



# iGaming Market M&A Insights

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

## M&A Remains Strong as Industry Players Prioritize Scale

In Q2 2023, acquisitions continued to make headlines across the iGaming industry. Aristocrat Leisure accelerated its push into the digital space with the acquisition of NeoGames, Entain continued to advance its Eastern Europe-led growth strategy with the acquisition of STS Holdings, Fanatics dramatically fast-tracked its online sports betting market entry with the acquisition of the U.S. assets of PointsBet, and Betsson continued its strong performance with the acquisition of Betfirst in Belgium.

These strategic acquisitions underscore the continued critical importance of inorganic growth methods within the iGaming industry. Even against a less attractive macroeconomic backdrop, the size, growth, and long-term financial benefits of the iGaming space make it no surprise that participants continue to enter the fray and aggressively jostle for market share.

Thus, driven by the rewards at stake, market participants have emphasized rapid scaling, both in terms of geographic expansion and product and capability development. Looking ahead to the second half of the year, M&A is likely to remain strong as the costs of sitting on the sidelines and potentially ceding market share to competitors remain too great for market participants to ignore highly strategic opportunities. However, we do expect relatively moderate activity compared to past years. The combination of higher interest rates, elevated recessionary fears, and the need to integrate prior acquisitions, may limit the ability of companies to make significant capital outlays without compromising their financial or operating profiles.

### Sector Leadership



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# Sector Spotlight

## Aristocrat Leisure Announces Acquisition of NeoGames

### Target

NeoGames

### Acquirer

Aristocrat  
Leisure

### Deal Commentary

- Aristocrat Leisure's acquisition of NeoGames illustrates the critical need for traditional market participants to quickly scale in the digital arena. We expect other market players to make similar strategic decisions and leverage acquisitions to build out capabilities sets.
- Aristocrat Leisure is a premier global supplier to the casino industry but had not yet established commensurate scale in the online space. This acquisition gives Aristocrat Leisure proven capabilities and a global brand in iGaming, positioning the company to capitalize on accelerating digital growth trends.
- Aristocrat Leisure CEO, Trevor Croker, said, "Bringing together NeoGames and our growing Anaxi business will position Aristocrat with global scale and capability in the growing online RMG industry... this transaction will deliver on our strategy by providing a portfolio of end-to-end solutions for iGaming, iLottery and Online Sports Betting operators globally."

### Transaction Summary

On May 14<sup>th</sup>, 2023, Aristocrat Leisure, a gaming machine manufacturer and casino supplier, announced its acquisition of NeoGames, a B2B supplier of iGaming and iLottery solutions. NeoGames is primarily composed of its core iLottery business as well as AspireCore, an iGaming technology platform provider, Pariplay, an iGaming content developer and game aggregator, and BtoBet, an online sportsbook solution provider.

### Transaction Information

Announced Date	14-May-2023
Deal Type	Acquisition

#### Target Information

Year Founded	2005
Target HQ	Tel Aviv, Israel
# of Employees	700

## Fanatics Announces Acquisition of PointsBet's U.S. Assets

### Target

U.S. Assets of  
PointsBet

### Acquirer

Fanatics

### Deal Commentary

- Fanatics' acquisition of PointsBet's U.S. assets highlights the strategic importance of the U.S. iGaming market and the speed with which market participants need to establish themselves to ensure their relevance. We foresee acquisitions continuing to play a critical role as participants jostle for global market share.
- Through this acquisition, Fanatics gains access to PointsBet's sports betting licenses in 14 states, which are pivotal to accelerating Fanatics' geographic expansion.
- A Fanatics spokesperson said, "This is a pivotal moment for FBG that will accelerate our growth in the legal online sports betting, advance deposit wagering and iGaming markets in the U.S...we will have more details to share in the coming weeks on how the acquisition of PointsBet U.S. businesses will bring to life our unique vision for FBG."

### Transaction Summary

On May 14<sup>th</sup>, 2023, Fanatics, a multi-channel sports merchandise retailer, announced its agreement to acquire the U.S. assets of PointsBet, a B2C sportsbook operator with operations in the U.S., Canada, and Australia. Following a minor bidding war after DraftKings entered the mix, PointsBet shareholders approved the sale to Fanatics on June 30<sup>th</sup> at a revised bid value of \$225M.

### Transaction Information

Announced Date	14-May-2023
Deal Type	Acquisition

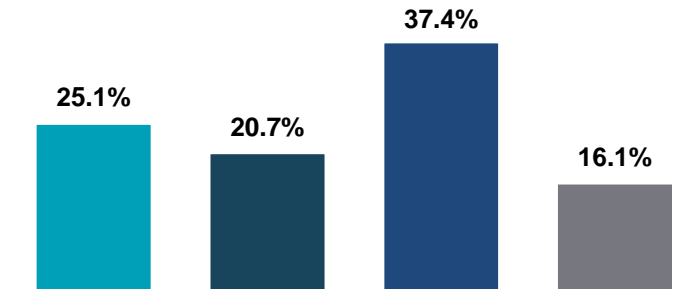
#### Target Information

Year Founded	2015
Target HQ	Denver, CO
# of Employees	ND

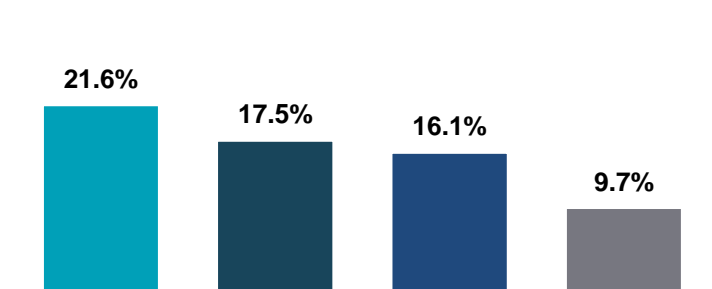
# Public Market Performance

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

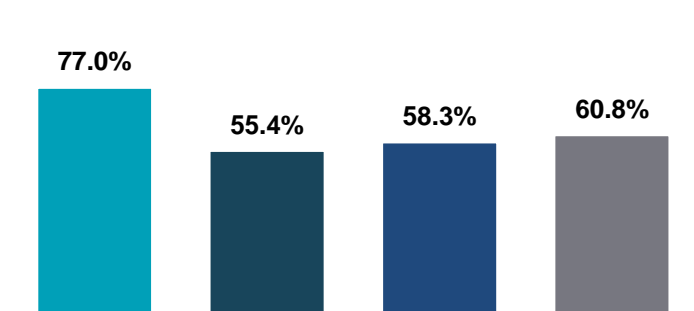
## 3-Year Historic Revenue Growth



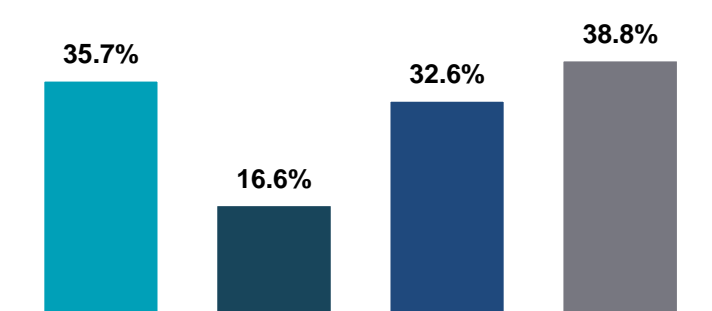
## 2023E Revenue Growth



## 2023E Gross Margin

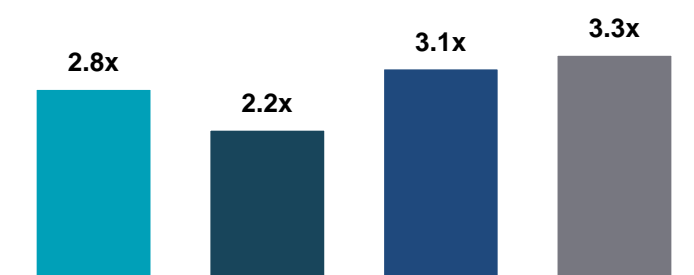


## 2023E EBITDA Margin

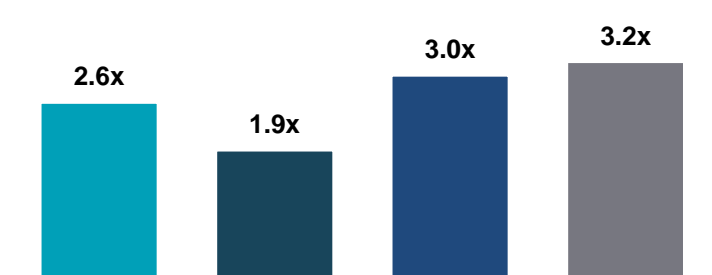


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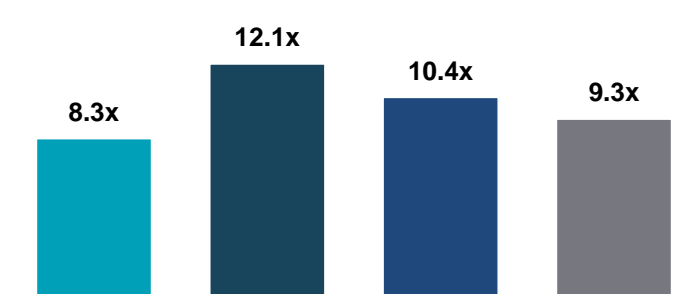
## EV / LTM Revenue



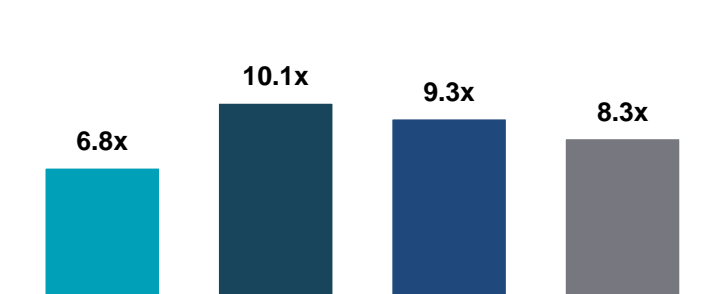
## EV / 2023E Revenue



## EV / LTM EBITDA

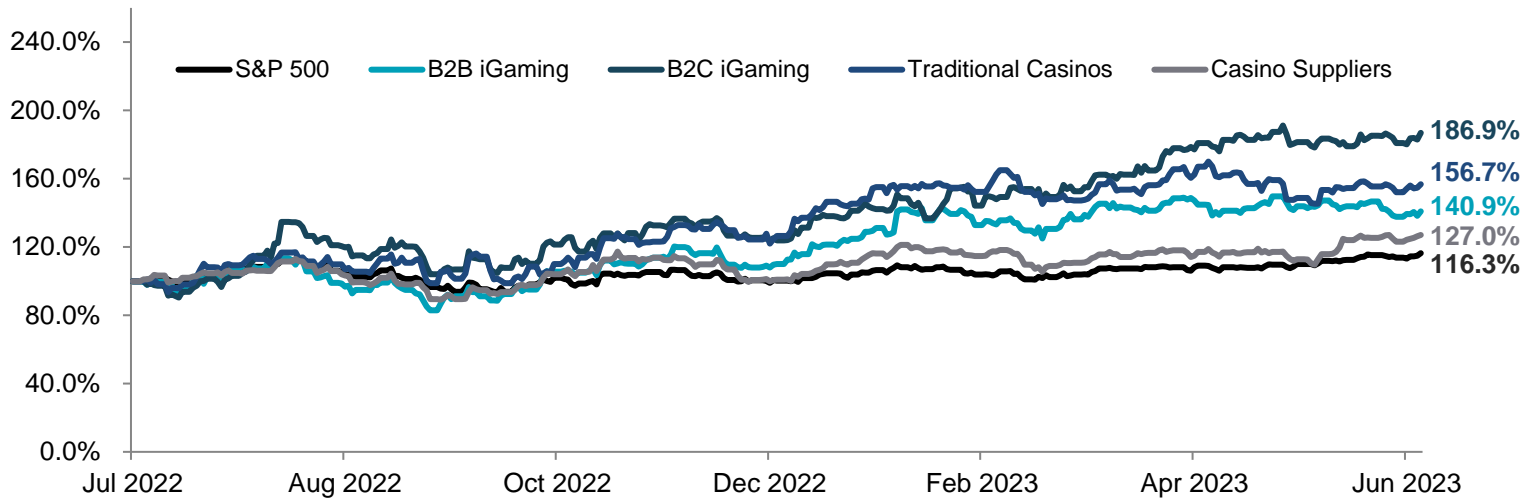


## EV / 2023E EBITDA

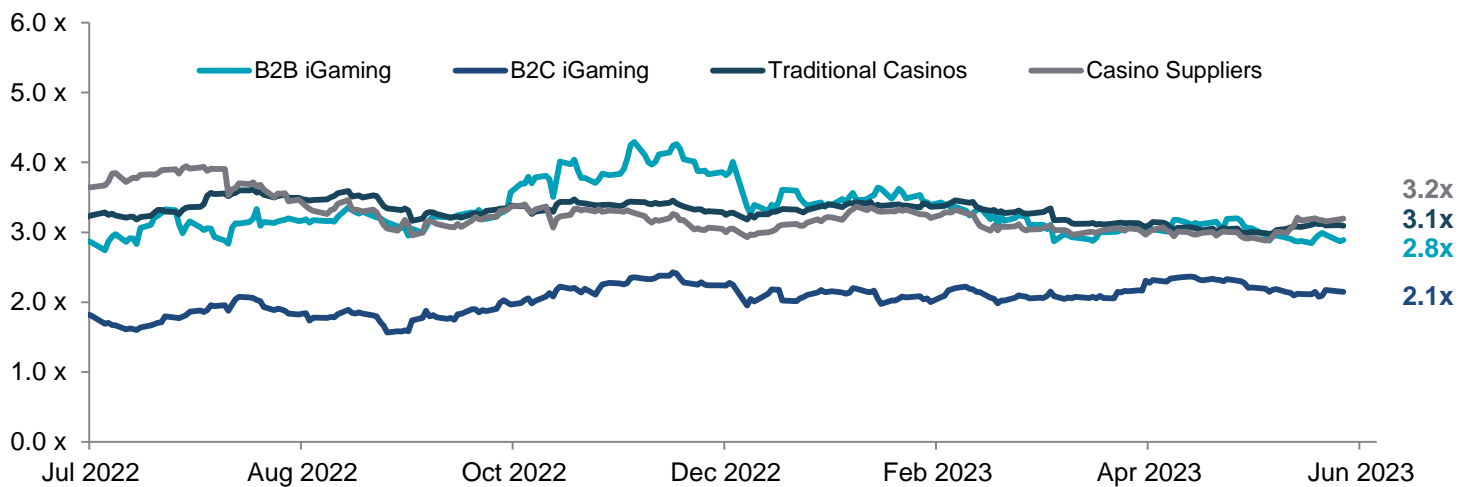


# Public Market Performance

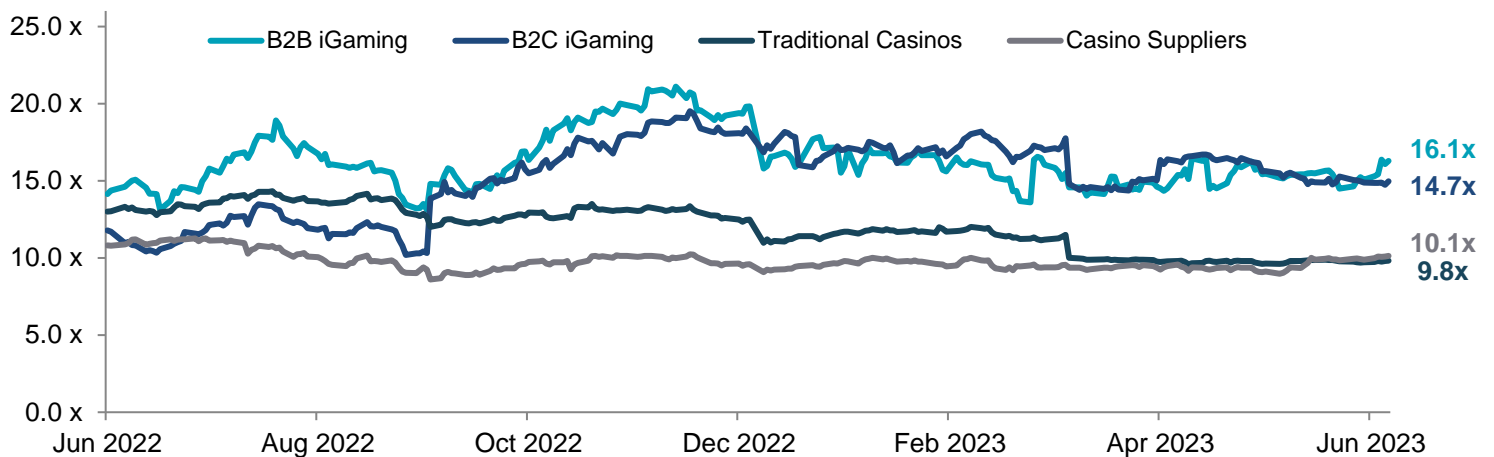
## iGaming Market Indices Performance – 1 Year



## LTM EV / Revenue Multiple Trend – 1 Year



## LTM EV / EBITDA Multiple Trend – 1 Year



# 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 %
	30-Jun-2023				2022A	2023E	2022A	2023E			
Bragg Gaming	\$3.09	45.6%	\$67	\$58	0.6x	0.6x	4.4x	3.4x	14.7%	27.2%	20.0%
Evolution Gaming	126.60	93.0	27,814	27,076	17.5	13.4	25.2	19.4	69.2	31.3	27.2
Gaming Innovation Group	2.30	83.7	297	354	3.0	2.6	9.5	5.9	33.5	25.1	37.0
Jumbo Interactive	9.49	84.0	595	561	7.3	6.1	18.0	12.8	40.3	22.8	21.6
Kambi Group	18.39	86.6	559	506	2.9	2.4	7.3	6.8	36.0	17.4	15.0
Playtech	7.50	92.2	2,347	2,741	1.6	1.5	6.4	6.0	25.4	16.0	6.9
Sportradar	12.90	88.6	3,834	3,604	4.7	3.6	27.0	20.4	17.6	31.0	26.4
<b>High</b>		<b>93.0%</b>	<b>\$27,814</b>	<b>\$27,076</b>	<b>17.5x</b>	<b>13.4x</b>	<b>27.0x</b>	<b>20.4x</b>	<b>69.2%</b>	<b>31.3%</b>	<b>37.0%</b>
<b>Median</b>		<b>86.6</b>	<b>595</b>	<b>561</b>	<b>3.0</b>	<b>2.6</b>	<b>9.5</b>	<b>6.8</b>	<b>33.5</b>	<b>25.1</b>	<b>21.6</b>
<b>Mean</b>		<b>82.0</b>	<b>5,073</b>	<b>4,986</b>	<b>5.4</b>	<b>4.3</b>	<b>14.0</b>	<b>10.7</b>	<b>33.8</b>	<b>24.4</b>	<b>22.0</b>
<b>Low</b>		<b>45.6</b>	<b>67</b>	<b>58</b>	<b>0.6</b>	<b>0.6</b>	<b>4.4</b>	<b>3.4</b>	<b>14.7</b>	<b>16.0</b>	<b>6.9</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 %
	30-Jun-2023				2022A	2023E	2022A	2023E			
Betsson	\$10.64	92.3%	\$1,518	\$1,420	1.7x	1.4x	6.9x	6.0x	25.2%	12.2%	17.0%
DraftKings	26.57	98.9	14,364	15,068	6.7	4.7	NM	NM	(25.2)	73.4	46.8
Entain	16.16	79.7	10,307	14,289	2.6	2.4	11.3	11.0	22.8	10.1	9.6
Flutter Entertainment	200.79	93.9	35,446	42,187	4.3	3.5	36.2	20.2	10.8	29.3	26.7
Kindred Group	10.65	83.8	2,471	2,401	1.9	1.5	15.4	9.3	13.7	4.0	18.3
Rush Street Interactive	3.12	47.9	243	219	0.4	0.3	NM	NM	(9.2)	33.6	12.6
<b>High</b>		<b>98.9%</b>	<b>\$35,446</b>	<b>\$42,187</b>	<b>6.7x</b>	<b>4.7x</b>	<b>36.2x</b>	<b>20.2x</b>	<b>25.2%</b>	<b>73.4%</b>	<b>46.8%</b>
<b>Median</b>		<b>88.1</b>	<b>6,389</b>	<b>8,345</b>	<b>2.2</b>	<b>1.9</b>	<b>13.3</b>	<b>10.1</b>	<b>12.2</b>	<b>20.7</b>	<b>17.6</b>
<b>Mean</b>		<b>82.7</b>	<b>10,725</b>	<b>12,597</b>	<b>2.9</b>	<b>2.3</b>	<b>17.4</b>	<b>11.6</b>	<b>6.3</b>	<b>27.1</b>	<b>21.8</b>
<b>Low</b>		<b>47.9</b>	<b>243</b>	<b>219</b>	<b>0.4</b>	<b>0.3</b>	<b>6.9</b>	<b>6.0</b>	<b>(25.2)</b>	<b>4.0</b>	<b>9.6</b>

## 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 %
	30-Jun-2023				2022A	2023E	2022A	2023E			
Bally's	\$15.56	58.1%	\$857	\$5,063	2.2x	2.0x	9.2x	9.0x	24.3%	22.9%	12.5%
Boyd Gaming	69.37	96.8	7,562	11,013	3.1	3.0	8.6	8.6	35.9	21.4	4.8
Caesars Entertainment	50.97	89.8	10,969	35,662	3.3	3.1	11.0	9.0	34.4	31.7	7.5
Las Vegas Sands	58.00	88.4	44,441	53,651	13.1	5.5	73.3	14.4	26.7	49.5	133.0
MGM Resorts	43.92	94.7	16,142	44,042	3.4	2.9	12.6	9.7	26.6	46.3	19.6
Wynn Resorts	105.61	89.6	11,968	21,103	5.6	3.4	29.1	11.1	23.1	43.1	65.8
<b>High</b>		<b>96.8%</b>	<b>\$44,441</b>	<b>\$53,651</b>	<b>13.1x</b>	<b>5.5x</b>	<b>73.3x</b>	<b>14.4x</b>	<b>35.9%</b>	<b>49.5%</b>	<b>133.0%</b>
<b>Median</b>		<b>89.7</b>	<b>11,468</b>	<b>28,383</b>	<b>3.3</b>	<b>3.0</b>	<b>11.8</b>	<b>9.3</b>	<b>26.6</b>	<b>37.4</b>	<b>16.1</b>
<b>Mean</b>		<b>86.2</b>	<b>15,323</b>	<b>28,423</b>	<b>5.1</b>	<b>3.3</b>	<b>24.0</b>	<b>10.3</b>	<b>28.5</b>	<b>35.8</b>	<b>40.5</b>
<b>Low</b>		<b>58.1</b>	<b>857</b>	<b>5,063</b>	<b>2.2</b>	<b>2.0</b>	<b>8.6</b>	<b>8.6</b>	<b>23.1</b>	<b>21.4</b>	<b>4.8</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 %
	30-Jun-2023				2022A	2023E	2022A	2023E			
Aristocrat Leisure	\$25.73	96.4%	\$16,930	\$16,634	4.3x	4.0x	14.2x	11.9x	29.8%	14.7%	10.2%
Everi	14.46	68.5	1,414	2,094	2.7	2.5	6.0	5.4	43.7	30.1	9.1
International Game Technology	31.89	98.9	6,385	12,196	2.9	2.9	7.3	7.1	39.7	10.7	1.7
Light & Wonder	68.76	99.3	6,403	9,573	3.8	3.5	12.1	9.4	32.2	17.5	10.8
<b>High</b>		<b>99.3%</b>	<b>\$16,930</b>	<b>\$16,634</b>	<b>4.3x</b>	<b>4.0x</b>	<b>14.2x</b>	<b>11.9x</b>	<b>43.7%</b>	<b>30.1%</b>	<b>10.8%</b>
<b>Median</b>		<b>97.9</b>	<b>6,394</b>	<b>10,884</b>	<b>3.3</b>	<b>3.2</b>	<b>9.7</b>	<b>8.3</b>	<b>35.9</b>	<b>16.1</b>	<b>9.7</b>
<b>Mean</b>		<b>97.9</b>	<b>7,783</b>	<b>10,124</b>	<b>3.4</b>	<b>3.2</b>	<b>9.9</b>	<b>8.4</b>	<b>36.3</b>	<b>18.3</b>	<b>8.0</b>
<b>Low</b>		<b>96.4</b>	<b>1,414</b>	<b>2,094</b>	<b>2.7</b>	<b>2.5</b>	<b>6.0</b>	<b>5.4</b>	<b>29.8</b>	<b>10.7</b>	<b>1.7</b>

Source: Capital IQ, market data as of 30-Jun-2023

# Featured Transactions

Date	Target	Buyer/Investor	Enterprise Value	Summary
15-Jun-23	<b>BetFIRST</b>	<b>Betsson</b>	\$130M	<ul style="list-style-type: none"> <li>BetFIRST is a Belgium-focused sports betting and gaming operator with both online and retail operations</li> </ul>
14-Jun-23	<b>STS Holdings</b>	<b>Entain</b>	\$946M	<ul style="list-style-type: none"> <li>STS is a retail gambling operator in Poland</li> </ul>
13-Jun-23	<b>Neccton</b>	<b>OpenBet</b>	ND	<ul style="list-style-type: none"> <li>Netcon is a responsible gambling, anti-money laundering, and fraud detection firm</li> </ul>
22-May-23	<b>888's Latvian Business</b>	<b>Paf Consulting</b>	\$30.6M	<ul style="list-style-type: none"> <li>The 888's Latvian business conducts online gambling operations in Latvia</li> </ul>
22-May-23	<b>iTech Labs</b>	<b>GLI Group</b>	ND	<ul style="list-style-type: none"> <li>iTech Labs is a global online game testing and certification firm</li> </ul>
18-May-23	<b>SciPlay</b>	<b>Light &amp; Wonder</b>	\$2,100M	<ul style="list-style-type: none"> <li>SciPlay is a developer of social casino games. It had previously been spun-out of Light &amp; Wonder in 2019 to operate independently</li> </ul>
16-May-23	<b>Bet2day Sportwetten</b>	<b>Orenes Group</b>	\$15M	<ul style="list-style-type: none"> <li>Bet2day Sportwetten is an Austria-based sports betting company</li> </ul>
12-May-23	<b>OneComply</b>	<b>GeoComply</b>	ND	<ul style="list-style-type: none"> <li>OneComply is a compliance and licensing solutions provider focused on the casino and gambling industry</li> </ul>


# Featured Transactions

Date	Target	Buyer/Investor	Enterprise Value	Summary
10-May-23	Chameleon	Betr	\$7.5M	<ul style="list-style-type: none"> <li>Chameleon is a provider of iGaming solutions including player account management, a sports betting solution, and casino management services</li> </ul>
02-May-23	Push Gaming	LeoVegas	ND	<ul style="list-style-type: none"> <li>PushGaming is a developer and supplier of online casino games</li> </ul>
27-Apr-23	Slapshot Media	NorthStar Gaming	\$1.3M	<ul style="list-style-type: none"> <li>Slapshot Media is an iGaming-focused marketing firm</li> </ul>
25-Apr-23	Wagr	Yahoo	ND	<ul style="list-style-type: none"> <li>Wagr is a developer of an online sports betting platform focused on peer-to-peer betting</li> </ul>
24-Apr-23	Timberazo	BoyleSports	ND	<ul style="list-style-type: none"> <li>Timberazo is a B2C iGaming firm that operates in the Peru market and offers a variety of services including sports betting, casino, poker, and lottery</li> </ul>
17-Apr-23	Skycon	Better Collective	\$56M	<ul style="list-style-type: none"> <li>Skycon is an advertising firm with expertise in sports media channels</li> </ul>
17-Apr-23	GanaBet MX	CIRSA	\$22M	<ul style="list-style-type: none"> <li>GanaBet MX is a B2C iGaming operator in Mexico that offers online casino and sports betting products</li> </ul>
05-Apr-23	365scores	Entain	\$150M	<ul style="list-style-type: none"> <li>365scores is the developer and operator of an online sports update website that provides users live score data, sports news, and other, related content</li> </ul>




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## Select Transactions

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 Sellside Advisor  has been recapitalized by 	 Sellside Advisor  has been acquired by 	 Sellside Advisor  a portfolio company of  has been recapitalized by 	 Sellside Advisor  has been acquired by 	 Sellside Advisor  has been acquired by 

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