

Media and Games Invest plc

Germany - Others



HAUCK & AUFHÄUSER
Investment Banking

Buy (old: Buy)

Price target: EUR 4.30 (old: EUR 2.90)

Price: EUR 3.25 **Next result:** Q4'20: tba
Bloomberg: M8G GR **Market cap:** EUR 380.5 m
Reuters: M8G.DE **Enterprise Value:** EUR 418.3 m

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Tim Wunderlich, CFA
Analyst

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

A transformative deal – chg. Est. & PT

Reason to write: we raise estimates and the PT following the earnings- and value-accretive acquisition of US game developer KingsIsle, which should generate approx. € 26m sales and € 17m EBITDA in FY'21E. See Page 2 for more information on the company and deal terms. **Here is why we like the deal:**

- **A high-quality target offering a wide range of synergies.** KingsIsle operates at an excellent profitability (66% EBITDA margin). This is due to own IP and a high share of revenues coming from the existing and sticky customer base, which drives marketing efficiencies. With low capex of c. € 1m p.a., some 90% of EBITDA should convert into FCF. Growth synergies abound, and include active user management (leveraging MGI's strong media expertise), cross-marketing the new games to MGI's player base, and adapting them to new platforms including mobile and consoles.
- **Attractive deal multiples.** MGI will pay a total of USD 126m in several instalments (see next page). The total earn-out amounts to USD 84m and will depend on revenue growth in 2021; we estimate that MGI will have to pay out USD 10m. The deal should hence be valued at an **attractive 6.5x EBITDA FY'21E**. Put another way, we estimate the FCF return on the EV to amount to 15%, assuming € 1m in annual maintenance capex. This is above our pre-tax hurdle rate of 10%, and hence **indicates value-accretion**.
- **Earnings-accretive from day one.** MGI will finance the deal via cash on hand (€ 80m bond issued recently at 5.75% plus Euribor), FCF generation and a € 25m private placement (11.7m new shares at € 2.14). The new shareholder Oaktree has a six months lock-up and a 3-5 years investment horizon. Even with the dilution and interest burden, the transaction has the effect of **doubling our EPS estimate** for FY'21E. At the same time, we trim tax rate expectations to 5% (prior: 15%) to fully account for € 80m+ in tax loss carry forwards. As a result, we are **some 40% ahead of eCons** for EPS'21E.

Action: we change our model to account for the acquisition, conservatively modelling € 10m of incremental PPA while not accounting for growth synergies. For 2020, we now model a stronger-than-expected finish to the year. Trading on 13x pro forma earnings '22E, the stock looks undervalued, despite the recent run-up. **BUY with a new PT of € 4.30 based on DCF** (prior: € 2.90).

Y/E 31.12 (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Sales	39.0	42.1	32.6	83.9	133.0	174.0	196.6
Sales growth	80 %	8 %	-22 %	157 %	59 %	31 %	13 %
EBITDA	2.6	7.0	8.6	15.5	25.4	49.9	55.8
EBIT	-9.2	-2.0	2.3	5.0	11.3	25.8	32.2
Net income	-9.1	-5.0	4.3	-0.3	4.1	18.1	23.9
Net debt	23.6	25.3	38.1	46.1	37.8	73.4	61.4
Net gearing	73.9 %	94.1 %	56.7 %	47.1 %	22.2 %	34.4 %	25.9 %
Net Debt/EBITDA	8.9	3.6	4.4	3.0	1.5	1.5	1.1
EPS pro forma	-0.10	-0.05	0.05	0.00	0.03	0.22	0.27
CPS	0.00	0.00	0.03	0.12	0.11	0.29	0.32
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 %	62.6 %	62.6 %
EBITDA margin	6.8 %	16.7 %	26.5 %	18.5 %	19.1 %	28.7 %	28.4 %
EBIT margin	-23.5 %	-4.9 %	7.1 %	6.0 %	8.5 %	14.8 %	16.4 %
ROCE	-27.4 %	-3.5 %	1.7 %	3.2 %	4.7 %	8.9 %	10.4 %
EV/sales	8.2	7.6	10.2	4.1	3.1	2.8	2.4
EV/EBITDA	120.9	45.5	38.5	22.0	16.5	9.8	8.6
EV/EBIT	-34.8	-156.6	143.1	31.6	24.9	15.7	14.9
PER	-32.4	-59.2	68.3	-910.8	93.7	14.6	12.2
Adjusted FCF yield	0.5 %	1.2 %	1.4 %	3.1 %	4.2 %	8.4 %	9.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.01.2021



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 3.67 / 0.98

Price/Book Ratio: 2.3

Relative performance (TecDAX):

3 months 139.4 %

6 months 155.3 %

12 months 197.0 %

Changes in estimates

		Sales	EBIT	EPS
2020	old:	130.0	10.7	0.03
	Δ	2.3%	5.3%	14.5%
2021	old:	145.6	15.2	0.06
	Δ	19.5%	70.4%	242.1%
2022	old:	160.2	20.5	0.10
	Δ	22.8%	57.2%	178.7%

Key share data:

Number of shares: (in m pcs) 117.1

Authorised capital: (in € m) -

Book value per share: (in €) 1.5

Ø trading volume: (12 months) 135,000

Major shareholders:

Free Float 58.0 %

Bodhivas GmbH 33.0 %

Oaktree 9.0 %

Company description:

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

Key insights on the transaction

KingsIsle	US game developer with own IP and two well-established games . The key game is Wizard 101 (93% of revenues), a massively multiplayer online role-playing game (MMORPG) first launched in 2008, and known as the "Harry Potter of online games". Wizard 101 has achieved lifetime revenues of USD 375m+ with 50m+ gamers. Its second game is Pirate 101, which has achieved USD 25m+ of lifetime revenues with 7.5m+ gamers.
Financial Metrics	KingsIsle is expected to generate USD 32m of revenues with USD 21m of EBITDA in FY'21E . In 2020, revenue should have amounted to approx. USD 43m. However, we expect 11m of this to be COVID-related tailwind. Revenues should hence be flat yoy in FY'21E on a like-for-like basis. Historic growth of the business was 3-5% per year.
Customer Base Metrics	More than 50% of revenue is generated with players who have been active for 5+ years . 15% of new players are converted to paying users. KingsIsle generates revenue through in-game sales (57%), subscriptions (31%), and other (11%). Revenue comes mostly from North America (89%).
Why The Owners Sold	The founders are looking to retire . MGI has already been in contact with management since March 2020, which did not want to sell to a "big guy" but wanted to see its company in good hands (e.g. similar culture).
Key People	KingsIsle has been largely run by the operations team . This includes for example the Director of Games Leah Ruben (at KingsIsle since 2007) and the Director of Technology Emil Ramirez (since 2006).
Purchase Price Instalments	USD 63m immediately. USD 25.2m on June 30, 2021. USD 12.6m on December 31, 2021. USD 25.2m on June 30, 2022.
Earn Out Structure	Total potential earn-out is USD 84m . USD 10m earn-out will become effective if revenue of KingsIsle is between USD 30-35m in FY'21E. Another USD 32m if revenue >USD 35m. Another USD 42m if revenue >USD 55m.
Group targets FY'21E	25-30% revenue growth. 25-30% EBITDA margin. 15-20% EBIT margin. 2-3x net debt to EBITDA. Want to delever to <2x within 12 to 18 months .

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Net sales	39.0	42.1	32.6	83.9	133.0	174.0	196.6
<i>Sales growth</i>	80.4 %	8.0 %	-22.5 %	157.2 %	58.5 %	30.8 %	13.0 %
Increase/decrease in finished goods and work-in-process	2.2	3.6	2.8	10.2	14.0	16.5	17.7
Total sales	41.1	45.7	35.4	94.1	147.0	190.5	214.3
Other operating income	0.6	2.4	6.5	4.6	5.6	7.0	7.9
Material expenses	17.3	16.2	12.7	45.8	61.8	71.3	80.2
Personnel expenses	10.5	13.9	10.4	27.4	51.3	60.0	67.8
Other operating expenses	11.3	10.9	10.1	10.0	14.0	16.2	18.3
Total operating expenses	38.5	38.6	26.8	78.5	121.6	140.6	158.5
EBITDA	2.6	7.0	8.6	15.5	25.4	49.9	55.8
Depreciation	1.1	0.7	6.3	2.8	1.6	1.6	1.6
EBITA	1.6	6.3	2.3	12.7	23.8	48.3	54.2
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	22.5	22.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-9.2	-2.0	2.3	5.0	11.3	25.8	32.2
Interest income	0.0	0.1	0.1	0.1	0.0	0.0	0.0
Interest expenses	1.9	2.4	1.7	5.8	6.7	6.5	6.5
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	-6.4	-6.4
Recurring pretax income from continuing operations	-12.0	-5.7	0.7	-0.8	4.7	19.4	25.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-12.0	-5.7	0.7	-0.8	4.7	19.4	25.8
Taxes	-2.9	-0.7	-0.9	-2.0	0.5	1.0	1.3
Net income from continuing operations	-9.1	-5.0	1.6	1.3	4.2	18.4	24.5
Result from discontinued operations (net of tax)	0.0	0.0	-3.7	0.0	0.0	0.0	0.0
Net income	-9.1	-5.0	5.3	1.3	4.2	18.4	24.5
Minority interest	0.0	0.0	0.9	1.6	0.1	0.3	0.6
Net profit (reported)	-9.1	-5.0	4.3	-0.3	4.1	18.1	23.9
Average number of shares	90.8	90.8	90.8	90.8	117.1	128.7	128.7
EPS reported	-0.10	-0.05	0.05	0.00	0.03	0.14	0.19

Profit and loss (common size)	2016	2017	2018	2019	2020E	2021E	2022E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	5.5 %	8.5 %	8.6 %	12.1 %	10.5 %	9.5 %	9.0 %
Total sales	105.5 %	108.5 %	108.6 %	112.1 %	110.5 %	109.5 %	109.0 %
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 %	41.0 %	40.8 %
Personnel expenses	26.9 %	33.1 %	32.0 %	32.6 %	38.6 %	34.5 %	34.5 %
Other operating expenses	29.0 %	25.8 %	31.1 %	11.9 %	10.5 %	9.3 %	9.3 %
Total operating expenses	98.8 %	91.8 %	82.1 %	93.6 %	91.4 %	80.8 %	80.6 %
EBITDA	6.8 %	16.7 %	26.5 %	18.5 %	19.1 %	28.7 %	28.4 %
Depreciation	2.7 %	1.7 %	19.4 %	3.3 %	1.2 %	0.9 %	0.8 %
EBITA	4.1 %	15.0 %	7.1 %	15.2 %	17.9 %	27.8 %	27.6 %
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 %	9.4 %	12.9 %	11.2 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	neg.	neg.	7.1 %	6.0 %	8.5 %	14.8 %	16.4 %
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 %	5.0 %	3.7 %	3.3 %
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.
Recurring pretax income from continuing operations	neg.	neg.	2.1 %	neg.	3.5 %	11.2 %	13.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	neg.	neg.	2.1 %	neg.	3.5 %	11.2 %	13.1 %
Tax rate	24.3 %	11.9 %	-130.3 %	265.1 %	10.0 %	5.0 %	5.0 %
Net income from continuing operations	neg.	neg.	4.8 %	1.5 %	3.2 %	10.6 %	12.5 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	-11.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	neg.	neg.	16.1 %	1.5 %	3.2 %	10.6 %	12.5 %
Minority interest	0.1 %	neg.	2.9 %	1.9 %	0.1 %	0.2 %	0.3 %
Net profit (reported)	neg.	neg.	13.3 %	neg.	3.1 %	10.4 %	12.2 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	51.1	47.5	204.1	233.2	231.3	312.0	324.8
Property, plant and equipment	2.3	1.7	4.2	3.5	3.5	4.0	4.8
Financial assets	1.7	0.5	5.4	8.6	8.6	8.6	8.6
FIXED ASSETS	55.2	49.6	213.7	245.4	243.5	324.7	338.2
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	27.0	35.3	39.9
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	51.3	21.7	33.7
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
CURRENT ASSETS	17.7	17.2	22.6	67.1	95.3	74.0	90.6
TOTAL ASSETS	72.9	66.8	236.3	312.4	338.8	398.7	428.8
SHAREHOLDERS EQUITY	31.9	26.8	67.2	98.1	170.1	213.2	237.3
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	95.1	95.1
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
Non-current liabilities	29.7	22.3	49.6	91.7	91.7	107.7	107.7
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	32.4	42.9	48.5
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
Current liabilities	11.2	17.7	28.2	52.2	74.3	75.1	81.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	72.9	66.8	236.3	312.4	338.8	398.7	428.8

Balance sheet (common size)	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	70.1 %	71.1 %	86.4 %	74.6 %	68.3 %	78.3 %	75.7 %
Property, plant and equipment	3.2 %	2.5 %	1.8 %	1.1 %	1.0 %	1.0 %	1.1 %
Financial assets	2.4 %	0.7 %	2.3 %	2.8 %	2.6 %	2.2 %	2.0 %
FIXED ASSETS	75.7 %	74.3 %	90.4 %	78.5 %	71.9 %	81.4 %	78.9 %
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 %	8.0 %	8.8 %	9.3 %
Other current assets	3.5 %	6.2 %	2.7 %	1.9 %	1.7 %	1.5 %	1.4 %
Liquid assets	3.8 %	1.5 %	1.9 %	10.6 %	15.1 %	5.4 %	7.9 %
Deferred taxes	10.3 %	10.7 %	2.7 %	3.6 %	3.3 %	2.8 %	2.6 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	24.3 %	25.7 %	9.6 %	21.5 %	28.1 %	18.6 %	21.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	43.8 %	40.2 %	28.4 %	31.4 %	50.2 %	53.5 %	55.3 %
MINORITY INTEREST	neg.	neg.	38.6 %	22.6 %	0.8 %	0.7 %	0.6 %
Long-term debt	34.9 %	28.9 %	18.0 %	25.3 %	23.4 %	23.9 %	22.2 %
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 %	3.2 %	2.9 %
Non-current liabilities	40.8 %	33.4 %	21.0 %	29.4 %	27.1 %	27.0 %	25.1 %
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 %	9.6 %	10.8 %	11.3 %
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 %	3.7 %	3.5 %
Deferred taxes	1.4 %	0.3 %	6.1 %	5.4 %	5.0 %	4.3 %	4.1 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	15.4 %	26.6 %	11.9 %	16.7 %	21.9 %	18.8 %	18.9 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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	4.2	18.4	24.5
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	22.5	22.0
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	18.3	42.5	48.1
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	-9.9	-8.3	-4.6
Increase/decrease in accounts payable	0.7	-1.6	12.9	3.9	12.2	10.5	5.6
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	2.2	2.2	1.0
Cash flow from operating activities	4.4	3.8	6.9	16.2	20.5	44.7	49.1
CAPEX	7.4	7.3	10.7	12.6	12.2	14.3	16.1
Payments for acquisitions	-6.3	2.2	3.9	0.5	23.0	91.0	21.0
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
Cash flow from investing activities	-1.7	-8.7	-14.1	-13.1	-35.2	-105.3	-37.1
Cash flow before financing	2.7	-4.9	-7.2	3.1	-14.7	-60.6	12.0
Increase/decrease in debt position	-0.2	0.0	9.8	26.7	10.0	6.0	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	25.0	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
Cash flow from financing activities	-1.2	-0.9	11.1	25.4	33.0	31.0	0.0
Increase/decrease in liquid assets	1.5	-5.8	4.0	28.5	18.3	-29.6	12.0
Liquid assets at end of period	1.9	3.9	4.4	33.0	51.3	21.7	33.7

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	66.5	87.0	98.3
yoy change	80.4 %	8.0 %	-22.5 %	157.2 %	58.5 %	30.8 %	13.0 %
NAFTA	19.5	21.0	16.3	41.9	66.5	95.7	108.1
yoy change	80.4 %	8.0 %	-22.5 %	157.2 %	58.5 %	43.9 %	13.0 %
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
TTL	39.0	42.1	32.6	83.9	133.0	174.0	196.6
yoy change	80.4 %	8.0 %	-22.5 %	157.2 %	58.5 %	30.8 %	13.0 %

Source: Company data, Hauck & Aufhäuser

Media and Games Invest plc

Key ratios (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
P&L growth analysis							
Sales growth	80.4 %	8.0 %	-22.5 %	157.2 %	58.5 %	30.8 %	13.0 %
EBITDA growth	-38.7 %	166.8 %	227.9 %	120.9 %	193.8 %	221.3 %	119.8 %
EBIT growth	-313.2 %	-77.7 %	-125.4 %	-344.3 %	385.5 %	416.9 %	185.2 %
EPS growth	-312.1 %	-45.4 %	-147.4 %	-93.5 %	-27.1 %	-	435.5 %
Efficiency							
Total operating costs / sales	98.8 %	91.8 %	82.1 %	93.6 %	91.4 %	80.8 %	80.6 %
Sales per employee	129.9	116.6	95.4	235.8	380.2	487.8	543.1
EBITDA per employee	8.8	19.5	25.3	43.7	72.6	140.0	154.2
Balance sheet analysis							
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
Cash flow analysis							
Free cash flow	-3.0	-3.5	-3.7	3.6	8.3	30.4	33.0
Free cash flow/sales	-7.6 %	-8.3 %	-11.5 %	4.3 %	6.2 %	17.5 %	16.8 %
FCF / net profit	neg.	neg.	neg.	neg.	204.3 %	168.2 %	137.9 %
Capex / deprn	67.4 %	80.4 %	169.1 %	119.6 %	86.8 %	59.2 %	68.3 %
Capex / maintenance capex	n/a	9.2 %	0.0 %	17.7 %	21.3 %	26.1 %	27.8 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	23.6	25.3	38.1	46.1	37.8	73.4	61.4
Net Debt/EBITDA	8.9	3.6	4.4	3.0	1.5	1.5	1.1
Net debt / equity	0.7	0.9	0.6	0.5	0.2	0.3	0.3
Interest cover	0.0	0.0	1.3	0.9	1.7	4.0	5.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
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	-68.2	-48.0	-51.0
Plant turnover	16.7	24.9	7.8	23.8	37.8	43.4	41.3
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Returns							
ROCE	-27.4 %	-3.5 %	1.7 %	3.2 %	4.7 %	8.9 %	10.4 %
ROE	-28.6 %	-18.6 %	6.4 %	-0.3 %	2.4 %	8.5 %	10.1 %
Other							
Interest paid / avg. debt	7.3 %	9.0 %	5.0 %	11.1 %	10.2 %	7.4 %	7.0 %
No. employees (average)	300	361	342	356	350	357	362
Number of shares	90.8	90.8	90.8	90.8	117.1	128.7	128.7
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	0.14	0.19
Valuation ratios							
P/BV	9.3	11.0	4.4	3.0	2.2	2.0	1.8
EV/sales	8.2	7.6	10.2	4.1	3.1	2.8	2.4
EV/EBITDA	120.9	45.5	38.5	22.0	16.5	9.8	8.6
EV/EBITA	201.1	50.8	143.1	26.8	17.6	10.2	8.8
EV/EBIT	-34.8	-156.6	143.1	31.6	24.9	15.7	14.9
EV/FCF	-107.7	-91.5	-89.1	95.1	50.4	16.2	14.6
Adjusted FCF yield	0.5 %	1.2 %	1.4 %	3.1 %	4.2 %	8.4 %	9.6 %
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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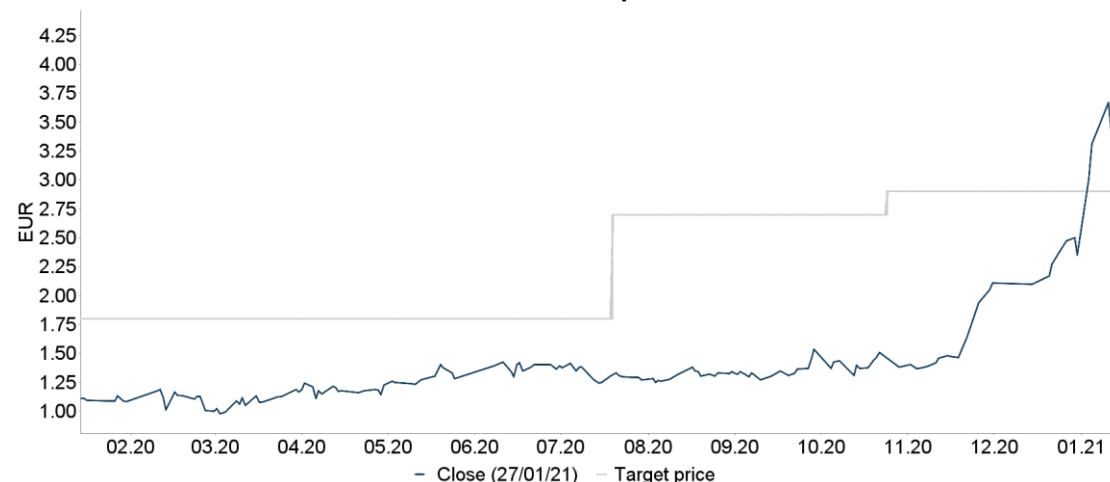
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Company	Disclosure
Media and Games Invest plc	2, 3, 6, 8

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

Price and Rating History
Media and Games Invest plc as of 28/01/21 Initiation coverage
08-January-20



Company	Date	Analyst	Rating	Target price	Close
Media and Games Invest plc	10.11.2020	Wunderlich, CFA, Tim	Buy	EUR 2,90	EUR 1,51
	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

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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 75
E-Mail: frederik.jarchow@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