N. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ
ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ΠΑΡΟΧΗΣ ΕΠΕΝΔΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ
Μέλος του Χρηματιστηρίου Αξιών Αθηνών
Μέλος του Χρηματιστηρίου Παραγώγων Αθηνών
Μέλος του Δικτύου XNet
Τμήμα Μελετών και Αναλύσεων

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Member of the Athens Stock Exchange
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Member of the XNet Network
Equity Research Department

OPAP S.A

Date 5/6/2014

Sector: Leisure- Gaming

Share Price:		**12,33**
Closing Price as 04/06/14		
Price High 52week		12,6
Price Low 52week		5,84
Market capitalisation		3.933.270.000
Current num. of shares		319.000.000
Long Term Debt		

Key Financials	12/11	12/12	12/13
Sales	1.413.314.000	1.302.110.000	1.204.000.000
EBITDA	734.224.000	673.805.000	19.737.000
EBITDA margin	52%	52%	2%
Total Debt/Equity	0,29	0,22	0,02
P/E	4,05	3,41	21,86
EPS	1,68	1,58	0,05
Dividend/Share	0,75	0,54	0,42

Enterprise Value	4.515.142.417
Shareholders value	4.515.142.417

FAIR ESTIMATED PRICE	**14**
Δ% from Current Price	**15%**
Investment Thesis	**FV**

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

Outlook:

We reiterate our investment thesis on OPAP on the back of Q114 results and the increase in revenues from betting games (mainly Stixoima), positive free cash flow generation and strong balance sheet. We stick to the existing business plan projections and expect additional revenue generation from the upcoming VLT business, instant lottery and last but not least the higher demand attributed to FIFA WORLD CUP tournament in 2Q 14.

Additionaly, management's guidance about the upcoming years CAPEX (25 million euros for the FY2014) and the cost cutting efforts in organization's processes are changing our fair price estimations from 12 to 14 euros.

Strengths:

Additional cash flow generation from VLT and lotteries from 2015 and on.
Ongoing reduction of bank lendings.

Decrease in CAPEX

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.

OPAP's Summary tables

Income Statement	2011	2012	2013	2014E	2015E
Gross Revenues	**1.413.414.000,00**	**1.302.110.000,00**	**1.219.923.000,00**	**2.062.114.530,00**	**2.818.525.983,00**
30% Taxation to Gross Revenues			345.401.000,00	618.634.359,00	845.557.794,90
		0,00	**874.522.000,00**	**1.443.480.171,00**	**1.972.968.188,10**
Cost of Services	**-562.862.000,00**	**0,00**	**484.061.000,00**	**1.024.870.921,41**	**1.400.807.413,55**
Gross Profit	**850.552.000,00**	**816.950.000,00**	**390.461.000,00**	**418.609.249,59**	**572.160.774,55**
VLT'S Royalties		0,00	0,00	92.000.000,00	92.000.000,00
Rest Income	**6.849.000,00**	6.679.000,00	2.581.000,00	6.679.000,00	6.679.000,00
Sales Cost	-116.277.000,00	-107.968.000,00	101.382.000,00	81.105.600,00	64.884.480,00
Administrative Cost	-36.795.000,00	-32.174.000,00	33.949.000,00	24.000.000,00	20.000.000,00
Rest Cost	-13.863.000,00	**-9.682.000,00**	16.262.000,00	5.000.000,00	16.262.000,00
Impairment Loss			19.737.000,00	0,00	0,00
EBITDA		673.805.000,00	221.712.000,00	407.182.649,59	569.693.294,55
D&A	**43.578.000,00**	43.936.000,00	**44.111.000,00**	**44.111.000,00**	**44.111.000,00**
EBIT	690.466.000,00	**629.869.000,00**	177.601.000,00	363.071.649,59	525.582.294,55
Income/Loss from Asset Sales	41.000,00	-56.000,00	410.000,00	0,00	0,00
Income/Loss from relative Companies	-395.000,00	-190.000,00	235.000,00	0,00	0,00
Loss from Asset Impairment	**-5.526.000,00**		0,00	0,00	0,00
Interest Income	24.087.000,00	**14.061.000,00**	14.207.000,00	5.000.000,00	14.061.000,00
Interest Exopense	-8.950.000,00	-3.882.000,00	3.407.000,00	1.500.000,00	2.000.000,00
Dividend from Subsidiairies	0,00		0,00	0,00	0,00
EBT	**699.723.000,00**	**638.232.000,00**	**187.756.000,00**	**369.571.649,59**	**541.643.294,55**
Taxation	-151.073.000,00	-127.352.000,00	49.718.000,00	96.088.628,89	140.827.256,58
Deffered Tax		-5.393.000,00	3.077.000,00	0,00	0,00
Net Income	**548.650.000,00**	505.487.000,00	**141.115.000,00**	**273.483.020,70**	**400.816.037,97**

Cash flow estimations (E)

	2013	2014E	2015E
EBIT	177.601.000,00	363.071.649,59	525.582.294,55
Taxation	26%	26%	26%
NOPAT	131.424.740,00	268.673.020,70	388.930.897,97
Depreciation	177.601.000,00	44.111.000,00	44.111.000,00
Capital Exp.	298.000.000,00	25.000.000,00	8.000.000,00
IWC	1.856.751,72	-19.026.616,98	-17.088.691,21
NCF	9.168.988,28	306.810.637,68	442.130.589,18

Growth/Margins/Metrics(E)

	12/11	12/12	12/13
Sales Growth	-17%	-9%	-6%
EBITDA growth Y-Y	-19%	-8%	-789%
Net Profit/Loss growth	-6,66%	-5,95%	-71,79%
RATIOS	**12/11**	**12/12**	**12/13**
Debt/Equity	0,29	0,22	0,02
Capex/EBITDA	123%	-124%	134%
ROE	0,60	0,43	0,05
WACC	10,71%	10,71%	10,71%
VALUATION	**12/11**	**12/12**	**12/13**
Book Value	2,79	3,64	3,53
P/BV	2,45	1,48	2,72
P/E	4,05	3,41	21,86

Σημειώσεις/Notes

P:	Τρέχουσα Τιμή	Market Price
MCAP:	Κεφαλαιοποίηση	Capitalization
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio
DY:	Απόδοση Μερίσματος	Dividend Yield
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk Stock Price < 20% of Fair
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Underpriced/ Risk Stock Price < 10% of Fair
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Fairly Priced/ Small Risk 10%<Stock Price<10%
OV1	Σωστή Αποτίμηση/ Κίνδυνος	Fairly Priced/ Risk Stock Price >10% of Fair
OV	Υπερτιμημένη Μετοχή	Overvalued Stock Price >20% of Fair