

Huuuge, Inc. announces Q3 2024 financial results

Maintaining Focus on Profitability

Global free-to-play game developer and publisher Huuuge, Inc. today announced its financial results for the third quarter of 2024. The results highlight the company's strong focus on maintaining profitability and operational efficiency despite challenging revenue trends. With disciplined cost management, execution of its roadmap, and continued growth in the Direct-to-Consumer (DTC) channel, Huuuge remains well-positioned for the future while delivering solid financial performance.

Q3 2024 financial highlights:

- **Revenue:** USD \$58.8 million, a decrease of 17.5% year-over-year (YoY) and 7.3% quarter-over-quarter (QoQ)
- **Adjusted EBITDA:** USD \$20.9 million, a decrease of 17.5% YoY and an increase of 7.4% QoQ
- **Adjusted EBITDA Margin:** 35.5%, on stable level YoY, an increase of 4.8 p.p QoQ
- **Sales and marketing expenses:** USD \$11.7m, a decrease of 24.0% YoY and 24.6% QoQ
- **Adjusted Net Income:** USD \$16.3 million, a decrease of 15.8% YoY and an increase of 2.7% QoQ
- **Direct-to-Consumer Revenue:** DTC contributed 12% of total Q3 2024 revenue and increased to 15% in October 2024

Profitability and Cost Discipline

Huuuge delivered adjusted EBITDA of \$21 million in Q3 2024, representing a 36% margin, up 4.8 percentage points QoQ. This reflects the company's strong focus on operational efficiency despite revenue pressures. User Acquisition campaign expenses were reduced by 21.5% YoY and 28.4% QoQ, contributing significantly to profitability. These reductions align spending with performance trends and the adjusted product roadmap schedule. With strict cost policies in place, further improvements are planned for Q4, ensuring sustained profitability.

Roadmap Execution

The implementation of Huuuge's roadmap is progressing as scheduled, with key updates set to launch in late Q4 2024. These include the Huuuge Battle Pass, designed to increase player engagement, and the largest in-game economy update to date.

Direct-to-Consumer Growth

DTC revenue reached 15% of total sales in October 2024, up from 12% in Q3. The company expects DTC to account for mid to high-teens of total revenue by year-end. Expansion plans are underway, with a focus on reaching more players in Q4 while improving the user experience and ensuring sustainable growth.

M&A Focus

Huuuge remains committed to pursuing transformative acquisitions that align with its strategic goals. With \$125 million in cash reserves as of the end of Q3, the company is in a strong position to capitalize on M&A opportunities that enhance its portfolio and leverage its expertise in monetization and games-as-a-service.



Wojciech Wronowski, CEO of HUUUGE, Inc. said: “Our Q3 results highlight HUUUGE’s financial position and consistent strong cash generation. HUUUGE is well-positioned to explore multiple growth opportunities across the business. With new features launching in late Q4 and continued focus on the growth of our DTC channels and potential strategic M&A initiatives, we remain committed to delivering long-term value for our shareholders.

KEY FINANCIAL FIGURES

Selected financial data (USD m)	Q3 2024	Q3 2023	Change	Q3 2024	Q2 2024	Change
Revenue	58.8	71.2	-17.5%	58.8	63.4	-7.3%
EBITDA	19.9	24.7	-19.4%	19.9	18.7	6.5%
Adjusted EBITDA*	20.9	25.3	-17.5%	20.9	19.4	7.4%
Adjusted EBITDA margin	35.5%	35.6%	-0.1pp	35.5%	30.7%	4.8pp
Operating result	17.5	22.5	-22.2%	17.5	16.5	6.3%
Net result	15.3	18.7	-18.2%	15.3	15.1	1.3%
Adjusted net result**	16.3	19.3	-15.8%	16.3	15.8	2.7%
Adjusted net result margin	27.7%	27.1%	0.6pp	27.7%	25.0%	2.7pp

* Adjusted EBITDA is EBITDA adjusted for non-recurring events that are not related to the core activity of the group, and share-based payment expenses.

** Adjusted net result defined as the net result for the year adjusted for non-recurring events that are not related to the core activity of the group, and share-based payment expenses.

KEY PERFORMANCE INDICATORS

QoQ KPI	All games			Core franchises HUUUGE Casino and Billionaire Casino		
	Q3 2024	Q2 2024	Change, %	Q3 2024	Q2 2024	Change, %
DAU (in thousands)	359,193	392,898	-8.6%	310,137	335,522	-7.6%
DPU (in thousands)	13,369	14,195	-5.8%	12,723	13,442	-5.3%
ARPPU (in USD)	1.78	1.77	0.3%	2.02	2.02	-
ARPPU (in USD)	47.50	48.66	-2.4%	49.17	50.48	-2.6%
Monthly Conversion (%)	6.6	6.4	0.2pp	7.2	7.2	-

CONTACTS

FOR INVESTORS AND MEDIA: ir@huuugegames.com | +48 606 734 433

WWW: <https://ir.huuugegames.com>

HUUUGE Games is a global game developer and publisher of free-to-play mobile games. On our way to become the global leader in real-time free-to-play casual gaming, we aim to redefine the experience to give maximum joy and fun to players all around the world. HUUUGE shares have been listed on the Warsaw Stock Exchange since February 2021.