

STRONG EARNINGS GROWTH IN 2023/24

- EBITDA: €70.9 MILLION, UP 45%
- OPERATING INCOME: €20.9 MILLION, UP 20.5%
- NET INCOME: €17.5 MILLION, UP 37.3%

2024/25: CONTINUING GROWTH IN BUSINESS LEVELS AND OPERATING INCOME

NACON (ISIN FR0013482791) is today announcing consolidated results for its 2023/24 financial year (from 1 April 2023 to 31 March 2024) as finalised by the Board of Directors in its meeting of 3 June 2024.

Consolidated IFRS figures (€ million)	2023/24	2022/23	Change
Sales (non-IFRS)	170.7	156.0	+9.4%
<i>Adjustment for the partial disposal of Gollum</i>	<i>(3.0)</i>		
IFRS sales	167.7	156.0	+7.5%
Gross profit	104.2	92.1	+13.1%
<i>% of sales</i>	<i>62.1%</i>	<i>59.1%</i>	
Ebitda	70.9	48.9	+45.0%
<i>% of sales</i>	<i>42.3%</i>	<i>31.4%</i>	
Operating income	20.9	17.3	+20.5%
<i>% of sales</i>	<i>12.5%</i>	<i>11.1%</i>	
Net financial expense	(4.8)	(2.3)	
Pre-tax income	16.1	15.0	+7.0%
<i>% of sales</i>	<i>9.6%</i>	<i>9.6%</i>	
Income tax	1.5	(2.2)	
Net income for the period	17.5	12.8	+37.3%
<i>% of sales</i>	<i>10.5%</i>	<i>8.2%</i>	

Strong earnings growth in 2023/24

During the year, Catalogue sales (new games) were boosted by a heavy release schedule consisting of 19 games, including the highly successful **Robocop: Rogue City™**. Catalogue sales amounted to €59.3 million (non-IFRS), up 21.2% relative to 2022/23. The Back Catalogue (games released in previous years) performed very well, with sales rising 7.4% to €44.7 million. The Accessories business generated sales of €62.7 million and returned to growth in the second half of the year, driven by an increase in the installed base of new consoles and new product releases (the **RIG 600 PRO** headset and the **REVOLUTION 5 PRO** controller).

Gross margin was 62.1%, an increase of 3 points year-on-year. Ebitda rose by 45% to €70.9 million, giving Ebitda margin of 42.3% as opposed to 31.4% in the previous year.

Operating income rose 20.5% to €20.9 million, equal to 12.5% of sales.

The increase in net financial expense was due to higher interest rates. Exchange differences remained stable (foreign exchange loss of €0.8 million, as in the previous year).

Firm financial position at a time of major development

At 31 March 2024, NACON had equity of €263.6 million as opposed to €242.6 million at 31 March 2023. It also had €26.2 million of cash and cash equivalents versus €47.6 million at 31 March 2023.

Net debt amounted to €85.2 million as opposed to €88.6 million at 30 September 2023. The total amount of NACON's new borrowings during the year was much lower than the amount of borrowings it repaid.

Inventory management efforts and stocking operations reduced inventories by €8.2 million year-on-year to €27.1 million.

With funds from operations rising by 27.3% to €58.0 million during the year and a €17.9 million decrease in the WCR, cash flow from operating activities totalled €73.1 million as opposed to €47.4 million in 2022/23, an increase of 54.4%.

Currently, 45 games are under development, and the related assets have a carrying amount of €129.5 million.

Dividend: in accordance with its policy of using cash flow to fund business development, the Board of Directors decided in its 3 June 2024 meeting not to propose a dividend with respect to the 2023/24 financial year in its upcoming Shareholders' General Meeting.

2024/25: business convergence and continuing growth in sales and operating income

The release schedule will be busy in 2024/25, with around 15 games due to be released during the year including **Test Drive Unlimited: Solar Crown™**, scheduled for 12 September 2024, **Tour de France 2024**, **Tiebreak**, **Ravenwatch** (of which almost 500,000 copies have already been sold via early access on PC), **Rugby24** and **Endurance**, along with **Greedfall II: The Dying World** and **Terminator: Survivors™**, which will be released via early access.

The Back Catalogue will automatically benefit from the large number of games released in 2023/24, including **Robocop: Rogue City™**, which should lead to significant growth.

In Accessories, NACON will continue to reap the rewards of successful product launches in 2023, including the **RIG 600 PRO** headset and the **REVOLUTION 5 PRO** controller.

The main development in 2024/25 will be the Group's initiative to bring together its games and accessories activities in the Racing market, along with its new ambitions in this area:

- Creation of the dedicated **NACON Racing** department and the "**Revosim by Nacon**" brand, building on 10 years of expertise in this market;
- Launches of new premium products (**Revosim** steering wheel, **RIG 900** headset etc.);
- New licences currently being negotiated.

This will make NACON the only company in the world to offer a comprehensive range of games and accessories for motor racing fans.

In 2024/25, because of the expected momentum in its two business areas, NACON is confident that it will continue to generate growth, accompanied by a further increase in operating income.

ABOUT NACON

2023/2024 IFRS SALES:
€167.7 million

WORKFORCE
More than 1,000 people

INTERNATIONAL PRESENCE
23 subsidiaries and a distribution network
in 100 countries
<https://corporate.nacongaming.com/>

NACON is part of the Bigben group and was formed in 2019 to optimise its areas of expertise and generate synergies between them in the video game market. Combining its 16 development studios, AA video game publishing and the design and distribution of premium gaming peripherals, NACON has 30 years of expertise in serving gamers. This new unified business gives NACON a stronger position in its market and enables it to innovate by creating new and unique competitive advantages.

Listed on Euronext Paris, compartment B – Index: CAC Mid&Small
ISIN: FR0013482791; Reuters: NACON.PA; Bloomberg: NACON:FP).

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GLOSSARY

Back Catalogue: games released in previous years

Gross profit: sales minus purchases used in the business.

Ebitda: earnings before interest, tax, depreciation of property, plant and equipment and amortisation of intangible assets