



FY22 Half Year Results

September 2022

# Team17 Group plc

**Debbie Bestwick**

Chief Executive Officer

**Mark Crawford**

Chief Financial Officer





# H1 2022 Group Highlights



High quality acquisitions embedded broadening geographic & operational reach, adding first party IP to the growing portfolio



Games Label portfolio life cycle management driven double digit back catalogue growth supported by DLC updates

astragon's Police Simulator continues to build momentum with other first party IP alongside strong physical sales



StoryToys active subscribers doubled to >250k with Marvel Hulk & Ironman updates, alongside long-term LEGO Group extension



Headcount increased by 80 to 345 (includes 52 from acquisitions) with attrition back at historic single digit levels

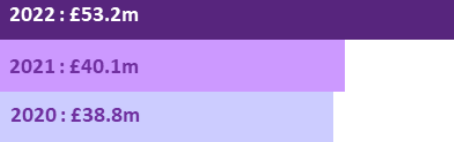


Group synergies being explored across the Group & at industry events (Gamescom)

# H1 2022 Key Financials

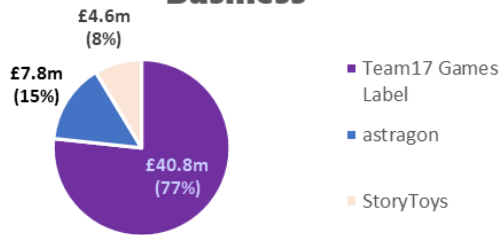


## Revenue



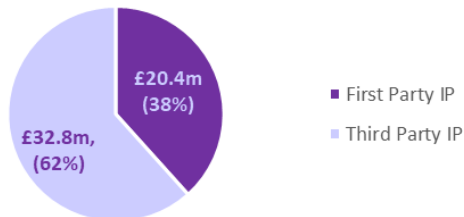
- 33% growth from enlarged Group
- Second half weighted release schedule
- Organic revenues account for 75%
- Back catalogue driving solid H1 performance

## Revenue Breakdown by Business



- Games Label predominantly back catalogue
- Astragon mix of first and third party sales
- StoryToys benefit from multiple app updates

## First & Third Party IP



- First party benefit from HLL switch alongside astragon's four simulation titles
- StoryToys apps with global license partners contribute to third party sales

# H1 2022 Key Financials



## Gross Profit



- StoryToys in line with Games Label
- Lower GM in astragon driven by physical sales, will improve with growing first party revenues
- Increased investment in live titles (fully expensed)

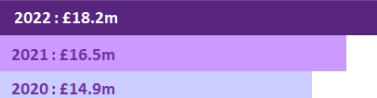
## Admin Costs



(excludes acquisition related charges)

- Acquisitions added £3m (team & overheads)
- Headcount grown in each business
- Salary and cost of living impact in March

## Adj. EBITDA



- Excludes non-trading costs acquisition and share-based compensation
- Continued growth with addition of acquisitions

*Adjusted EBITDA is defined as operating profit adjusted to add back depreciation of property, plant and equipment, amortisation of intangible assets (excluding capitalised development costs), share based payment costs and all acquisition related adjustments and fees. This has been restated to include the add back of acquisition related fees not previously included in the definition*

# H1 2022 Key Financials



## Net Cash & Equivalents



- Impacted by cash invested in acquisitions in January
- In line with trading
- Remain highly cash generative with an operating cash conversion of 139% (core business 111%)

## Adj. EPS



- Reflects trading measure of value growth excluding acquisition related adjustments and costs
- Impacted by H2 weighting

## EPS



- Timing driving reduction at half year impacted by new shares, ppa charges and H2 weighting
- Effective tax rate flat at 20%
- Full year expected EPS accretion remains on track

*Adjusted earnings per share is calculated by dividing the adjusted profit after tax by the weighted average number of ordinary shares. Adjusted earnings per share has been restated for the add back of acquisition related fees to adjusted profit after tax not previously included in the definition.*



# H2 HIGHLIGHTS

## GAMES LABEL RELEASED



Jul

A unique city builder



Aug

A gruelling action-RPG with fast-paced combat and an intricate plague weapon system

## GAMES LABEL - PLANNED



Tactical first-person multiplayer looter shooter set in a sci-fi universe



Metroidvania adventure game



Out of EA

Tycoon/management game



Point-and-click, turn-based adventure



Beat 'em up, roguelite dungeon brawler for 4 players



Out of EA

Cosy, creativity filled community sim game



Interplanetary action RPG

- Continued back catalogue support with content updates (HLL, GWYF & OCAYCE)

## ASTRAGON AND STORYTOYS

Sept



Construction Simulator to launch on PC and console

Oct



Bus Sim: City Ride launching on mobile and Switch

Out of EA - Nov



Police Sim: Patrol Officers will leave Early access and also launch on consoles



- Ongoing multiple updates across all key license apps

# Outlook



- Solid start to the year entering the second half with positive titles releases
- Exciting H2 release schedule:
  - new releases in both Games Label and astragon
  - continued additional DLC/App updates across all businesses
  - First third party simulation title secured
- Team17 Group remains very well positioned to continue to deliver on our growth plans, supported by:
  - Recent accretive acquisitions
  - Underlying strength of core business
  - Ongoing momentum of the Group's broadening games portfolio
  - Healthy development pipeline now being deployed across the enlarged Group
- The Board are mindful of the broader macro economic headwinds and inflationary pressures, however remain confident to trade in line with full year expectations



# Investment Summary



## Pipeline

Strong development pipeline across the enlarged Group for FY22 and beyond

## IP

Growth of owned IP, partnerships with global brands and enlarged back catalogue content portfolio

## Footprint

Leverage expanded teams, capabilities and facilities supporting the wider Group

## M&A

Build on recent acquisitions and target "right fit" future opportunities

## Outlook

Group positioned to deliver growth and meet strategic ambitions