



Q3 & 9M 2014 Financial Results

November 26, 2014

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OPAP reports continuous revenue growth along with enhanced profitability margins

- Revenues up 12.9% to €2,981.6m (9M 2013: €2,641.8m). Q3 2014 revenues increased by a considerable 19.1% to €1,068.8m (Q3 2013: €897.6m) owing in the most part to the strong performance of Hellenic Lotteries and the ongoing increase of Stihima.
- Gross Gaming Revenue (GGR) up 10.0% at €961.8m (9M 2013: €874.8m). Q3 2014 GGR rose by 17.9% at €345.6m (Q3 2013: €293.2m), further improving H1 2014 growth rate of 6%.
- EBITDA at €239.1m (9M 2013: €174.1m). Q3 EBITDA reached €94.2m (Q3 2013: €70.8m), up by a considerable 33.1% or 14 p.p. higher vs. the top line growth.
- Enhanced EBITDA margin of 24.9% (9M 2013:19.9%) despite the relatively early stages of Hellenic Lotteries operation.
- The uplift comes as a result of the persisting containment of the Group's controllable OPEX line, as evident in both the 23% reduction of distribution expenses at €58.5m (9m 2013: €75.5m), as well as the significant contraction of IT related expenses.
- Net Profit came in at €121.3m (9M 2013: €111.7m). Net profit in Q3 2014 up by 25.9% to €55.9m (Q3 2013: €44.4m).
- Solid cash position of €176.6m.
- Payment of €0.23 per share to shareholders (consisting of interim dividend & tax-exempt reserves) in line with company's guidance on dividend policy.

(€ 'm)	Q3 2014	Q3 2013	% Δ	9M 2014	9M 2013	% Δ
Revenues	1,068.8	897.6	19.1	2,981.6	2,641.8	12.9
GGR (Gross Gaming Revenue)	345.6	293.2	17.9	961.8	874.8	10.0
EBITDA	94.2	70.8	33.1	239.1	174.1	37.3
Payout (%)	67.7%	67.3%		67.7%	66.9%	
EBITDA margin (on revenues)	8.8%	7.9%		8.0%	6.6%	
EBITDA margin (on GGR)	27.3%	24.1%		24.9%	19.9%	
Net profit	55.9	44.4	25.9	121.3	111.7	8.6
Net profit margin (on revenues)	5.2%	4.9%		4.1%	4.2%	
Net profit margin (on GGR)	16.2%	15.1%		12.6%	12.8%	
EPS	0.18	0.14	25.9	0.38	0.35	8.6

>> Overview



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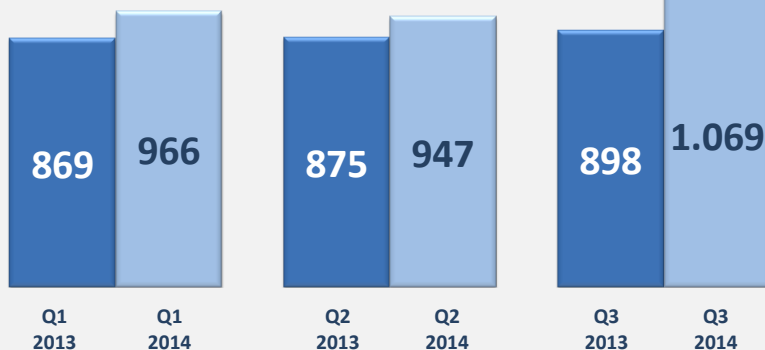
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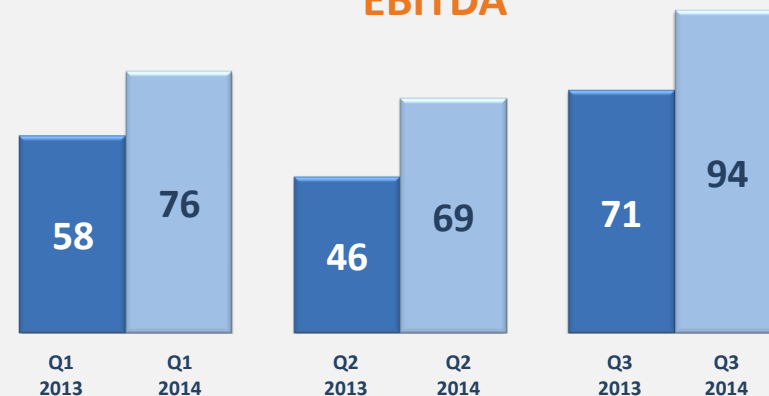
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Key Financials 2013-2014 Quarterly Overview

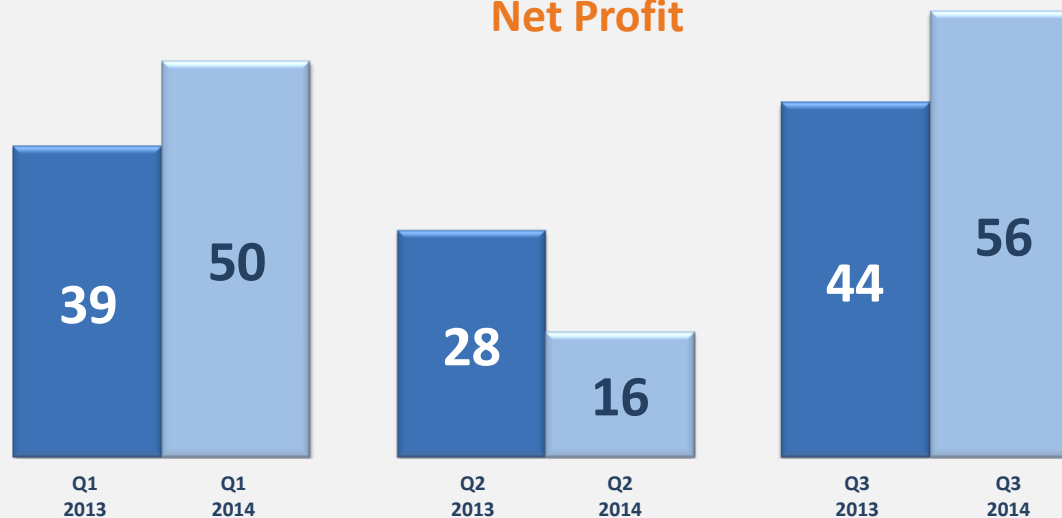
Turnover



EBITDA



Net Profit



>> Turnover



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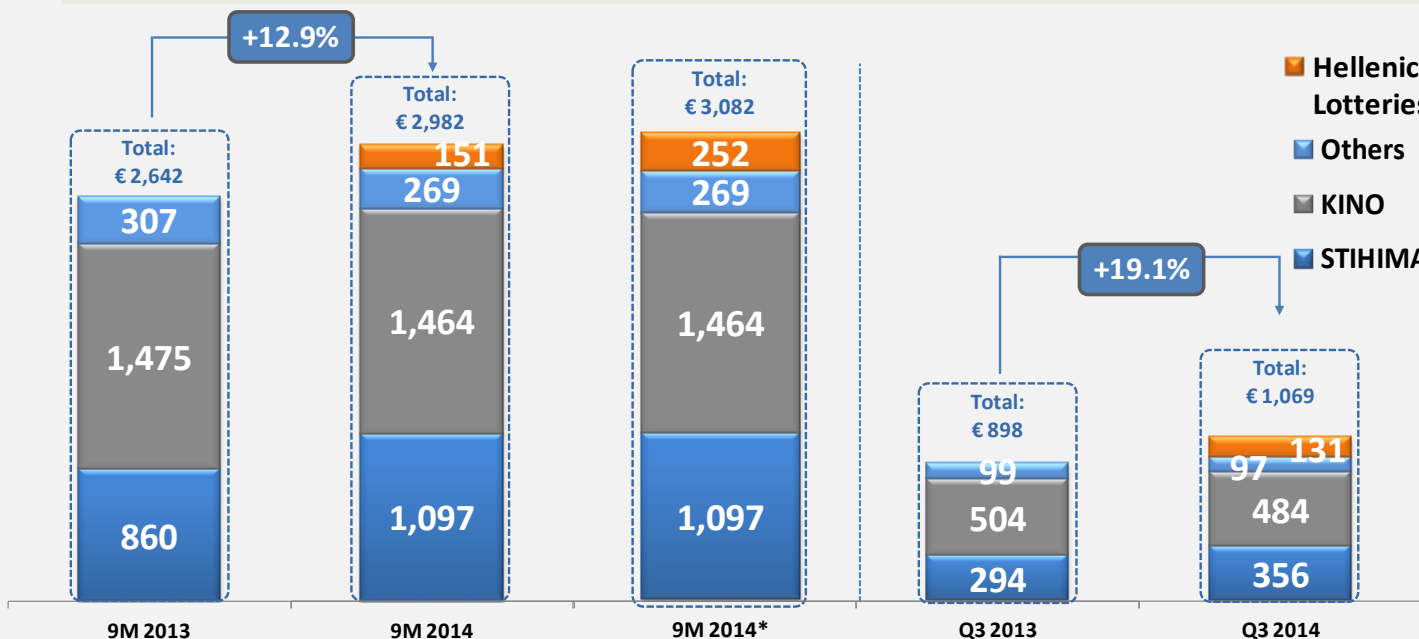
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9M 2014 Turnover

- OPAP's revenues in 9M 2014 increased by 12.9% to €2,981.6m versus €2,641.8m in 9M 2013. Revenues in Q3 2014 grew by 19.1% to €1,068.8m versus €897.6m in Q3 2013, outpacing Q3 2014 Greek GDP 1.7% growth owing to the strong performance of both Hellenic Lotteries and Stihima.
- Sports betting**
Total sports betting revenues reached €1,145.3m in 9M 2014 from €921.3m in 9M 2013 up by 24.3% y-o-y. Stihima revenues in Q3 2014 continued on the growth path for a 5th consecutive quarter, up by 21.1% y-o-y. The conclusion of the World Cup event in July together with the ongoing rejuvenation actions and live betting success led to the game's top line increase for the quarter.
- Numerical games**
Revenues from numerical games were down by 2.1% to €1,685.1m in 9M 2014 from €1,720.5m in 9M 2013. KINO's revenues in Q3 2014 reached €484.0m, lower by 4.0% y-o-y, in line with management's guidance in H1 2014 for a mid-single digit drop for the remainder of the year on the back of scratch tickets' introduction in May.



* Figures including 100% of Hellenic Lotteries 9M 2014 turnover.

(€ 'm)

>> Turnover – Hellenic Lotteries*



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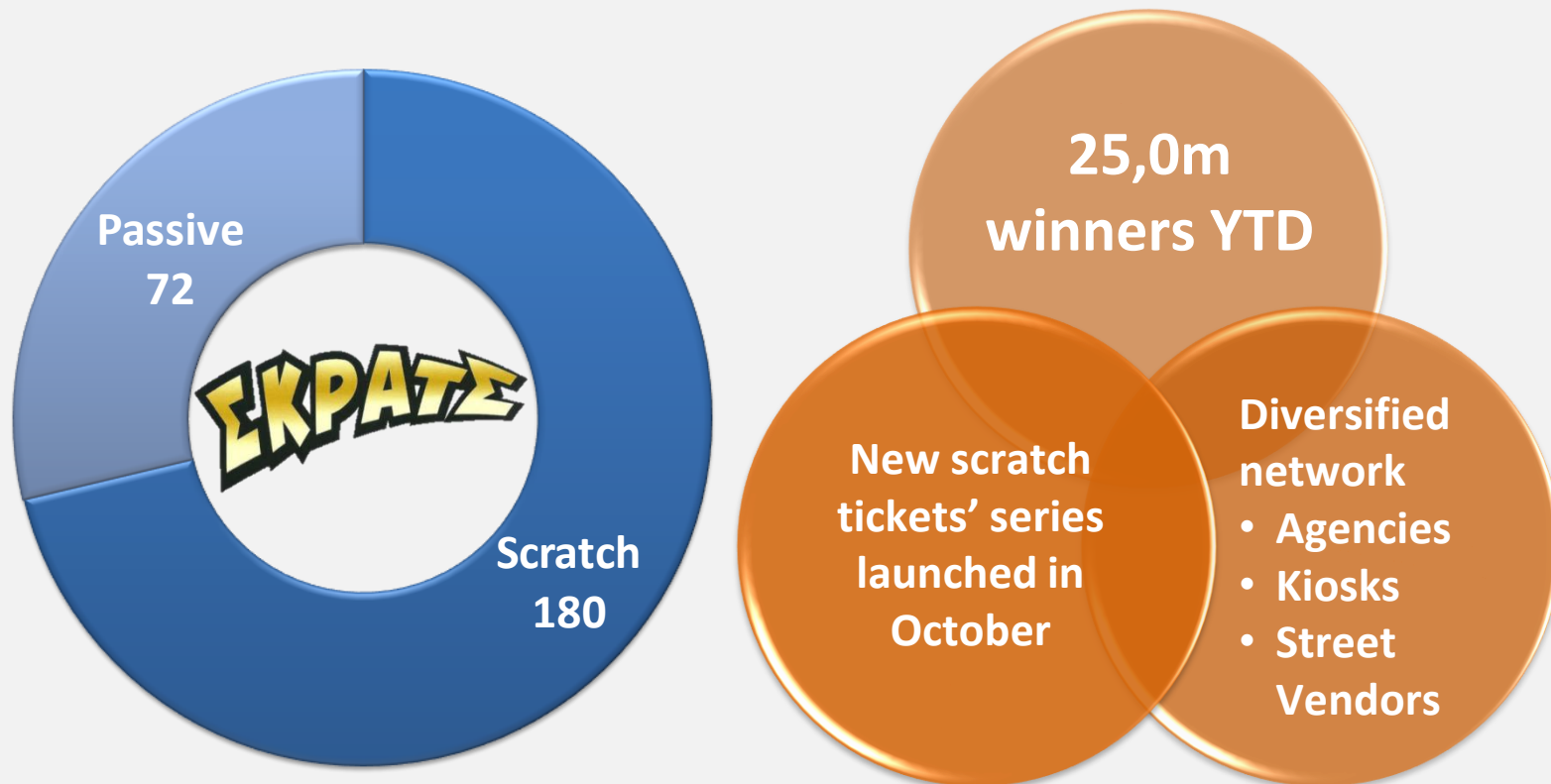
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9M 2014 Turnover

- Hellenic Lotteries generated revenues of €252.1m in 9M 2014. Revenues in Q3 2014 reached €131.3m, split between €88.4m for scratch and €42.9m for passives. The Q3 revenues' run rate is seen as a normalized trend to be expected in the foreseeable future as well. On the profitability front, margins rose significantly despite the relatively early stage of operations.



>> Core games performance

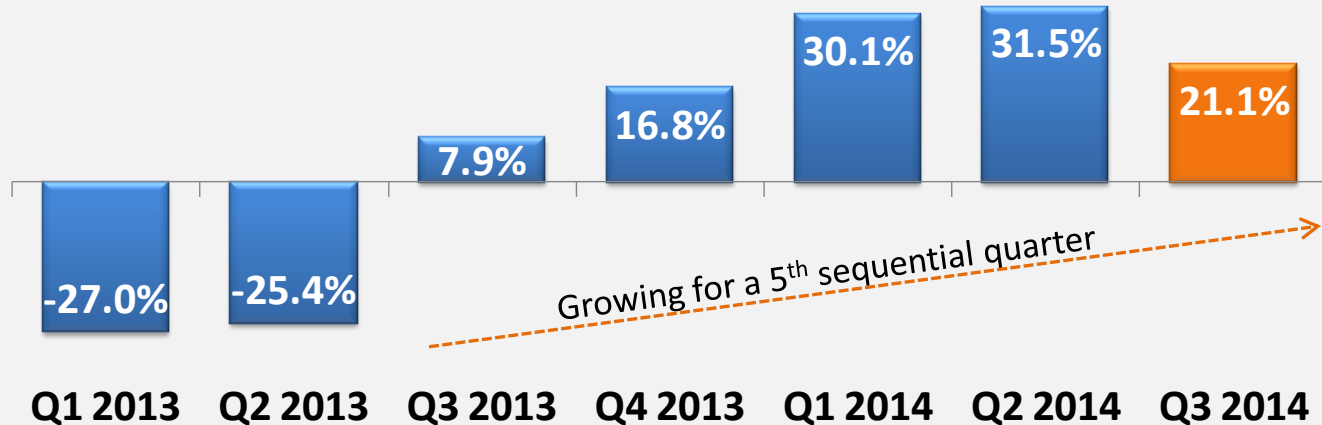
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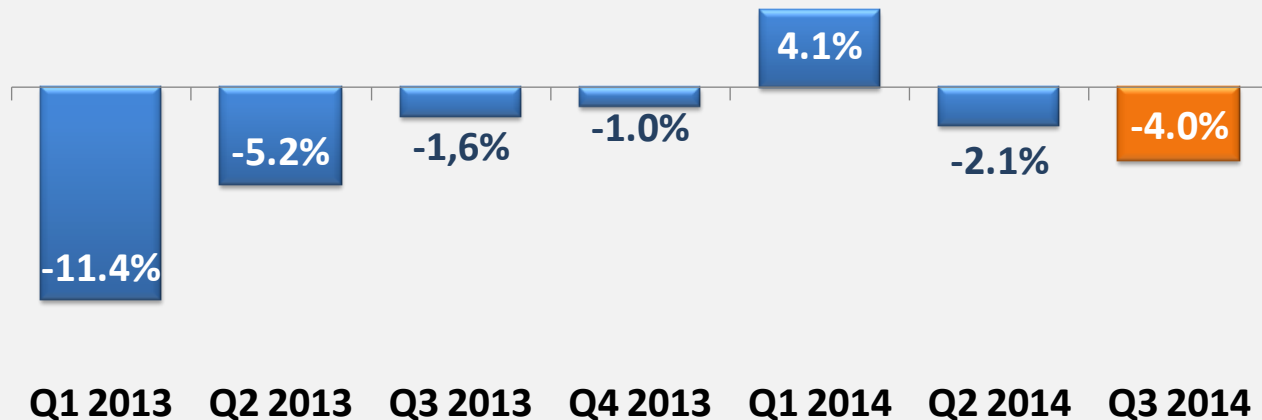
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STIHIMA Turnover



KINO Turnover

As indicated in H1 results, scratch tickets introduction carried a small impact in Q3
A mid-single digit impact should be expected for the remainder of the year as well



>> GGR & Prize Payout



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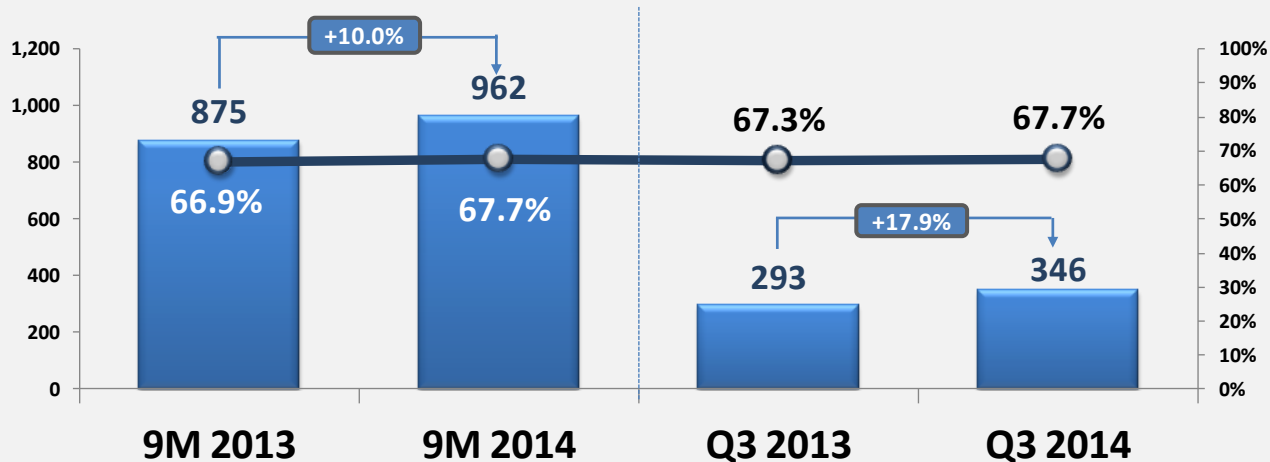
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9M 2014 Gross Gaming Revenue & Prize Payout

- Payout to lottery and sports betting winners in 9M 2014 reached 67.7% versus 66.9% in the corresponding period last year.
- **Stihima** payout in Q3 2014 reached 71.4% vs. 68.7% in Q3 2013 mostly due to the relatively higher weight of live betting y-o-y. Overall, Stihima's GGR for the quarter reached €102m, demonstrating a 10.7% increase y-o-y.
- **KINO** payout in Q3 2014 stood at 69.1% vs. 69.6% in Q3 2013.



>> Payout



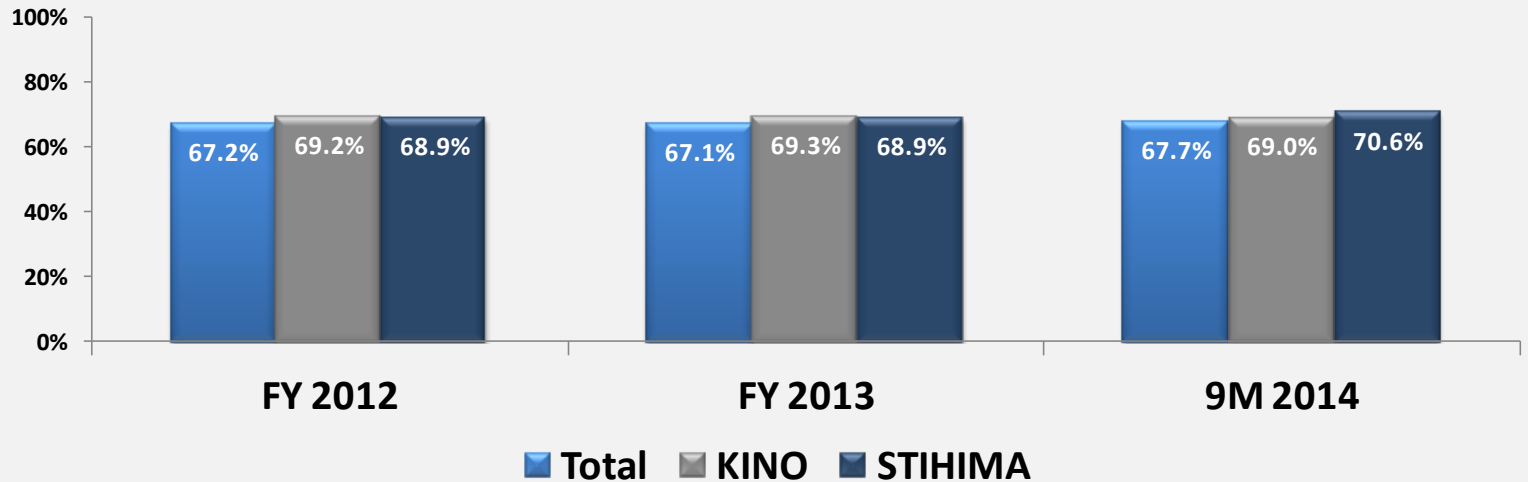
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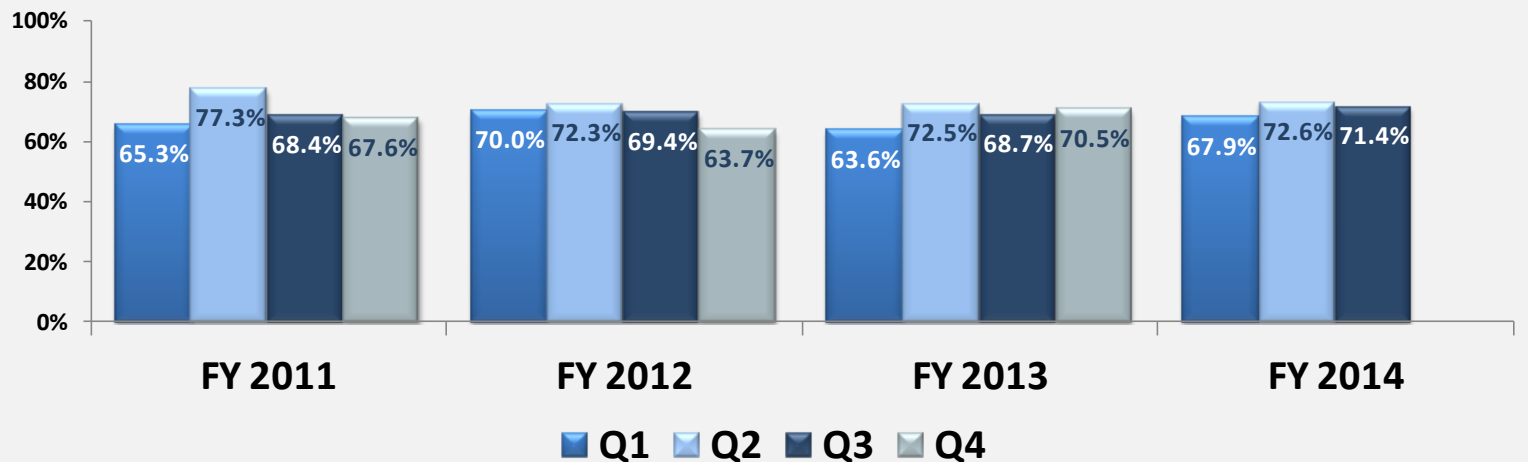
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Payout ratio per game



STIHIMA Payout ratio



>> EBITDA



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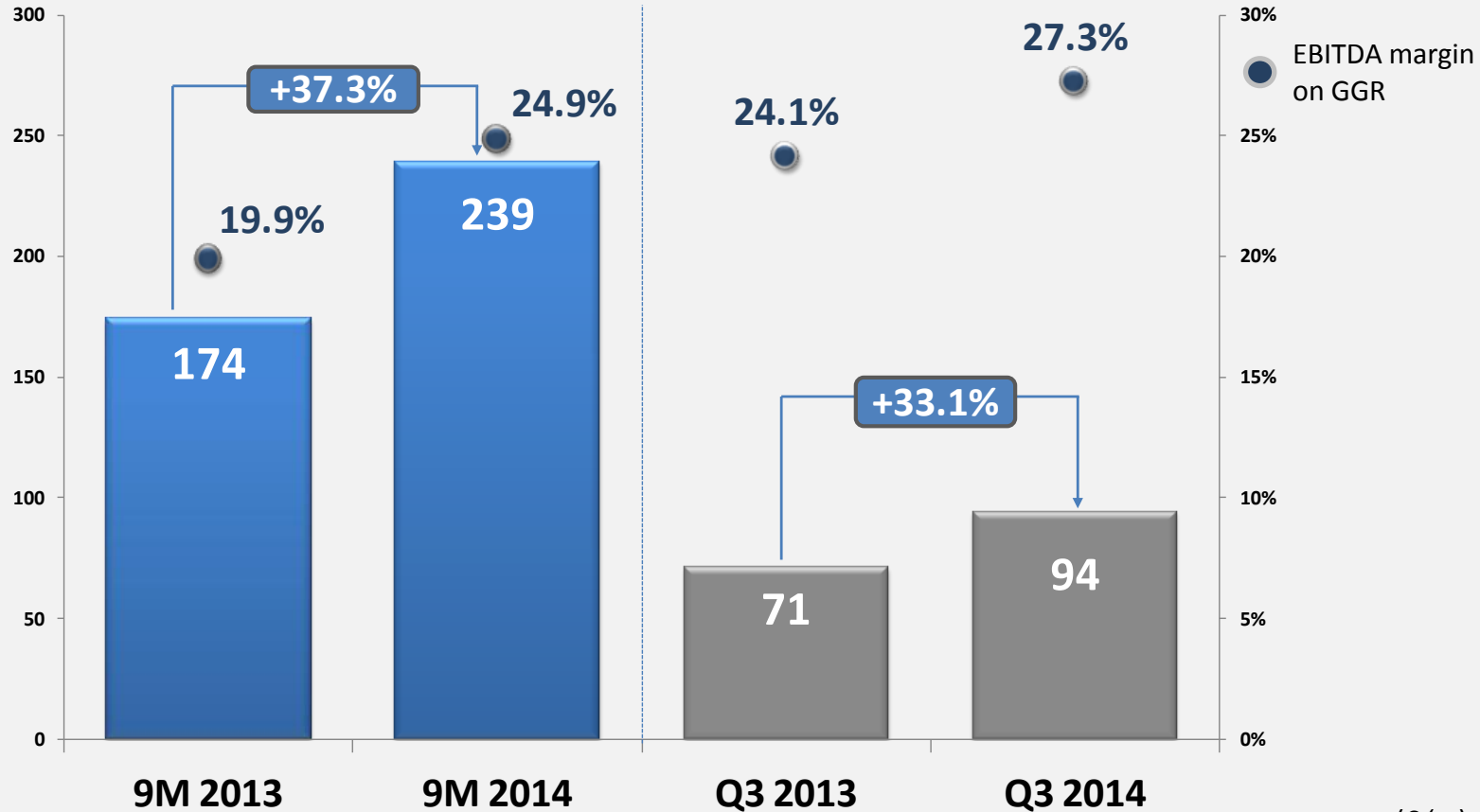
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9M 2014 EBITDA & EBITDA margin (on GGR)

- EBITDA stood at €239.1m in 9M 2014 from €174.1m in 9M 2013, up by 37.3% y-o-y. EBITDA increased to €94.2m in Q3 2014 from €70.8m in Q3 2013, higher by 33.1% y-o-y. Despite the higher payout, EBITDA growth stood at 14 p.p. higher compared to the revenue growth on the back of the persisting containment of the Group's operating expenses.



>> EBITDA margin

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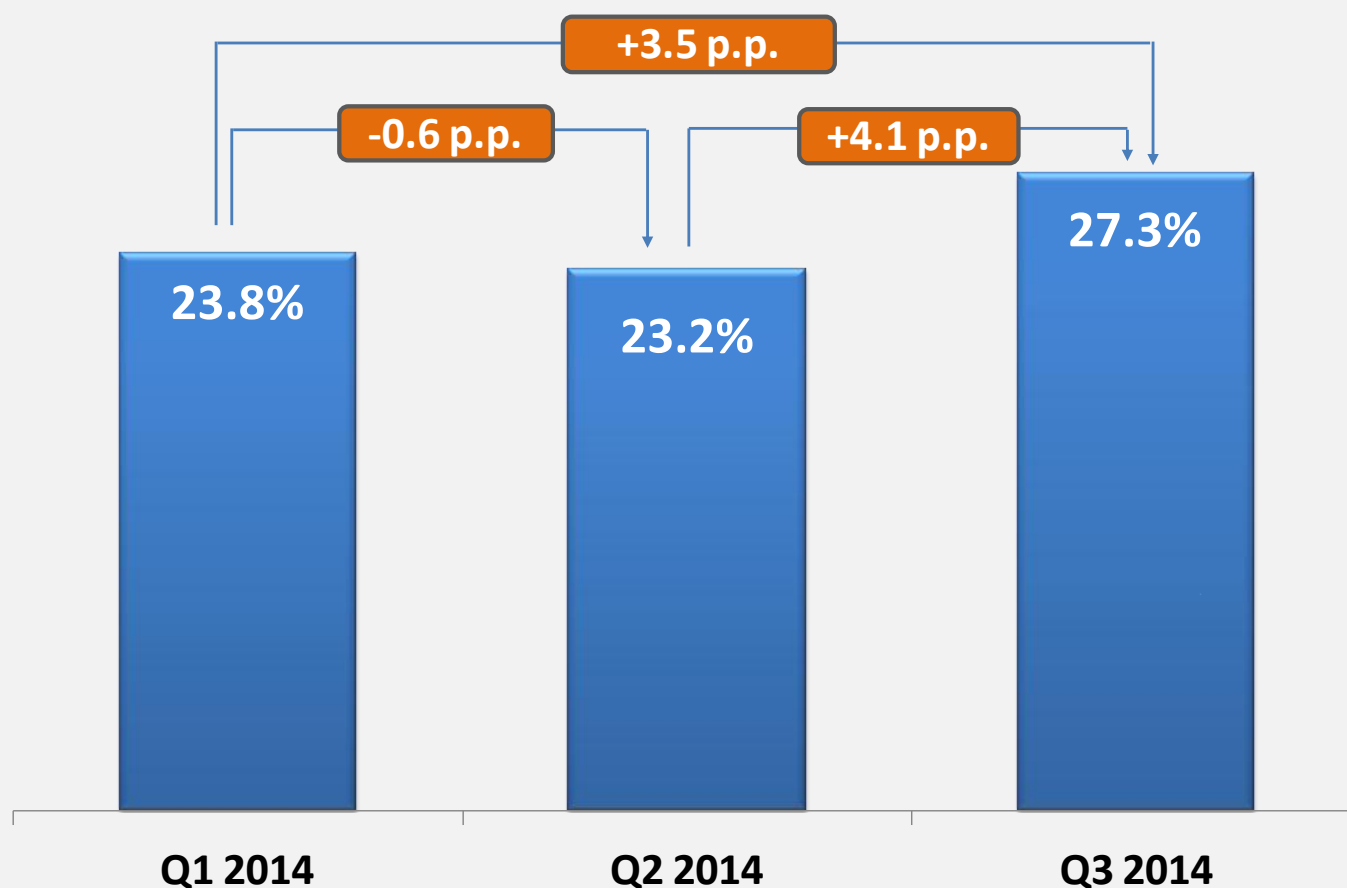
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Quarterly 2014 consolidated EBITDA margin (on GGR)

- Continuous increase of revenues together with cost containment led to an improvement in profitability margins. Although still in early stage of operations, Hellenic Lotteries reached broadly similar margins as the legacy business.



>> Net Profit

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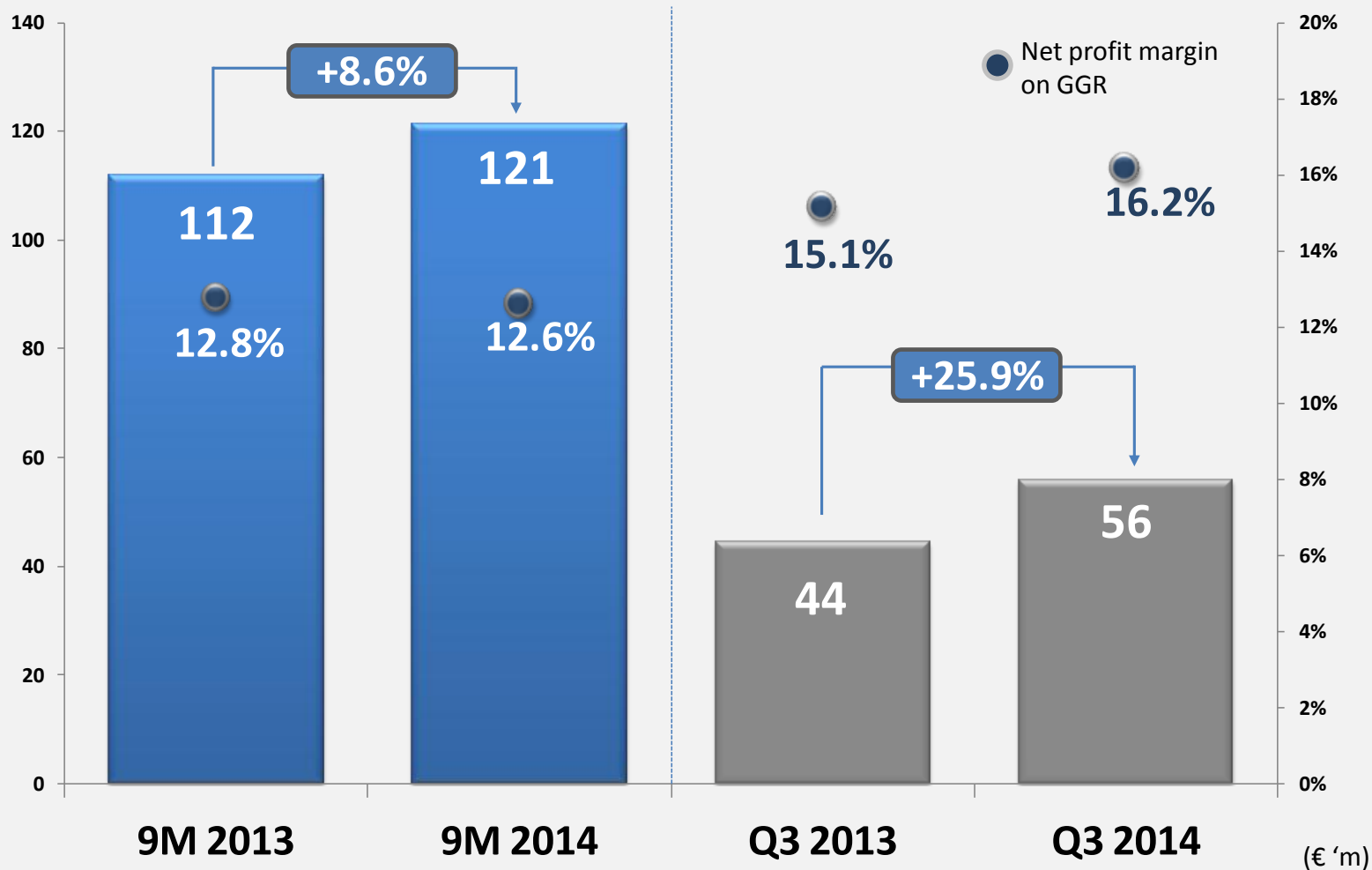
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9M 2014 Net profit & Net profit margin (on GGR)

- Net profit in 9M 2014 stood at €121.3m, increased by 8.6% vs. €111.7m in the corresponding period in 2013. Net profit in Q3 2014 came in at €55.9m from €44.4m in 2013 up 25.9% y-o-y.



>> Total opex

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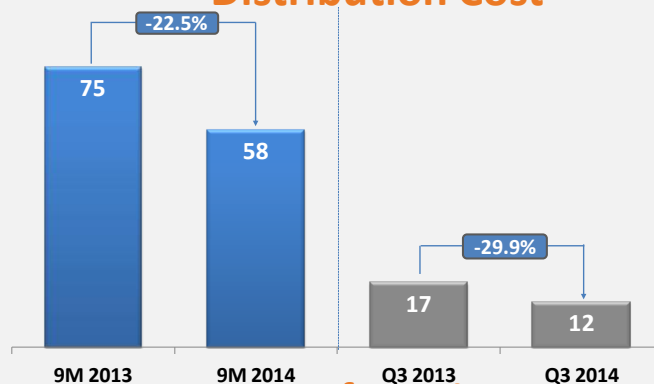
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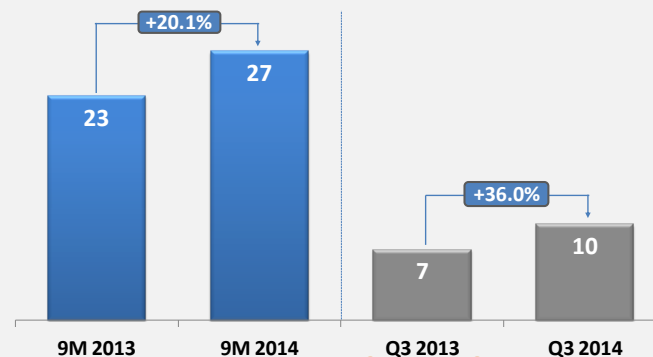
9M 2014 Operating Expenses - Cost Optimization

- Total **distribution costs** in 9M 2014 were reduced by 22.5% at €58.5m versus €75.5m in the corresponding period in 2013. Distribution expenses in Q3 2014 reached €12.2m versus €17.4m in Q3 2013, down by 29.9% due mostly to the containment of sponsorships by 57.4% y-o-y. Advertising pickup at €3.5m for the quarter is attributed mainly to scratch tickets introduction.
- In 9M 2014, **administrative expenses** increased by 20.1% to €27.1m vs. €22.6m in 9M 2013. In Q3 2014, administrative expenses increased by 36.0% to €9.6m due mostly to Hellenic Lotteries related expenses.
- Total **cost of services** in 9M 2014 was increased by 4.8%, at €400.4m vs €382.3m in the corresponding period last year. Cost of services in Q3 2014 reached €141.5m from €126.0m in Q3 2013, up by 12.3% y-o-y, due in the most part to the Hellenic Lotteries launch, however still 6.8 p.p. lower when compared to the revenues growth.

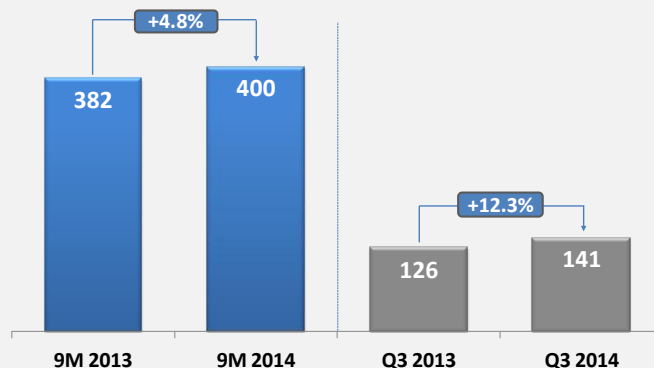
Distribution Cost



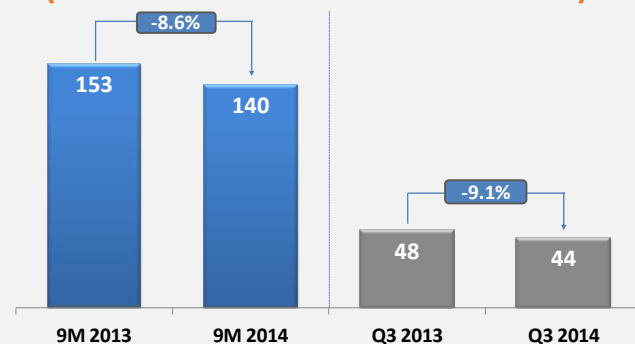
Administrative Cost



Cost of Services



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



(€ 'm)

>> Cash Flow – Interim Dividend

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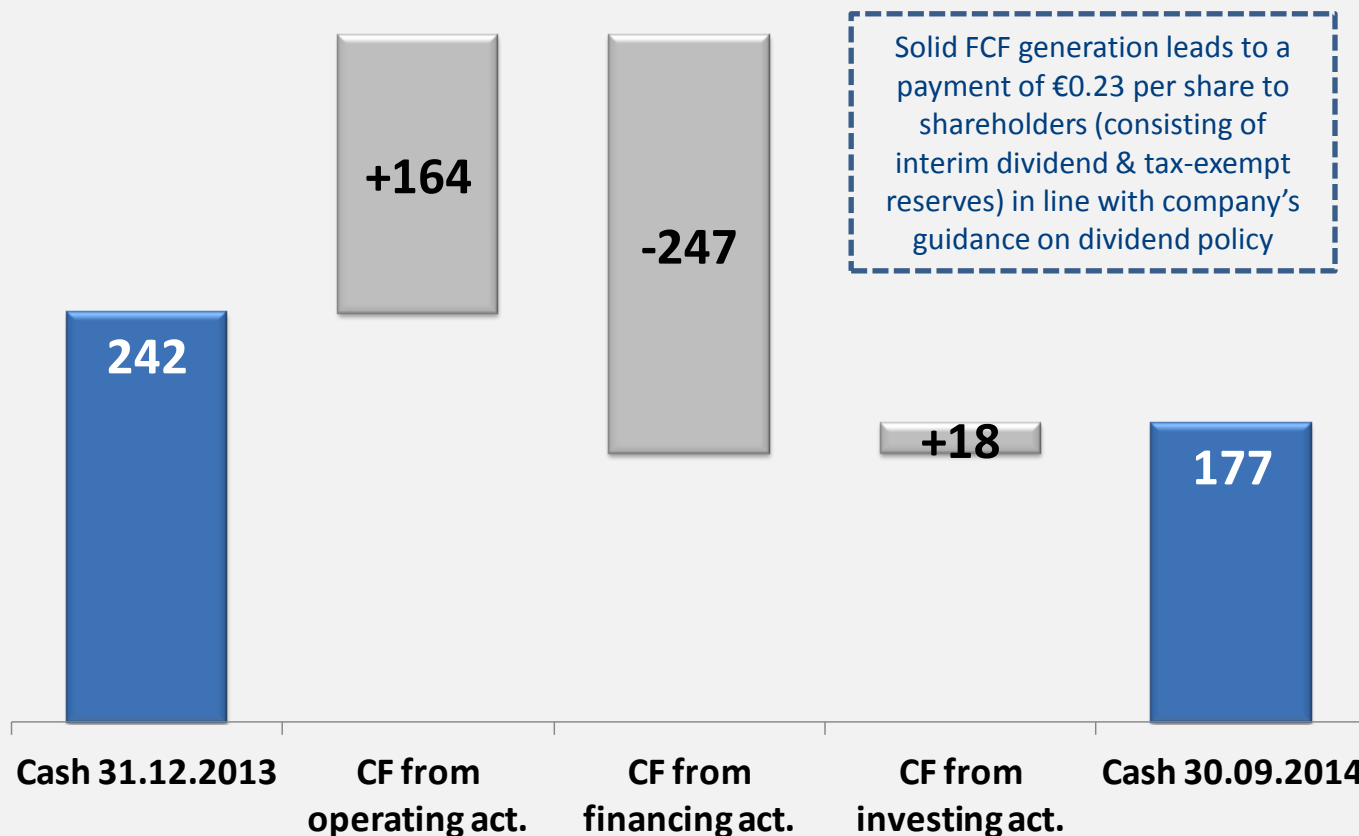
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9M 2014 Cash Flow

- Cash inflow from **operating activities** in 9M 2014 stood at €163.8m from €179.7m in 9M 2013, as higher operating profitability was offset by the calendar effect related to different timing of GGR taxation payments.
- Cash flow from **investing activities** in 9M 2014 amounted to an inflow of €17.6m reflecting the increase in cash reserves stemming from the full consolidation of Hellenic Lotteries.
- Cash flow from **financing activities** in 9M 2014 amounted to an outflow of €246.9m, on the back of the early full repayment of the company's bond loan facility and dividend payment in Q2 2014.



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>> Legacy games Enhancement



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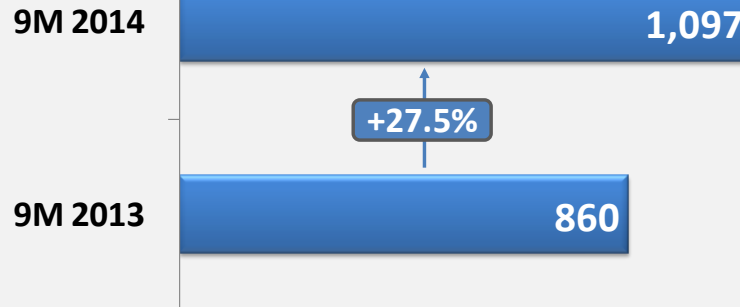
Stihima Enhancement

- Total sports betting revenues reached €1,145.3m in 9m 2014 from €921.3m in 9M 2013 up by 24.3% y-o-y. Stihima revenues in Q3 2014 continued on the growth path for a 5th consecutive quarter, up by 21.1% y-o-y. The conclusion of the World Cup event in July together with the ongoing rejuvenation actions and live betting success led to the game's top line increase for the quarter.

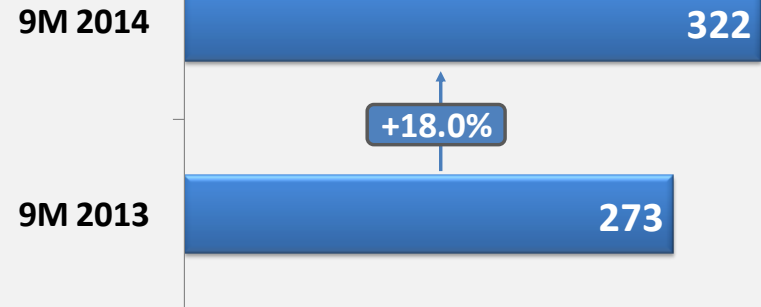
Q3 Events
offered as
singles +40%,
doubles +15%
Live betting
+1000%

Improved
overround and
enriched
coupon

Revenues



GGR

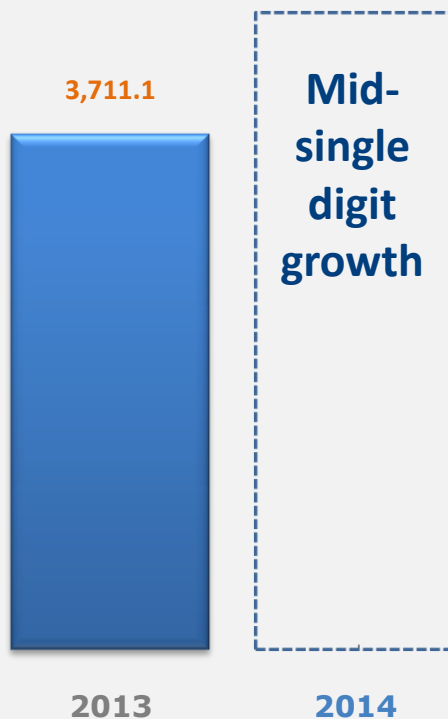


>> 2014 Guidance



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**Revenues
(Legacy games)**
(€ 'm)



Total Revenues*
(€ 'm)



*Aided by the new projects' contribution

>> 2014 Bloomberg Consensus



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(€ 'm)	2013	2014	Min. 2014	Max. 2014
Revenue	3,711	4,349	4,153	4,767
Growth %, YoY		17.2		
GGR*	1,219	1,341	1,196	1,415
Gross Profit	346	444		
Margin %	9.3	10.2		
EBITDA	222	303	231	326
Margin %	6.0	6.9		
Net Income	141	177	148	203
Margin %	3.8	4.2		
EPS	0.44	0.55	0.46	0.64
Growth %, YoY		25.0		
DPS	0.25	0.40	0.25	0.57

* Consensus by 10 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.

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>> Investment Highlights

National leader of world class caliber

Strong financial position

The largest commercial network in Greece

Unique offering secured by exclusive concessions

Significant growth driven by new projects

Highly attractive market

Stock Exchange Data

- **Tickers:**
OASIS: OPAP
Reuters: OPAr.AT
Bloomberg: OPAP:GA
- **Market Cap.:**
3,062m (25/11/14)
- **Outstanding Shares:**
319,000,000
- **Free Float: 67%**

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Condensed Consolidated Statement of Financial Position as of 30 September 2014 & 31 December 2013



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('000 €)	Consolidated Statement of Financial Position	
	Period Cumulative (i.e. 30.9.2014)	Period Cumulative (i.e. 31.12.2013)
ASSETS		
Current assets		
Cash and cash equivalents	176,560	242,036
Receivables	43,070	36,466
Other current assets	<u>19,673</u>	<u>18,521</u>
Total current assets	239,303	297,023
Non - current assets		
Intangible assets	1,276,789	1,103,211
Investments in associates	2,203	129,563
Other non - current assets	61,055	71,532
Total non - current assets	<u>1,340,047</u>	<u>1,304,306</u>
TOTAL ASSETS	1,579,350	1,601,329
EQUITY & LIABILITIES		
Liabilities		
Short termLoans	1	165,447
Short term payables (trade & other)	101,393	66,139
Other Short term payables	183,015	168,815
Provisions	49,504	49,292
Other long-term liabilities	15,752	26,353
Total liabilities	349,665	476,046
Total equity	<u>1,229,686</u>	<u>1,125,283</u>
TOTAL EQUITY & LIABILITIES	1,579,350	1,601,329

Condensed Consolidated Statement of Comprehensive Income 9M 2014 & Q3 2014



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('000 €)	Consolidated Statement of Comprehensive Income							
	9M 2014	9M 2013	Δ	Δ%	Q3 2014	Q3 2013	Δ	Δ%
Revenues	2,981,567	2,641,831	339,736	12.9	1,068,775	897,557	171,218	19.1
Payout	<u>-2,019,738</u>	<u>-1,767,047</u>	252,691	14.3	<u>-723,139</u>	<u>-604,350</u>	<u>118,789</u>	19.7
GGR	961,828	874,784	87,044	10.0	345,636	293,207	52,429	17.9
Tax on the net revenues	<u>-273,775</u>	<u>-246,577</u>	<u>27,198</u>	11.0	<u>-98,659</u>	<u>-82,837</u>	<u>15,822</u>	19.1
GGR after tax	688,053	628,207	59,846	9.5	246,977	210,370	36,607	17.4
CoS	<u>-400,438</u>	<u>-382,265</u>	<u>18,173</u>	4.8	<u>-141,482</u>	<u>-126,026</u>	<u>15,456</u>	12.3
Gross profit	287,615	245,942	41,673	16.9	105,495	84,344	21,151	25.1
S&D	-58,448	-75,458	-17,010	-22.5	-12,181	-17,374	-5,193	-29.9
G&A	-27,128	-22,584	4,544	20.1	-9,619	-7,072	2,547	36.0
Other OPEX	2,643	-5,955	8,598	144.4	-4,019	286	4,305	1,505.2
EBITDA	239,103	174,098	65,005	37.3	94,212	70,802	23,410	33.1
EBIT	204,682	141,945	62,737	44.2	79,707	60,184	19,523	32.4
EBT	205,972	152,576	53,396	35.0	79,717	61,594	18,123	29.4
EAT	121,298	111,701	9,597	8.6	55,883	44,388	11,495	25.9

Condensed Consolidated Cash Flow statement as of 30 September 2014 & 30 September 2013



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('000 €)	Consolidated Cash flow statement	
	Period Cumulative (i.e. 1.1-30.9.2014)	Period Cumulative (i.e. 1.1-30.9.2013)
OPERATING ACTIVITIES		
Operating Activities before WCC	239,544	176,017
Changes in Working Capital		
Inventories	-190	-143
Receivables	2,982	7,794
Payables	-13,498	-17,405
Taxes payables	<u>-14,012</u>	<u>82,279</u>
Total	214,826	248,542
Interest expenses & Income taxes paid	-51,000	-68,768
Cash flows from operating activities	163,826	179,774
INVESTING ACTIVITIES		
Cash flows from financing activities	17,568	-40,175
FINANCING ACTIVITIES		
Proceeds from loan	0	0
Payments of loan installments	-166,750	-36,250
Payments of financial lease interests	-18	-42
Payments of financial lease capital	-292	-269
Dividends paid	<u>-79,810</u>	<u>-181,821</u>
Cash flows used in financing activities	<u>-246,870</u>	<u>-218,382</u>
Net increase / (decrease) in cash and cash equivalents	-65,476	-78,783
Cash and cash equivalents at the beginning of the period	242,036	367,582
Cash and cash equivalents at the end of the period	176,560	288,799



Q3 & 9M 2014 Financial Results

November 26, 2014