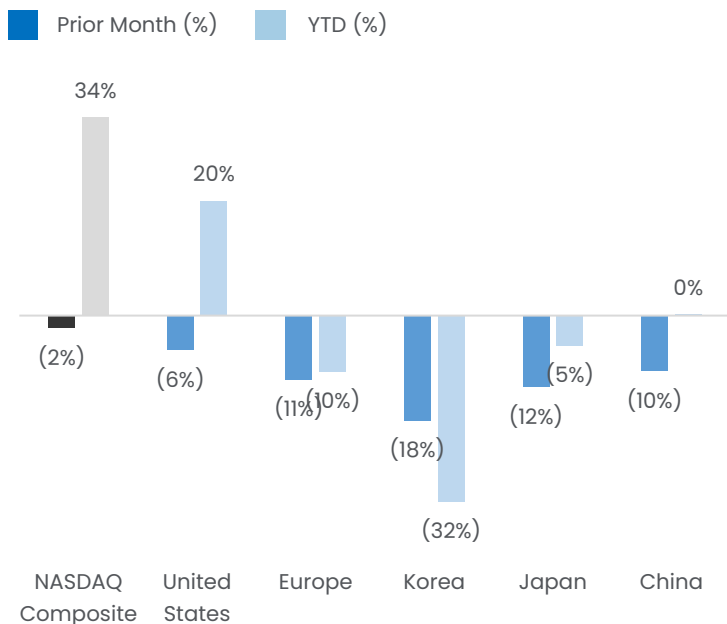


## Change in Market Cap by Sector<sup>1</sup>



Note 1: Components of sector groups can be found on Page 3 of this report

## Top Movers

### Sector Market Cap Gained / Lost (\$B)

#### PRIOR MONTH

Europe	▼	(\$2)
China	▼	(\$49)

#### YEAR-TO-DATE

United States	▲	\$28
Korea	▼	(\$8)

### Individual Stocks (%)

#### PRIOR MONTH

SciPlay	▲	16%
Roblox	▼	(28%)

#### YEAR-TO-DATE

Capcom	▲	46%
Keywords Studios	▼	(44%)

## Select Earnings Releases

### Past

AUG 2	Electronic Arts	▼ (7.2%)
AUG 2	Kakao Games	▼ (4.3%)
AUG 7	Square Enix	▼ (12.6%)
AUG 8	Playtika	▼ (9.3%)
AUG 9	Roblox	▼ (21.9%)
AUG 10	Nexon	▲ 10.3%

### Upcoming

SEP 12	Keywords Studios
OCT 25	Stillfront
OCT 26	Paradox Interactive
OCT 27	Yoozoo Games
OCT 30	Perfect World

## Upcoming Game Releases

	Title	Developer	Publisher
SEP 6	Starfield	Bethesda Game Studios	Bethesda Softworks
SEP 7	Final Fantasy VII Ever Crisis	Square Enix	Square Enix
SEP 8	Fae Farm	Phoenix Labs	Phoenix Labs
SEP 8	NBA 2K24	Visual Concepts	2K Games
SEP 14	The Crew Motorfest	Ubisoft Ivory Tower	Ubisoft
SEP 14	Monster Hunter Now	Niantic Inc.	Niantic Labs
SEP 19	Mortal Kombat 1	NetherRealm	Warner Bros. Games
SEP 21	Payday 3	Starbreeze Studios	Koch Media
SEP 29	EA Sports FC 24	EA Canada	EA Sports

## Select Industry News

AUG 2	<i>Roblox</i> just launched in open beta on <b>Meta's Quest</b> VR headsets last week, and it's already been downloaded "well over" 1M times ( <a href="#">The Verge</a> )
AUG 3	China looks to limit children to two hours a day on their phones ( <a href="#">Reuters</a> )
AUG 9	<b>Krafton</b> plans to invest another \$150M in India over the next two to three years ( <a href="#">TechCrunch</a> )
AUG 14	<b>Netflix</b> has launched a cloud gaming beta test on TVs, with computers to follow ( <a href="#">VGC</a> )
AUG 17	<b>Savvy Games Studios</b> has rebranded to <b>Steer Studios</b> ( <a href="#">GamesIndustry</a> )
AUG 22	<b>Microsoft</b> to sell off <b>Activision</b> cloud gaming rights to <b>Ubisoft</b> in bid for UK approval ( <a href="#">The Verge</a> )
AUG 29	Gamescom 2023 attracted 320K attendees which represents a 21% increase from last year's 265K attendees ( <a href="#">PC Games Insider</a> )
AUG 29	Mobile game spending is projected to hit \$108B in 2023 ( <a href="#">GamesIndustry</a> )
AUG 31	<i>Saints Row</i> developer <b>Volition</b> shut down by <b>Embracer Group</b> ( <a href="#">IGN</a> )

## Select M&A Transactions

DATE	TARGET	TARGET DESCRIPTION	ACQUIROR (S)	TRANSACTION	DEAL VALUE (\$M)
AUG 1	<b>Youda Games</b>	Casual game developer known for	Playtika	Acquisition	89 – 165
AUG 3	<b>TLM</b>	Outsourced development across design, engineering, and art/animation	Endava	Acquisition	N/A
AUG 10	<b>Flavourworks</b>	Developers and produces technology for cinematic interactive stories	Telltale	Acquisition	N/A
AUG 14	<b>Cfx.re</b>	<i>GTA V</i> and <i>Red Dead Redemption 2</i> modding team	Rockstar Games	Acquisition	N/A
AUG 22	<b>Codeglue</b>	Game developer based in the Netherlands	Behaviour Interactive	Acquisition	N/A
AUG 24	<b>Audeze</b>	High-end gaming headphone maker	Sony Interactive Entertainment	Acquisition	N/A

## Select Capital Market Transactions

DATE	TARGET	TARGET DESCRIPTION	INVESTOR (S)	TRANSACTION	AMOUNT RAISED (\$M)
AUG 2	<b>Inworld AI</b>	Developer and publisher of PC, console, mobile and tabletop games	Lightspeed Venture, MI2, Samsung NEXT	N/A	50
AUG 14	<b>Candivore</b>	Mobile developer known for match-3 puzzle game, <i>Match Masters</i>	Haveli Investments	N/A	100

## Select Public Company Trading Metrics

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

As of August 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>												
<b>Activision Blizzard</b>	\$91.99	(0.8%)	20.2%	98.2% / 129.7%	72,825	63,393	6.6x	3.68x	17.3x	1.80x	18.0x	21.9x
<b>Electronic Arts</b>	\$119.98	(12.0%)	(1.8%)	85.5% / 110.6%	32,514	31,943	4.3x	0.66x	12.6x	1.28x	14.1x	17.8x
<b>Take-Two Interactive</b>	\$142.20	(7.0%)	36.6%	92.4% / 158.0%	24,355	26,102	4.8x	0.13x	36.7x	0.27x	33.3x	43.5x
<b>Roblox</b>	\$28.29	(27.9%)	(0.6%)	59.3% / 111.7%	18,734	17,714	5.2x	0.31x	58.8x	1.05x	N/M	N/M
<b>Unity</b>	\$37.07	(19.1%)	29.7%	74.0% / 174.7%	14,816	16,114	7.4x	0.38x	48.0x	0.59x	55.0x	62.5x
<b>Playtika</b>	\$9.76	(18.3%)	14.7%	75.7% / 125.0%	3,577	5,013	1.9x	0.64x	6.1x	1.61x	9.3x	12.1x
<b>SciPlay</b>	\$22.70	15.8%	41.2%	99.6% / 214.1%	2,846	2,450	3.3x	0.86x	11.7x	2.01x	15.0x	23.2x
<b>Median</b>		<b>(12.0%)</b>	<b>20.2%</b>				<b>4.8x</b>	<b>0.64x</b>	<b>17.3x</b>	<b>1.28x</b>	<b>16.5x</b>	<b>22.6x</b>
<b>Europe</b>												
<b>Embracer Group</b>	26.55 kr	(12.2%)	(43.9%)	36.1% / 129.3%	3,247	4,886	1.3x	0.15x	5.4x	0.29x	7.3x	6.7x
<b>Ubisoft</b>	€ 27.96	(8.6%)	5.9%	67.1% / 154.7%	3,829	4,610	2.1x	0.18x	4.6x	0.28x	30.7x	16.9x
<b>CD Projekt</b>	147.55 zł	(9.7%)	13.8%	82.9% / 221.3%	3,577	3,616	14.0x	N/M	26.2x	N/M	35.9x	41.8x
<b>Paradox Interactive</b>	£279.40	(7.5%)	31.7%	85.6% / 181.9%	2,699	2,617	10.7x	0.99x	16.0x	0.97x	26.8x	33.0x
<b>Keywords Studios</b>	15.25 kr	(13.5%)	(44.0%)	51.8% / 105.4%	1,602	1,467	1.6x	0.13x	8.5x	0.70x	12.3x	14.5x
<b>Stillfront</b>	18.00 kr	(7.6%)	2.7%	62.9% / 118.3%	852	1,234	1.8x	0.39x	4.7x	N/M	6.7x	7.6x
<b>Median</b>		<b>(9.1%)</b>	<b>4.3%</b>				<b>2.0x</b>	<b>0.18x</b>	<b>6.9x</b>	<b>0.49x</b>	<b>19.5x</b>	<b>15.7x</b>
<b>Korea</b>												
<b>Krafton</b>	₩155,000	(9.8%)	(7.7%)	64.2% / 101.2%	5,443	2,827	2.1x	0.26x	4.8x	2.93x	5.5x	12.4x
<b>NCsoft</b>	₩251,500	(9.0%)	(43.9%)	48.7% / 105.0%	3,906	2,595	1.8x	0.09x	10.4x	0.18x	15.0x	20.7x
<b>Kakao Games</b>	₩28,450	(9.7%)	(36.3%)	54.6% / 104.4%	1,773	2,161	2.4x	0.12x	13.2x	0.35x	21.4x	29.2x
<b>Netmarble</b>	₩42,850	(12.9%)	(29.1%)	58.1% / 110.4%	2,656	2,081	1.0x	0.08x	14.5x	0.20x	N/M	N/M
<b>Pearl Abyss</b>	₩48,300	(13.8%)	15.1%	78.4% / 140.0%	2,163	1,997	7.4x	0.08x	N/M	N/M	N/M	N/M
<b>Median</b>		<b>(9.8%)</b>	<b>(29.1%)</b>				<b>2.1x</b>	<b>0.09x</b>	<b>11.8x</b>	<b>0.28x</b>	<b>15.0x</b>	<b>20.7x</b>
<b>Japan</b>												
<b>Nintendo</b>	¥6,267.00	(2.8%)	13.3%	91.8% / 116.5%	50,117	36,433	3.2x	N/M	9.8x	N/M	10.0x	17.8x
<b>Nexon</b>	¥2,957.00	9.1%	(0.2%)	81.5% / 127.9%	17,497	12,781	4.4x	0.48x	13.0x	1.02x	13.6x	21.6x
<b>Capcom</b>	¥6,143.00	(4.0%)	45.9%	90.6% / 177.7%	8,824	8,291	8.4x	0.77x	18.5x	1.54x	20.2x	30.6x
<b>Konami</b>	¥8,456.00	6.1%	41.6%	99.2% / 139.8%	7,759	6,597	2.8x	0.57x	10.4x	0.81x	14.0x	21.6x
<b>Sega</b>	¥2,908.50	(6.4%)	45.6%	88.9% / 161.5%	4,442	3,569	1.2x	0.19x	7.1x	0.70x	8.4x	13.6x
<b>Square Enix</b>	¥5,530.00	(16.0%)	(9.8%)	71.0% / 104.5%	4,549	3,330	1.3x	0.76x	8.2x	0.68x	9.4x	16.8x
<b>Median</b>		<b>(3.4%)</b>	<b>27.5%</b>				<b>3.0x</b>	<b>0.57x</b>	<b>10.1x</b>	<b>0.81x</b>	<b>11.8x</b>	<b>19.7x</b>
<b>China</b>												
<b>Tencent</b>	HKD 325.00	(8.3%)	2.5%	77.9% / 163.8%	393,039	377,705	4.4x	0.39x	12.7x	0.98x	15.1x	19.7x
<b>Netease</b>	HKD 163.80	(3.4%)	43.1%	92.3% / 195.1%	65,129	52,604	3.6x	0.35x	13.3x	0.76x	14.1x	16.7x
<b>Perfect World</b>	¥13.83	(7.9%)	8.7%	55.8% / 125.9%	3,654	3,043	2.5x	0.21x	15.4x	0.43x	17.5x	20.8x
<b>Yoozoo Games</b>	¥12.98	(3.0%)	40.2%	46.4% / 178.8%	1,594	1,421	4.7x	0.37x	55.9x	0.68x	N/M	28.4x
<b>Median</b>		<b>(5.6%)</b>	<b>24.4%</b>				<b>4.0x</b>	<b>0.36x</b>	<b>14.4x</b>	<b>0.72x</b>	<b>15.1x</b>	<b>20.3x</b>

## About Us

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.

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## 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).



WEBSITE



LINKEDIN



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 3 of this report
- <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