

# Media and Games Invest plc

## Germany - Others



HAUCK & AUFHÄUSER  
Investment Banking

**Buy** (old: Buy)

**Price target: EUR 2.90** (old: EUR 2.70)

**Price:** EUR 1.51      **Next result:** Q3'20 30.11.20  
**Bloomberg:** M8G GR      **Market cap:** EUR 176.8 m  
**Reuters:** M8G.DE      **Enterprise Value:** EUR 215.0 m

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**Tim Wunderlich, CFA**  
Analyst

tim.wunderlich@ha-ib.de  
Tel.: +49 40 4143885 81

### Stronger-than-expected Q3 + Guidance upped; Chg.

EUR	Q3'20	Q3'20 est	Q3'19	yoy	Q2'20	qoq	9m'20	9m'19	yoy
Sales	35.0	30.3	27.1	29%	30.0	17%	91.5	55.7	64%
EBITDA	5.9	5.1	3.9	51%	6.3	-7%	17.5	11.5	52%
EBITDA margin	16.9%	16.8%	14.4%	+ 2.5 pp	21.0%	- 4.2 pp	19.1%	20.6%	- 1.5 pp

Source: Company data, Hauck & Aufhäuser

Media and Games Invest (MGI) reported preliminary Q3'20 results showing **strong sales and disproportionate EBITDA growth well ahead of our expectations**. Key drivers:

- **Excellent user growth in Gaming** (eH&A: 60% of group sales) driven by new game launches, content upgrades, and positive effects from COVID-related lockdowns.
- **A rebound of advertising budgets** (Media segment / eH&A: 40% of group sales) following a challenging H1'20 due to COVID-19.
- **An active M&A strategy**. While undisclosed for Q3'20, organic growth amounted to 16% yoy in 9M'20, as disclosed by the company.

**Q3 EBITDA would have been even stronger** at € 6.4m (18.3% margin) had it not been for a € 0.5m book loss on a divested subsidiary. In any case, EBITDA margins improved substantially yoy due to scale and a temporary mix shift towards higher margin gaming revenues. Note that the sequential margin decline (i.e. from Q2'20 to Q3'20) reflects the rebound in media revenues, which carry lower profitability than gaming.

In light of the excellent operating performance in the first three quarters of the year, **MGI raised its FY'20E guidance**, now expecting sales of € 125-135m (eH&A "old": € 118m) and EBITDA of € 23-26m (eH&A "old": € 22.6m). At the mid-point, this is some 8-10% above our expectations, reflecting management's strong execution.

**Action:** We increase top-line estimates by 10% for FY'20E / 21E / 22E to account for stronger current trading. EBIT expectations are raised less-than-proportionately for FY'21E and '22E to reflect a mix shift towards Media. The EPS changes also incorporate the recent capital increase (approx. € 27m net proceeds / now 117m shares in total).

**Reiterate BUY with a new PT of € 2.90** (previously € 2.70) based on DCF.

Y/E 31.12 (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Sales	39.0	42.1	32.6	83.9	130.0	145.6	160.2
Sales growth	80 %	8 %	-22 %	157 %	55 %	12 %	10 %
EBITDA	2.6	7.0	8.6	15.5	24.8	29.3	34.1
EBIT	-9.2	-2.0	2.3	5.0	10.7	15.2	20.5
Net income	-9.1	-5.0	4.3	-0.3	3.5	7.6	11.2
Net debt	23.6	25.3	38.1	46.1	38.2	28.5	17.3
Net gearing	73.9 %	94.1 %	56.7 %	47.1 %	22.6 %	16.1 %	9.2 %
Net Debt/EBITDA	8.9	3.6	4.4	3.0	1.5	1.0	0.5
EPS pro forma	-0.10	-0.05	0.05	0.00	0.03	0.06	0.10
CPS	0.00	0.00	0.03	0.12	0.11	0.13	0.15
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	57.9 %	64.5 %	64.1 %	51.3 %	57.9 %	57.8 %	57.8 %
EBITDA margin	6.8 %	16.7 %	26.5 %	18.5 %	19.1 %	20.1 %	21.3 %
EBIT margin	-23.5 %	-4.9 %	7.1 %	6.0 %	8.3 %	10.4 %	12.8 %
ROCE	-27.4 %	-3.5 %	1.7 %	3.2 %	4.5 %	5.7 %	7.4 %
EV/sales	4.1	3.9	5.4	2.2	1.7	1.4	1.2
EV/EBITDA	60.9	23.1	20.3	11.8	8.7	7.0	5.7
EV/EBIT	-17.5	-79.4	75.3	17.0	13.2	9.9	9.5
PER	-15.0	-27.5	31.7	-423.2	49.8	23.3	15.7
Adjusted FCF yield	0.9 %	2.3 %	2.7 %	5.9 %	8.1 %	10.0 %	12.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 09.11.2020



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 1.54 / 0.98

**Price/Book Ratio:** 1.0

**Relative performance (TecDAX):**

3 months 17.6 %

6 months 27.5 %

12 months 23.7 %

#### Changes in estimates

		Sales	EBIT	EPS
2020	old:	118.3	8.5	0.02
	Δ	9.9%	26.3%	81.7%
2021	old:	132.5	13.7	0.07
	Δ	9.9%	10.5%	-6.3%
2022	old:	145.7	19.2	0.11
	Δ	9.9%	6.9%	-13.4%

#### Key share data:

Number of shares: (in m pcs) 117.1

Authorised capital: (in € m) -

Book value per share: (in €) 1.4

Ø trading volume: (12 months) 350,000

#### Major shareholders:

Bodhivas GmbH 37.0 %

Free Float 48.0 %

Early investors 15.0 %

#### Company description:

Holding company pursuing a buy and build strategy in media and gaming

## Financials

Profit and loss (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Net sales</b>	<b>39.0</b>	<b>42.1</b>	<b>32.6</b>	<b>83.9</b>	<b>130.0</b>	<b>145.6</b>	<b>160.2</b>
<i>Sales growth</i>	80.4 %	8.0 %	-22.5 %	157.2 %	55.0 %	12.0 %	10.0 %
Increase/decrease in finished goods and work-in-process	2.2	3.6	2.8	10.2	13.7	13.8	14.4
<b>Total sales</b>	<b>41.1</b>	<b>45.7</b>	<b>35.4</b>	<b>94.1</b>	<b>143.7</b>	<b>159.4</b>	<b>174.6</b>
Other operating income	0.6	2.4	6.5	4.6	5.5	5.8	6.4
Material expenses	17.3	16.2	12.7	45.8	60.5	67.3	73.7
Personnel expenses	10.5	13.9	10.4	27.4	50.2	54.0	57.8
Other operating expenses	11.3	10.9	10.1	10.0	13.7	14.7	15.4
Total operating expenses	38.5	38.6	26.8	78.5	118.8	130.2	140.5
<b>EBITDA</b>	<b>2.6</b>	<b>7.0</b>	<b>8.6</b>	<b>15.5</b>	<b>24.8</b>	<b>29.3</b>	<b>34.1</b>
Depreciation	1.1	0.7	6.3	2.8	1.6	1.6	1.6
<b>EBITA</b>	<b>1.6</b>	<b>6.3</b>	<b>2.3</b>	<b>12.7</b>	<b>23.2</b>	<b>27.7</b>	<b>32.5</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	10.8	8.4	0.0	7.7	12.5	12.5	12.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>-9.2</b>	<b>-2.0</b>	<b>2.3</b>	<b>5.0</b>	<b>10.7</b>	<b>15.2</b>	<b>20.5</b>
Interest income	0.0	0.1	0.1	0.1	0.0	0.1	0.1
Interest expenses	1.9	2.4	1.7	5.8	6.7	5.9	5.9
Other financial result	0.9	1.3	0.0	0.0	0.0	0.0	0.0
Financial result	-2.8	-3.6	-1.6	-5.8	-6.6	-5.9	-5.9
<b>Recurring pretax income from continuing operations</b>	<b>-12.0</b>	<b>-5.7</b>	<b>0.7</b>	<b>-0.8</b>	<b>4.1</b>	<b>9.3</b>	<b>14.6</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-12.0</b>	<b>-5.7</b>	<b>0.7</b>	<b>-0.8</b>	<b>4.1</b>	<b>9.3</b>	<b>14.6</b>
Taxes	-2.9	-0.7	-0.9	-2.0	0.4	1.4	2.9
<b>Net income from continuing operations</b>	<b>-9.1</b>	<b>-5.0</b>	<b>1.6</b>	<b>1.3</b>	<b>3.7</b>	<b>7.9</b>	<b>11.7</b>
Result from discontinued operations (net of tax)	0.0	0.0	-3.7	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-9.1</b>	<b>-5.0</b>	<b>5.3</b>	<b>1.3</b>	<b>3.7</b>	<b>7.9</b>	<b>11.7</b>
Minority interest	0.0	0.0	0.9	1.6	0.1	0.3	0.5
<b>Net profit (reported)</b>	<b>-9.1</b>	<b>-5.0</b>	<b>4.3</b>	<b>-0.3</b>	<b>3.5</b>	<b>7.6</b>	<b>11.2</b>
Average number of shares	90.8	90.8	90.8	90.8	117.1	117.1	117.1
<b>EPS reported</b>	<b>-0.10</b>	<b>-0.05</b>	<b>0.05</b>	<b>0.00</b>	<b>0.03</b>	<b>0.06</b>	<b>0.10</b>

Profit and loss (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	5.5 %	8.5 %	8.6 %	12.1 %	10.5 %	9.5 %	9.0 %
<b>Total sales</b>	<b>105.5 %</b>	<b>108.5 %</b>	<b>108.6 %</b>	<b>112.1 %</b>	<b>110.5 %</b>	<b>109.5 %</b>	<b>109.0 %</b>
Other operating income	1.5 %	5.6 %	19.9 %	5.5 %	4.2 %	4.0 %	4.0 %
Material expenses	44.4 %	38.6 %	38.9 %	54.6 %	46.5 %	46.2 %	46.0 %
Personnel expenses	26.9 %	33.1 %	32.0 %	32.6 %	38.6 %	37.1 %	36.1 %
Other operating expenses	29.0 %	25.8 %	31.1 %	11.9 %	10.5 %	10.1 %	9.6 %
Total operating expenses	98.8 %	91.8 %	82.1 %	93.6 %	91.4 %	89.4 %	87.7 %
<b>EBITDA</b>	<b>6.8 %</b>	<b>16.7 %</b>	<b>26.5 %</b>	<b>18.5 %</b>	<b>19.1 %</b>	<b>20.1 %</b>	<b>21.3 %</b>
Depreciation	2.7 %	1.7 %	19.4 %	3.3 %	1.2 %	1.1 %	1.0 %
<b>EBITA</b>	<b>4.1 %</b>	<b>15.0 %</b>	<b>7.1 %</b>	<b>15.2 %</b>	<b>17.9 %</b>	<b>19.0 %</b>	<b>20.3 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	27.6 %	19.8 %	0.0 %	9.2 %	9.6 %	8.6 %	7.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>neg.</b>	<b>neg.</b>	<b>7.1 %</b>	<b>6.0 %</b>	<b>8.3 %</b>	<b>10.4 %</b>	<b>12.8 %</b>
Interest income	0.1 %	0.1 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	4.9 %	5.6 %	5.3 %	7.0 %	5.1 %	4.1 %	3.7 %
Other financial result	2.4 %	3.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>neg.</b>	<b>neg.</b>	<b>2.1 %</b>	<b>neg.</b>	<b>3.1 %</b>	<b>6.4 %</b>	<b>9.1 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>neg.</b>	<b>neg.</b>	<b>2.1 %</b>	<b>neg.</b>	<b>3.1 %</b>	<b>6.4 %</b>	<b>9.1 %</b>
Tax rate	24.3 %	11.9 %	-130.3 %	265.1 %	10.0 %	15.0 %	20.0 %
<b>Net income from continuing operations</b>	<b>neg.</b>	<b>neg.</b>	<b>4.8 %</b>	<b>1.5 %</b>	<b>2.8 %</b>	<b>5.4 %</b>	<b>7.3 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	-11.3 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>neg.</b>	<b>neg.</b>	<b>16.1 %</b>	<b>1.5 %</b>	<b>2.8 %</b>	<b>5.4 %</b>	<b>7.3 %</b>
Minority interest	0.1 %	neg.	2.9 %	1.9 %	0.1 %	0.2 %	0.3 %
<b>Net profit (reported)</b>	<b>neg.</b>	<b>neg.</b>	<b>13.3 %</b>	<b>neg.</b>	<b>2.7 %</b>	<b>5.2 %</b>	<b>7.0 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Intangible assets</b>	<b>51.1</b>	<b>47.5</b>	<b>204.1</b>	<b>233.2</b>	<b>231.1</b>	<b>230.3</b>	<b>231.1</b>
Property, plant and equipment	2.3	1.7	4.2	3.5	3.5	3.6	4.0
Financial assets	1.7	0.5	5.4	8.6	8.6	8.6	8.6
<b>FIXED ASSETS</b>	<b>55.2</b>	<b>49.6</b>	<b>213.7</b>	<b>245.4</b>	<b>243.2</b>	<b>242.5</b>	<b>243.7</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	4.9	4.9	5.4	17.0	26.4	29.5	32.5
Other current assets	2.5	4.1	6.4	5.8	5.8	5.8	5.8
Liquid assets	2.8	1.0	4.4	33.0	50.9	50.6	61.8
Deferred taxes	7.5	7.1	6.4	11.2	11.2	11.2	11.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>17.7</b>	<b>17.2</b>	<b>22.6</b>	<b>67.1</b>	<b>94.3</b>	<b>97.2</b>	<b>111.3</b>
<b>TOTAL ASSETS</b>	<b>72.9</b>	<b>66.8</b>	<b>236.3</b>	<b>312.4</b>	<b>337.5</b>	<b>339.7</b>	<b>355.0</b>
SHAREHOLDERS EQUITY	31.9	26.8	67.2	98.1	169.5	177.2	188.5
MINORITY INTEREST	0.0	-0.1	91.3	70.5	2.7	2.7	2.7
Long-term debt	25.4	19.3	42.6	79.1	79.1	79.1	79.1
Provisions for pensions and similar obligations	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	4.3	3.0	7.0	12.6	12.6	12.6	12.6
<b>Non-current liabilities</b>	<b>29.7</b>	<b>22.3</b>	<b>49.6</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>	<b>91.7</b>
short-term liabilities to banks	0.9	7.0	0.0	0.0	10.0	0.0	0.0
Accounts payable	6.8	7.2	9.4	20.3	31.7	35.9	39.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	2.5	3.4	4.4	14.9	14.9	14.9	14.9
Deferred taxes	1.0	0.2	14.4	17.0	17.0	17.3	17.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>11.2</b>	<b>17.7</b>	<b>28.2</b>	<b>52.2</b>	<b>73.6</b>	<b>68.1</b>	<b>72.1</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>337.5</b>	<b>339.7</b>	<b>355.0</b>

Balance sheet (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Intangible assets</b>	<b>70.1 %</b>	<b>71.1 %</b>	<b>86.4 %</b>	<b>74.6 %</b>	<b>68.5 %</b>	<b>67.8 %</b>	<b>65.1 %</b>
Property, plant and equipment	3.2 %	2.5 %	1.8 %	1.1 %	1.0 %	1.1 %	1.1 %
Financial assets	2.4 %	0.7 %	2.3 %	2.8 %	2.6 %	2.5 %	2.4 %
<b>FIXED ASSETS</b>	<b>75.7 %</b>	<b>74.3 %</b>	<b>90.4 %</b>	<b>78.5 %</b>	<b>72.1 %</b>	<b>71.4 %</b>	<b>68.6 %</b>
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	6.7 %	7.3 %	2.3 %	5.5 %	7.8 %	8.7 %	9.1 %
Other current assets	3.5 %	6.2 %	2.7 %	1.9 %	1.7 %	1.7 %	1.6 %
Liquid assets	3.8 %	1.5 %	1.9 %	10.6 %	15.1 %	14.9 %	17.4 %
Deferred taxes	10.3 %	10.7 %	2.7 %	3.6 %	3.3 %	3.3 %	3.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>24.3 %</b>	<b>25.7 %</b>	<b>9.6 %</b>	<b>21.5 %</b>	<b>27.9 %</b>	<b>28.6 %</b>	<b>31.4 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	43.8 %	40.2 %	28.4 %	31.4 %	50.2 %	52.2 %	53.1 %
MINORITY INTEREST	neg.	neg.	38.6 %	22.6 %	0.8 %	0.8 %	0.8 %
Long-term debt	34.9 %	28.9 %	18.0 %	25.3 %	23.4 %	23.3 %	22.3 %
Provisions for pensions and similar obligations	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	5.9 %	4.5 %	3.0 %	4.0 %	3.7 %	3.7 %	3.5 %
<b>Non-current liabilities</b>	<b>40.8 %</b>	<b>33.4 %</b>	<b>21.0 %</b>	<b>29.4 %</b>	<b>27.2 %</b>	<b>27.0 %</b>	<b>25.8 %</b>
short-term liabilities to banks	1.3 %	10.4 %	0.0 %	0.0 %	3.0 %	0.0 %	0.0 %
Accounts payable	9.3 %	10.8 %	4.0 %	6.5 %	9.4 %	10.6 %	11.1 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	3.4 %	5.0 %	1.8 %	4.8 %	4.4 %	4.4 %	4.2 %
Deferred taxes	1.4 %	0.3 %	6.1 %	5.4 %	5.0 %	5.1 %	5.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>15.4 %</b>	<b>26.6 %</b>	<b>11.9 %</b>	<b>16.7 %</b>	<b>21.8 %</b>	<b>20.0 %</b>	<b>20.3 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

# Media and Games Invest plc

Cash flow statement (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit/loss	-9.1	-5.0	5.3	1.3	3.7	7.9	11.7
Depreciation of fixed assets (incl. leases)	1.1	0.7	6.3	10.5	1.6	1.6	1.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	10.8	8.4	0.0	0.0	12.5	12.5	12.0
Others	-1.2	0.7	1.6	-0.3	0.0	0.0	0.0
Cash flow from operations before changes in w/c	1.5	4.8	13.2	11.5	17.8	22.0	25.3
Increase/decrease in inventory	0.0	0.0	-11.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	2.2	0.6	-8.1	0.8	-9.3	-3.2	-3.0
Increase/decrease in accounts payable	0.7	-1.6	12.9	3.9	11.4	4.2	3.6
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	2.9	-1.0	-6.2	4.7	2.1	1.0	0.6
<b>Cash flow from operating activities</b>	<b>4.4</b>	<b>3.8</b>	<b>6.9</b>	<b>16.2</b>	<b>19.9</b>	<b>23.0</b>	<b>25.9</b>
CAPEX	7.4	7.3	10.7	12.6	12.0	13.4	14.7
Payments for acquisitions	-6.3	2.2	3.9	0.5	23.0	0.0	0.0
Financial investments	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.7	0.5	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-1.7</b>	<b>-8.7</b>	<b>-14.1</b>	<b>-13.1</b>	<b>-35.0</b>	<b>-13.4</b>	<b>-14.7</b>
Cash flow before financing	2.7	-4.9	-7.2	3.1	-15.1	9.6	11.2
Increase/decrease in debt position	-0.2	0.0	9.8	26.7	10.0	-10.0	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	3.8	8.8	23.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-1.1	-0.8	-2.5	-10.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.1	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-1.2</b>	<b>-0.9</b>	<b>11.1</b>	<b>25.4</b>	<b>33.0</b>	<b>-10.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	1.5	-5.8	4.0	28.5	17.9	-0.4	11.2
<b>Liquid assets at end of period</b>	<b>1.9</b>	<b>3.9</b>	<b>4.4</b>	<b>33.0</b>	<b>50.9</b>	<b>50.6</b>	<b>61.8</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Domestic	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	19.5	21.0	16.3	41.9	65.0	72.8	80.1
yoy change	80.4 %	8.0 %	-22.5 %	157.2 %	55.0 %	12.0 %	10.0 %
NAFTA	19.5	21.0	16.3	41.9	65.0	72.8	80.1
yoy change	80.4 %	8.0 %	-22.5 %	157.2 %	55.0 %	12.0 %	10.0 %
Asia Pacific	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>TTL</b>	<b>39.0</b>	<b>42.1</b>	<b>32.6</b>	<b>83.9</b>	<b>130.0</b>	<b>145.6</b>	<b>160.2</b>
yoy change	80.4 %	8.0 %	-22.5 %	157.2 %	55.0 %	12.0 %	10.0 %

Source: Company data, Hauck & Aufhäuser

# Media and Games Invest plc

Key ratios (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>P&amp;L growth analysis</b>							
Sales growth	80.4 %	8.0 %	-22.5 %	157.2 %	55.0 %	12.0 %	10.0 %
EBITDA growth	-38.7 %	166.8 %	227.9 %	120.9 %	187.2 %	88.3 %	37.4 %
EBIT growth	-313.2 %	-77.7 %	-125.4 %	-344.3 %	360.9 %	203.4 %	91.2 %
EPS growth	-312.1 %	-45.4 %	-147.4 %	-93.5 %	-36.3 %	-	216.4 %
<b>Efficiency</b>							
Total operating costs / sales	98.8 %	91.8 %	82.1 %	93.6 %	91.4 %	89.4 %	87.7 %
Sales per employee	129.9	116.6	95.4	235.8	371.7	408.1	442.4
EBITDA per employee	8.8	19.5	25.3	43.7	71.0	82.0	94.2
<b>Balance sheet analysis</b>							
Avg. working capital / sales	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade debtors in days of sales	45.7	42.4	60.6	74.2	74.0	74.0	74.0
A/P turnover [(A/P*365)/sales]	63.5	62.6	104.8	88.2	89.0	90.0	90.0
Cash conversion cycle (days)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Cash flow analysis</b>							
Free cash flow	-3.0	-3.5	-3.7	3.6	7.9	9.6	11.2
Free cash flow/sales	-7.6 %	-8.3 %	-11.5 %	4.3 %	6.1 %	6.6 %	7.0 %
FCF / net profit	neg.	neg.	neg.	neg.	223.6 %	126.8 %	99.9 %
Capex / depre	67.4 %	80.4 %	169.1 %	119.6 %	84.8 %	95.0 %	108.3 %
Capex / maintenance capex	n/a	9.2 %	0.0 %	17.7 %	20.8 %	21.8 %	22.6 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	23.6	25.3	38.1	46.1	38.2	28.5	17.3
Net Debt/EBITDA	8.9	3.6	4.4	3.0	1.5	1.0	0.5
Net debt / equity	0.7	0.9	0.6	0.5	0.2	0.2	0.1
Interest cover	0.0	0.0	1.3	0.9	1.6	2.6	3.5
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	0.6	0.8	0.2	0.3	0.5	0.5	0.6
Operating assets turnover	90.0	-65.8	135.4	285.4	-69.8	-52.9	-52.2
Plant turnover	16.7	24.9	7.8	23.8	37.3	40.1	40.5
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Returns</b>							
ROCE	-27.4 %	-3.5 %	1.7 %	3.2 %	4.5 %	5.7 %	7.4 %
ROE	-28.6 %	-18.6 %	6.4 %	-0.3 %	2.1 %	4.3 %	6.0 %
<b>Other</b>							
Interest paid / avg. debt	7.3 %	9.0 %	5.0 %	11.1 %	10.2 %	7.5 %	7.1 %
No. employees (average)	300	361	342	356	350	357	362
Number of shares	90.8	90.8	90.8	90.8	117.1	117.1	117.1
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.10	-0.05	0.05	0.00	0.03	0.06	0.10
<b>Valuation ratios</b>							
P/BV	4.3	5.1	2.0	1.4	1.0	1.0	0.9
EV/sales	4.1	3.9	5.4	2.2	1.7	1.4	1.2
EV/EBITDA	60.9	23.1	20.3	11.8	8.7	7.0	5.7
EV/EBITA	101.4	25.7	75.3	14.4	9.3	7.4	6.0
EV/EBIT	-17.5	-79.4	75.3	17.0	13.2	9.9	9.5
EV/FCF	-54.3	-46.3	-46.9	51.1	27.1	21.3	17.3
Adjusted FCF yield	0.9 %	2.3 %	2.7 %	5.9 %	8.1 %	10.0 %	12.0 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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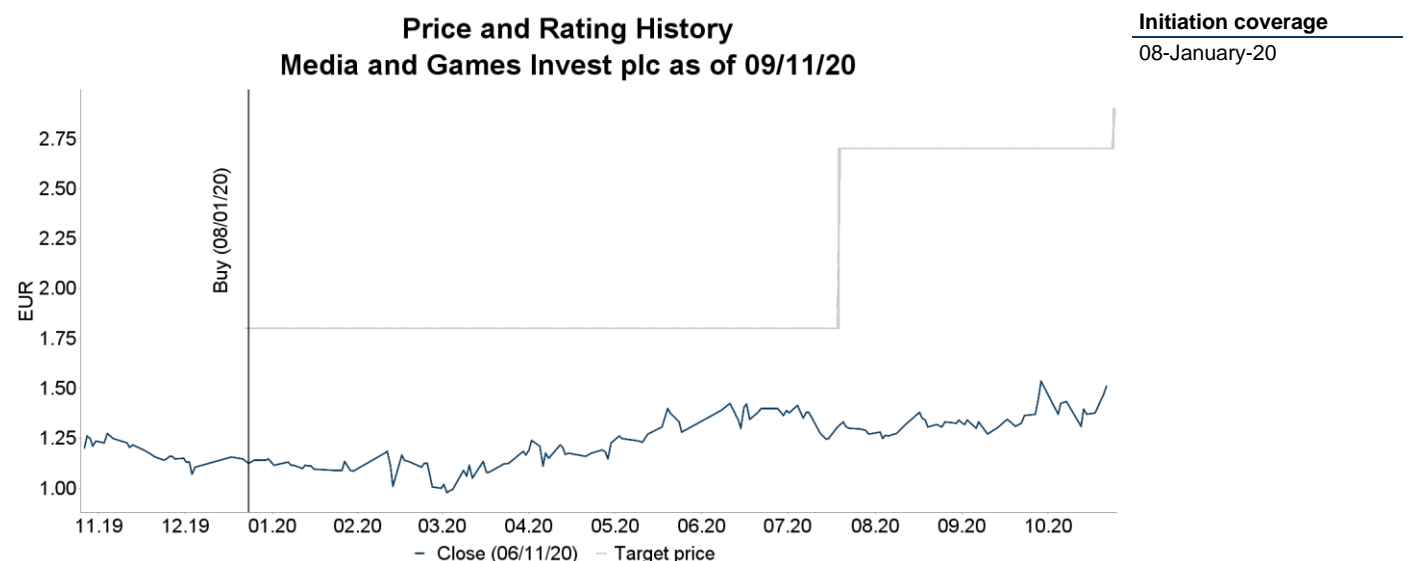
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Company	Disclosure
Media and Games Invest plc	2, 3, 6, 8

**Historical target price and rating changes for Media and Games Invest plc in the last 12 months**



Company	Date	Analyst	Rating	Target price	Close
Media and Games Invest plc	05.08.2020	Wunderlich, CFA, Tim	Buy	EUR 2,70	EUR 1,33
	03.03.2020	Wunderlich, CFA, Tim	Buy	EUR 1,80	EUR 1,14
	18.02.2020	Wunderlich, CFA, Tim	Buy	EUR 1,80	EUR 1,09
	08.01.2020	Wunderlich, CFA, Tim	Buy	EUR 1,80	EUR 1,13
	08.01.2020	Wunderlich, CFA, Tim	Buy	EUR 1,80	EUR 1,13

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## Contacts: Hauck & Aufhäuser Privatbankiers AG

### Hauck & Aufhäuser Research

Hauck & Aufhäuser  
Privatbankiers AG  
Mittelweg 16/17  
20148 Hamburg  
Germany

Tel.: +49 (0) 40 414 3885 91  
Fax: +49 (0) 40 414 3885 71  
Email: research@ha-ib.de  
www.ha-research.de

**Tim Wunderlich, CFA**  
Head of Transactional Research  
Tel.: +49 40 414 3885 81  
E-Mail: tim.wunderlich@ha-ib.de

**Henning Breiter**  
Head of Research  
Tel.: +49 40 414 3885 73  
E-Mail: henning.breiter@ha-ib.de

**Marie-Thérèse Grübner**  
Head of Corporate Brokerage  
Tel.: +49 40 450 6342 3097  
E-Mail: marie-therese.gruebner@ha-ib.de

**Aliaksandr Halitsa**  
Analyst  
Tel.: +49 40 414 3885 83  
E-Mail: aliaksandr.halitsa@ha-ib.de

**Alina Köhler**  
Analyst  
Tel.: +49 40 450 6342 3095  
E-Mail: alina.koehler@ha-ib.de

**Christian Glowa**  
Analyst  
Tel.: +49 40 414 3885 95  
E-Mail: christian.glowa@ha-ib.de

**Christian Salis**  
Analyst  
Tel.: +49 40 414 3885 96  
E-Mail: christian.salis@ha-ib.de

**Christian Sandherr**  
Analyst  
Tel.: +49 40 414 3885 79  
E-Mail: christian.sandherr@ha-ib.de

**Frederik Bitter**  
Analyst  
Tel.: +49 40 450 6342 3091  
E-Mail: frederik.bitter@ha-ib.de

**Frederik Jarchow**  
Analyst  
Tel.: +49 40 414 3885 76  
E-Mail: frederik.jarchow@ha-ib.de

**Julius Stinauer**  
Analyst  
Tel.: +49 40 414 3885 84  
E-Mail: julius.stinauer@ha-ib.de

**Simon Bentlage**  
Analyst  
Tel.: +49 40 450 6342 3096  
E-Mail: simon.bentlage@ha-ib.de

### Hauck & Aufhäuser Sales

**Alexander Lachmann**  
Equity Sales  
Tel.: +41 43 497 30 23  
E-Mail: alexander.lachmann@ha-ib.de

**Carlos Becke**  
Equity Sales  
Tel.: +44 203 9473 245  
E-Mail: carlos.becke@ha-ib.de

**Markus Scharhag**  
Equity Sales  
Tel.: +49 89 23 93 2813  
E-Mail: markus.scharhag@ha-ib.de

**Christian Schwenkenbecher**  
Equity Sales  
Tel.: +44 203 9473 246  
E-Mail: christian.schwenkenbecher@ha-ib.de

**Christian Bybjerg**  
Equity Sales  
Tel.: +49 414 3885 74  
E-Mail: christian.bybjerg@ha-ib.de

**Hugues Madelin**  
Equity Sales  
Tel.: +33 1 78 41 40 62  
E-Mail: hugues.madelin@ha-ib.de

**Vincent Bischoff**  
Equity Sales  
Tel.: +49 40 414 3885 88  
E-Mail: vincent.bischoff@ha-ib.de

**Imogen Voorspuy**  
Equity Junior Sales  
Tel.: +44 203 9473 244  
E-Mail: imogen.voorspuy@ha-ib.de

### Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser  
Privatbankiers AG  
Mittelweg 16/17  
20148 Hamburg  
Germany

Tel.: +49 40 414 3885 78  
Fax: +49 40 414 3885 71  
Email: info@hauck-aufhaeuser.com  
www.hauck-aufhaeuser.com

**Christian von Schuler**  
Trading  
Tel.: +49 40 414 3885 77  
E-Mail: christian.schuler@hauck-aufhaeuser.com

**Fin Schaffer**  
Trading  
Tel.: +49 40 414 3885 98  
E-Mail: fin.schaffer@hauck-aufhaeuser.com

**Kathleen Jonas**  
Middle-Office  
Tel.: +49 40 414 3885 97  
E-Mail: kathleen.jonas@hauck-aufhaeuser.com

**Carolin Heidrich**  
Middle-Office  
Tel.: +49 176 10 59 41 52  
E-Mail: carolin.heidrich@hauck-aufhaeuser.com