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Mighty Kingdom has the world's major entertainment brands on board as it prepares to hit the boards itself

Former ABC boss Michelle Guthrie says new ASX entrant Mighty Kingdom is well placed to take a bigger chunk of the massive mobile gaming market.

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Mighty Kingdom managing director Phil Mayes. Picture: Tricia Watkinson

Double-digit growth in the global mobile gaming market spurred by ever increasing smartphone penetration and licensing deals with some of the biggest brands on the planet will set new ASX entrant Mighty Kingdom up for a strong start, chair Michelle Guthrie says.

The games developer, based in Adelaide, is set to list on the Australian Securities Exchange on Wednesday, after raising \$18m at 30c per share.

The company already has significant runs on the board, having developed games for global brands such as Lego, Disney and Shopkins, and a game developed to coincide with the release of Sony's Peter Rabbit 2: The Runaway is scheduled for release soon.

The company, which will be valued at \$46m on listing, says it will allocate \$7.3m of the funds raised for the development of its own games, with \$5.6m set aside for licensed products.

Another \$1.8m will be used to develop the company's self-publishing capabilities.

Ms Guthrie, the former managing director of the ABC and a former Google APAC managing director, said the capital raising was in large part about being able to hire more developers to add to the company's 110-strong team.



Michelle Guthrie is the chair of new ASX entrant Mighty Kingdom.

“The key thing for me is the chance to work with Disney and Lego and Sony and all of these global companies which are very, very protective of their intellectual property,” Ms Guthrie said.

“You’re not just going to work with them once - that leads to the next job and the next job, it’s quite extraordinary.”

Ms Guthrie said while the company started out doing work for third parties, success in developing its own games such as Ava’s Manor had given it the confidence to double down on that side of the business.

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“It has evolved that model to licensing IP from third parties. Sony is a good example of that. (Mighty Kingdom) is licensing the IP then doing its own game.

“With the very strong developer team of more than 100 developers now I think there is a strong opportunity to create our own IP.”

Mighty Kingdom develops games across all platforms including consoles and PCs, however is mostly focused on mobile games.

The company said that since its formation in 2010, when it was founded by current managing director Phil Mayes, it has released more than 50 games, which have been played by more than 50 million players worldwide.

Titles include Shopkins, LEGO Friends: Heartlake Rush, Gabby’s Dollhouse, Wild Life and Ava’s Manor.

The company has a pipeline of games planned for release this calendar year including the multi-platform release Conan Chop Chop, and Peter Rabbit Run on iOS and Android.

Mighty Kingdom’s prospectus says the games market is now the largest entertainment industry in the world, with more than 2.7 billion people playing some type of interactive game.

“The number of gamers is expected to continue to grow to 3.1-3.5 billion over the next four

years,” the prospectus says, quoting research from industry data source Newzoo.

“Newzoo ... estimated that, in 2020, the games market generated US\$159.3 billion in revenue in 2020, up 9.3 per cent on 2019.

“This growth has been driven not only by lockdown measures enacted due to the COVID-19 pandemic, but also by growth in the mobile games segment, which made up 48 per cent of the total games market in 2020 and generated US\$77.2 billion in revenue.”

Mighty Kingdom made a loss of \$3.59m on revenue of \$2.54m in the 2020 financial year.

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Mr Mayes will own 52.5m shares, representing 30.8 per cent of the company, on listing.

Adelaide Equity Partners acted as Mighty Kingdom’s corporate advisers with CCZ Statton Equities lead manager for the IPO.