

2019/20 ANNUAL SALES UP 7.3% TO 263.5 M€

IMPACT OF THE COVID-19 CRISIS AT THE END OF Q4 2019/20

- Q4 2019/20 SALES: 51.1 M€ (-13.8%)
- NEW 2019/20 TARGET: CURRENT OPERATING PROFIT RATE ⁽²⁾ AROUND 9%.

CONFIRMATION OF TARGETS ANNOUNCED FOR 2022

IFRS – M€ Sales	2019/20	2018/19	Change
1 st Quarter	58.6	48.7	+20.3%
2 nd Quarter	68.5	57.3	+19.5%
3 rd Quarter ⁽¹⁾	85.4	80.3	+6.3%
4 th Quarter ⁽¹⁾	51.1	59.2	-13.8%
Of which Gaming	24.0	26.4	- 9.1%
Of which Mobile	21.2	27.3	-22.3%
Of which Audio	5.8	5.5	+5.6%
2019/2020 (12 months)	263.5	245.5	+7.3%
Of which Gaming	123.9	105.5	+17.4%
Of which Mobile	104.8	109.8	-4.5%
Of which Audio	34.8	30.2	+15.2%

(1) Non audited data

(2) Current Operating Margin = Current Operating Income rate = Current Operating Income as a percentage of sales.

Activity impacted by the Covid-19 crisis in the 4th quarter

In the 4th quarter of the 2019/20 financial year (from 1 January to 31 March 2020), business declined by 13.8%, mainly due to the exceptional consequences of the Covid-19 health crisis after five quarters of uninterrupted growth. The decline affected all markets relying on physical points of sale.

GAMING

Over the period under review, the Gaming business unit showed a slight decline of -9.1% to €24.0 M€.

- Sales of Games rose sharply to 15.6 M€ (compared with 8.5 M€ for the 4th quarter 2018/19) thanks to the boom in digital sales, which benefited in particular from the containment effect that “boosted” game sales. These sales have increased 2.7 fold over the period and represent a 11.0 M€ turnover over the quarter, compared to 4.1 M€ in the same quarter of the previous financial year. This increase in digital sales was supported by a strong back catalogue growing over the years. Concerning retail sales, the releases of *AO Tennis 2*, *Rugby 20*, *Overpass* and *TT Isle of Man 2* were in line with expectations.

- Sales of Accessories fell sharply (8.5 M€ vs. 17.9 M€ a year earlier) due to a product base effect (release in Q4 2018/19 of the two controllers *REVOLUTION Unlimited Pro Controller and Asymmetric Wireless for PS4™*). In addition, the closedown of numerous retail shops linked to the Covid-19 crisis also impacted accessory sales in the second half of March 2020.

AUDIO / TELCO

Audio-Telco sales recorded a 17.6 % decline to 27.0 M€ during the period under review and turnover slumped by near 90% in the second half of March due to the closedown of the main points of sale.

- Mobile sales (-22.3% to 21.2 M€) were impacted both by the closedown in March 2020 of telephone operator outlets and specialist retailers in the majority of European countries as well as by the launch of the new smartphones and their dedicated accessories which were also impacted by the lockdown measures. However the success of the *Force®* range of products, particularly *Force Glass®* and *Force Power®*, and the recent launch of the *Justgreen®* range limited the decline in quarterly sales.
- Audio sales were up by 5.6% (5.8 M€ vs. 5.5 M€) thanks to the good performance of the ranges of connected speakers until mid-March.

A 2019/20 year of growth driven by the good performance of the Gaming business unit

GAMING

In FY 2019/20, the Gaming business achieved sales of 123.9 M€ up 17.4% when compared to FY 2018/19, thanks to a strong momentum in the Games segment.

- Games generated annual sales of 70.9 M€, representing a 44.4% increase. This growth was driven by the success of numerous new games, including *Warhammer®: Chaosbane* and *WRC8*, which achieved a Metacritic rating of 79%. Digital sales continued to grow strongly, reaching 48.9 M€ compared to 20.3 M€ for the previous year. They thus represented 69.0% of Games sales, compared to 41.0% a year earlier. This growth is in line with market evolution and reached a peak end of March linked to the effects of population containment.
- Accessories posted 52.9 M€ sales, down 6.1 % over the previous fiscal year due to the absence of major releases of new accessories during the year apart from the *REVOLUTION Pro Controller 3 for PS4™*.

AUDIO / TELCO

- 2019/20 Mobile sales ended the fiscal year down slightly by 4.5% at 104.8 M€. Throughout the year, the mobile market underwent major changes with longer replacement times and a wait-and-see attitude linked to the announced arrival of 5G technology. This reduced consumer interest in new smartphones and accessories, but contributed to the good performance of products aimed at extending the lifespan of terminals such as the *Force Glass®* protective screens, or enabling more durable use such as the *Force Power®* lifetime guaranteed charger. The initial success of the *Justgreen®* range, which is aimed at a population concerned about its social and environmental responsibility, also helped to offset this market decline.
- In a market resolutely oriented towards connected objects, Audio sales recorded a 15.2% increase to 34.8 M€. This growth is driven by numerous new product launches in 2019/20 as well as the opening of new sales channels.

Target for 2019/20 Current Operating Income revised downwards

Due to the strong impact of the Covid-19 health crisis on business in the last quarter, the Group is no longer in a position to achieve the current operating margin ⁽²⁾ previously announced. Given the exceptional effects of this crisis, the company now anticipates a Current Operating Income rate ⁽²⁾ of around 9 % for FY 2019/20.

²⁾ Current Operating Margin = Current Operating Income rate = Current Operating Income as a percentage of sales.

Outlook: a 1st quarter 2020/21 under pressure but approached with confidence

Sales in the first quarter of 2020/21 will be affected by the exceptional consequences of the Covid-19 health crisis, the magnitude of the impact depending on the modalities for returning to normal life.

The Covid-19 crisis has a double impact: negative in the short run for Mobile and Gaming accessories as well as for Audio products but positive on digital sales of games. The cumulative impact is very negative on sales but much less adverse on the operating profit due to the higher margins achieved through digital sales.

In order to manage this situation as well as possible, the Group has been striving since the beginning of the crisis to minimize the direct effects on its operations and costs. The support services and development teams were largely put on teleworking, while the logistics warehouse adapted its workload to operate with a reduced team. Therefore Bigben has only resorted to short-time working for employees whose work has been suspended or deemed unsuitable for teleworking.

Procurement of accessories from suppliers has returned to normal. Bigben can rely on the momentum of its digital sales and has invested in the optimisation of its e-commerce sites dedicated to its main product ranges.

No major development delay is currently anticipated in the release schedule of the new games planned in its line-up for 2020/2021.

The Group is already preparing, with the help of its customers and supply partners, a targeted plan of action that will enable it to approach the deconfinement period in the most effective way possible. This plan includes in particular the development of new accessories, the opening of new distribution channels for Audio products, new *Justgreen®* product ranges and dedicated promotional campaigns to boost the distribution of physical products as soon as retail stores reopen. Further to the agreement reached with "Poly" (Plantronics Inc.) in the last quarter of 2019/20 relating to the purchase of its gaming headsets and the *RIG™* premium brand, the Group will also deploy *RIG™* headsets in the USA and in Australia.

The Group does not anticipate any cash-flow difficulties in the coming months: its Gaming business unit has significant cash resources related to the recent Initial Public Offering of Nacon while the Audio/Telco entities will finance their working capital requirements for the first half of 2020/21 through loans guaranteed by the French State.

Finally, the Group is maintaining the targets linked to its "BIGBEN 2022" plan, with sales for the 2021/22 financial year in excess of €350 million and a Current Operating Margin⁽²⁾ in excess of 12%.

The company will disclose its projections for FY 2020/2021 while releasing its FY 2019/2020 year-end results on May 25, 2020.

(2) Current Operating Margin = Current Operating Income rate = Current Operating Income as a percentage of sales.

Next publication:

Annual Results 2019/20: 25 May 2020

Press release after close of the Paris stock exchange

ABOUT BIGBEN INTERACTIVE

SALES 2019-2020
263.5 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 markets

HEADCOUNT
Near 650 employees

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

INTERNATIONAL
21 subsidiaries and a distribution network in 100 countries
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