



# VentureBeat

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## **FarmVille, Mafia Wars maker Zynga is worth \$3 billion, says trading site SharesPost**

By Paul Boutin

Games company Zynga, developer of the runaway hits Farmville and Mafia Wars, hasn't filed for an IPO yet. So we don't know for sure what Zynga's market value will be if that happens.

But a study done by research firm Next Up for pre-IPO trading service SharesPost says Zynga is worth three billion dollars, putting it in the same league as Facebook's estimated \$5B valuation.

SharesPost lets customers buy and sell shares in companies that have not yet begun trading publicly on a stock exchange such as the Nasdaq or NYSE. Employees and investors in Facebook, Twitter or Tesla Motors, for example, could sell some of their shares to people who otherwise wouldn't be able to get in on these companies' financial successes.

To encourage traders to feel informed about their purchases and sales, SharesPost publishes research by firms including Next Up on the companies whose shares SharesPost trades.

Hence, Next Up's estimate of Zynga's market value. "We have used two methods," Next Up researchers wrote in their report. "Steady-state target EV/Revenue multiple, and comparative EV/Revenue multiple based on a peer group. We arrived at a market cap of \$2.806 billion to \$3.315 billion for Zynga, and an estimated price per share of \$14.97 to \$17.68."

What that means is, Next Up analysts looked at estimates of how much cash Zynga is raking in, and how well similar companies are doing in terms of income and valuations.

SharesPost, founded last year in Santa Monica, California, automates the paperwork, using electronic signatures. US Bank handles the escrow process for SharePoint transactions, which seems to make customers trust the service.