

# Gfinity PLC

15:58 18 Jun 2019

## Gfinity sees plenty of opportunities to be a winner as e-sports race heats up

Liverpool v Manchester United is one of the most keenly anticipated matches in the English football season.

So it's no surprise that a cup final between the two would draw in 65mIn watchers.

Except that this wasn't played on grass, it was the final of an e-sports cup organised by Gfinity Plc (LON:GFIN) for the Premier League.

Watch: Gfinity PLC driving growth through multi-year deals with top brands and publishers

Such huge viewing figures underline how big competitive e-gaming has become with sports just one aspect says Garry Cook, Gfinity's chief executive.

Illustrating the point, he says that a tournament it organised for the blockbuster computer game Call of Duty pulled in 84mIn viewers.

And he sees no slowing in the growth of the market for either the players, watchers and businesses that operate in the space.

"In the e-sports galaxy there are new revenue streams appearing every day," he told Proactive.

Next generation of consumers

Companies are keen to tap into the next generation of consumers, who through the advent of the digital revolution have completely different behavioural patterns to previous generations.

Cook adds Gfinity has positioned itself to be a facilitator or solutions provider across the whole spectrum of competitive gaming.

For games publishers such as EA, Activision Blizzard (Call of Duty) and Microsoft (Halo, Forza), Gfinity will create tournaments and content to develop communities around games.

"A publisher does not develop a game for e-gaming. They make it for someone to buy, download and play.

"So if you are a publisher, we can do the tournament for you, figure out the format, create content and find sponsors.

"There is huge growth in content consumption through new platforms such as gaming channel Twitch and Facebook, all of which are distributing content and monetising it by attracting the corporate world."

A whole new vertical

Organisations that own rights such as Formula One or the Premier League are especially keen to find new, younger audiences and here Cook says Gfinity can create a whole new vertical.

**Price:** 3.75

**Market Cap:** £17.98 m

### 1 Year Share Price Graph



### Share Information

**Code:** GFIN

**Listing:** AIM

52 week	High	Low
	7.65	3.25

**Sector:** Hardware & electrical equipment

**Website:** www.gfinity.net

### Company Synopsis:

*Gfinity (AIM: GFIN) is a leading global esports business. Created by gamers for gamers, it uses its unique understanding of&nbsp;this 2.*

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"We can design a game design tournament, use their game such as football for the Premier League, deliver a tournament and create content around it.

"How great would be it for a young fan to 'play' for Arsenal, Chelsea or Huddersfield's esports team."

Branded sponsors, too, want to know how to connect with their next generation of consumers.

Domino's Pizza, for example, is the sponsor of the Gfinity Elite and Challenger series until 2020.

Here professional and amateur teams compete at different games including Street Fighter V, Rocket League and FIFA.

Building a community

"It's about delivering a vehicle to connect and build a community that wants to talk about who you are, what you do and why you do it."

Deals under discussion currently include a ten-year contract with US motor racing organisation Indycar to devise an e-sports strategy and a tournament for the European Golf Tour.

"The consumer experience is the most important thing and engagement determines success"

Financial numbers at present reflect a business at the start of an industry that despite some of the huge numbers involved remains in its relative infancy.

Half-year revenues to December jumped by 143% to £4.4mIn, while losses eased slightly to £5.7mIn.

A placing in November raised £6mIn and the company had cash of £6.4mIn at the end of the half year.

Gfinity has laid down a target of break even by 2021, with a gross margin between 30-40% and an underlying profit [EBITDA] margin between 15-25%.

This is just the base case, though, says Cook whose CV includes spells at Nike, running Manchester City and as Chief Global Brand Officer for the mixed martial arts organisation the Ultimate Fighting Championship or UFC.

Doubled revenues forecast

Those forecasts reflect a doubling of revenue each year, he says, which he is confident can be achieved based on 'doing what we are re doing now' - creating tournaments, working with brands and building content.

There are 20 motorsports games published, he points out, while a driving championship for women is another option under consideration.

Cook also adds there another 3-4 initiatives under development, which if they come off will make the current 2021 forecasts 'pale into insignificance'.

Shares have drifted recently and currently stand at 4.5p, but if Gfinity starts to deliver on its forecasts the market value of £15.6mIn won't stay that way for long.

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