



EUROPACORP

PRESS RELEASE

Annual results 2022/2023

- ❖ Sales up 6% thanks to *International Sales* (first revenues from Luc Besson's *Dogman* and good performance by the catalog).
- ❖ Thanks to ongoing control of overheads, down 9%, operating income came to €3.9 million, representing a margin of 10% of sales.
- ❖ After taking into account financial income and tax, Group net income came to €0.1 million. The decline is explained by an exceptional profit of €15.3 million in the previous financial year, linked mainly to the sale of shares in Studios de Paris.
- ❖ Net operating cash flow was positive at €17.1 million, enabling the Group to cover its investments in films and Safeguard Plan deadlines while maintaining a high level of cash.

Saint-Denis, June 21, 2023 - EuropaCorp, one of Europe's leading independent film studios, producer and distributor of motion pictures, announces its consolidated annual results, approved by the Board of Directors on June 20, 2023, for the year ended March 31, 2023.

Profit & Loss – in millions of euros	31 March 2023	31 March 2022	Variation (€M)
Turnover	37,5	35,3	2,2
Cost of sales	(20,2)	(16,4)	-3,8
Operating margin	17,3	18,9	-1,6
<i>% of revenue</i>	46%	54%	
Overheads	(13,8)	(15,2)	1,4
Other income and expenses	0,5	15,3	-14,8
Operating profit (loss)	3,9	19,0	-15,1
<i>% of revenue</i>	10%	54%	
Financial income	(3,6)	(2,0)	-1,6
Current income before income tax	0,3	17,0	-16,7
Tax	(0,3)	(0,4)	0,1
Equity in net earnings of associated companies	0,0	0,0	0,0
Net income	0,1	16,7	-16,6
<i>% of revenue</i>	0%	47%	

- **The increase in revenue to €37.5 million (compared with €35.3 million in 2021/2022) was mainly due to the resumption of international deliveries of films from new line up, particularly *Dogman*. *International Sales* increased by €12.2 million to €21.1 million, offsetting the erosion of the catalog and *Television & SVOD* sales (-€8.6 million).**

International Sales represented €21.1 million for the year, or approximately 56% of annual revenue, compared with €8.9 million in the previous year. Revenue corresponds to international deliveries of the films *Dogman* and *June & John*, as well as significant royalties received on films in the catalog (mainly *Lucy*, *Taken* and *Taken 3*, and *Colombiana*).

Revenue from French **Theatrical Distribution** was €0.4 million, corresponding to the release in French theaters of *Arthur Malediction* in June 2022.

Revenue from **Video & VOD** in France and the United States amounted to €1.1 million compared with €1.4 million in 2021/2022. It mainly comprises VOD sales in the United States and France of various titles (notably *Miss Sloane* in the United States, and *Little White Lies 2* and *Arthur Malediction* in France).

Television & SVOD sales in France and the United States totaled €11.3 million in fiscal year 2022/2023, or 30% of revenues, compared with €19.8 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 *Valerian and the City of a Thousand Planets*, the *Taxi* saga and *American Renegades*. The decrease is mainly explained by the presence of pre-financing windows that were still significant during the previous fiscal year, notably for *Valerian and the City of a Thousand Planets*, *Anna* and *Taxi 5*.

Revenues from the **TV Series** activity amounted to €1.4 million for the 2022/2023 fiscal year compared to €2.2 million for the 2021/2022 fiscal year. This revenue corresponds to royalties received from the international exploitation of the *Taken* series as well as TV/SVOD sales in France and the United States.

Revenue from **Other** activities comprised mainly post-production activities, licenses, partnerships, coproduction and neighboring rights revenues. It represented revenues of €2.2 million (including €0.6 million for the post-production activity which, as a reminder, was sold in September 2022), or 6% of revenues, compared with €2.9 million the previous year.

- **Operating margin stood at €17.3 million, compared with €18.9 million the previous year, giving a margin rate of 46% (versus 54% the previous year). The rise in the cost of sales was mainly due to the amortization linked to the new films of the line up (*Dogman* and *June & John*).**

Depreciation and amortization rose from €10.5 million to €12.4 million due to the inclusion of *Dogman* and *June & John* in the Group's assets and the start of their amortization (international deliveries during the year). Nevertheless, the operating margin remained significant at 46%.

Overhead expenses came to €(13.8) million, a saving of €1.4 million on the previous year (-9%), confirming the effectiveness of the measures implemented by the Group to reduce overheads. The decrease is essentially due to the closure of the credit line made available to the Group by Comerica, which generated significant commitment fees.

Other operating income and expenses included various non-recurring items for €0.5 million, compared with €15.3 million last year which comprised non-recurring income of €12.5 million following the sale by EuropaCorp of its shares in Studios de Paris ("SDP").

Operating income thus came to €3.9 million, compared with €19.0 million in 2021/2022.

Net financial result amounted to €(3.6) million, compared with €(2.0) million in 2021/2022. For 2022/2023, it mainly includes interest expense on the Senior debt for €(3.2) million.

Current income before income tax was positive at €0.3 million, with the operating margin covering overhead expenses and net financial result.

After a tax impact of €(0.3) million, mainly corresponding to deferred tax in the United States, net income came to €0.1 million, compared with €16.7 million last year.

- **Net cash flow from operating activities was positive at €17.1 million, and with investments in films gradually taking over, the overall change in cash amounted to €(4.9) million.**

Net cash flow from operating activities came to €17.1 million, compared with €20.2 million in 2021/2022.

This decrease of €3.1 million can be explained in particular by the drop in cash receipts from TV series.

Net cash used in investing activities amounted to €(9.0) million, compared with €2.2 million for the year ended March 31, 2022. At March 31, 2023, they mainly correspond to investments in intangible assets, notably for the film *Dogman*.

At March 31, 2023, net cash flows from financing activities amounted to €(13.0) million, compared with €(8.8) million at March 31, 2022. This amount notably includes the second instalment of the Safeguard Plan for the repayment of the Senior debt for €(10.1) million (compared with €(5.1) million in 2021/2022), as well as the repayment of lease liabilities for €(3.7) million following the application of IFRS 16.

- **Thanks to net cash flow generated during the year, net debt fell by €4.2 million.**

At March 31, 2023, net debt stood at €22.2 million, compared with €26.4 million at March 31, 2022.

- **The Group's outlook for the 2023/2024 financial year is to release the films *Dogman* and *June & John*, as well as to produce *Weekend Escape Project*, for which filming has begun in Taipei.**

The Group has co-produced with LBP the film *Dogman*, written and directed by Luc Besson, produced by Virginie Besson-Silla, starring Caleb Landry Jones (winner of the Best Actor Award at Cannes in 2021 for the film *Nitram*). The film tells the incredible story of a young man, bruised by life, who finds salvation through the love of his dogs. *Dogman's* screening for international distributors at the last Berlin Film Festival in February 2023 received unanimously enthusiastic reactions. To meet the expectations of these distributors and to fit in with the awards and festival season, decision has been made to coordinate the release of the film in all territories. *Dogman* will then be released worldwide in the last quarter of 2023, particularly on September 27 in France.

EuropaCorp also produced *June & John*, a small English-language film written and directed by Luc Besson, produced by Virginie Besson-Silla. It was shot during the spring 2021 covid epidemic in Los Angeles with promising young actors, Luke Stanton Eddy and Matilda Price. The film was delivered to the international distributor, Kinology, as of March 31, 2023, and the release strategy is being finalized.

On July 3rd 2023, EuropaCorp will start shooting its project tentatively entitled *Weekend Escape Project*, co-written by Luc Besson and George Huang, and produced by Virginie Besson-Silla. The film will be directed by George Huang, with Luke Evans and Gwei Lun Mei in the lead roles. This film is in line with EuropaCorp action films such as *Taken*, *Transporter*, *From Paris with Love*, *Danny the Dog* etc.

Financial calendar

Annual General Meeting: September 2023

First-half consolidated revenue and results: December 2023

Annual revenue: May 2024

Consolidated annual results: June 2024

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

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