

# Esports should buy the Superbowl, Sell the Teams

Take a moment and imagine investing in the Super Bowl or the World Cup or any other premier sporting event. In the sports world, it's not possible, but in [esports](#), the door is wide open.

Esports tournament organizers are key contributors to the industry supply chain as they help market gaming globally and fill a unique void of the human condition – competition. They provide the most talented individuals, internationally, the chance to test their honed skills and rise as champions. Without such displays of mastery, the esports environment would be left barren, missing its very essence. For viewers watching at the edge of their seats, there would be nothing to cheer for, no one to support and no connections to build. Ultimately, the progress towards esports prosperity would slow down, leaving the [esports and gaming world](#) in a tough ordeal.



Let's take a look at some of the top tournament assets that you can access in your portfolio.

## **Esports Tournament Organizers**

### **ESL (STO: MTG-B)**

The Electronic Esports League (ESL), founded 19 years ago, is predominately owned (82%) by the Swedish media company, Modern Times Group (MTG). The organizer is consistently creating opportunities for progression and participation. This includes an announced partnership with Intel to invest a US\$100 million towards esports progress in the coming years. ESL's vertical integration allows the company to dabble in each level of competition, whether it be amateur cups or grand-scale events like the ESL One. Below are major services/events ESL organizes:

**ESL One** – A large event with premier Dota 2 and CS: GO teams and US\$300,000 on the line.

**ESL Play** – The largest platform for tournaments for all different games and skill levels.

**Pro League** – ESL's Pro League is the pinnacle of competitive CS: GO internationally.

**ESL National Championships** – Localized leagues in many nations that help cultivate talent over a plethora of games.

### **Intel (NASDAQ: INTC)**

They have strong ties with ESL, sponsoring various large events and even getting naming rights to two of the largest.

### **Intel Grand Slam**

A series sponsored by Intel and operated by ESL and DreamHack that gives players the opportunity to win US\$1 million, in addition to all their yearly earnings in ESL and DreamHack events. The competition is constructed with a synergistic nature, since the outcome involves winning four major ESL or DreamHack tournaments.

### **Intel Extreme Masters (IEM)**

IEM was founded in 2007 and is currently in its 13<sup>th</sup> season. It is the longest running gaming tour in the world. In its most recent season, the event featured StarCraft 2, CS:GO and Fortnite and with prize pools of US\$400,000, and US\$500,000, US\$100,000, respectively.

### **DreamHack (STO: MTG-B)**

DreamHack, a Swedish company, is a subsidiary of the Modern Times Group. The company was created in 1994 and was bought by MTG in 2015. Over this 20-year span, DreamHack is responsible for holding expos, tournaments, cosplay and other large gaming events. The company operates 12 different esports leagues/events internationally, that range from open circuits to grandiose arena events. This diverse portfolio allows

DreamHack to provide its consumers with phenomenal content and events. In 2019 alone, the company's tour includes 11 festivals, in eight countries!

### **Major League Gaming (NASDAQ: ATVI)**

MLG, created in 2002, is headquartered in New York City. The company is an esports organization that focuses on esports leagues for games developed/published by Blizzard. This includes Overwatch, Hearthstone, WoW and Call of Duty. MLG also hosts a tournament platform called GameBattles (similar to ESL Play), where individuals can compete in a large number of games over various platforms.

### **World Electronic Sports Games (NYSE: BABA)**

WESG is a global esports tournament organized by AliSports. The tournament is unique in that it follows the blueprint of the Olympics, meaning teams must be composed of the same nationalities. In 2019, the tournament is focused on four games (CS: GO, Dota 2, PES 2020, StarCraft 2) and will feature a total prize pool of US\$5.5 million.

A recent article by Forbes outlined some of the valuations for top esports organizations. With valuations ranging from 10-20x revenue, many are wondering if team valuations in line with other esports verticals or even compared to traditional sports?

One thing that has remained consistent is the tournaments. Regardless of which team wins, tournaments are just getting bigger and bigger. So why not buy the 'Superbowl' and sell the 'teams'.