



UBISOFT

H1 FY21 EARNINGS

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DISCLAIMER

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DISCLAIMER

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AGENDA



H1 FY21 PERFORMANCE

Q3 & FY21 TARGETS

Q2 OUTPERFORMANCE HIGHLIGHTS

Q2 Net Bookings: 345 M€ vs target of 290 M€

Higher-than-expected perf. led by:

- Depth of **back catalog**
- Strength of **Live services**

Robust activity on PC and consoles:

- 100 million **unique players** in H1
- **R6 Siege**: solid player acquisition in Q2, 65 million registered players, c.€2.5bn lifetime cumulative consumers spending
- **AC Odyssey**: past 3 months sell thru, daily player engagement & PRI, up 200%, 250% & 400% vs AC Origins
- **JD 2020**: greater than 100% Net bookings growth in Q2 yoy
- **The Division 2, For Honor and The Crew 2**: Net bookings double-digit growth yoy
- **Brawlhalla** Net bookings doubling yoy



H1 FY21 PERFORMANCE

Presentation of impact of mobile reclassification on net bookings and gross margin				
	H1 FY21 – As reported	H1 FY21– Pro forma	Q2 FY21– As reported	Q2 FY21 – Pro forma
NET BOOKINGS	754.7 M€ +14.2% yoy	733.3 M€ +10.9% yoy	344.7 M€ -0.6% yoy	334.0 M€ -3.7% yoy
DIGITAL NET BOOKINGS	655.4 M€ +22.0% yoy	633.9 M€ +18.0% yoy	300.0 M€ +23.0% yoy	289.3 M€ +18.6% yoy
PRI NET BOOKINGS	371.7 M€ +19.9% yoy	350.2 M€ +13.0% yoy	173.2 M€ +8.7% yoy	162.5 M€ +1.9% yoy
BACK-CATALOG NET BOOKINGS	713.1 M€ +39.4% yoy	693.0 M€ +35.4% yoy	315.0 M€ +32.3% yoy	305.5 M€ +28.4% yoy
COGS	101.9 M€	80.5 M€		
NON IFRS GROSS MARGIN	86.5% +1.2 point yoy	89.0% +3.7 points yoy		

H1 FY21: NON-IFRS P&L

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

- **Gross margin up 88 M€ & 1.1 points:** up 3.7 points before mobile reclass. Last year impacted by one-off hosting costs
- **R&D down 26 M€ & down 8.8 points**
- **SG&A up 7 M€ & down 4.1 points:**
 - Variable marketing expenses: 116 M€ or 15.3% of net bookings (128 M€ & 19.3% in H1 FY20) due to fewer releases
 - Fixed structure costs: 164 M€ or 21.8% of net bookings (145 M€ & 21.9% in H1 FY20) in line with H2 FY20 levels.
- **Record Operating margin at 15%**

H1 FY21: R&D

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

*mostly Post-Launch content

- **9% decrease in total P&L R&D**
 - 37% decrease in total depreciation due to a lighter release slate this semester
- **21% increase in total R&D Cash with 19% increase in capitalized R&D:** to support the most ambitious line-up of the industry and future strong topline growth
- **23% increase in non-capitalized R&D:** notably growing investment in Live services

H1 FY21 : IFRS / NON-IFRS RECONCILIATION

In € millions except for per share data	H1 2020-21			H1 2019-20		
	IFRS	Adjustment	Non IFRS	IFRS	Adjustment	Non IFRS
IFRS15 Sales	757.0		757.0	697.5		697.5
Deferred revenue related to IFRS15 standard		(2.2)	(2.2)		(36.4)	(36.4)
Net bookings			754.7			661.1
Total Operating expenses	(708.9)	68.5	(640.4)	(688.1)	34.0	(654.2)
Stock-based compensation	(32.0)	32.0	0.0	(30.7)	30.7	0.0
Non current operating income & expense	(36.5)	36.5	0.0	(3.3)	3.3	0.0
Operating Income	48.1	66.2	114.3	9.3	(2.4)	6.9
Net Financial income	(9.7)	2.6	(7.0)	(10.5)	4.3	(6.1)
Income tax	(16.3)	(0.9)	(17.1)	2.3	10.0	12.3
Consolidated net income	22.1	68.0	90.1	1.2	11.9	13.1
Net income attributable to owners of the parent company	21.1		89.1	0.9		12.8
Net income attributable to non-controlling interests	1.1		1.1	0.3		0.3
Weighted average number of shares in issue	121,302,240	4,361,859	125,664,099	111,816,002	7,467,970	119,283,972
Diluted earnings per share attributable to parent company	0.17	0.53	0.71	0.01	0.10	0.11

- **Stock based compensation:** 32 M€ in line with last year
- **Non current operating income & expense:** 37 M€ related to goodwill amortization

H1 FY21 : CASH FLOWS & CLOSING CASH POSITION

In € millions	H1 2020-21	H1 2019-20
Non-IFRS Opening cash position	(100.6)	(293.8)
Cash flows from operation	(146.0)	(104.1)
Change in WCR	73.3	83.5
Cash flows from operating activities	(72.8)	(20.6)
Net investment in capital assets	(42.8)	(50.1)
Net free cash flow	(115.6)	(70.7)
Net acquisitions/disposals	(15.9)	(32.5)
Proceeds from issue of capital and other financial flows	74.0	74.5
Net acquisitions/disposals of own shares	40.0	35.1
Equity component (OCEANE)	(2.9)	45.5
Effect of exchange rate fluctuations	(2.9)	11.7
Decrease/(increase) in net debt	(23.3)	63.6
Closing cash position	(123.9)	(230.2)
IFRS16 Debt Opening		12.5
Non-IFRS Closing cash position	(123.9)	(217.7)

- **Non IFRS net debt:** 124 M€ slightly up vs. end of March and down nearly 50% versus last year
- **42 M€ decrease in CF from operations:** Driven by a 115 M€ increase of R&D P&L/Cash gap partly offset by a 77 M€ Non-IFRS Net Income increase
- **16 M€ of acquisitions:** Deferred payment of past acquisitions
- **74 M€ proceeds from issue of capital and 40 M€ net share acquisition:** Related to employee share plan

AGENDA



H1 FY21 PERFORMANCE

Q3 & FY21 TARGETS

FY21: UPDATED TARGETS

Q3 FY21e

Q3 FY21 NET BOOKINGS: between 860 M€ and 960 M€

FY21e

FY21 NET BOOKINGS: 2,200*- 2,350* M€

NON-IFRS OPERATING INCOME: between 420 M€ and 520 M€

*including 50M of new mobile reclassification

420 M€

520 M€

- Far Cry 6 and Rainbow Six Quarantine postponed due to WFH in order to maximize long term value
 - c. 30M€ impact due to unfavorable FX
 - Raised back catalog expectations
- Slightly raised unit expectations for AAAs

COVID-19 external uncertainties:

- Consumption risk removed
- Business Partner risk maintained

Higher AAA unit count for new releases on high end of range vs low end

THE MOST AMBITIOUS LINE-UP OF THE INDUSTRY

Q3



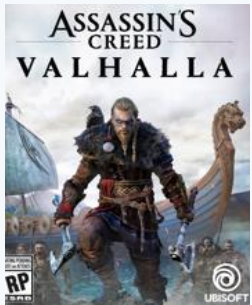
OCT. 29TH 2020

- Amazon Luna
- PC
- PS4
- PS5
- Stadia
- Xbox One
- Xbox Series X/S



NOV. 12TH 2020

- Nintendo Switch
- PS4
- PS5
- Stadia
- Xbox One
- Xbox Series X/S



NOV. 10TH 2020

- Amazon Luna
- PC
- PS4
- PS5
- Stadia
- Xbox One
- Xbox Series X/S



DEC. 3RD 2020

- Amazon Luna
- Nintendo Switch
- PC
- PS4
- PS5
- Stadia
- Xbox One
- Xbox Series X/S

Q4



JAN. 21ST 2021



FEB. 25TH 2021

Strong momentum of next gen consoles expected to be a material catalyst for our games