

STRONG INCREASE OF 2019/20 INTERIM RESULT
CURRENT OPERATING PROFIT: 13.4 M€ (+ 53.7%)
NET PROFIT: 8.3 M€ (+35.9%)

ANNUAL TARGETS: 2019/20 UPWARD REVISION OF CURRENT OPERATING MARGIN TO 11%
BIGBEN 2022 PLAN: 2021/22 UPWARD REVISION OF CURRENT OPERATING MARGIN > 12%

GAMING BUSINESS UNIT: FINALISATION OF ASSET CONCENTRATION UNDER THE NACON LEGAL ENTITY AND PLANNED INITIAL PUBLIC OFFERING OF THIS ENTITY

BIGBEN INTERACTIVE (ISIN FR0000074072) today releases its consolidated interim results for the financial year closing on 31 March 2020 as approved by its Board of directors on 25 November 2019.

Consolidated highlights in M€ (IFRS)	09/2019	09/2018	Change.
Sales	127.0	106.0	+19.9%
Gross margin ⁽¹⁾ <i>In % of Sales</i>	54.9 43.2%	43.8 41.4%	+25.2%
EBITDA ⁽²⁾ <i>In % of Sales</i>	27.7 21.8%	19.5 18.4%	+42.1%
Result from current operations <i>In % of Sales</i>	13.4 10.5%	8.7 8.2%	+53.7%
Non recurrent items	(1.5)	(0.8)	
Operating result <i>In % of Sales</i>	11.9 9.4%	7.9 7.5%	+50.2%
Financial result <i>Including currency gain (loss)</i>	(1.0) (0.3)	0.8 1.2	
Earnings before tax <i>In % of Sales</i>	10.9 8.6%	8.7 8.2%	+26.0%
Tax	(2.6)	(2.6)	
Net result for the period <i>In % of Sales</i>	8.3 6.6%	6.1 5.8%	+35.9%

(1) *Gross Margin = Sales - Cost of goods sold; other Operating revenues are posted between Gross Margin and EBITDA*

(2) *EBITDA = Current Operating Result before depreciation and amortization of tangible and intangible assets*

Growth in the first half of FY 2019/20 driven by Gaming

In the first half of FY 2019/20 (April to September 2019), Bigben achieved 127.0 M€ sales, up 19.9%. All segments contributed to this growth dynamic with a particularly strong acceleration of the Gaming business unit (up 30.9%).

Marked increase of profitability

In the first half of 2019/20, the Bigben Group recorded a marked increase in operating performance driven by revenue growth and a favourable mix.

EBITDA amounted to 27.7 M€, up by 42.1% when compared to the first half of FY 2018/19. EBITDA rate was 21.8% of sales, an increase of 3.4 points. This resulted from a sharp increase in gross margin from the Publishing business segment, from stable staff expenses and a smaller increase in external expenses compared to activity.

Despite depreciation expenses up by 3.5 M€ over the period as a result of the increase in video game releases, Current Operating Income (COI) rose by 53.7% to 13.4 M€ i.e. a 10.5% margin up by 2.3 points. After taking into account non recurrent items mainly resulting from expenses linked to Employee Bonus Share schemes, Operating Result was 11.9 M€.

Net income, after a net financial expense of 1.0 M€ (compared to a net financial income of 0.8 M€ from foreign exchange gains in the previous year) and income tax, reached 8.3 M€ (6.6% of sales) in the first half of FY 2019/20, up by 35.9%.

Controlled balance sheet structure

As at 30 September 2019, Bigben balance sheet structure showed shareholders' funds of 170.0 M€ to be compared to 164.4 M€ at 31 March 2019.

Net debt, excluding the debt on rental obligations resulting from the enforcement of IFRS 16, reached 59.7 M€ up by 23.5 M€ when compared to previous FY year-end. It represents 35.1% of shareholders' funds and 1.1 x EBITDA⁽³⁾. This increase in debt financed investments in new games as well as acquisitions and shareholdings in development studios.

Outlook: Ongoing virtuous growth in line with BIGBEN 2022 plan

In the second half of FY 2019/20, the Group expects revenue growth driven by the Gaming business. It will continue its efforts to gradually increase its operating profitability by promoting sales of high value-added products and by containing its operating expenses.

Banking on this expected momentum, Bigben is revising upwards its current operating margin target⁽⁴⁾ to 11% for FY 2019/20 financial year while maintaining its sales target ranging between 270 and 290 M€.

One year after launching its "BIGBEN 2022" plan, given better-than-expected results and the steady improvement in its Current Operating Margin⁽⁴⁾, the Group is fully confident in meeting its financial targets for FY 2021/22 and announces that the COI rate⁽⁴⁾ initially set at 12% should be exceeded for sales still expected at 350 M€.

(3) Calculation base for EBITDA= Half-year EBITDA 2019/20 x 2

(4) COI rate= Current operating income related to sales = Current operating margin

Update on the Group's current legal reorganization

Following the press release of 4 September 2019, Bigben finalised the spin-off of its entire Gaming business unit through a partial contribution of assets to the Nacon SAS legal structure, which was carried out on 31 October 2019 with accounting and tax retroactive effect on 1 October 2019. Nacon now encompasses all the operational assets from the Bigben Gaming business unit.

For information purposes, Nacon (unaudited) financial highlights⁽⁵⁾ of the Gaming business brought to the Nacon company over the first half of 2019/20 (April 1, 2019 to September 30, 2019) are as follows:

Flows related to the Gaming business ⁽⁵⁾ in M€ IFRS	09/2019	09/2018	Change.
Sales	63.7	48.6	+31.0%
EBITDA ⁽²⁾ <i>In % of sales</i>	23.5 36.9%	14.0 28.8%	+67.9%
Current Operating Result <i>In % of sales</i>	10.8 16.9%	4.5 9.2%	+141.8%

(5) These are the financial flows from the Gaming business as prepared from the accounting books of Bigben Interactive. These flows include the acquisitions of development studios as from their actual acquisition date.

Bigben announces that an Initial Public Offering of Nacon shares is now the privileged option in order to finance its gaming business. The timing for this stock market listing will depend on market conditions, provided that Bigben intends to retain control of Nacon at the end of this potential transaction.

Upcoming publication:

3rd quarter sales 2019/ 2020: Monday 20 January 2020

Press release after close of the stock market

ABOUT BIGBEN INTERACTIVE

SALES 2018-2019
245.5 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 business segments.

HEADCOUNT
Near 650 employees

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

INTERNATIONAL
16 subsidiaries and a distribution
network in 100 countries

PRESS CONTACTS

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