

Evolution Gaming Group AB Q3FY23 Report Overview

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Goals and objectives of the research	2
Disclaimers	2
Document markup	2
Conclusions	3
General information	3
About Company	4
Conference Call information	5
Public Quarterly Reports Calendar FY23-24	5
Highlights and Metrics	6
Q3FY23 Highlights	6
Acquisitions and Divestitures	6
Business Outlook	6
Stock information	7
About shares	7
TradingView Retrospective Q3FY23	7
Financial Statements	8
Revenue Retrospective	8
Sales per Business	9
Sales per Region	10
Dividend Information	12
Balance Sheet	13
Income Statement	14
Cashflow Statement	15
News	15
Analyst's opinion	16
Summary	16
Sources List	17
META	18

Goals and objectives of the research

Research Objective: To perform a comparative analysis of the Q3FY23 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q3FY23;
- Analyze the collected information;
- Conduct a comparative assessment of the Q3FY23 report with the reports from previous quarters of the current fiscal year and Q3FY22;
- 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;
- EVO - Evolution Gaming Group;
- RNG - Random Numbers Generate;
- QoQ - Quarter-over-Quarter;
- 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 Gaming Group Annual Report Period is from January 1 to December 31, 2023;
 - The specified financial year coincides with the calendar year.

Conclusions

General information

Parameter	Evolution Gaming Group AB
Website	evolution.com
Country (location)	Sweden
Country (issuer)	Sweden
Year of foundation	2006
Founder	Jens Von Bahr
Sector	Consumer Cyclical
Type	Public
Year of IPO	2015
Stock market	Nasdaq Stockholm
Ticker	EVO
Previous Annual Report from Data40	Full Evolution Gaming Group AB Fiscal Year 2022 Overview
Previous Quarterly Report from Data40	-

About Company¹

Evolution AB ("EVO") is a Swedish gaming company engaged in the development, management and licensing of online casino games. The company was founded in 2006 and is headquartered in Stockholm. Evolution delivers content to both licensed B2C casino operators, who provide games to players, and licensed B2B entities, which supply games to licensed B2C operators for their players.

Brands owned by Evolution Gaming Group:

- [Netent](#) - Provider of online slots and classic table games with RNG;
- [Red Tiger](#) - Provider of software, online slots and RNG games;
- [Ezugi](#) - Provider in Latin America, South Africa, selected US and European markets;
- [Big Time Gaming](#) - Development of online slots;
- [Nolimit City](#) - Developer of an online casino platform and games;
- [DigiWhell](#) - HD game wheel developer.

Due to its involvement in gambling activities, the company faces regulatory issues. The gambling industry is regulated on both national and regional levels, in accordance with the laws of individual countries. Therefore, EVO needs appropriate licenses to operate in different regions, as listed in the [Company's annual report for 2022](#).

¹ [EVO web, Overview](#)

Conference Call information²

On October 26, 2023, the Company released its Q3FY23 report and conducted a conference call on the same day **at 9:00 a.m. CET** to discuss the results of the Company's Q3FY23 financial report which could be attended by registering at this [link](#).

The Company's website provides a [Financial Calendar](#) with information for the year ahead, indicating that the Year-end Report for 2023 will be announced on **February 1, 2024**. The Annual General Meeting is scheduled for **April 26, 2024**.

Public Quarterly Reports Calendar FY23-24³

Quarter	Period	Date
FY23		
Q1	Jan 1, 2023 to Mar 31, 2023	Apr 27, 2023
Q2	Apr 1, 2023 to Jun 30, 2023	Jul 21, 2023
Q3	Jul 1, 2023 to Sep 30, 2023	Oct 26, 2023
Q4 and FY	Oct 1, 2023 to Dec 31 2023	Feb 1, 2024 (Projected)
FY24		
Q1	Jan 1, 2024 to Mar 31, 2024	Apr 24, 2024 (Projected)
Q2	Apr 1, 2024 to Jun 30, 2024	Jul 19, 2024 (Projected)
Q3	Jul 1, 2024 to Sep 30, 2024	Oct 24, 2024 (Projected)
Q4 and FY	Oct 1, 2024 to Dec 31 2024	TBA

Follow the announcements of the release of new reports on the website [Data40.com](#) in the [Calendars by Financial reports section of DATA40.com](#).

² [EVO web, Financial Calendar](#)

³ [EVO Consolidated Q3FY23 Report, p.8](#)

Highlights and Metrics

Q3FY23 Highlights⁴

- **Operating revenues** increased by 19.58% to 452.642 million EUR compared to Q3FY22 (378.532 million EUR):
 - Live growth +24.29% to 385.813 million EUR compared to Q3FY22 (310.392 million EUR);
 - RNG growth -1.91% to 66.829 million EUR compared to Q3FY22 (68.140 million EUR).
- **EBITDA** increased by 22.07% to 318.599 million EUR compared to Q3FY22 (261.015 million EUR);
- **Profit** for the period amounted to 272.760 million EUR;
- **Earnings per share** amounted to 1.28 EUR;
- Second studio launched in Latin America;
- Made 100 games 2023.

Acquisitions and Divestitures^{5 6}

On June 30th, 2021, Evolution completed the acquisition of 100 percent of the share capital of Big Time Gaming Pty Ltd (BTG). Evolution has contractually agreed to pay a consideration based on BTG's EBITDA for 2022/23 and 2023/24, with 70% in cash and 30% in Evolution shares. The maximum amount of the consideration is 230 million EUR. During the **Q3FY23**, payments were made to BTG's vendors, totaling **67.6 million EUR**. Of this amount, 47.536 million EUR was paid in cash, and 20.1 million EUR was paid in 199,333 Evolution shares.

Business Outlook^{7 8 9}

Outlook Evolution for 2023:

- “Very exciting 2024 Roadmap”;
- “Continued expansion”;
- “Continue to take market-shares and to increase the gap to competitors”.

Improvement directions within the company:

- **Product Innovation:** Developing Live Games and Live Game Shows to meet the needs of operators and end-users;
- **Customer Optimization:** Optimize the Live Casino experience for each operator, considering their conditions and needs. Utilize game data analysis to enhance operator and user loyalty.

⁴ [EVO Consolidated Q3FY23 Report, p.1](#)

⁵ [EVO Consolidated Q3FY23 Report, p.16](#)

⁶ [EVO Consolidated Q3FY21 Report, p.16](#)

⁷ [EVO Q3FY23 Presentation, p.13](#)

⁸ [EVO web, Company Overview](#)

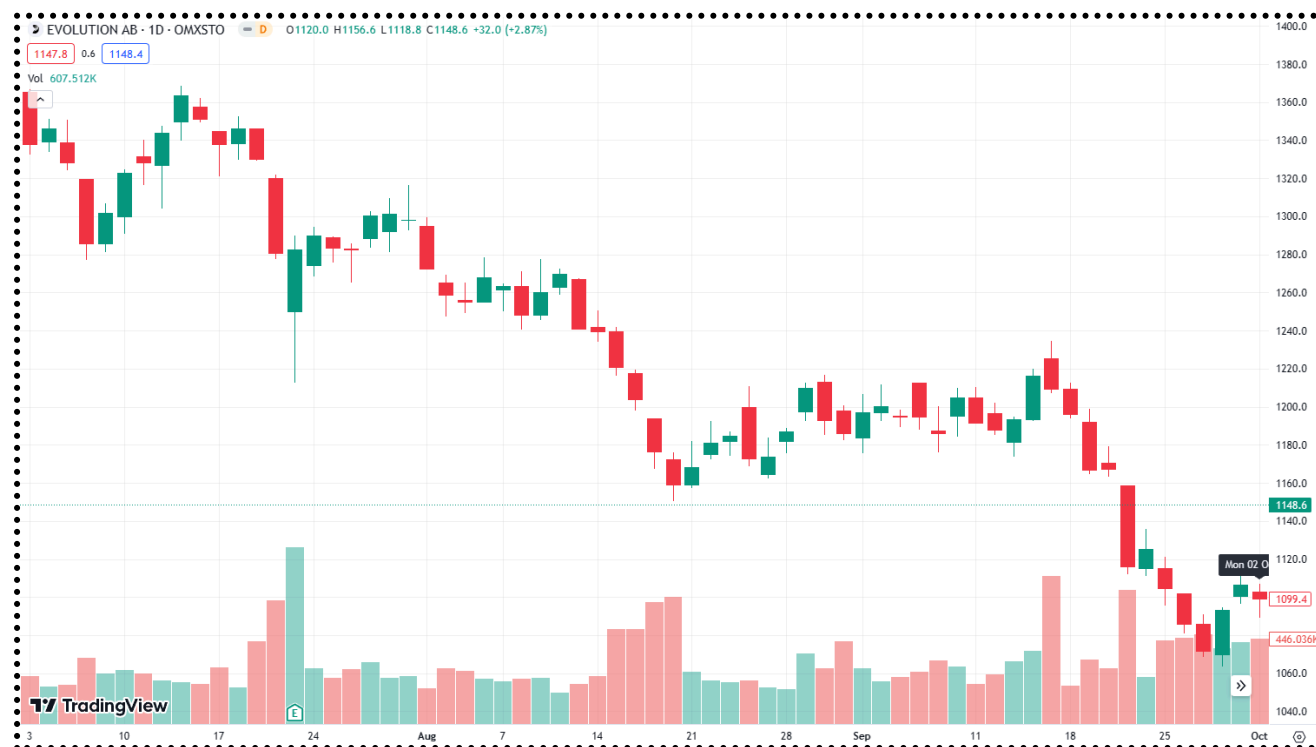
⁹ In this chapter, quotes are used from the [EVO Q3FY23 Presentation](#)

Stock information

About shares

Total Shares Outstanding - 213,898,248 (as of September 30, 2023).¹⁰

TradingView Retrospective Q3FY23¹¹



Date	Open Price	Highest Price	Lowest Price	Close Price
Jul 3, 2023	1365.4 SEK 115.5 EUR	1366.6 SEK 115.6 EUR	1332.4 SEK 112.7 EUR	1337.8 SEK 113.1 EUR
Sep 29, 2023	1100.6 SEK 95.0 EUR	1117.0 SEK 96.4 EUR	1096.6 SEK 94.6 EUR	1106.4 SEK 95.5 EUR

Q3FY23 Price MAX: 1368.4 SEK (118.1 EUR) (July 13, 2023).

Q3FY23 Price MIN: 1063.6 SEK (91.2 EUR) (September 28, 2023).

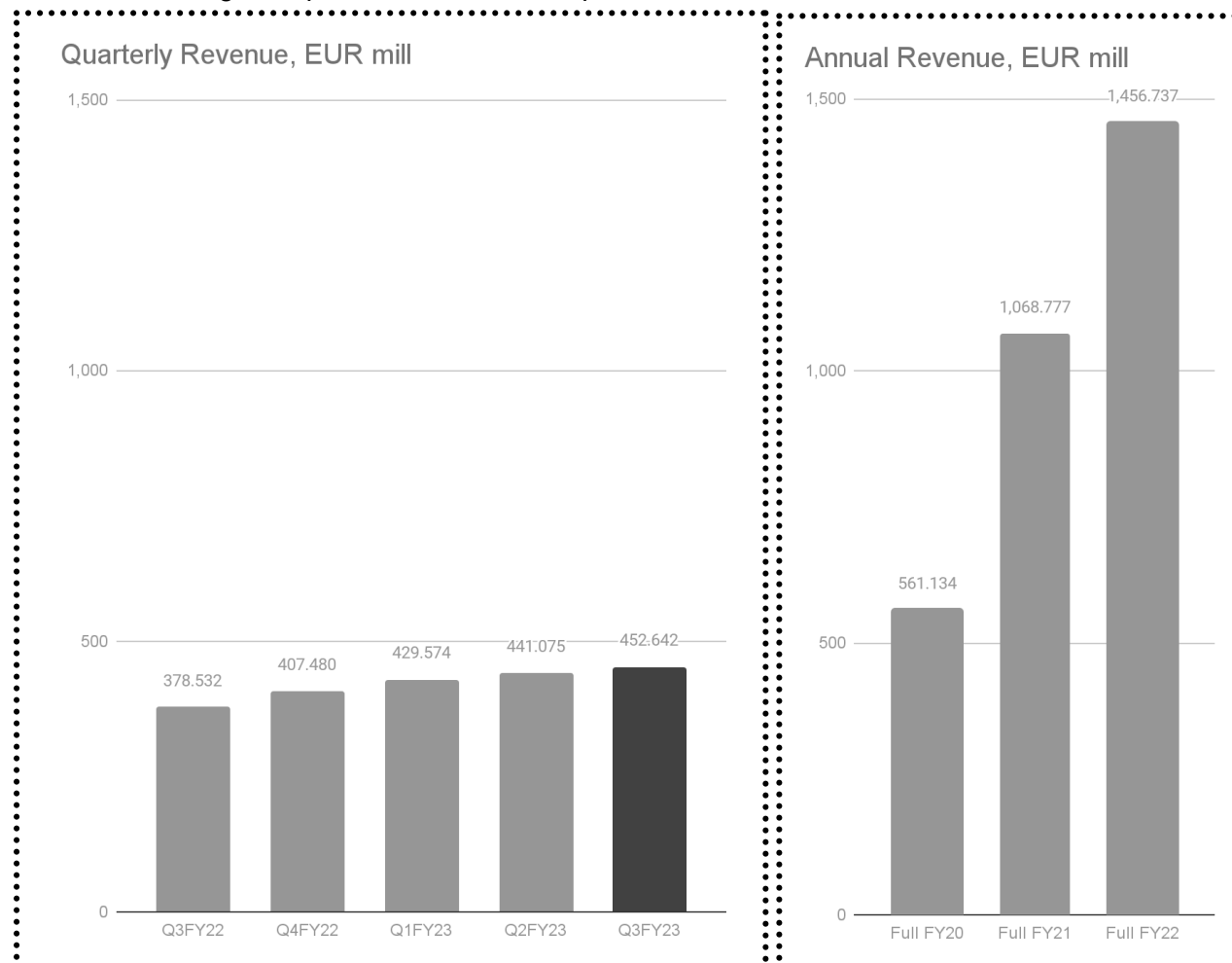
¹⁰ [EVO Consolidated Q3FY23 Report, p.13](#)

¹¹ [TradingView, EVO Chart](#)

Financial Statements

Revenue Retrospective^{12 13 14 15 16}

Evolution Gaming Group AB Revenue Retrospective



¹² [EVO Consolidated Q3FY23 Report, p.9](#)

¹³ [EVO Consolidated Q2FY23 Report, p.9](#)

¹⁴ [EVO Consolidated Q1FY23 Report, p.8](#)

¹⁵ [EVO Consolidated Q4 and FY22 Report, p.8](#)

¹⁶ [EVO Consolidated Annual Report 2022, p.109](#)

Sales per Business

Operating Revenue Structure^{17 18 19 20}

(In million, except Percentages)

Parameter	Q3FY23, EUR	QoQ, %	Q2FY23, EUR	QoQ, %	Q1FY22, EUR	QoQ, %	Q4FY22, EUR	QoQ, %	Q3FY22, EUR	YoY, %
Live	385.813	3.77	371.800	3.25	360.104	7.51	334.947	7.91	310.392	24.30
RNG	66.829	-3.53	69.275	-0.28	69.470	-4.22	72.533	6.45	68.140	-1.92
Total Consolidated Revenue	452.642	2.62	441.075	2.68	429.574	5.42	407.480	7.65	378.532	19.58

Operating Revenue Structure Percentages

Parameter	Q3FY23, %	Q2FY23, %	Q1FY23, %	Q4FY22, %	Q3FY22, %
Live	85.24	84.29	83.83	82.20	82.0
RNG	14.76	15.71	16.17	17.80	18.0

¹⁷ [EVO Consolidated Q3FY23 Report, p.9](#)

¹⁸ [EVO Consolidated Q2FY23 Report, p.9](#)

¹⁹ [EVO Consolidated Q1FY23 Report, p.8](#)

²⁰ [EVO Consolidated Q4 and FY22 Report, p.8](#)

Sales per Region

Sales by Region²¹

(In million, except Percentages)

Parameter	Q3FY23, EUR	QoQ, %	Q2FY23, EUR	QoQ, %	Q1FY23, EUR	QoQ, %	Q4FY22, EUR	QoQ, %	Q3FY22, EUR	YoY, %
Europe	175.1	-0.06	175.2	0.86	173.7	2.18	170.0	6.78	159.2	9.99
Asia	172.1	4.62	164.5	6.82	154.0	13.07	136.2	6.57	127.8	34.66
North America	54.7	-1.44	55.5	-3.14	57.3	1.96	56.2	11.95	50.2	8.96
Latin America	34.4	9.90	31.3	4.33	30.0	11.52	26.9	8.47	24.8	38.71
Other	16.3	11.64	14.6	0.00	14.6	-19.78	18.2	10.30	16.5	-1.21
Total Consolidated Revenue	452.6	2.61	441.1	2.68	429.6	5.42	407.5	7.66	378.5	19.58

²¹ [EVO Consolidated Q3FY23 Report, p.6](#)

Sales by Region Percentages

Parameter	Q3FY23, %	Q2FY23, %	Q1FY23, %	Q4FY22, %	Q3FY22, %
Europe	38.69	39.72	40.43	41.72	42.06
Asia	38.02	37.29	35.85	33.42	33.76
North America	12.09	12.58	13.34	13.79	13.26
Latin America	7.60	7.10	6.98	6.60	6.55
Other	3.60	3.31	3.40	4.47	4.36

Dividend Information^{22 23 24}

(In million, except Per share data and Percentages)

Parameter	FY2022, EUR	YoY, %	FY2021, EUR	YoY, %	FY2020, EUR
Per Share	2.00	40.85	1.42	108.82	0.68
Cash dividends declared	427.314	41.14	302.751	109.69	144.382

Note: The amount of dividends for FY23 has not been set.

Dividend policy: Evolution Gaming Group aims to distribute dividends equivalent to 50% of net profit annually.²⁵

²² [EVO Consolidated Annual Report 2022, p.28, 58](#)

²³ [EVO Consolidated Annual Report 2021, p.55](#)

²⁴ [EVO Consolidated Annual Report 2020, p.59](#)

²⁵ [EVO web, Dividend](#)

Balance Sheet^{26 27 28 29}

(In million, except Percentages)

Parameter	Q3FY23, EUR	QoQ, %	Q2FY23, EUR	QoQ, %	Q1FY23, EUR	QoQ, %	Q4FY22, EUR	QoQ, %	Q3FY22, EUR	YoY, %
Assets										
Total Current Assets	1,500.816	31.31	1,142.995	-19.00	1,411.029	27.19	1,109.375	25.20	886.107	69.37
Total Non-Current Assets	3,174.355	1.01	3,142.696	-3.16	3,245.230	-0.45	3,259.996	-1.69	3,316.114	-4.27
Total Assets	4,675.171	9.09	4,285.691	-7.96	4,656.259	6.57	4,369.371	3.98	4,202.221	11.25
Liabilities										
Total Current Liabilities	513.277	31.92	389.085	-21.74	497.183	16.74	425.893	1.86	418.109	22.76
Total Non-Current Liabilities	412.099	-14.07	479.571	-0.60	482.447	-0.16	483.197	1.13	477.785	-13.75
Total Liabilities	925.376	6.53	868.656	-11.33	979.630	7.76	909.090	1.47	895.894	3.29
Total Equity	3,749.795	9.74	3,417.035	-7.06	3,676.629	6.25	3,460.281	4.66	3,306.327	13.41

²⁶ [EVO Consolidated Q3FY23 Report, p.10](#)

²⁷ [EVO Consolidated Q2FY23 Report, p.10](#)

²⁸ [EVO Consolidated Q1FY23 Report, p.9](#)

²⁹ [EVO Consolidated Q4 and FY22 Report, p.9](#)

Income Statement^{30 31 32 33}

(In million, except EPS data and Percentages)

Parameter	Q3FY23, EUR	QoQ, %	Q2FY23, EUR	QoQ, %	Q1FY23, EUR	QoQ, %	Q4FY22, EUR	QoQ, %	Q3FY22, EUR	YoY, %
Total Operating Revenues	452.642	2.62	441.075	2.68	429.574	5.42	407.480	7.65	378.532	19.58
Total Operating Expenses	(165.505)	3.73	(159.560)	0.93	(158.094)	0.39	(157.476)	10.79	(142.139)	16.44
Operating Income	287.137	2.00	281.515	3.70	271.480	8.59	250.004	5.76	236.393	21.47
Net Income	272.760	3.28	264.089	5.15	251.150	12.37	223.502	1.00	221.297	23.26
EPS Basic	1.28	3.23	1.24	5.08	1.18	12.38	1.05	0.96	1.04	23.08
EPS Diluted	1.26	3.28	1.22	7.02	1.14	10.68	1.03	0.98	1.02	23.53

³⁰ [EVO Consolidated Q3FY23 Report, p.9](#)

³¹ [EVO Consolidated Q2FY23 Report, p.9](#)

³² [EVO Consolidated Q1FY23 Report, p.8](#)

³³ [EVO Consolidated Q4 and FY22 Report, p.8](#)

Cashflow Statement^{34 35 36 37}

(In million, except Percentages)

Parameter	Q3FY23, EUR	QoQ, %	Q2FY23, EUR	QoQ, %	Q1FY23, EUR	QoQ, %	Q4FY22, EUR	QoQ, %	Q3FY22, EUR	YoY, %
Cash flows from operating activities	342.876	46.65	233.807	-15.70	277.349	6.45	260.550	9.92	237.038	44.65
Cash flows from investing activities	(66.694)	206.55	(21.756)	0.19	(21.715)	-47.96	(41.725)	-79.83	(206.887)	-67.76
Cash flows from financing activities	(5.317)	-98.76	(429.134)	1,438.94	(27.885)	1,132.21	(2.263)	-56.02	(5.146)	3.32

News³⁸

July 13, 2023 - [Evolution launches lightning dice in New Jersey.](#)

July 14, 2023 - [Evolution adds new high-limit live dealer tables for BCLC in Canada.](#)

³⁴ [EVO Consolidated Q3FY23 Report, p.12](#)

³⁵ [EVO Consolidated Q2FY23 Report, p.12](#)

³⁶ [EVO Consolidated Q1FY23 Report, p.11](#)

³⁷ [EVO Consolidated Q4 and FY22 Report, p.11](#)

³⁸ [EVO web. News](#)

Analyst's opinion

Summary^{39 40 41}

Evolution Gaming Group AB ("EVO") is a Swedish gaming company specializing in the development, management, and licensing of online casino games. Founded in 2006, the company is headquartered in Stockholm.

In Q3FY23, the company did not engage in any transactions or acquisitions. Nevertheless, payments were made to BTG's vendors as part of the acquisition deal for Big Time Gaming Pty Ltd (BTG) which was completed on June 30th, 2021. The total amount reached 67.6 million EUR.

"Outlook for Evolution Gaming Group in 2023: Develop the 2024 Roadmap, continue expansion, strive to gain market share, and widen the gap with competitors".⁴²

Evolution shares are traded on [Nasdaq Stockholm](#) under the ticker symbol [EVO](#). As of September 30, 2023, the total shares outstanding amount to 213,898,248. During Q3FY23, the trading range for the company's shares was from 1063.6 SEK (91.2 EUR) to 1368.4 SEK (118.1 EUR). The opening price on July 3, 2023, was 1365.4 SEK (115.5 EUR), and the closing price on September 29, 2023, was 1106.4 SEK (95.5 EUR).

Evolution Gaming Group aims to pay dividends equivalent to 50% of net profit annually. In 2022, the dividend per share was 2.00 EUR, reflecting a 40.85% increase compared to 2021 (1.42 EUR).

Evolution's revenue model includes commission fees and fixed fees for dedicated tables, paid monthly by operators. In Q3FY23, 85.24% of the revenue, totaling 385.813 million EUR, was generated from the Live game product category, encompassing live casino and live game shows. This represents a 24.30% increase compared to Q3FY22 (310.392 million EUR). RNG slots in Q3FY23 yielded 66.829 million EUR, a decrease of 1.92% from Q3FY22 (68.140 million EUR).

Sales per Region in Q3FY23: Europe - 38.68% (175.1 million EUR), Asia - 38.02% (172.1 million EUR), North America - 12.09% (54.7 million EUR), Latin America - 7.60% (34.4 million EUR), and Other - 3.60% (16.3 million EUR).

Total Equity in Q3FY23 amounted to 3,749.795 million EUR, representing a growth of compared to Q2FY23 (3,417.035 million EUR) and Q3FY22 (3,306.327 million EUR) by 9.74% and 13.41%, respectively. Total Liabilities in Q3FY23 were 925.376 million EUR, 3.29% lower than Q3FY22 (895.894 million EUR) and 6.53% lower than Q2FY23 (868.656 million EUR).

Evolution AB has scheduled the announcement of its 2023 results for February 1, 2024, at 7:30 CET.

³⁹ [EVO Annual Report 2022, p.14](#)

⁴⁰ [EVO Annual Report 2022, p.9](#)

⁴¹ In this chapter, quotes are used from the [EVO Q3FY23 Presentation](#)

⁴² [EVO Q3FY23 Presentation, p.13](#)

Sources List

- [Evolution Gaming](#)
- [Foretagsinfo.Bolagsverket.Se](#)
- [Evolution Gaming Consolidated Q3FY23 Report](#)
- [Evolution Gaming Consolidated Q2FY23 Report](#)
- [Evolution Gaming Consolidated Q1FY23 Report](#)
- [Evolution Gaming Consolidated Q3FY21 Report](#)
- [Evolution Gaming Consolidated Q4 and FY22 Report](#)
- [Evolution Gaming Annual Report 2022](#)
- [Evolution Gaming Annual Report 2021](#)
- [Evolution Gaming Annual Report 2020](#)
- [Evolution Gaming Q3FY23 Presentation](#)
- [TradingView](#)
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