9M 2015 Financial Results

November 30, 2015

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OPAP reports resilient performance amidst significant headwinds

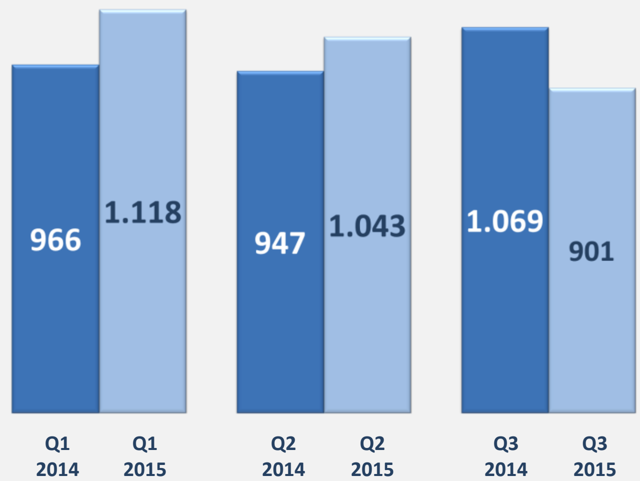
- **Wagers** up 2.7% to €3,061.6m (9M 2014: €2,981.6m). Q3 2015 wagers decreased by 15.7% to €900.8m (Q3 2014: €1,068.8m) mostly due to the deterioration of consumers' spending in July which recovered partially in August & September.
- **Gross Gaming Revenue (GGR)** up 3.8% at €998.0m (9M 2014 €961.8m). Q3 2015 GGR down by 12.9% at €300.9m (Q3 2014: €345.6m), remaining more resilient vs. the wagers contraction.
- **EBITDA** up by 14.4% at €273.5m (9M 2014: €239.1m). Q3 2015 EBITDA reached €87.1m (Q3 2014: €94.2m), down by 7.6%, as management's efforts towards cost optimization persisted this quarter as well, leading to an overall improved performance vs. the GGR drop.
- Enhanced Q3 2015 **EBITDA margin** of 28.9% (Q3 2014: 27.3%).
- **Net Profit** came in at €159.1m (9M 2014: €119.0m). Net profit in Q3 2015 down by 8.5% to €49.1m (Q3 2014: €53.7m).
- Solid **cash position** of €226.4m.

(€ 'm)	Q3 2015	Q3 2014	% Δ	9M 2015	9M 2014	% Δ
Wagers	900.8	1,068.8	(15.7)	3,061.6	2.981.6	2.7
Gross Gaming Revenue (GGR)	300.9	345.6	(12.9)	998.0	961.8	3.8
Payout (%)	66.6%	67.7%		67.4%	67.7%	
EBITDA	87.1	94.2	(7.6)	273.5	239.1	14.4
EBITDA margin (on GGR)	28.9%	27.3%		27.4%	24.9%	
Net profit	49.1	53.7	(8.5)	159.1	119.0	33.7
Net profit margin (on GGR)	16.3%	15.5%		15.9%	12.4%	
EPS	0.1540	0.1682	(8.4)	0.4987	0.3729	33.7

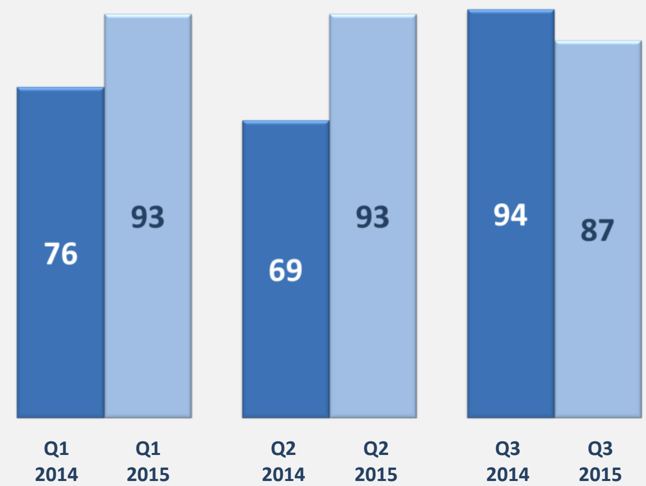
>> Overview

Key Financials 2014-2015 Quarterly Overview

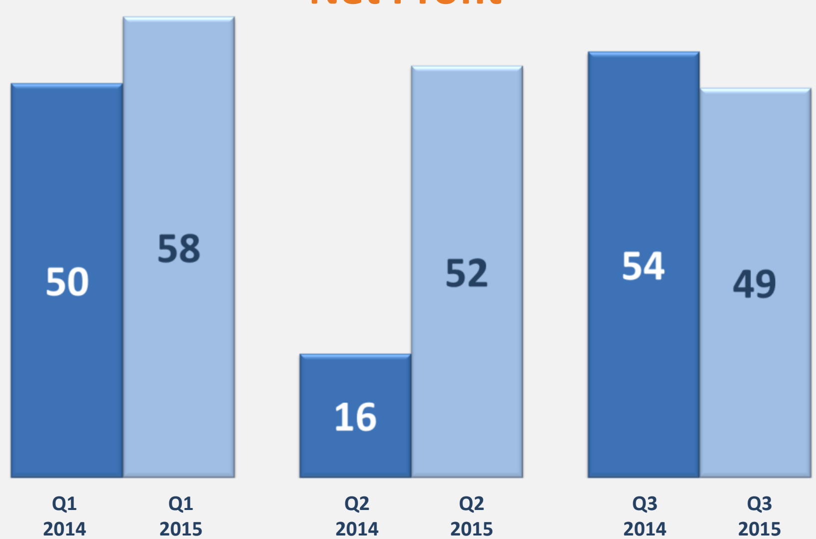
Wagers



EBITDA



Net Profit



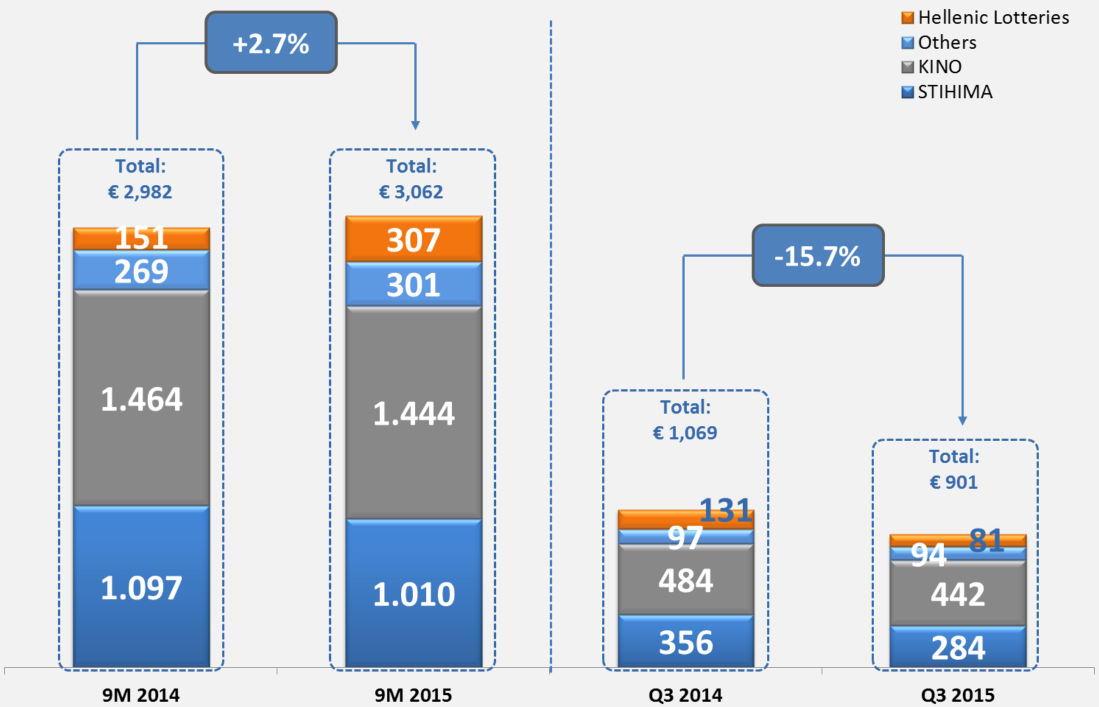
>> Wagers

9M 2015 Wagers

- OPAP's wagers in 9M 2015 increased by 2.7% to €3,061.6m versus €2,981.6m in 9M 2014. Wagers in Q3 2015 decreased by 15.7% to €900.8m versus €1,068.8m in Q3 2014, owing in the most part to the consumer sentiment plummet caused by the bank holiday period in July.
- **Sports betting**

  Total sports betting wagers at €1,048.8m in 9M 2015 from €1,145.3m in 9M 2014 down by 8.4% y-o-y. Stihima's positive trend during the past couple of quarters was abruptly interrupted in Q3 2015, with wagers down 20.4% y-o-y. Actions towards the game's rejuvenation continued and intensified in Q3, by introducing a new coupon and enriching the game's content.
- **Numerical games**

  Wagers from numerical games were up by 1.2% to €1,705.7m in 9M 2015 from €1,685.1m in 9M 2014. KINO's wagers in Q3 2015 stood at €442.2m, lower by 8.6% y-o-y, taking a severe hit by the economic uncertainty in July, albeit recovering sharply in September. Joker wagers rose by 3.3% at €61.4m, aided by a favourable jackpots trend.



(€ 'm)

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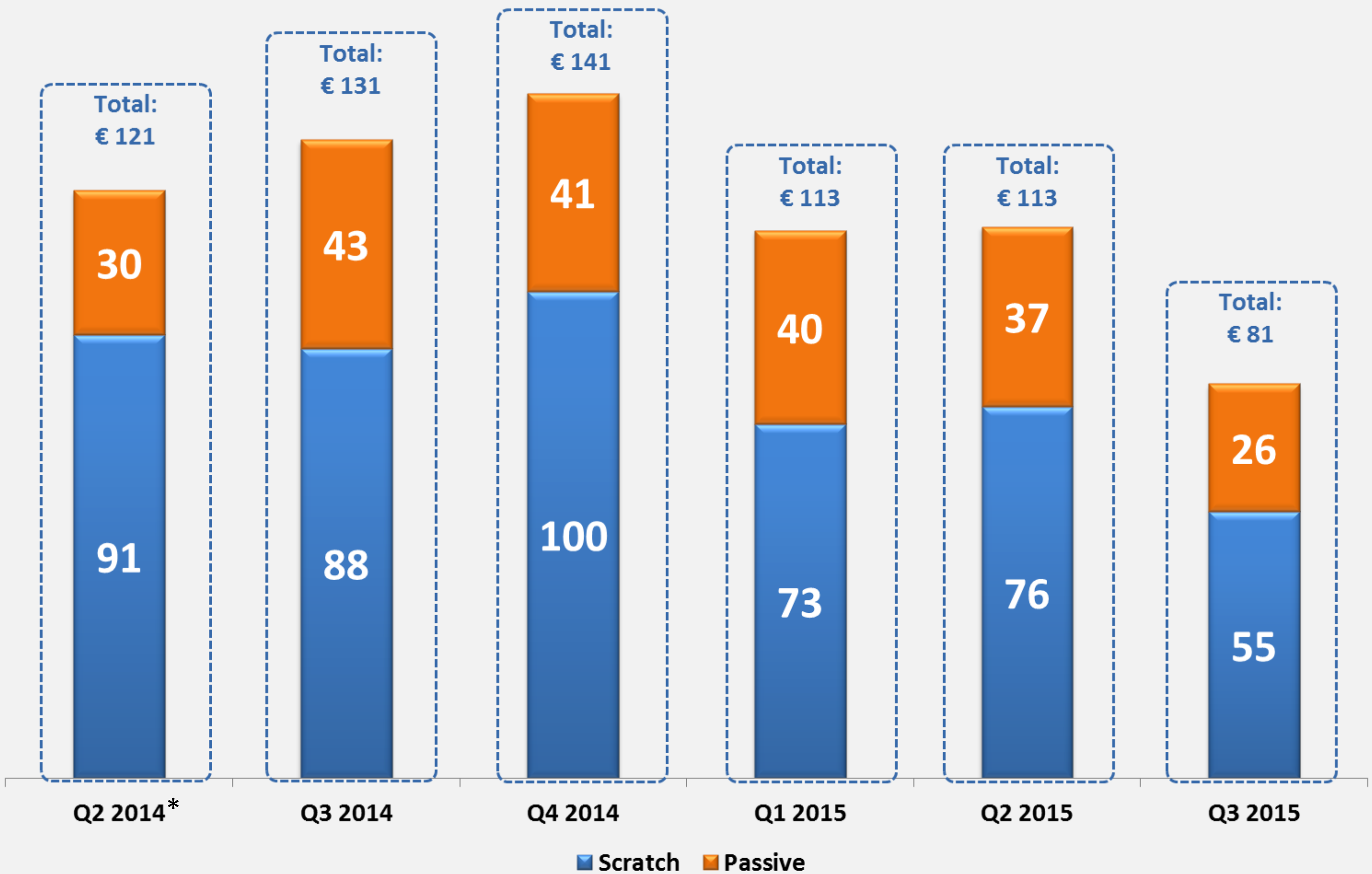
>> Wagers – Hellenic Lotteries*

9M 2015 Wagers

- Hellenic Lotteries generated wagers of €307.1m in 9M 2015. Wagers in Q3 2015 reached €81.1m, split between €54.8m for Scratch and €26.3m for Passives. Hellenic Lotteries performance took the heaviest overall burden, which is explained behind the POS network differentiation vs. OPAP's legacy games and the derangement of certain passive lotteries draws in July.

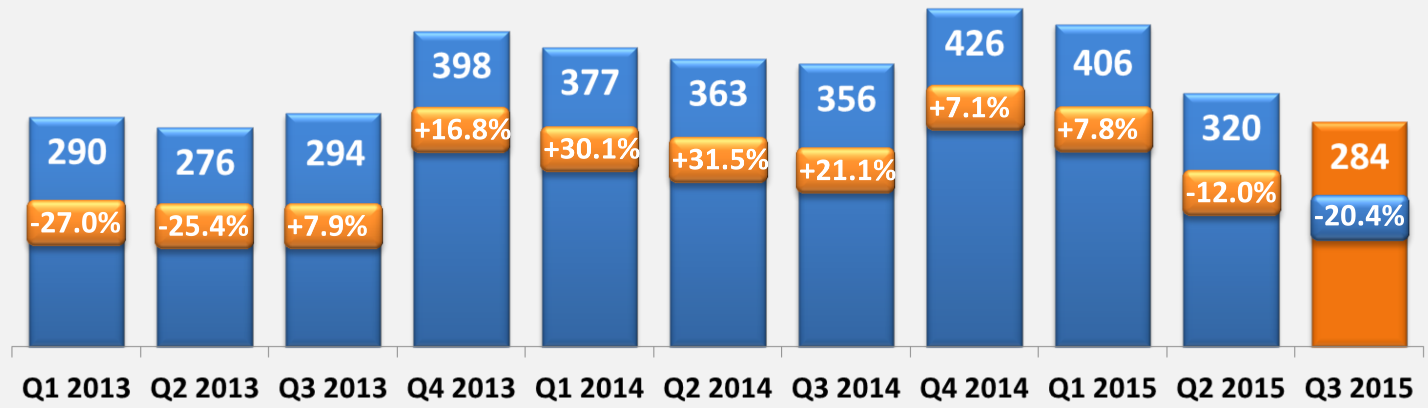


* Hellenic Lotteries S.A. started its operation in May 1st 2014. Hellenic Lotteries S.A. was consolidated under the equity method up until 18.06.14, albeit it has been fully consolidated from 19.06.14 onwards. The total revenues generated by Hellenic Lotteries in Q2 2014 (May & June) reached €120.8m.

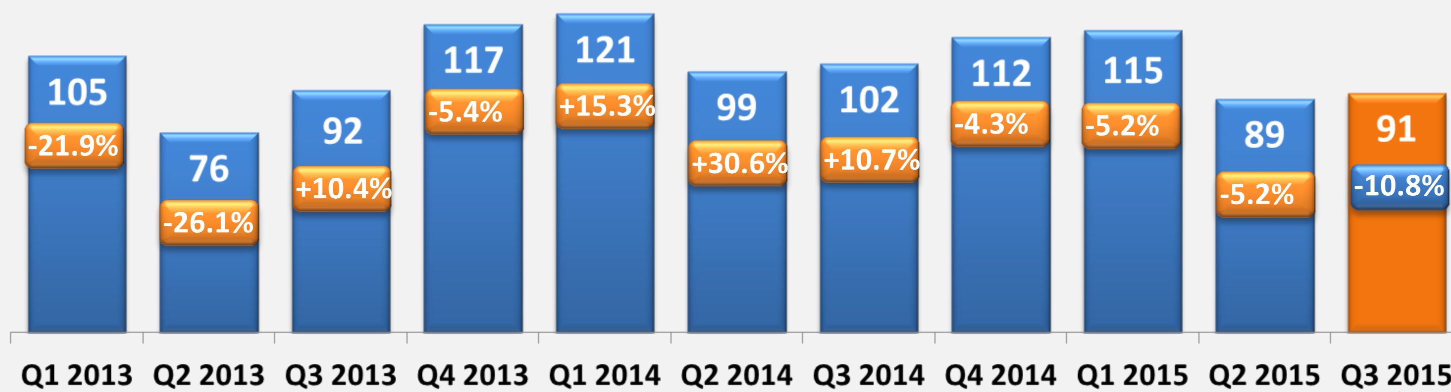
(€ 'm)

>> Core games performance

STIHIMA Wagers & y-o-y change



STIHIMA GGR & y-o-y change



GGR improved vs. the wagers trend

Live betting Q3 2015

- No. of Slips **+56%** y-o-y
- Matches offered **+150%** y-o-y

(€ 'm)

>> Core games performance

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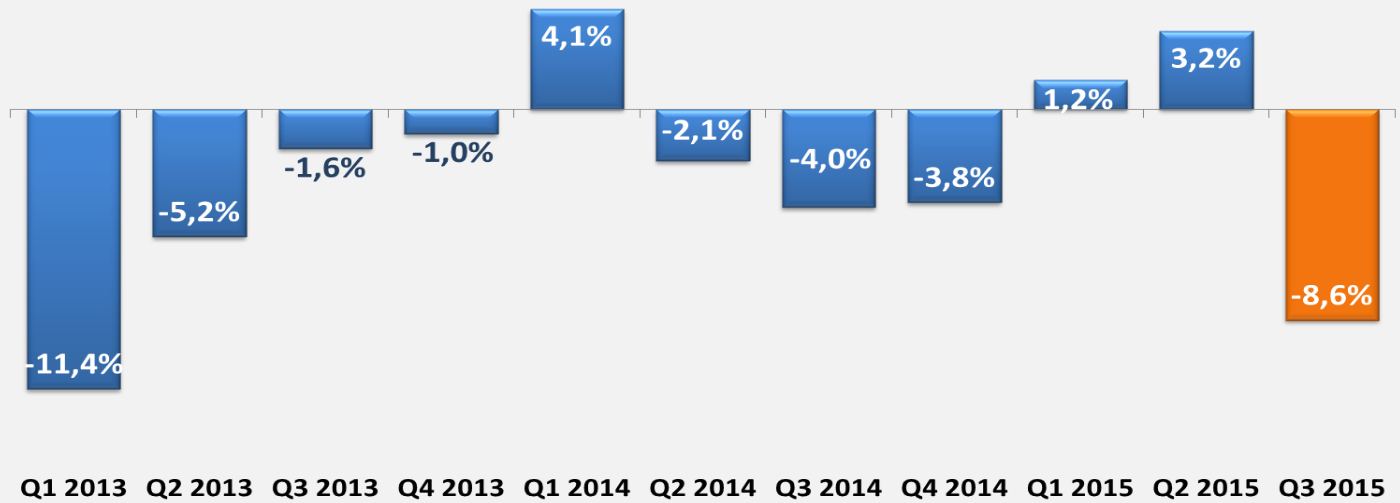
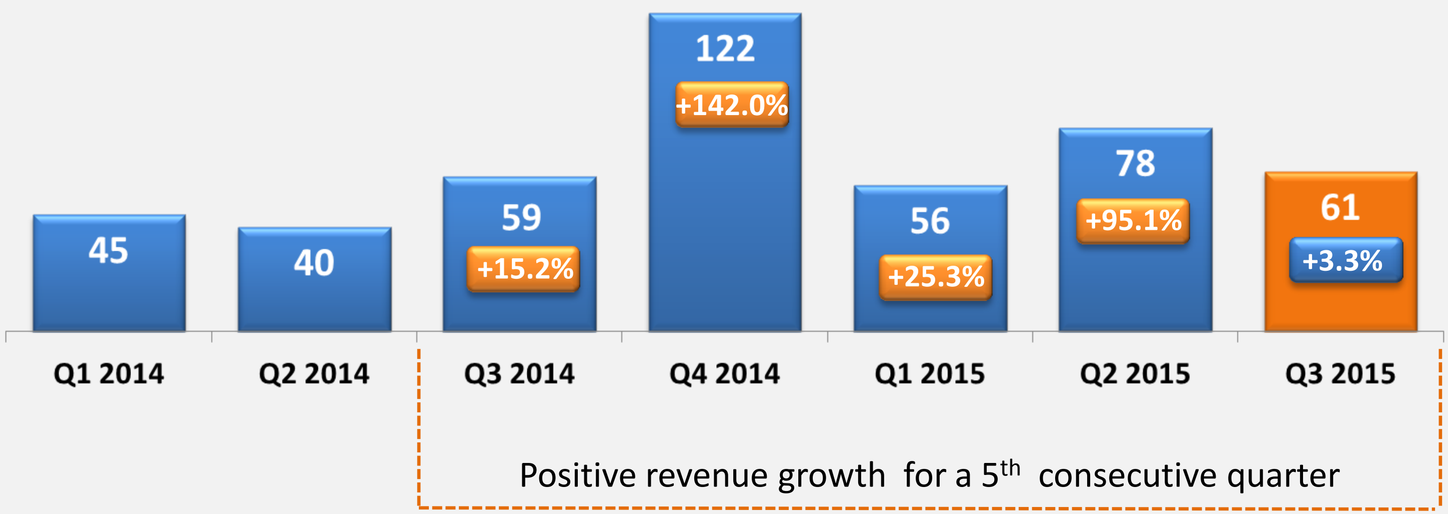
KINO wagers y-o-y change



TZOKER wagers & y-o-y change

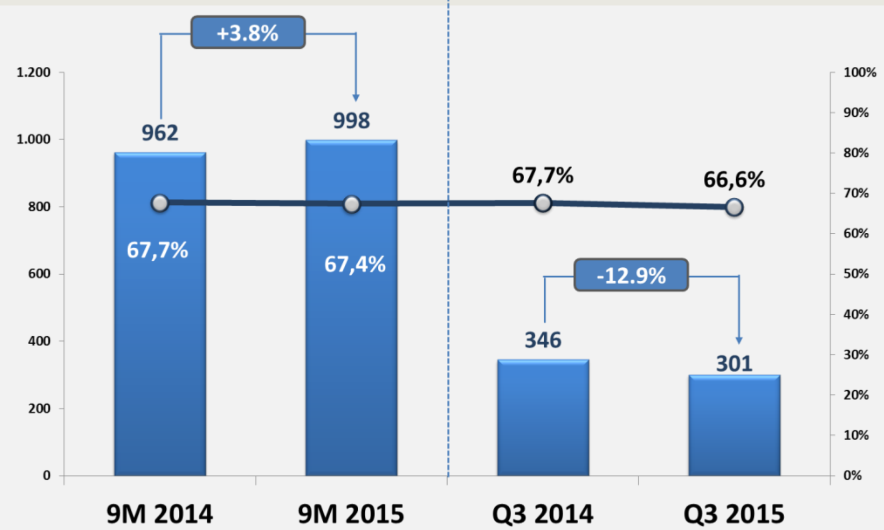


(€ 'm)

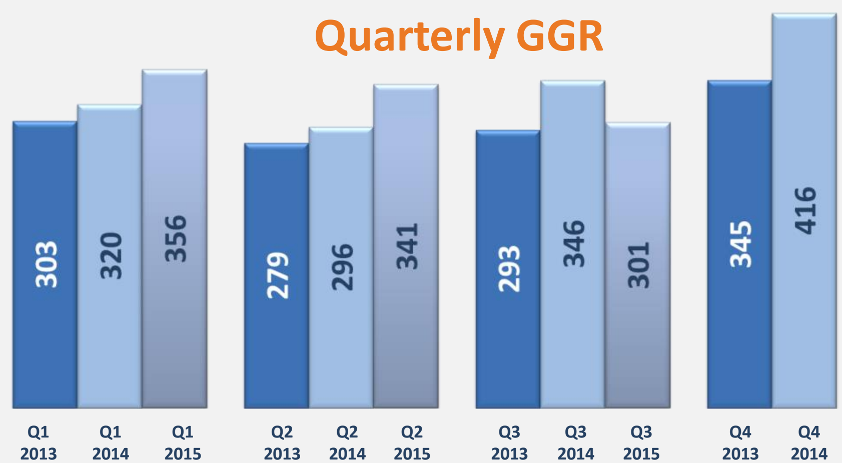
>> GGR & Prize Payout

9M 2015 Gross Gaming Revenue & Prize Payout

- Payout to lottery and sports betting winners in 9M 2015 reached 67.4% versus 67.7% in the corresponding period last year.
- **Stihima** payout in Q3 2015 reached 67.9% vs. 71.4% in Q3 2014, leading the game's GGR to €91.0m, down by 10.8% y-o-y, thus demonstrating an improved performance vs. the wagers trend
- **KINO** payout in Q3 2015 stood at 69.6% vs. 69.1% in Q3 2014.



Quarterly GGR



(€ 'm)

>> Payout

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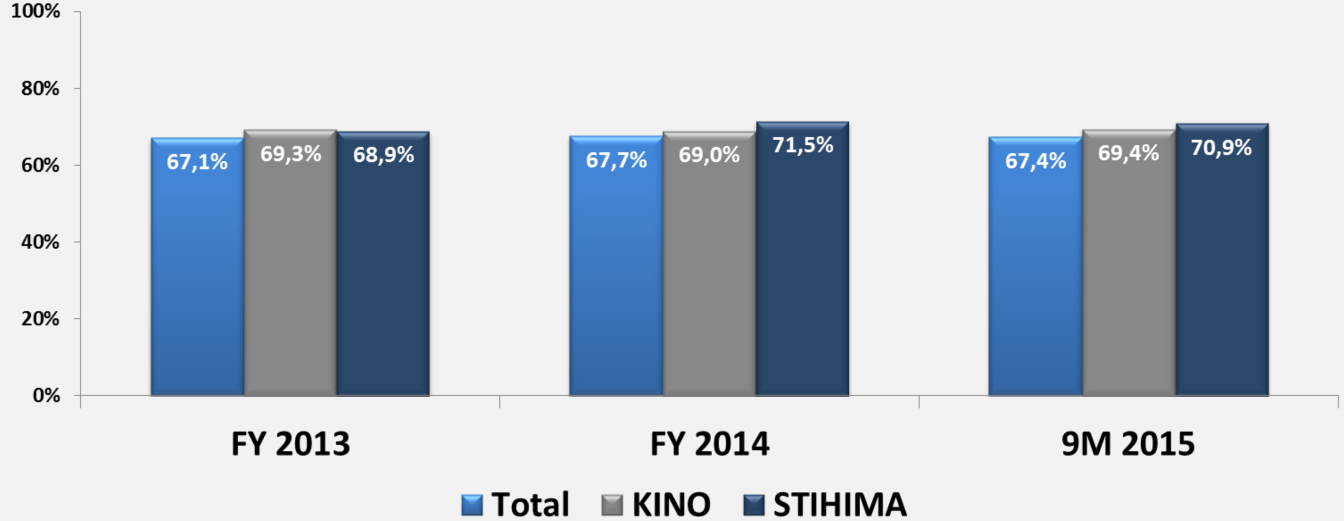
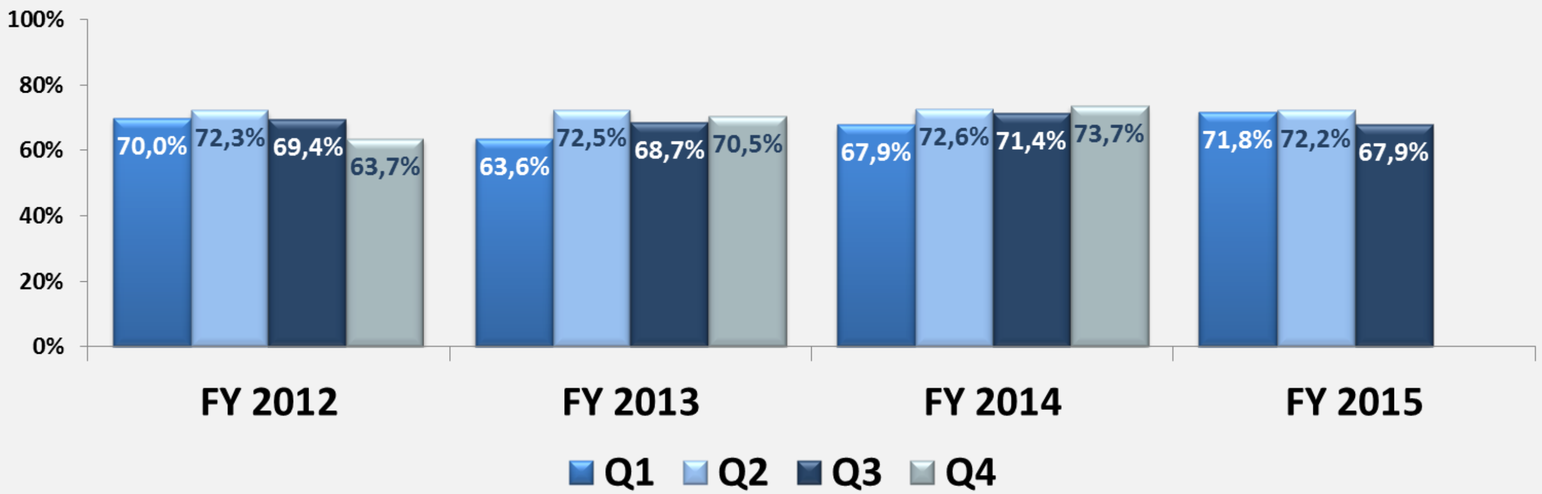
Payout ratio per game



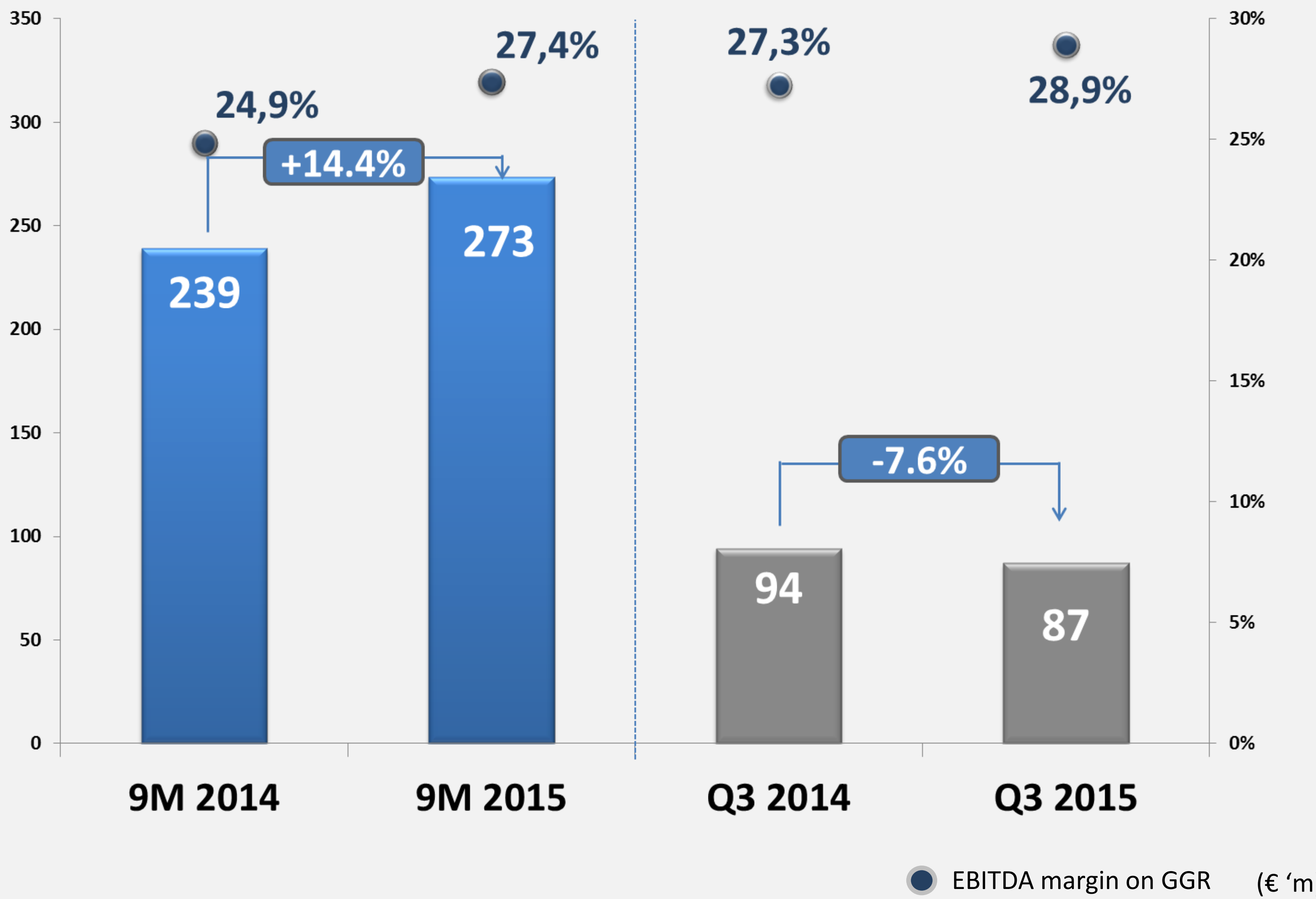
STIHIMA Payout ratio



>> EBITDA

9M 2015 EBITDA & EBITDA margin (on GGR)

- EBITDA at €273.5m in 9M 2015 from €239.1m in 9M 2014, up by 14.4% y-o-y. EBITDA to €87.1m in Q3 2015 from €94.2m in Q3 2014, down by 7.6% y-o-y. EBITDA contraction stood at 5.3 p.p. lower compared to the GGR fall on the back of the persisting reduction of the Group's operating expenses.



>> EBITDA margin

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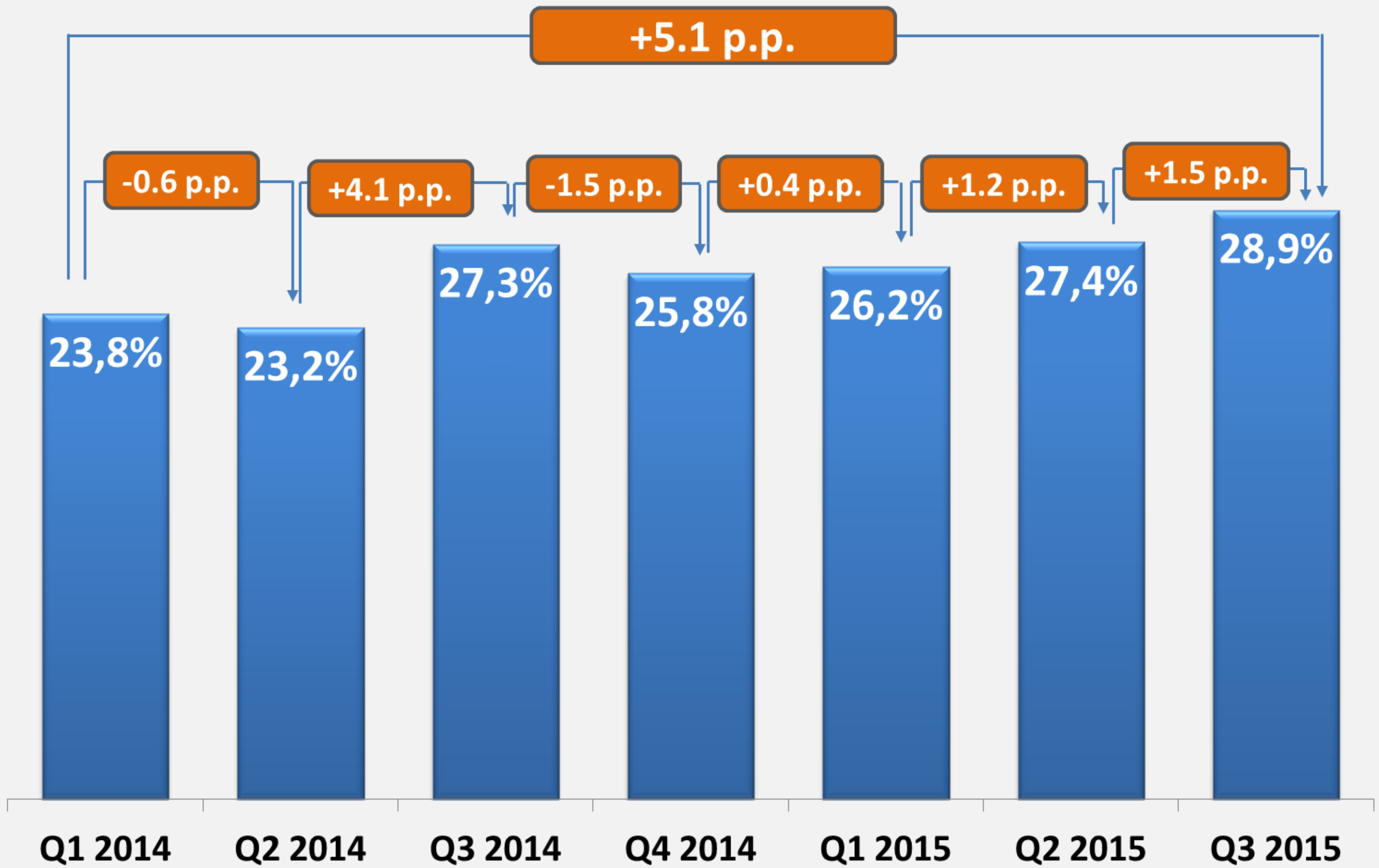
Quarterly consolidated EBITDA margin (on GGR)

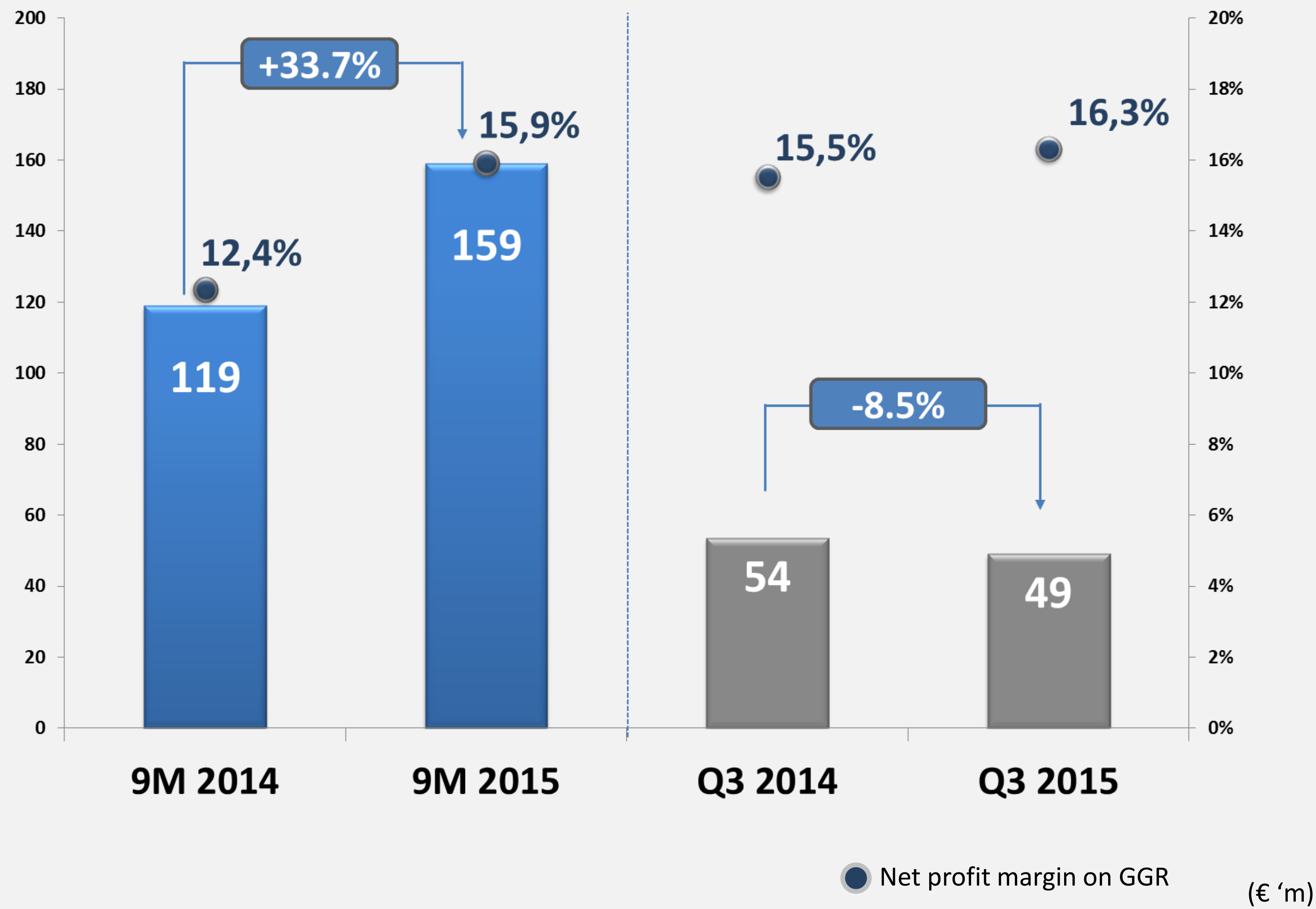
- Q3 2015 EBITDA margin on GGR settled at 28,9%.



>> Net Profit

9M1 2015 Net profit & Net profit margin (on GGR)

- Net profit in 9M 2015 at €159.1m, increased by 33.7% vs. €119.0m in the corresponding period in 2014. Net profit in Q3 2015 came in at €49.1m from €53.7m in Q3 2014 down by 8.5% y-o-y.



>> Total opex

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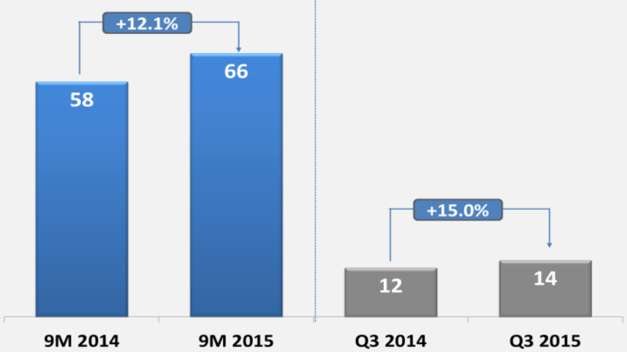
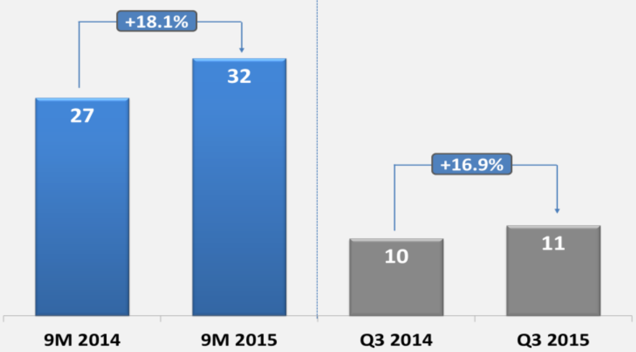
9M 2015 Operating Expenses - Cost Optimization

- Total **distribution costs** in 9M 2015 increased by 12.1% at €65.5m versus €58.5m in the corresponding period in 2014. Distribution expenses in Q3 2015 reached €14.0m, up by 15.0%, due mostly to an increase on other distribution cost, which rose on the back of an enhancement of the sales oriented workforce. Overall, the total Group's recurring staff cost remains reduced vs. 9M 2014.
- In 9M 2015, **administrative expenses** increased by 18.1% to €32.0m vs. €27.1m in 9M 2014. In Q3 2015, administrative expenses increased by 16.9% to €11.2m.
- Total **cost of services** in 9M 2015 was increased by 19.2%, at €477.2m vs €400.4m in the corresponding period last year. Cost of services in Q3 2015 reached €143.3m from €141.5m in Q3 2014, up by 1.3% y-o-y, mostly due to Payzone's full consolidation. Excluding Payzone and wagers based cost, total cost of services in Q3 2015 reached €32.6m vs. €41.6m in the respective period last year.

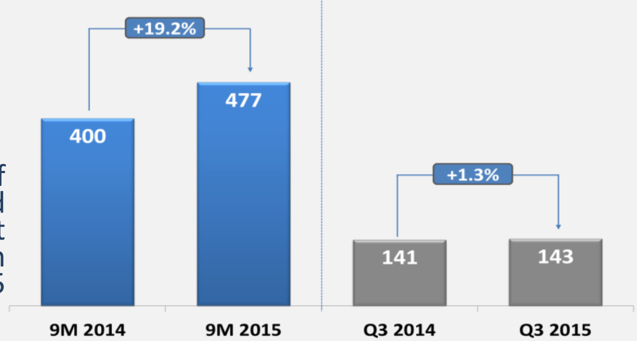
Distribution Cost



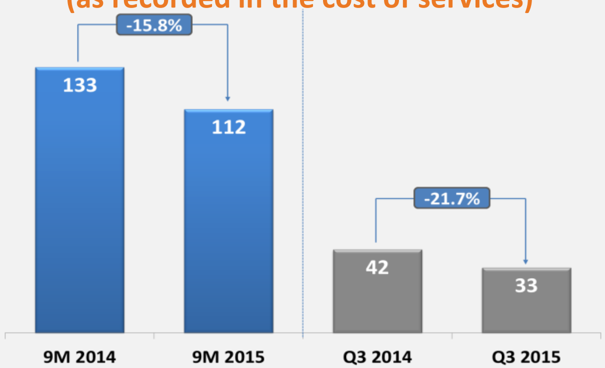
Administrative Cost



Cost of Services



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



(€ 'm)

* Remaining cost of services attributed to Payzone stood at €26.4m and €80.5m in Q3 and 9M 2015 respectively.

>> Cash Flow

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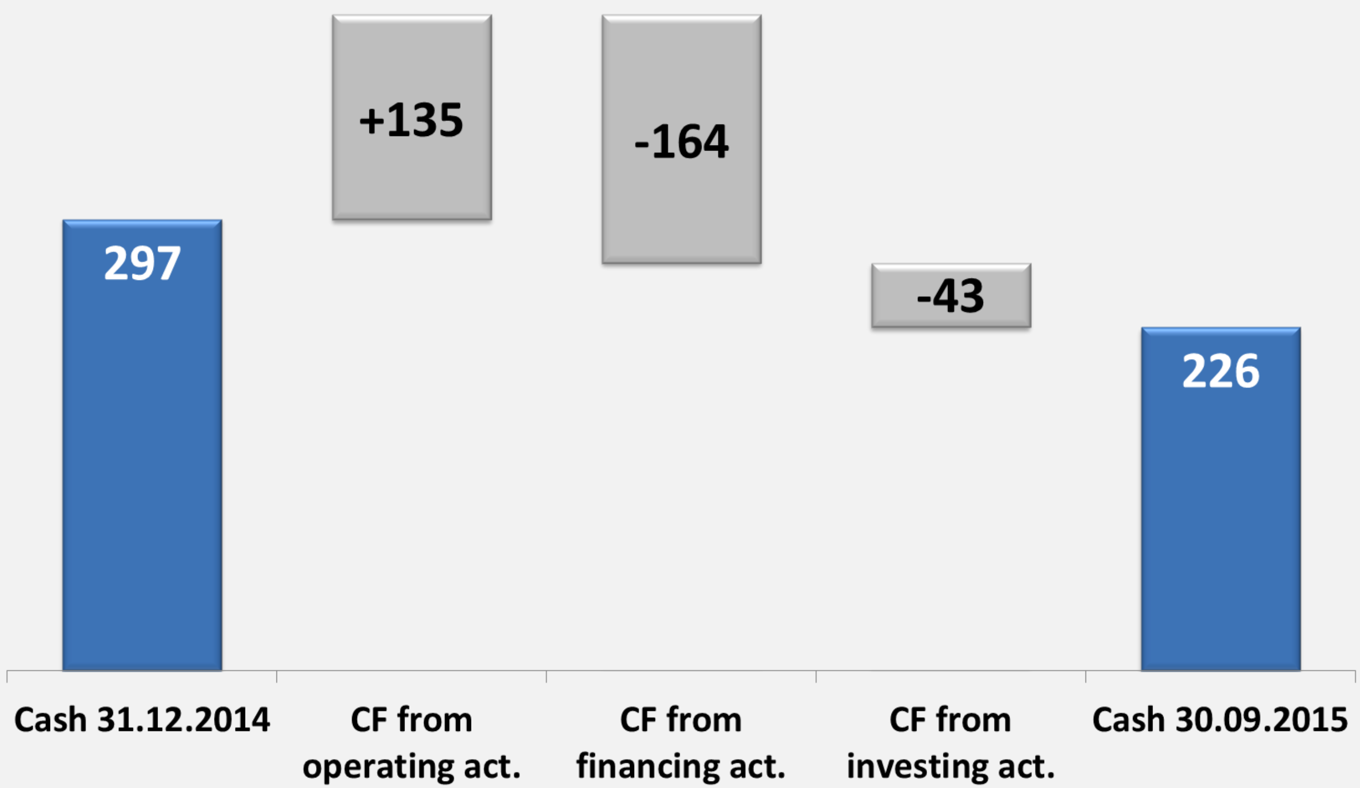
H1 2015 Cash Flow

- Cash inflow from **operating activities** in 9M 2015 decreased at €135.2m from €163.8m in 9M 2014, 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 2015 amounted to an outflow of €42.5m reflecting the first tranche of the horse racing concession, maintenance CAPEX and Hellenic Lotteries share capital adjustments.
- Cash flow from **financing activities** in 9M 2015 amounted to an outflow of 163.7m, on the back of higher dividend payments for the year.



(€ ‘m)

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>> VLTs License agreement & Special levy on legacy games

VLTs License agreement

June 12, 2015:
The Hellenic Gaming Commission introduced a new/stricter regulation for the operation of VLTs

July 1, 2015:
OPAP suspended the VLTs business activity since these radical changes led VLT business no longer economically viable

OPAP attempts repeatedly to reach common ground for a reasonable and balanced VLT regulatory framework

No change in the regulatory framework

November 26, 2015:
OPAP files a **request for arbitration** with the London Court of International Arbitration for **damages in excess of €1 billion**

Special levy on legacy games

November 19, 2015:

The Hellenic Republic imposed a **special levy of €0,05 per column** of each game of OPAP SA. to be applicable as of January 1, 2016

- Breach of the **2000 Concession Agreement**
- Breach of the **OPAP's exclusivity rights in on-line betting**
- **Discrimination against OPAP** and in favor of other operators, including unlicensed and unregulated online operators

November 26, 2015:

Notification of the Hellenic Republic

further legal actions to be taken at the earliest appropriate time

>> 2015 Bloomberg Consensus

(€ 'm)	2014a	2015(E)	Min. 2015	Max. 2015
GGR*	1,378	1,406	1,300	1,617
Gross Profit	424	478		
Margin %	10.0	11.1		
EBITDA	347	353	325	394
Margin %	8.1	8.2		
Net Income	195	201	184	222
Margin %	4.6	4.7		
EPS	0.61	0.63	0.58	0.70
Growth %, YoY		2.6		
DPS	0.70	0.57	0.33	0.76

* Consensus by 8 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

- Strong financial position
- National leader of world class caliber
- 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.:** 2,169m (27/11/15)
- **Outstanding Shares:** 319,000,000
- **Free Float:** 67%

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Condensed Consolidated Statement of Financial Position as of 30 September 2015 & 31 December 2014

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('000 €)	Consolidated Statement of Financial Position	
	30.09.2015	31.12.2014 Adjusted*
ASSETS		
Current assets		
Cash and cash equivalents	226,405	297,418
Receivables	47,944	92,250
Other current assets	25,936	19,706
Total current assets	**300,286**	**409,375**
Non - current assets		
Intangible assets	1,247,098	1,269,998
Investments in associates	10,602	9,732
Other non - current assets	58,993	63,632
Total non - current assets	**1,316,693**	**1,343,362**
TOTAL ASSETS	**1,616,978**	**1,752,737**
EQUITY & LIABILITIES		
Liabilities		
Short-term Loans	38,602	1
Short-term payables (trade & other)	109,454	170,353
Other Short-term payables	185,758	287,529
Long-term Loans	75,000	0
Other long-term liabilities	55,401	59,790
Total liabilities	**464,216**	**517,673**
Total equity	**1,152,763**	**1,235,064**
TOTAL EQUITY & LIABILITIES	**1,616,978**	**1,752,737**

* The figures of fiscal year 2014 are the ones that incurred after the reform of the Financial Statements due to the adoption of IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary PAYZONE HELLAS S.A. (refer to note 6.2 of the 9M Condensed Interim Financial Statements for more information)

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

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('000 €)	Consolidated Statement of Comprehensive Income							
	9M 2015	9M 2014	Δ	Δ%	Q3 2015	Q3 2014	Δ	Δ%
Wagers	3,061,575	2,981,567	80,008	2.7%	900,845	1,068,775	-167,930	-15.7%
Payout	-2,063,608	-2,019,738	43,870	2.2%	-599,950	-723,139	123,189	-17.0%
GGR	**997,967**	**961,828**	**36,139**	**3.8%**	**300,895**	**345,636**	**-44,741**	**-12.9%**
Contribution on the net revenues	-283,714	-273,775	9,939	3.6%	-85,364	-98,659	13,295	-13.5%
Other revenues	81,503	0	81,503	-	26,588	0	26,588	-
CoS	-477,184	-400,438	76,746	19.2%	-143,265	-141,482	-1,783	1.3%
Gross profit	**318,573**	**287,615**	**30,958**	**10.8%**	**98,854**	**105,495**	**-6,641**	**-6.3%**
S&D	-65,526	-58,448	7,078	12.1%	-14,005	-12,181	-1,824	15.0%
G&A	-32,030	-27,128	4,902	18.1%	-11,241	-9,619	-1,622	16.9%
Other OPEX (net)	8,179	2,643	5,536	209.5%	-1,564	-3,989	2,425	-60.8%
EBITDA	**273,459**	**239,109**	**34,350**	**14.4%**	**87,053**	**94,212**	**-7,159**	**-7.6%**
EBIT	**229,195**	**204,682**	**24,513**	**12.0%**	**72,044**	**79,707**	**-7,663**	**-9.6%**
EBT	**227,563**	**205,972**	**21,591**	**10.5%**	**70,931**	**79,717**	**-8,786**	**-11.0%**
EAT and minorities	**159,051**	**118,952**	**40,099**	**33.7%**	**49,123**	**53,664**	**-4,541**	**-8.5%**

Condensed Consolidated Cash Flow statement as of 30 September 2015 & 30 September 2014

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('000 €)	Consolidated Cash flow statement	
	9M 2015	9M 2014
OPERATING ACTIVITIES		
Operating Activities before WCC	**271,622**	**239,544**
Changes in Working Capital		
Inventories	636	-190
Receivables	37,714	2,982
Payables	-74,630	-13,498
Taxes payables	-35,327	-14,012
Interest expenses & Income taxes paid	-64,818	-51,000
Cash flows from operating activities	**135,199**	**163,826**
INVESTING ACTIVITIES		
Cash flows from investing activities	**-42,522**	**17,568**
FINANCING ACTIVITIES		
Proceeds from borrowings	113,601	0
Payments of borrowings	0	-166,750
Dividends Paid	-277,286	-79,810
Other Paid	-5	-310
Cash flows (used in)/from financing activities	**-163,690**	**-246,870**
Net increase / (decrease) in cash and cash equivalents	**-71,014**	**-65,476**
Cash and cash equivalents at the beginning of the period	297,418	242,036
Cash and cash equivalents at the end of the period	**226,405**	**176,560**

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