



# EUROPACORP

## PRESS RELEASE

### Half-yearly results 2021/2022 and availability of the half-yearly financial report

- A half-year marked by the preparation of several film shoots and the exploitation of the catalog, which generated significant cash flow
- EuropaCorp achieved an operating margin of €9 million (or 52% of revenues), which enabled to cover its overheads, still under control
- The operating result was then positive at €2.7 million, or a 16% margin rate
- The cash generated by the activity amounted to +10.5 M€, allowing the Group to meet the payment deadlines of the Safeguard Plan while maintaining its cash level

**Saint-Denis, December 15, 2021** – EuropaCorp, producer and distributor of films and TV series, announces today its revenue and consolidated half-year results as at 30 September 2021, and the availability of its half-year financial report.

### Half-yearly results – HY1 2021/2022

<i>Consolidated income (€ million)</i>	<b>30 Sept. 2021</b> (6 months)	<b>30 Sept. 2020</b> (6 months)	<b>Variation (€M)</b>
<b>Revenue</b>	<b>17,3</b>	<b>26,2</b>	<b>-8,8</b>
Cost of sales	(8,3)	(15,5)	+7,2
<b>Operating margin</b>	<b>9,0</b>	<b>10,6</b>	<b>-1,7</b>
<i>% of Revenue</i>	<i>52%</i>	<i>41%</i>	
Overheads	(6,7)	(6,1)	-0,6
Other income and expenses	0,4	(2,4)	+2,8
<b>Operating profit (loss)</b>	<b>2,7</b>	<b>2,1</b>	<b>+0,6</b>
<i>% of Revenue</i>	<i>16%</i>	<i>8%</i>	
Financial income	(1,4)	133,0	-134,4
<b>Current income before tax</b>	<b>1,3</b>	<b>135,1</b>	<b>-133,8</b>
<i>% of Revenue</i>	<i>8%</i>	<i>517%</i>	
Tax	(3,2)	(11,2)	+7,9
Equity in net earnings of associated companies	0,0	(0,5)	+0,5
<b>Net Result</b>	<b>(1,9)</b>	<b>123,5</b>	<b>-125,4</b>
<i>% of Revenue</i>	<i>-11%</i>	<i>472%</i>	
<i>Net Income (Group share)</i>	<i>(1,9)</i>	<i>123,5</i>	<i>-125,4</i>

- **Revenues of €17.3 million, down 34% compared with the first half of the previous year, mainly due to the erosion of the catalog**

**International sales** amounted to €5.8 million, or approximately 33% of total revenues. They decreased by €3.8 million compared to the first half of the previous fiscal year, which included the last deliveries on *Kursk* and *Renegades*. They include in particular the royalties on *Lucy* and *Taken 3*.

No revenues were generated by the **Theatrical distribution**, as no releases took place during the half-year, compared with €0.2 million in the first half of 2020/2021.

Revenue from **Video & VOD** stood at €0.7 million in France and the United States, compared with €0.4 million last year, and mainly concerns VOD in France.

**Television & SVOD** sales in France and the United States amounted to €10.0 million in the first half of 2021/2022, or 58% of revenues, a decrease of (1.2) million (-11%) compared with the first half of 2020/2021. They include the opening of new rights windows in France, notably for *Valerian and the City of a Thousand Planets*.

Revenues from the **TV Series** business amounted to €(0.3) million following negative statements received on the series *Taken*, compared with €3.3 million on this same series at September 30, 2020.

The **Other activities** item generated a total of €1.2 million compared to €1.3 million in the first half of the previous fiscal year. This item includes revenues from partnership and licensing agreements, music publishing and post-production activities.

- **An operating margin of €9.0 million, or a margin rate of 52% compared to 41% in the first half of 2020/2021, which covers overhead costs, still under control**

Due to the decline in revenues, the operating margin decreased by 16% to €9.0 million compared with €10.6 million in the first half of the previous year. However, the margin rate is up significantly to 52% compared with 41% in the first half of 2020/2021. This improvement is mainly due to lower depreciation on catalog films.

Overhead costs amounted to €(6.7) million for the six months ended September 30, 2021, slightly up on the level of overhead costs for the first half of the previous fiscal year at €(6.1) million. This increase of €0.6 million compared to September 30, 2020 (+9%) is explained in particular by the IFRS adjustment related to free share plans.

Other operating income and expenses amounted to €0.4 million (reversal of provisions for risks and expenses) compared to €(2.4) million in the first half of the previous year, which included fees related to the debt restructuring finalized in the summer of 2020.

After taking these items into account, operating income was positive at €2.7 million, representing a margin rate of 16%, compared with €2.1 million and 8% respectively for the six months ended September 30, 2020.

- **The financial result for the first half of the year amounts to €(1.4) million (compared to €133 million in the first half of 2020/2021, which included a "technical" profit of €134.9 million), resulting in a positive current income before tax of €1.3 million**

The financial result for the first half of the previous year was impacted by a "technical" profit of €134.9 million linked to the two consecutive capital increases resulting from the July 2020 debt restructuring (application of IFRIC 19). Excluding this exceptional item, financial income amounted to €(1.9) million.

The financial result for the first half of 2021/2022 of €(1.4) million breaks down as follows:

- (1.4) million: cost of financial debt related to the Senior debt, spread over 9 years by the Safeguard Plan;
- 0.4 million: a positive exchange rate result linked to the evolution of the €/€ exchange rate over the period;
- (0.4) million: other financial costs, in particular the rent expense reclassified as financial interest following the application of IFRS 16.

Current income before tax was thus positive at €1.3 million, or 8% of revenues.

After taking into account a tax charge of €(3.2) million (including deferred taxes related to temporary differences in depreciation and amortization for (2.4) million), compared to €(11.2) million at September 30, 2020, the Group's share of net result for the first half of the year showed a loss of €(1.9) million.

➤ **Significant operating cash flow, mainly generated by the catalog**

Cash flow from operations for the first half of the year amounted to €10.5 million compared to €(3.9) million for the first half of the previous year. This increase is mainly due to the end of the financial restructuring that had burdened cash flow last year with the payment of significant fees upon approval of the Safeguard Plan in July 2020 (lawyers, advisors, etc.).

As regards investments in films, the Group invested €1.1 million.

➤ **An improved financial structure**

As of September 30, 2021, net debt amounted to €37.2 million compared to €43.6 million as of March 31, 2021. This decrease is mainly due to the payment of the first instalment under the Safeguard Plan concerning the repayment of the Senior debt for €6 million. Thanks to the cash flows generated by the catalog and cost control, the Group's cash position increased by €1.7 million to €48.6 million at September 30, 2021.

➤ **Outlook**

The Group intends to shortly put several significant projects already developed into production, as soon as the associated financing is secured. These projects, which are currently being pre-financed, concern films, series, and documentaries, considering both EuropaCorp's DNA and the evolution of the market.

As a reminder, the Group already has a revolving credit facility for the financing of the production costs of its upcoming projects, which can be reused, allowing it to mobilize receivables linked to sales contracts for a maximum amount of 100 million dollars.

**Availability of half-year financial report**

The half-yearly financial report as of September 30, 2021 has been published online today and is available on the Company's website at <http://www.europacorp.com/en/> in the section Corporate – Periodical Financial Reports as well as on Euronext Growth's website.

Copies of the document are also available at the Company's head office (EuropaCorp – Cité du Cinéma – 20 rue Ampère, 93200 Saint-Denis, France).

The following documents are notably integrated into the report:

- EuropaCorp Group Activity Report;
- Consolidated financial statements at September 30, 2021.

## **ABOUT EUROPACORP**

*Founded in 1999, EuropaCorp has grown to become the leading film and series production studio in Europe. The Group's international activities cover the entire film value chain with expertise in production, theatrical distribution, international sales, TV, video & VOD, and music publishing. EuropaCorp is able to ensure creativity and quality throughout the lifecycle of its films and television projects. The Group has produced or co-produced more than 120 films and has distributed more than 160 of them in French cinemas. Since 1999, it has produced 10 of the 20 biggest French hits internationally and 22 films among the 70 French productions with the most international admissions (source: Le film français – May 17, 2019). The Group has also been active since 2010 in the production of TV series and single titles for platforms worldwide. EuropaCorp was created by the director, screenwriter and producer Luc Besson. More information on [www.europacorp.com](http://www.europacorp.com)*

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