

3Q19 Financial Results

December 2nd, 2019

intralot



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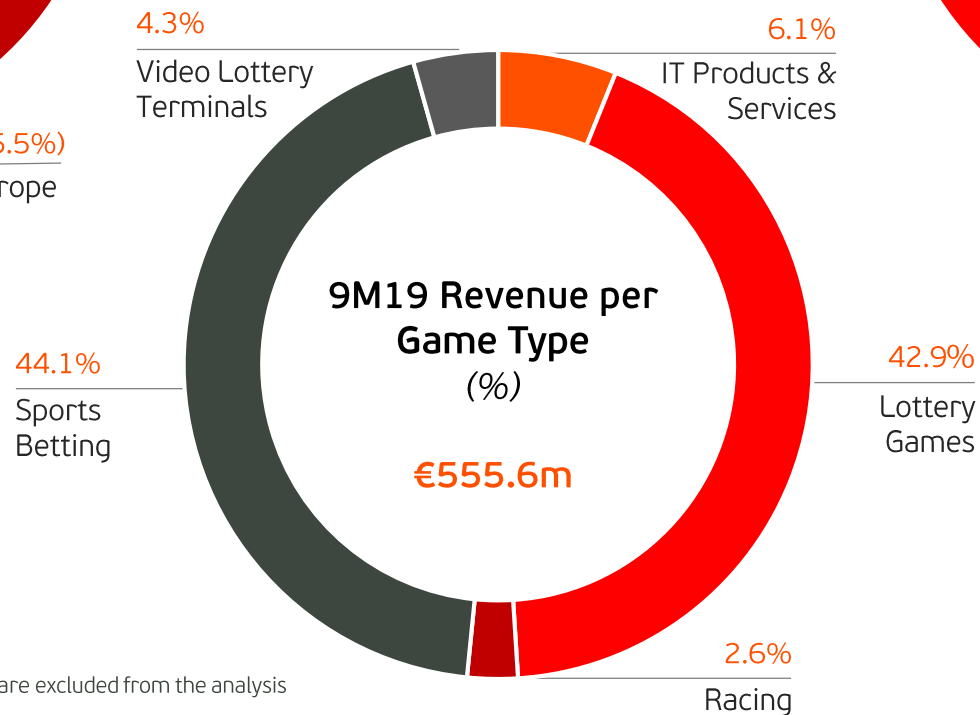
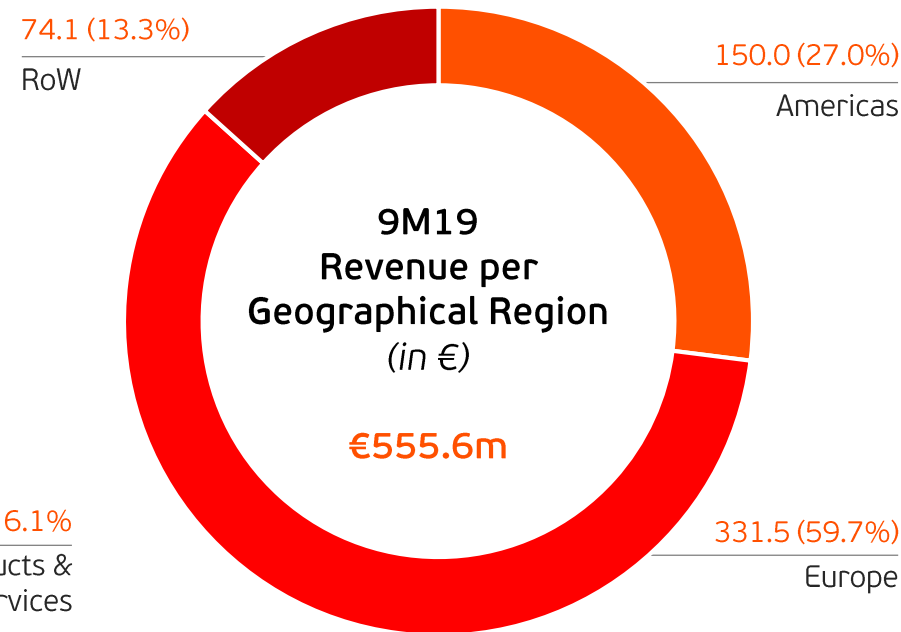
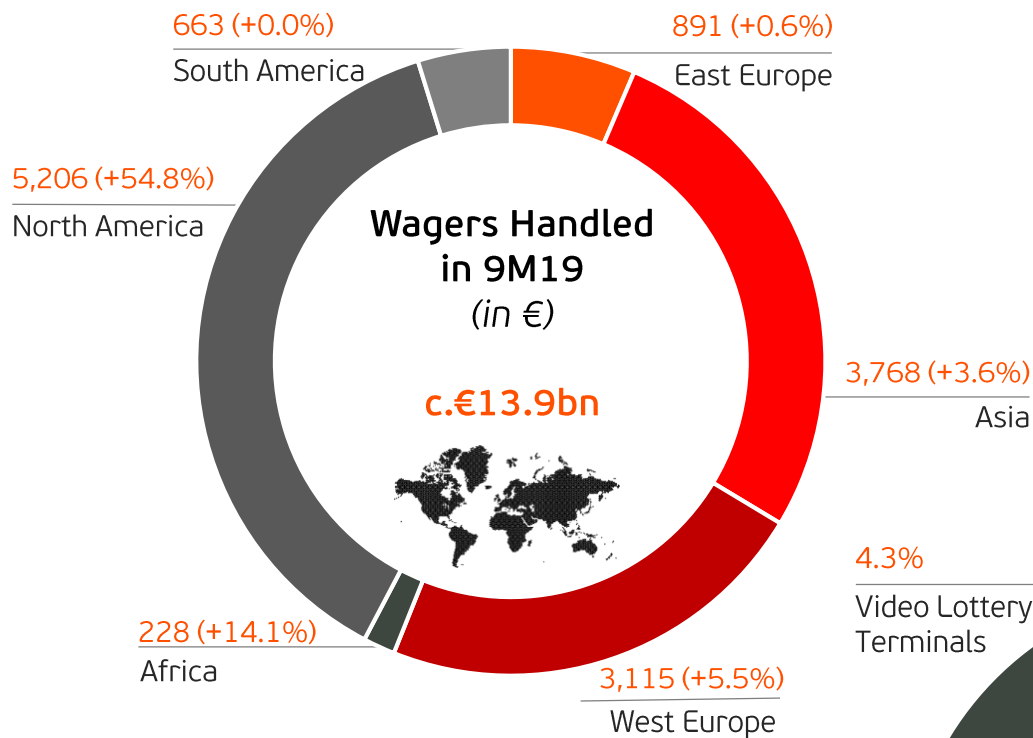
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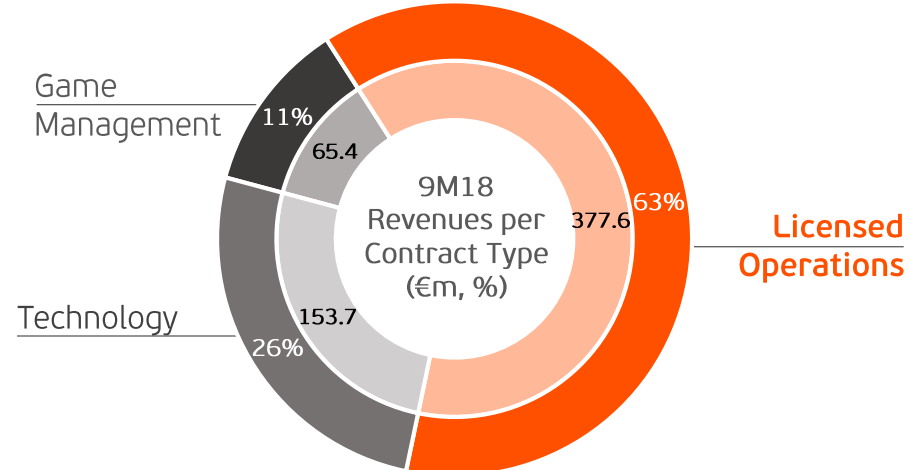
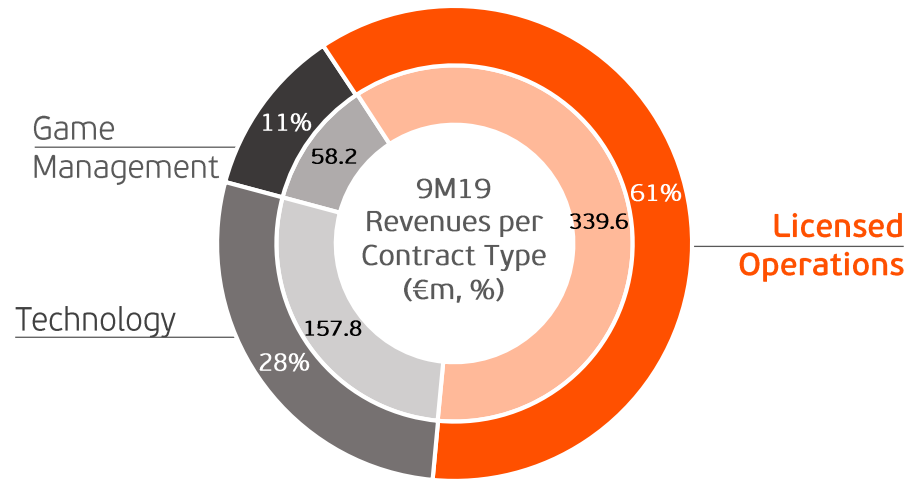
"In 3Q2019 we continued progress on our strategy to mitigate the impact of contract losses by means of our three-prong strategy of cost-reductions, winning new business, and the disposal of non-core assets. We are particularly satisfied about the award of a new US Sports Betting contract for the Lottery of New Hampshire which is an important step for our growth strategy in the US, and the successful sale of our stake in the Italian Sports Betting operator Gamenet for a total consideration of €78.0m, that will offer a strong boost to our cash position and a reduction of our net debt in the FY2019 results."

Wagers Handled¹ & Revenues



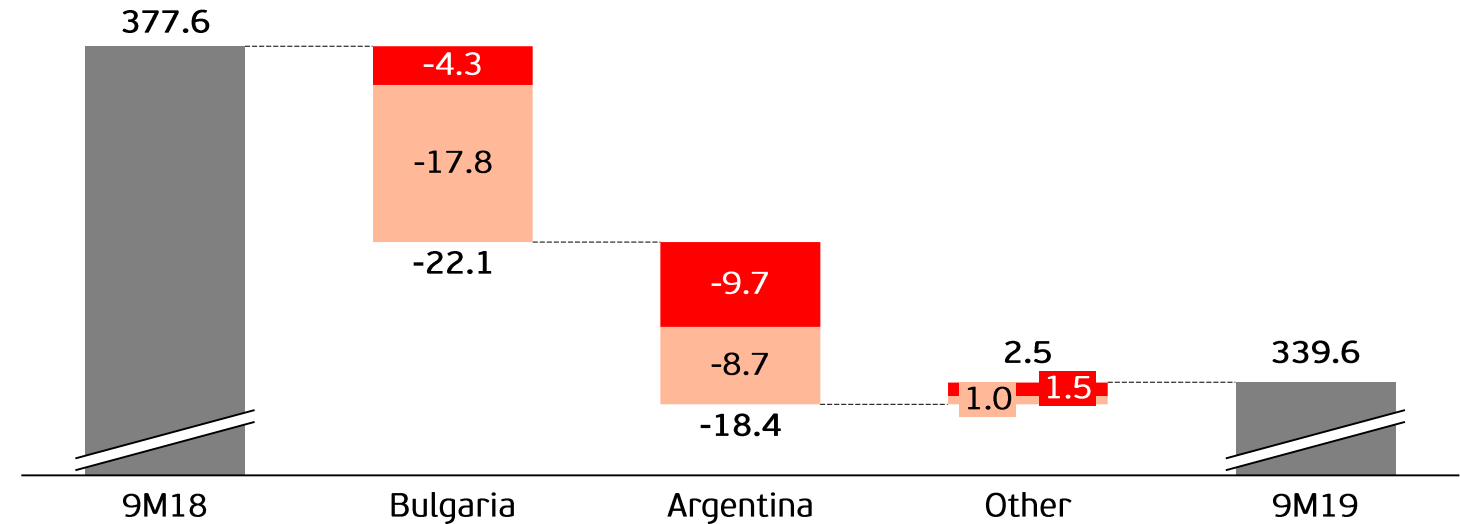
1. Discontinued operations and contracts ended within the current period are excluded from the analysis

Licensed Operations - Revenue Evolution¹



in € million

■ Q3
■ H1

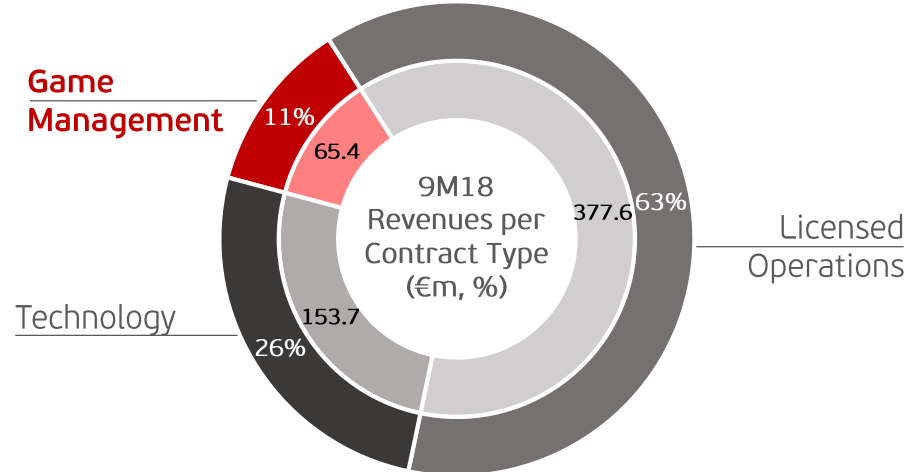
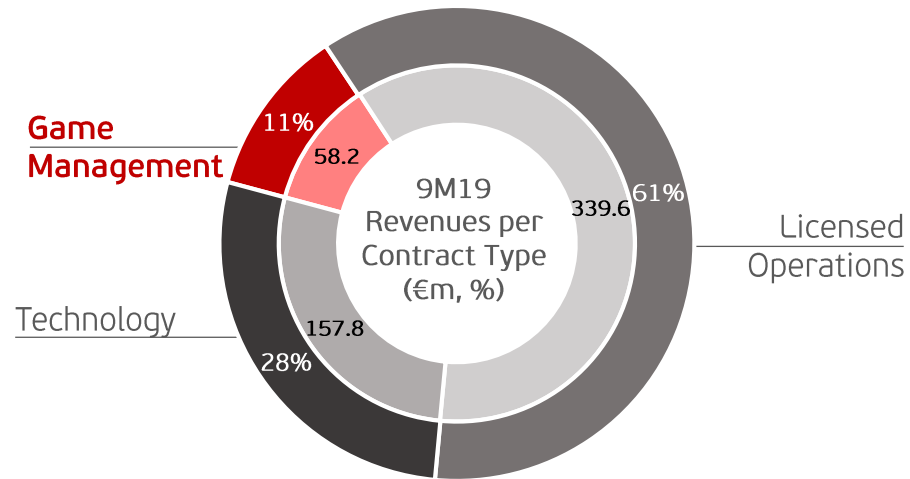


Revenue Evolution Drivers:

- **Bulgaria** driven mainly by Sports Betting performance as a result of a conservative payout strategy; Numerical and Racing performance on par with last year
- **Argentina** deficit due to macro environment and strong FX headwinds

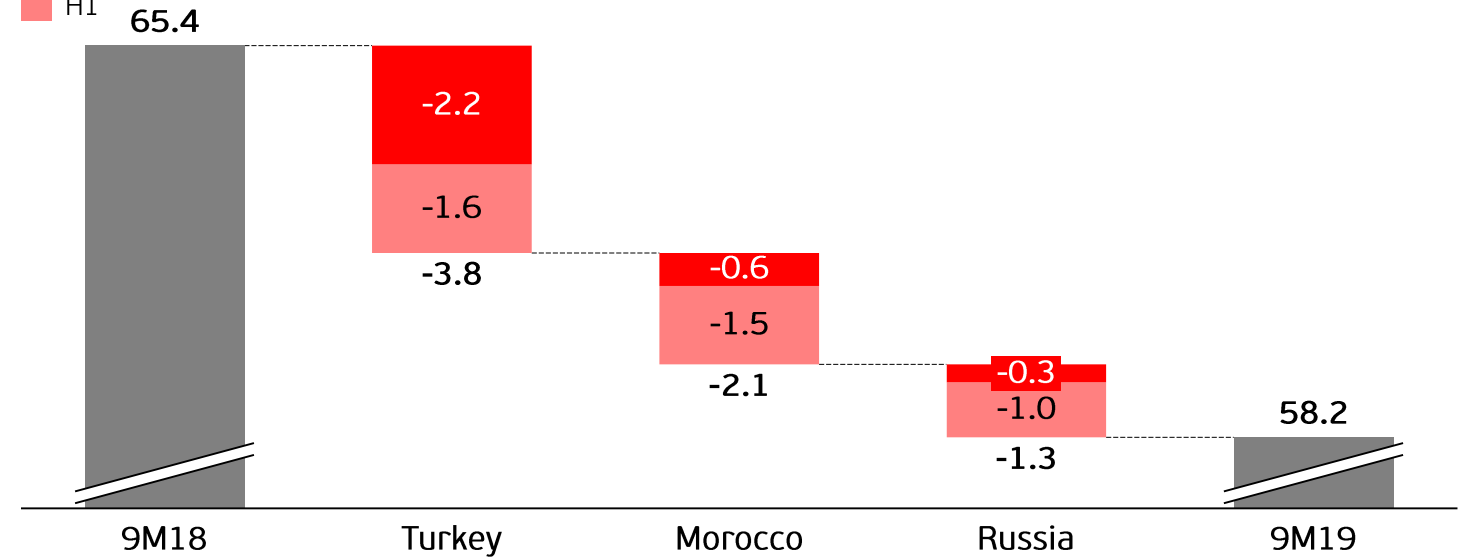
1. Variance from 9M18 reported figures due to IFRS15 treatment

Game Management Contracts - Revenue Evolution¹



in € million

■ Q3
■ H1

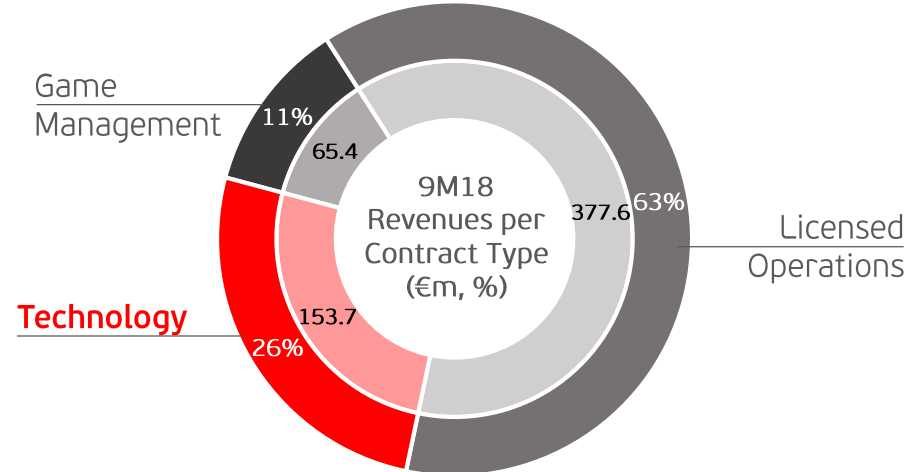
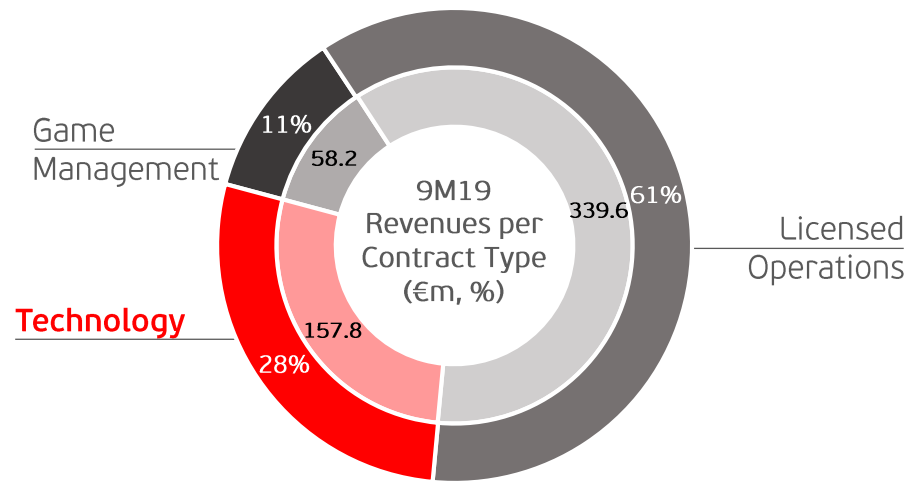


Revenue Evolution Drivers:

- **Turkey** revenue decrease is mainly driven by the devaluation of the local currency (15.1% Euro appreciation versus a year ago – in YTD average terms), as revenue in local currency grew by +5.1%. Revenue growth in local currency has been negatively impacted by Inteltek's contract discontinuation post August 2019, as well as by a decline in Bilyoner's market share and revised commercial terms, following the transition to the new Sports Betting era in Turkey
- **Morocco** mainly impacted by the decreased Numerical sales, following the discontinuation of the contract with one of the two lotteries (SGLN), in part mitigated by Sports Betting revenue increase and the top line boost through the successful introduction of virtual football
- **Russia's** discontinued contract

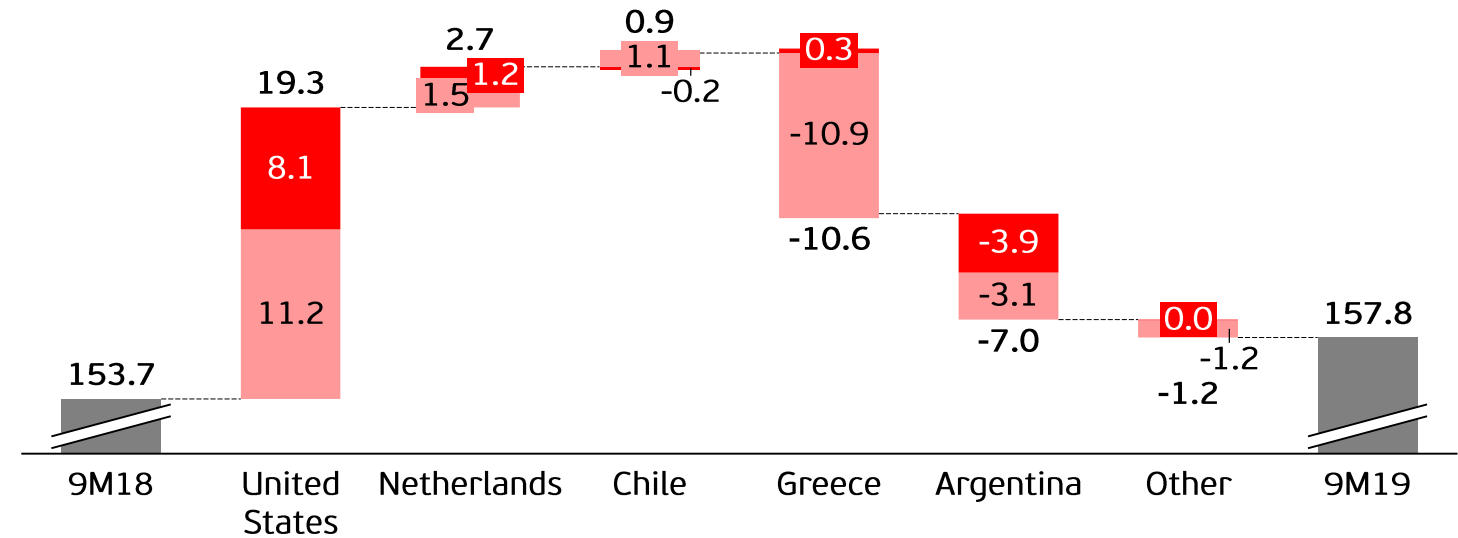
1. Variance from 9M18 reported figures due to IFRS15 treatment

Technology Contracts - Revenue Evolution



in € million

■ Q3
■ H1



Revenue Evolution Drivers:

- **US** mainly driven by our new contract in Illinois (mid-February launch), an equipment sale in Arkansas and by a Powerball jackpot (1Q19), fully absorbing the impact of the discontinued operations in South Carolina and Ohio cooperative services program (CSP), and last year's one-off equipment sale in Massachusetts (2Q18). Favorable USD movement (5.9% Euro depreciation vs. a year ago — in YTD average terms)
- **Netherlands'** top line driven by improved Sports Betting performance
- **Chile's** better performance largely as a result of a significant Lotto jackpot in 1Q19
- **Greece** due to the transition to new OPAP contract, partially offset by higher equipment sales
- **Argentina** deficit due to macro environment and strong FX headwinds

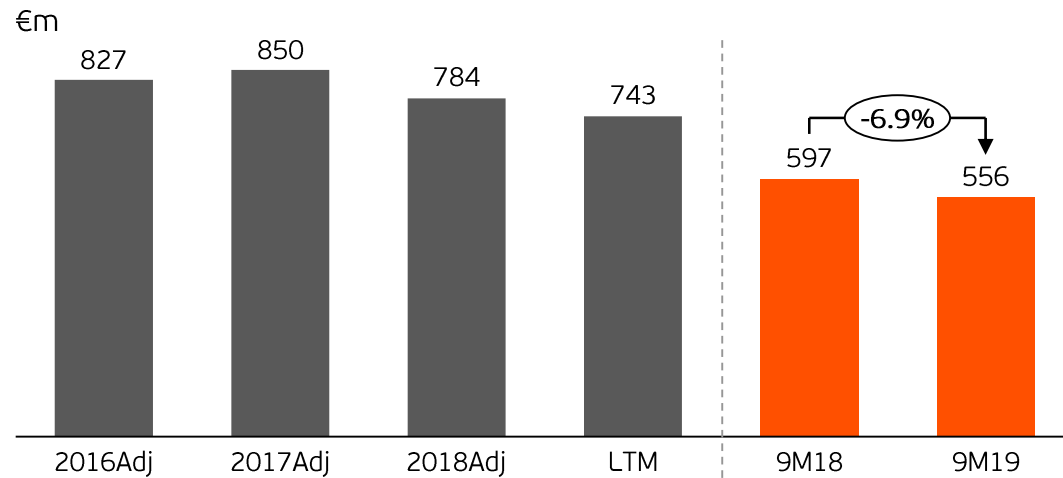
Consolidated Financial Statements for 9M19

(in € million)	9M19	9M18	% Change	3Q19	3Q18	% Change	LTM
Revenue (Turnover)	555.6	596.7	-6.9%	177.5	187.6	-5.4%	743.2
Technology, Management & Rest Contracts	217.9	221.7	-1.7%	67.9	66.0	+2.9%	292.2
Licensed Operations (Payout related)	337.7	375.0	-9.9%	109.6	121.6	-9.9%	451.0
Payout (%) ¹	70.2%	71.3%	-1.1pps	70.7%	69.8%	+0.9pps	70.6%
GGR	318.0	328.9	-3.3%	99.8	102.6	-2.7%	424.1
nGGR	263.5	266.0	-0.9%	82.9	81.9	+1.2%	352.6
Gross Profit	103.3	124.2	-16.8%	27.0	33.7	-19.9%	137.0
Gross Profit Margin (%)	18.6%	20.8%	-2.2pps	15.2%	18.0%	-2.8pps	18.4%
EBITDA	78.8	98.1	-19.7%	20.1	28.3	-29.0%	98.4
EBITDA Margin (% Sales)	14.2%	16.4%	-2.2pps	11.3%	15.1%	-3.8pps	13.2%
EBITDA Margin (% GGR)	24.8%	29.8%	-5.0pps	20.1%	27.6%	-7.5pps	23.2%
Adjusted EBITDA	85.9	86.2	-0.3%	25.5	24.7	+3.2%	107.6
EBT	-2.3	30.7	-	-4.3	7.4	-	-32.6
EBT Margin (% Sales)	-0.4%	5.1%	-5.5pps	-2.4%	3.9%	-6.4pps	-4.4%
NIATMI from Continuing Operations	-37.1	-13.3	-	-9.8	-9.2	-	-79.9
NIATMI from Total Operations	-31.8	-11.0	-	-9.8	-7.9	-	-46.5

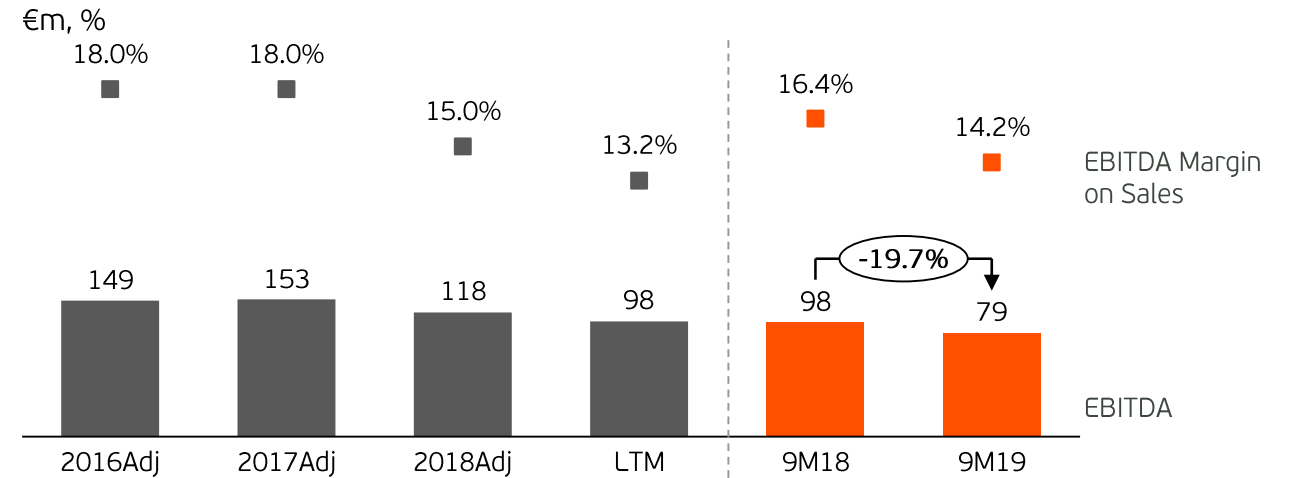
1. Payout ratio calculation excludes the IFRS 15 impact for payments to customers

Overview Of Key Financial Metrics

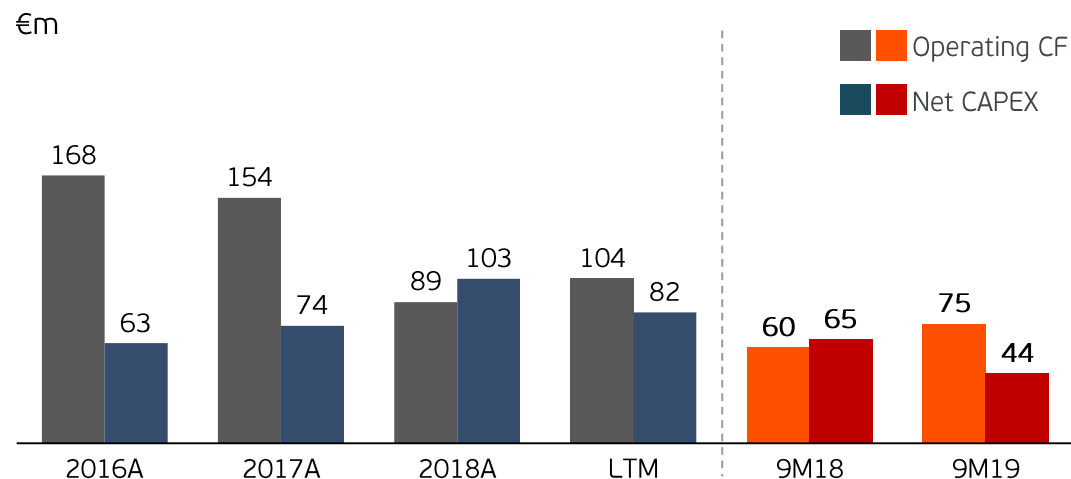
REVENUES¹



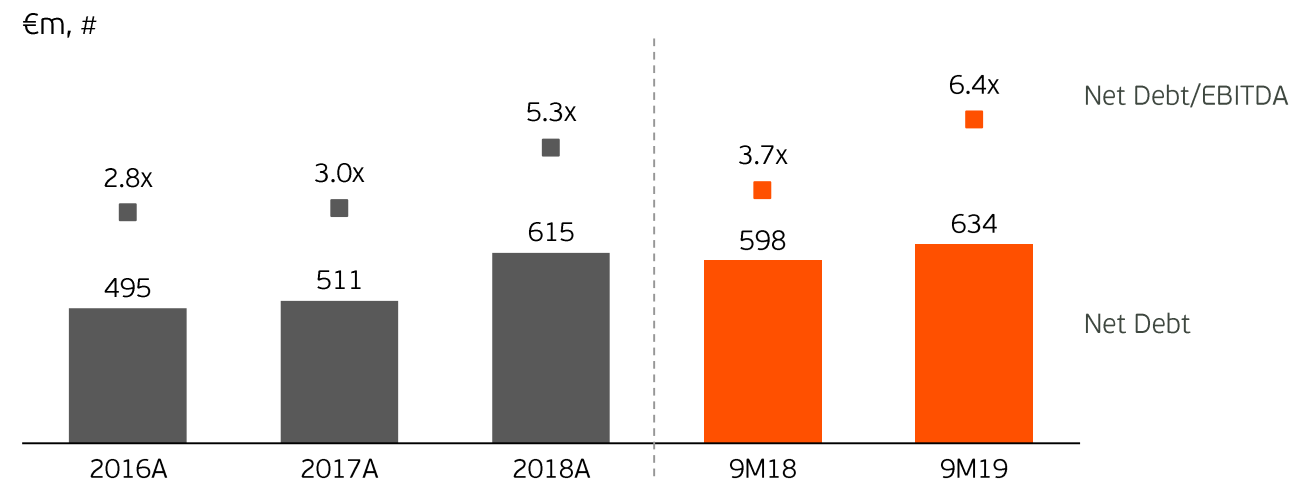
EBITDA AND EBITDA MARGIN¹



OPERATING CASH FLOW AND NET CAPEX



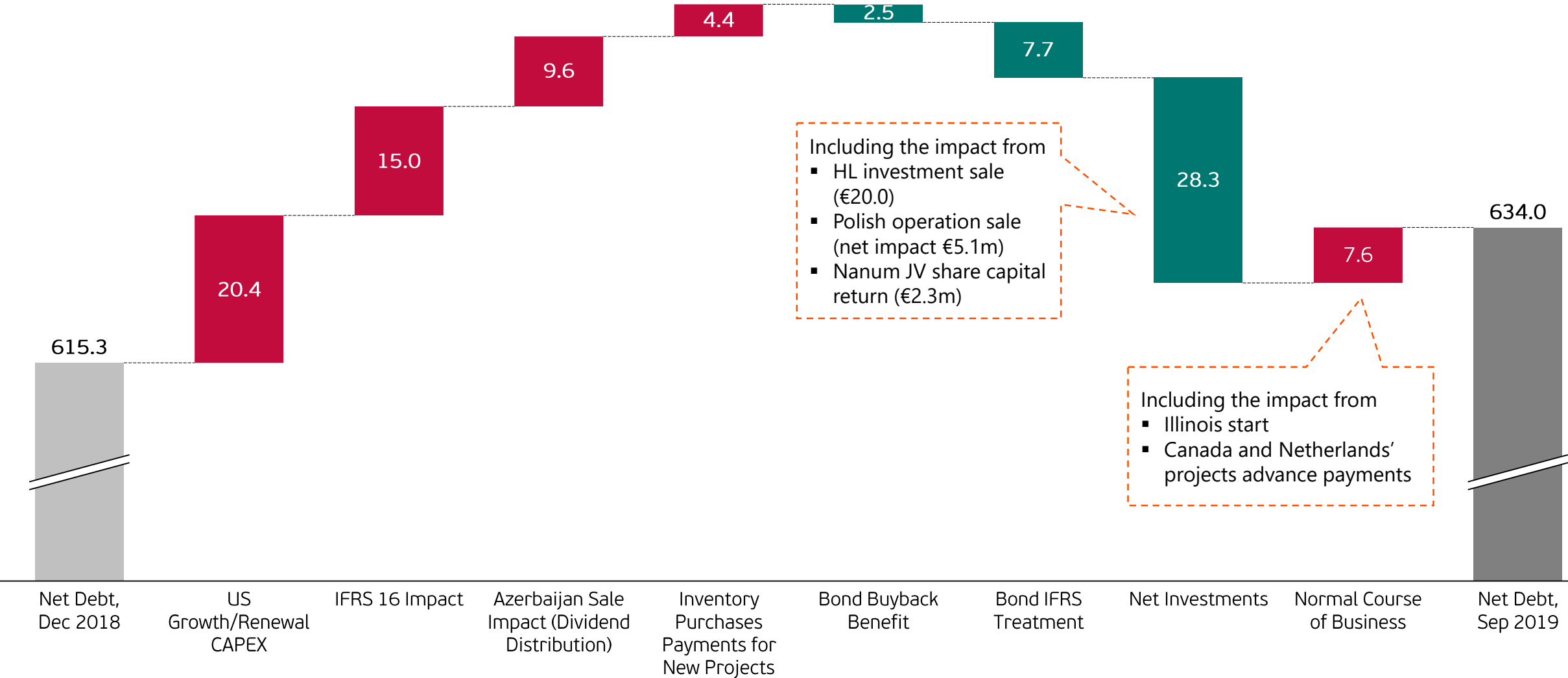
NET DEBT² AND NET DEBT / EBITDA³



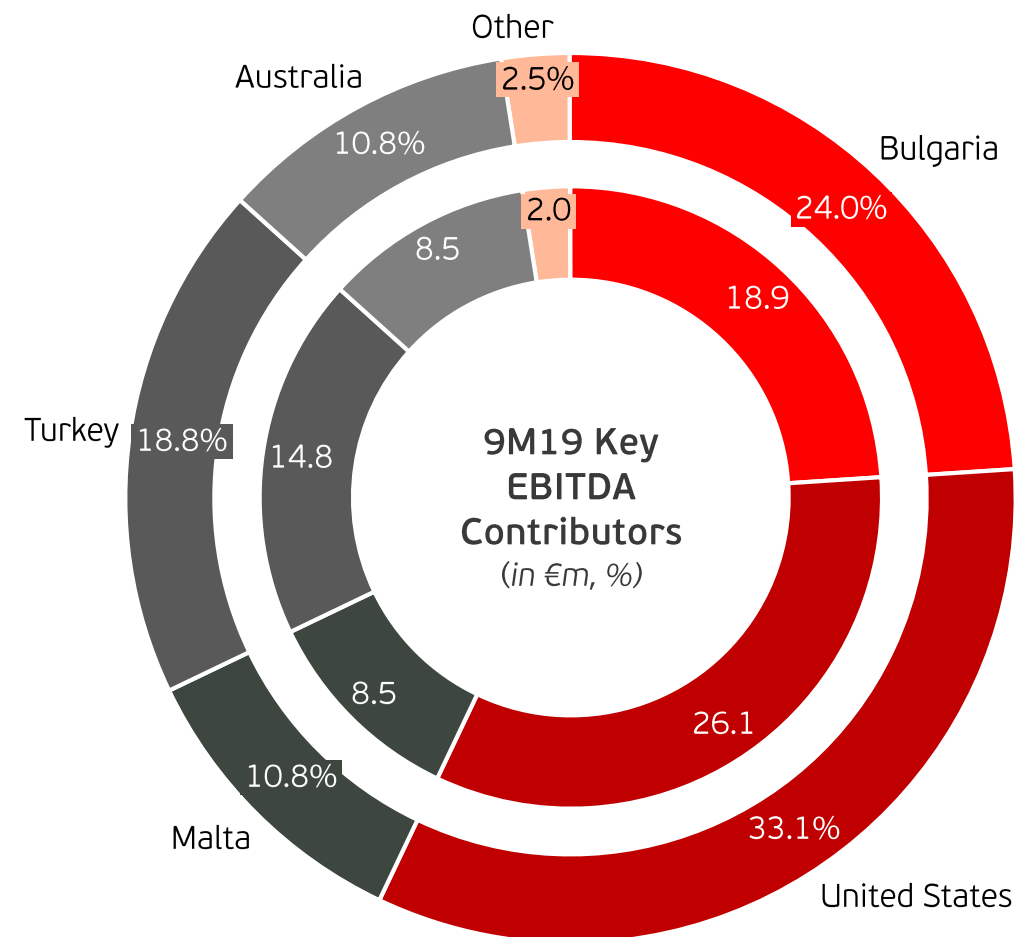
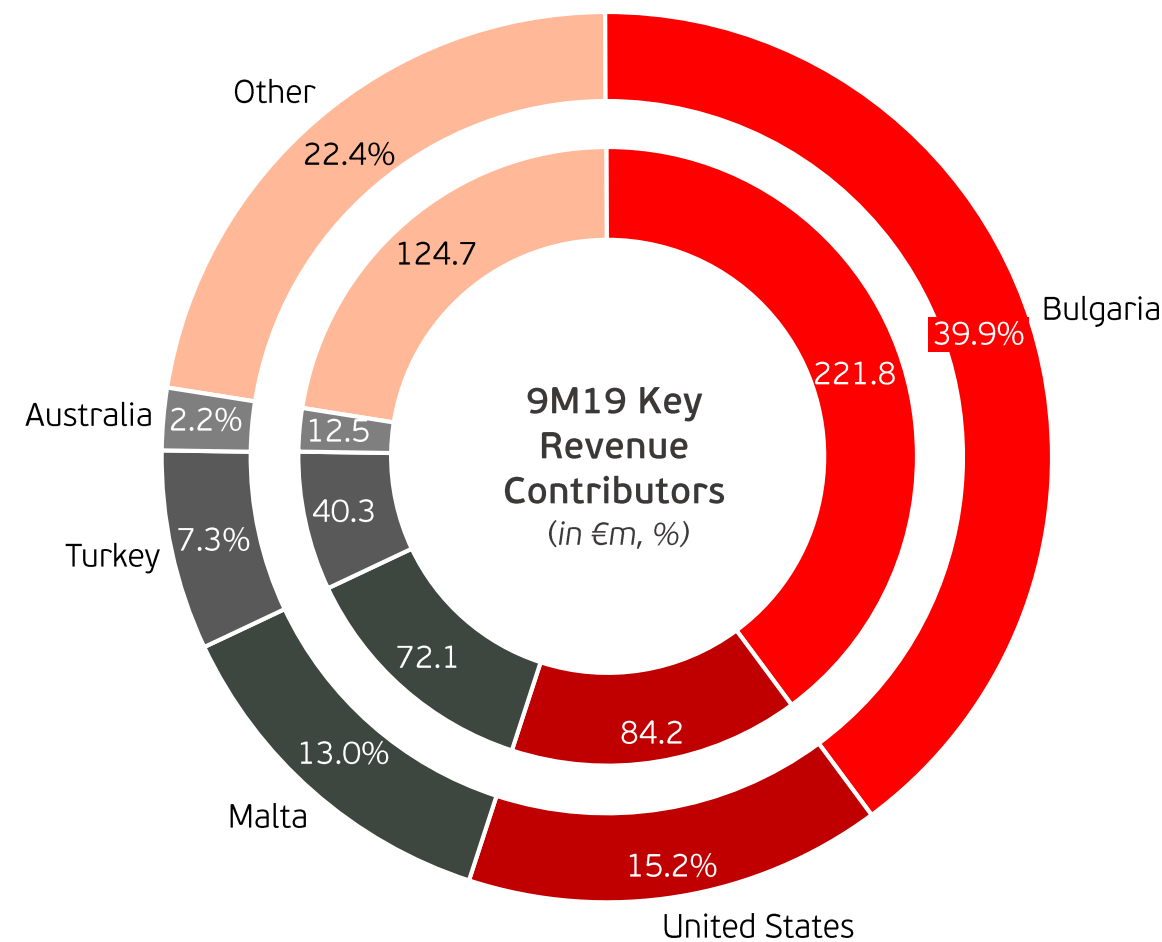
1. Excluding discontinued operations in Italy, Peru, Russia, Jamaica, Slovakia, Azerbaijan, and Poland. Revenues of 2016Adj are not adjusted for IFRS 15
2. Net debt calculated as Long-term debt plus Short-term debt and current portion of long-term debt plus Financial Leases less Cash and cash equivalents
3. Calculated as Net debt divided by LTM EBITDA. Net Debt and EBITDA levels as reported/ published in the respective periods. LTM EBITDA in 9M19 Leverage ratio calculated on a pro-forma basis to adjust for a full year IFRS 16 adoption impact (estimate)

Net Debt Movement

Net Debt Movement, 9M19
in € million








Key Revenue and EBITDA Contributors^{1,2}



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

Contribution from Partnerships

Country		Stake	9M19 EBITDA Contribution	9M18 EBITDA Contribution
	Inteltek ¹	45.00%	13%	14%
	Bilyoner ¹	50.01%	6%	9%
	Eurofootball Group ²	49.00% + option for additional 2.00%	18%	16%
	Eurobet Group ²	49.00% + option for additional 2.00%	6%	5%
	Tecno Accion Group ³	50.01%	10%	12%
Total Partnership Contribution			53%	56%
INTRALOT's Portion of EBITDA			69%	68%

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

APPENDIX

SUMMARY OF
FINANCIAL STATEMENTS



9M19 – Group Income Statement

<i>(in € million)</i>	9M19	9M18	% Change	LTM
Revenue	555.6	596.7	-6.9%	743.2
Gross Profit	103.3	124.2	-16.8%	137.0
Other Operating Income	13.5	10.9	23.9%	18.2
OPEX	-100.0	-84.4	18.5%	-136.1
EBITDA	78.8	98.1	-19.7%	98.4
<i>Margin</i>	<i>14.2%</i>	<i>16.4%</i>	<i>-2.2pps</i>	<i>13.2%</i>
EBIT	16.8	50.7	-66.9%	19.1
Interest Expense (Net)	-36.1	-31.4	15.0%	-46.7
Exchange Differences	6.2	10.6	-41.5%	4.3
Other	10.8	0.8	-	-9.3
EBT	-2.3	30.7	-	-32.6
NIATMI	-31.8	-11.0	-	-46.5
NIATMI Continuing	-37.1	-13.3	-	-79.9
NIATMI Discontinued	5.3	2.3	-	33.4

9M19 – Group Statement Of Financial Position

(in € million)

	9M19	FY18
Tangible Assets	176.7	133.4
Intangible Assets	274.6	302.3
Other Non-current Assets	146.3	165.8
Inventories	38.1	45.6
Trade and Other Short-term Receivables	123.8	133.9
Other Financial Assets	0.0	0.6
Cash and Cash Equivalents	133.7	162.5
Total Assets	893.3	944.1
Share Capital	47.1	47.1
Other Equity Elements	-64.4	-40.8
Non-controlling Interests	8.0	28.1
Total Shareholders Equity	-9.3	34.4
Long-term Debt	745.6	737.1
Provisions / Other Long-Term Liabilities	25.9	26.2
Short-term Debt	22.0	40.7
Other Short-term Liabilities	109.1	105.7
Total Liabilities	902.6	909.7
Total Equity And Liabilities	893.3	944.1

9M19 – Group Cash Flow

(in € million)

	9M19	9M18
EBT from continuing operations	-2.4	30.7
EBT from discontinued operations	5.3	15.6
Plus/less Adjustments	75.3	69.0
Decrease/(increase) of Inventories	1.3	-18.5
Decrease/(increase) of Receivable Accounts	-0.7	11.5
(Decrease)/increase of Payable Accounts	4.1	-27.3
Income Tax Paid	-8.2	-20.7
Net Cash from Operating Activities	74.7	60.3
Net CAPEX	-44.1	-65.0
(Purchases) / Sales of subsidiaries & other investments	28.3	-3.6
Interest received	3.9	4.1
Dividends received	8.8	7.6
Net Cash from Investing Activities	-3.1	-56.9
Repurchase of own shares	-	-8.6
Cash inflows from loans	68.4	60.3
Repayment of loans	-79.3	-45.4
Bond buybacks	-2.4	-5.0
Repayment of Leasing Obligations	-5.7	-4.2
Interest and similar charges paid	-47.0	-48.0
Dividends paid	-36.4	-31.5
Net Cash from Financing Activities	-102.4	-82.4
Net increase / (decrease) in cash for the period	-30.8	-79.0
Exchange differences	2.0	-7.6
Cash at the beginning of the period	162.5	238.0
Cash at the end of the period from total operations	133.7	151.4

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