

The Astralis IPO: A make or break for esports valuations

Just a year after inception, Astralis Gaming conquered their first Counter-Strike: Global Offensive (CS:GO) Major at ELEAGUE Major 2017, in Atlanta, Georgia. Since then, the team has been guns blazing by outsmarting competition to amass a total of 3 consecutive CS:GO Major wins, a feat unmatched by any other team in CS:GO history.

Recently, Astralis Group, the parent company of Astralis (CS:GO team), Origen (League of Legends Team) and Future FC (FIFA team), is planning an IPO with the Nasdaq First North Growth Market. They are looking to raise between USD\$18.5-22 million.

Who Are They?

In August 2019, Nikolaj Nyholm and Jakob Lund Kristensen, cofounders of RFRSH Entertainment, decided to separate from the company to begin their own journey under the Astralis Group banner. They bought out Astralis and Origen, in a deal worth USD\$11-16 million, according to TV2 (a TV station in Denmark). Quickly after the sale, Astralis Group launched Future FC, a FIFA esports team sponsored by Audi.

It is no secret that Astralis Gaming dominates the current CS:GO competition, with four total majors and total prize earnings of USD\$7.4 million since 2016. The team's entire line up is mechanically and fundamentally precise and can outmaneuver all competition. Perhaps that's the reason the team has been on an unstoppable tear, ranked number one for 347 consecutive days on HLTV (Half Life TV).

Astralis may also have a great chance of winning the 3rd season of Intel Grand Slam, a cash prize of an additional USD\$1

million. To date, Astralis has collected over USD\$7.5 million in prize money and according to Esports Earnings, it ranks them 18th in the world.

Why this IPO matters?

Astralis will be the first competitive esports team to IPO, as such, they will set the benchmark price for esports valuations. Recently Forbes Magazine released the list of most valuable esports teams and all of them are privately held. However, with many teams receiving VC funding, there will need to be an eventual exit. A strong IPO could lead other top teams like Cloud9, TSM or Team Liquid to pursue a public market exit or if it's a rocky start, it might give a clear signal to stay private longer.