FINAL TRANSCRIPT

WildBrain Ltd.

Fiscal 2022 Third Quarter Earnings Call

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PRESENTATION

Operator

Hello, and welcome to WildBrain's Fiscal 2022 Third Quarter Earnings Conference Call.

Today’s call is being recorded.

I'd now like to turn the call over to Nancy Chan-Palmateer, Director, Investor Relations at WildBrain. You may begin your conference.

Nancy Chan-Palmateer — Director, Investor Relations, WildBrain Ltd.

Thank you, Operator, and thank you, everyone, for joining us today.

Speaking on the call today are Eric Ellenbogen, our CEO, and Aaron Ames, our CFO. Also with us and available during the question-and-answer session are Josh Scherba, our President, and Danielle Neath, our EVP of Finance and Chief Accounting Officer.

First, we have some standard cautionary statements. The matters discussed on this call include forward-looking statements under applicable securities laws with respect to WildBrain, including, but not limited to, statements regarding investments by the Company, commercial arrangements of the Company, the business strategies and operational activities of the Company, the markets and industries in which the Company operates, and the future objectives and financial and operating performance of the Company and the value of its assets. Such statements are based on factors 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 various important factors, including the risk factors set out in the Company's most recent MD&A and Annual Information Form.

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

For the question-and-answer session that will follow, we ask that each analyst keep to one question with one follow-up so that everyone has an opportunity to ask questions. If you'd like to ask an additional question, please rejoin the queue.

I'll now turn the call over to our CEO, Eric Ellenbogen.

Eric Ellenbogen — CEO, WildBrain Ltd.

Thanks, Nancy, and thank you to everyone for joining our call today.

In Q3, we delivered double-digit growth in both revenue and EBITDA, compared to Q3 of last year, reflecting the success of the 360-degree IP strategy that we've rolled out in the past two years.

We're now seeing the returns from investments in our IP library and premium productions, now driving momentum across multiple earnings streams. All parts of our content business are showing growth, driven by that 360 strategy. Today, I'd like to provide a little bit more colour on how that strategy actually plays out in our financial results.

As I've shared with you on previous calls, when we sign significant content deals, it sets up a cascade of revenue that first flows through our financials over a period of years. And in the near-term, we often benefit from the licensing of rights to our library, with revenue recognized in the same quarter in which the library is delivered.

Then in the medium-term, we realize the production revenue as we ramp-up and deliver the new series and/or specials. Finally, the newly produced content, taken with the library, drives viewer awareness and engagement, which, depending on the property, creates long-term consumer product opportunities. I should add, in every instance, adds to the enduring underlying value of our proprietary IP.

Let's take a look at some examples in the strategy reflected in our Q3 numbers.

First, our recent Degrassi deal with HBO Max, which we signed and announced in Q3, and spoke to about on last quarter's call. It's a two-part deal. To start with, there is a library license for U.S. rights to the entire 14-seasons of the franchise's most popular instalment, *Degrassi: The Next Generation*. Revenue from that license, which is distribution revenue, appeared in our Q3 results.

The second part of that deal is a commission from HBO Max for U.S. rights to a brand new 10-episode Degrassi series, which will go into production this summer. This production revenue will flow through our financials in Fiscal 2023.

Since we retain all distribution rights outside of the U.S., to both the new Degrassi series and the full library, we will soon realize additional revenues from territories and media worldwide.

Let me take up another example, our Peanuts partnership with Apple TV+. As I have told you about on past calls, this is an extensive, multi-year agreement, which includes not only rights to the Peanuts library, but also numerous new series and specials. The first of that content began rolling out about two years ago. And we're now in continuous production, and have a great deal more content that will continue to premiere for years to come. We're just in the early days of delivering the largest slate of new content in the history of the Peanuts brand.

Production revenue from the Apple deal has already been reflected in our financials for a number of quarters and will continue for the foreseeable future. Our most recent results only reflect production revenue from the first two series, *Snoopy in Space* and *The Snoopy Show*, and from the first three of multiple new Peanuts family specials that we're making for Apple TV+. These deals were executed a couple of years ago, so you can see that the cadence to how the revenue from these large premium production deals come into our results over time. That said, there's a lot more Peanuts content in that pipeline to flow into our financials for many years to come.

Now, things get really interesting from a revenue perspective when we look at consumer products for a brand like Peanuts. All that new content – meaning the steady, years-long rollout of new, very high-quality content on one of the world's top streaming platforms, not to mention the world's best marketer – that not only creates a predictable flow of revenue for us, but also drives massive brand awareness and engagement, which in turn generates ever-increasing consumer product revenues. The synergies of our licensing agency, CPLG, managing multiple territories around the world for Peanuts, further contributes to the growth that we're delivering in our consumer product sector. That's Peanuts.

Let me highlight one more example, *Sonic Prime*. It is the new series for the smash hit character, Sonic the Hedgehog. that we're producing for Netflix, in partnership with SEGA. That deal was announced in February '21 and we've been taking production revenue into our earnings over the past few quarters. Sonic is, of course, one of the most popular animated and gaming brands in history. The brand celebrated its 30th anniversary last year. It's more popular than ever, with two hit movies that together have grossed over $600 million worldwide in just the past two years. Netflix, in fact, just released a new promotional trailer of their animation slate this week, which featured a tease of the new Sonic Prime content, and fans are buzzing with excitement. This frenzy for the franchise perfectly sets up our series to launch on Netflix later this year, and we're already seeing more consumer product opportunities for Sonic.

Let’s take a look how those Sonic Prime consumer products’ economics work for us. First, because we manage licensing for the Sonic Prime brand in multiple territories, through our agency CPLG, we get a meaningful commission on every consumer dollar. That’s the agency piece of consumer products. Then, because WildBrain is a stakeholder in the IP alongside SEGA, we also receive a material percentage of net profits for consumer products.

A deal like this is really a triple play; it generates production revenue, agency commission, and a share in consumer products profits.

These three examples – Degrassi, Peanuts, and Sonic Prime – are how our 360 holistic strategy that we’ve launched, creates multiple revenue streams from the very same deals. This is the strategic model we’re using to structure our partnerships across the business. And for the last two years, we’ve been filling the pipeline with such deals. These also include Strawberry Shortcake, Teletubbies, Yo Gabba Gabba!, Johnny Test, Caillou, Chip & Potato, Jonny Jetboy, emojitown, Akedo, Go, Dog, Go and so on. As these deals – and many others like them that we’re working on behind the scenes – make their way through the pipeline of development, production, and distribution, we are layering on more and more revenue over the coming years.

We also continue to extend our licensing reach to drive our consumer products business. WildBrain CPLG is further strengthening its global footprint with expansion across the Asia-Pacific region and the launch of new dedicated offices in Singapore, Taipei, and Seoul. And additionally, the licensing team who are part of WildBrain's existing Shanghai operations, will be expanded and renamed WildBrain CPLG China. The new and existing operations will service the entire APAC region across approximately a dozen countries.

With that, over to Aaron.

Aaron Ames — CFO, WildBrain Ltd.

Thank you, Eric.

In Q3 2022, we delivered a strong quarter, reflecting growth across all our content-driven businesses. We're aggregating margin across studio, distribution and licensing, which is responsible for another quarter of EBITDA growth. We're delighted with our team's early execution of deals, which we'd expected to be concluded later in our Fiscal Year. And we are on track to deliver at the upper end of our Fiscal 2022 revenue guidance of $480 million to $500 million. On EBITDA, we continue investing to grow our business ,and we maintain our adjusted EBITDA guidance of between $87 million to $93 million.

Looking at the key numbers for the quarter, revenue grew 27% to $129.5 million compared with $102.2 million in the prior year, reflecting growth across Content Production and Distribution, Spark, and Consumer Products.

Net income in Q3 grew to $21.3 million versus a net loss of $26.5 million in Q3 2021, reflecting high gross margins.

We generated positive Free Cash Flow of $8.1 million in Q3 2022, compared with negative Free Cash Flow of $3.3 million in Q3 2021. As discussed last quarter, our cash flow reflects the higher deal volume and increasing revenue. We are growing, so there are short-term needs for working capital as we execute on content deals and build receivables, and to accelerate our growth in Fiscal 2023 and beyond. We are seeing an incredible step-up in proprietary live action production, and by late this summer, we expect to have five live action series in various stages of production, further building on our proprietary IP library. This live action production also requires short-term working capital. By way of contrast, the production cycles for live action are typically less than 12 months, versus 24-month lead times for animation.

We delivered $30.2 million of adjusted EBITDA in Q3, an increase of 75% compared with $17.2 million in Q3 2021. This was driven by the Degrassi library licensing deal, distribution agreements with Amazon Prime and BBC, and a robust pipeline of premium productions.

Now, I'll turn the call back to Eric.

Eric Ellenbogen — CEO, WildBrain Ltd.

Thanks, Aaron.

Our proprietary pipeline is incredibly robust. We're continuously adding more deals behind those that have already been announced. And as I've always said, we're not chasing the quarter. It's a long game. In our Q3 results, you're now seeing the start of what's to come. These deals, and many more in our pipeline and in development, set us up for a phase of accelerated earnings growth for many years to come.

I said that's what we're going to do and we're now doing it. And it's coming through in our results.

Now if I may, let's open up to questions.

Q & A

Operator

Thank you.

We'll first hear from Drew McReynolds of RBC.

Drew McReynolds — Analyst, RBC Capital Markets

Yes, thanks very much, and good morning. Eric, thanks for walking through the way you did in your opening remarks, pretty crystal clear, so appreciate that.

Just maybe three or four from me, and hopefully relatively quick here, just on Fiscal 2022 guidance, obviously the year-to-date performance has been fantastic. I'm assuming that Q4 is just that typical volatility that pulls back a little bit. Just wondering why that guidance wouldn't be higher, but it just could be timing.

Then second, just with respect to the overall content cycle, is there any change or shift that you're sensing out there, particularly on the streaming side? Obviously, there's a lot of focus on what's happened to Netflix in the last few quarters, or months, and perhaps the answer's absolutely, "No, there's no change." But just curious to see if the streaming world's entering a new phase from your perspective?

I have a couple of quick ones after.

Eric Ellenbogen — CEO, WildBrain Ltd.

Great, good morning, Drew, and thanks for the question.

What I'd like to do is perhaps take your second question first, and then turn it over to Aaron to discuss the guidance issues and where we stand, which as you correctly said, we're way ahead of plan here in Q3. A lot of it is timing, but he can give you that in detail.

Clearly, the Netflix announcement is getting a lot of attention, and here's how we see it. If I may, both the WildBrain perspective and then more generally, which may be less interesting to you, just as an industry observer about kind of what's going on.

Look, let me state the obvious. Netflix changed the nature of content consumption. There are course corrections happening, to be sure. They still have 220 million subs. They have been and continue to be an incredible partner to us. Here’s how we see it, kind of changing the business a bit.

It is sort of an equilibrium that was bound to happen, where there needs to be a closer alignment between audience delivery and cost of production. When you see some of these live action shows kicking out at over $20 million an episode, with relatively small audiences, that’s difficult to rationalize; multiple hundred-million-dollar incredible theatrical quality films, where most people take their content these days, and very aggressive international expansion which highly favours this. It reflects, and Netflix themselves have said this, a change in the competitive landscape, which frankly favours us. We are suppliers to all of the major services.

For us as well, we produce content at a fraction of those license fees, clearly have the advantage of vertical integration with our Vancouver studios, which are busier than ever. There’s a flight to quality that also favours us, and importantly, a migration to known famous brands, which we have in quantum. It is probably not unlike an earlier era in the movie business where you saw TV shows that were turned into theatrical feature films and the like, because they represent presold marketing and they bring in audiences.

The last point that I would make around it is that, for all of you who are industry observers know that kid's content persists as a way of generating subscribers. I mean, look at the takeoff of Disney+, it's remarkable, as well as subscriber retention, keeping down churn. I think we're really well-positioned as the market changes. I think there will be some fits and starts and re-examining strategy, but by and large, these are changes that were bound to happen. But make no mistake, the course of media consumption has been changed forever, and I think we're in a great place when it comes to our content and our cost of production.

Maybe more than you wanted to hear on the subject but let me just go to Aaron with your first question.

Aaron Ames — CFO, WildBrain Ltd.

Yes, thanks, Eric, and thanks, Drew.

Our distribution and production teams really did a terrific job. Their execution was great, and they completed a number of deals earlier than expected in our Fiscal Year, so the timing really favoured us and accelerated revenue recognition on those deals in the Fiscal Year. Those deals were already in our numbers, and that's why we remain on track to deliver in the upper end of our annual guidance on revenue.

On EBITDA, we always said since the beginning that we would invest incremental revenue and EBITDA to continue to grow our organization, and to accelerate growth in Fiscal 2023 and beyond. We're doubling down to do that, and that's why we retain our guidance on adjusted EBITDA from $87 million to $93 million.

Drew McReynolds — Analyst, RBC Capital Markets

Okay, no, that makes a lot of sense, and it kind of addresses my housekeeping tidy-up here. If I look at SG&A cost, just say for Q3, a bunch of moving parts in there, but are we really at that run rate going forward?

Then last question for me, just on the lower non-controlling interest in the quarter, just if there's anything there that needs to be unpacked. Thank you.

Aaron Ames — CFO, WildBrain Ltd.

Yes, so I'll just pass it over to Danielle and she can talk a little bit about the SG&A and this non-controlling interest.

Danielle Neath — EVP, Finance, and Chief Accounting Officer, WildBrain Ltd.

Yes, so as Aaron mentioned, we are investing the incremental revenue on growth areas, so we are seeing a bit higher SG&A. But also, we had higher variable compensation accruals, so given that strong performance in Q3, similar to Q2, given that those were the higher EBITDA quarters, so we are expecting that Q4 SG&A would fall in line with the Q1 SG&A level, so $23 million to $24 million.

Sorry, if you could repeat…

Eric Ellenbogen— CEO, WildBrain Ltd.

Drew, I'd underscore—I'm sorry, Danielle, go ahead.

Danielle Neath — EVP, Finance, and Chief Accounting Officer, WildBrain Ltd.

I was going to say, the question on NCI, if he could repeat that one, and then I'll let Eric jump in.

Drew McReynolds — Analyst, RBC Capital Markets

Yes, I was just—I think it was a little bit lower than what we've seen, and just wondering if there's anything to flag there, or just normal course volatility in that item?

Danielle Neath — EVP, Finance, and Chief Accounting Officer, WildBrain Ltd.

Yes, yes, that would be normal following consumer products' revenue, so nothing unusual there.

Drew McReynolds — Analyst, RBC Capital Markets

Okay. Thank you.

Eric Ellenbogen — CEO, WildBrain Ltd.

What I was going to add, at the risk of some redundancy, is that every incremental EBITDA dollar I can get a hold of is going back into investment. It's all about bringing on those revenue streams in '23 and beyond, just as we're doing with the content strategy, the 360 that I described earlier. We are rich with opportunity and I'm investing everywhere I can.

Drew McReynolds — Analyst, RBC Capital Markets

That's crystal clear. Thank you for all the colour, Eric, that's great.

Operator

Next, we'll hear from Adam Shine of National Bank Financial.

Adam Shine — Analyst, National Bank Financial

Thanks a lot, good morning.

Eric, maybe one for you. Just in terms of these productions that you're talking about. Is there a new financing model emerging at all? We don't quite see any material pickup really in tax credits as some of the production activity steps up. Just curious if, perhaps, there's less reliance there, and if there's any evolution to how deals have been structured in the past?

Eric Ellenbogen — CEO, WildBrain Ltd.

I don’t know that we’re really seeing a material change in the nature of the financing structure. As you well know, and we are not deficit financiers, there is margin in every deal that we make. One of the things that we are seeing, and it’s a shifting landscape, is the nature of rights acquired by some of the streaming services. It’s a mix. You have certain services, Peacock among them, and to an extent HBO Max, we’ve talked about that in the context of the Degrassi deal where they are acquiring just U.S. rights, leaving to us the distribution of that content, new as well as library, in international territories, including Canada.

I won’t say that the financing model is at all changing; the opportunity set, though, is, because maybe early on, what we were seeing, as an example, from Netflix with their originals, was the acquisition, outside of China, of global rights. I think that is what I can sort of describe as the landscape, and it changes all the time as these services go international. But what it really is, is about very high margin due to our proprietary brands. That’s where we’re putting emphasis and development and production, and it allows us the 360 in terms of monetization. That isn’t really a financing plan, it is an exploitation one, that we really hit the accelerator on.

Does that answer your question?

Adam Shine — Analyst, National Bank Financial

Yes, it does. Thanks for that. I appreciate it.

Operator

Next, we'll hear from Dan Kurnos of The Benchmark Company.

Daniel Kurnos — Analyst, The Benchmark Company

Great, thanks, good morning.

It's obviously been a little bit of a crazy morning, so at the risk here, Eric, just going back to Drew's original line of questioning, I would think, in this environment, that you now have a huge opportunity to press deeper into FAST, which we're seeing kind of explode here. No doubt that there was, let's call it plus fatigue on the SVOD side. I think the combination of that and then, subsequently, with the proliferation that we're seeing of AVOD in content out there, it feels like—I mean, for example, we just saw Paramount come out with *Sonic 3* now, I think, as you already have a relationship on that side. To the extent that these guys probably are trying to right-size their cheque books, as it were, between content costs, it feels like they need to increase their monetization.

I'm wondering if you are getting incremental views on toy production, just other ways that these guys know that they need to monetize their own IP beyond what you're doing with their existing portfolio.

Eric Ellenbogen — CEO, WildBrain Ltd.

Do you know what, I might ask Josh to address that question, Dan. Good morning.

Josh Scherba — President, WildBrain Ltd.

Sure. Look, I mean, I would certainly agree with your assessment of the market and the competition being a positive for all the reasons that Eric spoke about earlier. I think what you're referring to is really just some of these streamers looking for additional revenue streams around consumer products. Is that the nature of the question?

Daniel Kurnos — Analyst, The Benchmark Company

Yes. I mean, I would say, look. You have an opportunity maybe more in the FAST space, and they clearly need to justify the massive streaming losses that they're accruing at the moment, and a lot of that feels like it will have to come through things like consumer products and other alternative channels that you can probably help them with, given your expanded relationships with a lot of these companies.

Josh Scherba — President, WildBrain Ltd.

Yes. I would say, there are unique deal structures that are happening where we are, in certain deals, kind of excluding some AVOD rights, which is definitely a positive for us. I would just reiterate our capabilities of being a premium producer, but at costs that are lower than if these streamers were to fully produce this content in-house. I think that that really continues to be a larger opportunity for us to be a better partner to these streamers when they look at the overall cost structure.

Then you layer on the fact that we've got known IP, and that's a really great opportunity for them. I think we were excited with the Sonic push that Netflix gave this week, and we're really bullish on how they're going to promote that series. Yes, these independent known IP brands, efficient production models, I think those things put us in a really good place, and then you layer on our ability to do alternative forms of distribution, and yes, I think we're set up as a great partner.

Daniel Kurnos — Analyst, The Benchmark Company

I'll ask kind of a follow-up to either you, Josh, or Eric, just in terms of the deal that Eric, obviously, you have a lot more in the pipeline, unsurprisingly. As you think about deal structure, and we talked about this a little bit on the call already, the way that you're signing deals with, say, an Apple for example, it certainly has differed from how you considered signing deals in the past. I'm wondering if windowing, exclusivity, how you're thinking about things like that right now given the content goldmine that you're sitting on, and the need for these guys to retain subscribers and/or viewers in this marketplace.

You have the ability to also ramp content substantially, so I'm just wondering if you have multiple bites of the apple with expanded deals and maybe even reduced exclusivity where you can still keep prices high, if that's an option you should choose. How would you think about those?

Eric Ellenbogen — CEO, WildBrain Ltd.

It's a good point and…

Josh Scherba — President, WildBrain Ltd.

Yes.

Eric Ellenbogen — CEO, WildBrain Ltd.

Look. From this perspective, and we're a bit of a unicorn in the business because we are a vertical company, we have this amazing marketing and amplification network in Spark. There is a recognition, clearly, by all of the services that the always-on quality of content and brands is an enhancement to the rights that they own. When I answered the question a little bit earlier about the financing structures, again, it varies by service, whether they are seeking to acquire only domestic rights, which gives us an incredible library and a flow of new content, or international channels and buyers.

You can take with that what we're doing now on a global basis in consumer products with CPLG. We favour things like Apple. The Peanuts content, and I think you know this and this is something you've observed, is, and has been, largely unknown outside of the United States. It's been a character property, granted, 75 years and going stronger than ever, but now what we have is this sort of Saturn rocket of Apple content that is day in day distributed on a global basis and is persistent content, as it remains on the platform.

We are also seeing, among a number of the services, both legacy ones and new ones, a desire to participate in consumer products. I think that that is going to be a recognition, and they need partners like us. Many of them do not even have the ability to exploit consumer products on a global basis; they don't have the footprint that we do.

I think we are seeing that, the unique switch-on, additional sources of revenue. You're seeing things emergent in SVOD services potentially going AVOD, but it is about the ubiquity of content and the presence of the brands, and we've got the brands. We celebrate and welcome all of this development. I think they favour us incredibly well.

Daniel Kurnos — Analyst, The Benchmark Company

Got it, that's helpful. Thanks for the colour, guys. I appreciate it.

Eric Ellenbogen — CEO, WildBrain Ltd.

Sure. Thank you.

Operator

Next, we'll hear from Aravinda Galappatthige with Canaccord.

Aravinda Galappatthige — Analyst, Canaccord Genuity, Inc.

Good morning, thanks for taking my question.

I wanted to focus a little bit on the consumer products side. Obviously, you continue to grow very nicely, I think, at about 24% year-to-date growth in Fiscal ’22, obviously still led very much by Peanuts. Eric, considering some of the comments that you’ve made, sort of that cycle going from library sales to production to IP, as we think about Fiscal ’23, do you see—we’re getting to that timeline where that CP growth can diversify beyond Peanuts. Do you see that mix change starting to happen by next year, or should we—is that more of a Fiscal ’24 event? I wanted to get your thoughts on that.

My follow-up, I guess for Aaron given some of your comments around working capital and SG&A, you successfully de-levered down to the targets that you talked about, 4.3x net debt to EBITDA. Considering that you are having good EBITDA growth, the business is gaining good traction, and the industry backdrop is still good, are you thinking along the lines of being fairly comfortable at that 4x range? Or as we look to ’23, do you think the level of de-levering that’s happening can continue? Thanks.

Eric Ellenbogen — CEO, WildBrain Ltd.

Thanks, Aravinda. Good morning.

On the consumer products timing, and it really breaks by which IP we’re talking about. We build the content base and distribution, ubiquity of that content across multiple platforms, and that is job one. We then do marketing, cross-promotions, etc. For example, Strawberry Shortcake, you may have seen in the current quarter our big rollout at grocery, which we’re doing programs with Sunkist and dairy companies and so forth. It’s really intercepting consumers where they shop, reminding them about the brand, delivering more content on our YouTube network and then distributing that broadly, putting up content now on Netflix, a number of high-quality specials around the brand. Then, by and large for that, you'll see consumer products roll in '24.

For things like Sonic, where there've been, essentially, gigantic successes and theatrical motion pictures and a very well-known persistent brand in the marketplace in gaming, there could be some pickups in '23, just off the coattails of all this amazing activity and our premiering of the Sonic show on Netflix.

It really varies. I want to say our expectation is that this stuff begins rolling in the latter part of '23 and into '24. We are, and remain, very—just in terms of the way revenue recognition works is that we don't take the MGs into revenue. It's really about the sell-through and the royalty receipts that we get, and that takes a while to flow through the financials. But it's a building process and we're just layering one after another after another so that we will, I think, fully expect a diversification in the consumer products revenue line.

But the *Peanuts* business is a very well-oiled machine now. We've talked to you about territory expansions; that's going to continue to spur increases in revenue across consumer products. But I think that's probably where I come down on the timing question, and Aaron can answer your second question.

Aaron Ames — CFO, WildBrain Ltd.

Yes, thanks, Eric, and hi, Aravinda.

We're very comfortable with our leverage and where we are, and we had a terrific amount of visibility because of the pipeline and all the deals that we've been doing, and growing that pipeline in production, distribution, starting to grow the consumer products. We feel very good about our visibility. Our visibility's better than it's ever been before. Historically, we were doing deleveraging with some asset sales, and then to a lesser extent, EBITDA growth. Now we shift, as we look out to '23 and beyond, we're shifting to growing EBITDA to take over as the primary means and driver of accelerating any future deleveraging, augmented by improving free cash flow. A little bit of a shift there but feeling very good about our leverage.

Aravinda Galappatthige — Analyst, Canaccord Genuity, Inc.

Excellent, thank you.

Operator

There are no further questions over the phone lines at this time, so I will turn the call back over to Nancy Chan-Palmateer.

Eric Ellenbogen — CEO, WildBrain Ltd.

Actually Nancy, before you pick up, I want to use my soapbox for one more thing, is really just to publicly acknowledge and thank the amazing team that I have for what they're delivering. It's really fun to go to work these days. I think that everybody is excited about what we have and what we've switched on. The attention that we're getting, the critical acclaim, these are great properties. They're doing great work with it, and I just want to thank all of my colleagues.

Now, back to Nancy.

Nancy Chan-Palmateer — Director, Investor Relations, WildBrain Ltd.

Thanks, Eric, and thank you, Operator, and everyone, for joining us today. We look forward to updating you on more exciting news in the next quarter. Thanks and have a great day.

Operator

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