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Zacks Small-Cap Research

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Golden Matrix Group Inc. (GMGI-NASDAQ)

GMGI: 3Q25 Achieves Record Quarterly Revenue; GMGI Outlook is Optimistic

GMGI is optimistic about the outlook for 2026 and beyond, as it leverages the infrastructure it has developed and consolidated in 2025 when the company continued to integrate and scale subsidiary Meridianbet, added new gaming licenses and expanded its geographic footprint significantly, and grew its gaming content library, among other growth initiatives.

OUTLOOK

Among the most significant new markets in which GMGI operates is Brazil, which represents an estimated $5.6B gross gaming revenue market. The upcoming FIFA World Cup games could be a potential catalyst for growth in Brazil and other markets. The 2026 World Cup will be the first to have 48 teams playing, up from 32. Moreover, tournament hosting by three countries - Canada, Mexico and the U.S. and featuring a new format with 104 matches – might also boost reach and interest in sports betting across various markets, we believe.

Current Price (11/5/25)	$0.98
Valuation	**$2.70**

SUMMARY DATA

52-Week High	**$3.06**
52-Week Low	**$0.91**
One-Year Return (%)	**-60**
Beta	**N/A**
Average Daily Volume (sh)	**212,201**
Shares Outstanding (mil)	**141**
Market Capitalization ($mil)	**140**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**50+**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2025 Estimate	**N/A**
P/E using 2026 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Small-Growth**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	23 A	23 A	22 A	25 E	93 A
2024	25 A	39 A	41 A	46 A	151 A
2025	43 A	43 A	47 A	53 E	186 E
2026					211 E

EPS or Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	$0.06A	$0.04A	$0.04A	$0.05E	$0.19E
2024	$0.04A	$0.00A	-$0.03A	-$0.02A	-$0.01A
2025	$0.00A	-$0.03A	$0.00A	$0.00E	-$0.03E
2026					-$0.01E

Quarters might not sum due to rounding & share counts

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3Q25 ACHIEVES STRONG DOUBLE DIGIT REVENUE GROWTH

Golden Matrix Group (GMGI-NASDAQ) reported 3Q25 results last week. In this note we provide an update and takeaways from our virtual meeting with management. The company is an iGaming group providing a broad array of gaming products and software solutions on a B2B and B2C basis.

Multiple upcoming potential growth drivers, including FIFA World Cup games

Management is optimistic about the outlook for 2026 and beyond, as GMGI leverages the infrastructure it has developed and consolidated in 2025 when the company continued to integrate and scale subsidiary Meridianbet, added new gaming licenses and expanded its geographic footprint significantly, and grew its gaming content library, among other growth initiatives. Moreover, the upcoming FIFA World Cup games and anticipated regulatory changes in Brazil could also be potential catalysts for growth.

The company is also optimistic about the benefits of its AI-driven technology, which it cites as a key factor contributing to lower its acquisition costs and extend customer lifetime value. GMGI has completely transitioned to its newest technology platform, Atlas, which represents the company's fifth-generation sports betting and iGaming platform. Relative to prior iterations, it is characterized by enhanced efficiency and delivers an improved user experience, according to GMGI. GMGI sees Atlas and the ability to integrate AI enhancements relatively easily as another advantage compared to competitors operating older legacy technology platforms. As it focuses on driving operational efficiency, GMGI believes Atlas enables scalability and innovation to support a growing customer base. Some of the enhancements with recent upgrades include seamless integration of gaming content and of a transfer wallet casinos can provide to players so that players are able to access all content seamlessly without interrupting their play to transfer funds into and out of their primary wallet.



Source: Company reports

GMGI registered 15.4% year-over-year revenue growth in 3Q25, which equates to record quarterly revenue of $47.3 million. Moreover, this growth rate also represents a rebound from the prior quarter, which was negatively impacted by customer-friendly sports outcomes whereby player win rates were higher than anticipated for multiple industry players, and represents a return to expected growth trends. As it executes its growth strategy, the company has the tailwind of a rapidly growing online gambling industry (see below).

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 showcases focus on operating efficiencies

Reflecting its focus on operating efficiencies and scale, as its revenue base continues to grow, operating expenses as a percentage of revenue continue to decline and GMGI continues to record improving operating leverage. Operating costs increased about 14.5% 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. 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 1.2x 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.

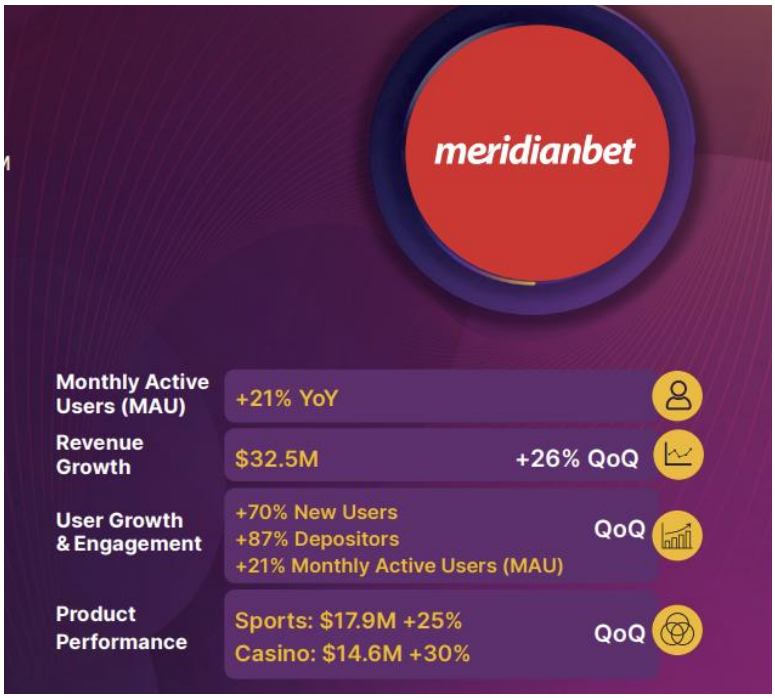
2025 revenue guidance range tightened

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. We have adjusted our forecasts and are introducing preliminary 2026 projections.

KEY UNITS SHOWED DOUBLE DIGIT GROWTH

MeridianBet Group – Meridianbet Group is an online sports betting and gaming group, licensed and operating in a growing number of 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.

The Meridianbet Group segment includes revenues from retail sports betting, retail casinos, online sports betting, online casinos, and bars that MeridianBet operates. Segment revenue increased 26% year-over-year to $32.5 million, reflecting robust online and retail performance. Online casino gross gaming revenue (GGR) grew 30% to $14.6 million. A key driver behind this growth reflects an increase in the library of online casino games offered from different providers to more than 2.5k titles and the debut of a new game, *Gates of Olympia,* from GMGI's proprietary game arm, Expanse studio, which became a top 5 most popular game in 3Q25. New player registrations were up 70% year-over-year, as the company continues to scale its Brazil operations.



Source: Company presentation

RKings & Classics for a Cause (CFAC) – The RKings & CFAC segment includes revenues from pay-to-enter prize competitions and trade promotions that RKings conducts in the UK and Classics for a Cause conducts in Australia. Consistent with its strategy to maintain leading edge technology, the company recently deployed new systems to support its raffle ticket businesses and introduced a new CRM to enhance customer engagement and customer lifetime value.

GMGI believes the new technology is already producing positive results and segment 3Q25 results appear to support this trend. The segment produced record revenue of $7.4 million in 3Q25, which represents a 14% year-over-year advance. Once the new CRM system is fully rolled out – expected in 4Q25 – the company expects to further scale marketing and CAC. The company expects to optimize marketing spend, including by leveraging SEO campaigns.

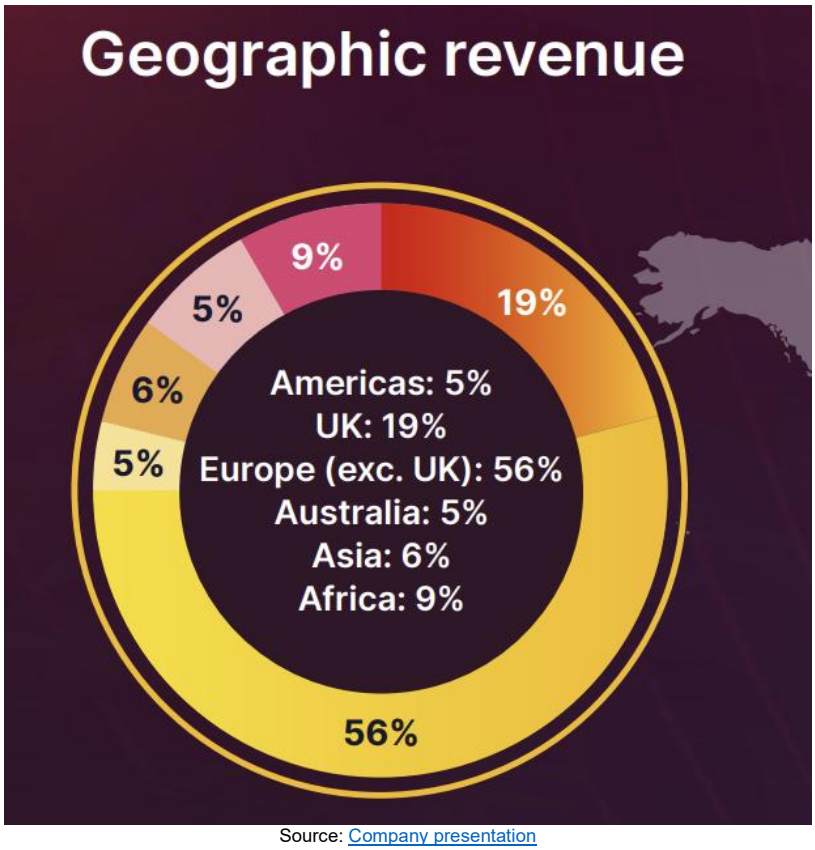
RKings new users increased 19% quarter-over-quarter. Classics for a Cause delivered strong sequential growth, with registrations up 72%. In August, the company conducted a campaign to win a Holden Torana automobile, which broke company records, producing $776K in sales and adding 1,700 new customers.

GMAG – The GMAG segment generates revenue through GMGI's intellectual property (IP) and resales of third-party gaming content. The segment primarily serves customers in the Asia-Pacific region. Sales in emerging geographic regions advanced by more than 40% in 3Q25, reflecting strong growth in Brazil and Mexico.

Expanse Studios Expanse Studios is Meridianbet's proprietary game development arm. During 3Q25, Expanse Studios added 300+ new operators. As noted, *Gates of Olympia,* from GMGI's proprietary game arm, Expanse studio, which became a top 5 most popular game in 3Q25 and contributed to player retention and engagement.

GEOGRAPHIC DIVERSIFICATION KEY STRATEGIC OBJECTIVE

A core objective to diversify its revenue base across geographic markets, by operating segment and channel. GMGI views the diversification of its operations across both B2B and B2C channels and geographic markets as a competitive advantage that also protects Golden Matrix from contractions in any single market or channel. The company continues to advance its strategy to expand its global footprint, which is a core objective, as noted. As it implements expected growth measures, GMGI intends to prioritize expansion into new regulated markets, including Latin America and Europe, enhance AI-driven gaming innovation and boost operational efficiencies.



Source: Company presentation

Among the most significant new markets in which GMGI operates is Brazil, which represents an estimated $5.6 billion gross gaming revenue market. As noted, the upcoming FIFA World Cup games could also be a potential catalyst for growth in Brazil and other markets. The 2026 World Cup will be the first to have 48 teams playing, up from 32. Moreover, tournament hosting by three countries - Canada, Mexico and the U.S. and featuring a new format with 104 matches – might also boost reach and interest in sports betting across various markets, we believe.

Separately, GMGI operates an online casino in Mexico through Golden Matrix MX, which operates under the brand Mexplay. Mexplay features table games, slots, as well as sportsbook, and also offers tournament competition prizes that are similar to those that R Kings offers.

Moreover, as noted, the company has the tailwind of a rapidly growing online gambling industry. While forecasts vary, industry outlooks from various market research firms consistently view the sector as characterized by strong growth. For example, according to market research firm Spherical Insights, the global online gambling market was valued at nearly US$85 billion in 2023 and is expected to reach almost US$165 billion by 2033. Other market research places expected growth even higher.

VALUATION

We believe GMGI shares represent an option on management's ability to continue to execute its growth strategy, which encompasses expanding its gaming technology platform to new geographic markets and adding complementary products, among other initiatives.

The company expects to capitalize on the anticipated continued growth of online wagering and regulated gaming in a growing number of markets and customer adoption of online betting and expansion of its footprint. At this early stage, we view Brazil as a potentially significant opportunity. If the company's iGaming technology platform and online footprint continue to gain traction as management anticipates, we would expect multiple expansion on GMGI shares. If GMGI continues to hit milestones regarding its growth objectives, we believe it could lead to higher multiple and valuation if GMGI can execute its strategy successfully.

Companies in this sector command a range of multiples on a P/S basis on forward revenue, ranging from about 2X to much higher. Reflecting GMGI's recent and anticipated growth, we apply a roughly 3X multiple to our 2025 revenue forecast. We also add a risk adjustment factor of about 65% (down from 70% earlier) and derive a valuation of about $2.70. We note that larger players in the overall gaming space command significantly higher multiples on a price to revenue basis. DraftKings, for instance, trades at a multiple of nearly 5X on this basis, according to Yahoo Finance data.

We believe the risk / reward ratio on GMGI shares could be attractive for investors who want exposure to the sector and have a higher than average risk tolerance and longer time horizon. If the company delivers milestones related to growth initiatives earlier / later than expected, our adjustment factor could prove too high / low.

RECENT NEWS

- On October 30, 2025, GMGI reported 3Q25 results.
- Expanse Studios secured an U.S. and EU distribution deal with Bragg Gaming on July 22, 2025.
- Expanse Studios obtained Croatian iGaming certification on July 1, 2025.
- On June 13, 2025, Meridianbet closed a sponsorship deal with Aquatic Sports Association of Malta.
- Expanse completed multiple U.S. integrations and launched a new flagship slot on May 16, 2025.
- On April 29, 2025, GMGI announced full repayment of Lind notes.
- Meridianbet launched Watch & Bet feature to on April 4, 2025.
- Expanse Studios secured Brazilian iGaming certification on April 2, 2025.
- Expanse Studios expanded its European presence with Slotino integration on March 25, 2025.
- Meridianbet expanded B2B operations into Nigeria on March 13, 2025.
- GMGI submitted an application for an iGaming license in Romania on March 11, 2025.
- Meridianbet secured on online betting license in Brazil on January 2, 2025.

RISKS

We believe risks to Golden Matrix Group achieving its goals, and to our valuation, include the following, among other risks.

- GMGI might not gain market share in new areas as quickly as the company expects, which could lead to slower than anticipated revenue ramp.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- GMGI might need to raise capital, which might be dilutive to current shareholders.
- Insiders hold a controlling interest in the company's voting rights. Their interests might differ from those of other shareholders.
- Government regulations governing the gambling sector could change.
- The company faces technology risk. Its platform is new generation but competitors might launch newer technology capabilities that would require GMGI to further upgrade.
- Reflecting its diverse geographic footprint, GMGI faces potential foreign exchange (FX) risk.

FINANCIAL MODEL

Golden Matrix Holdings

Golden Matrix Group Income Statement and Projections (US$)

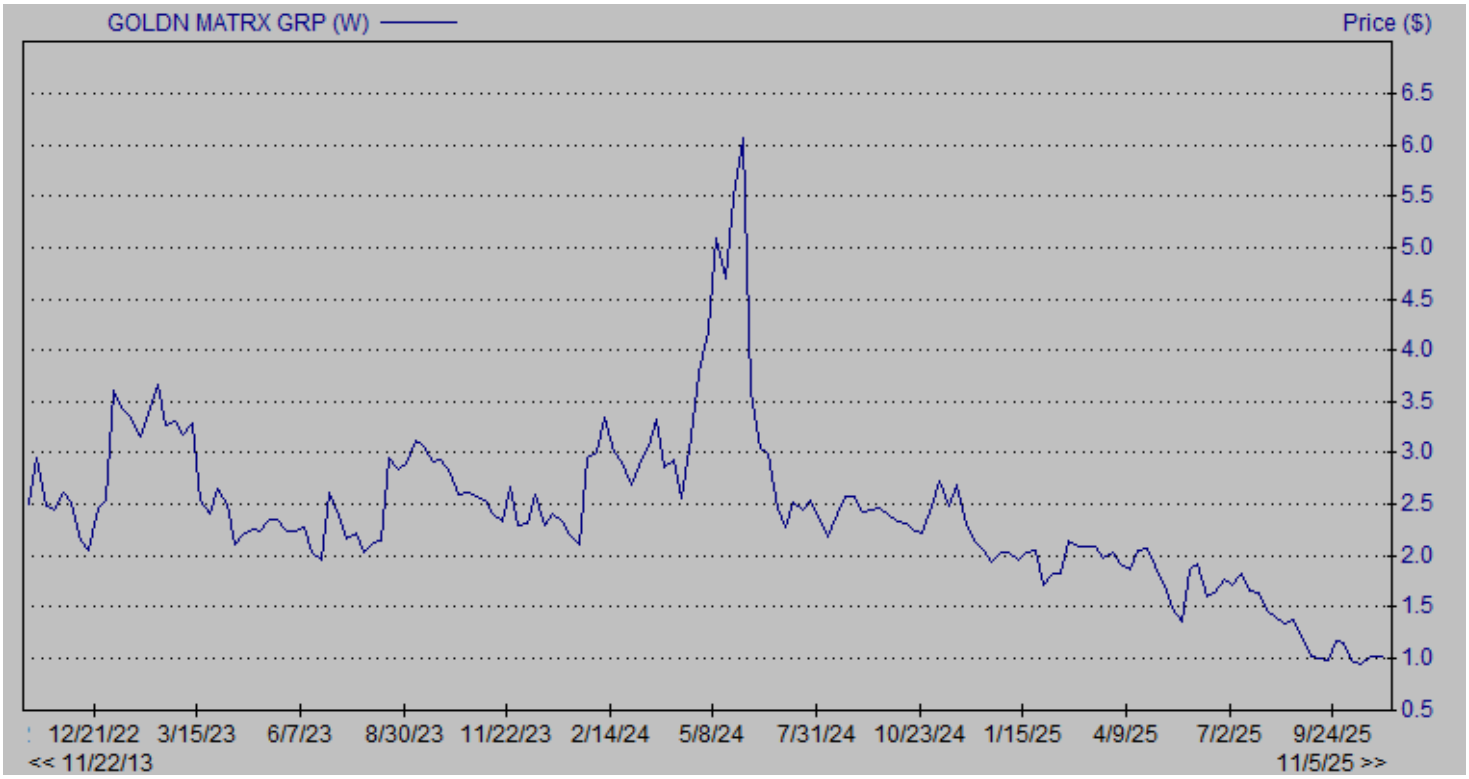
	1Q24	2Q24	3Q24	4Q24A	2024A	1Q25A	2Q25A	3Q25A	4Q25E	2025E	2026E
Revenues	$24,850,587	$39,415,242	$40,992,329	$45,857,374	$151,115,532	$42,723,053	$43,245,368	$47,316,308	$52,922,122	$186,206,851	$211,344,775
Cost of goods sold	(7,158,657)	(17,729,700)	(18,589,162)	(19,065,888)	(62,543,407)	(18,527,092)	(18,868,349)	(20,929,885)	(24,079,565)	(82,404,891)	(95,950,528)
Gross profit	17,691,930	21,685,542	22,403,167	26,791,486	88,572,125	24,195,961	24,377,019	26,386,423	28,842,556	103,801,959	115,394,247
S,G&A	13,997,809	21,560,430	23,379,550	26,890,632	85,828,421	24,301,978	26,681,869	26,774,044	28,380,487	106,138,378	116,752,215
Income (loss) from operations	3,694,121	125,112	(976,383)	(99,146)	2,743,704	(106,017)	(2,304,850)	(387,621)	462,070	(2,336,418)	(1,357,968)
Other income / (expense)											
Interest expense	(4,371)	(32,484)	(790,193)	(2,694,240)	(3,521,288)	(1,471,360)	(1,481,669)	(510,636)			
Interest income	34,882	69,666	58,475	55,122	218,145	43,936	16,884	62,036			
FX	12,937	(131,458)	(219,060)	(157,244)	(494,825)	433,668	(63,455)	817,201			
Other	493,150	509,759	495,654	764,219	2,262,782	505,503	591,576	634,458	-	-	-
Total other income (expense)	536,598	415,483	(455,124)	(2,032,143)	(1,535,186)	(488,253)	(936,664)	1,003,059	(438,175)	(860,033)	(438,175)
Pretax income / (loss)	4,230,719	540,595	(1,431,507)	(2,131,289)	1,208,518	(594,270)	(3,241,514)	615,438	23,895	(3,196,451)	(1,796,143)
Taxes	281,697	524,969	1,864,122	(52,421)	2,618,367	(336,053)	490,377	201,636	8,124	364,084	(610,689)
Net income (loss)	3,949,022	15,626	(3,295,629)	(2,078,868)	(1,409,849)	(258,217)	(3,731,891)	413,802	15,771	(3,560,535)	(1,185,454)
Minority interest	(41,712)	(49,299)	109,935	51,476	70,400	(26,609)	(147,546)	(152,212)	(6,308)	(332,675)	(426,764)
Net income (loss) to GMGI	3,990,734	64,925	(3,405,564)	(2,130,344)	(1,480,249)	(231,608)	(3,584,345)	566,014	22,079	(3,227,860)	(758,691)
EPS	$0.05	$0.00	($0.03)	($0.02)	($0.01)	($0.00)	($0.03)	$0.00	$0.00	($0.03)	($0.01)
Avg shares out (FD)	83,475,190	128,455,184	121,510,697	120,605,753	113,511,706	131,728,855	137,968,429	142,758,774	143,158,774	138,903,708	145,658,774

Source: Company reports, Zacks estimates

FY changed to December 31 as of 2024

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