



UBISOFT

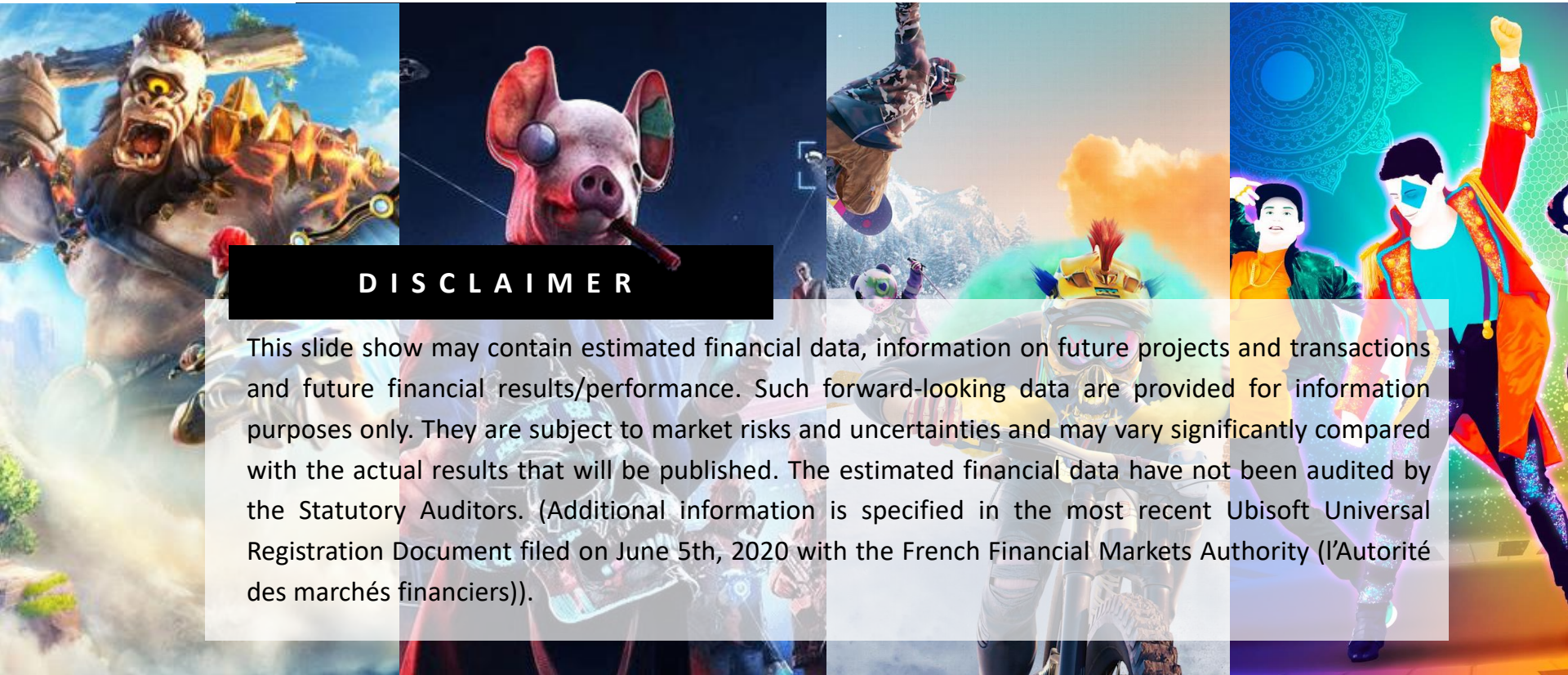
FY21 EARNINGS

May 11, 2021

DISCLAIMER

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DISCLAIMER

This slide show 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 not been audited by the Statutory Auditors. (Additional information is specified in the most recent Ubisoft Universal Registration Document filed on June 5th, 2020 with the French Financial Markets Authority (l'Autorité des marchés financiers)).

AGENDA



FY21 PERFORMANCE

FY22 TARGETS

FY21: RECORD PERFORMANCE IN LINE WITH TARGETS

	12-MONTHS
NET BOOKINGS	2 241 M€, +46% YoY
DIGITAL REVENUES	1 609 M€, + 28% YoY, 72% of total net bookings
PLAYER RECURRING INVESTMENT	780 M€, + 11% YoY, 35% of total net bookings
BACK-CATALOG	1 288 M€, + 15% YoY, 58% of net bookings

FY21 HIGHLIGHTS

RECORD ACTIVITY

- 141 million unique players, up 20%

STRENGTH OF BACK-CATALOG

- Share of net bookings > 50% for the 3rd consecutive year

RISING VALUE OF UBISOFT'S ASSETS:

Significant progression of portfolio value:

- All time high performance for **Assassin's Creed** franchise
- Spectacular growth of **Just Dance**
- **Rainbow Six**: Industry's top 10 most played games in 2020
- Robust growth for **Brawlhalla**, **Far Cry**, **For Honor**, **Rabbids**, **The Crew**, **Watch Dogs**
- Solid sales-through trends for **Immortals Fenyx Rising**
- Significant portfolio expansion to come: **Avatar**, **Beyond Good & Evil 2**, **Riders Republic**, **Skull & Bones**, **Star Wars**

Rising value of technology assets:

- Rollout of **Ubisoft Connect**
- **i3D.net**: a fast-growing hosting leader in the VG space



FY21: NON-IFRS P&L

in € millions, except for per share data	FY 2020-21		FY 2019-20	
		%		%
IFRS15 Sales	2,223.8		1,594.8	
Deferred revenue related to IFRS15 standard	16.7		(60.8)	
Net bookings	2,240.6		1,534.0	
Gross profit based on net bookings	1,914.8	85.5	1,280.9	83.5
Non-IFRS R&D expenses	(784.9)	(35.0)	(680.9)	(44.4)
Non-IFRS Selling expenses	(438.1)	(19.6)	(382.2)	(24.9)
Non-IFRS G&A expenses	(218.4)	(9.7)	(183.6)	(12.0)
Non-IFRS SG&A expenses	(656.6)	(29.3)	(565.8)	(36.9)
Non IFRS current operating income	473.3	21.1	34.2	2.2
Net Financial Income	(19.2)		(10.9)	
Share in profit of associates	0.0		0.0	
Income Tax	(138.6)		(32.2)	
Non IFRS consolidated net income	315.6		(8.8)	
Net income attributable to owners of the parent company	313.5		(10.2)	
Net income attributable to non-controlling interests	2.1		1.4	
Non IFRS Diluted earnings per share attributable to parent company	2.48		(0.09)	
Number of shares fully diluted	126,287		112,050	

- **Gross margin 2.0 points to 85.5%:** Highlighting the strength of the underlying business
- **R&D up 104 M€**
- **SG&A up 91 M€:**
 - Variable marketing expenses: 307 M€ or 13.7% of net bookings (263 M€ & 17.1% in FY20)
 - Structure costs: 349 M€ or 15.6% of net bookings (303 M€ & 19.8% in FY20)
- **Record Operating income at 473 M€, c. 45 M€ FX headwind vs. FY20**

FY21: R&D

In € millions	FY 2020-21	FY 2019-20
Depreciation of in-house software-related production	428.5	410.7
Depreciation of external software-related production and licenses	5.5	11.8
Royalties	34.1	23.5
Non Capitalized R&D & others*	316.8	234.8
Total R&D P&L	784.9	680.9
Capitalized in-house software-related production	738.4	639.6
Capitalized external software-related production and licenses (excluding future commitments)	14.8	11.6
Royalties	34.1	23.5
Non Capitalized R&D & others*	316.8	234.8
Total R&D Cash	1,104.2	909.6

*mostly Post-Launch content

- **15% increase in total P&L R&D**
- **35% increase in non-capitalized R&D:** stronger bonuses and growing investments in post-launch content to fuel recurring revenues
- **21% increase in total R&D Cash:** support future strong growth

FY21 : IFRS / NON-IFRS RECONCILIATION

In € millions except for per share data	FY 2020-21			FY 2019-20		
	IFRS	Adjustment	Non IFRS	IFRS	Adjustment	Non IFRS
IFRS15 Sales	2,223.8		2,223.8	1,594.8		1,594.8
Deferred revenue related to IFRS15 standard		16.7	16.7		(60.8)	(60.8)
Net bookings			2,240.6			1,534.0
Total Operating expenses	(1,934.5)	167.2	(1,767.2)	(1,654.3)	154.6	(1,499.7)
Stock-based compensation	(56.8)	56.8	0.0	(53.8)	53.8	0.0
Non-current operating income & expense	(110.4)	110.4	0.0	(100.8)	100.8	0.0
Operating Income	289.4	184.0	473.3	(59.5)	93.7	34.2
Net Financial income	(51.6)	32.4	(19.2)	(19.1)	8.2	(10.9)
Income tax	(132.6)	(5.9)	(138.6)	(45.7)	13.5	(32.2)
Consolidated net income	105.2	210.4	315.6	(124.2)	115.5	(8.8)
Net income attributable to owners of the parent company	103.1		313.5	(125.6)		(10.2)
Net income attributable to non-controlling interests	2.1		2.1	1.4		1.4
Weighted average number of shares in issue	126,286,728		126,286,728	112,050,132		112,050,132
Diluted earnings per share attributable to parent company	0.85	1.64	2.48	(1.12)	1.03	(0.09)

- **Stock based compensation:** 57 M€, broadly in line with last year
- **Non-current operating income & expense:** 110 M€ related to goodwill amortization
- **Net financial income:** (19) M€, of which 8 M€ foreign exchange loss

FY21: CASH FLOWS & CLOSING CASH POSITION

In € millions	FY 2020-21	FY 2019-20
Non-IFRS Opening cash position	(100.6)	(293.8)
Cash flows from operation	64.6	(169.9)
Change in WCR	104.5	83.4
Cash flows from operating activities	169.0	(86.4)
Net investment in capital assets	(96.7)	(104.7)
Net free cash flow	72.3	(191.1)
Net acquisitions/disposals	(16.0)	(143.7)
Proceeds from issue of capital and other financial flows	78.5	456.3
Net acquisitions/disposals of own shares	25.8	35.3
Equity component (OCEANE)	(5.5)	42.7
Effect of exchange rate fluctuations	24.7	(18.7)
Decrease/(increase) in net debt	179.8	180.7
Closing cash position	79.2	(113.1)
IFRS16 Debt Opening		12.5
Non-IFRS Closing cash position	79.2	(100.6)

- **Non-IFRS net cash:** 79 M€, improvement vs. end of March 2020 net debt position of 101 M€
- **234 M€ increase in CF from operations**

AGENDA

A promotional image for Call of Duty: Warzone. The background is a collage of game characters and action scenes. On the left, a blue-tinted scene shows a soldier in a helmet and another character in a blue uniform. In the center, a close-up of a man's face is overlaid with a blue beam of light. On the right, a red-tinted scene shows a character in a gas mask and another in a red hood. The overall composition is dynamic with diagonal lines and a color gradient from blue to red.

FY21 PERFORMANCE

FY22 TARGETS

FY22 TARGETS

Q1 FY22e

Q1 FY22 NET BOOKINGS: **320 M€**

FY22e

FY22 NET BOOKINGS: Single-digit growth

- Back-catalog growth:

Underlying robust dynamic, bigger post-launch plans and significantly stronger release slate in FY21 vs. FY20 should more than compensate strong comparison base

- Growth from well-diversified new release line-up

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

A woman in ancient Greek-style armor, including a red cape and a breastplate, stands in a mountainous landscape. She holds two swords, one in each hand. The background features a river, a temple, and a large eagle flying in the sky. The word "APPENDIX" is overlaid in large white letters.

APPENDIX

FY21 PROFORMA PERFORMANCE

Presentation of impact of mobile reclassification on net bookings and gross margin				
	FY21 – As reported	FY21– Pro forma	Q4 FY21– As reported	Q4 FY21 – Pro forma
NET BOOKINGS	2,240.6 M€ +46.1% yoy	2,198.4 M€ +46.1% yoy	484.9 M€ +16.2% yoy	474.4 M€ +22.2% yoy
DIGITAL NET BOOKINGS	1,609.0 M€ +27.6% yoy	1,566.8 M€ +27.2% yoy	365.2 M€ -1.7% yoy	354.7 M€ +3.6% yoy
PRI NET BOOKINGS	780.0 M€ +11.0% yoy	737.8 M€ +9.6% yoy	190.1 M€ -16.6% yoy	179.6 M€ -9.6% yoy
BACK-CATALOG NET BOOKINGS	1,288.4 M€ +15.5% yoy	1,250.9 M€ +15.0% yoy	269.2 M€ -23.1% yoy	260.0 M€ -19.4% yoy
COGS	325.7 M€	283.5 M€		
NON IFRS GROSS MARGIN	85.5% +2.0 points yoy	87.1% +2.0 points yoy		