IPO Simulation - Bank 4

INVESTMENT BANKS IN PRACTICE

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Introduction & Objectives

Welcome to the Initial Public Offering (IPO) Simulation and to the Equity Capital Markets division (ECM) of your bank.

Your ECM team have won a mandate from a company intending to float. It will be your responsibility to take the company through the roadshow and book-building process and gain investor interest.

This document will outline key information about the company mandate you have won including:

- The published price range valuation and minimum amount the company aims to raise
- Company information
- Financials & Comparable information

Your first responsibility is to create a one-pager to distribute to investor teams and a 2 minutes presentation for the event day providing your investment thesis.

Offering Summary

Issuer
One Nine Games

Price Range
$20 - $30

Shares Issued
5 million (i.e. $100 million minimum capital to raise)

Company Information - Bank 4

Company Background

This year, your team have had success in bringing a number of companies public in the consumer staples sector, and especially with gaming and media companies.

OneNine Games is a supplier of electronic gaming machines (EGMs) in Native American casinos, they are also the lead in their field of designers in innovative products, systems and services for the gaming industry. Founded in 2005, we historically focused on supplying EGMs, including slot machines, video bingo machines, and other electronic gaming devices, to the Native American gaming market, where we maintain an approximately 20% market share of all Class II EGMs. Since 2014, we have expanded our product line-up to include: (i) Class III EGMs for commercial and Native American casinos, (ii) table game products and (iii) interactive products, all of which we believe provide us with growth opportunities as we expand in markets where we currently have limited or no presence.

One Nine Games is powered by high-performing Class II and Class III slot products, an expansive table products portfolio, real-money gaming platforms and content, highly rated social casino solutions for operators and players, and best-in-class service, we offer an unmatched value proposition for our casino partners.

Company Information - Bank 4

Risk Factors

1. The business faces significant competition, including from illegal operators. There are a limited number of gaming operators and many established companies offer competing products. ONG compete on the basis of the content, features, quality, functionality, responsiveness and price of our products and services.

2. ONG compete to obtain space and favorable placement on casino gaming floors. Casino operators f price when making their purchasing and leasinocus on performance, longevity, player appeal and decisions. Competitors with a larger installed base of electronic gaming machines and more game themes than ours may have an advantage in obtaining and retaining placements in casinos.

Key Performance Indicators

1. EGM is ONG's largest segment, representing 94% of our revenue for the last twelve month period. They have a library of nearly 300 proprietary game titles that we deliver on several state-of-the-art EGM cabinets. Recently, the company have developed a new Latin-style bingo cabinet, which we plan to use in the Philippines and Brazil.

2. The company remain highly focused on continuing to expand their installed base of leased EGMs in markets that they currently serve as well as new jurisdictions where they do not presently have any EGMs installed. In the last year, there has been significant progress in expanding the number of markets where ONG are licensed to sell or lease our EGMs.

Operating & Financial Metrics

Name of Company	One Nine Games
Ticker	ONG
Industry	Consumer Staples

Estimated Enterprise Value *(USD, mn)*	227.50
Revenue	350
Revenue Growth *(t-1, %)*	12%
Revenue Growth *(t-2, %)*	18%
EBITDA *(USD, mn)*	105
Net Income *(USD, mn)*	90
Shares Issued	5,000,000
Valuation Range	$20 - $30

Comparable Company Analysis

Market Data & Financials					
	Share Price	**Mkt. Cap**	**EV**	**Revenue**	**EPS**
Company 1	54.4	4400	6700	340	98
Company 2	17.4	1520	6500	120	21
Company 3	25	200	610	50	19
Company 4	40	150	260	80	43.30
Company 5	54	1800	1950	98	91.30

Multiples			
	P/E	**EV/EBITDA**	**P/SALES**
Company 1	0.56	1.60	0.16
Company 2	0.82	2.10	0.15
Company 3	1.39	3.21	0.50
Company 4	0.92	2.95	0.50
Company 5	0.59	2.17	0.55