

<b>Buy</b>  <b>EUR 3.20</b> (EUR 2.40)  Price <b>EUR 1.39</b> <b>Upside 130.2 %</b>	<b>Value Indicators:</b> EUR DCF: 3.18	<b>Share data:</b> Bloomberg: M8G GR Reuters: M8G.DE ISIN: MT0000580101	<b>Description:</b> MGI is engaged in the gaming as well as media and advertising market
	<b>Market Snapshot:</b> EUR m Market cap: 97.3 No. of shares (m): 70.0 EV: 179.1 Freefloat MC: 35.5 Ø Trad. Vol. (30d): 166.56 th	<b>Shareholders:</b> Freefloat 36.5 % Bodhivas (Remco Westernm.) 43.0 % F&F (Lock up until 02/22) 20.5 %	<b>Risk Profile (WRe):</b> 2020e Beta: 1.6 Price / Book: 0.7 x Equity Ratio: 49 % Net Fin. Debt / EBITDA: 3.9 x Net Debt / EBITDA: 3.9 x

## Strong figures and increased transparency confirm Buy recommendation; PT up

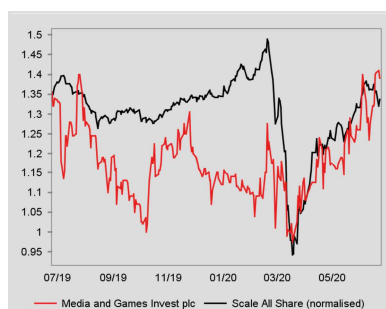
MGI reported its unaudited FY 2019 as well as its Q1 2020 figures on June 18. For the first time, MGI presented its figures on a fully consolidated basis, i.e. including its fully integrated media activities of Pubnative and Applift acquired in late June 2019 as well as Verve Wireless, which MGI acquired in early 2020. Furthermore, the company established segment reporting for its two operational activities Media and Gaming.

**FY 2019 figures** came in ahead of our estimates with revenues of EUR 83.9m vs. WRe EUR 73m, and EBITDA of EUR 15.5m vs. WRe EUR 15.0m. The revenue beat mainly results from the company's M&A transactions. In this context, transparency was limited. Furthermore, management probably had to cut less revenue in its effort to enhance the profitability of the acquired assets. Gaming revenues amounted to EUR 43.1m with a 29% EBITDA margin, while Media revenues amounted to EUR 40.8m with an EBITDA margin of 7%.

**Q1 2020 figures** also came in strongly with revenues of EUR 26.5m vs. WRe 22m and EBITDA of EUR 5.3m vs. WRe 3.8m. Despite the Verve acquisition within MGI's Media segment (roughly EUR 12m revenues p.a.), Gaming still accounted for 52% of total group revenues thus, showing the first impact of the lockdown, which is benefitting Gaming and but is having a somewhat negative impact on Media. Nevertheless, thanks to its gaming bias within Media, we expect the segment to have recovered considerably during Q2, so that we are also rather optimistic for a solid Q2 at group level. For Q1, Gaming contributed EUR 13.9m in sales with an EBITDA margin of 32%, and Media contributed EUR 12.6m in sales with an EBITDA margin of 7%. We expect the Media segment to enhance its margin profile consistently over the course of the year and expect EBITDA margins of around 15% in the mid term. Operational cash flow was also strong at EUR 5.9m, which is above the EBITDA as a result of positive WC effects resulting from the increased media exposure.

The price for the stock still reflects a significant undervaluation with EV/sales of 1.9x and EV/EBITDA of 10.5x for 2020e for a company, which is growing in excess of 30% (including M&A; organic growth is around 5–10%), and is able to considerably increase its margin profile. The only fly in the ointment is the net debt/EBITDA ratio of almost 4x for 2020e, but interest payments are covered roughly 3x by the company's operational cash flow. **Thus, we stick to our Buy recommendation with an increased PT of EUR 3.20.** Besides the rolling forward effect and more favourable WC development, the increase in our PT is driven by higher revenues and stable EBITDA margin assumptions in the long term.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -		
Sales	92.0	19.6 %	110.0	22.7 %	n.a.	n.m.	Revenue increase is driven by strong operational developments as well as a greater contribution from M&A.	
EBITDA	17.5	11.4 %	28.0	-7.1 %	n.a.	n.m.	Stronger EBITDA basis in the short term as a result of a more profitable contribution from the Media segment.	
EBIT	3.5	85.7 %	13.0	-15.4 %	n.a.	n.m.	Larger Media exposure also has a slightly dilutive effects in the short and mid term but attractive potential in the mid to long term.	
EPS	0.0	n.m.	0.0	-57.1 %	n.a.	n.m.		

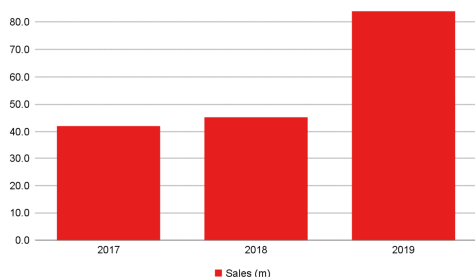


Rel. Performance vs Scale All	
1 month:	6.9 %
6 months:	26.1 %
Year to date:	24.7 %
Trailing 12 months:	3.2 %

Company events:	
30.06.20	FY 2019
30.09.20	Q2

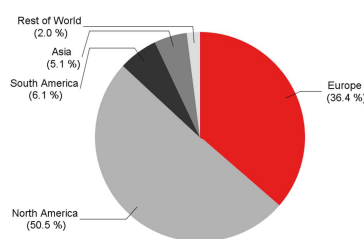
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	22.7 %	39.0	42.1	45.3	83.9	110.0	135.0	155.0
Change Sales yoy		n.a.	8.0 %	7.6 %	85.2 %	31.1 %	22.7 %	14.8 %
Gross profit margin		61.1 %	70.0 %	70.3 %	71.8 %	70.5 %	69.6 %	69.7 %
EBITDA	24.5 %	2.6	7.0	11.1	15.5	19.5	26.0	30.0
Margin		6.8 %	16.7 %	24.4 %	18.5 %	17.7 %	19.3 %	19.4 %
EBIT	37.5 %	-10.1	-3.4	2.6	5.0	6.5	11.0	13.0
Margin		-25.9 %	-8.0 %	5.7 %	6.0 %	5.9 %	8.1 %	8.4 %
Net income		-9.1	-5.0	1.5	-0.3	0.4	3.2	3.4
EPS		n.a.	n.a.	n.a.	-0.01	0.00	0.03	0.04
EPS adj.		n.a.	n.a.	n.a.	-0.01	0.00	0.03	0.04
DPS		n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		n.a.	n.a.	n.a.	0.05	0.00	0.00	0.03
FCF / Market cap		n.a.	n.a.	n.a.	4.3 %	-0.3 %	0.3 %	2.5 %
EV / Sales		n.a.	n.a.	n.a.	2.8 x	1.9 x	1.5 x	1.3 x
EV / EBITDA		n.a.	n.a.	n.a.	14.9 x	10.5 x	7.9 x	6.8 x
EV / EBIT		n.a.	n.a.	n.a.	46.2 x	31.4 x	18.7 x	15.6 x
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	46.3 x	34.8 x
P / E adj.		n.a.	n.a.	n.a.	n.a.	n.a.	46.3 x	34.8 x
FCF Potential Yield		n.a.	n.a.	n.a.	6.1 %	7.6 %	10.4 %	12.4 %
Net Debt		24.3	26.1	38.1	56.4	76.7	76.3	73.1
ROCE (NOPAT)		n.a.	n.a.	6.8 %	n.a.	2.5 %	3.9 %	4.5 %
Guidance:	n.a.							

## Sales development in EUR m



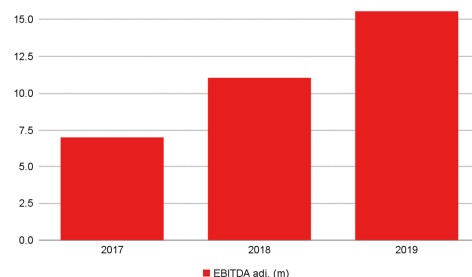
Source: Warburg Research

## Revenues by regions (Q1 20) H1 2019; in %



Source: Warburg Research

## Adj. EBITDA development in EUR m



Source: Warburg Research

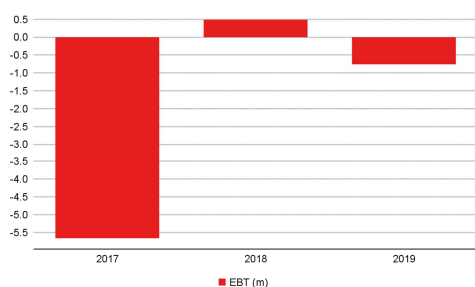
## Company Background

- Media and Games Invest plc (MGI) is a corporation with a specific focus on gaming (especially via in-games purchases in MMOGs) and media advertising (agency business and programmatic ad-tech solutions)
- MGI's main asset is gamigo, a games publisher with more than 30 well-established MMOGs and 5k+ casual games. MGI holds 98% of gamigo (fully consolidated)
- In May 2018, the Solidate real estate holding was renamed blockescence plc. It decided to divest the real estate business and acquire an initial 35.5% stake in gamigo.
- In June 2019, the company changed its name to Media and Games Invest, to underline its commitment to the gaming and advertising market...
- ... as it acquired another 13.8% stake of gamigo and 100% of the two programmatic ad-tech companies Applift and its subsidiary PubNative and has announced its intention to acquire further gamigo shares (now at 98%).

## Competitive Quality

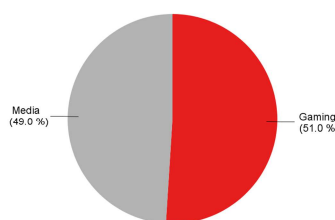
- MGI's gamigo has a relatively broad games portfolio with a focus on multiplayer games. The top-10 games account for roughly 37% of total revenues but no game accounts for more than 8%.
- Revenues are generated with loyal customers. The majority of games generate over 60% of revenues with users who have been playing the game for more than five years.
- MGI is acting as a successful consolidator in the gaming market by purchasing distressed assets (games and media) for low prices and leveraging the acquired user base with its existing infrastructure
- Successful deal history of more than 25 deals prove high quality of the management as well as deal execution ability
- Recently acquired programmatic advertising companies should benefit from existing media content from own games portfolio as well as high experience and rich data of user behaviour and monetisation potential.

## EBT development in EUR m



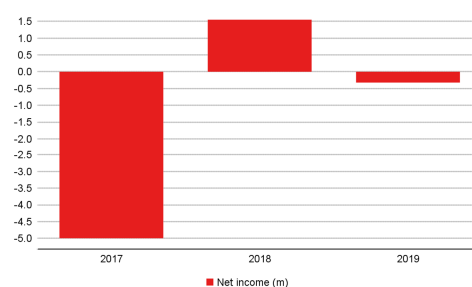
Source: Warburg Research

## Sales by segments 2019; in %



Source: Warburg Research

## Net income development in EUR m



Source: Warburg Research

**DCF model**

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	110.0	135.0	155.0	173.6	191.0	206.2	218.6	227.4	231.9	236.5	241.3	246.1	251.0	
Sales change	31.1 %	22.7 %	14.8 %	12.0 %	10.0 %	8.0 %	6.0 %	4.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT	6.5	11.0	13.0	15.6	21.0	28.9	35.0	40.9	46.4	47.3	48.3	49.2	50.2	
EBIT-margin	5.9 %	8.1 %	8.4 %	9.0 %	11.0 %	14.0 %	16.0 %	18.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
Tax rate (EBT)	10.0 %	11.9 %	12.9 %	12.0 %	13.0 %	15.0 %	18.0 %	22.0 %	25.0 %	27.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	5.9	9.7	11.3	13.7	18.3	24.5	28.7	31.9	34.8	34.5	34.7	35.4	36.1	
Depreciation	13.0	15.0	17.0	20.8	22.9	22.7	21.9	20.5	18.6	18.9	19.3	19.7	20.1	
in % of Sales	11.8 %	11.1 %	11.0 %	12.0 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-4.2	0.3	0.2	1.0	1.2	1.3	0.3	0.2	0.1	0.1	0.1	0.1	0.1	
- Capex	18.0	18.0	19.0	20.8	21.0	20.6	19.7	18.2	18.6	18.9	19.3	19.7	20.1	
Capex in % of Sales	16.4 %	13.3 %	12.3 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	5.0	6.4	9.1	12.7	19.0	25.3	30.6	34.0	34.7	34.4	34.6	35.3	36.0	37
PV of FCF	4.8	5.6	7.4	9.5	13.0	16.0	17.8	18.3	17.2	15.7	14.6	13.7	12.9	201
share of PVs	4.84 %			40.45 %										54.71 %

**Model parameter**

Derivation of WACC:		Derivation of Beta:	
Debt ratio	30.00 %	Financial Strength	1.50
Cost of debt (after tax)	4.9 %	Liquidity (share)	1.80
Market return	7.00 %	Cyclicality	1.20
Risk free rate	1.50 %	Transparency	1.30
		Others	2.00
<b>WACC</b>	<b>8.53 %</b>	<b>Beta</b>	<b>1.56</b>

**Valuation (m)**

Present values 2032e	166		
Terminal Value	201		
Financial liabilities	104		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	4		
Market val. of investments	0		
Liquidity	33	No. of shares (m)	92.0
<b>Equity Value</b>	<b>293</b>	<b>Value per share (EUR)</b>	<b>3.18</b>

**Sensitivity Value per Share (EUR)**

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.82	9.5 %	2.41	2.46	2.51	2.56	2.62	2.68	2.75	1.82	9.5 %	2.25	2.35	2.46	2.56	2.67	2.77	2.88
1.69	9.0 %	2.67	2.72	2.78	2.85	2.92	3.00	3.08	1.69	9.0 %	2.51	2.62	2.74	2.85	2.96	3.07	3.19
1.62	8.8 %	2.81	2.87	2.94	3.01	3.09	3.17	3.26	1.62	8.8 %	2.66	2.78	2.89	3.01	3.13	3.24	3.36
1.56	8.5 %	2.96	3.02	3.10	3.18	3.27	3.36	3.46	1.56	8.5 %	2.82	2.94	3.06	3.18	3.30	3.42	3.54
1.50	8.3 %	3.12	3.19	3.28	3.37	3.46	3.57	3.68	1.50	8.3 %	2.99	3.11	3.24	3.37	3.49	3.62	3.74
1.43	8.0 %	3.29	3.37	3.47	3.57	3.68	3.79	3.92	1.43	8.0 %	3.17	3.30	3.44	3.57	3.70	3.83	3.96
1.30	7.5 %	3.68	3.78	3.90	4.02	4.16	4.31	4.48	1.30	7.5 %	3.60	3.74	3.88	4.02	4.17	4.31	4.45

- Our DCF approach is based on a detailed planning phase (20 -22), a transitional phase (23 -32), and a perpetuity term
- 92m shares include dilutive effects from recent acquisitions (Applift+gamigo), unlike the 70m, which are used for the MC
- Long-term tax rate is assumed to be at 28%

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	n.a.	n.a.	n.a.	0.8 x	0.7 x	0.7 x	0.7 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	-1.93	-0.79	-0.75	-0.71
EV / Sales	n.a.	n.a.	n.a.	2.8 x	1.9 x	1.5 x	1.3 x
EV / EBITDA	n.a.	n.a.	n.a.	14.9 x	10.5 x	7.9 x	6.8 x
EV / EBIT	n.a.	n.a.	n.a.	46.2 x	31.4 x	18.7 x	15.6 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	46.2 x	31.4 x	18.7 x	15.6 x
P / FCF	n.a.	n.a.	n.a.	23.3 x	n.a.	319.7 x	40.0 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	46.3 x	34.8 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	46.3 x	34.8 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	n.a.	n.a.	6.1 %	7.6 %	10.4 %	12.4 %

\*Adjustments made for: -

## Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
<b>Sales</b>	<b>39.0</b>	<b>42.1</b>	<b>45.3</b>	<b>83.9</b>	<b>110.0</b>	<b>135.0</b>	<b>155.0</b>
Change Sales yoy	n.a.	8.0 %	7.6 %	85.2 %	31.1 %	22.7 %	14.8 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	2.2	3.6	4.2	10.2	10.5	11.0	12.0
<b>Total Sales</b>	<b>41.1</b>	<b>45.7</b>	<b>49.5</b>	<b>94.1</b>	<b>120.5</b>	<b>146.0</b>	<b>167.0</b>
Material expenses	17.3	16.2	17.6	33.8	43.0	52.0	59.0
<b>Gross profit</b>	<b>23.8</b>	<b>29.4</b>	<b>31.8</b>	<b>60.3</b>	<b>77.5</b>	<b>94.0</b>	<b>108.0</b>
<i>Gross profit margin</i>	<i>61.1 %</i>	<i>70.0 %</i>	<i>70.3 %</i>	<i>71.8 %</i>	<i>70.5 %</i>	<i>69.6 %</i>	<i>69.7 %</i>
Personnel expenses	10.5	13.9	14.7	27.4	36.0	43.0	49.0
Other operating income	0.6	2.4	6.7	4.6	3.0	3.0	3.0
Other operating expenses	11.3	10.9	12.7	22.0	25.0	28.0	32.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>2.6</b>	<b>7.0</b>	<b>11.1</b>	<b>15.5</b>	<b>19.5</b>	<b>26.0</b>	<b>30.0</b>
<i>Margin</i>	<i>6.8 %</i>	<i>16.7 %</i>	<i>24.4 %</i>	<i>18.5 %</i>	<i>17.7 %</i>	<i>19.3 %</i>	<i>19.4 %</i>
Depreciation of fixed assets	1.1	0.7	1.5	2.0	2.0	2.5	3.0
<b>EBITA</b>	<b>1.6</b>	<b>6.3</b>	<b>9.6</b>	<b>13.5</b>	<b>17.5</b>	<b>23.5</b>	<b>27.0</b>
Amortisation of intangible assets	11.7	9.7	7.0	8.5	11.0	12.5	14.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>-10.1</b>	<b>-3.4</b>	<b>2.6</b>	<b>5.0</b>	<b>6.5</b>	<b>11.0</b>	<b>13.0</b>
<i>Margin</i>	<i>-25.9 %</i>	<i>-8.0 %</i>	<i>5.7 %</i>	<i>6.0 %</i>	<i>5.9 %</i>	<i>8.1 %</i>	<i>8.4 %</i>
<b>EBIT adj.</b>	<b>-10.1</b>	<b>-3.4</b>	<b>2.6</b>	<b>5.0</b>	<b>6.5</b>	<b>11.0</b>	<b>13.0</b>
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	1.9	2.4	2.1	5.8	6.0	6.8	6.8
Other financial income (loss)	0.0	0.1	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>-12.0</b>	<b>-5.7</b>	<b>0.5</b>	<b>-0.8</b>	<b>0.5</b>	<b>4.2</b>	<b>6.2</b>
<i>Margin</i>	<i>-30.8 %</i>	<i>-13.5 %</i>	<i>1.1 %</i>	<i>-0.9 %</i>	<i>0.5 %</i>	<i>3.1 %</i>	<i>4.0 %</i>
Total taxes	-2.9	-0.7	-1.1	-2.0	0.1	0.5	0.8
<b>Net income from continuing operations</b>	<b>-9.1</b>	<b>-5.0</b>	<b>1.6</b>	<b>1.3</b>	<b>0.5</b>	<b>3.7</b>	<b>5.4</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>-9.1</b>	<b>-5.0</b>	<b>1.6</b>	<b>1.3</b>	<b>0.5</b>	<b>3.7</b>	<b>5.4</b>
Minority interest	0.0	0.0	0.1	1.6	0.0	0.5	2.0
<b>Net income</b>	<b>-9.1</b>	<b>-5.0</b>	<b>1.5</b>	<b>-0.3</b>	<b>0.4</b>	<b>3.2</b>	<b>3.4</b>
<i>Margin</i>	<i>-23.4 %</i>	<i>-11.9 %</i>	<i>3.4 %</i>	<i>-0.4 %</i>	<i>0.4 %</i>	<i>2.4 %</i>	<i>2.2 %</i>
Number of shares, average	n.a.	n.a.	n.a.	64.1	88.2	92.0	92.0
<b>EPS</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.03</b>	<b>0.04</b>
EPS adj.	n.a.	n.a.	n.a.	-0.01	0.00	0.03	0.04

\*Adjustments made for:

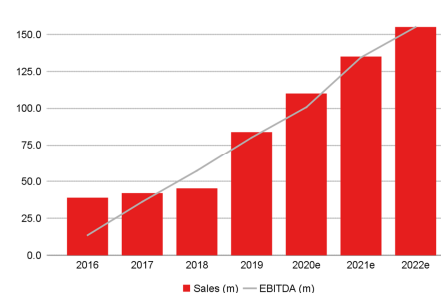
**Guidance: n.a.**

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	98.8 %	91.8 %	84.8 %	93.6 %	91.8 %	88.9 %	88.4 %
Operating Leverage	n.a.	-8.4 x	n.a.	1.1 x	1.0 x	3.0 x	1.2 x
EBITDA / Interest expenses	1.4 x	3.0 x	5.2 x	2.7 x	3.3 x	3.8 x	4.4 x
Tax rate (EBT)	24.3 %	11.9 %	-229.8 %	265.4 %	10.0 %	11.9 %	12.9 %
Dividend Payout Ratio	n.a.	n.a.	n.a.	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

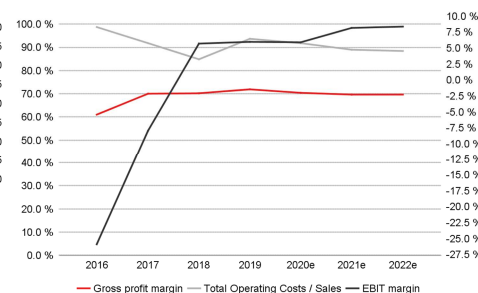
### Sales, EBITDA

in EUR m

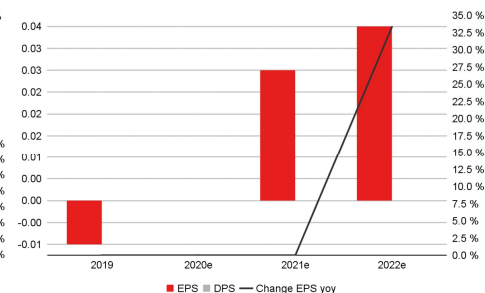


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

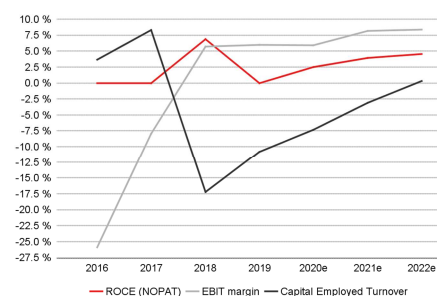
## Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
<b>Assets</b>							
Goodwill and other intangible assets	51.1	47.5	204.1	233.2	237.2	239.7	241.7
thereof other intangible assets	22.0	16.7	66.7	85.9	89.9	92.4	94.4
thereof Goodwill	28.9	28.9	133.8	147.3	147.3	147.3	147.3
Property, plant and equipment	2.3	1.7	4.2	3.5	4.5	5.0	5.0
Financial assets	0.0	0.0	11.7	19.9	24.4	24.4	24.4
Other long-term assets	1.6	0.4	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>55.1</b>	<b>49.5</b>	<b>220.0</b>	<b>256.6</b>	<b>266.1</b>	<b>269.1</b>	<b>271.1</b>
Inventories	0.0	0.0	0.0	0.8	1.1	1.4	1.6
Accounts receivable	4.9	4.9	11.8	22.9	45.2	55.5	63.7
Liquid assets	2.8	1.0	4.4	33.0	23.3	33.7	36.9
Other short-term assets	10.1	11.4	0.0	-0.8	6.4	6.4	6.4
<b>Current assets</b>	<b>17.8</b>	<b>17.3</b>	<b>16.3</b>	<b>55.9</b>	<b>75.9</b>	<b>96.9</b>	<b>108.5</b>
<b>Total Assets</b>	<b>72.9</b>	<b>66.8</b>	<b>236.3</b>	<b>312.4</b>	<b>342.0</b>	<b>366.0</b>	<b>379.6</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	2.3	2.3	59.9	98.1	92.0	92.0	92.0
Capital reserve	48.2	48.2	4.3	0.0	75.0	75.0	75.0
Retained earnings	-18.6	-23.6	2.9	0.0	0.4	3.6	7.0
Other equity components	0.0	0.0	0.1	0.0	0.0	0.5	2.5
Shareholders' equity	31.9	26.8	67.2	98.1	167.4	171.1	176.5
Minority interest	0.0	-0.1	91.3	70.5	0.5	0.5	0.5
<b>Total equity</b>	<b>31.9</b>	<b>26.7</b>	<b>158.5</b>	<b>168.6</b>	<b>167.9</b>	<b>171.6</b>	<b>177.0</b>
Provisions	4.3	3.0	6.7	0.0	0.0	0.0	0.0
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	27.1	27.1	42.6	89.3	100.0	110.0	110.0
thereof short-term financial liabilities	0.9	7.0	3.6	3.5	3.5	3.5	3.5
Accounts payable	6.8	7.2	9.2	18.4	45.2	55.5	63.7
Other liabilities	2.7	2.7	19.3	36.1	28.9	28.9	28.9
<b>Liabilities</b>	<b>41.0</b>	<b>40.1</b>	<b>77.8</b>	<b>143.9</b>	<b>174.1</b>	<b>194.4</b>	<b>202.6</b>
<b>Total liabilities and shareholders' equity</b>	<b>72.9</b>	<b>66.8</b>	<b>236.3</b>	<b>312.4</b>	<b>342.0</b>	<b>366.0</b>	<b>379.6</b>

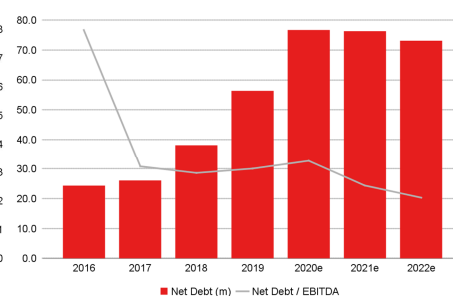
## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	90.0 x	-65.8 x	6.6 x	9.5 x	19.6 x	21.0 x	23.4 x
Capital Employed Turnover	0.7 x	0.8 x	0.2 x	0.4 x	0.4 x	0.5 x	0.6 x
ROA	-16.6 %	-10.1 %	0.7 %	-0.1 %	0.2 %	1.2 %	1.3 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	n.a.	6.8 %	n.a.	2.5 %	3.9 %	4.5 %
ROE	-57.2 %	-17.0 %	3.3 %	-0.4 %	0.3 %	1.9 %	2.0 %
Adj. ROE	-57.2 %	-17.0 %	3.3 %	-0.4 %	0.3 %	1.9 %	2.0 %
<b>Balance sheet quality</b>							
Net Debt	24.3	26.1	38.1	56.4	76.7	76.3	73.1
Net Financial Debt	24.3	26.1	38.1	56.4	76.7	76.3	73.1
Net Gearing	76.3 %	97.6 %	24.0 %	33.4 %	45.7 %	44.5 %	41.3 %
Net Fin. Debt / EBITDA	923.9 %	370.8 %	345.0 %	362.6 %	393.5 %	293.6 %	243.8 %
Book Value / Share	n.a.	n.a.	n.a.	1.4	1.9	1.9	1.9
Book value per share ex intangibles	n.a.	n.a.	n.a.	-1.9	-0.8	-0.7	-0.7

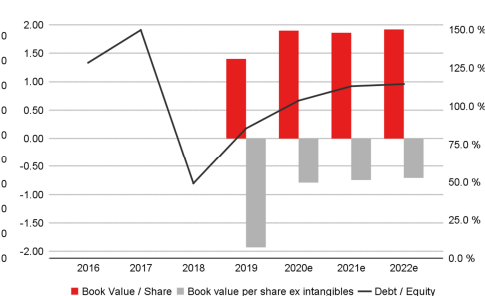
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

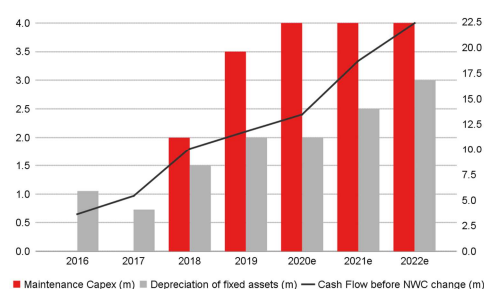
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	-9.1	-5.0	1.6	1.3	0.5	3.7	5.4
Depreciation of fixed assets	1.1	0.7	1.5	2.0	2.0	2.5	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	11.7	9.7	7.0	8.5	11.0	12.5	14.0
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>3.7</b>	<b>5.4</b>	<b>10.1</b>	<b>11.8</b>	<b>13.5</b>	<b>18.7</b>	<b>22.4</b>
Increase / decrease in inventory	0.0	0.0	0.0	-0.8	-0.3	-0.3	-0.2
Increase / decrease in accounts receivable	0.0	0.0	0.0	-7.0	-22.3	-10.3	-8.2
Increase / decrease in accounts payable	0.0	0.0	0.0	12.2	26.8	10.3	8.2
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.0	0.0	0.0	4.4	4.2	-0.3	-0.2
<b>Net cash provided by operating activities [1]</b>	<b>3.7</b>	<b>5.4</b>	<b>10.1</b>	<b>16.2</b>	<b>17.6</b>	<b>18.4</b>	<b>22.2</b>
Investments in intangible assets	0.0	0.0	0.0	-11.0	-15.0	-15.0	-16.0
Investments in property, plant and equipment	0.0	0.0	-9.0	-2.0	-3.0	-3.0	-3.0
Payments for acquisitions	0.0	0.0	0.0	0.0	-10.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>0.0</b>	<b>0.0</b>	<b>-9.0</b>	<b>-13.0</b>	<b>-28.0</b>	<b>-18.0</b>	<b>-19.0</b>
Change in financial liabilities	0.0	0.0	0.0	16.4	10.7	10.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	9.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25.4</b>	<b>10.7</b>	<b>10.0</b>	<b>0.0</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>3.7</b>	<b>5.4</b>	<b>1.1</b>	<b>28.6</b>	<b>0.3</b>	<b>10.4</b>	<b>3.2</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	3.7	8.2	2.1	33.0	33.3	33.7	36.9

## Financial Ratios

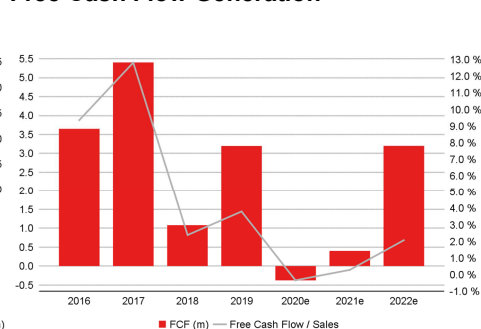
	2016	2017	2018	2019	2020e	2021e	2022e
<b>Cash Flow</b>							
FCF	3.7	5.4	1.1	3.2	-0.4	0.4	3.2
Free Cash Flow / Sales	9.4 %	12.8 %	2.4 %	3.8 %	-0.3 %	0.3 %	2.1 %
Free Cash Flow Potential	5.5	7.7	10.2	14.1	15.5	21.5	25.2
Free Cash Flow / Net Profit	-40.0 %	-108.1 %	69.8 %	-989.8 %	-85.9 %	12.5 %	94.1 %
Interest Received / Avg. Cash	1.6 %	0.1 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	14.1 %	8.7 %	6.1 %	8.7 %	6.3 %	6.5 %	6.2 %
<b>Management of Funds</b>							
Investment ratio	0.0 %	0.0 %	19.9 %	15.5 %	16.4 %	13.3 %	12.3 %
Maint. Capex / Sales	0.0 %	0.0 %	4.4 %	4.2 %	3.6 %	3.0 %	2.6 %
Capex / Dep	0.0 %	0.0 %	106.3 %	123.3 %	138.5 %	120.0 %	111.8 %
Avg. Working Capital / Sales	-2.4 %	-5.0 %	0.3 %	4.7 %	2.9 %	0.9 %	1.0 %
Trade Debtors / Trade Creditors	72.0 %	67.7 %	128.8 %	124.3 %	100.0 %	100.0 %	100.0 %
Inventory Turnover	n.a.	n.a.	n.a.	42.3 x	39.1 x	37.1 x	36.9 x
Receivables collection period (days)	46	42	95	100	150	150	150
Payables payment period (days)	143	162	190	199	384	390	394
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	-90	-224	-230	-234

### CAPEX and Cash Flow

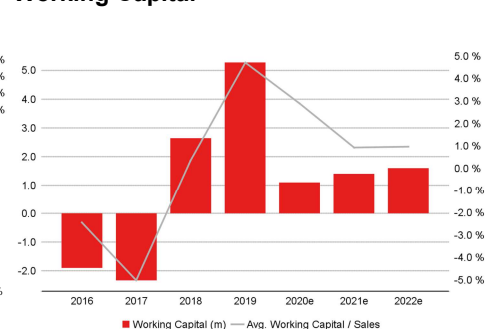
in EUR m



### Free Cash Flow Generation



### Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research



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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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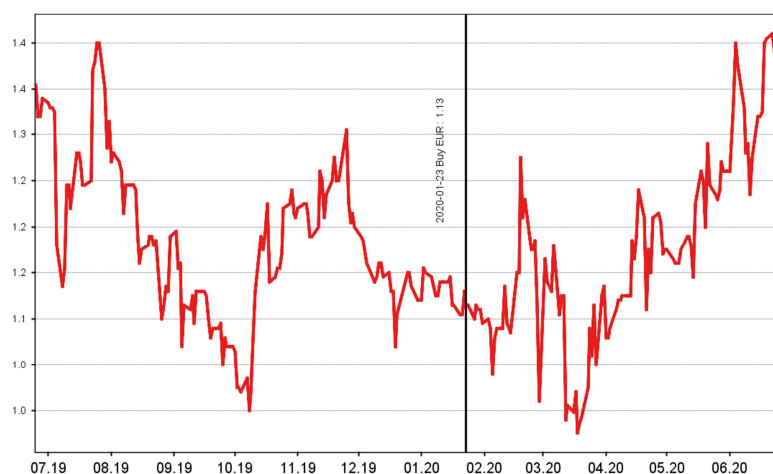
Rating	Number of stocks	% of Universe
Buy	131	64
Hold	55	27
Sell	12	6
Rating suspended	7	3
<b>Total</b>	<b>205</b>	<b>100</b>

## WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	33	83
Hold	5	13
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>40</b>	<b>100</b>

## PRICE AND RATING HISTORY MEDIA AND GAMES INVEST PLC AS OF 24.06.2020



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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