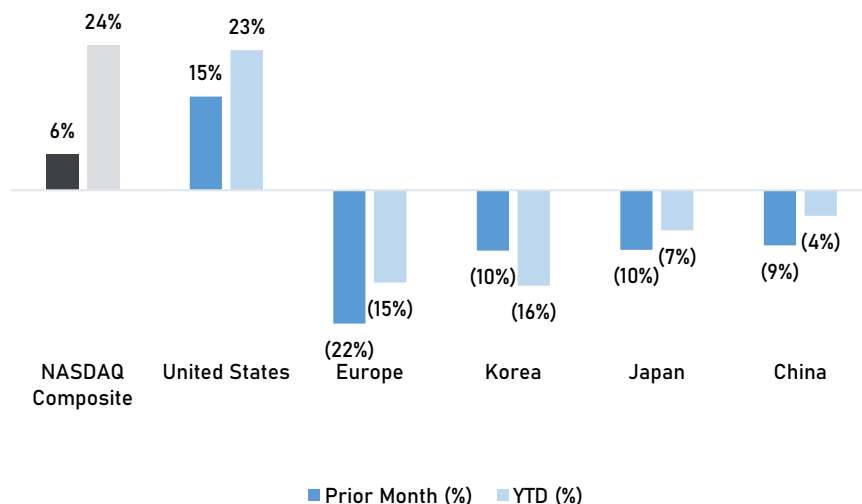


### Change in Market Cap by Sector<sup>1</sup>



### Top Movers

Region Market Cap Gained / Lost (\$B)		
<i>Prior Month</i>		
United States	▲	\$23
China	▼	(44)
<i>Year-to-Date</i>		
United States	▲	\$32
China	▼	19
Individual Stocks (%)		
<i>Prior Month</i>		
Roblox	▲	18%
Embracer	▼	(53%)
<i>Year-to-Date</i>		
Yoozoo Games	▲	100%
Embracer	▼	(47%)

### Select Industry News

- May-15 The European Commission has given approval to [Microsoft's](#) acquisition of [Activision Blizzard](#) after the Xbox maker made 10-year commitments to address regulator concerns in the growing cloud streaming market [GamesIndustry](#)
- May-17 [Nintendo's Legend of Zelda: Tears of the Kingdom](#) sells 10M copies in 3 days [Axios](#)
- May-30 The global video games market hit \$183B in 2022, down 5% YoY [GamesIndustry](#)

### Select Upcoming Earnings Releases

- Jul-21 Stillfront
- Jul-27 Paradox Interactive
- Aug-1 Nintendo
- Aug-2 Activision Blizzard
- Aug-2 Electronic Arts
- Aug-2 Take-Two
- Aug-2 Kakao Games
- Aug-2 Capcom

### Upcoming Game Releases

	Title	Developer	Publisher
• Jun-1	Killer Frequency	Team17	Team17
• Jun-2	Street Fighter 6	Capcom	Capcom
• Jun-6	Diablo IV	Blizzard Entertainment	Blizzard Entertainment
• Jun-16	F1 23	Codemasters	Electronic Arts
• Jun-22	Final Fantasy XVI	Square Enix	Square Enix

### Select M&A Transactions

Date	Target	Target Description	Acquiror	Transaction	Value (\$M)
May-23	Starbreeze	Video game developer	Existing shareholders	Rights Issue	~42
May-19	Nodwin Gaming	Esports tournament organizer	Nazara, Sony, Krafton, others	Minority Investment	28
May-18	SciPlay	Casino-style mobile games developer	Light & Wonder	Acquisition (pending)	422
May-11	Hardsuit Labs	Work-for-hire games developer	Keywords Studios	Acquisition	~8-15

Please review the final page of this report for important notes and disclosures, which are integral to this communication

## Select Capital Market Transactions

Date	Issuer	Issuer Description	Transaction	Amount (\$M)
May-23	Starbreeze	Video game developer	Rights Issue	~42

## Select Public Company Trading Metrics

(\$ in millions, except per-share values)

As of May 31, 2023	Share Price	Share Price Performance		% of 52-Week High / Low	Equity Value	Enterprise Value	Enterprise Value / 2023E					Price / 2023E Earnings
		Last Month	YTD				Revenue	Growth-Adj. Revenue <sup>2</sup>	EBITDA	Growth-Adj. EBITDA <sup>3</sup>	EBIT	
<b>United States</b>												
Activision Blizzard	\$80.20	3.2%	4.8%	92.2% / 113.1%	64,192	55,287	5.8x	2.71x	15.3x	1.51x	15.9x	20.2x
Electronic Arts	\$128.00	0.6%	4.8%	89.6% / 117.9%	36,055	35,168	4.7x	0.63x	14.0x	1.43x	15.5x	18.8x
Roblox	\$41.86	17.6%	47.1%	77.7% / 175.3%	29,411	28,156	8.2x	0.93x	79.9x	1.90x	N/M	N/M
Take-Two Interactive	\$137.73	10.8%	32.3%	97.0% / 153.0%	25,323	27,030	4.9x	0.14x	33.4x	0.30x	32.3x	40.3x
Unity	\$29.72	10.2%	4.0%	50.7% / 140.1%	12,757	14,103	6.6x	0.35x	47.5x	0.52x	68.1x	72.4x
Playtika	\$10.03	0.3%	17.9%	64.3% / 128.4%	3,825	5,424	2.1x	0.57x	6.6x	1.21x	10.1x	12.3x
SciPlay	\$19.39	13.5%	20.6%	97.6% / 182.9%	2,453	2,095	2.9x	0.72x	10.4x	1.26x	12.8x	18.7x
Median							4.9x	0.63x	15.3x	1.26x	15.7x	19.5x
<b>Europe</b>												
Embracer Group	24.96 kr	(53.3%)	(47.2%)	22.8% / 122.2%	2,887	4,373	1.2x	0.12x	4.5x	0.20x	6.3x	5.9x
Ubisoft	€ 26.53	0.2%	0.5%	54.0% / 144.2%	3,616	3,860	1.8x	0.16x	4.1x	0.21x	28.6x	16.1x
CD Projekt	121.20 zł	7.0%	(6.5%)	82.3% / 176.2%	2,872	2,722	11.3x	N/M	20.8x	N/M	30.1x	33.6x
Paradox Interactive	£264.60	5.0%	24.7%	91.4% / 173.4%	2,571	2,488	10.8x	1.14x	15.4x	1.17x	26.0x	33.4x
Keywords Studios	19.45 kr	(28.6%)	(28.6%)	64.6% / 102.1%	1,986	1,902	2.1x	0.17x	11.0x	0.87x	14.6x	18.7x
Stillfront	19.81 kr	(9.1%)	13.1%	62.4% / 130.9%	935	1,304	1.9x	0.39x	5.3x	0.89x	6.9x	7.4x
Median							2.0x	0.17x	8.2x	0.87x	20.3x	17.4x
<b>Korea</b>												
Krafton	₩189,100	(1.6%)	12.6%	64.0% / 121.5%	6,755	3,970	2.8x	0.26x	6.4x	0.98x	7.1x	14.4x
NCsoft	₩321,000	(14.9%)	(28.3%)	61.9% / 109.3%	4,965	3,430	2.1x	0.09x	9.6x	0.18x	12.5x	18.4x
Netmarble	₩55,900	(13.7%)	(7.5%)	63.5% / 143.4%	3,451	2,864	1.4x	0.10x	15.7x	0.31x	N/M	57.3x
Kakao Games	₩38,850	(3.7%)	(13.0%)	57.7% / 122.3%	2,410	2,769	2.7x	0.16x	12.8x	0.45x	17.9x	22.8x
Pearl Abyss	₩49,900	15.9%	19.0%	74.3% / 144.1%	2,225	2,024	6.7x	0.10x	53.3x	0.16x	N/M	57.8x
Median							2.7x	0.10x	12.8x	0.31x	12.5x	22.8x
<b>Japan</b>												
Nintendo	¥5,936.00	3.8%	7.3%	92.9% / 114.9%	49,464	35,480	3.2x	N/M	10.4x	N/M	10.4x	19.9x
Nexon	¥2,846.00	(7.3%)	(3.9%)	81.7% / 128.3%	17,481	14,632	4.9x	0.42x	14.8x	0.88x	15.3x	22.7x
Capcom	¥5,440.00	6.5%	29.2%	95.0% / 174.7%	8,142	7,441	7.4x	0.73x	16.9x	1.30x	18.1x	28.4x
Konami	¥7,390.00	10.5%	23.8%	77.5% / 127.3%	7,066	5,843	2.4x	0.49x	9.5x	0.78x	12.7x	20.7x
Square Enix	¥6,250.00	(6.4%)	2.0%	87.7% / 108.8%	5,361	3,935	1.5x	0.86x	8.2x	1.16x	9.3x	16.8x
Sega	¥2,711.00	6.9%	35.8%	93.3% / 156.9%	4,316	3,368	1.2x	0.25x	6.9x	0.60x	8.6x	14.9x
Median							2.8x	0.49x	10.0x	0.88x	11.6x	20.3x
<b>China</b>												
Tencent	HKD 310.60	(9.8%)	(2.1%)	74.6% / 156.8%	382,458	354,414	4.0x	0.35x	11.8x	0.86x	13.8x	19.1x
Netease	HKD 132.60	(4.3%)	15.8%	76.9% / 158.2%	52,925	40,065	2.7x	0.28x	10.7x	0.57x	11.2x	15.4x
Perfect World	¥18.37	(16.2%)	44.4%	76.1% / 171.6%	4,981	4,223	3.4x	0.28x	17.2x	0.88x	18.9x	22.9x
Yoozoo Games	¥18.51	(15.6%)	99.9%	67.9% / 261.6%	2,871	2,596	8.2x	N/M	32.2x	2.11x	55.4x	64.0x
Median							3.7x	0.28x	14.5x	0.87x	16.3x	21.0x

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## About Alignment Growth

Alignment Growth is an investment manager focused on growth-stage, privately-held companies across media, entertainment, and gaming on a global scale. With its team's multi-decade track record of senior executive operating, strategy, and deal making experience at global Fortune 500 companies, Alignment Growth provides value-added capital solutions to help its portfolio companies achieve their growth ambitions.

## Contact Information

We welcome comments and feedback on our analysis and observations. Please do not hesitate to contact our team at [info@alignmentgrowth.com](mailto:info@alignmentgrowth.com) to discuss this further. Additional information can be found on our [website](#), [LinkedIn](#), and [Medium](#).

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Sources: FactSet, public company filings, and press releases.

<sup>1</sup> Components of sector groups can be found on Page 2 of this report. Share price performance is calculated using equal weighting.

<sup>2</sup> Calculated as (i) Enterprise Value / 2023E revenue multiple, divided by (ii) 2023E-2024E calendar year revenue growth rate multiplied by 100

<sup>3</sup> Calculated as (i) Enterprise Value / 2023E EBITDA multiple, divided by (ii) 2023E-2024E calendar year EBITDA growth rate multiplied by 100

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