



H1 2016 Financial Results

August 31, 2016

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OPAP reports resilient operating performance burdened by elevated GGR contribution

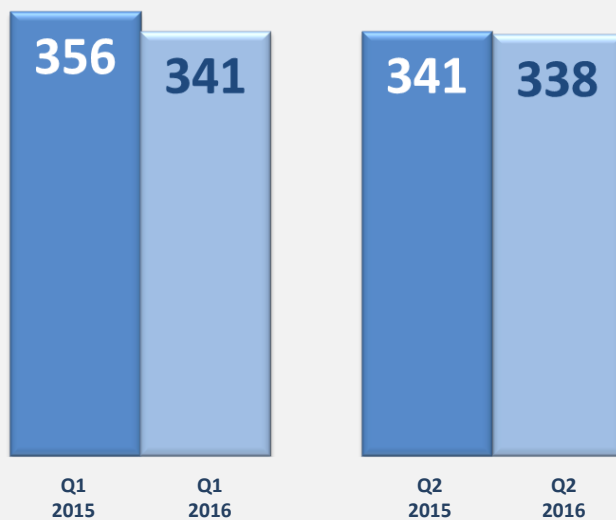
- **Revenues (GGR)** down 2.6% at €678.8m (H1 2015: €697.1m). Q2 2016 GGR remained broadly stable at €338.1m (Q2 2015: €340.8m) aided by the enduring performance of lottery games and the increased y-o-y contribution of sports betting, counterbalanced by the drop of Instant & Passives
- **EBITDA** at €161.5m (H1 2015: €186.4m) and in Q2 2016 at €68.5m (Q2 2015: €93.2m) mainly hit by the increased retroactive GGR contribution of 35% since January 1st. Excluding the increase of the GGR contribution, adjusted EBITDA in H1 2016 and Q2 2016 increased by 1.7% and 3.7% respectively y-o-y, on the back of Management's persistent cost containment efforts and one-off income of €6.5m related to legal provisions reversal
- Further improved adjusted Q2 2016 **EBITDA margin** at 28.6% (Q2 2015: 27.4%)
- **Net Profit** came in at €85.8m (H1 2015: €109.9m) lower by 21.9%. Net profit in Q2 2016 reached €33.0m (Q2 2015: €51.9m), while after adjusting for the increase of the GGR contribution, net profit in Q2 2016 stood at €53m up by 2.1% y-o-y
- Strong **cash position** of €290.6m
- **Interim DPS** of €0.12

(€ 'm)	Q2 2016*	Q2 2015	% Δ	H1 2016*	H1 2015	% Δ
Wagers	1,022	1,043	(2.0)	2,069	2,161	(4.3)
Revenues (GGR)	338	341	(0.8)	679	697	(2.6)
Payout (%)	66.9%	67.3%		67.2%	67.7%	
NGR (Net Gaming Revenue)	125	152	(17.7)	279	310	(10.0)
EBITDA	68	93	(26.5)	161	186	(13.4)
EBITDA margin	20.3%	27.4%		23.8%	26.7%	
Net profit	33	52	(36.4)	86	110	(21.9)
Net profit margin	9.8%	15.2%		12.6%	15.8%	
EPS	0.1035	0.1626	(36.3)	0.2694	0.3446	(21.8)

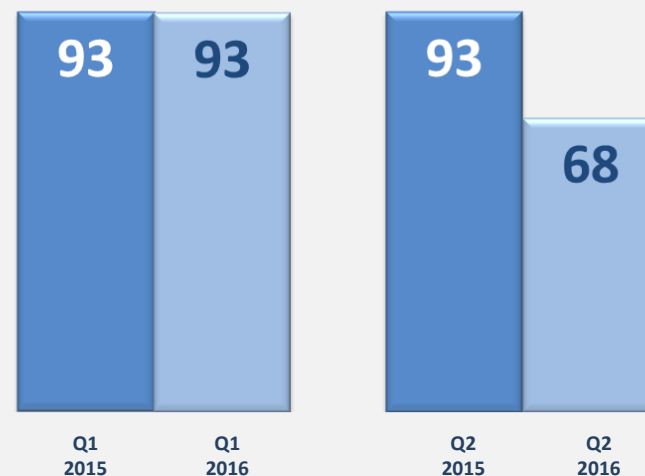
* 2016 figures affected by GGR contribution increase since January 1st, 2016

Key Financials Q1-Q2 2015-2016

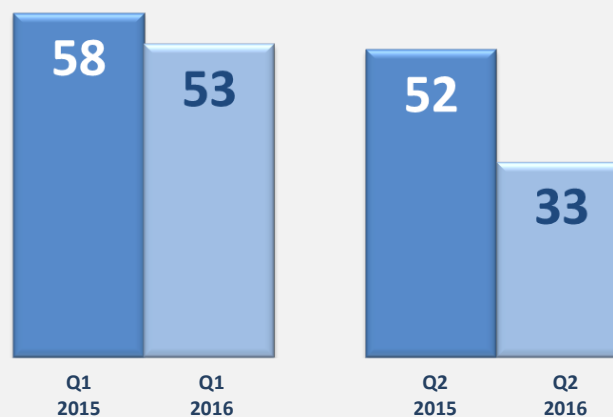
Revenue (GGR)



EBITDA



Net Profit

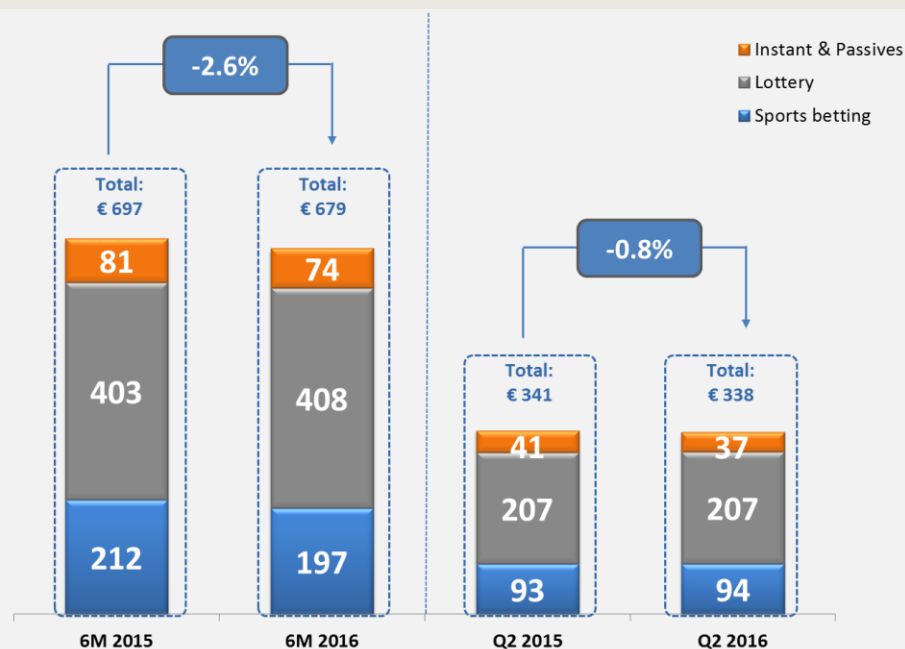


* Q2 2016 figures affected by GGR contribution increase retroactively since January 1st, 2016

(€ 'm)

H1 2016 Revenues (GGR)

- OPAP's revenues (GGR) in H1 2016 decreased by 2.6% to €678.8m versus €697.1m in H1 2015. Revenues in Q2 2016 decreased by a minor 0.8% at €338.1m compared to €340.8m in the respective period last year due to ongoing lottery resilience and increased y-o-y sports betting figures.
- Sports betting**
Total sports betting revenues reached €196.7m in H1 2016 from €212.4m in H1 2015 down by 7.4% y-o-y. In Q2 2016 Sports betting revenue stood at €94.3m vs. €93.2m in Q2 2015, increased by 1.2%, due mostly to Euro Cup and Horse Races contribution.
- Lottery**
Revenues from lottery increased by 1.3% to €408.3m in H1 2016 from €403.2m in H1 2015. Q2 2016 revenues from lottery increased marginally by 0.2% at €207.2m compared to €206.8m in Q2 2015, mostly due to the lasting positive effect of KINO enhancements.
- Instant & Passives**
Revenues from Instant & Passives stood at €73.8m in H1 2016 from €81.5m in H1 2015. In Q2 2016 Instant & Passives' revenues decreased by 10.2% at €36.7m compared to €40.8m in Q2 2015, with passives reporting for yet another quarter improved performance when compared to Scratch.



Quarterly GGR

Y-o-Y
change (%)

+11.3%

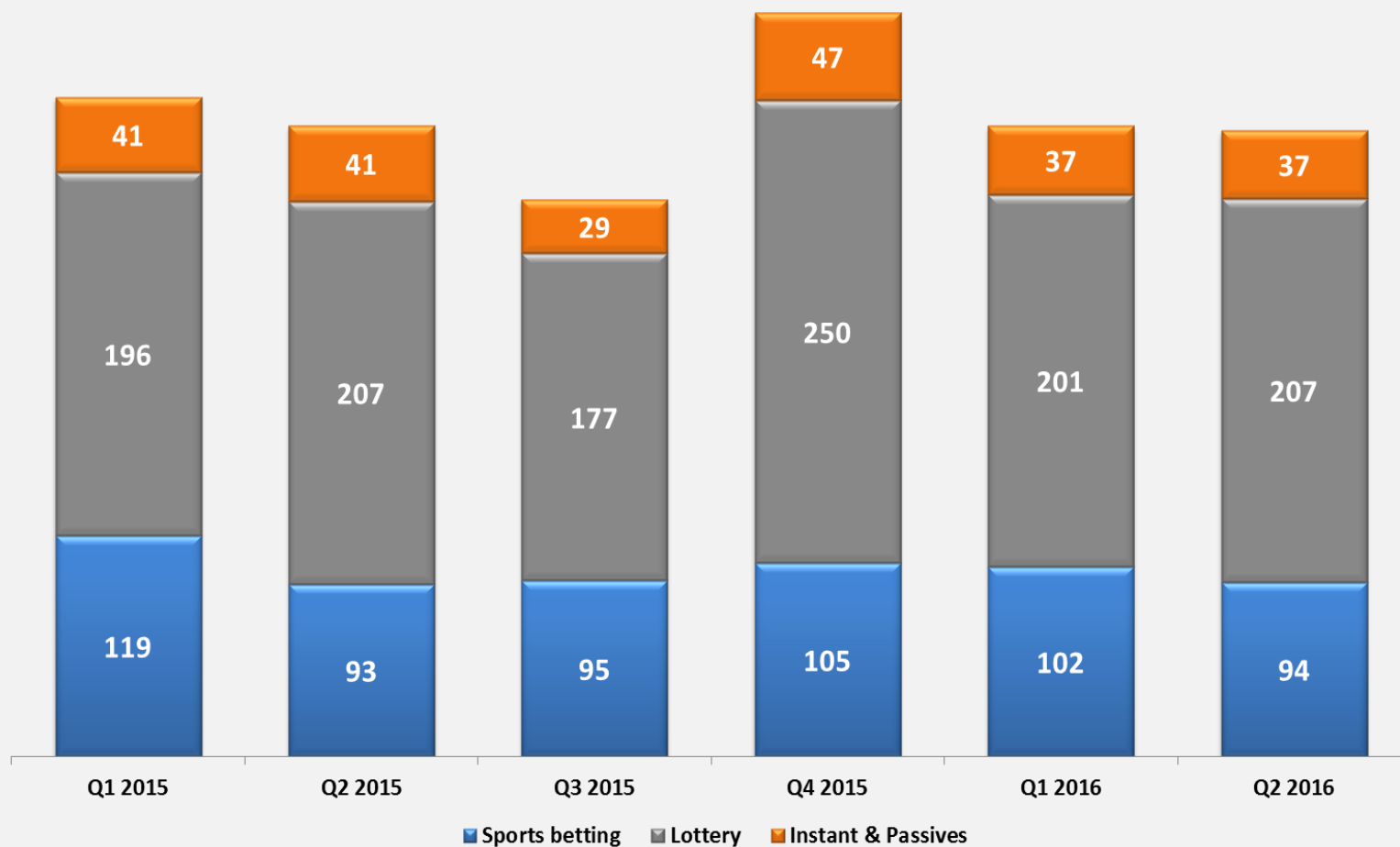
+15.1%

-12.9%

-3.4%

-4.4%

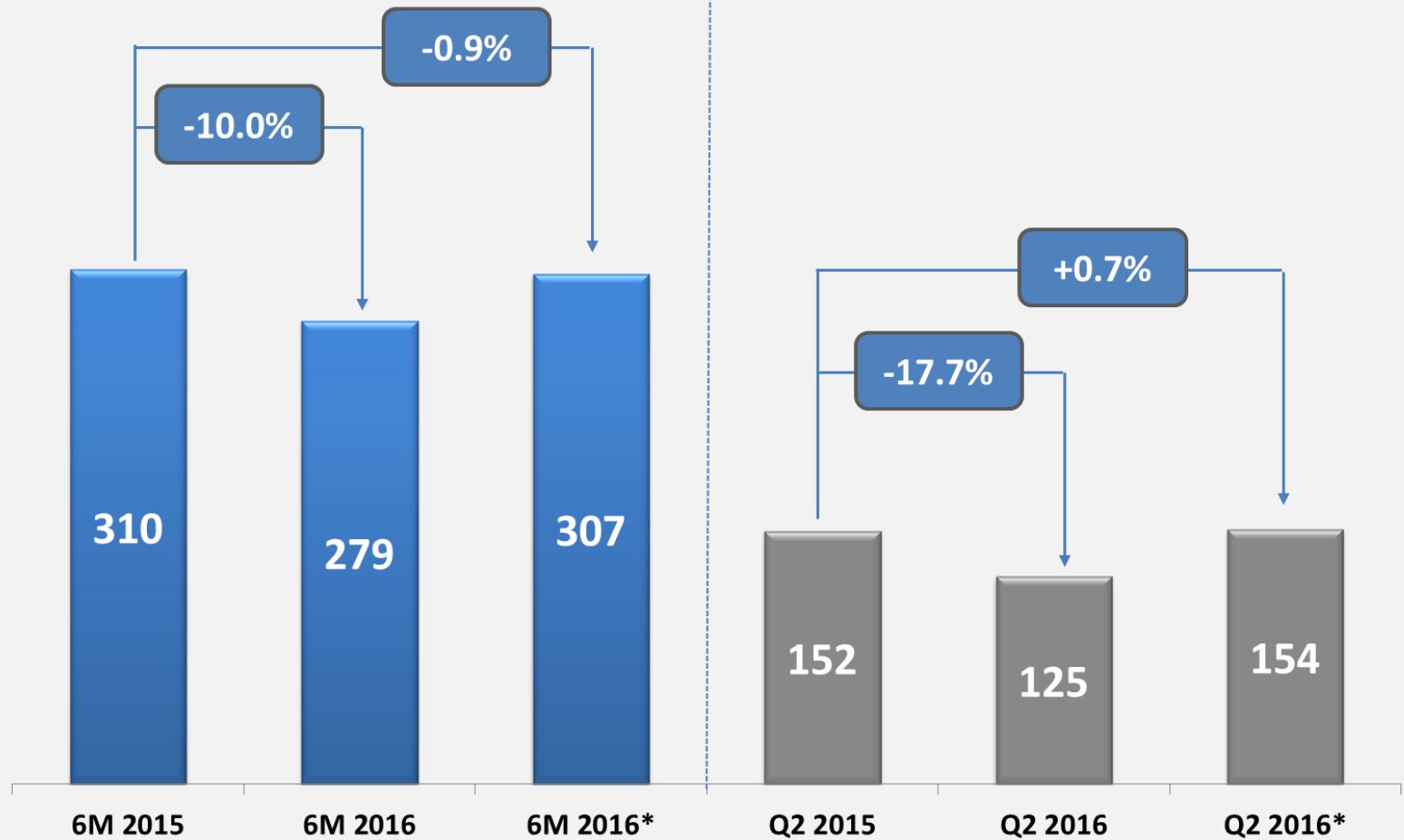
-0.8%



Net Gaming Revenue (NGR)

H1 2016 Net Gaming Revenue

- NGR decreased by 10.0% to €279.3m versus €310.2m in H1 2015, due to the material 5 p.p. increase of GGR contribution at 35% since January 1st. After adjusting for the aforementioned hike, NGR in Q2 2016 actually increased by 0.7% y-o-y, at €153.6m.



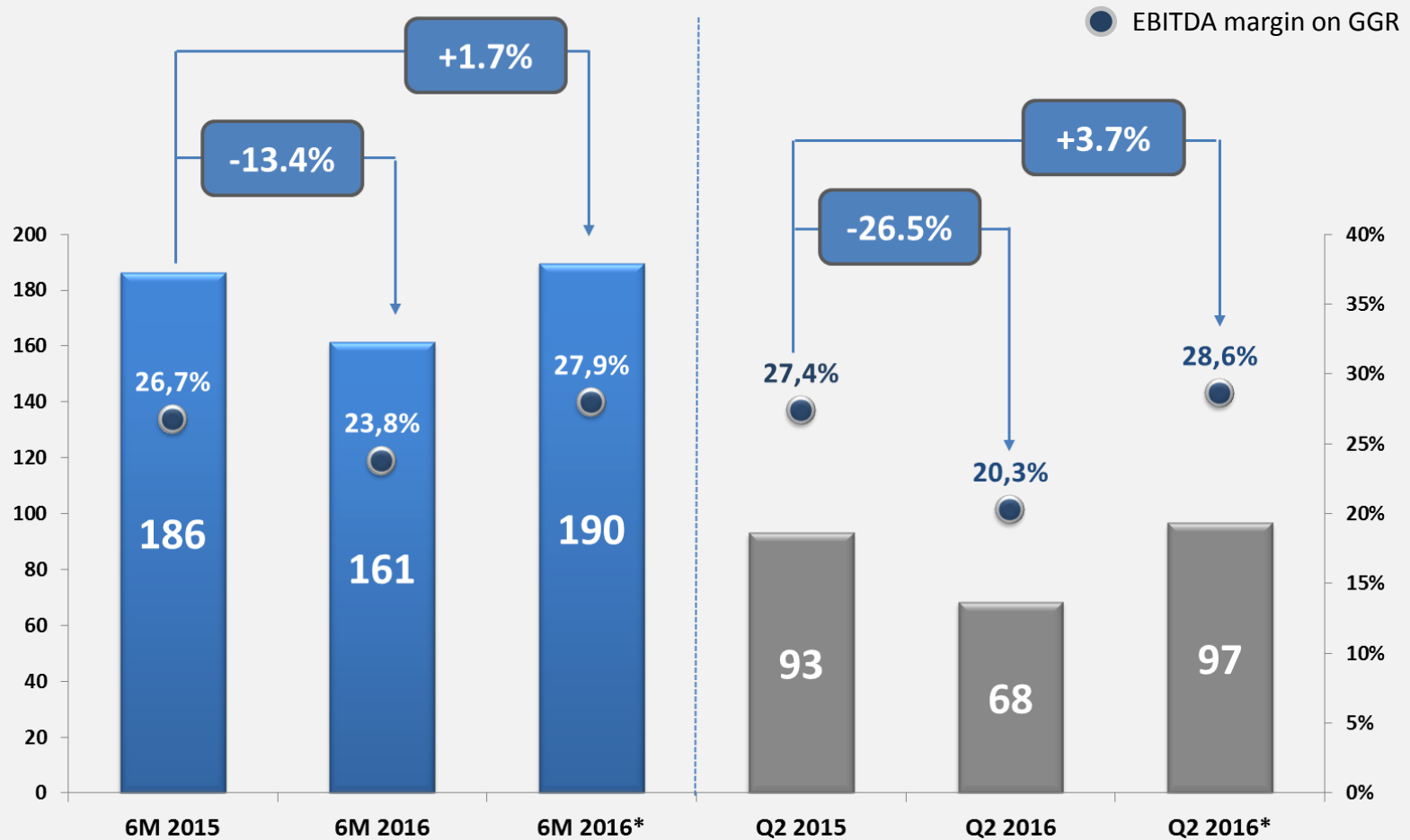
NGR is calculated by subtracting both GGR contribution/other related duties and agents' commission from revenues (GGR)

* Adjusted for GGR contribution increase

(€ 'm)

H1 2016 EBITDA & EBITDA margin

- EBITDA decreased at €161.5m in H1 2016 from €186.4m in H1 2015, down by 13.4% y-o-y. EBITDA decreased to €68.5m in Q2 2016 from €93.2m in Q2 2015, lower by 26.5% y-o-y. Adjusted for the increased GGR contribution, Q2 2016 EBITDA stood at €96.6m marking a sizeable 3.7% increase y-o-y.

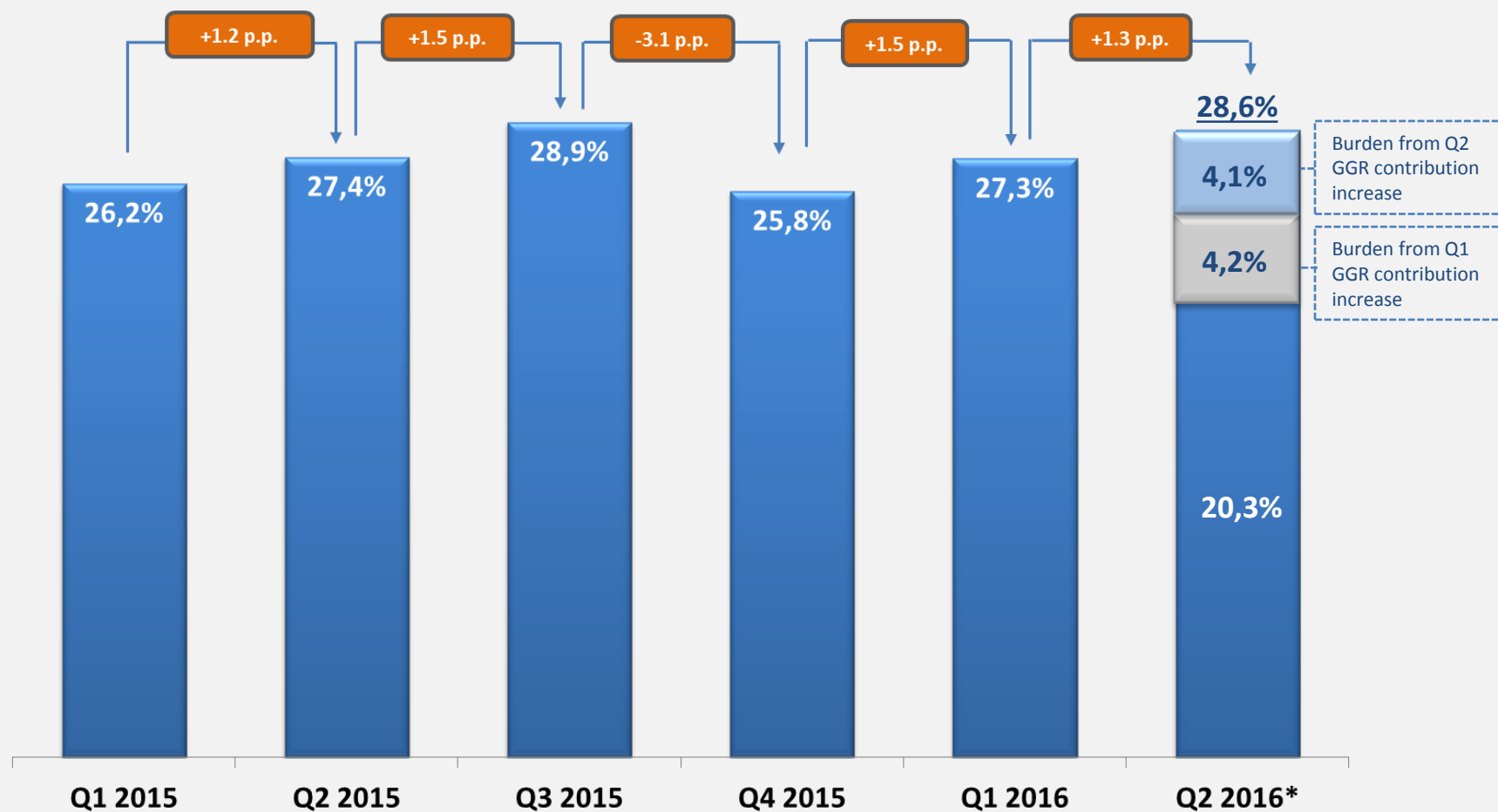


* Adjusted for GGR contribution increase

(€ 'm)

Quarterly consolidated EBITDA margin

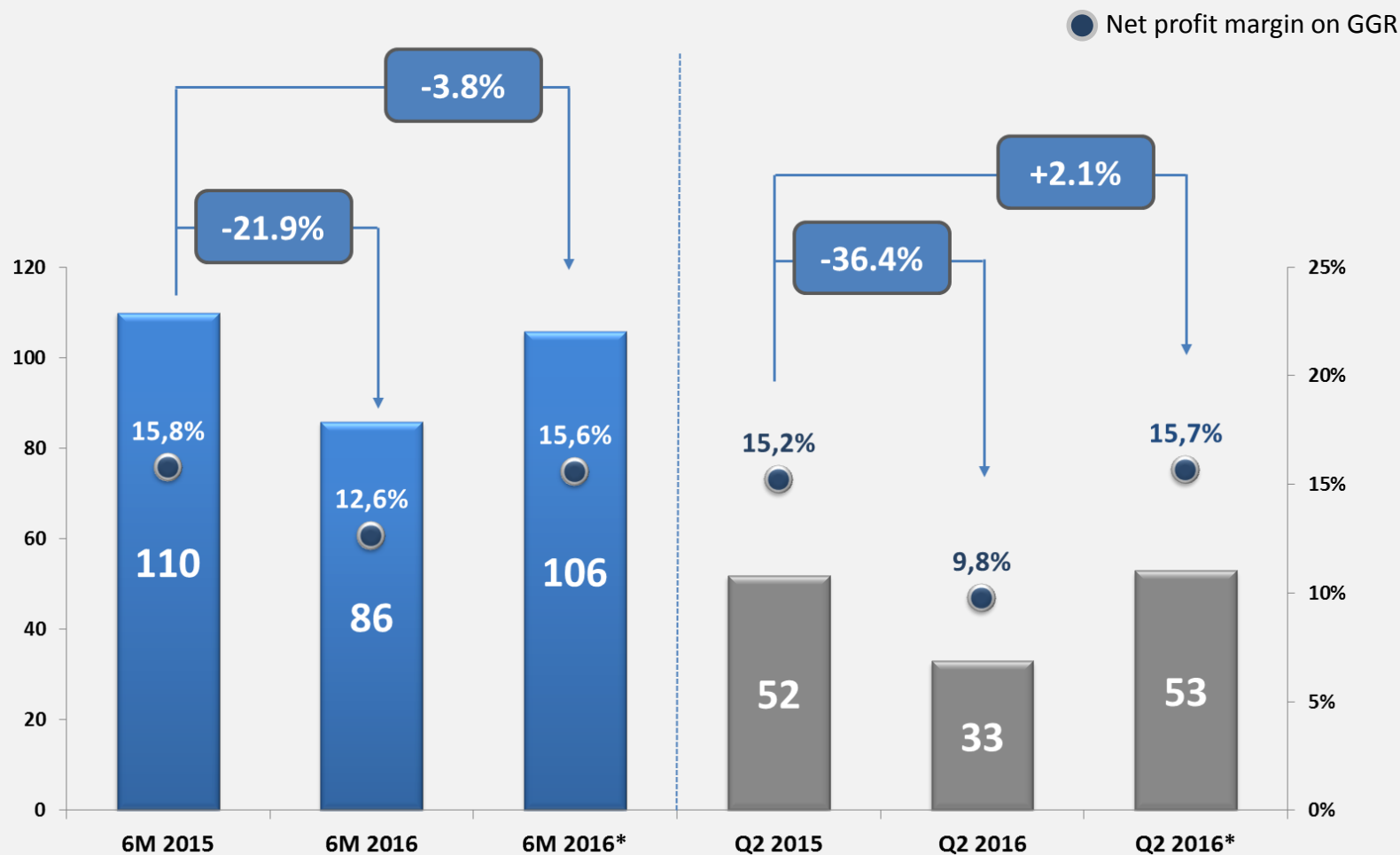
- Adjusted for the GGR contribution increase EBITDA margin reached in Q2 2016 at 28,6% compared to 27,3% in Q1 2015



* Adjusted for GGR contribution increase

H1 2016 Net profit & Net profit margin

- Net profit in H1 2016 at €85.8m, decreased by 21.9% vs. €109.9m in H1 2015. Q2 2016 net profit stood at €33.0m compared to €51.9m in Q2 2015. Adjusted net profit in Q2 2016 came in at €53.0m higher by 2.1%.



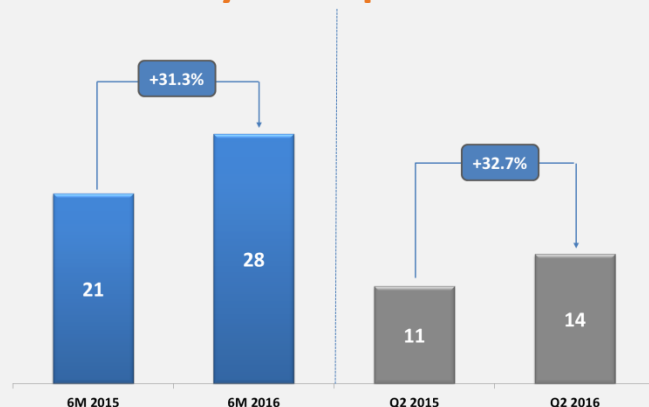
* Adjusted for GGR contribution increase

(€ 'm)

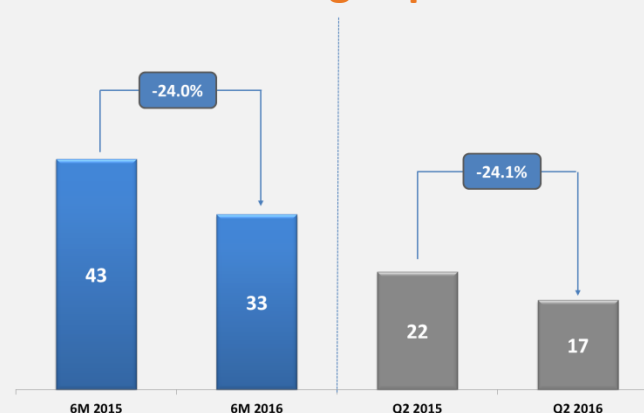
H1 2016 Operating Expenses

- **Payroll expense** in H1 2016 reached €27.9m compared to €21.2m in H1 2015 marking an increase by 31.3%. Q2 2016 payroll expense increased by 32.7% standing at €14.5m compared to €10.9m in the respective quarter last year, attributed to the company's workforce enhancement.
- H1 2016 **marketing expenses** stood at €32.6m compared to €42.9m in H1 2015 down by 24.0% y-o-y. Marketing expenses in Q2 2016 were contained by 24.1% reaching €16.7m reflecting management's commitment to pursue cost efficiencies.
- **Other operating expense** in H1 2016 fell by 12.3% y-o-y standing at €112.5m; the relevant figure reached €57.1m in Q2 2016 marking a 16.7% decrease y-o-y, mainly attributed to lower Payzone & HL related costs.

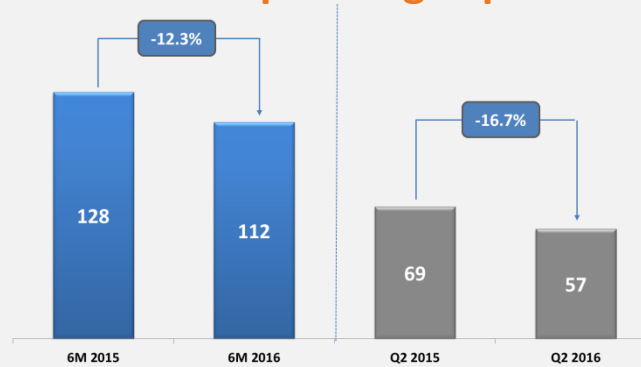
Payroll expenses



Marketing expenses

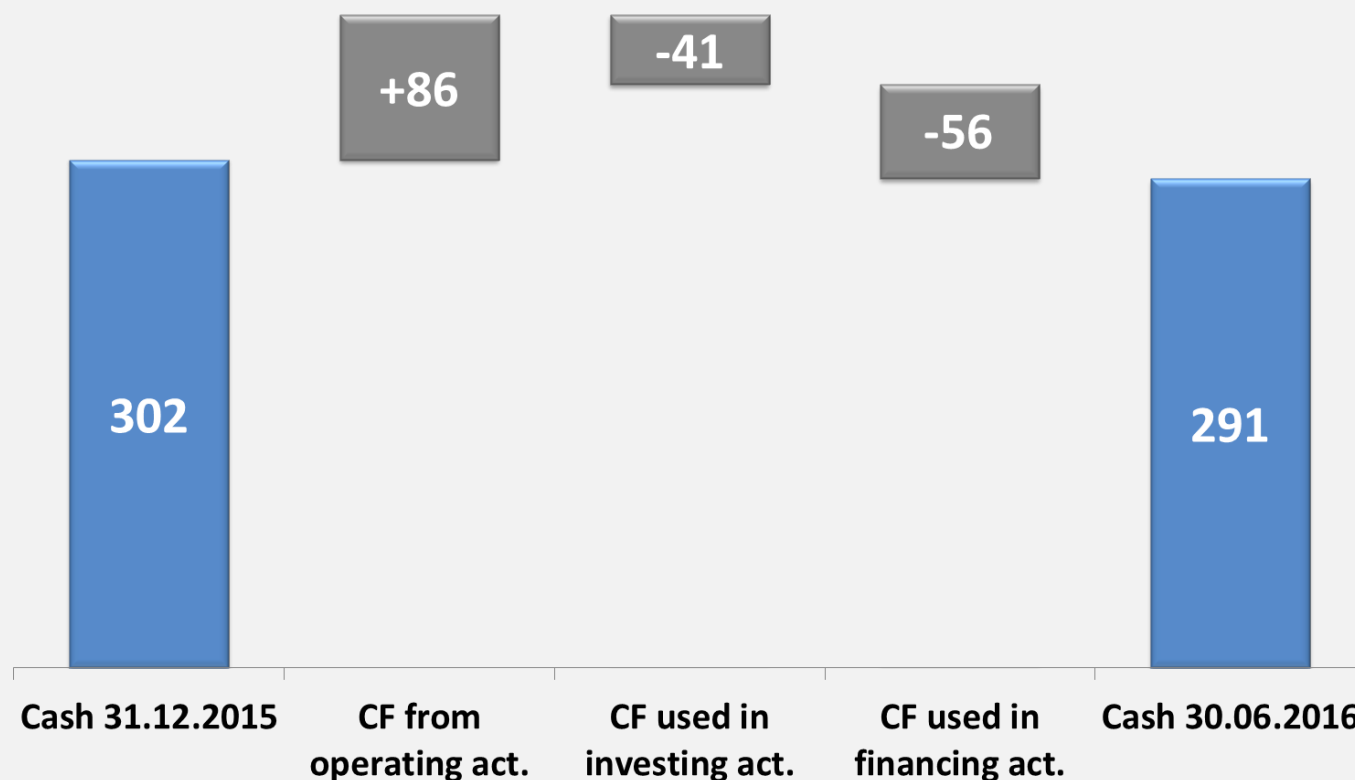


Other operating expenses



H1 2016 Cash Flow

- Cash inflow from **operating activities** in H1 2016 at €86.0m from €74.3m in H1 2015 on the back of lower cash taxes & working capital needs.
- Cash flow from **investing activities** in H1 2016 amounted to an outflow of €41.4m mostly related to the horse racing license acquisition.
- Cash flow from **financing activities** in H1 2016 amounted to an outflow of €55.8m, on the back of €254.6m of dividends paid in the period, that were partially counterbalanced by new credit facilities within Q2 2016 amounting to €188.9m.



(€ 'm)	2015a	2016(E)	Min. 2016	Max. 2016
GGR*	1,400	1,356	1,196	1,426
EBITDA	377	306	273	347
Margin %	26.9	22.6		
Net Income	211	175	145	235
Margin %	15.1	12.9		
EPS	0.66	0.53	0.45	0.61
Growth %, YoY		-19.7		
DPS	0.40	0.53	0.40	0.99

* Consensus by 11 analysts in the past 6 months. Data collected by the company.

Disclaimer: The above estimates are collected and provided by an independent body. OPAP, in any case, does not adopt these figures as guidance, neither provides investment recommendation or advice. The actual results could differ materially from those expressed in the third parties estimates.

Appendix

Condensed Consolidated Statement of Financial Position as of 30 June 2016 & 31 December 2015

('000 €)	Consolidated Statement of Financial Position	
	30.06.2016	31.12.2015
ASSETS		
Current assets		
Cash and cash equivalents	290,587	301,695
Receivables	50,476	55,234
Other current assets	31,029	32,984
Total current assets	372,093	389,913
Non - current assets		
Intangible assets	1,233,862	1,222,987
Investments in associates	11,525	11,225
Other non - current assets	86,531	84,708
Total non - current assets	<u>1,331,918</u>	<u>1,318,920</u>
TOTAL ASSETS	1,704,011	1,708,833
Liabilities		
Short-term Loans	93,673	32,097
Short-term payables (trade & other)	103,769	127,091
Other Short-term payables	162,901	165,795
Long-term Loans	252,250	115,000
Other long-term liabilities	55,877	66,022
Total liabilities	668,470	506,006
Total equity	<u>1,035,541</u>	<u>1,202,827</u>
TOTAL EQUITY & LIABILITIES	1,704,011	1,708,833

Condensed Consolidated Statement of Comprehensive Income H1 & Q2 2016 and 2015



('000 €)	Consolidated Statement of Comprehensive Income							
	H1 2016	H1 2015	Δ	Δ%	Q2 2016	Q2 2015	Δ	Δ%
Amounts wagered	2,068,836	2,160,730	-91,894	-4,3%	1,021,647	1,042,533	-20,886	-2,0%
Revenue (GGR)	678,780	697,073	-18,293	-2,6%	338,069	340,812	-2,743	-0,8%
GGR contribution and other levies and duties	-225,591	-204,106	21,485	10,5%	-126,393	-99,609	26,784	26,9%
Agents' commission	-173,902	-182,774	-8,872	-4,9%	-86,194	-88,707	-2,513	-2,8%
Net gaming revenue (NGR)	279,287	310,192	-30,905	-10,0%	125,482	152,496	-27,014	-17,7%
Other operating income	55,050	68,550	-13,500	-19,7%	31,295	42,203	-10,908	-25,8%
Payroll expenses	-27,855	-21,221	6,634	31,3%	-14,468	-10,906	3,562	32,7%
Marketing expenses	-32,575	-42,889	-10,314	-24,0%	-16,674	-21,974	-5,300	-24,1%
Other operating expenses	<u>-112,456</u>	<u>-128,232</u>	<u>-15,776</u>	-12,3%	<u>-57,147</u>	<u>-68,591</u>	<u>-11,444</u>	-16,7%
EBITDA	161,451	186,400	-24,949	-13,4%	68,488	93,228	-24,74	-26,5%
EBIT	132,190	157,144	-24,954	-15,9%	54,044	78,687	-24,643	-31,3%
EBT	126,267	156,631	-30,364	-19,4%	50,338	77,444	-27,106	-35,0%
EAT and minorities	85,816	109,928	-24,112	-21,9%	32,988	51,876	-18,888	-36,4%

Condensed Consolidated Cash Flow statement as of 30 June 2016 & 30 June 2015

('000 €)	Consolidated Cash flow statement	
	H1 2016	H1 2015
OPERATING ACTIVITIES		
Operating Activities before WCC	154,861	186,182
Changes in Working Capital		
Inventories	1,810	566
Receivables	4,382	51,427
Payables	-5,950	-68,087
Taxes payables	-59,971	-76,883
Interest expenses & Income taxes paid	-9,101	-18,927
Cash flows from operating activities	86,030	74,277
INVESTING ACTIVITIES		
Cash flows from investing activities	-41,352	-14,287
FINANCING ACTIVITIES		
Proceeds from borrowings	228,923	104,999
Payments of borrowings	-30,097	-
Dividends Paid	-254,612	-244,687
Other Paid	-	-5
Cash flows (used in)/from financing activities	-55,786	-139,693
Net increase / (decrease) in cash and cash equivalents	-11,108	-79,703
Cash and cash equivalents at the beginning of the period	301,695	297,418
Cash and cash equivalents at the end of the period	290,587	217,716



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