

Buy EUR 2.40 Price EUR 1.17 Upside 106.0 %	Value Indicators: EUR DCF: 2.39	Share data: Bloomberg: M8G GR Reuters: M8G.DE ISIN: MT0000580101	Description: MGI is engaged in the gaming as well as media and advertising market
	Market Snapshot: EUR m Market cap: 81.6 No. of shares (m): 70.0 EV: 154.6 Freefloat MC: 29.8 Ø Trad. Vol. (30d): 56.76 th	Shareholders: Freefloat 36.5 % Bodhivas (Remco Westernm.) 43.0 % F&F (Lock up until 02/22) 20.5 %	Risk Profile (WRe): 2019e Beta: 1.6 Price / Book: 1.1 x Equity Ratio: 55 % Net Fin. Debt / EBITDA: 3.3 x Net Debt / EBITDA: 3.3 x

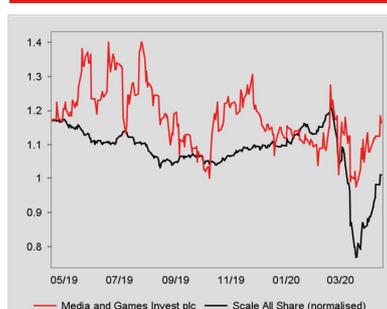
Staying home playing games; Buy confirmed

For MGI's main asset, gamigo, the current stay-at-home situation should further support our investment case for this hidden gaming champion. MGI owns 99% of gamigo, which represents roughly 66% of total revenue and about 100% of MGI's EBITDA for 2020e. The remainder of revenues are made up by MGI's recent acquisitions, starting in summer 2019, of Applift, Pubnative, and Verve Wireless. These assets operate in the programmatic advertising landscape with a focus on mobile advertising, especially in-app solutions. While overall media budgets will face major headwind from COVID-19, which will also be true for MGI, we assume that the impact will remain rather limited as mobile should benefit relative to other channels. Furthermore, MGI's bias towards the gaming sector should also be supportive. At MGI-group level, revenues of the Media Segment only account for roughly 33% and costs can be considerably reduced, as planned anyway after the takeovers, thus allowing for greater cost flexibility.

As communicated by the company on March 20 and on April 9, MGI is well prepared for the current increase in gaming demand. Comparing calendar week 11 (March 9–15) to week 14 (March 30–April 5), the number of new registrations increased by 64%. The number of daily active users (DAU) also increased significantly by 19%. While the new registrations do not necessarily convert into revenues immediately as most of the games are free to play, the 19%-increase in activity is highly likely to lead to more in-game transactions and, in turn, higher revenues. While the increased demand was initially strongly driven by players in Italy and Spain, the rise in demand is now also increasingly driven by players in Germany and the US (roughly 40% US and 48% Europe), clearly showing that the increased activity correlates with restrictions in respective countries. Furthermore, the tendency to spend more time online extends the typical playing months over the winter period in Q4 and Q1. **With most restrictions in Europe valid until mid-May, we are assuming Q2 will also be a successful quarter for MGI.** However, transparency remains limited as MGI only reports on a half-year basis. The next company news-flow is expected towards the end of May, when gamigo publishes Q1 figures.

With a 2020e EV/Sales multiple of 1.9x and an EV/EBITDA multiple of 9.8x, the stock is still significantly undervalued, especially considering the margin potential in the company's Media segment which is likely to increase significantly after the integration period over the course of 2020. For 2020, we expect 100% of MGI's EBITDA to be generated by the Gaming segment, while the Media segment is expected to break even. For us, the most important KPI is EBITDA, as this is a good proxy for the company's operative cash flow, which is in the ballpark of roughly 80–85% of EBITDA. Despite a negative bottom line, MGI is attractively cash-flow positive and comfortably able to pay its interest rates any time. The EBITDA / interest payments ratio is at roughly 3x, while net debt / EBITDA could spike at about 4x for 2020e (owing to M&A-linked cash reduction and less EBITDA gain owing to integration of assets). However, EBITDA is then expected to increase significantly, bringing this ratio down to almost 2.5x.

As one of just a few companies more likely to experience tailwind than headwind from the COVID-19 lockdowns, we are reiterating our Buy recommendation with a PT of EUR 2.40.

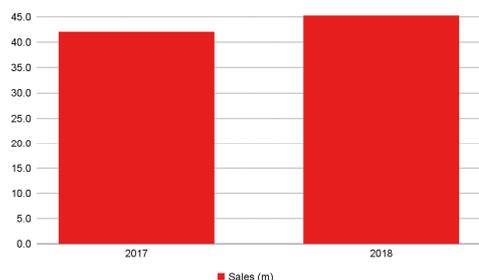


Rel. Performance vs Scale All	
1 month:	-9.7 %
6 months:	0.6 %
Year to date:	12.0 %
Trailing 12 months:	10.5 %

Company events:

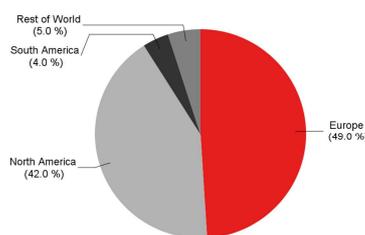
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
Sales	34.4 %	0.0	39.0	42.1	45.3	73.0	92.0	110.0
Change Sales yoy		n.a.	n.a.	8.0 %	7.6 %	61.2 %	26.0 %	19.6 %
Gross profit margin		n.a.	61.1 %	70.0 %	70.3 %	72.6 %	70.7 %	71.8 %
EBITDA	36.3 %	0.0	2.6	7.0	11.1	15.0	17.5	28.0
Margin		n.a.	6.8 %	16.7 %	24.4 %	20.5 %	19.0 %	25.5 %
EBIT	71.3 %	0.0	-10.1	-3.4	2.6	1.0	3.5	13.0
Margin		n.a.	-25.9 %	-8.0 %	5.7 %	1.4 %	3.8 %	11.8 %
Net income	61.5 %	0.0	-9.1	-5.0	1.5	-1.8	-2.1	6.5
EPS	-	n.a.	n.a.	n.a.	n.a.	-0.03	-0.02	0.07
EPS adj.	-	n.a.	n.a.	n.a.	n.a.	-0.03	-0.02	0.07
DPS	-	n.a.	n.a.	n.a.	n.a.	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.	n.a.	-0.02	-0.05	0.06
FCF / Market cap		n.a.	n.a.	n.a.	n.a.	-1.6 %	-4.4 %	5.0 %
EV / Sales		n.a.	n.a.	n.a.	n.a.	3.2 x	1.9 x	1.6 x
EV / EBITDA		n.a.	n.a.	n.a.	n.a.	15.4 x	10.0 x	6.1 x
EV / EBIT		n.a.	n.a.	n.a.	n.a.	231.5 x	50.2 x	13.1 x
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.6 x
P / E adj.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.6 x
FCF Potential Yield		n.a.	n.a.	n.a.	n.a.	5.0 %	7.7 %	13.7 %
Net Debt		0.0	24.3	26.1	38.1	49.9	71.0	65.8
ROCE (NOPAT)		n.a.	n.a.	n.a.	6.8 %	0.5 %	1.8 %	5.9 %
Guidance:	n.a.							

Gamigo's sales development
in EUR m



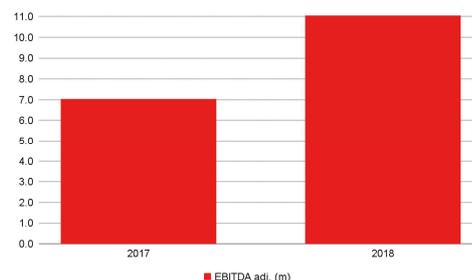
Source: Warburg Research

Gaming revenues by regions
H1 2019; in %



Source: Warburg Research

Gamigo's adj. EBITDA development
in EUR m



Source: Warburg Research

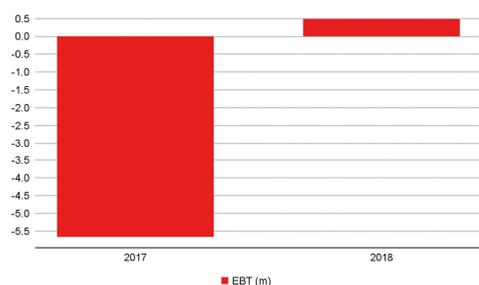
Company Background

- 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

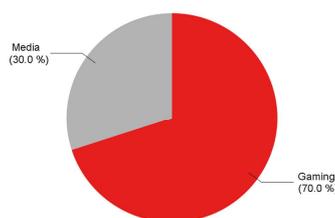
- MGI's gamigo has a relatively broad games portfolio with a focus on multiplayer games. The top-10 games account for roughly 55% of total revenues but no game accounts for more than 15%.
- Revenues are generated with loyal customers. The majority of games generate over 60% of revenues with users who 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.

Gamigo's EBT development
in EUR m



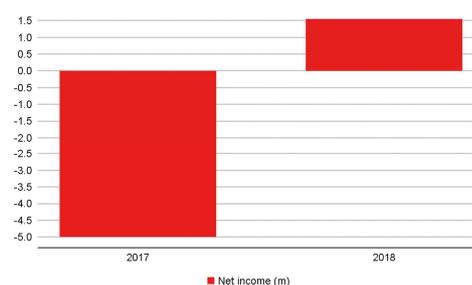
Source: Warburg Research

Sales by segments
H1 2019; in %



Source: Warburg Research

Gamigo's Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Sales	73.0	92.0	110.0	123.2	134.3	143.7	150.9	155.4	158.5	161.7	164.9	168.2	171.6	
Sales change	61.2 %	26.0 %	19.6 %	12.0 %	9.0 %	7.0 %	5.0 %	3.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT	1.0	3.5	13.0	17.2	22.8	28.7	33.2	34.2	33.3	32.3	33.0	33.6	34.3	
EBIT-margin	1.4 %	3.8 %	11.8 %	14.0 %	17.0 %	20.0 %	22.0 %	22.0 %	21.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
Tax rate (EBT)	0.0 %	0.0 %	8.9 %	10.0 %	12.0 %	15.0 %	18.0 %	22.0 %	25.0 %	27.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	1.0	3.5	11.8	15.5	20.1	24.4	27.2	26.7	25.0	23.6	23.7	24.2	24.7	
Depreciation	14.0	14.0	15.0	16.0	16.1	15.8	15.1	14.0	12.7	12.9	13.2	13.5	13.7	
in % of Sales	19.2 %	15.2 %	13.6 %	13.0 %	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	-0.9	0.4	0.5	0.5	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	
- Capex	22.0	16.0	16.0	15.4	14.8	14.4	13.6	12.4	12.7	12.9	13.2	13.5	13.7	
Capex in % of Sales	30.1 %	17.4 %	14.5 %	12.5 %	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)	-6.1	1.1	10.3	15.7	21.2	25.6	28.5	28.1	24.9	23.5	23.7	24.1	24.6	25
PV of FCF	-6.3	1.1	9.1	12.8	15.9	17.7	18.2	16.5	13.5	11.7	10.9	10.2	9.6	150
share of PVs	1.34 %			47.07 %										51.59 %

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
WACC	8.53 %	Beta	1.56

Valuation (m)

Present values 2031e	141		
Terminal Value	150		
Financial liabilities	88		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	18	No. of shares (m)	92.0
Equity Value	220	Value per share (EUR)	2.39

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 %	1.83	1.87	1.90	1.95	1.99	2.04	2.09	1.82	9.5 %	1.70	1.78	1.86	1.95	2.03	2.11	2.19
1.69	9.0 %	2.01	2.06	2.10	2.15	2.21	2.26	2.33	1.69	9.0 %	1.89	1.98	2.07	2.15	2.24	2.33	2.41
1.62	8.8 %	2.12	2.16	2.21	2.27	2.33	2.39	2.46	1.62	8.8 %	2.00	2.09	2.18	2.27	2.36	2.45	2.54
1.56	8.5 %	2.22	2.28	2.33	2.39	2.46	2.53	2.60	1.56	8.5 %	2.12	2.21	2.30	2.39	2.48	2.58	2.67
1.50	8.3 %	2.34	2.40	2.46	2.53	2.60	2.68	2.76	1.50	8.3 %	2.24	2.34	2.43	2.53	2.62	2.72	2.81
1.43	8.0 %	2.46	2.53	2.60	2.67	2.75	2.84	2.94	1.43	8.0 %	2.37	2.47	2.57	2.67	2.77	2.87	2.97
1.30	7.5 %	2.74	2.82	2.91	3.00	3.10	3.21	3.34	1.30	7.5 %	2.68	2.78	2.89	3.00	3.11	3.21	3.32

- Our DCF approach is based on a detailed planning phase (19 -21), a transitional phase (22 -31), 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	2015	2016	2017	2018	2019e	2020e	2021e
Price / Book	n.a.	n.a.	n.a.	n.a.	1.1 x	0.8 x	0.8 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	n.a.	-1.82	-0.87	-0.80
EV / Sales	n.a.	n.a.	n.a.	n.a.	3.2 x	1.9 x	1.6 x
EV / EBITDA	n.a.	n.a.	n.a.	n.a.	15.4 x	10.0 x	6.1 x
EV / EBIT	n.a.	n.a.	n.a.	n.a.	231.5 x	50.2 x	13.1 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	231.5 x	50.2 x	13.1 x
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	20.0 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.6 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.6 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.	n.a.	5.0 %	7.7 %	13.7 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Sales	0.0	39.0	42.1	45.3	73.0	92.0	110.0
Change Sales yoy	n.a.	n.a.	8.0 %	7.6 %	61.2 %	26.0 %	19.6 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	2.2	3.6	4.2	8.5	9.5	10.0
Total Sales	0.0	41.1	45.7	49.5	81.5	101.5	120.0
Material expenses	0.0	17.3	16.2	17.6	28.5	36.5	41.0
Gross profit	0.0	23.8	29.4	31.8	53.0	65.0	79.0
<i>Gross profit margin</i>	<i>n.a.</i>	<i>61.1 %</i>	<i>70.0 %</i>	<i>70.3 %</i>	<i>72.6 %</i>	<i>70.7 %</i>	<i>71.8 %</i>
Personnel expenses	0.0	10.5	13.9	14.7	29.0	38.0	41.0
Other operating income	0.0	0.6	2.4	6.7	3.0	3.0	3.0
Other operating expenses	0.0	11.3	10.9	12.7	12.0	12.5	13.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	0.0	2.6	7.0	11.1	15.0	17.5	28.0
<i>Margin</i>	<i>n.a.</i>	<i>6.8 %</i>	<i>16.7 %</i>	<i>24.4 %</i>	<i>20.5 %</i>	<i>19.0 %</i>	<i>25.5 %</i>
Depreciation of fixed assets	0.0	1.1	0.7	1.5	2.0	2.0	2.5
EBITA	0.0	1.6	6.3	9.6	13.0	15.5	25.5
Amortisation of intangible assets	0.0	11.7	9.7	7.0	12.0	12.0	12.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.0	-10.1	-3.4	2.6	1.0	3.5	13.0
<i>Margin</i>	<i>n.a.</i>	<i>-25.9 %</i>	<i>-8.0 %</i>	<i>5.7 %</i>	<i>1.4 %</i>	<i>3.8 %</i>	<i>11.8 %</i>
EBIT adj.	0.0	-10.1	-3.4	2.6	1.0	3.5	13.0
Interest income	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Interest expenses	0.0	1.9	2.4	2.1	4.3	5.7	5.7
Other financial income (loss)	0.0	0.0	0.1	0.0	0.0	0.0	0.0
EBT	0.0	-12.0	-5.7	0.5	-3.3	-2.2	7.3
<i>Margin</i>	<i>n.a.</i>	<i>-30.8 %</i>	<i>-13.5 %</i>	<i>1.1 %</i>	<i>-4.5 %</i>	<i>-2.3 %</i>	<i>6.6 %</i>
Total taxes	0.0	-2.9	-0.7	-1.1	0.0	0.0	0.7
Net income from continuing operations	0.0	-9.1	-5.0	1.6	-3.3	-2.2	6.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	0.0	-9.1	-5.0	1.6	-3.3	-2.2	6.7
Minority interest	0.0	0.0	0.0	0.1	-1.5	0.0	0.1
Net income	0.0	-9.1	-5.0	1.5	-1.8	-2.1	6.5
<i>Margin</i>	<i>n.a.</i>	<i>-23.4 %</i>	<i>-11.9 %</i>	<i>3.4 %</i>	<i>-2.4 %</i>	<i>-2.3 %</i>	<i>5.9 %</i>
Number of shares, average	n.a.	n.a.	n.a.	n.a.	64.1	88.2	88.2
EPS	n.a.	n.a.	n.a.	n.a.	-0.03	-0.02	0.07
EPS adj.	n.a.	n.a.	n.a.	n.a.	-0.03	-0.02	0.07

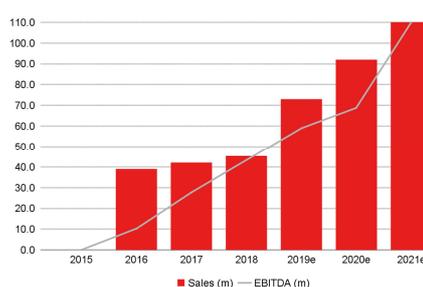
*Adjustments made for:

Guidance: n.a.

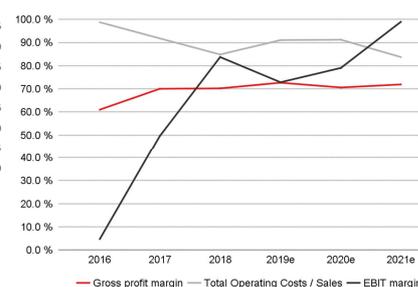
Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Total Operating Costs / Sales	n.a.	98.8 %	91.8 %	84.8 %	91.1 %	91.3 %	83.6 %
Operating Leverage	n.a.	n.a.	-8.4 x	n.a.	-1.0 x	9.6 x	13.9 x
EBITDA / Interest expenses	n.a.	1.4 x	3.0 x	5.2 x	3.5 x	3.1 x	4.9 x
Tax rate (EBT)	n.a.	24.3 %	11.9 %	-229.8 %	0.0 %	0.0 %	8.9 %
Dividend Payout Ratio	n.a.	n.a.	n.a.	n.a.	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

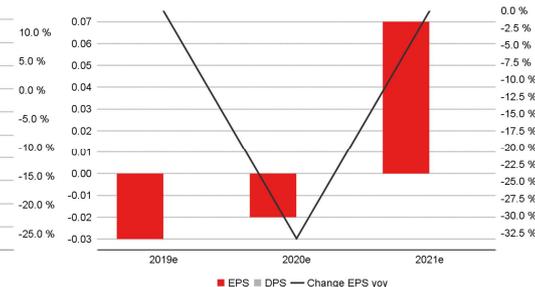
Sales, EBITDA in EUR m



Operating Performance in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

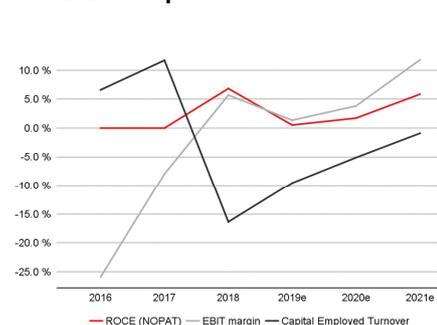
Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Assets							
Goodwill and other intangible assets	0.0	51.1	47.5	204.1	204.6	206.3	206.8
thereof other intangible assets	0.0	22.0	16.7	66.7	67.2	68.9	69.4
thereof Goodwill	0.0	28.9	28.9	133.8	133.8	133.8	133.8
Property, plant and equipment	0.0	2.3	1.7	4.2	6.2	7.2	7.7
Financial assets	0.0	0.0	0.0	5.4	5.4	5.4	5.4
Other long-term assets	0.0	1.6	0.4	0.0	0.0	0.0	0.0
Fixed assets	0.0	55.1	49.5	213.7	216.2	218.9	219.9
Inventories	0.0	0.0	0.0	0.0	0.7	0.9	1.1
Accounts receivable	0.0	4.9	4.9	11.8	17.0	21.4	25.6
Liquid assets	0.0	2.8	1.0	4.4	28.6	17.5	22.7
Other short-term assets	0.0	10.1	11.4	6.4	6.4	6.4	6.4
Current assets	0.0	17.8	17.3	22.6	52.6	46.2	55.7
Total Assets	0.0	72.9	66.8	236.3	268.8	265.1	275.6
Liabilities and shareholders' equity							
Subscribed capital	0.0	2.3	2.3	59.9	70.0	88.2	88.2
Capital reserve	0.0	48.2	48.2	4.3	5.5	41.8	41.8
Retained earnings	0.0	-18.6	-23.6	2.9	1.1	-1.0	5.5
Other equity components	0.0	0.0	0.0	0.1	0.2	0.8	0.9
Shareholders' equity	0.0	31.9	26.8	67.2	76.9	129.8	136.4
Minority interest	0.0	0.0	-0.1	91.3	71.3	0.5	0.5
Total equity	0.0	31.9	26.7	158.5	148.2	130.3	136.9
Provisions	0.0	4.3	3.0	6.7	6.7	6.7	6.7
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	0.0	27.1	27.1	42.6	78.5	88.5	88.5
thereof short-term financial liabilities	0.0	0.9	7.0	3.6	3.5	3.5	3.5
Accounts payable	0.0	6.8	7.2	9.2	16.0	20.2	24.1
Other liabilities	0.0	2.7	2.7	19.3	19.4	19.4	19.4
Liabilities	0.0	41.0	40.1	77.8	120.6	134.8	138.7
Total liabilities and shareholders' equity	0.0	72.9	66.8	236.3	268.8	265.1	275.6

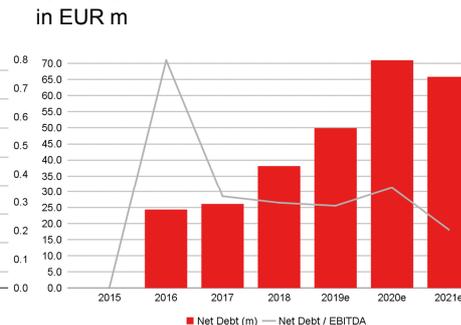
Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Efficiency of Capital Employment							
Operating Assets Turnover	n.a.	90.0 x	-65.8 x	6.6 x	9.3 x	9.9 x	10.7 x
Capital Employed Turnover	n.a.	0.7 x	0.8 x	0.2 x	0.4 x	0.5 x	0.5 x
ROA	n.a.	-16.6 %	-10.1 %	0.7 %	-0.8 %	-1.0 %	3.0 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	n.a.	6.8 %	0.5 %	1.8 %	5.9 %
ROE	n.a.	-57.2 %	-17.0 %	3.3 %	-2.5 %	-2.0 %	4.9 %
Adj. ROE	n.a.	-57.2 %	-17.0 %	3.3 %	-2.5 %	-2.0 %	4.9 %
Balance sheet quality							
Net Debt	0.0	24.3	26.1	38.1	49.9	71.0	65.8
Net Financial Debt	0.0	24.3	26.1	38.1	49.9	71.0	65.8
Net Gearing	n.a.	76.3 %	97.6 %	24.0 %	33.7 %	54.5 %	48.1 %
Net Fin. Debt / EBITDA	n.a.	923.9 %	370.8 %	345.0 %	332.9 %	405.6 %	235.1 %
Book Value / Share	n.a.	n.a.	n.a.	n.a.	1.1	1.5	1.5
Book value per share ex intangibles	n.a.	n.a.	n.a.	n.a.	-1.8	-0.9	-0.8

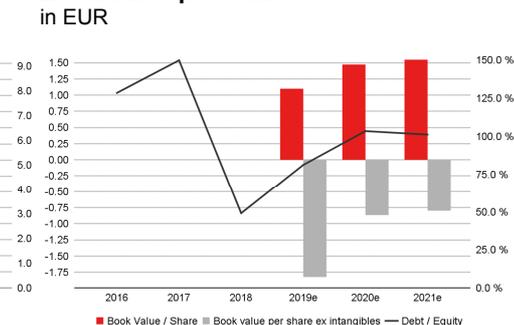
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

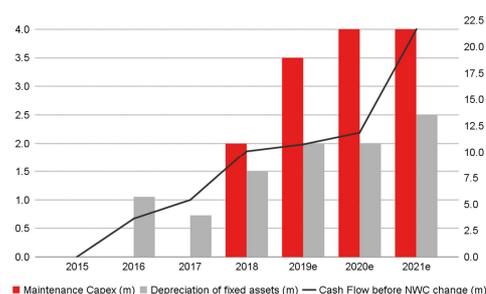
In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net income	0.0	-9.1	-5.0	1.6	-3.3	-2.2	6.7
Depreciation of fixed assets	0.0	1.1	0.7	1.5	2.0	2.0	2.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	11.7	9.7	7.0	12.0	12.0	12.5
Increase/decrease in long-term provisions	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
Cash Flow before NWC change	0.0	3.7	5.4	10.1	10.8	11.9	21.7
Increase / decrease in inventory	0.0	0.0	0.0	0.0	-0.7	-0.2	-0.2
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	-5.2	-4.4	-4.2
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	6.8	4.2	3.9
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	0.0	0.9	-0.4	-0.5
Net cash provided by operating activities [1]	0.0	3.7	5.4	10.1	11.7	11.5	21.2
Investments in intangible assets	0.0	0.0	0.0	0.0	-11.0	-13.0	-13.0
Investments in property, plant and equipment	0.0	0.0	0.0	-9.0	-2.0	-3.0	-3.0
Payments for acquisitions	0.0	0.0	0.0	0.0	-9.5	-16.5	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
Net cash provided by investing activities [2]	0.0	0.0	0.0	-9.0	-22.5	-32.5	-16.0
Change in financial liabilities	0.0	0.0	0.0	0.0	30.9	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	0.0	9.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	0.0	0.0	0.0	0.0	39.9	10.0	0.0
Change in liquid funds [1]+[2]+[3]	0.0	3.7	5.4	1.1	29.1	-11.1	5.2
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	0.0	3.7	8.2	2.1	33.6	17.5	22.7

Financial Ratios

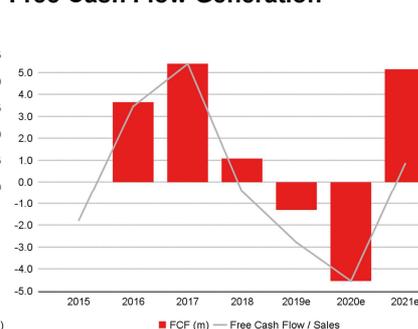
	2015	2016	2017	2018	2019e	2020e	2021e
Cash Flow							
FCF	0.0	3.7	5.4	1.1	-1.3	-4.6	5.2
Free Cash Flow / Sales	n.a.	9.4 %	12.8 %	2.4 %	-1.8 %	-4.9 %	4.7 %
Free Cash Flow Potential	0.0	5.5	7.7	10.2	11.5	13.5	23.4
Free Cash Flow / Net Profit	n.a.	-40.0 %	-108.1 %	69.8 %	73.2 %	215.9 %	79.0 %
Interest Received / Avg. Cash	n.a.	1.6 %	0.1 %	0.5 %	0.3 %	0.2 %	0.0 %
Interest Paid / Avg. Debt	n.a.	14.1 %	8.7 %	6.1 %	7.1 %	6.8 %	6.4 %
Management of Funds							
Investment ratio	n.a.	0.0 %	0.0 %	19.9 %	17.8 %	17.4 %	14.5 %
Maint. Capex / Sales	n.a.	0.0 %	0.0 %	4.4 %	4.8 %	4.3 %	3.6 %
Capex / Dep	n.a.	0.0 %	0.0 %	106.3 %	92.9 %	114.3 %	106.7 %
Avg. Working Capital / Sales	n.a.	-2.4 %	-5.0 %	0.3 %	3.0 %	2.1 %	2.1 %
Trade Debtors / Trade Creditors	n.a.	72.0 %	67.7 %	128.8 %	106.3 %	105.9 %	106.2 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	40.7 x	40.6 x	37.3 x
Receivables collection period (days)	n.a.	46	42	95	85	85	85
Payables payment period (days)	n.a.	143	162	190	205	202	215
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	-111	-108	-120

CAPEX and Cash Flow

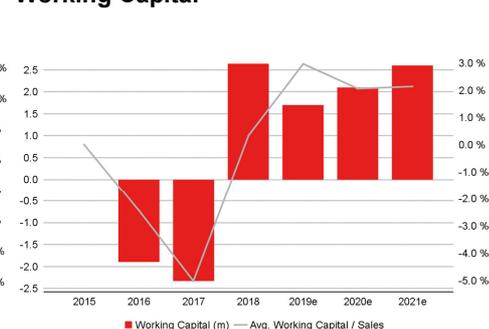
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All data and consensus estimates have been obtained from FactSet except where stated otherwise.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934.
3. Any recipient of the Report should effect transactions in the securities discussed in the Report only through J.P.P. Euro-Securities, Inc., Delaware.
4. J.P.P. Euro-Securities, Inc. does not accept or receive any compensation of any kind for the dissemination of the research reports from Warburg.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

This report has been made accessible to the company analysed and was modified thereafter.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Media and Games Invest plc	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/MT0000580101.htm

INVESTMENT RECOMMENDATION

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

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

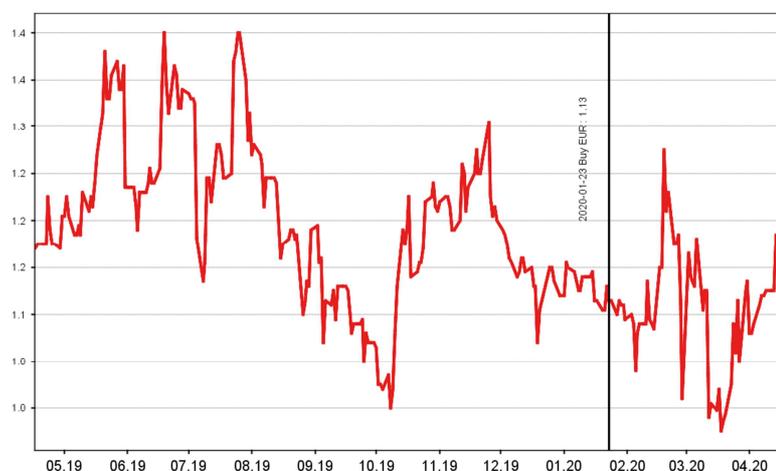
Rating	Number of stocks	% of Universe
Buy	128	63
Hold	61	30
Sell	9	4
Rating suspended	6	3
Total	204	100

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	34	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
Total	42	100

PRICE AND RATING HISTORY MEDIA AND GAMES INVEST PLC AS OF 16.04.2020



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.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemier +49 40 309537-270
Head of Research hrueschemier@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Franz Schall +49 40 309537-230
Automobiles, Car Suppliers fschall@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Patrick Schmidt +49 40 309537-125
Leisure, Internet pschmidt@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lyubka Bogdanova +49 69 5050-7411
Ireland, Poland, Australia lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Tobias Hald +49 40 3282-2695
United Kingdom thald@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 69 5050-7414
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg MMWA GO
FactSet www.factset.com

Thomson Reuters www.thomsonreuters.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com