MORNINGSTAR | DBRS

Rating Report
Intralot S.A.

Morningstar DBRS
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Contents

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Credit Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Intralot S.A.	Issuer Rating	B	New Rating	Stable

Credit Ratings Drivers

Positive Credit Rating Drivers	Negative Credit Rating Drivers
1. Sustainable improvement in the Intralot Group's business profile such as a noted reduction in its contract/customer concentration risk; along with 2. Continued expansion of profitability margins and ongoing debt repayments, which support improvement in key financial metrics from current levels, including debt-to-proportionate EBITDA of less than 4 times (x) on a sustainable basis.	1. The Intralot Group's credit metrics deteriorate below the forecast assumptions, such as adjusted cash flow-to-debt trending below 10% and/or debt-to-proportionate EBITDA trending above 5x. 2. The Group takes on incremental debt and/or there are negative events affecting the Intralot Group's business risk profile such as the loss of a major customer contract or other adverse business developments.

Key Credit Rating Considerations

On 11 April 2024, DBRS Ratings GmbH (Morningstar DBRS) assigned an Issuer Rating of B to Intralot S.A. with a Stable trend. Incorporated in Greece, Intralot S.A. is the parent company of the Intralot Group (the Group). The Group's service offerings support the operations of licensed gaming and lottery organisations, through the provision of integrated gaming systems and services supported by its proprietary technology solutions and management services.

The assigned credit rating reflects the Group's credit strengths, which include (1) over 30 years of operating experience in a regulated industry benefitting from high barriers to entry; (2) a proven ability to win long-term contracts from incumbent market players and retained clients; (3) a suite of proprietary technology solutions, supported by 191 patents; and (iv) an increasing proportion of revenue and earnings in developed markets from a largely institutional client base. Conversely, the analysis also considers certain credit rating constraints, including (1) the Group's relatively small size in comparison to larger market players and the concentration risk arising from a limited number of contracts; (2) a long sales cycle indicative of the industry, requiring upfront investment to support growth; (3) potential execution risk and timing uncertainties resulting from the Group's growth strategy; and (4) foreign exchange risk exposure due to the Group's global operations without a formal hedging policy, particularly in respect to its 50.01% stake in its partnership subsidiaries in Turkey and Argentina.

The Group has recently completed a significant refinancing and financial restructuring exercise, which included a partial debt prepayment following a EUR 135 million share capital increase completed in November 2023. Subsequent to the application of these proceeds, the Group's credit metrics as at 31

December 2023 (F2023) strengthened from historical levels, with adjusted cash-flow-to-debt of 19%, debt-to-proportionate EBITDA of 4.1 times (x), and proportionate EBITDA-to-interest of 2.7x (proportionate EBITDA equals Morningstar DBRS-adjusted EBITDA net of EBITDA attributable to noncontrolling interests of non-wholly owned subsidiaries). The Stable trend reflects Morningstar DBRS' expectation that the Group's key credit metrics will remain within a range that supports the assigned rating.

The assigned credit rating also considers the material secured indebtedness of the Group's U.S. operating subsidiary group (the U.S. subgroup), which accounted for about 49% of the Group's F2023 consolidated EBITDA and around 45% of its consolidated financial debt. Morningstar DBRS assesses that the current and future debt obligations of Intralot S.A. are structurally subordinate to the debt of the U.S. subgroup because of the standalone nature of the U.S. facilities and the absence of an upstream guarantee from the U.S. subgroup to Intralot S.A. Further, it is noted that while a limited flow of dividends is permitted from the U.S. subgroup, subject to certain covenant requirements, Morningstar DBRS expects the majority of cash flow from U.S. operations to be maintained in the U.S. subgroup to service debt obligations and fund growth capex, which may place a degree of pressure on the cash flow available to service debt obligations of Intralot S.A.

Earnings Outlook

The Morningstar DBRS forecast assumes that the Group will maintain its steady track record of renewing its expiring contracts, though it provides limited benefit to new business wins due to the lead time involved in the onboarding process. The forecast also considers a number of contract renewal dates in F2024 as well as the Group's targeted focus on higher margin contracts. Morningstar DBRS expects a revenue contraction in F2024 by a low-single-digit percentage, followed by low-single-digit growth in F2025, with revenue (including rental income) trending towards EUR 390 million by F2025 (F2023: EUR 385 million). Notwithstanding, Morningstar DBRS forecasts that the Group will benefit from increased consolidated EBITDA margins, which will trend toward 33% in the forecast period (as compared with circa 31% in F2023), which will support modest year-over-year growth in consolidated EBITDA. The forecast estimates that the portion of EBITDA attributable to noncontrolling interests will increase to about 15% of consolidated EBITDA (F2023: approximately 11%) due to anticipated growth in the Turkish non-wholly owned subsidiary, while reported growth in Argentina will be limited by the unfavourable foreign exchange conversion.

Financial Outlook

Morningstar DBRS expects the Group's cash flow from operations (net of dividends paid to noncontrolling interests) to trend down due to increased distributions to noncontrolling interests of its Turkish subsidiary, offset by some positive impact from lower overall borrowing costs due to its lower debt balances following the share capital increase. Morningstar DBRS expects the Group's adjusted cash flow from operations to reduce from EUR 85 million in F2023 to annual levels of about EUR 70 million to 75 million in the forecast period. Free cash flow (after capital expenditures and working capital) is anticipated to be moderately positive, and thus the Group may potentially require the use of its available liquidity reserves to assist in servicing principal debt repayments. The Intralot Group's foreign exchange exposure may also result in potential negative cash translation impacts. Overall, for the period to F2025, Morningstar DBRS expects the Intralot Group's credit metrics to continue to support the assigned credit rating, including adjusted cash flow-to-debt greater than 15%, debt-to-proportionate EBITDA less than 4.5x, and proportionate EBITDA-to-interest of at least 2.7x.

Credit Rating Rationale

The Intralot Group is exposed to a degree of concentration risk arising from its limited number of contracts; however, its operations are moderately diversified by geography including the United States and Canada (49% of F2023 EBITDA), Europe (15%), Turkey (14%), Oceania (13%), South America (6%), and others (3%).

As a proportion of F2023 revenue, the Intralot Group estimates that approximately 35% was generated through multi-year contracts or renewable licences that extend to 2028 (excluding extension options), and 47% with consideration of extension options. Due to the Group's limited number of contracts and the maturities over the near-to-medium term, the continuation of its track record in renewing these agreements with similar terms is critical to maintaining its current levels of revenue and earnings, particularly with consideration of the lead time required for new business to become operational due to the technologically integrated nature of the Group's services with its customers' systems.

The Intralot Group has recently completed a significant refinancing and financial restructuring transaction, which resulted in the paydown and refinance of the outstanding Facility B Senior Notes issued by Intralot Capital Luxembourg SA (a subsidiary of Intralot S.A.), which were due to mature on 15 September 2024. The repayment and refinancing of these notes were executed by way of financial instruments issued by Intralot S.A., which included (1) a share capital increase of EUR 135 million completed in November 2023; (2) the Issuance of a EUR 130 million in common bonds in February 2024; and (3) a EUR 100 million syndicated loan agreement with five Greek banks, which was funded on 28 March 2024. The Group fully repaid the remaining balance of the Facility B Notes of EUR 99.6 million on 9 April 2024. This refinancing exercise extended and distributed the Group's debt maturities, as the EUR 100 million syndicated loan will mature on 30 June 2025, while the EUR 130 million in common bonds were issued with a five-year term maturing in February 2029.

In March 2024, the Group announced that it has also extended the existing debt of the U.S. subgroup by one year to 27 July 2026 with no change to the existing lending terms. As of F2023, the U.S. subgroup's debt included an amortising term loan with an outstanding balance of about EUR 194 million equivalent and an undrawn USD 50 million revolving credit facility (RCF) limit.

The share capital increase and the refinancing activities have been beneficial in terms of reducing the Group's total debt and diversifying its financing sources and associated maturities. However, there remain two significant loan maturities within the next two to three years, which will continue to pose refinancing risks, albeit to a lesser degree than prior to this most recent refinancing initiative. The Intralot Group's ability to maintain its portfolio of contracts and execute its growth strategy remains imperative to securing future financing as its respective debt maturities approach.

The Group's available liquidity as at F2023 was approximately EUR 158 million, inclusive of EUR 112 million of consolidated cash and cash equivalents, and circa EUR 46 million equivalent available under the U.S. subgroup's undrawn RCF. Morningstar DBRS notes that reported F2023 consolidated cash balances are inclusive of circa EUR 35 million equivalent held in the U.S. subgroup and about EUR 14 million equivalent held in 50.01% owned partnership subsidiaries.

The Intralot Group's consolidated results include the full contribution of its 50.01% stakes in partnership subsidiaries in Turkey and Argentina, which together represented 22% of the Group's consolidated F2023 EBITDA. Due to the materiality of these non-wholly owned subsidiaries, Morningstar DBRS calculates the Group's key credit metrics using a proportionate approach to better reflect this economic relationship. Within the key credit metrics, adjusted proportionate EBITDA is net of EBITDA attributable noncontrolling interests of non-wholly owned subsidiaries, while adjusted cash flow from operations is net of dividends paid to non-controlling interests of non-wholly owned subsidiaries.

Financial Information

Financial Information	FYE on or around 31 Dec.				
(EUR Millions, unless otherwise noted)	**2023**	**2022**	**2021**	**2020**	**2019**
Net Revenue[1]	385	414	432	360	451
Consolidated EBITDA	120	119	106	63	59
Adjusted Proportionate EBITDA[2]	107	103	82	56.5	57.3
Total Adjusted Debt	445	593	605	751	765
Debt-to-Proportionate EBITDA (x)[2]	4.1	5.8	7.4	13.3	13.4
Adjusted Cash Flow[3]-to-Debt (%)	19.1	12.1	10.0	0.5	-0.3
Proportionate EBITDA[2]-to-Interest (x)	2.7	2.7	1.8	1.2	1.1

1. Net Revenue includes income from the rental of equipment to third parties.
2. Adjusted proportionate EBITDA is net of EBITDA attributable non-controlling interests of non-wholly owned subsidiaries, and includes cash distributions received from equity investments
3. Adjusted cash flow from operations is net of dividends paid to non-controlling interests of non-wholly owned subsidiaries.

Issuer Description

Incorporated in Greece, Intralot S.A. is the parent company of the Intralot Group (the Group). Established in 1992, the Group operates in 39 regulated jurisdictions globally with a workforce of approximately 1,700 employees. The Intralot Group has about 50 active contracts in which it supports the operations of licensed gaming and lottery organisations, through the provision of integrated gaming systems and services supported by its proprietary technology solutions and management services.

The Group's services are offered through three primary business activities, which include technology and support services (79% of F2023 EBITDA), management contracts (19%), and licensed operations (2%). The Intralot Group's principal activities support three gaming categories – Lottery Games (53% of F2023 revenue), Sports Betting (21%), and Video lottery terminals (12%) – as well as general IT support and services (14%). While the Intralot Group is exposed to a degree of concentration risk arising from its limited number of contracts, its operations are moderately diversified by geography including the United States and Canada (49% of F2023 EBITDA), Europe (15%), Turkey (14%), Oceania (13%), South America (6%), and others (3%). The Group's large contribution from the U.S. and Canada follows its strategy in recent years to focus its growth on the state lottery market in this region, in which it currently has contracts with 12 states and provinces.

Business Risk Assessment

Strengths

1. *Experienced operator in a highly regulated industry*

Founded in 1992, the Intralot Group has over 30 years' experience in the highly regulated lottery and gaming technology industry. The industry benefits from high barriers to entry, as successful operators in the industry are required to make investments in their technological infrastructure to meet regional regulatory requirements, and must have strong relationships and proven track records with governments and key stakeholders. The Intralot Group has been certified under the Responsible Gaming Framework certification by the World Lottery Association (WLA) since 2015 and under the WLA Security Control Standard since 2008. The Group also holds a number of ISO certifications including an ISO 27001 certification for its Information Security Management System since 2007.

2. *Proven ability to win contracts from incumbents and retain existing clients with high renewal rates*

The Intralot Group entered the North American state-run lottery market in 2004, and since then has won 12 contracts from incumbents, demonstrating an ability to compete against larger players, such as IGT and Scientific Games, as well as an ability to manage large scale conversions for a risk-averse client base. For state-run operators, the switching of a technology contract requires considerable due diligence and regulatory approvals, evidencing that the Intralot Group is viewed as a trusted partner by these institutional customers. The Group reports an average historical contract renewal rate of 89% and an average customer relationship length of 11 years.

3. *Technological abilities supported by proprietary technology to support growth with increased digitisation of the industry*

The Intralot Group has a suite of software and hardware solutions supported by its proprietary technology platforms, protected by the Group's 191 patents. These platforms include customisable, omni-channel digital solutions that can be integrated into a client's existing system to deliver an end-user interface and centralised transaction engine. The Group also has one of the largest Video Lottery Terminal (VLT) monitoring networks in the U.S., which is an integrated system for the know-your-customer (KYC) requirements and monitoring of gaming terminals in non-regulated settings. The increased regulation of these VLTs expected in the U.S. is a potential growth opportunity in this segment. Ongoing digitisation of traditional lottery to i-gaming also provides growth opportunities for specialised technology providers, such as the Intralot Group.

Challenges

1. *Relatively small company with a limited number of contracts*

The Intralot Group is a relatively small company with F2023 consolidated revenues and EBITDA of EUR 385 million and EUR 120 million, respectively. The Group's size compared with larger players, such as IGT, limits its access to capital and economies of scale, which may impede its relative competitiveness. Further, the Intralot Group is exposed to customer concentration risk as it only has about 50 contracts.

The loss of a key contract or the renegotiation of a contract with unfavourable terms would be detrimental to the Group's financial performance. We note that the Group's contract expiries are broadly spread out, with many having extension options, which partially mitigates this risk.

2. *Long sales cycle with upfront investment required for new contracts*

The Intralot Group operates in a regulated environment and many of its clients are government bodies. As a result, the contract bidding process can be long and extensive, and potentially require upfront investment in the sales stage to demonstrate to all stakeholders that the Group has the technological ability to meet regulatory requirements prior to being allowed to participate in the tendering process. Once the mandate is awarded, there is typically a lengthy implementation period as the Intralot Group is required to integrate its IT platform to the customer’s programmes, build the end-user interface to specifications, and migrate all data to its platforms. To provide a competitive offering, the Intralot Group self-finances the upfront capex of new contracts resulting in a negative free cash flow drag in the early years of a new mandate. However, once a contract is awarded, renewals are generally cash flow accretive as they require less ongoing capex requirements, which provides the means to finance the Group's investments in its growth.

3. *Execution risk on growth and expansion strategy*

The Intralot Group's strategy includes its intentions to win new lottery contracts as well as capitalise on anticipated digitisation trends of i-lotteries and VLT monitoring, which will require additional investment. We note that the Group’s growth strategy is mainly focused on areas and markets in which the Intralot Group currently operates, which provides a degree of mitigation to this execution risk. Considering the long sales cycle in the industry as well as the execution risk on growth strategies, the Morningstar DBRS forecast considers minimal expansionary growth in the near term.

Financial Risk Assessment

Strengths

1. *Recent focus on reducing debt and bolstering margins has improved leverage*

In recent years, the Intralot Group has been executing a strategic “right-sizing” to pursue higher-margin and more stable revenue sources from developed markets. To this end, the Group sought to exit its high volume, low margin licensed operations in underperforming jurisdictions, which had been mainly in emerging markets. As a result, revenue decreased from EUR 797 million in F2018 to EUR 385 million in F2023. In this same timeframe the proportion of revenue from licensed operations decreased to 8% in F2023 (versus 66% in F2018). Due to the deliberate change in sales mix, the Group's consolidated EBITDA margins increased from a low of 13.1% in F2019 to 31.2% in F2023, which has allowed the Group to generate F2023 consolidated EBITDA of EUR 120 million (up from EUR 59 million in 2019). The Intralot Group has also made efforts to restructure and pay down debt, resulting in total debt decreasing to EUR 445 million in F2023 from EUR 817 million in 2018, and debt-to-proportional EBITDA improving to 4.1x in F2023 from 9.05x in 2018.

Weaknesses

1. *Material indebtedness of the U.S. subsidiary group*

In F2023, the U.S. subsidiary group (U.S. subgroup) accounted for about 49% of the Group's consolidated EBITDA and held about 45% of the Group's financial indebtedness at yearend. The U.S. subgroup's credit facilities include an amortising term loan with EUR 194 million equivalent outstanding as of F2023 and a USD 50 million undrawn RCF, which both have a maturity date of 27 July 2026. The U.S. credit facilities are extended under a separate standalone lending agreement, and there are not cross-guarantees between the U.S. subgroup and Intralot S.A. Due to the material indebtedness held in a strategically important subsidiary of the Group, we consider that the financial obligations of Intralot S.A. are structurally subordinate to those of the U.S. Subgroup. The U.S. lending agreement allows the payment of dividends and management fees outside of the U.S. subgroup (subject to certain conditions), though cash flows from the U.S. operations are largely expected to be maintained in the subgroup to fund growth initiatives and service the U.S. debt in the medium term.

2. *Exposure to foreign exchange risk with no formal hedging strategy*

The Group has international operations in multiple countries and is subject to foreign exchange risk as about 90% of its revenues are not generated in its reporting currency; with material exposure to the U.S. dollar (USD), Australian dollar (AUD), Argentine Peso (ARS), and Turkish Lira (TRY). The Intralot Group has a degree of natural mitigation due to its U.S. earnings and borrowings in USD, as well as its revenue and cost bases in various countries of operations. However, adverse currently fluctuations could have negative impacts on its earnings and cash positions. As seen in F2023, due to the material devaluation of the Argentine Peso, the reported results for the region contracted materially to a revenue of EUR 39 million and EBITDA of EUR 7 million (2022: EUR 64 million revenue and EUR 15 million EBITDA), despite a 195% growth in the segment's results in local currency. Based on F2023 results, the Group estimates that a -5% devaluation of the USD, TRY, AUD, and ARS against the EUR would lead to a negative impact on Consolidated earnings before tax of (EUR 0.5 million), (EUR 1.1 million), (EUR 0.5 million), and (EUR 0.1 million), respectively.

Environmental, Social, and Governance (ESG) Checklist

Intralot S.A.
ESG Checklist

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis: Y/N		Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	**N**	**N**
	Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuerÆs financial, operational, and/or reputational standing?	N	N
	Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N	N
	Resource and Energy Management	Does the scarcity of sourcing key resources hinder the production or operations of the issuer, resulting in lower productivity and therefore revenues?	N	N
	Land Impact and Biodiversity	Is there a financial risk to the issuer for failing to effectively manage land conversion, rehabilitation, land impact, or biodiversity activities?	N	N
	Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact? In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially under key IPCC climate scenarios up to a 2°C rise in temperature by 2050?	N	N
Social		**Overall:**	**Y**	**R**
	Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	Y	R
	Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	N	N
		Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?	N	N
		Human Capital and Human Rights	**N**	**N**
	Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N
	Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	N	N
	Occupational Health and Safety	Would the failure to address workplace hazards have a negative financial impact on the issuer?	N	N
	Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N
	Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N
Governance		**Overall:**	**N**	**N**
	Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N
		Are there any political risks that could affect the issuer's financial position or its reputation?	N	N
		Bribery, Corruption, and Political Risks	**N**	**N**
	Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N
	Corporate / Transaction Governance	Does the issuer's corporate structure allow for appropriate board and audit independence?	N	N
		Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	N	N
		Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N	N
		Corporate / Transaction Governance	**N**	**N**
		Consolidated ESG Criteria Output:	**Y**	**R**

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

Environmental, Social, and Governance (ESG) Considerations

Environmental

The Environmental factor does not affect the credit rating or trend assigned to the Intralot Group.

The Group has limited exposure to Environmental factors on the back of the asset-light nature of its operations. Please refer to our commentary on the Services Industry exposure to Climate Change for further details: *No Assets, No Problem? And Other Climate Change Considerations* (April 2, 2024).

Social

The following Social factor had a relevant effect on the credit analysis:

Morningstar DBRS considers the Social Impact of Products and Services as a relevant Social factor. The Intralot Group is exposed to potential regulatory risk resulting from its exposure to the gambling industry, which is subject to an increasing rate of safeguards and regulation to uphold responsible gaming practices and to protect vulnerable populations. The Group's main revenues come from the U.S. and are concentrated among a relatively few number of contracts. Each U.S. state is free to regulate and prohibit gambling practices in light of their social impact, and potential new regulations aiming at reducing or prohibiting gambling could have an impact on the Intralot Group's financial position. Morningstar DBRS considered this factor as Relevant (as opposed to Significant) due to the nature of the Intralot Group's technology services, which facilitate its customers' regulatory reporting obligations, the Group's industry certifications, including the World Lottery Association Responsible Gaming Framework Certification, and the Group's operating track record of over 30 years in the sector.

Governance

The Governance factor does not affect the credit rating or trend assigned to the Intralot Group.

The Board of Directors is represented by 10 members, three of which are independents. There is no board-level oversight of climate-related issues, as the Group CEO, who is the Chairman of the Management Committee and the Deputy Group CEO, is ultimately responsible for the Group's ESG policies and strategies.

Rating History

Obligation	Current
Issuer Rating	B

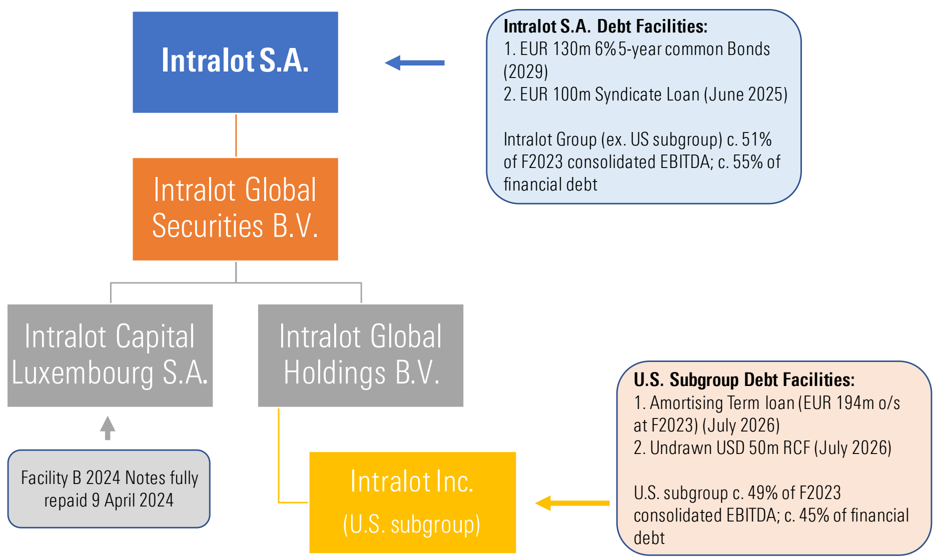
Related Research

- No Assets, No Problem? And Other Climate Change Considerations for the Services Industry (2 April 2024)
- Record Super Bowl LVIII Wager Expectations—Online Betting Companies Raising the Stakes, With Some Cashing Out (12 February 2024)
- Online Sports Betting in the U.S.: Big Bets, but Some Losses Expected (27 March 2023)

Notes:
All figures are in Euros unless otherwise noted.
For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on dbrs.morningstar.com.
Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

Appendix/Appendices

Organisational Chart



Source: Intralot SA, Morningstar DBRS.

Debt Profile and Liquidity

Debt Profile* (millions)	**Amount**	**Maturity**
Intralot S.A.:		
Syndicated Bank Loan	EUR 100	June 2025
6% 5-year common bond	EUR 130	February 2029
Intralot Inc.:		
Term Loan (balance at F2023)	USD 214	July 2026
RCF Limit (undrawn at F2023)	USD 50	July 2026
Cash and Cash Equivalents (at F2023)	EUR 112	

* Including bank facilities and long-term debt, excludes leases.

Financial Summary Tables

Intralot S.A.

Balance Sheet	FYE on or around 31 Dec.				FYE on or around 31 Dec.		
(EUR Millions)	**2023**	**2022**	**2021**		**2023**	**2022**	**2021**
Assets				**Liabilities and Shareholders Equity**			
Cash & Cash Equivalents	112	102	107	Short-Term Borrowings	0	0	0
Accounts Receivable	57	51	46	Long-Term Debt Due in 1 Year	247	18	14
Inventories	24	24	19	Long-Term Lease Liabilities Due in 1 Year	5	5	3
Other Current Assets	63	59	59	Accounts Payable	28	43	56
				Current & Deferred Tax Liabilities	4	1	6
				Other Current Liabilities	37	40	38
Total Current Assets	**256**	**236**	**231**	**Total Current Liabilities**	**321**	**106**	**116**
Fixed Assets	92	114	123	Long-Term Debt	182	559	579
Goodwill & Intangibles	182	209	204	Long-Term Lease Liabilities	11	11	9
Investments	18	16	14	Non-Current & Deferred Tax Liabilities	13	10	1
Other Non-Current Assets	41	43	35	Other Non-Current Liabilities	20	19	18
				Total Shareholders' Equity	42	-88	-115
Total Assets	**589**	**617**	**608**	**Total Liabilities & Shareholders' Equity**	**589**	**617**	**608**

Earnings Profile	FYE on or around 31 Dec.				
(EUR Millions, unless otherwise noted)	**2023**	**2022**	**2021**	**2020**	**2019**
Net Revenue[1]	385	414	432	360	451
Gross Profit	220	204	190	145	175
Gross Margin (%)	57.0	49.2	44.1	40.3	38.8
SG&A Expenses as a % of Net Revenue (%)	25.8	20.4	19.4	22.7	25.7
EBITDA	120	119	106	63	59
Adjusted EBITDA[2]	121	120	108	108	67
EBITDA Margin (%)	31.2	28.8	24.7	17.6	13.1
EBIT	52	49	35	-5	-22
EBIT Margin (%)	13.6	11.9	8.2	-1.3	-4.9
Net Income	6	6	27	-102	-116
Net Income as Reported	6	12	17	-106	-104
EBITDA Return on Assets (%)	20.1	19.6	17.1	9.2	17.4
EBIT Return on Assets (%)	8.9	8.2	5.8	-0.2	-3.0
EBITDA Return on Capital (%)	24.5	24.2	21.0	11.1	20.6
EBIT Return on Capital (%)	10.8	10.1	7.1	-0.2	-3.5

1. Net Revenue includes income from the rental of equipment to third parties.
2. Adjusted EBITDA includes cash distributions received from equity investments.

Financial Profile
(EUR Millions, unless otherwise noted)

	FYE on or around Dec. 31				
	2023	**2022**	**2021**	**2020**	**2019**
Net Income as Reported	6	12	17	-106	-104
Depreciation and Amortisation	68	70	71	69	83
Distributions From Equity Investments	1	1	1	3	10
Other Operating Items	15	-7	-23	46	51
Cash Flow from Operations	90	76	67	12	40
Capital Expenditures	-30	-27	-23	-36	-55
Common Dividends	-5	-4	-6	-8	-42
Preferred Dividends	0	0	0	0	0
Free Cash Flow (Before Changes in Working Capital)	55	45	37	-32	-57
Changes in Working Capital	-11	-17	-12	-8	-12
Free Cash Flow	44	29	25	-40	-69
Net Acquisitions and Investments	-2	-125	10	-3	98
Net Lease Principal Payments	-6	-5	-3	-7	-7
Increase in Debt	0	226	10	59	89
Decrease in Debt	-142	-254	-13	-67	-104
Share Issuances	130	129	0	0	0
Share Buybacks	-1	0	0	0	0
Other	-13	-5	-21	-12	2
Change in Cash & Cash Equivalents	10	-5	7	-71	9

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