



MTG increases ownership in online games developer InnoGames

- MTG invests EUR 82.6 million to increase shareholding in [InnoGames](#) from 21% to 51%
- InnoGames generated 25% revenue growth to EUR 130 million in 2016 with an EBITDA margin of approximately 20% and EBIT margin of approximately 16%

MTG has increased its ownership in InnoGames, the developer of browser and mobile games, to 51%. MTG [announced](#) its initial 21% investment in Hamburg-based InnoGames in October 2016. InnoGames is the creator of six successful online games including [‘Forge of Empires’](#), [‘Tribal Wars’](#) and [‘Elvenar’](#). MTG has invested EUR 82.6 million for the additional shares, based on the same enterprise value of EUR 260 million for 100% of the business as for the original investment. MTG will fully consolidate InnoGames with effect from 1 May.

InnoGames has generated compound annual revenue growth of more than 20% over the past three years, and 25% growth in 2016 to EUR 130 million. The acceleration is being driven by the mobile gaming segment, with more than half of all new InnoGames user registrations being on mobile platforms, and several new mobile-only titles currently in development. InnoGames reported an EBITDA margin of approximately 20% and an EBIT margin of approximately 16% in 2016.

MTG will report annual amortisation charges of approximately EUR 8 million relating to the purchase price allocation for InnoGames, which will be included in the operating income for the MTGx reporting segment. The consolidation will result in a preliminary non-cash charge of EUR 2.6 million due primarily to capitalised transaction costs, which will be reported as an item affecting comparability in MTGs Q2 results.

Jørgen Madsen Lindemann, MTG President and CEO: “Revenues in the global gaming industry are expected to reach USD 113 billion by 2018, and mobile and PC games represent 45% of this and are the fastest growing segment. InnoGames is a great business with great products, and is already performing above our expectations when we made our original investment. We have got to know the talented InnoGames team very well over the past six months and are impressed with the strategy, culture, performance and management of the business.”

Hendrik Klindworth, InnoGames CEO: “The next chapter of the InnoGames story starts today. We established InnoGames to make great games that people want to play for decades, and we have already created six games played by millions of gamers every single day. With MTG on board, we will keep our entrepreneurial spirit and unique culture, while bringing our new games to an even bigger global audience.”

Arnd Benninghoff, MTG EVP and MTGx CEO: “Gaming will become an increasingly important area for us as it is one of the fastest growing forms of digital entertainment and complements our esports and MPN businesses. InnoGames is the first step in the development of this third digital vertical for MTGx and is an excellent fit with our strategy to become a global digital entertainer. We look forward to building an even

more successful company together. “

More information:

- The presentation that accompanied the announcement of MTG's initial investment in InnoGames can be found [here](#).

Questions?

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