



EUROPACORP

PRESS RELEASE

Annual results 2021/2022

- With the continued control of overheads, which are still on a downward trend, and a non-recurring income of €12.5 million linked to the sale of shares in Studios de Paris, net income stood at €16.7 million
- Thanks to its catalog, EuropaCorp recorded an operating margin of €18.9 million, the same amount as the previous year despite the decrease in revenues
- Net operating cash flow was positive and significantly higher than last fiscal year at +€20.2 million
- A year also marked by the return to production, in particular with Luc Besson's film *Dogman*

Saint-Denis, June 29, 2022 – EuropaCorp, one of the leading independent film studios in Europe, film producer and distributor, reports its annual consolidated income, which ended on March 31, 2022, as approved by the Board of Directors at its meeting on June 28, 2022.

Profit & Loss – in millions of euros	31 March 2022	31 March 2021	Variation (€M)
Turnover	35,3	41,5	-6,2
Cost of sales	(16,4)	(22,5)	6,2
Operating margin	18,9	18,9	0,0
<i>% of revenue</i>	54%	46%	
Overheads	(15,2)	(15,7)	0,5
Other income and expenses	15,3	0,4	14,9
Operating profit (loss)	19,0	3,7	15,3
<i>% of revenue</i>	54%	9%	
Financial income	(2,0)	(0,8)	-1,2
"Technical" profit from debt restructuring (IFRIC 19)	0,0	134,9	-134,9
Current income before income tax	17,0	137,8	-120,8
Tax	(0,4)	(14,6)	14,2
Equity in net earnings of associated companies	0,0	(0,6)	0,6
Net income	16,7	122,7	-106,0
<i>% of revenue</i>	47%	296%	

Current income before income tax exclusive of "technical" profit	17,0	2,9	14,1
<i>% of revenue</i>	48%	7%	

- **Most of the revenues were generated by the exploitation of the catalog, with a decrease in revenues generated by the television series *Taken*, which has been released for more than four years (minus €3.5 M), while the film catalog remained strong. The fall in revenues to €35.3 M (compared with €41.5M the previous year) was mainly due to the absence of new film releases or deliveries, as production was disrupted by the Covid-19 epidemic.**

International Sales represented €8.9 million for the year, or approximately 25% of annual revenue, compared with €12.0 million in the previous year. Revenue corresponded mainly to significant royalties received on films in the catalog (mainly *Lucy* and *Taken 3*), whereas the previous fiscal year also included the final deliveries of the films *Kursk* and *American Renegades* in China.

Revenue from French **Theatrical Distribution** was nil, as no films were released during the period, compared with €0.6 million in 2020/2021 corresponding to the last statements received for the French theatrical release of the film *Nous finirons ensemble (Little White Lies 2)*.

Revenue from **Video & VOD** in France and the United States represented approximately 4% of annual revenue coming in at €1.4 million, compared with €1.3 million in 2020/2021. It mainly includes VOD sales in the United States and France for various titles (notably *Taxi 5* in France).

Television & SVOD sales in France and the United States totaled €19.8 million in fiscal year 2021/2022, or 56% of revenue, compared with €19.0 million in the previous fiscal year. They were driven by the French market and correspond to the opening of broadcasting rights windows for films in the catalog such as *Anna*, *Valerian and the City of a Thousand Planets*, *Taxi 5* and *Lucy*.

Revenue from the **TV Series** activity amounted to €2.2 million for the 2021/2022 fiscal year, or approximately 6% of total revenue, compared with €5.6 million for the 2020/2021 fiscal year. This revenue corresponds to the international exploitation of the *Taken* television series (royalties).

Revenue from **Other** activities comprised mainly to post-production activities, licenses, partnerships, coproduction and neighboring rights revenue. It represented €2.9 million (including €0.8 million for post-production activities), or 8% of revenue, and the same amount as the previous fiscal year.

- **The operating margin rate improved to 54% (compared with 46% the previous year), mainly due to lower amortization of the catalog. The sale of shares in Studios de Paris also generated non-recurring income of €12.5 M.**

The consolidated operating margin was €18.9 million, as in the previous year. The decline in the cost of sales linked to the reduction in catalog depreciation enabled the margin rate to increase from 46% to 54%.

Overheads amounted to €(15.2) million, a saving of €0.5 million compared with the previous year (-3%), confirming the effectiveness of the measures implemented by the Group to reduce its overheads, which are still on a downward trend.

Other operating income and expenses are mainly composed of non-recurring items related to the sale by EuropaCorp of its shares in Studios de Paris ("SDP") to Eagle Pictures France. EuropaCorp held 40% of SDP, which was accounted for by the equity method, and this sale generated total income of €12.5 million.

Operating profit thus amounted to €19.0 million, compared with €3.7 million in the previous fiscal year.

Financial result amounted to €(2.0) million compared with €(0.8) million in the previous year (excluding the exceptional technical profit of €134.2 million from the share capital increases in 2020/2021). For fiscal year 2021/2022, it mainly includes interest expense on the Senior debt for €(2.7) million, partially offset by a positive foreign exchange result.

Current income before income tax amounted to €17.0 million, with the operating margin of the catalog covering overheads and financial income, plus the non-recurring income from the sale of SDP shares to improve it.

After the tax impact of €(0.4) million, corresponding mainly to the tax paid in the United States by the subsidiary EuropaCorp Films USA, net income amounted to €16.7 million, compared with €122.7 million the previous year (which included the exceptional technical profit linked to the share capital increases).

- **Net cash flow from operations was positive and increased at €20.2 M, and with investments remaining moderate over the year, the overall change in cash & cash equivalent amounted to +€13.6 M**

Net cash flow generated by the activity was €20.2 million compared to €2.9 million in the previous fiscal year.

This €17.3 million increase is mainly due to:

- (i) The collection of receivables related to Studios de Paris following the sale of the company's shares;
- (ii) The payment of significant fees in the previous fiscal year (end of the safeguard procedure in July 2020).

Net cash used in investing activities amounted to €2.2 million, compared with €1.6 million for the year ended March 31, 2021. As of March 31, 2022, they correspond mainly to the effect of the sale of shares in Studios de Paris, partially offset by investments in intangible assets, notably the film *June & John*.

As of March 31, 2022, net cash used in financing activities amounted to €(8.8) million, compared with €(4.7) million as of March 31, 2021. This amount includes in particular the first instalment of the Safeguard Plan for the repayment of the Senior debt for €(5.1) million, as well as the decrease in lease liabilities for €(3.0) million following the application of IFRS 16.

- **Thanks to the net cash flow generated during the year, net debt decreased by €17.3 M**

As of March 31, 2022, net debt amounted to €26.4 million, compared with €43.6 million as of March 31, 2021.

- **The Group's outlook is to put into production as soon as possible film and TV series projects that are 100% pre-financed, with also 3 films already produced/under production**

The Group has co-produced with the company LBP during the Covid-19 period the film *Arthur Malédiction*, written by Luc Besson and directed by Barthélémy Grossmann, for which it holds the distribution rights. It is a horror spin-off from the *Arthur and the Minimoys* universe, released today in French theaters.

EuropaCorp has also produced *June & John*, an English-language film written and directed by Luc Besson during the spring of 2021 in Los Angeles, a small film with promising young actors, Luke Stanton Eddy and Matilda Price. The exploitation of the film should start in the last quarter of 2022.

The Group is also co-producing with LBP the film *Dogman*, written and directed by Luc Besson, which started shooting in April 2022 with Caleb Landry Jones in the lead role (winner of the Best Actor Award at the Cannes Film Festival in 2021 for the film *Nitram*). The film will tell the incredible story of a young man, bruised by life, who finds salvation through the love of his dogs.

At the recent Cannes Film Festival, EuropaCorp started marketing its new project tentatively titled *Weekend in Hong Kong*, co-produced with Hong Kong's 852 Films and co-written by Luc Besson and George Huang. The film will be directed by Olivier Megaton and will star Luke Evans and Josie Ho, star of Chinese song and film, in the lead roles. The film is scheduled to start shooting in October 2022. This film perfectly embodies the universe that has made the great success of EuropaCorp films, based on action and suspense.

Financial calendar

Annual General Meeting: September 2022
HY1 consolidated sales and results: December 2022
Annual revenue: May 2023
Consolidated annual results: June 2023

ABOUT EUROPACORP

Founded in 1999, EuropaCorp has grown to become one of the leading film and series production studios 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

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