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## **Xilam announces its SCALE 2023 growth plan**

**Cumulative operating income target 2020-2021: €78 million**

**Cumulative operating income target 2022-2023: €110 million**

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Xilam Animation (ISIN code: FR0004034072, ticker symbol: XIL), an independent company producing and distributing animation programmes, has announced its new financial objectives.

Given the range of production models currently being developed at Xilam, the group will henceforth provide guidance in terms of revenues rather than annual delivery volumes. In order to more clearly express aspects of its business model specific to the industry and accurately measure the Group's performance, Xilam will be conducting revenue forecasts covering two-year cycles.

The company is targeting cumulative operating income of €78 million for the financial years 2020-2021 and €110 million for the financial years 2022-2023. These goals will smooth out seasonal variations, as well as cut-off effects, and better fit the natural cycle of production (approximately 2 years) and the catalogue sales cycle (3-4 years). These goals are supported by a booming order book whose growth is directly correlated to the powerful dynamics of the streaming market and Xilam's unique positioning. They also include the French audiovisual tax credit (CIA) and are calculated on the basis of the current company size (excluding M&A and merchandising), with the integration of Cube Creative.

Xilam operating income has achieved a CAGR of 28% since 2015 and the company intends to continue its strong growth momentum. To achieve these objectives, Xilam has adopted a clear strategic roadmap around four pillars of growth, which has already begun to bear fruit:

### **Growth of the historical activity of production of children's animations by:**

- developing the volume and power of new brands, the result of ongoing research and development work;
- renewing Xilam's major brands with a constant effort to modernise them;
- capitalising on unique expertise, particularly in the area of slapstick, capable of addressing a global market;
- proactively addressing the preschool segment in which Xilam has already established its expertise;
- broadening and diversifying the company's catalogue of programmes, preparing tomorrow via today's new productions;
- capitalising on the efficient organisation of the studios and continuing to develop production capacities with an optimised distribution between Paris, the provinces and Asia;
- strengthening the recruitment and management of the best talents with an ambitious HR policy;
- integrating Cube Creative's teams, technologies and productions while supporting the transformation of its model towards proprietary production thanks to Xilam's editorial and commercial expertise.





#### Expansion of productions aimed at a high-potential adult audience by:

- capitalising on the high visibility and worldwide recognition acquired through the success of the film *I lost my body*;
- drawing on the progressive decentralisation (outside the US) of orders from streaming platforms looking for innovative programmes aimed at their core target group: 15-35 year olds;
- multiplying formats (series, mini-series, feature films);
- seeking an “ultra-premium” positioning, likely to attract higher budgets and subject to less competition.

#### Development of non-proprietary services by:

- capitalising on unique editorial expertise, in partnership with powerful clients, notably the American majors (e.g. *Chip 'n' Dale*) which have high budgets that generate high margins;
- capitalising on Cube Creative’s know-how in high-end CGI services.

#### Development of B-to-C activities by:

- stepping up direct activity on YouTube and other AVOD platforms to boost direct advertising revenues linked to their strong growth potential;
- developing direct editing of AVOD channels in high-potential markets such as China and India;
- accelerating the revenue potential from the licensing activity.

#### 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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