

Dealing a new hand

Few surprises in the report as Q4 results for the group had already been pre-announced. Mix deviated slightly from our expectation with EBITDA in B2C better and B2B weaker. However, the investment case is changing as Gaming is sold to Betsson. We have adjusted our estimates for a divestment in early Q2 and forecast performance at the high-end of 2020 guidance. New DCF mid-point value SEK 13.3, range SEK 10-17, SOTP value SEK 14.9.

Key Data (2020E)

Price (SEK)	5.67
Reuters	GIGSEK.ST
Bloomberg	GIGSEK:SS
Market cap (SEKm)	508
Market cap (USDm)	52
Market cap (EURm)	48
Net debt (EURm)	34
Net gearing	254%
Net debt/EBITDA (x)	2.0
Shares fully dil. (m)	895.7
Avg daily turnover (m)	0.0
Free float	54%

B2B focus as B2C is divested to Betsson

GiG has agreed to sell its B2C operation to Betsson for a sum of EUR 22.3m. This is lower than our SOTP valuation at EUR 43.2m. However, the deal encompasses a commitment for the brands to continue to operate on GiG's platform for a minimum of 30 months, and the total consideration is valued at EUR 50m. The proceeds will be used to repay the bond maturing in 2020, reducing financial risk in the company. We argue the deal puts GiG in a better position to focus on the commercial development of its platform and sportsbook business.

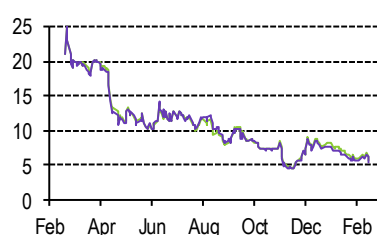
Estimates adjusted for Q2 divestment, we are at high-end of 2020 guidance

We have adjusted our estimates for a change of ownership in B2C as of beginning of April; however, it is awaiting regulatory approval, and the company may account for Gaming revenues in Q1. Guidance for 2020 is EUR 70-75m in revenue and EUR 14-17m in EBITDA, and we forecast performance at the high-end of the guidance. Beyond 2020 we argue the case's main narrative is one of EBITDA margin recovery.

Estimate Revisions (%)

	2020E	2021E	2022E
Revenues	(43)	(54)	n.a.
Adj. EBIT	(500)	(110)	n.a.
Adj. EPS	(234)	(156)	n.a.

Share Price (12M)



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

Marketing communication commissioned by: Gaming Innovation Group

Valuation update

The stock trades at EV/EBITDA of 4.8x for 2020 on our updated estimates. Our SOTP valuation of GiG, updated for the new group structure, suggests a value of SEK 14.9 per share and for the DCF valuation using a 10% WACC we get a valuation range of SEK 10-17, which yields a mid-point value of SEK 13.3.

Financials (EUR)

Year end: Dec	2018	2019	2020E	2021E	2022E
Revenues (m)	151	123	75	67	72
Adj. EBIT	2	(30)	(6)	(1)	4
Pre-tax profit (m)	(22)	(64)	(10)	(4)	1
EPS	(0.25)	(0.72)	(0.10)	(0.04)	0.01
Adj. EPS	(0.07)	(0.23)	(0.10)	(0.04)	0.01
DPS	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	25.7	(18.7)	(39.4)	(10.7)	8.4
Adj. EBIT growth (%)	46.5	n.m.	n.m.	n.m.	n.m.
Adj. EPS growth (%)	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EBIT margin (%)	1.6	(24.4)	(8.2)	(1.7)	5.4
ROE (%)	(23.0)	n.m.	(49.8)	(31.9)	8.1
ROCE (%)	1.4	(24.8)	(8.5)	(2.2)	7.4
PER (x)	n.m.	n.m.	n.m.	n.m.	58.9
Free cash flow yield (%)	2.4	(3.2)	0.8	11.0	13.2
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
P/BV (x)	2.31	3.14	3.59	4.96	4.57
EV/Sales (x)	1.66	1.03	1.10	1.15	0.98
EV/Adj. EBITDA (x)	15.7	8.9	4.8	3.7	3.0
EV/Adj. EBIT (x)	106.9	(4.2)	(13.3)	(66.0)	18.1
Operating cash flow/EV (%)	6.5	7.6	12.7	22.7	29.6
Net debt/Adj. EBITDA (x)	3.08	4.01	1.97	1.39	0.95

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

Q4 results analysis

Q4 revenue and EBITDA had been pre-announced. In regards of the mix, performance was slightly stronger than we expected in Gaming and somewhat weaker in B2B, mainly explained by a weak quarter for Media, which had a positive trading update for January, with revenue 8% higher than the average for Q4 2019, underlining how momentum has improved.

Another highlight in our view was that Core turned a corner in Q4 as revenue grew 25% q/q to EUR 4.5m vs our estimate of EUR 3.9m, although profitability remains challenged.

Deviation from estimates

(SEKm)	Actual	Q4-19E SEB	Deviation SEB		Q4-18 Actual	y/y	Q3-19 Actual	q/q
			Abs	Rel (%)				
Net sales	29.4	31.6	-2.2	-7%	39.9	-26%	30.2	-3%
Gross profit	25	25.0	0.0	0%	32.1	-22%	23.6	6%
EBITDA	4.8	4.0	0.8	21%	5.0	-4%	2.7	77%
EBIT	-43	-2.7	-39.8	n.a.	-14.1	n.a.	-6.7	n.a.
PTP	-47	-3.8	-43.2	n.a.	-16.1	n.a.	-8.2	n.a.
EPS	-0.53	-0.04	-0.49	n.a.	-0.19	n.a.	-0.09	n.a.
Adjusted profit								
Adj. EBITDA	4.8	4.0	42.0	21%	18.7	145%	5.6	718%
Adj. EBIT	-1.3	-2.7	1.4	-51%	-0.4	231%	-3.8	-65%
Adj. EPS	-0.1	0.0	0.0	91%	0.0	109%	-0.1	16%
Margins								
EBITDA margin	16.4%	12.6%	-	3.8pp	12.6%	3.7pp	9.0%	7.4pp
EBIT margin	-144.6%	-8.5%	-	n.a.	-35.4%	-109.2pp	-22.3%	-122.3pp
Revenue by business area								
Media	7.5	8.1	-0.6	-7%	8.7	-14%	8.0	-6%
Core	4.5	3.9	0.6	16%	7.2	-38%	3.6	25%
Sport and Games	0.2	0.4	-0.2	-55%	0.5	-60%	0.2	0%
Gaming	19.0	21.2	-2.2	-10%	25.8	-26%	20.2	-6%
Eliminations	-1.8	-2.0	0.3	-13%	-2.3	-24%	-1.8	-5%
EBITDA by business area								
Media	4.0	4.2	-0.2	-5%	4.9	-18%	4.2	-5%
Core	-1.4	-1.6	0.2	-12%	1.6	-188%	-2.1	-33%
Sport and Games	-1.7	-0.7	-1.0	127%	-1.8	-6%	-1.8	-6%
Gaming	4.1	2.1	2.0	94%	0.8	413%	2.4	71%
Eliminations	0.0	0.0	0.0	n.a.	0.0	-100%	0.0	-100%
EBITDA Margin by business area								
Media	53%	52%	-	1.3pp	56%	-3.0pp	53%	0.8pp
Core	-31%	-41%	-	9.9pp	22%	-53.3pp	-58%	27.2pp
Sport and Games	-850%	-170%	-	-680.0pp	-360%	-490.0pp	-900%	50.0pp
Gaming	22%	10%	-	11.6pp	3%	18.5pp	12%	9.7pp
Impairments (NRI)	-41.2	0	-41.2	n.a.	-13.7	201%	-2.9	1320%

Source: SEB

Estimate changes

We have adjusted our estimates for a change of ownership in Gaming as of beginning of Q2 2020 and contribution from the unit in Q1. The company issued guidance for full year 2020 of revenue of EUR 70-75m and EBITDA of EUR 14-17m. We are at the high-end of this forecast range at EUR 74.6m in revenue and EUR 17.2m in EBITDA.

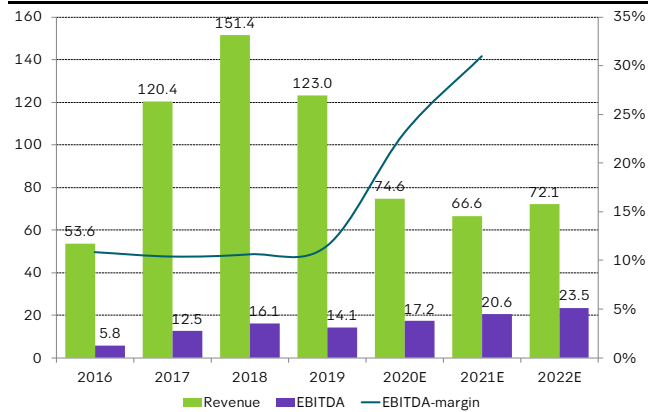
- **GIG Gaming:** We account for contribution in Q1 before change of ownership to Betsson in early Q2. EUR 19.2m in revenue and EUR 4.0m in EBITDA in Q1.
- **GIG Media:** Positive trading update points to q/q growth in Q1 from where we expect continued growth in line with sector seasonality and EBITDA margin to remain above 50%.
- **GiG Sport & Games:** Company targets breakeven EBITDA in Q3 2020 and this is reflected in our estimates.
- **GiG Core:** We expect revenue will continue to grow sequentially throughout 2020 supported by premium platform fee from Betsson as of Q2 2020.

Following the divestment of Gaming, group margin profile has the potential to improve significantly over the coming years if growth returns and cost efficiencies materialise as expected. In our view further underlined by Media currently having EBITDA margin above 50% and that GiG Core had 22% as recently as full year 2018 before the termination of a major contract.

Estimate changes									
(SEKm)	New estimates			Old estimates			Difference (%)		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Net sales	74.6	66.6	72.1	131.8	144.1	-	-43%	-54%	n.a.
Gross Profit	68.1	64.8	70.2	104.3	115.2	-	-35%	-44%	n.a.
EBITDA	17.2	20.6	23.5	21.8	28.1	-	-21%	-27%	n.a.
EBIT	-6.1	-1.2	3.9	1.5	11.9	-	-500%	-110%	n.a.
PTP	-10.1	-5.7	-0.6	-3.0	7.4	-	240%	-177%	n.a.
EPS	-0.10	-0.06	-0.01	-0.03	0.07	-	240%	-177%	n.a.
Margins									
EBITDA margin	23.1%	30.9%	32.5%	16.5%	19.5%	-	40%	59%	n.a.
EBIT margin	-8.2%	-1.7%	5.4%	1.2%	8.2%	-	-807%	-121%	n.a.
Revenue									
Media	32.7	34.3	36.0	32.2	33.8	-	1%	1%	n.a.
Core	21.9	28.3	31.2	17.6	21.2	-	24%	33%	n.a.
Sport and Games	2.7	3.9	5.0	3.5	5.1	-	-23%	-23%	n.a.
Gaming	19.2	0.0	0.0	86.9	93.1	-	-78%	-100%	n.a.
EBITDA									
Media	16.7	17.5	18.4	16.1	16.9	-	3%	3%	n.a.
Core	-2.0	2.6	4.0	-1.3	1.8	-	53%	42%	n.a.
Sport and Games	-1.5	0.5	1.1	0.1	0.7	-	-1106%	-23%	n.a.
Gaming	4.0	0.0	0.0	6.9	8.7	-	-41%	-100%	n.a.
EBITDA margins									
Media	51%	51%	51%	50%	50%		1.0pp	1.0pp	n.a.
Core	-9%	9%	13%	-7%	8%		-1.7pp	0.6pp	n.a.
Sport and Games	-53%	14%	22%	4%	14%		-57.5pp	0.0pp	n.a.
Gaming	21%	-	-	8%	9%		13.1pp	n.a.	n.a.

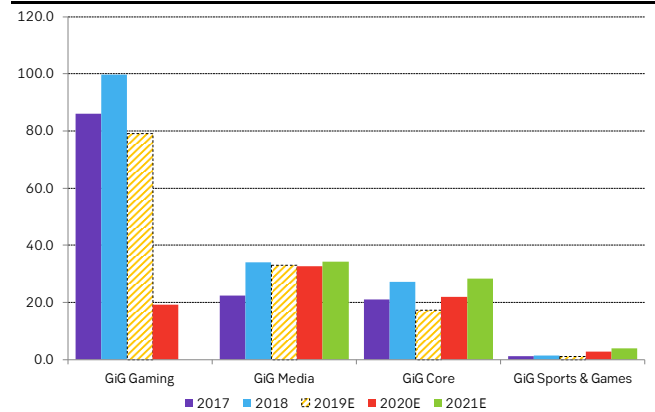
Source: SEB

Revenue and EBITDA for the group



Source: SEB

Revenue per segment



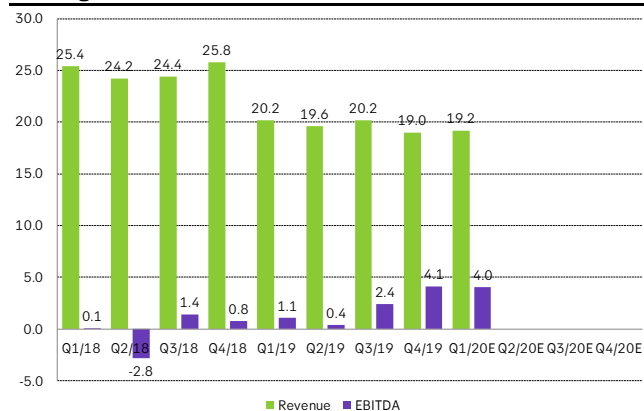
Source: SEB

Interim estimates

(EURm)	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20E	Q2/20E	Q3/20E	Q4/20E	2018	2019E	2020E	2021E	2022E
GiG Media													
Revenue	9.0	8.6	8.0	7.5	8.0	8.1	8.2	8.4	34.0	33.1	32.7	34.3	36.0
EBITDA	5.2	4.7	4.2	4.0	4.1	4.1	4.2	4.3	18.3	18.1	16.7	17.5	18.4
GiG Core													
Revenue	4.9	4.2	3.6	4.5	4.2	5.0	5.9	6.8	27.1	17.2	21.9	28.3	31.2
EBITDA	-0.5	-1.1	-2.1	-1.4	-1.5	-0.9	-0.2	0.5	5.9	-5.1	-2.0	2.6	4.0
GiG Sports & Games													
Revenue	0.3	0.3	0.2	0.2	0.3	0.6	0.8	1.0	1.5	1.0	2.7	3.9	5.0
EBITDA	-1.8	-1.5	-1.8	-1.7	-1.0	-0.6	0.0	0.1	-7.0	-6.8	-1.5	0.5	1.1
GiG Gaming													
Revenue	20.2	19.6	20.2	19.0	19.2	0.0	0.0	0.0	99.8	79.0	19.2	0.0	0.0
EBITDA	1.1	0.4	2.4	4.1	4.0	0.0	0.0	0.0	-0.5	8.0	4.0	0.0	0.0
Eliminations													
Revenue	-1.91	-1.77	-1.85	-1.75	-1.90	0.0	0.0	0.0	-11.1	-7.3	-1.9	0.0	0.0
EBITDA	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.1	-0.2	0.0	0.0	0.0
Group													
Revenue	32.4	31.0	30.2	29.4	29.8	13.7	14.9	16.1	151.4	123.0	74.6	66.6	72.1
COGS	-6.4	-6.6	-6.7	-4.4	-5.4	-0.3	-0.4	-0.4	-27.4	-24.1	-6.5	-1.8	-1.9
Gross profit	26.0	24.4	23.6	25.0	24.4	13.4	14.6	15.7	124.0	98.9	68.1	64.8	70.2
Marketing cost	-8.6	-8.9	-7.1	-6.5	-6.3	-1.3	-1.4	-1.5	-47.2	-31.1	-10.4	-6.0	-6.6
Marketing cost/revenue		-29%	-23%	-22%	-21%	-9%	-9%	-9%	-31%	-25%	-14%	-9%	-9%
Other OPEX	-13.3	-13.0	-13.7	-13.7	-12.5	-9.5	-9.1	-9.3	-60.7	-53.7	-40.4	-38.2	-40.1
Other OPEX/revenue		-42%	-45%	-46%	-42%	-69%	-61%	-57%	-40%	-44%	-54%	-57%	-56%
EBITDA	4.1	2.5	2.7	4.8	5.6	2.6	4.0	5.0	16.1	14.1	17.2	20.6	23.5
EBITDA (%)	13%	8%	9%	16%	19%	19%	27%	31%	11%	11%	23%	31%	33%
EBIT	-2.5	-4.0	-6.7	-42.5	-0.4	-3.1	-1.8	-0.8	-17.6	-55.7	-6.1	-1.2	3.9
EBIT (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5%
NI	-2.9	-6.1	-8.4	-47.3	-0.8	-3.8	-2.6	-1.7	-22.6	-64.7	-9.0	-5.0	-0.5
EPS	-0.03	-0.07	-0.09	-0.53	-0.01	-0.04	-0.03	-0.02	-0.25	-0.72	-0.10	-0.06	-0.01

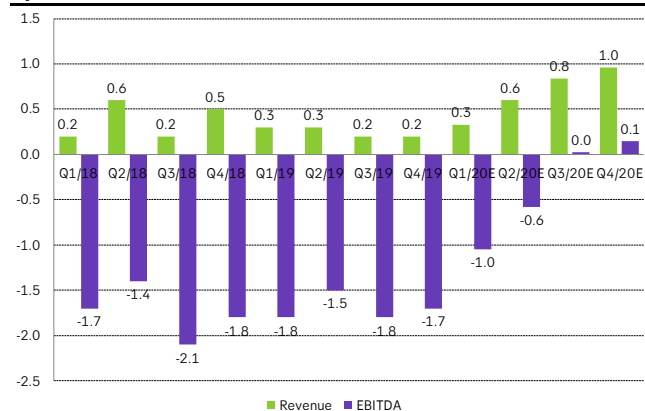
Source: SEB

Gaming, revenue and EBITDA, EURm



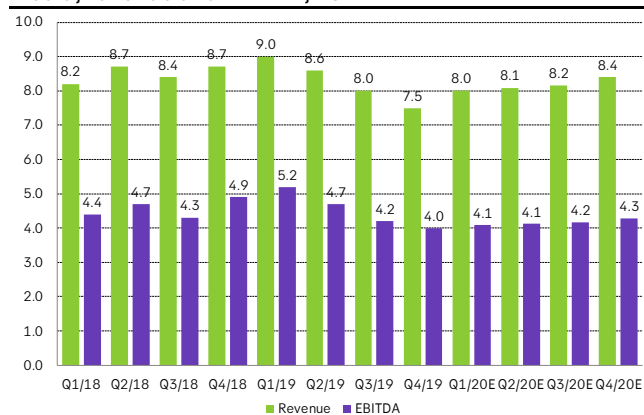
Source: SEB

Sportbook, revenue and EBITDA



Source: SEB

Media, revenue and EBITDA, EURm



Source: SEB

Core, revenue and EBITDA, EURm



Source: SEB

Valuation

The stock currently trades at an EV/EBITDA of 4.8x for 2020E on our updated estimates for the new group structure. Our SOTP valuation of GiG suggests a value of SEK 14.9 per share, including the repayment of the maturing bond. As the businesses are in different stages of their lifecycles and have different growth and earnings potential, we argue that an SOTP valuation is the fairest method to value Gaming Innovation Group.

Sum of the parts valuation

(EURm)	2018	2019E	2020E	EV/EBITDA SEB 2020E	EV/Sales 2020E	EV Contribution 2020E
GiG Media						
Revenues	34.0	33.1	32.7			
EBITDA	18.3	18.1	16.7	5.0x		83.3
GiG Core						
Revenues	27.1	17.2	21.9			
EBITDA	5.9	-5.1	2.0		3.0x	65.7
GiG Sports & Games						
Revenues	1.5	1.0	2.7			
EBITDA	-7.0	-6.8	-1.5		3.0x	8.2
Enterprise Value						157
NIBD YE 2020E						32
Equity value						126
NOS						90
Equity value / share (EUR)						1.40
EURSEK						10.6
Equity value / share (SEK)						14.9

Source: SEB

For reference our DCF model with 10% WACC yields a mid-point value of SEK 13.3 and a range of SEK 10-17 if we adjust our base case EBITDA margin and growth forecasts by +/- 2pp.

DCF Summary

DCF valuation (EURm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	701	Risk free interest rate	5.0
NPV of continuing value	819	Risk premium	5.0
Value of operation	1,520	Cost of equity	10.0
Net debt	333	After tax cost of debt	4.5
Share issue/buy-back in forecast period	-		
Value of associated companies	-	WACC	10.0
Value of minority shareholders' equity	-		
Value of marketable assets	-	Assumptions	
DCF value of equity	1,187	Number of forecast years	10
DCF value per share (EUR)	13.3	EBIT margin - steady state (%)	12.6
Current share price (EUR)	5.7	EBIT multiple - steady state (x)	15.4
DCF performance potential (%)	133	Continuing value (% of NPV)	53.9

Source: SEB

DCF Sensitivity analysis

Rel. change in sales growth - all years		Relative change in EBITDA margin - all years				
		-2%	-1%	0	+1%	+2%
-2%		10.2	10.9	11.6	12.3	13.0
-1%		10.9	11.7	12.4	13.2	13.9
0		11.7	12.5	13.3	14.0	14.8
+1%		12.5	13.3	14.1	15.0	15.8
+2%		13.3	14.2	15.1	15.9	16.8

Source: SEB

DCF – assumption details

(SEKm)	2020E	2021E	2022E	2023E	2024E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	(39.4)	(10.7)	8.4	6.0	6.0	5.0	3.5	2.5
EBITDA margin (%)	23.1	30.9	32.5	32.5	32.4	32.3	32.0	30.8
EBIT margin (%)	(8.2)	(1.7)	5.4	9.0	10.2	11.2	12.0	11.8
Gross capital expenditures as % of sales	(16.5)	18.2	20.1	19.6	19.1	18.6	17.9	17.1
Working capital as % of sales	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)
Sales	75	67	72	76	81	85	90	95
Depreciation	0	0	0	0	0	0	0	0
Intangibles amortisation	(23)	(22)	(20)	(18)	(18)	(18)	(18)	(18)
EBIT	(6)	(1)	4	7	8	9	11	11
Taxes on EBIT	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(3)
Increase in deferred taxes	0	0	0	0	0	0	0	0
NOPLAT	15	18	21	22	23	24	26	26
Gross capital expenditure	12	(12)	(15)	(15)	(16)	(16)	(16)	(16)
Increase in working capital	(4)	(1)	0	0	0	0	0	0
Free cash flow	23	6	7	7	8	9	10	10
ROIC (%)	32.3	41.4	45.7	52.3	59.3	66.2	76.2	88.0
ROIC-WACC (%)	22.3	31.4	35.7	42.3	49.3	56.2	66.2	78.0
Share of total net present value (%)	0.0	0.3	0.3	0.3	0.3	0.3	0.6	0.5

Source: SEB

Overview

Investment considerations

GiG has invested heavily over the past years in creating a fully integrated iGaming conglomerate. We find the business model interesting and rational, although having multiple focus areas can be heavy on resources. Over the past year financial performance have been negatively affected by regulatory implementations in Europe and the company has set in motion efforts to regain growth and recover profitability.

Company profile

Gaming Innovation Group is an internet gambling (iGaming) conglomerate, aiming to be the key partner for aspiring and existing iGaming companies. The company offers services throughout the value chain, from fully owned operators (GiG Gaming) to affiliate marketing (GiG Media), software platform solutions (GiG Core) and proprietary games and odds production (GiG Sports & Games).

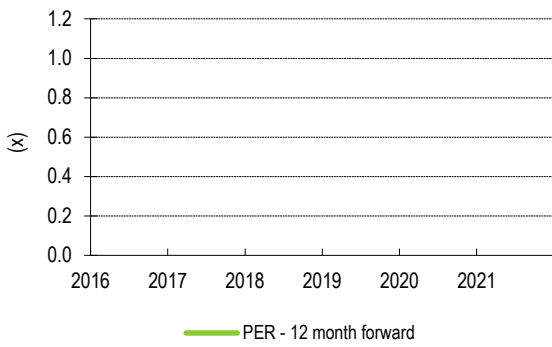
Valuation approach

To address the structural differences in margins and risk between the different business areas, we use a sum-of-the-parts valuation based on peers that are pure breed operators, game suppliers or affiliates. This is supported by a group DCF valuation.

Investment risks

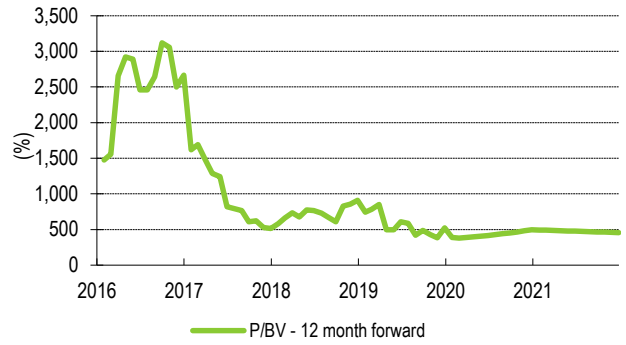
The main risks are unfavourable regulatory changes and a shift in focus to in-house production of platforms, games, sportsbooks and affiliate services.

PER - 12 month forward



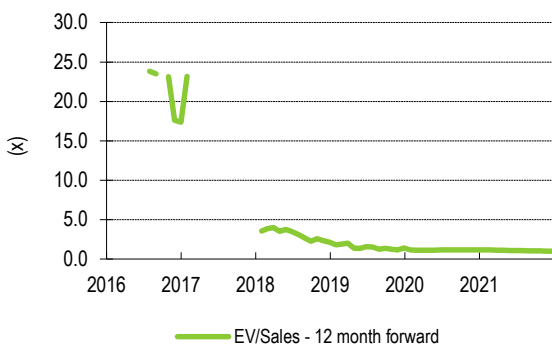
Source: SEB

P/BV - 12 month forward



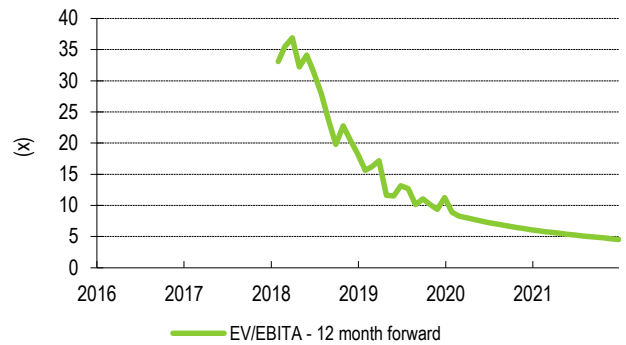
Source: SEB

EV/Sales - 12 month forward



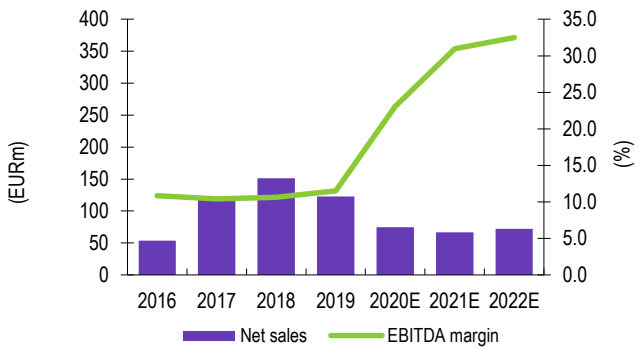
Source: SEB

EV/EBITA - 12 month forward



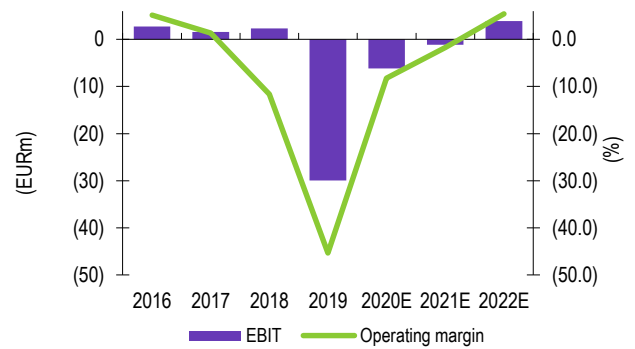
Source: SEB

Net sales & EBITDA margin



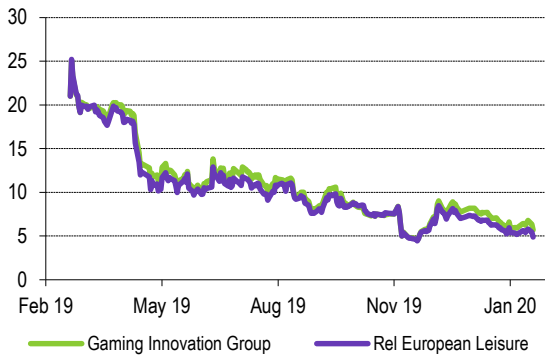
Source: SEB

EBIT & Operating margin



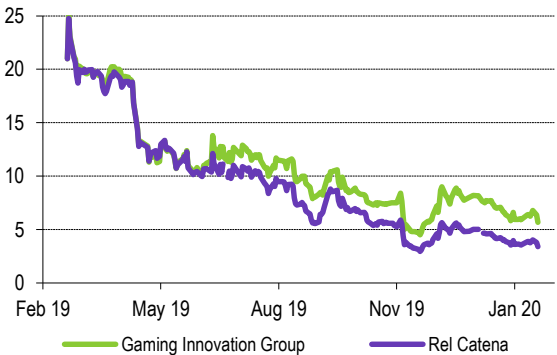
Source: SEB

Comparison with sector index - 1 year



Source: SIX

Comparison with Catena - 1 year



Source: SIX

Profit & loss statement - Gaming Innovation Group							
(EURm)	2016	2017	2018	2019	2020E	2021E	2022E
Net Sales	54	120	151	123	75	67	72
Other revenues	0	0	0	0	0	0	0
Total revenues	54	120	151	123	75	67	72
Total expenses	(48)	(108)	(135)	(109)	(57)	(46)	(49)
Profit before depreciation	6	13	16	14	17	21	23
Depreciation - Fixed assets	0	0	0	0	0	0	0
Depreciation - Other assets	0	0	0	0	(8)	(8)	(8)
Amortisation - Goodwill	0	0	0	0	0	0	0
Amortisation - Other intangibles	(3)	(11)	(34)	(70)	(15)	(14)	(12)
Operating profit	3	2	(18)	(56)	(6)	(1)	4
Net interest expenses	0	(1)	(2)	(8)	(4)	(3)	(3)
Foreign exchange items	0	0	0	0	0	0	0
Other financial items	(1)	0	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0
Value changes - Financial assets	1	0	(3)	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0
Reported pre-tax profit	3	1	(22)	(64)	(10)	(4)	1
Minority interests	0	0	0	0	0	0	0
Total taxes	(0)	(1)	(1)	(1)	1	0	(0)
Reported profit after tax	2	(0)	(23)	(65)	(9)	(4)	1
Discontinued operations	0	0	0	0	0	0	0
Extraordinary items	(0)	0	0	0	0	0	0
Net Profit	2	(0)	(23)	(65)	(9)	(4)	1
Adjustments:							
Discontinued operations	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0
Value changes	(1)	0	3	0	0	0	0
Goodwill/intangibles amortisations	3	11	34	70	15	14	12
Restructuring charges	0	0	0	0	0	0	0
Other adjustments	(3)	(11)	(20)	(26)	(15)	(14)	(12)
Tax effect of adjustments	0	0	0	0	0	0	0
Adjusted profit after tax	1	(0)	(6)	(21)	(9)	(4)	1
Margins, tax & returns							
Operating margin	5.2	1.3	(11.6)	(45.3)	(8.2)	(1.7)	5.4
Pre-tax margin	5.1	0.5	(14.4)	(52.1)	(13.4)	(6.2)	1.3
Tax rate	13.2	175.2	(3.4)	(1.0)	11.0	11.0	11.0
ROE	4.6	(0.4)	(23.0)	n.m.	(49.8)	(31.9)	8.1
ROCE	5.3	1.1	1.4	(24.8)	(8.5)	(2.2)	7.4
Growth rates y-o-y (%)							
Total revenues	n.a.	124.6	25.7	(18.7)	(39.4)	(10.7)	8.4
Operating profit	n.m.	(41.9)	n.m.	n.m.	n.m.	n.m.	n.m.
Pre-tax profit	n.m.	(79.9)	n.m.	n.m.	n.m.	n.m.	n.m.
EPS (adjusted)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow							
(EURm)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit	2	(0)	(23)	(65)	(9)	(4)	1
Non-cash adjustments	2	11	36	70	23	22	20
Cash flow before work cap	4	10	14	5	14	18	20
Ch. in working capital / Other	6	(2)	3	4	(4)	(1)	0
Operating cash flow	10	8	16	10	10	17	21
Capital expenditures	(5)	(67)	(11)	(12)	(10)	(12)	(15)
Asset disposals	0	0	0	0	0	0	0
L/T financial investments	0	0	(1)	(0)	0	0	0
Acquisitions / adjustments	0	0	0	0	22	0	0
Free cash flow	5	(58)	4	(2)	23	5	6
Net loan proceeds	2	62	2	(0)	(24)	0	0
Dividend paid	0	0	0	0	0	0	0
Share issue	5	0	0	0	0	0	0
Other	0	(0)	0	(2)	0	0	0
Net change in cash	12	4	6	(4)	(2)	5	6
Adjustments							
C/flow bef chng in work cap	4	10	14	5	14	18	20
Adjustments	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0
Cash earnings	4	10	14	5	14	18	20
Per share information							
Cash earnings	0.01	0.01	0.15	0.06	0.16	0.2	0.23
Operating cash flow	0.02	0.01	0.18	0.11	0.12	0.19	0.23
Free cash flow	0.01	(0.06)	0.04	(0.03)	0.25	0.06	0.07
Investment cover							
Capex/sales (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex/depreciation (%)	0	0	0	0	0	0	0

Source for all data on this page: SEB

Balance sheet - Gaming Innovation Group							
(EURm)	2016	2017	2018	2019	2020E	2021E	2022E
Cash and liquid assets	6	12	15	10	9	14	20
Debtors	13	25	29	22	13	12	13
Inventories	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Current assets	19	37	43	32	22	26	33
Interest bearing fixed assets	0	0	0	0	0	0	0
Other financial assets	0	0	0	22	22	22	22
Capitalized development cost	0	0	0	0	2	6	13
Goodwill	64	69	69	41	19	19	19
Other intangibles	41	92	70	41	26	12	0
Fixed tangible assets	0	0	0	0	0	0	0
Other fixed assets	2	7	8	0	0	0	0
Fixed assets	108	169	147	103	68	58	53
Total assets	126	206	190	136	89	84	86
Creditors	15	29	34	33	20	18	19
Other trade financing	0	0	0	0	0	0	0
S/T interest bearing debt	0	0	0	34	0	0	0
Other	3	0	1	0	0	0	0
Current liabilities	18	29	35	66	20	18	19
L/T interest bearing debt	0	66	64	33	42	42	42
Other long-term liabilities	3	1	2	12	12	12	12
Convertible debt	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0
Other provisions	0	0	0	(0)	0	0	0
Deferred tax	0	1	1	1	1	1	1
Long term liabilities	3	68	67	47	56	56	56
Minority interests	0	0	0	0	0	0	0
Shareholders' equity	105	109	88	22	13	10	11
Total liabilities and equity	126	206	190	136	89	84	86
Net debt (m)	(6)	54	50	57	34	29	22
Working capital (m)	(6)	(4)	(6)	(11)	(7)	(6)	(6)
Capital employed (m)	105	175	152	89	56	52	53
Net debt/equity (%)	(6)	50	56	255	254	296	213
Net debt/EBITDA (x)	(1.0)	4.3	3.1	4.0	2.0	1.4	1.0
Equity/total assets (%)	83	53	46	16	15	12	12
Interest cover	0.0	1.5	(11.0)	(6.7)	(1.6)	(0.4)	1.3

Valuation							
(EUR)	2016	2017	2018	2019	2020E	2021E	2022E
No of shares, fully dil. (y/e)	629.6	895.7	895.7	895.7	895.7	895.7	895.7
No of shares, fully dil. avg.	632.1	900.0	895.7	895.7	895.7	895.7	895.7
Share price, y/e	31.0	49.3	22.9	8.2	5.7	5.7	5.7
Share price, high	51.2	61.8	64.6	25.0	8.2		
Share price, low	17.5	27.0	20.6	4.5	5.7		
Share price, avg	33.1	46.2	42.5	12.5	6.8		
EPS (reported)	0.00	(0.00)	(0.25)	(0.72)	(0.10)	(0.04)	0.01
EPS (adjusted)	0.00	(0.00)	(0.07)	(0.23)	(0.10)	(0.04)	0.01
Cash earnings/share	0.01	0.01	0.15	0.06	0.16	0.20	0.23
Dividend/share	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Enterprise value/share	3.2	5.1	2.8	1.4	0.9	0.9	0.8
Book value/share	0.2	0.1	1.0	0.2	0.1	0.1	0.1
Adjusted equity/share	0.2	0.1	1.0	0.2	0.1	0.1	0.1
PER (adjusted)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	58.9
CEM	533.5	430.0	14.7	13.5	3.3	2.7	2.4
Dividend yield	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	349.2	363.1	15.7	8.9	4.8	3.7	3.0
EV/EBITA	349.2	363.1	15.7	8.9	4.8	3.7	3.0
EV/EBIT	733.3	2,825.9	106.9	(4.2)	(13.3)	(66.0)	18.1
EV/Sales (x)	37.89	37.75	1.66	1.03	1.10	1.15	0.98
Price/Book value	19.37	41.30	2.31	3.14	3.59	4.96	4.57
Price/adjusted equity	19.37	41.30	2.31	3.14	3.59	4.96	4.57
Free cash flow/Market cap (%)	n.a.	n.a.	2.4	(3.2)	0.8	11.0	13.2
Operating cash flow/EV (%)	0.5	0.2	6.5	7.6	12.7	22.7	29.6
EV/Capital employed (x)	19.3	25.9	1.7	1.4	1.5	1.5	1.3

Main shareholders			Management		Company information		
Name	(%)	Votes	Capital	Title	Name	Contact	
Bryggen Holding AS		13.2	13.2	COB	Helge Nielsen	Internet	www.gig.com
Optimizer Invest Ltd.		11.5	11.5	CEO	Richard Brown	Phone number	0
Robin Reed		7.2	7.2	CFO	Tore Formo		
				IR	Anna-Lena Ahnström		

Source for all data on this page: SEB

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