

# ANNUAL GENERAL ASSEMBLY

**ANTONIOS KERASTARIS**  
INTRALOT GROUP CEO

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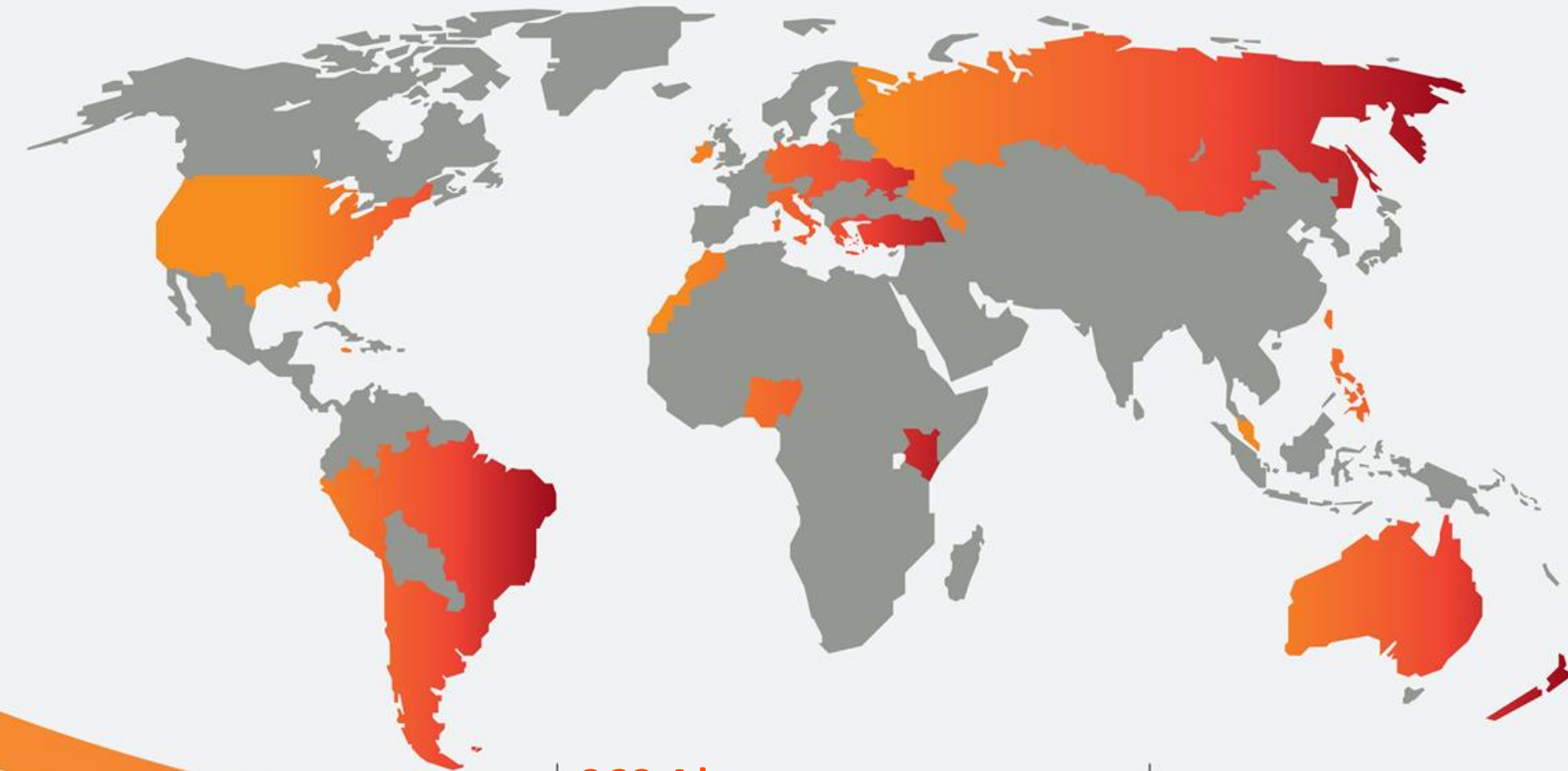
May 18<sup>th</sup>, 2017

***intralot***



# GLOBAL LEADER IN THE GAMING INDUSTRY

**intralot**



**€ 23.4 bn**  
Wagers

**300,000**  
Terminals worldwide



**32**  
countries



**55**  
jurisdictions



**87**  
contracts



**5,300\***  
employees



**1.32 bn**  
revenues in 2016

\*3,450 of which in subsidiaries and 1,850 in associates

# INTRALOT REVENUE MIX



9%

MANAGEMENT CONTRACTS



75%

LICENSED OPERATIONS



16%

TECHNOLOGY

01

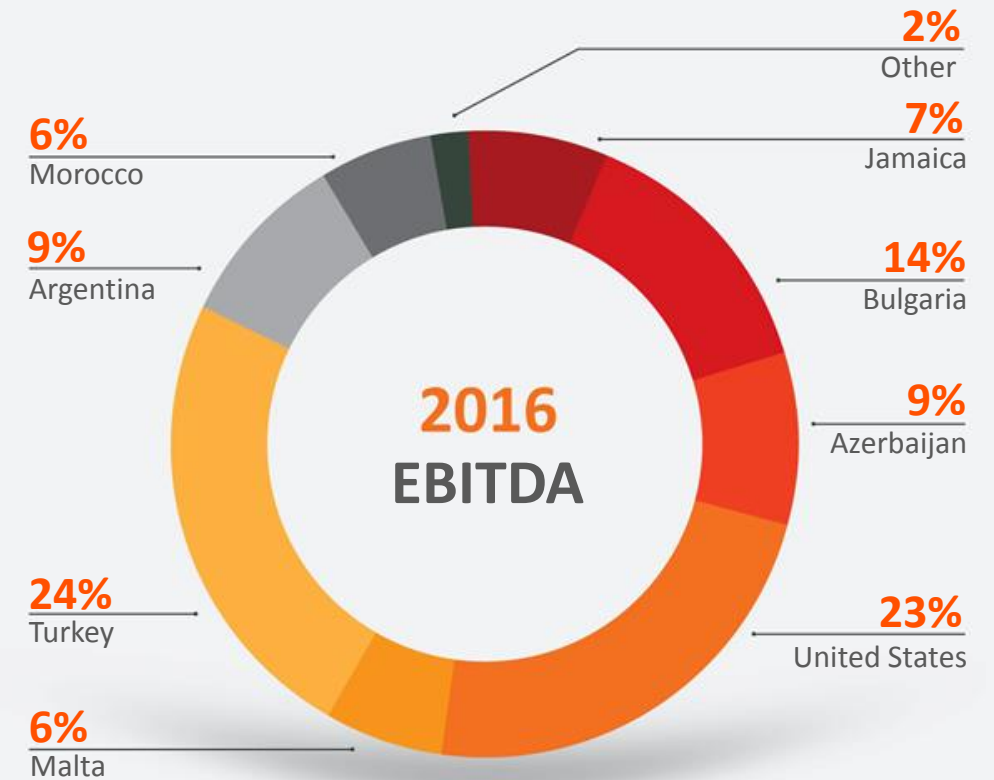
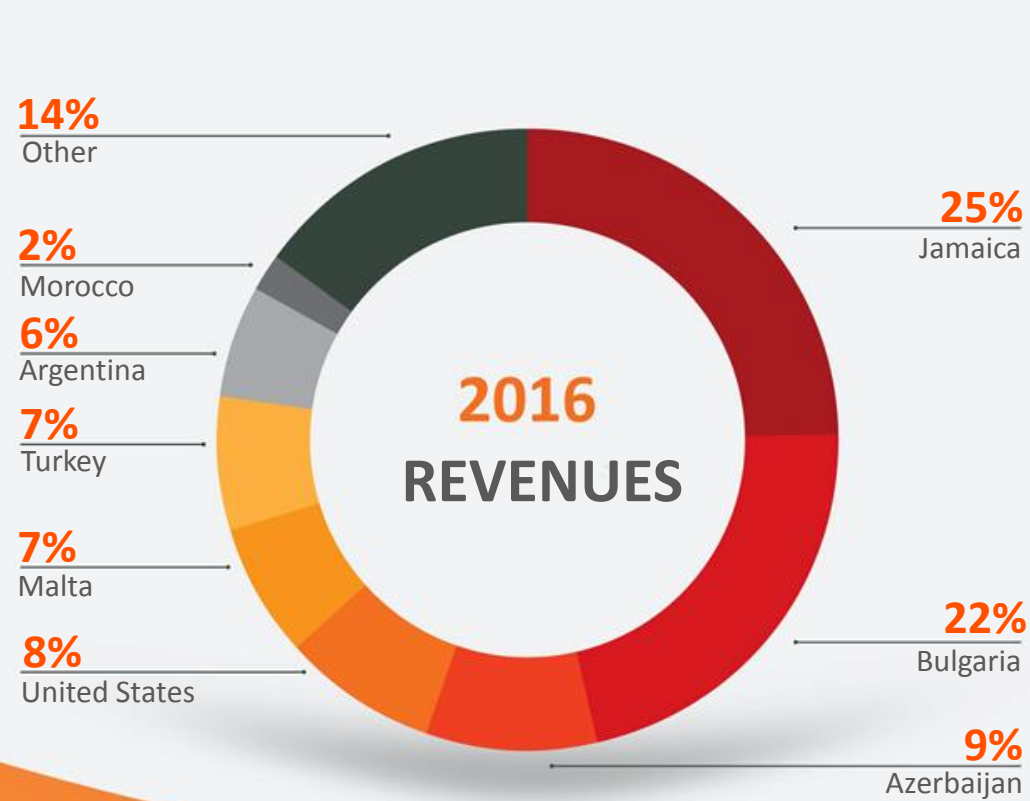
# FINANCIAL RESULTS





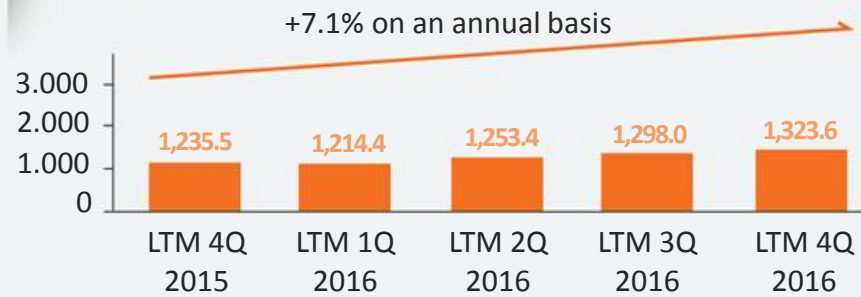
# INTRALOT IN FIGURES

- > Broad geographic distribution
- > Average sovereign rating in countries of operation – Low A

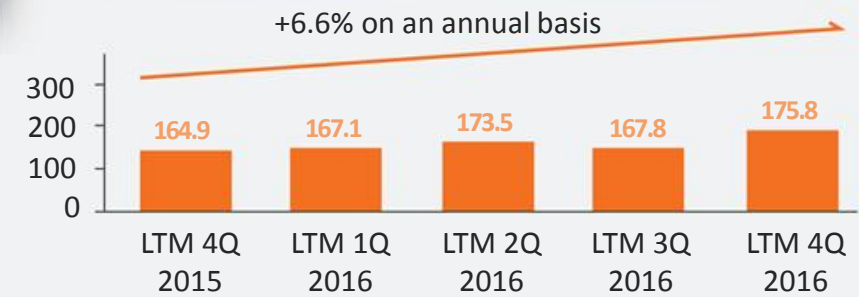


# FY2016 RESULTS

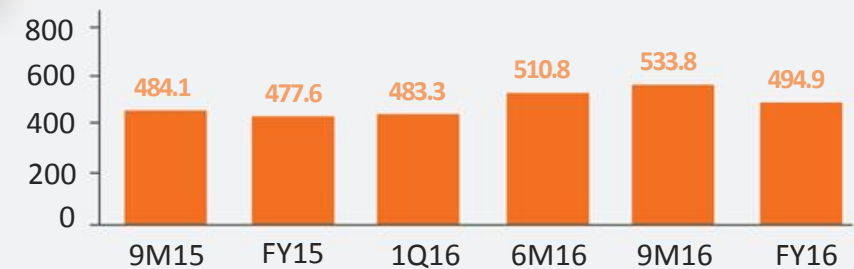
## REVENUES



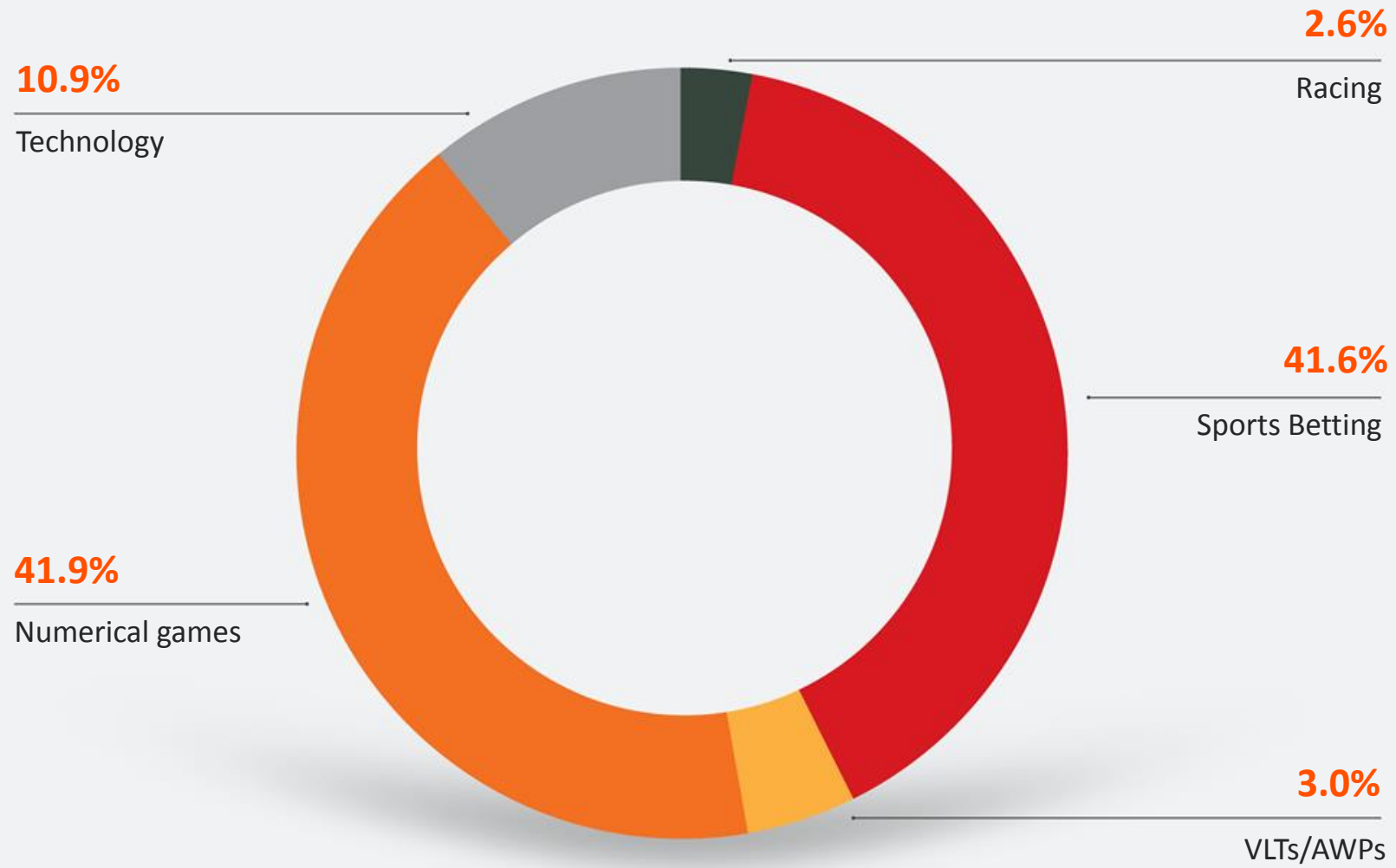
## EBITDA



## NET DEBT



# REVENUES PER ACTIVITY



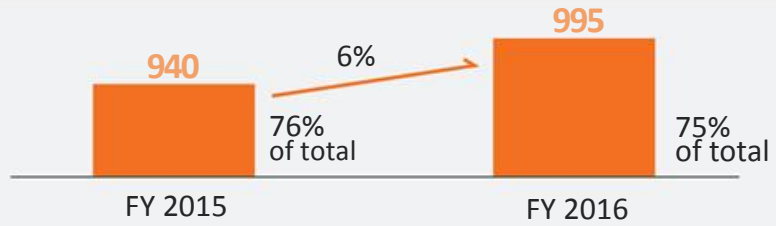
# FY2016 RESULTS

per activity

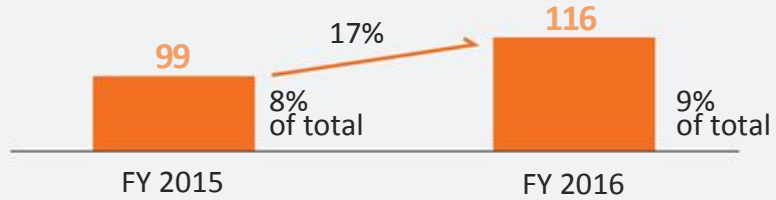


## REVENUES

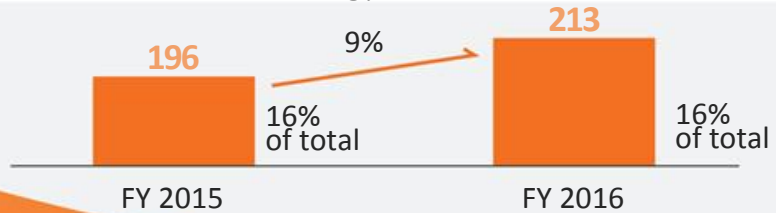
### Licensed Operations



### Management Contracts

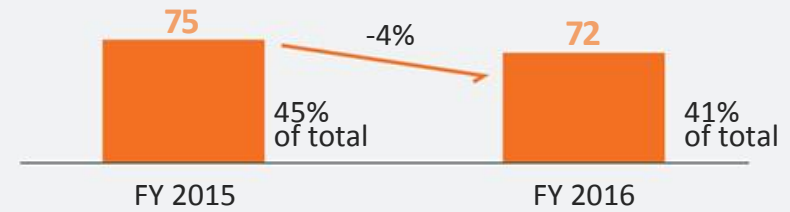


### Technology Contracts

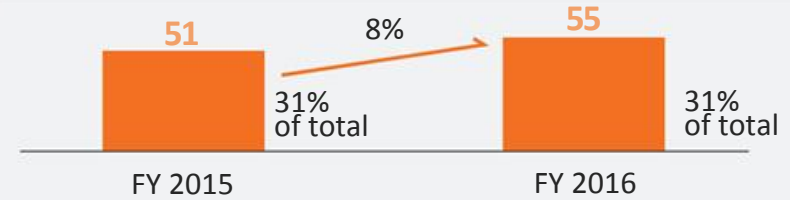


## EBITDA

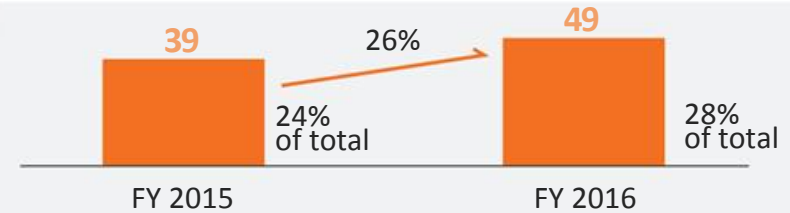
### Licensed Operations



### Management Contracts



### Technology Contracts





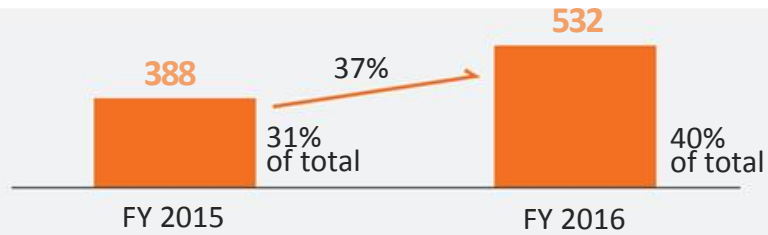
# FY2016 RESULTS

per region

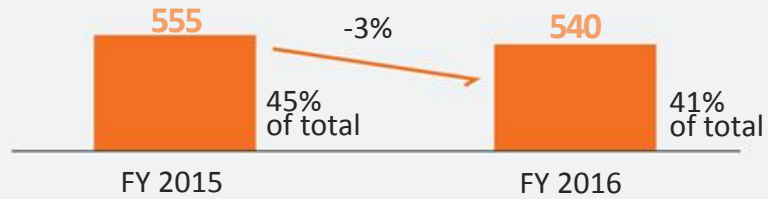


## REVENUES

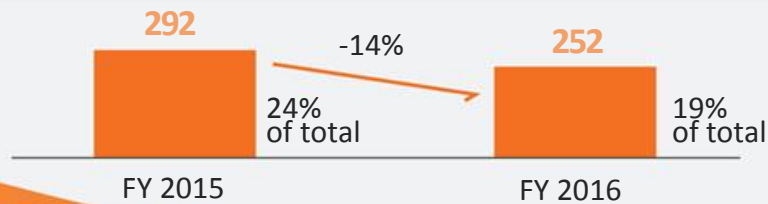
Europe



Americas



Others

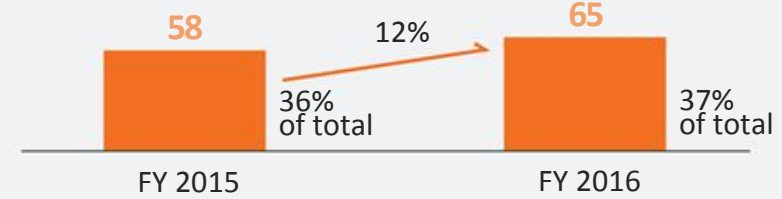


## EBITDA

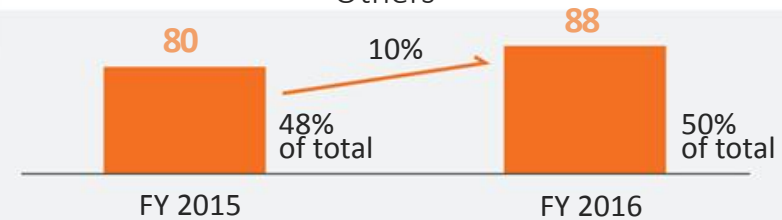
Europe



Americas



Others

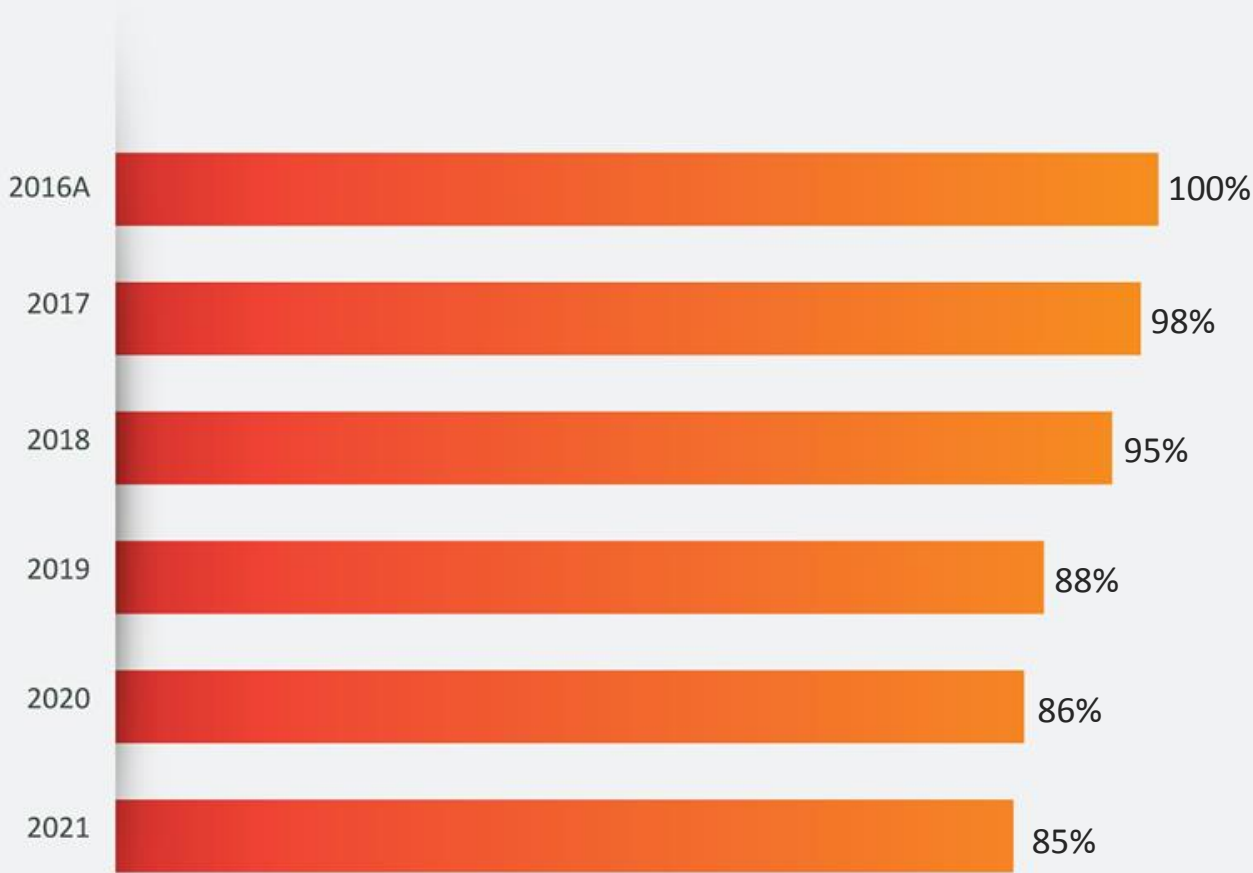


In million €

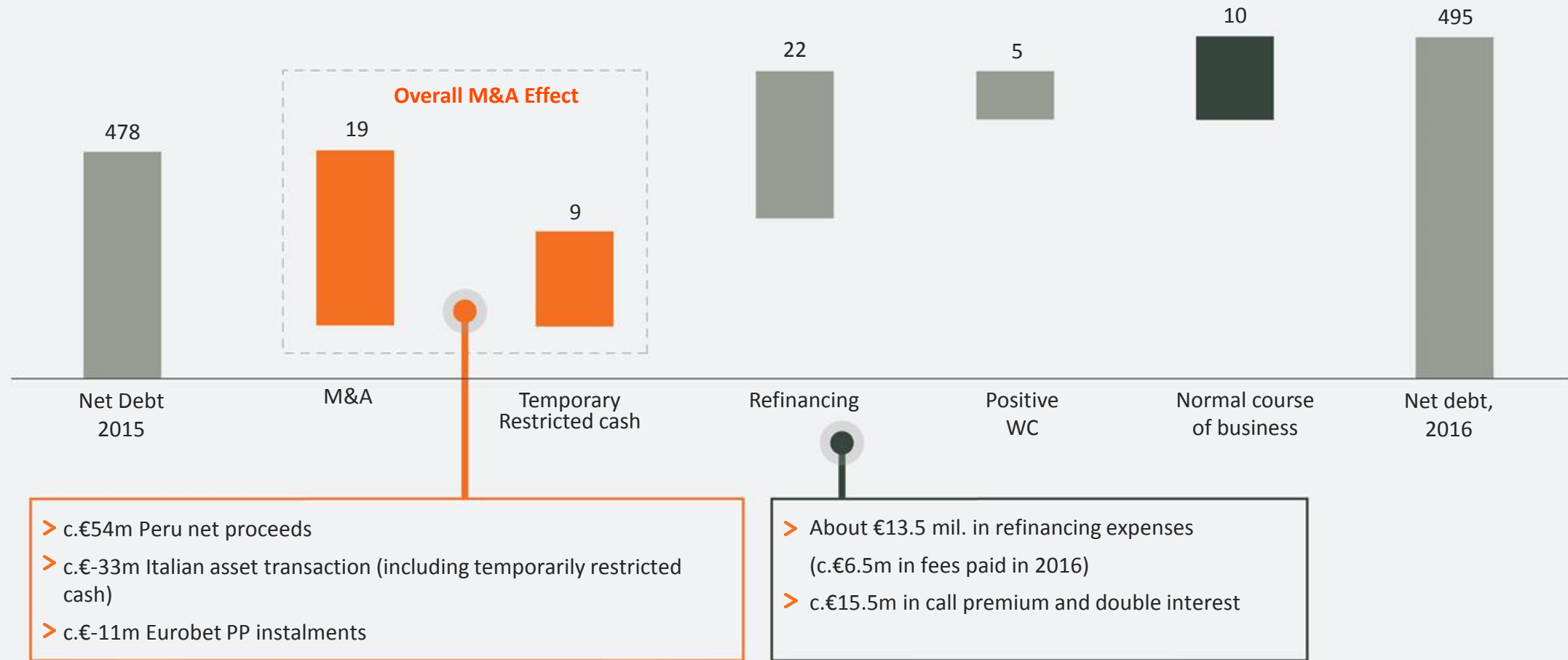
# RECURRING REVENUE



expected revenues from signed contracts (% of FY2016 revenues)



# NET DEBT MOVEMENT

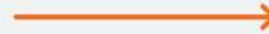


Adjusting for all major extraordinary items, the Net Debt increase in 2016 is €10.0m

September 2016

## Bond, FY 2013

- > €325.0 mil.
- > Coupon: 9.75%
- > Buy Back: c.€28.3 mil. As of 31/12
- > Maturity 2018



## RCF

- > €200.0 mil.



## New Bond

- > €250.0 mil.
- > Coupon: 6.75%
- > Maturity 2021

## Expenses

- > Refinancing expenses up to €13.5 mil.
- > Around. €15.5 mil. call premium paid

## Benefits

- > Recurring annual savings of €12.0 mil

## New RCF

- > Committed lines for €240.0 mil., increase of €40 mil.

# RATING AGENCIES AND INTRALOT

**intralot**

"The Stable Outlook reflects our belief that Intralot's underlying business model and financial trends appear to have stabilized, underpinned by steady recurring contracted revenues and cash-flow generation. We view management's attempts to rebalance the portfolio over the past year positively..."

**Fitch Ratings**

"Our assessment of Intralot's business risk profile is constrained by its significant exposure to emerging markets...we acknowledge that the disposals in Italy and Peru have improved group margins and somewhat reduced its exposure to emerging markets"

**S&P Global Ratings**

"The stable outlook reflects our view that Intralot's strategic initiatives in the U.S. and Bulgaria will likely support a moderate improvement in its EBITDA margin over the next two years"

**S&P Global Ratings**

"...it does have good geographic diversification and benefits from the more profitable emerging markets. It also has an established position in the US, and is well placed for potential future growth opportunities."

**Fitch Ratings**

"...the B1 rating takes into account...Intralot's leading market position as a global supplier of integrated gaming systems and services...its broad geographical presence...good revenue visibility"

**MOODY's Investors Service**

"Intralot's corporate family rating (CFR) primarily reflects... the reduced company's size following recent M&A activity...significant exposure to certain emerging markets..."

**MOODY's Investors Service**

"Although Intralot's high gross leverage remains not fully aligned with a 'B+' rating, the business profile is commensurate with a 'BB' rating category for the sector"

**Fitch Ratings**

Rating agencies	Rating	Outlook	Change <sup>1</sup>	GR Sovereign Rating
<b>S&amp;P Global</b> Ratings	<b>B</b>	<b>Stable</b>	✓	<b>B-</b>
<b>FitchRatings</b>	<b>B+</b>	<b>Stable</b>	↑	<b>CCC</b>
<b>Moody's</b> INVESTORS SERVICE	<b>B1</b>	<b>Negative</b>	Pending	<b>Caa3</b>

<sup>1</sup>Change compared to 2016 rating



# 02

## INDUSTRY TRENDS



# INDUSTRY CHALLENGES



**FIGHT**  
AGAINST ILLEGAL  
GAMING

**INTEGRATION**  
OF ONLINE  
& MOBILE

**BIG DATA**  
ANALYTICS

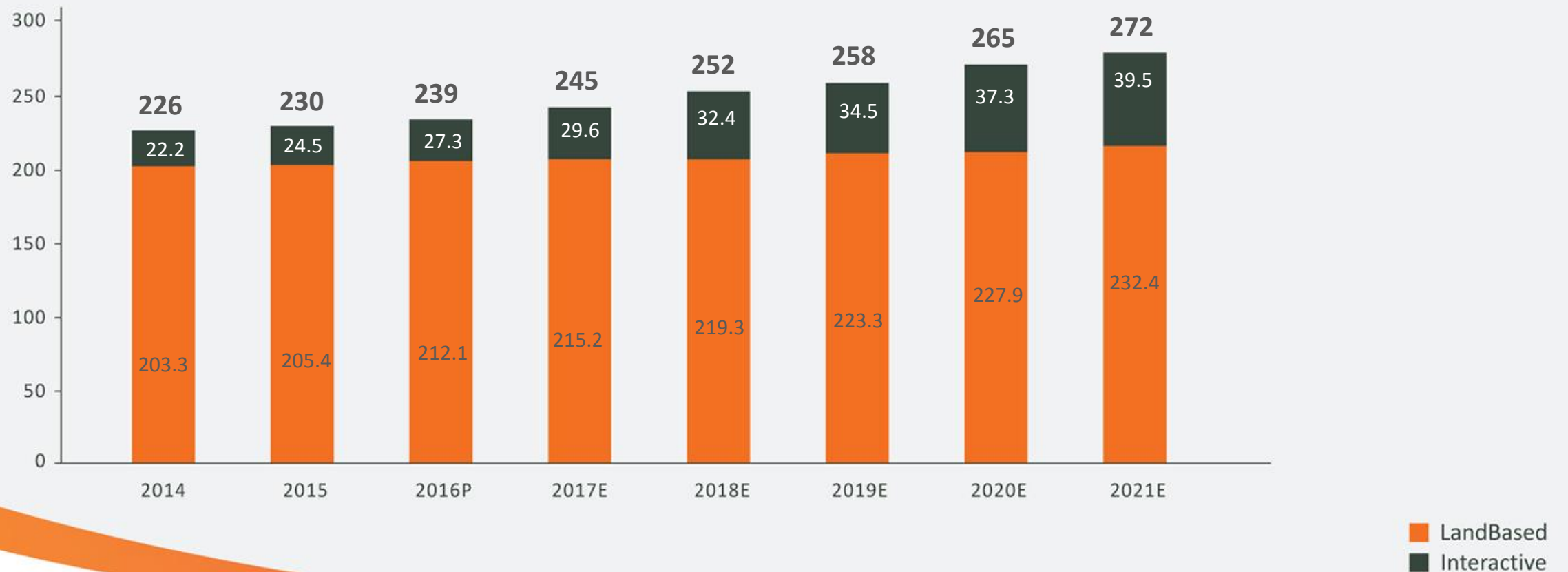
**DIGITAL**  
TRANSFORMATION

# INDUSTRY TRENDS

- > Gaming industry focuses on Retail
- > Increase of interactive gaming market

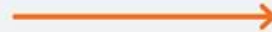
**Today, about 90% of sales from State Lotteries comes from Retail**

**Global GGR (€bn)**  
(Excluding Casinos)



# LOTTERY DIGITAL TRANSFORMATION

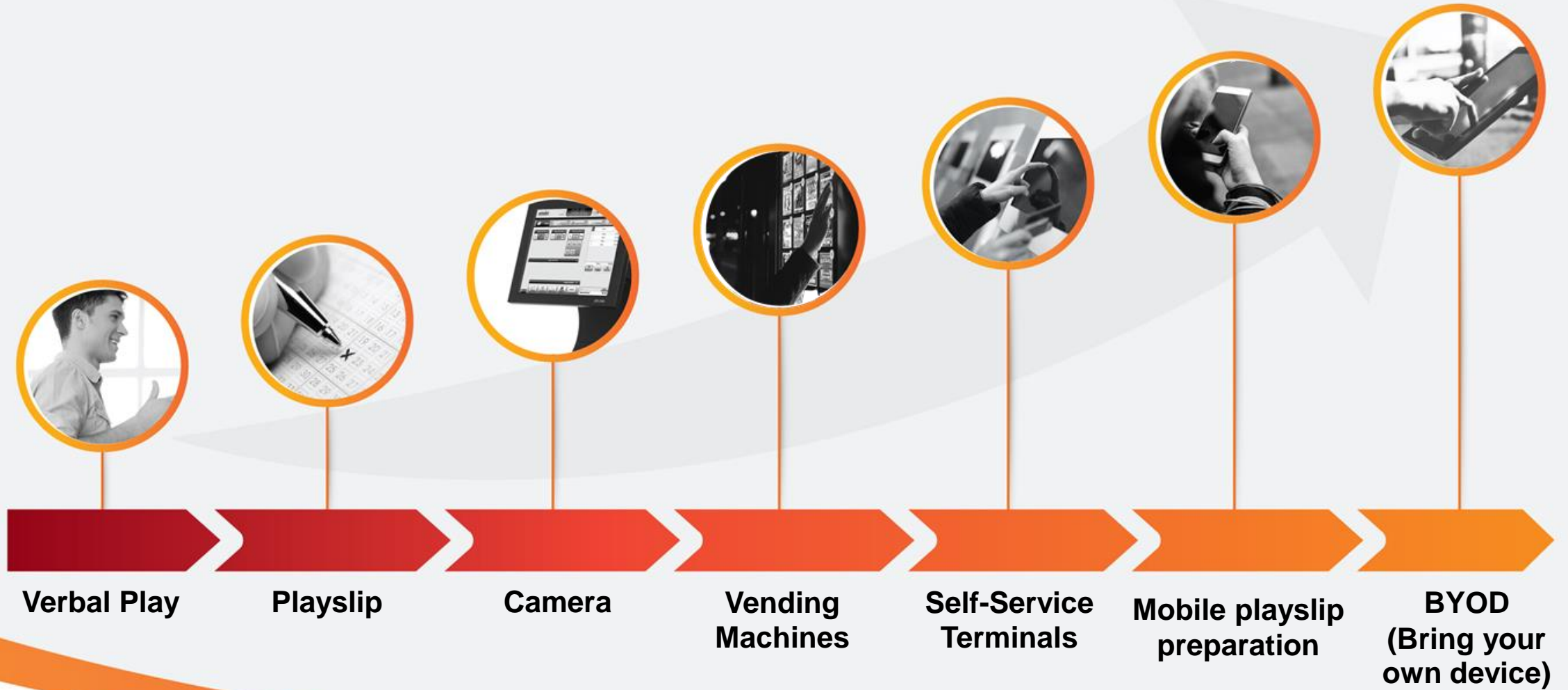
➤ Retail is under transformation



The true meaning  
of **Omni Channel**

# LOTTERY RETAIL – TECHNOLOGY EVOLUTION

**intralot**





# THE ECO - SYSTEM OF DIGITAL TRANSFORMATION



03

# STRATEGY





**01** EVOLUTION OF THE  
TECHNOLOGY PRODUCT



**02** 'ALL ABOUT  
THE PLAYER' DESIGN

# EVOLUTION OF THE TECHNOLOGY PRODUCT

## **FLEXIBILITY**

- > Open architecture
- > Easy adaptation

## **RELIABILITY**

- > Market- tested solutions

## **SECURITY**

- > Private data
- > Cyber threats

# 'ALL ABOUT THE PLAYER' DESIGN – NEW CRM



## MANAGEMENT OF REGISTERED PLAYERS AT ALL CHANNELS

- > Automated management
- > Personalized offers
- > Analysis of players' attributes and behavior
- > Increase of lifetime value



# 'ALL ABOUT THE PLAYER' DESIGN – NEW CRM



**Pulse** retailer

## MANAGEMENT OF RETAILERS FOR BEST PLAYER EXPERIENCE AT THE RETAIL SHOP

Improvement of the cooperation with the retailers and increase of received value through:

- Reward and motivation programs
- Management of resources and automatization of the supply chain
- Web pages with personalized information

## PRODUCT PORTFOLIO AND EXPERTISE EXPANSION

### Strategic partnership with AMELCO for the development of sports betting platform

Innovative and unique sports betting solution for all distribution channels (Omni Channel)

➤ **INTRALOT** knowhow  
in retail betting  
management



➤ Innovative functionality of  
**AMELCO's** online  
sportsbook platform

04







GOING

FORWARD



# EVOLUTION OF STRATEGIC GOALS


Fitch upgrade B+ to stable outlook

GOAL	PROGRESS	PROGRESS LEVEL
EBITDA	€ + 11 mil.	
Cash Flow <sup>1</sup>	€ + 24 mil.	
Net Debt/EBITDA	2.8	
Global product	Completion of strategic partnership with AMELCO Next generation of Lotos expected in 2017	
Local partnerships	<b>Successful</b> Merger of activities in Italy with Gamenet Sale of 80% of INTRALOT de Peru Acquisition of 49% stake in Eurobet <b>Delay</b> Oceania transaction	
Efficiency	Successful refinancing with decreased cost and increased committment lines in new RCF	

2017 Target: Focus on operational efficiencies

<sup>1</sup>Assuming that all new EBITDA is cash  
Benefits from refinancing will be visible in 2017

 Low

 Medium

 High



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