



9M 2016 Interim Management Statements

November 23, 2016

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OPAP reports revenue growth offset by increased GGR contribution

- **Revenues (GGR)** at €319.2m (Q3 2015: €300.9) higher by 6.1% aided by solid y-o-y growth of both lottery and Hellenic Lotteries segments
- **EBITDA** at €62.3m (9M 2016: €223.8m) vs. €87.1m in Q3 2015 (9M 2015: €273.5m), lower by 28.4% y-o-y mainly hit by the increased retroactive GGR contribution of 35% since January 1st. When assessing 9M numbers and after adjusting for the increase of the GGR contribution, adjusted EBITDA in 9M 2016 declined by 3.0% y-o-y, further hit by extraordinary costs of 6.4m in Q3, mostly related to VLTs arbitration.
- **Net Profit** came in at €29.3m (Q3 2015: €49.1m), lower by 40,3%. Net profit in 9M 2016 reached €115.1m (9M 2015: €159.1m) down by 27.6%, while after adjusting for the increase of the GGR contribution, net profit in Q3 2016 stood at €38.7m decreased by 21.2% y-o-y
- **Strong cash position of €186.7m**

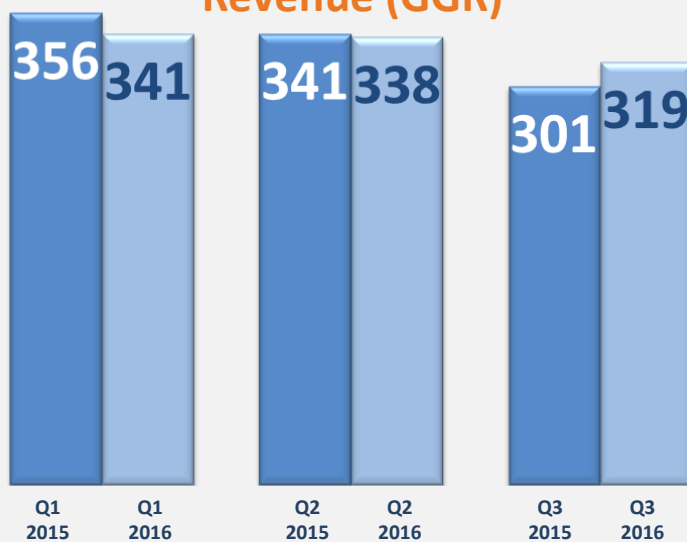
| (€ 'm) | Q3 2016* | Q3 2015 | % Δ | 9M 2016* | 9M 2015 | % Δ |
|--------------------------|----------|---------|--------|----------|---------|--------|
| Amounts wagered | 975.3 | 900.8 | 8.3 | 3,044.1 | 3,061.6 | (0.6) |
| Revenues (GGR) | 319.2 | 300.9 | 6.1 | 998.0 | 998.0 | (0.0) |
| Payout (%) | 67.3% | 66.6% | | 67.2% | 67.4% | |
| NGR (Net Gaming Revenue) | 131.7 | 136.2 | (3.3) | 410.9 | 446.4 | (7.9) |
| EBITDA | 62.3 | 87.1 | (28.4) | 223.8 | 273.5 | (18.2) |
| EBITDA margin | 19.5% | 28.9% | | 22.4% | 27.4% | |
| Net profit | 29.3 | 49.1 | (40.3) | 115.1 | 159.1 | (27.6) |
| Net profit margin | 9.2% | 16.3% | | 11.5% | 15.9% | |
| EPS (in €) | 0.0920 | 0.1540 | (40.3) | 0.3613 | 0.4986 | (27.5) |

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

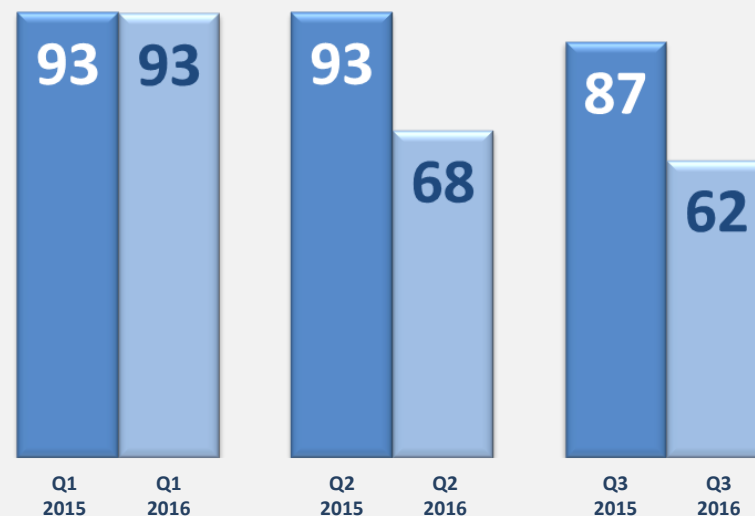
Overview

Key Financials Q1-Q2-Q3 2015-2016

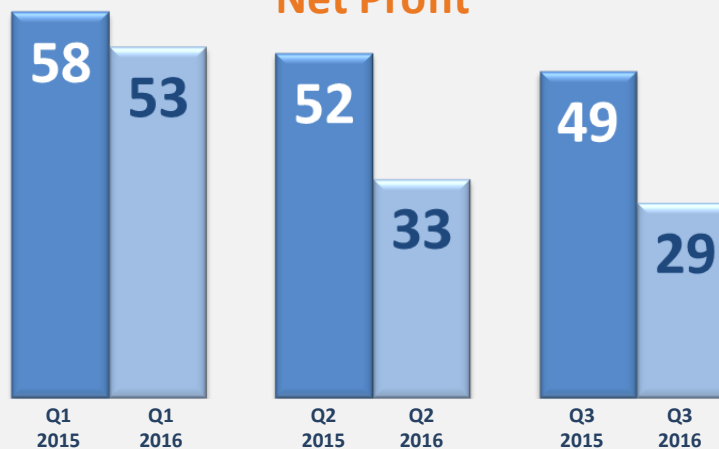
Revenue (GGR)



EBITDA



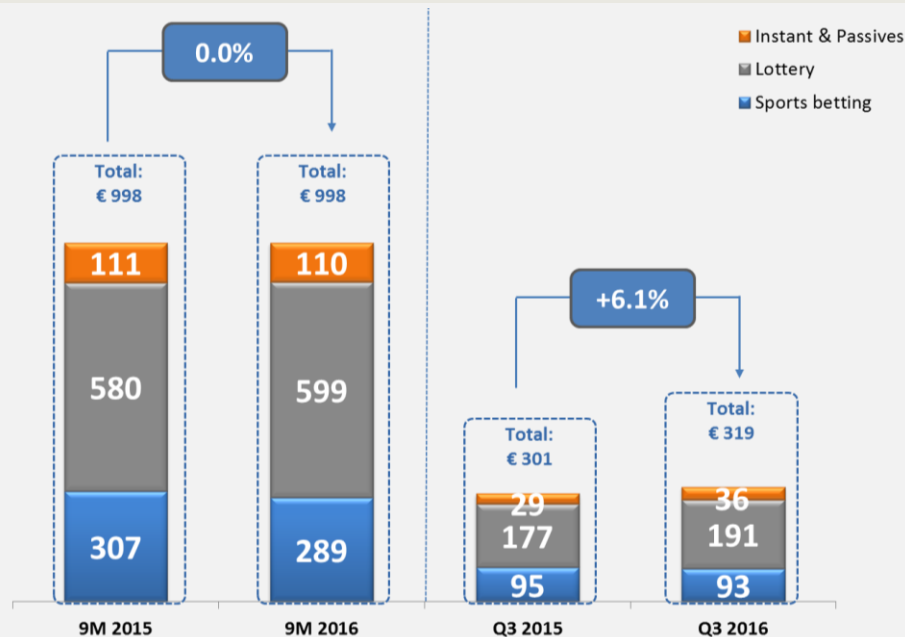
Net Profit



* Q2&Q3 2016 figures affected by GGR contribution increase retroactively since January 1st, 2016

9M 2016 Revenues (GGR)

- OPAP's revenues (GGR) in 9M 2016 remained unchanged at €998.0m vs. 9M 2015. Revenues in Q3 2016 increased by a strong 6.1% at €319.2m compared to €300.9m in the respective period last year on the back of higher figures in the lottery and Hellenic Lotteries segments partially counterbalanced by a sports betting decline.
- Sports betting**
Total sports betting revenues reached €289.3m in 9M 2016 from €307.4m in 9M 2015 down by 5.9% y-o-y. In Q3 2016 Sports betting revenue at €92.5m vs. €95.0m in Q3 2015, decreased by 2.6% y-o-y.
- Lottery**
Revenues from lottery increased by 3.3% to €599.0m in 9M 2016 from €579.8m in 9M 2015. Q3 2016 revenues from lottery increased by 8.0% at €190.7m compared to €176.7m in Q3 2015, mostly due to the lasting positive effect of KINO enhancements, partially offset by unfavorable Joker jackpot rollovers.
- Instant & Passives**
Revenues from Instant & Passives stood at €109.7m in 9M 2016 from €110.7m in 9M 2015. Revenues in Q3 2016 increased by 23.0% at €35.9m compared to €29.2m in Q3 2015, with both passives and scratch demonstrating material growth.



Segmental GGR quarterly analysis

Quarterly GGR

Y-o-Y
change (%)

+11.3%

+15.1%

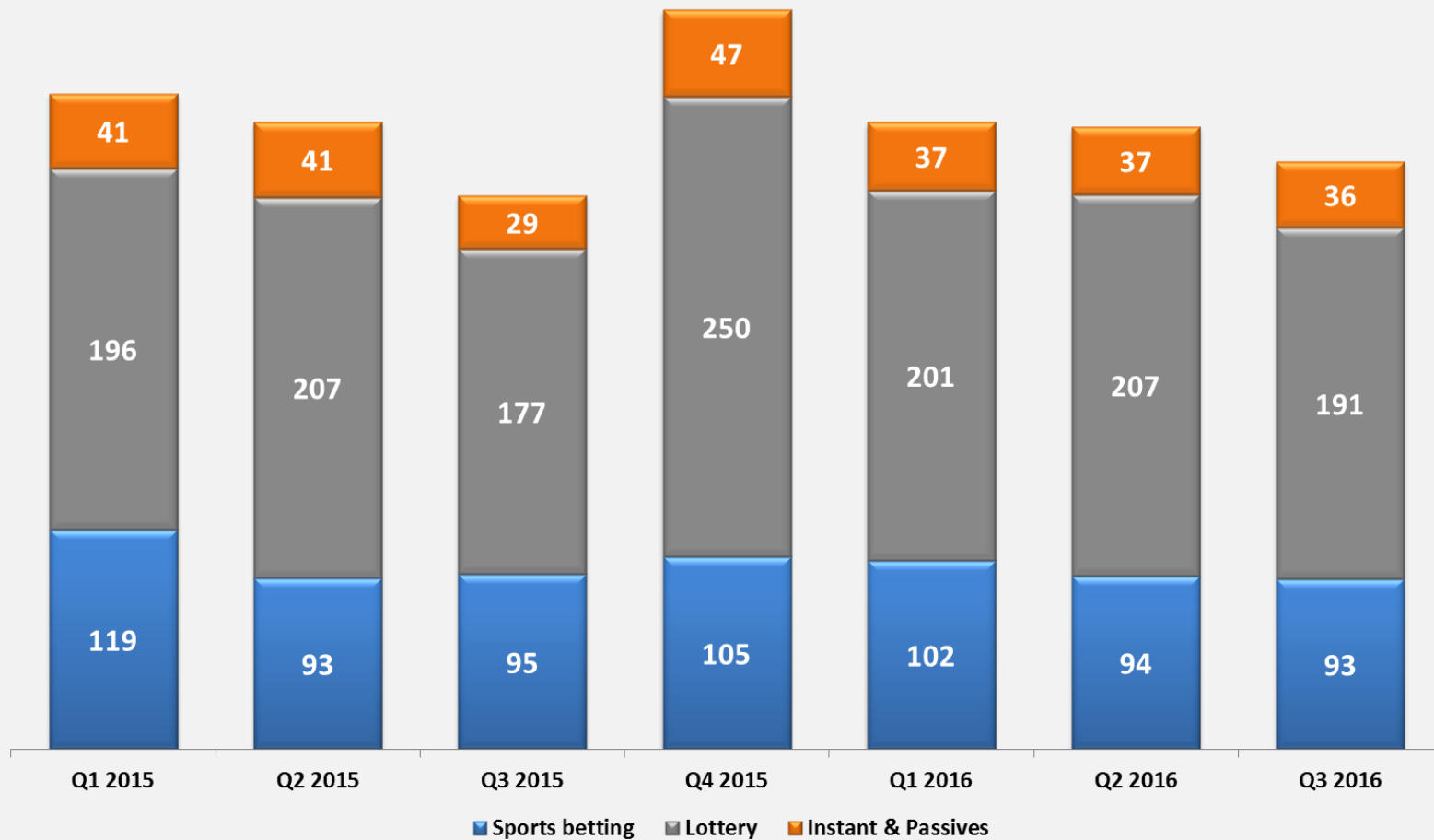
-12.9%

-3.4%

-4.4%

-0.8%

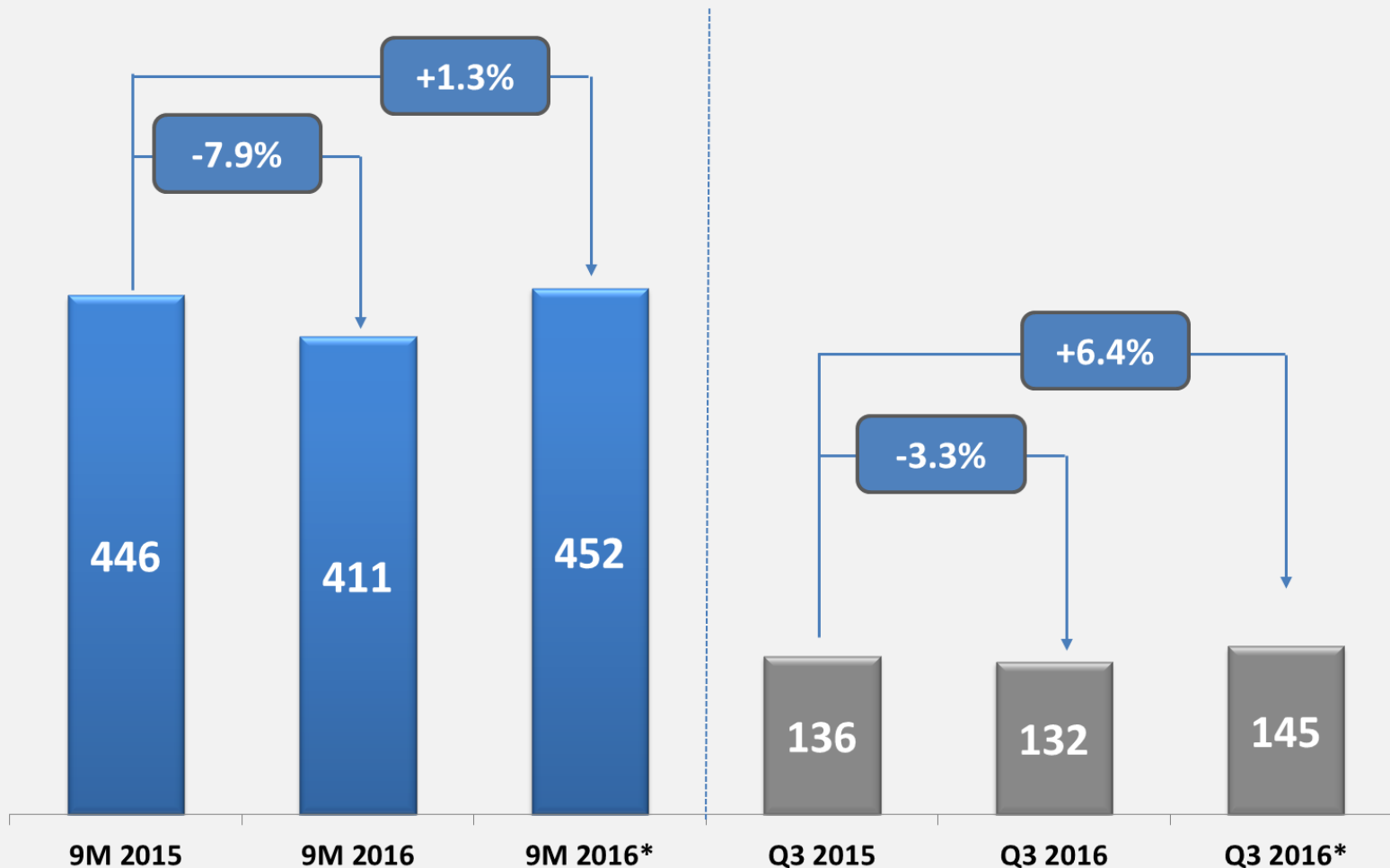
+6.1%



Net Gaming Revenue (NGR)

9M 2016 Net Gaming Revenue

- NGR decreased by 7.9% to €410.9m versus €446.4m in 9M 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 Q3 2016 actually rose by 6.4% y-o-y, coming in even higher vs. the relevant GGR increase.



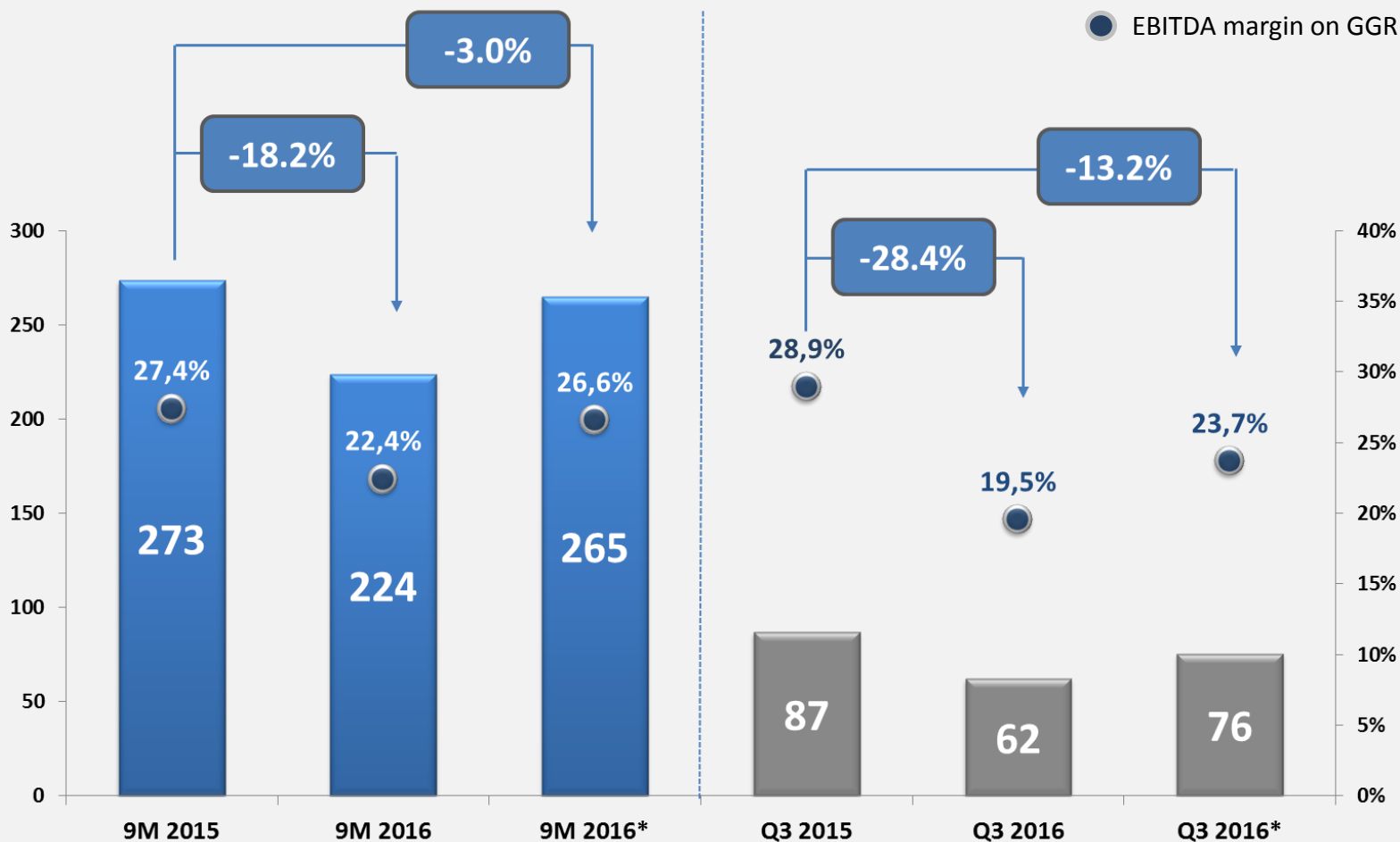
NGR is calculated by subtracting both GGR contribution/other related duties and agents' commission from revenues (GGR)

* Adjusted for GGR contribution increase

(€ 'm)

9M 2016 EBITDA & EBITDA margin

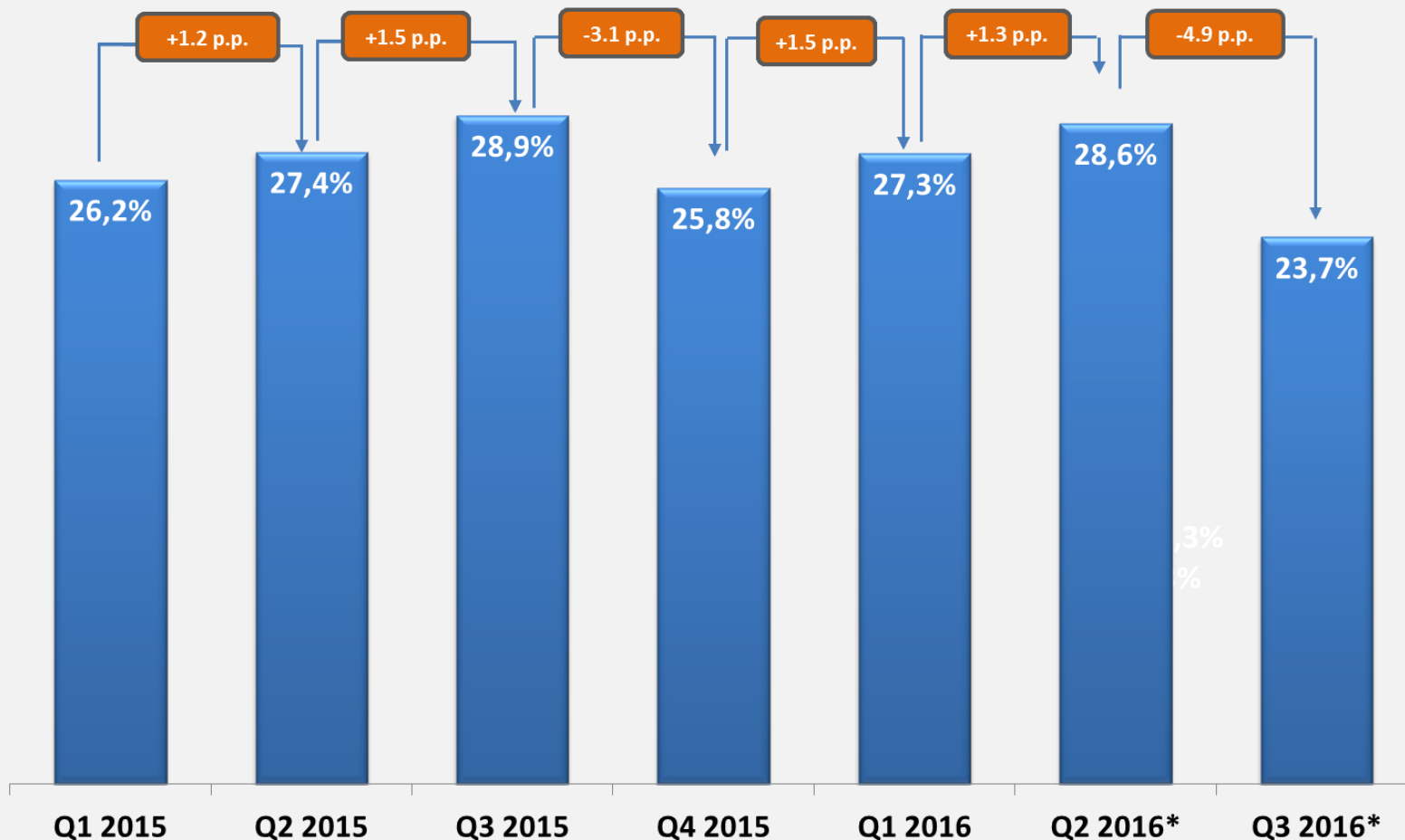
- EBITDA decreased at €223.8m in 9M 2016 from €273.5m in 9M 2015, down by 18.2% y-o-y. Adjusted for the increased GGR contribution, 9M 2016 EBITDA stayed at €265.1m marking a 3.0% drop vs. the same period last year. EBITDA decreased to €62.3m in Q3 2016 from €87.1m in Q3 2015, lower by 28.4% y-o-y further hit by extraordinary costs of €6.4m in Q3, mostly related to VLTs arbitration.



EBITDA margin

Quarterly consolidated EBITDA margin

- Adjusted for the GGR contribution increase EBITDA margin reached in Q3 2016 at 23,7% compared to 28,6% in Q2 2015, further hit by extraordinary costs mostly related to VLTs arbitration.

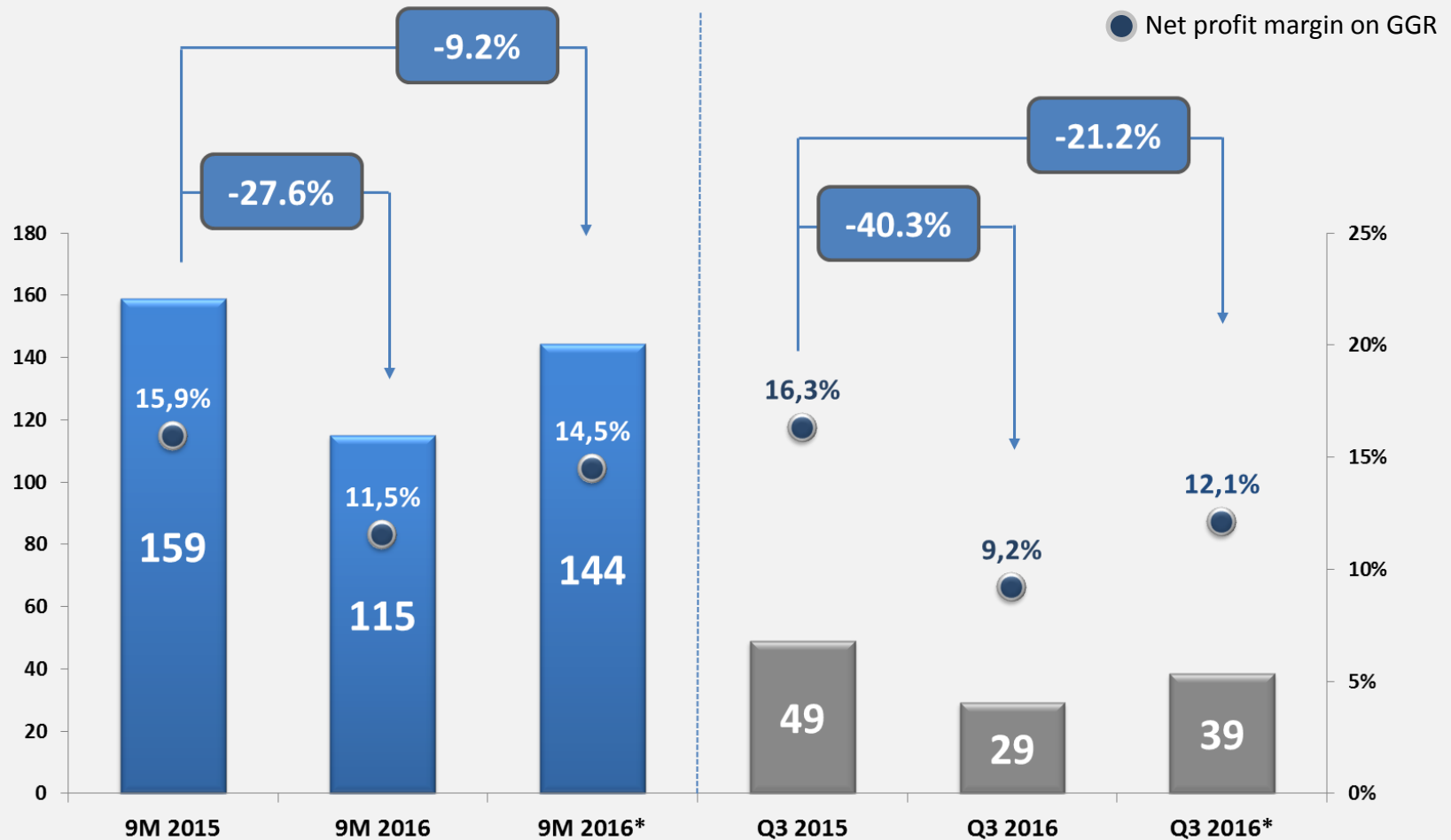


* Adjusted for GGR contribution increase

Net profit

9M 2016 Net profit & Net profit margin

- Net profit in 9M 2016 at €115.1m, decreased by 27.6% vs. €159.1m in 9M 2015, whereas adjusted net profit in Q3 2016 came in at €38.7m lower by 21.2%. Q3 2016 net profit stood at €29.3m compared to €49.1m in Q3 2015.



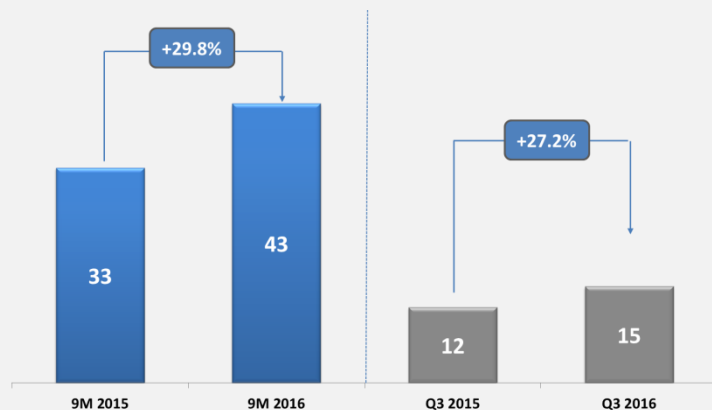
* Adjusted for GGR contribution increase

(€ 'm)

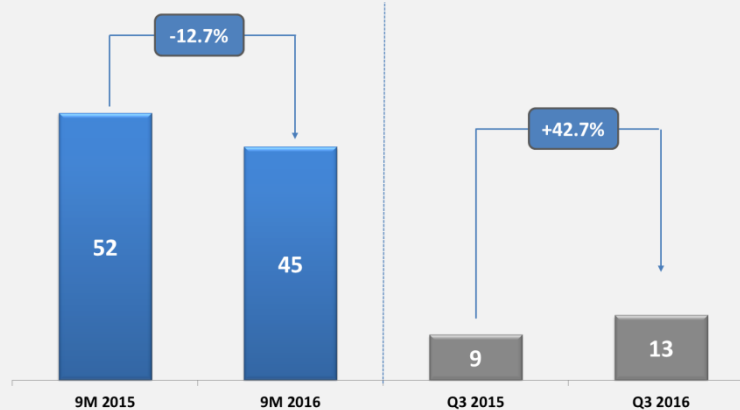
9M 2016 Operating Expenses

- **Payroll expense** in 9M 2016 reached €42.6m compared to €32.8m in 9M 2015 marking an increase by 29.8%. Q3 2016 payroll expense increased by 27.2% at €14.7m compared to €11.6m in the respective quarter last year, attributed to the company's continuous workforce enhancement.
- 9M 2016 **marketing expenses** decreased at €45.2m compared to €51.7m in 9M 2015 down by 12.7% y-o-y in line with management's persisting effort to effectively address cost. Marketing expenses in Q3 2016 reached €12.6m up by 42.7% y-o-y, on the back of unusually low advertising needs in the bank holiday period last year.
- **Other operating expense** in 9M 2016 decreased by 1.9% y-o-y at €179.0m; the relevant figure reached €66.5m in Q3 2016 marking a 22.7% increase y-o-y, due also to extraordinary costs of 6.4m, mostly related to VLTs arbitration.

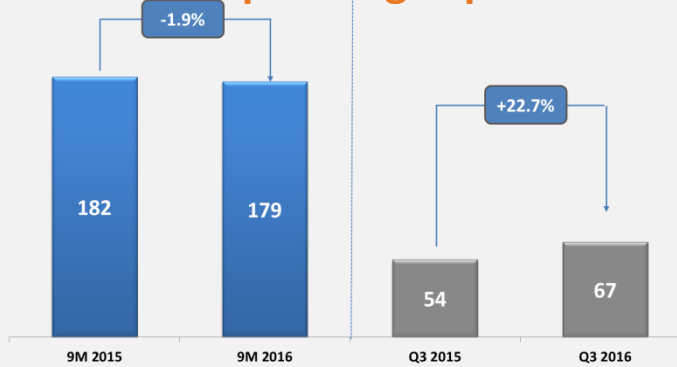
Payroll expenses



Marketing expenses

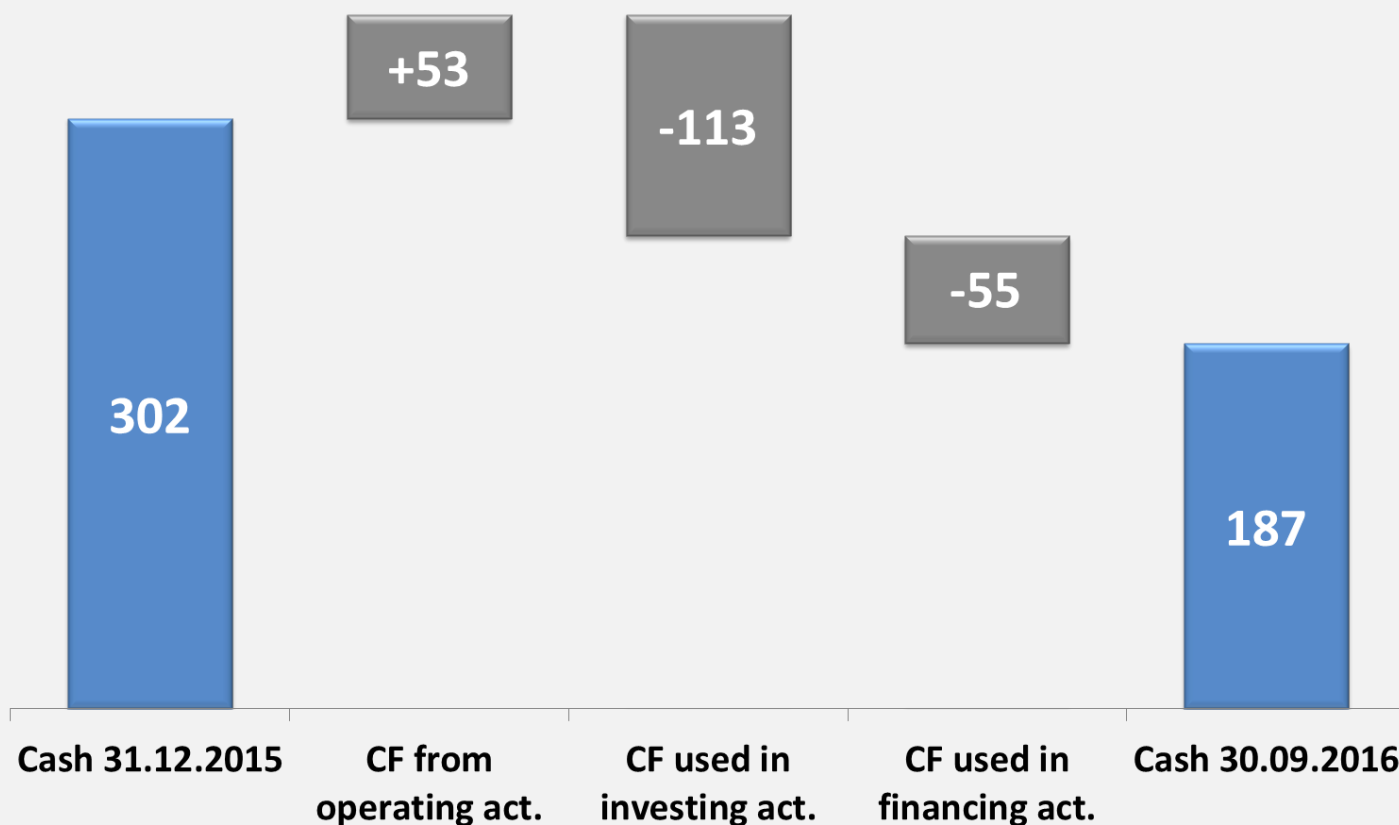


Other operating expenses



9M 2016 Cash Flow

- Cash inflow from **operating activities** in 9M 2016 at €53.2m from €135.2m in 9M 2015 on the back of higher cash taxes.
- Cash flow from **investing activities** in 9M 2016 amounted to an outflow of €113.0m mostly related to a short term fixed income investment, fully repaid in Q4.
- Cash flow from **financing activities** in 9M 2016 amounted to an outflow of €55.2m, on the back of €254.6m of dividends paid in the period, that were partially counterbalanced by net credit of €206.3m.



| (€ 'm) | 2015a | 2016(E) | Min. 2016 | Max. 2016 |
|----------------------|-------|---------|-----------|-----------|
| GGR* | 1,400 | 1,361 | 1,196 | 1,406 |
| EBITDA | 377 | 307 | 294 | 325 |
| Margin % | 26.9 | 22.6 | | |
| Net Income | 211 | 173 | 160 | 235 |
| Margin % | 15.1 | 12.7 | | |
| EPS | 0.66 | 0.52 | 0.49 | 0.57 |
| Growth %, YoY | | -21.2 | | |
| DPS | 0.40 | 0.59 | 0.41 | 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 September 2016 & 31 December 2015



| ('000 €) | Consolidated Statement of Financial Position | |
|---------------------------------------|--|-------------------------|
| | 30.09.2016 | 31.12.2015 |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 186,652 | 301,695 |
| Receivables | 57,575 | 55,234 |
| Other current assets | 114,985 | 32,984 |
| Total current assets | 359,212 | 389,913 |
| Non - current assets | | |
| Intangible assets | 1,230,592 | 1,222,987 |
| Investments in associates | 11,675 | 11,225 |
| Other non - current assets | 88,191 | 84,708 |
| Total non - current assets | <u>1,330,459</u> | <u>1,318,920</u> |
| TOTAL ASSETS | 1,689,671 | 1,708,833 |
| Liabilities | | |
| Short-term Loans | 90,679 | 32,097 |
| Short-term payables (trade & other) | 111,762 | 127,091 |
| Other Short-term payables | 119,830 | 165,795 |
| Long-term Loans | 262,750 | 115,000 |
| Other long-term liabilities | 45,364 | 66,022 |
| Total liabilities | 630,385 | 506,006 |
| Total equity | <u>1,059,285</u> | <u>1,202,827</u> |
| TOTAL EQUITY & LIABILITIES | 1,689,671 | 1,708,833 |

Condensed Consolidated Statement of Comprehensive Income 9M & Q3 2016 and 2015



| ('000 €) | Consolidated Statement of Comprehensive Income | | | | | | | |
|--|--|-----------------|---------------|--------|----------------|----------------|---------------|--------|
| | 9M 2016 | 9M 2015 | Δ | Δ% | Q3 2016 | Q3 2015 | Δ | Δ% |
| Amounts wagered | 3,044,091 | 3,061,575 | -17,484 | -0,6% | 975,255 | 900,845 | 74,410 | 8,3% |
| Revenue (GGR) | 998,011 | 997,967 | 0,044 | 0,0% | 319,231 | 300,895 | 18,336 | 6,1% |
| GGR contribution and other levies and duties | -331,524 | -292,573 | 38,951 | 13,3% | -105,934 | -88,467 | 17,467 | 19,8% |
| Agents' commission | -255,539 | -259,021 | -3,482 | -1,3% | -81,637 | -76,247 | 5,390 | 7,1% |
| Net gaming revenue (NGR) | 410,947 | 446,373 | -35,426 | -7,9% | 131,660 | 136,181 | -4,521 | -3,3% |
| Other operating income | 79,589 | 94,035 | -14,446 | -15,4% | 24,539 | 25,485 | -946 | -3,7% |
| Payroll expenses | -42,558 | -32,776 | 9,782 | 29,9% | -14,702 | -11,555 | 3,147 | 27,2% |
| Marketing expenses | -45,183 | -51,726 | -6,543 | -12,7% | -12,608 | -8,837 | 3,771 | 42,7% |
| Other operating expenses | <u>-179,002</u> | <u>-182,448</u> | <u>-3,446</u> | -1,9% | <u>-66,546</u> | <u>-54,216</u> | <u>12,330</u> | 22,7% |
| EBITDA | 223,795 | 273,458 | -49,663 | -18,2% | 62,344 | 87,059 | -24,715 | -28,4% |
| EBIT | 180,217 | 229,194 | -48,977 | -21,4% | 48,027 | 72,050 | -24,023 | -33,3% |
| EBT | 171,307 | 227,563 | -56,256 | -24,7% | 45,040 | 70,931 | -25,891 | -36,5% |
| EAT and minorities | 115,120 | 159,051 | -43,931 | -27,6% | 29,304 | 49,995 | -20,691 | -41,4% |

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



| ('000 €) | Consolidated Cash flow statement | |
|---|----------------------------------|------------------|
| | 9M 2016 | 9M 2015 |
| OPERATING ACTIVITIES | | |
| Operating Activities before WCC | 218,042 | 271,622 |
| Changes in Working Capital | | |
| Inventories | 1,312 | 636 |
| Receivables | (4,465) | 37,714 |
| Payables | (20,836) | (74,630) |
| Taxes payables | (70,744) | (35,327) |
| Interest expenses & Income taxes paid | (70,125) | (64,818) |
| Cash flows from operating activities | 53,183 | 135,199 |
| INVESTING ACTIVITIES | | |
| Cash flows from investing activities | (113,049) | (20,355) |
| FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 236,429 | 113,601 |
| Payments of borrowings | (30,097) | - |
| Dividends Paid | (254,636) | (277,286) |
| Other Paid | (6,873) | (22,172) |
| Cash flows (used in)/from financing activities | (55,177) | (185,857) |
| Net increase / (decrease) in cash and cash equivalents | (115,043) | (71,014) |
| Cash and cash equivalents at the beginning of the period | 301,695 | 297,418 |
| Cash and cash equivalents at the end of the period | 186,652 | 226,405 |



9M 2016 Interim Management Statements

November 23, 2016