



## Press release

Paris, July 22, 2021

# Xilam Animation announces revenues for H1 2021

Very solid overall activity level: +34%

Record revenues for new productions: +85%

Excellent momentum for newly inked deals and productions in progress

Digital platforms make up 78% of sales

Xilam Animation (ISIN Code: FR0004034072, Symbol: XIL), an independent animation production and distribution company, is pleased to announce its revenues for the first half of its fiscal year 2021, ending June 30, 2021.

Marc du Pontavice, Chairman and CEO of Xilam, commented that *“Xilam is continuing its powerful manufacturing and program delivery push. This first half of 2021 illustrates the ramp-up of our activity with record sales for new productions, which will feed tomorrow’s catalogue. The market is still strongly tilted towards a demand for premium animation content. This is especially true of digital platforms, which made record contributions to our revenues this semester. Xilam continues to consolidate its position as the French independent leader, imposing its brand and significant expertise—which are recognized by major international players—in the animation sector.”*

( <i>'000 euros</i> )	06.30.2021 <sup>(1)</sup>	06.30.2020	% change
<b>Sales of new productions and developments</b>	<b>7,792</b>	<b>5,263</b>	<b>48%</b>
New Production Grants <sup>(2)</sup>	2,935	546	438%
<b>Total new production and development products</b>	<b>10,727</b>	<b>5,809</b>	<b>85%</b>
<b>Total catalog products</b>	<b>2,395</b>	<b>3,993</b>	<b>-40%</b>
<b>Total revenues and other income</b>	<b>13,122</b>	<b>9,802</b>	<b>34%</b>
Other grants and current operating income (including CIA) <sup>(3)</sup>	1,095	765	43%
<b>Total operating revenues</b>	<b>14,217</b>	<b>10,567</b>	<b>35%</b>

<sup>(1)</sup> *unaudited data*

<sup>(2)</sup> *exclusive of audiovisual tax credit*

<sup>(3)</sup> *including an estimate of the audiovisual tax credit*



## **Strong increase in revenues, up 34%**

The Xilam Group's total revenues and other income amounted to €13.1 million as at June 30, 2021, up +34% as compared to H1 2020. This increase was driven in large part by record revenues from new productions (€10.7 million), up +85% compared to H1 2020. Catalogue revenues are temporarily slowing down compared to the first half of 2020, the latter having benefited in particular from containment-related sales and new sales from the Cube catalogue. After taking into account further subsidies and other current operating income, total operating income amounted to €14.2 million, up by +35% compared to the first half of 2020.

Xilam is continuing its rapid development on digital platforms, which account for more than three quarters of half-yearly revenues. International operations represent an ever-increasing share of revenues this half-year, at 77% (73% in H1 2020).

## **Record new productions at +85%**

The Group reported revenues from new productions of €7.8 million for the six months ending June 30, 2021, up +48% compared with H1 2020. Subsidies amounted to nearly €3 million, up sharply due to the large proportion of proprietary programs amongst deliveries this semester. Total revenues from new productions thus came to €10.7 million, a considerable increase of +85%.

This record level is a consequence of the editorial efforts the Group has been making for several years, which has driven an increase in deliveries. As a reminder, the Group has been highly active, with 11 productions in progress for the first half of the year. This growth is also the consequence of higher budget related to the series commissioned by digital platforms.

Major proprietary program deliveries in the first six months of 2021 included the completion of *Lupin's tales*, a preschool series commissioned by France Télévisions and co-produced by Youku (China) and RAI (Italy), as well as the two new brands in the *Oggy and the Cockroaches* franchise, namely *Oggy Oggy* (for France Télévisions) and *Oggy Next Gen* (for Gulli), which will be released worldwide on Netflix under the *Netflix Original* label.

The Group also delivered the first episodes of new proprietary series: *Pfffirates* for TF1 and *Tangranimo* for France Télévisions, as well as *Athléticus 3* for ARTE and *Chicky 2 and 3* for France Télévisions (both short format).

Also noteworthy was delivery of the latest episodes of the non-proprietary program *Chip 'n' Dale* for Disney+.

## **Catalogue: a temporary slowdown before a new acceleration is expected**

Catalogue revenues were down for the first half of the year: €2.4 million (vs. €4.0 million at June 30, 2020). This decline is due to a seasonal effect that does not in any way speak to revenues for the full year, which are not expected to decline.

In addition, given the increase in the number of productions delivered in recent years and the new business model resulting from contracts with digital platforms, which favors very rapid rerun cycles, the group expects a very strong increase in its catalogue revenues for 2022.



## Goals and forecasts

Xilam is continuing to develop its collaboration with streaming platforms and will benefit from legislation that came into force in July 2021, transposing the European AVMS Directive into French law. Effects should be felt as of fiscal 2022. Meanwhile, the Group is also pursuing its partnerships with major traditional broadcasters.

As the first half of the year saw intensive negotiations regarding new productions, the second half of the year should be an opportunity to announce new deals that will drive the company's growth in the coming years. The second half of the year will also be marked by two upcoming global launches this summer: *Chip 'n' Dale* on Disney+ on July 28 and *Oggy Oggy* on Netflix on August 24. The continued expansion of the *Oggy and the Cockroaches* franchise will thus make a significant contribution to catalog revenues in the coming years.

Xilam's business momentum continues, with more than 15 new programs in various stages of development.

Given this sustained activity with momentum for signatures and productions underway, the resurgence of the health crisis, particularly in Asia (India and Vietnam), where Xilam produces certain parts of its programs, is likely to generate some delays in deliveries due to the greater complexity of implementing teleworking in this region. These delayed deliveries could push back revenues of around 5 to 10% of previously announced guidance; these revenues would instead benefit the following fiscal year, and their lag in no way calls into question the expected growth dynamic.

Results for H1 2021 will be published on September 29, 2021 (after the close of trading).

## About Xilam

A major player in animation, Xilam is an integrated studio founded in 1999 that creates, produces and distributes original programs in more than 190 countries for both children and adult audiences. Xilam content is broadcast on television, and is also available on SVoD platforms including Netflix, Disney+, Amazon and NBC Universal, and ADVoD streaming platforms including YouTube and Facebook. 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 its powerful historical brands including *Oggy and the Cockroaches* and *Zig & Sharko*, as well as new properties such as *Oggy Oggy* for a preschool audience, *Moka*, *Mr. Magoo*, and Academy Award® nominated adult feature film *I Lost My Body*. Xilam's expanding and strong catalogue now consists of over 2,200 episodes and three feature films. In 2019, Xilam acquired Cube Creative, a studio providing the company 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.

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