



Press release

Paris, 12 February 2025

2024 full-year revenue

Total sales and grants down at €26.6 million

Strong catalogue performance in the second half of the year

Very solid financial position, enabling the development of new projects
in a highly challenging market

Xilam Animation, Academy Award®-nominated French animation studio, reports its full-year revenue for the financial year ended 31 December 2024.

Marc du Pontavice, Chairman and CEO of Xilam : *“During the hypergrowth cycle that began in 2015 and ended in 2023, Xilam significantly strengthened and structured itself, securing a leading position in the global animation market. The strength of its catalogue and the accumulated profits have contributed to the company's very solid financial situation, allowing it to navigate, with confidence, the significant and sudden downturn in the animation market.*

Thus, in 2024, despite a sharp decline in revenue, strong catalog sales in the second half of the year and strict management of fixed costs enabled the Group to achieve a positive net cash position. However, given the lack of visibility regarding the medium-term market outlook, results may be affected by potential exceptional impairments, with no impact on the cash position.

2025 will still be a challenging year, and the Group will focus its efforts on rebuilding its order book, leveraging the strength of its brand, the creativity of its talents, and its key position at the heart of the global animation industry. We remain confident in our ability to bounce back as soon as the time is right”.

(‘000 euros)	31.12.2024 ⁽¹⁾	31.12.2023	% change
Sales of new productions and developments	15,267	30,560	-50%
Catalogue sales	8,196	9,166	-11%
Total sales	23,464	39,726	-41%
Grants ⁽²⁾	3,113	6,006	-48%
Total sales and grants	26,576	45,732	-42%
Other current operating income (including ATC ⁽³⁾)	1,334	2,482	-46%
Total operating revenue	27,910	48,214	-42%

⁽¹⁾ Unaudited data

⁽²⁾ Total grants (new production and catalogue)

⁽³⁾ Estimated Audiovisual Tax Credit (CIA)



Sales of new productions and developments at €15.3 million

Sales from new productions and developments amounts to €15.3 million in 2024, down by 50%. Following the decline in the first half of 2024, this annual decrease was announced due to the contraction in orders from American streaming platforms in the children's segment.

The share of servicing (non-proprietary productions) represents 70% of revenue, compared to 75% in 2023, reflecting the Group's successful diversification into the young-adult segment for platforms. The Group primarily worked on four such productions during the year:

- One for Disney+, *The Doomies*, a horror-comedy for teen viewers;
- Two for Netflix: *The Seven Bears*, a 3D family-oriented production (Folivari production), and the completion of *Twilight of the Gods*, an epic series for a young-adult audience;
- One for France Télévisions, *My Life in Versailles*, for a family audience (Films Grand Huit production).

The share of proprietary productions accounts for 30% of revenue, with four productions: the first season of *Buddybot*, a children's eco-comedy, the second season of *Lupin's Tales*, the start of production for *Piggy Builders*, a new preschool and family-oriented series and the completion of *Zig & Sharko*, season 4.

The Group is actively working on new proprietary production projects to achieve a more balanced distribution between these two market segments.

Solid catalogue sales in the second half, reaching €8.2 million over the full year

Catalogue sales rebounded in the second half, reaching €5.9 million, an 8% increase compared to H2 2023. Over the full year, catalog sales slightly declined to €8.2 million.

At the end of 2024, the Group renewed its partnership with Sony Pictures Networks India for the *Oggy and the Cockroaches* franchise, covering 145 half-hours of content.

Overall, catalog sales were driven by Xilam's four flagship franchises: *Oggy and the Cockroaches*, *Zig & Sharko*, *Chicky* and now *Karate Sheep*.

These franchises represented 66% of catalog revenue, compared to 68% in 2023.

The catalog remains a key pillar of Xilam's proprietary model, boosted by the regular release of new seasons and new creations.

Total sales, excluding grants, at €23.5 million

Total sales, excluding grants, reached €23.5 million.

International revenue accounted for 75%, nearly stable compared to 2023, with a similar proportion in both new productions and catalogue sales.

The share of digital streaming platforms stood at 53%, compared with 68% in 2023, as a result of the decline in orders since 2023. Within the catalogue segment, traditional linear TV channels remain dominant and even grew in 2024 compared to 2023.



Total operating revenue at €27.9 million

Grants amounted to €3.1M, bringing the total sales and grants to €26.6M.

Other current operating income stood at €1.3M, leading to a total operating revenue of €27.9M.

Strong financial position

Full financial results will be released on March 27, but the Group already confirms a positive free cash-flow generation for 2024. Thus, by the end of 2024, the Group is expected to report a positive cash position, net of all debt (including self-liquidating debt). This results from: (i) Cost-reduction measures implemented during the year, resulting to approximately €3 million savings on a full-year basis; (ii) The predominance of servicing in new productions, generating cash flow rapidly; (iii) continued reduction in working capital requirements.

However, significant exceptional negative items could have a substantial impact on the operating income for the year. Indeed, the Group's asset amortization was based on dynamic medium-term market growth, but the current market uncertainties led us to consider: (i) a full review of the net book value of the catalogue, whose sales are concentrated on a few key franchises; (ii) a potential write-down of the goodwill allocated to Cube.

Readers are reminded that any such write-downs, which will be discussed over the coming weeks ahead of the financial closing, are of an accounting nature with no impact on the Group's cash position. They do not undermine Xilam's business model or its ability to bounce back when the time comes.

In 2025, the Group focuses on rebuilding its order book

Xilam enters 2025 with a focus on the production of three new projects announced last year:

- *Piggy Builders*, a pre-school series in 3D, financed on a proprietary model, boarding France Télévisions, ZDF and the BBC;
- *Submarine Jim*, a comedy aimed at kids, also under a proprietary model, boarding France Télévisions and Super RTL.
- *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.

While these three highly promising projects have been well received by the market, they will not be sufficient to stabilize the Group's revenue in 2025, which is expected to decline.

With the strength of its brand, the creativity of its talents, its key positioning at the heart of the global animation industry, and a very solid financial situation, the Group is actively working to rebuild its order book in order to enter a new cycle of profitable growth.

Calendar

Publication of 2024 full-year results: 27 March 2025 (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 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*. Additionally, Xilam is serving as the animation studio for Zack Snyder's animated series *Twilight of the Gods*, launched worldwide on September 2024 by Netflix, and also produces *Chip 'n' Dale: Park Life*, alongside the forthcoming horror comedy *The Doomies*, for Disney+.

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