

## STRONG INCREASE IN FY 2020/21 ANNUAL RESULTS

- SALES: 177.8 M€ (+ 37.4%)
- CURRENT OPERATING INCOME: 32.5 M€ (+43.8%), I.E. 18.3% OF SALES

### FY 2021/22 TARGETS

- SALES BETWEEN 180 AND 200 M€
- CURRENT OPERATING MARGIN\* OF 20%

### FY 2022/23 TARGETS :

- SALES REVISED UPWARDS TO A 230-260 M€ RANGE (VS. 180-200 M€)
- CONFIRMATION OF A CURRENT OPERATING MARGIN\* > 20%

\*COM = Current Operating Margin = Current Operating Income Rate

NACON (ISIN FR0013482791) today releases its audited consolidated results for FY 2020-21 (from April 1, 2020 to March 31, 2021) as approved by its Board of directors on 31 May 2021.

Consolidated in M€ - IFRS	2020/21	2019/20 <sup>(3)</sup>	Change
<b>Sales</b>	<b>177.8</b>	<b>129.4</b>	+37.4%
<b>Gross margin <sup>(1)</sup></b> <i>In % of Sales</i>	<b>93.5</b> 52.6%	<b>79.1</b> 61.1%	+18.3%
<b>EBITDA <sup>(2)</sup></b> <i>In % of Sales</i>	<b>60.3</b> 33.9%	<b>48.4</b> 37.4%	+24.7%
<b>Current operating income</b> <b>EBITA</b> <i>In % of Sales</i>	<b>32.5</b> 18.3%	<b>22.6</b> 17.5%	+43.8%
Non recurrent items <i>(including Bonus Shares)</i>	(5.1)	(2.0)	
<b>Operating result</b> <i>In % of Sales</i>	<b>27.5</b> 15.4%	<b>20.6</b> 15.9%	+33.5%
Financial result <i>Including currency gain (loss)</i>	(1.5)	(0.6)	
<b>Earnings before tax</b> <i>In % of Sales</i>	<b>26.0</b> 14.6%	<b>20.0</b> 15.4%	+30.1%
<b>Tax</b>	(7.7)	(4.7)	
<b>Net result for the period</b> <i>In % of Sales</i>	<b>18.2</b> 10.3%	<b>15.3</b> 11.8%	+19.6%

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

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

(3) Nacon was created in July 2019 and started its activity in October 2019 following the partial contribution of assets of the Gaming business to Nacon by Bigben Interactive. The contributed assets and liabilities were recognised at their book value. Nacon's consolidated financial statements as at March 31, 2020 were made up of six months of "combined financial statements" for the Gaming business prepared from the accounting records of Bigben Interactive and its Gaming subsidiaries covering the period from April 2019 to September 2019, to which were added the flows and items of the new entity covering the period from October 2019 to March 2020

## Targets exceeded

In FY 2020/21, NACON posted 177.8 M€ sales, a 37.4 % increase driven by the success of premium accessories, the successful implantation in the USA, and a tripling of back catalogue sales.

Current Operating Income jumped by 43.8% to 32.5 M€ i.e. 18.3% of sales.

After deducting 5.1 M€ expenses related to bonus share plans, a 1.5 M€ net financial charge and 7.7 M€ income tax, Net Profit for the period amounted to 18.2 M€ up by 19.6%.

## Operating cashflow of 55.7M€

Operating cashflow rose by 146 % to 55.7 M€ in FY 2020/21, covering almost all CAPEX (56.4 M€) which increased by 13.6 M€. After taking into account these investments and bank loan repayments for 12.9 M€, cash and cash equivalents amounted to 96.7 M€ (110.9 M€ at end March 2020). Cash and cash equivalents net of financial debt remained at a high level at 41.9 M€ compared to 42.8 M€ at the end of March 2020.

## Outlook for FY 2021/22: Targets revised upwards

In a market driven by new consoles, NACON anticipates a year of growth in business and profitability, which should be based on:

- the ongoing digital sales of the back catalogue;
- the launch of new video games, including the highly anticipated *RIMS Racing*, *Roguebook*, *Vampire: The Masquerade®-Swansong*, *Blood Bowl 3®* and *WRC®10* titles;
- the commercial momentum of accessories (premium headsets, *PlayStation®4* and *Pro Compact* controllers for *Xbox®*), which will benefit from the release of the *Revolution X Pro* controller for *Xbox®*.

This good business trend has led NACON to bring forward its 2022/23 targets to FY 2021/22, with sales now between €180 M€ and 200 M€ and a Current Operating Income rate of 20%.

## Annual targets for FY 2022/23

The funds raised during the IPO enabled the acquisition of studios and the development of major games (including *Test Drive Unlimited Solar Crown*, *Steelrising*, *The Lord of the Rings™*, *Gollum™* etc.), which will be released in 2022/23. Banking on its advance on its development plan, NACON has significantly raised its 2022/23 sales target to between €230 and €260 million (compared with €180 and €200 million initially), while confirming a Current Operating Margin \* in excess of 20%.

## Annual dividend

Further to the commitment made to reinvest its cash flows in the development of its activities, the Board of Directors meeting on 31 May 2021, decided not to propose a dividend distribution for FY 2020/2021 at the next Annual General Meeting.

\*COM = Current Operating Margin = COI rate = Current Operating Income as a percentage of sales

## Upcoming events:

### Annual General Meeting: Friday 30 July 2021

Q1 2021/22 sales: Monday 26 July 2021, *Press release after close of the Euronext Paris stock exchange*

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## ABOUT NACON

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### 2020-21 ANNUAL SALES

177.8 M€

### HEADCOUNT

Over 600 employees

### INTERNATIONAL

18 subsidiaries and a distribution network across 100 countries

<https://corporate.naongaming.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 11 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

### PRESS CONTACT

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