



# **EVS BROADCAST EQUIPMENT – RESULTS OF 2019**

February 20th 2020

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An hourglass with blue sand is placed on a calendar. The sand is flowing from the top bulb to the bottom bulb. The calendar shows dates in red and black ink. The hourglass is made of clear glass.

# /// AGENDA ///

## Agenda

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- / Business Update
- / Financial Update
- / Guidance
- / Conclusions
- / Questions & Answers

## 2019 HIGHLIGHTS

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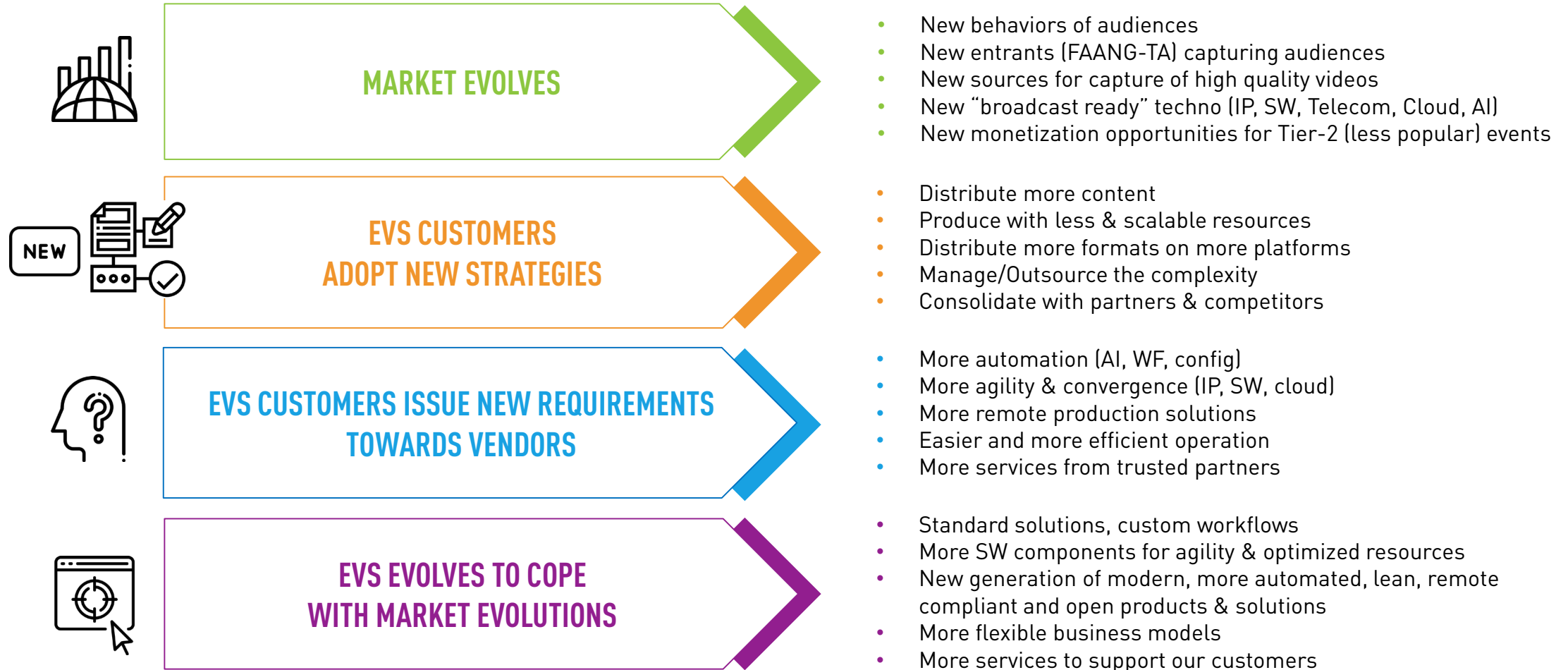
- / 2019 Revenue: EUR 103.4 million within the range of the guidance  
*(-2.3% YoY excluding big events rentals and at constant cy)*
- / Strong NALA revenues offset weak APAC revenues
- / Strong Profitability despite lower revenues thanks to strong gross margin and lower operating expenses (-5.3% YoY)
- / EBIT: EUR 23.0 million
- / Major contracts won for big events in summer 2020 and for broadcast center modernization thanks to VIA platform launch
- / EVS blueprint refined within PLAYForward strategy exercise
- / EVS leadership strengthened, having sustainable & profitable growth ambition

## **EVS BUSINESS UPDATE**

- / BROADCAST & MEDIA MARKET IN TRANSFORMATION**
- / EVS SIMPLIFIED BLUEPRINT**
- / MARKET RECOGNITION FOR EVS PRODUCTS & SOLUTIONS**
- / CHANGE IN PILLARS OF REVENUE DESTINATIONS**
- / KEY CONTRIBUTION FOR DIFFERENT PILLARS IN 2019**
- / 25 YEARS ANNIVERSARY OF EVS IMPACT ON THE INDUSTRY**

# BROADCAST & MEDIA MARKET CONDITIONS

## CHAIN REACTION WITHIN BROADCAST & MEDIA INDUSTRY IN TRANSFORMATION



# EVS SIMPLIFIED BLUEPRINT: STANDARD SOLUTIONS – CUSTOM WORKFLOWS



REPLAY & HIGHLIGHTS



LIVE PRODUCTION SYSTEMS



ASSET MANAGEMENT

3<sup>RD</sup> PARTY APP

PRODUCTION  
PLATFORM

MODULAR  
INFRASTRUCTURE



a micro-service SW platform  
deployed as containers



WORKFLOW DESIGN



Customization



Integration



Learning



Contract

TROUBLESHOOTING

services

# EVS SIMPLIFIED BLUEPRINT: STANDARD SOLUTIONS – CUSTOM WORKFLOWS



REPLAY & HIGHLIGHTS



LIVE PRODUCTION SYSTEMS



ASSET MANAGEMENT

3<sup>RD</sup> PARTY APP

## PRODUCTION PLATFORM



Resource Management



Asset & Workflow Management



Support & Communication



AI & Data



Open API

3<sup>RD</sup> PARTY  
INTEGRATIONS

## MODULAR INFRASTRUCTURE

Video  
Audio  
Data  
Files

IN

Encode  
Decode  
Store

Transform  
Contribute  
Transport

Mix  
Render  
Route

Monitor

OUT

3<sup>RD</sup> PARTY  
INFRA

WORKFLOW DESIGN



Customization



Integration



Learning



Contract

TROUBLESHOOTING

services

# OFFICIAL MARKET RECOGNITION FOR EVS PRODUCTS & SOLUTIONS

## AWARDS & CERTIFICATIONS



EVS and ESL win best esports production award at the Broadcast Tech Innovation Awards 2019



EVS' Overcam wins IABM's Peter Wayne Golden BaM award at IBC2019



EVS successfully participates in latest JT-NM testing to confirm compatibility with leading IP ecosystem



FIFA awards EVS' Xeebra with certification for its virtual offside line

# CHANGE IN INFORMATION GIVEN BY REVENUE DESTINATIONS

## NEW MARKET PILLARS



### / **LIVE AUDIENCE BUSINESS (LAB)**

Broadcasters, Stadium, House of Worship, Corporate Media Centers, Sports organizations, Government & institutions, University & Colleges

Revenues from customers leveraging EVS products and solutions to create content for their own purpose



### / **LIVE SERVICE PROVIDERS (LSP)**

Rental & facilities companies, Production companies, Freelance operators, Technology partners & system integrators buying for their own purpose

Revenues from customers leveraging EVS products and solutions to serve “LAB customers”

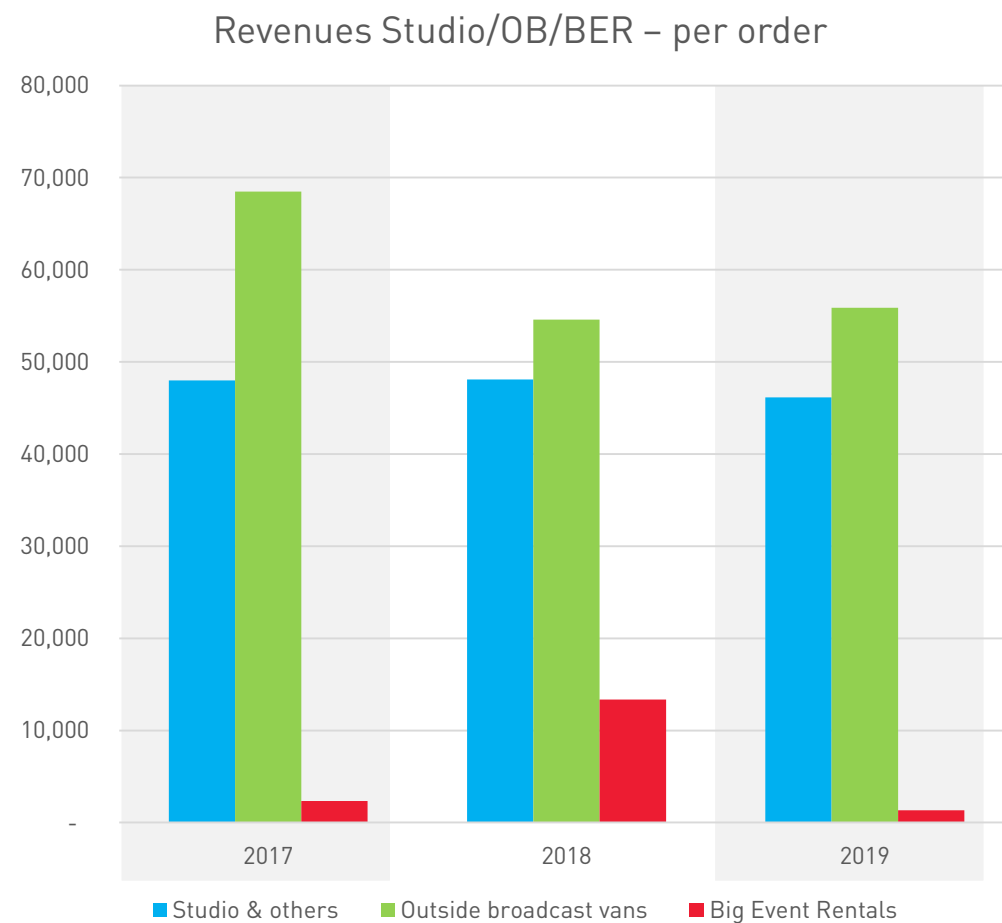
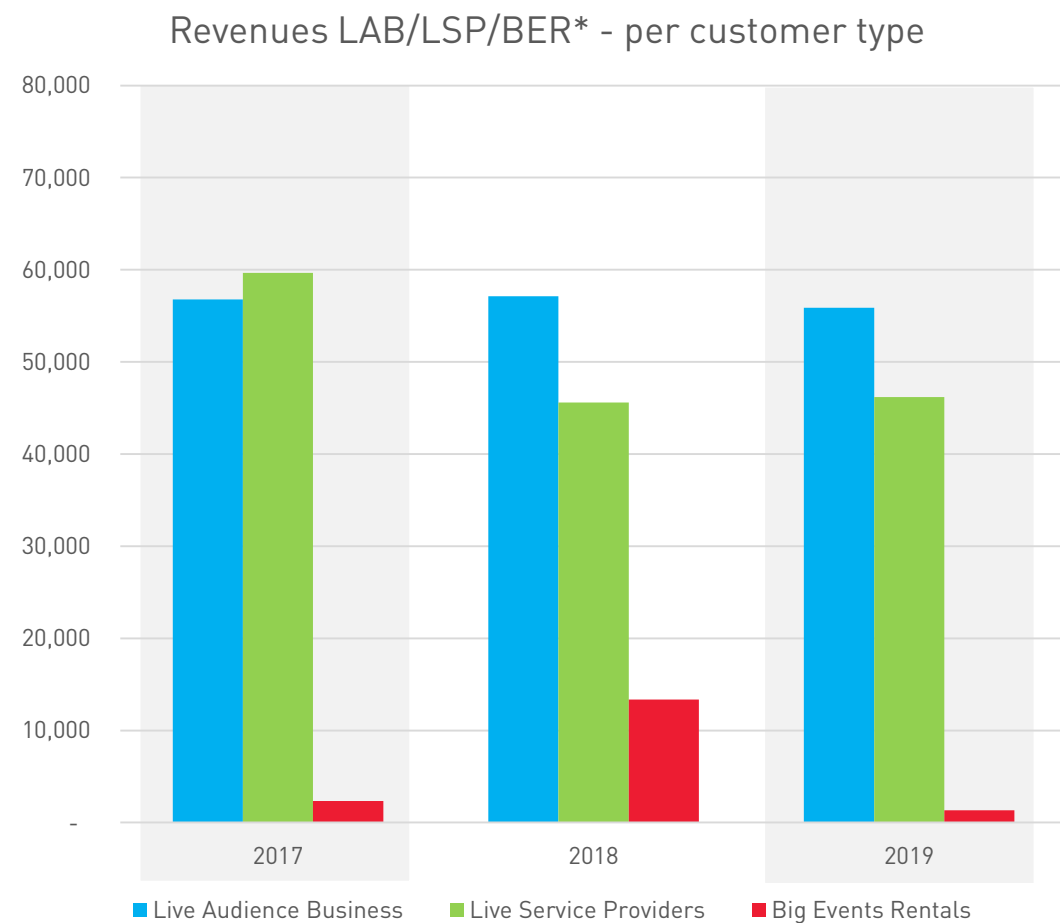


### / **BIG EVENTS RENTAL**

Highlight the non-yearly revenue base.

Revenues from major non-yearly big events rental.

# LIVE AUDIENCE BUSINESS/LIVE SERVICE PROVIDERS/BIG EVENTS RENTAL 3 YEARS EVOLUTION VS OB/STUDIO & OTHERS/BIG EVENTS RENTAL

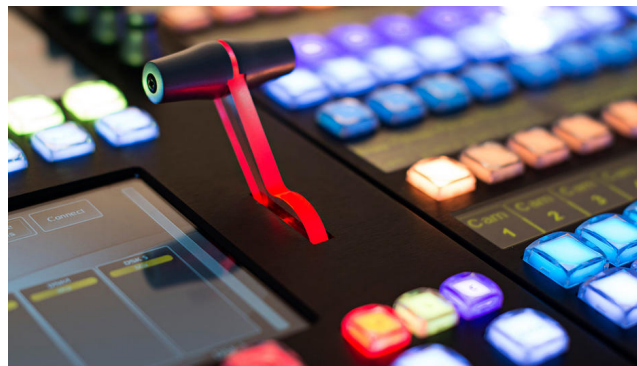


*\* Provided as indication*

## 2019 – EVS CONTRIBUTES TO « LIVE AUDIENCE BUSINESS » MARKET PILLAR



KANAL2 ESTONIA



GLOBO RPC NEWSROOM



UNIVERSITY OF MIAMI



FUTURESAFE TELEvisa SOLUTIONS

*MORE NEW GENERATION ELEMENTS OF SOLUTIONS  
TO COME TO RE-INVENT LIVE PRODUCTION*

*EVS ENGAGED IN SEVERAL PROJECTS OF BROADCAST CENTER  
MODERNIZATION – LEVERAGING BENEFITS OF VIA PLATFORM.*

## 2019 – EVS CONTRIBUTES TO « LIVE SERVICE PROVIDERS » MARKET PILLAR



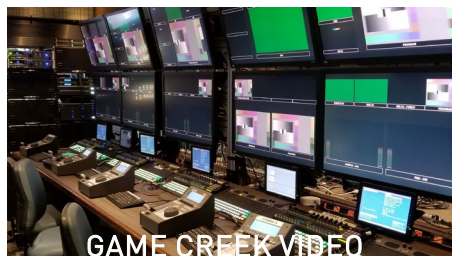
GRAVITY MEDIA GROUP



MOBILE TV IP TRUCK



F&F UDH 4K HDR



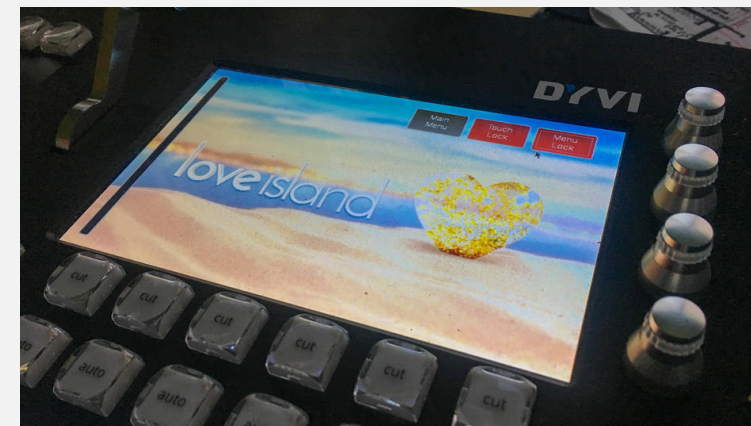
GAME CREEK VIDEO



NEP US



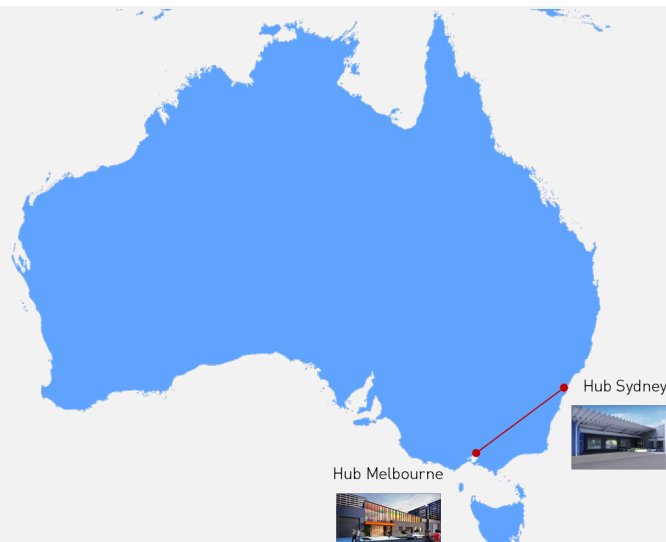
TVN



NEP Finland selected DYVI for MTV Finland "Love Island"

*NEP Australia  
Sidney & Melbourne hubs*

Remote production of 30 venues across Australia



X-ONE FOR  
FINA Artistic swimming World Series

## 2019 – EVS PREPARES 2020 SUMMER EVENTS WITH HOST BROADCASTERS

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**MAJOR 2020 MULTI-SPORTS EVENT  
IN ASIA**



**EUROPE WIDE TOURNAMENT IN 2020  
FOR LEADING SPORT FEDERATION**

# 2019 – 25 YEARS OF EMOTIONS ... AND IMPACT ON WHOLE INDUSTRY



- / Broadcast Academy activities with HBS
- Many training sessions with different EVS products



First women “football director”  
graduated at ORF

## **EVS FINANCIAL UPDATE**

- / 2019 FINANCIAL HIGHLIGHTS**
- / 2019 REVENUES**
- / GEOGRAPHICAL SPLIT**
- / REVENUE DESTINATION SPLIT**
- / CONSOLIDATED INCOME STATEMENT**
- / TEAM MEMBERS**
- / STRONG BALANCE SHEET**

## 2019 FINANCIAL HIGHLIGHTS

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- / 2019 Revenue:  
within the range of the guidance  
*(-2.3% YoY excluding big events rentals and at constant cy)*
  - Weak APAC region due to political and trade relations issues in the region
  - Strong NALA after low 2018 sales as major facility companies start transitioning to UHD and/or HDR

EUR 103.4 million

- / Strong Profitability
  - Strong gross margin
  - Operating expense declining thanks to strict cost and HC management
  - EBIT

71.6%

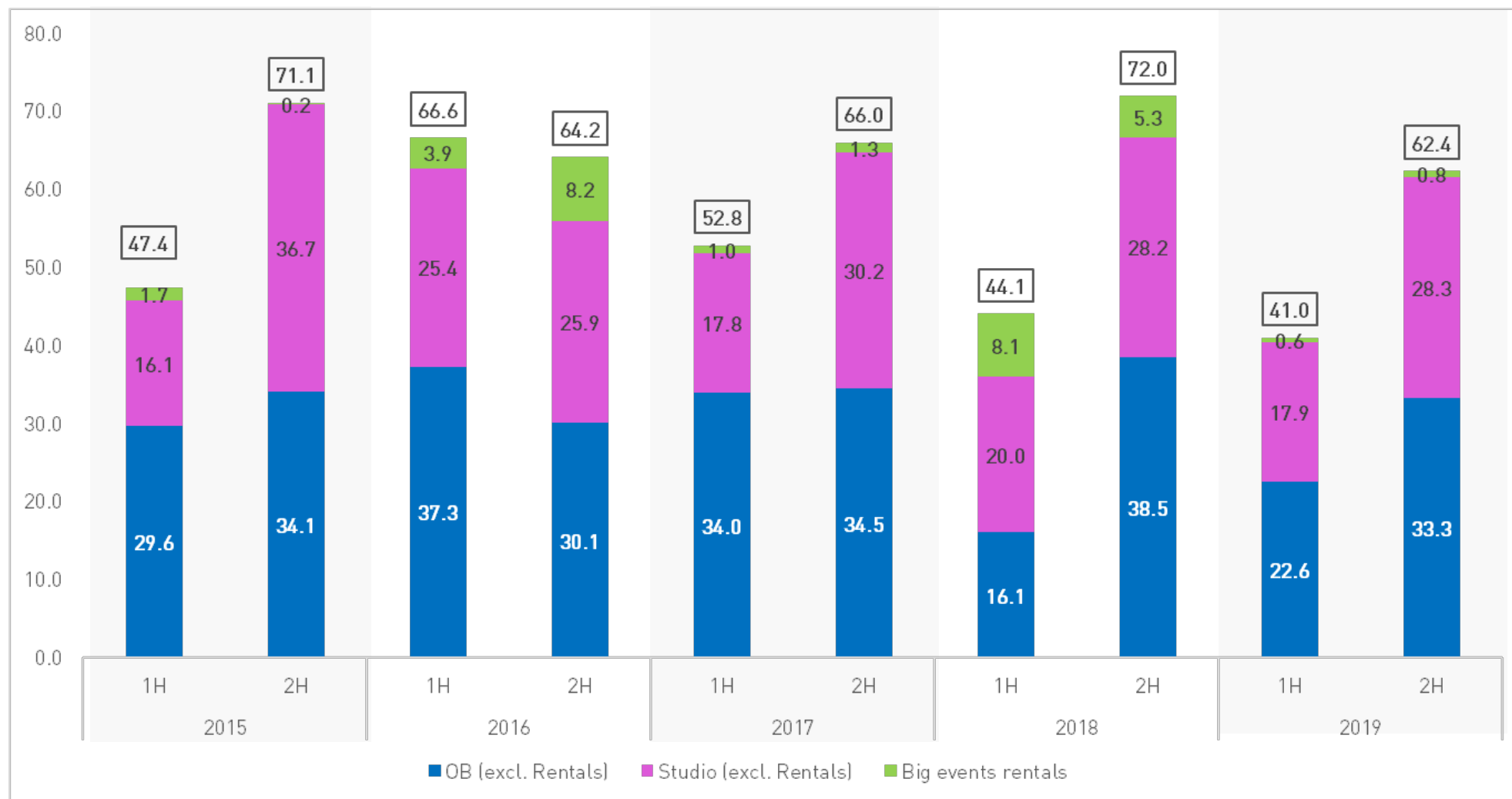
-5.3%

EUR 23.0 million

- / Net profit  
*(-44.2% compared to FY18 mainly due to exceptional tax deductions in relation with the innovation box regime in 2018)*

EUR 19.6 million

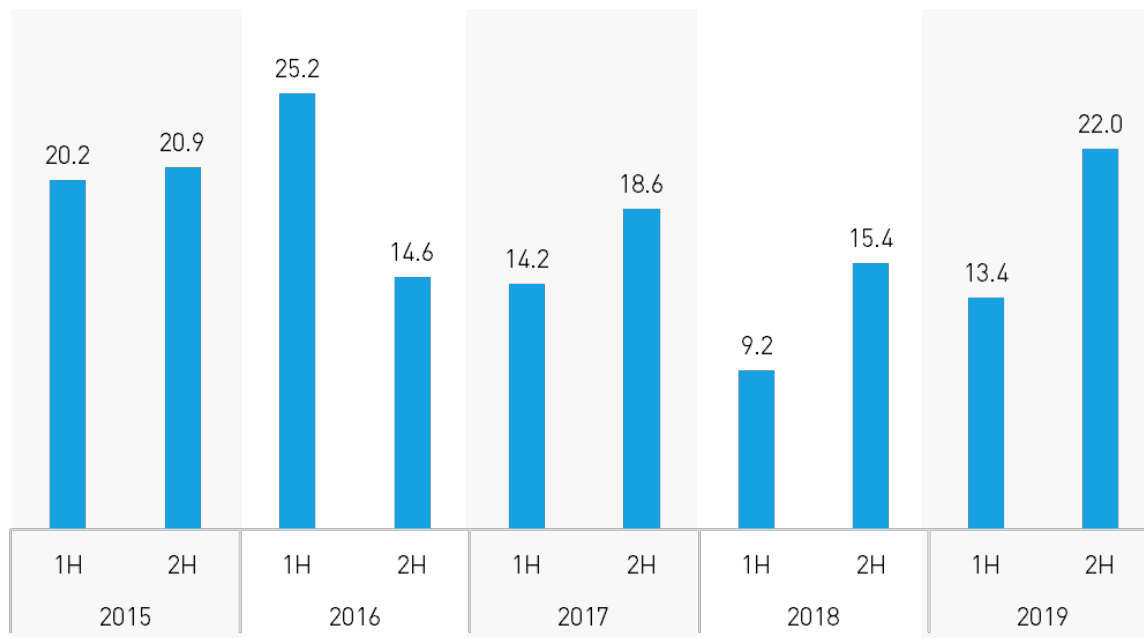
## 2019 REVENUES



# 2019 REVENUES

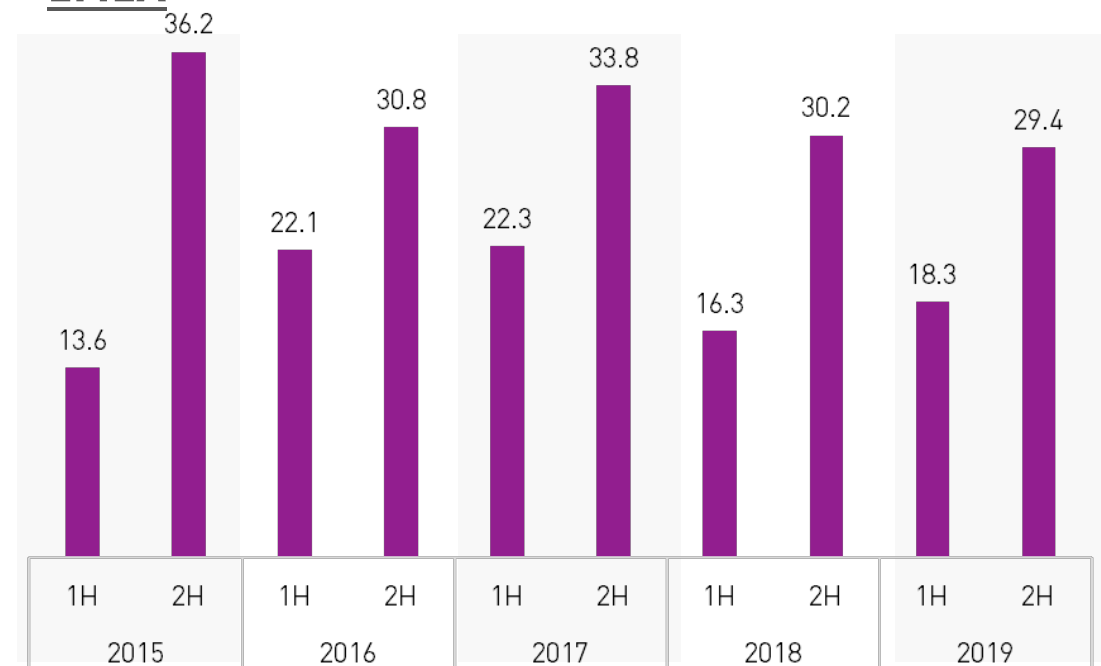
## GEOGRAPHICAL SPLIT

### NALA



**REVENUES 2019:**  
**+44% YOY**

### EMEA

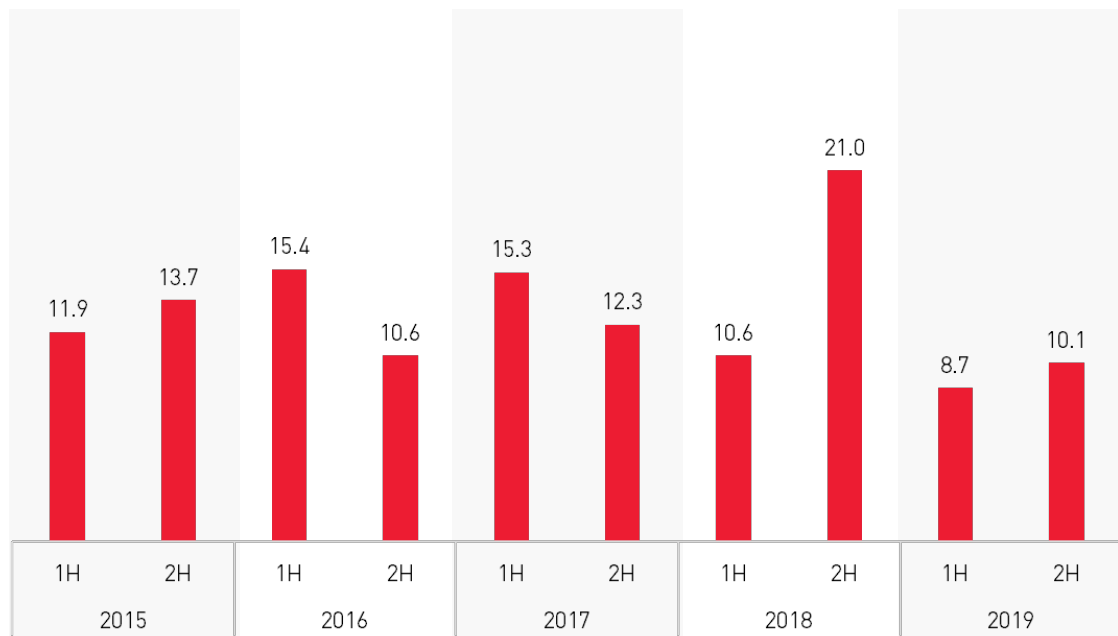


**REVENUES 2019:**  
**+2.7% YOY**

# 2019 REVENUES

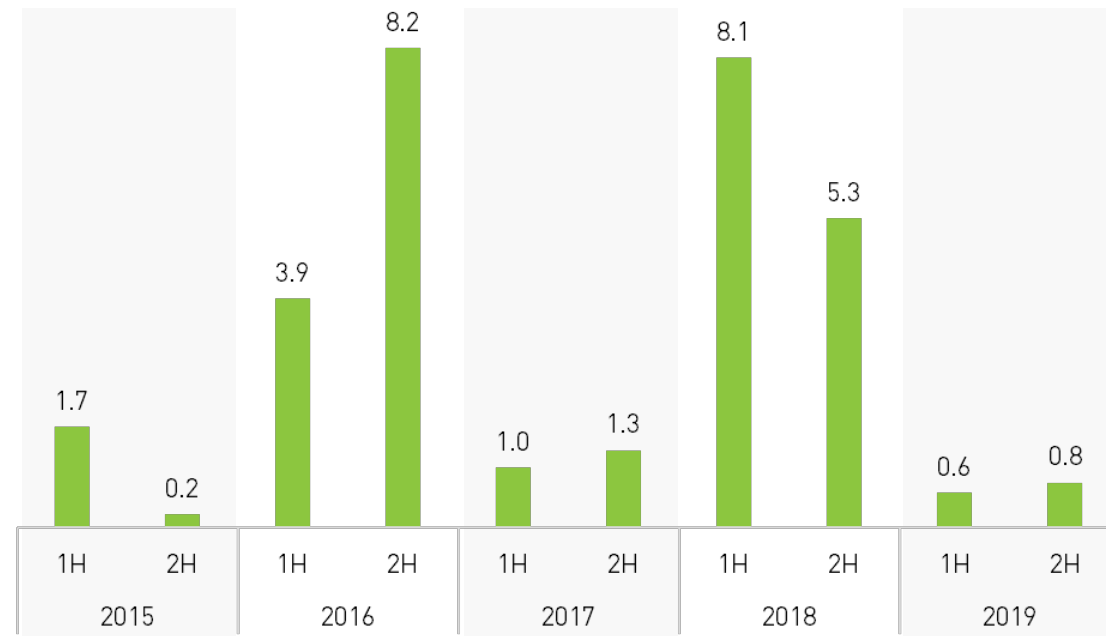
## GEOGRAPHICAL SPLIT

### ASIA-PACIFIC



**REVENUES 2019:**  
**-40.3% YOY**

### BIG EVENT RENTALS



**REVENUES 2019:**  
**WOMEN WOLD CUP; RUGBY WORLD CUP**

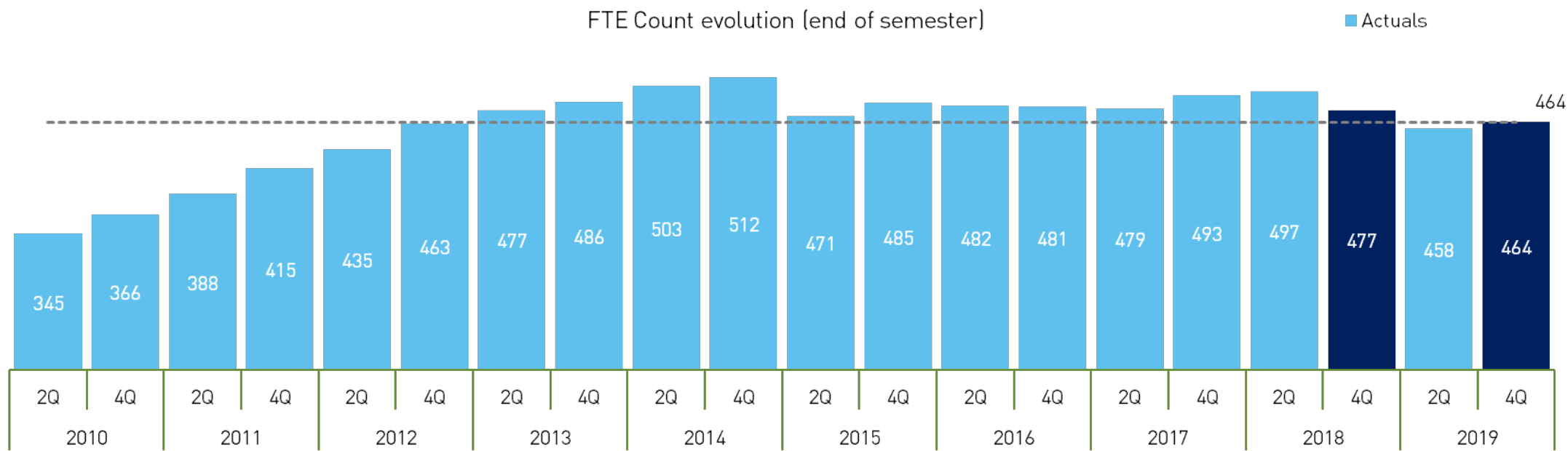
## CONSOLIDATED INCOME STATEMENT

In millions of EUR	2019	2018
<b>REVENUE</b>	<b>103.4</b>	<b>116.1</b>
Cost of sales	-29.3	-33.5
Gross profit	74.1	82.5
Gross margin	71.6%	71.1%
S&A	-27.9	-27.9
R&D	-22.6	-25.4
<b>EBIT</b>	<b>23.0</b>	<b>28.1</b>
<b>EBIT MARGIN</b>	<b>22.3%</b>	<b>24.2%</b>
Financial result	-0.1	+0.0
Taxes	-3.3	7.0
<b>NET PROFIT</b>	<b>19.6</b>	<b>35.2</b>
<b>BASICS EPS</b>	<b>1.40</b>	<b>2.60</b>

- / Revenues: -11% YoY (-0,6% excl. Big Events)
- / Gross margin: 71.6% thanks to better product mix and lower inventory write offs.
- / OPEX: -5,3% YoY thanks to professional fee reduction and HC management
- / EBIT IFRS 16 impact: +306KEUR in EBIT
- / Taxes 2018 included a positive impact from innovation box (+6,6MEUR)
- / 2019 ETR: 15.0%
- / EPS: 1,40EUR (-46% YoY)

TEAM MEMBERS EVOLUTION

NUMBER OF FTE DECREASES IN 2019: -13 FTE FROM DECEMBER 2018 TO DECEMBER 2019



/ End of semester HC snapshot reporting impacted by hiring timing (Not an average value)

# STRONG BALANCE SHEET

## CASH AVAILABLE: EUR 59 MILLION

ASSETS (EUR thousands)	12/2019	12/2018	12/2019 vs. 12/2018
<b>Non-current assets :</b>			
Goodwill	1,125	1,125	0
Other intangible assets	173	443	-270
Lands and buildings	49,365	44,836	4,529
Other tangible assets	4,344	2,765	1,579
Investment accounted for using equity method	1,421	1,282	139
Other financial assets	353	287	66
Other long term amounts receivables	959	2,324	-1,365
Deferred tax assets	6,570	5,428	1,142
<b>Total non-current assets</b>	<b>64,309</b>	<b>58,489</b>	<b>5,820</b>
<b>Current assets :</b>			
Inventories	16,823	15,113	1,709
Trade receivables	36,582	30,489	6,092
Other amounts receivable, deferred charges and accrued income	6,071	3,642	2,429
Other financial assets	238	129	110
Cash and cash equivalents	59,010	68,482	-9,471
<b>Total current assets</b>	<b>118,724</b>	<b>117,855</b>	<b>869</b>
<b>Assets classified held for sale</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>183,033</b>	<b>176,344</b>	<b>6,689</b>

/ Lands and buildings: +4,5MEUR of which +6,1MEUR for IFRS 16 and -1,5MEUR common depreciation costs

/ Other tangible asset: +1,5MEUR of which +2,3MEUR for IFRS16 and -0,7MEUR common depreciation costs

/ Deferred tax asset: +1,1MEUR mainly due to the DTA on EVS BE tax loss

/ Cash and cash equivalents: -9,5MEUR explained by a positive free cash flow of 18,3MEUR reduced by a net cash used for financing activities of -27,4MEUR of which the dividend pay-out (-13,6MEUR), the share buy-back (-5,2MEUR) and the reimbursement of lease liabilities and loans (-7,7MEUR)

# STRONG BALANCE SHEET

## NET CASH POSITION 46.3M€ AND LOW DEBT LEVEL

EQUITY AND LIABILITIES (EUR thousands)	12/2019	12/2018	12/2019 vs. 12/2018
<b>Equity :</b>			
<b>Capital</b>	<b>8.772</b>	<b>8.772</b>	<b>0</b>
Reserves	142.149	136.601	5.548
Interim dividends	0	0	0
Final dividend	0	0	0
Treasury shares	-9.927	-4.750	-5.177
<b>Total consolidated reserves</b>	<b>132.221</b>	<b>131.851</b>	<b>371</b>
Translation differences	767	713	54
<b>Equity attributable to equity holders of the parent company</b>	<b>141.761</b>	<b>141.336</b>	<b>425</b>
<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>141.761</b>	<b>141.336</b>	<b>425</b>
Long term provisions	1.636	2.105	-469
Deferred taxes liabilities	19	44	-25
Financial long term debts	6.070	4.426	1.644
Other long term debts	692	68	624
<b>Non-current liabilities</b>	<b>8.418</b>	<b>6.642</b>	<b>1.775</b>
Short term portion of financial debts	6.725	5.493	1.232
Trade payables	4.870	4.897	-28
Amounts payable regarding remuneration and social security	8.302	7.442	861
Income tax payable	4.282	2.519	1.763
Other amounts payable, advances received, accrued charges and deferred income	8.675	8.015	660
<b>Current liabilities</b>	<b>32.855</b>	<b>28.366</b>	<b>4.489</b>
<b>Total equity and liabilities</b>	<b>183.033</b>	<b>176.344</b>	<b>6.689</b>

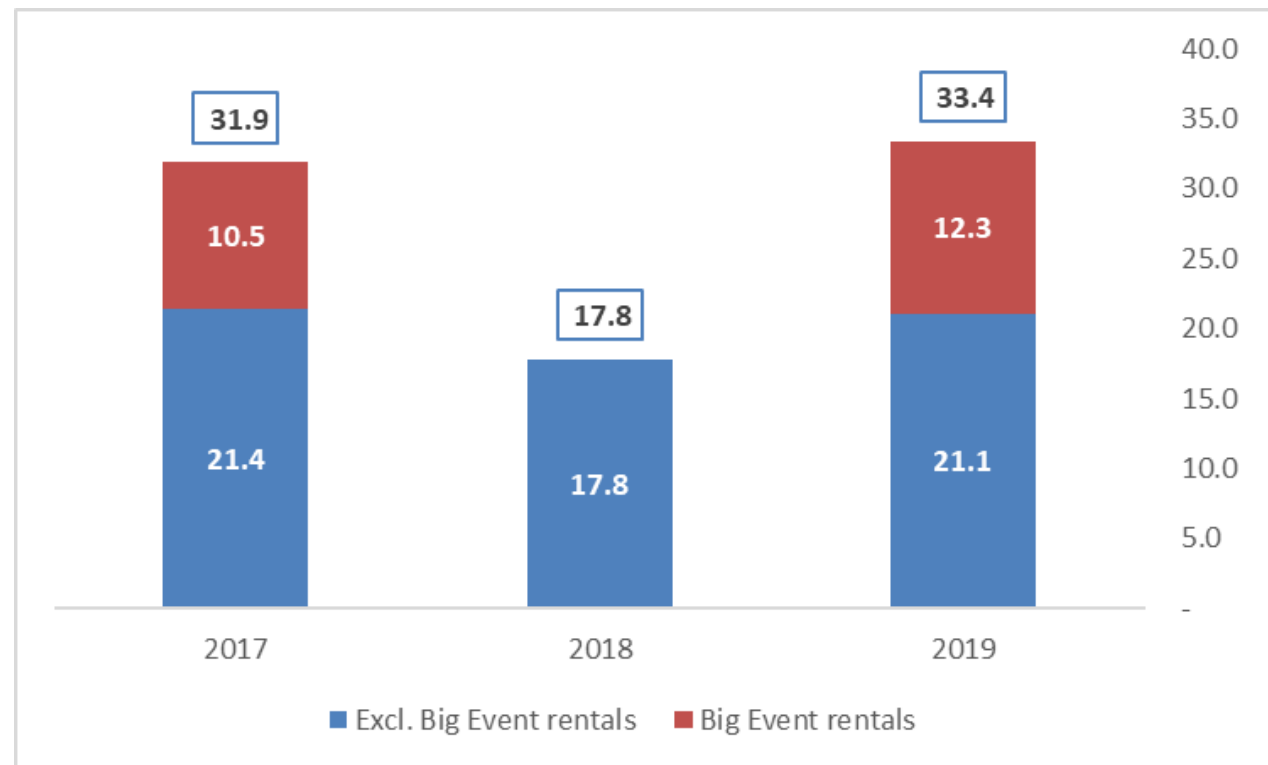
- / Financial long-term debts : +1,6MEUR of which +5,9MEUR for IFRS 16 and -4,3MEUR due to reimbursement of borrowings
- / Short-term portion of debts: +1,2MEUR of which 2,4MEUR for IFRS 16 and -1,2MEUR due to reimbursement of borrowings
- / Net Cash position: EUR 46,3 million (of which EUR 8,3 million of debt related to IFRS 16)
  - Share buy back: EUR 5,2 million
  - Dividend payment: EUR 13,6 million

## GUIDANCE

- / **ORDER BOOK**
- / **OUTLOOK & GUIDANCE 2020**
- / **DIVIDEND**
- / **GOVERNANCE**

## ORDER BOOK: +18.3% YOY EXCLUDING BIG EVENT RENTALS

- / Order book of EUR 33.4 million on December 31, 2019 (to be recognized in revenue in 2020),
  - +87.3% vs last year (+18.3%, excl. big event rentals)
- / Additional EUR 4.4 million orders to be invoiced in 2021 and beyond



Order book as of Dec 31

## OUTLOOK & GUIDANCE 2020

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- / Revenue is expected to be in the EUR 100 million to EUR 120 million range in 2020 taking into account a shift from a Capex model to a multi-year recurring revenue stream
- / Opex are expected to be stable compared to prior year

## DIVIDEND POLICY

### MAINTAIN DIVIDEND POLICY ANNOUNCED IN 2018

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- / Deliver a total gross dividend of EUR 1.00 for 2019 (incl. EUR 0.50 interim dividend paid in November 2019) proposed to the Ordinary General Meeting of May 2020
- / 2018 dividend policy maintained for 2020 – 2021:  
Deliver a total gross dividend of EUR 1.00 for 2020 and 2021, subject to market conditions.

## GOVERNANCE

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- / Philippe Mercelis appointed as President of the Board of Directors ad-interim
- / Search of new President of the Board of Directors ongoing

# CONCLUSIONS

- / **AROUND EVS WORLD IN 80 DAYS AS CEO**
- / **KEY ACTIVITIES FOR 2020**
- / **CONCLUSION**



## KEY ACTIVITIES FOR 2020

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- / Deliver the major summer events
- / Continue to expand EVS solutions offering, organically and/or through strategic partnerships
- / Implement PLAYForward project

## CONCLUSION

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- / 2019 revenues in line with the guidance albeit slightly declining versus 2018 (-2.3% YoY excluding Big Events rental)
- / 2020 outlook: revenues expected to be between 100-120M€
- / Opex expected to be stable year over year
- / 2018 dividend policy maintained for 2020 – 2021
- / PLAYForward project to revise & optimize future plans and objectives settings for 2020
- / EVS leadership strengthened, having sustainable & profitable growth ambition



# QUESTIONS & ANSWERS

# THANK YOU

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