



Q1-2024 results and strategy update

June 2024



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 **2023 Annual Report** dated April 27th, 2024 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.

Introduction to presenters



Joaquim Agut
Executive Chairman



Antonio Hostench
Chief Executive Officer



Antonio 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 **10 countries** and **leading positions** in the operation of **casinos & gaming halls, slot route operations and online gaming and betting, with revenues coming from 100% regulated markets**
 - **Current management team** took over Cirsa in **July 2006** and since then **always delivered its financial commitments, with EBITDA growth QoQ and YoY during 54 consecutive quarters before COVID +9 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** in our industry, by **geography and business segment**, driven by a wide **base of recurrent proximity customers**
 - **Online expansion** leveraging **omnichannel approach, retail footprint presence and recognized brands**
 - **ESG at the forefront of our strategy**
- **Cirsa resilient strategy** implementation allowed **quick COVID recovery** 2019PF figures were already improved in 2022. **EBITDA 2022 +6,4%V '19PF and leverage at 4.1x**
- **2023 EBITDA of €630m (+14% V'22)**, surpassing June'23 market guidance of €615-625m, **and EBITDA margin of 31.6%**

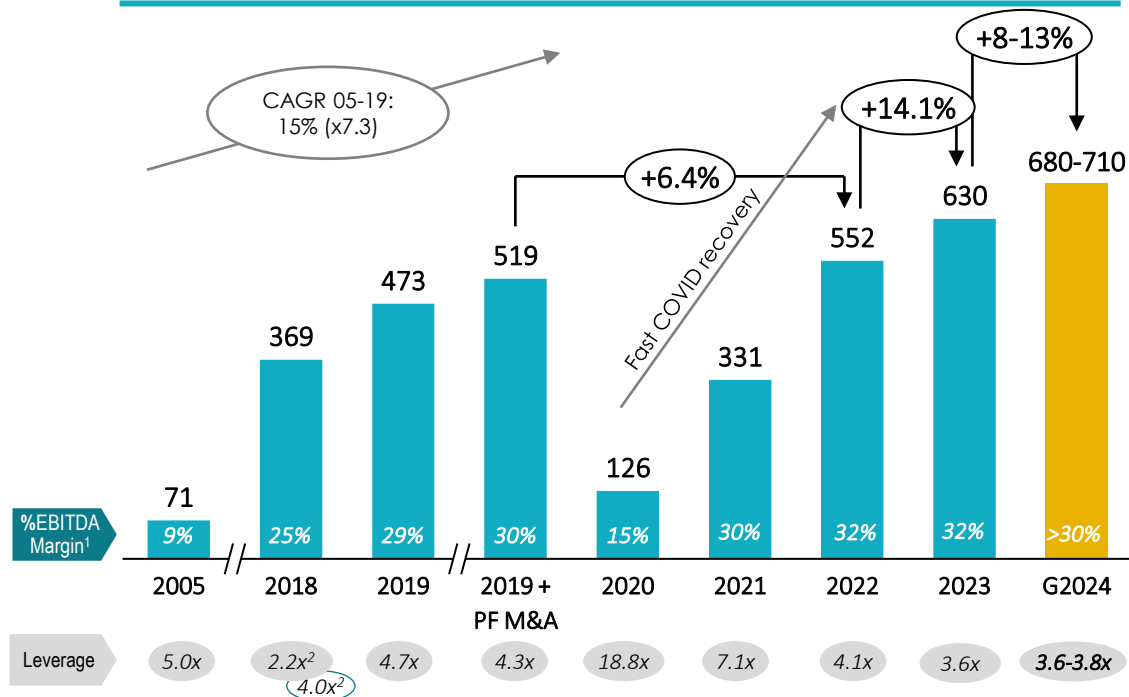
2024 Guidance

- **EBITDA Guidance for 2024 of €680-710m (+8%-13% V'23)** and **leverage target of 3.6-3.8x**
- **Strong Q1'24 EBITDA of €164m/+8,6% V'23** and **Guidance Q2'24 €168-172m/+6-9% V'23** on track to deliver 2024 guidance
- **No change** in trends of **cash generation**, operational cash flow (excluding m&a) target continues at **≈50% of EBITDA**
- Regarding the **potential IPO of Cirsa**, as of today, this continues to be an **option** and its execution and more specifically potential dates will depend on **market conditions** to ensure an optimal valuation of the company

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

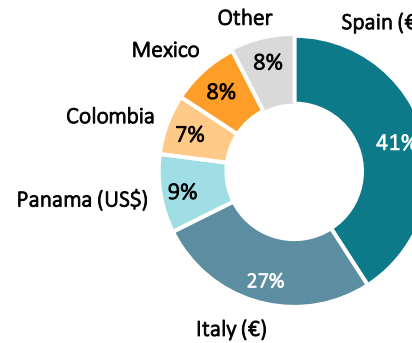


EBITDA (€m) and Leverage ratio

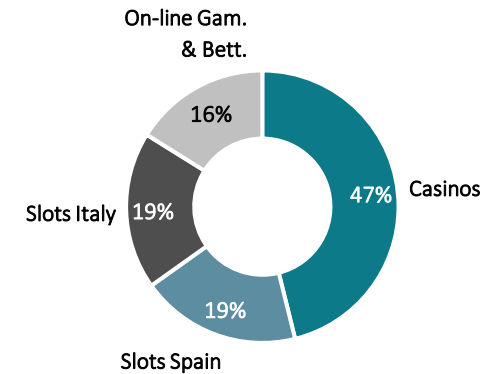


Q1'24 breakdown

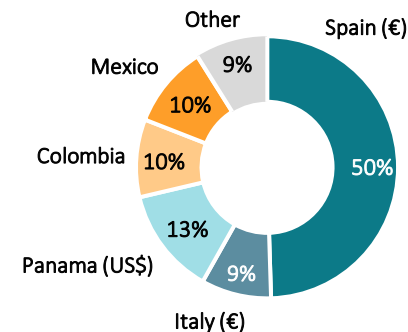
Net operating revenue by geography



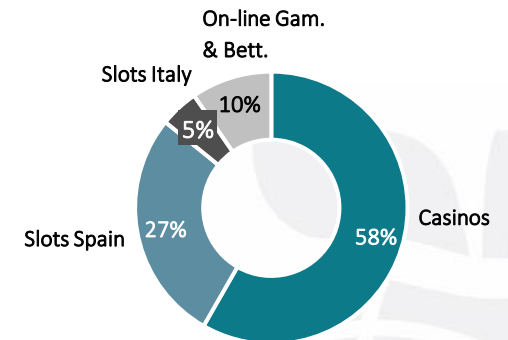
Net operating revenue by business



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
 - Resilient strategy & fast post Covid recovery (2022 +6.4% V'19)
 - Very strong 2023 EBITDA of €630m (+14% V'22), above market guidance
 - G2024 EBITDA €680-710m, +8-13%V'23 to continue delivering historical EBITDA growth and leverage reduction
 - Leverage target of 3.6-3.8x at YE'24, increased from 3.6x due to PIK bond repayment
 - Strong current trading, Q1'24 EBITDA of €164m (+8,6%V'23)

- Uniquely diversified portfolio by geography and business segment
- Significant online growth in 2023 supported by #1 Retail footprint & local brands
- Achieved EBITDA margin commitment consistently above 30%
- >70% of EBITDA in hard currencies (€/US\$)

¹ %EBITDA margin calculated as EBITDA / Net Operating Revenue (Gross revenue – variable channel cost).

Gaming taxes not deducted from revenue, allocated as cost

² Leverage 2018 prior to Blackstone acquisition at 2.2x, after acquisition 4.0x (Dec 31st)

Diversified geographical presence in 10 Countries with 441 Casinos & Gaming Halls, 82k Slots, 2.3k Betting Points and 6 online operations in regulated markets



Casinos & Gaming Halls:	441
Slot machines:	82,638
Tables:	659
Betting Points:	2,269

Spain 1

Casinos & Gaming H.: 266
 Slot machines: 40,294
 Tables: 52
 Betting Points: 2,116
 Online gaming: ✓



Colombia 1

Casinos: 77
 Slot machines: 8,008
 Betting Points: 110
 Tables: 256
 Online gaming: ✓



Peru 2

Casinos: 19
 Slot machines: 3,023
 Tables: 41
 Online gaming: ✓



Panama 1

Casinos: 34
 Slot machines: 8,214
 Betting Points: 39
 Tables: 10
 Online gaming: ✓



Italy 8

Slot machines: 13,560
 Online gaming: ✓



Costa Rica 1

Casinos: 7
 Slot machines: 842
 Tables: 25



Dominican Republic 1

Casinos: 6
 Slot machines: 868
 Tables: 67
 Betting Points: 3



Mexico 4

Casinos: 29
 Slot machines: 7,414
 Tables: 158
 Online gaming: ✓



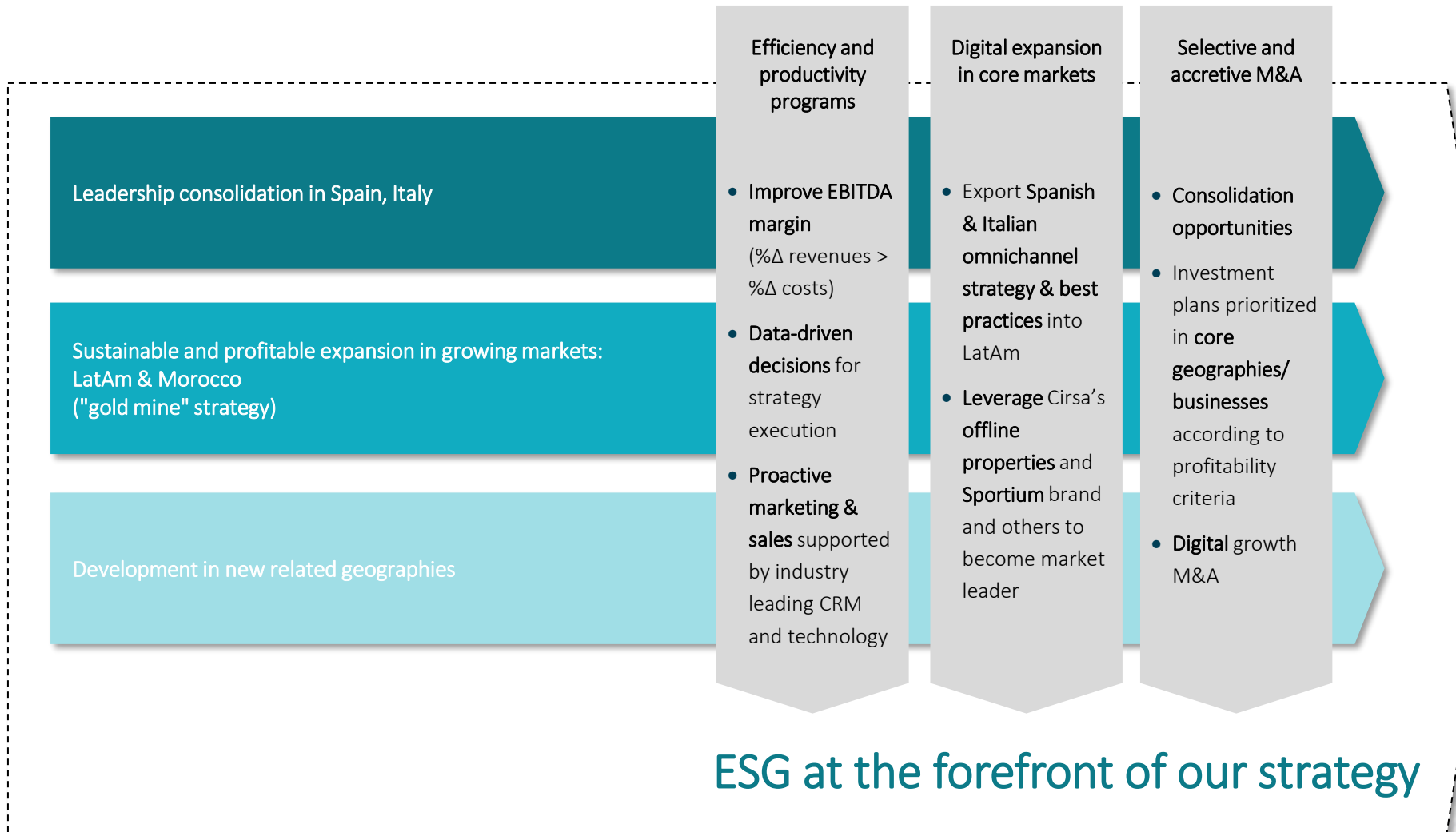
Morocco 2

Casinos: 3
 Slot machines: 403
 Tables: 50



Puerto Rico NA

Betting points: 1
 Slot machines: 12



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, supported by solid action plans to guarantee execution and contribution to SGD goals

Key ratings



Jun'24

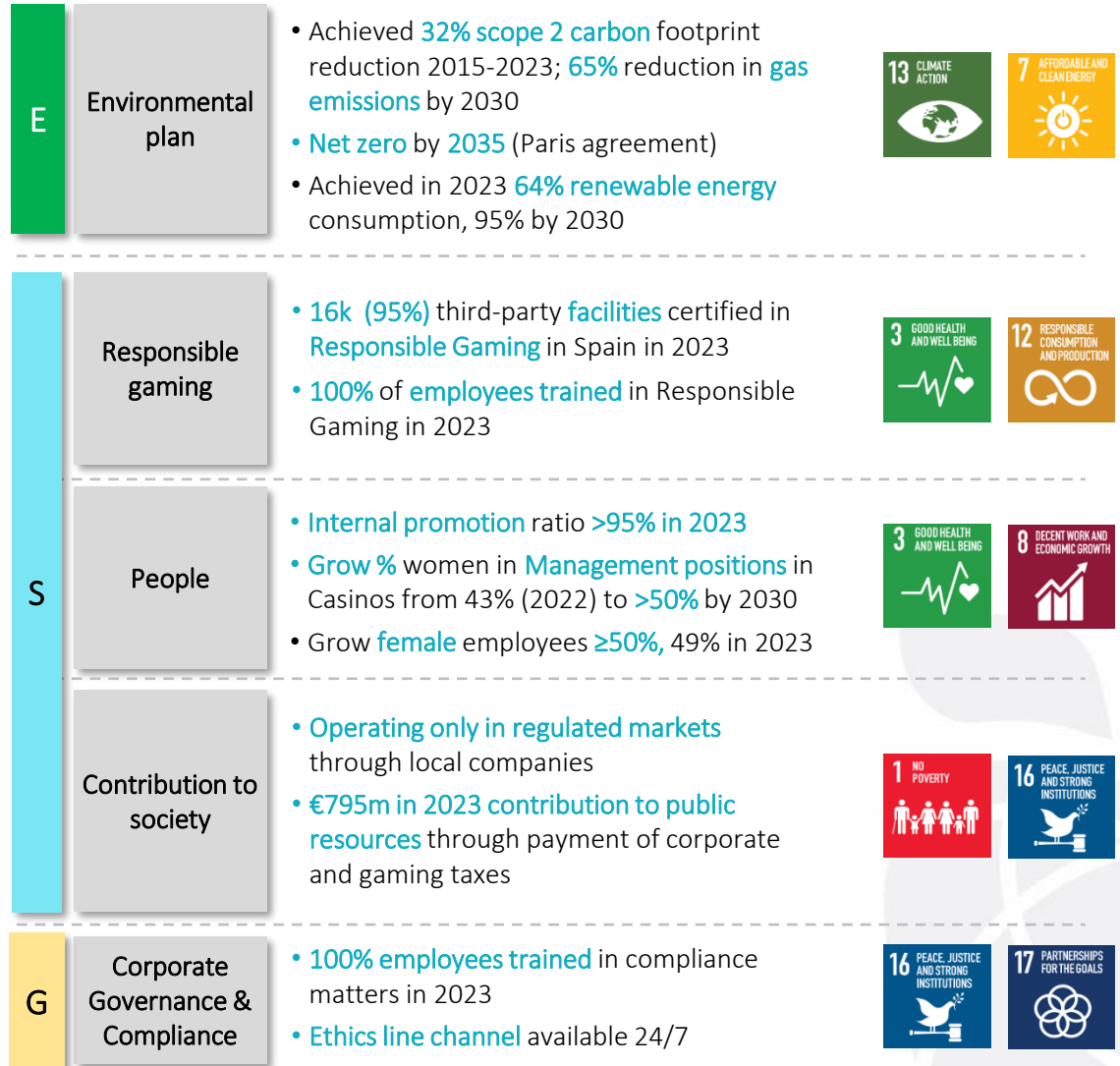
- Rating at **12.2** – low risk level, very close to negligible (<10.0)
- 3rd best score within industry peers (3/85)
- 17th best score of Consumer Services industry (17/511)

S&P Global Ratings
Sep'23

- Rating at **33**; percentile **78** (33 way above average score of peer group at 24)
- Action plans being implemented to improve rating

Key milestones up to date (non-exhaustive)

- ✓ Executive Chairman leading ESG Strategy and execution done by highly experienced **dedicated ESG team**
- ✓ ESG strategy closely monitored by **the Board of Directors**
- ✓ ESG targets as **part of variable compensation plan (20%)**
- ✓ Independent ESG certifications & Joined the **UN Global Compact**
- ✓ 2023 audited ESG Sustainability report issued in Mar'24



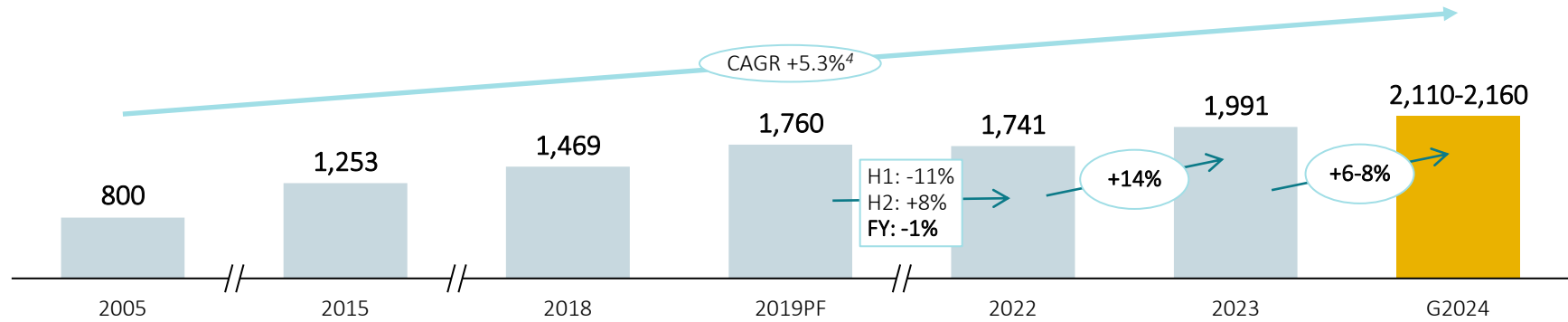


1. Transaction overview
2. Key highlights & strategy update
3. Financial & Business unit update

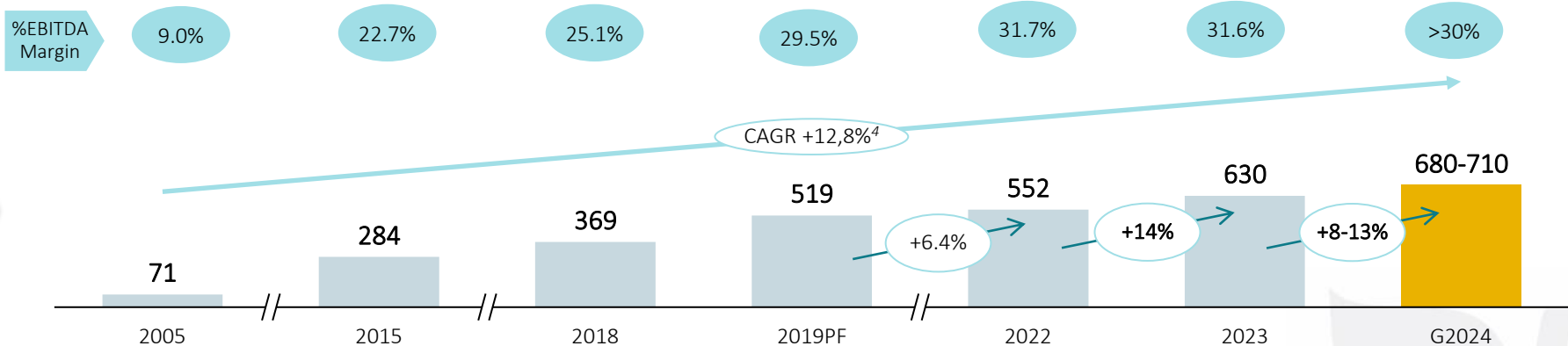
Consistent growth across all financial KPIs, with strong cash conversion ratios



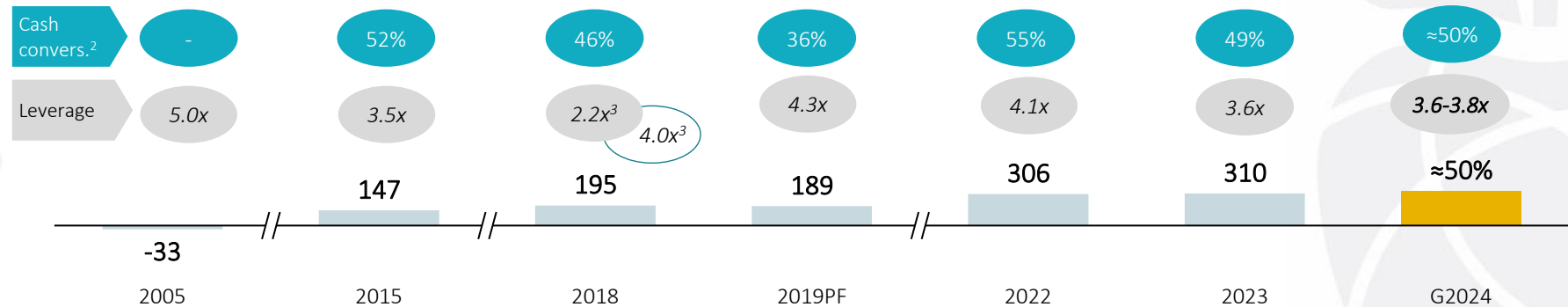
Revenues



EBITDA (€) and % EBITDA Margin ¹



FOCF excl. M&A, cash conversion (%) and leverage



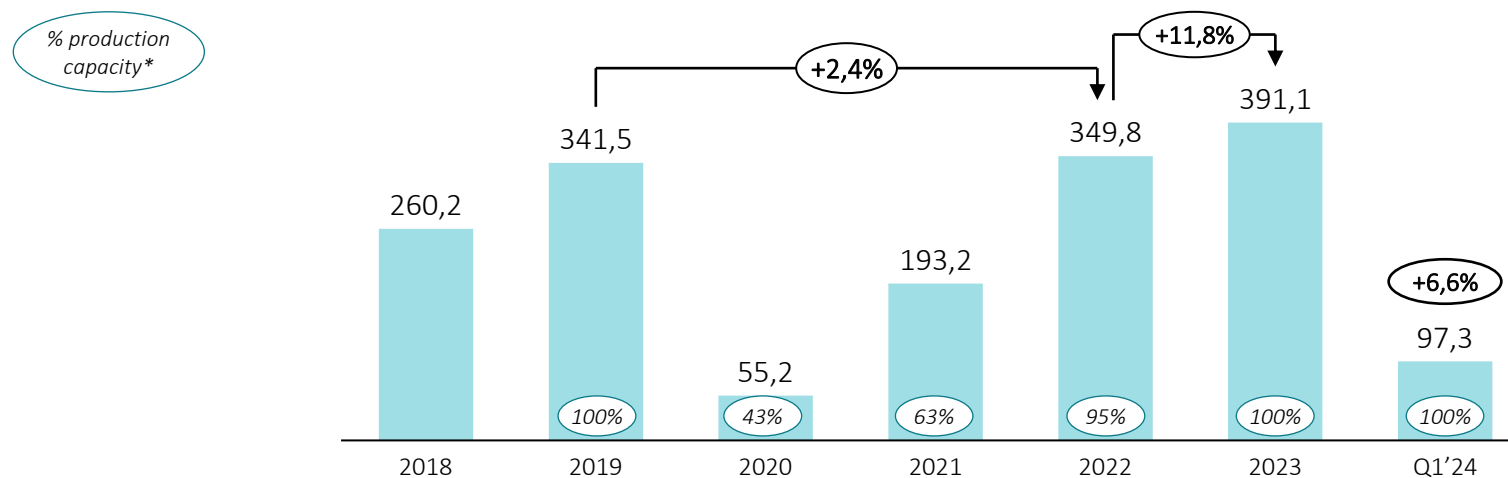
¹ %EBITDA margin calculated as EBITDA / Net Operating Revenue.

⁴ CAGR% revenues and EBITDA excluding COVID 2020 and 2021 impact, +5.9% and 14.4%

² Defined as FOCF excluding M&A / EBITDA

³ Leverage 2018 prior to Blackstone acquisition at 2.2x, after acquisition 4.0x (Dec 31st)

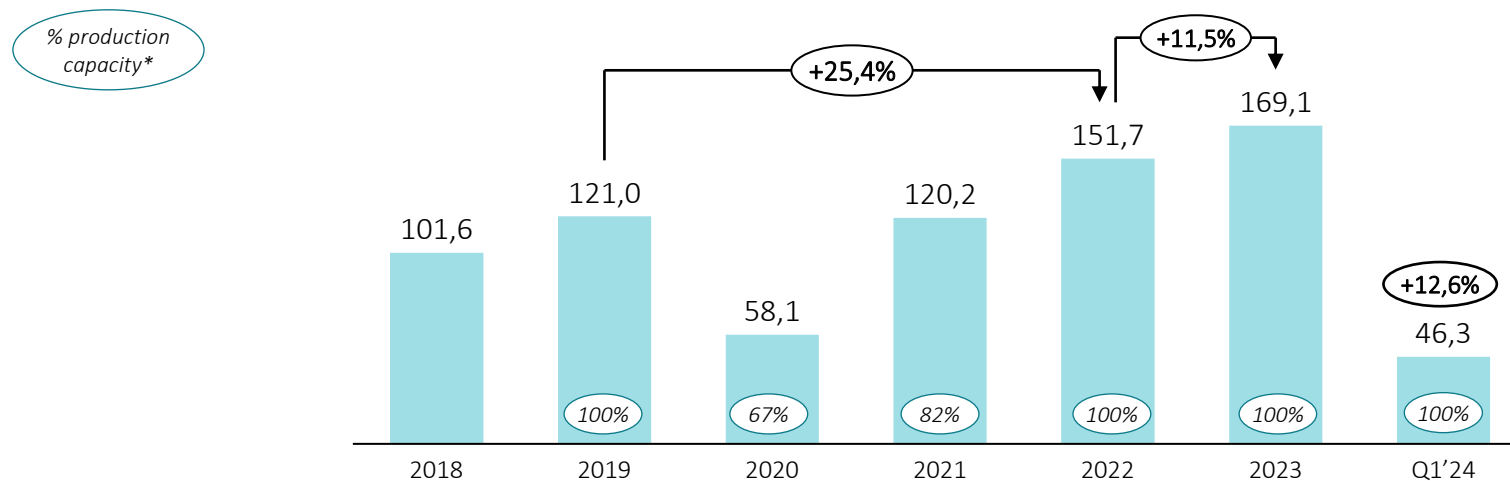
EBITDA (€m)



Key highlights

- Growth across all geo markets, in both, Revenue and EBITDA
- 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)
 - Use of retail best practices such as visual merchandising, periodical lay-out reviews & periodical halls update (Green Hall Habitat model) to maximize hall visits and rev/slot
 - Annual slots replacement program, >8% (c. 3,000 slots)
 - Table games mix margin optimization
- Execution of CRM strategies to maximize customer value driven by AI and business analytics (segmentations, predictive models, etc.)
- Highly fragmented markets across all geographies, allow selective bolt-on M&A across geographies to consolidate leadership position and realize synergies: Grupo Win (7 casinos) in Colombia incorporated in Q1'24, Chorrera Casino in Panama & Chihuahua Casino in Mexico incorporated in Q1'24 and 4 Electronic Casinos in Spain incorporated in Q4'23
- Implementation of ESG initiatives across all operations (responsible gaming, energy consumption, Green Halls, etc.)

EBITDA (€m)

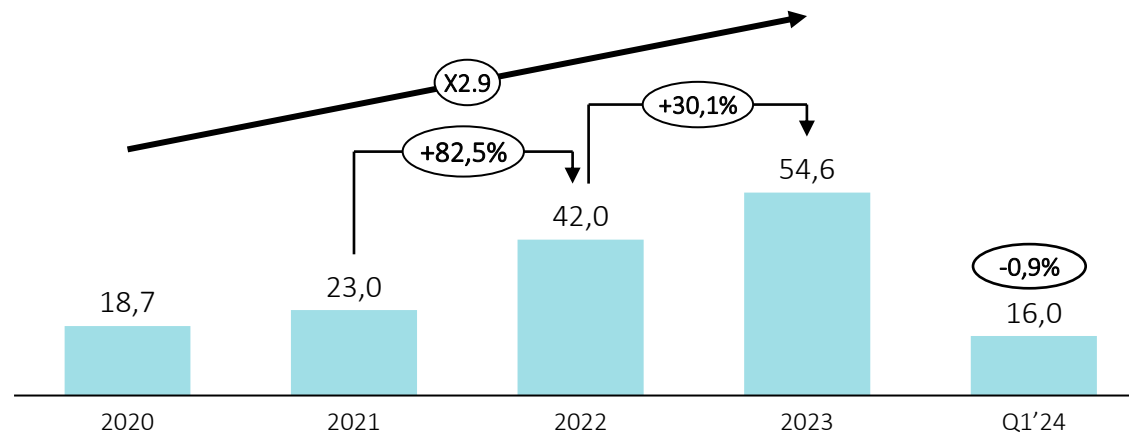


Key highlights

- **Revenue levels above 2023** : low performing bars replaced with A&B high quality bars resulting in **better slot performance and higher profitability**
- **Best in class slot machines replacement (program)** (approx. 80% proprietary Cirsa titles), 21% portfolio replaced in 2023 and >20% expected in 2024 to consolidate market leadership
- Focus on **revenue growth** initiatives and **margin improvement through productivity programs**
 - Focus on signing **new quality bars growing A & B segment in total bar channel mix and ensure its renewal** at competitive **market access investment**; 39% of total slots with favorable commercial terms with bars, representing >50% collection for Cirsa
 - Consolidation opportunities through **selective M&A in a highly fragmented market**, expected +1,000 slots between 2023 & 2024
 - **Smart Slot** (unique technology in the industry): **operational decisions based on AI data driven models** allowing product replacement optimization according to player's segments per POS, day of the week and time frame slot performance, investment optimization, operational cost & cash management improvement, etc.

EBITDA (€m)

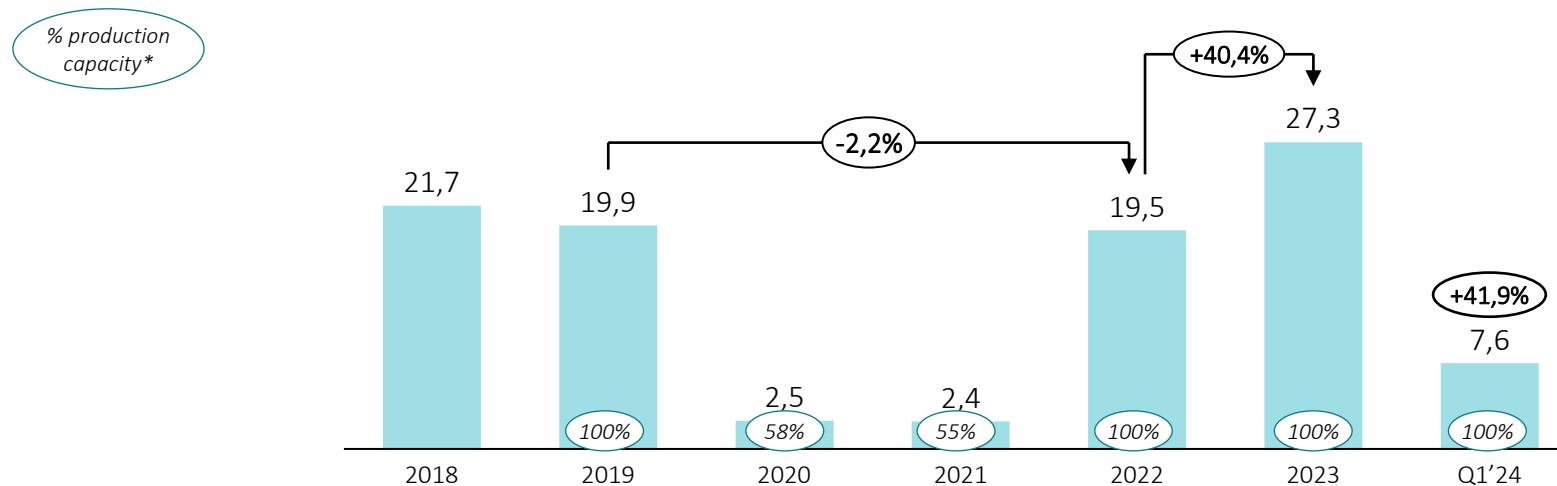
In Q4'19 Cirsa acquired to Entain, Ladbrooks at that time, its 50% of the JV Sportium, and started fully managing and consolidating Sportium in 2020



Key highlights

- **Since started in this market, aiming for profitable growth:** achieved **double digit growth** on the back of **growing acquisition & retention clients' KPIs**
 - Online gaming & betting segment **growing overall revenue contribution** from 12% in 2022 to **16% in Q1'24** and **EBITDA contribution** from 7% in 2022 to **10% in Q1'24**
- **Omnichannel strategy** key differentiator vs competition with focus on **increasing cross-selling** by pushing penetration of **Club Sportium's** loyalty program
- Marketing plan customized to each market:
 - **Spain&Italy:** development of tipsters/influencers acquisition channel (Italian best practice) given existing advertising restrictions
 - **Latam:** selective media plan supported by an **exclusive strategic partnership** (Américas Kings League) to deploy **omnichannel strategy** based on **Spain / Italy Best Practices**
- 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 rigorous processes** in place to predict, identify and **prevent pathological gambling**
- **M&A: acquired #1 operator in a Latam country**, closing pending of final regulatory approvals. Keep **assessing other opportunities**

EBITDA (€m)



Key highlights

- Double digit revenue growth in 2023 driven by M&A and organic performance
 - AWP's growth driven by Modena Giochi acquisition and solid organic performance vs 2022
 - VLTs delivering revenue growth vs 2022
- Focus on sustainable growth and margin improvement by:
 - Product improvement initiatives for AWP's and adding new POS
 - Growing new POS and discontinuing intermediation contracts for VLTs
- Consolidation opportunities through selective M&A in a highly fragmented market to benefit from higher volumes and cost synergies
 - Acquired Modena Giochi slot route operations acquired in Apr'23 (3.850 AWP's) and Toppino in Nov'23 (3 gaming halls)

- **Background:** Since 2006, current management team always delivered all financial commitments QoQ and YoY (54 consecutive quarters before COVID pandemic + 9 quarters after), and deserved Blackstone acquisition in July 2018
 - 8.9x EBITDA: €71M (2005) to €630m (2023)
 - 3.5x EBITDA margin: 9% (2005) to 32% (2023)
 - Leverage reduction: 5.0x (Dec'05) to 2.2x (Jun'18, pre-BX transaction) and 3.6x (Dec'23)
- **2022 EBITDA** showcased a **fast and strong business recovery from COVID** (2022 EBITDA of €552m, +6.4% V' 19PF; NFD/EBITDA 4.1x), proving Cirsa's **resilient business model & 2023 figures** reconfirm Cirsa's ability to return to its **historical QoQ and YoY EBITDA improvement**
- **2023 EBITDA of €630m (+14% V'22), above June'23 market guidance of €615 – 625m & leverage at 3.6x**
- **EBITDA Guidance for 2024 of €680-710m (+8%-13% V'23)** and expected stable **cash flow generation** resulting in **progressive deleveraging to 3.6-3.8x**
- **Strong Q1'24 EBITDA of €164m/+8,6% V'23** and **Guidance Q2'24 €168-172m/+6-9% V'23** on track to deliver 2024 guidance

2024 EBITDA guidance €680-710m, delivering strong growth (+8-13% V'23) and reducing leverage ratio

Thank you

