



## RAZER ISSUES POSITIVE ADJUSTED PROFIT ALERT FOR FY2020

**Hong Kong, November 9, 2020** – Razer™ (“Razer” or the “Company”, Hong Kong Stock Code: 1337), the leading global lifestyle brand for gamers, announces that, based on the preliminary assessment of the unaudited management accounts of the Company for the financial period ended September 30, 2020, it is expected that the Company will record an adjusted profit before income tax, a non-GAAP measure, for the financial year ending December 31, 2020 as compared to the adjusted loss before income tax of US\$40.3 million for the financial year ended December 31, 2019.

“2020 looks set to be a banner year for Razer. We have seen continued growth momentum in our ecosystem of hardware, software and services as a result of dominant brand position, strong consumer demand and user base expansion. We have seen very positive reception for our new products and services and our Peripherals business has seen significant growth due to market share gains. Our robust business performance has accelerated our progress to deliver on our long-term strategy and growth ambitions,” **said Min-Liang Tan, Co-Founder and CEO of Razer.**

The expected improvement to an adjusted profit before income tax of the Company is mainly due to:

- the higher than expected revenue growth which is expected to be at least 30% year-on-year for the financial year ending December 31, 2020 across the Razer ecosystem of hardware, software and services:
  - Hardware Segment
    - Our Peripherals and Systems products have seen positive sales reception for our new products introduced in the first three quarters of 2020;
    - Our Peripherals business maintained our market leading position for gaming peripherals across U.S., Europe, Asia-Pacific and China while taking significant market share from the competition<sup>1</sup>; and
    - Our Systems business maintained our number 1 market leading position in the premium gaming laptop segment in the U.S. while growing market share in new markets outside of the U.S. during the first three quarters of 2020<sup>1</sup>.
  - Software and Services Segment
    - Total Payment Volume (“TPV”) of Razer Gold and Razer Fintech recorded strong growth on a year-on-year basis for the three months ended September 30, 2020 respectively
- the continued improvements of gross profit margin, driven by improving Hardware margins and increased contribution of relatively higher margin Services business to the Company.
- the continued improvements in operating expenses management, driven by continuing efforts to control discretionary spend and improvement in productivity.

<sup>1</sup>Internal sources and external market research



The Company defines adjusted profit/ loss before income tax, a non-GAAP measure, as profit/ loss for the year added back with income tax expense, share-based compensation expense, restructuring expense, impairment of goodwill and other assets and merger and acquisitions expense. Adjusted profit/ loss is not required by, or presented in accordance with, the International Financial Reporting Standards issued by the International Accounting Standards Board. The information contained in this press release represents a preliminary assessment based on the management accounts of the Company which have not been audited or reviewed by the Company's auditor, and operational data based on the Company's records and third party sources which have not been and will not be audited or reviewed by the Company's auditors.

Please refer to the announcement made by Razer on [www.hkexnews.hk](http://www.hkexnews.hk) and investor.razer.com on November 9, 2020, which is published in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for further details.

## **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 100 million users, includes Razer Synapse (an Internet of Things platform), Razer Chroma RGB (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 offline-to-online digital payment networks in SE Asia.

Founded in 2005 and dual-headquartered in Irvine (California) and Singapore, Razer has 17 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).

## **PRESS CONTACTS**

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**Razer - For Gamers. By Gamers**

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