



# Company Presentation

December 2020



# Agenda



**History – Company Overview**



**Financial Overview**



**Strategy**



**Social Responsibility**

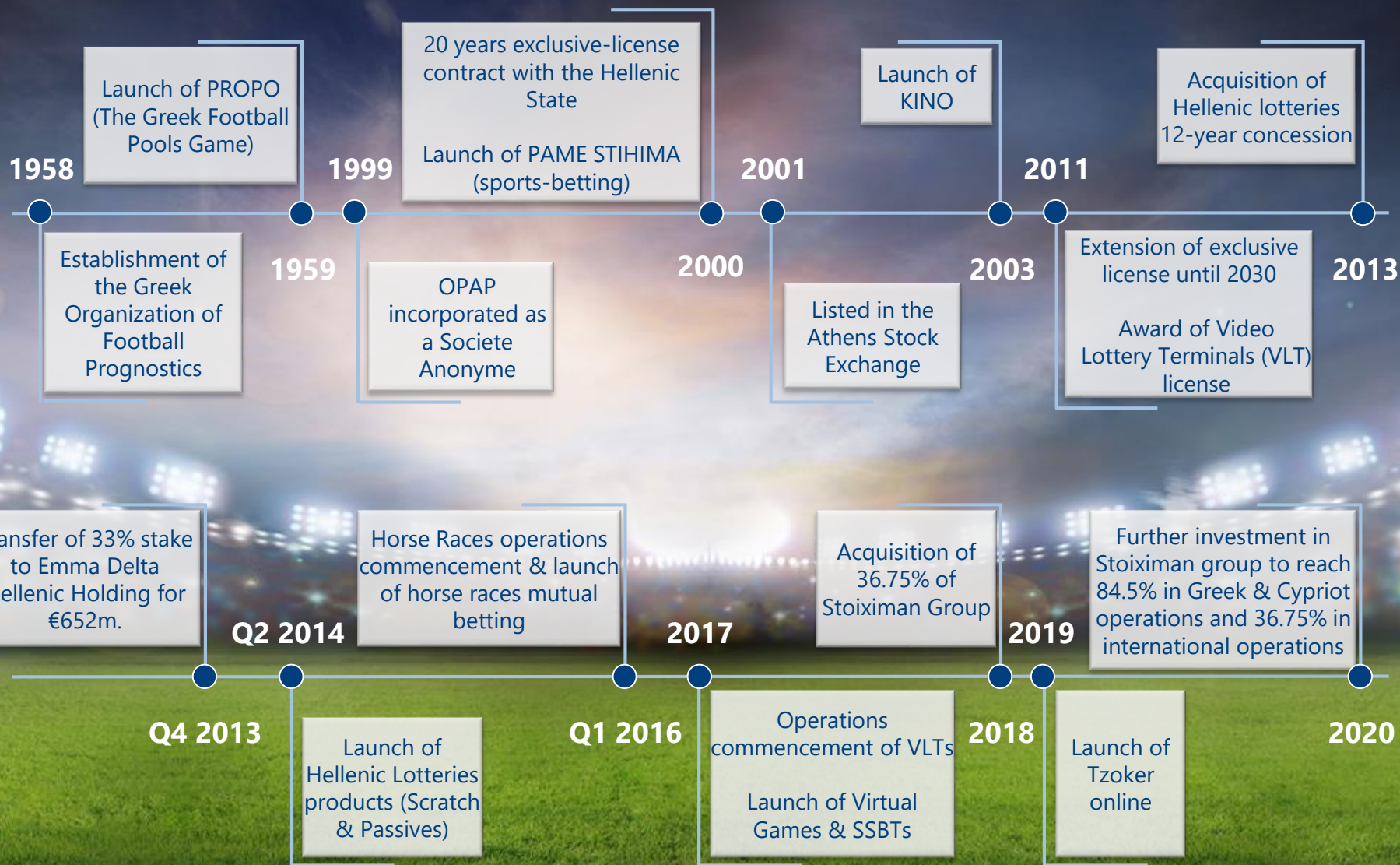


**Summary**





# The Story so far...





# Company Overview



As of 11 October 2013,  
OPAP is



**100% private**  
under new management

**Exclusive concession**  
up until 2030 for legacy games



Historic  
**high dividend  
pay-out policy**



gaming company

Market cap on Athens Exchange

**c. €3.3 bn**

(Dec. 2020)

**c. 70%**  
of the total Greek gaming  
market of 2019 Gross Gaming  
Revenue (GGR)



**Largest**  
retail network in Greece



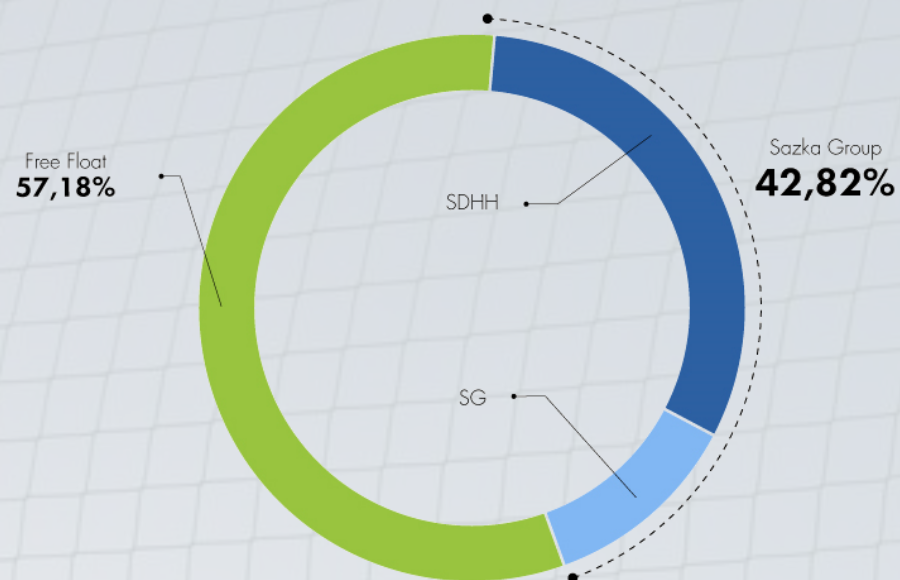
Presence in  
**Cyprus**

**30%-35% GGR contribution\***  
(\*contribution varies depending on different games)

2019  
Revenues (GGR) of  
**€1,619.9m**  
and EBITDA of  
**€412.6m**



# Public offerings - Shareholder Structure



\* voting rights

**sazka**  
GROUP

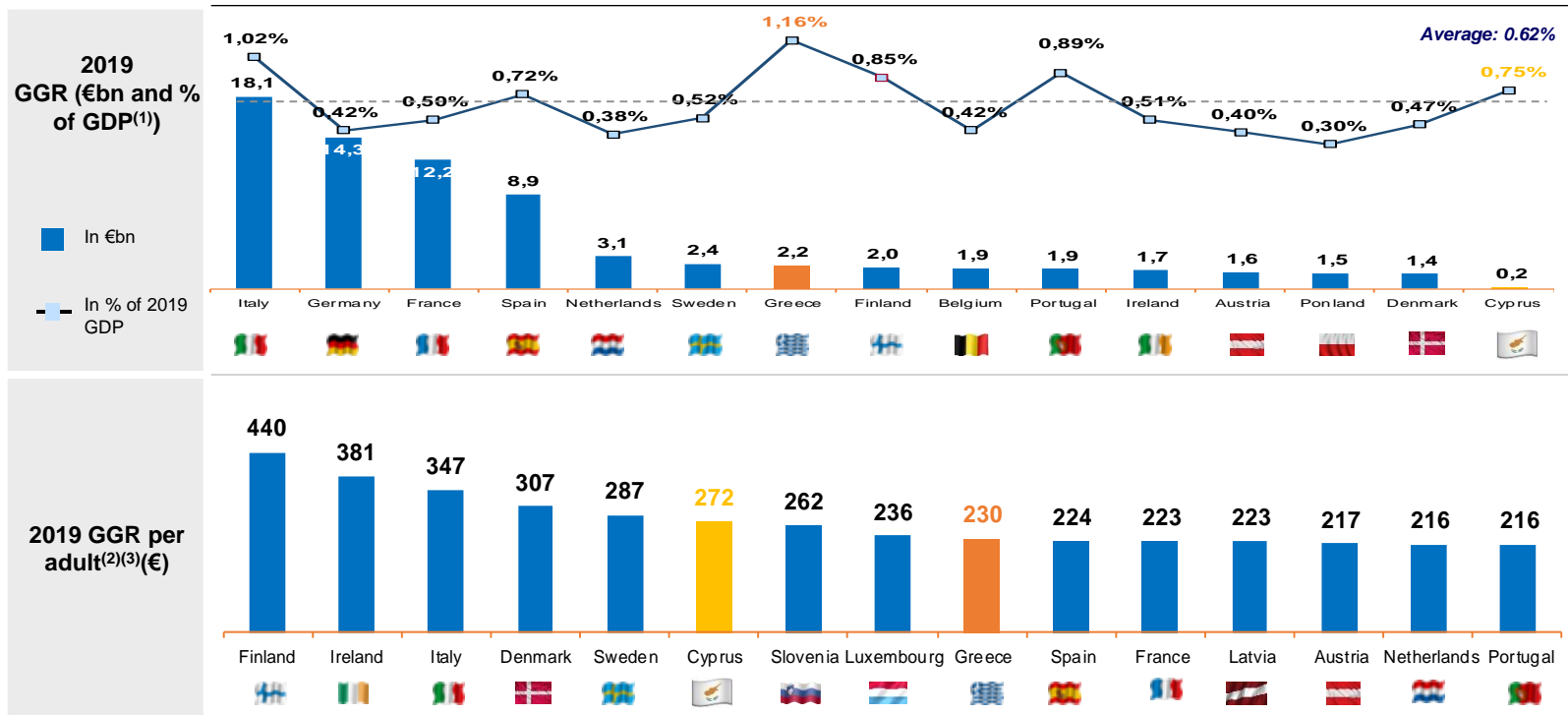
- Largest Pan-European lottery operator
- Presence in Czech Republic, Greece & Cyprus, Austria and Italy
- Active in countries representing more than 24% of EU lottery GGR
- Entrepreneurial ownership: KKCG
- Synergies with OPAP

Date	(%)		Offering price (€)
25 April 2001	5,36%	Initial Public Offering (IPO)	5,5
18 July 2002	18,90%	Secondary offering	8,44
14 July 2003	24,45%	Secondary offering	9,44
21 July 2005	16,44%	Secondary offering	24,14
11 October 2013	33,00%	Public tender	6,2



# The Greek Gaming Market: A Comparative Review

- Greek Gross Gaming Revenue (GGR) as % of the GDP compares favorably vs. European peers



## The Greek gaming market is a fundamentally attractive market :

- 2019 GGR at 1.16% of GDP (highest amongst the graph's sample)
- 2019 GGR per adult of €230

Source: H2GC, Apr. 2020. Greek data: OPAP's reported numbers (Greek operations only), Hellenic Gaming Commission

Note: Charts include top-15 EU-27 countries for GGR and GGR/per adult respectively. Gross gaming revenue including offline and online (onshore and offshore) gaming.

(1) Current price GDP

(2) Inhabitants over 18 years old

(3) Excluding Malta





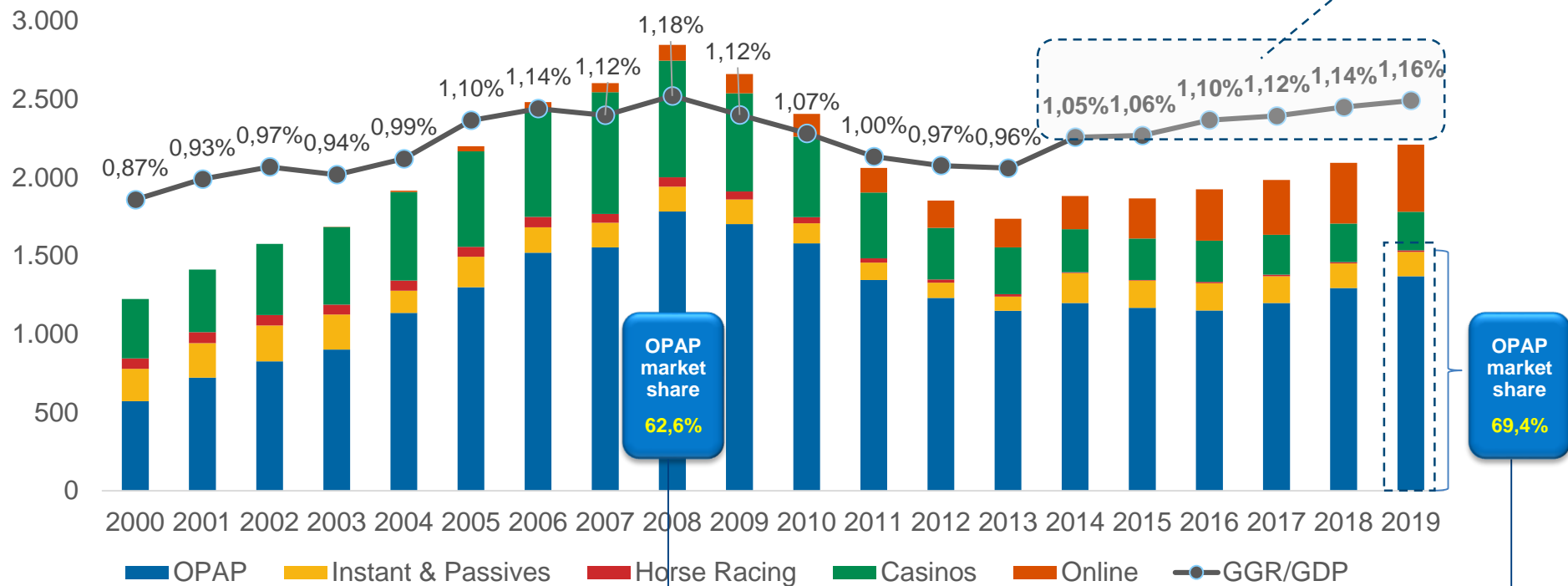
# Greek Retail & Online Gaming market

GGR/GDP is gradually reaching pre crisis levels on the back of new products' introduction (Scratch in 2014 & VLTs in 2017) that have attracted previously illegal spending & new leisure players.

Stihima & KINO introduction lead to growth > GDP

Lack of innovation

New games

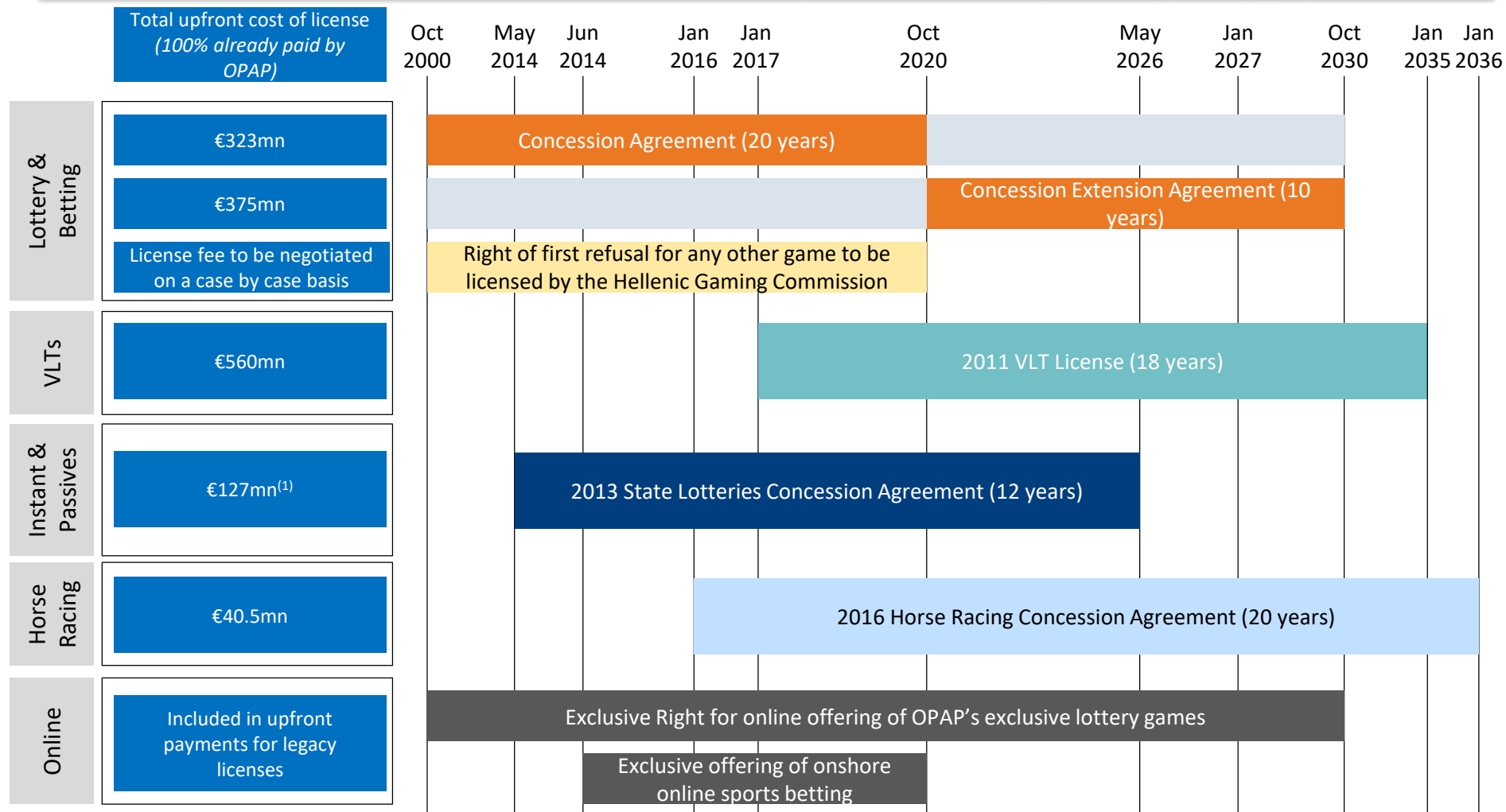


During the macro turbulence, the market declined by c. 38% while OPAP gained significant market share



# Significant exclusive concessions secured through heavy investments in the past years

More than 50 years of exclusive concessions backlog already paid for



(1): Total consideration of €190mn paid by consortium including OPAP, Scientific Games and Intralot, of which €127mn was paid by OPAP for its 67% stake. Current OPAP's stake at 83.5%

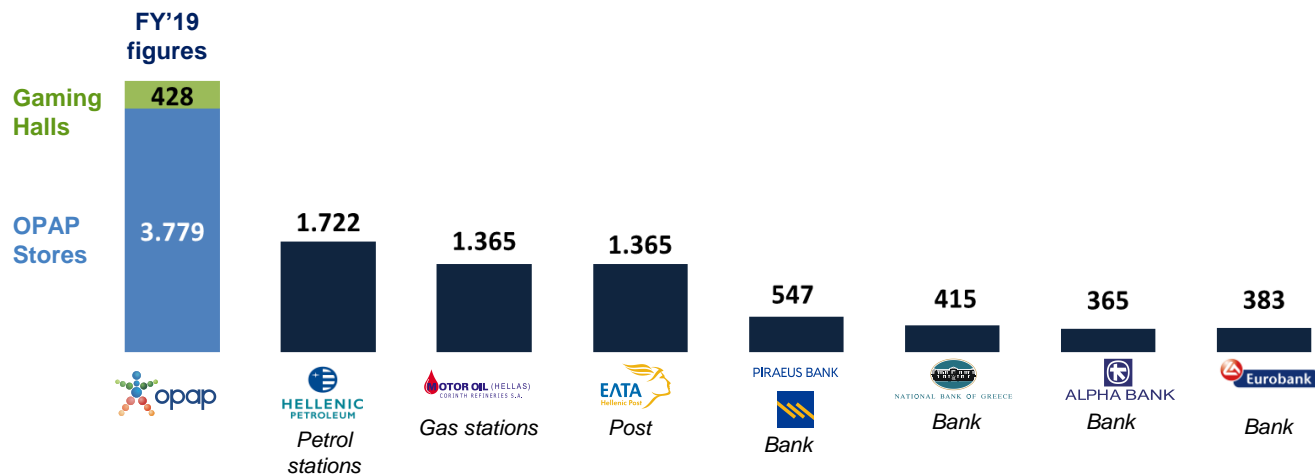




# Network



The largest commercial network in Greece with its modernization well on track



**4,406 POS\***  
in Greece & Cyprus

New & upgraded Opap Stores constructed since 2018

**c.1,600**

Average store size increase since 2015

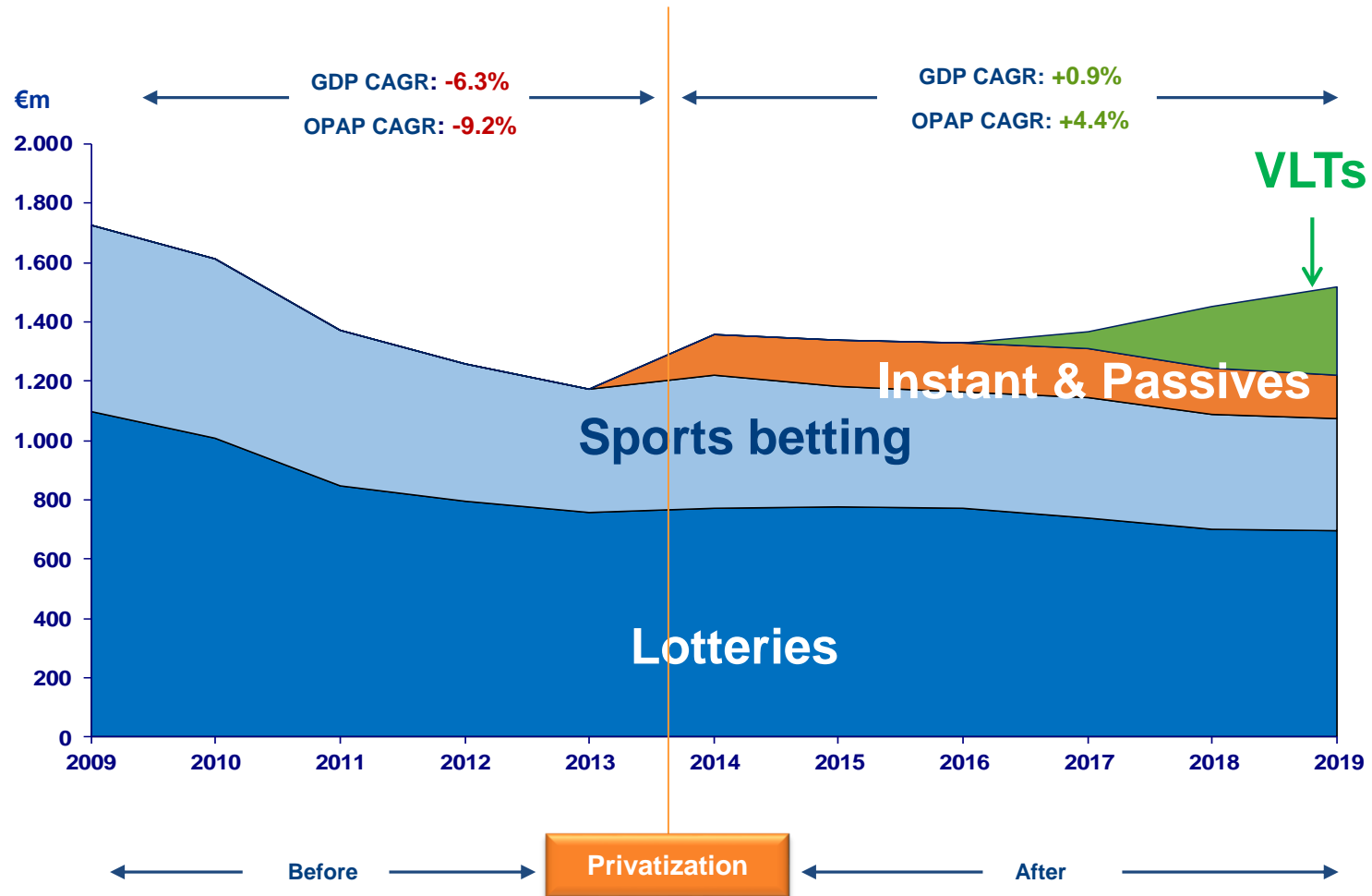
**+23%**

\*as of 31.12.2019.

Hellenic Lotteries products are distributed through additional 9,469 POS & Street Vendors

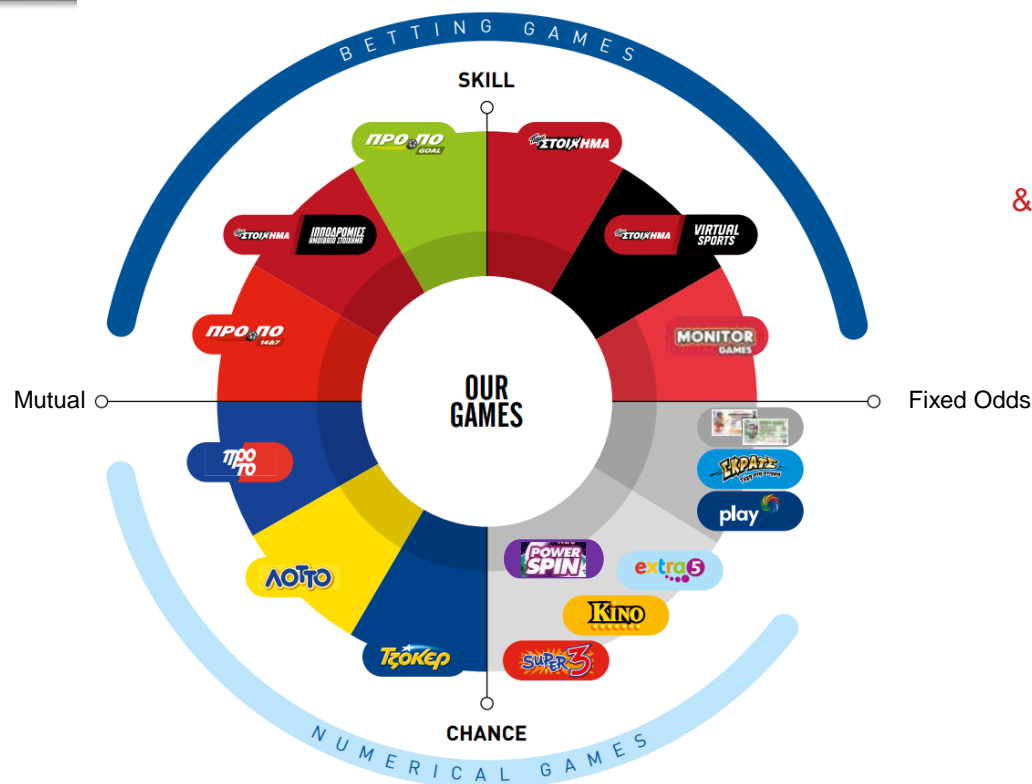


# OPAP's Greek Revenue (GGR) Breakdown

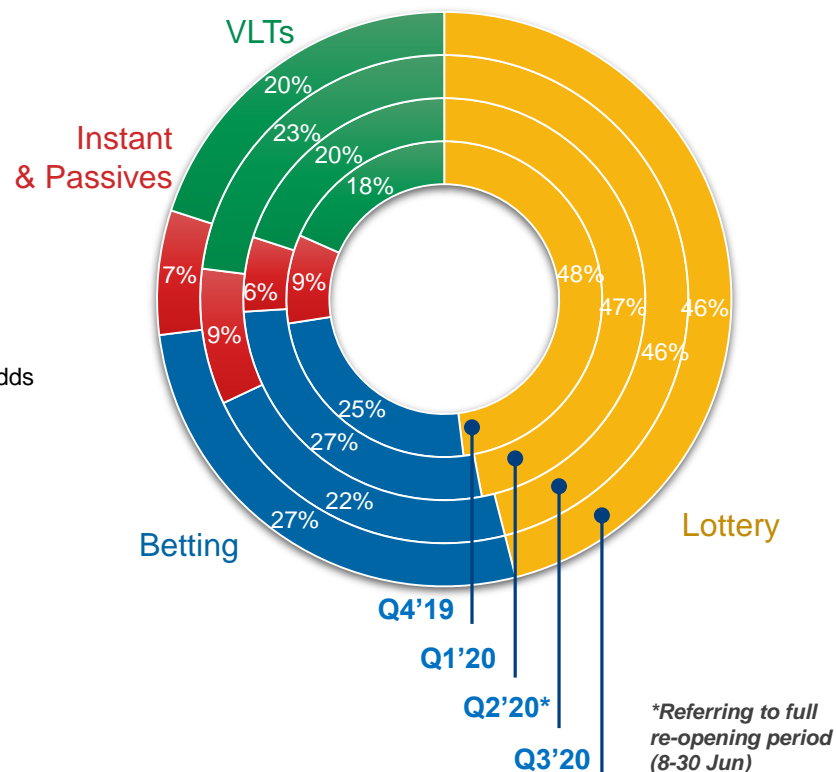




# Games Product Matrix



## GGR breakdown



	Stihima	Joker	Lotto	Propo	Proto	Super 3	Extra 5	Propo-Goal	Kino	Virtuals & Powerspin	Scratch	Laiko	Ethniko	VLTs
Agent Commission	2017: 39% of NGR* 2018: 37% of NGR* 2019-2021: 35%+1% of NGR* as bonus. the 1% bonus adjustment is conditional upon achieving 6% average NGR* growth vs. FY 2016										8%	12% of wagers	12%	GH: 36% of NGR  Agencies: 25% of NGR
Frequency of play	Daily	Three times weekly	Twice weekly	Three times weekly	Twice weekly	Ten draws daily	Two draws daily	Once a week	Every 5 minutes	Every 4 minutes	On going	Once a week	18 draws annually	On going



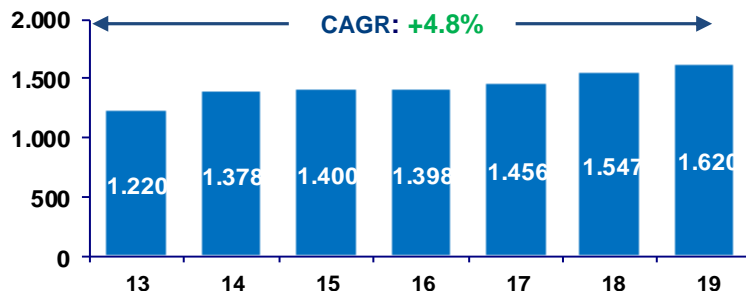


**It's all about  
numbers**



# Financial Overview

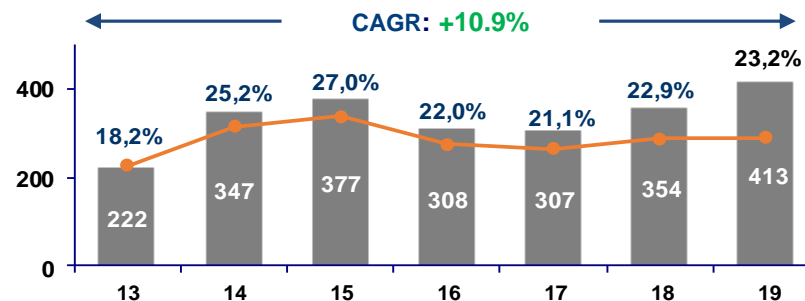
## Revenue (GGR)



### Strong top-line performance & incremental growth driven by:

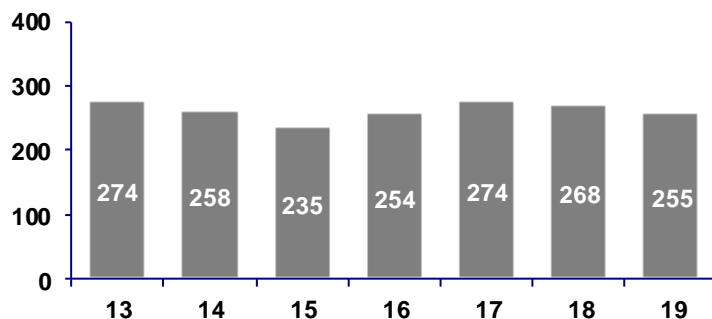
- Introduction of Scratch & Passives in 2014
- Introduction of VLTs and Virtuals in 2017

## EBITDA & EBITDA margin on GGR



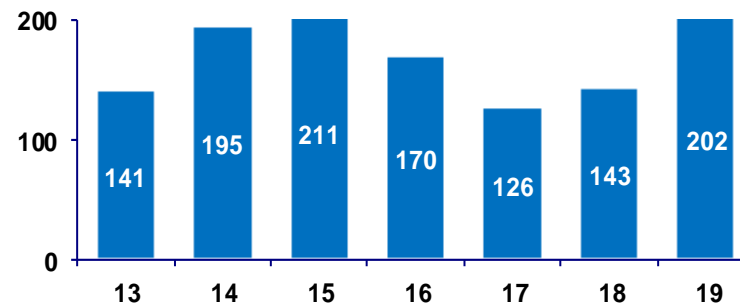
- Revenue increase & cost optimization brought in material I-f-I EBITDA growth post the privatization (2013-2015).
- GGR contribution increased in 2016 to 35% from 30% previously.
- Growth and cost containment is evident in 2018 & 2019 as well

## Total Opex (Gaming operations only)



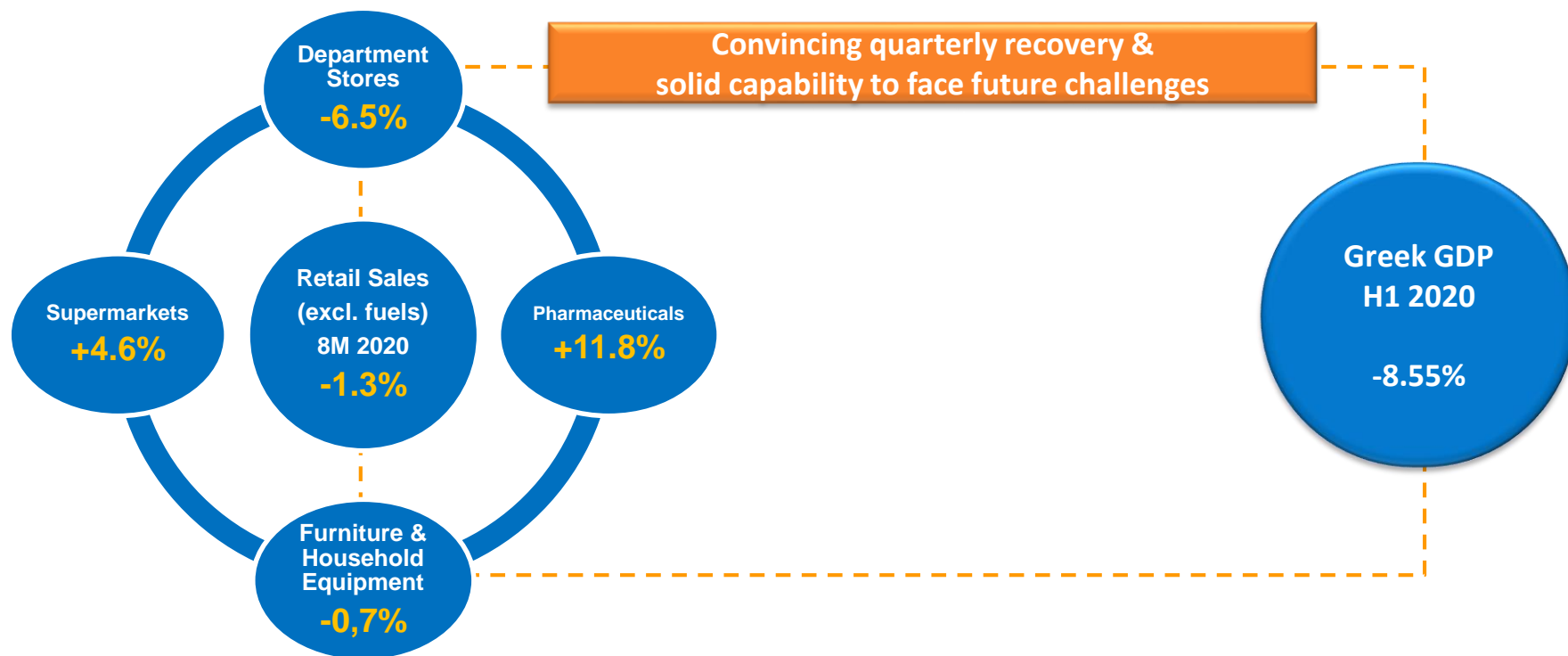
- Total Opex (gaming operations) reduced despite the commencement of several material projects (Hellenic Lotteries, Horse Racing, VLTs & virtual games)

## Net Profit

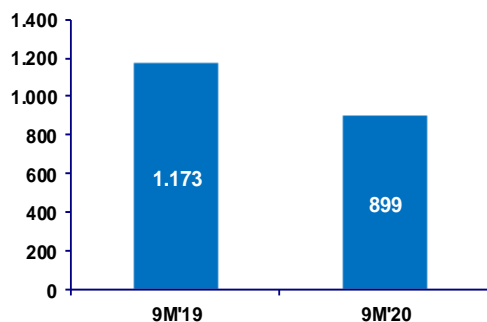




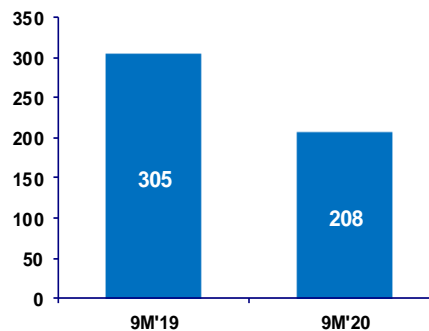
# Financial Results Q3 2020 (1/2)



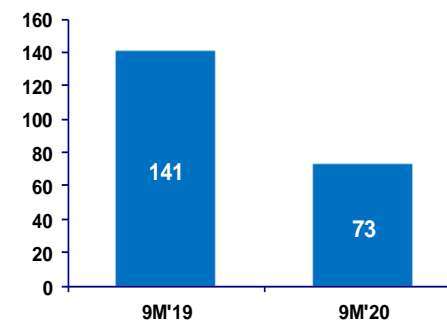
Gross Gaming Revenue (€m)  
-23.4%



EBITDA (€m)  
-31.9%



Net Profit (€m)  
-47.9%

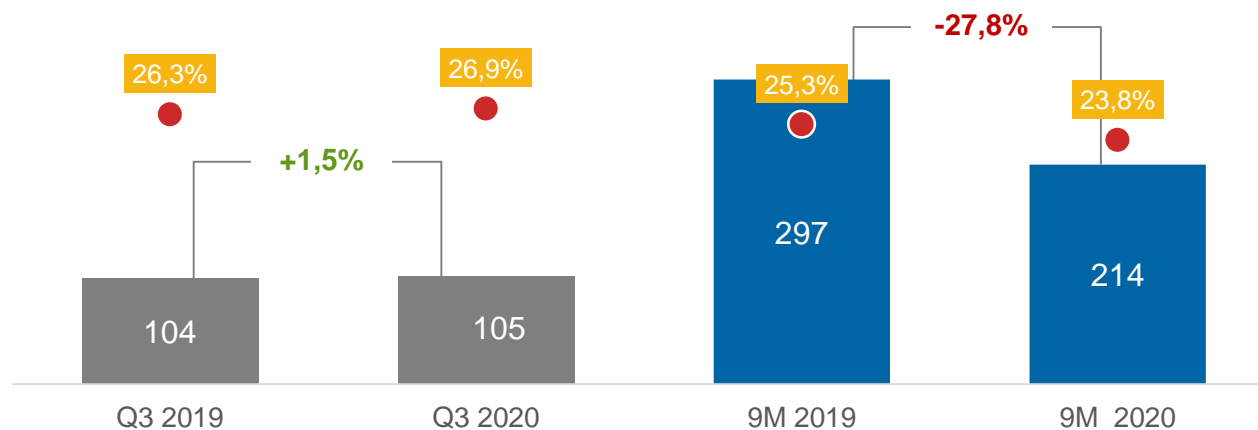






# Financial Results Q3 2020 (2/2)

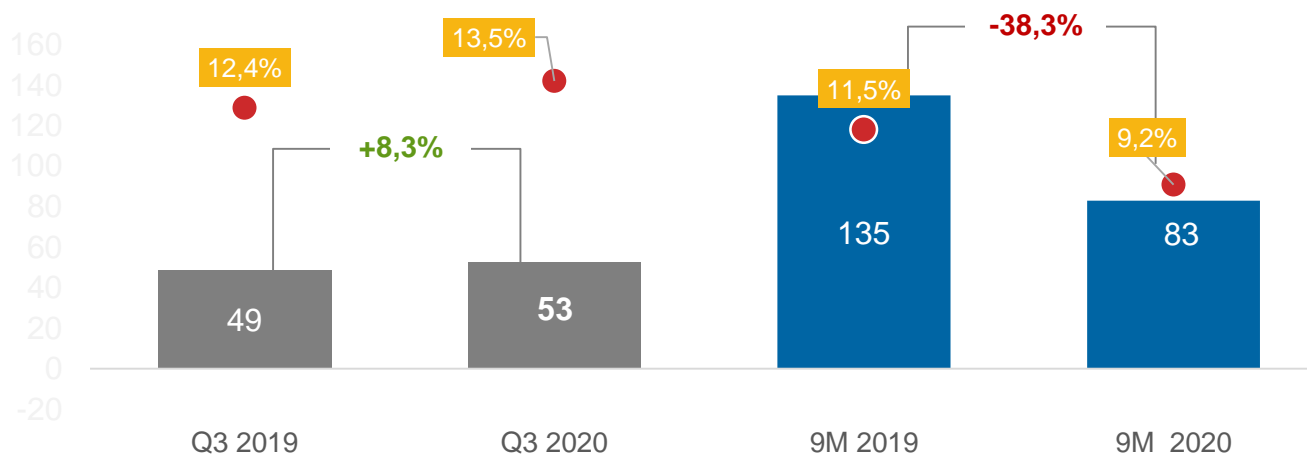
## 9M/Q3 EBITDA\* (€m)



EBITDA  
margin on GGR

\* Excl. one-off items

## 9M/Q3 Net Profit\* (€m)



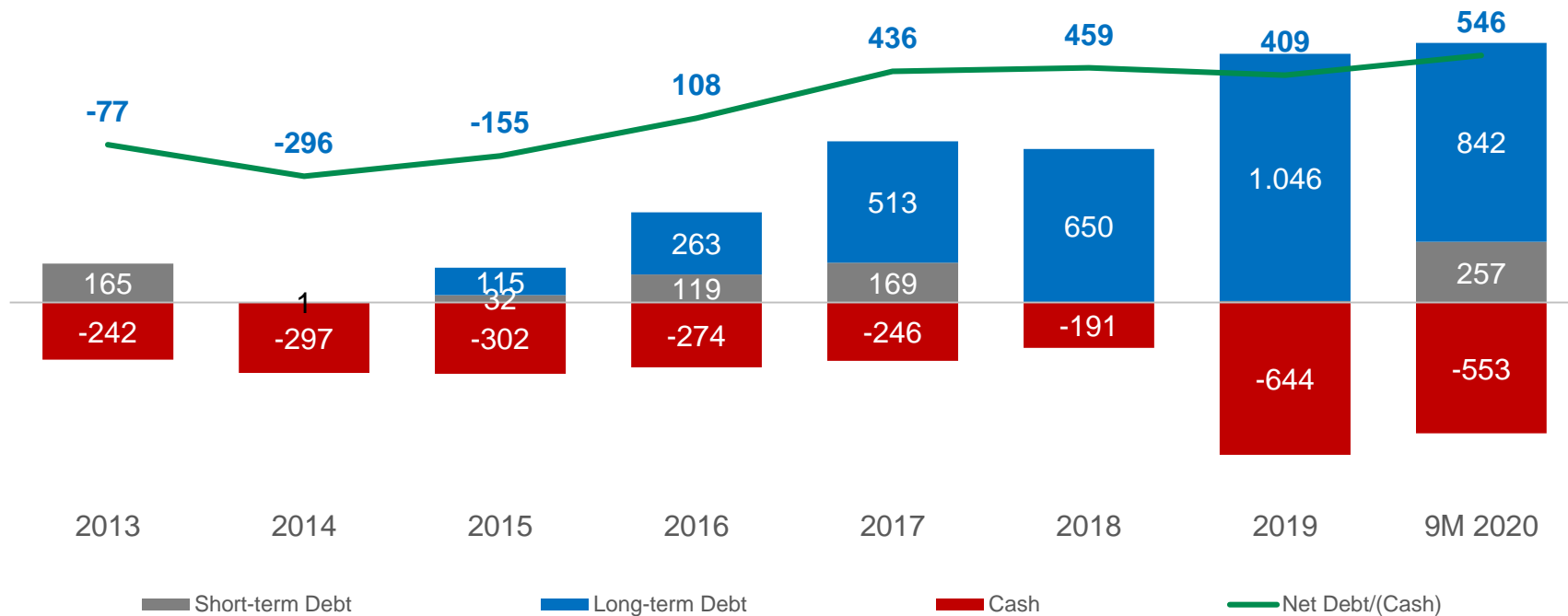
Net Profit  
margin on GGR

\* Excl. one-off items



# Balance Sheet

## Net Debt position (€m)



### Prudent leverage & solid balance sheet structure

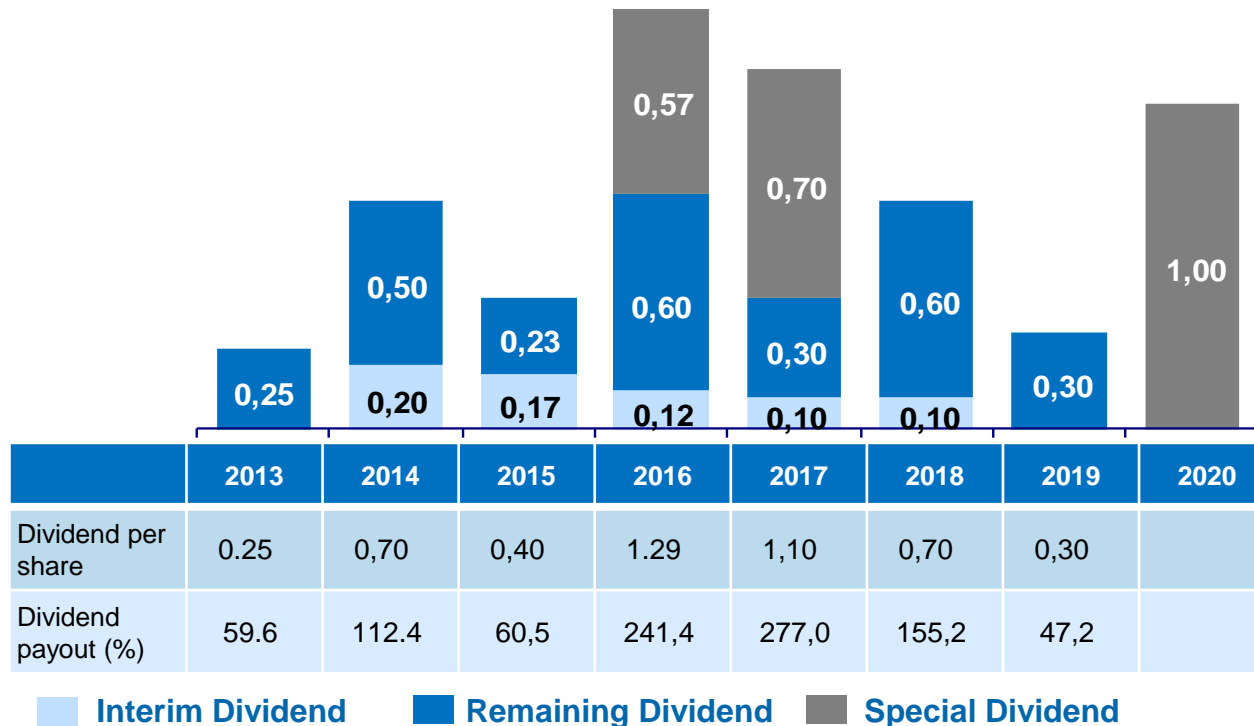
- Average cost of lending: **Fixed c.2.75%**
- **1.7x** Net Debt /LTM EBITDA
- **9.5x** Interest Coverage



# Dividend Policy

Both longer & short term history demonstrate consistent & rewarding shareholders returns

## Dividend per share (€)



1

Average dividend yield since the IPO ('01-'19) **9%**

2

Average dividend payout since listing **104%**

3

Committed to distribute the bulk of FCF post investments





# OPAP Strategy

## To establish OPAP as a world class gaming entertainment company

- Embedding Customer Obsession
- Investing In Our Network
- Developing Our People
- Building a World-class Portfolio of Products & Services
- Leveraging the latest Digital & Technology Capabilities
- Committing to Our Communities
- Expanding the Power of Our Brand
- Rebuilding healthy relationships with the State, Regulator and other bodies



Commenting on the Q3 2020 financial results, OPAP's acting CEO, Mr. Jan Karas, noted that:

“

Our Q3 results demonstrate our ability to ensure operational readiness during unfortunate times and deliver healthy results upon the lift of lockdown measures.

On the financial side, OPAP's performance came close to last year's levels, aided by increased sportsbook activity in Q3 and the ongoing growth of Online and VLTs, which counterbalanced the drop in lottery and Instant & Passives. At the same time, our effort to tap the markets was a remarkable success demonstrating investors' confidence and enhancing our liquidity.

Going forward, in the volatile environment of the pandemic and the second lockdown, our focus remains on protecting and actively supporting our employees, partners and stakeholders, safeguarding our healthy financial position and enhancing our product proposition. We remain confident in our ability to face future challenges and deliver positive results.

”



# Video Lottery Terminals (VLTs) License Agreement



- Fully paid 18 years exclusive license of €560m for the operation of 25,000 VLTs
- VLTs has added a “growth engine” to OPAP’s performance potential and is already amongst the most significant contributors to OPAP’s EBITDA in the long-term

- HR to receive 30%-35% of GGR in the form of royalties



- Max. allowed number of VLTs per venue: 50 in Gaming Halls and 15 in existing OPAP agencies
- Full deployment of 25k VLTs since end of 2019

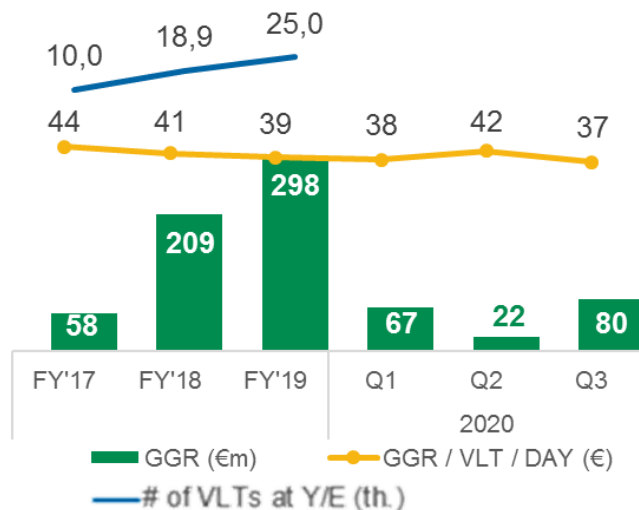


# Video Lottery Terminals (VLTs)



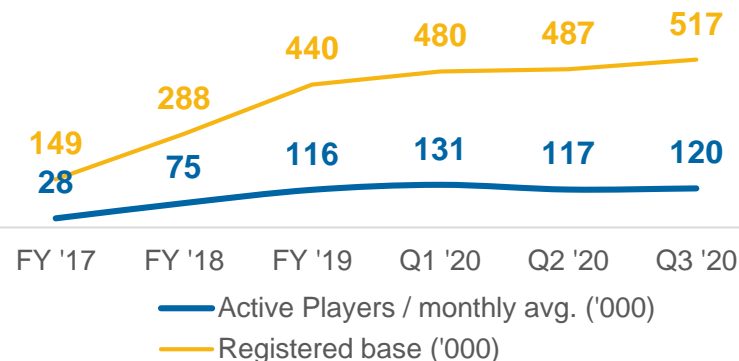
Rollout completed as planned and on schedule – focus now on optimisation

## Performance overview



- ✓ **Rollout complete:** All 25,000 installed and certified by regulator
- ✓ **Record customers:** Continuously increasing customer base, monthly actives constantly >100k
- ✓ **Expanded Product Portfolio:** Increased number of new VLT games

## Customers Overview



## Age Group

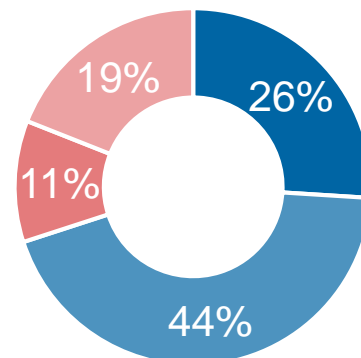


70%



30%

- Above 45yrs (Male)
- Below 45yrs (Male)
- Above 45yrs (Female)
- Below 45yrs (Female)







# Video Lottery Terminals (VLTs)



Delivering a truly entertaining gaming experience



## Operational Highlights (Q3 '20)

Avg. spending per visit

31€

Communication  
Opt-in rate

76%

<15%

Players reaching  
their time or spending limits

## Operation under fully responsible manner

- ✓ 100% of customer play is with player card
- ✓ Max bet per spin of €2.00 (all games)
- ✓ 100% of customers have set their self-imposed limitations both on time & money
- ✓ Mandatory cooling-off period for any change in self-imposed limitations
- ✓ Strict certification process for both machines and venues
- ✓ Minimum distance from schools



# VLTs enhancement



## Introduce new play games & features

From 39 to... **109** unique Play games

Launch of VLT Jackpot across all machines



**SYNOT**  
NOVOMATIC

**INSPIRED**  
INSPIRED GAMING GROUP

**IGT** **WMS**

## Engage with promo events



Xmas campaign



Ladies night



Party night



Match of the day



Lucky draws



Pizza night

## Different stores formats & more typologies

- 1 Low budget store with up to 25 VLT's
- 2 Standard store with 30-50 VLT's
- 3 Flagship store with differentiated design
- 4 Block with OPAP store and Gaming Hall

## Promotional activities & CRM initiatives

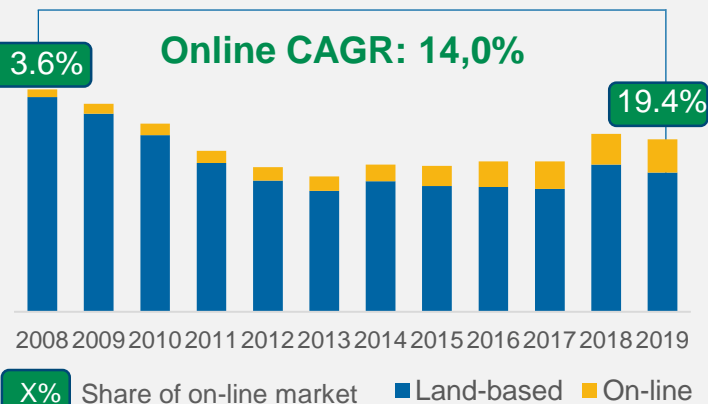




# Leveraging on on-line gaming market development

Parallel & district strategies to capitalize on this growing online market trend

On-line segment is the most fast growing part of Greek gaming market



## OPAP Online



- Pame Stoixima, Joker & recently virtuals and casino games already available online
- 121k Q3'20 monthly avg. active customers, with international evidence pointing out to higher penetration in the future
- Significant opportunity to leverage OPAP's strong brand name

## Stoiximan Group Investment

### Transaction's perimeter

- Phase 1** Acquisition of a **36.75%** stake in the mother company of Stoiximan Group, TCB Holdings Ltd, for a consideration of **€50m** ✓ **Concluded**
- Phase 2** Acquisition of additional stake in Greek & Cypriot operations reaching 69%. Net consideration: **€90.2m** ✓ **Concluded**
- Phase 3** Acquisition of additional stake in Greek & Cypriot operations reaching 84.5%. Consideration: **€43.3m** ✓ **Concluded**
- Phase 4** **Sole control** of Greek & Cypriot operations. Net consideration: **€30m** • pending approval from competent authorities

- The leading online operator in Greece (c.49% market share, 2019) and amongst market leaders in Cyprus and Romania.

**€242.7m**  
**FY'19 GGR**  
(after deducting bonuses)

**€38m Group**  
**€44m GR/CY**  
**FY'19 Ebitda**

**217k**  
**Q3'20**  
**active players/**  
**monthly avg.**

**9M'20: GGR +40% y-o-y; performance pointing out to another record year**



# Social Responsibility

The largest social contributor in Greece measured in overall expenditure and variety of actions

## Promoting trust strategic framework



Level 4 (highest) Certificate in Responsible Gaming by the World Lottery Association



*"OPAP S.A. is a member of the World Lotteries Association (WLA) and the European Lotteries (EL) as well as the Global Lottery Monitoring Systems (GLMS), independent unions composed of state or state-licensed lottery companies.*



# OPAP in Summary

## Sole Concessions

- A 50+year exclusive concessions backlog with the earliest expiration in 2026

## Sales Network

- Largest retail network in Greece

## Significant Cash Flows

- Bulk of FCF (excl. any investment) will continue to be distributed as dividends

- Significant growth coming from VLTs, new products, online & rejuvenation of current products

## Strong Fundamentals

- Ongoing focus on cost efficiencies demonstrating tangible results & delivering additional savings

## Ongoing cost control

- Possesses significant expertise, local know-how and knowledge of the gaming industry

## Solid Management Team



## Investor Relations Team

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Tel : +30 210 5798930

<https://investors.opap.gr>

# Notes



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# Notes



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