



UBISOFT REPORTS THIRD-QUARTER 2023-24 SALES

Q3 net bookings slightly ahead of target
Sustained performance driven by high-quality new releases and back-catalog strength

2023-24 targets confirmed

FY25 release slate to include Star Wars Outlaws™ and Assassin's Creed® Codename Red

Net bookings for the first nine months of fiscal 2023-24

	In €m 9 months 2023-24	Reported change vs. 2022-23	% of total net bookings	
			9 months 2023-24	9 months 2022-23
IFRS 15 sales	1,442.5	-4.1%	-	-
Net bookings	1,448.6	+1.6%	-	-
Digital net bookings	1,185.0	-2.1%	81.8%	84.8%
<i>PRI net bookings</i>	688.6	-18.2%	47.5%	59.0%
Back-catalog net bookings	1,054.6	+39.7%	72.8%	52.9%

Third fiscal quarter: Net bookings of €626.2 million, slightly ahead of guidance at around €610 million. Excluding mobile that included the recognition related to the Assassin's Creed® Jade licensing partnership last year, net bookings were up 43.1% year-on-year in Q3 and 45.1% year-on-year in the first nine months, driven by high-quality new releases and back-catalog strength.

Strong sequence of high-quality new releases designed to be long sellers

- **Assassin's Creed® Mirage** successfully harnessed the strength of the Assassin's Creed brand to deliver a back-to-the-roots experience including the return of fan-favorite gameplay.
- **Avatar: Frontiers of Pandora™** set an industry benchmark in terms of world creation and was favorably received by players, positioning the game to be a long-term seller.
- **The Crew® Motorfest**, released in Q2, continues to outperform The Crew 2 on acquisition, activity, monetization and net bookings metrics since launch, on a comparable basis, thus growing the franchise.
- **Prince of Persia™: The Lost Crown**, released on January 18, has been unanimously praised by critics and players in reviving an iconic brand.

Q3 Back-catalog: Strong performance demonstrating the power of major brands and Live services

- **Tom Clancy's Rainbow Six® Siege:** Continued positive momentum with net bookings up sharply vs. last year and strong growth in both number of players and session days per player, with playtime up nearly 60% year-on-year.
- **Assassin's Creed® brand:** Overperformance driven by robustness of the brand that benefitted from the halo of the successful Mirage launch.

2023-24 targets confirmed: Strong topline growth and approximately €400 million of non-IFRS operating income

Paris, February 8, 2024 – Today, Ubisoft released its sales figures for the third quarter of fiscal 2023-24, i.e. the three months ended December 31, 2023.

Yves Guillemot, Co-Founder and Chief Executive Officer, said *"Ubisoft recorded a solid third quarter, with net bookings slightly ahead of our expectations. This quarter provided us with positive momentum and marks the beginning of our turnaround to consistently creating and delivering high-quality, long-lasting games. Our performance was driven by the releases of Assassin's Creed Mirage and Avatar: Frontiers of Pandora, by the continued strong trajectory of The Crew Motorfest, as well as by the robust performance of our back-catalog. The latter was propelled by the success of Rainbow Six Siege, which achieved sharp net bookings and playtime growth, and by the overall Assassin's Creed franchise that benefitted from the launch of Assassin's Creed Mirage. The robustness and longevity of our back-catalog is a tribute to the attention we have had in consistently delivering high-quality titles that are loved by fans.*

I want to praise the outstanding work done by Ubisoft's teams. They strove to offer quality games that align with our ambition to bring great entertainment to players. Players' very positive response to our latest major releases, such as Assassin's Creed Mirage and The Crew Motorfest shows that we are indeed moving in the right direction. We also made great progress in terms of visual quality and universe richness thanks to our proprietary Snowdrop engine, which was used in developing Avatar: Frontiers of Pandora, a game that set a new industry benchmark in terms of world creation.

The fourth quarter represents an opportunity to continue to build on this momentum, with the launch of Prince of Persia: The Lost Crown, a game that illustrates Ubisoft's capacity to revive iconic brands, and the release of Skull and Bones, which generated increasingly positive engagement following its end-game and post-launch reveal. This new brand has the potential to establish itself as a new Live experience over the long term. The upcoming launch of XDefiant will take us a step further into the world of Free-to-play, in line with our strategy of strengthening our position in Live services and increasing the recurrence of our business. We are also planning significant partnerships, including the non-exclusive licensing of the Activision Blizzard streaming rights that we acquired last October.

Looking at our overall organization, we continue to actively roll out transformation initiatives across the Group in order to respond to the market's evolution and accelerate the execution of our strategy while reducing our cost structure. In Q3, we made further progress in streamlining our operations and, at the same time, saw overall talent retention continue to improve. We are firmly committed to continuing along this path in the months ahead to deliver on our cost-reduction targets and better position ourselves for collective success in the long term.

Moving forward, we're gearing up for a very promising line-up for fiscal year 2025, including the upcoming release of Star Wars Outlaws in 2024, which should be a major milestone in the video game industry, especially given the undeniable appeal of this legendary franchise that will be coming for the first time to the Open World territory, as well as Assassin's Creed Codename Red, set in the long-awaited feudal Japan universe. We look forward to revealing the full extent of the creative capabilities of Ubisoft's teams, who are working hard to make these games a success that will live up to gamers' expectations".

Q3 Activity

New Releases

Assassin's Creed Mirage was released on October 5. Through a more condensed story than the usual brand proposition, the game was positively received by critics and players alike, delivering on the 'back-to-the-roots' fantasy, with a narrative-driven action-adventure experience focused on parkour and stealth that have defined the franchise for more than fifteen years.

Avatar: Frontiers of Pandora was released on December 7 and set an industry benchmark in terms of world creation with a breathtaking recreation of Pandora, an immersive Na'vi experience and a canon addition to the Avatar story, showcasing the power of Ubisoft's Snowdrop engine and new gen technology. The release achieved a solid Metacritic user score and was met with strong community reception. Players praised the faithful fidelity to the Avatar IP and the freedom to explore the world, positioning the game to be a long-term seller, notably thanks to its post-launch roadmap and the growing new gen consoles install base.

The Crew Motorfest, released in Q2, continues to trade well with acquisition, activity, monetization and net booking metrics outperforming The Crew 2 on a comparable basis, setting the brand on a solid long-term growth trajectory.

Back-catalog

In a more competitive environment for first-person shooter Live services, **Rainbow Six Siege** posted another very strong performance this quarter, with net bookings up sharply versus last year, driven by very robust growth in both active players and session days per player, and playtime up close to 60% year-on-year. These solid trends continued in the new year, with levels of activity and engagement growing year on year in January and notably session days growing around 20% year-on-year since mid-January. Elsewhere in the back-catalog, the **Assassin's Creed** franchise outperformed this quarter, benefiting from the release of Assassin's Creed Mirage.

Q4

Beyond Q3, **Prince of Persia: The Lost Crown** was released on January 18. The game, which leverages the strength of the Prince of Persia brand, was unanimously praised by players and critics thanks to its best-in-class level design and the engaging and deep combat gameplay. This launch is a compelling illustration of Ubisoft's capacity to revive iconic brands using a modern and popular gameplay style such as the metroidvania genre.

Skull and Bones™ will launch on February 16. The Open Beta, which starts today, will run until February 11 and will allow players to carry over their progression in the main game. The Open Beta is an opportunity for all players to experience this unique multiplayer-first open world set in the Indian Ocean and inspired by the Golden Age of Piracy, and to dive into its thrilling naval combat and RPG progression. Built as a Live game, Skull and Bones will regularly deliver new, free content to players. The recently unveiled endgame and post-launch plans received an increasingly positive reception from players, who praised the epic gameplay they will get to experience at launch and beyond.

Transformation Initiatives

In order to rationalize its operations and enhance its collective efficiency, the Group continued to undergo targeted restructurings in certain areas. In November, its Canadian general and administrative (G&A) functions were reorganized and streamlined to create a more harmonized experience for employees and teams across the country and the global IT team reprioritized how it supports the business and reduced its overall headcount. Tight control on recruitments alongside transformation streams across the company led to a pursued headcount reduction over the quarter. Over the period, overall talent retention continued to steadily improve month-on-month, as observed since September 2022.

Convertible Bond Issuance

On November 28, 2023, Ubisoft successfully completed an offering of bonds convertible into new shares and/or exchangeable for existing shares ("OCEANEs") due 2031 by way of a public offering to qualified investors for a nominal amount of €494.5 million. The net proceeds will be used for general corporate purposes, including increased financial flexibility and refinancing of the existing debt. This included the partial repurchase below par of approximately €250 million of the outstanding OCEANEs due September 2024, representing approximately 50% of the aggregate principal amount. This transaction has delivered very well optimized terms across the board as it has enabled to extend Ubisoft's debt maturity profile from 3 years to 4.5 years while securing a 2.875% interest rate over 8 years with a conversion premium of 47.5%.

Note

The Group presents indicators which are not prepared strictly in accordance with IFRS as it considers that they are the best reflection of its operating and financial performance. The definitions of the non-IFRS indicators are appended to this press release.

Sales and net bookings

In € millions	Q3		9 months	
	2023-24	2022-23	2023-24	2022-23
IFRS 15 sales	606.4	772.5	1,442.5	1,503.7
Deferred revenues related to IFRS 15	19.8	(45.6)	6.1	(77.3)
Net bookings	626.2	726.9	1,448.6	1,426.3
Digital net bookings	468.2	568.4	1,185.0	1,209.9
PRI net bookings	174.4	419.3	688.6	841.7
Back-catalog net bookings	359.9	249.4	1,054.6	754.8

IFRS 15 sales for the third quarter of 2023-24 came to €606.4 million, down 21.5% (19.5% at constant exchange rates¹). For the first nine months of 2023-24, IFRS 15 sales amounted to €1,442,5 million, down 4.1% (1.9% at constant exchange rates).

Net bookings for the third-quarter 2023-24 totaled €626.2 million, slightly ahead of the Group's target of around €610 million and representing a decrease of 13.8% (11.7% at constant exchange rates). For the first nine months of 2023-24, net bookings stood at €1,448.6 million, up +1.6% (3.9% at constant exchange rates).

Outlook

Full-year 2023-24

The company confirms its financial targets of strong topline growth and full year non-IFRS operating income of approximately €400 million.

Q4 net bookings are expected sharply up, leading to record annual net bookings. This quarter includes a line-up with **Skull and Bones** and **Prince of Persia: The Lost Crown** on the premium side, a limited contribution from **XDefiant** on the free-to-play side, follow-on sales of prior quarters releases, a strong back catalog relying on a heavy Live services program and significant partnerships including the non-exclusive licensing of streaming rights for the console & PC Activision Blizzard games.

Full-year 2024-25

The extent of the FY2024-25 line-up will be revealed in May and will notably include Assassin's Creed codename Red and Star Wars Outlaws on the premium side and The Division® Resurgence and Rainbow Six® Mobile on the free-to-play side.

¹ Sales at constant exchange rates are calculated by applying to the data for the period under review the average exchange rates used for the same period of the previous year.

Conference call

Ubisoft will hold a conference call today, Thursday February 8, 2024, at 6:15 p.m. Paris time/5:15 p.m. London time/12:15 p.m. New York time.

The conference call can be accessed live and via replay by clicking on the following link:

<https://edge.media-server.com/mmc/p/7qyfw8ud>

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Disclaimer

This press release may contain estimated financial data, information on future projects and transactions and future financial results/performance. Such forward-looking data are provided for information purposes only. They are subject to market risks and uncertainties and may vary significantly compared with the actual results that will be published. The estimated financial data have been approved by Board of Directors and have not been audited by the Statutory Auditors. (Additional information is provided in the most recent Ubisoft Registration Document filed on July 20, 2023 with the French Financial Markets Authority (l'Autorité des Marchés Financiers)).

About Ubisoft

Ubisoft is a creator of worlds, committed to enriching players' lives with original and memorable entertainment experiences. Ubisoft's global teams create and develop a deep and diverse portfolio of games, featuring brands such as Assassin's Creed®, Brawlhalla®, For Honor®, Far Cry®, Tom Clancy's Ghost Recon®, Just Dance®, Rabbids®, Tom Clancy's Rainbow Six®, The Crew® and Tom Clancy's The Division®. Through Ubisoft Connect, players can enjoy an ecosystem of services to enhance their gaming experience, get rewards and connect with friends across platforms. With Ubisoft+, the subscription service, they can access a growing catalog of more than 100 Ubisoft games and DLC. For the 2022–23 fiscal year, Ubisoft generated net bookings of €1.74 billion. To learn more, please visit: www.ubisoftgroup.com.

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APPENDICES

Definition of non-IFRS financial indicators

Net bookings corresponds to sales restated for the services component and including unconditional amounts related to license or distribution agreements recognized independently of the achievement of performance obligations.

Player Recurring Investment (PRI) corresponds to sales of digital items, DLC, season passes, subscriptions and advertising.

Non-IFRS operating income calculated based on net bookings corresponds to operating income less the following items:

- Stock-based compensation expense arising on free share plans, group savings plans and/or stock options.
- Depreciation of acquired intangible assets with indefinite useful lives.
- Non-operating income and expenses resulting from restructuring operations within the Group.

Breakdown of net bookings by geographic region

	Q3 2023-24	Q3 2022-23	9 months 2023-24	9 months 2022-23
Europe	43%	31%	40%	30%
Northern America	47%	53%	49%	52%
Rest of the world	10%	16%	11%	18%
TOTAL	100%	100%	100%	100%

Breakdown of net bookings by platform

	Q3 2023-24	Q3 2022-23	9 months 2023-24	9 months 2022-23
CONSOLES	62%	36%	63%	39%
PC	30%	11%	24%	16%
MOBILE	5%	43%	7%	35%
Others*	3%	10%	6%	10%
TOTAL	100%	100%	100%	100%

*Ancillaries, etc.

Title release schedule
4th quarter (January – March 2024)

PACKAGED & DIGITAL

PRINCE OF PERSIA™: THE LOST CROWN	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S, NINTENDO SWITCH™
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SKULL AND BONES™	AMAZON LUNA, PC, PLAYSTATION®5, XBOX SERIES X/S
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DIGITAL ONLY

FOR HONOR®: Year 8 – Season 1	PC, PLAYSTATION®4, XBOX ONE
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RIDERS REPUBLIC™: Season 10	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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SKULL AND BONES™: Season 1	AMAZON LUNA, PC, PLAYSTATION®5, XBOX SERIES X/S
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TOM CLANCY'S RAINBOW SIX® SIEGE: Year 9 – Season 1	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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TOM CLANCY'S THE DIVISION® 2: Year 5 - Season 3	AMAZON LUNA, PC, PLAYSTATION®4, XBOX ONE
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THE CREW® 2: Title Update 18	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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THE CREW® MOTORFEST: Season 3	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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UNO® PARTY DLC	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S, NINTENDO SWITCH™
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VALIANT HEARTS: COMING HOME	PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S, NINTENDO SWITCH™
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XDEFIANT: Season 0	PC, PLAYSTATION®5, XBOX SERIES X/S
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