



## RAZER ANNOUNCES FIRST HALF 2019 RESULTS

**REVENUES GREW 30.3% TO A RECORD HIGH OF US\$357.2 MILLION**  
**SERVICES BUSINESS SAW REMARKABLE GROWTH OF 110.5% TO US\$35.7 MILLION**  
**NET LOSS POSITION NARROWED TO US\$47.7 MILLION**

**(Hong Kong, 22 August 2019)** – Razer™ (“Razer” or the “Company”, Hong Kong Stock Code: 1337), the leading global lifestyle brand for gamers, announces unaudited financial results for the six months ended 30 June 2019 (the “period”).

“This has been a phenomenal start to the year. Our core gaming ecosystem business remains robust, delivering good growth and profitability while our new growth initiatives continue to see incredible scale with our ongoing investments,” **said Min-Liang Tan, Co-Founder and CEO of Razer.**

“Our business remains on track to deliver on its long-term strategy and growth ambitions. We expect to continue to see solid revenue growth underpinned by our ecosystem of hardware, software and services. Further, we expect our profit profile to continue to improve as evidenced by the narrowing of our net loss position this first half of the year,” he added.

### **HIGHLIGHTS FOR THE PERIOD**

#### **GROUP**

- Revenue grew 30.3% year-on-year to an all-time-high of US\$357.2 million.
- High-margin Services business saw remarkable year-on-year growth of 110.5% in revenues to US\$35.7 million.
- Net loss margin improved significantly by 740bps to 13.4%. Loss for the period narrowed to US\$47.7 million.
- Strong balance sheet, with no debt and cash and cash equivalents of US\$528.9 million as of 30 June 2019.

### **CORE SEGMENTS**

#### *Hardware*

- Revenue grew 26.2% year-on-year to US\$303.7 million.
- Gaming hardware portfolio held up superbly with gaming systems business seeing strong market share gains and revenue growth.
- Razer products continue to receive top-rankings from the gamer community with Razer Huntsman Elite optical keyboard and Razer Blade 15 laptop claiming the number 1 best-seller spots on NPD and Amazon respectively.

#### *Software*

- Total registered user accounts increased 40% year-on-year to approximately 70 million, thanks to strong growth across all software offerings.
- In late May, the RAZER CHROMA™ RGB Connected Devices Programme secured partnerships across 25 brands, including AMD, Biostar, MSI, ViewSonic, while RAZER CHROMA™ RGB is integrated with top PC games such as Apex Legends, Overwatch and Mortal Kombat 11.

#### *Services*



- High-margin Services business saw phenomenal year-on-year growth of 110.5% in revenues to US\$35.7 million.
- The contribution of this segment to the Group's gross profit has set a new record, at almost 20%.
- Razer Gold, one of the world's largest virtual credits platforms, recorded over 19 million wallets, representing a 90% year-on-year increase and gave users access to over 2,500 leading game titles with over 600 publishers.
- Network of over 1 million physical distribution points across Southeast Asia and Latin America.
- Razer reinforced its position as the partner of choice for gaming and digital entertainment companies seeking to access and monetise their content, given low level of credit card penetration in relatively unbanked markets such as Southeast Asia and Latin America.
- Healthy uptake of Razer Gold in online channels in markets such as South Asia and the Middle East.

## GROWTH INITIATIVES

### *Razer Fintech*

- Razer Fintech saw robust performance in the first half of 2019 and generated over US\$828 million in total payment value ("TPV") (US\$1.4 billion for the year ended December 31, 2018).
- Razer Pay e-wallet app recorded approximately 1 million total registered user accounts since its launch over a year ago in Malaysia.
- Razer Pay e-wallet app monthly TPV growth of approximately 1,500% and monthly transaction volume of approximately 540% since the revamped app's release in February 2019.
- Razer Fintech and Visa plan to roll out an exclusive Razer-branded Visa prepaid payment solution and to explore micro-finance services targeting an unbanked and underserved segment of customers, especially youths and millennials.

### *Mobile gaming*

- Mobile gaming strategy will focus on enhancing gamer performance and user experiences in a variety of ways, including through hardware such as 5G mobile controllers, and through mobile software, services and esports.

### *Cloud gaming*

- Razer announced collaboration with Tencent Cloud including:
  - Hardware: Razer and Tencent Cloud will work closely to launch gaming hardware compatible with Tencent Cloud gaming solutions by the end of the year. The two companies will also extend more gaming content to Razer's other high-performance peripherals and accessories for the gaming community.
  - Software: Razer and Tencent Cloud will integrate Tencent's cloud gaming titles with Razer's software products and technologies in order to better enhance gamers' user experience and interactions. These will include RAZER CHROMA™ RGB lighting.
  - Others: Razer will support Tencent Cloud with its overseas expansion. In addition, as founding members of Tencent Global eSports Arena-Tech Alliance, Razer and Tencent Cloud will join force to leverage their advantages so as to further enrich the esports ecosystem.



### *THX*

- In light of the convergence of digital entertainment, Razer is well-positioned to lead the way in immersive digital entertainment through THX, Razer's subsidiary which is renowned for certification of world-class cinemas and consumer electronics.
- THX announced in March 2019 that it will launch the world's first THX Ultimate Cinema at Regency Westwood Village Theatre (formerly known as the Fox Village Theatre) in Los Angeles.
- The Ultimate Cinema brand is a collaboration between THX and Cinionic, the company that supplies commercial Barco projectors. THX plans to specifically master up to 30 films per year for the THX Ultimate Cinema system, which also supports regular movies via Digital Cinema Package projection.

### *Esports*

- Razer has become one of the world's leading brands in esports, with a hosted community of over 2.3 million followers across all of its social media platforms as of July 2019.
- Razer supports over 18 esports teams competing in all major esports games across the U.S., Europe and Asia Pacific, including China. Team Razer's latest addition includes Evil Geniuses and Alliance, both long-standing professional esports teams with worldwide fan bases, as well as Top Esports, a leading League of Legends team in China.
- Razer is the official esports partner for the 30<sup>th</sup> Southeast Asian Games in November 2019 and partner to the national teams of Indonesia, Malaysia, Philippines, Singapore and Thailand.

### OUTLOOKS

#### *CORE SEGMENTS*

- Hardware: Continue to see good growth while gross margins improve.
- Software: Focus on driving user base growth, bringing new use cases and increasing user activity and loyalty to the Razer ecosystem.
- Services: Razer Gold virtual credits business to continue expansion with the addition of new content, partners and channels.

#### *GROWTH SEGMENTS*

- Razer Fintech: TPV to scale as it extends its capabilities and rolls out in Southeast Asia and other emerging markets.
- Mobile gaming: Focus on enhancing gamer performance and user experience leveraging Razer's integrated ecosystem of hardware, software and services, and its leadership in esports.
- Cloud gaming: Collaboration with Tencent Cloud and expect further progress in this area.
- THX: Continue to lead in immersive digital entertainment with the convergence of esports, gaming and cinema.
- Esports: Elevate status of esports to the mainstream and roll out stellar esports products through working with leading esports athletes.



## **ABOUT RAZER**

Razer™ is the world's leading lifestyle brand for gamers.

The triple-headed snake trademark of Razer is one of the most recognized logos in the global gaming and esports communities. With a fan base that spans every continent, the company has designed and built the world's largest gamer-focused ecosystem of hardware, software and services.

Razer's award-winning hardware includes high-performance gaming peripherals and Blade gaming laptops.

Razer's software platform, with over 70 million users, includes Razer Synapse (an Internet of Things platform), RAZER CHROMA™ (a proprietary RGB lighting technology system), and Razer Cortex (a game optimizer and launcher).

In services, Razer Gold is one of the world's largest virtual credit services for gamers, and Razer Fintech is one of the largest online-to-offline digital payment networks in SE Asia.

Founded in 2005 and dual-headquartered in San Francisco and Singapore, Razer has 18 offices worldwide and is recognized as the leading brand for gamers in the USA, Europe and China. Razer is listed on the Hong Kong Stock Exchange (Stock Code: 1337).

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