

Evolution AB (publ) Q3FY24 Report Overview

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Goals and Objectives of the Research

Research Objective: To perform a comparative analysis of the Q3FY24 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q3FY24;
- Analyze the collected information;
- Conduct a comparative assessment of the report for the Q3FY24 with reports for previous quarters up to the Q3FY23;
- 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 quarterly reports are unaudited.

Document Markup

- FY - Financial Year;
- Q - Quarter;
- EVO - Evolution AB (publ);
- 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 AB (publ) Q3FY24 Report Period is from July 1, 2024, to September 30, 2024.

Conclusions

General Information

Parameter	Evolution AB (publ)
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 2023 Overview
Previous Quarterly Report from Data40	Evolution Gaming Group AB Q2FY24 Report Overview

About Company¹

Evolution AB (publ) ("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 AB (publ):

- [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;

¹ [EVO web, Overview](#)

- [Big Time Gaming](#) - Development of online slots;
- [Nolimit City](#) - Developer of an online casino platform and games;
- [DigiWhell](#) - HD game wheel developer.

Conference Call Information²

On October 24, 2024, the company released its **Q3FY24** results and held a [conference call](#) on the same day **at 9:00 a.m. CEST** to discuss the results of the company's Q3FY24 financial report. The call was open to attendance by registering at this [link](#).

The company's website provides a Financial Calendar with information for the year ahead. According to the calendar, the **Year-end Report 2024** will be released on **January 30, 2025, at 1:30 a.m. EDT (7.30 CET)**.

Public Quarterly Reports Calendar FY24-25³

Quarter	Period	Date
FY24		
Q1	Jan 1, 2024 to Mar 31, 2024	Apr 24, 2024
Q2	Apr 1, 2024 to Jun 30, 2024	Jul 19, 2024
Q3	Jul 1, 2024 to Sep 30, 2024	Oct 24, 2024
Q4 and FY24	Oct 1, 2024 to Dec 31, 2024	Jan 30, 2025
FY25		
Q1	Jan 1, 2025 to Mar 31, 2025	Apr 30, 2025
Q2	Apr 1, 2025 to Jun 30, 2025	Jul 17, 2025
Q3	Jul 1, 2025 to Sep 30, 2025	Oct 23, 2025
Q4 and FY25	Oct 1, 2025 to Dec 31, 2025	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 Q3FY24 Report, p.8](#)

Highlights and Metrics

Q3FY24 Highlights^{4 5}

- **Net Revenues** of 579.029 million EUR, increase by 13.89%, compared to 508.410 million EUR in Q2FY24 and increase by 27.92%, compared to 452.642 million EUR in Q3FY23;
- **Operating Profit** of 379.179 million EUR, increase by 21.87%, compared to 311.129 million EUR in Q2FY24 and increase by 32.06%, compared to 287.137 million EUR in Q3FY23;
- **Net Income** of 328.611 million EUR, increase by 22.10%, compared to 269.143 million EUR in Q2FY24 and increase by 20.48%, compared to 272.760 million EUR in Q3FY23;
- **EPS Basic and Diluted** of 1.57 EUR and 1.57 EUR respectively;
- Acquisition of Arcade Gaming Solutions;
- A new studio in Colombia launched;
- Lightning Storm launched;
- Downsized operations in Georgia.

⁴ [EVO Consolidated Q3FY24 Report, p.1](#)

⁵ [EVO Q3FY24 Presentation, p.2](#)

Acquisitions and Divestitures⁶

“Evolution has acquired 100 percent of the share capital in Livespins Holdings Limited, a B2B social streaming game provider that enables operators to offer their players the opportunity to bet behind their favourite streamers, brand ambassadors and influencers. The up-front cash consideration was EUR 4.3 million net on a cash and debt free basis. In addition, Evolution may pay an earn-out based on Livespins’ performance in 2026. Livespins is included in the consolidated accounts, the effect on Evolution Group’s results of operations and financial position is not material”.

“Evolution has entered into an agreement to acquire Galaxy Gaming, Inc. for a total equity value of approximately USD 85 million, payable in cash. Closing is expected in mid-2025, Galaxy Gaming Inc. is therefore not yet included in the consolidated accounts”.

Business Outlook^{7 8}

Outlook Evolution AB (publ) for 2024:

- “Go live with new studio on the newly regulated Czech market;
- Continued expansion and initiating additional 1-2 studio builds 2024;
- Execution of capital returns;
- Accelerated delivery of games during H2”.

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. Game data analysis to enhance operator and user loyalty.

⁶ In this chapter, quotes are used from the [EVO Consolidated Q3FY24 Report, p.16](#)

⁷ In this chapter, quotes are used from the [EVO Q3FY24 Presentation, p.12](#)

⁸ [EVO web, Company Overview](#)

Stock Information

About Shares⁹

Total Shares Outstanding - 208,327,719 (as of September 30, 2024).

Average number of outstanding shares before dilution - 209,319,036 (as of September 30, 2024).

“The company has one incentive programme. Upon full exercise of the warrants within the programme 2023/2026 (adopted by the Extra General Meeting on 9 November 2023), the dilution effect will be approximately 0.9 percent. More information about the programme is available in the 2023 annual report”.¹⁰

Stock Retrospective Q3FY24¹¹



Date	Open Price, SEK/EUR	Highest Price, SEK/EUR	Lowest Price, SEK/EUR	Close Price, SEK/EUR
Jul 1, 2024	1,108.5 97.17	1,117.0 97.92	1,104.0 96.78	1,105.5 96.91
Sep 30, 2024	1,017.0 89.82	1,033.0 91.23	998.0 88.14	998.0 88.14

Q3FY24 Price MAX: 1,173.5 SEK (101.26 EUR) (as of July 18, 2024).

Q3FY24 Price MIN: 959.0 SEK (82.73 EUR) (as of August 5, 2024).

⁹ [EVO Consolidated Q3FY24 Report, p.13](#)

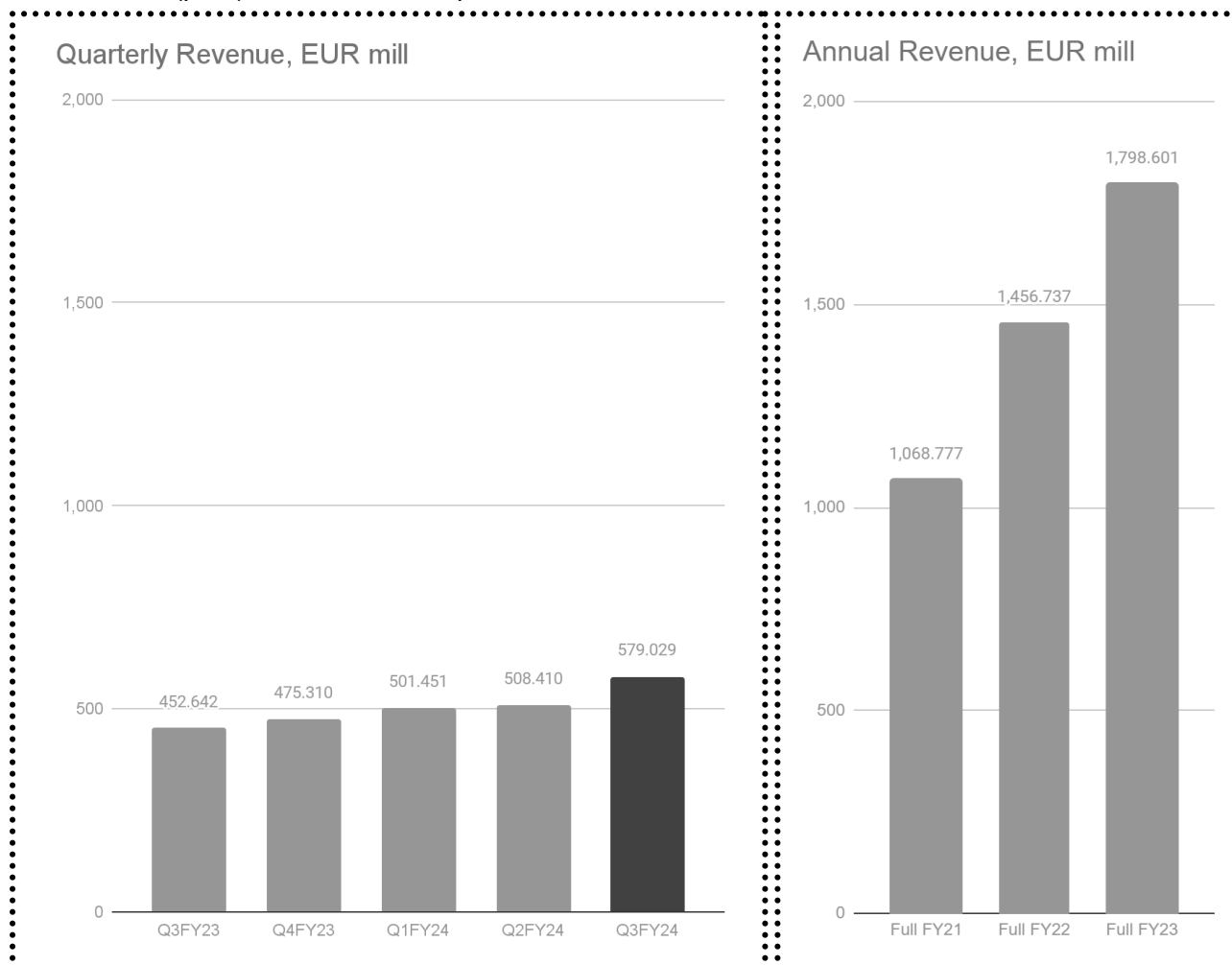
¹⁰ In this chapter, quotes are used from the [EVO Consolidated Q3FY24, p.16](#)

¹¹ [TradingView, EVO Chart](#)

Financial Statements

Revenue Retrospective

Evolution AB (publ) Revenue Retrospective^{12 13 14 15 16}



¹² [EVO Consolidated Q3FY24 Report, p.9](#)

¹³ [EVO Consolidated Q2FY24 Report, p.9](#)

¹⁴ [EVO Consolidated Q1FY24 Report, p.8](#)

¹⁵ [EVO Consolidated Q4 and FY23 Report, p.9](#)

¹⁶ [EVO Consolidated Annual Report 2021, p.72](#)

Sales per Business

Net Revenue Structure^{17 18 19 20}

(In million, except Percentages)

Parameter	Q3FY24, EUR	QoQ, %	Q2FY24, EUR	QoQ, %	Q1FY24, EUR	QoQ, %	Q4FY23, EUR	QoQ, %	Q3FY23, EUR	YoY, %
Live	446.878	2.01	438.071	1.56	431.338	6.36	405.557	5.12	385.813	15.83
RNG	72.501	3.07	70.339	0.32	70.113	0.52	69.753	4.38	66.829	8.49
Other operating revenues*	59.650	-	-	-	-	-	-	-	-	-
Total operating revenues	579.029	13.89	508.410	1.39	501.451	5.50	475.310	5.01	452.642	27.92

*Note: Other operating revenues are a reduction of earn-out liability.

“Evolution has decided to extend the earn-out period related to the purchase of BTG until 2026. The earn-out liability has been reduced with EUR 59.7 million which is recorded as other operating revenues. Remaining earn-out with net present value of EUR 102.7 million may be paid at the latest in 2026”.²¹

¹⁷ [EVO Consolidated Q3FY24 Report, p.9](#)

¹⁸ [EVO Consolidated Q2FY24 Report, p.9](#)

¹⁹ [EVO Consolidated Q1FY24 Report, p.8](#)

²⁰ [EVO Consolidated Q4 and FY23 Report, p.9](#)

²¹ In this chapter, quotes are used from the [EVO Consolidated Q3FY24 Report, p.16](#)

Net Revenue Structure Percentages

Parameter	Q3FY24, %	Q2FY24, %	Q1FY24, %	Q4FY23, %	Q3FY23, %
Live	77.18	86.16	86.02	85.32	85.24
RNG	12.52	13.84	13.98	14.68	14.76
Other operating revenues	10.30	-	-	-	-

Sales per Region

Sales by Geographical Region²²

(In million, except Percentages)

Parameter	Q3FY24, EUR	QoQ, %	Q2FY24, EUR	QoQ, %	Q1FY24, EUR	QoQ, %	Q4FY23, EUR	QoQ, %	Q3FY23, EUR	YoY, %
Europe	194.9	1.88	191.3	0.16	191.0	2.80	185.8	6.11	175.1	11.31
Asia	202.2	0.75	200.7	1.57	197.6	8.75	181.7	5.58	172.1	17.49
North America	64.8	7.64	60.2	-3.06	62.1	5.08	59.1	8.04	54.7	18.46
Latin America	37.4	2.19	36.6	10.91	33.0	2.80	32.1	-6.69	34.4	8.72
Other	20.2	3.06	19.6	10.11	17.8	7.23	16.6	1.84	16.3	23.93
Total Consolidated Revenue	519.4	2.16	508.4	1.38	501.5	5.51	475.3	5.02	452.6	14.76

²² [EVO Consolidated Q3FY24 Report, p.6](#)

Sales by Region Percentages

Parameter	Q3FY24, %	Q2FY24, %	Q1FY24, %	Q4FY23, %	Q3FY23, %
Europe	37.52	37.63	38.09	39.09	38.69
Asia	38.93	39.48	39.40	38.23	38.02
North America	12.48	11.84	12.38	12.43	12.09
Latin America	7.20	7.20	6.58	6.75	7.60
Other	3.89	3.86	3.55	3.49	3.60

Dividend Information^{23 24 25}

(In million, except Per share data and Percentages)

Parameter	FY23, EUR	YoY, %	FY22, EUR	YoY, %	FY21, EUR
Per Share	2.65 EUR	32.50	2.00 EUR	40.85	1.42 EUR
Cash dividends declared	563.800	31.94	427.314	41.14	302.751

Dividend policy: Evolution AB (publ) dividends are equivalent to 50% of net profit annually.²⁶

²³ [EVO Consolidated Annual Report 2022, p.58](#)

²⁴ [EVO Consolidated Annual Report 2021, p.55](#)

²⁵ [EVO Consolidated Q1FY24 Report, p.6-7](#)

²⁶ [EVO web, Dividend](#)

Balance Sheet^{27 28 29}

(In million, except Percentages)

Parameter	at Sep 30, 2024, EUR	QoQ, %	at Jun 30, 2024, EUR	QoQ, %	at Mar 31, 2024, EUR	QoQ, %	at Dec 31, 2023, EUR	QoQ, %	at Sep 30, 2023, EUR	YoY, %
Assets										
Total Current Assets	1,641.840	4.64	1,569.101	-15.25	1,851.545	7.51	1,722.264	14.76	1,500.816	9.40
Total Non-Current Assets	3,346.280	3.58	3,230.563	1.34	3,187.878	-1.95	3,251.220	2.42	3,174.355	5.42
Total Assets	4,988.120	3.93	4,799.664	-4.76	5,039.423	1.33	4,973.484	6.38	4,675.171	6.69
Liabilities										
Total Current Liabilities	855.710	19.57	715.672	9.36	702.121	31.92	561.323	-21.74	513.277	66.72
Total Non-Current Liabilities	364.197	-10.13	405.265	-1.49	404.019	-14.07	405.946	-0.60	412.099	-11.62
Total Liabilities	1,219.907	8.83	1,120.937	4.53	1,106.140	6.53	967.269	-11.33	925.376	31.83
Total Equity	3,768.213	2.43	3,678.727	-6.47	3,933.283	-1.82	4,006.215	6.84	3,749.795	0.49

²⁷ [EVO Consolidated Q3FY24 Report, p.10](#)

²⁸ [EVO Consolidated Q2FY24 Report, p.10](#)

²⁹ [EVO Consolidated Q1FY24 Report, p.9](#)

Income Statement^{30 31 32 33}

(In million, except EPS data and Percentages)

Parameter	Q3FY24, EUR	QoQ, %	Q2FY24, EUR	QoQ, %	Q1FY24, EUR	QoQ, %	Q4FY23, EUR	QoQ, %	Q3FY23, EUR	YoY, %
Total Operating Revenues	579.029	13.89	508.410	1.39	501.451	5.50	475.310	5.01	452.642	27.92
Total Operating Expenses	(199.850)	1.30	(197.281)	3.92	(189.840)	9.92	(172.712)	4.35	(165.505)	20.75
Operating profit	379.179	21.87	311.129	-0.15	311.611	2.98	302.598	5.38	287.137	32.06
Net Income	328.611	22.10	269.143	-0.01	269.157	-4.84	282.859	3.70	272.760	20.48
EPS Basic	1.57 EUR	22.66	1.28 EUR	0.79	1.27 EUR	-3.79	1.32 EUR	3.13	1.28 EUR	22.66
EPS Diluted	1.57 EUR	22.66	1.28 EUR	2.40	1.25 EUR	-4.58	1.31 EUR	3.97	1.26 EUR	24.60

³⁰ [EVO Consolidated Q3FY24 Report, p.9](#)

³¹ [EVO Consolidated Q2FY24 Report, p.9](#)

³² [EVO Consolidated Q1FY24 Report, p.8](#)

³³ [EVO Consolidated Q4 and FY23 Report, p.9](#)

Cashflow Statement^{34 35 36 37}

(In million, except Percentages)

Parameter	Q3FY24, EUR	QoQ, %	Q2FY24, EUR	QoQ, %	Q1FY24, EUR	QoQ, %	Q4FY23, EUR	QoQ, %	Q3FY23, EUR	YoY, %
Cash flows from operating activities	356.910	12.69	312.773	3.63	301.814	-4.01	314.415	-8.30	342.876	2.80
Cash flows from investing activities	(132.393)	274.63	(35.340)	-17.32	(42.741)	46.41	(29.193)	-56.23	(66.694)	98.51
Cash flows from financing activities	(248.400)	-55.86	(562.790)	107.85	(270.762)	141.40	(112.165)	2,009.55	(5.317)	4,571.81

News³⁸

July 2, 2024 - [Evolution launches online live games in Delaware through Rush Street Interactive's BetRivers platform](#)

July 3, 2024 - [Evolution launches Balloon Race, colourful, latest-generation online slot with live bonus round](#)

July 31, 2024 - [Evolution unleashes Lightning Storm, the “biggest, most ambitious live game show ever created”](#)

September 11, 2024 - [Crazy Time Italia – the latest landmark launch for Evolution's #1 live game show](#)

September 11, 2024 - [Evolution acquires Arcadia](#)

³⁴ [EVO Consolidated Q3FY24 Report, p.12](#)

³⁵ [EVO Consolidated Q2FY24 Report, p.12](#)

³⁶ [EVO Consolidated Q1FY24 Report, p.11](#)

³⁷ [EVO Consolidated Q4 and FY23 Report, p.12](#)

³⁸ [EVO web, News](#)

Analyst's Opinion

Summary

Evolution AB (publ) 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.

Evolution has acquired 100 percent of the share capital in [Livespins Holdings Limited](#), a B2B social streaming game provider, for 4.3 million EUR. Evolution Malta Holding Limited has entered into an agreement to acquire [Galaxy Gaming, Inc.](#) for a total equity value of 85 million USD, payable in cash.

Evolution shares are traded on Nasdaq Stockholm under the ticker symbol EVO. As of September 30, 2024, the average number of outstanding shares before dilution was 209,319,036 and the total shares were 208,327,719. During Q3FY24, the company's shares traded within a range of 959.0 SEK (82.73 EUR) to 1,173.5 SEK (101.26 EUR). The opening price on July 1, 2024, was 1,108.5 SEK (97.17 EUR), and the closing price on September 30, 2024, stood at 998.0 SEK (88.14 EUR).

Evolution Gaming Group pays dividends equivalent to 50% of net profit annually. In 2023, The Board of Directors proposes that the Annual General Meeting resolve to transfer 559.3 million EUR to shareholders corresponding to 2.65 EUR per share and 52.2% of net profit.

Evolution's revenue model includes commission fees and fixed fees for dedicated tables, paid monthly by operators. Total revenue in Q3FY24 amounted to 579.029 million EUR, which is 13.89% higher than the Total revenue in Q2FY24, which was 508.410 million EUR, and 27.92% higher than the Total revenue in Q3FY23, which was 452.642 million EUR.

Revenue structure in Q3FY24: 77.18% of the Total revenue was generated from the Live Game Product: Live Casino and Live Game Shows, amounting to 446.878 million EUR. This represents a 15.83% increase compared to 385.813 million EUR in Q3FY23. RNG slots in Q3FY24 yielded 72.501 million EUR corresponding to 12.52% of the total revenue and reflecting an increase of 8.49% from Q3FY23 - 66.829 million EUR. Other operating revenues amounted to 10.30%, totaling 59.650 million EUR.

Sales per Region in Q3FY24: Asia - 38.93% in 202.2 million EUR, Europe - 37.52% in 194.9 million EUR, North America - 12.48% in 64.8 million EUR, Latin America - 7.20% in 37.4 million EUR, and Other - 3.89% in 20.2 million EUR.

Total Equity as of September 30, 2024, amounted to 3,768.213 million EUR, which is 2.43% higher than the Total Equity as of June 30, 2024, which was 3,678.727 million EUR, and 0.49% higher than the Total Equity as of September 30, 2023, which was 3,749.795 million EUR.

Total Liabilities as of September 30, 2024, were 1,219.907 million EUR, which is 8.83% higher than the 1,120.937 million EUR as of June 30, 2024, and 31.83% higher than the 925.376 million EUR as of September 30, 2023.

Sources List

- [Evolution web](#)
- [Foretagsinfo.Bolagsverket.Se](#)
- [EVO Consolidated Q3FY24 Report](#)
- [EVO Consolidated Q2FY24 Report](#)
- [EVO Consolidated Q1FY24 Report](#)
- [EVO Consolidated Q4 and FY23 Report](#)
- [EVO Consolidated Annual Report 2023](#)
- [EVO Consolidated Annual Report 2022](#)
- [EVO Consolidated Annual Report 2021](#)
- [EVO Q3FY24 Presentation](#)
- [TradingView](#)
- [Nasdaq Nordic](#)
- [Data40](#)

META



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