

## Nazara technologies Ltd : Good Issue

**IPO Note : Good but High Risk : India's Leading Interactive Gaming & Sports Media Platform : First Mover Advantage : Ranking\*\*\***



### Issue details

Price band (Rs)	Rs.1100-1101
IPO Opening Date	17/03/21
IPO Closing Date	19/03/21
Issue Size	Rs.582.91 Cr.

### Recommendation

- Sales Growth yoy is 46% (2 year cagr is 20%)
- EBITDA Growth is negative (2 year cagr is negative)
- PAT Growth yoy is negative (2 year cagr is negative)
- EBITDA Margin is uneven on full year basis
- Loss in 2020 as well as first half of 2021
- Debt to Networth Ratio is Nil as on Sep 30, 2020
- Offer for Sale

**Based on high Sales growth, no debt and being the first one in digital gaming, it may grow faster in the digital world. High risk as promoters are reducing stake, all the funds are used for OFS. Only high-risk investors should invest in this company.**

### Highlights

- Nazara Technologies Ltd. (NTL) 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.
- NTL's goal is to cater to billion-plus mobile internet players across emerging markets who have embraced social multiplayer interactive gaming as the foremost form of entertainment.

### Company Introduction

Incorporated in 1999, Nazara Technologies Ltd is a leading mobile game company in India. The company offers a range of diversified gaming products across the Interactive gaming, eSports, and gamified early learning ecosystem across emerging markets i.e. India, Africa, South East Asia, Middle East, and Latin America. It is one of the leading live eSports streaming and on-demand eSports media content providers in India. CarromClash and World Cricket Championships in mobile games, Kiddopia in gamified early learning, Nodwin and Sportskeeda in eSports, and Halaplay and Qunami are some of its offerings. The business operates in different segments; Subscription-based business, Freemium Business, eSports, Gamified early learning, and Real money gaming. Subscription business focuses on mass mobile internet users comprising mainly first-time mobile gamers. The company derives maximum revenue from subscription fees charged from customers under the gamified early learning and eSports business segments, accounted for 71.03% of revenues for the six months period ended on Sep 30, 2020.



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

### Financial Summary (Rs. In Crore)

Particulars	Six months ended Dec., 2020	FY2020	FY2019	FY2018
Total Income	207.00	262.14	186.01	181.94
Net Profit	-10.10	-26.61	6.71	1.02
EPS (Rs)	-	-	2.2	0.33

\*EPS not annualized

Source: RHP and ACE Equity

### RANKING METHODOLOGY

WEAK	*
AVERAGE	**
GOOD	***
VERY GOOD	****
EXCELLENT	*****

### Company Promoters:

Vikash Mittersain, Nitish Mittersain, and Mitter Infotech LLP is the company promoters.

### Objects of the Issue:

- Nazara Technologies IPO aims to raise money for the below objectives:
- To achieve the benefits of listing Equity Shares on the Stock Exchanges.
- To carry out the sale of up to 5,294,392 Equity Shares by the Selling Shareholders

### IPO Issue Proceed

To avail listing benefits and provide an exit to a few current stakeholders, NTL is coming out with its maiden IPO with a vanilla secondary offer. The company is issuing 5294392 equity shares of Rs. 4 each with a price band of Rs. 1100.00 - Rs. 1101.00 and mulls mobilizing Rs. 582.91 cr., (at the upper price band). The Minimum application is to be made for 13 shares and in multiples thereon, thereafter. The issue opens for subscription on March 17, 2021, and will close on March 19, 2021. The company has kept shares worth Rs. 2 cr. For eligible employees and offering them a discount of Rs. 110 per share. From the residual portion, lit has made an allocation of IPO quota - 75% for QIBs, 15% for HNIs and 10% for Retail investors. NTL's current paid-up equity capital of Rs. 12.18 cr. will remain the same following this being complete OFS. Based on the upper price band of the issue, the company is looking for a market cap of Rs. 3352.86 cr.

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