

Fractal Gaming Group Interim Report January-September 2021

Third quarter 2021

- Net sales amounted to SEK 85.1 million (182.8).
- Product profit amounted to SEK 26.0 million (66.8), with a product margin of 30.6% (36.6).
- Adjusted EBITDA amounted to SEK -2.7 million (41.1), corresponding to an adjusted EBITDA margin of -3.2% (22.5).
- Adjusted EBIT amounted to SEK -6.1 million (38.6), corresponding to an EBIT margin of -7.2% (21.1).
- Operating cash flow amounted to SEK -12.2 million (67.0).
- Interest-bearing net debt was SEK 110.5 million (-65.7).
- Earnings per share amounted to SEK -0.2 (0.9)

January-September 2021

- Net sales amounted to SEK 357.9 million (521.9).
- Product profit amounted to SEK 118.6 million (207.0), with a product margin of 33.1% (39.7).
- Adjusted EBITDA amounted to SEK 31.0 million (130.9), corresponding to an adjusted EBITDA margin of 8.7% (25.1).
- Adjusted EBIT amounted to SEK 21.3 million (123.6), corresponding to an EBIT margin of 6.0% (23.7). Items affecting comparability were SEK 21.1 million (5.0), primarily related to costs for the IPO.
- Operating cash flow amounted to SEK -49.4 million (114).
- Earnings per share amounted to SEK -0.1 (2.9).

Hannes Wallin, CEO and Founder of Fractal comments:

"The lower net sales was due, in addition to tough comparative figures with an organic growth of 83% during the third quarter of 2020, to the shortage of graphics cards which continues to dampen demand in the entire market for gaming computer products. The limited availability of graphics cards means that many gamers are delaying upgrades to their equipment. The current market situation is expected to continue to affect Fractal's sales and earnings for the rest of the year, while the product margin will be affected in the short term by extraordinarily high freight prices. In view of the ongoing weak growth during the third quarter, we estimate that net sales for the full-year 2021 will decrease by approximately 20% organically.

Our view of the market and our financial targets in the medium to long term are unchanged. Underlying demand for high-performance gaming products remains strong and given that many gamers are waiting for upgrades, a pent-up demand is created that should contribute to a stronger sales trend when the availability of graphics cards improves and prices normalize. We have a clearly differentiated premium brand and a leading position among gamers who impose high demands on design, performance and quality. Our new products have been well received during the year, with great interest and favorable reviews, and we look forward to launching more product news during the coming months to further strengthen our market shares.

Telephone and web conference

A telephone and web conference will be held for investors, analysts and media at 09.00 (CET). CEO, Hannes Wallin and CFO, Karin Ingemarsson will present and comment on the report and the presentation will be followed by a question and answer session.

To attend the telephone or web conference:

SE: +46850558369
UK: +443333009260
US: +16467224903

Link to web conference:

<https://tv.streamfabriken.com/fractal-gaming-group-q3-2021>

For more information, please contact

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This information is information that Fractal Gaming Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CET on November 19, 2021.

Certified Advisor

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Additional information

The full Q3 2021 interim report is available at <https://group.fractal-design.com/investors/financial-reports/interim-annual-reports/>

About Fractal

Fractal is a leading company in the premium segment of PC gaming products. The Group was founded in 2010 and our products are currently sold in more than 50 markets worldwide. Fractal is the market leader in premium PC cases in several geographic markets, for example in the Nordic region, is top two in Japan, and holds a top-three position globally. The Company also has a strong market position within power supply units, cooling products and fans for gaming computers.