



# Q4 & FY 2015 Financial Results

April 6, 2016

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# >> Overview



## OPAP demonstrates stable performance despite economic turbulence

- **Revenues (GGR)** up 1.6% at €1,399.7m (FY 2014: €1,377.7m), exhibiting positive performance y-o-y, at the same time remaining more resilient vs. the wagers contraction. Revenues in Q4 2015 declined by 3.4% at €401.7m
- **EBITDA** up by 8.8% at €377.1m (FY 2014: €346.5m), as management's efforts towards cost optimization led to an overall improved performance vs. the GGR drop. Q4 2015 EBITDA reached 103.6m, lower by 3.5% y-o-y
- Enhanced FY 2015 **EBITDA margin** of 26.9% (FY 2014: 25.2%)
- **Net Profit** came in at €210.7m (FY 2014: €195.0m). Net profit in Q4 2015 declined by 32.1% to €51.7m (Q4 2014: €76.1m), further hurt by a €15m impairment of the Hellenic Lotteries license. The latter's value was decreased on the back of underperformance vs. expectations at the time of the license's acquisition. On an adjusted basis, Q4 2015 net profit declined by 22.7% at €58.8m
- Solid **cash position** of €301.7m
- Remaining gross **DPS** at €0.23 which together with the already paid €0.17 interim dividend leads to a total DPS of €0.40. The Group's financial position will be further reviewed subject to the final determination of key regulatory/taxation issues

(€ 'm)	Q4 2015	Q4 2014	% Δ	FY 2015	FY 2014	% Δ
Wagers	1,195.7	1,277.5	(6.4)	4,257.3	4,259.1	(0.0)
Revenues (GGR)	401.7	415.9	(3.4)	1,399.7	1,377.7	1.6
Payout (%)	66.4%	67.4%		67.1%	67.7%	
NGR (Net Gaming Revenue)	179.0	182.2	(1.8)	625.3	613.5	1.9
EBITDA	103.6	107.4	(3.5)	377.1	346.5	8.8
EBITDA margin	25.8%	25.8%		26.9%	25.2%	
Net profit	51.7	76.0	(32.1)	210.7	195.0	8.1
Net profit margin	12.9%	18.3%		15.1%	14.2%	
EPS	0.16	0.24	(32.0)	0.66	0.61	8.1

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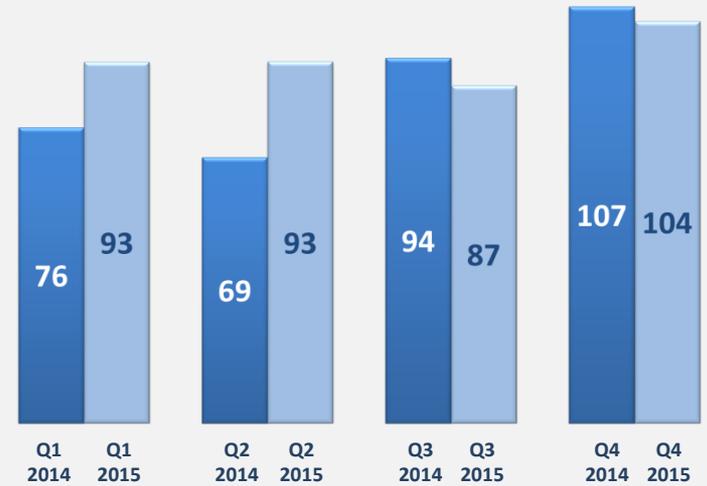
## Key Financials 2014-2015 Quarterly Overview

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### Revenues (GGR)



### EBITDA



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### Net Profit



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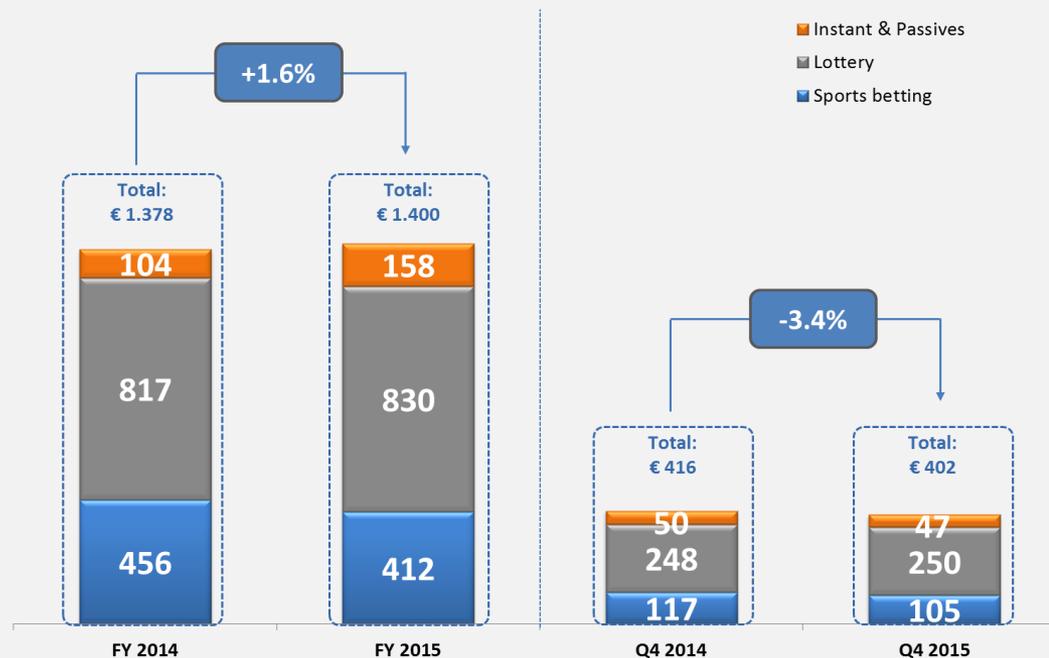
# >> Revenues (GGR)



## FY 2015 Revenues (GGR)

- Revenues (GGR) in FY 2015 increased by 1.6% to €1,399.6m versus €1,377.7m in FY 2014. Revenues in Q4 2015 reached €401.7m down by 3.4% but still better by 3 p.p. vs. the wagers performance.
- Sports betting**  
Total sports betting revenues at €411.9m in FY 2015 from €456.3m in FY 2014 down by 9.7% y-o-y. Sports betting revenues in Q4 2015 came in at €104.5m down by 10.8% y-o-y, whereas NGR declined at an even lower pace, lower by 5.5% y-o-y.
- Lottery**  
Revenues from lottery were up by 1.5% to €829.9m in FY 2015 from €817.3m in FY 2014. Revenues in Q4 2015 reached €250.0m up by 0.6%, due mostly to the KINO Bonus initiative success, partially counterbalanced by less favorable jackpot rollovers in Joker.
- Instant & Passives**  
Revenues from Instant & Passives stood at €157.9m in FY 2015 from €104.1m in FY 2014. With regards to Q4, although still down by 5.8% y-o-y, Instant & Passives revenues drop rate improved significantly on a q-o-q level (Q3 2015 at -38.2% y-o-y), aided by passive lotteries outperformance

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# >> Segmental GGR quarterly analysis

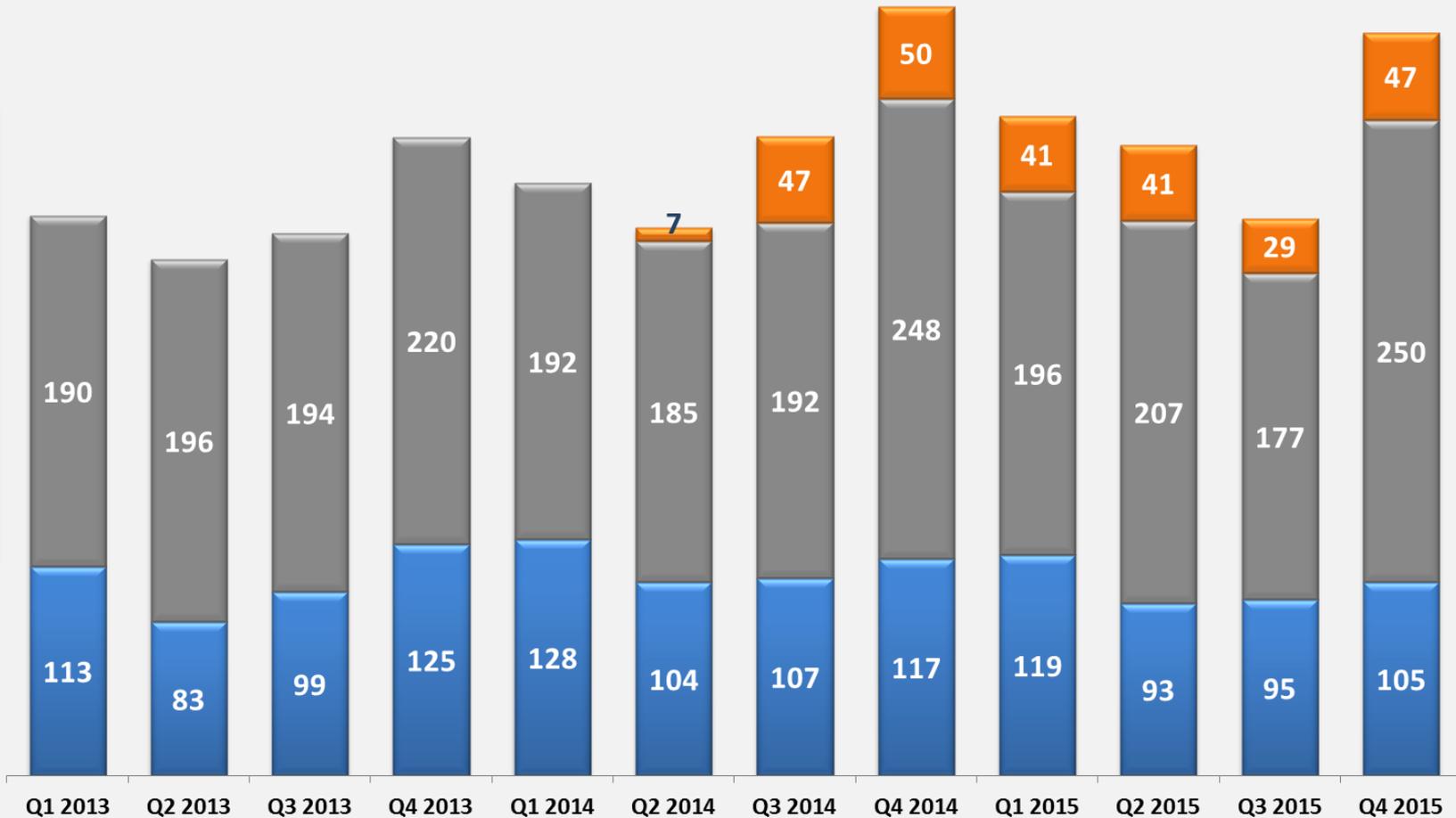


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## Quarterly GGR

Y-o-Y change (%)

+11.3%   +15.1%   -12.9%   -3.4%



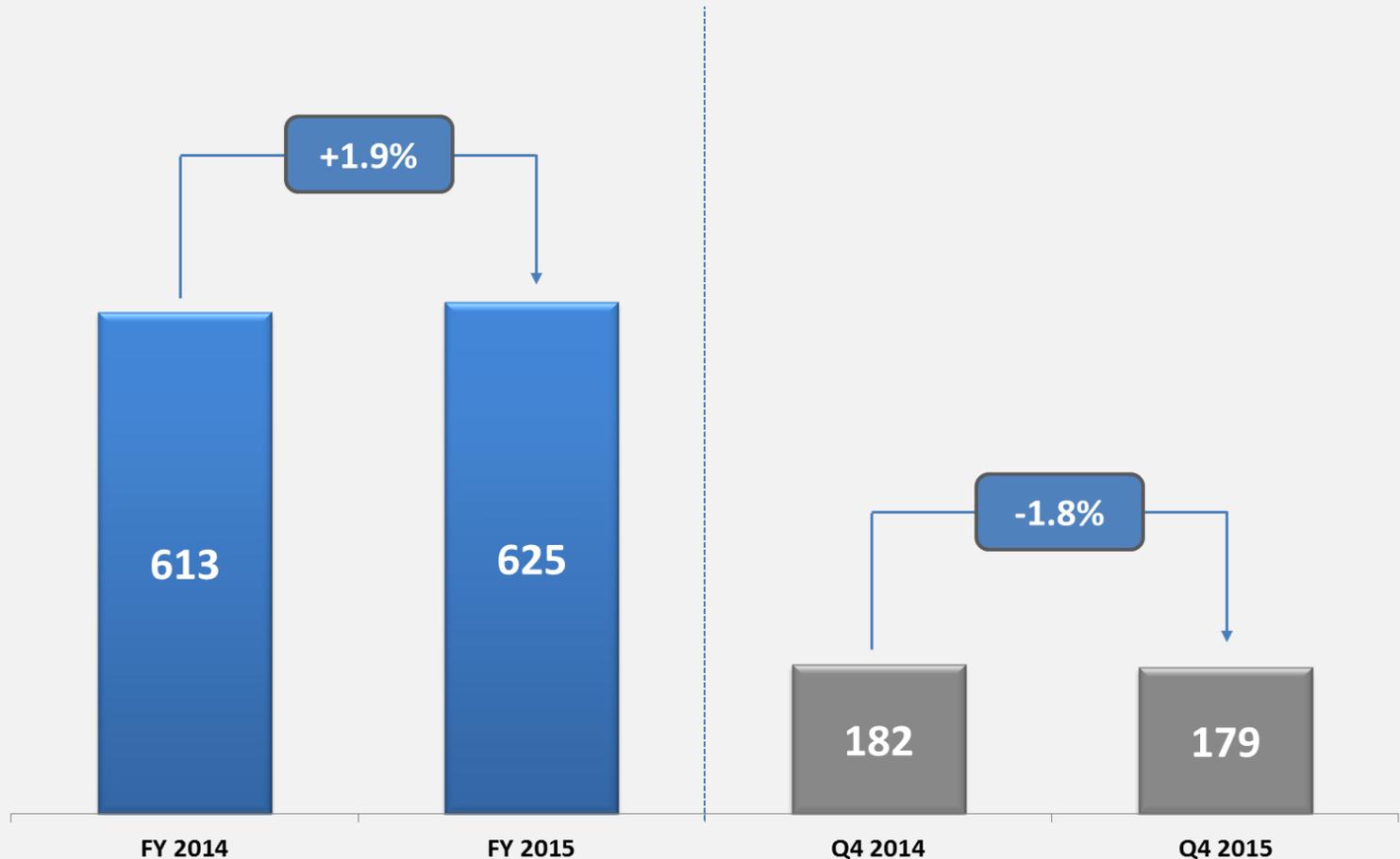
# >> Net Gaming Revenue (NGR)



## FY 2015 Net Gaming Revenue

- NGR increased by 1.9% to €625.4m versus €613.5m in FY 2014. NGR in Q4 2015 reached €179.0m down by 1.8% y-o-y, further improving revenue trend.

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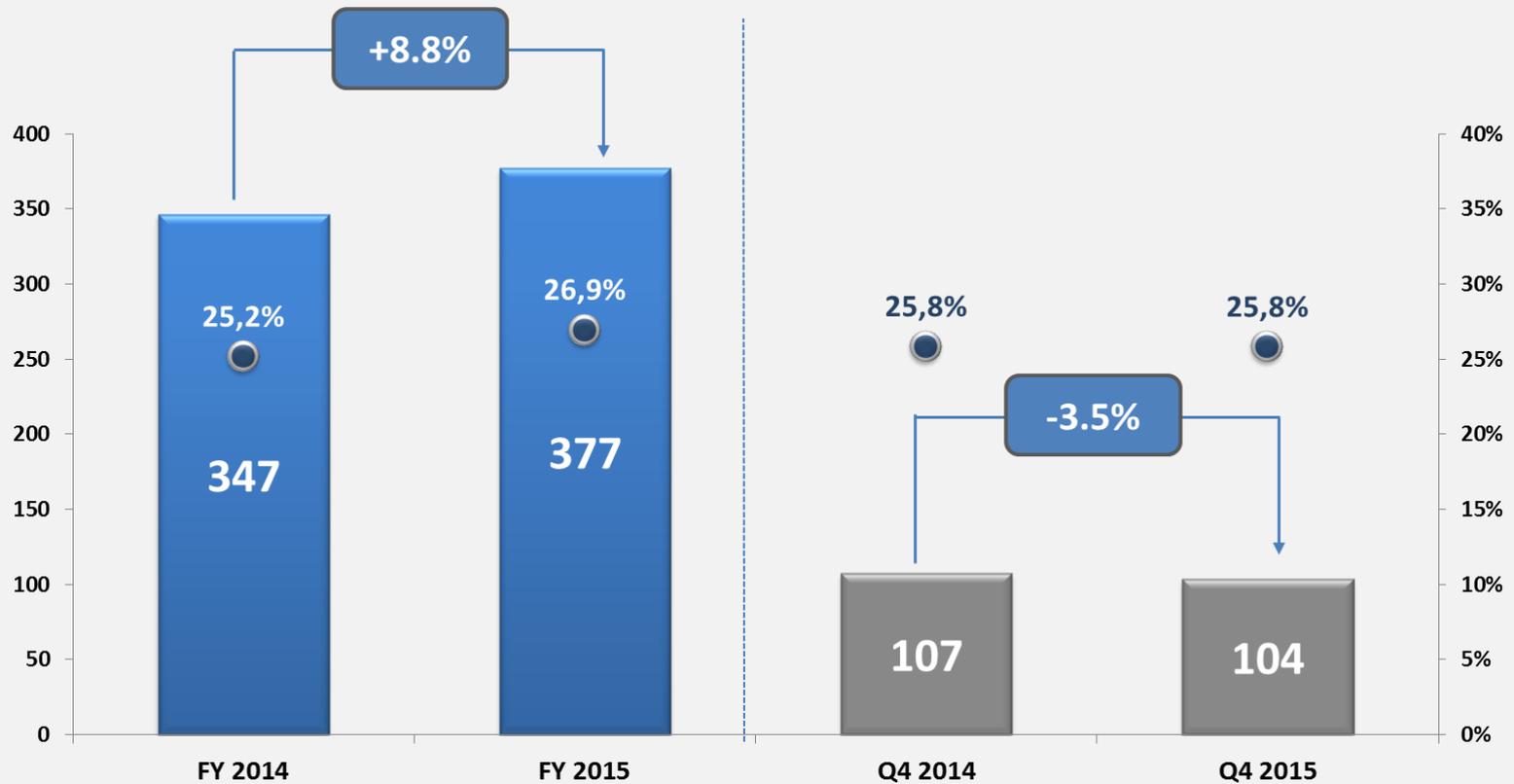
# >> EBITDA



## FY 2015 EBITDA & EBITDA margin

- EBITDA at €377.1m in FY 2015 from €346.5m in FY 2014, up by 8.8% y-o-y as a result of the persisting focus on cost efficiencies. EBITDA in Q4 2015 reached €103.6m vs. €107.4m in Q4 2014.

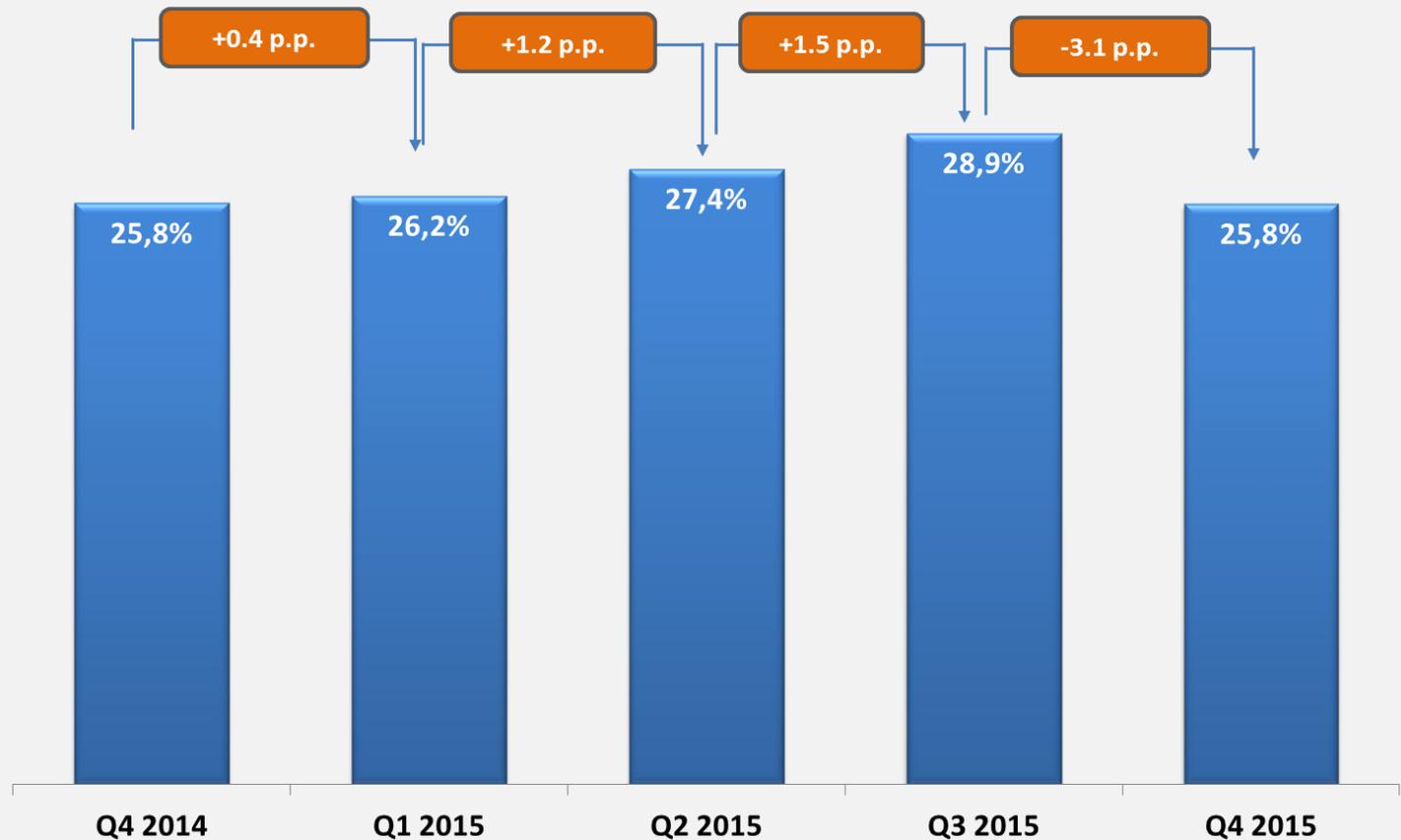
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# >> EBITDA margin

## Quarterly consolidated EBITDA margin

- EBITDA margin reached in FY 2015 26,9%
- Q4 2015 margin at 25,8%, in line with Q4 2014.



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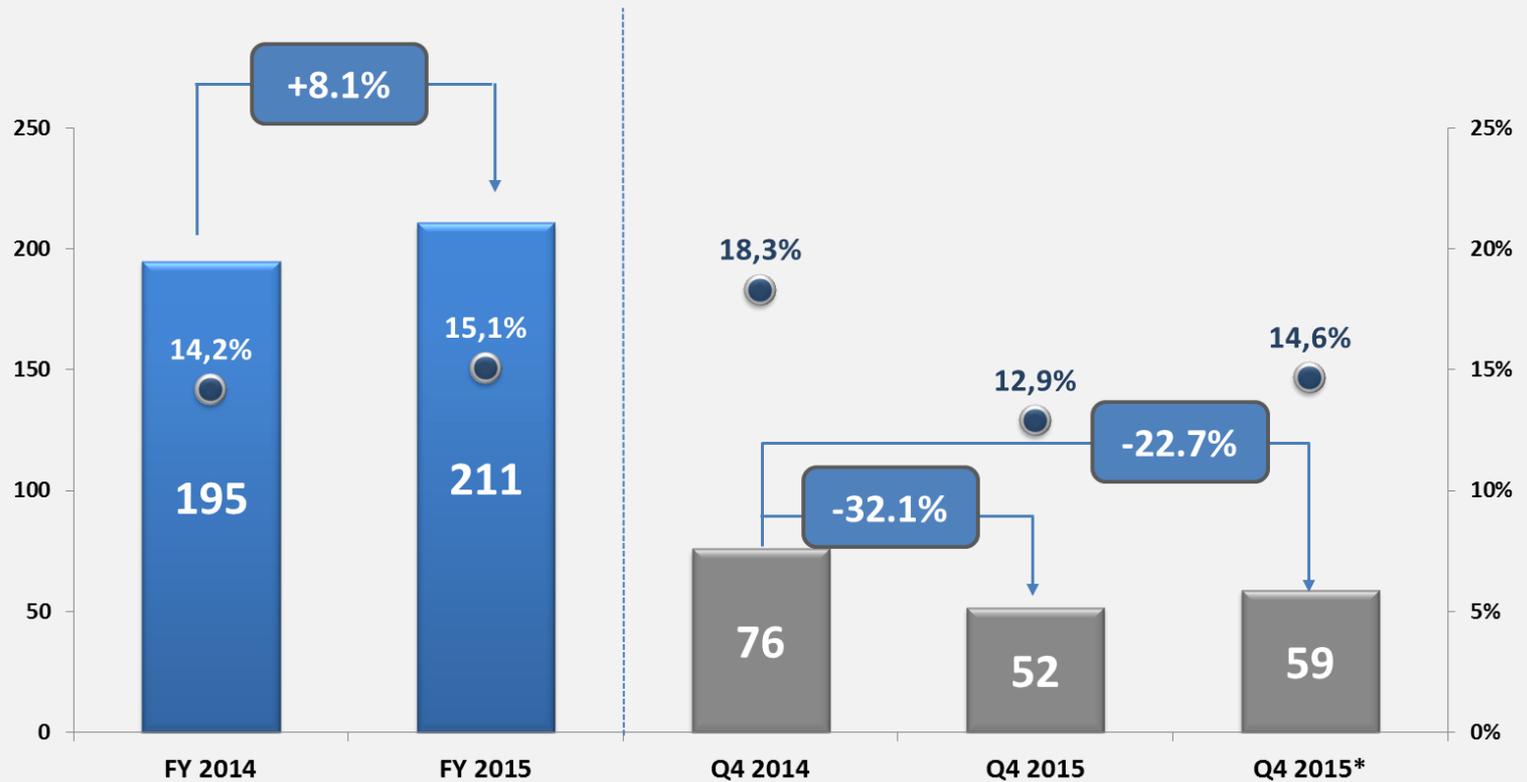
# >> Net Profit



## FY 2015 Net profit & Net profit margin

- Net profit in FY 2015 at €210.7m, increased by 8.1% vs. €195.0m in 2014. Net profit in Q4 2015, declined by 32.1% at €51.7m; however, after adjusting for the Hellenic Lotteries license impairment, net profit came in at €58.8m down by 22.7%.

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\*Adjusted for Hellenic Lotteries license impairment

# >> Total opex



## FY 2015 Operating Expenses

- **Payroll expense** in FY 2015 was decreased by 21.3%, at €46.1m vs €58.6m in the corresponding period last year. Payroll cost in Q4 2015 increased by 23.5%, as part of the ongoing effort to enhance the company's workforce.
- Despite the FY 2015 revenue increase, Management's targeted initiatives led to a 12.0% reduction of **marketing expenses** at €69.5m versus €78.9m in the corresponding period in 2014. Marketing expenses in Q4 declined by 16.6% y-o-y coming in at €22.1m.
- **Other operating expenses** in FY 2015 increased by 70.6% at €261.3m versus €153.2m in the corresponding period in 2014 mostly due to the full consolidation of Payzone, while IT cost was actually reduced by a meaningful 11.8%.

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### Payroll expenses



### Marketing expenses



\*2014 figures include VRS cost of €12,7m

### Other operating expenses



\*Figures excluding Payzone Hellas.

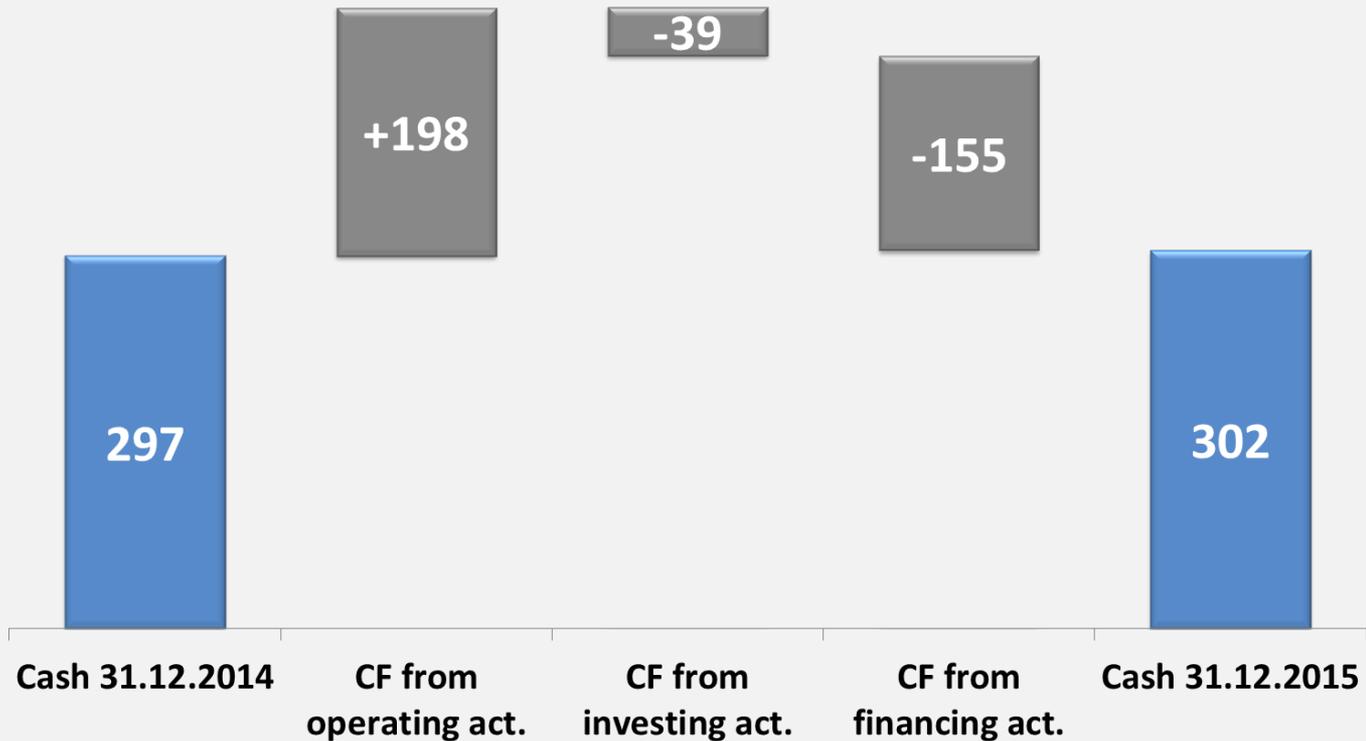
# >> Cash Flow



## FY 2015 Cash Flow

- Cash inflow from **operating activities** in FY 2015 stood at €198.4m from €284.5m in FY 2014, as higher operating profitability was offset by the calendar effect related to higher income taxation payments.
- Cash flow from **investing activities** in FY 2015 amounted to an outflow of €39.1m reflecting mainly the acquisition of OPAP's new headquarters & the first tranche of the horse racing concession.
- Cash flow from **financing activities** in FY 2015 amounted to an outflow of €155.1m, on the back of higher dividend payments for the year.

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# >> Dividend Policy

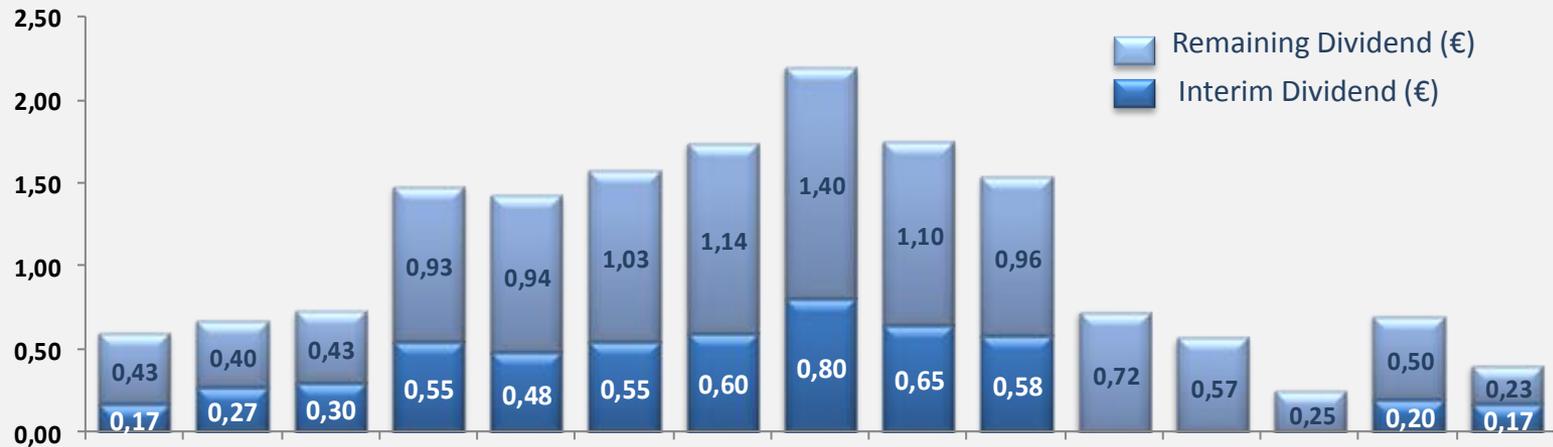


Remaining gross remaining DPS at €0.23 which together with the already paid €0.17 interim dividend leads to a total DPS of €0.40 for FY 2015

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dividend per share (€)	0.60	0.67	0.73	1.48	1.42	1.58	1.74	2.20	1.75	1.54	0.72	0.57	0.25	0.70	0.40 <sup>1</sup>
Dividend payout (%)	79.4%	103.7%	99.1%	93.4%	98.8%	98.9%	97.1%	96.3%	94.0%	85.3%	42.9%	36.0%	59.6%	112.4%	60.5%

<sup>1</sup> Subject to AGM (April 25<sup>th</sup>, 2016) approval

# >> 2016 Bloomberg Consensus



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(€ 'm)	2015a	2016(E)	Min. 2016	Max. 2016
<b>GGR*</b>	1,400	1,585	1,222	1,858
<b>EBITDA</b>	377	311	235	387
<b>Margin %</b>	26.9	19.6		
<b>Net Income</b>	211	168	126	209
<b>Margin %</b>	15.1	10.6		
<b>EPS</b>	0.66	0.53	0.40	0.66
<b>Growth %, YoY</b>		-19.7		
<b>DPS</b>	0.40	0.50	0.36	0.70

\* 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

**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.:**  
2,058m (05/04/16)
- **Outstanding Shares:**  
319,000,000
- **Free Float: 67%**

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



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('000 €)	Consolidated Statement of Financial Position	
	31.12.2015	31.12.2014 Adjusted*
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	301,695	297,418
Receivables	55,234	92,250
Other current assets	32,983	<u>19,706</u>
<b>Total current assets</b>	<b>389,913</b>	<b>409,375</b>
<b>Non - current assets</b>		
Intangible assets	1,222,987	1,269,998
Investments in associates	11,225	9,732
Other non - current assets	84,708	63,632
<b>Total non - current assets</b>	<b><u>1,318,920</u></b>	<b><u>1,343,362</u></b>
<b>TOTAL ASSETS</b>	<b>1,708,833</b>	<b>1,752,737</b>
<b>Liabilities</b>		
Short-term Loans	32,097	1
Short-term payables (trade & other)	127,091	170,353
Other Short-term payables	165,795	287,529
Long-term Loans	115,000	0
Other long-term liabilities	66,022	59,790
<b>Total liabilities</b>	<b>506,006</b>	<b>517,673</b>
<b>Total equity</b>	<b><u>1,202,827</u></b>	<b><u>1,235,064</u></b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,708,833</b>	<b>1,752,737</b>

\* 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 6.3 of the 2015 Annual Financial Report for more information)

# Condensed Consolidated Statement of Comprehensive Income FY 2015



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('000 €)	Consolidated Statement of Comprehensive Income			
	FY 2015	FY 2014	Δ	Δ%
Amounts wagered	4,257,317	4,259,072	-1,755	0,0%
<b>Revenue (GGR)</b>	<b>1,399,671</b>	<b>1,377,679</b>	<b>21,992</b>	<b>1,6%</b>
GGR contribution and other levies and duties	-411,964	-404,535	7,429	1,8%
Agents' commission	-362,369	-359,653	2,716	0,8%
<b>Net gaming revenue (NGR)</b>	<b>625,339</b>	<b>613,491</b>	<b>11,848</b>	<b>1,9%</b>
Other operating income	128,662	23,736	104,926	442,1%
Payroll expenses	-46,098	-58,571	-12,473	-21,3%
Marketing expenses	-69,468	-78,904	-9,436	-12,0%
Other operating expenses	-261,332	-153,228	108,104	70,6%
<b>EBITDA</b>	<b>377,103</b>	<b>346,524</b>	<b>30,579</b>	<b>8,8%</b>
<b>EBIT</b>	<b>302,770</b>	<b>296,203</b>	<b>6,567</b>	<b>2,2%</b>
<b>EBT</b>	<b>299,592</b>	<b>305,579</b>	<b>-5,987</b>	<b>-2,0%</b>
<b>EAT and minorities</b>	<b>210,719</b>	<b>194,998</b>	<b>15,721</b>	<b>8,1%</b>

# Condensed Consolidated Cash Flow statement as of 31 December 2015 & 31 December 2014



('000 €)	Consolidated Cash flow statement	
	FY 2015	FY 2014
<b>OPERATING ACTIVITIES</b>		
<b>Operating Activities before WCC</b>	<b>387,418</b>	<b>348,053</b>
<b>Changes in Working Capital</b>		
Inventories	-1,191	-724
Receivables	26,609	-41,417
Payables	-59,424	73,988
Taxes payables	-6,999	-24,887
Interest expenses & Income taxes paid	-147,978	-70,508
<b>Cash flows from operating activities</b>	<b>198,436</b>	<b>284,505</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash flows from investing activities</b>	<b>-39,067</b>	<b>32,850</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	147,096	85,001
Payments of borrowings	0	-266,751
Dividends Paid	-277,298	-79,811
Other Paid	-24,891	-437
<b>Cash flows (used in)/from financing activities</b>	<b>-155,093</b>	<b>-261,998</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,276</b>	<b>55,357</b>
Cash and cash equivalents at the beginning of the period	297,418	242,061
<b>Cash and cash equivalents at the end of the period</b>	<b>301,695</b>	<b>297,418</b>

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