

Buy (old: Buy)

07.11.2024

EUR 5.50 (old: EUR 5.50)

Strong Q3 figures and guidance hike; chg

Topic: Yesterday bet-at-home reported a strong set of Q3 figures that are above our estimates on both top- and bottom line. Further, it increased its EBITDA before special items guidance. In detail:

Sales came in at € 12.2m (-11% qoq, 18% yoy), slightly above our estimates of € 12.0m (eNuW), mainly driven by the UEFA EURO championship that lasted until early Q3 as well as higher marketing spending between Q3'23 and Q2'24, that prepared the UEFA EURO championship. While sales in the betting segment were € 10.7m (12% yoy vs eNuW: € 10.6m), achieved with € 86m betting volume and a 12.5% margin, the gaming segment contributed € 1.5m (103% yoy vs eNuW: € 1.4m), based on € 13m volume and an 11.1% margin.

EBITDA before special items increased to € 1.6m (vs -1.9m in Q3'23 vs eNuW: € 0.6m). Key drivers were higher sales as well as lower than anticipated personnel expenses (€ 2.0m vs eNuW: € 2.3m), marketing expenses (€ 3.5m vs eNuW: € 4.0m) and other operating expenses of € 2.5m (vs eNuW: € 3.0m). Still, due to one-offs such as € 4.8m for the provision for the ruling of the Swiss Federal Supreme Court in the dispute over VAT liability for sports betting which drove up other operating expenses (€ 8.3m vs eNuW: € 2.7m), reported EBITDA amounted to € -2.7m.

With Q3 in the books, bet-at-home is heading towards the upper end of its FY24 guidance of **€ 45-53m in sales** (vs eNuW old: € 49.8m). More importantly and thanks to the strong operating performance in the first nine months, as well as the sound start into Q4, bet-at-home increased its **EBITDA before special items guidance to € 1.5-4.5m** from € -1m to 2.5m (vs eNuW old: € 1.4m). In light of the strong Q3 figures paired with stable OPEX, we raised our estimates to € 50.2m in sales and € 2.5m in EBITDA before special items.

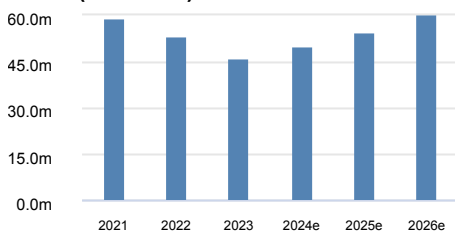
More tailwinds should come from a **potential positive ECJ ruling**, expected mid-2025, that would **eliminate the looming risks of new customer claims**, normalize lifted legal costs again and release provisions.

On the back of the solid operating performance and vanishing sources of risks, that burdened the case for a long time, we reiterate **BUY** with an unchanged (but conservative) **PT of € 5.50** based on **FCFY '25e**.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	59.3	53.5	46.2	50.2	54.8	59.9
Sales growth	-53.2%	-9.8%	-13.7%	8.8%	9.0%	9.3%
EBITDA	14.0	2.1	0.8	-2.0	2.4	4.1
Net debt (if net cash=0)	-14.7	-35.3	-34.6	-34.5	-35.6	-38.0
FCF	8.6	-6.0	-0.2	-2.9	1.1	2.4
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.56	0.25	-0.21	-0.40	0.23	0.46
EBITDA margin	23.5%	3.9%	1.7%	-4.1%	4.4%	6.8%
ROCE	26.6%	-0.2%	-2.2%	-10.7%	3.5%	8.3%
EV/sales	0.1	-0.3	-0.3	-0.3	-0.3	-0.3
EV/EBITDA	0.5	-6.6	-16.3	6.4	-5.9	-4.0
PER	2.0	12.4	-14.2	-7.7	13.4	6.6
Adjusted FCF yield	-183.5%	-5.4%	4.2%	15.3%	-5.1%	-11.3%

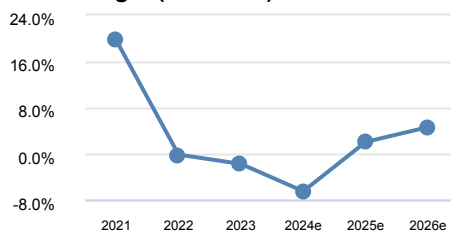
Source: Company data, NuWays, Close price as of 04.11.2024

Sales (2021-26e)



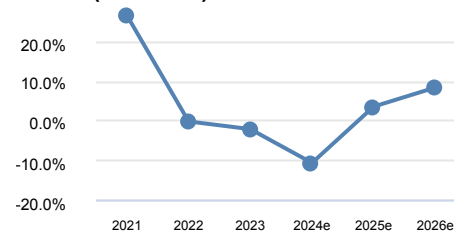
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

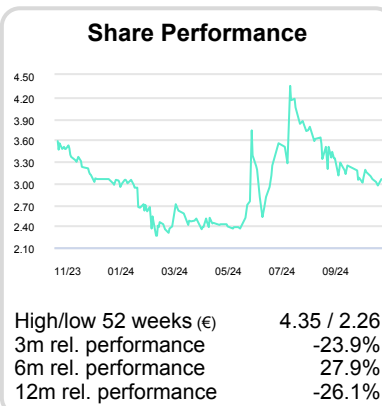
ROCE (2021-26e)



Source: NuWays Research

Company description

bet-at-home is one of the leading European online gambling providers focus on online sports betting, and online gaming including online poker, casino games and virtual sports offered on a platform. The company is headquartered in Austria



Market data

Share price (in €)	3.05
Market cap (in € m)	21.4
Number of shares (in m pcs)	7.0
Enterprise value (in € m)	-13.0
Ø trading volume (6 months)	450

Identifier

Bloomberg	ACX GR
Reuters	ARTG
WKN	A0DNAY
ISIN	DE000A0DNAY5

Key shareholders

Betclie Everst SAS	53.9%
Freefloat	46.1%

Estimates changes

	2024e	2025e	2026e
Sales	1%	3%	3%
EBIT	-6%	-0%	0%
EPS	25%	214%	52%

Comment on changes

- We adjust our estimates for sales, OPEX and financial result for FY24 and beyond to reflect Q3 figures

Guidance

- Sales (FY24): € 45-53m
- EBITDA before special items (FY24): € 1.5 to € 4.5m

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	59.3	53.5	46.2	50.2	54.8	59.9
<i>Sales growth</i>	-53.2%	-9.8%	-13.7%	8.8%	9.0%	9.3%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	59.3	53.5	46.2	50.2	54.8	59.9
Other operating income	4.0	3.4	3.0	1.5	0.6	0.7
Material expenses	11.9	13.6	17.0	18.1	19.4	20.7
Personnel expenses	18.6	13.5	8.7	8.7	8.9	9.2
Other operating expenses	18.9	27.7	22.7	27.1	25.7	27.7
Total operating expenses	45.4	51.4	45.4	52.3	53.4	56.9
EBITDA	14.0	2.1	0.8	-2.0	2.4	4.1
Depreciation	2.1	2.1	1.6	1.2	1.2	1.3
EBITA	11.9	0.0	-0.8	-3.2	1.2	2.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.2	0.1	0.1	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	11.7	-0.1	-0.8	-3.3	1.1	2.7
Interest income	0.0	0.0	0.1	1.2	1.2	1.2
Interest expenses	0.0	-0.6	0.7	0.7	0.7	0.7
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	0.6	-0.6	0.5	0.5	0.5
Recurring pretax income from continuing operations	11.7	0.5	-1.4	-2.8	1.6	3.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	11.7	0.5	-1.4	-2.8	1.6	3.2
Income tax expense	0.7	-1.2	0.1	0.0	0.0	0.0
Net income from continuing operations	10.9	1.7	-1.5	-2.8	1.6	3.2
Income from discontinued operations (net of tax)	27.0	-11.4	0.0	0.0	0.0	0.0
Net income	-16.1	13.1	-1.5	-2.8	1.6	3.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-16.1	13.1	-1.5	-2.8	1.6	3.2
Average number of shares	7.0	7.0	7.0	7.0	7.0	7.0
EPS reported	-2.29	1.86	-0.21	-0.40	0.23	0.46

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	-53.2%	-9.8%	-13.7%	8.8%	9.0%	9.3%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	6.7%	6.4%	6.5%	3.0%	1.2%	1.2%
Material expenses	20.0%	25.5%	36.9%	36.0%	35.5%	34.6%
Personnel expenses	31.3%	25.2%	18.7%	17.2%	16.3%	15.3%
Other operating expenses	31.9%	51.8%	49.2%	53.8%	46.8%	46.2%
Total operating expenses	76.5%	96.1%	98.3%	104.1%	97.4%	95.0%
EBITDA	23.5%	3.9%	1.7%	-4.1%	4.4%	6.8%
Depreciation	3.5%	3.9%	3.4%	2.4%	2.3%	2.1%
EBITA	20.1%	0.0%	-1.6%	-6.4%	2.1%	4.7%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.4%	0.2%	0.1%	0.1%	0.0%	0.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	19.7%	-0.2%	-1.8%	-6.6%	2.0%	4.6%
Interest income	0.0%	0.0%	0.3%	2.4%	2.2%	2.0%
Interest expenses	0.0%	-1.1%	1.6%	1.4%	1.3%	1.2%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	0.0%	1.1%	neg.	1.0%	0.9%	0.8%
Recurring pretax income from continuing operations	19.7%	0.9%	-3.1%	-5.6%	2.9%	5.4%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	19.7%	0.9%	-3.1%	-5.6%	2.9%	5.4%
Tax rate	6.3%	-257.3%	-5.2%	0.0%	0.0%	0.0%
Net income from continuing operations	18.4%	3.2%	-3.3%	-5.6%	2.9%	5.4%
Income from discontinued operations (net of tax)	45.5%	-21.2%	0.0%	0.0%	0.0%	0.0%
Net income	-27.1%	24.4%	-3.3%	-5.6%	2.9%	5.4%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-27.1%	24.4%	-3.3%	-5.6%	2.9%	5.4%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	2.2	2.3	2.0	2.1	2.2	2.3
Property, plant and equipment	4.7	4.2	3.1	3.7	4.4	5.2
Financial assets	1.4	12.2	12.9	12.9	12.9	12.9
FIXED ASSETS	8.4	18.8	18.0	18.8	19.6	20.5
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	2.9	3.4	2.9	3.2	3.5	3.9
Other assets and short-term financial assets	12.8	0.0	0.0	0.0	0.0	0.0
Liquid assets	42.0	35.3	34.6	34.5	35.6	38.0
Deferred taxes	8.4	5.1	1.2	1.1	1.0	0.9
Deferred charges and prepaid expenses	1.3	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	67.4	43.9	38.7	38.8	40.1	42.8
TOTAL ASSETS	75.8	62.7	56.8	57.6	59.7	63.2

SHAREHOLDERS EQUITY	17.0	28.9	27.4	24.6	26.2	29.5
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	27.3	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.1	0.1	0.1	0.1	0.1	0.1
Other provisions and accrued liabilities	1.7	1.9	3.0	5.8	5.8	5.8
NON-CURRENT LIABILITIES	29.1	2.0	3.1	5.9	5.9	5.9
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.4	1.5	1.7	1.9	2.2	2.4
Advance payments received on orders	5.4	4.9	4.3	4.5	4.6	4.7
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	8.1	13.4	13.1	13.5	13.6	13.6
Deferred taxes	14.6	11.9	7.2	7.2	7.2	7.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	29.6	31.7	26.2	27.1	27.6	27.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	75.8	62.7	56.8	57.6	59.7	63.2

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	2.9%	3.7%	3.6%	3.7%	3.8%	3.7%
Property, plant and equipment	6.2%	6.7%	5.5%	6.5%	7.4%	8.3%
Financial assets	1.9%	19.5%	22.7%	22.4%	21.6%	20.4%
FIXED ASSETS	11.1%	30.0%	31.8%	32.6%	32.8%	32.4%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	3.8%	5.5%	5.1%	5.6%	5.9%	6.1%
Other assets and short-term financial assets	16.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquid assets	55.4%	56.4%	61.0%	59.9%	59.6%	60.1%
Deferred taxes	11.1%	8.2%	2.1%	1.9%	1.6%	1.4%
Deferred charges and prepaid expenses	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	88.9%	70.0%	68.2%	67.4%	67.2%	67.6%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	22.5%	46.2%	48.3%	42.8%	44.0%	46.6%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	36.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	0.1%	0.1%	0.2%	0.2%	0.2%	0.1%
Other provisions and accrued liabilities	2.3%	3.0%	5.3%	10.0%	9.7%	9.1%
NON-CURRENT LIABILITIES	38.4%	3.2%	5.5%	10.2%	9.8%	9.3%
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	1.9%	2.5%	2.9%	3.3%	3.6%	3.7%
Advance payments received on orders	7.2%	7.9%	7.5%	7.8%	7.7%	7.5%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	10.7%	21.4%	23.0%	23.4%	22.8%	21.5%
Deferred taxes	19.3%	18.9%	12.7%	12.5%	12.1%	11.4%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	39.1%	50.6%	46.2%	47.0%	46.2%	44.1%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-15.6	10.7	-1.4	-2.8	1.6	3.2
Depreciation of fixed assets (incl. leases)	2.1	2.1	1.6	1.2	1.2	1.3
Amortisation of goodwill & intangible assets	0.2	0.1	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.0	0.0	-1.0	1.5	-1.0
Cash flow from operating activities	9.6	-7.2	-1.5	-2.2	1.9	3.3
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	5.5	-9.2	-0.1	-0.3	-0.3	-0.3
Increase/decrease in accounts payable	0.4	4.7	-0.7	0.2	0.3	0.2
Increase/decrease in other working capital positions	17.5	-13.5	-0.3	0.7	-2.1	0.2
Increase/decrease in working capital	23.5	-18.1	-1.2	0.6	-2.1	0.1
Cash flow from operating activities	10.5	-5.0	0.2	-1.0	3.2	4.6
CAPEX	1.9	0.9	0.3	2.0	2.1	2.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.1	0.0	0.0	0.0	0.0
Cash flow from investing activities	-1.9	-0.9	-0.3	-2.0	-2.1	-2.2
Cash flow before financing	-8.9	-5.9	-0.2	-2.9	n.a.	n.a.
Increase/decrease in debt position	-0.9	-0.8	-0.5	2.7	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	17.5	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-18.4	-0.8	-0.5	2.7	0.0	0.0
Increase/decrease in liquid assets	-9.8	-6.7	-0.7	-0.2	n.a.	n.a.
Liquid assets at end of period	42.0	35.3	34.6	34.5	35.6	38.0

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	-53.2%	-9.8%	-13.7%	8.8%	9.0%	9.3%
EBITDA growth	-60.3%	-93.2%	-94.2%	-197.0%	197.7%	-300.6%
EBIT growth	-64.9%	-100.4%	-107.2%	3071.2%	-231.8%	-183.3%
EPS growth	-189.3%	-43.9%	-90.6%	-121.4%	-206.4%	-216.0%
Efficiency						
Sales per employee	210.5	180.9	150.1	159.3	171.9	184.3
EBITDA per employee	49.6	7.1	2.6	-6.5	7.5	12.6
No. employees (average)	282	296	308	315	319	325
Balance sheet analysis						
Avg. working capital / sales	-7.5%	-7.7%	-7.6%	-6.2%	-5.7%	-5.3%
Inventory turnover (sales/inventory)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts receivable turnover	17.6	23.5	23.5	23.5	23.5	23.5
Accounts payable turnover	8.8	10.6	13.1	13.7	14.4	14.4
Cash flow analysis						
Free cash flow	8.6	-6.0	-0.2	-2.9	1.1	2.4
Free cash flow/sales	14.5%	-11.1%	-0.4%	-5.8%	2.1%	4.1%
FCF / net profit	neg.	neg.	12.9%	104.1%	70.2%	75.3%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-14.7	-35.3	-34.6	-34.5	-35.6	-38.0
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	0.0%	n.a.	5.3%	n.a.	n.a.	n.a.
Returns						
ROCE	26.6%	-0.2%	-2.2%	-10.7%	3.5%	8.3%
ROE	-94.3%	45.2%	-5.5%	-11.4%	6.1%	11.0%
Adjusted FCF yield	-183.5%	-5.4%	4.2%	15.3%	-5.1%	-11.3%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-2.29	1.86	-0.21	-0.40	0.23	0.46
Average number of shares	7.0	7.0	7.0	7.0	7.0	7.0
Valuation ratios						
P/BV	1.3	0.7	0.8	0.9	0.8	0.7
EV/sales	0.1	-0.3	-0.3	-0.3	-0.3	-0.3
EV/EBITDA	0.5	-6.6	-16.3	6.4	-5.9	-4.0
EV/EBIT	0.6	133.1	15.7	3.9	-12.8	-6.0

Source: Company data, NuWays

Disclosures

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Company	Disclosures
bet-at-home.com AG	2

Historical target price and rating changes for bet-at-home.com AG

Company	Date	Analyst	Rating	Target Price	Close
bet-at-home.com AG	26.07.2024	Jarchow, Frederik	Buy	EUR 5.50	EUR 4.35
	07.03.2024	Jarchow, Frederik	Hold	EUR 5.50	EUR 2.42

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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

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