

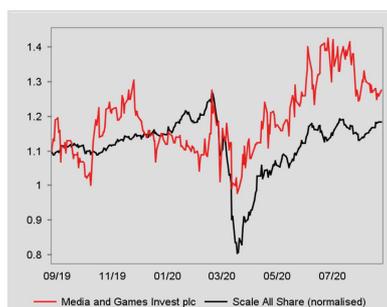
<b>Buy</b>  <b>EUR 3.30</b> (EUR 3.20)  Price <b>EUR 1.28</b> <b>Upside 158.8 %</b>	<b>Value Indicators:</b> EUR DCF: 3.30	<b>Share data:</b> Bloomberg: M8G GR Reuters: M8G.DE ISIN: MT0000580101	<b>Description:</b> MGI is engaged in the gaming as well as media and advertising market
	<b>Market Snapshot:</b> EUR m Market cap: 89.3 No. of shares (m): 70.0 EV: 175.1 Freefloat MC: 32.6 Ø Trad. Vol. (30d): 196.24 th	<b>Shareholders:</b> Freefloat 36.5 % Bodhivas (Remco Westernm.) 43.0 % F&F (Lock up until 02/22) 20.5 %	<b>Risk Profile (WRe):</b> 2020e Beta: 1.6 Price / Book: 0.7 x Equity Ratio: 49 % Net Fin. Debt / EBITDA: 3.8 x Net Debt / EBITDA: 3.8 x

## Increase in estimates after very strong Q2 figures

We have reviewed our model after a strong set of figures:

- The company generated revenues of EUR 56.6m (H1 2019: EUR 28.6m) and EBITDA of EUR 11.6m (H1 2019: EUR 7.5m) in the first half of 2020. Thus in the trailing 12 months revenues reached EUR 111.9m (full year 2019: EUR 83.9m) and EBITDA rose to EUR 19.6m (full year 2019: EUR 15.5m).
- Consequently, Q2 sales reached EUR 30.0m (+97% yoy), while the yoy comparison was boosted by the acquisitions of Applift & PubNative in Q2 2019. There was no additional acquisition in H1 2020, thus the 13% sequential sales increase from Q1 2020 (EUR 26.5m) is a purely organic figure. This reflects the successful acquisition of new players (admittedly with some “stay at home”-related tailwind) as well as successful updates of ArcheAge, Trove and Aura Kingdom, leading to 35% organic growth in the Gaming segment qoq to EUR 18.8m (62% of Q2 sales). Bearing in mind that the summer months are usually weaker in the gaming sector, this sequential growth from Q1 to Q2 is even more impressive. The decline in the advertising market caused by the pandemic, led to a decline in sales in the Media segment by 11% sequentially. However, given estimates of a decline of around 30% in the ad market in Q2, this is still a solid figure.
- Management raised its full-year sales guidance to EUR 115-125m (previously EUR 110m) and is eyeing an EBITDA of EUR 20-23m (previously EUR 20m). Although the end of the lockdown will naturally lead to an increase in out-of-home activity, the newly acquired gamers will keep growth at an elevated level, as spending usually only kicks in with a time delay, once users are familiar with the game and want to advance their characters. Furthermore, the media business should recover in H2. Indeed, management already spoke of a very strong start to the third quarter. We are therefore increasing our sales estimates by EUR 8m to EUR 118m. As new gamers are usually loyal for a couple of years until they move on we also increase our estimates for the following years. We have modelled a largely flattish margin for 2020, as the “platform 161” acquisition is diluting the margin in the short run and we assume some integration costs. This should, however, lead to a significant margin increase in 2021.
- With the increase in our near-term estimates, we increase our DCF-based price target by EUR 0.10 to EUR 3.30. We reiterate our Buy rating.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -	
Sales	110.0	7.3 %	135.0	3.7 %	155.0	3.2 %	<ul style="list-style-type: none"> <li>• We are increasing our estimates based on the strong Q2 and the guidance increase.</li> <li>• On a full-year basis the acquisition of “platform 161” should contribute around EUR 10m in sales and EUR 1m EBITDA.</li> </ul>
EBITDA	19.5	10.3 %	26.0	9.6 %	30.0	10.0 %	
EBIT	6.5	23.1 %	11.0	13.6 %	13.0	15.4 %	
EPS	0.0	n.m.	0.0	66.7 %	0.0	50.0 %	

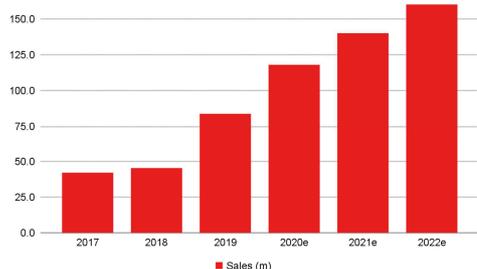


Rel. Performance vs Scale All	
1 month:	-10.5 %
6 months:	8.5 %
Year to date:	10.7 %
Trailing 12 months:	0.5 %

**Company events:**  
30.09.20 Q2

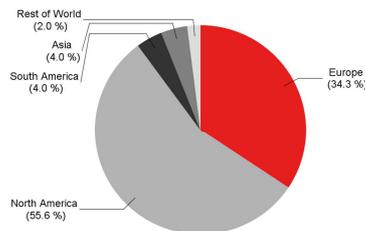
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	24.0 %	39.0	42.1	45.3	83.9	118.0	140.0	160.0
Change Sales yoy		n.a.	8.0 %	7.6 %	85.2 %	40.7 %	18.6 %	14.3 %
Gross profit margin		61.1 %	70.0 %	70.3 %	71.8 %	70.8 %	69.3 %	69.1 %
EBITDA	28.5 %	2.6	7.0	11.1	15.5	21.5	28.5	33.0
Margin		6.8 %	16.7 %	24.4 %	18.5 %	18.2 %	20.4 %	20.6 %
EBIT	44.2 %	-10.1	-3.4	2.6	5.0	8.0	12.5	15.0
Margin		-25.9 %	-8.0 %	5.7 %	6.0 %	6.8 %	8.9 %	9.4 %
Net income		-9.1	-5.0	1.5	-0.3	0.9	4.5	5.2
EPS		n.a.	n.a.	n.a.	-0.01	0.01	0.05	0.06
EPS adj.		n.a.	n.a.	n.a.	-0.01	0.01	0.05	0.06
DPS		n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		n.a.	n.a.	n.a.	0.05	0.01	0.03	0.07
FCF / Market cap		n.a.	n.a.	n.a.	4.3 %	0.5 %	2.4 %	5.1 %
EV / Sales		n.a.	n.a.	n.a.	2.8 x	1.7 x	1.4 x	1.2 x
EV / EBITDA		n.a.	n.a.	n.a.	14.9 x	9.2 x	6.9 x	5.8 x
EV / EBIT		n.a.	n.a.	n.a.	46.2 x	24.8 x	15.8 x	12.8 x
P / E		n.a.	n.a.	n.a.	n.a.	127.5 x	25.5 x	21.3 x
P / E adj.		n.a.	n.a.	n.a.	n.a.	127.5 x	25.5 x	21.3 x
FCF Potential Yield		n.a.	n.a.	n.a.	6.1 %	8.8 %	12.2 %	14.7 %
Net Debt		24.3	26.1	38.1	56.4	80.8	78.0	72.0
ROCE (NOPAT)		n.a.	n.a.	6.8 %	n.a.	3.2 %	4.5 %	5.4 %
Guidance:		EUR 115m to EUR 125m sales and EBITDA of EUR 20m to EUR 23m						

## Sales development in EUR m



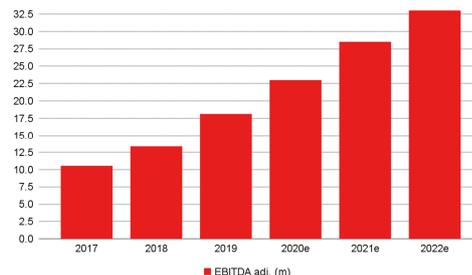
Source: Warburg Research

## Revenues by regions Q2 2020; in %



Source: Warburg Research

## Adj. EBITDA development in EUR m



Source: Warburg Research

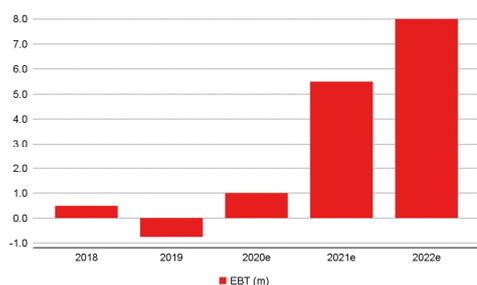
## Company Background

- Media and Games Invest plc (MGI) is a corporation with a specific focus on gaming (especially via in-games purchases in MMOGs) and media advertising (agency business and programmatic ad-tech solutions)
- MGI's main asset is gamigo, a games publisher with more than 30 well-established MMOGs and 5k+ casual games. MGI holds 99.9% 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 99.9%).

## Competitive Quality

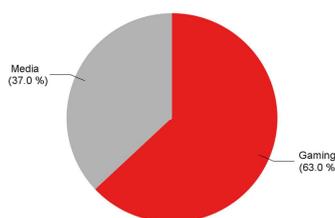
- MGI's gamigo has a relatively broad games portfolio with a focus on multiplayer games. The top-10 games account for roughly 37% of total revenues but no game accounts for more than 8%.
- Revenues are generated with loyal customers. The majority of games generate over 60% of revenues with users who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

## EBT development in EUR m



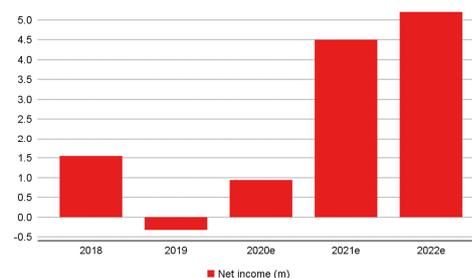
Source: Warburg Research

## Sales by segments Q2 2020; in %



Source: Warburg Research

## Net income development in EUR m



Source: Warburg Research

**DCF model**

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	118.0	140.0	160.0	179.2	197.1	212.9	225.7	234.7	239.4	244.2	249.1	254.0	259.1	
Sales change	40.7 %	18.6 %	14.3 %	12.0 %	10.0 %	8.0 %	6.0 %	4.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT	8.0	12.5	15.0	18.8	21.7	29.8	36.1	42.2	47.9	48.8	49.8	50.8	51.8	
EBIT-margin	6.8 %	8.9 %	9.4 %	10.5 %	11.0 %	14.0 %	16.0 %	18.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
Tax rate (EBT)	5.0 %	9.1 %	10.0 %	12.0 %	13.0 %	15.0 %	18.0 %	22.0 %	25.0 %	27.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	7.6	11.4	13.5	16.6	18.9	25.3	29.6	33.0	35.9	35.6	35.9	36.6	37.3	
Depreciation	13.5	16.0	18.0	21.5	23.7	23.4	22.6	21.1	19.2	19.5	19.9	20.3	20.7	
in % of Sales	11.4 %	11.4 %	11.3 %	12.0 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-4.1	0.2	0.2	1.1	1.3	1.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1	
- Capex	18.0	18.0	19.0	21.5	21.7	21.3	20.3	18.8	19.2	19.5	19.9	20.3	20.7	
Capex in % of Sales	15.3 %	12.9 %	11.9 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Other	15.0	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)	-7.8	9.2	12.3	15.5	19.6	26.1	31.5	35.1	35.8	35.5	35.7	36.5	37.2	38
PV of FCF	-7.6	8.2	10.1	11.7	13.6	16.7	18.7	19.1	18.0	16.4	15.2	14.3	13.5	210
share of PVs	2.82 %			41.57 %										55.61 %

**Model parameter**

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

**Valuation (m)**

Present values 2032e	168		
Terminal Value	210		
Financial liabilities	104		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	4		
Market val. of investments	0		
Liquidity	33	No. of shares (m)	92.0
<b>Equity Value</b>	<b>304</b>	<b>Value per share (EUR)</b>	<b>3.30</b>

**Sensitivity Value per Share (EUR)**

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.82	9.5 %	2.50	2.55	2.60	2.66	2.72	2.78	2.85	1.82	9.5 %	2.33	2.44	2.55	2.66	2.77	2.88	2.99
1.69	9.0 %	2.76	2.82	2.89	2.96	3.03	3.11	3.20	1.69	9.0 %	2.60	2.72	2.84	2.96	3.07	3.19	3.31
1.62	8.8 %	2.91	2.97	3.04	3.12	3.20	3.29	3.39	1.62	8.8 %	2.75	2.87	3.00	3.12	3.24	3.37	3.49
1.56	8.5 %	3.06	3.14	3.21	3.30	3.39	3.49	3.60	1.56	8.5 %	2.92	3.04	3.17	3.30	3.43	3.55	3.68
1.50	8.3 %	3.23	3.31	3.40	3.49	3.59	3.70	3.82	1.50	8.3 %	3.09	3.23	3.36	3.49	3.62	3.76	3.89
1.43	8.0 %	3.41	3.50	3.60	3.70	3.81	3.94	4.07	1.43	8.0 %	3.29	3.42	3.56	3.70	3.84	3.98	4.11
1.30	7.5 %	3.81	3.92	4.04	4.18	4.32	4.48	4.65	1.30	7.5 %	3.73	3.88	4.03	4.18	4.33	4.48	4.63

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

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	n.a.	n.a.	n.a.	0.8 x	0.7 x	0.7 x	0.7 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	-1.93	-0.84	-0.76	-0.70
EV / Sales	n.a.	n.a.	n.a.	2.8 x	1.7 x	1.4 x	1.2 x
EV / EBITDA	n.a.	n.a.	n.a.	14.9 x	9.2 x	6.9 x	5.8 x
EV / EBIT	n.a.	n.a.	n.a.	46.2 x	24.8 x	15.8 x	12.8 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	46.2 x	24.8 x	15.8 x	12.8 x
P / FCF	n.a.	n.a.	n.a.	23.3 x	215.5 x	41.9 x	19.6 x
P / E	n.a.	n.a.	n.a.	n.a.	127.5 x	25.5 x	21.3 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	127.5 x	25.5 x	21.3 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	n.a.	n.a.	6.1 %	8.8 %	12.2 %	14.7 %

\*Adjustments made for: -

## Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
<b>Sales</b>	<b>39.0</b>	<b>42.1</b>	<b>45.3</b>	<b>83.9</b>	<b>118.0</b>	<b>140.0</b>	<b>160.0</b>
Change Sales yoy	n.a.	8.0 %	7.6 %	85.2 %	40.7 %	18.6 %	14.3 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	2.2	3.6	4.2	10.2	10.5	11.0	12.0
<b>Total Sales</b>	<b>41.1</b>	<b>45.7</b>	<b>49.5</b>	<b>94.1</b>	<b>128.5</b>	<b>151.0</b>	<b>172.0</b>
Material expenses	17.3	16.2	17.6	33.8	45.0	54.0	61.5
<b>Gross profit</b>	<b>23.8</b>	<b>29.4</b>	<b>31.8</b>	<b>60.3</b>	<b>83.5</b>	<b>97.0</b>	<b>110.5</b>
<i>Gross profit margin</i>	<i>61.1 %</i>	<i>70.0 %</i>	<i>70.3 %</i>	<i>71.8 %</i>	<i>70.8 %</i>	<i>69.3 %</i>	<i>69.1 %</i>
Personnel expenses	10.5	13.9	14.7	27.4	41.0	44.0	50.0
Other operating income	0.6	2.4	6.7	4.6	4.0	4.0	4.0
Other operating expenses	11.3	10.9	12.7	22.0	25.0	28.5	31.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>2.6</b>	<b>7.0</b>	<b>11.1</b>	<b>15.5</b>	<b>21.5</b>	<b>28.5</b>	<b>33.0</b>
<i>Margin</i>	<i>6.8 %</i>	<i>16.7 %</i>	<i>24.4 %</i>	<i>18.5 %</i>	<i>18.2 %</i>	<i>20.4 %</i>	<i>20.6 %</i>
Depreciation of fixed assets	1.1	0.7	1.5	2.0	2.0	2.5	3.0
<b>EBITA</b>	<b>1.6</b>	<b>6.3</b>	<b>9.6</b>	<b>13.5</b>	<b>19.5</b>	<b>26.0</b>	<b>30.0</b>
Amortisation of intangible assets	11.7	9.7	7.0	8.5	11.5	13.5	15.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>-10.1</b>	<b>-3.4</b>	<b>2.6</b>	<b>5.0</b>	<b>8.0</b>	<b>12.5</b>	<b>15.0</b>
<i>Margin</i>	<i>-25.9 %</i>	<i>-8.0 %</i>	<i>5.7 %</i>	<i>6.0 %</i>	<i>6.8 %</i>	<i>8.9 %</i>	<i>9.4 %</i>
<b>EBIT adj.</b>	<b>-10.1</b>	<b>-3.4</b>	<b>2.6</b>	<b>5.0</b>	<b>8.0</b>	<b>12.5</b>	<b>15.0</b>
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	1.9	2.4	2.1	5.8	7.0	7.0	7.0
Other financial income (loss)	0.0	0.1	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>-12.0</b>	<b>-5.7</b>	<b>0.5</b>	<b>-0.8</b>	<b>1.0</b>	<b>5.5</b>	<b>8.0</b>
<i>Margin</i>	<i>-30.8 %</i>	<i>-13.5 %</i>	<i>1.1 %</i>	<i>-0.9 %</i>	<i>0.8 %</i>	<i>3.9 %</i>	<i>5.0 %</i>
Total taxes	-2.9	-0.7	-1.1	-2.0	0.1	0.5	0.8
<b>Net income from continuing operations</b>	<b>-9.1</b>	<b>-5.0</b>	<b>1.6</b>	<b>1.3</b>	<b>1.0</b>	<b>5.0</b>	<b>7.2</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>-9.1</b>	<b>-5.0</b>	<b>1.6</b>	<b>1.3</b>	<b>1.0</b>	<b>5.0</b>	<b>7.2</b>
Minority interest	0.0	0.0	0.1	1.6	0.0	0.5	2.0
<b>Net income</b>	<b>-9.1</b>	<b>-5.0</b>	<b>1.5</b>	<b>-0.3</b>	<b>0.9</b>	<b>4.5</b>	<b>5.2</b>
<i>Margin</i>	<i>-23.4 %</i>	<i>-11.9 %</i>	<i>3.4 %</i>	<i>-0.4 %</i>	<i>0.8 %</i>	<i>3.2 %</i>	<i>3.3 %</i>
Number of shares, average	n.a.	n.a.	n.a.	64.1	88.2	92.0	92.0
<b>EPS</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-0.01</b>	<b>0.01</b>	<b>0.05</b>	<b>0.06</b>
EPS adj.	n.a.	n.a.	n.a.	-0.01	0.01	0.05	0.06

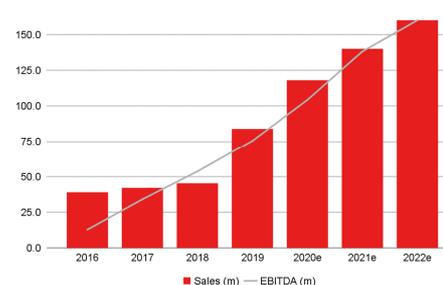
\*Adjustments made for:

**Guidance: EUR 115m to EUR 125m sales and EBITDA of EUR 20m to EUR 23m**

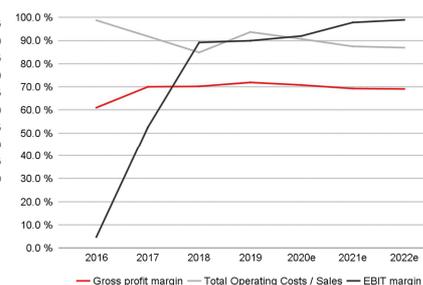
## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	98.8 %	91.8 %	84.8 %	93.6 %	90.7 %	87.5 %	86.9 %
Operating Leverage	n.a.	-8.4 x	n.a.	1.1 x	1.5 x	3.0 x	1.4 x
EBITDA / Interest expenses	1.4 x	3.0 x	5.2 x	2.7 x	3.1 x	4.1 x	4.7 x
Tax rate (EBT)	24.3 %	11.9 %	-229.8 %	265.4 %	5.0 %	9.1 %	10.0 %
Dividend Payout Ratio	n.a.	n.a.	n.a.	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

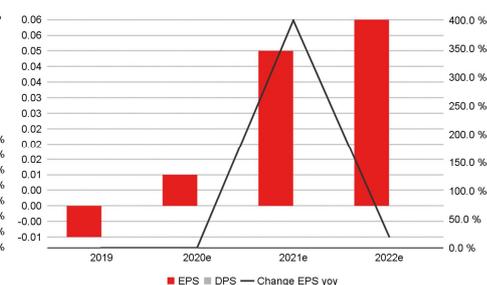
**Sales, EBITDA**  
in EUR m



**Operating Performance**  
in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

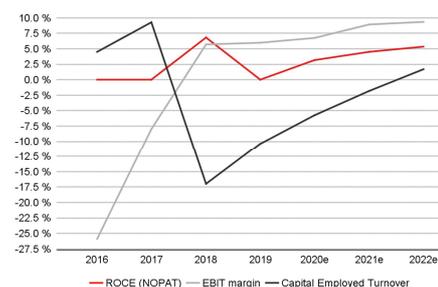
## Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
<b>Assets</b>							
Goodwill and other intangible assets	51.1	47.5	204.1	233.2	241.7	243.2	244.2
thereof other intangible assets	22.0	16.7	66.7	85.9	89.4	90.9	91.9
thereof Goodwill	28.9	28.9	133.8	147.3	152.3	152.3	152.3
Property, plant and equipment	2.3	1.7	4.2	3.5	4.5	5.0	5.0
Financial assets	0.0	0.0	11.7	19.9	24.4	24.4	24.4
Other long-term assets	1.6	0.4	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>55.1</b>	<b>49.5</b>	<b>220.0</b>	<b>256.6</b>	<b>270.6</b>	<b>272.6</b>	<b>273.6</b>
Inventories	0.0	0.0	0.0	0.8	1.2	1.4	1.6
Accounts receivable	4.9	4.9	11.8	22.9	48.5	57.5	65.8
Liquid assets	2.8	1.0	4.4	33.0	19.2	32.0	38.0
Other short-term assets	10.1	11.4	0.0	-0.8	6.4	6.4	6.4
<b>Current assets</b>	<b>17.8</b>	<b>17.3</b>	<b>16.3</b>	<b>55.9</b>	<b>75.2</b>	<b>97.2</b>	<b>111.7</b>
<b>Total Assets</b>	<b>72.9</b>	<b>66.8</b>	<b>236.3</b>	<b>312.4</b>	<b>345.8</b>	<b>369.8</b>	<b>385.3</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	2.3	2.3	59.9	98.1	92.0	92.0	92.0
Capital reserve	48.2	48.2	4.3	0.0	75.0	75.0	75.0
Retained earnings	-18.6	-23.6	2.9	0.0	0.9	5.4	10.6
Other equity components	0.0	0.0	0.1	0.0	0.0	0.5	2.5
Shareholders' equity	31.9	26.8	67.2	98.1	167.9	172.9	180.1
Minority interest	0.0	-0.1	91.3	70.5	0.5	0.5	0.5
<b>Total equity</b>	<b>31.9</b>	<b>26.7</b>	<b>158.5</b>	<b>168.6</b>	<b>168.4</b>	<b>173.4</b>	<b>180.6</b>
Provisions	4.3	3.0	6.7	0.0	0.0	0.0	0.0
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	27.1	27.1	42.6	89.3	100.0	110.0	110.0
thereof short-term financial liabilities	0.9	7.0	3.6	3.5	3.5	3.5	3.5
Accounts payable	6.8	7.2	9.2	18.4	48.5	57.5	65.8
Other liabilities	2.7	2.7	19.3	36.1	28.9	28.9	28.9
<b>Liabilities</b>	<b>41.0</b>	<b>40.1</b>	<b>77.8</b>	<b>143.9</b>	<b>177.4</b>	<b>196.4</b>	<b>204.7</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>345.8</b>	<b>369.8</b>	<b>385.3</b>

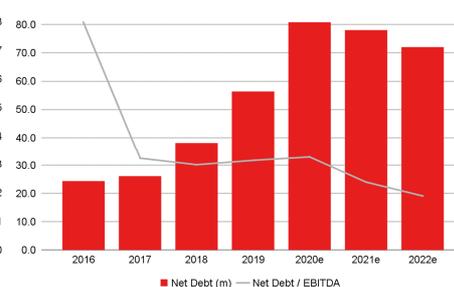
## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	90.0 x	-65.8 x	6.6 x	9.5 x	20.6 x	21.8 x	24.2 x
Capital Employed Turnover	0.7 x	0.8 x	0.2 x	0.4 x	0.5 x	0.6 x	0.6 x
ROA	-16.6 %	-10.1 %	0.7 %	-0.1 %	0.3 %	1.7 %	1.9 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	n.a.	6.8 %	n.a.	3.2 %	4.5 %	5.4 %
ROE	-57.2 %	-17.0 %	3.3 %	-0.4 %	0.7 %	2.6 %	2.9 %
Adj. ROE	-57.2 %	-17.0 %	3.3 %	-0.4 %	0.7 %	2.6 %	2.9 %
<b>Balance sheet quality</b>							
Net Debt	24.3	26.1	38.1	56.4	80.8	78.0	72.0
Net Financial Debt	24.3	26.1	38.1	56.4	80.8	78.0	72.0
Net Gearing	76.3 %	97.6 %	24.0 %	33.4 %	48.0 %	45.0 %	39.9 %
Net Fin. Debt / EBITDA	923.9 %	370.8 %	345.0 %	362.6 %	376.0 %	273.8 %	218.3 %
Book Value / Share	n.a.	n.a.	n.a.	1.4	1.9	1.9	2.0
Book value per share ex intangibles	n.a.	n.a.	n.a.	-1.9	-0.8	-0.8	-0.7

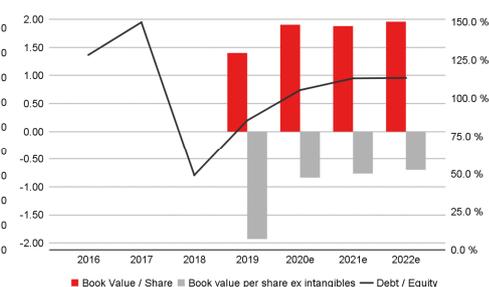
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

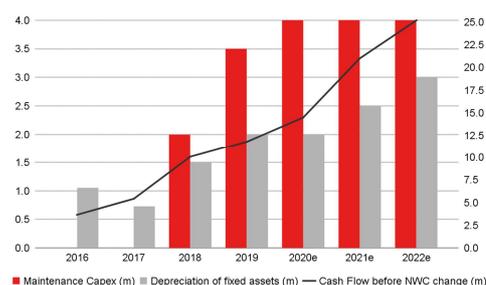
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	-9.1	-5.0	1.6	1.3	1.0	5.0	7.2
Depreciation of fixed assets	1.1	0.7	1.5	2.0	2.0	2.5	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	11.7	9.7	7.0	8.5	11.5	13.5	15.0
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>3.7</b>	<b>5.4</b>	<b>10.1</b>	<b>11.8</b>	<b>14.5</b>	<b>21.0</b>	<b>25.2</b>
Increase / decrease in inventory	0.0	0.0	0.0	-0.8	-0.4	-0.2	-0.2
Increase / decrease in accounts receivable	0.0	0.0	0.0	-7.0	-25.6	-9.0	-8.3
Increase / decrease in accounts payable	0.0	0.0	0.0	12.2	30.1	9.0	8.3
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.0	0.0	0.0	4.4	4.1	-0.2	-0.2
<b>Net cash provided by operating activities [1]</b>	<b>3.7</b>	<b>5.4</b>	<b>10.1</b>	<b>16.2</b>	<b>18.5</b>	<b>20.8</b>	<b>25.0</b>
Investments in intangible assets	0.0	0.0	0.0	-11.0	-15.0	-15.0	-16.0
Investments in property, plant and equipment	0.0	0.0	-9.0	-2.0	-3.0	-3.0	-3.0
Payments for acquisitions	0.0	0.0	0.0	0.0	-15.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>0.0</b>	<b>0.0</b>	<b>-9.0</b>	<b>-13.0</b>	<b>-33.0</b>	<b>-18.0</b>	<b>-19.0</b>
Change in financial liabilities	0.0	0.0	0.0	16.4	10.7	10.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	9.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25.4</b>	<b>10.7</b>	<b>10.0</b>	<b>0.0</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>3.7</b>	<b>5.4</b>	<b>1.1</b>	<b>28.6</b>	<b>-3.8</b>	<b>12.8</b>	<b>6.0</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	3.7	8.2	2.1	33.0	29.2	32.0	38.0

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
<b>Cash Flow</b>							
FCF	3.7	5.4	1.1	3.2	0.5	2.8	6.0
Free Cash Flow / Sales	9.4 %	12.8 %	2.4 %	3.8 %	0.4 %	2.0 %	3.8 %
Free Cash Flow Potential	5.5	7.7	10.2	14.1	17.5	24.0	28.2
Free Cash Flow / Net Profit	-40.0 %	-108.1 %	69.8 %	-989.8 %	55.5 %	62.2 %	115.4 %
Interest Received / Avg. Cash	1.6 %	0.1 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	14.1 %	8.7 %	6.1 %	8.7 %	7.4 %	6.7 %	6.4 %
<b>Management of Funds</b>							
Investment ratio	0.0 %	0.0 %	19.9 %	15.5 %	15.3 %	12.9 %	11.9 %
Maint. Capex / Sales	0.0 %	0.0 %	4.4 %	4.2 %	3.4 %	2.9 %	2.5 %
Capex / Dep	0.0 %	0.0 %	106.3 %	123.3 %	133.3 %	112.5 %	105.6 %
Avg. Working Capital / Sales	-2.4 %	-5.0 %	0.3 %	4.7 %	2.7 %	0.9 %	0.9 %
Trade Debtors / Trade Creditors	72.0 %	67.7 %	128.8 %	124.3 %	100.0 %	100.0 %	100.0 %
Inventory Turnover	n.a.	n.a.	n.a.	42.3 x	37.5 x	38.6 x	38.4 x
Receivables collection period (days)	46	42	95	100	150	150	150
Payables payment period (days)	143	162	190	199	393	389	391
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	-90	-234	-229	-231

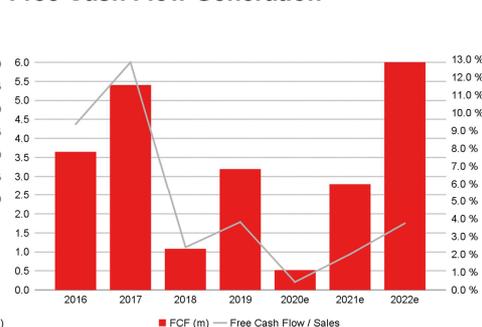
### CAPEX and Cash Flow

in EUR m



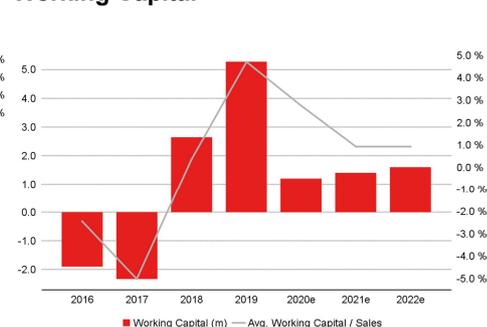
Source: Warburg Research

### Free Cash Flow Generation



Source: Warburg Research

### Working Capital



Source: Warburg Research

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

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

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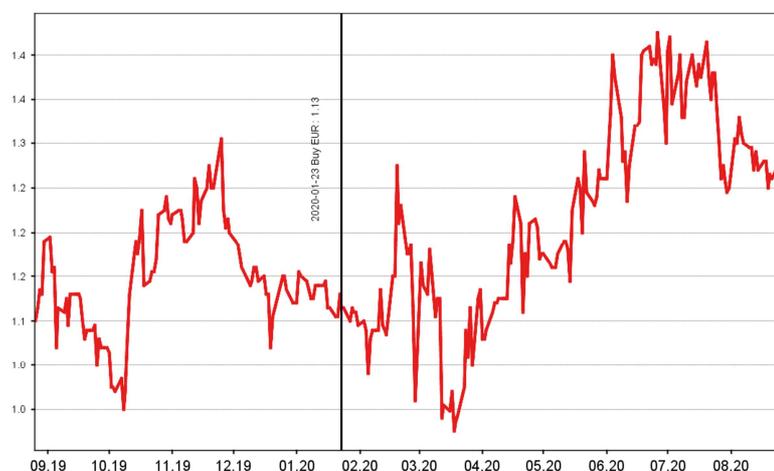
Rating	Number of stocks	% of Universe
Buy	130	65
Hold	55	27
Sell	11	5
Rating suspended	5	2
<b>Total</b>	<b>201</b>	<b>100</b>

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

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

Rating	Number of stocks	% of Universe
Buy	35	88
Hold	3	8
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>40</b>	<b>100</b>

## PRICE AND RATING HISTORY MEDIA AND GAMES INVEST PLC AS OF 25.08.2020



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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