



# EVS BROADCAST EQUIPMENT – 2021/H1 RESULTS

August 24th, 2021

Corporate Communication

EVS

# DISCLAIMER

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## ***Forward Looking Statements***

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*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.*

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
- / Outlook
- / Conclusions
- / Questions & Answers

# 2021 H1 HIGHLIGHTS

## PREPARING TO DELIVER STRONG RESULTS IN 2021

### REVENUES

- 20/H1 : 39.6MEUR
- 21/H1 : 61.8MEUR (+56%)

### EBIT

- 20/H1 : 3.3MEUR
- 21/H1 : 15.4MEUR (+368%)

### EOH1 ORDER BOOK

- 20/H1 : 45.8MEUR
- 21/H1 : 67.8MEUR (+48%)

### EOY NET CASH

- 20/H1 : 33.5MEUR
- 21/H1 : 41.8MEUR (+25%)

### / TOWARDS A NEW NORMAL FOR THE MARKET

- SUCCESSFUL DEPLOYMENT AND SUPPORT OF DEDICATED SOLUTIONS FOR MAJOR SUMMER EVENTS, BASED ON NEW GENERATION PLATFORM AND CLOUD
- CONTINUOUS - AND EVEN ACCELERATED - GROWTH IN THE LAB MARKET PILLAR WITH CUSTOMERS PURSUING THEIR MODERNIZATION PROJECTS
- AFTER-COVID CATCH-UP IN LSP MARKET PILLAR TO SUPPORT MAJOR EVENTS
- CONTINUOUS COMMITMENT OF OUR LSP CUSTOMERS WORLDWIDE TO UPGRADE OF THEIR INFRASTRUCTURE BASED ON EVS SOLUTIONS

### / TOWARDS A NEW NORMAL FOR EVS

- NEW MEDIA INFRA ROUTING SOLUTION
- LAUNCH XTRAMOTION AI & “CLOUD BASED” SERVICE FOR SUPER-SLOW-MOTION REPLAYS FROM ANY CAMERA
- NEW WEBSITE HIGHLIGHTING THE NEW SOLUTIONS
- NEW CHANNEL PARTNER PROGRAM IN PLACE TO ADDRESS NEW CUSTOMERS WITH NEW “ESSENTIAL” SOLUTIONS
- EVS BACK AT THE TRADE SHOWS IN Q4
- “BACK TO THE OFFICE” SCHEDULED IN SEPTEMBER WHILE LEVERAGING BETTER REMOTE COLLABORATION BETWEEN THE TEAMS

# 2021/H1 FINANCIAL HIGHLIGHTS

## LAST 5 YEARS RECORD REVENUE & PROFIT

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### / 2021 Revenue:

*(+52.9% YoY excluding big events rentals and at constant cy)*

- Accelerated growth in LAB (+39.1%) and in LSP (+62.8%) market pillars
- Back-orders end of 2020
- Big Events

**EUR 61.8 million**

### / Healthy Profitability

- Gross margin
- Positive EBIT
- Operating expenses under control despite increased Team Member costs due to the acquisition of Axon in May 2020

68.9%

**EUR 15.4 million**

### / Net profit

*(+379% compared to 1H 2020 due to higher revenue)*

**EUR 15.6 million**



## 2021 – SUCCESSFUL SUMMER EVENTS

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- / Full engagement of all EVS teams to deliver and support the systems offering the best possible images to worldwide audiences
- / Numerous challenges:
  - Covid-19 limiting the staff « in the venues »
  - « First events » for EVS products and solutions of the new generation (e.g. LSM-VIA)
  - « First events » with many hybrid (« cloud-based ») workflows
- / Successful results:
  - Delighted customers
  - « Events proofed » products & solutions
  - Further innovations in next versions based on new requirements
  - Proud teams!



# 2021/H1 – CONTINUOUS – EVEN ACCELERATED - GROWTH IN LAB MARKET PILLAR

## LSP CUSTOMERS CATCHING UP INVESTMENTS AND COMMITTING TO UPGRADES



Deployment of existing contracts and secure new large multi-million modernization contracts based on VIA platform, fully leveraging IP 2110 and/or micro-services.

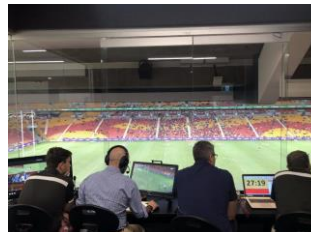


- LSPs catching up to prepare for the summer events
- LSPs having mid-term upgrade plan for a significant part of their inventory

Traction and successes for LiveCeption Pure systems – entry level live production & replays



- VAR for Australian sports with Gravity Media
- Success in Eastern Europe with "Xeebra Essential"



Contracts for 2022 major events secured



# LAST 12 MONTHS EVOLUTIONS & ACTIONS CONTRIBUTING TO EVS EVOLUTION JOURNEY

## FROM A 2015 COMPANY...

PRODUCT MARKET LEADER

IN PREMIUM MARKET

SELLING IN CAPEX ONLY

SDI REPLAY CENTRIC SYSTEMS

ON EVS HW

FOR ON-PREM LIVE PRODUCTION

MAINLY IN SPORTS

✓ Successful Axon integration

✓ X00s workflows certified with 3rd-party tech partners  
✓ Portfolio branded in terms of solutions

✓ Good traction of XT-GO for smaller OBVs  
✓ New channel partner program ready

✓ Longer SLA subscriptions

✓ Development of Media infrastructure portfolio  
✓ More and more AI in the solutions

✓ Pure SW solutions (PAM & servers) deployed  
✓ XTRAMOTION in the cloud

✓ LSM-VIA further refined for remote production  
✓ XTRAMOTION as a new form of hybrid workflow

✓ More & more transverse broadcast center modernization contracts

## ... TO A 2025 GROUP

SOLUTION MARKET LEADER

IN DIFFERENT MARKET TIERS

SELLING IN OPEX & CAPEX

IP TCO OPTIMIZED MEDIA SOLUTIONS

AS SW ON COTS, CLOUD & EVS HW

FOR LIVE ANYWHERE OPERATION

IN SPORTS, NEWS & ENTERTAINMENT



# COMBINING PRODUCTS TO CREATE THE PERFECT SOLUTIONS



Live production, replays and highlights solutions that **elevate the fan experience**



Product asset management solutions for **fast and easy content turnaround**



Routing and infrastructure solutions to **control and process all media workflows**

- + Faster integration thanks to workflows integrated **with 100+ tech partners**
- + Better integrated products for higher efficiency of operation
- + Leveraging certified workflows for solutions with broader scope

# NEW TECHNOLOGIES (IP, AI, CLOUD) ENABLING NEW SOLUTIONS DELIVERING KEY VALUE TO CUSTOMERS

*MediaInfra*

Strada



- + EVS enters in the media routing business
- + Leveraging Neuron (former Axon) virtualisation
- + Offering a TCO optimized evolution path towards full IP
- + Proven by a first 1MUSD+ deal in NALA

*LiveCption*

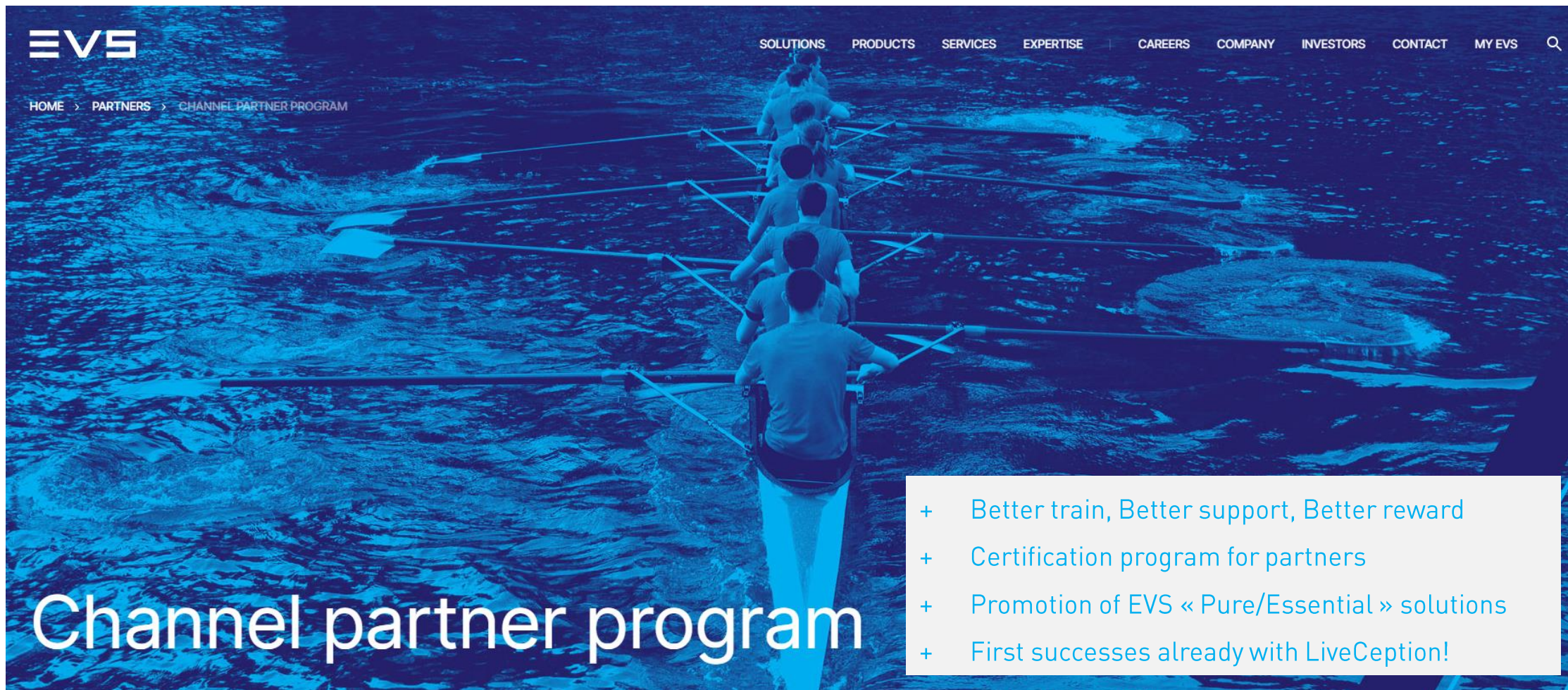
XtraMotion



- + EVS leverages hybrid workflows (« on-prem » & cloud)
- + With AI based super-slow-motion replays
- + From any camera with an optimal « delay to live »
- + Proven by the market traction (e.g. Fox Sports US as early adopter)



# NEW CHANNEL PARTNER PROGRAM IN PLACE



**EVS**

SOLUTIONS PRODUCTS SERVICES EXPERTISE CAREERS COMPANY INVESTORS CONTACT MY EVS

HOME > PARTNERS > CHANNEL PARTNER PROGRAM

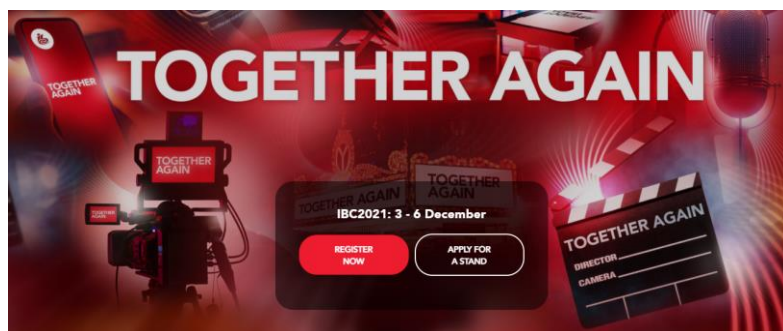
## Channel partner program

- + Better train, Better support, Better reward
- + Certification program for partners
- + Promotion of EVS « Pure/Essential » solutions
- + First successes already with LiveCeption!



# EVS BACK IN TRADE SHOWS WHEN CONFIRMED WHILE CONTINUING REMOTE INTERACTIONS WITH CUSTOMERS

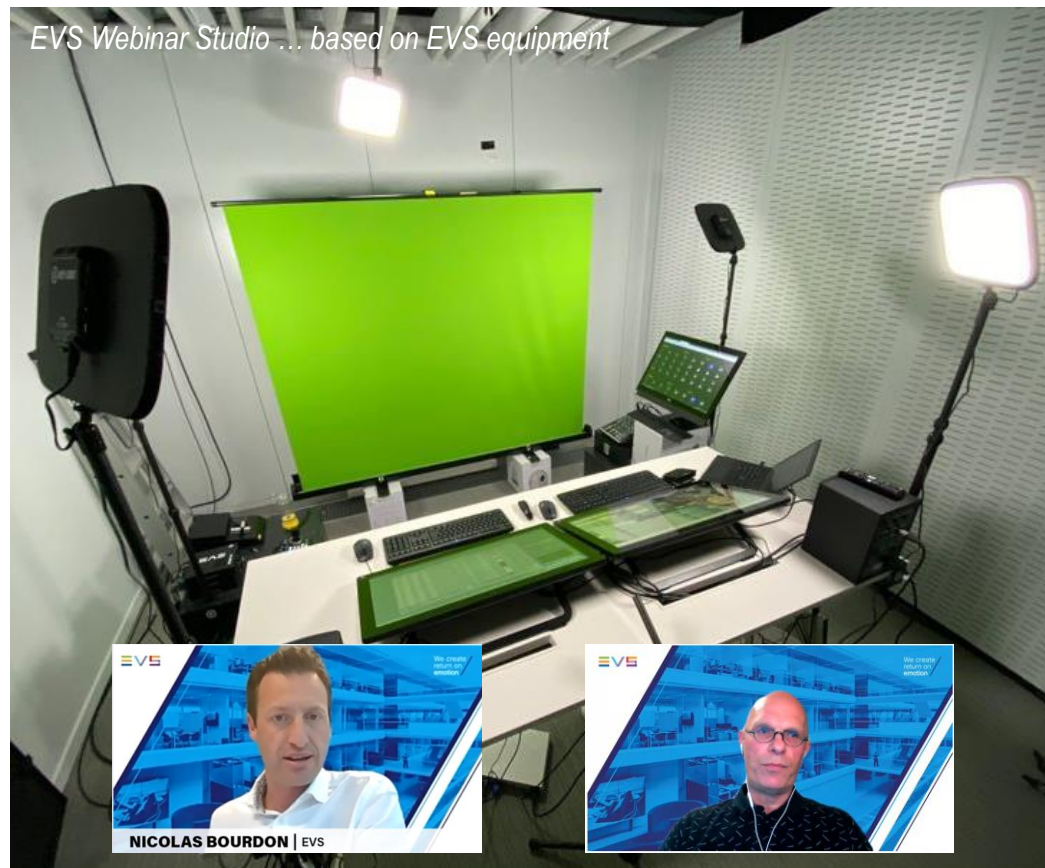
EVS back in the trade shows  
when relevant and possible



REGION'S LEADING MEDIA ENTERTAINMENT AND TECHNOLOGY EVENT

&

Continue to leverage the efficiency  
of remote interactions with customers



# BACK TO THE OFFICE

- / In HQ, « back to the office » scheduled in September
  - Ratios of vaccination in Belgium are among the best in the world
  - Our staff is in the starting blocks to come back a few days a week
- / While leveraging all the experience acquired during last 18 months
- / To achieve higher productivity than before Covid





# EVS FINANCIAL UPDATE

- / 2021/H1 FINANCIAL HIGHLIGHTS
- / 2021/H1 REVENUES
- / GEOGRAPHICAL SPLIT
- / REVENUE DESTINATION SPLIT
- / CONSOLIDATED INCOME STATEMENT
- / TEAM MEMBERS
- / STRONG BALANCE SHEET

# 2021/H1 FINANCIAL HIGHLIGHTS

## LAST 5 YEARS RECORD REVENUE & NET PROFIT

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### / 2021 Revenue:

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**EUR 61.8 million**

### / Healthy Profitability

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68.9%

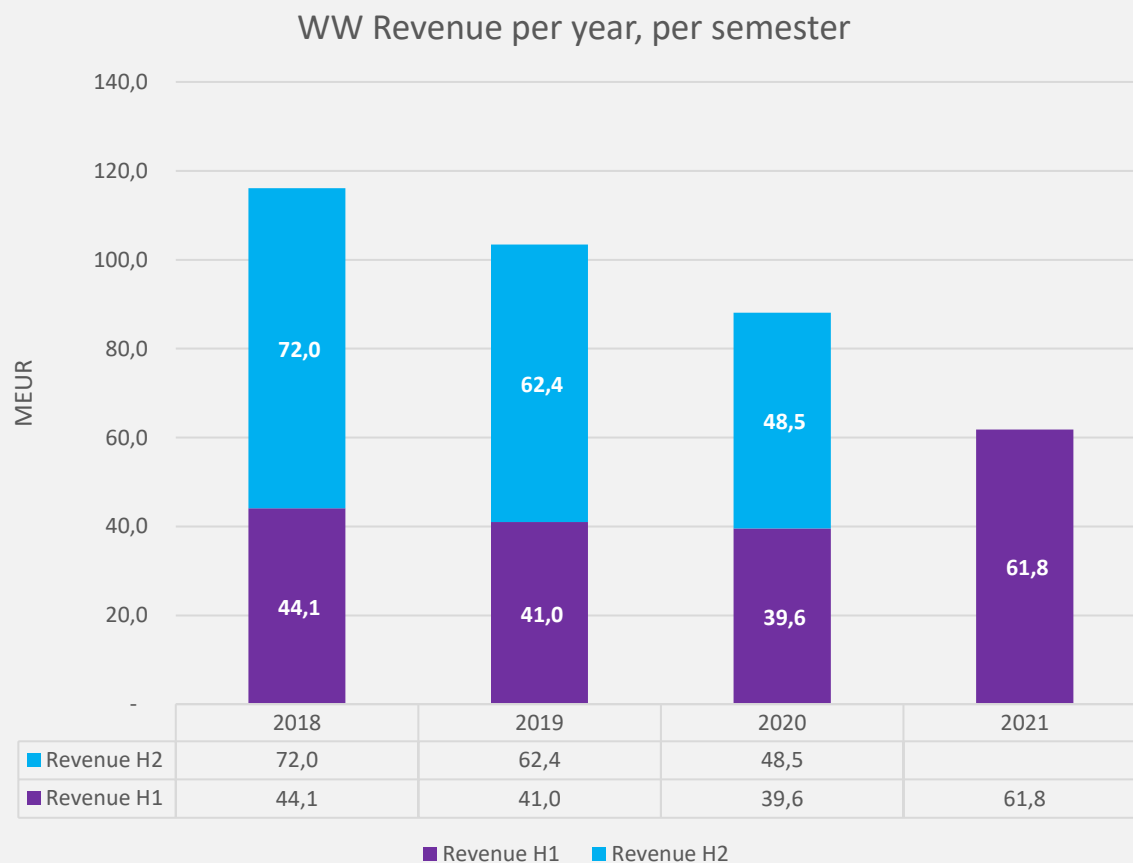
**EUR 15.4 million**

### / Net profit

*(+379% compared to 1H 2020 due to higher revenue)*

**EUR 15.6 million**

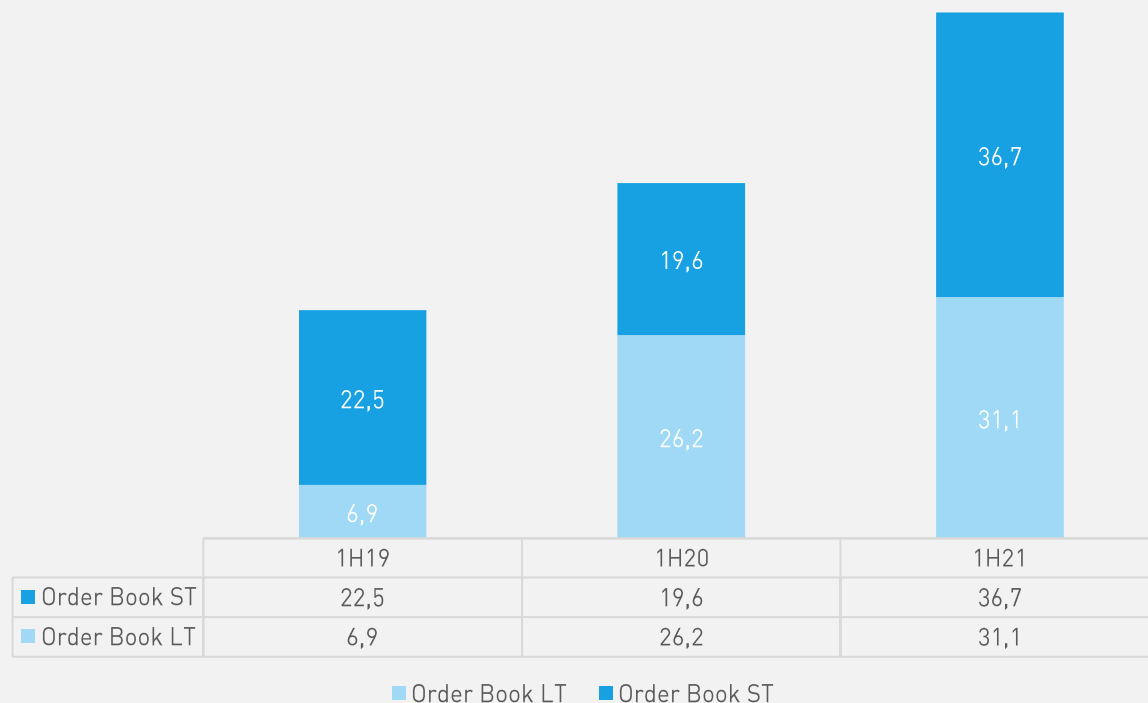
# 2021/H1 REVENUE



- Best H1 revenue of the last 5 years
- Thanks to back-orders end of 2020, Big Events rentals and Axon revenue
- Guidance being increased by 5MEUR and expected to land between 115MEUR and 125MEUR

# 2021 ORDER BOOK

Order Book Incl. Big Events



- Order book increases with time due to following reasons:
  - LAB projects spread on several years
  - More recurrent revenues (OPEX & SLA)
- Significant increase of long-term order book

ST (Short Term)= 2H21  
 LT (Long Term)=Year + 1 and following

# REMINDER

## MARKET PILLAR DEFINITIONS



### / LIVE AUDIENCE BUSINESS (LAB)

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

Revenue 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

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



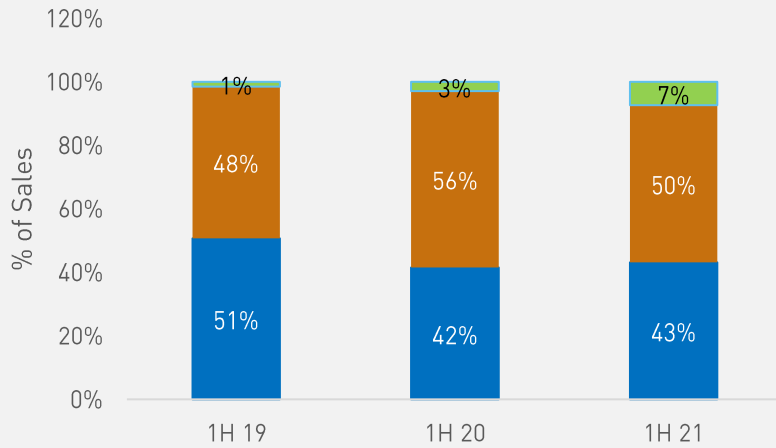
### / BIG EVENTS RENTAL

Highlight the non-yearly revenue base.

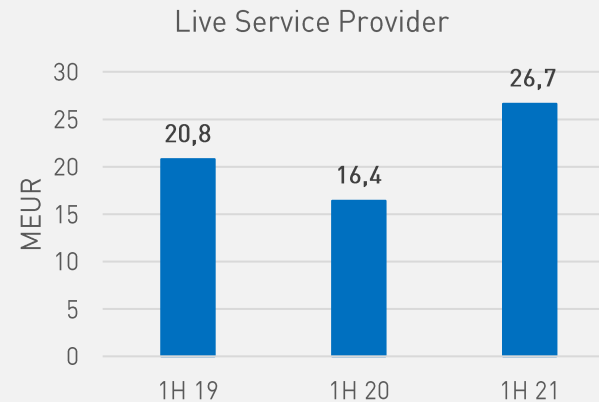
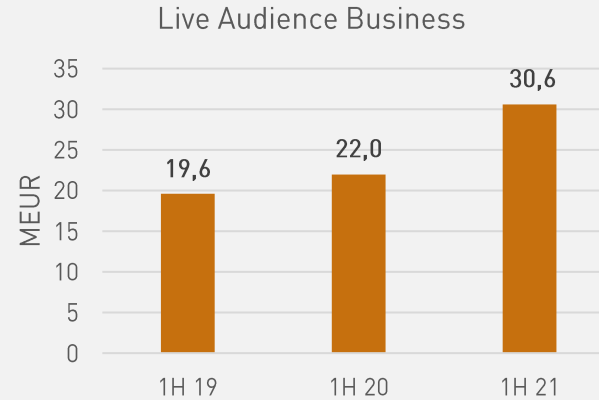
Revenue from major non-yearly big events rental.



## 1H 2021 REVENUE BY MARKET PILLARS



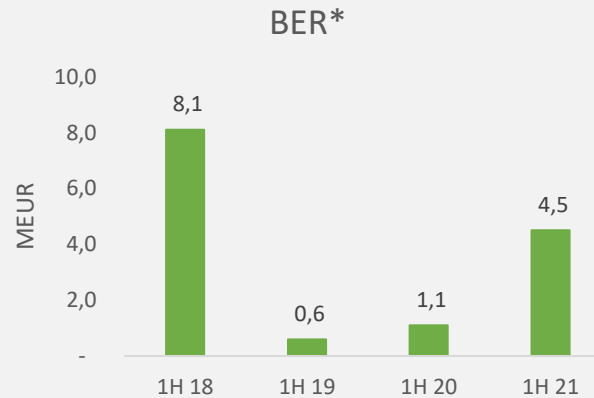
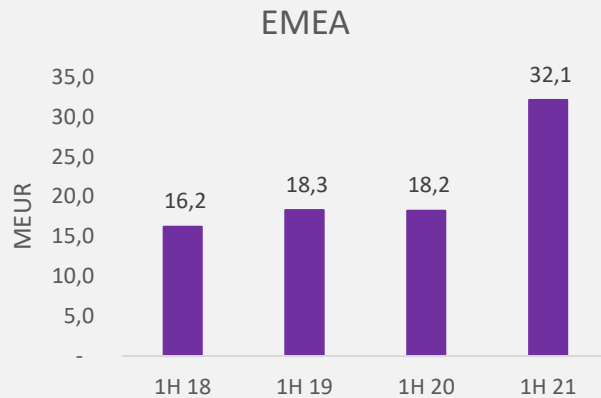
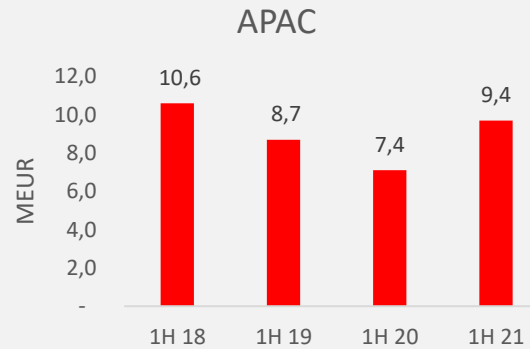
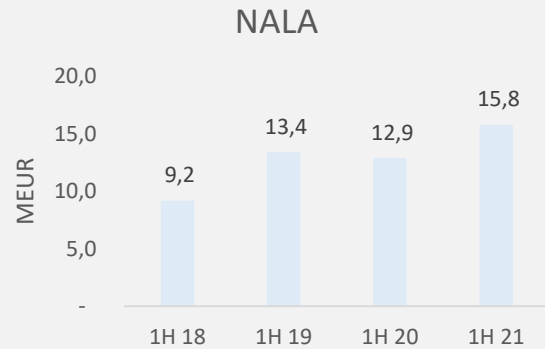
■ Live Service Provider ■ Live Audience Business  
■ Big events rentals



- / Accelerated growth in LAB market pillar thanks to attractive MediaCeption solution based on VIA platform
- / Catch-up of LSP customers to support summer events

## 2021/H1 REVENUE BY REGION

Media Infrastructure revenues included in each region



- / Large LAB contracts in NALA support the growth in the region
- / LSP catch-up supports the growth in EMEA
- / Only a part of BER revenues linked to major summer events recognized on June 30th

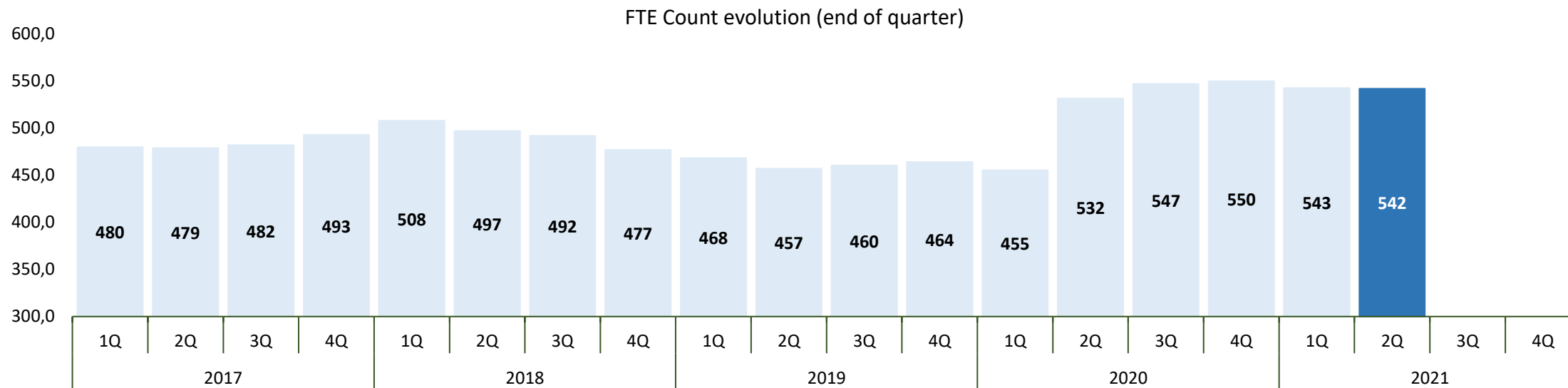
# CONSOLIDATED INCOME STATEMENT

In millions of EUR	1H 2021	1H 2020
<b>REVENUE</b>	<b>61.8</b>	<b>39.6</b>
Cost of sales	-19.2	-12.6
Gross profit	42.6	27.0
Gross margin	68.9%	68.2%
S&A	-14.8	-12.6
R&D	-12.2	-10.9
Other Rev/ Expense	-0,2	0
<b>EBIT</b>	<b>15.4</b>	<b>3.3</b>
<b>EBIT MARGIN</b>	<b>24,9%</b>	<b>8.3%</b>
Financial result	0,1	-0.3
Taxes	0.1	0.3
<b>NET PROFIT</b>	<b>15,6</b>	<b>3.3</b>
<b>BASICS EPS</b>	<b>1.16</b>	<b>0.24</b>

- / Revenue: +56% YoY
- / Gross margin: 68.9% due to lower gross margin on MediaInfra (ex Axon) products and increase of remuneration costs in Operational Costs.
- / OPEX: +15,4% YoY mainly explained by increased remuneration costs due to integration of Axon in May 2020
- / EPS: 1,16 EUR (+392% YoY)

## TEAM MEMBERS EVOLUTION

### SLIGHTLY INCREASING WORKFORCE SINCE ACQUISITION OF AXON



Workforce slightly increasing to deliver the contracts.

# STRONG BALANCE SHEET

## CASH AVAILABLE: EUR 56.9 MILLION

ASSETS (EUR thousands)	6/2021	12/2020	6/2021 vs. 12/2020
<b>Non-current assets :</b>			
Goodwill	2.832	2.832	0
Other intangible assets	6.468	7.041	-573
Lands and buildings	50.392	51.662	-1.270
Other tangible assets	4.391	5.034	-643
Investment accounted for using equity method	1.973	1.760	213
Other financial assets	396	395	1
Other long term amounts receivables	1.754	543	1.211
Deferred tax assets	7.238	8.725	-1.487
<b>Total non-current assets</b>	<b>75.444</b>	<b>77.992</b>	<b>-2.548</b>
<b>Current assets :</b>			
Inventories	24.813	22.579	2.234
Trade receivables	39.123	30.728	8.395
Other amounts receivable, deferred charges and accrued income	7.516	5.930	1.587
Other financial assets	175	120	55
Cash and cash equivalents	56.921	52.668	4.253
<b>Total current assets</b>	<b>128.548</b>	<b>112.024</b>	<b>16.524</b>
<b>Assets classified held for sale</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>203.992</b>	<b>190.016</b>	<b>13.976</b>

- / Lands and buildings: -1,2MEUR links to the depreciations of contracts (IFRS16) & depreciations on buildings & equipment
- / Other long term amounts receivables: +1,2M€ Increase of non-current finance lease receivables
- / Deferred tax assets : -1.5MEUR of which -1,2MEUR for netting with Deferred tax liabilities and are mainly composed of deferred taxes on EVS BE (DRI-DPI).
- / Inventories: +2,2MEUR (the big event to supply) of which 2,3MEUR from MediaInfra
- / Trade receivables increased by 8,4M€ followings the strong 1H21 result and DSO decrease(-3)
- / Other amounts receivable, deferred charges and accrued income
- / Cash and cash equivalents: +4,3MEUR mainly explained by the increase of operating incomes and no big investments done during 1H21



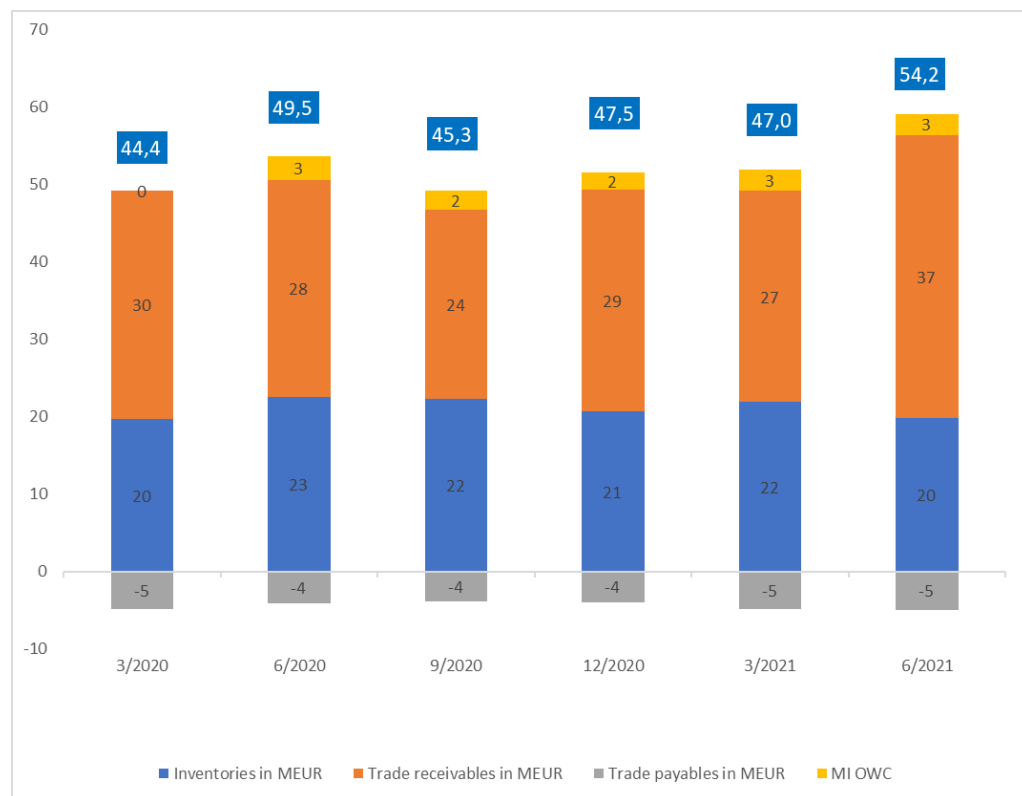
# STRONG BALANCE SHEET

## NET CASH POSITION 41.8M€ AND LOW DEBT LEVEL

	6/2021	12/2020	6/2021 vs. 12/2020
<b>Equity :</b>			
<b>Capital</b>	<b>8.772</b>	<b>8.772</b>	<b>0</b>
Reserves	158.267	149.308	8.958
Interim dividends	0	0	0
Final dividend	0	0	0
Treasury shares	-17.776	-17.835	59
<b>Total consolidated reserves</b>	<b>140.491</b>	<b>131.473</b>	<b>9.017</b>
Translation differences	475	276	199
<b>Equity attributable to equity holders of the parent company</b>	<b>149.739</b>	<b>140.522</b>	<b>9.217</b>
<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>149.739</b>	<b>140.522</b>	<b>9.217</b>
Long term provisions	1.360	1.299	61
Deferred taxes liabilities	12	1.389	-1.377
Financial long term debts	11.174	12.251	-1.077
Other long term debts	993	993	0
<b>Non-current liabilities</b>	<b>13.539</b>	<b>15.932</b>	<b>-2.393</b>
Short term portion of financial debts	3.951	4.713	-762
Trade payables	7.483	5.775	1.708
Amounts payable regarding remuneration and social security	7.773	7.005	768
Income tax payable	2.308	2.259	49
Other amounts payable, advances received, accrued charges and deferred income	19.199	13.811	5.388
<b>Current liabilities</b>	<b>40.714</b>	<b>33.562</b>	<b>7.152</b>
<b>Total equity and liabilities</b>	<b>203.992</b>	<b>190.016</b>	<b>13.975</b>

- / Increase of the reserves explained by the difference between the result of the period and the dividend paid
- / Deferred tax liabilities : -1.4 MEUR of which -1,2MEUR for netting with Deferred tax assets
- / Financial long-term debts : -1.1 MEUR links to the IFRS16 impact
- / Trade payables (+1,7 MEUR) increase due to the high level of activity for 1H 21
- / Other amounts payable, advances received, accrued charges and deferred income : +5,3 MEUR mainly explained by the increase in contracts in progress for big events (JO & EURO)

# INCREASE OF WORKING CAPITAL



/ Increase of Operating working capital: 54,2 MEUR

+15,3% VS 1Q 21 :

- Inventories : -2,1 MEUR
- Trade receivables : +9,3 MEUR (Sales Volume increase)
- Trade payables : stable

+9,5% VS 1H 20 :

- Inventories : -2,8 MEUR
- Trade receivables : +8,6 MEUR
- Trade payables : -0,8 MEUR



# OUTLOOK

## / OUTLOOK & GUIDANCE 2021

## OUTLOOK & GUIDANCE 2021

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### / Considering:

- that the conditions initially defined (pandemic under control and major summer events happening) for previous revenue guidance are met
- the H1 revenues and current order book

The revenue guidance provided during Q2 trading update is increased of 5.0MEUR with revenues currently expected to be **in the range between 115.0MEUR and 125.0MEUR.**

- / Opex is expected to slightly increase compared to prior year following the full year integration of Axon (Media Infrastructure) costs while keeping costs under control.
- / The gross margin percentage is expected to be negatively impacted by potential shortage and delay of components and raw material as well as the rising prices thereof.
- / EVS expects to deliver a dividend of 1.00EUR for the year 2021, subject to market conditions.

## NEXT FOCUS & CONCLUSIONS

- / NEXT FOCUS - KEY ACTIVITIES FOR 2021
- / CONCLUSION



## NEXT FOCUS - KEY ACTIVITIES FOR 2021/H2

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- / Deliver the large multi-years modernization projects that we have won
- / Support our customers in their challenges and help them to recover in a better shape
- / Continue to expand EVS solutions offering, organically, through acquisitions and strategic partnerships
- / Prepare 2022 major events

# CONCLUSION

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- / Best H1 revenues and profit of the last 5 years
  - Major summer events delivered successfully
  - Continuous – and even accelerated – growth in LAB market pillar
  - Catch-up and mid-term commitments in LSP market pillar
- / Strong order book
- / EVS evolution based on PLAYForward strategy continues as planned
- / The gross margin percentage is expected to be negatively impacted by potential shortage and delay of component and raw material as well as the rising prices thereof.
- / Opex is expected to slightly increase compared to prior year following the full year integration of Axon (Media Infrastructure) costs while keeping costs under control
- / Guidance increased of 5.00MEUR in the range between 115.0MEUR and 125.0MEUR.
- / Dividend of 1.00EUR for year 2021, subject to market conditions.
- / EVS in the starting blocks for the new normal



# QUESTIONS & ANSWERS

# THANK YOU

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