FRANCE'S ANNUAL

VIDEO GAME

INDUSTRY BAROMETER

2018 EDITION

AN IDATE DIGIWORLD SNJV SYNDICAT NATIONAL DU JEU VIDÉO COLLABORATION

SNJV at a glance

Created in 2008 as a follow-up to the actions led by France's Association of Multimedia Producers, the French Video Game Trade Association (SNJV) represents the French video game companies and professionals' workers. It campaigns for the industry promotion, growth and competitiveness, and for territory attractiveness. SNJV's goal is to allow video game development companies operating in France to accelerate their development and become more competitive in a strong international competing context.

About IDATE Digiworld

The Institute for Audiovisual media and Telecommunications in Europe (www.idate.org) is a research and consulting firm that specialises in telecoms, media and the Internet.

This Institute accumulates 40 years of experience:

- Its assignments include international industry and market watch solutions, market reports, industrial strategy coaching, technical-economic feasibility studies, forward-planning and innovation assessment.
- Its video game division has been helping more than 50 of the sector's top companies for over 19 years.

IDATE publishes a complete catalogue of market reports:

- A catalogue of 40 new publications every year, including at least one devoted to gaming.
- More than 50 reports on video games since the year 2000.

IDATE hosts B2B conferences:

- The DigiWorld Summit is an international event celebrating its 40th anniversary in 2018 now held in Paris (www.digiworldsummit.com).
- IDATE DigiWorld has been hosting events devoted to the video game and creative industries since 2001.

Methodology overview

The IDATE DigiWorld/SNJV collaboration delivers a representative snapshot of the sector; The nature and the volume of the business, its economic and financial health, and its outlook of the future.

The survey was conducted between the 5th and 8th of August 2018, through an online self-administered questionnaire (CAWI - Computer Assisted Web Interviewing). This questionnaire was sent to the chief executives of the French Video Game Trade Association (SNJV) member companies, as well as video game industry firms that are not adherent of the SNJV.

In this report the term "companies" refers to all respondents (development studios, publishers, service providers, etc.).

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FRANCE'S ANNUAL VIDEO GAME INDUSTRY BAROMETER

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Key findings for 2018

9,5 jobs
on average in France
in studios with
<100 employees

86%
of salaried
jobs are
permanent contracts

14%
of development studio
staff are **women**

The sector is hiring

between 1200 and 1500
new jobs expected
in companies

between 650 and 850
new jobs
expected in studios

93%
of studios consider
themselves
independent
and 70% create indie games

56%
of studios
are less than
5 years old

1 out of 4 studios
are developing
virtual, augmented or mixed reality games

1 out of 5 studios
say they plan on investing in eSports by
2018

Key findings for 2018

1200 games are **in development** in 2018

of which **2/3** are
new intellectual properties

And **50%** of these
products **will be released** by the end of
this year.

12% of the **production**
budget is spent on
promoting games

17%
of studios
generate revenue
in excess of
€1M

40%
of studios'
revenue have
been earned on the
international
stage in 2018

77%
of studios focus on **PC** games
60% develop games for
smartphones and tablets
45% develop for home
consoles

61%
of studios
provide services

Of those, 71% sell
programming services

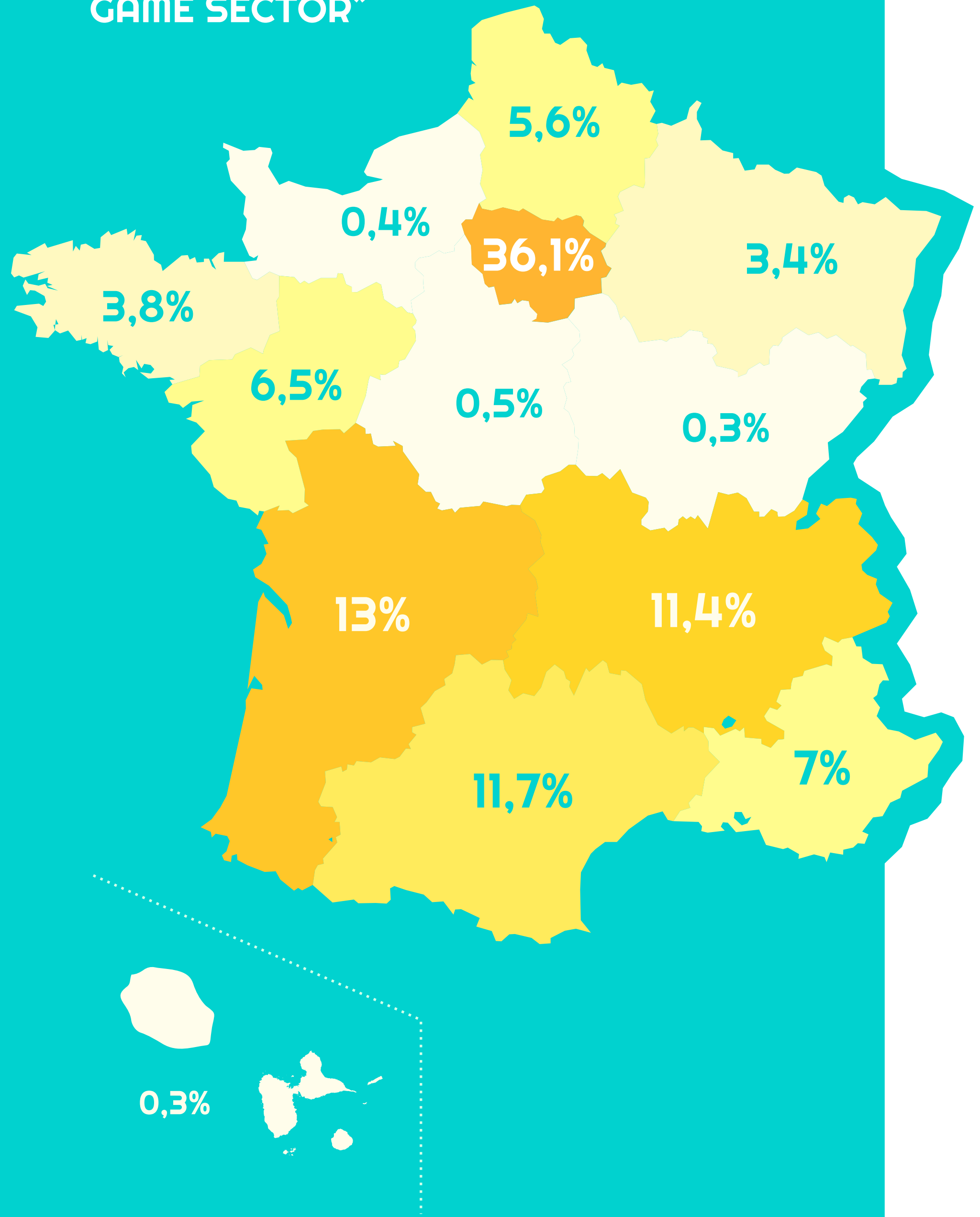
On this double page, the word "job" refers to a full-time equivalent (FTE) position

PART 1

France's video game industry: economic fabric and production

The Video game industry in France

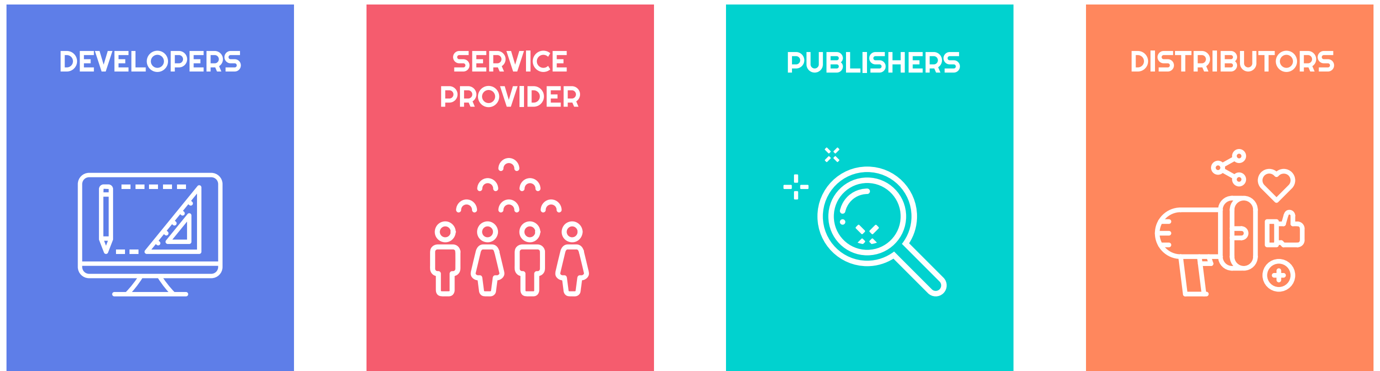
REGIONAL DISTRIBUTION OF COMPANIES IN THE VIDEO GAME SECTOR*



Are counted: publishers, developers, distributors and service providers, local associations, training organisations, freelancers.

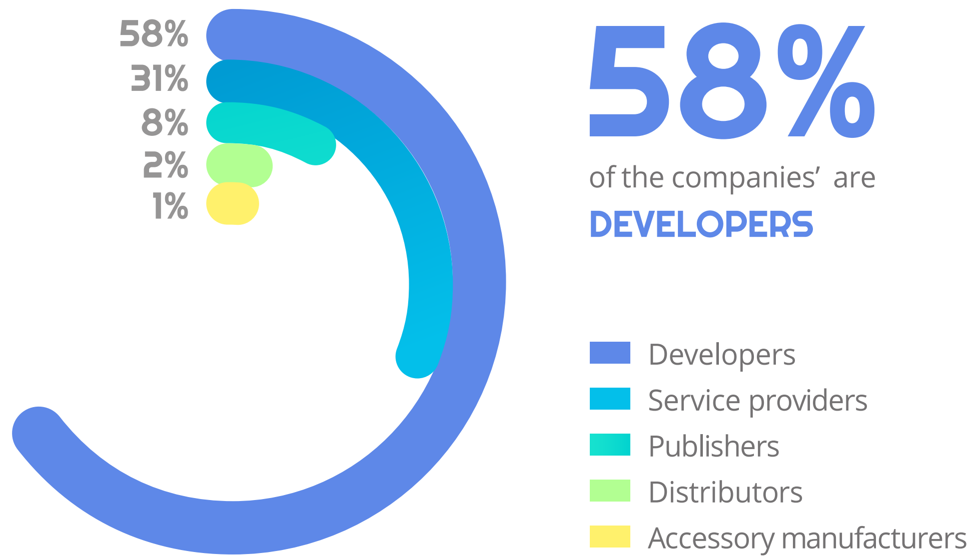
Number of video game companies by region**

Are counted: publishers, developers, distributors and service providers
Are not included: local associations, training organisations, freelancers



Production activities gaining ground, year over year

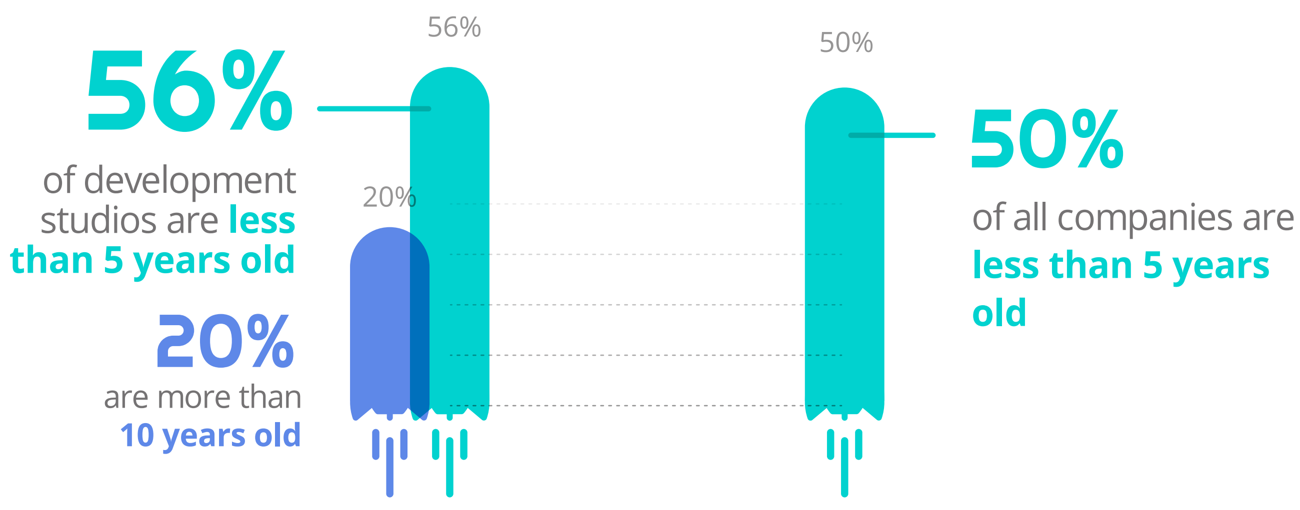
POLLED COMPANIES' MAIN ACTIVITY

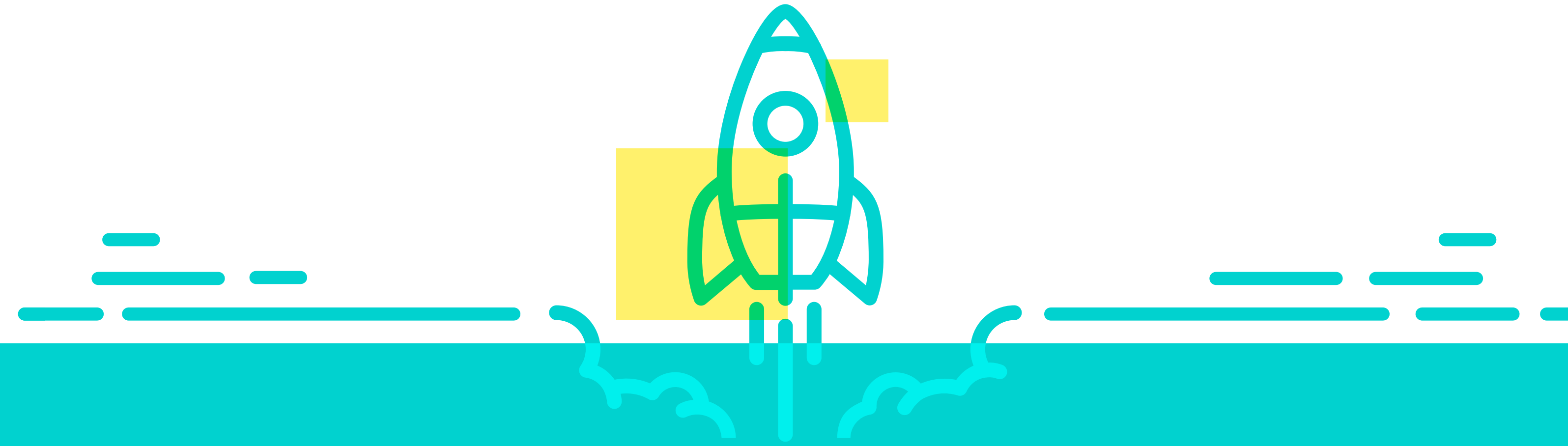


61% of development studios **PROVIDE SERVICES**

FRANCE'S VIDEO GAME INDUSTRY: ECONOMIC FABRIC AND PRODUCTION

Renowned entrepreneurial excellence

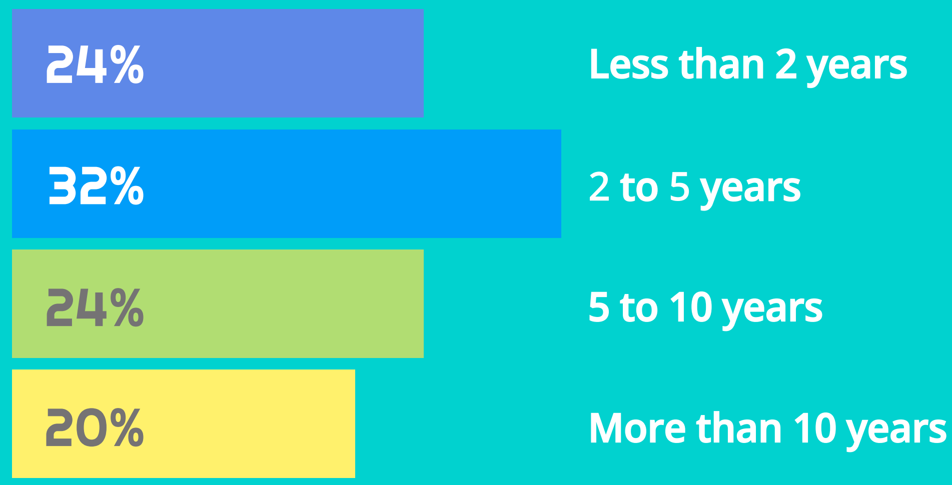




Development: one of France's greatest strengths

It is the result of a **strong cultural** legacy in artistic creation, and the existence of many **schools and universities** across the country that train talents for this industry, combined with a real **entrepreneurial spirit.**

DEVELOPMENT STUDIO BREAKDOWN BY YEARS OF OPERATION



An industry mostly independent

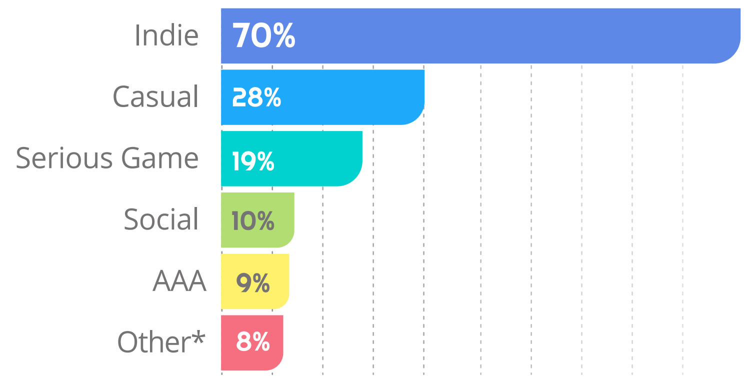
93%
of studios consider themselves **independent**

French studios continue to have a strong attachment to indie games.

70%
of studios say they create **indie games**

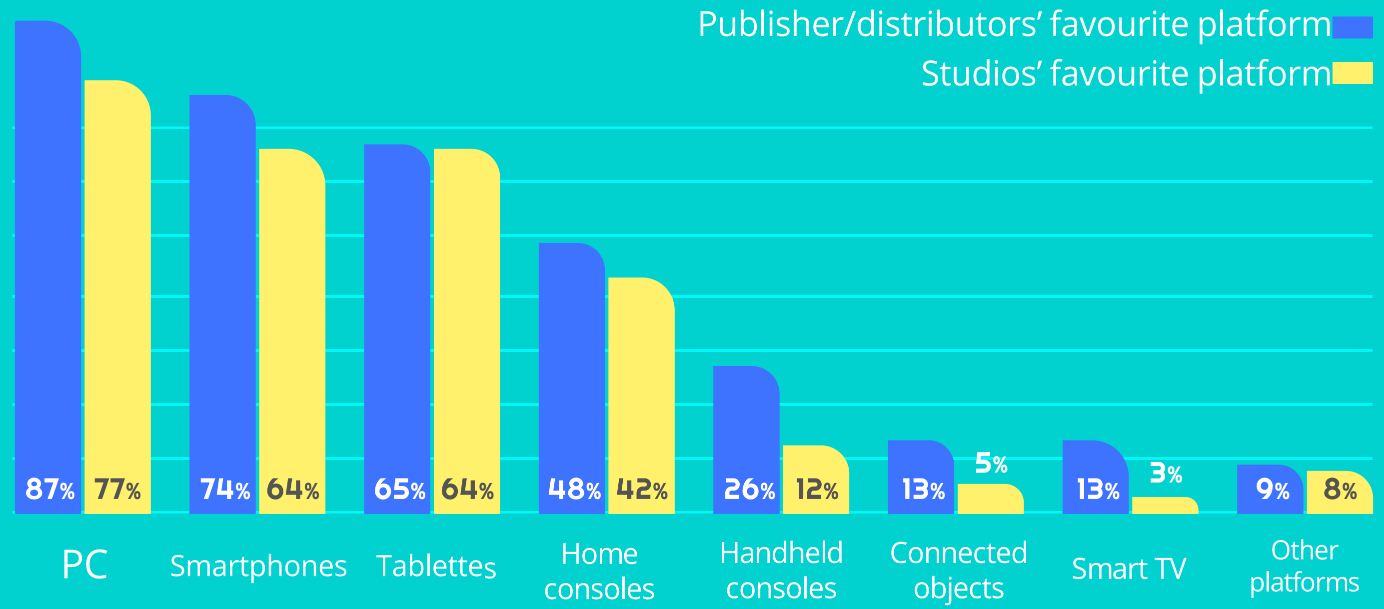
This fact has been true since 2014, followed by casual and serious games.

TYPES OF GAMES THAT STUDIOS ARE DEVELOPING



* Educational, children's games, connected object apps, AA

...and focused on computer games



FRANCE'S VIDEO GAME INDUSTRY: ECONOMIC FABRIC AND PRODUCTION

Massive rise in game production

1200 games in **PRODUCTION** in 2018

i.e a **43%** increase

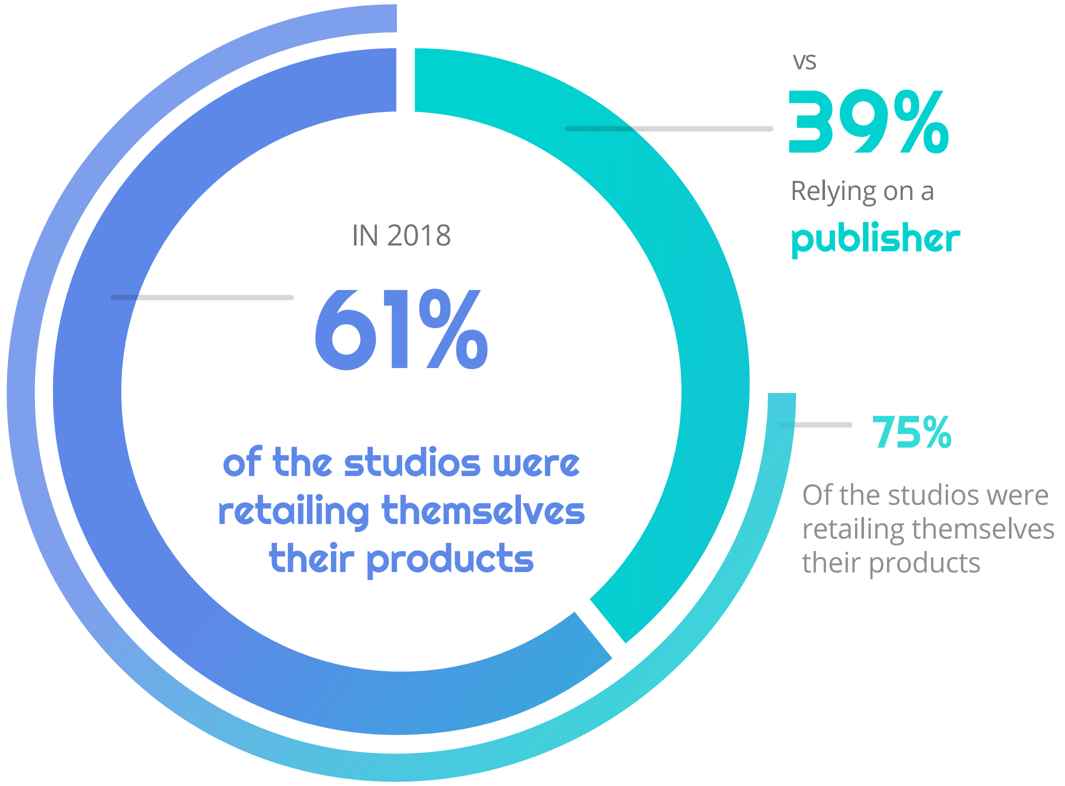
Of which **2/3** are **new intellectual properties**

and **600 titres** will be **released** in 2018

93%
of studios developing games this year **are developing at least 1 new IP***

* intellectual property

Publishers' role is increasing year over year



The Publishing Business

is changing with the rise of digitisation, especially in the areas of **game distribution, marketing and communication.**

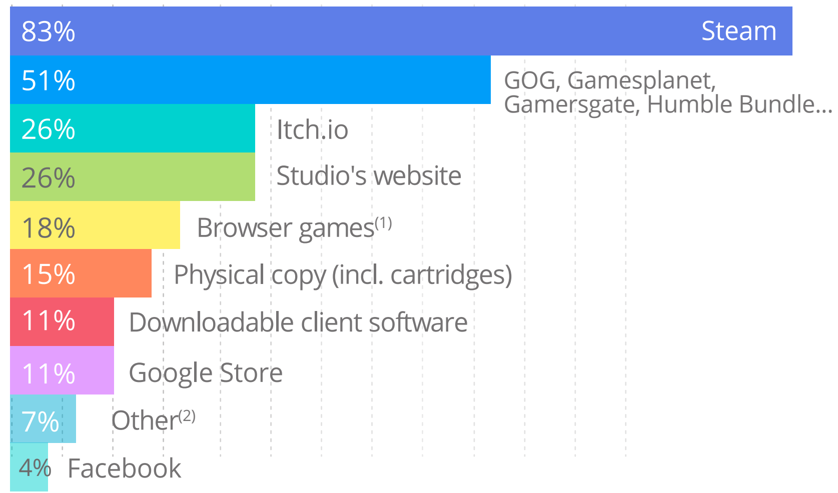
All of these areas of work have been affected by gamers' changing their buying habits, which are increasingly concentrated on digital media. Publishers have come to grips with these changes and have designed a new range of services capable of attracting big and small developers.

Digital distribution

GAME DISTRIBUTION METHODS IN 2018

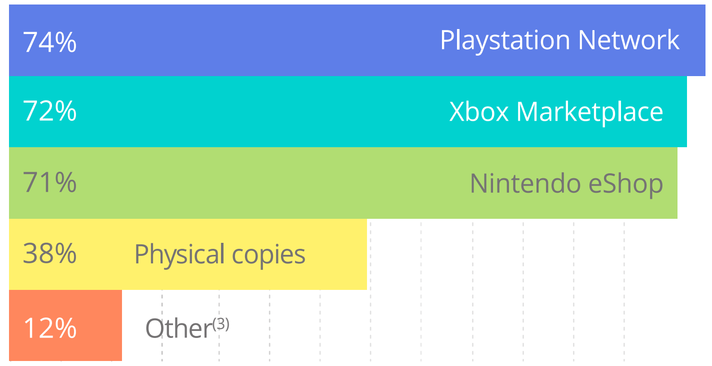
PC

Steam still dominant



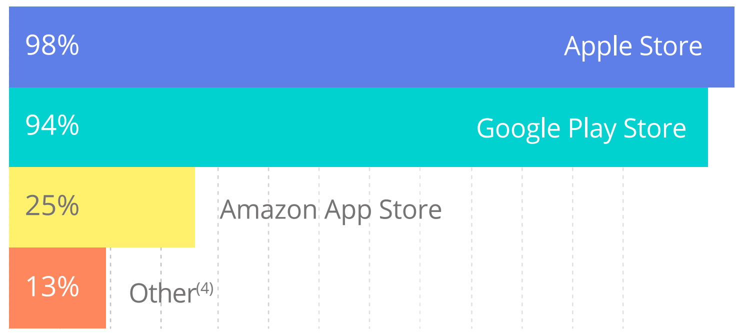
CONSOLES

Playstation Network is #1



TABLETS / MOBILES

The Apple-Google duopoly being challenged by Amazon



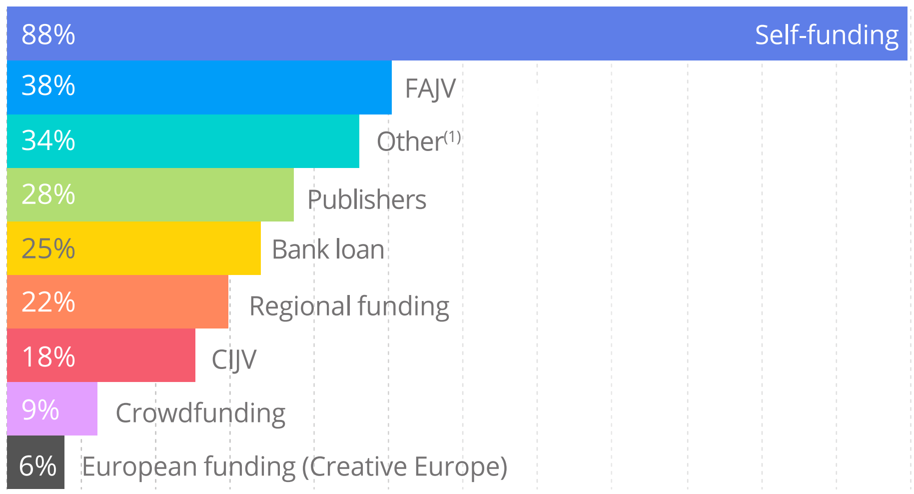
(1) Flash game/streamed in the browser (Kongregate, BigFish Games, Miniclip...)
(2) Cloud gaming, stores VR, diffusion B2B, Windows Store
(3) Ouya shop, Leap Motion, Play Market, U Play
(4) Phone operators, Amazon Appstore, Microsoft Store, Facebook Messenger

Production funding in France

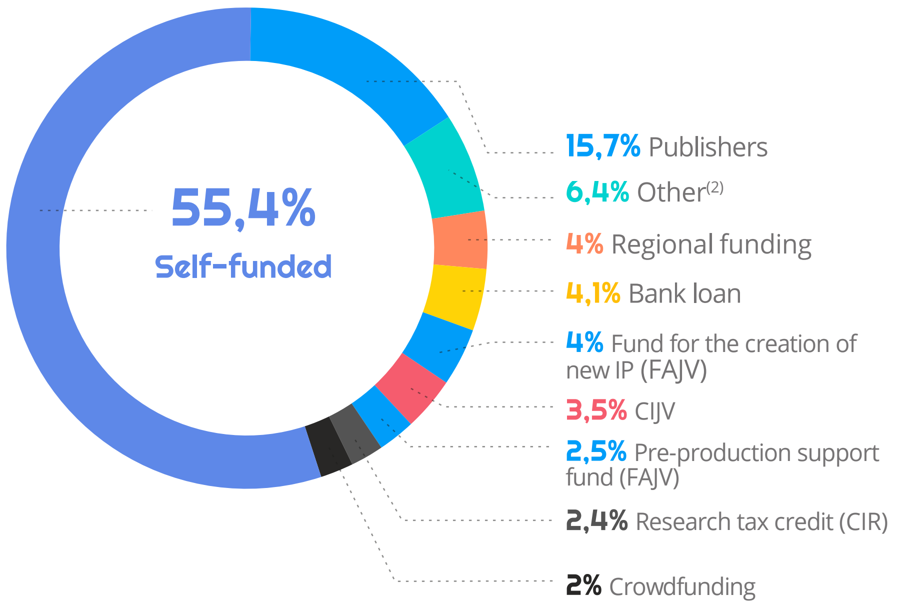
88%
of studios
are self-funded

62%
of studios resort to
regional, national or European funding

Increasing use of public financing



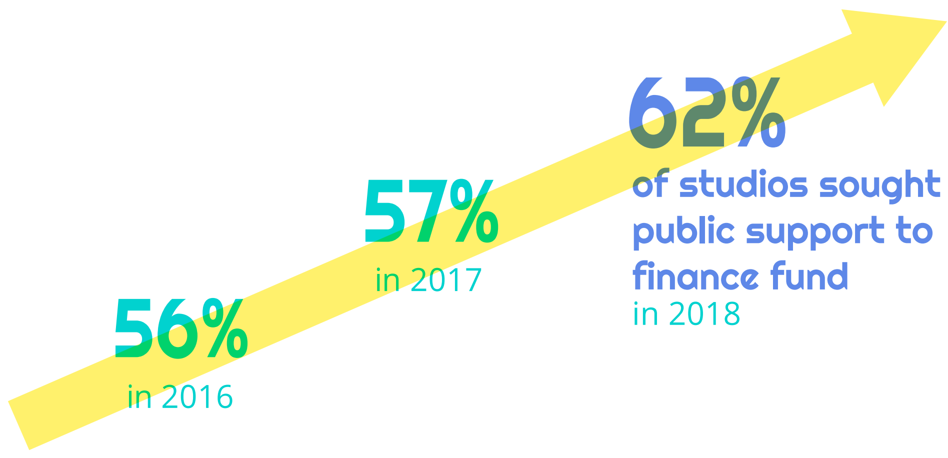
BREAKDOWN OF FINANCING METHODS IN DEVELOPMENT STUDIOS' PRODUCTION BUDGETS



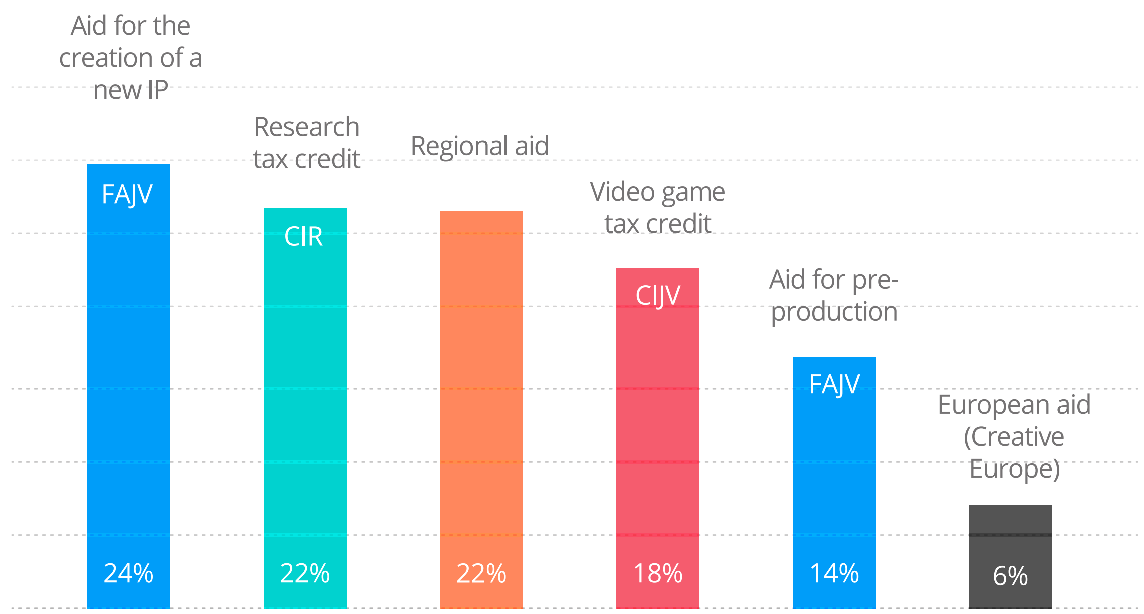
(1)R esearch tax credit, BPI (public investment bank)
(2) Creative Europe, BPI, co-production, seed mone

Increasing use of public financing

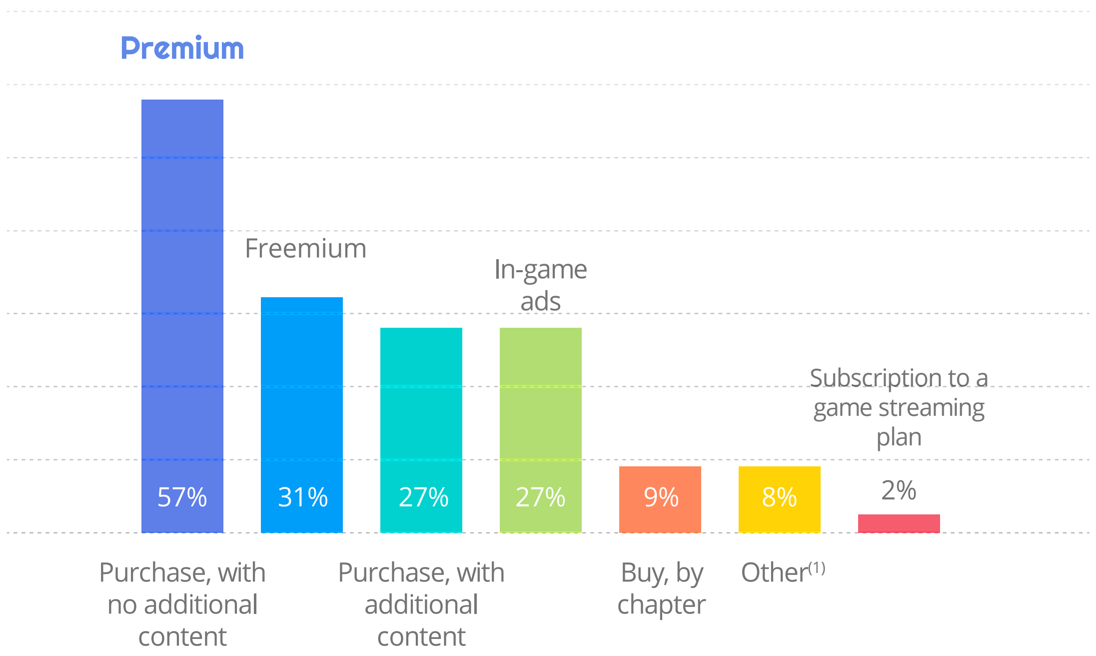
PERCENTAGE OF COMPANIES THAT HAVE OBTAINED PUBLIC SUPPORT



PUBLIC FINANCING SCHEMES STUDIOS USE TO FUND THEIR PRODUCTIONS

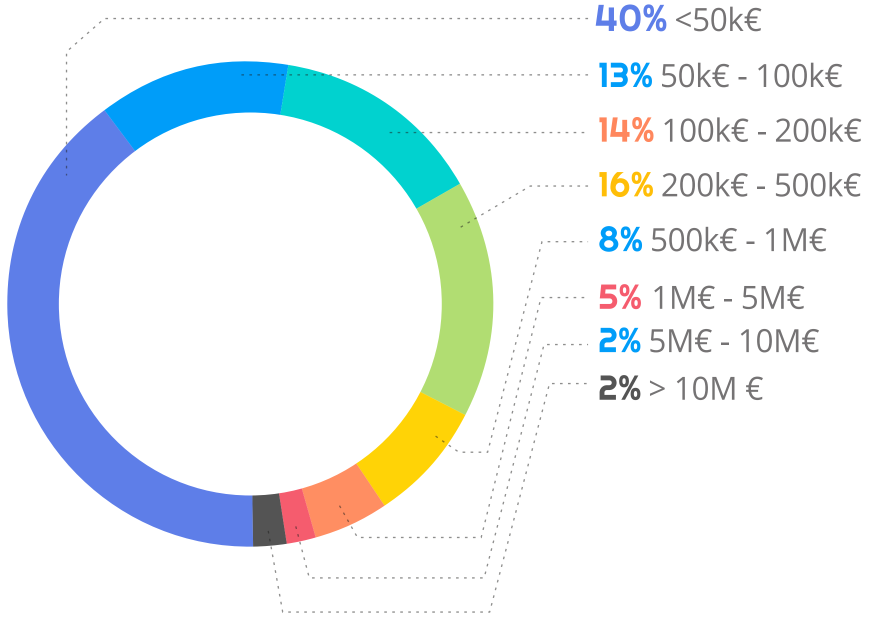


DEVELOPMENT STUDIOS' BUSINESS MODELS



(1) Subscription to a platform (every year except 2018), licences, non-app advertising: banners, Adsense website

BREAKDOWN OF ANNUAL PRODUCTION BUDGETS

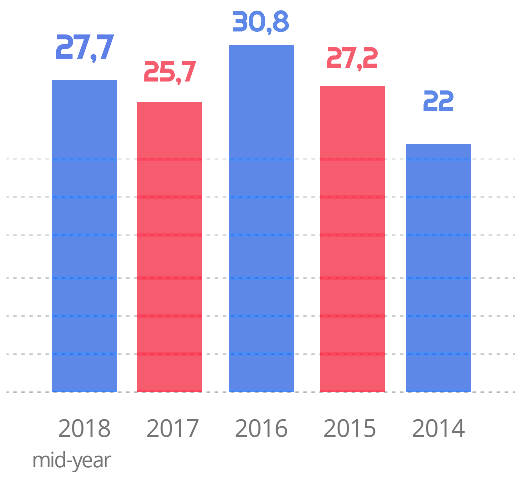


PART 3

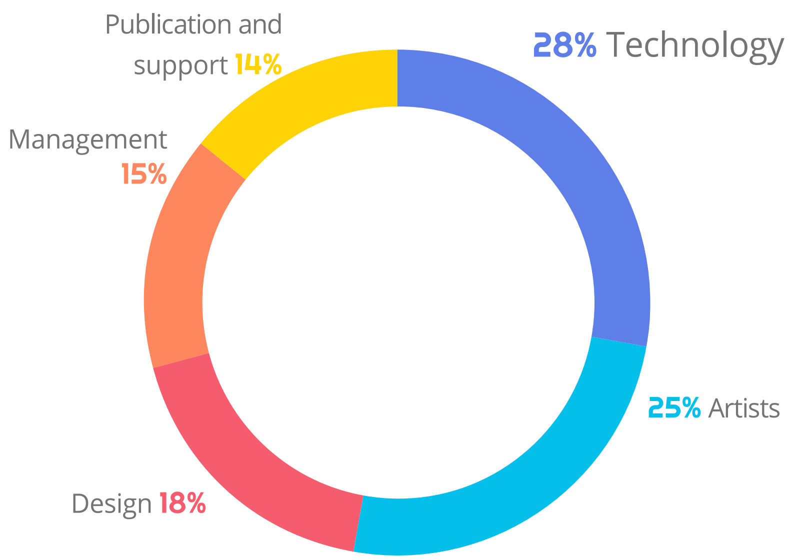
Video game industry jobs in France

Strong increase in qualified and lasting jobs

STUDIOS' AVERAGE TOTAL STAFF SINCE 2014



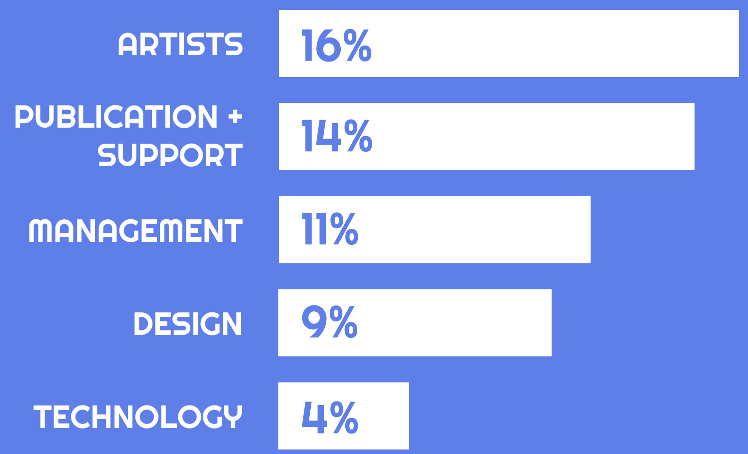
STAFF BREAKDOWN BY PROFESSION



Women in the industry

14% of development studio staff **are women**

% of women in the different fields



Encouraging outlook

59% of companies

Will be hiring

in 2019

It is estimated that **1200-1500 new jobs** will be created by 2019

Including **650 - 850** in **game development**

of which

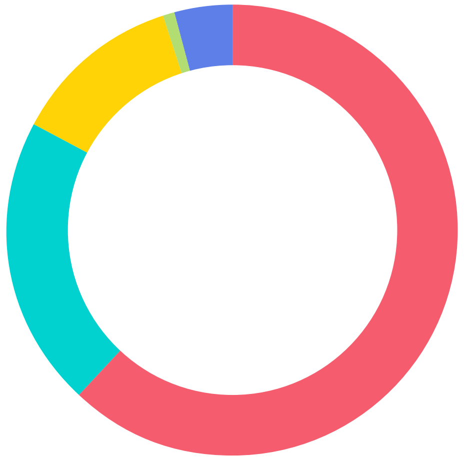
82% permanent contracts

PART 3

Companies' economic and financial situation

Studios' revenue slightly up

HOW MUCH DO STUDIOS EARN?



62% Under 300 k€

21% Between 3 00k€ and 1 M€

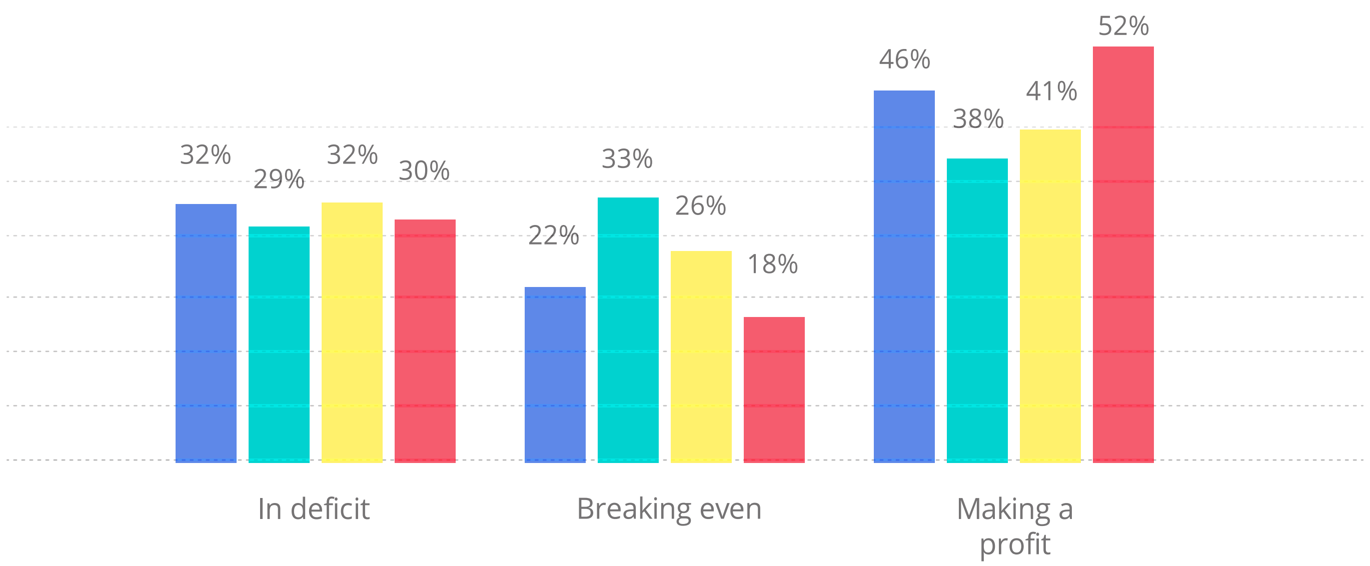
12% Between 1 M€ and 5 M€

1% Between 5 M€ and 10 M€

4% Over 10 M€

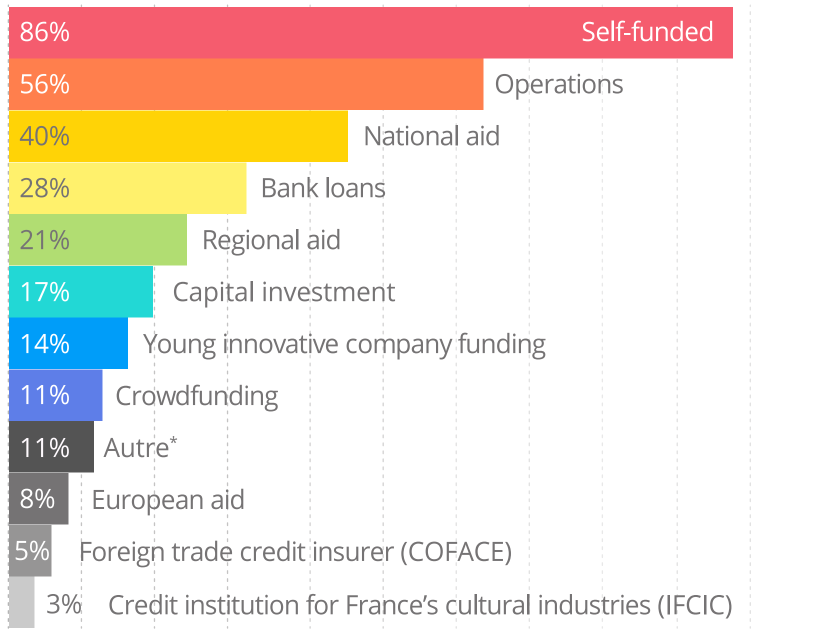
17% of development studios generate **total revenue above** **1M€**

STUDIOS' FINANCIAL SITUATION



Companies have trouble securing loans to finance their growth, but make use of vital external sources of funding

SOURCES OF FINANCING USED BY THE COMPANIES POLLED



Bank loans

42% **have never sought one**

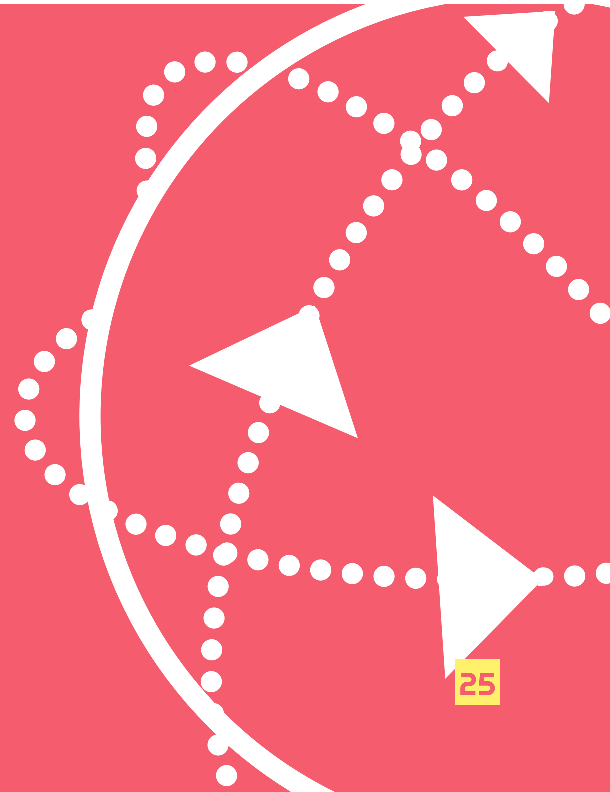
19% obtain one easily

19% have difficilty getting one

An export-centric industry

40%

of studios' revenue
in 2018 came from
international sales



PART 4

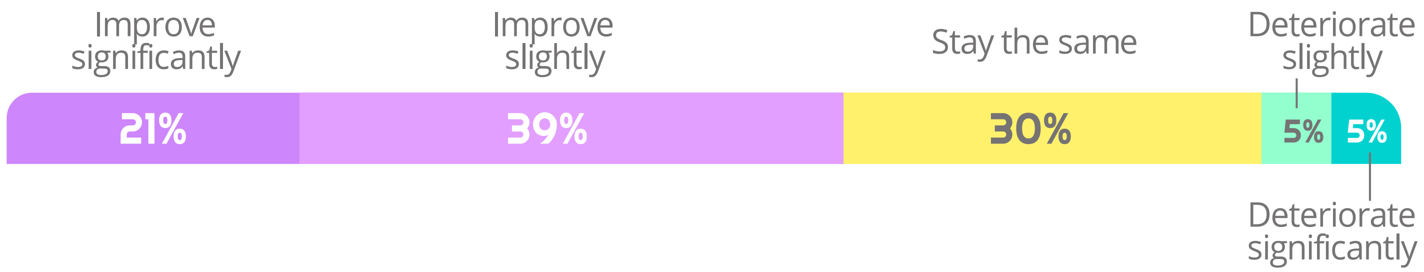
Outlook

Company executives are optimistic

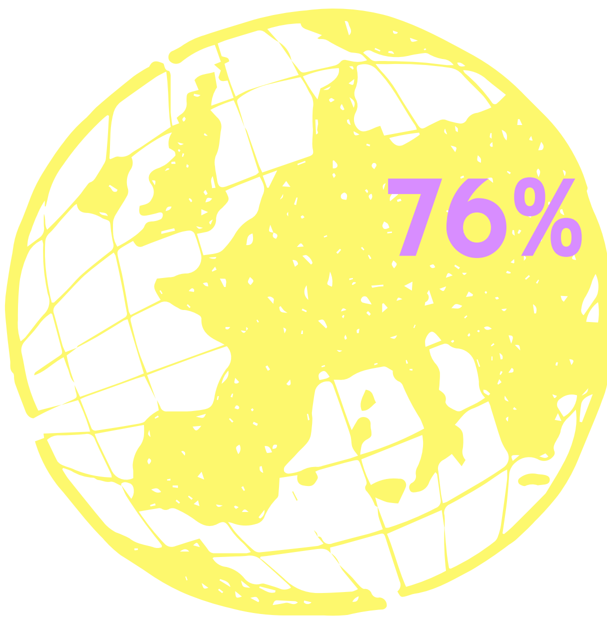
87% are "very confident" or "rather confident" **about their business**

85% are "very optimistic" or "largely optimistic" **about France's video entertainment sector**

COMPANIES' SITUATION IN THE COMING YEAR WILL...



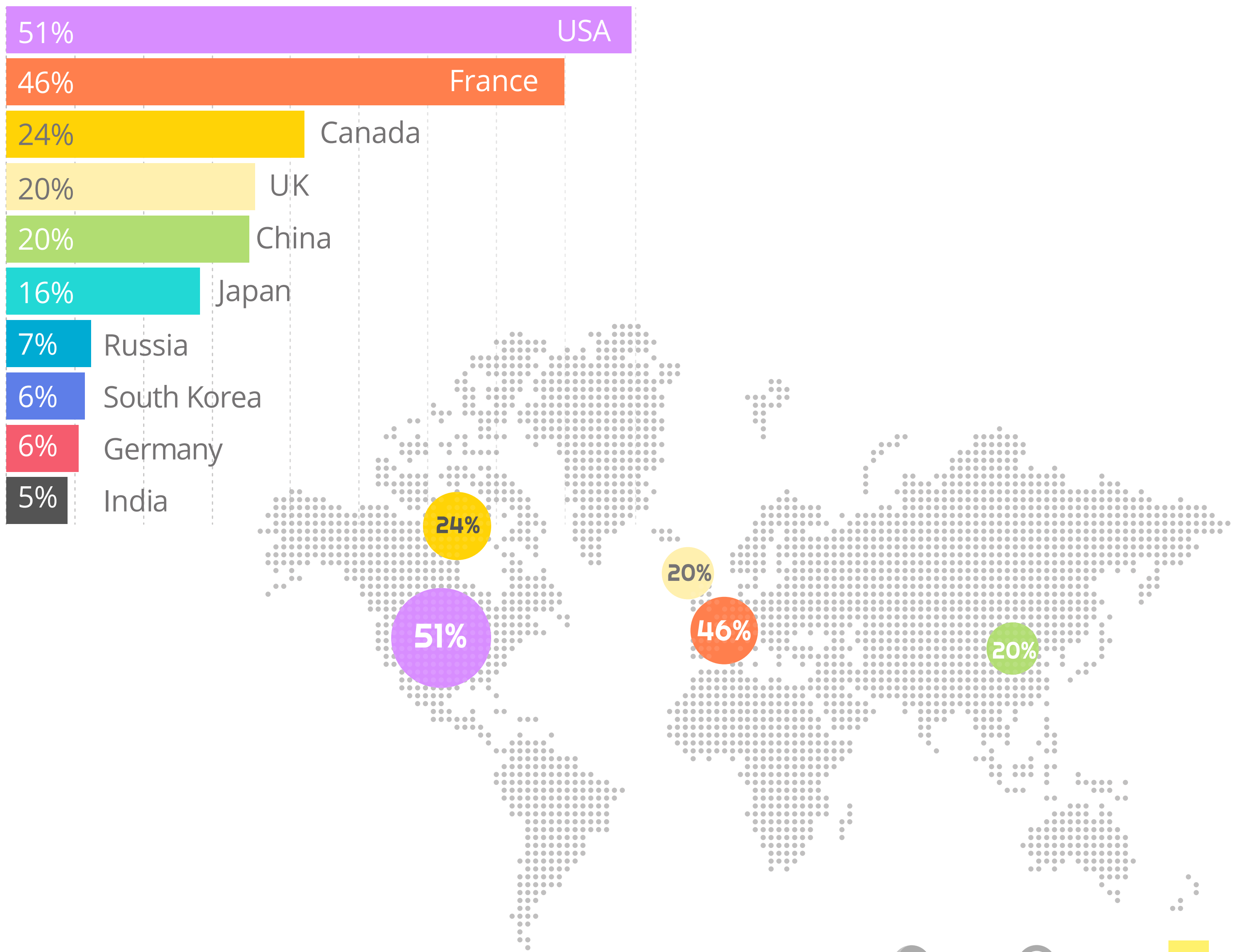
France increasingly attractive



76% **believe that France is an attractive country for video game sector developments**

+4 points compared to 2017

10 MOST ATTRACTIVE COUNTRIES TO FRENCH BUSINESSES



NOTES

AUDIENS

LA PROTECTION SOCIALE PROFESSIONNELLE
Culture • Communication • Médias

Professionnels du numérique
Nous protégeons vos talents

NOTRE MÉTIER : CONCEVOIR UNE PROTECTION SOCIALE PÉRENNE ET INNOVANTE AVEC UNE OFFRE DE SERVICES UNIQUE, POUR UNE VISION 360° DE LA PERSONNE :

Assurance de personnes et de biens

Santé, prévoyance, risques professionnels, produits d'épargne..., Audiens conçoit des solutions collectives et individuelles adaptées aux spécificités des professions de la communication et des médias.

Médical et prévention santé

Centres de santé, centres dentaires, actions de prévention, bilans de santé, e-santé..., Audiens met en œuvre des dispositifs du préventif au curatif.

Services aux professions

Audiens prend en charge la gestion de prestations déléguées par des organisations professionnelles ou l'État : études et statistiques, gestion sociale et RH en quelques clics, gestion pour compte de tiers...

Accompagnement solidaire et social

Audiens propose de multiples actions d'accompagnement pour ses publics touchés par des accidents de la vie ou des ruptures professionnelles.

LE RÉSEAU CULTURE & INNOVATION

Son objectif : fédérer autour d'initiatives tous les professionnels de la communication, des médias et de la culture, issus des secteurs traditionnels et du numérique.

Le réseau comprend La Nurserie, lieu d'accueil de jeunes start-up du domaine culturel, le Prix de l'initiative numérique destiné aux créateurs d'entreprises et start up porteurs d'un projet numérique culturel, des Afterworks autour d'une thématique digitale et des Rencontres Culture & Innovation, déjeuners de mise en relation entre décideurs et jeunes entrepreneurs.

www.audiens.org

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FRANCE'S ANNUAL VIDEO GAME INDUSTRY BAROMETER

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