

Leyou Technologies Holdings Limited is a video game company listed on the main board of the Hong Kong Stock Exchange. It is primarily engaged in the development and publishing of PC and console games, and the market leader for global multiplayer online free-to-play games.

Headquartered in Hong Kong, Leyou owns/invests in several renowned game development studios and affiliates across the world, such as Digital Extremes, Splash Damage and Certain Affinity. By the end of 2018, Leyou had total assets of US\$310 million; the Group recorded total revenue of US\$230m for 2018 and hired nearly 900 full-time employees.

The core strategy of Leyou is to develop and publish high-quality free-to-play video games for gamers around the world by combining the edge-cutting, highly social free-to-play game design philosophy, with the video game development expertise in the West. With such combination and "Game as a Service" operating model which keeps evolving gameplay and providing well-made game content, Leyou creates fun, long-life-span free-to-play game experience for global gamers.

Leyou has successfully published a number of highly acclaimed multiplayer online free-to-play games worldwide. Warframe, one of Leyou's flagship product, is a sci-fi themed, cooperative third-person action game, developed and published by Digital Extremes (one of Leyou's game studio). Warframe was initially launched in March 2013 and is currently available on official site, Steam, PlayStation, Xbox and Switch, with 14 language versions, and hits a total registered players of about 50 million worldwide by March 2019. Having celebrated its sixth anniversary, Warframe has been ranked as a top 10 games among all categories of video games on Steam platform, and a top 3 free-to-play game. The game has won the platinum best sellers and games with most simultaneous players for consecutive two years in 2017 and 2018, and is also one of the best-selling free-to-play games on PlayStation and Xbox platform. In addition, Leyou persistently invests in R&D and innovation, and maintains a strong product pipeline, which comprised of multiple AAA free-to-play games with blockbuster IP such as Transformers, Civilization and The Lord of the Rings, and other unannounced projects.

Looking ahead, Leyou will continue to update its live games to provide players with additional exciting game content and gameplay and is dedicated to launching on more platforms to cater to a greater range of players, thereby building up the growth momentum and profitability of the live games. On the other hand, Leyou will strive to fully propel the development of new products and to launch with AAA quality and established schedules. In addition, Leyou intends to extend its existing game business into other pan-entertainment industries, while seeking new opportunities for content production and IP development, amongst others.



| Share data     |           | 06/12/2019                  |          |
|----------------|-----------|-----------------------------|----------|
| Currency       | HKD       | Number of shares (mln)      | 3,081.70 |
| Volume         | 4,778,400 | Change (%)                  | 0.00     |
| Previous Close | 2.52      | Market capitalisation (mln) | 7,765.87 |

| Key figures (US\$'000)                       | 2016    | 2017    | 2018     |
|--|---------|---------|----------|
| Revenue                                      | 111,802 | 166,736 | 227,720  |
| Gross profit                                 | 72,571  | 110,774 | 141,487  |
| Net profit                                   | 14,080  | 10,246  | 20,367   |
| EBITDA*                                      | 40,559  | 48,084  | 66,982   |
| Earnings per share (US cents)                | 0.28    | 0.30    | 0.67     |
| Net cash generated from operating activities | 2,910   | 86,798  | 81,965   |
| Net cash used in investing activities        | 17,226  | -53,241 | -141,153 |
| Net cash from financing activities           | -24,584 | -2,047  | 42,280   |
| Cash and cash equivalents at end of the year | 13,139  | 45,898  | 32,658   |
| Total assets                                 | 219,524 | 313,431 | 310,703  |
| Total liabilities                            | 70,064  | 87,437  | 79,961   |
| Total equity                                 | 149,460 | 225,994 | 230,742  |
| Current ratio                                | 3.85    | 3.99    | 1.50     |
| Gearing ratio (%)                            | 19.4    | 0.2     | 13.8     |

\* EBITDA = Earnings before interest income, interest expense, taxation, depreciation and amortisation

