

# bet-at-home

Q121 results

## Trading well against expectations

bet-at-home's (BAH) Q121 results are strong in the context of management guidance for FY21. Trading in the early part of FY21 is likely to be as bad as it gets for BAH. The initial (negative) effects of regulatory changes in Germany will be followed by a more favourable sporting calendar and management's belief that increased legal certainty from Q321 will help the company to better plan and develop its business. Management is optimistic that regulated companies should be able to take share from the black market, which it believes may be more than 30% of the total market. We upgrade our FY21 EBITDA forecast by 11%, taking it above management's reiterated guidance. Our DCF-based valuation increases to €51 per share.

Year end	Revenue (GGR**) (€m)	EBITDA* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/19	143.3	35.2	4.26	2.00	10.6	4.4
12/20	126.9	30.9	3.32	2.50	13.6	5.5
12/21e	118.0	23.5	2.48	1.70	18.3	3.8
12/22e	129.8	28.8	3.10	2.20	14.6	4.9

Note: \*EBITDA and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. \*\*GGR is gross gaming revenue.

## Q121: Better than expected

The y-o-y revenue (GGR) decline of 5.5% to €30.5m in Q121 reflects the early stages of regulatory changes in Germany (effective October 2020), offset by an easing comparative as the quarter progressed due to the COVID outbreak at the end of Q120. Sports GGR (56% of group) increased by 25.6% y-o-y as the sporting calendar normalised, but Gaming GGR declined by 28.5%, mainly due to the regulatory changes. We believe that Austria, BAH's second most important market, continues to trade very well. The Q121 EBITDA margin of 22.8%, a y-o-y decline of 520bp, was ahead of our prior FY21 estimate of 18.9%. The margin reflects savings in other operating costs, offset by higher marketing as the business normalises and ahead of the customary Q2 increase before major sports events.

## FY21: EBITDA upgraded by 11%

For FY21, management reiterated guidance for revenue (€106–118m, a y-o-y decline of 7–16%) and EBITDA (€18–22m, decline of 29–42%). Q121 revenue of €30.5m represents 26–29% of the guidance range for FY21. As the first quarter is typically not the strongest in the year and the UEFA European Championship should help Sports revenue, we believe the guidance looks conservative. We increase our forecasts for FY21 and FY22. We have upgraded FY21 revenue by 5% to €118m and EBITDA by 11% to €23.5m.

## Valuation: DCF-based valuation increased to €51

On our new forecasts, BAH's P/E is 18.3x for FY21e and 14.6x for FY22e, which compares with the averages for peers of 22.5x and 18.7x respectively. The 3.8% dividend yield for FY21 is higher than the peer group average of 2.8%. Our DCF-based valuation increases to €51/share from €49/share in our recent [outlook note](#).

## Travel & leisure

6 May 2021

**Price** €45.3

**Market cap** €318m

Net cash (€m) at 31 March 2021 (excluding client money) 53.5

Shares in issue 7.0m

Free float 45.1

Code ACXX

Primary exchange XETR

Secondary exchange N/A

## Share price performance



% 1m 3m 12m

Abs 0.6 14.3 19

Rel (local) 0.1 5.9 (15.9)

52-week high/low €48.90 €29.35

## Business description

Founded in 1999, bet-at-home is an online sports betting and gaming company with c 300 employees. It is licensed in Malta and headquartered in Düsseldorf, Germany. Since 2009 bet-at-home has been part of BetClick Everest, a privately owned gaming company.

## Next events

H121 results 2 August 2021

Q321 results 8 November 2021

FY21 results 7 March 2022

## Analysts

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**Exhibit 1: Financial summary**

	€m	2019	2020	2021e	2022e
31-December		IFRS	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>					
Revenue		143.3	126.9	118.0	129.8
Cost of Sales		(25.8)	(26.3)	(23.2)	(25.4)
Net Gaming Revenue		117.5	100.6	94.8	104.4
EBITDA		35.2	30.9	23.5	28.8
Operating Profit (before amort. and except.)		33.2	28.9	21.5	26.8
Amortisation of acquired intangibles		0.0	0.0	0.0	0.0
Exceptionals		0.0	0.0	0.0	0.0
Share-based payments		0.0	0.0	0.0	0.0
Reported operating profit		33.2	28.9	21.5	26.8
Net Interest		(0.1)	(0.1)	(0.1)	(0.1)
Profit Before Tax (norm)		33.1	28.8	21.4	26.7
Profit Before Tax (reported)		33.1	28.8	21.4	26.7
Reported tax		(15.1)	(5.5)	(4.0)	(4.9)
Profit After Tax (norm)		29.9	23.3	17.4	21.7
Profit After Tax (reported)		18.0	23.3	17.4	21.7
Net income (normalised)		29.9	23.3	17.4	21.7
Net income (reported)		18.0	23.3	17.4	21.7
Average Number of Shares Outstanding (m)		7.0	7.0	7.0	7.0
EPS - normalised fully diluted (c)		425.53	331.92	248.01	309.60
EPS - diluted normalised (€)		4.26	3.32	2.48	3.10
EPS - basic reported (€)		2.56	3.32	2.48	3.10
Dividend per share (€)		2.00	2.50	1.70	2.20
Revenue growth (%)		(0.0)	(11.4)	(7.0)	10.0
Gross Margin (%)		82.0	79.2	80.3	80.5
EBITDA Margin (%)		24.5	24.4	19.9	22.2
Normalised Operating Margin		23.2	22.8	18.2	20.6
<b>BALANCE SHEET</b>					
Fixed Assets		8.2	7.4	6.6	5.8
Intangible Assets		2.3	2.3	2.0	1.8
Tangible Assets		5.9	5.1	4.5	3.9
Investments & other		0.0	0.0	0.0	0.0
Current Assets		87.0	88.2	94.3	102.2
Stocks		0.0	0.0	0.0	0.0
Debtors		30.4	29.5	29.3	29.7
Cash & cash equivalents		48.0	50.9	57.2	64.7
Customer cash		6.7	5.9	5.9	5.9
Other		1.9	1.9	1.9	1.9
Current Liabilities		(50.9)	(42.5)	(42.2)	(43.0)
Creditors		(4.2)	(4.0)	(4.1)	(4.3)
Short term provisions/ tax liabilities		(33.7)	(28.7)	(28.7)	(28.7)
Short term borrowings		0.0	0.0	0.0	0.0
Other		(13.1)	(9.7)	(9.4)	(10.0)
Long Term Liabilities		(2.6)	(2.6)	(2.6)	(2.6)
Long term borrowings		0.0	0.0	0.0	0.0
Other long-term liabilities		(2.6)	(2.6)	(2.6)	(2.6)
Net Assets		41.6	50.5	56.0	62.2
<b>CASH FLOW</b>					
Op Cash Flow before WC and tax		35.0	30.8	23.2	28.5
Working capital		6.0	(1.1)	0.0	0.4
Exceptional & other		(1.0)	(0.2)	0.0	0.0
Tax		(10.2)	(11.4)	(4.0)	(4.9)
Operating cash flow		29.9	18.1	19.2	23.9
Capex		(2.5)	(1.2)	(1.0)	(1.0)
Acquisitions/disposals		0.0	0.0	0.0	0.0
Net interest		0.0	0.0	0.0	0.0
Equity financing		0.0	0.0	0.0	0.0
Dividends		(45.6)	(14.0)	(11.9)	(15.4)
Other		(0.8)	(0.8)	0.0	0.0
Net Cash Flow		(19.0)	2.1	6.3	7.5
Opening (cash)		(68.8)	(49.8)	(51.8)	(58.1)
FX		0.0	0.0	0.0	0.0
Other non-cash movements		0.0	0.0	0.0	0.0
Closing (cash)		(49.8)	(51.8)	(58.1)	(65.6)
Closing net debt/(cash)		(48.0)	(50.9)	(57.2)	(64.7)

Source: Company accounts, Edison Investment Research

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