

## Valuation & Research Specialists (VRS)

Equity Research Team  
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Share Price (3/6/2013) € 6.78

# of Shares (,000)	319,000
Market Cap (in € mn)	2,162.82
A.D. Volume (p)	1,410,151
Beta Co-efficient	0.73

### Statistical Data

Max 52 week	8.27 €
Min 52 week	3.50 €
1-M Rtn	-1.74%
6-M Rtn	30.38%
12-M Rtn	64.56%

### Shareholders' Structure

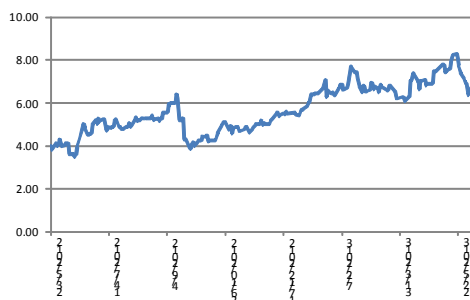
Latest available from the Company.

Hellenic Republic	1.00%
HRADF(*)	33.00%
Remaining Free Float	66.00%

(\*) Hellenic Republic Asset Development Fund.

Source: The Company, Reuters, VRS.

## Stock Price Performance (1 year, in €)



## OPAP SA

[Bloomberg Ticker: OPAP:GA, Reuters Ticker: OPAr.AT]

### Business Sector: Gaming Operators

#### Business Profile – Growth Drivers – Investment & Valuation Considerations

- OPAP SA (the Company or the Group) is the leading gaming and lottery operator in Greece. The Group has also operations in Cyprus. OPAP holds an exclusive agreement with the Greek State to organize and operate a series of games such as games of chance, numerical games, sports betting games until the year 2030. The Group is also licensed to operate online gaming until the year 2020 in Greece.
- The Company was founded in 1958 and was listed on the Athens Exchange in 2001. OPAP is currently undergoing a privatization phase.
- In the Greek market, OPAP holds licenses for the operation of 35,000 VLTs (Video Lotteries) and is leader of a joint venture [including the gaming companies Intralot (listed on Athens Exchange Greece, Bloomberg Ticker: INLOT:GA, Reuters Ticker: INLr.AT) and Scientific Games (listed on Nasdaq, US, Ticker: SGMS, common stock)] that was provisionally selected by Greek authorities as the successful bidder for the acquisition of the 12-year concession regarding the exclusive rights to the management of the Hellenic Lotteries in Greece (state and scratch lotteries).
- Valuation of OPAP depends on a number of factors such as: (1) Greek gaming market's idiosyncratic conditions. The domestic market is monopolistic. In the past, the Greek authorities had provided licenses for internet gaming, however they recently issued a warning for blocking these licenses. At the same time, the illegal gaming market is notable in Greece. (2) The potential market size of the Greek gaming market which undergoes a dynamic phase. (3) The Greek State's policy with regard to the profits distributed to players. (4) The taxation of income / profits generated by organizations such as OPAP. (5) The macroeconomic conditions which determine the public's participation in the games. (6) The Company's operating costs.
- In February 2013, and in view of its privatization schedule, OPAP management released a full set of 10-year projections regarding the Group's financial performance (period 2013-2022). OPAP stock's trailing P/E ratio (last three quarters of 2012 plus first quarter of 2013) settles at 5.24x whereas forward 2013 P/E ratio based on the management's EPS projection at 18.65x.

#### Important Note:

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## BASIC FINANCIAL INDICATORS

(in € mn)	Revenues (*)	Net Rev. (GGR)	EBITDA	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT/EQUITY (x)	ROE %
2009	5,440.9	1,781.0	966.8	593.8	3.6	3.5	1.5	0.0	96%
2010	5,140.0	1,654.0	911.3	575.8	3.8	3.1	1.7	0.0	83%
2011	4,358.5	1,413.4	734.2	537.5	4.0	2.4	3.1	0.3	60%
2012	3,971.6	1,302.1	673.8	505.5	4.3	1.9	2.9	0.2	43%

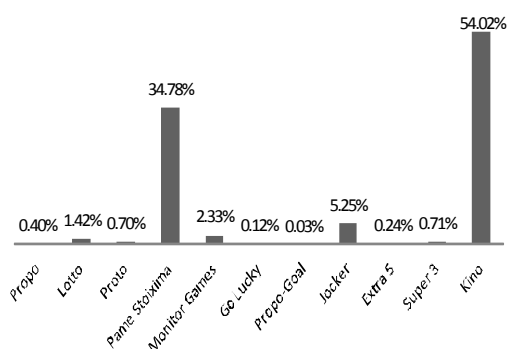
Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. n/c stands for non calculable. (\*) Revenues minus Payouts to Winners = Net Revenues or Gross Gaming Revenues (GGR). Source: Official Consolidated Financial Statements (based on IFRS), VRS Calculations.

## OPAP SA

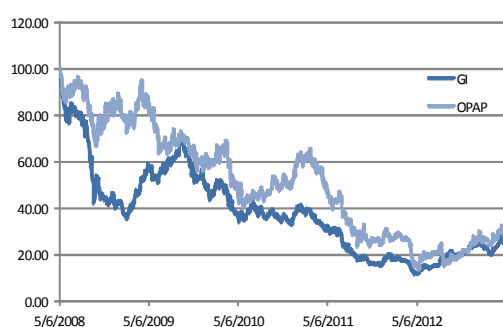
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**Business Sector: Gaming Organizers and Operators**

**Year 2012**  
Gaming Basis, % of Total Revenues



**Stock Versus General Index (5 years)**



Year 2012, Gaming Basis	EUR thous.
<b>Revenues</b>	
Propo	16,015.00
Lotto	56,417.00
Proto	27,608.00
Pame Stoixima	1,381,175.00
Monitor Games	92,661.00
Go Lucky	4,711.00
Propo-Goal	1,176.00
Jocker	208,695.00
Extra 5	9,653.00
Super 3	28,020.00
Kino	2,145,497.00
<b>Total</b>	<b>3,971,628.00</b>

### Working Capital Ratios

in EUR million

	2009	2010	2011	2012
Sales	€ mn 5,440.93	5,140.02	4,358.49	3,971.63
Cost of Sales (net of depreciation)	€ mn 4,284.19	4,078.77	3,465.65	3,155.79
Net Income / Profit	€ mn 593.79	575.80	537.46	505.49
Net Profit Margin	10.9%	11.2%	12.3%	12.7%
Cash & Cash Equivalents	€ mn 699.59	657.49	195.89	463.29

### Stock Days

Days	2009	2010	2011	2012
Days	0	0	0	0

### Stock Inventory

€ mn	2009	2010	2011	2012
€ mn	1.17	0.43	0.48	0.72

### Debtors Days

Days	2009	2010	2011	2012
Days	2	3	4	3

### Debtors - Receivables

€ mn	2009	2010	2011	2012
€ mn	35.51	44.55	51.65	27.86

### Creditors Days

Days	2009	2010	2011	2012
Days	12	8	9	7

### Creditors - Suppliers

€ mn	2009	2010	2011	2012
€ mn	145.34	94.55	86.89	58.71

### Operating Cycle (Days)

Days	2009	2010	2011	2012
Days	2	3	4	3

### Cash Cycle (Days)

Days	2009	2010	2011	2012
Days	-10	-5	-5	-4

Source: Official Consolidated Financial Statements, VRS Calculations.

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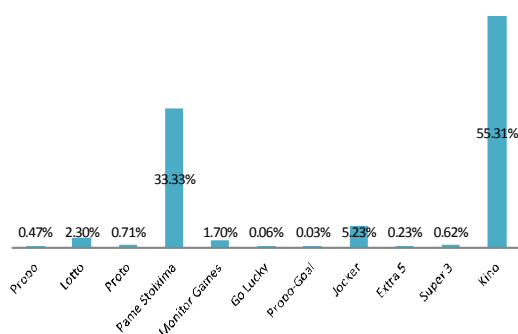
## OPAP SA

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**Business Sector: Gaming Organizers and Operators**

Period 3M 2013, Gaming Basis	EUR thous.
<b>Revenues</b>	
Propo	4,125.00
Lotto	19,998.00
Proto	6,164.00
Pame Stoixima	289,784.00
Monitor Games	14,797.00
Go Lucky	503.00
Propo-Goal	291.00
Jockey	45,484.00
Extra 5	1,997.00
Super 3	5,400.00
Kino	480,785.00
<b>Total</b>	<b>869,328.00</b>

**Period 3M 2013**  
Gaming Basis, % of Total Revenues



### OPAP Management Guidance and Projections as of February 2013

(€m)	2013	2014	2015	2016	2017	2018
<b>Gross Gaming Revenue (GGR) (*)</b>	1,204.0	1,611.0	2,103.0	2,263.0	2,362.0	2,484.0
<b>EBITDA</b>	243.0	319.0	423.0	472.0	498.0	526.0
<b>Net Profit</b>	116.0	127.0	213.0	258.0	291.0	314.0
(€m)	2013	2014	2015	2016	2017	2018
<b>Total Assets</b>	1,647.0	1,679.0	1,959.0	2,071.0	2,109.0	2,254.0

(\*) Categories include existing games, 16,500 and 18,500 VLTs, lotteries / scratch cards, and online games.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
OPAP S.A.	OPAP:GA	OPAr.AT	€ 6.78	June 3, 2013	2, 3

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
7. VRS has produced a research report for this company within the past 12 months.

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### Investment Research & Analysis Journal

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