



FL/ENTERTAINMENT

FL Entertainment 9M 2023 results

9 November 2023

List of MAIN speakers	Company	Job title
François Riahi	FL Entertainment	CEO
Sophie Kurinckx-Leclerc	FL Entertainment	CFO

FL ENTERTAINMENT 9M 2023 RESULTS

Caroline Cohen
Head of Investor Relations

Thank you. Sharon. Good evening. This is Caroline Cohen, Head of Investor Relations. Welcome to FL Entertainment's 2023 nine-month results webcast. Before we start, let me draw your attention to the disclaimer on slide two. I also want to remind you that this presentation is available on the company's website, and a replay of this call will be accessible in the coming days.

Today's presenters

Your speakers today are François Riahi, CEO; and CFO Sophie Kurinckx-Leclerc.

AGENDA

First, Francois will go through the key financial highlights for the period, followed by a quick business update. Sophie will then cover the financial results in more detail before Francois provides some concluding remarks. Over to you, Francois.

9M 2023 KEY HIGHLIGHTS

François Riahi
CEO

Thank you, Caroline. Good evening, everyone, and thanks for joining us.

Business highlights over 9M 2023

Results for the first nine months for FL Entertainment are solid across all activities, demonstrating the strength of our business model as well as the creativity and agility of our teams. On the content production and distribution side, we continue to profitably leverage our IP and grow our catalogue. Our superbrands continue to perform strongly, and we see sustained demand for our content from major streaming platforms as well as linear broadcasters.

During the nine-month period, we created Banijay Events to expand into the attractive and highly complementary segment of live event productions. We already have a leadership position thanks to our investments in Balich Wonder Studio and The Independents.

A few weeks ago during the Mipcom we invested in Hyphenate Media Group to meet demand for inclusive premium content from the Americas. On the online sports betting and gaming side, our ability to capitalise on continued strong momentum in player numbers drove double-digit revenue growth across all segments. Betclix also became the first non-UK operator to receive the International Safer Gambling Standard, or GamCare. I think it's a great achievement because that's an external assessment demonstrating our strong commitment to responsible gaming. And we released a new Betclix app, which is already highly rated by our users.

Financial highlights over 9M 2023

So now moving on to financial highlights. Group revenues were up 7.5%, which is a very good result when we consider the impact of the post-Covid recovery on the first nine months of 2022, which gave us higher comparative figures for that period. Adjusted EBITDA was up over 8%, while adjusted net income was up 5.6%. Importantly, we maintain our high level of cash conversion at 83%. Our financial leverage ratio was 3.2x as of 30th September 2023. And following the successful refinancing at Banijay, 85% of Group debt now has a maturity of 2028 or 2029. So that's our financial highlights for the first three months of 2023.

Q3 2023 revenue reflects continued solid momentum

Now, if we just have a look at the Q3 – later, Sophie will take you through our nine-month performance in more detail – but if we zoom on the Q3, you can see that the revenue growth was 6.6% compared to last year and driven by the Group-wide performance. At constant exchange rates, content production and distribution revenues were up 3.7%, which is a very solid performance that reflects the delivery of scripted and non-scripted shows to our diversified client base, and this is on this activity that the Covid impact was really visible, strongly visible in 2022.

Revenues grew by over 17% for online sports betting and gaming, reflecting continued momentum in terms of unique active players. Here, on the Q3, you also have a paid effect in 2022 as World Cup was in Q4. So during the Q3 2022, there were a lot of Champions League games, more than usual and more than in 2023. So this 17%, 17.3%, revenue is a very strong achievement.

Content production & distribution: profitably leveraging our IP and growing our portfolio

Now, in terms of some business elements, let's start with content production and distribution, where Banijay's high-quality IP and multi-format, multi-geography offer makes it a premier partner for both linear broadcasters and streamers. The combination of proven superbrands, series renewals and global circulating IP is a core driver of recurring revenue. A few examples here: Big brother, already present in over 30 territories, made a major return to UK screens on ITV after a five-year hiatus and has recently been commissioned for a second season. That's exactly what happened in France with Star Academy. We relaunched it last year and we have the second season this year. The program also performed well in Italy this year with demand for additional episodes.

Iconic non-scripted shows like Big Brother and MasterChef consistently perform well and are particularly compelling thanks to lower production costs. In a tougher advertising environment, risk-

averse broadcasters and streamers are looking for guaranteed winners and more profitable shows, and they come to us.

Our ability to create successful shows and produce them in several countries is another powerful growth engine. Just a few examples; I could name many. Good Luck Guys, which is a non-scripted reality production first created in France under the name *Les Apprentis Aventuriers*, has been picked up by Amazon Prime Video in Norway, Denmark and Sweden for a second season and a first season in the Netherlands. Another example, Love Triangle, a non-scripted show produced by Endemol Shine Australia for the Nine Network is going for a second season and is also commissioned in the UK by Channel Four. So that's really a very strong element of our business, the recurring nature, given these three elements iconic superbrands, season recommission, and IP circulation.

Of course, to feed all that, it's about relentless creativity and we continue every year to create original and scalable IP. It's true for the scripted shows. In France, we are currently co-producing Carême, an eight-episode scripted drama show and we released recently Alphonse. But it's also true in non-scripted, where several new formats have been created this year, and of course, which should lead to second seasons next year and circulation in other countries. So that's how our model is working.

In terms of documentary, I will just name one because the name is nice. Moulin Rouge: Yes We Can Can. A six-part documentary for the BBC. And we also have a very good, very strong documentary in sports with All-in-Team Jumbo-Visma, which is very successful. So this combination of recurring business and relentless creativity continually enriches our portfolio. So that's the third, I would say, part of the building.

We have the largest content catalogue in the world. And I think it's important to see that at the end of September 2023, it amounted to 180,000 hours, which is up 13% since the beginning of the year. That's a very important element and it's a powerful element in today's market. So this is appealing for both linear broadcasters and streaming platforms all around the world, and it's key to them retaining and attracting audiences.

**New venture Hyphenate Media Group:
new multi-platform media company for premium inclusive content**

So just a little focus on the development we announced a few weeks ago and which happened in Q3. We invested in Hyphenate Media Group, which is an exciting new partnership. Hyphenate Media Group is a multi-platform media company led by actress, producer and director Eva Longoria. Maybe you have heard of her. And Cris Abrego, chairman of Banijay Americas Group. Eva and Cris are both highly respected in the industry and have collaborated for over 20 years. We have taken a minority stake in the business and have the ability to increase our shareholding over time. Hyphenate aims to develop groundbreaking, premium, inclusive content with broad appeal both in scripted and non-scripted.

The business will target linear broadcasters and streaming platforms. As always, for us, we are agnostic and have strong development opportunities in the Americas. Hyphenate has acquired the full slate from Longoria's independent production label, UnbeliEVable, and also has an ongoing exclusivity agreement with her. The business will also target growth by acquiring independent, creator-led studios with proven leadership and the potential to scale.

**Online sports betting & gaming:
continued growth with new strategic initiatives**

So let's turn to online sports betting and gaming, where we continue to see a positive progression in terms of player numbers. I said, I think every quarter unique active players is really the most important metric to measure the commercial performance and the development of the business, and you can see that year on year we have seen a 34% rise, reflecting a high level of player retention after the Football World Cup at the end of last year, as well as the organic growth that we are experiencing in our market.

Betclac: The company built on high-quality technology, and we continue to develop our market-leading platform, launching a highly-rated new app that enhances our product offering and provides an improved user experience.

And the third element, I already mentioned, is responsible gaming. We are very serious about it. We are very happy about this certification, which is GamCare. And also, you know that we also always underline the percentage of our revenues coming from regulated markets. So this time we are around 99% of our revenues coming from markets with specific and robust local regulation. We cannot improve much. So that's for Betclac.

That's all from me for now. I'll be back at the end for some closing remarks before we open the line for questions, but I leave the floor to Sophie.

9M 2023 FINANCIAL RESULTS

Sophie Kurinckx-Leclerc
CFO

Thank you. François.

**9M 2023 revenue: healthy growth across businesses reflects Group's
differentiated strengths**

So let's start with Group revenue for the nine months, up 7.5% at constant FX rates. So as mentioned by François, the period saw a positive contribution from content production and distribution, up 3.5%, thanks to sustained customer demand.

Online sports betting and gaming performance was very strong, with revenue up 21% thanks to strong, unique active player growth, our high-quality product offering and a diverse geographic footprint.

Adjusted EBITDA performance over 9M 2023

This positive performance was reflected in our adjusted EBITDA, which is up 8% at constant exchange rates. And this leads to a very satisfactory level of profitability, with an adjusted EBITDA margin of 16.5%.

At a Group level, external expense rose by 7.5%. This increase primarily reflects an increase in tax paid in online sports betting and gaming, in line with the increase in revenue in the business. And in content

production and distribution, we also saw a small increase in external expense due to a change in the allocation of costs related to freelancers, initially booked in the personal expense line. So if you look at these two lines together, you can see that the increase is in line with the business growth as it increased by 5.5%.

Consolidated P&L over 9M 2023

Looking next at our consolidated P&L. LTIP expenses are up due to adding new beneficiaries this year and the initial impact of the accelerated first phase. As you know, in content production and distribution, the LTIP lasts eight years, but have an accelerated first phase, lasting four years. So over the duration of each plan, this expense will average around 10% of annual adjusted EBITDA, which is the level we target and we are fully in line with this. The decrease in other finance costs is mainly explained by the change in fair value of financial instruments, including hedging and put/earn-out on our debt, and includes also currency losses.

Cost of net debt mainly increased due to one off-costs related to debt refinancing. And as a result of the above, adjusted net income rose by 5.6% in the first nine months of the year compared to 2022.

Content production & distribution revenue over 9M 2023: leveraged power of the combined activities

Let's go now to results by business, starting with content production and distribution. Revenue for the first nine months of the year was up 3.5% at constant exchange rates. The solid performance that reflects the delivery of scripted and non-scripted shows to our diversified client base, as already explained by François. We saw solid performance in content production despite, as you remember, a strong post-Covid catch-up period in the first half of 2022. Production revenues were up over 4% in the nine months and almost 8% in Q3, explained by the delivery of scripted and non-scripted shows, new scripted and non-scripted shows, as well as additional episodes for recurring shows.

Distribution revenues were up over 5% in the nine months, and down 12% in Q3, which is mainly due to the comparison with Q3 2022, which saw the significant delivery of scripted shows with broad international appeal, most notably SAS Rogue Heroes and Marie Antoinette, which allows the distribution team to distribute these finished tapes during Q3 2022.

Content production & distribution: earnings and cash flow

The content production and distribution business maintained its profitability at around 14%. The reduction here in the change in working capital is mainly explained by year-on-year seasonality patterns due to production delivery timing, particularly in Q3 2022 due to the post-Covid catch-up. This also led to significantly higher operating free cash flow, up 79% year on year.

**Online sports betting & gaming:
continued strong 9M 2023 revenue growth across all activities**

Now, if we move to the next page to online sports betting and gaming. The revenues were up over 21%. All activities around this business recorded double-digit growth in the first nine months of 2023, with sportsbook revenue up 17% and online casino, poker and turf revenues up 41%. This performance is particularly strong as the sports schedule in Q3 2022 was more favourable due to the early start of the Champions League ahead of the World Cup.

Online sports betting & gaming: earnings and cash flow

Online sports betting and gaming adjusted EBITDA was up over 22% at consistently high margins, while our adjusted free cash flow conversion increased by two percentage points to 96%. Increase in income tax seen here is due to the payment of higher income tax linked to stronger performance and a change of the mix in countries.

Solid cash-flow generation

Adjusted free cash flow reached €392 million in the first nine months of 2023. This was driven by the earnings generated during the period and supported by the tight control of cash expense and capital expenditure. This resulted in a cash conversion rate after Capex and lease payments of 83%, which is in line with our guidance. And adjusted for changes in working capital and income tax paid, our adjusted operating free cash flows were €308 million.

Net debt variation

On the next slide, you can see that the Group's net debt stands at €2.38 billion. The increase during the year is mainly due to accretive M&A balanced by a solid cash generation. The 198 million shown in the middle of the slide relates to acquisitions completed during the period, namely Balich Wonder Studios, but also includes €63 million relating to the acquisition of the minority shares in Endemol Shine India, as highlighted in our last URD.

We have a strong cash position and significant undrawn secured credit line. During 2023, Banijay successfully refinanced the majority of its debt, extending maturities until 2028 or 2029. This demonstrates the Group's financial strength and flexibility as a highly cash-generative business.

That's all from me. I will now hand back to François for some concluding remarks.

CONCLUSION & Q4 2023 OUTLOOK

François Riahi
CEO

Thank you, Sophie. So, in summary, it has been a strong first nine months. In content production and distribution we have seen solid trends and sustained profitability. We have continued to strengthen

our IPO offer with our investment in Hyphenate, among many things, and we have diversified our business with the creation of Banijay Events. Online sports betting and gaming performance was excellent and is underpinned by our strong commitment to responsible gaming as demonstrated by our GamCare certification. So all in all, a very satisfactory first three quarters of the year.

Looking ahead to Q4. In content production and distribution, and for Banijay, Q4 is always a strong quarter in terms of show deliveries, and this year will be no different. And on full year, Banijay should land in line with our expectations. We continue to consolidate this fragmented industry. And as announced last week, we have acquired The Forge, one of the most highly regarded drama producers in the UK, which is a good illustration of the fact that Banijay remains the preferred partner for the best creative talent.

When it comes to Balich Wonder Studio, it will be consolidated to content production and distribution from Q4 onwards. As we mentioned previously, the business has a strong presence in Saudi Arabia, Qatar and the United Arab Emirates. In these markets, some events have been postponed or cancelled out of respect for the ongoing conflict in the broader Middle East region. As a result, we anticipate a negative impact of €10–15 million on the proforma 2023 adjusted EBITDA guidance we provided at H1 2023 results.

Now, in terms of online sports betting and gaming. The business momentum is very good and even better than what we expected at the beginning of the year, as illustrated by the growth of unique active players and we expect this trend to continue in Q4. As we said many times, we have some volatility elements in sports betting due to the sports results, when the sports results are not in line with the statistics, which has been the case in October, where, like many of our peers, we experienced some adverse series of sports results. But we are already seeing this impact beginning to reverse, with strong volumes recorded in recent week. So this impact is expected to be fully offset by the end of Q4 2023 or in Q1 2024 at the latest. So we don't change our views on where Betclik should land at year end. But as there are only two months left before year end, there's a part of uncertainty.

That's all from me. Thank you for your attention. And back to you, Caroline.

9M 2023 RESULTS

Caroline Cohen

Head of Investor Relations

Thank you. Francois. So it's now time for questions. So please, can I just ask you to state your name and your company? I leave the floor to Sharon, operator, to explain the procedure.

QUESTIONS AND ANSWERS

Operator Thank you. To ask a question, you will need to press *11 on your telephone and wait for your name to be announced. To withdraw your question, please press *11 again. If you wish to ask a question via the webcast, please type it into the box and click Submit. We will now go to your first question. One moment, please. And your first question comes from the line of Thomas Singlehurst from Citi. Please go ahead.

Thomas Singlehurst (Citi): Thank you, François. Thank you, Sophie. And thank you, Caroline. Congrats on the results. A very, very solid set of numbers. I had a couple of questions if it was okay. Maybe starting with the shorter term one, you talk about that hiatus at Balich, which you've obviously just acquired. Is that something we should expect to sort of reverse back in 2024, when hopefully things calm down? That was the first question. Secondly, we've heard from a number of your peers that there is pressure as a consequence of broadcasters sort of struggling for revenue – so the second order impact of deferrals – but you seem to be talking about a high level of deliveries into the fourth quarter. I'm just wondering whether you think there will be any pressure maybe for you in 2024 if ad markets remain weak. That puts pressure on content production budgets for broadcasters around the world, and whether that will have an impact on your 2024 outlook. Those are the two questions. Thank you.

François Riahi: Thank you for these questions. On the first one, yes, at this stage we expect most of the shows to happen in 2024, but as the situation is what it is today, of course it's very difficult to consider that it's a given. So we'll see how it evolves. But yes, the majority of it is about postponement.

On your second question. So yes, in Q4 we see a high level of deliveries. I think we have a very diversified geographic footprint. And if you look at the publication of our peers and our clients, you can see some very different trends in terms of advertisement revenues for broadcasters. And also, what are their intentions in terms of content purchase. So, we see trends that are not all the same in the different countries. And it's too early for us to give some outlook in 2024. Next quarter we don't have today a view on 2024. You know we are a very decentralised organisation. But, yeah, we see these trends that are different among countries. For example, in the UK, I think the advertisement market has been tougher, for example, than in France or in some other continental Europe countries. So it's not just one way. There are different trends. And also, we consider that we have some good elements in a difficult market. Superbrands, catalogue, et cetera, that are very helpful.

Also, another element. Some of our peers have said that they were impacted by the strike in the US. And as we mentioned, it's not our case as we are not active in the scripted business in the US. We were not before Hyphenate, but just a start.

Thomas Singlehurst (Citi): That's very clear. Thank you very much.

Operator: Thank you. We will now go to our next question. And your next question comes from the line of Conor O'Shea from Kepler Cheuvreux. Please go ahead.

Conor O'Shea (Kepler Cheuvreux): Yes. Thank you. Thank you for taking my questions. Good evening. Three questions from my side. Just first question. François, if you could maybe remind us of the expected contribution or the pro-forma contribution of Balich, just so we can do the calculation versus the 750 million pro-forma adjusted EBITDA. So if you're looking for 10–15 million below that, what kind of range that might come out or reported adjusted EBITDA for 2023? That would be helpful.

Then the second question maybe for Sophie. The run rate on the LTIP and cost of debt for nine months, should we extrapolate that for the 12 months? Is that a fair assumption? I think that's about 200 million cost of debt. Interest costs about 140 million LTIP. And then the last question, maybe also for Sophie, you gave some numbers on adjusted net income. I think, if I'm right, in Q3 that implies a decline year on year of about 30%. I don't know if that's related to tax or some other timing issues. Maybe you could just come back on that one. Thank you.

François Riahi: So you decide who will answer your question. We will follow.

Conor O'Shea (Kepler Cheuvreux): No, no, no. It's open season.

François Riahi: No, I'm joking. So on your first question, we have given two guidances. Our guidance at the beginning of the year and one on the pro forma of acquisition. So what we are saying roughly is that on the pro forma of acquisition, the guidance is lowered from €750 million to €735 million, maybe a little bit more, but that's the Balich impact. We have not given a guidance on the reported, which will include part of the acquisition, et cetera. So on the €710 million guidance, that includes only Banijay and Betclac. We don't change this guidance. Maybe we just have potentially an FX impact on Banijay because we are in line with our expectation in different countries, but it's a minimal element.

And then on sports betting, as we mentioned, we expect to be in line, but we had some really a lot of room before October, because we were ahead of our expectation before the adverse results in October. And now we think we will be just in line, but we cannot exclude that there are some other adverse sports results in the next two months. For the moment it's not the case, but we cannot just predict this trend. And it gives me the opportunity to come back on that, because of course, this type of statistical elements can happen any time in the year. I give you an example: last year the final of the World Cup was on the 18th of December.

I would have liked France to win because I'm a patriot. But I must say that if France had won, it would have been negative for us in terms of EBITDA and it was the 18th of December, so you cannot really catch up before year end. Here, we had already during the year, a month that was not in line with the statistics, which was February, and we caught up in two months. And as it was in February, we had no doubt that it would be corrected, compared to our expectations. Here, we still think it will be caught up, but we are closer to the year end. So that's why we have a part of uncertainty about it. But there are strong mechanisms to be sure that in a few months the trend is caught up and if we have some volatility, we can catch it up here again. That's our best estimate, that we should be able to catch it up at the end of the year. But there's a little bit of uncertainty. So that's our situation on the €750M that we are revising downwards to €735M. And on the €710M that we are not revising downward because our businesses are really in line with our expectation. Again, on a commercial point of view, Betclac was ahead of our expectation. But given this October month, now we just expect to be in line.

Conor O'Shea (Kepler Cheuvreux): Okay. Thanks.

François Riahi: There were other questions for Sophie.

Sophie Kurinckx-Leclerc: So regarding first run rate, LTIP, and cost of net debt. So what we usually give is that in terms of LTIP, as I explained, we have some accelerated phase during the first four years especially in content production and distribution business. So that's why we prefer to give guidance over the next several years, I mean, to give an average. So on an average basis we take 10% of the EBITDA. So that's what we think is better to forecast our business.

In terms of cost of debt. So as we mentioned, in March, we amended and extended the two Term Loan B's from March 25 to March 28. As you know, we had some hedging instruments for these two Term Loan B's with the maturity at the end of March 2025, and we will continue at Group level to benefit from these two hedging instruments. So that's why on this part of the financing of Banijay, we don't expect an increase of the cost of debt for the next two years.

On the other side, in September, we refinanced the two senior secured notes, and of course, we knew an increase of the interest rate and we expect an annual increase for this part of the debt by around €33 million on a yearly basis. Then we have also some small increases as we add a new Term Loan B on the sport betting side and an additional Term Loan B in Banijay. But the incremental cost of debt should be around €5 million for these two parts.

Conor O'Shea (Kepler Cheuvreux): Okay. So that is versus 2022, is that right?

Sophie Kurinckx-Leclerc: Yes.

Conor O'Shea (Kepler Cheuvreux): So about an extra 38 million. But is that a full year effect or is that something we will see already in 2023?

Sophie Kurinckx-Leclerc: No it's a full year effect.

Conor O'Shea (Kepler Cheuvreux): Okay. So it would be less for 2023?

Sophie Kurinckx-Leclerc: Yes. But what is important is that at the end of September, you have some one-off costs due to this refinancing of Banijay. And these one-off costs are around €35 million. That's why you have this increase also. This is the redemption cost and everything like this.

Conor O'Shea (Kepler Cheuvreux): Okay. Makes sense. Thank you. And then on the adjusted net income?

Sophie Kurinckx-Leclerc: I didn't understand this question. Sorry.

Conor O'Shea (Kepler Cheuvreux): Yeah. I think if I'm not wrong, the adjusted net income growth slowed a lot in nine months. So I think if you just take the third quarter, it implies a decrease year on year of 28%. So I'm just wondering if there was some timing effects or tax or something like that at the adjusted net income level in the third quarter, or the costs of the refinancing.

Sophie Kurinckx-Leclerc: Yes. That's mainly the cost of the refinancing that we discussed just earlier.

Conor O'Shea (Kepler Cheuvreux): Okay. Makes sense. Thank you.

Sophie Kurinckx-Leclerc: You're welcome.

Operator: Thank you. We will now go to our next question. And our next question comes from the line of Jamie Bass from Redburn Atlantic. Please go ahead.

Jamie Bass (Redburn Atlantic): Hi, guys. Yeah, thank you for taking my question. First, sorry, this is actually a bit of a repeat of the question, but could you just clarify on how this works, on what you were saying about adverse sports results in October and that reversing from November and beyond? Is that basically saying you just have more volume coming in rather than the actual beneficial sports results coming out over the next few months? Could you just clarify that, please? And also on The Forge acquisition, could you give us any sort of guidance as to how material this will be for 2024 numbers? Thank you.

François Riahi: On your first question, yes, I confirm we don't have any statistical results in the other way, but we have more volumes which is kind of mechanical because we have, when players win, they actually withdraw very little. Because it's entertainment, they want to continue to bet. And finally, what they win is a way to bet more and to have more fun. And so, we see the volumes up. Another element also is the fact that if you take France. The regulation caps the return to bettors, to players. So all the market increases margins to make sure you take into account the fact that you have paid more the players. So you have some, I would say, automatic or mechanical impacts. And that's why we are confident that the results we didn't make on the statistics come back. We have a lot of past experience on that. It's not our first bad month. So of course, the more we have players, the more impact is a bad month. But we are confident on how it reverse.

On The Forge, we don't disclose this number.

Jamie Bass (Redburn Atlantic): Okay. No problem. Thank you very much.

Operator: Thank you. We will now go to the next question. And your next question comes from the line of Frauke Wolkewitz from ODDO BHF. Please go ahead.

Frauke Wolkewitz (ODDO BHF): Hello and thank you for taking my questions. A couple of housekeeping questions. You have, I think, a 80–90 million vendor loan maturing in November this year. Any plans for that? And any plans for the June 25 Betclac maturity? And what was the amount of recourse factoring which you used end of September? And that's all. Thank you.

Sophie Kurinckx-Leclerc: So the vendor loans maturity. Yes, you're right. The first maturity was in November this year, but it has been automatically extended for one year. So now the new vendor loans maturity is November 2024. Regarding the terms, Term Loan B in Betclac with a maturity in June 2025, we will review this and we will think in due time, but we will refinance it in due time, if need be, or we will be able to pay it back in June 2025.

And your last question was on non-recourse factoring. And the amount is quite consistent with what we saw in the previous quarter. So no significant change in this amount.

Frauke Wolkewitz (ODDO BHF): And what was the amount, please?

Sophie Kurinckx-Leclerc: It's around €170 million.

Frauke Wolkewitz (ODDO BHF): Okay. Thank you.

Operator: Thank you. We will now go to the next question. And your next question comes from the line of Jean-Yves Guibert from Bluebay Asset Management. Please go ahead. Excuse me Jean-Yves, is your line muted?

Jean-Yves Guibert (Bluebay Asset Management): Yeah. Hello. Hi. Good afternoon. I've got two questions. One housekeeping question and one strategic question. Housekeeping question: I refer to the slide 31 in the Appendix. You report as of September 23, an adjusted leverage ratio of 4.85x. And that's based on the total net financial debt, including earnout and put option. So from that, I derive the pro-forma EBITDA of 525 million€, which implied a 56 million€ bridge to the LTM EBITDA on a reported basis. And the 56 million€ bridge represented a 35 million€ increase compared with the previous bridge as of June 23. And I just wanted to know whether you can confirm whether this 35 million differential corresponds to the pro-forma EBITDA from Balich Wonder Studio that you include now in this pro-forma EBITDA of €525 million. So previously it was more or less €40 million, but it looks like it's 35 million still included in this pro-forma EBITDA.

My second question is about All3Media. So Liberty Global and Discovery have reportedly kicked off the sale process. And if you can comment on that, whether you have you have decided to look at it. And what is the current timing with respect to these assets, if you were to contemplate putting a bid on it? Thank you.

François Riahi: I start with that. We are not going to comment on it. And I let Sophie answer on the more technical question.

Sophie Kurinckx-Leclerc: On the technical question, yes, the EBITDA to take into account to calculate this adjusted leverage ratio should take into account the last 12 months pro-forma Balich EBITDA. So that's why you have this.

Jean-Yves Guibert (Bluebay Asset Management): And which amount has been included for that, especially for Balich? Is that €35m or €30 million in this pro-forma calculation?

Sophie Kurinckx-Leclerc: It's around this, yes.

Jean-Yves Guibert (Bluebay Asset Management): Okay. Thank you very much.

Operator: Thank you. We have one further phone question. And the next question comes from the line of Jean Maltais from Palm Lane Capital. Please go ahead.

Jean Maltais (Palm Lane Capital): Thank you for taking the question. Just a housekeeping, please, on your LTIP arrangements. Can you please give us a sense of the cash movements we should anticipate in the short to medium term?

Sophie Kurinckx-Leclerc: Well, we don't provide with the scheduled payments in the future of the LTIPs. But what you can take as an assumption in your modelisation in the terminal value is 10% of EBITDA.

Jean Maltais (Palm Lane Capital): But concretely, should we anticipate, say, next year, a cash outflow for LTIP?

Sophie Kurinckx-Leclerc: Yes. Well, every year we will have some amounts to be paid in this line LTIPs. Yes.

Jean Maltais (Palm Lane Capital): Thank you.

Operator: Thank you. There are currently no further phone questions. I will hand over to Caroline for the webcast questions.

Caroline Cohen: Thank you, Sharon. So we've got a couple of questions. The first question is to explain the drop in EBITDA margin in the content production and distribution in Q3. The reason why?

Sophie Kurinckx-Leclerc: Well, in fact, what is important to see here is that the EBITDA for the first nine months, 2023, increased by 0.9% at a constant exchange rate, which is clearly in line with the revenue increase during this first nine months, as it is around 1.2%. Did I answer the question?

Caroline Cohen: Yes. And then, can we provide some more colour on Q4 for Banijay in terms of revenue growth?

François Riahi: That's a Q3 result. So we'll give the Q4 at Q4. But as explained, we give a global guidance and we are in line with what we expected of Banijay. Again, let's not forget about, if you take 2022, it was a very, very high year compared to 2019, before Covid, there has been a huge growth and this is a high base. But again, we are quite happy with Banijay.

Caroline Cohen: And then another question is, is the end of the actor strike a positive for us in any way?

François Riahi: Not directly, because we are not active in scripted in the US. But if it's positive for the industry and for our clients, it's positive. We prefer to be in a situation where it has found a good solution.

Caroline Cohen: So I think that's it on our side, Sharon. So I guess I leave the floor to you.

Operator: There are currently no further phone questions. I will now hand back to Francois Riahi for closing remarks.

François Riahi: I don't have more closing remarks. Thank you very much for joining this call. And next interaction will be on March 7th for the full year results. Thank you very much.

Sophie Kurinckx-Leclerc: Thank you. Bye.