

INTRALOT Group

# ANNOUNCEMENT OF FINANCIAL RESULTS

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**for the three-month period  
ended March 31<sup>st</sup>, 2023**

***intralot***



## “INTRALOT announces strong EBITDA growth +29.2% y-o-y and positive Earnings after Tax at €3.1m in 1Q23”

May 30<sup>th</sup>, 2023

**INTRALOT SA** (RIC: **INLr.AT**, Bloomberg: **INLOT GA**), an international gaming solutions and operations leader, announces its financial results for the three-month period ended March 31<sup>st</sup>, 2023, prepared in accordance with IFRS.

### OVERVIEW

- › Group Revenue at €89.5m (-8.4% y-o-y).
- › EBITDA at €33.7m (+29.2% y-o-y) in 1Q23, with EBITDA margin reaching 37.7% from 26.7% in 1Q22.
- › LTM EBITDA at €130.5m, up by 6.2% vs. FY22.
- › Substantial growth in our US operations (Revenues +13.1%, EBITDA +31.6% y-o-y).
- › EBT in 1Q23 shaped at €10.9m vs. €-2.3m in 1Q22.
- › NIATMI (Net Income After Tax and Minority Interest) at €3.1m, vs. €-5.7m a year ago.
- › Operating Cash Flow at €37.2m in 1Q23 (+115.3% y-o-y).
- › Group Net CAPEX in 1Q23 was €7.2m.
- › Group Cash at the end of 1Q23 at €109.2m, €6.8m higher vs. Dec-22.
- › Net Debt at €471.6m at the end of 1Q23, lower by €18.9m vs. Dec-22 and €29.0m vs. 1Q22.
- › Net Debt/ LTM EBITDA at 3.6x in 1Q23 vs. 4.0x in FY22.

Note:

*Due to rounding, numbers presented throughout this, and other documents may not add up precisely to the totals.*

## Group Headline Figures

<i>(in € million)</i>	1Q23	1Q22	% Change	LTM
Revenue (Turnover)	89.5	97.7	-8.4%	384.6
<b>GGR</b>	<b>83.4</b>	<b>79.8</b>	<b>4.5%</b>	<b>347.5</b>
OPEX <sup>1</sup>	(22.7)	(21.8)	3.9%	(100.6)
<b>EBITDA<sup>2</sup></b>	<b>33.7</b>	<b>26.1</b>	<b>29.2%</b>	<b>130.5</b>
<i>EBITDA Margin (% on Revenue)</i>	37.7%	26.7%	+ 11.0pps	33.9%
<i>EBITDA Margin (% on GGR)</i>	40.5%	32.7%	+ 7.7pps	37.6%
Capital Structure Optimization expenses	-	(0.3)	-100.0%	(0.9)
D&A	(16.1)	(17.1)	-5.9%	(69.1)
<b>EBT</b>	<b>10.9</b>	<b>(2.3)</b>	-	<b>43.0</b>
<i>EBT Margin (%)</i>	12.2%	-2.4%	-	11.2%
<b>NIATMI</b>	<b>3.1</b>	<b>(5.7)</b>	-	<b>20.7</b>
Total Assets	599.4	580.5	-	-
Gross Debt	580.8	598.6	-	-
Net Debt	471.6	500.6	-	-
Operating Cash Flow from total operations	37.2	17.3	115.3%	116.2
Net CAPEX	(7.2)	(4.3)	67.3%	(29.4)

### INTRALOT Chairman & CEO Sokratis P. Kokkalis noted:

We are extremely proud of first quarter robust organic Ebitda growth of 29% and a return to Net Earnings, along with healthy cash flows and significant reduction of Group Net Leverage Ratio down to 3.6x, providing additional momentum to INTRALOT's successful turnaround story as a result of our consistent efforts in the past few years. With healthy financials and new technical capabilities offered through next generation solutions for Lottery digital transformation, in both the retail and online worlds, we look forward to timely addressing upcoming maturities, further improving our capital structure, and implementing an ambitious plan for strong and sustainable growth in the US and key markets around the world, creating value for all stakeholders.

<sup>1</sup> OPEX line presented excludes the capital structure optimization expenses.

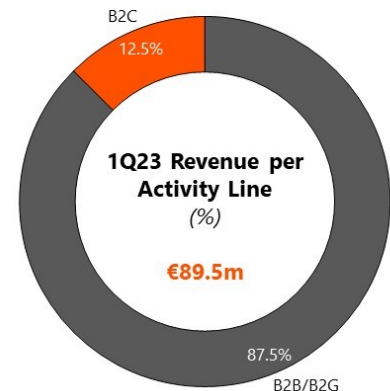
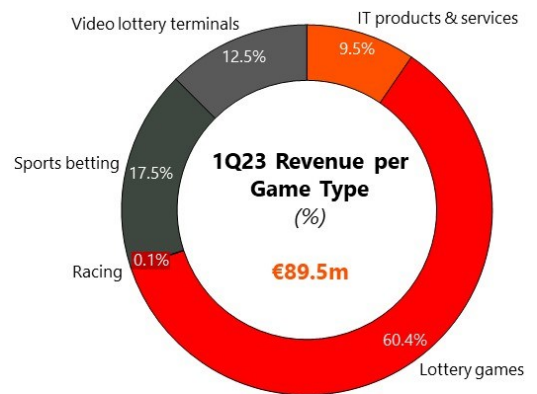
<sup>2</sup> The Group defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) to net monetary position", "Exchange Differences", "Interest and related income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal", "Reorganization costs" and "Assets' depreciation and amortization".

## OVERVIEW OF RESULTS

### REVENUE

Although the reported consolidated **revenue** posted a decrease compared to 1Q22, leading to a total revenue for the three-month period ended March 31<sup>st</sup>, 2023, of €89.5m (-8.4%), excluding the impact from the discontinuation of Malta license, underlying revenue from continuing operations increased by 17.5%.

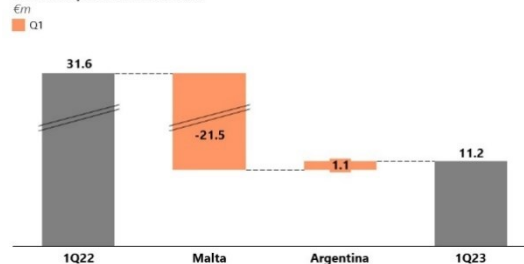
- From a contribution perspective, Lottery Games remain our largest contributor to Group turnover with a share of 60.4%, followed by Sports Betting with a share of 17.5%, VLTs monitoring with a share of 12.5%, Technology contracts with a share of 9.5%, and Racing with a share of 0.1%.
- Reported consolidated revenue for the three-month period is lower by €8.2m year over year. The main factors that drove top line performance per Business Activity are:
  - €-20.4m (-64.5%) from our **Licensed Operations (B2C)** activity line with the variance driven by:
    - Lower revenue in **Malta** (€-21.5m) due to the license expiration early July 2022 and
    - Higher revenue in **Argentina** (€+1.1m or +10.9% y-o-y), driven by local market growth. In local currency, current year results posted a +104.5% y-o-y increase.
  - €+6.3m (+11.4%) from our **Technology and Support Services (B2B/ B2G)** activity line, with the variance driven by:
    - **US** operations' increased revenue (€+4.6m or +13.1% y-o-y), mostly driven by the growth in Numerical and Instant games, further affected by the EUR depreciation (-4.3% versus a year ago – in average terms) and
    - Higher revenue from rest jurisdictions (€+1.7m or +8.6%).



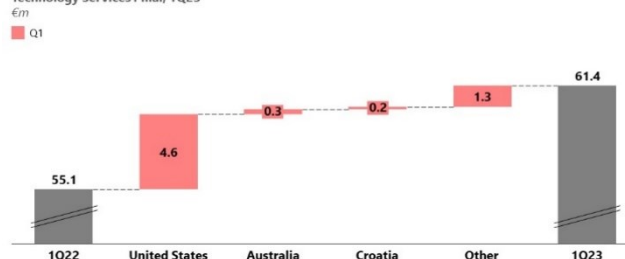
- €+5.9m (+54.2%) from our **Management (B2B/ B2G)** contracts activity line with the variance driven by:

- Strong momentum of our **Turkish<sup>3</sup>** operations (€+5.8m), driven by Bilyoner's improved performance, favored by the growth of the online Betting market. In 1Q23, the local Sports Betting market expanded close to 2.2 times y-o-y. Performance in Euro terms was partially mitigated by the headwinds in Turkish lira (+28.1% Euro appreciation versus a year ago),
- Higher revenue from our **US** Sports Betting contracts in Montana and Washington, D.C. (€+0.1m) and
- Steady performance in **Morocco**.

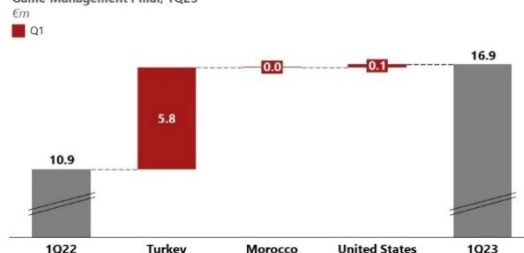
Licensed Operations Pillar, 1Q23



Technology Services Pillar, 1Q23



Game Management Pillar, 1Q23



## GROSS GAMING REVENUE & Payout

- **Gross Gaming Revenue** (GGR) concluded at €83.4m in 1Q23, posting an increase of 4.5% (or €+3.6m) year over year. The improved performance across most key regions managed to absorb the loss of sales from Malta and the higher payout ratio in Argentina (-67.7% y-o-y on wagers from licensed operations<sup>4</sup>). 1Q23 Payout Ratio<sup>5</sup> was higher by 3.5pps vs. 1Q22 (62.4% vs. 58.9%).

## OPERATING EXPENSES<sup>6</sup> & EBITDA<sup>7</sup>

- **Total Operating Expenses** marginally increased by €0.9m (or +3.9%) in 1Q23 (€22.7m vs. €21.8m) driven by the improved top-line performance in USA and Turkey.
- **Other Operating Income** from continuing operations ended at €7.8m presenting an increase of 37.0% y-o-y (or €+2.1m).

<sup>3</sup> Turkish figures have been restated based on IAS 29 (Financial Reporting in Hyperinflationary Economies) to reflect current purchasing power.

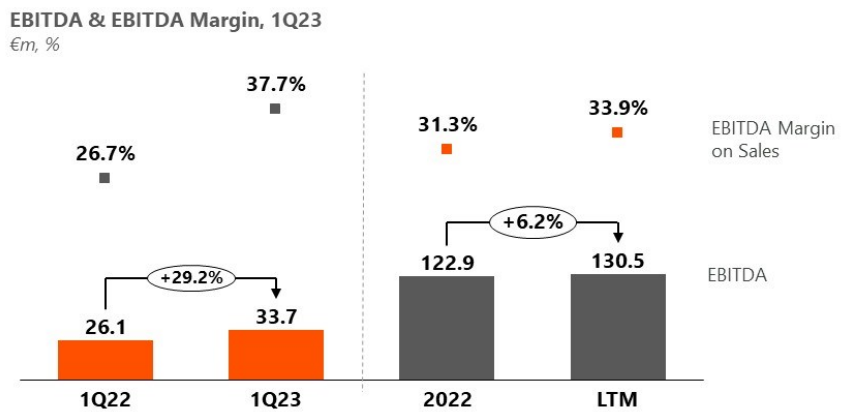
<sup>4</sup> Licensed Operations Revenue also include a small portion of non-Payout related revenue, i.e., value-added services, which totaled €1.4m and €1.3m for 1Q23 and 1Q22 respectively.

<sup>5</sup> Payout ratio calculation excludes the IFRS 15 impact for payments to customers.

<sup>6</sup> Operating Expenses analysis excludes expenditures related to capital structure optimization.

<sup>7</sup> EBITDA analysis excludes Depreciation & Amortization, and expenditures related to capital structure optimization.

- **EBITDA** amounted to €33.7m in 1Q23, posting a double-digit growth of 29.2% (or €+7.6m) compared to 1Q22. The main drivers underpinning this performance are attributed to the strong growth in our US operations and the boosted performance in Turkey.



- On a yearly basis, **EBITDA margin** on sales climbed to 37.7%, from 26.7% in 1Q22 (+11.0pps).
- **LTM EBITDA** stands at €130.5m, up by 6.2% vs. FY22.

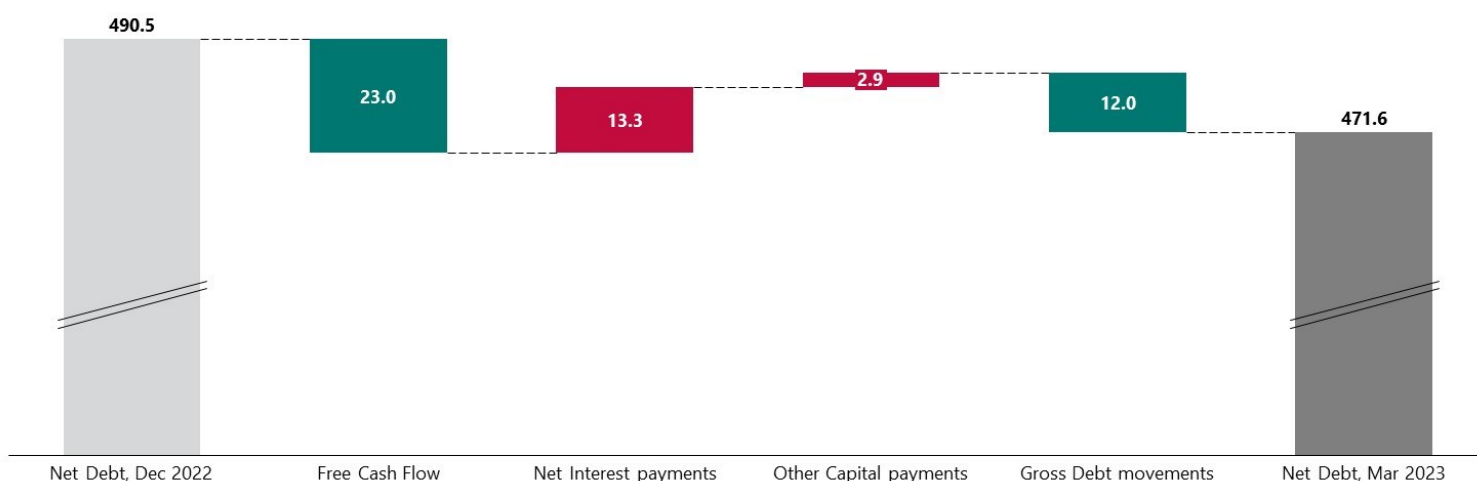
### EBT / NIATMI

- **EBT** in 1Q23 amounted to €10.9m compared to €-2.3m in 1Q22, largely driven by the significant EBITDA contribution, the improved results from participations and investments, the gains on net monetary position and the benefit from the lower D&A.
- **NIATMI** in 1Q23 concluded at €3.1m compared to €-5.7m in 1Q22.

## CASH FLOW

- Operating Cash-flow** in 1Q23 amounted to €37.2m, increased by €19.9m, compared to 1Q22. The positive impact arising from the higher recorded EBITDA y-o-y and the favorable working capital movement was partially offset by the negative variance in tax payments.
- Net CAPEX** in 1Q23 was €7.2m, higher by €2.9m compared to 1Q22, with US projects consuming most of the CAPEX needs.
- Net Debt**, as of March 31<sup>st</sup>, 2023, stood at €471.6m, decreased by €18.9m compared to December 31<sup>st</sup>, 2022. Robust cash flow generation supported the continued deleveraging, with Net Debt / EBITDA dropping to 3.6x in 1Q23, from 4.0x in Dec-22. Positive gross debt movements include the capital payments towards the Term Loan in US, the lower interest accrued in comparison with Dec-22 and the positive FX impact on our USD denominated debt.

Net Debt Movement, 1Q23  
in € million



## OUTLOOK/RISKS

The Company Management identifies significant opportunities in the growth of the Lottery and Sports Betting online markets and the expansion of regulated i-lottery markets, as well as from the recovery from the implications of the recent pandemic. Combined with the evolution of INTRALOT's new technological solutions for Lottery digital transformation, the Company is in position to capture more technology projects with an increased profit margin compared to previous years.

World economies continue to navigate through macroeconomic uncertainties, with interest rates at high levels and relatively slow economic growth.

Increased interest rates have a direct impact on the financing servicing costs of the Intralot Group, while the outlook indicates that central banks may start to ease their monetary policy by the end of 2023.

Inflation is declining more slowly than expected, having strong impact on most of the industries and regions. However, the gaming industry seems to be more resilient than other sectors of the economy, presenting above average growth in most regions.

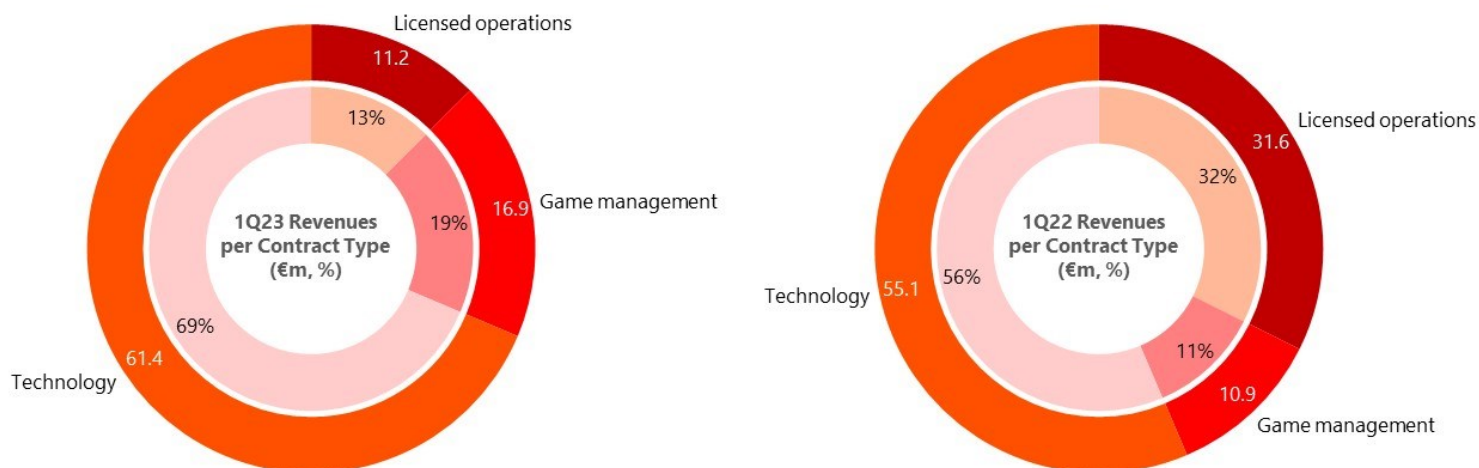
The Management of the Company closely monitors geopolitical and economic developments and is ready to take all the necessary measures for protecting its operations.



## APPENDIX

### Performance per Business Segment<sup>8</sup>

#### YTD Performance



### Performance per Geography

#### Revenue Breakdown

(in € million)	1Q23	1Q22	% Change
Europe	15.6	35.8	-56.4%
Americas	58.2	52.3	11.4%
Other	21.5	15.3	40.7%
Eliminations	(5.9)	(5.7)	-
<b>Total Consolidated Sales</b>	<b>89.5</b>	<b>97.7</b>	<b>-8.4%</b>

#### Gross Profit Breakdown

(in € million)	1Q23	1Q22	% Change
Europe	0.3	3.5	-92.3%
Americas	17.0	11.4	49.0%
Other	17.8	13.0	37.4%
Eliminations	(2.5)	(2.7)	-
<b>Total Consolidated Gross Profit</b>	<b>32.5</b>	<b>25.2</b>	<b>29.3%</b>

<sup>8</sup> Part of the US revenue that concerns SB management, has been included under the category "Game Management". The rest of the US revenue is included under the "Technology" business segment.

## Gross Margin Breakdown

	1Q23	1Q22	% Change
Europe	1.7%	9.8%	- 8.0pps
Americas	29.2%	21.8%	+ 7.4pps
Other	82.8%	84.8%	- 2.0pps
<b>Total Consolidated Gross Margin</b>	<b>36.4%</b>	<b>25.8%</b>	<b>+ 10.6pps</b>

## INTRALOT Parent Company results

- **Revenue** for the period increased by 12.7%, to €6.7m, with the improvement driven by the higher rendering of services towards 3<sup>rd</sup> parties in the current period.
- **EBITDA** shaped at €-0.6m from €-1.3m in 1Q22, with the positive variance stemming from the top-line improvement that generated higher profitability due to better margins and lower costs.
- **Earnings after Taxes (EAT)** at €-4.8m from €-6.7m in 1Q22.

(in € million)	1Q23	1Q22	% Change	LTM
<b>Revenue</b>	<b>6.7</b>	<b>6.0</b>	<b>12.7%</b>	<b>37.5</b>
Gross Profit	0.7	(0.5)	-	8.1
Other Operating Income <sup>9</sup>	0.0	0.1	-70.5%	0.7
OPEX <sup>9</sup>	(4.2)	(4.5)	-5.4%	(18.0)
<b>EBITDA<sup>9</sup></b>	<b>(0.6)</b>	<b>(1.3)</b>	<b>52.8%</b>	<b>3.3</b>
<b>EAT</b>	<b>(4.8)</b>	<b>(6.7)</b>	<b>27.5%</b>	<b>(16.8)</b>
CAPEX (paid)	(0.3)	(0.3)	-8.6%	(2.8)

<sup>9</sup> Other Operating Income, Operating Expenses and EBITDA lines presented exclude the expenditures and recharges related to capital structure optimization.

## CONFERENCE CALL INVITATION – FIRST QUARTER 2023 FINANCIAL RESULTS

Sokratis Kokkalis, Chairman & CEO, Chrysostomos Sfatos, Group Deputy CEO, Andreas Chrysos, Group CFO, Vasileios Vasdaris, Group Tax & Accounting Director, Antonis Skiadas, Group Finance, Controlling & Budgeting Director and Michail Tsagalakis, Capital Markets Director, will address INTRALOT’s analysts and institutional investors to present the Company’s First Quarter 2023 results, as well as to discuss the latest developments at the Company.

The financial results will be released on the ATHEX website ([www.helex.gr](http://www.helex.gr)) and will be posted on the company’s website ([www.intralot.com](http://www.intralot.com)) on Tuesday, May 30<sup>th</sup>, 2023 (before the opening of the ATHEX trading session).

### AGENDA: Brief Presentation - Question and Answer Session

#### CONFERENCE CALL DETAILS

<b>Date: Tuesday, May 30<sup>th</sup>, 2023</b>	
<b>Time: Greek time 17:00 - UK time 15:00 - CEST 16:00 - USA time 10:00 (East Coast Line)</b>	
Conference Phone GR	 + 30 211 180 2000
Conference Phone GR	 + 30 213 009 6000
Conference Phone GB	 + 44 (0) 203 059 5872
Conference Phone GB	 + 44 (0) 800 368 1063
Conference Phone US	 + 1 516 447 5632
<b>We recommend that you call any of the above numbers 5 to 10 minutes before the conference call is scheduled to start.</b>	

**TO REGISTER FOR THE EVENT PLEASE CLICK HERE:** [Global Pre-Registration Link](#)

#### LIVE WEBCAST DETAILS

The conference call will be available via webcast in real time over the Internet and you may join by linking at the internet site:

<https://87399.choruscall.eu/links/intralot23Q1.html>

#### DIGITAL PLAYBACK

There will be a digital playback on May 30<sup>th</sup>, 2023, at 19:00 (GR Time).

This Service will be available until the end of the business day June 8<sup>th</sup>, 2023.

Please dial the following numbers and the **PIN CODE: 059 #** from a touch-tone telephone

Digital Playback UK: + 44 (0) 203 059 5874

Digital Playback US: + 1 631 257 0626

Digital Playback GR: + 30 210 946 0929

*In case you need further information, please contact Intralot, Mr. Antonis Mandilas, at the telephone number: +30 213 0397000 or Chorus Call Hellas S.A., our Teleconferencing Services Provider, Tel. +30 210 9427300.*

## SUMMARY OF FINANCIAL STATEMENTS

### Group Statement of Comprehensive Income

<i>(in € million)</i>	1Q23	1Q22	% Change	LTM
<b>Revenue</b>	<b>89.5</b>	<b>97.7</b>	<b>-8.4%</b>	<b>384.6</b>
Gross Profit	32.5	25.2	29.3%	135.1
Other Operating Income	7.8	5.7	37.0%	27.0
OPEX	(22.7)	(21.8)	3.9%	(100.6)
<b>EBITDA</b>	<b>33.7</b>	<b>26.1</b>	<b>29.2%</b>	<b>130.5</b>
<i>Margin %</i>	37.7%	26.7%	+ 11.0pps	33.9%
Capital Structure Optimization expenses	-	(0.3)	-100.0%	(0.9)
D&A	(16.1)	(17.1)	-5.9%	(69.1)
<b>EBIT</b>	<b>17.6</b>	<b>8.7</b>	<b>102.6%</b>	<b>60.5</b>
Interest and related expenses (net)	(9.8)	(9.7)	1.2%	(36.8)
Exchange differences	(0.7)	(0.5)	30.2%	(0.6)
Other	3.8	(0.8)	-	19.9
<b>EBT</b>	<b>10.9</b>	<b>(2.3)</b>	<b>-</b>	<b>43.0</b>
NIATMI	3.1	(5.7)	-	20.7
<b>NIATMI continuing</b>	<b>3.1</b>	<b>(5.7)</b>	<b>-</b>	<b>15.1</b>
NIATMI discontinued	-	-	-	5.6

### Group Statement of Financial Position

<i>(in € million)</i>	1Q23	FY22
Tangible Assets (incl. investment properties)	110.3	116.3
Intangible Assets	206.1	208.6
Other Non-Current Assets	54.2	56.0
Inventories	23.9	23.9
Trade and Other Short-term Receivables	95.7	109.9
Cash and Cash Equivalents	109.2	102.4
<b>Total Assets</b>	<b>599.4</b>	<b>617.1</b>
Share Capital	111.4	111.4
Share Premium	62.1	62.1
Other Equity Elements	(278.3)	(281.4)
Non-Controlling Interests	17.5	20.2
<b>Total Shareholders' Equity</b>	<b>(87.4)</b>	<b>(87.7)</b>
Long-term Debt	562.8	570.4
Provisions/ Other Long-term Liabilities	30.7	28.8
Short-term Debt	17.9	22.5
Other Short-term Liabilities	75.3	83.2
<b>Total Liabilities</b>	<b>686.7</b>	<b>704.8</b>
<b>Total Equity and Liabilities</b>	<b>599.4</b>	<b>617.1</b>

## Group Statement of Cash Flows

<i>(in € million)</i>	<b>1Q23</b>	<b>1Q22</b>
<b>EBT from continuing operations</b>	10.9	(2.3)
<b>EBT from discontinued operations</b>	-	-
Plus/less adjustments	24.3	27.4
Decrease/(increase) of inventories	(0.9)	(2.3)
Decrease/(increase) of receivable accounts	11.3	5.8
(Decrease)/increase of payable accounts	(6.9)	(10.5)
Income tax paid	(1.4)	(0.8)
<b>Net Cash from Operating Activities</b>	<b>37.2</b>	<b>17.3</b>
Net CAPEX	(7.2)	(4.3)
(Purchases) / Sales of subsidiaries & other investments	(0.5)	(0.3)
Interest received	1.0	0.7
Dividends received	1.0	-
<b>Net Cash from Investing Activities</b>	<b>(5.7)</b>	<b>(3.9)</b>
Proceeds from issues of shares and other equity securities	-	-
Treasury shares purchase	-	-
Cash inflows from loans	-	0.0
Repayment of loans	(2.9)	(0.4)
Repayment of leasing obligations	(1.5)	(0.8)
Interest and similar charges paid	(14.3)	(19.3)
Dividends paid	(4.5)	(2.0)
Reorganization costs paid	-	(0.1)
<b>Net Cash from Financing Activities</b>	<b>(23.2)</b>	<b>(22.7)</b>
<b>Net increase / (decrease) in cash for the period</b>	<b>8.3</b>	<b>(9.3)</b>
Exchange differences	(1.5)	-
Cash at the beginning of the period	102.4	107.3
<b>Cash at the end of the period from total operations</b>	<b>109.2</b>	<b>98.0</b>

### About [INTRALOT](#)

INTRALOT, a publicly listed company established in 1992, is a leading gaming solutions supplier and operator active in 39 regulated jurisdictions worldwide. With a global workforce of approximately 1,700 employees in March 2023, INTRALOT is committed to redefine innovation and quality of services in the lottery and gaming sector, while supporting operators in raising funds for good causes. Uniquely positioned to deliver state-of-the-art technology across geographies, the company has developed an advanced ecosystem that serves all verticals enabling the digital transformation of gaming operators and offering players an unparalleled gaming experience. INTRALOT has been awarded the prestigious Responsible Gaming Framework certification by the World Lottery Association and is certified under the WLA Security Control Standard. Visit us at [www.intralot.com](http://www.intralot.com).

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