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Meridian Holdings Inc.

(MRDN-NASDAQ)

MRDN: 2Q26 Revenue Guidance Represents 18%-23% Y/Y Anticipated Growth

MRDN reported 1Q26 revenue of \$50.1m, up 17% y/y as Meridian advances its B2B and B2C expansion strategy and core Meridianbet segment operations continue to scale. Importantly, new customer registrations at Meridianbet grew 41% y/y, setting the stage – we believe – for an expanding customer base expected to participate in MRDN segments going forward. Segment active users advanced 21% and depositors advanced 27%.

Current Price (4/28/26) \$7.49
Valuation \$16.20

OUTLOOK

MRDN remains focused on growing operations & expanding its customer base sustainably, adding users that are expected to remain with MRDN long-term as it leverages its technology to 'learn' player behavior and boost customer retention. The upcoming FIFA games could potentially accelerate customer base expansion. The company is also focused on optimizing its spending and strengthening its balance sheet, including reducing debt; 1Q26 net debt leverage was 0.53x, down from ~1.5x at 1H 2025, which enhances financial flexibility to support its multiple growth initiatives, in our view.

SUMMARY DATA

52-Week High ~\$23.00
52-Week Low \$5.80
One-Year Return (%) N/A
Beta N/A
Average Daily Volume (sh) 25,207

Shares Outstanding (mil) 12
Market Capitalization (\$mil) 99
Short Interest Ratio (days) N/A
Institutional Ownership (%) N/A
Insider Ownership (%) 60+

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 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	50 A	183 A
2026	50 A	53 E	54 E	50 E	206 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	-\$0.02A	-\$0.31A	\$0.05A	-\$7.09A	-\$7.76A
2026	\$0.18A	\$0.07E	\$0.07E	\$0.02E	\$0.33E

Quarters might not sum due to rounding & share counts

Disclosures on page 9 2025-26 shares out PF

1Q26 HIGHLIGHTS – STRONG QUARTER, ROBUST REVENUE GROWTH

MRDN optimistic about outlook

Meridian Holdings Inc. (MRDN-NASDAQ), which licenses and operates online sports betting and gaming platforms globally, reported 1Q26 results yesterday and provided a business update. 1Q26 revenue came in-at \$50.1 million, which represented a 17% year-over-year advance as Meridian continues to advance its B2B and B2C expansion strategy and core Meridianbet operations continue to scale. During the quarter, Meridianbet new customer registrations grew 41% compared to 1Q25.

Aggregate company gross profit of \$28.1 million represented a 16% year-over-year improvement and aggregate gross margin was stable at 56.2%. The company maintains a disciplined approach to spending. Selling and marketing expenses to drive customer growth increased only 2.8% compared to 1Q25 to about \$25 million. Operating income was \$3.2 million compared to an operating loss of \$106k in 1Q25. Adjusted EBITDA came in at \$6.3 million compared to about \$5.0 million in 1Q25 and ahead of the company's guidance of \$6.1 million. The company recorded 1Q26 net income to MRDN of \$2.3 million, or \$0.18 per share, compared with a net loss of \$232k, or (\$0.02) per share, in 1Q25.

Meridian remains focused on growth, organically and using strategic M&A that prioritizes acquisitions in high-barrier markets with limited licensing to complement organic growth and further its goal to diversify its revenue base across geographic markets, by operating segment and by channel. MRDN views the diversification of its operations across both B2B and B2C channels and geographic markets as a competitive advantage that protects the company from contractions in any single market or channel. As it continues to expand its global footprint, MRDN intends to prioritize expansion into new regulated markets, including in Latin America and Europe, enhance AI-driven gaming innovation and boost operational efficiencies.

Meridianbet Group segment showed strong growth in key financial and operating metrics

The Meridianbet Group B2C sports betting and online casino segment was the key driver of aggregate revenue growth. Meridianbet new customer registrations grew 41% year-over-year, as noted. Converting new registrations to active users can vary market to market depending on regulatory backdrop. Active users advanced 21% and depositors advanced 27%.



Source: [Company presentation](#)

Meridianbet Group segment revenue grew 26% year-over-year to \$34.9 million, representing ~70% of total revenue. The segment gross margin was roughly 69%. Within the Meridianbet Group segment, the company continues to expand Expanse Studios' content library and operator network. Expanse Studios is MRDN's B2B gaming content provider developing proprietary gaming content for 1,344 operators across North America, Europe, Latin America, Africa, and Asia. Expanse added 175 new sites in 1Q26, expanding its operator network to 1,519 active sites. Expanse secured new certifications in Latvia, Estonia, Sweden, and Portugal during 1Q26 and is pending regulatory approval of its application for system certification in Ontario, Canada.

Segment Metric	meridianbet	R. KINGS COMPETITIONS Classics	GMAG
Revenue	\$34.9M	\$12.1M	\$3.1M
Revenue YoY	+25.9%	+8.5%	-18.4%
Gross Profit	\$24.1M	\$2.9M	\$1.1M
Gross Profit YoY	+21.2%	-9.2%	-3.7%
Gross Margin	69.3%	24.2%	33.9%
Gross Margin YoY	-271 bps	-474 bps	+519 bps
Segment Income (Loss) from Operations	\$6.6M	\$0.4M	\$(0.4)M

Segment operating income reconciles to consolidated Income from Operations through unallocated corporate expenses. All figures unaudited.

Source: [Company presentation](#)

RKings & Classics for a Cause segment recorded solid growth

Revenue of the RKings & Classics for a Cause segment advanced 8.5% year-over-year to \$12.1 million. RKings generated ~64% of segment revenue. RKings' unit economics improved, as average order value increased 29% to \$16.91 and value per new registration increased 15% to \$17.72. New Classics for a Cause users advanced 18% year-over-year to 9,813 and total transactions advanced 12% sequentially. At 10,750 at the end of the quarter, VIP subscriptions exceeded 10k for the first time in a year.

The GMAG segment produced 1Q26 revenue of \$3.1 million, down 18.4% year-over-year but profitability improved as the company eliminated many lower margin contracts. The segment represented 6% of total company revenue. Based on MRDN's actions, it would not surprise us if MRDN divested the reseller component of GMAG at some point and retained the online casino. Specifically, within the GMAG segment, MexPlay online casino operations more than tripled registrations (up 271% year-over-year), reaching 74k.

Continued balance sheet strengthening measures

MRDN has strengthened its balance sheet, reducing net debt by 62% year-over-year, as MRDN continues to strengthen its balance through debt repayments and cost containment measures to conserve and grow the cash balance. The net debt leverage at the end of 1Q26 equated to under 1.0x (0.53x) annual adjusted EBITDA, down from a leverage ratio of about 1.5x at the end of 1H 2025. This enhances the company's financial flexibility to support its multiple growth initiatives, in our view.

MRDN had cash of \$16.2 million at the end of 1Q26 and \$13.5 million in net debt. In terms of consideration payable to related parties, given that this is to related parties, if MRDN does not fully repay this in 2026, we would expect that it can negotiate an extension or swap with the related parties.



Source: [Company presentation](#)

In the past, Meridianbet’s founder entered into a debt-to-equity conversion on \$8 million that MRDN owed him following its acquisition of Meridianbet. Eliminating \$8 million in short-term debt helps enhance MRDN’s financial flexibility to support its growth measures, in our view.

2Q26 revenue guidance represents 18%-23% y/y anticipated growth

MRDN is optimistic about its business outlook and issued 1Q26 revenue guidance of \$51 million to \$53 million. This would represent 18% to 23% year-over-year anticipated growth compared to 2Q25 revenue of \$43.2 million, reflecting continued momentum in core Meridianbet operations and incremental contribution from new Expanse markets, among other factors.

The company continues to add new gaming licenses, expand its geographic footprint and expand its gaming content library, as noted. The company also is optimistic about the benefits of its AI-driven technology. The 2026 FIFA games could also present benefits depending on the outcome of multiple matches. For example, Brazil is one of the largest markets in which MRDN operates and one expected to represent billions of dollars in gross gaming revenue market. The population is generally considered to be ardent soccer fans and the upcoming FIFA World Cup games could also be a potential catalyst for growth in Brazil, as well as in other markets depending on the outcome of matches, as MRDN believes wagering could be impacted by how well the Brazilian team fares. 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.

VALUATION

MRDN 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, in our view.

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 MRDN shares. If MRDN continues to hit milestones regarding its growth objectives, we believe it could lead to higher multiple and valuation if MRDN 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. Following higher customer registrations, expanded operating footprint and 1Q26 guidance, we have raised our 2026 revenue forecast to \$213 million from \$211 million previously, although we model higher investment and marketing spending than we previously anticipated. Reflecting recent sector multiple fluctuations, we apply a roughly 2X multiple to our 2026 revenue forecast. We also add a risk adjustment factor of about 50% and derive a valuation of about \$16.20. We note that larger prominent 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 MRDN 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

- MRDN reported 1Q26 results on April 28, 2026.
- Expanse Studios launched Bonus Bet feature on March 4, 2026.
- On February 26, 2026, the company approved a 12:1 reverse stock split and corporate rebranding.
- On December 1, 2025, Expanse Studios secured a Romanian gaming license.
- MRDN announced the retirement of its CEO on December 1, 2025.
- Meridianbet launched "Missions" Gamification Platform on November 30, 2025.
- Expanse Studios signed a distribution deal with MerkurXtip on November 29, 2025.
- Expanse Studios signed a distribution deal with Admiral Bet on November 28, 2025.
- Meridianbet's founder completed an \$8 million debt-to-equity conversion on November 28, 2025.
- On October 30, 2025, MRDN 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.

RISKS

We believe risks to Meridian achieving its goals and to our valuation, include the following, among others.

- MRDN 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.
- MRDN 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 MRDN to further upgrade.
- Reflecting its diverse geographic footprint, MRDN faces potential foreign exchange (FX) risk.

FINANCIAL MODEL

Meridian Holdings

Meridian Holdings Income Statement and Projections (US\$)

	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26E	3Q26E	4Q26E	2026E
Revenues	\$42,723,053	\$43,245,368	\$47,316,308	\$49,578,644	\$182,863,373	\$50,103,870	\$52,959,791	\$53,542,348	\$49,794,384	\$206,400,393
Cost of goods sold	(18,527,092)	(18,868,349)	(20,929,885)	(21,081,327)	(79,406,653)	(21,959,630)	(24,361,504)	(24,468,853)	(22,457,267)	(93,247,254)
Gross profit	24,195,961	24,377,019	26,386,423	28,497,317	103,456,720	28,144,240	28,598,287	29,073,495	27,337,117	113,153,139
S,G&A	24,301,978	26,681,869	26,774,044	121,867,837	199,625,728	24,987,116	26,636,266	27,382,081	26,560,619	105,566,081
Income (loss) from operations	(106,017)	(2,304,850)	(387,621)	(93,370,520)	358,636	3,157,124	1,962,021	1,691,414	776,498	7,587,057
<i>Other income / (expense)</i>										
Interest expense	(1,471,360)	(1,481,669)	(510,636)	(1,115,179)	(4,578,844)	(353,726)				
Interest income	43,936	16,884	62,036	117,867	240,723	5,999				
FX	433,668	(63,455)	817,201	(427,194)	760,220	(412,194)				
Other	505,503	591,576	634,458	827,042	2,558,579	467,088	-	-	-	-
Total other income (expense)	(488,253)	(936,664)	1,003,059	(597,464)	(1,019,322)	(292,833)	(439,250)	(592,987)	(474,389)	(1,799,459)
Pretax income / (loss)	(594,270)	(3,241,514)	615,438	(93,967,984)	(660,686)	2,864,291	1,522,772	1,098,427	302,109	5,787,599
Taxes	(336,053)	490,377	201,636	(5,562,154)	(5,206,194)	696,134	335,010	120,827	60,422	1,212,393
Net income (loss)	(258,217)	(3,731,891)	413,802	(88,405,830)	(91,982,136)	2,168,157	1,187,762	977,600	241,687	4,575,206
Minority interest	(26,609)	(147,546)	(152,212)	(1,757,919)	(2,084,286)	(92,638)	118,776	97,760	4,834	128,732
Net income (loss) to MRDN	(231,608)	(3,584,345)	566,014	(86,647,911)	(89,897,850)	2,260,795	1,068,986	879,840	236,853	4,446,474
EPS	(\$0.02)	(\$0.31)	\$0.05	(\$7.09)	(\$7.76)	\$0.18	\$0.07	\$0.07	\$0.02	\$0.33
Avg shares out (FD)	10,977,405	11,497,369	11,896,565	12,219,910	11,589,076	12,785,352	12,786,352	12,787,352	12,788,352	12,786,852

Source: Company reports, Zacks estimates

FY changed to December 31 as of 2024 2025-26 shares out. PF

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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