

Newgioco Group

14:22 08 Jul 2019

Newgioco Group poised with platform, technology and experience to break into global markets

- Aiming to become premier betting platform provider for licensed operators across global markets
- Experience in highly regulated Italian market
- Hopes to be an early mover in the US

Newgioco Group Inc (OTCMKTS:NWGI) is a growing betting technology company, which offers operators an innovative platform, which can be used for sports wagering, virtual games, lottery and casino games.

The Toronto-based company currently makes a 100% of its revenues from Italy but hopes to break into markets in the USA and South America.

It has been in the Italian market since the early 1990s, mainly in the south and mid- region but hopes to expand into the northern cities and follow the top Tier football league (the Serie A), which features clubs like Juventus and Milan.

Its betting platform ELYS provides both B2B (business to business) and B2C (business to consumer) bet processing. It can manage tens of thousands of pre-match events and more than 200 live events.

The online market in Italy is highly regulated and having successfully navigated that territory, Newgioco believes that should make it easier for the company to break into the US.

Its US chances were bolstered when in May this year, the Supreme court decided to get rid of a federal law, which bans gambling on football, basketball, baseball and other sports in most states, giving states the go-ahead to legalize betting on sports. The previous 1992 law barred state-authorized sports gambling with some exceptions. Nevada was the only state where you bet on the results of a single game

Newgioco's unique technology begins with offering a shop-client architecture so that casino and gaming operator businesses can offer their own product line-up and be their own bookmaker without having to farm it out to a franchise bookmaker.

Newgioco also assists retail operators in understanding end-user needs and relates this data back to gaming product and technology. It aims to establish itself as a US listed company with base operations in a strong European retail core market.

The company intends to be an early mover into the US market and believes that the market is still young when it comes to the regulatory and technological aspect so it could take some years before the industry is standardized.

How it is doing

The firm had a strong start to 2019, it told investors in its first quarter results to end March. It struck two agreements in the US state of Montana, for its ELYS sports betting platform where it is due to begin a free-play pilot location.

Price: 0.4

Market Cap: \$34.31 m

1 Year Share Price Graph



Share Information

Code: NWGI

Listing: OTCMKTS

52 week High Low
0.574 0.23

Sector: Leisure, gaming and gambling

Website: www.newgiocogroup.com

Company Synopsis:

Newgioco Group is a leisure betting technology company providing regulated online and offline gaming and wagering through licensed subsidiaries throughout Italy. The company shares trade under the symbol (OTCQB:NWGI).

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The group expanded its sales and marketing budget and increased its presence at trade shows to build awareness for the platform, which has directly led to strong brand recognition and a growing sales pipeline.

Also, the sports betting business continues to enjoy robust growth, giving us the available resources to judiciously invest in growing our emerging SaaS business with our mainline focus on the U.S.,"

"Total handle grew 51%, gross gaming revenue was up 12.6% and total revenue was also up 7.8% on a same period basis last year," said CEO Michele (Mike) Ciavarella.

He said the group continued to invest strategically in the US, which did and will continue to contribute to our general and administrative costs for the foreseeable months.

"We consider the US market as a significant greenfield opportunity requiring a three to five-year investment and stabilization period, we are therefore continuing our discretionary spending to reinforce our presence in the markets we currently serve both inside and outside of Italy. In addition, while individual states enact their rules, and will likely fine tune them through this stabilization period, our rapid ex-Italy global deployments also represent significant growth catalysts for our ELYS platform. Therefore, our ex-Italy, US and global outlook both represent attractive business multipliers over the near-term."

The group's revenue in the three months came in 7.8% higher than the comparable period, at \$9.3 million versus \$8.6 million 2018, while gross gaming revenue (GGR) came in at \$10.4 million, up 12.6%.

Outlook

In June, the firm announced it had rolled out a new flagship mobile web platform for use in sports betting markets around the world, with an emphasis on the US.

The second-generation technology was designed based on performance data collected from the first.

Also, at the beginning of this month (July), the group revealed that experienced finance executive Mark J Korb had been hired as its new chief financial officer, saying his international experience should directly benefit Newgioco as it expands into new markets such as South Africa, South America and the USA.

What the company says:

Ralph Garcea, vice-president of corporate development, has said of the firm's technology: "I think we are one of the more modern platforms. We released a new integrated product back in August of 2017. It allows you to do different skins for different regions of a country. I think that's why Italy was a great market for us and then you can use that to expand that into other countries or other regions."

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