



EUROPACORP

PRESS RELEASE

Half-yearly results 2022/2023 and availability of the half-yearly financial report

- A half-year marked by the shooting of *DogMan*, Luc Besson's next film, the release of *Arthur Malediction*, and the sustained exploitation of the catalog
- EuropaCorp achieved an operating margin of €6.7 million (i.e. 51% of revenues), which enabled to cover its overheads still under control
- The operating result is thus balanced, and thanks to foreign exchange gains, the net result is positive at €0.7 million
- Cash flow generated by the activity amounted to €8.2 million, allowing the Group to meet the deadlines of the Safeguard Plan while maintaining a high level of cash

Saint-Denis, December 14, 2022 – EuropaCorp, producer and distributor of films and TV series, announces today its revenue and consolidated half-year results as at 30 September 2022, and the availability of its half-year financial report.

Half-yearly results – HY1 2022/2023

Consolidated income (€ million)	30 Sept. 2022 (6 months)	30 Sept. 2021 (6 months)	Variation (€M)
Revenue	13.2	17.3	-4.2
Cost of sales	(6.4)	(8.3)	1.9
Operating margin	6.7	9.0	-2.2
<i>% of Revenue</i>	<i>51%</i>	<i>52%</i>	
Overheads	(6.5)	(6.7)	0.1
Other income and expenses	(0.2)	0.4	-0.6
Operating profit (loss)	0.0	2.7	-2.7
<i>% of Revenue</i>	<i>0%</i>	<i>16%</i>	
Financial income (loss)	0.3	(1.4)	1.7
Current income before tax	0.3	1.3	-1.0
<i>% of Revenue</i>	<i>3%</i>	<i>8%</i>	
Tax	0.4	(3.2)	3.6
Net Income	0.7	(1.9)	2.6
<i>% of Revenue</i>	<i>5%</i>	<i>-11%</i>	
<i>Net Income (Group share)</i>	<i>0.6</i>	<i>(1.9)</i>	<i>2.5</i>

- **Revenues of €13.2 million, down 24% compared with the first half of the previous year, mainly due to lower Television & SVOD sales in the absence of significant rights openings linked to pre-financing**

International sales amounted to €7.2 million, or approximately 55% of total revenues. They increased by €1.4 million compared to the first half of the previous fiscal year, thanks in particular to the significant royalties received on *Lucy* and *Taken 3*.

Television & SVOD sales in France and the United States amounted to €3.9 million in the first half of 2022/2023, or 30% of revenues. They are down by €(6.0) million compared with the first half of 2021/2022 which included in particular the opening of rights linked to the pre-financing of *Valerian and the City of a Thousand Planets*, *Anna* and *Coexist*, against only that of *American Renegades* this year.

Theatrical distribution, marked by the release of *Arthur Malediction* in June 2022, totaled revenues of €0.4 million. The film attracted nearly 200,000 admissions in France.

Revenues from **Video & VOD** stood at €0.5 million in France and the United States, compared with €0.7 million last year, and mainly concerned VOD in France.

Revenues from the **TV Series** business amounted to €0.2 million following statements received on the series *Taken*, compared with €(0.3) million on this same series at September 30, 2021.

The **Other activities** item generated a total of €1.1 million compared to €1.2 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 €6.7 million, i.e. a margin rate of 51% compared to 52% in the first half of 2021/2022, which covers overheads that remained under control**

As a result of the decline in revenues, the operating margin fell by 25% to €6.7 million compared with €9.0 million in the first half of the previous year. However, the margin rate remained stable at 51%, compared with 52% in the first half of 2021/2022, with the business once again focused on operating the high-margin catalog.

Overhead costs amounted to €(6.5) million for the six months ended September 30, 2022, slightly down on the level of overhead costs for the first half of the previous fiscal year at €(6.7) million.

Other operating income and expenses amounted to €(0.2) million, mainly related to the sale of Digital Factory, compared to €0.4 million in the first half of the previous year which included reversal of provisions for risks and charges.

After taking these items into account, operating income was breakeven, compared with €2.7 million for the six months ended September 30, 2021.

- **The financial result for the first half of the year is positive at €0.3 million, thanks to significant exchange rate gains linked to the evolution of the EUR/USD, compared to €(1.4) million in the first half of 2021/2022, leading to a positive current income before tax of €0.3 million**

The financial result for the first half of 2022/2023 of €0.3 million breaks down as follows:

- €(1.3) million: cost of financial debt related to the Senior debt, spread over 9 years by the Safeguard Plan;

- €2.9 million: a positive exchange rate result linked to the evolution of the €/€ exchange rate over the period;
- €(1.4) million: other financial costs, including in particular the amortization of the costs of setting up the credit line and the rent expense reclassified as financial interest (IFRS 16).

Current income before tax was thus positive at €0.3 million, or 3% of revenues.

After taking into account a tax income of €0.4 million (including deferred taxes related to temporary differences in depreciation and amortization for 0.5 million), compared to €(3.2) million at September 30, 2021, the Group's share of net income for the first half of the year is positive at €0.6 million.

➤ **Operating cash flow still positive, mainly generated by the catalog**

Cash flow from operations for the first half of the year was €8.2 million compared to €10.5 million for the first half of the previous year. This is mainly due to the decrease in receipts from French television channels, which correlates with the decrease in Television & SVOD sales over the period.

Concerning investments in films, the Group invested €1.3 million, mainly on the film *DogMan*, compared with €1.1 million in the first half of 2021/2022.

➤ **An improved financial structure**

As of September 30, 2022, net debt amounted to €21.7 million compared to €26.4 million as of March 31, 2022. This decrease is mainly due to the payment of the second installment under the Safeguard Plan concerning the repayment of the Senior debt for €12 million (of which €2 million interest), partially offset by the cash flows generated by the catalog and cost control. The Group's cash position therefore only decreased by €6.3 million to €54.3 million at September 30, 2022.

➤ **Outlook**

As announced by Apollo Films, Luc Besson's *DogMan*, starring young American actor Caleb Landry Jones (winner of the Best Actor Award at Cannes in 2021) and American star Marisa Berenson, will be released in French theaters on April 19, 2023, distributed by EuropaCorp Distribution and Apollo Films.

This 20th feature film by Luc Besson, who also wrote the screenplay, is produced by LBP (Luc Besson Production), in coproduction with EuropaCorp.

EuropaCorp has also completed the coproduction, in partnership with Docsville Studios, of the documentary *Rainbow Warrior*, which ambitiously relates the story of the impact of French nuclear testing in the Pacific. This work is in line with the editorial line of documentaries to be produced by EuropaCorp, which focuses on three themes: environment, cinema and urbanity.

It will be distributed worldwide by Fremantle.

EuropaCorp has also signed a codevelopment / coproduction agreement for the adaptation into a series of one of its greatest successes, *Lucy*, with the Los Angeles-based company Village Roadshow.

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

Availability of half-year financial report

The half-yearly financial report as of September 30, 2022 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, 2022.

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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