

Customer pipeline to support progress

Although the company adjusted full year guidance slightly downward, as a result of regulatory changes in Germany and slower customer onboardings due to COVID-19, we do not expect negative spill over into 2021 at this stage. We have updated our estimates and are close to guidance for 2020, while our EBITDA for 2021-22E is revised +/- 1-2%. Our DCF value range is updated to SEK 15-23 and our SOTP value is SEK 12.0 per share.

Work in progress for a stronger outlook

We see potential for GiG's transformation and turnaround to continue, with the new company to achieve an EBITDA margin of 35-36% in 2021-22E. Potential guidance for 2021 with the next report could be a trigger.

Downward revision of 2020 guidance, but promising pipeline for 2021

The guidance for continuing operations for 2020 is updated to revenue at the "low end" of the EUR 52-57m range and EBITDA of around EUR 11m vs previously EUR 12-15m. Although October showed a strong start of 48% growth y/y, regulatory changes in Germany and delays in onboarding of new platform customers is the reason for the more cautious view on year ending. Our 2020 estimates are adjusted, now close to guidance (revenue EUR 52.8m and EBITDA EUR 10.9m). Estimates for 2021-22 are largely intact, EBITDA +/- 1-2%. GiG has 15 platform customers in the pipeline waiting to be launched, which in our view supports the revenue growth outlook for next year. We forecast 20% revenue CAGR in 2020-22 and normalised EBITDA margin to expand from 21% to 36%.

SOTP analysis suggests equity valuation of SEK 12.0 per share

Our DCF analysis yields a mid-point value of SEK 18.6 using a 10% WACC and implies 20-25% CoE at the current share price. Our SOTP derives an intrinsic value of SEK 12.0 and suggests that the market does not discount a successful turnaround. On our updated forecasts, the shares trade at a negative PER on 2020E, 9.5x on 2021E, and 6x on 2022E.

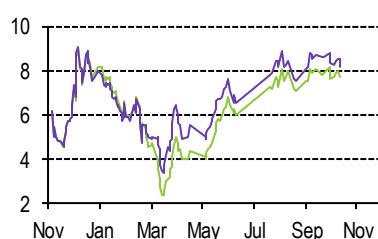
Key Data (2020E)

Price (SEK)	7.70
Reuters	GIGSEK.ST
Bloomberg	GIGSEK.SS
Market cap (SEKm)	690
Market cap (USDm)	78
Market cap (EURm)	67
Net debt (EURm)	21
Net gearing	167%
Net debt/EBITDA (x)	1.6
Shares fully dil. (m)	895.7
Avg daily turnover (m)	0.0
Free float	54%

Estimate Revisions (%)

	2020E	2021E	2022E
Revenues	0	1	1
Adj. EBIT	(67)	6	(1)
Adj. EPS	(33)	9	(1)

Share Price (12M)



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

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

Financials (EUR)

Year end: Dec	2018	2019	2020E	2021E	2022E
Revenues (m)	151	123	84	83	93
Adj. EBIT	2	(30)	(6)	10	14
Pre-tax profit (m)	(22)	(64)	(9)	8	12
EPS	(0.25)	(0.72)	(0.11)	0.08	0.12
Adj. EPS	(0.07)	(0.23)	(0.11)	0.08	0.12
DPS	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	25.7	(18.7)	(31.7)	(1.8)	12.1
Adj. EBIT growth (%)	46.5	n.m.	n.m.	n.m.	40.5
Adj. EPS growth (%)	n.m.	n.m.	n.m.	n.m.	52.2
Adj. EBIT margin (%)	1.6	(24.4)	(7.1)	12.3	15.4
ROE (%)	(23.0)	n.m.	(55.4)	43.6	42.8
ROCE (%)	1.4	(24.8)	(8.6)	19.5	23.4
PER (x)	n.m.	n.m.	n.m.	9.5	6.3
Free cash flow yield (%)	2.4	(3.2)	6.9	17.9	21.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
P/BV (x)	2.31	3.14	5.32	3.42	2.21
EV/Sales (x)	1.66	1.03	1.05	0.92	0.66
EV/Adj. EBITDA (x)	15.7	8.9	6.8	3.3	2.4
EV/Adj. EBIT (x)	106.9	(4.2)	(14.8)	7.5	4.3
Operating cash flow/EV (%)	6.5	7.6	14.1	26.3	39.2
Net debt/Adj. EBITDA (x)	3.08	4.01	1.63	0.39	(0.21)

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

Estimate update

Normalised revenue for continued operations was EUR 14.2m, slightly stronger than our estimate at EUR 13.8m, corresponding to growth of 42% y/y in comparable group structure. EBITDA adjusted for EUR 0.5m restructuring was EUR 3.7m, slightly below SEB at EUR 4.1m, at 26% margin and 22.5% unadjusted, up vs 21.2% in Q2. Normalised Core/Platform Services (excluding Sky City) of EUR 5.4m was stronger than our estimate at EUR 4.7m, and the company commented that the sales pipeline has developed positively with six new agreements in Q3, although there have been delays with customer onboardings in 2020 due to COVID-19. In total the company has 15 customers to be onboarded. Media showed stable revenue q/q but higher costs, partly related to changes in allocation of costs, which instead positively affected Core, but also growth in the paid media segment, 50% y/y and 10% q/q, which drives up costs.

The company reported that October generated revenue 48% better than the same period last year, in the comparable group structure. But the company lowered the guidance for 2020 to EBITDA of around EUR 11m and revenue at the low-end of the EUR 52-57m range.

Our revised forecasts are close to the updated 2020 guidance at EUR 52.8m in revenue and EBITDA of EUR 10.9m, a negative revision of 18% vs our previous 2020 forecast. However, our estimate profile for 2021-2022 does not have any material changes, with underlying EBITDA revised +/- 1-2%.

Revenue and EBITDA, New GiG, normalised and reported

New GiG - B2B	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20E	2019	2020E	2021E	2022E
Revenue	12.3	11.3	10.2	10.5	11.2	16.7	17.9	18.3	44.1	64.1	82.6	92.6
EBITDA	2.3	1.5	-0.4	0.1	0.6	2.8	3.2	4.3	3.5	10.9	23.4	26.1
margin reported	18.7%	13.2%	-3.9%	1.0%	5.4%	16.7%	17.9%	23.7%	7.9%	17.1%	28.3%	28.2%
Revenue normalized	12.3	11.3	10.1	10.2	10.7	13.2	14.2	14.6	43.9	52.8	65.3	72.5
margin normalized	18.7%	13.2%	-3.9%	1.0%	5.6%	21.2%	22.5%	29.8%	8.0%	20.7%	35.8%	36.0%

Source: SEB

Estimate revisions

(SEKm)	New estimates			Old estimates			Difference (%)		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Net sales	84.1	82.6	92.6	83.9	82.1	92.0	0%	1%	1%
Gross Profit	74.4	77.2	86.4	75.3	79.8	89.2	-1%	-3%	-3%
EBITDA	12.9	23.4	26.1	14.6	23.1	26.5	-12%	1%	-1%
EBIT	-5.9	10.2	14.3	-3.6	9.6	14.5	67%	6%	-1%
PTP	-10.0	7.8	11.9	-7.3	7.2	12.1	38%	8%	-2%
EPS	-0.15	0.08	0.12	-0.10	0.07	0.12	48%	8%	-2%
Normalized revenue	52.8	65.3	72.5	52.5	64.9	71.9	1%	1%	1%
EBITDA adj. for discontinued. Operations.	10.9	23.4	26.1	13.3	23.1	26.5	-18%	1%	-2%
Margins									
EBITDA margin	15.4%	28.3%	28.2%	17.4%	28.1%	28.8%	-12%	1%	-2%
EBIT margin	-7.1%	12.3%	15.4%	-4.3%	11.7%	15.7%	66%	5%	-2%
Revenue									
Media	33.8	36.5	38.1	34.6	37.3	38.9	-2%	-2%	-2%
Core	31.3	44.8	52.8	30.2	43.4	51.2	3%	3%	3%
Sport and Games	0.7	1.3	1.7	0.8	1.4	1.8	-11%	-9%	-9%
Gaming	22.9	0.0	0.0	22.9	0.0	0.0	0%	n.a.	n.a.
EBITDA									
Media	17.1	17.2	17.9	19.1	20.9	21.8	-11%	-18%	-18%
Core	-2.2	6.0	7.9	-2.9	2.0	4.4	-25%	203%	81%
Sport and Games	-3.3	0.2	0.2	-2.9	0.2	0.3	14%	-9%	-9%
Gaming	0.4	0.0	0.0	0.4	0.0	0.0	0%	n.a.	n.a.

Source: SEB

Valuation

SOTP indicates value of SEK 12.0

Valuation Summary

Share price (SEK)	7.0		
Market Capitalization (SEKm)	657		
SOTP valuation	12.0		
Mid-point DCF value (SEK)	18.6		
	Low	High	Mid-point
DCF valuation range	14.7	23.2	18.6
Implied multiples at SOTP SEK 12.0	2020E	2021E	2022E
EV/EBITDA	9.7x	5.4x	4.8x
EV/EBIT	n.m.	12.4x	8.8x
PER	n.m.	14.9x	9.7x

Source: SEB

Sum-of-the-parts valuation

Our SOTP calculation based on 2020E derives an intrinsic value of SEK 12.0 per share, while if we instead use 2021E as the base, we derive SEK 15.1, which are both significantly higher than the current share price. We believe this implies that the market does not account for a successful turnaround in Core and Sport Betting Services and should leave plenty of revaluation potential in the event of improved performance.

Sum of the parts valuation

(EURm)	2019	2020E	2021E	EV/EBITDA SEB 2020E	EV/Sales 2020E	EV Contribution 2020E
GiG Media						
Revenues	33.1	33.8	36.5			
EBITDA	18.1	17.1	17.2	5.0x		85.6
GiG Core						
Revenues	17.0	20.1	27.5			
EBITDA	-5.1	-2.2	6.0		2.0x	40.0
GiG Sport betting services						
Revenues	1.0	0.7	1.3			
EBITDA	-6.8	-3.3	0.2	0.0x	0.0x	0.0
Enterprise Value						126
NIBD YE 2020E						21
Equity value						105
NOS						90
Equity value / share (EUR)						1.16
EURSEK						10.3
Equity value / share (SEK)						12.0

Source: SEB

Implied negative value for GiG Core and Sports Betting Services

Based on a sensitivity analysis, GiG Media alone could justify a value of SEK 7.4 per share if valued at 5x EV/EBITDA 2020E. As the shares are currently trading below this, it implies that investors are assigning a negative value for GiG Core and Sports Betting Services.

SOTP sensitivity

		Value of GiG Core + Sports Book EURm						
		-20	-10.0	0	10	20	30	40
EV/EBITDA GiG Media	2.0x	-0.8	0.4	1.5	2.7	3.8	4.9	6.1
	3.0x	1.2	2.3	3.5	4.6	5.8	6.9	8.0
	4.0x	3.1	4.3	5.4	6.6	7.7	8.9	10.0
	5.0x	5.1	6.2	7.4	8.5	9.7	10.8	12.0
	6.0x	7.1	8.2	9.3	10.5	11.6	12.8	13.9
	7.0x	9.0	10.2	11.3	12.4	13.6	14.7	15.9
	8.0x	11.0	12.1	13.3	14.4	15.5	16.7	17.8
	9.0x	12.9	14.1	15.2	16.4	17.5	18.7	19.8
	10.0x	14.9	16.0	17.2	18.3	19.5	20.6	21.8

Source: SEB

DCF – midpoint value of SEK 18.6

For reference, our DCF model with 10% WACC, yields a mid-point value of SEK 18.6 and a range of SEK 15-23 if we adjust our base case EBITDA margin and growth forecasts by +/- 2pp. Based on the current share price of c. SEK 7 the market is assigning an implied cost of equity of c. 25%. A higher risk premium than main peers is probably justified considering the turnaround phase and that the company is a small cap, although an implied 20-25% CoE in our view appears high.

DCF Summary

DCF valuation (SEKm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	841	Risk free interest rate	5.0
NPV of continuing value	1,040	Risk premium	5.0
Value of operation	1,881	Cost of equity	10.0
Net debt	217	After tax cost of debt	8.9
Share issue/buy-back in forecast period	-	WACC	9.9
Value of associated companies	-	Assumptions	
Value of minority shareholders' equity	-	Number of forecast years	10
Value of marketable assets	-	EBIT margin - steady state (%)	16.8
DCF value of equity	1,665	EBIT multiple - steady state (x)	10.9
DCF value per share (SEK)	18.6	Continuing value (% of NPV)	54.8
Current share price (SEK)	7.66		
DCF performance potential (%)	160		

Source: SEB

DCF Sensitivity

		Cost of equity (%)				
		9.0	9.5	10.0	10.5	11.0
Equity capital weight (%)	70	27.8	26.2	24.8	23.5	22.3
	80	24.0	22.6	21.3	20.2	19.1
	90	21.0	19.7	18.6	17.6	16.6
	100	18.5	17.4	16.4	15.5	14.6
		Absolute change in EBITDA margin - all years				
		-2%	-1%	0	+1%	+2%
Abs. change in sales growth - all years	-2%	14.7	15.6	16.5	17.5	18.4
	-1%	15.6	16.6	17.5	18.5	19.5
	0	16.5	17.5	18.6	19.6	20.7
	+1%	17.5	18.6	19.7	20.8	21.9
	+2%	18.5	19.7	20.9	22.0	23.2

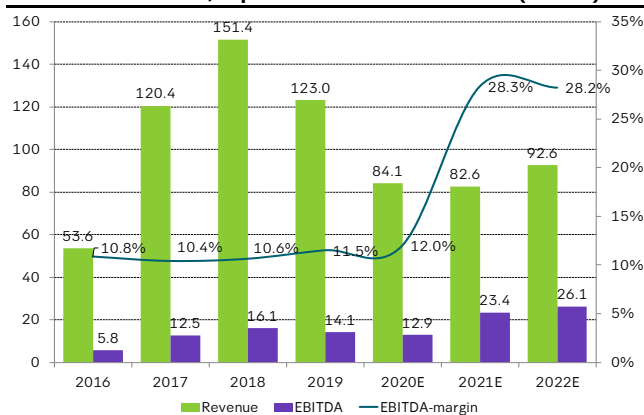
Source: SEB

DCF – assumption details

(SEKm)	2020E	2021E	2022E	2023E	2024E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	(31.7)	(1.8)	12.1	6.0	6.0	4.0	4.0	3.0
EBITDA margin (%)	15.4	28.3	28.2	28.2	28.2	28.2	28.2	29.1
EBIT margin (%)	(7.1)	12.3	15.4	15.7	15.9	16.0	16.2	16.7
Gross capital expenditures as % of sales	(27.6)	9.7	10.4	15.0	15.0	15.0	15.0	15.0
Working capital as % of sales	(16.4)	(16.4)	(16.4)	(16.4)	(16.4)	(16.4)	(16.4)	(16.4)
Sales	84	83	93	98	104	108	115	123
Depreciation	(8)	(8)	(8)	(8)	(9)	(9)	(10)	(11)
Intangibles amortisation	(11)	(5)	(4)	(4)	(4)	(4)	(4)	(4)
EBIT	(6)	10	14	15	17	17	19	20
Taxes on EBIT	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(3)
Increase in deferred taxes	0	0	0	0	0	0	0	0
NOPLAT	4	14	16	17	18	19	20	22
Gross capital expenditure	23	(8)	(10)	(15)	(16)	(16)	(17)	(18)
Increase in working capital	3	(0)	2	1	1	1	1	1
Free cash flow	39	13	16	12	12	13	13	15
ROIC (%)	9.0	24.5	24.2	25.1	25.9	26.1	26.2	26.4
ROIC-WACC (%)	(0.9)	14.7	14.4	15.3	16.1	16.2	16.3	16.6
Share of total net present value (%)	0.0	0.7	0.7	0.5	0.5	0.4	0.8	0.7

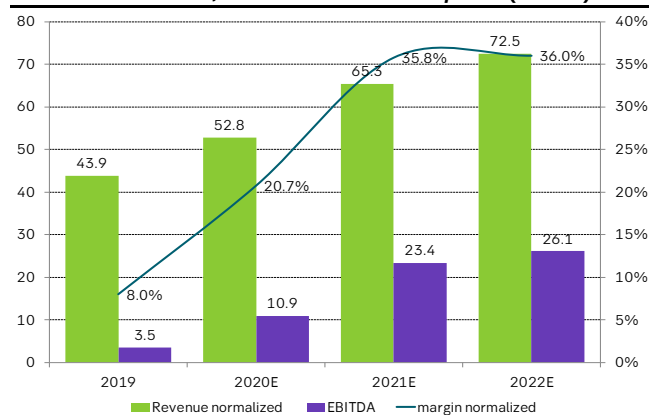
Source: SEB

Revenue & EBITDA, reported incl. B2C historical (EURm)



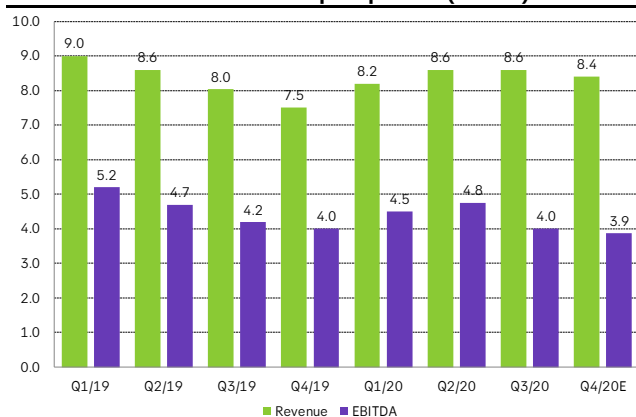
Source: SEB

Revenue & EBITDA, normalised excl. B2C/Elim. (EURm)



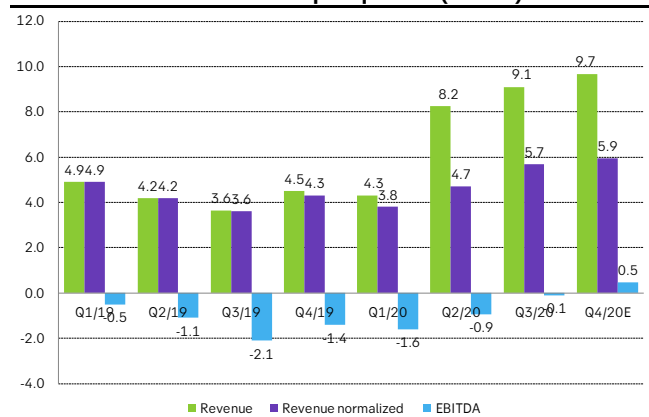
Source: SEB

Media – revenue and EBITDA per quarter (EURm)



Source: SEB

Core – revenue and EBITDA per quarter (EURm)



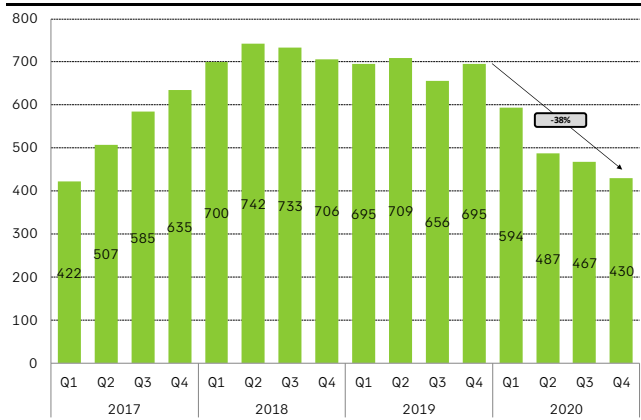
Source: SEB

Forecasts per segment

(EURm)	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20E	2019	2020E	2021E	2022E
GiG Media												
Revenue	9.0	8.6	8.0	7.5	8.2	8.6	8.6	8.4	33.1	33.8	36.5	38.1
EBITDA	5.2	4.7	4.2	4.0	4.5	4.8	4.0	3.9	18.1	17.1	17.2	17.9
margin	58%	55%	52%	53%	55%	55%	47%	46%	55%	51%	47%	47%
GiG Core												
Revenue	4.9	4.2	3.6	4.5	4.3	8.2	9.1	9.7	17.2	31.3	44.8	52.8
EBITDA	-0.5	-1.1	-2.1	-1.4	-1.6	-0.9	-0.1	0.5	-5.1	-2.2	6.0	7.9
margin reported	-10%	-26%	-58%	-31%	-37%	-11%	-1%	5%	-30%	-7%	13%	15%
Revenue normalized	4.9	4.2	3.6	4.3	3.8	4.7	5.7	5.9	17.0	20.1	27.5	32.7
margin normalized	-10%	-26%	-58%	-33%	-42%	-20%	-2%	8%	-30%	-11%	22%	24%
GiG Sport betting services												
Revenue	0.3	0.3	0.2	0.2	0.2	0.1	0.2	0.2	1.0	0.7	1.3	1.7
EBITDA	-1.8	-1.5	-1.8	-1.7	-1.7	-0.9	-0.7	0.0	-6.8	-3.3	0.2	0.2
margin	-600%	-500%	-750%	-850%	-708%	-671%	-350%	0%	-654%	-451%	15%	15%
GiG Gaming												
Revenue	20.2	19.6	20.2	19.0	20.0	2.9	0.0	0.0	79.0	22.9		
EBITDA	1.1	0.4	2.4	4.1	1.2	-0.8	0.0	0.0	8.0	0.4		
margin	5%	2%	12%	22%	6%	-28%	0%	0%	10%	2%		
Eliminations												
Revenue	-1.91	-1.77	-1.75	-1.75	-1.58	-0.3	0.0	0.0	-7.3	-1.9		
EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

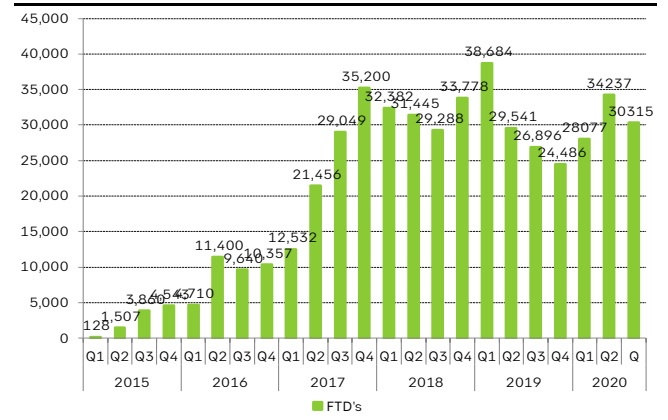
Source: SEB. OBS that company has not disclosed full set of restated historical data

FTEs



Source: SEB

FTDs in Media



Source: SEB

Including B2C in historical up until Q1/20

	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20E	Q4/20E	2019	2020E	2021E	2022E
Revenue	32.4	31.0	30.2	29.4	31.1	16.7	17.9	18.3	123.0	84.1	82.6	92.6
COGS	-6.4	-6.6	-6.7	-4.4	-6.8	-0.8	-0.9	-1.2	-24.1	-9.7	-5.4	-6.1
Gross profit	26.0	24.4	23.6	25.0	24.3	15.9	17.0	17.1	98.9	74.4	77.2	86.4
Marketing cost	-8.6	-8.9	-7.1	-6.5	-8.9	-4.5	-4.5	-3.1	-31.1	-21.0	-13.9	-15.8
Marketing cost/revenue	-26%	-29%	-23%	-22%	-29%	-27%	-25%	-17%	-25%	-25%	-17%	-17%
Other OPEX	-13.3	-13.0	-13.7	-13.7	-12.9	-8.5	-9.3	-9.7	-53.7	-40.4	-39.9	-44.6
Other OPEX/revenue	-41%	-42%	-45%	-46%	-41%	-51%	-52%	-53%	-44%	-48%	-48%	-48%
EBITDA	4.1	2.5	2.7	4.8	2.5	2.8	3.2	4.3	14.1	12.9	23.4	26.1
EBITDA (%)	13%	8%	9%	16%	8%	17%	18%	24%	11.5%	15.4%	28.3%	28.2%
EBIT	-2.5	-4.0	-6.7	-42.5	-2.9	-2.2	-1.6	0.8	-55.7	-5.9	10.2	14.3
EBIT (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4%	-45%	-7%	12%	15%
NI	-2.9	-6.1	-8.4	-47.3	-2.6	-5.2	-2.7	0.1	-64.7	-10.3	6.9	10.6
EPS	-0.03	-0.07	-0.09	-0.53	-0.03	-0.06	-0.03	0.00	-0.72	-0.11	0.08	0.12

Source: SEB

Overview

Investment considerations

GiG has invested heavily over the years in creating a broad tool set and market-leading platform. Over the past year 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 was a major initiative to release cash and focus the operation to B2B.

Company profile

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

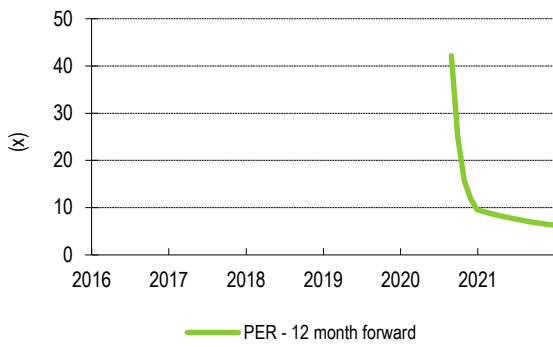
Valuation approach

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 which are pure operators, game suppliers, or affiliates. This is supported by a group DCF valuation.

Investment risks

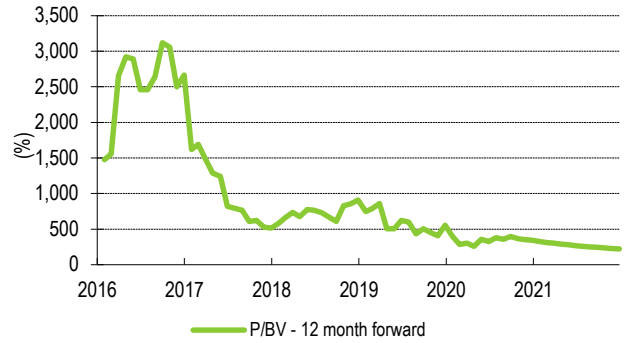
The main risks are unfavourable regulatory changes and a shift in focus to in-house production of platforms, games, sportsbooks, and affiliate services among the operators. The company is in a turnaround phase, although financial risk has been reduced after the divestment of B2C and more improvement is needed for the company to reach its targets and grow cash flow.

PER - 12 month forward



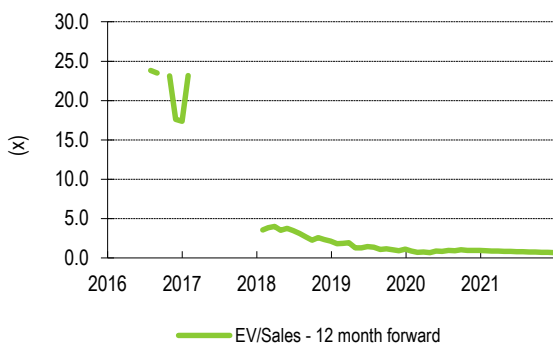
Source: SEB

P/BV - 12 month forward



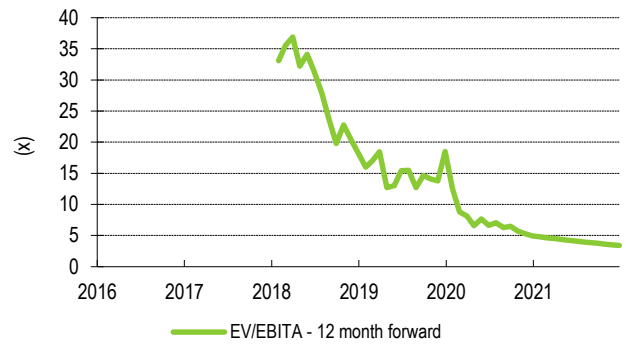
Source: SEB

EV/Sales - 12 month forward



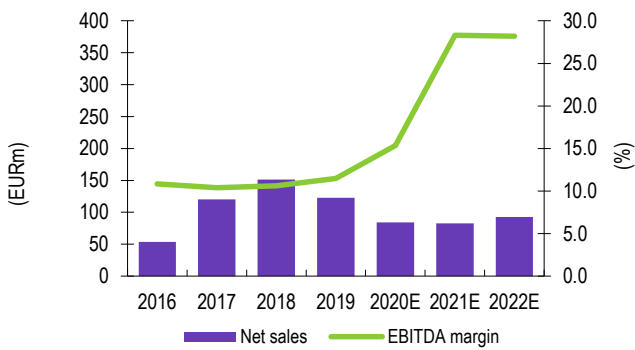
Source: SEB

EV/EBITA - 12 month forward



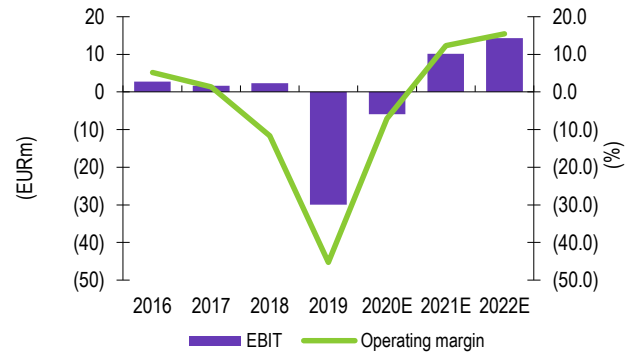
Source: SEB

Net sales & EBITDA margin



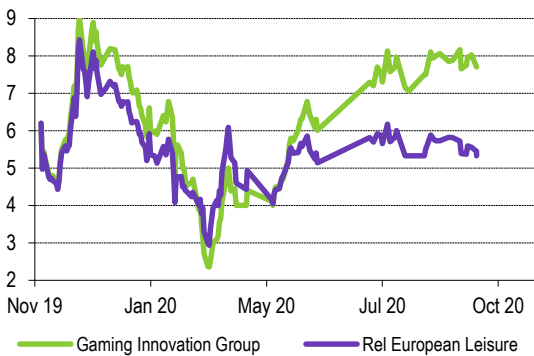
Source: SEB

EBIT & Operating margin



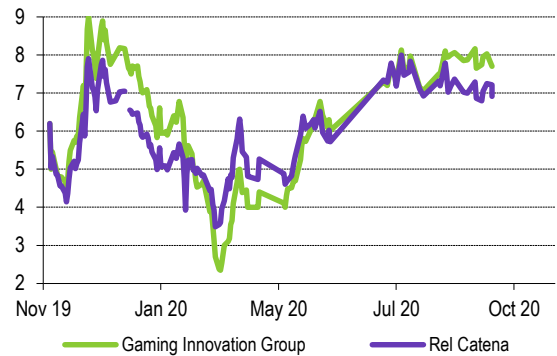
Source: SEB

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	84	83	93
Other revenues	0	0	0	0	0	0	0
Total revenues	54	120	151	123	84	83	93
Total expenses	(48)	(108)	(135)	(109)	(71)	(59)	(66)
Profit before depreciation	6	13	16	14	13	23	26
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)	(11)	(5)	(4)
Operating profit	3	2	(18)	(56)	(6)	10	14
Net interest expenses	0	(1)	(2)	(8)	(4)	(2)	(2)
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)	(9)	8	12
Minority interests	0	0	0	0	0	0	0
Total taxes	(0)	(1)	(1)	(1)	(0)	(1)	(1)
Reported profit after tax	2	(0)	(23)	(65)	(10)	7	11
Discontinued operations	0	0	0	0	0	0	0
Extraordinary items	(0)	0	0	0	0	0	0
Net Profit	2	(0)	(23)	(65)	(10)	7	11
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	11	5	4
Restructuring charges	0	0	0	0	0	0	0
Other adjustments	(3)	(11)	(20)	(26)	(11)	(5)	(4)
Tax effect of adjustments	0	0	0	0	0	0	0
Adjusted profit after tax	1	(0)	(6)	(21)	(10)	7	11
Margins, tax & returns							
Operating margin	5.2	1.3	(11.6)	(45.3)	(7.1)	12.3	15.4
Pre-tax margin	5.1	0.5	(14.4)	(52.1)	(11.2)	9.6	13.0
Tax rate	13.2	175.2	(3.4)	(1.0)	(2.8)	11.0	11.0
ROE	4.6	(0.4)	(23.0)	n.m.	(55.4)	43.6	42.8
ROCE	5.3	1.1	1.4	(24.8)	(8.6)	19.5	23.4
Growth rates y-o-y (%)							
Total revenues	n.a.	124.6	25.7	(18.7)	(31.7)	(1.8)	12.1
Operating profit	n.m.	(41.9)	n.m.	n.m.	n.m.	n.m.	40.5
Pre-tax profit	n.m.	(79.9)	n.m.	n.m.	n.m.	n.m.	52.2
EPS (adjusted)	0.0	0.0	0.0	0.0	0.0	0.0	52.2
Cash flow							
(EURm)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit	2	(0)	(23)	(65)	(10)	7	11
Non-cash adjustments	2	11	36	70	19	13	12
Cash flow before work cap	4	10	14	5	9	20	22
Ch. in working capital / Other	6	(2)	3	4	3	(0)	2
Operating cash flow	10	8	16	10	12	20	24
Capital expenditures	(5)	(67)	(11)	(12)	(8)	(8)	(10)
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	31	0	0
Free cash flow	5	(58)	4	(2)	36	12	15
Net loan proceeds	2	62	2	(0)	(31)	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)	5	12	15
Adjustments							
C/flow bef chng in work cap	4	10	14	5	9	20	22
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	9	20	22
Per share information							
Cash earnings	0.01	0.01	0.15	0.06	0.1	0.23	0.25
Operating cash flow	0.02	0.01	0.18	0.11	0.14	0.22	0.27
Free cash flow	0.01	(0.06)	0.04	(0.03)	0.4	0.13	0.16
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	15	27	42
Debtors	13	25	29	22	15	15	16
Inventories	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Current assets	19	37	43	32	30	42	58
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	(0)	(0)	1
Goodwill	64	69	69	41	10	10	10
Other intangibles	41	92	70	41	30	25	21
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	61	56	54
Total assets	126	206	190	136	91	98	112
Creditors	15	29	34	33	29	28	32
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	29	28	32
L/T interest bearing debt	0	66	64	33	36	36	36
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	50	50	50
Minority interests	0	0	0	0	0	0	0
Shareholders' equity	105	109	88	22	13	20	30
Total liabilities and equity	126	206	190	136	91	98	112
Net debt (m)	(6)	54	50	57	21	9	(5)
Working capital (m)	(6)	(4)	(6)	(11)	(14)	(14)	(15)
Capital employed (m)	105	175	152	89	49	56	66
Net debt/equity (%)	(6)	50	56	255	167	46	(18)
Net debt/EBITDA (x)	(1.0)	4.3	3.1	4.0	1.6	0.4	(0.2)
Equity/total assets (%)	83	53	46	16	14	20	27
Interest cover	0.0	1.5	(11.0)	(6.7)	(1.6)	4.5	6.3

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	7.7	7.7	7.7
Share price, high	51.2	61.8	64.6	25.0	8.2		
Share price, low	17.5	27.0	20.6	4.5	2.4		
Share price, avg	33.1	46.2	42.5	12.5	6.0		
EPS (reported)	0.00	(0.00)	(0.25)	(0.72)	(0.11)	0.08	0.12
EPS (adjusted)	0.00	(0.00)	(0.07)	(0.23)	(0.11)	0.08	0.12
Cash earnings/share	0.01	0.01	0.15	0.06	0.10	0.23	0.25
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	1.0	0.8	0.7
Book value/share	0.2	0.1	1.0	0.2	0.1	0.2	0.3
Adjusted equity/share	0.2	0.1	1.0	0.2	0.1	0.2	0.3
PER (adjusted)	n.m.	n.m.	n.m.	n.m.	n.m.	9.5	6.3
CEM	533.5	430.0	14.7	13.5	7.3	3.3	3.0
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	6.8	3.3	2.4
EV/EBITA	349.2	363.1	15.7	8.9	17.9	4.9	3.4
EV/EBIT	733.3	2,825.9	106.9	(4.2)	(14.8)	7.5	4.3
EV/Sales (x)	37.89	37.75	1.66	1.03	1.05	0.92	0.66
Price/Book value	19.37	41.30	2.31	3.14	5.32	3.42	2.21
Price/adjusted equity	19.37	41.30	2.31	3.14	5.32	3.42	2.21
Free cash flow/Market cap (%)	n.a.	n.a.	2.4	(3.2)	6.9	17.9	21.7
Operating cash flow/EV (%)	0.5	0.2	6.5	7.6	14.1	26.3	39.2
EV/Capital employed (x)	19.3	25.9	1.7	1.4	1.8	1.4	0.9

Main shareholders				Management		Company information	
Name	(%)	Votes	Capital	Title	Name	Contact	
Bryggen Holding AS	13.2		13.2	COB	Petter Nylander	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		
				IK			

Source for all data on this page: SEB

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