

CI Games

Considering a London dual listing

Potential dual listing

Video games

3 March 2022

Price **PLN1.46**

Market cap **PLN267m**

PLN4.35/US\$

Net cash (PLNm) at 30 September 2021 37.2

Shares in issue 182.9m

Free float 62.4%

Code CIG

Primary exchange Warsaw Stock Exchange

Secondary exchange N/A

Following its strategic review, announced in August 2021, CI Games has today announced that it is considering a dual listing in London. It has appointed Berenberg as its financial adviser in relation to the potential listing and announced the appointment of David Broderick (ex Keywords Studios and Ryanair) as CFO. As a domestically held stock, CI Games trades on 1.7x EV/EBITDA and 2.7x P/E in FY23e, well below its peer group. If it can successfully launch the next Sniper: Ghost Warrior game and Lords of the Fallen 2 in FY23 to establish a broad-based portfolio, both our DCF analysis and peer multiples indicate the potential for significant upside as a reward for early investors in this growth story.

Year end	Revenue* (PLNm)	EBITDA* (PLNm)	PBT** (PLNm)	EPS** (PLN)	DPS (PLN)	P/E (x)
12/19	47.5	21.6	2.0	(0.01)	0.00	(146.1)
12/20	46.0	28.9	9.2	0.05	0.00	32.2
12/21e	112.3	65.4	41.3	0.18	0.00	8.1
12/22e	58.0	34.6	15.0	0.07	0.00	22.3
12/23e	277.9	141.9	121.6	0.53	0.00	2.7

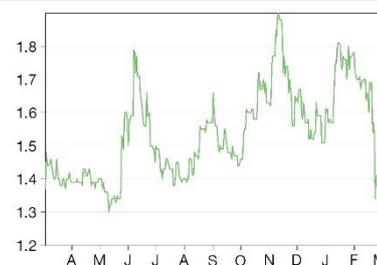
Note: *Estimates are based on sales forecasts largely denominated in €/US\$, and therefore vary with exchange rate movements to the PLN. **PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

David Broderick brings extensive capital markets experience from his roles as CFO of Keywords Studios for over three years, where he was responsible for finance and M&A. He was also director of investor relations at Ryanair for eight years.

CI Games owns IP including the Sniper Ghost Warrior and Lords of the Fallen franchises and announced a third new game under development in Q421 – a survival game (Project Survival), working with a third-party Czech games developer, BatFields. CI Games has three major titles under development, with the first two due for release in 2023, alongside smaller releases by United Label, its publisher of indie games. Please refer to our initiation note, [An emerging European games publisher](#), published in October 2021.

Benefiting from heightened demand during lockdown, growth in the games industry was in excess of 20% in 2020. Market analyst Newzoo expects more regular annual growth of c 8% in 2021–24, building to a total market size of US\$219bn by 2024. Long-term growth is expected to remain high, supported by a number of secular trends – the games sector is set to remain a growth industry.

Share price performance



Business description

Founded in 2002, CI Games is a Warsaw-based developer and publisher of AA+/AAA multi-platform video games for a global audience. It has specialised in first-person shooter and action-driven titles and owns IP including Sniper: Ghost Warrior and Lords of The Fallen franchises.

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