

2022 CONSOLIDATED INTERIM RESULTS

NET OPERATING INCOME UP 88%

Key items from the Guillemot Corporation Group's financial statements to June 30, 2022 are as follows.

First half (€ millions) January 1 – June 30, 2022	Jun 30, 2022	Jun 30, 2021	Change
Thrustmaster gaming accessories	92.5	66.8	+38%
Thrustmaster total	92.5	66.8	+38%
Hercules digital devices	5.3	3.5	+51%
OEM*	0.3	0.2	+50%
Hercules total	5.6	3.7	+51%
Total turnover	98.1	70.5	+39%
Net income from ordinary activities	25.0	13.3	+88%
Net operating income	25.0	13.3	+88%
Net financial income**	-0.9	-9.3	-
Corporate income tax	-6.0	-0.3	-
Consolidated net income	18.1	3.7	389%
Earnings per share	€1.18	€0.24	389%

* Accessories developed for third party companies (Original Equipment Manufacturers).

** Net financial income includes the cost of net financial debt as well as other financial expenses and income.

Activity

In the first half of 2022, the Group's turnover grew 39% to €98.1 million. Turnover in the second quarter hit €42.2 million, up 22% compared with the second quarter of 2021.

The Group maintained strong business momentum throughout the second quarter, with sales growing across all geographies and a strengthening trend in the Asia-Pacific region. Thanks to strong sales growth in the United Kingdom, the Group was able to consolidate its position across its various product categories.

Results

The gross accounting profit margin came in at 58%, up from 55% in the first half of 2021. Employee headcount increased by 10% over the first half of the year and the Group ran sales promotion and marketing campaigns to bolster business growth. Total expenses were up 26%, in line with the 39% increase in turnover.

Net operating income was up 88% at €25 million, compared with €13.3 million in the six months to June 30, 2021, giving an operating margin of 25.5%, reflecting the operating performance of Thrustmaster racing wheels.

The net financial expense of €0.9 million included an €0.5 million unrealized loss linked to the decline in the valuation of the portfolio of Ubisoft Entertainment S.A. shares. Consolidated net income came in at €18.1 million.

Key balance sheet items

(€m)	Jun 30, 2022	Dec 31, 2021
Shareholders' equity	105.7	90.4
Inventories	51.0	40.9
Net debt (excl. AFS securities) *	-29.0	-5.1
Current financial assets (AFS securities portion)	18.6	19.1

* Available-for-sale (AFS) securities are not taken into account when calculating net debt.

Group shareholders' equity stood at €105.7 million at June 30, 2022. The Group's net debt is negative at -€29 million excluding available-for-sale securities, the fair value of which stood at €18.6 million at June 30, 2022.

Over the first half of 2022, the Group built up a buffer of inventory to mitigate the shortage of electronic components and support business growth. Against this backdrop, the value of net inventories stood at €51 million at June 30, 2022, up 25% from December 31, 2021. Working capital decreased by €12.1 million over the first half of the year.

Capitalized research and development costs over the six months to June 30, 2022 totaled €6.6 million, an increase of €1.1 million.

Recent developments

The Group has taken further action to anticipate deliveries as much as possible and optimize coordination across its global operations. Over the half-year, the Group worked to adapt and strengthen its global trade marketing capability to respond to the new challenges posed by e-commerce and the need to boost its promotional visibility with partners. These actions have produced very encouraging results, enabling both Hercules and Thrustmaster to continue winning market share.

❖ Thrustmaster

- **Racing news:** Thrustmaster is actively preparing for the end October launch of two major new racing innovations that will strengthen its presence in the entry-level Force Feedback racing wheel segment. Moreover, the total reveal of the new high-end racing wheel with Direct Drive technology is scheduled for November 17. Over the period, a number of Thrustmaster racing wheels were selected by *Best Budget Racing Wheels* magazine, including the T248 racing wheel, named Best Racing Wheel by Gamespot (which attracts more than 87.7 million visitors each month). As official partner of the Le Mans Virtual Series 2022/2023, the first round of which kicked off on September 15, Thrustmaster continues to develop links between the real and virtual worlds thanks to this iconic partnership.

- **Flying news:** With the US joystick market growing 53% by value in the first half of the year, Thrustmaster maintained its position as market leader by value, with a market share of 52.2%. Thrustmaster's market share in the top five European countries of France, the United Kingdom, Germany, Spain and Italy stands at 57.8% in a market that is stable by value (sources – GfK: © GfK 2022, All Rights Reserved; Europe 5 – NPD: data for the US market only; steering wheel data excludes Nintendo Switch accessories; © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only).

New products are expected to launch by the end of the year to further strengthen the Airbus range.

- ❖ **Hercules** is enjoying strong momentum in the United States and a rebound in Europe, offering a robust outlook for the short and medium term. Hercules is set to launch its new *DJControl Inpulse 300 MK2* controller towards the end of the year.

Outlook

The run-up to the year-end will be a busy time for the Group, with major new products due to be launched.

The Group's share of the racing wheel market grew over the July/August period in both the United States and Europe.

The Group expects to deliver growth in both turnover and net operating income in fiscal year 2022.

Looking forward, 2023 looks set to be a dynamic year, with plenty of new video games due to be released and sales of new products set to ramp up.

With the eSports, racing and flight sim segments all growing fast, the Group is confident of its ability to continue to deliver growth over the coming years.

Guillemot Corporation is a designer and manufacturer of interactive entertainment hardware and accessories. The Group offers a diversified range of products under the *Hercules* and *Thrustmaster* brand names. Active in this market since 1984, the Guillemot Corporation Group is currently present in 10 countries (France, Germany, Spain, the UK, the United States, Canada, Italy, Belgium, Romania and China [Shanghai, Shenzhen and Hong Kong]) and distributes its products in more than 150 countries worldwide.

The Group's mission is to offer high-performance, ergonomic products which maximize the enjoyment of digital interactive entertainment for end users.

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APPENDICES

(All figures in €k)

Consolidated statement of net income to June 30, 2022

(All figures in €k)	Jun 30, 2022	Jun 30, 2021
Net turnover	98,143	70,462
Purchases	-51,532	-39,557
External expenses	-14,682	-11,453
Employee expenses	-6,973	-5,767
Taxes and duties	-473	-336
Additions to amortization and depreciation	-2,562	-1,938
Additions to provisions	-790	-1,896
Change in inventories	10,407	7,683
Other income from ordinary activities	102	252
Other expenses from ordinary activities	-6,626	-4,163
Net income from ordinary activities	25,014	13,287
Other operating income	0	0
Other operating expenses	0	0
Net operating income	25,014	13,287
Income from cash and cash equivalents	17	7
Cost of gross financial debt	-43	-53
Cost of net financial debt	-26	-46
Other financial income	0	0
Other financial expenses	-900	-9,221
Corporate income tax	-6,020	-327
Net income before minority interests	18,068	3,693
O/w net income from discontinued operations	0	0
Attributable to minority interests	0	0
Net income attributable to equity holders of the parent	18,068	3,693
Basic earnings per share	€1.18	€0.24
Diluted earnings per share	€1.17	€0.24

Consolidated balance sheet at June 30, 2022

ASSETS	Net	Net
(€k)	Jun 30, 2022	Dec 31, 2021
Goodwill on acquisitions	0	0
Intangible assets	20,373	16,176
Property, plant and equipment	7,918	5,176
Financial assets	626	473
Tax assets	308	359
Deferred tax assets	3,249	5,312
Non-current assets	32,474	27,496
Inventories	50,993	40,925
Trade receivables	38,298	59,872
Other receivables	5,031	6,609
Financial assets	18,598	19,118
Current tax assets	78	157
Cash and cash equivalents	35,452	12,027
Current assets	148,450	138,708
Total assets	180,924	166,204
LIABILITIES AND EQUITY		
(€k)	Jun 30, 2022	Dec 31, 2021
Capital (1)	11,771	11,771
Premiums (1)	10,551	10,551
Reserves and consolidated income (2)	81,803	67,411
Currency translation adjustments	1,547	693
Group shareholders' equity	105,672	90,426
Minority interests		
Consolidated shareholders' equity	105,672	90,426
Employee benefit liabilities	1,497	1,377
Borrowings	2,841	2,096
Other liabilities	0	0
Deferred tax liabilities	4	0
Non-current liabilities	4,342	3,473
Trade payables	41,164	38,068
Short-term borrowings	3,660	4,770
Taxes payable	2,407	2,725
Other liabilities	23,616	26,684
Provisions	63	58
Current liabilities	70,910	72,305
Total liabilities and equity	180,924	166,204

(1) Of the consolidating parent.

(2) Of which net income for the period: €18,068k.

Consolidated statement of cash flows to June 30, 2022

(€k)	Jun 30, 2022	Jun 30, 2021
Cash flows from operating activities		
Net income from consolidated companies	18,068	3,693
+ Additions to amortization, depreciation and provisions (except on current assets)	397	2,071
- Reversals of amortization, depreciation and provisions	-24	-9
-/+ Unrealized gains and losses arising from changes in fair value	519	8,789
+/- Expenses and income arising from stock options	325	0
-/+ Capital gains and losses on disposals	0	-7
Change in deferred taxes	2,066	-1,213
Operating cash flow after cost of net financial debt	21,351	13,324
Cost of net financial debt	26	46
Operating cash flow before cost of net financial debt	21,377	13,370
Currency translation adjustment on gross cash flow from operations	131	-14
Inventories	-10,068	-6,068
Trade receivables	21,574	1,873
Trade payables	3,096	-1,171
Other	-2,479	-4,815
Change in working capital	12,123	-10,181
Net cash flows from operating activities	33,605	3,129
Cash flows from investing activities		
Acquisitions of intangible assets	-2,320	-1,651
Acquisitions of property, plant and equipment	-1,327	-864
Disposals of property, plant and equipment and intangible assets	19	6
Acquisitions of non-current financial assets	-150	0
Disposals of non-current financial assets	8	13
Net cash from acquisitions and disposals of subsidiaries	0	0
Net cash flows from investing activities	-3,770	-2,496
Cash flows from financing activities		
Increases in capital and cash injections	0	0
Dividends paid	-3,813	-3,818
Borrowings	0	679
Repayment of borrowings	-2,463	-2,560
Debt repayment as a result of IFRS 16 adoption	-274	-222
Other cash flows from financing activities	0	0
Total cash flows from financing activities	-6,550	-5,921
Impact of foreign currency translation adjustments	147	121
Change in cash	23,432	-5,167
Net cash at the beginning of the period	12,006	29,013
Net cash at the end of the period	35,438	23,846