WildBrain Ltd.

Second Quarter Fiscal 2025 Earnings Call

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PRESENTATION

Operator

Hello, and welcome to WildBrain's Second Quarter Fiscal 2025 Earnings Call.

Today's conference is being recorded. All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be question-and-answer session. To ask a question during that time, please press star then the number one on your telephone keypad. If you would like to withdraw from the queue, please press star then the number two.

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

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

Thank you, Operator, and thank you everyone for joining us today for WildBrain's second quarter 2025 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 law, 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 risk and uncertainty 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

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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 for joining us today.

As you saw in our results, we had a strong quarter across numerous business lines led by Global Licensing, which, like the first quarter, delivered excellent growth across multiple franchises and territories. Our results show that our franchise-focused 360-degree strategy is working. We also reported a solid increase in free cash flow, which underlines the quality of this growth story.

I think it's worth revisiting the important milestones we've accomplished in the last 18 months to get us to this place. Back in May 2023, we embarked on a plan to refocus the business toward our biggest opportunities, our franchises, our consumer products licensing expertise, and our AVOD platform. To execute on that, we needed to simplify the Company so we could focus on our core competencies of Content Creation, Audience Engagement, and Global Licensing. This involved integrating these segments

around this core strategic objective and establishing an investment roadmap to deliver against the significant profit opportunities we see.

We also needed to address our debt maturity. We refresh our ways of working as a Management team and rethink our capital allocation decisions. That's exactly what we've been doing:

- We realigned our business across our core pillars and reduced the size of our Senior Management team, streamlining our operations and getting better performance across our workforce.
- We've prioritized efficiency while still investing in our high-growth areas.
- We refinanced our debt, extending our maturity.
- We focused on our core-owned franchises, Peanuts, Strawberry Shortcake, and Teletubbies, while also nurturing strong relationships with third-party partners such as LEGO, Spin Master, and SEGA.

We continue to streamline our business with a definitive agreement to sell a two-thirds stake in WildBrain Television to IoM Media as announced in December. Through these efforts, we have reshaped our Company to focus on key franchises and partnerships in areas that will bring the greatest value for shareholders, with sustainable, high-quality earnings and cash generation.

Our TV transaction was a very important piece of this transformation. We're pleased to have found the ideal partner in IoM, an independent Canadian-owned children's studio. We filed our regulatory application with the Canadian Radio, Television and Telecommunications Commission, or the CRTC for short, and the deal is going through that approval process now. After regulatory approval and closure of the transaction, we will be able to revisit our variable voting structure. For those unfamiliar, under the

Broadcast Act, we are currently subject to a number of restrictions on non-Canadian ownership. Simplifying our voting structure to a single-class structure will provide strategic flexibility to WildBrain.

WildBrain continues to manage the channels until the deal closes, after which we look forward to participating as a minority shareholder and working with IoM to ensure these channels continue to deliver value and best-in-class content for Canadian families.

Circling back to the focus on our core franchises, the growth we saw this quarter is the culmination of that very focus. We're delighted to report that Peanuts recorded its highest-ever quarter in licensing revenues. That growth was broad-based across multiple geographies and multiple categories. North America continues to drive growth, and we saw strong increases in APAC led by China, along with the LatAm Market.

I'll point to a few drivers of the growth we're seeing. First, our social media strategy has been working and is connecting the brand with Gen Z, opening up additional demographics. Second, we've expanded into different product categories, such as consumable and promotional categories, like the seasonal Chex cereal item that was on store shelves over the holiday season, providing more options for consumers. Lastly, we've been maximizing our retail presence over the last 18 months.

Licensing is a long-term business. Deals we signed a year ago are some of our contributors this year. For instance, we talked about the highly popular Snoopy MoonSwatch from Omega and Swatch last year. That's just one example of many partnerships now flowing into our financials. We also continue to add new partners. If you attended the Formula 1 Las Vegas Grand Prix in November, you may have seen exclusive Peanuts merchandise available for sale in official fan zones at the race.

As Peanuts marks its 75th anniversary this year, look for multiple new activations and partnerships that will celebrate this milestone to drive further engagement with fans. I would be remiss not to also mention the award-winning new content we produced for this beloved brand. Our relationship with Apple TV+ is strong. Since 2019, we have launched three new Peanuts series for 76 episodes, with more on the way, as well as six new family specials, one short, and a feature documentary produced with Imagine. Our team continues to work on the new Peanuts animated feature film for Apple TV+, which will take Snoopy, Charlie Brown, and the Peanuts gang to the big city.

Additionally, we have produced exclusive Snoopy-themed animations for the Apple Watch face rolled out last September, plus new screensavers for the Apple TV operating system update launched in December.

We're also seeing continued strength in licensing with Strawberry Shortcake and Teletubbies. To put numbers on that, Q2 licensing revenue for Strawberry was up more than 200 percent year-over-year, and Teletubbies was up over 100 percent. In Strawberry, this is the highest licensing revenue quarter since our acquisition of the brand. In fact, revenue for Strawberry Shortcake in the second quarter exceeded the entirety of its revenue in all of fiscal year 2023, highlighting the momentum the brand has been building over the last year as we've grown engagement.

Strawberry Shortcake is a blueprint for our strategic advantage. We acquired the franchise in 2017 and set to work producing a new series with 60 new episodes across three seasons and four specials that rolled out on our YouTube network and Netflix, generating the first new wave of awareness for the brand in many years.

From the content side, the series was a success, but that content success did not directly translate into consumer products momentum. Through ‘23 and ‘24, we began to see more brand engagement and mentions on social media. Following the refinement of the WildBrain strategy I mentioned earlier, we began to invest more in social media to drive engagement in the heritage space, leveraging its strong nostalgia appeal. We then doubled down by driving more awareness in the kid segment through our FAST and YouTube channels, crucially using YouTube Shorts to drive further engagement. Although Shorts do not monetize as well as longer form content on YouTube, we knew that this engagement would feed our social media channels and foster consumer demand.

Compared to Q2 in 2024, YouTube organic search views on Strawberry, so that is people searching for Strawberry Shortcake rather than being served Strawberry Shortcake content by the algorithm, increased by 100 percent. Social media engagements increased by over 200 percent and consumer products revenue increased by over 200 percent. This is not a coincidence. It was an evolution of our marketing and digital content strategy to drive greater engagement through continued social media focus and AVOD content, which we then leveraged to drive new licensees on the consumer product side. This strategy requires a lower upfront and total cash investment, resulting in sustainable earnings and cash returns. We used our own platforms to create engagement and drive consumer demand, which is a proof point of our new model.

For Strawberry Shortcake, the heritage strategy featuring classic Strawberry in her bonnet and bloomers continues to resonate with licensees and consumers due to its strong nostalgia appeal. We recently hosted a franchise summit in LA with retail partners, and the feedback was overwhelmingly positive. Similar to what I noted for Peanuts, licensing deals are a build over time. Deals we've signed over

the past several quarters are contributors to revenue this quarter. It's worth highlighting that for many of our licensees, we're past what I call the sugar rush of minimum guarantees, and we're into the sell-through phase where we have quality, sustainable revenue.

In Teletubbies, we're seeing growth in the U.K. and Asia with particular strength with one of our toy partners. Fandom for Teletubbies continues to grow. We did a number of activations spanning the U.K. and U.S. with social media engagement rising. December saw the franchise's top performing month on TikTok, as well as the highest ever single day watch time on YouTube. Building a thriving licensing business requires a deliberate and pragmatic approach, but the payoff can be huge.

First, you need to create energy across content through AVOD, FAST, streaming, socials, and PR events demonstrating the brand's broad appeal. This is followed by initial low-risk licensing opportunities that prove to our partners that characters don't just resonate with fans in the content ecosystem, but they want them in their everyday lives. This obviously takes a fair amount of time and is measured in years, not months. However, as you build the business in the licensing world, success begets success. Existing licensing and retail partners want more of existing product deals and to further grow broader product portfolios.

Additionally, new licensees see our success and want to partner with the brand, adding breadth and depth to the brand's presence for consumers. Of course, you can continue to grow into new territories around the world. This is about building sustainable, high-quality results. We know the playbook, have the assets, and have built the ecosystem to win.

Turning to Audience Engagement, we continue to see a significant opportunity in FAST, where we remain the distributor with the largest number of kids channels. Minutes viewed of WildBrain content across global FAST platforms doubled in calendar 2024 to approximately 15 billion, and we are a destination for third-party brands, such as Pokemon, which we recently launched on Pluto.

Kids and families continue to be engaged on our AVOD network on YouTube. Views and watch time on WildBrain channels saw double-digit growth in the quarter. In December, we announced an expansion of our long-standing relationship with LEGO, with the launch of four of their popular franchises to our YouTube network.

We are the first YouTube distribution partner for this content on YouTube outside of Lego's own channels, continuing to strategically expand engagement with more and more fans around the world. It's worth also highlighting that much of that LEGO content was produced as service work by our Vancouver animation studio over the years, and our TV channels are also home to certain LEGO series in Canada, underscoring our ability to offer leading brands like LEGO a range of strong capabilities across our 360-degree strategy.

We continue to build out our commercial offerings to increase monetization. We recently hired a new VP from Moonbug to lead our Media Solutions team. As a reminder, WildBrain's Media Solutions delivers deep expertise and capabilities in advertising across FAST, YouTube, and gaming. Leveraging our expansive presence across platforms, our Media Solutions team empowers brands and media agencies to reach parents and engage families through COPPA and CARU-compliant opportunities.

Through our world-leading YouTube network and our dominant capacity in the kids' FAST space, we position brands alongside broadcast quality premium content, and we offer advanced capabilities in brand integrations on leading gaming platforms such as Roblox and Fortnite. We have made significant progress over the last six months, enhancing our technology, team, and tools to drive higher value bespoke offerings in the AVOD and FAST ecosystem. The team has done a tremendous job driving results for top brand advertisers, and we see opportunity to grow this business for years to come.

Linear ad dollars continue to look for a home, and as eyeballs continue to migrate and advertisers gain increasing comfort, we see a tremendous opportunity to drive growth as our offering improves.

On the Content Creation side, we continue to expect production to return to growth in fiscal 2025. A new live-action series we're producing for Netflix, *Finding Her Edge*, was recently greenlit and has gone to camera this week. As mentioned, our production teams are also hard at work on the new animated Peanuts feature film for Apple TV+. With our unique 360-degree capabilities, our diversified brands, and a streamlined business, we are well-positioned to deliver growth and value for years to come.

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

Nicholas Gawne — Chief Financial Officer, WildBrain Ltd.

Thanks, Josh.

As you saw in our results, with the definitive agreement to sell a two-thirds stake in our Television business, in accordance with IFRS accounting rules, we have classified Television as held-for-sale in the quarter and presented the historical results of this business unit as discontinued operations. I'll reference

results from continuing operations and results including discontinued operations as applicable in my remarks.

Revenue from continuing operations in the second quarter was $126 million, up 7 percent year-over-year. Revenue including discontinued operations in the second quarter was $133 million, up 4 percent year-over-year. Global Licensing revenue in the quarter was $80 million, up 32 percent. It was a record licensing quarter for Peanuts, and the growth was broad-based across multiple geographies and multiple categories.

We also saw strong growth in our higher EBITDA margin brands, Strawberry Shortcake and Teletubbies. The growth in Global Licensing is a result of the Management's actions to focus the business on high growth, higher margin, higher cash-generative businesses, which set us up for sustainable earnings and free cash growth.

Content Creation and Audience Engagement revenue in the quarter was $45 million, down 20 percent year-over-year. This quarter's revenue was impacted by the timing of both content distribution deals and live action production versus the prior year period. We saw underlying growth across our FAST, Media Solutions and YouTube businesses. Revenue from Television was $7 million in the quarter. As Josh discussed, we are in the regulatory approval process for the TV sale transaction. For comparability, we have provided supplemental information for continuing and discontinuing operations.

Gross margins from continuing operations in the quarter were consistent with the prior period. SG&A from continuing operations was $26 million in the quarter, up 5 percent. Adjusting for non-recurring costs in the quarter and foreign currency translation differences, underlying SG&A costs were broadly flat.

Adjusted EBITDA from continuing operations was $22 million, up 11 percent. Adjusted EBITDA, including discontinued operations, was $26 million, up 4 percent.

Net loss from continuing operations was $69 million compared to net income of $7 million in the prior year period. This change was driven by non-cash unrealized foreign exchange losses arising primarily from our debt being denominated in U.S. dollars and a non-cash impairment of investment in film and television and acquired intangibles. The non-cash impairment is composed of write-downs to fair value on IP sold in the period and the reduction in net book value of a number of titles we invested in prior to 2023.

As I've noted, these impairments are entirely non-cash and have no impact on our current and future cash generating capacity from our IP. It relates to a number of lesser known titles in our library that, due to numerous factors like age, popularity and engagement, do not and have not made sense for Management to invest focus and dollars on, thereby distracting us from materially higher value opportunities in our library like Peanuts, Strawberry and Teletubbies. As a result, we've had to take a write-down to express that decreased investment and prospective performance.

As you've heard us say, 18 months ago, we began on a path to focus our Company on our core brands and high-growth opportunities. Over that time, we have seen success in our licensing business, in our core brands, plus our AVOD, FAST and Media Solutions businesses. A good way to think about the impairment is as an accounting reflection of the transformation of the Company as we transition to focusing on higher-growth opportunities.

Free cash flow in the quarter was positive $49 million compared to positive $5 million in the second quarter of 2024. Free cash flow is subject to variability arising from working capital timing and our interim production financing payables. In this quarter, free cash flow was powered by the outstanding performance and weighting towards our Licensing business, which had shorter working capital cycles. While we did see some timing benefits in the quarter in production financing, which will reverse next quarter, we're confident that the business will maintain strong free cash flow growth through the year, highlighting again the quality of the assets we have.

Our leverage at the end of the quarter was 5.3x. As a reminder, the calculation of leverage under the new Credit Agreement is slightly different than the prior term loan. As comparison, leverage calculated under the prior agreement would have been 5x. We are comfortably in compliance with all our financial covenants and our commitment to reducing leverage to under four times remains unchanged. As previously noted, we do expect leverage to remain elevated through fiscal '25 as we return to growth in our content production business.

The macroeconomic backdrop is dynamic. The recent appreciation of the U.S. dollar, along with potential U.S. tariffs, contribute to an evolving operating environment. Given where currencies have moved in the past few months, specifically the Canadian dollar, I thought it would be a good time to highlight that we are a global business and most of our expenses are offsetting revenue in local currencies. For example, while our debt is denominated in U.S. dollars, the majority of our operating cash flow is derived in U.S. dollars. Peanuts is global but has a large and successful U.S. business. Also in Licensing, some of our fastest growing brands, like Strawberry, are more exposed to U.S. dollars.

Within Audience Engagement, with partners like YouTube, Netflix, Apple, Samsung, Roku and more, our AVOD platform distribution businesses are materially U.S. dollar weighted. As a result, we have a natural hedge against our U.S. dollar denominated debt. We continue to monitor this and will explore potential currency hedging options where they would make economic sense.

On the topic of tariffs, it's still early days and our guidance contemplates what we are aware of today. The tariff impact is likely to be specific to consumer products merchandise and not content or IP. As with any macro dislocation, we will continue to assess any potential impact.

Turning now to guidance, we reaffirm our outlook for fiscal year 2025 for revenue growth including discontinued operations of approximately 10 percent to 15 percent and Adjusted EBITDA growth including discontinued operations of approximately 5 percent to 10 percent. But we do know that both could be impacted by the timing of the close of the television transaction.

Absent Television, we expect underlying revenue growth of 15 percent to 20 percent and Adjusted EBITDA growth of 12.5 percent to 17.5 percent from our continuing operations. Currently, we are trending towards the higher end of that range. But as always, we note that the volatility the timing can bring to our results. This strong growth in our continuing operations is the net effect of strong growth in Global Licensing, AVOD, FAST and Media Solutions, as well as a return to growth in content production.

As noted previously, within distribution, the lag effect of reduction in new content related to the downturn in the content production market is somewhat of a headwind and has offset some of the rebound we're seeing in content production. However, we remain very confident in the value of our library and our franchises and see an opportunity for double-digit growth through fiscal ‘26 and beyond.

Moving on to our expectations for free cash flow. This is of course subject to material timing variances, but the quality of earnings we're seeing this year leads us to see free cash flow as being positive with a good proportion of the first half's $54 million holding through the year despite some expected working capital outflows and second half interest payments being higher.

Absent interest, our unlevered free cash flow was $63 million in the quarter and $73 million in the first half and $82 million in the last 12 months. That's compared to around $10 million in fiscal '24, another important proof point of our turnaround and our ability to operate and grow despite higher leverage.

For two quarters now, we've delivered quality EBITDA growth versus prior year and materially better cash creation. We still have much work to do, but we're pleased that the significant changes made in the business in the past 12 months to 18 months are bearing fruit. We strongly believe we are well-positioned for long-term growth into fiscal '26 and beyond.

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

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

Thanks, Nick.

We have a unique platform across Content Creation, Audience Engagement and Global Licensing. With our premium franchises, we continue to grow within Licensing. We remain well-positioned to capitalize on the growth across AVOD and FAST channels, and our content production is returning to growth in fiscal 2025. With the Television transaction, we are further streamlining our business. We are well-positioned to deliver sustainable growth and drive shareholder value.

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

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press star followed by the one on your telephone keypad. You will hear a prompt that your hand has been raised. Should you wish to answer your request, please press star followed by the two. If you are using a speakerphone, please lift the handset before pressing any keys. One moment, please, for your first question.

Your first question comes from the line of Dan Kurnos from Benchmark. Please go ahead.

Daniel Kurnos — Analyst, Benchmark Company

Great, thanks. Good morning. That's another nice print, guys. Josh, just a couple things just to get out of the way. Number one, with the TV asset sales, are there other opportunities you see for incremental asset sales, or are we kind of standing pat now? We have the portfolio where it is, and we're going to continue to drive the efficiencies of what we've got from here? First question.

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

Hi, Dan. Good to hear from you. Yes, so as we stated, we're committed to lowering our leverage down to four times. Non-core asset sales are certainly a tool by which we can accomplish that. We'll continue to have discussions and explore opportunities in that space. But it's worth noting that as we

strategically set out to focus on our core franchises and grow our Licensing business, which is less capital intensive, we knew that we would be building to a more cash-generative business, and you're starting to see that in this quarter. The cash profile that we're growing into gives us an additional tool for bringing leverage down. I think that's worth keeping in mind when you look at us holistically at this point.

Daniel Kurnos — Analyst, Benchmark Company

Got it. I promise, Josh, we will get to the good cash flowy stuff in a second. I do want to just, speaking of though, as content production does come back online, I think you said returning to growth on that side. Obviously, the AVOD FAST stuff has been great. How much timing or pull into Q3 was there in the quarter? You have a really easy comp in Q3 and then a tougher comp in Q4. But do we expect growth year-on-year in the back half of the year on the content production side?

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

Yes, we do. As we mentioned, we've started production on a live action series this month, which is a revenue driver. That in combination with the feature film that we're producing for Apple TV Plus is what leads to our growth profile in the second half of the year.

Daniel Kurnos — Analyst, Benchmark Company

Okay, perfect. Let's get to the fun stuff. You guys accelerated your Global Licensing growth by 5 points, quarter-over-quarter, despite a 10 percent tougher comp against growth last year. Josh, maybe just unpack a little bit more, if you will, some of the ancillary channels. You talked about promotional and consumables. I don't know how much to think about how that adds to the equation, number one. Then

number two, are we running now over, let's call it $10 million or plus? I'm sure you won't get the specific number, but just in non-Peanuts revenue, because given what happened with Strawberry and Teletubbies in the quarter, it seems like it's starting to be a much more material impact to the total, even given how large Peanuts is.

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

Sure. I'll start with Peanuts. We're really encouraged by what we're seeing. There certainly is geographic strength in North America, APAC, and Latin America. But really, the increases we're seeing are across all categories. We have been expanding the categories, but ultimately these royalties are coming in higher than forecasted, which is a really encouraging sign that consumers are engaged with the brand in a really meaningful way. I think it's worth remembering the article that the Atlantic posted last year about Gen Z's affinity towards Snoopy. I think that's certainly part of what we're seeing here is that there is another level of fandom for Peanuts.

As we look forward, we're in our 75th year anniversary, which is going to mean meaningful retail activations over the coming calendar year. We're in production on our feature for Apple TV Plus. There's some really meaningful tent poles to continue to drive growth into the future on Peanuts.

Nicholas Gawne — Chief Financial Officer, WildBrain Ltd.

Yes, just to add some points to that. As Josh said, North America has been incredibly strong for us in the quarter and in the first half overall. For a mature brand to drive the growth rates we're seeing in North America, which powers the overall growth rates, I think is really important. We're also seeing really

strong growth in Asia Pacific, double digit growth inside China and outside China as well in that territory. That's really a payback to the investment we made in growing that team over the past few years.

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

To the second part of your question, Dan, on the other brands, namely Teletubbies and Strawberry, we're not breaking that out. But the revenue certainly is becoming meaningful. I think the most exciting part about Strawberry is we've been encouraged over the last 18 months with the number of licensees that we had signed up. We felt like we were going in an interesting direction as we tapped into this heritage play. But in this quarter we actually saw meaningful sell through, which is the first sign of a sustainable growing business. Because it means it's resonating with consumers, which then gives retailers the confidence to first of all stay with the program, but as well expand it. It also gives your licensees confidence to stay with the brand and put more than marketing dollars to future programs. Overall, it puts us in a good place moving forward.

Nicholas Gawne — Chief Financial Officer, WildBrain Ltd.

Yes. As Josh said, revenue is becoming very meaningful. The EBITDA is also meaningful. These are brands that we fully own, high margin for us, high cash generation. Not only is the revenue becoming meaningful but the margin they generate and the profile it gives us is very meaningful. I just wanted to add as well CPLG, our International Licensing business, WildBrain CPLG is also growing strongly. We're seeing double digit growth versus prior year there as well. Their repertoire of WildBrain brands, Peanuts brands and third-party brands is really driving all of that growth. They're seeing good growth rates in Europe, in APAC, in the Americas and their LBE businesses as well.

Daniel Kurnos — Analyst, Benchmark Company

That is super helpful. I figured I'd ask enough questions, Nick, so I didn't ask the CPLG one. But thank you for the colour and it's clearly showing through the pivot here, guys, X, the broadcast business. It's a nice print. Thank you.

Nicholas Gawne — Chief Financial Officer, WildBrain Ltd.

Thanks, Dan.

Operator

Thank you. Once again, should you have a question, please press star followed by the one on your telephone keypad.

Your next question comes from the line of Drew McReynolds from RBC Capital Markets. Please go ahead.

Ryland Conrad — Analyst, RBC Capital Markets

Hi, good morning. It's Ryland on for Drew. Thanks for taking my questions. First, just on the Global Licensing, obviously really good to see the strength there. I know you mentioned just the sustainability a few times in your prepared remarks. Just as we look to the back half of fiscal ‘25 and into 2026, to what extent do you think this current momentum and just the year-over-year growth that you've seen in Q1 and Q2 is sustainable? Then just secondly, obviously, a lot of moving parts on the macro side. But just

curious to hear what you're seeing at the macro level across the various regions. Just if there would be any meaningful exposure to potential tariffs?

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

Sure. Thank you for the question. Yes, we really feel like the building blocks are there for sustained growth across our core IP. Notice, we've talked about the geographic strength that we're seeing in specific regions for Peanuts heading into the 75th anniversary, as well as the additional 10 poles that we've got to drive further growth on Peanuts over the coming year. Our social numbers continue to be extremely strong and point to the direction of sustained growth. We feel great about that. We talked about Strawberry and the positivity around sell through that we saw in the quarter, which is always a really meaningful sign of sustained opportunity around growth.

Nicholas Gawne — Chief Financial Officer, WildBrain Ltd.

Yes. Josh and I have been around the block a few times and we know where a quarter is driven by a hot selling product. This isn't that. This is across Peanuts, over a thousand Licensees of Peanuts and a decent number for Strawberry as well. We're seeing the numbers uptick quarter-on-quarter and year-on-year. That gives us confidence that it's as we say, it's broad based, it's multi territory. Those are the building blocks for almost resetting a new level of licensing revenue for brands.

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

On a macro basis, we're seeing strength in APAC and North America. But I wouldn't point out any regional weakness that we're seeing on a macro level around the world. We're seeing demand and positivity around all of our core IP around the world.

In terms of tariffs, look, there are the tariffs on China, imports from China to the U.S. that could have some impact on Licensees who manufacture in China and bring the product in. But the time will tell where we don't believe that the exposure at this point is meaningful though.

Ryland Conrad — Analyst, RBC Capital Markets

Okay, great. Thanks, guys. Just one follow up. I know you mentioned the majority sale of Television is going through the CRTC process. Just curious if you have a sense on timing there. I know previously you mentioned I think it was three to six months. Is that still the expectation?

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

Yes, that's still the expectation.

Ryland Conrad — Analyst, RBC Capital Markets

Okay, great. That's all for me.

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

Thank you, Ryland.

Operator

Thank you. Once again, should you have a question, please press star followed by the one on your telephone keypad. Once again, that is star and one to ask a question.

There are no further questions at this time. This concludes today's call. Thank you all for participating. You may now disconnect.