

LOTTOMATICA

Sector: Consumers

NEUTRAL

Price: Eu23.64 - Target: Eu24.70

First-Half Trend in Line with FY Outlook

Chiara Pampurini +39-02-77115.633

chiara.pampurini@intermonte.it

Andrea Randone: +39-02-77115.364

andrea.randone@intermonte.it

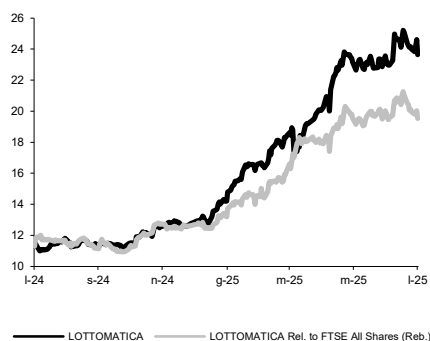
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 22.70 to 24.70		
	2025E	2026E	2027E
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event

3Q25 Results Out 4th November

LOTTOMATICA - 12M Performance



Stock Data

Reuters code:	LTMC.MI		
Bloomberg code:	LTMC IM		
Performance	1M	3M	12M
Absolute	0.3%	18.0%	109.4%
Relative	-2.6%	8.9%	88.4%
12M (H/L)	25.20/11.00		
3M Average Volume (th):	864.41		

Shareholder Data

No. of Ord shares (mn):	252
Total no. of shares (mn):	251
Mkt Cap Ord (Eu mn):	5,949
Total Mkt Cap (Eu mn):	5,949
Mkt Float - Ord (Eu mn):	5,949
Mkt Float (in %):	100.0%
Main Shareholder:	
Fidelity	10.0%

Balance Sheet Data

Book Value (Eu mn):	931
BVPS (Eu):	3.71
P/BV:	6.4
Net Financial Position (Eu mn):	-1,808
Enterprise Value (Eu mn):	7,826

2Q results were broadly in line, with 1H trends in line with FY outlook. Estimates remain unchanged, except for a small tweak to reflect the share buyback completed to date. We update our DCF with a lower ERP (back to 5.5%, as per Intermonte assumption), leading to a new TP of €24.7. We maintain our NEUTRAL view, with the stock now trading in line with peers (EV/EBITDA 2025/26E 9.2x/8.0x vs OPAP 8.9x/8.6x). A key change since our last note is Apollo's full exit, removing the overhang and making Lottomatica a fully free-float company, well positioned for FTSE MIB inclusion. In our view, the market has already priced in this development, with the recent performance also highlighting the sector's resilience to macro uncertainty. Potential upside could come from online market consolidation and M&A, while regulatory risk remains the key mid/long-term concern.

- **2Q results in line with consensus, driven by iGaming.** Lottomatica reported 2Q revenues in line with estimates at €543mn, up 10% YoY (+5% ex-PWO). Growth was mainly driven by the Online division (~60% of Group EBITDA), which rose 19% (+9% organic), supported by continued mid-teen growth in the iGaming market, while iSports was partially affected by a tough comparison base (as the Euro Cup in June 2024 boosted what is typically a seasonally weak month). For similar reasons, the Sports Franchise (~20% of group EBITDA) was flat organically. Conversely, the Gaming Franchise (~20%) delivered a positive surprise, rising 3% YoY, with bolt-on contributions offsetting a 5% decline in GGR. Group EBITDA came in 2% above our / consensus estimates, up 20% YoY (17% organic), with all divisions contributing positively. Net debt as at 30 June was €1.8bn, flat QoQ, including one-offs from May's bond refinancing (€38mn) and the launch of the buyback programme.
- **FY25 guidance confirmed.** Management confirmed the FY25 outlook at normalized payout. The guidance points to sales at €2.32-2.37bn (+17% at mid-point) and adj. EBITDA at €840-870mn (+21%), with our and cons. estimates in line with midpoint.
- **Conf. call highlights: online market consolidation; PWO; M&A.** New online concessions will begin on 12-Nov, with 7–10% of market share potentially up for redistribution. Lottomatica stated it has secured ~2% via Totosi and non-commercial deals, which is expected to support GGR growth. The impact on profitability will depend on the structure of the deals and the migration process, with benefits unlikely to materialise before 2H26. Another key point is PWO, migration of which was completed within the expected timeframe. The brand had a temporary -0.9pp impact on market share during the transition, though expected to be recovered, in line with historical patterns. Lastly, no major M&A updates were disclosed: they continue to monitor opportunities without haste, maintaining a disciplined approach on capital allocation. Buyback programme progressing steadily.
- **Change in estimates.** We are confirming our estimates, with a minor adjustment to reflect the share buyback executed to date (NFP now at €1.81bn in 2025). Our projections indicate revenues growing at a 9% CAGR over 2024–27, primarily driven by the Online segment (18% CAGR), which is expected to translate into profitability gains, with EBITDA growing at a 13% CAGR over the same period.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	1,632	2,005	2,307	2,443	2,587
EBITDA Adj (Eu mn)	580	707	855	945	1,027
Net Profit Adj (Eu mn)	216	254	360	441	509
EPS New Adj (Eu)	0.834	0.988	1.409	1.731	1.998
EPS Old Adj (Eu)	0.834	0.988	1.410	1.731	1.998
DPS (Eu)	0.267	0.303	0.429	0.526	0.606
EV/EBITDA Adj	6.1	6.8	9.2	8.0	7.0
EV/EBIT Adj	7.8	8.9	11.7	9.8	8.4
P/E Adj	28.3	23.9	16.8	13.7	11.8
Div. Yield	1.1%	1.3%	1.8%	2.2%	2.6%
Net Debt/EBITDA Adj	2.2	2.6	2.1	1.6	1.2

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Avenue, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 1 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	37.31%
NEUTRAL:	29.85%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of ABITARE IN, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, ELEN, ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, STAR7, TMP GROUP, UNIDATA, VALSOIA, WEBUILD

Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, CYBEROO, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVISO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMI, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVÉ, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TALEA GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA in the last 12 months

Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, CLEANBNB, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISO, EXECUS, FAE TECHNOLOGY, FIERA MILANO, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, PREATONI GROUP, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SCIUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, TPS, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having **WIIT S.p.A. shares and dividends as reference underlying.****Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for** AQUAFIL, BANCA GENERALI, BANCA IFIS, BANCO BPM, MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by A2A, AMPLIFON, AZIMUT, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINCOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD

Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBEL N, WISDOMTREE IRELAND LIMITED

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, ALKEMY, BANCA IFIS, BANCA SISTEMA, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, ELEN., EMAK, ENERGY, GREEN OLEO, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SERVIZI ITALIA, SESA, SG COMPANY, SOMEK, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT with the obligation to disseminate studies

Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.

© Copyright 2025 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website <https://www.intermonte.it/it/avvertenze-legali/mifid-ii.html>
Further information is available.