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EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVS.BR)

EVS Q1 2019 Business update

- > **EVS global leader in live video technology for broadcast and new media productions today announces its business update for the first quarter ending 31 March 2019.**

HIGHLIGHTS

- EVS' pipeline of prospective customers increases in all regions
- The Broadcast Market conditions remain however challenging
- Excellent NAB trade show with key EVS highlights: New features for XT-Via, IP enabled solution, EVS VIA platform, etc.
- Order book (to be recognized in revenue in 2019) of EUR 42.8 million (excl big event rentals) on April 30, 2019, versus EUR 42.2 million (excl big event rentals) at the same date last year. (+1.5% vs last year)
- Confirmation of the guidance on revenues, between EUR 100 million – EUR 120 million, with a stronger H2
- Confirmation of the guidance on Opex, less than 2% OPEX, thanks to disciplined cost management.

COMMENTS

Dr. Pierre De Muelenaere, Chairman of the Board and Interim CEO comments the business development: *“People, sales, product development and strict costs management continue to be our main focus in 2019. Thanks to our sales team effort, and in a continued challenging and cautious market, we are seeing positive development of our funnel and sales leads. For the first 4 months of 2019, the order intake is 11% higher than last year in the same period.*

In the recent NAB show in Las Vegas, we have received positive feedbacks from the large number of customers visiting our booth. In particular our partners support the directions we're taking with our new products, solutions and recent innovations. The latest evolutions of the XT-VIA announced at the NAB confirm the EVS leadership in the high-end live sports”.

On the corporate developments, Dr. Pierre De Muelenaere added:

“At our Ordinary General Meeting, we will propose the nomination of three new directors of the Board: Tom Bamelis (already appointed under the cooptation procedure), representing Ackermans & van Haaren, Philippe Mercelis, representing Belfius Insurance and Anne Cambier. These new arrivals will help EVS with additional skills and a more balanced Board with an improved representation of shareholders. At the OGM we will also thank Yves Trouveroy who is leaving our Board at the end of his third mandate as independent director”.

Commenting on the results and the outlook, **Yvan Absil, CFO**, said: *“As announced previously, and based on the analysis of our pipe-line, we expect a stronger second half in 2019. Our orderbook (without big events) as of April 30th amounts to EUR 42,8 million, with about 75% expected to be recognized as revenues in H1 2019.*

The Opex initiatives initiated in H2 2018 continue to bear positive effects in 2019. This, combined with additional initiatives started in 2019 allows us to confirm our opex guidance of less than 2% increase Year on Year in 2019. Based on our Order Book and pipeline analysis, we also confirm our revenue guidance for 2019 of EUR 100-120 million.”

On the Share Buy Back program, Yvan Absil, added: *“We are continuing with our share buyback program announced in October 2018 and have currently purchased EVS shares for a total amount of EUR 4.6 million”.*

EVS Market Dynamics and customer wins

The Market remain challenging for broadcasters with acceleration of consolidation, transition to IP and cloud solution and the impact of Digital on production.

EVS is continuing to develop products addressing these challenges: Recently EVS unveiled a new ingest-to-post solution, a software defined solution of micro services based on EVS VIA platform. The Future IPD-VIA asset management platform is promising to exceed the expectations of future media/broadcast centers. Finally, DYVI supporting IP and UHD was introduced at NAB Show

As of end April, the order intake in all 3 geographies progressed well versus the same period last year, with +11% order intake (excl. big event rentals) supported by strong growth YoY in EMEA.

Some key wins:

- Mobile TV Group, a leading live production facilities provider, is using EVS' VIA latest technology to power its new 45 Flex truck with IP. The first full IP truck.

- Swedish national public broadcaster SVT has utilized EVS live production technology to successfully deliver two complex and ambitious remote productions for high-profile winter sports events
- First DYVI sold in Australia to a major broadcaster
- Continuing addressing E-sports with 4K servers sold to EA Sports

Outlook

The order book (to be recognized in 2019) on April 30, 2019 amounts to EUR 42.8 million which is +1.5% compared to EUR 42.2 million last year (at the same date) excluding big event rentals.

Additional EUR 1.2 million orders already received for big event rentals to be recognized in 2019.

In addition to this order book to be invoiced in 2019, EVS already has EUR 5.6 million of orders to be invoiced in 2020 and beyond.

Based on the current market outlook and expected second-half weighting, the management confirms the following guidance for 2019 given at the time of its Annual 2018 financial results publication

- revenue will be in the EUR 100 million to EUR 120 million range (with H2 stronger than H1)
- Opex is expected to grow by less than 2%

Corporate Calendar:

May 21, 2019: Ordinary General Meeting

August 29, 2019: 2Q19 & 1H2019 results

November 14, 2019: 3Q19 trading update

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Forward Looking Statements

This press release contains forward-looking statements with respect to the business, financial condition, and results of operations of EVS and its affiliates. These statements are based on the current expectations or beliefs of EVS's management and are subject to a number of risks and uncertainties that could cause actual results or performance of the Company to differ materially from those contemplated in such forward-looking statements. These risks and uncertainties relate to changes in technology and market requirements, the company's concentration on one industry, decline in demand for the company's products and those of its affiliates, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. EVS undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

About EVS

EVS is globally recognized as the leader in live video technology for broadcast and new media productions. Our passion and purpose are to help our clients craft immersive stories that trigger the best return on emotion. Through a wide range of products and solutions, we deliver the most gripping live sports images, buzzing entertainment shows and breaking news content to billions of viewers every day – and in real-time.

The company is headquartered in Belgium with offices in Europe, the Middle East, Asia and North America, and provides sales and technical support to more than 100 countries. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371.

For more information, please visit www.evs.com.