

Gaming and creator group Faze Clan to go public via SPAC at \$1 billion valuation

Article

The news: Gaming and esports brand **Faze Clan** is merging with SPAC **B. Riley Principal** in a deal that will see the company go public on the NASDAQ, per [gamesindustry.biz](https://www.gamesindustry.biz). Upon

closing, Faze Clan is expected to be valued at about \$1 billion.

- The company will also receive about \$291 million to fund growth “across content, gaming, entertainment, consumer products, and the metaverse.”

How we got here: Faze is one of YouTube’s earliest success stories and is one of the first major creator economy companies to go public.

- The company began in 2010 as a YouTube channel dedicated to gaming clips, with a heavy focus on the personalities of its core members. Eventually, it became one of the most well-known game content brands, launching esports teams, apparel, and investments from several celebrities and professional athletes.
- Faze Clan’s rise came about not just before the term “creator economy” entered vocabularies, but before “influencer” even did. Its model—signing popular content creators, partnering with advertisers, and selling branded merchandise—has been adopted by other esports organizations, like **100 Thieves**, and is a standard across large creator-focused organizations.

Creators going public: Opportunities and tools for creators were few when Faze first found success. However, given the rising popularity of creator and gaming content, platforms are racing to provide resources to attract and help creators grow audiences.

- We expect the share of US marketers using influencer marketing to reach **72.5%** in 2022, up from 55.4% in 2019.
- The creator economy and influencer marketing are not just becoming lucrative revenue streams for advertisers—rather, they're becoming a more legitimate and **stable career path** for many. Content entrepreneurs are making \$50,000 per year through their businesses, on average; those with four years of experience are making \$100,000 per year, according to a survey from creator economy research firm The Tilt.

Faze’s public offering will be a road map for other creator organizations' potential on the stock market. The company is not profitable, bringing in \$38 million in revenues last year and projecting at least \$50 million in 2021, with plans to use funds from the merger to further develop its content offerings. But the company runs the risk of missing financial goals, similar to several other companies that have gone public via SPACs.

Why it’s worth watching: Faze had a nearly decade-long head start on the creator economy, and if it finds success on the market, other firms could follow its path in the coming years as

the industry continues to grow.