

Bungie gets more than \$100 million investment from NetEase

January 31, 2019



Bungie's games have never been released in mainland China before, but that could change in the future. Chinese online gaming company NetEase today announced that it has made an investment of more than \$100 million in the Destiny developer in a transaction that will see it gain a minority stake in the Bellevue, Washington-based studio and a seat on its board of directors.

While it's not hard to frame the deal as Bungie teaming up with a partner who can bring its games into the Chinese market, studio CEO Pete Parsons indicated that it was more a hypothetical opportunity than a reason for the partnership in the first place.

"Really what this partnership is about is bringing the expertise NetEase has, sharing ideas and allowing us to incubate new ideas," Parsons said. "There's no explicit deal [to publish our games in China]. It's more that they share our passion for games, our passion for building worlds that inspire friendships and building communities, and that's the entire focus of it."

Bungie is also looking at the deal as a way to further its ambitions as a "global, multi-franchise entertainment studio" by learning from its new partner's experiences.

"We certainly have a lot to learn from them in mainland China," Parsons said before acknowledging he isn't even sure what sort of brand recognition Bungie might have in China. "They also have a significant amount of experience in mobile we don't have. And one of the things we were really excited about when we met with them is their team has a considerable amount of development expertise and practices and processes that I think we can also learn from as a company who's trying to make games. That's one of the things we like about them. They're in the business to make games, and they're very excited about the future where we're beginning to incubate and explore new ideas."

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NetEase Games' GM for strategic investments and partnerships Simon Zhu explained his company's interest in Bungie, saying, "Many of us have been fans of Bungie since its early days and have admired the company's resolve and passion for creating big, innovative games. As game developers ourselves, NetEase shares many of the same values as the people at Bungie; we both care about quality, innovation, connecting players, and becoming more global in our businesses."

In announcing the deal, NetEase noted that Bungie founder and chief creative officer Jason Jones "will begin the creation of new worlds." Parsons confirmed the tense of that phrase, saying the studio has been "almost entirely focused on building Destiny."

"It's not that we don't have new ideas, things we want to do and concepts we'd like to test out," Parsons said. "But ultimately, we want to be a global game and entertainment company. We want to be able to build games that are inspiring people from around the world, and this partnership in part will allow us to do that, to begin that incubation and development process in a real way."

"It's really about who are the teams we want to build with and what are the games we want to make. That's a big part of the incubation and exploration process, and that includes everything from 'what are the ideas' to 'what are the business models? What are the markets?' And ultimately, who are--or do we need--partners in those individual markets? As an independent company, we look at everything from what are we going to make, but ultimately how are we going to bring that to market, and that also includes self-publishing."

The deal does not impact Bungie's existing agreement with Activision on the Destiny franchise, with Parsons stressing that, "We have a great partner already in Activision. Activision is an amazing partner, has been an amazing partner, and remains an amazing partner for us. Destiny has been a fantastic experience for both groups."

As for NetEase's interest, Zhu said, "NetEase loves to bring the world's best content to players in China and would be honored to include Bungie's games as part of that effort. As far as Destiny 2 is concerned, while we are huge fans of the title and would love to bring it to China, that decision is ultimately Bungie and Activision-Blizzard's."