

Enthusiast Gaming continues to grow rapidly despite COVID-19, as esports continue to boom

COVID-19 (coronavirus) has impacted the esports sector, but it is still thriving online. Meanwhile the gaming sector has been a major winner from the lockdowns.

Esports and online gaming are booming despite some esports events being cancelled

As much of the world has been stuck at home in lockdowns, many people have turned to online gaming and esports for entertainment. The cancellation of most conventional sporting events is also thought to be boosting the sector.

For example, the Guardian recently reported: "Twitch, one the world's biggest streaming platforms for gamers, is estimated to have grown its audience by up to a third in March alone." The article headline "Esports ride crest of a wave as figures rocket during Covid-19 crisis" is commonplace nowadays.

In China there are an incredible 560 million people (62% of online users) participating in live streaming video, led by esports with 260 million viewers.

Gaming and esports has become a social revolution

The boom in gaming and esports is more than just a COVID-19 lockdown phenomenon. Online gaming and esports has become a social revolution. The youth of today are connecting online and forming online gaming communities with each other. It is this online fun and bonding that makes it so addictive. A form of escapism from society's problems and a way of hanging out

online with like-minded friends. This is why the gaming/esports revolution grows stronger each year.

Online gaming led by the Millennials and Centennials is the new social revolution

THE SOCIAL REVOLUTION

By building gaming communities, Enthusiast is well positioned for the social revolution, the uprising of the Gen Z and millennials and the changes in how content is consumed

GAMING IS DOMINANT ENTERTAINMENT SOURCE

2x bigger than the music and film industry combined

GENERATION "Z" REPRESENT AS GAMERS

1.9 billion Gen Z globally. 67% of Gen Z males identify gaming as core component of their identity

GAMING IS THE NEW SOCIAL NETWORK

Facebook: +700M MAUs playing games, watching game videos, or engaging in gaming communities



REGULATIONS MAKE IT HARDER FOR ADVERTISERS

Direct relationships and communities becoming increasingly important for advertisers to reach target markets

SIGNIFICANT GAMING CONTENT ENGAGEMENT

30% of Youtube views are gaming related
80% of Apple app purchases are gaming related

ADVERTISING THROUGH COMMUNITIES, INFLUENCERS, SPECIALIZED CONTENT

Average American spends +700 minutes/day consuming media. Advertising through "influencers" becoming more popular

Source

Enthusiast Gaming Holdings Inc.

Enthusiast Gaming Holdings Inc. (TSX: EGLX | OTCQB: ENGMF) is a rare 'listed pure play' on both gaming and esports and is set to benefit more than most from this social revolution. Enthusiast Gaming has the largest gaming network in North America and the English speaking gaming regions. The Company reaches more gamers than Twitch, IGN, Gamespot in the USA; and reaches **over 200 million** gamers on a monthly basis, with **1 billion** page views.

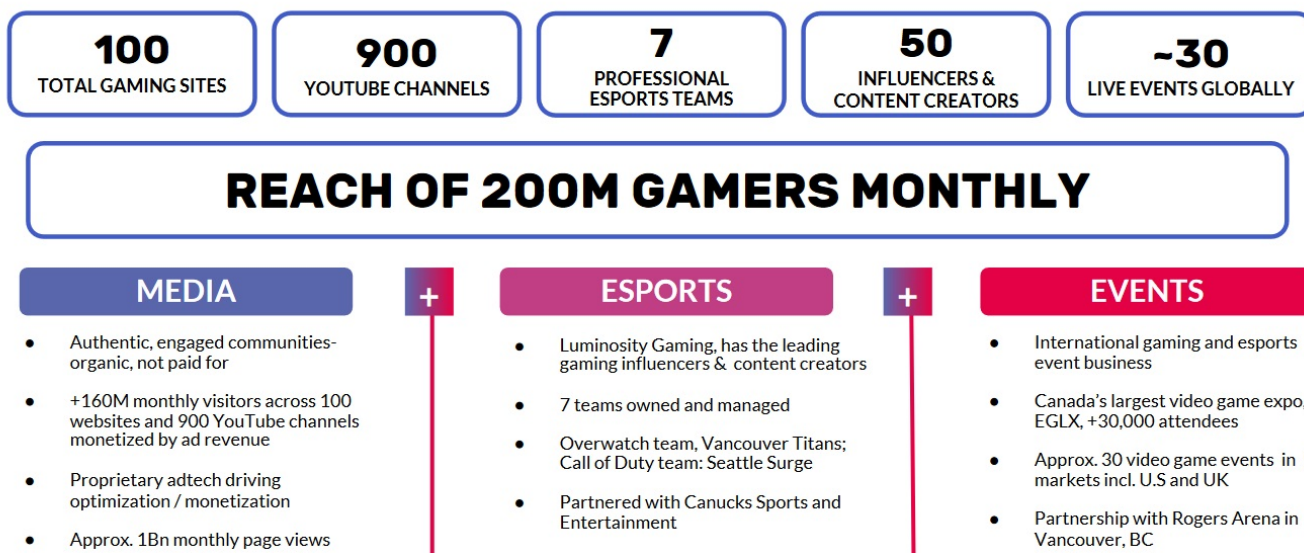
Enthusiast Gaming is succeeding in their mission to build the world's largest platform of communities for gamers and esports fans. Enthusiast Gaming's user base is dominated by males (73%) from two generations – the millennials (40%), born 1981-1996; and the centennials (30%), born 1996-2010.

What's incredible about Enthusiast Gaming is their reach. As shown on the chart below, the Company reaches gamers from all angles including: 100 gaming sites, 900 YouTube channels, 7 professional esports teams, 50 influencers & content creators, and 30 live events globally.

Enthusiast Gaming's network has multiples touch points of engagement with over 200 million gamers

MORE TOUCHPOINTS TO GAMERS

Our diverse platform of sticky communities engage with more gamers than any other gaming company. We offer a 360 degree approach across our integrated assets to reach "super gamers"



Source

Enthusiast Gaming continues to partner and grow rapidly

The Company's recent news highlights the rapid growth:

- May 6, 2020 – Enthusiast Gaming and G FUEL Forge Multi-Year Partnership
- April 23, 2020 – Enthusiast Gaming Adds Two Major Global Esports Communities to its Advertising Platform
- April 14, 2020 – Enthusiast Gaming and Monkey Knife Fight Partner to Bring Fantasy Sports to the Esports Gamer Demographic
- April 8, 2020 – Enthusiast Gaming's Leading B2B Mobile

Gaming Event, “Pocket Gamer Connects”, Goes Digital

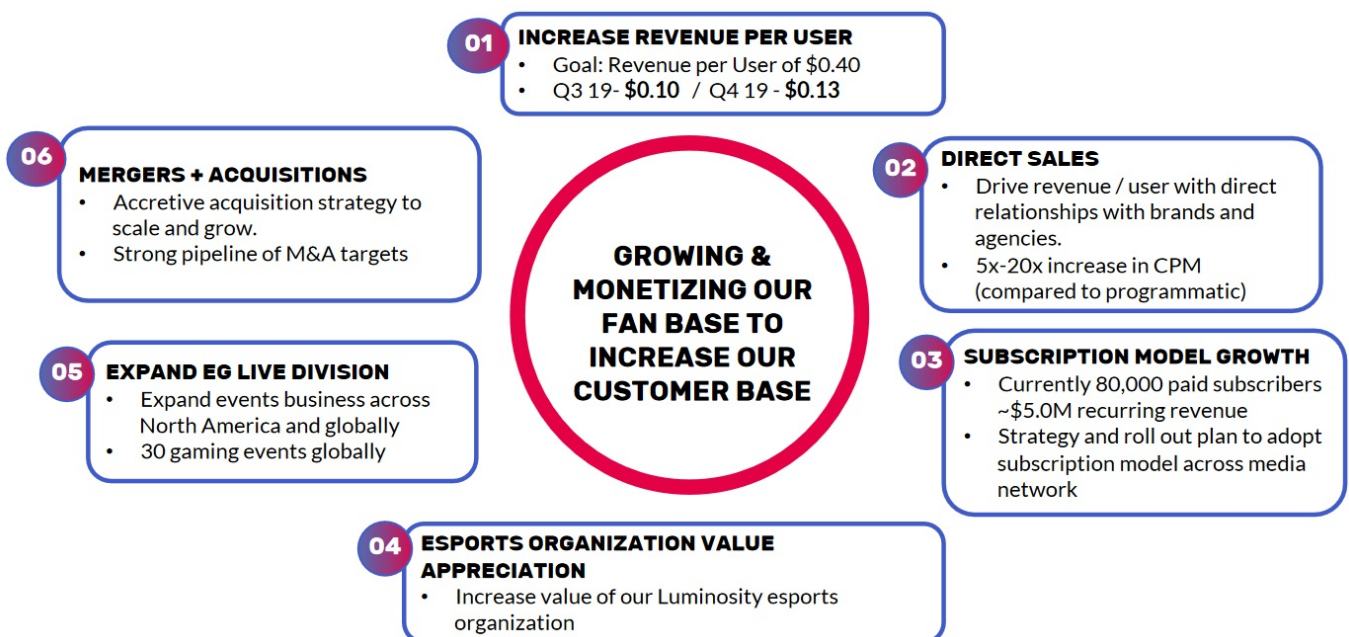
- March 26, 2020 – Enthusiast Gaming Partners with Twitch on Twitch Stream Aid, a Global Celebrity Streaming Charity Marathon
- March 24, 2020 – Enthusiast Gaming Adds Fextralife Community With Over 60 Million Monthly Views to Network
- March 19, 2020 – Enthusiast Gaming Adds Leading Minecraft Community to Network, Increase of 28 Million Views and 4.5 Million Visitors Monthly

Enthusiast Gaming Revenue is growing rapidly

Enthusiast Gaming’s revenue is forecast to almost triple in 2020 to ~C\$35 million, up from C\$12 million in 2019. Analyst’s have 2022 revenue forecast at C\$68 million, which if achieved would be a >5 fold increase in 3 years. By that point the Company should also become earnings positive.

The Company sees the potential to grow user numbers as well as to increase the revenue per user. The chart below shows the revenue growth opportunities.

GROWTH OPPORTUNITIES



Source

Closing remarks

Enthusiast Gaming mentioned in their latest company presentation that COVID-19 has resulted in an increase in users of 20% across the media platform and a 40% increase on some larger, key sites on the platform, with significant increase in paid for subscriptions across the platform.

A combination of new partnerships and rapid organic growth means Enthusiast Gaming should continue to see rapidly rising revenue as it rides the wave of the gaming and esports boom. This should also mean the point will soon come where profits also begin, and then rapidly rise.

For investors, Enthusiast Gaming offers a great opportunity to buy into a pure play listed gaming and esports stock still in the early stages of growth.