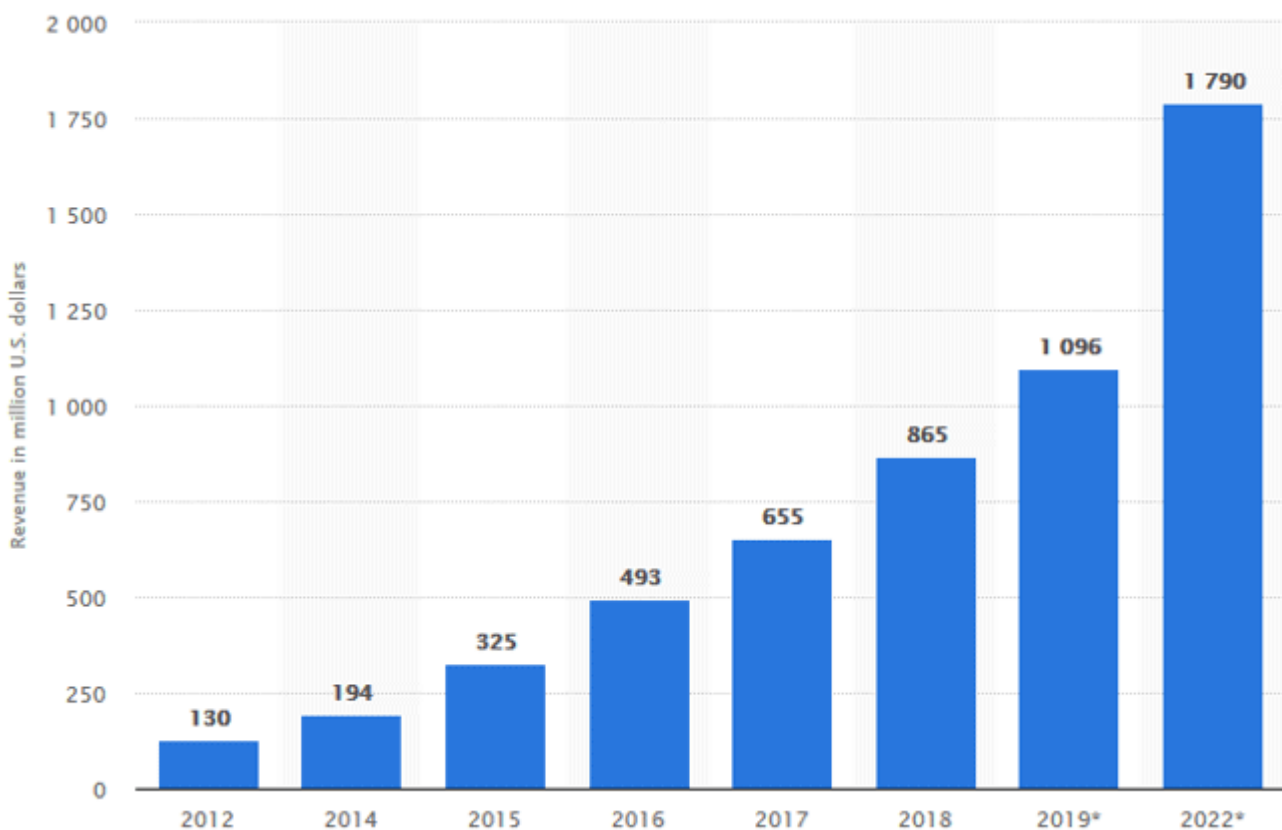


# eSports deal with 153 million monthly users becomes the largest Chinese offering in the US in 2019

Live streaming and eSports are huge trends in 2019. ESports global revenue is forecast to grow at a CAGR of 22.3%, or approximately double between 2018 and 2022. One of the largest beneficiaries of eSports is the streaming platforms that stream live eSports to millions of fans.

**eSports forecast to grow at a CAGR of 22.3%**



Source

DouYu International Holdings Limited (NASDAQ: DOYU) is the largest game-centric live streaming platform in China and a pioneer in the eSports value chain. DouYu operates on both the

mobile app platform and PC. The streaming platform company is backed by Chinese social media and gaming giant, Tencent. DouYu, which translates to “fighting fish” in Mandarin, is often compared to Amazon’s Twitch.

DouYu said in a recent statement: “DouYu brings together a deep pool of top live streamers. By providing a sustainable streamer development system built on advanced technology infrastructure and capabilities, DouYu helps ensure a consistent supply of quality content. Through collaborations with a variety of participants across the eSports value chain, the Company has gained coveted access to a wide variety of premium eSports content, which further attracts viewers and enhances user experience.”

### **DouYu – Recent IPO on the NASDAQ exchange**

On July 17, DouYu commenced trading on the NASDAQ at USD\$ 11.50. After pricing its US initial public offering (IPO) the Company stated they had sold \$775 million in stock. This valued the entire company at US\$3.73 billion at IPO. This deal makes DouYu the largest Chinese offering in the US so far in 2019.

### **DouYu’s streaming and eSports business**

According to its IPO filing DouYu has exclusive streaming rights to 29 major tournaments in China, that include League of Legends, PlayerUnknown’s Battlegrounds, and the very internationally popular DOTA2. DouYu also sponsors many eSports teams and organize its own tournaments. Last year DouYu hosted a video streaming festival in its home town of Wuhan that attracted over 150,000 participants and almost 12 million online viewers, just on the first day.

This is only one example of the fast rise of eSports in China. DouYu is reported to have 153 million monthly active users showing how big eSports is becoming in China. Just like a traditional physical sport, eSports are attracting massive

crowds via live streaming of events and tournaments that are offered by DouYu's exclusive streaming rights. The highest professional eSports earnings come for the three top countries, China, the United States, and South Korea. Collectively they have 11,000 professional gamers.

In the 2018 fiscal year, DouYu took in ~3.7 billion Chinese Yuan (US\$532 million) in revenue, which primarily came from advertising sales. Their revenue growth was an amazing ~98% in 2018, after rising 135% in 2017. Despite losses in 2018, DouYu reported a profit of 18.2 million Yuan (~US\$2.64m) for the first three months of 2019. Future plans include expanding globally and converting more users into paying clients.

Headquartered in Wuhan, China and founded in 2013, DouYu quickly grew into one of China's most valuable start-ups, crashing through the billion-dollar mark in 2017.