

The eSports trend is an eye on the prize

eSports is one of the fastest-growing new trends in 2019. eSports involve individuals or teams battling online in multiplayer games to determine a winner. Global eSports 2019 revenues are forecast to rise by 27% on 2018 and are estimated to hit \$1.1 billion. Then by 2022 global eSports revenues are forecast to reach US\$1.8 billion. To put this simply, as the eSports market takes off so do the affiliated investment markets, just as any mainstream sport has in its history and offers the potential to gain massive rewards for early investors.

Esports popular games 2019

Games in esports



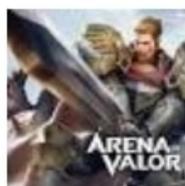
Dota 2



League of Legends



Defense of the Ancients



Arena of Valor



Overwatch



Counter-Strike: Global Offensive

How do eSports make money?

As a guide to how eSports monetize the opportunity you only need to look at the traditional mainstream physical sports for the answer. Take the example of your typical traditional sport. Fans turn up in their thousands to watch the live game alongside the millions who watch the televised event, it's the same for eSports. Major tournaments are selling out around the world for live eSports events with many more watching the event on a streaming service like Twitch or Huya. They can boast 140 million users every month with eSports fans turning

up in droves to watch live programming. Huge online viewers mean large streaming/advertising revenues.

Player prize money starting to eclipse regular sports

In case you need further convincing that eSports is massive, the very recent Dota 2 eSports tournament had US\$34.3 million in prize money and 66 million viewers. The winning team OG won \$15,603,133 in prizemoney, or about US\$3.1 million each. That's more than the 2019 Wimbledon singles champions Novak Djokovic and Simona Halep took home (\$2.9 million each). Furthermore, the Fortnite World Cup had a US\$30 million prize pool that is estimated to reach \$US40 million next year.

The major eSports companies

Activision Blizzard (NASDAQ: ATVI)

Activision Blizzard owns the popular Overwatch League as well as World of Warcraft, StarCraft, Diablo, and Hearthstone. As of March 2018, it is the largest game company in the Americas and Europe in terms of revenue and market capitalization.

Alphabet Google (NASDAQ: GOOG)

Alphabet Google's YouTube Gaming makes money via subscription and advertising.

Amazon (NASDAQ: AMZN)

The online streaming market in the USA is led by Amazon's Twitch. Still only a small percentage of Amazon's massive revenue; however a dominant player in the eSports streaming market.

Electronic Arts (NASDAQ: EA)

Electronic Arts is an American video game company headquartered in California. It is the second-largest gaming company in the Americas and Europe by revenue.

Enthusiast Gaming (TSXV: EGLX | OTCQB: EGHIF)/Aquilini GameCo Inc./Luminosity – The merged group will now include seven esports teams (including management of the Vancouver Titans Overwatch League franchise), 40 eSports influencers, 80+ gaming media websites, 900+ YouTube and Twitch channels

Huya (NYSE: HUYA)

Huya is known as the “Twitch of China”. Streamers can receive virtual gifts from their audiences, purchased from Huya. The Company then shares a portion of revenue from these gifts with broadcasters and associated talent agencies. The sale of these gifts accounted for roughly 95% of the Company’s sales last year, with the remainder coming from advertising.

Take-Two Interactive Software, Inc. (NASDAQ: TTWO)

Take-Two Interactive is an American video game holding company based in New York City. The company owns two major publishing labels, Rockstar Games, and 2K.

Tencent (OTC: TCEHY), DouYu (NASDAQ: DOYU)

Tencent acquired Riot Games and hence owns the very popular League of Legends game, as well as owning King of Glory. Tencent is also a leader in eSports game streaming and the leader in the eSports streaming industry in China. Tencent has their own eGame, and also DouYu (DOYU). DouYu primarily focuses on the live-streaming of games and is huge in China. DouYu had 159.2 MAUs in the Q1 2019. Revenues jumped 93% to \$531.5 million last year.

Other companies involved in eSports

Bethesda Softworks (private), Netease (NASDAQ: NTES), Microsoft (NASDAQ: MSFT) (Nintendo), Sony Corporation (NYSE: SNE) (Playstation), Sega (OTC: SGAMY), Ubisoft (OTC: UBSFY), Valve Corporation (private, owns Dota 2), Facebook (NASDAQ: FB), Twitter (NYSE: TWTR), Alibaba (NYSE: BABA,) GameStop

Corp. (NYSE: GME), Glu Mobile Inc. (NASDAQ: GLUU), Nvidia Corporation. (NASDAQ: NVDA), Zynga Inc. (NASDAQ: ZNGA), Super League Gaming Inc. (NASDAQ: SLGG), The Madison Square Garden Company (NYSE: MSG), Esports Entertainment Group, Inc. (OTCQB: GMBL), Logitech International (NASDAQ: LOGI), YDX Innovation Corp. (TSXV: YDX), Turtle Beach Corporation (NASDAQ: HEAR) and Baidu (NASDAQ: BIDU).

Some smaller Canadian listed eSports and gaming companies

- Axion Ventures Inc. (TSXV: AXV | OTCQX: AXNVF)
- Backstageplay Inc. (TSXV: BP)
- Bragg Gaming Group Inc. (TSXV: BRAG)
- Contagious Gaming Inc. (TSXV: CNS)
- Enthusiast Gaming Holdings Inc. (TSXV: EGLX | OTCQB: EGHIF)
- ePlay Digital Inc. (CSE: EPY)
- Fandom Sports Media Corp. (CSE: FDM)
- Global Gaming Technologies Corp. (CSE: BLOC.U)
- Kuuhubb Inc. (TSX: KUU)
- Millennial Esports Corp. (TSXV: GAME | OTCQB: MLLLF)
- The Stars Group Inc. (TSX: TSGI | NASDAQ: TSG)
- Versus Systems Inc. (CSE: VS | OTCQB: VRSSF)
- Victory Square Technologies Inc. (CSE: VST | OTCQX: VSQTF)
- YDX Innovation Corp. (TSXV: YDX)

Clearly, eSports is growing very fast and investors need to move quickly to take advantage while still in the early stages of growth.