

FY 2018 Financial Results

April 16th, 2019

intralot



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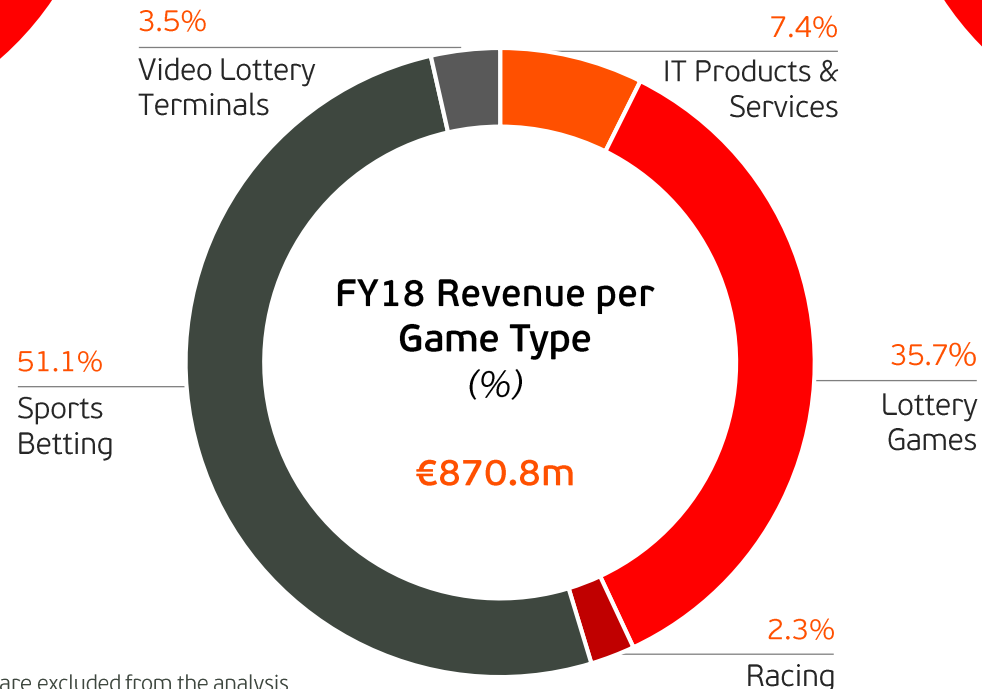
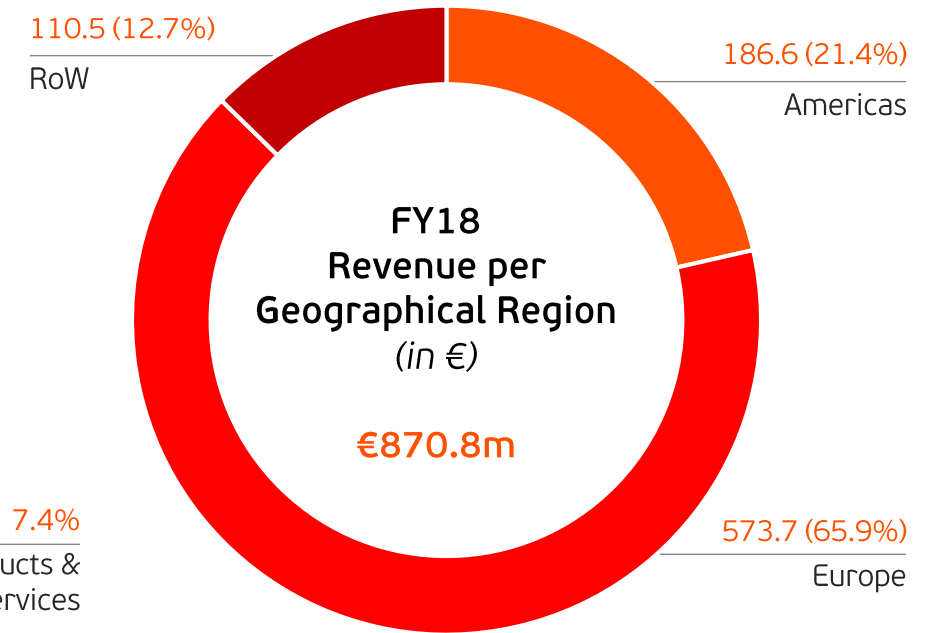
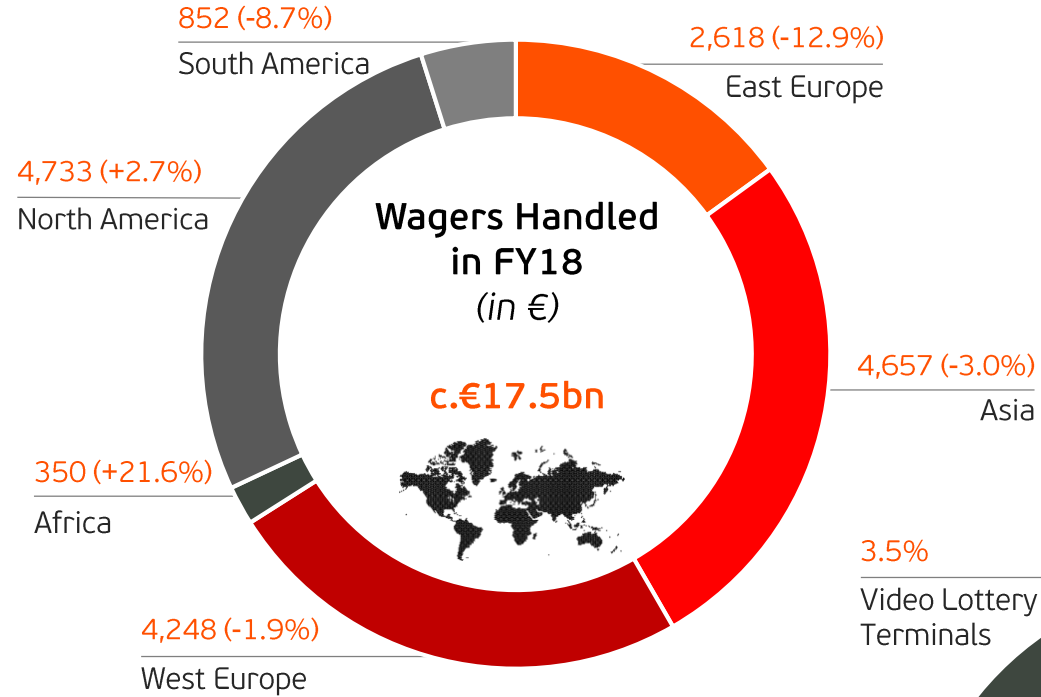
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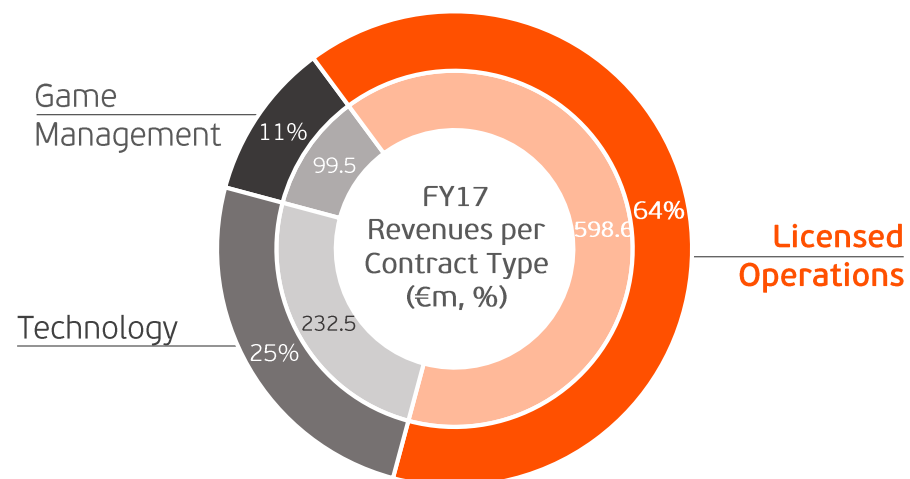
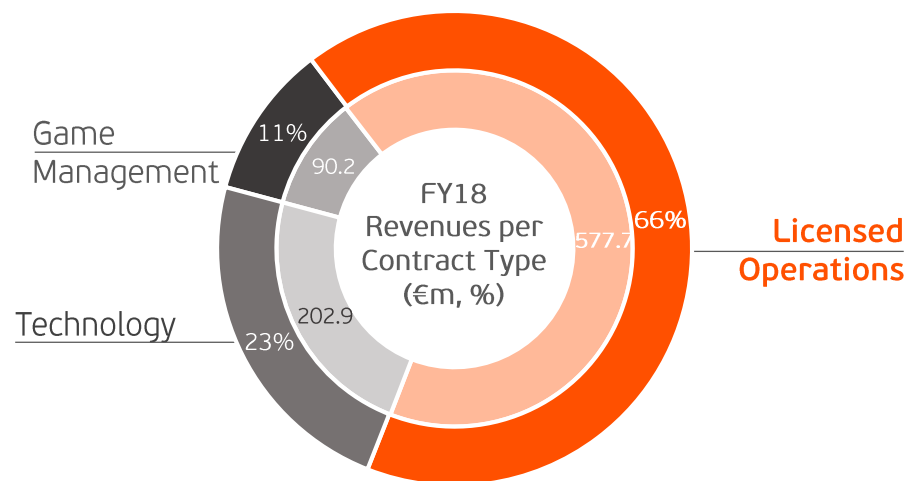
"The reported revenue and earnings contraction during 2018 points to the need for a wide re-organization of our production and operational capabilities towards significant cost reductions and operational efficiencies. We are currently conducting a management reshuffle in order to design and implement a new cost-reduction plan through better synergies between divisions and between headquarters and subsidiaries. I am personally committed and focused on our mission to best address the needs of our clients and to improve the cash flow generation of our business through a combination of new business and organic growth opportunities, coupled with cost optimization, while continuing disinvestments from non-core assets when market conditions are favorable."

Wagers Handled & Revenues¹



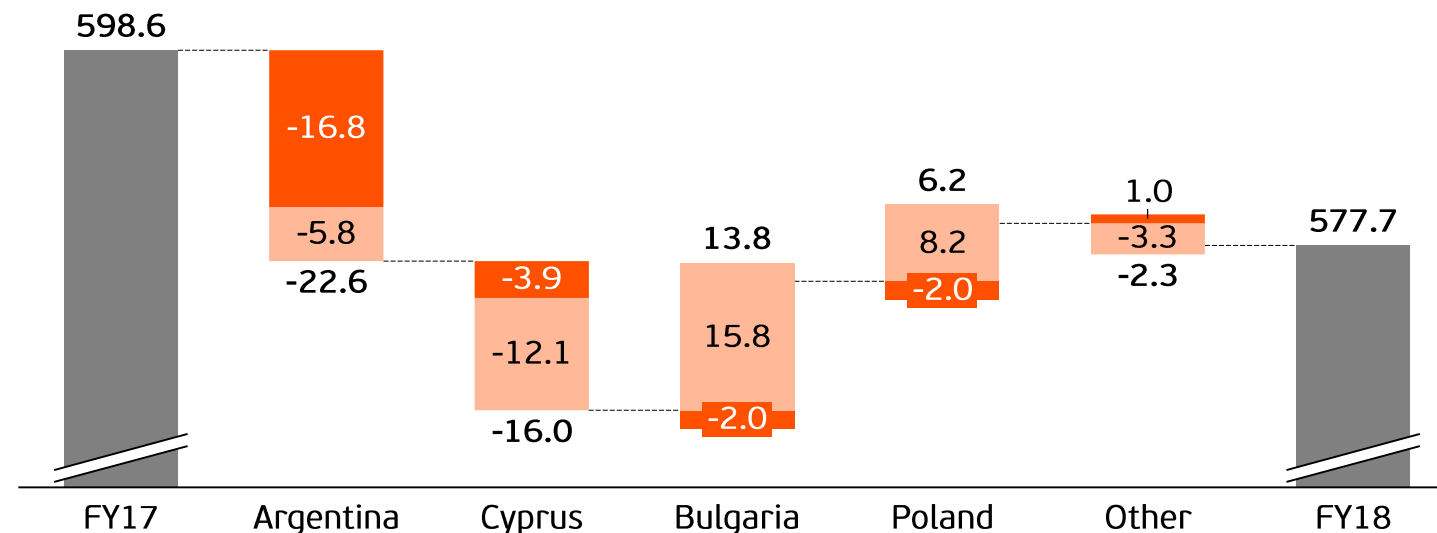
1. Discontinued operations and contracts ended within the current period are excluded from the analysis

Licensed Operations - Revenue Evolution¹



in € million

■ Q4
■ 9M

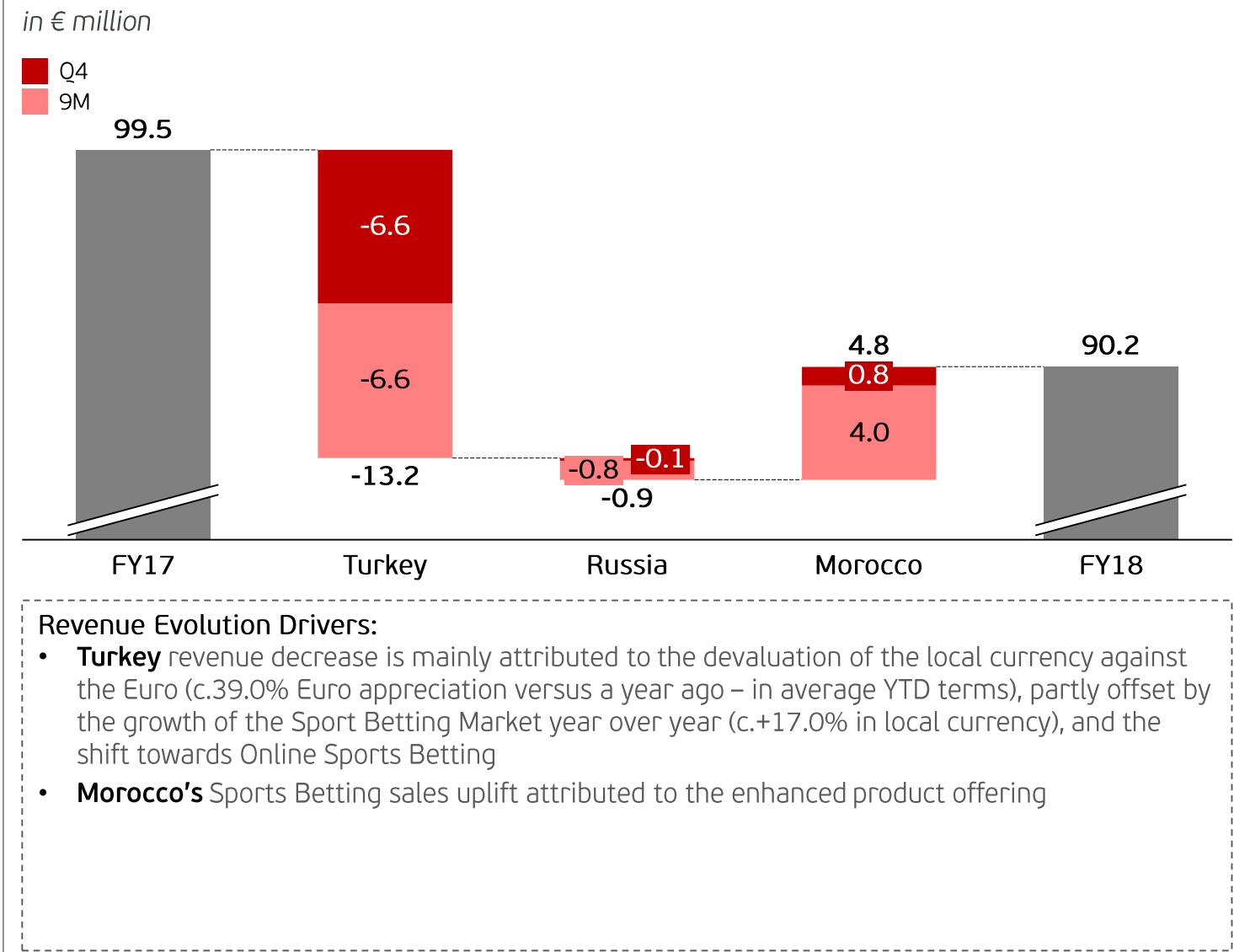
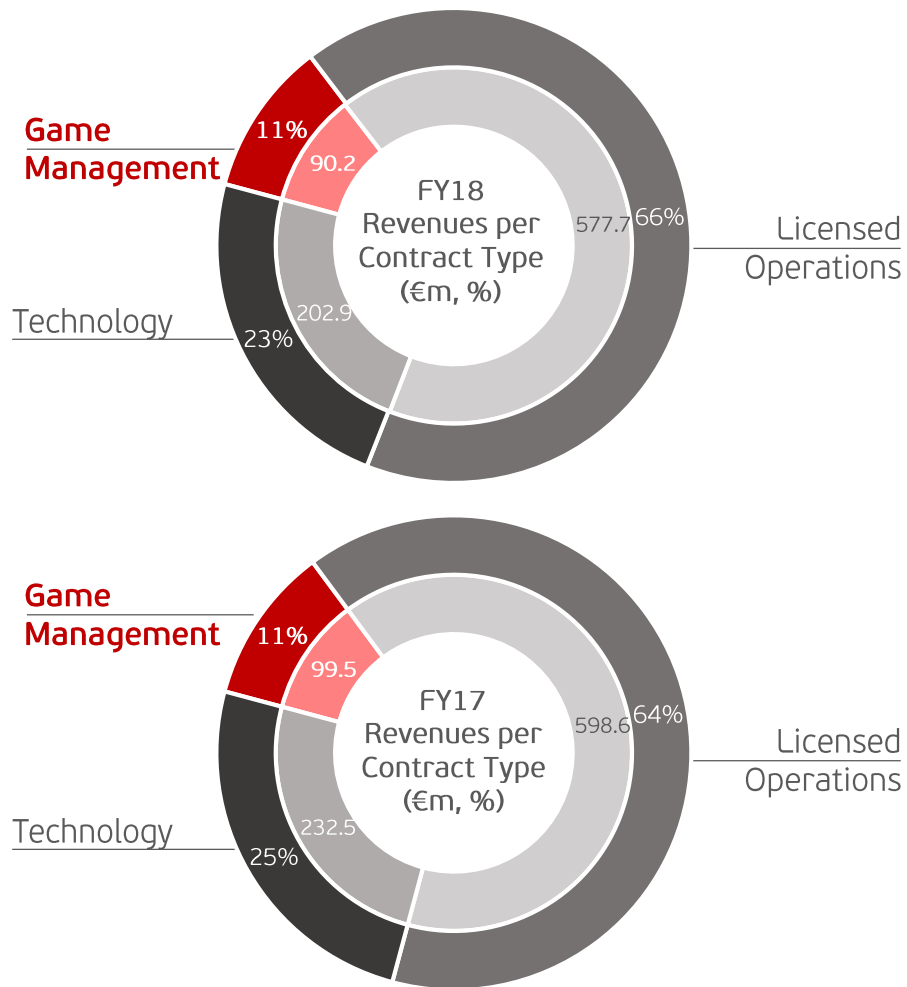


Revenue Evolution Drivers:

- **Argentina** deficit due to macro environment and strong FX headwinds
- **Cyprus** suspended Sports Betting license in 4Q17
- **Bulgaria** following the growth in Virtual Sports, Racing, and Sports Betting; with the growth in part fueled by the increasing Payout
- **Poland** YoY growth driven by the interactive Sport Betting channel (market regulation) and Virtual Games' introduction in 2Q17

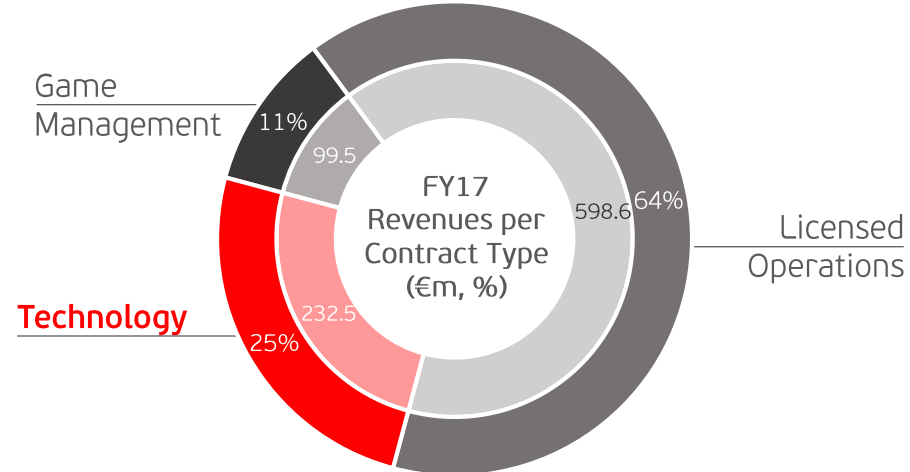
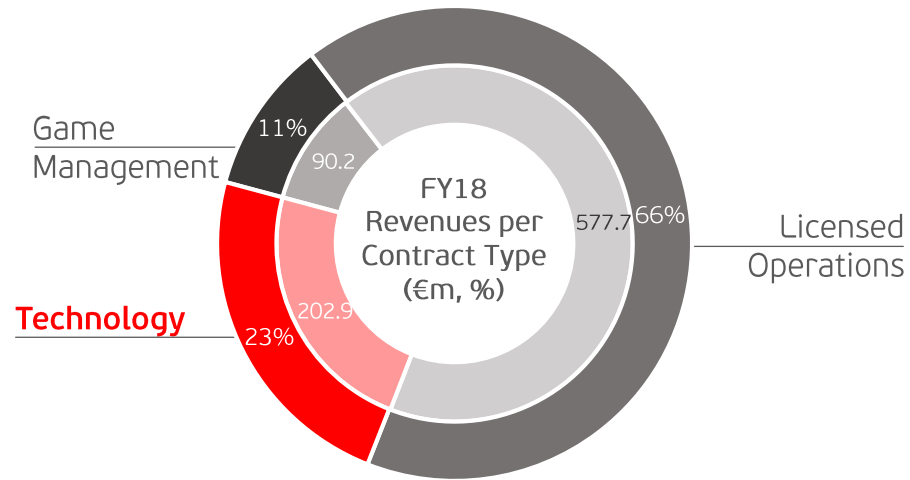
1. Variance from 9M18 reported figures for Bulgaria and Poland due to IFRS15 treatment

Game Management Contracts - Revenue Evolution¹

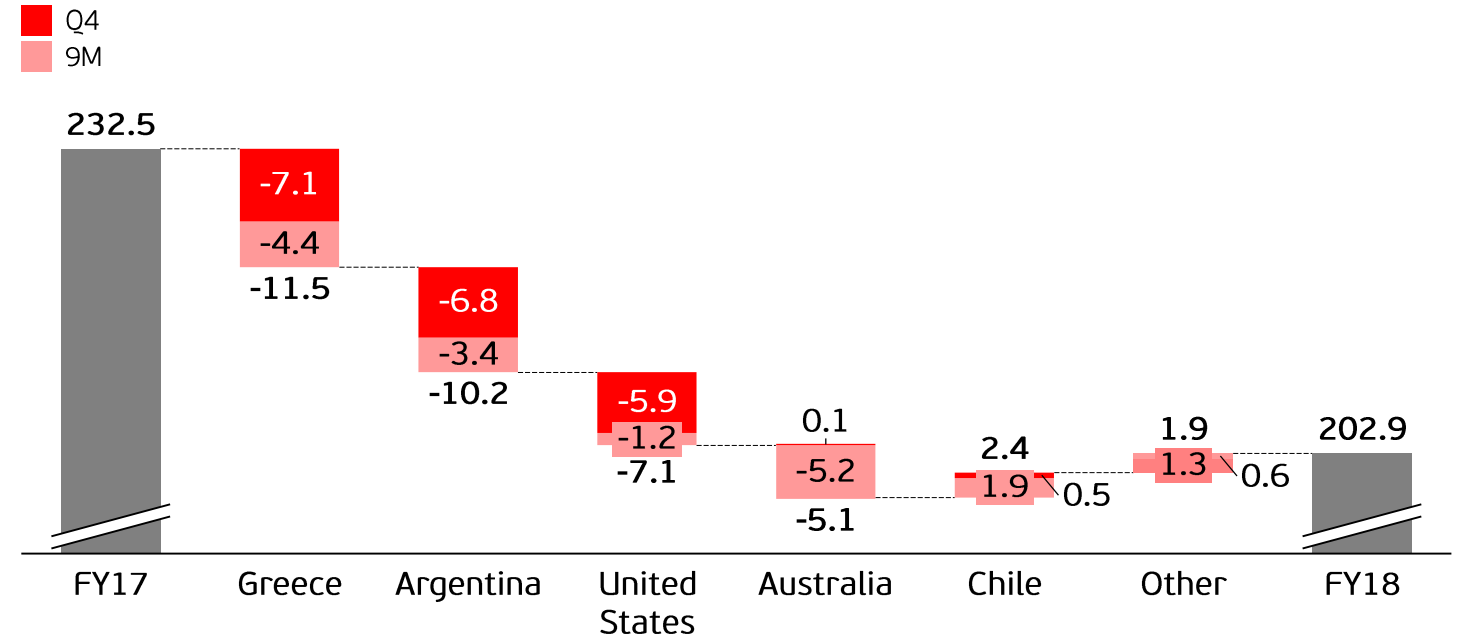


1. Variance from 9M18 reported figures for Turkey due to IFRS15 treatment

Technology Contracts - Revenue Evolution



in € million



Revenue Evolution Drivers:

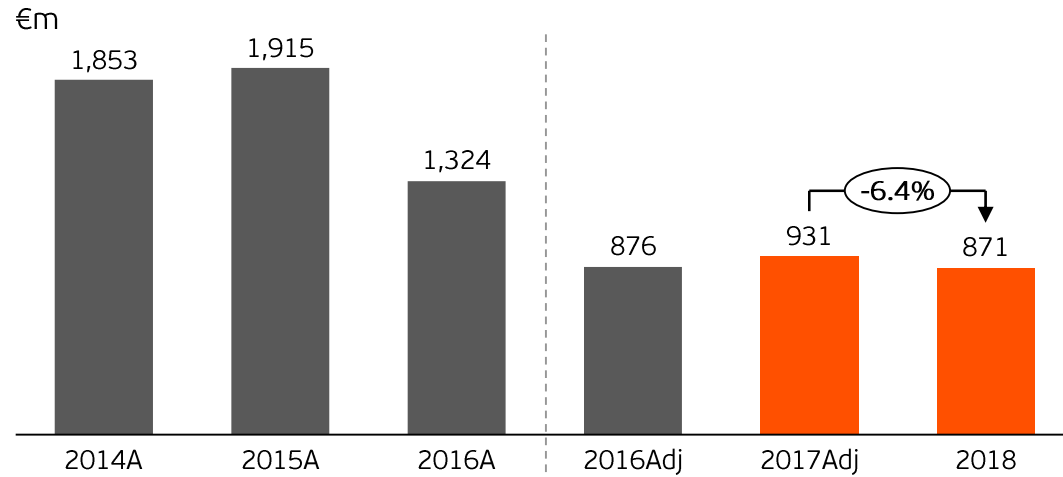
- **Greece** affected by the transition to the new OPAP contract (after July '18 with limited scope)
- **Argentina** deficit due to macro environment and strong FX headwinds
- **US** lower revenues in Euro terms mainly as a result of last year's terminals sale in Ohio (4Q17) and adverse FX; in local currency base and excluding terminal sales in both years, our US operations presented a 6.8% increase
- **Australia** lower recorded revenue mainly as a result of a software license right sale in 2Q17 coupled with adverse FX movement (c.7.0% Euro appreciation - in average YTD terms)
- **Chile** improved contribution following contract maturity (live in early 1Q17)

Consolidated Financial Statements for FY18 and 4Q18

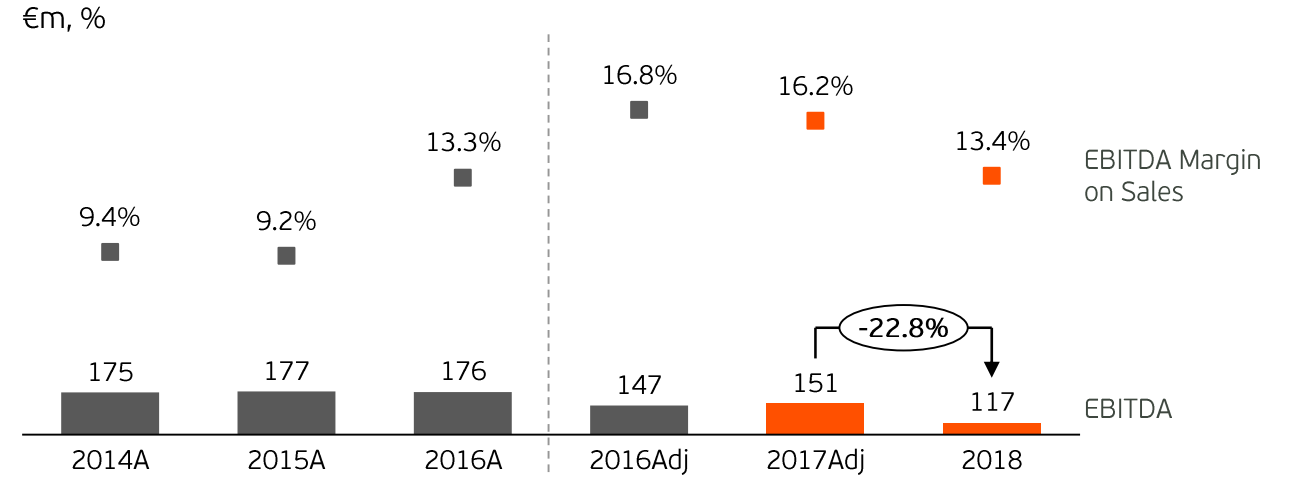
<i>(in € million)</i>	FY18	FY17	% Change	4Q18	4Q17	% Change
Revenues (Turnover)	870.8	930.6	-6.4%	209.6	257.9	-18.7%
Technology, Management & Rest Contracts	296.3	337.0	-12.0%	74.4	99.8	-25.5%
Licensed Operations (Payout related)	574.5	593.6	-3.2%	135.2	158.1	-14.5%
Payout (%)	72.0%	71.1%	0.9pps	72.9%	70.2%	2.7pps
GGR	457.0	508.7	-10.2%	111.0	147.0	-24.5%
nGGR	365.6	405.5	-9.8%	91.1	119.3	-23.6%
Gross Profit	161.3	200.1	-19.4%	34.1	64.2	-46.9%
Gross Profit Margin (%)	18.5%	21.5%	-3.0pps	16.3%	24.9%	-8.6pps
EBITDA	116.5	151.0	-22.8%	18.9	42.3	-55.3%
EBITDA Margin (% Sales)	13.4%	16.2%	-2.8pps	9.0%	16.4%	-7.4pps
EBITDA Margin (% GGR)	25.5%	29.7%	-4.2pps	17.0%	28.8%	-11.8pps
EBT	-2.1	-10.3	+79.6%	-31.2	-20.9	-49.3%
EBT Margin (% Sales)	-0.2%	-1.1%	+0.9pps	-14.9%	-8.1%	-6.8pps
NIATMI from Continuing Operations	-58.5	-63.8	+8.3%	-43.7	-37.3	-17.2%
NIATMI from Total Operations	-25.6	-53.4	+52.1%	-14.7	-21.4	+31.3%

Overview Of Key Financial Metrics

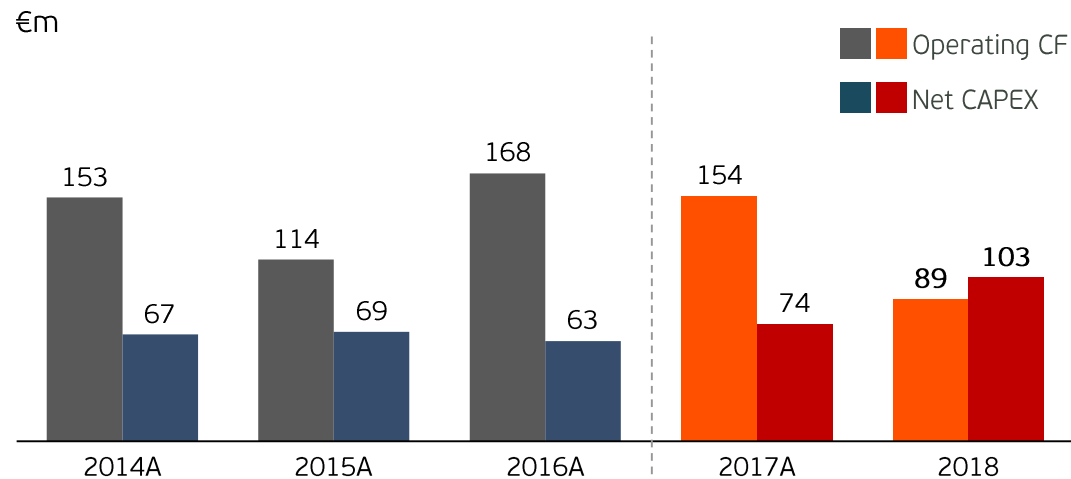
REVENUES¹



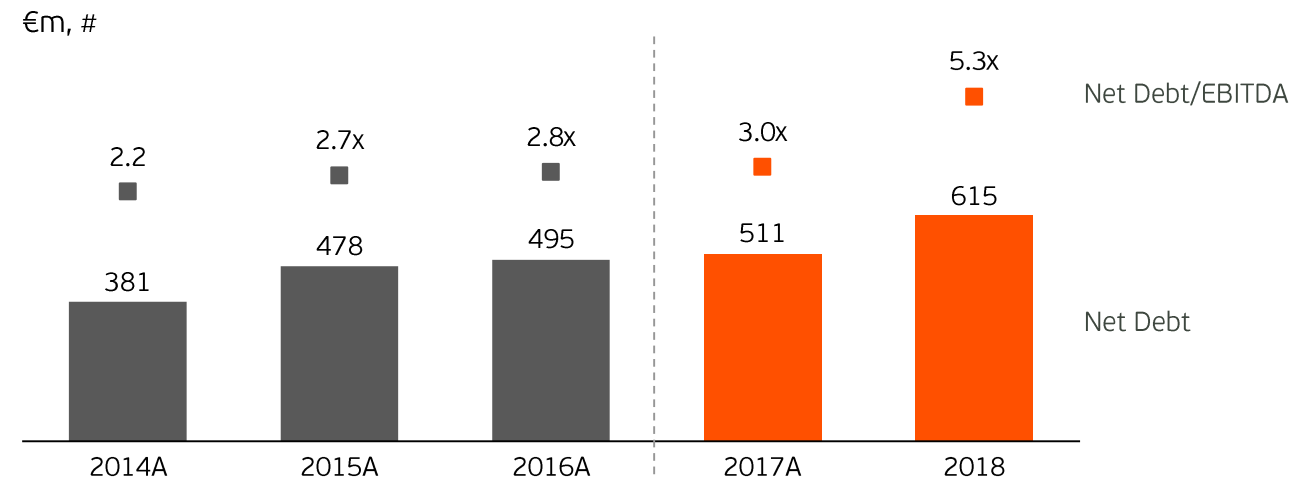
EBITDA AND EBITDA MARGIN¹



OPERATING CASH FLOW AND NET CAPEX



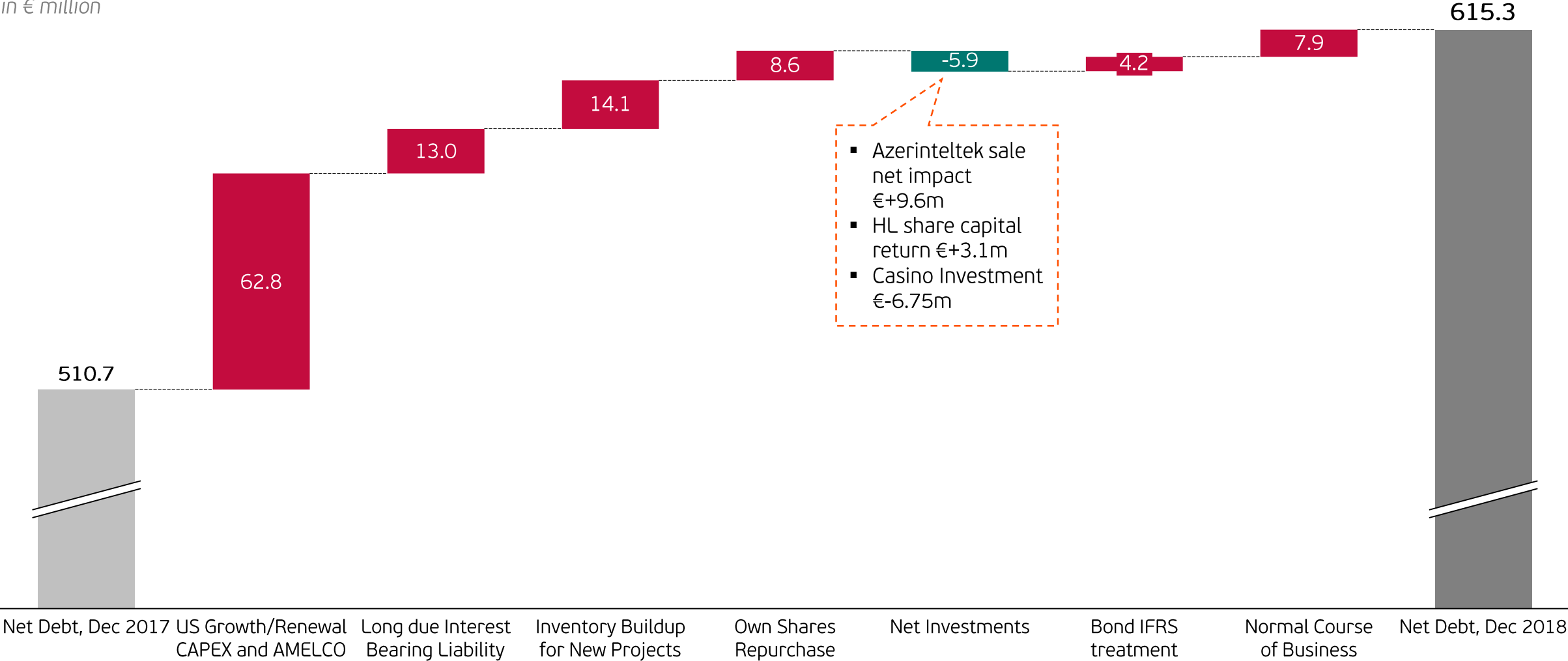
NET DEBT² AND NET DEBT / EBITDA³



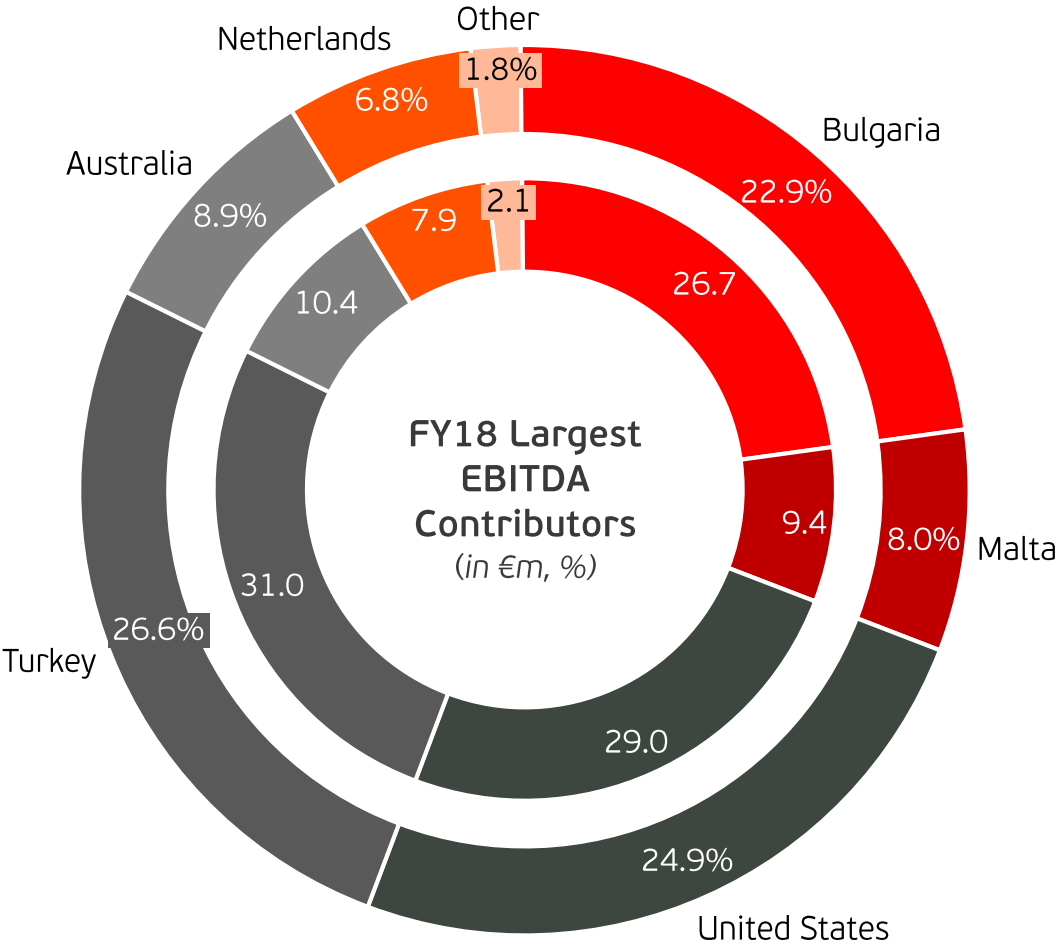
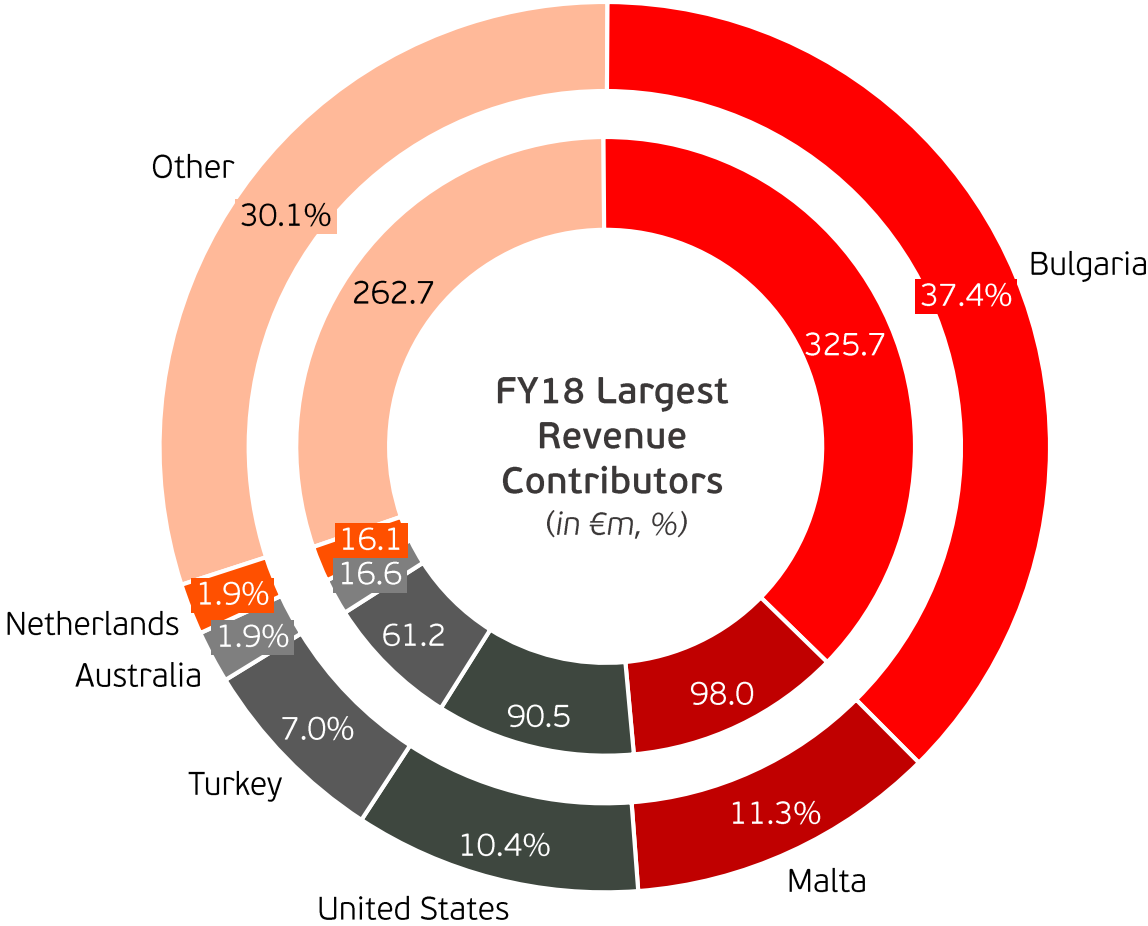
1. For 2016Adj, 2017Adj and 2018: Excluding discontinued operations in Italy, Peru, Russia, Jamaica, Slovakia, and Azerbaijan
2. Net debt calculated as Long-term debt plus Short-term debt and current portion of long-term debt plus Financial Leases less Cash and cash equivalents
3. Calculated as Net debt divided by LTM EBITDA. Net Debt and EBITDA levels as reported/ published in the respective periods

Net Debt Movement

Net Debt Movement, FY18
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	FY18 EBITDA Contribution	FY17 EBITDA Contribution
 Inteltek ¹	45.00%	15%	15%
 Bilyoner ¹	50.01%	11%	11%
 Eurofootball Group ²	49.00% + option for additional 2.00%	18%	15%
 Eurobet Group ²	49.00% + option for additional 2.00%	5%	4%
 Tecno Accion Group ³	50.01%	10%	12%
Total Partnership Contribution		59%	57%
INTRALOT's Portion of EBITDA		66%	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



FY18 – Group Income Statement

<i>(in € million)</i>	FY18	FY17	% Change
Revenues	870.8	930.6	-6.4%
Gross Profit	161.3	200.1	-19.4%
Other Operating Income	16.2	16.7	-3.0%
OPEX	-126.2	-128.5	-1.8%
EBITDA	116.5	151.0	-22.8%
<i>Margin</i>	13.4%	16.2%	-2.8pps
EBIT	51.3	88.3	-41.9%
Interest Expense (Net)	-42.3	-63.1	-33.0%
Exchange Differences	8.2	-5.7	-
Other	-19.3	-29.8	-35.2%
EBT	-2.1	-10.3	79.6%
NIATMI	-25.6	-53.4	+52.1%
NIATMI Continuing	-58.5	-63.8	+8.3%
NIATMI Discontinued	32.9	10.4	216.3%

FY18 – Group Statement Of Financial Position

(in € million)

	FY18	FY17
Tangible Assets	133.4	102.8
Intangible Assets	302.3	324.5
Other Non-current Assets	165.8	178.6
Inventories	45.6	31.5
Trade Receivables	71.4	84.2
Other Current Assets	225.6	300.3
Total Assets	944.1	1,021.9
Share Capital	47.1	47.7
Other Equity Elements	-40.8	10.1
Non-controlling Interests	28.1	32.0
Total Shareholders Equity	34.4	89.8
Long-term Debt	737.1	729.4
Provisions / Other Long Term Liabilities	26.2	29.6
Short-term Debt	40.7	19.3
Other Short-term Liabilities	105.7	153.8
Total Liabilities	909.7	932.1
Total Equity And Liabilities	944.1	1,021.9

FY18 – Group Cash Flow

(in € million)

	FY18	FY17
EBT from continuing operations	-2.2	-10.3
EBT from discontinued operations	52.3	35.7
Plus/less Adjustments	96.3	162.7
Decrease/(increase) of Inventories	-10.3	-5.1
Decrease/(increase) of Receivable Accounts	1.2	-13.7
(Decrease)/increase of Payable Accounts	-24.7	20.9
Income Tax Paid	-24.0	-36.2
Net Cash from Operating Activities	88.6	154.0
Net CAPEX	-103.2	-73.8
(Purchases) / Sales of subsidiaries & other investments	5.9	18.3
Interest received	5.6	6.8
Dividends received	8.0	2.4
Net Cash from Investing Activities	-83.7	-46.3
Repurchase of own shares	-8.6	-0.4
Cash inflows from loans	87.3	587.2
Repayment of loans	-53.7	-509.5
Bond buybacks	-5.0	0.0
Repayment of Leasing Obligations	-8.1	-3.2
Interest and similar charges paid	-48.8	-51.8
Dividends paid	-36.3	-38.6
Net Cash from Financing Activities	-73.2	-16.3
Net increase / (decrease) in cash for the period	-68.3	91.4
Exchange differences	-7.2	-17.8
Cash at the beginning of the period	238.0	164.4
Cash at the end of the period from total operations	162.5	238.0

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The image features the Intralot logo in the bottom left corner, consisting of the word "intralot" in a bold, italicized, dark grey sans-serif font, with a thick orange underline that tapers to the right. On the right side of the image is a large, abstract graphic composed of several overlapping, curved shapes in a warm color palette of orange, yellow, and red, creating a sense of dynamic movement.