

SNAITECH



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Group overview and business positioning

Current trading and Outlook

From SNAI to SNAITECH through Cogemat merger

SNAITECH S.p.A., leading public company in the Italian regulated Gaming market

- ❑ Successful integration with Cogemat, corporate re-brand into SNAITECH
- ❑ Efficiency program targeting **+20 mln € synergies close to completion**
- ❑ **Consolidated #1 in Retail Betting** and **#2 in gaming machines**
- ❑ **Increasing market share in digital space** after launch of new full HTML5 betting and gaming platform
- ❑ All Cogemat licenses converted into SNAITECH 's in 2016
- ❑ Fully refinanced capital structure issuing **570 mln € of secured notes and new larger €85m RCF**. Savings on interest costs by **17 mln € / year**

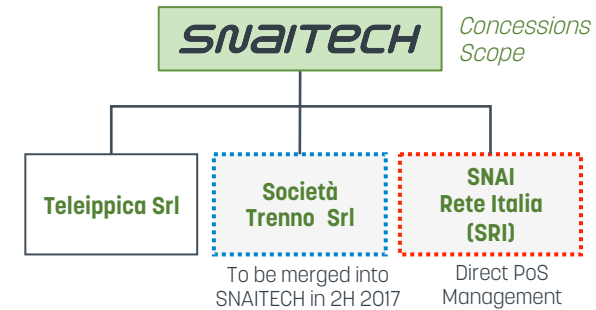


Core business: Gaming Concessions

- ❑ **Betting:** sports, horseraces and virtual bets on retail channels (1,600+ betting Point of Sales)
- ❑ **Gaming Machines:** network management (10,000+ VLTs in more than 1,300 Arcades; 59,000+ AWP in ca. 15,000 PoS)
- ❑ **Online:** betting, bingo, casino, poker and skill games offering via website and mobile apps (500,000+ accounts with 110,000+ frequent players)

Shareholders

- ❖ 55.6% Global Games (Investindustrial & Palladio)
- ❖ 15.0% OI-Games 2 (Orlando Fund)
- ❖ 29.4% free-float



Ancillary businesses

- ❑ Payment Services proprietary platform (utility bill payment, mobile top-up, phone/gift cards)
- ❑ 3 major race tracks in Italy (2 in Milan and 1 in Tuscany)
- ❑ Sat TV broadcasting and Radio channel for Horse Racing and Virtual Games
- ❑ Large landowner: 1.65+ mln sq. m. (including 3% of Milan municipality)

Extensive product portfolio

SNAITECH offers a complete set of services to its points of sale, retail and online customers



- ❖ 1,200 average pre match events per day
- ❖ Full time schedule of events (24/7)
- ❖ Live schedule (also online): up to 20.000 events/month
- ❖ In shop live streaming (including worldwide events on football and tennis)



- ❖ Wide offer of events (horses, dogs, football, tennis, speedway, racing)
- ❖ 3 different Retail Channels (all-sports, all -football, all-racing)
- ❖ Exclusive markets for football (virtual football league)
- ❖ Dedicated TV shows, presenting the virtual events
- ❖ Leading agreement with Inspired



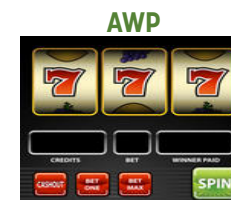
- ❖ +59k AWP in more than 15,000 PoS
- ❖ 10K+ VLT rights in 1,300 Arcades
- ❖ Strategic partnerships with top 5 providers: Novomatic, Spielo, Playtech, Aristocrat, Inspired



- ❖ Devices: web, smartphone and tablet
- ❖ Mobile streaming exclusive rights on Serie A, Liga, NBA and ATP Tour (4.500+ events/month)
- ❖ One of the most extended Casino and Skill games offering
- ❖ Innovative offer of Fantasy Sports and e-Sport



Proprietary Acceptance System:
cashdesk, self service, tablet, mobile



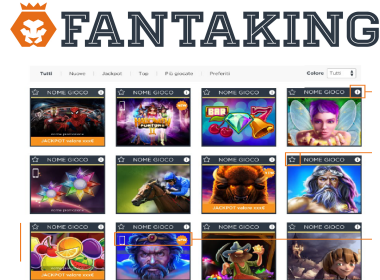
Snaitech Digital Journey

2016



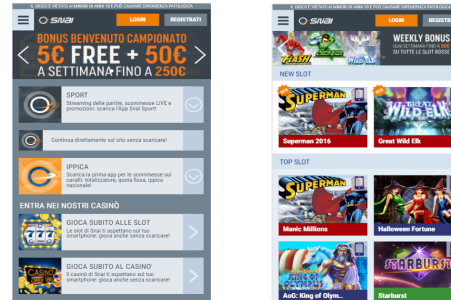
Desktop:

- Trigger technology
- New e-gaming tabs
- Launch of Fantaking



Mobile:

- New Html 5 sport
- New msite



Retail bet track & share

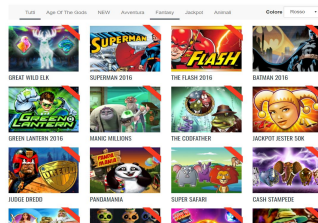
Launch of Bingo App

2017



Desktop:

- +100 new slots
- Paymat & Skrill
- Social betting: Bet Club



Mobile:

- New sport app
- Poker App
- Sette e mezzo App



Daily Spin



Instant Roulette

Online games converted into HTML5 for universal access

SNAITECH solid pillars of future sustainable growth



2016 Financials

- ✓ € 898 million revenues
- ✓ € 128,3 million EBITDA (+14 mln €)
- ✓ € 10.5 billion wagers (+3,3%), Online betting wagers +40% yoy
- ✓ Net Debt Adj. Leverage reduced under 3.3x



Network and Customers

- ✓ 1,600+ betting Points of Sales
- ✓ 10,000+ VLTs in more than 1,300 Arcades; 59,000+ AWPs in ca. 15,000 PoS
- ✓ Online: 500,000+ accounts with 110,000+ frequent players

Technology

- ✓ Ownership of online and retail Betting technology
- ✓ IT technology based in 2 proprietary datacenters
- ✓ Partnerships with leading providers (IGT, Playtech, Inspired, Novomatic, etc.)



Management

- ✓ Balanced mix between former SNAI and Cogemat cultures
- ✓ Successful M&A track record with integration of Cogemat and in Ladbrokes Italia
- ✓ +1,000 employees, 3 office premises: Milan, Roma and Lucca

SNAITECH

Real Estate

- ✓ San Siro (Milan) gallop racing track
- ✓ La Maura (Milan) trot racing track
- ✓ Montecatini trot racing track
- ✓ 1,650,000 sq.m. area, of which: 600K of racing tracks and 1,050k of training tracks

Valuable Tax asset

- ✓ Snaitech holds ca 76 mln € of deferred tax asset (DTA)
- ✓ DTA have no expiring date and may be used to shield up to 80% of annual taxes
- ✓ Potentially DTA may shield tax cash out up to 320 mln € EBT (24% tax rate)



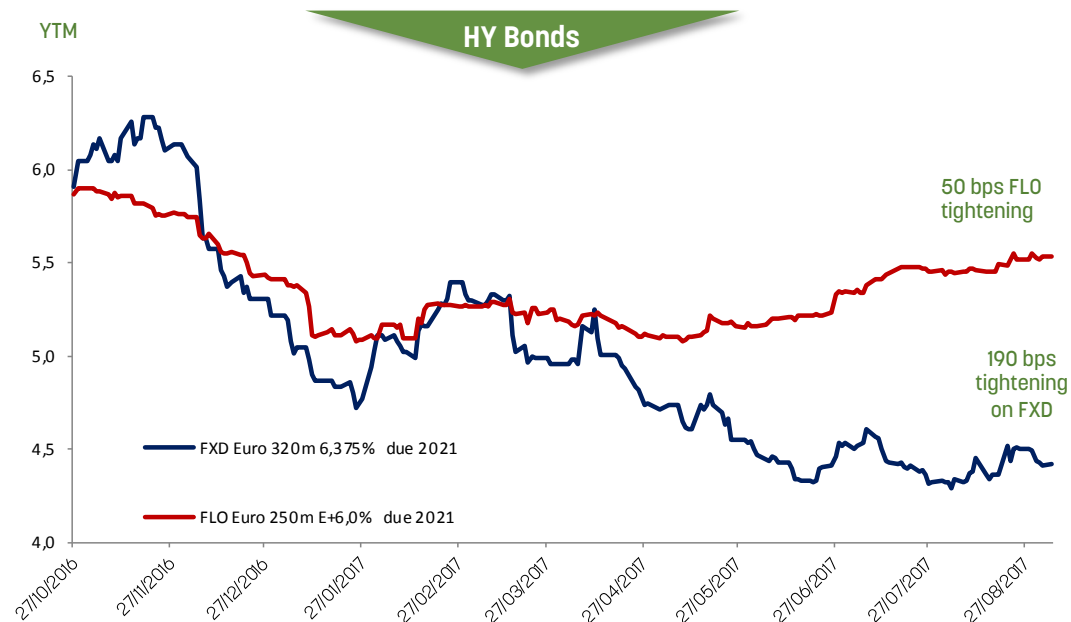
Strong Equity and Credit performance

- ❖ **SNAITECH shares:** shares price growing steadily thanks to operating results, successful Cogemat integration and refi operation
- ❖ Trading volumes increased since January 2016 from an average of 200K shares/day to ca. 400K shares/day in 2017
- ❖ **Shares performance: + 48,3% (vs FTSE MIB - 9,7%) in 2016, +80% over last 12 months**



Source: Borsa Italiana

- ❖ **Bonds:** spread gradually tightened since issuance (on both fixed and floating rate notes)
- ❖ **Increased analyst coverage:** more institutions started/resumed equity and credit coverage in 2016 (DB, Unicredit, Lucror Analytics, Barclays, Banca Aletti, Equita, Intermonte)



Source: Bloomberg

Something about the Brand

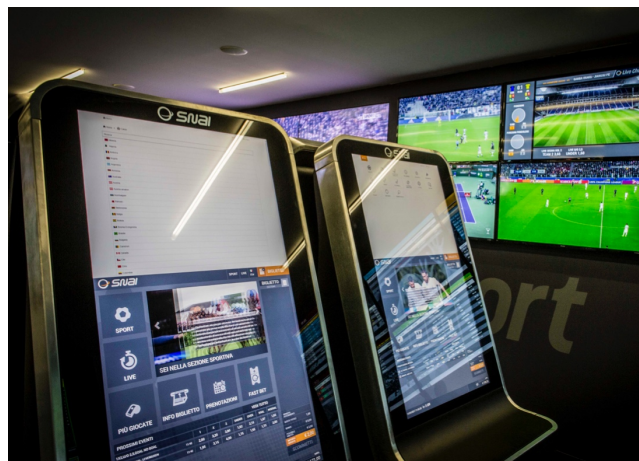
Brand-new Sport Partnerships



2 Italian Serie A Top Teams first-line Partnerships.

Full TV-coverage on the Italian Territory with other 6 Italian Football Clubs

Brand-new Point of Sales and Technology



Multiplayer Shop: fully renewed Brand Image and Retail Design Concept.

Enhanced Betting and Gaming Experience thanks to Smart Technology,

Brand-new Marketing Campaign



A fully integrated, versatile Marketing Campaign.

Consistent coverage on owned and paid media

First-Class Testimonials

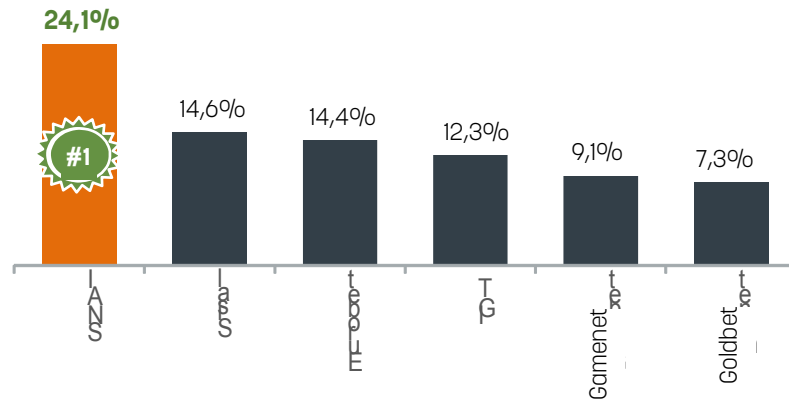
2 out of 3 Italian aged 18 to 65 years know SNAI brand as "The Betting Specialise" and "Italian, Safe, Reliable"

(Astra Research)

Snaitech holds a leading market position

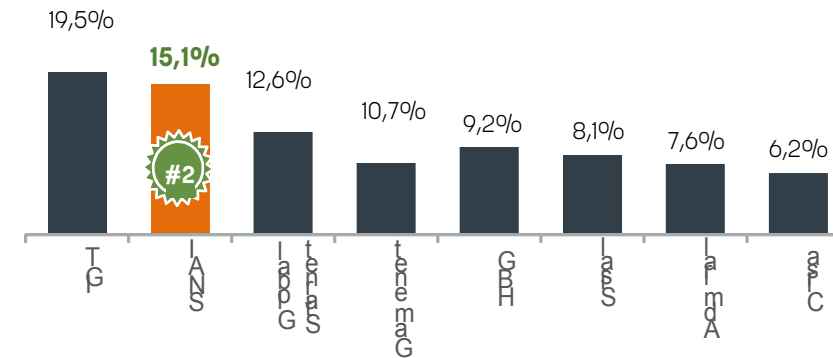
- ❖ With € 10,5 Bln wagers at the end of 2016, SNAITECH holds **13,3% Market Share** of its addressable market
- ❖ **SNAITECH ranks #1 in Retail Betting** and **#2 in the Gaming Machines**
- ❖ Based on GGR, **SNAITECH ranks #2 in Online Betting** and **#6 in Online Gaming**

Snaitech leadership in Retail Betting



Source: ADM, Company information based on ADM

Snaitech leadership in Gaming Machines



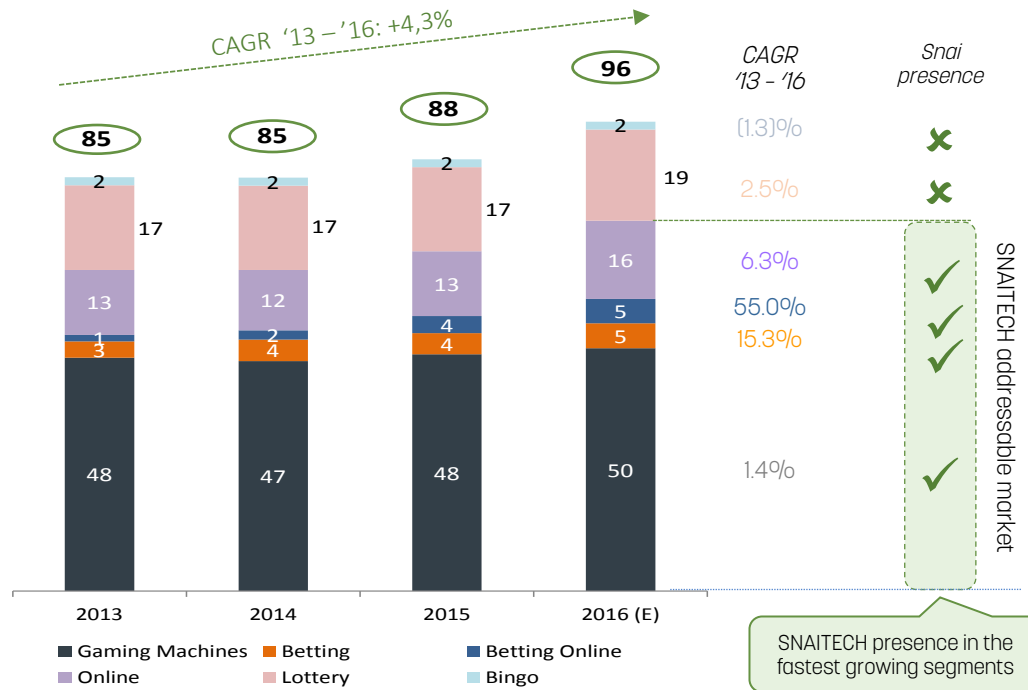
Source: ADM, Company information based on ADM

... in a constantly growing market

- ❖ Italian Market grows stably (**96 Bln € in 2016, 4,3% 2013-16 CAGR**) as the largest gaming market in Europe
- ❖ Online Betting driving the growth with 55% CAGR
- ❖ SNAITECH playing in the fastest growing segments of the gaming market

- ❖ H1 2017 addressable market showing a **5,5% growth rate** (organic, net of «grey» operators regularized during 2016)
- ❖ Online still growing double digit (+23,6%) without cannibalizing Retail Betting (+1,6%)
- ❖ Gaming machines (-1,3%) suffering regulatory news (payout reduction and limitations in opening hours)

Italian Gaming Market: 2013 - 2016 Wagers (€ bln)



SNAITECH Addressable Market: 1H 17 trends

Market wagers	June ytd			June ytd restated		
	2017	2016	delta %	2017	2016	delta %
Gaming Machines	24.382	24.709	-1,3%	24.382	24.709	-1,3%
AWP	12.601	13.291	-5,2%	12.601	13.291	-5,2%
VLT	11781	11419	3,2%	11781	11419	3,2%
Retail Betting	3.205	2.384	34,4%	2.408	2.369	1,6%
Sport	2.223	1574	41,2%	1680	1559	7,8%
Horses	253	292	-13,3%	251	292	-14,2%
Virtual	728	518	40,7%	477	518	-7,8%
Online	12.416	9.795	26,8%	12.064	9.763	23,6%
Betting	2.810	1985	41,6%	2.458	1953	25,8%
Games	9.606	7.810	23,0%	9.606	7.810	23,0%
Addressable market	40.003	36.888	8,4%	38.854	36.841	5,5%

Source: ADM, Company information based on ADM

Concessions renewal

Segment	Key products	Expiring date	Concession scheme	SNAITECH rights	SNAITECH presence
Slot machines	<ul style="list-style-type: none"> AWP 	Mar-22	Multi-providing	59,300	✓
Video Lotteries	<ul style="list-style-type: none"> Platforms/games 	Mar-22	Multi-providing	10,400	✓
Betting	<ul style="list-style-type: none"> Sport betting Horse betting Virtual race 	Jun-16	Multi-providing	1,716	✓
Online games	<ul style="list-style-type: none"> Betting Poker and skill games Casino/Slots/Quick games Lotteries and bingo 	Sep-20	Multi-providing	Single concession to operate different games	✓
Lotteries	<ul style="list-style-type: none"> Lotto NTNG ("Superenalotto") S&W ("Gratta e Vinci") 	Jun-25 Jun-18 Jun-19	Exclusive concessions	Snaitech not exposed to renewal risk of exclusive concessions	✗
Bingo	<ul style="list-style-type: none"> Bingo 	2016	Multi-providing	-	✗

Higher # of licenses being offered (15k) vs. current level (9k)
 Clouds on timing of Betting tender
 Estimated Snaitech capex: € 60m

Estimated Snaitech capex: €300-500k

Limited renewal risk for Betting rights and no other relevant expiries for Snaitech concessions until 2022

Italian Regulatory framework update

❖ PREU increase:

- The Government decree issued on 24th April increased PREU by 0.5% on VLTs and 1,5% on AWP: the estimated impact on Snaitech marginality over next 12 months is 10 mln € (7 mln in 2017)
- Law n. 96 of 21 June 2017 fully acknowledged the provisions of the Decree and provided guidance on the reduction by 30% of the AWP. In details, within December 2017, the number of AWP must be lower than 345K and, within April 30 2018, lower than 265K
- Potential impact (without wagers redistribution) on Snaitech EBITDA lower than 4 mln €

❖ "Conferenza Unificata":

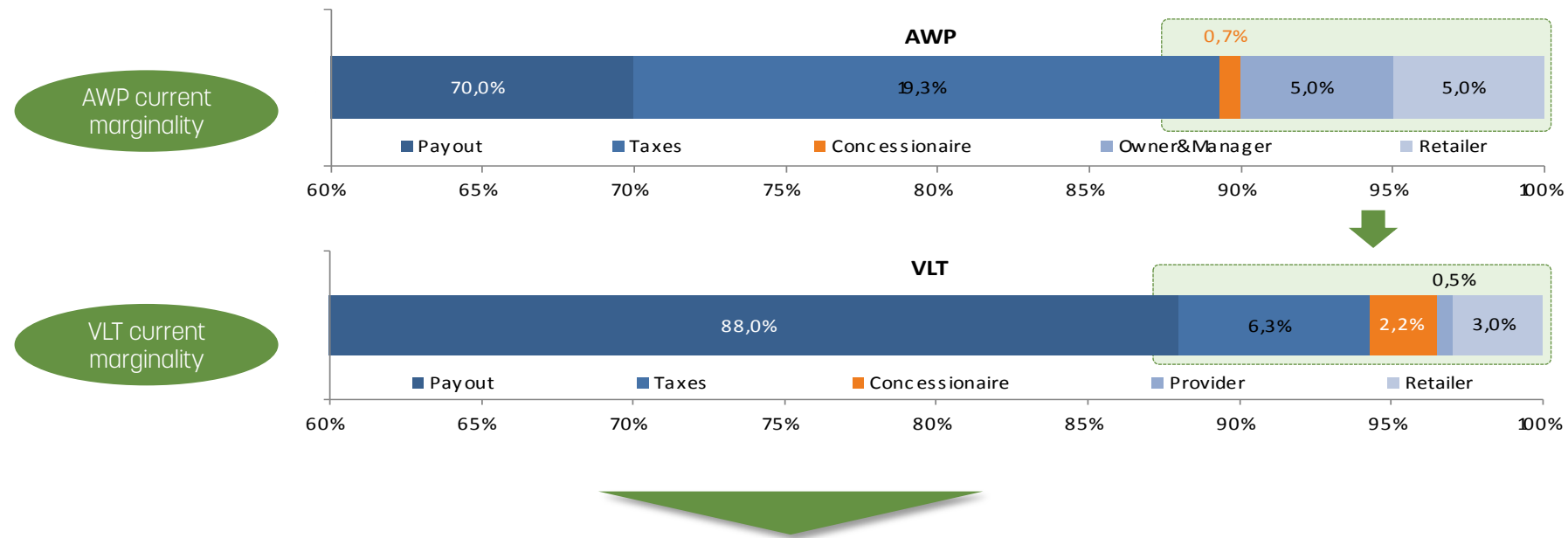
- Negotiation process still on-going between central and local authorities in order to reach an agreement on new rules for points of sales (type, opening hours, separation from core business)
- Latest government draft proposes a cap of 6 hours per day of closing time limitation, and minimum distances from sensible places to be locally defined by Regions, granting the possibility for Concessionaires to fully deploy new 15.000 betting rights coming from next tender
- The proposal also envisages the full replacement of current AWP with new remote AWP ("Mini-VLT") within 2019 and the possibility to move taxation on gaming machines from wagers to GGR
- Main risk represented by extreme decisions in setting local limits
- Possible agreement in September 2017;
- The governmental proposal should attract the consensus of local authorities
- **The Agreement would finally align central and local rules, stabilizing current scenario for Concessionaires, granting a stable and homogeneous framework for future development**

❖ Betting Tender:

- Timing of tender is mainly subordinated to the outcome of "Conferenza Unificata"
- Tender framework: number of rights (10,000 shops + 5,000 corners) much higher than current points of sales, minimum bid prices of 32K for single shop e 18K for single corner
- Snaitech is ready to the bid: thanks to its liquidity (>130 mln € as 1Q 2017) there is no need to draw the SSRCF

Mini-VLTs introduction may enhance Snaitech marginality

- Last PREU increase on Gaming Machines reduced marginality mainly on AWP owners and managers, now working at 5% margin vs 6 - 6,5% until 2015 (i.e. -25%)
- Next Remote-AWPs («Mini VLTs») introduction will make AWP business model more similar to VLT's:
 - game content centrally controlled by Concessionaires
 - no capex for game/payout change and upgrade (game content is uploaded through network)
 - Higher economy of scale expected: big players will enter this segment leveraging their capabilities in game development and hardware manufacturing (5x volumes compared to current VLT network)



Introduction of new AWP's will likely increase the profitability of concessioners to closer to VLT current level (2,2% vs 0,7%)

Group overview and business positioning

Current trading and Outlook

1H 2017: Business Trends and KPIs

Business Trends

- Total payout in 1H 17: 86,2% (delta vs. 1H 16: 2,9%, tightening from 6,1% recorded in 1Q); unfavorable Payout impacted ca. 8,5 mln € on Contribution Margin and EBITDA, compared to 1H 2016
- PREU increase impacted ca. 1,8 mln € on Contribution Margin and EBITDA, compared to 1H 2016
- Strong performance of Online wagers (+27,0%), driven by Online betting (+33,6%), exceeding Italia market growth (+23,6% organic)
- Weak performance of Gaming Machines (-5,9% on wagers), mainly due to AWP payout reduction and tighter local regulations on opening hours
- Virtual Events wagers down by 15% due to migration to new games portfolio
- +20 mln € synergy program on track: 5,7 mln € synergy accounted for in 1H 17
- Break-even on Net Income and strong cash generation (+50 mln € in 6 months) as a result of new cost structure after Refi and synergy program

Euro million

Financial KPI	H12017	H12016	delta	%	LTM
Wagers	5.222	5.356	(134)	-2,5%	10.400
Total Revenues	437,7	442,4	(4,7)	-1,1%	893,7
Contribution Margin	122,7	139,9	(17,1)	-12,3%	250,6
Operating cost	(67,0)	(72,1)	5,1	-7,1%	(134,4)
EBITDA	55,7	67,7	(12,0)	-17,8%	116,3
Adjusted EBITDA	58,5	70,5	(12,0)	-17,0%	123,0
EBT	6,4	7,8	(1,4)	-17,7%	(37,0)
Net Income	2,0	(0,4)	2,4	614,0%	(14,5)
Capex	10,9	13,1	(2,2)	-17,0%	19,6
Net Financial Position	431,5	440,1	(8,6)	-2,0%	431,5
Leverage (on LTMEBITDA)					3,71x
Leverage (on LTMAdj EBITDA)					3,51x

KPIs

- EBITDA € 55,7 mln vs € 67,7 mln in 1H 2016; EBITDA LTM €116,3 mln
- Interest costs reduced to 20,5 mln € (vs 28,5 mln in 1H 16) after refinancing
- Net income positive by 2,0 mln €
- Capex: 10,9 mln €, in line with 20 mln € capex for FY 2017
- Net Financial Position reduced to 431,5 mln € (134 mln € cash available)
- Leverage ratio down to 3.7x

Wagers and Contribution Margin breakdown

Euro million

SNAITECH	Wagers				Contribution Margin			
	H1 17	H1 16	delta	%	H1 17	H1 16	delta	%
Retail Betting	612	641	(29)	-4,6%	26,6	37,9	(11,3)	-29,7%
Sports Betting	386	375	11	2,8%	16,4	23,9	(7,6)	-31,6%
Horse Betting	98	115	(16)	-14,3%	0,9	1,6	(0,6)	-41,0%
Virtual Events	128	152	(23)	-15,4%	9,4	12,4	(3,1)	-24,6%
Gaming Machines	3.577	3.800	(223)	-5,9%	57,7	62,3	(4,6)	-7,4%
AWPs	1.825	2.017	(191)	-9,5%	21,2	21,8	(0,6)	-2,6%
VLTs	1.752	1.783	(32)	-1,8%	36,5	40,5	(4,1)	-10,0%
Online	760	599	161	27,0%	20,7	19,1	1,6	8,5%
Online Betting	207	155	52	33,6%	11,8	11,4	0,4	3,4%
Games	553	443	109	24,7%	8,9	7,7	1,2	16,0%
Total Concession	4.949	5.040	(91)	-1,8%	105,0	119,3	(14,3)	-11,9%
Betting provider	225	256	(30)	-11,9%	3,8	4,3	(0,5)	-10,8%
Paymat	47	60	(13)	-21,5%	0,4	0,5	(0,1)	-20,8%
Ippodromi	-	-	-	-	4,5	5,0	(0,5)	-10,8%
Others	-	-	-	-	9,0	10,8	(1,8)	-16,7%
Total Snaitech	5.222	5.356	(134)	-2,5%	122,7	139,9	(17,1)	-12,3%

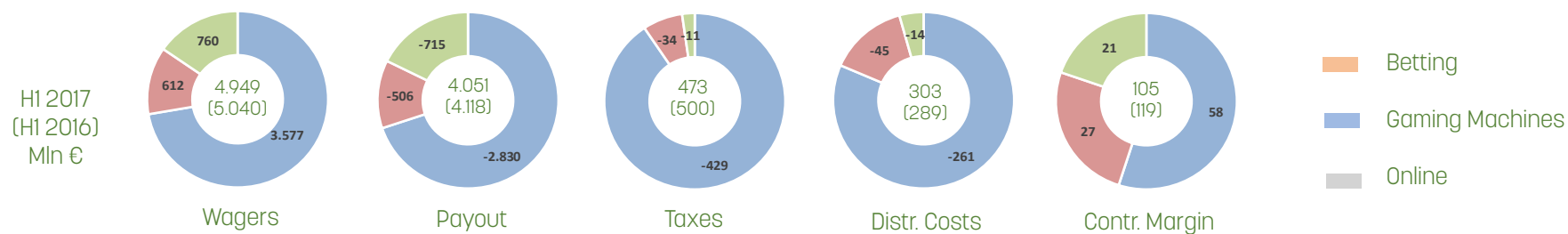
❖ **Retail Betting:** growth of wagers on Retail Sports betting (+2.8%), weak performance of Horserace and Virtual Events as well as unfavourable payout effect on marginality

❖ **Gaming Machines:** wagers decreased as consequence of AWP payout reduction and restriction on opening hours. VLT performance affected by separation imposed on ex-Cogetech and SNAI networks (network integration allowed from May 2017). Marginality affected by PREU increase.

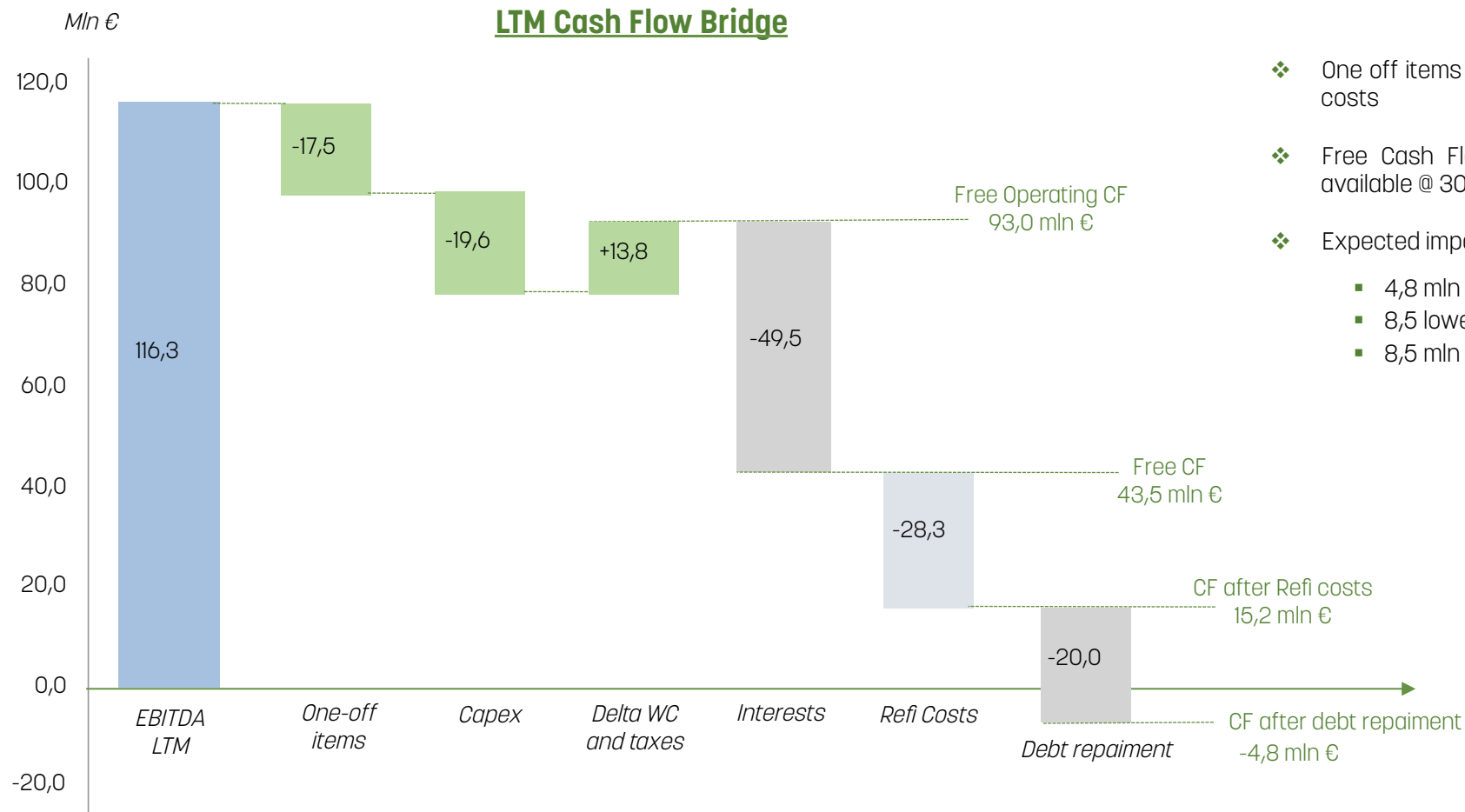
❖ **Online:** sound growth of wagers (+27.0%) due to cross-selling initiatives on retail network and wider games portfolio

❖ **Concession Contribution Margin:** reduction of 14,3 mln € mainly due the impact of Sports payout and PREU increase

❖ 473 mln € gaming taxes paid in 1H 2017

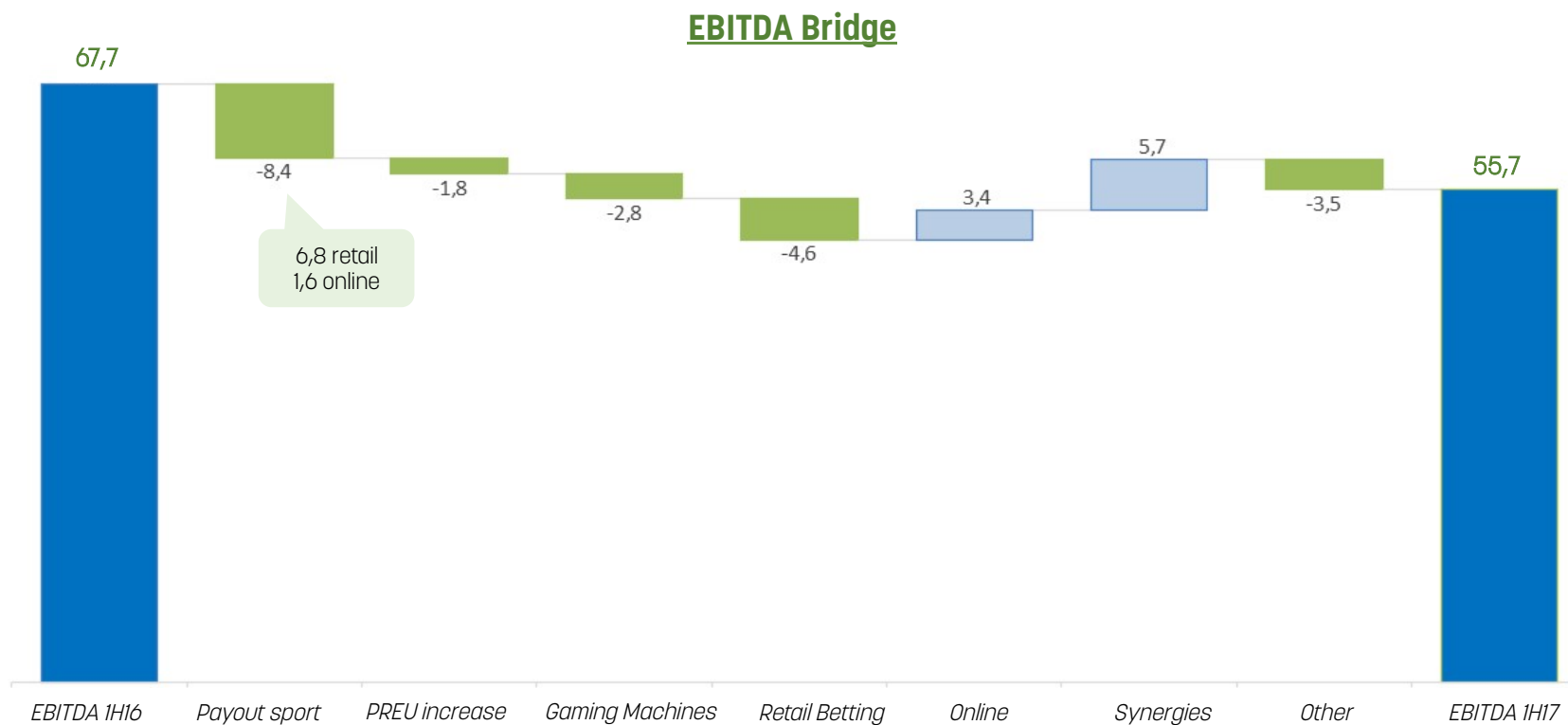


Cash Flow LTM



- ❖ One off items include SIS acquisition costs and synergy activation costs
- ❖ Free Cash Flow 43 mln € (before refi costs, 134 mln € cash available @ 30 June 2017)
- ❖ Expected impacts on Cash Flow over next 12 months:
 - 4,8 mln additional savings from synergy program (+)
 - 8,5 lower interest costs after refi (over next 6 months) (+)
 - 8,5 mln euro from PREU increase (-)

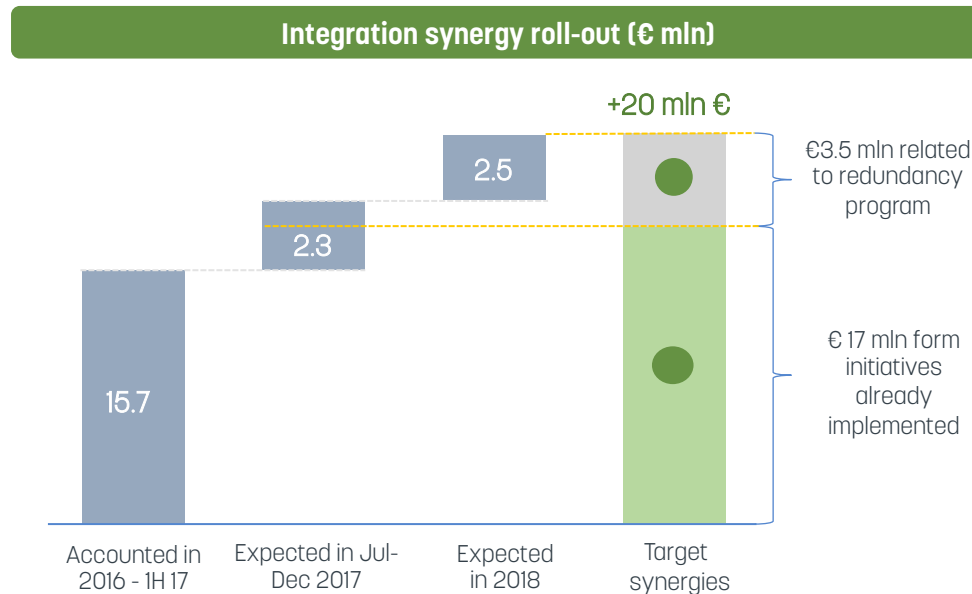
1H 2016-2017 EBITDA bridge



- ❖ Payout increase (86.2% vs. 83.3% in 1H 2016) produced a negative delta on profitability by 8.4 mln €
- ❖ Accounted synergies for 5.7 mln € in first 6 months 2017, mainly related to costs of personnel
- ❖ Cost increase mainly due to online advertising and streaming services

+20 mln synergy program fully on track

Integration process successfully on-going with most of synergies already implemented



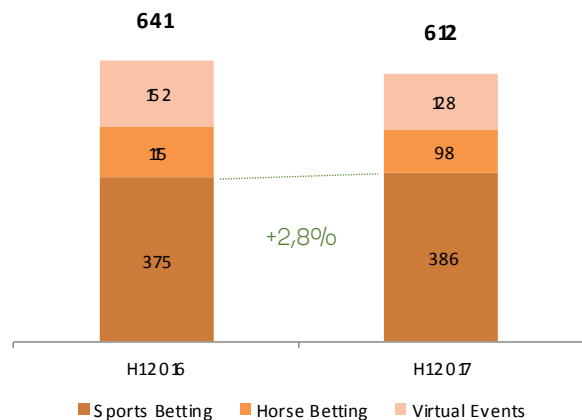
Synergy program timing of execution

- ❖ € 15,7 mln synergies (out of € +20 mln) already achieved and posted (10 mln in 2016 and 5,7 mln in 1H 2017)
- ❖ Additional € 2,3 mln expected to be posted by 2017 year end
- ❖ Further € 2.5 mln synergy expected in 1H-2018
- ❖ Total one off cost forecast: < 4 mln € to complete redundancy program

- 1 Renegotiation of main supply contracts: telecom providers, data-centre, logistics, PoS assistance and other third party provider contracts, as result of increased scale; consolidation of headquarters; simplified corporate structure, top management integration, centralization of bookmaking activities
- 2 Redundancy program started at the beginning of July 2017

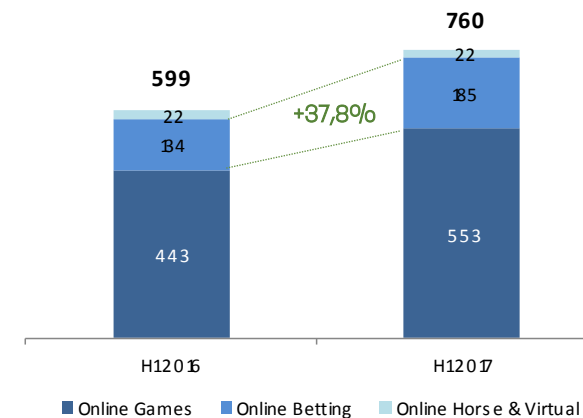
Snaitech retailers supporting online growth

Offline Wagers (€ mln)



- ❖ Retail Sports Betting growth (+2,8%) coupled with online betting (+37,8%) without cannibalisation
- ❖ Retail cross-selling strategy: activation online accounts also through retail channel

Online Wagers (€ mln)



Online KPI

NGR (€ mln)	H1 2017	H1 2016
From retail cross selling players	19	17
From online acquisition players	15	12
Total players	35	29

- ❖ More than 55% of Online NGR coming from cross-selling players in 1H 17



Snaitech leadership and capillarity in retail betting is a competitive advantage to increase online market share

New Adds (#)	H1 2017	%
Retail cross selling	8.137	21%
Organic _ Brand driven	19.003	49%
Online acquisition	12.034	31%
Total new adds	39.174	100%

- ❖ 49% of new players totally brand driven, without specific campaign



Brand awareness is a driver for the acquisition of online players

❖ Business outlook and Action Plan for 2H 2017

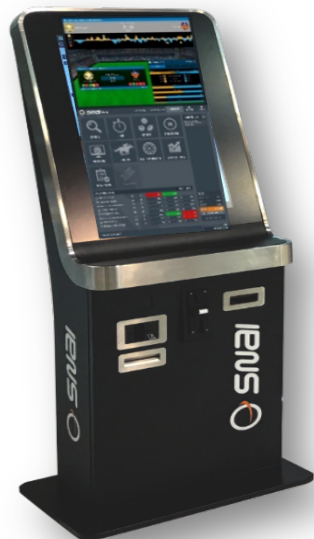
- VLT: payout reduction to offset PREU increase, network integration and optimization (following ADM authorization), roll-out of 100 VLT rights recently acquired
- Virtual Events: launch of second platform by the end of 2017
- Strategic bolt-on integrations
- Rejuvenation program (Betting PoS) up and running, 12 mln € capex over 18 months
- Betting PoS: gradual deployment of SSBTs throughout the whole betting network
- Outsourcing of directly owned shops on track (process to be completed by year-end)
- International development: B2B business model to leverage proprietary technology and know-how (mainly in betting segment)

❖ Business Plan Targets:

- Next AWP cut may affect - without wagers redistribution - both wagers growth (CAGR from 4% to 3%) and target leverage (from 2,3x to 2,4x)
- Double digit growth expected in the Online business
- Target of Positive net income being confirmed for FY2017

Network rejuvenation through introduction of new technology

- ❖ € 12 mln ordinary capex over two years (2017 and 2018) allotted to new investments on retail betting network, matching same capex absorbed in 2016 by AWP board replacement
- ❖ Expected ordinary capex 2017 in line with 2016
- ❖ **Key area of new investments: SSBTs, new software solutions and smart purchase**
- ❖ Omnichannel strategy: unique customer player journey, mobile solution for retail customers, top up and cash out in PoS via different device solutions (all proprietary software)



SSBTs : Self service betting terminals

Automation
Self service solutions

Modernity
light and customer oriented devices



Communication:
content delivery display systems, Smart TVs

Usability
friendly devices and user interfaces

The new concept at a glance

2017 – 2019 Business Plan: Drivers and Targets

Business Plan Drivers

1) Expand and maximize online channel

- Leveraging strong brand name
- Cross-selling of new online accounts through retailers
- Introduction of new sports betting and casino games

2) Strengthen leadership in the offline channel

- Introduce new PoS technology and format to increase PoS efficiency (SSBTs strategy) and product offering
- Betting Tender will offer SNAITECH the opportunity to expand its network, expected cash-out up to 60 mln € to support the expansion
- integration and rationalization of Gaming Machines
- VLT platforms roll-out into SNAI network
- Roll-out of additional VLT rights

3) Focus on efficiency and cash flow generation

- Limited maintenance capex (20 mln €)
- 20 mln € synergy program roll out and completion by 1H 2018
- Full outsourcing of SRI PoS
- Reduction of Interest costs effective from 2017
- Focus on cash flow generation



Business Plan Targets

Business Plan KPIs

- Break-even on Net Income in 2017
- 2016 - 2019 wagers CAGR ca. 4%
- Target for wagers in 2019: 12 Bln €
- Target Leverage NFP/EBITDA 2x in 2019 (2,4x after PREU increase and AWP cut)

Other Targets:

- Enforce leadership in retail betting
- Consolidate gaming machines market share
- Double digit growth in the Online business, leveraging brand and technology innovation
- Strategic bolt-on integrations, both in AWP and Online segments
- International development with B2B business model to leverage proprietary technology and know-how (mainly in betting segment)
- Deferred Tax Asset unwinding (thanks to positive net income) will reduce taxes cash-out

