

UMT

New blockchain smart data and loyalty solution deal

UMT has announced a new Letter of Intent with Berlin-based sports and casino gaming company, mybet Holding, to create an innovative blockchain-based smart data service and customer loyalty scheme for the betting company. The two companies expect this to make mybet the first European gaming company to offer blockchain-based payment functions. UMT has also agreed to invest €500,000 in the new customer loyalty programme, which will also support the use of UMT's payment solution by mybet's customers. The launch of the loyalty scheme is envisaged as soon as 1 February 2018.

Year end	Revenue* (€000s)	PBT* (€000s)	EPS* (c)	EV/revenue (x)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/15	2,268	(916)	(5.8)	14.8	N/A	N/A	N/A
12/16	1,573	(1,501)	(9.1)	26.0	N/A	N/A	N/A
12/17e**	5,244	(419)	(2.2)	7.0	64.1	N/A	N/A
12/18e**	5,802	44	0.2	6.5	57.3	874.8	N/A

Note: *Revenue, PBT and EPS are normalised, excluding exceptional items and share-based payments. **Assumes completion of planned debt for equity swap in 2017.

The agreement shows the speed with which UMT is looking to create and monetise its blockchain know-how following its recent investment in and technical consultations with UK-based blockchain specialist, Coinsilium.

mybet's core business is sports betting with an additional casino gaming operation. It is based in Berlin but with offices in Cologne and Malta. The company offers betting and gaming over its internet platform, mybet.com, as well as via a franchise system in stationary mybet betting shops. It also offers a B2B service to regional bookmakers in Europe and Africa. According to mybet, the group transacts over 20m sports bets per month via betting shops, online and mobile devices, with an average 18,000 active monthly sports betting customers.

Negotiation and concrete project planning is expected to start shortly, so it is too early to forecast the impact of the contract on UMT's P&L. Nevertheless, if successful, we expect the contract to help the group attract interest from other firms looking to benefit from UMT's practical experience of implementing blockchain technology in transactional environments.

Payments deal with B2B

Software & comp services

15 December 2017

Price €1.83

Market cap €34m

Net debt (€m) at 30 June 2017 6.7

Shares in issue 18.6m

Free float 38.0%

Code UMD

Primary exchange Frankfurt (Xetra)

Secondary exchange N/A

Share price performance



Business description

UMT is a technology company engaged in developing and operating highly scalable technology solutions. Its main focuses are a technology-agnostic mobile payment and loyalty platform, which is offered as a white-label solution, as well as consulting services to large enterprises.

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