

STRONG INCREASE IN PROFITABILITY IN 1ST HALF:

- **CURRENT OPERATING PROFIT : 15.7 M€ (+47.3%) I.E. 18.2% OF SALES**
- **NET RESULT: 9.6 M€ (+46.7%)**

OUTLOOK: NEW UPWARD REVISION OF FY 2020/21 SALES: 160-170 M€

NACON (ISIN FR0013482791) today releases its audited consolidated results for the first half of fiscal year 2020/21 (from April 1 to September 30) as approved by its Board of directors on 30 November 2020.

Consolidated in M€ - IFRS	09/2020	09/2019 ⁽³⁾	Change
Sales	86.6	63.7	+35.9%
Gross margin ⁽¹⁾ <i>In % of Sales</i>	45.3 52.3%	39.2 61.5%	+15.5%
EBITDA ⁽²⁾ <i>In % of Sales</i>	30.4 35.1%	23.5 37.0%	+29.2%
Current operating income			
EBITA <i>In % of Sales</i>	15.7 18.2%	10.7 16.8%	+47.3%
Non recurrent items <i>(including Bonus Shares)</i>	(1.8)	(1.0)	
Operating result <i>In % of Sales</i>	13.9 16.1%	9.7 15.2%	+43.3%
Financial result <i>Including currency gain (loss)</i>	(0.8)	(0.5)	
Earnings before tax <i>In % of Sales</i>	13.1 15.2%	9.3 14.5%	+41.8%
Tax	(3.6)	(2.7)	
Net result for the period <i>In % of Sales</i>	9.6 11.1%	6.5 10.2%	+46.7%

(1) Gross Margin = Sales - Cost of goods sold;

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

(3) The partial asset contribution of the Gaming business to Nacon by Bigben Interactive was carried out with an accounting effect as of October 1, 2019. Assets and liabilities contributed were recognized at their carrying amount. In order to ensure the comparability of financial statements, comparative data is taken from the "combined financial statements", which take into account financial flows as well as income statement and balance sheet items related to the Gaming business prepared from the accounting books of Bigben Interactive and its Gaming subsidiaries. These financial flows include acquisitions of studios from the date of acquisition.

Current Operating Income rate in line with the 18% annual target.

In the first half of FY 2020/21 (1 April to 30 September 2020), Nacon posted 86.8 M€ sales, up 35.9% when compared with the first half of the previous financial year. Half-year business was boosted by the momentum of Gaming accessories, in particular RIG™ premium headsets and official controllers for PlayStation®4 consoles and by strong growth in sales of the games back catalogue.

Against this backdrop of significant sales growth, the reduction in external expenses and the controlled increase in personnel costs enabled Nacon to generate a 47.3% increase in Current Operating Income (COI) to 15.7 M€. It now represents 18.2% of sales, in line with the announced target for the full financial year 2020/21.

Net result for the period was 9.6 M€ after taking into account 1.8 M€ expenses related to bonus share plans, 0.8 M€ net financial expenses and 3.6 M€ income tax,

Positive free cashflow of 8.2 M€ for the first half of the year.

At 30 September 2020, operating cashflow rose sharply to 34.1 M€, enabling the Group to self-finance all the CAPEX (25.9 M€) and to generate a 8.2 M€ free cashflow.

Notwithstanding a 5 M€ increase in capital expenditure and bank loan repayments, net cash after deduction of 65.3 M€ financial debt, amounted to 50.7 M€ at 30 September 2020, compared with 42.8 M€ at end-March 2020.

Outlook : FY 2020/21 sales revised upward

Nacon anticipates an ongoing sales momentum in the 2nd half of FY 2020/2021 (from 1 October 2020 to 31 March 2021) thanks to :

- favourable markets now benefiting from two generations of consoles (Current Gen *PS@4 / XB1* and Next Gen *PS@5 / Xbox Series X|S*) on which Nacon will simultaneously develop almost all of its future productions;
- the growth in digital sales and the release of Next Gen versions of *WRC® 9*, *Tennis World Tour® 2*, and *Hunting Simulator® 2*, as well as the launch of five new games (*Warhammer: Chaosbane®*, *Monster Truck Championship*, *Blood Bowl 3*, *Handball 21*, *Werewolf: the Apocalypse® - Earthblood*, *Rogue Lords*);
- the order book for headsets placed by American retailers for the Christmas season,
- the release of the *Revolution X* and *Pro Compact* controller range for the new Microsoft console and a special *MG-X Series* range for cloud gaming.

Banking on these favourable trends, Nacon announces a further upward revision of its FY 2020/2021 sales target now ranging between 160 M€ and 170 M€ (vs. 129.4 M€ at 31 March 2020), while confirming a 18% COI rate for this financial year.

Nacon also reiterates its financial targets for FY 2022/23 with sales between 180 M€ and 200 M€ and a COI rate exceeding 20%.

Next publication:

Q3 2020/21 sales: 25 January 2021,

Press release after close of the Paris stock exchange

ABOUT NACON

2019-20 ANNUAL SALES

129.4 M€

HEADCOUNT

Over 550 employees

INTERNATIONAL

16 subsidiaries and a distribution network across 100 countries

<https://corporate.nacongaming.com/>

NACON is a company of the BIGBEN Group founded in 2019 to optimize its know-how through strong synergies in the video game market. By bringing together its 9 development studios, the publishing of AA video games, the design and distribution of premium gaming devices, NACON focuses 30 years of expertise at the service of players. This new unified business unit strengthens NACON's position in the market, enables it to innovate by creating new unique competitive advantages.

Company listed on Euronext Paris, compartment B
ISIN : FR0013482791 ; Reuters : NACON.PA ; Bloomberg : NACON:FP

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