



FY24 INTERIM FINANCIAL RESULTS



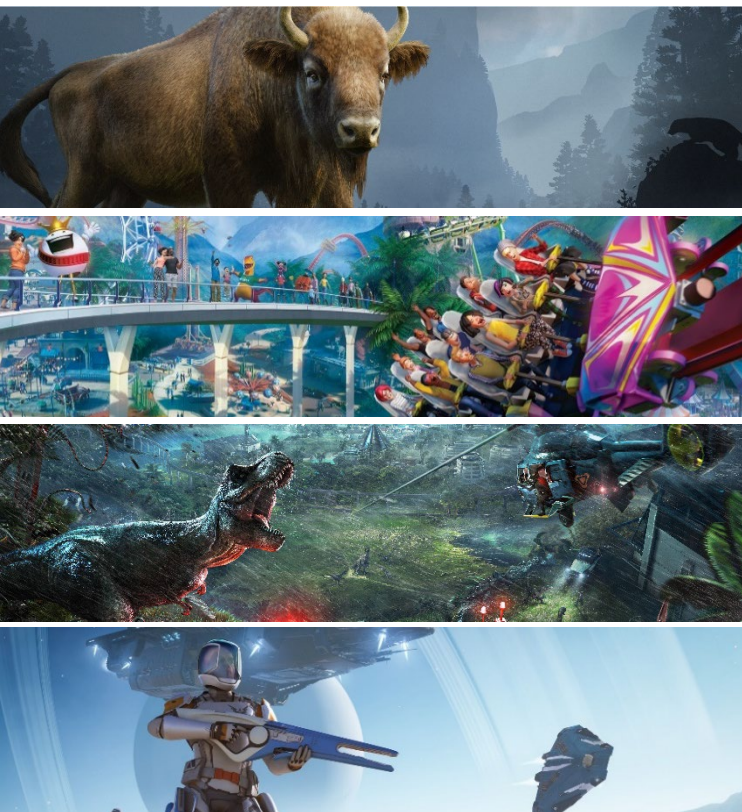
FOR THE PERIOD 1 JUNE 2023 TO 30 NOVEMBER 2023

JANUARY 2024



FY24 INTERIM FINANCIAL RESULTS

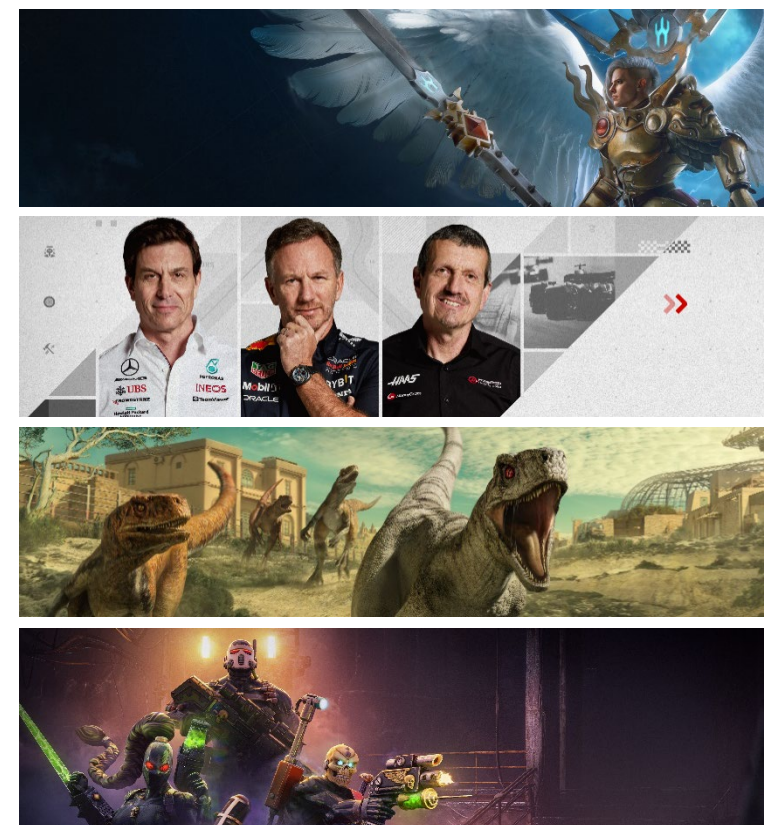
JANUARY 2024



Jonny Watts
CEO



Alex Bevis
CFO



HEADLINES

H1 FY24 Financials

- Good back-catalogue performance, led by CMS. Revenue from new games lower than expected
- Adjusted EBITDA loss of £4.9 million – lower revenue/gross profit and slightly higher costs
- Operating loss before restructuring of £30.8 million after amortisation and impairment charges
- Cash at 30 November of £17.1 million, and £19.9 million at 31 December

Operations & strategy

- In Q4 we confirmed an updated CMS-focussed strategy, with three CMS games across FY25-27
- The Organisational Review supporting that updated strategy is on-track, including a 20% reduction in annual costs

Current trading & outlook

- Holiday trading was consistent with revised expectations
- Two PC games coming to consoles in the next few months (FY24)
- *F1 Manager 2024* and an own-IP CMS game are on-track for release in FY25
- Financial guidance for FY24 reconfirmed

FY24 INTERIM FINANCIAL RESULTS

REVENUE

- Good back-catalogue performance - £34.4 million of revenue from games which released before the start of the period (72% of total revenue)
- Within the back-catalogue, creative management simulation ('CMS') games achieved:
 - £26.3 million of revenue (55% of total revenue)
 - Equivalent to a sustain rate of 81% versus H1 FY23 (£32.6 million)
- *Jurassic World Evolution 2* and *Planet Zoo* were the strongest performers, both supported by free updates and multiple PDLC packs
- Across the whole portfolio, PDLC accounted for 29% of total revenue in H1 FY24 (H1 FY23: 30%)
- The revenue contribution from new games launching during the period was lower than expected:
 - Revenue from the *F1® Manager Franchise* reduced 34% from H1 FY23 to H1 FY24 through lower sales of *F1® Manager 2023* compared with *F1® Manager 2022*
 - Lower than expected launch sales of *Warhammer Age of Sigmar: Realms of Ruin*

FY24 INTERIM FINANCIAL RESULTS

INCOME STATEMENT – Adjusted EBITDA*

£m	H1 FY24	H1 FY23	% change
Revenue	47.7	57.1	(17%)
Cost of sales	(14.7)	(21.0)	(30%)
Gross profit	33.0	36.1	(9%)
<i>Gross margin %</i>	69%	63%	6pp
Research and development	(24.7)	(25.0)	(1%)
Sales and marketing	(8.4)	(6.9)	21%
General and admin	(4.9)	(4.8)	2%
Total opex	(37.9)	(36.7)	3%
Adjusted EBITDA	(4.9)	(0.6)	N/A

* Earnings before interest, tax, depreciation, and amortisation charges related to game developments and Frontier's game technology, less investments in game developments and Frontier's game technology, and excluding restructuring costs, impairment charges, share-based payment charges and other non-cash items.

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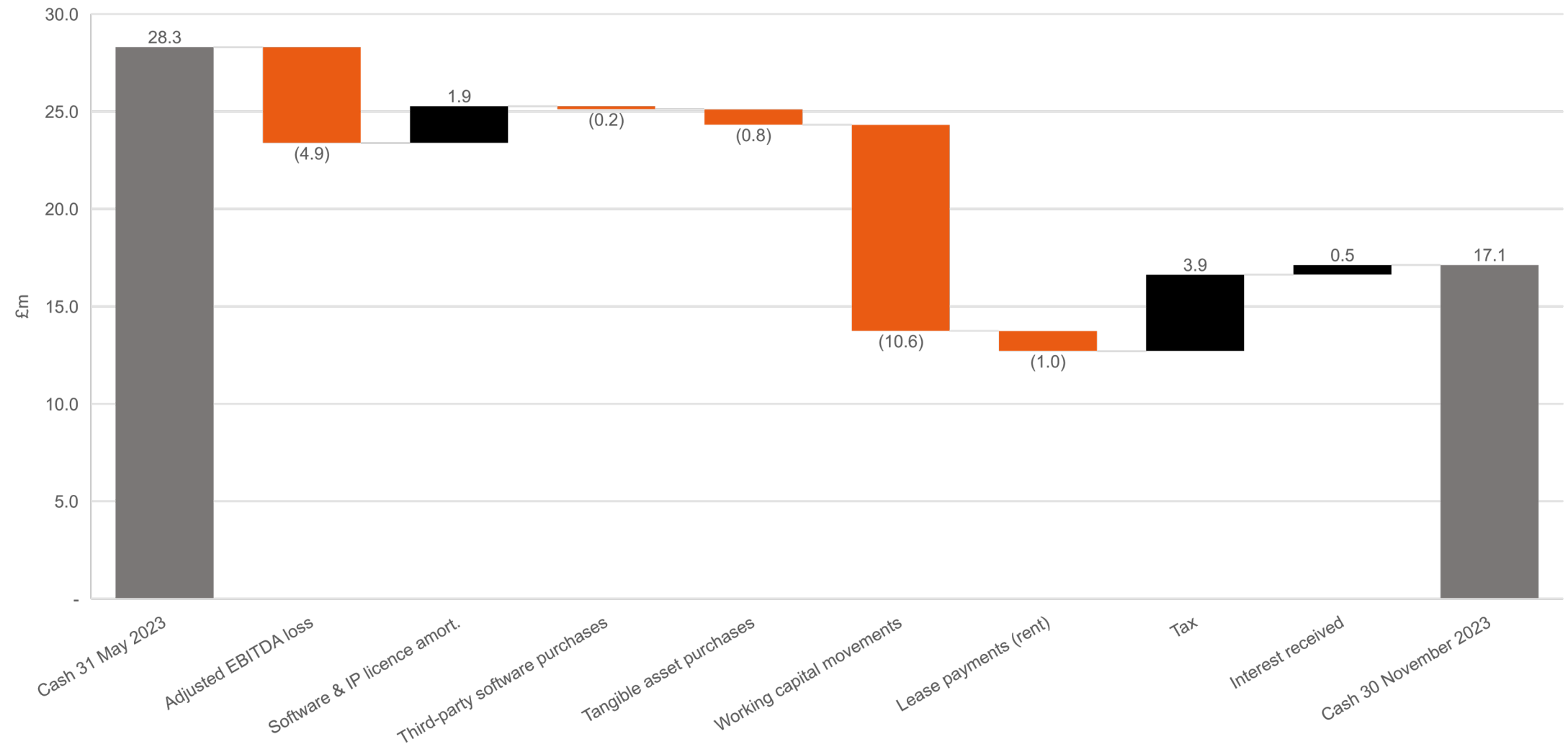
FY24 INTERIM FINANCIAL RESULTS

INCOME STATEMENT – IFRS

£m	H1 FY24	H1 FY23	% change
Revenue	47.7	57.1	(17%)
Cost of sales	(14.7)	(21.0)	(30%)
Gross profit	33.0	36.1	(9%)
<i>Gross margin %</i>	69%	63%	6pp
Gross R&D	(25.5)	(25.9)	(1%)
Capitalised costs	15.1	18.4	(18%)
<i>% capitalised</i>	59%	71%	(12pp)
Amortisation & impairments	(37.6)	(8.6)	338%
Net R&D	(48.1)	(16.1)	199%
Sales and marketing	(8.4)	(6.9)	21%
General and admin	(7.4)	(6.3)	16%
Total opex	(63.8)	(29.3)	118%
Operating (loss)/profit before restructuring	(30.8)	6.9	N/A
Restructuring costs	(2.5)	-	N/A
Net finance income/(costs)	0.2	(0.1)	N/A
Income tax	-	-	N/A
Net (loss)/profit	(33.1)	6.7	N/A

FY24 INTERIM FINANCIAL RESULTS

CASHFLOW



ORGANISATIONAL REVIEW

- Announced in October 2023 an Organisational Review to reshape Frontier to;
 - deliver more efficiently on the revised CMS-focussed strategy,
 - return the Company to profit,
 - create a sustainable foundation for the future.
- Cost reductions are a major element of the review, with a targeted reduction in annual operating costs of 20%
- Restructuring of roles has been undertaken in two phases:
 - Phase one (mostly non-dev) has now completed.
 - Phase two (mostly dev) will complete during February.
- The review is also delivering enhancements to Frontier's leadership, structure and processes

UPCOMING RELEASES

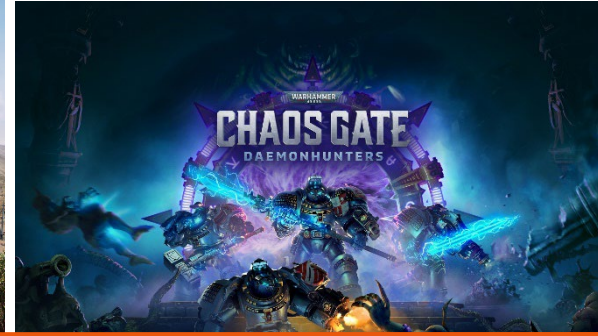
H2 FY24 NEW CONTENT/PLATFORMS



Planet Zoo PDLC



Jurassic World Evolution 2 PDLC



*Warhammer 40,000: Chaos Gate –
Daemonhunters
coming to console*

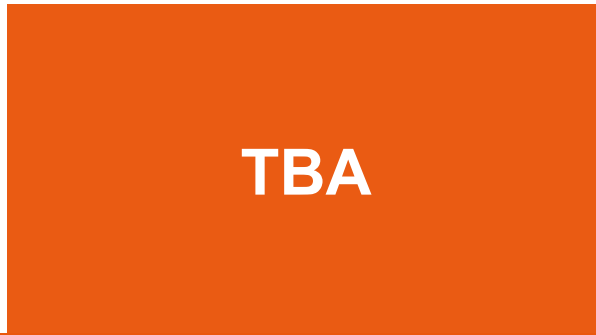


**PC game
coming to console**

FY25 NEW GAME RELEASES



F1® Manager 2024



Own-IP CMS Game

CURRENT TRADING AND OUTLOOK

- Holiday trading in-line with the revised expectations set in November 2023 - strong CMS performance offsetting lower sales from some other games
- FY24 financial guidance maintained:
 - Revenue £80-95 million
 - Previous guidance for an Adjusted EBITDA* loss of £9 million remains achievable towards the upper end of the revenue range

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Appendix

A HISTORY OF CONSISTENT SUCCESS IN CREATIVE MANAGEMENT SIMULATION

CMS games, expansions and ports developed during Frontier's work-for-hire period (pre-2014)



Self-published CMS games (post-2014)



NOV 2016

4.8m

Units sold

£93m

Revenue



JUN 2018

5.5m

Units sold

£141m

Revenue



NOV 2019

4.2m

Units sold

£104m

Revenue



NOV 2021

2.6m

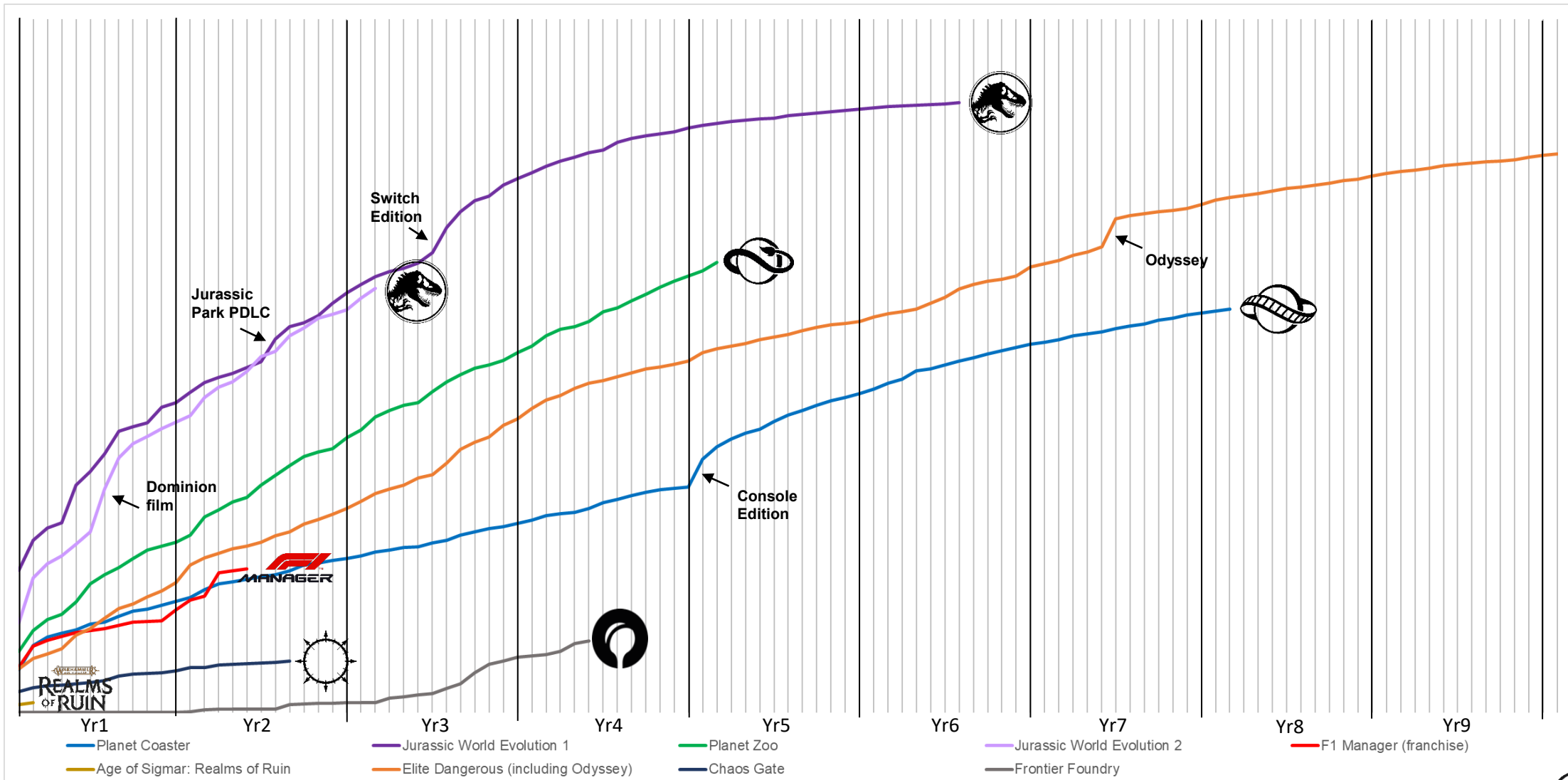
Units sold

£98m

Revenue



PORTFOLIO PERFORMANCE – CUMULATIVE REVENUE

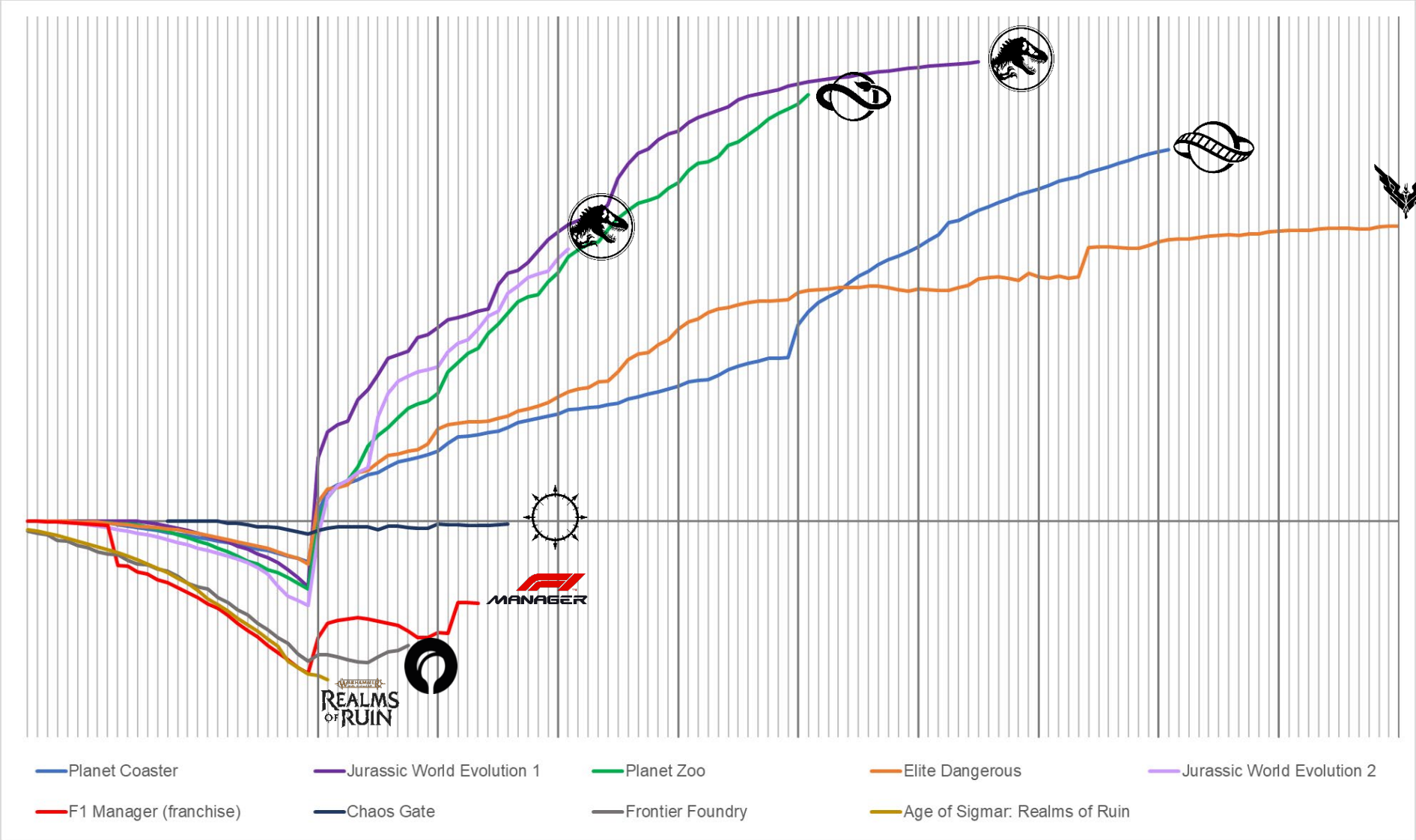


As at 31 December 2023

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PORTFOLIO PERFORMANCE – CUMULATIVE CASH FLOW

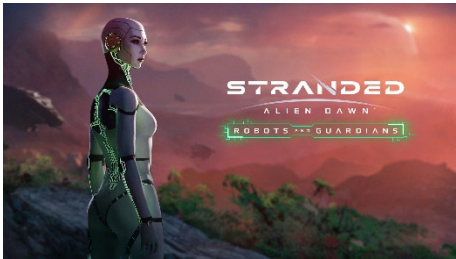
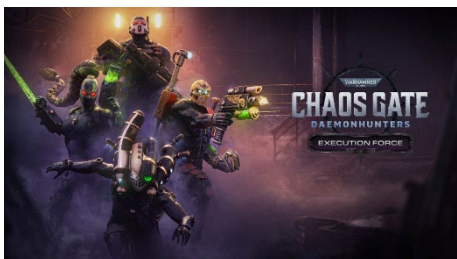


FY24 RELEASES TO DATE (to 31 December 2023)

GAMES



PDLC



FY24 INTERIM FINANCIAL RESULTS

INCOME STATEMENT WALK-THROUGH: IFRS → ADJUSTED EBITDA*

	Accounting profit as reported under IFRS	Adjustments between accounting profit and cash profit			Cash profit as measured by Adjusted EBITDA*		
£m		IAS 38	Depreciation	Share charges & forex			
Revenue	47.7				47.7		
Cost of sales	(14.7)				(14.7)		
Gross profit	33.0				33.0		
Gross margin %	69%				69%		
Gross R&D	(25.5)		0.9		(24.7)		
Capitalised costs	15.1	(15.1)			-		
% capitalised	59%				N/A		
Amortisation	(20.7)	20.7			-		
Impairments	(16.9)	16.9			-		
Net R&D	(48.1)	22.5	0.9	-	(24.7)		
Sales and marketing	(8.4)				(8.4)		
General and admin	(7.4)		1.0	1.4	(4.9)		
Total opex	(63.8)	22.5	1.9	1.4	(37.9)		
Operating loss / Adjusted EBITDA	(30.8)	-	22.5	1.9	1.4	-	(4.9)

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FY24 INTERIM FINANCIAL RESULTS

BALANCE SHEET

£m	H1 FY24	H1 FY23
Goodwill	7.0	10.4
Intangible assets	33.7	79.0
Tangible assets	22.9	24.8
Trade and other receivables	19.1	11.2
Tax assets	5.8	5.4
Cash	17.1	42.6
Total assets	105.8	173.5
Trade and other payables	(17.8)	(24.0)
Provisions	(1.8)	(0.1)
Deferred income	(2.5)	(2.8)
Lease liabilities	(19.0)	(20.0)
Tax liabilities	(0.4)	-
Total liabilities	(41.5)	(46.8)
Net assets	64.3	126.7

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