



## Press release

Paris, 14 February 2024

### 2023 full-year revenue

Sales of new productions and developments: +21%

Very strong catalogue sales

Total sales: +11%

Substantial growth in the young-adult segment

Xilam Animation (ISIN: FR0004034072, Symbol: XIL)—an Academy Award-nominated French animation studio—reports its full-year revenue for the financial year ended 31 December 2023.

**Marc du Pontavice**, Chairman and CEO of Xilam: *“The 2023 financial year reflects Xilam's success in the new young-adult segment, which offers really promising growth prospects in the medium term. This confirms the studio's recognition among the biggest names in the industry. New productions and developments maintained their upward momentum with another year of double-digit growth. Catalogue sales also remained strong, reaching new heights close to €10 million. However, due to the contraction in US market orders, 2024 will be a year of transition, with a focus on rebuilding our order book, drawing on the breadth of our content offerings and the diversity of our clients, as well as the creativity and expertise of our teams.”*

('000 euros)	31.12.2023 <sup>(1)</sup>	31.12.2022	% change
Sales of new productions and developments	30,560	25,358	+21%
Catalogue sales	9,166	10,356	-11%
<b>Total sales</b>	<b>39,726</b>	<b>35,714</b>	<b>+11%</b>
Grants <sup>(2)</sup>	6 006	6,299	-5%
<b>Total sales and grants</b>	<b>45,732</b>	<b>42,013</b>	<b>+9%</b>
Other current operating revenue (including ATC) <sup>(3)</sup>	2,515	4,706	-47%
<b>Total operating revenue</b>	<b>48,247</b>	<b>46,719</b>	<b>+3%</b>

<sup>(1)</sup> Unaudited data

<sup>(2)</sup> Total grants (new productions and catalogue)

<sup>(3)</sup> Estimated Audiovisual Tax Credit (ATC)



### **Sales of new productions and developments: +21% at €30.6 million**

Sales of new productions and developments rose to €30.6 million in 2023, an increase of 21%. This included 26% growth for Xilam alone, with Cube's contribution down as the company continued to rebuild its order book.

Servicing (work for hire) represented 75% of sales, compared with 51% in 2022, which largely reflected the success of the Group's diversification into the young-adult segment for streaming platforms. The Group worked on five such productions in 2023: two for Netflix, *Twilight of the Gods*, an epic action series for a young-adult audience, and *The Seven Bears*, a 3D series for families (Folivari production); two for Disney+, *The Doonies*, a horror comedy for teen viewers, and 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 25% of sales, with five productions: the fourth season of *Zig & Sharko*, the second season of *Mr Magoo*, the fourth season of *Athleticus*, the second season of *Lupin's Tales* and the first season of *Buddybot*, an eco-comedy for children.

In the medium term, the Group is aiming to strike a balance between servicing, which quickly generates cash flow, and proprietary productions, which enrich the catalogue and create long-term value.

### **Strong catalogue sales at €9.2 million**

Catalogue sales were down slightly (-11%) from the record seen in 2022 but were 43% higher than in 2021, confirming solid impetus for the Group's franchises and a new milestone of close to €10 million.

Xilam's three flagship franchises—*Oggy and the Cockroaches*, *Zig & Sharko* and, to a lesser extent, *Chicky* (a relatively new addition from the Cube catalogue)—continued to generate upside momentum. They represented 62% of revenue, compared with 72% in 2022, reflecting the solid performance of other series.

A strong catalogue is one of the pillars of Xilam's proprietary model, underpinned by regular new-season launches and the search for fresh creations.

### **Total sales, excluding grants, rose 11% to €39.7 million**

Total sales, excluding grants, climbed 11% to €39.7 million, driven by strong sales of new productions and developments.

International sales accounted for 77% of that total, largely on a par with 2022, including a significantly higher share in the catalogue (87%).

Digital streaming platforms accounted for 68% of sales, stable in comparison to 2022. They were driven by new productions and developments, while traditional linear channels continued to make up the lion's share of catalogue sales.

The financial year also saw a significant shift towards young-adult series, which now represent 40% of total sales, up from 14% in 2022.

### **Total operating income of €48,2 million, up 3% vs 2022**

Grants remained steady in relation to 2022 (€6.0 million) despite the decrease in proprietary productions, due to stronger support for works commissioned by European channels.



In contrast, the audiovisual tax credit—which is strictly proportional to proprietary production expenses—saw a sharp decline. As a result, total operating income stood at €48.2 million, a change of +3%.

### Production expenses increased to €39 million in 2023

The Group recorded production expenses of €39 million, a new record, compared with €36.4 million in 2022. This underscores Xilam's significant foothold in young-adult productions, which unlock substantial production budgets and are an area in which the Group plans to expand going forward.

### A year of transition in 2024

In early January, the Group announced a successful €3.7m capital increase to strengthen its shareholders' equity and liquidity.

Reduced investment in the children's segment by major streaming platforms during the second half of 2023 will substantially decrease revenue in 2024. Xilam is already working to rebuild its order book by redirecting some of its commercial efforts towards major European channels while maintaining its focus on the young-adult segment and exploring feature films, in which it saw considerable success a few years ago with the movie *I Lost My Body*. Xilam thus plans to create a new cycle of profitable growth.

### Calendar

Publication of 2023 full-year results: 3 April 2024 (after market close)

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### 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) and AVoD (YouTube, Facebook) platforms.

With a global reputation for creativity and innovation, coupled with cutting-edge editorial and commercial expertise, the company has cemented its position as a key player in the market. Every year, Xilam builds on soaring successes and capitalises on flagship franchises (*Oggy and the Cockroaches*, *Zig & Sharko*, *Chicky*) as well as new brands (*Oggy Oggy*, *Mr Magoo*, *Karate Sheep*), which are strengthening and expanding a substantial catalogue of more than 2,800 episodes and three feature films, including the Oscar-nominated *I Lost My Body*.

Xilam has unique CGI skills and employs more than 600 people, including 400 artists, across its studios in Paris, Lyon and Angoulême in France and Ho Chi Minh City in Vietnam. Xilam was ranked France's leading animation studio for the 2018-2022 period in a report by the French national centre for cinema and animation (CNC).

For more information, visit [www.xilam.com](http://www.xilam.com)

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

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