



# Guillemot Corporation SA

## 2019 interim results

SFAF Presentation

September 27, 2019, Paris



# H1 2019 highlights



- **Interim Group turnover down 21% at €25.5 million**
  - Hercules delivered strong growth over the period, with revenue up 46% thanks to sales of the new DJing range
  - Thrustmaster down 23% mainly due to distributors' existing inventories of racing wheels
- **Net income from ordinary activities: -€1.5 million**
- **Growth in Thrustmaster sales to consumers:**
  - > Joystick and racing wheel sales up 8% by value in five major European countries over the first seven months of 2019 (source: GfK)
  - > Joystick and racing wheel sales up 24% by value in the United States in the first half of the year (source: NPD 2019)
- **Growth in Thrustmaster sales in China, 70% growth in Japan and new partnerships in South Korea**
- **Very strong growth in sales of Thrustmaster joysticks thanks to strong business momentum since the January launch of the officially licensed Ace Combat 7 range**
- **Continued policy of establishing partnerships in eSports:**
  - (a) Thrustmaster enters into a new partnership with the Jean Alesi eSports Academy;
  - (b) Thrustmaster partners with the Le Mans Esports Series
- **Finalized European "direct import" agreement with Amazon Europe following agreement with Amazon USA last year**



# Overview of 2019 interim financial statements



## H1 2019 key figures

Q1 + Q2 (in € millions) January 1, 2019 – June 30, 2019	30/06/2019	30/06/2018	Change
Thrustmaster gaming accessories ranges	23.6	30.9	-23%
Thrustmaster total	23.6	30.9	-23%
Hercules digital devices	1.6	1.1	+45%
OEM*	0.3	0.2	+50%
Hercules total	1.9	1.3	+46%
Total turnover	25.5	32.2	-21%
Current operating income	-1.5	2.7	
Operating income	-1.5	2.7	
Financial income**	-1.1	13.3	
Income taxes	+0.1	-1.9	
Consolidated net income	-2.5	14.2	
Earnings per share	€-0.17	€0.93	

\* 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 activity

Unaudited data (in € millions)  
January 1, 2019 – June 30, 2019

### Q1 + Q2 total

	2019	2018	Change
Thrustmaster gaming accessories ranges	23.6	30.9	-23%
<b>Thrustmaster total</b>	<b>23.6</b>	<b>30.9</b>	<b>-23%</b>
Hercules digital devices	1.6	1.1	+45%
OEM*	0.3	0.2	+50%
<b>Hercules total</b>	<b>1.9</b>	<b>1.3</b>	<b>+46%</b>
<b>Total</b>	<b>25.5</b>	<b>32.2</b>	<b>-21%</b>

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

## ■ Turnover by geographic region

European Union	13,2	16,4	-20%
North America	5,5	9,2	-40%
Other	6,8	6,6	3%
<b>TOTAL</b>	<b>25,5</b>	<b>32,2</b>	<b>-21%</b>



# Income statement to June 30, 2019



(All entries are in €K)	30.06.19	30.06.18
<b>Net turnover</b>	25 485	32 200
Purchases	-11 546	-20 823
External expenses	-5 840	-6 107
Personnel expenses	-4 986	-4 628
Taxes and duties	-216	-242
Depreciation and amortization	-1 574	-1 526
Provisions allowance	-677	-661
Changes in inventories	-905	6 903
Other operating revenues	316	150
Other operating expenses	-1 563	-2 516
<b>Current operating income</b>	<b>-1 506</b>	<b>2 750</b>
Other operations-related revenues	0	0
Other operations-related expenses	0	0
<b>Operating income</b>	<b>-1 506</b>	<b>2 750</b>
Cash and cash equivalents revenues	8	16
Cost of gross financial debt	211	44
<b>Cost of net financial debt</b>	<b>-203</b>	<b>-28</b>
Other financial revenues	0	13 373
Other financial expenses	-939	0
Income taxes	102	-1 910
<b>Net income before minority interest</b>	<b>-2 546</b>	<b>14 185</b>
including net income from terminated ac	0	0
Minority interest share	0	0
<b>Group net income</b>	<b>-2 546</b>	<b>14 185</b>
Base earnings per share	€-0.17	€0.93
Diluted earnings per share	€-0.17	€0.93





# Balance sheet at June 30, 2019



ASSETS	Net 30.06.19	Net 31.12.18
(All entries are in €K)		
Excess fair market values	0	0
Intangible fixed assets	11,456	11,115
Tangible fixed assets	4,700	2,607
Financial assets	379	393
Income tax assets	648	674
Deferred tax assets	1,007	873
<b>Non-current assets</b>	<b>18,190</b>	<b>15,662</b>
Inventories	23,842	24,925
Customers	12,671	23,779
Other receivables	1,762	1,442
Financial assets	30,556	31,284
Income tax assets receivables	0	0
Cash and cash equivalents	3,716	4,010
<b>Current assets</b>	<b>72,547</b>	<b>85,440</b>
<b>Total assets</b>	<b>90,737</b>	<b>101,102</b>



## LIABILITIES AND SHAREHOLDERS' EQUITY

	30.06.19	31.12.18
(All entries are in €K)		
Capital (1)	11,771	11,771
Premiums (1)	10,551	10,551
Reserves and consolidated income (2)	31,435	35,887
Forex adjustments	415	56
<b>Group shareholders' equity</b>	<b>54,172</b>	<b>58,265</b>
Minority interests	0	0
<b>Shareholders' equity</b>	<b>54,172</b>	<b>58,265</b>
Personnel commitments	1,157	998
Loans	2,742	2,532
Other liabilities	0	0
Deferred tax liabilities	0	0
<b>Non-current liabilities</b>	<b>3,899</b>	<b>3,530</b>
Suppliers	13,819	18,878
Short-term loans	9,847	9,337
Fiscal liabilities	340	1,135
Other liabilities	8,621	9,921
Provisions	39	36
<b>Current liabilities</b>	<b>32,666</b>	<b>39,307</b>
<b>Total liabilities and shareholders' equity</b>	<b>90,737</b>	<b>101,102</b>

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €-2,546K



# Statement of cash flows



(All entries are in €K)	30.06.19	30.06.18
<b>Cashflow linked to operating activities</b>		
Net income of integrated companies	-2 546	14 185
+ Depreciation, amortization and provisions allowance (excluding that linked to current assets)	1 880	1 667
- Depreciation, amortization and provisions recovery	0	-930
-/+ Unrealized gains and losses linked to changes in fair value	728	-13 245
+/- Expenses and revenues linked to stock options	0	0
-/+ Net gain/loss on disposals	-5	0
Deferred tax change	-133	1 656
<b>Cashflow after cost of net financial debt</b>	<b>-76</b>	<b>3 333</b>
Cost of net financial debt	203	28
<b>Cashflow before cost of net financial debt</b>	<b>127</b>	<b>3 361</b>
Cashflow Forex adjustment	-7	1
Inventories	1 083	-5 412
Customers	11 108	6 195
Suppliers	-5 059	-336
Other	-4 077	-2 378
<b>Working capital requirements change</b>	<b>3 055</b>	<b>-1 931</b>
<b>Net cashflow linked to operating activities</b>	<b>2 972</b>	<b>1 403</b>
<b>Cashflow linked to investments</b>		
Intangible fixed asset acquisitions	-1 318	-1 305
Tangible fixed asset acquisitions	-337	-715
Intangible and tangible fixed asset disposals	5	0
Financial fixed asset acquisitions	0	-43
Financial fixed asset disposals	0	1
Net cashflow on subsidiary acquisitions/disposals	0	0
<b>Net cashflow linked to investment activities</b>	<b>-1 650</b>	<b>-2 062</b>



(All entries are in €K)

	30.06.19	30.06.18
<b>Cashflow linked to financing activities</b>		
Capital increase or cash contribution	0	329
Dividends paid	0	0
Debt issuance	0	0
Shareholders' current account reimbursement	0	-972
Debt repayments	-1 585	-2 661
IFRS 16 debt and interest reimbursement	-162	0
Other cashflow linked to financing activities	0	0
<b>Total cashflow linked to financing activities</b>	<b>-1 747</b>	<b>-3 304</b>
<b>Forex adjustment impact</b>	<b>61</b>	<b>-5</b>
<b>Cashflow change</b>	<b>-364</b>	<b>-3 968</b>
Net cashflow at fiscal year start	-2 005	10 279
Net cashflow at fiscal year end	-2 369	6 311

## Hercules product ranges

### DJing and digital music

DJUCED<sup>TM</sup>  
BOOST YOUR MIX



### Wireless speakers for smartphones and tablets







DJ





# Hercules



NEW PRODUCTS

H2 2019



A black and white photograph of a crowd at a concert, with many people raising their hands in the air. A solid red horizontal band is superimposed over the middle of the image, containing the text "TWO BUNDLES !".

**TWO BUNDLES !**



## The Hercules DJLearning Kit - Start mixing and become a DJ!



**The Hercules DJLearning Kit is the ideal all-in-one kit to get started DJing. It's the perfect gift for people who want to start mixing, improve, and become a DJ!**



The DJLearning Kit will be available for sale starting October 16, 2019.  
Suggested retail price – DJLearning Kit: €199.99

## The Hercules DJParty Set - Host an impromptu party anywhere!



[YouTube Video](#)



The DJ Party Set will be available for sale starting October 16, 2019.  
Suggested retail price – DJParty Set: €169.99

**The DJParty Set is complete and easy to transport, which means you'll always have the equipment on hand to spice up an impromptu party!**

## The Hercules DJLearning Kit - Start mixing and become a DJ!



- DJControl Inpulse 200
- DJMonitor 32 speakers
- Hercules HDP DJ45 headphones
- Complete DJUCED® software with access to the DJ Academy

**The Hercules DJLearning Kit is the ideal all-in-one kit to get started DJing. It's the perfect gift for people who want to start mixing, improve, and become a DJ!**

### THE PERFECT CONTROLLER TO HELP YOU LEARN HOW TO DJ

The DJControl Inpulse 200 is a compact version with easy, comfortable handling that makes it the perfect controller to learn DJing.

- Jog wheels: pressure-sensitive for scratch mode
- 4 pads: 4 modes (Hot Cue, Roll, FX, Sampler)
- Loop in/Loop out keys
- Tempo/Pitch fader
- Gain function, 2 equalization levels and filters to control volume and mix with faders
- Master output for speakers and headphone output



**START  
EASY**  
*become a DJ*

### INTEGRATED DJUCED® DJ SOFTWARE

The DJLearning Kit comes with the complete DJUCED® software package for DJControl Inpulse 200. It's the perfect solution to help you to hone your DJ skills quickly by mixing along with the integrated video tutorials from the Hercules DJ Academy.

### THE HERCULES HDP DJ45

The perfect headphones to get started DJing: plug in to the headphone jack of your DJ equipment, preview the next track, rotate one earpiece to listen to the outside atmosphere, move around freely with the long spiral cable and fold the HDP DJ45 up to carry it.



### DJMONITOR 32 SPEAKERS

Thanks to its experience in the world of audio, this kit from Hercules features a pair of active monitoring speakers that's ideal if you're just starting DJing. They're small but mighty, and bigger speakers have nothing on them, starting with their quality and power.



## The Hercules DJParty Set - Host an impromptu party anywhere!



- Hercules DJControl Starlight
- Hercules HDP DJ45 headphones
- 5 LED wristbands that light up in sync with the music

[YouTube Video](#)

**The DJParty Set is complete and easy to transport, which means you'll always have the equipment on hand to spice up an impromptu evening!**

### AN IDEAL CONTROLLER TO LEARN DJING WITH SERATO DJ LITE

The DJControl Starlight inspires creativity and creates a passion for mixing! This ultra-compact, ultra-light, and ultra-practical controller boasts all the features you need to mix and scratch with Serato DJ Lite.

Through its audio interface, DJControl Starlight allows you to preview your sound in the headphones before broadcasting your mix to the speakers, which is perfect when you're learning or preparing mixes. It's so complete for its size that it manages to include all the essential features, such as bass equalization/filter knobs for smooth transitions and touch-sensitive jog wheels to make scratching easier. And all of that is enhanced with the Hercules touch: clear and powerful RGB backlighting with a unique strobe effect!



### THE HERCULES HDP DJ45

The perfect headphones to get started DJing: plug in to the headphone jack of your DJ equipment, preview the next track, rotate one earpiece to listen to the outside atmosphere, move around freely with the long spiral cable and fold the HDP DJ45 up to carry it.



### 5 LIGHT WRISTBANDS

Designed exclusively for music and mix-party lovers, this set also includes LED wristbands that react to the ambient music, to add a new dimension to your parties! The microphone integrated in the wristband detects sound and vibrations, allowing the flashes to light up in sync with the music and the beat.



A black and white photograph of a crowd at a concert. Many people have their hands raised in the air, some making rock-on gestures. A solid red horizontal band is superimposed over the middle of the image, containing the product name in white text.

# DJSpeaker 32 Smart



# DJSpeaker 32 Smart

**Wireless Bluetooth® monitoring speakers for mixing, creating, and listening to music**



## Hercules DJSpeaker 32 Smart - The first Bluetooth monitoring speakers!



- 3-inch woofer
- Double bass vent
- 6 mm MDF wooden housing
- 15-watt RMS power per satellite
- Line in RCA input
- Bluetooth multipoint pairing input



The DJSpeaker 32 Smart active monitoring speakers are designed with high-end components for extreme precision and rendering and exceptional sound quality.

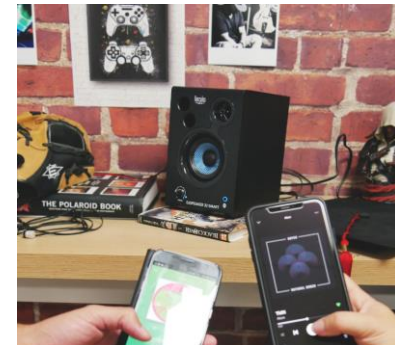
**Whether they're connected via Bluetooth or cable (included), the DJSpeaker 32 Smart will go with you everywhere you mix and allow you to share your playlists at parties!**

**SHARE  
NOW**  
*become a DJ*

**DJING**



**SHARING**



The DJSpeaker 32 Smart will be available for sale starting October 16, 2019  
Suggested retail price: €89.99



# HERCULES HDP DJ45





# HERCULES DJ RANGE

## 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

## 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

# **THRUSTMASTER®**

*Gaming headsets*

*Racing wheels*

*Gamepads*

*Joysticks*







## Thrustmaster product ranges

### Racing accessories



### Gamepads



### Joysticks





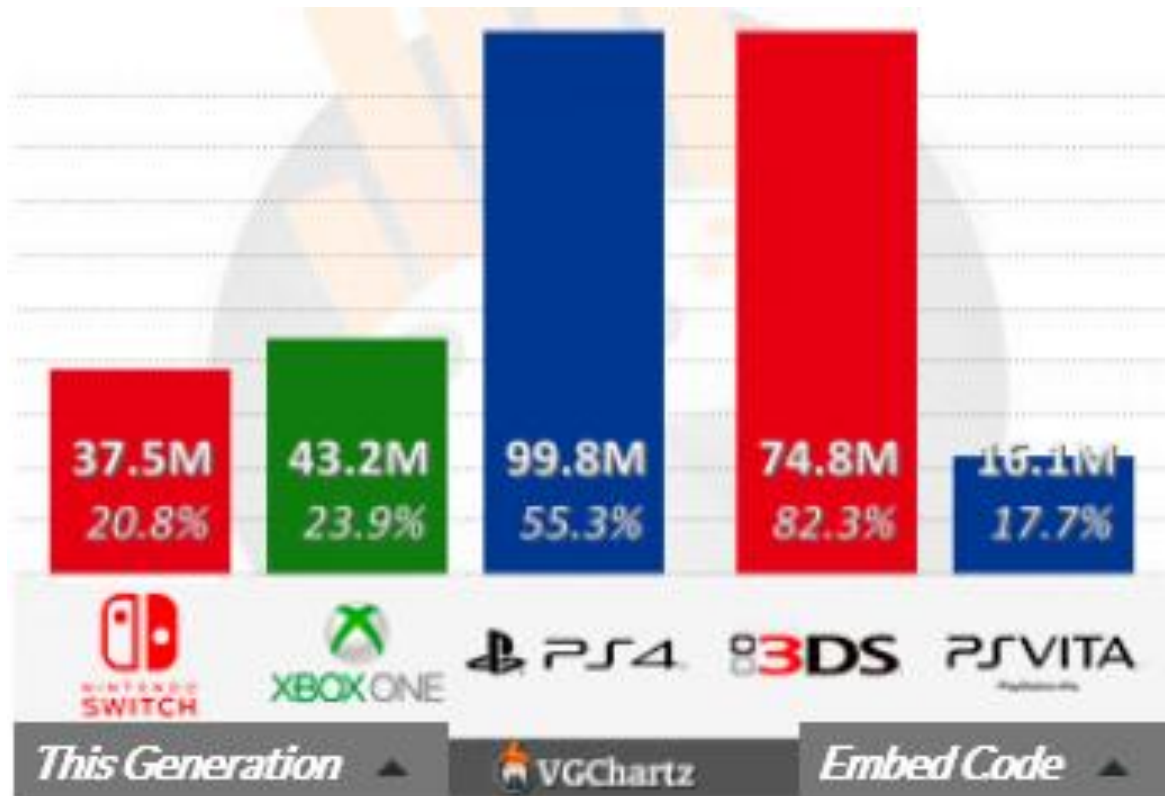
**Installed based of new consoles worldwide:**

**over 271.4 million consoles**

*(vs. 229.3 million at August 25, 2018)*

**of which 99.8 million PS4™ and 43.2 million Xbox One®**

*(vs. 82.1 million PS4™ and 38.6 million Xbox One® at August 25, 2018)*





# Plenty of new game releases



## WRC 8



05/09/2019



WRC 8 is a racing video game focused on rallying.

OK WITH ALL OUR  
WHEELS







[www.gaming-age.com](http://www.gaming-age.com), August 26, 2019



Wreckfest, from noted racing developer Bugbear Entertainment, is launching this week on both PS4 and Xbox One, coming roughly a year after the full release of the destruction derby themed racer hit PC. Following a successful Kickstarter campaign some years back, Wreckfest (formerly titled "Next Car Game") manages to fill a gap in the racing genre that hasn't seen much movement as of late. Namely, a destruction focused racer that features realistic damage modeling and vehicle wear and tear, housed in inventive events and occasionally ludicrous vehicle options.

[www.ign.com](http://www.ign.com), August 23, 2019



Wreckfest is the long-overdue return of serious, high-quality destruction racing. Fierce, frantic fun.

[www.psu.com](http://www.psu.com)

#### The Final Word

Turn off your mind, relax and ram someone off the road. A definitive festival of wrecking which nails the damage modelling and weighty feel of the cars perfectly, Wreckfest is a must for anyone with even the smallest fondest for racing and wrecking.

Score

9





***THRUSTMASTER®***

**eSports**



## Thrustmaster eSports – H1 2019 news

- **Thrustmaster hardware: two rounds of the SRO E-Sport GT Series**

Thrustmaster is heavily involved in the SRO E-Sport GT Series, the new PC eSports competition using the Assetto Corsa Competizione game. Thrustmaster is the official racing wheel supplier for two of the competition's four rounds, at the Monza circuit in Italy (April 13-14) and the Paul Ricard circuit in France (May 31 to June 1).





Racing – eSports competition: BlancPain series  
Paul Ricard circuit  
two add-ons launched at the event



## Thrustmaster eSports – H1 2019 news

- **Thrustmaster: official partner of the Le Mans Esports Series**



Thrustmaster has confirmed its partnership with the Le Mans Esports Series (LMES), the official eSports series of the 24 Hours of Le Mans, the World Endurance Championship (WEC) and Motorsport Network, and is providing its expertise to help make the LMES competition even more immersive and realistic, culminating in the Super Final at the famous 24 Hours of Le Mans.







Le Mans Esports Series: global final



## Thrustmaster eSports – H1 2019 news

- **Jean Alesi Esports Academy:**

On March 28, Thrustmaster announced a partnership with the Jean Alesi eSports Academy to deliver an ambitious and exciting program, setting up a dedicated structure to help already high-performing sim racers reach even higher levels.

The sim racers selected for this development program via the Jean Alesi eSports Academy will benefit from a comprehensive package of training. The training will cover everything the drivers need: race strategy, fine-tuning car settings, mental preparation, physical training, diet, communication, etc.







## Announcement of a new eSports partnership with Gold Team Racing



At the beginning of September, Thrustmaster announced a new **eSports partnership with Gold Team Racing**. Now the team's sponsor and equipment supplier, Thrustmaster is proud to be involved with this big family of virtual drivers for whom the values of work, expertise and fair play are vital. Since it started out in 2016, the team has steadily and consistently improved its performance.





## Thrustmaster eSports – H1 2019 news

- Kamil Franczak (official Thrustmaster-sponsored driver)



Thrustmaster-sponsored driver Kamil Franczak won the first round (of four) of the SRO E-Sport GT Series in Monza, Italy (April 13-14), thus immediately qualifying for the season final in Barcelona on September 28-29.





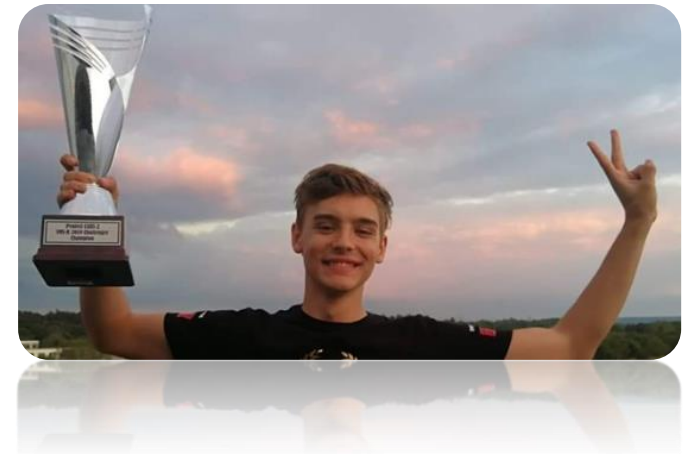


## Thrustmaster eSports – H1 2019 news

- **Kamil Pawlowski (official Thrustmaster-sponsored driver)**



On May 11, talented young Thrustmaster-sponsored driver Kamil Pawlowski consolidated his Project Cars SMS-R 2019 Challenger World Championship title by securing an impressive pole position and win in both races!





**GT WORLD:** official equipment partner of GT Sport competitions worldwide

Three Thrustmaster-sponsored drivers have already qualified



## Thrustmaster eSports – H1 2019 news

- **National Athletics, Japan**

The T-GT Thrustmaster racing wheel is *the* official Gran Turismo Sport racing wheel for the eSport Championship 2019 in Ibaraki Prefecture, part of the 74<sup>th</sup> National Athletics championship in Japan this year. GT Sport is one of three selected eSports games.

The preliminary rounds kicked off on March 31, followed by semi-finals for the 12 administrative divisions. The finals are due to be held on October 5-6.







# National Athletics Japan – IBARAKI – Koshinetsu – Okinawa - Shikoku





## Thrustmaster eSports – H1 2019 news

- “Virtual Red Arrows and Red Arrows”

Longstanding Thrustmaster partners the Virtual Red Arrows met the official Royal Air Force Red Arrows squadron => On April 9, a world first took place at the RAF air base in Scampton in the United Kingdom!

The event, which delighted the community of flight sim enthusiasts, was a memorable experience for both the RAF pilots and the members of the virtual patrol, which partners with Thrustmaster.







## Thrustmaster eSports – H1 2019 news

- **SATAL**

On March 26, Thrustmaster announced its partnership with Squadron Air-to-Air League (SATAL), the world's leading combat flight sim tournament. SATAL is a PvP (player versus player) competition in which the top squadrons compete six against six in the Diamond League or four against four in the Gold League. The tournament runs for six months, culminating in a final clash to gain supremacy in the virtual skies in October.





# **THRUSTMASTER®**

## GAMEPADS







# RACING WHEELS





**SCUDERIA FERRARI**  
— RACE KIT —

**GAMING HEADSETS**



Headsets are gaining in importance, not only for audio during gaming sessions but also for team chats



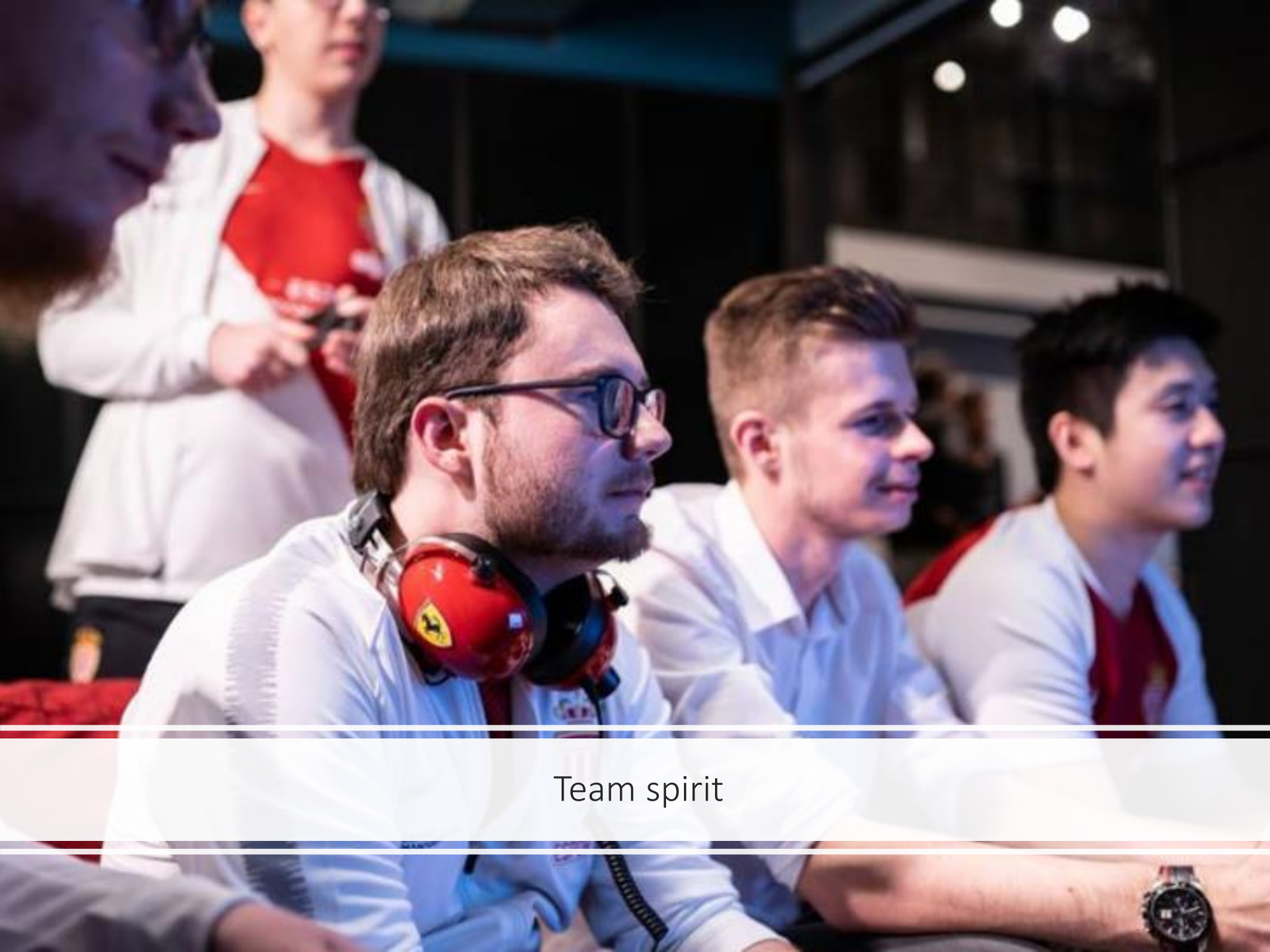
Reaching out to our communities live





Headsets play a key role for instructors





Team spirit

# GAMING HEADSETS



Special flight-simmer set-up



# 2019 outlook



**Since the start of the fiscal year, the Group has achieved growth in terms of sales to final consumers, and will launch a new range of innovative gamepads in order to expand its sphere of operation.**

**The Group operates in two lead markets, namely gaming headsets and third-party gamepads (excluding those produced by game console manufacturers), the market for which accounted for more than €50 million in five European countries over the past seven months (Source: GfK 2019), and more than USD 95 million in the United States over the first half of fiscal 2019 (Source: NPD 2019).**

**Over the second half of the year, the Group is putting in place a solid promotional program with all of its customers in order to maximize their sales in the lead-up to the end of the year. These initiatives will come into effect to coincide with major events for consumers in November, centered around Black Friday in Europe and North America, and Singles' Day in China.**

**However, wholesalers' inventories — which had been beefed up in autumn 2018 in anticipation of higher sales levels — have not yet been fully absorbed, resulting in lags and reduced restocking at the end of the year. With respect to the United States, the anticipation of increased customs duties last year also resulted in higher inventory levels, which will continue to impact the Group's invoicing over the second half of the year.**

**In this context, the Group now forecasts turnover in the order of €65 million for the fiscal year, and cannot guarantee positive operating income.**

**Following this transitional year, the Group anticipates a rebound in 2020 with the launch of the next generation of game consoles and their accompanying games.**



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, semi-transparent red rectangle is overlaid on the center of the image. The text "THANK YOU!" is written in white, bold, sans-serif capital letters across the middle of the red rectangle.

**THANK YOU!**