

Code: 6180 TT

gamania

# gamania

## **Gamania Group 2018H1 Investor Conference**

**Aug. 15, 2018**

## Forward-Looking Statements

**This presentation material contains forward-looking statements and information. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Any statement in this presentation material that states our beliefs, expectations, predictions or intentions is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of Gamania Digital Entertainment Co., Ltd. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events, or otherwise. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement.**

## Outline:

- **Group Overview**
- **Business Outlook**
- **Financial Highlights**
- **Corporate Outlook**

# Group Overview



## Company Profile

- **Founded:** June 1995
- **IPO:** May 2002 (6180 TT)
- **CEO:** Mr. Albert Liu
- **Capital:** NT\$1.75 B
- **Market Cap:** NT\$13.2 B / US\$429 M (2018/8/14)
- **2017 Consolidated Revenue:** NT\$8.4B / US\$282M
- **Headcount:** 775 (as of 2018/3/31)
- **Business Model:** Eco-Internet Enterprise



# Business Outlook



## Key Successful Factors as The Gaming Leader

- Popular Classical IP & Sustainable Operations & Strong Social Network: the group operates game with popular classical IP successfully over 20 years and have massive member numbers.



Lineage  
(2000~)

Maple  
Story  
(2005~)

Counter  
Strike  
Online  
(2008~)

Lineage M  
(2017~)

# Lineage M Ranks Top 1 since launching in Taiwan

## iOS 2017 Worldwide Revenue

Rank	Category	Rank Change vs. 2016
1	Games	-
2	Entertainment	▲ 1
3	Social Networking	▼ -1
4	Music	-
5	Lifestyle	▲ 1
6	Books	▲ 1
7	Photo and Video	▲ 3
8	Health and Fitness	▲ 1
9	Education	▼ -4
10	Productivity	▼ -2

Source: App Annie

## Google Play 2017 Worldwide Revenue

Rank	Category	Rank Change vs. 2016
1	Games	-
2	Social	▲ 1
3	Entertainment	▲ 1
4	Communication	▼ -2
5	Lifestyle	▲ 1
6	Productivity	▲ 6
7	Music & Audio	▼ -2
8	Education	▼ -1
9	Health & Fitness	-
10	Dating	▲ 10

## Taiwan Top Mobile Apps

### Lineage M: Taiwan Top 1 Game App

Rank	App Name	Developer
1	Lineage M	NCSOFT
2	Tower of Saviors	Mad Head
3	Ragnarok Online Mobile - Eternal L...	X.D. Network
4	Honour of Kings	Tencent
5	Xin Stars	Wanin
6	Lineage 2 Revolution	Netmarble
7	0857online	GalaxyOnline
8	Fate/Grand Order	Aniplex
9	Call Me Lord	Chuang Cool
10	Pokémon GO	Niantic

Source: App Annie (2017/12-2018/7)



## Lineage M : Flagship IP Mobile Game

- Launched in Taiwan/HK/Macau on 2017/12/11
- Dominates #1 for both Apple & Google Play since launching in Taiwan
- Accumulated Registered Users 5,000,000+



## The Effect brought by Lineage M

- Lineage M strengthens quality of the group:
  - Growing Operation Performance
  - Gained massive member numbers
  - Improved Cash Flow
  - Increased possibilities to operate more popular classical IP Game

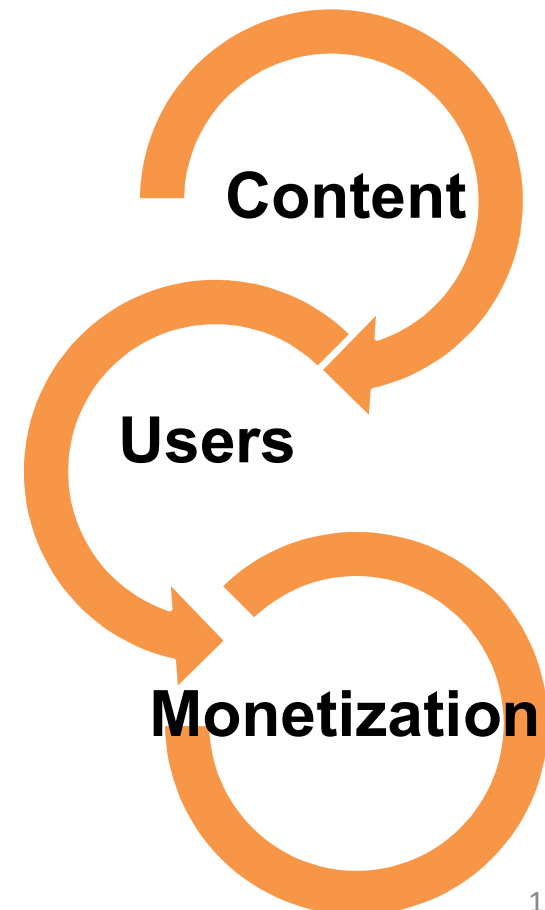


- What's the strategic perspective for Gamania group after Lineage M?
  - **Eco-Internet Enterprise**



## Gamania Group Strong Competitive Advantages

- Accumulated registered member numbers: 10mil+
- From a **Content** Company → to a **Platform** Company

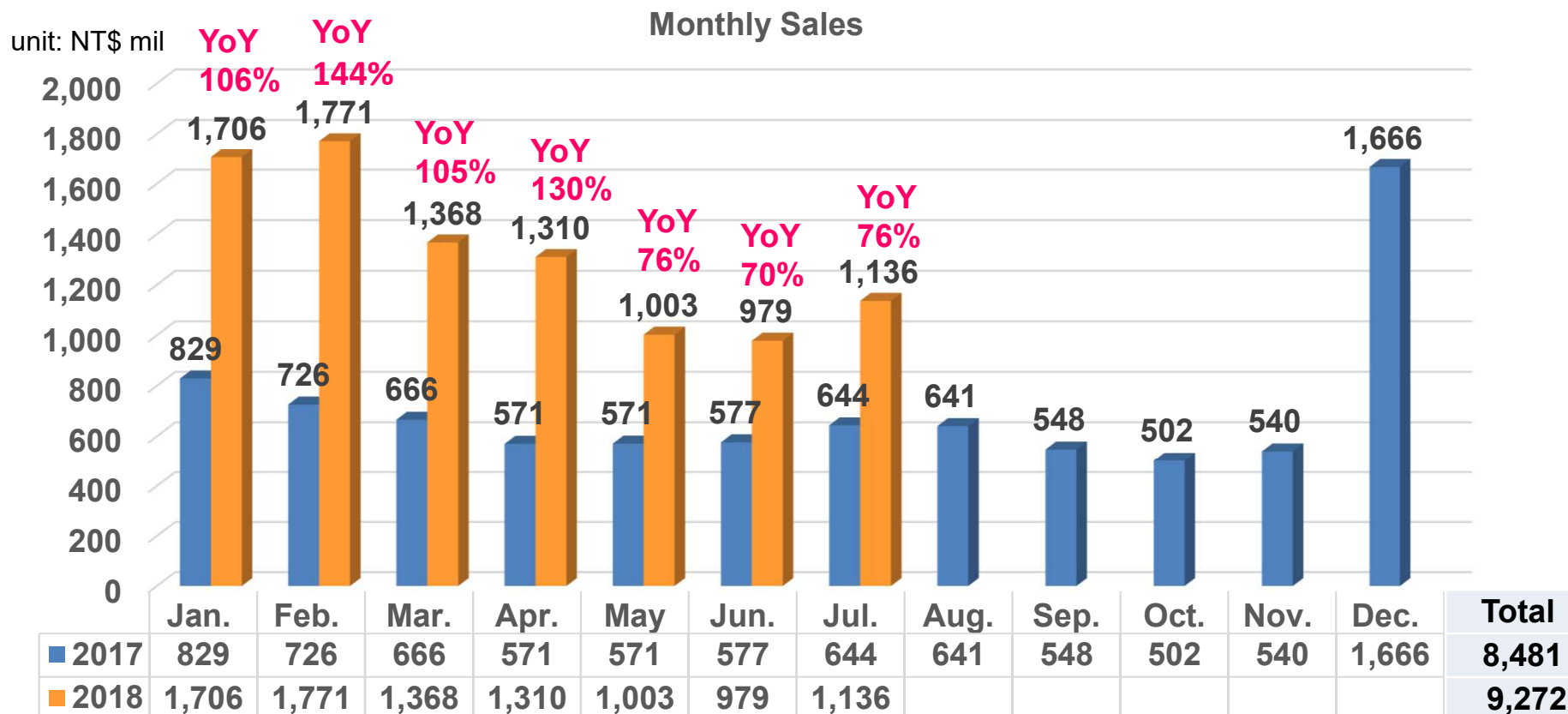


# Financial Highlights



# Consolidated Monthly Sales

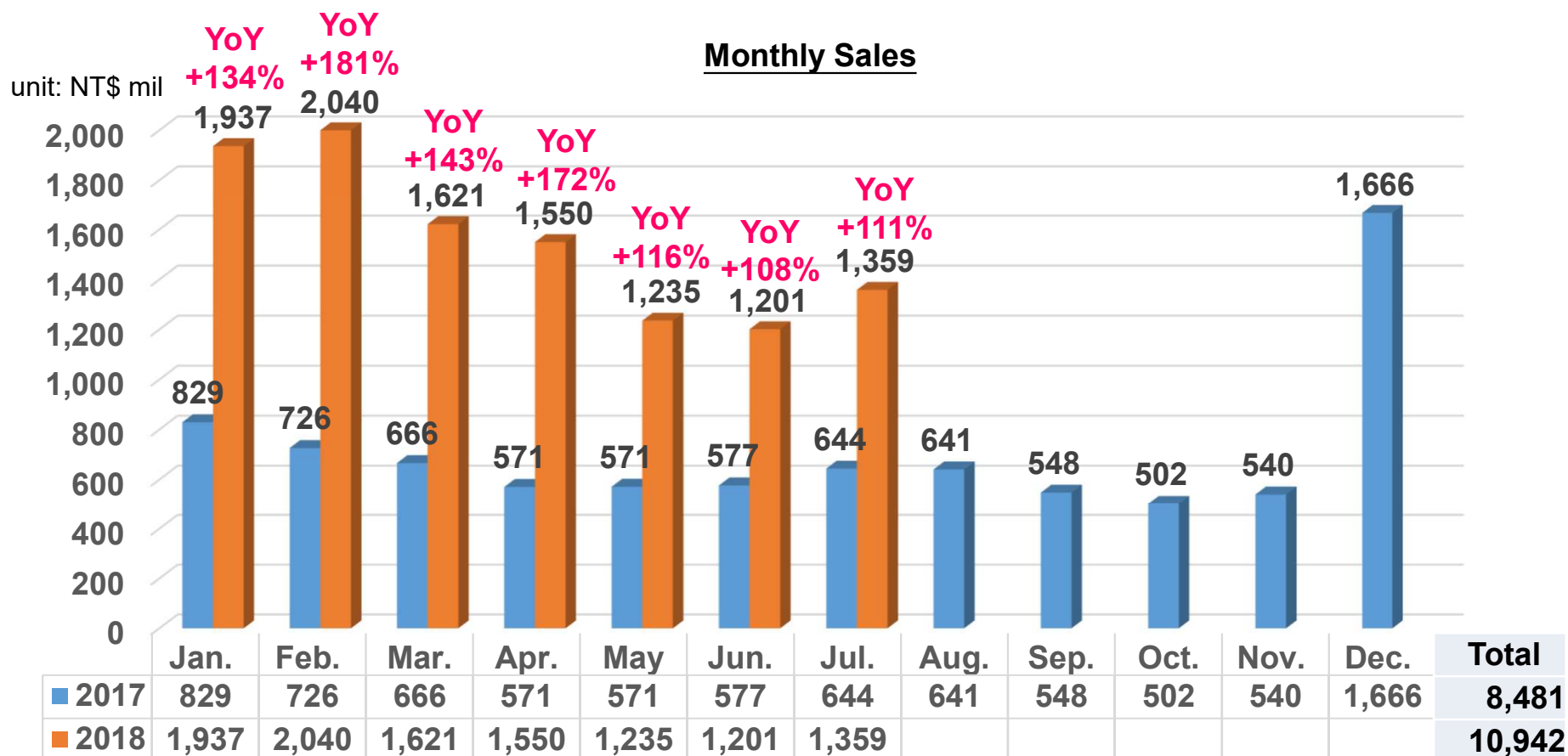
- **2018H1 Consolidated Sales: NT\$ 8,361 mil, YoY+113% by net basis**
- **As of 2018/07, the YTD Consolidated Sales: NT\$9,272 mil, YoY+102% by net basis which beats 2017 total Sales.**



Note: Unaudited monthly sales; In compliance with IFRS No. 15, GASH revenue is on net basis since 2018 vs. GASH revenue is on gross basis in 2017

## Consolidated Monthly Sales ( Analysis on Gross Basis)

- 2018H1 Consolidated Sales NT\$ 9,584 mil, YoY+143% by gross basis
- As of 2018/07, the YTD Consolidated Sales: NT\$10,942 mil, YoY+139% by gross basis which beats 2017 total Sales.

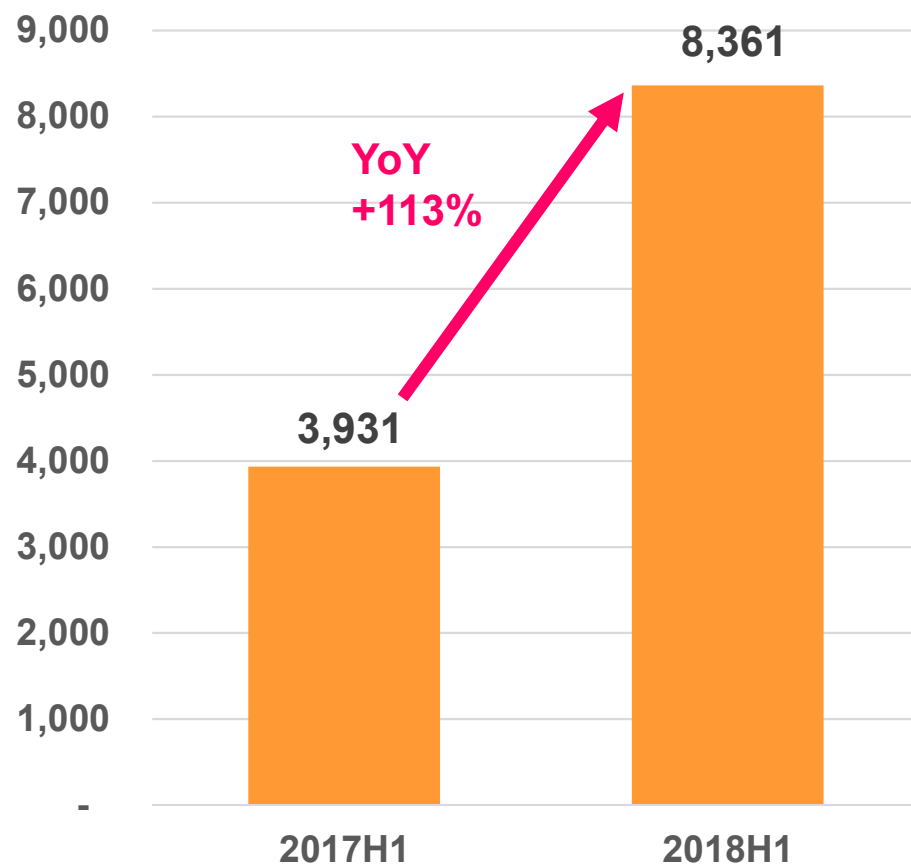


Note: Unaudited monthly sales; 2018 revenue on gross basis vs. 2017 revenue on gross basis.

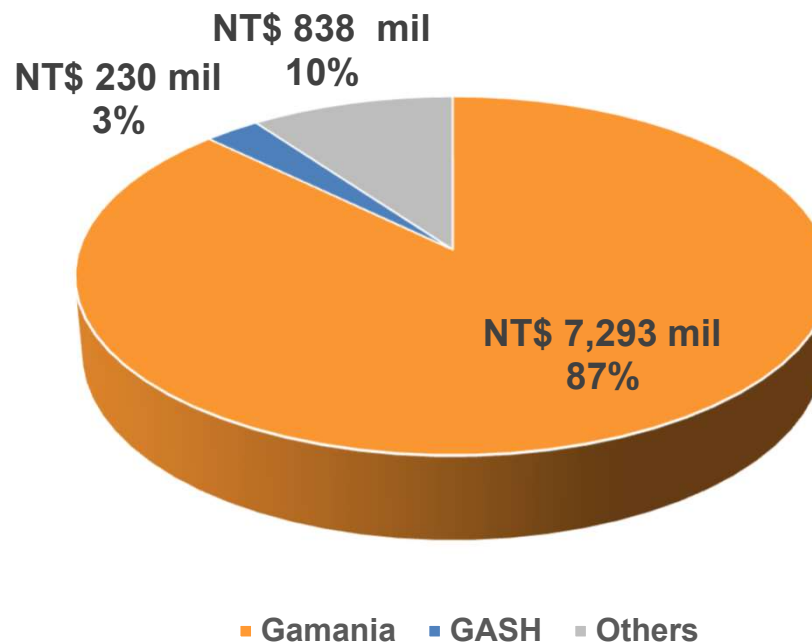
# Consolidated Revenue

➤ 2018H1 Consolidated Revenue NT\$8,361 mil, YoY+113%

unit: NT\$ mil

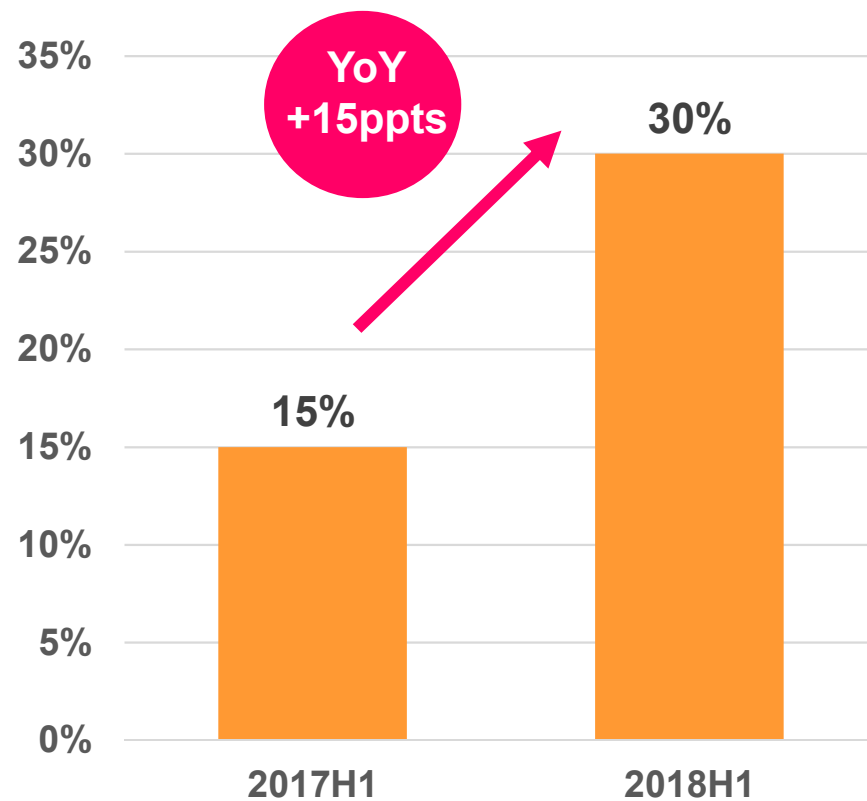
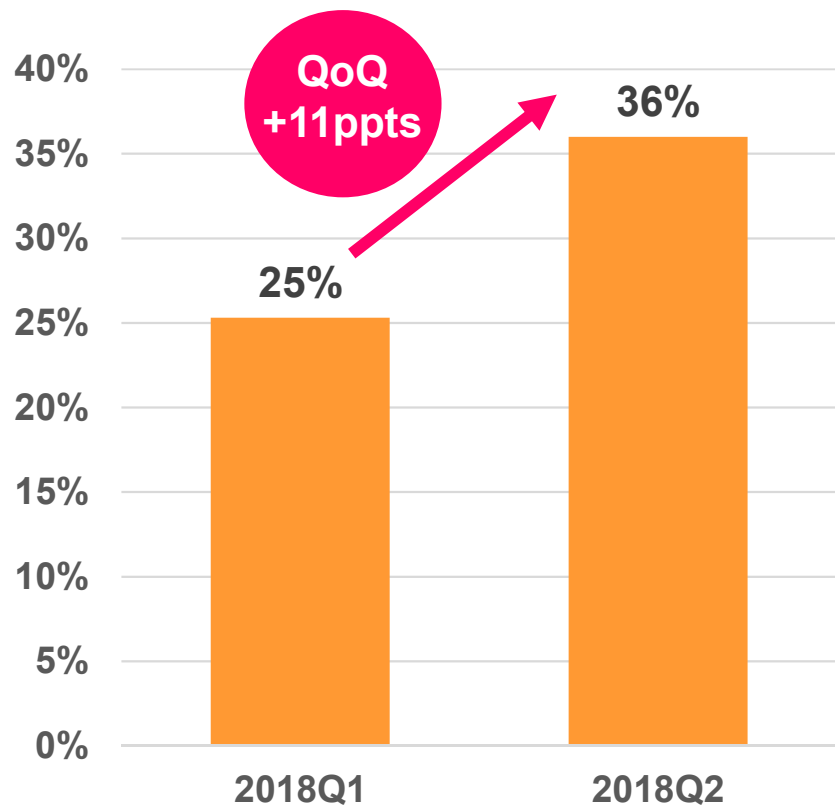


2018H1 Revenue Breakdown



# Profitability

## Gross Margin %



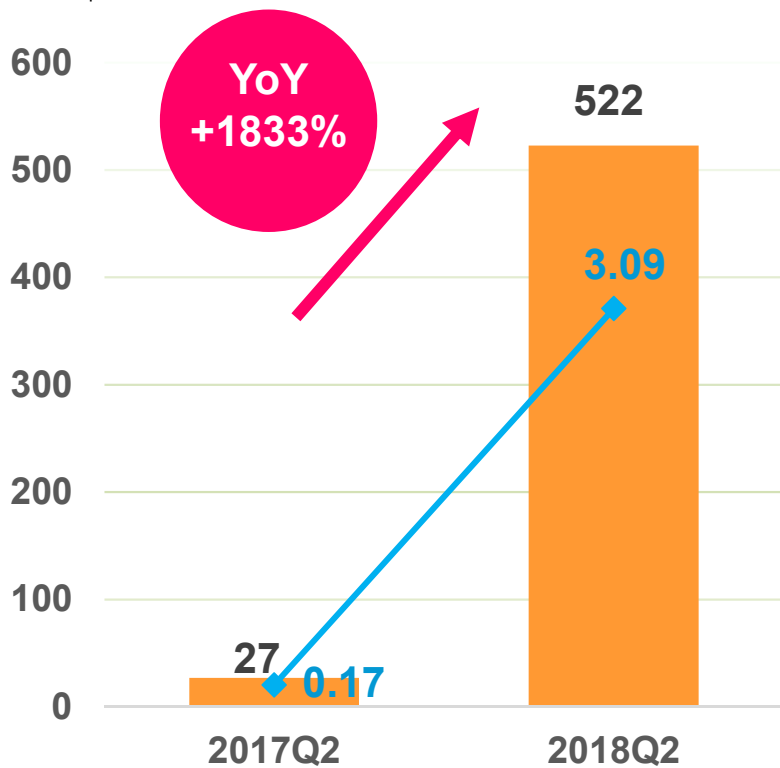


# Profitability

## Net Profits vs EPS

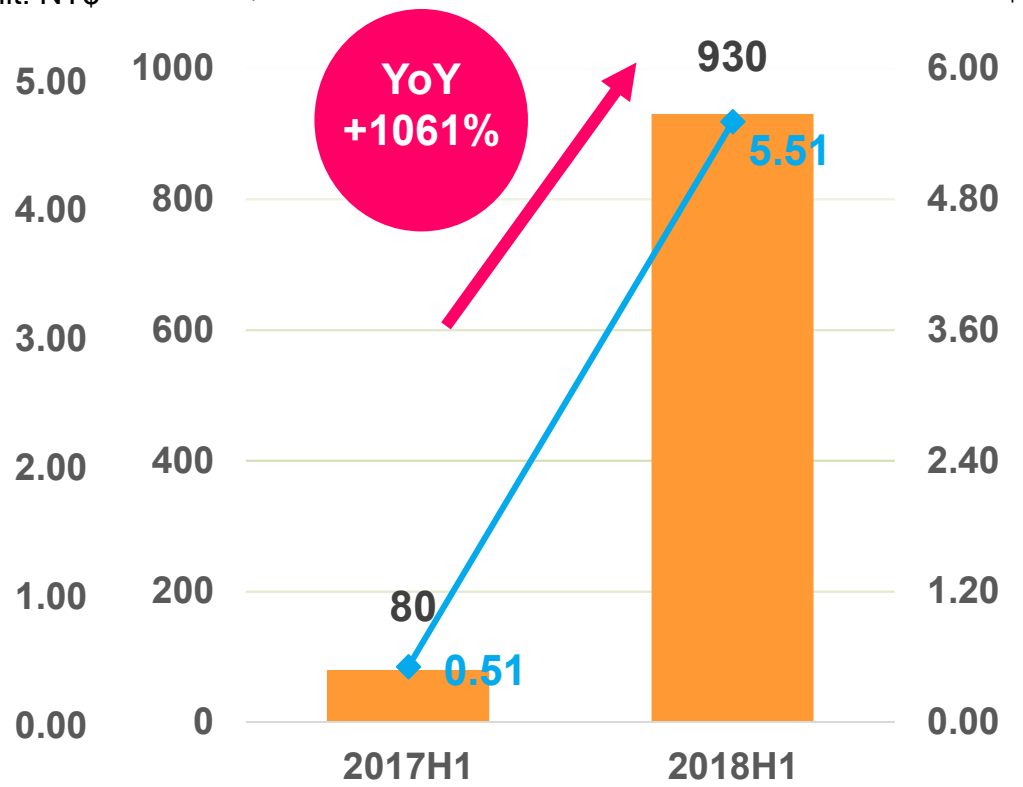
\* Net Profit means the Profit attributable to owners of the parent.

unit: NT\$ mil



■ Net Profit\* ◆ EPS

unit: NT\$ unit: NT\$ mil



■ Net Profit\* ◆ EPS

# Corporate Outlook

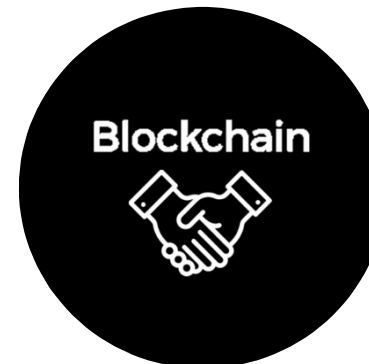


## Eco-Internet Enterprise

- beanfun! APP
- IIO (Initial Item Offering)



beanfun! APP



IIO

***Thank You***

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# Appendix

## 2018Q2 Consolidated Income Statement

Unit: NT\$ mil	2018Q2	2017Q2	YoY
<b>Operating revenue</b>	<b>3,497</b>	<b>1,714</b>	<b>104%</b>
<b>Operating costs</b>	<b>2,220</b>	<b>1,502</b>	<b>48%</b>
<b>Gross profit</b>	<b>1,276</b>	<b>212</b>	<b>502%</b>
Operating expenses			
Selling expenses	268	101	164%
General and administrative expenses	295	207	43%
R&D expenses	71	40	78%
<b>Total operating expenses</b>	<b>634</b>	<b>349</b>	<b>82%</b>
<b>Operating income</b>	<b>642</b>	<b>-136</b>	<b>-</b>
<b>Total non-operating income and expenses</b>	<b>-8</b>	<b>140</b>	<b>-</b>
<b>Profit before income tax</b>	<b>634</b>	<b>3</b>	<b>18203%</b>
Income tax expense	137	-5	-
<b>Profit for the period</b>	<b>496</b>	<b>9</b>	<b>5626%</b>
<b>Profit (loss) attributable to owners of the parent</b>	<b>522</b>	<b>27</b>	<b>1853%</b>
Profit (loss) attributable to non-controlling interest	-26	-18	-
<b>Basic EPS</b>	<b>3.09</b>	<b>0.17</b>	
Diluted EPS	3.07	0.16	

## 2018H1 Consolidated Income Statement

Unit: NT\$ mil	2018H1	2017H1	YoY
<b>Operating revenue</b>	<b>8,361</b>	<b>3,931</b>	<b>113%</b>
<b>Operating costs</b>	<b>5,855</b>	<b>3,314</b>	<b>77%</b>
<b>Gross profit</b>	<b>2,507</b>	<b>617</b>	<b>306%</b>
Operating expenses			
Selling expenses	668	221	203%
General and administrative expenses	600	410	47%
R&D expenses	119	88	35%
<b>Total operating expenses</b>	<b>1,389</b>	<b>718</b>	<b>93%</b>
<b>Operating income</b>	<b>1,117</b>	<b>-101</b>	<b>-</b>
<b>Total non-operating income and expenses</b>	<b>23</b>	<b>160</b>	<b>-86%</b>
<b>Profit before income tax</b>	<b>1,140</b>	<b>58</b>	<b>1857%</b>
Income tax expense	259	13	1850%
<b>Profit for the period</b>	<b>882</b>	<b>45</b>	<b>1859%</b>
<b>Profit (loss) attributable to owners of the parent</b>	<b>930</b>	<b>80</b>	<b>1061%</b>
Profit (loss) attributable to non-controlling interest	-48	-36	-
<b>Basic EPS</b>	<b>5.51</b>	<b>0.51</b>	
Diluted EPS	5.44	0.47	

## 2018Q2 Consolidated Balance Sheet

Unit: NT\$ mil	2018Q2	2017Q4	2017Q2
<b>Current assets</b>	<b>4,541</b>	<b>4,134</b>	<b>3,299</b>
Cash and cash equivalents	2,157	1,380	1,912
Accounts receivable	1,056	2,250	1,070
Other receivables	548	67	76
Prepayments	599	305	169
Other current assets	95	56	36
<b>Non-current assets</b>	<b>4,167</b>	<b>4,398</b>	<b>4,354</b>
Fin assets at FV through other comprehensive income-non-current	429	-	-
Investment accounted for under equity method	576	585	523
Property, Plant, and Equipment	2,746	2,794	2,796
Intangible assets	240	286	285
<b>Total assets</b>	<b>8,708</b>	<b>8,532</b>	<b>7,652</b>
<b>Current liabilities</b>	<b>3,738</b>	<b>4,083</b>	<b>3,433</b>
Short-term borrowings	61	841	737
Accounts payable	646	1,579	1,005
Other payables	1,922	483	318
Other current liabilities	271	1,173	1,360
<b>Non-current liabilities</b>	<b>1,124</b>	<b>1,313</b>	<b>1,694</b>
Long-term borrowings	1,100	1,294	1,678
<b>Total liabilities</b>	<b>4,862</b>	<b>5,396</b>	<b>5,128</b>
<b>Equity attributable to owners of parent</b>	<b>3,561</b>	<b>2,789</b>	<b>2,163</b>
Share capital	1,755	1,750	1,576
Non-controlling interest	285	347	362
<b>Total Equity</b>	<b>3,846</b>	<b>3,136</b>	<b>2,525</b>
<b>BPS</b>	<b>21.07</b>	<b>16.54</b>	<b>14.31</b>