**Zeta Key Finding**

**Date:** September 19, 2022

**From:** Abdulrahman yasser Mahmoud

**To:** Zeta Team

**Subject:** a brief summary of zeta and its competitors’ performance.

**Hi, hope you’re having a great time. This email is Providing a brief summary on Zeta. I’ll start with a description of zeta then Who are Zeta’s most relevant comparable companies and at last Where does Zeta and its comparable companies trade at.**

**Zeta’s description:**

**Zeta Inc. is a leading IP-based game operator and publisher; it ranked first in terms of revenue generated from publishing IP-based games in 2019. From 2017 to 2019, it launched 100 mobile games. And as of 2019 it held:**

* **over 30 ips licence and owned 70 ips.**
* **it had average paying rate 8%.**
* **It held equity interests in 15 mobile game developing companies.**
* **it cooperated with over 500 third-party publishing channels.**
* **It had over 200mm registered users, over 15mm monthly active users and over 1mm monthly paying users.**
* **Zeta achieved revenue of 2 bn and net income of 144 m.**

**Relevant Comparable Companies:**

* Eta hill.
* Epsilon co.
* Orionis.
* Sixth avenue.
* Highlander.
* Hours to midnight.
* Tunnel-vision.
* Four brothers.
* Second to none.
* Delta team.
* Rock & Fire.
* Above clouds.

**All of them including ZETA develop online / entertainment content [ex. Online games for mobile, PC or consoles]. I did divide them into groups based on their total revenue from 2016-2021 and found that Zeta is in the second group which total revenue varies from 10k-20k.**

**Where does Zeta and its comparable companies trade at:**

**In this section I’ll represent their current valuation range based on 2020 EBITDA and PE multiples.**

|  |  |  |
| --- | --- | --- |
| **Company Name** | **EBITDA** | **PE Multiples** |
| Zeta Inc. | $347 | 30 |
| Eta Hill | $14,770 | 15 |
| Epsilon Co | $148 | 5 |
| Orionis | $53 | 31 |
| Sixth Avenue | $3,524 | 17 |
| Highlander | $1,095 | 18 |
| Hours to Midnight | $734 | 26 |
| Tunnel-vision | $2,082 | 23 |
| Four Brothers | $741 | 17 |
| Second to None | $1,437 | 23 |
| Delta Team | $280 | 27 |
| Rock & Fire | $1,877 | 22 |
| Above Clouds | $2,077 | 26 |
| **Average** | $2,243 | $22 |

**As shown zeta’s PE is 30 which above average**