



**HALF YEAR 2022 2023 RESULTS**  
**(EURONEXT: ALFOC)**

December 15<sup>th</sup>, 2022



## ROBUST PERFORMANCE, IN LINE WITH GROUP EXPECTATIONS

Group total **H1 revenues at 65.5 million euros**, supported by the very successful launch of **Teenage Mutant Ninja Turtles: Shredder's Revenge**, the performance of the back catalog held up well and first contribution of **BlackMill Games**

Strong increase in **gross margin at 25.1 million euros**, or 38% of revenues

**EBITA at 10.9 million euros** or 17% of revenues

**EBITDA at 18.9 million euros**

TEENAGE MUTANT NINJA  
TURTLE: SHREDDER'S REVENGE  
TRIBUTE GAMES



DOTEMU

A PLAGUE TALE: REQUIEM  
ASOBO STUDIO



FOCUS SERIES

EVIL WEST  
FLYING WILD HOG



FOCUS SERIES

Successful launches of **A Plague Tale: Requiem** (October 18) and **Evil West** (November 22<sup>nd</sup>)

Confirming Focus' positioning and legitimacy for ambitious and high-quality games.

At the end of November, in line with our expectations.

# S1 2022/23 – P&L AND EBITDA



| (in millions of euros)   | H1 2022 2023<br>30/09/2022 |      | H1 2021 2022<br>30/09/2021 |      |
|--|----------------------------|------|----------------------------|------|
| <b>Revenue</b>   | <b>65.5</b>                | 100% | <b>85.1</b>                | 100% |
| <b>Gross margin</b>  | <b>25.1</b>                | 38%  | <b>21.9</b>                | 26%  |
| Production costs   | (5.3)                      |      | (2.8)                      |      |
| Sales and marketing costs  | (4.9)                      |      | (7.9)                      |      |
| General and administration expenses  | (4.4)                      |      | (4.1)                      |      |
| Other operating income (expenses)  | 0.5                        |      | 0.2                        |      |
| <b>EBITA</b>   | <b>10.9</b>                | 17%  | <b>7.3</b>                 | 9%   |
| Amortization of goodwill and amortization of intangible assets identified through business combination | (5.0)                      |      | -                          |      |
| <b>EBIT</b>  | <b>6.0</b>                 | 9%   | <b>7.3</b>                 | 9%   |
| Financial income (expenses)  | (0.6)                      |      | (0.3)                      |      |
| Exceptional income (expenses)  | (0.1)                      |      | (0.1)                      |      |
| Income tax   | (2.2)                      |      | (1.4)                      |      |
| <b>Consolidated net income</b>   | <b>3.1</b>                 | 5%   | <b>5.5</b>                 | 6%   |
| Minority interests   | (1.7)                      |      | (0.1)                      |      |
| <b>Group net income</b>  | <b>1.4</b>                 | 2%   | <b>5.5</b>                 | 6%   |
| <b>EBITA</b>   | <b>10.9</b>                | 17%  | <b>7.3</b>                 | 9%   |
| D&A and provisions   | (8.0)                      |      | (23.4)                     |      |
| <b>EBITDA</b>  | <b>18.9</b>                | 29%  | <b>30.7</b>                | 36%  |

## KEY TAKEAWAYS

**H1 revenue** at €65.5m. Successful launch of **Teenage Mutant Ninja Turtles: Shredder's Revenge** and to a lesser extent full Release of **Hardspace : Shipbreaker** and release of **Isonzo** from **BlackMill Games**  
YoY comparison suffers from a demanding base with several big launches in Q2 2021/22 (**Insurgency: Sandstorm** released on consoles, **Necromunda: Hired Gun**, the release of **Snowrunner** on Steam and **Aliens: Fireteam Elite...**)

**Gross margin<sup>1</sup>** rate at 38%, improving YoY :

- Success of **Teenage Mutant Ninja Turtles: Shredder's Revenge**
- Overall product mix with a larger back-catalog contribution
- H1 2021/22 impacted by contrasted success of games released

**Operating costs stable vs H1 2021/23 levels**

Marketing and production 1/3 party costs are decreasing due to fewer launches this year. This is offset by the reinforcement of production and marketing teams to support Group's ambitions and the integration of studios acquired since Sept 30, 2021 .

**EBITA<sup>2</sup>** at €10.9m in S1 2022/23 increasing by almost 50% compared to S1 2021/22

**EBIT<sup>3</sup>** at €6m in S1 2022/23 including €5m of amortization of goodwill and amortization of intangible assets identified through business acquisition

**EBITDA** stands at €18,9m, i.e. 29% of revenue

<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 the income from operations of consolidated companies before amortization of goodwill and before amortization of intangible assets identified in connection with business combinations.

<sup>3</sup> The Group defines EBIT as income of integrated companies.

# S1 2022/23 – BALANCE SHEET



| (in millions of euros)                    | 30/09/2022   | 31/03/2022   |
|---|--------------|--------------|
| <b>ASSETS</b>                             |              |              |
| Intangible assets                         | 111.1        | 81.1         |
| Goodwill                                  | 69.9         | 68.7         |
| Property, plant & equipment               | 0.8          | 0.8          |
| Financial assets                          | 1.3          | 1.2          |
| <b>Total Non-Current Assets</b>           | <b>183.0</b> | <b>151.9</b> |
| Inventory and works in progress           | 1.5          | 0.9          |
| Trade receivables                         | 13.9         | 13.4         |
| Other receivables, accruals and deferrals | 19.9         | 22.4         |
| Cash and cash equivalents                 | 65.7         | 62.6         |
| <b>Total Current Assets</b>               | <b>100.9</b> | <b>99.2</b>  |
| <b>Total Assets</b>                       | <b>284.0</b> | <b>251.0</b> |

| (in millions of euros)                          | 30/09/2022   | 31/03/2022   |
|---|--------------|--------------|
| <b>EQUITY &amp; LIABILITIES</b>                 |              |              |
| Capital   | 7.8          | 7.8          |
| Share premium                                   | 90.2         | 90.2         |
| Reserves  | 35.0         | 32.7         |
| Profit(loss)                                    | 1.4          | 3.0          |
| <b>Total Equity (attributable to the group)</b> | <b>134.5</b> | <b>133.6</b> |
| <b>Minority Equity</b>                          | <b>3.6</b>   | <b>1.6</b>   |
| Provisions                                      | 1.1          | 0.9          |
| Borrowings and financial debt                   | 84.6         | 66.1         |
| Trade payables                                  | 32.6         | 19.0         |
| Other payables, accruals and deferrals          | 27.6         | 29.7         |
| <b>Total Liabilities</b>                        | <b>284.0</b> | <b>251.0</b> |

## KEY TAKEAWAYS

**Intangible Assets** related to Games represent €109.9m compared to €79,4m 6 months before, +38% since March 2022

**Goodwill** is composed by the 5 studios acquired prior to 31/03/2022 (Deck13, StreumOn Studio, Dotemu, Douze-Dixièmes & Leikir Studio) and BlackMill Game on September 13th, 2022. The goodwill is amortized over 10 years.

**Total Equity** is rather stable vs March 31, 2022

**The financial debt** is at €84.6m – a €20m credit line was drawn in July 2022.

**Trade payables** have increased significantly mainly due to one time effect, among others Teenage Mutant Ninja Turtles: Shredder's Revenge royalties to be paid in S2.

**Cash & cash equivalents** is €65,7m and the group still has an undrawn confirmed credit line of €60,5m

**Net debt\*** stands at €30.7m versus €14m as of March 31, 2022

*\*includes cash & cash equivalents, financial debt and payables related to highly probable earn outs*

# S1 2022/23 – CASH FLOWS



| CASH FLOWS<br>(in millions of euros)                         | 30.09.2022<br>H1 2022/23 | 31.03.2022<br>FY 2021/22 |
|--|--------------------------|--------------------------|
| <b>Net income of consolidated companies</b>                  | <b>3.1</b>               | <b>3.1</b>               |
| Net change in D&A and provisions                             | 13.0                     | 33.1                     |
| Gains (losses) from disposals                                | -                        | 0.0                      |
| Financial charges  | 1.0                      | 0.6                      |
| Intangible assets acquisition                                | (37.5)                   | (36.4)                   |
| Change in deferred taxes                                     | (0.1)                    | 0.3                      |
| Change in working capital                                    | 11.2                     | (9.3)                    |
| <b>Net cash provided by (used in) operating activities</b>   | <b>(9.4)</b>             | <b>(8.6)</b>             |
| Purchases of property, plant, equipment and financial assets | (0.1)                    | (0.4)                    |
| Other purchases net of disposed financial assets             | (0.1)                    | 0.3                      |
| Net cash resulting from change in perimeter                  | (4.1)                    | (59.1)                   |
| <b>Investing cash flow</b>                                   | <b>(4.3)</b>             | <b>(59.2)</b>            |
| Capital increase   | -                        | 68.8                     |
| Debt increase/(decrease)                                     | 17.5                     | 50.0                     |
| Other changes in shareholders' equity                        | (0.8)                    | (7.9)                    |
| <b>Financing cash flow</b>                                   | <b>16.7</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>3.1</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                   | 65.7                     | 62.6                     |

## KEY TAKEAWAYS

**Intangible Assets Acquisition:** The group invested already €37.5m in H1 2022/23 for the game's development, same as the €36.4m invested in FY 2021/22.

This acceleration is driven by some catch-up of delays in development in FY 2021/22 but even more by the ambitious line-up under development.

**WCR variation** is positive due to some one-time effects

Continued external **growth strategy** with investment in BlackMill Games

The Group drew a €20m credit line in July 2022.

**Cash position** at sept 30 2022 is close to March 2022, at €65,7m



## KEY TAKEAWAYS

Successful launches of **A Plague Tale : Requiem** on October 18<sup>th</sup> and **Evil West** on November 22<sup>nd</sup>

**Fierce Competition** lately with the release of new opus of well-established franchises (God of War, Fifa Call of Duty, Gotham Knights, Sonic Frontiers...)

**Excellent quality reception**

Enabling to be **on track at the end of November** with our roadmap

Next milestones are the upcoming **Christmas Season** and then the launch of **Atomic Heart** next February to complete our 2022/23 roadmap.

Then, 2023/24 fiscal year will be marked by ambitious launches, such as

**Atlas Fallen**, a new franchise developed by the group's studio Deck13

**Aliens: Dark Descent** developed by Tindalos

**Banishers: Ghost of New Eden**, a new franchise co-owned with Don't Nod

**Warhammer 40,000: Space Marine 2**

a new co-production resulting from the collaboration with Saber to be unveiled at E3 next year

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THANK YOU