



Paris, 19 February 2020

## Xilam announces its 2019 revenue

Overall growth: +10%

New productions: +33%

A turning point for the Xilam brand

New growth plan leading to 2023

Xilam Animation (ISIN Code: FR0004034072, ticker symbol: XIL), an independent animation production and distribution company, announces its turnover for the financial year 2019, ending on 31 December 2019.

(€ thousands)	31.12.2019 <sup>(1)</sup>	31.12.2018	% change
<b>New productions revenue</b>	<b>15,564</b>	<b>11,722</b>	33%
Subsidies and other income	7,722	6,506	19%
<b>Total new productions revenue</b>	<b>23,286</b>	<b>18,228</b>	28%
Catalogue revenue	6,752	9,723	-31%
<b>Total revenue and other income</b>	<b>30,038</b>	<b>27,951</b>	7%
Other recurring operating income <sup>(2)</sup>	3,142	2,350	34%
<b>Total operating income</b>	<b>33,180</b>	<b>30,301</b>	10%

<sup>(1)</sup> unaudited figures

<sup>(2)</sup> Includes estimate of the audiovisual tax credit (CIA)

Xilam had a historic year in 2019 in developments and achievements. It was characterised by a strong breakthrough in the U.S. and by the massive success of some of its programmes, which very positively affects its market positioning. The paradigm shift towards the increasingly global and simultaneous delivery of premium content is accelerating. International broadcast giants, including US streaming platforms, are stepping up their investments by focusing on producers who can meet this demand for high-quality content. This competition between major players has resulted in a sharp increase in purchase price and a rise in pre-sales levels. In view of these developments, and of its expertise and reputation, Xilam is uniquely positioned to take advantage of this new paradigm.

Total operating income increased by 10% (€33.2m vs. €30.3m in 2018), reflecting solid growth in Xilam's overall business in 2019.

Xilam's total revenue and other income for the year ending 31 December 2019 rose by 7% to €30.0m, with a strong contribution from new productions (+33% to €15.6m) driven by the increase in delivery volumes and prices, as well as other related subsidies and other income (+19% to €7.7m). The impact of the new productions dynamic on overall growth is mitigated by a lesser performance on catalogue performance





(-31% to €6.8m). International sales accounted for 73% of total sales compared with 61% in 2018. Sales to streaming platforms account for more than 43% of total sales (vs. 32% in 2018).

**Strong growth in new productions.** Revenue from new productions increased by +33% (€15.6m vs. €11.7m in 2018) as a result of continued growth in half-hour prices (+14%, €302k on average in 2019 vs. €264k in 2018) and the increase in the number of half hours delivered (77 vs. 69 at the end of 2018), including *Mr Magoo*, *Coach me if you can*, *Zig & Sharko 3*, *Moka*, *Lupin's Tales*, *I lost my body* and *Chip 'n' Dale*.

The increase in pre-sales turnover (first programme cycle) is supported by the growing contribution of streaming platforms (notably Netflix, Disney+ and CBS).

**Lesser performance for the catalogue.** Catalogue revenue for 2019 (-31%, €6.8m) were impacted by the combination of two distinct factors:

- the postponement to 2020 of signature of the renewal of some of the most important properties in Xilam's catalogue;
- the indirect effect of the increase in revenue from streaming platforms. By acquiring worldwide rights, these increase the level of pre-sales but mechanically reduce the rights remaining available in the first programme cycle with effect of postponing the catalogue's growth.

Xilam remains confident about the medium and long term potential of its catalogue, which is growing and diversifying every year thanks to the increase in new productions.

It should also benefit from the impact in 2021 of the AVMS reform, which requires platforms to broadcast at least 30% content of European origin.

YouTube revenue continue to grow (+17% compared to 2018). In order to guarantee better control and optimise its revenue over the long term, Xilam has continued to develop its official channels (to the detriment of the non-proprietary UGC channels), which now account for almost all of its audience. 2019 also marked the pursuit of its international development strategy, particularly in Asia and South America, following the rise of the US in 2018.

**Growth in other current operating income.** Other current operating income rose significantly by 34% (€3.1m vs. €2.4m in 2018), mainly due to the increase in the audiovisual tax credit, which is due to the large proportion of production carried out in France.

## Objectives and outlook

In order to more effectively guide investors on its future development, Xilam will announce a new four-year growth plan with new guidance, reflecting the strong dynamic of its market positioning. A press release will be published on Thursday 20 February 2020 before the opening of the markets as well as a presentation of this plan, which will be made available on its website.





## About Xilam

A major player in animation, Xilam is an integrated studio founded in 1999 that creates, produces and distributes original programmes in more than 190 countries for children and adults, broadcast on television and on SVoD (Netflix, Disney+, Amazon, NBC Universal, etc.) and ADVoD streaming platforms (YouTube, Facebook, etc.). With its creativity and capacity for innovation recognised worldwide, and editorial and commercial expertise at the cutting edge of its industry, Xilam is positioned as a key player in a fast-growing market. Each year, Xilam builds real successes and capitalises on powerful historical brands (*Oggy and the Cockroaches*, *Zig & Sharko*, etc.) as well as new ones (*Oggy Oggy* for preschoolers, *Moka*, *Mr. Magoo*, and Oscar nominee *I lost my body*, etc.), which establish and expand a strong catalogue of over 2,200 episodes and 3 feature films. In 2019, Xilam acquired Cube Creative, a studio providing it with unique expertise in 3D and computer generated images. Xilam employs more than 500 individuals, including 400 artists, across its studios in Paris, Lyon, Angoulême and Ho Chi Minh in Vietnam. Xilam is listed on Euronext Paris Compartment B – Eligible to PEA – SRD long.

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