



OPAP S.A.

Investment Thesis

OPAP is generating most of its revenue from sports betting events that are now postponed. Apparently, any revenue lost from the Football Champion League games or the FIFA EURO cup cannot be balanced from table-tennis events. On the other hand, the 2Q20 lockdown, finds OPAP well positioned to earn revenue from its online offerings. OPAP finalized the acquisition of an additional 51% stake of Stoiximan, a strategic move to join forces with a fast growing online sports betting and online casino corporation (ii) concluded the online Tzoker offering (iii) concluded the IT technology transformation and (iv) concluded the VLT rollout.

2020 revenues will be hit, but OPAP's margins could be saved as the business model enjoys a high level of revenue-dependent expenses. The fact that OPAP has not yet participated in the Greek government's fiscal initiatives, is a sign of resilience.

A worth noted source of uncertainty is the planned stepping down of the current CEO on June 2020.

OPAP's management has not yet decided, nor was in any position to hint the dividend policy for 2020.

Valuation

OPAP is valued at €12.00 per share through a FCF exercise with an applied rate of 10.04%. The impact of the COVID 19 lockdown is expected to last for 4 months, resulting in a four-month slowdown of c. 4x140million decrease in revenues.

Date	28/4/2020
Fair Estimated Price (€)	12.00
Investment Thesis	FV
Bloomberg Ticker	OPAP GA
Reuters Ticker	OPAr.AT
Closing Price	7.94
Low/High price 52w	5,86 / 12,32
Market Cap (€mn)	2,528
EPS (2019F)	0.64
DPS	0.53
Dividend Yield %	6.7%

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Summary Financials				
(€ mn)	2018A	2019A	2020F	2021F
Profit & Loss Items				
Net Gaming Revenue (NGR)	1,040	1,092	913	1,261
EBITDA	354	413	306	458
Net Income	145	203	88	199
Balance Sheet Items				
Total Assets	1,764	2,240	2,512	2,628
Cash at Hand	182	634	888	1,062
Total Equity	753	772	760	760
Cash Flow Items				
Operating Cash Flow	372	320	193	400
Free Cash Flow	282	315	29	375
Key Financial Ratios				
Revenue Growth	6.9%	5.0%	-16.4%	38.1%
EBITDA margin % (NGR)	34.0%	37.8%	33.5%	36.3%
EPS	0.46	0.64	0.28	0.63
DPS	0.41	0.53	0.31	0.63
Dividend Yield	5.4%	4.6%	5.8%	11.5%
ROE	19.3%	26.3%	11.6%	26.2%
P/E (x)	16.7	18.2	19.7	8.7

Ρήτρα Περιορισμού Ευθύνης:

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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 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
N/R	Μη Αποτιμημένη Μετοχή	Not Rated