



Press release

Paris, March 31, 2022

2021 Full-Year Results

Operating income doubles

Very strong growth in net income: +144%

Confirmation of guidance: €110m of cumulative revenues¹ over 2022-2023

Record launch of at least 10 new productions expected in 2022

Xilam Animation (ISIN Code: FR0004034072, Symbol: XIL), the independent animation production and program distribution company, announces its results for the fiscal year ending 31 December 2021, reviewed by the Board of Directors on March 30, 2022 under the chairmanship of Marc du Pontavice.

<i>(in thousands of euros)</i>	31.12.2021 ⁽¹⁾	31.12.2020	% change
Sales of new production	20,501	10,553	+94%
Other income and grants ⁽²⁾	8,670	2,751	+215%
Total revenues from new productions and development	29,171	13,304	+119%
Total revenues and subsidies	6,422	8,633	-26%
Total revenues and subsidies	35,594	21,936	+62%
Other grants and current operating income ⁽³⁾	4,646	2,715	+71%
Total operating revenues	40,239	24,651	+63%
Operating expenses	(31,468)	(20,226)	+56%
Current operating income	8,671	4,425	+96%
% of revenues	24.4%	20.2%	
Operating income	8,697	4,244	+105%
% of revenues	24.4%	19.3%	
Net income of the consolidated group	6,839	2,806	+144%
% of revenues	19.2%	12.8%	

⁽¹⁾ Unaudited data

⁽²⁾ Excluding the Audiovisual Tax credit (ATC)

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Marc du Pontavice, Chairman and CEO of Xilam, says: “The strong growth in our income in 2021 demonstrates the solidity of our model and its growth potential. We are entering 2022 with a record level of 21 projects in the pipeline and we plan to launch at least 10 new productions during the year, reflecting the extraordinary appetite of broadcasters for our premium content. With a strengthened and very experienced management team, top-tier talents and an effective organization, we are ideally positioned to benefit from the strong growth in the animation sector.”

¹ Total operating revenues



Very strong uptick in revenues: +63%

For the first time, the Xilam Group's total operating revenues exceeded €40m, to reach €40.2m as of 31 December 2021, growing by +63% compared to the 2020 fiscal year.

- Sales from new productions almost doubled to reach €20.5m.
- New productions subsidies tripled due to the group's investment momentum in proprietary productions.
- As expected, catalogue revenues are experiencing a slight slowdown compared to 2020. This is mainly a cyclical effect since as there were no renewal scheduled in 2021 for the two main properties of the catalogue: *Oggy* and *Zig and Sharko*.

It should be remembered that business was negatively affected by the *Trico* series delivery being postponed to 2022.

The 2021 fiscal year was also marked by the Group's rapid expansion abroad (78% of sales) especially on digital platforms which now account for 75% of sales (43% in 2019).

Record level of investments during the period

In 2021, investments in proprietary productions reached €31.2m, an increase of 25%. This strong business activity represents a total of 14 projects in production, including 3 for the Pre-school segment, 9 for the Kids' segment and 2 for the Non-Kids' segment. 7 of these productions are aimed at SVOD platforms.

Operating income doubles

Current operating income stood at €8.7m, i.e. double that of the 2020 fiscal year. This growth is both a result of a significant increase in revenues and a good control of fixed costs.

In view of the mainly proprietary component of productions delivered in 2021, series' amortization reached €25m, reflecting a cautious approach to valuing the Group's catalogue.

Overheads not attributed to new productions stood at €5.0m. This reflects the Group's significant €1.6m investments in developing new projects, and in particular Adult series, a new and very promising market for the Group.

In a year marked by a strong investment dynamic, the current operating margin amounted to 24.4% compared to 20.2% in 2020. It should be noted that Cube's business, integrated in 2020, achieved a profit margin approaching that of the Group.

Solid financial position

As of 31 December 2021, net financial debt (excluding rental debts) stood at €18.6m (vs. €8.4m at the end of December 2020), in other words, an increase of €10.2m which can be explained by an increase of €10.1m in self-liquidating debt (such as factoring) on current productions, which stood at €12.8m as of 31 December 2021.

As a reminder, in March 2021, Xilam signed a €20m production credit line with Natixis-Coficiné to support this strong growth.

Non-self-liquidating financial debt remains stable at €15.8m and cashflow and cash equivalents are also stable at €9.9m, resulting in a stable net structural (non-self-liquidating) financial debt of €5.9m.



As of 31 December 2021, shareholders' equity amounted to €67.6m (compared to €60.7m at the end of 2020).

Corporate Social Responsibility

Xilam has always placed corporate social and environmental responsibility at the heart of its concerns and is among the sector's key players in this area. Keen to continue to develop its CSR strategy, the Group will strengthen its team with the appointment of a Director in charge of CSR.

Given its strong presence in the Pre-school and Kids series productions, the Group has drawn up a content charter in order to promote the educational values of openness, tolerance, kindness and respect for the environment.

In 2021, Xilam was given a rating of 3.5 stars (out of 5) by Humpact, which placed it in second place in the sector. The Group also achieved a rating of 63/100 from Gaïa, who ranked it in 22nd place out of 148 companies with revenues of less than €150m.

Xilam is continuing its efforts to support young talent through a strong presence in animation training schools, and notably welcomed 15 apprentices in 2021

Strong objectives and outlook: 2022-2023 guidance confirmed

Xilam envisages investing between €33m and €36m in 2022 on new productions.

Xilam began 2022 with a record level of 21 projects in development, comprising 2 feature films and 19 series, including 4 for Pre-school, 8 for Kids and 9 for Non-Kids, a segment experiencing very high growth due to demand from platforms. Xilam's worldwide recognition, particularly in the field of 2D animation and slapstick comedy, makes it a key partner for the major streaming platforms.

The Group plans to launch at least 10 new productions during the year including several Adult series for the first time. This dynamic reinforces the Group's position as European leader.

2022 will also be the year that merchandising for the *Oggy Oggy* pre-school series will be launched (first range of toys planned for Christmas 2022).

It should be noted that the tragic events in Ukraine have no impact on the Group's business.

In an environment of very strong growth, driven by record investments from digital platforms, Xilam is now able to confirm its cumulative operating revenues guidance for the 2022-2023 cycle at €110m.

This objective is on track to meet the *Ambition 2026* plan, presented on February 17, which aims to double revenues by 2026 to €80m

In conclusion, Xilam is entering the period 2022-2026 in a very strong position which should enable it to capture the record momentum in the animation sector and thus deliver sustained growth to create value.



Agenda

2021 Annual Report Notice: 29 April 2022 (after market closing)

Publication of H1-2022 revenues: 21 July 2022 (after market closing)

Publication of H1-2022 results: 29 September 2022 (after market closing)

About Xilam

As a major player in the animation industry, 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 AVoD (YouTube, Facebook, etc.) platforms. With a global reputation for creativity and its capacity for innovation, an editorial and commercial expertise at the forefront of its industry, Xilam is positioned as a key player in a fast-growing market. Each year, Xilam, builds on its real successes and capitalises on powerful historical brands (*Oggy and the Cockroaches*, *Zig & Sharko*, *Chicky*, etc.) and new brands (*Oggy Oggy* in the pre-school sector, *Mr. Magoo*, *Trico*, etc.) which are consolidating and expanding a significant catalogue of more the 2,700 episodes and 3 feature films including the Oscar-nominated *I Lost My Body*. Xilam has unique GCI skills. Xilam employs more than 500 people, including 400 artists, across its studios in Paris, Lyon, Angoulême and Hô-Chi-Minh in Vietnam. Xilam is listed on Euronext Paris Compartment B - PEA - SRD long Eligibility

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