



Presents

## Nazara Tech (Gaming Company) 2019-20 Updates



**Following are some of the amazing stats of subsidiaries of Nazara Tech.**

- 1. Nodwin - 80% share In India.**
- 2. Sports Keeda # 1 Esports news site in India.**
- 3. World Cricket Championship: 70% share In India.**
- 4. Kiddopia : Leader in early learner edutainment space.**

## Revenue Analysis

In FY19-20, Nazara Tech revenue has grown by 47% and it touched the revenue of 250 Crores. Over the years, Nazara Tech has diversified its business model and it is no more dependent on telecom-subscription business only. Currently, it earns revenue from telco, freemium, and e-sports business. Below are the stats of different revenue models of Nazara Tech.

<b>Revenue (Crores)</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>Intellectual Property</b>
Telco Subscription	153	95	81	Rights to distribute aggregated gaming content
Freemium	15	24	20	World Cricket Championship
Early learning	0	0	20	Kiddopia
Esports	3.6	49	84	Nodwin + Sports Keeda
Real Money Gaming	0	0	42	Halaplay, Big PESA
<b>Total</b>	<b>172</b>	<b>168</b>	<b>247</b>	

## **Business Updates of FY19-20**

- In FY19-20, Nazara Tech has strengthened its leadership in esports and cricket simulation mobile game in Indian market and added Sportskeeda (a multi sports news destination in its portfolio) and increased its stake in Halaplay –fantasy sports offering to ensure multiple touch points with new age sports fans in India.
- Nazara further augmented its presence in kids vertical by acquiring a majority in Paperboat Apps (51%) in FY 19-20. Paperboat Apps publishes a subscription app under the brand name of Kiddopia in North America for preschool kids that teaches everything from math, language skills, general knowledge and social skills to creativity through fun & exciting game play through in house created gamified learning content.

# Subsidiaries and Investment by Nazara Technology

## SUBSIDIARIES

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## INVESTEE

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### 1. Paperboat apps

Nazara acquired a majority in early learning app Kiddopia in January 2020. Kiddopia is aimed at 2-7 year old kids and is very popular in North America with the majority of its revenue coming from the USA. Kiddopia has shown 3 X growth in FY 20 in terms of revenues and has very strong unit economics with consumer acquisition cost getting recovered in 9 months and high lifetime value on account monthly subscriber retention being 14%. Long term retention makes it very high EBITDA margin at steady state of user acquisition spends and offers high growth annuity business with high EBITDA margins.

**Revenue = 57 Crores and EBITDA = -3.3 Crores. Paperboat apps has Avg Annual Paying Subs/ month of 9000 users.**

### 2. Esports (Nodwin/ Sportskeeda):

Overall esports media grew by 40% in FY 20 over FY 19 and expected to surge in FY21 over FY20 due to momentum in the business.

Number of registered players participating in tournaments organized by Nodwin in FY 19-20 zoomed to 20 Lakh from 4.5 Lakh in FY 18-19, Likewise, Live streams from the events got 28 million live stream views in FY 19-20 as compared to 60 lakh views in 18-19 across OTT platforms. SportsKeeda registered an average 4.7 Crores visits per month in FY 19-20 which is 38% growth over FY 18-19.

**Nodwin** is into the esports content business and dominates the esports business in India across esports content on OTT platforms, large scale esports IP, partnerships with global game publishers and brand sponsorships across endemic and non endemic brands. Media rights licensing business contributes to over 55% of the overall revenues and Nodwin is now a top 5 global esports company in terms of revenue scale and is leading mobile esports across the world. Esports content business grew by 60% in FY 20 over FY 19 and has grown 8.5 X in 3 years

**Sportskeeda** is a leading multi sports/ esports news destination with over 2 Crores monthly active users visiting the website to read the content across WWE, esports, cricket, soccer, basketball and it is the largest multi Sports news site in India. Revenue in FY 20 declined over FY 2019 on account of decline in advertising rates in India.

**Revenue = 14 Crores and EBITDA = 1.2 Crores**

### **3. Next Wave (IP: World Cricket Championship)**

World's largest cricket simulation game on mobile played for 51 minutes per day by over 1.5 Crores monthly active users. WCC

revenue declined in FY-20 on account of drop in the advertising rates in India. However, the company expects new growth drivers such as in-app purchases and release of WCC3 – the new game which was launched recently in July FY20.

**Revenue = 13 Crores and EBITDA = 4.6 Crores**

#### **4. Halaplay (Real Money Skill Gaming)**

Due to potential regulatory risks of real money games in India, the company has modified its aggressive user acquisition led approach to this vertical towards a more conservative, profitability led growth model.

**Revenue = 40 Crores and EBITDA = -30 Crores**

### **Industry Overview**

- India is amongst the top five mobile gaming markets in the world with 36 Crores gamers in 2019 (Source Statista). This number is estimated to rise to 48 Crores by 2022. In 2019, around 560 Crores mobile gaming apps were downloaded in India - the highest in the world that represents 13% of the total gaming app downloads as per App Annie estimates. Gaming contributed to nearly 6% of the time spent by users in 2019 across content categories on the mobile devices. Furthermore, a section of Indian consumers are looking to better utilize their leisure time & are spending that on playing games rather than watching OTT content. The overall gaming industry was 14k Crores in 2019 and is expected to be 60k Crores in 2024 (35% CAGR).

- Recent lockdown which has augmented virtual item purchase behaviour within gaming apps and has created 8-10 Crores paying gamers in India. The number of paying gamers will rapidly penetrate the rest of the 25 Crores gamers in coming years as gaming is the cheapest form of entertainment as compared to watching movies in theatres or on OTT platforms.
- Some of the key growth factors driving domestic consumption of gaming in India apart from cheaper data & availability of high performing smartphones.

## Financials of Nazara Tech

**As on March 31, 2020, the company has 2,79,96,663 Equity Shares of face value of 4/.**

<b><u>Particulars (Cr)</u></b>	<b><u>FY18-19</u></b>	<b><u>FY19-20</u></b>
Revenue	186	262
EBITDA	27	10
PAT	15	-8

## Valuations

Currently, the share is available at 850 per share in the unlisted market. With total outstanding shares of 2.79 Crores ,

Mcap of Nazara Tech = ~2300 Crores.

If anyone is interested in buying shares of Nazara Tech shares, please drop us an email at [sales@unlisted zone.com](mailto:sales@unlistedzone.com) or Whatsapp at 08010009625.