

## 1Q08 Earnings



Instant Tapeless Technology



**May 2008**

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## Forward Looking Information

The statements made in this presentation that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical fact, which address EVS Group's ("EVS", "XDC" or the "Company") expectations, should be considered as forward-looking statements. Such statements made by EVS are based on knowledge of the environment in which it currently operates. Because of factors beyond its control, actual results may differ materially from the expectations expressed in the forward-looking statements. Important factors that may cause actual results to differ from anticipated results include, but are not limited to, financing risk, acquisition risk, changes in technology, and other risks as outlined in the filings with securities regulators and can also be found at [www.evs-global.com](http://www.evs-global.com)



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## Agenda

- ▶ Financials
- ▶ Business update
- ▶ Outlook
- ▶ Corporate



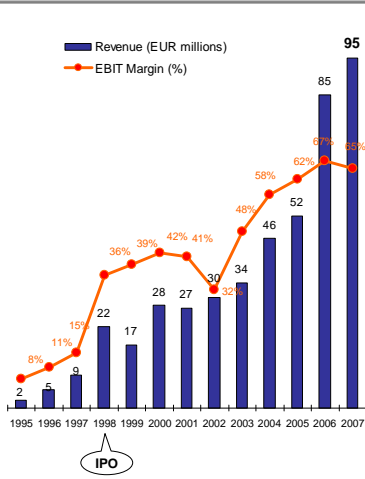
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# EVS at a glance

## Avg revenue growth 94-07 : +38%



## « Speed To Air » Strategy

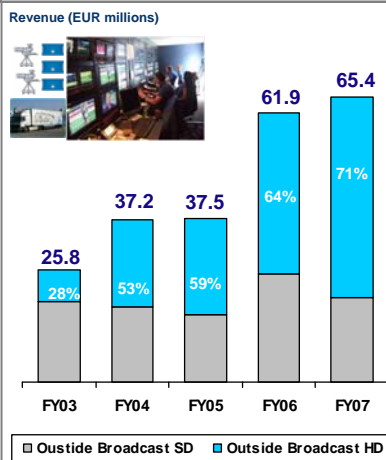
- ▶ Leader in Outside Broadcast/slow motion
- ▶ Challenger in Near-Live Studio production
- ▶ Hardware, software, service
- ▶ 188 staff, 800 customers and 5,000+ users
- ▶ Big sport events (Beijing 2008): trigger and accelerator
- ▶ 50% EMEA, 30% NALA, 20% APAC
- ▶ Strong balance sheet, high dividend yield

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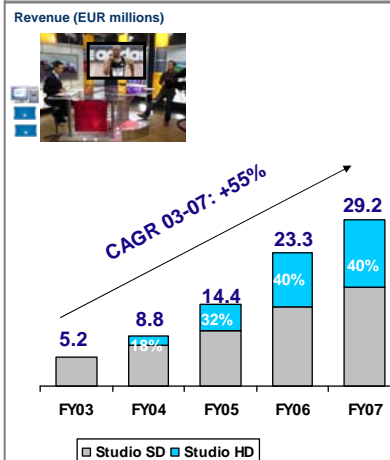
# Ongoing Studio Sales Growth

## HD migration most advanced in Outside Broadcast

### %HD in Outside Production

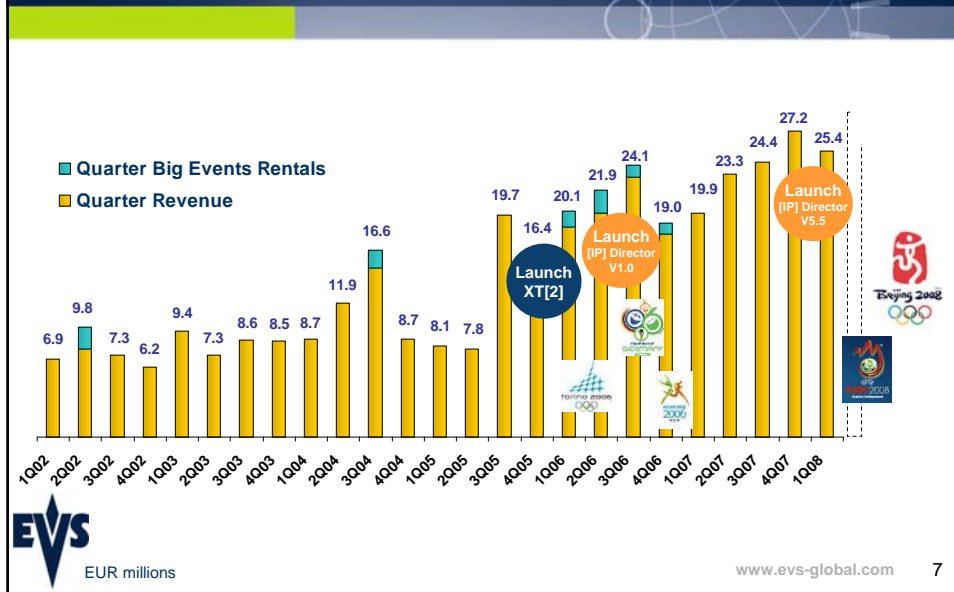


### %HD in Studio Production



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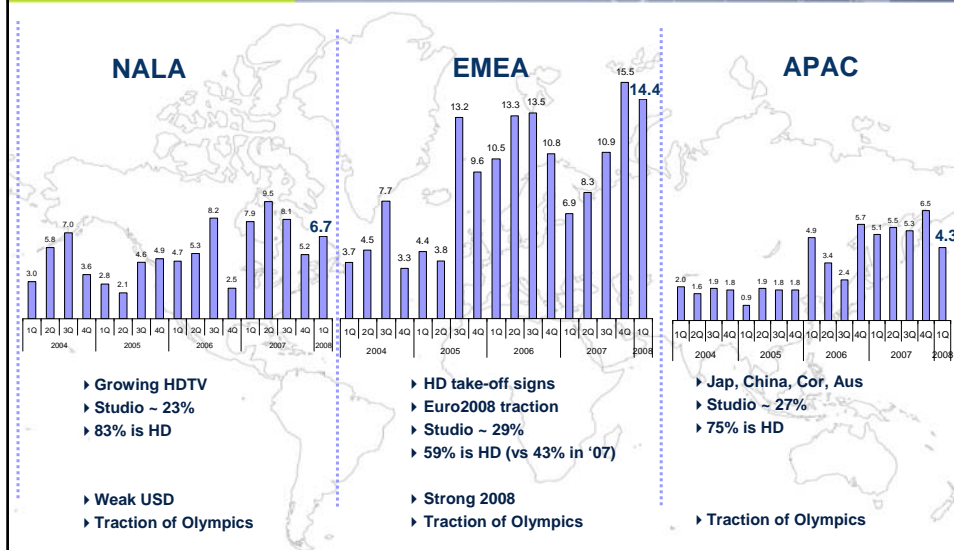
## Strong 1Q08 revenue of EUR 25.4 million



## Strong EMEA offset weaker US and Asia

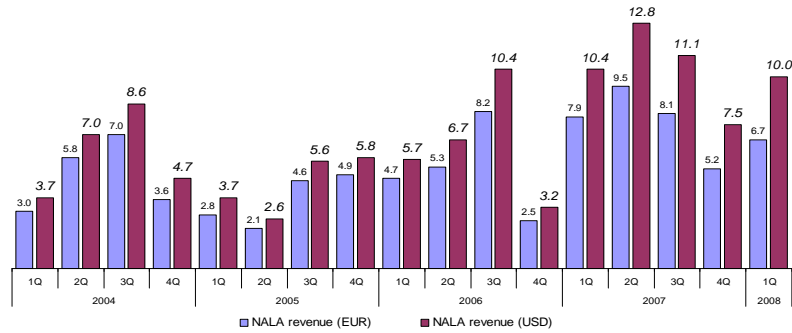
EMEA +110%, NALA -3% at constant exchange rate, APAC -16%

Revenue, EUR millions



## US dollar impact

NALA revenue Q1: -3% at constant exchange rate



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## FY07 Net Profit of EUR 39.5 million

Limited impact of weak US dollar (EUR 1.4 million or 1.5% of revenues)

FY

EUR millions, IFRS	FY06	FY07 Reported	FY07 @Const \$	var @Const \$
<b>Revenues</b>	<b>85.1</b>	<b>94.7</b>	<b>97.5</b>	<b>-2.8</b>
Gr Profit %	86%	87%	87%	-
S&A	(10.3)	(13.0)	(13.4)	-0.4
R&D	(5.5)	(7.0)	(7.0)	-
<b>EBIT</b>	<b>56.9</b>	<b>61.9</b>	<b>63.6</b>	<b>-1.7</b>
<b>EBIT margin</b>	<b>66.8%</b>	<b>65.4%</b>	<b>65.3%</b>	<b>+0.1pp</b>
Exchange result	-	0.8 <sup>1)</sup>	-	+0.8
Taxes	(18.5)	(19.8)	(20.0)	-0.2
<b>Net Profit excl. XDC <sup>2)</sup></b>	<b>39.4</b>	<b>43.6</b>	<b>45.0</b>	<b>-1.4</b>
margin %	46.3%	46.0%	46.2%	
XDC contribution	(2.5)	(3.0)	(3.0)	-
XDC dilution profit	3.4	-	-	-
<b>Net profit</b>	<b>39.4</b>	<b>39.5</b>	<b>40.9</b>	<b>-1.4</b>

### ► Sales

- +11% vs FY06
- +15% at constant FX
- +22% excl rentals

### ► EBIT

- opex growth
  - +27%
  - +29% @const \$
- +18% average staff growth

### ► XDC dilution in 2006

1) Forward exchange contracts have generated EUR 0.5 million gain on FY07

2) Net profit, group share, excluding non-recurring exceptional results, net of tax, and excluding XDC contribution

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# Efficient natural and financial hedging

1Q08 Revenue lower by EUR 1 million but stable net profit (+0.1m)

Q1

EUR millions, IFRS, at constant exchange rate

	1Q07	1Q08	1Q08	Var
	Reported	Reported	@Const \$	1Q08
<b>Revenues</b>	<b>19.9</b>	<b>25.4</b>	<b>26.4</b>	<b>-1.0</b>
Gross margin	87.0%	88.1%	87.3%	+0.8pp
S&A	(2.8)	(3.2)	(3.3)	+0.1
R&D	(1.5)	(2.1)	(2.1)	-
<b>EBIT</b>	<b>12.9</b>	<b>17.1</b>	<b>17.7</b>	<b>-0.6</b>
<b>EBIT margin</b>	<b>65.1%</b>	<b>67.3%</b>	<b>67.2%</b>	<b>+0.1pp</b>
Exchange result	-	0.6 <sup>2)</sup>	-	+0.6
XDC @equity	(0.4)	(0.8)	(0.8)	-
Taxes	(4.1)	(5.6)	(5.7)	+0.1
<b>Net Profit</b>	<b>8.6</b>	<b>11.7</b>	<b>11.6</b>	<b>+0.1</b>
Basic EPS <sup>1)</sup>	0.63	0.86	0.86	

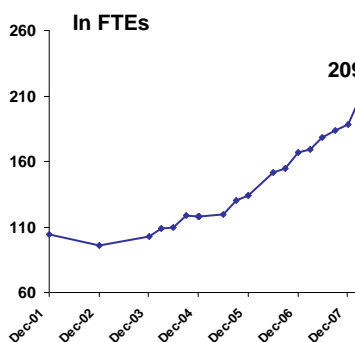
- ▶ 4% lower sales
  - ▶ and U\$ competitors
- ▶ Flat EBIT margin
  - ▶ Increasing natural hedge with more U\$ purchases
- ▶ Flat Net Profit
  - ▶ Forward contracts gains
  - ▶ US taxes
- ▶ Flat EPS of EUR 0.86

1) Basic EPS is computed on the adjusted number of shares, i.e. less own shares  
 2) Unrealized exchange gain of EUR 0.8m as at March 31, 2008.

# Team Growth, +24% over 1 year

... to pursue long term growth

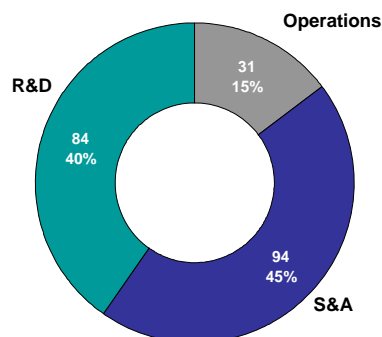
## Leverage effect on future sales



- Still 30 open staff positions  
 - Average age: 35 years

## 40% staff in R&D

### In FTEs and %





## Official partner for 2008 Cannes 18 digital auditoriums managed by XDC

### Leading EU deployment

- ▶ # 1 in Europe
- ▶ 300 screens
- ▶ New Mgt team
- ▶ G3 & 3D deployment
- ▶ Ongoing negotiations



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## Contribution of EUR -0.8 million to EVS Group over 1Q08

### 1Q08 Income Statement

XDC 100% <i>in thousands EUR</i>	1Q07	1Q08
Revenue	912.2	929.2
EBITDA	-85.9	-338.4
Net result	-819.1	-1,758.8
<i>EVS share</i>	<i>x 47.2%</i>	<i>x 47.2%</i>
XDC contribution	-386.6	-830.1

### Leading EU deployment

- ▶ 47% affiliate of EVS
- ▶ Sales up 1.9%
- ▶ R&D no longer capitalized
- ▶ Strong team of 47 FTE's
- ▶ Ongoing negotiations

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## EVS strong balance sheet

RoE 80%; Dividend yield ~3.5%

EUR millions	31 Dec 2007	31 Mar 2008	
Cash	35.5	45.5	
Current assets	15.4	20.2	▶ DSO ~55 days
Inventories	5.6	7.1	▶ Incl R&D & Demo's
XDC at equity + bond	7.2	6.4	▶ XDC at equity + bond
Non current assets	11.3	11.7	
<b>TOTAL ASSETS</b>	<b>75.0</b>	<b>90.9</b>	
Dividend payable	0.2	0.2	
Current liabilities	8.6	15.1	▶ 6.7m tax provisions
Non current liabilities	4.3	4.4	
Shareholders' equity	62.1	71.4	▶ =79% of total B/S
<b>TOTAL LIABILITIES</b>	<b>75.0</b>	<b>90.9</b>	



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# NAB 2008 (Mid April, Las Vegas)

More than 30% visitors increase on EVS booth



## Attendance Evolution %

- ▶ NAB -5%
- ▶ EVS +30%

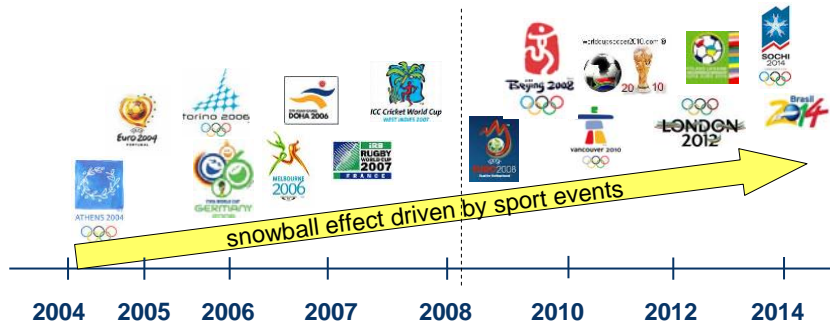


# Open format policy

EVS key partnerships to expand in near-live studio market



## 2008: another big sport year



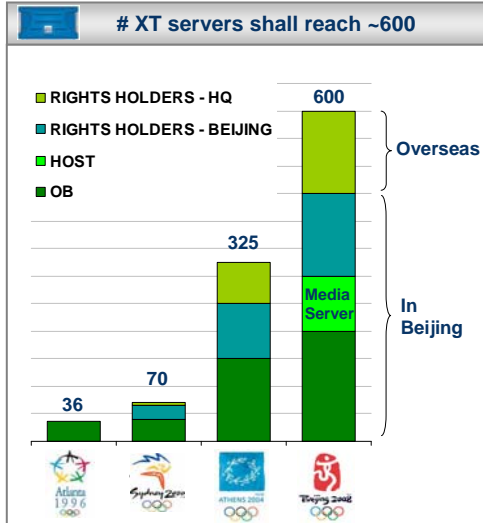
- ▶ Big events = major innovation milestones  
= HDTV marketing boost to consumers
- ▶ EVS Technology exposure (& direct rentals)



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## A long term partnership 2008 milestone: EVS digitizes the Host operations



- 2008 Integrated workflow
- ▶ Outside Broadcast
    - ▶▶ 60 vans, 100% HD EVS
  - ▶ Host Broadcast (new!)
    - ▶▶ 100% HD Tapeless Media Server
    - ▶▶ 100 [IP]Director workstations
    - ▶▶ IOC Tape Archive Indexing
    - ▶▶ BOB / EVS service agreement
  - ▶ Broadcast Partners
    - ▶▶ Log into Media Server
    - ▶▶ 150 [IP]Director workstations
    - ▶▶ Interop w/ Post-Production
  - ▶ Ww Right Holders
    - ▶▶ Time delay management
    - ▶▶ Highlights packages
    - ▶▶ New Media
  - ▶ ~2.000 EVS users in Beijing



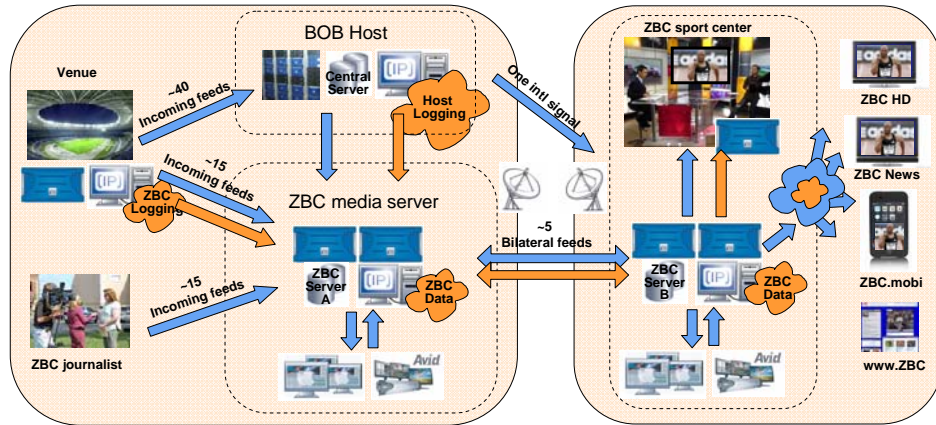
# Zoom on split production at "ZBC"

EVS Media Server showcases future generic tapeless studio

Video →  
Metadata →

***In Beijing 20:00***

***At "ZBC HQ" 12:00***



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# HD: One way forward

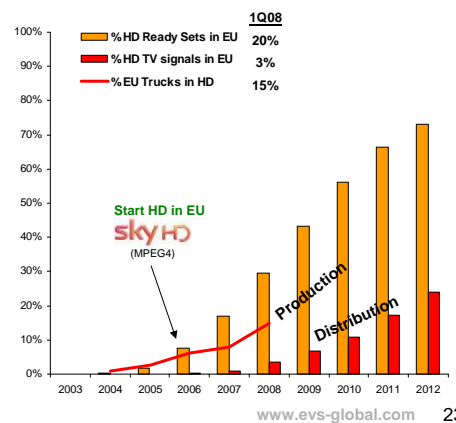
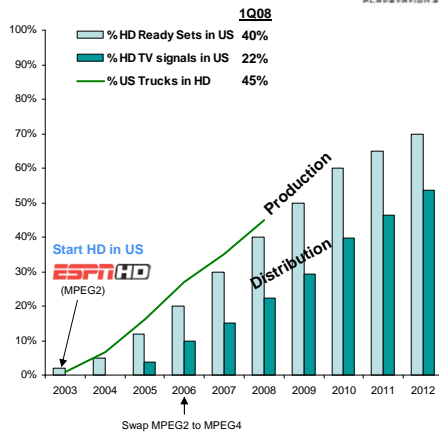
HD grows faster in production than in distribution



## United States



## Europe



# Spring orderbook of EUR 34.4 million

Up 104% vs 2007

### ► Usual geo mix

### ► Big Events Rentals

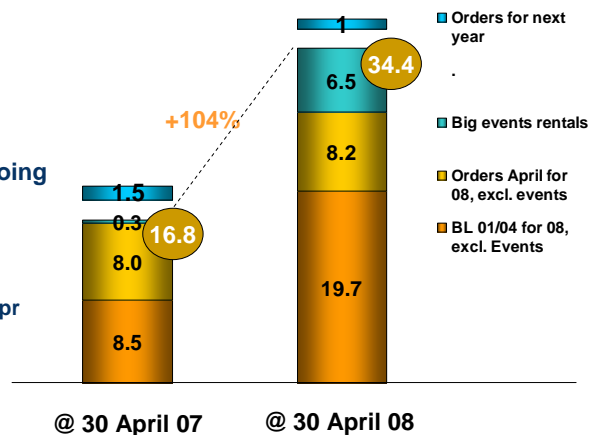
- 2,0m for Euro'08 \* (Q2)
- 4,5m for Beijing'08 (Q3)
- Lower gross margin

### ► "Beijing" traction keeps going

### ► Studio

- 47% of orderbook
- Due to longer leadtime
- 34% of order intake Jan-Apr

### ► HD ~70%



\* UEFA Euro2008 rental agreement already booked in March

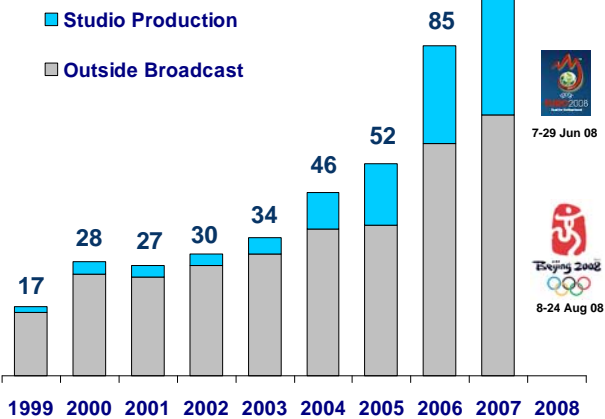
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## Guidance 2008

Limited visibility and U\$ evolution ?

### EVS TV Sales

In EUR millions



### ► Growth year

- Sales
- EPS
- Euro 2008 (Q2)
- Beijing 2008 (Q3)
- More HD
- Expand
  - Recruit
  - Open offices
  - New products

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## May 20's General Meeting

Find detailed invitation & proxy on our website [www.evs-global.com](http://www.evs-global.com)

### ► OGM

- Annual Report 2007
- Final Gross dividend EUR 1.48: ex-date May 27
- Employee profit sharing plan (~6k EVS shares)
- Renewal Board Member: J.Galloy

### ► EGM

- Renewal own shares buy-back programme
- Should be called up again for June 10  
(due to min. 50% quorum issue)



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## EVS shareholding as of May 14, 2008

in % shares and issued warrants – based on last received shareholders statements

### March 31, 2008 stock data:

Basis : 13,875,000 ordinary shares

Outstanding warrants : 119,250

Treasury shares : 285,049 shares

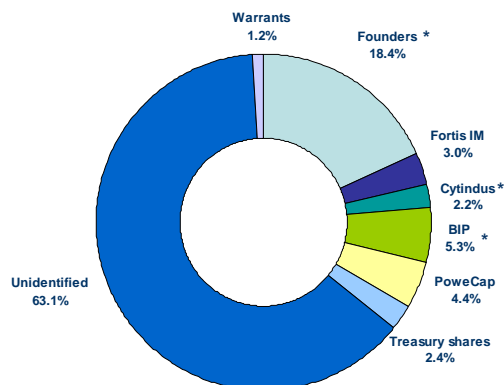
Mkt Cap: EUR 944 million

### 1Q08 stock data:

Standard velocity: 88.9%

Average daily volume:

- 49,750 shares
- EUR 3.4 million



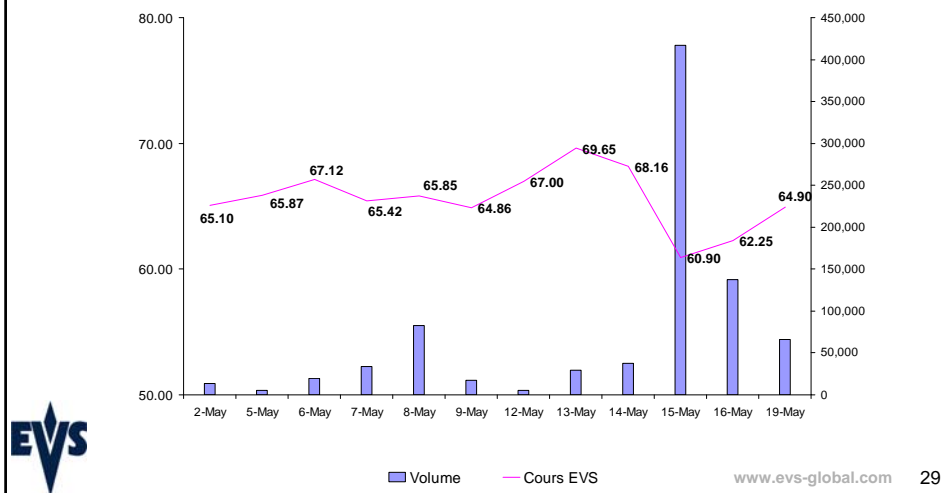
\* Board members



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## EVS share price in May 2008

Huge volume on May 15, no real impact on a two week period



## Corporate Matters

### ► Calendar

- Tuesday 20 May 2008: Annual Shareholders Meeting
- Tuesday 10 June 2008: Postponed Extraordinary Shareholders Meeting
- Tuesday 27 May 2008: Final dividend 2007 - Coupon 6 – ex-date
- Monday 2 June 2008: Final dividend 2007 - Coupon 6 – pay-date
- Thursday 17 July 2008: trading update on 2Q08 revenue
- Thursday 4 September 2008: 2Q08 revenue & earnings
- Thursday 13 November 2008: 3Q08 revenue & earnings

### ► Investor relations

- Annual Report online on our website (FR + UK)
- Visit our new website on [www.evs-global.com](http://www.evs-global.com) !
- Your requests are welcome on [corpcom@evs.tv](mailto:corpcom@evs.tv)

