

Buy EUR 2.40 (EUR 1.90) Price EUR 1.15 Upside 108.7 %	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: 101.5 No. of shares (m): 88.2 EV: 174.4 Freefloat MC: 57.8 Ø Trad. Vol. (30d): 70.07 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: 1.0 x Equity Ratio: 55 % Net Fin. Debt / EBITDA: 3.3 x Net Debt / EBITDA: 3.3 x

Attractive price for remaining gamigo stake provides further upside; PT up

Media and Games Invest (MGI) has increased its stake in gamigo to 98% as announced on Monday, February 17. MGI increased its stake from 53% to 98% by acquiring shares from ProSieben as well as family and friends of the company. The acquisition will be paid for in cash (EUR 16.5m) as well as roughly 18.2m newly-issued MGI shares. The EUR 16.5m cash is partially funded by a loan of EUR 10m from UniCredit, which carries interest of 5.5%. These conditions are considerably better than for previous loan arrangements, which came with interest rates of 7–7.5%.

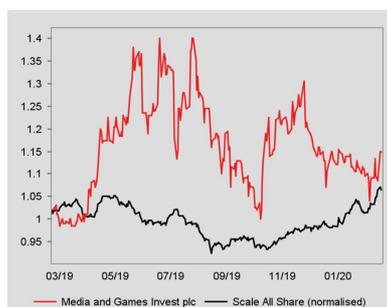
As the purchase price of EUR 51m (EUR 16.5m in cash plus 18.2m new shares times EUR 1.90 WRe fair value) is significantly lower than our former valuation of EUR 100m for the remaining 47% minorities, we see an immediate uplift in MGI's valuation and increase our PT to EUR 2.40 per share, which reflects an attractive upside of more than 100% to current trading levels. Taking the trading levels at the time of the announcement of EUR 1.09 per share, the acquisition price could be seen even lower at EUR 36m. The attractive deal however is slightly diluted by the newly-issued shares.

At current levels, MGI is clearly undervalued with a 2020e EV/sales multiple of 1.8x and EV/EBITDA multiple of 9.7x for a company that is growing by more than 30% p.a. and generating EBITDA margins of 20–30% in the mid term as well as double-digit operating cash flows.

With this acquisition, leverage is approximately 4x net debt/EBITDA, which is ambitious, but with an expected EBITDA of EUR 17.5m for 2020 and an operating cash flow of roughly EUR 12m in 2020 and EUR 21m in 2021, we still regard this as healthy and see only limited risks. Interest payments amount to roughly EUR 5.7m p.a. Nevertheless, we also expect this to be the peak. Furthermore, it should be seen in the context of acquiring 100% of MGI's main asset gamigo and we expect the company to consistently decrease its leverage going forward. While there is no change in our estimates for the company's main KPIs, such as sales and EBITDA, we adjusted our DCF model for higher interest payments, reduced minorities, and the newly-issued shares, now totalling 88.2m. Consequently we also reduce MGI's minorities from EUR 100m to EUR 2m. We are calculating with total financial debt of EUR 88m and a current cash position of EUR 18m, leading to net debt of roughly EUR 70m.

We increase our PT to EUR 2.40 per share and reiterate our Buy recommendation.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2019e (old)	+ / -	2020e (old)	+ / -	2021e (old)	+ / -	
EBT	-3.3	0.0 %	-1.5	n.m.	7.8	-6.4 %	▪ EBT decreases slightly owing to higher interest payments as a result of higher leverage
Net income	-1.8	0.0 %	-0.8	n.m.	3.8	72.0 %	▪ Net income is no longer diluted by significant minorities (roughly 2% remain)
EPS	-0.03	0.0 %	-0.01	n.m.	0.05	40.0 %	▪ EPS affected by dilutive effects of newly-issued shares

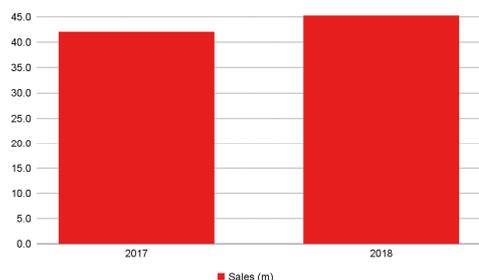


Rel. Performance vs Scale All	
1 month:	-0.4 %
6 months:	-15.2 %
Year to date:	-5.6 %
Trailing 12 months:	7.5 %

Company events:

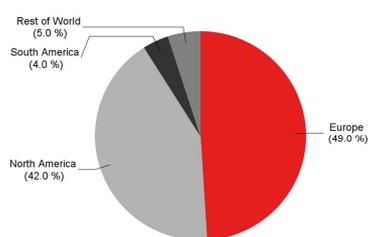
FY End: 31.12. in EUR m	CAGR (18-21e)	2016	2017	2018	2019e	2020e	2021e
Sales	34.4 %	39.0	42.1	45.3	73.0	92.0	110.0
Change Sales yoy		n.a.	8.0 %	7.6 %	61.2 %	26.0 %	19.6 %
Gross profit margin		61.1 %	70.0 %	70.3 %	72.6 %	70.7 %	71.8 %
EBITDA	36.3 %	2.6	7.0	11.1	15.0	17.5	28.0
Margin		6.8 %	16.7 %	24.4 %	20.5 %	19.0 %	25.5 %
EBIT	71.3 %	-10.1	-3.4	2.6	1.0	3.5	13.0
Margin		-25.9 %	-8.0 %	5.7 %	1.4 %	3.8 %	11.8 %
Net income	61.5 %	-9.1	-5.0	1.5	-1.8	-2.1	6.5
EPS	-	n.a.	n.a.	n.a.	-0.03	-0.02	0.07
EPS adj.	-	n.a.	n.a.	n.a.	-0.03	-0.02	0.07
DPS	-	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.
FCFPS		n.a.	n.a.	n.a.	-0.02	-0.05	0.06
FCF / Market cap		n.a.	n.a.	n.a.	-1.6 %	-4.5 %	5.1 %
EV / Sales		n.a.	n.a.	n.a.	3.2 x	1.9 x	1.5 x
EV / EBITDA		n.a.	n.a.	n.a.	15.4 x	10.0 x	6.0 x
EV / EBIT		n.a.	n.a.	n.a.	230.5 x	49.8 x	13.0 x
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	16.4 x
P / E adj.		n.a.	n.a.	n.a.	n.a.	n.a.	16.4 x
FCF Potential Yield		n.a.	n.a.	n.a.	5.0 %	7.7 %	13.8 %
Net Debt		24.3	26.1	38.1	49.9	71.0	65.8
ROCE (NOPAT)		n.a.	n.a.	6.8 %	0.5 %	1.8 %	5.9 %
Guidance:		n.a.					

Gamigo's sales development
in EUR m



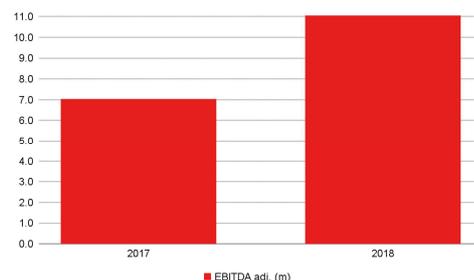
Source: Warburg Research

Gaming revenues by regions
H1 2019; in %



Source: Warburg Research

Gamigo's adj. EBITDA development
in EUR m



Source: Warburg Research

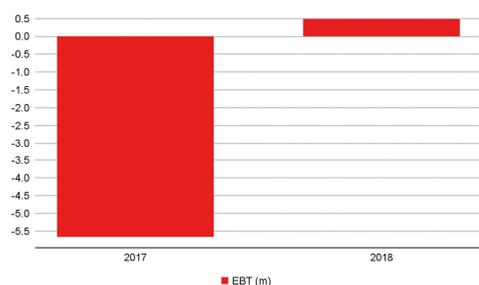
Company Background

- 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

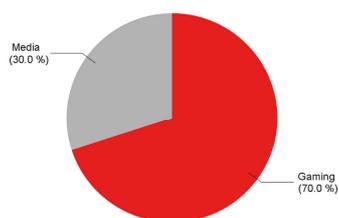
- MGI's gamigo has a relatively broad games portfolio with a focus on multiplayer games. The top-10 games account for roughly 55% of total revenues but no game accounts for more than 15%.
- Revenues are generated with loyal customers. The majority of games generate over 60% of revenues with users who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



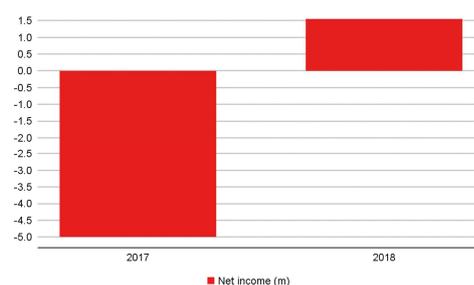
Source: Warburg Research

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	5.4	0.0	0.6	0.4	0.3	0.2	0.2	0.2	0.2	0.2	
- 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	10.7	21.4	25.3	28.3	27.9	24.8	23.4	23.6	24.0	24.5	25
PV of FCF	-6.2	1.0	9.0	8.6	15.8	17.3	17.8	16.2	13.2	11.5	10.7	10.0	9.4	147
share of PVs	1.36 %			46.34 %										52.30 %

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	134		
Terminal Value	147		
Financial liabilities	88		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	18	No. of shares (m)	88.2
Equity Value	211	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 %	1.81	1.85	1.89	1.93	1.98	2.02	2.08	1.82	9.5 %	1.68	1.76	1.85	1.93	2.01	2.10	2.18
1.69	9.0 %	2.00	2.05	2.09	2.14	2.20	2.26	2.32	1.69	9.0 %	1.88	1.97	2.06	2.14	2.23	2.32	2.41
1.62	8.8 %	2.11	2.16	2.21	2.26	2.32	2.39	2.46	1.62	8.8 %	1.99	2.08	2.17	2.26	2.36	2.45	2.54
1.56	8.5 %	2.22	2.27	2.33	2.39	2.46	2.53	2.61	1.56	8.5 %	2.11	2.20	2.30	2.39	2.49	2.58	2.68
1.50	8.3 %	2.34	2.40	2.46	2.53	2.60	2.68	2.77	1.50	8.3 %	2.23	2.33	2.43	2.53	2.63	2.73	2.82
1.43	8.0 %	2.47	2.53	2.60	2.68	2.76	2.85	2.95	1.43	8.0 %	2.37	2.47	2.58	2.68	2.78	2.88	2.99
1.30	7.5 %	2.76	2.84	2.92	3.02	3.12	3.24	3.36	1.30	7.5 %	2.69	2.80	2.91	3.02	3.13	3.24	3.35

- Our DCF approach is based on a detailed planning phase (19 -21), a transitional phase (22 -31), and a perpetuity term
- Further assumptions are a beta of 1.6, a WACC of 8.5%, and a long term EBIT-margin of 20%, which is rather conservative
- Long-term tax rate is assumed to be at 28%

Valuation	2016	2017	2018	2019e	2020e	2021e
Price / Book	n.a.	n.a.	n.a.	1.0 x	0.8 x	0.7 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	-1.82	-0.87	-0.80
EV / Sales	n.a.	n.a.	n.a.	3.2 x	1.9 x	1.5 x
EV / EBITDA	n.a.	n.a.	n.a.	15.4 x	10.0 x	6.0 x
EV / EBIT	n.a.	n.a.	n.a.	230.5 x	49.8 x	13.0 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	230.5 x	49.8 x	13.0 x
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	19.7 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	16.4 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	16.4 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	n.a.	n.a.	5.0 %	7.7 %	13.8 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2016	2017	2018	2019e	2020e	2021e
Sales	39.0	42.1	45.3	73.0	92.0	110.0
Change Sales yoy	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
Own work capitalised	2.2	3.6	4.2	8.5	9.5	10.0
Total Sales	41.1	45.7	49.5	81.5	101.5	120.0
Material expenses	17.3	16.2	17.6	28.5	36.5	41.0
Gross profit	23.8	29.4	31.8	53.0	65.0	79.0
<i>Gross profit margin</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	10.5	13.9	14.7	29.0	38.0	41.0
Other operating income	0.6	2.4	6.7	3.0	3.0	3.0
Other operating expenses	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
EBITDA	2.6	7.0	11.1	15.0	17.5	28.0
<i>Margin</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	1.1	0.7	1.5	2.0	2.0	2.5
EBITA	1.6	6.3	9.6	13.0	15.5	25.5
Amortisation of intangible assets	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
EBIT	-10.1	-3.4	2.6	1.0	3.5	13.0
<i>Margin</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.	-10.1	-3.4	2.6	1.0	3.5	13.0
Interest income	0.0	0.0	0.0	0.1	0.1	0.0
Interest expenses	1.9	2.4	2.1	4.3	5.7	5.7
Other financial income (loss)	0.0	0.1	0.0	0.0	0.0	0.0
EBT	-12.0	-5.7	0.5	-3.3	-2.2	7.3
<i>Margin</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	-2.9	-0.7	-1.1	0.0	0.0	0.7
Net income from continuing operations	-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
Net income before minorities	-9.1	-5.0	1.6	-3.3	-2.2	6.7
Minority interest	0.0	0.0	0.1	-1.5	0.0	0.1
Net income	-9.1	-5.0	1.5	-1.8	-2.1	6.5
<i>Margin</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.	64.1	88.2	88.2
EPS	n.a.	n.a.	n.a.	-0.03	-0.02	0.07
EPS adj.	n.a.	n.a.	n.a.	-0.03	-0.02	0.07

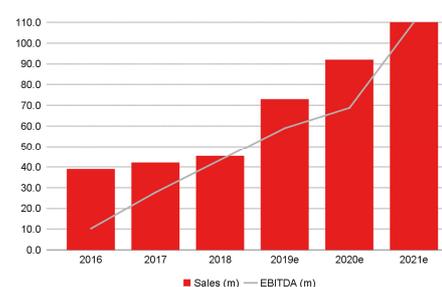
*Adjustments made for:

Guidance: n.a.

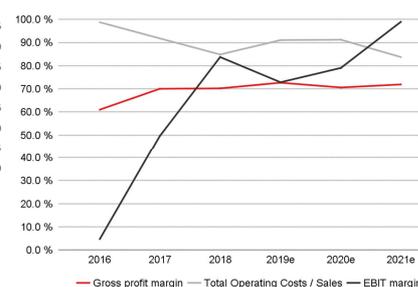
Financial Ratios

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

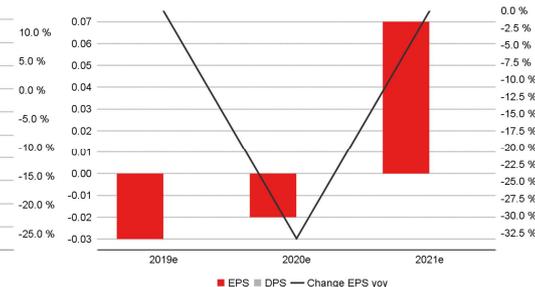
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

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Source: Warburg Research

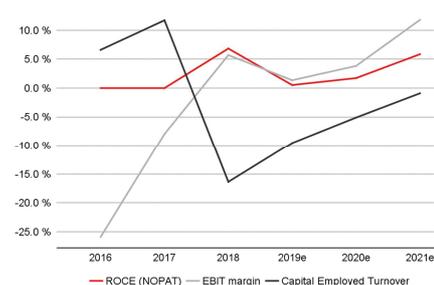
Consolidated balance sheet

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

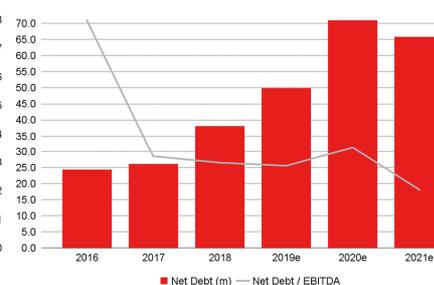
Financial Ratios

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

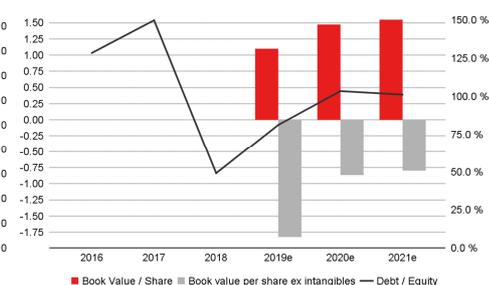
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

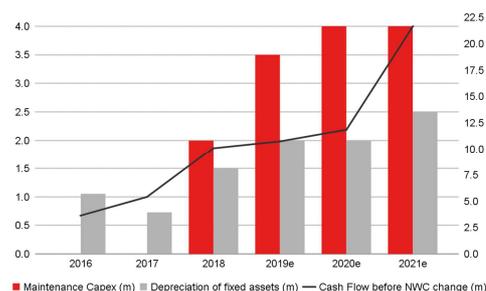
In EUR m	2016	2017	2018	2019e	2020e	2021e
Net income	-9.1	-5.0	1.6	-3.3	-2.2	6.7
Depreciation of fixed assets	1.1	0.7	1.5	2.0	2.0	2.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	11.7	9.7	7.0	12.0	12.0	12.5
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0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

Financial Ratios

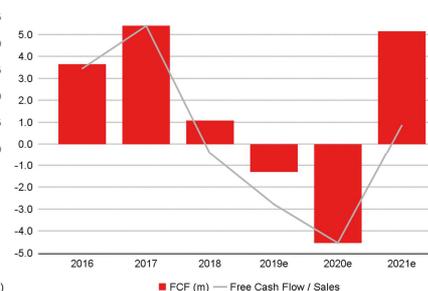
	2016	2017	2018	2019e	2020e	2021e
Cash Flow						
FCF	3.7	5.4	1.1	-1.3	-4.6	5.2
Free Cash Flow / Sales	9.4 %	12.8 %	2.4 %	-1.8 %	-4.9 %	4.7 %
Free Cash Flow Potential	5.5	7.7	10.2	11.5	13.5	23.4
Free Cash Flow / Net Profit	-40.0 %	-108.1 %	69.8 %	73.2 %	215.9 %	79.0 %
Interest Received / Avg. Cash	1.6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

CAPEX and Cash Flow

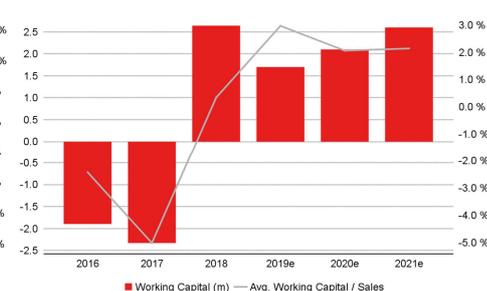
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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-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.
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Rating	Number of stocks	% of Universe
Buy	120	59
Hold	69	34
Sell	9	4
Rating suspended	5	2
Total	203	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	83
Hold	5	12
Sell	0	0
Rating suspended	2	5
Total	41	100

PRICE AND RATING HISTORY MEDIA AND GAMES INVEST PLC AS OF 19.02.2020



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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