

Kambi Group plc Q2FY23 Report Overview

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Goals and objectives of the research

Research Objective: To perform a comparative analysis of the Q2FY23 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q2FY23;
- Analyze the collected information;
- Conduct a comparative assessment of the Q2FY23 report with the reports from previous quarters of the current fiscal year and Q2FY22;
- Formulate conclusions based on the analyzed data.

Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

The provided public company reports are unaudited.

Document markup

- FY - Financial Year;
- Q - Quarter;
- QoQ - Quarter-over-Quarter;
- GGR - Gross Gaming Revenue is the amount wagered minus the winnings returned to the players;¹
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- Kambi Annual Report Period is from January 1, to December 31, 2023;
 - The specified financial year coincides with the calendar year.

¹ [Kambi Q2FY23 Report, p.18](#)

Conclusions

General information

Parameter	Kambi Group
Website	kambi.com
Country (location)	Malta
Country (issuer)	Malta
Year of foundation	2010
Founder	Kristian Nylén , Anders Ström
Sector	Consumer Cyclical
Type	Public
Year of IPO	2014
Stock market	NASDAQ Nordic
Ticker	KAMBI

About Company²

Kambi is a provider of sports betting services to licensed B2C gaming operators. The company's services include a range of offerings, from user interface to odds calculation, customer analysis, and risk management, all built on Kambi's proprietary software platform.

The company has offices in 7 countries worldwide: Malta (headquarters), Australia, the Philippines, Romania, Sweden, the United Kingdom, and the United States.

The company's clients include ATG, Bally's Corporation, Corredor Empresarial, Kindred Group, LeoVegas, Mohegan Gaming & Entertainment, and Rush Street Interactive.

² [Kambi Q2FY23 Report, p.11](#)

Conference Call information

Kambi Group plc's **Q2FY23** results were announced on **Wednesday, July 26, 2023, at 7:45 CEST**.³ The [web presentation](#) took place at **10:45 CEST** with CEO Kristian Nylén, CFO David Kenyon, and IR Mia Nordlander. Following the presentation, the speakers addressed questions. Details on the broadcast and teleconference can be found at the [link](#).

Kambi Group plc has set the date and time for the announcement of its **Q3FY23** results for **November 1, 2023, at 7:45 CET**.⁴ You are invited to participate in the [web presentation](#) at **10:45 CET** with CEO Kristian Nylén and CFO David Kenyon. Details on the broadcast and teleconference can be found at the [link](#).

Public Quarterly Reports Calendar FY23-24^{5 6}

Quarter	Period	Date
FY23		
Q1	Jan 1, 2023 to Mar 31, 2023	Apr 26, 2023
Q2	Apr 1, 2023 to Jun 30, 2023	Jul 26, 2023
Q3	Jul 1, 2023 to Sep 30, 2023	Nov 1, 2023
Q4	Oct 1, 2023 to Dec 31, 2023	Feb 21, 2024
FY24		
Q1	Jan 1, 2024, to Mar 31, 2024	Apr 24, 2024 (Projected)
Q2	Apr 1, 2024, to Jun 30, 2024	Jul 24, 2024 (Projected)
Q3	Jul 1, 2024, to Sep 30, 2024	Oct 25, 2024 (Projected)
Q4	Oct1, 2024 to Dec 31, 2024	Feb 12, 2025 (Projected)

Note: The dates listed in the table correspond to the dates in CET.

³ [Kambi website, Invitation to Kambi Group plc's Q2FY23 Result](#)

⁴ [Kambi website, Invitation to Kambi Group plc's Q3FY23 Result](#)

⁵ [Kambi website, Investor Calendar](#)

⁶ [Marketscreener, Kambi Group Calendar](#)

Highlights and Metrics⁷

Q2FY23 Highlights

- The company reports a 24% revenue growth compared to the same period last year. Revenue in Q2FY23 amounted to 42.89 million EUR, while in Q2FY22 it was 34.67 million EUR;
- Redemption of convertible bonds in the amount of 7.5 million EUR owned by Kindred Group and the buyback of 381,476 shares for 7.2 million EUR;
- A partnership agreement was concluded for the Kambi Complete sportsbook with Bally's Corporation;
- The contract extension with partners was agreed with BetPlay, LeoVegas, and Paf;
- Creation of an AI-based pricing service;
- In June, Kambi received two awards at the EGR B2B Awards 2023: for innovation in sports betting software and for innovative AI-based trading capabilities.

Acquisitions and Divestitures

In the Q2FY23 report, Kambi does not provide information on deals and acquisitions.

Divisions changes⁸

Kambi describes the signings and extensions of contracts with partners completed during and after Q2FY23

Kambi Group company ⁹	Partner	Territory	Contract type	Channel
Kambi	Bally's Corporation	Global	New	Online and retail
Kambi	Corredor Empresarial S.A.	Latin America	Extension	Online and retail
Kambi	Eyas Gaming	Brazil	New	Online
Kambi	LeoVegas	Europe & Ontario	Extension	Online
Kambi	Paf	Europe	Extension	Online
Kambi	WarHorse Gaming	Nebraska, US	New	Retail
Shape Games	LMG Gaming	Puerto Rico	New	Online

⁷ [Kambi Q2FY23 Report, p.1,3-4](#)

⁸ [Kambi Q2FY23 Report, p.23](#)

⁹ [Kambi FY22 Report, p.78](#)

Description of bookmaker launches during and after Q2FY23

Kambi Group company	Partner	Territory	Online/Retail
Abios	Dragoni	<ul style="list-style-type: none"> UK 	Online
Kambi	Bally's	<ul style="list-style-type: none"> Louisiana, US Mississippi, US 	Retail
Kambi	BetWarrior	<ul style="list-style-type: none"> Mendoza, Argentina Buenos Aires City, Argentina 	Online
Kambi	Eyas	<ul style="list-style-type: none"> Brazil 	Online
Kambi	Kindred	<ul style="list-style-type: none"> Washington, US 	Retail
Kambi	LeoVegas	<ul style="list-style-type: none"> Denmark 	Online
Kambi	WarHorse	<ul style="list-style-type: none"> Nebraska, US 	Retail

Business Outlook¹⁰

The information about the company's goals is accompanied by a "full disclaimer".¹¹

In January 2023, Kambi set financial targets for 2027 in line with its strategic vision:

- Increase revenue 2-3 times compared to FY22 figures (162.42 million EUR) to 330 - 500 million EUR;
- EBIT in excess of 150 million EUR.

These financial goals are based on five growth drivers:

- Retaining partners by leveraging platform capabilities;
- Implementing AI-based pricing;
- Expanding influence as a provider in North and South America;
- Contracting with operators for Kambi's full product portfolio;
- Launching in the regulated Asian market.

Every quarter, Kambi will provide information about the growth drivers listed above.

¹⁰ [Kambi Q2 FY23 Report, p.5-6](#)

¹¹ [Kambi Q2 FY23 Report, p.12](#)

Events after Q2. The company plans to execute:

- Partner agreements - The partnership with Eyas Gaming, which commenced in Brazil on July 24, enables commencing sports betting operations in other countries, not specified in the report;
- Partner launches - After the quarter ended, Kambi completed a retail launch with Bally's Corporation at their Hard Rock Hotel & Casino Biloxi in Mississippi. Outside of the United States, Kambi powered the launch of BetWarrior's Casino Buenos Aires brand in Buenos Aires City, Argentina. Furthermore, Abios launched in the UK with its first odds feed partner, Dragoni;
- Commercial updates - Updates related to Penn Entertainment, which transitioned its online sportsbook away from the Kambi platform on July 10-11, and Kambi ceased receiving revenue share payments from Penn's online business from that date. Kambi will continue to receive revenue from Penn's retail business. Penn plans to transition its retail sportsbooks in 2024. Kambi recognizes \$15 million (13.8 million EUR) for transition services from Q3FY23 to Q3FY24 received in installments.

Stock information

About shares

Total Shares - 31,278,297 (As of June 30, 2023).¹²

Total Shares Outstanding - 30,373,321 (As of June 30, 2023).¹³

Kambi has implemented a share buyback program. In the quarterly report, the company states that it completed the second share buyback program from May 4 to May 22, 2022. Kambi repurchased 381,476 shares amounting to 7.2 million EUR, including the transaction fee (without specifying the amount of the fee). Kambi already owned 523,500 of its own shares as part of the share buyback program in 2021. As of June 30, 2023, the number of Kambi's own shares was 904,976. The company's website states that the buyback program was active from May 4 to May 30, 2023.¹⁴

¹² [Kambi Q2FY23 Report, p.5](#)

¹³ [Kambi Q2FY23 Report, p.17](#)

¹⁴ [Kambi website, Share Information](#)

TradingView Retrospective Q2FY2023¹⁵



Date	Open Price	High Price	Low Price	Close Price
Apr 3, 2023 ¹⁶	185.80 SEK (16.42 EUR)	186.00 SEK (16.44 EUR)	171.70 SEK (15.18 EUR)	174.00 SEK (15.38 EUR)
Jun 30, 2023 ¹⁷	196.90 SEK (16.72 EUR)	201.60 SEK (17.16 EUR)	193.30 SEK (16.41 EUR)	198.40 SEK (16.84 EUR)

Q2FY23 Price MAX: 229.00 SEK (20.06 EUR) as of May 22, 2023¹⁸

Q2FY23 Price MIN: 160.10 SEK (14.04 EUR) as of Apr 26, 2023¹⁹

¹⁵ [TradingView, Kambi Group PLC](#)

¹⁶ [Exchangerates, Swedish Krona Exchange Rates for Apr 3, 2023](#)

¹⁷ [Exchangerates, Swedish Krona Exchange Rates for Jun 30, 2023](#)

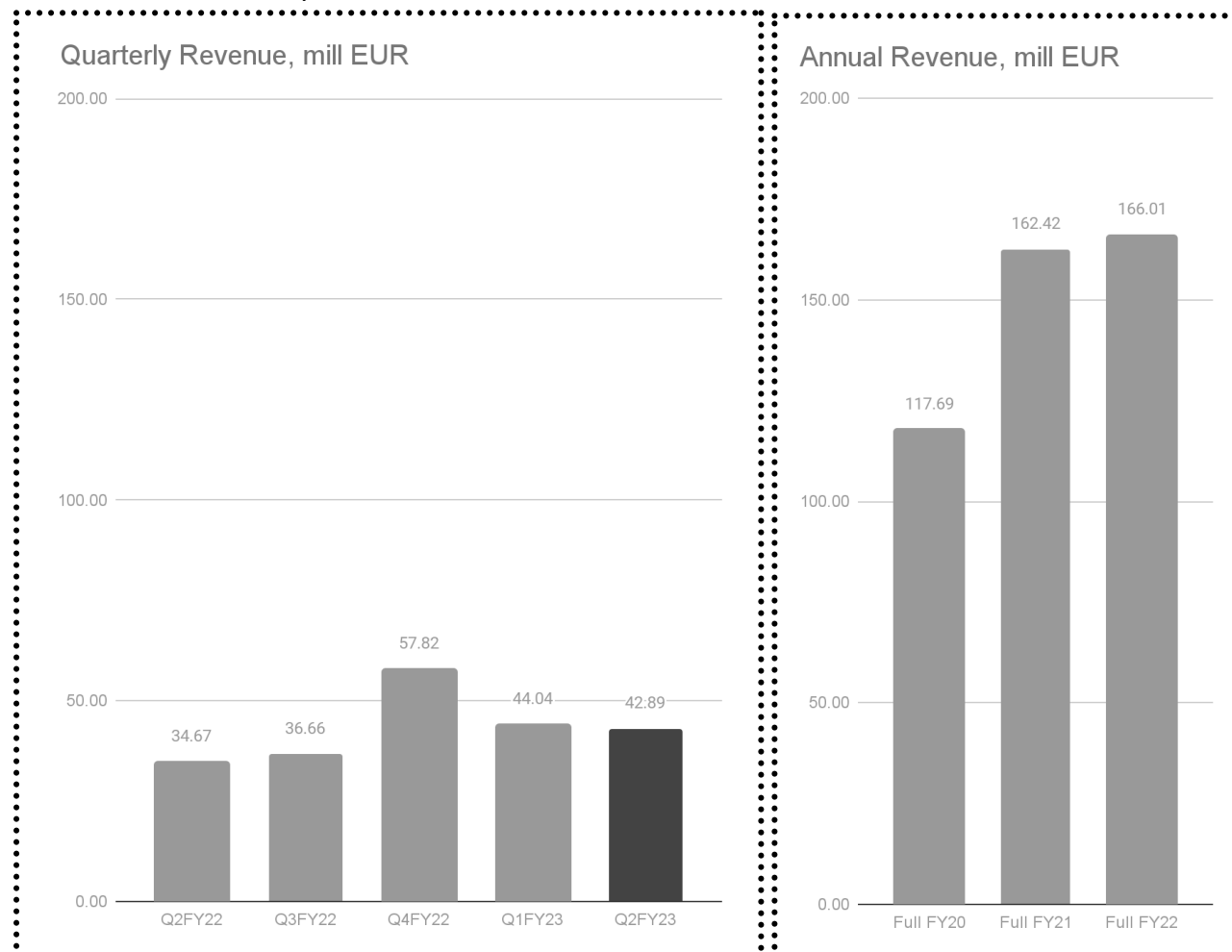
¹⁸ [Exchangerates, Swedish Krona Exchange Rates for May 22, 2023](#)

¹⁹ [Exchangerates, Swedish Krona Exchange Rates for Apr 26, 2023](#)

Financial Statements

Revenue Retrospective

Kambi Revenue Retrospective^{20 21 22 23 24}



²⁰ [Kambi FY22 Report, p.57](#)

²¹ [Kambi FY21 Report, p.61](#)

²² [Kambi Q2FY23 Report, p.13](#)

²³ [Kambi Q4FY22 Report, p.14](#)

²⁴ [Kambi Q3FY22 Report, p.13](#)

Sales per Business

In its quarterly reports, Kambi does not provide a description of the Net Revenue Structure.

Sales per Region

In its quarterly reports, Kambi does not provide information on Sales per Region, but it describes the Percentage ratio of GGR to the total GGR of operators in the Geographical analysis section. Based on this information, the Percentage ratios are filled in the table below. These figures may not be accurate, as precise information on Sales per Region is only disclosed by the company in its annual reports.

Sales by Region Percentages^{25 26 27 28}

Parameter/Percentage	Q2FY23	Q1FY23	Q4FY22	Q3FY22	Q2FY22
Americas	53.00%	55.00%	55.00%	53.00%	54.00%
Europe	44.00%	42.00%	42.00%	43.00%	43.00%
Rest of World	3.00%	3.00%	3.00%	4.00%	3.00%

²⁵ [Kambi Q2FY23 Report, p.10](#)

²⁶ [Kambi Q1FY23 Report, p.8](#)

²⁷ [Kambi Q4FY22 Report, p.10](#)

²⁸ [Kambi Q3FY22 Report, p.9](#)

Dividend Information²⁹

The amount of dividends paid by Kambi Group plc depends on factors such as profitability, financial position, cash flows, and the business's working capital needs. Initially, the company will focus on scaling the business.

The Board of Directors of Kambi decides on the payment of one-time dividends or share buybacks if the Board deems that the company has generated excess cash that is not needed for funding activities, acquisitions, or other corporate development projects.

The company has not paid and does not pay dividends.

²⁹ [Kambi. Share Information](#)

Balance Sheet^{30 31 32}

(In million EUR, except Percentages)

Parameter	Q2FY23	QoQ, %	Q1FY23	QoQ, %	Q4FY22	QoQ, %	Q3FY22	QoQ, %	Q2FY22	YoY, %
Assets										
Total Current Assets	91.12	-10.09	101.35	1.69	99.67	15.96	85.95	-26.75	117.34	-22.35
Total Non-current Assets	142.12	-0.79	143.25	0.02	143.22	-5.61	151.73	80.44	84.09	69.01
Total Assets	233.24	-4.65	244.61	0.71	242.89	2.19	237.68	18.00	201.43	15.79
Liabilities										
Total Current Liabilities	41.17	2.11	40.32	-3.40	41.74	40.59	29.69	-0.13	29.73	38.48
Total Non-current Liabilities	29.16	-21.82	37.30	-1.22	37.76	-35.67	58.70	134.42	25.04	16.45
Total Liabilities	70.33	-9.39	77.62	-2.36	79.50	-10.06	88.39	61.38	54.77	28.41
Total Equity	162.91	-2.44	166.98	2.20	163.39	9.44	149.29	1.79	146.66	11.08

³⁰ [Kambi Q2FY23 Report, p.14](#)

³¹ [Kambi Q1FY23 Report, p.14](#)

³² [Kambi Q3FY22 Report, p.14](#)

Income Statement^{33 34 35 36}

(In million EUR, except EPS data and Percentages)

Parameter	Q2FY23	QoQ, %	Q1FY23	QoQ, %	Q4FY22	QoQ, %	Q3FY22	QoQ, %	Q2FY22	YoY, %
Revenue	42.89	-2.61	44.04	-23.83	57.82	57.72	36.66	5.74	34.67	23.71
Total Expenses	(39.21)	-0.76	(39.51)	0.89	(39.16)	19.43	(32.79)	10.14	(29.77)	31.71
Net Income	2.55	-22.26	3.28	-78.28	15.10	483.01	2.59	-22.46	3.34	-23.65
EPS Basic	0.08	-27.27	0.11	-77.55	0.49	512.50	0.08	-27.27	0.11	-27.27
EPS Diluted	0.08	-27.27	0.11	-77.55	0.49	512.50	0.08	-27.27	0.11	-27.27

³³ [Kambi Q2FY23 Report, p.13.17](#)

³⁴ [Kambi Q1FY23 Report, p.13](#)

³⁵ [Kambi Q4FY22 Report, p.14.18](#)

³⁶ [Kambi Q3FY22 Report, p.13.17](#)

Cashflow Statement^{37 38 39}

(In million EUR, except Percentages)

Parameter	Q2FY23	QoQ, %	Q1FY23	QoQ, %	Q4FY22	QoQ, %	Q3FY22	QoQ, %	Q2FY22	YoY, %
Cash flows from operating activities	14.56	-14.55	17.04	-31.35	24.82	272.67	6.66	-25.00	8.88	63.96
Cash flows from investing activities	(9.78)	25.38	(7.80)	-11.26	(8.79)	-78.75	(41.36)	450.00	(7.52)	30.05
Cash flows from financing activities	(15.11)	856.33	(1.58)	81.61	(0.87)	-26.89	(1.19)	-	1.25	-

³⁷ [Kambi Q2FY23 Report, p.15](#)

³⁸ [Kambi Q4FY22 Report, p.16](#)

³⁹ [Kambi Q3FY22 Report, p.16](#)

News⁴⁰

[Apr 20, 2023](#) - Kambi unveils agenda for the Festival of Sportsbook 2023.

[May 2, 2023](#) - Kambi Group plc signs exclusive sportsbook agreement with Bally's Corporation.

[May 9, 2023](#) - Kambi announces SBC Media as official media partner for the 2023 Festival of Sportsbook.

[May 30, 2023](#) - One week to go until Kambi's Festival of Sportsbook.

[June 2, 2023](#) - What to expect from Kambi's Festival of Sportsbook 2023.

[June 7, 2023](#) - Kambi's Festival of Sportsbook: day one recap.

[June 8, 2023](#) - Kambi's Festival of Sportsbook: day two recap.

[June 9, 2023](#) - Kambi's Festival of Sportsbook: day three recap.

[June 9, 2023](#) - Kambi's pioneering AI-powered trading wins sports betting innovation of the year at EGR B2B Awards.

News from other sources not related to the highlights:

[Apr 26, 2023](#) - Kambi shares drop as supplier reports 38% decline in Q1 operating profit.

[May 4, 2023](#) - Kambi Emerges as Possible Takeover Target.

⁴⁰ [Kambi, News-Insights](#)

Analyst's opinion

Summary

Kambi Group plc was founded in 2010, and the company has offices in 7 countries worldwide: Malta (headquarters), Australia, the Philippines, Romania, Sweden, the United Kingdom, and the United States. It serves as a technology and service provider for sports betting in the regulated global betting and gaming industry. The company went public with its IPO in 2014, and its shares are listed on the Nasdaq First North Growth Market.

In Q2FY23, Kambi entered into several partnership agreements and launches, detailed in the "Divisions changes" section. In June, Kambi won two awards at the EGR B2B Awards 2023, related to software innovation and the implementation of artificial intelligence.

During Q2FY23, the company's shares traded in the range of 160.10 SEK (14.04 EUR) to 229 SEK (20.06 EUR). The closing price on June 30 was 198.40 SEK (16.84 EUR).

Kambi does not pay dividends. The company has implemented a share buyback program.

In comparison to the Q2FY22 figures (34.67 million EUR), Kambi demonstrates a 23.71% growth in revenue in Q2FY23, reaching 42.89 million EUR. Total Liabilities in Q2FY23 amounted to 70.33 million EUR, which is 28.41% higher than the Q2FY22 figure (54.77 million EUR) and 9.39% lower than the Q1FY23 figure (77.62 million EUR). Total Equity in Q2FY23 reached 162.91 million EUR, representing an 11.08% increase compared to the Q2FY22 figure (146.66 million EUR). Sales breakdown by platforms and Net Revenue Structure are not provided in the quarterly reports.

The increase in Revenue to record levels in Q4FY22, reaching 57.82 million EUR, was associated with a termination fee of 12.6 million EUR from Penn Entertainment.⁴¹

The results of Kambi Group plc for Q3FY23 were announced on November 1, 2023, at 7:45 CET.

⁴¹ [Kambi Q4FY22 Report, p.1](#)

Sources List

- [Kambi website](#)
- [Malta Business Registry](#)
- [Nasdaq Nordic](#)
- [Kambi FY22 Report](#)
- [Kambi FY21 Report](#)
- [Kambi Q2FY23 Report](#)
- [Kambi Q1FY23 Report](#)
- [Kambi Q4FY22 Report](#)
- [Kambi Q3FY22 Report](#)
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