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Europe's Gaming Consolidators: The Magnificent Seven Post-M&A Rush











































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Introducing the Magnificent Seven: Europe's leading consolidators who transformed the gaming landscape by deploying \$19B in capital across more than 140 M&A deals.

SELECT EUROPEAN ACQUIRERS (2020 - 2024 YTD)										
COMPANY	HQ	# OF DEALS	DEAL VALUE	NOTABLE STUDIO ACQUISITIONS						
EMBRACER+ GROUP		78	\$14.1B	asmodee		Easybrain				aspÿr
Stillfront		12	\$1.8B			Jawaker			candywriter	
MTG		7	\$1.7B		PLAYSIMPLE					
Keywords STUDIOS		23	\$0.7B			helpshift				
ENAD GLOBAL		5	\$0.5B				INNOVA	SINGULARITY SK		
team17		7	\$0.2B				THE LABEL			
PUJLUP ENTERTAINMENT		8	\$0.1B						DOTEMU	

Source: InvestGame; Company quarterly earnings reports; press releases

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TOP-10 LARGEST ACQUISITIONS OF SELECT EUROPEAN STUDIOS BY UPFRONT VALUE, 2020-2024 YTD

TARGET	ACQUIRER	DEAL DATE	UPFRONT EV	MAX EARNOUT	TARGET HQ
asmodee	EMBRACER+ GROUP	Mar'22	\$3,145m	\$453m	
Easybrain	EMBRACER+ GROUP	Apr'21	\$640m	\$125m	
 PLARIUM	MTG	Nov'24	\$620m	\$200m	
 gearbox SOFTWARE	EMBRACER+ GROUP	Apr'21	\$363m	\$1,378m	
PLAYSIMPLE	MTG	Jul'21	\$360m	\$150m	
 Storm8	»» Stillfront	Jan'21	\$300m	\$100m	
 eldos montreal  CRYSTAL DYNAMICS	EMBRACER+ GROUP	Aug'22	\$300m	-	
 Hutch	MTG	Dec'20	\$275m	\$100m	
 DAYBREAK	 ENAD GLOBAL	Dec'20	\$300m	-	
 Jawaker	»» Stillfront	Oct'21	\$205m	uncapped	

Source: InvestGame

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Reported YoY revenue growth of key players during the M&A boom and beyond, highlighting how acquisitions reshaped businesses of select European video game publishers.

ANNUAL REPORTED REVENUE (CY), \$m

Revenue CAGR'2019-2024LTM, %

49.3%

21.3%

28.8%

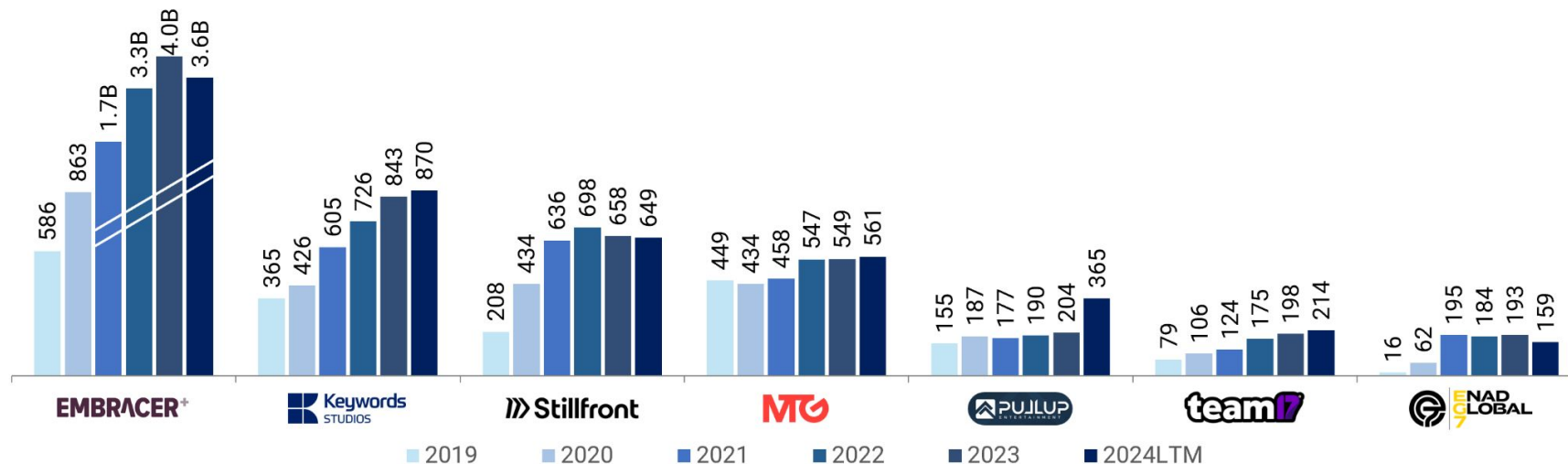
5.1%

21.0%

24.8%

66.6%

Revenue, \$m

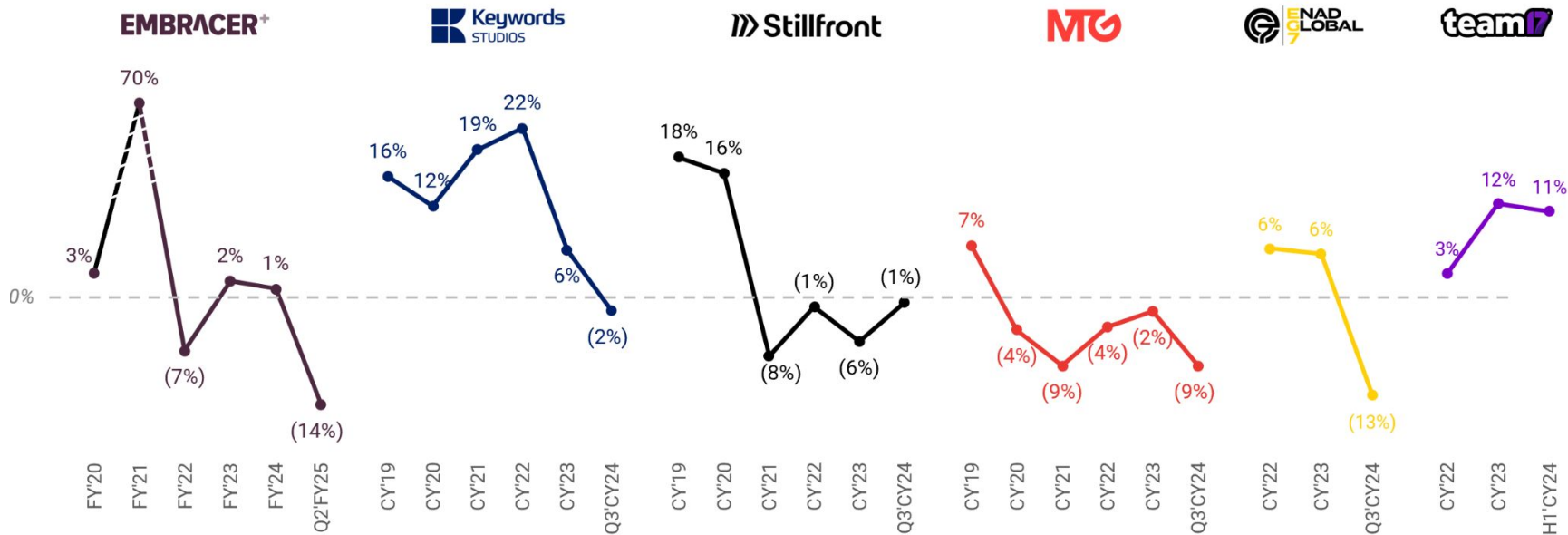


Source: Company quarterly earnings reports; press releases

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Looking closer at organic revenue growth reveals a stark contrast to the reported numbers. Only a few companies have maintained a positive trajectory without heavily relying on M&A.

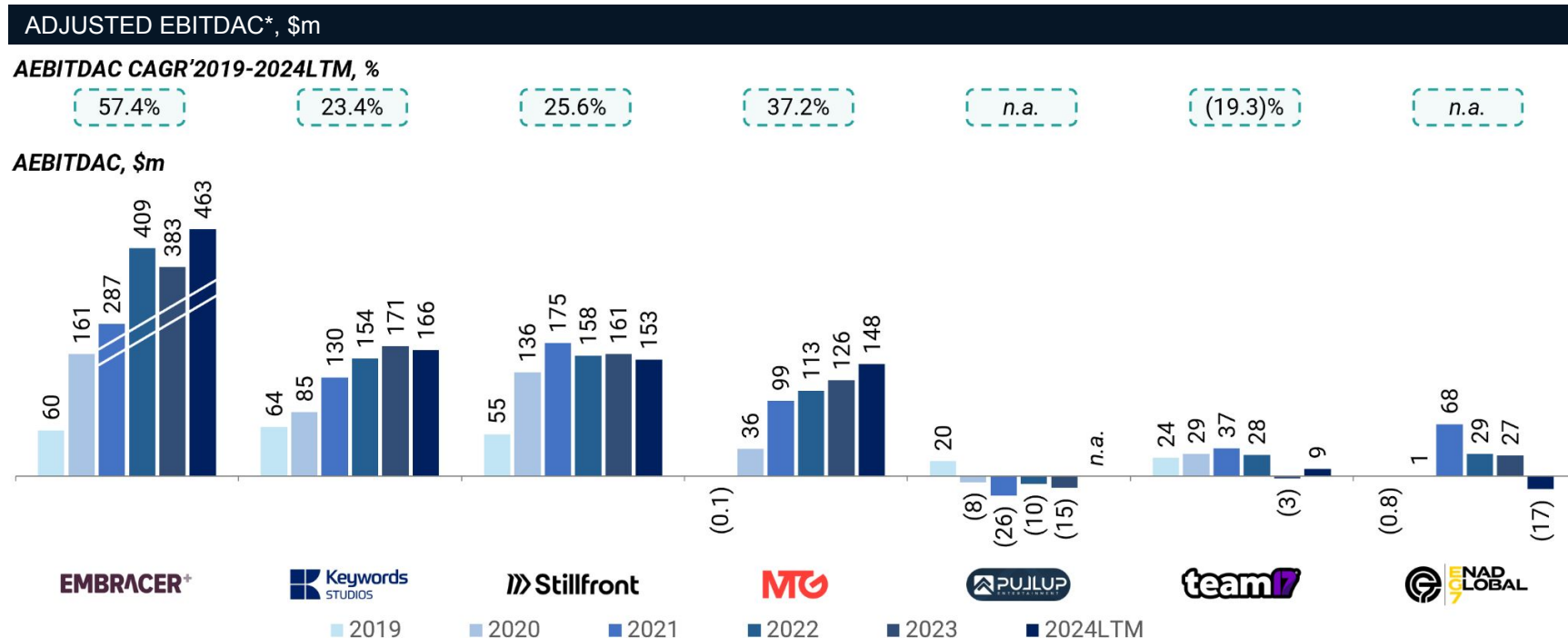
ORGANIC REVENUE YoY GROWTH, %



Source: Company quarterly earnings reports; press releases

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Evolution of AEBITDAC (adjusted EBITDA minus CapEx) over time. PC & Console AA/indie publishers placed risky bets on budget-heavy projects, many of which failed to deliver expected returns, leading to declining profitability in recent years.



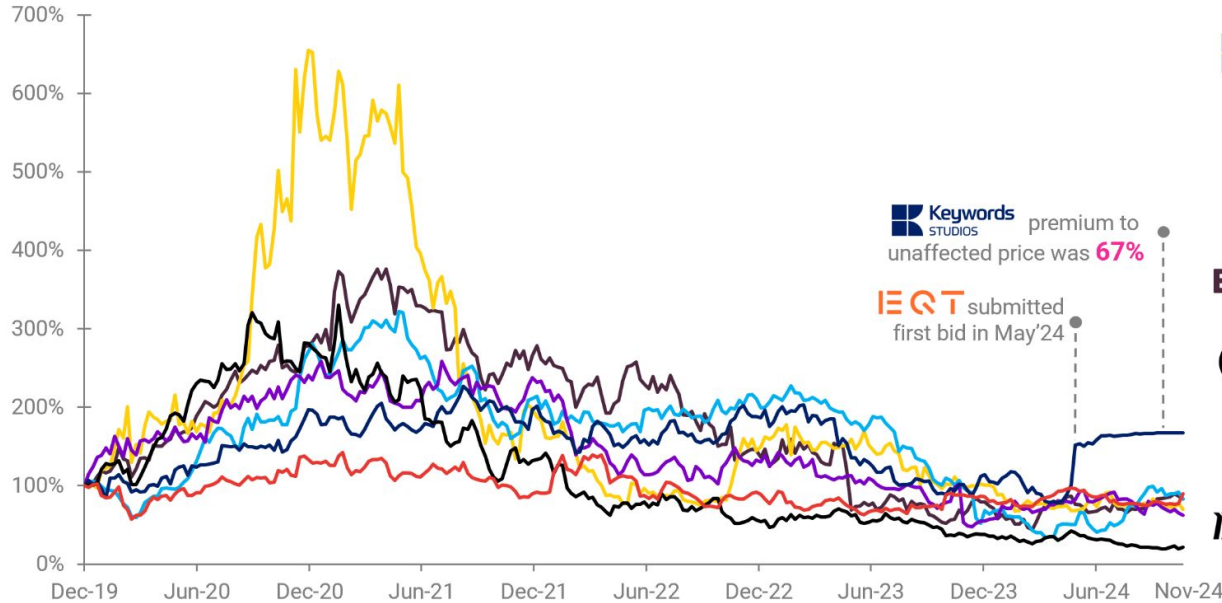
Note: (*) AEBITDAC = Adj. EBITDA - CAPEX

Source: Company quarterly earnings reports; press releases

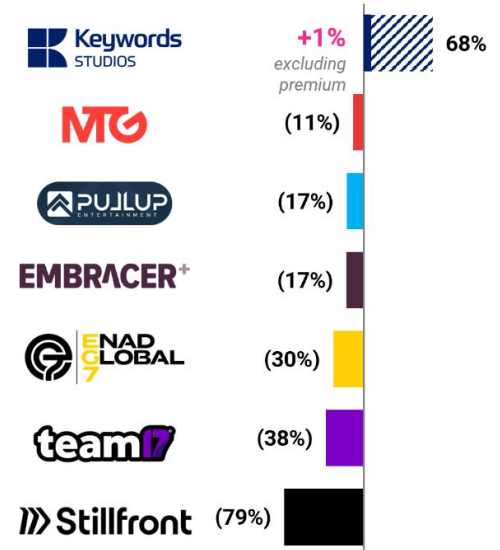
European acquirers' aggressive inorganic growth strategies during extended periods of low interest rates have failed to add long-term value for shareholders, with most stocks losing liquidity and investor interest.

STOCKS' PRICE INDEX (DECEMBER 2019 = 100%)

INDEX SHARE PRICE, %



CURRENT PRICE vs. Dec'19



Note: SF group had 10:1 stock split in Dec'20.

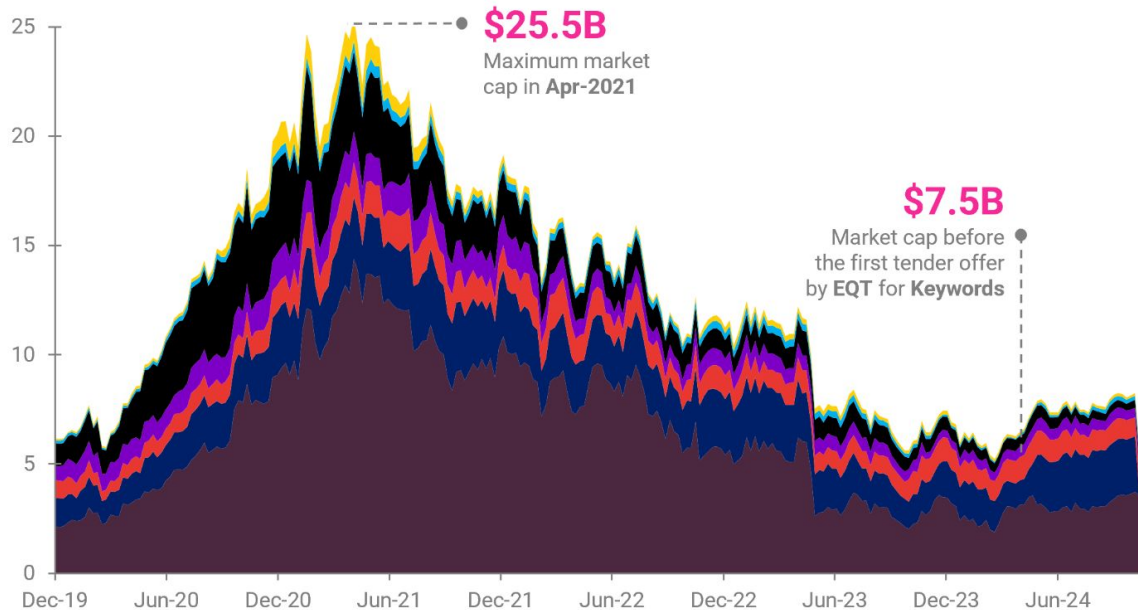
Source: LSEG; Yahoo Finance.

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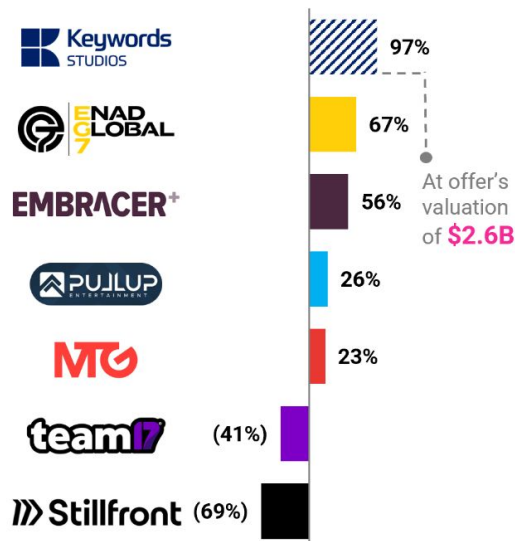
Now totaling \$5.4B after a significant rollercoaster involving a ~4x decrease in value, the market capitalization saw most stocks ultimately gain positively due to share issuances used to finance acquisitions.

AGGREGATE MARKET CAP, \$B

MARKET CAP, \$B



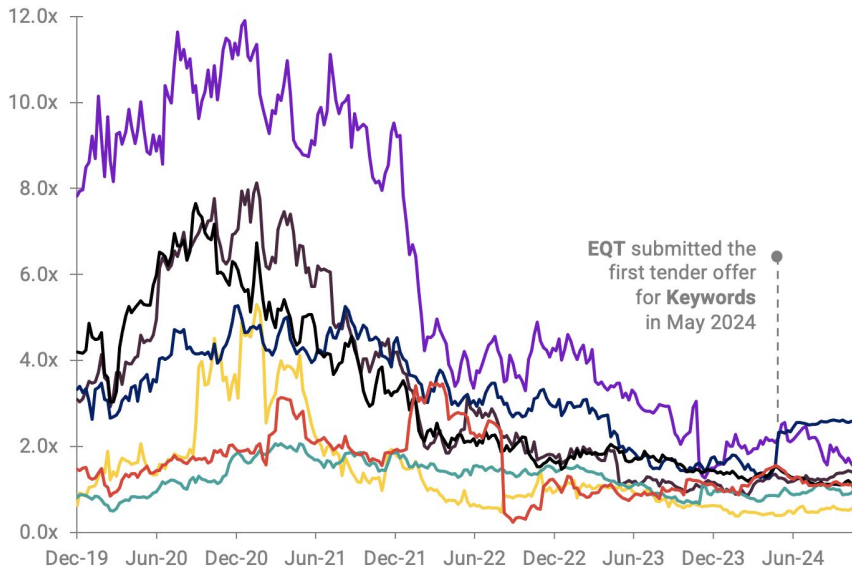
CURRENT MARKET CAP, % CHANGE



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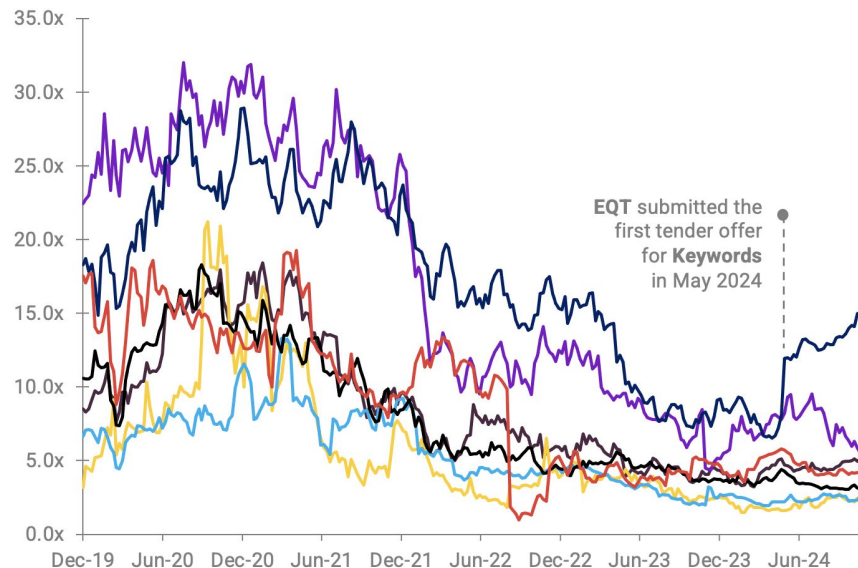
Driven by an influx of "cheap" capital, investors' appetite and forward valuation multiples peaked during 2020 bull market. Followed by "hangover" period where aggressive M&A strategies lost favor, shifting the focus to profitable organic growth.

EV / NTM REVENUE, x















— EMBRACER+ — NAD GLOBAL — PUJILUP — team17 — Keywords STUDIOS — Stillfront — MG

EV / NTM EBITDA, x



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Struggling to deliver positive returns, many European public companies have seen leadership turnovers and layoffs, with some pursuing divestments and announcing restructuring efforts aimed at unlocking value and driving profitable growth

PERFORMANCE SUMMARY OF SELECT COMPANIES OVER 2019 - 2024 YTD							
Company	Revenue CAGR, %	Avg. organic growth, %	AEBITDAC CAGR, %	M&A value, \$B	Strategy announcements	Major divestments	Share price change, %
	49.3%	9.2%	57.4%	\$14.1B	<ul style="list-style-type: none"> •over 8,000 layoffs •restructuring 2023 •CFO change 2024 	Easybrain  	(17%)
	28.8%	3.0%	25.6%	\$1.8B	<ul style="list-style-type: none"> •limited layoffs •restructuring 2024 •CEO change 2024 		(79%)
	5.1%	-3.7%	37.2%	\$1.7B	<ul style="list-style-type: none"> •limited layoffs •strategic review 2019 •CEO/CFO changes 20/24 	 	(11%)
	21.3%	12.0%	23.4%	\$0.7B	<ul style="list-style-type: none"> •limited layoffs •restructuring 2024 •CEO/COO changes 2021 	<i>acquired by EQT, CPP Investments, Temasek</i>	+1% <i>(adjusted for takeover bid)</i>
	66.6%	n.a.	n.a.	\$0.5B	<ul style="list-style-type: none"> •studio layoffs •restructuring 2023 •CEO change 2021 		(30%)
	24.8%	n.a.	-19.3%	\$0.2B	<ul style="list-style-type: none"> •~140 layoffs •restructuring 2023 •CEO/CFO changes 23/24 		(38%)
	21.0%	n.a.	n.a.	\$0.1B	<ul style="list-style-type: none"> •Layoffs •restructuring 2024 •CEO change 2024 		(17%)

Source: InvestGame; Company quarterly earnings reports; press releases