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Golden Matrix Group (GMGI-NASDAQ)

GMGI: 3Q25 First Look; Record Quarterly Revenue Results

Research Note

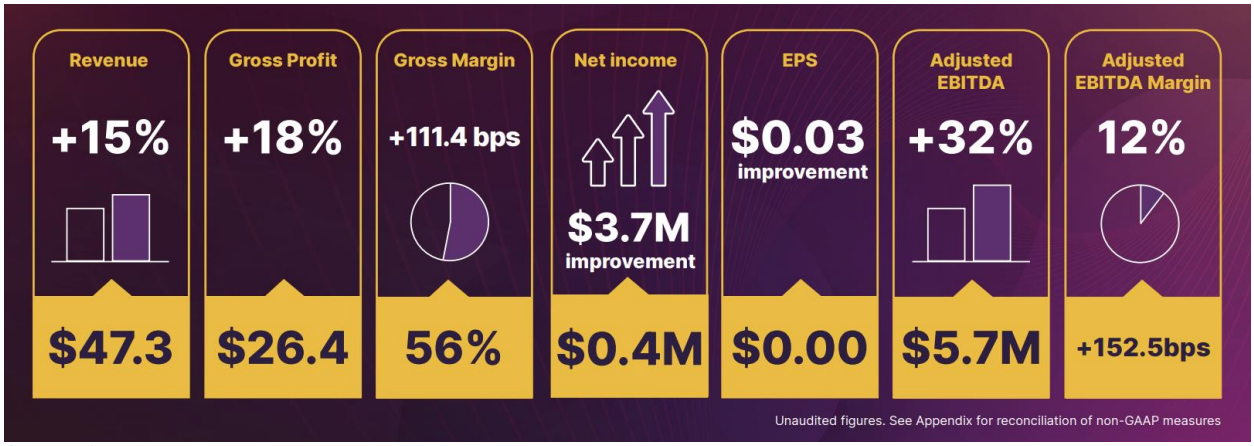
Revenue diversification cited as a key factor behind the strong performance

Golden Matrix Group (GMGI-NASDAQ), an iGaming group providing a broad array of gaming products and software solutions on a B2B and B2C basis, reported 3Q25 results yesterday and provided a business update. We present initial takeaways in this note.

3Q25 represents a record quarter

3Q25 was a record revenue quarter and represented a rebound from the prior quarter, which was negatively impacted by customer-friendly sports outcomes. GMGI had previously indicated that its July revenue growth from the European business – which in 2Q25 had been negatively impacted by what the industry terms customer-friendly outcomes whereby player win rates were higher than anticipated – had recovered. The company was not alone in experiencing these headwinds, as other industry players reported similar trends.

With a more normalized industry backdrop in 3Q25, the company registered year-over-year revenue growth of 15.4% to $47.3 million, driven primarily by higher online casino gaming and raffle revenue. Golden Matrix cited its revenue diversification – both geographically and by business line – as a key factor behind the strong performance. The company is optimistic about the benefits of its expanding geographic reach as it attains new licenses in regulated markets in order to strengthen its global position in the iGaming space. Revenue grew 14% year-over-year on an organic basis excluding acquisitions.



Source: Company reports

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Meridianbet

The company's Meridianbet subsidiary was also cited as a key growth driver. Meridianbet registered 26% year-over-year revenue growth in 3Q25 to $32.5 million. Meridianbet Group is an online and retail sports betting and gaming group, licensed and operating in 15 jurisdictions across Europe, Africa and South America. It was founded in 2001 and acquired by Golden Matrix in 2024. Meridianbet leverages its proprietary technology and scalable systems to operate in multiple countries and currencies with an omni-channel approach to markets and it is expected to continue to contribute to strong consolidated performance.

Online revenue is a key strategic focus for GMGI and the growth of this channel was strong during the quarter. In 3Q25, online casino GGR increased 30% year-over-year to $14.6 million on 35% higher turnover to $485 million. Sports betting revenue grew 25% year-over- year to $13.3 million.

GMGI's 3Q25 gross profit of $26.4 million was up 18% year-over-year, reflecting a shift in the product mix, as well as optimization of the company's marketing spend. This represents a gross margin of about 56% up about 111 basis points compared to the prior year quarter.

Operating leverage as revenue base grows

As its revenue base continues to grow, operating expenses as a percentage of revenue continues to decline and GMGI continues to record improving operating leverage. Operating costs increased about 14% year-over-year to $26.7 million. Expenses have generally been earmarked to expand geographically, improve market share and maintain gaming technology leading edge to support growth initiatives. The company is optimistic about the benefits of its AI-driven technology. GMGI reported net income of $0.4 million or $0.00 per share compared to a net loss of ($3.3) million in 3Q24 or ($0.03) per share, after total other income of about $1.0 million compared to ($455k) in 3Q24.

Strengthening balance sheet

As GMGI continues to strengthen its balance through debt repayments and other measures, net debt leverage at the end of 3Q25 equated to about 1.2× annual adjusted EBITDA, down from a leverage ratio of about 1.5x at the end of the prior quarter. We believe this enhances the company's financial flexibility to support its multiple growth initiatives.

GMGI has reduced total debt, including long-term loans and acquisition-related payables, by $25.9 million since year-end 2024, including fully repaying a note issued to Lind Global Asset Management in July 2024 before it came due earlier in 2025. The company had cash of $22 million at the end of 3Q25 and $45.1 million in total debt.

2025 revenue guidance range tightened

The company tightened 2025 guidance, including raising the lower end of the expected revenue range. Full-year 2025 revenue is expected in the range of $186 million to $187 million, which would represent annual growth of 23% to 24% compared to 2024. Prior guidance was 2025 revenue to range from $185 million to $188 million.

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