



## Proforma half-year sales up to € 18.9 million

- **Europe growing thanks to military and acquisitions**
- **Asia in progression driven by the new commercial policy**
- **United States in line with the budget**

November 27<sup>th</sup> 2017.

CYBERGUN, a global player in leisure shooting, publishes first-half sales of the fiscal year 2017-2018 (period from April 1 to September 30, 2017).

Taking into account the 3 strategic acquisitions announced on October 27, 2017 and in order to present a faithful image of the new scope of activity, CYBERGUN publishes a proforma half-yearly revenue including the net contribution of:

JM DEVELOPPEMENT ([Destockage-games.com](http://Destockage-games.com)) ;

Ton marquage.com ([Shop-Gun.fr](http://Shop-Gun.fr), [airsoft-horizon.fr](http://airsoft-horizon.fr), [shopgun-defense.com](http://shopgun-defense.com) as well as the SHOPGUN network composed of 6 own and franchised stores)

Open Space SAS ([Shootgame.fr](http://Shootgame.fr) as well as 2 shops of its own).

Normes IFRS – en M€	S1 2016-2017 consolidated	S1 2017-2018 consolidated	S1 2017-2018 proforma <sup>1</sup>	Variation
Europe + Latin America	7,6	8,0	10,0	+30%
Asia	1,1	2,1	2,1	+93%
United-States	10,0	6,8	6,8	-32%
<b>Total</b>	<b>18,7</b>	<b>16,9</b>	<b>18,9</b>	<b>+1%</b>

Hugo BRUGIERE, Vice President and General Manager of CYBERGUN, says: *"Thanks to our tactical moves, both internally and through targeted acquisitions that are being finalized, we are now able to put the CYBERGUN Group back on a growth trajectory. . It is thanks to this dynamic, the focus on the most profitable market segments and a deep reduction of our cost structure that we will win the game. "*

<sup>1</sup> Proforma with turnover of JM DEVELOPPEMENT, Ton marquage.com and Open Space SAS Restated intragroup billing during the first semester of 2017-2018.

## **Europe growing thanks to the military and acquisitions and stable on a like-for-like basis.**

The CYBERGUN Group generated proforma sales of € 10m in the Europe - Latin America zone in the first half of 2017-2018, representing a growth of + 30% over one year. Even on a like-for-like basis, billings were up + 4%.

The Group is thus reaping the benefits of its major human and technological investments to develop growth relays in the military segment and force training. Today, the subsidiary SPARTAN MILITARY, led by General 2S Emmanuel MAURIN, records its first commercial success. Above all, the sales achieved confirm profitability levels that are significantly higher than those of traditional activities.

In parallel, CYBERGUN has begun redeployment on the traditional civil AirSoft segment with a dual direct (B2C) and indirect (B2B2C) strategy. This new direct sales policy will help drive growth, thanks to a strengthened position (more than 40% market share in France), and to integrate the double-digit sales margin hitherto captured by resellers. The margin on the B2C business thus stood at more than 50% over the half-year for a total turnover of € 2.8 million (including € 500,000 in intra-group sales by CYBERGUN to its future subsidiaries).

This strategy was validated by the successful resumption of the AD1 website and accelerated with the 3 acquisitions announced last October.

## **Asia in progression driven by the new commercial policy**

In Asia, CYBERGUN posted revenue of € 2.1 million for the half year compared to € 1.1 million year earlier, an increase of + 93%.

The Group is now focusing on the conclusion of distribution agreements with Asian partners rather than distributing itself in an environment where counterfeiting is common. These agreements, which grant partners exclusive commercial exclusivity, allow CYBERGUN to generate a double-digit gross margin with no associated distribution costs. At the end of September 2017, the margin received was higher in volume than the one achieved at the end of September 2016.

## **United States in decline but in line with the budget**

In the United States, which today remains structurally deflationary - as is the real-life firearms market which is experiencing a deep depression - the Group has seen its invoices shrink by about 1/3 due to the withdrawal or of the fall of several major distributors of the civil AirSoft segment. This level of activity remains in line with the budget since this ebb was anticipated.

A reflection is being made on the adaptation of the European indirect sales model (on-demand production on the basis of half-yearly plans allowing optimal inventory and cash flow management) in the US market while strongly developing key Internet accounts such as AMAZON.COM is expected to nearly double this year to almost \$ 3 million.

For the record, an ambitious restructuring plan had been carried out over the previous year, notably with the centralization of logistics at DALLAS and the removal of more than 20 posts in the area. These savings should have a positive impact of 4 MEUR on EBITDA in a full year.

## **Advancement of the economic and collective redundancy plan**

As announced, the Group's new commercial policy in Europe will lead to a rationalization of committed resources, notably through the closure of the BONDOUFLE (ESSONNE) site, to set up the new head office of the group in SURESNES (HAUTS-DE-SEINE). by subcontracting the logistics for an annual saving estimated at nearly 200 K €.

A plan of economic and collective redundancy is thus being implemented to support in the best conditions the suppression of about twenty positions.

Claude SOLARZ, Chairman of the Board of Directors of the company, concludes: "The growth in Europe and Asia, both on a like-for-like basis and in proforma, shows that the strategy put in place by Hugo BRUGIERE and our teams is the right one. We should be able to reach the goals we have set for 2017/18, including in the United States where we should be close to the budget. The takeoff, finally, of the military market with its margins more than consistent and the integration of B2C are great successes, signs that the recovery is there. It was a long time ago when CYBERGUN could announce a half-yearly increase in sales. This is now the case again. "

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CYBERGUN is a worldwide leader in the leisure shooting, described as a "innovative company" by Bpifrance. During its financial year that ended on March 31<sup>st</sup> 2017, the company made a turnover of over 30 MEUR. Cybergun's stocks (FR0004031839 – ALCYB) are eligible at the FCPI, PEA and PEA-PME.

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