



Good annual income 2021/2022 Strong growth in income driven by the sharp upturn in activity

- **Turnover: € 388.8 M** (+52,0 %)
- **EBITDA: € 75.6 M** (+483,5 %)
- **COI: € 23.1 M** (vs -46,4 M€ in 2021)
- **Net income: € 37,1 M** (vs -55,9 M€ in 2021)
- **Solid financial position (0.1x gearing and 0.7x leverage)**
- **Continuation of the investment program on the existing establishments and confidence in the prospects**

Paris, 24th January 2023, 06:00 p.m.

During its meeting held on the 24th January 2023 and after having reviewed the management report of Groupe Partouche Executive Board, the Supervisory Board examined the annual accounts at 31st October 2022, that are being audited.

Strong growth of the turnover thanks to the resumption of the activity

The 2021-2022 financial year is divided into two parts. First one, the health restrictions linked to the Covid-19 epidemic, and mainly the vaccination pass, until mid-March 2022, penalized the Group. The second, the total lifting of these allowed the Group to regain a very satisfactory dynamism.

The +81.8% increase in Gross Gaming Revenue (GGR) compared to the 2021 financial year is the direct consequence of the closure of the Group's establishments in France and abroad for just over half of 2021. And this, despite the departure from the scope of consolidation of the Ostend casino at the end of July 2021 (and correlatively of its very dynamic online gaming and related sports betting activities) and the sale of shares in the Crans-Montana casino on 31st January, 2022.

Thus, the GGR increased over the financial year to reach € 636.7 M, compared to € 350.2 M in 2021. It benefited from the growth in the GGR of slot machines (+122.6%) and the GGR of traditional games (+8.9%), the latter increasing in particular by +158.9% in France.

The Net Gaming Revenue (NGR) is generally on the rise reaching € 305.5 M.

At the same time, the turnover excluding NGR rose by € 44.9 M to € 86.1 M.

The consolidated 2022 turnover increased by +52.0% reaching € 388.8 M.

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Return to a good financial performance

The very good operational performance allows to generate an EBITDA (IFRS 16) of € 75.6 M over the period (compared to € 13.0 M in 2021). The EBITDA margin on revenue was 19.4%, an improvement of 14.3 points compared to 2021.

The current operating income (COI) became positive again reaching € 23.1 M, thanks to the reopening of all the sites over the whole financial year, and mainly the casinos division.

Purchases & External expenses are down by € 9.1 M, impacted mainly by:

- the downward trend in subcontracting expenses (-€ 48.7 M), mainly linked to the absence of expenses related to the operation of online licenses in Belgium in 2022 (-€ 53.8 M of expenses), following the cessation of activity in July 2021 (online casino and sports betting);
- in the opposite direction, there is an increase in subcontracting costs (security, cleaning) in the other establishments, given the reopening of the establishments (+€ 3.9 M);
- purchases of materials, advertising/marketing costs, upkeep and maintenance costs up respectively +€ 17.2 M (+82.9%), +€ 11.8 M (+128.4 %) and +€ 2.5 M (+33.3%) directly linked to the reopening of establishments and the increase in turnover from ancillary activities;
- the increase in fees, advertising costs and subcontracting costs relating to the deployment of online games in Switzerland (+€ 0.7 M, +€ 2.5 M and +€ 0.4 M respectively).

Taxes & duties increased from € 10.9 M in 2021 to € 17.3 M in 2022, i.e. + 58.7 % due to the resumption of the activity.

Employees expenses reached € 168.0 M, up by € 63.8 M (+61.2 %), i.e. a more normative level after two years of the business support measures put in place by the government in order to face the health crisis, in particular the use of the partial activity scheme from which the Group benefited. In addition, profit sharing paid to employees increased by +€ 4.1 M.

The change in amortization and depreciation of fixed assets, down -8.3% to € 51.5 M, reflects scope effects and the slowdown in the investment policy usually sustained in recent years, but hampered by the health crisis.

The item "Other current operating income and expenses" represents a net expense of € 6.9 M, compared to a net income of € 0.2 M over the previous financial year, additional "closure" aid amounting to € 4.9 M obtained from the government over the financial year in order to fight the consequences of the health crisis, being less than the "fixed cost aid" obtained in 2021 in the amount of € 10.0 M. In addition, expenses related to casino specifications are up (+€ 4.1 M in expenses), correlatively to the GGR. Conversely, we note a favorable trend in changes in provisions.

The non-current operating income is an income of + € 17.6 M compared to + € 0.9 M in 2021 which is explained by:

- the settlement of disputes with the ONSS (disputes with the Belgian social security regarding increases in social security contributions wrongly imposed on casinos during previous years) generating a non-recurring profit of € 3.4 M compared to € 11.8 M in N-1 on the one hand, and the compensation of € 9.5 M for the cessation of activity obtained from our former online partner in Belgium in N-1 on the other hand;
- a result on the sale of consolidated investments of € 14.1 M following the disposal of the entire 57% stake held by Groupe Partouche in the Crans-Montana casino;
- the absence of impairment of goodwill for the 2022 financial year, compared to an amount of € 18.5 M in 2021, reflecting the evolution of the health crisis.

Consequently, **the operating income reached € 40.7 M over the year** compared to a loss of € 45.5 M in 2021.

Finally, **Groupe Partouche makes a profit of € 37.1 M** (of which € 34.2 M Group's share), compared to -€ 55.9 M in 2021 after taking into consideration the following elements:

- a financial income of -€ 2.3 M (compared to -€ 3.8 M in 2021). Due to the reopening of casinos on both sides of the Franco-Swiss border and the rise in the Swiss Franc over the 2022 financial year, foreign exchange

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- gains recorded an increase of € 1.5 M compared to the previous year. In addition, the cost of financial debt is stable despite the sharp drop in the Group's gross debt due to the rise in the average annual interest rate;
- a significant decrease in tax expenses (CVAE included) (- € 1.2 M compared to - € 6.6 M in 2021).

A solid financial structure

Balance sheet assets amounted to € 798.3 M, up € 2.0 M. The main variations are as follows:

- increase in the "tangible fixed assets" item for € 56.6 M resulting in particular from IFRS 16 restatements of new real estate lease contracts linked to renewals of public service delegations (DSP);
- conversely, the drop in the "Trade & other receivables" item due, on the one hand, to the settlement of residual receivables relating to the Belgian online activity and its shutdown in July 2021 and, on the other hand, the presence at 31st October 2021 of a receivable of € 5.5 M related to the compensation to be received from the City Hall of Saint-Amand-les-Eaux following the return of the casino property to the municipality within the framework of the renewal of the DSP (debt collected in 2022);
- the decrease in the cash flow (- € 11.9 M) correlated with the repayment of the second State Guaranteed Loan in the amount of € 59.5 M, mitigated by the income from the sale by Groupe Partouche of Crans-Montana casino and the good dynamism of the activity following the lifting of all health restrictions.

On the liabilities side, the Group's equity, including minority interests, rose by € 38.6 M to € 354.0 M.

At 31st October 2022, the financial debt decreased by € 9.7 M, totalling € 277.7 M under the combined effects of the following elements:

- The reimbursement of the second State Guaranteed Loan up to € 59.5 M as well as other banks loans for €13.6M;
- The settlement of four quarterly installments of the syndicated loan for € 10.8 M;
- the setting up of new loans for € 21.6 M;
- the net impact of the restatement of rental contracts according to IFRS 16 for € 51.9 M (increasing in particular, in the subscriptions of new real estate contracts found as an increase in non-current assets, and a reduction in the payment of lease instalments practice).

Net financial debt amounted to € 46.3 M (down by € 40.7 M). **The Group's financial structure is improving and becoming extremely sound again, with leverage ratios (Net debt / EBITDA) and gearing ratios (Net debt / Equity) respectively at 0.7x (compared to 2.3x in N-2¹) and 0.1x (against 0.3x a year earlier for the latter).**

Confidence in the prospects

Continuation of the investment programme on the existing establishments

After two years of the pandemic and the pause in investments, the Group is continuing to relaunch its program started in the previous financial year in order to enrich its offer and renovate its casinos network aiming at improving its performance, thus:

- extensive work is underway at the Annemasse casino and will in particular allow the opening of the left wing, the construction of an extension at the front of the building and the creation of two outdoor rooms;
- Le Lyon Vert casino in La Tour-de-Salvagny is undertaking a major restructuring of the existing spaces and the creation of a major extension on two levels (ground floor and 1st floor);

¹ For the record, given the consequences of the health crisis on the Group's activity and the income of the previous financial year, the calculation of the leverage ratio as of 31st October 2021, like that of 30th April 2021, had not been possible due to a negative EBITDA. However, the Group's banking partners, as well as the institutional investor bearing the EuroPP, had renewed their confidence in it and had waived each of the calculations of the leverage ratio and the delivery of each of the certificates corresponding to the calculations of the leverage ratio on the dates above.

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- the Pasino at Saint-Amand-les-Eaux is undertaking major works to become one of the largest establishments in France, eventually offering a "food-court" restaurant open to all and a completely redesigned performance hall. Outside the concession and in the immediate vicinity of the casino, the hotel overlooking the new forecourt will have increased logging capacity. In addition, the creation of a room for immersive digital experiences will allow the organization of multiple permanent or ephemeral events and exhibitions;
- other sites redevelopments will be initiated in the 2023 financial year in the casinos of Vichy, Divonne, Contrexéville, Middelkerke as well as in the 3.14 hotel in Cannes.

Bolstered by the results obtained since the lifting of health restrictions and thanks to the relevance of its innovative products offering strategy, Groupe Partouche is confident about its prospects. The Group is continuing the investment program aimed at strengthening the activity of its establishments while maintaining a healthy and solid financial situation.

Upcoming events:

- **Turnover 1st quarter (Nov. 2022-Jan. 2023): Tuesday 14th March 2023 (after stock market closure)**
- **General Meeting: Wednesday 22nd March 2023**

Groupe Partouche was established in 1973 and has grown to become one of the market leaders in Europe in its business sector. Listed on the stock exchange, it operates casinos, a gaming club, hotels, restaurants, spas and golf courses. The Group operates 41 casinos and employs nearly 3,900 people. It is well known for innovating and testing the games of tomorrow, which allows it to be confident about its future, while aiming to strengthen its leading position and continue to enhance its profitability. Groupe Partouche was floated on the stock exchange in 1995, and is listed on Euronext Paris, Compartment ISIN: FR0012612646 - Reuters PARP.PA - Bloomberg : PARP:FP Reuters : PARP.PA - Bloomberg : PARP:FP

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Annex

1- Consolidated Income

(In €M) at 31 st October	2022	2021	ÉCART	Var.
Turnover	388.8	255.7	+133.1	+52.0%
Purchases & External Expenses	(122.0)	(131.1)	+9.1	(6.9%)
Taxes & Duties	(17.3)	(10.9)	(6.4)	+58.7%
Employees Expenses	(168.0)	(104.2)	(63.8)	+61.2%
Depreciation, amortisation & impairment of fixed assets	(51.5)	(56.1)	+4.7	(8.3%)
Other current income & current operating expenses	(6.9)	0.2	(7.1)	+3065.2%
Current Operating Expenses	23.1	(46.4)	+69.5	n/a
Other non-current income & operating expenses	3.5	19.4	(16.0)	-
Gain (loss) on the sale of consolidated expenses	14.1	-	-	-
Impairment of non-current assets	-	(18.5)	(18.5)	-
Non-current operating income	17.6	0.9	+16.7	-
Operating income	40.7	(45.5)	+86.2	n/a
Finañcial Income	(2.3)	(3.8)	+1.5	-
Income before tax	38.4	(49.3)	+87.7	-
Corporate Income & CVAE tax	(1.2)	(6.6)	+5.4	-
Income after tax	37.3	(55.8)	+93.1	-
Shares in earnings of equity-accounted associates	(0.1)	(0.0)	(0.1)	-
Total net income	37.1	(55.9)	+93.0	n/a
<i>o/w Group's share</i>	<i>34.2</i>	<i>(51.9)</i>	<i>+86.1</i>	<i>-</i>
EBITDA (IFRS 16)	75.6	13.0	+62.7	+483.5%
Margin EBITDA / Turnover	19.4%	5.1%		+1430 bps

2- Analysis of the current operating income by division.

For a better readability of its division performance, Groupe Partouche presents the division contribution before intra-group elimination (ELIM.).

(In €M) at 31 st October	TOTAL GROUPE		CASINOS		HOTELS		OTHER		ELIM.	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Turnover	388.8	255.7	352.4	207.8	27.9	6.8	43.4	69.8	(34.9)	(28.7)
Purchases & external expenses	(122.0)	(131.1)	(110.4)	(97.9)	(12.5)	(4.1)	(22.7)	(48.1)	23.6	19.1
Tax & Duties	(17.3)	(10.9)	(23.7)	(17.2)	(1.6)	(0.7)	(2.5)	(2.2)	10.6	9.1
Employees expenses	(168.0)	(104.2)	(139.2)	(84.7)	(11.5)	(2.9)	(16.8)	(16.5)	(0.5)	(0.1)
Amort. Depr. on fixed assets	(51.5)	(56.1)	(40.3)	(45.7)	(3.1)	(1.5)	(8.1)	(8.9)	0.0	0.0
Other current income & expenses	(6.9)	0.2	(8.9)	(0.9)	1.1	0.1	(0.2)	0.3	1.2	0.7
Current Operating Income	23.1	(46.4)	29.8	(38.5)	0.3	(2.2)	(6,9)	(5,6)	0.0	0.0

The COI became positive again and reached € 29.8 M, up +€ 68.3 M, driven by the reopening of the Group's casinos. Activity in this division is on the rise with a change in turnover of € 114.5 M (+69.6%). All the operating

expenses increased by +€ 76.2 M and notably include an increase in employees expenses (+€ 54.5 M, i.e. +64.3%) due to the end of the partial activity of most of the Group's employees which had prevailed during the closures of operations in the 2021 financial year. Conversely, amortization and depreciation of fixed assets fell by € 5.4 M, reflecting the slowdown of the renovation program for the casino network in the previous years, due to the health crisis.

The hotel sector's COI, which became positive again, benefited on the one hand from the recovery of activity linked to the end of the restrictions introduced to deal with the Covid health crisis and on the other hand from a favourable effect linked to the restructuring of certain divisions, and thus increased by +€ 2.5 M to reach €0.3M.

Finally, the COI of the "Other" sector is deteriorating; it totals -€ 6.9 M over the financial year, compared to -5.6M for the previous year. Note in particular the impact of the removal from the scope of the restaurant Le Laurent (+€ 2.0 M) and sports betting in Belgium (-€ 2.5 M).

3- Summary of net debt

(In €M) at 31 st October	2022	2021
Equity	354.0	315.4
Gross debt (*)	176.4	239.1
Cash less gaming levies	130.1	152.1
Net debt	46.3	87.0
Ratio net debt / Equity (« gearing »)	0.1x	0.3x
Ratio net debt / EBITDA (« leverage »)	0.7x (**)	N/A (***)

(*) The gross debt includes bank borrowings, bond loans and restated leases, accrued interest, miscellaneous loans and financial debts, bank loans and financial instruments.

(**) The consolidated EBITDA used to determine the "leverage" is calculated over a rolling 12-months period, according to the old IAS 17 standard (that is to say before application of IFRS 16), at namely € 63.9 M at 31/10/2022.

(***) The bond and banking partners waived the calculation of the "leverage ratio" expected at the closing date of 31st October 2021 due to a negative EBITDA over the period.

4- Glossary

The "Gross Gaming Revenue" corresponds to the sum of the various operated games, after deduction of the payment of the winnings to the players. This amount is debited of the "levies" (i.e. tax to the State, the city halls, CSG, CRDS).

The «Gross Gaming Revenue» after deduction of the levies, becomes the "Net Gaming Revenue", a component of the turnover.

Turnover excluding NGR, includes all non-gaming activities i.e. catering, hotels, shows ticketing, spas, etc.

"Current Operating Income" COI includes all the expenses and income directly related to the Group's activities to the extent that these elements are recurrent, usual in the operating cycle or that they result from specific events or decisions pertaining to the Group's activities.

The "Non-Current Operating Income" (NCOI) includes all non-current and unusual events of the operating cycle: it therefore includes the depreciation of fixed assets (Impairments), the result from the sale of consolidated investments, the result from the sale of asset, other miscellaneous non-current operating income and expenses not related to the usual operating cycle.

Consolidated EBITDA is made up of the balance of income and expenses of the current operating income, excluding depreciation (allocations and reversals) and provisions (allocations and reversals) linked to the Group's business activity included in the current operating income but excluded from Ebitda due to their non-recurring nature.