

GAMES

Game engine maker Unity raises \$400 million in private equity from Silver Lake

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Above: John Riccitiello, CEO of Unity Technologies.

Image Credit: Dean Takahashi

Game engine maker Unity Technologies isn't hurting for money. The company has raised \$400 million in private equity from Silver Lake, according to Unity CEO John Riccitiello, as quoted in [Bloomberg](#).

The investment values San Francisco-based Unity at \$2.6 billion, but regulators still need to approve the deal, Riccitiello told Bloomberg. Part of the money will go to rewarding longtime employees, as those employees sold their shares to Silver Lake, Riccitiello said.

“A big chunk of it is secondary, and that’s because it makes sense to let employees buy cars,” Riccitiello said to Bloomberg. “In terms of primary capital we don’t ultimately need all that primary capital—the capital is safety when we’re investing to grow as fast as we are.”

Founded in 2004, Unity’s plan is to democratize game development. It has done so by creating an engine that enables games to run on just about any platform, without huge costs related to porting the games to each new platform. That allows game developers to cut their costs and generate more revenues from more platforms. In that sense, Unity frees the developers from being beholden to platform owners, who often front the cash for big game development in exchange for exclusivity. (I talked with Riccitiello about this in March.)

It takes a lot of engineering work for Unity to make its engine cross-platform, and that’s why it has about 1,400 employees. But it’s worth it. Games and apps used by Unity now reach 2.4 billion devices.

And Unity itself has become a kind of king maker. That also explains why Unity has become so valuable and attracted the interest of big investors like Silver Lake.

“We’re close to half the world’s content now. 38 percent of mobile, 70 percent of VR and AR, half of all console, close to half of PC,” Riccitiello said in March. “We’re picking up four or five points of market share every year in the last three years. From an influence standpoint, strategic implies leverage. I’m not sure of that yet. I think we hustle.”

Egon Durban, a managing director at Silver Lake oversaw the investment, Bloomberg said. DFJ, another firm, led a \$181 million investment that valued the company at about \$1.5 billion in July 2016. Neither DFJ nor early investor Sequoia sold shares as part of the latest round, Riccitiello said.



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