



Press Release

Paris, 18 July 2024

First half 2024 revenues

Sales and grants down at €13.3 million

Successful diversification into the young-adult segment

Launch of two highly promising new series with the support of European channels

Strengthening of the financial structure

Confirmation of current operating income close to breakeven in 2024,
with the ambition of a rapid return to profitable growth

Xilam Animation, Academy Award®-nominated French animation studio, announces its revenues for the first half of the 2024 financial year, drawn up on 30 June 2024.

Marc du Pontavice, Chairman and CEO of Xilam, comments: *“Sales for the first half of the year were reflecting the announced contraction in orders from American streaming platforms in the Kids animation segment. During this period, Xilam thus implemented its plan of reducing costs and preserving cash. More importantly, it has launched a strategy to strengthen its order book and return to growth. We announced the launch of two highly promising new series, Piggy Builders and Submarine Jim, and we are working on the development of a new animated feature film. These announcements testify the reactivity and creative strength of our studios, as well as the renewed confidence broadcasters have in the appeal of our content. We are entering a new cycle with confidence and the ambition for a rapid return to profitable growth”*

(‘000 euros)	30.06.2024 ⁽¹⁾	30.06.2023	% change
Sales of new productions and developments	9,290	14,431	-36%
Catalogue sales	2,296	3,716	-38%
Total sales	11,585	18,147	-36%
Grants ⁽²⁾	1,687	2,351	-28%
Total sales and grants	13,273	20,498	-35%
Other current operating revenue (including ATC ⁽³⁾)	449	797	ns
Total operating revenue	13,722	21,295	-36%

⁽¹⁾ Unaudited data

⁽²⁾ Total grants (new productions and catalogue)

⁽³⁾ Estimated Audiovisual Tax Credit (CIA)



Sales of new productions and developments down 36%, as expected.

Sales of new productions and developments reached €9.3 million, down 36% compared to the first half of 2023. This decline was anticipated due to the reduction in orders from US streaming platforms in the kids segment, announced in October 2023.

The proportion of servicing (work for hire) remains high at 71% (compared to 83% in the first half of 2023), confirming the success of the Group's diversification into the young-adult segment for streaming platforms. The Group worked on five such productions during the first half: two for Netflix, *Twilight of the Gods* an epic action series for a young-adult audience, and *The Seven Bears*, a 3D series for family (Folivari production); two for Disney+, *The Doomies*, a horror comedy for teen viewers, and the conclusion of the second season of *Chip 'n Dale*, for a family audience; and one for France Télévisions, *My Life in Versailles*, also for a family audience (Films Grand Huit production).

Proprietary productions accounted for 29% of sales, with three productions: the fourth season of *Zig & Sharko*, the second season of *Lupin's Tales* and the first season of *Buddybot* an eco-comedy for children aimed at France TV.

Catalogue sales at €2.3 million

Catalogue sales amounted to €2.3 million, down 38%. These sales should be evaluated from an annual perspective, as the second half of the year is traditionally much higher due to the concentration of AVOD advertising sales in the final quarter. Significant renewals of major catalogue franchises are also expected at the end of the year.

Total sales, excluding grants, at €11.6 million

Total sales, excluding grants, amounted to €11.6m.

International sales accounted for 76% of that total, down slightly on the 86% figure for the first half of 2023.

Digital streaming platforms accounted for 66% of sales, compared with 75% in the first half of 2023. They were driven by new productions and developments, while traditional linear channels still make up the majority share in the catalogue.

Lastly, the first half confirmed the trend towards young-adult series, which accounted for 43% of the total, compared with 41% in the first half of 2023, and even 54% for new productions alone, reflecting the Group's successful development in this segment.

Total operating income at €13.7 million

Grants amounted to €1.7m, giving total sales and grants of €13.3 million.

Other current operating revenue was €0.4m, bringing total operating revenue to €13.7 million.



Implementation of the strategy to strengthen links with European channels.

The Group launched the production of two new series during the first half of the year. Financed on a proprietary model, these projects bring together France Télévisions, ZDF, and the BBC for *Piggy Builders*, a 3D pre-school series, and France Télévisions and Super RTL for *Submarine Jim*, a comedy aimed at kids.

Following the great success of the acclaimed and Academy Award®-nominated *I Lost My Body* a few years ago, the Group is making progress on a new feature film project, *Lucy Lost*, which is due to be announced in the second half of the year.

Finally, the Group is in active discussions with several American commissioners regarding prestigious productions.

Rigorous cash management and adaptation of the fixed cost structure.

As announced, the Group implemented cost-saving measures in the first half of the year, mainly relating to property leases (by grouping operations on three sites instead of five), marketing, personnel and IT. The Group confirms that it will amount to around €3m over a full year.

In January 2024, the Group carried out a capital increase of €3.7m, strengthening its equity and increasing its liquidity by the same amount. Financial debt at 30 June 2024 will therefore be significantly lower than at 31 December 2023.

Very high visibility at the Annecy Festival

Xilam received a very enthusiastic welcome at the Annecy Festival. Disney and Netflix showcased the young-adult series produced by the Group, *Doomies* and *Twilight of the Gods*, with spectacular marketing campaigns. The series *My Life in Versailles* also won the prize for best television series. This visibility strengthens Xilam's attractiveness to its clients and reinforces its unique position in the premium animation market.

On this occasion, the CNC's annual study of the animation sector was published, confirming the Group's position as France's leading animation studio for the period 2018-2023.

The group is maintaining its forecast of a current operating income close to breakeven for the full year 2024, with the ambition of a rapid return to profitable growth

Calendar

Publication of 2024 first-half results: 30 September 2024 (after market close)



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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 both children and adult audiences. Xilam content is broadcast on television, and is also available on SVoD platforms including Netflix, Disney+, Amazon and Universal+ and AVoD streaming platforms including YouTube and Facebook.

With its creativity and capacity for innovation recognised worldwide, its unique expertise in CGI, as well as editorial and commercial expertise at the cutting edge of its industry, Xilam is positioned as a key player of the market. Each year, Xilam builds real successes and capitalises on its powerful historical brands including *Oggy and the Cockroaches*, *Zig & Sharko* and *Chicky*, as well as new properties such as *Oggy Oggy* for a preschool audience, *Mr Magoo* and *Karate Sheep*, and Academy Award® nominated adult feature film *I Lost My Body*. Xilam's expanding and strong catalogue now consists of over 2,800 episodes and three feature films.

Xilam employs more than 500 individuals, including 400 artists, across its studios in Paris, Angoulême in France and Ho Chi Minh in Vietnam. Xilam was ranked France's leading animation studio for the 2018-2023 period in a report by the French national centre for cinema and animation (CNC).

Xilam is listed on Euronext Paris Compartment C - PEA - SRD long Eligibility.

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For more information, visit: www.xilam.com

