



| | |
|---------------------------|---------------|
| Share Price: | 7,81 |
| Closing Price as 26/06/15 | |
| Price High 52week | 12,77 |
| Price Low 52week | 6,86 |
| Market capitalisation | 2.491.390.000 |
| Current num. of shares | 319.000.000 |
| Long Term Debt | |

| Key Financials | 12/14 | 12/15E | 12/16E |
|-------------------|---------------|---------------|---------------|
| Sales | 1.377.679.000 | 1.392.578.443 | 1.701.717.771 |
| EBITDA | 346.518.000 | 268.941.678 | 365.232.437 |
| EBITDA margin | 25% | 19% | 21% |
| Total Debt/Equity | Total Equity | Total Equity | Total Equity |
| P/E | 14,20 | 20,62 | 14,53 |
| EPS | 0,62 | 0,51 | 0,73 |
| Dividend/Share | 0,85 | 0,85 | 0,85 |

| | |
|--------------------|---------------|
| Enterprise Value | 3.420.731.124 |
| Shareholders value | 3.420.731.124 |

| Risk Free | FV |
|-----------|-------|
| 6,50% | 10,72 |
| 7,50% | 10,39 |
| 8,50% | 8,46 |
| 9,50% | 7,13 |
| 10,50% | 5,95 |

OPAP S.A

Sector: Leisure- Gaming

Activity: Production, operation, management and marketing of PROPO, LOTTO, PROPOGOL, JOKER, BINGO and other games.

Outlook:

We have reiterated our investment thesis on OPAP to reflect current stressed circumstances of the Hellenic Economy.

On the back of FY14 results and the "in line" results for Q1'15, we evidenced the increase in revenues from the contribution of Scratch cards and Lotteries and the strong performance of Pame Stixoima), positive free cash flow generation and strong balance sheet with zero bank debt exposure.

The delay in the launching of VLT's and the corresponding Company guidance of full utilization as late as 2016 already affected our estimates regarding the Sales levels for the period 2015 and on, thus lowering our DCF Fair Value.

Although, we are fundamentally disappointed by this setback we still find OPAP as one of the best values in our Universe and maintain our positive thesis.

Strengths:

Additional cash flow generation from VLT and lotteries from 2016 and on.

Decrease in CAPEX enhancing Cash Flow generation.

Positive contribution from Scratch Cards business.

Weaknesses:

Soft demand in traditional betting games.

OPAP'S lack of expertise in VLT business. Additional costs in creating market awareness in VLT business.

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 20/07/2015

| | |
|-----------------------|-----------|
| FAIR ESTIMATED PRICE | 5,95 |
| Δ% from Current Price | -24% |
| Investment Thesis | OV |

OPAP's Summary tables

| Income Statement | 2014 | 2015E | 2016E | 2017E | 2018E |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Gross Gaming Revenues | 1.377.679.000 | 1.392.578.443 | 1.701.717.771 | 1.715.105.142 | 1.718.618.512 |
| 30% at Revenues | 391.924.000 | 389.921.964 | 476.480.976 | 480.229.440 | 481.213.183 |
| Gaming Revenues | 985.755.000 | 1.002.656.479 | 1.225.236.795 | 1.234.875.703 | 1.237.405.329 |
| Cost of Services | 527.729.000 | 632.990.202 | 773.508.078 | 779.593.247 | 781.190.233 |
| Gross Profit | 474.241.000 | 369.666.278 | 451.728.717 | 455.282.456 | 456.215.096 |
| VLT'S Royalties | 0 | | | | |
| Rest Income | 7.521.000 | 6.679.000 | 6.679.000 | 6.679.000 | 6.679.000 |
| Sales Cost | 88.927.000 | 71.141.600 | 56.913.280 | 56.913.280 | 56.913.280 |
| Administrative Cost | 41.346.000 | 20.000.000 | 20.000.000 | 20.000.000 | 20.000.000 |
| Rest Cost | 4.971.000 | 16.262.000 | 16.262.000 | 16.262.000 | 16.262.000 |
| Impairment Loss | | | | | |
| EBITDA | 346.518.000 | 268.941.678 | 365.232.437 | 368.786.176 | 369.718.816 |
| D&A | 50.321.000 | 55.000.000 | 55.000.000 | 55.000.000 | 55.000.000 |
| EBIT | 296.197.000 | 213.941.678 | 310.232.437 | 313.786.176 | 314.718.816 |
| Income/Loss from Asset Sales | 5.000 | | | | |
| Income/Loss from relative Comp. | 321.000 | | | | |
| Loss from Asset Impairment | | | | | |
| Interest Income | 7.000.000 | 14.061.000 | 14.061.000 | 14.061.000 | 14.061.000 |
| Interest Exopense | 2.000.000 | 2.000.000 | 2.000.000 | 2.000.000 | 2.000.000 |
| Dividend from Subsidiaries | | | | | |
| EBT | 305.197.000 | 230.002.678 | 326.293.437 | 329.847.176 | 330.779.816 |
| Taxation | 105.878.000 | 66.700.777 | 94.625.097 | 95.655.681 | 95.926.147 |
| Deffered Tax | | | | | |
| Net Income | 199.319.000 | 163.301.901 | 231.668.341 | 234.191.495 | 234.853.669 |

Cash flow estimations (E)

| | 2014 | 2015E | 2016E |
|--------------|-------------|-------------|-------------|
| EBIT | 296.197.000 | 213.941.678 | 310.232.437 |
| Taxation | 26% | 29% | 29% |
| NOPAT | 190.319.000 | 151.898.591 | 220.265.031 |
| Depreciation | 50.321.000 | 55.000.000 | 55.000.000 |
| Capital Exp. | 15.000.000 | 16.000.000 | 15.000.000 |
| IWC | -3.563.991 | -336.605 | -6.984.012 |
| NCF | 229.203.991 | 190.561.986 | 253.281.019 |

Growth/Margins/Metrics(E)

| | 12/14 | 12/15E | 12/16E |
|------------------------|--------------|---------------|---------------|
| Sales Growth | 13% | 2% | 22% |
| EBITDA growth Y-Y | 56% | -22% | 36% |
| Net Profit/Loss growth | 41,25% | -14,61% | 41,87% |
| RATIOS | 12/14 | 12/15E | 12/16E |
| Debt/Equity | Total Equity | Total Equity | Total Equity |
| Capex/EBITDA | 4% | 6% | 4% |
| ROE | 15% | 21% | 21% |
| WACC | 12,44% | 12,44% | 12,44% |
| VALUATION | 12/14 | 12/15E | 12/16E |
| Book Value | 3,66 | 3,66 | 3,66 |
| P/BV | 2,42 | 3,01 | 3,01 |
| P/E | 14,20 | 20,62 | 14,53 |

Σημειώσεις/Notes

| | |
|-------|-----------------------------------|
| P: | Τρέχουσα Τιμή |
| MCAP: | Κεφαλαιοποίηση |
| 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 Μερισματος |
| ROE: | Απόδοση Ιδίων Κεφαλαίων |
| FV: | Τιμή Σωστής Αποτίμησης |

Οδηγός Συστάσεων/Ratings

| | |
|-----|------------------------------------|
| UV | Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος |
| UVI | Χαμηλή Αποτίμηση/ Κίνδυνος |
| FV | Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος |
| OVI | 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

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