

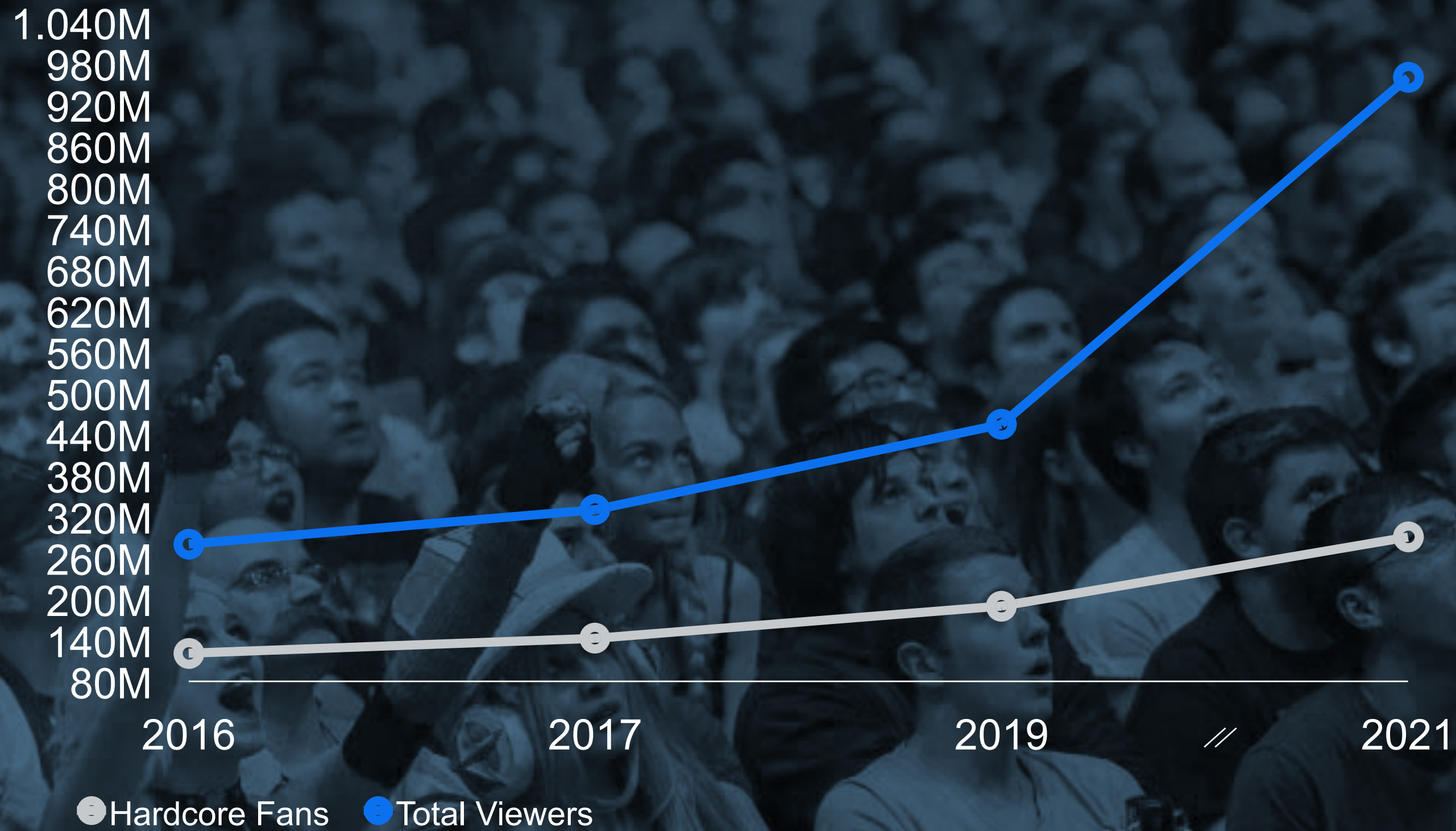


ELECTRONIC SPORTS GROUP

Esports is evolving.  
We help you stay ahead.



## AUDIENCE GROWTH 2016-2021<sup>1</sup>



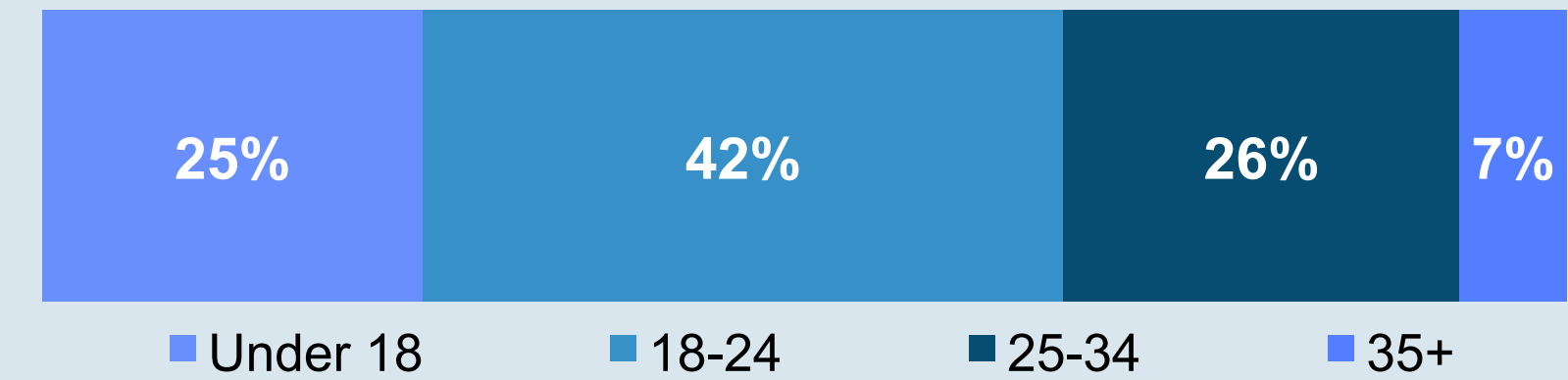
# Esports is a global phenomenon

Audience growth is steady with no signs of slowing, and the fans esports is drawing aren't casual, they're covetable. Viewership has already surpassed that of the MLB and NHL.

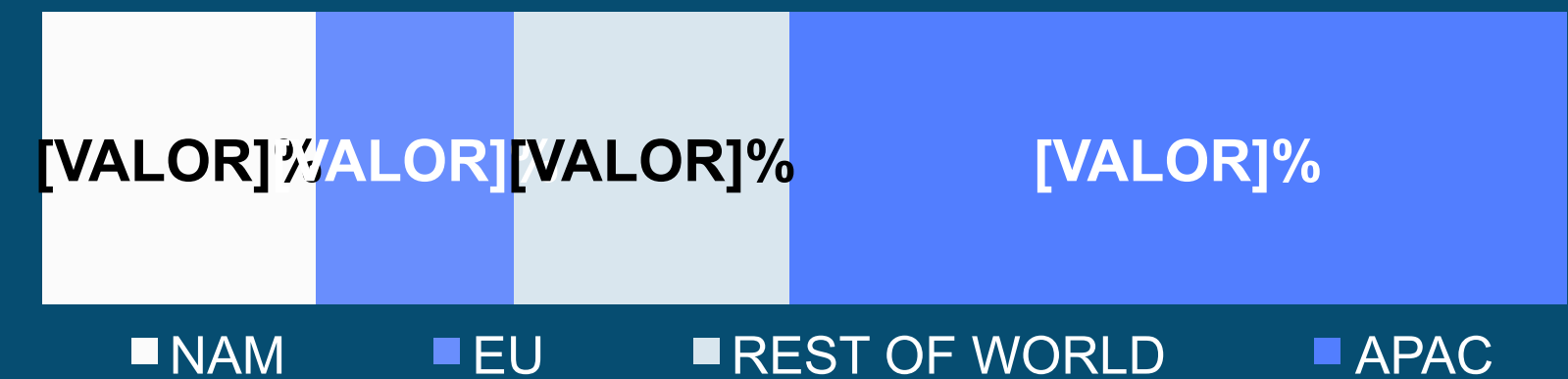
<sup>1</sup>Source: Newzoo: Global Esports Economy, 2018

## FANS ARE YOUNG AND AFFLUENT CONSUMERS<sup>2</sup>

— 68% 18-34 YEARS OLD —



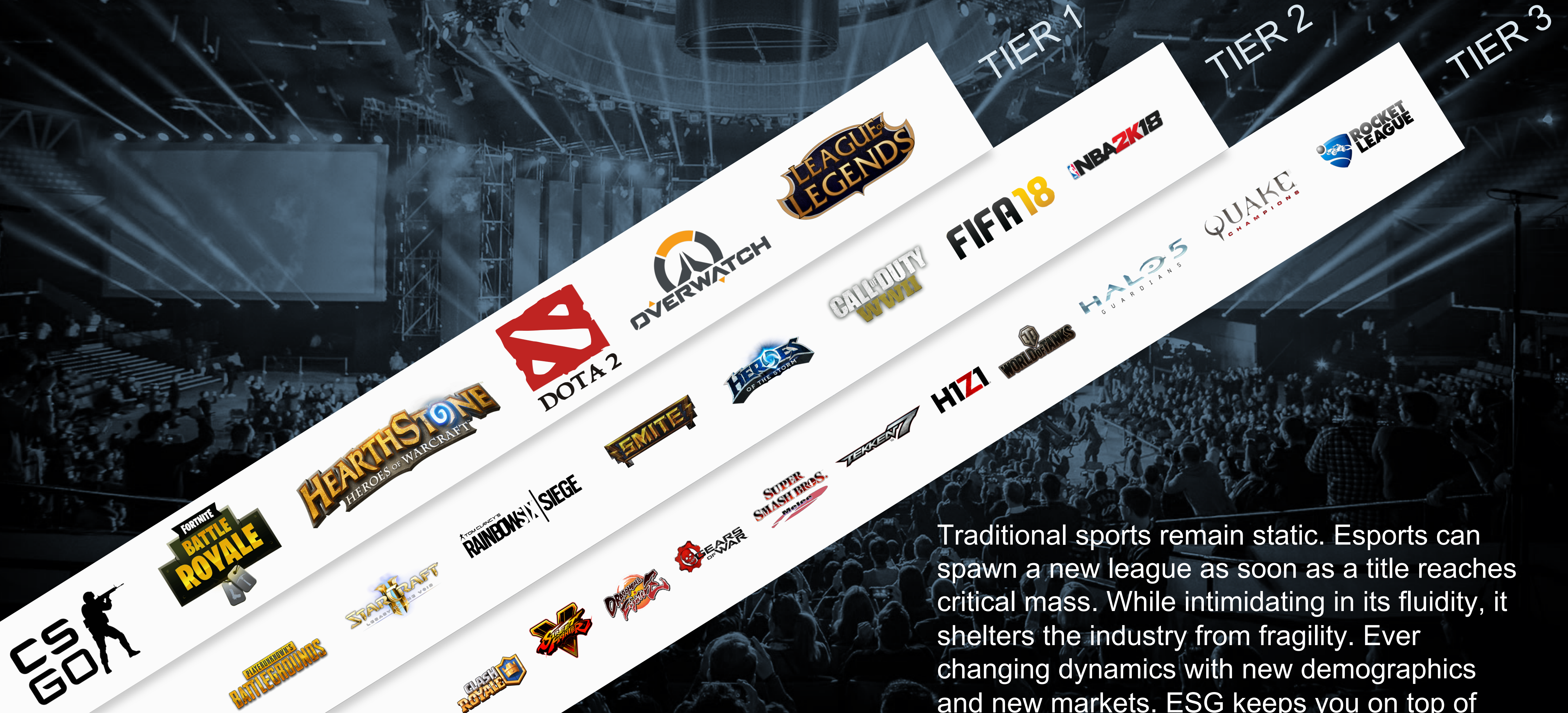
## MASSIVE ROOM TO GROW IN THE US AND EU<sup>1</sup>



<sup>2</sup>Source: Blizzard Player Media Habits Study fielded by YouGov in Dec '16 - Jan '17

<sup>3</sup>Source: IAB Marketers Guide to Esports 2018

# Top Esports Games

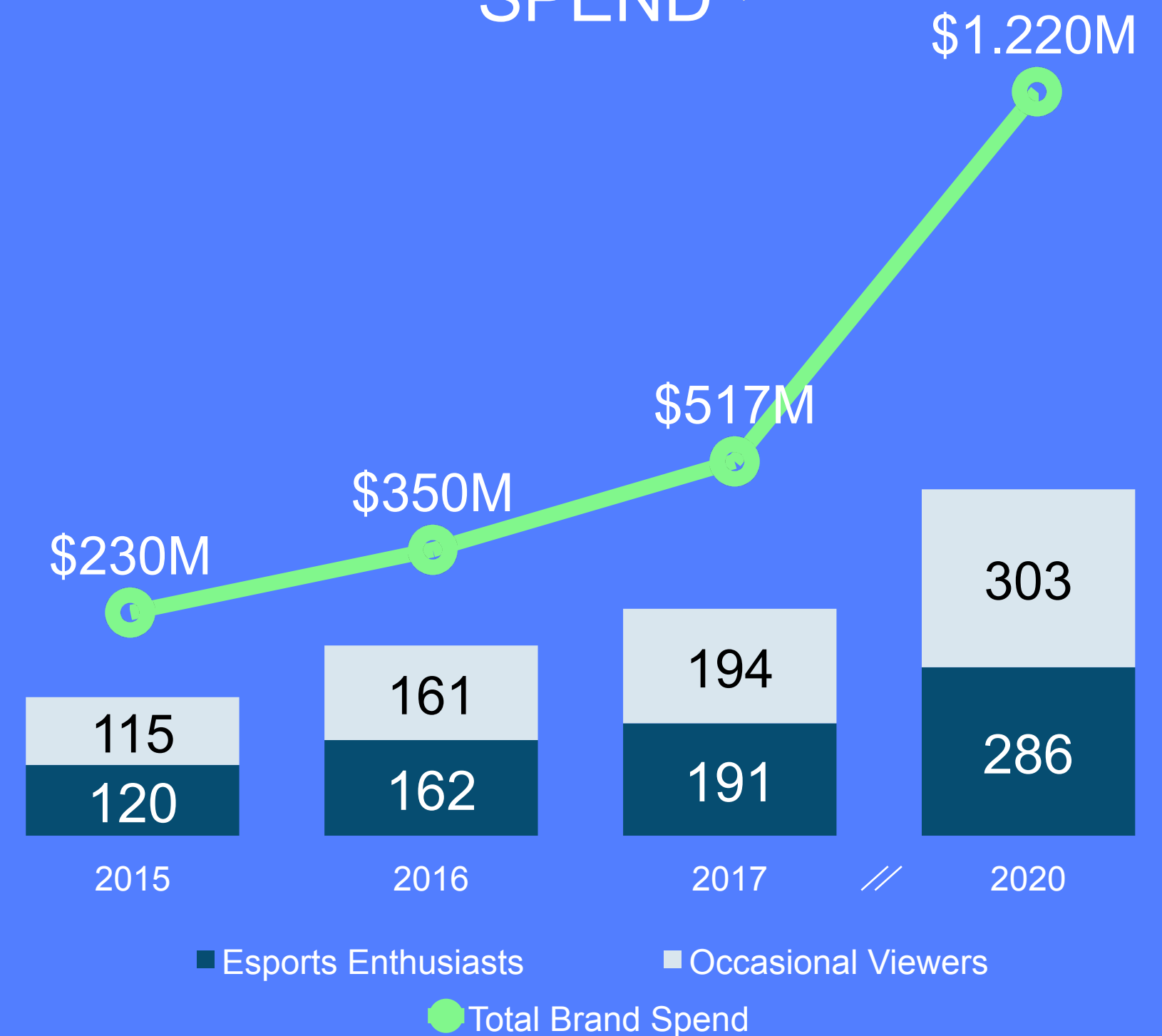


Traditional sports remain static. Esports can spawn a new league as soon as a title reaches critical mass. While intimidating in its fluidity, it shelters the industry from fragility. Ever changing dynamics with new demographics and new markets. ESG keeps you on top of the trends.

Esports is a global phenomenon powered by the massive gaming industry. We're experts in both.

The meteoric rise of esports is fueled by gaming—an industry bigger than Hollywood. New titles from publishers can become new esports in their own right spawning the next investable league.

ESPORTS GLOBAL AUDIENCE GROWTH AND PROJECTED BRAND SPEND<sup>1,2</sup>



VIDEO GAME INDUSTRY  
**\$138B**  
 2018 REVENUE

ESPORTS INDUSTRY  
**\$905M**  
 2018 REVENUE  
**\$1.4-2.4B**  
 2021 PROJECTED

Brand and investment dollars are flocking to the space, but knowing where to put them is still a work in progress. We have a team that's mastered each domain; prepared to advise leaders in media, entertainment, technology, and finance.

<sup>1</sup>Source: NewZoo 2017 Global Esports Market Report  
<sup>2</sup>Source: Statista "Brand spending on Esports" (2018)

# The 12 categories of esports companies

The esports landscape encompasses twelve categories ranging from broadcasting and streaming to developers and publishers — all intertwined with a common goal of shifting the culture of sport.

<p>Broadcasting &amp; Streaming</p>	<p>Marketing</p>	<p>Communication &amp; Social</p>	<p>Analytics &amp; Training</p>
<p>Events &amp; Tournaments</p>	<p>Developers &amp; Publishers</p>	<p>Connectivity</p>	<p>Scores &amp; Stats</p>
<p>Teams</p>	<p>Fantasy &amp; Gambling</p>	<p>News</p>	<p>Hardware</p>

# Traditional Sports Are Shrinking & Aging

There is a clear, defined, and indisputable trend for all traditional sports audiences – they are getting older (in some cases, fast), and shrinking.

The global esports audience is young, and growing.

## THE NEXT LEVEL

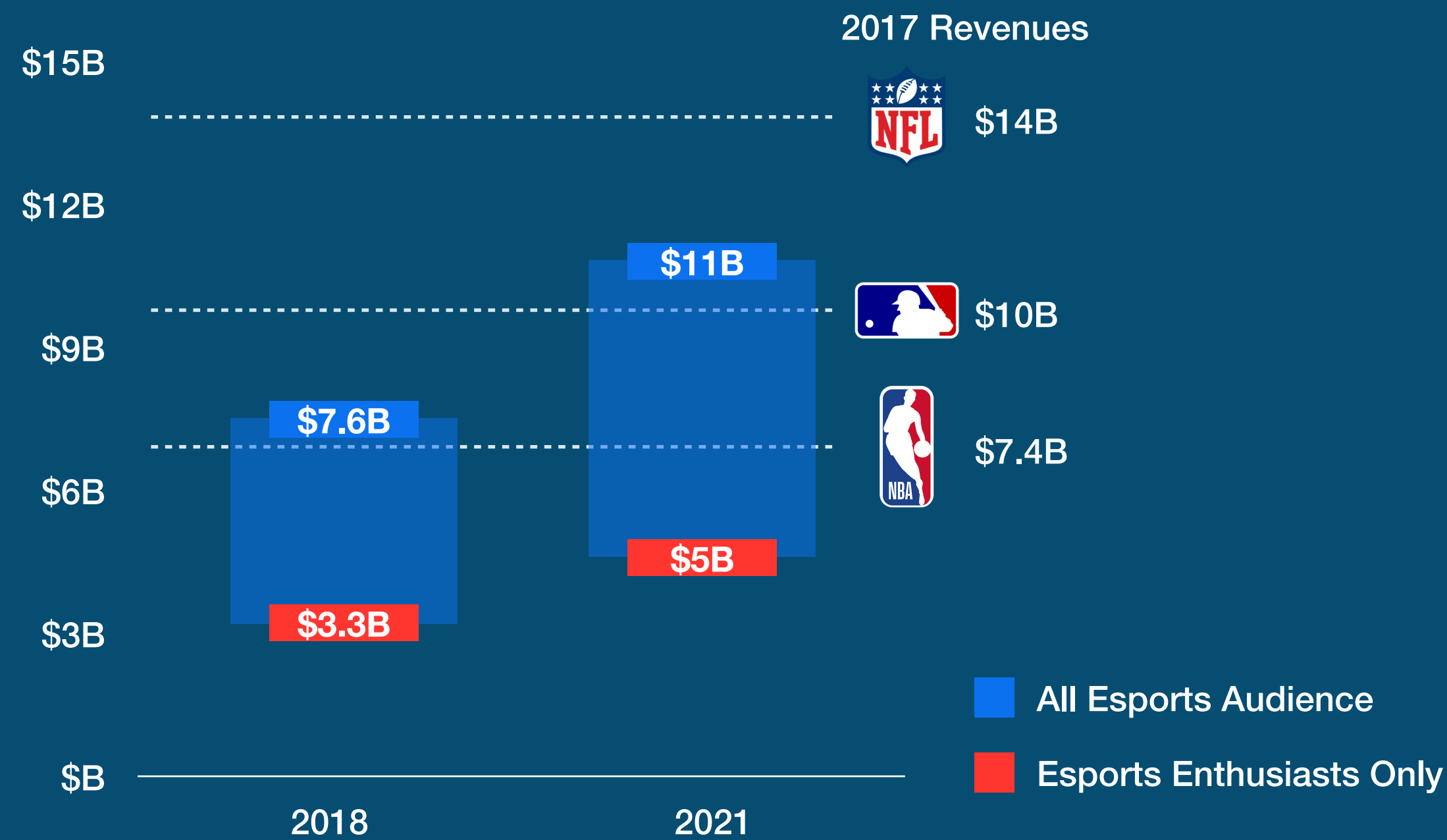
Property	2000	2006	2016
	NA	59	64
	51	56	61
	NA	49	58
	52	52	57
	42	49	55
	45	50	53
	47	48	52
	44	48	52
	44	46	50
	45	47	49
	33	42	49
	NA	34	49
	NA	NA	43
	40	40	42
	NA	39	40
	NA	NA	32*

### SPORTS VS. ESPORTS TV VIEWERSHIP MEDIAN AGE

TNL.MEDIA

SOURCE: MAGNA/SBJ  
\*NIELSEN 2016 ESPORTS SURVEY  
INFOGRAPHIC: JORDAN FRAGEN

TNL 046



# Huge upside exists in fan monetization

Revenue per enthusiast lags behind traditional sports at only \$5.45 per fan. Once monetization is optimized, revenue potential for esports will compete with traditional sports, even in its relative infancy.

# Navigating key channels is critical to success

Esports was born digital-first, and there are clear paths to each channel of consumer engagement. ESG understands the right approach to maximizing your consumer.

## Digital



## Competition

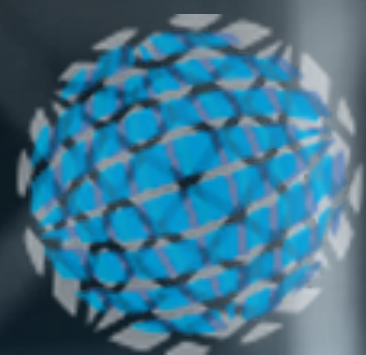


## Retail



## Experiential





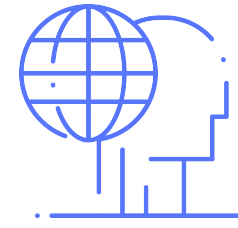
ELECTRONIC SPORTS GROUP

We are a global advisory firm with unrivaled experience and relationships. We provide high-impact business advice and insights to established and emerging media, entertainment, technology, and finance firms, on matters crucial to their growth and success in esports.



# Our Services

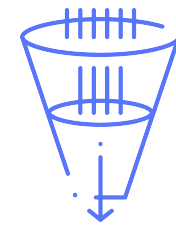
ESG enables leaders and organizations in the esports industry to achieve and sustain superior performance by understanding industry trends, overcoming business challenges, and linking tangible actions to a clear vision.



## Market Intelligence

Our experts can get senior management and leadership at your organization up to speed

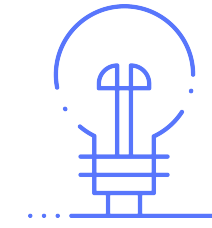
- Trend reporting
- Trend forecasting
- Audience profiling



## Operational Intelligence

We work with industry leaders to solve complex challenges with executable strategies that combine deep industry knowledge, rigorous analysis, and insights.

- Growth strategy
- Innovation consulting
- Profit maximization



## Corporate Strategy

We ensure your firm's leaders are on the bleeding edge of strategic imperatives for maximizing value in the realm of esports. We help you set company vision with the utmost confidence.



## Investment and M&A

With uniquely strong transactional experience in the esports, sports, media and entertainment sectors, ESG provides guidance in navigating the opportunities in a rapidly growing space, including direct investment, valuation, and private company mergers and acquisitions.

# Clients Across All Sectors

Beyond esports, our clients already range across all segments of the sports, media, entertainment, technology, and finance industries. We've assembled a team unrivaled in experience, and are prepared to create wins for anyone seeking our services.

CLIENT INDUSTRIES INCLUDE:

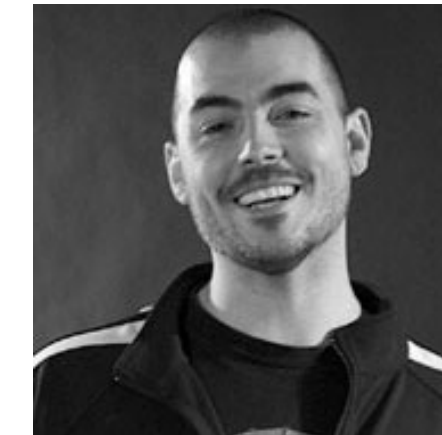
Owners • Rights Holders • Media Companies •  
Corporate Sponsors • Marketing Agencies  
Venues & Events • Growth Stage Startups

# Our Team



Mike Sepso

- Trailblazer at the cross-section of gaming and traditional sports, media & entertainment – instrumental in creation of the esports industry itself.
- Co-founded MLG in 2002, growing it into the largest and most powerful independent esports league in the world, achieving many of the industry's important first milestones, including:
  - Launching the first professional esports league system,
  - Securing the first televised series (with NBC), and
  - Building and launching the first OTT broadcast platform for premium esports content.
- Brokered sale of MLG to Activision Blizzard in 2015, where as SVP he led its first esports and media division.
  - Oversaw commercial operations (including the largest deals in the history of esports, with HP and Intel).
  - Developed commercial structure for the Overwatch League, the world's first global, franchised esports league.
- Graduate of Babson College, with a B.S. in Management.



Sundance DiGiovanni

- Globally-recognized business and creative thought leader, with nearly two decades of accomplishment in the media, technology, and video game industries.
- Crucial player in the creation of the global esports industry:
  - Co-founded Major League Gaming (MLG) in 2002, where he served as CEO.
  - Sold MLG to Activision Blizzard in 2015, where he served as VP of Brands and Content.
- Has worked closely with a wide variety of brands throughout his career, including Microsoft, Sony, Intel, Toyota, Pepsi, Red Bull, Dunkin Donuts, DirecTV, Verizon, T-Mobile, and Sprint.
- Continues to focus on growth opportunities in esports, pushing the boundaries between gaming and traditional sports, while rewriting the rules of traditional media & entertainment consumption.



## Bobby Sharma

- Sports, media, and entertainment industry leader, with an international track-record of accomplishment across professional sports, finance, and technology.
- Formerly SVP, Global Head of Basketball & Strategic Initiatives at IMG, leading growth of corporate interests around the world, including creation and management of basketball, soccer, and cricket properties – from grassroots programs and academies, to national teams and professional leagues.
  - Focused on major emerging markets, including India, Brazil, China, Turkey, Africa, and Asia-Pacific.
- Formerly VP & General Counsel of the NBA Development League for nearly a decade, helping lead the establishment of the NBA's first minor league.
  - Management responsibility on all league and team businesses, operations, and legal matters.
  - Managed corporate transactions for the NBA, WNBA, and NBA Development League, including innovative sports deals relating to the acquisition, financing, and ownership of franchises.
- Partner at private equity firm GACP Sports, and Special Adviser at law firm Foley & Lardner LLP.
- Graduate of Duke University, Duke Law School, and the Harvard Business School executive program on the Business of Entertainment, Media & Sports.



## Ken Hershman

- Widely-known in the global media industry for building and innovating sports television programming for nearly three decades.
- Formerly Executive Chairman & Commissioner of the World Esports Association (WESA).
  - Worked extensively with many of the top endemic esports organizations in the world, and pioneered a number of initiatives in the industry.
- Formerly President of HBO Sports, and senior executive at Showtime.
  - At HBO, responsible for strategic direction and oversight of various business lines — including renowned boxing franchises World Championship Boxing, Boxing After Dark, and HBO-Pay-Per-View, as well the Emmy-winning journalism series Real Sports with Bryant Gumbel, the Peabody Award-winning Legends & Legacies documentaries, and the acclaimed sports reality shows Hard Knocks, and 24/7.
  - At Showtime, held a number of legal and senior programming roles, including EVP and GM of Sports & Event Programming, where he developed shows with NASCAR, MLB, and the NFL.
- COO at Vuemix, a Silicon-valley based tech startup.
- Previously practiced law at Shearman & Sterling, LLP, and a graduate of Fordham Law School, and George Washington University.



ELECTRONIC SPORTS GROUP

**Let's win together.**

[www.electronicssportsgroup.com](http://www.electronicssportsgroup.com)

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