

Q1 growth provides solid start to 2018

ATHENS, Greece – May 30, 2018 – OPAP S.A. (OPAr.AT, OPAP:GA), the leading gaming operator in Greece, announces its consolidated financial results for the period ended March 31st, 2018, prepared in accordance with International Financial Reporting Standards (IFRS).

- Revenues (GGR) higher by 5.1% at €377.3m (Q1 2017: €358.9m) due to increased VLTs contribution and meaningful betting growth.
- Gross Profit (from gaming operations) at €147.9m (Q1 2017: €141.0m) higher by 4.9% y-o-y & in line with revenue run rate.
- EBITDA at €87.2m up by 11.1% (Q1 2017: €78.5m), helped by ongoing control across all cost lines.
- Net Profit increased at €39.9m (Q1 2017: €33.2m) higher by 20.0%.
- Strong financial position, with Net Debt at €438.9m.
- 11,519 VLTs installed at end of Q1 2018 - still targeting c.20k operational machines by end of FY18.
- More than 700 SSBTs installed in Q1, giving total number of c. 2,200 machines at end of Q1 2018.
- Ongoing investment in retail network proceeding - with technology transformation entering final phase.

1. OVERVIEW

(€ 'm)	Q1 2018	Q1 2017	% Δ
Amounts wagered ¹	1,079.1	1,058.0	2.0
GGR (Gross Gaming Revenue)	377.3	358.9	5.1
Payout (%) ¹	69.1%	66.3%	
NGR (Net Gaming Revenue) ²	253.1	239.0	5.9
Gross Profit (from gaming operations) ³	147.9	141.0	4.9
Operating Expenses	67.4	65.8	2.3
EBITDA	87.2	78.5	11.1
EBITDA margin	23.1%	21.9%	
Net profit	39.9	33.2 ⁴	20.0
Net profit margin	10.6%	9.3%	
EPS (in €)	0.1254	0.1045	20.0

¹ excl. VLTs

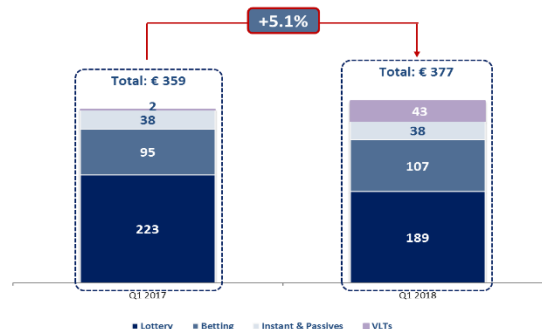
² GGR-GGR contribution

³ NGR-Agents' commission-other NGR related commission

⁴ Restated figure on retroactive implementation of the new VLTs license amortization method

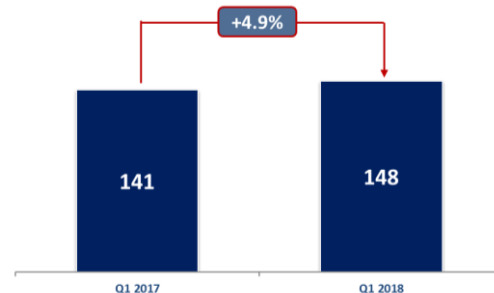
Revenues (GGR)

OPAP's revenues (GGR) in Q1 2018 increased by 5.1% to €377.3m versus €359.9m in Q1 2017. Revenues in Q1 increased by 5.1% y-o-y due to the strong performance of betting products & VLTs contribution, despite the lack of favorable Joker jackpot rollovers.



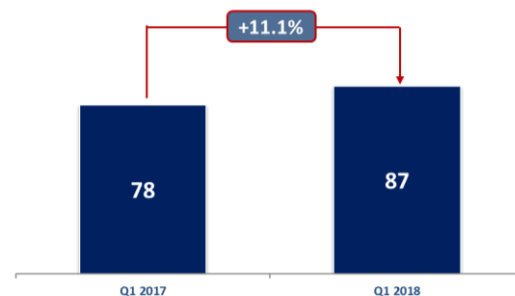
Gross Profit (from gaming operations)¹

Gross Profit from gaming operations in Q1 2018 increased by 4.9% to €147.9m versus €141.0m in Q1 2017, in line with the revenue run rate.



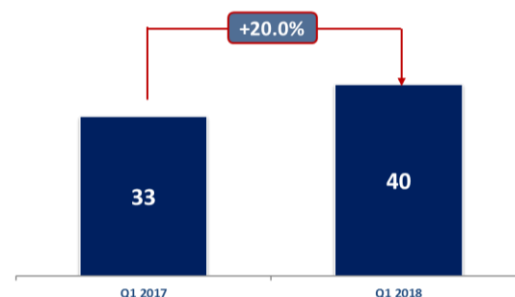
EBITDA

EBITDA increased by 11.1% to €87.2m versus €78.5m in Q1 2017, on the back of efficient cost control across all the company's operations and despite the ongoing implementation of the IT transformation project and the concurrent rollout of VLTs, SSBTs & online development.



Net Profit

Net profit in Q1 2018 at €39.9m, increased by 20.0% vs. €33.2m in Q1 2017, due to increased operational profitability and lower corporate taxation y-o-y.



¹ GGR - GGR contribution – Agents' commission – Other NGR related commission

Comment of OPAP's CEO, Mr. Damian Cope, on the Q1 2018 results:

"Q1 was a strong quarter and demonstrated good growth in both revenues and profitability, as OPAP benefited from many of the investments made in 2017. Both our Betting and VLT categories performed well and the new relationship with our agents also helped to realise tangible improvements.

We continue to invest in the optimisation and modernisation of our retail estate network, with several hundred new OPAP stores opening during 2018. Our comprehensive technology transformation programme is also approaching the final phase as we plan for the completion of all our main retail platform migrations, plus our new online platform, by the end of Q3.

The rollout of our new products, notably VLTs and SSBTs, continues at pace and is helping to build a more balanced product portfolio. However externally we still see that the macroeconomic challenges in Greece continue to affect the disposable income of our many loyal customers.

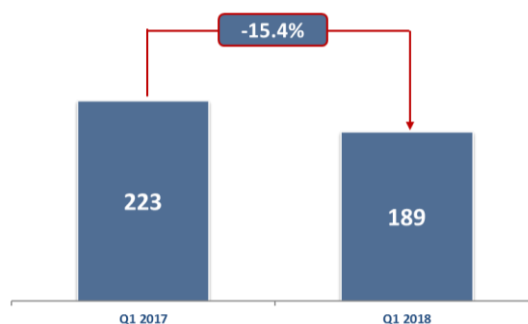
Looking ahead, we have a particularly busy few months in front of us, including the World Cup in Russia next month, and the OPAP team remains focused on meeting our objectives within the delivery of our 2020 Vision."

2. FINANCIAL REVIEW

Revenues (GGR) per game			
(€ '000)	Q1 2018	Q1 2017	Δ%
Lottery	188,699	223,149	(15.4)
% total revenues	50.0	62.2	-
Betting	107,420	95,425	12.6
% total revenues	28.5	26.6	-
Instant & Passives	37,756	38,451	(1.8)
% total revenues	10.0	10.7	-
VLTs	43,385	1,873	-
% total revenues	11.5	0.5	-
TOTAL REVENUES	377,260	358,898	5.1

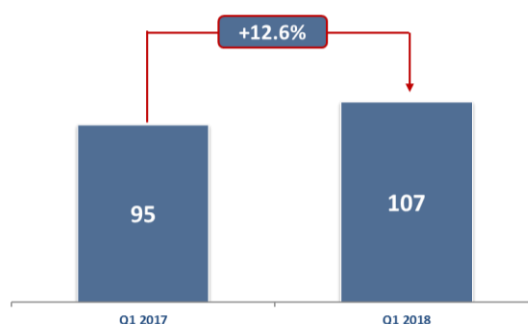
Lottery

Revenues from lottery declined by 15.4% to €188.7m in Q1 2018 from €223.1m in Q1 2017, mostly due to unfavorable Joker jackpot rollovers and to a lesser extent mild pressure on KINO. Note that in Q1 2017 we had a €16m jackpot, which brought in a cumulative €38m of GGR, while the highest jackpot in Q1 2018 stood at €5.6m leading to just €11m of GGR.



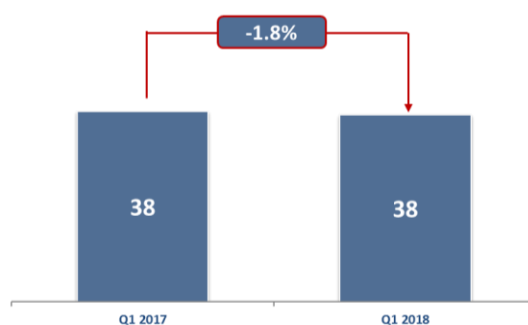
Betting

Total betting revenues reached €107.4m in Q1 2018 from €95.4m in Q1 2017 up by 12.6% y-o-y, as a result of virtual games' solid performance and increased SSBTs contribution, partially offset by lower STIHIMA OTC numbers.



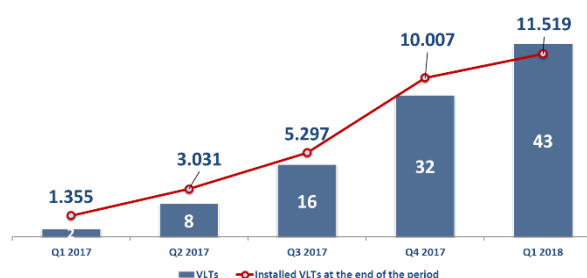
Instant & Passives

Revenues from Instant & Passives stood at €37.8m in Q1 2018 from €38.5m in Q1 2017, staying slightly lower y-o-y.



VLTs

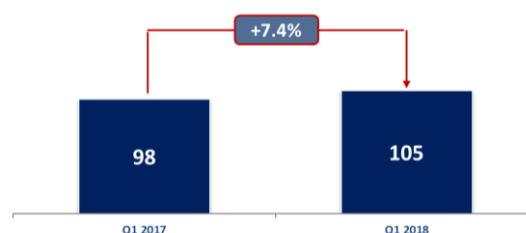
VLTs revenues reached €43.4m in Q1 2018 vs. €1.9m in Q1 2017. The installed VLTs number reached 11,519 machines as of the end of the quarter, with the full year target remaining unchanged at c. 20k machines.



Gaming revenue related expense			
(€ '000)	Q1 2018	Q1 2017	% Δ
Agents' commission	92,544	90,773	2.0
Other NGR related commission	12,673	7,236	75.1
Total	105,217	98,009	7.4
% of total revenues (GGR)	27.9	27.3	

Gaming revenue related expense

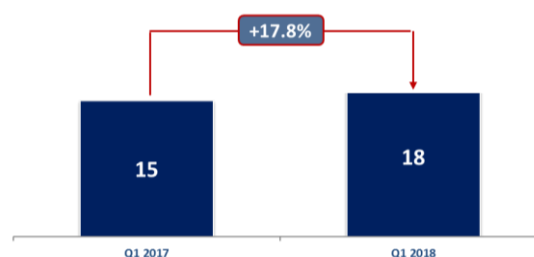
Gaming revenue related expense in Q1 2018 reached €105,2m compared to €98,0m in Q1 2017 marking an increase by 7.4% on the back of a significantly larger installed VLTs base, as well as the higher weight of other revenue sharing agreements (virtuals & SSBTs).



Payroll expense			
(€ '000)	Q1 2018	Q1 2017	% Δ
Wages and salaries	14,761	12,339	19.6
Social security costs	2,483	1,946	27.6
Other staff costs	687	935	(26.5)
Total cost	17,931	15,220	17.8
% of total revenues (GGR)	4.8	4.2	

Payroll expense

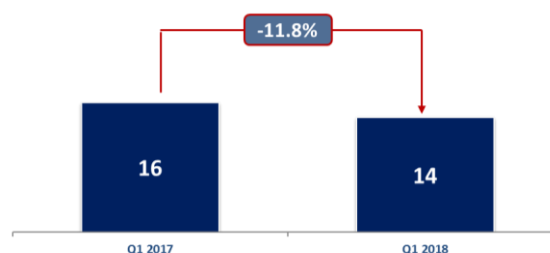
Payroll expense in Q1 2018 reached €17.9m compared to €15.2m in Q1 2017 up by 17.8% y-o-y, as a result of the implementation of several projects. Headcount increase should gradually fade out within this year as key projects have entered/are approaching the go-live phase.



Marketing expense			
(€ '000)	Q1 2018	Q1 2017	% Δ
CSR & sponsorship expense	6,638	7,605	(12.7)
Advertising expense	7,308	8,201	(10.9)
Total	13,946	15,805	(11.8)

Marketing expense

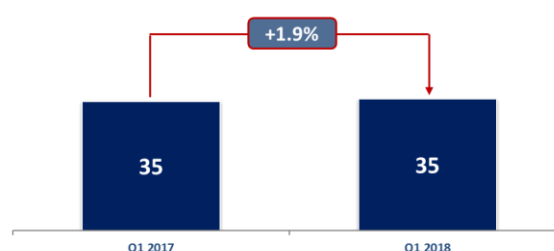
Q1 2018 marketing expense stood at €13.9m compared to €15.8m in Q1 2017 lower by 11.8% y-o-y. Going forward, marketing expenditure trends should normalize coming closer to last year's levels.



Other operating expense			
(€ '000)	Q1 2018	Q1 2017	% Δ
IT related costs	12,584	12,225	2.9
Utilities & Telco costs	3,183	3,903	(18.5)
Rentals	2,691	1,863	44.4
Inventory consumption	1,510	1,353	11.6
Other	15,510	15,459	0.3
Total	35,478	34,803	1.9

Other operating expense

Other operating expense in Q1 2018 came in at €35.5m higher by 1.9% y-o-y, due to higher IT costs and ongoing rollouts.



Cash Flows			
(€' .000)	Q1 2018	Q1 2017	Δ%
Cash Flow from Operating Activities	8,878	51,016	(82.6)
Cash Flow from Investing	(11,180)	(23,641)	52.7
Cash Flow from Financing Activities	46,579	175,837	(73.5)

Cash Flow from Operating Activities Cash inflow from operating activities in Q1 2018 at €8.9m from €51.0m in Q1 2017 mainly due to higher taxes payable (mostly dividend distribution taxes)

Cash Flow from Investing Activities Cash flow from investing activities in Q1 2018 amounted to an outflow of €11.2m related to IT & network infrastructure in line with our investment programme for the year.

Cash Flow from Financing Activities Cash flow from financing activities in Q1 2018 amounted to an inflow of €46.6m on the back of net borrowings proceeds.



3. MAIN DEVELOPMENTS

VLTs – Roll-out update

At the end of Q1 2018, 11,519 VLTs were operational hosted by 293 Play Gaming Halls and 1,354 agencies.

2017 Remaining Dividend Payment

OPAP's AGM on April 25th 2018, decided the distribution of a €0.40 gross dividend per share for the fiscal year 2017. Excluding the €0.10 per share that had been already distributed as interim dividend in October 2017, the remaining dividend of €0.30 per share was paid on Monday, May 14th 2018.

Termination of LCIA arbitration case

In April OPAP announced that it has terminated the LCIA arbitration case No. 153186 proceedings against the Hellenic Republic for residual claims (approx. €100m) relating to the Hellenic Gaming Commission (HGC) Decisions for the Video Lottery Terminals (VLTs) No. 143/2/6-2-2015 and No. 158/4/05.06.2015 which have been superseded by HGC Decision No 225/2/25.10.2016.

Integrated Annual Report 2017

OPAP published its second Integrated Annual Report providing an overview of financial and non-financial performance, focusing on sustainability. You can read through our report at <https://www.opap.gr/annualreport2017>.

Election of new Board of Directors

The Annual Ordinary Shareholders General Meeting, was held on 25.04.2018 and elected a new Board of Directors that was constituted as a body as follows:

1. Kamil Ziegler - Chairman, Executive Member
2. Damian Cope - Chief Executive Officer, Executive Member
3. Spyridon Fokas - A' Vice-Chairman, Non Executive Member
4. Pavel Horak - B' Vice-Chairman, Non Executive Member
5. Michal Houst - Executive Member
6. Pavel Saroch - Non Executive Member
7. Robert Chvátal - Non Executive Member
8. Christos Kopelouzos - Non Executive Member
9. Marco Sala - Non Executive Member
10. Stylianos Kostopoulos - Non Executive Member
11. Igor Rusek - Independent Non Executive Member
12. Rudolf Jurcik - Independent Non Executive Member
13. Dimitrakis Potamitis - Independent Non Executive Member

The term of office of the aforementioned Members of the Board of Directors is four years.

Conference Call Invitation

Q1 2018 Interim Management Statements Conference Call

Thursday, May 31st, 2018

04:00 PM (Athens) / 02:00 PM (London) / 09:00 AM (New York)

Q1 2018 Interim Management Statements Presentation will be available at Company's website one (1) hour prior to the Conference Call kick off.

Dial-in Numbers:

UK participants please dial	+44 (0) 800 368 1063
Greek participants please dial	+30 211 180 2000
US participants please dial	+ 1 516 447 5632
Other International please dial	+44 (0) 203 0595 872

Live Webcast:

The conference call will be webcasted in real time over the Internet and you may join by linking at the internet site:
www.opap.gr/Q118 or <http://themediiframe.eu/links/opapQ118.html>

If you experience any difficulty, please call + 30 210 9460803.

CONTACTS

OPAP S.A. – 112, Athinon Ave., 104 42 Athens, Greece

Nikos Polymenakos – IR Director – Tel : +30 (210) 5798929 - polymenakos@opap.gr

George Vitorakis – Head of Strategic Research – Tel : +30 (210) 5798976 - vitorakis@opap.gr

ATTACHMENTS

1. Statement of Financial Position as of 31 March 2018 and for the three month period then ended on that date
2. Statement of Comprehensive Income as of 31 March 2018 and for the three month period then ended on that date
3. Statement of Changes in Equity as of 31 March 2018 and for the three month period then ended on that date
4. Cash flow statement as of March 2018 and for the three month period then ended on that date
 - 4.1. Consolidated Statement of Changes in Equity
 - 4.2. Separate Statement of Changes in Equity
5. Cash Flow Statement

1. Statement of Financial Position

As at 31 March 2018 and for the three-month period then ended on that date
(Amounts in thousands of euro)

	Notes	GROUP		COMPANY	
		31.03.2018	31.12.2017	31.03.2018	31.12.2017
ASSETS					
Non - current assets					
Intangible assets		1,152,197	1,163,867	994,446	1,001,442
Property, plant & equipment		109,978	109,298	87,697	86,994
Investment property		917	922	917	922
Goodwill		54,676	54,676	-	-
Investments in subsidiaries		-	-	281,945	281,945
Long – term receivables		2	2	2	2
Other non - current assets		23,774	22,553	40,749	40,225
Deferred tax asset		3,703	5,209	±	±
Total non - current assets		1,345,246	1,356,527	1,405,756	1,411,530
Current assets					
Cash and cash equivalents		290,379	246,102	141,204	94,270
Inventories		10,559	7,920	1,701	1,927
Trade receivables		102,129	127,829	36,468	54,360
Other current assets		46,027	58,532	19,901	29,896
Total current assets		449,094	440,383	199,274	180,454
TOTAL ASSETS		1,794,340	1,796,910	1,605,030	1,591,984
EQUITY & LIABILITIES					
Equity					
Share capital		95,700	95,700	95,700	95,700
Reserves		33,034	33,034	31,900	31,900
Treasury shares		(9,039)	(9,039)	(9,039)	(9,039)
Retained earnings		635,009	595,075	639,250	598,462
Equity attributable to owners of the Company		754,704	714,770	757,811	717,023
Non-controlling interests		43,458	43,397	±	±
Total equity		798,162	758,167	757,811	717,023
Non-current liabilities					
Loans	6.1	650,601	513,098	594,868	467,342
Deferred tax liability		-	-	10,556	9,252
Employee benefit plans		3,499	3,084	3,116	2,735
Provisions		31,589	31,187	30,175	29,773
Other non-current liabilities		9,796	9,354	7,775	7,590
Total non-current liabilities		695,485	556,722	646,491	516,693
Current liabilities					
Loans	6.1	78,663	169,171	78,453	169,171
Trade payables		121,257	173,860	44,395	77,005
Tax liabilities		56,217	89,771	47,168	78,409
Other current liabilities		44,555	49,218	30,712	33,683
Total current liabilities		300,694	482,020	200,729	358,268
Total liabilities		996,178	1,038,743	847,219	874,961
TOTAL EQUITY & LIABILITIES		1,794,340	1,796,910	1,605,030	1,591,984

2. Income Statement

As at 31 March 2018 and for the three-month period then ended on that date
(Amounts in thousands of euro except earnings per share)

	Notes	GROUP		COMPANY	
		01.01-31.03.2018	01.01-31.03.2017* restated	01.01-31.03.2018	01.01-31.03.2017* restated
Amounts wagered		1,079,110	1,058,009	897,412	872,396
Income Statement is as follows:					
Revenue (GGR)		377,260	358,898	315,057	294,510
GGR contribution and other levies and duties		(124,117)	(119,861)	(108,357)	(102,883)
Net gaming revenue (NGR)		253,143	239,037	206,699	191,628
Agents' commission		(92,544)	(90,773)	(76,211)	(74,150)
Other NGR related commission		(12,673)	(7,236)	(8,570)	(3,128)
Other operating income	6.2	27,668	24,905	9,310	8,928
Other operating cost		<u>(21,021)</u>	<u>(21,616)</u>	-	-
		154,574	144,317	131,229	123,278
Operating expenses		<u>(67,356)</u>	<u>(65,829)</u>	<u>(51,889)</u>	<u>(52,214)</u>
Payroll expenses	6.3	(17,931)	(15,220)	(14,633)	(13,365)
Marketing expenses	6.4	(13,946)	(15,805)	(9,268)	(11,069)
Other operating expenses	6.5	<u>(35,478)</u>	<u>(34,803)</u>	<u>(27,988)</u>	<u>(27,780)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		87,218	78,489	79,339	71,064
Depreciation and amortization		(22,854)	(22,745)	(16,661)	(17,270)
Results from operating activities		64,364	55,743	62,678	53,793
Finance income		598	538	247	182
Finance costs		(7,070)	(4,918)	(6,343)	(4,000)
Other finance income / (cost)		-	<u>150</u>	<u>836</u>	-
Profit before tax		57,892	51,513	57,419	49,975
Income tax expense		(17,961)	(17,717)	(16,761)	(14,962)
Profit for the period		39,931	33,797	40,658	35,013
Profit attributable to:					
Owners of the Company		39,870	33,222	40,658	35,013
Non-controlling interests		<u>61</u>	<u>575</u>	-	-
Profit after tax		39,931	33,797	40,658	35,013
Basic and diluted earnings (after tax) per share in €		0.1254	0.1045	0.1279	0.1101

*The figures of Q1 2017 are the outcome of the restated Financial Statements due to the re-calculation of the VLTs license amortization following the amendment of the respective legislation (November 2017).

3. Statement of Profit or Loss and Other Comprehensive Income

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

	Notes	GROUP		COMPANY	
		01.01-31.03.2018	01.01-31.03.2017	01.01-31.03.2018	01.01-31.03.2017
Profit for the period		39,931	33,797	40,658	35,013
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss					
Profit from valuation of hedging derivatives		183	-	183	-
Attributable income tax		(53)	-	(53)	-
Total items that may be reclassified to profit or loss		130	-	130	-
Other comprehensive income net of tax		130	-	130	-
Total comprehensive income net of tax		40,061	33,797	40,788	35,013
Total comprehensive income attributable to:					
Owners of the Company		40,000	33,222	40,788	35,013
Non-controlling interests		61	575	-	-
Total comprehensive income net of tax		40,061	33,797	40,788	35,013

4. Statement of Changes in Equity

4.1. Consolidated Statement of Changes in Equity

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

GROUP	Share capital	Reserves	Treasury shares	Retained earnings	Non-controlling interests	Total equity
Balance as at 1 January 2017	95,700	32,417	(7,454)	914,614	36,954	1,072,231
Total comprehensive income for the period 01.01-31.03.2017	-	-	-	33,222	575	33,797
Transactions with owners of the Company						
Acquisition of treasury shares	-	-	(1,585)	-	-	(1,585)
Share capital increase expenses of subsidiaries	-	-	-	(165)	-	(165)
Total transactions with owners of the Company	-	-	(1,585)	(165)	-	(1,751)
Balance as at 31 March 2017	95,700	32,417	(9,039)	947,670	37,529	1,104,277
Balance as at 1 January 2018	95,700	33,034	(9,039)	595,075	43,397	758,168
Profit for the period 01.01-31.03.2018	-	-	-	39,870	61	39,931
Other comprehensive income for the period 01.01-31.03.2018	-	-	-	130	-	130
Total comprehensive income for the period 01.01-31.03.2018	-	-	-	40,000	61	40,061
Transactions with owners of the Company						
Share capital increase expenses of subsidiaries	-	-	-	(66)	-	(66)
Total transactions with owners of the Company	-	-	-	(66)	-	(66)
Balance as at 1 March 2018	95,700	33,034	(9,039)	635,009	43,458	798,163

4.2. Separate Statement of Changes in Equity

As at 31 March 2018 and for the three-month period then ended on that date

(Amounts in thousands of euro)

COMPANY	Share capital	Reserves	Treasury shares	Retained earnings	Total equity
Balance as at 1 January 2017	95,700	31,900	(7,454)	917,975	1,038,121
Total comprehensive income for the period 01.01-31.03.2017	-	-	-	35,013	35,013
Acquisition of treasury shares	-	-	(1,585)	-	(1,585)
Balance as at 31 March 2017	95,700	31,900	(9,039)	952,988	1,071,549
Balance as at 1 January 2018	95,700	31,900	(9,039)	598,462	717,023
Profit for the period 01.01-31.03.2018	-	-	-	40,658	40,658
Other comprehensive income for the period 01.01-31.03.2018	-	-	-	130	130
Total comprehensive income for the period 01.01-31.03.2018	-	-	-	40,788	40,788
Balance as at 1 March 2018	95,700	31,900	(9,039)	639,250	757,811

5. Cash Flow Statement

As at 31 March 2018 and for the three-month period then ended on that date
(Amounts in thousands of euro)

	GROUP		COMPANY	
	01.01- 31.03.2018	01.01- 31.03.2017	01.01- 31.03.2018	01.01- 31.03.2017
OPERATING ACTIVITIES				
Profit before tax	57,892	51,513	57,419	49,975
Adjustments for:				
Depreciation & Amortization	22,854	22,745	16,661	17,270
Net finance costs	6,472	4,363	5,260	3,801
Employee benefit plans	404	680	370	655
Provisions for bad debts	248	15	165	-
Other provisions	402	849	402	841
Exchange differences	0	18	()	18
Share of profit from associates	-	(150)	-	-
Loss from investing activities	13	21	13	3
Other non-cash items	-	-	689	689
Total	88,285	80,054	80,977	73,252
Changes in Working capital				
Decrease / (increase) in inventories	(2,639)	2,232	227	96
Decrease in receivables	41,670	16,825	27,221	4,261
Increase / (decrease) in payables (except banks)	(58,804)	(32,834)	(32,144)	8,203
Increase / (decrease) in taxes payable	(49,962)	(10,226)	(46,714)	(8,685)
Total	18,550	56,051	29,567	77,128
Interest paid	(9,664)	(5,035)	(9,039)	(4,107)
Income tax paid	(8)	-	-	-
Net cash flows from operating activities	8,878	51,016	20,529	73,022
INVESTING ACTIVITIES				
Proceeds from sale of tangible & intangible assets	2	44	2	-
Loan repayments from third parties	44	89	-	-
Share capital increase in subsidiaries	-	-	-	(10,000)
Loans granted to Group companies	-	-	(700)	-
Purchase of intangible assets	(6,946)	(21,025)	(6,774)	(261)
Purchase of property, plant and equipment & investment property	(4,930)	(2,969)	(3,604)	(2,874)
Dividends received	-	-	836	-
Interest received	651	221	198	68
Net cash flows used in investing activities	(11,180)	(23,641)	(10,042)	(13,067)
FINANCING ACTIVITIES				
Proceeds from loans & borrowings	262,242	196,274	252,032	196,274
Payments of loans & borrowings	(215,523)	(18,680)	(215,500)	(18,680)
Acquisition of treasury shares	-	(1,585)	-	(1,585)
Share capital increase expenses of subsidiaries	(55)	(165)	-	-
Dividends paid	(85)	(7)	(85)	(7)
Net cash flows from financing activities	46,579	175,837	36,447	176,002
Net increase in cash and cash equivalents	44,277	203,211	46,934	235,957
Cash and cash equivalents at the beginning of the period	246,102	273,523	94,270	65,433
Cash and cash equivalents at the end of the period	290,379	476,734	141,204	301,389