

Full Evolution Gaming Group AB Fiscal Year 2022 Overview

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Goals and objectives of the research

Research Objective: To study Evolution Gaming Group AB's publicly available financial information, determine the company's development strategy, and compile an overview of its annual financial reports.

Research Tasks:

- Find the company's comprehensive financial and corporate information;
- Analyze the gathered information;
- Draw 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.

Document markup

- FY - Financial Year;
- 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;
- Evolution - Evolution Gaming Group;
- Evolution Gaming Group report period is from January 1 to December 31, 2022;
 - The specified financial year coincides with the calendar year.

Conclusions

General information

Parameter	Evolution Gaming Group AB
Website	evolution.com
Country (location)	SE
Country (issuer)	SE
Year of foundation	2006 *
Founder	Jens von Bahr
Sector	Consumer Cyclical
Type	Public
Year of IPO	2015 **
Stock market	Nasdaq Stockholm
Ticker	EVO

*Note: On December 9, 2014, as part of the preparations prior to the intended IPO on Nasdaq First North Premier in Sweden, the group initiated a reorganization by establishing a new parent company; Evolution Gaming Group AB. The reorganization was carried out through a non-cash issue, where each share in the previous parent company [Evolution Core Holding Limited](#) was exchanged for a share in the newly established Swedish parent company. The process was finalized on January 5, 2015, when all shares had been exchanged. The newly formed parent company has not had any operations during 2014.¹

**Note: The shares of Evolution AB (publ) were originally listed on Nasdaq First North Premier on March 20, 2015. On June 7, 2017, the shares started trading on the main market of Nasdaq Stockholm.²

¹ [Evolution Annual Report 2014, p.5](#)

² [Evolution web, The Share](#)

Members of the board and Managers

Board of Directors ³		
Name	Title	Since
Jens Von Bahr	Co-founder, Chairman of the Board	2016
Joel Citron	Board member, Independent in relation to the company	2015
Mimi Drake	Board member, Independent in relation to the company	2021
Ian Livingstone	Board member, Independent in relation to the company	2015
Sandra Urie	Board member, Independent in relation to the company	2021
Jonas Engwall*	Board member, Independent in relation to the company	2015
Fredrik Österberg	Co-founder	2015

*Note: Jonas Engwall has decided, at his own request, to leave the board of Evolution AB as of May 24, 2023.⁴

Executive Team ⁵		
Name	Title	Since
Martin Carlesund	Group CEO	2016
Todd Haushalter	Chief Product Officer	2015
Sebastian Johannisson	Chief Strategy Officer	2008
Jacob Kaplan	Chief Financial Officer	2016
Louise Wiwen-Nilsson	Chief Human Resources Officer	2016
Olesya Ivanova	Chief Operating Officer – Latvia, Lithuania, Romania, Georgia, Armenia, Malta, Belgium & Spain	2006

³ [Evolution Annual Report 2022, p.69-70](#)

⁴ [Market Screener, Evolution AB Announces Resignation of Jonas Engwall from the Board](#)

⁵ [Evolution web, Management](#)

Employees

Parameter	Number of Employees
Number of Employees as of Dec 31, 2020	8,688 ⁶
Number of Employees as of Dec 31, 2021	13,410 ⁷
Number of Employees as of Dec 31, 2022	17,026 ⁸

Shareholders

Shareholders structure

Ownership Breakdown as of Nov 3, 2023 ⁹		
Owner Type	Number of Shares	Ownership Percentage
Institutions	98,929,333	46.25%
General Public	83,409,667	39.00%
Private Companies	22,424,502	10.48%
Individual Insiders	9,134,746	4.27%
Total Shares	213,898,248	100%

Total Shares Outstanding - 215,111,115¹⁰ (as of December 31, 2022).

Total Shares Outstanding - 215,604,777¹¹ (as of November 3, 2023).

⁶ [Evolution Annual Report 2020, p.39](#)

⁷ [Evolution Annual Report 2021, p.34](#)

⁸ [Evolution Annual Report 2022, p.35](#)

⁹ [SimplyWall, Evolution Ownership](#)

¹⁰ [Evolution Annual Report 2022, p.28](#)

¹¹ [Nasdaq Stockholm, Evolution](#)

Shareholders Equities

Top 10 Shareholders as of Dec 31, 2022 ^{12 13}				
Name	Number of Shares	Current Value ¹⁴ , bill SEK	Last Reported Holding Date	Ownership Percentage
Capital Group	33,182,971	33.50	Dec 31, 2022	15.40%
Österbahr Ventures AB	22,400,140	22.60	Dec 31, 2022	10.40%
BlackRock	11,030,414	11.10	Dec 31, 2022	5.10%
WCM Investment Mgmt	10,976,711	11.10	Dec 31, 2022	5.10%
Vanguard	5,677,130	5.70	Dec 31, 2022	2.60%
Norges Bank	4,225,060	4.30	Dec 31, 2022	2.00%
Richard Livingstone	4,186,120	4.70	Dec 31, 2022	1.90%
Avanza Pension	3,301,656	3.30	Dec 31, 2022	1.50%
Henric Wiman	2,289,200	2.30	Dec 31, 2022	1.10%
Första AP-fonden (AP1)	2,177,158	2.20	Dec 31, 2022	1.00%
Total Top 10	99,446,560	100.80	-	46.20%

¹² [Evolution Annual Report 2022, p.28](#)

¹³ [SimplyWall, Evolution Top Shareholders](#)

¹⁴ As of November 3, 2023

Mergers, acquisitions and subsidiaries^{15 16}

Name	Date	Price, mill EUR
Red Tiger ¹⁷	Sep 5, 2019	~254 ¹⁸
Ezugi	Jan 9, 2019	~16 ¹⁹
NetEnt	Dec 1, 2020	2,280
Big Time Gaming	Apr 12, 2021	450
DigiWheel	Sep 10, 2021	1
Nolimit City	Jul 1, 2022	340

Note: This section may not fully represent all the company's transactions, but, within the scope of this current report, presents the maximum amount of information available via open sources.

¹⁵ [Crunchbase, Evolution](#)

¹⁶ [Evolution web, Our Brands](#)

¹⁷ Red Tiger was acquired by NetEnt in 2019, prior to the Evolution deal

¹⁸ [223 mill GBP exchange to EUR by Exchanger Rates](#)

¹⁹ [\\$18 mill exchange to EUR by IRS](#)

Company strategy^{20 21}

Evolution specializes in the innovation, development, and production of online casino content based on B2B. Evolution delivers content to both licensed B2C casino operators who provide games to players and licensed B2B entities who supply games to licensed B2C operators for their players.

Evolution Gaming Group's strategy is focused on strengthening its leadership in the Live Casino market and expanding its geographical presence. The company identifies areas and strategic priorities it considers crucial for consolidating market leadership:

- **Product Innovation:** Developing Live Games and Live Game Shows to meet the needs of operators and end users;
- **Customer Optimization:** Optimizing the Live Casino for each operator, taking into account their conditions and needs. Game data analysis is used to strengthen the loyalty of operators and users;
- **Operational Excellence:** Evolution owns expertise and a technological platform to provide Live Casino solutions. The platform offers scalability and adaptability for new markets;
- **Regulated Markets:** The company aims to be the first Live Casino provider in regulated markets and is expanding its presence in Europe, Canada, and the United States;
- **Land-based casinos:** Offering [Dual Play](#) to expand the online presence of land-based casino clients;
- **Increasing the Gap:** Working on increasing the lead over other Live Casino providers in the market through the introduction of new games, studios, and strategic acquisitions.

²⁰ [Evolution web. Strategy](#)

²¹ [Evolution Annual Report 2022, p.9](#)

Sustainability²²

Evolution Gaming Group operates in the field of Sustainability. The company complies with legal and regulatory requirements and supplements them with its own standards.

Principles of the Sustainability strategy of Evolution Gaming Group:

- **Ethics and Responsibility:** adherence to ethical standards and responsible business conduct;
- **Safety and Dynamism of the Working Environment:** creating safe and stimulating conditions for employees;
- **Support for Local Communities:** interacting with and contributing to the development of communities where the company operates;
- **Climate Footprint Minimization:** reducing the impact of the company's activities on the climate through technical innovations and rational resource use;
- **Compliance with Laws and Regulations:** compliance with legal and regulatory requirements;
- **Transparency and Stakeholder Engagement:** involving and considering the interests of stakeholders, including employees, customers, and partners;
- **Social Responsibility and Human Rights:** protecting human rights and social standards;
- **Diversity and Inclusion:** promoting equality and preventing discrimination in the workplace;
- **Responsible Gaming:** supporting principles of responsible gaming behavior and combating gambling addiction;
- **Data Protection and Cybersecurity:** ensuring data security and protection against cyber threats.

²² [Evolution Annual Report 2022, p.31-34](#)

Divisions

Evolution has ten studios in Europe, five in the USA and two in Canada.²³

The company has developed the One Stop Shop (OSS) platform to simplify the integration of games from Evolution, NetEnt, Red Tiger, Big Time Gaming, Ezugi, and Nolimit City for casino operators. OSS provides access to the Evolution Group's range of games and products, reducing the time to market and efforts required to launch new casinos through a unified and optimized approach to new markets and changes in regulated markets. OSS additionally provides access to a unified back office and a single set of advertising tools.²⁴

The company creates gaming and studio equipment with the assistance of Evolution Job Shop.²⁵

Evolution	
Studios	<ul style="list-style-type: none">• Armenia• Belgium• Canada — British Columbia (2)• Georgia• Latvia• Lithuania• Malta• Romania (2)• Spain (2)• USA — Connecticut• USA — Michigan• USA — New Jersey (2)• USA — Pennsylvania
Technology	<ul style="list-style-type: none">• Promotions Suite• One Stop Shop (OSS)• Evolution Job Shop

²³ [Evolution Annual Report 2022, p.13, 17](#)

²⁴ [Evolution Annual Report 2022, p.15](#)

²⁵ [Evolution Annual Report 2022, p.18](#)

Product portfolio Evolution Gaming Group

- [Live Casino](#)

Evolution Gaming Group respects classic casino games but acknowledges that players appreciate a sense of novelty. Diversity of content is a hallmark of the company's portfolio, including games tailored to specific markets to cater to player preferences.

- [Live Game Shows](#)

Evolution Gaming Group combines traditional table games and money wheel games with elements of game shows and board games.

- [First Person](#)

The "First Person" game lineup combines aspects of random number generators and real-time gameplay. The games are scalable and capable of supporting thousands of players simultaneously, providing an opportunity to implement cross-selling tools and increase loyalty to Evolution Gaming Group's game portfolio for casinos.

- [Slots](#)

The slot portfolio combines the brands [NetEnt](#), [Red Tiger](#), [Big Time Gaming](#) and [Nolimit City](#), offering 600 titles that complement Evolution Gaming Group's live games.

- [Promotions Suite](#)

The Evolution Promotions Suite helps operators automatically reward players, create leaderboards, track Big Wins and achievements, and provides other gaming data such as user game information and history. Operators incentivize players with free games and send targeted push messages, enhancing their gaming experience.

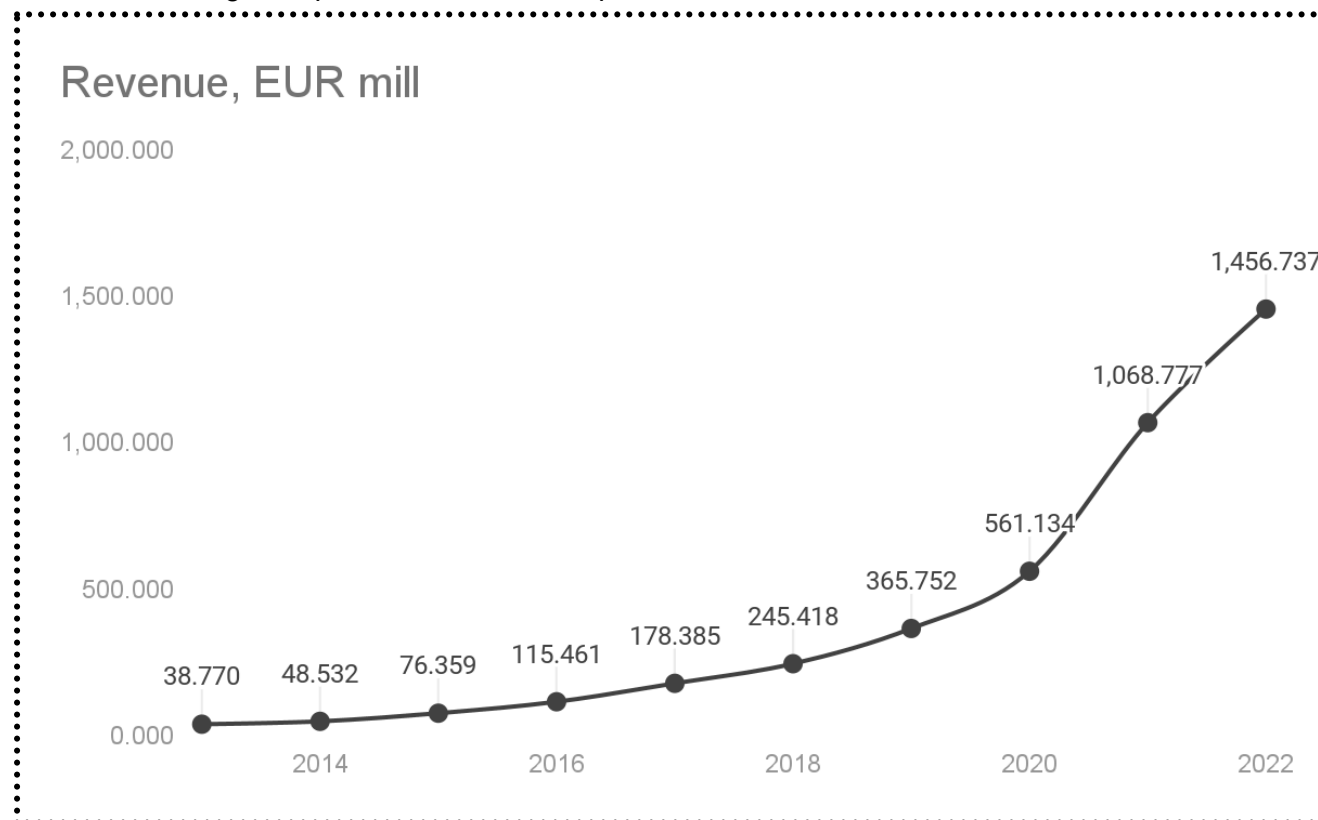
As of the end of FY22, the company had 1300 live casino tables and added 16 new live casino games and 88 new games.²⁶

²⁶ [Evolution Annual Report 2022, p.19](#)

Financial Statements for 2022 Fiscal Year Revenue Retrospective

Revenue Retrospective

Evolution Gaming Group AB Revenue Retrospective for 2013-2022^{27 28 29 30 31}



²⁷ [Evolution Annual Report 2022, p.75](#)

²⁸ [Evolution Annual Report 2020, p.76](#)

²⁹ [Evolution Annual Report 2018, p.70](#)

³⁰ [Evolution Annual Report 2016, p.42](#)

³¹ [Evolution Annual Report 2014, p.42](#)

Sales per Business

Net Revenue Structure^{32 33}

(In million, except Percentages)

Parameter	2022, EUR	YoY, %	2021, EUR	YoY, %	2020, EUR
Live	1,188.308	41.59	839.238	54.47	543.315
RNG	268.429	16.94	229.539	1,188.17	17.819
Total Consolidated Revenue	1,456.737	36.30	1,068.777	90.47	561.134

Net Revenue Structure 2022 Percentages

Parameter	2022, %
Live	81.57
RNG	18.43

³² [Evolution Annual Report 2022, p.75](#)

³³ [Evolution Annual Report 2021, p.72](#)

Revenue from contracts with customers^{34 35}

Revenue from contracts with customers

(In million, except Percentages)

Parameter	2022, EUR	YoY, %	2021, EUR	YoY, %	2020, EUR
Sweden	0.832	36.17	0.611	225.00	0.188
Malta	983.444	63.99	599.707	84.65	324.787
Australia	47.788	119.23	21.798	-	-
North America	8.813	-68.14	27.662	689.89	3.502
Curacao	316.803	-9.45	349.856	56.44	223.634
Other	99.057	43.26	69.143	666.30	9.023
Total Consolidated Revenue	1,456.737	36.30	1,068.777	90.47	561.134

Revenue from contracts with customers 2022 Percentages

Parameter	Percentage, %
Malta	67.51
Curacao	21.75
Other	6.80
Australia	3.28
North America	0.60
Sweden	0.06

³⁴ [Evolution Annual Report 2022, p.93](#)

³⁵ [Evolution Annual Report 2021, p.90](#)

Sales per Region

Sales by Region^{36 37}

(In million, except Percentages)

Parameter	2022, EUR	YoY, %	2021, EUR	YoY, %	2020, EUR
Nordics	89.500	22.44	73.100	145.30	29.800
Great Britain	85.200	4.67	81.400	85.42	43.900
Rest of Europe	458.600	10.00	416.900	55.04	268.900
Asia	478.300	66.95	286.500	127.92	125.700
North America	189.200	65.24	114.500	206.15	37.400
Other	156.000	61.99	96.300	72.89	55.700
Total Consolidated Revenue	1,456.737	36.30	1,068.777	90.47	561.130

Sales by Region 2022 Percentages

Parameter	Percentage, %
Asia	32.83
Rest of Europe	31.48
North America	12.99
Other	10.71
Nordics	6.14
Great Britain	5.85

³⁶ [Evolution Annual Report 2022, p.93](#)

³⁷ [Evolution Annual Report 2020, p.94](#)

Dividend Information^{38 39}

(In million, except Per share data and Percentages)

Parameter	2022, EUR	YoY, %	2021, EUR	YoY, %	2020, EUR
Per share	2.00 EUR	40.85	1.42 EUR	108.82	0.68 EUR
Cash dividends declared	427.314	41.14	302.751	109.69	144.382

Evolution Gaming Group aims to pay dividends equivalent to 50% of the net profit annually.⁴⁰

Balance Sheet^{41 42}

(In million, except Percentages)

Parameter	2022, EUR	YoY, %	2021, EUR	YoY, %	2020, EUR
Assets					
Total Current Assets	1,109.375	37.06	809.412	62.13	499.229
Total Long-Term Assets	3,259.996	5.38	3,093.655	15.87	2,669.883
Total Assets	4,369.371	11.95	3,903.067	23.16	3,169.112
Liabilities					
Total Current Liabilities	425.893	15.07	370.130	0.52	368.197
Total Long-Term Liabilities	483.197	41.29	341.987	357.54	74.744
Total Liabilities	909.090	27.66	712.117	60.77	442.941
Total Equity	3,460.281	8.44	3,190.950	17.05	2,726.171

³⁸ [Evolution Annual Report 2022, p.28, 58](#)

³⁹ [Evolution Annual Report 2021, p.55](#)

⁴⁰ [Evolution Annual Report 2022, p.27](#)

⁴¹ [Evolution Annual Report 2022, p.76](#)

⁴² [Evolution Annual Report 2021, p.73](#)

Income Statement^{43 44}

(In million, except EPS data and Percentages)

Parameter	2022, EUR	YoY, %	2021, EUR	YoY, %	2020, EUR
Revenue	1,456.737	36.30	1,068.777	90.47	561.134
Operating Income	908.062	38.85	654.004	118.22	299.700
Total Operating Expenses	(548.675)	32.28	(414.773)	58.65	(261.434)
Net Income	843.361	39.30	605.435	112.72	284.622
EPS Basic	3.95 EUR	39.58	2.83 EUR	82.58	1.55 EUR
EPS Diluted	3.88 EUR	42.12	2.73 EUR	80.79	1.51 EUR

Cashflow Statement^{45 46}

(In million, except Percentages)

Parameter	2022, EUR	YoY, %	2021, EUR	YoY, %	2020, EUR
Cash flows from operating activities	877.465	46.51	598.895	89.49	316.051
Cash flows from investing activities	(371.596)	139.81	(154.952)	-	6.821
Cash flows from financing activities	(394.201)	58.62	(248.516)	-11.22	(279.910)

⁴³ [Evolution Annual Report 2022, p.75](#)

⁴⁴ [Evolution Annual Report 2021, p.72](#)

⁴⁵ [Evolution Annual Report 2022, p.78](#)

⁴⁶ [Evolution Annual Report 2021, p.75](#)

Criticism

In 2018, seven Evolution Gaming employees filed a lawsuit against the company, alleging coercion to accept work in Georgia or leave the company. The employees in question stated that such a move would mean being paid at the same rate as employees in Georgia, which is "much less" than Evolution's employees at the Malta site. The employees described this move as "completely insulting and unlawful" and stated that the company would be held accountable for the damage to their livelihoods.⁴⁷

In 2020, the General Workers' Union announced the commencement of an industrial dispute with the companies NetEnt and Evolution Gaming Group after the merger of the companies led to employee layoffs. The union stated that the companies refused to provide a written statement with the necessary information for the layoffs. This information includes the reasons for the layoffs, the number of employees subject to dismissal, criteria for selecting employees for dismissal, and details related to severance payments. The union claims that the companies are violating collective dismissal legislation and business transfer legislation.⁴⁸

In November 2021, Evolution Gaming Group was accused of operating in the markets of Syria, Sudan, and Iran, which are under U.S. sanctions. The company responded that accessing content in such countries requires manipulation through a VPN, and it accuses an unknown aggregator of intentional attempts to discredit. The company emphasizes that partner operators are required to comply with licensing requirements and verify the identity of players. Evolution Gaming Group is cooperating with the regulatory body NJDGE on matters related to this case.⁴⁹

In 2023, an employee of Evolution Gaming Group in Fairfield, Connecticut, was arrested on charges of fraud and theft from a virtual casino, amounting to \$47,000 during blackjack games. The investigation revealed that the employee used access to the cards to place advantageous bets on DraftKings accounts, resulting in a loss of \$47,000 to the platform. Evolution Gaming Group became aware of the scheme during monitoring and received information about suspicious activities on one of the three DraftKings accounts associated with the employee. Video files and internal documents confirmed his guilt.⁵⁰

⁴⁷ [IGB, Evolution at centre of employee legal row](#)

⁴⁸ [Malta Today, GWU launches industrial dispute against NetEnt and Evolution](#)

⁴⁹ [IGB, Evolution attacks allegations of illegal activity](#)

⁵⁰ [Patch, Dealer Accused Of Cheating At Gaming Company Evolution In Fairfield](#)

Analyst's opinion

Summary

Evolution develops and creates content for online casinos based on the B2B model. The company's clients include online gambling and land-based casino operators in Europe and North America.

The Total Consolidated Revenue of Evolution Gaming Group AB in FY22 amounted to 1,456.737 million EUR, indicating a growth of 36.30% compared to FY21 (1,068.777 million EUR). The Revenue Retrospective reveals that the company has demonstrated revenue growth for the past 10 years.

Evolution Gaming Group consists of a portfolio of brands: [NetEnt](#), [Nolimit City](#), [Big Time Gaming](#), [Ezugi](#), [Red Tiger](#) and [DigiWheel](#). These brands offer RNG games for online and land-based casinos. In FY22, 81.57% (1,188.308 million EUR) of the total revenue (1,456.737 million EUR) was generated by the live game product: live casino and live game show.

In 2022, Evolution Gaming Group restructured its backend infrastructure and offered partners access to existing content through the One Stop Shop (OSS) interface. The platform integrates games from Evolution, NetEnt, Red Tiger, Big Time Gaming, Ezugi, and Nolimit City, assisting operators in launching casinos.⁵¹

Evolution Gaming Group develops AI models to optimize reports, which helps identify bonus abuse or potential risks related to money laundering.⁵²

During its existence, the company has encountered lawsuits and accusations, but Evolution Gaming Group takes actions to resolve conflicts.

At the end of FY22, the company had 1300 live game tables, was investing in new studios, and expanding existing ones. In 2023, Evolution Gaming Group plans: to continue working on OSS, release 100 new games, and open 1-2 new locations.⁵³

⁵¹ [Evolution Annual Report 2022, p.15](#)

⁵² [Evolution Annual Report 2022, p.46](#)

⁵³ [Evolution Annual Report 2022, p.5-6](#)

Sources List

- [Evolution](#)
- [Evolution Annual Report 2022](#)
- [Evolution Annual Report 2021](#)
- [Evolution Annual Report 2020](#)
- [Evolution Annual Report 2018](#)
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- [Bolagsverket](#)
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- [Big Time Gaming](#)
- [Ezugi](#)
- [Red Tiger](#)
- [Digiwheel](#)
- [Crunchbase](#)
- [Exchange Rates UK](#)
- [IRS](#)
- [IGB](#)
- [Patch](#)
- [Malta Today](#)

META



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[Website: Data40.com](https://data40.com)

E-mail: danila@data40.com

Phone: +44 7466371493

Address: 010000, Republic of Kazakhstan, Astana city, Yesil district, Dostyk street 20, office 1501

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