**Policy Brief about Ubisoft Entertainment SA**

Ubisoft, a publicly traded company in the video game development and publishing sector, stands as the fifth-largest globally, following Nintendo, Activision-Blizzard, EA, and Take Two Interactive. (1) With eight video game development studios in North America, eighteen in Europe, and seven in Asia, alongside a motion picture subsidiary, Ubisoft has established a broad presence across key regions. (2) Presently, approximately half of its sales originate from the North American market, while 30% stem from Europe and the remaining 20% from other global regions. (2) The company is presently headquartered in Rennes, France, under the leadership of CEO Yves Guillemot, one of its founding brothers.

Founded by the Guillemot family's five brothers in Carentoir, France, in 1986, Ubisoft initially embarked on publishing small French video games. (3) Over time, they expanded their operations by securing agreements to publish games on behalf of American video game publishers in France and other European regions. Subsequently, they ventured into establishing their own studios and in 1996, became a publicly traded company on the Euronext NV stock exchange. (3) Renowned for their development and publishing prowess, Ubisoft is most celebrated for iconic AAA game franchises such as Assassin’s Creed, Far Cry, Watch Dogs, Prince of Persia, Raving Rabbids, Rayman, and Tom Clancy.

Ubisoft's flagship franchise, Assassin's Creed, stands as their most renowned series. With 18 games released and the 19th scheduled for October 27, 2017, this franchise embarks on a journey through various historical periods, following a guild of Assassins from Ptolemaic Egypt to the October Revolution in Russia. (4) The franchise has achieved remarkable success, selling over 100 million copies worldwide. (4) Additionally, in 2016, Ubisoft ventured into filmmaking by releasing an Assassin’s Creed motion picture, based on the game franchise, in collaboration with their motion picture subsidiary.

Ubisoft employs a distinctive approach to game development. Instead of assigning a single studio to handle a game throughout its development, they divide the project into segments and engage multiple studios to collaborate on a single game. For instance, in the case of 2015’s Assassin Creed Unity, ten studios participated in its development. Led by Ubisoft Montreal, the project involved contributions from studios in Toronto, Kiev, Singapore, Shanghai, Annecy, Montpellier, Bucharest, Quebec, and Chengdu. Embracing this multi-studio development strategy, Ubisoft's CEO, Yves Guillemot, emphasizes its benefits, stating that it "will allow us to come with an enhanced pipeline of increasingly high-quality franchises and new IPs. We will be able to release our franchises more and more regularly, providing solid visibility on our future revenue and profitability streams."

During the first half of the 2016-17 fiscal year, Ubisoft reported a significant increase in sales, surpassing targets by €281.4 million. Digital revenues also surged to €202.6 million, constituting 72% of total sales. However, despite these achievements, Ubisoft recorded a non-IFRS net loss of €35.9 million by the end of the period. The notable boost in sales is largely attributed to the ongoing success of the multiplayer strategy, which aims to enhance player engagement. Games such as The Crew, Tom Clancy's The Division, and Tom Clancy's Rainbow Six Siege each boast over 10 million registered players. Additionally, there has been a substantial rise in the number of monthly active users (MAUs), increasing by 43.9% year-on-year. Ubisoft's recent acquisition of Ketchapp has further expanded its presence in the digital ecosystem, particularly in mobile advertising, propelling it to become the fourth largest mobile game publisher by number of downloads. (5)

The appendix includes a graph illustrating the breakdown of Ubisoft's worldwide sales across various platforms for fiscal years 2015 through 2017. In the fiscal year ending in March 2017, PlayStation 4 products contributed to 41% of the company's sales, while Xbox One accounted for 27% of revenues. Over the past two years, Ubisoft has experienced a slight increase in global sales, rising from 1.39 billion euros in 2016 to 1.46 billion euros in 2017. During the same period, Ubisoft reported an income of 107.81 million euros, marking an increase from 93.41 million euros in the preceding year. (6)

Among the projects currently in development at Ubisoft are a forthcoming game inspired by the Comedy Central series South Park, as well as the highly anticipated titles Assassin’s Creed Origins and two additional Assassin’s Creed games (including one designed for mobile platforms). Additionally, the company is working on a pirate-themed game titled Skull and Bones. (7) In another creative endeavor, Ubisoft Motion Pictures has announced the production of "The Division" movie, based on Ubisoft’s Tom Clancy: The Division, featuring Academy Award nominees Jessica Chastain and Jake Gyllenhaal. (5)

Appendix

1. <https://www.gamasutra.com/view/news/305110/Earnings_report_roundup_Game_industry_winners_and_losers_in_Q2_2017.php>
2. <https://ubistatic19-a.akamaihd.net/comsite_common/en-US/images/55ubisoft%20fy18%20q1%20sales%20en%20final_tcm99-296471_tcm99-196733-32.pdf>
3. <https://www.ubisoft.com/en-us/company/overview.aspx>
4. <http://blog.ubi.com/assassins-creed-ezio-collection-announced-ps4-xbox-one/>
5. <https://globenewswire.com/news-release/2016/11/03/886482/0/en/UBISOFT-REPORTS-FIRST-HALF-2016-17-SALES-AND-EARNINGS-FIGURES.html>
6. <https://www.statista.com/statistics/269679/breakdown-of-ubisoft-sales-by-platform/>
7. <https://www.gamasutra.com/view/news/307506/Water_Water_Everywhere_A_QA_with_Ubisofts_Skull_and_Bones_team.php>
8. <http://www.ign.com/articles/2014/05/15/10-ubisoft-studios-developing-assassins-creed-unity>
9. Sales by platformA graph of a graph with numbers and text

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