



Share Price:		6,62
Closing Price as 15/04/16		
Price High 52week		9,00
Price Low 52week		5,40
Market capitalisation		2.111.780.000
Current num. of shares		319.000.000
Long Term Debt		113.602.000

Key Financials	12/15	12/16E	12/17E
Sales	1.399.671.000	1.399.677.588	1.383.152.225
EBITDA	377.102.000	354.510.048	399.587.633
EBITDA margin	27%	25%	29%
Total Debt/Equity	9%	9%	9%
P/E	10,00	10,00	9,00
EPS	0,66	0,61	0,71
Dividend/Share	0,21	0,21	0,21

Enterprise Value	2.862.792.693
Shareholders value	2.749.190.693

OPAP S.A

Sector: Leisure- Gaming

Activity: Production, operation, management and marketing of Betting and Numerical games.

Outlook:

We reconfirm OPAP's stress case scenario (Risk free rate 10.50%) Fair estimated price to 5.95 Euros/Share on the back of FY15 results.

Opap's FY15 showed a stabilization in terms of Net Gaming revenues (Gaming revenues before gaming taxation) and an improvement in operating and profitability margins that led to higher EBITDA and Net Income vs FY14.

Despite the expected reduction in Pame Stoixima revenues (FY14 revenues were positively affected by the World Cup event) the group managed to balance total revenues by growing sales of Scratch cards and Lotteries. Furthermore, the other major numerical games (KINO, TZOKER) remained stable in terms of revenues and profitability.

A major point of concern remains the dubious launching of the VLT gaming machines project due to the ongoing disagreement between OPAP and the Hellenic government with regards to the operational aspects of the project.

As a result of the above facts and concerns, we adjusted our model to normalised Gaming Revenues based only on the existing Gaming portfolio as well as the new payment facility services offered by OPAP (a.k.a Payzone) and pulled back the expected VLT Revenue stream to our terminal value. Any earlier launching of the VLT project could add up to 1 Euro/Share in terms Enterprise Value.

Moreover, we streamlined higher Marketing expenses to reflect the forthcoming events of Euro and World cup in 2016 and 2018 respectively and the additional operating costs corresponding to Payzone (c. 120mn Euros per annum).

We should note that OPAP's current Price (6.62 Euros/Share) reflects our Fair Value estimate, at current levels of 8,50%.

OPAP's operating performance, successful penetration in Lotteries and Scratch games, healthy capital position and generation of positive Cash flows outline its share as one of the best Values in our Universe and any further improvement in the country risk premium could grant OPAP with at least 10.00 Euros /Share in FV.

Strengths:

Decrease in CAPEX enhancing Cash Flow generation.

Positive contribution from Scratch Cards business.

Weaknesses:

Further delay in launch of the VLT'S due to the existing institutional framework will decelerate the growth in Revenues and affect our model.

DATE

18/04/16

FAIR ESTIMATED PRICE	5,95
Δ% from Current Price	-10%
Investment Thesis	FV

OPAP Summary tables

Income Statement	2015	2016E	2017E	2018E	2019E
Total Sales	1.399.671.000,00	1.399.677.587,62	1.383.152.225,00	1.407.282.195,03	1.396.267.982,15
CGS	769.262.802,16	753.817.962,62	788.078.029,22	781.910.070,00	784.105.911,30
Gross Profit	625.338.000,00	630.414.785,46	629.334.262,37	619.204.165,81	614.357.912,15
Sales Expenses	69.468.000,00	107.972.443,94	63.901.510,31	108.882.579,59	64.630.598,23
Administrative Expenses	46.098.000,00	41.990.327,63	40.111.414,52	43.625.748,05	44.680.575,43
Rest Income	128.662.000,00	126.000.000,00	126.000.000,00	126.000.000,00	126.000.000,00
Rest Costs	261.332.000,00	251.941.965,77	251.733.704,95	257.532.641,69	237.365.556,97
EBITDA	377.102.000,00	354.510.048,13	399.587.632,59	335.163.196,49	393.681.181,53
D&A	74.332.000,00	75.000.000,00	76.000.000,00	76.000.000,00	76.000.000,00
EBIT	302.770.000,00	279.510.048,13	323.587.632,59	259.163.196,49	317.681.181,53
Interest Expenses	3.178.000,00	3.468.000,00	3.368.000,00	3.768.000,00	3.768.000,00
EBT	299.592.000,00	276.042.048,13	320.219.632,59	255.395.196,49	313.913.181,53
Taxation	111.978.000,00	80.052.193,96	92.863.693,45	74.064.606,98	91.034.822,64
Net Income/Loss	209.900.000,00	195.989.854,17	227.355.939,14	181.330.589,51	222.878.358,88

Cash flow estimations (E)	2016E	2017E	2018E
EBIT	279.510.048,13	323.587.632,59	259.163.196,49
Taxation	71%	71%	71%
NOPAT	198.452.134,17	229.747.219,14	184.005.869,51
Depreciation	75.000.000,00	76.000.000,00	76.000.000,00
Capital Exp.	25.000.000,00	25.000.000,00	25.000.000,00
IWC	15.000.000,00	15.000.000,00	15.000.000,00
NCF	233.452.134,17	265.747.219,14	220.005.869,51

Growth/Margins/Metrics(E)	12/15	12/16E	12/17E
Sales Growth	2%	0%	-1%
EBITDA growth Y-Y	9%	-6%	13%
Net Profit/Loss growth	5%	-7%	16%
RATIOS	12/15	12/16E	12/17E
Debt/Equity	0,09	0,09	0,09
Capex/EBITDA	11%	7%	6%
ROE	18%	18%	18%
WACC	12,00%	12,00%	12,00%
VALUATION	12/15	12/16E	12/17E
Book Value	3,61	3,61	3,61
P/BV	1,83	1,65	1,65
P/E	10,00	10,00	9,00

Σημειώσεις/Notes

P: Τρέχουσα Τιμή
MCAP: Κεφαλαίωση
EPS: Καθαρά Κέρδη Ανά Μετοχή

P/E: Λόγος Τιμής προς Κέρδη

P/S: Λόγος Τιμής προς Πωλήσεις

D/A: Συνολικός Δανεισμός προς Παθητικό

DY: Απόδοση Μερίσματος
ROE: Απόδοση Ιδίων Κεφαλαίων
FV: Τιμή Σωστής Αποτίμησης

Οδηγός Συστάσεων/Ratings

UV Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος
UV1 Χαμηλή Αποτίμηση/ Κίνδυνος
FV Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος
OV1 Σωστή Αποτίμηση/ Κίνδυνος
OV Υπερτιμημένη Μετοχή

Underpriced/ Small Risk
Stock Price < 20% of Fair
Underpriced/ Risk
Stock Price < 10% of Fair
Fairly Priced/ Small Risk
10% < Stock Price < 10%
Fairly Priced/ Risk
Stock Price > 10% of Fair
Overvalued
Stock Price > 20% of Fair

Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΙΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΙΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. δεν ευθύνεται για την εγκυρότητα, ορθότητα ή αξιοπιστία τους και διατηρεί το δικαίωμα αλλαγής τους χωρίς πρότερη ειδοποίηση. Τόσο η Ν. ΧΡΥΣΟΧΟΙΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. όσο και οι διευθυντές και υπάλληλοι της δεν φέρουν ουδεμία ευθύνη για οποιαδήποτε συνέπεια των πληροφοριών αυτών. Το παρόν δεν αποτελεί προσφορά, προτροπή ή επενδυτική πρόταση για αγορά ή πώληση μετοχών ή άλλων κινητών αξιών. Οι επενδύσεις που αναφέρονται ενδέχεται να μην είναι οι ενδεδειγμένες για ορισμένους επενδυτές.

Disclaimer:

This report has been issued by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A., a member of the Athens Stock Exchange, and may not be reproduced in any manner or provided to any other persons. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. The information contained herein has been obtained from sources believed to be reliable but has not been verified by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. The opinions expressed herein may not necessarily coincide with those of any member of N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility of liability whatsoever or howsoever arising is accepted in relation to the contents hereof by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. or any of its directors, officers or employees. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell securities mentioned herein. N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. may effect transactions in or perform or seek to perform brokerage services for companies covered. The investments discussed in this report may be unsuitable for investors, depending on their specific investment objectives and financial position.