



## **UBISOFT DECIDES TO INVEST ADDITIONAL DEVELOPMENT TIME IN THREE GAMES**

### **Update of Fiscal 2017-18 targets, notably by revising the profitability target upward**

#### **Higher visibility for Fiscal 2018-19**

**Paris, December 7, 2017** – Today, Ubisoft announced it is investing more time in the development of three upcoming games. Far Cry® 5 is now slated for release on March 27, 2018 (instead of February 27, 2018) and The Crew® 2 will come out in the first half of Fiscal 2018-19 (rather than on March 16, 2018). In addition, one of the three unannounced franchise games initially planned for release in Fiscal 2018-19 now will be released in Fiscal 2019-20.

Christine Burgess-Quémar, Ubisoft's Worldwide Studios Executive Director, said, *"This decision is in line with our strategic vision of developing even more engaging and higher quality experiences for gamers. Taking more time with Assassin's Creed Origins enabled our talented development team to fully express their creative vision. As expected, this had a very positive impact on the game's quality and largely participated to its commercial success. Taking a similar approach, we have decided to invest additional development time in three upcoming games."*

This announcement is being made against a particularly favorable backdrop for Ubisoft, with the month of November seeing continued excellent sales momentum both for back-catalog and new releases.

As a result of both the adjusted lineup and the confirmation of the positive sales trends, Ubisoft is updating its financial 2017-18 targets, notably by revising its profitability upward.

#### **2017-18: Profitability target revised upward**

- Sales: €1,640.0 million versus the previous guidance of €1,700.0 million
  - Third-quarter sales: €700.0 million versus €630.0 million previously
- Non-IFRS operating income: €270.0 million, unchanged
- Record-high non-IFRS operating margin: 16.5% versus 15.9% previously

#### **2018-19: Targets confirmed and higher visibility**

- Sales: €2,100.0 million, unchanged
  - The Group is standing by its sales target, with a further move towards a more recurring profile which provides additional visibility: higher levels of back-catalog sales and digital revenue and a lower number of units expected for the 4 AAA releases (The Crew 2, Skull & Bones™ and 2 unannounced franchises). The assumptions underlying Ubisoft's revenue guidance will be updated at the time of the fiscal third quarter sales release. As a reminder, previously-announced assumptions for 2018-19 were total sales of 28 million units for the four AAA games (3 unannounced franchises and Skull & Bones™) and digital revenue accounting for more than 55% of the overall sales figure for the fiscal year.
- Non-IFRS operating income: €440.0 million, unchanged
- Free cash flow: approximately €300.0 million, unchanged

Alain Martinez, Chief Financial Officer, stated *“Our back-catalog performance throughout November followed the same excellent trends as in the first half of the year and sales for Assassin’s Creed Origins continued their positive launch trajectory. As a result, we are now in a position to both update our financial 2017-18 targets, notably by revising our profitability upward, as well as invest additional development time in our future releases. These positive evolutions, which also give us higher visibility for 2018-19, demonstrate we are successfully transforming our model to make our business more recurring and profitable.”*

Ubisoft will publish its sales for the third fiscal quarter on Thursday, February 8, 2018, after the close of stock market trading.

#### **Contact**

##### **Investor Relations**

Jean-Benoît Roquette

SVP Investor Relations

+ 33 1 48 18 52 39

[Jean-benoit.roquette@ubisoft.com](mailto:Jean-benoit.roquette@ubisoft.com)

##### **Press Relations**

Michael Burk

Senior Director, Public Relations

+ 33 1 48 18 24 03

[Michael.burk@ubisoft.com](mailto:Michael.burk@ubisoft.com)

#### **Disclaimer**

This statement may contain estimated financial data, information on future projects and transactions and future business results/performance. Such forward-looking data are provided for estimation purposes only. They are subject to market risks and uncertainties and may vary significantly compared with the actual results that will be published. (Additional information is specified in the most recent Ubisoft Registration Document filed on July 21, 2017 with the French Financial Markets Authority (l’Autorité des Marchés Financiers)).

#### **About Ubisoft**

Ubisoft is a leading creator, publisher and distributor of interactive entertainment and services, with a rich portfolio of world-renowned brands, including Assassin’s Creed, Just Dance, Rayman, Far Cry, Watch\_Dogs and the Tom Clancy video game series. The teams throughout Ubisoft’s worldwide network of studios and business offices are committed to delivering original and memorable gaming experiences across all popular platforms, including consoles, mobile phones, tablets and PCs. For the 2016-17 fiscal year Ubisoft generated sales of €1,460 million. To learn more, please visit [www.ubisoftgroup.com](http://www.ubisoftgroup.com)

© 2017 Ubisoft Entertainment. All Rights Reserved. Ubisoft and the Ubisoft logo are registered trademarks in the US and/or other countries.