



FOCUS HOME INTERACTIVE

H1 2018/2019 Results (April to Sept. 2018): Excellent performance

Operating income: €7.0m ;16% of revenue

A record Q3 2018/2019 revenue (Oct. to Dec. 2018):

€57.2m

**Revenue target of €100m for 2018
reached in only nine months**

Group outlook

Revenue over 110M€ for this FY

Revenue of €130m to €150m by end-March 2022

FOCUS HOME INTERACTIVE (FR0012419307 ALFOC), releases its H1 2018/2019 results (April to September) and Q3 2018/2019 revenue (October to December 2018).

In €m <i>Consolidated financial statements under French GAAP*</i>	H1 2018-19 April to Sept. 2018 Limited review	H1 2017-18 Comparative half-year** April to Sept. 2017	Change	Published H1 2017 Jan. to June 2017 Limited review
Revenue	44.3	33.3	+33%	37.2
Studio royalties	(23.1)	(17.7)		(18.8)
Manufacturing and ancillary costs	(4.8)	(4.5)		(6.0)
Gross margin	16.4	11.1	+48%	12.4
% of revenue	37.0%	33.4%		33.4%
Personnel expenses	(3.8)	(3.3)		(3.4)
Other operating costs	(5.6)	(4.0)		(4.8)
Operating income (expense)	7.0	3.8	+84%	4.2
% of revenue	15.8%	11.6%		11.2%
Group net income	3.3			2.6
% of revenue	7.5%			6.9%

*: The interim financial statements for the period ended 30 September 2018, were subject to a limited review.

** : The Group changed its fiscal reporting calendar in 2017 and presented its financial statements at 31 March, numbers are presented with a comparable 6-month period (period from 1/4/2017 to 30/9/2017) which, for 30/09/2017 has not been the subject of an audit or limited review

Acceleration of sales growth in H1 2018/2019

After the successful launch of **Vampyr**, which topped the charts in France, the UK, Germany and in many other countries, Dontnod's game enjoyed huge success throughout the second quarter. Recognized for the quality of its production and script, Vampyr is a further illustration, after **MudRunner** and **The Surge** in 2017, of the Group's ability to introduce original titles that combine innovative game concepts and high-potential universes.

Interim revenue was also driven by the strength of the back catalogue, showcasing the diversity and depth of the video game catalogue. Overall, interim revenue amounted to €44.3m. On a comparative basis (April to September 2017), revenue climbed 33%.

At end-September 2018, digital sales accounted for 65% of revenue for the period and international sales for more than 90%.

Excellent interim results

The Group's solid sales momentum was reflected in its results. The gross margin came out at €16.4m or 37% of revenue, it was €12.4m at 30 June 2017.

Drawing on sales growth and OPEX discipline with operating expenses totalling €9.4m, Focus Home Interactive posted operating income of €7.0m at September 2018, operating income was €4.2m in H1 2017. This progression further demonstrates the Group's growth momentum.

With interest income of €0.3m, a non-recurring expense of -€1.9m (related essentially to severance for the former president), and a corporate tax expense of €1.6m, Group net income rose to €3.3m at 30 September 2018.

Equity was stable overall at €43.5m. The Group's cash position stood at €19.9m.

Q3 2018/2019: a record quarter

Sales remained high in Q3 2018/2019 (October to December 2018) with the release of several highly-anticipated games. Revenue for the period totalled €57.2m (+78% like-for-like, i.e. October to December 2017), exceeding the €100m revenue target set for fiscal year 2018/2019. Total sales for the first nine months, at end-December, amounted to €101.5m.

MudRunner, the million-seller out on consoles and PC in late 2017, got a boost on 23 October from the release of a major extension: **American Wilds**. In addition to offering a richer off-road driving experience in unique American settings, the franchise has for the first time included prestigious vehicle brands, with partners such as Ford, General Motors, Hummer, Chevrolet, etc.

Ranked in the Top 10 bestseller on the Steam platform at launch: **Call of Cthulhu**, another major title released on consoles and PCs on October 30 was praised for its unique atmosphere and narration.

Farming Simulator 19 confirmed its status as a simulation phenomenon by selling over one million copies worldwide, both in stores and online, just 10 days after launch. Despite the highly competitive release window, competing with several blockbusters, **Farming Simulator 19** soared to the top of the sales charts at the time in multiple countries, such as the US, the UK, France, Germany and many more!

Insurgency: Sandstorm beat the historic record of pre-orders generated by a Focus game on PC. Its release on December 12 was a highly rated and commercial success, great news since the title will be launched on PlayStation 4 and Xbox One in 2019.

Focus and Saber (MudRunner) are continuing their successful partnership on the release of **World War Z**, a cooperative third-person shooter inspired by the Paramount Pictures blockbuster. Focus Home Interactive will head up global digital distribution of **World War Z** on PlayStation®4 and Xbox One.

In addition to its strong sales performance, the Group optimised its internal organisation with appointments to key positions and the launch of a management package. New "Green Light" procedures were also implemented to ensure that game selection is a more collective process.

Perspectives

The forthcoming release of **BattleFleet Gothic: Armada 2** from Tindalos Interactive and the continuation of good sales of our games should allow the Group to achieve a turnover of over €110m in the 2018-2019 financial year.

The upcoming 2019/2020 launches with **A Plague Tale** (Asobo Software), **The Surge 2** (Deck 13), **Greedfall** (Spiders) and **MudRunner 2** (Saber Interactive), will further fuel the Group's sales momentum.

Drawing on the momentum of market growth, the Company's expanding influence and future deals, FOCUS is targeting revenue of €130m to €150m by end-March 2022, (organic growth).

About Focus Home Interactive

FOCUS HOME INTERACTIVE is a French publisher of video games. Its mission is to support development studios in overseeing the production, marketing, sales and financing of their projects. The publisher of successful original titles such as Vampyr, Mudrunner, The Surge and Farming Simulator, the Group recorded 2017 revenues of €89.9m, generated over a period of 15 months. FOCUS HOME INTERACTIVE generates more than 90% of its sales internationally.

Upcoming events:

FY 2018/2019 revenue

25 April 2019

FY 20182019 results

27 June 2019

**Get all the latest financial information on FOCUS HOME INTERACTIVE
at www.focus-home.com**



Financial Communication contacts

FOCUS HOME INTERACTIVE

Deborah Bellangé
Tel.: + 33 (0) 1 55 26 85 00
mail : dirgen@focus-home.com

Investor Relations – ACTIFIN

Benjamin Lehari
Tel.: + 33 (0) 1 56 88 11 25
mail : blehari@actifin.fr

Press Relations – ACTIFIN

Jennifer Jullia
Tel.: + 33 (0) 1 56 88 11 19
mail : jjullia@actifin.fr