UBISOFT

H1 FY22 EARNINGS

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DISCLAIMER

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DISCLAIMER

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H1 FY22 PERFORMANCE

FY22 TARGETS

H1 FY22: SOLID PROGRESSION vs. FY20 (A MORE NORMALIZED YEAR)

	6-MONTHS
NET BOOKINGS	**€718m**, -5% YoY & + 9% vs. H1 FY20
DIGITAL REVENUES	**€557m**, -15% YoY & +4% vs. H1 FY20, **78%** of total net bookings
PLAYER RECURRING INVESTMENT	**€349m**, -6% YoY & +13% vs. H1 FY20 , **46%** of total net bookings
BACK-CATALOG	**€596m**, -16% YoY & +18% vs. H1 FY20 , **83%** of net bookings

KEY HIGHLIGHTS

ROBUST ACTIVITY IN H1

- **Unique active players** up 15% vs. H1 FY20

- **MAUs** up 9% vs. H1 FY20

STRENGTH OF BACK-CATALOG IN Q2

- **Q2 total net bookings** of €392m, **well above target** of approximately €340m

- **Sales outperformance** driven by **strength and depth of back-catalog**

- **Back-catalog** up 20% vs. Q2 FY20

- **PRI ex mobile** up 16% vs. Q2 FY20

- Special mention to **The Crew 2**, with engagement and bookings up respectively 70% and 53% vs. Q2 FY20

- Strongest contributors to back-catalog: **Assassin's Creed Valhalla**, **For Honor**, **The Crew 2**, **Rainbow Six Siege** and **Watch Dogs: Legion**

STRENGTH OF PROPRIETARY BRANDS

- **Assassin's Creed Valhalla** already 2nd largest profit-generating game in Ubisoft's history

- **Far Cry 6** early sales in line with Assassin's Creed Odyssey, playtime per player up 25% vs. Far Cry 5

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H1 FY22: NON-IFRS P&L

in € millions, except for per share data	H1 2021-22	%	H1 2020-21	%	H1 2019-20	%
IFRS15 Sales	**751.3**		**757.0**		**697.5**	
Deferred revenue related to IFRS15 standard	(33.2)		(2.2)		(36.4)	
Net bookings	**718.2**		**754.7**		**661.1**	
Gross profit based on net bookings	**614.4**	**85.6**	**652.8**	**86.5**	**564.3**	**85.4**
Non-IFRS R&D expenses	(276.2)	(38.5)	(258.5)	(34.3)	(284.9)	(43.1)
Non-IFRS Selling expenses	(173.0)	(24.1)	(177.3)	(23.5)	(186.9)	(28.3)
Non-IFRS G&A expenses	(121.1)	(16.9)	(102.6)	(13.6)	(85.7)	(13.0)
Non-IFRS SG&A expenses	(294.0)	(40.9)	(279.9)	(37.1)	(272.5)	(41.2)
Non IFRS current operating income	**44.1**	**6.1**	**114.3**	**15.1**	**6.9**	**1.0**
Net Financial Income	(9.4)		(7.0)		(6.1)	
Share in profit of associates	0.0		0.0		0.0	
Income Tax	(4.4)		(17.1)		12.3	
Non IFRS consolidated net income	**30.3**		**90.1**		**13.1**	
Net income attributable to owners of the parent company	29.6		89.1		12.8	
Net income attributable to non-controlling interests	0.7		1.1		0.3	
Non IFRS Diluted earnings per share attributable to parent company	**0.23**		**0.71**		**0.11**	
Number of shares fully diluted	**127,840**		**125,664**		**119,284**	

- **SG&A breakdown:**

  - Variable marketing expenses: 108 M€ or 15.1% of net bookings (116 M€ & 15.3% in FY21 / 128 M€ & 19.3% in H1 FY20)

  - Structure costs: 186 M€ or 25.8% of net bookings (164 M€ & 21.8% in FY21 / 145 M€ & 21.9% in H1 FY20)

H1 FY22: R&D

In € millions	H1 2021-22	H1 2020-21	H1 2019-20
Depreciation of in-house software-related production	99.8	99.7	157.5
Depreciation of external software-related production and licenses	1.5	1.5	2.3
Royalties	12.3	16.7	11.3
Non Capitalized R&D & others*	162.7	140.6	113.9
Total R&D P&L	**276.2**	**258.5**	**284.9**
Capitalized in-house software-related production	388.3	356.3	301.8
Capitalized external software-related production and licenses (excluding future commitments)	9.8	6.7	4.4
Royalties	12.3	16.7	11.3
Non Capitalized R&D & others*	162.7	140.6	113.9
Total R&D Cash	**573.1**	**520.3**	**431.4**

*mostly Post-Launch content

H1 FY22: CASH FLOWS & CLOSING CASH POSITION

In € millions	H1 2021-22	H1 2020-21	H1 2019-20
Non-IFRS Opening cash position	**79.2**	**(100.6)**	**(293.8)**
Cash flows from operation	**(225.1)**	**(144.9)**	**(104.1)**
Change in WCR	**(63.5)**	**72.2**	**83.5**
Cash flows from operating activities	**(288.6)**	**(72.8)**	**(20.6)**
Net investment in capital assets	(44.5)	(42.8)	(50.1)
Net free cash flow	**(333.1)**	**(115.6)**	**(70.7)**
Net acquisitions/disposals	(25.0)	(15.9)	(32.5)
Proceeds from issue of capital and other financial flows	61.9	74.0	74.5
Net acquisitions/disposals of own shares	(40.1)	40.0	35.1
Equity component (OCEANE)	(2.7)	(2.9)	45.5
Effect of exchange rate fluctuations	(0.9)	(2.9)	11.7
Decrease/(increase) in net debt	**(339.8)**	**(23.3)**	**63.6**
Closing cash position	**(260.6)**	**(123.9)**	**(230.2)**
IFRS16 Debt Opening			12.5
Non-IFRS Closing cash position	**(260.6)**	**(123.9)**	**(217.7)**

H1 FY22 PERFORMANCE

FY22 TARGETS

FY22 TARGETS

Q3 FY22e

Q3 FY22 NET BOOKINGS: between €725m and €780m

FY22e

FY22 NET BOOKINGS: Stable to slightly down

FY22 NON-IFRS OPERATING INCOME: Between €420m and €500m

APPENDIX

H1 FY22 PROFORMA PERFORMANCE

	Presentation of impact of mobile reclassification on net bookings and gross margin vs. FY20			
	H1 FY22 – As reported	**H1 FY22 – Pro forma**	**Q2 FY22 – As reported**	**Q2 FY22 – Pro forma**
NET BOOKINGS	718.2 M€ *+8.6%*	700.6 M€ *+6.0%*	392.1 M€ *+13.1%*	383.8 M€ *+10.6%*
DIGITAL NET BOOKINGS	557.4 M€ *+3.8%*	539.8 M€ *+0.5%*	277.5 M€ *+13.7%*	269.1 M€ *+10.3%*
PRI NET BOOKINGS	348.6 M€ *+12.5%*	331.1 M€ *+6.8%*	175.1 M€ *+9.9%*	166.7 M€ *+4.7%*
BACK-CATALOG NET BOOKINGS	596.2 M€ *+18.1%*	578.8 M€ *+14.7%*	289.4 M€ *+23.1%*	281.1 M€ *+19.6%*
COGS	103.7 M€	86.2 M€		
NON IFRS GROSS MARGIN	85.6% *+0.2 points*	87.7% *+2.3 points*		

H1 FY22 : IFRS / NON-IFRS RECONCILIATION

In € millions except for per share data	H1 2021-22			H1 2020-21		
	IFRS	Adjustment	Non IFRS	IFRS	Adjustment	Non IFRS
IFRS15 Sales	**751.3**			**757.0**		
Deferred revenue related to IFRS15 standard		(33.2)			(2.2)	
Net bookings			**718.2**			**754.7**
Total Operating expenses	**(725.4)**	**51.4**	**(674.0)**	**(708.2)**	**68.5**	**(640.4)**
Stock-based compensation	(40.8)	40.8	0.0	(32.0)	32.0	0.0
Non-current operating income & expense	(10.7)	10.7	0.0	(36.5)	36.5	0.0
Operating Income	**25.9**	**18.3**	**44.1**	**48.1**	**66.2**	**114.3**
Net Financial income	(12.1)	2.7	(9.4)	(9.7)	2.6	(7.0)
Income tax	(12.2)	7.8	(40.4)	(16.3)	(0.9)	(17.1)
Consolidated net income	**1.6**	**28.7**	**30.3**	**22.1**	**68.0**	**90.1**
Net income attributable to owners of the parent company	0.9		0.9	21.1		89.1
Net income attributable to non-controlling interests	0.7		0.7	1.1		1.1
Weighted average number of shares in issue	127,840,183		127,840,183	121,302,240	4,361,859	125,664,099
Diluted earnings per share attributable to parent company	0.01	0.22	0.23	0.17	0.54	0.71