FINAL TRANSCRIPT

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PRESENTATION

Operator

Hello, and welcome to WildBrain's Fiscal 2024 Q3 earnings call. Today's conference is being recorded. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. To ask a question during that time, please press *, then 1 on your telephone keypad. If you would like to withdraw from the queue, press *, 2.

I would now like to turn the call over to Kathleen Persaud, Vice President, Investor Relations, at WildBrain.

You may begin your conference.

Kathleen Persaud — Vice President, Investor Relations, WildBrain Ltd.

Thank you, Joanna. Thank you, everyone, for joining us today for WildBrain's Third Quarter 2024 earnings call.

Joining me today are Josh Scherba, our President and CEO; and Nick Gawne, our CFO.

Before we begin, please note the matters discussed on this call include forward-looking statements under applicable security law with respect to WildBrain, including but not limited to, statements regarding investments and acquisitions by the Company; commercial arrangements of the Company; the business strategies and operational activities of the Company; the Company's content production, pipeline, and greenlights; the markets and industries in which the Company operates; cost and expense management; the Company's leverage and plans for debt and leverage reduction through the sale of noncore assets; refinancing of the Company's indebtedness; the value of the Company's assets;

and the future growth objectives, targets, and financial and operating performance of the Company and its businesses.

Such statements are based on facts and assumptions that Management believes are reasonable at the time they were made and information currently available. Forward-looking statements are subject to a number of risks and uncertainties. Actual results, or events in the future could differ materially and adversely from those described in the forward-looking statements as a result of important factors, including the risk factors set out in the Company's most recent MD&A and Annual Information Form, which are available on the Investor Relations section of our website at wildbrain.com under SEDAR filings.

Please note that all currency numbers are in Canadian dollars, unless otherwise stated.

After remarks, we will open the call for questions.

I will now turn the call over to our President and CEO, Josh Scherba.

Josh Scherba — President & Chief Executive Officer, WildBrain Ltd.

Thank you for joining us today.

It is now clear that our content production business is returning at a strong pace for Fiscal years 2025 and 2026, having bottomed in Fiscal 2024 due to an industry-wide slowdown in greenlights this year. We have several projects already greenlit, and our development pipeline is robust.

Our acceleration out of the industry slump, which we believe is outpacing most of our peers, is driven by sound decisions and investments we made over the last few years to respond to where we saw the industry heading and reposition our capabilities to focus on premium content.

Our key partners in Apple and Netflix have refined their content strategies to focus on quality over quantity in a way that dovetails perfectly with our portfolio of assets, our franchise focus, and our strong creative capabilities. This has led to more deliberate and considered development phases designed to ensure project quality and increase the probability of success with fans.

This commitment to development with our partners also ensures much higher degrees of certainty around greenlights.

It's clear to us that premium content for franchise IP is what the industry is demanding, and we offer that in spades.

While reported earnings this quarter and next will continue to reflect the significant headwinds from the slowdown in greenlights, our Vancouver studio is already ramping hiring to staff the growing number of projects in our pipeline.

As we spoke about last quarter, greenlights in our content pipeline for Fiscal years 2025 and 2026 signal a return to historical levels, driven by strong brands and our 360-degree expertise in Content Creation, Audience Engagement, and Global Licensing.

I'll spend a few minutes with an update on each of these pillars for some highlights in the quarter.

In Q3, Apple TV+ announced the global premiere of our new series, *Yo Gabba GabbaLand!*, set for August 2024. The series expands the beloved universe of *Yo Gabba Gabba!*, which has delighted kids and parents alike worldwide with its blend of supremely singable music, colourful live-action characters, and captivating animation.

For those of you who may not remember, *Yo Gabba Gabba!* made its debut back in 2007 as a tentpole show showcasing lessons with a beat on Nickelodeon. The original series spanned 66 episodes across four seasons and became a cultural hit with five international live tours, multiple awards, and even a White House appearance.

The love for Gabba remains strong with fans. The cast made a surprise appearance at the Coachella Music Festival in April, generating organic social media engagement of 20 million impressions and earned media reach of 790 million potential readers.

Working with our partners on the IP, a new consumer products licensing program will be ramping up for Yo Gabba GabbaLand! in the months ahead. We also see high-margin opportunities across music and live entertainment to fully monetize the power of the brand.

I’ve seen the series and it’s awesome. It’s really everything we could have hoped for in a Gabba 2.0. And in addition to launching *Yo Gabba GabbaLand!* this spring, Apple TV+ will also be launching our latest peanut series, *Camp Snoopy*, in the coming months as part of their summer lineup.

Turning to Audience Engagement.

This team manages over 500 YouTube channels for our own brands and partners using data-driven insights and platform expertise to connect with one of the largest audiences of kids watching YouTube.

Kids are highly engaged on our YouTube network, with over 60 billion minutes of videos watched in the quarter, up 30 percent versus last year. We saw particular strength in the WildBrain channels, which contributed to margin expansion in the quarter.

Our digital team in London just received an elite YouTube Diamond Creator Award for surpassing 100 million subscribers on one of our channels.

YouTube Shorts continues to be a key engagement tool to attract viewers to our vast network. We’re continuing to learn and refine this new lever for audience acquisition to meet audiences where they are. During the quarter, we saw significant increases in watch time in YouTube Shorts.

We continued to see strength in several of our KPIs across our YouTube network, including average view duration, with double-digit growth rates year over year. Increases in average view duration is an important component in driving engagement and monetization, as it maximizes the amount of ad revenue each video generates.

We also saw strength in our FAST business, with new channels launched and sustained growth in watch time across multiple platforms. FAST and non-YouTube AVOD channels on platforms such as Samsung, LG, Roku, and others are a nascent, but rapidly growing industry opportunity.

FAST stands for free ad-supported television and more closely mirrors the traditional linear viewing experience. It's really just a digital version.

We are able to leverage both our technology, infrastructure, as well as our content library and deep engagement know-how from our YouTube platform to rapidly enter and scale this market.

Our strategic expansion into more kids and franchise-led channels has translated into higher viewership, from under 300 million minutes watched in 2019 to over 5.5 billion minutes watched in the US in 2023.

We have more than 85 channels, making us the single-largest kids content offering across FAST and are on pace to continue to add more.

We will continue to utilize our first-mover advantage for both our owned and partner brands and see opportunity for growth in 2025 and beyond, as linear dollars continue to migrate to these platforms.

Looking at Global Licensing now.

This pillar includes the activities of our leading licensing agency, WildBrain CPLG, as well as our franchise management activities for key owned brands, such as Teletubbies and Strawberry Shortcake, and our interest in the Peanuts brand operated by the Peanuts Worldwide subsidiary.

The Peanuts business continues to perform well, particularly in the US, and the rollout in China continued to show strength with the onboarding of new key partners.

Snoopy donned his astronaut suit again for the new Snoopy Moon Swatch from Omega and Swatch, which launched in both black and white versions featuring Snoopy lying on the celestial satellite. The coveted watches sold out at launch.

Another of our key brands, Strawberry Shortcake, is celebrating its 45-year anniversary with a slew of new partnerships and collections. Of particular note is the launch of a new Strawberry Shortcake toy line from The Loyal Subjects in 1,700 Walmart stores, which will be further rolling out this month to all of their locations in the US for a total of approximately 3,900 stores. Sales on the initial launch have been very strong.

It is strong partnerships like this and many others in our pipeline that will drive our own brand's growth in 2025 and beyond.

In our own brands, the number of licences grew double digits year over year, and we saw strong growth in Asia-Pacific. With the investments we've made in Asia-Pacific over the past couple of years, we are seeing the increased demand for our IP, particularly Peanuts and Teletubbies.

During the quarter, we signed several new licences that will roll out in 2025 and saw particular strength in China and Korea across LBE.

Our pipeline is full, and we see strong growth in 2025 and beyond.

WildBrain-owned and third-party brands were nominated for an unprecedented 12 Licensing International Excellence Awards, which are the industry's top honours, including Best Licensed Brand for Peanuts, Teletubbies, and Strawberry Shortcake. To put that in context, other comparable kids IP companies received no more than five nominations, highlighting our team's expertise and brand recognition.

Global Licensing is a core pillar of our business and with continued growth in brands like Peanuts, large opportunities across Strawberry Shortcake and Teletubbies, and new opportunities with Yo Gabba Gabba!, we are well positioned for future growth.

Turning to our capital allocation. Reducing leverage and simplifying our company and capital structure remain top commitments. We have made significant progress on both our non-core asset sales, as well as our path to refinancing or repaying our convertible debentures.

While we have nothing to announce today, we look forward to providing updates in due course.

Given our large portfolio of assets, we're confident that through this sale process we can accomplish the three core objectives we've previously outlined: One, simplify and focus our business; two, improve our balance sheet; and three, drive shareholder value.

With great franchises and a strong team aligned together, we are well positioned to deliver value.

With that, I'll turn it over to Nick.

Nick Gawne — Chief Financial Officer, WildBrain Ltd.

Thanks, Josh.

Third quarter consolidated revenue was $100 million, down 29 percent, driven primarily by the reduced output in our studio businesses as a lag effect from the slowdown in greenlights, as Josh noted.

Content Creation and Audience Engagement revenue was $41 million, down 49 percent as a result of lower content production and the timing of distribution deals year to year.

As we discussed last quarter, with over 60 percent of content production revenue already greenlit for Fiscal ‘25, we have confidence we will return to growth.

Within Audience Engagement, we are realizing the benefit of our efforts to refocus the YouTube network of higher-quality content and our owned brands, which is beneficial to our margin profile.

Global Licensing revenue was $50 million, down 3 percent. We saw growth in North America for Peanuts and our global licensing agency, WildBrain CPLG, saw growth in China and Asia-Pacific.

In line with many apparel and toy companies, both Peanuts and WildBrain CPLG saw some softening in Europe. Peanuts was additionally impacted by an FX headwind with the yen.

Television revenue was $10 million.

Gross margins in the quarter were up over 250 basis points, with our higher-margin businesses, Global Licensing and Audience Engagement, being a high proportion of total revenues. Gross margin dollars were down with the lower revenue.

SG&A expenses were $25 million, down 11 percent from a year ago, as a result of a continued focus on streamlining ongoing operating costs.

Adjusted EBITDA of $20 million was down 40 percent year over year, with a lag effect of the slowdown in greenlights in the content production industry.

Net loss was $15 million in the quarter, primarily driven by lower gross margin dollars offset by lower SG&A, a reduction in the change of the fair value of embedded derivatives, and the non-recurring non-cash impairment of investment in film and television acquired library content in the prior period.

Free Cash Flow for the quarter was negative $3 million compared to negative Free Cash Flow of $5 million last year.

Free Cash Flow is subject to variability with working capital timing and our interim production financing payables.

Our leverage at the end of the quarter was 4.97x.

As Josh mentioned, we are focused on and confident in our ability to address the 2024 convertible debentures and reducing our leverage over time.

While we will not achieve our target leverage of under 4x in fiscal 2024, our commitment to reducing leverage to under 4x remains unchanged. We expect to achieve this through a combination of EBITDA growth and the completion of non-core asset sales.

We have a number of live files and processes currently in motion, which we expect will accomplish the goals we outlined.

Turning to guidance, we continue to expect revenue to be down approximately 8 percent to 12 percent year over year and expect adjusted EBITDA to be down approximately 5 percent to 10 percent year over year.

Thinking about the fourth quarter, there are a few points to keep in mind.

Fourth quarter last year was a lighter quarter, which makes year-over-year comparisons challenging. We expect certain large distribution deals to be executed in the fourth quarter, some of which slipped from the third quarter.

By focusing on our key brands and on opportunities that will move the needle, focusing on improving our cash conversion cycle, and making great capital allocation decisions while maintaining a focus on controlling the cost base, we are well-positioned for long-term growth.

I'll hand it over to Josh as we wrap up.

Josh Scherba

I'm coming up on my one-year anniversary here as CEO, and I would be lying if I said it wasn't a tough year. The incredible headwinds in our content production business driven by the impact of the strikes has been difficult.

That said, I do think it has been a very productive year. We made a lot of progress operationally to position ourselves for growth across the organization as the content headwind subsided. We focused on driving operational efficiencies in every area of the business. Our owned brands are in a strong position, with clear line of sight on the opportunities ahead.

WildBrain CPLG continues to drive growth, adding new partners, new licensees, and growing geographically. Peanuts is coming up on its 75th year anniversary with a pipeline full of new opportunities, both domestically and internationally. Our YouTube network has returned to strong growth, and we have positioned ourselves to capitalize on the growing FAST opportunity.

The content headwinds have turned for us, and we are thrilled about the depth and strength of our content slate and the commensurate growth we see from this business.

So yes, 2024 has been a tough year, but it has also been a very rewarding year. I am excited for where we are headed.

I want to thank the management team and all of our employees for their incredible support and hard work this year.

To our stakeholders, we are committed to growing the business, reducing our leverage, and driving shareholder value.

With that, I'll open it up to the Operator for questions.

Operator?

Q&A

Operator

Thank you. At this time, if you would like to ask a question, please press *, then 1 on your telephone keypad. If you would like to withdraw from the queue, press *, 2.

Please stand by while we compile the Q&A roster.

Thank you for waiting. Your first question comes from Aravinda Galappathige, Canaccord Genuity. Please go ahead.

Aravinda Galappathige — Canaccord Genuity

Good morning. Thanks for taking my question. I did want to start with the balance sheet.

We are obviously getting close to the September timeline here with the converts. Is it fair to say you have options even in the back—even in the event where you're not able to complete non-core asset sales between now and then? There's conversations being had that would allow you to kind of refinance that? I just want some clarity on that to begin with.

Josh Scherba

Yeah. Thanks, Aravinda, for the question. It's a really good point. These are independent paths.

We have absolute confidence in our ability to repay or refinance the convertible debentures, and at the same time we've been making great progress on non-core asset sales. But those are separate processes.

We're nine months into the non-core asset sale process. It's really brought out a number of interesting conversations for us and interesting opportunities that we continue to pursue. We make progress month by month, but timing is difficult to predict, but all we can say is that we continue to progress on that front.

Aravinda Galappathige

Okay. And just maybe a small question on that. Are you allowed to use your—for part of that, can you use the existing revolver? Or is that not possible maybe because of some covenants I may not be aware of?

Nick Gawne

We're looking at a number of options to kind of refinance or repay the convertibles. And I don't think it serves us to go into any particular option in detail.

As I say, we're confident in our ability to do this in the timeline that we need to do it.

Aravinda Galappathige

Okay. And then on the interest rate swap, can you sort of, maybe, help me sort of do the math on the impact on interest expenses post the swap? I mean, what, kind of, the net increases just to kind of help us with our modelling? I mean, we can kind of come up with an approximate number, but I just wanted to make sure that we get a more definitive estimate from you.

Nick Gawne

So we have the swap coming due at the end of June, which is kind of mid-5 percent range on around about US$185 million of debt. So the math would be kind of our kind of run rate SOFR plus margin on the amount of swap coming due.

Aravinda Galappathige

Okay. Okay. Okay. And then maybe on the operational side, Josh, I heard the comments you made about Strawberry Shortcake, as well as—I don't know if you're expecting some—much licensing from Yo Gabba as well straight off the bat.

How should we think of that global licensing number? I know Peanuts is doing well, but I'm kind of thinking of what else sort of is there to, kind of, support Peanuts in terms of brands?

Josh Scherba

Sure. So I'll start by talking a little bit about Strawberry.

We've refined our approach to Strawberry over this fiscal year. We've been leaning into heritage and we've been getting real momentum on it started on our social channels, and now we have a product line out of Walmart with Loyal Subjects. It's a toy line that, from what we're hearing, is selling through well.

They're expanding the number of stores that it's in this month to 3,900 stores. So it's going to be across Walmart all over the US. And really, we see this as a stepping stone. The importance of selling through this quarter is important to really build on what we're going to do next year where we can expand the line, expand the number of retailers, and really get into a meaningful contribution and continue to grow from there.

In terms of Yo Gabba Gabba!, again, we're early stages here. The series is going to launch in August. Right now, what we're doing is really building on the fandom that already exists in the IP.

As I mentioned, the appearance at Coachella demonstrated that there continues to be a really rabid fan base for Gabba. And so we will be seeding the market with some individual licensing deals in the coming year and then look for further growth as we get into '26 and '27.

But yeah, overall certainly support coming for our Peanuts brand business in terms of other contributors from our portfolio.

The other one that we didn’t mention is Teletubbies, which we’re taking more of a geographic approach to. We see significant potential there in China specifically for Teletubbies. And that’s something that we expect to contribute next year as well.

Aravinda Galappathige

Okay. Thanks.

Nick Gawne

Aravinda, just one correction to what I said. I said US$185 million on the swap. It’s US$165 million.

Aravinda Galappathige

Okay. Yes. Thank you. I’ll pass the line.

Operator

Thank you. The next question comes from Drew McReynolds at RBC. Please go ahead.

Drew McReynolds — RBC

Yeah. Thanks very much. Just back to the asset sales, obviously staying at a high level. In terms of, like, the current environment and, on the content side that we saw as Josh, you alluded to, through kind of fiscal 2024 trough here, like has that necessarily had any kind of impact on your ability to, kind of, get a process or processes going?

Or is it just really irrelevant and buyers typically look at kind of the medium term and the upswing that’s pending?

Josh Scherba

Yeah. I'd say the assets that we have are—look, they're scarce. There is not a lot of known IP out in the world. And so, we continue to have a high level of interest in our assets over the past year, in spite of the challenge the content market has seen.

I think we all see the challenges as transitional, and that goes for any of the potential buyers of our assets as well. So we've been pleased with how the discussions have gone.

It's just, again, timing is unpredictable, and we continue to make progress, but we're not quite there in terms of announcing anything yet.

Drew McReynolds

Okay. Yeah. Understood. And then second one, just back to kind of CPLG and kind of a bigger-picture question. I mean, Aravinda's question on IP pipeline—a lot of moving parts with all the IP and the different channels and different kind of initiatives underway, but on the CPLG side, just what are the impacts, just overall, with respect to kind of macro and the inventory dynamic, which sounds like it's all cleaned up, but also with kind of the downturn on the content side, I mean, that typically drives a lot of CPLG.

So can you just kind of unpack the big kind of crosscurrents? And most importantly, do they all generally kind of dissipate into 2025 and 2026 from your perspective?

Josh Scherba

So CPLG is a global business. So obviously, depending on where we're talking about specifically geographic—specific geographic abilities and territories do depend on what's happening in terms of macro headwinds.

But to get more specific into it, Europe we've seen some softness driven by macro, but at the same time we're seeing real strength and opportunity in Asia-Pacific. I actually had the chance to visit our office in China this quarter, and the team is extremely enthusiastic about the opportunities ahead.

We signed over 25 licensees just in this quarter. So we see a real path to growth. So what I would say overall is that CPLG has the benefit of diversity of geography, as well as diversity of portfolio. And that portfolio effect really does kind of safeguard that business and give us opportunity for growth in several areas.

The second part of your question around content impact, look, we've managed to continue to be active with Peanuts regardless of where it's at in the content cycle.

And at the same time, we've continued to have a significant output for Apple TV+, which will continue to roll out new content in the coming months and years.

On our other IP, we continue to see the opportunity for social to really drive licensing engagement. And so that comes from our YouTube network. It also comes from what we do on other social channels as well.

So in combination, we don't see the downturn in content that we've all experienced in 2024 having any ongoing impact on our CPLG business.

Drew McReynolds

Okay. That's great, Josh. Thank you for that.

Operator

Thank you. As a reminder, if you would like to ask a question, please press *, then 1 on your telephone keypad.

The next question comes from Dan Kurnos of Benchmark. Please go ahead.

Dan Kurnos — Benchmark

Thanks. Good morning. Josh and/or Nick, can you guys quantify how much was timing in Q3 versus Q4? Obviously, we can back into what the Q4 revenue is supposed to be. I guess I'm just trying to triangulate a little bit, Josh, on your acceleration comment. Totally appreciate the pipeline, the greenlit backlog right now, but just trying to get a sense of how healthy, I guess, demand is in the environment.

And then I want to kind of follow up on, sort of, FAST and formats.

Nick Gawne

Thanks, Dan. So on quantifying the timing from quarter to quarter, I think there is inherent volatility quarter to quarter as distribution deals kind of year to year and quarter to quarter kind of move around a little bit. So look, we're confident in Q4. We're confident in coming in on the guidance. We saw a little bit of slippage in Q3, but again, we're confident in the delivery on Q4.

Dan Kurnos

Okay. Well, let me ask, I guess, Josh, we've talked about this a bunch and you brought it up again, FAST opportunity. We've obviously got Netflix pushing harder AVOD, Disney pushing harder AVOD. Amazon now has ads. Thanks for that, Amazon.

And so, I guess, you have maybe a few more pools to play in. Roku, you mentioned as well. It's clearly pushing with Roku channel. And you guys have the most amount of kids content. So how are you attacking these markets?

And has this shift away from subscription, which I think we all saw coming, kind of changed either formats or the way the type of programming or the way that they want the programming to be done to accommodate a more ad-friendly, especially, which is really hard in the kids space?

Josh Scherba

So in terms of how we see the FAST market, we now have over 85 channels that we've launched, which does give us the largest share of kids channels in the FAST space.

We continue to see huge growth in terms of viewership. I think I quoted in the script, we've gone from 300 million minutes consumed up to 5.5 billion minutes consumed in 2023. So clearly, there's a demand there.

And we've learned a lot from our YouTube business in terms of how to approach these sorts of platforms. So we know what works on YouTube. We apply some of those programming principles to what we're doing on these channels. And we have the same teams working on them, same infrastructure that supports it.

So it does give us a significant advantage. And I would really refer to what we've done in the FAST business as first-mover advantage. We have gotten there ahead of our competitors and are, therefore, in a really good place.

I would also mention, though, that as we've seen before, as these platforms grow quickly, monetization often lags. And that's even more true in kids, as it is a more—there's more nuance to selling kids inventory than non-kids.

But the advertising dollars will follow. We're confident of that. As we continue to see the decline in the US linear networks, those ad dollars are shifting to digital. And this is a logical place for them to go because it is very similar to a television experience.

And we know advertisers are looking for that. So we're really bullish about the ability for that opportunity to continue to grow and generate increases in revenue for us as we look forward.

Dan Kurnos

And maybe just one last one for me, Josh, on just your commentary around getting deeper in social. I mean, assuming they don't ban TikTok in the US, Reels is making some headwind as well on short form. Clearly, YouTube is the behemoth. But there seems like there's opportunity there.

And something you guys used to do in the past was a lot more partnerships. Obviously, Roblox has really become a heavyweight in the category and very popular from family, but there are others that are up and coming. And I'm just kind of curious about if you could give us more colour on either partnership or deeper colour on the social strategy be helpful. Thanks.

Josh Scherba

So in terms of the content consumption and engagement, I mean, YouTube still continues to be our primary platform when we're reaching kids. But we do have other—our IP like Peanuts or like Strawberry Shortcake, where we're going after nostalgia, or we're going after a mom market, socials are important.

Our numbers on Instagram continue to be really strong. We have done work with Reels, as you alluded to. We have a presence on TikTok. I'm not too concerned about it one way or the other. Whatever happens to the future of TikTok we're confident we can continue to find that audience in whichever social channels they end up consuming.

But yeah, those efforts are really to support engagement. It's not our primary form of engagement, which continues to be the content we produce, but it does supplement in a critical way to help drive specific consumer products programs.

And we're really pleased with how the team has performed. We made some changes there, I guess, about 18 months ago and we've seen consistent growth in our socials ever since.

Dan Kurnos

And the partnership side, Josh, if there’s anything in the works?

Josh Scherba

So look, we’ve produced games for Roblox. We’ve done advertising integrations on Roblox through our media solutions team. We’ve recently done one for Ghostbusters on Roblox, so we have the ability to access inventory on Roblox, as well as non-YouTube AVOD and YouTube.

So we do have an interesting route to market for partners who are looking to reach these audiences.

Dan Kurnos

Okay. Thanks, Josh. I appreciate it. Thanks, Nick.

Operator

Thank you. Next question comes from Adam Shine at National Bank Financial.

Please go ahead.

Adam Shine — National Bank Financial

Thanks. Good morning. Josh or Nick, I mean, just on the non-core asset sales, it’s been many months now. We haven’t really gotten much of a line of sight to what’s going on.

Could you just help us a little bit—without getting into the specific assets—in terms of identifying them that are up for sale, can you talk about any progress on any of the files? Is some of the delay due to issues around valuation or lack of interest? Or any additional colour would be helpful.

Josh Scherba

Well, thanks, Adam. Look, I wouldn’t categorize it as a delay. I mean, we set out on this process and we said it’d be a 12-month process. And we’ve been making progress every month.

But given the sensitivity of the discussions, unfortunately, there's not much more I can add at this point in time, other than we feel good about how the conversations are progressing and we continue to advance them month by month.

Adam Shine

Okay. So I mean, if I go back to sort of Nick's commentary in the context of being confident to achieve the guidance that's an emphatic statement, again, helped by some of the timing issues from Q3 to Q4, as was alluded to before.

It's just as per the comment at the outset in regards to pushing off the leverage objective from end of this year, or end of fiscal this year out further indefinitely, is this something that indeed is a moving target that requires potentially other concessions around the convertible to deal with maturity?

Or is there indeed unqualified confidence in being able to address that convertible on a timely basis?

Josh Scherba

There's absolute confidence in our ability to address the convert on a timely basis.

And again, that's a separate path from the non-core asset sales.

And in terms of pushing the leverage ratio out, that was always tied to our divesting of non-core assets.

So yeah, again, I think really important to keep those two separate. They are parallel paths.

Adam Shine

Perfect. Okay. No, I appreciate that. Thanks.

Operator

Thank you. There are no further questions over the phone lines at this time.

This concludes today's conference. Thank you, all, for participating. You may now disconnect.