

FY 2019 Financial Results

May 5th, 2020

intralot



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Presentation Participants

SOKRATIS KOKKALIS, **CHAIRMAN**

CHRISTOS DIMITRIADIS, **GROUP CEO**

CHRYSTOMOS SFATOS, **GROUP DEPUTY CEO**

NIKOLAOS NIKOLAKOPOULOS, **EXECUTIVE VP & GROUP CCO**

ANDREAS CHRYSOS, **GROUP CFO**

NIKOLAOS PAVLAKIS, **GROUP TAX & ACCOUNTING DIRECTOR**

VASSILIOS SOTIROPOULOS, **GROUP FINANCE, CONTROLLING & BUDGETING DIRECTOR**

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INTRALOT Group Chairman Sokratis P. Kokkalis noted:

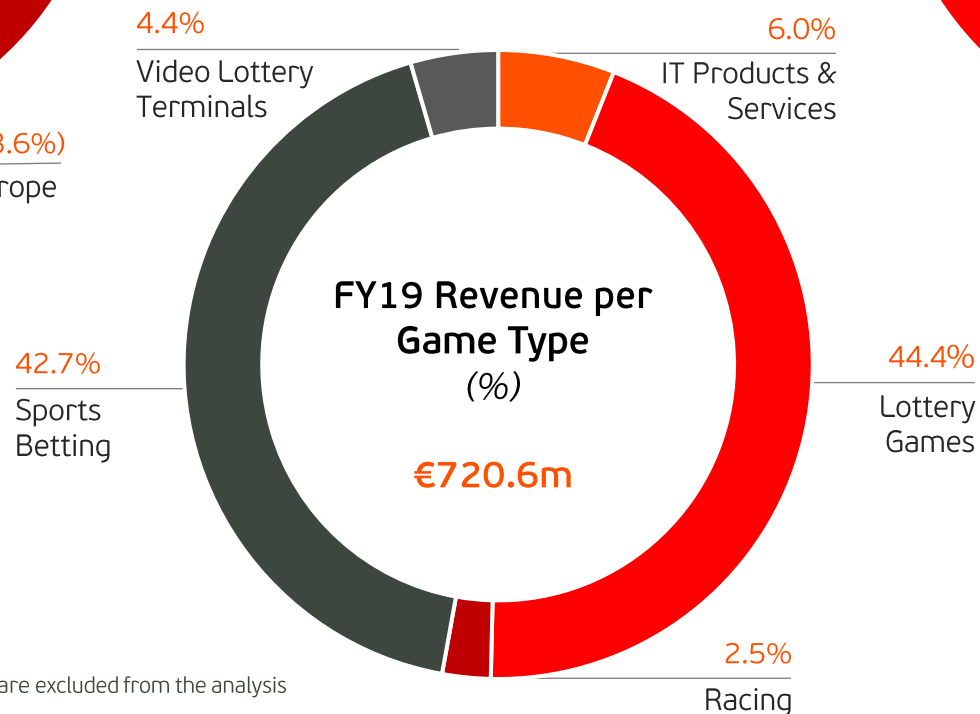
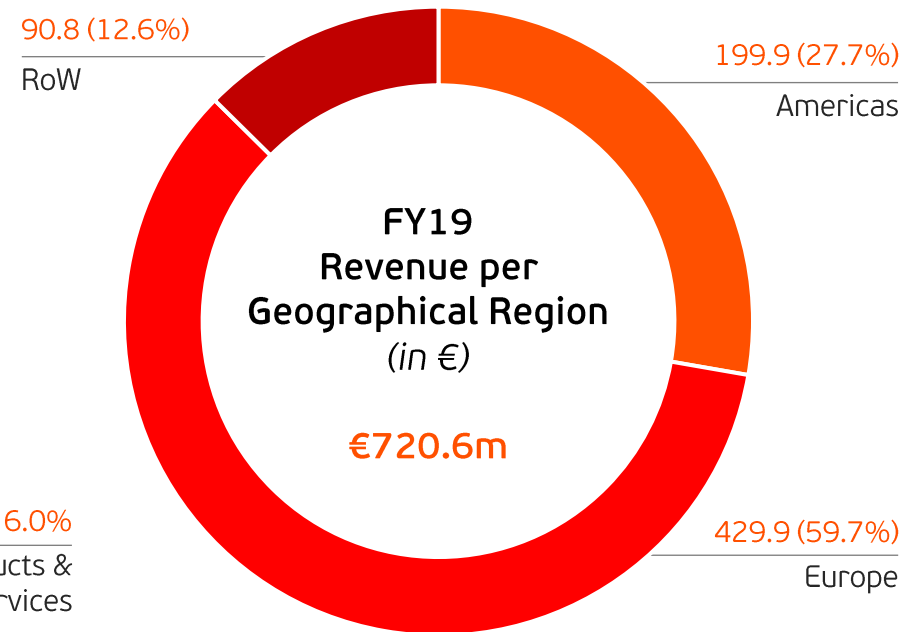
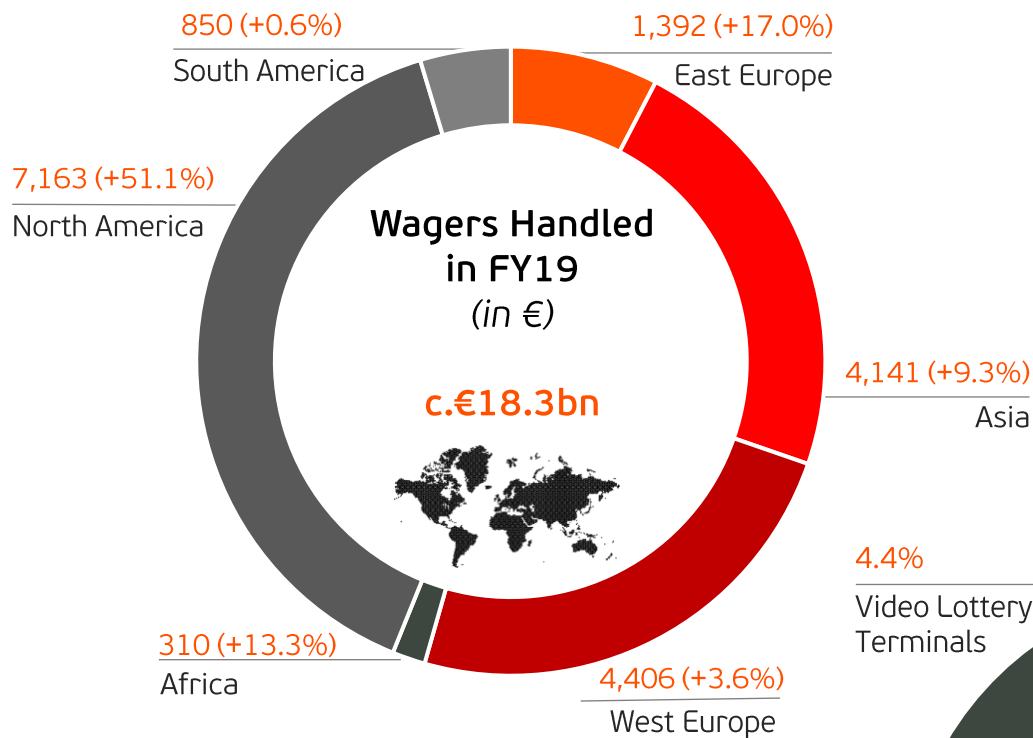
"2019 has been a transition year for INTRALOT. I have set the cornerstones of the transformation of the Group by implementing a restructuring of our project portfolio through divestments of non-core assets; renewing existing contracts and winning new business with a focus in North America; launching our new products; and optimizing our cost structure. With the appointment of Mr. Christos Dimitriadis as Group CEO in 2020, INTRALOT is enabled towards technology-driven evolution, leveraging his long experience and global expertise to achieve growth and value creation."

INTRALOT Group CEO Christos K. Dimitriadis noted:

"In 2019 we have completed the sale of our shares in Gamenet Spa, in Italy, Totolotek in Poland and Hellenic Lotteries in Greece, strengthening the company's liquidity and improving its capability for strategic investments. We are particularly satisfied with the successful launch of our brand-new product LOTOS X, at OPAP, as well as at the National Dutch Lottery (NLO) with the Eurojackpot game. We are also proud for the launch of our landmark gaming system and services project with CAMELOT in Illinois, as well as for capturing sports betting opportunities with US State Lotteries in the District of Columbia, Montana and New Hampshire. The signing of a new Lottery contract with the British Columbia Lottery Corporation in Canada is a great achievement proving the execution of our growth strategy in North America. We have also successfully implemented a cost saving program at HQ resulting in €11m of savings that have partly offset adverse developments related to the loss of the Turkish land based sports betting contract, the negative impact of the regulatory changes in online betting in Turkey and one-time cost overruns.

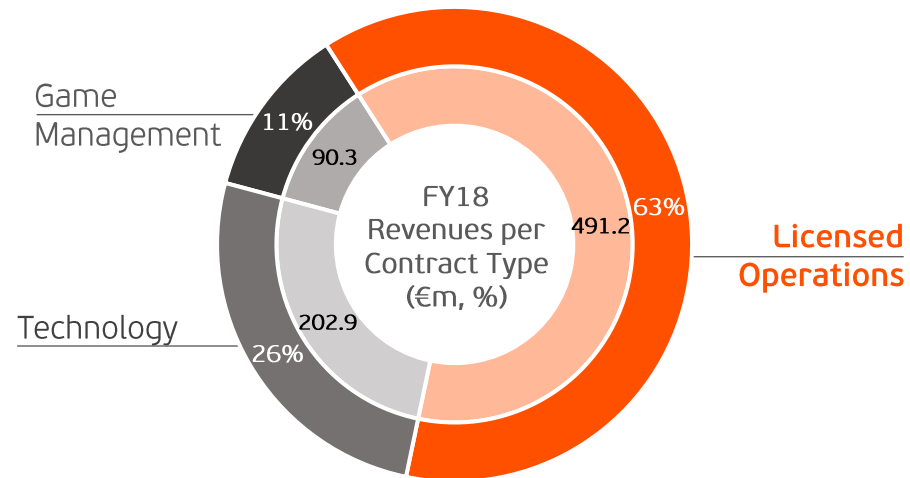
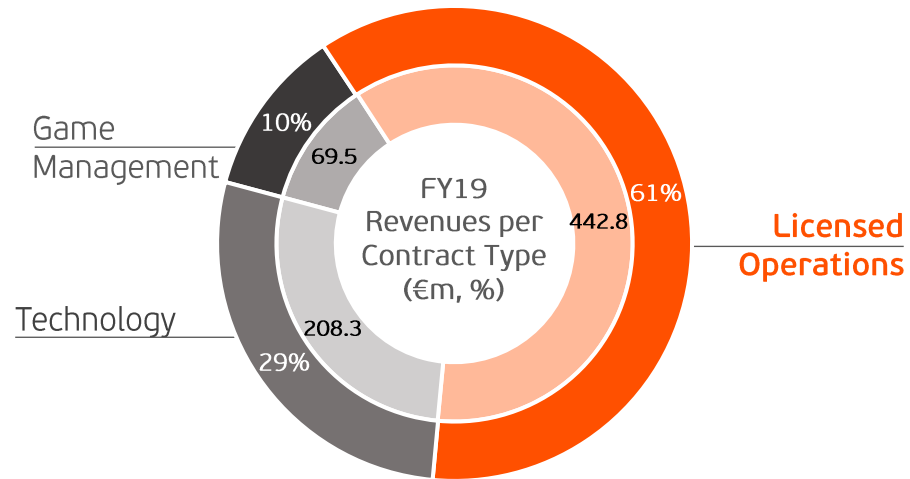
Looking into the future and as we go through the 4th industrial revolution, we are prepared to capitalize on our recent investments in building state-of-the-art products and in achieving economies of scale. The transformative power of our technology will play a key role in business innovation and value creation, together with an even more customer-centric new organizational structure."

Wagers Handled¹ & Revenues



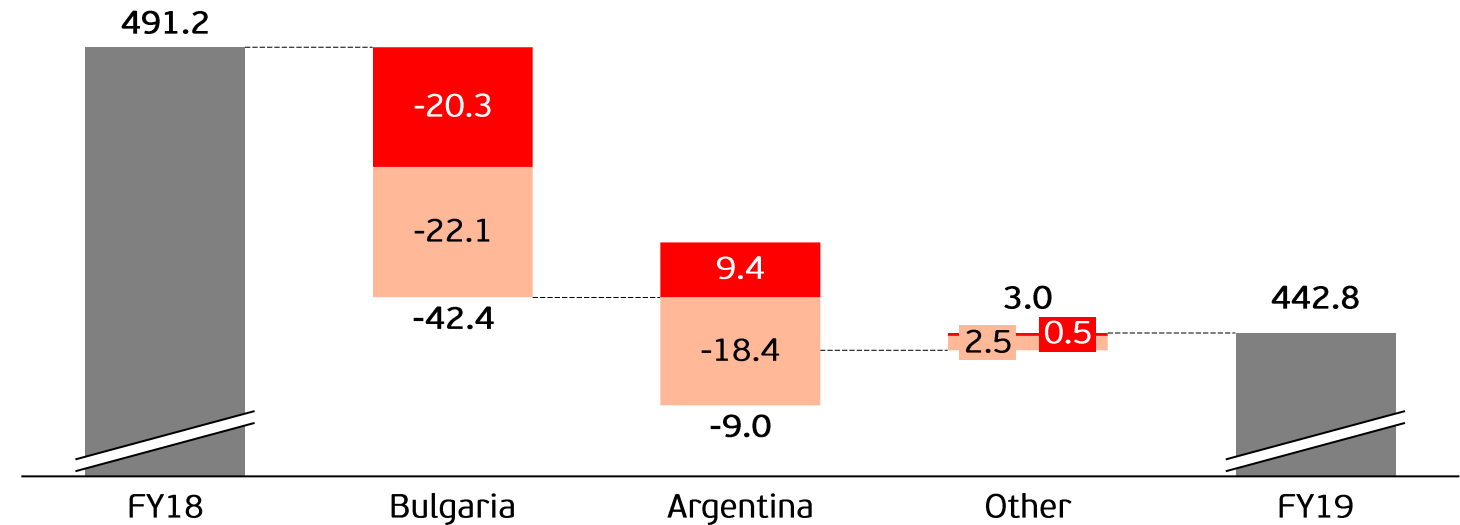
1. Discontinued operations and contracts ended within the current period are excluded from the analysis

Licensed Operations - Revenue Evolution



in € million

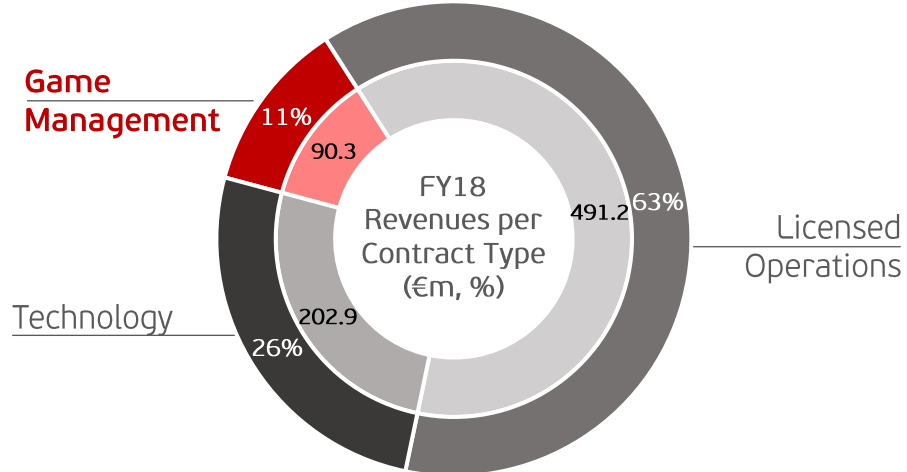
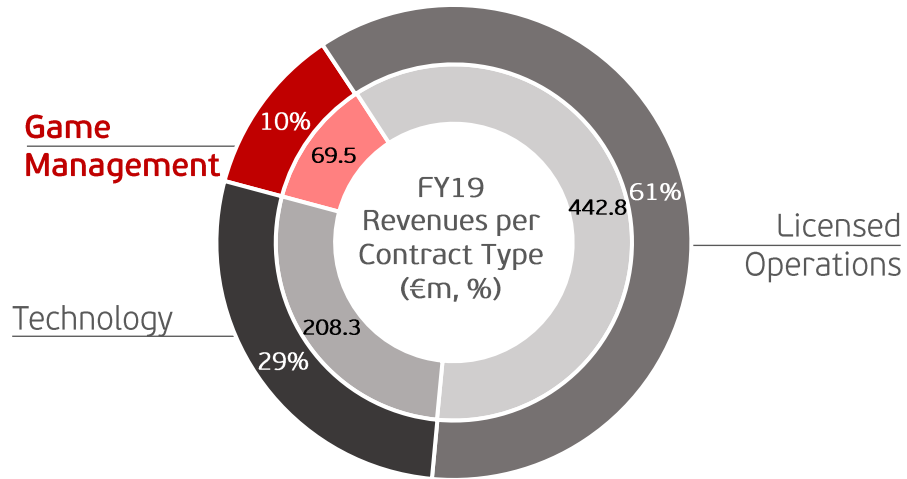
■ Q4
■ 9M



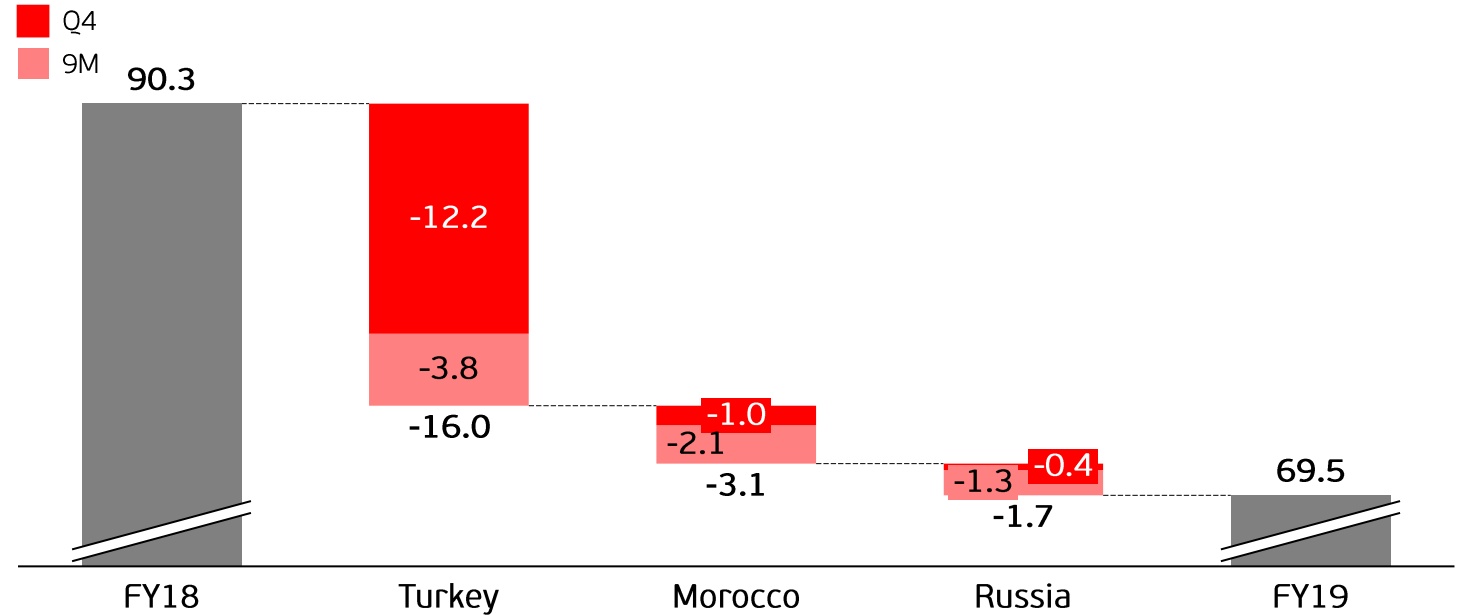
Revenue Evolution Drivers:

- **Bulgaria** driven mainly by Eurofootball's Sports Betting performance as a result of a conservative payout strategy, and the change in the consolidation method of Eurofootball since December 2019; Numerical performance on par with last year, and Racing performance at slightly higher levels
- **Argentina** deficit due to macro environment and strong FX headwinds

Game Management Contracts - Revenue Evolution



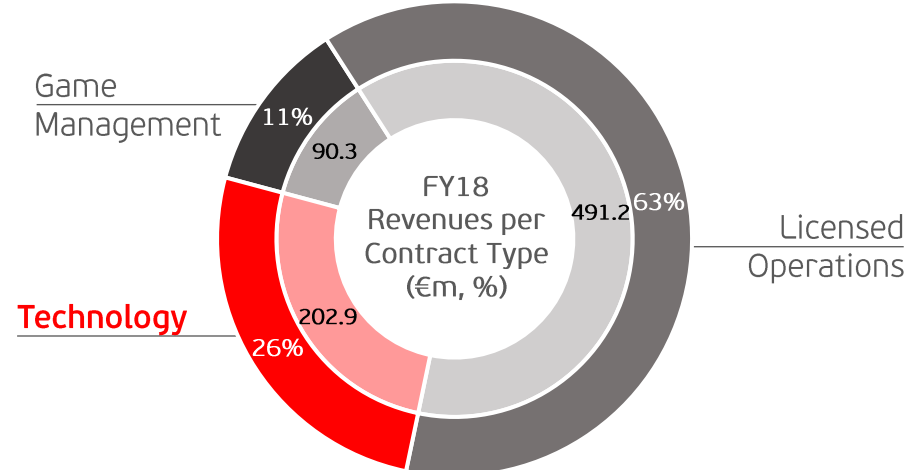
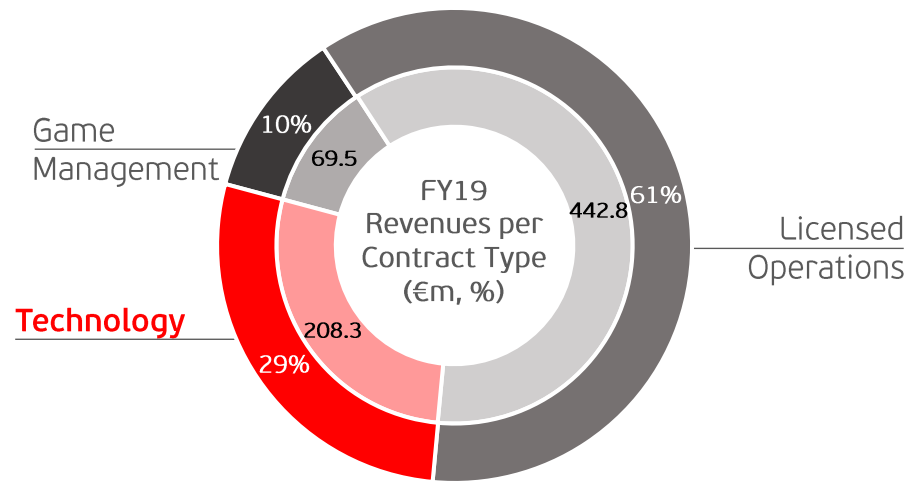
in € million



Revenue Evolution Drivers:

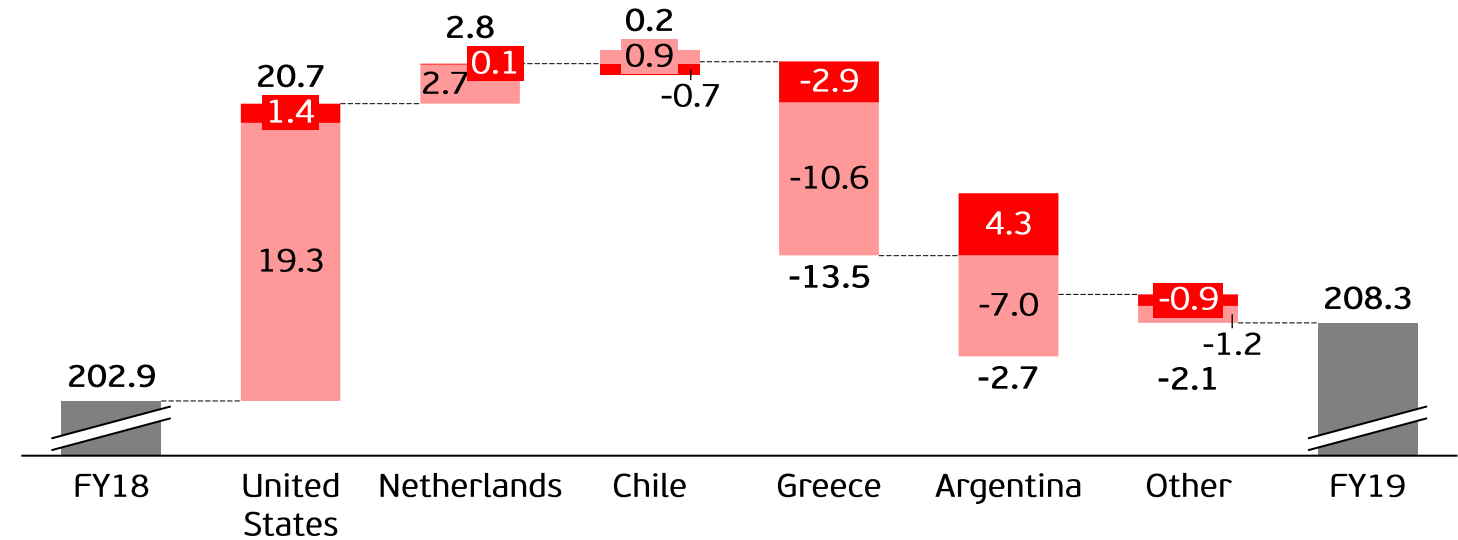
- **Turkey** revenue decrease is mainly driven by Inteltek's contract discontinuation post August 2019, as well as by a decline in Bilyoner's market share and revised commercial terms, following the transition to the new Sports Betting era in Turkey (nonetheless Bilyoner's growth in local currency is at +4.6%, vs. +23.1% in 9M19). On top of that, performance in Euro terms was further impacted by the devaluation of the local currency (11.4% Euro appreciation versus a year ago – in YTD average terms).
- **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

Technology Contracts - Revenue Evolution



in € million

■ Q4
■ 9M



Revenue Evolution Drivers:

- **US** mainly driven by our new contract in Illinois (mid-February 2019 launch), an equipment sale in Arkansas (3Q19) and by a Powerball jackpot (1Q19), fully absorbing the impact of the discontinued operations in South Carolina and Ohio cooperative services program (CSP), a significant Jackpot in Q4 2018, and last year's one-off equipment sale in Massachusetts (2Q18). Favorable USD movement (5.1% Euro depreciation vs. a year ago — in YTD average terms)
- **Netherlands'** top line driven by improved Sports Betting performance
- **Chile's** marginal revenue increase, as the positive impact of the historical 1Q19 jackpot was offset by the social unrest in the country during Q4 2019
- **Greece** lower sales due to the transition to new OPAP contract and the lower equipment sales
- **Argentina** deficit due to macro environment and strong FX headwinds

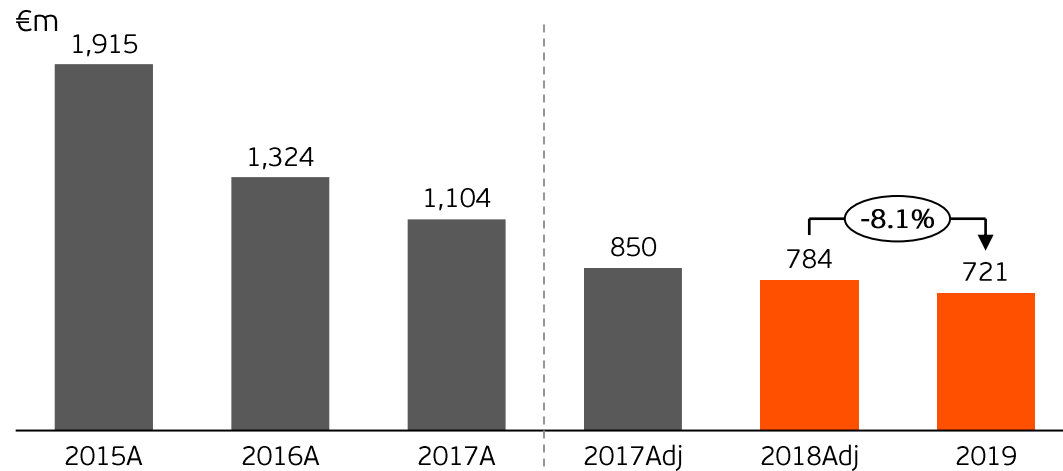
Consolidated Financial Statements for FY19 and 4Q19

(in € million)	FY19	FY18	% Change	4Q19	4Q18	% Change
Revenue (Turnover)	720.6	784.4	-8.1%	165.0	187.7	-12.1%
Technology, Management & Rest Contracts	280.5	296.1	-5.3%	62.6	74.4	-15.9%
Licensed Operations (Payout related)	440.1	488.3	-9.9%	102.4	113.3	-9.6%
Payout (%) ¹	70.6%	71.4%	-0.8pps	71.8%	71.7%	+0.1pps
GGR	409.1	435.0	-6.0%	91.1	106.1	-14.1%
nGGR	338.5	355.0	-4.6%	75.0	89.0	-15.7%
Gross Profit	126.0	158.0	-20.2%	22.7	33.7	-32.3%
Gross Profit Margin (%)	17.5%	20.1%	-2.6pps	13.8%	18.0%	-4.2pps
EBITDA	87.8	117.7	-25.4%	9.0	19.6	-54.1%
EBITDA Margin (% Sales)	12.2%	15.0%	-2.8pps	5.5%	10.4%	-4.9pps
EBITDA Margin (% GGR)	21.5%	27.1%	-5.6pps	9.9%	18.5%	-8.6pps
Adjusted EBITDA	68.7	87.0	-21.0%	6.6	13.9	-52.5%
EBT	-70.6	-14.8	-	-63.7	-46.4	-37.3%
EBT Margin (% Sales)	-9.8%	-1.9%	-7.9pps	-38.6%	-24.7%	-13.9pps
NIATMI from Continuing Operations	-111.9	-71.3	-57.0%	-70.2	-58.9	-19.2%
NIATMI from Total Operations	-104.2	-25.6	-	-72.4	-14.7	-

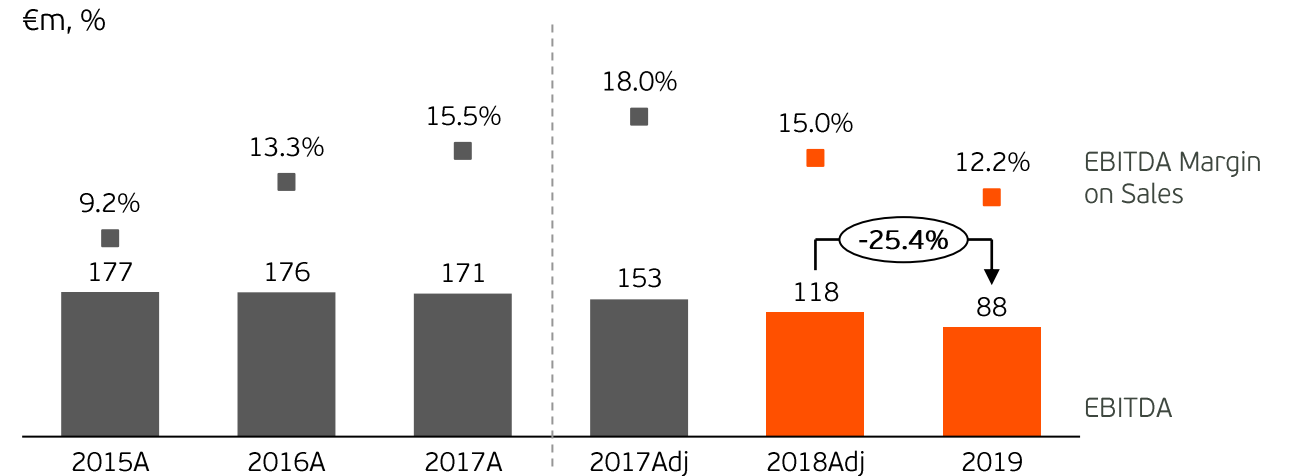
1. Payout ratio calculation excludes the IFRS 15 impact for payments to customers

Overview Of Key Financial Metrics

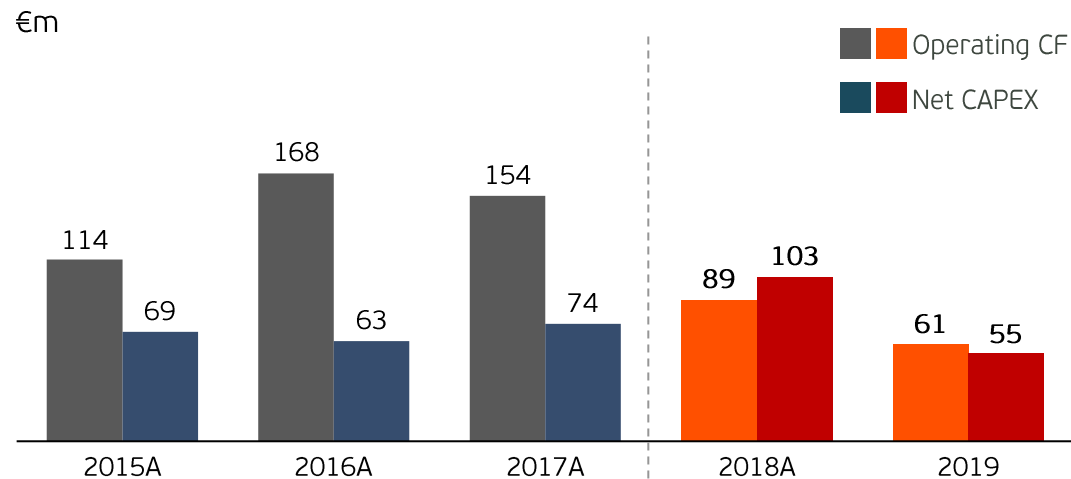
REVENUES¹



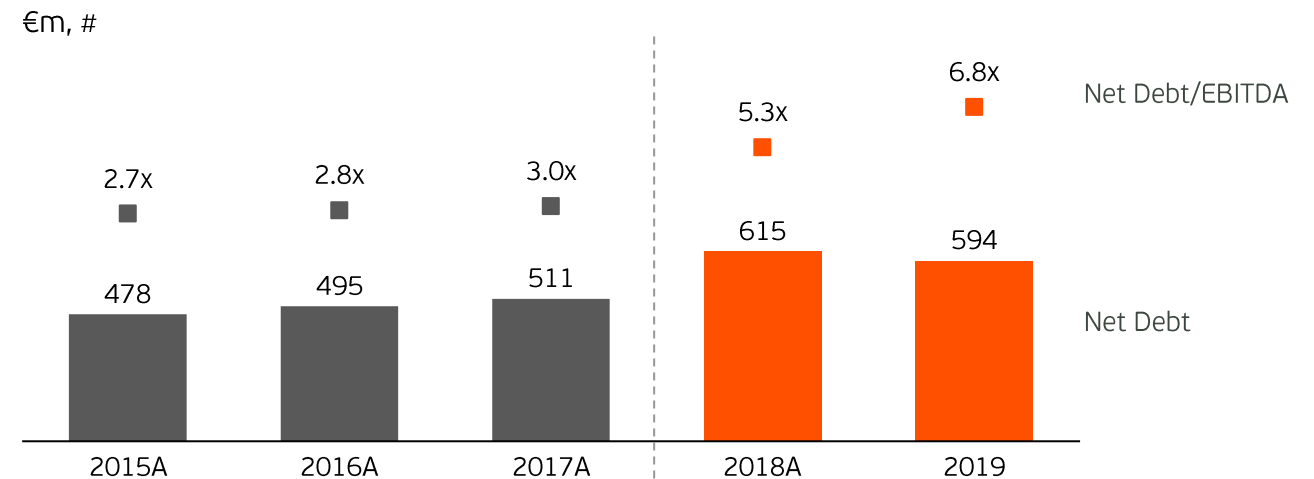
EBITDA AND EBITDA MARGIN¹



OPERATING CASH FLOW AND NET CAPEX



NET DEBT² AND NET DEBT / EBITDA³



1. For 2017Adj, 2018Adj and 2019: excluding discontinued operations in Italy, Peru, Russia, Jamaica, Slovakia, Azerbaijan, and Poland.

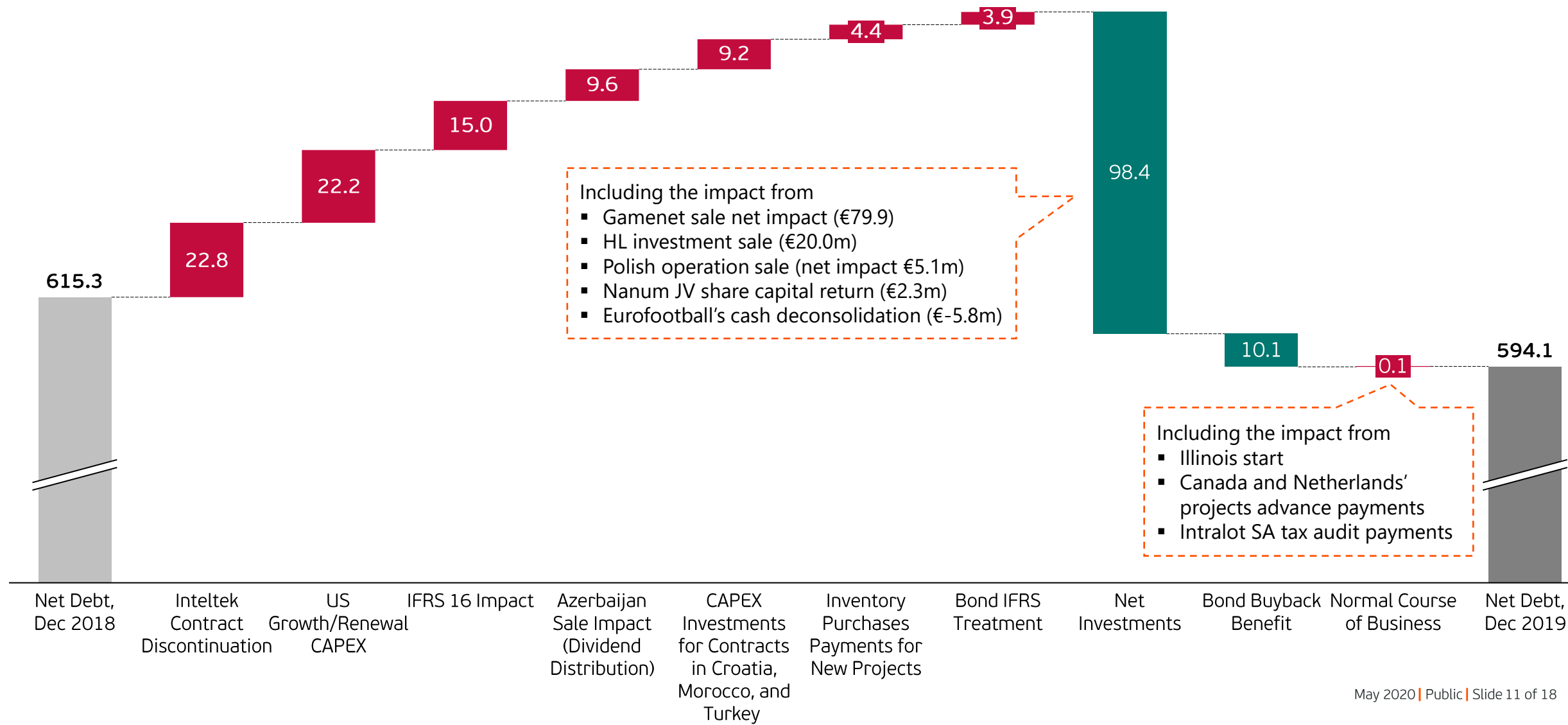
2. Net debt calculated as Long-term debt plus Short-term debt and current portion of long-term debt plus Financial Leases less Cash and cash equivalents

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

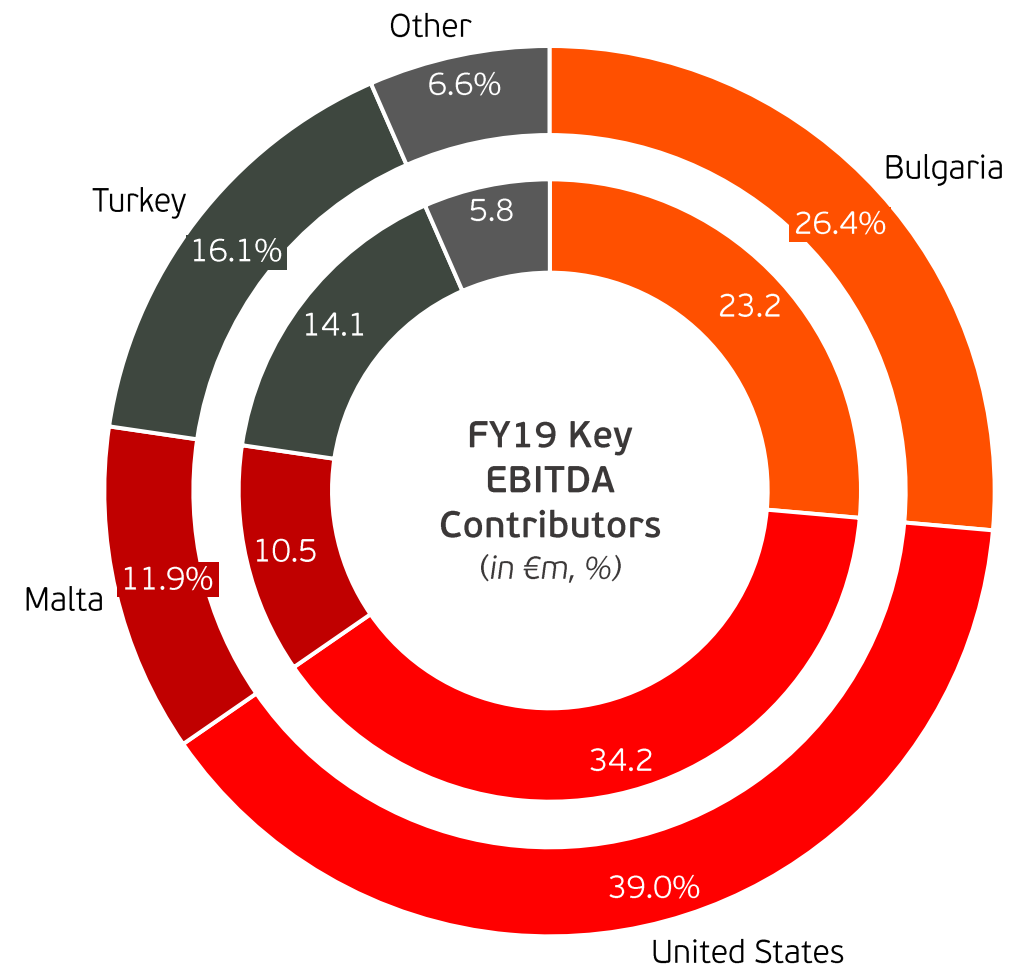
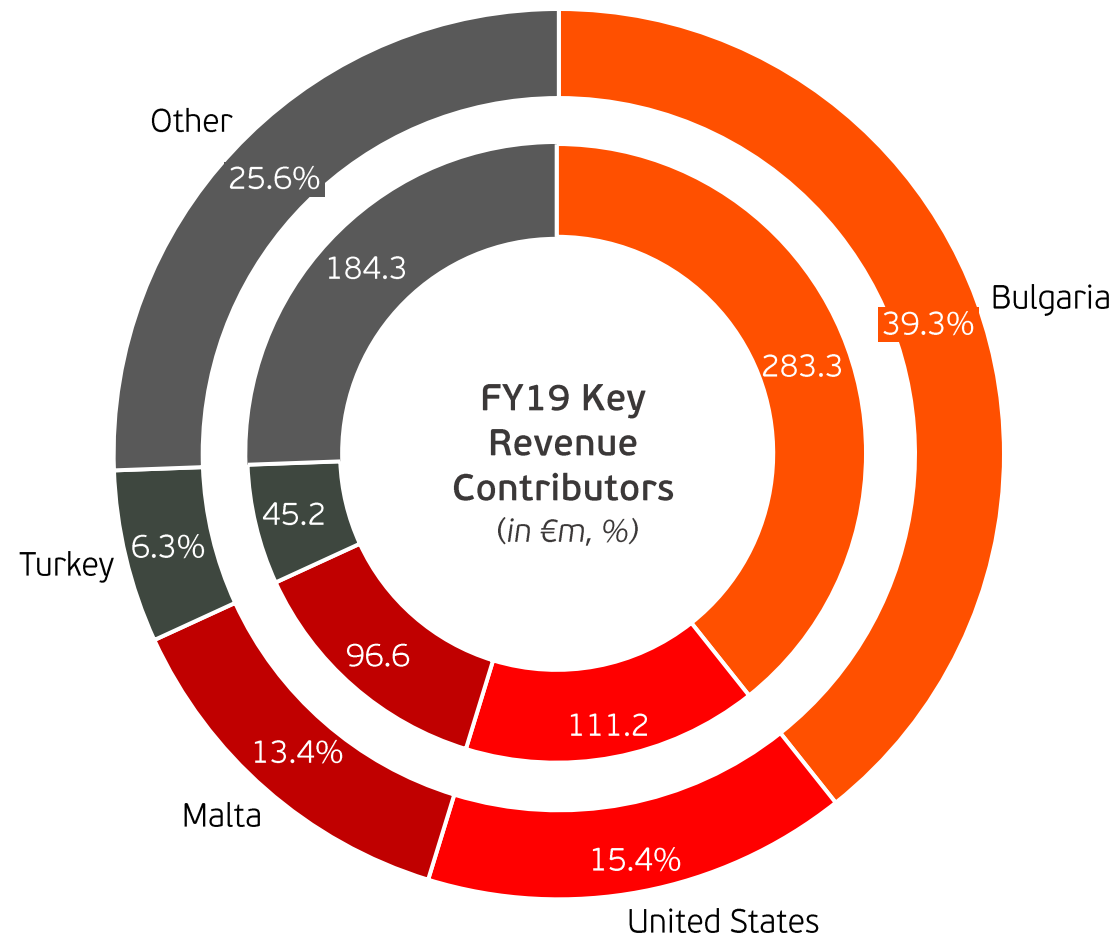
Net Debt Movement

Net Debt Movement, FY19

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	FY19 EBITDA Contribution	FY18 EBITDA Contribution
	Inteltek ¹	45.00%	11%	15%
	Bilyoner ¹	50.01%	5%	11%
	Eurofootball Group ^{2, 4}	49.00% + option for additional 2.00%	20%	18%
	Eurobet Group ^{2, 5}	49.00% + option for additional 2.00%	7%	5%
	Tecno Accion Group ³	50.01%	12%	10%
Total Partnership Contribution			55%	59%
INTRALOT's Portion of EBITDA			67%	67%

1. Management Contract

2. Licensed Operation

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

4. Eurofootball's method of consolidation changed from Full to Equity in December 2019. In addition, the gaming licenses of Eurofootball have been temporarily suspended. For further details refer to the notes of the Annual Financial Report

5. Eurobet's licenses discontinued within 1Q20. For further details refer to the notes of the Annual Financial Report

APPENDIX

SUMMARY OF
FINANCIAL STATEMENTS



FY19 – Group Income Statement

(in € million)

FY19

FY18

% Change

Revenue	720.6	784.4	-8.1%
Gross Profit	126.0	158.0	-20.2%
Other Operating Income	19.5	15.6	25.0%
OPEX	-140.4	-120.6	16.4%
EBITDA	87.8	117.7	-25.4%
Margin	12.2%	15.0%	-2.8pps
D&A	-82.7	-64.7	27.8%
EBIT	5.1	53.0	-90.4%
Interest Expense (Net)	-48.1	-41.9	-14.8%
Exchange Differences	3.3	8.6	-61.6%
Other	-30.9	-34.5	10.4%
EBT	-70.6	-14.8	-
NIATMI	-104.2	-25.6	-
NIATMI Continuing	-111.9	-71.3	-57.0%
NIATMI Discontinued	7.7	45.7	-83.2%

FY19 – Group Statement Of Financial Position

(in € million)

	FY19	FY18
Tangible Assets	168.7	133.4
Intangible Assets	242.9	302.3
Other Non-current Assets	47.4	165.8
Inventories	35.6	45.6
Trade and Other Short-term Receivables	131.8	133.9
Other Financial Assets	0.0	0.6
Cash and Cash Equivalents	171.1	162.5
Total Assets	797.5	944.1
Share Capital	47.1	47.1
Other Equity Elements	-140.5	-40.8
Non-controlling Interests	0.2	28.1
Total Shareholders Equity	-93.2	34.4
Long-term Debt	727.3	737.1
Provisions / Other Long-Term Liabilities	27.6	26.2
Short-term Debt	37.9	40.7
Other Short-term Liabilities	97.9	105.7
Total Liabilities	890.7	909.7
Total Equity And Liabilities	797.5	944.1

FY19 – Group Cash Flow

(in € million)

	FY19	FY18
EBT from continuing operations	-70.6	-14.8
EBT from discontinued operations	7.7	64.9
Plus/less Adjustments	150.7	96.3
Decrease/(increase) of Inventories	-0.2	-10.3
Decrease/(increase) of Receivable Accounts	0.9	1.2
(Decrease)/increase of Payable Accounts	-12.8	-24.7
Income Tax Paid	-14.4	-24.0
Net Cash from Operating Activities	61.3	88.6
Net CAPEX	-55.0	-103.2
(Purchases) / Sales of subsidiaries & other investments	98.4	5.9
Interest received	4.5	5.6
Dividends received	10.1	8.0
Net Cash from Investing Activities	58.0	-83.7
Repurchase of own shares	0.0	-8.6
Cash inflows from loans	88.9	87.3
Repayment of loans	-93.3	-53.7
Bond buybacks	-10.6	-5.0
Repayment of Leasing Obligations	-7.4	-8.1
Interest and similar charges paid	-48.5	-48.8
Dividends paid	-41.7	-36.3
Net Cash from Financing Activities	-112.6	-73.2
Net increase / (decrease) in cash for the period	6.7	-68.3
Exchange differences	1.9	-7.2
Cash at the beginning of the period	162.5	238.0
Cash at the end of the period from total operations	171.1	162.5

intralot

The image features the Intralot logo on the left, which consists of the word "intralot" in a bold, italicized, dark grey sans-serif font. Below the text is a thick, horizontal orange brushstroke that tapers at both ends. On the right side of the image is a large, abstract graphic composed of several overlapping, curved shapes in a warm color palette. The colors range from bright orange and yellow to deep red and maroon, creating a sense of movement and energy. The overall composition is clean and modern, set against a plain white background.