

Goodgame Studios reveals revenue, coy on IPO plans

September 23 2014, by Frank Jordans

German online games company Goodgame Studios has for the first time revealed financial details of its business amid reports it is planning a stock market floatation.

Several media reports have claimed that Goodgame could be the latest German tech company to seek an initial public offering, or IPO, after fellow German startups Zalando and Rocket Internet recently announced plans to do so.

In a telephone interview, Goodgame's founders described the reports as rumors but declined to rule out an IPO.

"Of course we always examine all the options," said Kai Wawrzinek.

His comments came as the company, owned by Hamburg-based Altigi GmbH, said it had adjusted revenues of 98 million euros (\$126 million) in the first six months of 2014, almost matching the full-year figure of 102 million euros for 2013.

And earnings before interest, taxes, depreciation, and amortization reached 20.1 million euros in this year's first half, compared with 13.3 million euros for all of 2013, according to figures provided Tuesday to The Associated Press.

That gauge of profitability, commonly known as EBITDA, is closely scrutinized by investors before they buy shares.

Kai's brother and co-founder, Christian Wawrzinek, said the immediate motivation for releasing the figures was to provide greater transparency on Goodgame's growth as a means of attracting high-caliber employees. The company now has about 1,000 staff and hundreds of vacancies.

"For employees it's important to know how solid the business is," said Christian Wawrzinek. "We're in a war for talent. That's the motivation."

Goodgame has some 220 million registered players for titles such as Shadow Kings, Empire and Big Farm. While its games are free to play on either desktops or mobile devices, the company makes its money from in-game purchases. Up to a quarter of Goodgame's employees are scientists and economists, dedicated to analyzing what players like and don't like—and consequently pay for.

The business model is reflected in the calculated approach that the Wawrzineks took to launching the company five years ago. Kai, a lawyer, and Christian, a dentist, both completed their doctorates before taking out a 500,000-euro loan from a local savings bank to start Goodgame.

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