

UNFAVOURABLE COMPARISON BASIS FOR HY1 2021/22 :

- SALES: 124,2 M€ (-8,5%)
- CURRENT OPERATING INCOME: 9,9 M€ (-41,6%) I.E. 8,0% OF SALES
- NET PROFIT : 6,9 M€ (-28,6%)

ADJUSTMENT OF 2021/22 TARGETS:

- SALES BETWEEN 270 AND 300 M€
- CURRENT OPERATING INCOME AROUND 24 M€

UPGRADED 2022/23 TARGETS:

- SALES BETWEEN 400 AND 450 M€ WITH A CURRENT OPERATING MARGIN⁽¹⁾ >14%

BIGBEN INTERACTIVE (ISIN FR0000074072) today releases its consolidated results for 1st Half Year 2021-22 (from April 1, 2021 to September 30, 2021) as approved by its Board of directors on 29 November 2021.

Consolidated in M€ - IFRS	09/2021	09/2020	Change
Sales	124,2	135,8	-8,5%
Gross margin ⁽¹⁾ <i>In % of Sales</i>	51,4 41,4%	57,3 42,2%	-10,3%
EBITDA ⁽²⁾ <i>In % of Sales</i>	24,6 19,8%	33,4 24,6%	-26,4%
Current operating income EBITA <i>In % of Sales</i>	9,9 8,0%	16,9 12,5%	-41,6%
Non recurrent items	(5,8)	(2,3)	
Operating income <i>In % of Sales</i>	4,1 3,3%	14,7 10,8%	-71,8%
Financial result <i>incl. Currency gain/(loss)</i> <i>incl. Gain/(loss) on Bond issue</i>	4,8 0,1 5,8	(1,2) (0,7) -	
Earnings before tax <i>In % of Sales</i>	9,0 7,2%	13,5 9,9%	-33,3%
Tax	(2,0)	(3,7)	
Net result for the period <i>In % of Sales</i>	6,9 5,6%	9,7 7,2%	-28,6%
<i>of which minority interests</i>	0,9	2,2	

(1) COI rate = Current Operating Income as a percentage of sales = Current Operating Margin

(2) Gross Margin = Sales - Cost of goods sold; other operating revenues posted between Gross Margin and EBITDA

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

Performance dampened by a high H1 2020/21 comparison basis

Bigben posted sales of 124.2 M€ in H1 2020/22, down 8.5% on the same period last year. Business in H1 2020/21 had benefited from the exceptional momentum of Nacon Gaming during the first lockdowns and from a denser publishing content.

Gross Margin for H1 2021/22 was 51.4 M€ i.e. 41.4% of sales. The margin rate was only slightly lower than that of H1 2020/21, reflecting a good control of the transport and raw material crisis.

Current Operating Income fell by 41.6% to 9.9M€ resulting in a 8.0% margin. This change was essentially linked to the drop in activity of Nacon Gaming.

After taking into account in particular non recurrent expenses related to bonus share plans, a positive financial result due to the half-yearly revaluation of the IFRS entries for the bond loan, the Net Profit for the period reached 6.9 M€ i.e. 5.6% of sales.

Analysis of achievements by business unit

Consolidated in M€ - IFRS	NACON-GAMING			BIGBEN - AUDIOVIDEO/TELCO		
	09/2021	09/2020	Change	09/2021	09/2020	Change
Sales	73,0	86,6	-15,7%	51,2	49,1	+4,1%
Gross Margin ⁽²⁾	38,0	45,3	-16,0%	13,4	12,0	+11,4%
<i>In % of Sales</i>	<i>52,1%</i>	<i>52,3%</i>		<i>26,1%</i>	<i>24,4%</i>	
EBITDA ⁽³⁾	21,4	30,4	-29,7%	3,2	2,9	+7,1%
<i>In % of Sales</i>	<i>29,3%</i>	<i>35,1%</i>		<i>6,2%</i>	<i>6,0%</i>	
Current Operating Income	8,4	15,7	-46,3%	1,4	1,2	+20,4%
<i>In % of Sales</i>	<i>11,6%</i>	<i>18,2%</i>		<i>2,8%</i>	<i>2,4%</i>	

Nacon - Gaming reported for HY1 2021-22 73.0 M€ sales down 15.7% when compared to the same period of previous financial year. Sales of Games were 27.3 M€ down 16.9% due to a weaker editorial activity. Back catalogue showed its resilience with 16.2 M€ sales. Sales of Accessories were 43.7 M€, down 15.1% due to a high comparison basis and logistics difficulties in North America.

Margin for HY1 2021-22 reached 38.0 M€ i.e. 52.1% of sales. Despite the strong rise in transportation and raw material costs, the margin rate remains virtually unchanged from HY1 2020/21. The weakness of editorial activity for Games and plummeting Accessory sales posted in this first half resulted in a drop of Current Operating Income to 8.4 M€ i.e. 11.6 % of sales.

Bigben - AudioVideo/Telco reported growth in business driven in particular by the sales of the *Force*, *Just Green*® and *Bigben Party*® ranges. In line with the improvement of the product mix, the gross margin rate improved by 1.7 points compared with HY1 2020/21. The AudioVideo/Telco division notably accelerated the development of short "Made in France and Europe" channels from industrial sites in the Hauts-de-France region and Romania, which allow shorter supply times. After taking in account operating expenses coming to a more "normative" level after the lockdown period, Current Operating Income reached 1.4 M€ i.e 2.8% of sales.

Continued strong balance sheet with particularly low level of debt

At 30 September 2021, Bigben's balance sheet structure remained solid with shareholders' funds amounting to 303.6 M€. Net debt, taking into account 135.5 M€ gross debt ⁽⁴⁾ and 132 M€ cash, amounts to 3.4 M€ (1.1% gearing). Anticipated orders in order to secure end of the year sales generated a rise in inventories with an unfavourable impact on changes in Working Capital Needs (4.2M€). Operating cash-flow amounted to 20.2 M€. Cash-flow from investments (mainly acquisition of development studios and cost of games developments) amounted to 46.0 M€.

(4) excluding IFRS 16 rental liabilities and including the February 2021 bond issue

Outlook

NACON GAMING

In order to optimize future revenue, Nacon has decided to postpone the release of the games *Vampire : The Masquerade*[®]– *Swansong*, *Blood Bowl 3*[®], *Train Life* and *Hotel Life* to fiscal year 2022/23. This additional development time will help improving their quality and thus their commercial performance. Nacon therefore no longer anticipates the expected improvement in its business in the second half of FY 2021-22 ⁽⁵⁾.

The second half will benefit of the releases of *Cricket 2022* (1.5 billion followers worldwide) and *Roguebook* games' versions for consoles (PlayStation™ et Xbox®). In addition, it will see the launch of the *Revolution X Pro controller* for Xbox®.

BIGBEN AUDIOVIDEO/TELCO

Business will be boosted by :

- additional sales from Metronic, a recently acquired subsidiary,
- growth opportunities arising from the accelerated deployment of 5G smartphones and the rapid penetration of new *USB-C* and *Power Delivery* charging technologies.

However, given the implications of the above-mentioned postponement of 4 games which has prompted Nacon to revise its targets ⁽⁵⁾, Bigben is adjusting its FY 2021/22 targets, with sales now in a 270 M€ to 300 M€ range and a Current Operating Income around 24 M€.

On the other hand, the Group expects a stronger rebound in its performance for the next financial year 2022/23 due to a very sustained editorial activity by Nacon Gaming (releases of more than 15 games during the financial year) ⁽⁵⁾. The "Bigben AudioVideo / Telco" division will also benefit from the good trend in the 5G smartphone market and the expected full-year synergies from the Metronic acquisition. As a result, Bigben is revising its 2022/23 financial targets upwards, with sales now between 400 and 450 M€ and a Current Operating Income ratio ⁽¹⁾ of over 14%.

FY 2023/24 will also benefit from the momentum triggered by the release of Nacon Gaming games with again more than 15 games expected, as well as from a strong growth in its back catalogue.

(5) Nacon press release dated 29 November 2021

Proposed exceptional distribution in kind in the form of Nacon shares

Bigben Interactive's Board of Directors is reviewing the project of an exceptional distribution in kind in the form of Nacon shares which could take place during the first quarter of 2022. A general meeting of shareholders will be convened in the coming weeks to approve, among other things, this exceptional distribution in kind of one (1) Nacon share for every five (5) Bigben Interactive shares held by shareholders. 4.54% of Nacon's share capital could thus be distributed to Bigben Interactive shareholders.

Bigben Interactive will issue a press release specifying the final terms of this exceptional distribution in kind when the general meeting of shareholders is convened to approve this transaction.

Next publication:

Q3 2021/22 Sales : 24 January 2022,

Press release after close of the Paris Stock Exchange

ABOUT BIGBEN INTERACTIVE

SALES 2020-21
292.8 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
Over. 1060 employees

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

INTERNATIONAL
28 subsidiaries and a distribution network in
100 countries
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