



Press release  
Paris, July 5, 2018

## FOCUS HOME INTERACTIVE

### Annual earnings for 2017/2018 (FY lasting 15 months)

Excellent results despite delays with two major games

Nomination of a new member to Management Team

French video games publisher, **FOCUS HOME INTERACTIVE** (FR0012419307 ALFOC), has reported its annual earnings for its fiscal year 2017-2018. Note that the Group's financial year exceptionally lasted 15 months, the end of its fiscal year having been moved to 31 March to be more in line with the seasonal nature of the business.

The Management Board met on July 3, 2018 to approve the financial statements for the financial year ended March 31, 2018.

<b>Profit &amp; Loss in €m</b>	<b>31/03/2018</b> <b>(*)</b> <b>(15 months)</b>	<b>31/12/2016</b> <b>(12 months)</b>	<b>31/03/2018</b> <b>(**)</b> <b>(12 months)</b>
<i>Consolidated financial statements under French GAAP</i>		<i>Audited</i>	
<b>Sales</b>	<b>89.9</b>	<b>75.6</b>	<b>75.9</b>
<i>Studio costs</i>	<i>-49.7</i>	<i>-40.8</i>	<i>-41.1</i>
<i>Manufacturing and ancillary costs</i>	<i>-13</i>	<i>-10.4</i>	<i>-10.8</i>
<b>Gross Margin</b>	<b>27.2</b>	<b>24.4</b>	<b>24</b>
<i>% of revenue</i>	<i>30.2%</i>	<i>32.3%</i>	<i>31.6%</i>
<i>Personnel expenses</i>	<i>-8.7</i>	<i>-7</i>	<i>-7.2</i>
<i>Other operating costs</i>	<i>-9</i>	<i>-8.2</i>	<i>-7.2</i>
<b>Operating income</b>	<b>9.5</b>	<b>9.2</b>	<b>9.6</b>
<i>% of revenue</i>	<i>10.6%</i>	<i>12.1%</i>	<i>12.6%</i>
<b>Group net income</b>	<b>6.5</b>	<b>5.9</b>	
<i>% of revenue</i>	<i>7.2%</i>	<i>7.8%</i>	

(\*) The audit procedures have been performed. The reports will be issued after finalization of the procedures required for the purposes of the publication of the annual financial report

(\*\*) The Group changed its fiscal year and presented its closed accounts to the March 31, 2018 over a 15 months period, it is presented a comparable of 12 months (period from 1/4/2017 to 31/3/2018).

## Another successful year, despite delays with two major games

Total revenue for the 2017-2018 financial year (15 months) came to €89.9m. Note that revenues for FY 2016 (12 months) totalled €75.6m. This fine performance was notably driven by the commercial success of **MudRunner**, which was released at the end of 2017 and of which nearly one million copies have been sold. In the space of a few months, **MudRunner** has therefore become a flagship title for **FOCUS HOME INTERACTIVE**. This success once again testifies to the Group's expertise in identifying high-potential licences and promoting original content overseas and across all platforms.

Also worth noting was the fine performance from **The Surge** game. This Deck 13 title, which was launched in May 2017, got a boost from new content. The game has been a major commercial hit, with more than half a million copies sold worldwide. Meanwhile, the development of **The Surge 2** was announced in February at What's Next.

In addition, the major contribution to 15-month 2017/18 sales made by **Farming Simulator 17 Platinum Edition** and the Nintendo Switch version, which came out late in 2017, extending the brand's reach ahead of a new opus due for release late this year.

For the full 15-month fiscal year, the back catalog of strong titles and successful licenses (**Blood Bowl**, **Divinity Original Sin**, etc.), contributed 42% of total sales. As Focus moves upmarket, 89% of sales are now generated in international markets and digital revenue accounts for 64% of the total.

## Operating profit increases despite recent reinforcement of the organisation

Operating expenses came to €80.4m in FY 2017/2018. These take into account full-year contributions from recruitments made in 2016 to accompany the Group's drive to move its games upmarket. Operating profit worked out to €9.5m (10.6%).

Net profit came to €6.5m for FY 2017/2018 (15 months), compared with €5.9m in FY 2016.

Management will be proposing to pay a dividend of €0.57 per share at the AGM on September 27, 2018.

## Solid financial structure

As at March 31, 2018, Focus had a total of €43.2m in shareholders' equity. This figure takes into account the €13.3m capital increase (gross amount) conducted in December 2017. The proceeds of the latter are to be used to help the Company shore up its games catalogue by developing new partnerships with front-ranking European and global studios, with a view to undertaking increasingly ambitious projects. The Group's balance sheet is in solid shape, with a net cash position of €7.8m, versus €10.2m.

## 2018-2019: a high-potential games catalogue

Calendar year 2018 kicked off with the fourth edition of the Group's annual trade show, What's Next, which was held in Paris on February 1 and 2 this year. The Group took advantage of this event, which has been gaining in exposure, to showcase all of its ambitious catalogue of upcoming games for the French and international media, with exclusive game presentations by all the partner studios of **FOCUS HOME INTERACTIVE**. 16 games, 10 studios, and nearly 300 journalists and international partners attended the What's Next 2018 event.

The first big release of the current financial year came on June 5, with role-playing game **Vampyr** (DontNod). With the exception of **Farming Simulator**, **FOCUS HOME INTERACTIVE** has never before invested so much in a game's development budget. **Vampyr**, which had been eagerly anticipated by gamers and the trade press across the world, was a firm hit, both in terms of sales and reviews. Indeed, just a week after it was launched, **Vampyr** was the best-selling game in France, the UK, Germany and a host of other countries. More than 450,000 copies of the game have already been sold in the month since its release.

The Group also took part in the annual international video games tradeshow E3, which was held in Los Angeles in June this year. The 2018 edition was one of the busiest ever for the Group, which met with more than 400 journalists at the event. The interest shown in the games currently in development, including the much-awaited **A Plague Tale: Innocence**, by Asobo Studios, is evidence of the reputation being gained by the Parisian publisher's brand on the international stage.

**Insurgency: Sandstorm** (New World Interactive) comes out this summer. The title has enormous sales potential, founded on its community of 5 million players loyal to this realistic and competitive game.

MudRunner is to get an extension for the US market later in the year, dubbed “**American Wilds**”, to pull in the ever-growing community of American gamers.

**Fear The Wolves**, a post-apocalyptic Battle Royale by Vostok Games - a team consisting of the creators of the renowned S.T.A.L.K.E.R. license - will offer players a more grown-up experience of the Battle Royale format, set in Tchernobyl.

Other scheduled releases include BattleFleet Gothic: Armada 2 (Tindalos Interactive), and the much-anticipated **Call of Cthulhu**.

Finally, **Farming Simulator 19** will provide all of its fans and sim game enthusiasts worldwide with the world's best-ever “farming” experience, as the richest, most comprehensive game ever to be developed by the Giants team.

The management board is pleased to announce the nomination by the Supervisory board its new member Thomas Barrau. With over 9 years of experience at Focus Home Interactive as Marketing Director ,Thomas Barrau will be a valuable new member to the board.

## About Focus Home Interactive

FOCUS HOME INTERACTIVE is France's third-largest 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 several successful original titles, such as Blood Bowl, Tour de France, Wargame and Farming Simulator, the Group generated revenue of €75.6m in 2016, an increase of 9.3%. FOCUS HOME INTERACTIVE generates more than 85% of its sales internationally.

## Upcoming events

### Q1 Sales 2018-2019

July 26, 2018

### Q2 Sales 2018-2019

October 25 , 2018

### 1st Semester Results and Q3 Sales 2018-2019

January 24 2019

All financial information pertaining to FOCUS HOME INTERACTIVE can be found on  
[www.focus-home.com](http://www.focus-home.com)



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