



IPO DETAILS

Issue Date 17th Mar-19th Mar 2021

Price Band Share Rs 1100-1101 per

Bid Lot 13 & in multiple thereof

Face Value Rs 4/Share

Listing BSE, NSE

Issue Size Rs 582.91 Cr

Offer For sale Rs 582.91 Cr

Pre Issue Eq Shares 30452836 Eq Shares

BRLM IIFL Securities Ltd,
ICICI Securities Limited,
Jefferies India Private,
Nomura Financial Advisory
& Securities (India) Private
Ltd

Registrar Link Intime India
Private Limited

Nazara Technologies is a leading India based diversified gaming and sports media platform with a presence in India and across emerging and developed global markets such as Africa and North America, with offerings across the interactive gaming, eSports and gamified early learning ecosystems.

What we like:

Only company in India to have rights over IP : Nazara Technologies enjoys the status of being the only company in India to have rights over IP and assets across grassroots, regional, national and international eSports. The company has market-first positions in India across sports simulation and eSports. The eSports content business for Nazara grew by 60% in FY 2020 from FY 2019 and has grown by 9x times in the last three financial years. In the eSports segment, the company has successfully monetized competitive gaming in India through exclusive license partnerships with global brands and publishers, including ESL and eSports World Convention, and management of IP based gaming events such as ESL India Premiership, KO Fight Nights and Electronics Sports World Cup India Qualifiers, Mountain Dew Arena and the CII India Gaming Show.

Successful inorganic growth through strategic acquisitions

In Financial Year 2018, company acquired Next Wave to further augment its cricket mobile game offerings, and through IP-led cricket games such as WCC, WCC 2, Beach Cricket and Bat Attack Cricket, company now command the greatest mindshare in the mobile cricket segment. Company also entered eSports through the acquisition of Nodwin Gaming in Financial Year 2018, and eSports media through Sportskeeda, by acquiring Absolute Sports in Financial Year 2020. Some of company's recent strategic investments, such as in Paper Boat Apps, has provided an entry into gamified early learning. Company also acquired Halaplay Technologies in Financial Year 2019, marking its entry into skill-based, fantasy gaming.

Strong leadership team backed by marquee investors

Company's Promoters are highly experienced, with Vikash Mittersain having several years of experience in multiple business sectors, and Nitish Mittersain, who has been associated in the promotion of company for 20 years. Company's CEO, Manish Agarwal, has approximately 20 years of experience in various fields including the gaming space and marketing. Company count well respected funds and individual investors as company's investors, including IIFL, Rakesh Jhunjhunwala and Utpal Sheth.

Valuation

Company is bringing the issue at ev/sales multiple of approx 12.8x at higher end of price band of Rs 1100-1101/share on FY20 Sales basis.

Company being the leader in India across a diversified gaming and sports media platform has successful business model and established presence in India, a market with economic, technical and cultural complexities, has given it a competitive advantage. Also company being the pioneer in field will get the first mover advantage Hence , we recommend investor to subscribe the issue for short & long term .



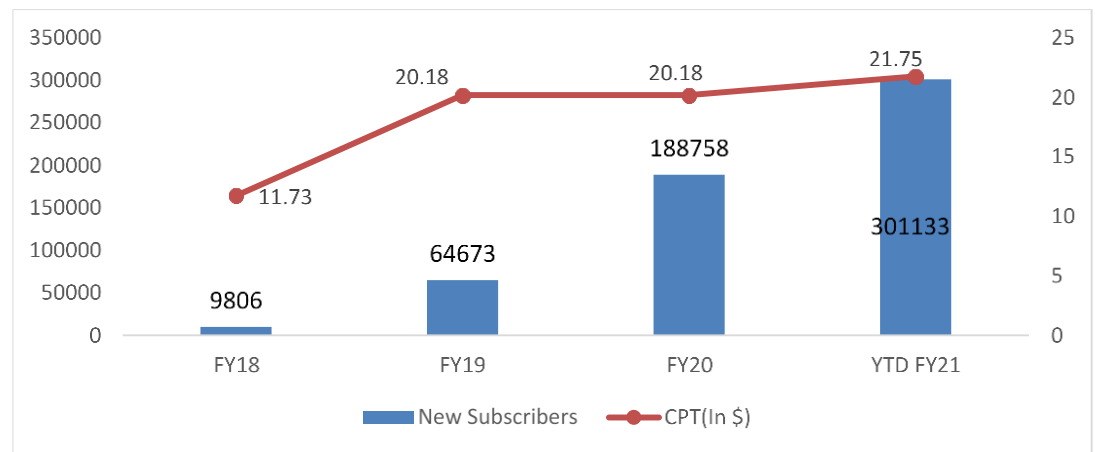
Strong Investment

Nazara has been the most aggressive investor in India gaming ecosystem and has invested over `3,000 million in last five years.

Investments by Nazara in last five years

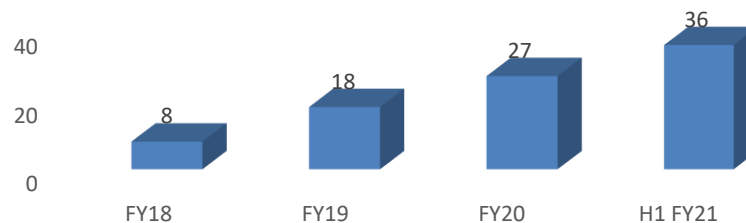
Name of Company	Cash Considerations (in Rs million)	Share Swap
Next Wave Multimedia Pvt Ltd	300.30	227.94
Nodwin Gaming Pvt Ltd	355.32	414.31
Halaplay Tehnologies Pvt Ltd	318.48	--
Crimzoncode Technologies Private Limited	16.85	13.10
Khichadi Technologies Private Limited	7.50	--
Sports Unity Private Limited	60.90	---
Absolute Sports Private Limited	95.00	--
Paper Boat Apps Private Limited	400.10	343.43
Nazara Technologies FZ LLC	0.64	435.00
Nazara Pro Gaming Pvt Ltd	0.10	--
Nazara Pte Limited	0.05	--
Instaspertz Consultancy Private Limited	10.00	--
Moong Labs Technologies Private Limited	10.00	--
Mastermind Sports Limited	26.04	--
Total	1601.28	1433.78

Heathy increase in subscriber base in Gamified learning



Strong increase in number of eSports clients

Number of Clients for eSports Offerings





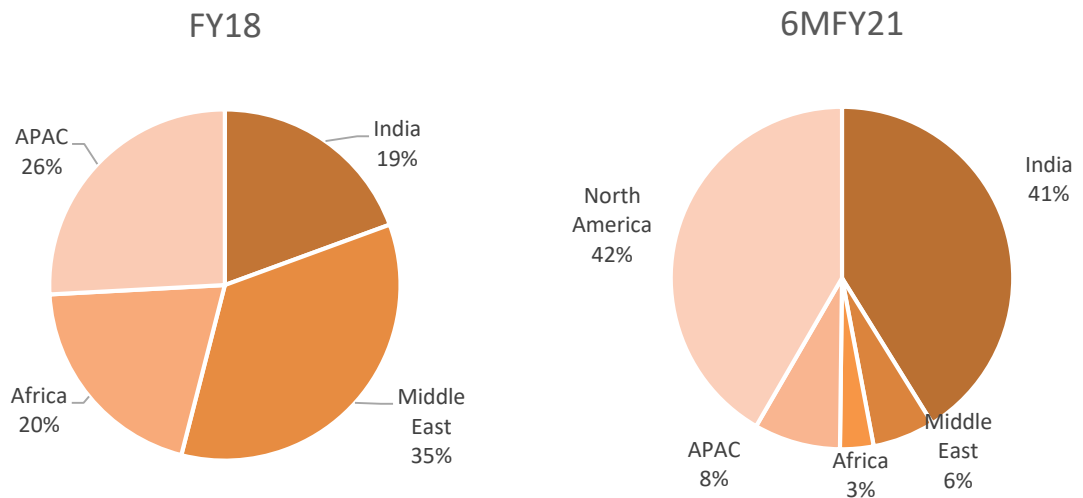
ABOUT COMPANY

The company owns some of the most recognisable IP, including WCC and CarromClash in mobile games, Kiddopia in gamified early learning, Nodwin and Sportskeeda in eSports and eSports media, and Halaplay Technologies Private Limited (“Halaplay”) and Qunami in skill-based, fantasy and trivia games.

Company currently derive revenues mainly from subscription fees paid by its users for accessing gamified early learning content, as well as from its eSports business. These two segments cumulatively accounted for 71.03% and 41.73% of company’s revenue from operations (as per Ind AS 108) for the six month period ended September 30, 2020 and Financial Year 2020, respectively.

Business Segment	6M FY21	% of Rev from Operations	FY20 (In Rs Mn)	% of Rev from Operations	FY19	% of Rev from Operations	FY18(In Rs Mn)	% of revenue from operations (%)
Gamified early learning	786.64	39.25	191.33	7.73	--	---	--	--
eSports	637.15	31.78	841.61	34.00	491.65	28.97	36.40	2.12
Telco subscription	427.62	21.33	817.96	33.05	961.02	56.3	1531.71	89.03
Freemium	90.28	4.50	197.79	7.99	244.31	14.40	152.29	8.85
Real money gaming	62.88	3.14	426.40	17.23	--	--	--	--
TOTAL	2004.57	100.00	2475.09	100.00	1696.98	100.00	1720.40	100.00

In the last three Financial Years, company’s region-wise growth across developed markets like North America and in India has grown significantly. Company’s geographic segment wise revenues are as follows:





Risk Factors:

Company reported a restated loss of ₹266.15 million and ₹101.07 million in Financial Year 2020 and the six month period ended September 30, 2020, respectively. Company may incur losses after tax in the future. Company's failure to generate profits may adversely affect the market price of its Equity Shares, restrict its cash flows and ability to pay dividends and impair its ability to raise capital and expand its business.

Objects of Issue:

The objects of the Offer are to (i) to carry out the Offer for Sale of up to 5,294,392 Equity Shares by the Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Company will not receive any proceeds from the Offer and all such proceeds (net of any Offer related expenses to be borne by the Selling Shareholders) will go to the Selling Shareholders.

Financial Statement

(Rs Cr)

Particulars	FY18	FY19	FY20	H1FY21
Total Income	172.00	169.70	247.51	200.46
Total Exp	123.32	153.35	253.03	194.35
EBIDTA	48.68	16.35	-5.52	6.11
Other Income	9.90	16.40	14.64	6.55
Depreciation	8.22	19.54	26.88	18.72
EBIT	50.36	13.20	-17.77	-6.07
Interest	1.83	1.38	1.24	0.51
PBT	48.53	11.82	-19.00	-6.58
E/O Items	-35.66	-0.95	-1.81	-1.59
PBT	12.87	10.87	-20.82	-8.17
Sh Of Profit in				
Asso	0.00	0.00	0.00	0.00
PBT	12.87	10.87	-20.82	-8.17
Tax	11.76	4.16	5.80	1.94
PAT	1.11	6.71	-26.62	-10.11
Eq Cap	10.79	10.99	11.20	11.44
Net Worth	387.09	439.41	590.11	571.31
Eq Shares	2.70	2.75	2.80	2.86
EPS	0.41	2.44	-9.51	-3.53
Book Value	143.51	159.95	210.77	199.69
ROE	-1.41	0.31	-4.51	-1.77
EBIDTA Margin %	28.30	9.63	-2.23	3.05
PAT Margin %	-3.18	0.81	-10.75	-5.04

Source:RHP

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