



# ***Thunderful Group***

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**Q1**

PRESENTATION  
JAN-MAR 2023

# Today's presenters



**Anders Maiqvist**  
Acting CEO



**Lennart Sparud**  
CFO



**KEY HIGHLIGHTS**  
**THUNDERFUL GROUP & SEGMENTS**  
**FINANCIALS**

# Q1 Highlights

- ✓ Games segment reaches 28% organic growth with Net Sales of 107 MSEK and adj. EBITA of 44 MSEK, despite limited contribution from new releases. Adj. EBITA is +110% y/o/y.

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- ✓ Improved profitability in Distribution driven by Bergsala and Amo Toys. Distribution segment's Net Sales of 448 MSEK is -3% y/o/y while adj. EBITDA of 19 MSEK is +32% y/o/y.

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- ✓ Cash flow from operating activities reached +64 MSEK in Q1.
  - Negatively impacted by 100 MSEK short-term inventory build-up in Bergsala ahead of Zelda-release in Q2.
  - Inventory reduction has continued in Jan-Mar in Nordic Game Supply and Amo Toys.



# Games: strong organic growth and improved profitability

## Distribution: improved profitability

### Net sales growth 1.7%

- Games 30.0%
- Distribution -3.3%

### Adj. EBITDA increase 63.1%

- Games 76.1%
- Distribution 31.8%

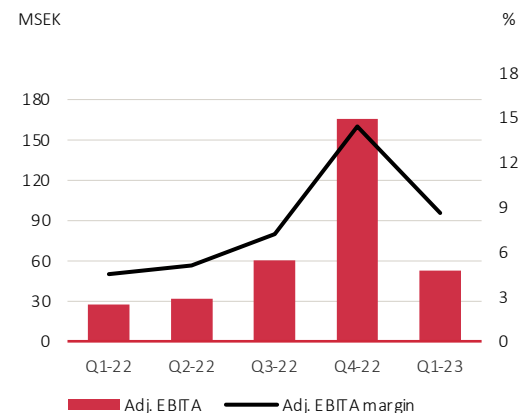
### Adj. EBITA increase 86.5%

- Games 109.8%
- Distribution 27.7%

### KEY FIGURES

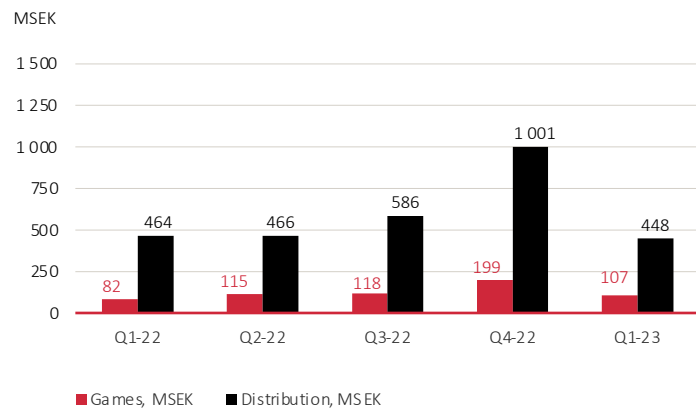
MSEK	Q1 2023	Q1 2022	Δ	2022
Net sales	555.4	546.0	1.7%	3,030.7
Adj. EBITDA	72.6	44.5	63.1%	375.6
Adj. EBITDA, %	11.9%	7.3%		11.7%
Adj. EBITA	52.5	28.1	86.5%	284.8
Adj. EBITA, %	8.6%	4.6%		8.9%
Cash flow from operating act.	64.3	202.7	-68.3%	497.5

### ADJUSTED EBITA

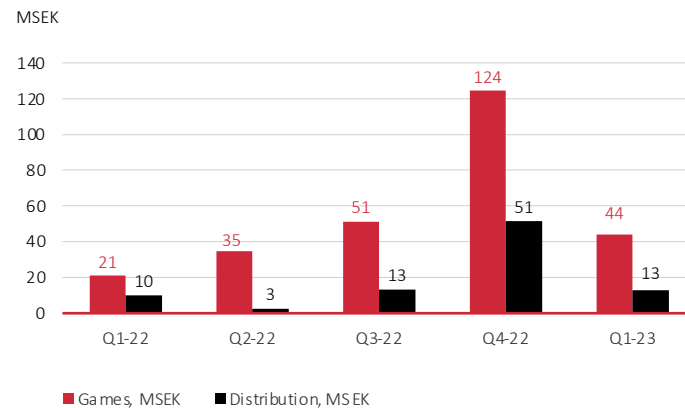


# Games and Distribution: Net sales and Adjusted EBITA

## NET SALES



## ADJUSTED EBITA



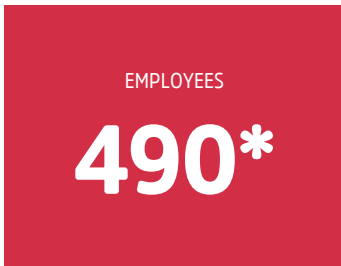


**KEY HIGHLIGHTS**  
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# This is Thunderful Group

A European company operating in two segments:

- **Games** – developing, publishing and investing in games for PC, consoles and mobile platforms
- **Distribution** – distributing Nintendo products, games, gaming accessories and toys
- **Vision:** To be a leader in a world where everyone can play
- **Mission:** To provide creative entertainment products of the highest quality for people of all ages



\* March 31, 2023



# Distribution: Overview

## BERGSALA

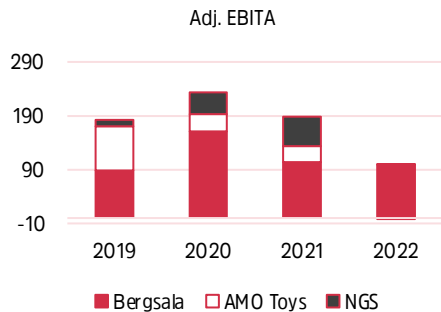
Distributor for Nintendo in the Nordics and Baltic countries. Has been distributing Nintendo products since 1981.

## AMO TOYS

Distributor of toys in the Nordics. The distribution portfolio includes some of the most popular toy brands and the activities started in 1965.

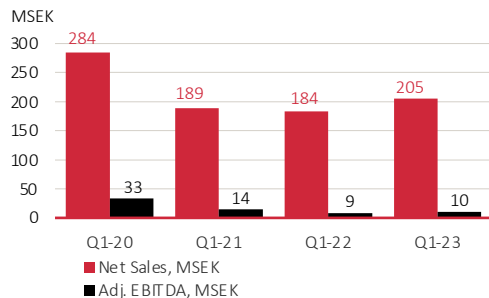
## NORDIC GAME SUPPLY

Distributor of gaming accessories, gaming merchandise and physical games in the Nordics, including some of the most popular brands. Founded in 2010.

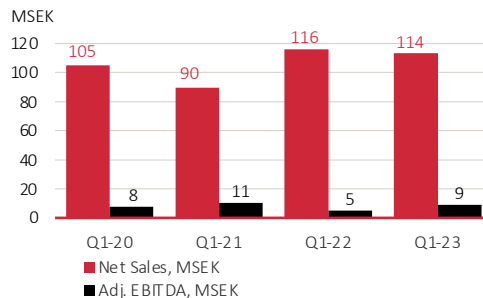


# Distribution: Development in Q1

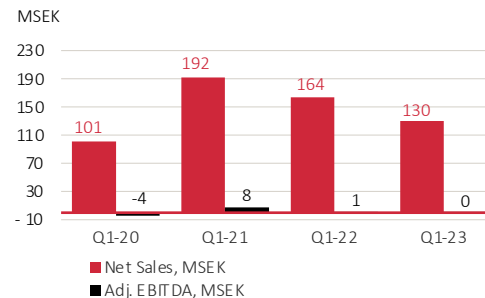
## BERGSALA



## AMO TOYS

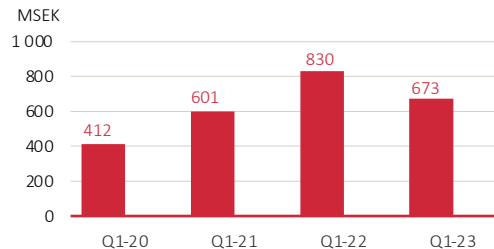


## NORDIC GAME SUPPLY



- ✓ Bergsala stable net sales last 3 years with mix effects impacting profitability
  - Higher share of hardware sales in Q1'23 than in both Q1'22 and Q1'21
- ✓ Amo Toys similar EBITDA in Q1'23 as in Q1'20 and Q1'21 when FY EBITDA was ~30 MSEK
  - Warehouse move in Q1'23 improving profitability
- ✓ NGS has similar EBITDA in Q1'23 as in Q1'22, even though net sales is -21%
  - Full effects from cost reductions in H2'22 starting to materialize in Q1'23

## INVENTORY VALUES



# Games: Overview

## CO-DEVELOPMENT

Includes game development within Thunderful Studios on behalf of external licensees.

The revenue stream contributes with predictable revenues with solid and high margins and with revenue shares from developed games. There is no need for investments.

## IP-BUILDING

Includes development and publishing of internally developed games with own IPs and publishing of externally developed games with licensed IPs.

The revenue stream is dependent on a high rate of investment and can generate high profitability levels when published games reach commercial success.

## PARTNERS

Includes service and support for third-party game developers who self-publish games.

The revenue stream contributes with predictable revenues with solid and high margins and with revenue shares from games that our partners self-publish. There is no need for investments.

## INVESTMENT

Includes investments ranging from early prototype phase in game development projects to acquisitions of larger companies.

The project investment revenue stream is dependent on a certain rate of investments and contributes with variable revenue shares from games in which Thunderful has invested.



# Games: Releases during and after the quarter

## Releases during the first quarter 2023

- 4.1 MSEK in sales contribution during the first quarter
- 2 internally developed games released in Q1'23
  - **Vendir: Plague of Lies**  
released on iOS and Google Play
  - **Jurassic World: Aftermath Collection**  
released on PSVR2 and Pico

## Releases after the quarter

- 2 externally developed games released
  - **Super Meat Boy Forever**  
released on iOS and Google Play
  - **Lego Bricktales**  
released on iOS and Google Play

## Games released during the first quarter 2023

Game Description				Platform			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Vendir: Plague of Lies	2023-02-21	Early Morning Studio	Internal	○	○	●	○
Jurassic World: Aftermath Collection	2023-02-22	Coatsink	Internal	○	○	○	●

## Games released after the quarter but before the publication of this quarterly report

Game Description				Platform			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Super Meat Boy Forever	2023-04-20	Headup	External	○	○	●	○
LEGO Bricktales	2023-04-27	Thunderful	External	○	○	●	○

● Available ○ Not available

# Games: Pipeline

## Internal games

- 15 internal games currently in development
- 5 releases planned for 2023
- **SteamWorld Bull** announced in Jan'23
  - Strongest reception of any announced Thunderful game based on industry standard metrics
  - Coming to PC/Consoles in 2023
- **Astronimo** announced February 7
  - First own IP game from Coatsink since the acquisition in 2020
- **2 indie titles from Headup's dev team 22 June**
  - Dr Fetus Mean Meat Machine
  - Tinkertown leaving early access

## Announced releases of internally developed games as of May 16, 2023

Game description	Platform					
	PC	Console	Mobile	VR		
Title	Release	Publisher	PC	Console	Mobile	VR
Dr Fetus Mean Meat Machine	2023-06-22	Headup	●	●	○	○
Tinkertown	2023-06-22	Headup	●	●	○	○
Astronimo	2023, 2H	Coatsink	●	○	○	○
SteamWorld Build	2023, 2H	Thunderful	●	●	○	○
Islanders	2023, 2H	Coatsink	●	●	○	●
"Strawberry (a SteamWorld IP Game)"	2024	Thunderful	○	○	●	○
"Kokidon"	2024	Thunderful	●	○	○	○
"Date"	2024	Coatsink	○	○	○	●
Vendir: Plague of Lies	2024	Early Morning Studio	●	●	●	○
SteamWorld Headhunter	2024	Thunderful	●	●	○	○
"Caramel (a SteamWorld IP Game)"	2024	Thunderful	●	●	●	○
"Lemon"	2024	To The Sky	●	●	○	○
"Vanilla"	2024	Thunderful	●	●	○	○
"Spear"	2024	Early Morning Studio	○	○	●	○
"Axe"	2024	Early Morning Studio	○	○	●	○

"Not announced game name"



Released



Under development



N/A

# Games: Pipeline

## External games

- 14 games from external studios in publishing pipeline
- 8 releases currently planned for 2023
- **Planet of Lana** to be released 23 May
  - First significant release for Thunderful in 2023
- **Viewfinder** progressing well and demo published 24 April
  - Developed by Sad Owl Studios, where Thunderful is minority owner
- **"Raspberry"** entering 6 months of closed alpha testing
  - To be announced in the near future

## Announced releases of **externally** developed games as of May 16, 2023

Game Description		Platform			
Title	Release	PC	Console	Mobile	VR
Planet of Lana	2023-05-23	●	●	○	○
"Cinnamon"	2023, 2H	○	○	○	●
Worldless	2023, 2H	●	●	○	○
"Raspberry"	2023, 2H	●	●	○	○
Laika: Aged Through Blood	2023, 2H	●	●	○	○
Viewfinder	2023, 2H	●	●	○	○
"Rum & Raisin"	2023, 2H	●	●	○	○
"Lime"	2023, 2H	●	○	○	○
"Cashew"	2024	●	●	○	○
Replaced	2024	●	●	○	○
"Peach"	2024	●	●	○	○
"Maple"	2024	●	●	○	○
"Snowflake"	2024	●	●	○	○
"Matcha"	2024	●	●	○	○

"Not announced game name"



Released



Under development



N/A



**KEY HIGHLIGHTS**  
**THUNDERFUL GROUP & SEGMENTS**  
**FINANCIALS**

# Solid first quarter in a year with several exciting game releases

## Net sales growth 9.4 MSEK, 1.7%

- Games 24.7 MSEK, 30.0%
- Distribution -15.3 MSEK, -3.3%

## Adj. EBITA growth 24.3 MSEK, 86.5%

- Games 23.1 MSEK, 65.6%
- Distribution 2.8 MSEK, 27.5%
- Other -1.5 MSEK

## Cash flow from operating activities 64.3 MSEK

- Cash flow from operating activities was 64.3 MSEK in Q1'23, compared to 202.7 MSEK in Q1'22.
- Inventory build-up in Distribution (Bergsala) contributes with cash flow of -22.7 MSEK in Q1'23.
- A/R and A/P contributes with cash flow of 85.0 MSEK in Q1'23, mainly driven by Distribution.

## KEY FIGURES

MSEK	Q1 2023	Q1 2022	Growth	%
Net sales	555,4	546.0	9.4	1.7%
Adj. EBITA	52.5	28.1	24.3	86.5%
Cash flow from operating activities	64.3	202.7	-138.4	-68.3%



# Games

## Net sales growth 24.7 MSEK, 30.0%

- Organic 27.7%
- Acquired 2.3%

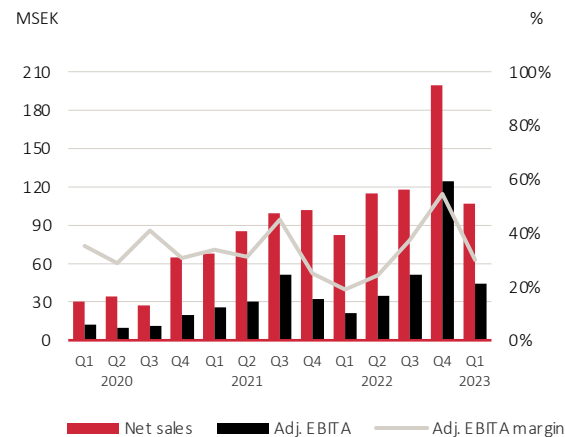
## Adj. EBITA growth 23.1 MSEK, 109.8%

- Adj. EBITA margin at 30.0%
- Coatsink, TFDV and Robot Teddy is driving the positive net sales and EBITA contribution in the quarter.
- Jumpship and Fizbin represents the acquired growth.

## KEY FIGURES

MSEK	Q1 2023	Q1 2022	Δ	2022
Operating income	147.1	111.2	32.3%	621.0
Net sales	107.0	82.3	30.0%	514.4
Adj. EBITDA	57.8	32.8	76.1%	301.3
Adj. EBITDA margin	39.3%	29.5%		48.5%
Adj. EBITA	44.1	21.0	109.8%	231.3
Adj. EBITA margin	30.0%	18.9%		37.3%

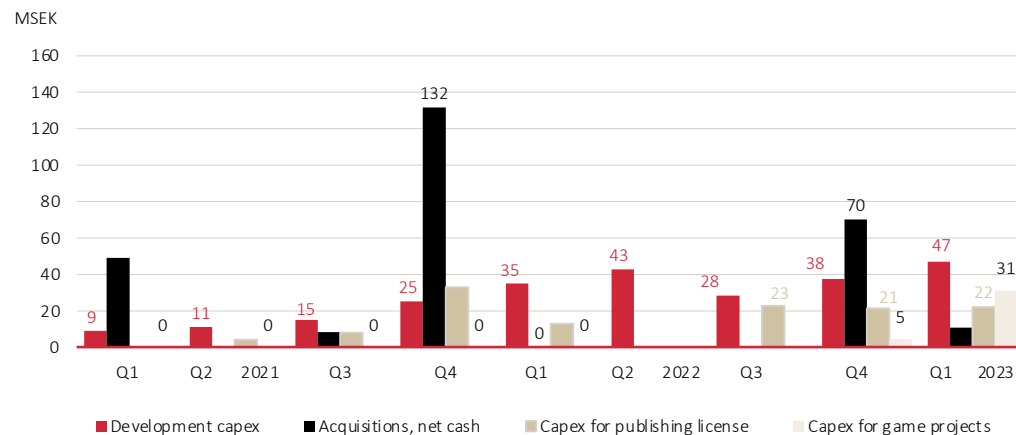
## NET SALES & ADJ. EBITA



# Game investments

- Total capex for Games in Q1'23 was 123.6 MSEK.
- Increased capex for development as number of FTEs within development increases.
- Compared to the same quarter last year, higher share of internal developers working on games not being externally financed.

## GAME INVESTMENTS



# Distribution

## Net sales decrease -3.3%

- Bergsala 11.8%. Unlimited availability of hardware for the first time in 3 years.
- Nordic Game Supply, -20.9%. General lower market demand in this product segment.
- Amo Toys, -2.2%.

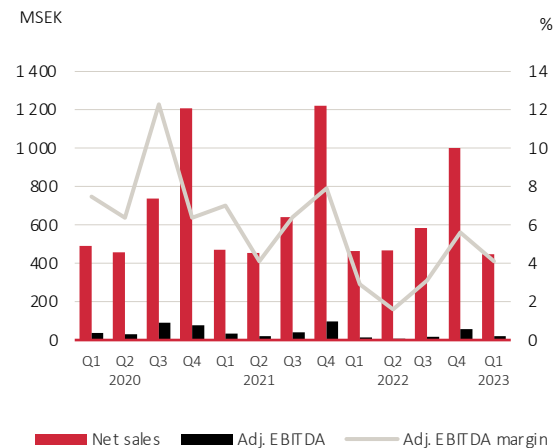
## Adj EBITDA increase 4.6 MSEK, 31.8%

- In Bergsala an effect of the higher sales.
- Adj. EBITDA in NGS in line with the comparison quarter.
- Adj. EBITDA in Amo Toys affected positively by sales mix and f/x.
- Starting to see the effect of warehouse logistic optimization.

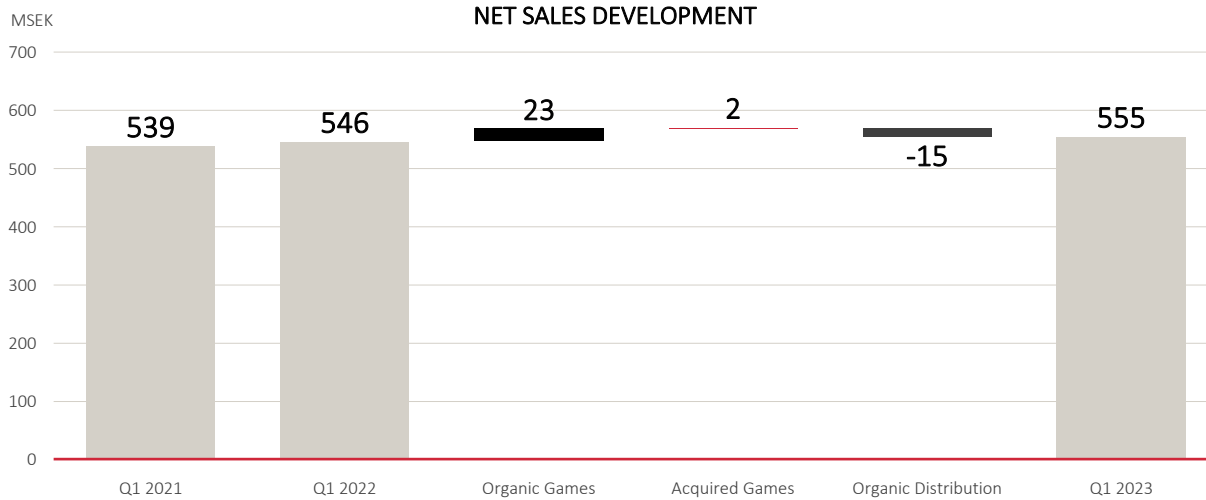
## KEY FIGURES

MSEK	Q1 2023	Q1 2022	Δ	2022
Operating income	465.6	498.3	-6.6%	2,594.7
Net sales	448.4	463.7	-3.3%	2,516.2
– Bergsala	205.1	183.5	11.8%	1,293.2
– Nordic Game Supply	129.8	164.1	-20.9%	699.1
– Amo Toys	113.5	116.0	-2.2%	524.0
Adj. EBITDA	19.2	14.6	31.8%	97.9
– Bergsala	10.0	8.7	14.6%	99.3
– Nordic Game Supply	0.3	0.8	-63.0%	-2.1
– Amo Toys	9.0	5.1	76.1%	0.7
Adj. EBITDA margin	4.1%	2.9%		3.8%

## NET SALES AND ADJ. EBITDA

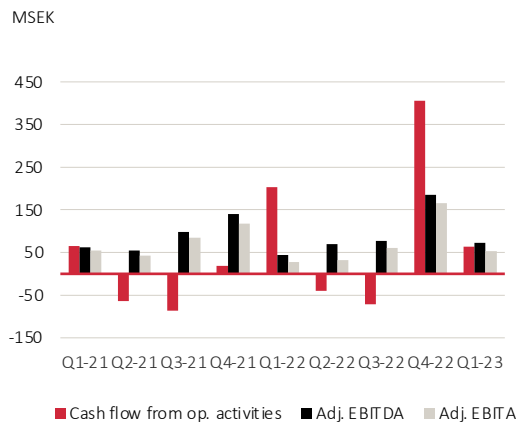


# 28% organic growth in Games

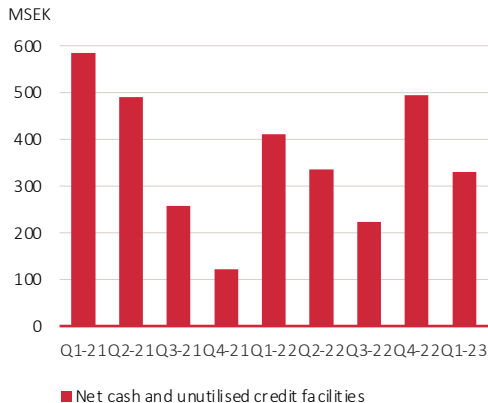


# Cash flow from operating activities and net cash position

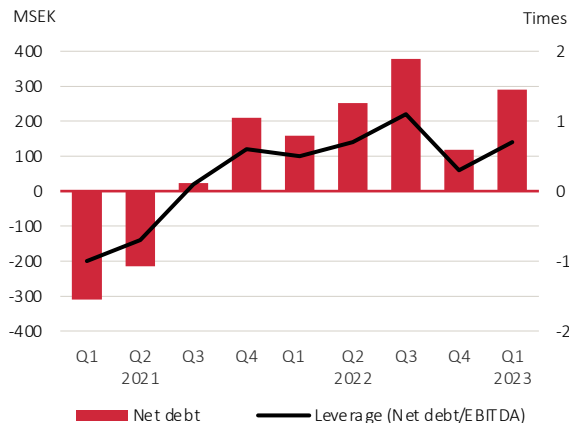
CASH FLOW FROM OPERATING ACITIVITES



TOTAL AVAILABLE CASH, INCLUDING UNUTILISED CREDIT FACILITIES



NET DEBT AND LEVERAGE



## Financial calendar

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Annual General Meeting 2023	17 May 2023
Interim Report Apr–Jun 2023	24 August 2023
Interim Report Jul–Sep 2023	15 November 2023
Year-end Report 2023	22 Feb 2024

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