



OPAP S.A

Outlook:

We retain our investment thesis on OPAP on the back of satisfactory FY16 results ensuring our confidence in the group's future growth expectations.

FY16 results at a glance:

OPAP's top line performance was marked by the marginally flat deceleration (-0.06%) in Amounts Wagered (Revenues before pay outs to winners and taxation) and the slight improvement in Gross Gaming Revenues due to the lower pay-out ratio to winners.

Lottery sector's revenues were up 3% from the previous year due to KINO's contribution. Instant and Passive sector's revenues were flat on a y-o-y basis and the Betting sector's revenues were negatively affected by the deceleration in Pame Stixoima sales.

The Group's EBITDA came up to 307.5mn Euros or 18.50% lower than the previous year (however in-line with our estimates) due to the additional 5% levy in GGR that imposed at the beginning of FY16, and the slight increase in Group's Wages and Salaries.

Net Profit Attributed to shareholders reached 172.90mn. Euros (slightly below our estimates for 179.70mn. Euros.)

The proposed DPS is 0.57Euros/Share.

We reiterate 9.85Euros/Share as Fair estimated price per share.

Date: 31/03/17

FAIR ESTIMATED PRICE: **9.85Euros/Share**

Investment Thesis: **UWI**

Key Statistics:

Valuation	Date 31/03/17
Share Price	8,90
Price High 52 week	8,90
Price Low 52 week	5,96
Current num. of shares	319.000.000
P/E (E)	17
Market Cap.	2.839.100.000
EPS (E)	0,42
DPS (Proposed)	0,57
<i>*Closing Price as 30/03/2017</i>	

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HELLENIC ORGANIZATION OF FOOTBALL PROGNOSTICS (OPAP)

OPAP's FY16 results were in-line with our expectations for marginally flat deceleration in the group's main operating sectors (Lotteries, Instant and Passives, Betting) and surpassed our estimates in terms of pay-out ratio to winners.

Specifically, the Group's core business revenues were marginally flat from the previous period. That flat performance is mainly attributed to the deceleration in Pame Stixoima revenues impacted from the ongoing intense competition and the lack of a major sports event during the previous fiscal year. On the other hand, the evidenced y-o-y growth for both the Instant and Lotteries sector managed to offset the overall revenues deceleration. In terms of operating earnings the Group's EBITDA were 18.50% down on a y-o-y basis due to the additional 5% tax levy that imposed to the FY16 Gross Gaming Revenues and the higher expenses for personnel's salaries and wages and were inline with our expectations.

We are satisfied with OPAP's performance in the Instant and Lotteries sectors as the sales growth rate came in line with our expectations in combination with the improved payout ratio which positively contributed to the overall Gross Gaming Revenue, while we are still cautious for the Betting sector's ongoing performance due to the evidenced further deceleration in the sector's revenues and the intense competition that hurts overall profitability.

We retain our estimates for the three operating sectors due to the Group's actions to further enhance the existing gaming portfolio and its efforts towards implementation of digital gaming. Additionally, we have incorporated the expected revenues of the VLT machines and we note that our estimates are very sensitive to the successful implementation of the machines in the Hellenic gaming market (*see the analysis of HELLENIC ORGANIZATION OF FOOTBALL PROGNOSTICS (OPAP)151116*). For the reasons mentioned above we retain our Fair Estimated Price to 9.85Euros/Share and our Investment Thesis as UV1 and we will be expecting the Q1 17 and management feedback in order to have a more accurate picture with regards to the ongoing implementation of the VLT machines project.

Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ 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. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. όσο και οι διευθύνοντες 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.

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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 Μερισματος	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
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Underpriced/ Risk
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Fairly Priced/ Small Risk
OV1	Σωστή Αποτίμηση/ Κίνδυνος	Fairly Priced/ Risk
OV	Υπερτιμημένη Μετοχή	Overvalued
N/R	Μη Αποτιμημένη Μετοχή	Not Rated