

FIRST HALF OF FY 2018/19: SALES OF 106.0 M€ DOWN BY 3.7%

- CLEAR INCREASE OF GAMING SALES
- HIGH COMPARISON BASIS FOR THE MOBILE AND AUDIO BUSINESSES
- STRONG IMPROVEMENT OF OPERATING PROFIT EXPECTED IN FIRST-HALF

1 st Quarter	2018/19	2017/18	Change
1 st Quarter	48.7	47.1	+3.3%
2 nd Quarter	57.3	62.9	-8.9%
<i>Of which :</i>			
<i>Gaming</i>	24.0	22.5	+ 6.3%
<i>Mobile</i>	26.9	31.6	-14.8%
<i>Audio</i>	6.5	8.8	-26.9%
1st Half year	106.0	110.0	-3.7%
<i>Of which :</i>			
<i>Gaming</i>	47.5	37.2	+ 27.5%
<i>Mobile</i>	48.0	58.2	-17.7%
<i>Audio</i>	10.5	14.6	-27.7%

Non audited data

Further growth of Gaming in the 2nd quarter of FY 2018/19

Bigben posted 57.3 M€ sales in the 2nd quarter 2018/19 (July, August, September 2018), down 8.9%. Within a comparable scope of consolidation, excluding the acquisition of the Cyanide development studio on June 20, 2018, the decrease reaches 10.7%. This trend is linked to a high comparison basis, the previous year having experienced a 34.2% increase in the second quarter.

Therefore activity showed a mixed evolution in the 2nd quarter of FY 2018/19 with, on the one hand, an increase in sales in the strategic Gaming segment and, on the other hand, a decrease in Mobile and Audio businesses.

GAMING

The Gaming business generated 24.0 M€ sales in the 2nd quarter, up 6.3% when compared to the 2nd quarter of the previous year.

- **Video games:** Quarterly sales rose to 11.9 M€, a sharp increase of 16.4%. Activity benefited from the release of the *Warhammer Inquisitor Martyr* and *V-Rally 4* titles in this quarter. Despite initial technical difficulties *Tennis World Tour®* confirmed a good commercial launch and has already registered very significant digital revenues. Digital sales thus experienced a 67% increase in the second quarter.
- **Accessories:** The Gaming Accessories segment, focused on the sales of *NACON™* branded products and the launch of *REVOLUTION Pro Controller 2* in Japan achieved 12.1 M€ sales in the 2nd quarter, slightly down by 2.0% when compared to the second quarter of previous FY. The latter had indeed benefited from the launch of the *REVOLUTION Pro Controller 2* for *PS4™* in Europe and thriving sales of accessories for the *Nintendo Switch™* console format.

MOBILE

Accessories for Mobile phones posted 26.9 M€ sales in the second quarter, down 14.8% due to a strong base effect and a weak market for smartphones. This sales trend has been partially offset by the recurrent success of the *Force Glass®* (protection screens) and *Force Case®* (protective shells) brands as well as by the successful launch of the new *Force Power®* brand (full range of high performance chargers and cables for smartphones) in September 2018. The *Force®* range thus increased by 31% in the 2nd quarter.

AUDIO

In a still sluggish market, Audio sales of 6.5 M€, down 26.9%, were impacted by a high comparison base in the 2nd quarter 2017/18 hallmarked by significant non-recurrent sales.

Mixed activity in the first-half of current FY

Consolidated sales of the Bigben group amounted to 106.0 M€ for the first half of FY 2018/19 (from 1 April to 30 September 2018) down 3.7% when compared with the first half of the previous financial year. The decrease is 5.9% within a comparable scope of consolidation.

The 27.5% increase in sales from the gaming segment validates the strategic decision to steer the group towards the high potential business of video game publishing.

Outlook

The group anticipates a gradual recovery in sales growth in the second half with an acceleration of activity in the fourth quarter and an increasing contribution from Gaming.

GAMING

In the second half of the year, Publishing will benefit from the release of several Bigben titles including *Farmer's Dynasty*. In this context, digital sales, a source of high added value, will continue to flourish. The Gaming accessories segment will be pulled by the launch of the *Daija Arcade Stick for PS4™* in Europe, as well as by the continued sales of *Nintendo SWITCH™* accessories and those of the *NACON™* and *Plantronics®* ranges.

MOBILE

Activity is expected to see the rise of the *Force®* range through its *Force Glass®*, *Force Case®* and *Force Power®* declinations in the coming quarters, supported by intensive multimedia marketing campaigns. On the other hand, internationalisation should represent a new growth driver for this segment in the future: the process of accompanying the group's clients in their international expansion has indeed allowed the Group to sign a new partnership with *Orange Spain* giving a privileged access to more than 1000 sales outlets and to connected retail offers.

AUDIO

In this flat market, the Group does not anticipate an increase of activity in the second half compared to the previous year despite the success of its products under the *Lumin'Us* home brand and the launch of new Induction products through its *Thomson* range.

Expected improvement of the current operating profit for the first half

Thanks to the strategy of the Group of going up-market in all its businesses which is reflected by a favorable evolution of its product mix, the current operating profit for the first half of Bigben should show a sharp improvement despite the sales decrease.

Annual targets

The improvement of its product mix allows Bigben to remain confident about its annual current operating profit target initially set in excess of 21 M€. However, in view of the current decline in Mobile and Audio sales, the Group reviews its annual sales target to a 240 M€ to 255 M€ range.

It should be noted that during the presentation of the 2018/19 first half results on 26 November, the Group will present its strategic plan to horizon 2022. It will not only integrate the synergies associated with the recent acquisitions of the *Cyanide*, *Kylotonn (KT Racing)* and *Eko Software* development studios but will also describe the evolutions of the economic model chosen by Bigben to adapt to its ever-changing markets.

Upcoming publication:

Half year results 2018 / 2019: Monday 26 November 2018

Press release after close of the stock market

ABOUT BIGBEN INTERACTIVE

SALES 2017-2018
245.4 M€

Bigben Interactive is a European player in video game development and publishing, in design and distribution of smartphone and gaming accessories as well as in audio products. The Group, which is recognized for its capacities in terms of innovation and creativity, intends to become one of Europe's leaders in each of its business segments.

HEADCOUNT
over 600 employees

Company listed on Euronext Paris, compartment B – Index : CAC SMALL – Eligible SRD long
ISN : FR0000074072 ; Reuters : BIGPA ; Bloomberg : BIGFP

INTERNATIONAL
12 subsidiaries and a distribution network in
100 countries

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