



# iGaming Market M&A Insights

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

## The Spotlight Shifts from Growth to Profitability

In 2023, the iGaming industry continues to weather the effects of higher interest rates and tightening financial conditions that represent perhaps the broadest industry impact since the opening of the US market in 2018.

Broader macroeconomic conditions are causing a significant shift in focus for investors and operators alike. In recent years, especially within the US market, attention within the iGaming industry has been almost singularly focused on growth – whether measured by average monthly players, gross gambling revenue, or pace of geographic expansion.

As capital becomes more expensive and operators contemplate softer end-customer demand, firms across the industry are being forced to shift their focus towards operational efficiency, with an eye toward sustainable growth and consistent profitability. This shift will likely cause significant shocks, which are most prominently observed in public equity markets as firms continue to adapt to the new paradigm with differing success levels.

Despite difficulties, there is a silver lining for certain segments of the B2B iGaming industry. Firms that offer high-value and cost-effective products and services to support customer technology, experience, and back-office operations might see renewed interest from operators that require consultative and expert support to optimize profitability. Less resilient firms may face consolidation as a result of buyer desire for larger platforms. Uncertainty is a given, particularly in these macroeconomic conditions, but B2B firms that provide strong value propositions and assist in driving profitability are well-positioned to grow in today's dynamic environment.

### Sector Leadership



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# Sector Spotlight

## Games Global Announces its Acquisition of Digital Gaming Corp's B2B Division

### Target

Digital Gaming Corp (B2B Division)

### Acquirer

Games Global

### Deal Commentary

- This transaction highlights the continued interest in leveraging acquisitions to quickly scale in new geographic markets – a trend we see accelerating as US entry continues to be a strategic priority for market participants
- Games Global entered the iGaming industry in May 2022 following its acquisition of certain assets of Microgaming. This acquisition underscores the inorganic growth strategy developed since then, enabling rapid growth and operations expansion
- Games Global Chief Executive, Walter Bugno, said, “The acquisition of DGC B2B is an extremely exciting opportunity, accelerating Games Global’s entry into the rapidly growing US iGaming market... Such a positive move will enable us to access some of the best operators in the sector and provide a fantastic platform from which to leverage our portfolio.”

### Transaction Summary

On February 7<sup>th</sup>, 2023, Games Global, a B2B iGaming supplier that was founded in 2021, announced its acquisition of the B2B Division of Digital Gaming Corp, a supplier of games content to the iGaming industry. Digital Gaming Corp focuses its operations on the US iGaming market and is currently live across the US

### Transaction Information

Announced Date	07-Feb-2023
Deal Type	Acquisition
<i>Target Information</i>	
Year Founded	2014
Target HQ	North Haledon, NJ
# of Employees	ND

## Greentube Announces Majority Investment in Alteatec

### Target

Alteatec

### Acquirer

Greentube (Novomatic)

### Deal Commentary

- Greentube’s investment in Alteatec highlights the rising relevance of B2B firms within the broader iGaming landscape. We expect acquisition activity in the B2B space to remain strong, as market participants continue to expand their portfolio of offerings
- With significant tailwinds for the B2B iGaming space, current market participants are exploring an array of avenues to expand their product and services set. Alteatec provides industry-leading technology and services that will augment Greentube’s current B2B offering
- Georg Gubo, Greentube COO, said, “It’s incredibly satisfying watching the business grow, especially when we’re bringing in some of the best talent from around the world via this acquisition. Alteatec’s technology will rapidly increase our overall output, taking us to the next level.”

### Transaction Summary

On January 17<sup>th</sup>, 2023, Greentube, the Digital Gaming and Entertainment division of Novomatic, announced its majority investment in Alteatec, a provider of iGaming platforms and technology services. Alteatec is a global solutions provider to the iGaming industry with offerings including a comprehensive casino and player management system, custom design and software development services, and advanced live casino technology

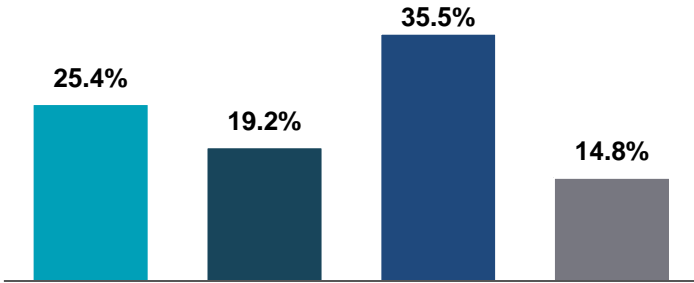
### Transaction Information

Announced Date	17-Jan-2023
Deal Type	Majority Investment
<i>Target Information</i>	
Year Founded	2001
Target HQ	Mellieha, Malta
# of Employees	~40

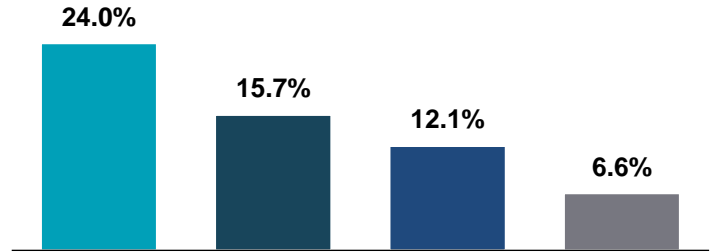
# Public Market Performance

■ B2B iGaming   ■ B2C iGaming   ■ Traditional Casinos   ■ Casino Suppliers

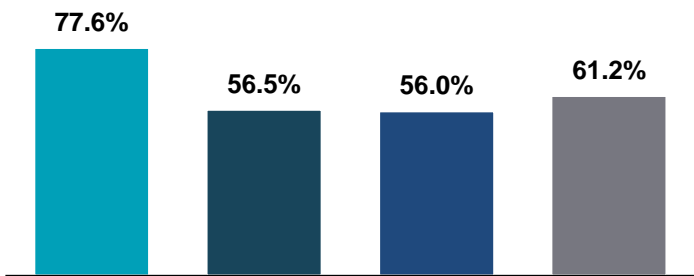
3-Year Historic Revenue Growth



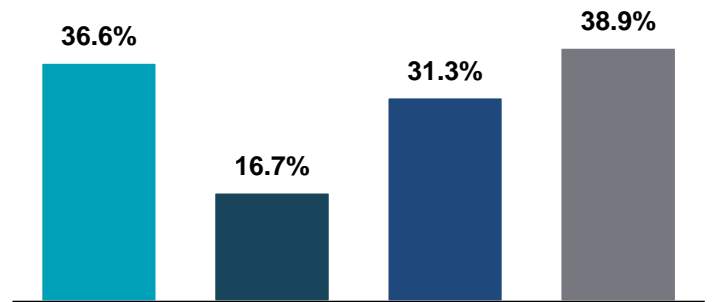
2023E Revenue Growth



2023E Gross Margin

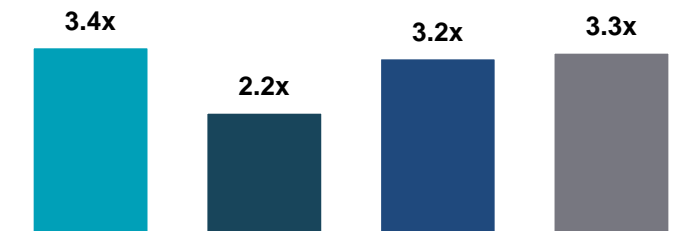


2023E EBITDA Margin

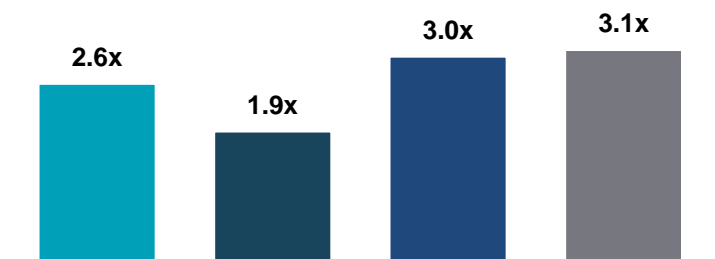


■ B2B iGaming   ■ B2C iGaming   ■ Traditional Casinos   ■ Casino Suppliers

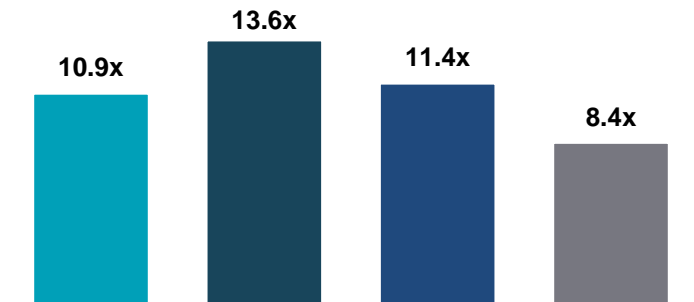
EV / LTM Revenue



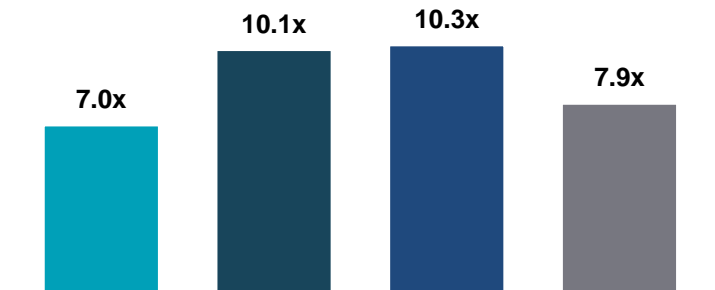
EV / 2023E Revenue



EV / LTM EBITDA



EV / 2023E EBITDA

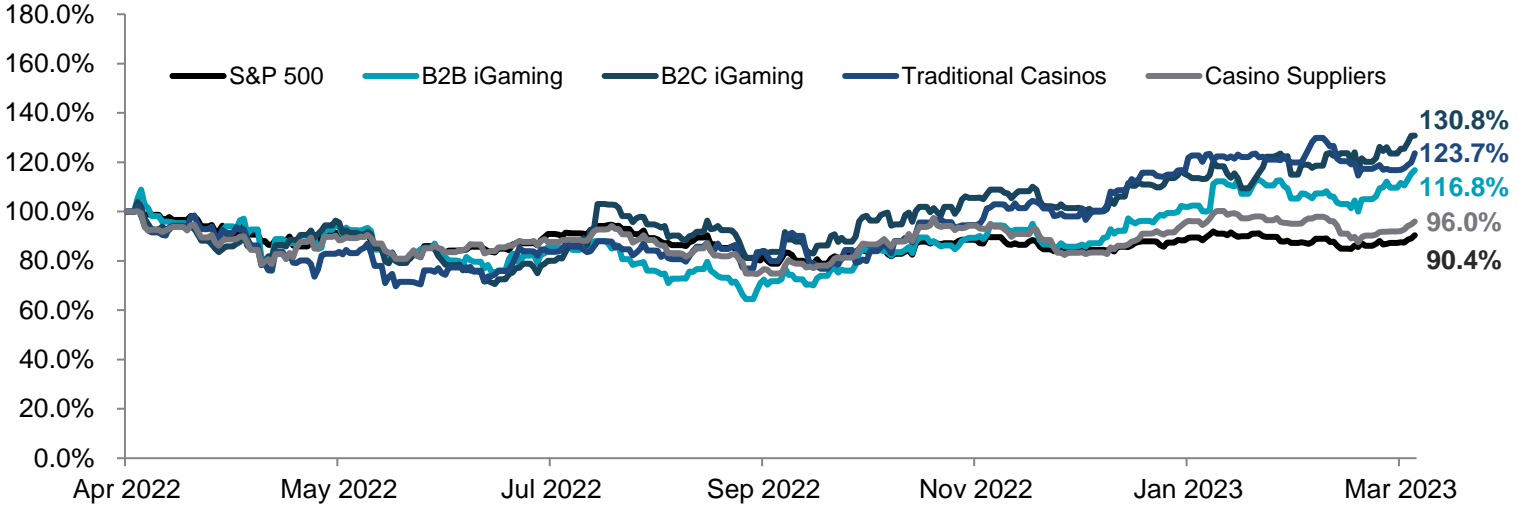


Source: Capital IQ, market data as of 31-Mar-2023

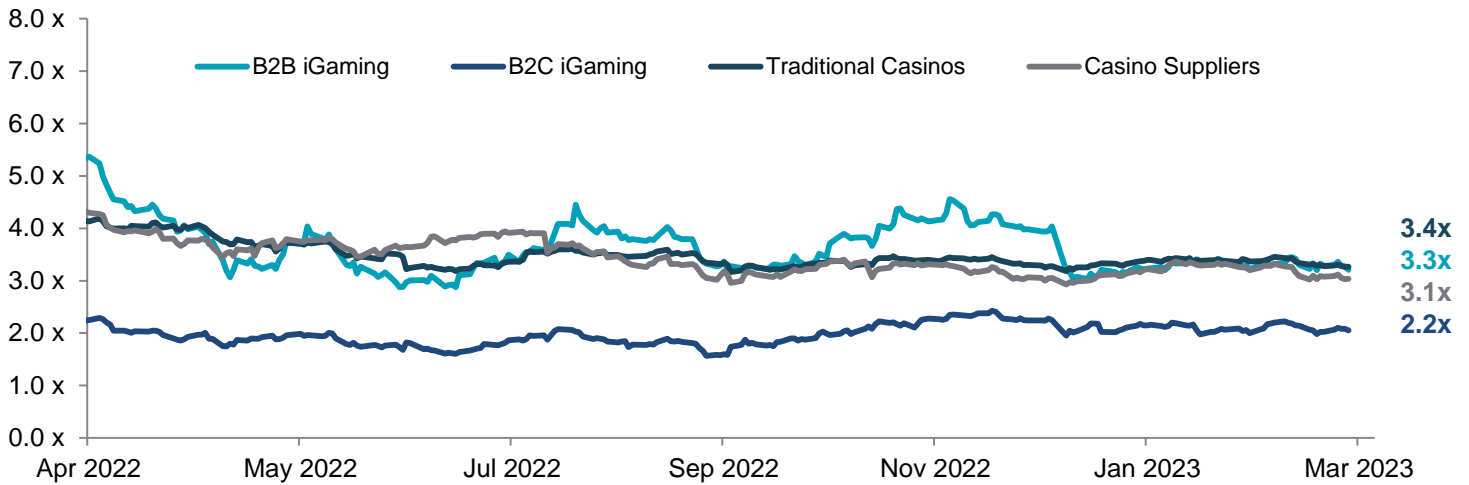


# Public Market Performance

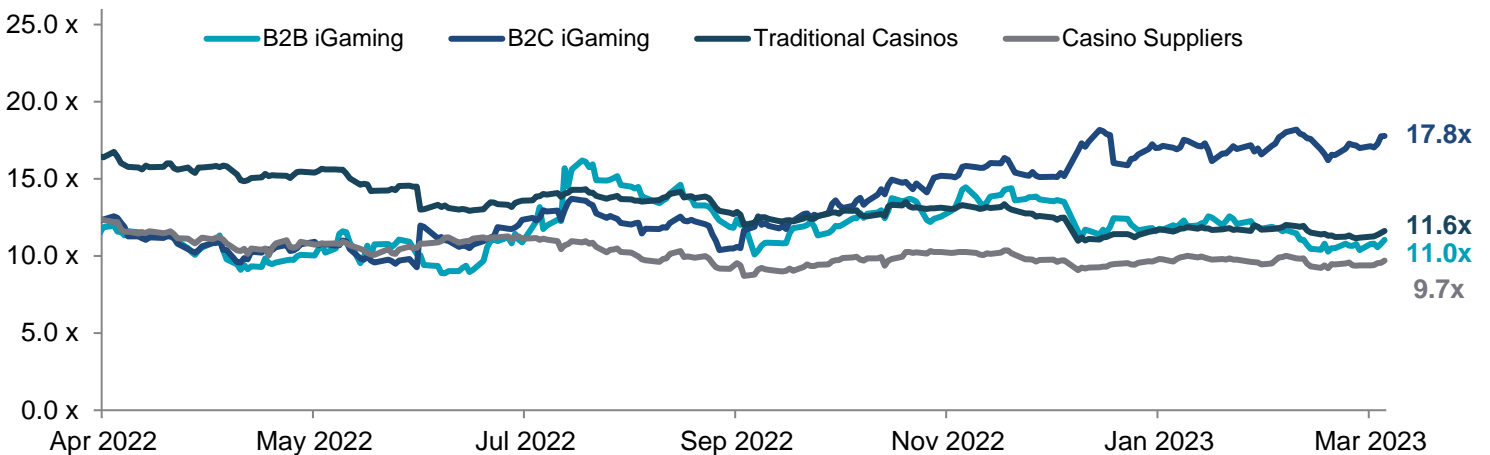
## iGaming Market Indices Performance – 1 Year



## LTM EV / Revenue Multiple Trend – 1 Year



## LTM EV / EBITDA Multiple Trend – 1 Year



Source: Capital IQ, market data as of 31-Mar-2023

# Public Market Performance

## B2B iGaming Index

B2B iGaming Index	Closing Price	% of 52 Week High	Equity Market Cap (\$ in M)	Enterprise Value (\$ in M)	EV / Revenue Multiples		EV / EBITDA Multiples		LTM EBITDA Margin	3 Year CAGR 2020A-23E	2023E Revenue Growth %
	31-Mar-2023				2022A	2023E	2022A	2023E			
	Bragg Gaming	\$3.55	51.4%	\$76	\$71	0.8x	0.7x	6.3x	4.2x	13.3%	27.3%
Evolution Gaming	134.06	99.6	28,642	27,903	18.0	14.0	26.0	20.3	69.3	31.0	26.3
Gaming Innovation Group	2.39	84.7	304	367	3.8	2.7	10.4	6.1	36.8	25.2	37.4
Jumbo Interactive	8.45	65.7	530	496	6.2	5.0	15.9	11.2	39.3	25.5	26.4
Kambi Group	17.91	79.3	553	501	2.8	2.4	7.3	5.9	38.9	17.4	14.8
NeoGames	15.20	80.2	452	628	3.0	2.5	11.5	7.9	26.0	8.4	21.6
Playtech	6.52	84.1	2,039	2,431	1.4	1.3	5.7	5.3	25.4	15.6	5.8
Sportradar	11.63	67.9	3,638	3,409	4.4	3.4	25.5	19.4	17.4	31.0	26.4
<b>High</b>		<b>99.6%</b>	<b>\$28,642</b>	<b>\$27,903</b>	<b>18.0x</b>	<b>14.0x</b>	<b>26.0x</b>	<b>20.3x</b>	<b>69.3%</b>	<b>31.0%</b>	<b>37.4%</b>
<b>Median</b>		<b>79.7</b>	<b>541</b>	<b>564</b>	<b>3.4</b>	<b>2.6</b>	<b>10.9</b>	<b>7.0</b>	<b>31.4</b>	<b>25.4</b>	<b>24.0</b>
<b>Mean</b>		<b>76.6</b>	<b>4,529</b>	<b>4,476</b>	<b>5.1</b>	<b>4.0</b>	<b>13.6</b>	<b>10.0</b>	<b>33.3</b>	<b>22.7</b>	<b>22.3</b>
<b>Low</b>		<b>51.4</b>	<b>76</b>	<b>71</b>	<b>0.8</b>	<b>0.7</b>	<b>5.7</b>	<b>4.2</b>	<b>13.3</b>	<b>8.4</b>	<b>5.8</b>

## B2C iGaming Index

B2C iGaming Index	Closing Price	% of 52 Week High	Equity Market Cap (\$ in M)	Enterprise Value (\$ in M)	EV / Revenue Multiples		EV / EBITDA Multiples		LTM EBITDA Margin	3 Year CAGR 2020A-23E	2023E Revenue Growth %
	31-Mar-2023				2022A	2023E	2022A	2023E			
	Betsson	\$9.52	98.4%	\$1,358	\$1,255	1.5x	1.3x	6.9x	6.1x	22.3%	10.7%
DraftKings	19.36	89.5	10,080	10,787	4.8	3.6	NM	NM	(32.2)	69.4	37.0
Entain	15.54	74.1	9,153	13,031	2.5	2.2	11.1	10.4	22.5	9.7	8.5
Flutter Entertainment	180.99	98.9	31,929	38,497	4.2	3.4	30.0	19.8	14.2	27.6	21.9
Kindred Group	11.20	96.8	2,599	2,552	2.0	1.6	16.3	10.0	12.1	4.1	18.8
Rush Street Interactive	3.11	38.3	203	231	0.4	0.3	NM	NM	(15.6)	33.5	12.3
<b>High</b>		<b>98.9%</b>	<b>\$31,929</b>	<b>\$38,497</b>	<b>4.8x</b>	<b>3.6x</b>	<b>30.0x</b>	<b>19.8x</b>	<b>22.5%</b>	<b>69.4%</b>	<b>37.0%</b>
<b>Median</b>		<b>93.2</b>	<b>5,876</b>	<b>6,670</b>	<b>2.2</b>	<b>1.9</b>	<b>13.7</b>	<b>10.2</b>	<b>13.1</b>	<b>19.2</b>	<b>15.7</b>
<b>Mean</b>		<b>82.7</b>	<b>9,220</b>	<b>11,059</b>	<b>2.6</b>	<b>2.1</b>	<b>16.1</b>	<b>11.6</b>	<b>3.9</b>	<b>25.8</b>	<b>18.5</b>
<b>Low</b>		<b>38.3</b>	<b>203</b>	<b>231</b>	<b>0.4</b>	<b>0.3</b>	<b>6.9</b>	<b>6.1</b>	<b>(32.2)</b>	<b>4.1</b>	<b>8.5</b>

# Public Market Performance

## Traditional Casinos Index

Traditional Casinos Index	Closing Price	% of 52 Week High	Equity Market Cap (\$ in M)	Enterprise Value (\$ in M)	EV / Revenue Multiples		EV / EBITDA Multiples		LTM EBITDA Margin	3 Year CAGR 2020A-23E	2023E Revenue Growth %
	31-Mar-2023				2022A	2023E	2022A	2023E			
	Bally's	\$19.52	60.7%	\$1,134	\$5,447	2.4x	2.2x	9.9x	9.7x	24.3%	22.6%
Boyd Gaming	64.12	94.2	6,989	7,748	2.2	2.2	6.0	6.3	36.1	20.0	1.4
Caesars Entertainment	48.81	60.3	10,503	22,548	2.1	2.0	7.0	5.8	30.0	31.4	6.7
Las Vegas Sands	57.45	94.2	43,907	53,117	12.9	6.3	72.6	16.3	17.8	42.2	100.8
MGM Resorts	44.42	96.1	16,564	44,478	3.4	3.1	12.7	10.7	26.6	43.3	12.4
Wynn Resorts	111.91	96.1	12,722	21,914	5.8	3.8	30.2	13.8	19.3	39.6	53.9
<b>High</b>		<b>96.1%</b>	<b>\$43,907</b>	<b>\$53,117</b>	<b>12.9x</b>	<b>6.3x</b>	<b>72.6x</b>	<b>16.3x</b>	<b>36.1%</b>	<b>43.3%</b>	<b>100.8%</b>
<b>Median</b>		<b>94.2</b>	<b>11,613</b>	<b>22,231</b>	<b>2.9</b>	<b>2.6</b>	<b>11.3</b>	<b>10.2</b>	<b>25.5</b>	<b>35.5</b>	<b>12.1</b>
<b>Mean</b>		<b>83.6</b>	<b>15,303</b>	<b>25,875</b>	<b>4.8</b>	<b>3.2</b>	<b>23.1</b>	<b>10.4</b>	<b>25.7</b>	<b>33.2</b>	<b>31.2</b>
<b>Low</b>		<b>60.3</b>	<b>1,134</b>	<b>5,447</b>	<b>2.1</b>	<b>2.0</b>	<b>6.0</b>	<b>5.8</b>	<b>17.8</b>	<b>20.0</b>	<b>1.4</b>

## Casino Suppliers Index

Casino Suppliers Index	Closing Price	% of 52 Week High	Equity Market Cap (\$ in M)	Enterprise Value (\$ in M)	EV / Revenue Multiples		EV / EBITDA Multiples		LTM EBITDA Margin	3 Year CAGR 2020A-23E	2023E Revenue Growth %
	31-Mar-2023				2022A	2023E	2022A	2023E			
	Aristocrat Leisure	\$24.94	96.6%	\$16,387	\$16,081	4.2x	4.0x	12.4x	12.2x	33.7%	13.2%
Everi	17.15	78.3	1,672	2,357	3.0	2.8	6.3	6.0	47.7	29.4	7.3
International Game Technology	26.80	96.3	5,451	11,401	2.7	2.7	7.0	6.8	39.4	10.1	(0.2)
Light & Wonder	60.05	87.6	5,705	8,893	3.5	3.3	9.9	8.9	35.7	16.4	7.8
<b>High</b>		<b>96.6%</b>	<b>\$16,387</b>	<b>\$16,081</b>	<b>4.2x</b>	<b>4.0x</b>	<b>12.4x</b>	<b>12.2x</b>	<b>47.7%</b>	<b>29.4%</b>	<b>7.8%</b>
<b>Median</b>		<b>92.1</b>	<b>5,578</b>	<b>10,147</b>	<b>3.3</b>	<b>3.1</b>	<b>8.4</b>	<b>7.9</b>	<b>37.6</b>	<b>14.8</b>	<b>6.6</b>
<b>Mean</b>		<b>92.1</b>	<b>7,304</b>	<b>9,683</b>	<b>3.4</b>	<b>3.2</b>	<b>8.9</b>	<b>8.5</b>	<b>39.1</b>	<b>17.3</b>	<b>5.2</b>
<b>Low</b>		<b>87.6</b>	<b>1,672</b>	<b>2,357</b>	<b>2.7</b>	<b>2.7</b>	<b>6.3</b>	<b>6.0</b>	<b>33.7</b>	<b>10.1</b>	<b>(0.2)</b>

# Featured Transactions

Date	Target	Buyer/Investor	Enterprise Value	Summary
31-Mar-23	<b>Giove Group</b>	<b>Snaitech</b>	ND	<ul style="list-style-type: none"> <li>The Giove Group provides both retail and online gambling services within Italy</li> </ul>
14-Mar-23	<b>Sportsflare</b>	<b>Entain</b>	\$13.3M	<ul style="list-style-type: none"> <li>Sportsflare is a leading esports betting technology provider</li> </ul>
20-Feb-23	<b>Hard Rock Digital</b>	<b>Playtech</b>	ND	<ul style="list-style-type: none"> <li>Hard Rock Digital is an iGaming and online sports betting operator. Playtech purchased this minority stake in conjunction with the signing of a strategic partnership</li> </ul>
20-Feb-23	<b>BeyondPlay</b>	<b>Bettor Capital</b>	\$8M	<ul style="list-style-type: none"> <li>BeyondPlay is a developer of multiplayer technology tools for iGaming operators and games developers</li> </ul>
13-Feb-23	<b>BetPrep</b>	<b>Stram Entertainment</b>	ND	<ul style="list-style-type: none"> <li>BetPrep is an iGaming affiliate brand that allows bettors to test their gambling approach through data and analytics comparisons</li> </ul>
13-Feb-23	<b>NorthStar Gaming</b>	<b>Playtech</b>	ND	<ul style="list-style-type: none"> <li>NorthStar Gaming is an Ontario-based online casino and sportsbook operator. Playtech made this investment in conjunction with a 10-year extension of the existing supplier agreement between the two firms</li> </ul>
13-Feb-23	<b>Global Payments Gaming Solutions</b>	<b>Parthenon Capital</b>	ND	<ul style="list-style-type: none"> <li>Global Payments Gaming Solutions provides a broad range of payments offerings for mobile, online, and land-based casinos</li> </ul>
06-Feb-23	<b>Moneyball Australia</b>	<b>Dabble</b>	ND	<ul style="list-style-type: none"> <li>Moneyball Australia is a daily mobile sports betting platform</li> </ul>

# Featured Transactions

Date	Target	Buyer/Investor	Enterprise Value	Summary
03-Feb-23	<b>Engage IT Services</b>	<b>Elys Game Technology</b>	ND	<ul style="list-style-type: none"> <li>Engage IT Services provides custom software development and digital transformation services to the iGaming industry</li> </ul>
02-Feb-23	<b>Tipstrr</b>	<b>Planet Sport</b>	ND	<ul style="list-style-type: none"> <li>Tipstrr operates a platform that aggregates and accredits sports betting tips and tracks historic selection profitability</li> </ul>
02-Feb-23	<b>KYCAID</b>	<b>JKR Investment Group</b>	ND	<ul style="list-style-type: none"> <li>KYCAID is a B2B supplier of compliance technology solutions with a focus on the iGaming space</li> </ul>
25-Jan-23	<b>Defi11</b>	<b>VulcanForged</b>	ND	<ul style="list-style-type: none"> <li>Defi11 is a crypto-based gambling ecosystem that offers products including sports betting, fantasy sports, and NFT gaming</li> </ul>
17-Jan-23	<b>Peter &amp; Sons</b>	<b>SkillOnNet</b>	ND	<ul style="list-style-type: none"> <li>Peter &amp; Sons is an online game developer with a current portfolio of over 20 games produced</li> </ul>
13-Jan-23	<b>MeridianBet</b>	<b>Golden Matrix</b>	\$300M	<ul style="list-style-type: none"> <li>MeridianBet is a B2C sports betting and iGaming business with operations in Europe, Africa, and Latin America</li> </ul>
11-Jan-23	<b>1Click Games</b>	<b>Lion Gaming Group</b>	ND	<ul style="list-style-type: none"> <li>1Click Games is a B2B iGaming firm offering compressive iGaming platforms and white label packages along with additional supporting services</li> </ul>
11-Jan-23	<b>SuprNation</b>	<b>DoubleDown Interactive</b>	\$35M	<ul style="list-style-type: none"> <li>SuprNation provides B2C online casino products with operations focused in Europe</li> </ul>


Source: Public filings as of 31-Mar-2023, Capital IQ, Pitchbook





# About ClearSight

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## Select Transactions

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<p>Sellside Advisor</p>  <p>has been recapitalized by</p> 	<p>Sellside Advisor</p>  <p>has been acquired by</p> 	<p>Sellside Advisor</p>  <p>a portfolio company of</p>  <p>has been recapitalized by</p> 	<p>Sellside Advisor</p>  <p>has been acquired by</p> 	<p>Sellside Advisor</p>  <p>has been acquired by</p>  <p>The Next Applied</p>

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