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WildBrain Ltd.

Fourth Quarter and Full Year 2024 Results

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PRESENTATION

Operator

Hello, and welcome to WildBrain’s Fourth Quarter and Full Year Fiscal 2024 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 star, then one on your telephone keypad. If you would like to withdraw from the queue, press star, two.

I’d now like to turn the call over to Kathleen Persaud, Vice President, Investor Relations at WildBrain. You may begin the conference.

Kathleen Persaud — Vice President, Investor Relations

Thank you, Operator, and thank you everyone for joining us today for WildBrain’s fourth quarter and full year 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 securities laws, which reflects WildBrain's current expectations of future events. Such statements are based on a number of factors and assumptions that management believes are reasonable at the time they were made and information currently available. However, many of these factors and assumptions are subject to risks and uncertainties beyond WildBrain's control, which could cause actual results and events to differ materially from those that are disclosed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, changes in general economic, business and political conditions. WildBrain undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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

After our 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 and Chief Executive Officer, WildBrain Ltd.

Thank you, Kathleen, and thank you for joining us today.

Fiscal year 2024 represented a transformational year for both the entertainment industry and WildBrain. As we're all aware, the content production industry has been in a period of protracted slowdown, starting back in 2022 with streamers prioritizing profitability over subscriber growth. That slowdown was punctuated and magnified by the dual labour strikes in Hollywood for a large part of 2023. Having seen greenlights resume, we know the production business is returning, having bottomed in fiscal year 2024, but with some notable changes in how streamers are moving forward that I will elaborate on in a bit.

At the same time, behaviours and how consumers engage with content continue to evolve. Overall, linear television is declining while consumers move to SVOD, AVOD and FAST platforms. SVOD revenue continues to rise, but perhaps more importantly, YouTube outrank even the most popular streaming services according to Nielsen data. In fact, ad spending on connected TVs more than doubled in the last three years, and co-viewing on those connected TVs continues to grow as a trend. As a reminder, FAST stands for free ad-supported television. Think Tubi, Pluto, Samsung, Roku, etc. That is a lot of change for one industry in a relatively short period of time.

So, what do all of these changes mean for WildBrain? It means we're rapidly adapting to be at the forefront of what the industry needs and what consumers want, to position ourselves for growth across the organization. Here are a few changes we've made on a high level.

One, we've leaned into key franchise IP and premium projects for our SVOD partners, projects like the Peanuts feature and the new Gabba series, along with development deals, which I'll detail in a few minutes.

Two, we've repositioned our globally leading YouTube network to focus on higher quality engagement and increased average view duration.

Three, we've rolled almost 150 FAST channels and are on track to more than double minutes watched year-over-year.

Now, let's expand on those in more detail.

When I came in as CEO 16 months ago, we placed a higher degree of focus on our key brands and partnerships. Rather than dilute our resources across too many projects, we focused on our key brands where we have the greatest opportunity to unlock their value. Those key brands have longevity that have endured changes in consumer behaviour over time, and we will benefit from their resilience going forward.

Our largest and most important brand, Peanuts, is celebrating its 75th anniversary next year, and the brand is engaging fans old and new with new content and new consumer products. As we highlighted earlier this year, Snoopy is the hero Gen Z needs, according to *The Atlantic*. In content, the Peanuts feature is in preproduction at our studio, and Apple TV+ announced the second season of *Camp Snoopy*, ensuring a steady stream of new content, which drives engagement and ultimately, licensing.

Licensing continues to be a driver of the Peanuts brand. Whether it's a viral Snoopy in a puffer coat selling out across CVS stores, expanding our relationship with Apple by integrating Peanuts into the Apple Watch or any of Peanuts long-standing licensing relationships like Hallmark, there remains a long runway to add more partners and expand across territories worldwide.

Similarly, Strawberry Shortcake turned 45 this year, and she's never been more popular. The heritage strategy for the brand continues to resonate. As we've talked about before, engagement drives brand affinity, which ultimately drives revenue. Engagement for Strawberry has been impressive, reaching over 1 billion views on YouTube with strong average view duration. The team has been leaning into YouTube Shorts and saw a spike in viewership to bring in new audiences. And over on FAST, with over 1 billion views, it's the #1 channel for girls on all FAST channels.

On the back of our engagement strategy, we have driven licensee growth up over 50 percent and retail sales up 8 percent as we add shelf space in retailers like Walmart. This has been a very deliberate approach to building our engagement strategy and while we're happy to see the growth in KPIs, like licensee growth, we are even more encouraged with our ability to translate this into meaningful revenue and profitability growth.

Teletubbies, another of our evergreen brands, has seen increased global engagement, adding over 1 billion views on YouTube just in the last year. We've seen strong licensee growth, particularly in China. You may remember, Teletubbies was the first Western preschool series to be shown on CCTV, so we have the opportunity to build off the heritage audience. In fact, as announced in June, we have placed Teletubbies on numerous additional top platforms in China, including Youku, Bilibili and iQiyi. We will build on this success in 2025 and beyond with strong revenue and profitability growth as we continue our rollout across Asia Pacific.

Our brand-new series, *Yo Gabba GabbaLand!* debuted on Apple TV+ in August. The series was met with fanfare and traditional media and a rise in social media engagement across multiple platforms. The first 10 episodes dropped in August and another 10 episodes will follow. One of the hallmarks of the Yo Gabba brand is its vibrant and eclectic music and a soundtrack for the new series, which features such popular artists as Anderson Paak and Thundercat, recently launched across major music streaming platforms in partnership with BMG.

Our relaunch of Gabba with Apple has generated great momentum, and we're in positive discussions on what's next for the brand, including negotiations with multiple consumer products licensing partners.

With the recent launch of Gabba, we now have four key brands in various stages of their growth curve. Gabba is at the beginning of its relaunch; Strawberry and Teletubbies are in the early innings and Peanuts is the most established. We will continue to harness the power of our platform to grow these key IPs.

In third-party brands, we're seeing an increasingly positive response to our 360-degree capabilities from partners. We offer multiple entry points across the company, providing partners with solutions that allow them to simplify and reduce their own costs. We've been listening more to our clients' needs and tapping into all of our capabilities across the business. Brands like SEGA, LEGO and Supercell turn to us for our expertise across the full platform. We know that partners value our expertise across the platform we've built as they add more services and brands. For example, we recently announced the expansion of our partnership with Supercell with the launch of a cross-category consumer products licensing program for Brawl Stars, a mobile game with over $2 billion in lifetime revenue. Similarly, just last week, we announced a new licensing representation partnership with SpinMaster to represent their latest hit brand, Vida the Vet, for much of Europe, the Middle East and Asia Pacific. We've also expanded our representation of SpinMaster's Unicorn Academy brand for additional European territories, the Middle East and much of Asia Pacific. We will continue to lean into our key partner brands to deliver more opportunities for them to engage with their fans and drive strong growth.

In our AVOD and FAST business, we also saw strong growth over the past fiscal year. In addition to revenue growth, actions we took over the last 20 months to drive margin in the AVOD network translated to even stronger profitability. Our YouTube network achieved the impressive milestone of 1.5 trillion lifetime minutes watched. A trillion minutes is hard to comprehend, so said another way, that's over 2.8 million calendar years' worth of views. AVOD is a critical component of audience engagement and average view duration on our YouTube network, a key metric in measuring engagement, has grown more than 30 percent over the last year.

In FAST, we are now the single largest kids content offering across platforms. On average, platforms have 25 to 30 kids' channels in their lineup. Within the single IP channels, we have 50 percent to 60 percent of the market. Any one distributor in the remaining 40 percent has only one or two channels. Minutes watched on our FAST channels in the first seven months of calendar 2024 exceeded the whole of calendar year 2023. That means we're on track to nearly double our FAST viewership year-over-year.

We launched our first channels in 2019, and as the leader in FAST for kids' content, we have a significant first-mover advantage. As more brands and partners want to move into the space, the barrier to entry becomes higher and they turn to us to leverage our expertise honed over several years and access our deep relationships with these platforms.

Our recently announced expanded relationship with Samsung TV Plus and our new FAST partnership with Pokémon both crystallize the value of our distribution network and capabilities in this space.

These impressive metrics in AVOD and FAST all drive at capturing a large and engaged audience that will flow through to monetization.

In AVOD, we monetize directly through ad revenue from the platform and our direct ad sales capabilities.

Monetization in FAST is ever-evolving as there is a lot of work to be done in getting ad dollars over to these new formats and kids' content typically lags. That said, we are engaged with technology partners and sales resources alike to build the necessary resources to unlock this large market opportunity.

The nature of viewership on FAST more closely resembles that of linear, making it a comfortable platform for advertisers to work with. We've moved quickly to establish our FAST footprint, solidifying our market position and leadership in this space where consumers are now gravitating towards. The FAST market is expected to grow at a 15 percent four-year CAGR to nearly $6 billion in annual revenue by 2027. We would expect the ad revenue in the kids' market to grow even faster as it catches up to more established genres in this space.

In the meantime, in both AVOD and FAST, this engagement and audience building demonstrates vibrancy and love for our own and partner IP, and will continue to drive high-margin licensing opportunities for brands.

No doubt, 2024 was a tough year in the content production industry, and we felt that. Looking forward, the production industry is starting to see an upturn as streamers are starting to invest again by shifting towards higher-end premium projects for families to capture a larger market share of the audience with each title they commission. This is a big shift in the kids and family content business, but one that we're poised to benefit from and are already capitalizing on, being a preferred partner to platforms like Apple TV+ and Netflix. The investments we've made in our premium capabilities over the past few years are beginning to show results, and we will continue to selectively invest to continue attracting new projects and future partners.

As demand evolves, so too does the content production market with a more deliberate decision-making process from our partners. We're seeing more testing and quality control than ever before. There is a flight to quality with longer development cycles, ensuring the creative is top notch as major platforms aim to deliver best-in-class content to subscribers. We see this as a tailwind for our studio as our ability to execute on larger budget projects needing premium animation capabilities in the marketplace, further positioning us for future growth.

An example is Minecraft, the iconic and hugely popular digital game. As announced back in May, we've been tasked with developing a new animated Minecraft series for Netflix in partnership with Mojang Studios, the Microsoft subsidiary that created the IP. Our studios outstanding work on other series for Netflix, such as *Sonic Prime* and LEGO *Ninjago*, showcased our abilities. The development of a Minecraft series is another vote of confidence from a major streamer in our ability to deliver top-quality content for their audiences.

Turning to our capital allocation, reducing leverage and simplifying our company and capital structure have been top commitments over this past year. In July, we announced the successful refinancing of our debt. This was a hugely important step as it accomplished several goals. It allowed us to place the proceeds in an escrow account, which will repay the convertible debentures on September 30. It also extended our debt maturity out to 2029. And lastly, it materially simplified our debt stack. Nick will provide more detail about this important milestone.

Back in September 2023, we spoke about pursuing non-core asset sales. The process set out to accomplish three core objectives: one, to simplify and focus our business; two, to improve our balance sheet; and three, to drive shareholder value. Those objectives remain unchanged.

We spent much of the last several quarters focused on addressing the short-term maturity in our debt stack, which was our primary objective, and we have achieved a successful outcome. With the refinancing complete, we remain focused on simplifying our company and reducing our leverage over time. We have great assets, and we know their value. We have a number of open files on the not core asset sales and understand that these processes take time. We look forward to executing on a non-core asset sale if and where they make sense.

With our unique capabilities, our diversified brands and now a long runway of our debt maturities, a targeted strategic asset sale that accomplishes our core objectives makes good sense. 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 to review our results and outlook.

Nick Gawne — Chief Financial Officer, WildBrain Ltd.

Thank you, Josh.

Fiscal year 2024 consolidated revenue was $462 million, down 13 percent, slightly below expectations and primarily driven by the reduced output in our studio businesses, reflective of the industry-wide slowdown in greenlights. Fourth quarter consolidated revenue was $130 million, up 4 percent, driven by strength in YouTube, AVOD and FAST, as well as growth in global licensing.

Fiscal year 2024 revenue from Content Creation and Audience Engagement was $213 million, down 24 percent. Content Creation and Audience Engagement revenue in the fourth quarter was $68 million, up 7 percent. Again, we saw strength in YouTube, AVOD and FAST and our distribution business, offset by our studio businesses.

Global Licensing revenue in fiscal year 2024 saw 1 percent growth year-over-year to $214 million. During the year, we saw strong growth in North America and Asia, offset by some softness in Japan and Europe. Stronger growth in our higher-margin owned brands was accretive to profitability in the year.

Global Licensing revenue in the quarter was $54 million, up 4 percent. We saw growth in Peanuts, particularly in the U.S. with new licensing partnerships, as well as strength in WildBrain brands.

Television revenue was $35 million in fiscal year 2024, $8 million in the quarter.

Gross margins in the year were up over 250 basis points. Gross margins in the quarter were consistent with the prior year period.

SG&A expenses in fiscal 2024 were $102 million, down 8 percent year-over-year, with approximately $2.8 million in savings arising from our focus on streamlining ongoing operating costs.

SG&A expenses in Q4 2024 were $28 million, down 10 percent from a year ago, driven by that same focus on operating costs.

Adjusted EBITDA in fiscal year 2024 was $88 million, down 11 percent, primarily driven by the reduced output in our studio businesses. Fourth quarter Adjusted EBITDA was $24 million, up 25 percent year-over-year, driven by top line growth and a focus on cost management.

Net loss was $81 million in the quarter, primarily driven by a non-cash impairment charge on our television business, as well as a writedown of investment in film and television. The impairment reflects the fact that market valuations and prevailing conditions for linear television have deteriorated. While the magnitude of this impairment is large, it's helpful to ground ourselves in the growth opportunities in other areas of the business, namely owned and partner brands, licensing, content production, and AVOD and FAST. Net loss in the year was $106 million.

Moving on to capital allocation, as Josh stated, in July we announced the successful completion of the refinancing of our debt. As you heard us speak about for the past year, we were focused on and confident in our ability to address the 2024 convertible debentures. With this refinancing, we are able to accomplish that goal and extend our debt maturity out to 2029.

The refinancing process demonstrated the strength of our business model and the value of our strategic vision. Led by private credit lenders, Sagard and Comvest Credit Partners, we are confident with this new debt structure provides a long runway for growth.

The refinancing was an involved process with deep due diligence that required a lot of bandwidth across the finance team, the senior management team and our lending partners. Going through this process reiterated and solidified what I and our partners see in the business – we have evergreen IP and the operational ability to create and distribute content across our platform. This creates significant value for our owned and partner IP, and is the cornerstone to growing our business and executing on our key financial and strategic objectives. The outcome of the refinancing positions us to further capitalize on these opportunities.

Free cash flow is subject to variability with working capital timing and our interim production financing payables. Those working capital timing variables were more pronounced this year as we saw outflows in 2024 related to 2023 payables, which we don't expect going forward. Free cash flow in the quarter was negative $6 million with fiscal year 2024 free cash flow of negative $29 million.

Looking forward, we see several factors which will benefit free cash flow generation in fiscal 2025 and beyond. Licensing has lower upfront capital needs, particularly in the heritage space, where we're seeing strength in Strawberry Shortcake and Teletubbies, and we're investing less of our own capital in new content as the streaming industry and our brand strategies evolve.

Similarly, having invested in a number of growth areas in the past three years, we're now entering the stage where we'll begin to harvest these investments. As an example, with the investments made in Asia Pacific for WildBrain CPLG, we've seen that region grow meaningfully in licensing and as a percentage of our overall business.

Our leverage at the end of June was 4.77x. Our commitment to reducing leverage to under 4x remains unchanged, although we do expect leverage to remain elevated through fiscal year 2025 as we return to growth in our content production business.

Turning to guidance, in fiscal 2024, we underestimated the magnitude, duration and follow-on effects of the slowdown in the content industry. Thinking about fiscal 2025, I thought it would be helpful to provide some context for how we've approached guidance, where we're optimistic and where there are some discrete headwinds, and importantly, where we expect an acceleration in growth in fiscal '26 and beyond.

In Content Creation, we expect to return to growth in the studios. As Josh spoke about, the development cycle has lengthened as more time and effort is spent on the start of the creative process, which leads to a higher quality output. These longer development cycles have two important consequences. First, they directly benefit the creative, resulting in premium larger budget productions, which in turn leads to higher overall studio profits as each project contributes more to our earnings. Second, however, it does impact the timing of revenue in the studio business. The ramp-up for new orders and their corresponding spend takes time to build from a revenue standpoint as productions progress through their lifecycle. Given the timing of production spends, some of the projects in the studio pipeline for fiscal '25 will not only return to growth in fiscal '25, but also have a greater impact on earnings in fiscal 2026. To really drive from that cadence point, you can think about roughly one-third of the expected rebound in profit for content creation to flow through '25 with the remainder to follow.

One last note on content. As we've seen, especially over this last year, small changes in the quarter-to-quarter timing of projects can impact revenue timing. We believe we have been appropriately conservative in our outlook for this part of the business as it relates to timing of greenlights translating to profit.

Moving to Audience Engagement, we expect to see continued growth in FAST along with direct ad sales on our AVOD network. Within distribution, we have a large and attractive library. Similar to content creation, we wanted to give you a bit more context on this part of the business.

While we expect television to continue to face headwinds, as we look to 2026 and beyond, its overall impact will continue to naturally decline as the segment becomes a smaller part of the overall company. Within distribution, the lag effect of the reduction in new content related to the downturn in the content production market leads to a headwind in 2025.

In Global Licensing, we have seen strong growth in our WildBrain brands, Strawberry Shortcake and Teletubbies, and we will continue to drive those brands forward with new licensing opportunities and increased engagement. Peanuts remains an extremely important part of our portfolio, and with the 75th anniversary in 2025, there are many opportunities to create all new partnerships and celebrations for consumers around the world.

On the expenses side, we expect SG&A to be higher year-over-year as a number of fiscal 2024 benefits do not repeat. We are making targeted investments in high-growth areas of our business, while we remain hyper-focused on streamlining our operating costs as we further simplify the business and achieve operating efficiencies.

In fiscal year 2025, we expect revenue growth of approximately 10 percent to 15 percent and Adjusted EBITDA growth of approximately 5 percent to 10 percent year-over-year.

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

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

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

Thank you, Nick.

While fiscal year 2024 was no doubt challenging with several headwinds, I am proud of the progress we made to best position WildBrain for future growth. Over the last year with the realignment of our business across our core pillars, along with the reduction in size of our senior management team, we have streamlined our business and found we're getting better performance across our teams.

The industry we operate in is dynamic and ever-changing. How people consume media is at the core of the changes in the content industry, and we've repositioned ourselves so that we can be nimble and adapt to where and how consumers are watching content and engaging with brands.

To thrive in this environment, we're prioritizing efficiency so that we can make the right decisions quickly and stay ahead of the industry curve while reducing our ongoing cost base at the same time.

We expect to return to growth in fiscal year 2025, but more importantly, I see further profit acceleration beyond '25. We have a strong slate in our production pipeline with high-quality partners. We will continue to build on the growth in our owned brands, Strawberry Shortcake, Teletubbies, and others like Gabba. We see a large and growing opportunity across AVOD, FAST, and YouTube. And last but certainly not least, Peanuts with its 75th anniversary celebrations, new content, the feature film, new and expanding partnerships, and expanding its audience with rising social media engagement will further fuel growth.

We've taken actions to strengthen our business. We are committed to growing the business and driving shareholder value.

And with that, we'll now open to questions.

Q & A

Operator

Thank you. At this time, if you would like to ask a question, please press star, then one on your telephone keypad. If you would like to withdraw from the queue, press star, two. Please stand by while we compile the Q&A roster.

Our first question comes from the line of Dan Kurnos from Benchmark. Go ahead, please.

Daniel Kurnos – Analyst, Benchmark Company

Great. Thanks. Josh, you put out some comments in the prepared remarks around sort of the normalization outlook for kind of backlog of shows. You gave plenty of colour in your prepared remarks, but I guess, ultimately, your view on where quantum of content ends up coming out. You talked about all the shifts in the streaming landscape, which we always talk about, but just to the extent that you feel that the base business grows with your core brands over the next five years, that's still the viewpoint. I just wanted more colour on kind of what you're seeing out there, the conversations you're having on sort of the quantum of content.

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

Sure. Thanks for the question, Dan.

I think that there's undoubtedly a massive amount of consumption happening in AVOD, primarily driven by YouTube. We're really pleased with our performance this year, having our average view duration go up over 30 percent. In addition, we're seeing major increases in consumption across AVOD and FAST, but with particular growth concentrated in FAST. We highlighted Strawberry Shortcake having over a billion views and being the number one girls' property on FAST, so we think this form of consumption continues to be really important.

I think we did some research last year with Savanta and we showed that kids are engaging with their favourite IP and stories across multiple platforms, and we're certainly seeing that come through in our engagement numbers. So that's where I would kind of put the vast majority of consumption happening and growth. But, at the same time, the established streaming platforms continue to see kids and family as being important to them. I would point to Netflix, in particular, as their strategy has evolved.

They've really been going in a direction of fewer, bigger, better series that I would say are not directed at kids but are kid inclusive, focused on large IP. We've had certainly some early wins in that area with Sonic Prime and what we've done for LEGO with Ninjago, and that's put us in a great position with Netflix to be able to be a go-forward partner with them, as highlighted by our new announcement and working with them on a new Minecraft series.

In terms of the quantum, I think with Netflix in particular, it's fewer series that they're commissioning, there's no question about that. But, the size of the series from a budget level is meaningfully larger, and so these deals take more time to do. The creative takes more time to prep. We're talking about multilayered storytelling that works for a whole family, not just kids, which is a more challenging creative endeavour and why we've been building up capabilities in that space.

I would note in addition to the series that Netflix are gearing up in, this year has seen a tremendous amount of success with family features based on IP. If you look at, obviously, Inside Out 2 was a massive global success and I think that's another important direction of where audiences are and where they're going to continue to go. We're thrilled to have a Peanuts feature currently in preproduction for Apple TV+.

We have been building up our strength and capabilities in features. That was the main rationale for our acquisition of House of Cool a year ago, and that team has been helping us execute on the Peanuts feature.

I think when we look at streaming with our partners and theatrical, premium based on IP is certainly where that world is going, but I don't want to underestimate the importance of engagement on these other platforms like FAST and YouTube that just continue to grow.

I hope that's helpful.

Daniel Kurnos – Analyst, Benchmark Company

It's very helpful, Josh. I appreciate it and I'll follow up with a couple more offline on that. But on the FAST point, obviously, we're super close to the FAST industry in general. Appreciate all the colour you gave. I'm kind of curious on your go-to-market strategy because FAST domestically is still primarily direct sale process, but FAST internationally is becoming more programmatic. You talked about kind of unlocking ad dollars and that the kids' channel is particularly hard, and we know why, obviously, around brand safety, etc. But, just kind of curious what investments you're making and how you're thinking about building out the sales force to more rapidly address that opportunity set for you guys?

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

Yes. It's a great question. There's no doubt that selling kids inventory has some complexities around it that other genres don't. I would also say that there's added complexities to selling for FAST. There's the technical aspect of the right ad servers and serving the ads in a timely manner. There's also the sales approach.

We built out a media solutions team over the past few years with our initial objective being at selling our YouTube inventory and we've seen some nice growth in that area, and we've got a really strong team on the ground doing that. We will continue to evolve the capabilities of that team to really capture what's happening in this FAST space because, as you rightly point out, there are some differences in selling this inventory versus what there is on YouTube, but we've got a plan in place. We've got a team currently on the ground, and we are going to continue to invest in this area because we think it provides its tremendous opportunity.

I alluded to it in the script, but what probably bears repeating is that there's a closer parallel from an advertiser perspective to FAST than there is necessarily to YouTube. It has many of the traits that advertisers loved about linear, so we think it's a logical place for those dollars to continue to migrate to, and we've got a first-mover advantage. We've got nearly 50 percent to 60 percent of all of the kids channels on these platforms, so we think we're really well positioned to take advantage of this.

Daniel Kurnos – Analyst, Benchmark Company

Great. Just the last one on the non-core asset sales, Josh, and I'll step back if there are others in the queue. Has your view on how much you could raise change? Has the things that you're willing to sell or not willing to sell changed? I know you said there's no delta in the outlook on what you're trying to achieve, but has the underlying assumptions of what's available, valuations, any of that stuff changed for you?

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

No, Dan, I would say it hasn't changed. I mean, look, we prioritized our refi. Obviously, that had a timeline that was essential for us to execute on and we're thrilled we managed to refinance our debt, as we had confidence in as we spoke about over the past year. Now with that, with pushing our debt maturities out we think there's an opportunity to continue to pursue these non-core asset sales. We have a number of files open, and we continue to have full confidence in the value of our assets.

I would also note, look, the last year obviously hasn't been ideal for M&A in the media space. There's been uncertainty around where interest rates are going, big players like Paramount being on the block, so there was a lot of noise in this space. And of course, the regulatory environment in the U.S. not exactly being conducive for these big players to be making deals, I think, has slowed down the pace of the conversations. But I wouldn't say it's any indication on how the assets are valued or perceived out in the market; it's just been a slower timeline for concluding deals.

We're optimistic as we have put the refi behind us and dig in on these non-core asset sale opportunities that we will find ways to accomplish what we set out to do, which is simplify and focus our business, shore up our balance sheet and really find ways to bring shareholder value from these assets.

Daniel Kurnos – Analyst, Benchmark Company

Super helpful and, Nick, thanks for all the colour too. Appreciate the incremental on ’25.

Operator

Thank you. Again, ladies and gentlemen, at this time if you would like to ask a question, please press star, then one on your telephone keypad.

There seems to be no further questions on the phone lines at this time. This concludes today's conference. Thank you all for participating. You may now disconnect.