

1H 2018 Financial Results

August 31st, 2018

intralot



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Presentation Participants

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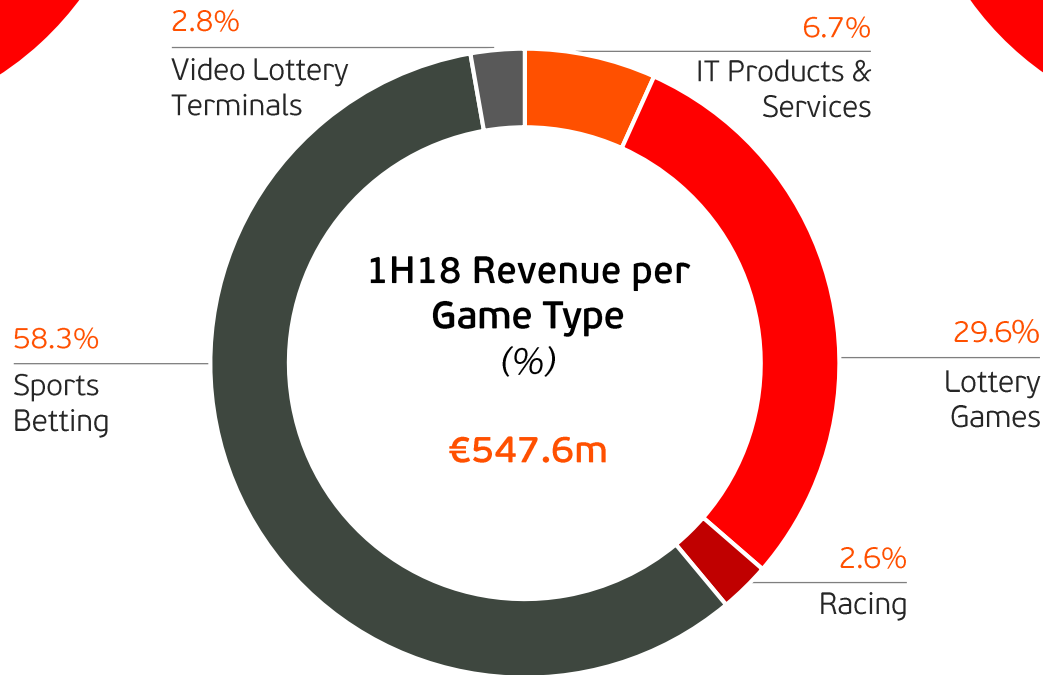
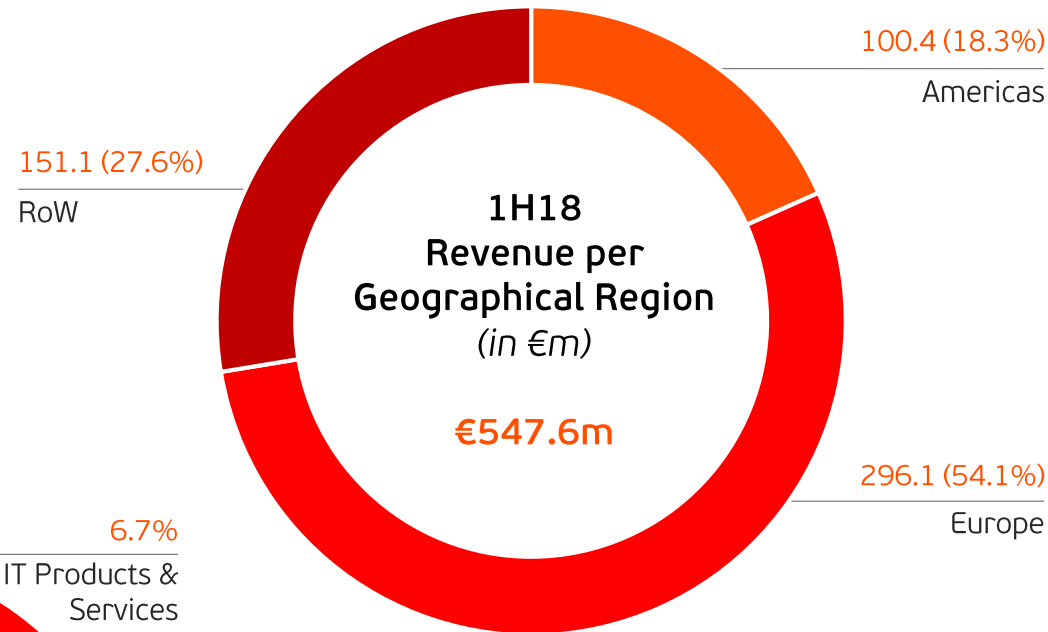
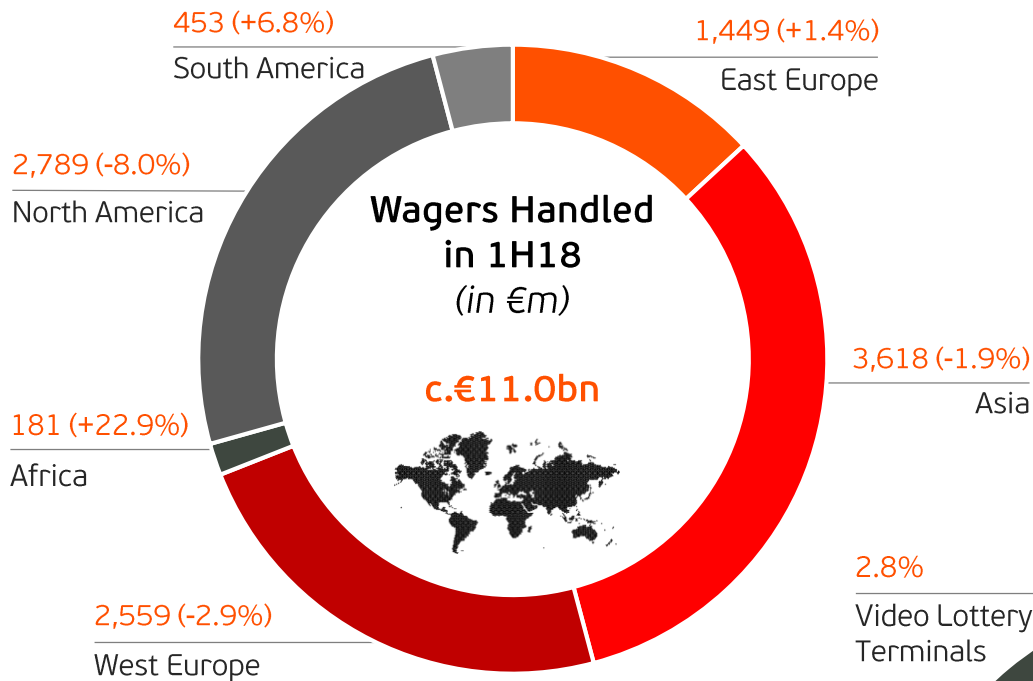
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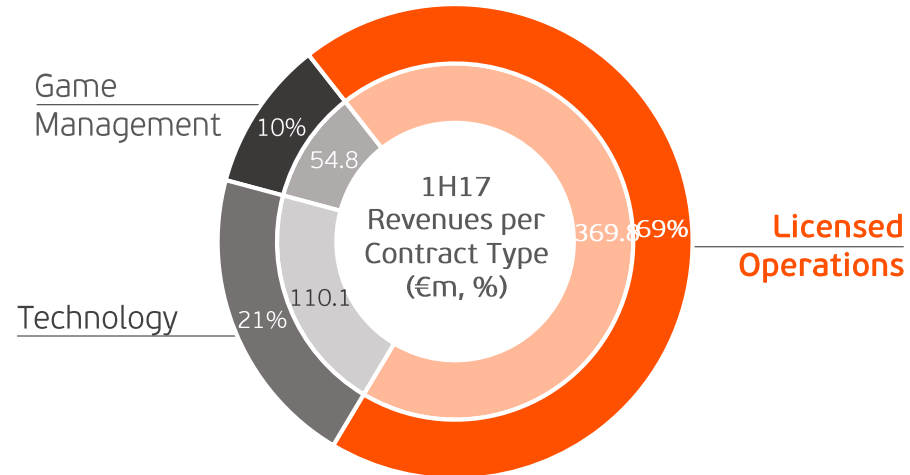
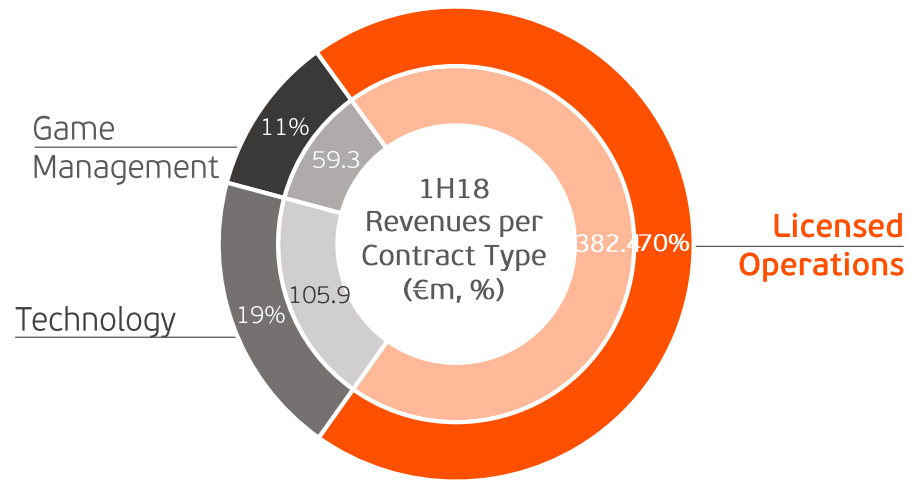
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Wagers Handled & Revenues¹



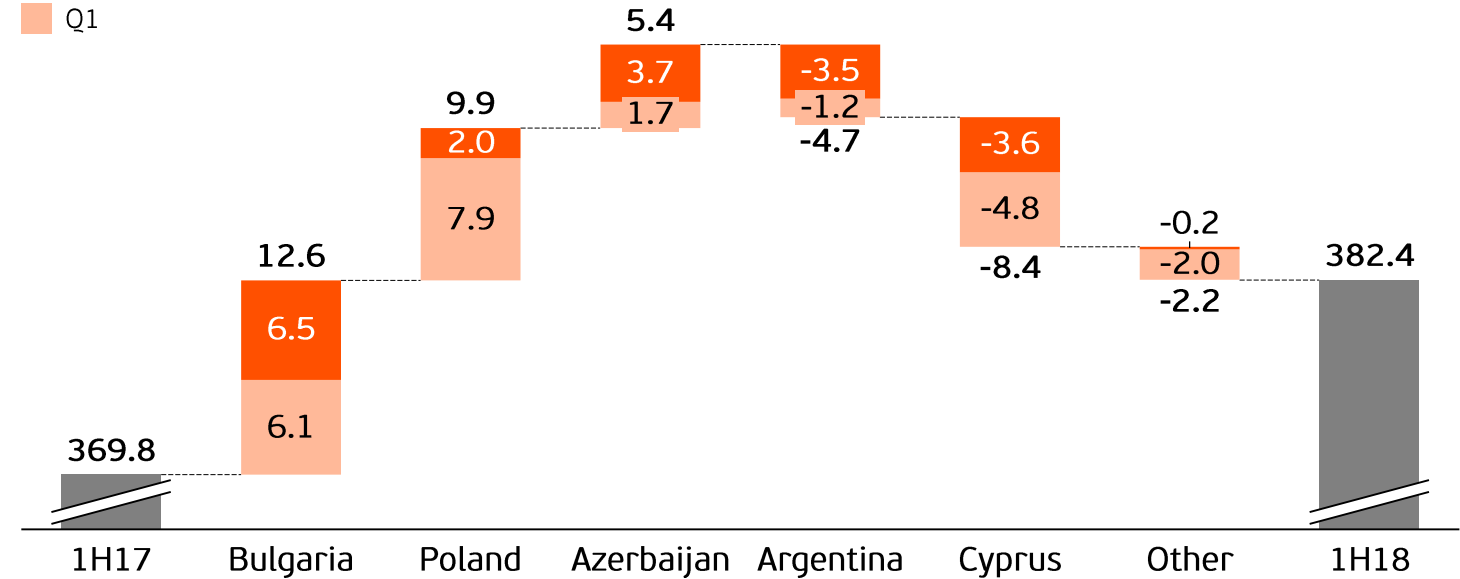
1. Excluding discontinued operations

Licensed Operations - Revenue Evolution



in € million

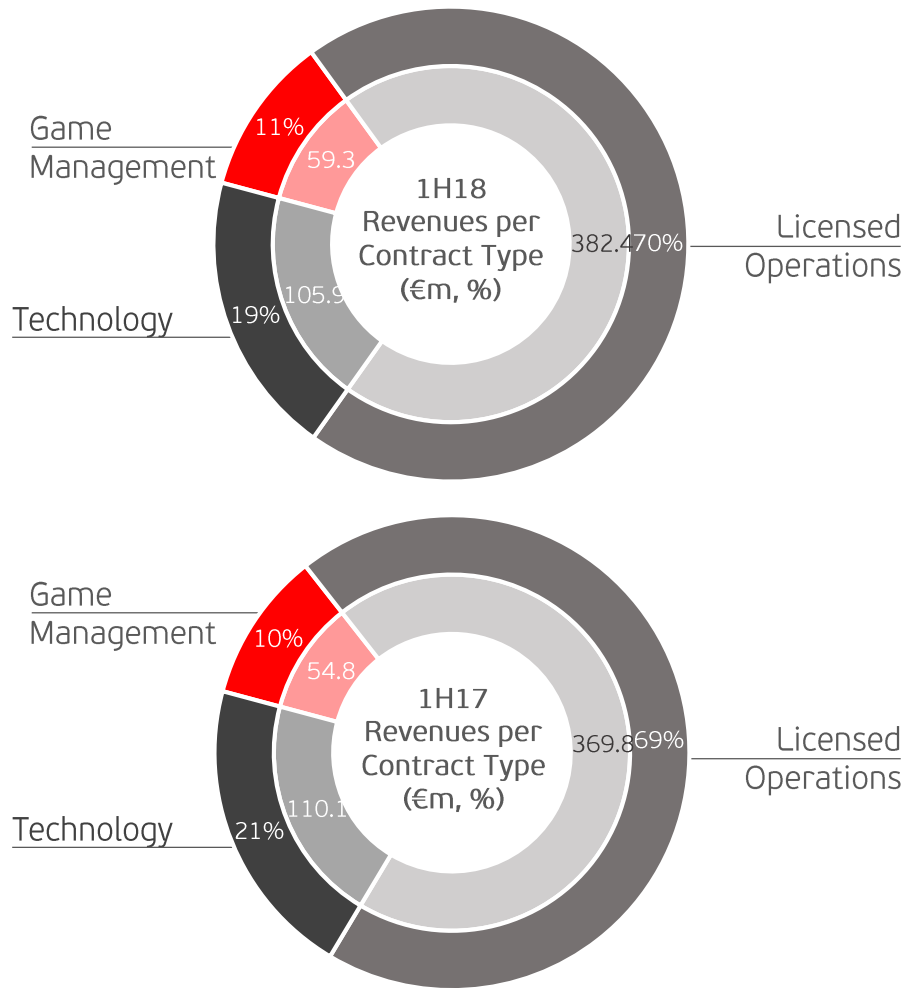
Q2
Q1



Revenue Evolution Drivers:

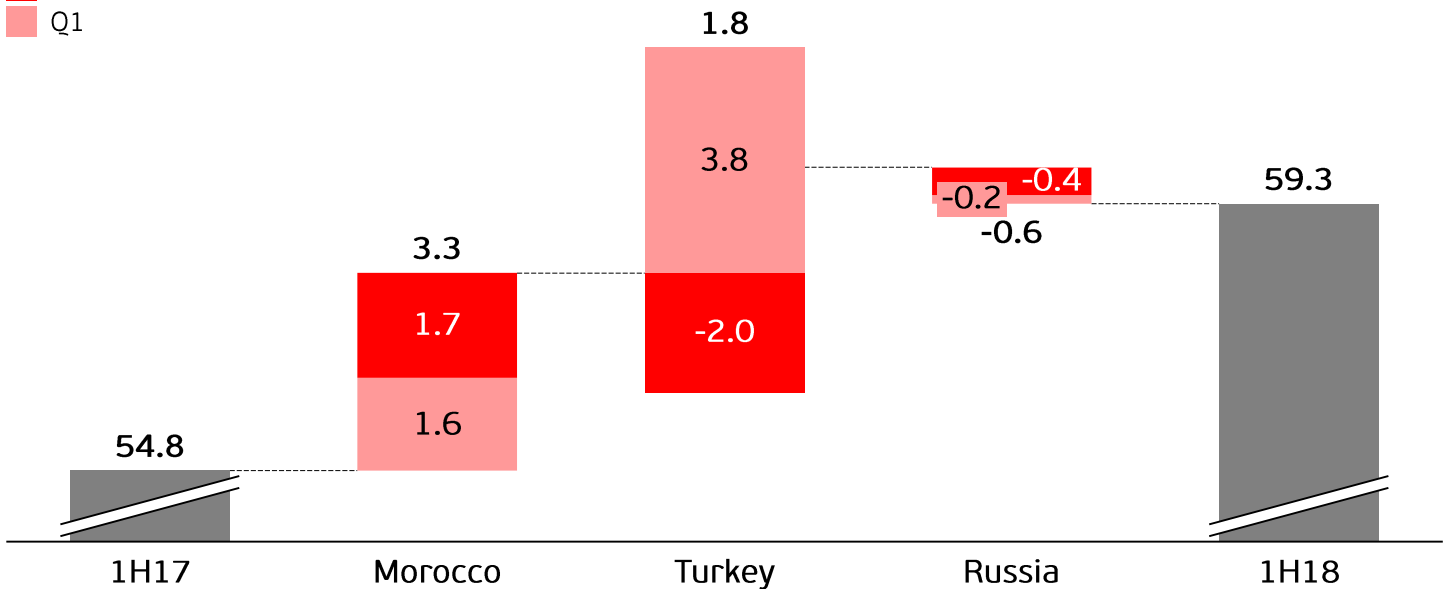
- **Bulgaria** following the growth in Virtual Sports fueled mainly by the increased payout.
- **Poland** YoY growth driven by the interactive Sport Betting channel (market regulation) and Virtual Games introduction in 2Q17
- **Azerbaijan** driven by the enhanced Sports Betting portfolio (both retail and online)
- **Argentina** strong FX headwinds (c.53% devaluation against the Euro YoY), fully offset the strong YoY performance on a local currency basis (c.+30%)
- **Cyprus** suspended Sports Betting license in 4Q17

Game Management Contracts - Revenue Evolution



in € million

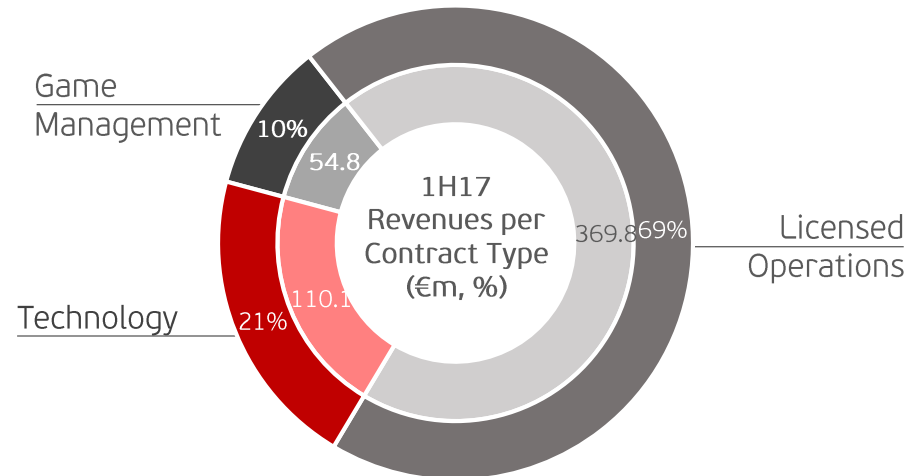
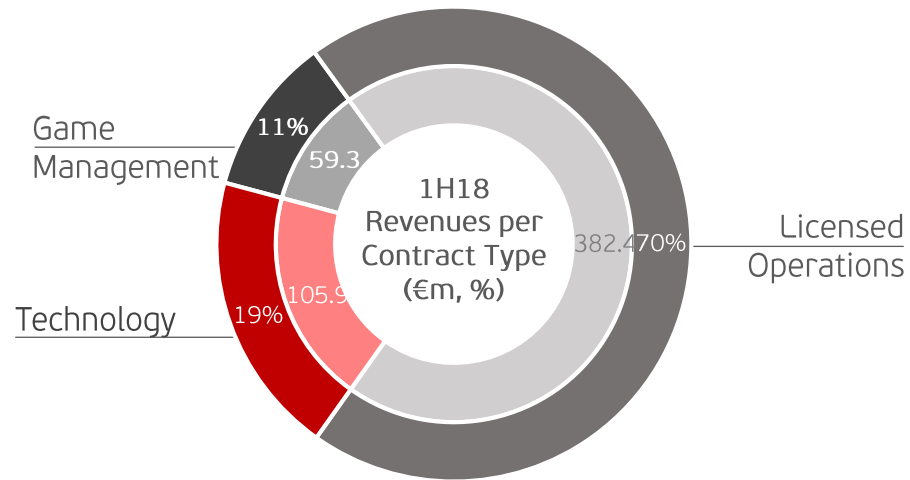
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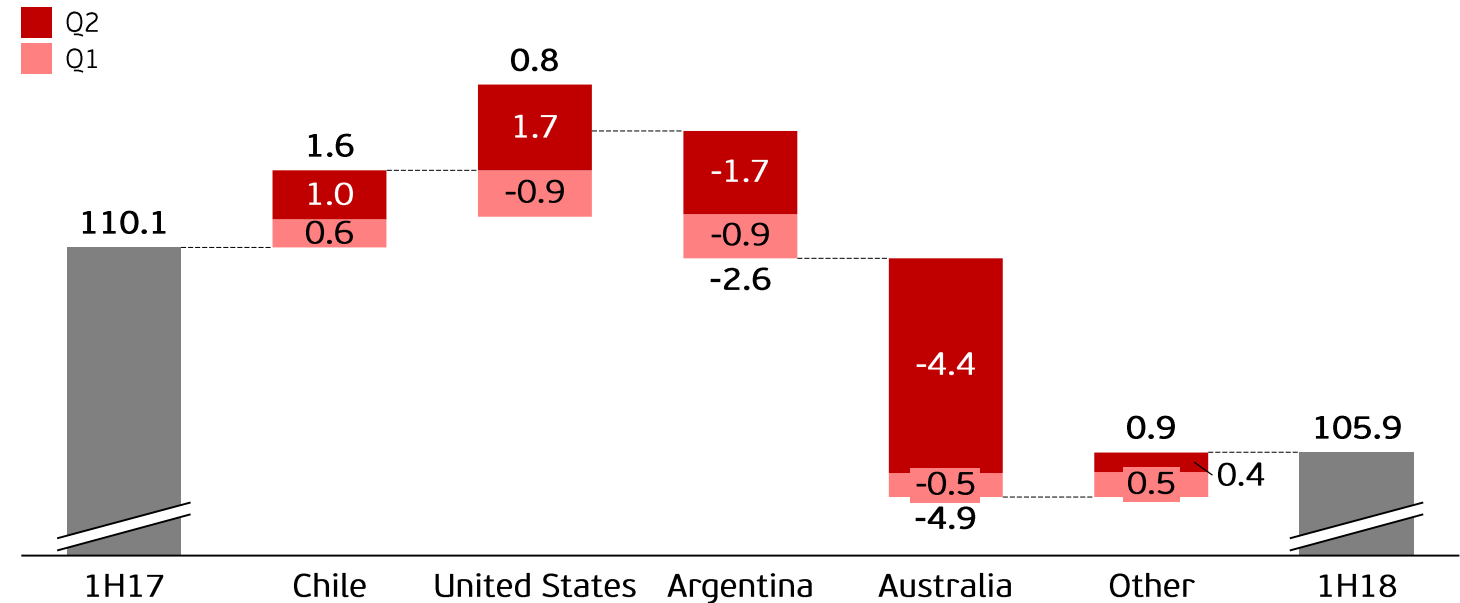
Revenue Evolution Drivers:

- **Morocco's** Sports Betting sales uplift attributed to the enhanced product offering
- **Turkey** revenue increase is attributed both to the growth of the Sport Betting Market year over year (c.+22% in local currency), as well as to the shift towards Online Sports Betting, fully mitigating the devaluation of the local currency against the Euro (c.26.0% devaluation versus a year ago)

Technology Contracts - Revenue Evolution



in € million



Revenue Evolution Drivers:

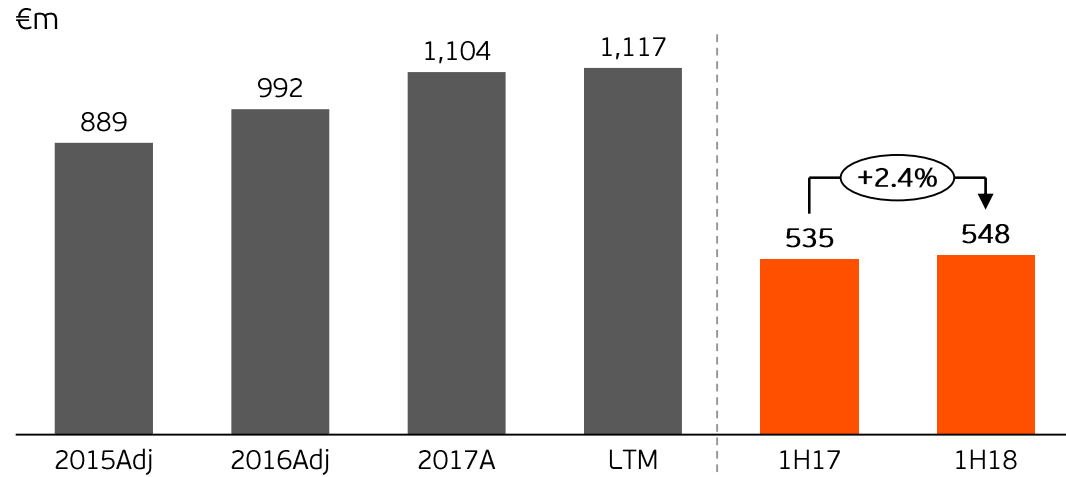
- **Chile** improved contribution following contract maturity (live in early 1Q17)
- **US** operations' lower top line contribution, affected by the adverse FX movement (c.12% devaluation against the Euro YoY), despite recording double digit growth YoY in local currency (c.+15.0%, driven by the numerical segment stronger performance and higher equipment sales)
- **Argentina** recorded lower sales as a result of the significantly adverse FX movement (c.53% devaluation against the Euro YoY), while in local currency terms the top line performance posted a c.+24% increase YoY
- **Australia** lower recorded revenue mainly as a result of a software license right sale in 2Q17 coupled with adverse local currency movement (c.9.2% devaluation against Euro)

Consolidated Financial Statements for 1H18 and 2Q18

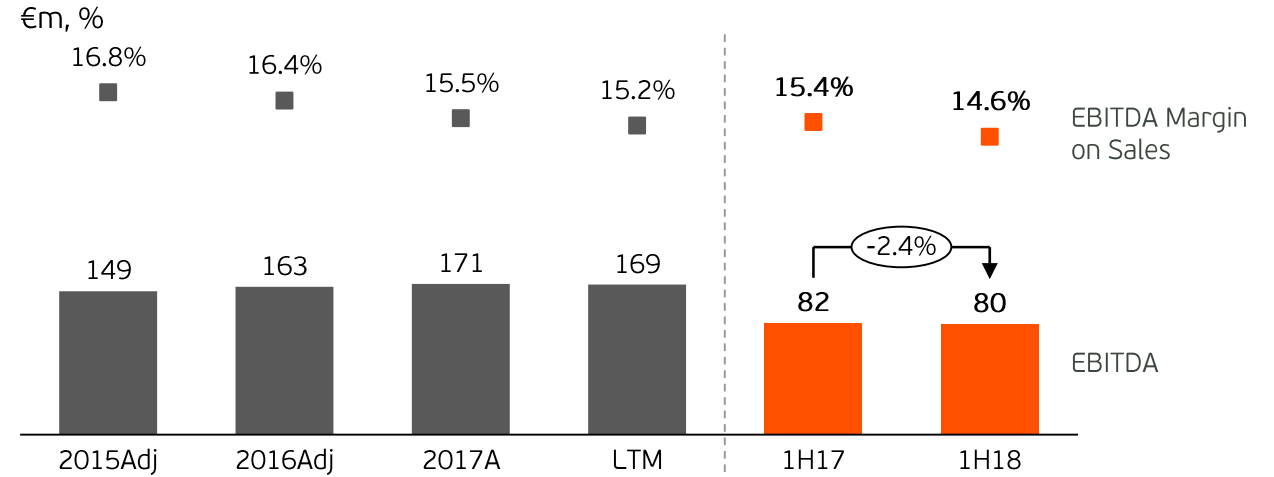
(in € million)	1H18	1H17	% Change	2Q18	2Q17	% Change	LTM
Revenues (Turnover)	547.6	534.7	2.4%	267.0	265.7	0.5%	1,117.1
Technology, Management & Rest Contracts	167.3	167.7	-0.2%	80.5	84.5	-4.7%	354.5
Licensed Operations (Payout related)	380.3	367.0	3.6%	186.5	181.2	2.9%	762.6
Payout (%)	71.5%	71.1%	0.4pps	71.3%	71.8%	-0.5pps	70.3%
GGR	275.6	273.8	0.7%	134.1	135.7	-1.2%	581.0
nGGR	218.7	214.5	2.0%	106.4	106.6	-0.2%	462.6
Gross Profit	116.5	108.4	7.5%	55.7	53.7	3.7%	250.0
Gross Profit Margin (%)	21.3%	20.3%	+1.0pps	20.9%	20.2%	+0.7pps	22.4%
EBITDA	80.1	82.1	-2.4%	37.5	40.3	-6.9%	169.5
EBITDA Margin (% Sales)	14.6%	15.4%	-0.8pps	14.0%	15.2%	-1.2pps	15.2%
EBITDA Margin (% GGR)	29.1%	30.0%	-0.9pps	28.0%	29.7%	-1.7pps	29.2%
EBT	32.5	17.5	85.7%	19.2	3.6	433.3%	25.3
EBT Margin (% Sales)	5.9%	3.3%	+2.6pps	7.2%	1.4%	+5.8pps	2.3%
NIATMI from Continuing Operations	-3.1	-15.6	80.1%	3.0	-9.4	-	-46.2
NIATMI from Total Operations	-3.1	-25.8	88.0%	3.0	-20.3	-	-30.7

Overview Of Key Financial Metrics

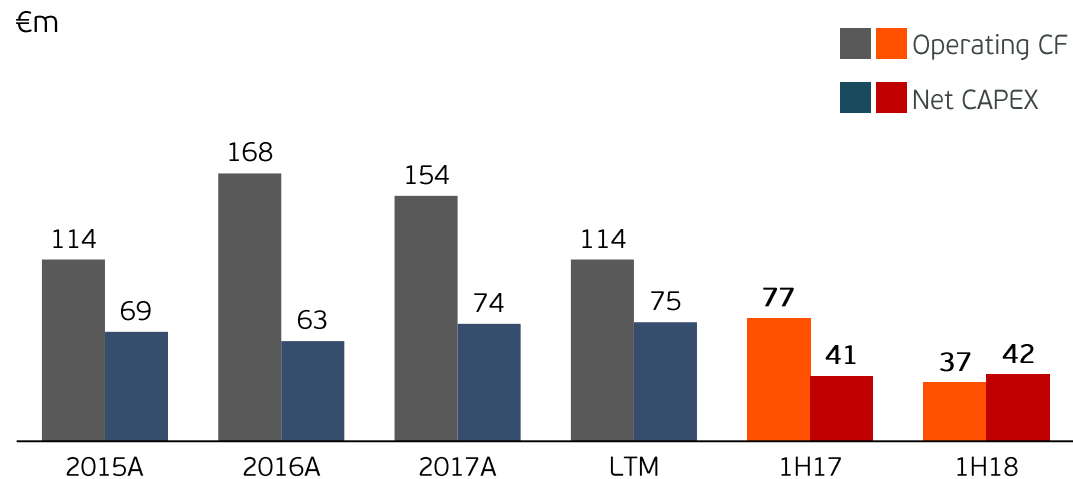
REVENUES¹



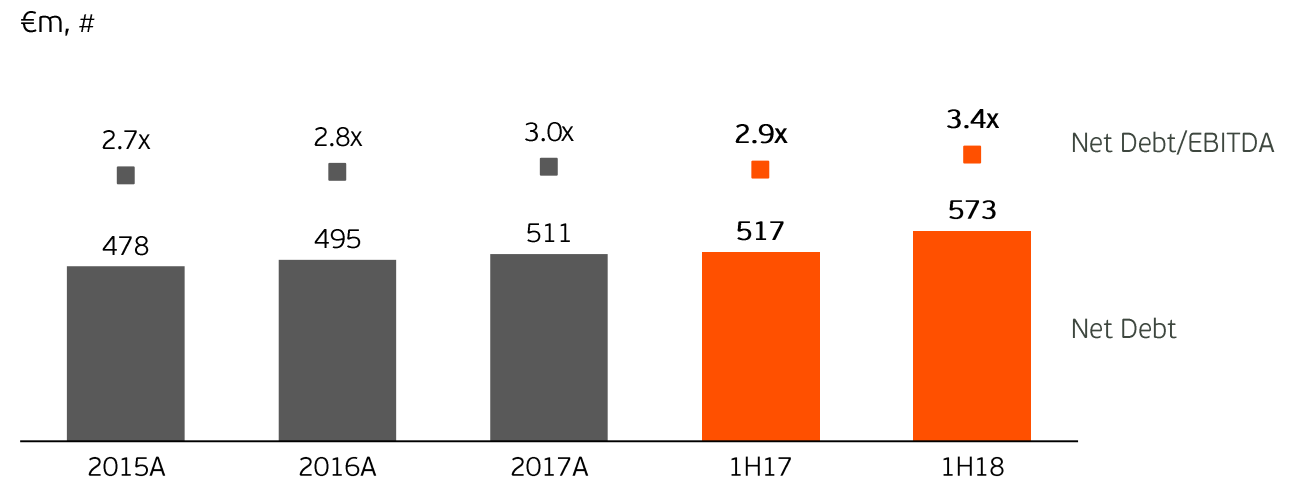
EBITDA AND EBITDA MARGIN¹



OPERATING CASH FLOW AND NET CAPEX



NET DEBT² AND NET DEBT / EBITDA³



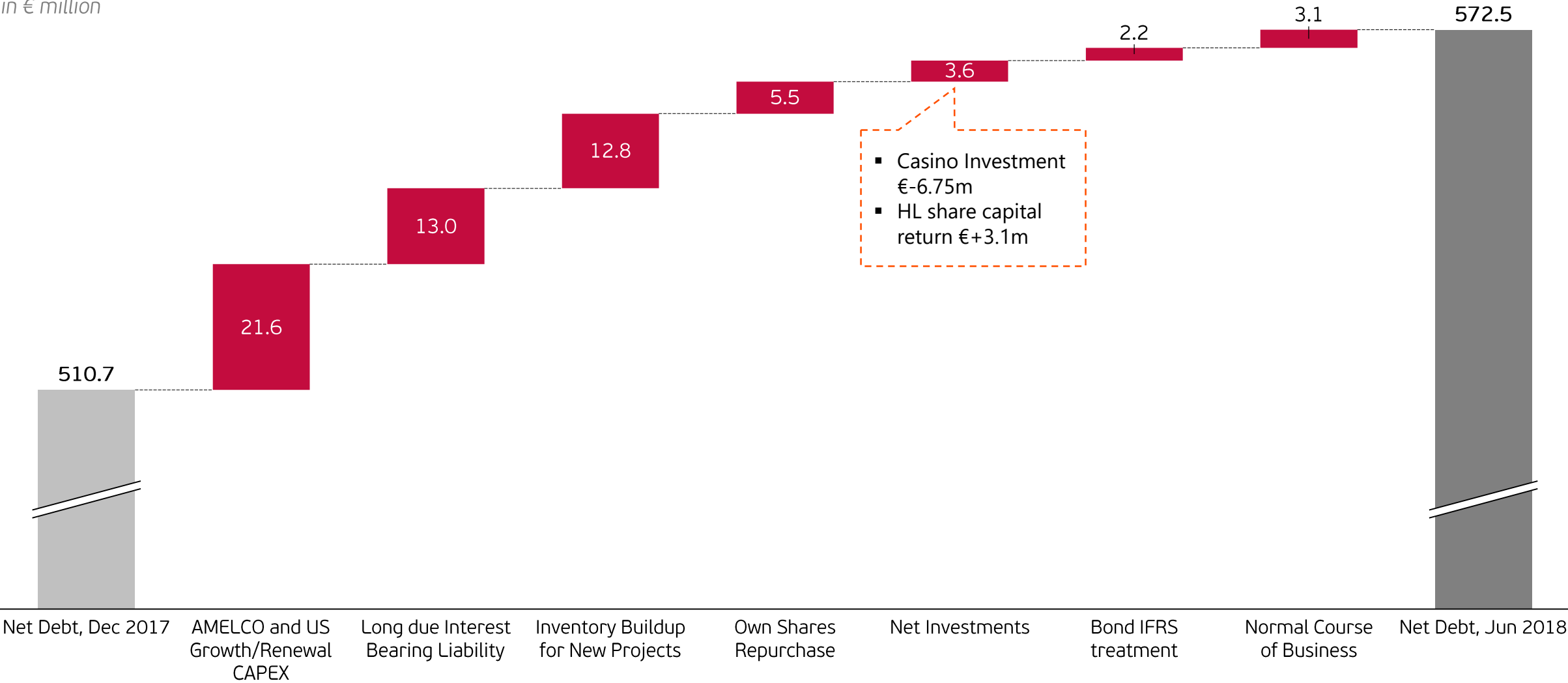
1. Excluding discontinued operations in Italy, Peru, Russia, Jamaica, and Slovakia

2. Net debt calculated as Long-term debt plus Short-term debt and current portion of long-term debt plus Financial Leases less Cash and cash equivalents

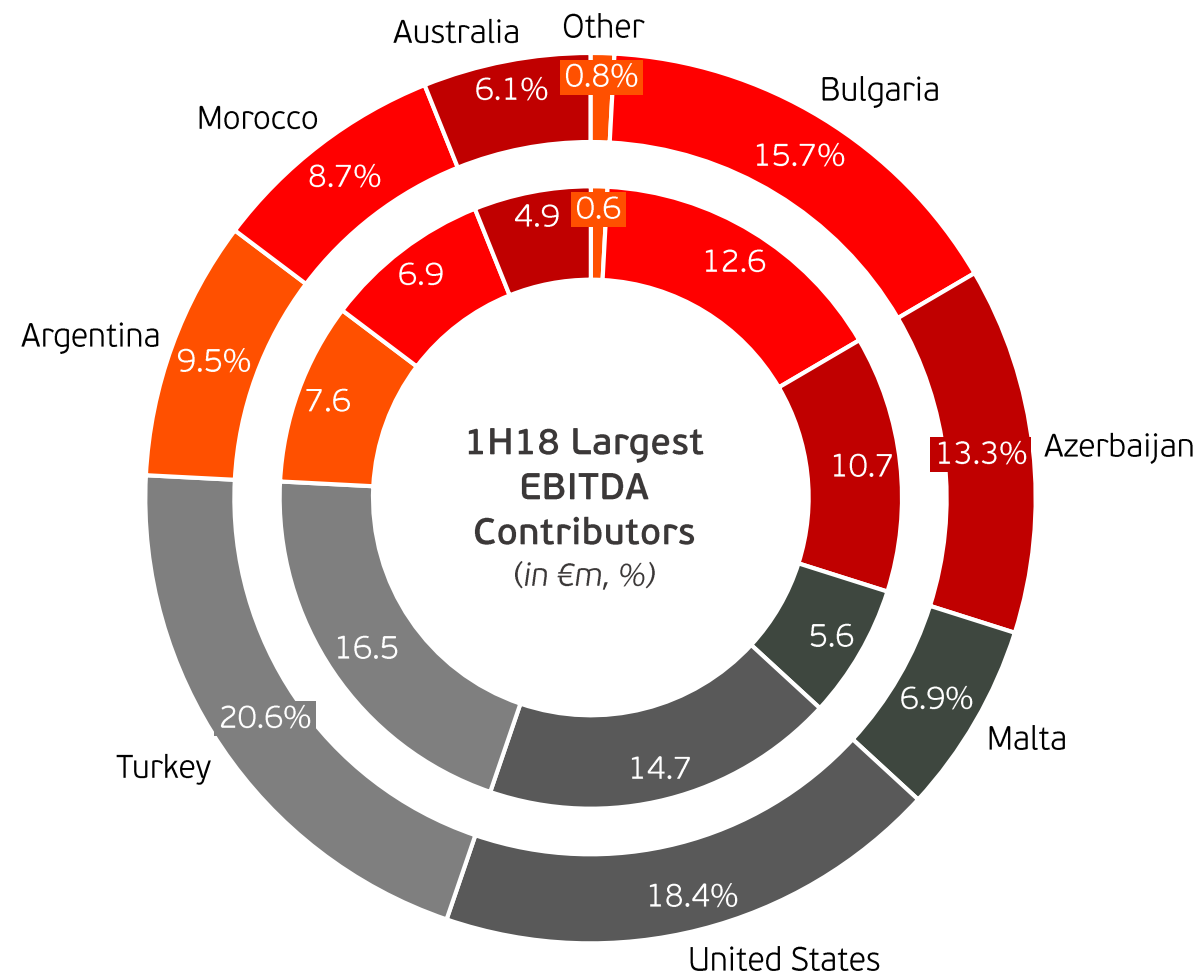
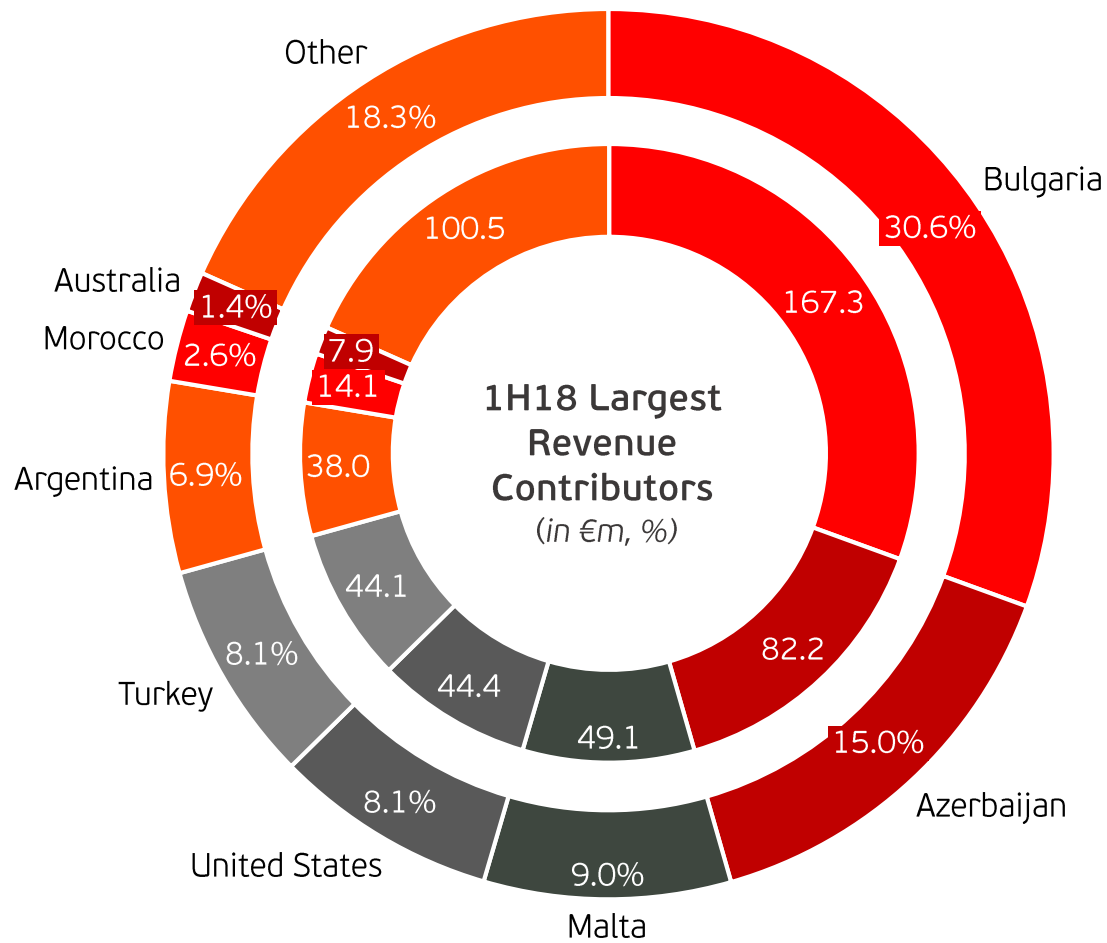
3. Calculated as Net debt divided by LTM EBITDA. Net Debt and EBITDA levels as reported/ published in the respective periods

Net Debt Movement

Net Debt Movement, 1H18
in € million









Key Revenue and EBITDA Contributors^{1,2}



1. Country Revenue and EBITDA figures include all operating and non-operating entities
2. USA metrics include also the Philippines project contribution

Contribution from Partnerships

Country		Stake	1H18 EBITDA Contribution	1H17 EBITDA Contribution
	Inteltek ¹	45.00%	13%	13%
	Bilyoner ¹	50.01%	7%	8%
	Eurofootball Group ²	49.00% + option for additional 2.00%	12%	13%
	Eurobet Group ²	49.00% + option for additional 2.00%	4%	4%
	Azerinteltek ²	22.95%	13%	11%
	Tecno Accion Group ³	50.01%	10%	11%
Total Partnership Contribution			59%	60%
INTRALOT's Portion of EBITDA			64%	64%

1. Management Contract
 2. Licensed Operation
 3. 12 Facilities Management (IT) Contracts with State Lottery and 1 Licensed Operation

"In 1H2018 INTRALOT made great progress towards its strategic goals: first with the ongoing geographic refocus and the shift of the Revenue/Ebitda mix towards low-risk markets, evidenced by a stream of renewals and new clients in the US; and second with the deployment of our next generation solutions that start paying off our significant investment in new products for digital transformation reversing the significant cash impact of these key investments towards generating long term value.

Meanwhile we renewed our key contract for the operation of the popular sports betting game Iddaa in Turkey where we recorded a stellar revenue growth of 30% as well as 18% Ebitda growth in 1H2018 in local currency terms, and we saw a significant increase of the value of our Italian assets due to the acquisition of Goldbet by Gamenet that has now become the leading betting operator in the country with a combined market share of 17.7%.

Significant focus is now placed on the tremendous opportunities that open up in the nascent US sports betting market after the federal ban repeal in May and a lineup of tender awards that will be announced soon in mature markets."

APPENDIX

SUMMARY OF
FINANCIAL STATEMENTS



1H18 – Group Income Statement

<i>(in € million)</i>	1H18	1H17	% Change
Revenues	547.6	534.7	2.4%
Gross Profit	116.5	108.4	7.5%
Other Operating Income	7.3	8.8	-17.0%
OPEX	-75.5	-69.9	8.0%
EBITDA	80.1	82.1	-2.4%
<i>Margin</i>	14.6%	15.4%	-0.8pps
EBIT	48.3	47.3	2.1%
Interest Expense (Net)	-22.0	-23.6	-6.8%
Exchange Differences	3.7	-4.3	-
Other	2.5	-1.9	-
EBT	32.5	17.5	85.7%
NIATMI	-3.1	-25.8	88.0%
NIATMI Continuing	-3.1	-15.6	80.1%
NIATMI Discontinued	0.0	-10.2	-

1H18 – Group Statement Of Financial Position

(in € million)

	1H18	FY17
Tangible Assets	105.8	102.8
Intangible Assets	328.2	324.5
Other Non-current Assets	179.1	178.6
Inventories	45.1	31.5
Trade Receivables	74.2	84.2
Other Current Assets	254.7	300.3
Total Assets	987.1	1,021.9
Share Capital	47.1	47.7
Other Equity Elements	-7.4	10.1
Non-controlling Interests	21.8	32.0
Total Shareholders Equity	61.5	89.8
Long-term Debt	742.7	729.4
Provisions / Other Long Term Liabilities	32.3	29.6
Short-term Debt	24.7	19.3
Other Short-term Liabilities	125.9	153.8
Total Liabilities	925.6	932.1
Total Equity And Liabilities	987.1	1,021.9

1H18 – Group Cash Flow

(in € million)

	1H18	1H17
EBT from continuing operations	32.5	17.5
EBT from discontinued operations	0.0	-3.0
Plus/less Adjustments	48.6	78.6
Decrease/(increase) of Inventories	-11.5	-4.1
Decrease/(increase) of Receivable Accounts	-0.9	0.2
(Decrease)/increase of Payable Accounts	-18.1	3.7
Income Tax Paid	-13.9	-15.7
Net Cash from Operating Activities	36.7	77.2
Net CAPEX	-42.4	-41.2
(Purchases) / Sales of subsidiaries & other investments	-3.6	4.5
Interest received	4.1	2.6
Dividends received	6.8	1.8
Net Cash from Investing Activities	-35.1	-32.3
Repurchase of own shares	-5.5	0.0
Cash inflows from loans	52.7	52.5
Repayment of loans	-28.8	-53.2
Bond buybacks	-5.0	0.0
Repayment of Leasing Obligations	-2.9	-0.9
Interest and similar charges paid	-25.1	-25.4
Dividends paid	-27.8	-27.5
Net Cash from Financing Activities	-42.4	-54.5
Net increase / (decrease) in cash for the period	-40.8	-9.6
Exchange differences	-2.3	-7.6
Cash at the beginning of the period	238.0	164.4
Cash at the end of the period from total operations	194.9	147.2

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