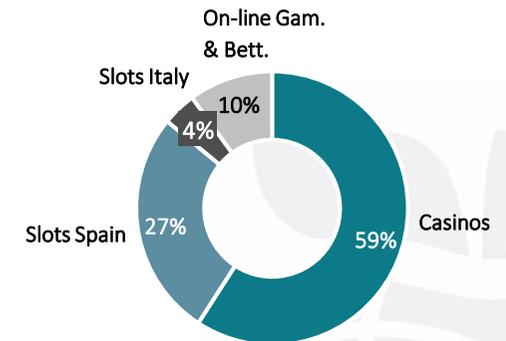
Revenue By business



EBITDA By geography



EBITDA By business



- COVID-19 broke 54QoQ (from July'06-Feb'20) continuous EBITDA growth
 - CAGR'05-'19 Revenues +5%
 - CAGR'05-'19 EBITDA +15% (7.3x), with EBITDA margin from 9% to 30% (3.3x)
- In 2022 & 2023 back to Cirsa's recurrent pre-COVID growth delivery
 - Very strong Q1-2023 EBITDA reaching €151m (+28% V '22)
 - Q2-2023 EBITDA Guidance of €155-157m following Q1 trend (+17-19% V'22)
 - 2023 EBITDA Guidance of €615-625m (+11-13% V'22)
 - Leverage guidance $\le 3.6x$, from 4.1x in 2022

- Unique diversification portfolio by geography and business segment
- Significant online growth in 2023 supported by #1 Retail footprint:
 - Online representing 10% of Q1'22 rev's growing to 19% in Q1'23, and from 9% to 10% in EBITDA QoQ
- Online higher weight on revenue mix lowering overall % EBITDA margin
- 70% of EBITDA in hard currencies (€/US\$)

* Leverage 2018 prior to Blackstone acquisition at 2.2x

Diversified geographical presence in 9 Countries with 437 Casinos & Gaming Halls, 79k Slots, 2.6k Betting Points and 5 online operations in regulated markets



Casinos & Gaming Halls:	437
Slot machines:	78,765
Tables:	637
Betting Points:	2,567
PVR:	2,644

Spain 1

Casinos & Gaming H.: 264
 Slot machines: 40,683
 Tables: 46
 Betting Points: 2,214
 Online gaming: ✓

Colombia 1

Casinos: 71
 Slot machines: 7,384
 Betting Points: 228
 Tables: 250
 Online gaming: ✓

Panama 1

Casinos: 33
 Slot machines: 8,316
 Betting Points: 40
 Tables: 14
 Online gaming: ✓

Italy 8

Slot machines: 9,731
 Gaming Halls: 5
 PVR: 2,644
 Online gaming: ✓

Peru 2

Casinos: 19
 Slot machines: 3,264
 Tables: 35
 Betting Points: 83

Dominican Republic 1

Casinos: 6
 Slot machines: 825
 Tables: 74
 Betting Points: 2

Morocco 2

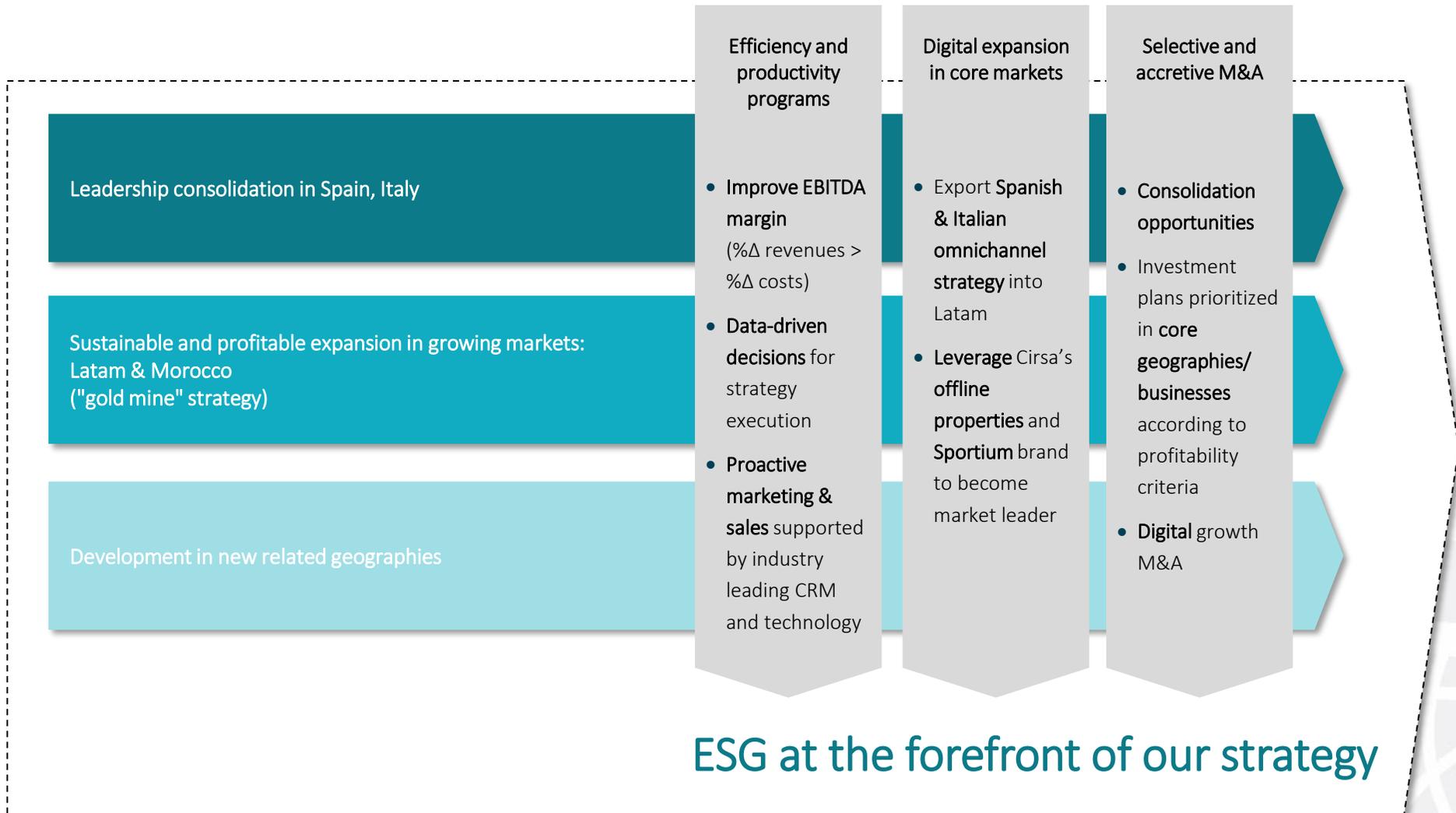
Casinos: 3
 Slot machines: 405
 Tables: 52

Costa Rica 1

Casinos: 7
 Slot machines: 842
 Tables: 16

Mexico 4

Casinos: 29
 Slot machines: 7,315
 Tables: 150
 Online gaming: ✓



ESG at the forefront of our strategy

ESG-committed organization following top industry standards



Sustainable business model (proximity and local low-wage customers) with a strong ESG framework in place

Ambitious ESG targets, with an action plan to guarantee execution and contribution to SGD goals

Key milestones up to date (non-exhaustive)

- ✓ Executive Chairman directly leading ESG Strategy and highly experienced dedicated ESG team
- ✓ ESG strategy closely monitored by the Board of Directors
- ✓ ESG targets as part of variable compensation plan (20%)
- ✓ Growing investment dedicated to ESG initiatives
- ✓ Independent ESG certifications & Joined the UN Global Compact



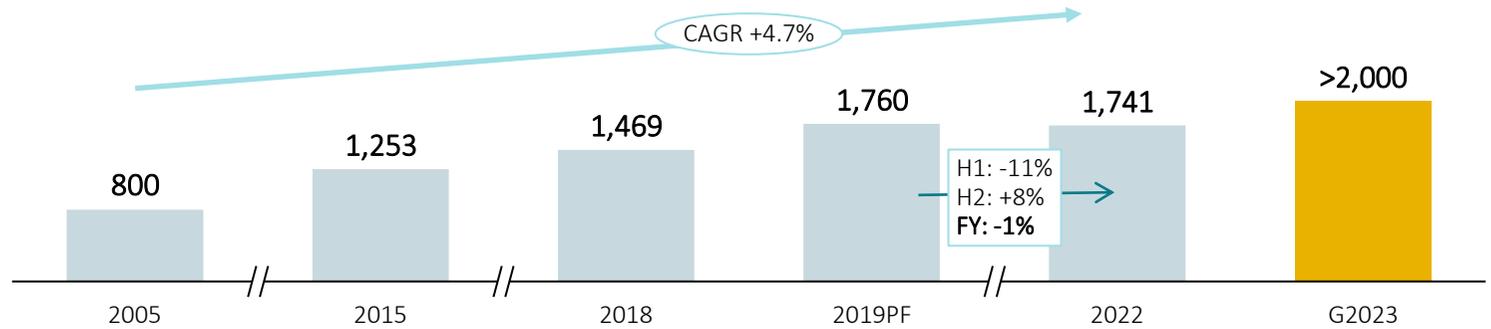
- Sustainalytics:
 - Preliminary rating based on public info at 21.7 (avg medium risk)
 - Formal review by July'23 expected to be at low risk level (10-20)
- S&P: rating expected by Q4'23
- Last 2022 ESG Sustainability report issued in May'23

E	Environmental plan	<ul style="list-style-type: none"> • Achieved 45% scope 2 carbon footprint reduction 2015-2022; 65% reduction in gas emissions by 2030 • Net zero by 2035 (Paris agreement) • Achieved in 2022 66% renewable energy consumption, 95% by 2030 	 
S	Responsible gaming	<ul style="list-style-type: none"> • >12k third-party facilities certified in Responsible Gaming in Spain in 2022 & > 90% in 2024 • 100% of employees trained in Responsible Gaming by the end of 2023 	 
	People	<ul style="list-style-type: none"> • Internal promotion ratio >90%, 95% in 2022 • Grow % women in Management positions in Casinos from 43% (2022) to >50% by 2030 • Grow female employees ≥50%, 49% in 2022 	 
	Contribution to society	<ul style="list-style-type: none"> • Operating in markets only through local companies • €662m in 2022 contribution to public resources through payment of corporate and gaming taxes 	 
G	Corporate Governance & Compliance	<ul style="list-style-type: none"> • 10,195 employees trained in compliance matters in 2022. 100% to be trained in 2023 	 

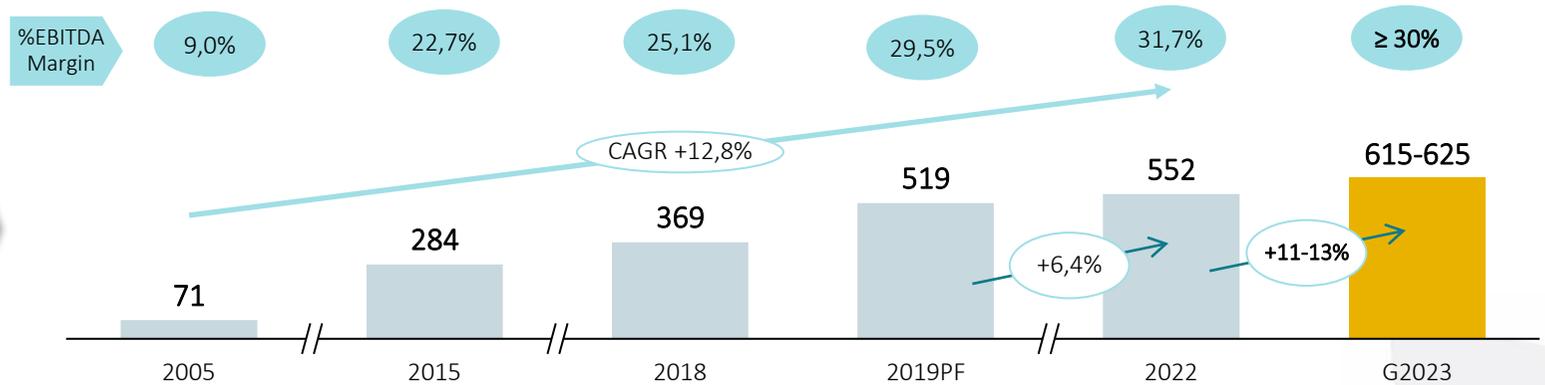
Consistent growth across all financial KPIs, with strong cash conversion ratios



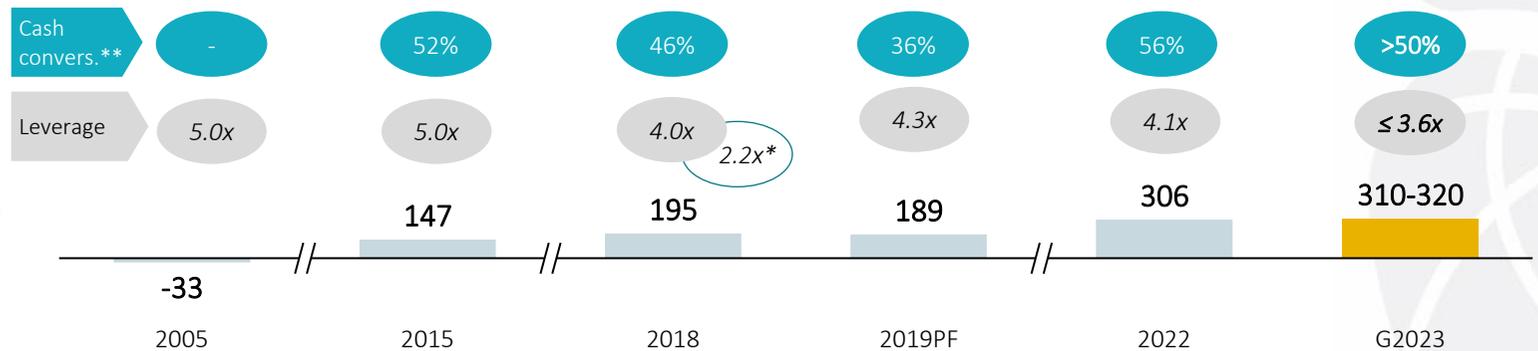
Revenues



EBITDA (€) and EBITDA Margin



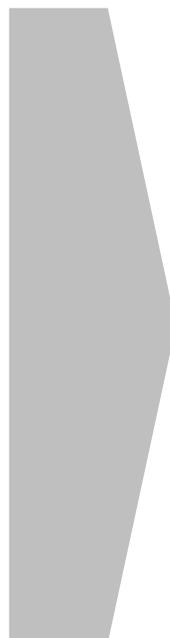
Operational Cash Flow (excl. M&A), cash conversion (%) and leverage



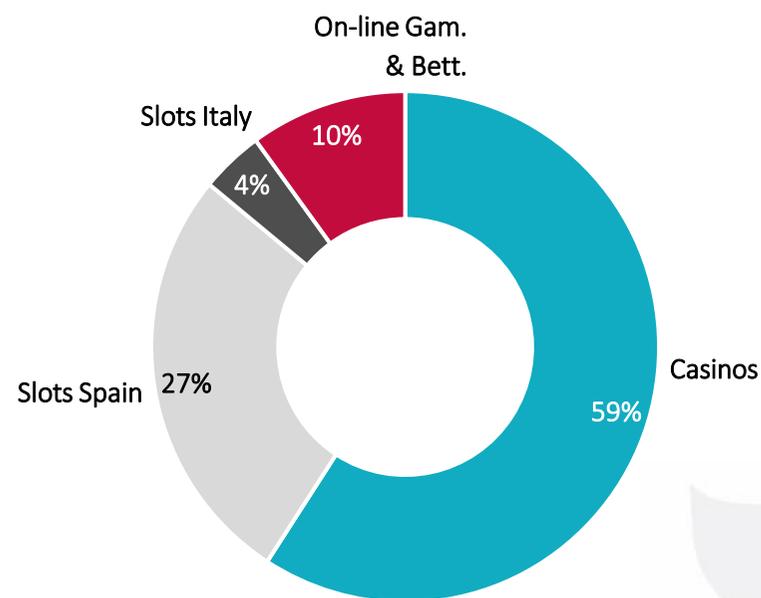
*Prior to Blackstone acquisition
** Excluding M&A

New segmentation rationale

- After many years a new segment structure was required to ...
 - **realign Business Units with Management organization** and customer base
 - ... **achieve financial KPIs consistency** among different segments in each Business Unit
 - ... **simplify** reporting structure
 - ... report **Italy Slots** as a **stand alone** Business Unit

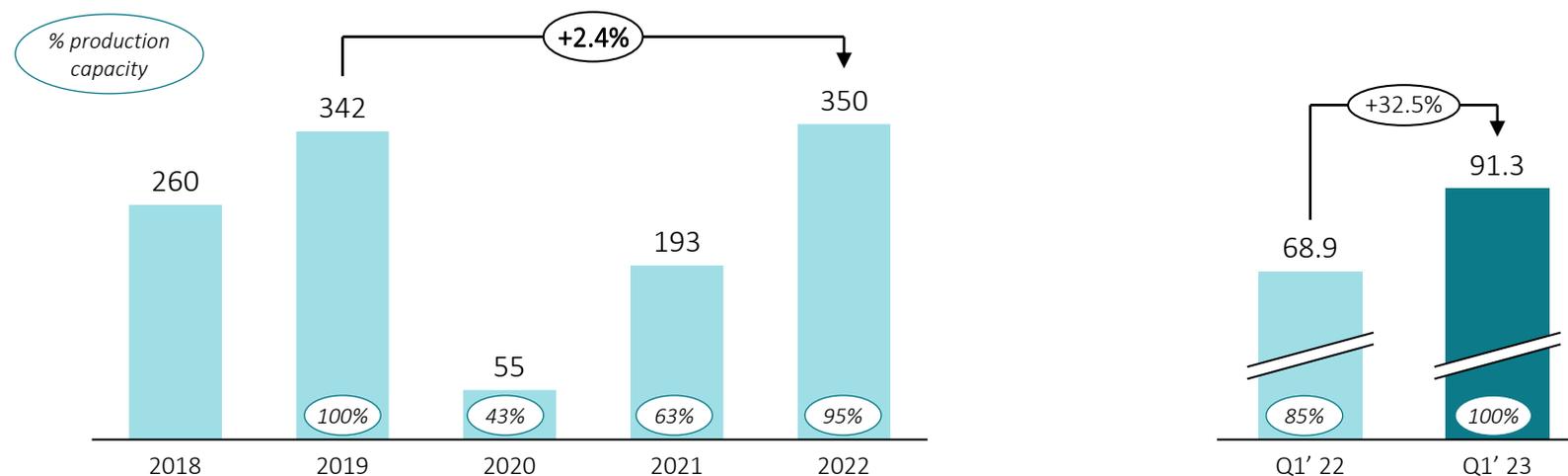


EBITDA Q1'23 by BU under new segments



New segment reporting aligned with Cirsa's business portfolio, organization and customer base

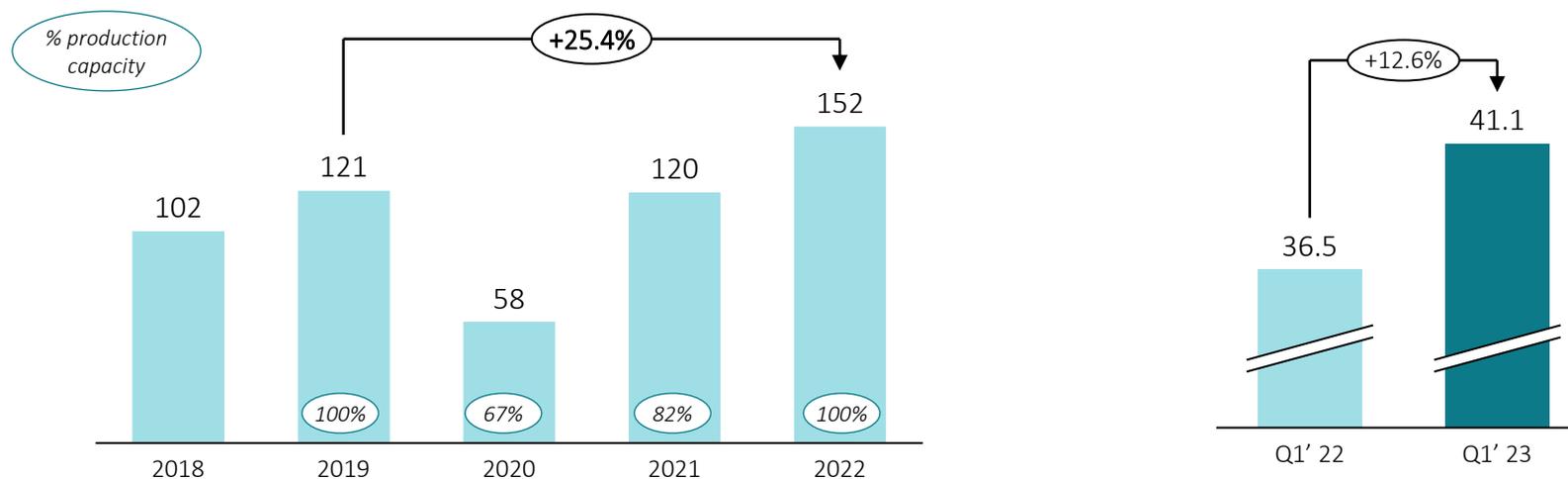
EBITDA (€m)



Key highlights

- Growth across all markets in both Revenue and EBITDA, with Spain, Colombia, Dominican Republic, Morocco and Costa Rica at double digit growth
- Improve and update our full entertainment offer concept (halls refurbishment, gaming, shows, F&B, parking facilities and responsible gaming)
 - “Gold Mine” strategy execution (Increase slots portfolio in existing halls / expand existing locations / new halls)
 - Annual slots replacement program, about 9% (2,700 slots)
 - Table games mix margin optimization
 - Use of retail best practices such as visual merchandising, periodical lay-out reviews & periodical halls update (green hall Habitat model) to maximize rev/slot and hall visits
- Execution of CRM strategies to maximize customer value driven by AI and business analytics (segmentations, predictive models, etc.)
- Implementation of ESG initiatives across all operations (responsible gaming, energy consumption, Green Halls, etc.)
- Selective bolt-on M&A across geo’s to consolidate leadership position and realize synergies: Tanger Casino in Morocco incorporated in Q2’22 & Tuxtla Casino in Mexico incorporated in Q1’23

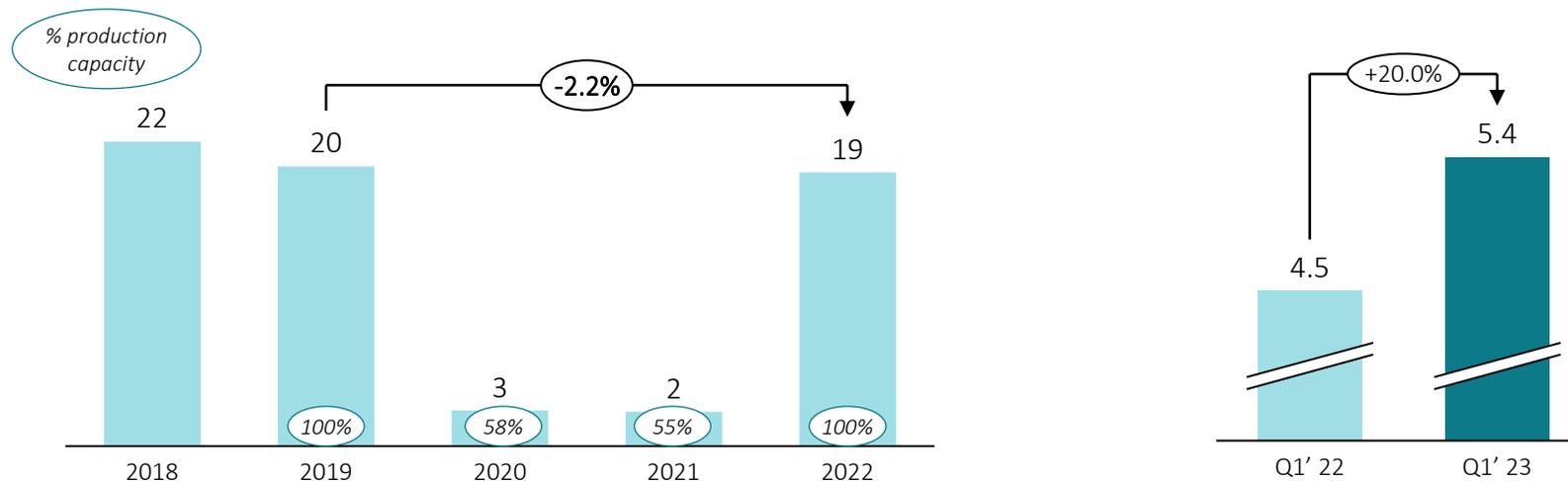
EBITDA (€m)



Key highlights

- **Revenue levels at 2019 pace:** customer base redistributed among reduced number of POS due COVID bar closures (-15% vs 2019) resulting in **better slot performance and higher profitability**
- **Best in class machines replacement program** (approx. 80% proprietary Cirsa titles), approx. 20% portfolio expected to be replaced in 2023 (1.500 slots and kits in Q1'23)
- Focus on **revenue growth** initiatives and **margin improvement through efficiency programs**
 - Focus on gaining **new quality bars and ensure renewal of A & B segment** bars at competitive commercial cost; 38% of total slots with favorable commercial terms with bars, representing >50% collection for Cirsa
 - **Smart Slot** (unique technology in the industry): **operational decisions based on AI data driven models** which allow for product replacement based on type of end customer per POS, investment optimization, cost & cash management, etc.
 - Concentration opportunities through **selective M&A in a highly fragmented market**, adding approx. 1.000 slots in 2022 and Q1'23
 - "TEO" project: implement **unified logistics and after-sales services** to partners' slots route operators to **improve efficiency and service quality**

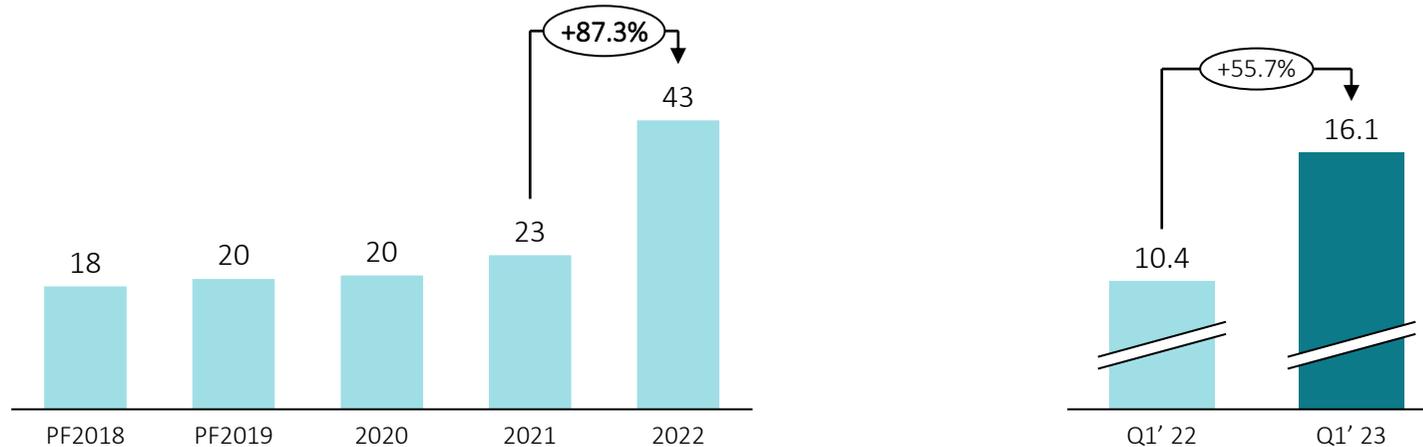
EBITDA (€m)



Key highlights

- Revenues growing vs 2022, recovering pre-COVID levels
 - AWP's closing revenue gap month on month with 2019 revenue levels and ahead of 2022 YTD
 - VLT's recovery impacted by regulatory requirements implemented in Jan'20 and ahead of 2022 YTD
- Focus on closing the gap with 2019 through:
 - Product rotation initiatives for AWP's and adding new POS
 - Gaining new POS and discontinuing intermediation contracts for VLT's
- Consolidation opportunities through selective M&A in a highly fragmented market
 - Modena Giochi acquired in Apr'23 (+3.850 AWP's, +50%), integration plan on going to deliver expected synergies

EBITDA (€m)



Key highlights

- **Profitable market share gain: double digit growth in all markets** on the back of **growing acquisition & retention KPIs**
 - Online gaming & betting segment **growing overall revenue contribution** from 10% in Q1'22 to **19% in Q1'23**
- **Omnichannel strategy** as a key differentiator from competition with focus on **increasing cross-sell between channels** and **player value** by pushing penetration of **Club Sportium** (omnichannel loyalty program)
- Marketing plan adapted to each market:
 - **Spain&Italy**: development of the tipsters/influencers acquisition channel (Italian best practice) given advertising restrictions
 - **Latam**: selective media plan in place to support omnichannel strategy
- Execution of **CRM strategies to maximize customer value** driven by **AI and data analytics** (segmentations, predictive models, etc.) transferring Sportium Spain best practices to the rest of markets
- Responsible gaming: **AI tools and processes** in place to predict, identify and **prevent pathological gambling**
- Continue **assessing M&A profitable opportunities** to gain market share across all markets
 - Acquisition of Sportitalia (ePlay24 skin) in Q2'23

- **Background: Since 2006, current management team always delivered all financial commitments (54 consecutive quarters before COVID pandemic + 3 quarters after), and deserved Blackstone acquisition in July 2018**
 - 7.8x EBITDA: €71M (2005) to €552m (2022)
 - 3.5x EBITDA margin: 9% (2005) to 32% (2022)
 - Leverage reduction: 5.0x (Dec'05) to 2.2x (Jun'18, pre-BX transaction) and 4.1x (Dec'22)
- **2022 EBITDA showcased a strong business recovery from COVID (EBITDA 2022 +6.4% V' 19PF; NFD/EBITDA 4.1x), proving Cirsa's resilient business model**
 - Proximity business strategy: local low wagers vs destination casinos / resorts
 - Unique diversification portfolio by geography and business segment
 - Online expansion leveraging omnichannel approach, retail footprint and recognized brands
 - Profitability, cash-focused and productivity-oriented organization
 - ESG at the forefront of our strategy
- **2023 Guidance**
 - Strong EBITDA Q1'23 €151m/+28% V'22 and Guidance Q2'23 €m155-157/+17-19% V'22
 - EBITDA Guidance for 2023 ranging €615-625m (+11-13% V'22), with EBITDA margin \geq 30%
 - EBITDA growth together with strong cash flow generation resulting in progressive deleverage (target of \leq 3.6x for 2023, already at 3.9x in Q1'23)

On track to deliver F2023 guidance (EBITDA +11-13% V'22) and continue delivering our financial commitments

Thank you

