

Games Market COVID-19

UNITED KINGDOM

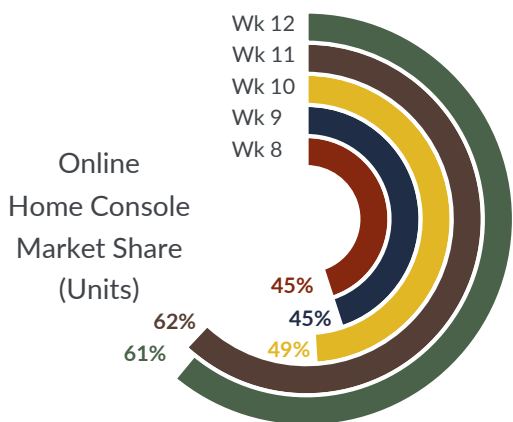
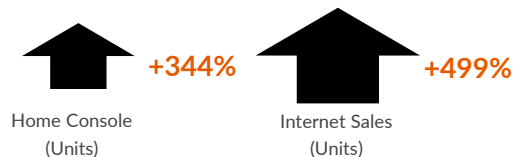
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What impact is COVID-19 having on UK Home Consoles?



Total market increase Wk12/2020
over Wk12/2019



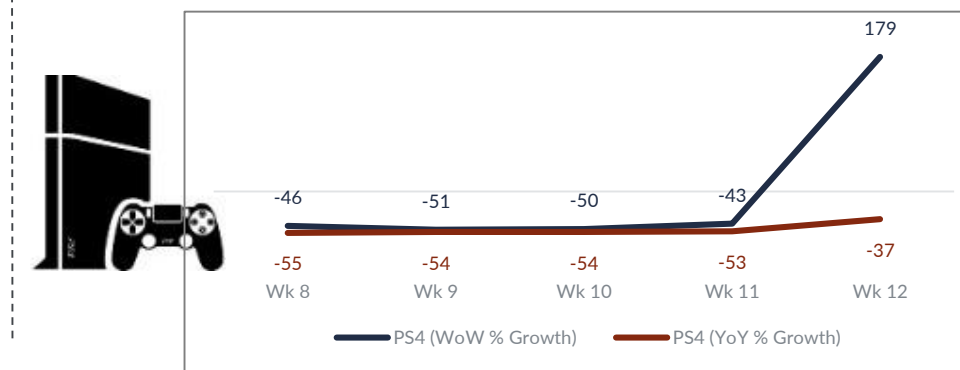
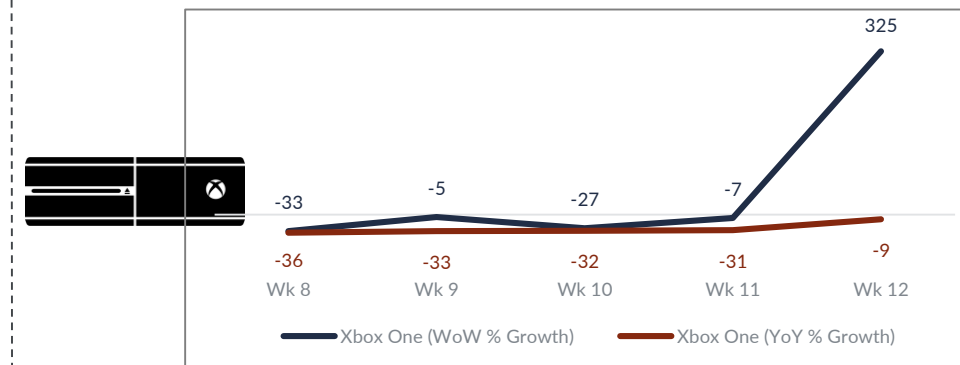
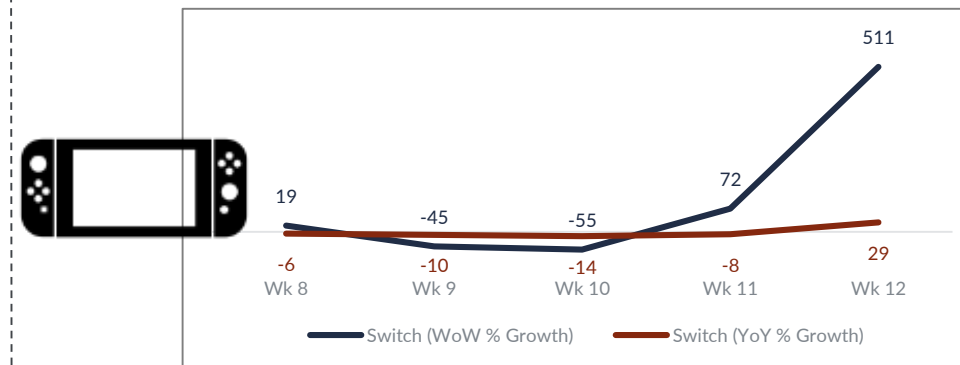
Weeks 1-12 YTD
2020/2019
Growth rate %
(Units) **-5%**

As COVID-19 continues to spread globally, consumers are preparing for a level of disruption. Media coverage of the increase in demand of hand sanitizer, toilet roll and non perishable food is well known, but what does this mean for the console market? The overall home console market has been in steep decline (2 out of 3 current consoles are nearing end of cycle) but COVID has affected sales, with a YTD position not far from where it was this time last year.

The **physical boxed software market** in Wk12 grew 119% WoW – 2 big new releases head the Top 40 (Animal Crossing New Horizons / Doom Eternal) with almost every other game posting huge TW / LW increases. **Switch hardware** has been erratic since the start of this year due to stock shortages – a shipment arrived in Wk11 (Switch Neon), but Wk12 shows a massive increase, thanks to the debut of 'Animal Crossing New Horizons' and the new Switch hardware SKU featuring this chart-topping game. **PS4 hardware** sales up to Wk11 remained resolutely negative compared to this time last year, but grew in Wk12. PS4 has the highest installed base of current consoles - related accessories have seen major growth. **Xbox One hardware** enjoyed 2 weeks (wk9/wk11) where sales climbed, but Wk12 saw a big spike, driven by 'Xbox One X FH4 LEGO Edition' and the 'Xbox One S All Digital Edition'.

While it is difficult to predict the full effect of the virus on the market, forced isolation and social distancing is impacting total sales. Opportunity lies in the online space which crept up a few percentage points in Wk10 and then spiralled to >60% as of Wk11.

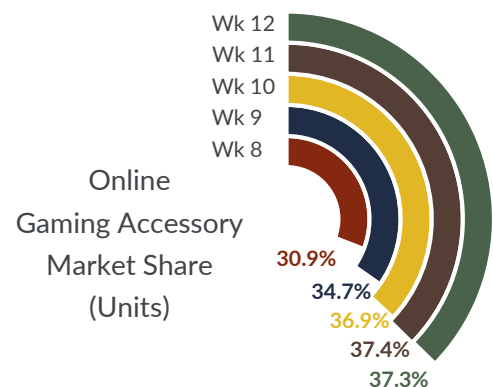
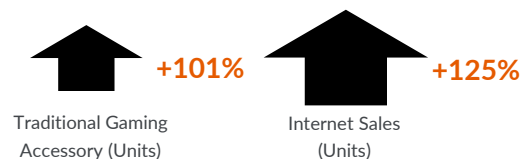
Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12
9 Total Reported cases in the UK						
	23 Total UK cases . First case contracted in the UK					
First reported cases in the UK	UK Citizens return to the UK for quarantine. Italy starts regional lockdown			209 Reported cases. First UK death	1372 Reported cases, isolation ramps up	5683 Reported cases, first full WFH week



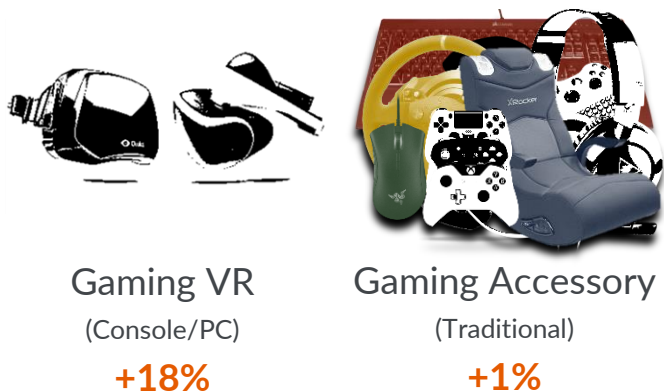
What impact is COVID-19 having on UK Gaming Accessories?



Total market increase Wk12/2020 over Wk12/2019



Wks 1-12 YTD 2020/2019 Growth rate % (Units)



As COVID-19 continues to spread globally, consumers are preparing for a level of disruption. Media coverage of the increase in demand of hand sanitizer, toilet roll and non perishable food is well known, but what does this mean for the videogaming accessories market? The traditional gaming accessories market had been declining YoY but as of Wk12 posted slight unit growth - in certain categories there is massive growth over the last few weeks.

VR is a place people have been escaping to, with significant growth within PC HMD (head-mounted display), especially since late Feb20. **Controller** growth is impressive, particularly within PS4 where Joypad volumes have been growing between 30%-50% for the past 4 weeks.

Steering Wheels are also proving popular for gamers, especially the last few weeks and the multi-console variety of wheel.

Gaming Chairs are a star category at present, with the entire market growing by +32% in volume YoY, driven by multi-console chairs (around 75% of sales). There is also a sharp weekly % increase in PC gaming chairs.

Gaming Keyboards & Mice - it is the Gaming Keyboard sector that is growing fast, with 42% of volume in this sector over the last 4 weeks (compared to 37% in the corresponding 4 weeks of 2019).

Across all **Gaming Accessories**, online share has been growing as shoppers desert the high street.

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