



RAZER REPORTS FULL YEAR 2021 EARNINGS

Hong Kong, March 17, 2022 – Razer™ (“Razer” or the “Company”, together with its subsidiaries, the “Group”, Hong Kong Stock Code: 1337), the leading global lifestyle brand for gamers, announces its full year results for the financial year ended 31 December 2021 (“FY2021”).

“As we navigate the uncertainties and challenges attributable to geopolitical tensions, macro environment as well as the ongoing COVID-19 pandemic, we expect the lingering industry-wide supply chain shocks to continue to have an ongoing impact on our business, with freight and logistics to remain a challenge through 2022. On the demand front, we saw a deceleration in the growth momentum for our products and services since the second half of 2021 compared to exceptional growth in the prior year, we expect this trend to continue through 2022 as a result of the high base effect seen in 2021,” **said Min-Liang Tan, Co-Founder and CEO of Razer.**

“Looking ahead, we will continue to invest into new growth areas and to build out Razer’s unique gaming ecosystem. However, before we start to see the fruits, these growth areas will take time to fully realise and it will require additional spending in our operating expenses and may affect the short- to medium-term business performance.”

Key highlights for FY2021 earnings **COMPANY**

- **Recorded a revenue of US\$1,619.6 million with 33.3% year-on-year growth**, driven by demand in first half of 2021 due to the pandemic, market share increase for the Hardware business, and continued expansion of channels and content for the Services business.
- **Gross Profit Margin increased to 24.0%** from 22.3% in the prior year, driven by ongoing expansion of Hardware margins, partially offset by the sudden spike in freight rates due to industry-wide supply chain and logistics challenges.
- **Adjusted EBITDA* (a non-GAAP measure) was US\$96.1 million**, an increase of 115.5% from US\$44.6 million in the prior year.
- **Net Profit was US\$43.4 million**, compared to US\$0.8 million in the prior year, driven by revenue growth, ongoing gross margin expansion and productivity improvement.

* Razer defines adjusted EBITDA as profit/(loss) from operations added back with depreciation and amortisation, share-based compensation expense, restructuring expense, impairment of long-lived assets and merger and acquisitions expense.



CORE SEGMENTS

HARDWARE

- Revenue grew 34.0% year-on-year to US\$1,452.4 million.
- Peripherals business maintained its market-leading position in gaming peripherals across the U.S., Europe and Asia-Pacific¹ regions, fueled by the market launch of multiple products across its flagship keyboard and mouse families.
- Systems business has maintained its market leading position in the U.S. premium gaming laptop segment while growing its market share in new markets outside of the U.S.².
- Made further inroads to expand its growth categories, particularly gaming chairs, console and broadcaster products.

SOFTWARE

- Total user accounts increased 44.1% year-on-year to approximately 177.7 million with monthly active users surging by over 30.0%.
- The increase was attributable to strong growth across its Software offerings, boosted by increases in gaming, rewarded play and livestreaming activities.

SERVICES

- Services business, comprising of Razer Gold and Razer Fintech, grew 26.6% year-on-year to US\$162.5 million for the full year 2021
- Gross margin was 38.5% and contributed 16.1% of the Group's gross profit.

^{1,2} Internal sources and market research



ESG

- Making sustainability key to gaming and reinforced this commitment in 2021 when it introduced its ten-year sustainability plan to protect and preserve the environment through [#GoGreenWithRazer](#).
- The Group has seen significant progress in achieving its ESG goals, including:
 - Upgraded its upcoming sustainability report to GRI Core standards, one of the world's leading sustainability reporting standards;
 - Made its first disclosure under the Carbon Disclosure Project ("CDP"), ensuring transparency through disclosure of environmental data;
 - Joined the Science Based Targets Initiative with a commitment to set decarbonization targets by keeping to a less than 1.5°C climate scenario and achieving net carbon neutrality by 2030; and
 - Included climate-related risks in Razer's enterprise risk management process by proactively recognizing and mitigating potential impact from climate-related risks.
- As part of the Group's effort to galvanize the community to contribute and support its sustainability initiatives, the Group partnered with Conservation International in October 2020 and introduced [Sneki Snek campaign](#). As of January 2022, the Group has saved over 900,000 trees.

OUTLOOK

MACRO CHALLENGES AND UNCERTAINTIES:

- Impact of industry-wide supply chain challenges on business will persist.
- Freight and logistics expected to remain a challenge through the year.
- Deceleration in growth momentum since second half of 2021 to continue through 2022 due to high base effect.

NEW GROWTH AREAS:

- Extension of Hardware offerings to furniture and other gamer lifestyle categories.
- Continued regional expansion for Razer Gold.
- Scaling of TPV and geographical expansion for Razer Fintech.

IMPACT ON BUSINESS PERFORMANCE:

- Additional spending in operating expenses.
- New growth areas will require significant investments.
- New growth areas will take time to prove out business case.

For more details, please refer to the FY2021 results announcement for the results of the Group which are published in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Details of Razer's ESG initiatives can be found on the website: <http://www.razer.com/go-green>.



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 175 million users, includes Razer Synapse (an Internet of Things platform), Razer Chroma RGB (a proprietary RGB lighting technology system supporting thousands of devices and hundreds of games/apps), and Razer Cortex (a game optimizer and launcher).

Razer also offers payment services for gamers, youth, millennials and Gen Z. Razer Gold is one of the world's largest game payment services, and Razer Fintech provides fintech services in emerging markets.

Founded in 2005, Razer is dual-headquartered in Irvine (California) and Singapore, with regional headquarters in Hamburg and Shanghai. Razer has 18 offices worldwide and is recognized as the leading brand for gamers in the US, Europe and China. Razer is listed on the Hong Kong Stock Exchange (Stock Code: 1337).

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