



# Q1 2014 Financial Results

May 28, 2014

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# >> Overview

## In Q1 '14 OPAP reports reinforced revenues coupled with solid EBITDA growth

- Revenues up 11.1% to €965.5m (2013: €869.3m) demonstrating a sequentially improved for a 5th consecutive quarter rate of change on the back of a 30% growth in Stihima as well as KINO'S return to positive territory.
- Gross Gaming Revenue (GGR) up 5.8% at €320.1m (Q1 2013: €302.6m) reversing the Q4 2013 drop.
- EBITDA at €76.3m (Q1 2013: €57.6m), higher by 32.4% y-o-y, returning to growth path after 13 declining y-o-y quarters.
- Distribution expenses at €25.8m, further reduced by 12.2% y-o-y.
- Net Profit up 27.6% to €49.7m (2013: €38.9m).
- Strong cash position of €168m.

(€ 'm)	Q1 2014	Q1 2013	% Δ
<b>Revenues</b>	965.5	869.3	11.1
<b>GGR (Gross Gaming Revenue)</b>	320.1	302.6	5.8
<b>EBITDA</b>	76.3	57.6	32.4
<b>Payout (%)</b>	66.8%	65.2%	
<b>EBITDA margin (on revenues)</b>	7.9%	6.6%	
<b>EBITDA margin (on GGR)</b>	23.8%	19.0%	
<b>Net profit</b>	49.7	38.9	27.6
<b>Net profit margin</b>	5.1%	4.5%	
<b>EPS (€)</b>	0.16	0.12	27.6



# >> Overview

## Financial Review

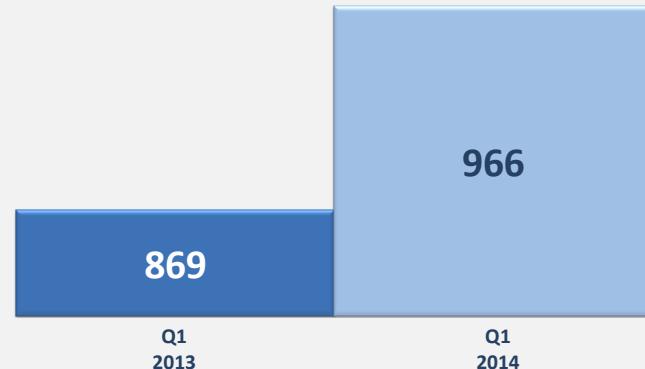
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### Key Financials Q1 2013-2014

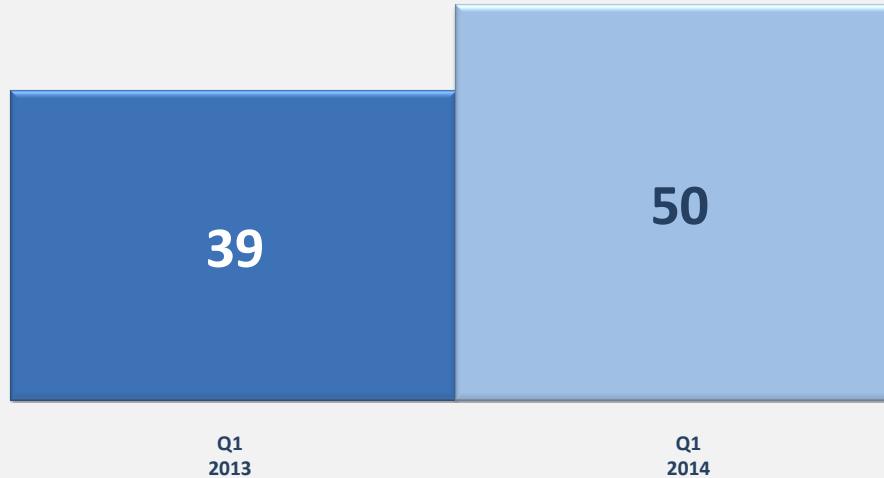
#### Turnover



#### EBITDA



#### Net Profit



# >> Turnover

## Financial Review

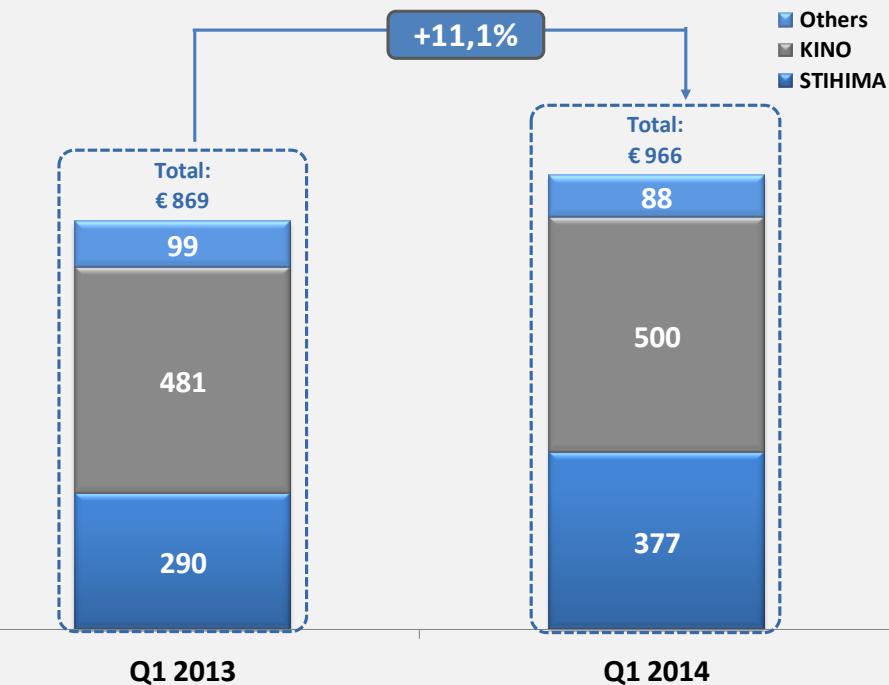
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### Q1 2014 Turnover

- OPAP's revenues for Q1 2014 increased by 11.1% to €965.5m versus €869.3m in Q1 2013, despite the ongoing domestic recession (Q1 2014 Greek GDP down 1.1%) aided by the on-going rejuvenation actions taken on Stihima as well as solid Kino performance.
- **Sports betting**  
Total sports betting revenues increased by 27.8% to €395.5m in Q1 2014 from €309.5m in Q1 2013. Stihima revenues increased by 30.1%, growing for a 3rd consecutive quarter.
- **Numerical games**  
Revenues from numerical games increased by 1.8% to €570.0m in Q1 2014 from €559.8m in Q1 2013. KINO's revenues reached €500.4m higher by 4.1% y-o-y, turning positive after 18 declining quarters and further demonstrating improved sequential performance (-1.0% in Q4, -1.6% in Q3, -5.2% in Q2 and -11.4% in Q1 2013).



# >> Sequential improvement continues

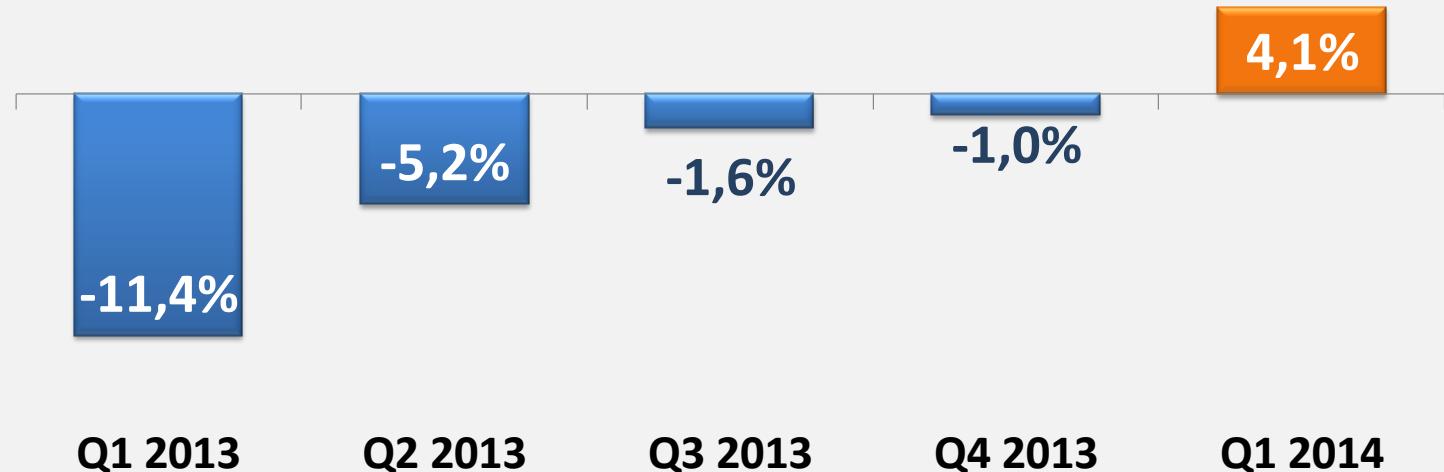
Financial Review

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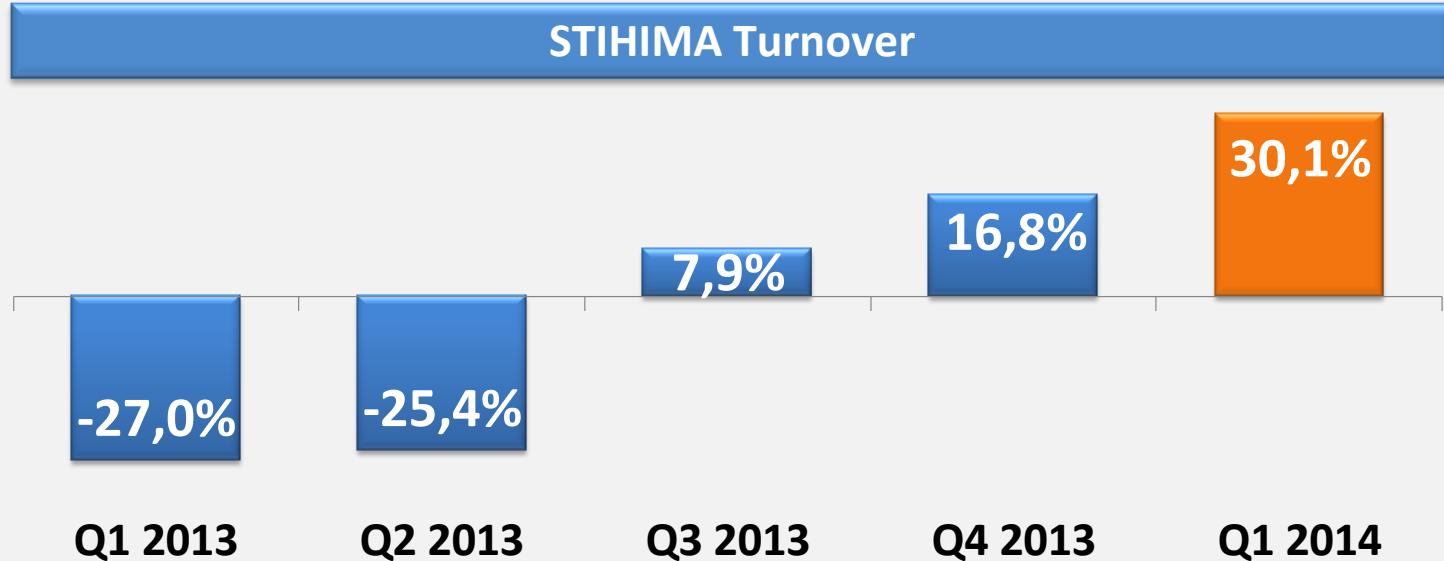
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## KINO Turnover



## STIHIMA Turnover



# >> GGR & Prize Payout

## Financial Review

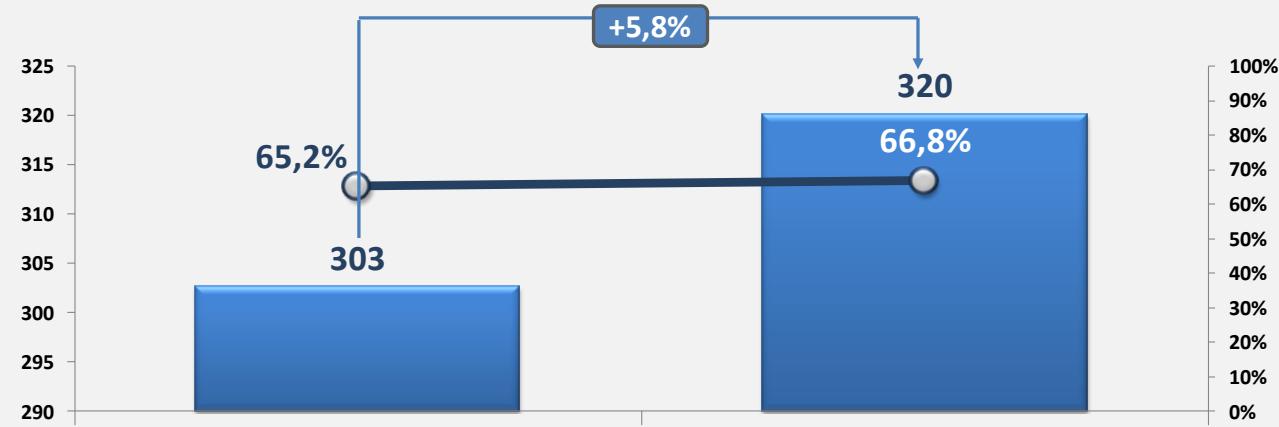
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### Q1 2014 Gross Gaming Revenue & Prize Payout

- Payout to lottery and sports betting winners in Q1 2014 reached €645.4m, at 66.8% vs. 65.2% in Q1 2013 due mainly to Stihima payout reaching 67.9% vs. 63.6% in Q1 2013.
- Despite the payout's increase, Stihima's GGR for the quarter reached €121.0m, reflecting a 15.3% growth y-o-y.
- KINO payout in Q1 2014 decreased slightly at 68.75% vs. 69.31% in Q1 2013.



# >> Payout

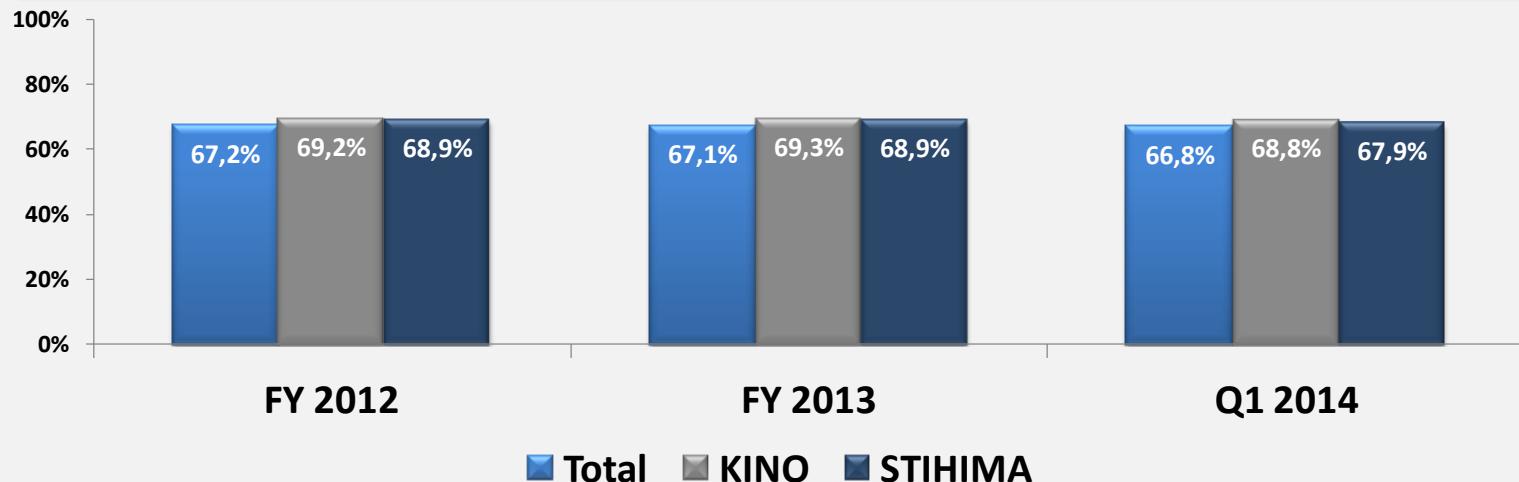
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Payout ratio per game



STIHIMA Payout ratio



# >> EBITDA

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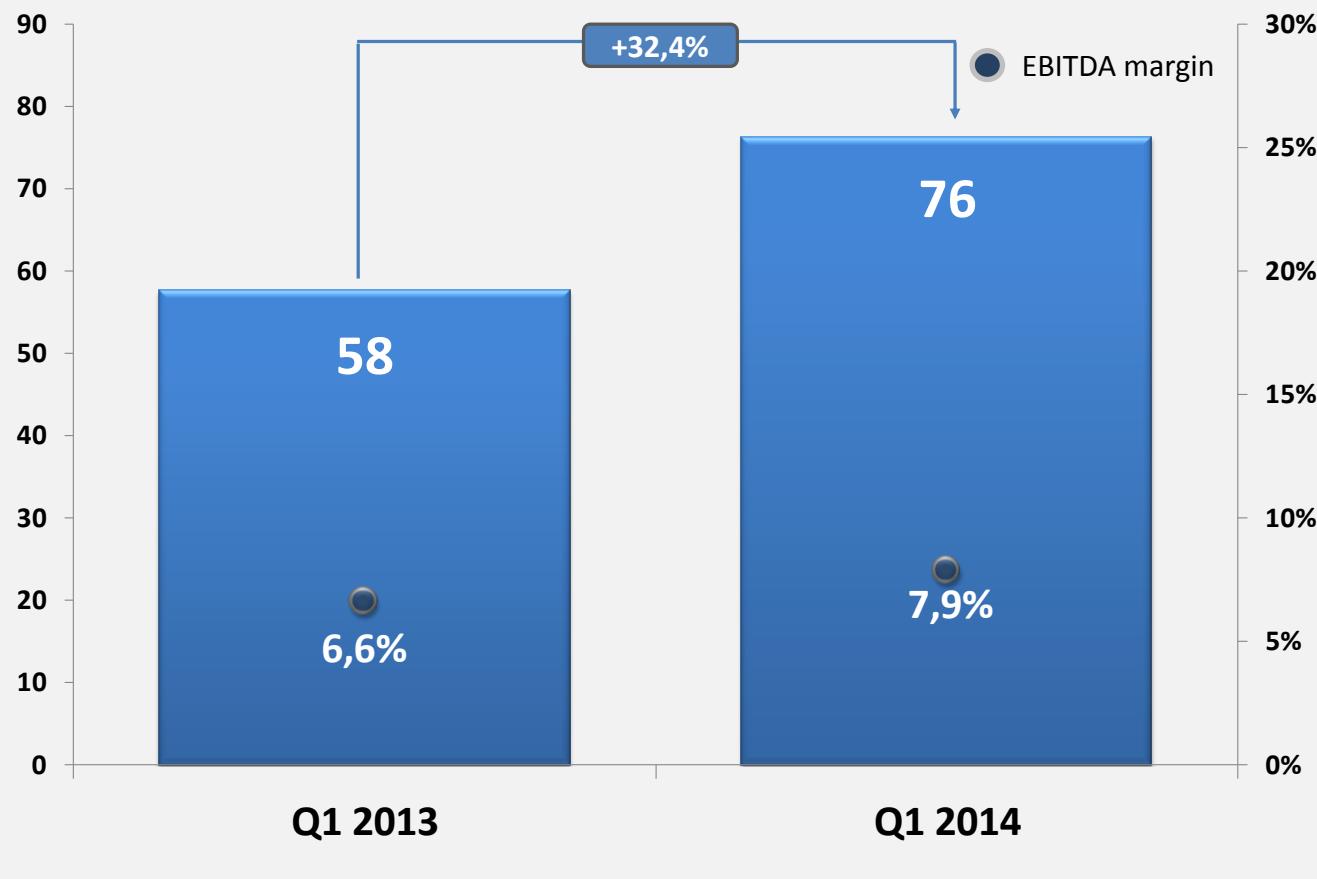
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### Q1 2014 EBITDA & EBITDA margin

- The Group's EBITDA increased to €76.3m in Q1 2014 from €57.6m in Q1 2013 higher by 32.4% y-o-y. EBITDA growth was 22 p.p. higher compared to the revenue growth due in the most part to the on-going reduction of the Group's operating expenses.



# >> Net Profit

## Financial Review

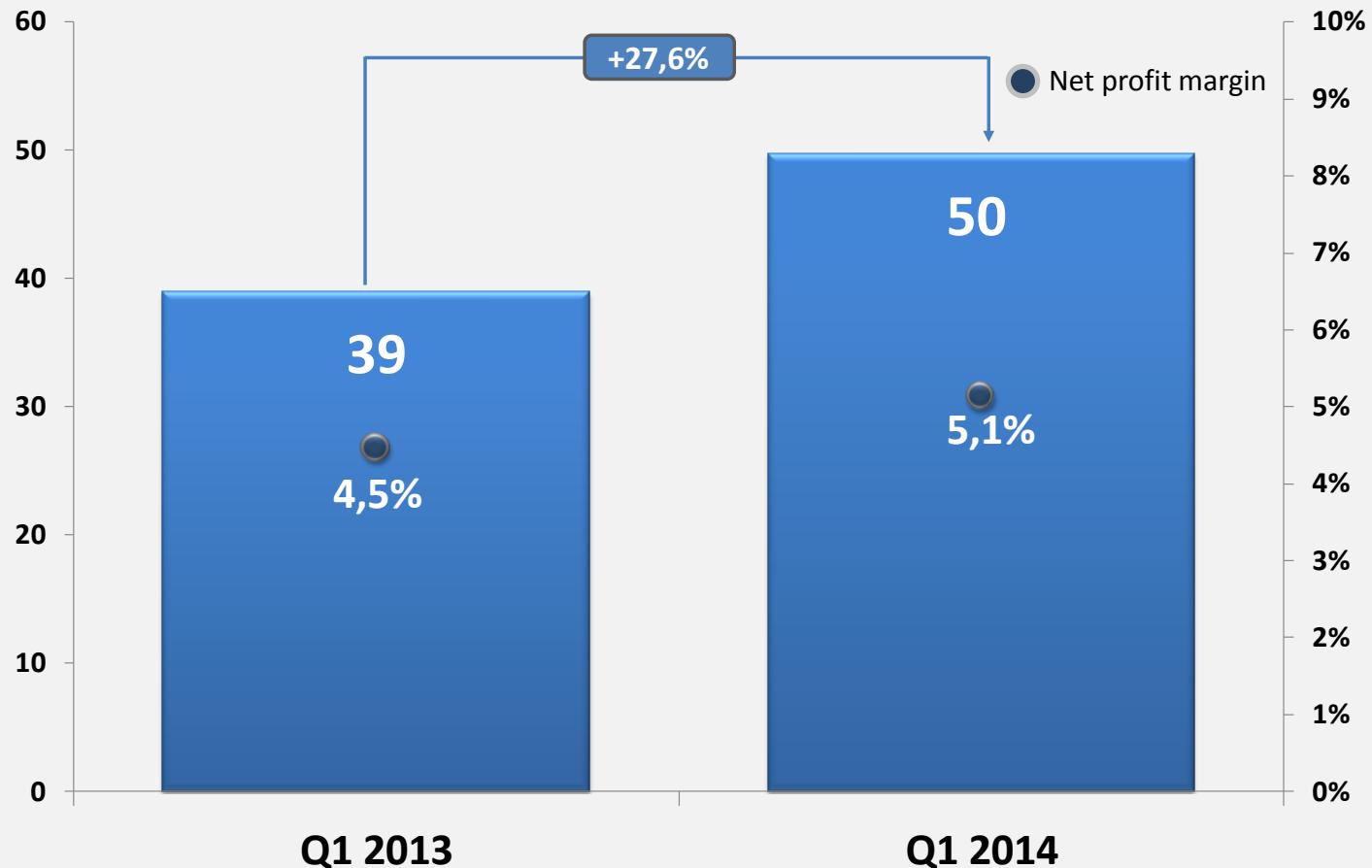
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### Q1 2014 Net profit & Net profit margin

- Net profit in Q1 2014 increased at €49.7m from €38.9m in 2013, up by 27.6% y-o-y.



# >> Total opex

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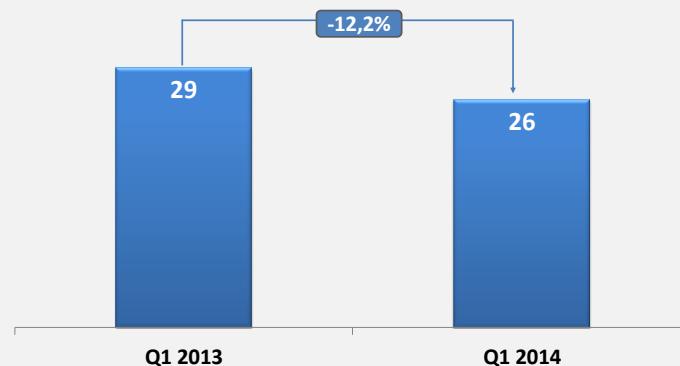
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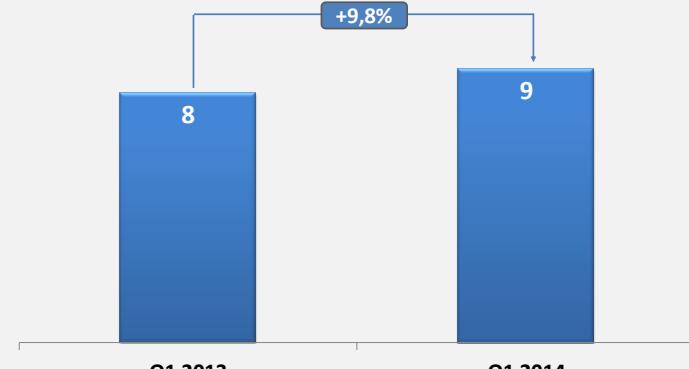
### Q1 2014 Operating Expenses - Cost Optimization

- Total **distribution costs** in Q1 2014 reached €25.8m versus €29.4m in 2013 down by 12.2%. Advertising declined by a significant 67.7%, however through a medium-term perspective the relevant expense should also be viewed along with new products' introduction. As such the scratch tickets launch should lead to cost normalization for the remainder of the year.
- In Q1 2014, **administrative expenses** increased moderately by 9.8% to €8.9m due mostly to higher retirement benefits costs.
- Total **cost of services** in Q1 2014 reached €128.2m from €129.7m in Q1 2013, decreased by 1.2% y-o-y. The total non-revenue based cost as recorded in the cost of services line reached €46.5m, down by 14.8% y-o-y despite the reported 11.1% revenue growth.

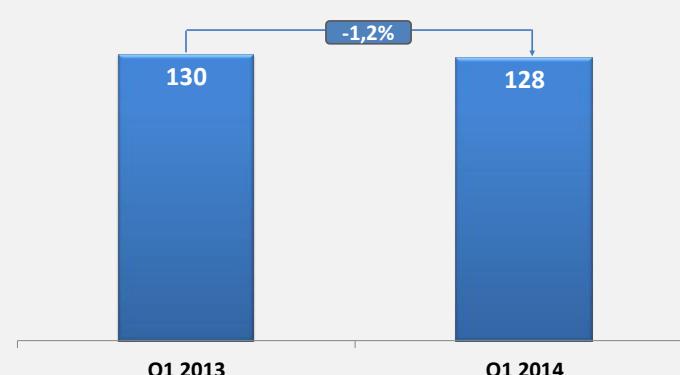
#### Distribution Cost



#### Administrative Cost



#### Cost of Services



#### Non-revenue based cost (as recorded in the cost of services)



# >> Cash Flow

## Financial Review

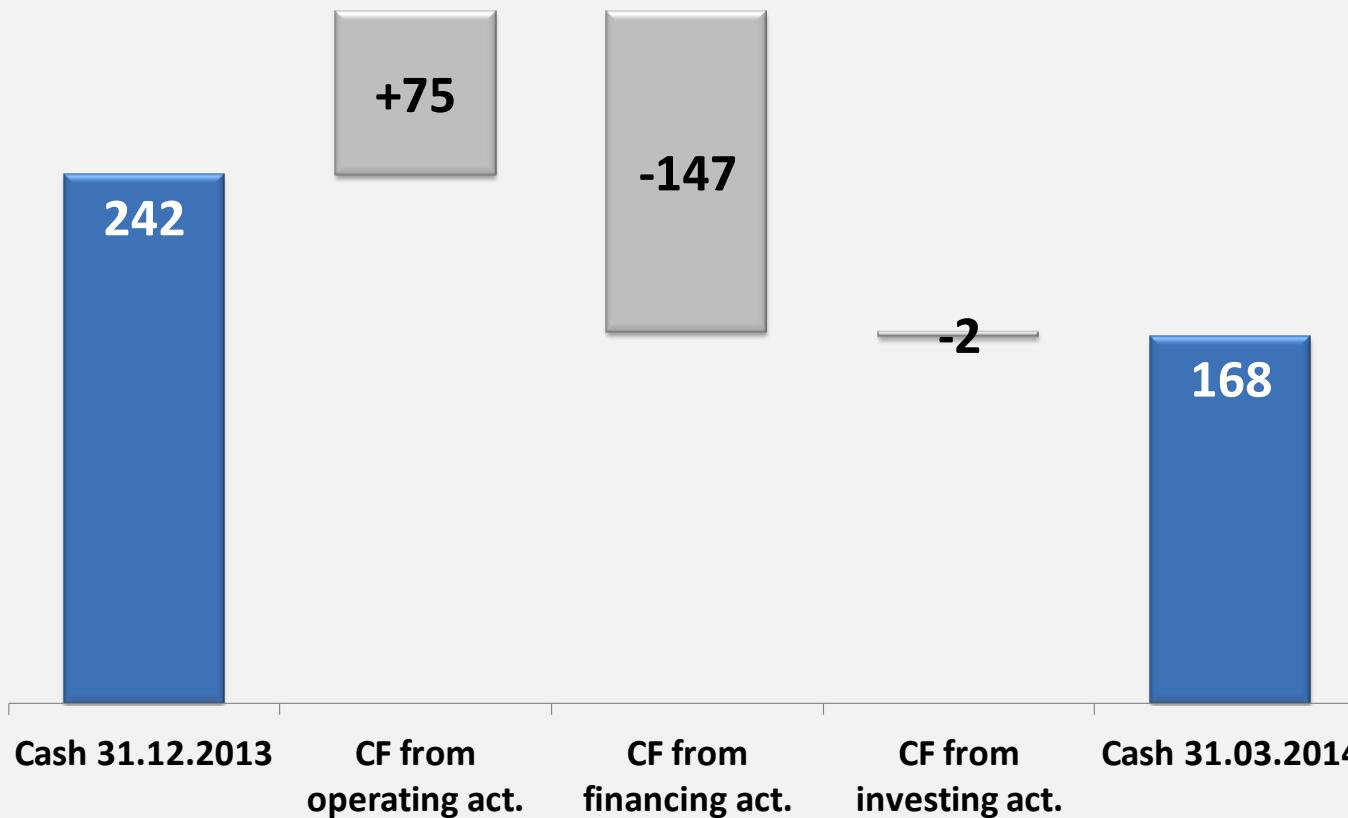
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### Q1 2014 Cash Flow

- Cash flow from **operating activities** in Q1 2014 decreased by 44.0% amounting to €75.1m from €133.9m in Q1 2013, due mostly to the calendar effect related to Q1 2013 GGR taxation occurring in Q2 2013.
- Cash flow from **investing activities** in Q1 2014 amounted to an outflow of €2.2m reflecting limited maintenance CAPEX needs.
- Cash flow from **financing activities** in Q1 2014 amounted to an outflow of €146.9m on the back of the early full repayment of the company's bond loan facility.



ANNUAL REPORT

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**Focus for the year**

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# >> Legacy games Enhancement



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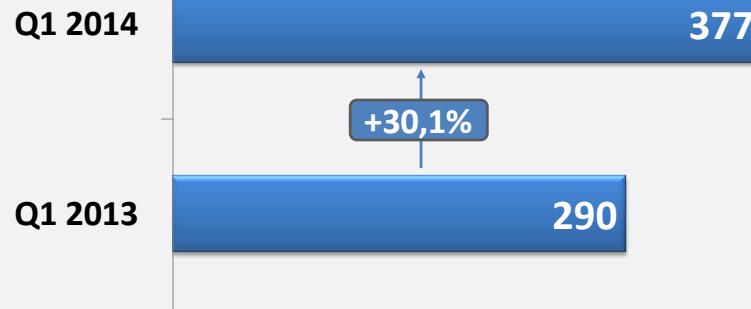
## Stihima Enhancement

- Ongoing actions towards Stihima rejuvenation led to a revenue increase of 30,1% in Q1 2014, accompanied by GGR growth of 15,3%.

Events offered as singles +31%, doubles +156%, live betting +61%

Improved over-round and enriched coupon

### Revenues



### GGR



# >> Hellenic Lotteries

## Scratch & Passive Lotteries Overview

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Successful Launch on May 1<sup>st</sup>

3,8m winners MTD

EKPATΣ

6,500 POS  
• Agencies  
• Kiosks  
• Street Vendors

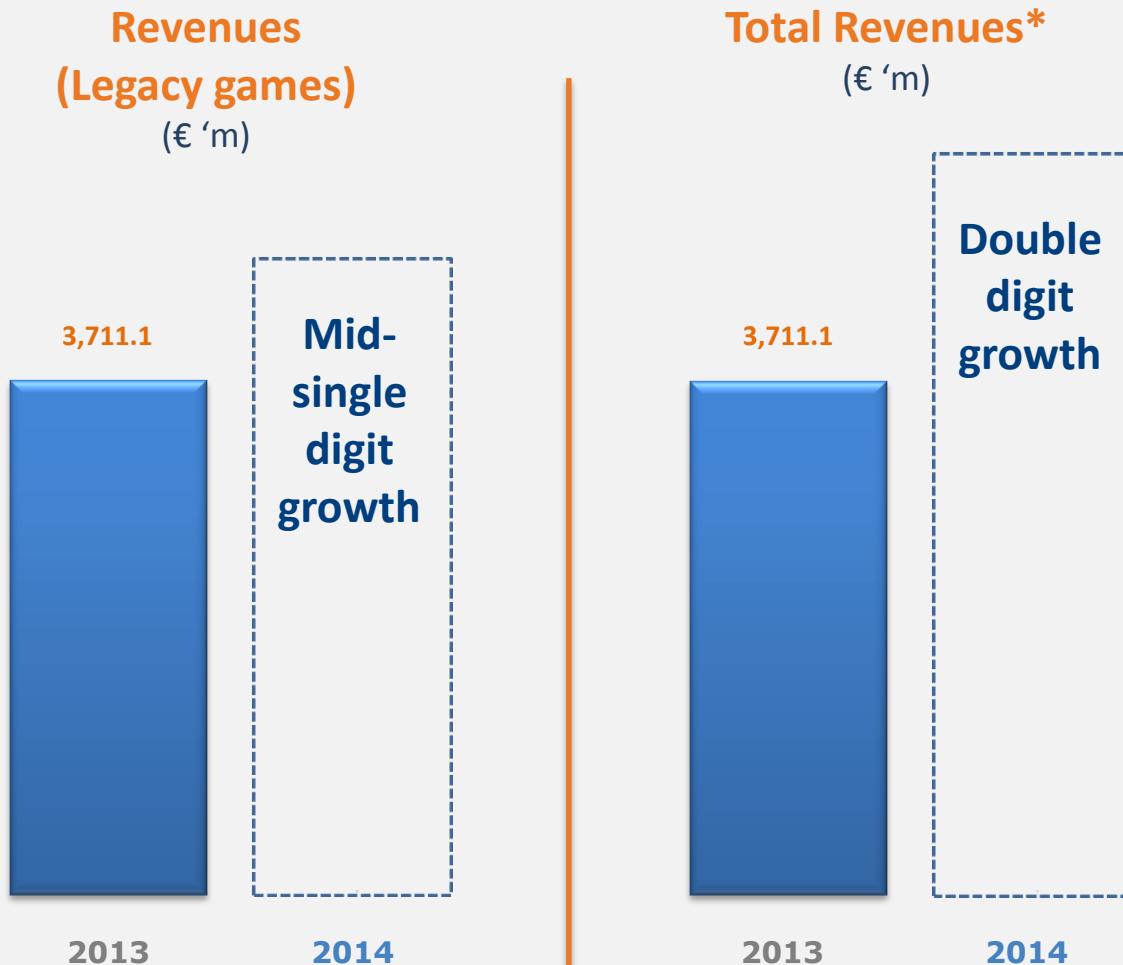
Smooth transition of passive lotteries operation

Network Expansion



Marketing Campaign to Support Growth

# >> 2014 Guidance



\*Aided by the new projects' contribution

Disclaimer:

This presentation includes estimates and other statements that are, or may be deemed to be, "forward looking statements". These forward-looking statements are based on assumptions and not historical data and such assumptions as well as the estimates and other forward looking statements depend on the occurrence of events and circumstances that are beyond OPAP's ability to control or predict; as such forward looking statements, including those in the present presentation, are highly uncertain and unreliable predictions of future outcomes such that actual results and developments may differ materially from those expressed in or implied by such forward looking statements. Forward-looking statements are not guarantees of future performance and no liability is accepted for whether any estimate or other forward looking statement is actually achieved.



# >> 2014 Guidance

## Bloomberg Consensus

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(€ 'm)	2013a	2014e	Min. 2014	Max. 2014
<b>Revenue</b>	3,711	4,399	4,019	4,745
<b>GGR*</b>	1,219	1,345	1,196	1,390
<b>Growth %, y-o-y</b>		18.6		
<b>Gross Profit</b>	346	411		
<b>Margin %</b>	9.3	9.4		
<b>EBITDA</b>	222	293	274	315
<b>Margin %</b>	6.0	6.7		
<b>Net Income</b>	141	170	141	203
<b>Margin %</b>	3.8	3.9		
<b>EPS</b>	0.44	0.53	0.44	0.64
<b>Growth %, y-o-y</b>		20.4		
<b>DPS</b>	0.25	0.39	0.23	0.56

\* Consensus by 10 analysts reporting 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.

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# >> Investment Highlights

A large, blurred photograph of a crowd of people with their hands raised, cheering. The image serves as the background for the entire slide.

**National leader of world class caliber**

**Strong financial position**

**The largest commercial network in Greece**

**Significant growth driven by new projects**

**Unique offering secured by exclusive concessions**

**Highly attractive market**

## Stock Exchange Data

- **Tickers:**  
OASIS: OPAP  
Reuters: OPAP.AT  
Bloomberg: OPAP:GA
- **Market Cap.:**  
3,643m (26/05/14)
- **Outstanding Shares:**  
319,000,000
- **Free Float:** 67%

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# Condensed Consolidated Statement of Financial Position as of 31 March 2014 & 31 March 2013



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Consolidated Statement of Financial Position		
('000 €)	Q1 2014	Q1 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	168.072	242.036
Receivables	23.681	36.466
Other current assets	10.948	18.521
<b>Total current assets</b>	<b>202.701</b>	<b>297.023</b>
<b>Non - current assets</b>		
Intangible assets	1.101.113	1.103.211
Investments in associates	129.553	129.563
Other non - current assets	87.289	71.532
<b>Total non - current assets</b>	<b>1.317.955</b>	<b>1.304.306</b>
<b>TOTAL ASSETS</b>	<b>1.520.656</b>	<b>1.601.329</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Liabilities</b>		
Short term loans	20.000	165.447
Short term payables (trade & other)	113.384	113.293
Other short term payables	126.448	121.661
Provisions	49.317	49.292
Other long term liabilities	36.549	26.353
<b>Total liabilities</b>	<b>345.696</b>	<b>476.046</b>
<b>Total equity</b>	<b>1.174.959</b>	<b>1.125.283</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1.520.656</b>	<b>1.601.329</b>

# Condensed Consolidated Statement of Comprehensive Income Q1 2014 & Q1 2013



Financial Review

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Consolidated Statement of Comprehensive Income				
('000 € )	Q1 2014	Q1 2013	Δ	Δ%
<b>Revenues</b>	965.509	869.328	96.181	11,1%
<b>Payout</b>	-645.427	-566.746	-78.681	13,9%
<b>GRG</b>	<b>320.082</b>	<b>302.582</b>	17.500	5,8%
<b>Tax on revenues</b>	-90.856	-85.469	-5.387	6,3%
<b>CoS</b>	-128.215	-129.720	1.505	-1,2%
<b>Gross Profit</b>	<b>101.011</b>	<b>87.393</b>	13.618	15,6%
<b>S&amp;D</b>	-25.829	-29.415	3.586	-12,2%
<b>G&amp;A</b>	-8.865	-8.075	-790	9,8%
<b>Other OPEX</b>	-360	-3.401	3.041	-89,4%
<b>EBITDA</b>	<b>76.276</b>	<b>57.595</b>	18.681	32,4%
<b>EBIT</b>	<b>66.663</b>	<b>46.813</b>	19.850	42,4%
<b>EBT</b>	<b>67.726</b>	<b>51.603</b>	16.123	31,2%
<b>EAT</b>	<b>49.676</b>	<b>38.941</b>	10.735	27,6%

# Condensed Consolidated Cash Flow statement as of 31 March 2014 & 31 March 2013



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Consolidated Cash flow statement		
('000 €)	2013	2012
<b>Operating Activities before WCC</b>	<b>76.345</b>	<b>54.977</b>
<b>Changes in Working Capital</b>		
Inventories	51	-225
Receivables	19.948	-23.285
Payables	-11.027	27.461
Taxes payable	-9.966	87.999
Interest expenses & Income taxes paid	-289	-12.984
<b>Cash flow from Operating Activities</b>	<b>75.061</b>	<b>133.943</b>
<b>Cash flow from:</b>		
<b>Investing Activities</b>	<b>-2.166</b>	<b>-2.732</b>
Financing Activities		
Proceeds from loan	20.000	0
Payments of loan installments	-166.750	0
Dividends Paid	-6	-214
Other Paid	-103	-104
<b>Cash flow in Financing Activities</b>	<b>-146.859</b>	<b>-318</b>
<b>Net change in cash</b>	<b>-73.964</b>	<b>130.893</b>
Cash at the beginning of the year	242.036	367.582
<b>Cash at the end of the year</b>	<b>168.072</b>	<b>498.475</b>



# Q1 2014 Financial Results

May 28, 2014