



Press release

Paris, September 29, 2022

First half-year 2022 Results

31% growth in total revenue during the first half-year

Very strong growth of catalog revenues of +112%

Increase of current operating income by +19%

Confirmation of strong growth perspectives and maintained high profitability

Xilam Animation (ISIN Code: FR0004034072, Symbol: XIL), the independent animation program production and distribution company, announces its financial results for the first half-year of 2022, fixed by the Board of Directors having met on September 27, 2022 under the chairmanship of Marc du Pontavice.

Marc du Pontavice, Chairman and CEO of Xilam, says: *“The first half-year stands out with a record launch of seven new series in production. We are driven by the strong investments from streaming platforms and television networks and we are fully using our global market expertise as well as our creative capacity on all segments, including the fast-growing teenage-adult segment; we are thus successfully proceeding with our Ambition 2026 plan.”*

<i>(in thousands of euros)</i>	06.30.2022 ⁽¹⁾ Consolidated	06.30.2021 Consolidated	% change
Sales of new production and developments	9,566	7,894	+21.1%
New production grants ⁽²⁾	2,654	3,064	-13.2%
Total new productions and developments products	12,221	10,957	+11.5%
Total catalog products	5,259	2,486	+111.5%
Other revenue	130	25	-
Total revenue and other income	17,609	13,468	+30.7%
Other grants and current operating income (including ATC)	1,640	1,201	+36.5%
Total operating revenues ⁽³⁾	19,249	14,669	+31.2%
Operating expenses	(14,466)	(10,636)	+36.0%
Current operating income	4,782	4,032	+18.6%
% of revenue	27.2%	29.9%	
Operating income	4,684	4,060	+15.4%
% of revenue	26.6%	30.1%	
Group consolidated net income	2,964	3,144	-5.7%
% of revenue	16.8%	23.3%	

⁽¹⁾ The limited review of the half-year financial information has been finalized

⁽²⁾ Excluding Audiovisual Tax credit (ATC)

⁽³⁾ The variation when compared to the publication dated July 21, 2022 is explained by the inclusion of grants for which documents came in late and to the exchange rate impact on foreign currency customer receivables



Total operating revenues up by 31% in the first half-year of 2022

The Xilam group's total operating revenues stand at €19.2M in the first half-year of 2022, up by +31% compared to the first half-year of 2021.

The first half-year cements the group's ability to maintain a high level of growth on the new production segment, notably by implementing its strategy on non-proprietary productions, contributing a third of the new production turnover in the first half-year.

Similarly, the catalog products are showing very strong growth (+112%), demonstrating the appeal of the group's brands.

Finally, the first half-year confirms the Xilam group's strong international presence (74% of sales) and digital platform presence (67% of sales). It should be noted that the first half-year's revenues are higher by €1.6M than the amount published on July 21 last, due to the inclusion of grants for which documents came in late and to the exchange rate impact on foreign currency customer receivables.

Record number of series in production

The group's business during the first half-year is marked by a very strong diversity of programs, with more than 17 series at various production stages, including:

- 3 programs for preschoolers, 11 for kids and 3 for teenagers-adults,
- 12 programs in 2D and 5 in CGI,
- 13 programs in proprietary model and 4 in non-proprietary model.

Production costs in the first half-year of 2022 (€15.7M compared to €16.7M in the first half-year of 2021) is explained by the large number of series in their launching phase, whose expenses will be greatly increasing from the second half-year onwards.

The production investment for the first half-year of 2022 is broken down as follows: €12.7M for 13 proprietary programs and €3.0M for 4 non-proprietary series.

Strong growth of operating income

The current operating income has reached a historic record level of €4.8M for the first half-year of 2022 (compared to €4.0M for the first half-year of 2021), up by 19%.

The current operating margin amounts to 27.2%, cementing the stability of the group's economic model, even though the recent acquisition of Cube Creative hasn't reached the profitability of its parent company yet.

The operating income has reached €4.7M (compared to €4.1M in the first half-year of 2021), up by 15%.

The consolidated net income in the first half-year of 2022 amounts to €3.0M, with a slight decrease compared to the first half-year of 2021, due to a financial result of €(1.0)M. The half-year was impacted by exceptional currency movements on USD production credits as well as the one-off effect of rising interest rates on the accounting updating of accounts receivable.

The nominal tax rate amounts to 20% compared to 22% in the first half-year of 2021.



Financial position

As of 06/30/2022, net financial debt, excluding rental debts, stood at €25.5M, compared to €18.6M as of 12/31/2021. It is broken down as follows:

- Non-self liquidating net financial debt of €5.3M, down by €0.6M compared to the level as of 12/31/2021 which stood at €5.9M. This drop results from the cash flow amounting to €10.5M as of 06/30/2022 (up by €0.6M compared to 12/31/2021), while non-self liquidating gross financial debts remain stable at €15.8M.
- Self-liquidating financial debts (such as factoring) stand at €20.2M, up by €7.4M compared to 12/31/2021, when they stood at €12.8M. This increase results from the high number of proprietary series in production in the first half-year of 2022.

The group's financial debt situation should evolve very positively from 2024 onwards, due to the shortening of the payment term of the streaming platforms and to the strengthening of the non-proprietary model which generates a negative WCR.

As of June 30, 2022, shareholders' equity amounted to €70.9M, compared to €67.6M as of December 31, 2021.

Strong objectives and perspectives

With a fairly full order book, Xilam plans production costs between €33M and €36M in 2022. The group thus plans to launch at least 10 new productions during the year 2022, including, for the first time, several adult series.

This means growth will remain very strong in the second half-year.

Streaming platforms and television networks keep investing massively in animation, and this investment flow should continue growing with platforms entering the increasingly promising field of AVOD as well as with the development of FAST channels (Free Ad-supported Streaming TV).

With its worldwide reputation in increasingly diversified market segments, Xilam is ideally placed to profit from this growth, in a model which combines profitability and security.

Xilam is thus proceeding with its Ambition 2026 plan, which aims to ultimately bring revenues up to €80M.

The group will communicate in the coming months on the results and prospects of its ESG policy.



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

Contacts

Marc du Pontavice - Chief Executive Officer

Arnaud Duault - CFO

Tel +33(0)1 40 18 72 00

Image Sept agency

xilam@image7.fr

Karine Allouis (Media Relations) - Tel: +33 (0)1 53 70 74 81

Laurent Poinot (Investor Relations) - Tel +33 (0)1 53 70 74 77



TECH40