

# 9M 2018 Financial Results

November 26<sup>th</sup>, 2018

***intralot***



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# Presentation Participants

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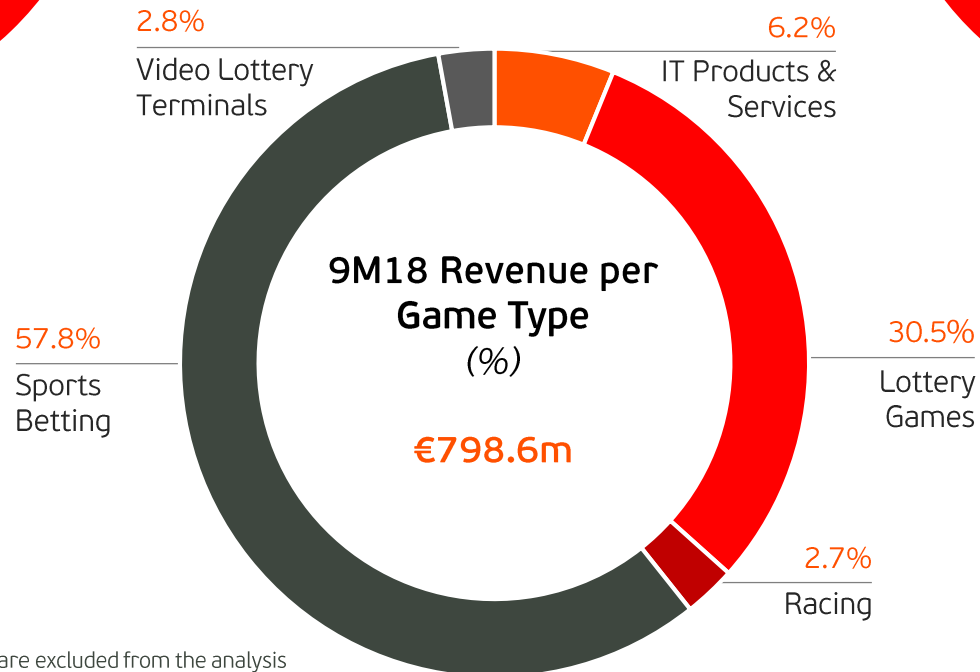
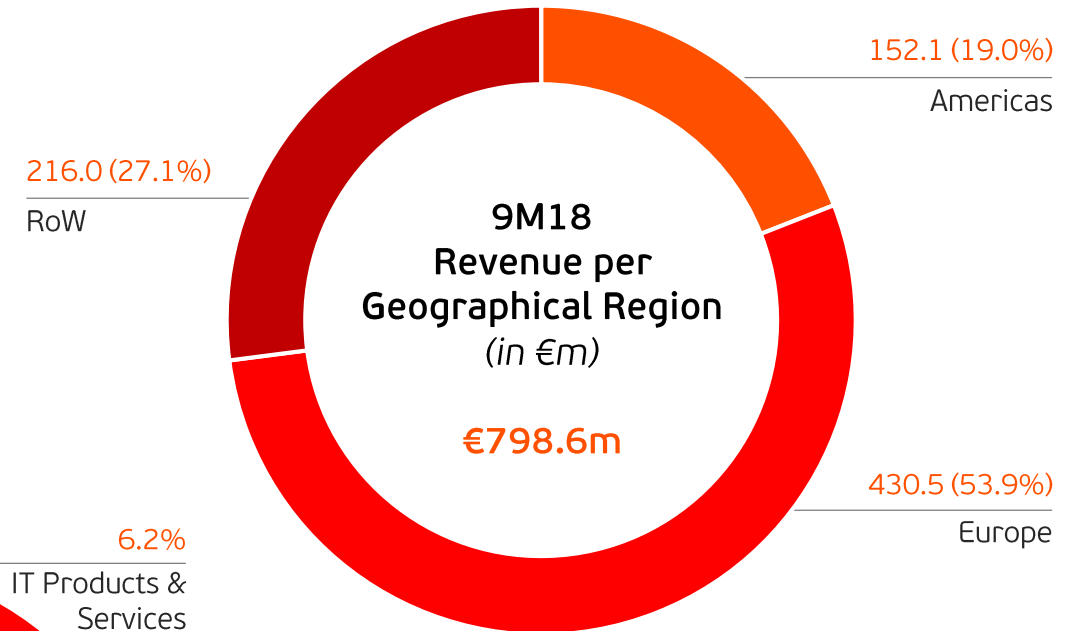
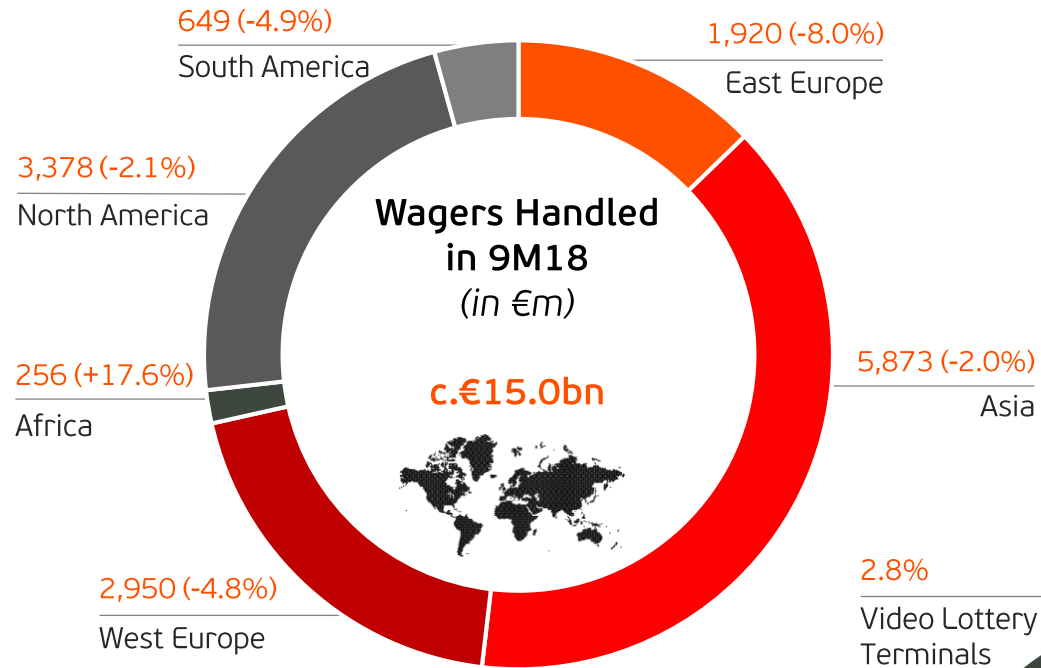
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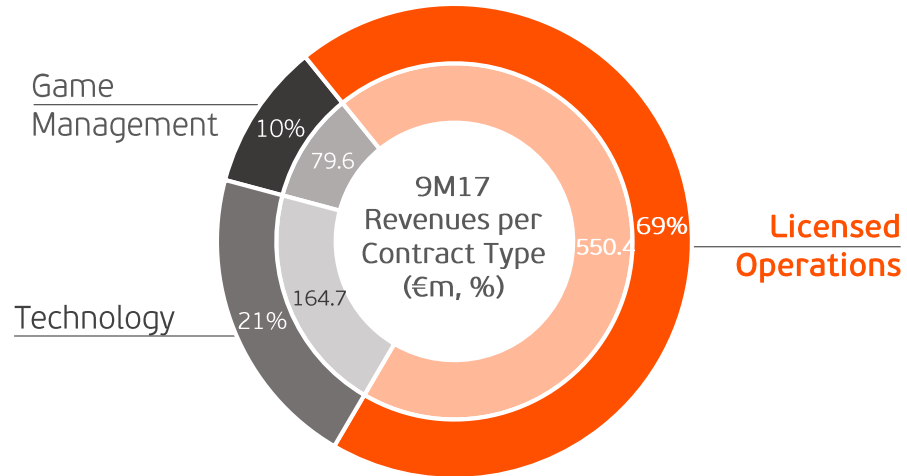
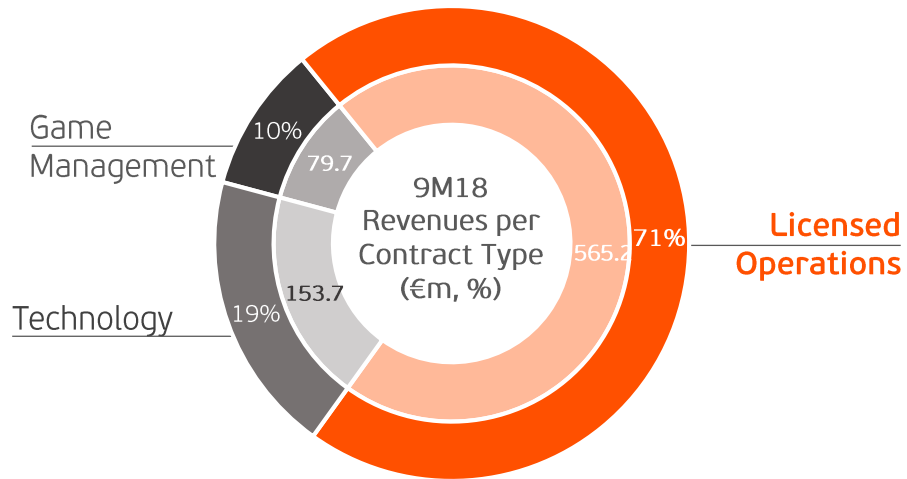
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# Wagers Handled & Revenues<sup>1</sup>

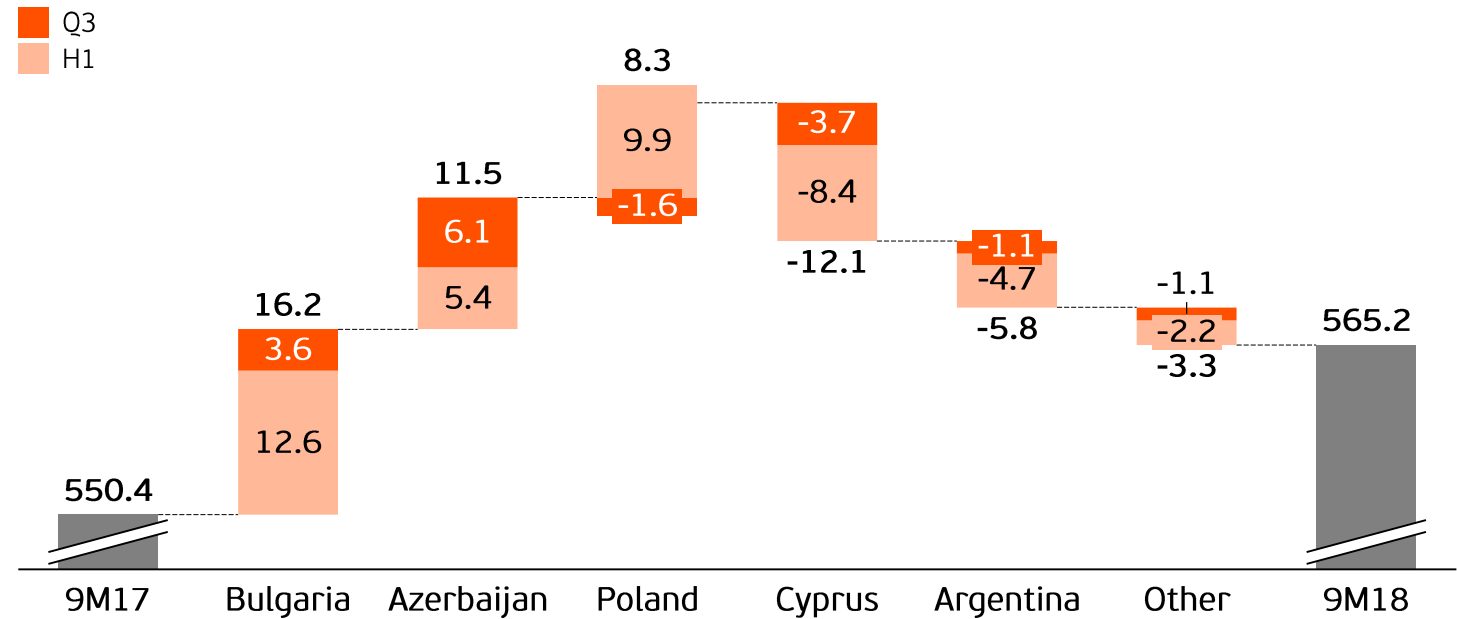


1. Discontinued operations and contracts ended within the current period are excluded from the analysis

# Licensed Operations - Revenue Evolution



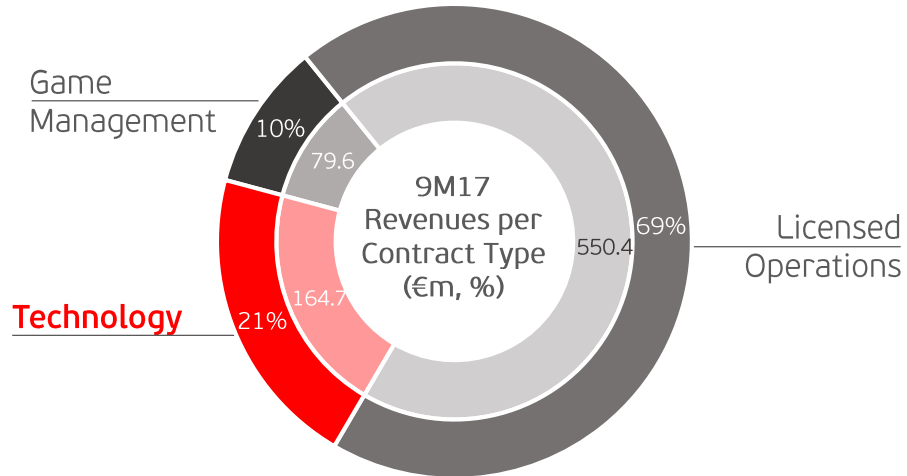
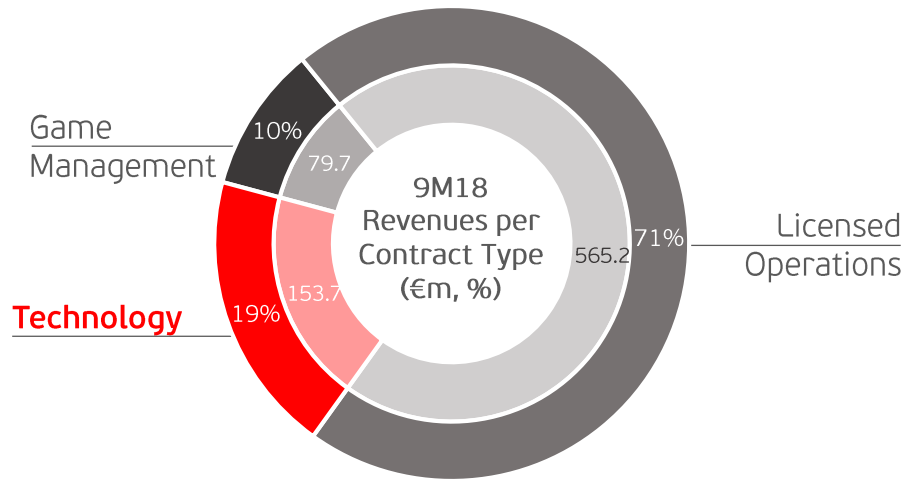
in € million



### Revenue Evolution Drivers:

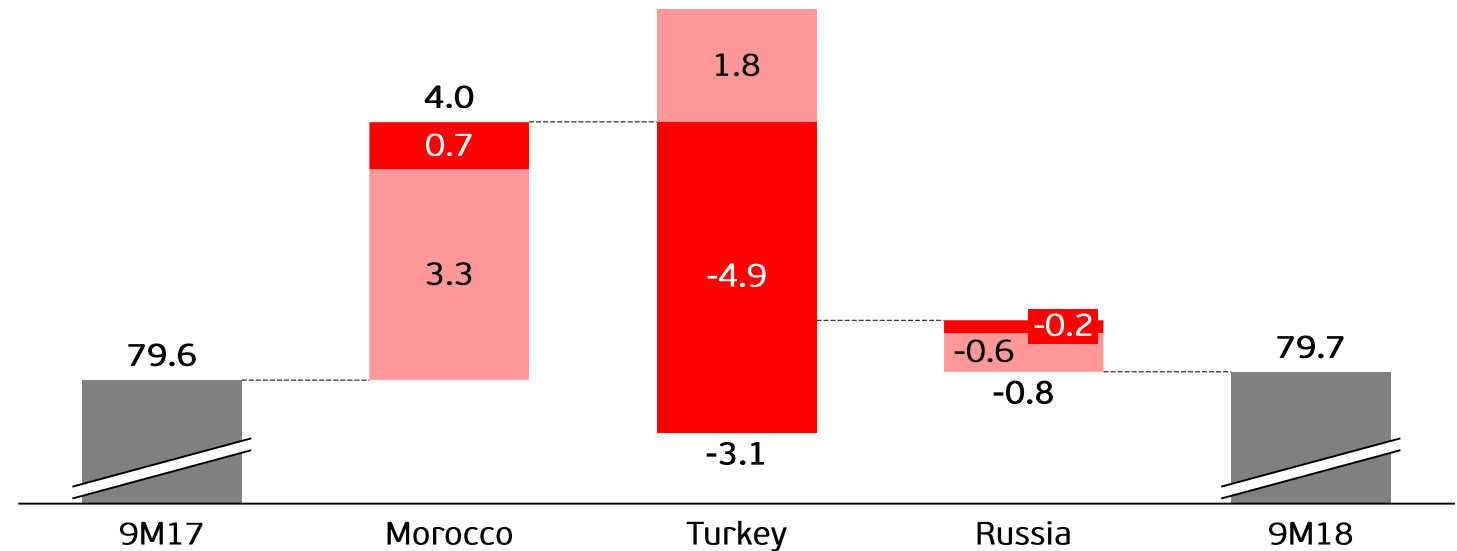
- **Bulgaria** following the growth in Virtual Sports and Racing, fueled in part by the increased payout in both games
- **Azerbaijan** driven by the enhanced Sports Betting portfolio (both retail and online)
- **Poland** YoY growth driven by the interactive Sport Betting channel (market regulation) and Virtual Games' introduction in 2Q17
- **Cyprus** suspended Sports Betting license in 4Q17
- **Argentina** strong FX headwinds (c.64% Euro appreciation – in average YTD terms) fully offset the strong y-o-y performance on a local currency basis (c.+45%)

# Game Management Contracts - Revenue Evolution



in € million

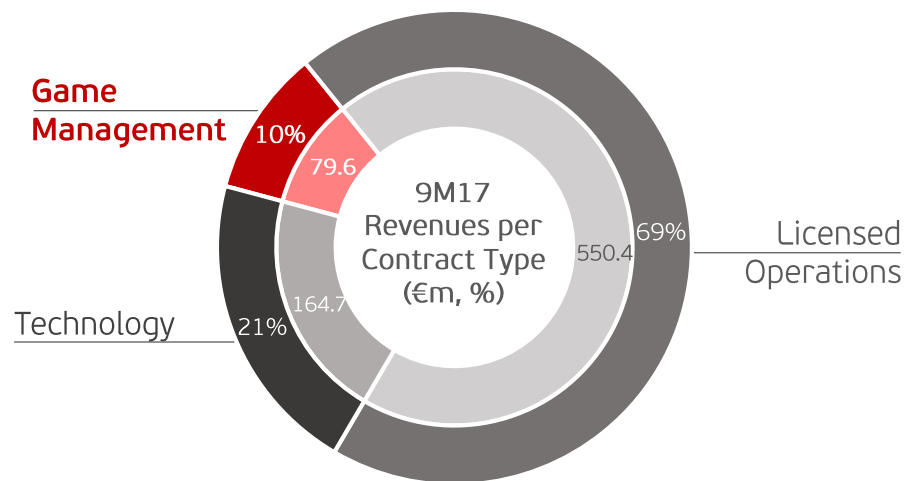
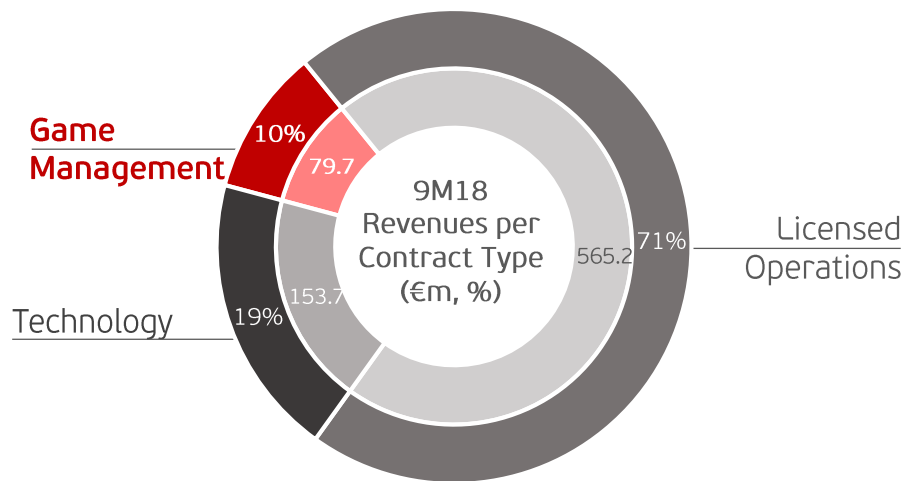
■ Q3  
■ H1



## Revenue Evolution Drivers:

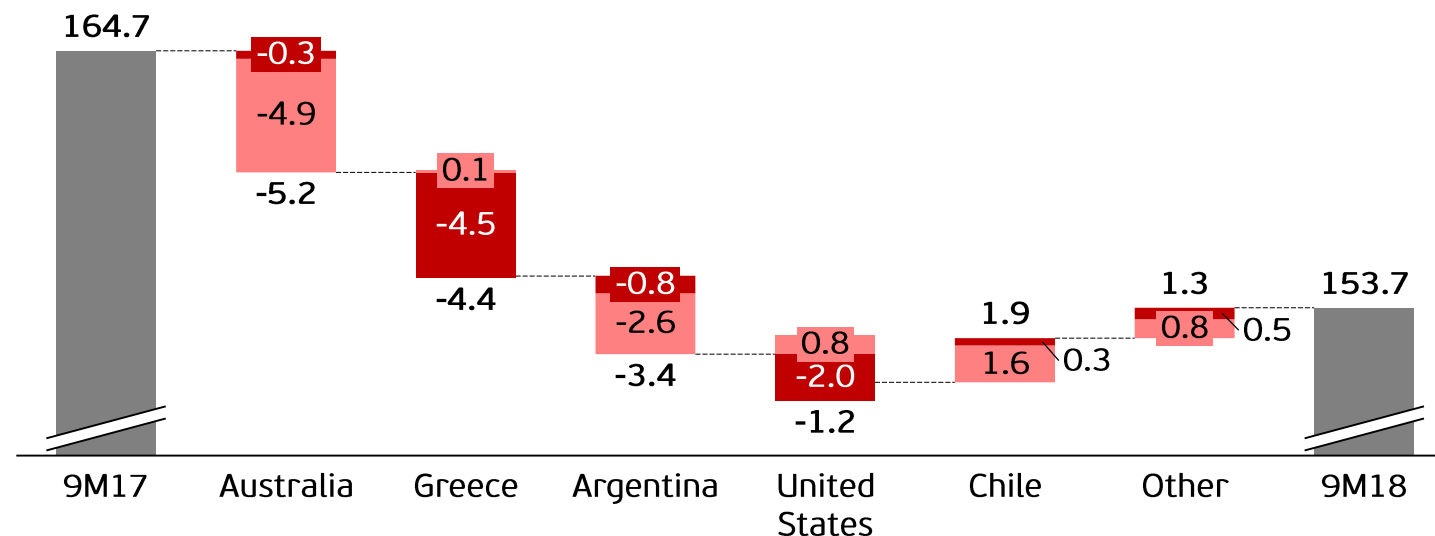
- **Morocco's** Sports Betting sales uplift attributed to the enhanced product offering
- **Turkey** revenue decrease is mainly attributed to the devaluation of the local currency against the Euro (c.38.0% Euro appreciation versus a year ago – in average YTD terms), partly offset by the growth of the Sport Betting Market year over year (c.+24.0% in local currency), and the shift towards Online Sports Betting

# Technology Contracts - Revenue Evolution



in € million

■ Q3  
■ H1



### Revenue Evolution Drivers:

- **Australia** lower recorded revenue mainly as a result of a software license right sale in 2Q17 coupled with adverse FX movement (c.8.4% Euro appreciation - in average YTD terms)
- **Greece** affected by the transition to the new contractual terms with OPAP (limited scope)
- **Argentina** recorded lower sales due to adverse FX movement (c.64% Euro appreciation in average YTD terms), while in Peso terms top line performance posted a c.+38% increase YoY
- **US** lower revenues in Euro terms impacted by adverse FX movement (c.7.0% Euro appreciation y-o-y in YTD average terms), while in USD terms our US operations presented a c.5.0% growth
- **Chile** improved contribution following contract maturity (live in early 1Q17)



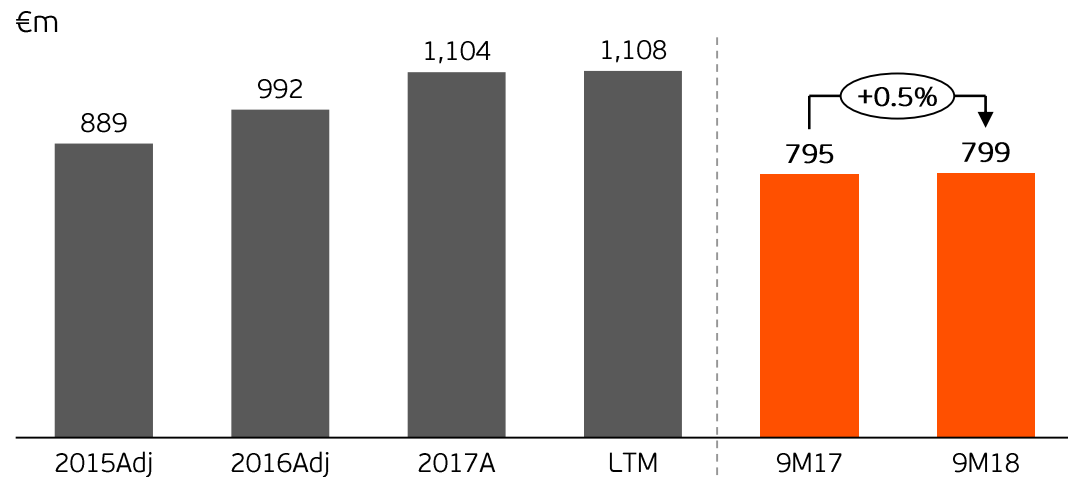
# Consolidated Financial Statements for 9M18 and 3Q18

<i>(in € million)</i>	9M18	9M17	% Change	3Q18	3Q17	% Change	LTM
<b>Revenues (Turnover)</b>	<b>798.6</b>	<b>794.7</b>	<b>0.5%</b>	<b>251.0</b>	<b>260.0</b>	<b>-3.5%</b>	<b>1,108.1</b>
Technology, Management & Rest Contracts	236.6	248.3	-4.7%	69.3	80.6	-14.0%	343.2
Licensed Operations (Payout related)	562.0	546.4	2.9%	181.7	179.4	1.3%	764.9
<i>Payout (%)</i>	70.7%	70.5%	0.2pps	69.0%	69.4%	-0.4pps	70.2%
<b>GGR</b>	<b>401.3</b>	<b>409.3</b>	<b>-2.0%</b>	<b>125.7</b>	<b>135.5</b>	<b>-7.2%</b>	<b>571.1</b>
nGGR	316.9	321.2	-1.3%	98.2	106.7	-8.0%	454.1
Gross Profit	162.2	163.3	-0.7%	45.7	54.9	-16.8%	240.8
<i>Gross Profit Margin (%)</i>	20.3%	20.5%	-0.2pps	18.2%	21.1%	-2.9pps	21.7%
<b>EBITDA</b>	<b>114.9</b>	<b>123.0</b>	<b>-6.6%</b>	<b>34.8</b>	<b>40.9</b>	<b>-14.9%</b>	<b>163.4</b>
<i>EBITDA Margin (% Sales)</i>	14.4%	15.5%	-1.1pps	13.9%	15.7%	-1.8pps	14.8%
<i>EBITDA Margin (% GGR)</i>	28.6%	30.1%	-1.5pps	27.7%	30.2%	-2.5pps	28.6%
<b>EBT</b>	<b>46.3</b>	<b>25.0</b>	<b>85.2%</b>	<b>13.8</b>	<b>7.5</b>	<b>85.3%</b>	<b>31.6</b>
<i>EBT Margin (% Sales)</i>	5.8%	3.1%	+2.7pps	5.5%	2.9%	+2.6pps	2.9%
<b>NIATMI from Continuing Operations</b>	<b>-11.0</b>	<b>-22.7</b>	<b>51.5%</b>	<b>-7.9</b>	<b>-7.1</b>	<b>-11.3%</b>	<b>-46.9</b>
NIATMI from Total Operations	-11.0	-32.0	65.6%	-7.9	-6.2	-27.4%	-32.4

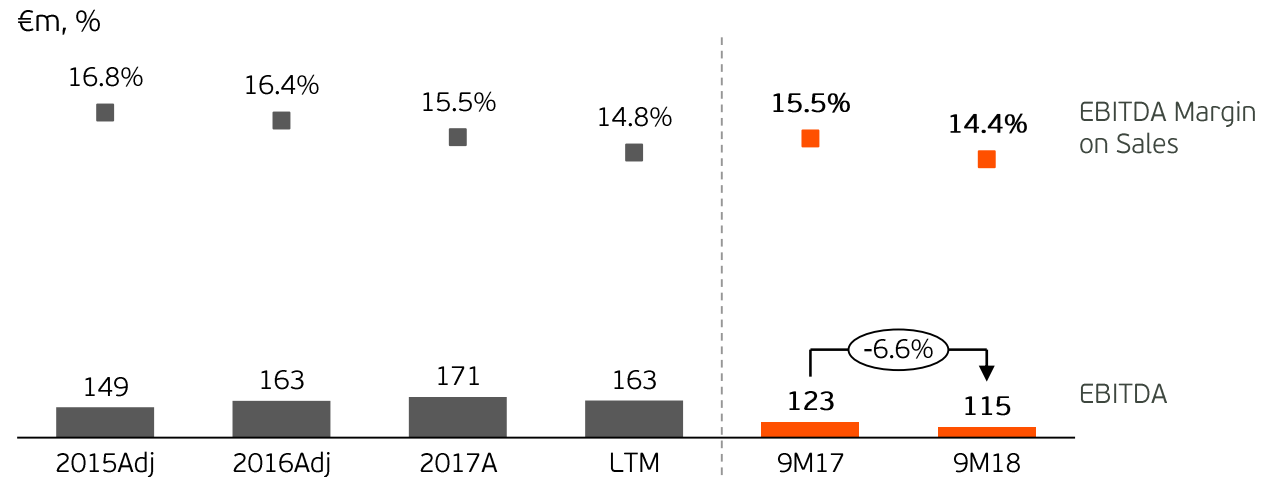


# Overview Of Key Financial Metrics

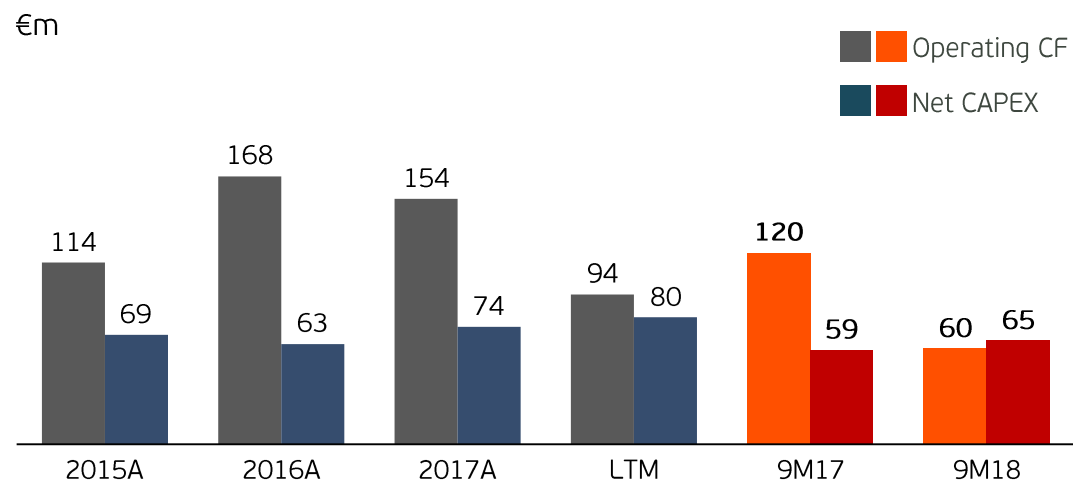
## REVENUES<sup>1</sup>



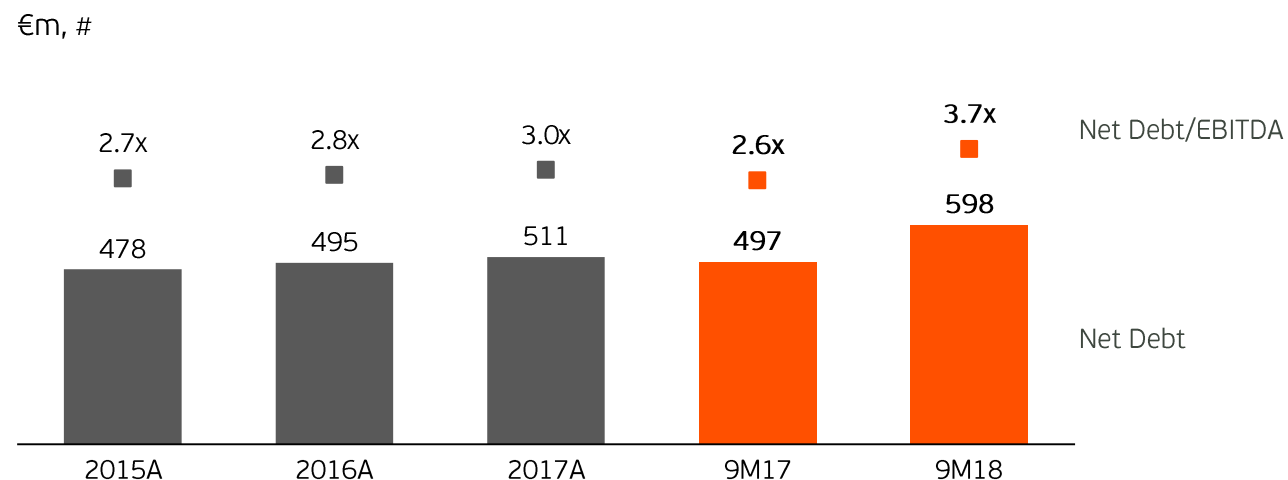
## EBITDA AND EBITDA MARGIN<sup>1</sup>



## OPERATING CASH FLOW AND NET CAPEX



## NET DEBT<sup>2</sup> AND NET DEBT / EBITDA<sup>3</sup>



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

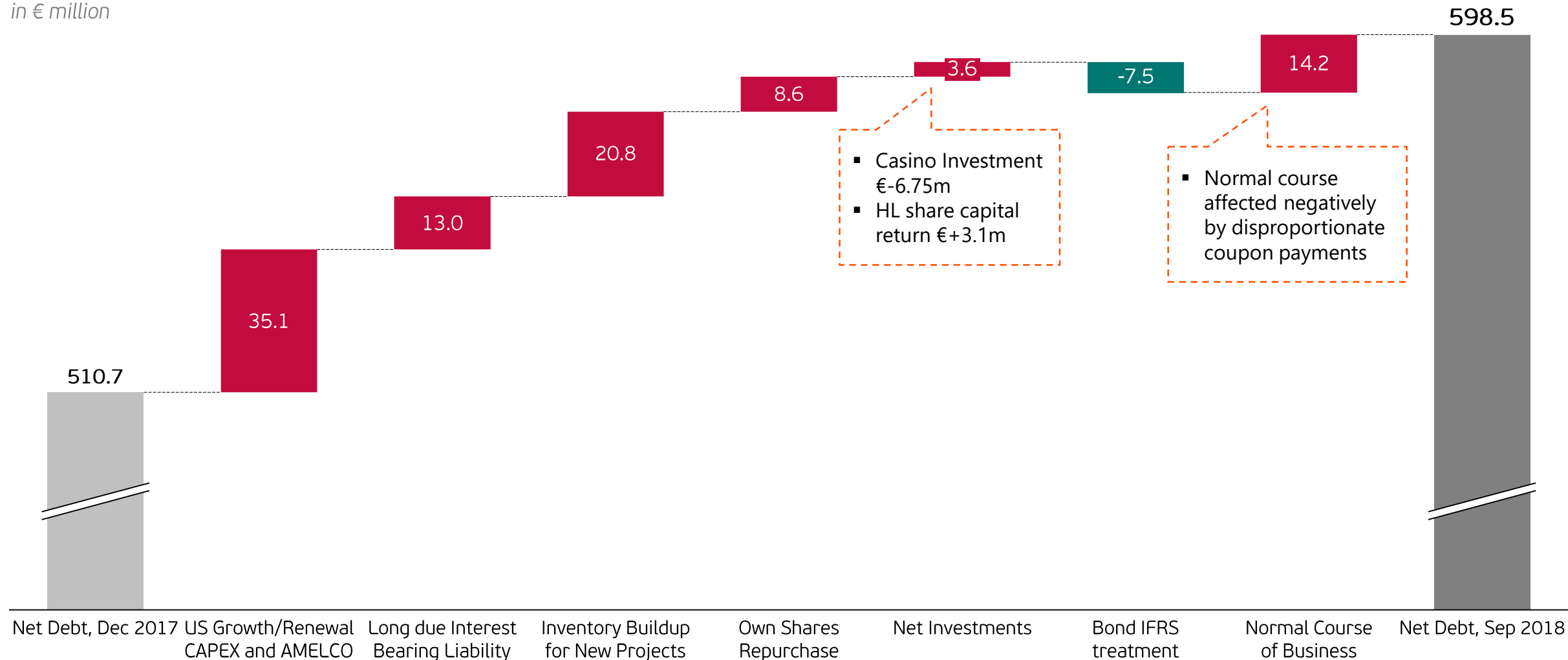
2. Net debt calculated as Long-term debt plus Short-term debt and current portion of long-term debt plus Financial Leases less Cash and cash equivalents

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

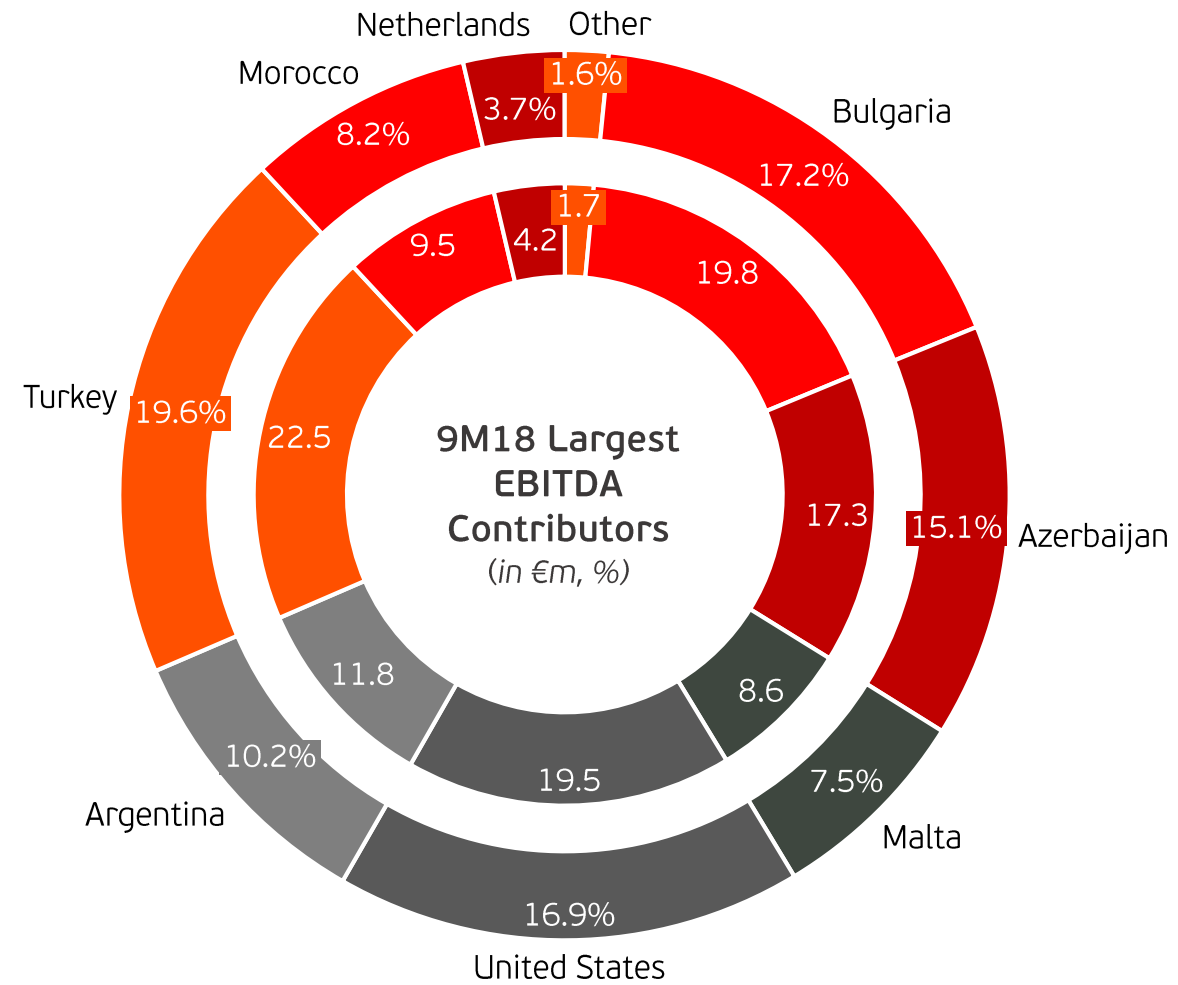
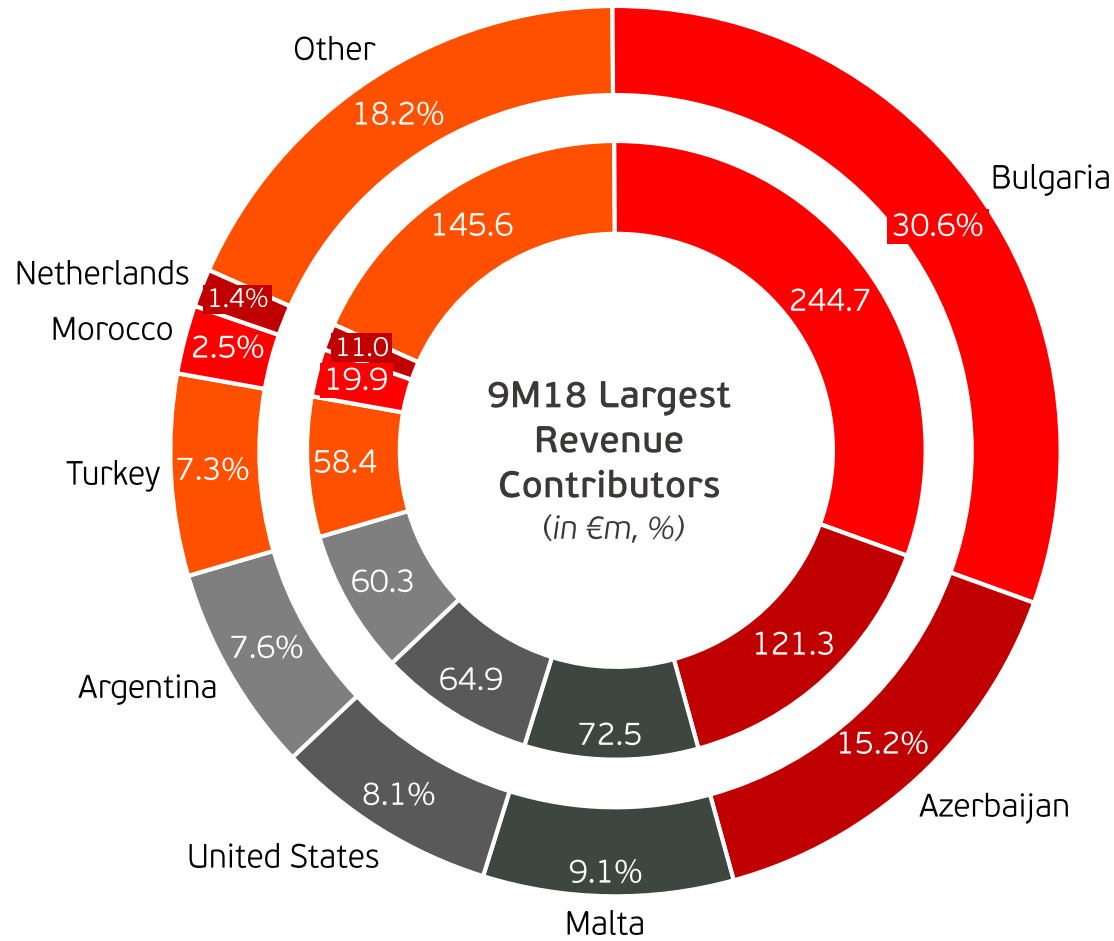
# Net Debt Movement

## Net Debt Movement, 9M18

in € million



# Key Revenue and EBITDA Contributors<sup>1,2</sup>



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	9M18 EBITDA Contribution	9M17 EBITDA Contribution
Inteltek <sup>1</sup>	45.00%	12%	13%
Bilyoner <sup>1</sup>	50.01%	8%	8%
Eurofootball Group <sup>2</sup>	49.00% + option for additional 2.00%	13%	13%
Eurobet Group <sup>2</sup>	49.00% + option for additional 2.00%	4%	4%
Azerinteltek <sup>2</sup>	22.95%	15%	12%
Tecno Accion Group <sup>3</sup>	50.01%	10%	11%
<b>Total Partnership Contribution</b>		<b>62%</b>	<b>61%</b>
<b>INTRALOT's Portion of EBITDA</b>		<b>61%</b>	<b>63%</b>

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

*“INTRALOT has successfully won new projects in the past two months such as Lotto Hamburg and the Croatian Lottery as well as extended its New Mexico contract in the US; in the latter case including approval for a new sports prognostics game, available through the entire retail footprint of the lottery. All these projects will apply new technological solutions developed by INTRALOT, reflecting the positive prospects created by our significant investments in the last two years. We are also looking forward to the commencement of our operations in Illinois, a project that has heavily impacted our financials in 9M18. Such developments confirm our positive outlook after the current transition year according to our business plan.”*

APPENDIX

SUMMARY OF  
FINANCIAL STATEMENTS



# 9M18 – Group Income Statement

<i>(in € million)</i>	9M18	9M17	% Change
<b>Revenues</b>	<b>798.6</b>	<b>794.7</b>	<b>0.5%</b>
Gross Profit	162.2	163.3	-0.7%
Other Operating Income	11.3	13.0	-13.1%
OPEX	-106.6	-103.0	3.5%
<b>EBITDA</b>	<b>114.9</b>	<b>123.0</b>	<b>-6.6%</b>
<i>Margin</i>	14.4%	15.5%	-1.1pps
<b>EBIT</b>	<b>66.9</b>	<b>73.3</b>	<b>-8.7%</b>
Interest Expense (Net)	-31.5	-39.1	-19.4%
Exchange Differences	10.2	-6.0	-
Other	0.7	-3.2	-
<b>EBT</b>	<b>46.3</b>	<b>25.0</b>	<b>85.2%</b>
<b>NIATMI</b>	<b>-11.0</b>	<b>-32.0</b>	<b>65.6%</b>
NIATMI Continuing	-11.0	-22.7	51.5%
NIATMI Discontinued	0.0	-9.3	-



# 9M18 – Group Statement Of Financial Position

(in € million)

	9M18	FY17
Tangible Assets	116.2	102.8
Intangible Assets	319.7	324.5
Other Non-current Assets	171.9	178.6
Inventories	48.8	31.5
Trade Receivables	62.0	84.2
Other Current Assets	210.7	300.3
<b>Total Assets</b>	<b>929.3</b>	<b>1,021.9</b>
Share Capital	47.1	47.7
Other Equity Elements	-33.4	10.1
Non-controlling Interests	26.9	32.0
<b>Total Shareholders Equity</b>	<b>40.6</b>	<b>89.8</b>
Long-term Debt	745.4	729.4
Provisions / Other Long Term Liabilities	30.7	29.6
Short-term Debt	4.4	19.3
Other Short-term Liabilities	108.2	153.8
<b>Total Liabilities</b>	<b>888.7</b>	<b>932.1</b>
<b>Total Equity And Liabilities</b>	<b>929.3</b>	<b>1,021.9</b>

# 9M18 – Group Cash Flow

(in € million)

	9M18	9M17
<b>EBT from continuing operations</b>	<b>46.3</b>	<b>25.0</b>
<b>EBT from discontinued operations</b>	<b>0.0</b>	<b>0.7</b>
Plus/less Adjustments	69.0	113.0
Decrease/(increase) of Inventories	-18.5	-3.8
Decrease/(increase) of Receivable Accounts	11.5	0.7
(Decrease)/increase of Payable Accounts	-27.3	9.7
Income Tax Paid	-20.7	-24.8
<b>Net Cash from Operating Activities</b>	<b>60.3</b>	<b>120.5</b>
Net CAPEX	-65.0	-59.3
(Purchases) / Sales of subsidiaries & other investments	-3.6	6.2
Interest received	4.1	4.0
Dividends received	7.6	2.0
<b>Net Cash from Investing Activities</b>	<b>-56.9</b>	<b>-47.1</b>
Repurchase of own shares	-8.6	0.0
Cash inflows from loans	60.3	571.8
Repayment of loans	-45.4	-234.2
Bond buybacks	-5.0	0.0
Repayment of Leasing Obligations	-4.2	-2.2
Interest and similar charges paid	-48.0	-37.8
Dividends paid	-31.5	-34.0
<b>Net Cash from Financing Activities</b>	<b>-82.4</b>	<b>263.6</b>
<b>Net increase / (decrease) in cash for the period</b>	<b>-79.0</b>	<b>337.0</b>
Exchange differences	-7.6	-11.4
Cash at the beginning of the period	238.0	164.4
<b>Cash at the end of the period from total operations</b>	<b>151.4</b>	<b>490.0</b>

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