



## Press release

Paris, 30 September 2024

# First half 2024 results

## Launch of highly promising new productions

Net income attributable to the group close to breakeven

Strong generation of free cash flow

Very solid financial position with a sharp reduction in financial debt

Enthusiastic reception for *Twilight of the Gods*, the worldwide series launched by Netflix:  
a new recognition of Xilam's expertise

Xilam Animation, Academy Award®-nominated French animation studio, announces its financial results for the first half of 2024, approved by the Board of Directors on 26 September 2024, chaired by Marc du Pontavice.

**Marc du Pontavice, Chairman and CEO of Xilam, comments:** "Xilam is demonstrating its agility and responsiveness, in a particularly challenging market, by successfully implementing its strategy, with (i) the strengthening of commercial ties with European broadcasters as evidenced by the production of two new series, Piggy Builders and Submarine Jim, (ii) the emergence of a recurring business in the animated film segment, to build on the huge success of *I Lost My Body* a few years ago, with the production launch of *Lucy lost*, a new animated family film, and finally (iii) the continuation of our breakthrough in the adult animation segment, highlighted by the global success of the Netflix series *Twilight of the Gods*, created by Zack Snyder and produced in Xilam's studios. More than ever, the creative and technical qualities of the Xilam studio are capturing the attention of major players. With strong cash generation over the first half and strengthened shareholders' equity, we are successfully pursuing our strategy with the ambition of a rapid return to profitable growth".

Income statement (in thousands of euros)	30.06.2024 <sup>(1)</sup>	30.06.2023	% change
Sales of new productions and developments	9,277	14,431	-36%
Catalogue sales	2,309	3,716	-38%
<b>Total sales</b>	<b>11,586</b>	<b>18,147</b>	<b>-36%</b>
Grants <sup>(2)</sup>	1,688	2,351	-28%
<b>Total sales and grants</b>	<b>13,274</b>	<b>20,498</b>	<b>-35%</b>
Other current operating revenue (including ATC)	610	797	ns
<b>Total operating revenue</b>	<b>13,884</b>	<b>21,295</b>	<b>-35%</b>
Operating expenses	(15,195)	(19,140)	-21%
<b>Current operating income</b>	<b>(1,310)</b>	<b>2,155</b>	<b>ns</b>
% total sales and grants	ns	10,5%	
<b>Operating income</b>	<b>(1,450)</b>	<b>2,158</b>	<b>ns</b>
Financial income and expenses	(109)	(79)	
Income tax	441	(318)	
<b>Group consolidated net income</b>	<b>(1,119)</b>	<b>1,761</b>	<b>ns</b>
% total sales and grants	ns	8,6%	
<b>Net income attributable to the group</b>	<b>(956)</b>	<b>1,851</b>	

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

(2) Excluding the audiovisual tax credit (ATC)



## **Sales of €11.6m and total operating revenue of €13.9m**

First-half sales were down 36% at €11.6m. This decline was expected, given the cut back on orders from American streaming platforms for the kids segment, announced in October 2023.

- Sales of new productions and developments came to €9.3m (down 36% on the first half of 2023). Servicing (non-proprietary productions) accounted for 71%, confirming the success of the group's diversification into the young-adult segment for platforms.
- Catalogue sales came to €2.3m (down 38%), but this low level does not reflect the annual performance, which, given ongoing negotiations, is expected to be very satisfactory.

After accounting for grants and other operating revenue, total operating revenue came to €13.9m.

## **Current operating income of €-1.3m, in line with expectations, amid order book rebuilding.**

Current operating income was €-1.3m, compared with €2.2m in the first half of 2023. In addition to the contraction in production activity, it was also impacted by the asymmetrical activity level of the catalogue in the first half.

In this context, and while the group is implementing its strategy to rebuild its order book, Xilam has reacted swiftly to implement a savings plan (regrouping sites, pooling resources) and keep its fixed costs under control: these will fall by 20% over the full year, without affecting the company's core expertise.

## **Net profit attributable to the group of €-1.0m**

Net financial income of €-0.1m, reflects a halving of the cost of gross financial debt, mainly due to the group's substantial debt reduction in 2023 and over the first half of 2024.

Income tax amounted to a positive €0.4m.

After taking into account the minority interests, net profit attributable to the group was close to breakeven at €-1.0m.

## **Strong free cash flow generation of €2.7m, up 24%.**

The group generated free cash flow of €2.7m in the first half, up 24% compared to first half 2023.

This free cash flow generation results from:

- Net cash flow from operating activities of €6.3m, including €3.8m in cash flow from operating activities and €2.5m in cash generated by the reduction in working capital requirements.
- A reduction in acquisitions of intangible assets compared to the first half-year of 2023, given the lower proportion of proprietary productions.

## **A strengthened balance sheet thanks to cash generation and the capital increase completed at the beginning of the first half-year 2024**

After taking into account repayment of rental debts and interest paid, net cash related to operating activities amounted to €1.4m. In addition, €3.6m of net cash was generated by the capital increase carried out at the beginning of the 1<sup>er</sup> half-year 2024.



As a result, net financial debt has thus been significantly reduced by €5.0m to reach just €2.3m at the end of the first half-year 2024.

<i>(In thousands of euros)</i>	30.06.2024 <sup>(1)</sup>	31.12.2023
<b>Cash and cash equivalents</b>	<b>6,568</b>	<b>8,139</b>
Corporate financial liabilities <sup>(2)</sup>	(4,079)	(4,377)
<b>Net cash</b>	<b>2,489</b>	<b>3,761</b>
Self-liquidating financial liabilities	(4,798)	(11,053)
<b>Net financial debt</b>	<b>(2,309)</b>	<b>(7,292)</b>

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

(2) *Non-self-liquidating financial liabilities*

This net financial debt breaks down into:

- Net cash, excluding self-liquidating financial liabilities, of €2.5m.
- Self-liquidating financial liabilities down sharply to €4.8m (from €11.0m at end-2023), reflecting the payment of receivables from major international platforms.

At 30 June 2024, total shareholders' equity stood at €76.7m (compared with €74.1m at the end of 2023). When compared to the very low level of net financial debt, this reflects the group's very solid financial position, enabling it to pursue its strategy.

## 2024 confirms the successful implementation of Xilam's strategy

Since the beginning of the year, Xilam has announced the launch of three new productions, demonstrating the studio's high profile and the creative power of its talents, as well as the strength of its ties with both major European broadcasters and international streaming platforms.

- The group launched the production of two new series in the first half of the year. Financed on a proprietary model, they assemble France Télévisions, ZDF and the BBC for *Piggy Builders*, a pre-school series in 3D, and France Télévisions and Super RTL for *Submarine Jim*, a comedy aimed at kids.
- In September, the group announced the launch of *Lucy Lost*, a new epic family feature, co-written and directed by Olivier Clert, and adapted from the novel *Listen to the Moon* by multi-award-winning British author Michael Morpurgo. With this project, Xilam is building on the immense success of *I Lost My Body* a few years ago.

Also in September, Netflix launched the eight-episode first season of its new animated series for young-adult, *Twilight of the Gods*, created by iconic director Zack Snyder. The series was produced at Xilam studios, and the press has enthusiastically praised the extraordinary quality of the animation. This series marks a major first step in the success of the group's strategy of positioning itself on prestigious productions aimed at the young-adult segment.

It will soon be followed in 2025 by the exclusive release on Disney+ of *The Doomies*, a horror comedy for teenagers created and produced by Xilam.

Despite a projected significant drop in 2024 revenue, the group maintains its forecast of a current operating income close to breakeven, on the back of a better second half, particularly in terms of catalogue sales.

Recognised as France's leading animation studio for the 2018-2023 period by the CNC's latest study, Xilam, by resolutely moving forward rebuilding its order book, is confirming the strength of its brand, the creativity of its talent and the relevance of its strategic vision, positioning the group at the heart of the global animation industry.



## Contacts

Marc du Pontavice – Chairman and CEO  
Cécile Haimet - CFO  
Phone: +33 1 40 18 72 00

Image Sept Agency  
xilam@image7.fr  
Karine Allouis (Media Relations) – Phone +33 1 53 70 74 81  
Laurent Poinot (Investor Relations) – Phone +33 1 53 70 74 77

## 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 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, and Academy Award® nominated adult feature film *I Lost My Body*. Additionally, Xilam is serving as the animation studio for Zack Snyder's animated series *Twilight of the Gods*, launched worldwide on 19 September 2024 by Netflix, and also produces *Chip 'n' Dale: Park Life*, alongside the forthcoming horror comedy *The Doomies*, for Disney+. Xilam's expanding and strong catalogue now consists of over 2,800 episodes and three feature films.

Xilam employs more than 400 individuals, 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.

ISIN: FR0004034072, Symbol: XIL

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

