




---

Press release

---

Neuilly-sur-Seine, September 10, 2020

The Gaumont Board of Directors, which met today under the chairmanship of Nicolas Seydoux, approved the financial statements for the period ended June 30, 2020.

**CONSOLIDATED HALF-YEAR RESULTS as of June 30, 2020**

Key figures from operations (in millions of euros)	June 30, 2020 <sup>1</sup>	June 30, 2019	Change
Consolidated revenue	69.9	47.4	47%
Income from production and distribution before overheads	18.3	8.0	129%
Consolidated income attributable to owners of the parent	-5.9	-18.1	67%
Investments	41.8	71.1	-41%

  

Key balance sheet figures (in millions of euros)	June 30, 2020 <sup>1</sup>	December 31, 2019	Change
Equity attributable to owners of the parent	219.7	230.2	-5%
Net borrowings <sup>2</sup>	-10.6	30.4	n/a

<sup>1</sup> The limited review procedures have been carried out and the statutory auditors' report on the half-yearly financial information is currently being prepared.

<sup>2</sup> Excluding IFRS 16 debt

The first half of 2020 saw the declaration of a health emergency in France and all other countries where Gaumont operates. This had two main impacts on operations: first, the closure of movie theaters to the public; second, the temporary halt in shooting, prior to its resumption with enhanced safety measures.

This resulted in an adjustment to the movie release schedule and a postponed delivery of the Group's productions, the effects of which will be apparent in the second half of 2020.

No projects under way at the start of the health crisis were permanently shelved, and operations resumed at the end of the first half-year. Since March, Gaumont has been adapting its systems and working methods to ensure business continuity, while doing its utmost to protect the health of its employees and partners.

■ **REVENUE FOR THE FIRST HALF OF 2020**

Consolidated revenue for the first half of 2020 amounted to €69.9 million, versus €47.4 million as of June 30, 2019.

○ **CINEMA PRODUCTION**

Revenue for the movie production and distribution business amounted to €38.2 million as of June 30, 2020, versus €34.5 million as of June 30, 2019.

- Revenue from the release of films in French movie theaters stood at €3.1 million as of June 30, 2020, compared with €7.4 million as of June 30, 2019. Four films sold 1.2 million cinema tickets in the first half of 2020, whereas the five films released in the first half of 2019 sold 2.8 million tickets. The distribution of *Pappy Sitter* was interrupted by the closure of movie theaters to the public from March



15, 2020 to June 22, 2020. *Simply Black*, originally scheduled for release in April, was rescheduled for release in early July 2020.

- Revenue from video distribution and video on demand in France amounted to €4.0 million as of June 30, 2020, versus €4.2 million as of June 30, 2019. Physical video sales were affected by the closure of retail outlets during the lockdown. Conversely, this had a positive effect on the video-on-demand streaming of catalog titles and movies released in theaters in 2019.
- Revenue related to sales of broadcasting rights to French television channels amounted to €21.2 million as of June 30, 2020, versus €9.9 million as of June 30, 2019. French television channels broadcast more movies during the lockdown, which was a boost for Gaumont's back catalog. Revenue as of June 30, 2020 also includes revenue from first broadcast rights for the films *Three Days and a Life*, *Rolling to You* and *The Death of Stalin*.
- Revenue from film sales outside France came to €7.6 million as of June 30, 2020, compared with €10.6 million as of June 30, 2019. The global lockdown resulted in the suspension of theater releases, the cancellation of international conventions, and a decline in export sales of new releases.

#### ○ TELEVISION PRODUCTION

Revenue for the television production and distribution business amounted to €29.6 million as of June 30, 2020, versus €10.5 million as of June 30, 2019.

During the first half of 2020, Season 4 of *F is for Family* was delivered to Netflix in the United States, while the one-off special *Nine Days Awake* was delivered to Pro 7 in Germany.

Revenue as of June 30, 2020 also includes production income from *High in the Clouds* for Netflix in the United States, from the series *Arsène Lupin*, *Move* and *Lords of Scam* for Netflix in France, from the series *The Barbarians* for Netflix in Germany, and from the third season of *Tin Star* for Sky Atlantic in the United Kingdom.

#### ■ RESULTS FOR THE FIRST HALF OF 2020

Consolidated income attributable to owners of the Gaumont group resulted in a loss of €5.9 million as of June 30, 2020, against a loss of €18.1 million as of June 30, 2019.

Income from the production and distribution of feature films stood at €15.1 million in the first half of 2020, compared with €7.0 million in the first half of 2019. This increase is primarily due to the distribution of the movie catalog, mainly sold to French television channels.

Income from the television production and distribution business amounted to €3.2 million in the first half of 2020, against €1.0 million as of June 30, 2019. The increase is mainly due to the delivery of Season 4 of *F is for Family* and the margin on titles currently in production, such as *Arsène Lupin* and *High in the Clouds*, recognized using the percentage of completion method.

Revenue before overheads from the holding and real estate businesses totaled €0.8 million as of June 30, 2020, versus €0.7 million as of June 30, 2019.

Overheads, including general financing costs, totaled €24.4 million in the first half of 2020, compared with €26.9 million as of June 30, 2019. Gaumont has implemented a cost-savings plan in view of the health crisis and the economic situation. Nevertheless, it continued to invest in supporting the development of European operations and expanded its Animation division in the first half.



## ■ CHANGE IN FINANCIAL STRUCTURE IN THE FIRST HALF OF 2020

The impact of the health crisis has been analyzed and no evidence of impairment of the group's assets has been identified.

Gaumont had a net cash position of €10.6 million as of June 30, 2020, compared with net borrowings of €30.4 million as of December 31, 2019. This position mainly includes a positive cash balance of €130.4 million, the €60.0 million bond and self-liquidating loans of €51.4 million, based on proceeds from American series.

Movie investment came in at €5.5 million in the first half of 2020, compared with €14.6 million in the first half of 2019. Television investment totaled €36.2 million in the first half of 2020, compared with €56.5 million in the same period of 2019. The interruption of filming due to the health crisis, particularly on Season 3 of *Narcos Mexico*, led to a decrease in investments during the period of around €20.0 million. These investments will be carried forward to future periods as business returns to normal.

In March 2020, Pathé prepaid the final installment of €63.3 million in settlement of the purchase price of the shares in Les Cinémas Gaumont Pathé, due on June 30, 2020.

## ■ RECENT EVENTS AND OUTLOOK

The outlook for movie releases in theaters and deliveries of titles in 2020 has changed due to the closure of movie theaters to the public in France in spring 2020, the temporary halt in shooting, and the time it took to arrange remote working for the production of animated works.

One film has been released in theaters since July 1, 2020:

- *Simply Black*, directed by Jean-Pascal Zadi and John Wax, starring Jean-Pascal Zadi and Fary. Released on July 8, the film has sold more than 740,000 tickets.

Three films are due to be released in theaters by December 31, 2020:

- *Bye Bye Morons*, directed by Albert Dupontel, starring Virginie Efira, Albert Dupontel and Nicolas Marié;
- *Aline, the Voice of Love*, directed by Valérie Lemerrier, starring Valérie Lemerrier, Sylvain Marcel, Arnaud Préchac and Michel Drucker;
- *Vicky and her Mystery*, directed by Denis Imbert, starring Vincent Elbaz, Shanna Keil, Marie Gillain and Eric Elmosnino.

Four films originally slated for release in 2020 are now scheduled for 2021.

The following titles are due to be delivered in the second half of 2020:

- French productions: *Bronx*, a feature film directed by Olivier Marchal, to Netflix; *The Art of Crime Season 4*, to France 2; *Move*, to Netflix.
- US production: *Trial 4*, to Netflix.
- German production: *The Barbarians*, to Netflix.
- UK production: *Tin Star, Season 3*, to Sky Atlantic.

The delivery of five drama series and one kids' animated series, originally scheduled for 2020, has been postponed until 2021.

This line up remains subject to the evolution of the epidemics over the upcoming months.

## ■ DATES OF NEXT FINANCIAL COMMUNICATION

A press release on the full-year consolidated results as of December 31, 2020 will be published on March 11, 2021.

## APPENDIX: Half-year consolidated revenue

<i>Consolidated revenue by business segment (in millions of euros)</i>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>% change</b>
<b>Cinema production</b>	<b>38.2</b>	<b>34.5</b>	<b>11%</b>
Movie theaters France	3.1	7.4	-57%
Video France	1.4	3.1	-55%
Video on demand France	2.7	1.2	125%
Television France	21.2	9.9	114%
International films	7.6	10.6	-29%
Other movie distribution income <sup>1</sup>	2.2	2.3	-6%
<b>Television production</b>	<b>29.6</b>	<b>10.5</b>	<b>181%</b>
American dramas	19.2	1.8	948%
French and European dramas	7.5	5.8	31%
Animated films and series	2.9	2.9	-2%
<b>Trademark royalties</b>	<b>0.7</b>	<b>1.3</b>	<b>-44%</b>
<b>Other miscellaneous income <sup>2</sup></b>	<b>1.4</b>	<b>1.2</b>	<b>24%</b>
<b>GAUMONT GROUP</b>	<b>69.9</b>	<b>47.4</b>	<b>47%</b>

<sup>1</sup> Primarily includes spin-off products, music publishing and the GP Archives business

<sup>2</sup> Primarily includes real estate rentals and miscellaneous services provided to third parties