

Buy EUR 8.90 Price EUR 5.44 Upside 63.6 %	Value Indicators: EUR DCF: 8.90	Warburg ESG Risk Score: 2.0 ESG Score (MSCI based): 3.0 Balance Sheet Score: 2.0 Market Liquidity Score: 1.0	Description: MGI is engaged in the gaming as well as media and advertising market
	Market Snapshot: EUR m Market cap: 814.3 No. of shares (m): 149.7 EV: 971.1 Freefloat MC: 588.7 Ø Trad. Vol. (30d): 1.50 m	Shareholders: Freefloat 72.3 % Bodhivas (Remco Western.) 27.7 % Oaktree Capital Management 9.1 % Henderson Global Investors 5.5 %	Key Figures (WRe): 2021e Beta: 1.1 Price / Book: 2.6 x Equity Ratio: 40 % Net Fin. Debt / EBITDA: 2.5 x Net Debt / EBITDA: 2.5 x

Q2 performance is testament to strong growth pipeline

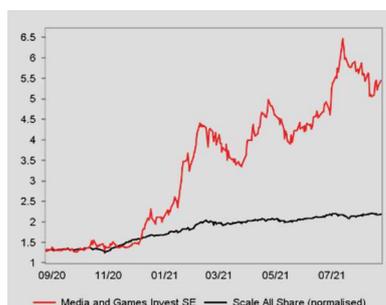
Stated Figures Q2/2021:					Comment on Figures:		
in EUR m	Q2/21	Q2/21e	Q2/20	yoy	6M/21	6M/20	yoy
Sales	57.1	55.0	30.0	90%	109.0	56.6	93%
EBITDA adjusted margin	15.3 26.8%	14.5 26.4%	6.7 22.3%	128%	28.7 26.3%	12.7 22.4%	126%
Sales Gaming	28.0	27.0	18.8	49%	55.4	32.7	69%
EBITDA adjusted	10.6	10.0	5.5	93%	21.4	10.5	104%
Sales Media	29.1	28.0	11.2	159%	53.6	23.8	125%
EBITDA adjusted	4.7	4.5	1.2	292%	7.3	2.1	248%

Comment on Figures:
 • Exceptional organic sales growth of more than 30% in H1 was already cited by management at the end of June, when it issued its 2021 guidance. The final figure of 36% organic growth in Q2 after the 38% in Q1 was even better than hoped for. Drivers of this organic growth were content updates, in-game ad-revenues and 21% organic growth in new customers in the media segment.
 • Adj. EBITDA was another bright spot and improved 450bp in Q2, marking a sequential acceleration from the already strong 380bp growth in Q1. The transformational KingsIsle acquisition was already included in the Q1 figures, thus the 900bp yoy margin improvement in the Gaming division (Q1 +400bp yoy) confirms the success of the acquisition.

- Media and Games' Q2 and H1 figures were very strong. Organic growth showed hardly any slowdown despite a tough comparison base and margin growth accelerated.
- At its capital market day last week, management detailed its strategy to build scale by acquisition, investing in organic growth & content, strengthening the media arm with a buy-and-build strategy and finally, the synergistic aspects of the set-up and the combined organic growth and M&A strategy. In our view, the key value of the day was to present the breadth of the management team as well as deeper insight into the business. Management particularly highlighted the strength of the organic growth pipeline, in both Gaming (number of launches and updates) and Media (anonymized targeting on mobile). The structural advantage of combining media and games, a 200% higher efficiency of operations, was highlighted along with MGI's proven strategy of quickly transferring acquired businesses from using data centres to the cloud. Overall, the CMD and Q2 reporting confirmed our positive view and we reiterate our Buy rating and EUR 8.9 price target.

Changes in Estimates:				Comment on Changes:		
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -
Sales	235.0	0.9 %	301.0	0.0 %	345.0	0.0 %
EBITDA adj.	65.5	0.8 %	92.0	0.0 %	110.0	0.0 %
EBIT	37.5	1.3 %	59.0	0.0 %	79.5	0.0 %
EPS	0.14	0.0 %	0.22	0.0 %	0.33	0.0 %

Comment on Changes:
 • On the back of the better Q2 figures than expected, we slightly increase our full-year estimates.

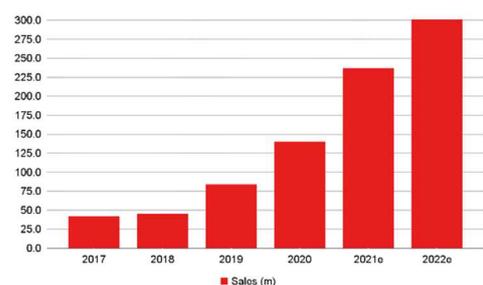


Rel. Performance vs Scale All	
1 month:	-9.1 %
6 months:	23.6 %
Year to date:	129.3 %
Trailing 12 months:	258.7 %

Company events:
31.08.21 Q2

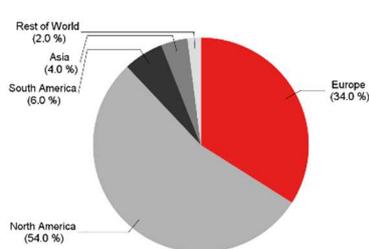
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	35.0 %	42.1	45.3	83.9	140.2	237.0	301.0	345.0
Change Sales yoy		8.0 %	7.6 %	85.2 %	67.1 %	69.0 %	27.0 %	14.6 %
EBITDA adj. Margin	15.3 %	10.5	13.4	18.1	29.1	66.0	92.0	110.0
EBITDA		25.0 %	29.5 %	21.6 %	20.8 %	27.8 %	30.6 %	31.9 %
EBIT adj. Margin	70.9 %	7.0	11.1	15.5	26.5	60.5	84.0	106.0
Net income		-3.4	2.6	10.5	17.5	47.4	70.9	87.4
Net income Margin	152.5 %	-8.0 %	5.7 %	12.5 %	12.5 %	20.0 %	23.6 %	25.3 %
EPS	122.4 %	n.a.	n.a.	-0.01	0.03	0.14	0.22	0.33
EPS adj.	60.2 %	n.a.	n.a.	0.07	0.09	0.19	0.28	0.37
DPS	-	n.a.	n.a.	0.00	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.	0.06	0.09	0.18	0.24	0.31
FCF / Market cap		n.a.	n.a.	5.4 %	7.0 %	3.2 %	4.4 %	5.7 %
EV / Sales		n.a.	n.a.	1.4 x	1.5 x	4.1 x	3.2 x	2.7 x
EV / EBITDA		n.a.	n.a.	7.8 x	7.9 x	16.1 x	11.6 x	8.8 x
EV / EBIT		n.a.	n.a.	24.1 x	18.9 x	25.6 x	16.5 x	11.7 x
P / E		n.a.	n.a.	n.a.	43.7 x	38.9 x	24.7 x	16.5 x
P / E adj.		n.a.	n.a.	16.6 x	14.6 x	28.6 x	19.4 x	14.7 x
FCF Potential Yield		n.a.	n.a.	11.7 %	10.2 %	5.3 %	7.4 %	9.6 %
Net Debt		26.1	38.1	46.1	79.8	151.9	158.4	112.1
ROCE (NOPAT)		n.a.	6.8 %	n.a.	3.3 %	8.5 %	9.8 %	12.6 %
Guidance:		FY 2021: EUR 234m-254m sales, EUR 65m-70m adj. EBITDA						

Sales development
in EUR m



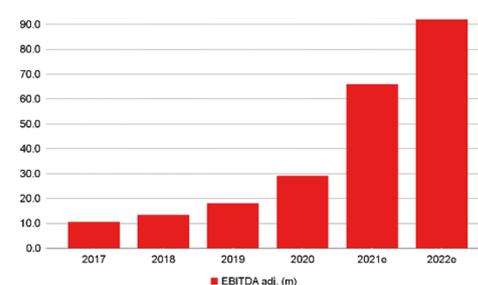
Source: Warburg Research

Revenues by regions
2020; in %



Source: Warburg Research

Adj. EBITDA development
in EUR m



Source: Warburg Research

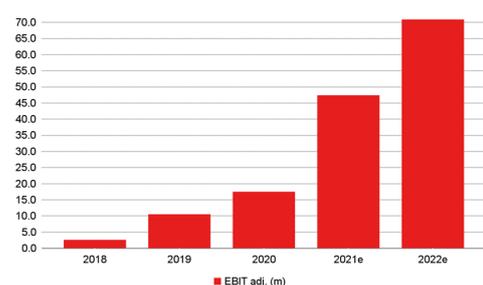
Company Background

- 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

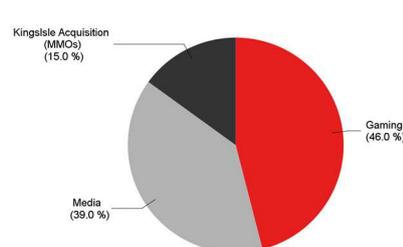
- MGI's gamigo has a relatively broad games portfolio with a focus on multiplayer games. The top-10 games account for roughly 37% of total revenues but no game accounts for more than 8%.
- Revenues are generated with loyal customers. The majority of games generate over 60% of revenues with users who 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.

adj. EBIT development
in EUR m



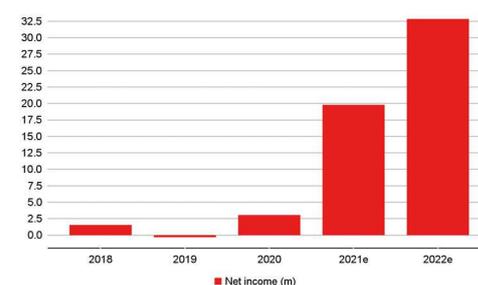
Source: Warburg Research

Sales by segments
2020 pro forma; 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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	237.0	301.0	345.0	389.9	436.6	480.3	513.9	539.6	555.8	572.5	589.6	607.3	619.5	
Sales change	69.0 %	27.0 %	14.6 %	13.0 %	12.0 %	10.0 %	7.0 %	5.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT	38.0	59.0	79.5	70.2	78.6	86.5	92.5	102.5	111.2	114.5	117.9	121.5	123.9	
EBIT-margin	16.0 %	19.6 %	23.0 %	18.0 %	18.0 %	18.0 %	18.0 %	19.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
Tax rate (EBT)	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	22.0 %	25.0 %	27.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	30.4	47.2	63.6	56.1	62.9	69.2	74.0	80.0	83.4	83.6	84.9	87.5	89.2	
Depreciation	22.5	25.0	26.5	46.8	52.4	57.6	56.5	59.4	55.6	57.2	59.0	60.7	61.9	
in % of Sales	9.5 %	8.3 %	7.7 %	12.0 %	12.0 %	12.0 %	11.0 %	11.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	
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	-7.0	-4.2	-0.5	8.6	4.8	3.3	0.8	0.6	0.4	0.4	0.4	0.4	0.3	
- Capex	23.5	27.0	30.5	46.8	48.0	48.0	46.3	43.2	44.5	45.8	47.2	48.6	49.6	
Capex in % of Sales	9.9 %	9.0 %	8.8 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Other	211.3	60.3	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)	-174.9	-10.9	60.1	47.5	62.4	75.5	83.4	95.5	94.1	94.6	96.3	99.2	101.3	103
PV of FCF	-173.2	-10.1	52.1	38.5	47.3	53.5	55.4	59.3	54.6	51.4	48.9	47.1	45.0	937
share of PVs	-10.04 %			38.34 %										71.70 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	24.50 %	Financial Strength	1.20
Cost of debt (after tax)	4.9 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.10
Risk free rate	1.50 %	Transparency	1.20
		Others	1.00
WACC	6.90 %	Beta	1.10

Valuation (m)

Present values 2033e	370		
Terminal Value	937		
Financial liabilities	126		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	151	No. of shares (m)	149.7
Equity Value	1,332	Value per share (EUR)	8.90

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
1.34	7.9 %	6.53	6.69	6.86	7.05	7.25	7.48	7.73	1.34	7.9 %	6.45	6.65	6.85	7.05	7.25	7.45	7.65
1.22	7.4 %	7.23	7.43	7.65	7.89	8.15	8.44	8.75	1.22	7.4 %	7.23	7.45	7.67	7.89	8.11	8.32	8.54
1.16	7.2 %	7.63	7.86	8.10	8.37	8.66	8.99	9.36	1.16	7.2 %	7.68	7.91	8.14	8.37	8.60	8.83	9.05
1.10	6.9 %	8.07	8.32	8.60	8.90	9.24	9.61	10.03	1.10	6.9 %	8.18	8.42	8.66	8.90	9.14	9.38	9.62
1.04	6.7 %	8.55	8.83	9.14	9.49	9.87	10.31	10.79	1.04	6.7 %	8.73	8.98	9.24	9.49	9.74	10.00	10.25
0.98	6.4 %	9.07	9.39	9.75	10.15	10.59	11.09	11.66	0.98	6.4 %	9.34	9.61	9.88	10.15	10.41	10.68	10.95
0.86	5.9 %	10.29	10.71	11.18	11.71	12.32	13.01	13.81	0.86	5.9 %	10.81	11.11	11.41	11.71	12.02	12.32	12.62

- Our DCF approach is based on a detailed planning phase (20 -22), a transitional phase (23 -32), and a perpetuity term
- Long-term tax rate is assumed to be at 28%

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	n.a.	n.a.	0.8 x	0.7 x	2.6 x	2.4 x	2.1 x
Book value per share ex intangibles	n.a.	n.a.	-1.93	-0.82	-1.45	-1.23	-0.92
EV / Sales	n.a.	n.a.	1.4 x	1.5 x	4.1 x	3.2 x	2.7 x
EV / EBITDA	n.a.	n.a.	7.8 x	7.9 x	16.1 x	11.6 x	8.8 x
EV / EBIT	n.a.	n.a.	24.1 x	18.9 x	25.6 x	16.5 x	11.7 x
EV / EBIT adj.*	n.a.	n.a.	11.5 x	11.9 x	20.5 x	13.7 x	10.6 x
P / FCF	n.a.	n.a.	18.7 x	14.4 x	31.4 x	22.9 x	17.6 x
P / E	n.a.	n.a.	n.a.	43.7 x	38.9 x	24.7 x	16.5 x
P / E adj.*	n.a.	n.a.	16.6 x	14.6 x	28.6 x	19.4 x	14.7 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.	11.7 %	10.2 %	5.3 %	7.4 %	9.6 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	42.1	45.3	83.9	140.2	237.0	301.0	345.0
Change Sales yoy	8.0 %	7.6 %	85.2 %	67.1 %	69.0 %	27.0 %	14.6 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	3.6	4.2	10.2	16.0	20.5	23.0	25.0
Total Sales	45.7	49.5	94.1	156.2	257.5	324.0	370.0
Material expenses	16.2	17.6	45.8	77.6	113.5	144.0	148.0
Gross profit	29.4	31.8	48.3	78.6	144.0	180.0	222.0
<i>Gross profit margin</i>	<i>70.0 %</i>	<i>70.3 %</i>	<i>57.5 %</i>	<i>56.1 %</i>	<i>60.8 %</i>	<i>59.8 %</i>	<i>64.3 %</i>
Personnel expenses	13.9	14.7	27.4	39.6	56.0	64.0	75.0
Other operating income	2.4	6.7	4.6	6.3	4.0	4.0	4.0
Other operating expenses	10.9	12.7	10.0	18.7	31.5	36.0	45.0
EBITDA adj.	10.5	13.4	18.1	29.1	66.0	92.0	110.0
Margin	25.0 %	29.5 %	21.6 %	20.8 %	27.8 %	30.6 %	31.9 %
EBITDA	7.0	11.1	15.5	26.5	60.5	84.0	106.0
<i>Margin</i>	<i>16.7 %</i>	<i>24.4 %</i>	<i>18.5 %</i>	<i>18.9 %</i>	<i>25.5 %</i>	<i>27.9 %</i>	<i>30.7 %</i>
Depreciation of fixed assets	0.7	1.5	2.8	3.0	3.0	3.0	3.0
EBITA	6.3	9.6	12.7	23.5	57.5	81.0	103.0
Amortisation of intangible assets	9.7	7.0	7.7	12.5	19.5	22.0	23.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-3.4	2.6	5.0	11.0	38.0	59.0	79.5
<i>Margin</i>	<i>-8.0 %</i>	<i>5.7 %</i>	<i>6.0 %</i>	<i>7.9 %</i>	<i>16.0 %</i>	<i>19.6 %</i>	<i>23.0 %</i>
EBIT adj.	-3.4	2.6	10.5	17.5	47.4	70.9	87.4
Interest income	0.0	0.0	0.1	0.4	0.0	0.0	0.0
Interest expenses	2.4	2.1	5.8	7.5	13.0	17.3	17.3
Other financial income (loss)	0.1	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-5.7	0.5	-0.8	3.9	25.0	41.7	62.2
<i>Margin</i>	<i>-13.5 %</i>	<i>1.1 %</i>	<i>-0.9 %</i>	<i>2.8 %</i>	<i>10.5 %</i>	<i>13.8 %</i>	<i>18.0 %</i>
Total taxes	-0.7	-1.1	-2.0	1.2	5.0	8.3	12.4
Net income from continuing operations	-5.0	1.6	1.3	2.7	20.0	33.3	49.7
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	-5.0	1.6	1.3	2.7	20.0	33.3	49.7
Minority interest	0.0	0.1	1.6	-0.4	0.2	0.5	0.5
Net income	-5.0	1.5	-0.3	3.1	19.8	32.8	49.2
<i>Margin</i>	<i>-11.9 %</i>	<i>3.4 %</i>	<i>-0.4 %</i>	<i>2.2 %</i>	<i>8.4 %</i>	<i>10.9 %</i>	<i>14.3 %</i>
Number of shares, average	n.a.	n.a.	64.1	98.5	142.5	149.7	149.7
EPS	n.a.	n.a.	-0.01	0.03	0.14	0.22	0.33
EPS adj.	n.a.	n.a.	0.07	0.09	0.19	0.28	0.37

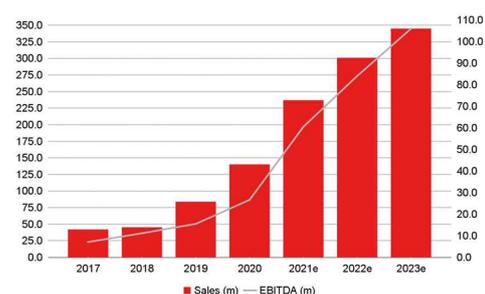
*Adjustments made for:

Guidance: FY 2021: EUR 234m-254m sales, EUR 65m-70m adj. EBITDA

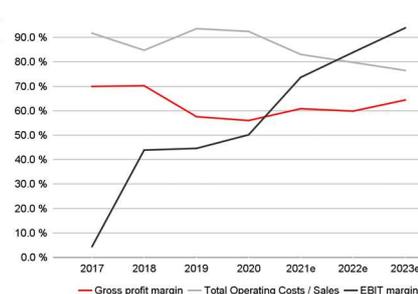
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	91.8 %	84.8 %	93.6 %	92.5 %	83.1 %	79.7 %	76.5 %
Operating Leverage	-8.4 x	n.a.	1.1 x	1.8 x	3.5 x	2.0 x	2.4 x
EBITDA / Interest expenses	3.0 x	5.2 x	2.7 x	3.5 x	4.7 x	4.8 x	6.1 x
Tax rate (EBT)	11.9 %	-229.8 %	265.4 %	30.6 %	20.0 %	20.0 %	20.0 %
Dividend Payout Ratio	n.a.	n.a.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

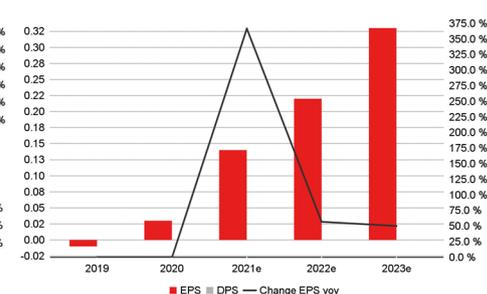
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

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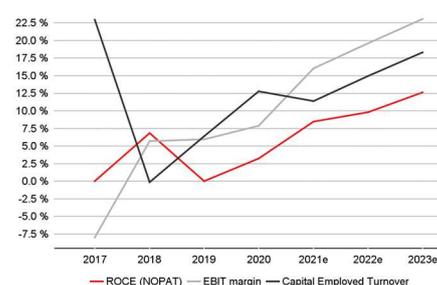
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	47.5	204.1	233.2	272.8	526.7	527.7	530.2
thereof other intangible assets	16.7	66.7	73.7	85.4	143.9	144.9	147.4
thereof Goodwill	28.9	133.8	147.3	164.0	359.3	359.3	359.3
Property, plant and equipment	1.7	4.2	3.5	1.7	2.2	3.2	4.7
Financial assets	0.0	11.7	19.9	18.9	18.9	18.9	18.9
Other long-term assets	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	49.5	220.0	256.6	293.5	547.8	549.8	553.8
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	4.9	11.8	17.0	37.0	51.9	61.8	70.9
Liquid assets	1.0	4.4	33.0	46.3	164.1	157.6	203.9
Other short-term assets	11.4	0.0	5.8	9.1	9.1	9.1	9.1
Current assets	17.3	16.3	55.9	92.4	225.1	228.5	283.9
Total Assets	66.8	236.3	312.4	385.8	772.9	778.3	837.7
Liabilities and shareholders' equity							
Subscribed capital	2.3	59.9	98.1	117.1	149.7	149.7	149.7
Capital reserve	48.2	4.3	0.0	57.3	70.6	70.6	70.6
Retained earnings	-23.6	2.9	0.0	5.6	92.7	125.5	174.8
Other equity components	0.0	0.1	0.0	-3.2	-3.0	-2.6	-2.0
Shareholders' equity	26.8	67.2	98.1	176.8	310.0	343.2	393.1
Minority interest	-0.1	91.3	70.5	0.1	0.1	0.1	0.1
Total equity	26.7	158.5	168.6	176.8	310.1	343.3	393.1
Provisions	3.0	6.7	12.6	17.3	17.3	17.3	17.3
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	42.6	79.1	126.0	316.0	316.0	316.0
Short-term financial liabilities	7.0	3.6	6.7	6.1	6.1	6.1	6.1
Accounts payable	7.2	9.2	20.3	30.0	51.9	66.0	75.6
Other liabilities	2.7	19.3	31.9	35.7	77.7	35.7	35.7
Liabilities	40.1	77.8	143.8	209.0	462.9	435.0	444.6
Total liabilities and shareholders' equity	66.8	236.3	312.4	385.8	772.9	778.3	837.7

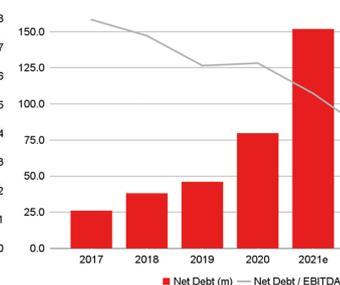
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	-65.8 x	6.6 x	285.4 x	16.1 x	105.7 x	-314.2 x	8214.3 x
Capital Employed Turnover	0.8 x	0.2 x	0.4 x	0.5 x	0.5 x	0.6 x	0.7 x
ROA	-10.1 %	0.7 %	-0.1 %	1.0 %	3.6 %	6.0 %	8.9 %
Return on Capital							
ROCE (NOPAT)	n.a.	6.8 %	n.a.	3.3 %	8.5 %	9.8 %	12.6 %
ROE	-17.0 %	3.3 %	-0.4 %	2.2 %	8.1 %	10.1 %	13.4 %
Adj. ROE	-17.0 %	3.3 %	5.3 %	6.4 %	11.3 %	13.0 %	15.2 %
Balance sheet quality							
Net Debt	26.1	38.1	46.1	79.8	151.9	158.4	112.1
Net Financial Debt	26.1	38.1	46.1	79.8	151.9	158.4	112.1
Net Gearing	97.6 %	24.0 %	27.3 %	45.1 %	49.0 %	46.1 %	28.5 %
Net Fin. Debt / EBITDA	370.8 %	345.0 %	296.4 %	300.4 %	251.1 %	188.5 %	105.8 %
Book Value / Share	n.a.	n.a.	1.4	1.5	2.1	2.3	2.6
Book value per share ex intangibles	n.a.	n.a.	-1.9	-0.8	-1.4	-1.2	-0.9

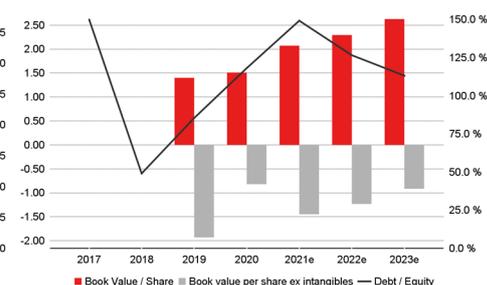
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

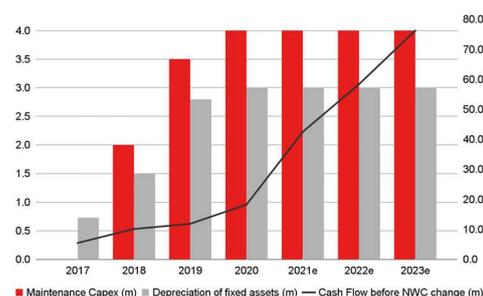
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	-5.0	1.6	1.3	2.7	20.0	33.3	49.7
Depreciation of fixed assets	0.7	1.5	2.8	3.0	3.0	3.0	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	9.7	7.0	7.7	12.5	19.5	22.0	23.5
Increase/decrease in long-term provisions	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	5.4	10.1	11.8	18.2	42.5	58.3	76.2
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.0	0.0	-7.0	-2.8	-14.9	-9.9	-9.1
Increase / decrease in accounts payable	0.0	0.0	12.2	9.8	21.9	14.1	9.6
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 (total)	0.0	0.0	5.2	7.0	7.0	4.2	0.5
Net cash provided by operating activities [1]	5.4	10.1	17.0	25.2	49.5	62.5	76.7
Investments in intangible assets	0.0	0.0	-11.0	-15.0	-20.0	-23.0	-26.0
Investments in property, plant and equipment	0.0	-9.0	-2.0	-1.2	-3.5	-4.0	-4.5
Payments for acquisitions	0.0	0.0	0.0	-21.5	-211.3	-42.0	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
Net cash provided by investing activities [2]	0.0	-9.0	-13.0	-37.7	-234.8	-69.0	-30.5
Change in financial liabilities	0.0	0.0	16.4	-2.7	190.0	0.0	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	9.0	28.5	113.2	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	25.4	25.8	303.2	0.0	0.0
Change in liquid funds [1]+[2]+[3]	5.4	1.1	29.4	13.3	117.9	-6.5	46.2
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	8.2	2.1	33.8	46.3	164.1	157.6	203.9

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	5.4	1.1	4.0	9.0	26.0	35.5	46.2
Free Cash Flow / Sales	12.8 %	2.4 %	4.8 %	6.4 %	11.0 %	11.8 %	13.4 %
Free Cash Flow Potential	7.7	10.2	14.1	21.4	51.5	71.7	89.6
Free Cash Flow / Net Profit	-108.1 %	69.8 %	-1237.5 %	293.5 %	131.2 %	108.2 %	93.9 %
Interest Received / Avg. Cash	0.1 %	0.5 %	0.4 %	0.9 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	8.7 %	6.1 %	9.6 %	7.3 %	5.9 %	5.5 %	5.5 %
Management of Funds							
Investment ratio	0.0 %	19.9 %	15.5 %	11.6 %	9.9 %	9.0 %	8.8 %
Maint. Capex / Sales	0.0 %	4.4 %	4.2 %	2.9 %	1.7 %	1.3 %	1.2 %
Capex / Dep	0.0 %	106.3 %	123.3 %	104.5 %	104.4 %	108.0 %	115.1 %
Avg. Working Capital / Sales	-5.0 %	0.3 %	-0.3 %	1.3 %	1.5 %	-0.7 %	-1.3 %
Trade Debtors / Trade Creditors	67.7 %	128.8 %	84.1 %	123.2 %	100.0 %	93.6 %	93.8 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	42	95	74	96	80	75	75
Payables payment period (days)	162	190	162	141	167	167	186
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

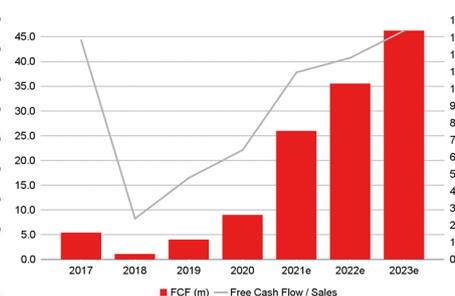
CAPEX and Cash Flow

in EUR m



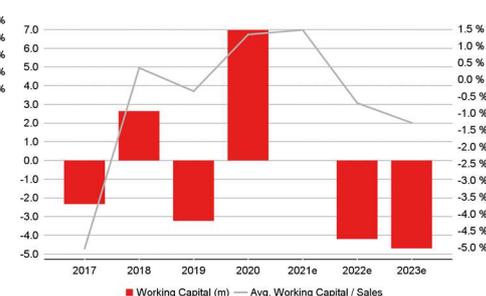
Source: Warburg Research

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-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
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-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.

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Rating	Number of stocks	% of Universe
Buy	146	68
Hold	62	29
Sell	6	3
Rating suspended	2	1
Total	216	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	41	76
Hold	11	20
Sell	0	0
Rating suspended	2	4
Total	54	100

PRICE AND RATING HISTORY MEDIA AND GAMES INVEST SE AS OF 24.08.2021



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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