

Weekly News Digest #14

14

of announced deals

\$996m

announced deals' size

12

of closed deals



Update: AppLovin targets \$30B valuation at IPO

Last month, California-based mobile gaming and technology platform company AppLovin has filed for IPO on NASDAQ under the "APP" ticker. Now the company revealed its targeted valuation of \$30B and some other details.

Offering details

The company intended to raise up to \$2.13B through the sale of 25m shares with prices ranging from \$75 to \$85 per share.

— AppLovin will allocate Class A (1 vote per share) common stock to the general public, while its CEO, CFO, and KKR Denali Holdings will retain all Class B (20 votes per share) common stock, giving them a combined voting power of more than 50%.

— According to Reuters, Morgan Stanley is hired to manage the IPO. Morgan Stanley, J.P. Morgan, KKR, BofA Securities, and Citigroup are the offering's lead underwriters.

Gaming first business with tech company multiples

Though AppLovin has vast marketing, monetization, and analytics technology stack, it is mostly a gaming business with 86% of revenue generated by the mobile games portfolio. You can read more about AppLovin's business in our [previous digest](#).

Based on AppLovin's financial performance in 2020 (\$1.45B Revenue and \$407.5m adj. EBITDA) the implied trading valuation multiples are **20.7x EV/Revenue** and **73.6x EV/EBITDA**. These are quite high numbers for a gaming business, which are closer to multiples typical for global SaaS companies, such as ironSource, Unity, Slack, and Asana.



Rumors: Bilibili may be negotiating to acquire 24% in Yoozoo Gaming

Bilibili (NASDAQ: BILI) is reportedly holding negotiations to buy a 24% stake in Chinese browser/mobile game developer and distributor Yoozoo Games.

Based on Yoozoo's market capitalization of \$1.98B on April 7 (announcement date), a 24% stake in the Shenzhen-listed firm is worth around \$475m. The acquisition is discussed in terms of a deal worth approximately \$765m, which also includes buying Yoozoo headquarters building in Shanghai and taking on the company's debts in the amount of \$106m.

Last month the companies have elaborated a non-binding agreement that lays out the fundamental terms

and conditions of the investment, according to the BusinessInsider's sources. The companies have not commented on the matter.

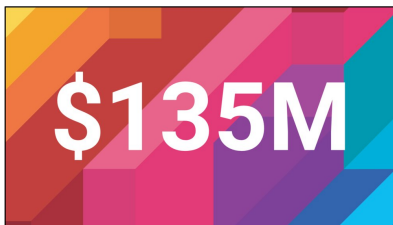
Gaming contributed 40% of its revenue last year, down from more than 70% in 2018. Both advertising and value-added services revenue, mostly subscription fees, more than doubled in the fourth quarter from a year ago. That is why an investment in Yoozoo Games seems to be a logical step for the Chinese company, demonstrating a continuous shift towards the games industry.

Last month, Bilibili raised around \$2.6B during its secondary listing in Hong Kong. This makes the Yoozoo acquisition more likely to happen, since Bilibili definitely has the required funds on hand. Even if the rumors are wrong we will probably hear more about Bilibili's M&As in the future.

Business Overview

Yoozoo Games (trading name of Youzu Interactive) is a video game developer and publisher of browser/mobile games, primarily (MMORPG), in Asia, Europe and North America.

Its most popular international game is a browser-based MMORPG *League of Angels*. This game was firstly released as an exclusive for the Chinese market, and only later was adapted and released globally. The game was released in English-speaking countries in late 2013 and now has over 300 servers in operation.



Play Ventures raises \$135m of funding

Singapore-based videogame venture fund Play Ventures has raised \$135m for future early-stage investments. The proceeds will be used by the company's second fund, Fund II, to fuel new gaming industry investments.

In March 2021, the company made its first investment through Fund II in the amount of \$1.5m towards India-based mobile games developer All-Star Games.

Total amount raised

In August 2019, the fund has raised \$40m exceeding the target amount of \$10m, which brings the total amount raised by Play Ventures to \$175m.

Investment Focus

Stage: pre-Seed — M&A

Check size: from \$100k to \$1.5m

Geography: Worldwide

Industry: PC/Console/Mobile games; Esports; Streaming; Marketing; Outsource

Play Ventures specializes in F2P mobile/PC game studios and games services investments. Since its founding, the company has backed up 24 gaming companies, 14 of them during 2020.



Tripledot Studios receives \$78m in Series A

London-based casual mobile game developer Tripledot Studios has raised \$78m in Series A round with participation from Eldridge, Access Industries, and Lightspeed Venture Partners. The round brings the

company's valuation to approximately \$500m.

The funds will be used to expand the company's operations with M&As and launch the next generation of Tripledot games later this year.

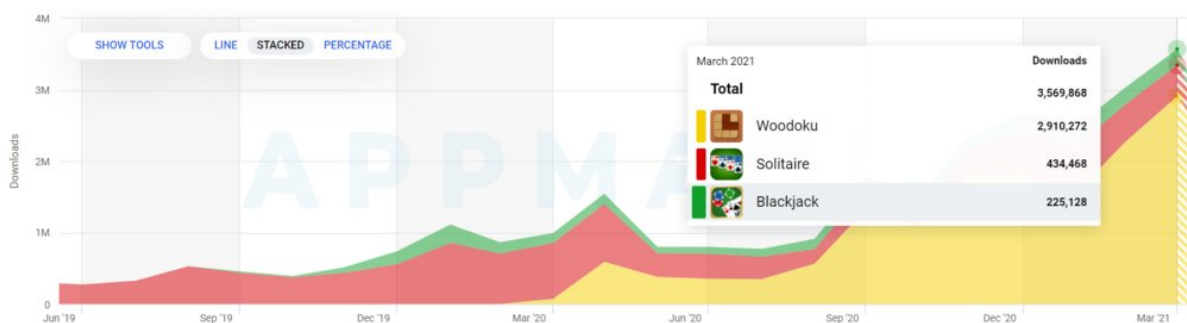
In Nov'18, Tripledot Studios secured \$8m in a Seed Funding round, led by Velo Partners.

Business Overview

Founded in 2017, Tripledot positions itself as a data-driven mobile game developer with an emphasis on user acquisition, monetization, product management, and data science.

Tripledot develops casual games based on popular classic games, such as *Solitaire*, *Blackjack* and *Sudoku*. Tripledot games have reported an active user base growth from 6m in Nov'20 to 11m in Apr'21. As of the beginning of 2021, the company's sales run rate is more than \$100m.

Together, all the games of the company have been downloaded more than 37m times with a peak of ~3.6m downloads in Mar'21. According to [AppMagic](#), the best performing title of the company is a puzzle game *Woodoku*, launched in the first quarter of 2020.



Notable Transactions

MERGERS & ACQUISITIONS

UPDATE: [Embracer Group](#) has completed the acquisitions of [Aspyr](#), [Easybrain](#), and [Gearbox Entertainment](#) for a total upfront consideration of ~\$1.1B with the potential to pay ~\$1.5B more as earn-outs payments. With the acquisitions, Embracer expands to the 7th and 8th operating groups and scales its development, publishing and porting capabilities across various platforms. [Read more.](#)

US-based anti-cheat solutions provider [GameBlocks](#) is acquired by [Ubisoft](#)'s US-based subsidiary [i3D.net](#) for an undisclosed amount with the intention to incorporate GameBlocks' *FairFight* anti-cheat and player statistics scheme into its *ONE Game Hosting* platform.

VENTURE FINANCING

India-based augmented reality toy producer [PlayShifu](#) has secured \$17m in a Series B round of funding. The company creates educational AR-based games for children, that combine physical and digital interactions.

Germany-based [Grid Esports](#) has raised \$10m of funding to further develop and improve its esports data platform, and expand into the United States.

Sweden-based [Epulze](#) has raised ~\$6.7m from [Svea Ekonomi](#), [Carucel Finance](#), and [Knutsson Holdings](#) to expand its esports tournament platform with new games, features, tournaments and influencers.

Spain-based blockchain F2P games monetization platform [Triple O Games](#) has completed its \$237.4k investment round led by Spain-based early-stage venture company [Adventurees](#).

PUBLIC OFFERING

Denmark-based multiplayer strategy and manager game studio **Trophy Games** plans to list on the NASDAQ First North Growth Market with intents to raise between \$16k and \$22.4k.



Recent investment news in the gaming industry
Deals database, league tables, etc.

[Unsubscribe](#)