



**Full  
Results  
FY2022**



# Group Operational Highlights



Acquired **astragon** in January adding breadth to Group's own IP portfolio with key **Construction Sim** launch in second half



**Games Label** strengthened through acquisition of **Team17 USA** and **Hell Let Loose** IP

**12 new games** launched across the Group with a **further 6 existing titles** released on wider platforms



Group's **own IP portfolio**, which now represents **41%** of group revenues, benefits from the addition of **astragon** and **Hell Let Loose**



Group **headcount grown to 392** at year end (53 from acquisitions) with increasingly **positive engagement survey results**

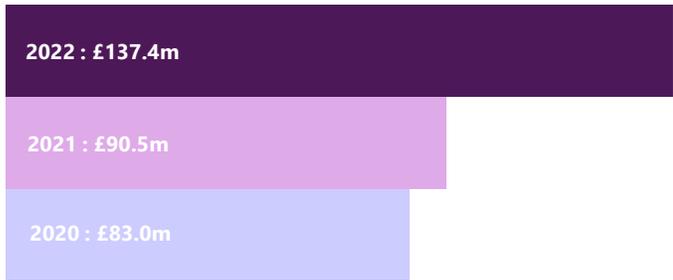


**Broadened portfolio** underpinned by a valuable, **growing back catalogue** of apps/games **appealing to widening age profile** across multiple platforms

# 2022 Financial Revenue Highlights



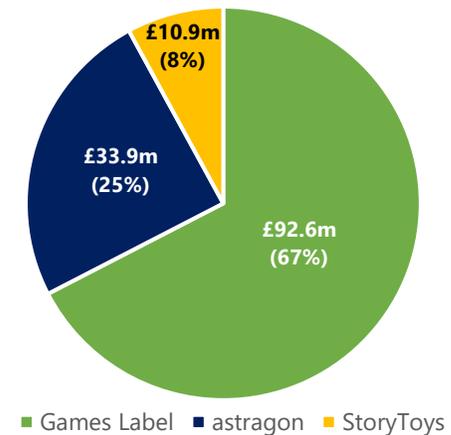
## Revenue



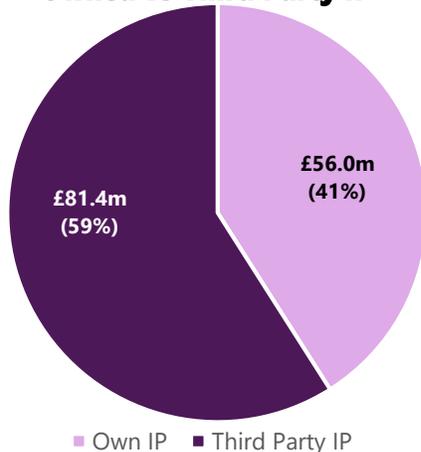
- 52% overall revenue growth
- 61% of revenues delivered in the second half
- £44m delivered by acquisitions

- All divisions outperformed the market as defined by NewZoo (Jan report)
- Impressive astragon performance, heavily H2 weighted and driven by own IP
- StoryToys remains a smaller but important and growing part of the Group
- Games Label released FarmSide to Apple Arcade, first released by Team17 USA since acquisition

## Revenue by Division



## Owned vs Third Party IP

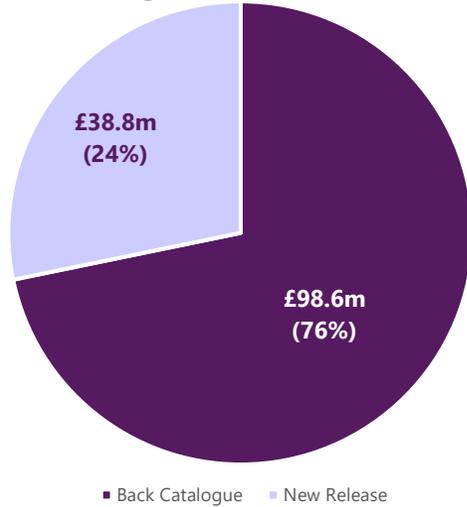


- Growth in own IP benefitting from Games Label's HLL as well as astragon's four simulation titles
- 4 out of 5 top selling titles in the year were Group own IP titles
- Strong performance from astragon's own IP
- StoryToys included in third party "under licenced" content to global brands

# 2022 Financial Revenue Highlights

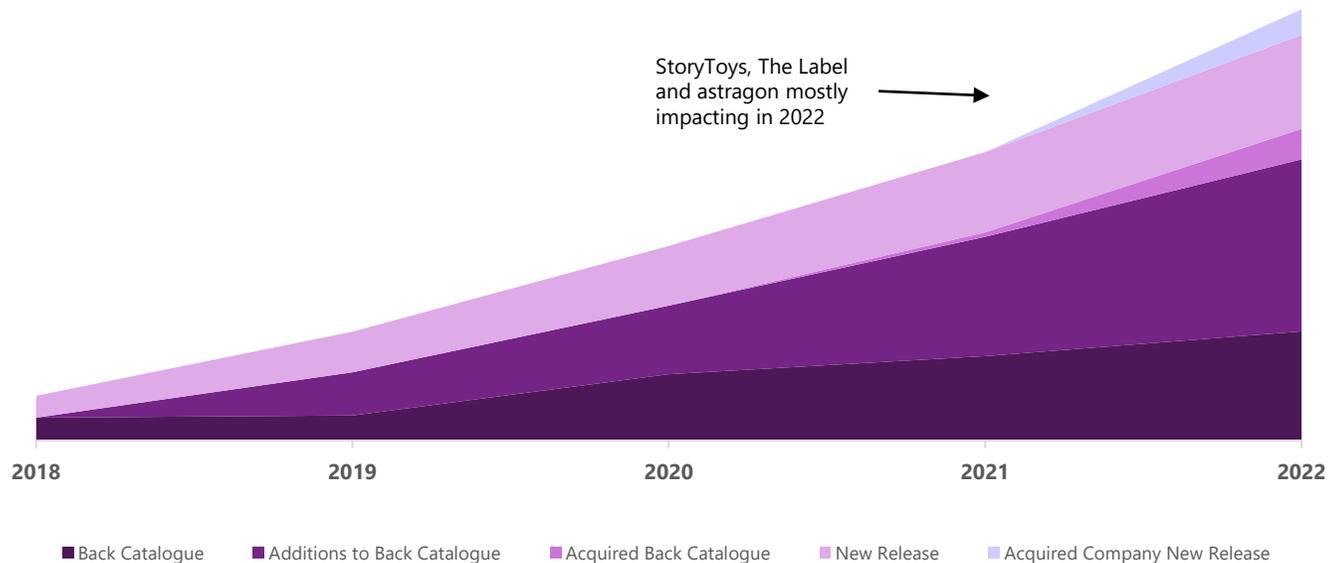


## Back Catalogue & New Release Revenue



- Overall 18 new releases across the Group:
  - 12 new games
  - 6 existing titles released on wider platforms
- StoryToys growth came from their existing back catalogue apps
- Back catalogue lifecycle management demonstrates continued value growth:
  - continued Team17 core back catalogue growth
  - overall growth of 40% in value

## Cumulative Group Portfolio Growing Since IPO



- Building portfolio value over time:
  - Content pipeline development of own and third party IP
  - Lifecycle management to grow the back catalogue through paid and free DLC
  - Monetisation of existing and broadening platform base
  - Extending the customer age range and genres
- Portfolio now reflects a range of app and game lifecycle profiles – none are “hit driven” and many continue to grow over time



## Games Label

- Delivered full year revenues of £92.6m
- Acquisition of **Hell Let Loose** IP bolstered own IP portfolio, together with **Golf With Your Friends** both are now in the top five titles by revenue in 2022
- Acquired Team17 USA in January 2022 (formerly The Label) accessing wider content and offering mobile subscription capability
- Ten Team17 Digital new games released including **Thymesia** and **Marauders** as well as three existing titles on wider platforms
- Double digit back catalogue growth supported by 34 DLC updates across 15 individual portfolio titles with own IP titles leading the top selling back catalogue titles

### Outlook

- Exec team fully in place led by Michael Pattison, now with a very knowledgeable senior team with >150 years in gaming
- **FarmSide** made a good start launched by Apple Arcade in February with solid top 5 week one engagement levels (4.2 out of 5-star rating)
- Solid pipeline including sequels to **Blasphemous** and **Moving Out** along with an exciting and diverse new IP line up including the titles **Gord, Trepang 2, Dredge** and more to be announced.



- Delivered full year revenues of £33.9m (acquired Jan 2022)
- Major own IP launch of **Construction Simulator** (Sept 2022) delivering the highest new release title revenue for the Group in 2022
- Further sales momentum from own IP titles released onto wider platforms for **Police Simulator: Patrol Officer**, **Bus Simulator 21** and **Firefighter Sim**
- Own IP now represents 73% of astragon revenues
- Physical distribution remains an important revenue stream across astragon's portfolio
- Signed first 3<sup>rd</sup> party Simulation Label title **Railroads online!** and expect to build on this with additional titles in future years

## Outlook

- Exec leadership with Julia & Tim, joint CEOs having run the business since 2017
- Investing in the team to support future growth ambitions
- Additional high-quality paid and free DLC to own IP titles across the year
- Expansion of 3<sup>rd</sup> party Simulation Label portfolio
- Continued development of new original own IP for FY24/25



- Delivered full year revenues of £10.9m (acquired in July 2021)
- Active payable subscribers now exceed 300,000, alongside In App Purchases drove revenue growth with >200 app updates
- Extension of contracts with **LEGO Group** and **Marvel Entertainment** to produce multiple future apps - further strengthening existing successful partnerships
- Signed important new license agreements with major global children's entertainment and toy companies, **Mattel** and **Sesame Workshop**
- StoryToys' focus remains on increasing and nurturing its strategic brand relationships to continue to build out its portfolio of app updates across its licence partnerships
- Looking to leverage Group platform for future extensions of the StoryToys titles

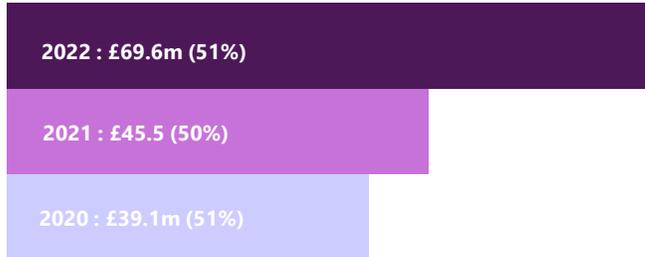
### Outlook

- Growing & diversifying
- Investing in team to support future growth ambitions
- Existing licence apps continuing to grow, lifecycle shows greater upside in future years
- New licence agreement apps with some already in development

# 2022 Financial P&L Highlights



## Gross Profit

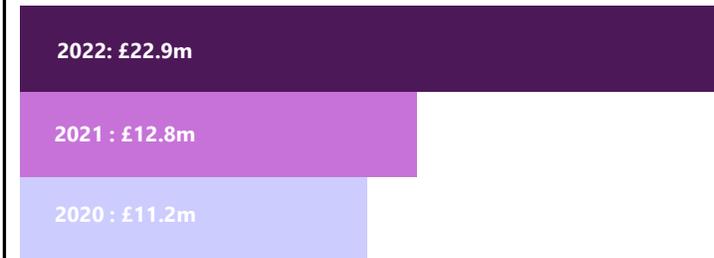


- Improved to 51%, benefitted from HLL and growth in astragon's simulation own IP titles
- Reduced royalties in core business with lower third party sales
- Higher amortisation charges linked to enlarged development pipeline across three divisions

- Excludes acquisition related costs of £14.9m (2021 : £4.5m)
- Spend includes £6.7m additional costs from acquired businesses (53 team members added in Jan)
- £16.2m underlying like for like business costs compare to £11.8m prior year
  - flow through of salary benchmark/cost of living and net headcount increase
  - increased marketing and events spend post pandemic
  - Scale and inflation led to increases in professional/legal costs

## Admin Expenses

(excludes acquisition related fees and charges)



- Benefits from enlarged Group structure but also reflects increased investment in the team/infrastructure
- Excludes non-trading costs (acquisition and share-based compensation)
- Team17 Group remains highly profitable and growing

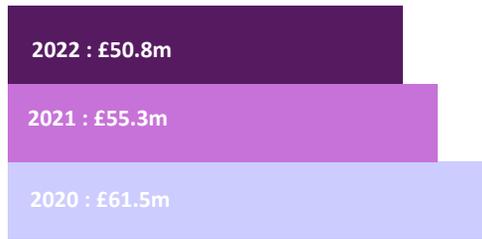
## Adj. EBITDA



*Adjusted EBITDA is defined as operating profit adjusted to add back depreciation of property, plant and equipment, right of use assets, amortisation of intangible assets (excluding capitalised development costs), share based payment costs and all acquisition related adjustments and fees*

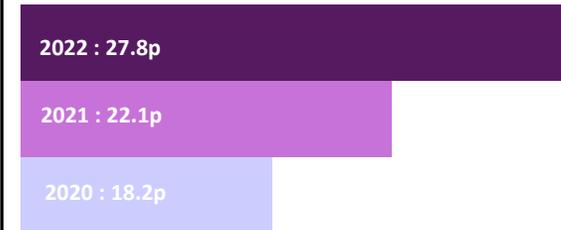
# 2022 Balance Sheet Highlights

## Net Cash & Equivalents



- Increased levels of net cash generated from operations to £49m, +58% vs prior year
- Overall slight decrease in retained cash taking into account capitalised development costs and acquisition payments net of new funds
- 108% cash conversion remains strong

## Adj. Earnings Per Share (basic)



- Consistent growth in aEPS with 25% 3-year CAGR
- EPS (basic) measure does show small reduction but impacted by one-off acquisition costs

## Other Balance Sheet Highlights

Increased intangibles:

- 3-fold increase in development costs capitalised (£26m) reflects enlarged development pipeline and investment across wider group
- 2022 acquisitions increased intangible assets:
  - £46m brands (HLL/astragon 15 years)
  - £22m acquired games/apps (7-10 years)
  - £66m goodwill (reviewed each year)
- Trade receivables elevated by Group scale and also astragon's partners on longer payment terms
- Liabilities significantly impacted by contingent consideration:
  - £18.0m due for payment in FY23 (trade payables)
  - £9.3m due in FY24 subject to performance criteria (other liabilities)
- Business remains highly cash generative and maintains a clean balance sheet

# Group Outlook



## People

Experienced teams led by exceptional industry CEO leaders delivering across three divisions

## IP Portfolio (owned, third party and licenced)

Exciting development pipeline for new titles alongside valuable growing back catalogue

## Group Structure

Leverage shared knowledge, partnerships, capabilities and support services to add value



## M&A

Continued highly selective review of potential opportunities with tried and tested DD process

## Consistent Delivery

Track record of delivering reliable organic and acquisition growth

**Diverse and growing IP portfolio with experienced teams delivering against a clear and ambitious roadmap**



Full  
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# Thank You



# APPENDICES

# Management Team

**Debbie Bestwick**  
Chief Executive Officer



Co-founder with over 35 years' experience.

Established the label and incubator model.

Recognised by the industry through awards including MCV Person of the Year, Golden Joystick and the TIGA Outstanding Leadership.

MBE in recognition of services to gaming

**Mark Crawford**  
Chief Financial Officer



- Qualified accountant with over 30 years' experience and more than a decade at Executive/Board level, joined Team17 in Nov 2019.
- Prior AIM-experience as CFO of specialist technology, energy and defence business
- Previous positions with large corporates, including Glaxo Pharmaceuticals, PepsiCo Restaurants, Gondola Restaurants and Kingfisher plc

## COMBINED INDUSTRY EXPERIENCE OF OUR DEPARTMENT HEADS EXCEEDS 300 YEARS

Franchise Experience includes:



Corporate Experience includes:



# Team17 Group Company CEO's



**Michael Pattison,  
CEO, Team17 Digital**

26-year plus veteran of the video games industry.

Regional and global leader in key Marketing/Brand Management, Platform and Executive roles at some of the biggest companies in the sector including THQ, Capcom and most recently Sony Interactive Entertainment.



**Tim Schmitz,  
CEO, astragon**

Co-CEO of astragon Entertainment GmbH since 2017, originally joining in 2012.

Gaining his first professional experience in the games industry in 2010 at New Planet Group GmbH.



**Julia Pfiffer,  
CEO, astragon**

Co-CEO of astragon Entertainment GmbH since 2017, originally joining in 2010

She began her career in 2004 at Koch Media GmbH in Munich as Label & Sales Manager.

Advisory Board Member of The German Games Industry Association.



**Emmet O'Neill,  
CEO, StoryToys**

25-years' plus experience in interactive product design

Originally joining StoryToys as Chief Product Officer in 2013.

Previously Director of creative & interactive design for publisher Houghton Mifflin Harcourt.

# Income Statement

	Unaudited Year ended 31 December 2022	Unaudited Year ended 31 December 2021	Growth
£m			
<b>Revenue</b>	<b>137.4</b>	<b>90.5</b>	<b>52%</b>
Gross Profit	69.6	45.5	53%
Gross Profit %	51%	50%	
Administrative Expenses	(37.8)	(16.3)	132%
Other Income	0.5	0.0	
Operating Profit	32.3	29.2	11%
<b>Adjusted EBITDA</b>	<b>48.8</b>	<b>35.7</b>	<b>37%</b>
Adjusted EBITDA %	36%	39%	
Profit after tax	23.5	23.7	(1%)
<b>Adjusted Profit after tax</b>	<b>39.7</b>	<b>28.7</b>	<b>38%</b>
Basic EPS	16.5 pence	18.3 pence	(10%)
Basic Adjusted EPS	27.8 pence	22.1 pence	26%

# Balance Sheet and Cashflow

£m	Unaudited Year ended 31 December 2022	Unaudited Year ended 31 December 2021
<b>Assets</b>		
Non-current assets	239.6	85.5
Current assets	88.1	73.1
<b>Total Assets</b>	<b>327.7</b>	<b>158.6</b>
Non-current liabilities	21.3	5.7
Current liabilities	54.0	25.3
<b>Total Liabilities</b>	<b>75.3</b>	<b>31.0</b>
Equity	252.4	127.6
<b>Total liabilities and equity</b>	<b>327.7</b>	<b>158.6</b>

<b>CASHFLOW STATEMENT</b>		
Cash generated from operations	56.2	35.1
Tax paid	(6.8)	(4.1)
<b>Net cash inflow from operations</b>	<b>49.4</b>	<b>31.0</b>
Net cash from investing activities	(127.9)	(37.0)
Net cash from financing activities	73.7	(0.4)
<b>Net increase in cash and cash equivalents</b>	<b>(4.8)</b>	<b>(6.4)</b>
Cash and cash equivalents at beginning of period	55.3	61.5
<b>Cash and cash equivalents at the end of period</b>	<b>50.8</b>	<b>55.3</b>
<b>Operating cash conversion*</b>	<b>108%</b>	<b>101%</b>