



Guillemot Corporation SA 2018 interim results

SFAF Presentation
September 26, 2018, Paris



H1 2018 highlights



- **Interim Group turnover up 21% at €32.2 million**
 - Net income from ordinary activities: €2.7 million
 - Consolidated net income: €14.2 million
 - Net debt: €1.6 million
 - Accounting gross profit margin up 5%
- **Group expansion in the APAC (Asia-Pacific) region has accelerated, with buoyant growth of 130%, accounting for over 15% of Group sales**
- **Thrustmaster distribution broadened to 100 countries worldwide**
- **New partnership agreement with US retailer Walmart**, the world's number one mass-market retailer, resulting in two of the Group's products being made available in over 3,000 more US stores, with shipments beginning in July
- **Renewed momentum in the Middle East and a new sales structure in the LatAm region**



- **Ferrari-licensed Thrustmaster racing wheels officially launched in the Chinese market**
- **Thrustmaster and Hercules launch direct delivery strategy with leading global e-tailers**
- **Hercules rolls out its recovery plan, unveiling a new website and visual identity, including a new logo, and expanding its distribution network, entering into a strategic agreement with Jam Industries/American Music and Sound, the leading US distributor of music equipment**



Overview of 2018 interim financial statements



H1 2018 key figures

Q1 + Q2 (in € millions) January 1, 2018 – June 30, 2018	30/06/2018	30/06/2017	Change
Total turnover	32.2	26.5	+21%
Current operating income	2.7	-0.2	-
Operating income	2.7	-0.2	-
Financial income**	13.3	7.4	-
Income tax expenses	-1.9	-1.1	-
Consolidated net income	14.2	6.1	-
Earnings per share	€0.93	€0.41	-

* Accessories developed to accompany products of third-party companies (*Original Equipment Manufacturer*).

** Financial income includes the cost of net financial indebtedness, as well as other financial expenses and revenues.



■ Turnover by business area

Q1 + Q2 (in € millions) January 1, 2018 – June 30, 2018	30/06/2018	30/06/2017	Change
Thrustmaster gaming accessories ranges	30.9	24.8	+25%
Thrustmaster total	30.9	24.8	+25%
Hercules digital devices	1.1	1.3	-15%
OEM*	0.2	0.4	-50%
Hercules total	1.3	1.7	-24%
Total turnover	32.2	26.5	+21%

* Accessories developed for third party companies (Original Equipment Manufacturers).

■ Turnover by geographical region

	Jun 30, 2018	Jun 30, 2017	Change
European Union	16,381	14,720	11%
North America	9,235	8,197	13%
Other	6,584	3,621	82%
TOTAL	32,200	26,538	21%



Income statement to June 30, 2018



(All entries are in €K)

	30.06.18	30.06.17
Net turnover	32,200	26,538
Purchases	-20,823	-18,104
External expenses	-6,107	-5,794
Personnel expenses	-4,628	-4,082
Taxes and duties	-242	-166
Depreciation and amortization	-1,526	-1,440
Provisions allowance	-661	-596
Changes in inventories	6,903	4,995
Other operating revenues	150	341
Other operating expenses	-2,516	-1,918
Current operating income	2,750	-226
Other operations-related revenues	0	0
Other operations-related expenses	0	0
Operating income	2,750	-226
Cash and cash equivalents revenues	16	1
Cost of gross financial debt	44	84
Cost of net financial debt	-28	-83
Other financial revenues	13,373	7,453
Other financial expenses	0	0
Income tax expenses	-1,910	-1,052
Net income before minority interests	14,185	6,092
including net income from terminated activities	0	0
Minority interest share	0	0
Group net income	14,185	6,092
Base earnings per share	€0.93	€0.41
Diluted earnings per share	€0.93	€0.40



Balance sheet at June 30, 2018



ASSETS	Net 30.06.18	Net 31.12.17
<i>(All entries are in €K)</i>		
Excess fair market values	0	0
Intangible fixed assets	11,216	10,649
Tangible fixed assets	2,537	2,318
Financial assets	593	416
Income tax assets	554	544
Deferred tax assets	0	0
Non-current assets	14,900	13,927
Inventories	13,779	8,367
Customers	17,718	23,913
Other receivables	2,194	1,348
Financial assets	41,715	28,470
Income tax assets receivables	0	0
Cash and cash equivalents	6,454	10,294
Current assets	81,860	72,392
Total assets	96,760	86,319



LIABILITIES AND SHAREHOLDERS' EQUITY

	30.06.18	31.12.17
(All entries are in €K)		
Capital (1)	11,771	11,554
Premiums (1)	10,551	10,472
Reserves and consolidated income (2)	38,077	23,162
Forex adjustments	144	281
Group shareholders' equity	60,543	45,469
Minority interests	0	0
Shareholders' equity	60,543	45,469
Personnel commitments	959	904
Loans	4,120	5,703
Other liabilities	0	0
Deferred tax liabilities	4,244	2,588
Non-current liabilities	9,323	9,195
Suppliers	15,040	15,376
Short-term loans	3,908	4,861
Fiscal liabilities	435	960
Other liabilities	7,444	9,455
Provisions	67	1,003
Current liabilities	26,894	31,655
Total liabilities and shareholders' equity	96,760	86,319

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €+14,185K



Statement of cash flows



(All entries are in €K)	30.06.18	30.06.17
Cashflow linked to operating activities		
Net income of integrated companies	14,185	6,092
+ Depreciation, amortization and provisions allowance (excluding that linked to current assets)	1,667	1,545
- Depreciation, amortization and provisions recovery	-930	-502
-/+ Unrealized gains and losses linked to changes in fair value	-13,245	-7,049
+/- Expenses and revenues linked to stock options	0	0
-/+ Net gain/loss on disposals	0	-2
Deferred tax change	1,656	982
Cashflow after cost of net financial debt	3,333	1,066
Cost of net financial debt	28	83
Cashflow before cost of net financial debt	3,361	1,149
Cashflow Forex adjustment	1	-17
Inventories	-5,412	-4,260
Customers	6,195	7,480
Suppliers	-336	804
Other	-2,378	-2,475
Working capital requirements change	-1,931	1,549
Net cashflow linked to operating activities	1,403	2,598
Cashflow linked to investments		
Intangible fixed asset acquisitions	-1,305	-946
Tangible fixed asset acquisitions	-715	-229
Intangible and tangible fixed asset disposals	0	2
Financial fixed asset acquisitions	-43	-2
Financial fixed asset disposals	1	0
Net cashflow on subsidiary acquisitions/disposals	0	0
Net cashflow linked to investment activities	-2,062	-1,175



<u>(All entries are in €K)</u>	<u>30.06.18</u>	<u>30.06.17</u>
Cashflow linked to financing activities		
Capital increase or cash contribution	329	0
Dividends paid to minority interests	0	0
Debt issuance	0	0
Shareholders' current account reimbursement	-972	0
Debt repayments	-2,661	-1,253
Other cashflow linked to financing activities	0	0
Total cashflow linked to financing activities	-3,304	-1,253
Forex adjustment impact	-5	-32
 Cashflow change	 -3,968	 138
Net cashflow at fiscal year start	10,279	-3,953
Net cashflow at fiscal year end	6,311	-3,815

The image is a composite of three distinct scenes. On the left, a DJ is shown in profile, wearing headphones and operating a Hercules DJ mixer with two turntables. In the center, a person is skateboarding on a city street, wearing maroon pants and white sneakers. On the right, a small, dark blue cylindrical speaker with a silver mesh grille is visible. The Hercules logo, consisting of the brand name in a white serif font above three red triangles, is positioned at the top center.

Hercules

DJ

Audio



Hercules product ranges

DJing and digital music

DJUCED
BOOST YOUR MIX

Wireless speakers for smartphones
and tablets



Hercules DJ events – 2018

- **CES Las Vegas 2018**
- **NAMM Show 2018**
- **Dancefair 2018**
- **BPM Birmingham Show 2018**





Wireless Audio Experience

HERCULES WAE RANGE

€39.99



WAE Outdoor 04Plus

€49.99



WAE Outdoor 04Plus
Party Pack

€59.99



WAE Outdoor 04Plus
Pack

€69.99



WAE Outdoor 04Plus FM

€89.99



WAE Outdoor Rush



accessories



IP66



IP67



FM



Shock-resistant



Compatible



stereo



LINE INPUT



Rechargeable

WAE Ambassadors



Fabio Wibmer
Austria
Trials & mountain
biking
Over 1m YouTube
subscribers



Julien Cudot
France
Freestyle roller
skating



Delphine Cousin
France
Windsurfing



Nicolas Vuillermot
France
Bike trials



NEW!
Corey Martinez
USA
BMX



NEW!
Simon Perdrix
France
Mountain biking



NEW DJ CONTROLLERS AND SPEAKERS

The background of the slide features a bokeh effect with out-of-focus light sources, creating a soft, glowing atmosphere. A solid red horizontal band spans the middle of the image, serving as a backdrop for the text.

DJCONTROL IMPULSE RANGE

DJCONTROL STARLIGHT

DJCONTROL IMPULSE 200

DJCONTROL IMPULSE 300

DJ STARTER KIT



DJCONTROL STARLIGHT



 **serato** DJ Lite

DJCONTROL STARLIGHT

FULL-FEATURED DJ CONTROLLER

CONTROLS

Touch detection on jog wheels



Solid knobs and faders

AUDIO



Headphones output + Speakers output

RGB BACKLIT BASE

Visual feedback: easier mixing, and a more entertaining show

**START
SERATO**
become a DJ

The perfect DJ controller to get started DJing with Serato:

- **Serato DJ Lite** included
- Mix anywhere with this **full-featured, mobile DJ controller**
- Monitor your mix on **headphones** and play it through **speakers** thanks to the **built-in DJ audio interface**
- Control playback and **scratch easily** with the **touch-detecting jog wheels**
- **Bass EQ/filter rotary knobs** for smooth transitions
- Add colors to your mix with **clear, strong RGB strobe effect backlighting** underneath the base

HERCULES DJ CONTROLLERS

DJCONTROL IMPULSE 200

**START
EASY**
become a DJ

- **Start to DJ** with the right controller
- **Train your ears** and learn to **beat match manually** with built-in **dynamic light guides**
- Follow the **DJ Academy tutorials** integrated into **DJUCED®**
- The **Intelligent Music Assistant** analyzes and suggests the best tracks using **DJUCED®**
- Set the **energy** level for your party to match the best songs for the occasion
- Be confident and have fun!

Deck controls:

- **Jog wheel:** touch detection for scratch mode
- **4 pads:** activate 4 modes (hot-cue, roll, fx, sampler)
- **Loop in/loop out** keys
- **Tempo/pitch fader**

Mixer controls:

- Set the **gain**, **2 EQ levels**, **filter** on knobs, **volume and mix** on faders
- Set the **master volume** and select a preview

Built-in audio:

- Master speaker output + headphones output



SRP: €99.99


DJUCED

HERCULES DJ CONTROLLERS

DJCONTROL IMPULSE 300



SRP: €199.99



**MIX
EASY**
become a DJ

- **Learn to DJ and mix** in the best way possible
- Train your ears and **manually beat match** with built-in **dynamic light guides**
- Follow the **DJ Academy tutorials** integrated into **DJUCED®**
- The **Intelligent Music Assistant** analyzes and suggests the best tracks using DJUCED®
- Set the **energy** level for your party to match the best songs for the occasion

Deck controls:

- **Large jog wheel:** 150 mm/5.9" with touch detection
- **8 pads:** activate 8 modes (hot-cue, roll, slicer, sampler, toneplay and more)
- **Effects control rack:** 1 key and 2 rotary knobs
- Slip, quantize, loop in and loop out keys
- **Tempo/pitch fader**

Mixer controls:

- Set the **gain**, **3 EQ levels**, **filter** on knobs, **volume and mix** on faders
- Set the **master volume** and select a preview
- Check levels on the deck VU-meter and master VU-meter

Built-in audio:

- Master speaker output + headphones output

HERCULES DJ CONTROLLERS

HERCULES DJSTARTER KIT



**START
HERE**
become a DJ

Hercules DJStarter Kit with Serato DJ Lite

- DJ controller: Hercules DJControl Starlight
- DJ software: Serato DJ Lite
- DJ speakers: Hercules DJMonitor 32
- DJ headphones: Hercules HDP DJ M40.2

All you need to start and become a DJ

- **2-deck DJ controller** with built-in audio
- Serato DJ Lite **DJ software** for PC/Mac® included with your controller
- **2 x 15W RMS active speakers** to mix at home
- **DJ headphones** to preview next track

Ready to start

- **Comprehensive** kit: 3 companion DJ gears at your service
- **Tailored for beginners:** easy to carry, easy to install

SRP: €179.99



The background is a composite of three distinct visual elements. The top section is a dark, black area filled with numerous out-of-focus, circular light spots (bokeh) in shades of white and light gray. The middle section is a solid, vibrant red horizontal band that spans the width of the image. The bottom section is a bright, white area featuring a dense pattern of fine, radiating lines and larger bokeh circles, creating a sense of light reflecting off a surface or fiber optics.

DJMONITOR 42

DJMonitor 42

4-inch studio monitor for **skilled DJs**

✓ **COMPACT**

HD driver units are the perfect solution for near-field studio monitoring.

- Flexibility and simple controls
- Direct access to volume, bass and treble

✓ **CLEAR**

- 4-inch **Kevlar** woofer
- Custom-designed to deliver precise high frequencies of up to **20** kHz.

Acoustic tube.

- Our double acoustic tubes **ensure clear, high-quality** audio reproduction

✓ **ACCURATE**

These speakers ensure crisp sound. Speaker cabinets are made from wood to reduce resonance at all volumes.

RMS Power: 40 Watts

Peak RMS Power: 80 Watts



The background features a horizontal red band across the middle. Above the band is a dark area with white bokeh light spots. Below the band is a bright white area with grey bokeh light spots and streaks.

DJMONITOR 32

DJMonitor 32

3-inch studio monitor for **beginner DJs**

- **Wood cabinet for clear sound**
6 mm MDF cabinet for a clear sound
- **3-inch woofer**
Composite 3-inch membrane
- **Bass tube**
Double bass tube with new output angle

RMS Power: 30 Watts

Peak RMS Power: 60 Watts





HERCULES DJ RANGE

NEW

DJ CONTROLLERS

€69.99



DJControl Compact

€79.99

NEW



DJControl Starlight

€99.99

NEW



DJControl Inpulse 200

€179.99

NEW



Hercules DJStarter Kit

€199.99



Hercules Universal DJ

NEW



DJControl Inpulse 300

€249.99



Hercules P32 DJ



DJControl Jogvision



HERCULES DJ RANGE

NEW

DJ MONITORS

€79.99

NEW



Hercules DJMonitor 32

€99.99

NEW



Hercules DJSpeaker 32 Party

€129.99

NEW



Hercules DJMonitor 42

HEADPHONE

€29.99



Hercules HDP M40.2

ACCESSORIES

€29.99



LED Wristbands Pack



New Hercules visual identity

Hercules: a new logo

Hercules announces a complete redesign of its image to reflect its unique and successful track record over the nearly 40 years since the brand was founded. Present in over 85 countries, Hercules aims to be more open and in tune with its users worldwide. The first step in this process: a new logo. Out with the box and its iconic polygons (symbols of bygone graphic cards), in with a logo that's simpler, more accessible and more harmonious. The font created by the Hercules design team is sleeker and lighter, in keeping with the world of music. At the base of the new Hercules logo are three powerful, inseparable triangles that represent the brand's strength and core values: innovation, authenticity, and passion. Finally, the logo is open, which reaffirms the brand's vision: music is open to everyone.



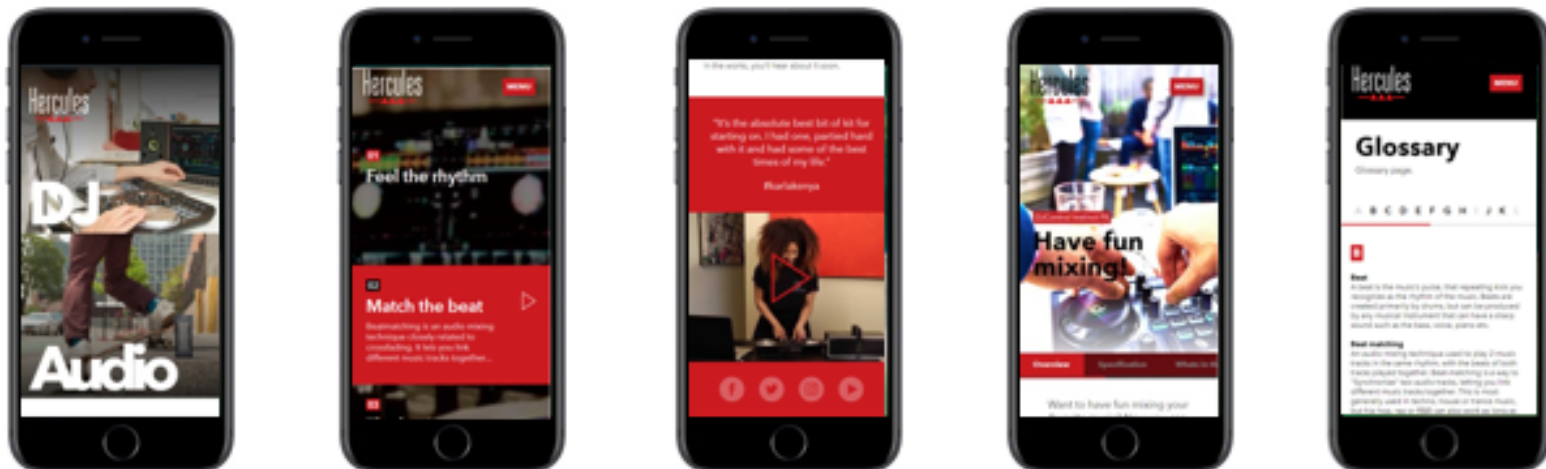


New Hercules visual identity

hercules.com: a new style

To reinforce its strategy, the hercules.com website has been completely revamped, with a more intuitive interface and a design rooted in the moment. It encourages sharing by featuring a social wall that places the user at the very heart of its strategy.

At a time when brands have to be everywhere, faced with multi-channel, multi-product, multi-tasking, multi-everything customers, Hercules is reinventing its website by offering a new experience for music enthusiasts and DJs of all types, whether they're just getting started or already have experience in DJing.





Hercules: a clear and confident positioning

Over the years, Hercules has evolved with the times. Hercules cultivated its reputation for excellence thanks to unique innovations like the launch of the very first DJ controller with an integrated sound card in 2003, the DJConsole, which was a true leap forward. As a specialist in accessible consumer DJ solutions, Hercules has always been committed to serving music lovers, and today the brand wants to go even further. Hercules accompanies music aficionados through their first steps as they learn the art of DJing, by helping them learn the ins and outs and progress with pleasure.

The Hercules rebrand is backed by a new, bold tagline: IT'S YOUR TURN.

IT'S YOUR TURN

IT'S YOUR TURN to get started with ease, mix with confidence, and progress quickly. With Hercules, becoming a DJ has never been easier or more accessible.

THRUSTMASTER®

Gaming headsets

Racing wheels

Gamepads

Joysticks





Thrustmaster product ranges

Racing accessories



Gaming headsets



Joysticks

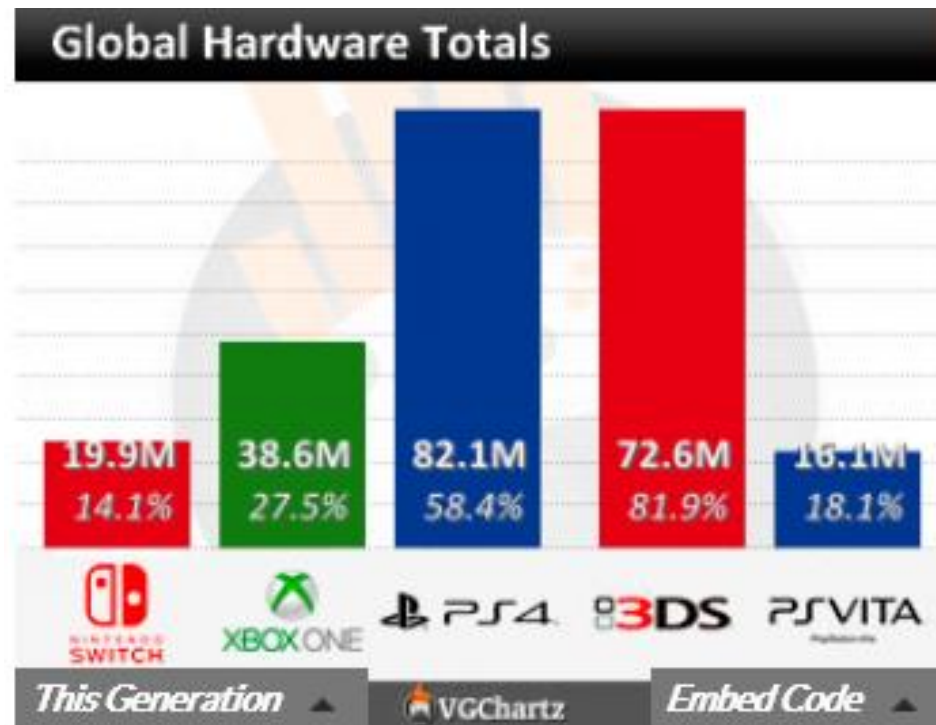




Installed based of new consoles worldwide: **over 229.3 million consoles**

(vs. 214.5 million at February 22, 2018)

of which 82.1 million PS[®]4 and 38.6 million Xbox[®] One
(vs. 75.9 million PS[®]4 and 36.3 million Xbox[®] One at February 22, 2018)



Source: VGChartz, August 25, 2018

Racing wheels and accessories





Guillemot

Hercules

THRUSTMASTER®

WAE
Wireless Audio Experience

DJUCED
BOOST YOUR MIX



TM RACING CLAMP

Following the launch of the TSS Handbrake Sparco Mod, Thrustmaster announced the release of the **TM Racing Clamp**, an ultra-stable fixing system enabling virtual drivers to securely attach their TSS Handbrake and TH8A gearbox to a table or desk without the need for a cockpit

TM RACING CLAMP: KEY POINTS

1- ROCK-SOLID TABLE CLAMP



2- 100% METAL



3- FOR DESKS AND TABLES FROM 0.6" TO 2" (15 to 50mm) THICK



4- ADJUSTABLE FOR MANY DIFFERENT SETUPS





TSS HANDBRAKE SPARCO MOD +

TSS HANDBRAKE⁺
sparco[®] Mod

[illegible]





JOYSTICKS



Realistic joystick

- Officially licensed by Bandai Namco Ace Combat
- Officially licensed by Sony Interactive Entertainment
- Optimal Joystick Mapping developed by the game development team
- Plug & Play to provide the ultimate Joystick experience in the most famous flying franchise on videogames consoles.
- Ergonomically designed to adapt to all types of flights in Ace Combat at full speed, whether in VR or non VR experience
- Adjustable stick resistance with large hand rest
- Full-size detachable throttle for easy manoeuvre even in VR.
- Dual rudder system: by rotating handle (with integrated locking system) or by progressive tilting lever
- Weighted base for enhanced stability
- Comprehensive flight gear: 5 axes + 12 action buttons + 1 rapid fire trigger + 1 multidirectional hat switch (navigation / panoramic view)
- Built-in official buttons for PlayStation®4 system (PS/SHARE/OPTIONS). Access social functions, switch between the game and the system, navigate through the system's menus, etc.
- Recognized in compatible games as a real joystick for optimum flight precision
- List of compatible PS4™ games available at <http://ts.thrustmaster.com/>



Box contents

Joystick, throttle, Allen key, user manual including consumer warranty information.





T.FLIGHT U.S. AIR FORCE EDITION





Thrustmaster strengthened its flight simulation ecosystem over the period, launching its new high-end Gaming T.Flight US Air Force Edition headset, officially licensed by the US Army

Thrustmaster, leaders in flight sim peripherals since 1990, now presents the T.Flight U.S. Air Force Edition gaming headset. This new headset is the result of years of experience and has been designed to pay tribute to Air Force pilots.

T.FLIGHT
U.S. AIR FORCE™
★★ EDITION ★★





TPR PENDULAR RUDDER

TPR
THRUSTMASTER
PENDULAR RUDDER



TPR

THRUSTMASTER PENDULAR RUDDER



Professional rudder for flight simulation, featuring
PENDUL_R™ pendular technology for ultimate precision and smoothness

PENDUL_R: A revolutionary rudder mechanism



H.E.A.R.T. HallEffect AccuRate Technology: Unrivaled precision

- **Revolutionary rudder mechanism**
 - Thrustmaster PENDUL_R™ technology: unique suspended mechanism for smooth, fluid motion. In conjunction with the magnetic sensors, this mechanism ensures perfect precision, even for minor adjustments.
 - Two very precise differential brakes for perfectly-proportioned braking.
 - 100% metal structure – weighs more than 15.4 lb / 7 kg.
 - 32 industrial plain bearings.
 - Realistic dimensions: 20.9 x 14.2 x 14.2 inches / 53 x 36 x 36 cm (W x D x H).
 - Metal base plate for excellent stability, even when used without a cockpit.
 - The rudder can be attached to a cockpit.
- **Unrivaled precision, from the designer of the HOTAS Warthog**
 - H.E.A.R.T. (HallEffect AccuRate Technology) technology: 3D Hall effect magnetic sensors.
 - 16-bit precision on 3 axes (rudder / left differential brake / right differential brake): 65,536 values on each axis; 0.005° of precision.
 - The magnets ensure ultra-precise, frictionless action that won't change over time.
 - Built-in electronics, with the ability to update the device's firmware.



Gaming headsets



T.RACING SCUDERIA FERRARI EDITION





T.RACING Scuderia Ferrari Edition



T.Racing Scuderia Ferrari Edition Gaming Headset

- The official Ferrari license allows Thrustmaster to target a massive audience
- The Officially Licensed Product logo guarantees customers a product that carries Ferrari's values



Audio performance

- **True 50mm/2"** analytic drivers provide crystal-clear audio without any saturation
- Provides audio feedback designed exactly as game developers intended, thanks to the **stable frequency response curve** that has been optimized for gaming sessions, with perfect balance between bass, mids and treble
- **116±3dB SPL** output for elite distortion control ($\leq 1\%$) and precision
- The best of our audio expertise, taking gaming performance to the next level



Universal headset for full compatibility (3.5mm/1/8" jack connector)

- Optimized for full compatibility with PlayStation®4, Xbox One®, Nintendo Switch™**, PC and Mac®
- Also compatible with Nintendo 3DS™, PlayStation®Vita, tablets and smartphones



Designed for comfort and flexibility

- Outstanding comfort inspired by real life paddock headsets: **25mm/1-inch thick over-ear memory foam ear cushions with gel layer** for utmost comfort during hours of play
- **Effective passive isolation**
- Up to 3 meters / 9ft10in of cable to adapt to any type of gaming configuration



High-performance microphone

- **Unidirectional microphone**, designed to target only your voice for the most effective communication with your teammates
- **Detachable and adjustable** microphone in order to adapt to every player's head size and shape



Sound control

- **On-ear volume knob**, allowing the player to adjust the audio level of the game
- **Mic volume and mute controls** on in-line controller for easy access



Driver Andrea Bertolini



RAINBOW SIX LICENSED HEADSETS

*(Marketed in North, South and
Central America)*





Y-300CPX SIX COLLECTION EDITION - GAMING HEADSET

Officially licensed for Rainbow Six Siege game





Y-300CPX SIX COLLECTION EDITION - GAMING HEADSET

Officially licensed for Rainbow Six Siege game



CUSTOMIZABLE SIX SIEGE DESIGN

DESIGN SIX SIEGE PERSONNALISABLE



AVAILABILITY: November 2018 (TBC)

CONFIDENTIAL Guillemot Corporation S.A.

Thrustmaster Awards



www.checksix-fr.com, Jul 12, 2018



<https://arstechnica.com>, Sep 23, 2018

Thrustmaster TPR: The best flight sim pedals you can buy in a store like a normal person



Increased import tariffs on certain products assembled in China and imported into the United States

In connection with its negotiations with China, the US Government has decided to tax certain products manufactured in China. This measure applies to certain customs codes for products manufactured by the Group and assembled in China. Around one-quarter of products marketed by the Group in the United States are affected, and will be subject to an additional tax of 10% on imports from September 24, 2018 and 25% on imports from January 1, 2019.

The Group plans to pass on this increase in its selling prices. The Group nevertheless forecasts continued strong growth in its US sales in 2019.



2018 outlook



The Group is maintaining its forecasts of strong growth in turnover and net operating income in the fiscal year.

A black and white photograph of a group of people in a gym, possibly a dance or fitness class, with their arms raised. A large, solid red rectangle is centered over the image, containing the text "THANK YOU!" in white, bold, sans-serif capital letters.

THANK YOU!