

1Q19 Financial Results

June 14th, 2019

intralot



By reading or attending the presentation that follows, you agree to be bound by the following limitations:

This presentation has been prepared by INTRALOT S.A. and its subsidiaries (the "Company" or "We") solely for informational purposes and does not constitute, and should not be construed as, an offer to sell or issue securities or otherwise constitute an invitation or inducement to any person to purchase, underwrite, subscribe to or otherwise acquire securities in the Company. This presentation is intended to provide a general overview of the Company and its business and does not purport to deal with all aspects and details regarding the Company. For the purposes of this disclaimer, the presentation that follows shall mean and include the slides that follow, the oral presentation of the slides by the Company or any person on its behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed in connection with the presentation. By attending the meeting at which the presentation is made, dialing into the teleconference during which the presentation is made or reading the presentation, you will be deemed to have agreed to all of the restrictions that apply with regard to the presentation and acknowledged that you understand the legal regulatory sanctions attached to the misuse, disclosure or improper circulation of the presentation. The Company has included non-IFRS financial measures in this presentation. These measurements may not be comparable to those of other companies. Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS. The information contained in this presentation has not been subject to any independent audit or review. A significant portion of the information contained in this presentation, including all market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyze or compute market information and data would obtain or generate the same results. We have not verified the accuracy of such information, data or predictions contained in this presentation that were taken or derived from industry publications, public documents of our competitors or other external sources. Further, our competitors may define our and their markets differently than we do. In addition, past performance of the Company is not indicative of future performance. The future performance of the Company will depend on numerous factors, which are subject to uncertainty, including factors which may be unknown on the date hereof. Each attendee or recipient acknowledges that neither it nor the Company intends that the Company act or be responsible as a fiduciary to such attendee or recipient, its management, stockholders, creditors or any other person. By accepting and providing this document, each attendee or recipient and the Company, respectively, expressly disclaims any fiduciary relationship and agrees that each attendee or recipient is responsible for making its own independent judgment with respect to the Company and any other matters regarding this document. Certain statements contained in this presentation that are not statements of historical fact, including, without limitation, any statements preceded by, followed by or including the words "targets," "believes," "expects," "aims," "intends," "may," "anticipates," "would," "could" or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. Examples of forward looking statements include, but are not limited to: (i) statements about future financial and operating results; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected levels of production, projected costs and projected levels of revenues and profits of the Company or its management or boards of directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the Company. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. We have based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, could be materially adversely affected. You should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

Presentation Participants

CHRYSTOSTOMOS SFATOS, **GROUP DEPUTY CEO**

NIKOLAOS NIKOLAKOPOULOS, **GROUP DEPUTY CEO**

ANDREAS CHRYSOS, **GROUP CFO**

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

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

MICHAIL TSAGKALAKIS, **CAPITAL MARKETS DIRECTOR**

For more information:

Mr. Michail Tsagkalakis, **Capital Markets Director**: tsagalakis@intralot.com

Investor Relations Department:

www.intralot.com

Phone: +30-210 6156000

Fax: +30-210 6106800

Email: ir@intralot.com

"The first quarter results reflect a big improvement from the last quarter of 2018, with quarter-on-quarter increase of EBITDA by more than 62% compared with the last quarter of 2018, although they still compare unfavorably with first quarter results of last year. The impact, due mainly to the partial loss of the OPAP contract last year, will be offset progressively by the successful launch of the Illinois Lottery landmark project on February 18, 2019.

Earlier this year we launched a series of initiatives to implement a strategy of cost containment, organic growth, and operational efficiencies. On the organic growth front, we have been very successful by signing a new flagship contract in Canada with British Columbia Lottery Corporation for a Gaming Engine, terminal software and hardware, as well as services for 5 years that can be extended for up to further 6 years. After an international competition, we also signed this week the renewal of our Sports Betting contract in Morocco for 8+2 years, which includes a full product portfolio mix.

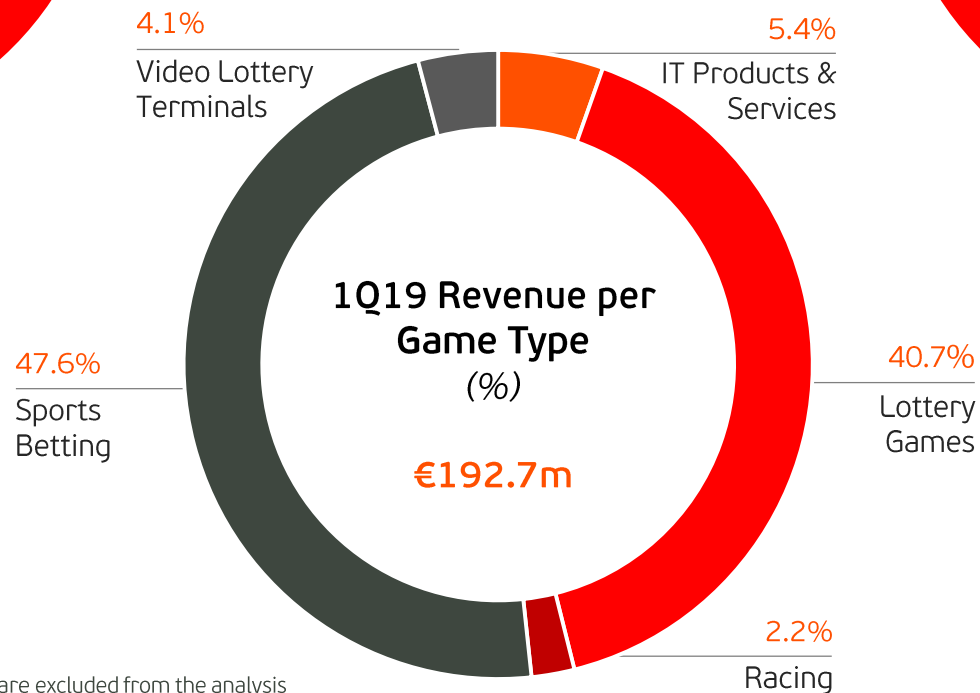
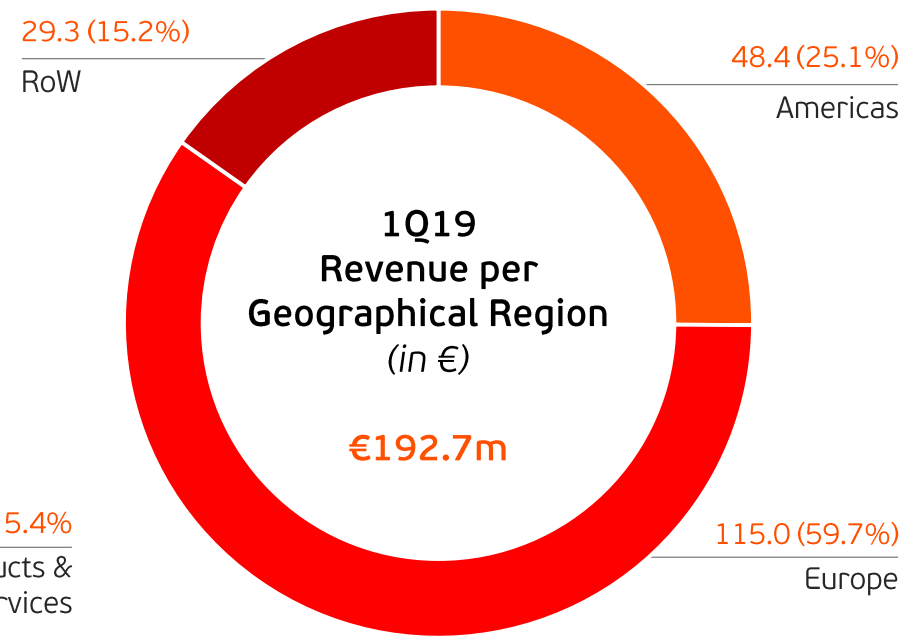
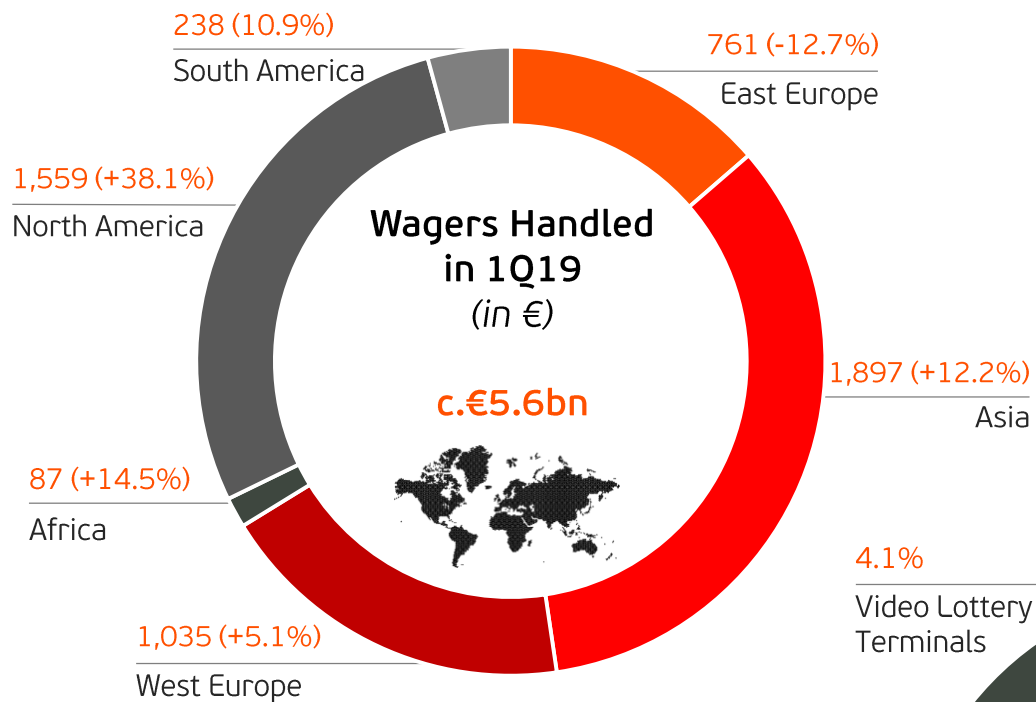
On the cost containment front we have already taken measures of OPEX and CAPEX reductions that will lead in savings in excess of €10m, on a recurring, annualized basis, while collection of dividends in the second quarter boost our immediately controlled available liquidity.

Continuing positive news from advances in the sports betting legislative environment in the US, in the District of Columbia and Montana, create immediate prospects for new revenue generation in the promising US sports betting market. We are also very optimistic about GAMENET, our asset in Italy, which announced very strong growth in the first quarter of 2019.

We have recently reorganized our Technology division by creating two new dedicated, end-to-end, Sports betting and Lottery divisions focusing on the design and evolution of our next-generation platforms and portfolio offering, and a customer focused, solution delivery division to boost our operational efficiencies and strengthen our digital operations capabilities.

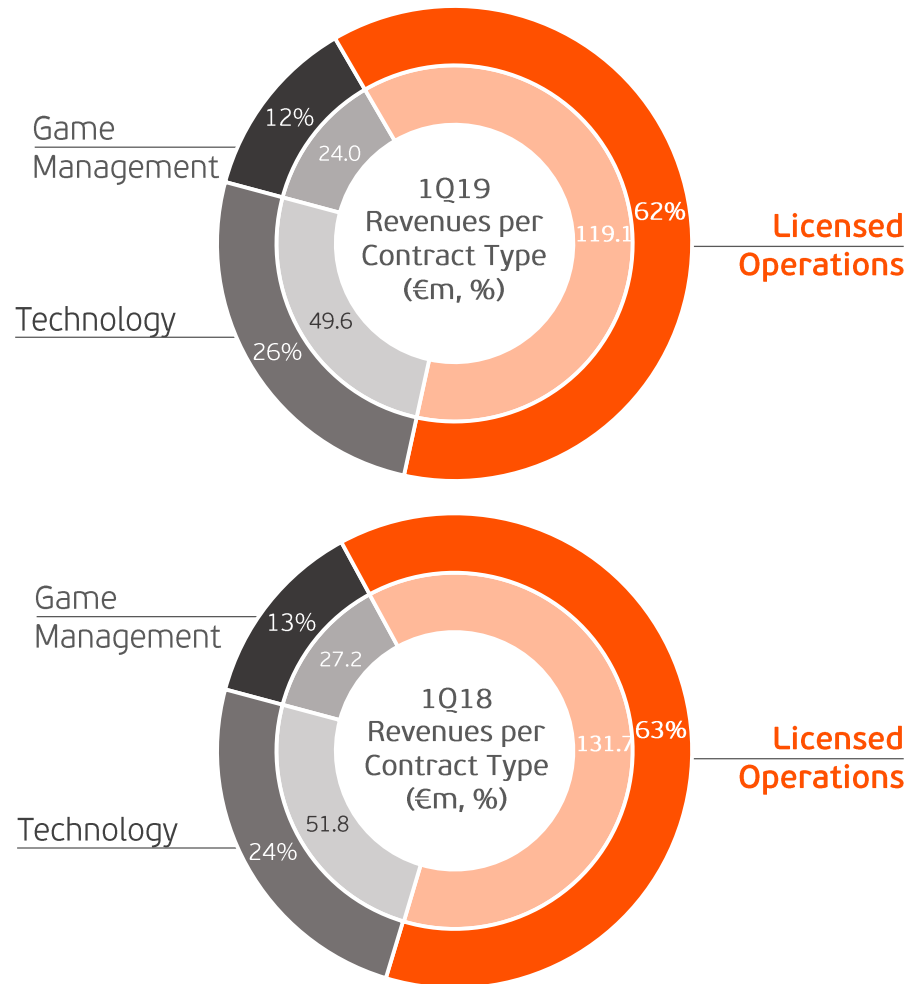
Finally, in the US we have announced a new Board of Directors of our subsidiary, INTRALOT Inc. with three new non-executive members that will strengthen our corporate governance structure, with former Ambassador Tom Miller as the non-executive Chairman of the Board, Financier Daniel Rappaport as Vice Chairman, and Business Consultant Nicholas Mitropoulos as Member."

Wagers Handled & Revenues¹

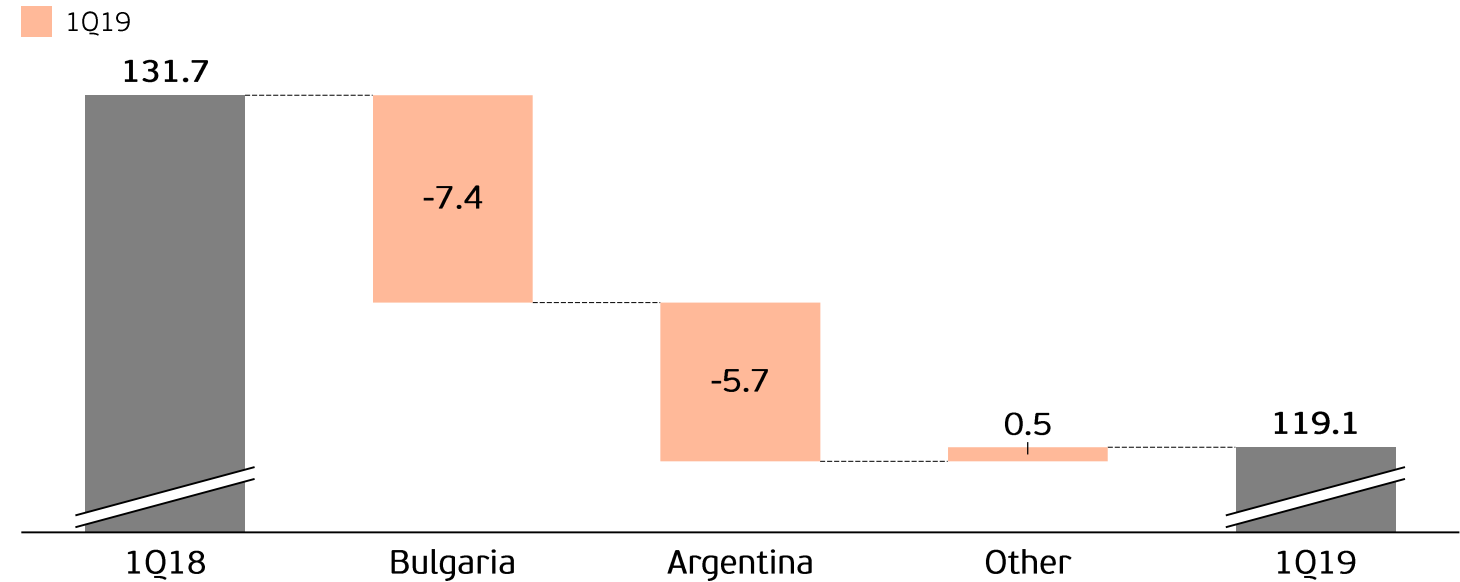


1. Discontinued operations and contracts ended within the current period are excluded from the analysis

Licensed Operations - Revenue Evolution¹



in € million

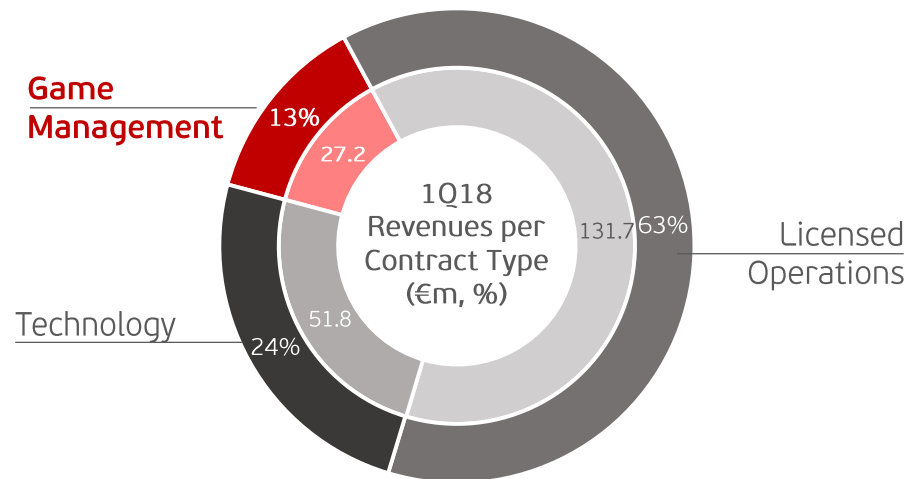
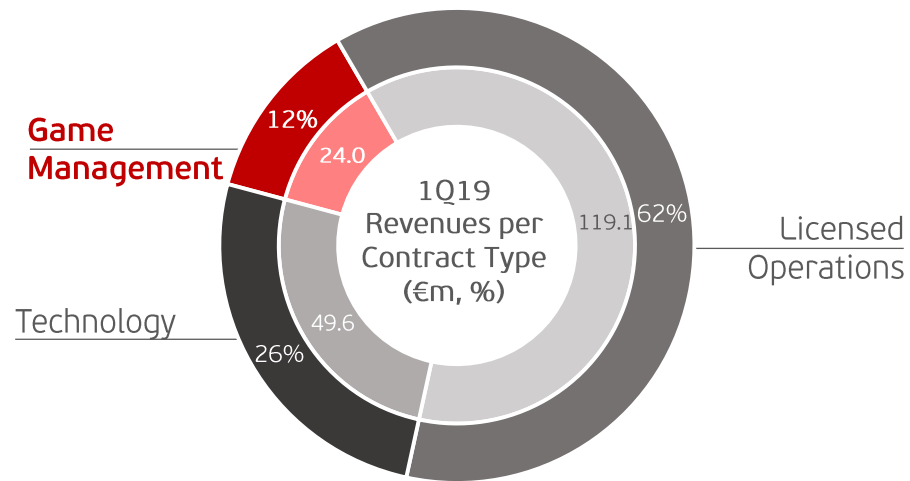


Revenue Evolution Drivers:

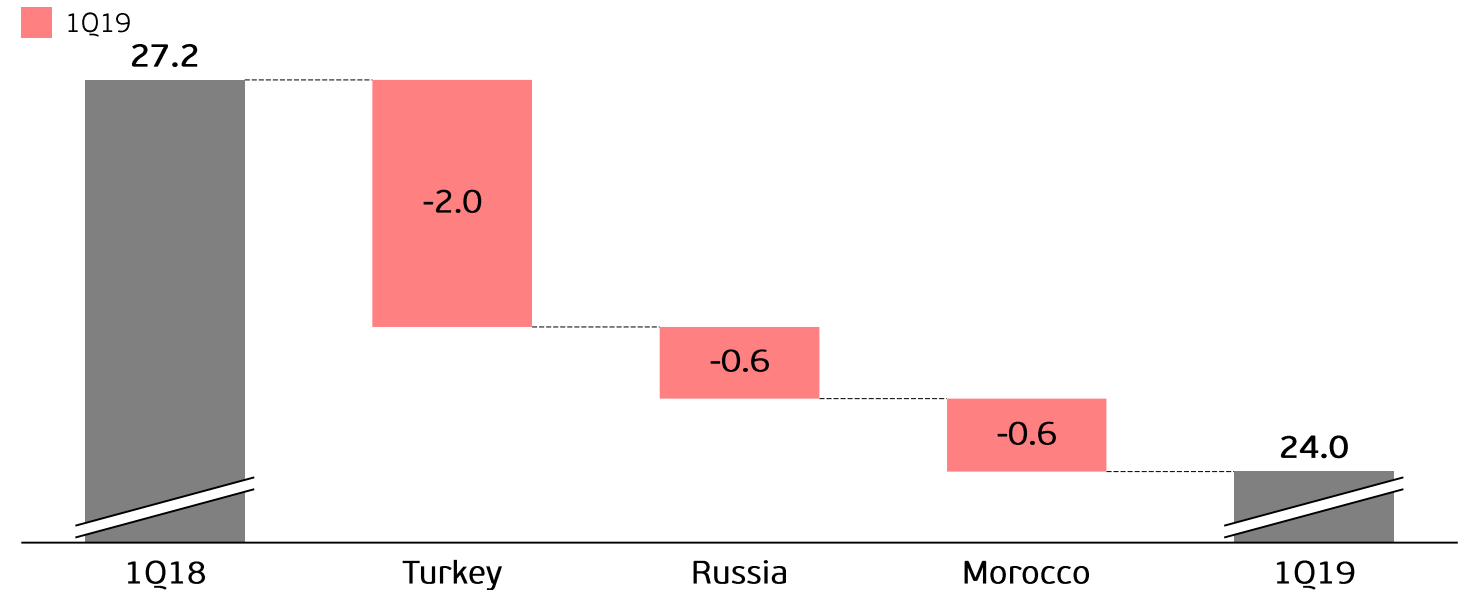
- **Bulgaria** driven mainly by Virtual Sports performance (revised payout strategy). Sports Betting, Numerical, and Racing performance on par with last year
- **Argentina** deficit due to macro environment and strong FX headwinds

1. Variance from 1Q18 reported figures due to IFRS15 treatment

Game Management Contracts - Revenue Evolution¹



in € million

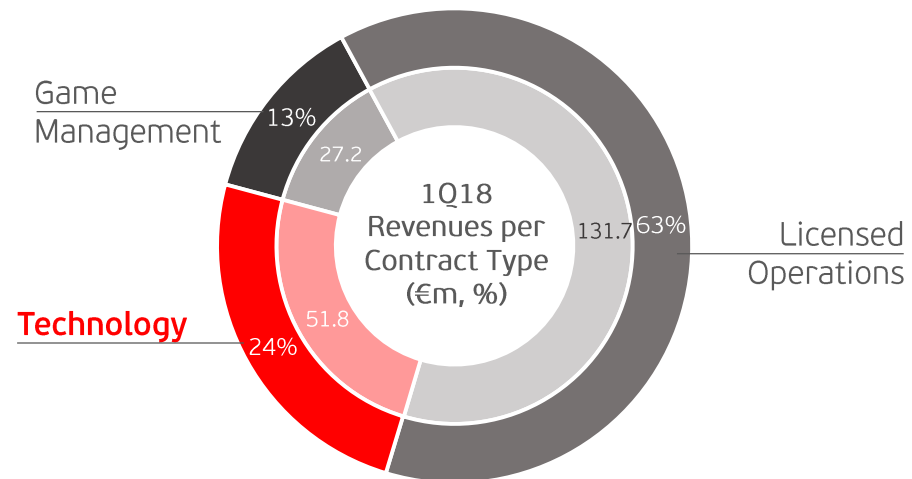
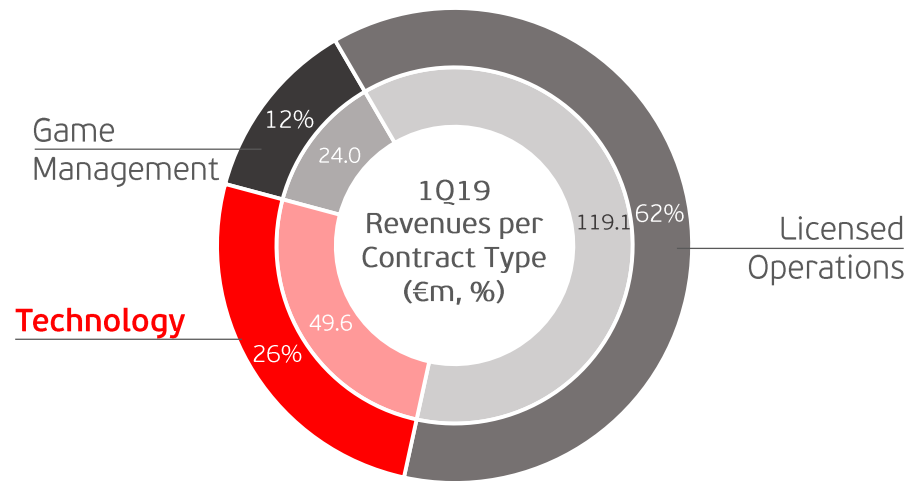


Revenue Evolution Drivers:

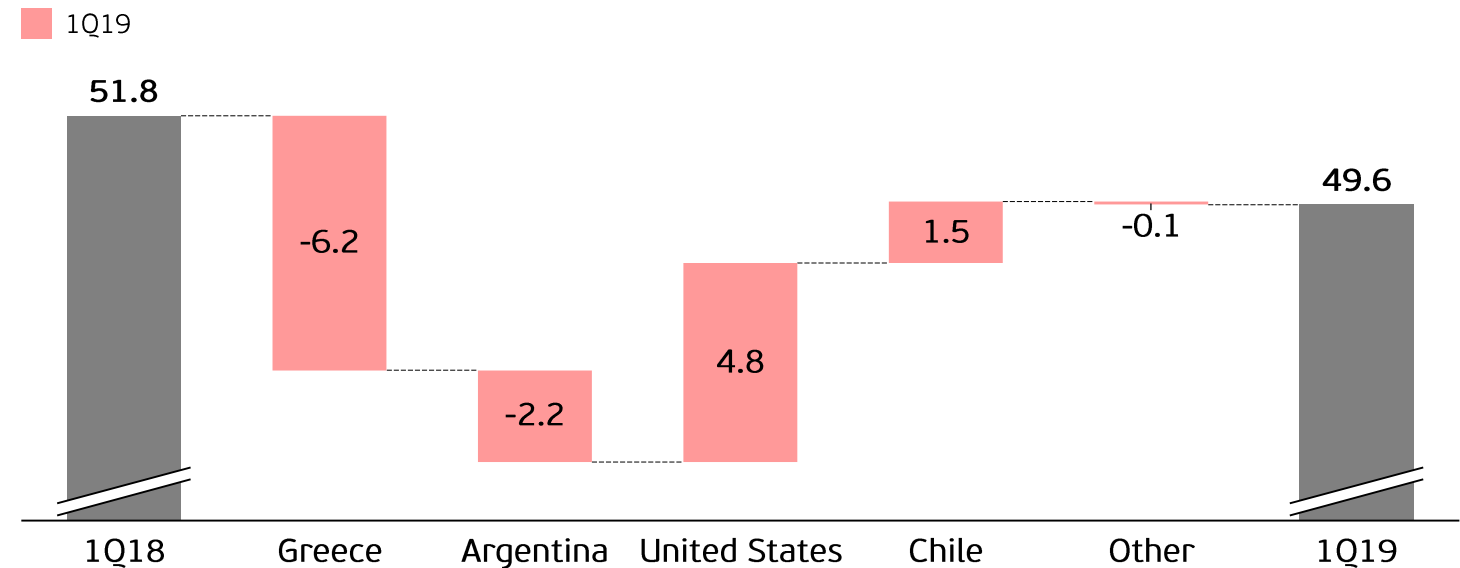
- **Turkey** revenue decrease is mainly attributed to the devaluation of the local currency against the Euro (c.30.0% Euro appreciation versus a year ago – in average YTD terms), partly offset by the growth of the Sport Betting Market year over year (c.+10.0% in local currency), and the shift towards Online Sports Betting
- **Russia's** discontinued contract
- **Morocco** mainly impacted by the decreased Numerical sales following the discontinuation of the contract with one of the two lotteries (SGLN)

1. Variance from 1Q18 reported figures due to IFRS15 treatment

Technology Contracts - Revenue Evolution



in € million



Revenue Evolution Drivers:

- **Greece** mainly 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** mainly driven by the contribution of our new contract in Illinois (mid-February launch), and of a Powerball jackpot occurrence in 1Q19, fully absorbing the impact of the South Carolina contract discontinuation. Performance has also been boosted by a favorable USD movement (c.7.3% Euro depreciation versus a year ago — in YTD average terms)
- **Chile's** better performance largely as a result of a significant Lotto jackpot in 1Q19

Consolidated Financial Statements for 1Q19

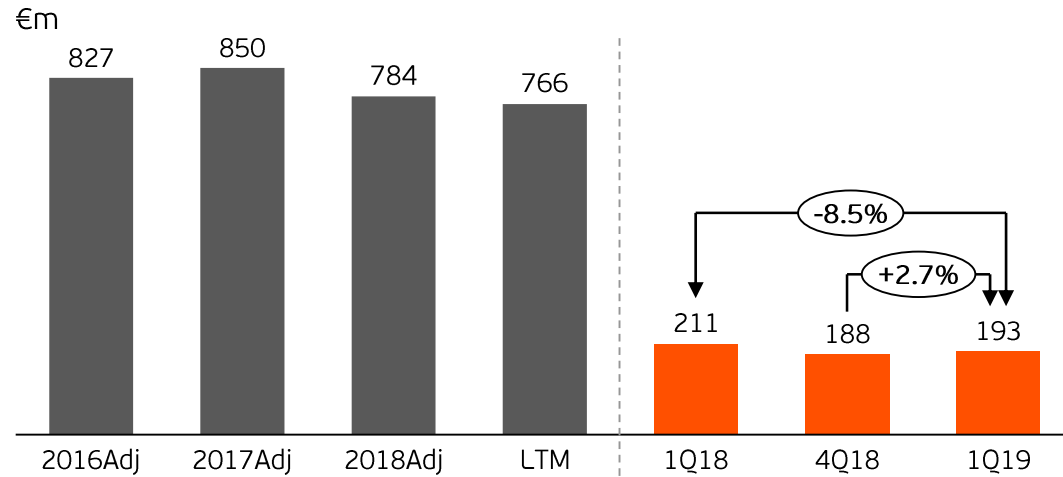
(in € million)	1Q19	1Q18	4Q18 ¹	% Change (y-o-y)	% Change (q-o-q)	LTM
Revenues (Turnover)	192.7	210.7	187.7	-8.5%	2.7%	766.3
Technology, Management & Rest Contracts	74.3	80.0	74.3	-7.1%	-	290.3
Licensed Operations (Payout related)	118.4	130.7	113.4	-9.4%	4.4%	476.0
Payout (%) ²	70.5%	72.3%	71.7%	-1.8pps	-1.2pps	70.9%
GGR	109.1	116.0	106.1	-5.9%	2.8%	428.0
nGGR	89.8	94.1	89.0	-4.6%	0.9%	350.8
Gross Profit	39.8	46.8	33.7	-15.0%	18.1%	150.9
Gross Profit Margin (%)	20.7%	22.2%	18.0%	-1.5pps	+2.7pps	19.7%
EBITDA	31.8	37.3	19.6	-14.7%	62.2%	112.2
EBITDA Margin (% Sales)	16.5%	17.7%	10.4%	-1.2pps	+6.1pps	14.6%
EBITDA Margin (% GGR)	29.1%	32.2%	18.5%	-3.1pps	+10.6pps	26.2%
EBT	4.5	8.3	-30.4	-45.8%	-	-3.5
EBT Margin (% Sales)	2.3%	3.9%	-16.2%	-1.6pps	+18.5pps	-0.5%
NIATMI from Continuing Operations	-10.8	-6.7	-42.9	-61.2%	74.8%	-60.3
NIATMI from Total Operations	-12.2	-6.0	-14.6	-103.3%	16.4%	-31.8

1. Excluding the impact of our discontinued operation in Poland

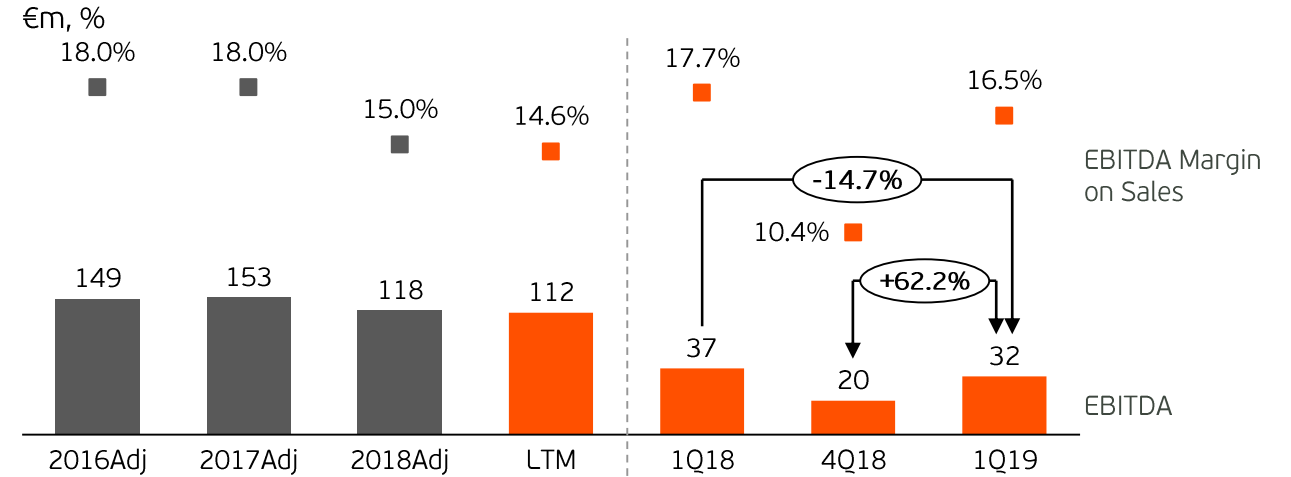
2. Payout ratio calculation excludes the IFRS 15 impact for payments to customers

Overview Of Key Financial Metrics

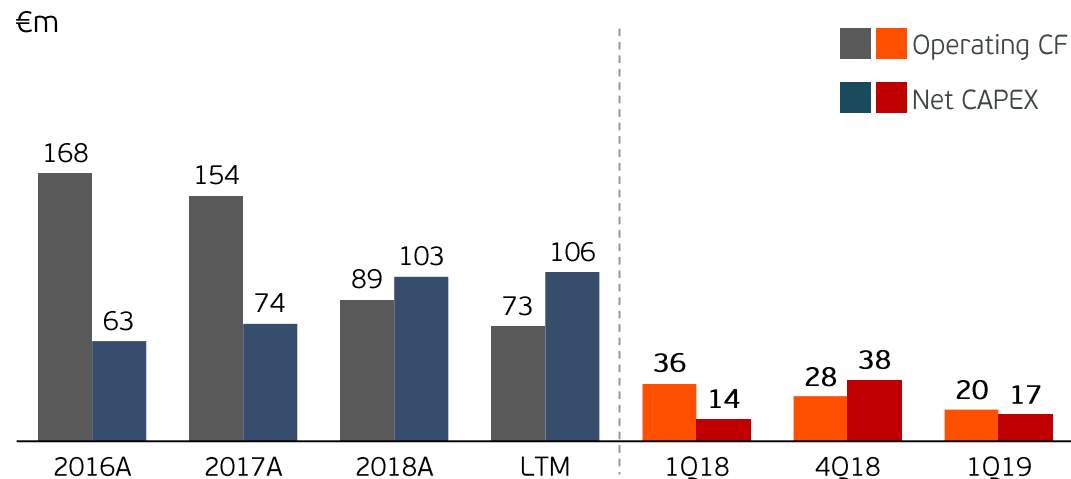
REVENUES¹



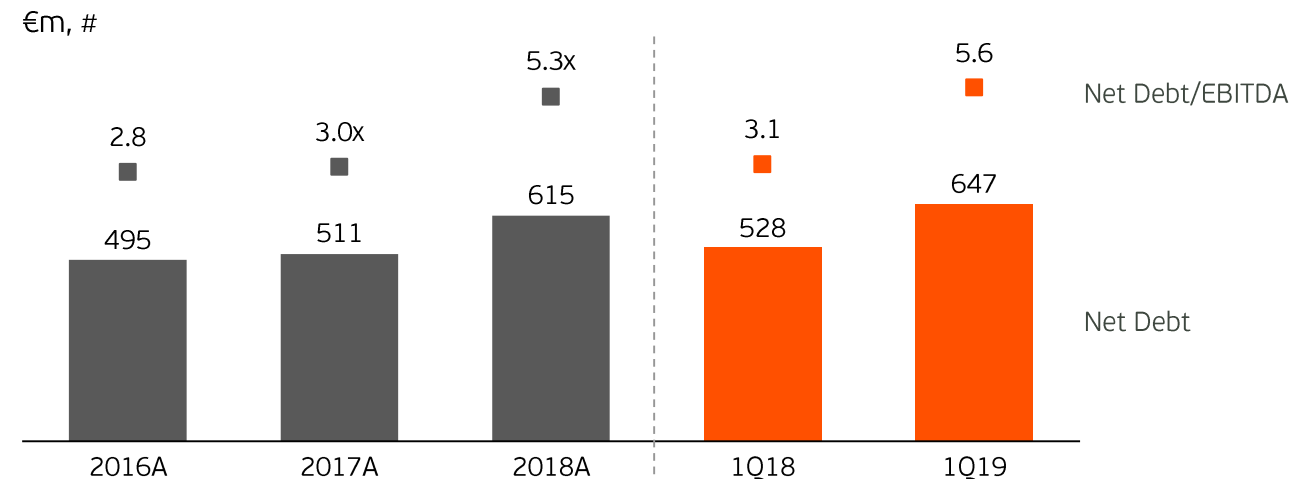
EBITDA AND EBITDA MARGIN¹



OPERATING CASH FLOW AND NET CAPEX



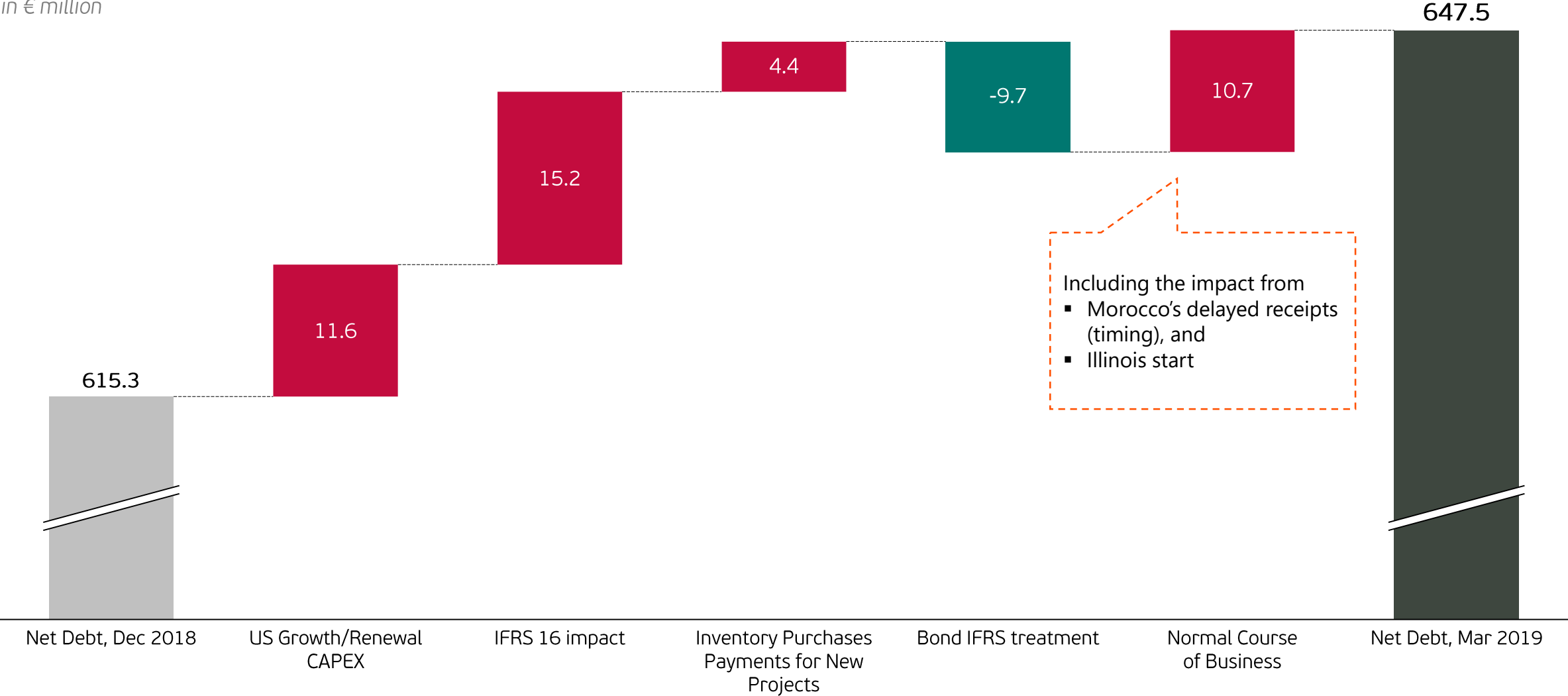
NET DEBT² AND NET DEBT / EBITDA³



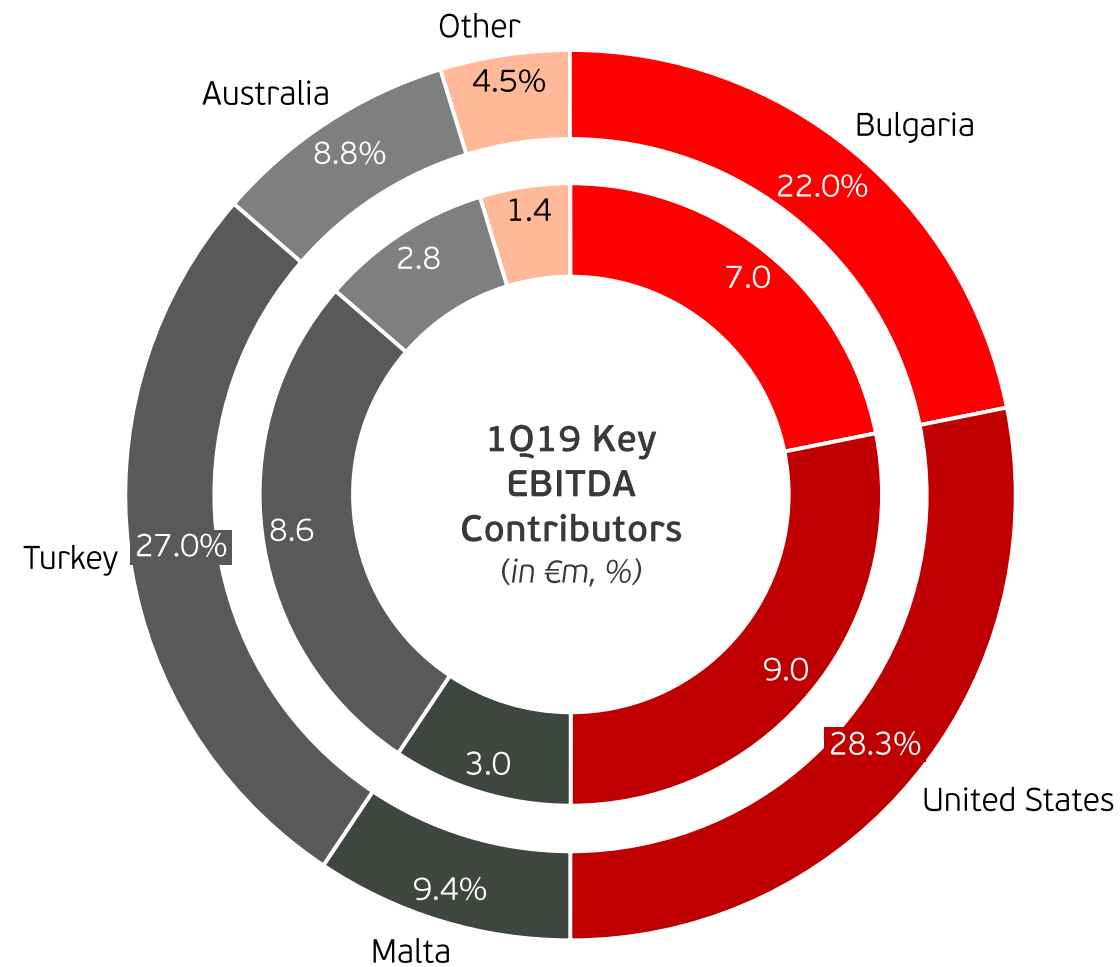
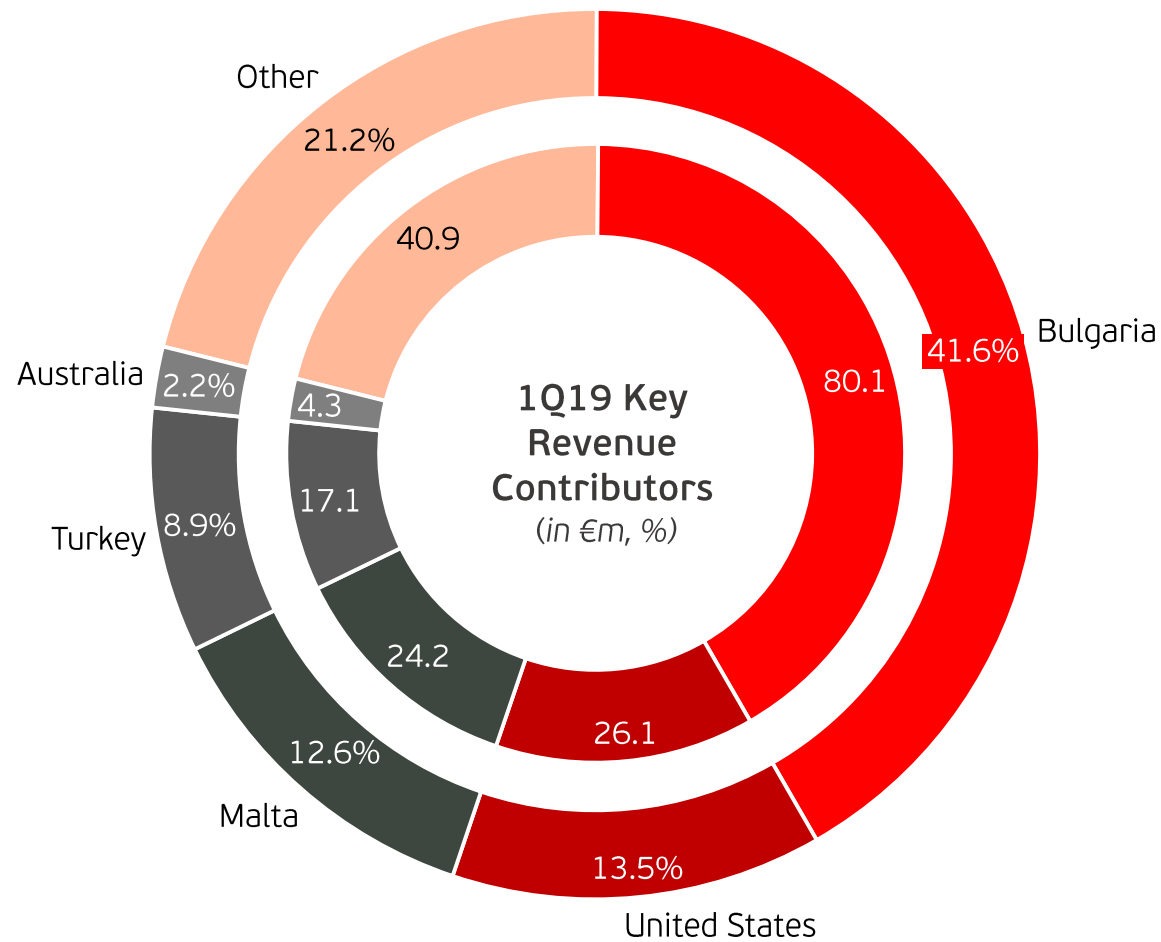
1. Excluding discontinued operations in Italy, Peru, Russia, Jamaica, Slovakia, Azerbaijan, and Poland. Revenues of 2016Adj are not adjusted for IFRS 15
2. Net debt calculated as Long-term debt plus Short-term debt and current portion of long-term debt plus Financial Leases less Cash and cash equivalents
3. Calculated as Net debt divided by LTM EBITDA. Net Debt and EBITDA levels as reported/ published in the respective periods. LTM EBITDA in 1Q19 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, 1Q19
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	1Q19 EBITDA Contribution	1Q18 EBITDA Contribution
 Inteltek ¹	45.00%	18%	18%
 Bilyoner ¹	50.01%	9%	9%
 Eurofootball Group ²	49.00% + option for additional 2.00%	17%	14%
 Eurobet Group ²	49.00% + option for additional 2.00%	5%	4%
 Tecno Accion Group ³	50.01%	8%	9%
Total Partnership Contribution		57%	54%
INTRALOT's Portion of EBITDA		67%	69%

1. Management Contract

2. Licensed Operation

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

APPENDIX

SUMMARY OF FINANCIAL STATEMENTS



1Q19 – Group Income Statement

<i>(in € million)</i>	1Q19	1Q18	% Change	LTM
Revenues	192.7	210.7	-8.5%	766.3
Gross Profit	39.8	46.8	-15.0%	150.9
Other Operating Income	4.9	3.4	44.1%	17.1
OPEX	-32.4	-28.4	14.0%	-124.6
EBITDA	31.8	37.3	-14.7%	112.2
<i>Margin</i>	16.5%	17.7%	-1.2pps	14.6%
EBIT	12.3	21.8	-43.6%	43.4
Interest Expense (Net)	-11.0	-11.1	-0.9%	-41.9
Exchange Differences	3.7	-2.4	-	14.7
Other	-0.5	0.0	-	-19.7
EBT	4.5	8.3	-45.8%	-3.5
NIATMI	-12.2	-6.0	-103.3%	-31.8
NIATMI Continuing	-10.8	-6.7	-61.2%	-60.3
NIATMI Discontinued	-1.4	0.7	-	28.5

1Q19 – Group Statement Of Financial Position

(in € million)

	1Q19	FY18
Tangible Assets	170.1	133.4
Intangible Assets	288.2	302.3
Other Non-current Assets	167.2	165.8
Inventories	40.4	45.6
Trade Receivables	81.3	71.4
Other Current Assets	193.5	225.6
Total Assets	940.7	944.1
Share Capital	47.1	47.1
Other Equity Elements	-51.2	-40.8
Non-controlling Interests	27.1	28.1
Total Shareholders Equity	23.0	34.4
Long-term Debt	748.2	737.1
Provisions / Other Long Term Liabilities	26.3	26.2
Short-term Debt	33.1	40.7
Other Short-term Liabilities	110.1	105.7
Total Liabilities	917.7	909.7
Total Equity And Liabilities	940.7	944.1

1Q19 – Group Cash Flow

(in € million)

	1Q19	1Q18
EBT from continuing operations	4.5	8.3
EBT from discontinued operations	-1.4	4.9
Plus/less Adjustments	27.9	29.8
Decrease/(increase) of Inventories	0.8	-4.4
Decrease/(increase) of Receivable Accounts	-9.0	6.8
(Decrease)/increase of Payable Accounts	-3.2	-4.2
Income Tax Paid	0.0	-5.3
Net Cash from Operating Activities	19.6	35.9
Net CAPEX	-17.4	-14.1
(Purchases) / Sales of subsidiaries & other investments	0.7	-6.8
Interest received	1.9	1.6
Dividends received	0.0	0.0
Net Cash from Investing Activities	-14.8	-19.3
Repurchase of own shares	0.0	0.0
Cash inflows from loans	33.1	26.3
Repayment of loans	-28.4	-13.1
Bond buybacks	0.0	0.0
Repayment of Leasing Obligations	-5.6	-0.6
Interest and similar charges paid	-22.8	-23.5
Dividends paid	-9.2	-15.4
Net Cash from Financing Activities	-32.9	-26.3
Net increase / (decrease) in cash for the period	-28.1	-9.7
Exchange differences	0.2	-5.0
Cash at the beginning of the period	162.5	238.0
Cash at the end of the period from total operations	134.6	223.3
Less: Cash at the end of the period from discontinued operations	-0.9	0.0
Cash at the end of the period from continuing operations	133.7	223.3

intralot

