



**FY RESULTS 2022/2023 PRESENTATION**  
**(EURONEXT: ALFOC)**

**June 15, 2023**



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# FOCUS ENTERTAINMENT FY 2022/23 ANNUAL RESULTS JUNE 15, 2023

## Speakers

Fabrice LARUE - Chairman of the Board & CEO



John BERT – Managing Director



Laure d'HAUTEVILLE – Chief Financial Officer





**at a glance**

**FOCUS ENTERTAINMENT**

**Developer/Publisher  
PC & Console  
Indie AA**

**CA €194.1m & EBITA €28.4m**

**Main shareholder - Neology since 07/2020**

**46 games secured for the next 3 years**

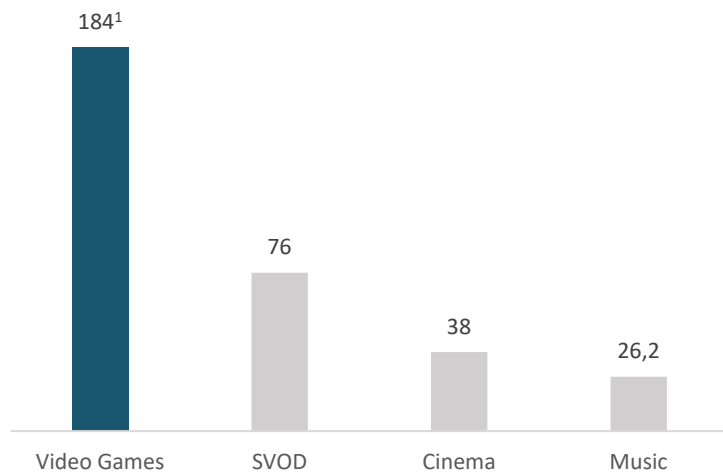


# THE MARKET



## Video game is already bigger than music, cinema and SVOD combined...

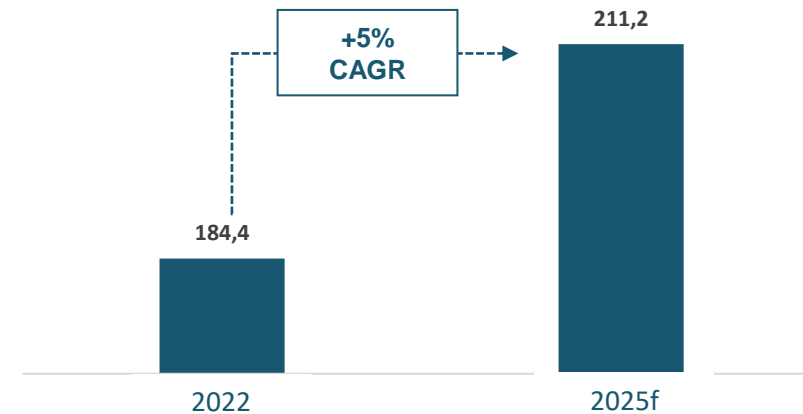
2022 entertainment market, in \$ bn



Sources: PWC – Global Entertainment & Media, Newzoo 2022 Global Games Market Report, IFPI Global Music Report - 21st march 2023, Statista Digital media report

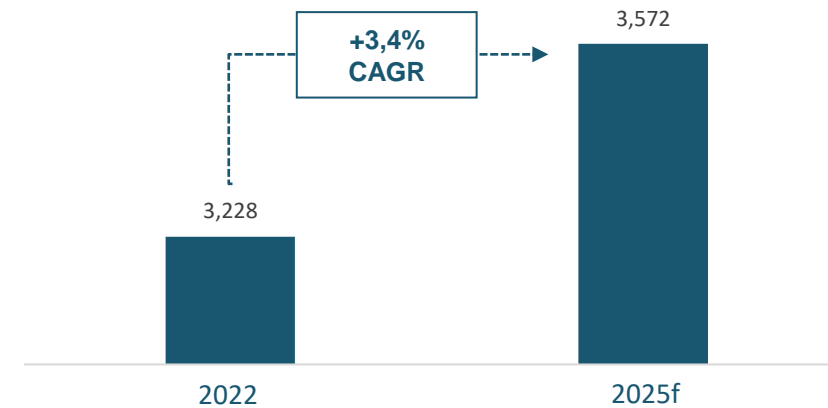
## ...and is expected to grow by 5% CAGR over the next 3 years

Evolution of the global video game market<sup>1</sup> (2022 – 2025e), in bn



Source: Newzoo 2022 Global Games Market Report

Evolution of number of gamers (2022-2025e), in bn



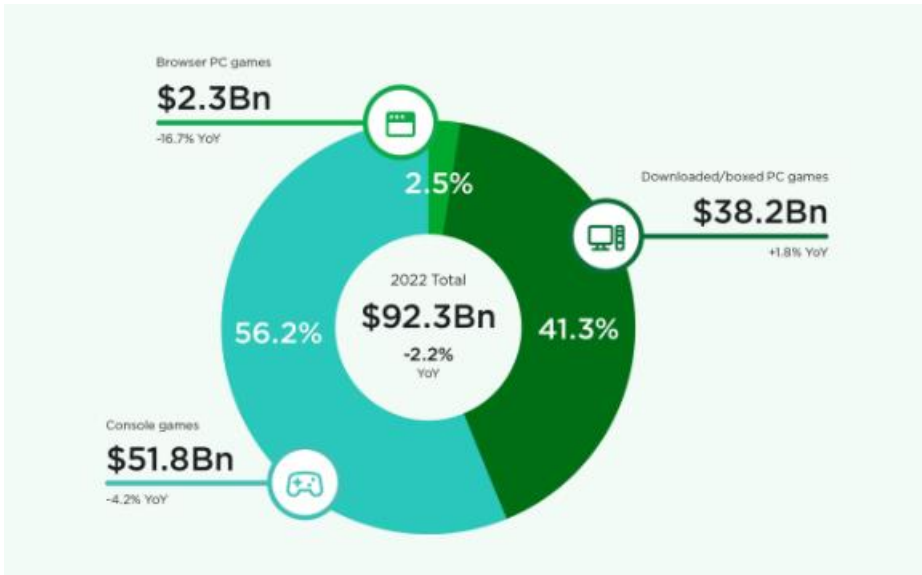
Source: Newzoo 2022 Global Games Market Report

<sup>1</sup>Global video game market includes mobile, PC and consoles

# PC and Console games market is \$92bn and represents 50% of the global video game market



## 2022 PC and console games market

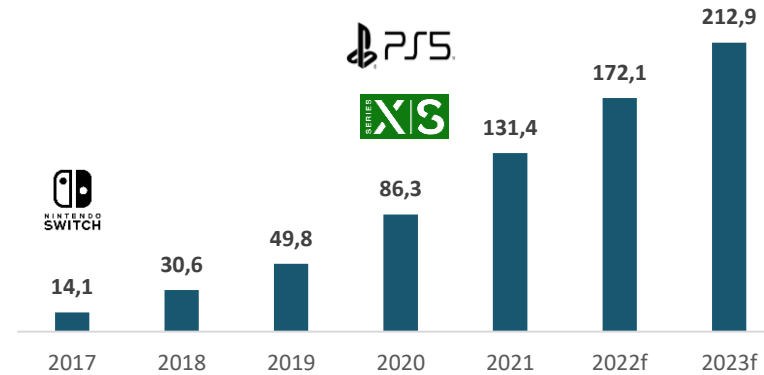


Source: NewZoo PC & Console Gaming Report and Forecast - January 2023

Indie and AA market estimated\* at \$26bn

\*Company's estimate

## Cumulative units sold (Nintendo Switch, PS5, Xbox Series)



Source: NewZoo PC & Console Gaming Report and Forecast - January 2023

Cumulative units sold should grow by +24% in 2023

## Evolution of Steam concurrent online & in-game users (2004 – June 2023)



■ Steam concurrent in-game users  
■ Steam concurrent online users

Engagement on Steam is at his highest with:

- +30m concurrent users
- c. 10m in-game users

Source: Steam Data Base website





# FOCUS ENTERTAINMENT GROUP

## TODAY

**FOCUS is today recognized as 4<sup>th</sup> best publisher worldwide<sup>1</sup>**

**soon to become a leader developer by adding AA & indie studios**

**and with the right expertise and resources to reach its ambitions.**



- A proven track-record of curating the best ideas and leading them towards success
- Recent key launches demonstrating our expertise



- 590 passionate and quality driven talents, of which >65% in Development



- A solid balance sheet and a main shareholder supporting the long-term strategy

# FOCUS ENTERTAINMENT is ranked 4th in the 2023 Metacritic's game publisher global ranking<sup>1</sup>



Ranking	Publisher	Country	Metascore		% good games	# great games	Total Points
			Score	Points			
1	SONY		85.6	128,4	100%	2	338,4
2	paradox INTERACTIVE		81.8	122,7	100%	0	322,7
3	ACTIVISION   BLIZZARD		76.5	114,8	90%	0	304,8
4	FOCUS ENTERTAINMENT		80	120,0	79%	1	304,5
5	T2 TAKE TWO INTERACTIVE		78.9	118,3	86%	0	304,0
6	CAPCOM		78.6	117,9	81%	0	299,2
7	SEGA		79.3	119,0	71%	1	294,6
8	ANNAPURNA INTERACTIVE		79.2	118,8	75%	0	293,8
9	Humble GAMES		76.8	115,2	73%	0	287,9
10	DEVOLVER DIGITAL		78.3	117,5	68%	0	285,5

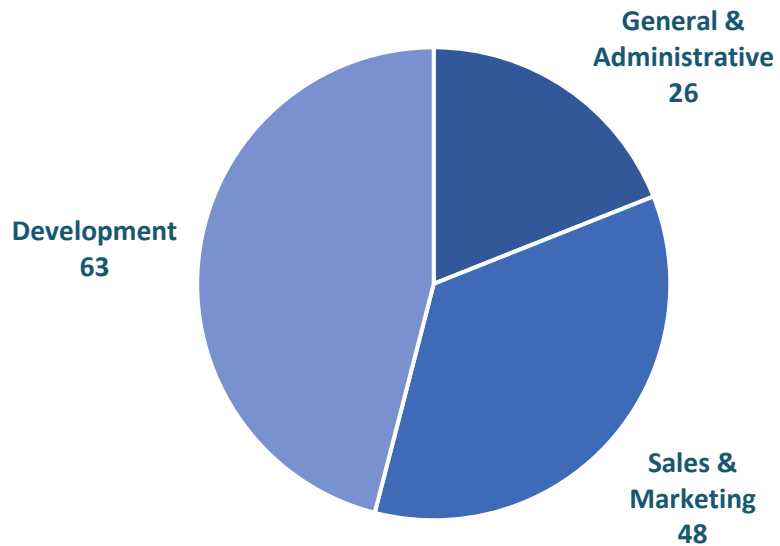
86
80
87
84
86
73
75
90
79

<sup>1</sup> 2023 Metacritic's game publisher global ranking based on 2022 published games quality

# 3 years ago, FOCUS ENTERTAINMENT was a distributor/publisher...



Breakdown of FOCUS ENTERTAINMENT Talents



PUBLISHING

ΛΛ & Indie



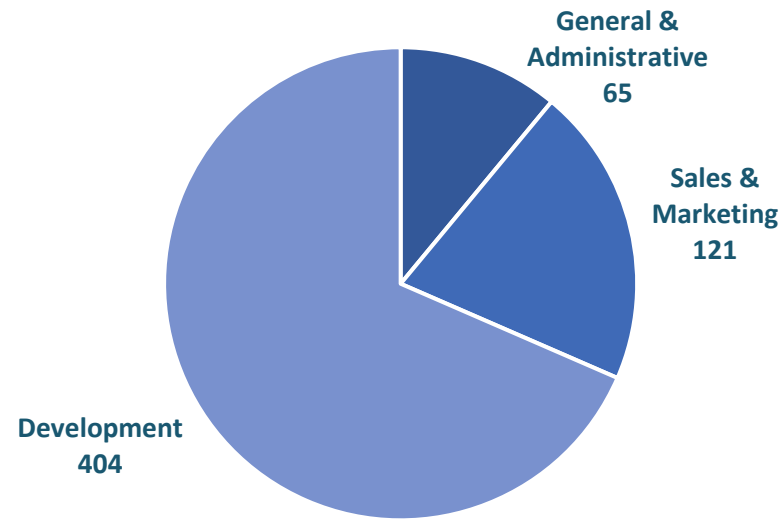
137 Talents

1 publishing label

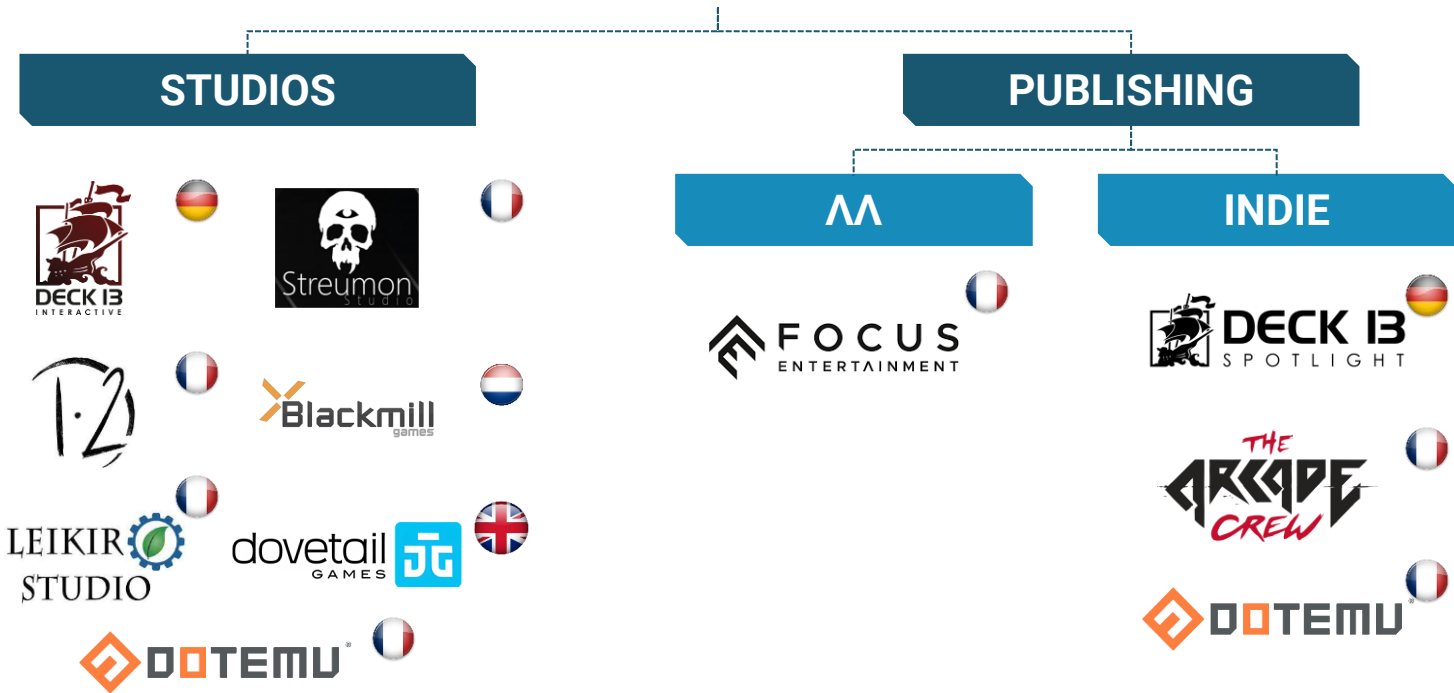


# ... in 2023, FOCUS ENTERTAINMENT is a federation of entrepreneurs with 2 strong pillars: developer / publisher

Breakdown of FOCUS ENTERTAINMENT Talents



**590 Talents<sup>1</sup>**  
**>65% of the Group talents now work in Development**



**7 studios**  
**4 Publishing labels**

<sup>1</sup> as of today

# ZOOM ON EXTERNAL GROWTH SINCE 2020



SINCE

Jun. 20

Apr. 21

Sep. 21

Oct. 21

Feb. 22

Sep. 22

Apr. 23

Jun. 23

COUNTRY



TALENTS<sup>1</sup>

94

21

42

17

24

8

160

To be announced

TYPE

Studio

Studio

Studio  
Publisher

Studio

Studio

Studio

Studio

Studio

GENRE

ARPG  
Souls-like

FPS

Retro  
Beat them all

Action  
Adventure

Strategy  
Tactical

FPS

Simulation

To be announced

MAIN  
GAMES  
(Launched)



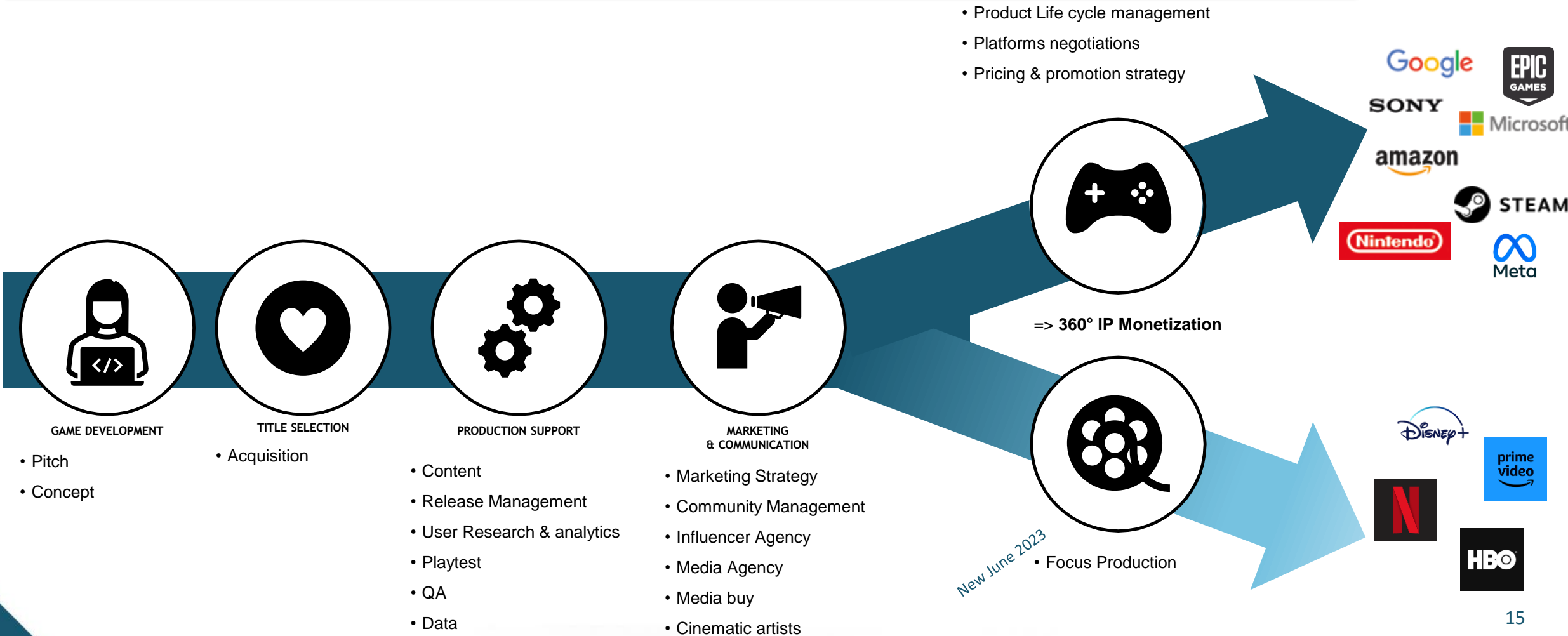
<sup>1</sup> as of today

# FOCUS ENTERTAINMENT LEVERAGES ITS UNIQUE KNOW-HOW FOR BOTH EXTERNAL & GROUP STUDIOS



## EXTERNAL STUDIOS

## GROUP STUDIOS





**VIDEO**  
**2022-2023 A RECORD YEAR IN REVIEW**

[Click here](#)





# KEY HIGHLIGHTS & FINANCIAL PERFORMANCE

# RECORD YEAR WITH 11 RELEASES ACROSS THE GROUP



## 2 NEW ASSOCIATED STUDIOS



Own-IP  
Franchises



Own-IP Franchises  
Recurring business  
model

September 2022

April 2023





## REVENUE

€ 194.1m

YoY +36%

5Y CAGR +11%

## EBITA

€ 28.4m

YoY +115%

5Y CAGR +19%

## EBITDA

€ 60.3m

YoY +43%

5Y CAGR +12%

## GAME INVESTMENT

€ 65.1m

YoY +79%

5Y CAGR +17%

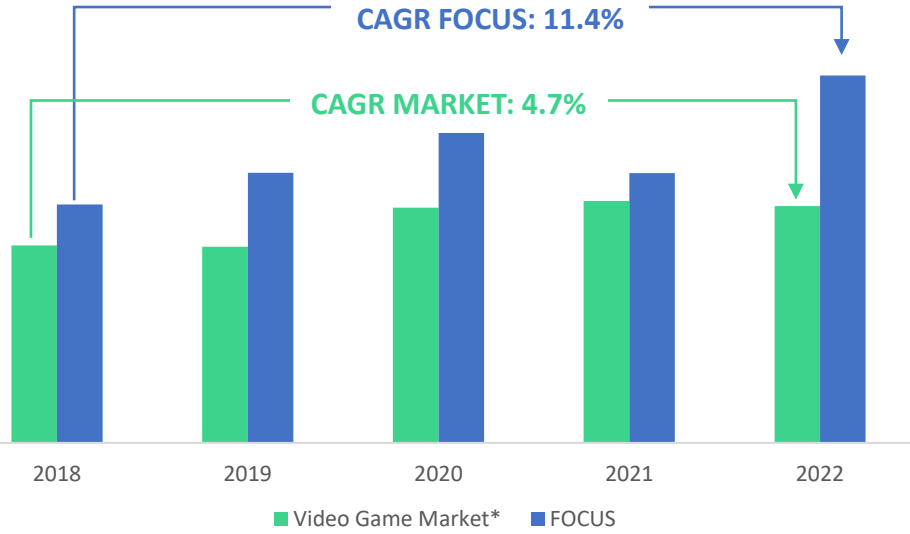
- **All-time high revenue** driven by
  - Success of the new titles: **Teenage Mutant Ninja Turtles: Shredder's Revenge**, **A Plague Tale: Requiem**, **Evil West**, **Atomic Heart**
  - Long-lasting contribution of **SnowRunner**, launched in April 2020, & **Insurgency: Sandstorm**, launched in December 2018, thanks to live content.
- **All-time high EBITA value and margin at 15%** driven by a **37% Gross Margin**
- **Continuous investment fueling future organic growth** and securing 46 games to be launched within the next 3 years.



# FY 2022/23 – ALL TIME HIGH REVENUE at €194.1m



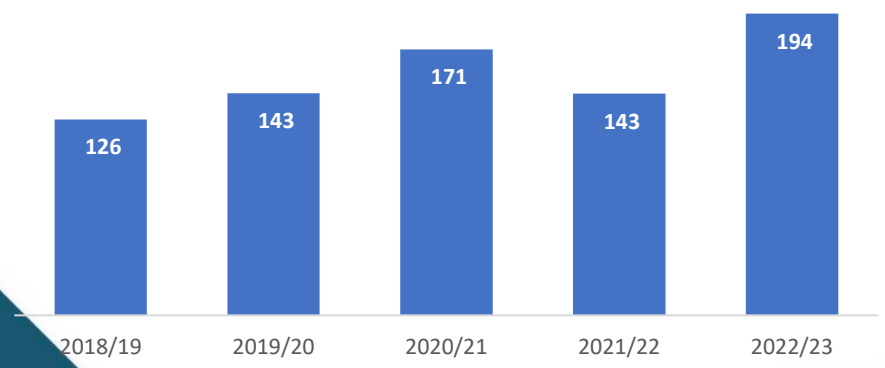
## Video Game market growth vs FOCUS ENTERTAINMENT



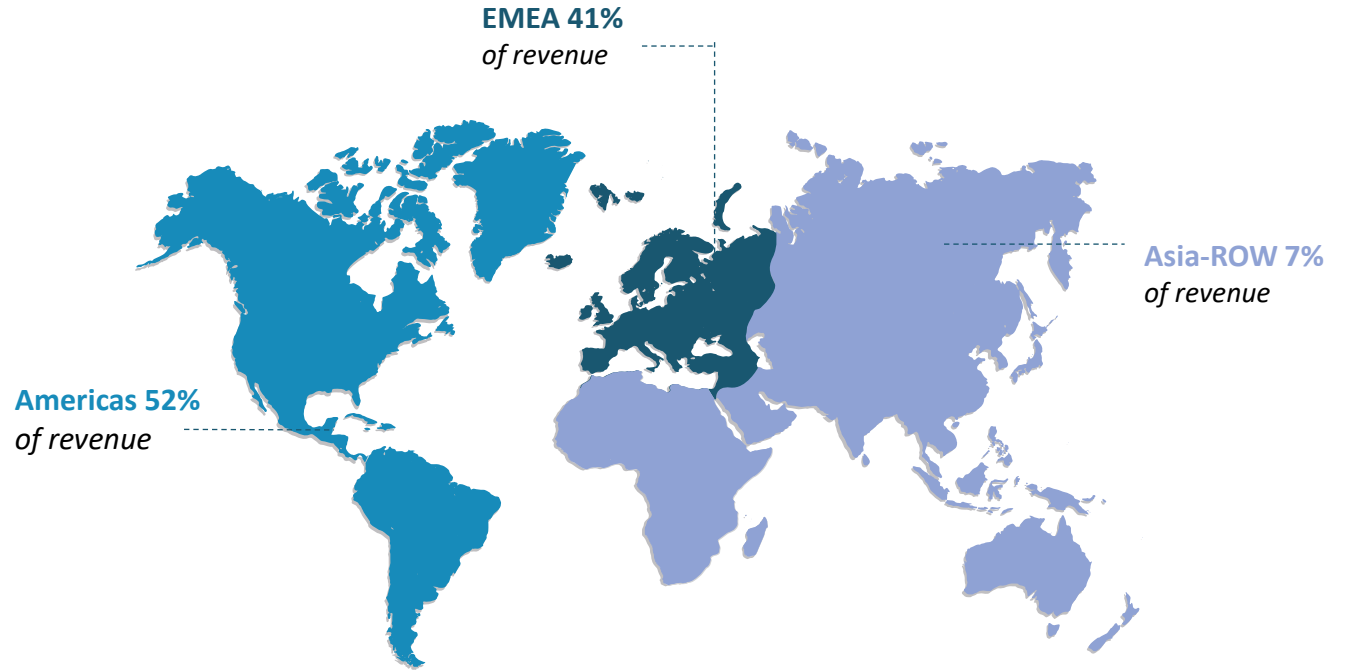
Source: NewZoo PC & Console Gaming Report and Forecast | January 2023 | Base 100 2017

Delivering 2.4x the PC & Console market growth over 5y

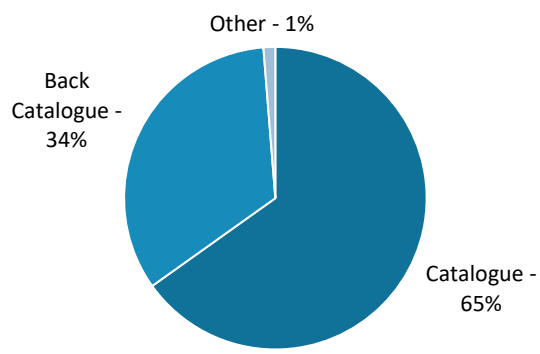
## FOCUS ENTERTAINMENT Revenue €m



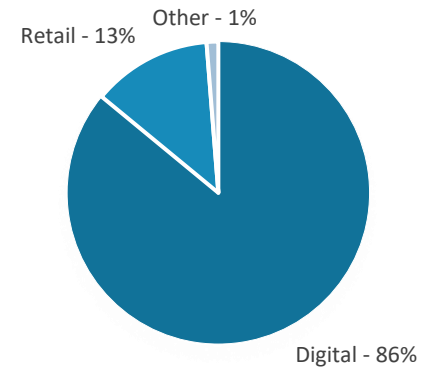
## FOCUS ENTERTAINMENT Gamers by geography



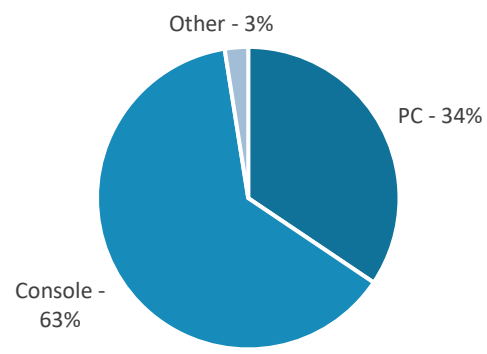
## Catalogue vs Back-Catalogue



## Digital vs Retail



## Console vs PC



# FY 2022/23 – HIGHEST OPERATING PROFIT EVER at €28.4m – REVENUE TO EBITA



	FY 2022/23	FY 2021/22	Variation
<b>Revenue</b>	<b>194.1</b>	<b>142.6</b>	<b>51.5</b>
<b>Gross margin<sup>1</sup></b>	<b>72.6</b>	<b>42.2</b>	<b>30.3</b>
Production costs	(12.3)	(7.7)	(4.6)
Sales and marketing costs	(23.6)	(13.1)	(10.4)
General and administration costs	(10.0)	(8.4)	(1.6)
Other operating income (expenses)	1.7	0.1	1.5
<b>EBITA<sup>2</sup></b>	<b>28.4</b>	<b>13.2</b>	<b>15.3</b>

<b>EBITA</b>	<b>28.4</b>	<b>13.2</b>	<b>15.3</b>
D&A and provisions	(31.9)	(29.0)	(2.9)
<b>EBITDA<sup>3</sup></b>	<b>60.3</b>	<b>42.1</b>	<b>18.2</b>

## 37% Gross margin<sup>1</sup> rate, improving YoY:

- Success of current year releases
- While 2021/22 impacted by contrasted success of games

## Operating costs increase YoY driven by:

- 11 titles released in 2022/23 versus 8 last year
- Significant Marketing investment for 3 games
- Reinforcement of Development and Data teams to support Group's ambitions
- Impact of integration of studios acquired since April 1, 2021

**EBITA<sup>2</sup> at 2.2x vs last year at €28.4m – 15% of revenue an all time high**

**EBITDA<sup>3</sup> stands at €60.3m, i.e. 31% of revenue, improved rate YoY**

<sup>1</sup> The Group defines its Gross Margin as the difference between revenues, cost of sales and game development costs. The amortization of intangible assets identified in connection with business combination is not included in gross margin.

<sup>2</sup> The Group defines Adjusted EBIT ("EBITA") as income of integrated companies, before amortization of goodwill, before amortization of intangible assets identified in a business combination, plus research tax credit / video games tax credit

<sup>3</sup> The Group defines EBITDA as the EBITA before depreciation, amortization and operating provisions

# FY 2022/23 – SOLID BALANCE SHEET



**Intangible Assets related to games** represent €118m compared to €79.4m in 2022/21

**Goodwill increase** resulting from acquisitions of BlackMill Games and an Influencer Agency

**Cash & cash equivalents** is €72.2m

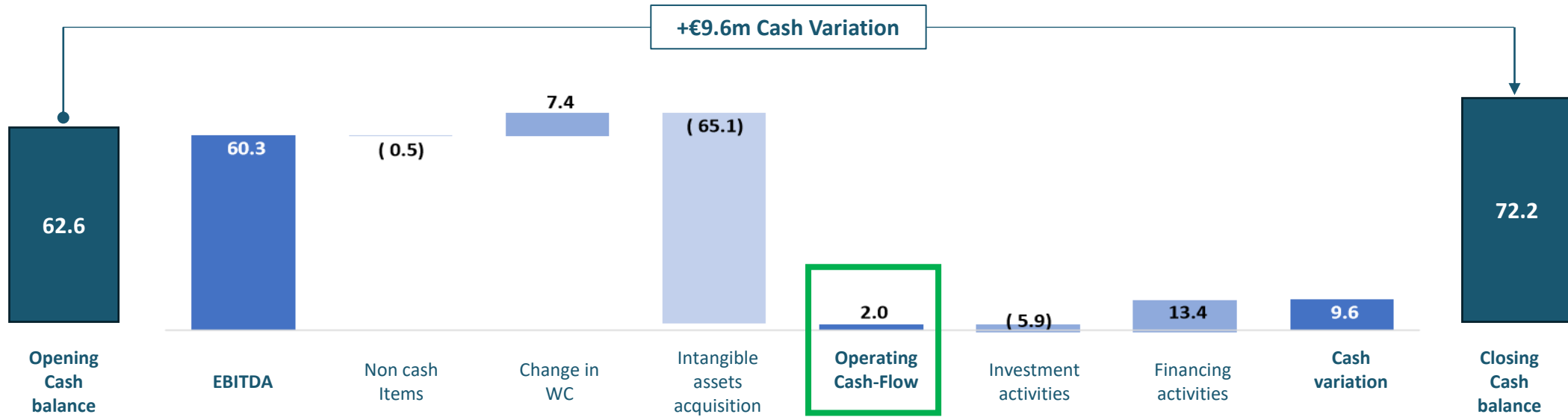
**Equity increase of €10.8m** resulting from current year net income

**The financial debt is at €83.1m** on March 31<sup>st</sup>, 2023 –  
In July 2022, €20m credit line was drawn  
In April 2023, €20m credit line was drawn for Dovetail acquisition.  
As of today, confirmed undrawn credit line is €40.5m

**Trade payables** increase mainly due to the late launch of Atomic Heart – royalties and marketing - and to additional highly probable earn outs

**Net debt stands at €27.3m** (including payables related to Earn outs) versus €14m a year ago

# FY 2022/23 – POSITIVE OPERATING CASH FLOWS



- WCR variation mainly due to one-time effects
- Highest ever investment fueling future organic growth
- Positive Operating Cash Flow
- Continued external growth strategy
- €20m credit line drawn in July 2022
- Closing Cash position on March 31<sup>st</sup>, 2023 is at €72.2m

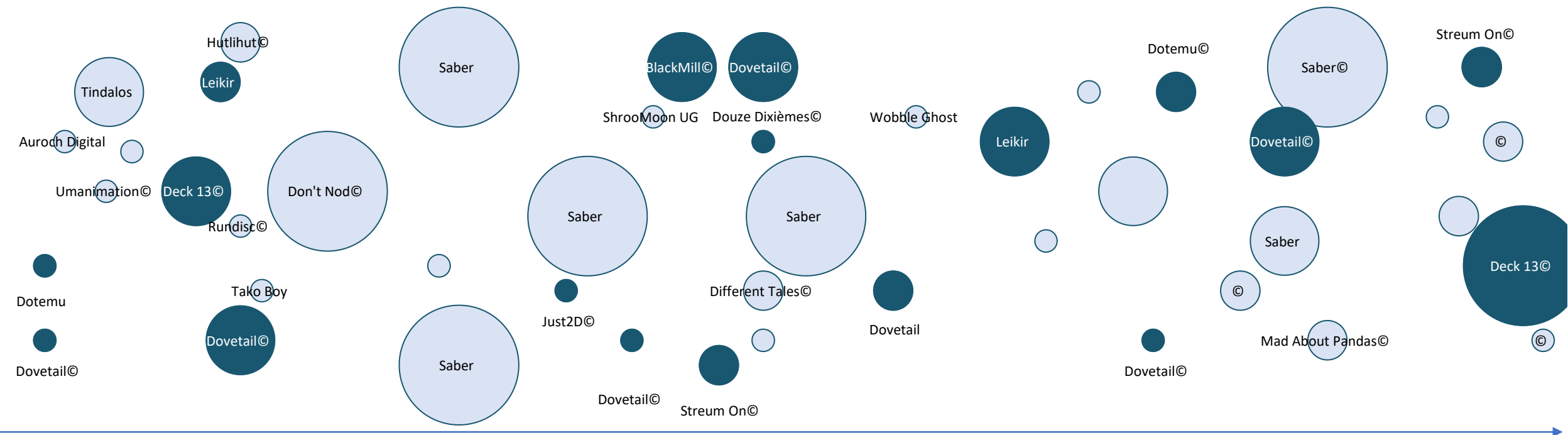




# OUTLOOK



# LIFETIME POTENTIAL REVENUE OF GAMES TO BE LAUNCHED OVER THE NEXT 3 YEARS



01/04/2023

**Legend:**

- Lifetime Potential Revenue**
  - Large circle: > €50m
  - Medium circle: >€10m to <€50m
  - Small circle: <€5m
- Group Studio** (Dark Blue)
- Co-IP or Own-IP** (Light Blue)

**24 projects in Co & Own IP out of 46 to be launched in the next 3 years**



Most ambitious ever portfolio of new games, **46 games to be launched in the next 3 years**

Out of the revenue lifetime, **close to 50%** is expected to come from **owned IP** (25%) or **co-owned IP** (22%) games.

And new **M&A operations** could accelerate the shift towards more IP

2023/24 will already be marked by 3 key launches – 2 being owned/co-owned IP  
***Atlas Fallen** a 100% owned IP developed by Deck13, a Group Studio*  
***Banishers: Ghosts of New Eden** a co-owned IP with Don't Nod Studio*  
***Space Marine 2**, an iconic license and the largest investment of the Group*



**By 2026**, while revenue generated by Own / Co Own IP games will increase, the strong revenue growth, at constant perimeter, will mainly come from Publishing portfolio. Revenue growth will drive gross margin, EBITA and EBITDA.

**In the future**, generate 50% of our revenue through own/co own IPs thus, improving product mix which will drive gross margin and EBITA/EBITDA rates.

# ATLAS FALLEN

DECK13 INTERACTIVE  
OWN-IP

RELEASE DATE:

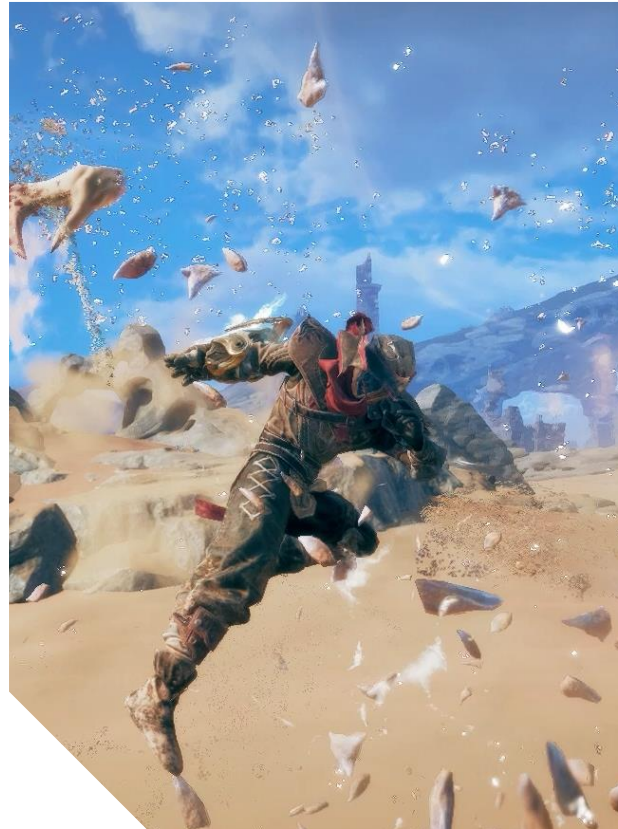
AUGUST 10, 2023

PLATFORMS:

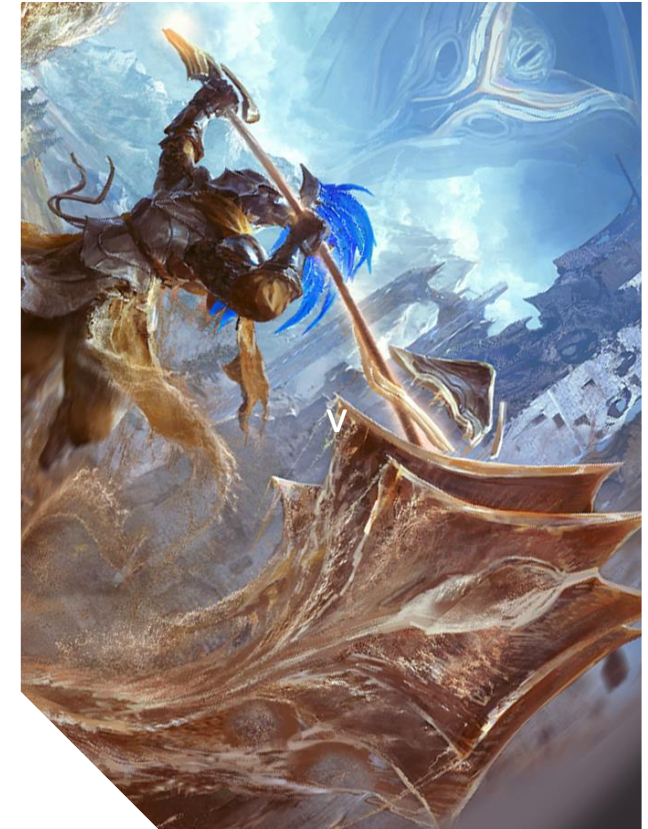
PS5 | XSX | PC



**BRAND NEW IP WITH A  
UNIQUE SETTING**



**POPULAR GAME GENRE  
3<sup>RD</sup> PERSON ACTION RPG**



**INNOVATIVE GAME  
MECHANICS**

SUPER-HEROIC, BOMBASTIC COOP ACTION-RPG FROM MELEE COMBAT VETERANS DECK13

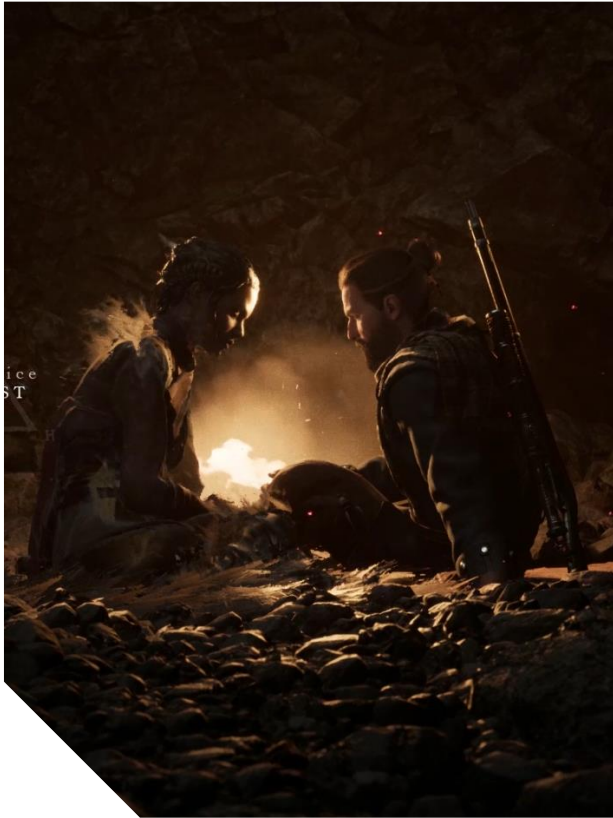


# BANISHERS: GHOSTS OF NEW EDEN

DON'T NOD  
CO-IP

RELEASE WINDOW: H2 2022/23

PLATFORMS: PS5 | XSX | PC



**BRAND NEW, CO-OWNED IP  
WITH STATE-OF-THE-ART  
STORYTELLING**



**3<sup>RD</sup> PERSON ACTION RPG  
WITH INNOVATIVE  
FEATURES**



**MOST AMBITIOUS PROJECT  
TO DATE FROM A CRITICALLY  
ACCLAIMED STUDIO**

THE HIGHLY AMBITIOUS SPIRITUAL SUCCESSOR TO THE HIT ACTION-RPG VAMPYR

**SPACE MARINE 2**  
SABER INTERACTIVE

**RELEASE WINDOW:** H2 2022/23  
**PLATFORMS:** PS5 | XSX | PC



**THE MOST ANTICIPATED  
FOCUS TITLE EVER**



**CONSTANT SPECTACLE,  
BEST-IN-CLASS GAME FEEL**



**LONG TERM SUPPORT  
PLANNED AFTER RELEASE**

THE LONG-AWAITED RETURN OF A LEGENDARY FRANCHISE



## **VIDEO UPCOMING GAMES**

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# Q&A





# APPENDIXES

# FY 2022/23 P&L AND EBITDA



(in millions of euros)	FY 2022 2023 31/03/2023		FY 2021 2022 31/03/2022		Variation %
<b>Revenue</b>	<b>194.1</b>	100%	<b>142.6</b>	100%	<b>36%</b>
<b>Gross margin<sup>1</sup></b>	<b>72.6</b>	37%	<b>42.2</b>	30%	<b>72%</b>
Production costs	(12.3)		(7.7)		60%
Sales and marketing costs	(23.6)		(13.1)		79%
General and administration expenses	(10.0)		(8.4)		19%
Other operating income (expenses)	1.7		0.1		
<b>EBITA<sup>2</sup></b>	<b>28.4</b>	15%	<b>13.2</b>	9%	<b>116%</b>
Amortization of goodwill and of intangible assets identified through business combination	(9.3)		(4.0)		131%
Financial income (expenses)	(3.3)		(1.7)		94%
Exceptional income (expenses)	(0.2)		(1.3)		-85%
Income tax	(5.3)		(3.0)		76%
<b>Consolidated net income</b>	<b>10.3</b>	5%	<b>3.1</b>	2%	<b>235%</b>
Minority interests	(3.0)		(0.1)		
<b>Group net income</b>	<b>7.3</b>	4%	<b>3.0</b>	2%	<b>145%</b>
<b>EBITA</b>	<b>28.4</b>	15%	<b>13.2</b>	9%	<b>116%</b>
D&A and provisions	(31.9)		(29.0)		10%
<b>EBITDA<sup>3</sup></b>	<b>60.3</b>	31%	<b>42.1</b>	30%	<b>43%</b>

<sup>1</sup> The Group defines its gross margin as the difference between revenues, cost of sales and game development costs. The amortization expense of intangible assets identified in connection with business combination is not included in gross profit.

<sup>2</sup> The Group defines Adjusted EBIT ("EBITA") as income of integrated companies., before amortization of goodwill, before amortization of intangible assets identified in a business combination, plus research tax credit / video games tax credit

<sup>3</sup> The Group defines EBITDA as the EBITA before depreciation, amortization and operating provisions

# FY 2022/23 – BALANCE SHEET



(in millions of euros)	31/03/2023	31/03/2022
<b>ASSETS</b>		
Intangible assets	118.3	81.1
Goodwill	71.8	68.7
Property, plant & equipment	0.7	0.8
Financial assets	1.2	1.2
<b>Total Non-Current Assets</b>	<b>192.0</b>	<b>151.9</b>
Inventory and works in progress	0.9	0.9
Trade receivables	27.4	13.4
Other receivables, accruals and deferrals	14.2	22.4
Financial futures instruments	0.5	-
Cash and cash equivalents	72.2	62.6
<b>Total Current Assets</b>	<b>115.1</b>	<b>99.2</b>
<b>Total Assets</b>	<b>307.1</b>	<b>251.0</b>

(in millions of euros)	31/03/2023	31/03/2022
<b>EQUITY &amp; LIABILITIES</b>		
Capital	7.8	7.8
Share premium	90.3	90.2
Reserves	35.0	32.7
Profit(loss)	7.3	3.0
<b>Total Equity (attributable to the group)</b>	<b>140.3</b>	<b>133.6</b>
<b>Minority Equity</b>	<b>5.7</b>	<b>1.6</b>
Provisions	0.8	0.9
Borrowings and financial debt	83.1	66.1
Trade payables	35.2	19.0
Financial futures instruments	0.0	-
Other payables, accruals and deferrals	42.0	29.7
<b>Total Liabilities</b>	<b>307.1</b>	<b>251.0</b>

# FY 2022/23 – CASH FLOWS



<b>CASH FLOWS</b> (in millions of euros)	<b>FY 2022/23</b> 31/03/2023	<b>FY 2021/22</b> 31/03/2022
<b>Net income of consolidated companies</b>	<b>10.3</b>	<b>3.1</b>
Net change in D&A and provisions	41.1	33.1
Gains (losses) from disposals	0.1	0.0
Financial charges	2.8	0.6
Intangible assets acquisition	(65.1)	(36.4)
Change in deferred taxes	(0.3)	0.3
Change in working capital	13.1	(9.3)
<b>Net cash provided by (used in) operating activities</b>	<b>2.1</b>	<b>(8.6)</b>
Purchases of property, plant, equipment and financial assets	(0.4)	(0.4)
Other purchases net of disposed financial assets	(0.0)	0.3
Net cash resulting from change in perimeter	(5.5)	(59.1)
<b>Investing cash flow</b>	<b>(5.9)</b>	<b>(59.2)</b>
Capital increase	0.0	68.8
Debt increase/(decrease)	14.2	50.0
Other changes in shareholders' equity	(0.9)	(7.9)
<b>Financing cash flow</b>	<b>13.4</b>	<b>110.9</b>
Effect of exchange rate changes	0.0	0.0
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>9.6</b>	<b>43.1</b>
Cash and cash equivalents at beginning of period	62.6	19.5
Cash and cash equivalents at end of period	72.2	62.6

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