

Gaming Innovation Group

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Results Analysis

Leisure

Norway

17 August 2022

The wheels are turning

Gaming Innovation Group (GIG) reported a strong Q2 with organic revenue growth of 24% y/y. GIG media had another all-time-high revenue and FTD intake, boasting an impressive track record of 10 consecutive quarters of growth. FTDs grew 70% y/y and media revenue jumped organically by 35% y/y. GIG looks poised to capitalise on the upcoming World Cup in Q4 with several new platform deals and continued strong momentum for GIG media.

Key Data (2022E)

Price (SEK)	21.04
Reuters	GIGSEK.ST
Bloomberg	GIGSEK SS
Market cap (SEKm)	2,583
Market cap (USDm)	250
Net debt (EURm)	84
Net gearing	126%
Net debt/EBITDA (x)	2.5
Shares fully dil. (m)	122.8
Avg daily turnover (m)	0.1
Free float	33%

Report in line with our estimates; net margin boosted by FX tailwinds

GIG reported normalised revenues of EUR 22.1m in Q2/22, much in line with our estimate of EUR 21.9m, up 37% y/y including organic growth of 24%. Adjusted EBITDA margin was 37.5%, versus SEB at 37.3% and adj. EBIT margin was 13.4% versus SEB 13.1%. Net margin at 9% was better than we expected, thanks mainly to FX tailwinds on unrealised gains on outstanding bonds.

We raise adj. EBIT by 36-35% for 2023E-24E

The company presented new long-term financial targets of 20% organic revenues growth p.a. and EBITDA margin above 50% by 2024. The organic growth target seems fair, but the margin goal looks to be a bit challenging in our view. We lower our OPEX assumptions for 2023-24, resulting in a significant boost to adj. EBIT, in addition to the previously announced cost savings programme which we have already accounted for in our estimates.

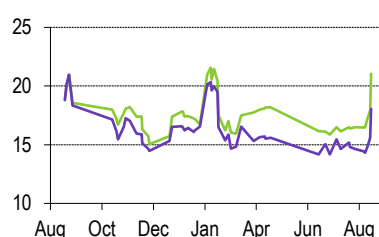
DCF-based mid-point value upgrade to SEK 32 (SEK28) per share

We raise our DCF-based mid-point value to SEK 32 (SEK 28) per share. We assume a WACC of 11.5% and steady-state EBIT of 22.7%. On our raised EBITDA and EBIT estimates, the new mid-point value corresponds to a 2023E EV/EBITDA (excl. IFRS 16) of 8.2x. The stock currently trades on a 2023E EV/EBITDA (excl. IFRS 16) of 5.6x, which we believe is cheap given that we forecast a 2021-24E adj. EBIT CAGR of 77%.

Estimate Revisions (%)

	2022E	2023E	2024E
Revenues	3	3	2
Adj. EBIT	8	36	35
Adj. EPS	50	54	45

Share Price (12M)



Absolute (green) / Relative to Norway (purple).

**Marketing communication
commissioned by:
Gaming Innovation Group**

Financials (EUR)

Year end: Dec	2020	2021	2022E	2023E	2024E
Revenues (m)	63	83	105	133	154
Adj. EBIT	(9)	7	14	28	39
Pre-tax profit (m)	(16)	(0)	9	22	33
EPS	(0.18)	0.00	0.07	0.16	0.24
Adj. EPS	(0.17)	(0.00)	0.07	0.16	0.24
DPS	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	43.1	31.0	27.2	27.0	15.8
Adj. EBIT growth (%)	n.m.	n.m.	101.9	100.2	38.7
Adj. EPS growth (%)	n.m.	n.m.	n.m.	111.7	53.2
Adj. EBIT margin (%)	(13.7)	8.5	13.5	21.3	25.5
ROE (%)	n.m.	5.2	21.4	25.2	29.2
ROCE (%)	(11.1)	10.5	12.0	16.8	21.4
PER (x)	n.m.	n.m.	27.0	12.8	8.3
Free cash flow yield (%)	5.8	n.a.	4.6	8.1	11.2
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
P/BV (x)	29.67	13.73	3.68	2.85	2.13
EV/Sales (x)	3.03	3.14	3.63	2.43	1.91
EV/Adj. EBITDA (x)	14.7	10.1	9.8	5.9	4.3
EV/Adj. EBIT (x)	(18.3)	29.9	23.2	10.2	6.7
Operating cash flow/EV (%)	9.1	4.6	7.8	12.9	18.1
Net debt/EBITDA (x)	4.81	2.25	2.50	0.91	0.29

Source for all data on this page: SEB (estimates) and Millstream/Thomson Reuters (prices)

Reaching higher

GIg's new financial targets

- Annual organic revenue growth in the region of 20%.
- Adjusted EBITDA margin in excess of 50% during 2024.
- Cash generated from the business to be used to lower leverage ratio while pursuing growth opportunities in the rapidly growing iGaming sector.

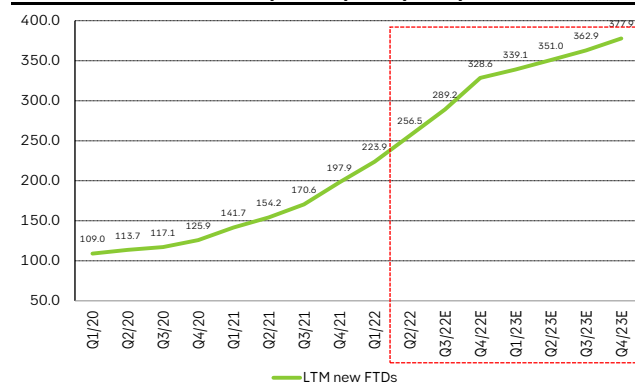
New financial targets are right in the sweet spot: tough but manageable

We believe the new targets are manageable and could be achieved, but the margin goal could be a challenge. Achieving adjusted EBITDA margin in excess of 50% by 2024 will, in our view, be tough, but we see no reason to doubt that margins could reach that level beyond 2024. Now that SportnCo is a part of the company, GIg should strive for adjusted EBITDA margins above 50%, in our view. To achieve that goal by 2024, GIg platform would have to significantly raise margins to a level not seen before. For that reason, we are cautious in our estimates and forecast EBITDA margin of 44% by 2024. Although we do not estimate a margin excess of 50% in 2024, we think this level could be reached in a blue skies scenario.

Media keeps rollin'

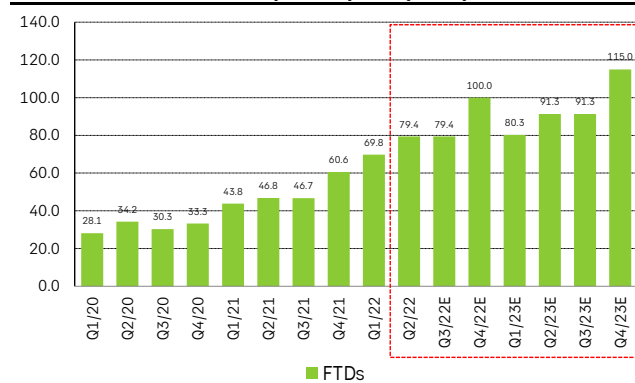
Continuing the step-up in number of FTDs

LTM number of FTDs, Q1/20-Q4/23E ('000)



Source: SEB, Gaming Innovation Group

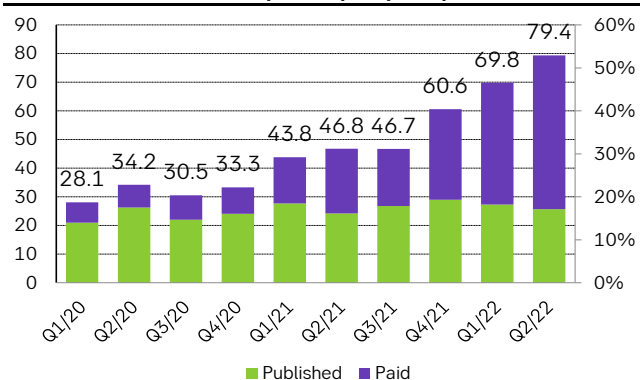
Number of new FTDs, Q1/20-Q4/23E ('000)



Source: SEB, Gaming Innovation Group

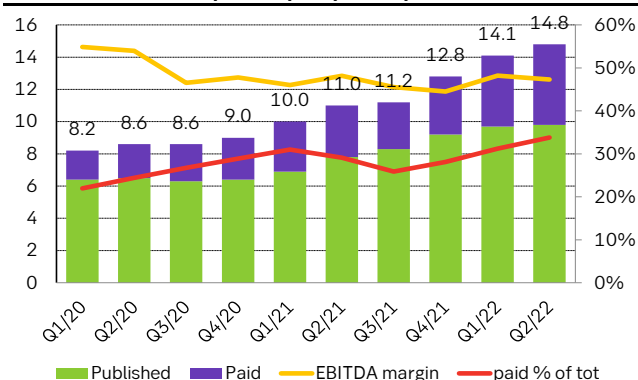
GIg media reached another all-time high in FTDs in Q2/22, the third consecutive quarter a new high for both FTDs and revenues. We have revised up our forecasts for the number of FTDs for 2022-24. The company's recent push in paid media channels will likely continue, giving the company a somewhat controllable flow of new FTDs. A larger share of revenues coming through paid media does not seem to be concern for the company given the minimal effect that this has on EBITDA margin for the media segment. GIg media is still leading the way adding a stable profitable growth engine for the company.

Number of new FTDs, Q1/20-Q2/22 ('000)



Source: SEB, Gaming Innovation Group

Media revenues, Q1/22-Q2/22 (EURm)



Source: SEB, Gaming Innovation Group

Estimate revisions

(EURm)	New estimates			Old estimates			Difference (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net Sales (normalised)	90.7	119.8	138.1	89.2	116.2	134.4	1.6	3.1	2.7
Gross profit	99.8	126.7	146.7	97.1	123.3	143.3	2.8	2.8	2.4
EBIT	13.6	28.4	39.4	13.2	20.8	29.1	3.0	36.4	35.3
Total SG&A	(66.1)	(77.1)	(86.2)	(64.5)	(81.3)	(92.9)	2.4	(5.1)	(7.2)
Adj. EBIT	14.2	28.4	39.4	13.2	20.8	29.1	7.8	36.4	35.3
Reported pre-tax profit	8.9	21.6	33.1	6.9	14.0	22.8	28.8	54.1	45.0
Net profit (cont. operations), reported	7.9	19.2	29.4	6.2	12.5	20.3	27.7	53.6	44.9
EPS, reported (cont. oper)	0.07	0.16	0.24	0.05	0.10	0.17	50.1	54.1	45.2
EPS, adj (cont. oper)	0.07	0.16	0.24	0.05	0.10	0.17	50.1	54.1	45.2

Source: SEB

Q2 Deviation table

(EURm)	Q2/22E			Deviation SEB		Deviation Cons		Q2/21		Q1/22	
	Actual	SEB	Cons	Abs	Rel (%)	Abs	Rel (%)	Actual	y/y (%)	Actual	q/q (%)
Net Sales (normalised)	22.1	21.9	22.4	0.2	1.0	(0.3)	(1.3)	16.2	36.6	19.1	16.1
Total Revenues	26.5	24.9	n.a.	1.6	6.5	n.a.	n.a.	19.4	37.0	23.1	15.0
COGS	(1.4)	(1.2)	n.a.	(0.2)	12.5	n.a.	n.a.	(1.0)	40.8	(1.1)	31.5
Gross profit	25.1	23.7	n.a.	1.5	6.2	n.a.	n.a.	18.4	36.8	22.0	14.2
Marketing expenses	(7.5)	(6.7)	n.a.	(0.8)	12.2	n.a.	n.a.	(4.9)	53.5	(6.7)	11.9
Other operating income/costs	(9.3)	(8.8)	n.a.	(0.5)	5.7	n.a.	n.a.	(8.2)	13.5	(8.7)	6.0
Non-recurring items	(0.6)	0.0	n.a.	(0.6)	n.a.	n.a.	n.a.	0.0	n.a.	0.0	n.a.
Total SG&A	(16.8)	(15.5)	n.a.	(1.3)	8.5	n.a.	n.a.	(13.1)	28.5	(15.5)	8.6
EBITDA	7.7	8.2	8.1	(0.4)	(5.3)	(0.4)	(5.0)	5.3	46.4	6.5	18.9
Of which: NRIs	0.6	0.0	n.a.	0.6	n.a.	n.a.	n.a.	0.0	n.a.	0.0	n.a.
Adj. EBITDA	8.3	8.2	n.a.	0.1	1.7	n.a.	n.a.	5.3	57.1	6.5	27.6
D&A	(5.3)	(5.3)	(4.7)	(0.0)	0.7	(0.7)	14.0	(3.2)	66.0	(3.6)	47.2
EBIT	2.4	2.9	3.1	(0.5)	(16.4)	(0.7)	(22.9)	2.1	15.8	2.9	(16.7)
Adj. EBIT	3.0	2.9	n.a.	0.1	3.3	n.a.	n.a.	2.1	43.3	2.9	3.0
Net financial items	(0.2)	(1.7)	n.a.	1.5	(90.1)	n.a.	n.a.	(2.3)	(92.7)	(1.1)	(85.4)
Reported pre-tax profit	2.2	1.2	2.4	1.1	90.6	(0.2)	(7.4)	(0.2)	(1,100.0)	1.7	28.8
Total taxes	(0.2)	(0.1)	n.a.	(0.1)	91.9	n.a.	n.a.	(0.2)	31.4	(0.2)	38.0
Net profit (cont. operations), reported	2.0	1.0	1.4	0.9	90.4	0.6	41.0	(0.4)	(582.5)	1.6	27.8
Net profit (cont. ops), adj for NRIs net of 11% tax	2.5	1.0	2.7	1.4	139.0	(0.2)	(6.1)	(0.4)	(705.5)	1.6	60.3
Net income from discount. operations	(0.7)	0.0	n.a.	(0.7)	n.a.	n.a.	n.a.	(0.0)	1,373.9	(0.5)	41.5
Total net income	1.8	1.0	n.a.	0.8	73.9	n.a.	n.a.	(0.5)	(496.2)	1.1	68.7
EPS, reported (cont. oper)	0.02	0.01	0.02	0.01	90.44	(0.00)	(20.42)	(0.00)	(463.64)	0.02	0.6
EPS, adj (cont. oper)	0.02	0.01	0.02	0.01	138.99	(0.00)	(0.13)	(0.00)	(556.34)	0.02	26.2

Source: SEB, Gaming Innovation Group, FactSet

Quarterly overview, Q1/20-Q4/22E

(EURm)	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22E	Q4/22E
Net Sales (normalised)	10.7	13.4	14.2	14.1	15.4	16.2	17.0	18.2	19.1	22.1	23.2	26.3
Other income	0.5	3.3	3.8	3.2	2.9	3.2	4.9	4.8	4.0	4.4	3.0	3.0
Total Revenues	11.2	16.7	17.9	17.3	18.3	19.4	21.9	23.0	23.1	26.5	26.2	29.3
COGS	(0.4)	(0.8)	(0.9)	(0.8)	(0.8)	(1.0)	(1.4)	(1.4)	(1.1)	(1.4)	(1.3)	(1.5)
Gross profit	10.7	15.9	17.0	16.4	17.5	18.4	20.6	21.6	22.0	25.1	24.9	27.9
Marketing expenses	(1.7)	(4.5)	(4.5)	(4.2)	(4.7)	(4.9)	(6.4)	(7.0)	(6.7)	(7.5)	(6.5)	(7.3)
Other operating income/costs	(8.5)	(8.5)	(9.3)	(8.1)	(8.2)	(8.2)	(8.8)	(9.0)	(8.7)	(9.3)	(9.5)	(10.4)
Total SG&A	(10.1)	(13.0)	(13.8)	(12.3)	(12.9)	(13.1)	(15.2)	(16.0)	(15.5)	(16.8)	(16.1)	(17.7)
EBITDA	0.6	2.8	3.2	4.1	4.6	5.3	5.3	5.6	6.5	7.7	8.8	10.1
Of which: NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0
Adj. EBITDA	0.6	2.8	3.2	4.1	4.6	5.3	5.3	5.6	6.5	8.3	8.8	10.1
D&A	(5.3)	(5.0)	(4.8)	(4.3)	(3.2)	(3.2)	(3.5)	(3.8)	(3.6)	(5.3)	(5.3)	(5.3)
EBIT	(4.7)	(2.2)	(1.6)	(0.1)	1.3	2.1	1.8	1.8	2.9	2.4	3.5	4.8
Adj. EBIT	(4.7)	(2.2)	(1.6)	(0.1)	1.3	2.1	1.8	1.8	2.9	3.0	3.5	4.8
Net financial items	0.4	(2.9)	(1.0)	(3.5)	(0.6)	(2.3)	(1.4)	(2.8)	(1.1)	(0.2)	(1.7)	(1.7)
Reported pre-tax profit	(4.3)	(5.1)	(2.6)	(3.6)	0.7	(0.2)	0.4	(0.9)	1.7	2.2	1.8	3.1
Total taxes	(0.1)	(0.1)	(0.1)	(0.1)	1.5	(0.2)	(0.2)	(0.6)	(0.2)	(0.2)	(0.2)	(0.3)
Net profit (cont. operations), reported	(4.4)	(5.2)	(2.7)	(3.7)	2.2	(0.4)	0.1	(1.5)	1.6	2.0	1.6	2.8
Net profit (cont. ops), adj for NRIs net of 11% tax	(4.4)	(5.2)	(2.7)	(3.7)	2.2	(0.4)	0.1	(1.5)	1.6	2.5	1.6	2.8
Net income from discount. operations	1.8	(0.9)	(2.3)	(0.4)	(0.1)	(0.0)	(0.2)	(0.2)	(0.5)	(0.7)	0.0	0.0
Total net income	(2.6)	(6.0)	(4.9)	(4.1)	2.1	(0.5)	(0.0)	(1.7)	1.1	1.8	1.6	2.8
EPS, reported (cont. oper)	(0.05)	(0.06)	(0.03)	(0.04)	0.02	(0.00)	0.00	(0.02)	0.02	0.02	0.01	0.02
EPS, adj (cont. oper)	(0.05)	(0.06)	(0.03)	(0.04)	0.02	(0.00)	0.00	(0.02)	0.02	0.02	0.01	0.02
Growth & Margins (%)												
Sales growth (%)	(13.0)	17.7	40.7	34.9	44.6	21.3	20.1	29.5	23.7	36.6	36.2	44.7
EBITDA growth (%)	(74.4)	92.8	n.a.	4,430.8	673.5	86.1	67.0	35.3	42.8	46.4	64.7	81.8
EBIT growth (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	116.2	15.8	93.8	165.6
EBIT (ex. NRIs) growth (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	116.2	43.3	93.8	165.6
Pre-tax profit growth (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	150.9	n.a.	394.8	n.a.
EPS, adj (cont. oper) growth (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(29.6)	n.a.	895.7	n.a.
Gross margin (%)	96.2	95.2	94.9	95.2	95.5	94.9	93.8	94.0	95.4	94.7	95.0	95.0
Gross margin, chg, y/y (pp)	(1.6)	(2.6)	(2.8)	(3.2)	(0.7)	(0.3)	(1.2)	(1.2)	(0.1)	(0.1)	1.2	1.0
SG&A/sales(excl. NRIs) (%)	(90.9)	(78.1)	(77.2)	(71.3)	(70.6)	(67.6)	(69.5)	(69.7)	(67.2)	(63.4)	(61.4)	(60.4)
SG&A/sales(excl. NRIs), chg, y/y (pp)	(12.0)	6.7	24.9	26.2	20.3	10.6	7.7	1.6	3.4	4.2	8.0	9.3
EBITDA margin (%)	5.5	21.3	22.5	29.3	29.6	32.6	31.3	30.7	34.2	35.0	37.9	38.5
Adj. EBITDA (excl. NRIs) margin (%)	5.5	21.3	22.5	29.3	29.6	32.6	31.3	30.7	34.2	37.5	37.9	38.5
EBIT margin (%)	(44.1)	(16.5)	(11.5)	(1.0)	8.6	12.8	10.6	10.0	15.1	10.8	15.0	18.4
Adj. EBIT (excl. NRIs) margin (%)	(44.1)	(16.5)	(11.5)	(1.0)	8.6	12.8	10.6	10.0	15.1	13.4	15.0	18.4
Pre-tax margin (%)	(40.7)	(38.1)	(18.2)	(25.7)	4.5	(1.4)	2.1	(5.2)	9.1	10.1	7.7	12.0
Net profit margin (%)	(41.3)	(38.8)	(19.0)	(26.1)	14.2	(2.5)	0.7	(8.2)	8.1	9.0	6.8	10.6
Net profit margin, adjusted (%)	(41.3)	(38.8)	(19.0)	(26.1)	14.2	(2.5)	0.7	(8.2)	8.1	11.2	6.8	10.6
Tax rate (%)	1.4	1.9	4.3	1.6	216.2	84.3	(65.2)	58.5	(10.3)	(11.1)	(11.0)	(11.0)
No of shares, f. dil, avg, adj. (m)	90.0	90.0	90.0	90.0	95.7	92.5	96.7	96.7	96.7	122.8	122.8	122.8

Source: SEB, Gaming Innovation Group

Annual overview, 2019-2024E

(EURm)	2019	2020	2021	2022E	2023E	2024E
Net Sales (normalised)	44.1	52.2	66.8	90.7	119.8	138.1
Other income	0.0	10.8	15.8	14.4	13.6	16.4
Total Revenues	44.1	63.0	82.6	105.1	133.4	154.5
COGS	(0.9)	(3.0)	(4.6)	(5.2)	(6.7)	(7.7)
Gross profit	43.1	60.1	78.0	99.8	126.7	146.7
Marketing expenses	(4.6)	(14.9)	(23.0)	(28.2)	(33.3)	(38.6)
Other operating income/costs	(35.1)	(34.4)	(34.3)	(37.9)	(43.8)	(47.6)
Total SG&A	(39.7)	(49.3)	(57.3)	(66.1)	(77.1)	(86.2)
EBITDA	3.4	10.7	20.7	33.2	49.6	60.6
Of which: NRIs	0.0	0.0	0.0	0.6	0.0	0.0
Adj. EBITDA	3.4	10.7	20.7	33.7	49.6	60.6
D&A	(27.6)	(19.4)	(13.7)	(19.6)	(21.2)	(21.2)
EBIT	(24.1)	(8.7)	7.0	13.6	28.4	39.4
Adj. EBIT	(24.1)	(8.7)	7.0	14.2	28.4	39.4
Net financial items	(8.2)	(6.9)	(7.1)	(4.7)	(6.8)	(6.3)
Reported pre-tax profit	(32.3)	(15.6)	(0.1)	8.9	21.6	33.1
Total taxes	(0.6)	(0.3)	0.5	(1.0)	(2.4)	(3.6)
Net profit (cont. operations), reported	(33.0)	(15.9)	0.4	7.9	19.2	29.4
Net profit (cont. operations), adj for NRIs net of 11% tax	(33.0)	(15.9)	0.4	8.4	19.2	29.4
Net income from discont. operations	(31.7)	(1.8)	(0.5)	(1.2)	0.0	0.0
Total net income	(64.7)	(17.7)	(0.1)	7.3	19.2	29.4
EPS, reported (cont. oper)	(0.37)	(0.18)	0.00	0.07	0.16	0.24
EPS, adj (cont. oper)	(0.37)	(0.18)	0.00	0.07	0.16	0.24
Growth & Margins (%)						
Sales growth (%)	(70.9)	18.5	28.0	35.7	32.1	15.3
EBITDA growth (%)	(78.6)	211.9	93.2	59.8	49.5	22.2
EBIT growth (%)	n.a.	n.a.	n.a.	93.7	108.6	38.7
EBIT (ex. NRIs) growth (%)	n.a.	n.a.	n.a.	101.8	100.3	38.7
Pre-tax profit growth (%)	n.a.	n.a.	n.a.	n.a.	142.9	53.2
EPS, adj (cont. oper) growth (%)	n.a.	n.a.	n.a.	1,649.4	111.8	53.2
Gross margin (%)	97.9	95.3	94.5	95.0	95.0	95.0
Gross margin, chg, y/y (pp)	16.0	(2.6)	(0.8)	0.5	(0.0)	0.0
SG&A/sales(excl. NRIs) (%)	(90.1)	(78.3)	(69.3)	(62.9)	(57.8)	(55.8)
SG&A/sales(excl. NRIs), chg, y/y (pp)	(18.8)	11.9	8.9	6.4	5.1	2.0
EBITDA margin (%)	7.8	20.6	31.1	36.6	41.4	43.9
Adj. EBITDA (excl. NRIs) margin (%)	7.8	20.6	31.1	37.2	41.4	43.9
EBIT margin (%)	(54.7)	(16.6)	10.5	15.0	23.7	28.5
Adj. EBIT (excl. NRIs) margin (%)	(54.7)	(16.6)	10.5	15.6	23.7	28.5
Pre-tax margin (%)	(73.4)	(29.9)	(0.2)	9.8	18.0	23.9
Net profit margin (%)	(74.8)	(30.5)	0.6	8.7	16.0	21.3
Net profit margin, adjusted (%)	(74.8)	(30.5)	0.6	9.3	16.0	21.3
Tax rate (%)	1.9	2.1	(447.4)	(10.9)	(11.0)	(11.0)
No of shares, f. dil, avg, adj. (m)	89.6	89.6	96.7	114.1	122.8	122.8

Source: SEB, Gaming Innovation Group

Valuation still cheap

Raise mid-point to SEK 32 (SEK 28)

We raise our DCF-based mid-point value to SEK 32 (SEK 28) per share. We assume a WACC of 11.5% and steady-state EBIT of 22.7% which yields a new fair value range of SEK 26-38 per share.

Valuation summary

Mid-point DCF value (SEK)	32.00		
Share price (SEK)	21.04		
2023E EV/EBITDA, adj. (x)	5.6		
2023E adj. PER at current share price (x)	12.7		
2022E DPS (2023 payout)	0.00		
	Low	High	Mid-point
DCF valuation range (SEK)	26.00	38.00	32.00
Equity potential (%)	24	81	52
2023E adj. EV/EBITDA at DCF range (x)	6.8	9.6	8.2
2022E DPS yield (%)	0.0	0.0	0.0
Total return potential	24	81	52

Source: SEB

DCF summary

DCF valuation (SEKm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	2,357	Risk free interest rate	2.5
NPV of continuing value	2,192	Risk premium	9.0
Value of operation	4,549	Cost of equity	11.5
Net debt	559	After tax cost of debt	9.8
Share issue/buy-back in forecast period	-		
Value of associated companies	-	WACC	11.5
Value of minority shareholders' equity	-		
Value of marketable assets	-	Assumptions	
DCF value of equity	3,990	Number of forecast years	10
DCF value per share (SEK)	32.00	EBIT margin - steady state (%)	22.7
Current share price (SEK)	21.04	EBIT multiple - steady state (x)	10.4
DCF performance potential (%)	52	Continuing value (% of NPV)	48.2

Source: SEB

Sensitivity analysis: Equity weight vs. COE

		Cost of equity (%)				
		10.5	11.0	11.5	12.0	12.5
Equity capital weight (%)	78	49	46	43	41	39
	88	42	39	37	35	33
	98	36	34	32	30	28
	100	35	33	31	29	28
	100	35	33	31	29	28

Source: SEB

Sensitivity analysis: growth vs. margins

		Absolute change in EBITDA margin - all years				
		-2%	-1%	0	+1%	+2%
Abs. change in sales growth - all years	-2%	26	27	29	30	31
	-1%	28	29	30	31	32
	0	29	31	32	33	34
	+1%	31	32	34	35	36
	+2%	33	34	35	37	38

Source: SEB

Peer group valuation table

Suppliers, Operators & Affiliates		P/E (x)			EV/EBIT (x)			EV/EBITDA (x)			EBIT-margin (%)			EBITDA-margin (%)			EV/Sales (x)			CAGR '21-'24e	
Company	Mcap (SEKm)	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	Sales	EBIT
Kindred	21,030	24.9	11.9	9.6	20.9	9.2	7.2	12.2	6.9	5.7	7.4	13.1	9.6	12.6	17.5	18.7	1.5	1.2	1.1	4.6	-13.2
LeoVegas	5,937	19.0	14.5	10.2	17.4	12.6	8.3	11.0	8.9	7.0	7.6	9.1	10.2	12.0	13.0	14.5	1.3	1.2	1.0	10.2	36.5
Betsson	9,614	9.8	9.2	8.4	8.4	7.2	6.0	6.2	5.4	4.6	14.1	14.1	8.4	19.2	18.8	19.1	1.2	1.0	0.9	10.2	3.3
Bally's Corporation	12,727	24.2		8.9	17.8	16.5	10.6	7.7	7.6	6.5	10.5	10.3	8.9	24.3	22.2	23.9	1.9	1.7	1.5	28.2	63.7
Entain Plc	104,133	22.3	15.2	11.4	17.0	12.6	10.2	11.2	9.5	8.4	14.4	17.6	11.4	21.9	23.2	23.8	2.4	2.2	2.0	8.0	20.9
Flutter Entertainment Plc	234,042	39.2	22.6	17.3	29.5	18.2	13.8	21.3	14.2	11.1	10.8	14.2	17.3	14.9	18.3	19.8	3.2	2.6	2.2	16.6	27.1
Caesars Entertainment Inc	113,668		78.3	28.3	14.7	10.4	8.6	8.4	8.1	6.9	16.4	20.8	28.3	28.5	26.8	28.3	2.4	2.2	2.0	7.0	22.8
Evolution Gaming	210,966	23.6	19.3	16.5	21.2	16.2	13.0	19.2	14.9	12.0	64.5	65.5	16.5	71.0	71.5	71.9	13.7	10.6	8.6	26.0	29.0
Kambi	5,652	25.5	16.9	21.6	16.8	10.9	13.3	8.5	6.4	6.8	18.3	22.5	21.6	36.1	38.2	34.0	3.1	2.5	2.3	4.9	-17.3
Playtech	17,539	15.4	13.3	10.3	10.7	9.4	7.1	6.0	5.3	4.4	13.8	14.2	10.3	24.6	24.9	26.4	1.5	1.3	1.2	11.3	13.4
Catena Media	2,406	7.9	6.7	5.9	5.7	4.0	2.7	4.5	3.2	2.2	34.1	36.6	5.9	43.9	45.7	46.5	2.0	1.5	1.0	8.5	3.8
Raketech	729	6.7	5.2	4.5	5.9	4.1	3.0	3.8	2.8	2.2	26.6	30.5	4.5	41.2	44.5	44.5	1.6	1.3	1.0	17.3	29.1
Better Collective	8,551	14.0	11.2	9.7	13.1	9.9	7.9	11.3	8.7	7.0	28.9	30.6	9.7	33.5	34.5	35.4	3.8	3.0	2.5	24.6	30.7
XL Media	1,282	9.3	8.6	7.7	8.9	5.5	4.6	4.9	3.8	3.3	16.6	22.3	7.7	30.4	32.3	31.1	1.5	1.2	1.0	13.8	25.7
Peer average	53,448	18.6	17.9	12.1	14.9	10.5	8.3	9.7	7.6	6.3	20.3	23.0	12.1	29.6	30.8	31.3	2.9	2.4	2.0	13.7	19.7
Peer median	11,171	19.0	13.3	9.9	15.8	10.1	8.1	8.5	7.2	6.6	15.4	19.2	9.9	26.6	25.8	27.4	1.9	1.6	1.3	10.8	24.3
Gaming Innovation Group (SEB estimates)	2,583	26.8	12.7	8.3	23.1	10.2	6.6	9.9	5.8	4.3	15.0	23.7	28.5	37.2	41.4	43.9	3.6	2.4	1.9	27.4	77.6
vs peer average		44%	-29%	-32%	56%	-3%	-20%	1%	-23%	-31%	-26%	3%	135%	26%	34%	40%	23%	1%	-6%	100%	294%
vs peer median		41%	-5%	-17%	47%	0%	-18%	16%	-20%	-35%	-2%	23%	188%	40%	60%	60%	89%	53%	40%	155%	220%

Suppliers & Operators		P/E (x)			EV/EBIT (x)			EV/EBITDA (x)			EBIT-margin (%)			EBITDA-margin (%)			EV/Sales (x)			CAGR '21-'24e	
Company	Mcap (SEKm)	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	Sales	EBIT
Kindred	21,030	24.9	11.9	9.6	20.9	9.2	7.2	12.2	6.9	5.7	7.4	13.1	9.6	12.6	17.5	18.7	1.5	1.2	1.1	4.6	-13.2
LeoVegas	5,937	19.0	14.5	10.2	17.4	12.6	8.3	11.0	8.9	7.0	7.6	9.1	10.2	12.0	13.0	14.5	1.3	1.2	1.0	10.2	36.5
Betsson	9,614	9.8	9.2	8.4	8.4	7.2	6.0	6.2	5.4	4.6	14.1	14.1	8.4	19.2	18.8	19.1	1.2	1.0	0.9	10.2	3.3
Bally's Corporation	12,727	24.2		8.9	17.8	16.5	10.6	7.7	7.6	6.5	10.5	10.3	8.9	24.3	22.2	23.9	1.9	1.7	1.5	28.2	63.7
Entain Plc	104,133	22.3	15.2	11.4	17.0	12.6	10.2	11.2	9.5	8.4	14.4	17.6	11.4	21.9	23.2	23.8	2.4	2.2	2.0	8.0	20.9
Flutter Entertainment Plc	234,042	39.2	22.6	17.3	29.5	18.2	13.8	21.3	14.2	11.1	10.8	14.2	17.3	14.9	18.3	19.8	3.2	2.6	2.2	16.6	27.1
Caesars Entertainment Inc	113,668		78.3	28.3	14.7	10.4	8.6	8.4	8.1	6.9	16.4	20.8	28.3	28.5	26.8	28.3	2.4	2.2	2.0	7.0	22.8
Evolution Gaming	210,966	23.6	19.3	16.5	21.2	16.2	13.0	19.2	14.9	12.0	64.5	65.5	16.5	71.0	71.5	71.9	13.7	10.6	8.6	26.0	29.0
Kambi	5,652	25.5	16.9	21.6	16.8	10.9	13.3	8.5	6.4	6.8	18.3	22.5	21.6	36.1	38.2	34.0	3.1	2.5	2.3	4.9	-17.3
Playtech	17,539	15.4	13.3	10.3	10.7	9.4	7.1	6.0	5.3	4.4	13.8	14.2	10.3	24.6	24.9	26.4	1.5	1.3	1.2	11.3	13.4
Peer average	73,531	22.7	22.3	14.2	17.4	12.3	9.8	11.2	8.7	7.3	17.8	20.1	14.2	26.5	27.4	28.0	3.2	2.6	2.3	12.7	18.6
Peer median	3,491	23.6	15.2	10.8	17.2	11.7	9.4	9.8	7.9	6.8	14.0	14.2	10.8	23.1	22.7	23.8	2.1	1.9	1.8	10.2	21.9
Gaming Innovation Group (SEB estimates)	2,583	26.8	12.7	8.3	23.1	10.2	6.6	9.9	5.8	4.3	15.0	23.7	28.5	37.2	41.4	43.9	3.6	2.4	1.9	27.4	77.6
vs peer average		18%	-43%	-42%	33%	-17%	-32%	-12%	-33%	-41%	-16%	18%	100%	40%	51%	56%	12%	-9%	-17%	115%	317%
vs peer median		14%	-17%	-24%	34%	-13%	-30%	1%	-26%	-37%	8%	67%	163%	61%	82%	84%	69%	25%	8%	168%	255%

Affiliates		P/E (x)			EV/EBIT (x)			EV/EBITDA (x)			EBIT-margin (%)			EBITDA-margin (%)			EV/Sales (x)			CAGR '21-'24e	
Company	Mcap (SEKm)	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	Sales	EBIT
Catena Media	2,406	7.9	6.7	5.9	5.7	4.0	2.7	4.5	3.2	2.2	34.1	36.6	5.9	43.9	45.7	46.5	2.0	1.5	1.0	8.5	3.8
Raketech	729	6.7	5.2	4.5	5.9	4.1	3.0	3.8	2.8	2.2	26.6	30.5	4.5	41.2	44.5	44.5	1.6	1.3	1.0	17.3	29.1
Better Collective	8,551	14.0	11.2	9.7	13.1	9.9	7.9	11.3	8.7	7.0	28.9	30.6	9.7	33.5	34.5	35.4	3.8	3.0	2.5	24.6	30.7
XL Media	1,282	9.3	8.6	7.7	8.9	5.5	4.6	4.9	3.8	3.3	16.6	22.3	7.7	30.4	32.3	31.1	1.5	1.2	1.0	13.8	25.7
Peer average	3,242	9.5	7.9	6.9	8.4	5.9	4.6	6.1	4.6	3.7	26.5	30.0	6.9	37.3	39.2	39.4	2.2	1.7	1.4	16.0	22.3
Peer median	1,844	8.6	7.7	6.8	7.4	4.8	3.8	4.7	3.5	2.8	27.7	30.6	6.8	37.4	39.5	39.9	1.8	1.4	1.0	15.5	27.4
Gaming Innovation Group (SEB estimates)	2,583	26.8	12.7	8.3	23.1	10.2	6.6	9.9	5.8	4.3	15.0	23.7	28.5	37.2	41.4	43.9	3.6	2.4	1.9	27.4	77.6
vs peer average		184%	60%	19%	175%	73%	45%	62%	25%	17%	-43%	-21%	310%	0%	5%	11%	64%	38%	37%	71%	248%
vs peer median		213%	65%	22%	211%	110%	74%	112%	66%	57%	-46%	-22%	320%	0%	5%	10%	105%	77%	84%	76%	183%

Source: SEB, FactSet

SEAM (SEB's ESG Assessment Methodology)

Gaming Innovation Group

Country: Norway Sector: Leisure Enterprise value (yr end): SEK 2.8bn Mid-point Equity Valuation: SEK 3.4bn

ESG impact on NPV (as % of enterprise valuation)

Total impact over time	(53)
of which:	
- impact reflected in mid-point enterprise valuation	(30)
- impact yet-to-be reflected in mid-point enterprise valuation	(23)

ESG impact on NPV (as % of equity valuation)

Total impact over time	(43)
of which:	
- impact reflected in mid-point equity valuation	(24)
- impact yet-to-be reflected in mid-point equity valuation	(19)

In our view, ESG factors will be overall very negative to the company's financial value over time, with the impact increasing during the next 10 years. The most material ESG factors (sub-issues) are fund managers restricted by ESG rules. We believe that few of the key ESG factors could be manageable by the company. For those manageable factors, we believe that the company's current approach could be improved. Our mid-point equity valuation partly reflects the ESG impact. In our view, the company's revenues are not addressed by EU taxonomy technical assessment criteria. From a responsibility perspective, we believe that the company is managing current ESG issues to some extent. Sustainalytics overall ESG risk assessment for the company is low, while our ESG financial assessment suggests a very negative financial impact.

SEB ESG Financial Assessment ("SEFA")

	0-3 yrs	4-10+ yrs
SEFA overall assessment (qualitative):		

Most material issues from a financial performance and value perspective (SEB view)

Ethical business

A Ensuring integrity in the product in order not to promote harmful gambling



Political risk

B Sensitive to political trends, introduction and/or tightening of online gambling regulation



Sales (price/volume) exposure to ESG opportunities/threats

	NPV/EV (%)	Impact on Sales CAGR (%pa)	
A Restrictions on gambling marketing will have large impact on growth outlook for the media segment	(15)	(5)	(5)
Sub-total	(15)	(5)	(5)

Costs (CAPEX/OPEX) exposure to ESG opportunities/threats

	NPV/EV (%)	Impact on costs (as % of sales)	
B Malta corporate tax laws are under scrutiny from EU which may lead to an increase	(14)	9	9
Sub-total	(14)	9	9











Cost of capital exposure to ESG opportunities/threats

	NPV/EV (%)	Impact on cost of capital (percent units)	
A Political sensitivity on gambling could motivate higher investor equity risk premium	(15.0)	2.0	2.0
B Gambling addiction is a social issue, some institutions are not mandated to invest in the sector	(15.0)	2.0	2.0
Overlap mitigation: GIG only work with operators in regulated markets	6.0	(0.5)	(0.5)
Sub-total	(24.0)	3.5	3.5

Grand total of impacts (% NPV/EV) (53)











Gaming Innovation Group (cont.)

SEB ESG Responsibility Assessment ("SERA")

	0-3 yrs	4-10+ yrs
SERA overall assessment (qualitative):		
Key concern responsibility issues (SEB view)		
Ethical business		
Harmful gambling and addiction may have large social impact		
Player safety tools embedded into the platform designed to detect harmful gambling		
Other high profile issues/controversies but assessed to be of intermediate or low concern (SEB view)		
Ethical business		
GIG only work with operators in regulated markets		
Bribery and Corruption		
Controversies in the past regarding casino operators and money laundering		

Sustainalytics Assessment (note: 1st is lowest risk)

Overall risk	Low	The Sustainalytics ESG rating is an assessment of how well a company is managing its material ESG risks, while SEB's SEFA is a bottom up evaluation of the impact of most material ESG factors on the company's financial performance.
Percentile vs. companies in all industries	11	
Percentile vs. others in industry	25	

Sustainalytics rating	SEB SEFA (as % of EV)
Negligible 	Very positive 
Low 	Positive 
Medium 	Neutral 
High 	Negative 
Severe 	Very negative 

Sustainability governance information

Commitment to Paris Accord (e.g. approved science based targets)	No
CEO participation in Sustainability Committee	No
CEO remuneration linked to delivery of sustainability goals and reporting	No
Ultimate Responsible for Sustainability	Gemma Edwards
Is Ultimate Responsible a member of the company's top management committee?	Yes

Last updated: 2022-05-03

Overview

Investment considerations

In recent years, GIG's financial performance has been negatively affected by regulatory implementations in Europe and the company has set in motion efforts to regain growth and recover profitability. Divesting the B2C business to Betsson in April 2020 was a major initiative to release cash and re-focus the operation on B2B. Financial targets for the new company structure include double-digit organic growth and an EBITDA margin in excess of 40% in 2025.

Company profile

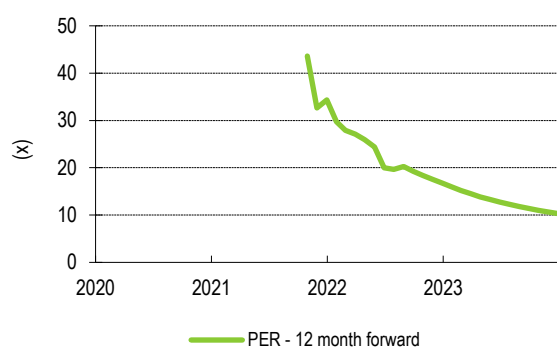
Gaming Innovation Group is an internet gambling (iGaming) supplier, aiming to be the key partner for aspiring and existing iGaming companies and with a global customer footprint. GIG has invested heavily over the years in creating a broad tool set and market-leading tech platform. The company offers services throughout the value chain via three business segments: Media Services - affiliate marketing and customer acquisition, Platform Services - software and platform solutions, and Sports Betting Services - a proprietary sportsbook product offering.

Valuation approach

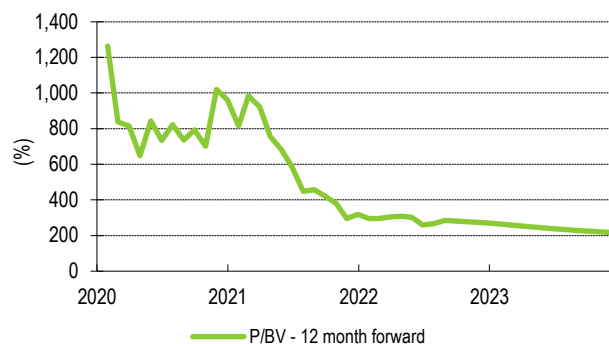
We derive a fair value range using a DCF model.

Investment risks

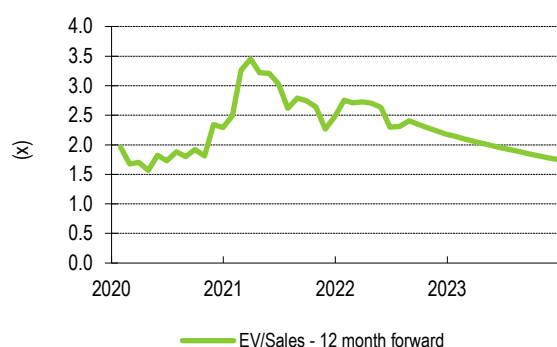
The main risks are unfavourable regulatory changes, ESG aspects raising the cost of equity and risk of illegal activities by operators. Changing to a SaaS model has mitigated the direct legal risks but we still think there is reputational risk if a GIG client is found breaking the law.

PER - 12 month forward

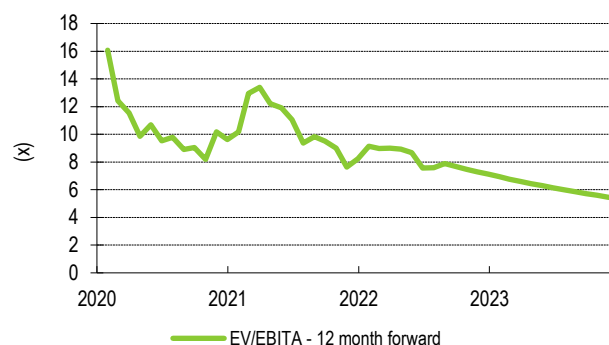
Source: SEB

P/BV - 12 month forward

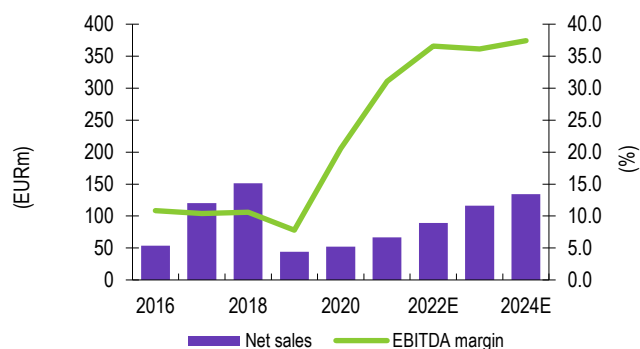
Source: SEB

EV/Sales - 12 month forward

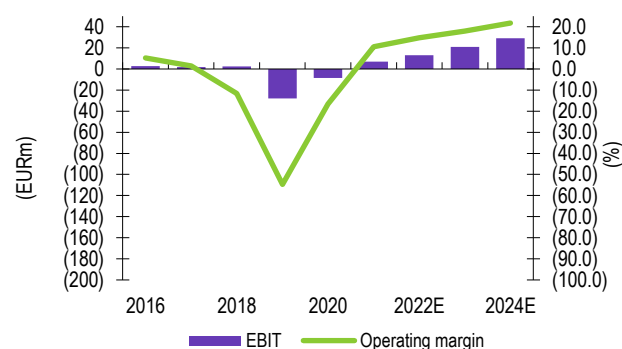
Source: SEB

EV/EBITA - 12 month forward

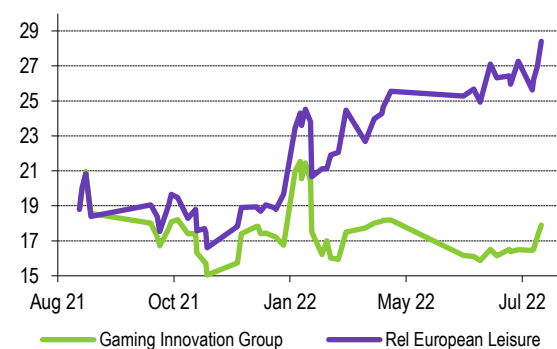
Source: SEB

Net sales & EBITDA margin

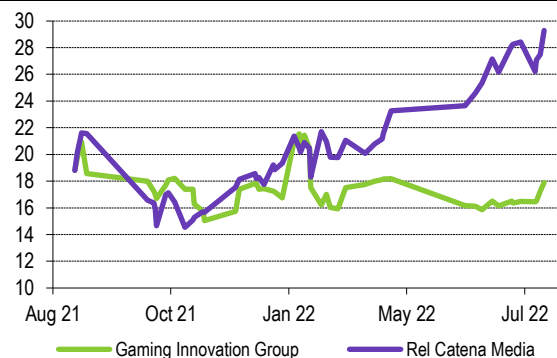
Source: SEB

EBIT & Operating margin

Source: SEB

Comparison with sector index - 1 year

Source: SIX

Comparison with Catena Media - 1 year

Source: SIX

Profit & loss statement - Gaming Innovation Group									
(EURm)	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net Sales	54	120	151	44	52	67	91	120	138
Other revenues	0	0	0	0	11	16	14	14	16
Total revenues	54	120	151	44	63	83	105	133	154
Total expenses	(48)	(108)	(135)	(41)	(52)	(62)	(71)	(84)	(94)
Profit before depreciation	6	13	16	3	11	21	34	50	61
Depreciation - Fixed assets	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Depreciation - Other assets	0	0	0	0	0	0	0	0	0
Depreciation of right-of-use assets	0	0	0	(3)	(3)	(3)	(4)	(4)	(4)
Amortisation - Goodwill	0	0	0	0	0	0	0	0	0
Amortisation - Other intangibles	(3)	(11)	(34)	(23)	(14)	(9)	(14)	(15)	(15)
Operating profit	3	2	(18)	(24)	(9)	7	14	28	39
Net interest expenses	0	(1)	(2)	(10)	(6)	(8)	(7)	(7)	(6)
Foreign exchange items	0	0	0	0	0	0	0	0	0
Other financial items	(1)	0	0	(0)	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0	0	0
Value changes - Financial assets	1	0	(3)	2	(1)	1	2	0	0
Value changes - Other assets	0	0	0	0	0	0	0	0	0
Reported pre-tax profit	3	1	(22)	(32)	(16)	(0)	9	22	33
Minority interests	0	0	0	0	0	0	0	0	0
Total taxes	(0)	(1)	(1)	(1)	(0)	1	(1)	(2)	(4)
Reported profit after tax	2	(0)	(23)	(33)	(16)	0	8	19	29
Discontinued operations	0	0	0	(32)	(2)	(0)	(1)	0	0
Extraordinary items	(0)	0	0	(2)	(0)	0	0	0	0
Net Profit	2	(0)	(23)	(66)	(18)	(0)	7	19	29
Adjustments:									
Discontinued operations	0	0	0	32	2	0	1	0	0
Interest on convertible debt	0	0	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0	0	0
Value changes	(1)	0	3	(2)	1	(1)	(2)	0	0
Goodwill/intangibles amortisations	3	11	34	23	14	9	14	15	15
Restructuring charges	0	0	0	0	0	0	0	0	0
Other adjustments	(3)	(11)	(20)	(18)	(14)	(9)	(11)	(15)	(15)
Tax effect of adjustments	0	0	0	(0)	(0)	0	0	0	0
Adjusted profit after tax	1	(0)	(6)	(31)	(15)	(0)	8	19	29
Margins, tax & returns									
Operating margin	5.2	1.3	(11.6)	(54.7)	(16.6)	10.5	15.6	23.7	28.5
Pre-tax margin	5.1	0.5	(14.4)	(73.4)	(29.9)	(0.2)	10.4	18.0	23.9
Tax rate	13.2	175.2	(3.4)	(1.9)	(2.1)	447.4	10.9	11.0	11.0
ROE	4.6	(0.4)	(23.0)	0.0	n.m.	5.2	21.4	25.2	29.2
ROCE	5.3	1.1	1.4	(23.3)	(11.1)	10.5	12.0	16.8	21.4
Growth rates y-o-y (%)									
Total revenues	n.a.	124.6	25.7	(70.9)	43.1	31.0	27.2	27.0	15.8
Operating profit	n.m.	(41.9)	n.m.	n.m.	n.m.	n.m.	101.9	100.2	38.7
Pre-tax profit	n.m.	(79.9)	n.m.	n.m.	n.m.	n.m.	n.m.	128.1	53.2
EPS (adjusted)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	111.7	53.2

Cash flow									
(EURm)	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net profit	2	(0)	(23)	(66)	(18)	(0)	7	19	29
Non-cash adjustments	2	11	36	67	18	10	14	18	28
Cash flow before work cap	4	10	14	1	0	10	21	37	48
Ch. in working capital / Other	6	(2)	3	(1)	14	(0)	5	0	0
Operating cash flow	10	8	16	(0)	14	10	26	37	48
Capital expenditures	(5)	(67)	(11)	(10)	(8)	(9)	(15)	(18)	(20)
Asset disposals	0	0	0	0	23	0	0	0	0
L/T financial investments	0	0	(1)	(0)	0	0	0	0	0
Acquisitions / adjustments	0	0	0	0	0	(0)	(57)	0	0
Free cash flow	5	(58)	4	(11)	29	0	(47)	20	27
Net loan proceeds	2	62	2	(5)	(22)	(3)	9	0	0
Dividend paid	0	0	0	0	0	0	0	0	0
Share issue	5	0	0	0	0	0	48	0	0
Other	(6)	2	(3)	(2)	(0)	0	(0)	0	0
Net change in cash	6	6	3	(17)	7	(3)	10	20	27
Adjustments									
C/flow bef chng in work cap	4	10	14	1	0	10	21	37	48
Adjustments	0	0	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0	0	0
Cash earnings	4	10	14	1	0	10	21	37	48
Per share information									
Cash earnings	0.01	0.01	0.15	0.01	0.0	0.1	0.18	0.3	0.39
Operating cash flow	0.02	0.01	0.18	0.0	0.16	0.1	0.22	0.3	0.39
Free cash flow	0.01	(0.06)	0.04	(0.12)	0.32	0.0	(0.41)	0.16	0.22
Investment cover									
Capex/sales (%)	0.0	0.0	0.0	6.1	3.2	0.9	2.1	2.5	2.5
Capex/depreciation (%)	0	0	0	159	73	26	82	125	142

Source for all data on this page: SEB

Balance sheet - Gaming Innovation Group									
(EURm)	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash and liquid assets	6	12	15	5	12	9	18	38	65
Debtors	13	25	29	20	16	18	17	23	26
Inventories	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Current assets	19	37	43	25	27	26	35	61	92
Interest bearing fixed assets	0	0	0	0	0	0	0	0	0
Other financial assets	0	0	0	20	17	13	16	16	16
Capitalized development cost	0	0	0	0	0	0	0	0	0
Goodwill	64	69	69	16	16	16	79	79	79
Other intangibles	41	92	70	27	20	19	33	33	35
Right-of-use lease assets	0	0	0	14	13	12	11	9	7
Fixed tangible assets	0	0	0	0	0	0	(0)	0	1
Other fixed assets	2	7	8	33	0	0	0	0	0
Fixed assets	108	169	147	110	66	62	138	136	137
Total assets	126	206	190	135	93	88	173	197	229
Creditors	15	29	34	25	25	20	22	30	34
Other trade financing	0	0	0	0	0	0	0	0	0
S/T lease liabilities	0	0	0	0	2	3	3	3	3
S/T interest bearing debt	0	0	0	30	3	4	4	4	4
Other	3	0	1	0	0	0	0	0	0
Current liabilities	18	29	35	55	31	27	29	37	41
L/T interest bearing debt	0	66	64	37	36	39	67	67	67
L/T lease liabilities	0	0	0	1	21	9	8	7	6
Other long-term liabilities	3	1	2	9	0	0	3	1	0
Convertible debt	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0
Other provisions	0	0	0	(0)	0	0	0	0	0
Deferred tax	0	1	1	12	2	0	0	0	0
Long term liabilities	3	68	67	59	59	48	77	75	73
Minority interests	0	0	0	0	0	0	0	0	0
Shareholders' equity	105	109	88	21	4	12	67	86	115
Total liabilities and equity	126	206	190	135	93	88	173	197	229
Net debt (m)	(6)	54	50	64	52	47	84	45	18
Working capital (m)	(6)	(4)	(6)	(4)	(9)	(3)	(5)	(7)	(8)
Capital employed (m)	105	175	152	89	67	67	169	169	199
Net debt/equity (%)	(6)	50	56	305	1,438	392	126	53	15
Net debt/EBITDA (x)	(1.0)	4.3	3.1	18.5	4.8	2.3	2.5	0.9	0.3
Equity/total assets (%)	83	53	46	15	4	14	38	44	50
Interest cover	0.0	1.5	(11.0)	(2.4)	(1.5)	0.9	2.0	4.2	6.2
Valuation									
(EUR)	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
No of shares, fully dil. (y/e)	629.6	895.7	89.6	89.6	90.0	96.7	122.8	122.8	122.8
No of shares, fully dil. avg.	632.1	900.0	89.6	89.6	89.6	96.7	114.1	122.8	122.8
Share price, y/e					11.9	17.4	21.0	21.0	21.0
Share price, high					13.1	23.6	21.6		
Share price, low					2.2	13.0	15.9		
Share price, avg					6.8	18.3	17.7		
EPS (reported)	0.00	(0.00)	(0.25)	(0.37)	(0.18)	0.00	0.07	0.16	0.24
EPS (adjusted)	0.00	(0.00)	(0.07)	(0.35)	(0.17)	(0.00)	0.07	0.16	0.24
Cash earnings/share	0.01	0.01	0.15	0.01	0.00	0.10	0.18	0.30	0.39
Dividend/share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Enterprise value/share					1.8	2.2	2.7	2.4	2.1
Book value/share	0.2	0.1	1.0	0.2	0.0	0.1	0.5	0.7	0.9
Adjusted equity/share	0.2	0.1	1.0	0.2	0.0	0.1	0.5	0.7	0.9
PER (adjusted)					n.m.	n.m.	27.0	12.8	8.3
CEM					2,359.1	17.0	10.8	6.6	5.2
Dividend yield					0.0	0.0	0.0	0.0	0.0
EV/EBITDA					14.7	10.1	9.8	5.9	4.3
EV/EBITA					28.0	13.2	11.8	6.7	4.9
EV/EBIT					(18.3)	29.9	23.2	10.2	6.7
EV/Sales (x)					3.03	3.14	3.63	2.43	1.91
Price/Book value					29.67	13.73	3.68	2.85	2.13
Price/adjusted equity					29.67	13.73	3.68	2.85	2.13
Free cash flow/Market cap (%)					5.8	n.a.	4.6	8.1	11.2
Operating cash flow/EV (%)					9.1	4.6	7.8	12.9	18.1
EV/Capital employed (x)					2.4	3.1	1.9	1.7	1.3
Main shareholders									
Name	(%)	Votes	Capital	Management		Company information			
SKYCITY Entertainment Group Ltd.	14.0	14.0		Title	Name	Contact	www.gig.com		
Andre Lavold	7.9	7.9		COB	Petter Nylander	Internet			
Kjetil Myrliid Asen	6.6	6.6		CEO	Richard Brown	Phone number			
				CFO	Tore Formo				
				IK					0

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